



**ACTION PLAN: ONE YEAR USE OF FUNDS
Program Year 2006**

Prepared for:
The U.S. Department of Housing and Urban Development

By:
The City of Ashland
Department of Community Development
Planning Division
Ashland, Oregon

Mission Statement

The following mission statement is taken from the City of Ashland's current Strategic Plan.

HOUSING

The City has a responsibility to ensure that proper amounts of land are set aside to accommodate the various housing needs in the City, and that its land development ordinances are broad enough to allow for variation in housing type and density.

ECONOMY

The City seeks to provide opportunities for a variety of economic activities in the City, while continuing to reaffirm the economic goals of Ashland citizens. Economic development in Ashland should serve the purpose of maintaining and improving the local quality of life.

SOCIAL AND HUMAN SERVICES

To ensure that all people in Ashland live in a safe, strong, and caring community, the City seeks to enhance the quality of life and promote self-reliance, growth and development of people. To these ends, the City will strive to provide resources and services to meet basic human needs.

Strategic Plan

The City of Ashland anticipates an annual allocation of \$213,509 in Community Development Block Grant funds for Program Year 2006 (July 1, 2006-June 30-2007) by the Department of Housing and Urban Development (HUD). Following the recommendation of the Housing Commission, the City Council awarded The Ashland Community Land Trust (ACLT) \$328,800 and the Interfaith Care Community (ICC) of Jackson County \$32,000 of the competitive 2006 CDBG award and prior year carryover funds..

This document, the CDBG Action Plan for Program Year 2006, describes the project(s) that the City will undertake and the manner in which the project(s) are consistent with the priorities of the Five-Year Consolidated Plan. As the 2005 CDBG award was unexpended during the prior year, these funds (\$190,000) are also reprogrammed through this Action Plan. Below is a table summarizing the projects to be funded by CDBG dollars in Program Year 2006 (page 4).

The Five-Year Consolidated Plan is a planning document required by the U.S. Department of Housing and Development (HUD) for the receipt of the City's Community Development Block Grant (CDBG) funding. The purpose of the Consolidated Plan is to outline a strategy the City will follow in using CDBG funding to achieve the goal of the

CDBG program, *“to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons.”* In 2004-2005 the City of Ashland completed an update of the 5-year Consolidated Plan and the 2005-2009 Consolidated Plan was approved in May of 2005. The award of the 2006 CDBG allocations to ACLT and ICC address the priority needs identified within the current Consolidated Plan.

The Community Development Block Grant program allows for numerous activities as eligible uses of the Federal funding. Ashland's local Consolidated Plan focuses the available funds to activities that address the highest priority need identified, affordable housing. However, CDBG can be used to fund a variety of activities that benefit low-moderate income families and individuals.

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities
- Development of neighborhood centers
- Public Services
- Activities related to energy conservation
- Job Creation activities

Additionally, Federal regulations permit up to 15% of the yearly CDBG allocation to be directed to public services. Such eligible public services include health care services, substance abuse services, fair-housing counseling, architectural services, homeless prevention, and many others. The City of Ashland identified such public services in the 2005-2009 Consolidated plan and re-instituted the 15% allocation potential to support such activities. In 2006 the City of Ashland intends to direct 15% (\$32,000) of the 2006 CDBG allocation (\$213,509) to an activity that provides direct services to homeless or special needs populations. The City received one such application from CERVS Interfaith Care Community for funds to support a new staff position, Transitional Housing Coordinator and it is this proposal that was awarded the \$32,000 available for public services.

The table provided below shows the projects awarded CDBG funds in Program Year 2006:

CDBG Funded Projects for Program Year 2005

Project ID	Recipient Organization	Activity Name	Location	CDBG Funds	# Households or Persons Assisted Annually
1	City of Ashland	CDBG Administration	city wide	\$42,701	city wide
2	Ashland Community Land Trust (ACLT)	Bridge Street acquisition	404 & 408 Bridge Street.	\$328,800	4 households. The site is within a designated low income neighborhood thus the rehabilitation and improvement will also assist in the revitalization of the block group.
3	Interfaith Care Community of Jackson County (ICC)	Transitional Housing Coordinator	city wide – public service	\$32,000	
Unfinished CDBG Funded Projects from prior Program Years to be completed in the 2006 program year					
2002-2	Rogue Valley Community Development Corporation (RVCDC)	RVCDC Public Facility Improvements	Ashland city limits (2001 Siskiyou Blvd)	\$13,800	9 Households direct benefit- in a low-moderate income qualified neighborhood. Contribute toward the public facility improvements within the Siskiyou and Faith Street rights of way (sidewalk, utilities, curb-gutter, street trees, etc).
Unfinished CDBG Funded Projects from prior Program Years to be cancelled with funds reprogrammed per the awards above.					
2005-2	Rogue Valley Community Development Corporation	RVCDC Quincy Gardens	Ashland city limits Quincy Gardens Townhomes – 1255, 1257, & 1259 Quincy St.	\$190,000	This project was not initiated within the timeframe stipulated in the 2005 Action Plan, thus the \$190,000 was combined with the 2006 allocation and re-advertised as available for an eligible project. ACTIVITY CANCELLED

Housing Goals

Goal 1: To increase the supply of affordable rental housing for extremely low-, low- and moderate-income families. Where possible, give funding priority to those projects that will provide benefits to residents with the lowest incomes.

