



**CITY OF  
ASHLAND**

**CONSOLIDATED ANNUAL PERFORMANCE  
EVALUATION REPORT  
(CAPER)  
Program year 2006  
(July 1, 2006 – June 30, 2007)**

Date of Report Sept 12, 2007  
Comments can be submitted to  
Brandon Goldman  
goldmanb@ashland.or.us  
541-552-2076

Through Sept 30, 2007

The Housing Commission will accept public testimony  
on September 27<sup>th</sup>, 2007 at 5:30pm  
in the Community Development Building

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

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

One Year Use of Funds  
CAPER for CDBG Funds  
2006-2007 Program Year

# CITY OF ASHLAND



## City of Ashland 2006 Program Year Consolidated Annual Performance and Evaluation Report (CAPER)

### Part 1. Narrative Statement

#### A) Assessment of Three to Five Year Goals and Objectives

In May of 2005, the City of Ashland Acknowledged the Five-Year Consolidated Plan (2005-2009). Fourteen priorities (goals) are identified in the Five-Year Consolidated Plan. The priorities are not ranked in order of importance. Each project/activity, which was undertaken during Fiscal Year 2006-2007, is listed and discussed under the relevant priority.

This assessment provided in this CAPER covers the 2006 Program year (July 1, 2006-June 30, 2007).

**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.***

#### **Accessory Residential Units**

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 within single family residential zones. This provided valuable affordable housing units without unreasonable impacts on the neighborhood. A total of 112 units have been made legal or been newly constructed since 1990. Building permits for just four accessory residential units (ARUs) were issued in this period. This is considerably less than the 10 units projected in the 2006 Action Plan and is the second consecutive year that the number of developed ARUs has not met expectations. In future years either the estimated number should be reduced to reflect development trends, or the City should examine ways to promote their development further.

No Accessory Residential Unit projects were funded with Community Development Block Grant funds or City General funds in the program year.

#### **Large scale developments**

The City of Ashland currently requires that for large scale developments over 10 residential units, 10% of the units be provided to qualified low-income households earning less than 80% of area median income at rents equal to or less than those set

under the Ashland Affordable Housing Program. In 2006-2007 no projects meeting this threshold were approved by the Planning Commission. One such project at 1651 Ashland Street received planning approval in 2005-2006 requiring two affordable units to be available to households earning less than 80% the area median income, and two units restricted to households earning 120% AMI were voluntarily proposed by the developer. Although building permits remain ready for issuance for this project, the developer has not retrieved them and thus it may be that market conditions have changed to the degree that this project is no longer moving forward. The property is currently listed for sale further indicating the project will not be developed as anticipated. Both Building Permit and Planning approval is set to expire on this project in October of 2007 and unless the developer retrieves the permit, or files for an extension. The City of Ashland considers units added to our affordable housing stock only upon issuance of a building permit and recording of applicable affordability deed restrictions. Affordability deed restriction were drafted and signed but as no Building permits are issued the City will not consider these "approved" units to be additional housing stock in this program year.

### **Annexation**

In the 2005 CDBG Program year the City Council approved a 10 acre annexation on Clay Street known as the Willowbrook Subdivision. The City's annexation requirements require a percentage of the development to be retained as affordable for a period of not less than 60 years. This 10 acre annexation proposal was required to provide 17 of the 113 proposed units as affordable housing to households earning 60% the Area Median Income or less. In the 2006-2007 program year the developers reduced the total number of units to 107 due to the delineation of wetlands on the property. The affordable units however remained at 17 in the revised outline approval. Although the annexation request has been approved, the City will not report the addition of these units to the City's affordable housing stock until the issuance of building permits and the units are deed restricted to remain affordable as required. Given the period of build out the City anticipates these units will be added incrementally over the 2008 and 2009 program years.

### **Ashland Community Land Trust**

During the 2006-2007 program year ACLT utilized a CDBG grant in the amount of \$328,800 to purchase the property at 404-408 Bridge Street. This property contains a duplex which are expected currently rented to the tenants that occupied the dwellings prior to purchase. Each household was qualified as low-moderate income earning less than 80%AMI. At the rear of this recently acquired property ACLT intends to build two ownership units which are described under goal 2.

**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(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 or rented to the low-income residents.

***ACLT and Habitat for Humanity- Garfield St.***

During September of 2005 ACLT expended \$80,000 in CDBG funds to purchase a vacant parcel on Garfield Street to complete two new ownership units. ACLT worked in collaboration with Habitat for Humanity to develop these homes. With this partnership the units were created to benefit households earning 60%AMI instead of the original income target of 80%AMI. The ownership of the land by ACLT will secure that these units, built adjacent to their six unit apartment complex on Garfield St., will remain affordable in perpetuity. The two new units are nearing completion and are expected to be occupied in November of this year.



Pictured above are the two new common wall ACLT-Habitat homes units under construction  
Photo: June of 2006.

***ACLT Bridge St.***

As noted under Goal 1, ACLT purchased the property 404-408 Bridge Street with \$328,800 in CDBG funds during the program year. The CDBG contribution was withheld until a variance was obtained on the property securing the full development potential of the property. As the variance was been granted by the planning commission (findings adopted Sept. 12<sup>th</sup> 2006) the purchase of the property was completed on October 12, 2006. The existing duplex is being counted rental housing stock (see goal 1). Although a variance request to driveway width was granted, the additional two units have yet to receive planning approval and issuance of building permits. It is anticipated that they will be developed in the 2007-2008 Program year and will therefore be counted in a subsequent CAPER.

***Rogue Valley Community Development Corporation (RVCDC)***

RVCDC received two prior CDBG awards which resulted in the acquisition of Property during the 2004 CDBG Program Year. Combined the two properties purchased will allow the development of 15 affordable ownership in cooperation with the USDA Rural Development Self Help Program. Homebuyers will contribute a significant amount of “sweat equity” to lower the ultimate purchase price to below \$120,000 per unit. All units will be occupied by low-moderate income households and will remain affordable for a minimum of 20 years per the CDBG Sub-recipient Agreement. However RVCDC has indicated through their continued ownership of the land, the units will effectively be affordable in perpetuity. The two properties purchased for this scattered site development include 2001 Siskiyou Blvd, and 795 Park Street.

***RVCDC – Siskiyou Blvd***



The first site (2001 Siskiyou Blvd.) was completed in December of 2006. Occupancy of these units by the low income owners was possible only through the \$361,750 in CDBG funds used to acquire the property in 2004 for this phase of the development. This contribution was the complete purchase price for the property. The RVCDC received a SHOP grant award of \$80,000 to provide pre-development costs as well as to contribute toward common

area improvements. The City of Ashland waived the System Development Charges on these units further reducing the cost of construction by \$45,900. The individual homeowners (builders) received USDA 502 loans for the construction funds which provided a low interest loan subsidy to further reduce the cost of the housing. The homeowner-builders added to the affordability of these homes through considerable sweat equity (30 hours per week) over the 10 month build period. As a result of the subsidy, and the work of the homeowners these 2-3 bedroom town-homes sold for less than \$146,000 in a market where comparable units sell for twice that amount. As all nine units are deed restricted to remain affordable. As the land was deed restricted and building permits were issued in 2005-2006, these nine units were counted as contributing to Ashland's affordable housing stock during that period and are thus not counted this year.

