



**CITY OF  
ASHLAND**

**CONSOLIDATED ANNUAL PERFORMANCE  
EVALUATION REPORT  
(CAPER)**

**Program year 2007**  
(July 1, 2007 – June 30, 2008)

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Prepared for:  
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By:  
The City of Ashland  
Department of Community Development  
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Ashland, Oregon

# CITY OF ASHLAND



## City of Ashland 2007 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 2007-2008, is listed and discussed under the relevant priority.

This assessment provided in this CAPER covers the 2007 Program year (July 1, 2007-June 30, 2008).

**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.***

#### **Action to meet priority and time-line**

As stated in the 2007 Annual Action Plan, The City of Ashland received no applications for CDBG funds to address the goal of increasing the supply of affordable housing. The intended use of the 2007 CDBG funds (\$152,801) was to assist in the development of three affordable housing units once a developer and a project had been identified. No such project was identified and therefore the uncommitted 2007 CDBG funds rolled over into the 2008 program year. As stated in the 2008 Annual Action Plan, The City of Ashland once again received no applications for CDBG funds to address the goal of increasing the supply of affordable rental housing. However, the City is currently working with affordable housing providers to develop an affordable housing project and it is expected that this project will use the balance of the 2007 and 2008 uncommitted funds for either predevelopment costs or the installation of public facilities.

#### **Accessory Residential Units**

The City of Ashland allows small second units in the single-family residential zones to increase the supply of affordable rental units. The Conditional Use Permit Procedure was changed in 1990 to allow an accessory apartment or cottage within single family residential zones. This provided valuable affordable housing units without unreasonable impacts on the neighborhood. A total of 112 units have been made legal or been newly constructed since 1990. Building permits for **one** accessory

residential unit (ARUs) was issued, **two** permits were finalized, and **one** application was approved between July 1, 2006 and June 30, 2007. In this program year the City approved land use code amendments to permit ARU's in multi-family zone4s as an outright permitted use. As this change only recently went into effect no new ARU's in multi-family zones have been built as of yet. The number of ARUs created each year has decreased consistently for the past three years. This trend seems to decrease proportionately with the decrease in the total number of all housing units developed. The number of ARU's developed each year is about 7.5% of the total number of housing units built in a given year. This trend continues to persist as less total units are constructed due to market conditions.

In the 2007 program year staff put together a brochure to inform landlords with a small number of rental units of fair housing laws. This brochure is provided to all homeowners who apply for a Conditional Use Permit to legalize an existing or build a new accessory residential unit.

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 2007-2008 no projects meeting this threshold were approved by the Planning Commission. The City of Ashland considers units added to our affordable housing stock only upon issuance of a building permit and recording of applicable affordability deed restrictions.

### **Annexation**

In December of 2007 an annexation was approved for an 11.64 acre site located on Nevada street known as Verde Village. The City's annexation ordinance requires a percentage of the development to be retained as affordable for a period of not less than 60 years. This proposed 68 unit residential development will be required to provide 15 units of affordable housing targeted to households earning 80% of the Area Median Income or less. In order to meet this condition of annexation, the Verde Village developers have opted to donate a portion of the subdivision to the Rogue Valley Community Development Corporation (RVCDC). On the donated land RVCDC will build 15 town homes for homeownership. RVCDC will promote affordability by partnering with the Rural Community Assistance Corporation (RCAC) and by utilizing the U.S. Department of Agriculture's Rural Development Mutual Self Help loan program which uses the homeowner's sweat equity to help reduce construction costs. The Mutual Self-help construction program model has provided 15 affordable homeownership units to the City of Ashland since 2005.

The Verde village project will be a unique development in the state of Oregon in that it will be one of the first "net zero energy" developments. The market rate units and the affordable units will utilize numerous sustainable building practices in order to meet the "net zero energy" performance standards which will exceed both Energy Star and Earth Advantage standards. Each home shall meet the state of Oregon's minimum requirement for passive solar home tax credit. Appliances will qualify for the state of

Oregon's tax credit and will be selected from a list maintained by the Oregon department of Energy. 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 after the issuance of building permits and the units are deed restricted to remain affordable as required.

No CDBG funds have been allocated to this project.

### **Ashland Community Land Trust**

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

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

The development of affordable home ownership opportunities for low and extremely low income households is a high priority for the City of Ashland. The 2007 Annual Action plan states that the City is currently in the process of selling City surplus property which has an appraised value of 1.2 million dollars, the proceeds from the sale of this property will be applied to the goal of addressing Ashland's Housing needs.

