

Council Business Meeting

April 16, 2019

Agenda Item	Public Hearing on the 2019 Community Development Block Grant Award and CDBG Action Plan Development	
From	Linda Reid	Housing Program Specialist
Contact	reidl@ashland.or.us 541-552-2043	

SUMMARY

As an entitlement jurisdiction, the City of Ashland receives a direct allocation of Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development (HUD). The City of Ashland provides funds to eligible affordable housing providers and non-profit organizations for capital improvement and public service projects within the City of Ashland. The City Council is to evaluate the four proposals requesting CDBG funding. Upon review of the proposals, and after taking public testimony at a public hearing, the Council shall award funding to the selected applicant(s).

POLICIES, PLANS & GOALS SUPPORTED

Tier 1: Higher Priority

Address Climate Change

Tier 2: Moderate Priority

Economic Development

Housing Needs

Homeless Services

All-Age Friendly Community

PREVIOUS COUNCIL ACTION

Not Applicable

BACKGROUND AND ADDITIONAL INFORMATION

The City of Ashland received four proposals for the annual award of Community Development Block Grant (CDBG) funds. The City of Ashland administers the CDBG program to allocate Department of Housing and Urban Development (HUD) funds to grantees that provide decent housing, public services, and economic opportunities for low- and moderate-income persons.

The Housing and Human Services Commission reviewed the CDBG proposals received on March 28, 2019 and have forwarded recommendations for the Council's consideration.

Community Development Block Grant Funds: The City offered a total of \$256,223 in funds for award to eligible applicants. The anticipated CDBG allocation to the City of Ashland for the 2019 Program Year is \$175,425. Of this amount 20 percent is reserved for program administration (\$35,085), leaving \$140,340 in funds available for award to eligible activities. The total amount of \$256,223 available for award includes \$140,340 in 2019 program year CDBG funding, and \$115,893 in unspent funding from prior years. The entirety of the CDBG funds available (\$256,223) is eligible to fund qualified capital improvement projects. Only \$26,313 may be awarded to Public Service activities (which is 15 percent of the anticipated 2019 Program Year allocation).

Proposals Received: The City has received four applications totaling \$72,920. One application is for a capital improvement project totaling \$18,000, and three applications are for Public Service funding totaling \$54,920. The applications received are attached and include the following:

- [St. Vincent De Paul \(SVDP\)](#) - **\$20,000** in Public Service funding is requested to fund emergency rent and deposit assistance for qualified low income households in an effort to prevent homelessness.
- [Maslow Project](#) - **\$14,000** in Public Service funding is requested for outreach and case management for homeless youth enrolled in the Ashland school district.
- [Rogue Retreat](#) - **\$20,920** in Public Service funding is requested to start a program that offers employment training and experience to homeless populations to lead to employment while cleaning up downtown areas.
- [Ashland Food Angels](#) - **\$18,000** in Capital Improvement funding is requested to complete needed renovations to a food storage facility to prevent spoilage of perishable food items and accommodate volunteers.

Action Plan Review/Adoption: CDBG funds will be available upon HUD’s approval of the 2019 Action Plan. The 2019 Action Plan is the document that details how the annual awards meet the goals identified in the CDBG Consolidated Plan, and upon the completion of any regulatory requirements including, but not limited to environmental review clearance. Upon completion of the Action Plan a public hearing for review and approval will be held by the Housing and Human Services Commission to ensure consistency with the awards designated by the City Council. HUD must review the annual Action Plan submitted by the City to ensure the activities funded are consistent with federal requirements, and with Ashland’s Consolidated Plan for use of CDBG funds.

The Housing and Human Services Commission reviewed the CDBG applications at its regular meeting on March 28th. Both the staff and the Housing and Human Services Commission recommendations are provided in the recommendations section below. Staff’s evaluation criteria are detailed more fully in the attached evaluation.

FISCAL IMPACTS

The CDBG program is funded by Federal grants through HUD and no City of Ashland funds will be used for CDBG activities. In addition, 20 percent of the annual grant award will be made available to cover administrative costs associated with carrying out grant administration and CDBG program requirements.

Any CDBG funds that are unspent at this time would remain available for distribution through the 2019 annual award cycle, or may be used to support eligible actives as directed by the City Council over the coming year.

