

PIER Economic Revitalization Program Overview

Planning, Infrastructure, Economic Revitalization (PIER)



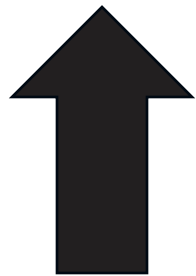
Module Objectives



After this module, you should:

- Understand the Economic Revitalization Program background and program design
- Learn how to apply for an Economic Revitalization Project
- Be able to identify eligible Economic Revitalization activities
- Understand where to find program resources

PIER Life Cycle



You are Here

Program Description & Background

In November 2021, the U.S. Department of Housing and Urban Development (HUD) announced it awarded Oregon \$422 million in Community Development Block Grant – Disaster Recovery (CDBG-DR) funds for recovery efforts in response to the 2020 Labor Day Fires.

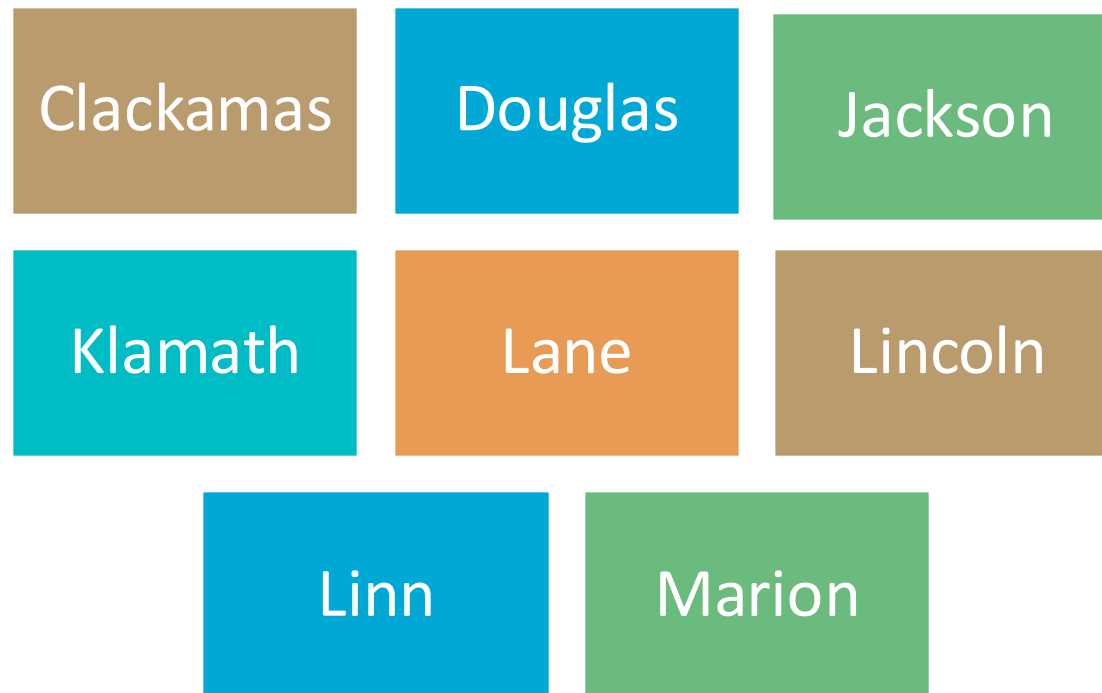
Administered by Oregon Housing and Community Services (OHCS), this money will pay for new programs to help individuals, households, and communities continue to recover.

This effort, which is called ReOregon, will provide funds to rebuild and create new housing, infrastructure, economic revitalization, and planning opportunities to areas impacted by the fires.



