



**CITY OF
ASHLAND**

**CONSOLIDATED ANNUAL PERFORMANCE
EVALUATION REPORT
(CAPER)
Program year 2005
(July 1, 2005 – June 30, 2006)**

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Comments can be submitted to
Brandon Goldman
goldmanb@ashland.or.us
541-552-2076
Through Sept 30, 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

CITY OF ASHLAND



City of Ashland 2005 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 2005-06, is listed and discussed under the relevant priority.

This assessment provided in this CAPER covers the 2005 Program year (July 1, 2005-June 30, 2006).

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

The City Rental Assistant Program was administered by Access Inc. to provide no interest loans to help cover the upfront moving costs of obtaining rental housing during the 2005 program year. A loan of up to \$750 was available to low-income qualified residents to be applied to first last and deposit to be repaid through monthly installments over the course of 2 years. This program has not functioned as intended since its inception, with very little utilization in spite of considerable advertising and amendments to the program to make it more attractive.

Although 70 inquiries for rental assistance were received from prospective applicants during the 2005 program year, only one applied for, and received, assistance through the City of Ashland rental assistance program. Although some of these 70 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. In the case of the single individual that took advantage of the program on 2005, the monthly loan repayments have not been made and the loan has gone into default. 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.

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 108 units have been made legal or been newly constructed since 1990. Building permits for four accessory residential units were issued in this period. Although five additional units had received planning approval in 2005-2006, the City considers the issuance of a building permit to the delineator of additional stock, thus a 4 unit increase is shown over the program year. This is considerably less than the 10 units projected in the 2005 Action Plan. The development of accessory units, and the time between approval and issuance of a building permit is largely outside the City's control as they receive no subsidy from the City.

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 2005-2006 one such project at 1651 Ashland Street received planning approval. In this project two affordable units were required to be available to households earning less than 80% the area median income. Additionally the developers have proposed providing two additional units, for a total of four, that would be affordable. Building permits have not been issued for this project and as such

this CAPER 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. 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 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 2007 and 2008 program years.

Ashland Community Land Trust

The City of Ashland awarded ACLT 271,000 in CDBG funds through review of the competitive proposals for the 2004-2005 CDBG program year. At that time the program year was a calendar year which was changed through the adoption of the 2005-2009 Consolidated Plan.

ACLT utilized the \$271,000 to purchase an existing duplex at 264 Grant Street. Under a separate CDBG award of \$14,000 ACLT rehabilitated the units (reported under Goal 3).

These two units are occupied as low-income rentals and the units are to continue to benefit low or very low income households for a period of not less than 60 years. The acquisition of this property occurred prior to July e of 2005 thereby added two units of secured affordable rental housing to Ashland’s inventory during the reporting period of the 2004 CAPER. However the unit rehabilitation was not completed until after July 1, 2005 and is thus an activity to be noted in this 2005 CAPER.

Total New Affordable Rental Units Added

July 1, 2005 – June 30, 2006

The 2005-2006 program year saw no increase of deed restricted affordable rental housing. Although a number of projects have been initiated that will result in deed restricted affordable rental units (17 through annexation, and 4 through a large scale development) those units will not be considered as contributions to Ashland’s affordable housing stock until issuance of building permits and recording of the affordable housing covenants.

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 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 completed the purchase of the property and has received planning approval for the proposed two unit development. The completion of the two units is expected during the 2006-2007 CDBG program year. The development to date has received Planning approval and is awaiting issuance of building permits.



The barn that had existed on site (pictured above) was removed during the 2005 Program year to clear the site in preparation of its development.

ACLT Bridge St.

ACLT has also entered into a purchase of a property at 404-408 Bridge Street to build two additional units on the property that contains a duplex. All four units are to be included in the Land Trust and sold to qualified buyers at or below 80%AMI. Although the ACLT entered into a purchase agreement for the property prior to July 1, 2006, the CDBG contribution was withheld until a variance was obtained on the property. As the variance has been granted by the planning commission (findings adopted Sept. 12th) the City has requested release of the CDBG funds to purchase the property. The existing duplex is thus not being counted as contributing to Ashland's affordable housing stock until the property is added to the inventory through a deed restriction. Further, 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 2006-2007 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 RVDCDC 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.

