

# Council Business Meeting

April 20, 2021

<b>Agenda Item</b>	Public Hearing on the 2021 Community Development Block Grant Award and CDBG Action Plan Development	
<b>From</b>	Linda Reid	Housing Program Specialist
<b>Contact</b>	<a href="mailto:reidl@ashland.or.us">reidl@ashland.or.us</a> ; (541) 552-2043	

## **SUMMARY**

The City of Ashland received two proposals for the award of Community Development Block Grant (CDBG) funds for the 2021 program year. The Housing and Human Services Commission reviewed the proposals on March 25, 2021 and have forwarded recommendations for the City Council's consideration.

## **POLICIES, PLANS & GOALS SUPPORTED**

[2020-2024 Consolidated Plan for Use of CDBG funds](#)

Council Value Services Tier 2: Moderate Priority – Housing Needs and Homeless Services

## **PREVIOUS COUNCIL ACTION**

N/A

## **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 of Ashland issued a Request for Proposals (RFP) in January 2021. The City received two applications totaling \$295,170 in response to that RFP. One application for capital improvement funds totaling \$270,170 and one application for public service funding totaling \$25,000. The Department of Housing and Urban Development (HUD) has allocated the City of Ashland \$188,801 for the 2021 program year. After removing the 20 percent set aside for administration of the CDBG program (\$37,760), \$151,041 in funding is available to award to applicants. The City also has remaining CDBG funding totaling \$151,342 in un-allocated or reprogrammed capital funding from prior years. The City also has an additional \$115,857 in CDBG CARES act funding available exclusively for COVID related activities which was not offered through the RFP process.

The City of Ashland Housing and Human Services Commission held a virtual public hearing on March 25, 2021 to review the grant requests and make a recommendation to forward to the City Council for consideration. The Council will make the final award selections at a public hearing scheduled for April 20, 2021. Staff's eligibility assessment of each of the proposals received, and recommendations regarding the allocation of the 2021 CDBG funds are provided on the following pages.

**Proposals Received:** The City of Ashland has received two applications for the competitive 2021 CDBG funds. The applications received are attached and include the following:

- [Options For Helping Residents of Ashland \(OHRA\)](#) - \$270,170 requested to assist in the conversion of an existing hotel to be used as an emergency shelter and the new home of the resource center to serve homeless and at-risk populations in obtaining and maintaining housing, and also will provide case management and resources to remove barriers to employment and housing.

- [Maslow Project](#) - \$25,000 requested to continue to provide case management in the elementary, middle and high schools, providing outreach to high risk homeless youth and providing resources for immediate needs, case management to keep youth engaged in school and to promote stability and self-sufficiency for the homeless youth and their families, as well as to provide temporary housing to homeless youth and families engaged in services or impacted by wildfires. (Public Service Activity)

The funds will be available upon HUD’s approval of the 2021 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 25. 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.

**Public Service Projects:** Fifteen percent of the overall annual allocation is available for public service activities. One applicant, Maslow Project, has applied for an amount less than is available under the current allocation. Consequently, both staff and the Housing and Human Services Commission is recommending funding the Maslow Project application at the requested level.

**Capital Projects:** The City received one capital project proposal, OHRA Project Turnkey Remodel. The proposed remodel activities qualify as eligible uses of CDBG funds, the project is ready to proceed and would be able to expend the funds in a timely manner thereby allowing the City to expend some of the capital funds quickly. Both the timeline for completion and the budget for the activity is well thought out and achievable. Matching funds have been identified and secured, and the project serves an eligible population with a documented and prioritized need.

The City Council is to evaluate the two 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).

### **FISCAL IMPACTS**

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

Any Community Development Block Grants that are not awarded at this time would remain available for distribution through the 2022 annual award cycle, or may be used to support eligible activities as directed by the City Council over the coming year.

### **STAFF AND COMMISSION RECOMMENDATION**

Staff recommends award of the 2021 CDBG funds as follows:

- \$270,170 to Options for Helping Residents or Ashland Housing Match Program
- \$25,000 to Maslow Project School Based Services

Staff’s recommendations are based on evaluation of CDBG eligibility, the [2020-2024 Consolidated Plan for Use of CDBG funds](#), agency experience and capacity, and readiness to proceed.