Rental Assistance Program

Action to meet priority and time-line: The initial costs of rental housing in Ashland, including first and last month's rent and a security deposit, are barriers preventing some low-income residents from improving their living conditions. In May 1998, the Housing Commission began the Ashland Rental Assistance Program. The purpose of the Ashland Rental Assistance Program is to provide low- to moderate-income Ashland households with the up-front cost of obtaining rental housing. One low income household entered the program in 2005. Rental assistance is made in the form of short-term loans to qualified applicants for use toward the first or last month's rent, security deposit and other move-in fees. The maximum amount is \$750 and the loan must be repaid in full within 15 months at a rate of five percent per annum. The participant(s) must be a resident of Ashland and must have resided, or worked in Ashland for a period not less than six months prior to the date of application for assistance. The household income of the participant(s) shall not exceed 100 percent of the median income level for Jackson County, Oregon, and is required to be at a level commensurate with monthly payment obligations. The participant(s) repayment is billed through the City utility billing process.

Although this program could provide valuable assistance to households with low and moderate income in need of rental assistance, few people take advantage of the program. During 2005, only one household took advantage of the rental assistance after significant modifications to the rental assistance program were implemented to encourage further participation. The repayment period was doubled (to two years) in an effort to lower the monthly re-payment costs, and the income qualification limit was raised from 80% to 100%AMI in an effort to target a income group not otherwise served by other grants available for deposit assistance. Lastly the original programs 5% interest on the rental assistance loan was eliminated in favor of a one time 5% administrative fee (maximum of \$37.50) to process the loan application and ongoing monthly billing. This elimination of compounding interest was intended to simplify, and reduce the cost of, the loan for the applicant.

Access Inc., a local non-profit community development corporation under contract with the City of Ashland to administer the programs, increased the outreach in order to find and qualify participants. These marketing sources included initial client contact and screening, inquiries from clients for information

on programs and referrals from other social agencies. Also information regarding the programs was provided to lending partners, the ABC's of Homebuying class, the Ashland Community Land Trust, Rogue Valley Community Development Corporation, and the Southern Oregon Housing Resource Center (SOHRC). The SOHRC is one of four pilot programs across the state that has created a "one stop shop" for clients of Jackson and Josephine Counties. The SOHRC's "one stop shop" approach enables clients to streamline their research for opportunities available for securing rental housing, rental assistance programs, homeownership opportunities, home improvement and rehabilitation opportunities and other housing related programs and services. Flyers, program criteria and applications for both programs were developed by the City in 2005 and are readily available at the SOHRC and both of the client entrances to ACCESS, Inc and the City of Ashland Offices. The availability of both of these programs has been advertised by Access Inc. by utilizing their existing affirmative marketing efforts for the programs. The City of Ashland additionally included information about the rental assistance program in a direct mailing sent to all Ashland households, and a revised brochure was distributed more widely in Ashland including distribution through the Department of Human Services, Southern Oregon University laundry mats, and local message boards.

Although 70 inquiries for rental assistance were received from prospective applicants during the 2005 calendar year, only one applied for and received assistance through the City of Ashland rental assistance program. Although some of these inquirers may have ultimately selected housing in other communities within the region the repayment provisions were likely a deterrent to those eligible households that chose not to submit applications.

As the program requires repayment of the original loan, ACCESS believes that the "repayment requirements make the program unattractive for those seeking assistance". The reason Access believes the Ashland Rental Assistance Program is ineffective is that it is competing with a grant program otherwise available. The alternative "Deposit Only" program, offered to low income residents of Jackson County, provides 2/3rds of a rental deposit which the household is eligible to keep upon being refunded by the property owner when they relocate, with no repayment provisions.

The City of Ashland originally intended the Rental Assistance Program to be a revolving loan, not a grant. Access' suggestions to restructure the program to be more effective are to forgive repayment, in total or in part. This is counter to the original concept of the program. The City wanted to create a means by which the substantive upfront moving costs of First-Last and Deposit could be less impacting on renters forced to relocate within Ashland. Spreading these costs across two years would seem to satisfy this intention. However, as underutilized as the program is one must question whether the impediments of the upfront costs (First, Last and Deposit) is as great as anticipated, or whether the loan provisions (repayment) are too strong a barrier to utilization.

Program Year 2006 Projected Number of Households to be Assisted:

Funding sources for this project include: City of Ashland General Fund is the sole source of funds for this program. No CDBG Funds are to be used for this program.

Funding Level:

Target Date for Completion: Ongoing

Accessory Residential Units

Action to meet priority and time-line: The City of Ashland allows small second units in the single-family residential zones) to increase the supply of affordable rental units. The Conditional Use Permit Procedure was changed in 1990 to allow an accessory apartment or cottage (Accessory residential Unit – ARU) within single family residential zones. This provided valuable affordable housing units without unreasonable impacts on the neighborhood. A total of 108 units have been made legal or been newly constructed since 1990. Five new units were added between July 1, 2005 and the date this Action Plan was drafted. The number of ARUs approved has increased each year since the Conditional Use Permit procedure enabled their construction.

Projected number of ARU to be approved in FY2007: 10

Funding sources for this project include: City of Ashland general funds utilized for staff support.

Probable Funding Level: N/A

Target Date for Completion: Ongoing

Goal 2: To increase the homeownership opportunities for extremely low-, low- and moderate-income households. Where possible, give funding priority to those projects that will provide benefits to residents with the lowest incomes.

