

Council Study Session

October 19, 2020

Agenda Item	Housing Program – Overview of Projects and Homeless Services Funding	
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SUMMARY

Community Development staff will provide an overview of housing initiatives currently being undertaken by the department’s long-range planning section and Planning Commission, as well as available funding sources and financial incentives available to address homeless and vulnerable populations.

POLICIES, PLANS & GOALS SUPPORTED

Comprehensive Plan Housing Element:

Support the creation and preservation of housing that is affordable to low- and moderate-income households and that is commensurate with the incomes of Ashland’s workforce.

Council Goals Resolution 2019-27:

Value Services

Tier 2. Moderate Priority (B.c): Housing Needs

BACKGROUND AND ADDITIONAL INFORMATION

The Community Development Department’s long-range planning section continues to direct resources toward reviewing and updating the City’s zoning code and standards (i.e. AMC Ch. 18- Land Use Ordinance) and offering amendments to address a wide range of housing needs. In recent years, several important policy documents have been produced and updated. The Housing Element of Ashland’s Comprehensive Plan was completed and includes a substantial list of policies focusing on creating a diversity of housing types, production and preservation of affordable housing, environmental stewardship and sustainability. Additionally, technical studies have been undertaken to inform future actions by the City. In 2019 an update of the Buildable Lands Inventory was completed which quantified the amount of vacant and partially vacant land available with the City Limits and Urban Growth Boundary. Later in June of 2019, a grant from the Oregon Department of Land Conservation and Development (DLCD) funded the consulting firm of ECONorthwest’s production of a Housing Strategy and Implementation Plan, specifically focusing on understanding potential obstacles and barriers to multi-family and suggesting strategies to address affordability and availability low and moderate cost housing.

Long Range Planning Projects

Several bills were passed by the Oregon Legislature which not only appropriated funding for technical studies and zoning code audits, but also required cities to amend local codes to allow outright, in all residential zones, accessory dwelling units (ADUs). Depending a city’s population, various types of middle housing (i.e. duplex, triplex, cottages, etc.) must be incorporated into zoning codes in recognition of the acute need throughout Oregon for more housing options.

The attached list of projects highlights current actions being undertaken by the long-range planning section to address new requirements brought about by State legislation. The City's Housing Needs Analysis (HNA) will be updated to identify housing needs, assess adequacy of the City's residential land supply and suggest new policies and implementation strategies. Land use code amendments will be developed by staff and the Planning Commission for consideration by Council that would permit duplex buildings and give greater flexibility to encourage the development of smaller accessory dwelling units. Changes to standards in multi-family and commercial zoning districts such as density, lot coverage and parking will be evaluated to increase opportunities for moderately priced rentals and homeownership. Additionally, staff is at the final stages of analyzing establishing a vertical housing development zone (VHDZ) that would give a partial property tax exemption for upper floor residential construction along sections of the City's transit routes.

Available Funding and Financial Incentives

The City of Ashland Housing Program administers three sources of funding: The Affordable Housing Trust Fund, The Social Service Grant Fund and Community Development Block Grant funds. Together and individually, these funding sources provide resources to assist area non-profit agencies and affordable housing providers in providing a range of services and housing activities to support the continuum of housing needs, from emergency shelter, case management and navigation services, to funding to support the development of affordable rental housing and permanent supportive housing. Below is a brief overview of the fund types and purpose as well as a brief description of the activities which can benefit from them.

Affordable Housing Trust Fund

The City established the Affordable Housing Trust Fund (AHTF) in 2008, ([Ordinance 2966](#) and [Resolution 2008-34](#)) to address housing needs within the community. The City offers AHTF grants on a biennial basis. AHTF are general fund moneys that receive up to \$100,000 each year in Marijuana tax revenue. The City of Ashland Affordable Housing Trust Fund was created to keep the Ashland community diverse by facilitating the production and preservation of affordable housing throughout Ashland. The primary purpose of the AHTF is to encourage the creation of housing for homeownership or rent, at a cost that will enable low- and moderate-income families to afford quality housing while paying no more than thirty percent of gross household income on housing. To promote the rehabilitation, preservation and production of quality, well designed rental and ownership housing the AHTF prioritizes funding to community development partners that are furthering the AHTF mission. The AHTF also allows the City to offer funding to support capacity building and predevelopment costs, two development activities which are not able to be funded with CDBG funding, as well as to address emergency shelter needs. In the regular funding cycle, the AHTF requires applicants to provide a 50 percent match.

