



Community Development Block Grant Advisory Committee

Agenda

May 17, 2018
Atrium, 99 West 10th Avenue
Room Saul, 3rd Floor
5:30 – 6:30 pm

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| I. Introductions, Public Comment, and Meeting Summary Approvals
(March 22 & April 12) | Info | 10 Minutes |
| II. Public Hearing/CDBG Allocation Recommendation | Discussion/
Action | 40 Minutes |
| III. Next Steps | Discussion | 10 Minutes |

COMMITTEE FORMATION AND ROLE:

The formation of the Community Development Block Grant Advisory Committee (CDBG-AC) was approved by the Citizen Involvement Committee in 1993. The role of the committee is to develop recommendations for City staff on administration of the federally-funded Community Development Block Grant. Citizens who serve on this committee are selected from three pools: the Special Interest Pool, the Neighborhood Pool, the Voter Pool, and one special Human Rights Commission representative. The committee is responsible for developing recommendations to City staff in the following areas:

- Annual Program Review
 - Housing Programs – Acquisition and Rehabilitation
 - Economic Development – Business Development Loans and Microenterprise training
 - Administration
 - Accessibility Improvements – Curb ramps, accessible pedestrian signals, and barrier removal projects
 - Capital improvements for low-income neighborhoods
 - Public services: Human Services Commission
 - Non-profit capital improvement projects
- Development of recommendation to the Planning & Development Department for the annual allocation of CDBG funds
- Development of recommendation for reprogramming of CDBG funds
- Conducting public hearings

For more information about this agenda, please contact **Stephanie Jennings at the Planning & Development Department, 541-682-5529 or Stephanie.a.jennings@ci.eugene.or.us**. The CDBG-AC welcomes your interest in these agenda items and encourages you to come and go freely at any of the meetings. This meeting location is wheelchair accessible.

For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Assistance for persons with hearing impairments is available through the Oregon Relay System. For non-English speaking residents, the services of a foreign language interpreter can be provided with 48 hours' notice prior to the meeting. To arrange any of these services, please contact **Teresa Kennedy at 541-682-5767 or Teresa.m.kennedy@ci.eugene.or.us**.



**Community Development Block Grant
Advisory Committee (CDBG-AC)**

Meeting Summary
Thursday, March 22, 2018
99 West 10th Avenue
Atrium Building, Saul Room, Third Floor

Members Present: John Barofsky, La Perla and Beppe and Giannis Owner; Aaron Box, Minister, Member Harlow Neighborhood Association; Aimee Walsh, Direction Services, Human Rights Commissioner; Jennifer Webster, Lane County Public Health; Aloura DiGiallorardo, Holt International Children's Services; Chris Ramey, University of Oregon Facilities Planning; Phil Farrington, CDC Management Corp.

Members Absent: Brett Rowlett, Lane Community College; Ibrahim Coulibaly, NAACP

Staff Present: Stephanie Jennings, City of Eugene; Teresa Kennedy, City of Eugene; Odette Oppe, City of Eugene

Members of the Public Present: N/A

Advisory Committee members and staff introduced themselves. No public comment was offered.

Stephanie reviewed the CDBG-AC meeting dates and process. She explained that tonight's meeting is an overview of the allocation process. She will provide background information on the 2015 Consolidated Plan, which guides the work of the CDBG-AC. Stephanie noted that the second meeting will include specific program reviews presented by staff, including progress made, and specific requests for programs. Also at the second meeting, the advisory committee will make a draft budget recommendation that will be put out for public comment. Stephanie explained that the third meeting will include a public hearing and the final budget recommendation. Finally, Council action will occur on May 29, 2018. Stephanie further explained that this year has been challenging in that Congress hasn't acted yet, though it looks promising that they will act on March 23, 2018. Once Congress acts, HUD will take 30-45 days to inform us of our specific grant amount. In addition, the Action Plan will be submitted to HUD by June 1. HUD will take 45 days to review, before issuing the funds. We can expect to receive the CDBG funds in July.