A portion of the proceeds from the sale of surplus City property have been applied to the purchase of a .32 acre portion of a 2 acre property located on upper Clay street at the terminus of Chitwood Lane, which was recently purchased by the Ashland Parks Department. The City's intention is to use this .32 acre property to develop housing for low to moderate income households. The City estimates that through the transfer of residential density from the designated park land to the area to be acquired for housing, the .32 acres can be developed as five individual units for homeownership. In October of 2007 the City of Ashland issued a Request for Qualifications for a qualified affordable housing developer to develop five affordable housing units for homeownership. The City received 3 responses and on December 20<sup>th</sup> 2007 a public hearing was held to evaluate the respondents. Rogue Valley Community Development Corporation (RVCDC) was chosen and the City is currently in the process of drawing up a developer agreement. The addition of these affordable homeownership units will be reported in the Capex report for program year in which their Certificates of Occupancy are issued.

No CDBG funds have been allocated to this project.

### **Ashland Community Land Trust (ACLT)**

The purpose of the land trust is to create and sustain long-term affordable housing in the city limits of Ashland for low and moderate-income families. The land trust

acquires and holds land, while the improvements are sold or rented to the low-income residents.

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

During September of 2005 ACLT expended \$80,000 in CDBG funds to purchase a vacant parcel on Garfield Street to complete two new ownership units. ACLT worked created to benefits households earning 60%AMI instead of the original income target



of 80%AMI. The ownership of the land by ACLT secures these units, built adjacent to their six unit apartment complex on Garfield St., will remain affordable in perpetuity. The two new units were completed and occupied in April of 2007. The occupants were income qualified at 60% AMI by Habitat for Humanity and the homeownership units sold for \$114,073 and \$105,172 which is a 74% percent reduction from the 2007 median home price. Their household information is included in this CAPER.

***ACLT Bridge St.***

As noted under Goal 1, ACLT purchased the property located at 404 and 408 Bridge Street with \$328,800 in CDBG funds during the 2006 program year. The purchase of the property was completed on October 12, 2006. Although a variance request to driveway width was granted, the additional two homeownership units are in the final stages of planning approval and have yet to be issued building permits. It is anticipated that they will be completed in the 2008-2009 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 allowed RVCDC to development 15 affordable ownership units in cooperation with the USDA Rural Development Mutual Self Help Program. Through the Mutual Self-help homeownership program homebuyers contributed a significant amount of “sweat equity” to the project in order to lower the purchase price to below \$120,000 per unit. In the Program year 2006 nine of the 15 affordable ownership units were completed and are currently occupied by qualified low to moderate income homeowners. All units will remain affordable for a minimum of 20 years per the CDBG Sub-recipient Agreement. However RVCDC’s land lease agreement through their continued ownership of the land, maintains the units as affordable in perpetuity.

As a result of the subsidy, and the work of the homeowners these 2-3 bedroom town-homes sold for less than \$146,000 in a market where comparable units sell for twice that amount. As all nine units are deed restricted to remain affordable. As the land was deed restricted and building permits were issued in 2005-

***RVCDC - Park St.***

Phase two of RVCDC's Mutual Self-Help project, located at 795 Park Street was purchased 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 were obtained through a loan from Rural

Development's Collaborative in the amount of \$80,500. As with the previous site (9 units on 2001 Siskiyou Blvd in 2005) RVCDC has partnered with USDA's Self-Help Program to obtain low-interest construction loans for the home-owner/builders to develop the six units intended for this site. All



units will be affordable to households earning less than 80% Area median income. RVCDC received Planning Approval from the City of Ashland for the proposed development in September of 2007. The six units located at this site qualified for the deferral of SDCs and Engineering and Community Development fee waivers in the cumulative amount of \$57,057. This contribution has further reduced the purchase price of each unit by approximately \$10,000. Upon completion the units are expected to sell for between \$133,383 and \$148,393. Buyers will utilize USDA low interest home loans to further reduce the housing cost burden.

The accomplishments of providing six affordable units will be reported in CAPER in the 2008 program year as the scheduled completion date for these six units is set for September 23rd 2008. The City Contribution of \$57,057 will be reported for the 2008-2009 Program Year.

**Fordyce Co-Housing Project**

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



income qualified participants in late 2007. Their household demographics are reported in this CAPER. Both low income households qualified for subsidized loans through the Rural Development 502 Loan program.

### **Affordable Housing Program**

The City of Ashland continues to offer incentives to non-profit and for profit developers, community development corporations, and public housing authorities to encourage the development of new affordable housing options. Similarly the City of Ashland continues to look for ways to create new regulations or amend existing regulations that serve to promote, protect, and maintain the City's affordable housing stock. These incentives and regulations are detailed below.

In 2005-2006 the City passed a new resolution (res 2006-13) that established Ashland's Affordable Housing Guidelines as well as the thresholds for a waiver of Community Development fees, 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 - \$2500 per unit.

