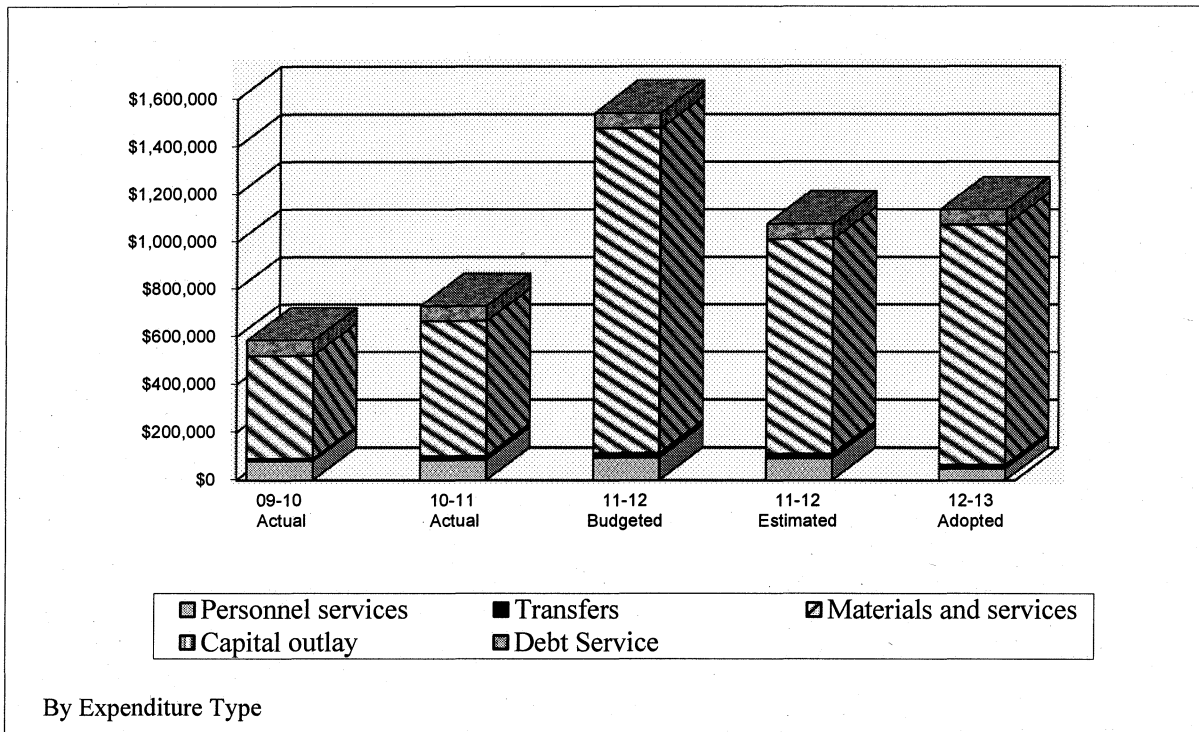


**COMMUNITY DEVELOPMENT BLOCK GRANT
EXPENDITURES
ADOPTED FY 2012-13**



CITY OF BEAVERTON, OREGON
FISCAL YEAR 2012-13 BUDGET

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SUMMARY OF REVENUES AND EXPENDITURES
AND OTHER FINANCING SOURCES & USES**