John informed the committee that his perception of the committee is very “eye opening” in terms of learning what local nonprofits are doing in our community. He added that it can also be “frustrating” to see the strings that federal money comes with. John said overall, it’s helpful to see all of the good work the nonprofits are doing. Stephanie agreed with John and explained that the advisory committee tries to meet the needs of the community.

Stephanie gave a PowerPoint presentation, “Consolidated Plan Review for Eugene CDBG Advisory Committee” which reviewed the Consolidated Plan purpose and process, the community needs and trends, an overview of CDBG and HOME programs, the Consolidated Plan priorities and strategies, and a review of year two of the plan. Year two outcomes include a landbank site that was acquired, rehabilitation of 272 units of affordable housing, down payment assistance provided to 6 homebuyers, maintained Housing Policy Board, provided three fair housing trainings and exhibited at a housing fair. In addition, funding was provided to five human services agencies, the rehab of SVdP Homeless Singles Access Center was completed, and the RPF process to select four additional human service capital improvements was completed. Employment opportunities were discussed, along with the completed rehab of Charnel Mulligan Park.

The advisory committee discussed the tour of projects. The tour will include an affordable housing project, a human services project, and a business loan recipient. The committee discussed an afternoon tour, starting at 2 pm or 3 pm on a Friday, before the end of the allocation process. John said that Fridays don’t work for him, but he has participated in tours previously and has a good sense of the nonprofits and businesses supported. Staff will send an email to identify a date before or around the end of the allocation process. The committee will discuss potential locations after learning more about specific programs at the second meeting.

Stephanie reviewed the allocation process using the FY17 budget as an example. She explained the three sources of funding: the new entitlement money received each year, the program income from the business development fund, and the program income from the housing revolving loan fund. Occasionally other program income is received. Stephanie provided an overview of the CDBG uses categories. Regarding allocation of resources, HUD states that when we have a revolving loan fund, the income needs to go back into that program. Regarding the entitlement funds, we can move those around. Last year, the committee put significant resources into land acquisition. The category of Rehabilitate Existing Housing is funded through a combination of program income that comes back in and through the emergency home repair as grants or deferred loans. The Down Payment Assistance program didn’t have money allocated last year and it won’t this year, due to market conditions and related challenges. The amount budgeted for Supporting Human Service Delivery System has been kept stable at \$350,000. The Business Development Loan Fund (BDF) program income will go back into that program. Project delivery for BDF is taken from the revolving loan fund. Regarding Administration, there are three different components – Direct Administration and Project Delivery (including CDBG-AC meetings, HUD reporting, fair housing administration work),

Central Services (as we rely on the City's finance infrastructure and department), and Fair Housing (trainings and administration).

At the next meeting, the committee will review the FY18 budget and discuss priorities.

Additional background information was provided by Stephanie about when the advisory committee does the human services capital RFP process. She explained that a small committee is created out of the CDBG-AC and can include community members with certain expertise to look closely at the proposed projects. John explained that nonprofits are located in buildings that need capital improvements and their budgets often cannot address such concerns. The CDBG funds really help these nonprofits and their facilities.

John said that the budget that was passed last night through the House and he had some questions about some of the specific resources. Stephanie replied that some resources go to the State, some to entitlement jurisdictions, some to local housing authorities. John reported that the HUD budget last year was \$48 billion and this year is \$52.7 billion and specifically Section 8 increased 6.5%. Stephanie noted that while there is a small bump up this year, overall, these funds have been decreasing significantly over time, especially when we adjust for inflation and increased population. She reiterated that the amount of these funds received today is still just a percentage of what we used to receive in the community. In addition, the buying power of those dollars has diminished as well. Stephanie explained that this has fueled conversations about the need for locally controlled funds. She referenced the Council Work Session on Construction Excise Tax on April 9, 2018, which would be locally controlled funds.

