



CITY OF BEND

Consolidated Annual Performance Evaluation
Report (CAPER) – Program Year 2021

Introduction

This Consolidated Annual Performance Evaluation Report (CAPER) reviews the Community Development Block Grant (CDBG) funded activities undertaken by the City of Bend between July 1, 2021 and June 30, 2022. It is an annual report describing the City's progress toward housing and community development objectives identified in the 2019-2023 Consolidated Plan and the One-Year Action Plan.

The City of Bend receives an annual entitlement allocation of CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD). In 2021, the City received \$543,882 of DCBG funds from HUD and \$466,589 in loan repayments (program income – "PI"). This year's recommended allocation includes \$419,502 for programs and \$185,887 for public services. Up to 15% of the entitlement can be spent on public services as well as 15% of prior year program income. Due to the large amount of loans repaid in the prior year, the City of Bends public service cap has increased. Up to 20% of the funds are eligible for administrative costs, which enables the City to pay for staff support and program administration. Public services and programs were selected through a competitive Request for Proposals process under the review of the Affordable Housing Advisory Committee and then approved by City Council.

The 2021 CAPER evaluates the progress towards achieving the goals and strategies established to address the affordable housing, human services, and employment needs of low- and moderate-income households in our community. A table from the 2019-23 Consolidated Plan that identifies the adopted Priority Needs, Affordable Housing Strategies, and Community Development Strategies. The following document summarizes progress under each of the identified strategies. Electronic copies of the City of Bend CAPER(s), annual Action Plans, and the 2019-2023 Consolidate Plan are available at [Affordable Housing | City of Bend \(bendoregon.gov\)](https://www.bendoregon.gov/affordable-housing).

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

In response to an expanded need for internal and external resources, as well as, to support three newly purchased City properties offering shelter, the City of Bend's Affordable Housing Program evolved into the Housing Department. As the Housing Department restructured and added staff, their purvey developed into guiding Shelter Management at multiple locations, exploring Middle Housing and Accessory Dwelling Unit development and drafting/outreach for tax exemptions directed towards affordable housing. The Department also continued to prioritize leveraging Community Development Block Grant (CDBG) and the City's Affordable Housing Fund (AHF) resources to address increased community needs. These increased housing-related needs are the result of both the on-going COVID-19 pandemic and exceptionally high housing prices in the Bend area. The challenges of developing affordable housing in the City cannot be overstated. The lack of available and buildable land, cost of materials, and supply chain disruptions combined with an influx of second home purchasers and remote

work purchasers and a 10.3% year-over-year appreciation rate has curtailed affordable housing production in a market that is significantly under produced. Housing insecurity and homelessness has grown significantly during the pandemic and the City has attempted to best meet the emergent needs of the community by purchasing two motels and the 2nd Street Shelter (low barrier emergency shelter) and by supporting the creation of service hub or Navigation Center at 2nd Street. The Housing Department staff consulted frequently with subrecipients serving our community including the local housing authority, potential subrecipients, City staff in other departments, City committees, the City Council, State representatives, and government agencies. Major initiatives of 2021 were related to affordable housing production, services for vulnerable communities including those experiencing homelessness and home ownership opportunities for moderate- and low-income individuals and families.

During the 2021 program year, seven service providers received funding from CDBG to address these initiatives.

These included:

- Shepherd's House: 2nd Street Shelter
- Thrive Central Oregon: Connecting People to Community Resources
- Thrive Central Oregon: Emergency Assistance
- Volunteers in Medicine
- Central Oregon FUSE: Permanent Supportive Housing
- Saving Grace: Therapy Services
- NeighborImpact: HouseSource Counseling and Education
- NeighborImpact: HomeSource Mortgage Assistance
- Fair Housing Council of Oregon

Collectively these organizations served 3,488 with CDBG funds in 2021.

The City made headway towards the goal outcomes for affordable housing ownership production. CDBG funds from 2021 assisted Kôr Community Land Trust in a land acquisition for the development of 6 homes for sale to households at fifty to eighty percent of Area Median Income. Through the Affordable Housing Fund, the City provided further support in the pre-construction development of the land.

The City continued carrying out the goal to assist homeless community members with funding for the only low barrier emergency, overnight shelter in the community. In the program year, the City of Bend purchased the building the shelter occupies. In addition to the fixed CDBG award, the Affordable Housing Advisory Committee directed any received CDBG program income, subject to the public services cap, also benefit Shepherd's House shelter project. Shepherd's House 2nd Street Shelter provided beds to 1,922 individuals through the 2021 program year.

As noted above the ongoing impacts of COVID-19 highlighted the inequities for Bend's vulnerable households and individual community members. City staff presented to Council and the community the affirmatively furthering fair housing basis for code changes (See the City staff presentation at <https://youtu.be/h4dC1NAldzY>). Council adopted the codes changes for more middle housing in single-

family zoned areas, such as duplexes, triplexes, quadplexes, townhomes, and cottage clusters. Additionally, Fair Housing Council of Oregon provided a virtual presentation educating participants of their fair housing protections on September 16, 2021, through the City's Welcoming Week program. Then on April 14, 2022, FHCO provided a virtual presentation educating housing providers of fair housing laws.

