



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM POLICY MANUAL

*Washington County
Office of Community Development
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INTRODUCTION

The Program Policy Manual establishes the framework for the Washington County Community Development Block Grant (CDBG) Program. It provides an approach for making decisions, ensuring the program is operated in a fair and consistent manner, as well as providing all program participants with an understanding of how the County manages its CDBG Program.

Information included in this document is derived from three main sources:

- Federal regulations ([24 CFR 570](#)) for the CDBG program;
- Guidance, priorities and goals from the 2025-2029 Consolidated Plan that necessitate adjustments in our local program; and
- Knowledge gained from managing the program since 1979.

This manual replaces the CDBG Program Policy Manual dated November 2024. The program policies contained in this document are adopted by the Board of County Commissioners and are binding. Any changes in policy must be considered and endorsed by the Policy Advisory Board (PAB) and approved by the Board of County Commissioners. Changes shall be dated, and a new document will be drafted when necessary.

This manual is a companion to the CDBG Program Manuals which include procedures for project management that ensure federal and local contract compliance and fiscal accountability. Another important publication, the Washington County CDBG Housing Rehabilitation Programs and Policies, contains descriptions of CDBG funded Housing Rehabilitation Programs. All of these documents are available on the Washington County Office of Community Development [website](#).

1. FUNDING ALLOCATION AND PROJECT SELECTION

1.1. CONSOLIDATED PLAN

1.1.1. CONTENTS

The current Consolidated Plan identifies community development needs and guidance, priorities and goals to address those needs.

1.1.2. ENDORSEMENT

The Consolidated Plan is developed with community member input, as outlined in the Community Participation Plan ([Policy 6, Community Participation](#)). The PAB endorses the plan for presentation to the Board of County Commissioners, which adopts the plan by formal action. The Consolidated Plan is submitted to the Department of Housing and Urban Development (HUD) and is the basis for the County's expenditure of three HUD funded programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant (ESG)

1.1.3. DURATION

This Policy Manual covers the Consolidated Plan period from 2025-2029. The Consolidated Plan is developed and approved by the spring of the year preceding the beginning of each five-year planning period. Project application cycles occur annually.

1.1.4. CDBG CONSORTIUM

The Washington County CDBG consortium consists of jurisdictions, which are signatories to the Urban County Intergovernmental Cooperation Agreement, as required by HUD. This includes: City of Banks, City of Cornelius, City of Durham, City of Forest Grove, City of Gaston, King City, City of North Plains, City of Sherwood, City of Tualatin, as well as the County itself. Cities with a population of 50,000 or greater are federally eligible to become their own entitlement jurisdiction and administer CDBG funds directly for projects and programs in their city. In Washington County, the cities of Beaverton and Hillsboro are separate CDBG entitlement jurisdictions and manage their own program. The City of Tigard is eligible to be its own entitlement jurisdiction but has instead opted to be a joint entitlement with Washington County. This means that the City of Tigard receives some funds from the County's allocation to directly administer but does not have their own discreet program.

Planning and CDBG-funded activities are limited to the Washington County CDBG Consortium geographic area. The Washington County CDBG program may elect to jointly fund activities with other entitlement jurisdictions, with each entitlement jurisdiction funding the project on a proportionate basis based on residency of population to be served.

1.2. FUNDING ALLOCATIONS

1.2.1. PROGRAM ADMINISTRATION

The County uses twenty percent of each annual CDBG allocation for general administration and planning, as permitted by federal law. Any surplus administrative funds at the end of each fiscal year may be assigned by the process outlined in [Policy 3, Reprogrammable Funds](#).

1.2.2. PROJECT CONTINGENCIES

Up to ten percent of each annual CDBG allocation may be set aside for costs that were not anticipated at the time when projects were developed. The process for accessing these contingency funds is described in [Policy 4, Contingency Funds](#).

1.2.3. FUNDING FORMULA

After funds have been designated for general administration and contingencies, funds shall then be allocated between program categories and activities. Competitive application cycles will be held annually for Public Facilities and Infrastructure Improvement projects, and Public Services. Funds will be set aside on a percentage or dollar value basis for the following non-competitive activities: housing rehabilitation, fair housing outreach, and Tier One Community Housing Development Organization (CHDO) resident services. OCD directly manages housing rehabilitation efforts.

1.2.4. PROGRAM AREAS NOT FUNDED: PLANNING

The Washington County CDBG program does not award grants for general planning activities unless directly related to its own program management. The federal government requires that funding for planning activities be drawn from the twenty percent (20%) administrative funding cap, and the PAB has allocated those funds for CDBG program administration.

1.3. PROJECT SUBMISSION REQUIREMENTS

1.3.1. NEEDS ASSESSMENT PROCESS

As part of the five-year consolidated planning process, an assessment was conducted to identify the needs of the low and moderate-income residents of Washington County. In order to submit a project proposal, the project must address needs identified in the 2025-2029 Consolidated Plan.

1.3.2. NATIONAL OBJECTIVES AND COUNTY GOALS

All proposals must address a national objective of the CDBG Program, as well as one of the four goals of the 2025-2029 Consolidated Plan. National Objectives specify that an activity must:

- A. Benefit low and moderate-income persons;
- B. Aid in the prevention or elimination of slums or blight; or
- C. Meet urgent needs that threaten the health or welfare of a community.