A question and discussion of Opportunity Zones followed. Stephanie explained that Opportunity Zones came out of the federal tax legislation in December, which are designated areas where there is significant tax benefits for investing. The State is going through the process of designating eligible tracks. Stephanie confirmed that the City has identified potential areas in Eugene, including downtown track, the track of EWEB site along the river, the track that follows that West Eugene Enterprise Zone, the track north of Hwy 99 on both sides - Trainsong and Whiteaker. Stephanie said staff and Council looked at existing City policy with regards to these tracks.

The meeting adjourned at 7:25 pm.



**Community Development Block Grant
Advisory Committee (CDBG-AC)**

Meeting Summary
Thursday, April 12, 2018
99 West 10th Avenue
Atrium Building, Saul Room, Third Floor

Members Present: John Barofsky, La Perla and Beppe and Giannis Owner; Aaron Box, Minister, Member Harlow Neighborhood Association; Jennifer Webster, Lane County Public Health; Ibrahim Coulibaly, NAACP; Aloura DiGiallonardo, Holt International Children's Services; Chris Ramey, University of Oregon Facilities Planning

Members Absent: Brett Rowlett, Lane Community College; Aimee Walsh, Direction Services, Human Rights Commissioner; Phil Farrington, CDC Management Corp.

Staff Present: Stephanie Jennings, City of Eugene; Teresa Kennedy, City of Eugene; Nicole Stehlar, City of Eugene; Aaron Doreen, City of Eugene; Odette Oppe, City of Eugene

Members of the Public Present: Dharma Wease, East Blair Housing Cooperative; Patrick Hunt, East Blair Housing Cooperative; Regan Watjus, City of Eugene

Advisory committee members, staff, and others present introduced themselves.

As part of the public comment, Patrick Hunt introduced himself and described the East Blair Housing Cooperative, a low-income housing cooperative with 22 units spread over five different tax lots in the Whiteaker neighborhood. About 25-30 people live in the cooperative; they manage the properties themselves. Patrick noted that there is a property located in between the cooperative's properties that will be going up for sale soon. Patrick reported that the cooperative is looking for ideas to acquire the property. They are also interested in acquiring funds to help repair the property. Dharma stated that Patrick covered the topic well and that she had nothing further to add. In response to the public comment, staff stated that Ellen Meyi-Galloway and Nicole Stehlar have been in communication with members of the East Blair Housing Cooperative.

The meeting summary from March 22, 2018 will be discussed at the May 17, 2018 meeting.

Stephanie explained that the bulk of the meeting would include looking over the 2015 Consolidated Plan's goals and progress, a PowerPoint presentation reviewing program areas that receive CDBG funds, and discussing the request for resources in the form of the draft allocation.

Once the ad with the FY 2019 Draft Allocation is published, there would be a 30-day period of public notice and comment, followed by a public hearing at the May 17, 2018 meeting.

The PowerPoint presentation started with Affordable Housing Strategies. Stephanie presented on Land Acquisition, Nicole discussed Rehabilitate Existing Housing, and Teresa provided an overview of Fair Housing programs and activities. Community Development Strategies followed, which included an overview of Human Services Operations made by Stephanie. Nicole discussed Human Services Capital Facilities. Aaron Doreen reviewed Economic Development, including the Business Development Fund and Micro-Enterprise training. Staff answered questions from the advisory committee members throughout the presentation.

Stephanie facilitated the discussion around the draft allocation. She reminded the advisory committee that the City hadn't received the grant amount from HUD yet, therefore some adjustments may be needed at the next meeting. The estimated CDBG Entitlement Allocation is \$1,356,991. The group discussed and agreed that adding more resources into the Rehabilitate Existing Housing program was necessary due to increased project costs. The Business Development Fund program is self-sustaining and expects to receive \$1,100,000.

Furthermore, additional funds for administration and planning were requested due to the anticipated addition of staff needed for the upcoming Assessment of Fair Housing and Consolidated Plan processes. HOME funds will also be used to contribute to the work around the Consolidated Plan. Stephanie informed the committee that staff will need to be very comprehensive in the outreach and data analysis.