Finally, the City continues to invest infrastructure resources in alignment with the infrastructure goals of the 2019-2023 Consolidated Plan. In this past program year, affordable housing rental units became available to Bend's community members as a result of infrastructure investments from Tax Increment Financing (TIF) in Bend's Murphy Crossing Urban Renewal Area. The Wishcamper Development, Stillwater Crossing opened sixty 1 and 2 bedrooms apartments. It will eventually offer 240 units. Additionally, infrastructure investments occurred this year and will continue in neighborhoods Bend's 2019 Analysis of Impediments to Fair Housing identified as potential concentrations of poverty.

Limited resources were leveraged for public services, housing development and assistance for persons experiencing homelessness. CDBG funds benefited 3,655 persons. Utilizing the funding enabled:

- 1) the completion of 47 affordable rental units for households at or below 60% Area Median Income (AMI),
- (2) rental assistance for 435 households,
- (3) mortgage assistance for 14 households,
- (4) down payment assistance for 9 households at or below 80% of Area Median Income (AMI) to purchase a new home,
- (5) the expansion of a low-barrier emergency shelter to 100 beds,
- (6) the acquisition of 1 property for the development of 6 low- and moderate-income home ownership opportunities.

An exceptionally challenging real estate market and the on-going COVID-19 pandemic created significant challenges for City staff. By maintaining consistent communications with social service, housing, and business partners, staff were able to respond quickly to requests and sustain support for vulnerable community members. The Housing Department also invested in the purchase and significant training on a streamlined software package, Neighborly. Neighborly enables community partners to more easily apply for funding, access draws, and report results. By leveraging available funds and leading the community to partnership opportunities, the Housing Department were able to move projects forward.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals. Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Assist Homeless with Shelter and Services	Homeless	CDBG: \$0	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0	0%	0	0	0%
Assist Homeless with Shelter and Services	Homeless	CDBG: \$30,364/ CDBG-CV: \$133,566.45	Homeless Person Overnight Shelter	Persons Assisted	150	4,877	3,251.33%	300	1922	640.67%
Assist Homeless with Shelter and Services	Homeless	CDBG: \$0	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	50	100	200.00%	0	30	0%
Assist Homeless with Shelter and Services	Homeless	CDBG: \$11,036.56	Homelessness Prevention	Persons Assisted	500	4590	918.00%	8	19	237.5%

Assist Homeless with Shelter and Services	Homeless	CDBG: \$0	Housing for Homeless added	Household Housing Unit	50	1	2.00%	0	1	0%
Create and Preserve Affordable Home Ownership	Affordable Housing Non-Homeless Special Needs	CDBG: \$145,234.82	Homeowner Housing Added	Household Housing Unit	50	4	8.00%	0	0	0%
Create and Preserve Affordable Home Ownership	Affordable Housing Non-Homeless Special Needs	CDBG: \$0	Homeowner Housing Rehabilitated	Household Housing Unit	10	0	0.00%	0	0	0%
Create and Preserve Affordable Home Ownership	Affordable Housing Non-Homeless Special Needs	CDBG: \$255,000	Direct Financial Assistance to Homebuyers	Households Assisted	50	20	40.00%	11	11	100.00%
Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$0	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0	0%	0	0	0%

Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$0 / CDBG-CV: \$21,891.61	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	0	596	0%	0	435	0.00%
Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$0	Rental units constructed	Household Housing Unit	200	47	23.50%	40	47	117.50%
Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$0	Rental units rehabilitated	Household Housing Unit	25	1	4.00%	0	0	0%

Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$0	Homelessness Prevention	Persons Assisted	0	0	0%	0	0	0%
Infrastructure	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100	0	0.00%	0	0	0%

<p>Infrastructure</p>	<p>Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development</p>	<p>CDBG: \$0</p>	<p>Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit</p>	<p>Households Assisted</p>	<p>100</p>	<p>0</p>	<p>0.00%</p>	<p>0</p>	<p>0</p>	<p>0%</p>
<p>Provide Support to Necessary Public Services</p>	<p>Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development</p>	<p>CDBG: \$17,375</p>	<p>Public service activities other than Low/Moderate Income Housing Benefit</p>	<p>Persons Assisted</p>	<p>1000</p>	<p>3,579</p>	<p>357.90%</p>	<p>45</p>	<p>52</p>	<p>115.55%</p>

Provide Support to Necessary Public Services	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	500	2,702	540.40%	325	1,146	352.62%
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Table 1 - Accomplishments – Program Year & Strategic Plan to Date

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Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The primary goal in City of Bend's Consolidated Plan is to develop and secure affordable rental housing.

Additional goals include:

- (1) supporting necessary public services,
- (2) producing and retaining homeownership,
- (3) increasing the number of homeless shelter units,
- (4) supporting homeless services, and
- (5) infrastructure in conjunction with affordable housing development or economic development in low to moderate-income neighborhoods.

Because of the incredible need for additional affordable housing units in Bend, the City's focus is on the primary goal of providing additional rental units. Unfortunately, navigating the complex and lengthy process of developing affordable housing, the City and its partners face significant barriers. The scarcity and cost of available land combined with supply chain issues and the expense of building materials, hinders all development. The City's most successful affordable housing developers are often unable to utilize CDBG funds. Several of the City's local developers are for-profit businesses, others typically set up private LLCs for each development to ensure that the agency stability despite market fluctuation or unforeseen events. The 133 City-funded affordable rental housing units that became available during the program year were a result of multiple partnerships with both for-profit and non-profit developers that utilized City surplus property, Bend's Affordable Housing Fund resources, the City's Tax Increment Financing funds, and available SDC exemptions. The City anticipates two more affordable housing developments from pro-profit partners to finish this upcoming program year and provide 228 additional rental housing units. Bend provided initial funding for another 131 units from Housing Works (Central Oregon Regional Housing Authority), which will become available in the next Consolidated Plan cycle.