The federal government requires that at least seventy percent of program funds must be used to address the first objective, benefit to low and moderate-income persons. OCD ensures this when it allocates funds between activities each year. The federal government details the specific requirements for demonstrating that a project addresses a national objective. These are included in the Consolidated Plan and discussed briefly in [Policy 5.6, Compliance with National Objectives](#).

1.3.3. COMPETITIVE PROGRAM CATEGORIES

Each proposal must be submitted for funding under a specific program category identified in the Consolidated Plan. The proposal must comply with specific requirements for activities within that category, identified in [Policy 5, Requirements for Applications and Projects](#).

1.3.4. Online Application System

OCD uses an online application and grants management system called ZoomGrants. Agencies submit applications electronically. Applications will be reviewed by staff and rated by the PAB in the ZoomGrants system. No paper applications will be accepted.

1.3.5. DEADLINE FOR SUBMISSION OF PROPOSALS

The PAB will establish two application deadlines. The first deadline is for the submission of a mandatory Letter of Intent. The second deadline is for the project application including required exhibits and appendices. Applications received after the deadline will not be considered. Attendance at the CDBG application workshop is mandatory. Applications will not be considered if the Sponsor is not able to demonstrate representation at the workshop.

1.3.6. ENDORSEMENT OF PROPOSAL BY GOVERNING BODY

Non-profit agencies and cities applying for CDBG funding demonstrate endorsement for submission of each application by formal action of their Board of Directors or City Council, as appropriate. County applications must bear the signature of the appropriate Department Head. This endorsement is a required component of the application. Applications submitted without this endorsement will not be considered.

1.4. PROJECT SELECTION

1.4.1. STAFF ANALYSIS AND CUT-OFF DATE FOR CHANGES TO APPLICATIONS

Following receipt of completed project proposals, OCD staff may request additional information from applicants to clarify applications. Office of Community Development staff shall establish a final date, after which sponsors will not be allowed to make changes to their proposals. Staff prepare a preliminary analysis of each proposal and sends it to the applicant and to the PAB.

1.4.2. APPLICANT PRESENTATIONS

The PAB shall sponsor a meeting to provide applicants the opportunity to present their proposals and to respond to the staff analysis and questions posed by the PAB.

1.4.3. MINIMUM POINT CUT-OFF

At the PAB meeting prior to the meeting at which the PAB will rate projects, the PAB may establish a minimum point cut-off in each competitive category. Any project which scores below that cut-off shall not be funded.

1.4.4. PROPOSAL EVALUATION

The PAB may hold one or more special meetings to evaluate proposals in accordance with the project selection criteria included in the application packets, or as amended by the PAB.

1.4.5. PROJECT RANKING AND FUNDING RECOMMENDATIONS

Based on the PAB's rating of applications, projects will be ranked within each competitive program category. To the extent that funds are available in each program year, projects will be funded in rank order and placed on a funding list.

1.4.6. ANNUAL ACTION PLAN

Projects included on the proposed funding list, endorsed by the PAB (see [Policy 1.4.5, Project Ranking and Funding Recommendations](#)), will be included in the County's Annual Action Plan, as required by HUD. The

PAB will consider the Annual Action Plan and recommend its endorsement by the Board of County Commissioners.

2. AMENDMENTS TO ACTIVITIES

2.1. CHANGES TO CDBG FUNDED ACTIVITIES

From time to time, it may be necessary to terminate a previously approved activity; add a new activity; or alter the purpose, cost, scope, location, or beneficiaries of an activity. OCD will inform the PAB of any such proposed changes to CDBG funded activities. In some cases, the change may require an amendment to the County's Annual Action Plan.

2.2. PAB REVIEW

The PAB will review how the proposed change alters the purpose, cost, scope, location, or beneficiaries identified in the sponsor's project proposal, or if already executed, the activities described in the contract/agreement between the County and the sponsor; and may reevaluate the project, using this new information. Should the reevaluation result in a significant reduction in the number of points that the proposal received during the evaluation process, the PAB may recommend termination of CDBG funds awarded to the project.

2.3. COMMUNITY MEMBER INPUT

Community members will be notified whenever the PAB, at a regularly scheduled meeting, will review a proposed substantial change. Interested parties will have the opportunity to comment on any proposed changes at the PAB meeting. The PAB shall consider any comments made and, if deemed appropriate, modify the change under consideration. OCD staff will make the changes in accordance with the County's Community Participation Plan. In conformance with federal requirements, this plan includes the process for amending the County's Consolidated Plan and Annual Action Plan. (For further information on public input, see [Policy 6, Community Participation](#)).

2.4. NOTIFICATION OF BOARD OF COUNTY COMMISSIONERS

The OCD Program Manager will inform the Board of Commissioners whenever the PAB approves an alteration to the list of CDBG funded activities that requires a substantial amendment to the Action Plan. The method of communication (by email or formal briefing memo) will be determined on a case-by-case basis with direction from an Assistant County Administrator.

