



**CITY OF
ASHLAND**

DRAFT

**ACTION PLAN: ONE YEAR USE OF FUNDS
Program Year 2005**

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

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

Mission Statement

The following mission statement is taken from the City of Ashland's current Strategic Plan.

HOUSING

The City has a responsibility to ensure that proper amounts of land are set aside to accommodate the various housing needs in the City, and that its land development ordinances are broad enough to allow for variation in housing type and density.

ECONOMY

The City seeks to provide opportunities for a variety of economic activities in the City, while continuing to reaffirm the economic goals of Ashland citizens. Economic development in Ashland should serve the purpose of maintaining and improving the local quality of life.

SOCIAL AND HUMAN SERVICES

To ensure that all people in Ashland live in a safe, strong, and caring community, the City seeks to enhance the quality of life and promote self-reliance, growth and development of people. To these ends, the City will strive to provide resources and services to meet basic human needs.

Strategic Plan

The City of Ashland anticipates an annual allocation of \$237,500 in Community Development Block Grant funds for Program Year 2005 (July 1, 2005-June 30-2006) by the Department of Housing and Urban Development (HUD). Following the recommendation of the Housing Commission, the City Council awarded the Rogue Valley Community Development Corporation (RVCDC) the competitive 2005 CDBG award.

This document, the CDBG Action Plan for Program Year 2005, describes the project(s) that the City will undertake and the manner in which the project(s) are consistent with the priorities of the Five-Year Consolidated Plan. Below is a table summarizing the projects to be funded by CDBG dollars in Program Year 2005 (page 4).

The Five-Year Consolidated Plan is a planning document required by the U.S. Department of Housing and Development (HUD) for the receipt of the City's Community Development Block Grant (CDBG) funding. The purpose of the Consolidated Plan is to outline a strategy the City will follow in using CDBG funding to achieve the goal of the CDBG program, "*to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low-*

and moderate-income persons.” In May 2000, the City completed the updated Five-Year Consolidated Plan. Every year thereafter, the City is required to submit an annual Action Plan that addresses the priorities of the Consolidated Plan. The City has been in the process of updating the 5-year Consolidated Plan and will be submitting the 2005-2009 Consolidated Plan concurrently with this Action Plan. As of the date this Action Plan was drafted there remains two public hearings regarding the update of the Consolidated Plan. In key interviews, a focus group meeting, and a public hearing before the Housing Commission that were all held prior to the development of this Action Plan, the priorities of the 2000-2004 Consolidated Plan were reiterated as pressing needs. Specifically all respondents and public testimony has cited the provision of affordable housing for low-moderate income households as the highest priority need in the City of Ashland. The award of the 2005 CDBG allocation to RVCDC addresses this need and is consistent with the identified strategies within the Consolidated Plan.

The Community Development Block Grant program allows for numerous activities as eligible uses of the Federal funding. Ashland’s local Consolidated Plan focuses the available funds to activities that address the highest priority need identified, affordable housing. However, CDBG can be used to fund a variety of activities that benefit low-moderate income families and individuals.

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities
- Development of neighborhood centers
- Public Services
- Activities related to energy conservation
- Job Creation activities
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Additionally, Federal regulations permit up to 15% of the yearly CDBG allocation to be directed to public services. Such eligible public services include health care services, substance abuse services, fair-housing counseling, architectural services, homeless prevention, and many others. It is important to note that although these uses are eligible nationally, our limited CDBG allocation is focused locally on addressing the highest priority need identified in the Consolidated Plan. Thus to best address the need for affordable housing Ashland has restricted expenditures only to those projects that promote the development, or retention, of affordable housing.

The table provided below shows the projects awarded CDBG funds in Program Year 2005:

CDBG Funded Projects for Program Year 2005

Project ID	Recipient Organization	Activity Name	Location	CDBG Funds	# Households or Persons Assisted Annually
1	City of Ashland	CDBG Administration	city wide	\$47,500	city wide
2	Rogue Valley Community Development Corporation	RVCDC Quincy Gardens	Ashland city limits Quincy Gardens Townhomes – 1255, 1257, & 1259 Quincy St.	\$190,000	3 households: Purchase of three units of a four unit townhome development
Unfinished CDBG Funded Projects from prior Program Years to be completed in the 2005 program year					
2002-2	Rogue Valley Community Development Corporation (RVCDC)	RVCDC Public Facility Improvements	Ashland city limits (2001 Siskiyou Blvd)	\$13,800	9 Households direct benefit- in a low-moderate income qualified neighborhood. Contribute toward the public facility improvements within the Siskiyou and Faith Street rights of way (sidewalk, utilities, curb-gutter, street trees, etc).

Housing Goals

Goal 1: To increase the supply of affordable rental housing for extremely low-, low- and moderate-income families. Where possible, give funding priority to those projects that will provide benefits to residents with the lowest incomes.