RVDCDC – Siskiyou Blvd

The first site (2001 Siskiyou Blvd.) is nearing completion of nine units. Occupancy of these units by the low income owners is expected in October of 2006 (detail pictured right). Ashland provided RVDCDC with \$361,750 in CDBG funds to acquire the property for this phase of the development.



This contribution was the complete purchase price for the property. The RVDCDC received a SHOP grant award of \$80,000 to provide pre-development costs as well as to contribute toward common area improvements. 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. As all 9 units received the issuance of building permits in 2005-2006, and were deed restricted to remain affordable, they are considered additions to Ashland’s affordable housing inventory at this time.

RVDCDC - Park St.

The second site, located at 795 Park Street was purchased by RVDCDC 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 RVDCDC 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.



RVDCDC has received Planning Approval from the City of Ashland for the proposed development and RVDCDC anticipates breaking ground on the development in October of 2006. The construction of these units is not expected to be completed until FY 2006-2007 and thus the accomplishments of providing six affordable units will be reported in that years

CAPER. RVCDC has obtained Planning Approval for the six unit development and these units will qualify for deferral of SDCs and Engineering and Community Development fees.

RVCDC-Quincy St

The City of Ashland had awarded RVCDC \$190,000 in CDBG funds as part of the 2005 competitive award process to purchase three existing townhouse units at 1255, 1257 and 1259 Quincy Street, rehabilitate them, and resale them to low-moderate income households. The City imposed a deadline for acquisition on RVCDC of January 1st 2006 in the 2005 CDBG Action Plan. RVCDC failed to complete the purchase within this timeframe and as such the City rescinded the award and reprogrammed it in the 2006 Award process. The \$190,000 in CDBG funds were ultimately reallocated in combination with the 2006 grant to Ashland Community Land Trust for acquisition of an existing duplex at 404-408 Bridge Street and the development of two additional units on the property.

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.

Lastly the approval of the new resolution that established the new program parameters (Res. 2006-13) now allows for a waiver of Community Development and Engineering Services fees for 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

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 72 households are currently participating in the program. During the 2005 program year 17 new units were assisted with SDC deferrals and nine of those also received the waiver of the community development and engineering services fees. Units added to the program include eight units off of Ashland Street (Barclay Square) and the nine affordable homes developed

by RVCDC at 2001 Siskiyou Blvd. The deferred SDC amount on the newly added households totaled \$81,069 and the Community Development and Engineering services fees waived totaled \$11,635, for a combined contribution of \$92,704 in City General Funds to support the development of these 17 affordable units.

Although the SDC deferral program only requires a 30 year minimum period of affordability, all 17 units assisted will be affordable for a minimum of 99 years as proposed by the applicants. 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 \$92,704 in assistance to affordable housing projects during 2005 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 received building permits in 2005-2006 and had resale restriction covenants recorded on the units prior to July 1, 2006. Completed units are currently being offered for sale for \$132,290 in accordance with the City Affordable Housing Resolution that was in place at the time the units were issued building permits (Res. 2004-046). The purchasers of these units will not be assessed homeowner association fees and as such the units are affordable to the buyers. The units are secured as affordable for a 99 year period as a voluntary commitment by the developer. It is important to note that identical one-bedroom condominium units within the development are listed for sale at a purchase price of \$229,000 with additional homeowner association dues. This disparity between the market rate units and the covered affordable units demonstrates clearly the cost savings provided to the qualified purchasers of the 8 designated affordable units.

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. In the 2005 CDBG program year the City approved the conversion of three apartment complexes into condominiums for a total number of 22 units converted, or pending conversion. 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. As noted earlier the

adoption of the Affordable Housing Program parameters under resolution 2006-13 established 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.

On July 12th 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 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).

Four existing apartments on South Mountain Street were converted into condominiums during FY2005-2006, of which one 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).

An eleven unit apartment complex on North Main Street was approved for conversion into town-homes during FY2005-2006 thereby requiring that three (3) of the units be dedicated as affordable housing consistent with the City policy, however the conversion process on these units is not complete and no deed restrictions have been recorded. Therefore the City will not consider the addition of three affordable housing units until that time and will thus report them in the 2006 CAPER.

