



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: June 6, 2022

SUBJECT: Discussion and Direction for Drought Funds from the State

RECOMMENDED MOTION:

Provide staff direction as determined by the Board

BACKGROUND AND POLICY IMPLICATIONS:

In the most recent legislative session, the state passed SB 5561 (attached) which provides funding for housing, drought, cannabis enforcement, and other services/programs. Section 10 of the bill identifies \$585,200 to Deschutes County out of the State's General Fund to provide "domestic and community well assistance."

Staff is seeking Board direction on how to spend these funds.

In preparation of this discussion with the Board, staff reached out to NeighborImpact because of their existing home preservation program. Among many other preservation categories, the program provides resources for the replacement of wells that have dried up. However, the program is oversubscribed and there is high demand.

Below is a table that summarizes NeighborImpact's current preservation loan program and what is being proposed by NeighborImpact for the SB 5561 drought relief funds. In prior meetings, the Board has discussed the possibility of retroactive loans; staff will raise this item for discussion at the Board meeting.

NEIGHBORIMPACT'S CURRENT PRESERVATION LOAN PROGRAM AND PROPOSED PROGRAM FOR

SB 5561 DROUGHT FUNDS

	NeighborImpact's (NI) Current Preservation Loan	NeighborImpact Proposal for Deschutes County SB 5561 Funding
Loan Amount	Up to \$40,000, with contingency provision for 5% more.	\$50,000
Income Eligibility	At or below 80% Area Median Income (AMI)	At or below 80% Area Median Income (AMI)
Residency Eligibility	Residents of Crook, Deschutes and Jefferson Counties and the Confederated Tribes of Warm Springs	Initially restricted to Deschutes County residents; Funds would be returned to the regional loan fund upon repayment.
Loan Rate	4.75%	4.75%
Administrative Costs	10% plus interest, fees and points	10% plus fees & interest
Administrative Duties	Prepped by NI staff, and then reviewed by the loan committee, which is comprised of board and community members.	Prepped by NI staff, and then reviewed by the loan committee, which is comprised of board and community members.
Deadline to spend	ongoing	June 30, 2023
How are loans secured?	A promissory note and deed of trust on real property.	A promissory note and deed of trust on real property
Purpose of Funds & Loan Restrictions	<ul style="list-style-type: none"> • Down payment assistance • General home repairs • Water and septic replacement • Not for substantial improvements 	<ul style="list-style-type: none"> • Replacing or re-drilling wells or hooking up to municipal or private water systems, where connection is available.

BUDGET IMPACTS:

The state has provided the funding for the program. Once staff receives Board direction, staff will return to the Board with a budget adjustment for the State revenue and expenditures associated with the program.

ATTENDANCE:

Erik Kropp, Deputy County Administrator

Scott Cooper, NeighborImpact Executive Director