This 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 48 households are currently participating in the program. During the 2007 program year 6 new units built through the partnership of RVCDC, USDA's Rural Development, and Rural Community Assistance Corporation (RCAC), were assisted with SDC deferrals. The deferred SDC amount on the newly added households totaled \$40,875.15 and the Community Development and Engineering services fees waived totaled \$16,181.52 for a combined contribution of \$57,056.67 in City General Funds to support the development of these six affordable units.

Although the SDC deferral program only requires a 30 year minimum period of affordability, the six units assisted in FY2007-2008 will be affordable for a minimum of 99 years as the land is owned by the Rogue Valley Community Development Corporation. 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.

The City of Ashland General fund contributed \$57,056.67 in direct assistance to affordable housing projects during FY2007-2008 through this program.

### **Density Bonus Program**

The City of Ashland offers a density bonus for the voluntary inclusion of affordable housing within a subdivision or multifamily development. No developers took advantage of the Density Bonus Program during the 2007-2008 Program year. As market values in Ashland have nearly doubled in the last five years, we have found that the private use of density bonuses in Ashland to be exceedingly rare. Building affordable unit costs more than the affordable sale price permitted, thus the increase in density allowable (one unit increase for every affordable unit) does not provide

enough recapture to cover expenditures, and therefore its use by private developers on a voluntary basis is not cost effective. The Ashland Housing Commission has postulated the idea of increasing the density bonus (to a 2:1 ratio) to better address the disparity but as of yet we have not initiated any ordinance amendments. In circumstances where affordable housing is otherwise being provided in response to direct subsidy, or regulatory requirements, we do see the Density Bonus allocation being utilized to either increase the number of affordable units, or to account for the required affordable units without reducing the number of market rate housing units.

### **Condominium Conversions**

The City allows conversion of apartments on a sliding scale, where the larger the complex the more rental units must be retained. In cases where an owner wishes to exceed this limitation to create more market rate ownership units the City then requires the provision of affordable housing. The City considers units that are required to be affordable to be added to our inventory only upon the recording of deed restrictions on the property. The Affordable Housing Program parameters under resolution 2006-13 establish that rental apartments converted into condominiums are to be affordable at the 80% income level for a period of not less than 30 years. This ordinance amendment in 2007 was intended to preserve a decreasing supply of rental apartments.

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

### **Completed Conversions**

#### **Garfield Street**

An existing ten (10) unit apartment complex on Garfield Street received final plat approval for conversion on January 9, 2008. The conditions of the Condominium Conversion Resolution 2006-13 required that three (3) of the units be designated as deed restricted affordable housing targeted to households earning less than 80%AMI. These three recorded affordable units will be reported in this years CAPER.

### **Pending Conversions**

#### **Park Street**

An existing thirty (30) unit apartment complex received approval for conversion in 2006. This approval required that six (6) of the units be designated as deed restricted affordable housing targeted to households earning less than 80%AMI. The final condominium surveys for this condominium conversion project were approved by the City in June of 2008, but the signed Resale Restriction Covenants for these affordable units are yet to be recorded. These six units are will be counted in the 2008 program year CAPER.

### **Total Conversions**

In the 2007 CDBG program year the City added three (3) new condominium units to our affordable housing stock through condo conversions. Currently there are no

planning applications pending approval for conversion of existing apartments. Although 71 total units completed or initiated conversion to condominiums in 2006-2007, the rate of condominium conversions decelerated considerably in 2007-2008 program year. This marked reduction in conversions may be attributed to the recent economic downturn in the housing market as well as City initiated ordinance changes instituted to addressing the adverse impacts of such conversions on tenants and on the City's rental housing stock.

### **Total Affordable Units Added to the Cities Inventory from July 1, 2007 - June 30, 2008**

During the 2007 CDBG program year ***Ashland increased its stock of affordable ownership housing by 5 units.***

As noted above, three (3) new condominium units were designated as affordable through the condominium conversion process and two (2) new homeownership units were built through the collaboration of Habitat for Humanity and ACLT using partial funding from CDBG grant funds. Though planning approval had been granted to three projects slated for completion in this program year or the next, two of the projects which would have added a total of 21 affordable housing units to the cities affordable housing stock were unable or unwilling to move forward with those projects due to the nationwide downturn in the housing market. One project, referenced in goal #1 is a subdivision which will provide 15 affordable homeownership units in conjunction with RVCDC as a condition of that property's annexation into the city.

***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.***

#### **Technical Assistance**

The City provided technical assistance to nonprofit organizations whose mission includes providing affordable housing. This technical assistance includes; providing information on the CDBG program, City zoning regulations, educating agencies on the planning process and providing information on the City's affordable housing programs 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 has provided technical assistance through the Planning Division as requested and has 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, and the Housing Authority of Jackson County in both their search for available property for CDBG funded projects, as well as in preparing applications for proposed developments during the 2007 CDBG program year.