Rental Assistance Program

Action to meet priority and time-line: The initial costs of rental housing in Ashland, including first and last month's rent and a security deposit, are barriers preventing some low-income residents from improving their living conditions. In May 1998, the Housing Commission began the Ashland Rental Assistance Program. The purpose of the Ashland Rental Assistance Program is to provide low- to moderate-income Ashland households with the up-front cost of obtaining rental housing. One low income household entered the program in 2004. Rental assistance is made in the form of short-term loans to qualified applicants for use toward the first or last month's rent, security deposit and other move-in fees. The maximum amount is \$750 and the loan must be repaid in full within 15 months at a rate of five percent per annum. The participant(s) must be a resident of Ashland and must have resided, or worked in Ashland for a period not less than six months prior to the date of application for assistance. The household income of the participant(s) shall not exceed 100 percent of the median income level for Jackson County, Oregon, and is required to be at a level commensurate with monthly payment obligations. The participant(s) repayment is billed through the City utility billing process.

Although this program could provide valuable assistance to households with low and moderate income in need of rental assistance, few people take advantage of the program. During 2004, only one household took advantage of the rental assistance, and none utilized downpayment assistance programs. Access Inc., a local non-profit community development corporation under contract with the City of Ashland to administer the programs, increased the outreach in order to find and qualify participants. These marketing sources included initial client contact and screening, inquiries from clients for information on programs and referrals from other social agencies. Also information regarding the programs was provided to lending partners, the ABC's of Homebuying class, the Ashland Community Land Trust, Rogue Valley Community Development Corporation, and the Southern Oregon Housing Resource Center (SOHRC). The SOHRC is one of four pilot programs across the state that has created a "one stop shop" for clients of Jackson and Josephine Counties. The SOHRC's "one stop shop" approach enables clients to streamline their research for opportunities available for securing rental housing, rental assistance programs, homeownership opportunities, home improvement and rehabilitation opportunities and other housing related programs and services. Flyers, program criteria and applications

for both programs were developed and are readily available at the SOHRC and both of the client entrances to ACCESS, Inc and the City of Ashland Offices. The availability of both of these programs has been advertised by Access Inc. by utilizing their existing affirmative marketing efforts for the programs that we are currently administering.

Although 21 inquiries for rental assistance, and 16 inquiries for down payment assistance were received from prospective applicants during the 2004 calendar year, only one applied for the assistance through the City of Ashland rental assistance program. Additionally none of the 16 inquiries regarding down-payment assistance programs completed applications for the City of Ashland Home Ownership Program through ACCESS, Inc. Although some of these inquirers may have ultimately selected housing in other communities within the region, the City believes the required 5% interest is a deterrent to participation in today's mortgage market given the low rate of conventional loans.

As each program requires repayment of the original loan with interest, ACCESS also believes that the repayment terms are in part why households do not apply for the available funds.

Program Year 2005 Projected Number of Households to be Assisted: 5-10 Households. The City contracts with Access Inc to administer the program and identify qualified applicants.

Funding sources for this project include: City of Ashland Housing Trust Fund is the sole source of funds for this program. No CDBG Funds are to be used for this program.

Funding Level: \$15,000 for rental assistance
((\$15,000 for down-payment assistance noted under Goal 2 " Home Ownership Program")

Target Date for Completion: Ongoing

Accessory Residential Units

Action to meet priority and time-line: 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 (Accessory residential Unit – ARU within single family residential zones. This provided valuable affordable housing units without unreasonable impacts on the neighborhood. **A total of 93 units have** been made legal or been newly constructed since 1990. The number of ARUs approved has increased each year since the Conditional Use Permit procedure enabled their construction.

Program Year 2003 Number of Households Assisted:

Program Year 2004- Projected number of ARU to be approved in 2004: 10

Funding sources for this project include: Federal CDBG and City of Ashland general funds utilized for staff support (see Goal 14 for a description of CDBG funds used for Staff support).

Probable Funding Level: N/A

Target Date for Completion: Ongoing

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.

Rogue Valley Community Development Corporation (RVCDC)

Action to meet priority and time-line: The City will provide CDBG funding to the Rogue Valley Community Development Corporation (RVCDC) (Project 2). The funding will be utilized to purchase three existing townhouse units, rehabilitate them, and resale them to low-moderate income households.. RVCDC has been allocated a total of \$190,000 to be used to purchase the properties at 1255, 1257 and 1259 Quincy Street. All three of the units are small in size (544sq.ft.) and suited to small households of single, two or three person households. Two of the existing units are rented by low-moderate income individuals who have expressed interest in purchasing the units. The third unit is currently vacant. It is the intention of RVCDC to offer the current residents first right of refusal and work with them to move from rental households to home owners. RVCDC will retain ownership of the land, whereas the improvements (units) will be sold to the qualified buyers. In this way RVCDC has stipulated that they will provide 99 year leases to the homebuyers for use of the land similar to a land trust, and in this way ensure a period of affordability of 99 years. All units are to remain affordable to households earning less than 80% Area Median Income (AMI). RVCDC is a private non-profit corporation (Community Development Corporation-CDC) with a mission to create and sustain long-term affordable housing in the Rogue Valley.

Funding sources for this project include: \$188,000 in CDBG will be used, along with a private loan taken by RVCDC in the amount 284,134 to purchase and repair the three town homes at 1255-1259 Quincy Street. Additionally \$2,000 of

CDBG funds was requested to contribute to relocation costs (temporary or permanent). A total of \$190,000 in CDBG funds is requested.

