

City of Beaverton

Housing Strategies Report

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Overview

The City of Beaverton continues to face a variety of unique issues, challenges and opportunities for meeting the housing needs of current and future residents and workers. The City faces many of the same overall demographic and housing development trends seen throughout the state and region, including an aging population, changing housing preferences by younger residents, increasing ethnic and racial diversity, diminishing household size, increasing housing prices, and a significant and increasing demand for publicly subsidized housing for people in the lowest income brackets. At the same time, Beaverton also occupies a unique place within the region in terms of the supply of land available for different types of housing, its relative attractiveness to specific demographic groups, changes in the City's demographic makeup and its proximity to employment opportunities in Beaverton and nearby Hillsboro and Portland. A variety of approaches can be undertaken to address these issues, in partnership with the City's local, regional and statewide partners, including non-profit and for-profit housing developers, local employers, property owners and other jurisdictions such as Washington County.

This Housing Strategies Report summarizes, synthesizes, and builds on the results of the previous three phases of this project. The report begins with background sections on demographic trends, associated housing needs, and a determination of land needs for housing over the next 20 years before moving onto an overview of strategies to help meet current and future housing needs in Beaverton and address issues of compliance with federal, state, and regional standards, as appropriate. The *Housing and Neighborhood Stability Report*, the *Beaverton Civic Plan* and other documents prepared in the last five years by or for the City of Beaverton and its local partners provide the foundation for many of the strategies identified in this report. More detailed information related to each section of the Report is included in a series of appendices.

I. Existing Housing and Demographic Data, Future Trends, and Projections

The *Summary of Phase I Housing Findings on Demographics and Housing Stock* memorandum (dated September 23, 2014) provides a broad set of findings regarding demographic trends. Those findings are summarized here. In some cases, they are combined with findings from the *Housing and Residential Land Needs Assessment (Oregon Statewide Planning Goal 10); 20 Year Housing Need (June 2015)* regarding demographic and housing data and *City of Beaverton Housing and Neighborhood Stability Analysis (September 2010)* regarding housing preferences and needs related to specific demographic groups.

A. Population and household growth

Beaverton's population grew by more than 18,100 people in the last 15 years, representing an average annual growth rate of 1.4%. During this period, households grew by approximately 8,550, for a total of approximately 39,377 and representing an average annual growth rate of 1.8% (Table 1). Census data shows that average household size in Beaverton has fallen from 2.44 in 2000 to 2.37 in 2015 (estimated), which is attributed to falling birth rates, more people choosing to live alone, and Baby Boomers becoming empty nesters, which are trends seen across Oregon and nationwide. For comparison, the average household size in Washington County was 2.6 people and statewide was 2.47 people in the 2010 Census. While average household size in ownership units declined between 2000 and 2010, average household size in rental units increased (Table 2). While some demographic groups with larger average household sizes are increasing as a proportion of the entire

population, the other countervailing trends towards smaller household size are expected to continue and outweigh those shifts. As a result, the rate of overall decrease in household size is expected to slow and eventually stabilize in the future, given that there are limits to how far average household size can fall.

TABLE 1: BEAVERTON DEMOGRAPHIC PROFILE

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth	2015	Growth
	(Census)	(Census)	00-10	(Proj.)	10-15
Population ¹	76,129	89,803	18%	94,315	5%
Households ²	30,821	37,213	21%	39,377	6%
Families ³	18,656	21,915	17%	23,189	6%
Housing Units ⁴	32,500	39,500	22%	40,872	3%
Group Quarters Population ⁵	917	945	3%	992	5%
<i>Household Size (non-group)</i>	<i>2.44</i>	<i>2.39</i>	<i>-2%</i>	<i>2.37</i>	<i>-1%</i>
<i>Avg. Family Size</i>	<i>3.07</i>	<i>3.03</i>	<i>-1%</i>	<i>3.01</i>	<i>-1%</i>
PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000	2010	Growth	2015	Growth
	(Census)	(Census)	00-10	(Proj.)	10-15
Per Capita (\$) ⁶	\$25,419	\$28,688	13%	\$30,477	6%
Median HH (\$) ⁶	\$47,863	\$54,885	15%	\$58,773	7%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901 (2010 ACS 1-yr Estimates); S19301 (2010 ACS 1-yr Estimates)

¹ Population is based on the certified 2014 estimate from PSU Population Research Center, projected forward one year using the 2010 - 2014 growth rate (1.0%)

² 2015 Households = (2015 population - Group Quarters Population)/2015 HH Size

³ Ratio of 2015 Families to total HH is kept constant from 2010.

⁴ 2015 housing units are the 2010 Census total plus new units permitted from '10 through year-end '14 (source: City of Beaverton)

⁵ Ratio of 2015 Group Quarters Population to Total Population is kept constant from 2010.

⁶ Income estimates are from the US Census. Estimated income growth from Oregon Employment Department.

TABLE 2: AVERAGE HOUSEHOLD SIZE IN BEAVERTON, BY TENURE

City of Beaverton	2000	2010	Change 2000-10
Average HH Size of Owner-Occupied Units	2.67	2.50	-6.4%
Average HH Size of Renter-Occupied Units	2.23	2.28	2.2%

B. Age trends

Beaverton has experienced the nationwide trend of younger age cohorts decreasing as a share of total population compared to older cohorts (specifically, ages 55 to 75 years), who increased in



share between 2000 and 2012. Those under 55 years of age, however, still made up approximately 78% of the population in 2013.

Recent demographic analyses have noted that today's young adults ("Generation Y"), who will be on the older end of the 25 to 44 age range in 2025, are willing to sacrifice living space in order to live in a more urban, walkable environment, but that their ability to afford city living will be limited. Their preferences can be expected to shift as they start families, though they may be more likely to choose older, close-in, less expensive suburbs over low-density outer suburban areas. This generation's limited incomes as a result of the recession and concern for environmental issues suggest that when they do buy homes, many of them will likely look for small, simple starter homes on small lots that are well-designed and built to green standards¹, as well as multi-family rental housing in areas with close proximity to transit and other amenities, or larger dwellings at competitive prices. To the extent existing housing in Beaverton meets these criteria, they would be relatively attractive to this demographic group.

There is an opportunity to attract households from "Generation Y" with or without children to Beaverton's older, close-in residential neighborhoods where homes and lots are small and prices are modest, as well as land in and near the downtown. While many of the homes in these neighborhoods were built in the 1970s and are not especially "green" at present, there may be opportunities for renovations and energy efficiency upgrades for both owner-occupied and renter-occupied housing.

The younger end of Generation Y is expected to be more drawn to multi-family rental housing.² Currently, the majority of people in this group are living in rental housing, often with roommates, or with their parents. While the city already has a substantial supply of rental housing, developable land near downtown provides the City with an opportunity to encourage development of mixed-use housing that will likely be very attractive to this more urban-oriented generation. Also, it is expected this younger segment will largely seek townhomes as starter homes.

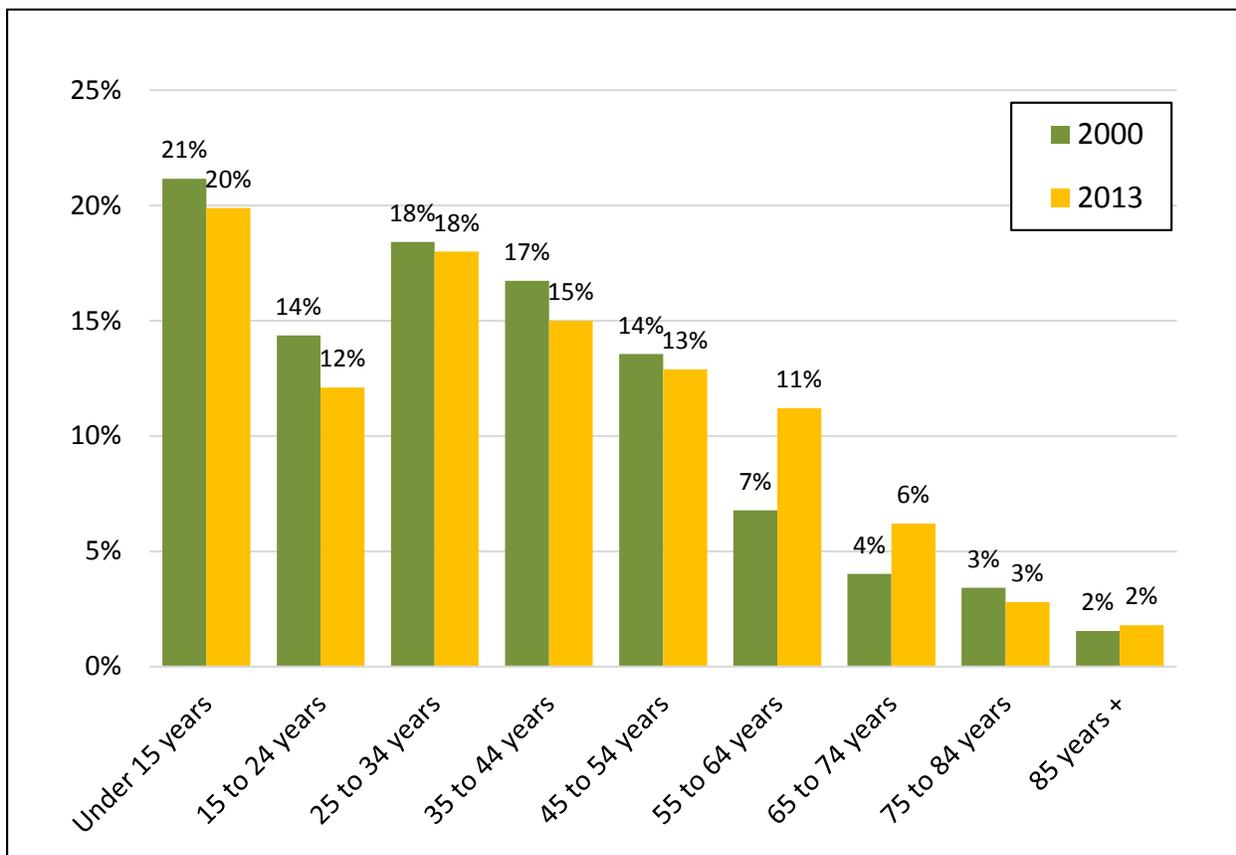
Older residents, including baby boomers ages 55 to 65 who did not move before the housing bubble burst, are likely to remain in their existing homes and wait for prices to recover sufficiently to restore their lost equity.³ This makes retrofitting homes to accommodate changing physical abilities and integrating walkable commercial and other service destinations into existing neighborhoods a priority. The 45- to 65-year-old age group is more likely to own moderate- to high-value single-family detached homes in more outlying suburban neighborhoods. This demographic group is expected to make up a lower percentage of the population as a whole in the next 10 to 15 years. As a result, there will be relatively less need for housing to meet the housing needs of this demographic group, compared to older and younger residents. However, the total number of households in this age group will increase and the future housing needs analysis described in more detail later in this report indicates a future need for more owner-occupied housing in most income groups who can afford housing priced at \$250,000 or more (in today's prices). This indicates the need for a continued supply of land available for single-family detached housing.

¹ John McIlwain, *Housing in America: The Next Decade*, Urban Land Institute, 2010, p. 14-16.

² George C. Hough, Jr. et al, Institute of Portland Metropolitan Studies, *Housing Needs Study for the Portland Metropolitan Area: Final Report*, Prepared for Metro, May 2008, p. 3-8 – 3-9.

³ Approximately 11% of homeowners in the Portland metropolitan region are still underwater with their mortgages, according to Zillow. Not all homes have returned to their prior high values, and some homeowners had multiple mortgages or situations that have saddled them with excessive debt when the recession hit.

FIGURE 1: AGE COHORT TRENDS, 2000 - 2013

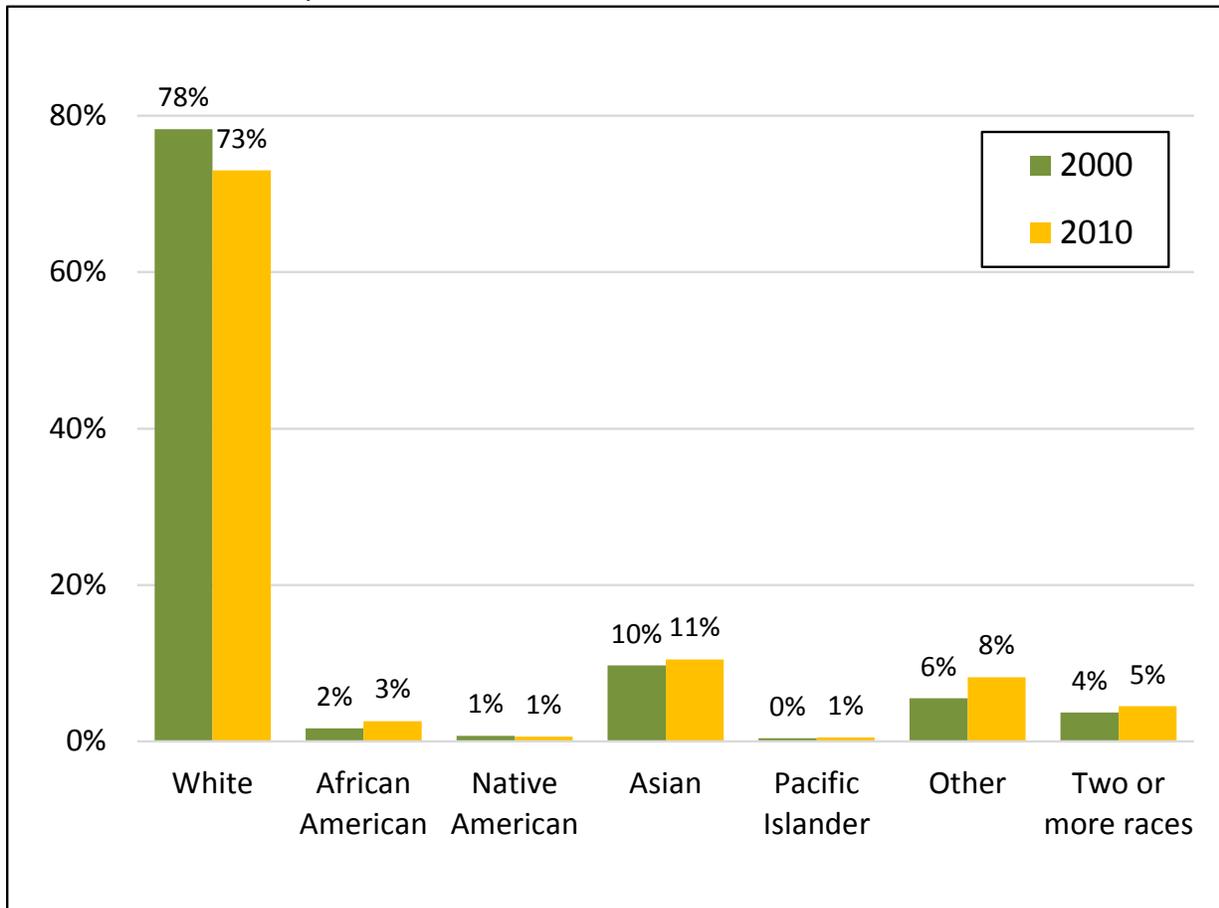


SOURCE: US Census, ACS 2011-13 3-year Estimates, Census Tables: DP-1 (2000, 2010)

C. Racial and ethnic diversity trends

Between 2000 and 2010, the white population in Beaverton dropped from 78% to 73%, and the 2013 American Community Survey (ACS) found that the white non-Hispanic population was approximately 67%. In 2010, approximately 10% of the population identified as Asian, 8.2% as “other race,” 4.5% as two or more races, and 2.5% as African American. The “other race” category increased by 76% between 2000 and 2010, which likely includes many Hispanics/Latinos. Because the Census defines this group as an ethnicity rather than a race, it is thought that members of this population are identifying as white or “other race.” Beyond the ACS and Census data, limited information is available on this topic.

FIGURE 2: RACIAL DIVERSITY, 2000 AND 2010



SOURCE: US Census, Census Tables: DP-1 (2000, 2010)

The 2013 ACS found that approximately 20% of Beaverton’s population is foreign-born, with a majority of these residents born in Asia or Latin America. The city’s immigrant population ranges from political refugees to those recruited for high-skilled work. Approximately 28% of the population primarily speaks a language other than English at home.

Studies have found that Latino residents tend to favor large homes, if they can afford them, but that their preference for a sense of community may mean that they may not want to locate in outer suburban neighborhoods.⁴ These preferences, general income patterns, and the tendency for extended families to share a home indicate a need for moderately-priced housing suitable for large, semi-independent families within a single household, as well as accessory dwelling units (ADUs).

The June 2015 housing needs assessment identifies key characteristics of immigrant households and their housing needs, noting that while these groups are not homogenous, on average they tend to be poorer and larger households, rely on rental housing, and often are located in lower-priced areas. They may stay in rental housing for longer periods than other populations. Immigrants are projected to need more space for larger families in both rental and ownership housing now and in the future. As a result, suburbs are expected to continue to be increasingly attractive to immigrant households, with the

⁴ John McIlwain, *Housing in America: The Next Decade*, Urban Land Institute, 2010, p. 14-16.

potential to reverse a historical pattern of immigrants moving directly to a central city and then moving outwards in later generations.

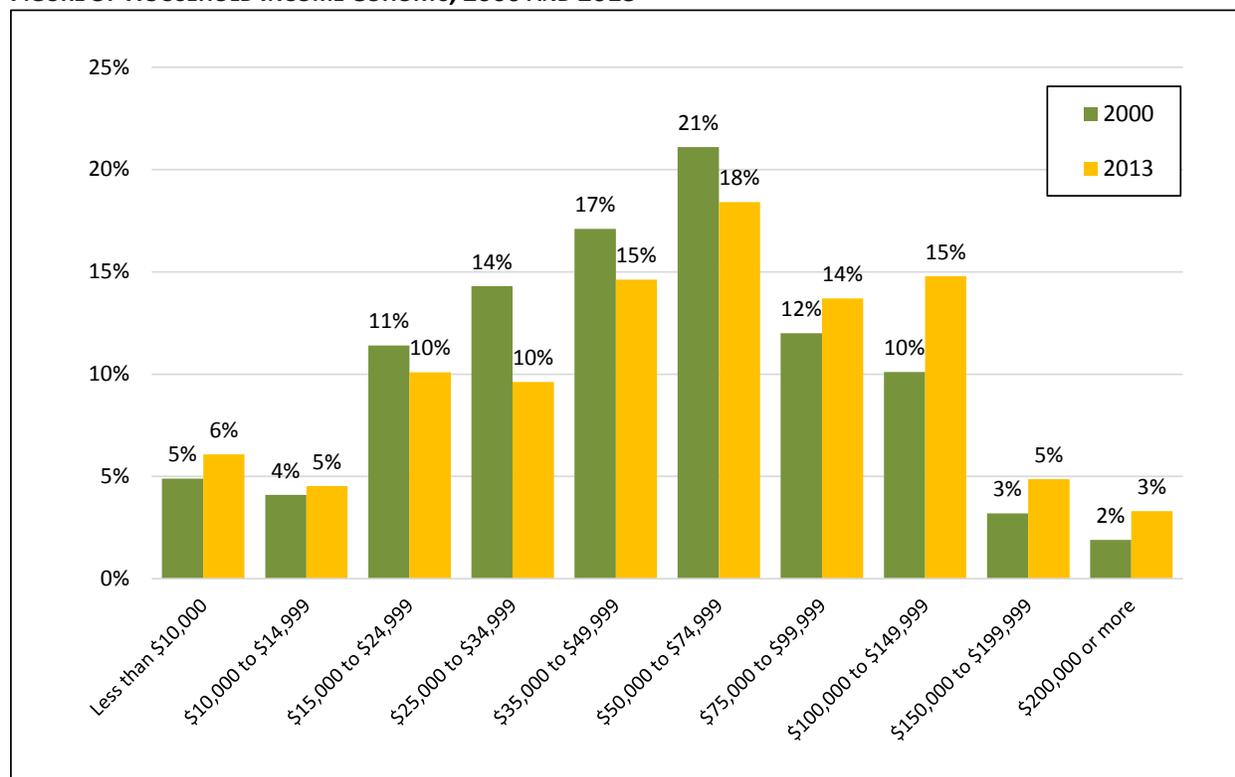
Overall, the main impact of immigrants in Beaverton and other suburbs is expected to be continuing demand for low- to moderate-cost housing options, and the type of larger housing units already found in most suburbs. This includes apartments because suburban apartments tend to be larger and offer more multiple bedroom units than central city apartments. Demand for ownership housing is expected to largely be met by older existing housing units, rather than new housing, which should become available as some households move into the central city or into smaller units. In this vein, it is likely that existing suburban Baby Boomer housing will provide a key source of housing for immigrant households and first-generation American households in the future.