3. REPROGRAMMABLE FUNDS

3.1. SOURCES

Reprogrammable funds are derived from a number of sources, including projects that are withdrawn, suspended, or canceled; surplus funds that result from completing a project under budget; unobligated administrative or contingency funds; and program income. Sponsors shall report surplus funds that will be returned to the County's CDBG program as soon as they are identified. The Program Manager shall periodically report on the status of reprogrammable income to the PAB and shall recommend the allocation of reprogrammable income to eligible activities.

3.2. USES

Reprogrammable funds are used to address the following needs, which are in order of priority, should multiple requests be received:

- 1) Urgent need, as defined in [Policy 3.4, Urgent Need](#), below;
- 2) Contingencies for ongoing projects (see [Policy 4, Contingency Funds](#));
- 3) Housing rehabilitation or development initiatives; and
- 4) All other requests.

Reprogrammable funds generally cannot be used for Public Services projects due to the federal cap on annual CDBG allocation that can be support Public Services projects.

3.3. ELIGIBILITY OF ACTIVITIES

The Program Manager shall determine the eligibility of all out-of-cycle requests for funds. The Program Manager shall reject all such requests that are not consistent with the funding priorities described above and objectives included in the Consolidated Plan. An applicant whose urgent needs request (see below) has been initially rejected by OCD, may file a written appeal to the PAB, through the Office of Community Development, within thirty calendar days from the date of rejection.

3.4. URGENT NEED

To be eligible to receive reprogrammable income as an “urgent need,” a project must address the following:

- a. meets federal eligibility requirements;
- b. meets the definition of urgent need included in current CDBG regulations; and
- c. addresses a need identified as “emergency,” as endorsed by the governing body of a participating jurisdiction or nonprofit agency.

3.5. ENHANCEMENTS TO EXISTING PROJECTS

Sponsors may request reprogrammable funds for additional activities to benefit the original beneficiaries of a project. For such purposes, the Program Manager may authorize the use of up to \$25,000 for a project. The Program Manager shall submit requests in excess of \$25,000 to the PAB.

3.6. ADDITIONAL ACTIVITIES

The Policy Advisory Board shall recommend to the Board of County Commissioners the reprogramming of funds for any new activity, as discussed in [Policy 2, Amendments To Activities](#).

4. CONTINGENCY FUNDS

4.1. ANNUAL ALLOCATION

The Policy Advisory Board may allocate up to ten percent (10%) of each annual entitlement for project or program contingencies. These funds will be available to project sponsors on a first-come, first-serve basis. In addition, un-awarded or unspent CDBG funds can be considered contingency funds.

4.2. PURPOSE

Contingency funds are set aside for project costs that the sponsor was not able to anticipate at the time the proposal was submitted. Costs for activities not included in the original proposal, and that are the result of either an omission or oversight on the part of the sponsor, may not be eligible for contingency funds unless it can be demonstrated that the contingency request is necessary to complete the project.

4.3. LIMITATIONS ON CONTINGENCY FUNDS

The Office of Community Development will inform the PAB of all appropriations of contingency funds. When the joint balance of contingency funds and reprogrammable income falls below a level considered adequate to sustain the current active project caseload, staff will recommend that the PAB limit the level of CDBG participation in any cost overruns. The level of reduced participation will be established by the PAB, taking into consideration the following:

- a) The amount of funds remaining in the accounts;
- b) The number of active projects in progress;
- c) Complexities associated with completing active projects; and,
- d) Any market or labor condition(s) that could jeopardize several, rather than a single project.

Contingency funds generally cannot be used for Public Services projects due to the federal cap on annual CDBG allocation that can be support Public Services projects.

When the PAB limits the use of contingency funds, and the sponsor cannot make up any shortfall, the sponsor will be required to reduce the size or scope of the activity or withdraw the project.

4.4. REQUESTS FOR CONTINGENCY FUNDS

Sponsors must request contingency funds in writing. These funds should be requested prior to incurring costs. Requests for contingency funds for costs already incurred will not be considered unless they are the result of cost increases on unit price contracts. The request shall state the reasons for the request and the amount of funds requested. The sponsor must demonstrate that efforts have been made to contain cost overruns and to fund the additional expense from a source other than Community Development Block Grant funds.

4.5. PROCUREMENT AND CONTRACTING REQUIREMENTS

The County's CDBG Program is subject to federal and county procurement and contracting requirements. The Office of Community Development (OCD) Program Manager is authorized to process one contingency request per project, at or below \$25,000. OCD will inform the PAB of any such appropriation of contingency funds. Subsequent requests, regardless of dollar value, must be approved by the PAB. Notwithstanding the amount of a request, the contingency awards will require contract amendment and approval by the County Administrator or the Board of County Commissioners.

5. REQUIREMENTS FOR APPLICATIONS AND PROJECTS

5.1. GENERAL

Based on federal and local regulations, 2025-2029 Consolidated Plan guidance and priorities, and experience through program management, many policies have been developed that guide the selection of projects and their administration. The initial portion of this section includes general policies that affect most or all project activities, followed by sections that are particular to activities funded under specific program categories.

5.2. MATCHING FUNDS

Sponsors are encouraged to seek support from other sources, as a match to CDBG funds. This allows CDBG funds to be used for a wider range of projects, and to leverage funds from other sources.