Projected Number Households to be Assisted:

Three households in affordable owner occupied town homes

Probable Funding Level: Total CDBG funding: \$190,000
\$188,000 toward purchase costs
\$2,000 toward relocation costs

Target Date for Completion: December 31, 2005. The City will impose a deadline on RVCDC to complete acquisition by January 1st 2006. It is expected that RVCDC will be able to complete the purchase, rehabilitate the homes, and resale the units to qualified households by the end of this calendar year. However, if for reasons within RVCDCs control, they fail to complete the acquisition by this time the full award is to be rescinded and reallocated through a new RFP process to be initiated in February 2006, or the City will immediately initiate a purchase, independent of RVCDC, of the subject property, or other property, for the development of affordable housing.



Density Bonus and Deffered SDCs for Affordable Housing

Action to meet priority and time-line: The City currently provides a density bonus to developers who construct affordable rental and ownership units. The City also defers the system development charges for affordable rental and single family homes. The deferred system development charges become a "sleeping second" mortgage and are only activated if the home is sold outside the program, or the rents exceed the maximum rent limit set by HUD. The participants can earn up to 130 percent of median income. A total of 48 households are currently participating in the program with 5 properties added during 2004. One household left the program (paid SDCs deferred) for a net gain of four affordable units through this program. The program of System Development Fee deferrals and Density Bonus' for affordable housing units is ongoing.

PY 2004 Number of Households Assisted: Five new households have been added to the program during 2004, with one exiting the program; Net gain = 4 units

Funding sources for this project include: The City of Ashland's general fund forgoes collecting the systems development charges (SDCs). No CDBG funds are allocated toward this program.

Projected Number Households to be Assisted in PY 2005: 24 new households
This number is based upon an annexation request that will require 6 units be affordable, and includes the RVCDC project to develop 9 new affordable units (SelfHelp PhaseI) during the program year. We estimate an additional 8 affordable units will request the SDC deferral during the 2005 program year.

Probable Funding Level: Approximately \$240,000 in deferred SDC collection

Target Date for Completion: Ongoing

Home Ownership Program

Action to meet priority and time-line: The down payment and/or closing costs associated with purchasing a home are barriers preventing some low-income residents from owning their homes. In May 1998, the Housing Commission began the Ashland Home Ownership program. The purpose of the Ashland Home Ownership Program is to provide qualified participants assistance with down payments, closing costs, and in some cases, renovation funds for the first time purchase of a residence in the City of Ashland. The maximum amount of assistance provided by this program is \$2,500 per household.

The assistance is made in the form of short-term loans to qualified applicants. The maximum amount is \$2,500. The loan payments are deferred for five years, then amortized over ten years at a rate of five percent per annum. The participant(s) must be a first time home buyer, and the household income can not

exceed 100 percent of the median income for Jackson County, Oregon. In addition, the participating household must not have liquid assets in excess of \$5,000, excluding any such asset used toward the purchase of the home (down payment and closing costs), nor have ownership in any other real property. The participant(s) must complete a home ownership program approved by the City of Ashland. The participant(s) must be a current resident of the City of Ashland, and must have resided, or worked in Ashland for a period not less than six months prior to the date of application. The dwelling must be located within the Ashland city limits. The program is administered by ACCESS, Inc., a local non-profit organization.

This loan program can provide vital assistance to many low and moderate income households in need of first time home buyer down payment, and/or closing cost, however public awareness of the program is low and the loan repayment terms may not be favorable compared to the low interest rates now available through lending institutions. Therefore the City will examine the potential reasons that first-time homebuyers that qualify are choosing not to take advantage of the program and modify the program to make it more attractive during 2005.

Program Year 2004 Number of Households Assisted: No households were assisted during 2004.

Program Year 2005 Number of Households to be Assisted: The City contracts with Access to administer this program and we will examine the programs terms and potentially modify the program in an effort to distribute all available funds to qualified applicants within the program year. If successful up to 6 households could benefit.

Funding sources for this project include: City of Ashland general funds utilized for staff support. City of Ashland Housing Trust Fund to provide loan funds. No CDBG funds are allocated toward this program.

Funding Level: \$15,000

Target Date for Completion: Ongoing

Housing Commission

Action to meet priority and time-line: The Housing Commission was established in 1995 to monitor the accomplishments of the City's housing program, to make recommendations to the City Council on housing policy, and to serve as an advocate for affordable housing in the City's political process. The Housing Commission will also oversee specific affordable housing projects undertaken by the City in partnership with private groups. Additionally, the City of Ashland's

2000-2004 Consolidated Plan was amended to include Housing Commission review, and recommendations to the City Council, for awarding CDBG funds.

The Housing Commission has served in advisory capacity to hold public hearings relating to CDBG and to evaluate proposals for use of CDBG funds. Further the Housing Commission has worked on the 2005-2009 Consolidated Plan update to ensure the limited CDBG funds are utilized efficiently to address the low-moderate income needs of our community.

Funding sources for this project include: Federal CDBG and City of Ashland general funds utilized for staff support. (see Goal 14 for a description of CDBG funds used for Staff support).

