



City Of Beaverton **2005-2010 Housing and Community** **Development Strategic Plan**

This Plan was created in coordination with the five-year *Consolidated Plan for Housing and Community Development* required by the U.S. Department of Housing and Urban Development (HUD) from all recipients of community development and housing entitlement grants (including Community Development Block Grants).

DEVELOPING THE PLAN: THE CITY OF BEAVERTON'S PROCESS

Consultation with Stakeholders and the Public

As preparation for drafting the new *2005-2010 Consolidated Plan*, City staff conducted an extensive outreach to stakeholders throughout Washington County and to the general public.

A Needs Questionnaire on housing and community development priorities was distributed to the participants in the Housing and Supportive Services Network, the Washington County Housing Advocacy Group, and agencies who recently received City CDBG Public Service grants. A total of 12 questionnaires were received by the City. Generally, strongest support was registered for supportive services in connection with affordable housing, a new homeless shelter, and economic development. A detailed summary of the Questionnaire responses is available from the City.

In addition, the City convened five Focus Groups with stakeholders to discuss community needs in depth; two groups were made up of a variety of housing professionals, while two others were made up of service providers from a range of local nonprofit agencies, and the remaining Focus Group was made up of City staff with a direct engagement with conditions in the community.

Discussion in the Housing Focus Groups ranged over a wide array of topics, but several themes emerged from the two groups:

- 1) The private market cannot effectively supply housing to those at very low income levels, or to those with special needs. This is where the greatest need lies, and where public subsidy is most urgent.

- 2) As a society, we need to make a much larger investment in affordable housing – the need dwarfs the supply, and the gap is likely to grow over the next five years.
- 3) For very low income housing, operating subsidies are at least as important as subsidies for construction and rehabilitation, since at the lowest income levels, an affordable level of rent from tenants won't cover even ongoing upkeep costs for a typical apartment (maintenance, insurance, taxes, etc.). Aside from project-based Section 8 vouchers, a well-designed and focused tax abatement program is probably the most useful kind of operating subsidy, since it directly lowers rents paid by tenants while assisting a project's bottom line.
- 4) The City's housing strategies and priorities need to be flexible and consider a range of needs – there is more than just one problem, and we can't foresee the critical needs the community may face years from now.
- 5) A major commitment of resources to promote homeownership is probably not the wisest use of scarce resources. We can promote homeownership by helping people to access existing programs, and by assisting the expansion of homebuyers' education and counseling.
- 6) It's important to avoid concentrating low-income housing in one part of the community. The City should be attentive to redeveloping low income neighborhoods, or avoid steering low income housing to already less-affluent neighborhoods.
- 7) There's not enough political will behind the push for a greater investment in affordable housing. The need for housing must be articulated more clearly by advocates within and outside government, connecting the need for stable affordable housing with other issues like hunger, success in school, domestic violence, health, and economic development.
- 8) Scarce resources and high demand force us to look very carefully at the efficient allocation of available funds, barriers to developing affordable housing, and better coordination between existing programs and services.

In the other Focus Groups, an even broader range of issues surfaced. Participants identified a number of emerging urgent needs in Beaverton:

- 1) The number of homeless families with children has risen dramatically in recent years, as the state of the economy has pushed low-income families to the brink of homelessness.
- 2) The flow of immigrants from other countries poses a challenge to the City, schools and service agencies to meet their needs and be genuinely accessible to everyone.
- 3) The shortage of affordable and accessible mental health services is growing worse, and we all bear the cost of not helping the mentally ill, through higher health care, housing, and public safety costs.
- 4) The same is true for health care generally – we pay in various ways for not taking care of sick people in our midst.
- 5) Coordination and collaboration among service providers is critical, particularly because resources are so scarce. A centralized and accessible services "mall"

could be an effective way to enhance communication between programs, and better serve clients.

- 6) As the population ages, the needs of seniors will become a very important issue for the City and for service providers.
- 7) Employment remains a major issue – many people who could work are not finding jobs right now.

Comments and priority statements from all these sources were compiled and studied by City staff as important sources for the *2005-2010 Consolidated Plan*.

Analysis of Existing Data and Prior Studies

In preparing this Plan, City staff studied available data and analyses from the US Census Bureau and the Department of Housing and Urban Development. Staff also consulted a variety of recent studies including reports published by Metro, Washington County, the City Club of Portland, the Fair Housing Council of Oregon, and the Oregon Center for Public Policy, as well as studies commissioned by the City itself.