HUD Timeliness Rule

The CDBG program has a stipulation that grant administrators plan for the timely expenditure of funds. This is called “timeliness”. Timeliness refers to how quickly the grantee is able to commit and expend CDBG funding. The program rule for timeliness is that the grantee cannot have more than 1.5 times their annual allocation sitting in their line of credit at the U.S. Treasury. The analysis for timeliness is calculated 60 days prior to the end of the grantee’s program year (which is May 1 for the City of Ashland). If a grantee has more than 1.5 times their allocation in their line of credit they will be required to submit a “work out plan” to HUD to explain how the money will be utilized to avoid chronic timeliness issues. A grantee that shows chronic timeliness issues is at risk of having HUD withhold future grants until the grantee can expend existing resources. Due to the City’s small allocation, the City reaches the 1.5 timeliness threshold more quickly than most grantees. Previously allocated, but yet unexpended grant funds count toward this total, as does any program income. The City completed a workout plan for last year and now is in danger of losing any funding that goes over the 1.5 standard in the coming fiscal year.

STAFF AND COMMISSION RECOMMENDATION

Staff recommends award of the 2019-2020 CDBG funds as follows:

- \$18,000 to Ashland Food Angels for the repairs to their food storage and processing facility
- \$15,463 to St. Vincent De Paul Home Visitation Program
- \$10,850 to Maslow Project School Based Services

Staff's recommendations are based on evaluation of CDBG eligibility, the City's five-year Consolidated Plan Goals, agency experience and capacity, and readiness to proceed.

The Housing and Human Services Commission Recommendation:

The Housing and Human Services Commission's recommendation is consistent with the staff's recommendation. The Housing and Human Services Commission recommends award of the 2019-2020 CDBG funds as follows:

- \$18,000 to Ashland Food Angels for the repairs to their food storage and processing facility
- \$15,463 to St. Vincent De Paul Home Visitation program
- \$10,850 to Maslow Project School Based Services

ACTIONS, OPTIONS & POTENTIAL MOTIONS

I move to direct staff to draft the 2019 Annual Action Plan for the use of Community Development Block Grant funds reflecting the award of CDBG funding for the 2019 Program year as follows:

- \$18,000 to Ashland Food Angels in Capital Improvement funding for the repairs to their food storage and processing facility
- \$15,463 to St. Vincent De Paul in Public Service funding for their Home Visitation Program
- \$10,850 to Maslow Project in Public Service funding for their School Based Services

REFERENCES & ATTACHMENTS

Attachment 1: Staff evaluation March 28, 2019

[Maslow Project Proposal](#)

[St Vincent De Paul Proposal](#)

[Rogue Retreat Proposal](#)

[Ashland Food Angels Proposal](#)

[Housing and Human Services Commission Meeting Minutes, March 28, 2019](#)

Staff Evaluation

To: Ashland Housing and Human Services Commission
Title: Community Development Block Grant (CDBG) 2019 RFP
Date: March 28, 2019
Submitted by: Linda Reid, Housing Program Specialist

The City offered a total of \$256,223 in Community Development Block Grant (CDBG) funds for award to eligible applicants. The anticipated CDBG allocation to the City of Ashland for the 2019 Program Year is \$175,425. Of this amount 20% is reserved for program administration (\$35,085), leaving \$140,340 in funds available for award to eligible activities. The total amount of \$256,223 available for award includes \$140,340 in 2019 program year CDBG funding, and \$115,883 in unspent funding from prior years. The entirety of the CDBG funds available (\$256,223) is eligible to fund qualified capital improvement projects. Only \$26,313 may be awarded to Public Service activities (which is 15% of the anticipated 2019 Program Year allocation).

The City of Ashland Housing and Human Services Commission will hold a public hearing on March 28, 2019 to review the grant requests and make a recommendation to forward to the City Council for consideration. The Council will make the final award selections at a public hearing scheduled for April 16, 2019. Staff's eligibility assessment of each of the proposals received, and recommendations regarding the allocation of the 2019 CDBG funds are provided on the following pages.