The Housing and Human Services Commission Recommendation:

The Housing and Human Services Commission's recommendation is consistent with Staff's recommendations. The Housing and Human Services Commission recommends award of the 2021 CDBG funds as follows:

- \$270,170 to Options for Helping Residents or Ashland Housing Match Program
- \$25,000 to Maslow Project School Based Services

**ACTIONS, OPTIONS & POTENTIAL MOTIONS**

I move to direct staff to draft the 2021 Annual Action Plan for the use of Community Development Block Grant funds reflecting the award of CDBG funding for the 2021 Program year as follows:

- \$270,170 to Options for Helping Residents or Ashland Housing Match Program
- \$25,000 to Maslow Project School Based Services

**REFERENCES & ATTACHMENTS**

Attachment 1: March 25, 2021 Staff Evaluation

[Maslow Project Proposal](#)

[Options for Helping Residents of Ashland](#)

[Housing and Human Services Commission Meeting Minutes, March 25, 2021](#)

# Staff Evaluation

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**To:** Ashland Housing and Human Services Commission  
**Title:** Community Development Block Grant (CDBG) 2021 RFP  
**Date:** March 25, 2021  
**Submitted by:** Linda Reid, Housing Program Specialist

The City of Ashland advertised \$270,170 in Community Development Block Grant funds available for award. Since issuing the RFP the City has received notification of the funding allocation for the 2021 program year and the allocation is for a greater amount than anticipated in the RFP. The City anticipated receiving the same allocation as was received in Program year 2020 which was \$176,899. The Actual allocation for Program year 2021 will be \$188,801. The City also had previously allocated funds to reallocate that was not accounted for in the RFP. Together these additional resources would allow the City to fully fund the two grant proposals received. The award of CDBG funds to public services is limited to 15% of each year’s annual allocation. For the 2021 program year the City can award up to \$28,321 to public service activities. The City has received one application totaling \$25,000 for public service activities. The City received one application for capital improvement projects totaling \$270,170. In total the two applications would expend \$295,170.

The City of Ashland Housing and Human Services Commission will hold a virtual public hearing on March 25, 2021 to review the grant requests and make a recommendation to forward to the City Council for consideration. The Council will make the final award selections at a public hearing scheduled for April 20, 2021. Staff’s eligibility assessment of each of the proposals received, and recommendations regarding the allocation of the 2021 CDBG funds are provided on the following pages.

## Proposals Received

Organization	Proposed Project	CDBG Funds Requested	Goal	Consolidated Plan Goal
Maslow Project	Encourage stability, self-sufficiency and school achievement for homeless youth. <b>*Public Service</b>	\$25,000	Provide access to basic needs, information and referral. Provide case management to improve stability to approximately <b>85-90</b> identified homeless youth ages 0-24.	Public service activities other than Low/Moderate Income Housing Benefit: 100 Persons Assisted  Public service activities for Low/Moderate Income Housing Benefit: 50 Households Assisted



Options For Helping Residents of Ashland	Modification of existing hotel to serve as an emergency shelter and resource center. <b>*Capital Improvement</b>	\$270,170	With CDBG funds provide modifications to a facility to be used as an emergency shelter for up to <b>98</b> homeless and displaced individuals and a resource center serving up to <b>759</b> individuals a year.	Homeless Person Overnight Shelter: 50 Persons Assisted  Overnight/Emergency Shelter/Transitional Housing Beds added: 50 Beds
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### Funding Requested/Available

A total of \$295,170 in CDBG funds has been requested and is available to distribute to eligible recipients for projects meeting the CDBG national objectives, and which are consistent with the City of Ashland 5-year Consolidated Plan.

These funds will be available upon approval of the 2021 Action Plan, and upon the completion of any regulatory requirements including but not limited to environmental review clearance. Upon completion of the Action Plan a public hearing for review and approval will be held before the Housing and Human Services Commission to ensure consistency with the awards designated by the City Council. The U.S. Department of Housing and Urban Development (HUD) must review the annual Action Plan submitted by the City to ensure the activities funded are consistent with federal requirements, and with the local Consolidated Plan. The City will reserve the right to award more or less than this estimate dependent on the final entitlement amount authorized by Congress and the Department of Housing and Urban Development.