5.2.1. PROJECT APPLICATIONS

Project applicants are required to include information regarding the amount and sources of funds for a project. Matching funds are those funds that are essential to the implementation of the specific project, and do not include non-CDBG eligible payments or services to clients, or funding for similar or related projects, which can occur independently of the project. Staff will recommend that the PAB disallow consideration of funds as match that do not directly support the project CDBG funds are being requested for.

5.2.2. DOCUMENTATION OF MATCH

OCD requires sponsors to provide written documentation of matching funds, in the amount stated in the project proposal, within 90 days from the date the Policy Advisory Board approves the list of projects for the upcoming program year. Pledged matching funds should have all approvals, guarantees, or third-party commitments from the funding source (i.e. private foundations, state and local governments) which enable the sponsor to obligate the pledged matching funds.

5.2.3. FAILURE TO PROVIDE DOCUMENTATION OF MATCH

If the sponsor fails to provide suitable documentation of match the PAB may reevaluate the rank order of the project and, if appropriate, reject the proposal.

5.3. APPLICANTS SPECIFY PRIORITIES

In the category of Public Facilities and Infrastructure Improvements applicants must indicate the priority for each project if submitting more than one application.

5.4. PROJECT MANAGEMENT

It is critical that CDBG funded projects are efficiently and effectively managed. Through the application and funding process, projects are evaluated to ensure that qualified individuals will manage the funds and activities and ensure compliance with all requirements. Applicants may use existing staff to meet management requirements if qualified personnel are available. Otherwise, applicants are expected to contract with qualified professionals and can include these costs in the project budget.

5.4.1. PROJECTS SELECTED FOR FUNDING

OCD staff may request supplementary information regarding project management prior to authorizing the expenditure of funds, or during the course of a project. If OCD determines that direct management of a project by the applicant or sponsor is infeasible, or is not functioning properly, OCD support the sponsor in procuring professional project managers or terminate the project, depending on the nature of the activity. Management costs will be charged to the project budget.

5.5. TIMELY PERFORMANCE

The federal government requires that CDBG funds be expended and drawn from the U.S. Treasury in a timely manner. In accordance with federal regulations ([24 CFR 570.902](#)), entitlement jurisdictions like Washington County must have a balance no greater than one and one-half (1.5) times its annual grant in the U.S. Treasury. If the County does not meet this requirement, it will be subject to sanctions that could lead to the loss of CDBG funds. To ensure Washington County meets this timeliness requirement, all sponsors are expected to maintain steady progress on the project and complete projects according to the timeline specified in the contract agreement. OCD staff will periodically review project status.

Sponsors of Public Facility and Infrastructure projects must submit requests for project extensions in writing, explaining the reasons for the request. The determination will be made by the Program Manager.

Sponsors of Public Services projects are generally expected to complete their projects within the timelines set up in the contract. Contract extensions will not routinely be provided. Exceptions to this are if project delays (i.e. staff recruitments) impacted project start date and/or service delivery. Requests for consideration of an extension must be made in writing no less than six months before the end of the project term. The determination will be made by the Program Manager.

Timely performance and completion of projects will be considered in the evaluation process for future funding requests from the project Sponsor.

5.6. COMPLIANCE WITH NATIONAL OBJECTIVES

The federal government requires that all CDBG funded projects address a national [objective](#) of the program.

1. Activities benefiting low- and moderate-income persons
2. Activities which aid in the prevention of slums or blight on an area basis
3. Activities designed to meet community development needs having a particular urgency

Criteria for National Objectives can be found at [24 CFR 570.208](#).

Demographic changes may occur in the service area of a project between the time it is awarded funds and project start. OCD will inform the PAB if there are any indications that the income level of the service area of an activity has changed so that the project no longer qualifies for CDBG funding. In this event, the PAB will reconsider its decision to fund the project.

5.7. MAINTENANCE OF RECORDS

Pursuant to [24 CFR 570.502](#) sponsors shall maintain all project records for four years after the activity is reported on for the final time on the Consolidated Annual Performance and Evaluation Report (CAPER). Sponsors should contact OCD if they are unsure about this requirement. These records must include all data and information that were used to qualify the project as meeting a national objective of the CDBG program. For Public Facilities or Infrastructure projects, Census information, raw survey data, and any other information that was used to income qualify the project must be retained. For public service projects, sponsors must retain information documenting the income status of individual clients.

5.8. MONITORING AND REPORTS

Sponsors shall provide information on a timely basis for project monitoring and reports required by federal regulations and local program policy. For public services projects, this generally includes submitting program accomplishments quarterly. For public facilities and infrastructure projects, this program accomplishment reporting is done at project completion, along with Section 3 reporting.

5.8.1. AUDITS

Sponsors are responsible for obtaining audits in accordance with federal regulations as specified in their agreement with the County. (Non-federal entities that receive less than \$750,000 a year in federal awards are exempt from federal audit requirements for that year, but records must be available for review by HUD and OCD.) The federal audit threshold is \$1M for awards made on or after October 1, 2024. Audits shall be performed by an independent auditor in accordance with generally accepted governmental auditing

standards covering financial and compliance audits. Generally, the audit shall ensure that the sponsor maintains the following:

- a) Adequate identification of source and application of funds;
- b) Control over and accountability for all funds, property, and other assets;
- c) Comparison of actual outlays with budgeted amounts;
- d) Accounting records supported by source documentation; and
- e) A system to assure timely and appropriate resolution of audit findings and recommendations.