There was a discussion around Human Services Operations. The amount allocated has stayed the same over the years, however the amount of CDBG funds has decreased, so Human Services are receiving a higher percentage of the CDBG budget. It was noted that the service providers receive additional sources of funding to help with expenses, including cost of living increases. Human Service providers consistently identify affordable housing as their top need, which is what CDBG funds can be used for.

Stephanie also noted that the CDBG programs rely heavily on Central Services for financial infrastructure and support.

Motion – Aaron Box, seconded by Jennifer moved to recommend the FY 2019 Draft Allocation as presented. Action will be taken by Eugene City Council on May 29, 2018. The motion passed unanimously, 6:0.

The CDBG Projects Tour was discussed. The committee members agreed that scheduling the tour the afternoon of June 6 would work for them. Staff will email the committee with the tour date. The committee also discussed possible projects to include, such as Ya-Po-Ah Terrace, Claim 52, Wildcraft, Wheel Apizza Pub. More discussion about site visits will occur at the next meeting.

The meeting adjourned at 7:35 pm.

Memorandum

Date: May 11, 2018

To: CDBG Advisory Committee

From: Community Development Staff

Subject: **CDBG Allocation – FY 2019**

BACKGROUND

At the April 12, 2018, CDBG Advisory Committee meeting, the City of Eugene had not yet received notice of the specific CDBG entitlement allocation for FY 2019 from the U.S. Department of Housing and Urban Development. A rough estimate of \$1,356,991 was made, based on the prior year funding and an expected, estimated 7.8% increase. On April 12, 2018, the CDBG Advisory Committee approved the estimated allocation. The estimate was used in the legal notice to begin the 30-Day Notice of Public Hearing and Written Comment Period. Attached is a copy of text for the Proposed One-Year Action Plan for CDBG Funds that was published in *The Register-Guard*.

Recently, staff was notified of the specific CDBG grant award for FY 2019, in the amount of \$1,402,193. This amount is slightly higher than the estimate used.

Next Steps

On May 17, 2018, the CDBG Advisory Committee will hold a Public Hearing, discuss the CDBG FY 2019 grant award, and adjust the FY 2019 allocation.

City of Eugene
Proposed One-Year Action Plan for
Community Development Block Grant Funds
30-Day Notice of Public Hearing and Written Comment Period

The City of Eugene is proposing the use of federal Community Development Block Grant (CDBG) funds in Fiscal Year 2019 as follows:

Sources	
FY 2019 CDBG Entitlement Allocation (estimate)	\$1,356,991
FY 2019 Business Development Fund Program Income (estimate)	\$1,100,000
FY 2019 Housing Rehabilitation Fund Program Income (estimate)	\$250,000
GRAND TOTAL	\$2,706,991
Uses	
Land Acquisition for Affordable Housing	0
Rehabilitate Existing Housing	\$526,991
Provide Down Payment Assistance	0
Human Service Operations	\$350,000
Human Service Capital Facilities	\$200,000
Business Development Fund	\$1,100,000
Microenterprise Training	0
Administration	\$530,000
TOTAL	\$2,706,991

This allocation of resources is based on an estimate of the CDBG Entitlement to be received by the City of Eugene. If the grant award is more or less than the estimated amount, the funds allocated to the Rehabilitate Existing Housing program will be adjusted accordingly.

Additional information is available on the City of Eugene’s website – www.eugene-or.gov/hudconplan. A public hearing on use of CDBG funds will be held during the Eugene Community Development Block Grant Advisory Committee meeting on Thursday, May 17, 2018 at 5:30 pm in the Saul Room (Atrium Building, 99 W 10th Ave., Eugene). Written comments on these recommendations may be submitted until 5pm Thursday, May 17, 2018 to Stephanie Jennings, Eugene Planning and Development Department, 99 West 10th Avenue, Eugene, Oregon, 97401. Call 541-682-5529 or e-mail Stephanie.a.jennings@ci.eugene.or.us

(Run as legal ad one day only, Tuesday, April 17, 2018)