In the 2005 DBG program year the City added three units to our affordable housing stock through condo conversions and has three pending recording of their final surveys at which time they will be secured as affordable through deed restrictions. The condominium conversion process has accelerated in Ashland in recent months. As such it is anticipated that in addition to the eleven unit conversion noted above, a considerable number of conversions will be initiated and completed in 2006-2007. Currently submitted for planning application approval are three other apartment complex conversions totaling 42 individual apartments. The City has initiated ordinance changes and the establishment of a resolution establishing tenant rights that are triggered by such conversions to address the adverse impacts of such conversions on tenants and Ashland's rental housing stock. The proposed ordinance and resolution addressing tenant rights will be presented to the Planning Commission in October 2006 followed by review and decision by the City Council. If approved, provisions within the proposed ordinance will be applied to new condominium conversion applications submitted after the effective date of the ordinance.

Total Affordable Ownership Units Added July 1, 2005 - June 30, 2006

During the 2005 CDBG program year ***Ashland increased its stock of affordable ownership housing by 20 units***

As noted above, 3 units were designated as affordable through the condominium conversion process, Additionally 8 new ownership units were developed by a private developer in conjunction with the density bonus program (Barclay Square), and RVDC developed 9 ownership units upon property purchased with CDBG funds. All 20 of the above mentioned ownership units have been deed restricted to remain affordable from 20 years (condo conversions) to 99 years (the 17 new units).

CDBG funds in the amount of \$361,750 were contributed to the 9 unit RVDC project at 2001 Siskiyou Blvd. Additionally \$271,000 in CDBG funds were utilized to purchase property on Park Street by RVDC to accommodate 6 new ownership units that will be built and reported in the 2006-2007 CDBG program year. \$80,000 in CDBG funds were expended during the 2005-2006 Program year to purchase property on Garfield Street for the future development of 2 affordable ownership units on that site.

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 2004 ACLT completed the acquisition of an existing Duplex at 264 Grant 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. In 2005 ACLT was awarded and expended \$14,000 to rehabilitate this duplex on Grant Street. These improvements completed in August 2005 utilizing \$14,000 in CDBG funds. Rehabilitation included a roof replacement, bathroom repair, wall and floor repair, cabinet repair, and interior and exterior paint. Given the units are to be retained as affordable housing in perpetuity, this rehabilitation project will continue to benefit the low income residents for a considerable period.

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 preparing applications for their proposed developments during the 2004 CDBG program year.

Federal CDBG and City of Ashland general funds utilized are for staff support. Twenty Percent of the yearly CDBG allocation (\$47,500 in 2005-2006) was utilized for CDBG program administration.

Total Existing Affordable Units Retained

July 1, 2005 –June 30, 2006

During the 2005 CDBG program year Ashland saw the retention of two existing affordable units through the assistance of CDBG to rehabilitate a duplex at 264 Grant Street. These units were acquired with CDG funds in the 2004 Program year.

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

No CDBG funded actions were undertaken or completed during the 2005 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.

No actions were undertaken or completed during the 2005 program year that specifically directed CDBG funds toward services for the homeless.

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 2005 Action Plan to address this goal.

However the City will continue to support the development of housing and supportive services for individual with special needs. The City allocates over \$100,000 bi-annually in "Social Service Grants" out of the City's General Fund. Through this City Grant Program \$115,400 was awarded for 2004-2006 to 18 agencies of which the majority specifically address supportive services for people with special needs. Most notably the Community Health Center was provided \$30,000 to provide health care services, the Interfaith Care Community of Ashland (ICCA) was provided \$25,000 to provide client services to homeless individuals, and Community Works was given a total \$33,000 to provide services including rape crisis counseling as well as temporary shelter for victims of domestic violence. Additionally a grant of \$2000 was provided to OnTrack Inc. to assist in the operating expenses for their drug abuse treatment programs.

