



CITY OF BEND

Consolidated Annual Performance Evaluation
Report (CAPER) – Program Year 2022

DRAFT

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, 2022, and June 30, 2023. It is an annual report describing the City's progress.

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 2022, the City received \$558,787 of CDBG funds from HUD and \$187,248 in loan repayments (program income – "PI"). This year's recommended allocation includes \$443,088 for programs and \$141,387 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 Bend's public service cap 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 2022 CAPER evaluates the progress towards achieving the goals and strategies established to address the affordable housing, human services, and community development needs of low- and moderate-income households in Bend. Below, Table 1 identifies the 2019-23 Consolidated Plan 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 the City of Bend's Affordable Housing webpage, www.bendoregon.gov/affordablehousing.

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.

Major initiatives of 2022 were related to affordable housing production, services for vulnerable communities including those experiencing houselessness and home ownership opportunities for moderate- and low-income households. Housing insecurity and houselessness grew significantly during the pandemic and the City has attempted to best meet the emergent needs of the community by opening the Stepping Stone Shelter on Division St., in addition to supporting Shepherd's House in managing the Lighthouse Navigation Center at 2nd Street and the former Rainbow Motel on Franklin Ave. Several Safe Parking sites were opened in Bend, creating additional shelter beds with case management support through local nonprofits. 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.

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: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	4905		0	219	0.00%
Assist Homeless with Shelter and Services	Homeless	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	150	4687	3,124.67 %	325	219	67,38%
Assist Homeless with Shelter and Services	Homeless	CDBG: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	50	70	140.00%	0	30	0.00%
Assist Homeless with Shelter and Services	Homeless	CDBG: \$	Homelessness Prevention	Persons Assisted	500	2971	594.20%	0	0	.000%
Assist Homeless with Shelter and Services	Homeless	CDBG: \$	Housing for Homeless added	Household Housing Unit	50	0	0.00%	0	0	0.00%

Create and Preserve Affordable Home Ownership	Affordable Housing Non-Homeless Special Needs	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	14	0.00%	0	0	0.00%
Create and Preserve Affordable Home Ownership	Affordable Housing Non-Homeless Special Needs	CDBG: \$	Homeowner Housing Added	Household Housing Unit	50	4	8.00%	1	4	400.00%
Create and Preserve Affordable Home Ownership	Affordable Housing Non-Homeless Special Needs	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	10	0	0.00%	0	0	0.00%
Create and Preserve Affordable Home Ownership	Affordable Housing Non-Homeless Special Needs	CDBG: \$	Direct Financial Assistance to Homebuyers	Households Assisted	50	12	24.00%	12	4	36%

Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	596	0	0	0	0.00%
Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	0	0	0	0	0	0.00%
Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Rental units constructed	Household Housing Unit	200	0	0.00%	0	0	0.00%

Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Rental units rehabilitated	Household Housing Unit	25	1	4.00%	0	0	0.00%
Create and Preserve Affordable Rental Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Homelessness Prevention	Persons Assisted	0	596	0.00%	0	0	0.00%

Infrastructure	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		100	0	0.00%	0	0	0.00%
Infrastructure	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	100	0	0.00%	0	0	0.00%

Provide Support to Necessary Public Services	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1000	3904	390.40%	220	720	327.27%
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	1556	311.20%	0	0	0.00%

Provide Support to Necessary Public Services	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	2955	0.00%	0	0	0.00%
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Table 1 - Accomplishments – Program Year & Strategic Plan to Date

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.

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. None of the 156 City-funded affordable rental housing units that became available during the program year utilized CDBG funds; they were all 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 (TIF) funds, and available SDC exemptions. The City anticipates 72 more affordable rental housing units from a for-profit partner this upcoming program year. Bend provided initial funding for

another 156 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 lingering impacts 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 homelessness. It is impossible to meet the need. Bend's Housing Department identified the need of shelter to address the growing population of homeless individuals. Consequently, the City applied CDBG funding toward increasing the capacity of low-barrier overnight shelter. The City applied \$5,431 in CDBG funds from the CARES Act with another \$65,128 in CDBG funds towards Shepherd's House for the continuing operation and expansion of the low-barrier emergency overnight shelter. The shelter maintained its bed count of 100.