Target Date for Completion: Ongoing

Technical Assistance

Action to meet priority and time-line: The City will provide technical assistance to nonprofit organizations whose mission includes providing affordable housing. This technical assistance will include educating agencies on Community Development Block Grant requirements, anti-discrimination and fair housing, relocation and displacement policies, and provide referral services to appropriate local, state, or federal agencies as needed. Further staff will provide agencies, or individuals, with information on the City's affordable housing program including deferred systems development charges and density bonuses. The City of Ashland will provide technical assistance through the Planning Division as requested and will support applications consistent with the Consolidated Plan.

Funding sources for this project include: Federal CDBG and City of Ashland general funds utilized for staff support. (see Goal 14 for a description of CDBG funds used for Staff support).

Target Date for Completion: Ongoing

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.

The City does not plan to use CDBG funds made available for this activity during Program year 2005 with the exception of the Rogue Valley Community

Development Corporation (RVCDC) activity identified under Goal 2. This project provides ownership opportunities for low-moderate income tenants that would otherwise be displaced by the market rate sale of the town homes they occupy. The renewable 99 year land lease through RVCDC ensures the existing units remain affordable to households earning less than 80%AMI, essentially in perpetuity.

Homeless Goals

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

The City does not plan to use CDBG funds made available for this activity during Program year 2005. Each year the City allocates over \$100,000 in Social Service Grant out of the City's General Fund and consistently provides funds the Interfaith Care Community of Ashland (ICCA) for the continued operation of ICCA's Homeless services center at 144 N. Second Street. ICCA provides emergency housing vouchers and transitional foster homes for homeless families and individuals within Ashland. ICCA provides an ongoing program to assist individuals in finding permanent housing and employment through extensive client case work. The City awarded ICCA \$14,000 for the 2005 Fiscal year to address the needs of homeless individuals and families.

TECHNICAL ASSISTANCE

Action to meet priority and time-line: The City will provide technical assistance to nonprofit organizations whose mission includes providing emergency housing, and support services for homeless prevention. The City has also worked closely with a newly formed agency, the Ashland Homeless Alliance, to establish goals and priorities to address homeless issues.

Further the City remains an active and supportive member of the Jackson County Continuum of Care Consortium's Homeless Task Force.

The City of Ashland will provide technical assistance through the Planning Division and the Housing Program Specialist position as requested and will support applications consistent with the Consolidated Plan.

Funding sources for this project include: Federal CDBG and City of Ashland general funds utilized for general staff support. No specific CDBG award for technical assistance funds was made during program year 2004.

Target Date for Completion: Ongoing

Goal 5: Support services for homelessness prevention and transition. Where possible, give funding priority to services that are part of a comprehensive approach that improves the living conditions of

clients. Safety net services, or services that meet basic needs shall only be funded with CDBG dollars if it can be demonstrated that clients receiving those benefits are part of a program that will eventually help them obtain self-sufficiency.

The City does not plan to use CDBG funds made available for this activity during program year 2003. Refer to Goal #4 for information relating to City expenditures of General Fund dollars to help provide services to the homeless.

As outlined under Goal 4, \$14,000 in General Funds was granted to the Interfaith Care Community of Ashland (ICCA) through our Social Service Grant Program to provide supportive services for homeless individuals and households. These funds assist in the continued operation of ICCA's Homeless services center at 144 N. Second Street. ICCA provides emergency housing vouchers and transitional foster homes for homeless families and individuals within Ashland. ICCA provides an ongoing program to assist individuals in finding permanent housing and employment through extensive client casework. Additionally the City of Ashland General Fund will contribute \$1900 to the Salvation Army Medford Citadel to assist the Family Services Office in their efforts to provide families with counseling and services necessary to prevent or transition out of homelessness and become self sufficient. ACCESS Inc. was also provided with a General Fund Social Service grant (\$5,000) to provide food boxes to extremely low income and/or homeless individuals.

The Interfaith Care Community of Ashland and the Salvation Army are members of Jackson County Continuum of Care Consortium. Through Ashland's direct financial support of ICCA and the Salvation Army that the regional approach to homelessness through the Jackson County Continuum of Care is advanced. The City of Ashland is supportive of the Jackson County Community Services and Continuum of Care Consortium and will continue to support the regional approach to homelessness which enables individuals and households to attain long term self sufficiency.

Special Populations Goals

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.

The City will continue to support the development of housing and supportive services for individual with special needs. The City allocates over \$100,000 annually in "Social Service Grants" out of the City's General Fund. In Fiscal Year

2005, of the \$110,000 was awarded a number of grants specifically address supportive services for people with special needs. Most notably the Community Health Center was awarded \$30,200 to provide health care services to extremely low and low income residents with unmet medical needs. The Interfaith Care Community of Ashland (ICCA) was awarded \$14,000 to provide client services to homeless individuals including those with mental illness and drug dependencies (see goal 4). Community Works was awarded a total \$24,900 to provide services including rape crisis counseling as well as temporary shelter for victims of domestic violence. A grant of \$2000 was provided to OnTrack Inc. to assist in the operating expenses for their drug abuse treatment programs and \$1000 was awarded to Southern Oregon Drug Awareness to assist in their efforts to reduce drug dependency. Options of Southern Oregon was awarded \$2000 to provide psychosocial rehabilitation, housing, and employment opportunities for adults with long term mental illness.