COMMUNITY DEVELOPMENT RESOURCES

Entitlement Sources: CDBG and HOME

The City of Beaverton qualified as an independent CDBG entitlement community in 1994. Since 1994, the City of Beaverton has received an annual CDBG allocation between \$430,000 and \$723,000. The Cities of Beaverton and Hillsboro joined with Washington County in 1994 to form a HOME program Consortium through which HOME entitlement funds are made available to support new construction, rehabilitation, and property acquisition for affordable housing projects in Beaverton. Since the 2003-2004 Program Year, the City of Beaverton has conducted its own process for selecting projects to be funded by the HOME Consortium in Beaverton; the City has allocated just over \$320,000 each year in HOME in that time.

Non-Entitlement Sources

The Beaverton City Council has directed the CDBG Program to "actively seek public and private sector partners to achieve the City's community development objectives." In addition to grant funds, the City expects to utilize a wide variety of local resources to support its community development activities, including various public infrastructure revenue sources, the City social service grants, and funded activities in partnership with other local partners, such as Clean Water Services and the Tualatin Hills Park and Recreation District. The City also anticipates that private investors will be significant partners in community development activities, as will owners of property abutting street improvement projects and other neighborhood improvements.

Publicly Owned Property

The City of Beaverton is not currently a major owner of undeveloped or under-utilized land, yet continues to explore opportunities to leverage land under its control or acquire additional land for community development objectives. The City currently leases land to Tualatin Valley Housing Partners (TVHP) and for The Bridge housing project for developmentally disabled very low income adults, and leases the City-owned Beaverton Head Start Center to Community Action for Head Start and Early Head Start programs.

PRINCIPLES GUIDING BEAVERTON'S CONSOLIDATED PLAN

I. Improving the Lives of Those Most in Need.

Activities funded with HOME and CDBG funds will be predominantly directed toward assisting those who need the most help, including people with disabilities and low-income seniors and children.

II. Collaboration and Active Pursuit of Effective Partnerships

Because federal grant money available to the City is limited and the need is great, it is especially important to look for opportunities to collaborate with private, non-profit, and other partners to address the range of needs of our citizens.

III. Long-term Affordability

In return for the investment of scarce public resources in affordable housing, the City will impose reasonable long-term affordability restrictions commensurate with the level of subsidy.

IV. A Holistic Approach – Addressing a Full Range of Needs

People rarely need help with just one isolated issue in their lives; more often, those lacking access to affordable housing experience other challenges. The City will actively facilitate connections between affordable housing opportunities and service providers.

V. Beaverton as a Champion of Affordable Housing and Community Development

Policy decisions at the state and federal levels can have a dramatic impact upon housing and community development needs in Beaverton. The City will continue to vigorously advocate for public policies congruent with the missions of the CDBG and HOME programs, and seek to raise the visibility of the issues affecting our most vulnerable residents.

VI. Inclusiveness

The City of Beaverton welcomes every resident as an equal member of the community, and will actively seek to address barriers to equal opportunity in housing and access to services.

2005-2010 PROGRAMMATIC OBJECTIVES

Since the inception of the CDBG program in 1994, the City has completed several major investments in public facilities and infrastructure. Notable project include: the Beaverton Community Center (1994-1996); sidewalk and sewer improvements in the Vose neighborhood (1997-2002), and the Beaverton Head Start Center (2003). The City has also consistently invested in affordable housing through both the ongoing Housing Rehabilitation Program and The Bridge housing project for developmentally disabled adults (2000-2005). In addition, the City has traditionally expended the full 15% allowed for grants to local public service agencies that directly serve low income people in the community.

Having completed a major investment in infrastructure in the Vose neighborhood, the City expects over the next five years to move toward a greater focus on downtown redevelopment/revitalization efforts and on affordable housing.

The City of Beaverton anticipates focusing CDBG and HOME resources available to the City on three Programmatic Objectives in Program Years 2005-2010:

- A. Downtown Redevelopment/Revitalization
- B. Affordable Housing
- C. Public Services

A. Downtown Redevelopment/Revitalization

The City has recently brought together tremendous public and private investments in re-shaping and revitalizing its downtown core, from The Round (mixed-use development on light rail) to the new City Library and adjacent park. The City intends to continue to explore a variety of approaches to encouraging a healthy mix of uses in the downtown core which will benefit the city as a whole, and low-to-moderate income people in particular.

Throughout the Program Years covered by the *2005-2010 Consolidated Plan*, the City plans to explore creative ways to leverage private investment in the downtown core which will promote a number of goals:

- ◆ Commercial revitalization and redevelopment, a significant portion of which will employ low-to-moderate income residents
- ◆ Housing downtown that is affordable to a variety of income levels
- ◆ Efficient and thoughtful use of land near the light rail line
- ◆ Public spaces and pedestrian-oriented amenities to nurture community interaction and thriving local businesses

We believe that downtown Beaverton can build upon its already impressive advantages and become a lively residential and commercial center that melds economic vitality, community and inclusiveness.