<i>Agency and Program Name</i>	<i>Amount Granted</i>
ACCESS, Inc (Housing)	\$5,000
CASA of Jackson County, Inc. (Housing)	\$2,500
Center for NonProfit Legal Services, Inc	\$5,000
Children's Dental Clinic of JC	\$1,750
Community Health Center	\$30,000
Community Works- Dunn House	\$19,000
Community Works- Help Line	\$8,000
Community Works- Parent Education	\$2,000
Community Works- Rape Crisis	\$2,700
Community Works- Personal Safety	\$1,300
ICCA (Homeless services)	\$25,000
JC Children's Advocacy Center	\$3,000
Mediation Works	\$2,400
Ontrack, Inc (Drug treatment)	\$2,000
Planned Parenthood of SW Oregon	\$1,750
RV Manor- Senior Volunteer	\$1,500
RV Manor- Foster Grandparent	\$1,000
SDS RVCOG Food & Friends	\$1,500
TOTAL GRANTED	\$115,400.00

The City does not use CDBG funds made available for these activities.

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.

In 2004 the City awarded \$13,800 in CDBG funds to be utilized toward public facility improvements (curb, gutter, sidewalks) within the street right of way on the frontage at Siskiyou Blvd and Faith Street in conjunction with an affordable housing development (see Goal 2). RVCDC has requested that this award be rescinded and the subrecipient agreement be nullified as it was their finding that given it was a relatively small improvement project they encountered difficulty in identifying contractors willing to meet the Bid requirements, and ongoing wage verification to comply with CDBG and Davis Bacon Wage requirements. Of bids they did receive RVCDC indicated that the cost added onto the project due to CDBG requirements, both actual costs and administrative responsibilities for RVCDC, exceeded the value of the grant to the organization. For this reason the City has cancelled the project and will re-program the \$13,800 to be awarded in 2007 as part of the competitive proposal process.

During the CDBG 2005-2006 Program year the City did purchase with General funds a covered bus shelter for installation on Siskiyou Blvd adjacent to the High School. This location is within a designated low income census tract (1900 block 1) where the average household income is only 58% of the area median income. The covered bus stop is intended to improve access to alternative transportation and promote use in inclement weather. The entire \$30,000 expense was paid out of the City's General fund and no CDBG funds were applied to this project.

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 did not conduct any fair housing workshops over the course of 2005-2006 as had been done in prior years in collaboration with the Fair Housing Council of Oregon. The Southern Oregon Housing Resource Center did conduct a regional training in June of 2006 for the benefit of the jurisdictions represented in the SOHRC including the City of Ashland. City of Ashland Staff, Brandon Goldman, also met with FHCO during the program year to plan a series of quarterly trainings to take place in Ashland and Medford in 2006-2007. As of the date of this CAPER Ashland has learned that FHCO's applications for funding for these trainings were granted. (FHIP E & O grant , and PEI enforcement grant). The City of Ashland and the City of Medford will work with FHCO to conduct and televise the various trainings proposed. These trainings will be archived, televised, and live webcast for statewide benefit.

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 were applicable. It was found that medium and large scale developers of multifamily 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. Misconceptions about size of household and gender being primary it is valuable to educate such future landlords even before their secondary unit is constructed. This consultation 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 2005-2006 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 \$5000 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 \$7500 in grants noted above..

Federal CDBG and City of Ashland general funds were utilized for staff support. 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 2005 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 2005 Program year other than through the efforts to promote affordable housing. The City social service grants provided to Community Health Center (\$30,000) and the Interfaith Care Community of Ashland (\$25,000) were to provide direct benefits to impoverished residents and homeless individuals. 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 1,2005 – June 30, 2006) the City of Ashland provided \$62,532.84 in direct assistance to 377 extremely-low or low-income households.

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 2005 CDBG program year. 19 different organizations received awards, however the majority were granted to organizations supporting the arts (Ballet, theater, singers, etc.).

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 2005 and June 30, 2006 the City issued 130 Home Occupation permits well exceeding the yearly average of 100 such permits. 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 December of 2005 the City of Ashland conducted a workshop on Employer Assisted Housing to convene local businesses to address the housing issues faced by Ashland's workforce and examine what barriers could be addressed by employers including housing costs, access, moving expenses, and benefits. Additionally the Housing Program Specialist at the City of Ashland was a member of the planning committee for the Workforce Housing Summit in February of 2006. This summit was attended by approximately 200 individuals and brought regional focus to the issue of affordable housing and examined various barriers to the development and retention of affordable housing.