D. Income, wage and poverty trends

1. Income and Poverty

Per capita and median household incomes grew by 1.0 to 1.4% per year between 2000 and 2010. This growth rate held between 2010 and 2015, and current (2015) per capita income is approximately \$30,500 and median household income \$58,775. A comparison of household income in Beaverton, by income cohort, between 2000 and 2013 is presented in Figure 3.

FIGURE 3: HOUSEHOLD INCOME COHORTS, 2000 AND 2013



SOURCE: US Census, Census Tables: DP-3 (2000); S1901 (2013 ACS 3-yr Est.)

Median income grew by an estimated 23% between 2000 and 2015, in real dollars. Inflation was an estimated at 36% over this period. Therefore, as is the case nationwide, the local median income has not kept pace with inflation.



The poverty rate in Beaverton has grown over time from 8% of individuals in 2000 to approximately 16% over the most recent three-year reporting period (2011-13). Poverty thresholds are defined by the Census and vary based on family size and composition, which results in 48 different poverty categories. While there is no single "poverty threshold" for Beaverton, the threshold generally ranges from \$11,300 for a single elderly person to \$52,500 for a very large household. Poverty rates by race have been reported as approximately 13% for the white population, 17% for the Asian population, and 42% for those who identify as "some other race," thought to be primarily Latino/Hispanic.

Oregon has traditionally had a higher than average poverty rate, now ranking 16th highest out of the 50 states. Reasons include the states historic reliance on the timber industry which has been in long decline, and the prevalence of agriculture which attracts thousands of very low paid workers every year. More recently, the state experienced two national recessions since 2000, each with a powerful negative impact on employment. The last recession beginning in late 2007 left thousands of semi-skilled and unskilled laborers with construction-related jobs unemployed. During the recession, an estimated one in five Oregonians received food stamp assistance.

In the Portland Metro area, Multnomah County has historically had the highest poverty rate, recently as high as 20%. The rate in Washington county and Beaverton has typically remained lower. However, the rate of growth in poverty in Beaverton in recent years seems to be exceeding growth elsewhere in the region. A 2014 report from the Oregon Department of Human Services identified three poverty "hot spots" in Beaverton based on Census data. These are Central Beaverton (30% poverty rate), the Huber area (24%) and the West Beaverton/Aloha area (26%). These areas play a significant role in increasing the community's overall poverty rate to 16%.

The sources of increases in poverty are varied and complex and likely include the recession, the growing share of immigrant households in the community which have a significantly lower average income than most other population segments, regional migration of households from gentrifying parts of central Portland to lower cost housing options in suburban communities, the inability of wages to keep up with inflation, and increases in housing prices across the region, including in Beaverton.

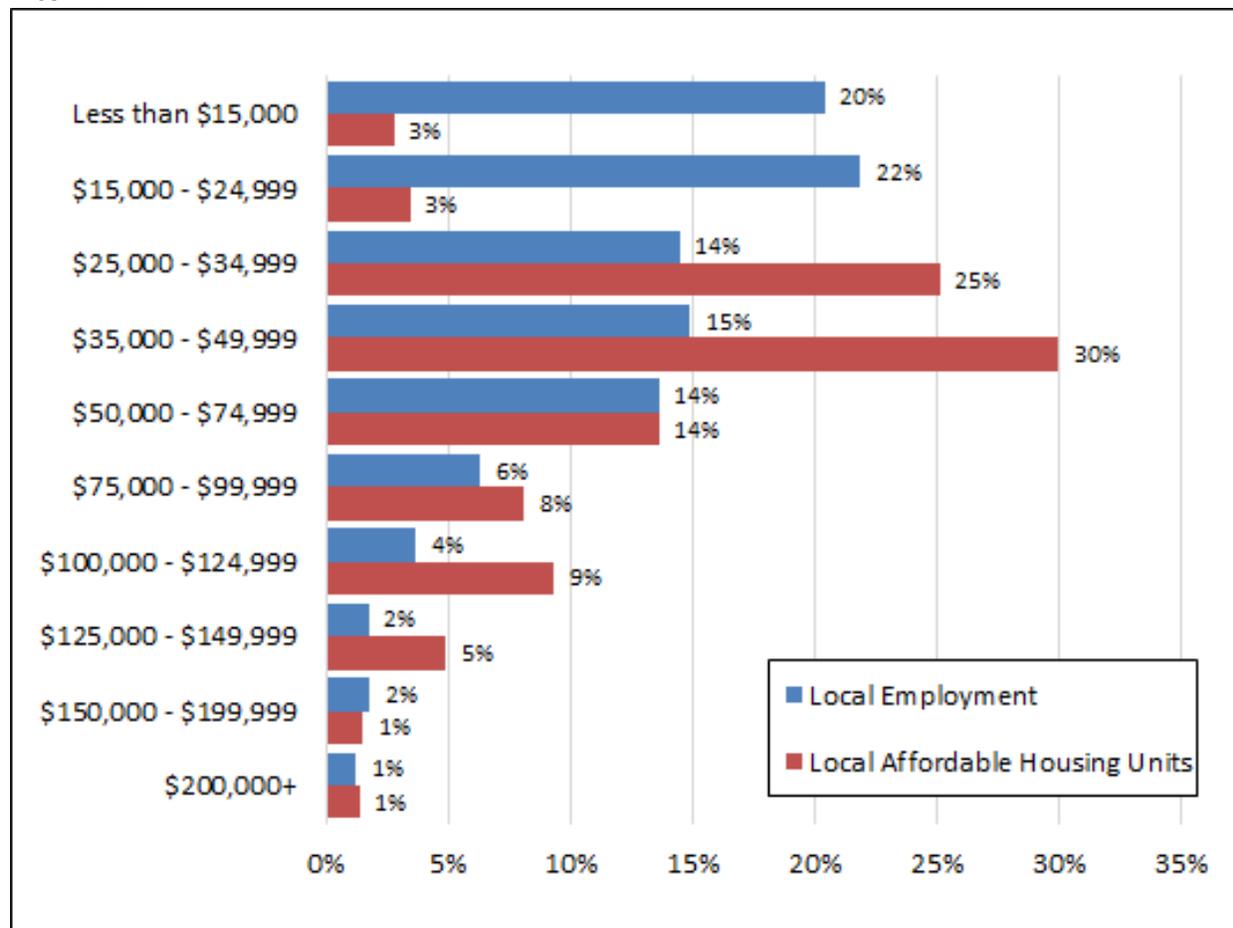
While the data from the American Community Survey lags by a few years, there is evidence that the economic improvement of the last few years from the depths of the recession may be helping to reduce poverty rates nationwide for the first time since 2006. The Metro area, including Beaverton and Washington County should expect to benefit from this trend, but the extent to which that is already happening is currently unknown. The long term impacts of the Affordable Care Act on poverty are similarly not yet known. The ACA provides subsidies to ensure that previously uninsured households can find health insurance. In theory, the act should reduce the incidence of households put into major financial hardship by pre-existing medical conditions and emergencies

2. Wages

The *Housing and Residential Land Needs Assessment* prepared for this study compares wages and incomes in Beaverton to housing costs. The assessment shows significant disparities in wages and

housing costs in Beaverton⁵ for jobs paying less than \$25,000 (42%) and the percentage of housing affordable to employees at those income levels (6%) (Figure 4).

FIGURE 4: AVERAGE ANNUAL WAGE FOR LOCAL EMPLOYMENT, COMPARED TO HOUSING UNITS AFFORDABLE AT THAT INCOME LEVEL

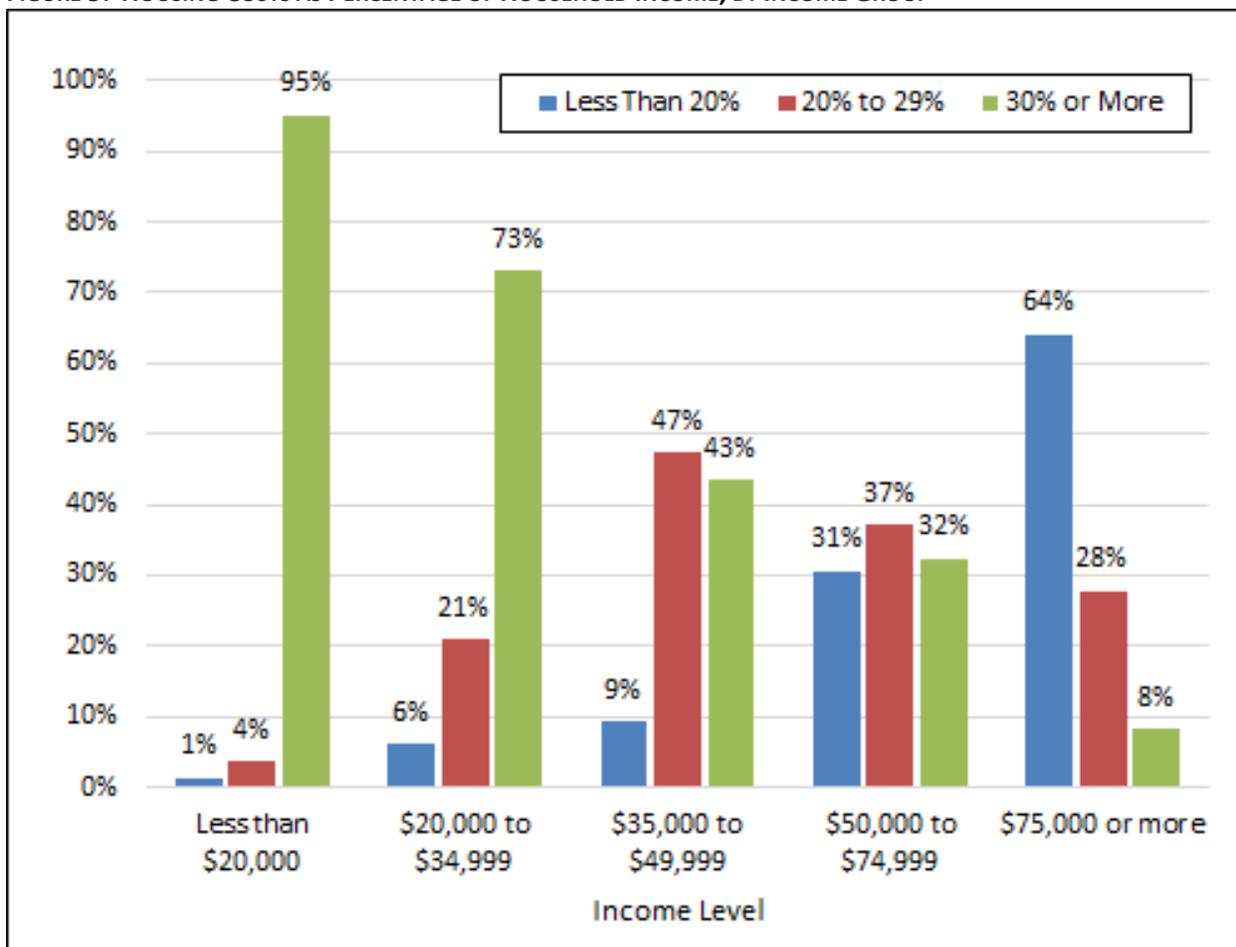


Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2013 ACS 3-yr Estimates)

It appears that local employees at the lower end of the income spectrum cannot find affordable housing in the community in many cases. As Figure 5 shows, nearly all Beaverton households with incomes less than \$20,000 live in housing that is not affordable, defined as spending more than 30% of gross household income on housing costs. Only households with incomes of \$75,000 or more are found to consistently live in housing that is affordable to them. The housing needs assessment found housing cost burden to be more pronounced for renters than home owners, as renters tend to have lower household incomes than owners; approximately 50% of all renters spend more than 30% of their household income on housing costs (Figure 2.11, Appendix B).

⁵ The housing needs assessment indicates that the wages used in this comparison are drawn from employment in Beaverton as well as in parts of Aloha and unincorporated Beaverton (including the Nike campus).

FIGURE 5: HOUSING COSTS AS PERCENTAGE OF HOUSEHOLD INCOME, BY INCOME GROUP

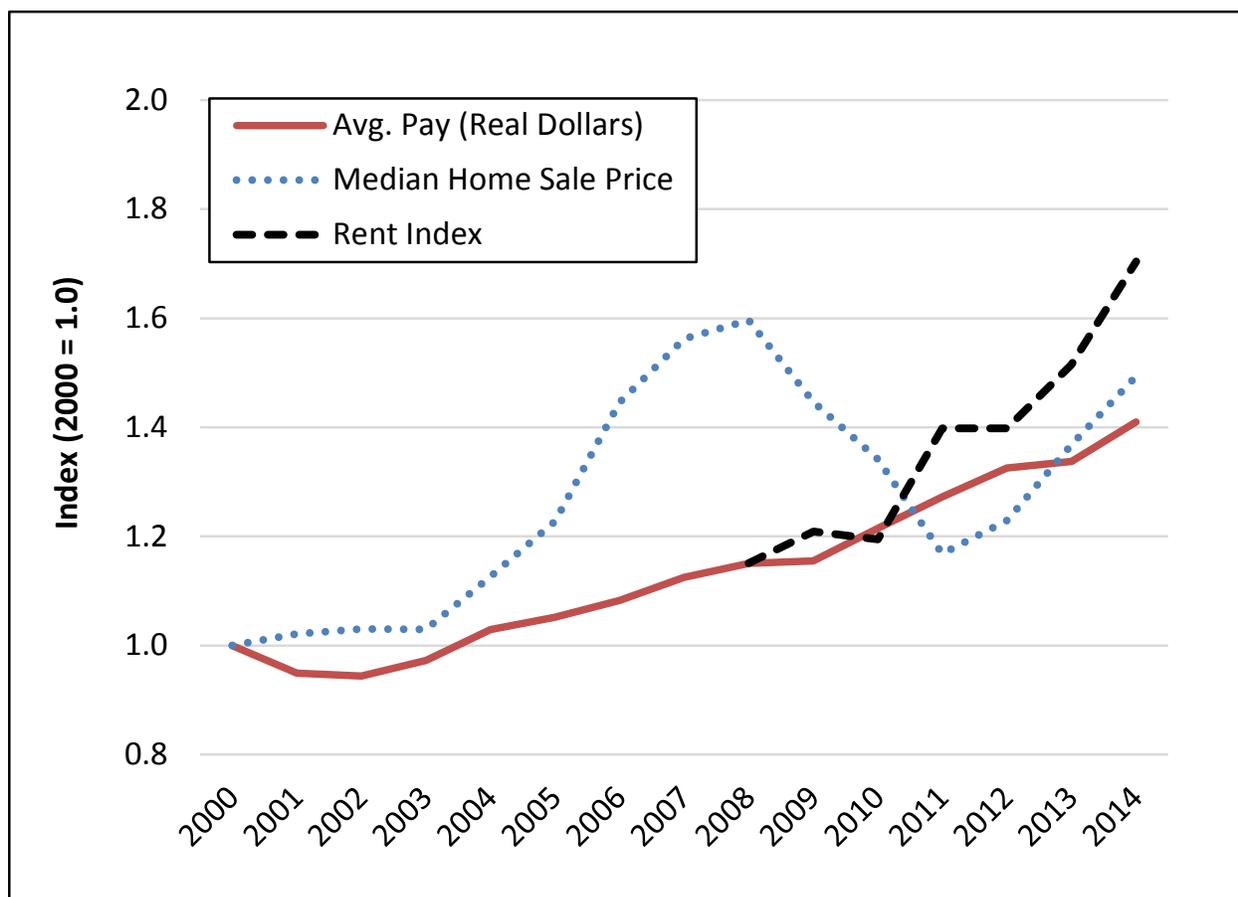


Sources: US Census, JOHNSON ECONOMICS
 Census Table: B25106 (2013 ACS 3-yr Estimates)

This recent data reflects trends seen in Washington County over the last roughly 15 years. Figure 6 shows the relative growth in average pay in the county compared to the growth in median home sale price and rent prices, with all metrics indexed to the year 2000 to show relative growth. From 2000 to 2007, growth in average home price grew significantly faster than local wages. While home prices fell during the recession, since the recovery from the recession began in 2011, growth in home prices are again outpacing wage growth.

The rent data source is limited in that it begins in 2007, but since that time rent levels have risen much faster than wage growth, climbing nearly 50% since 2007.

FIGURE 6: GROWTH IN AVERAGE PAY COMPARED TO HOUSING COSTS, 2000 - 2014



SOURCE: Oregon Employment Dept., Zillow, Metro Multifamily NW, Johnson Economics

* Average pay = total payroll (in dollars) divided by total employment.

E. Employment trends

There were approximately 62,300 jobs in the city of Beaverton in 2011, and approximately 51,000 Beaverton residents in the labor force. This represents a 1.2 ratio of jobs to residents and a 1.6 ratio of jobs to households. Of the 62,300 jobs in 2011, 7,800 of those jobs were held by Beaverton residents. The *Housing and Residential Land Needs Assessment* provides a comparison of local jobs, by industry, and industries in which Beaverton residents work (Figure 1.11, Appendix B).

Approximately 31,300 residents commute outside the city for jobs. This is not an unusual pattern, particularly in a metropolitan area where many people live and work in different communities and spouses and other family members often do not work in the same community.

These commute patterns suggest that many Beaverton residents are finding suitable employment outside of the city while much of the city's work force commutes from elsewhere. The *Housing and Residential Land Needs Assessment* presents average wage statistics by area (Figure 1.12 in Appendix B), which indicates where more housing that is affordable to employees earning these wages may be most appropriate and needed in order to allow residents to live and work in closer proximity.

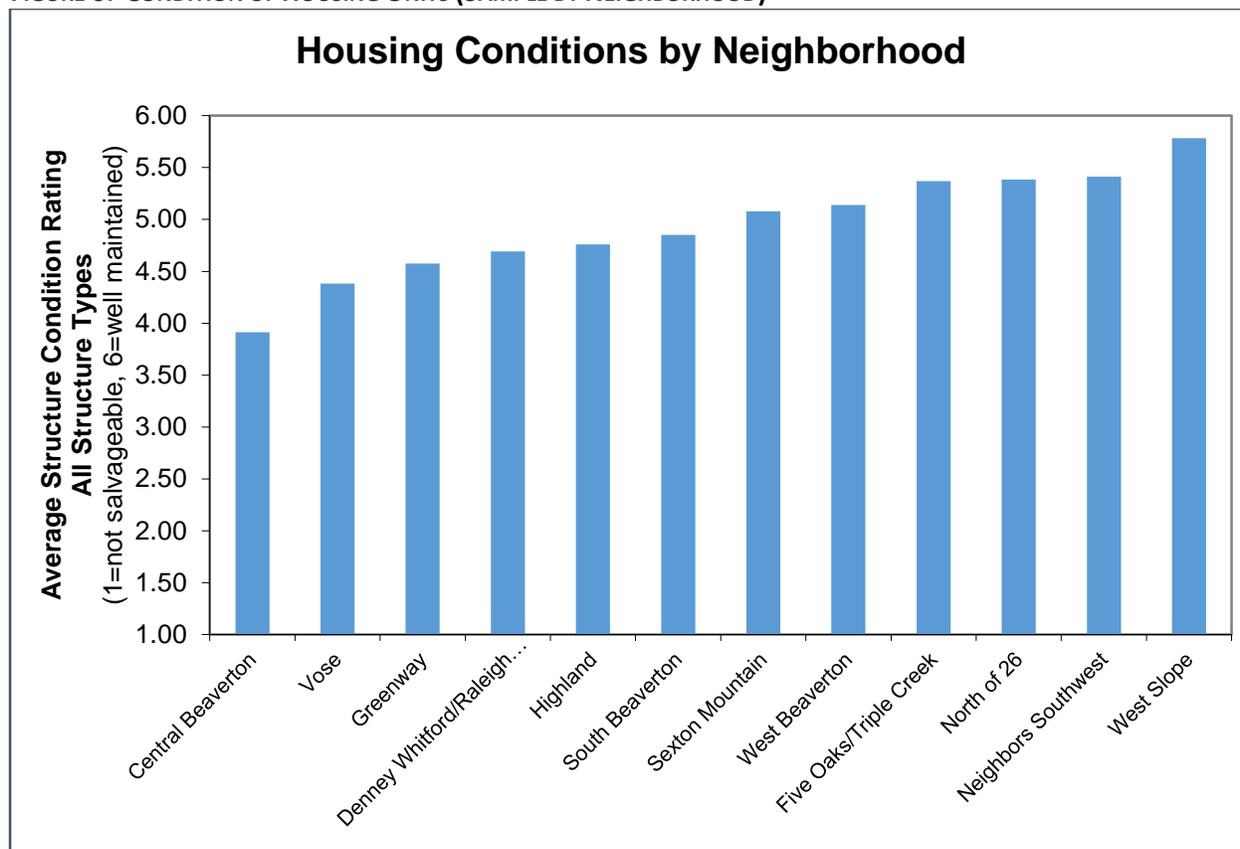
F. Housing stock and conditions

There are approximately 40,870 housing units in Beaverton for an estimated 39,377 households, resulting in a vacancy rate of about 4%. Roughly half of the housing was built before 1980. Renter occupancy rates are higher than owner occupancy rates for housing built in the 1980s and 1990s. In 2010, occupied housing units were basically evenly split between owners and renters.