#### ***RVCDC - Park St.***

The second site, located at 795 Park Street was purchased by RVCDC for a total of \$350,000 with \$274,000 being provided by the CDBG Program. The remaining \$76,000 in purchase price and additional closing costs was obtained through a loan from Rural Development Collaborative in the amount of \$80,500. As with the previous site the RVCDC will be working with USDA's Self-Help Program to obtain



low-interest construction loans for the home-owner/builders to develop the six units intended for this site. All units will be affordable to households earning less than 80% Area median income. RVCDC has received Planning Approval from the City of Ashland for the proposed development and As of September 2007 RVCDC was awaiting Final Partition Plat approval. Building Permits have been reviewed and are ready for issuance awaiting the survey approval. The City has qualified these six units will qualify for deferral of SDCs and Engineering and Community Development fees in the cumulative amount of \$57,057. This contribution will essentially reduce the purchase price of each unit by approximately \$10,000. Upon completion the units are expected to sell for between \$133,383 and \$148,393. Buyers will utilize USDA low interest home loans to further reduce the housing cost burden.

RVCDC did not meet its initial construction target start date of October 2006, however the City has confidence that the building permits will be issued in the



coming month, and construction will begin, in October or November of 2007. The accomplishments of providing six affordable units will be reported in CAPER in the year in which the units are completed.

### **Fordyce Co-Housing Project**

Construction of Ashland's first co-housing project was undertaken in 2006-2007 with the Bear Grass Village 13 units project. In 2005 the City approved a zone change from single family to multifamily to accommodate the density and layout of the project. As a requirement of the zone change the project included two deed restricted affordable housing units targeted as ownership units to households earning less than 60%AMI. These two dwelling units are to remain affordable for 60 years. The remaining eleven units are not considered "affordable" by Ashland's housing program standards however it should be noted that the Co-Housing Community established equity limitations to ensure they remain below the market rate for comparable houses. The two deed restricted units will each sell to qualified young families with low income households that have qualified for subsidized loans through the Rural Development 502 Loan program.



The two affordable housing units (pictured left and right), as well as the complete development, were built to exceed Earth Advantage standards and Energy Star certification. Therefore the affordable housing units will benefit from lower monthly utility costs than comparable homes not built to this efficiency standard.



### **Affordable Housing Program**

During the 2005-2006 Fiscal year the City examined and amended existing affordable housing standards in order to be more effective at supporting affordable housing and in securing protections for the occupant households of covered units. In this process the City amended existing resolutions that established what is considered an affordable purchase price or rental costs for units covered under the program. The new methodology for designating qualified affordable housing units correlates housing costs based on a range on incomes (60%, 80%, 100%, and 120% AMI), and to establish a minimum 30 year period of affordability for covered units as required by the City land use ordinance or those assisted with a System Development Charge Deferral. The maximum purchase price of affordable homes now is considerate the total housing costs including Principal, Interest, Taxes , Insurance and any Homeowner Association dues.

In 2005-2006 the City passed a new resolution (res 2006-13) that established Ashland's Affordable Housing Guidelines as well as the thresholds for a waiver of Community Development fees, Engineering Services fees eligible affordable units that are voluntarily provided. These fees amount to 1.85% of a projects valuation. Therefore the automatic waiver of these fees for voluntarily provided affordable units amounts to a direct subsidy from the City in the average amount of approximately \$1500 - \$2000 per unit . During 2006 these fees were waived for the 2 unit ACLT project as noted above.

The program allows the deferral of SDCs for any affordable unit targeted to ownership households earning less than 80% the Area Median Income (AMI), or rental households dedicated to households earning 60% AMI or less. A total of 74 households are currently participating in the program. During the 2006 program year the two new units by ACLT and Habitat for Humanity were assisted with SDC deferrals. The deferred SDC amount on the newly added households totaled \$data requested and the Community Development and Engineering services fees waived totaled \$data requested, for a combined contribution of \$data requested in City General Funds to support the development of these two affordable units.

Although the SDC deferral program only requires a 30 year minimum period of affordability, the two units assisted in FY2006-2007 will be affordable for a minimum of 99 years as the land is owned by the Ashland Community Land Trust. No CDBG funds were used for the deferred SDC program, as the City of Ashland's general fund forgoes collection of the system development charge to assist in lowering the cost of the housing. This program is ongoing.

The City of Ashland General fund contributed \$data requested in assistance to affordable housing projects during FY2006-2007 through this program. No CDBG funds were used to pay these development costs.

### **Density Bonus Program**

The City of Ashland offers a density bonus for the voluntary inclusion of affordable housing within a subdivision or multifamily development. During the 2005-2006 Program year one private developer utilized the density bonus for affordable housing and conservation to develop a 32 unit mixed use project on Ashland Street. This project included eight four-plexes all individually condominiumized. In this development, Barclay Square, the developer provided eight (8) 1-bedroom units for sale to households earning 120% median income or less. These units were reported in the 2005-2006 CAPER after issuance of building permits. So although they were initially occupied in 2006-2007, the deed restrictions on these units were previously recorded and thus they are not being counted as new units for the purposes of this CAPER.

### **North Main**

An existing eleven unit apartment complex on North Main Street was approved for conversion into town-homes during FY2005-2006 however as existing it exceeded the base density and thus had to provide one unit as affordable to meet current code requirement. Therefore one (1) of the units was dedicated as affordable housing consistent with the City policy. The deed restriction on the affordable unit was

recorded onto the property in April of 2007, and thus this unit is considered as one new affordable units for in the reporting period of this CAPER.

### **Condominium Conversions**

The City allows conversion of existing apartments to ownership units only in cases where 25% of the units converted are affordable where the residents have first right of refusal. The City considers units that are required to be affordable to be added to our inventory only upon the recording of deed restrictions on the property. The Affordable Housing Program parameters under resolution 2006-13 establish that rental apartments converted into condominiums are to be affordable at the 80% income level for a period of not less than 30 years.

The time period between the initial approval for conversion of an apartment complex into condominiums, and the actual recording of a condominium survey can be lengthy. The corresponding resale restriction covenants (deed restriction) are not imposed until such time as the condominium survey is completed thus this CAPER will distinguish between those approved and those considered complete.

### **Completed Conversions**

#### **Chestnut Street**

An eight unit apartment complex on Chestnut Street was converted into eight separate units of ownership requiring two (2) of the eight pre-existing units to be dedicated as affordable housing. In May of 2007 a resale restriction was recorded on the deed of each of the designated units thereby securing them as affordable for a 30 year period targeted to households earning 80%AMI.

#### **Glendale Ave.**

On July 12<sup>th</sup> of 2005 a seven unit apartment complex was approved for conversion by the Planning Commission at the intersection of Glendale and Siskiyou Blvd. The resulting two (2) affordable units were deed restricted establishing a 20 year affordability period (the twenty year period reflects that these units were approved prior to the adoption of the new resolution 2006-13). Deed restrictions on the two affordable units were recorded in February of 2006, and they are thus considered two new affordable units for in the reporting period of this CAPER.