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

On April 3<sup>rd</sup> 2007, the Ashland City Council approved a resolution setting forth policies and conditions under which the city will provide emergency housing for homeless and other individuals during severe weather conditions. In the event of the need for an emergency shelter during extreme weather, the use of Pioneer Hall or other available city-owned buildings may be used. The temporary shelter will be staffed by volunteers from nonprofit organizations or other organizations in the business of providing for the needs of persons.

Ashland experiences "extreme weather" conditions primarily during the winter months where temperatures can drop below 20 degrees, and exposure to the elements can be hazardous to persons without adequate shelter. Most recently on April 18<sup>th</sup>, 2007 due to an unseasonable snow storm Pioneer Hall was opened as emergency shelter and 6 homeless individuals were able to remain indoors overnight.

The provision of such emergency housing in City buildings is a new activity for the City and was initiated because of the loss of ICC the City of Ashland's emergency services provider.

The City of Ashland's general fund absorbs the cost of maintaining the facilities and making them available to individuals in need of emergency housing during extreme weather conditions. Support in the form of volunteers from non-profit organizations also contributes to this endeavor.

The City did not address the development of a permanent emergency or transitional housing project in 2007. The City will assist in endeavors to develop transitional housing at the former location of the City's sole emergency housing agency, Interfaith Care Community of Ashland (ICCA), which downsized and moved to its Medford headquarters in April 2007. The City of Ashland's CDBG program would entertain supporting an organization that offered emergency and transitional housing in the former ICCA location or in a yet to be identified property but has not directed resources directly for its development. The City remains an active and supportive member of the Jackson County Continuum of Care Consortium's Homeless Task Force.

No CDBG funded actions were undertaken or completed during the 2007 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 CDBG funded actions were undertaken or completed during the 2007 program year that specifically applied CDBG funds toward the support services for

homelessness prevention and transition, or for safety net services that focus on self sufficiency. \$23,333.40 in CDBG grant funds were drawn down in November of 2007 to reimburse Interfaith Care Community of Ashland for an activity awarded and completed in the 2006 program year. The original grant award was \$32,000 but due to inadequate and untimely reporting practices by the sub-recipient the reimbursement was delayed and the remainder of the award was cancelled. The remaining award balance of \$8,666.60 was reprogrammed to the 2008 program year.

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 2007 Action Plan to address this goal.

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

Of these awards most notably the Community Health Center was provided \$32,000 annually to provide health care services, Community Works was given a combined total annual award of \$32,206 to provide services including rape crisis counseling as well as temporary shelter for victims of domestic violence. Additionally an annual grant of \$3000 was provided to OnTrack Inc. to assist in the operating expenses for their drug abuse treatment programs.

See table below

**Ashland Social Service Grants 2007-2009**

<b>Organization</b>	<b>Awarded</b>
	Annual allocation (2 year disbursement = award below x 2)
Community Health Center	32,000
Southern Oregon Drug Awareness	1,030
Children's Dental Clinic	3,104
Planned Parenthood	2,060
Ontrack	3,000
Community Works-Dunn House	15,000
Community Works-Sexual Assault Victims Services	2,575
Community Works-Parent Education	1,442

Community Works-Helpline	7,210
Community Works-Street Outreach	5,979
Help Now! (low income legal assistance)	1,100
WinterSpring Center for Living with Loss & Grief	1,000
Southern Oregon Child Study and Treatment Center	2,900
Center for Non Profit Legal Services	6,000
Children's Advocacy Center	2,700
RV Manor- Foster Grandparent	1,200
RV Manor- Retired Senior Volunteer Program	1,500
Mediation Works	2,200
Access Inc (food share – emergency food)	5,500
Jackson County Sexual Assault Response Team	2,350
Interfaith Care Community	13,600
Jackson County Court Appointed Special Advocates (CASA)	2,500
Trinity Respite Care	1,700
Southern Oregon Adolescent Study and Treatment Center	1,350
	\$ 119,000
Total Awarded	(\$338,000 over two years)

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

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

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

During the 2007-2008 program year the City of Ashland provided the Rogue Valley Transportation District (RVTD) with \$270,000.00 to underwrite the cost of public transportation by providing reduced bus fares City wide. As the RVTD bus routes transect each of Ashland's low income neighborhoods (Census block groups 0018, 0019, 0020) the reduced fares benefited extremely-low, low- and moderate-income households by lessening the cost of public transportation. The fare reduction was a 50% reduction from fares elsewhere in the Transportation district. This reduction meant fares in Ashland were only \$1.00 versus \$2.00 elsewhere in the valley. Further the City's contribution to RVTD also reduced the fare from \$4.00 to \$2.00 for the Valley Lift program which provides door to door transportation for the disabled and mobility impaired residents of Ashland. Lastly the City purchases \$4,000 in bus passes to be provided to qualified senior citizens and Ashland High School students.