Along with a significant portion of CDBG and HOME funds in the next five years, the City will look to leverage a variety of other potential sources, including private investment, and other additional public grants, credits, and loans. Particular projects funded might include the elimination of slum and blight, brownfields remediation, acquisition and rehabilitation of existing buildings, storefront improvements, and job creation & retention.

Affordable housing is seen as an integral part of downtown redevelopment, and we will strongly encourage the inclusion of a significant number of new housing units affordable to low-to-moderate income residents as an element of any redevelopment plan in the city's downtown.

B. Affordable Housing

In addition to encouraging the inclusion of affordable housing in downtown redevelopment efforts, the City anticipates continuing our significant investment in a variety of affordable housing projects, including:

- 1) *Housing Rehabilitation Program* – funds necessary repairs and improvements to housing for low-to-moderate income residents, generally to address threats to occupants' health and safety.
- 2) *Accessibility Rehabilitation Program* – funds accessibility improvements to homes and apartments occupied by low-to-moderate income residents with mobility impairments, and increases the supply of accessible housing units in Beaverton generally.
- 3) *Other support for affordable housing* – possible forms of assistance include: land acquisition, clearance, or rehabilitation of existing affordable housing; HOME can be used for direct assistance to new construction as well. The City is particularly interested in assisting housing for those at very low income levels and those with special needs (see Beaverton Housing Priorities, below).

The City generally intends to maintain a reasonable level of funding for both the Housing Rehabilitation and Accessibility Rehabilitation programs throughout the five year period of this plan. Additional support for affordable housing will vary as particular opportunities to partner with local nonprofit developers and owners of special needs housing arise.

C. Public Services

The City expects to continue to allocate 15% of its entitlement amount for public service projects, and will continue to contribute additional City funds from other sources as available. The agencies and programs funded by these grants are recognized by the City to be a critical part of the safety net for our most vulnerable citizens.

Beaverton Public Services grants are awarded through a competitive public process each year, which includes state revenue sharing funds as well as CDBG grants. The City's Social Services Funding Committee reviews applications and interviews applicants; the Committee then forwards to the Mayor a recommendation to allocate available funding between eligible programs.

BEAVERTON'S HOUSING NEEDS ASSESSMENT

The County's "Housing Needs Assessment" section of the *2005-2010 Consolidated Plan* provides a wealth of useful data on housing needs in the County and in Beaverton.

Beaverton's housing needs are not radically different from those identified for the County as a whole; affordable housing for very low income residents and those with special needs are in short supply. One other notable issue in Beaverton is the extremely low rate of homeownership among minorities, especially Hispanic residents.

As noted in the Housing Needs Assessment, Hispanic homeownership generally lags the overall rate across the nation and statewide, but in the homeownership gap in Beaverton is striking. In 2000, 48% of Beaverton households citywide lived in a home they owned, but only **14%** of Hispanic households in Beaverton owned their own home.

Many factors play into the low rates of minority homeownership in Beaverton. Homeownership is closely correlated with household income, and in any area with a large immigrant community, many new residents will not become homeowners right away. A large stock of rental housing also means lower homeownership rates across all categories in Beaverton. But clearly there is room for improvement, not least in making sure that everyone in Beaverton who is interested in becoming a homeowner is aware of the range of programs available to first-time homeowners, and in raising awareness among realtors, lenders and other housing providers.

BEAVERTON HOUSING PRIORITIES

In research and discussions with stakeholders around housing issues in preparation for the *2005-2010 Consolidated Plan*, five challenges clearly emerged as the most urgent. These Tier I Priorities will be the focus of housing investment by the City over the period covered by this plan. Projects that further a Tier II Priority will be considered as funding permits.

Tier I Priorities

Note: the City has not ranked Priorities *within* each Tier, but considers each equally important.

- A. *Expanding access to affordable housing for low income residents (those whose household income falls below 50% of the Area Median Income)*

Expanding access could include construction of new housing, as well as acquisition, rehabilitation or reconstruction of existing housing.

- B. *Expanding access to affordable housing for those with special needs.*

This category encompasses a wide variety of people who cannot reasonably be expected to earn enough income to afford market-rate housing in Beaverton, including (but not limited to): people with disabilities, the elderly, homeless persons, and people with chronic mental illness.