	<u>FY 2009-10 Actual</u>	<u>FY 2010-11 Actual</u>	<u>FY 2011-12 Budgeted</u>	<u>FY 2011-12 Estimated</u>	<u>FY 2012-13 Adopted</u>
Revenues:					
Intergovernmental	\$473,943	\$628,220	\$1,439,301	\$973,273	\$1,035,836
Miscellaneous	113,068	104,427	93,410	93,410	93,360
Sub Total Revenues	<u>\$587,011</u>	<u>\$732,647</u>	<u>\$1,532,711</u>	<u>\$1,066,683</u>	<u>\$1,129,196</u>
Expenditures:					
Personnel services	\$78,750	\$84,190	\$94,114	\$90,762	\$48,063
Materials & services	431,051	564,856	1,363,687	901,511	1,007,184
Capital outlay	0	0	0	0	0
Sub Total Expenditures	<u>\$509,801</u>	<u>\$649,046</u>	<u>\$1,457,801</u>	<u>\$992,273</u>	<u>\$1,055,247</u>
Revenues Over/Under Expenditures	\$77,210	\$83,601	\$74,910	\$74,410	\$73,949
Other financing sources (uses):					
Transfers in	\$0	\$0	\$0	\$0	\$0
Transfers out	(10,897)	(17,387)	(19,327)	(19,327)	(16,743)
Debt Service - Principal	(30,000)	(31,000)	(33,000)	(33,000)	(35,000)
Debt Service - Interest	(33,636)	(32,119)	(30,517)	(30,517)	(28,808)
Total Other Financing Sources (Uses):	<u>(\$74,533)</u>	<u>(\$80,506)</u>	<u>(\$82,844)</u>	<u>(\$82,844)</u>	<u>(\$80,551)</u>
Net Change in Fund Balance	\$2,677	\$3,095	(\$7,934)	(\$8,434)	(\$6,602)
Fund Balance/Working Capital Beginning of Year	<u>80,876</u>	<u>83,553</u>	<u>86,648</u>	<u>86,648</u>	<u>78,214</u>
Fund Balance (Reserves)/Working Capital End of Year	<u>\$83,553</u>	<u>\$86,648</u>	<u>\$78,714</u>	<u>\$78,214</u>	<u>\$71,612</u>

The Ending Working Capital is designated for future repairs to the child day-care facility.

**CITY OF BEAVERTON, OREGON
FISCAL YEAR 2012-13 BUDGET
CURRENT LEVEL OF SERVICES**

FUND: 106 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	DEPARTMENT: COMMUNITY & ECONOMIC DEVELOPMENT
DEPARTMENT HEAD: DON MAZZIOTTI	

Program Goal:

Oversee and implement Community Development Block Grant (CDBG) funding as outlined in the PY2011 Annual Action Plan. Coordinate and integrate existing CDBG program objectives other City programs and increase the number of private/public partnerships in an effort to achieve goals outlined in the Community Visioning and Civic Plan process. *(Council Goal #1: Preserve and enhance our sense of community; #4: Provide responsive, cost-effective service to the community; #5: Assure a safe and healthy community; #6: Manage growth and respond to change consistent with maintaining a livable, full-service city; #7: Maintain Beaverton as a regional leader in cooperative efforts with other agencies and organizations.)*

REQUIREMENTS	FY 2009-10 ACTUAL	FY 2010-11 ACTUAL	FY 2011-12 BUDGETED	FY 2012-13 PROPOSED	FY 2012-13 ADOPTED
POSITION	1.00	1.00	1.00	0.50	0.50
PERSONNEL SERVICES	\$78,750	\$84,190	\$94,114	\$48,063	\$48,063
MATERIALS & SERVICES	431,053	564,859	1,363,687	1,007,184	1,007,184
CAPITAL OUTLAY	0	0	0	0	0
DEBT SERVICE	63,636	63,119	63,517	63,808	63,808
TRANSFERS	10,897	17,387	19,327	16,743	16,743
CONTINGENCY	0	0	78,714	71,612	71,612
TOTAL	\$584,336	\$729,555	\$1,619,359	\$1,207,410	\$1,207,410

Funding Sources:	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13
Beginning Working Capital	80,876	83,553	86,648	78,214	78,214
Federal Grants	473,943	628,220	1,439,301	1,035,836	1,035,836
Miscellaneous	113,068	104,426	93,410	93,360	93,360

Program Objectives: The CDBG program aims to accomplish the following:

- Provide general planning, administration, and monitoring of the City's CDBG programs and projects in compliance with the U.S. Department of Housing and Urban Development (HUD) statutes and regulations. Draft and publish the PY 2011 Consolidated Annual Performance and Evaluation Report (CAPER) and the 2013 Annual Action Plan to HUD.
- Collaborate with the Social Service Funding Committee to fund 2012 Program Year (PY) CDBG social service projects targeted to youth, homeless services, homeless prevention, resident services, and abuse victim services.
- Manage and oversee the administration, implementation, and marketing of the citywide Hope-4-Homes, Hope-4-Homes Energy Efficiency Program (as loan repayment funds allow), Mend-a-Home, and Adapt-a-Home programs. The City will also launch a new, targeted component of housing rehabilitation in two neighborhoods for specific rehabilitation projects for families whose household income is less than 51 percent of median household income.
- Continue to administer the City's Downtown Storefront Improvement Program.
- Continue to work with business development non-profits to support the development and expansion of Beaverton micro-enterprises through loans and capacity building.
- Provide grant assistance to non-profit partners to improve public facilities including a school based health center and transitional housing for homeless youth.
- Partner with Proud Ground to increase the number of permanently affordable homeownership units within the City.

**CITY OF BEAVERTON, OREGON
FISCAL YEAR 2012-13 BUDGET
CURRENT LEVEL OF SERVICES**

FUND: 106 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	DEPARTMENT: COMMUNITY & ECONOMIC DEVELOPMENT
	DEPARTMENT HEAD: DON MAZZIOTTI

Performance Measures:	FY 2009-10 Projected/Actual	FY 2010-11 Projected/Actual	FY 2011-12 Budgeted/Revised	FY 2012-13 Adopted
Number of Beaverton households assisted through the rehabilitation programs	N/A	32 / 30	24 / 24	40
Number of Beaverton businesses assisted through the CDBG economic development initiatives	N/A	7 / 9	3 / 3	4
Number of public facilities assisted	N/A	2 / 1	1 / 1	2
Number of LMI Beaverton residents served by CDBG funded social services programs	N/A	700 / 1,102	899 / 899	800
Number of first time homebuyers assisted	N/A	N/A	N/A	3

This program offers several unique opportunities to help implement these Community Vision Actions:

- *Community Vision Action # 86: Transitional Housing for Homeless People*
- *Community Vision Action # 106: Understand Housing Needs*
- *Community Vision Action # 107: Full Range of Housing Options*
- *Community Vision Action # 111: Small Business Resources and Support*
- *Community Vision Action # 116: Beautify Exteriors and Landscaping*

Progress on FY 2011-12 Action Plan:

For FY 11-12 as of January, the CDBG Program accomplished the following outcomes:

- Provided assistance to 16 income-qualified Beaverton households through the City's housing rehabilitation programs (Hope-4-Homes, Adapt-a-Home, and Mend-a-Home). Funded four social service agencies with 15 percent of the annual CDBG allocation from HUD. To date, 617 Beaverton residents out of an estimated 899 have been served through social service funding.
- The Storefront Improvement program received four applications for façade improvement projects, which are underway.
- Since July 1, 2011, Mercy Corps Northwest has provided four business orientation sessions at Beaverton City Library. Three Beaverton residents have been accepted in the matched savings program (IDA) and one additional resident has completed their savings goal and received the \$4,000 match to invest in their business. Six residents have inquired about loans. Four applications are on hold and two loans are currently in process. Six residents have completed the foundations for business course and 36 have participated in Mercy Corps Northwest's business seminars.
- The City collaborated with Proud Ground to fund the first land trust housing project in Washington County. One permanently affordable home-ownership unit will be acquired by August 2012.
- Partnered with Washington County to draft a new Fair Housing Analysis of Impediments and Action Plan. Draft is scheduled to be released for public comment in March 2012.
- The City partnered with Boys and Girls Aid Society to purchase a 4-plex to provide a permanent home for the Transitional Housing program, which provides housing for homeless youth ages 16-21. The site will serve approximately 13 youth per year. Rehabilitation activities will commence during FY 12-13.

In addition to the CDBG-funded activities, the Division accomplished the following additional outcomes:

- Implementation of strategies outlined in the Housing component of the Civic Plan. Executed three loans that will provide energy efficiency upgrades to nine units through the EECBG program.
- Worked with planning representatives throughout Washington County to implement broader, County-wide housing policies and procedures (as outlined in the Civic Plan and 2010-2015 Consolidated Plan).
- Coordinated with Metro to prepare a second application for the Sustainable Communities grant program; the application was not chosen for funding.