The City did not utilize CDBG funds toward this goal in the 2007-2008 program year. The full \$274,000 contribution to RVTD for reduced fares was provided by the City's General Fund.

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

The City committed to providing accessibility improvements to City-owned buildings through an agreement with the Department of Justice (DOJ) to improve access to City facilities. The City has completed all improvements outlined in the Department of Justice Agreement to be compliant with the Americans with Disabilities Act and received an acknowledgement of compliance in FY 2006 from the DOJ, thereby ensuring those identified City facilities are accessible to people with disabilities.

As new facilities are designed and developed, or new standards for accessibility are established, the City will ensure that the accessibility needs of Ashland's residents are addressed.

The City did not utilize CDBG funds toward this goal in the 2007 program year.

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

**Fair Housing Council of Oregon**

The Fair Housing Council of Oregon has been an invaluable partner to the City of Ashland in affirmatively furthering fair housing. During fiscal year 2007 the City of Ashland supported FHCO in its outreach and education activities by assisting in the production of quarterly forums on Fair Housing within our region. FHCO, the City of Ashland, and City of Medford sponsored a series of trainings specifically targeted to groups impacted by the Fair Housing Act. The first of these trainings was targeted to tenants and housing advocates and was broadcast on a live public television show that was simultaneously webcast across the State of Oregon from the Ashland City Council Chambers on May 23<sup>rd</sup>, 2007. This was the first of 4 such trainings, two of which were conducted in Medford, these trainings focused on fair housing issues as they relate to the real estate and building industries. The final training (a tester training) took place in Ashland on October 3<sup>rd</sup> 2007. In combination these trainings were intended to educate, realtors, property managers/landlords, lenders, architects, builders, planning officials, tenants and tenant advocate groups about the protections afforded under the law and practices to eliminate discrimination in housing.

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City of Ashland general funds and CDBG funds (Planning and Administration allocation) were utilized for staff support. However no specific CDBG allocation was used for these activities.

**Legal Services and CASA**

The City of Ashland provided the Center for Non-Profit Legal Services a general fund grant in the amount of \$6,000 explicitly to provide legal assistance for low income Ashland households facing housing discrimination or harassment. Low-income Ashland households facing housing discrimination were able to obtain legal services through the Center for Non-Profit Legal Services that may not

otherwise be in a position to pursue legal action. During the 2007-2008 program year the City provided CASA with a \$2,500 grant to assist them in providing minority residents with an advocate and a resource for housing assistance. 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 \$8,500 in grants noted above.

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

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

The City did not use funds made available for an activity addressing this goal during 2007 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 2007 Program year. 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 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, 2007 – June 30, 2008) the City of Ashland provided \$64,639.56 in direct assistance to 355 extremely-low or low-income households to assist with electric utility bills. The City provided an additional \$5,570 to assist 37 extremely-low or low-income households with heating assistance. The City of Ashland also provided a Senior and Disabled Discount on electric usage charges to 128 households totaling \$26,216.19. Cumulatively, through this program the City provided direct assistance out of the general fund toward this goal in the amount of **\$96,425.75** from July 1, 2007 – June 30, 2008.

**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 2007 CDBG program year. 20 different organizations received awards, however the majority were granted to organizations supporting the arts (Ballet, theater, singers, etc.).

Relevant to the goal of providing access to economic opportunities the City funded two activities in the 2007 program year out of the General Fund. Community Works received a grant of \$2,500 for their Lithia Springs education program. Specifically funded was a job training component of the program in which low income and at-risk youth are provided training in manufacturing jobs, in the program they make mission candles. Through this program the participants learn job skills while earning revenue.

**Home Occupations**

Ashland also recognizes the increasing opportunities for low income residents to participate in home businesses, either as a proprietor of services, manufacturer of goods, or through employment at such small home occupations. Between July 1 2007 and June 30, 2008 the City issued 99 Home Occupation permits for new businesses within residences. This is a slight decrease from the 113 such permits in 2006-2007. 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.***

To increase understanding regarding affordable and particularly the rental housing market the City of Ashland completed a rental needs analysis in May of 2007. This effort included a phone survey with 500 households to determine what the respondents perceived as barriers to affordability. Additionally the survey questions examined issues regarding length of tenancy, reasons for moving, minimum expectations for the housing units (yard, bedroom sizes, proximity to work etc.), income and lastly housing costs. With this information the City possess the data necessary to utilize the Oregon Housing Needs Model made available through the Oregon Department of Housing and Community Services. This forecasting model assists Ashland in determining where likely barriers to affordability are to be experienced by our residents. With this information and other efforts to examine barriers to affordability the City will be in a stronger position to enact, or remove, regulations within the City's control to promote affordable housing.