CDBG funds are utilized for local activities that meet the goal to create and preserve affordable homeownership and provide public services.

With the continuation of the COVID-19 pandemic and the severity of the housing crisis, the City's funded public service programs evolved to maintain and/or expand services to vulnerable community members including those experiencing houselessness. It is impossible to meet the need. Bend's Housing Department identified the need of shelter to address the growing population of houseless individuals. Consequently, the City applied CDBG funding toward increasing the capacity of low-barrier overnight shelter. The City applied \$133,566.45 in CDBG funds from the CARES Act with another \$30,364 in CDBG

funds towards Shepherd's House for the continuing operation and expansion of the low-barrier emergency overnight shelter. The shelter increased the bed count from 70 to 100.

The Goal of Supporting Homeless services received significant funding through the CARES Act and other resources outside of CDBG. The addition of a daytime service hub, Navigation Center, significantly improves efforts to access a broad range of providers thereby increasing opportunities to access case management, permanent housing, medical care, and public benefits. The City also increased the number of homeless shelter beds through the purchase of two motels, one of which is being utilized for 41 low, barrier emergency shelter beds and the other is under renovation.

Central Oregon FUSE, with \$11,037 of CDBG in the 2021 program year, provides permanent supportive housing to persons experiencing homelessness, a coexisting condition, a high vulnerability score and a history of repeated usage of jail and/or emergency room services. Thrive Central Oregon received \$43,153 in CDBG funds to connect 895 individuals with community resources.

CDBG funds awarded to NeighborImpact through the HomeSource programs, provided mortgage assistance for 14 low- and moderate-income households struggling to make mortgage payments thereby enabling the retention of homeownership (\$37,498). HomeSource Counseling and Education (\$37,497) provided homebuying coaching and home retention education for 251 Bend households.

Saving Grace utilized funds totaling \$10,000 to provide trauma-informed counseling services to 25 survivors of domestic violence, sexual assault, stalking and human trafficking. Women experiencing homelessness are often the survivors of domestic and sexual assault and CDBG funds support this necessary public service.

Volunteers in Medicine applied for and was awarded \$5,000 in CDBG to provide one year of free healthcare for 10 low- to very low-income adults.

The competition for funding is most acute for public services activities, and these activities generate the most contacts in the community.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	2,662
Black or African American	126
Asian	55
American Indian or American Native	186
Native Hawaiian or Other Pacific Islander	43
Total	3,072
Hispanic	542
Not Hispanic	2,530

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The increased number of black, indigenous, and persons of color (prioritized populations) served corresponds with improved outreach and the diversifying of the community. Based on the reported populations served in Bend with CDBG funds, black and indigenous persons continue to be over represented in the homelessness community. The City will support subrecipients to increase outreach to prioritized populations for services.

The City of Bend is committed to monitoring racial, ethnic, and socioeconomic compositions. Bend will continue to implement inclusive actions to prevent concentrations of housing for prioritized populations and concentrations of poverty.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	1,010,471.48	1,040,361.19

Table 3 - Resources Made Available

Narrative

Adjustments were included in the PR26 CDBG Financial Summary Report for Public Services Unliquidated at the End of Current Program Year. The adjustment of unliquidated funds for the 2021 Program Year will be spent by the awarded subrecipient in the 2022 Program Year.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

Table 4 – Identify the geographic distribution and location of investments

Narrative

City of Bend does not identify target areas. CDBG funds are available for activities throughout City of Bend.

Leveraging

Explain how federal fund leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Bend leveraged \$10,133,009.78 with CDBG, the City's own Affordable Housing Fund, and Bend's Tax Increment Financing resources. The City generated approximately \$1.1 million through a construction excise tax, called the Affordable Housing Fund (AHF). Because this fund has been active since 2006, approximately 1/3 of the funding each year is made up from repayment of loans issued in prior years.

For every dollar expended (or not collected from SDCs), the City leveraged its resources an additional 14 dollars on services and developments completed in the 2021 Program Year. Multiple completed and future developments secured and were committed funding from state and private partners. Future leveraged dollars will be included in following years' reports.

In 2021 the City did not surplus any property for the purpose of developing Affordable Housing. The Housing Department did offer support to Deschutes County as they surplused a large parcel on Bend westside. The parcel will create significant affordable housing rental and purchase options.

When City Council recommends surplus a property, staff prepares a request for proposals (RFP), which is distributed to affordable housing providers and developers. Responses are scored by the Affordable Housing Advisory Committee (AHAC) and recommendations are forwarded to City Council for decision. Affordable Housing staff compiles and maintains a list of potential surplus properties which is regularly updated. City surplus properties are sold for the cost of titling plus the cost the City paid for the land—typically, this is far below current market value. Surplus land often carries a permanent deed restriction to ensure that the land and eventual homes will be available to those making no more than 80% AMI. This year 26 City-funded affordable rental housing units developed were a result of City property surplused in 2016.