As mentioned previously under goal 2 the City restructured its Affordable Housing Program and specifically allowed for a elimination in fees (System Development Charges, Engineering Fees, and Community Development Fees) when a unit is to be affordable to low-income households. Through this program during the 2005-2006 Fiscal year the City contributed \$92,704 in City General Funds to reduce the development costs of affordable housing within Ashland.

Goal 14: To provide institutional structure and intergovernmental cooperation.

Over the course of 2005-2006 the City substantially increased its activities in the area of institutional and intergovernmental cooperation. During this year the City of Ashland became an active 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.

Most notably in 2005-2006 the City of Ashland's Housing Program Specialist was a member of the planning committee for the Southern Oregon Workforce Housing Summit held in February of 2006. This summit was attended by approximately 200 individuals and brought regional focus to the issue of affordable housing and examined various barriers to the development and retention of affordable housing. Attendees included numerous elected representatives (Councils, Mayors), major employers, real estate professionals, developers, and non-profit affordable housing providers from nearly every jurisdiction within Jackson, Josephine and Curry Counties. This event was the first of its kind in Southern Oregon and it functioned to bring focus to the problems of the local housing markets to the attention of the entire region and highlighted Southern Oregon's rapidly appreciating housing market to the State. The State legislature conducted an interim Revenue Committee Hearing in Medford following the summit to specifically address Housing. At this hearing the City of Ashland Mayor and Housing Program Specialist provided testimony to the Committee regarding local and regional issues relating to affordable housing.

During Program Year 2005 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..

\$47500 in Federal CDBG funds (20% of the yearly allocation) was directed toward Administration of the CDBG Program during 2005. 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 2005 Program year the City saw the addition of 20 new affordable ownership housing units to the City's inventory. Each of these units is deed restricted to remain affordable from 20 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 2006-2007.

The maintenance of two units affordable units was ensured by through the rehabilitation of an existing duplex by ACLT with the contribution of CDBG Funds.

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. The maximum rent limit set by HUD can not be exceeded, nor can the housing units be sold outside the program. 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. This change established a minimum period of affordability of 30 years. 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 over a two year period, homeless care providers, low income health care, and essential continuum of care services each year. In the 2005 program year the "Social Service Grants awarded totaled over \$115,000. 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.

2003-2004 Social Service Grants - from City General Fund

<i>Agency and Program Name</i>	<i>Amount Granted</i>
ACCESS, Inc (Housing)	\$5,000
CASA of Jackson County, Inc. (Housing)	\$2,500
Center for NonProfit Legal Services, Inc	\$5,000
Children's Dental Clinic of JC	\$1,750
Community Health Center	\$30,000
Community Works- Dunn House	\$19,000
Community Works- Help Line	\$8,000
Community Works- Parent Education	\$2,000
Community Works- Rape Crisis	\$2,700
Community Works- Personal Safety	\$1,300
ICCA (Homeless services)	\$25,000
JC Children's Advocacy Center	\$3,000
Mediation Works	\$2,400
Ontrack, Inc (Drug treatment)	\$2,000
Planned Parenthood of SW Oregon	\$1,750
RV Manor- Senior Volunteer	\$1,500
RV Manor- Foster Grandparent	\$1,000
SDS RVCOG Food & Friends	\$1,500
TOTAL GRANTED	\$115,400.00

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.

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 at 144 N. Second Street , through the Social Service Grant program. Although this site is to be closed in 2006, an alternative more centralized location is currently being remodeled to accommodate ICC on Ashland Street. This new site will allow ICC to expand services and reach homeless clientele in a more centrally located facility. ICC was awarded \$25,000 to further assist their activities in light of statewide funding shortages and was provided an additional \$14,400 in City Funds in 2004-2005 spanning the 2004 and 2005 CDBG Program Year. 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 in the 2006 CAPER.

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 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.

The City of Ashland will continue to be a participant in the Jackson County Continuum of Care Consortium to ensure the strategies set forth in this planning process are implemented within Ashland by participating members of the taskforce. Further the City of Ashland Housing Commission has recently met with the regional representative of the Interagency Council on Homelessness to begin work on a 10year comprehensive plan to end Chronic Homelessness. The Jackson County Board of Commissioners unanimously decided to undertake the development of a 10-year plan and the City of Ashland will actively participate in this process.