5.8.2. DIRECT BENEFIT REPORTING

The federal government requires that the county provide specified information on each beneficiary of public service activities annually. To complete the report, sponsors are required to provide the following information about each client: household income, race, ethnicity, disability, and whether it is a female-headed household. Sponsors shall report this information to OCD with every submittal of their request for reimbursement. Sponsors shall retain these records as long as the direct benefit activity receives CDBG funds and according to [Policy 5.8, Monitoring and Reporting](#), above.

Washington County CDBG public services funding must only support Washington County beneficiaries exclusive of those living in the city of Beaverton and Hillsboro. Applicant agencies must have systems in place that allow them to track and report accordingly.

Understanding the transient nature of the homeless population as they seek services where and when available, Washington County will allow that for public services projects serving persons who are literally homeless, the beneficiary must be able to demonstrate that he/she has been living within the community of Washington County (inclusive of Beaverton and Hillsboro) within the past 6 months from date of access to the program.

5.8.3. PROJECT MONITORING

OCD will monitor each project to ensure compliance with federal and local requirements. Further information on the CDBG monitoring procedure and the project monitoring checklists are included in the CDBG Program Manuals.

5.9. TRANSFER OF SPONSORSHIP

In the event that a sponsor is unable to successfully complete a CDBG funded project, and if the need for the project continues, OCD staff will recommend to the PAB that sponsorship of the project be transferred to another organization.

5.9.1. PROCESS

The PAB must approve the transfer of sponsorship for a project. The original sponsor shall forward all CDBG funded deeds, titles, certificates, architectural, engineering and related plans, and any CDBG-acquired property to the County. The County shall solicit proposals for sponsorship from qualified agencies or jurisdictions to identify potential sponsors for the activity. Proposals will be evaluated by OCD staff and the PAB. Following PAB selection and approval of a new project sponsor, the County will enter into an agreement for services with the sponsor.

5.10. PROGRAM INCOME

Program income is any money accruing to a sponsor, or former sponsor, directly generated by the use of CDBG funds. When program income is generated by an activity that is only partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Some examples of program income follow:

- a) Proceeds from the sale or long-term lease of equipment or real property purchased or improved with CDBG funds (See [Policy 5.12.1, Securing the County's Interest in Real Property](#), for requirements for proceeds of property acquired or improved with more than \$25,000 of CDBG funds.);
- b) Gross income from the use or rental of real or personal property acquired, constructed or improved by the sponsor with CDBG funds, less costs incidental to the generation of the income;
- c) Payments of principal and interest on loans made using CDBG funds;
- d) Interest earned on funds held in revolving fund accounts.

5.10.1. EXCLUSIONS

Program income does not include income earned by clients of a CDBG funded facility, such as employees working on a subcontract basis in a sheltered workshop; proceeds from fund-raising activities carried out by sponsors receiving CDBG assistance; and funds collected through special assessments made against property owned and occupied by households that are not income qualified, where such assessments are used to recover the non-CDBG portion of a public improvement.

5.10.2. REQUIREMENTS

Sponsors shall report all program income generated through the use or disposition of CDBG funded activities or facilities. The disposition of those funds will be subject to review and approval by the OCD Program Manager and the PAB. The County reserves the right to determine whether program income not used to continue or benefit the CDBG-supported activity should revert back to the CDBG Program as reprogrammable income.

5.11. ACQUISITION AND DISPLACEMENT

Federal law governing acquisition and relocation is complex and is likely to increase the cost of a project. These laws may apply retroactively to an activity if it is selected for CDBG funding. Consequently, applicants should be aware of these requirements prior to submitting a project proposal. Further information on acquisition and displacement is included in the *CDBG Program Manual for Acquisition and Construction Projects*.

5.11.1. DISPLACEMENT DISCOURAGED

Washington County discourages the displacement of persons, families, or businesses for CDBG funded activities. Project evaluation criteria discourage displacement by reducing the number of points an application will receive if the project requires displacement. Project activities which are not part of the competitive project selection process, such as housing rehabilitation, will be evaluated on a case-by-case basis to minimize displacement, and will only be undertaken if the benefits of rehabilitation clearly outweigh the cost displacement.

5.11.2. APPLICABILITY OF DISPLACEMENT POLICY

Tenants of residential properties who are permanently and involuntarily displaced as a result of acquisition, demolition, conversion to another use, or substantial rehabilitation, assisted in whole or in part by CDBG,

will be entitled to the relocation assistance, including reasonable moving and related expenses and replacement housing payments (where applicable) as required by federal statute, commonly the Uniform Relocation Act ([24 CFR 42](#)). Any business, farm operation, or nonprofit organization which is permanently or involuntarily displaced as a result of acquisition or substantial rehabilitation assisted in whole or in part by CDBG funds will be entitled to reasonable moving and related expenses, as required by federal law. Property owner-occupants who voluntarily sell their property to a government or nonprofit agency will not be considered to be eligible to receive relocation or displacement assistance.

