

City of Springfield

One-Year Action Plan for FY2011/12

Community Development Block Grant Program

Description

The City of Springfield receives an annual allocation of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The City of Springfield's fiscal year 2011/2012 (FY2011/12) CDBG allocation is projected to be approximately \$552,598. This is a 16.5% reduction from the previous year. Springfield will also use approximately \$19,532 of unallocated funds from previous years to support the activities described in this plan.

The Community Development Advisory Committee (CDAC) was established by the City of Springfield to make recommendations concerning program policy and project selection to the City Council. Springfield allocates CDBG funds annually through a competitive Request for Proposals (RFP) process. One of the funding criteria for project selection is the efficient use of the CDBG dollars. This is demonstrated in a proposal by the amount of additional resources leveraged by the CDBG commitment. Although this funding criterion is weighed against other funding criteria, it has been a significant factor in bringing much needed resources into the community. The CDAC also determined that projects nearing completion should receive additional consideration for funding, as these projects have the potential of providing immediate benefit to the community.

It is anticipated that the FY2011/12 CDBG allocation will leverage other resources that will include but are not limited to the following: Springfield General Fund, other Federal resources, State funds, urban renewal, local assessments for public improvements, private donations, in-kind contributions, and contributions provided by the applicant agency.

Activities Benefiting Low- and Moderate-Income Persons

Generally, Springfield's CDBG-funded programs and projects are provided to low-income residents living within the city limits of Springfield. Individuals participating in a CDBG-funded program are required to meet HUD Income Guidelines. In order to meet the CDBG National Objective of Benefit to Low and Moderate-Income Persons, CDBG-funded projects must either serve a specific low-income area, or provide tangible benefit to low- and moderate-income clientele (services, economic opportunities, housing). Funded programs and projects undergo periodic staff monitoring to ensure compliance with CDBG regulations. It is estimated that no less than \$319,455 of FY11/12 CDBG funds will be spent on activities that benefit primarily low- and moderate-income persons.

Activities for the Prevention or Elimination of Slum and Blighted Conditions

Another national objective of the CDBG program is the prevention or elimination of slums and blighted conditions in neighborhoods and communities, either by designating a specific area or by addressing conditions on a spot basis. The City of Springfield conducted a thorough inventory of structures in the downtown corridor to determine if the area would meet the CDBG qualifications as a Blighted Area. A total of 116 structures were inventoried and a visual inspection was made of the exterior of each structure. 68 structures were determined to have conditions of decay and deterioration. At a public hearing on December 1, 2003, the City Council approved amendments to the 2000 Eugene-Springfield Consolidated Plan to designate a Springfield Downtown Redevelopment Area, in compliance with CDBG regulations. The Downtown Redevelopment Area has boundaries of Mill Street (west boundary), South A Street (south boundary), 10th Street (east boundary) and B Street (north boundary), excluding the residential areas on the south side of B Street between 8th and 10th Streets, and on the north side of A Street between 9th and 10th Streets. The amendments to the Consolidated Plan also included provisions for reserving a portion of the City's annual CDBG allocation for projects that specifically address the problems of blight in the Downtown Redevelopment Area.

The City of Springfield aggregates CDBG public benefit over three consecutive plan years. This Action Plan covers activities for the first year in the three-year aggregate.

Centennial Fountain Square, which is located at the northeast corner of 5th Street and A Street, is a popular gathering place and hosts many community activities. Adjacent to the main entrance to City Hall and owned by the City of Springfield, this space contains the Centennial Fountain which was built in 1985 to commemorate the Springfield's 100th anniversary. Since its construction, the fountain has become a popular landmark and Fountain Square has been used for celebrations, commemorations, concerts, weddings and other community activities. The Springfield Public Library uses Fountain Square as the location of popular children shows and activities. Food for Lane County uses the Square for their very popular free lunch program, and the Springfield Farmers' Market fills Fountain Square with music and vendors every Friday afternoon from May through September.

Fountain Square, including the Centennial Fountain is beginning to show signs of decay, and is in need of renovation and modernization. It is important that this vital open space in the heart of downtown remains a Springfield community asset. The square is located in the Springfield Downtown Redevelopment Area, and is eligible for Community Development Block Grant (CDBG) assistance under the "Slums and Blight – Area Basis" national objective. Improving Fountain Square would be a viable use of downtown set-aside funds. At a public hearing on April 18, 2011, the Council approved the renovation of Centennial Fountain Square as a CDBG "slums and blight" project in the Downtown Redevelopment Area. The Council chose not to assign an allocation of CDBG funds to this activity, but wanted to have it included in the FY2011-12 Action Plan for future funding consideration.

A **Regional Community Food Hub** is being proposed by the Neighborhood Economic Development Corporation (NEDCO) to serve downtown. NEDCO is proposing to use an allocation of CDBG to help with the purchase of a church property located at 4th and A Street. Springfield Christian Church is the current owner, and is actively looking to sell their property. When acquisition has been completed, NEDCO will do an interior renovation to accommodate a year-round farmers' market and a commissary kitchen to be used for classes and micro-enterprise food vendors. The location of the food hub will help to expand the downtown commercial district north from Main to A Street. It is strategically located between the new Justice Center and City Hall. A portion of the CDBG funds being allocated to this project will be under the "slums and blight" national objective, and the remaining CDBG allocation will be for activities to benefit LMI persons.

The Emerald Empire Art Center is receiving an allocation of CDBG funds under the "slums and blight" national objective. The art center is located at the corner of 5th and Main Street in the heart of downtown Springfield, and has been a cornerstone for downtown revitalization. It proudly displays the 2-story high renowned "Oregon Trail" mural on its east facing wall. The north and west exterior walls of the building are in need of extensive renovation to repair water damage caused by a leaky roof.

An allocation table and summaries of each approved project can be found at the end of this section. Funding for grant administration and planning, public services and housing programs in the amounts shown in the table was also approved by the Council at the public hearing on April 18, 2011.

Anti-Poverty and Homeless Housing Continuum of Care Service System

The City of Springfield works with its partners in local government, the City of Eugene and Lane County, in a collaborative effort to address anti-poverty and homeless issues. The intergovernmental Human Services Commission (HSC), composed of elected officials and appointed members from these jurisdictions, allocates funding to address these issues. The HSC is administering a work program that encompasses the following areas:

- Crisis Access & Stabilization Service System
- Short-Term Basic Needs Services
- Transitional Housing Services
- Permanent Supportive Housing Services

The Continuum of Care approach provides for multi-point access to services and linkages among settings and services providers. Not all at-risk or homeless families and individuals will need access to all four components.

It should be noted that the current economic crisis is having a significant impact on the HSC agencies. Funding sources for vital services are being cut or eliminated, while at the same time, the number of individuals and households in need of assistance is growing dramatically. While the City will do what it can to assist the agencies and their clients, it is very clear that the upcoming year will be very challenging for all service providers. The HSC will receive an allocation of approximately \$83,069 in CDBG funds from the City of Springfield, which is equivalent to 15% of the City's FY11/12 allocation.

To further incorporate the Continuum of Care philosophy into its delivery of services, Springfield's Housing Program manages an array of services that benefit very low and low-income persons. The five programs being administered by the housing programs staff address homeless prevention and housing assistance, repair to dwellings owned by low and very low-income households and homeownership through the SHOP. These programs are described more fully in the following narratives (the SHOP narrative will be found in the HOME program section).

Project Homeless Connect for Lane County. The City of Springfield continues to partner with the City of Eugene, Lane County and local non-profit service providers to create Project Homeless Connect for Lane County. Springfield provides staff and funding support to this important community project. The fifth annual PHC event was held on March 17, 2011 and was attended by nearly 1,600 homeless and at-risk persons in our community. This was the largest event to date, and reflects the increased needs of the community as a result of the economic crisis. At the April 18, 2011 public hearing, the Springfield City Council approved a \$3,000 CDBG allocation to support the 2012 PHC event.

City of Springfield CDBG Funded Housing Programs

- The City of Springfield continues to manage the successful CHORE program, one of five City-run housing programs. This program is designed to provide assistance to very low-income, primarily elderly or disabled homeowners in Springfield, and provides basic lawn care services and exterior home maintenance. By helping to maintain the appearance of their property, the CHORE program helps to keep the property and occupants from being identified as "easy" targets of crime and vandalism based on their age and/or disability. In addition to the benefit to the property owner, this activity also benefits the surrounding neighborhood. The City plans to continue the CHORE program and plans to use approximately \$5,000 of CDBG program income, if available, (not to exceed the 15% cap for public services) to provide services to homeowners who are unable to perform these services on their own. The program allows up to \$250 annually to an eligible household for these activities.