A map of housing by year built is shown in Figure 7. It should be noted that the data on which the map is based can be sometimes incomplete or inaccurate, and this map is meant as a general picture of development patterns and may not be accurate for any individual property. Roughly 8% of ownership residential parcels lack data on year built, and do not appear. Roughly 83% of multi-family parcels lack this data.

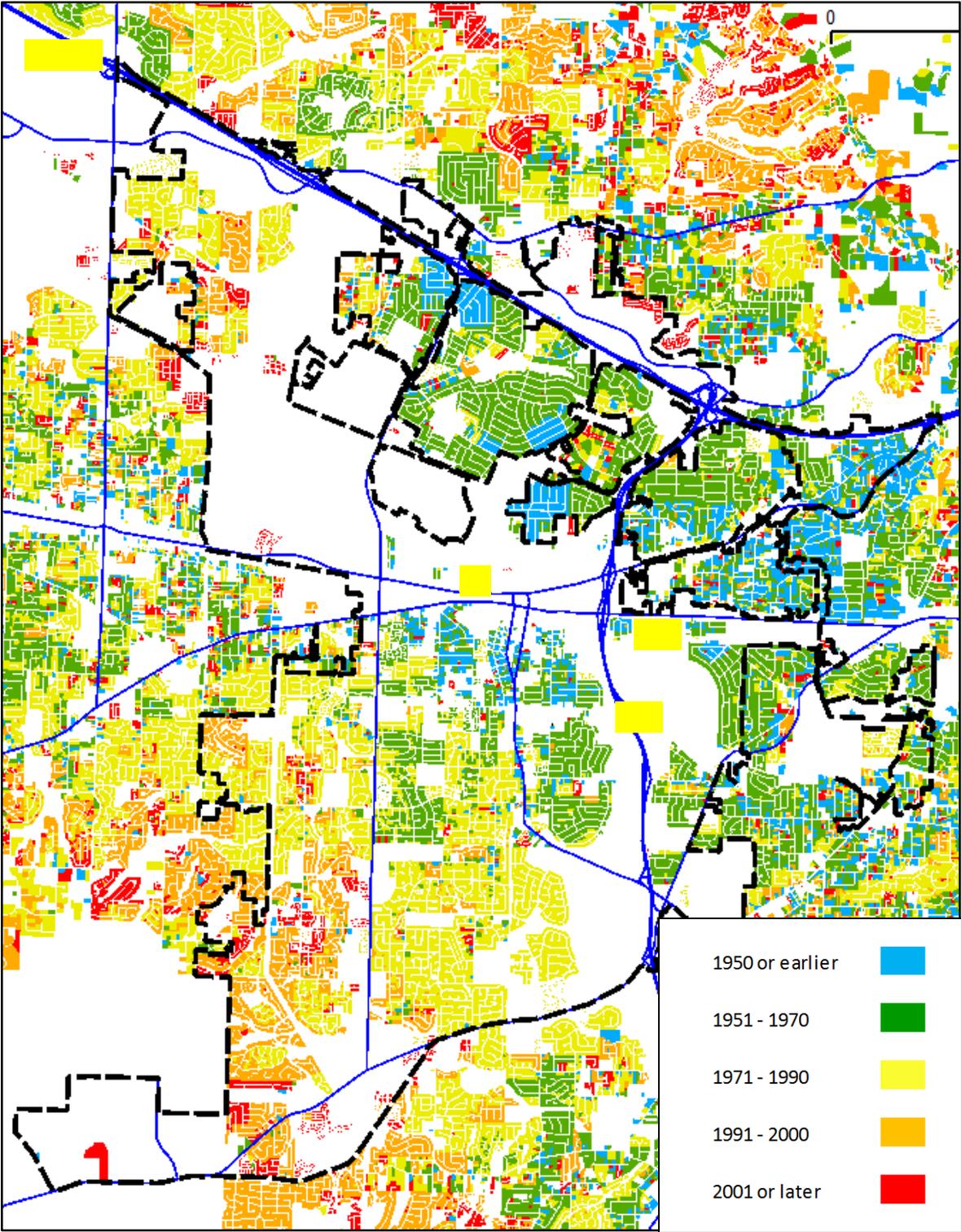
Limited other information is available related to housing conditions. In 2010, the City of Beaverton conducted a study of housing conditions across Beaverton neighborhoods. Samples of housing stock in each neighborhood were assessed for the condition of the structure, external structural elements such as stairs, rails and porches and landscape conditions. In general, the survey found that housing was in the best condition in neighborhoods in the outlying areas of the city, as shown in Figure 6. As one might expect, the housing condition seems to be correlated to housing age, and outer neighborhoods offer newer housing on average, while Central Beaverton and adjoining neighborhoods offer older housing stock, as shown in Figure 7.

FIGURE 6: CONDITION OF HOUSING UNITS (SAMPLE BY NEIGHBORHOOD)



Reproduced from: *Beaverton Housing & Neighborhood Stability Report, 2010, Angelo Planning Group, p. 52*

FIGURE 7: AGE OF HOUSING UNITS

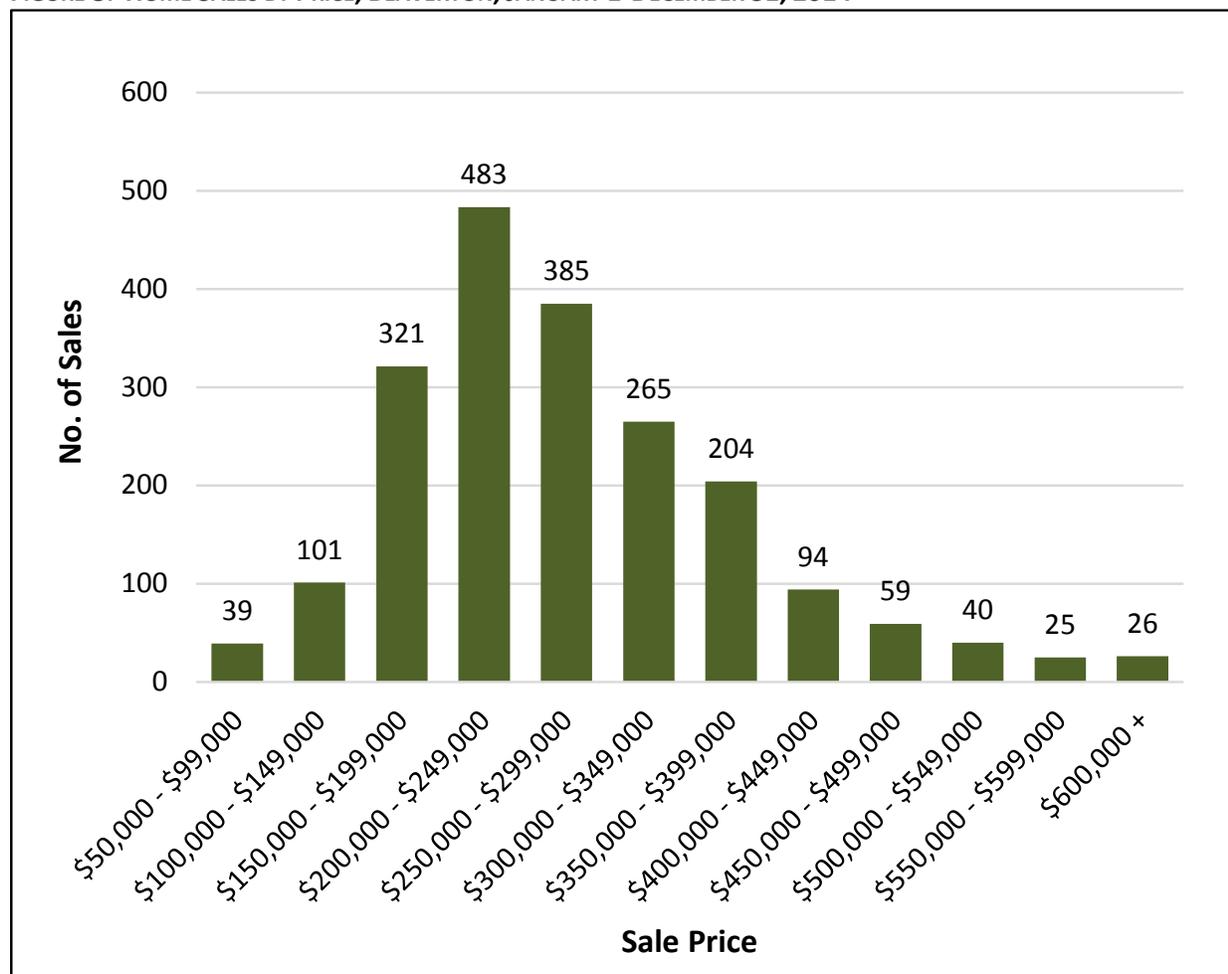


SOURCE: Metro RLIS, Johnson Economics

G. Owner-occupied housing

Owner-occupied housing in incorporated Beaverton in 2015 is largely single-family detached housing (78%), followed by single-family attached housing (14%), and multi-family housing with five or more units (5%).⁶ In 2014, over 1,500 homes were sold at a median sale price of \$292,000 for detached housing and \$179,000 for attached housing (including condominiums). After a spike in foreclosure activity in 2012, the foreclosure rate fell sharply and is settling at a level a little higher than the historic trend, where it is expected remain for a few years. The inventory for both attached and detached housing in Beaverton was just under a two-month supply in April 2015 according to the Regional Multiple Listing Service (RMLS), which is far below the six-month inventory that is the real estate industry standard.

FIGURE 8: HOME SALES BY PRICE, BEAVERTON, JANUARY 1-DECEMBER 31, 2014



SOURCE: RMLS, Johnson Economics

H. Rental housing

Rental housing in Beaverton is largely composed of multi-family housing with five or more units (67%), followed by single-family detached housing (12%), three- and four-plexes (12%), single-family

⁶ 2013 ACS data, projected to 2015 by Johnson Economics based on permits issued between 2013 and 2015



attached housing (6%), and duplexes (3%).⁷ Average rent in Beaverton rose approximately 42% between 2007 and 2015; inflation during this period was 14%, therefore rent increases far outstripped inflation during this period.⁸ Average rent per square foot is \$1.12 in Beaverton as compared to between \$1.15 and \$1.25 in Portland, Hillsboro, Tigard/Tualatin/Sherwood, and Aloha. The vacancy rate for rental housing is about 3%, which is well below the 5% industry standard. Rental demand in the last several years is seen as driven by homeowners displaced by the recession and young households not being able to afford to or otherwise choosing not to buy a home.

I. Homelessness

Homelessness is a largely unseen problem in the City of Beaverton, given the lack of an emergency homeless shelter and many of the supportive services that work in tandem with shelters, both of which are generally concentrated in nearby Portland and Hillsboro. Every year in January since 2006, Washington County has conducted a one night Point-In-Time (PIT) homeless count in order to document where and to what extent homelessness is occurring in the county. The January 2015 count found that using the state definition of homelessness – which, unlike the federal definition, includes households that “double up” in the homes of friends or family – there were 568 homeless households (776 individuals) in Washington County, including 144 households that “doubled up.” Forty-two of those households indicated that they primarily stay in the Beaverton area, although the bulk of respondents – 414 households, or 73% – did not specify which part of the county they typically stayed in, which would suggest that there are significantly more than 42 homeless households in Beaverton.

Data collected by the State of Oregon in compliance with the McKinney-Vento Homeless Education Assistance Act for the 2013-2014 school year suggests that the rate of homelessness in Beaverton is much higher than the numbers described above, at least for families with school-age children. For the fifth year in a row, the Beaverton School District (the boundaries of which largely follow the city’s Urban Services Boundary) had the most homeless students in the state, with 1,291 out of its 39,773 students (3.3%) classified as homeless. The vast majority (86%) of homeless students were in “doubled up” living situations, with about 5.5% living in shelters, 5% living in hotels or motels, and 3.5% unsheltered, and nearly 25% of homeless students not living with their parents.

In 2009, the US Department of Housing and Urban Development (HUD) adopted the HARTH Act, which overhauled the Emergency Shelter Grants Program and codified into law the continuum of care planning process, a longstanding part of HUD's application process that emphasizes assisting homeless persons with services that more affectively responded to their long-term needs. To a large extent, this shift altered the funding landscape away from subsistence level emergency shelters by combining transitional housing with supportive services, with a goal of advancing homeless populations into permanent housing and self-sufficiency.

It also puts more funding emphasis upon preserving affordable housing that might otherwise be replaced with market rate units. A recent report from the Vision Action Network of Washington County seems to support this shift towards providing permanent affordable housing from an economic perspective as well. Entitled “A Study of Emergency Service Provider Costs for Chronically Homeless Persons in Washington County, Oregon,” the report found that it costs an average of \$61 per person to

⁷ 2013 ACS data, projected to 2015 by Johnson Economics based on permits issued between 2013 and 2015

⁸ "Multifamily NW" (for rental housing prices) and Consumer Price Index (for inflation estimates).



shelter a family for one night. In comparison, for study participants, the average rental subsidy through permanent supportive housing was \$17 a day per family.

II. Housing needs

Housing need is estimated in the draft *City of Beaverton, OR Housing and Residential Land Needs Assessment (Oregon Statewide Planning Goal 10); 20 Year Housing Need* report. The assessment compares 2014 ownership and rental housing demand and housing supply, where demand is based on assumptions of housing costs that are 30% of gross income for low-income households and 20% of gross income for the highest-income households. The report assesses current and future housing needs for the City of Beaverton, as well as for the area within the City's Urban Service Boundary (USB) but outside the city limits. It also summarizes the combined needs of these two areas. This section of the report focuses on needs identified within the current city limits.

In terms of ownership housing, the assessment finds that there is a need for more housing units at a range of price points with the exception of a surplus of units in the \$180,000-\$250,000 range and the \$390,000-\$480,000 range. In terms of rental housing, there is a need for housing units at the lowest (0-\$620) and middle price levels (\$1,080-\$1,730); there is a surplus of units in the \$620-\$1,080 range, which represents the current average rental price range in Beaverton.

It is important to note that the assessment relies on estimates of housing value for local ownership housing stock as estimated by the Census. This is different than the current average sales pricing. This can create some cognitive dissonance because the inventory finds some ownership housing at what seems a low estimated value, whereas it is very rare to be able to purchase a home at this low of a cost. However, as many households are long-term owners, with modest mortgages or even no remaining mortgage, it is accurate to say that there is a broad range of housing in the community which costs less to the owner than the current average sale price of local housing. In addition, many households "underpay" for housing by purchasing or renting homes at lower prices than they could potentially afford, thereby reducing the available supply of affordable housing for people in lower-income groups.

In addition to estimating current housing needs, the assessment also presents anticipated housing need trends and projected 20-year housing needs (2035). Population in Beaverton is expected to grow to approximately 111,423 in 2035, composed of approximately 50,517 non-group households. Total housing units are projected to be approximately 53,169 with a 5% vacancy rate (therefore, 50,517 occupied housing units) and representing an increase of approximately 12,300 units. Projections of housing demand in 2035 show the highest levels of ownership housing demand in the \$250,000-\$330,000 range (23%), \$330,000-\$390,000 range (15%), and \$390,000-\$480,000 range (14%), and rental housing demand in the \$0-380 range (18%), \$870-\$1,080 range (22%), and \$1,080-\$1,490 range (17%). The assessment's comparison of projected housing demand and current housing inventory found the following:

- Of the 12,295 new housing units needed, 62% are projected to be ownership units and 38% rental units.⁹

⁹ The tenure breakdown of needed future units differs from the current tenure split because there is currently estimated to be more vacant rental units than ownership units. The projected future need in Table 3 represents a rebalancing of owner and renter units, given existing capacity, estimated need, and vacancy assumptions; it is important to remember that the units in Table 3 represent *net new* units. The total housing breakdown in 2035 is estimated to have an overall tenure split of 52% ownership and 48% rental.

- Of the new units needed, approximately 47% are projected to be single-family detached housing, 32% multi-family attached housing with five or more units, 12% single-family attached housing, 8.2% duplex, triplex, and four-plex attached housing, and 0.7% mobile home units.
- The needed affordability types of housing projected for 2035 reflect the same relationship shown in the comparison of 2015 need and supply. Generally, based on income levels there is a shortage of units in the lowest pricing levels, particularly for renter households.
 - In order for projected renter households in 2035 to spend 30% or less of their income towards housing, a total of 7,048 rental units affordable at \$620 or less would be needed.
 - There is a surplus in the middle rental spectrum (\$620 to \$1,020), which reflects where the majority of market-rate rent levels are currently. A future need is projected for low-rent units, but also higher-rent units including single-family homes. Some renter households have the ability pay for a larger, newer, and/or higher-quality unit than may be currently available.
 - Projected needed ownership units show a similar relationship, with a surplus of units valued at \$180,000 to \$250,000 (which reflects the estimated *value* of the total housing stock, not necessarily the current average sale pricing). There is an estimated need (1,582 units) for less expensive ownership housing.
 - Most of the projected ownership housing need is for more valuable housing units, ranging from \$250,000 to \$700,000 and above.

Additional trends highlighted in the assessment include the following:

- Developing more attached forms of housing and greater density in Beaverton will be important in continuing to meet future needs for these forms of housing.¹⁰
- There are current and future needs for more expensive housing (sale prices of more than \$500,000 and, to a lesser extent, rental prices of more than \$2,600) that appear to reflect the presence of some of the state's highest paying employers in Beaverton or in neighboring jurisdictions.
- Aging Baby Boom generation households, particularly homeowners, are anticipated to prefer to age in place as long as possible. When they do transition to other housing, their stock of older existing single-family homes will likely be attractive starter and move-up homes to younger family households.
- Beaverton can continue to attract people in their 20s seeking relatively affordable housing near Washington County employment centers by facilitating mixed-use areas and urban-style amenities such as multi-modal environments, shopping and entertainment, and open space. This population may include young families moving from areas like central Portland who are looking for more affordable housing, more space, and high-quality schools.

¹⁰ While 80% of respondents expressed a preference for a detached single-family home in the May 2014 Residential Preference Survey conducted by Davis, Hibbitts, & Midghall for Metro, the housing needs assessment more realistically translates projected population and income into housing costs and housing types that will be affordable and needed. While many people would prefer to live in larger, more expensive homes, the reality is that they either cannot afford such housing or other factors and associated housing preferences (e.g., to live in a specific location or in close proximity to certain amenities) outweighs those preferences.

- Immigrants will make up an increasing share of households in Beaverton. While not homogeneous, these household on average tend to be larger, have lower incomes, and are more likely to rent housing than the average household.
- The homeownership rate in Beaverton of roughly 50% is expected to remain steady over the 20-year planning period. The household size is expected to continue to decline over the 20-year period, from the current estimate of 2.37 to 2.21 by 2035, eventually leveling off.