The Goal of Supporting Homeless services received significant funding through the CARES Act and other resources outside of CDBG. In July of 2022, the daytime service hub known as the Lighthouse Navigation Center, became fully operational. The Lighthouse 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 added 116 homeless shelter beds through the purchase, remodel, and opening of two motels, known as the Stepping Stone and Franklin shelters.

Central Oregon FUSE utilized \$20,000 of their 2021 CDBG award in the 2022 program year. They provided 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. CDBG funds also supported 39 teenagers experiencing homelessness with case management services through J Bar J's Living Options for Teens (LIFT) program. Finally, Thrive Central Oregon received \$35,760 in CDBG funds to connect 1,944 individuals with community resources.

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	4,520
Black or African American	173
Asian	48
American Indian or American Native	281
Native Hawaiian or Other Pacific Islander	20
Total	5,042
Hispanic	585
Not Hispanic	4,457

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

Narrative

The percentage of black, indigenous, and persons of color (prioritized populations) served has remained statistically consistent since the 2021 CAPER, suggesting sustained outreach efforts and diversification of the community. In 2020, the United States Census Bureau reported that Bend's black population represents only 0.8% of the population, but 4% of houseless persons served identify as black. Likewise, the Census reported that 0.4% of Bend residents are Native American, but 6% of houseless persons identify as Native American. This highlights that black and indigenous persons continue to be over-represented in the homelessness community. The City continues to 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	593,787	447,825

Table 3 - Resources Made Available

Narrative

Usually, adjustments and discrepancies in the accompanying PR26 are explained here. However, IDIS will not allow adjustments.

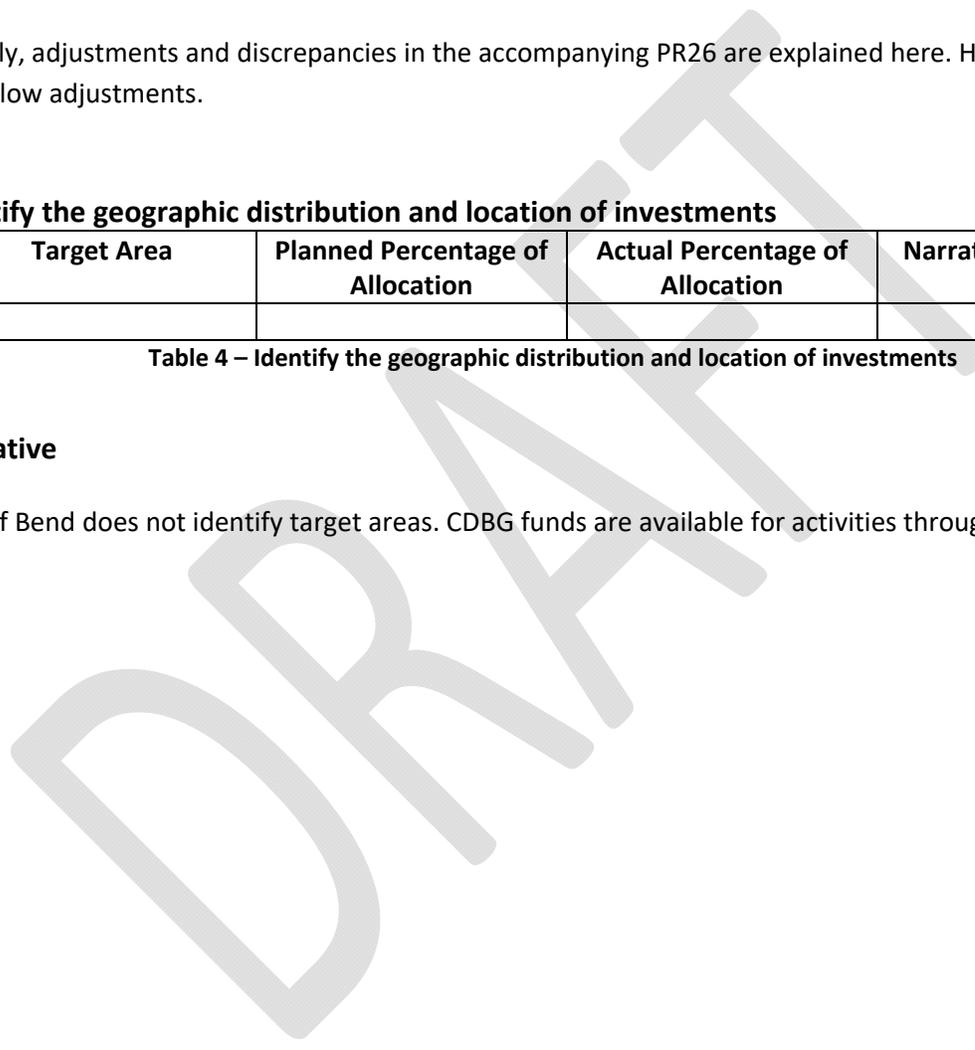
Identify the geographic distribution and location of investments