#### **South Mountain Ave.**

Four existing apartments on South Mountain Street were converted into condominiums during FY2005-2006, of which one (1) was dedicated as affordable to households earning 80% the area Median Income. This unit is to be retained as affordable for not less than 20 years (the twenty year period reflects that these units were approved prior to the adoption of the new resolution 2006-13). The deed restriction on the affordable unit was recorded onto the property in September of 2006, and thus this unit is considered as one new affordable units for in the reporting period of this CAPER.

#### **VanNess Street**

A four unit apartment complex on Ventura was converted into four separate units of ownership requiring one (1) of the four be dedicated as an affordable housing unit. In May of 2007 a resale restriction was recorded on the deed of a unit thereby securing it as affordable for a 30 year period targeted to households earning 80%AMI.



**Pending Conversions**  
**Garfield Street**

An existing ten (10) unit apartment complex on Garfield Street received approval for conversion in 2006. This approval will require that three (3) of the units be designated as deed restricted affordable housing targeted to households earning less than 80%AMI. The final condominium surveys for this condominium conversion project has not been completed and therefore there is not as of yet any affordable housing deed restrictions in place. These three units are not considered affordable until the deed restrictions are recorded. The City expects the developer will complete the survey in 2007 and that the three recorded affordable units will be reported in the subsequent CAPER.

**Ventura Circle**

Eight existing apartments on Ventura Circle, in two separate complexes, were approved for conversion into condominiums during 2006. Two (2) of the eight units are to be dedicated as affordable to households earning 80% the area Median Income. These units are to be retained as affordable for not less than 30 years. The final condominium surveys for these two condominium conversion projects have not been completed and therefore there is not as of yet any affordable housing deed restrictions on the properties. These units are not considered affordable until the deed restrictions are recorded. The City expects the developer will complete the survey in 2007 and that they will then be reported in the subsequent CAPER.

**Park Street**

An existing 30 unit apartment complex received approval for conversion in 2006. This approval will require that six (6) of the units be designated as deed restricted affordable housing targeted to households earning less than 80%AMI. The final condominium surveys for this condominium conversion project has not been completed and therefore there is not as of yet any affordable housing deed restrictions in place. These six units are not considered affordable until the deed restrictions are recorded. The City expects the developer will complete the survey in 2007 and that the six recorded affordable units will be reported in the subsequent CAPER.

**Total Conversions**

In the 2006 CDBG program year the City added **six** new condominium units to our affordable housing stock through condo conversions and has an additional **eleven** units pending recording of their final surveys at which time they will be secured as affordable through deed restrictions.

Although 71 total units completed or initiated conversion to condominiums in 2006-2007, the rate of condominium conversions has decelerated in recent months. As such it is anticipated that in 2007-2008 we may not see the same surge of conversions. Currently there are no planning applications pending approval for conversion of existing apartments. As noted in under Goal 13, the City initiated a number of ordinance changes addressing the adverse impacts of such conversions on tenants and Ashland's rental housing stock which may further reduce conversions.

### **Total Affordable Units Added to the Cities Inventory from July 1, 2006 - June 30, 2007**

During the 2006 CDBG program year ***Ashland increased its stock of affordable ownership housing by 11 units and affordable rental housing stock by two units.***

As noted above, six (6) ownership units were designated as affordable through the condominium conversion process, Additionally two (2) new ownership units were developed by a private developer in conjunction with a zone change (Fordyce Co-Housing), one (1) ownership unit was added as required for a density bonus (North Main Townhomes), and ACLT purchased an existing two (2) unit rental and developed with Habitat for Humanity a two (2) unit ownership unit. All 13 of the above mentioned units have been deed restricted to remain affordable from 30 years (condo conversions) to 99 years (the ACLT units).

Additionally \$271,000 in CDBG funds were utilized to purchase property on Park Street by RVCDC to accommodate 6 new ownership units that will have yet to be built so they will be reported in the 2007-2008 CDBG program year upon recording affordability restrictions upon the individual unit titles.

***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.***

### **Ashland Community Land Trust**

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 or rented to the low-income residents. The ACLT accomplishments regarding new ownership housing are noted under Goal 1, and the accomplishments regarding new rental Housing are noted under Goal 2. In 2006 ACLT completed the acquisition of an existing Duplex at 404-408 Bridge Street to become affordable in perpetuity under the Land Trust model and therefore maintain two existing affordable rental units consistent with Goal 3. This activity is noted under Goal 1 above.

### **Technical Assistance**

The City provided technical assistance to nonprofit organizations whose mission includes providing affordable housing. This technical assistance includes, when necessary, providing information on the CDBG program, City zoning regulations, educating agencies on the planning process and providing information on the City's affordable housing program including deferred systems development charges and density bonuses. The City also aims to direct potential affordable housing developers to other resources such as Rural Development programs and Oregon Housing and Community Services funding. The City of Ashland provided technical assistance through the Planning Division as requested and supported applications

consistent with the Consolidated Plan. The City provided assistance to the Rogue Valley Community Development Corporation, Rogue Valley Habitat for Humanity, Ashland Community Land Trust, Fordyce Co-Housing Project, and the Housing Authority of Jackson County in both their search for available property for CDBG funded projects, as well as in preparing applications for proposed developments during the 2006 CDBG program year.

Federal CDBG and City of Ashland general funds utilized are for staff support. Twenty Percent of the yearly CDBG allocation (\$42,701 in 2005-2006) was utilized for CDBG program administration.

#### **Total Existing Affordable Units Retained July 1, 2005 –June 30, 2006**

During the 2006 CDBG program year Ashland saw the retention of two existing affordable units through the assistance of CDBG purchase a duplex at 404-408 Bridge Street. These units were acquired with CDBG funds in the from the 2006 and 2005 Program years.

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

The City did not address the development of emergency or transitional housing in 2006. Although Staff did provide technical support to the Interfaith Care Community, and award CDBG grant for a transitional Housing Coordinator (see goal 5) in their relocation to a site that in the future would accommodate transitional housing, no plan to develop the property has been proposed. The City will assist in endeavors to develop transitional housing at the present ICC location, or yet to be identified property but has not directed resources directly for its development. No CDBG funded actions were undertaken or completed during the 2006 program year that specifically applied CDBG funds toward the development of emergency or transitional housing.

#### ***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 provided the Interfaith Care Community a CDBG grant in the amount of \$32,000 in 2006 in support of their creating a new position of Transitional Housing Coordinator to serve Ashland residents. ICC did hire a transitional housing coordinator to evaluate current and new clients in order to develop long-range plans based on family status, educational, skills and needs level with the goal to create a pool of low income clients who will, through training for both job and life skills, be prepared to enter long term transitional housing when available and to be successful in maintaining a independent status. ICC provided salary and hour information demonstrating this new position was instituted and had provided services in 2006

expending \$21,312.09 from November 1, 2006 to June 30, 2007. However ICC has not after repeated requests provided the required exhibits relating to clients served. The City has notified ICC that the CDBG funds will not be distributed until all reporting as required per the subrecipient agreement is provided. At the time this CAPER was drafted ICC has indicated they had collected the required information and are working to consolidate it into the required report to accompany an invoice for payment.

The City does allocate over \$100,000 of general fund dollars each year in Social Service grants from the City General Fund. These Social Service grant allocations are listed under the Continuum of Care Narrative.

