

Council Business Meeting

April 17, 2018

Title: Public Hearing on the 2018 Community Development Block Grant Award and CDBG Action Plan Development and Affordable Housing Trust Fund Award

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Summary:

The City of Ashland received eight proposals for the award of \$294,413 in Community Development Block Grants, and \$366,000 in Affordable Housing Trust Funds on February 16, 2018. The Housing and Human Services Commission reviewed the proposals received on March 22, 2018 and have forwarded recommendations for the Council's consideration regarding the allocation of both CDBG and Affordable Housing Trust Funds.

Community Development Block Grant Funds: The City offered a total of \$294,413 in Community Development Block Grant (CDBG) funds for award to eligible applicants. The total amount of CDBG funds available to award to capital improvement projects in Program year 2017 is \$294,413. Of this amount \$23,808, may be awarded to Public Service activities (which is 15% of the anticipated 2018 Program Year allocation). The City has received three CDBG applications totaling \$81,653, one application for capital improvement totaling \$49,653 and two applications for public service funding totaling \$32,000

The anticipated CDBG allocation to the City of Ashland for the 2018-2019 Program Year is \$158,726. Of this amount 20% is reserved for program administration (\$31,745), leaving \$126,981 in funds available for to award to eligible activities. The City also had \$167,432 in funds from prior program year's unspent funding that may also be awarded to eligible projects benefiting Ashland's low-income population.

Proposals Received: The City of Ashland has received three applications for the competitive 2018 CDBG funds. The applications received are attached and include the following:

- **St. Vincent De Paul (SVDP)-\$20,000** requested to fund emergency rent and deposit assistance for qualified low income households in an effort to prevent homelessness.
- **Maslow Project-\$12,000** requested for outreach and case management for homeless youth enrolled in the Ashland school district.
- **Ashland Housing Opportunities-\$49,653** requested to improve energy efficiency of a housing unit serving five adults with disabilities.

CDBG funds will be available upon HUD's approval of the 2018 Action Plan, and upon the completion of any regulatory requirements including but not limited to environmental review clearance. Upon completion of the Action Plan a public hearing for review and approval will be

held by the Housing and Human Services Commission to ensure consistency with the awards designated by the City Council. HUD must review the annual Action Plan submitted by the City to ensure the activities funded are consistent with federal requirements, and with Ashland's Consolidated Plan for use of CDBG funds.

The Housing and Human Services Commission reviewed the CDBG applications at its regular meeting on March 22nd. Both the staff and the Housing and Human Services Commission recommendations are provided in the recommendations section below. Staff's evaluation criteria are detailed more fully in the attached evaluation.

Affordable Housing Trust Funds: A total of approximately \$366,000 in AHTF is available to distribute to applicants for projects meeting the priorities identified by [resolution 2008-34](#), and which are consistent with the City of Ashland 2015-2019 Consolidated Plan priorities. The City received five applications totaling \$621,338 for the \$366,000 in competitively available Affordable Housing Trust Funds (AHTF). Staff's assessment of each of the proposals received, and recommendations regarding the allocation of the 2018 AHTF funds are provided in the attached staff evaluations. A breakdown of funding recommendations from both staff and the Housing and Human Services commission can be found on the following pages.

Proposals Received: The City of Ashland has received five applications for competitive Affordable Housing Trust funds. The applications received are attached and include the following:

- [Columbia Care](#)-\$366,000 requested to purchase land on which to build 24 units of affordable housing to serve peoples experiencing mental illness on Ashland Street behind Rogue Federal Credit Union's new building.
- [Options for Homeless Residents of Ashland](#) (OHRA)-\$86,338 requested to build capacity and enhance and expand existing housing programs.
- [Options for Homeless Residents of Ashland](#) (OHRA)-\$19,000 requested for predevelopment activities to assess the best use of 2.39 acres of land on Washington Street.
- [Options for Homeless Residents of Ashland](#) (OHRA)-\$100,000 requested to complete the purchase of 2.39 acres to be developed as permanent supportive housing.
- [Rogue Valley Habitat for Humanity](#)-\$50,000 (amended from \$250,000) requested to purchase five lots on which to build ownership housing for low income households.