- The City of Springfield will continue to provide assistance to qualified low-income homeowners through its Emergency Minor Home Repair Program and the Springfield Home Improvement Program (SHIP). These programs are funded from CDBG program income generated through SHIP loan repayments (when available) and an allocation from the new CDBG grant. The City will allocate \$80,000 from its new CDBG grant for this purpose. Emergency assistance to very low-income renters is available through Springfield's Emergency Rental Assistance Program (ERAP). This program provides single episode assistance to qualified renters. Strict household and property eligibility requirements help to protect this program against abuse or misuse. Funds are very limited and are available on a first-come, first-served basis.

Coordination

Coordination efforts between public assisted housing providers and private and government health, mental health and service agencies is an extremely important activity. It is important, particularly now, when a number of housing providers are including within their programs service components for the residents of their housing projects. Staff also works closely with other resource providers coordinating efforts with the Springfield Utility Board for energy assistance and weatherization, the Lane County Senior and Disabled Services, and the United Way.

The Housing Policy Board (HPB) is an intergovernmental body formed by representatives from Eugene, Springfield, Lane County, and the Housing and Community Service Agency (HACSA) to develop countywide housing priorities. The HPB's mission is "...to increase the availability of decent, affordable housing for low- and very low-income families and individuals in Lane County."

The HPB meets on a monthly basis. The meetings are regularly attended by HACSA, the HSC, Eugene and Springfield staff, non-profit providers, and developers. The agenda topics and information shared at the meetings allows for a formal method of communication to occur on a regular basis. The housing and service groups have established coordination and integration of the total housing delivery system (capital needs and service needs).

Fair Housing Plan (CDBG and HOME Programs)

Eugene and Springfield have a long history of cooperation as they work together to address increasing the supply of low-income housing and furthering fair housing choices. The two jurisdictions formed a consortium to receive federal HOME funds. Elected officials from both jurisdictions serve on the Intergovernmental Housing Policy Board. The Consolidated Plan is another example of the jurisdictions working together.

The federal Fair Housing Act requires the Secretary of HUD “to administer the Department’s housing and community development programs in a manner to affirmatively further fair housing.” The Housing and Community Development Act of 1974 and the National Affordable Housing Act, as amended, govern the administration of CDBG and HOME funding and require participating jurisdictions to certify that they will affirmatively further fair housing.

In order to uphold its commitment to affirmatively further fair housing and meet its federal obligation to engage in fair housing planning, Eugene and Springfield have jointly conducted an “Analysis of Impediments to Fair Housing Choice” that identifies road blocks or “impediments” that affect fair housing choice.

In addition to the issues and actions that are described in the Eugene-Springfield Fair Housing Plan, the following are some of the strategies and programs that the City of Springfield is using to affirmatively further fair housing:

Continue to identify areas in Springfield’s Land Use Policies that may unintentionally restrict, inhibit or otherwise impede the development of affordable housing - A primary goal of the federal Fair Housing Act and its amendments is to provide housing choice for everyone; everyone should be able to live where they choose, if they can find housing in the area of their preference that they can afford. The 2010 Eugene-Springfield Fair Housing Plan identified a number of impediments to Fair Housing, including several that can be addressed in part through land use policies, such as: an inadequate supply of affordable housing; market conditions that increase housing cost or decrease housing choice; and that suitable sites for future affordable housing construction can be difficult to find, expensive to acquire, and may have constraints that limit development opportunities. Because economic needs, regional and local demographics, technological advancements, and other factors that affect housing development are ever changing, evaluation of and development of measures to address land use impediments to housing choice and affordability are ongoing activities at the City of Springfield.

In the coming year, the City will finalize a major residential land use policy project initiated in 2007 that will, in part, address some of the aforementioned impediments to Fair Housing. The City has also developed proposed residential development ‘efficiency measures’ (land use policies) aimed at increasing the likelihood that residential development will occur with housing types, mixes, and densities sufficient to accommodate the projected 20-year housing needs. These efficiency measures are incorporated into the Springfield 2030 Refinement Plan, a new refinement plan of the Eugene-Springfield Metropolitan Plan.

The proposed efficiency measures are intended to remove regulatory barriers to siting and constructing more diverse higher density housing types and mixes in existing residential neighborhoods, in mixed-use nodal development centers, and along corridors served by frequent transit service. These measures include: increasing maximum building heights; increasing density maximums; creating provisions for density averaging; establishing density minimums; redesignating land to establish transit-oriented high-density residential neighborhoods in target redevelopment areas; establishing additional target areas for the applicability of vertical housing tax incentive programs; and applying a new residential low-moderate zoning district in targeted areas to create opportunities for siting and constructing more a more diverse neighborhood housing type and mix. The measures also include establishing a variety of task teams to: address regulatory impediments to constructing attached housing types, cluster developments, and multifamily housing, as well as affordable housing types on sloped lands; update hillside development standards to support density transfers in the Hillside Overlay District; and update street design standards that address efficient land use, potential cost savings, new ways to manage stormwater, climate issues, emergency access and traffic concerns.

The City's proposed plan will designate sufficient land to accommodate an overall mix of approximately 60% new single family and 40% multi-family dwellings in the 20-year plan horizon. The plan will include some or all of the aforementioned policies that will likely increase the efficiency of land use in Springfield, which in turn will help address rising housing costs in Springfield. By keeping abreast of housing needs, the City of Springfield can better ensure the availability of housing opportunities for all of its citizens.

Fair Housing Hotline - Our contract for a fair housing consultant and operator of a 24-hour fair housing hotline is a key component in Springfield's ongoing commitment to affirmatively further fair housing. The fair housing consultant provides is a valuable resource to people who feel that their rights to housing in Springfield have been violated. The consultant is also a valuable resource for property managers and landlords whether or not they are the focus of fair housing complaints. The fair housing consultant is able to educate and train them in the current state of fair housing law, answer questions they may have regarding their enforcement and eviction practices, and mediate tenant landlord disputes. By providing timely and accurate information to tenants, landlords, and property managers, the consultant is able to assist in the resolution of many housing related complaints, before they escalate. The City of Springfield's AI states under "Rental Practices" that the lack of fair housing training being provided to rental managers and landlords may contribute to the higher incidents of complaints in the rental market (relative to the ownership market). Our contract with the fair housing consultant addresses this impediment, and supports Springfield's certification to affirmatively further fair housing. The City of Springfield is contracting with the Fair Housing Council of Oregon to provide these services for FY2011/12.

Emergency Rental Assistance - In response to requests and queries from area housing providers, the City of Springfield designed and implemented the Emergency Rental Assistance Program (ERAP) in 2003. The providers identified a need for one-time

assistance to help households who are facing eviction for non-payment of rent, due to extraordinary or catastrophic circumstances. The program will pay 60% of the past-due rent (up to \$400). Strict programmatic requirements help to ensure that assistance is provided where the need is greatest, and where the probability of long-term benefit is evident. By curing evictions and helping people remain in their homes, this activity supports the City of Springfield's certification to affirmatively further fair housing.

Springfield Home Ownership Program - The City of Springfield continues to administer the very successful Springfield Homeownership Program (SHOP). The SHOP provides downpayment assistance for low-and very low-income households. SHOP brochures and posters have been printed in both English and Spanish language versions. The cities of Eugene and Springfield combine efforts to provide ongoing lender and realtor training. In addition Springfield staff avail themselves regularly to agencies and organizations to provide SHOP training to their employees, associates and clients.

Springfield staff continues to work to build relationships with lenders and realtors to increase outreach to the Hispanic population. The result of this collaboration can be seen in SHOP. Of the 35 SHOP loans that were completed in FY2010/11, 31% of the households assisted were been minority households, and 6% were female-headed households.

This activity addresses the specific areas of "*Sales Practices*" and "*Lender Practices*" in Springfield's AI, and supports the City of Springfield's certification to affirmatively further fair housing.

Homeownership in Downtown - In 2008, the Springfield City Council approved a staff request to allow up to \$20,000 of SHOP assistance to eligible households for the purchase of a home in the Downtown Redevelopment Area. The purpose of this action is to encourage the development of affordable homeownership units in the downtown by creating purchase incentives to assist potential buyers. This is just another example of how the City is working to increase and diversify affordable housing opportunities as a way to affirmatively further fair housing in Springfield.