**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.***

No specific CDBG Funded activities were identified in 2006 Action Plan to address this goal.

The City will continue to support the development of housing and supportive services for individual with special needs. The City allocates "Social Service Grants" out of the City's General Fund to address these needs. Through this City Grant Program an annual allocation of \$119,000 was awarded to 20 agencies of which the majority specifically addresses supportive services for people with special needs. This allocation was provided for FY 2007 and FY 2008 for cumulative doubling of the award amounts listed. In total the City contributes \$338,000 over a two year period to the agencies listed below.

Of these awards most notably the Community Health Center was provided \$32,000 annually to provide health care services, the Interfaith Care Community of Ashland (ICCA) was provided \$13,600 annually to provide client services to homeless individuals (see Goal 6 for a CDBG award to ICC in support of transitional housing for homeless). Community Works was given a combined total annual award of \$32,206 to provide services including rape crisis counseling as well as temporary shelter for victims of domestic violence. Additionally an annual grant of \$3000 was provided to OnTrack Inc. to assist in the operating expenses for their drug abuse treatment programs.

See table next Page

**Ashland Social Service Grants 2007-2009**

<b>Organization</b>	<b>Awarded</b> Annual allocation (2 year disbursement = award below x 2)
Community Health Center	32,000
Southern Oregon Drug Awareness	1,030
Children's Dental Clinic	3,104
Planned Parenthood	2,060
Ontrack	3,000
Community Works-Dunn House	15,000
Community Works-Sexual Assault Victims Services	2,575
Community Works-Parent Education	1,442
Community Works-Helpline	7,210
Community Works-Street Outreach	5,979
Help Now! (low income legal assistance)	1,100
WinterSpring Center for Living with Loss & Grief	1,000
Southern Oregon Child Study and Treatment Center	2,900
Center for Non Profit Legal Services	6000
Children's Advocacy Center	2,700
RV Manor- Foster Grandparent	1,200
RV Manor- Retired Senior Volunteer Program	1500
Mediation Works	2,200
Access Inc (food share – emergency food)	5,500
Jackson County Sexual Assault Response Team	2350
Interfaith Care Community	13,600
Jackson County Court Appointed Special Advocates (CASA)	2,500
Trinity Respite Care	1,700
Southern Oregon Adolescent Study and Treatment Center	1,350
<b>Total Awarded</b>	<b>\$ 119,000</b> (\$338,000 over two years)

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

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

In previous years the City had made a CDBG commitment to sidewalk improvements in moderate- and low-income neighborhoods by allocating ten percent of the total federal funding for sidewalk improvement and new construction annually in prior years. However the Ashland Consolidated Plan was revised to eliminate this 10% set-aside beginning with the 2002-2003 program year. This limitation on the allocation of CDBG was continued in the 2005-2009 Consolidated Plan further eliminating the potential to apply CDBG funds to sidewalk improvements exclusively based on qualified low-income neighborhood status.

During the 2006-2007 program year the City of Ashland provided the Rogue Valley Transportation District (RVTD) with \$290,000.00 in direct assistance to provide reduced bus fares City wide. As the RVTV bus routes transect each of Ashland's

low income neighborhoods (Census block groups 0018, 0019, 0020) the reduced fares benefited extremely-low, low- and moderate-income households by lessening the cost of public transportation. The fare reduction was a 50% reduction from fares elsewhere in the Transportation district. This reduction meant fares in Ashland were only \$1.00 versus \$2.00 elsewhere in the valley. Further the City contribution to RVTV also reduced the fare from \$4.00 to \$2.00 for the Valley Lift program which provides door to door transportation for the disabled and mobility impaired residents of Ashland. Despite the subsidy

During the program year Siskiyou Blvd. (the southern boundary of Census block group 0018, a qualified low income neighborhood) was improved with a dedicated bike lane from Walker to Tolman Creek Road. This bike lane was provided as part of an Oregon Department of Transportation Project and provided an asphalt bike lane where previously a gravel shoulder functioned as a travel lane for bikes. Given this was an ODOT improvement Project of a State Highway (Hwy 99) no City or CDBG funds were contributed to this improved access in a designated low income neighborhood.

The City did not utilize CDBG funds toward this goal in the 2006-2007 program year. The full \$290,000 contribution to RVTV for reduced fares was provided by the City's General Fund.

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

The City did not utilize CDBG funds toward this goal in the 2005 program year.

**Goal 9: To affirmatively further fair housing.**

The City of Ashland worked in collaboration with the Oregon Fair Housing Council to conduct a fair housing workshop in Ashland on May 23<sup>rd</sup>, 2007. This training was funded primarily through an FHIP E & O grant, and PEI enforcement grant provided to FHCO. The City of Ashland provided the location for the training and paid to televise the training through Rogue Valley Community Television. This training was unique in that it was the first such training broadcasted live statewide over the internet.

Questions from the live audience as well as from the internet were answered during the training. The training was specific to Tenants and Housing Advocates although it covered a range of Fair Housing Issues. This was the first of 4 such trainings, two of which were conducted in Medford, with the final training (a tester training) is scheduled for October 3<sup>rd</sup> 2007, in Ashland.

Video of the training: [Oregon Fair Housing Council Training](http://rvtv.roguedatavault.net/ramgen/ashland/housing/oregon05-23-07.rm) RealPlayer viewer required.

(<http://rvtv.roguedatavault.net/ramgen/ashland/housing/oregon05-23-07.rm>)

May 23, 2007 (1.5 hours) - Filmed in Ashland before a live audience by RVTV.

During the Program year the City of Ashland Housing Program Specialist was able to meet with all applicants seeking planning approval to develop multifamily housing units through the planning pre-application process. This interface allowed the Housing Program Specialist to discuss with applicants Fair Housing obligations as well as outline affordability requirements where applicable. It was found that medium



and large scale developers of multi-family units (4 or more) were aware of Fair Housing Law and were more likely to utilize the services of professional property managers. However in small scale developments it was useful to provide applicants with materials from FHCO to inform them of their responsibilities under the Fair Housing Act. Specifically in the case of accessory residential units which are often a second unit on a property where the primary residence is owner occupied, there exists misconceptions as to whom an owner could 'choose' as a renter. Applicants expressed preferences regarding the size of renter households, and being selective based on gender. With the consult prior to development it is the City's hope that we can dispel these misconceptions. Although it can not be quantified, this consultation including Fair Housing materials at the pre-application stage of a development has likely been beneficial to averting some discriminatory practices from becoming the operating practice of new landlords.

During the 2006-2007 program year the City provided CASA with a \$2500 grant to assist them in providing minority residents with an advocate and resource to receive housing assistance. Additionally \$6000 was provided to the Center for NonProfit Legal Services to again provide an advocate resource for individuals in Ashland that have tenant landlord issues including potential Fair Housing complaints. These activities attempt to address the enforcement side of Fair Housing in addition to the educational trainings that work preemptively to reduce discrimination before it occurs. The City did not utilize CDBG funds toward the \$8500 in grants noted above.

Federal CDBG and City of Ashland general funds were utilized for staff support. The cash awards noted above were provided in their entirety from City General Funds. The Federal CDBG funds allocated toward fair housing activities were part of the 20% yearly allocation identified for CDBG program administration.