5.11.3. COST OF DISPLACEMENT

OCD will require project sponsors to contract with a displacement and relocation specialist to confirm cost impact to the project and to develop a relocation plan that meets federal regulations.

5.11.4. RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN

Appendix A, of this manual, is the “Residential Anti-displacement and Relocation Assistance Plan” for the Washington County CDBG Program, and includes requirements for replacement housing, responsibility for relocation payments, and steps to minimize the displacement of persons from their homes.

5.12. PUBLIC FACILITIES

5.12.1. SECURING THE COUNTY’S INTEREST IN REAL PROPERTY

If a sponsor receives in excess of \$25,000 to improve or acquire real property, the sponsor will be required to enter into an agreement with the County, securing the County’s interest in the property. This agreement shall generally be in the form of a trust deed and promissory note. The trust deed shall be recorded in the Deed Records of Washington County. The agreement will specify that, in the event the recipient disposes of the property or changes its use so that it no longer meets a national objective of the CDBG program, the sponsor shall be required to reimburse the County in the amount of the current fair market value of the property, less any portion of value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to the property. The term of the agreement will be twenty years.

5.12.2. COUNTY MAY RETAIN TITLE

The County may, at its option, hold title to the property rather than be named as a secured party in the Agreement. In either case, the sponsor shall guarantee to use the real property or facility for the purpose for which it received Community Development Block Grant funds.

5.12.3. PROHIBITION AGAINST REIMBURSING DEBT FOR FACILITIES PROJECTS

Repayment of debt for public facilities is not eligible use of CDBG funds per [24 CFR 570.201\(c\)](#). Consequently, sponsors must keep OCD apprised of the status of the closing on property, to ensure that CDBG funds will be available at the time of closing, for the acquisition of a public facility.

5.12.4. FEES

Excessive charges for the use of facilities assisted with CDBG funds precluding low and moderate-income persons from using the facilities is not permitted.

5.12.5. OPERATION AND MAINTENANCE

As required by [24 CFR 570.207](#), sponsors shall be required to operate and maintain CDBG funded facilities. Neither the County nor the CDBG Program shall have any responsibility for operation and maintenance. OCD will take appropriate action to ensure that sponsors operate and maintain facilities or improvements to

protect the value of the CDBG Program investment. OCD will advise the PAB of any problems or necessary action to be taken.

5.12.6. HOURS OF OPERATION

Public Facilities shall be open for the use of the general public during all normal hours of operation.

5.12.7. CHANGES IN USE OF FACILITY

The sponsor must continue to operate the facility for the original purpose for which CDBG Program funds were awarded. Changes of use shall be governed by the current HUD regulations and must be further approved by the PAB and possibly the Board of County Commissioners.

5.12.8. FUNDING LIMIT

Public Facility project applications will be subject to a minimum threshold of \$200,000.

5.13. INFRASTRUCTURE IMPROVEMENTS

5.13.1. FUNDING LIMIT

Infrastructure project applications will be subject to a minimum threshold of \$200,000.

5.14. PUBLIC SERVICES

Public Services funding will be allocated in three “Tracks.”

Track 1: Multi-Year Strategic Initiatives or Urgent Needs.

Applicants may compete for multi-year projects under this track. Applicants may apply for up to \$40,000 per year. The application cycle for Track 1 will be offered at the discretion of OCD staff based on estimated allocation.

Track 2: One year Catalyst or Urgent Needs. Applicants may apply for up to \$40,000 per year. The application cycle is annual.

The minimum amount that can be requested each year is \$30,000

Track 3: Set-Asides

The Policy Advisory Board has identified the following set-asides of CDBG funding during the 2025-2029 Consolidated Plan period:

Onsite Resident Services set-aside for Tier One CHDOs: \$15,000-\$40,000 provided annually to certified Tier One Community Housing Development Organizations (CHDO). Specific amount to be determined by the Policy Advisory Board annually based on the CDBG allocation.

Fair Housing Activities set-aside for the Fair Housing Council of Oregon: up to \$10,000 provided annually to the Fair Housing Council of Oregon to fund outreach efforts related to Fair Housing.

These set-asides help achieve Goal 1 of the 2025-2029 Consolidated Plan – *Increase housing stability of low-income renter households and special needs populations.*

5.14.1. INCOME ELIGIBILITY

The Washington County CDBG Program requires that all the beneficiaries of a public service project must meet the income eligibility requirements of the program. Every year, the federal government provides OCD revised income standards for the community, based on the region's median income. OCD distributes this information to project sponsors, who must use the new income standards to qualify clients.

5.14.2. DURATION OF PROJECT AND FUNDING SOURCE, BY YEAR

Track 1: Multi-year projects will be awarded up to \$40,000 out of each fiscal year's funding. Funding is contingent on federal continuation of the CDBG program and sufficient allocation received annually. Should the County's allocation be reduced in a subsequent year, the project in the lowest rank order position will be impacted by the reduction. In the event of insufficient funding, the project ranked the lowest will be the first impacted. OCD will communicate as soon as possible with organizations if their project funding will be reduced. Organizations should also plan for contingencies to address this.

