



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: February 18, 2026

SUBJECT: Request to extend the contract with Business Oregon for Community Development Block Grant funding by six months

RECOMMENDED MOTION:

Move approval of Document No. 2026-0103 approving an amendment to extend the contract with Business Oregon for Community Development Block Grant funding by six months.

BACKGROUND AND POLICY IMPLICATIONS:

Business Oregon administers the State of Oregon's annual federal allocation of Community Development Block Grant (CDBG) funds for non-metropolitan cities and counties. The primary objective of the CDBG program is to foster livable urban communities for persons of low and moderate incomes by expanding economic opportunities and providing housing and suitable living environments.

Deschutes County is a non-entitlement entity and may access CDBG funds through this grant process. The Cities of Bend and Redmond are urban/entitlement communities and receive funds directly from the US Department of Housing and Urban Development.

Funds for housing rehabilitation are used for repairs needed to address health and safety issues as well as other structural repairs for low- and moderate-income homeowners. Eligible projects include: roof repairs, well projects, painting, septic repairs/replacement, accessibility improvements, foundations, siding, etc. The County's total maximum grant for housing rehabilitation work is \$400,000.

Eligible applicants for housing rehab loans are limited to low- and moderate-income homeowners (must be owner occupied homes) in Crook, Deschutes and Jefferson counties, outside of the cities of Bend or Redmond. Low- and moderate-income is defined as 80% of AMI by county and household size.

Although these funds will be sub-granted to NeighborImpact, Deschutes County will retain responsibility for compliance with program rules, regulations, etc. NeighborImpact is responsible for various grant administration activities to support the grant recipient local

government, in addition to operator of the lending program. County roles would include:

- Holding two public hearings to take public comment – one prior to submission of the application, and a second prior to closeout.
- Completing certain required plans/policies
- Submitting draw requests to Business Oregon, paying invoices to NeighborImpact
- Completing a fair housing activity prior to grant closeout

The grant agreement was for an initial 24 month period which expires on March 1, 2026. NeighborImpact has requested a six-month extension to complete the work and expend the full grant amount of \$400,000.

BUDGET IMPACTS:

To date \$283,539 has been paid out of the grant and the remaining funds are expected to be disbursed by the extension deadline of September 1, 2026, and will be accounted for in the FY 2027 budget.

ATTENDANCE:

Jen Patterson, Strategic Initiatives Manager