In May of 2007 the City Council adopted the Tenant Rights ordinance (Ordinance # 2939) that works to minimize the adverse impacts upon renters displaced through the process of condominium conversions of existing apartments. Including provisions to compensate with an amount equal to three times the Fair Market Rent for displaced tenants that are not provided with a years notice the City believes this will assist households in overcoming one barrier that is the cumulative first months rent, last months rent, and deposit typically required to obtain a new rental.

Lastly to further address the impacts of condominium conversions a land use ordinance has been adopted that regulates conversions to limit the number of units that can be converted to for purchase units. Additionally the ordinance establishes incentives to preserve rental units, and specifically deed restricts affordable units, in exchange for relief from site design standards as part of the conversion process. This ordinance was adopted by the City Council in October of 2007.

Education and Outreach is a significant role of the Housing Commission and such activities often have the benefit of not just disseminating information, but collecting information as well. Such a dialogue within the City facilitates an awareness of the barriers to affordable housing and highlights mechanisms available to address such barriers. In the 2007 CDBG program year the Housing Commission has continued its ongoing efforts to produce informational material to raise awareness and understanding by facilitating the development and completion of the "Housing Notebook". The Housing Notebook is a comprehensive guide to affordable housing programs as well as strategies used to address the creation and retention of affordable housing. The housing notebook has been made available to the public through the City of Ashland's webpage at: [www.ashland.or.us/housingnotebook](http://www.ashland.or.us/housingnotebook). A coordinated effort between the Housing Commission, the Planning Commission, and the City Council is planned for September 2008 to discuss barriers to affordable housing and what steps can be taken to overcome such barriers and promote the development of affordable and multi-family housing within the City. The Housing Commission will continue to implement the actions outlined in the adopted Affordable Housing Action Plan, <http://www.ashland.or.us/Page.asp?NavID=1350> specifically the adoption of the Housing Trust Fund ordinance and the identification of funding methods to support the Trust Fund is a primary goal of the City for the 2008 fiscal year.

The City of Ashland Housing Commission and Planning Commission have also examined the existing annexation ordinance and modified it to further promote the development and retention of affordable housing. The recommended revisions to the land use ordinance to meet this goal have been drafted and have been forwarded to the City Council for consideration and adoption in the 2008 fiscal year.

No new activities were initiated in the 2007-2008 program year to address this goal and no CDBG public service or CIP funds were expended on related activities. Administrative CDBG funds have contributed to the support of activities that address the development of affordable housing units funded in whole or in part with CDBG awards.

The City General Fund has provided the funding for addressing the Council goals of establishing a Housing Trust Fund. Further the Land Use modifications that assist in the removal of barriers to affordable housing will be undertaken utilizing Staff funded through the City General Fund.

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

The City of Ashland employs a Housing Program Specialist, which assists in providing institutional structure as well as examining and implementing opportunities for intergovernmental cooperation. City of Ashland Staff continues to provide staff support to the City of Ashland Housing Commission. Together the City of Ashland's Housing Commission and the Housing Program Specialist monitor the accomplishments of the City's housing programs, make recommendations to the City Council on housing policy and serves as an advocate for affordable housing in the City's political process. The Commission also provides 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 is 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 on or obstacles to 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.

The City continues to be an active participant in the Southern Oregon Workforce Housing Group comprised of the Rogue Valley Council of Governments, the Cities of Grants Pass, Medford, Talent and Ashland, as well as various housing providers and representatives of local banks and realtor associations. Additionally the Housing Program Specialist sits on the Board of the Southern Oregon Housing Resource Center to assist in regional coordination of that organization's efforts. Ashland continues to work with the Jackson County Housing Coalition, and the Jackson County Continuum of Care Homeless Task force to address affordable housing and homeless issues on a regional level.

\$42,547 in Federal CDBG funds (20% of the anticipated yearly allocation) have been directed toward Administration of the CDBG Program. Administration of the CDBG program includes staff support of programs and projects that further the goals outlined in the Consolidated Plan, provision of technical assistance, and the monitoring of the activities of sub-recipients. City of Ashland general funds are also utilized to contribute toward CDBG program administration as well as staff support of non-profit organizations and intergovernmental cooperation.

**B. Affirmatively Furthering Fair Housing**

Under Goal 9 above the CAPER reflects the activities undertaken in 2007 and 2008 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 2007 Program year the City saw the addition of 5 new affordable housing units to the City's inventory. Each of these units is deed restricted to remain affordable from 30 to 99 years.