Track 2: One-year projects will be awarded up to \$40,000 each and the funds must be expended in one year. No extensions will be allowed.

Track 3: Set-asides will be allocated based on a percentage or straight dollar amount based on annual allocation. Funds must be expended in one year. No extensions will be allowed.

5.15. HOUSING REHABILITATION

OCD directly operates housing rehabilitation programs funded with CDBG. Those programs are described in a separate document, Washington County CDBG Housing Rehabilitation Programs. That document includes specific policies that apply to the repair and/or rehabilitation of privately-owned residential dwellings.

6. COMMUNITY PARTICIPATION

6.1. RELATIONSHIP WITH COMMUNITY PARTICIPATION PLAN

The CDBG Program's policies align with the Community Participation Plan, which is a component of the County's Consolidated Plan. While that plan fulfills the statutory requirements for community member participation, these policies guide the management of the County's CDBG Program, ensuring opportunities for community members to participate in all phases of the program.

6.2. PURPOSE

These policies are designed to ensure that community members, particularly low- and moderate-income community members, are provided reasonable and timely information about the County's CDBG program, including the amount of funds available and the types of activities that are eligible for funding; and can participate in the processes for planning and determining the use of CDBG funds.

6.3. POLICY ADVISORY BOARD

The purpose of the Policy Advisory Board (PAB) is to provide the cities within Washington county, as well as the county, the opportunity to actively participate in an advisory role to the Washington county Board of Commissioners in the planning, implementation, evaluation and policy formulation of the Community Development Block Grant (CDBG), HOME Investment Partnerships, and Emergency Solutions Grant programs of Washington county.

6.3.1. MEETINGS

Policy Advisory Board (PAB) meetings conform to the Oregon Public Meetings Law, enabling community members to attend and participate in the discussion of any CDBG related matter. Generally, the PAB meets monthly to consider issues of program policy, contingency fund requests, and any other items relating to the management of the program. Annually, the PAB recommends activities for funding to the Washington County Board of Commissioners, through inclusion in the County's Annual Action Plan.

6.3.2. PUBLIC HEARINGS

The PAB holds public hearings on the development of the Consolidated Plan. OCD will ensure the provision of reasonable notice of hearings, and that hearings are held at times and locations convenient to potential or actual project beneficiaries. Meetings will be accessible for persons with disabilities.

6.4. CONSOLIDATED PLAN DEVELOPMENT

OCD will provide public notice and direct mailings to inform community members, nonprofit organizations, and municipalities about the process to update the Consolidated Plan and solicit their input into the assessment of County needs. OCD will seek the participation of non-English/limited English proficient (LEP) community members as described in the Language Access Plan included in the Consolidated Plan.

6.5. CDBG APPLICATION PROCESS

OCD will provide public notice and direct electronic mailings to inform community members, nonprofit organizations and municipalities about the CDBG application process. In addition, OCD will provide workshops for potential applicants for CDBG funds, to explain the program and process. Sponsors are required to attend the application workshop to submit an application for consideration. OCD will provide technical assistance to interested groups, nonprofit organizations, or cities, as they prepare applications.

6.6. COMPLAINTS

Persons or organizations that have a complaint about the CDBG program or any funded activities, should, if possible, submit their concerns in writing to OCD or the sponsor of a project, as appropriate. OCD staff or the sponsor shall respond, in writing, within 15 days of the date of receipt of a complaint. Testimony received at public hearings, if responded to in the hearing, will not require a written response.

6.7. GOVERNING BOARD OR CITY COUNCIL APPROVAL OF APPLICATIONS

To confirm project applicants involved community members in development of their application, all applicants (government and nonprofit agencies) are required to submit formal approval of their executive board or governing body with their funding application. This can be the form of a board approved resolution or minutes (see [Policy 1.3.6, Endorsement of the Proposal by Governing Body](#)).

7. NONDISCRIMINATION ON THE BASIS OF DISABILITY

All sponsors of CDBG funded activities must comply with the Americans with Disabilities Act and with Section 504 of the Rehabilitation Act of 1973. Sponsors shall conduct self-evaluation checklists to ensure compliance with these Acts and provide the completed checklist to OCD. Further information on compliance, including the self-evaluation checklist, is included the CDBG Operating Manual. Below is a summary of the nondiscrimination policies of this program, relating to disability:

1. No otherwise qualified individual with disabilities, shall, solely by reason of disability, be excluded from participation in, denied benefits of, or be subjected to discrimination under any program or activity receiving federal assistance.
2. All sponsors of CDBG funded projects shall adopt a policy of nondiscrimination based on disability.

8. APPEALS TO DENIAL OF AWARD OR CONTINGENCY FUNDING REQUESTS

8.1. APPEALS TO PAB COMPETITIVELY AWARDED GRANTS

Should a Sponsor wish to contest the competitive grants awarded by the PAB, the Sponsor may appeal the decision by making a written request to speak before the PAB. The PAB will take into consideration any information provided by the Sponsor and take action to either deny or approve the request to appeal the CDBG funds awarded.