***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.***

The City did not use funds made available for an activity addressing this goal during 2006 as no projects assisted by the City in this period involved properties with lead based paint contamination. The City will continue to ensure that when the potential of lead based paint hazards exists on an activity by the City that any and all effected parties will be provided with appropriate information and that proper abatement will take place.

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

The City did not use CDBG funds for a specific activity addressing this goal during the 2006 Program year other than through the efforts to promote affordable housing. The City social service grants provided to Community Health Center (\$32,000) and the Interfaith Care Community of Ashland (\$13,600) were to provide direct benefits to impoverished residents and homeless individuals. Further the \$3000 grant to Through improved health provided by the Community Health Center, or direct client counseling and case management provided by ICCA, the individuals receiving

services have an increased ability to obtain self sufficiency. Further as outlined below the ALIEAP program provides financial assistance to impoverished households and thus improves their living conditions and may function to assist individuals in moving out of poverty.

**Ashland Low-Income Energy Assistance Program (ALIEAP)**

As the City of Ashland owns and operates the Electric Utility, the City is in the unique position to assist very-low income households in meeting their energy needs, specifically during the winter months when energy costs and use are highest. To this end the City targets assistance to Low-income Ashland utility customers who need help to pay their heating bills over the course of each winter.

Applicants must have an active electric utility account with the City of and the Applicant's household income may not exceed 125% of the Federal Poverty Guidelines . Over the course of the CDBG program year (July 1,2006 – June 30, 2007) the City of Ashland provided \$58,424 in direct assistance to 359 extremely-low or low-income households to assist with electric utility bills. The City provided an additional \$4620 to assist 38 extremely-low income with households. The City of Ashland also provided a Senior and Disabled Discount on electric usage charges 10 128 households totaling \$25,090. Cumulatively, through this program the City provided direct assistance out of the general fund toward this goal in the amount of **\$88,134** from July 1, 2006 –June 30, 2007.

***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.***

Although no CDBG funds were directed to address this goal, the City of Ashland granted numerous Economic Development Grants during the 2006 CDBG program year. 19 different organizations received awards, however the majority were granted to organizations supporting the arts (Ballet, theater, singers, etc.).

Relevant to the goal of providing access to economic opportunities the City funded two activities in the 2006 program year out the General Fund. Community Works received a grant of \$2500 for their Lithia Springs education program. Specifically funded was a job training component of the program in which low income and at-risk youth are provided training in manufacturing jobs, in the program they make mission candles. Through this program the participants learn job skills while earning revenue.

The Rogue Valley Community Development Corporation also received an economic development grant to assist in administration costs associated with the Youthbuild program. The City contributed \$2500 in general funds to this program which provided extremely low- and low-income residents of Ashland youth (16-22) with training and on the job experience in construction. The City also awarded a CDBG grant to RVCDC for the 2007 program year in support of this economic opportunities program.

### **Home Occupations**

Ashland also recognizes the increasing opportunities for low income residents to participate in home businesses, either as a proprietor of services, manufacturer of goods, or through employment at such small home occupations. Between July 1 2006 and June 30, 2007 the City issued **113** Home Occupation permits for new businesses within residences. This is a slight decrease from the 130 such permits in 2005-2006 yet still exceeds the annual average of 100 permit. Home Occupation Permits allow incubator businesses, home based services, internet based businesses, and other such small, residentially compatible, business opportunities for Ashland Residents. Given the ability to work out of ones home, expenses typically required for securing commercial property are eliminated. No data is collected on the incomes of applicants for Home Occupation Permits so it can not be determined how effective this is at providing opportunities for low- or extremely-low income households.

### ***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.***

In the 2006 Program Year the City undertook a number of activities to further identify barriers to affordable housing as well as to take actions to overcome these barriers. To gain a stronger understanding of Ashland's housing market, and specifically the historical and potential changes to the rental market the City undertook a Rental Needs Analysis receiving the final document from the consultant (Ferrarini and Associates) in May of 2007.

### **Rental Needs Analysis**

The scope of the analysis included direct interviews with property managers, housing providers, developers, and City Staff. The report was informed by a random phone survey that reached 449 Ashland Households in which the respondents answered various questions related to their satisfaction with housing, their cost burden, commute times and demographic information including age rent and household size. The report projected future rental market conditions through use of the State Housing Model which assesses need based on factors including population growth, age and household demographics, economic growth indicators, wage scales, and housing costs for both ownership and rental.

The Rental Needs analysis ultimately found that due to rent costs having risen over the last decade at a rate that is less than the average income increase, renters today are better off than they have been in recent years. However, key market indicators were identified in the report that demonstrates that rents are likely to increase substantially in the near future. Further the value of land in Ashland, and profitability of development of for-purchase housing, has created a market condition where rentals will not likely be developed by the private market.

Although the City has little control over the market forces that have created the conditioned outlined in the report, the report did provide a number of recommendations to address the supply of land for rental housing and means of directly supporting the development of rental housing thorough subsidy.

## **New Local Regulations**

Through exercising its legislative powers to protect public health, safety, and regulations upon land use the City can enact laws that preserve existing affordable housing and promote the development of needed housing types. Over the last few years the City experienced a market trend that promoted the conversion of existing apartment buildings into condominiums. Since 2001, 98 units were converted from apartments to individual condominiums. During this same period only 55 new multifamily rental units were built within the City. Therefore we saw a 43 unit decrease in multifamily rentals. Such conversions did create purchase housing opportunities at the lower end of the housing market, and provided deed restricted affordable housing through Ashland's land use requirement to retain 25% of such units as affordable. However, the City also found that the development of new apartments has not kept pace with conversions and that such conversions often resulted in the displacement of existing renters. In none of these conversions was it shown that existing tenants were able to purchase their converted units. To address the impacts upon existing tenants, and the net reduction in rental housing stock, the City has approved two ordinances and has another under consideration regulating the conversion of condominiums.

In April of 2007 the City enacted a Tenant Rights Ordinance affording protections for residents of apartments subject to condominium conversion in order to remedy the shortcomings noted above and to clearly establish the limits by which the allowable protections under state law are ensured.

### **The Tenant Rights Ordinance** now requires:

- Advance notice of a conversion of existing multi-family rental units into for purchase units be extended to one year unless relocation benefits are provided
- Relocation benefits equal to the higher of 3 months actual rent, or 3 months Fair Market rent shall be paid to the tenants if they are asked to move in advance of 12 months notice.
- Tenant shall be provided with first right of refusal to purchase the unit extended 90 days from the date the offer is received.
- Tenants are afforded a right to non-disturbance through prohibition against improvements and rehabilitation of the units (except ordinary repairs) during the first 120 days after notice of conversion is received. This is intended to ensure the tenants are not forced to 'voluntarily' vacate the premises due to unreasonable interference with the right to quiet use and enjoyment of the premises.
- Scheduled rent increases per a written rental agreement are permissible during the period of continued occupancy, or rent may be increased in an amount no greater than the Portland-Salem Consumer Price index. This provision is ensures that dramatic rent increases during the period of continued occupancy are not imposed on the tenant to force an early 'voluntary' termination of tenancy and abandonment of the tenants rights to relocation benefits.
- Notice of conversion to be served to all tenants as required by ORS 100.305 and further that a copy of the notice and recipient list shall be provided to the City within 7 days of its delivery.
- The ordinance further established penalties for non-compliance with the relocation assistance, right to purchase, and other provisions of the chapter.