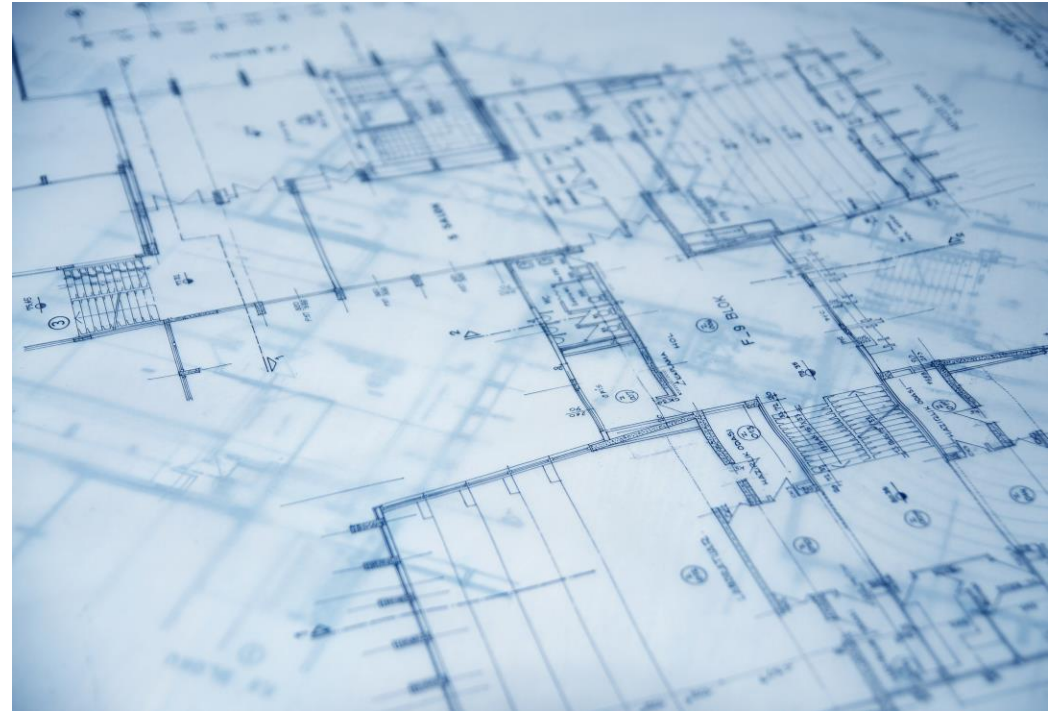
PIER Program Allocations

OHCS created an Action Plan available on the [ReOregon website](#) which describes how the state will spend the \$422 million CDBG-DR allocation to support recovery from the 2020 Labor Day Fires in the following counties that were identified by HUD and the State as the Most Impacted and Distressed (MID):



Program Description & Background

The **PIER program** established in the action plan addresses **planning, infrastructure, and economic revitalization** needs after the disaster. There are \$42 million CDBG-DR dollars allocated to PIER.



Economic revitalization refers to activities that promote economic recovery, improve long-term economic resilience, and address the needs of vulnerable populations. In disaster-impacted areas, CDBG-DR funds economic revitalization programs to respond to the community's urgent needs and support long-term economic development. After a disaster, attracting, retaining, and restoring the local economy is critical for recovery.

Economic revitalization CDBG-DR funds will be awarded to non-profit organizations that will set up economic revitalization OHCS approved programs for businesses to apply to.

The non-profit organizations will promote their program, set up applications, review applications, and then award grant or loan funds to business to complete economic revitalization project in the disaster affected areas.

PIER Project Requirements

Tie-back or Mitigate	Projects must tie-back to the disaster or mitigate against future risks
Eligible	Projects must be considered a CDBG-DR eligible activity and meet a national objective
Duplication of Benefit	Projects must not use CDBG-DR funds for activities they have already received insurance or public funding for
Timely	Projects must be completed within 6 years (February 2028)
Minimum Budget	Projects must request at least \$500,000

PIER projects must meet certain requirements.

PIER Program Allocations

County	Percent of Total PIER Program Allocation	PIER Allocation
Clackamas	5.7%	\$ 2,415,826
Douglas	5.7%	\$ 2,399,446
Jackson	32.9%	\$ 13,849,117
Klamath	4.0%	\$ 1,703,097
Lane	18.8%	\$ 7,926,980
Lincoln	6.4%	\$ 2,684,967
Linn	7.4%	\$ 3,110,691
Marion	19.1%	\$ 8,027,045
Total of MIDs	100.0%	\$ 42,117,170

- For each eligible county an allocation was made
- Each county created a regional Selection Committee to select projects for OHCS approval
- **Minimum project award \$500,000**

How to Apply

Each county has established a Selection Committee. These Regional Selection Committees each have their own process.