2005-06 Fiscal Year Social Service Grants - from City General Fund

Agency and Program Name	FY 05-06 Allocated
ACCESS, Inc. (food boxes for extremely low income)	5,000
CASA of Jackson County, Inc.	2,500
Center For NonProfit Legal Services, Inc.	5,500
Children's Advocacy Center	2,700
Children's Dental Clinic of JC	3,000
Community Health Center	30,200
Community Works	24,900
Help Now! Advocacy Center	1,000
Interfaith Care Community of Ashland	14,000
Jackson County SART	2,500
Mediation Works	2,000
Ontrack, Inc	2,000
Options for Southern Oregon, Inc.	2,000
Planned Parenthood of SW	2,000
RV Manor - Senior Volunteer	1,300
RV Manor -Foster Grandparent	1,000
Salvation Army, Medford Citadel	1,900
SOASTC	1,000
So.Ore Child Study and Treatment Center	2,500
So.Ore Drug Awareness	1,000
Trinity Respite Center	1,000
total	\$110,000

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

Community Development Goals

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

Action to meet priority and time-line: The City has made a commitment to sidewalk improvements in moderate- and low-income neighborhoods and in past years had allocated ten percent of the total CDBG funding for sidewalk improvement and new construction. In an effort to utilize the limited CDBG funds more effectively to address Ashland's highest priority needs (provision of affordable housing), the use of CDBG to fund sidewalk improvements has been eliminated except in cases where the sidewalk is part of an affordable housing development. One such project related sidewalk will be constructed in 2005 is at the intersection of Siskiyou and Faith Streets (See RVCDC 2002-2). CDBG will contribute \$13,800 toward public facility improvements along the property's frontage. These public facility improvements would include sidewalks, curb and gutters and additional asphalt. The City Council upon making this competitive award linked the public facility improvements to the proposed affordable housing project.

Although this use of CDBG funds is directly correlated to an affordable housing project the sidewalk provided will be considered neighborhood serving, A door to door income survey 1/4 mile from this intersection was conducted in 1999 which demonstrated that over 51% of the area residents qualified as low-moderate income. Further the 2000 Census identifies this Census Block Group (001800 block 4) as having a clear majority (70%) of low-moderate income residents and is therefore considered and qualified low-income area.

Funding sources for this project include: CDBG funds (\$13,800) will be applied to the development of a sidewalk and other required public facility improvements in conjunction with an nine unit affordable housing project at 2001 Siskiyou Blvd..

2004 Projected Number Households to be Assisted: 9 low-moderate income households at 2001 Siskiyou Blvd. and the other 728 households residing in the low-income qualified block-group.

Funding Level: \$13,800 of CDBG funds for Program Year 2004

Target Date for Completion: June 30, 2006.

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

Action to meet priority and time-line: The City is committed to providing accessibility improvements to City-owned buildings. The City of Ashland reached an agreement with the Department of Justice to improve access to City facilities and has substantially completed all improvements outlined to be compliant with the Americans with Disabilities Act.

Program Year 2004 projects included the construction of an accessible restroom in Pioneer Hall which was completed in part with CDBG funds. For new public facilities constructed by the City accessibility will be provided. The City is currently retrofitting sidewalks throughout the City to include access ramps, and accessible railroad crossings. This endeavor will continue throughout the implementation of the 2005-2010 Capital Improvement Plan.

Funding sources for this project include: No CDBG funds are currently allocated to this use, the City General Fund is the source for accessibility improvements to City facilities.

Projected Number Households to be Assisted: 853 mobility disabled Ashland residents

Other Goals

Fair Housing

Goal 9: To affirmatively further fair housing.

Housing Services

Jackson County CASA was awarded 2005-2006 general fund grants (\$2,500) by the City to contribute to this organization's operating costs. This organization provides counseling and direct client services toward finding housing within the region. CASA of Jackson County is particularly focused on finding homes and providing housing counseling to minority households.

Legal Services

The City of Ashland provided the Center for NonProfit Legal Services a general fund grant in the amount of \$5,500 explicitly to provide legal assistance for low income Ashland households facing housing discrimination or harassment. This award will enable Ashland households facing housing discrimination to obtain legal services through the Center for NonProfit Legal Services that may not otherwise be in a position to pursue legal action.

Housing Needs Assessment

A complex set of factors affects the local housing market and individual households' ability to afford and acquire housing. Moreover, much of the data the 2000 *Consolidated Housing Plan* is based upon is from 1998 or earlier. Recent trends in the housing market suggest new dynamics may be affecting housing development, costs, and availability. To better understand these dynamics, the City of Ashland conducted a *Housing Needs Assessment* and completed an affordable housing strategy (*Affordable Housing Action Plan*) based on identified needs in 2002-2003. In response to a recommendation of the Affordable Housing Action Plan the City Council funded the creation of a Housing Coordinator position to implement the strategies outlined in the final *Affordable Housing Action Plan*.

Affordable Housing Action Plan

A number of strategies for addressing key housing issues were identified in the Housing Needs Analysis report and specific actions were identified in the Affordable Housing Action Plan. During 2005 these items will be examined by the City of Ashland Housing Commission and the activities recommended in the Council Adopted Affordable Housing Action Plan will be prioritized and implemented accordingly.