**Ashland Community Land Trust and Habitat for Humanity
Bridge Street Acquisition (Activity 2006-02)**

Action to meet priority and time-line: The City will provide \$328,800 in CDBG funding to the ACLT to address this goal in 2006. The funding will be utilized to contribute toward the purchase of property containing an existing duplex located at 404-408 Bridge Street. Two additional units will be constructed at the rear of the property in partnership with Habitat for Humanity. All four units (2 existing, two to be developed) will remain affordable to households earning less than 60% Area Median Income (AMI). As the existing duplex is occupied ACLT has committed to retaining these units as rentals until such time as the residents voluntarily relocate. The existing tenants qualify as low income and they are not to be permanently displaced by this activity. Temporary displacement may occur to allow ACLT to rehabilitate the units.

Funding sources for this project include:

\$328,800 CDBG

\$10,000 ACLT

\$48,000 Habitat for Humanity Direct contribution

\$284,100 Habitat for Humanity Donation or in-kind Services

\$20,000 City of Ashland SDC and Fee waivers for two additional units.

Total Project Cost estimated at \$690,100

Projected Number Households to be Assisted: 4

Probable Funding Level: \$328,800 CDBG

Target Date for Completion: **Acquisition to be completed with CDBG funds by December 31, 2006 or CDBG funds are to be re-programmed.**

Two existing units to be rehabilitated by June 30, 2007.

Construction of two additional units to be initiated by December 31, 2007.

Occupancy of two additional units to be completed by June 30, 2008.

Density Bonus and Deferred SDCs for Affordable Housing

Action to meet priority and time-line:

The City currently provides a density bonus to developers who construct affordable rental and ownership units to provide an incentive based strategy to encourage the additional units. The City also defers the system development charges for affordable rental and single family homes. The deferred system development charges become a "sleeping second" mortgage and are only activated if the home is sold outside the program, or the rents exceed the maximum rent limit set by HUD. The participants can earn up to 80 percent of area median income (AMI) if the units are rentals and up to 120% of AMI if the units are for-purchase. In 2005 the Housing Commission crafted significant revisions to the SDC deferral program restructuring the affordability targets. These revisions are pending Council approval. If approved the SDC deferral program will apply only to rental units that benefit households at 60%AMI and ownership units at 80%AMI. Further the proposed modifications establish maximum rents to correlate with the State of Oregon HOME program rent limits, as well as establish that ownership units can sell for no more than would create a monthly payment of 30% a households monthly income (including principal, interest, taxes, insurance, and any homeowners fees). Over the course of 2006 the City anticipates these changes will ensure the City funds dedicated to this program are more appropriately allocated to projects serving low-moderate income households.

The program of System Development, Engineering, and Community Development Fee deferrals is ongoing.

The 25% Density Bonus provision of affordable housing is ongoing.

Number of Households created through Density Bonuses in 2005:

In 2005 eight units within a 32 unit mixed use condominium project were approved utilizing a density bonus allocation for the provision of 25% of the total units as affordable housing. On each of the covered units a resale and rental restriction covenant was recorded on the property assuring the units remain affordable for a period of not less than 99 years. The extended period of affordability, beyond the typical 20 year requirement, was a voluntary proposal of the developer to provide "perpetually affordable" residential units. These units are under construction on Ashland Blvd in close proximity to retail, services, and transit and will be completed in the coming months.

Households Assisted with System Development Charge Defferrals and Fee Waivers:

During the 2005-2006 Fiscal Year the City of Ashland provided deferrals or waivers in excess of \$100,000 to support affordable housing development for low-moderate income households. 18 units issued building permits during this period benefit from the reduced building permit costs.

SDC Deferral amount July 1, 2005 – June 30, 2006:

RVCDC's 2001 Siskiyou Project (9 units)= \$47,089.67

Barclay Square (8 units)= \$40,721.83

Elkader ARU (1 units)= \$3,830.99

Total = \$91,642.46

Engineering Services and Community Development Fee Waiver

RVCDC's 2001 Siskiyou Project (9 units as noted above)= \$11,635.02.

Total = \$11,635.02

Funding sources for this project include: The City of Ashland's general fund absorbs the entire cost of systems development charges (SDCs) for affordable housing, and forgoes the collection of Engineering Services and Community Development Fees for select projects. No CDBG funds are allocated toward this program.

Projected Number Households to be Assisted in FY 2006: 24 new households.

The 24 units expected to benefit from the SDC or Engineering Service Fee waiver includes six units required to be affordable per an annexation request that was approved in 2003. Also included in the 24 anticipated units is the RVCDC project to develop 6 new affordable units (SelfHelp PhaseII) during the coming program year. Additionally an annexation requiring 17 affordable units was approved in March of 2006, and we anticipate that at least 6 of these units will be completed in 2006-07. We estimate an additional 6 affordable units will request the SDC deferral during the 2005 program year for various projects not yet underway.

Probable Funding Level: Approximately \$200,000 in deferred SDCs and Engineering Services Fees – City General Fund with no CDBG contribution.

Target Date for Completion: Ongoing

Housing Commission

Action to meet priority and time-line: The Housing Commission was established in 1995 to monitor the accomplishments of the City's housing program, to make recommendations to the City Council on housing policy, and to serve as an advocate for affordable housing in the City's political process. The Housing Commission will also oversee specific affordable housing projects undertaken by the City in partnership with private groups. Additionally, the City of Ashland's 2005-2009 Consolidated Plan establishes the Housing Commission as a public review body to hold public hearings and provide recommendations to the City Council, for awarding CDBG funds. Further the 2005-2009 Consolidated Plan charges the Housing Commission with review and approval of the annual Action Plan for use of CDBG funds.

Funding sources for this project include: Federal CDBG and City of Ashland general funds utilized for staff support. (see Goal 14 for a description of CDBG funds used for Staff support).