Rogue Valley Community Development Corporation's mutual self help program that is currently developing 6 affordable ownership units is expected to be issued Certificates of Occupancy in September of 2008. These units will not be included in our inventory until 2008-2009. The City also purchased property with City General Funds. This property located along Clay Creek is to be used as a two acre park and an area was set aside for five affordable housing units. Further the Request for Qualifications was issued and the non-profit agency Rogue Valley Community Development Corporation was selected to develop the five affordable town homes for homeownership. This project is currently in the contract stage and is not expected to be completed and the units will not be included in our inventory until 2008-2009.

The City of Ashland does not directly develop or manage affordable housing. The City of Ashland has prioritized the provision of affordable housing to be the highest priority need in the Consolidated Plan. Over the years the City of Ashland has developed a number of programs, incentives, and regulations in an effort to promote the development of affordable housing.

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

The City continues to examine and initiate new and innovated programs to promote, develop, and retain affordable housing.

### **D. Continuum of Care Narrative**

The City directs over \$100,000 in general fund dollars to safety net services each year. Awards to selected service providers are made on a two year cycle, with recipients receiving the full award amount on July 1<sup>st</sup>, of each year. Therefore the award indicated in the table below is an annual allocation and the recipient ultimately receives twice the amount listed. Homeless care providers, low income health care, and essential continuum of care services are funded each year. In the 2007 program year the "Social Service Grants awarded totaled \$119,000. Given the relatively small size of the award requests, the use of the City's General Fund grant awards enables these non-profits to direct the award to services with a minimal amount of grant administration costs.

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

<b>Organization</b>	<b>Awarded</b> Annual allocation (2 year disbursement = award below x 2)
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Community Health Center	32,000
Southern Oregon Drug Awareness	1,030
Children's Dental Clinic	3,104
Planned Parenthood	2,060
Ontrack	3,000
Community Works-Dunn House	15,000
Community Works-Sexual Assault Victims Services	2,575
Community Works-Parent Education	1,442
Community Works-Helpline	7,210
Community Works-Street Outreach	5,979
Help Now! (low income legal assistance)	1,100
WinterSpring Center for Living with Loss & Grief	1,000
Southern Oregon Child Study and Treatment Center	2,900
Center for Non Profit Legal Services	6,000
Children's Advocacy Center	2,700
RV Manor- Foster Grandparent	1,200
RV Manor- Retired Senior Volunteer Program	1,500
Mediation Works	2,200
Access Inc (food share – emergency food)	5,500
Jackson County Sexual Assault Response Team	2,350
Interfaith Care Community	13,600
Jackson County Court Appointed Special Advocates (CASA)	2,500
Trinity Respite Care	1,700
Southern Oregon Adolescent Study and Treatment Center	1,350
<b>Total Awarded</b>	<b>\$ 119,000</b>
	<b>(\$338,000 over two years)</b>

**E. Other Actions**

No specific actions were taken during 2007 that are not identified elsewhere in the Consolidated Annual Performance and Evaluation Report.

**F. Leveraging Resources**

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

Relating to projects under construction in the 2007 program year, the CDBG funds awarded to RVCDC for acquisition of land at 795 Park Street (\$274,000) to develop and provide 6 lots for low-income qualified families to build town homes for homeownership. To maintain affordability RVCDC leveraged funds from a variety of sources. Total project costs were estimated to be \$1,200,000. RVCDC leveraged \$80,000 in SHOP funding to help with land acquisition and closing costs, \$122,000 in loans from RCAC for infrastructure, architectural and engineering fees, and \$600,000 in USDA 502 construction loans for Mutual Self Help Projects. RVCDC also obtained assistance from the City of Ashland in the form of SDC deferrals which added another \$60,000 in leveraged funds to the total project costs.

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.

## **G. Citizen Comments**

The availability of the Consolidated Annual Performance and Evaluation Report (CAPER) for use of 2007 CDBG funds was advertised in the September 10<sup>th</sup> 2008, edition of the Ashland Daily Tidings (advertisement enclosed) and was posted continuously on the City of Ashland web site from September 10<sup>th</sup>, 2008 through September 25<sup>th</sup>, 2008 for public comment. Additionally the Housing Commission reviewed the CAPER at their September 25<sup>th</sup> Regular meeting to hold a public hearing and obtain comments. No comments had been received as of 3:00 \_\_\_\_\_. The 2007 CAPER document remains archived on the City website. ([www.ashland.or.us/cdbgcaper2007](http://www.ashland.or.us/cdbgcaper2007))

## **H. Self Evaluation**

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

The City of Ashland Five-Year Consolidated Plan for 2005-2009 includes a list of 14 "Goals" of the community. These goals demonstrate that the highest priority need is the provision of affordable housing. To this end, 65% of the yearly CDBG allocation is now directed to this highest priority need. Homelessness and the provision of social services to low and extremely low income households was also identified as a critical need and thus the City re-established a 15% set aside for such activities. Administration of the program uses the remaining 20%. Outside of the CDBG Program the City allocates over \$100,000 per year of general funds to address social services, \$250,000-300,000 per year to support alternative transportation (goal 7), and over \$100,000 annually to economic development although only a limited percentage (approximately \$2,000-5,000) of this program can clearly be seen to increase economic opportunities to low income residents. Given that Ashland is a small-city with limited resources, it is highly unlikely that each of the fourteen identified goals can be addressed in any single program year. Furthermore, while Ashland experiences a broad range of needs similar to larger communities, the resources and services available to assist low- to moderate-income people in the Rogue Valley is limited and comparable to rural areas.