Social Service Grant Funds

The City of Ashland established the Social Service Grant program in 1986 due to a reduction in Federal Revenue Sharing funds which had, in prior years, provided funding to the City to support the activities of non-profit and social service agencies that provided services to vulnerable Ashland Citizens. Resolution 86-35 was adopted in recognition that: "the funding of health care and social service needs is an important City function which contributes to the health and wellbeing of the citizens of Ashland". The Council at that time opted to maintain funding for social services with an emphasis on health care in recognition that the Council fostered policies that promoted a tourism based service sector economy, and felt that it was "appropriate for the City to address the problems created by this type of economy". Since that time the City of Ashland has committed a portion of the general fund in support of activities that address the health and social service needs of the Ashland

community. In 2013, the Council requested that the Housing and Human Services Commission evaluate the Social Service Grant program and make recommendations for the most efficient and effective use of those funds. The Housing and Human Services Commission developed a Strategic Plan for the Use of Social Service grant funds which was adopted by the Council in 2014. The Strategic Plan sets forth goals and priorities for the use of Social Service Grant funds each funding cycle which are based on community needs and resource gaps identified by the Housing and Human Service Commission through a community outreach process. The Social Service Grant funds are offered on a bi-annual basis providing approximately \$135,000 in funding to support social service activities each year.

CARES Act COVID-19 CDBG Funding

In response to combating the effects of COVID-19, the U.S. Department of Housing and Urban Development (HUD) allocated special Community Development Block Grant (CDBG) funds for Entitlement Entities. The City of Ashland has been allocated \$293,820 in Community Development Block Grant (CDBG) Entitlement funds to be used to prevent, prepare and respond to COVID-19. This allocation was authorized in the Coronavirus Aid, Relief, and Economic Security (CARES) Act by President Trump on March 27, in response to the growing effects of this historic public health crisis.

The CDBG-CV funds allocated under the CARES Act may be used for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19). The proposed activities must meet one of the three National Objectives as required by CDBG regulation:

- Benefit low-and moderate-income persons
- Aid in the prevention or elimination of slums or blight, and
- Meet an urgent need

In addition, and for the purpose of an expedited use of the CDBG-CV funding, the bill eliminated the cap on the amount of funds a grantee can spend on public services, removes the requirement to hold in-person public hearings in order to comply with national and local social gather requirements, and allows grantees to be reimbursed for COVID-19 response activities regardless of the date the costs were incurred. The bill also allowed grantees to apply the waiver of statutory regulations to 2019 and 2020 CDBG allocations.

Since March 17, the City has funded several activities to prevent, prepare and respond to COVID-19 with CDBG-CV funds. Similarly, the City has utilized Affordable Housing trust funds to address some of the urgent needs arising from both the pandemic and the issues arising from the recent wildfire event. Social Service grant funds also provided services to support many of the agencies address the needs of the pandemic and wildfire, though these activities were funded prior to the onset of both disasters. These activities are detailed in the table in attachment 2.

FISCAL IMPACTS

N/A

DISCUSSION QUESTIONS

This item is intended to serve as an update on pending long-range planning projects and funding strategies currently being used to address immediate and future housing needs.

SUGGESTED NEXT STEPS

No action is requested. This item ifs for informational purpose only.

REFERENCES & ATTACHMENTS

Attachment 1: Long Range Planning Projects

Attachment 2: Homeless Services Funding



Housing Program

Long Range Planning Projects

FY21 Projects

1. Affordable Housing Standards – Update

Initiated – February 2020

Estimated Ordinance Adoption – November 2020

Estimated Resolution Adoption – January 2021

Amend key components of the City’s affordable housing unit program with the overarching goal of balancing long-term affordability, while allowing a reasonable rate of return for homeowners and developers. Several revisions aim to increase the effectiveness and efficiency of the program’s administration, and several changes are made to address regulatory barriers and to help simplify existing processes. The proposed changes will make the program more readily understood by affordable housing and private market developers, as well as increase the coordination between affordable and private market developers and make the sale and transfer of homes in the program easier for participating households. A public hearing on this item will be held at Council on November 17th, 2020. Following adoption of the land use ordinance amendments relating to affordable housing standards, a Resolution drafted to be consistent with the approved standards will be presented to City Council for approval in January 2021.