Target Date for Completion: Ongoing

Technical Assistance

Action to meet priority and time-line: The City will provide technical assistance to nonprofit organizations whose mission includes providing affordable housing. This technical assistance will include educating agencies on Community Development Block Grant requirements, anti-discrimination and fair housing, relocation and displacement policies, and provide referral services to appropriate local, state, or federal agencies as needed. Further staff will provide agencies, or individuals, with information on the City's affordable housing program including deferred systems development charges and density bonuses. The City of Ashland will provide technical assistance through the Planning Division as requested and will support applications consistent with the Consolidated Plan.

Funding sources for this project include: Federal CDBG and City of Ashland general funds utilized for staff support. (see Goal 14 for a description of CDBG funds used for Staff support).

Target Date for Completion: Ongoing

Goal 3: To maintain the existing affordable housing supply. Where possible, give funding priority to those projects that will provide benefits to residents with the lowest incomes. Also, give funding priority to those programs which retain the units as affordable in perpetuity, or recapture the rehabilitation costs for further use in Ashland.

The City does not plan to use CDBG funds made available for this activity during Program year 2005 with the exception of the ACLT project identified under Goal 2 above (Bridge Street Acquisition). This project provides for the retention of two low-moderate income tenant households that would otherwise be displaced by the market rate sale of the apartments they occupy. ACLT intends to maintain the units as affordable rentals until such time as the tenants voluntarily relocate at which time the units will be maintained as affordable housing (either rental or ownership) through the Land Trust model. In the event the existing tenant households desire to purchase their respective units ACLT will work with them and Habitat for Humanity to accomplish the transition from rental to ownership. Per ACLTs proposal and the Land Trust model the renewable 99 year land lease

ensures the existing units remain affordable to households earning less than 60 AMI, essentially in perpetuity.

Homeless Goals

Goal 4: Encourage the development of emergency and transitional housing for homeless families with children and/or individuals.

The City granted \$32,000 in CDBG funds to the Interfaith Care Community of Jackson County (ICC) for the 2006 program year for the purpose of creating a Transitional Housing Coordinator position. However as this activity more directly providing a public service to ICC clients, it is not specifically designated as an activity that addresses this goal. It could be argued that assisting ICC with the increase in capacity “encourages the development” of transitional housing, upon making the award the City evaluated the benefits of the activity to be one of building life skills for homeless individuals and families, thus building self sufficiency. For this reason the activity more appropriately addresses Goal 5 of the 2005-2009 Consolidated Plan.

TECHNICAL ASSISTANCE

Action to meet priority and time-line: The City will provide technical assistance to nonprofit organizations whose mission includes providing emergency housing, and support services for homeless prevention. The City has also worked closely with a newly formed agency, the Ashland Homeless Alliance, to establish goals and priorities to address homeless issues.

Further the City remains an active and supportive member of the Jackson County Continuum of Care Consortium’s Homeless Task Force.

The City of Ashland will provide technical assistance through the Planning Division and the Housing Program Specialist position as requested and will support applications consistent with the Consolidated Plan. Further for activities undertaken by public service providers funded in whole or in part with CDBG funds the City will work with subrecipients to ensure an understanding of all CDBG requirements pertaining to the grant(s).

Funding sources for this project include: Federal CDBG and City of Ashland general funds utilized for general staff support. No specific CDBG award for technical assistance funds was made during program year 2006.

Target Date for Completion: Ongoing

Goal 5: Support services for homelessness prevention and transition. Where possible, give funding priority to services that are part of a comprehensive approach that improves the living conditions of clients. Safety net services, or services that meet basic needs

shall only be funded with CDBG dollars if it can be demonstrated that clients receiving those benefits are part of a program that will eventually help them obtain self-sufficiency.

The City granted \$32,000 in CDBG funds to the Interfaith Care Community of Jackson County (ICC) for the 2006 program year for the purpose of creating a Transitional Housing Coordinator position. This funded position will allow ICC to work with extremely low income, and special needs populations to develop the necessary life skills to move out of homelessness. Development of such skills is a necessary step for homeless individuals and families to build self sufficiency and transition into, and maintain, stable housing.

Funding sources for this project include:

\$32,000 in CDBG funds

\$16,000 in ICC funds

Target Date for Completion: Position funded with CDBG through FY2006. Although the position may be ongoing in FY2007 it will not be eligible for CDBG funding.

Special Populations Goals

Goal 6: To support housing and supportive services for people with special needs. People with special needs include the elderly, the frail elderly, persons with developmental disabilities, persons with physical disabilities, persons with severe mental illness, persons with alcohol or other drug dependencies and persons with HIV/AIDS or related illnesses.

The City will continue to support the development of housing and supportive services for individual with special needs. The City allocates over \$100,000 every other year in "Social Service Grants" out of the City's General Fund. In Fiscal Year 2005-06, of the \$110,000 was awarded a number of grants specifically address supportive services for people with special needs. Most notably the Community Health Center was awarded \$30,200 to provide health care services to extremely low and low income residents with unmet medical needs. The Interfaith Care Community of Ashland (ICCA) was awarded \$14,000 to provide client services to homeless individuals including those with mental illness and drug dependencies (see goal 4). Community Works was awarded a total \$24,900 to provide services including rape crisis counseling as well as temporary shelter for victims of domestic violence. A grant of \$2000 was provided to OnTrack Inc. to assist in the operating expenses for their drug abuse treatment programs and \$1000 was awarded to Southern Oregon Drug Awareness to assist in their efforts to reduce drug dependency. Options of Southern Oregon was awarded \$2000 to

provide psychosocial rehabilitation, housing, and employment opportunities for adults with long term mental illness.