CITY OF BEAVERTON, OREGON
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- Continued to work with non-profit partners to develop an affordable (or mixed-income) housing project in downtown Beaverton. Staff participated in the developer selection process for the development of the First and Lombard site.
- Continued to provide technical assistance to housing developers in Beaverton whose projects further the 2010-2015 Consolidated Plan and Civic Plan goals.
- Provided programmatic assistance to local property owners, developers, and non-profits to improve access to state, Federal, and other housing development funding resources.

FY 2012-13 Action Plan:

The CDBG Program proposes the following accomplishments and outcomes for FY 12-13:

- Provide housing rehabilitation services to 16 income-qualified Beaverton households through the City's housing rehabilitation programs (Hope-4-Homes, Adapt-a-Home and Mend-a-Home). The program also hopes to serve 10 low-to-moderate-income households with deferred loans in two targeted neighborhoods through the new neighborhood stabilization pilot program.
- Set aside 15 percent of the PY2012 CDBG allocation to provide support to social service agencies.
- Provide a public facility grant to Boys and Girls Aid to rehabilitate a local 4-plex to serve as a permanent home for the Transitional Housing for Homeless Youth program (continuation of acquisition project from FY 11-12).
- Collaborate with local economic development non-profits to provide business development assistance including education, technical assistance, and loans to income-qualified Beaverton micro-enterprises.
- Provide façade improvement matching grants to three buildings.
- Provide assistance to Proud Ground to increase the City's supply of permanently affordable homeownership units.
- Complete the 2011 CAPER and 2013 Annual Action Plan.
- Implement strategies from the first year of the Fair Housing Analysis of Impediments.

The proposed budget includes using funds that will be paid into the CDBG program as program income if Council authorizes the buyout of CDBG investment in the Beaverton Community Center. If this buyout is authorized, the CDBG program will invest those proceeds into the following activities:

- Provide a public facility grant to assist Beaverton School District to create a school based health center at Beaverton High School.
- Create a housing rehabilitation program that will directly address property decline in two pilot neighborhoods through the City's coordinated efforts with Tualatin Valley Fire & Rescue, Beaverton Police Department, and Washington County Health Department.
- Additional investment in the Downtown Storefront Improvement Program to encourage revitalization in the City's downtown core.

In addition to the CDBG-funded activities, the Division will accomplish the following additional outcomes:

- Implementation of strategies outlined in the Housing component of the Civic Plan. The Planning Division has requested \$50,000 to seed an SDC loan fund to help developers of qualified projects, such as affordable housing, with development costs.
- Partner with the County members of the 10-Year Plan to End Homelessness to complete a Cost of Homelessness in Washington County study. The Planning Division has requested \$10,000 to help serve as a catalyst contribution to this effort.
- Continue to execute energy efficiency loans through the EECBG revolving loan pool as loan repayment allows.
- Work with planning representatives throughout Washington County to implement broader, County-wide housing policies and procedures (as outlined in the Civic Plan and 2010-2015 Consolidated Plan).
- Continue to work with non-profit partners to develop affordable (or mixed-income) housing project in downtown Beaverton.
- Continue to provide technical assistance to housing developers in Beaverton whose projects further the 2010-2015 Consolidated Plan and Civic Plan goals.

**CITY OF BEAVERTON, OREGON
FISCAL YEAR 2012-13 BUDGET
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- Provide programmatic assistance to local property owners, developers, and non-profits to improve access to state, Federal and other housing development funding resources.
- Provided targeted housing rehabilitation loan funds to households in two pilot areas for a new neighborhood stabilization program. The Division has requested \$100,000 in general fund assistance to match \$240,739 in CDBG that has been set aside for this effort. These funds will allow all homeowners in the neighborhood to access City financing for rehabilitation activities.
- Provide housing-related education/capacity building city-wide activities through a series of lectures/how to events to improve our neighborhoods. The Division has requested \$10,000 to help fund this effort for FY12-13.