In 2021, the Council directed Housing Department staff to explore a Non-Profit Affordable Housing Property Tax Exemption. Providing a property tax exemption for non-profit owned regulated affordable housing was among the four recommended policy considerations outlined in the 2017 ECONorthwest housing study as an impactful tool to support affordable housing development and preservation. Oregon statute (ORS 307:540-548) authorizes local governing bodies such as cities, counties, and school districts to adopt an ordinance that specifically

provides a property tax exemption for nonprofit affordable housing projects. The property tax exemption provides total relief of property taxes paid by the nonprofit and applies to the tax levy of all taxing districts (including local option levies) if 51% of the total rate of taxation within the jurisdiction approves the exemption. The Non-Profit Property Tax Exemption was adopted in 2021 program year.

Finally, the City supports a System Developments Charge (SDC) exemption program that currently exempts all City SDCs for affordable housing. This is revenue that is not replaced with other funding. The SDC ordinance became final in December of 2017, and the City exempted \$173,710.00 in the 2021 program year.

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CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	3	1
Number of Non-Homeless households to be provided affordable housing units	10	59
Number of Special-Needs households to be provided affordable housing units	2	30
Total	28	90

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	415
Number of households supported through The Production of New Units	15	56
Number of households supported through Rehab of Existing Units	0	0
Number of households supported through Acquisition of Existing Units	0	0
Total	15	471

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

Although CDBG resources only produced 56 housing units for the 2021 program year, a significant number of units came available in the City because of AHF funds. Future housing opportunities are expected from a land acquisition with CDBG funding for 6 affordable homeownership developments and a land acquisition with AHF funds for 50 affordable rental units. The City has an overall total of 684 affordable housing units in the pipeline. The lack of available and affordable land combined other expense related costs contributed to the inability to meet the timelines associated with the goals. Projects also experienced delays in committed funding from state resources and necessary development adjustments due to COVID-19. However, many households received rental assistance through CARES Act resources.

Discuss how these outcomes will impact future annual action plans.

Eventually, the land acquisitions from CDBG and Affordable Housing Fund resources in 2020 and 2021 will create more rental units than the strategic goal set in the 2019-2023 Consolidated Plan. These developed rental units may not be a result of any CDBG funding and will likely leverage the City’s other funding resources and state funding. Pursuing affordable rental housing development will need to be maintained in future annual action plans according to Oregon’s Regional Housing Needs Analysis under House Bill 2003 (RHNA).

This assessment also identifies a need for greater housing development of units for households at or below 30% Area Median Income (AMI). It is best practice to provide services with housing for households at this extremely low-income level to maintain stability and avoid homelessness. Deschutes County awarded American Rescue Plan Act of 2021 (ARPA) funding in combination with Bend’s Affordable Housing Fund resources and Oregon Housing and Community Development Permanent Supportive Housing (PSH) Award for the development of Cleveland Commons. This future PSH will offer thirty-four units to formerly chronically homeless persons.

While one-time funding under the CARES Act and other resources allowed Bend to address this need in response to COVID-19, sustained funding to maintain services for such permanent supportive housing will need to be identified in the future. Additionally, the City will need to partner with more permanent supportive housing developers to increase the number of PSH units needed under Oregon’s RNHA.

Additionally, Tax Increment Financing (TIF) development is underway in historically low- and moderate-income Bend neighborhoods. This may improve the economic vitality of the area, but could also gentrify the community. It is important that Affordable Housing resources safeguard housing choice for community members in these neighborhoods.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual*
Extremely Low-income	321	0
Low-income	124	0
Moderate-income	37	0
Total	482	0

Table 7 – Number of Households Served

Narrative Information

Bend is fortunate to have additional affordable housing development resources outside of CDBG. The Affordable Housing Program aims to create 100 housing units per year. Developments that received

CDBG funds in previous years came into the market. Rental assistance funds expensed allowed many community members to maintain housing through the on-going COVID-19 crisis.

Of the households identified in Tables 5-7, awarded subrecipients applied CDBG and CARES Act funds towards home ownership for 9 households, rental assistance for 415 households, and affordable rental units for 47 households. CDBG funds for down payment assistance contributed to the home sales for three female-headed moderate-income households and five female-headed low-income household. CARES Act funds for Thrive Central Oregon's Emergency Assistance program made rental assistance available for 30 moderate-income households, 89 low-income households, and 296 extremely low-income households. Legacy Landing created 47 units of affordable housing for 25 extremely low-income households and 22 low-income households. Of the Legacy Landing households, 25 were female headed and 30 identified as elderly (over 62 years of age).

AHF funds and surplus property benefited 24 households with an affordable rental apartment at Phoenix Crossing, an LIHTC community completed in this program year. Of the Phoenix Crossing community members, 100% were persons from an extremely low-income household, 14 were persons from female-headed households, 2 were elderly (over 62 years of age), 12 identified having a developmental disability, and another 12 identified as fleeing domestic violence.

Far more renters benefited from City of Bend affordable housing resources than homeowners. Bend prioritizes resources for creating and preserving affordable rental opportunities because 25.3% of Bend's community members are severely rent burdened because of the limited rental supply.