The findings above, coupled with demographic projections indicate a need for housing in Beaverton that is affordable to those with very low incomes and that is suitable for single-parent families with children. A recent Metro study noted that young, low-income families with children tend to choose single-family rental homes.¹¹ Given that this demographic group tends to favor this type of housing, as do “Generation Y” households with children that are reluctant to buy a home, and that there were only approximately 2,632 single-family detached rental homes in Beaverton as of the 2013 ACS (projected to 2015), it is anticipated that there will be a significant need for more rental single-family homes. Also, the current shortage of housing units affordable to those with the lowest incomes in Beaverton is likely to grow as the need increases.

“Affordable housing” can be a confusing term that some may assume refers only to subsidized housing. In the context of the housing needs assessment, “affordable housing” refers to housing that can be purchased or rented by a given household without spending more than 30% of gross income for low-income households and 20% of gross income for the highest-income households. These thresholds generally follow the HUD guidelines for defining housing affordability.¹² Thus, a household of any income paying more than 30% of its gross household income to its housing costs is considered cost-burdened, regardless of whether the household owns or rents. The housing need determined from using these thresholds for affordability does not necessarily correspond to the need for subsidized housing, although it may in the cases of those with low incomes.

For households with very low incomes, life in housing that is unaffordable can be further detrimental to the household’s health and well-being. Under such conditions, these households are often forced to forego what many would consider daily necessities to ensure that their rent is paid. Without a sufficient financial cushion, subsequent tradeoffs often affect the quality of child care provided, nutritious food consumption, sickness and disease prevention, and stresses within the family framework. In extreme cases, some households may fall into homelessness.

¹¹ George C. Hough, Jr. et al, Institute of Portland Metropolitan Studies, *Housing Needs Study for the Portland Metropolitan Area: Final Report*, Prepared for Metro, May 2008, p. ES-2.

¹² HUD provides the following definition for affordable housing:

In general, housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities. Please note that some jurisdictions may define affordable housing based on other, locally determined criteria, and that this definition is intended solely as an approximate guideline or general rule of thumb.
http://www.huduser.org/portal/glossary/glossary_a.html

As indicated above, housing costs include utilities. More specifically, housing costs include mortgage, taxes, insurance, and utilities for owner-occupied housing and rent plus utilities for rental housing.



TABLE 3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2035), CITY OF BEAVERTON

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached ¹	Multi-Family			Mobile home	Boat, RV, other temp	Total Units ²	% of Units	Cummulative %
			2-unit	3- or 4-plex	5+ Units MFR					
\$0k - \$80k	382	99	41	3	0	58	0	583	7.7%	7.7%
\$80k - \$130k	445	146	79	0	0	60	0	730	9.6%	17.3%
\$130k - \$180k	147	67	32	5	68	-51	0	269	3.5%	20.9%
\$180k - \$250k	-2,136	-603	0	-60	119	0	0	-2,680	-35.4%	-14.5%
\$250k - \$330k	798	1,338	0	204	203	0	0	2,543	33.6%	19.1%
\$330k - \$390k	1,116	146	0	0	196	0	0	1,457	19.2%	38.3%
\$390k - \$480k	332	18	0	0	18	0	0	369	4.9%	43.2%
\$480k - \$580k	1,076	0	0	0	0	0	0	1,076	14.2%	57.4%
\$580k - \$680k	1,778	0	0	0	0	0	0	1,778	23.5%	80.8%
\$680k +	1,451	0	0	0	0	0	0	1,451	19.2%	100.0%
Totals:	5,389	1,212	152	152	605	68	0	7,577	% All Units:	61.6%
Percentage:	71.1%	16.0%	2.0%	2.0%	8.0%	0.9%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached ¹	Multi-Family			Mobile home	Boat, RV, other temp	Total Units ²	% of Units	Cummulative %
			2-unit	3- or 4-plex	5+ Units MFR					
\$0 - \$380	0	0	0	0	3,978	30	0	4,008	85.0%	85.0%
\$380 - \$620	0	0	0	0	3,050	-11	0	3,040	64.4%	149.4%
\$620 - \$870	0	0	-167	-457	-4,451	0	0	-5,075	-107.6%	41.8%
\$870 - \$1080	-88	-232	-84	118	-1,403	0	0	-1,689	-35.8%	6.0%
\$1080 - \$1490	-492	388	395	666	1,451	0	0	2,407	51.0%	57.0%
\$1490 - \$1730	725	174	0	240	615	0	0	1,754	37.2%	94.2%
\$1730 - \$2160	160	0	0	0	40	0	0	200	4.2%	98.4%
\$2160 - \$2600	-211	0	0	0	0	0	0	-211	-4.5%	94.0%
\$2600 - \$3460	83	0	0	0	0	0	0	83	1.8%	95.7%
\$3460 +	201	0	0	0	0	0	0	201	4.3%	100.0%
Totals:	378	330	143	566	3,281	19	0	4,718	% All Units:	38.4%
Percentage:	8.0%	7.0%	3.0%	12.0%	69.5%	0.4%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached ¹	Multi-Family			Mobile home	Boat, RV, other temp	Total Units ²	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	5,767	1,542	295	718	3,886	87	0	12,295	100%
Percentage:	46.9%	12.5%	2.4%	5.8%	31.6%	0.7%	0.0%	100.0%	

Sources: PSU Population Research Center, Claritas Inc., Census, Johnson Economics

¹ Uses Census definition, including townhomes/rowhouses and duplexes attached side-by-side, seperately metered>

² Total Units column presents both Need and Surplus of units. Needed units are presented as positive numbers. "Surplus" units are presented as negative numbers, meaning that there is a large presence of units available in that price range, and a greater variety is needed.

Sources: Metro 2035 forecast, Claritas, Census, JOHNSON ECONOMICS LLC

As noted previously, higher-income households generally have access to a wider range of housing options provided by the private market. Lower-income households have fewer choices available, and may be forced to pay a larger portion of their income for housing that meets their needs, while higher-income households may be paying less for housing than they can “afford” (i.e. paying well less than 30% of income towards housing). For example, as shown in Figures 7.5 and 7.6 for the City of Beaverton and Figures 9.5 and 9.6 for the entire USB area in the housing needs assessment (Appendix B), the shortage of affordable housing units is greatest for renters with incomes less than \$25,000 and homeowners with incomes between \$50,000 and \$75,000. It is likely that this shortage is exacerbated by renters and homeowners that live in housing units that they can more than afford; i.e., they have higher incomes and, thus, could afford higher housing costs but may not currently be motivated to leave housing that is more than affordable for them.

In addition to estimating the future needed housing within the Beaverton City limits, the housing needs assessment also includes an estimate of housing units needed within the larger Beaverton urban service area. A summary of housing needs in this area and in the combined city limits and service boundary area is found in Tables 4 and 5.

TABLE 4: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2035), USB AREA (EXCLUDING AREA WITHIN BEAVERTON CITY LIMITS)

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	8,233	1,084	663	1,389	4,113	261	0	15,744	100%
Percentage:	52.3%	6.9%	4.2%	8.8%	26.1%	1.7%	0.0%	100.0%	

TABLE 5: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2035), COMBINED USB AREA (INCLUDING BEAVERTON CITY LIMITS)

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	14,001	2,626	958	2,107	7,999	348	0	28,038	100%
Percentage:	49.9%	9.4%	3.4%	7.5%	28.5%	1.2%	0.0%	100.0%	

Sources: Metro RTP, PSU Population Research Center, Claritas Inc., Census, Johnson Economics

III. Land Supply

In order to determine the amount of capacity that is available in Beaverton to meet current and future housing needs, it is necessary to first estimate the amount of buildable land for residential development. A Buildable Lands Inventory (BLI) was conducted for the City in early 2015 and involved several steps. First, lands already committed to other uses (e.g., schools, parks and other public facilities) were excluded from the inventory. Second, the net number of unconstrained acres within study area tax lots were calculated. Third, the capacity of this land for future housing units was assessed. The BLI study area includes both the City of Beaverton and the areas of unincorporated Washington County within its Urban Services Boundary (USB).



In addressing constrained areas, a combination of “hard” and “soft” constraints were identified and constrained areas were subtracted from the inventory. Hard constraints include slopes, floodways, and riparian areas. Soft constraints include Metro Title 13 Riparian Class I and II areas. Subtracting these areas resulted in the net number of unconstrained acres within study area tax lots (25,347 acres).

Building capacity was then determined for both vacant and developed lands based on assumptions about density and the mix of uses allowed and typically constructed in each zoning district. The assumptions include requirements and trends related to units/acre, percentages of residential and non-residential uses expected to be developed on lands zoned for commercial or mixed use development where residential uses also are allowed, the minimum area required for redevelopment, and strike price (related to redevelopment) as established in a City model.

Much of the total acreage in the inventory represents developed residential land with relatively little capacity for new development based on the amount of land devoted to existing development and the value and propensity of developed land to redevelop. The number of acres of vacant land accounts for a relatively small proportion of the total residential acres.

The methodology and results of the analysis are included in Appendix A and the results are summarized in the following tables. In a number of cases, the analysis for areas within the city includes minor modifications to assumptions embedded in Metro’s regional BLI (Metro’s development and redevelopment assumptions for areas outside the city but within the USB were not modified). Those changes are identified in Appendix A. The following tables show the total number of residential acres by zone in the City, as well as the number of vacant acres in each zone and the resulting potential capacity for new housing units.

TABLE6: CAPACITY FOR NEW HOUSING UNITS INSIDE CITY LIMITS BY CITY ZONE CATEGORY

Generalized Zoning Category	Gross Acres	Unconstrained Acres	Net Residential Acres	Net Units (New Units minus Existing Units)
SFR	4,106	3,910	310	5,039
Vacant	412	371	47	2,992
Developed	3,694	3,539	263	2,047
MFR	855	793	77	1,627
Vacant	13	11	8	144
Developed	842	783	68	1,483
MUR	1,249	1,152	116	6,584
Vacant	201	167	21	3,187
Developed	1,048	985	95	3,397
COM	244	236	2	62

Generalized Zoning Category	Gross Acres	Unconstrained Acres	Net Residential Acres	Net Units (New Units minus Existing Units)
Vacant	9	7	1	26
Developed	235	228	1	36
IND	885	825	-	(6)
Vacant	31	28	-	-
Developed	854	797	-	(6)
Grand Total	7,339	6,917	504	13,306

SOURCE: Metro RLIS, City of Beaverton, Angelo Planning Group

* A significant number (approximately 3,400) of these units are in South Cooper Mountain, and were calculated based on the recent planning effort and not through the BLI analysis. These parcels did not undergo the “Residential Acres” calculation and the supply of land in this area is not included in the vacant residential acreage portion of the table.

TABLE 7: CAPACITY FOR NEW HOUSING UNITS OUTSIDE CITY LIMITS BY ZONE CATEGORY

Generalized Zoning Category	Gross Acres	Unconstrained Acres	Net Residential Acres	Net Units (New Units minus Existing Units)
SFR	12,334	11,136	2,957	21,103
Vacant	746	554	412	4,316
Developed	10,994	10,136	2,546	16,787
MFR	594	445	-	-
Vacant	576	534	193	4,408
Developed	53	48	39	550
MUR	523	487	154	3,858
Vacant	496	452	125	3,467
Developed	48	43	20	434
COM	448	409	105	3,033
Vacant	518	466	11	4
Developed	50	40	7	-
IND	469	426	4	4
Vacant	281	267	-	-
Developed	11	8	-	-
Grand Total	269	259	-	-



SOURCE: Metro RLIS, City of Beaverton, Angelo Planning Group

IV. Comparison of Housing Need and Supply

In this section, housing supply or capacity is compared to housing need to determine any gaps that need to be addressed to reconcile the need for specific types of housing with the available supply of land designated for different types of residential use. A report entitled *Housing and Residential Land Needs Assessment (Oregon Statewide Planning Goal 10); 20-Year Housing Needs* prepared by Johnson Economics (dated June 2015) compares estimated housing need in Beaverton over the next 20 years to the estimated capacity for housing found in the BLI, which is summarized in the previous section of this report. The full assessment is included with this report as Appendix B.

Like the BLI, the comparison differentiates between need and supply within the city limits and in the area outside the city limits but within the City’s USB. Findings of shortage or excess capacity also have been identified in terms of three broad categories of housing: single-family residential (SFR) zoning where single-family detached housing is predominant, medium-density residential (MDR) zoning that permits housing from townhouses to four-plexes, and multi-family residential (MFR) zoning (apartments and condominiums).

The findings of the comparison of capacity and need are presented in Tables 8 and 9.

TABLE 8: COMPARISON OF FORECASTED FUTURE HOUSING UNIT NEED WITH AVAILABLE CAPACITY (2035)

Unmet Need (Need – Capacity)	Single-Family Detached (SFR)	Medium-Density Attached (MDR)	Multi-Family (MFR)	Total
City of Beaverton	(821)	(928)	2,760	1,011
USB Area (Excluding City)	7,348	2,124	3,766	13,238
Combined USB Area (Including City)	6,527	1,196	6,526	14,250

SOURCE: *Housing and Residential Land Needs Assessment (Oregon Statewide Planning Goal 10); 20-Year Housing Needs (June 2015), Figure 11.3 (Appendix B)*

As shown in Table 8, there is a substantial mismatch between need and supply inside the city limits and outside the city limits. There is a SFR shortage (821 units) and medium family residential (928 units) along with an excess MFR capacity (2,760 units) inside the city. There is excess capacity for all three dwelling types outside the city and within the USB as a whole.

The shortage of land available for single-family detached housing within the city is somewhat exacerbated by assumptions for future development in areas recently added to the UGB. For example, average densities required by Metro in the South Cooper Mountain area resulted in a need to plan for a portion of that area to be single-family attached and multi-family housing.

Based on the need for different types of residential units presented above, estimates were made of the amount of appropriately-zoned land needed to accommodate these units. For this analysis, a set of representative zones was selected to accommodate the different housing types, as summarized below:

Single Family Residential (SFR) Zones

- **R5 zone:** A residential zone requiring a minimum of 5,000 square feet per unit. This is used as the primary SFR zone for detached single family homes.
- **R4 zone:** A residential zone requiring a minimum of 4,000 square feet per unit. This is used as an additional SFR zone for slightly denser, more compact “small lot” single family homes.
- **COUNTY - R-9 zone:** A residential zone requiring a density of 7 to 9 units per acre. This is used as the primary SFR zone for detached single family homes in the USB area.

Medium-Density Residential (Med.FR) Zones

- **R2 zone:** A residential zone requiring a minimum of 2,000 square feet per unit. This is used as the primary zone for “medium density” attached housing forms, ranging from single family attached (town homes) to four-plexes.
- **COUNTY - R-15 zone:** A residential zone requiring a density of 12 to 15 units per acre. This is used as the primary zone for “medium density” attached housing forms in the USB area.

Multi-Family Residential (MFR) Zones

- **R1 zone:** A residential zone requiring a minimum of 1,000 square feet per unit. This is used as the primary MFR zone for multi-family attached housing such as apartments or condominium developments.
- **TC-HDR:** A Town Center zone allowing a maximum density of 36 units per acre. This zone was included to as a representative of Multi-Use zones such as station center and town center zoning. At this stage it is difficult to make assumption about the future placement of new town center or station designations. The inclusion of the TC-HDR is meant to acknowledge that in newly developed master-planned areas, these types of zones may be included.
- **COUNTY - R-25+ zone:** A residential zone requiring a density of at least 25 units per acre. This is used as the primary zone for MFR housing forms in the USB area.

The following table presents estimates of *Residential Land Need* by these representative zones. This includes both zones for which there is an estimated **NEED** (i.e. there is not sufficient capacity in these zones for all of the needed housing units of that type), and those zones of which there is an estimated **SURPLUS** (i.e. there is sufficient buildable capacity to accommodate the needed housing units AND additional capacity.)

TABLE 9: ESTIMATED ADDITIONAL LAND NEED BY ZONE (2035) TO ACCOMMODATE THE ESTIMATED UNIT NEED

CITY OF BEAVERTON		Housing Unit Need					
		SFR	Med.FR	MFR			
		(821)	(928)	2,760			
Avg. Density/ Net Acre		Net Acres - Need/(Surplus)			Gross Acres - Need/(Surplus)		
		SFR	Med.FR	MFR	SFR	Med.FR	MFR
R5 Zone:	8.7	47.1			58.9		
R4 Zone:	10.9	37.7			47.1		
R2 Zone:	21.8		42.6			53.3	
R1 Zone:	43.6			(50.7)			(63.4)
TC-HDR:	36			(61.3)			(76.7)
Totals - Need/ (Surplus):		84.8	42.6	(112.0)	106.0	53.3	(140.1)
		Sum: 15.4			Sum: 19.2		

USB AREA (EXCLUDING CITY)		Housing Unit Need					
		SFR	Med.FR	MFR			
		7,348	2,124	3,766			
Avg. Density/ Net Acre		Net Acres - Need/(Surplus)			Gross Acres - Need/(Surplus)		
		SFR	Med.FR	MFR	SFR	Med.FR	MFR
R-9 Zone:	9.0	(816.5)			(1020.6)		
R-15 Zone:	15.0		(141.6)			(177.0)	
R-25+ Zone:	25.0			(150.6)			(188.3)
Totals - Need/ (Surplus):		(816.5)	(141.6)	(150.6)	(1020.6)	(177.0)	(188.3)
		Sum: (1108.7)			Sum: (1385.9)		

COMBINED CITY & USB AREA		Housing Unit Need					
		SFR	Med.FR	MFR			
		6,527	1,196	6,526			
Avg. Density/ Net Acre		Net Acres - Need/(Surplus)			Gross Acres - Need/(Surplus)		
		SFR	Med.FR	MFR	SFR	Med.FR	MFR
R5 Zone:	8.7	47.1			58.9		
R4 Zone:	10.9	37.7			47.1		
R2 Zone:	21.8		42.6			53.3	
R1 Zone:	43.6			(50.7)			(63.4)
TC-HDR:	36.0			(61.3)			(76.7)
R-9 Zone:	9.0	(816.5)			(1,020.6)		
R-15 Zone:	15.0		(141.6)			(177.0)	
R-25+ Zone:	25.0			(150.6)			(188.3)
Totals - Need/ (Surplus):		(731.7)	(99.0)	(262.7)	(914.6)	(123.7)	(328.4)
		Sum: (1093.3)			Sum: (1366.7)		



Sources: City of Beaverton BLI & Development Code, Washington Co. Development Code, Johnson Economics

The housing shortages and excesses summarized here could theoretically be addressed, in part, by rezoning in certain areas. However, rezoning is an intensive quasi-judicial or legislative process pursuant to City of Beaverton and Washington County regulations. Further, rezoning enough land to completely address the imbalances noted likely would be highly contentious and potentially infeasible.

Furthermore, given the development patterns within the city, rezoning likely would only address a fraction of the shortages, particularly for SFR in the city, and likely will not be a viable option because it is down-zoning that is not consistent with regional requirements. As a result, the mix of new housing development in the City of Beaverton, based on zoning, will feature a majority of single-family attached and multi-family units (more than 50%), similar to projections for the region as a whole.

Another avenue to explore is the extent to which residential land that is currently unincorporated but that is within the City's USB can be relied on to address the SFR shortage inside the city and excess outside the city. Currently, this land is not under the City's jurisdiction, is not part of an annexation plan, and is subject to Washington County land and housing needs analyses. However, to the extent that the City and County have formal agreements that require coordinated planning for areas within Beaverton's USB, it may be reasonable to expect the County to consider future housing needs for Beaverton in planning for this area. Thus, a larger conversation about a sub-regional approach to meeting housing needs appears to be warranted in the long term. This would include a discussion of the City and Washington County's collective responsibility for meeting regional goals associated with housing need.

The strategies discussed in the next section of the report are intended to address gaps between housing supply and need related to other housing needs and issues.

V. Housing Strategies to Address Housing Needs, Issues, and Requirements

A variety of strategies have been identified by the City during this and previous planning efforts to meet the diverse housing needs of Beaverton residents. This section of the report provides a summary of strategies organized by the following Housing Principles identified in the Beaverton Civic Plan, as well as additional topics addressed in other city housing documents:

- Invest in targeted capital improvements to focus housing development in the Central City and connect housing to transit
- Develop housing policies to match the needs of emerging market segments such as Baby Boomers, Generation Y, and immigrants and their families, including development of a full range of housing types
- Partner with non-profit organizations to build affordable housing and provide financial incentives to promote affordability, and preserve and enhance Beaverton's existing housing stock
- Create an infill development policy and toolkit, and provide several permit-ready building types for compact housing development
- Meet Fair Housing requirements and objectives

A. Invest in targeted capital improvements to focus housing development in the Central City and connect housing to transit.

