

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Policy Session Worksheet**

**Presentation Date:** 11/29/2016 **Approx. Start Time:** 2:00 p.m. . **Length:** 30 minutes.

**Presentation Title:** Red Lodge Transition Services, CDBG funding increase

**Department:** Health, Housing and Human Services (H3S), Housing & Community Development Division (HCD)

**Presenters:** Kevin Ko, HCD Manager

**Other Invitees:** Chuck Robbins, HCD Director; Jill Smith H3S Deputy Director

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This is an informational item, no action is required at this time.

**EXECUTIVE SUMMARY**

Red Lodge Transition Services (RLTS) is a local non-profit organization dedicated to providing transitional services to persons leaving incarceration and treatment facilities in a way that aligns with the Native American culture and values. On December 2015, RLTS submitted an application for \$150,000 of 2016 CDBG funds to help the organization purchase a yet-to-be-identified property in Clackamas County to operate a transitional housing program for women. The \$150,000 of CDBG funding for RLTS was approved with the 2016 Action Plan by the BCC at a public hearing on April 14, 2016.

In August 2016, RLTS identified a single family home located on a 2.7 acre property south of the Oregon City limits that meets the needs of its transitional housing program. The single family home is a 4-bedroom 3-bath in need of repair to be functional. The purchase price is \$395,000. RLTS requested that the \$150,000 of CDBG funds be used as a down payment towards the purchase of the property, with the remaining balance to be paid over time under an owner-held contract. HCD staff has been supportive of the project, but has serious concerns over the terms and conditions of the owner-held contract. Prolonged negotiations with RLTS failed to provide a reasonable means of protecting the interests of the county and/or RLTS; HCD staff do not support proceeding with the owner-held contract as presented.

**Proposed Process**

HCD recommends increasing the funding level of CDBG to pay off the property owner eliminating the need for the owner-held contract. Approximately two weeks ago a project funded for this fiscal year was delayed making additional funding available enabling staff to increase the grant to RLTS with Board approval. Replacing the owner-held contract with a CDBG agreement would require a 15 year compliance period restricting the use of the property to those approved via the CDBG agreement. The CDBG regulations provide that if the use changes to a non-CDBG eligible activity the grantee, RLTS would be required to repay the CDBG funds to the County. This and other CDBG requirements would be contained in the CDBG agreement between RLTS and the County.

HCD has ordered an independent appraisal of the property. The appraisal will determine the amount of CDBG funds that may be used to assist with the acquisition. HCD is proposing that CDBG assistance be limited to \$375,000 or the appraised amount, whichever is less. RLTS will be responsible for the difference required to purchase the property, including closing costs. RLTS will use its resources and community support to rehabilitate the home. Up to six women at a time will reside in the home and receive culturally specific services from RLTS. The anticipated length of stay is 90 days.

The CDBG Agreement will be presented to the BCC for approval at a regular session in December.

**FINANCIAL IMPLICATIONS (current year and ongoing):**

Is this item in your current budget?  YES  NO

What is the cost? \$375,000 (\$150,000 original allocation, \$225,000 additional)

What is the funding source? CDBG funds

**STRATEGIC PLAN ALIGNMENT:**

- How does this item align with your Department's Strategic Business Plan goals?  
Increased self-sufficiency for our clients
- How does this item align with the County's Performance Clackamas goals?  
Ensure safe, healthy and secure communities

**LEGAL/POLICY REQUIREMENTS:**

This activity must comply with federal Fair Housing regulations and CDBG programmatic requirements.

**OPTIONS:**

1. Discuss, modify and consider an increase of the CDBG allocation to Red Lodge from \$150,000 to \$375,000.
2. Not consider the requested increase to the CDBG allocation to Red Lodge Transition Services.

**RECOMMENDATION:**

This is an informational item, no action is required at this time. The CDBG agreement between the County and Red Lodge Transition Services will be presented to the BCC for review and approval of the increase at a Regular Session in December.

SUBMITTED BY:

Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval \_\_\_\_\_

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact:  
Kevin Ko, HCD Manager at 503-655-8359