Program Year 2004 Fair Housing Activities During program year 2004 the City of Ashland worked closely the Fair Housing Council of Oregon to educate Ashland residents, landlords, and the greater region on the issues of housing discrimination by hosting a live call in show on Fair Housing (aired March 7th, 2005 on RVTV channel 9). The hour long show consisted of questions posed by Ashland's Housing Program Specialist (Brandon Goldman) to the Education Coordinator of FHCO (Diane Hess). The City of Ashland recognizes the importance of promoting fair housing and as such we are very pleased to have worked with FHCO to have had local tester trainings and the education provided by the local cable broadcast. Additionally during 2004 the City also worked with FHCO and the Oregon Shakespeare Festival to utilize OSF's production of *Raisin in the Sun* to highlight discrimination in Oregon through coordinated displays and a community discussion on Housing Discrimination following a special performance of the play.

In 2004 the City used a cumulative \$7,000 in General Funds to support the activities of CASA and Center for NonProfit Legal Services to provide services as described above.

2005 Actions to meet priority and time-line: The City will again work with the Fair Housing Council of Oregon to conduct trainings in Ashland during the 2005

Program Year. The workshops conducted in prior years educated a substantial number of landlords, tenants, agencies, and local jurisdictions. However the City recognizes that education alone is not capable of enforcing fair housing laws, and ending the practice of housing discrimination. Through funding CASA minority residents can have an advocate and resource to receive housing assistance and it is our hope that in assisting the Center for NonProfit Legal Services we can begin to address the enforcement side of Fair Housing laws.

Funding sources for these projects include: City of Ashland general funds and CDBG funds (Planning and Administration allocation) will be utilized for staff support. However no specific CDBG allocation will be used for the proposed activities.

Lead-Based Paint

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.

Outside of Staff time, the City does not plan to use CDBG funds made available for this activity during FY 2005. The City will ensure that lead testing and clearance is completed on any federally funded project involving a structure built prior to 1979.

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

Outside of Staff time, and the activities listed under Goal 2 and goal 4 , the City does not plan to use CDBG funds made available for a specific activity for Goal 11 during FY 2005.

Within the section on Anti Poverty Strategies is a synopsis of the strategies and activities undertaken by the City of Ashland to address poverty.

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.

Action to meet priority and time-line: Developing economic opportunities for mod- and low-income persons is a new area for the City of Ashland. During FY2001-2002 the City of Ashland enacted Living Wage Ordinance which requires that recipients of City of Ashland grants, or service contracts provide their employees, working on the City funded project, with a Living Wage (min. \$11.26 per hour- to be increased by the Consumer Price Index annually). The Living wage ordinance

has been in effect and will continue to provide the benefits of a higher wage scale for all people working to provide the City with services, or working on City funded projects.

Funding sources for this project include: City of Ashland general funds utilized for staff administration and the General Fund also supports Economic Development Grants that are awarded independently of the CDBG program.

Target Date for Completion: Ongoing

Barriers to Affordable Housing

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.

FY 2004 Activities: During 2004 the City of Ashland approved an ordinance requiring developments in multi-family zones to be built out a density exceeding 80% of the base density for the zone. This minimum density ordinance was intended to address a barrier to the development of affordable rental housing. Ashland has seen land prices increase and thus the development of multi-family zoned properties was most frequently for ownership housing. Given the market pressure for single family homes is so strong in Ashland, the City implemented the minimum density ordinance to overcome the propensity for multi-family lands to be developed as single family.

2005 Activities 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 City will investigate the implementation of a Housing Trust Fund and determine funding methods to support it.

Funding sources for this project include No CDBG funds are to be allocated to this action.

Goal 14: To provide institutional structure and intergovernmental cooperation.

Action to meet priority and time-line: City of Ashland Staff will continue to provide staff support to the City of Ashland Housing Commission (see Goal 2). The City of Ashland employs a full time regular position of Housing Program Specialist, which will help provide institutional structure as well as examine and implement opportunities for intergovernmental cooperation. An Assistant Planner for the

City of Ashland recently completed Basics of CDBG and Environmental Review trainings to provide greater support for the CDBG program. The City will also continue to be an active participant 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. Lastly during FY2005 the City will continue working cooperatively with the City of Medford, and Jackson County to develop a HOME Consortium to address housing needs on a regional basis.

Funding sources for this project include: \$47,500 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.

Target Date for Completion: Ongoing

Anti-Poverty

The activities listed below are completed or ongoing activities, whereas new activities to be undertaken during Fiscal Year 2005 are outlined as activities within the goals above.

The Housing and Community Development Act of 1992 requires communities to include in their Consolidated Plan a description of an anti-poverty strategy. This strategy takes into consideration factors over which the City has control. The City of Ashland has limited resources for addressing the issues involved in reducing poverty and improving the self-sufficiency of low-income residents. Affordable housing is one of the factors directly related to poverty that the City of Ashland does have some ability to influence, and the related goals are covered in the Housing Goals section. In addition, the City supports housing and service programs targeted at the continuum of care needs of the homeless. The goals related to housing and support services are addressed in the Homeless Goals section. In another effort to address poverty within Ashland, during 2001-2002 the City of Ashland passed a Living Wage Ordinance. This ordinance requires that employees of the City, or employers receiving financial assistance or business from the City in excess of \$15,345 must pay a minimum of \$11.26 per hour (adjusted annually) to employees engaged in work related to the City project or service contract (see Goal 12).