Bend receives very minimal reports of substandard housing; however, this is likely because of the significant amount housing costs in the region and willingness of households to tolerate substandard housing. City Council has made it a priority to address persons precariously housed in such substandard housing and/or homeless. A high priority for Council is safe shelter for our community members experiencing homelessness. Council adopted multiple strategies to this effort including (1) code changes for safe overnight parking with services to transition back into housing, (2) code changes and funding for outdoor shelters with services to transition back into housing, and (3) code changes which allowed emergency shelters in more areas of Bend and purchasing hotels to rehabilitation into emergency shelters.

In addition to addressing Bend's vulnerable houseless community members, City Council has made it a priority to address accessibility for our senior and disabled community members. Throughout the year, the City's Accessibility Advisory Committee recommends infrastructure needs for our physically disabled community members.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)
Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In the 2021 Program Year, the City of Bend invested significant time and resources into reaching houseless community members and assessing their individual needs. The City of Bend is committed to providing resources and support to individuals and families facing houselessness and to the community partners that provide services to vulnerable people. The City of Bend has created a webpage to provide updates and resources to the community www.bendoregon.gov/houselessness.

As an active supporter and participant of the Homeless Leadership Coalition, which is the local Continuum of Care organization, the City actively engaged in communicating with the houseless. City staff interacted with its community members experiencing homelessness at the Family Kitchen, at Cascade Youth and Families Center, and at the Shepherd's House 2nd Street Shelter.

Bend participated in an Emergency Homelessness Task Force in partnership with Deschutes County to address the continuum of homelessness. Because persons experiencing homelessness require a spectrum of facilities and services - from a range of low-barrier overnight shelters to higher-barrier emergency shelters - the task force identified City and regional gaps in the continuum and recommended implementing actions to address the needs. Their findings can be found at Addressing Houselessness in Deschutes County (houselessindeschutes.org).

The state legislation under HB 4123 enables the City of Bend to implement the Coordinated Homeless Response Pilot between Deschutes County and the municipalities within it to address houselessness. Bend and Deschutes County, along with other smaller cities, are committed to forming a Collaborative Office to Address Houselessness, pooling resources, coordinating and supporting services for the houseless in Deschutes County.

Addressing the emergency shelter and transitional housing needs of homeless persons

Houselessness continues to grow in the City of Bend and so does the need for emergency shelter and transitional housing. According to the Point in Time count for 2022, the number of homeless individuals in Central Oregon rose 17% and 79% of those peoples were unsheltered.

In the 2021 Program year, the City responded by purchasing three properties dedicated to shelter purposes, expanded available overnight low barrier emergency shelter beds, and worked with community partners to create a service hub to access coordinated care and resources from multiple providers.

The Lighthouse Navigation Center (formerly the 2nd Street Shelter) provides low-barrier emergency congregate shelter for 100 overnight beds and comprehensive daytime services, including assessment and referral for health care, case management, and the tools needed to acquire more permanent housing. The Lighthouse is operated by Shepherd's House Ministries through a contract with the City of Bend and is the recipient of CDBG funding for the overnight shelter.

Franklin Street Shelter (former Rainbow Motel) is a low barrier non-congregate shelter operated by NeighborImpact through a contract with the City. REACH Central Oregon provides individualized case management and skill building to guest of the shelter.

Division Street Shelter (former Bend Value Inn) – A low barrier 28 room non-congregate shelter is under renovation with an expected completion date in early 2023.

The City is also contracting for community outreach for the first Temporary Outdoor Shelter in Bend.

This past year presented several challenges for persons experiencing homelessness. COVID-19 and wildfire smoke in July 2021, created significant health risks to Bend community members experiencing homelessness. City partnerships with Shepherd's House and the HLC provided day service options in multiple locations. This collaboration offered similar day service options in the winter, when temperatures dropped below freezing levels.

The City continues to seek resources and participate in continued conversation regarding the increased need to keep community members housed during the COVID crisis and beyond. Legislative changes to address the need statewide also prompted City staff to create an application that streamlines development of shelters and other solutions supported in the State legislation. Furthermore, the City extensively revised shelter and building code to allow for additional housing types and shelter types throughout Bend.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City provided CDBG funding for a continuum of services that assist individuals and families in maintaining housing or transitioning out of homelessness. The City funded NeighborImpact's HomeSource with CDBG funds. This program provided housing counseling to protect individuals and families from losing their existing home, both for homeowners and for renters. HomeSource program also provided mortgage assistance to vulnerable households. Social workers with Thrive Central Oregon worked with tenants to prevent eviction. Property managers at rent restricted properties throughout

the region refer tenants at risk of eviction to Thrive. Through CDBG funds, Thrive also offered rental and mortgage assistance. Volunteers in Medicine provided uninsured people medical care to improve overall health and reduce vulnerabilities including houselessness. Additionally, the City provided guidance and assistance as needed to the Homeless Leadership Coalition in their continuing efforts to address homelessness in all populations.

The City bought a hotel for households experiencing homelessness. At the time of purchase, the County utilized the hotel as a discharge location for adults released from jail and or prison. The City, County and low-barrier shelter provider continue discussions on how to best support recently discharged adults from jail and prison with shelter, but options are very limited in the region. This need further supports efforts to bring more permanent supportive housing to the region.