In April of 2007 the City also enacted a building code amendment that required rental units converted into condominiums to be inspected by the Building Department and that any identified violations of building code be remedied prior to sale. This

provision was established to protect future buyers and ensure the units were safe and habitable at the time of conversion.

Lastly to address the impacts of condominium conversions a land use ordinance has been proposed that would regulate conversions to limit the number of units that can be converted to for purchase units. Additionally the proposed ordinance would establish incentives to preserve rental units, and specifically deed restricted affordable units, in exchange for relief from site design standards as part of the conversion process. These considerations are presently before the City Council at the second reading of the Ordinance and will be decided on September 18, 2007.

***Goal 14: To provide institutional structure and intergovernmental cooperation.***

Over the course of 2006-2007 the City , maintained its ongoing activities in the area of institutional and intergovernmental cooperation. During this year the City of Ashland became participated as a member of the Southern Oregon Housing Resource Council, participated in the Jackson County Housing Coalition by hosting every other meeting within the City of Ashland Council Chambers, and continued our participation in the Jackson County Community Services Consortium Homeless Task Force.

Over the last program year a new group was formed within Ashland referred to as the Tripartite Committee on Housing. The principle members of this group include two members of City of Ashland Council, a member of the Ashland Housing Commission, a member of the Parks Board of Directors, two members of the Ashland School District Board, a member representing the Ashland Community Hospital, a member representing the Southern Oregon University, and a community member at large. The committee is staffed by the Housing Program Specialist of the City of Ashland. This Committee met monthly over the course of 2006-2007 to identify mutual goals as they relate to housing in an effort to formulate a coordinated approach to address Ashland Housing Needs as well as to gain a broader understanding of housing issues and their effect upon member institutions.

During Program Year 2006 Staff supported the efforts of the Ashland Housing Commission 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 Commission also provided coordination and continuity to programs to meet housing and community development needs. The Ashland Housing Commission oversees specific affordable housing projects undertaken by the City in partnership with private groups. The Commission promotes cooperation between local non-profit organizations, private interests and governmental agencies for projects in Ashland to insure that the resources are used as efficiently as possible and that there are not duplication of efforts.

The Housing Commission has included in their regular meetings a regular update from all affordable housing projects that are underway within the City. This allows affordable housing providers an opportunity to express to the commission progress or obstacles in their developments. This communication will function to assist in

educating the Commission as well as provide a further opportunity for cooperation between the City and organizations working to address our housing goals..

Over the last program year a new group was formed within Ashland referred to as the Tripartite Committee on Housing. The principle members of this group include two members of City of Ashland Council, a member of the Ashland Housing Commission, a member of the Parks Board of Directors, two members of the Ashland School District Board, a member representing the Ashland Community Hospital, a member representing the Southern Oregon University, and a community member at large. The committee is staffed by the Housing Program Specialist of the City of Ashland. This Committee met monthly over the course of 2006-2007 to identify mutual goals as they relate to housing in an effort to formulate a coordinated approach to address Ashland Housing Needs as well as to gain a broader understanding of housing issues and their effect upon member institutions.

**\$42,701** in Federal CDBG funds (20% of the yearly allocation) was directed toward Administration of the CDBG Program during 2006. Administration of the CDBG program includes staff support of programs and projects that further the goals outlined in the 2005-2009 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.

## **B. Affirmatively Furthering Fair Housing**

Under Goal 9 above the CAPER reflects the activities undertaken in 2005 to address Fair Housing. The City will continue to work to ensure Fair Housing laws are understood, and complied with, within the City.

## **C. Affordable Housing**

During the 2006 Program year the City saw the addition of 13 new affordable housing units to the City's inventory. Each of these units is deed restricted to remain affordable from 30 to 99 years.

Further acquisition of property to allow the development of 6 affordable ownership units has been completed although the units will not be included in our inventory until 2007-2008. The City also purchased property with City General Funds property along Clay Creek to be used as a two acre park and an area was set aside for five affordable housing units. The City anticipates identifying an affordable housing developer and initiating development of this property will begin in the coming year.

The City of Ashland does not directly develop or manage affordable housing in Ashland. The City of Ashland has prioritized the provision of affordable housing to be the highest priority need in the Consolidated Plan. In doing so all competitively available CDBG funds (80% of the yearly allocation) were made available to sub-recipients with projects to retain or create affordable housing in PY2005. In doing so the City can ensure that the limited resources available are utilized effectively to address the need for affordable housing (see goals 1,2,&3). However in future years (beginning in 2006) the new City Consolidated plan will make 15% of our annual CDBG allocation available to social services, specifically those addressing homelessness.



The City currently does provide a density bonus to developers who construct affordable rental and ownership units. The City also defers the System Development Charges (SDCs) for affordable rental and single family homes so long as they remain "affordable" as noted in Goals 1-3 for a period of 30 years. The maximum rent limit set by HUD can not be exceeded, nor can the housing units be sold outside the program during this period. A change in the SDC waiver program instituted in 2005 was to eliminate the ability to "buy-out" of the program by paying off past SDCs. The funding source for this project is the City of Ashland's General fund foregoing collection of System Development Charges.

**D. Continuum of Care Narrative**

The City directs over \$100,000 in general fund dollars to safety net services each year. Awards to selected service providers are made on a two year cycle, with recipients receiving the full award amount on July 1<sup>st</sup>, of each year. Therefore the award indicated in the table below is an annual allocation and the recipient ultimately receives twice the amount listed. Homeless care providers, low income health care, and essential continuum of care services are funded each year. In the 2006 program year the "Social Service Grants awarded totaled \$119,000. Given the relatively small size of the award requests, the use of the City's General Fund grant awards enables these non-profits to direct the award to services with a minimal amount of grant administration costs.

**Ashland Social Service Grants FY 2007, FY 2008**

<b>Organization</b>	<b>Awarded</b> Annual allocation (2 year disbursement = award below x 2)
Community Health Center	32,000
Southern Oregon Drug Awareness	1,030
Children's Dental Clinic	3,104
Planned Parenthood	2,060
Ontrack	3,000
Community Works-Dunn House	15,000
Community Works-Sexual Assault Victims Services	2,575
Community Works-Parent Education	1,442
Community Works-Helpline	7,210
Community Works-Street Outreach	5,979
Help Now! (low income legal assistance)	1,100
WinterSpring Center for Living with Loss & Grief	1,000
Southern Oregon Child Study and Treatment Center	2,900
Center for Non Profit Legal Services	6000
Children's Advocacy Center	2,700
RV Manor- Foster Grandparent	1,200
RV Manor- Retired Senior Volunteer Program	1500
Mediation Works	2,200
Access Inc (food share – emergency food)	5,500
Jackson County Sexual Assault Response Team	2350
Interfaith Care Community	13,600
Jackson County Court Appointed Special Advocates (CASA)	2,500
Trinity Respite Care	1,700
Southern Oregon Adolescent Study and Treatment Center	1,350
<b>Total Awarded</b>	<b>\$ 119,000</b> (\$338,000 over two years)

The City of Ashland is a supportive participant in the Jackson County Community Services Consortium (JCCSC) which is comprised of numerous local non-profit and government agencies. The consortium is engaged in formulating and implementing long range strategies to provide a continuum of care to homeless individuals and families throughout Jackson County. It is our hope that the consortium's plans will best address the full range of needs for the homeless of Jackson County and within Ashland specifically. The City of Ashland remains active on the Homeless Task Force arm of JCCSC. During the 2006 Program Year the Jackson County Commission established the goal of developing a ten year plan to end chronic Homelessness. The City hosted a presentation before the Housing Commission and the Ashland City Council by the United States Interagency Council on Homelessness. An Ashland City Council Member also helped coordinate such presentations before the Medford City Council and the Jackson County Commission, It was this series of presentations that led to the County Commission establishing a work group to end chronic homelessness. Cate Hartzell of the Ashland City Council has remained active in the development of this ten year plan.