2. Housing Needs Analysis (HNA)

Initiated - October 2020

Estimated Adoption – June 2021

An HNA includes a housing needs projection addressing housing types and price levels, residential needs analysis, buildable lands inventory and identification of measures for accommodating needed housing. The City is required by the State Planning Program to periodically update the HNA, with the next Ashland update deadline of 2022. The City received a grant to fund the updated HNA by July 1, 2021, a year ahead of the state deadline. ECONorthwest will be working with City staff and a technical advisory committee on the update of the HNA.

3. Duplexes on Single-Family Lots – permitted by right

Initiated - October 2020

Estimated Adoption – June 2021

Update zoning code to permit by right duplexes on each residentially zoned lot that allows detached single-family dwellings. The City of Ashland must complete required

code amendments by June 30, 2021. House Bill (HB) 2001, "Middle Housing" bill, passed the Oregon Legislature in the 2019 legislative session and applies to all Oregon cities with population between 10,000 and 25,000 outside the Portland Metro boundary. The Land Conservation and Development Commission (LCDC) recently adopted a model code and the administrative rules for the implementation of HB 2001, with the administrative rules becoming effective on August 7, 2020. Notable provisions of the administrative rules include allowing cities to continue regulating natural resource areas (e.g., wetlands and riparian areas) and natural hazards (e.g., floodplains, hillside areas and wildfire zones) but prohibiting any additional density, dimensional or design requirements for duplexes that aren't required for single-family homes. The rules also limit the required number of off-street parking for duplexes to two spaces.

4. Accessory Residential Units (ARUs) – permitted by right

Initiated - October 2020

Estimated Adoption – June 2021

House Bill 2001 also prohibits requiring additional parking for ARUs. This project would amend the City's zoning code to be consistent with State legislation. Currently, ARUs less than 500 square feet that are attached to a building or within an existing structure are exempt from the requirement of a land use application and allowed to proceed straight to building permit review. As part of this project, staff recommends evaluating extending the current exemption to multi-family zones and detached structures. In addition, staff recommends limiting land use application requirements in the Historic Districts to historic contributing properties and structures listed on the National Register of Historic Places.

5. Vertical Housing Development Zone (VHDZ)

Initiated – March 2019

Estimated Adoption – December 2020

The purpose of a VHDZ is to encourage the development of multi-story buildings that include housing in the area surrounding the bus route on Ashland Street and Siskiyou Boulevard. A VHDZ is an area where eligible projects comprised of multistory "mixed use" buildings that include commercial uses and housing units could apply for a partial property tax exemption. The analysis indicates that in the short-term, tax revenues will be higher for an eligible two, three or four-story building with a partial property tax exemption than the typical development in the area, which is a one-story commercial building. In the long-term, any multi-story, mixed-use buildings approved for the partial tax exemption will have a higher valuation and would be fully taxed after 10 years when the exemption expires. The partial property tax exemption allows development projects to get closer to being financially and physically feasible in the proposed VHDZ and could be the incentive that moves potential project towards financial viability.

The project was delayed because the Ashland School District (ASD) School Board declined to participate in the VHDZ on January 31, 2020. Staff is in discussions with ASD staff regarding revisiting the topic. The other eight taxing districts including

Jackson County and RVTD agreed to participate in the VHDZ. State law requires that all taxing districts with taxing authority in a proposed VHDZ are given an opportunity to participate or opt out of the partial property tax exemption.

FY21/22 Projects

1. Wildfire Hazard Mitigation

The Oregon Residential Specialty Code (ORSC) was amended to include section 327.4 – Wildfire Hazard Mitigation. Incorporating ORSC 327.4 into building plan review and permit approval is optional and at the discretion of the local municipality. Adoption of ORSC 327.4 by the City of Ashland would result in increased protection of new residences by requiring that buildings to be constructed with fire resistant building materials. The goal of these standards is to reduce the ignition potential of new homes built in a wildfire hazard zone. In 2018, the City Council placed the entire City of Ashland within a wildfire hazard zone. Accordingly, local adoption of ORSC 327.4 would apply to all new residential building construction within the city limits. The Community Development Department is collaborating with Ashland Fire and Rescue in evaluating an amendment to Ashland’s Municipal Code for Council’s consideration, which would adopt R327.4 and require fire resistant materials for all new residential building construction.