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 funds 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 \$4,311,548 with CDBG, the City's own Affordable Housing Fund, and Bend's Tax Increment Financing resources. The City generated approximately \$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 10 dollars on services and developments completed in the 2022 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 2022 the City did not surplus any property for the purpose of developing Affordable Housing, but two parcels will be available for surplus in 2023.

When City Council recommends to 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 48 City-funded affordable rental housing units developed were a result of City property surplus in 2015.

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 \$1,850,180 in the 2022 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	2	0
Number of Non-Homeless households to be provided affordable housing units	8	4
Number of Special-Needs households to be provided affordable housing units	2	0
Total	12	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	12	0
Number of households supported through Rehab of Existing Units	0	0
Number of households supported through Acquisition of Existing Units	0	0
Total	12	0

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 4 homeownership housing units for the 2022 program year, 156 rental units and 9 homeownership housing units came available in the City because of AHF funds. The City has an overall total of 556 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 lingering impacts from COVID-19.

Discuss how these outcomes will impact future annual action plans.

Eventually, the land acquisitions from CDBG and Affordable Housing Fund resources between 2020 and 2023 will create more rental units than the strategic goal set in the 2019-2023 Consolidated Plan and will help meet the goals set in the 2023-2027 Consolidated Plan as well. 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 percent 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, projected to open to residents in fall of 2024, will offer thirty-three 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	0	0
Low-income	0	0
Moderate-income	4	0
Total	4	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 with the lingering impacts of the COVID-19 crisis.

Of the households identified in Tables 5-7, awarded subrecipients applied CDBG towards home ownership for 4 households. CDBG funds for down payment assistance contributed to the home sales for two female-headed moderate-income households.

AHF funds and TIF benefited 108 households with an affordable rental apartment at Stillwater Crossing, a Low-Income Tax Credit community which completed 108 units in this program year and 60 in the previous program year. Of the Stillwater Crossing community members, 49 household identified from extremely low-income households, 118 households were female-headed, and 28 were elderly households (over 62 years of age). In 2020, AHF funds benefited 48 households with an affordable rental apartment at Canal Commons 2. An additional 48 units were completed in this program year. Of the additional Canal Commons community members, 23 identified from extremely low-income households, 28 households were female-headed, and 10 were elderly households (over 62 years of age).

Far more renters benefited from City of Bend affordable housing resources than homeowners. Bend prioritizes resources for creating and preserving affordable rental opportunities because 25.5 percent of Bend's community members are severely rent burdened because of the limited rental supply. Housing costs have increased 111 percent since 2015, yet wages have only increased 40 percent. Data trends show low-income households are shifting away from spending more than 30 percent of their income on housing to spending more than 50 percent of their income on housing, both in renters and owners. This trend is also seen in the elderly population, suggesting that the elderly have greater cost burden as their fixed incomes now cover less of rising housing costs.

When completing the 2023-2027 Consolidated Plan, data trends over time showed that the number one increase in housing problems for low-income renters is substandard housing. Moderate-income households see the greatest impact, with a 288 percent increase in substandard housing problems since the last Consolidated Plan. Using CHAS data to determine the age of housing where low- to moderate-income households live, 42 percent live in homes built in 1980 or earlier. This may suggest 2 things: older properties have already been repaired, or newer construction is now need of repair (20+ years old). All of this suggests that the lower income renters are paying more for less quality of 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.

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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 2022 Program Year, the City of Bend invested significant time and resources into reaching houseless community members and identifying 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 a wide spectrum of local service providers. City staff interacted with its community members experiencing homelessness at the Family Kitchen, at Cascade Youth and Families Center, and at shelters known as the Lighthouse Navigation Center, Stepping Stone, and Franklin Avenue Shelter.