The Jackson County Community Services Consortium Homeless taskforce member that is directly active within Ashland implementing the countywide Continuum of Care strategies has been the Interfaith Care Community (ICC).

The City supports ICC through the award of a Social Service Grant out of the City's General Fund. The City has consistently awarded approximately \$10,000 per year for the continued operation of ICC's Homeless services center through the Social Service Grant program. During the 2006 Program year ICC relocated to a centrally located facility on Ashland Street. In 2006 the City awarded ICC with a CDBG award of \$32,000 to hire a transitional Housing Coordinator. The results of this activity will be reported under Goal 5. ICC provides emergency housing vouchers and transitional foster homes for homeless families and individuals within Ashland. ICC provides an ongoing program to assist individuals in finding transitional and permanent housing and employment through extensive client case work.

By supporting established non-profit organizations, such as ICC, with the mission of providing housing and services for homeless, special needs, and low-moderate income individuals, the City of Ashland hopes to increase the quality of life for the population served. The City will maintain its role as a supportive partner and continue to stimulate new partnerships with non-profit and public agencies.

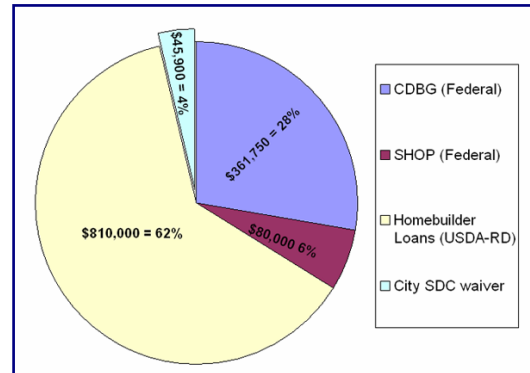
## **E. Other Actions**

No specific actions were taken during 2005 that are not identified elsewhere in the Consolidated Annual Performance and Evaluation Report.

## F. Leveraging Resources

While the City itself did not use CDBG funds to leverage other public and private resources, local non-profits have reported the CDBG funds to be essential in obtaining private donations and other public and private grants.

Relating to projects completed in the 2006 program year the CDBG funds awarded to RVCDC for acquisition of 2001 Siskiyou Blvd (\$361,750) RVCDC to obtain SHOP Funding for a USDA Self Help Project in the amount of \$80,000 to assist RVCDC in completing their proposed 9 unit project on Siskiyou Blvd. and Faith Street. projects.



Additionally RVCDC received an award to utilize Youth-Build labor to accelerate the development of the project through an award through the Job Council. Lastly the home-buyer-builders have been qualified by USDA for section 502 Home loans at very low interest rates. These loans (between 1-3% interest) enable the homebuyers to pay considerably less in monthly mortgage payments thereby offering further subsidy to the project. The construction loans obtained by the home owner-builders totaled \$810,000. For the 9 unit project on Siskiyou Blvd the City contributed \$45,900 to cover System Development Charges. Additionally the City waived the collection of \$7676 in fees which would have otherwise been assigned to the project in support of affordable housing

The Ashland Community Land Trust used \$328,800 to purchase property containing an existing duplex at 404-408 Bridge St.. This CDBG allocation was approximately 82% of the final \$399,000 purchase price. Exact leverage for this project can not be calculated on this project at this time as the two additional units to be developed at the rear of the property have not yet been designed or approved. However ACLT in working with Habitat for humanity estimated that future development of the property would cost approximately \$238,400. These funds would be obtained through Habitat for Humanity, ACLT, and construction financing.

ACLT and Habitat for Humanity partnered on the development of another property at 39 Garfield street which is nearing completion. In this project each of the two units had a \$70,000 construction costs and site improvements at approximately \$20,000. Therefore \$160,000 was contributed to the project exclusive of volunteered labor and independent of the original \$80,000 CDBG contribution. The City of Ashland also contributed [redacted] in waiver of community development fees, engineering fees and System Development Charges as additional leverage.

## **G. Citizen Comments**

The availability of the Consolidated Annual Performance and Evaluation Report (CAPER) for use of 2006 CDBG funds was advertised in the September 14<sup>th</sup> 2007, edition of the Ashland Daily Tidings (advertisement enclosed) and was posted continuously on the City of Ashland web site from September 12<sup>th</sup>, 2007 through September 30, 2007 for public comment. Additionally the Housing Commission reviewed the CAPER at their September 27<sup>th</sup> Regular meeting to hold a public hearing and obtain comments. **No comments had been received as of 3:00**. The 2007 CAPER document remains archived on the City website. ([www.ashland.or.us/cdbqcaper2007](http://www.ashland.or.us/cdbqcaper2007))

## **H. Self Evaluation**

### **A. Impact of Activities on Identified Needs**

The City of Ashland Five-Year Consolidated Plan for 2005-2009 includes a list of 14 "Goals" of the community. These goals demonstrate that the highest priority need is the provision of affordable housing. To this end, 65% of the yearly CDBG allocation is now directed to this highest priority need. Homelessness and provision of social services to low and extremely low income households was also identified as a critical need and thus the City re-established a 15% set aside for such activities. Administration of the program uses the remaining 20%. Outside of the CDBG Program the City allocates over \$100,000 per year of general funds to address social services, \$250,000-300,000 per year to support alternative transportation (goal 7), and over \$100,000 annually to economic development although only a limited percentage (approximately \$5,000-10,000) of this program can clearly be seen to increase economic opportunities to low income residents. Given that Ashland is a small-city with limited resources, it is highly unlikely that each of the fourteen identified goals can be addressed in any single program year. Furthermore, while Ashland experiences a broad range of needs similar to larger communities, the resources and services available to assist low- to moderate-income people in the Rogue Valley is limited and comparable to rural areas.

Ashland is using an innovative approach to tackling the problem of providing affordable rental housing and home-ownership opportunities for low-income. One such way is the elimination of regulatory barriers, or the imposition on new regulations that promote affordable housing (see Goal 13). Specifically the City established criteria for a zone-change (from low to high density) or annexations that require a percentage of affordable housing as part of the development. During the 2006 program year the City Council did not approve any annexations or zone changes that requires triggered this provision. Ashland continues to offer System Development Charge deferrals for new units affordable to low-moderate income households thereby reducing development costs for affordable

housing projects and in 2005 the City amended this program to better correlate housing costs with incomes to ensure covered units are not too expensive for the intended households. This program was also changed to ensure covered units remain affordable for not less than 30 years.