To learn more about **Lane, Jackson, Douglas, and Klamath counties** processes, please visit their websites:

- Lane County [[link](#)]
- Jackson County [[link](#)]
- Douglas County [[link](#)]
- Klamath County [[link](#)]

To learn more about **Clackamas, Lincoln, Linn, and Marion counties**, or if you are unsure who to reach out to, please reach out to PIER@hcs.oregon.gov to request a contact.

Selection Committees

Selection Committees are made up of local representatives and may include:

- Representative from an organization that directly supports historically underserved communities
- Municipal government representatives
- County government representatives
- Economic development district representatives
- Long-term recovery group representatives
- Tribal representatives (if applicable)



Voting members may add voting members from government, special districts, or other organizations and ex-officio non-voting members. These voting members will receive and review projects, then vote to decide if the project will move to OHCS review.

Who can apply?



- Tribes
- State Agencies
- Counties
- Municipal governments, districts, and authorities
- Other public or quasi-public entities, including Councils of Government (COGs)

Project Description Form

To apply, a Project Lead should submit the appropriate Project Description Form, or approved alternative document, to the correct Selection Committee for their review.

- There is a separate form for each eligible project: [Planning](#), [Economic Revitalization](#), and [Infrastructure](#).
- The forms will include a full project description, budget, and eligibility criteria.
- The forms will include information about the project lead entity responsible for implementing the project and the agency or organization responsible for operating and maintaining the project or program.
- If selected, the project will move forward to OHCS review.

Types of Eligible Economic Revitalization Activities



- Grants and loans to businesses
- Job training and placement programs
- Commercial/retail district improvements
- Initiatives that retain employees and attract new employees
- Technical assistance to businesses and microenterprises
- Commercial rehabilitation

Economic Revitalization Goals

- **Workforce Development:** Address gaps in the local economy and develop opportunities for job creation or job advancement. For example, programs may fund training initiatives or job creation through a business rehabilitation or expansion project.
- **Investment in Communities for Business Prosperity:** Expand or rebuild businesses in communities and demonstrate that they are open for business. These activities encourage more investment in the community, promote tourism, and boost the local economy.
- **Stabilize and Support Infrastructure:** Create or improve critical infrastructure to attract more business. For example, expanding or repairing sidewalks improves access and attracts more business and economic growth.

Tie-back Requirements

- Please note that CDBG-DR funds require a tie-back to the qualifying disaster, substantiating that the program/project addresses an unmet recovery need. Tie-backs must be included in the program guidelines and documented when evaluating applicants.
- An **exception** is assistance for a business not directly impacted by a qualifying disaster but relocating or providing a service to an impacted community.

Economic Revitalization Eligible Activities



There are several types of Economic Revitalization Projects including:

- Business assistance
- Microenterprise assistance
- Commercial rehabilitation by public or private non-profit entities
- Economic development undertaken by non-profit development organizations
- Technical assistance to entities carrying out economic development activities

Business Assistance

Assistance to businesses could include grants, loans, or forgivable loans to for-profit businesses. This assistance can be used for working capital, acquisition, construction, repairs, or other business expenses. Other eligible activities include job training, job placement services, and technical assistance.

Program examples:

- Small Business Grant Program to provide working capital that has been closed due to the disaster.
- Loans for facade improvements or expansion.
- Assistance to a restaurant to replace equipment destroyed in the disaster.



Microenterprise Assistance



Programs funded under this activity provide grants, loans, forgivable loans, or technical assistance to qualified microenterprise businesses with five or fewer employees.

Program examples:

- Technical assistance for a start-up microenterprise for launching a business and marketing assistance.
- A grant to a microenterprise impacted by the disaster to hire or retain employees that meet eligibility requirement.

Commercial Rehabilitation by Public or Private Non-Profit Entities



Typically, programs under this category are grants, loans, or forgivable loans to public or private non-profit organizations. If funded as an activity, it will typically result in job creation or services that benefit an area. Please note that working capital and operating costs are **not** eligible expenses under this activity (unlike business assistance or microenterprise assistance).

Program examples:

- Facade improvements to a commercial structure owned by a public/private non-profit.
- Rehabilitation for code violations.
- Assistance to a non-profit serving individuals experiencing homelessness for acquisition or rehabilitation of a building for a shelter.

Public Facilities and Improvements

Funding under this category is usually awarded to public entities to construct or improve public infrastructure to benefit one or more commercial businesses and create employment or economic opportunities. Although awards are to the public entity, the businesses benefiting from the project must formally agree to meet the national objective like LMI Job Creation or Retention.