### Assessment Criteria

Staff has assessed the proposals to determine whether they meet the Federal CDBG regulations and address the priorities identified within the City of Ashland 5-year Consolidated Plan.

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

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

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



Services Commission and the City Council can only award CDBG funds to projects that can meet all federal requirements and meets an objective as outlined in the City's 5-year Consolidated Plan.

Priorities within the City of Ashland's 5-year Consolidated Plan are given a priority ranking of High, Medium, or Low. The rankings are intended to assist in directing CDBG funds to the greatest needs. In cases where there are competing projects for limited funds, the projects(s) that are ranked the highest will be funded.

## **Public Service Proposal Evaluation**

### **Maslow Project-School Based Services for Ashland Homeless Youth**

Staff has reviewed the Maslow Project, School Based Services for Ashland Homeless Youth Proposal to determine whether it meets the Federal CDBG regulations, and if the proposal addresses the priorities within the City of Ashland 2020-2024 Consolidated Plan. Maslow Project requested \$25,000 in Public Service Grant funds to continue to support a case manager in the elementary, middle and high schools, providing outreach to high risk homeless youth and providing them with immediate needs, case management to keep youth engaged in school and promote stability and self-sufficiency for the homeless youth and their families, and to provide temporary housing to homeless youth and families engaged in services.

- This project proposal qualifies under the Low-Moderate Income (LMI) benefit national objective; homeless populations are a presumed benefit population under the CDBG program.
- Services to homeless and at-risk populations are an eligible use of CDBG funds.
- Maslow's proposal expects to provide services and housing to 90-100 identified homeless school children currently enrolled in the Ashland School District.
- Maslow Project has proven capacity to administer CDBG grant funds-this would be Maslow's eighth year of undertaking this activity in Ashland.
- Staff finds that Maslow Project's proposal is consistent with goals identified in the City of Ashland's 5-year Consolidated Plan.

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

## **Capital Improvement Proposals**

### **Options for Helping Residents of Ashland-Project Turnkey Remodel**

Staff has reviewed the Options for Helping Residents of Ashland's (OHRA) Super 8 Motel Conversion proposal to determine whether it meets the Federal CDBG regulations, and if the proposal addresses the priorities within the City of Ashland 5-year Consolidated plan. OHRA has requested \$270,170 to assist in the conversion of an existing hotel to be used as an emergency shelter and the new home of the resource center to serve homeless and at-risk populations in obtaining and maintaining housing, and also will provide case management and resources to remove barriers to employment and housing.



- This project proposal qualifies under the Low-Moderate Income (LMI) benefit national objective.
- Modifications to a facility to convert it into a homeless shelter and resource center is an eligible capital improvement activity.
- OHRA expects to assist at least 98 individuals a year through the provision of emergency shelter.
- OHRA expects to assist approximately 759 individuals a year through the resource center in this new location.
- Staff finds that OHRA's proposal is consistent with the goals identified in the City of Ashland's 5-year Consolidated Plan.

Staff sees that OHRA's proposal is an eligible use of CDBG funds and is consistent with the City of Ashland Strategies as outlined in the 5-year Consolidated Plan. This activity assists in the prevention of homelessness for low-income and special needs households. Further this project meets and exceeds the 10% leverage requirement of the City of Ashland's CDBG program.

## STAFF RECOMMENDATIONS

Staff recommends award of the 2021 CDBG funds as follows:

- \$270,170 to Options for Helping Residents or Ashland Housing Match Program
- \$25,000 to Maslow Project School Based Services

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

**Public Service Projects:** The City received one public service project proposal. Maslow Project has a successful track records of providing counseling services, resource referrals and, case management to homeless youth and families and those at risk of homelessness. The Maslow project's proposed activity would continue to benefit homeless populations as well but with an emphasis on homeless children enrolled in Ashland schools. It is clear that Maslow has the experience and capacity to administer CDBG grant funds and has exceeded the matching requirements of the grant.

**Capital Projects:** The City received one capital project proposal, OHRA's Super 8 Motel Conversion project. The project qualifies as eligible uses of CDBG funds, the project is ready to proceed and would be able to expend the funds in a timely manner thereby allowing the City to expend the majority of the City's backlog of capital funding. Both the timeline for completion and the budget for the activity is well thought out and achievable. Matching funds have been identified and secured, and the project serves an eligible population.