Downtown and Central Beaverton feature a robust transit network and concentrations of services and amenities. As the Civic Plan acknowledges in this guiding principle, it behooves the City to continue to invest and facilitate investment in the central part of the city. The *City of Beaverton Housing and Neighborhood Stability Analysis (September 2010)* and the *Beaverton's Civic Plan; Housing and Neighborhood Strategy (April 2011)* offer the following ideas related to capital investments that will support development of new housing and improvements for existing housing.

Provide or assist with funding to construct public improvements. Identify grants or use urban renewal funding to construct public improvements that act as incentives for private sector residential development and to offset the costs of development of affordable and special needs housing. Public improvements can range from transportation-related improvements such as streets, sidewalks, crossings, and transit stops and amenities to plazas, parks, and community centers.

Assist community housing development organizations, other non-profit housing providers, and community land trusts in identifying target acquisition and development sites in the Central City. These sites will capitalize on existing capital improvements in the area and will provide opportunities for organizations to make or contribute to additional capital investments that improve transportation, open space, social gathering, cultural, educational, and/or health care access for housing developed in conjunction with these investments.

B. Develop housing policies to match the needs of emerging market segments such as Baby Boomers, Generation Y, Hispanic/Latino residents, and immigrants and their children.

The Summary of Phase I Housing Findings on Demographics and Housing Stock memorandum (dated September 23, 2014) addresses demographic data and trends related to household size, age, racial and ethnic diversity, primary language, income (including poverty), employment, and commuting in Beaverton. These findings are summarized in the opening section of this report.

The *City of Beaverton Housing and Neighborhood Stability Analysis* and the *Beaverton's Civic Plan; Housing and Neighborhood Strategy* discussed housing needs and preferences related to these demographics, in particular Latino families, immigrant families, Baby Boomers, and Generation Y (25- to 44-year olds). Following is a summary of strategies aimed at addressing these needs.

Work with local landowners and developers, including non-profit organizations, to encourage production of housing that will meet the needs of Hispanic/Latino residents, particularly for moderately-priced housing suitable for large, semi-independent families within a single household, as well as accessory dwelling units.

Work with affordable housing providers and other non-profit organizations to acquire large affordable units that will meet the needs of immigrant families. A need for large low- to moderate-cost housing is anticipated for the growing immigrant community in Beaverton and neighboring suburbs. It is expected that existing housing can meet this need. However, it will likely require coordination with affordable housing providers and other organizations to secure large single-family home and apartments and ensure a sufficient number of these units remain affordable and available to meet the needs of immigrant families.

Continue to provide adequate land for and support development of housing for young adults

(“Generation Y”), including relatively small, simple starter homes on small lots that are well-designed and built to green standards,¹³ as well as multi-family rental housing in areas with close proximity to transit and other amenities. These areas can include Beaverton’s older, close-in residential neighborhoods where homes and lots are small and prices are modest, as well as land in and near the downtown. Providing an adequate amount of small lots and lots for multi-family housing in these areas may entail rezoning (in most cases, “up” zoning) land. Targeted rezoning should be discussed with the community as part of developing an implementation plan following this analysis and strategy phase. In addition to implementation of infill policies and associated development code requirements (addressed later in this report), rezoning should be considered as an option in meeting these housing needs. Like infill, rezoning can be a significant challenge. In considering it, and the City must strike a balance between protecting established neighborhoods and meeting a documented housing land need (in this case, for small lots and lots for multi-family housing in specific locations), while not making it significantly more difficult to meet other identified needs such as the deficit of land for single-family detached housing in the city limits.

Other supporting strategies could include creating or expanding opportunities for renovations and energy efficiency upgrades for both owner-occupied and renter-occupied housing, particularly in more affordable, close-in neighborhoods attractive to this demographic group and marketing the City’s Downtown as an attractive location for young urban-oriented residents.

Continue to support development of housing for older residents, including baby boomers (currently ages 55 to 65). Specific strategies include:

- Support residents’ ability to age in place in their existing homes, through programs such as grants and other funding or technical assistance to make modifications to homes that are more “aging friendly” such as building ramps, widening doorways, and adjusting heights and access to sinks and cabinets; enhanced ability to build accessory dwelling units; and provision of commercial services, health care, and other community and social services in proximity to existing older residents, including through innovative reuse of existing buildings.¹⁴
- Pursue efforts to conserve and enhance mobile home parks, which can provide affordable housing options to seniors.
- Strengthen the existing downtown as a town center so that those boomers who want to transition from larger homes to smaller homes in a more urban setting can do so without leaving the city.

Opportunities for implementing the strategies above in specific locations in Beaverton are summarized in the following table.

¹³ John McIlwain, *Housing in America: The Next Decade*, Urban Land Institute, 2010, p. 14-16.

¹⁴ City residents identified the ability to age in place as an important issue in public outreach that was conducted in 2014 for the Comprehensive Plan Update and Beaverton Community Vision.

TABLE 10: HOUSING PREFERENCES OF DEMOGRAPHIC GROUPS

Demographic Groups	Ideal Neighborhood(s)	Likely Housing Preferences
Generation Y	Central District, South-Central, and walkable neighborhoods (e.g., Central Beaverton/Downtown, Highland, Vose)	Apartments and mixed-use residential
Immigrants and Their Children	Central District, Northern Beaverton, walkable neighborhoods, and Traditional Neighborhood Design (e.g., Central Beaverton/Downtown, Bethany)	Apartments/condos, mixed-use residential, courtyard housing, single-family
Younger Baby Boomers	Walkable neighborhoods and Traditional Neighborhood Design (e.g., Central Beaverton/Downtown, [another neighborhood that is walkable and has traditional design?])	Apartments/condos, mixed-use residential, courtyard housing, compact single-family
Older Baby Boomers	South-Central and walkable neighborhoods near health care and other services (e.g., Greenway, Vose, Central Beaverton/Downtown)	Apartments, mixed-use residential, townhomes, and senior housing

SOURCE: Fregonese Associates, *Beaverton’s Civic Plan; Housing and Neighborhoods Strategy (April 2011)*, Table 2

While the housing analyses referred to in this report do not break housing types down into very specific types, it is important to acknowledge emerging housing types. Emerging or re-emerging housing types such as garden apartments, accessory dwelling units, skinny houses, tiny houses, and container homes represent the diversification of housing and the increasing ability meet to specialized needs and provide lower-cost options. These specialized and affordable housing types may have the potential to meet a portion of the needs of the demographic groups discussed above.

In order to allow for these innovative housing types, City development, building, and municipal code would need to be reviewed and potentially revised. For example, changes to City development code may include expanding housing definitions, reducing minimum land area requirements in some zones, and possibly adding a set of standards under special use regulations (Section 60.50); changes should not be needed to other existing use and development standards (e.g., height, setbacks, landscaping). It is expected that the most significant changes needed to allow for these types of housing would be in building and other municipal code for certain types of housing (e.g., “tiny homes” or container or modular homes).

C. Partner with non-profit organizations to build affordable housing and provide financial incentives to promote affordability and preserve and enhance Beaverton’s existing housing stock.

As noted previously, there is a significant unmet demand for housing that is affordable and available to people with low incomes and special needs. Because some lower cost housing is currently occupied by households that can easily afford to pay more for their housing, programs are needed to provide regulated (subsidized) housing that is restricted for low-income households. City Comprehensive Plan housing policies and prior planning work address the housing needs of people in poverty, others in low

and moderate income groups, and people with special needs. The summary of strategies below addresses partnering, incentives, and other ways to help meet these special needs and affordable housing needs. The summary is followed by recommended policy amendments to further address these needs in existing City Comprehensive Plan housing policies.

Partner with non-profit organizations to build or acquire affordable housing.

- Use City General Fund and Beaverton Urban Redevelopment Agency (BURA) funds to help reduce the cost of building new housing, allowing developers to reduce housing costs and prices.
- Continue to support community land trusts in acquiring land or existing affordable housing, including through partnerships with emerging trusts such as Proud Ground.¹⁵
- Support trusts, community housing development organizations, and other non-profit housing providers in other ways such as identifying opportunity sites, assisting with the development permitting process, and sharing information about local and state financing programs.
- Focus on needed housing types identified in demographic analyses, including single-family rental homes for low-income and single-parent families and Generation Y households as well as units that are affordable to residents with the lowest incomes in Beaverton.
- Work with a broad statewide coalition to remove state restrictions on local inclusionary zoning.¹⁶
- Acquire land for future private development of affordable housing.

Provide incentives for developers to include affordable housing units as part of larger housing developments and/or mixed-use projects.

- Explore incentives such as density and height bonuses¹⁷, development permitting assistance, and SDC or other fee reductions, deferrals, or waivers.
- Use urban renewal funding to help reduce the cost of building new housing, particularly in the Downtown and Central Beaverton area. Require development of mixed-income housing projects in exchange for such subsidies in projects that are not federally subsidized.
- Consider expanding the City’s tax abatement program¹⁸ to include transit oriented development and/or other housing developed by for-profit organizations with a affordability component, in coordination with Washington County and other taxing districts in Beaverton as an incentive to incorporate mixed use design and affordable housing.

¹⁵ The City began contributing Community Development Block Grant (CDBG) funding to Proud Ground in 2012.

¹⁶ House Bill 2564-A, which would allow local governments to “impose conditions on approved permits that effectively establish sales price for up to 30% of residential development or limit purchase to a class or group of purchasers in exchange for one or more developer incentives,” passed the House of Representatives on April 14, 2015. A public hearing was held for the bill in the Senate Human Services and Early Childhood Committee on May 19, and a work session was held on June 2, in which the committee voted that the A-Engrossed bill be passed and referred to the Senate Rules Committee. (HB 2564-A can be viewed at: <https://olis.leg.state.or.us/liz/2015R1/Downloads/MeasureDocument/HB2564/A-Engrossed>.)

¹⁷ Existing Planned Unit Development (PUD) regulations in the City development code provide only reduced open space requirements in exchange for affordable housing development.

¹⁸ The City’s existing tax exemption program is limited to housing built by non-profit developers.

Prioritize tax incentives for housing that is developed for low-income, minority or immigrant, and special needs populations.

Expand employer assisted housing options. Provide large employers with information about how to implement employer assisted housing programs, which provide employees with mortgage assistance or other support in securing affordable housing near their workplace. Consider requiring large employers to establish Transportation Demand Management (TDM) programs in which housing assistance is an element of the program. Portland State University and Tacoma’s Downtown on the Go¹⁹ can serve as models for integrating housing assistance into TDM programs.

Draw on existing funding and partnerships and foster new ones to finance and implement important accessibility improvements and housing repair and rehabilitation.

- Use Community Development Block Grant (CDBG) funds to target accessibility improvements for households with disabled residents and repair and rehabilitation of owner-occupied housing units where household incomes are at or below 80% MFI. Focus repair and renovation efforts in neighborhoods with relatively lower housing condition ratings and higher concentrations of low-income households
- Seek opportunities to support renovation or rehabilitation of rental housing. Work with non-profit organizations to convert deteriorated rental housing to rehabilitated, subsidized affordable housing.
- Continue to support and expand energy efficiency improvements through City, state, federal, and non-profit programs.
- Develop a certification and listing program of rental and owner-occupied homes with specified levels of physical accessibility. Create problem-solving and training sessions for neighborhood organization, housing developers, and others regarding housing for residents with special needs.
- In accordance with new Fair Housing rulemaking, begin work on addressing “reasonable accommodations,” such as potentially offering Engineering Design Manual modifications and development code variances at a reduced or waived cost.²⁰

¹⁹ Downtown On the Go is a Transportation Management Association (TMA) in partnership with Pierce Transit, the Tacoma-Pierce County Chamber of Commerce, and the City of Tacoma. Participating in Downtown On the Go allows employers to offer incentives of \$1,000 to \$7,000 or more from partnering lenders and developers for employees to live downtown. The only requirements for employers to participate are an initial meeting with Downtown On the Go, completing a memorandum of understanding, and allowing the distribution of educational and promotional program materials. The program website is <http://www.downtownonwego.com/live/live-close-to-work>.

²⁰ A Joint Statement of HUD and the Department of Justice (DOJ), dated May 14, 2004 and entitled “Reasonable Accommodations Under the Fair Housing Act” characterizes reasonable accommodations as follows:

A “reasonable accommodation” is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since rules, policies, practices, and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling. The Act makes it unlawful to refuse to make reasonable accommodations to rules, policies, practices, or services when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use and enjoy a dwelling.

To show that a requested accommodation may be necessary, there must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability.

Establish community ownership and neighborhood pride programming focused on capital investments and community assets. In 2011-12, the City worked with tenants and landlords in a pilot project (called the Neighborhood Pride Program) that prompted landlords to voluntarily make repairs to their buildings and in their neighborhoods. This was combined this with key infrastructure repairs identified by the community to improve the livability of their neighborhoods.

- Continue the Neighborhood Pride program, in conjunction with community facility and infrastructure improvements to improve existing housing, particularly in neighborhoods outside the downtown. Enlist advocacy and other community groups to assist. Support neighborhood associations, and continue to provide funding for programs such as clean-up days and block parties.
- Continue to partner with and promote other local programs that help improve neighborhood conditions and amenities, such as Rebuilding Together, Friends of Trees, homeowner’s associations, and partnerships between the Beaverton Police Department and residents.
- Collaborate on the development of neighborhood gathering facilities and events such as community gardens, meeting centers, art walks, and special park events such as concerts and mobile movie screenings.

Make minor amendments to existing City housing policies to more clearly support needed housing types, housing that is accessible, and improvements in areas of the city with lower housing condition ratings and higher concentrations of low incomes. See the amendments proposed in Appendix D. In addition, collaborate at a regional level to develop model comprehensive plan and development code language to address Fair Housing issues for use in future policy and code amendments.

D. Create an infill development policy and toolkit, and provide several permit-ready building types for compact housing development.

As identified in the Civic Plan, a crucial element of providing needed housing in the city that is close to services and amenities is facilitating infill development. However, existing City code language and procedures for development sometimes lack adequate guidance and provisions for infill. The following strategies address these needs as well as other development assistance.

Infill development policy and toolkit. Development of infill policies and a toolkit should be a discrete planning effort that draws on best practices of other jurisdictions in the region as well as elsewhere in the country. The work will involve establishing a clear definition of infill and identifying a balance between increased density and neighborhood compatibility. The City should collaborate with the development community, neighborhood groups, and other community members to prepare a set of standards and procedures that promote good design, minimize potential adverse impacts on surrounding areas, and create opportunities for a streamlined development permitting process. Public outreach will be an essential component of this process. Many residents of established neighborhoods are not supportive of higher densities or alternative forms of housing in their neighborhoods. Working closely with neighborhood associations and residents to talk about

In the draft Fair Housing Assessment Tool provided on HUD’s website, reasonable accommodations are cited in the following context:

- 4. Disparities in access to community assets and exposure to adverse community factors**
- b. What processes exist for persons with disabilities to request and obtain reasonable accommodations where needed (e.g. curb ramps, audible pedestrian signals, accessible parking, accessible bus stops)?*

how such housing meets the needs of existing and future residents and how to address concerns about such housing will be essential to the success of future infill housing.

Permit-ready compact housing types. Existing City development code permits cottage cluster (courtyard) housing pursuant to Planned Unit Development standards and procedures. Live/work units are permitted in commercial and multiple use land use districts in the city. Accessory dwelling units are permitted outright in residential and commercial land use districts, with attendant special use regulations. Duplexes are permitted in the city on lots as small as 1,000 or 2,000 square feet. The development code includes design review standards that provide clear and objective standards in developing needed housing.

As discussed earlier in this report, emerging or re-emerging housing types such as garden apartments, ADUs, skinny houses, tiny houses, and container homes represent diversifying and affordable housing options. In order to allow for these innovative housing types, changes to City development code such as expanding housing definitions, reducing minimum land area requirements, and adding new sets of special use standards may be needed. However, changes should not be needed to other existing use and development standards (e.g., height, setbacks, landscaping). The most significant changes would likely be needed in building and other municipal code to allow for some of these housing types.

Housing in newly urbanizing areas will have an important role to play in providing compact and affordable housing. The draft *2015-2020 Washington County Consolidated Plan; Cities of Beaverton and Hillsboro* commits jurisdictions to providing an opportunity for affordable housing in Metro UGB expansion areas consistent with UGMFP Title 11. Compliance includes specific implementation strategies and enforcement. The progress target for this Consolidated Plan strategy calls for jurisdictions to prepare Title 11 compliance documents for each UGB expansion area (e.g., South Cooper Mountain) and notes that compliance will likely entail planning for housing types such as cluster housing and multigenerational housing. Prior to adoption, jurisdictions will discuss effectiveness of proposed compliance documents with affordable housing experts.

Provide other development assistance. Other assistance that the City can provide to facilitate infill development includes the following.

- Identify target vacant and infill sites with good access to transportation and other services. Further evaluate and encourage infill in specific target areas by providing guidance to potential developers about potential types of appropriate infill, opportunities for land assembly, and permitting processes.
- In addition to Downtown and the Central Beaverton area, evaluate other potential target areas for allowing mixed use or neighborhood commercial development in Beaverton, particularly those near denser residential neighborhoods with well-connected street patterns and with good access to transit, services, and public amenities.
- Ensure that existing zoning allows for compact and lower-cost types of infill housing and does not include significant permitting or other barriers to its development.
- Establish a City ombudsman program.

E. Meet the Objectives and Requirements of the Fair Housing Act.

The Fair Housing Act of 1968 prevents discrimination in housing related transactions (such as renting, purchase, financing and other actions) based upon a person or household's race, color, national origin,



religion, sex, familial status, and disability. Oregon statutes and Beaverton City Code provide additional protections based on source of income, marital status, sexual orientation, gender identity, age, and type of occupation. In 2011, the City of Beaverton, in partnership with the Washington County Office of Community Development, undertook a 14-month planning process to create an updated Analysis of Impediments to Fair Housing for Washington County.

In 2012, the City adopted the 2012 Washington County Fair Housing Plan, which outlined the impediments to fair housing in Beaverton and provided a series of recommended actions to address those impediments. Some of the findings regarding impediments included:

- Persistent patterns of disadvantage exist for racial and ethnic minorities and persons with disabilities.
- Audit testing with matched pairs of rental housing applicants indicated likely incidents of subtle but potentially harmful discriminatory practices.
- At the peak of the housing boom, Latino applicants were more than twice as likely to receive high-priced mortgages as white applicants.

More detailed information about the actions recommended to address Fair Housing impediments and the strategies summarized in this section is provided in Appendix C of this report.

VI. Summary and conclusions

Following is a summary of findings and conclusions of this analysis.

Beaverton has grown substantially in the last 15 years and will continue to grow in the next 20 years. Beaverton's population has gained over 18,000 new residents in the past 15 years and expects to see an increase of over 10,000 new households in the next 20 years.

Beaverton's demographic composition has changed substantially during the past 20 years and will continue to change in the future. The City has seen increasing racial and ethnic diversity in the last two decades, with more households at the lower and higher ends of the income spectrum. The City also has seen increasing levels of poverty and an increasing demand for housing affordable to low-income residents during this period in the wake of two economic recessions and an increasing disparity between wages and housing prices. Future demographic changes include increasing numbers of baby boomers and millennials, continued increasing racial and ethnic diversity and smaller households on average.

Housing needs will continue to evolve in concert with changing demographics. Changes in the future makeup of Beaverton's population are expected to lead to the following future household needs:

- Continued significant need for subsidized housing for the City's lowest income residents, particularly for rental housing.
- A potential surplus in some mid-priced housing, with the caveat that much of the surplus will be consumed by households who can "underpay" for housing that would otherwise be affordable to lower-income residents.

- Need for more housing at the upper end of the price range for higher-income households in the city.
- High demand for owner-occupied housing in the \$250,000-\$390,000 price range (in today's dollars).
- Increased need for rental units and smaller single-family homes for baby boomers and millennials, particularly in urban areas with easy access to shopping, transit, restaurants and other services and amenities.
- Need for assistance for seniors who want to age in place in their current homes.
- Lower cost, larger rental housing units for larger immigrant and other households that cannot afford larger ownership housing.