- C. *Maintaining and improving existing housing for low income residents (those whose household income falls below 50% of the Area Median Income)*

The City's established Housing Rehabilitation and Accessibility Rehabilitation Programs serve low-to-moderate income homeowners who need assistance with basic home repairs.

- D. *Encouraging downtown redevelopment that includes affordable housing for low-to-moderate income households*

The City is determined to include housing opportunities for all income levels in the downtown core, and to explore housing development as a spur to revitalization and reinvestment.

- E. *Preventing homelessness*

In many cases, it is far more cost-effective and humane to help households on the brink of homelessness remain housed than to help them secure housing once they've become homeless. The City encourages creative approaches to assisting those at risk of becoming homeless.

Tier II Priorities

Note: the City has not ranked Priorities *within* each Tier, but considers each equally important.

- A. *Expanding access to affordable housing for moderate-income residents (those whose household income falls between 50% and 80% of the Area Median Income)*

- B. *Maintaining and improving existing housing for moderate income residents (those whose household income falls between 50% and 80% of the Area Median Income)*

C. Promoting homeownership for low-to-moderate income residents

Several very successful programs to promote homeownership exist at the federal and state levels. The City will primarily look for opportunities to help residents take advantage of existing programs, and energetically promote initiatives to increase minority homeownership.

PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

Public Facilities

The unmet need for affordable primary health care is well documented. The City is currently partnering with a variety of local parties to facilitate the construction of a new Federally Qualified Health Center in downtown Beaverton, to be operated by Virginia Garcia Memorial Health Centers.

Managing demand for parking is a crucial aspect of creating suitably dense, urban development in downtown Beaverton. The City's recently commissioned *Downtown Regional Center Development Strategy* identified the high cost of building structured parking as one of the key obstacles to downtown redevelopment:

Within the next 10 years, the City must ensure that structured parking is available in downtown Beaverton....Structured parking will require public and private investments that involve risk capital and long payout periods. This will require public investment as private investors typically look for a return on their investment in five years or less. It will be difficult if not impossible, for private developers to make a profit on a project that includes structured parking in the short-term. Thus if the City of Beaverton Region wants structured parking, they may have to build public funded and financed parking structures. (*Beaverton Downtown Regional Center Development Strategy, p. 6-5*).

Clearly, the success of the City's downtown vision hinges on a solution to parking challenges, and very likely on a public subsidy for structured parking in the Downtown/Regional Center area.

Infrastructure

As noted in the *2005-2010 Consolidated Plan*, infrastructure improvements are not expected to be a high priority in the next five year period; however, based on priorities identified in the City's Capital Improvements Plan (CIP), the CDBG program could fund street, water, sewer, storm, drainage, and sidewalk improvements in targeted low and moderate income neighborhoods.

Public Services (including Anti-Crime, Youth, and Senior Programs)

Public service grants allow the City to assist agencies directly serving Beaverton's neediest residents. *2005-2010 Consolidated Plan* Focus Groups strongly reinforced the need for public services funding, particularly for mental health services and emergency assistance, as well as services to youth and families with children. Focus

Group participants also identified access to quality, affordable child care as a major challenge for low-to-moderate income parents.

In addition to the maximum 15% of CDBG funds that are allocated to public service projects annually (which averages just over \$100,000), the City has contributed an about \$150,000 from state revenue sharing funds annually to fund a total of around \$250,000 worth of public service agencies each year. Recent grants have funded: parenting classes and support groups, substance abuse services, homeless shelters, survival English classes, health services, youth programs, senior programs, and services for domestic violence survivors.

The City also provides office space to several nonprofit social service agencies in the Beaverton Community Center (which was built with CDBG funds).

Economic Development

The City's downtown redevelopment/revitalization vision is intimately connected to the national CDBG objective of promoting economic opportunity for low-to-moderate income residents. The City is currently exploring the use of CDBG funds to promote a variety of objectives in the downtown core, including the elimination of slum and blight, brownfields remediation, storefront improvements, and job creation & retention.

Planning

The City engages in a diverse multitude of planning efforts, both on its own and with partners throughout the region. The greatest planning need that bears directly on the CDBG and HOME programs is continuing to maintain a sufficiently current understanding of housing and other needs among Beaverton's low-to-moderate income residents. Staff will continually collect and evaluate data from a variety of sources, including the Census, HUD, the State of Oregon, and Metro.

The City's planning efforts will generally support the three Programmatic Objectives identified above. Research and analysis will focus particularly on:

- Continuing analysis of basic demographic and economic data, including the Census
- Evaluating opportunities for residential housing development along the Westside MAX light rail line and within the downtown area
- Updating an inventory of undeveloped and under-utilized land
- Evaluation of public infrastructure needs in low income areas