This past year Bend awarded \$700,000.00 toward the development of permanent supportive housing. Cleveland Commons will support thirty-four formerly chronically homeless households with housing. The City will need more permanent supportive housing developments to support our community members transitioning from public institutions.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City works with various agencies on addressing the need to transition individuals and families into housing. Most of this work is done through providing CDBG funding support to NeighborImpact, Shepherd's House 2nd Street Shelter, Thrive Central Oregon, and Central Oregon FUSE. The City funded NeighborImpact's HomeSource Counseling and Education with CDBG. The program educates potential renters on how to be responsible members of the rental community while also providing financial literacy training to those with past credit issues. Case management at the navigation services hub through the Shepherds House 2nd Street Shelter provides homeless individuals and families with assistance and education necessary to transition into permanent housing and maintain housing stability. In addition to the referral information Thrive provided, it also served as a hub for information and support for a variety of low-income multifamily developments with the goal of helping residents maintain housing. Central Oregon FUSE offered case management for scattered site permanent supportive housing to formerly chronically homeless persons.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Bend does not have traditional public housing. Central Oregon's Regional Housing Authority, known as Housing Works, coordinates multiple on-going efforts with the City of Bend. In 2021, the City provided AHF funds in an amount of \$900,000.00 to Housing Works for a land acquisition of the third parcel in the Connors development which will offer apartments for low- and moderate-income households.

In the 2021 program year, Housing Works completed two developments. Phoenix Crossing, a City surplus lot awarded to Housing Works in 2016, the project has 24 affordable apartments for vulnerable populations and EPIC Property Management on the bottom floor. Secondly, Legacy Landing opened with 47 apartments. Of the 47 apartments, six will be set aside for qualifying patients of Mosaic Medical with chronic medical conditions, and 4 apartments will be available to senior veterans who are homeless and working with the Veterans Affairs VASH program. All of the residents—as well as general members of the public—will have access to the comprehensive medical services and retail pharmacy provided by Mosaic Medical on the ground floor. Housing Works was also awarded Low-Income Housing Tax Credit funding for this development.

Housing Works is a viable, competent and valued partner of the City of Bend in addressing the needs of affordable housing. In addition to the numerous projects done over the years with Housing Works, the City fully expects this collaboration to continue. Housing Works will be an integral partner in addressing Bend's current rental housing crisis. They are the most experienced and successful developer of large scale affordable housing projects in the region and are the owners of the largest portfolio of affordable housing east of the Cascades.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

Currently, residents of Housing Works properties take part in voluntary family self-sufficiency activities and a resident holds a position on Housing Works' governing board. The City encourages the involvement of affordable housing residents in the management of the facilities and the transition of public housing residents to homeownership.

Actions taken to provide assistance to troubled PHAs

There are no troubled PHAs in Central Oregon.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City of Bend proactively took actions to remove or ameliorate the negative effects of public policies that serve as barriers. In the 2021 Program Year the City undertook significant code revisions to remove barriers to housing and emergency shelters.

The City reduced barriers for development of duplexes and triplexes in zones designated for single-family residences. Oregon legislation followed the City precedent with House Bill 2001, which required municipalities with populations greater than 25,000 to include townhomes, ADU's, duplexes, triplexes and quadplexes in single-family residential zones. City staff presented to Council and the community the affirmatively furthering fair housing basis for the code changes (See the City staff presentation at <https://youtu.be/h4dC1NAldzY>). Council adopted the City codes changes for more middle housing in single-family zoned areas.

Council changes to City Code made safe spaces for persons experiencing homelessness to park and made it easier for providers to develop shelters for houseless community members. These City Code changes will remain in place after temporary state legislation expires.

The City Council continued to prioritize affordable housing development and creating shelter beds for community members experiencing homelessness as council goals this biennium and requested the Affordable Housing Advisory Committee (AHAC) continue to provide any and all recommendations to reduce housing barriers to the Council.

With limited available buildable land throughout Bend, the City pursued and advocated for multiple solutions that would create greater housing options. In 2018, Bend was selected through a competitive bid process for a pilot program under House Bill 4079. This legislation authorizes an urban growth boundary expansion for the purposes of affordable housing creation. Bend continues to work with the housing developer, the state, and county towards annexing the property into the urban growth boundary for development into an affordable housing and market rate community.

In 2017, the City has exempted System Development Charges (SDCs) for affordable housing development. Bend Park and Recreation District (Parks) maintained its SDCs for affordable housing development until 2019, when it adopted an SDC waiver policy cap. Bend continues discussions with Parks to waive future SDCs for affordable housing development and maintain a significant savings for developers.

Council adopted property tax exemptions for non-profit affordable housing developments and mixed-

use developments which would provide more affordable housing. These are just some of the affordable housing developer incentives expected to increase affordable housing in the upcoming program year.

Finally, Housing staff continue their work to affirmatively further fair housing in Bend. Staff is currently drafting its Assessment of Fair Housing as part of the process for the 2023 Consolidated Plan. Additionally, Housing staff regularly work with all other City departments and the County to streamline affordable housing developments throughout Bend, so that all Bend community members can find housing in the neighborhood of their choice.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Lack of adequate, sustainable funding and the increasing needs are the primary obstacles for meeting underserved needs. In the previous year, the lack of information distribution to community members was identified, but with the Navigation Center service hub and community programs are better meeting this need. This past program year, CDBG resources were directed to projects and activities that met the priority needs identified in the Consolidated Plan. Funding provided services to community members experiencing houselessness and vulnerable households.