Program examples:

- Expand or repair sidewalks to increase pedestrian traffic in underserved commercial districts, improving business and creating new jobs.
- Installing sewage and water on undeveloped land for new businesses in an area that serves low-income residents.

Economic Development Undertaken By Non-Profit Development Organizations



Funding under this category is allocated to Community-Based Development Organizations (CBDOs) and local Community Development Financial Institutions (CDFIs) to carry out economic development programs. Programs under this award provide grants, loans, and forgivable loans to eligible businesses.

Program examples:

- Community Organization sets up a revolving loan fund and awards funding to qualifying businesses in their service area

Technical Assistance to Entities Carrying Out Economic Development Activities

Under this activity, funding is slotted for public or non-profit organizations to expand their expertise or support economic development activities implementation.

Program examples:

- A training series or technical assistance to increase capacity to carry out microenterprise programming.
- Technical assistance for non-profits to ensure management of the economic development program is CDBG compliant.



Ineligible Activities

Assisting privately-owned businesses serving predominantly higher-income households

Assistance to a business if the owner has an unresolved finding of non-compliance with previous CDBG programming or unresolved Federal or state tax obligations or delinquencies

Assistance to a business that does not have a Unique Entity ID or is not actively registered

Program does not meet national objective requirements or have a tie back to the disaster

Planning for economic development projects, including conducting market surveys to determine an appropriate type of business to attempt to attract to a particular area, developing individual commercial or industrial project plans

National Objectives

Each eligible activity or project must also meet a national objective to be eligible for CDBG-DR funding. The national objective relates to the beneficiaries of the project. The types of national objectives include:

- **LMA:** Low- and Moderate-Income Area Benefit
- **LMC:** Low- and Moderate-Income Limited Clientele
- **LMJ:** Low- and Moderate-Income Jobs
- **UN:** Urgent Need

Low- and Moderate-Income Area Benefit (LMA) HUD Regulation: 24 CFR 570.483(b)(1)

Entities can use the Low- and Moderate-Income Area Benefit (LMA) national objective for economic revitalization activities that provide services or goods to an area. Goods and services must benefit and be affordable to Low- and Moderate-Income (LMI) populations and provide necessary goods and services like grocery stores, laundromats, health care, etc. Use of this national objective also requires the area to be primarily residential and at least 51% LMI.

Examples include:

- Grant to open a grocery store in a LMI neighborhood
- Rehabilitation, Relocation, and Construction Rehab of commercial space with low-income medical services

Documentation requirements: Pre-award, provide the geographic boundary with census LMI or methodically sound income survey data that demonstrates 51% of the residence in the area are LMI and that the business is providing goods and services to all residents in the service area.

Low- and Moderate-Income Limited Clientele (LMC) HUD Regulation: 24 CFR 570.483(b)(2)

The Low to Moderate-Income population Limited Clientele (LMC) National Objective can be used for activities that benefit the Low to Moderate-Income (LMI) population.

Program:

Microenterprise activities qualify for LMC when the business owner/s are LMI. Examples include:

- Training or technical assistance for LMI clientele starting/marketing a microenterprise
- Grant/loan program for LMI owners in need of financial assistance

Public services activities support LMI individuals with job training/placement or support services like childcare. Examples include:

- Job training and placement program for formerly incarcerated individuals
- Construction training certification program to meet the high demand for rebuild efforts in the area

Documentation requirement: The owner/s of the microenterprise must be LMI as documented by income verification. At least 51% of the beneficiaries for public service activities as documented by an income verification and must be 51% LMI individuals and confirm they live within the jurisdiction the program serves.

Low- and Moderate-Income Jobs (LMJ) HUD Regulation: 24 CFR 570.483(b)(4)

Economic Revitalization programs intend to boost the economy, create more employment opportunities, and retain at-risk jobs. HUD regulations require programs to create/retain at least 51 percent of jobs created/retained for LMI individuals.