In general the city has enough land within the city limits and urban service boundary to meet future housing needs, although some imbalances exist. While the city has an adequate total supply of land to meet the need for different types of housing in total, it has a deficit of land for single-family detached housing within the city limits and a surplus of such land in the unincorporated area between the city limits and urban service boundary. Similarly, it has a surplus of land zoned for multi-family units (e.g., apartments and condominiums) within the city limits and a deficit of such land between the city limits and urban service boundary. It also has an imbalance of land zoned for medium- density housing in both areas.

A variety of strategies can be undertaken to meet the needs described above. These include the following, among others.

- Make targeted improvements to public infrastructure and facilities (roads, sidewalks, transit, parks, etc.) in the Central City and other close-in neighborhoods with easy access to amenities to help attract baby boomer, millennials and others to these areas.
- Continue to partner with local non-profit organizations and others to meet the need for subsidized housing for people in the lowest income groups and those with special housing needs.
- Encourage for-profit and non-profit developers to meet the needs of emerging groups or markets, including larger, lower-cost rental units for immigrant families and others.
- Support investments in improvements to lower-cost housing in older, close-in neighborhoods to expand opportunities for younger residents and other households in these areas.
- Pursue strategies to stabilize neighborhoods of the city that are in economic decline.
- Support older residents' ability to age in place through grants or other targeted investments that make existing housing more age-friendly and accessible to aging residents.
- Ensure that the City's development and building codes allow for development of emerging housing types such as "tiny houses", modular or container homes, cottage clusters, and other housing that meets the needs of younger, older, lower-income, or other residents that desire these types of housing.
- Develop a set of residential infill guidelines and standards that enhance the ability to develop this type of housing; expand public outreach to emphasize the need for and benefits of such housing, while addressing residents' concerns about it.



- Ensure that adequate land is zoned appropriate to meet a full range of housing needs, including a certain amount of single family housing on larger lots (e.g., 7,000 – 10,000 square feet) to meet demand from upper income residents.

Pursue strategies to address the imbalance between housing need and supply within the city limits and the larger area within the urban service boundary. This will necessitate further conversation with Washington County and Metro. Ultimately, it could involve some combination of rezoning or consideration of future housing needs on a larger geographic scale, recognizing the challenges associated with each approach.

Appendix A: Buildable Lands Inventory Memoranda

MEMORANDUM

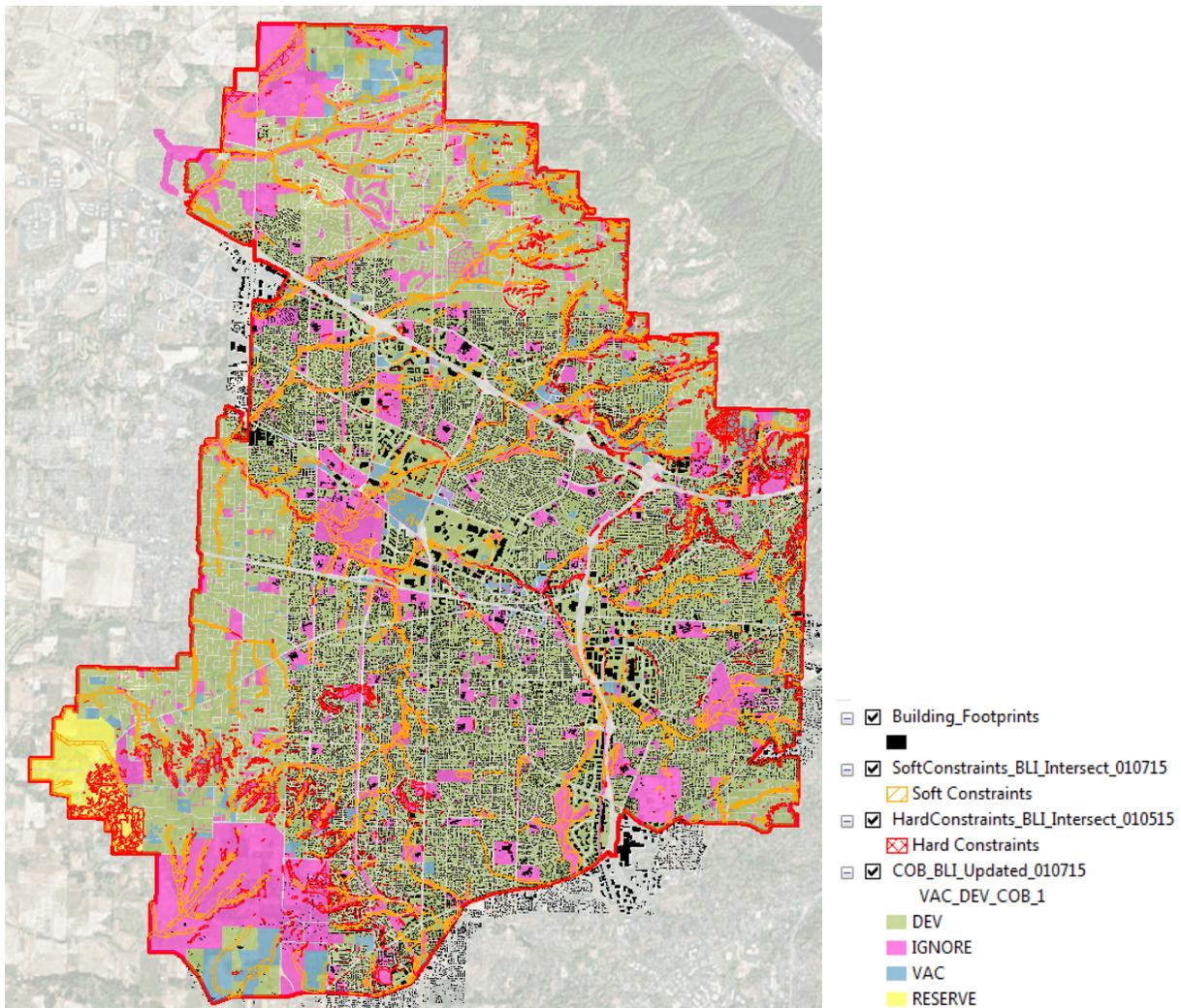


1/9/2015

To: David Levitan and Robert McCracken, City of Beaverton
From: Matt Hastie, AICP, Andrew Parish, and CJ Doxsee, Angelo Planning Group
RE: **Beaverton Buildable Lands Inventory (BLI) – Step 1: Hard and Soft Constraints**

Introduction

This memorandum describes the approach and initial results of Step 1 of the Beaverton BLI, as described in conversations between the City of Beaverton (City) and APG staff. It is accompanied by a map package (MPK) which includes data and symbolization.



Display of attached BLI Map Package

MEMORANDUM



Methodology

Inputs

The following GIS data was used for Step 1:

- Parcel data provided by the City, categorizing tax lots as developed, vacant, reserve, or ignore, for purposes of calculating capacity. Data also included general and specific zoning, and other fields typically found in taxlot data.
- Metro Title 13 Riparian and Upland Habitat (this analysis utilizes Riparian I and II areas only)
- Floodway Data from Clean Water Services
- Steep Slope (>25%) data
- Riparian data for Creekside District provided by City

Steps Taken

- Removed taxlots from Forest Heights area, per discussion with City.
- Merged taxlots from the Undesignated Reserve area near SW Farmington and SW Riggs Rd, within the USB, with the BLI dataset. Housing will not be calculated for this area, but unconstrained acreage will be calculated. Set "Vac_Dev_1" to "RESERVE".
- Calculated acreage of "Hard Constraints" – steep slopes, floodways, Creekside riparian areas
 - Combined data into one shapefile using "Merge" function – "Hardconstraints_Merged_010415"
 - Dissolved resulting shapefile to prevent double-counting where more than one constraint overlap – "Hardconstraints_Dissolved_010415"
 - Intersected resulting shapefile with the BLI taxlots to cut the feature along taxlot boundaries – "Hardconstraints_BLI_Intersect_010515"
 - Calculated acreage of resulting features. Field: "ConstAcres" - alias "Constrained Acres (Hard)"
- Calculated acreage of "Soft Constraints" – Metro Title 13 Riparian Class I and II
 - Exported features classified as Riparian I or II from the Metro dataset
 - Dissolved resulting shapefile
 - Intersected resulting shapefile with BLI taxlots to cut the feature along taxlot boundaries
 - Performed Union with Hard Constraints shapefile.
 - Identified areas where both Hard and Soft constraints are present. Deleted these areas, leaving only areas with Soft Constraints Only to avoid double-counting.
 - Calculated acreage of resulting features and joined to BLI taxlots, resulting in the total acreage of soft-constrained land in each taxlot
- Perform Spatial Join on BLI taxlots layer to join and sum calculated acreage from "HardConstraints_BLI_Intersect_010515" and "Softconstraints_BLI_Intersect_010615"
- Applied constraint assumptions by land use
 - Add field and used field calculator to create "Gen_Zone" categories and their respective reductions in acreage

MEMORANDUM



- SFR – 50% of Title 13 Riparian I and II constrained acres removed from unconstrained acres.
- MFR – 15% of Title 13 Riparian I and II constrained acres removed from unconstrained acres.
- MUR – 15% of Title 13 Riparian I and II constrained acres removed from unconstrained acres.
- IND - 15% of Title 13 Riparian I and II constrained acres removed from unconstrained acres.
- COM - 15% of Title 13 Riparian I and II constrained acres removed from unconstrained acres.
- No Data – 0% of Title 13 Riparian I and I constrained acres removed from unconstrained acres
 - Multiplied “Soft Constrained Acres” by the constraint assumption and subtracted from soft constrained acres
- Calculated Net Unconstrained Acres by subtracting hard constraints and soft constraints from the total parcel acres.

Initial Results

Results of this step are included in the attached map package. Each feature in the “COB_BLI_Updated_010715” layer contains the following new fields:

- “Constrained Acres (Hard)” – acres of hard constraints in the taxlot
- “Constrained Acres (Gross Soft)” – acres of soft constraints in the taxlot
- “Soft Constraint Assumptions” – percent of soft constrained acres to be removed from buildable land, depending upon generalized zoning
- “Constrained Acres (Net Soft)” – acres of soft constraints with the assumption applied
- “Net Unconstrained Acres” – Gross acres minus Constrained Acres (Hard), minus Constrained Acres (Net Soft).

Totals:

Acres within study area: 34,081

Acres within BLI taxlots: 28,818

Acres of Hard Constraints within study area:

- Slopes: 1,544
- Creekside: 10.5
- Floodway: 412

Acres of Soft Constraints within study area: 2,848

Acres of hard constraints within study area taxlots: 1,783

Acres of soft constraints within study area taxlots (gross): 2,615

Acres of soft constraints within study area taxlots (net): 1,688

Net Unconstrained Acres within study area taxlots: 25,347

MEMORANDUM



Outstanding Issues

395 taxlots do not contain zoning information in the ZONE_CLASS or the ZONE_GEN field, preventing us from applying an appropriate Soft Constraint factor. The majority of these taxlots are in unincorporated Washington or Multnomah counties, and many are in residential areas. The number of taxlots with missing information and constraints is relatively few, but zoning information will likely be needed for later steps of the BLI.

Next Steps

After City of Beaverton review of steps taken to date, the BLI analysis will continue into Step 2, which will estimate capacity using density and use mix assumptions for zoning districts.

MEMORANDUM



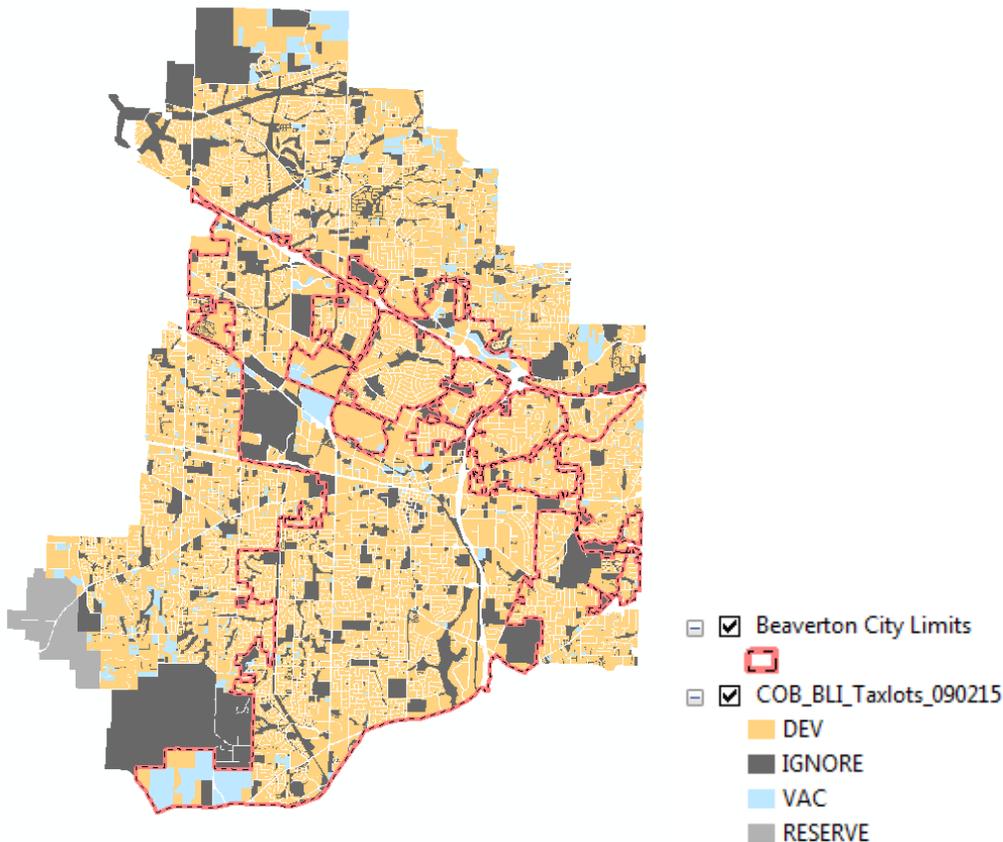
9/8/2015

To: David Levitan, City of Beaverton
From: Matt Hastie, AICP and Andrew Parish, AICP, Angelo Planning Group
RE: **Beaverton Buildable Lands Inventory (BLI) – Step 2 Update**

Introduction

This memorandum describes an update to Step 2 of the Beaverton BLI, originally completed in Spring of 2015. It is accompanied by a map package (MPK) which includes data and symbolization. The purpose of the update is to bring the inventory in-line with updated assumptions from Metro, including:

- Updating redevelopment feasibility (Strike Price) assumptions for Mixed Use and Multi-Family properties within the Urban Service Boundary (USB) but outside the City Limits.
- Updating Residential/Employment mix assumptions for Mixed Use zones for parcels within the USB but outside the City Limits.



Display of attached BLI Map Package

MEMORANDUM



Methodology

Inputs

The following GIS data was used for this Step 2 update:

Parcel data from Step 1. This data has been updated since previous BLI work was completed – several parcels that have undergone specific planning processes (e.g. North Bethany) or development proposals. These parcels were flagged and excluded from updates.

Parcel data also included Development Status information:

- DEV – Developed, potential to redevelop
- VAC – Vacant, will develop based on zoning designations
- RESERVE – Area in undesignated reserve
- IGNORE – Rights of Way, parks, public uses, and other special cases not expected to develop

Steps Taken

Mixed Use Parcels

- Changed “ResMix” and “EmpMix” to 50, for Mixed Use (Zone_Gen = ‘MUR’) properties within the USB but outside City Limits (Juris_City <> “Beaverton”). This means that development is assumed to be split into 50% residential acres and 50% employment acres.
- Changed “Strike Price” filed (Strike) for Mixed Use parcels to \$35.
 - Mixed Use parcels have Zone_Gen = ‘MUR’, with the exception of CS and CC zones, which are categorized as MUR but retained existing strike price assumption
 - Outside City Limits MUR strike price was \$12, inside City Limits MUR strike price was \$20 (excepting CS and CC, which were \$14)
 - Recalculated redevelopment flag for parcels with changed strike price. Parcels with total value/sf less than the strike price are assumed to redevelop, and flagged as “MURRedev” = 1.
 - Recalculated ResAcres and EmpAcres for parcels flagged to redevelop, as follows
 - $\text{ResAcres} = (\text{ResMix}/100) * (\text{NetAcres} - (\text{ROWSetAsides} * (\text{ResMix}/100)))$
 - $\text{EmpAcres} = (\text{EmpMix}/100) * (\text{NetAcres} - (\text{ROWSetAsides} * (\text{EmpMix}/100)))$
 - Recalculated Redevelopment Units as Residential Acreage * Units/Acre (RDUnits = ResAcres * UnitAcre)
 - Recalculated New Units as Redevelopment Units minus existing units (NewUnit = RDunits – UNITS)
- Parcels resulting in negative UNITS were reviewed by City Staff and determined to not have realistic redevelopment capacity. These parcels were overwritten with zero redevelopment and a note in the COMMENT field.

MEMORANDUM



Multi-Family Parcels

- Changed “Strike Price” filed (Strike) for Multi Family parcels to \$35. (Zone_Gen = ‘MFR’)
- Flagged as redevelopable MFR properties with Value per SF < Strike Price (MFRRedev = 1)
- Residential Mix of MFR parcels is 100%. Calculated ResAcres as Net AcresOROWSetAsides.
- Calculated Redevelopment Units as ResAcres * UnitAcre
- Calculated New Units as RDUnits - UNITS
- MFR properties must meet these criteria to be redevelopable:
 - Must add at least 3 units, and
 - Must add at least 50% more than currently exist.
- Selected parcels where NewUnit < 3, or NewUnit < (.5 * UNITS). Removed redevelopment flag, NewUnit, RDUnits, and Res Acres for these parcels.

The following tables (Table 1 – Table 4) compare the data with this update with the original dataset from the City. The changes have increased the residential acreage and number of units from redevelopment in MUR and MFR categories.

Tables 5 and 6 on the following pages show updates to strike price and residential / employment mix in **bold highlights**.