Ashland is using an innovative approach to tackling the problem of providing affordable rental housing and home-ownership opportunities for low-income households. One such way is the elimination of regulatory barriers, or the imposition of new regulations that promote affordable housing (see Goal 13). Specifically the City has 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. Ashland continues to offer System Development Charge deferrals for new units affordable to low-moderate income households thereby reducing development costs for affordable housing projects and in 2005 the City amended this program to better correlate housing costs with incomes to ensure covered units are not too expensive for the intended households. This program was also changed to ensure covered units remain affordable for not less than 30 years.

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

Another priority need which has been difficult to address is assisting individuals in the transition from homelessness to permanent housing situations. Local non-profit agencies, which provide assistance and homeless prevention services, report that the population of homeless individuals in Ashland and in the Rogue Valley is rapidly increasing. Since the loss of the City’s only emergency shelter organization in 2007, the Ashland City Council adopted an Emergency Shelter Resolution in an attempt to provide a resource for the City’s homeless population in extreme weather (see goal # 4). The City will assist in endeavors to develop transitional housing within the city, and would entertain using CDBG funds in supporting an organization that offered emergency and transitional housing in the former Interfaith Care Community (ICC) location or in a yet to be identified property.

**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 values in Ashland increased more rapidly than the in rest of the state and Jackson County during the housing boom (increasing on an average of over 20% over the past 5 years) and have maintained their values despite the economic downturn. The median home in Ashland was \$334,500 in 2004, the median home price increased to \$469,400 by August of 2006. This dramatic increase in valuation is a trend that has continued unabated over the last decade when the 1996 median home cost in Ashland was \$162,094. With a cumulative cost increase of over 300% over the last decade the resources available have not kept pace with those needed to address the market conditions. Since August of 2006 the regional purchase prices have dropped by up to 11% in some communities. Ashland has also seen a slowing of appreciation with only a 4% increase in value during this same period. It is anticipated that values have stabilized to a degree due in part to constraints on lending practices and speculative investment; however it is unlikely that property values in Ashland will be reduced drastically in the near or long term.

Ashland's CDBG allocation has decreased annually in recent years and future projections identify further reductions are possible or even the elimination of 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 continues to promote affordable housing through direct financial support and the establishment of regulatory incentives and controls, limited resources and limitations on the extent of regulation allowable under state law reduce options for the City.

**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.

**Section 2**

**A. Consolidated Plan Priorities**

See Section H.A. for full description of Priority Needs and projects completed in 2007 addressing those Priority Needs.

**B. Changes in Program Objectives**

There were no changes in program objectives in 2007.

**C. Action Plan for 2007**

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 2007, or in previously identified Action Plans (2006).

The table below shows the projects awarded CDBG funds in Program Year 2007:

**CDBG Funded Projects for Program Year 2007**

<b>Project ID</b>	<b>Recipient Organization</b>	<b>Activity Name</b>	<b>Location</b>	<b>CDBG Funds</b>	<b># Households or Persons Assisted Annually</b>
1 (Goal 14)	City of Ashland	CDBG Administration	city wide	\$42,547	city wide
2 (Goal 12)	Rogue Valley Community Development Corporation	Youthbuild Program	Economic Development Activity – multiple sites (Ashland and Medford) but primarily on-site construction at 795 Park Street.	\$31,190	10 individuals <b>ACTIVITY CANCELLED</b>
3 (Goal 1)	City of Ashland	Land Acquisition	To be Determined	\$152,801	3 households

Unfinished CDBG Funded Projects from prior Program Years to be cancelled with funds reprogrammed per the awards above.					
2002-2	Rogue Valley Community Development Corporation	RVCDC Public Facility Improvements	Ashland city limits (2001 Siskiyou Blvd)	\$13,800	The applicant submitted a letter declining the award due to added costs associated with acceptance of the CDBG grant (administrative and Davis Bacon). <b>ACTIVITY CANCELLED</b>

**D. National Objectives**

The projects initiated and/or completed during 2007 met the National Objectives.

**E. Displacement**

No occupants were displaced by CDBG funded activities during the 2007 program year.

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

**F. Economic Development**

With the exception of City funded Economic Development grants (See Goal 12), no economic development activities were undertaken during 2007.