Language as an Impediment to Fair Housing – The City of Springfield has taken great strides to mitigate the impact of language as an impediment to fair housing opportunities. The City's Housing Planner is fluent in Spanish and will be available to interpret for clients and translate related housing documents. All of the current housing staff for the City of Springfield have participated voluntarily in a Beginning Spanish class offered to City employees. One staff member took two semesters of college level Spanish and is called on to assist with Spanish speaking citizens that visit City Hall. In addition, all of the various housing program brochures have been printed in Spanish, and our Fair Housing provider is fluent in Spanish. As mentioned earlier, the City also sponsors the "The ABCs of Homebuying" classes in Spanish. We will continue to develop our outreach capabilities as a means of providing fair housing opportunities. As an additional resource, the Fair Housing Council of Oregon provides all of their hotline, information, outreach and enforcement services in Spanish and English.

Housing Outreach - Housing Programs Staff routinely participates in many community outreach events to inform low and moderate-income persons of the opportunities that are available to them through the City's housing programs. The City has been fortunate to be able work closely with the Neighborhood Economic Development Corporation (NEDCO) in their role as the Homeownership Center of Lane County. They provide a comprehensive array of services that together help families achieve their goal of homeownership. The services include providing information on first time homebuyer programs, providing homeownership education and counseling through the Threshold Homeownership Education and Counseling Program and the ABC's of Homebuying class, working with lenders and real estate professionals who have a mission to help first time homebuyers. Through the Regional Housing Center staff has had numerous opportunities to participate in Mortgage Broker/Lender and Realtor training as well as the Oregon Real Estate Symposium. Recently, the City used CDBG, HOME and Section 108 funds to assist NEDCO with the purchase of an historic building in Downtown Springfield. NEDCO has completed the move to the new facility and is currently operating homebuyer classes and counseling sessions from their new facility. This move will further strengthen the relationship between the City and NEDCO, and help the community meet its diverse housing needs.

Reduction of Lead-Based Paint Hazard (CDBG and HOME Programs)

Background

The health risks to young children posed by lead-based paint in residential dwellings remain an important issue. Progress in research and technology during the past 25 years has improved the understanding of how children are poisoned and our knowledge of how to better protect them, yet lead-based paint risks to children is still a significant problem nationally. In an effort to address this problem, HUD published its Final Rule to Title X of the 1992 Housing and Community Development Act in September 1999. This rule, referred to as the Lead Safe Housing Regulation, requires certain prescribed actions by HUD grantees to identify, stabilize, or remove lead-based paint hazards in housing receiving HUD assistance. The scope of activities required by HUD is largely dependent upon the type of housing affected and the amount of Federal assistance provided, with rehabilitation activities using in excess of \$25,000 of HUD funds requiring the highest level of treatment. Initially, all HUD grantees were required to be in compliance with the rule by September 2000. Because of the insufficient numbers of qualified lead hazard contractors, an extension for compliance was given until April 2001. The rule only affects residential structures built before 1978. Currently, there is no plan for HUD or another section of the Federal government to provide funding to jurisdictions to help pay for the cost of implementing the lead-based paint regulations.

City Administered Housing Rehabilitation Programs

It is estimated that, in the cities of Eugene and Springfield, approximately 55,000 units of housing were built prior to 1978, and may contain lead-based paint. This represents 70%

of all housing units in the metropolitan area. Since the vast majority of the homes assisted through each City's homeowner rehabilitation programs (including emergency minor home repair) are in this age category, it is clear that dealing with the issue of lead-based paint will have a significant impact on these programs. Many facets of each jurisdiction's housing programs will be affected:

- Costs associated with lead paint testing and treatment will increase the total costs of many small projects, meaning either an increased budget or a reduction in the number of units assisted.
- Temporary relocation of residents while treatment/abatement activities are taking place will add to the project cost, and make higher demands on the assigned staff.
- Contractors who can provide the services required for paint stabilization and/or abatement will need to be identified. Contractors who currently participate in city housing programs will need to be made aware of the new requirements.

City Administered Homeownership Programs

The homeownership downpayment assistance programs currently being administered by each City will also be affected by the Lead Safe Housing Regulation, though not to the extent of the rehabilitation programs. Compliance with the new requirements will mean visually identifying deteriorated paint and stabilizing the affected areas using safe work practices. The unit must then be cleared by a certified lead-based paint inspector. It will be incumbent on the seller and listing realtor to take the necessary steps to present a "clean" unit upon initial inspection to avoid costs and delays associated with testing, stabilization, and clearance activities. Sellers and buyers may also choose to forego using downpayment assistance, if compliance with the lead-based paint rule is perceived as being too burdensome.

Non-Profit Housing Rehabilitation Projects

Acquisition and rehabilitation activities of older structures undertaken by area non-profit housing providers receiving HUD funds will also be affected. Since these projects often require HUD subsidies exceeding \$25,000 per unit, the cost of treating lead-based paint may add significantly to the overall cost of the project. Additional funds may be required to offset the increase in cost, with the probable result of fewer units being rehabilitated. Key staff of non-profits will need to be trained on the lead-based paint rules, specifically project design, and administration and oversight. Ultimate responsibility for project compliance will fall on the local jurisdiction that provided the HUD funding to the project.

Other Activities

Redirect CDBG funds from Brattain Playground to Riverbend Playground

In FY2008, Springfield Public Schools (SPS) was awarded \$9,250 of CDBG to make improvements to the Brattain Elementary School community playground. In the two years since the award was made, and in response to budgetary needs, SPS decided that it is necessary to close several schools and consolidate services. Brattain Elementary School is one of the schools identified for closure. SPS made a request to the CDAC at the public hearing on March 31, 2011 to redirect the funds to Riverbend Elementary School, whose playground is also in immediate need of renovation. The CDAC approved the request from SPS, and forwarded their recommendation to Council. The Springfield City Council approved redirecting the funds to Riverbend playground at the public hearing on April 18, 2011.

Purchase of Distressed, Undervalued or Beneficial Properties

Occasionally, the City of Springfield is made aware of an opportunity to purchase property that is distressed or undervalued, or whose location and features are such that its acquisition by the City may be beneficial to the community. In the past, the City could not use CDBG and/or HOME funds to assist with the acquisition of such properties because that activity was not included in the current Consolidated Plan. When an opportunity presented itself, the City would, a) pass the opportunity to acquire the property on to area non-profit housing providers, b) allow the market to determine the property's disposition, or c) in the case of distressed properties, let the property lapse into foreclosure. With the rapid increase of land values in Springfield, the City may want to consider acquiring such properties with HOME or CDBG funds, and make them available in the future for purchase and/or development of an eligible project that would benefit the Springfield community. Examples of how this provision could be used:

- Purchase of residential properties prior to foreclosure to be made available for affordable homeownership housing.
- Purchase of vacant land for future use as affordable housing or neighborhood development.
- Purchase of distressed downtown properties for redevelopment.
- Purchase of properties in Glenwood for redevelopment.

Approval by the City Council will be required prior to acquiring any properties. Due to the scarcity of available CDBG and HOME funds, it is anticipated that this provision will be used very sparingly. However, inclusion of this provision in the Five-year Consolidated Plan is necessary in order for the City to consider acquisition with CDBG or HOME funds as an option.

Relocation Assistance

At a work session on April 21, 2008, the Springfield City Council directed staff to investigate the viability of using CDBG and HOME funds to provide limited relocation assistance to mobile home park residents facing forced eviction. Although there are currently no plans for any mobile home park closures in Springfield, the growth and redevelopment of much of the urban core of the city seems to make MH park closures a certainty in the future. The Council felt that it is in the community's best interest to begin discussing and analyzing the options and resources available. Under most circumstances relocation assistance by the City will be provided on a voluntary basis, and not as a required action under the Uniform Relocation Act, CDBG or HOME statutes. This activity was included in the FY2010 One-year Action Plan as an amendment to the current Consolidated Plan. It is unclear how and in what capacity CDBG and/or HOME funds will be used to assist with relocation, but general relocation assistance as a possible activity will continue to be included in the Consolidated Plan.

Contingency Funding and Contract Amendments

It is the nature of CDBG and HOME projects that funding usually comes from a variety of different sources having different requirements. CDBG and HOME funds are often used as leverage by project developers to secure additional funding from foundations, state and local programs and from private donors. CDBG and HOME funds may be one of the earliest funding commitments for projects, and the amounts and terms of these commitments may need to be modified from time to time as the project evolves. Contingency funding during project development and contract amendments during the operating cycle are ways that help to ensure continued public benefit for CDBG and HOME projects. Contingency funding allows the City to invest additional funds into a developing project without the requirement of a full public process, as long as the amount does not exceed 30% of the original allocation. This method is generally preferred over adding a contingency amount at the front end of project development because it doesn't tie up CDBG or HOME funds unnecessarily. Contingency funding is reported in IDIS and is reflected in the Consolidated Annual Performance and Evaluation Report (CAPER).