Job creation/retention activities must comply with the following requirements:

- 51% of the Job holders must be low-to moderate income as documented by income verification
- Only permanent jobs count
- Part-time jobs are converted to full-time equivalent positions (FTE).
 - FTE = at least 30 hours or 1560 hours/yearly

LMJ Continued: Job Creation vs. Retention

LMJ Creation example:

- Assisting a business that hires an unqualified LMI individual and provides on the job training

Job Creation Documentation Requirements:

- Evidence of affirmative marketing efforts and outreach
- Income verification of individuals' LMI status pre-hire and at the end of the grant period (payroll, paystubs)
- Full-time equivalency status of the job

LMJ Retention Example:

- Employer notified staff they're eliminating their job, and assistance allows the business to retain these positions.

Job Retention Documentation Requirements:

- LMI retained staff income verification
- Proof staff retained their position at the end of the grant period
- Documentation that the job/s would be eliminated without assistance:
 - Announcement or notice of staff reduction or reduction in hours
 - Business financial statements

Regional Counties may experience emergency conditions that require economic development activities that do not benefit LMI persons. When considering this National Objective, please note using Urgent Need is approved on a limited basis. Subrecipients will be required to demonstrate how the proposed activity benefits low- or moderate-income households, including potential harmful impacts to LMI community analysis.

Program example: An area may have experienced an earthquake and needs to help local businesses recover or repair damages to provide essential goods and services (Grocery stores) to the impacted communities.

For the urgent need national objective, subrecipients must describe:

- Specific need
- What urgency the project addresses
- How do the existing conditions pose a serious and immediate threat to the health/welfare of the community?
- How does the project respond to the urgency, type, scale, and location described in the ReOregon Action Plan?

Economic Revitalization Underwriting

Underwriting guidelines provide subrecipients with a framework for selecting CDBG-assisted economic development projects to ensure businesses are financially viable and effectively using CDBG funds. HUD outlines the Guidelines and Objectives for Evaluating Project Costs and Financial Requirements in Appendix A to Part 570 of the CFR. The use of underwriting guidelines is mandatory for some CDBG Programs to prove:

- That project costs are reasonable.
- That all sources of project financing are committed.
- That to the extent practicable, CDBG funds are not substituted for non-Federal financial support.
- That the project is financially feasible.
- That the return on the owner's equity investment will not be unreasonably high;
- CDBG funds are disbursed on a pro-rata basis with other finances provided to the project.

Underwriting for Special Economic Development Activities

Subrecipients must follow HUD's underwriting guidance when awarding Special Economic Development Activities, which includes most assistance to for-profit businesses. Examples include:

- Business grant, loan, or forgivable loan programs for working capital or repair of building/facade repair.
- Funding operating expenses for medical offices reopened post-disaster.
- Technical assistance or training for businesses.
- Acquisition, rehabilitation, or construction of commercial buildings.

Duplication of Benefits (DOB)

A DOB occurs when an entity or individual receives assistance for the same purpose or need from multiple sources. CDBG-DR is a supplement to insurance and other forms of disaster assistance.

A Duplication of Benefits (DOB) occurs when:	Subrecipients are required to have DOB policies & procedures that:
<ul style="list-style-type: none"> • A beneficiary receives assistance, and • the assistance comes from multiple sources, and • the assistance amount exceeds the need for a particular recovery purpose 	<ul style="list-style-type: none"> • Prevent DOB (available methods described by Federal Register Notice) • Ensure CDBG-DR awards are necessary and reasonable and also monitor compliance • Continually monitor for compliance and recapture funds if a DOB occurs

Duplication of Benefit (DOB) – Duplicative Assistance Examples

Sources of Duplicative Assistance includes, but are not limited to:

- Private Insurance
- Federal Emergency Management Agency (FEMA)
- Small Business Administration (SBA)
- National Flood Insurance Program (NFIP)
- Local and State Funds
- Other Federal Programs
- Private and nonprofit Organizations



Duplication of Benefit (DOB) – Non-Duplicative Assistance Examples



Examples of non-duplicative sources:

- Private or Bank Loans
- Other Assets or Lines of Credit
- Funds received for a different eligible program purpose
- Any other funding sources specifically identified in the applicable federal register notice

Duplication of Benefit (DOB) Prevention Requirements

- The Subrecipient implements and develops a DOB policy that includes recapture procedures and requires beneficiaries to sign a subrogation/affidavit.
- As part of the applications, include a section that lists other potential duplicative sources with space to disclose amounts.
- Ensure DOB requirements are included in the Subrecipient and Beneficiary agreement.
- Ensure all staff are trained and understand the requirements.
- Connect with other Subrecipients administering different funding, that may be considered duplicative sources, create a MOU, and cross-reference beneficiary list.