The City of Ashland operates a variety of funding and other assistance programs which, together, strategically address the goals of reducing poverty and improving the self-sufficiency of low-income residents. The activities undertaken in conjunction with this anti-poverty strategy can be separated into two primary areas of effort: human services programs targeted at the continuum of care

needs; and affordable housing programs. The City of Ashland has limited influence on many of the factors that affect opportunities for workers to earn a living wage. For instance, the city does not directly affect wages provided by employers not engaged in business with the City, nor does the City have influence over income assistance such as Social Security or Aid to Families with Dependent Children.

The City of Ashland provides funding to agencies that address the needs of low income and homeless residents through a Social Service Grant program. The goal of this program is to improve living conditions and self sufficiency for residents by meeting such basic needs as food, shelter, clothing, counseling and basic health care. The goal is carried out by providing funds in excess of \$100,000 per program year to various area agencies whose focus meets one or more of these targeted needs.

The Social Service Grant program is funded entirely with general fund dollars from the City of Ashland budget. The award process is coordinated through the United Way of Jackson County. Local agencies and organizations providing continuum of care activities in the Rogue Valley coordinate their applications through a Community Services Consortium. The coordination of services and related funding requests through the consortium attempts to insure that the broad range of needs is met without overlap or duplication of service (See Goals 4,5,&6). .

The second element of the City's anti-poverty strategy targets the development and retention of affordable housing. The City of Ashland has made a serious effort to address the issues of housing affordability. An Affordable Housing Committee was formed in 1990 and reconvened in 1994 to search for ways to provide economical housing in Ashland. In 1995 a formal Housing Commission was formed. The Housing Commission has endeavored to create policies that will allow additional housing opportunities for low- and moderate- income Ashland households. The following programs/projects have been developed in an effort to create and retain affordable housing units in Ashland.

- **Ashland Community Land Trust** – The City of Ashland worked to assist in the establishment of the 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 to the low-income residents. ACLT is a non-profit organization, and is directed by a board including representatives from social service agencies, the Ashland Housing Commission, participants in the trust, City Staff, local developers and local realtors.
- **Accessory Apartments** - 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 103 units have been made legal or been newly constructed since 1990, with ten approved in FY2004. In addition to the small scale of these units making them more affordable than larger apartments or homes, the City required one of the newly legalized units to

be affordable to households earning less than 80% AMI for a period of 20 years through a deed restriction imposed as a condition of the planning approval.

- **Incentives for Affordable Housing** - Higher densities of residential development are allowed when affordable housing is guaranteed. All density bonuses (for energy efficiency, landscaping, etc.) were limited to 60%. For every percent of units that are affordable, an equivalent percentage of density bonus shall be allowed. A maximum bonus of 35% is granted for providing affordable housing. In 1980, Ashland increased development densities in order to encourage the building of more affordable homes. What occurred, however, was that expensive homes were built on smaller lots. Modification of densities in single-family zones were reduced from that level back to the 8,000 to 10,000 square foot lot size and in multi-family zones to 13.5 or 20 dwelling units per acre.
- **Deferred System Development Charges for Homes Constructed under the Affordable Housing Program** - This provision of the affordable housing program works in conjunction with the affordable housing density bonus. To increase the affordability of newly constructed homes or rentals the City defers the system development charges which can be between \$8,000 and \$11,000 for a three bedroom two-bath unit. This fee becomes a "sleeping second" on the mortgage. This second is not awakened unless the home or rental is sold outside of the program. In the event the home or rental is sold outside the program the SDCs are paid back plus six percent interest accrued annually. If the home or rental remains affordable for 20 years the SDCs are forgiven, and if it is sold within the program the SDC credits are simply transferred to the next owner.
- **Manufactured Housing** - Manufactured housing can involve significantly lower costs than conventional housing. Ashland adopted standards and overlay zone that complied with state law and permitted manufactured homes on individual lots in areas outside the historic district.
- **Ashland Rental Assistance Program** - The initial costs of rental housing in Ashland, including first and last month's rent and a security deposit, are barriers preventing some low-income residents from improving their living conditions. In May 1998, the Housing Commission began the Ashland Rental Assistance Program. The purpose of the Ashland Rental Assistance Program is to provide low- to moderate-income Ashland households with the up-front cost of obtaining rental housing. Currently, ten households are participating in the program.

Rental assistance is made in the form of short-term loans to qualified applicants for use toward the first or last month's rent, security deposit and other move-in fees. The maximum amount is \$750 and the loan must be repaid in full within 15 months at a rate of five percent per annum. The participant(s) must be a resident of Ashland and must have resided, or worked in Ashland for a period not less than six months prior to the date of application for assistance. The household income of the participant(s) shall not exceed 100 percent of the median income level for Jackson County, Oregon, and is required to be at a level commensurate

with monthly payment obligations. The participant(s) is billed through the City utility billing process. The program is administered by ACCESS, Inc., a local non-profit organization.