Performance Outcomes and Program Trends:

Nationally, the CDBG program faced 12.3 percent cuts in addition to previous year's cuts of 15.8 percent. The City of Beaverton saw a minor increase in funding due to the use of recent American Community Survey data for the FY12-13 budget cycle. Due to the economic downturn, Beaverton has an increase in persons living under the poverty level. The impact of this change in demographics was greater than the 12 percent cuts enacted by Congress, resulting in a 2.7 percent increase in Beaverton CDBG funds for FY 12-13. The CDBG program is operating in an environment of uncertainty because of potential changes in Federal funding of CDBG and many rebated programs. Although Beaverton experienced a minor increase in its funding, the overall trend has been a decrease nationwide, and staff does not anticipate a change in that trend during future budget cycles. For approximately the past ten years, the CDBG program has funded one full-time employee to manage the program. In FY 12-13, the CDBG program will fund 50 percent of the position. The savings will be reallocated to serve the programs which benefit the community. The other 50 percent of the position will be funded through the General Fund and will increase the participation of the position in addressing broader housing issues and implementation of the Beaverton Civic Plan.

FY 12-13 is also Beaverton's 19th year as a Community Development Block Grant municipal entitlement community. The City anticipates receiving \$569,808 in Community Development Block Grant funds. This program year continues our emphasis on using CDBG to assist efforts to preserve existing housing for low-to-moderate-income residents, eliminate blighted areas of downtown Beaverton through the Storefront Improvement Program, create affordable homeownership opportunities, and assist low-income Beaverton residents to develop their own businesses and expand their economic opportunities.

The City continues to partner with Unlimited Choices to deliver housing rehabilitation services to low- and moderate-income Beaverton residents through the Hope-4-Homes, Adapt-a-Home, and Mend-a-Home programs. The City has completed 287 housing rehabilitation projects since FY 01-02. The City also executed an IGA with Washington County Department of Health and Human Services for the delivery of Older Americans Act funding. This partnership will streamline the delivery of two complementary programs. Demand for all three housing rehab programs continues to grow.

The City will continue to invest the maximum CDBG set aside for social service programs. In conjunction with the 2010-2015 Consolidated Plan, projects that address needs outlined in the 10-Year Plan to End Homelessness will be considered high-priority projects. The City is unable to fund all of the social service agencies that apply for funding through its social services funding program.

The Downtown Storefront Improvement Program has continued to see continued interest in the matching program. One property owner applied for assistance with the four buildings that make up a block of Broadway. Staff is currently working with the owner to phase the project in a way that maximizes program investment and is realistic in its execution. Currently staff members are working with persons involved in the Main Street initiative to reach out to additional businesses.

In spring of 2010, the City executed a contract with Mercy Corps Northwest to administer the new Business Revolving Loan Fund. The program continues to see increased activity but currently has not executed any loans. Staff recommends eliminating the Business Expansion program and providing reduced support for the Emerging Business program. The City

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received an application from Micro Enterprise Services of Oregon (MESO) for a \$50,000 pilot program to provide assistance to Beaverton micro-enterprises. CDBG program management, planning, and administration duties will continue to be a top priority as HUD continues to up its monitoring mandate from Congress. Staff will continue to improve outreach materials and attend a greater number of community events to provide education regarding the various services our CDBG funds provide Beaverton residents.

In partnership with the Washington County Office of Community Development, staff finished a new Analysis of the Impediments to Fair Housing. Fair Housing has been subject to increased awareness both locally and federally. CDBG staff will continue to spearhead the City's efforts to meet its obligations under Fair Housing law.

To maintain quality program performance, staff will continue to update skills and knowledge through training. Staff members are developing new policies and procedures related to program delivery and compliance to create additional efficiencies.

Effective FY12-13, the City of Beaverton once again participates as a full member of the Washington County HOME Consortium. The small set aside the City received in previous years was not conducive to the level of affordable housing development our community requires. Although all new applications will compete in a County-wide pool, individual projects can receive a significantly higher level of funding as a result.

Due to the Providence project's inability to secure a 202 Capital Advance, the project team chose to withdraw their development application. As a result, the City is going to request that the HOME funds that had been set aside for the project be awarded to CPAH for the First and Lombard project instead.