2005-06 Fiscal Year Social Service Grants - from City General Fund

Agency and Program Name	FY 05-06 Allocated
ACCESS, Inc. (food boxes for extremely low income)	5,000
CASA of Jackson County, Inc.	2,500
Center For NonProfit Legal Services, Inc.	5,500
Children's Advocacy Center	2,700
Children's Dental Clinic of JC	3,000
Community Health Center	30,200
Community Works	24,900
Help Now! Advocacy Center	1,000
Interfaith Care Community of Ashland	14,000
Jackson County SART	2,500
Mediation Works	2,000
Ontrack, Inc	2,000
Options for Southern Oregon, Inc.	2,000
Planned Parenthood of SW	2,000
RV Manor - Senior Volunteer	1,300
RV Manor -Foster Grandparent	1,000
Salvation Army, Medford Citadel	1,900
SOASTC	1,000
So.Ore Child Study and Treatment Center	2,500
So.Ore Drug Awareness	1,000
Trinity Respite Center	1,000
total	\$110,000

The City does not use CDBG funds made available for these activities as they are supported entirely from the City General Fund.

Community Development Goals

Goal 7: To provide safe and convenient access to alternative transportation routes in extremely low-, low- and moderate-income neighborhoods.

Action to meet priority and time-line: The City has made a commitment to sidewalk improvements in moderate- and low-income neighborhoods and in past years had allocated ten percent of the total CDBG funding for sidewalk improvement and new construction. In an effort to utilize the limited CDBG funds more effectively to address Ashland's highest priority needs (provision of affordable housing), the use of CDBG to fund sidewalk improvements has been

eliminated except in cases where the sidewalk is part of an affordable housing development. One such project related sidewalk will be constructed in 2006 is at the intersection of Siskiyou and Faith Streets (See RVCDC 2002-2). CDBG will contribute \$13,800 toward public facility improvements along the property's frontage. These public facility improvements would include sidewalks, curb and gutters and additional asphalt. The City Council upon making this competitive award linked the public facility improvements to the proposed affordable housing project.

Although this use of CDBG funds is directly correlated to an affordable housing project the sidewalk provided will be considered neighborhood serving, A door to door income survey 1/4 mile from this intersection was conducted in 1999 which demonstrated that over 51% of the area residents qualified as low-moderate income. Further the 2000 Census identifies this Census Block Group (001800 block 4) as having a clear majority (70%) of low-moderate income residents and is therefore considered and qualified low-income area.

Funding sources for this project include: CDBG funds (\$13,800) will be applied to the development of a sidewalk and other required public facility improvements in conjunction with an nine unit affordable housing project at 2001 Siskiyou Blvd..

2004 Projected Number Households to be Assisted: 9 low-moderate income households at 2001 Siskiyou Blvd. and the other 728 households residing in the low-income qualified block-group.

Funding Level: \$13,800 of CDBG funds for Program Year 2004

Target Date for Completion: Dec 30, 2007.

Goal 8: To make city facilities easier and safer to use for people with disabilities.

Action to meet priority and time-line: The City is committed to providing accessibility improvements to City-owned buildings. The City of Ashland reached an agreement with the Department of Justice to improve access to City facilities and has substantially completed all improvements outlined to be compliant with the Americans with Disabilities Act thereby ensuring all City facilities are accessible to people with disabilities. As new facilities are designed and developed the City will ensure that the accessibility needs of Ashland's residents are addressed. This endeavor will continue throughout the implementation of the 2005-2010 Capital Improvement Plan.

Funding sources for this project include: No CDBG funds are currently allocated to this use, the City General Fund is the source for accessibility improvements to City facilities.

Projected Number Households to be Assisted: 853 mobility disabled Ashland residents

Other Goals

Fair Housing

Goal 9: *To affirmatively further fair housing.*

Fair Housing Council of Oregon

The Fair Housing Council of Oregon has been an invaluable partner to the City of Ashland in affirmatively furthering fair housing. During the coming fiscal year (2006) the City of Ashland aims to support FHCO in its outreach and education activities by assisting in the production of four (quarterly) forums on Fair Housing within our region. FHCO has discussed with the City of Ashland and Medford sponsorship of a series of trainings specifically targeted to groups impacted by the Fair Housing Act. In combination trainings are intended to educate, realtors, property managers/landlords, lenders, architects, builders, planning officials, tenants and tenants advocates groups about the protections afforded under the law and practices to eliminate discrimination in housing. The trainings are to include a live public television show that is simultaneously webcast across the State of Oregon to ensure maximum exposure of the trainings.

Legal Services

The City of Ashland provided the Center for NonProfit Legal Services a general fund grant in the amount of \$5,500 explicitly to provide legal assistance for low income Ashland households facing housing discrimination or harassment. This award will enable Ashland households facing housing discrimination to obtain legal services through the Center for NonProfit Legal Services that may not otherwise be in a position to pursue legal action.

2006 Actions to meet priority and time-line: The City will again work with the Fair Housing Council of Oregon as outlined above to conduct trainings in Ashland during the 2005 Program Year.

Funding sources for these projects include: City of Ashland general funds and CDBG funds (Planning and Administration allocation) will be utilized for staff support. However no specific CDBG allocation will be used for the proposed activities.

Lead-Based Paint

Goal 10: Assure activities assisted by the City are conducted in compliance with state and federal laws that apply to lead-based paint hazards, and the information distributed about lead-based paint is in compliance with current state and federal laws.

Outside of Staff time, the City does not plan to use CDBG funds made available for this activity during FY 2006. The City will ensure that lead testing and clearance is completed on any federally funded project involving a structure built prior to 1979.