- **Ashland Home Ownership Program** - The down payment and/or closing costs associated with purchasing a home are barriers preventing some low-income residents from owning their homes. In May 1998, the Housing Commission began the Ashland Home Ownership program. The purpose of the Ashland Home Ownership Program is to provide qualified participants assistance with down payments, closing costs, and in some cases, renovation funds for the first time purchase of a residence in the City of Ashland. The maximum amount of assistance provided by this program is \$2,500 per household.

The assistance is made in the form of short-term loans to qualified applicants. The maximum amount is \$2,500. The loan payments are deferred for five years, then amortized over ten years at a rate of five percent per annum. The participant(s) must be a first time home buyer, and the household income can not exceed 100 percent of the median income for Jackson County, Oregon. In addition, the participating household must not have liquid assets in excess of \$5,000, excluding any such asset used toward the purchase of the home, nor have ownership in any other real property. The participant(s) must complete a home ownership program approved by the City of Ashland. The participant(s) must be a current resident of the City of Ashland, and must have resided, or worked in Ashland for a period not less than six months prior to the date of application. The dwelling must be located within the Ashland city limits. The program is administered by ACCESS, Inc., a local non-profit organization.

Monitoring

The City of Ashland, as the grantee for CDBG grants, will monitor the subrecipients on a quarterly basis. Staff will maintain a close working relationship with the CDBG subrecipients. The City is committed to ensuring that CDBG funds are used as specified in State and Federal regulations through: public and City Council monitoring through public hearings; staff evaluation; annual evaluation of the priorities set forth in the Consolidated Plan; periodic site visits and program evaluations; financial monitoring, record keeping, and reporting requirements.

The City requires recipients of CDBG funds to provide a project timeline with benchmarks for completion which is incorporated into the Subrecipient Agreement for use of CDBG funds. The City remains in contact with the subrecipient throughout the projects development to monitor their accomplishments and ensure they are meeting the projected benchmarks.

The City would like to maintain its role as a supportive partner and stimulate new partnerships with nonprofit and public agencies. In the future, if the strategies are not being met in this manner, the City will consider other actions to accomplish goals.

Public Participation

A Public hearings was held on February 23rd to solicit comments on the potential uses of the 2005 CDBG allocation. Additionally at that meeting the Ashland Housing Commission to reviewed applications submitted for CDBG grant awards, and continued the award process to March 8th, 2005. After review of the proposals the Housing Commission forwarded an award recommendation to the City Council. The City Council held a public hearing on March 15th, 2005, at which time a recipient was selected. At the public hearing held on March 15th the City Council awarded a total of \$190,000 including to the Rogue Valley Community Land Trust.

All meetings were noticed in the Community Calendar and Legal Notices in *The Ashland Daily Tidings*, and posted on the City of Ashland website.

Testimony specific to the CDBG allocations was received and Minutes from the meeting are attached.

The public comment period for the draft 2005 One Year Use of Funds Action Plan for Program Year began on March 28th, and ran through May 3rd, 2005. The availability of the draft plan was also posted on the City of Ashland web page on March 28th, 2005 and an Adobe Portable document (pdf) of the Action Plan was available for download throughout the public comment period.

A Display advertisement was published on **March _____, 2005** in *The Ashland Daily Tidings* (copies of the advertisements are attached)

The Ashland Housing Commission held a public hearing on April 27th to review the 2005 Action Plan and provide a recommendation to the City Council. The City Council held a public hearing on May 3rd 2005 to review the Action Plan and **_____** the Action Plan for the one year use of CDBG funds for Program Year 2005.

Funding Tables

Table 1.1

CDBG Projects for Program Year 2005	
Estimated Program Year 2005 CDBG Allocation	\$237,500.00
Program Income received prior to start of program year	\$0.00
Program Income expected during current program year	\$0.00
Carry Over	All previously unexpended CDBG funds were reprogrammed in 2004 (see RVCDC 2004-reprogrammed below)
2005 Fiscal Year Projects	
RVCDC – 3 unit Townhome purchase - Relocation assistance	\$188,000.00 \$2,000
City of Ashland (2005)- CDBG Administration	\$47,500
Prior Year Projects	
ACLT (2004) -Duplex purchase -Duplex Rehabilitation	\$285,000 (completed) \$14,000.00 (underway – to be completed prior to June 30, 2005)
City of Ashland (2004)- Accessibility Improvements	\$16,841(completed)
City of Ashland (2004)- Administration	\$51,200.00 (completed)
RVCDC (2002-03) - 2001 Siskiyou Blvd land acquisition - Sidewalk Installation	\$375,750.00 (completed property purchase) \$13,800.00 (to be completed at the end of the project build-out approximately in April or June of 2006)
RVCDC (2004-reprogrammed) 2001 Siskiyou Blvd land acquisition	\$274,000.00 (completed property purchase)
ACLT (2001) -3 units	\$40,000.00 for one unit on Hersey St (completed) \$80,000 for 2 additional units (property on Garfield St. to be acquired prior to June 30, 2005 – Environmental review in process)
TOTAL FUNDS UNPROGRAMED	\$0