



CITY OF BEND

CITY COUNCIL ISSUE SUMMARY

<p>MEETING DATE: MAY 1, 2019</p>	<p>SUBJECT: Public Hearing on the 2019 Community Development Block Grant (CDBG) Funding Awards</p> <p>STAFF MEMBER: Racheal Baker</p> <p>DEPARTMENT: Economic Development</p>
<p>ACTION REQUIRED:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Public Hearing Date: May 1, 2019 <input type="checkbox"/> Ordinance 1st Reading Date: <input type="checkbox"/> Ordinance 2nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information/Direction <input type="checkbox"/> Consent Agenda <i>(adopted by motion)</i> 	<p>ADVISORY BOARD/COMMISSION RECOMMENDATION:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not applicable <p>Comments: The Affordable Housing Advisory Committee recommended approval at their March 27, 2019, meeting.</p>

RECOMMENDED MOTION: I move to approve the 2019 Community Development Block Grant (CDBG) Annual Action Plan and to authorize staff to take all actions necessary to fund the approved activities, including signing loan agreements and related documents, without further approval from Council.

ISSUE / COUNCIL DECISION & DISCUSSION POINTS:

Each year, the City of Bend, with guidance from the Council appointed Affordable Housing Advisory Committee (AHAC), allocates funding to various affordable housing and community development programs. The 2019 CDBG Annual Action Plan was developed over a period of approximately seven months beginning with the Council appointed Affordable Housing Advisory Committee’s review.

Under Community Development Block Grant (CDBG) funding requirements from the U.S. Department of Housing and Urban Development (HUD) and regulations under the Housing and Community Development Act of 1974 (HCA), the AHAC funding recommendations must align with the priorities established in the 2019-2023 Consolidated Plan. In March, the Affordable Housing Advisory Committee carefully reviewed 12 (twelve) applications and recommended the following 11 (eleven) activities be funded at the amounts listed, with the included loan terms:

Bend Area Habitat for Humanity: Homeownership Assistance -- \$250,000

Activity Description: Funding will be utilized to provide low-income Bend families with down payment assistance or other mortgage buy down assistance for home ownership. Loan terms will be 0 (zero) percent annually with payment deferred for first 30 years. In year 31, the loan converts to full amortization with principal and 5 (five) percent annual interest, for full repayment in year 40.

KOR Community Land Trust: Homeownership Assistance -- \$100,000

Activity Description: Funding will be utilized to provide four low-income Bend families with down payment assistance or other mortgage buy down assistance within a Community Land Trust model of home ownership. Loan terms will be 0 (zero) percent annually with payment deferred for first 30 years. In year 31, the loan converts to full amortization with principal and 5 (five) percent annual interest, for full repayment in year 40.

KOR Community Land Trust: Land Acquisition -- \$33,951

Activity Description: Acquire property for development that will provide owner-occupied housing through a Community Land Trust model of individual ownerships of dwellings and trust ownership of land. The homeownership opportunities will target households at fifty to eighty percent Area Median Income. Loan terms will be interest-only at 1 (one) percent annually for first 10 years. In year 11, the loan converts to full amortization with principal and interest of 1 (one) percent annually, for full repayment in year 40.

Bethlehem Inn: Transforming Lives -- \$53,231

Activity Description: Case managers at Bethlehem Inn will provide capacity building support required to achieve a meaningful reduction in homelessness for single adults through a systematic, coordinated approach.

Fair Housing Council of Oregon: Fair Housing Project for the City of Bend -- \$2,500

Activity Description: Funding will be utilized for targeted education and outreach to Bend area housing providers and consumers and by offering information and referral services regarding their fair housing rights. Fair Housing Council of Oregon will perform enforcement activities to ensure that potential victims of illegal housing discrimination are given support and assistance as needed.

Inspire Early Learning Centers: Behavior Support -- \$10,000

Activity Description: Funding will be utilized for a full-time position that supports preschool children who experience acute challenging behaviors.

J Bar J Youth Services: Living Options for Teens (LOFT) -- \$25,000

Activity Description: Funding will be utilized to provide one case manager who will help create comprehensive wrap-around services for youth experiencing homelessness with a focus on education and employment.

NeighborImpact: HomeSource -- \$35,946

Activity Description: Funding will be utilized to provide homebuyer education, home buying coaching and counseling, foreclosure mitigation, reverse mortgage counseling, fair housing education, financial education, financial coaching and counseling, rental workshops, and other asset building and home ownership services for Bend households.

St. Vincent de Paul Society: Evening Hours for Food Pantry -- \$10,000

Activity Description: Funding will be utilized to assist with the expansion of hours of the Food Pantry. The Food Pantry hours will increase into the evening to accommodate members of the community with access to a food pantry after working hours.

Thrive Central Oregon -- \$20,000

Activity Description: Funding will be utilized to connect individual needs with community resources by bridging the gap for community members, meeting them where they are in public spaces to provide vital connection to services and support.

VIM: Medical Care of Low-Income, Uninsured Working Adults -- \$5,000

Activity Description: Funding will be utilized to provide one year of free healthcare to 18 (eighteen) low, very low-, or extremely low-income City of Bend adults who are not eligible for Affordable Care Act insurance. Care will include primary and specialty medical care, prescription medication, mental health care, and targeted health education programs, as necessary. All medical services will be provided by volunteers.

BACKGROUND:

As an Entitlement City for Community Development Block Grant (CDBG) funds through the U.S. Department of Housing and Urban Development (HUD), the City of Bend is required to submit an Annual Action Plan that allocates the City’s entitlement funds for the fiscal year. This Plan is based upon the goals identified in the five-year Consolidated Plan. The Consolidated Plan for 2019-2023, including the 2019 Annual Action Plan, was created with extensive community input. The Consolidated Plan identifies long term goals and strategies for addressing the needs of low and moderate income people in Bend, in alignment with Congress’ defined National Objectives.

CURRENT YEAR BUDGET IMPACTS IDENTIFIED BY DEPARTMENT:

Adoption of the 2019 Annual Action Plan, upon approval by HUD, will entitle Bend to receive \$521,981. CDBG funds (our “entitlement,”) were combined with program income from this past year for a projected total of \$553,981. This year’s recommended allocation includes \$364,887 for programs and \$161,677 for public services. Up to 20% of the funds can be used for administrative costs, which enables the City to pay for staff support to the Committee and program administration.

DEPARTMENT DIRECTOR REVIEW

Reviewed by: Carolyn Eagan Date: 4/24/19

FINANCIAL REVIEW

Reviewed by: Melissa Bradley Date: 4/24/19

LEGAL REVIEW

Reviewed by: Gary Firestone Date: 4/24/19

COMMUNITY OUTREACH PROCESS AND POTENTIAL IMPACTS:

The seven-month process for accepting proposals began in October of 2018. Two trainings for potential applicants were offered on October 22nd and October 29th of 2018. Requests for proposals were published and released November 26, 2018, with the proposals due January 18, 2019. Presentations to AHAC occurred March 13, 2019, and the committee made its initial recommendations for funding at a public meeting on Wednesday, March 27, 2019. A notice was published regarding a public hearing before the Bend City Council regarding the Annual Action Plan on Monday, April 1, 2019. Public Comment will be accepted through the

hearing on May 1, 2019. At the time this issue summary was finalized, no additional public comment was received for the Annual Action Plan.

ATTACHMENTS:

- Applications