Bend also participates in the Coordinated Houseless Response Office (CHRO) with Deschutes County and the Cities of La Pine, Sisters, and Redmond. The CHRO seeks to provide a framework and support for the region to pool resources, increase shelter and provider capacity, and coordinate services for individuals and families experiencing houselessness 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 Bend's 2023 Point-in-Time (PIT) count, 1076 persons identified as living unsheltered in Bend. On July 1, 2022, Bend shelters had capacity to shelter approximately 382 persons per night. As previously noted, during the 2022 program year City Council committed to a goal of increasing shelter beds to 500. To address the shortage of available beds, the City allocated ARPA funds, created a staff position, and applied for a myriad of funding through state agencies. At the end of 2022 program year, the total shelter capacity across the City of Bend was 505 beds.

Houseless individuals consistently report to City staff that there is a lack of shelter beds to meet their needs. Many people advocated for campgrounds geared to tent and RV camping with basic services. People reported the desire to use their own tents and vehicles in a professionally managed site with services like water, electricity, and bathrooms rather than facilities that did not meet their needs due to capacity or other programmatic requirements.

The Lighthouse Navigation Center 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. Prior to June 30, 2022, the site was a warming shelter offering only overnight shelter. The Lighthouse and warming shelter were / are both operated by Shepherd's House Ministries through a contract with the City of Bend. Shepherd's House Ministries is also the recipient of CDBG funding for the overnight shelter.

During FY 2022, the Stepping Stone Shelter (Formerly the Bend Value Inn) underwent major renovations and opened at full capacity in February 2023. This site is a 28-room low-barrier non-congregate shelter operated by NeighborImpact.

In May 2022, the City purchased the 50-room Franklin Avenue Shelter (formerly the Rainbow Motel). During the Stepping Stone renovations, NeighborImpact, through a contract with the City, temporarily operated a low-barrier, non-congregate shelter at this location. After the Stepping Stone renovations were completed, the City was awarded grant funds. In May 2023, the City signed an 18-month contract with Shepherd's House Ministries for operations of this site as a low-barrier emergency shelter.

The City is also contracted for a 20-unit Temporary Outdoor Shelter in Bend. Operated by Central Oregon Villages (COV), the tiny home program opened 8 units in June and will have an additional 12 units open by fall 2023. The COV program is high barrier and includes case management, full bathrooms, a kitchen trailer, office space, and open space.

This past year continued to present severe weather-related challenges for persons experiencing homelessness. COVID-19 and wildfire smoke in summer 2022 created significant health risks to Bend community members experiencing homelessness. City partnerships with Shepherd's House and the HLC provided day service options in limited locations. This collaboration offered similar day service options in the winter when temperatures dropped below freezing levels. During the winter months, the Lighthouse Navigation Center operated over capacity to keep people sheltered.

The City continues to seek resources and participate in conversations around the increased need to keep community members housed. 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. Social workers with Thrive Central Oregon worked with tenants to prevent eviction, and property managers at rent-restricted properties throughout the region to encourage them to refer tenants at risk of eviction to Thrive. Volunteers in Medicine provided uninsured people medical care to improve overall health and reduce vulnerabilities including houselessness. J Bar J's LOFT provided shelter to unhoused teens, supporting them as they transfer out of houselessness and into more stable situations. 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 Franklin Avenue Shelter was purchased with regular debt service in May of 2022. At the time of purchase, the site was used by the County as a discharge location for adults released from jail and or prison. The City, County and low-barrier shelter providers 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 \$218,000.00 toward the operational services of the City's first permanent supportive housing project. Cleveland Commons will support at least 33 of the hardest-to-house chronically homeless community members. 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 and community partners to address the needs of individuals and families transitioning into housing. Most of this work is done through providing CDBG funding support to the Lighthouse Navigation Center, Thrive Central Oregon, and Central Oregon FUSE. Case management at the Lighthouse Navigation Center, Franklin Avenue Shelter, Stepping Stone, Central Oregon Villages, and Safe Parking, 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. At the Navigation Center, more than 30 partner organizations provide reach in connections to move individuals and families into more permanent 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

Housing Works assists Central Oregon families and individuals in obtaining quality, affordable housing options and more. They provide access to well-maintained rental communities, homeownership opportunities, and rental assistance. Housing Works leverages public and private funding obtained through innovative partnerships to create housing opportunities that fill community-defined needs.