8.2. APPEALS TO CONTINGENCY FUNDING REQUESTS

Should OCD deny a request for contingency funds (if amount requested is less than \$20,000), the sponsor may appeal the denial to the Policy Advisory Board. Should the PAB deny a request for contingency funds (if amount requested is greater than \$20,000, or if OCD has previously denied a request for funding that is less than \$20,000), the sponsor may appeal the PAB's decision to the Board of County Commissioners.

Appendix-A

Residential Anti-displacement and Relocation Assistance Plan under Section 104(d) of the Housing and Community Development Act of 1974, as Amended

Washington County will replace all occupied and vacant occupiable low/ moderate-income dwelling units demolished or converted to a use other than as low/moderate-income housing in connection with an activity assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in [24 CFR 570.606\(c\)\(1\)](#).

All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing Washington County to provide funds for a CDBG activity that will directly result in demolition or conversion, Washington County will make public by publication in a newspaper of general circulation and submit to HUD the following information in writing:

1. A description of the proposed assisted activity;
2. The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low/moderate-income dwelling units as a result of the assisted activities;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. To the extent known, the address, number of bedrooms, and location, on a map of the replacement housing that has been or will be provided;
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that each replacement dwelling unit will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy;
7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units) is consistent with the housing needs of lower-income households in the jurisdiction.

If information on the specific location of replacement housing and other data in items 4 through 7 are not available at the time of the general submission, Washington County will identify the general location of such housing on a map and complete disclosure and submission requirements as soon as the specific data are available.

The Washington County Office of Community Development is responsible for tracking the replacement of low/moderate-income housing and ensuring that it is provided within the required period.

The Washington County Office of Community Development is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in [24 CFR 570.606\(c\)\(2\)](#), to any lower-income person displaced by the demolition of any dwelling unit or the conversion of a low/moderate-income dwelling unit to another use in connection with a CDBG assisted activity.

The Washington County Office of Community Development is responsible for providing relocation payments and other relocation assistance to any low/moderate- income person displaced by the demolition of any housing or the conversion of low/moderate-income housing to another use.

Consistent with the goals and objectives of activities assisted under the Act, Washington County will take the following steps to minimize the displacement of persons from their homes:

1. Schedule rehabilitation of apartment units to allow tenants to remain housed during and after rehabilitation.
2. Establish facilities to house persons who must be relocated temporarily during rehabilitation.
3. Plan projects to minimize and/or prevent the adverse impacts of displacement.
4. Encourage projects that do not cause displacement by providing additional weight during the ranking of projects.
5. Provide advisory services that will include such measures, facilities, and services necessary to determine relocation needs, preferences, or other assistance for which the person may be eligible.
6. Establish deferred loans for rehabilitation or repairs to property owners who agree to limit rent increases for five to ten years.

Appendix B Glossary and Acronyms

Annual Action Plan	Prepared annually, and required by HUD, the document includes specific projects scheduled to receive funds from the Department of Housing and Urban Development during the fiscal year, through CDBG, HOME, and Emergency Solutions Grant (ESG) programs.
CAPER	Consolidated Annual Performance and Evaluation Reports are submitted annually by grantees to report on accomplishments and progress toward Consolidate Plan Goals.
CDBG	Community Development Block Grant Program. A program funded established by the Housing and Community Development Act of 1974 and administered by the HUD that provides funds to participating communities on a formula basis that can be used for a wide range of projects that address a national objective of the program.
CDBG Program Manuals	Two publications of the Office of Community Development that includes procedures for compliance with federal and local requirements: The CDBG Program Manual for Public Service Projects, and the CDBG Program Manual for Acquisition and Construction Projects
Consolidated Plan	A five-year plan, required by HUD, that describes the County's housing and non-housing needs and community development priorities and strategies for the expenditure of federal CDBG, HOME and ESG funds.
ESG	Emergency Solutions Grant (ESG) is a federal grant program that helps low-income individuals and families regain stability in permanent housing after experiencing homelessness or a housing crisis.
HOME Investment Partnerships Program (HOME)	Established by the National Affordable Housing Act of 1990, the program is sponsored by HUD. It provides funds to participating communities, on a formula basis, to assist in the development and rehabilitation of affordable housing, homeownership, and tenant-based rental assistance. In Washington County, funds are used for affordable housing.
HUD	United States Department of Housing and Urban Development. The federal agency that awards CDBG, HOME, and ESG funds to entitlement jurisdictions throughout the country.
Low- and Moderate- Income Persons	Persons living in households with an income that is less than 80% of the median family income of the Portland metro area.
Median Family Income	Defined as the area median income for a four-person household. This is calculated annually.
National Objectives	CDBG-assisted activities must comply with one or more of the national objectives: activities benefiting low- and moderate- income persons, activities which aid in the prevention or elimination of slums or blight, and activities designed to meet community development needs having a particular urgency.
OCD	Washington County Office of Community Development.
PAB	Policy Advisory Board – comprised of elected officials appointed from jurisdictions in Washington County, this body oversees OCD's administration of CDBG, HOME, and ESG funds.
Urban County Intergovernmental Cooperation Agreement	An agreement between Washington County and participating jurisdictions, covering the CDBG and HOME programs that includes the requirements and responsibilities of each party



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