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. During 2001-2002 the Ashland Community Land Trust was able to secure other grants totaling over \$618,000 in part because of the local support for their project evidenced by an award of \$75,000 in CDBG funds. This project was completed during the 2004 program with occupancy of the six-plex taking place in this report year. However this project's leverage was reported in 2002.

Relating to projects underway in the 2005 year the CDBG funds awarded to RVCDC for acquisition of 2001 Siskiyou Blvd (\$361,750) and 795 Park Street (\$274,000) allowed RVCDC to obtain SHOP Funding for a USDA Self Help Project in the amount of \$80,000 to assist RVCDC in completing their proposed 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. For the 9 unit project on Siskiyou Blvd the City contributed \$57,576 to cover System Development Charges and associated fees.

G. Citizen Comments

The availability of the Consolidated Annual Performance and Evaluation Report (CAPER) for use of 2005 CDBG funds was advertised in the September 14th 2006, edition of the Ashland Daily Tidings (advertisement enclosed) and was posted continuously on the City of Ashland web site from September 12th, 2006 through September 30, 2006 for public comment. Additionally the Housing Commission reviewed the CAPER at their September 18th Regular meeting to hold a public hearing and obtain comments. No comments had been received as of 3:00_____. The 2005 CAPER document remains archived on the City website.

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, 80% of the yearly CDBG allocation is now directed to this highest priority need. Administration of the program uses the remaining 20%. 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. 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 2005 program year the City Council approved one annexation that requires that 15% of the units developed be affordable to households earning 60%AMI or less. These units will be constructed in coming years. 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, 108 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. Ashlands 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, for \$439,900 in August of 2005, and is currently in excess of \$494,000 (source: August 2006 Roy Wright Appraisal). 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.

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.¹As 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 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.

As noted under the Affordable Housing Program section under Goal 2, significant changes to both the matrix that is used to consider whether a household is overburdened by housing costs in establishing maximum purchase prices, and in securing long term affordability through deed restrictions, the City implemented improvements to the program in 2005.

¹ Oregon Employment Department, *Workforce Analysis*, 2004.

Section 2

A. Consolidated Plan Priorities

See Section 1.A for full description of Priority Needs and projects completed in 2004 addressing those Priority Needs.

B. Changes in Program Objectives

There were no changes in program objectives in 2004.

C. Action Plan for 2004

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 2005, or in previously identified Action Plans (2001-2004).

CDBG Funded Projects undertaken during Program Year 2005

Project ID	Recipient Organization	Activity Name	Location	CDBG Funds	# Households or Persons Assisted Annually
2005-1	City of Ashland	CDBG Administration	city wide	\$47,500	city wide
2001-modified in 2003	Ashland Community Land Trust	ACLT Hersey Street purchase	Ashland city limits 1 lots on Hersey , 2 lots purchased on Garfield	\$80,000 (remainder of original \$120,000)	2 Households benefiting ACQUISITION COMPLETED WITH THE ACQUISITION OF GARFIELD PROPERTY
3	Ashland Community Land Trust	ACLT Duplex rehabilitation	Ashland city limits 264 Grant Street	\$14,000	2 Households benefiting Rehabilitation/weathe rization of a duplex at 264 Grant Street. COMPLETED
2002-1	Rogue Valley Community Development Corporation (RVCDC)	RVCDC Land Acquisition	Ashland city limits (2001 Siskiyou Blvd)	\$361,750 (includes the \$193,000 awarded in 2003 and the reprogramming of the \$168,750 allocated in 2002)	9 Households benefiting affordable one two, and three-bedroom ownership units through the USDA Self Help Program COMPLETED
CANCELLED CDBG PROJECTS					
	Rogue Valley Community Development Corporation (RVCDC)	RVCDC Quincy Street Project	Ashland city limits (2001 Siskiyou Blvd)	190,000	CANCELLED
2002-2	Rogue Valley Community Development Corporation (RVCDC)	RVCDC Public Facility Improvements (sidewalk, utilities, curb-gutter, street trees, etc).	Ashland city limits (2001 Siskiyou Blvd)	\$13,800	CANCELLED

D. National Objectives

The projects initiated and/or completed during 2005 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 Economic Development grants (See Goal 12), no economic development activities were undertaken during 2005.