While Housing Works does not own “public housing” as defined by HUD, Housing Works operates a significant portfolio of 616 units in Bend (an increase from 546 units in the previous Consolidated Plan submitted in 2019). These consist of 1) affordable housing developed using funding mechanisms such as housing authority bond issuances or low-income Housing Tax Credits which serve a particular target market; and 2) housing that is subsidized on an ongoing monthly basis through various government programs, aimed at serving the lowest income community members. Housing Works maintains their properties in excellent condition. Each Housing Works property maintains its own waiting list for prospective tenants. These lists vary by property and program.

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 Bends 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 makes efforts to identify policies that hinder affordable housing and residential development. Since 2015, Bend worked toward the ability to build higher density housing types, such as duplexes, townhomes, and accessory dwelling units (ADUs) in single-family residential zones. A strained housing market throughout Oregon intensified during the pandemic and the City continued pursuit of code changes that would provide greater upzoning opportunities. In 2019, state legislation (HB 2001) accompanied the City's efforts for additional municipal code updates and allowed greater housing density in single-family housing zones. City staff presented to Council and the community the affirmatively furthering fair housing basis for the additional 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 clarified rules regarding 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.

Council adopted property tax exemptions for non-profit affordable housing developments and mixed-use developments which are intended to provide more affordable housing. These are just some of the affordable housing developer incentives expected to increase affordable housing in the upcoming program year.

Housing staff regularly work with all other City departments to streamline code and processes affecting affordable housing developments throughout Bend, so that all Bend community members can find housing in the neighborhood of their choice. Current policy changes under consideration include the following:

- Updates to the System Development Charges methodologies
- Reimplementing master permitting review
- Offering pre-approved ADU building plans
- Offering information on how to convert a detached single-family home into a duplex

The City expects significant investment and policy direction aimed at housing promotion, affordability, homelessness in 2023 and beyond. City staff monitor the policy proposals. Middle income property tax exemptions are an example of legislation City staff will be prepared to implement after vetting the concept locally in 2022 and proposing policy changes aimed at making the program more implementable.

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: participation in the Coordinated Homeless Response Pilot, rehab, and planning support of the Lighthouse 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. 92 percent of Bend's households subscribe to broadband. Bend's households with higher incomes are more likely to have broadband with an 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.

Bend will continue to 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 Bend's community members without a home, access is only available to them in public spaces during hours of operation. Housing staff outreach asked those experiencing homelessness, regarding their experience with access to computers and the internet. For Bend's community members without a home, access is only available to them in public spaces during hours of operation. Primarily those that identified as houseless reported difficulties charging their phones for access to the internet.

Extreme weather instances in the region in recent 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.

The City's Housing staff meets with the Utilities Department and Fire Department weekly, as they are the departments that address flooding, fire, and water resources. Emergency management for the region is under the Deschutes County's Natural Hazards Mitigation Plan.

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. In 2021, Senate Bill 762, a wildfire preparedness package, was passed in response to wildfires that burned 4,000 homes and more than a million acres in 2020. As a result, a statewide wildfire risk map was launched in June 2022 through a website known as the Oregon Wildfire Risk Explorer. The Oregon Wildfire Risk Explorer places every single tax lot in Oregon in a risk category ranging from zero to extreme. The intention of the site was to assess fire risk levels at neighborhood and parcel levels, ultimately to plan wildfire mitigation and prevention work. In August 2022, the agency withdrew the map after receiving thousands of public comments and appeals from property owners. According to an Oregon Public Broadcasting news article on August 5, 2022, property owners opposing the Oregon Wildfire Risk Explorer blamed the state for lowering tax property values, raising insurance rates, and mistakenly classifying properties in high fire-risk zones in the map. As of March 2023, the Oregon Wildfire Risk Explorer is unavailable while the map is being updated.

In 2023, Bend recently hired its Director of Emergency Management to further its work in planning responses to disasters and major emergencies. The City will be better prepared for natural hazards and climate change risks as the newly hired Director implements a program to respond to these risks and mitigate any potential harm to the community.

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

City of Bend staff has consulted with Deschutes County on Lead Poisoning issues and continues to consult with NeighborImpact, the regional housing rehabilitation provider regarding issues of Lead Based Paint. Additionally, staff have consulted with Oregon Health Authority Lead Poisoning Prevention Program.