Goal 11: To reduce the number of people living in poverty in the City of Ashland.

Outside of Staff time, and the activities listed under Goals 2, 3 and 5, the City does not plan to use CDBG funds made available for a specific activity for Goal 11 during FY 2006.

Within the section on Anti Poverty Strategies is a synopsis of the strategies and activities undertaken by the City of Ashland to address poverty.

Goal 12: Promote and support activities in the community that improve or provide access to economic opportunities for extremely low- and low-income residents of Ashland.

Action to meet priority and time-line: Developing economic opportunities for mod- and low-income persons is a new area for the City of Ashland. During FY2001-2002 the City of Ashland enacted Living Wage Ordinance which requires that recipients of City of Ashland grants, or service contracts provide their employees, working on the City funded project, with a Living Wage (2006 minimum is \$11.76 per hour- to be increased by the Consumer Price Index annually). The Living wage ordinance has been in effect and will continue to provide the benefits of a higher wage scale for all people working to provide the City with services, or working on City funded projects.

Funding sources for this project include: City of Ashland general funds utilized for staff administration and the General Fund also supports Economic Development Grants that are awarded independently of the CDBG program. No CDBG funds are directed toward supporting this activity.

Target Date for Completion: Ongoing

Barriers to Affordable Housing

Goal 13: Remain aware of the barriers to affordable housing in Ashland, and where it is within the City's ability, take steps to overcome such barriers.

FY 2005 Activities: To increase awareness regarding affordable housing the City of Ashland conducted an Employer Assisted Housing Workshop on December 2, 2005. The Ashland Chamber of Commerce assisted in the workshop to ensure Ashland Employers were aware of the impact high housing costs have on their employees, and strategies were outlined to assist employers in helping their employees.

On a regional scale the Southern Oregon Workforce Housing Summit (Feb21, 2006) was the first such summit on housing in our area. The Summit convened nearly 200 individuals from public and private sectors to develop a series of strategies to address affordable housing and specifically remove such barriers. The work of the planning group is ongoing to urge local communities across the region to adopt such strategies. Further the City of Ashland, as a member of the planning group, will assist the Rogue Valley Council of Governments in crafting model ordinances that can be used to overcome barriers to affordable housing.

2006 Activities The Housing Commission will continue to implement the actions outlined in the adopted Affordable Housing Action Plan.

<http://www.ashland.or.us/Page.asp?NavID=1350>

Specifically in March of 2006 the City Council has established a two year goal to will implement a Housing Trust Fund and identify funding methods to support the Trust Fund. The Council established the goal of working to establish an Employee Assisted Housing assistance program and lastly to create 200 affordable/workforce housing units by 2010.

The City of Ashland Housing Commission will also complete an examination of the annexation and condominium conversion ordinances to determine what modifications could be used to further promote the development and retention of affordable housing. Suggested changes will be forwarded to the Planning Commission and City Council for consideration and adoption.

Funding sources for this project include Administrative CDBG funds will be used in support of specific activities that address the development of affordable housing units funded in whole or in part with CDBG awards. The City General Fund will provide funding for addressing the Council goals of establishing a

Housing Trust Fund and Employee Assisted Housing Assistance Program. Further the Land Use modifications that will likely be proposed to assist in the removal of barriers to affordable housing will be undertaken utilizing Staff funded through the City General Fund.

Goal 14: To provide institutional structure and intergovernmental cooperation.

Action to meet priority and time-line: City of Ashland Staff will continue to provide staff support to the City of Ashland Housing Commission (see Goal 2). The City of Ashland employs a Housing Program Specialist, which will help provide institutional structure as well as examine and implement opportunities for intergovernmental cooperation. An Assistant Planner for the City of Ashland recently completed Basics of CDBG and Environmental Review trainings to provide greater support for the CDBG program.

The City will also continue to be an active participant with the Jackson County Housing Coalition, and the Jackson County Continuum of Care Homeless Task force to address affordable housing and homeless issues on a regional level. Lastly during FY2006 the City will continue working as an active member steering committee for the 2006 Workforce Housing Summit led, by the Rogue Valley Council of Governments (RVCOG), to develop a regional recognition of, and solutions to, the affordable housing issues facing Jackson County. This Summit brought together over 200 participants representing the complete cross section of our community. Representatives from each jurisdiction's elected bodies, employment sectors, and development communities were present and indicated a desire to collaboratively address the barriers to affordable housing. The ongoing work of the Workforce Housing steering committee will be integral to providing the institutional structure and cooperation to achieve success.

Funding sources for this project include: \$42,701 in Federal CDBG funds (20% of the anticipated yearly allocation) have been directed toward Administration of the CDBG Program. Administration of the CDBG program includes staff support of programs and projects that further the goals outlined in the Consolidated Plan, provision of technical assistance, and the monitoring of the activities of sub-recipients. City of Ashland general funds are also utilized to contribute toward CDBG program administration as well as staff support of non-profit organizations and intergovernmental cooperation.

Target Date for Completion: Ongoing

Anti-Poverty

The activities listed below are completed or ongoing activities, whereas new activities to be undertaken during Fiscal Year 2006 are outlined as activities within the goals above.