Primary examples to address meeting the underserved need include: the continued leadership of the Emergency Houselessness Task Force, participation in the Coordinated Homeless Response Pilot, the financial, rehab, and planning support of the Shepherds House 2nd Street Shelter and navigation center, the conversion of two hotels to emergency housing, as well as the on-going CDBG and Affordable Housing Funds projects.

Access to broadband internet increasingly impacts communities economic and community development. According to most recent 2020 ACS estimates, 91.2 percent of Bends households subscribe to broadband. Bends households with higher incomes are more likely to have broadband with an internet subscription. The 2020 ACS estimates on computers and internet report 7.2 percent of Bend households do not have in internet subscription. All households with children enrolled in Bend La Pine Schools receive an iPad and, if needed, a mobile internet hotspot. The local Connect2Compete program provides a broadband internet subscription for 9.95 a month to households with children enrolled in K through 12. Through the Lifeline program, Oregon's Public Utility Commission offers income-qualified households with a monthly discount (up to 15.25) on a phone or broadband (up to 19.25). The Deschutes Public Library makes available computers with internet during its hours of operation and 50 mobile hotspots for check-out up to 3 weeks at a time.

In development of the upcoming Consolidated Plan, Bend will inquire of low- and moderate-income households and, specifically those experiencing homelessness, regarding their experience with access to computers and the internet. Lessons learned from the COVID-19 Pandemic demonstrated the importance of in-home access to the internet. For Bends community members without a home, access is only available to them in public spaces during hours of operation.

Extreme weather instances in the region the past two years also taught valuable lessons. Partnerships between homeless service providers and the City enabled expanding places to sleep and hours of operation at emergency shelters for persons experiencing homelessness to escape winter cold or summer smoke and heat. In the Summer, the City of Bend funded hygiene and cooling stations with water to identified areas where community members were living outdoors. Bend created an Extreme Weather Preparation operating procedure for preparation of further extreme weather occurrences.

Deschutes County updates its Natural Hazards Mitigation Plan (NHMP) pursuant to the Disaster Mitigation Act of 2000 with participation of the municipalities within the county, including Bend. Approval of the NHMP and its Bend Addendum ensures the City's eligibility for disaster mitigation project grants. On November 3, 2021, City Council adopted the City of Bend Addendum to the 2021 Deschutes County Natural Hazards Mitigation Plan. The Addendum addresses potential natural hazards and the potential actions the City can take with Deschutes County.

Future rules and guidance for reducing wildfire risk is expected from Oregon's Land Conservation and Development Commission under Oregon's SB 762. Bend anticipates adjusting policies in alignment with the administrative rules when the rulemaking process is completed.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The City continues research on the lead-based paint hazard in Bend and will explore options for funding lead-based paint evaluation and abatement projects as needed. Additionally, the City acts as a resource to agencies and individuals regarding lead based paint questions and the City is able to provide both risk assessment assistance and consultation regarding hazard abatement and project management. Deschutes County Health Services staff confirmed that lead poisoning was not a significant public health hazard within Deschutes County.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City actively worked with housing and community development providers to help families move out of poverty through the funding and implementation of public service activities, especially those that promote self-reliance, as well as job attainment and retention skills. This also includes those community development activities that assisted the homeless and the near homeless to become engaged in the community, such as permanent supportive housing available through Central Oregon FUSE. Most particularly in the past year, the City provided assistance to maintain housing through Thrive Central Oregon's emergency assistance and through NeighborImpact's housing counseling and education programs, such as their "Ready to Rent" Program. At the end of the Program Year, the Shepherds House 2nd Street Shelter and Navigation Center opened to provide coordinated services directed at moving individuals and families into permanent housing and stabilization.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City continued technical assistance to agencies implementing projects with CDBG funds. Incorporating Neighborly Software as a case management system allowed the City greater access to virtual desk monitoring. Virtual desk monitoring determined organizations' capacity to undertake a CDBG funded project. The results of the virtual desk monitoring assisted organizations in identifying ways to improve capacity, efficiency, and service area analysis (markets), and to improve project performance.

Project requirements for both City staff and the subrecipient organization are monitored and clearly outlined in grant agreements. Grant agreements with subrecipients incorporated specific language from federal regulations. City staff supported strategic plan development of its subrecipients. Finally, City staff provided regular subrecipient training through the year. The results of the risk assessment assist the organization in identifying ways to improve its capacity, efficiency, and service area analysis (markets), and to improve project performance. Many of the actions over the program year improved institutional structure by enhancing coordination with housing developers and service providers in the community, thereby improving the capacity of the City and collaborating organizations to meet the community needs.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City Council has an ambitious housing and shelter development goals for the biennium that include creating 1000 affordable housing units and 500 shelter beds. In the 2021 program year, the Housing Department directly engaged shelter providers to coordinate an expansion of beds and resources to the community. Also personnel investment enabled more robust outreach and assistance.

In the 2020 program year, the City Council recognized the need for additional services operational funding and created a Commercial and Industrial Construction Fund through a construction excise tax (CET) on commercial and industrial development. Any funds generated through the CET program will be applied to housing and services for persons at or below 30% AMI. During the 2021 program year, the CET program did not perform as expected delaying utilization of the funds.

Through its involvement with the Homeless Leadership Coalition, the City of Bend partners with organizations providing services to the homeless population. The City assists in coordinating and funding programs with Central Oregon FUSE, NeighborImpact, Volunteers in Medicine, Shepherd's House, Saving Grace, Shepherd's House, Thrive, and other providers of services to the chronically homeless.