Although regulations allow CDBG and HOME allocations to be outright grants to eligible projects, the City of Springfield has taken a more individualized approach and creates its CDBG and HOME contracts to fit the needs of the particular project. When proforma operating budgets suggest that projected cash flows will support a loan, funds are loaned instead of granted. Particularly with HOME projects where housing affordability is the primary goal, conditions may occur that make it difficult or impossible for a project to make its HOME loan payments as stipulated in the contract. Allowing staff to amend the terms and/or conditions of the contract to meet the needs of the project will help affordable housing providers stay in compliance with federal affordability requirements. In doing so, projects are able to provide continued public benefit. This is also pertinent to CDBG Business Development Loans, which is a new program that the City started this fiscal year. All amendments to CDBG or HOME contracts shall maintain compliance with CDBG or HOME programmatic requirements.

Neighborhood Revitalization Strategy Area (NRSA)

CDBG and HOME program staff continue to consider the viability of obtaining a Neighborhood Revitalization Strategy Area (NRSA) designation from HUD for the neighborhood adjacent to and including downtown. More specifically, the area is bounded on the south by South A Street, on the east by 10th Street, on the north by Centennial Blvd. and on the west by Water St. and Kelly Blvd.

Creating a NRSA may provide the City with additional flexibility in the use of CDBG funds for community development activities. Certain activities that currently would need to be considered as activities “to eliminate conditions of slums and blight” could be considered as a “low-moderate income area benefit” activity if done in conjunction with a NRSA. This is an important distinction, because slum and blight activities address a secondary CDBG purpose and are subject to a 30% expenditure cap. Low-moderate income (LMI) benefit activities address the primary purpose of the CDBG program, and are not subject to any expenditure cap. A NRSA designation may also provide additional flexibility with neighborhood housing rehabilitation activities, by allowing the aggregation of housing units to meet the 51% public benefit standard required by the CDBG program.

Obtaining a NRSA designation continues to be a future consideration for the City of Springfield.

Downtown Redevelopment Area

With the designation of the Springfield Downtown Redevelopment Area in 2004, the City of Springfield took a major step toward reversing the decades of disinvestment and decay that has plagued the city’s central business area. The City Council has committed CDBG funds to assist two capital projects in the downtown core, and identified a third project for future CDBG funding. These projects are described in the section “Activities for the Prevention or Elimination of Slum and Blighted Conditions”.



Monitoring

Individuals participating in a CDBG-funded program are required to meet HUD Family Income Guidelines. CDBG-funded projects must either serve a specific low-income area or target population. Funded programs and projects undergo regular monitoring by staff to ensure compliance with CDBG regulations.

Five-Year Goals

Performance goals are established for Springfield over the five-year period covered by the 2010 Consolidated Plan. Actual outcomes will be compared to the annual and 5-year goals and will be reported in the Consolidated Annual Performance and Evaluation Report.

Subrecipient Monitoring

Local non-profit social service providers sign contracts that set goals, scope of work, and identify the budget for use of CDBG funds. These contracts are administered by Lane County. Quarterly progress reports are submitted. Annually, staff from the Cities of Springfield and Eugene and staff from Lane County conduct a "risk assessment" of each

agency's performance. A letter is then sent to the agency with any follow-up issues or concerns. These issues are addressed in an on-site follow-up monitoring of selected agencies. For other sub-recipients, City staff reviews the status of the contract regularly and works directly with the agency to review compliance.

City Single Audit

The City of Springfield's external auditors annually review the City's federal grants, including CDBG.

Project Management

CDBG and HOME projects are managed by City staff trained in federal grant administration. Compliance with federal, state and local regulations is monitored throughout the implementation period. Project contracts include a scope of work, timeline, budget and all regulatory requirements (use of minority business enterprises, environmental requirements, mitigation efforts, record keeping, etc.).

Summary of Other Resources

The following is a list of Federal and non-federal public and private funding sources which can reasonably be expected to be available for project development (the City of Springfield does not receive Section 8 funds or McKinney-Vento Homeless Assistance program funds):

- **Oregon Housing Trust Fund.** Administered by the State of Oregon. Eligible activities include acquisition, construction and rehabilitation, and pre-development costs associated with low- and moderate-income housing development. The full amount of Oregon Trust Funds invested into the project is eligible as HOME match.
- **Oregon Affordable Housing Tax Credit Program.** Formerly called the Oregon Lender's Tax Credit Program; administered by the State of Oregon; provides below-market interest rates for low- and moderate-income housing projects. Maximum interest rate reduction is 4% below market, for a maximum term of twenty years. HOME match is calculated by applying the present discounted cash value to the total yield forgone by the lender.
- **Economic Development Initiative (EDI) Special Projects Grants.** The City of Springfield has been successful in the past in securing EDI grants for downtown redevelopment. EDI grants are project-specific awards by HUD to support and stimulate economic development. The Wildish Community Theater was the most recent recipient of an EDI-Special Projects grant from HUD. Although Congress did not provide funding for the EDI program in the Federal FY12 budget, it is likely that the EDI program may be resurrected in future budget years.

- **Low-Income Housing Tax Credits (LIHTC).** This is a federal program that can provide large infusions of capital to affordable housing projects. Tax credits are awarded to a project over a 10 year period. These tax credits are then sold or “syndicated” to private businesses or organizations at less than face value to offset their tax liability. The Royal Building project is the most recent recipient of an LIHTC award.
- **Section 108 Loan Program.** Springfield received its first Section 108 loan in 2009. The loan of \$450,000 was to assist NEDCO with the purchase of a downtown building in which to relocate their offices and classroom. The historic building also includes 4 residential rental units on the second floor and a ground floor retail space on Main Street. Section 108 funds are treated as CDBG funds, and projects are subject to the same national objectives and eligibility requirements.
- **Volunteer Labor.** Area non-profit housing developers have been successful in utilizing volunteer labor in their developments. The Lane Community College Construction Technologies Department has contributed student labor for all phases of housing development. Architects, attorneys, and other professionals have also contributed their services to non-profit housing developments in Springfield. Volunteer labor is eligible as HOME match and is calculated at a flat rate of \$10.00 per hour.
- **State Loan Guarantee Program.** Although this is not a “true source” of funds, this program serves to enhance a loan by providing a warranty as security for up to 25% of the loan value. Used as a tool by housing developers, it can allow lenders to increase their loan amount, and/or decrease the interest rate of the loan at little or no additional risk to the lender. Not eligible for HOME match.
- **Property Tax Exemptions.** Exemptions from City property taxes have been allowed for qualified non-profit housing developers on a project-by-project basis to low- and moderate-income housing developments. Generally based on the benefits provided to the community and the duration of the low- and moderate-income housing commitment, property tax exemptions are eligible as HOME match. The amount of match credit is calculated as the current discounted cash value of the tax exemption.
- **Vertical Housing Development Zone Tax Exemption.** In October 2004, the City of Springfield received a Vertical Housing Development Zone (VHDZ) designation from the State of Oregon. The VHDZ program allows partial property tax exemption for qualified new housing that is built over street level commercial space. An eligible project can receive 20% of tax exemption per floor of housing up to a total of 80%. This program can provide valuable incentives to develop new housing in Springfield’s downtown corridor, which in turn will help support commercial growth and revitalization activities.

- **Private Contributions.** Cash and materials have been contributed in the past by private businesses, corporations, and foundations to assist in the development of low-income housing in Springfield. It is expected that future contributions from private sources will continue to provide needed assistance. Private contributions are eligible as HOME match.

Five CDBG projects, grant administration, Human Services Commission and housing program allocations were approved for funding at a Public Hearing before the Springfield City Council on April 18, 2011 and are included in this One-Year Action Plan. A table of Springfield's CDBG activities and programs, and summary descriptions of Springfield's approved CDBG projects follow this narrative section.