The Housing and Community Development Act of 1992 requires communities to include in their Consolidated Plan a description of an anti-poverty strategy. This strategy takes into consideration factors over which the City has control. The City of Ashland has limited resources for addressing the issues involved in reducing poverty and improving the self-sufficiency of low-income residents. Affordable housing is one of the factors directly related to poverty that the City of Ashland does have some ability to influence, and the related goals are covered in the Housing Goals section. In addition, the City supports housing and service programs targeted at the continuum of care needs of the homeless. The goals related to housing and support services are addressed in the Homeless Goals section. In another effort to address poverty within Ashland, during 2001-2002 the City of Ashland passed a Living Wage Ordinance. This ordinance requires that employees of the City, or employers receiving financial assistance or business from the City in excess of \$15,345 must pay a minimum of \$11.76 per hour (adjusted annually) to employees engaged in work related to the City project or service contract (see Goal 12).

The City of Ashland operates a variety of funding and other assistance programs which, together, strategically address the goals of reducing poverty and improving the self-sufficiency of low-income residents. The activities undertaken in conjunction with this anti-poverty strategy can be separated into two primary areas of effort: human services programs targeted at the continuum of care needs; and affordable housing programs. The City of Ashland has limited influence on many of the factors that affect opportunities for workers to earn a living wage. For instance, the city does not directly affect wages provided by employers not engaged in business with the City, nor does the City have influence over income assistance such as Social Security or Aid to Families with Dependent Children.

The City of Ashland provides funding to agencies that address the needs of low income and homeless residents through a Social Service Grant program. The goal of this program is to improve living conditions and self sufficiency for residents by meeting such basic needs as food, shelter, clothing, counseling and basic health care. The goal is carried out by providing funds in excess of \$100,000 every other year to various area agencies whose focus meets one or more of these targeted needs.

The Social Service Grant program is funded entirely with general fund dollars from the City of Ashland budget. The award process is coordinated through the United Way of Jackson County. Local agencies and organizations providing continuum of care activities in the Rogue Valley coordinate their applications through a Community Services Consortium. The coordination of services and related funding requests through the consortium attempts to insure that the broad range of needs is met without overlap or duplication of service (See Goals 4,5,&6). .

The second element of the City's anti-poverty strategy targets the development and retention of affordable housing. The City of Ashland has made a serious effort to address the issues of housing affordability. In 2006 the City Council through its annual goal setting established creation and retention of affordable housing as a priority goal

An Affordable Housing Committee was formed in 1990 and reconvened in 1994 to search for ways to provide economical housing in Ashland. In 1995 a formal Housing Commission was formed. The Housing Commission has endeavored to create policies that will allow additional housing opportunities for low- and moderate- income Ashland households. The following programs/projects have been developed in an effort to create and retain affordable housing units in Ashland.

- **Ashland Community Land Trust** – The City of Ashland worked to assist in the establishment of the Ashland Community Land Trust (ACLT). The purpose of the land trust is to create and sustain long-term affordable housing in the city limits of Ashland for low- and moderate-income families. The land trust acquires and holds land, while the improvements are sold to the low-income residents. ACLT is a non-profit organization, and is directed by a board including representatives from social service agencies, the Ashland Housing Commission, participants in the trust, City Staff, local developers and local realtors.
- **Accessory Apartments** - The Conditional Use Permit Procedure was changed in 1990 to allow an accessory apartment or cottage within single family residential zones. This provided valuable affordable housing units without unreasonable impacts on the neighborhood. A total of 108 units have been made legal or been newly constructed since 1990, with five approved in FY2005. In addition to the small scale of these units making them more affordable than larger apartments or homes, the City required one of the newly legalized units to be affordable to households earning less than 80% AMI for a period of 20 years through a deed restriction imposed as a condition of the planning approval.

- **Incentives for Affordable Housing** - Higher densities of residential development are allowed when affordable housing is guaranteed. All density bonuses (for energy efficiency, landscaping, etc.) were limited to 60%. For every percent of units that are affordable, an equivalent percentage of density bonus shall be allowed. A maximum bonus of 35% is granted for providing affordable housing. In 1980, Ashland increased development densities in order to encourage the building of more affordable homes. What occurred, however, was that expensive homes were built on smaller lots. Modification of densities in single-family zones were reduced from that level back to the 8,000 to 10,000 square foot lot size and in multi-family zones to 13.5 or 20 dwelling units per acre.
- **Deferred System Development Charges for Homes Constructed under the Affordable Housing Program** - This provision of the affordable housing program works in conjunction with the affordable housing density bonus. To increase the affordability of newly constructed homes or rentals the City defers the system development charges which can be between \$8,000 and \$11,000 for a three bedroom two-bath unit. This fee becomes a "sleeping second" on the mortgage. This second is not awakened unless the home or rental is sold outside of the program. In the event the home or rental is sold outside the program the SDCs are paid back plus six percent interest accrued annually. If the home or rental remains affordable for 20 years the SDCs are forgiven, and if it is sold within the program the SDC credits are simply transferred to the next owner.
- **Manufactured Housing** - Manufactured housing can involve significantly lower costs than conventional housing. Ashland adopted standards and overlay zone that complied with state law and permitted manufactured homes on individual lots in areas outside the historic district.

Monitoring

The City of Ashland will compare its performance in meeting its goals and objectives set forth in the 5 year Consolidated Plan annually to ensure the yearly Action Plans are developed to meet the intended goals.

Specifically the development of housing that is affordable to low-moderate and extremely low income households will be quantified each year.

Throughout the year each new unit that is developed, through grant assistance or to meet regulatory requirements, will be deed restricted to ensure a period of affordability (typically 20 years or greater). The development of both rental and owner occupied affordable housing will be compared to the targets established in the Consolidated Plan and subsequent years CDBG awards will be targeted to those types of housing that are not keeping pace with projections.