The Affordable Housing Advisory Committee serves in an on-going capacity. The Committee is composed of housing developers, social service professionals, the public-at-large, representatives from local home builders and the real estate industry, and the Chamber of Commerce. Together, they provide valuable expertise to City staff and the City Council and serve to enhance the coordination of service delivery in the broader community.

The City recognizes the importance of coordination and has taken an active leadership in the County and across the state to enhance coordination between public and private housing and social service agencies. Through the Emergency Homelessness Task Force and the future Collaborative Office, the actions of City will further coordinate with local housing and social service providers in the identification, documentation and mitigation of community needs. This will result in a more streamlined and effective service delivery system. The City's Housing Department has doubled staff and capacity. The Affordable Housing Manager serves as a point of contact and to coordinate the City's role in addressing housing and community development needs.

The Affordable Housing Advisory Committee reviews all CDBG applications. The Committee, which is composed of housing developers, social service professionals, affordable housing tenants, realtors, lenders and individuals with experience in addressing housing and community development issues, provides valuable expertise to City staff and the City Council and will serve to enhance the coordination of service delivery in the broader community.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

Impacts of COVID-19 brought attention to inequities for Bend's community members. City staff presented to Council and the community the affirmatively furthering fair housing basis for code changes (See the City staff presentation at <https://youtu.be/h4dC1NAldzY>). Council adopted the City codes changes for more middle housing in single-family zoned areas, such as duplexes, triplexes, quadplexes, townhomes, and cottage clusters.

Fair Housing Council of Oregon (FHCO) received CDBG funding to provide fair housing trainings to Bend community members. FHCO provided a virtual presentation educating participants of their fair housing protections on September 16, 2021, through the City's Welcoming Week program. Then on April 14, 2022, FHCO provided a virtual presentation educating housing providers of fair housing law. A total of 17 community members participated in the FHCO presentations.

Bend's Analysis of Impediments to Fair Housing identified areas of the City where concentrations of poverty and concentrations of racial and ethnic populations could develop. Transportation developments for the next 5 years will include infrastructure for more affordable housing opportunities and street and sidewalk infrastructure that will serve areas of Bend with greater diverse populations, greater poverty populations, greater non-English speaking populations, and greater disabled populations. City staff created an equity mapping tool for the committee tasked with prioritizing the funded developments.

Finally, the City requires CDBG applicants for affordable housing development funding provide an affirmatively furthering fair housing marketing plan and applicants for public services funding provide an equity and inclusion policy for the customers it serves.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

In 2021, virtual trainings and desk monitoring adjustments occurred for subrecipient programs. The initial potential applicant training provided a general overview of program management requirements, financial standards, and community interaction expectations. Additional training occurred to introduce Neighborly Software's case management system. The case management system allowed case file documents to be more easily shared between city staff and its CDBG subrecipients. The City's Affordable Housing Manager reviewed the records of all subrecipients, including goals, objectives, client files (where appropriate), accuracy of reports and supporting documentation. Staff gave virtual trainings in the middle of the program year to the funded programs for more detailed direction.

Virtual meetings and technical assistance facilitated the identification of the following: (1) future training curriculum, (2) additional factors to consider in risk assessments, (3) items to include for review in subrecipient monitoring forms, (4) and dialogue necessary between subrecipients, City staff, the Affordable Housing Advisory Committee, and City Council.

Housing Department staff provided regular subrecipient performance updates to the Affordable Housing Advisory Committee (AHAC). Consequently, AHAC continued to fund programs that perform timely and met benchmarks.

In order to monitor its own performance in meeting the goals and objectives outlined in the Consolidated Plan, the City regularly reviews the Plan and assesses the City's progress toward meeting the goals and objectives in the annual plan. The Annual Plan includes an extensive community process to allocate the CDBG funds.

Affordable Housing Program staff virtually met with potential applicants for the next program year's funding to discuss eligible activities that fit within the potential applicants' established practices. City staff continue to reach out to minority businesses and population specific service providers for funding opportunities. Those discussions will need to continue because the largest barrier for minority businesses and population specific organizations to utilize such funding is capacity to navigate the requirements of the funding.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

Similar to the process of the Consolidated Plan and Annual Action Plan, public comment is encouraged for the CAPER, which is placed online for public to review and assess. The Affordable Housing Advisory Committee evaluates the CAPER and provides staff with feedback to Housing Department staff. While the City's website can be translated into multiple languages, public notices now include information on translation and any documents posted on the website will be translated in accordance with the Four Factor Analysis as outlined in Executive Order 13166. Fortunately, all hybrid (in-person and virtual) public meetings provide captioning in multiple languages. Finally, a copy of the CAPER is sent to the Affordable Housing Advisory Committee for input. No public comments were received.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

No changes have been necessary in the last several years. The goals of Bend's Consolidated Plan appear to be valid even in the hyper-charged housing market that is Bend.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

No changes have been necessary in the last several years. The goals of Bend's 2019- 2023 Consolidated Plan appear to be valid even in the hyper-charged housing market that is Bend.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

The Affordable Housing Department evolved to become the Housing Department to clarify and consolidate the role for both internal resources and for the community. The Department also purchased and implemented the software program to streamline requests for services.

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