MEMORANDUM



Table 1. Original – Within City Limits:

JURIS_CITY		BEAVERTON			
Generalized Zoning Category	Gross Acres	Unconstrained Acres	Net Residential Acres	Net New Units	
SFR	4,106	3,910	310	5,039	
Vacant	412	371	47	2,992	
Developed	3,694	3,539	263	2,047	
MFR	855	793	24	662	
Vacant	13	11	9	181	
Developed	842	783	15	481	
MUR	1,249	1,152	57	4,924	
Vacant	201	167	20	3,182	
Developed	1,048	985	37	1,742	
COM	244	236	2	62	
Vacant	9	7	1	26	
Developed	235	228	1	36	
IND	885	825	-	(6)	
Vacant	31	28	-	-	
Developed	854	797	-	(6)	
Grand Total	7,339	6,917	393	10,681	

Table 2. Update - Within City Limits:

JURIS_CITY		BEAVERTON			
Generalized Zoning Category	Gross Acres	Unconstrained Acres	Net Residential Acres	Net New Units	
SFR	4,106	3,910	310	5,039	
Vacant	412	371	47	2,992	
Developed	3,694	3,539	263	2,047	
MFR	855	793	77	1,627	
Vacant	13	11	8	144	
Developed	842	783	68	1,483	
MUR	1,249	1,152	116	6,584	
Vacant	201	167	21	3,187	
Developed	1,048	985	95	3,397	
COM	244	236	2	62	
Vacant	9	7	1	26	
Developed	235	228	1	36	
IND	885	825	-	(6)	
Vacant	31	28	-	-	
Developed	854	797	-	(6)	
Grand Total	7,339	6,917	504	13,306	

MEMORANDUM



Table 3. Original – Outside City Limits, within USB:

JURIS_CITY (Multiple Items) ▾				
Generalized Zoning Category ▾	Gross Acres	Unconstrained Acres	Net Residential Acres	Net New Units
SFR	12,334	11,136	2,957	21,103
Vacant	746	554	412	4,316
Developed	10,994	10,136	2,546	16,787
RESERVE	594	445	-	-
MFR	576	534	108	1,831
Vacant	53	48	39	571
Developed	523	487	68	1,260
MUR	496	452	30	661
Vacant	48	43	7	163
Developed	448	409	22	498
COM	518	466	11	4
Vacant	50	40	7	-
Developed	469	426	4	4
IND	281	267	-	-
Vacant	11	8	-	-
Developed	269	259	-	-
RESERVE	0	0	-	-
Developed	0	0	-	-
Grand Total	14,205	12,855	3,105	23,599

Table 4. Update - Outside City Limits, within USB:

JURIS_CITY (Multiple Items) ▾				
Generalized Zoning Category ▾	Gross Acres	Unconstrained Acres	Net Residential Acres	Net New Units
SFR	12,334	11,136	2,957	21,103
Vacant	746	554	412	4,316
Developed	10,994	10,136	2,546	16,787
RESERVE	594	445	-	-
MFR	576	534	193	4,408
Vacant	53	48	39	550
Developed	523	487	154	3,858
MUR	496	452	125	3,467
Vacant	48	43	20	434
Developed	448	409	105	3,033
COM	518	466	11	4
Vacant	50	40	7	-
Developed	469	426	4	4
IND	281	267	-	-
Vacant	11	8	-	-
Developed	269	259	-	-
RESERVE	0	0	-	-
Developed	0	0	-	-
Grand Total	14,205	12,855	3,286	28,982

MEMORANDUM



Table 5. Residential mix, strike price, and density assumptions

Zones			Metro Model Assumptions				City Model Assumptions					Differences between Metro and City assumptions
City Zone	Metro Zone Class	Metro Zone Gen	Units/ Acre	% Res	% Non-Res	Strike Price	Units/ Acre	% Res	% Non-Res	Minimum Size for Redevelopment	Strike Price	Comments
R1	MFR5	MFR	33.4	100	0	\$10	33.4	100	0	N/A	\$10	No changes; see above for MFR infill criteria
R2	MFR2	MFR	17.8	100	0	\$10	17.8	100	0	N/A	\$10	No changes; see above for MFR infill criteria
R4	SFR9	SFR	9	100	0	N/A	9	100	0	N/A	N/A	No changes; see above for SFR infill criteria
R5	SFR7	SFR	7	100	0	N/A	7	100	0	N/A	N/A	No changes; see above for SFR infill criteria
R7	SFR5	SFR	5	100	0	N/A	5	100	0	N/A	N/A	No changes; see above for SFR infill criteria
R10	SFR3	SFR	3	100	0	N/A	3	100	0	N/A	N/A	No changes; see above for SFR infill criteria
OI	IO	IND	N/A	0	100	\$7	N/A	0	100	1 acre	\$7	No changes
IND	IL	IND	N/A	0	100	\$5	N/A	0	100	1 acre	\$5	No changes
OI-WS	IC	IND	N/A	0	100	\$7	N/A	0	100	1 acre	\$7	No changes
NS	CN	COM	N/A	0	100	\$12	N/A	0	100	0.25 acres	\$14	Higher strike price to match average vacant commercial land price of \$14/sf
CS	MUR5	MUR	34.6	20	80	\$12	34.6	20	80	0.25 acres	\$14	Higher strike price to match average vacant commercial land price of \$14/sf
CC	MUR5	MUR	34.6	20	80	\$12	34.6	20	80	0.25 acres	\$14	Higher strike price to match average vacant commercial land price of \$14/sf
GC	CG	COM	34.6	20	80	\$12	34.6	20	80	0.25 acres	\$14	Higher strike price to match average vacant commercial land price of \$14/sf
C-WS	CG	COM	34.6	20	80	\$12	34.6	20	80	0.25 acres	\$14	Higher strike price to match average vacant commercial land price of \$14/sf

MEMORANDUM



Zones			Metro Model Assumptions				City Model Assumptions					Differences between Metro and City assumptions
RC-TO	MUR8	MUR	75.5	20	80	\$12	75.5	50	50	N/A	\$35	More residential; strike price raised to \$35 to match vacant land prices in MUR zones plus premium
RC-OT	MUR6	MUR	40.1	20	80	\$12	40.1	50	50	N/A	\$35	More residential; strike price raised to \$35 to match vacant land prices in MUR zones plus premium
RC-E	MUR6	MUR	40.1	20	80	\$12	40.1	20	80	N/A	\$35	Strike price raised to \$35 to match vacant land prices in MUR zones plus premium
TC-MU	MUR6	MUR	40.1	20	80	\$12	40.1	20	80	N/A	\$35	Strike price raised to \$35 to match vacant land prices in MUR zones plus premium
TC-HDR	MUR6	MUR	40.1	20	80	\$12	40.1	80	20	N/A	\$35	More residential; strike price raised to \$35 to match vacant land prices in MUR zones plus premium
SC-MU	MUR6	MUR	40.1	20	80	\$12	40.1	20	80	N/A	\$35	Strike price raised to \$35 to match vacant land prices in MUR zones plus premium
SC-HDR	MUR6	MUR	40.1	20	80	\$12	40.1	80	20	N/A	\$35	More residential; strike price raised to \$35 to match vacant land prices in MUR zones plus premium
SC-S	MUR6	MUR	40.1	20	80	\$12	40.1	50	50	N/A	\$35	More residential; strike price raised to \$35 to match vacant land prices in MUR zones plus premium
SC-E	MUR6	MUR	40.1	20	80	\$12	40.1	0	100	N/A	\$35	Residential not permitted within SC-E zone; strike price raised to \$35

MEMORANDUM



Table 6. Mix and Strike Price assumptions for Metro Zoning Classifications Outside COB

General Zoning Designation (ZONE_GEN)	Metro Zone Class	Use Assumption (% Residential)	Strike Price	Minimum Lot Size for Redevelopment, If Applicable
SFR	All	100	N/A; see SFR infill criteria above	N/A
MFR	All	100	\$35 ; see MFR infill criteria above	N/A
COM	All	20	\$12	0.25 Acres
MUR	All	50	\$35	N/A
IND	IL or IH	0	\$5	1 acre
IND	IO or IC	0	\$7	1 acre

Appendix B: Housing and Residential Land Needs Assessment (Oregon Statewide Planning Goal 10); 20 Year Housing Need (June 2015)



**JOHNSON
ECONOMICS**

**CITY OF BEAVERTON, OR
AND URBAN SERVICES BOUNDARY**

**HOUSING AND RESIDENTIAL LAND NEEDS ASSESSMENT
(OREGON STATEWIDE PLANNING GOAL 10)**

20-YEAR HOUSING NEED

Prepared For:
CITY OF BEAVERTON, OREGON

October, 2015

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INTRODUCTION

This analysis outlines a forecast of housing need within the City of Beaverton's Assumed Urban Services Boundary. Housing need and resulting land need are forecast to 2035 consistent with 20-year need assessment requirements of periodic review. This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections.

The primary data sources used in generating this forecast were:

- Metro 2035 Population Forecast (from 2014 RTP, reviewed by Beaverton staff)
- Portland State University Population Research Center.
- U.S. Census
- Claritas Inc.¹
- City of Beaverton Buildable Lands Inventory
- Other sources are identified as appropriate.

SECTION 1: CITY OF BEAVERTON

I. CITY OF BEAVERTON DEMOGRAPHIC PROFILE

SUMMARY

The following table (Figure 1.1) presents a profile of City of Beaverton demographics from the 2000 and 2010 Census. It also presents projected demographics in 2015, based on assumptions detailed in the table footnotes.

- Beaverton is a City of over 94,300 people located in the greater Portland metropolitan area.
- Beaverton is the 6th largest city in Oregon, but its population is nearly equal to that of the 5th largest (Hillsboro).
- Beaverton has grown by an estimated 18,100 people between 2000 and 2015, or 24%. This growth percentage was slightly less than that experienced by Washington County as a whole (25%), but far exceeded the state growth (16%) over that period. (US Census and PSU Population Research Center)
- Beaverton is home to an estimated 39,400 households in 2015. The percentage of families fell somewhat between 2000 and 2010 from 60.5% to 58.9% of all households. The city has a relatively smaller share of family households than Washington County (67%), but a greater share than Multnomah County (54%).
- Beaverton's average household size is 2.37 persons, declining since 2000. This is somewhat smaller than the Washington County average of 2.6 and the statewide average of 2.47.

¹ Claritas Inc. is a third-party company providing data on demographics and market segmentation. It is owned by the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Claritas promotes a "bottom-up" and "top-down" analysis using these sources to produce annual demographic and economic profiles for individual geographies. Projections of future growth are based on the continuation of long-term and emergent demographic trends identified through the above sources.

FIGURE 1.1: BEAVERTON DEMOGRAPHIC PROFILE

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth	2015	Growth
	(Census)	(Census)	00-10	(Proj.)	10-15
Population ¹	76,129	89,803	18%	94,315	5%
Households ²	30,821	37,213	21%	39,377	6%
Families ³	18,656	21,915	17%	23,189	6%
Housing Units ⁴	32,500	39,500	22%	40,872	3%
Group Quarters Population ⁵	917	945	3%	992	5%
<i>Household Size (non-group)</i>	<i>2.44</i>	<i>2.39</i>	<i>-2%</i>	<i>2.37</i>	<i>-1%</i>
<i>Avg. Family Size</i>	<i>3.07</i>	<i>3.03</i>	<i>-1%</i>	<i>3.01</i>	<i>-1%</i>
PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000	2010	Growth	2015	Growth
	(Census)	(Census)	00-10	(Proj.)	10-15
Per Capita (\$)	\$25,419	\$28,688	13%	\$30,477	6%
Median HH (\$)	\$47,863	\$54,885	15%	\$58,773	7%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901 (2010 ACS 1-yr Estimates); S19301 (2010 ACS 1-yr Estimates)

¹ Population is based on the certified 2014 estimate from PSU Population Research Center, projected forward one year using the 2010 - 2014 growth rate (1.0%)

² 2015 Households = (2015 population - Group Quarters Population)/2015 HH Size

³ Ratio of 2015 Families to total HH is kept constant from 2010.

⁴ 2015 housing units are the 2010 Census total plus new units permitted from '10 through year-end '14 (source: City of Beaverton)

⁵ Ratio of 2015 Group Quarters Population to Total Population is kept constant from 2010.

A. POPULATION GROWTH

Since 2000, Beaverton has grown by over 18,100 people, or nearly 24% in 15 years. This is average annual growth of 1,200 people during this period, or 1.4% per year.

(The PSU Population Research Center (PRC) estimates that the growth was faster prior to 2007 and has slowed since the “housing bust” and recession. With the recession over and economic growth returning, the population growth rate should revert to close to the historical average.)

Like much of Washington County, Beaverton experienced even more rapid growth in the 1990’s. Since the population estimate of 53,307 in the 1990 Census, Beaverton has grown by over 41,000 people, or 77%. (This growth has included 165 annexations of differing sizes and land uses during this period. Since 1990, Beaverton has added nearly 3,600 acres, or roughly 29% of its current land area. The number and variety of annexations makes the exact impact on population of annexation vs. natural growth difficult to quantify.)

In total number of new residents, Washington County has been the fastest growing county in Oregon for some time. Since 1990, the county has added 249,000 people, or 22% of the state’s growth during that period. (In terms of annual growth rate, it trails only Deschutes County which started from a much lower basis and remains much smaller in population.)

In this period, Beaverton has tended to trail the countywide growth rate slightly. Since 2000, the city has grown at an average rate of 1.4%, compared to 1.65% in the county. The entire Portland Metro Area grew at a rate of 1.35% during that period (three primary Oregon counties, plus Clark County, Washington). Oregon grew at an average rate of just over 1% during this period.

B. HOUSEHOLD GROWTH & SIZE

Since 2000, Beaverton has added an estimated 8,550 households, or growth of 28%. This is an average of 610 household annually during this period, or growth of 1.8%. As of 2015, the city has an estimated 39,377 households.

Beaverton has experienced the nationwide trend of falling average household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. As each household accommodates fewer people, the number of households increases relative to the population. Thus the growth rate for households shown above is higher than the population growth rates discussed previously.

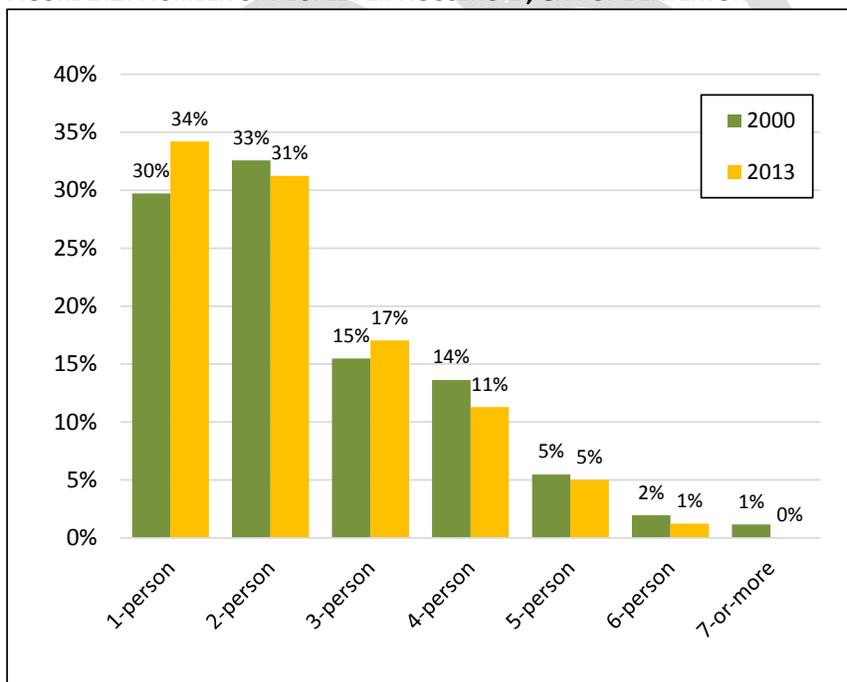
Household size has fallen from 2.44 people per household in 2000, to 2.37 people in 2015 (estimated). For comparison, the average household size in Washington County was 2.6 people in the 2010 Census.

While this trend of diminishing household size is expected to continue, there are limits to how far the average can fall. Nationwide, the rate of decrease is expected to slow over the coming years and eventually stabilize. There is already evidence of this trend since 2000.

Figure 1.2 shows the share of households by the number of people in 2000 and 2013, according to the Census. 34% are single-person households, up from 30% in 2000. This cohort grew the fastest over this period. This is higher than the percentage in Washington County and the state (both 27%).

The share of households with two people and larger households fell slightly, while households of three people grew in share.

FIGURE 1.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF BEAVERTON



SOURCE: US Census, JOHNSON ECONOMICS LLC
 Census Tables: H013 (2000); B11016 (2013 ACS 1-yr Estimates)

C. FAMILY HOUSEHOLDS

As of the 2010 Census, 59% of Beaverton households were family households, with an average size of 3.03 people. The number of family households in Beaverton grew by over 4,500 since 2000, or 24%. The Census defines family households as two or more persons, related by marriage, birth or adoption and living together.

The city has a relatively smaller share of family households than Washington County (67%), but a greater share than Multnomah County (54%). Across the 4-county Metro area, 64% of households are family households, and the national figure is 66%.

D. HOUSING UNITS

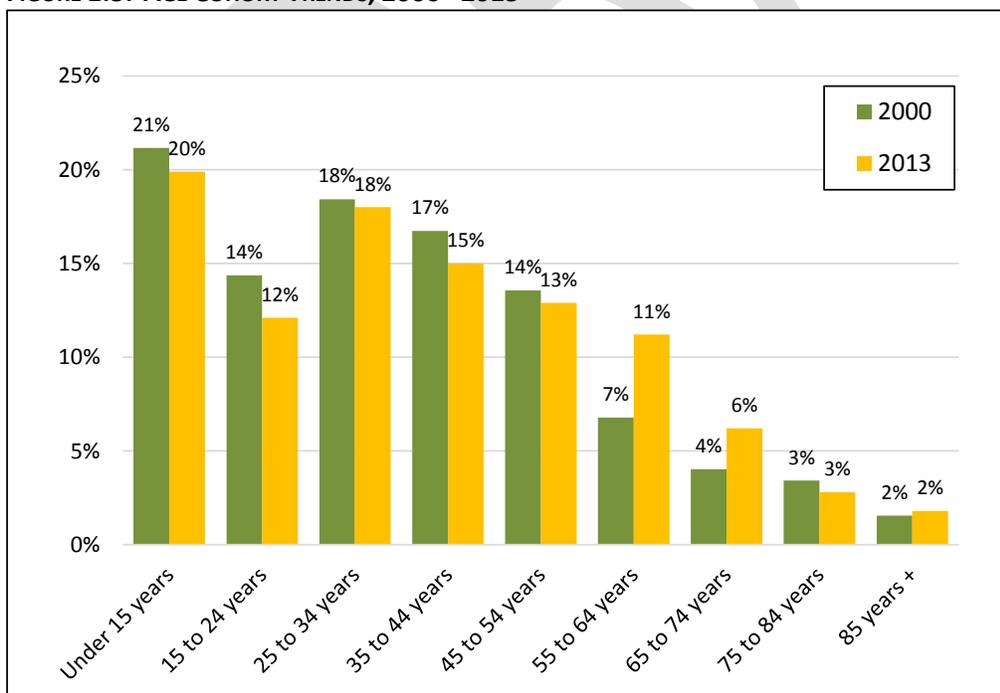
The US Census estimates that the housing stock increased by 7,000 units between 2000 and 2010. Beaverton reports an additional 1,370 permitted units since 2010, indicating total growth of roughly 8,370 units since 2000, or growth of 26%. This number of new units is within 5% of the estimated number of new households during the same period, indicating that housing growth was well matched to new need.

As of 2015, the city has an estimated housing stock of roughly 40,870 units for its 39,377 estimated households. This translates to an estimated vacancy rate of 4%. **Characteristics of the housing stock are discussed in more detail in the following section.**

E. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 3-year American Community Survey estimates. As the chart shows, there is a general trend for younger age cohorts to fall as share of total population, while older cohorts have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation.

FIGURE 1.3: AGE COHORT TRENDS, 2000 - 2013



SOURCE: US Census, ACS 2011-13 3-year Estimates

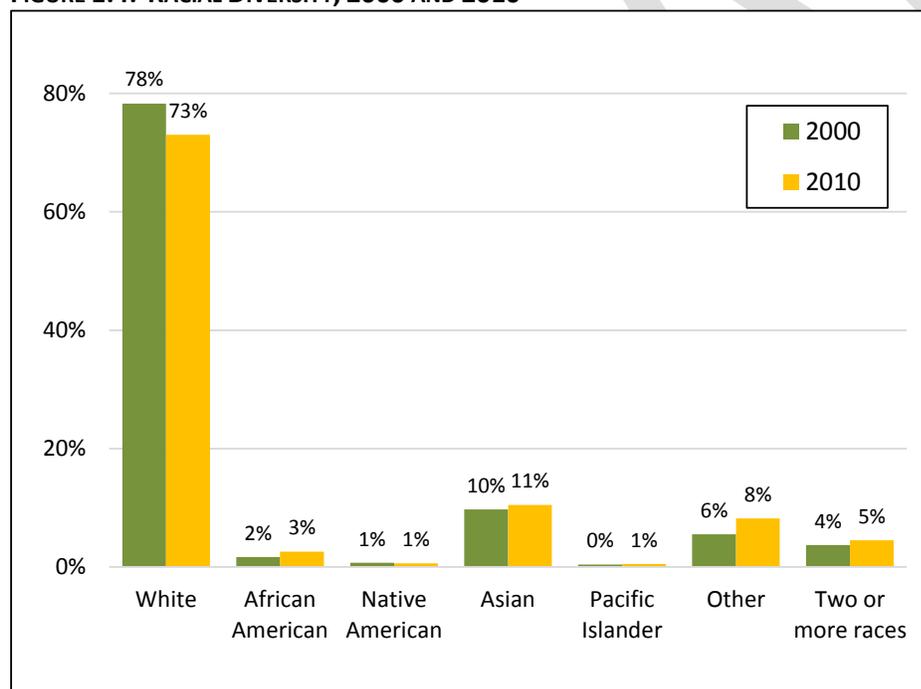
- Figure 1.3 shows the share of the population by age according to the Census. In general, the distribution of the population is shifting upwards in age as the Baby Boom generation moves into the retirement years. The only cohorts to grow in share were over 55 years of age. Nevertheless, 78% of the population still fall under 55 years of age, and a full 20% of the population consists of children under the age of 15.
- In the 2010 Census, the local median age was under 35 years, compared to 36.5 in the Portland Metro area, and over 38 years in Oregon.
- The greatest growth was in the 55 to 64 age range, coinciding with the vanguard of the Baby Boom cohort. This cohort grew from 7% to 11% of the population.
- 11% of the population is now 65 years or older.