The potential exposure to lead-based paint in Bend is lower than many areas, with more than two-thirds of the existing housing stock built in 1980 or later. Any housing developed before 1978 has some risk of lead-based paint, and approximately 26 percent of Bend's housing stock was built before 1979. However, the risk of lead-based paint in these units is far lower than for older housing units.

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 can provide both Risk Assessment assistance and consultation regarding hazard abatement and project management.

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. The Lighthouse Navigation Center, which opened in July of 2022, provides 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 2022 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 commercial and industrial construction tax (CICT) on commercial and industrial development. Any funds generated through the CICT program will be applied to housing and services for persons at or below 30 percent AMI. During the 2022 program year, \$100,000 in CICT funds were paired with \$400,000 in ARPA funds. Six (6) agencies

were awarded funds through a competitive application process. Awardees will provide supports to the community through PSH at Cleveland Commons, rental and mortgage assistance, medical care for uninsured residents, houseless resident supports, and the rehabilitation of Bend's Senior Services HUB building.

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 Bends community members. In 2021, 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. Since these code changes, the Bend community added 288 townhomes, 172 duplexes, and 128 Accessory Dwelling Units (ADUs).

Fair Housing Council of Oregon (FHCO) received CDBG funding to provide fair housing training to Bend community members. FHCO educated participants of their fair housing protections on September 16, 2022, through the City's Welcoming Week program. Then on April 24, 2023, FHCO and the Central Oregon Office of Legal Aid Services of Oregon participated in an educational panel presentation to City staff on fair housing law. The panel explained City staff's impact on housing choice and creating neighborhoods where everyone is able to meet their needs easily and safely.

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. The City continues to invest infrastructure resources in alignment with the infrastructure goals of the 2019-2023 Consolidated Plan. In this past program year, 108 affordable housing rental units became available to Bend's community members because of infrastructure investments from Tax Increment Financing (TIF) in Bend's Murphy Crossing Urban Renewal Area.

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 2022, all CDBG awardees for the program year were monitored with both a desktop audit as well as an in-person monitoring event. Subrecipients were provided with technical assistance, when appropriate, and provided with formal monitoring responses.

In May 2023, report PR-56 (CDBG Timeliness Report) showed that Bend's 2022 program year was untimely, with a draw ratio of 1.71. A Workout Plan was drafted but was later determined to not be required by HUD. Regardless, elements of the Workout Plan will be implemented in the 2023 program year, including moving from quarterly to monthly reporting, quarterly Subrecipient Timeliness Letters, and a formalized Risk Assessment process. Subrecipients were notified of these changes during in-person monitoring as well as in post-award orientation meetings for the next program year.

Prior to opening the 2023 program year application cycle, initial potential applicant training provided a general overview of program management requirements, financial standards, and community interaction expectations. If needed, additional training occurred to introduce or reinforce Neighborly Software's case management system. The case management system allows case file documents to be easily shared between city staff and its CDBG subrecipients. The City's Affordable Housing Coordinator reviewed the records of all subrecipients, including goals, objectives, client files (where appropriate), accuracy of reports and supporting documentation.

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.

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 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.

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CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours	0				
Total Section 3 Worker Hours	0				
Total Targeted Section 3 Worker Hours	0				

Table 8 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	0				
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	0				
Direct, on-the job training (including apprenticeships).	0				
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.	0				
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).	0				
Outreach efforts to identify and secure bids from Section 3 business concerns.	0				
Technical assistance to help Section 3 business concerns understand and bid on contracts.	0				
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.	0				
Provided or connected residents with assistance in seeking employment including drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.	0				
Held one or more job fairs.	0				
Provided or connected residents with supportive services that can provide direct services or referrals.	0				
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.	0				
Assisted residents with finding childcare.	0				
Assisted residents to apply for or attend community college or a four-year educational institution.	0				
Assisted residents to apply for or attend vocational/technical training.	0				
Assisted residents to obtain financial literacy training and/or coaching.	0				
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.	0				
Provided or connected residents with training on computer use or online technologies.	0				
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.	0				
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.	0				

Other.	0			
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Table 9 – Qualitative Efforts - Number of Activities by Program

Narrative

There were no Section 3 activities awarded funds or utilized from previous awards in 2022.

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