3. Commercial and Employment Zoning Standards – Mixed-Use Amendments

In early 2019, the Council adopted a new zoning overlay for properties located along primary transit routes in the east Ashland area. The overlay, the Transit Triangle, is intended to promote a mix of housing units and businesses along the existing transit routes. The standards codified within the Transit Triangle are not mandatory but can be initiated at the option of the property owner. This project would evaluate the benefits of applying a similar approach to other mixed-use business areas within Ashland to encourage a range of housing and a variety of densities within the city’s business districts.

4. Multi-Family District Zoning Standards

The Community Development Department received a grant to fund a Housing Strategy Implementation Plan (HSIP). The HSIP was prepared by ECONorthwest and presented to Council in June 2020. Key recommendations of the HSIP targeted supporting multi-family housing development by: a) increasing allowed densities in multi-family zones (R-2 & R-3), b) increasing allowed building height from 2 ½ to 3 stories, c) decreasing parking requirements for smaller units, and d) increasing lot coverage allowances. This project will take a closer look at the plan’s recommendation and draft code language for review by the Ashland Planning Commission.

5. Housing Production Strategy (State Requirement)

The Housing Needs Analysis described above will identify potential changes to the City’s Comprehensive Plan and land use regulations intended to address housing and residential land needs identified. House Bill 2003 approved by the State of Oregon in

2019 requires each city to adopt a housing production strategy within a year of completing the housing needs analysis. Following adoption of the HNA, the Housing Production Strategy project will entail delineating specific actions the City will take, such as revising regulations or providing financial incentives, aimed at increasing the production of needed housing

Covid-19 and Homeless Services Funding Breakdown

Community Development Block Grant (CDBG) and CDBG-CV Funding

Year	Allocation	Admin- <i>A portion of City Staff's time working on homeless related activities</i>	Funds Committed	Outcomes: # of people served
2019-ends June 2020	\$178,562	\$35,712	\$10,850-Maslow Project \$15,463-SVDP-Rent, Security Deposit, Utility payments \$18,000-Food Angels-Meals and Food for homeless \$103,808-OHRA-hotels/meals-emergency shelter for the homeless	117-Maslow 26-SVDP 981-AFA 55 -OHRA
2020-begins July 2020	\$176,926	\$35,385	\$13,291-Maslow Project \$5,525-Food Angels \$50,000-OHRA-Rent Assistance for homeless and at risk of households \$20,704.78-Peace House Meals for Homeless \$19,968-OHRA Shower Program	Est. 99-Maslow Est. 1000-AFA TBD 5,840-meals Est. 960-showers
CDBG-CV	\$104,079	\$20,815	\$32,000-Peace House Meals for homeless	Est. 8,000 meals
CDBG-CV3	\$189,741	\$37,941	\$125,483-OHRA Winter Shelter	Est. 40
Pre 2019 carryover ¹	\$165,702.55	Not Available	\$6,446.72 –OHRA Shower Program	Est. 240-showers
Total	\$815,010.55	\$129,853	\$421,539.50	

Affordable Housing Trust Funds (AHTF)

Year	Total Amount Available	Funds Committed	Outcomes: # of people served
2020-2021	\$216,986	\$3,500-OHRA Emergency Shelter for the homeless \$1,500-JxCo Greenway Meals \$60,000-Maslow Project-Emergency Shelter Program \$48,500-OHRA Non-Congregate Shelter Program \$43,500-NWU-Pre-development and Capacity Building	10 TBD Est. 12+ Est. 5+ Est. 30+
Remaining Balance	\$59,986	\$157,000-Total of all projects	

¹ Unexpended funds prior to 2019 are not eligible for the CDBG waiver-no public service cap waiver or public comment period suspensions.

Social Service Grant (SSG) Funds 2019-2020

Addictions Recovery Center-Crisis/transportation	\$4,000
Community Works-Dunn House Shelter	\$6,500
Food Angels	\$4,500
La Clinica Mobile Health Unit-Uncle Food's	\$5,000
Maslow-Case Management of Homeless Youth	\$8,500
OHRA-Winter Shelter	\$26,500
Peace House-Uncle Food's Diner	\$7,000
Southern Oregon Jobs with Justice-Peace Meal	\$13,000
St. Vincent De Paul-	\$25,00
Total-Annually for two years	\$75,000

Outcome reporting not available for all funded projects as this time.

All Funding Sources

CDBG 2019-2020	\$421,539.50
AHTF 2020-2021	\$157,000
SSG-2019-2020	\$150,000
Total	\$728,539.50