What's Next? Contracting, Kick Off, and Development



If the project is selected, Subrecipients will begin a contracting process with OHCS. After the agreement is executed, there is a required kick-off meeting to review reporting requirements and contract expectations. Subrecipients will also be expected to attend all preliminary training and technical assistance sessions as identified and will be required to sign a certification confirming their attendance.

Subrecipients are responsible for creating all program materials and developing a marketing plan. This plan must include outreach to underserved communities. Please note that OHCS must approve all materials before program implementation.

What's Next? Launching the Program



Once the materials are approved and outreach has been conducted, the program may launch and begin accepting applications from business entities.

The Subrecipient will then conduct a thorough review of the business entity's application to verify all pertinent documents are included and signed.

What's Next? Application Approval and Agreements

If the application is approved, the Subrecipient may initiate the underwriting process to ensure the business meets all requirements.

Once the business is approved, the Subrecipient will meet with the business to sign a legally binding agreement, review regulatory requirements, and report/meeting requirements. Once all required documents are executed, the Subrecipient can disperse the assistance to the business.



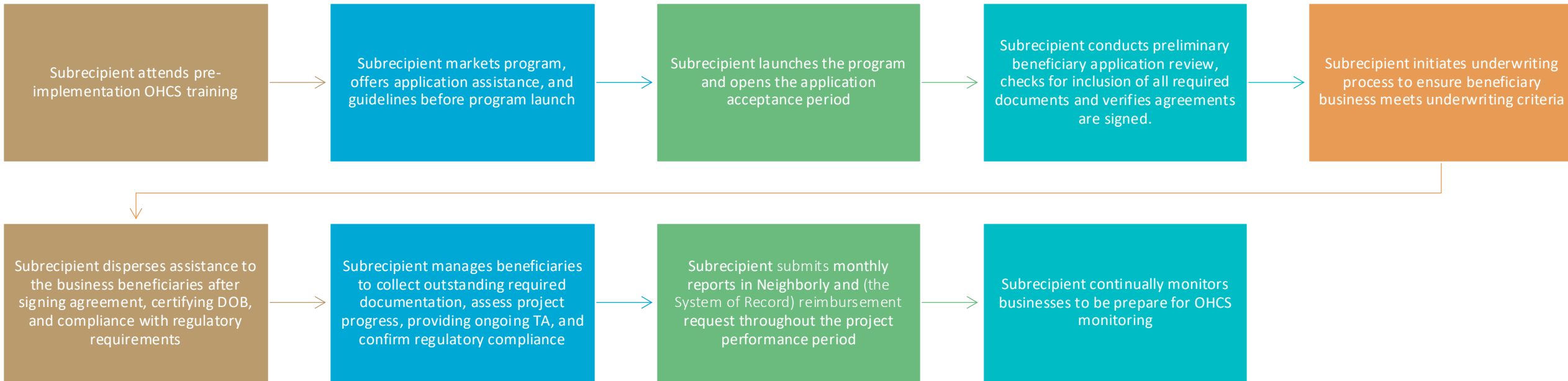
What's Next? Monitoring, Reports, Reimbursement



As the project proceeds, the Subrecipient will meet and stay in contact with the business to collect data and required documentation and assess progress. This contact must be maintained throughout the project/program. Additionally, the Subrecipient should continually monitor the businesses to be prepared for OHCS monitoring visits.

Throughout this process, the Subrecipient is required to submit monthly reports and reimbursement requests to OHCS.

Process Flow After OHCS Award - Summary



Check Your Knowledge



Question

True or False? Individual for-profit businesses can apply directly to the selection committees for assistance.

Question



False!

Eligible entities must apply to the Selection Committees to set up **Economic Revitalization Programs**. Once funded those entities will work with OHCS to create application materials for individual for-profit businesses.

Check Your Knowledge

Question



Economic Revitalization assistance can take the form of:

- a) Grants
- b) Loans
- c) Forgivable loans
- d) All of the above

Check Your Knowledge

Question



Economic Revitalization assistance can take the form of:

- a) Grants
- b) Loans
- c) Forgivable loans
- d) All of the above**

Questions?

Reach out to PIER@hcs.oregon.gov OR julie.lovrien@hcs.oregon.gov.