The City staff will complete an Annual Housing and Community Development report which will quantify both housing and homeless accomplishments after the conclusion of each fiscal year. Housing accomplishments will be broken into the income and occupancy type categories identified in the 5-year Consolidated Plan. Additionally the success of the Ashland Rental Assistance Program, SDC deferral program, and Accessory Residential Unit development, and Land Use requirements and incentives for affordable housing, will be examined and presented to the Ashland Housing Commission for evaluation. This information will inform potential modifications to existing or future programs to meet the goals outlined in the Consolidated Plan. The information contained in the Annual Housing and Community Development report will assist in informing the CDBG award selection process undertaken in February-March of the following year. The annual accomplishments will be reported in the City's Consolidated Annual Performance Evaluation Report (CAPER).

Subrecipient Monitoring

The City of Ashland, as the grantee for CDBG grants, will monitor the subrecipients on a quarterly basis. Staff will maintain a close working relationship with the CDBG subrecipients. One benefit of being a small entitlement community with a limited grant amount is that the City typically provides only one award per program year. This enables the City Staff to closely follow the progress of CDBG projects and maintain open communication with Subrecipients.

The City is committed to ensuring that CDBG funds are used as specified in State and Federal regulations through: public and City Council monitoring through public hearings; staff evaluation; annual evaluation of

the priorities set forth in the Consolidated Plan; periodic site visits and program evaluations; financial monitoring, record keeping, and reporting requirements.

The City requires recipients of CDBG funds to provide a project timeline with benchmarks for completion which is incorporated into the Subrecipient Agreement for use of CDBG funds. The City remains in regular contact with each subrecipient throughout the projects development to monitor their accomplishments, ensure they are meeting the projected benchmarks, and provide information on CDBG regulations.

For currently funded projects in development, at a minimum the City CDBG administration staff will meet with each subrecipient's designated representative to review their project's accomplishments and investigate any failures to meet anticipated benchmarks at quarterly intervals. Annually, or semiannually if deemed necessary, the City of Ashland CDBG administrative staff will conduct a formal monitoring visit to evaluate the following items as they relate to CDBG funded projects. If at any point the City CDBG administration staff determines a project is failing to move forward the subrecipient will be required to complete a Corrective Action Plan as described below.

Financial management

The extent to which program participants account for and manage financial resources in accordance with approved financial management standards. Additionally this criteria relates to the amount of potential monetary exposure to the City, and the Department of Housing and Urban Development.

Analysis to include assessment of:

- Amount of current/total funding obligated and/or expended
- Audits and/or Investigations
- Staff experience with CDBG
- History of performance

Physical asset maintenance and operation

The extent to which HUD-funded physical assets are maintained and operated.

Analysis to include assessment of:

- History of Performance
- Condition of HUD funded physical assets
- Use of facilities or physical assets in conformance with CDBG regulations

Management

The extent which the program participant has the administrative capacity to carry out CDBG requirements.

Analysis to include assessment of:

- Experience level of Key staff particularly as it relates to CDBG funded activities
- Program History including performance indicators
- Reporting consistency

Satisfaction

Extent to which clients express satisfaction or dissatisfaction with the delivery of the program services.

Analysis to include assessment of:

- Types of program activities
- Complaints or compliments received

Services

Extent to which HUD program participants effectively and efficiently deliver services to the intended beneficiaries/clientele

Analysis to include assessment of:

- Types of program activities
- Accomplishments
- Timeliness
- Project development including timing benchmarks

Corrective Action Plan

If the activities funded with CDBG dollars are not being accomplished in a timely manner, as set forth in the subrecipient agreements the City of Ashland may issue a written notice requiring the submission of a corrective action plan that is subject to the approval of the City.

The City shall provide the subrecipient 14 days, or such time as City deems appropriate, to develop a corrective action plan that is acceptable to City for correcting the problem. At a minimum, the corrective action plan must include (1) a written performance measure to be implemented by the Subrecipient that corrects the specific area(s) of noncompliance and how performance measure will be established and executed by the Subrecipient's organization, including subcontractors; and (2) designates the person with authority within the Subrecipient's organization charged with the responsibility of accomplishing and monitoring compliance.

Acceptance of the Corrective Action Plan by the City will establish the curative period necessary to bring the project into compliance. If the Subrecipient has not submitted a corrective action plan that is acceptable to the City within the specified time frame or does not implement or complete the corrective action plan within the specified time frame, the City shall proceed with other enforcement remedies as outlined in the Subrecipient Agreement.

Public Participation

A Public hearings were held on March 15th to solicit comments on the potential uses of the 2006 CDBG allocation. Additionally at that meeting the Ashland Housing Commission to reviewed applications submitted for CDBG grant awards. After review of the proposals the Housing Commission forwarded an award recommendation to the City Council. The City Council held a public hearing on April 4th 2006, at which time a recipients were selected. The Housing Commission further held a public hearing on April 17th to elicit comments of the draft Action Plan and concluded the adoption of the 2006 Action Plan decision on May 15th at a regular public meeting.

All meetings were noticed in the Community Calendar and Legal Notices in *The Ashland Daily Tidings*, and posted on the City of Ashland website.

Testimony specific to the CDBG allocations was received and Minutes from the meeting are attached.

The public comment period for the draft 2006 One Year Use of Funds Action Plan for Program Year began on April 11th, and ran through May 15th 2006. The availability of the draft plan was also posted on the City of Ashland web page on April 10th, 2006 and an Adobe Portable document (pdf) of the Action Plan was available for download throughout the public comment period.

A Display advertisement was published on April 14th, 2005 in *The Ashland Daily Tidings* .