Proposals Received

Organization	Proposed Project	CDBG Funds Requested	Goal	Consolidated Plan Goal and Rank*	Council Goal
St. Vincent De Paul	Assist low income and at risk Households with emergency funding to prevent homelessness. *Public Service	\$20,000	With CDBG funds provide 38-45 low income individuals with emergency rent and security deposit assistance to avoid homelessness)	Support services for Homelessness outreach, prevention and Transition- High	3.3 Support non-profit and cultural entities in our community 5.2 Support and promote, through policy, programs that make the City affordable to live in. 5.3 Leverage partnerships with non-profit and private entities to build social equity programming.
Maslow Project	Encourage stability, self-sufficiency and school achievement for homeless youth.	\$14,000	Provide access to basic needs, information and referral. Provide case management to improve stability to	Support services for Homelessness outreach, prevention and Transition- High	3.3 Support non-profit and cultural entities in our community. 5.2 Support and promote, through policy, programs that



	*Public Service		approximately 85-90 identified homeless youth ages 0-21.		make the City affordable to live in. 5.3 Leverage partnerships with non-profit and private entities to build social equity programming.
Rogue Retreat	Clean Sweep employment program for homeless populations *Public Service	\$20,920	Employment training and experience to homeless populations to lead to employment. Serving approximately 30 homeless individuals	Support services for Homelessness outreach, prevention and Transition- High	3.3 Support non-profit and cultural entities in our community. 5.2 Support and promote, through policy, programs that make the City affordable to live in. 5.3 Leverage partnerships with non-profit and private entities to build social equity programming.
Food Angels	Renovations to food storage and distribution center. *Capital Improvement	\$18,000	Renovations to food storage facility to prevent spoilage of perishable food items.	Support services for Homelessness outreach, prevention and Transition- High	3.3 Support non-profit and cultural entities in our community. 5.2 Support and promote, through policy, programs that make the City affordable to live in. 5.3 Leverage partnerships with non-profit and private entities to build social equity programming.

Funding Requested/Available

A total of approximately \$256,223 in CDBG funds is expected to be available to distribute to eligible recipients for projects meeting the CDBG national objectives, and which are consistent with the City of Ashland 2015-2019 Consolidated Plan. The maximum allocation allowable to be used to support public services is limited to approximately \$26,313.

These funds will be available upon approval of the 2019 Action Plan, and upon the completion of any regulatory requirements including but not limited to environmental review clearance. Upon completion of the Action Plan a public hearing for review and approval will be held before the Housing and Human Services Commission to insure consistency with the awards designated by the City Council. The U.S. Department of Housing and Urban Development (HUD) must review the annual Action Plan submitted by the City to ensure the activities funded are consistent with federal requirements, and with the local Consolidated Plan. The City will reserve the right to award more or less than this estimate dependent on



the final entitlement amount authorized by Congress and the Department of Housing and Urban Development.

Assessment Criteria

Staff has assessed the proposals to determine whether they meet the Federal CDBG regulations and address the priorities identified within the City of Ashland 2015-2019 Consolidated Plan.

Three areas are evaluated for each proposal regarding compliance with federal regulations.

- Projects must meet the National Objective of the Community Development Block Grant Program.
- All CDBG funded projects must be an “eligible” use under the Community Development Block Grant Program.
- If a project meets all federal requirements and is selected for award, then federal regulations must be met throughout the course of the project.

Some examples of federal regulations which pertain to Community Development Block Grant funded projects are; all projects funded in whole or in part, with CDBG dollars require an environmental review in accordance with the National Environmental Policy Act (NEPA). Certain construction projects must use federal Davis-Bacon wage rates. Housing involving structures built prior to 1978 must be tested for the presence of Lead Based Paint and if found steps to mitigate Lead Based Paint must be taken. Any project involving the displacement of residents or businesses as a result of the federally funded project are entitled to assistance under the Uniform Relocation Act. Most importantly the beneficiaries from the application of CDBG funds must qualify as eligible populations under the Federal requirements for the CDBG program. Areas of concern are described for each proposal received. The Housing and Human Services Commission and the City Council can only award CDBG funds to projects that can meet all federal requirements and meets an objective as outlined in the City’s 2015-2019 Consolidated Plan.

Priorities within the City of Ashland’s 2015-2019 Consolidated Plan are given a priority ranking of High, Medium, or Low. The rankings are intended to assist in directing CDBG funds to the greatest needs. In cases where there are competing projects for limited funds, the projects(s) that are ranked the highest will be funded.