FY2010/11 CDBG Funding Allocations

Funding Amounts:

New Grant Funds \$552,598

Prior Years \$ 19,532

TOTAL AVAILABLE \$572,130

Applicant	Project	Amount	
		New Funds	Prior Years
Lock Out Crime Project	Installation of home security measures for victims of domestic violence or persons at risk.	\$8,468	\$19,532
Planned Parenthood of Southwest Oregon	Assistance with the construction of a regional health clinic in Glenwood	73,893	0
Emerald Empire Art Association	Assistance to repair exterior walls to prevent further water damage	\$31,913	0
Alvord-Taylor, Inc	Renovation of group homes for adults with severe mental disabilities	\$11,337	0
NEDCO	Purchase of downtown property for Regional Community Food Hub	\$153,577	0
	City Housing Programs	\$80,000	0
	Human Services Commission	\$82,890	0
	Grant Administration	\$110,520	0
	Unallocated funds	\$0	\$0
	GRAND TOTAL	\$552,598	\$19,532

Summary of FY2011/12 CDBG Proposals and Approved Funding Amounts

- | | |
|--------------------------|---|
| Project: | Lock Out Crime Project (LOC Project) |
| Location: | 344 A Street, Springfield |
| Developer: | Lock Out Crime Project |
| Approved: | \$28,000 (Priority 1) |
| Total Proj. Cost: | \$70,600 |

The Lock Out Crime Project (LOC Project) is requesting \$28,000 of CDBG funds to assist with the acquisition of hardware necessary to run the program. LOC Project program managers estimate that the funds requested will serve 400 Springfield Households.

The LOC Project is a non-profit organization established in 1990. Since its inception the LOC Project has serviced more than 4,000 homes. Roughly 75%, or 3,000, of those calls for service were for victims of domestic violence and sexual assault.

The LOC Project uses trained volunteers to do home security inspections. The volunteers collectively donate about 200 hours each month. They determine the resident's security needs and provide the hardware and service at no or low cost. The CDBG funds requested will enable the LOC Project to serve more Springfield households.

The LOC Project was awarded \$28,000 in CDBG funds in the 06/07 funding year. They were able to assist 620 households; 10% of which were Hispanic. The majority of the clients served by the LOC Project are victims of domestic violence and/or home invasion. The LOC Project has also been working closely with the Springfield Police Department's liaison with the Latino community as a very high incidence of domestic violence in this population goes unreported.

- | | |
|--------------------------|--|
| Project: | Planned Parenthood Regional Health Facility |
| Location: | 3500 block of Franklin Blvd. |
| Developer: | Planned Parenthood of Southwestern Oregon |
| Approved: | \$73,893 (Priority 2) |
| Total Proj. Cost: | \$8,560,236 |

Planned Parenthood of Southwestern Oregon (PPSO) is requesting \$97,000 of CDBG funds to assist with the construction of a regional health center in Glenwood. The new facility will combine two existing facilities in Eugene and Springfield. The planned project includes 10 exam rooms, 9 counseling rooms and two procedure rooms; a 50% increase in capacity as compared to the two existing facilities. The \$8.5 million dollar

project will be funded primarily through a capital campaign and the sale of the existing facilities. The project has been in development since July of 2010 with groundbreaking targeted for late summer 2011 and completion scheduled for late summer 2012. PPSO owns the land for the proposed site.

PPSO estimates that 34,150 clients will be served at the site; 55%, or 21,170, of those are low and moderate income. Of those an estimated 11,000 are uninsured individuals and families.

PPSO has been providing reproductive health services, family planning and sexual health education in eight counties in southwestern Oregon since 1966. Over 26,000 men, women, and teens received health care services from PPSO in 2010. PPSO is also the recognized authority on sexual health education in the communities they serve. In 2010, nearly 20,000 participants in Lane County took part in 787 sexual health education and training programs.

The proposed medical office building, which was submitted for Site Plan Review on March 11, 2011, is the first major development/redevelopment proposal Springfield has received for the Glenwood Riverfront in decades. The proposed development aligns with Springfield's plans for upgrading Franklin Boulevard, and it implements Springfield's on-site stormwater retention and treatment standards and uses Low Impact Development Approaches, as outlined in the Draft Open Space Chapter. The proposed development meets six of the Glenwood Citizen Advisory Committee's goals for the Glenwood Refinement Plan.

3.	Project:	Emerald Art Center Restoration
	Location:	500 Main Street, Springfield
	Developer:	Emerald Empire Art Association
	Approved:	\$31,913 (Priority 1)
	Total Proj. Cost:	\$63,826

The Emerald Art Association is requesting \$31,913 in CDBG funding to assist in the restoration of the stucco exterior of the Emerald Art Center. Phase 1 of the project is nearing completion and includes the replacement of a leaking roof and dehumidifying of the attic area. Phase 2 consists of restoring and preserving the exterior of the facility. Total cost of Phase 1 and 2 is approximately \$100,000.

CDBG funds assisted with the acquisition and rehabilitation of the building in funding years 1999 through 2001 for a total of \$291,533.

The Emerald Art Center has been one of the key sites in the revitalization of the downtown, as evidenced in the increase in visitors from 6,446 in 2004 to 14,317 in 2010.

4.	Project:	Improvements to Housing for the Developmentally Disabled
	Location:	Five Homes in Springfield
	Developer:	Alvord Taylor Supported Living
	Approved:	\$11,337 CDBG (Priority 1)
	Total Proj. Cost:	\$29,993

Alvord Taylor Supported Living is requesting \$20,995 to assist with projects addressing the health and safety of their residents in five homes in Springfield. The proposed projects each stand alone and can be reviewed on their own merit. All projects described are CDBG eligible and some of them are HOME eligible. The projects are:

- 1) Emerald House driveway. Repair crumbling driveway. The property houses three developmentally disabled adults. Two of whom are diagnosed with a genetic disorder that causes life threatening obesity. The decrepit driveway poses an exceptional mobility challenge to these clients.
- 2) West M Street – replace flooring. The current flooring has seams every six feet. The seams are lifting and peeling causing tripping hazards.
- 3) West M Street – Install ductless heat pump to increase the efficient use of energy in the home. The proposed change would likely reduce the annual heating bill 40-60%.
- 4) Scott Road – Garage conversion to construct manager’s office in recently purchased property to secure medications and provide around the clock services to the residents.
- 5) Pleasant Street- Install flooring similar to West M project.
- 6) E Street- Flooring as described in West M project.

Alvord Taylor has been providing independent opportunities to developmentally disabled adults since 1970. They currently serve over 60 people with disabilities in Springfield in 10 homes throughout the community.

Alvord Taylor employees over 140 the majority of whom provide direct care to their clients. The agency works to involve their clients in the community. Alvord Taylor is one of the vendors at the Springfield Farmer’s Market selling items handmade by their clients.

5.	Project:	Site Acquisition for a Regional Community Food Hub
	Location:	418 A St.
	Developer:	Neighborhood Economic Development Corporation (NEDCO)
	Approved:	\$153,577 (Priority 2)
	Total Proj. Cost:	\$1,400,000

The Neighborhood Economic Development Corporation (NEDCO) is requesting \$259,174 to purchase and renovate the Springfield Christian Church located at 418 A Street to house a regional community food hub. The food hub would serve as a

certified kitchen and food production facilities for small businesses, food car purveyors and farmers. It would also provide a year round market place for farmers, and other vendors and restaurateurs. The project will serve primarily low-income farmers and entrepreneurs and will provide them with access to an expanded market by creating Lane County's first year-round farmer's market.

NEDCO envisions the food hub project as a pivotal strategy to moving downtown revitalization forward. The proposed Food Hub project meets three of the land use objectives contained in the Downtown District Plan and Implementation Strategy; preserve and expand downtown employment, revitalize underutilized sites and increase density and mix of uses. NEDCO proposes a partnership with the City to provide for public parking on the site.

City of Springfield

One-Year Action Plan for FY2011/12

HOME Investment Partnerships Program

Description

HOME Investment Partnerships Program (HOME) funds are received from the U.S. Department of Housing and Urban Development (HUD) and administered by the Eugene-Springfield Consortium for the metropolitan area. The primary purpose of the HOME program is to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for low- and moderate-income families. HOME funds can be used for new construction or rehabilitation of housing projects which will be affordable to low- and moderate-income households, for the acquisition of eligible properties by for-profit and non-profit developers, for tenant-based rental assistance programs, and for first-time homebuyer programs. HOME funds can be provided to the project as a grant or as a loan, and the loan can be set up in various ways; low- or no interest, amortized, deferred or forgiven according to the needs of the project. Springfield's Fiscal Year 2011/2012 (FY2011/12) allocation of HOME funds will be \$408,479.