Actions, Options, or Potential Motions:

Public Service Grant funding (a maximum of 15% of the total annual CDBG allocation)

Available \$23,808	Requested	Staff Recommendation	HHSC Recommendation
SVDP	\$20,000	\$16,655	\$16,655
Maslow Project	\$12,000	\$7,143	\$7,143
Remaining Balance	NA	0	0

CDBG Capital Grant Funding

Available \$270,605 (\$294,413 less 23,808 for Public Service funded activities)	Requested	Staff Recommendation	HHSC Recommendation
Ashland Housing Opportunities	\$49,653	\$49,653	\$49,653
Columbia Care*	\$0	\$100,000	\$100,000
Habitat for Humanity**	\$0	\$50,000	\$50,000
OHRA 1 (Capacity Building)	\$0	\$0	\$0
ORHA 2 (Pre-Development)	\$0	\$0	\$0
OHRA 3 (Land Acquisition)	\$0	\$0	\$0
Remaining Balance	NA	\$70,952	\$70,952

Affordable Housing Trust Fund

Available \$366,000	Requested	Staff Recommendation	HHSC Recommendation
Columbia Care	\$366,000	\$300,000	\$300,000
Habitat for Humanity	\$50,000	\$0	\$0
OHRA 1 (Capacity Building)	\$86,338	\$0	\$0
ORHA 2 (Pre-Development)	\$19,000	\$19,000	\$19,000
OHRA 3 (Land Acquisition)	\$100,000	\$0	\$0
Remaining Balance	NA	\$47,000	\$47,000

*Neither Columbia Care nor Habitat applied for CDBG funding, however there were more applicants for AHTF funds then there were funds available, and the City has prior years unspent CDBG funding which can be allocated to projects which can expend the funds quickly.

**Staff is recommending that Habitat be provided a reservation of 2018 program funds which will not be available until after July 1, 2018 as that project is not ready to proceed at this time. Any award to this project would be contingent upon land use approval to create saleable lots and environmental review approval.

Suggested Motion:

I move to direct staff to draft the 2018 Annual Action Plan for the use of Community Development Block Grant funds reflecting the award of CDBG funding as follows:

- Award \$_____ to St. Vincent De Paul-Home Visitation Program.
- Award \$_____ to Maslow Project.
- Award \$_____ to Ashland Housing Opportunities
- Award \$_____ to Columbia Care
- Award \$_____ to Rogue Valley Habitat for Humanity

I move to award Affordable Housing Trust Funds as follows:

- Award \$_____ to Columbia Care.
- Award \$_____ to Options for Homeless Residents of Ashland Proposal #1.
- Award \$_____ to Options for Homeless Residents of Ashland Proposal #2.
- Award \$_____ to Options for Homeless Residents of Ashland Proposal #3.
- Award \$_____ to Rogue Valley Habitat for Humanity

Staff Recommendation:

See tables above.

Resource Requirements:

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

The AHTF grants are funded through a portion of the proceeds from the Marijuana Tax (up to \$100,000 annually) as well as prior revenue dedicated to the fund from the sale of surplus city property and repayment of CDBG rehabilitation loans.

Any Community Development Block Grants and/or Affordable Housing Trust Funds that are not awarded at this time would remain available for distribution through the 2019 annual award cycle, or may be used to support eligible activities as directed by the City Council over the coming year.

Policies, Plans and Goals Supported:**2. Promote effective citizen communication and engagement.**

2.1 Engage community in conversation about core services, desired service levels and funding mechanisms.

5. Seek opportunities to enable all citizens to meet basic needs.

5.2 Support and promote, through policy, programs that make the City affordable to live in.

5.2. a. Pursue affordable housing opportunities, especially workforce housing. Identify specific incentives for developers to build more affordable housing.

5.3 Leverage partnerships with non-profit and private entities to build social equity programming.

6. Develop supports to enable citizens to age in Ashland

6.1 Support and augment existing programs.

7. Keep Ashland a family-friendly community.

7.1 Support educational and enrichment programs in the community.

7.3 Support land-use plans and policies that encourage family-friendly neighborhoods.

Background and Additional Information:

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

This is the first year that the City of Ashland has offered Affordable Housing Trust funds. The City of Ashland Affordable Housing Trust Fund was created to keep the Ashland community

diverse by facilitating the production and preservation of affordable housing throughout Ashland. The primary purpose of the AHTF is to encourage the creation of housing for homeownership or rent, at a cost that will enable low and moderate income families to afford quality housing while paying no more than thirty percent of gross household income on housing. To promote the rehabilitation, preservation and production of quality, well designed rental and ownership housing the AHTF will award funds to community development partners that are furthering the AHTF mission.

Attachments:

[CDBG Staff evaluation March 22, 2018](#)

[AHTF Staff evaluation March 22, 2018](#)

[Maslow Project Proposal](#)

[St Vincent De Paul Proposal](#)

[Ashland Housing Opportunities Proposal](#)

[Columbia Care Proposal](#)

[Options for Homeless Residents of Ashland Proposal #1](#)

[Options for Homeless Residents of Ashland Proposal #2](#)

[Options for Homeless Residents of Ashland Proposal #3](#)

[Rogue Valley Habitat for Humanity Proposal](#)

[Draft Housing and Human Services Commission Meeting Minutes, March 22, 2018](#)