Public Service Proposal Evaluation

Maslow Project-School Based Services for Ashland Homeless Youth

Staff has reviewed the Maslow Project, School Based Services for Ashland Homeless Youth Proposal to determine whether it meets the Federal CDBG regulations, and if the proposal addresses the priorities within the City of Ashland 2015-2019 Consolidated Plan. Maslow Project requested \$14,000 in Public Service Grant funds to continue to support a case manager in the elementary, middle and high schools, providing outreach to high risk homeless youth and providing them with immediate needs, case management to keep youth engaged in school and promote stability and self-sufficiency for the homeless youth and their families.

- This project proposal qualifies under the Low-Moderate Income (LMI) benefit national objective; homeless populations are a presumed benefit population under the CDBG program.
- Services to homeless and at-risk populations are an eligible use of CDBG funds.
- Maslow’s proposal expects to provide services to 85-90 identified homeless school children currently enrolled in the Ashland School District.
- Maslow Project has proven capacity to administer CDBG grant funds-this would be Maslow’s sixth year of undertaking this activity in Ashland.
- Staff finds that Maslow Project’s proposal is consistent with goals identified in the City of Ashland’s 2015-2019 Consolidated Plan.



In evaluating the proposal, it is evident that the proposed project has a priority ranking of High.

Staff sees that Maslow Project's proposal is an eligible use of CDBG funds and is consistent with the City of Ashland Strategies as outlined in the 5-year Consolidated Plan. This activity assists in the prevention of homelessness for low-income households. Maslow has successfully administered this program within the Ashland School District for the past five years. Furthermore, this project meets and exceeds the 10% leverage requirement of the City of Ashland's CDBG program and leveraging funding from other sources.

St. Vincent De Paul-Home Visitation Program

Staff has reviewed the St. Vincent de Paul (SVDP) program proposal to determine whether it meets the Federal CDBG regulations, and if the proposal addresses the priorities within the City of Ashland 2015-2019 Consolidated plan. St. Vincent's has requested \$20,000 to assist homeless and at-risk populations in obtaining and maintaining housing.

- This project proposal qualifies under the Low-Moderate Income (LMI) benefit national objective.
- Generally, income payments (payments to an individual or family, which are used to provide basic services such as food, shelter (including payment for rent, mortgage, and/or utilities) are ineligible public service activities when such payments are provided as a grant. However, such expenditures are eligible if; the income payments do not exceed three consecutive months; and the payments are made directly to the provider of services on behalf of an individual or family. This project meets those criteria.
- St. Vincent has a proven capacity to administer CDBG grant funding, this would be SVDP's seventh year of undertaking this activity in Ashland.
- SVDP expects to assist 38-45 individuals attain or maintain housing.
- Staff finds that SVDP's proposal would merit a priority of high on the priority ranking identified within the City of Ashland's 2015-2019 Consolidated Plan.

Staff sees that St. Vincent's proposal is an eligible use of CDBG funds and is consistent with the City of Ashland Strategies as outlined in the 5-year Consolidated Plan. This activity assists in the prevention of homelessness for low-income and special needs households. Further this project meets and exceeds the 10% leverage requirement of the City of Ashland's CDBG program providing 10 times the requested grant funds leveraging additional funding from other sources. The St. Vincent De Paul Home Visitation Program has successfully administered Community Development Block grant funds for the past seven years.

Rogue Retreat-Clean Sweep Program

Staff has reviewed the Rogue Retreat-Clean Sweep Program Proposal to determine whether it meets the Federal CDBG regulations, and if the proposal addresses the priorities within the City of Ashland 2015-2019 Consolidated Plan. Rogue Retreat requested \$20,920 in Public Service Grant funds to support an outreach coordinator, cover the cost of supplies, and incentive payments (gift cards) to the volunteers. The overall goal of the program is to help the homeless become employed and change the relationship that local businesses have with the homeless community.

- This project proposal qualifies under the Low-Moderate Income (LMI) benefit national objective; homeless populations are a presumed benefit population under the CDBG program.
- Services to homeless and at-risk populations are an eligible use of CDBG funds.
- Rogue Retreat's proposal expects to provide services to 30 identified homeless individuals in the Ashland shelter system.
- Rogue Retreat has not previously administered CDBG grant funds.



- Staff finds that Rogue Retreat’s proposal is consistent with goals identified in the City of Ashland’s 2015-2019 Consolidated Plan.