The HOME Agreement is a document entered into by the City of Springfield and the recipient of HOME funds. The Agreement fixes the amount of the allocation, determines the terms of repayment, defines the performance and monitoring parameters of the project, and certifies acceptance and compliance with all applicable Federal, State, and local regulations. Attachments to the HOME Agreement include a statement of work, HOME affordability requirements, recipient's certification of governmental assistance, a Declaration of Restrictive Covenants and the HOME Allocation Agreement, which determines the allocation of proceeds from the sale of a HOME-assisted project, should the sale occur prior to the expiration of the mandatory compliance period.

A Community Housing Development Organization (CHDO) is a special designation given to non-profit housing developers that meet certain specific requirements pertaining to the formation and stated purpose of the non-profit. A CHDO must have among its purposes the provision of decent housing that is affordable to low- and moderate-income persons. In addition, a CHDO must have representation of low-income community residents on its governing board and must have a defined geographic service area. The complete definition can be found in 24 CFR §92.2. A minimum of 15% of the HOME funds must be reserved for use by CHDOs.

The Community Development Advisory Committee (CDAC) was established by the City of Springfield to make recommendations concerning program policy and project selection to the City Council. The goals of the committee are: 1) To allocate HOME funds in a manner which will serve to expand and preserve the supply of decent, safe and affordable housing for low- and moderate-income residents of Springfield, and 2) To ensure the long term

viability of Springfield's Housing Programs through the efficient use, and return of investment of HOME funds. It is the City's preference to award HOME funds as a loan, with interest rates and repayment provisions matched closely with the needs of each individual project.

Other Resources

The following is a list of non-federal public and private funding sources which can reasonably be expected to be available for project development:

- **Oregon Housing Trust Fund.** Administered by the State of Oregon. Eligible activities include acquisition, construction and rehabilitation, and pre-development costs associated with low- and moderate-income housing development. The full amount of Oregon Trust Funds invested into the project is eligible as HOME match.
- **Oregon Affordable Housing Tax Credit Program.** Formerly called the Oregon Lender's Tax Credit Program; administered by the State of Oregon; provides below-market interest rates for low- and moderate-income housing projects. Maximum interest rate reduction is 4% below market, for a maximum term of twenty years. HOME match is calculated by applying the present discounted cash value to the total yield forgone by the lender.
- **Volunteer Labor.** Area non-profit housing developers have been successful in utilizing volunteer labor in their developments. The Lane Community College Construction Technologies Department has contributed student labor for all phases of housing development. Architects, attorneys, and other professionals have also contributed their services to non-profit housing developments in Springfield. Volunteer labor is eligible as HOME match and is calculated at a flat rate of \$10.00 per hour.
- **State Loan Guarantee Program.** Although this is not a "true source" of funds, this program serves to enhance a loan by providing a warranty as security for up to 25% of the loan value. Used as a tool by housing developers, it can allow lenders to increase their loan amount, and/or decrease the interest rate of the loan at little or no additional risk to the lender. Not eligible for HOME match.
- **Property Tax Exemptions.** Exemptions from City property taxes have been allowed for qualified non-profit housing developers on a project-by-project basis to low- and moderate-income housing developments. Generally based on the benefits provided to the community and the duration of the low- and moderate-income housing commitment, property tax exemptions are eligible as HOME match. The amount of match credit is calculated as the current discounted cash value of the tax exemption.
- **Vertical Housing Development Zone Tax Exemption.** In October 2004, the City of Springfield received a Vertical Housing Development Zone (VHDZ) designation from the State of Oregon. The VHDZ program allows partial property tax exemption for

qualified new housing that is built over street level commercial space. An eligible project can receive 20% of tax exemption per floor of housing, up to a total of 80%. This program can provide valuable incentives to develop new housing in Springfield's downtown corridor, which in turn will help support commercial growth and revitalization activities.

- **Private Contributions.** Cash and materials have been contributed in the past by private businesses, corporations, and foundations to assist in the development of low-income housing in Springfield. It is expected that future contributions from private sources will continue to provide needed assistance. Private contributions are eligible as HOME match.

Leveraging Federal Funds

The City of Springfield allocates HOME funds through a competitive Request for Proposal (RFP) process. The current housing and supportive services needs of the city are outlined in the RFP packet. Housing activities are categorized and prioritized by community need and fund allotments are made by category. Also outlined in the packet are the City's criteria for ranking projects. One criterion is efficiency of use of Federal funds, which can be demonstrated by documenting the status and maximizing the amount of other funding sources. Thus, the most competitive projects will have maximized the funds leveraged by Federal dollars. The City has not had to impose any threshold percentages for leveraged or matched funds; the RFP process has been self-regulating in this respect. The City of Springfield tracks HOME matching contributions on a continual basis to ensure compliance with applicable HOME program regulations, which requires a minimum 25% matching contribution.

- **Low-Income Housing Tax Credits (LIHTC).** This is a federal program that can provide large infusions of capital to affordable housing projects. Tax credits are awarded to a project over a 10 year period. These tax credits are then sold or "syndicated" to private businesses or organizations at less than face value to offset their tax liability. The Royal Building project is the most recent recipient of an LIHTC award.

The Springfield HOME Agreement contains a Subsidy Layering Certification which identifies all sources of project funding. If additional Federal funds are being utilized or applied for, the HOME recipient is required to notify the City. This allows the City to monitor all current and future sources of funds, and to evaluate the project's need for HOME funds. The City will conduct an additional review of subsidy layering at the time that the HOME agreement is put in to place. The City will only contribute HOME funds to projects in the amount that is necessary to provide affordable housing.

HOME Funded Housing Programs

- **Security Deposit Assistance Program.** The effects of the stubborn economic recession are being felt throughout the community. Area social service agencies, food programs and housing programs are especially hard hit, as funding decreases just as the community need for assistance grows. Housing staff from both Eugene and

Springfield are proposing to implement an updated version of the Security Deposit Assistance Program (SDAP), which was created in 1998 by the City of Springfield to improve access to conventional rental housing in Springfield for very low-income homeless and underserved special needs populations. The SDAP provides security deposit assistance to help very low-income households move into safe, decent and affordable housing. By helping at-risk populations with housing needs, the cities will also be helping area service providers who often spend their scarce operating and program resources to find housing for their clients. Springfield will use up to \$10,000 of FY 2011/12 HOME funds for this purpose, and may choose to direct additional HOME program income to this activity, if necessary. The proposed amount will provide security deposit assistance for up to 20 very low-income, at-risk households. Eugene is proposing to use \$50,000 of Eugene HOME funds for this program. The Intergovernmental Housing Policy Board also supports implementation of the SDAP in both Springfield and Eugene.

- **The Springfield Home Ownership Program (SHOP)** provides downpayment assistance to low-income first-time homebuyers. The maximum SHOP assistance is \$10,000 per home. The funds are to be used by the buyer to assist with downpayment and associated closing costs. Demand for SHOP assistance was high in FY10 and the program expended all of its funding by January 2011, assisting 35 low-income households to become homeowners. Some of this increased demand can be attributed to falling home prices and lowered interest rates resulting from the current economic crisis. Although lending has tightened significantly, people are finding homes more affordable than in recent years. We expect demand for the program to remain high in FY11, and with the reduction to the HOME allocation, the city anticipates that SHOP funding will again be fully expended before the end of the fiscal year. Since its inception, the SHOP has helped approximately 520 first time homebuyers purchase homes in Springfield.