In 1990, the City amended the local land use ordinance to allow “Accessory Residential Units”, an apartment or cottage in addition to the primary residence, as a conditional use in single family residential zones. This was done in an attempt to create additional, “affordable” rental units. Since 1990, 112 units have been made legal or newly constructed through the conditional use permit process. While it is clear the program has added rental units to the market, the accessory residential units are not typically limited by any income qualifications. However, due to the size limitations set for Accessory Residential Units (a maximum of half the size of the primary house or 1000 sq.ft – which ever is less) they typically can not command the same market rental prices as “full size” residential units. Additionally the City considers units of less than 500sq.ft. to be only 3/4 of a unit. This designation reduces System Development Charges, and parking requirements. Therefore the majority of new Accessory Units developed are less than 500sq.ft. in size. Ashland’s 2002 Housing Needs Analysis showed that small units such as studios had the lowest vacancy rates (essentially 0%) and highest demand in our community. The provision of numerous small units should assist in addressing affordability from the supply side to a degree as options increase.

Another priority need which has been difficult to address is assisting individuals in the transition from being homeless to a permanent housing situation. Local non-profit agencies, which provide assistance and homeless prevention services, report that the population of homeless individuals in Ashland in the Rogue Valley is rapidly increasing. These providers had been unable to keep up with demand for their current level of services, and thus a \$25,000 City general fund grant was awarded to Interfaith Care Community to assist individuals in locating shelter. Further in 2006 the City has awarded \$32,000 to ICC in CDBG funds to create a transitional housing coordinator position explicitly for this purpose.

## **B. Barriers to Fulfilling Strategies**

The most obvious barrier to addressing the Priority Needs of the Five-Year Consolidated Plan is a lack of resources and the rapidly increasing market rate of property. Property value increases in Ashland continue to outpace the State, and Jackson County. Property values have on average increased at over 20% annually over the last 5 years resulting whereas incomes increase at less than 3%. The median home in Ashland sold for \$334,500 in 2004 increasing \$469,400 in August of 2006. This dramatic increase in valuation is a trend that has continued unabated over the last decade when the 1996 median home cost in Ashland was \$162,094. With a cumulative cost increase of over 300% over the last decade the resources available have not kept pace with those needed to address the market conditions. Since August of 2006 the region purchase prices have dropped have dropped by up to 11% in some communities. Ashland has also seen a slowing of appreciation with only a 4% increase in value during

this same period. It is anticipated that values have stabilized to a degree due in part to constraints on lending practices and speculative investment; however it is unlikely that property values in Ashland will be reduced in the near or long term.

Ashland's CDBG allocation has decreased by annually in recent years and future projections identify further reductions are possible or even the elimination from entitlement community status. The loss of Federal support for affordable housing places an increasing burden on small communities to address the goals established in the Consolidated plan with local regulatory controls or local commitment of funding. Although Ashland endeavors to engage in both direct support financially and establishment of regulatory incentives and controls, limited resources and limitations on the extent of regulation allowable under state law reduce options for the City. Specifically State prohibitions on a Real Estate Transfer Tax and Inclusionary zoning reduce local control and the ability to utilize such tools otherwise widely available throughout the country. These legislative barriers can not be lifted locally but require the Oregon State Legislature to examine them in consideration of the need for affordable housing.

Jackson County currently has approximately 181,269 residents with 20,590 of those people living within the Ashland city limits. The Medford-Ashland area has been picked recently as one of the twenty-two "magnet markets" in the nation, defined as having a high diversity quotient, a large senior population, and expected to grow the fastest over the next 25 years. If this is the case, the county would increase to 226,198 by 2010, a 24% growth rate in ten years.<sup>1</sup>As stated earlier, even though the population is much smaller than many of the counties in Oregon, a similar range of social services and community needs are in demand. Particularly with an increasing retiree population demand for senior services will continue to increase. These needs are for the most part provided by local non-profit agencies. The non-profit agencies face multiple barriers in obtaining funding. Since there is a small population, direct resources from the area are limited. This negatively affects the ability of local non-profits to leverage local funds to obtain grants.

The tough competition for dollars in an area with limited population, extremely high housing costs, and a wide geographic range has resulted in only the most efficiently managed non-profits being able to survive. While on the surface this seems like a beneficial outcome, the real result is that fewer services are provided by less, and expansions of service are rare. Staff turn-over at the agencies is high. Attracting the highly skilled personnel needed to manage the non-profits is difficult given the highly constrained communities, demanding nature of the work, low salaries and high living costs.

### **C. Improvements**

The City of Ashland ranked the Priority Needs of the Five-Year Consolidated Plan for 2005-2006 to help address the limited resources available for social

---

<sup>1</sup> Oregon Employment Department, *Workforce Analysis*, 2004.



services and community needs in the Rogue Valley. Specifically this ranking directs the majority of available CDBG funds to the highest priority need, the provision of affordable housing. The City reinstated the 15% set aside of CDBG funds for social services which resulted in an award being made in 2006 to support Transitional Housing Coordination. This change in the program will allow Ashland to utilize CDBG funds to address homeless and special needs in a more direct way.

**Section 2**

**A. Consolidated Plan Priorities**

See Section 1.A for full description of Priority Needs and projects completed in 2006 addressing those Priority Needs.

**B. Changes in Program Objectives**

There were no changes in program objectives in 2006.

**C. Action Plan for 2006**

The activities undertaken as described in the Consolidated Annual Performance and Evaluation Report (CAPER) were consistent with the 2005-2009 Consolidated Plan, the Action Plan for 2006, or in previously identified Action Plans (2005).

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

**CDBG Funded Projects for Program Year 2006**

<b>Project ID</b>	<b>Recipient Organization</b>	<b>Activity Name</b>	<b>Location</b>	<b>CDBG Funds</b>	<b># Households or Persons Assisted Annually</b>
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. <b>COMPLETED</b>
3	Interfaith Care Community of Jackson County (ICC)	Transitional Housing Coordinator	city wide – public service	\$32,000	600 people to be provided with direct service from the Transitional Housing Coordinator annually. <b>INCOMPLETE _ REQUIRED REPORTING NOT YET PROVIDED</b>
<b>Unfinished CDBG Funded Projects from prior Program Years cancelled with funds reprogrammed per the awards above.</b>					
2002-2	Rogue Valley Community Development Corporation (RVDCDC)	RVDCDC 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). <b>CANCELLED – FUNDS</b>

					<b>REPROGRAMED</b>
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. <b>ACTIVITY CANCELLED</b>

#### **D. National Objectives**

The projects initiated and/or completed during 2006 met the National Objectives.

#### **E. Displacement**

No occupants were displaced by CDBG funded activities during the program year

The City will continue to work to minimize displacement and to ensure all relocation benefits are provided households ultimately displaced by CDBG or City funded activities.

#### **F. Economic Development**

With the exception of City funded Economic Development grants (See Goal 12), no economic development activities were undertaken during 2006.