In evaluating the proposal, it is evident that the proposed project has a priority ranking of High.

Staff sees that Rogue Retreat’s proposal is an eligible use of CDBG funds and is consistent with the City of Ashland Strategies as outlined in the 5-year Consolidated Plan. This activity assists in the prevention of homelessness for low-income households by providing employment skills training. This project meets and exceeds the 10% leverage requirement of the City of Ashland’s CDBG program and leveraging funding from other sources.

Capital Improvement Proposals

Ashland Food Angels

Staff has reviewed the Ashland Food Angels proposal to determine whether it meets the Federal CDBG regulations, and if the proposal addresses the priorities within the City of Ashland’s 2015-2019 Consolidated plan. Food Angels have requested \$18,000 in grant funds to complete needed upgrades to an existing building serving as a food gleaning holding and processing facility.

- This project proposal qualifies under the Low-Moderate Income (LMI) and Presumed benefit national objective.
- Rehabilitation and upgrades are eligible uses of CDBG Capital Improvement funds.
- Food Angels has not previously administered CDBG funding within the City of Ashland.
- Staff finds that the Food Angels proposal is consistent with priority goals identified in the City of Ashland’s 2015-2019 Consolidated Plan.

Staff sees that Food Angel’s proposal is an eligible use of the CDBG funds and is consistent with the City of Ashland Strategies as outlined in the 5-year Consolidated Plan. This activity meets the 10% leverage requirement of the City of Ashland’s CDBG program. In order to award funds to improve the garage the City will need to confirm all proposed improvements meet building and zoning codes, the use of the site for this activity is consistent with Home Occupation Permit standards, and that the non-profit applicant has legal use for the privately-owned building (an executed lease agreement). Any award of CDBG funding for this activity should be conditioned upon meeting these requirements.

STAFF RECOMMENDATIONS

Staff recommends award of the 2019-2020 CDBG funds as follows:

- \$18,000 to Ashland Food Angels for the repairs to their food storage and processing Facility, conditioned upon meeting the above stated requirements.
- \$15,463 to St. Vincent De Paul Home Visitation Program
- \$10,850 to Maslow Project School Based Services

Staff’s recommendations are based on evaluation of CDBG eligibility, the City’s five-year Consolidated Plan Goals, agency experience and capacity, and readiness to proceed.

Public Service Projects: Only 15% of the overall allocation is available for public service activities, as only \$26,313 in funding is available, all three projects cannot be fully funded with CDBG.

Consequently, staff is proposing a proportional allocation of the funding which is consistent with prior years’ allocations (with both recommended grantees receiving approximately 77% of their request). In examining the three applications for public service funding staff found all to be needed activities within the Ashland community that would benefit CDBG eligible populations. Both the SVDP program and the Maslow Project have successful track records of administering federal grant funds, providing counseling services, resource referrals and, in the case of the SVDP Home Visitation program, direct



financial assistance to the homeless and those at risk of homelessness. The Maslow project's proposed activity would continue to benefit homeless populations as well but with an emphasis on homeless children enrolled in Ashland schools. While staff would encourage Rogue Retreat to apply again in the future for either CDBG or Social Service funding, at this time the Clean Sweep program proposal does not seem ready to proceed at this point in time. The Clean sweep concept is a good one, however, there are several factors, like community/business partnerships and partnerships with local non-profit providers which will need to be established before that project can move forward. There were no support letters from OHRA and downtown businesses in the application to indicate those entities desire to participate in such an activity. In evaluating each proposal in relation to the others submitted it is clear that both Maslow and SVDP have the experience and capacity to administer CDBG grant funds as they have both done so in prior years, and both Maslow and SVDP have exceeded the matching requirements of the grant.

Capital Projects: The City received one capital project proposal, Food Angels-Food Storage Facility upgrade. The project qualifies as eligible uses of CDBG funds, the project is ready to proceed and would be able to expend the funds in a timely manner thereby allowing the City to maintain a timely expenditure of funds. While Food Angels has not previously administered a CDBG grant in the City of Ashland, the proposed activity is a relatively simple and straightforward activity. Both the timeline for completion and the budget for the activity is well thought out and achievable. Matching funds have been identified and secured, and the project serves an eligible population. The issues stated above would need to be resolved before the City could provide funding to this activity.