Other Activities

- **HOME Funds for Interim Financing.** The City of Springfield has successfully utilized HOME funds for short term, interim financing of HOME eligible projects. Interim financing takes advantage of HOME funds which have been awarded to a project, but have not yet been expended for that purpose. These funds can be used for bridge, construction or other short term financing needs of other projects. The developer who applies for HOME interim financing must provide documentation of sufficient backup financing, and must sign a loan agreement that provides for immediate repayment of the HOME funds when requested by the City. Because of the immediacy of the need for interim financing, application for the funds is a non-competitive, administrative review process. Utilizing HOME funds for interim financing of projects multiplies the community benefit of the HOME program.
- **Purchase of Distressed, Undervalued or Beneficial Properties.** With the rapid increase of land values in Springfield, the City may want to consider acquiring such properties

with HOME or CDBG funds, and make them available in the future for purchase and/or development of an eligible project that would benefit the Springfield community. Inclusion of this provision in the five-year Consolidated Plan is necessary in order for the City to consider acquisition with CDBG or HOME funds as an option. (See "Activities to be Undertaken" in the Springfield CDBG Section for an expanded narrative)

- **Relocation Assistance.** At a work session on April 21, 2008, the Springfield City Council directed staff to investigate the viability of using CDBG and HOME funds to provide limited relocation assistance to mobile home park residents facing forced eviction. Although there are currently no plans for any mobile home park closures in Springfield, the growth and redevelopment of much of the urban core of the city seems to make MH park closures a certainty in the future. The Council felt that it is in the community's best interest to begin discussing and analyzing the options and resources available. Under most circumstances relocation assistance by the City will be provided on a voluntary basis, and not as a required action under the Uniform Relocation Act, CDBG or HOME statutes. This activity was included in the FY2010 One-year Action Plan as an amendment to the current Consolidated Plan. It is unclear how and in what capacity CDBG and/or HOME funds will be used to assist with relocation, but general relocation assistance as a possible activity will continue to be included in the Consolidated Plan.
- **Contingency Funding and Contract Amendments.** It is the nature of CDBG and HOME projects that funding usually comes from a variety of different sources having different requirements. CDBG and HOME funds are often used as leverage by project developers to secure additional funding from foundations, state and local programs and from private donors. CDBG and HOME funds may be one of the earliest funding commitments for projects, and the amounts and terms of these commitments may need to be modified from time to time as the project evolves. Contingency funding during project development and contract amendments during the operating cycle are ways that help to ensure continued public benefit for CDBG and HOME projects. Contingency funding allows the City to invest additional funds into a developing project without the requirement of a full public process, as long as the amount does not exceed 30% of the original allocation. This method is generally preferred over adding a contingency amount at the front end of project development because it doesn't tie up CDBG or HOME funds unnecessarily. Contingency funding is reported in IDIS and is reflected in the Consolidated Annual Performance and Evaluation Report (CAPER).

Although regulations allow CDBG and HOME allocations to be outright grants to eligible projects, the City of Springfield has taken a more individualized approach and creates its CDBG and HOME contracts to fit the needs of the particular project. When proforma operating budgets suggest that projected cash flows will support a loan, funds are loaned instead of granted. Particularly with HOME projects where housing affordability is the primary goal, conditions may occur that make it difficult or impossible for a project to make its HOME loan payments as stipulated in the contract.

Allowing staff to amend the terms and/or conditions of the contract to meet the needs of the project will help affordable housing providers stay in compliance with federal affordability requirements. In doing so, projects are able to provide continued public benefit. This is also pertinent to CDBG Business Development Loans, which is a new program that the City started this fiscal year. All amendments to CDBG or HOME contracts shall maintain compliance with CDBG or HOME programmatic requirements.

Geographic Distribution

A project must be located within the Springfield city limits in order to be eligible for assistance through the City's housing programs. The City has developed a Springfield Community Housing Plan to identify areas of need within the city and to develop assistance programs that target these needs. Need is generally based upon income levels, public safety issues, and physical deterioration. The rationale behind such targeted assistance is to provide decent housing and a suitable living environment principally for low- and moderate-income persons. Such assistance may take the form of any activity described in this Plan. These areas will be limited in size to generally not larger than a census block group. Though assistance will not be limited to the targeted areas, it is anticipated that more comprehensive efforts will be directed at the targeted areas.

With the designation of the Downtown Redevelopment Area, the Springfield City Council and local business leaders have made redevelopment of the core downtown area a priority. Creating a place where people work and live is vital to maintaining a thriving downtown. In 2009 the City invested HOME funds in the acquisition of the NEDCO Building (former Bell Theatre). This historic building has four rental apartments upstairs that will be owned and managed by NEDCO as permanent affordable housing. CDBG and Section 108 funds were also used to assist with the acquisition.

Minority Concentrations

Data from the 2000 Census shows that Springfield has three census block groups that have moderate concentrations of minority/ethnic households. Census tract 21.01, block group 2 is located north of I-105, south of Hayden Bridge Road, east of Pioneer Parkway and west of 5th Street. Census tract 32.02, block group 2 is located to the west of Pioneer Parkway and east of Kelly Butte and is more commonly referred to as the Meadow Park neighborhood. Census tract 33, block group 6 is located north of Centennial Road, south of I-105, east of Pioneer Parkway and west of 10th Street. All three block groups have 15% or higher minority households and 10% or higher Latino/Hispanic households. Please note that some of the households may have self reported in both categories. All three of these block groups have a high number of modestly priced apartment units and a majority of low- and moderate-income households. The City of Springfield expects to have data from the 2010 Census available for inclusion in the next One-Year Action Plan.

Homeless and Special Needs Activities

The City of Springfield plans to continue to provide support for homeless and special needs activities through the utilization of HOME program funding.

Current and past HOME projects that serve this diverse target population are:

- Housing units for transitional and very low-income individuals.
- Transitional housing for homeless families.
- Group homes for developmentally disabled persons.
- Security deposit assistance for homeless and at-risk households.
- Service enriched rental housing for special needs individuals.
- Emergency rental assistance for very low-income households.
- Dedicated housing for low-income seniors

The Consortium provides CHDO operating assistance for local non-profit agencies, two of which serve homeless populations in Springfield through counseling, case management, and other services.

Other Actions

In addition to the homeless and special needs activities described above, the City of Springfield plans to allocate HOME funds to support the following activities in the coming year:

- Acquisition of existing units for permanent affordable rental housing.
- Rehabilitation of existing housing stock to be used for very low-income rental housing for persons with disabilities.
- Downpayment assistance for low-income first-time homebuyers.
- New construction of homeownership units.

In addition, a local non-profit agency also provides homeownership counseling and education to low and moderate-income families in Springfield.

Specific HOME Program Requirements

The City of Springfield currently provides assistance to homebuyers through two programs. Each program has its own resale and recapture provisions.

- **Springfield Homeownership Program (SHOP).** This program provides downpayment assistance to low- and moderate-income first-time homebuyers. The current maximum amount of assistance is \$10,000. The HOME funds are provided to the qualified buyer as a no interest deferred loan which is recorded as a lien against the HOME-assisted property. The lien is repaid in full to the City upon the subsequent resale of the property. There is no expiration date for the lien. Successful completion of a homeownership preparation course conducted by a participating lender or an equivalent program conducted by a participating CHDO is a prerequisite to qualifying for this program. All low- and moderate-income households who have not owned a home in the past three years are eligible for the SHOP.

In addition to the assistance provided to first time homebuyers purchasing market rate homes, the Consortium has elected to provide assistance to homebuyers purchasing homes in housing developments and/or subdivisions constructed or rehabilitated specifically to provide housing for low-income homebuyers an increased subsidy amount up to double the customary SHOP subsidy. The City of Springfield is also allowing a doubling of SHOP assistance for eligible homeownership opportunities in its downtown. All other terms and conditions of the SHOP will remain the same.

- **Lease/Ownership Program.** This homeownership program is operated by local non-profit agencies. The agency assists low-income families by preparing them for homeownership through a series of classes. In addition, a portion of their rent each month is set-aside to assist with the eventual purchase of the home. The HOME investment that is subject to recapture in this program is the amount of HOME assistance that enabled the homebuyer to purchase the dwelling unit. This recaptured amount is repaid to either the HOME Consortium Trust fund or the CHDO which developed the housing and is to be used for housing activities benefiting low-income households in Springfield. Recapture provisions may or may not include language to allow the participating jurisdiction to share in the built up equity in the project. Terms and conditions of the recapture provisions are described in the HOME Agreement for each project.

Three HOME projects, grant administration, CHDO operating support and housing program allocations were approved for funding at a Public Hearing before the Springfield City Council on April 18, 2011 and are included in this One-Year Action Plan. A table of Springfield's HOME activities and programs, and summary descriptions of Springfield's approved HOME projects follow this narrative section.

Homeownership Period of Affordability-HOME Resale and Recapture Provision

The required HOME period of affordability for homeownership projects is based on the amount of HOME funds per unit: under \$15,000 - five years, \$15,000 to \$40,000 - ten years, and over \$40,000 - fifteen years. In order to ensure affordability, either resale or recapture requirements must be imposed.

The HOME Consortium, consisting of the Cities of Eugene and Springfield, has selected the recapture option for all homeownership projects and programs, as described in 24CFR §92.254(a)(5)(ii). The amount subject to recapture is based on the HOME assistance that enabled the homebuyer to buy the dwelling. This amount is referred to as the “homebuyer subsidy” and includes downpayment assistance. It doesn’t include the amount of HOME assistance between the cost of producing the unit and its fair market value. This is referred to as the “development subsidy”. HOME recapture provisions ensure that if; (a) the housing does not continue to be the principal residence of the family for the period of affordability, then all or a portion of the HOME assistance be shall be recaptured.

When the HOME assistance includes the homebuyer subsidy, the Cities have chosen to recapture the full amount of the HOME subsidy whenever the initial owner sells the house. HOME affordability requirements will end upon recapture of the HOME subsidy. The recaptured funds will be deposited into the consortium HOME account and will provide assistance to future HOME projects. If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale option described in 24CFR §92.254(a)(5)(i) must be used. For many new construction projects, a substantial amount of HOME funds are granted on a single unit. A “silent second” loan will be recorded against the property representing these HOME funds. This will allow the mortgage amount to be affordable to a family or individual. This amount would be repaid into the local HOME account at the time of sale by the initial homeowner. This recapture scenario assumes appreciation in the real estate market. If the full amount is not available, either due to market conditions or foreclosure, the cities will recapture the net proceeds available from the sale.

Applicability of HOME Recapture and Resale Provisions

<i>HOME Project Type</i>	<i>Recapture</i>
<i>Ownership – Rehabilitation</i>	Yes
<i>Ownership – New Construction</i>	Yes
<i>Ownership – Acquisition</i>	Yes

Springfield HOME Allocation Agreement

In addition to the provisions described above, the City of Springfield includes in its HOME Agreement with for-profit developers an Allocation Agreement that describes the sharing of equity in a project proportional to each party’s investment. This Allocation Agreement comes into effect only if the for-profit developer sells or otherwise transfers title to the property prior to the expiration of the HOME compliance period. All proceeds allocated to

the City by this Agreement will be deposited into the HOME Trust Account, to be used for future HOME-eligible housing projects. The primary purpose of the Allocation Agreement is to protect the integrity of the HOME program by guarding against the taking of excess profits or windfall from the sale of a HOME-assisted project by a for-profit developer.

Monitoring

Regulations state that the One-Year Action Plan must describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the Plan and to ensure that long-term compliance with requirements of the programs involved.

- **HOME Project Monitoring** – Client income certification sheets are submitted annually by developers of HOME-funded projects and are placed in the project file. On-site monitorings of income documentation are completed. Housing Quality Standards inspections of HOME-assisted units are conducted on a one-, two-, and three-year cycle based on the number of HOME units. The inspector summarizes the findings and any follow-up work required. These inspection forms are filed in the project files.
- **Consortium Monitoring** – The cities of Eugene and Springfield recently entered into a Memorandum of Understanding which states the program responsibilities of the Consortium. Springfield participates in an annual monitoring conducted by the City of Eugene as lead agency.
- **City Single Audit** – The Federal HOME program is reviewed by the City's external auditors annually.
- **Project Management** – A project manager is assigned to each project. The project manager reviews projects for compliance throughout the implementation of the project. Project contracts include a scope of work, timeline, and budget as well as regulatory requirements – use of minority business enterprises, environmental requirements, mitigation efforts, record keeping, etc.

FY 2011/12 HOME Funding Allocations

Funding Amounts:

New Grant Funds	\$ 408,479
Previous Year's PI	\$ 579
TOTAL AVAILABLE	\$ 409,058

Applicant	Project	HOME Amount	
		New Funds	Previous Year's P.I.
Alvord-Taylor, Inc.	Renovation of group homes for adults with severe mental disabilities	\$9,079	\$579
Springfield-Eugene Habitat for Humanity	New construction of homeownership housing in Meyer Estates, final phase	\$45,000	-
NEDCO	Foreclosure Recovery Program	\$183,128	
	Grant Administration*	\$ 40,848	-
	City Housing Programs	\$110,000	-
	CHDO Operating	\$ 20,424	-
	Unallocated amount (carry forward to next year)	-	-
	Subtotal	\$408,479	-
	GRAND TOTAL	\$409,058	

*In addition, Springfield will continue to assign 10% of all program income received within the program year to HOME Grant Administration

Summary of FY2011/12 HOME Proposals and Approved Funding Amounts

1.	Project:	Improvements to Housing for the Developmentally Disabled
	Location:	Five Homes in Springfield
	Developer:	Alvord Taylor Supported Living
	Approved:	\$9,658 HOME (Priority 1)
	Total Proj. Cost:	\$29,993

Alvord Taylor Supported Living is requesting \$20,995 to assist with projects addressing the health and safety of their residents in five homes in Springfield. The proposed projects each stand alone and can be reviewed on their own merit. All projects described are CDBG eligible and some of them are HOME eligible. The projects are:

- 1) Emerald House driveway. Repair crumbling driveway. The property houses three developmentally disabled adults. Two of whom are diagnosed with a genetic disorder that causes life threatening obesity. The decrepit driveway poses an exceptional mobility challenge to these clients.
- 2) West M Street – replace flooring. The current flooring has seams every six feet. The seams are lifting and peeling causing tripping hazards.
- 3) West M Street – Install ductless heat pump to increase the efficient use of energy in the home. The proposed change would likely reduce the annual heating bill 40-60%.
- 4) Scott Road – Garage conversion to construct manager’s office in recently purchased property to secure medications and provide around the clock services to the residents.
- 5) Pleasant Street- Install flooring similar to West M project.
- 6) E Street- Flooring as described in West M project.

Alvord Taylor has been providing independent opportunities to developmentally disabled adults since 1970. They currently serve over 60 people with disabilities in Springfield in 10 homes throughout the community.

Alvord Taylor employees over 140 the majority of whom provide direct care to their clients. The agency works to involve their clients in the community. Alvord Taylor is one of the vendors at the Springfield Farmer’s Market selling items handmade by their clients.

2.	Project:	Meyer Estates Phase IV
	Location:	North A Street (west of 49 th), Springfield
	Developer:	Habitat for Humanity
	Approved:	\$45,000 (Priority 2)
	Total Proj. Cost:	\$322,860

Habitat for Humanity is requesting \$45,000 in HOME funds to assist with the construction of the final three units in the ten-unit Meyer Estates subdivision located on North A Street just west of 49th Street in Springfield. Habitat received a total of \$200,000 in HOME funds from funding year 2007 through 2009, equivalent to a \$20,000 per unit subsidy. To date six of the units are complete and the seventh unit is underway.

This final request would provide an additional \$15,000 per unit to complete the last three units. In this uncertain economic time it has been difficult for Habitat to secure adequate funding through the sponsors. The infusion of additional HOME funds would allow habitat to complete the homes in a timely manner.

Habitat for Humanity serves and works in partnership with low-income individuals and families with incomes from 30-60% of the area median. The families are selected based on need, willingness to partner and ability to pay. Habitat currently has three qualified families waiting for the Meyer Estates homes.

3.	Project:	Foreclosure Recovery Program
	Location:	Scattered Sites, Springfield
	Developer:	Neighborhood Economic Development Corporation (NEDCO)
	Approved:	\$183,128 (Priority 3)
	Total Proj. Cost:	\$498,000

The Neighborhood Economic Development Corporation (NEDCO) is requesting \$200,000 to purchase four bank owned homes to use as affordable rentals for 15 years. The properties will be rented to low and moderate-income former homeowners at risk of homelessness. Renters will reside in the property for a two year rehabilitation period during which they will work closely with a homeownership counselor for intensive financial recovery in order to get back into the mainstream rental market and eventually in to homeownership.

NEDCO Has long provided comprehensive pre-purchase homeownership counseling and education, and has provided foreclosure intervention counseling and education since 2008. NEDCO was selected by the State of Oregon to manage the Federal Hardest Hit Funding (a foreclosure prevention program) for Lane County and other Counties throughout the State. Their extensive homeownership readiness counseling complimented the intent of the hardest hit funding. In addition to working with families to enable them to stay in their homes NEDCO also developed a substantial list of families needing assistant with financial and credit repair services. The focus of this project is twofold: 1) to work with families contacted through requests for counseling and the Hardest Hit funding and 2) to stabilize neighborhoods

through the purchase and rehabilitation distressed properties.

NEDCO received \$205,000 in HOME funds in 2009 to assist with the acquisition of the NEDCO offices and second floor affordable rental units located at 212 Main Street.

Since 1991 NEDCO has developed over 130 affordable homes for low and moderate income first time homebuyers in the Eugene/Springfield area. Three of those units funded by the City of Springfield are yet to be sold. In addition the 2005 allocation of \$200,000 in HOME funds for four scattered affordable home ownership units has a contract balance of \$50,000 pending the acquisition of the fourth home in the agreement.