F. DIVERSITY TRENDS

Beaverton is becoming more racially and ethnically diverse over time, in keeping with regional and national trends. In 2000, Beaverton was over 78% white, declining to 73% white by 2010. All other racial groups have grown in representation, though the share of Native Americans and Pacific Islanders (including Hawaiians) has remained essentially flat. The second largest racial category in Beaverton are those identifying as Asian, at over 10% of the population.

The white population still grew the most in absolute numbers in this period at almost 6,000 individuals, followed by those who reported being of some “other race” at over 3,100 individuals.² The Asian population grew by nearly 2,100 individuals.

FIGURE 1.4: RACIAL DIVERSITY, 2000 AND 2010



SOURCE: US Census
Census Tables: DP-1 (2000, 2010)

² The Census reports that “Some Other Race” includes all other responses not included in the White, Black or African American, American Indian or Alaska Native, Asian, and Native Hawaiian or Other Pacific Islander race categories.... Respondents reporting entries such as multiracial, mixed, interracial, or a Hispanic or Latino group (for example, Mexican, Puerto Rican, Cuban, or Spanish) in response to the race question are included in this category.

In terms of percentage growth, the African American population grew by 79% during this period, but remains a relatively small share. The “other race” category grew by 76%. This category likely includes many Hispanics/Latinos. Because the Census defines this group as an ethnicity rather than race, members of this population may be identifying as white or “other race.”

The Hispanic or Latino community has increased significantly in Beaverton. From roughly 8,500 individuals in the 2000 Census, or 11% of the population, the Latinos population has grown by over 6,000 to roughly 14,600 people, or 16% of the population.

Immigration: As of the 2013 American Community Survey, an estimated 20.5% of Beaverton’s population is foreign-born. Of these, 45% were born in Asia, and roughly 35% were born in Latin America. Since 2000, these two populations have grown a similar amount, by roughly 2,000 residents each.

The share of the population that speaks a language other than English as the primary language at home has increased from 23% to 28% since 2000.³ There are an estimated 94 different primary languages spoken among Beaverton School District student households.

The immigrant population is not homogeneous and includes households ranging from political refugees to highly-skilled recruits to local companies.

G. INCOME TRENDS

The following figure presents data on income trends in Beaverton.

FIGURE 1.5: INCOME TRENDS, 2000 – 2015

PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000	2010	Growth	2015	Growth
	(Census)	(Census)	00-10	(Proj.)	10-15
Per Capita (\$)	\$25,419	\$28,688	13%	\$30,477	6%
Median HH (\$)	\$47,863	\$54,885	15%	\$58,773	7%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901 (2010 ACS 1-yr Estimates); S19301 (2010 ACS 1-yr Estimates)

- Beaverton’s estimated median household income was just less than \$59,000 in 2015. This is 1% lower than the Metro area median. However, the local median income is roughly 9% lower than the Washington County median of \$64,000.
- Per capita income (\$30,500) is essentially the same as the Metro-wide per capita income.
- Median income has grown an estimated 23% between 2000 and 2015, in real dollars. Inflation was an estimated 36% over this period, so is the case nationwide, the local median income has not kept pace with inflation.

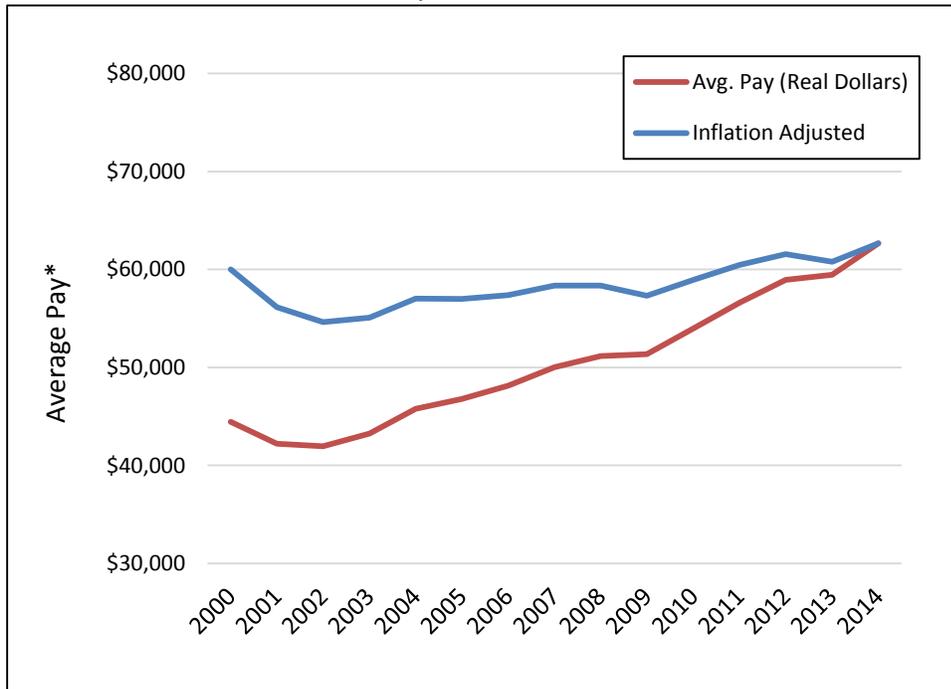
Figure 1.6 shows the growth in average pay in Washington County since 2000, as reported by the Oregon Employment Department (OED). Average Pay is the total payroll divided by total number of employees, which is a slightly different measure than those discussed above. But it does show the general trend in income growth.

Average pay fell in the previous “tech recession” of 2001, but despite the severity of the recent 2008 recession, average pay has continued to grow in the Metro region in real terms, remaining flat during the 2008 and 2009

³ All immigration data from Census Table DP-2 (2000) and DP02 (2012 ACS 3-yr Estimates)

period only. Growth has returned to the pre-recession trend line. However, once adjusted for inflation, wages have remained little changed since 2000, in keeping with the national trend.

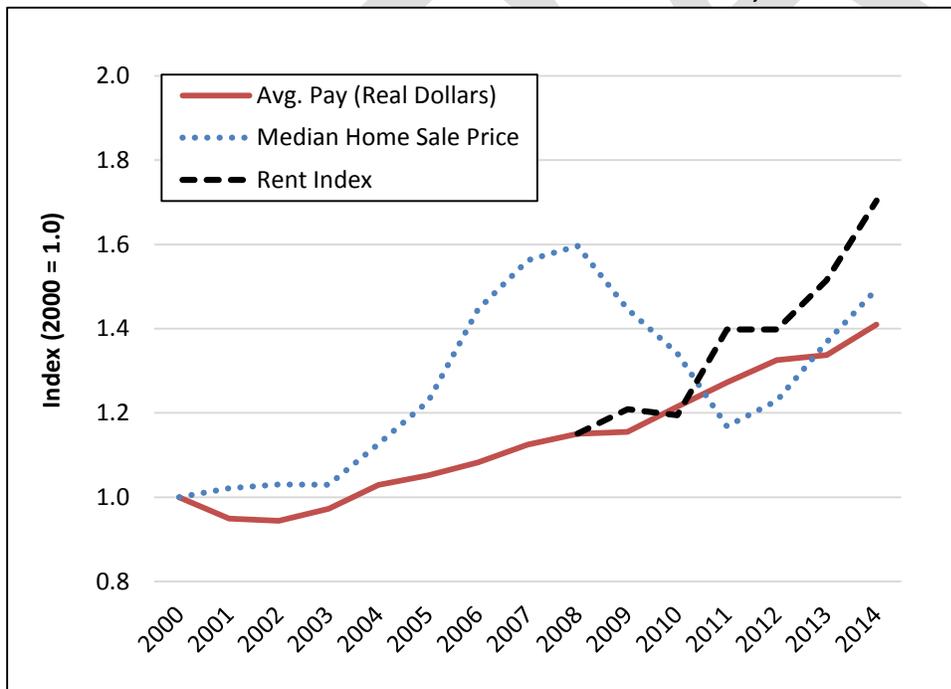
FIGURE 1.6: GROWTH IN AVERAGE PAY, 2000 - 2014



SOURCE: Oregon Employment Dept., Johnson Economics

* Average pay = total payroll (in dollars) divided by total employment.

FIGURE 1.7: GROWTH IN AVERAGE PAY COMPARED TO HOUSING COSTS, 2000 - 2014



SOURCE: Oregon Employment Dept., Zillow, Metro Multifamily NW, Johnson Economics

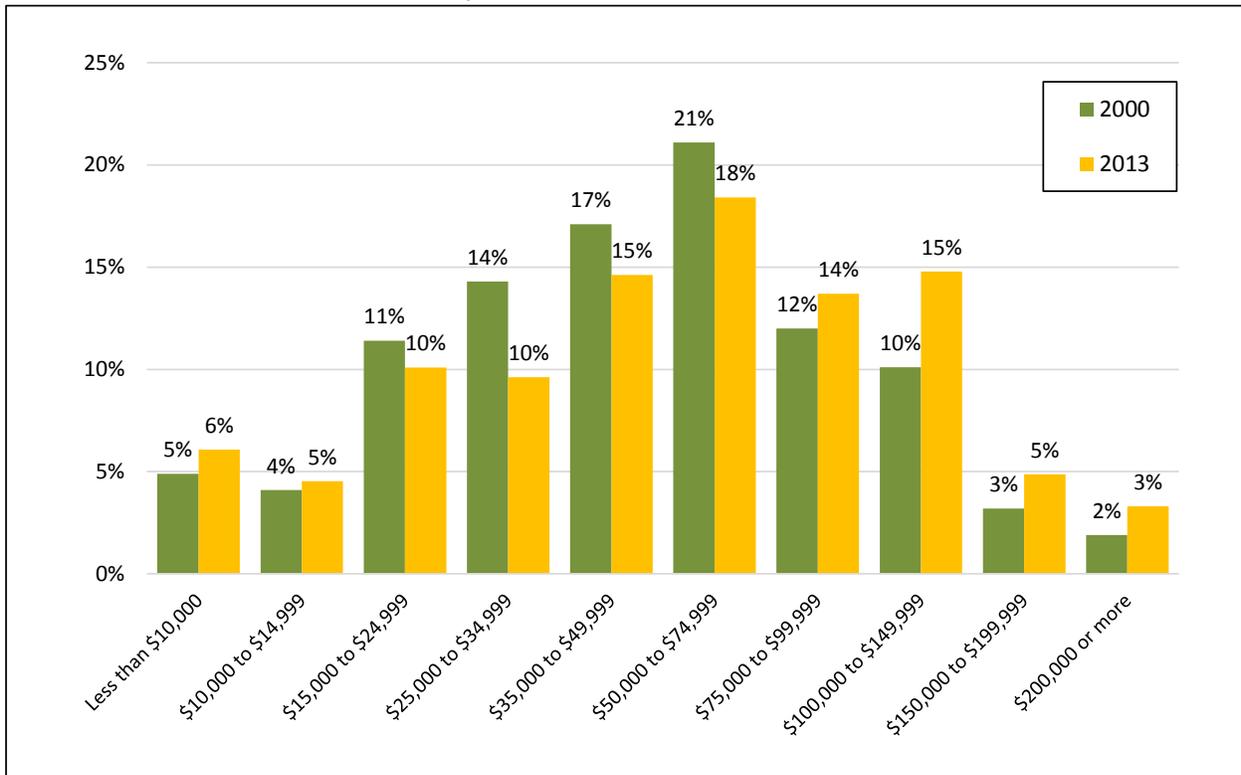
* Average pay = total payroll (in dollars) divided by total employment.

- Figure 1.7 (above) shows the relative growth in average pay compared to the growth in median home sale price and rent prices. All metrics are indexed to the year 2000, to show relatively growth. Home sale prices

have grown faster than average wages, showing rapid acceleration from roughly 2003 to 2008 during the housing boom, followed by a steep decline. However, since beginning recovery in 2011, home prices have again outpaced wages. The rent data source used are limited to 2007, but since that time rent levels have risen much faster than wage growth, climbing nearly 50% in the last seven years. (See extended discussion of housing trends in Section II below).

- Figure 1.8 presents the distribution of households by income in 2000 and 2012. The largest single income cohort is those households earning between \$50k and \$75k, at 18% of households. 45% of households earn less than this, while 37% of households earn \$75k or more per year.

FIGURE 1.8: HOUSEHOLD INCOME COHORTS, 2000 AND 2013



SOURCE: US Census
Census Tables: DP-3 (2000); S1901 (2013 ACS 3-yr Est.)

- As one would expect due to wage increases over time, the income distribution has shifted towards higher-income cohorts (in non-adjusted dollars), with the largest gains in those households earning above \$100,000 per year.
- 21% of households earn \$25k or less, very similar to 2000. Although the lowest-earning cohorts, those earning \$15,000 or less per year, actually grew in share, from 9% to 11% of households.

H. POVERTY STATISTICS

According to the US Census, the poverty rate in Beaverton has been increasing over time from 8% of individuals in 2000, to an estimated 16% over the most recent three-year period reported (2011-13).⁴ The poverty rate in Beaverton tends to be 1% to 2% lower than that of the entire Metro region, which has similarly increased since 2000. In the 2011-13 period:

⁴ Census Tables: QT-P34 (2000); S1701 (2012 ACS 3-yr Estimates)

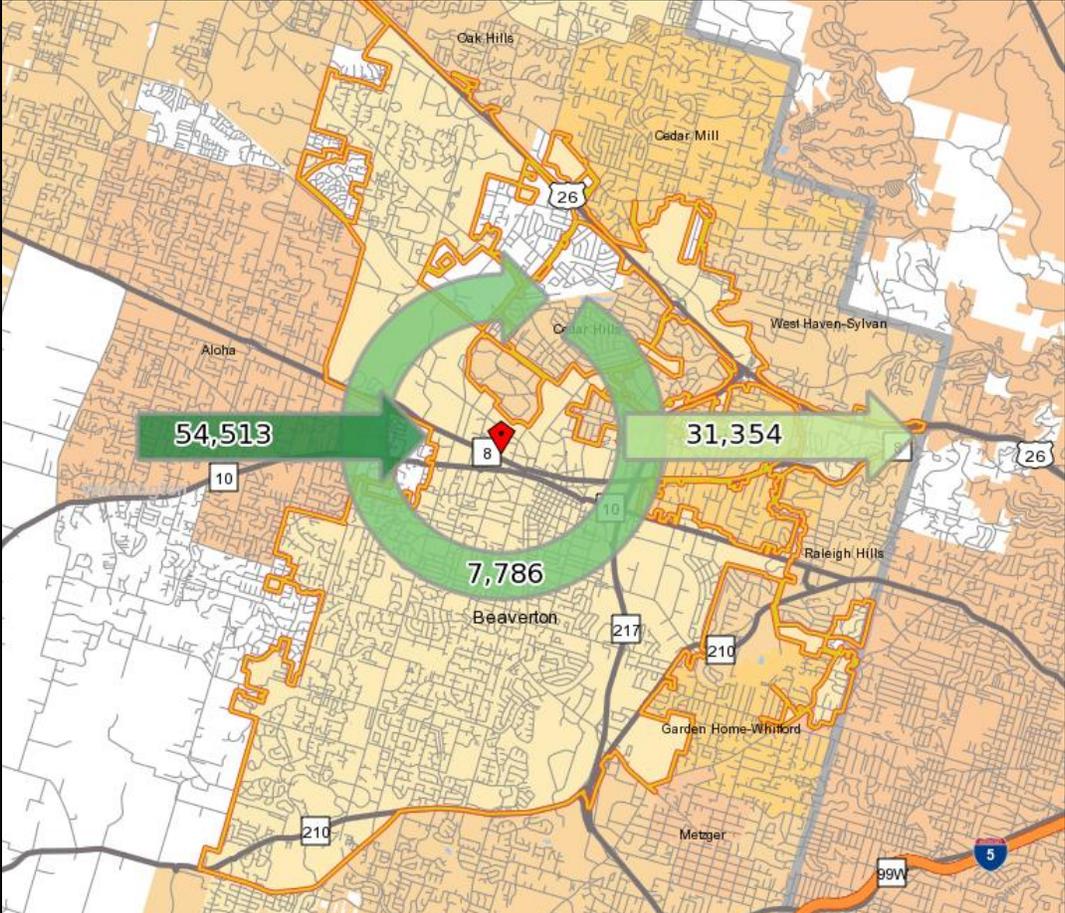
- The poverty rate is highest among children, with 23% of those under 18 years of age living in poverty. The rate is lowest for those 65 and older at 12%.
- For those without a high school diploma the poverty rate is 26%. For those with a high school diploma only, the rate is 16.5%.
- Among those who are employed the poverty rate is still 9%, while it is 43% for those who are unemployed.
- The poverty rate for the white population is 12.8%, and 16.7% for Asians. For “some other race” the rate is 41.5%. (The Census does not report other individual rates because sample sizes are too small.)
- The poverty rate for those identifying as Hispanic is 39%.
- Information on affordable housing and the homeless population are presented in the following section of this report.

I. EMPLOYMENT TRENDS

This section provides an overview of employment and industry trends in Beaverton that may impact housing. *These subjects will be covered in much greater detail in the Goal 9 Economic Opportunities Analysis that is being completed concurrently to this Housing Market Analysis project.*

Commuting Patterns: The following figure shows the inflow and outflow of commuters to Beaverton according to the Census Employment Dynamics Database. As of 2011, the most recent year available, the Census estimates 62,300 jobs located in Beaverton. Only 7,800 of these, or 13%, are held by local residents, while over 54,000 employees commute into the city from elsewhere.

FIGURE 1.9: COMMUTING PATTERNS, BEAVERTON



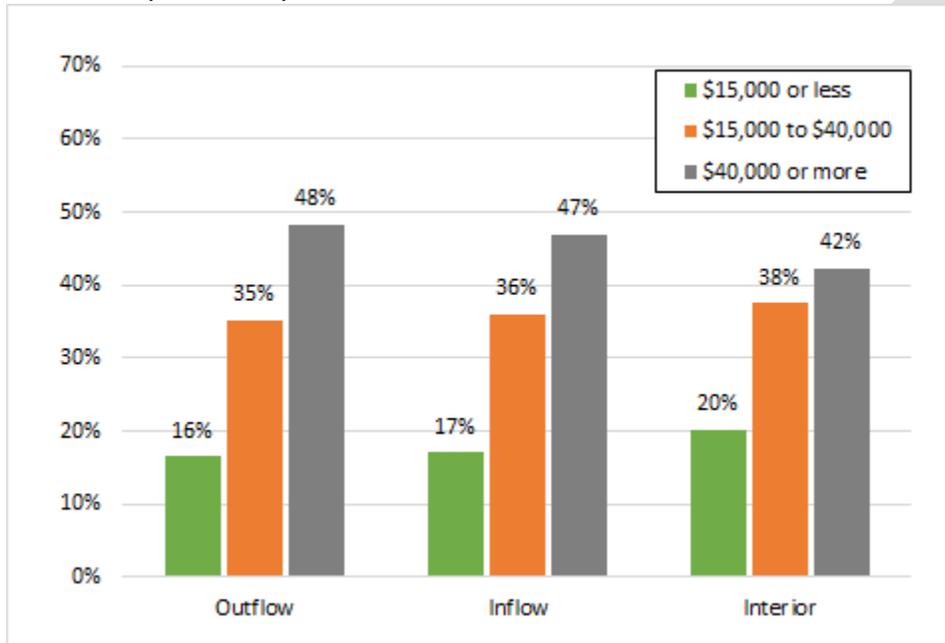
SOURCE: US Census Longitudinal Employer-Household Dynamics

Of the estimated 39,100 employed Beaverton residents, 80% of them commute elsewhere to employment.

While these numbers may seem stark, this pattern is actually fairly consistent across communities, and particularly in an interconnected metropolitan area where many people live and work in different communities and spouses and other family members often do not work in the same community.

The following numbers show broad income levels for each of the commuting groups (outflowing, inflowing, and interior). There is very little difference between the broad income groups of commuters leaving Beaverton and those coming into Beaverton to work.

**FIGURE 1.10: INCOME LEVELS BY COMMUTING COHORT (PRIMARY JOBS)
OUTFLOWING, INFLOWING, AND INTERIOR EMPLOYEES**



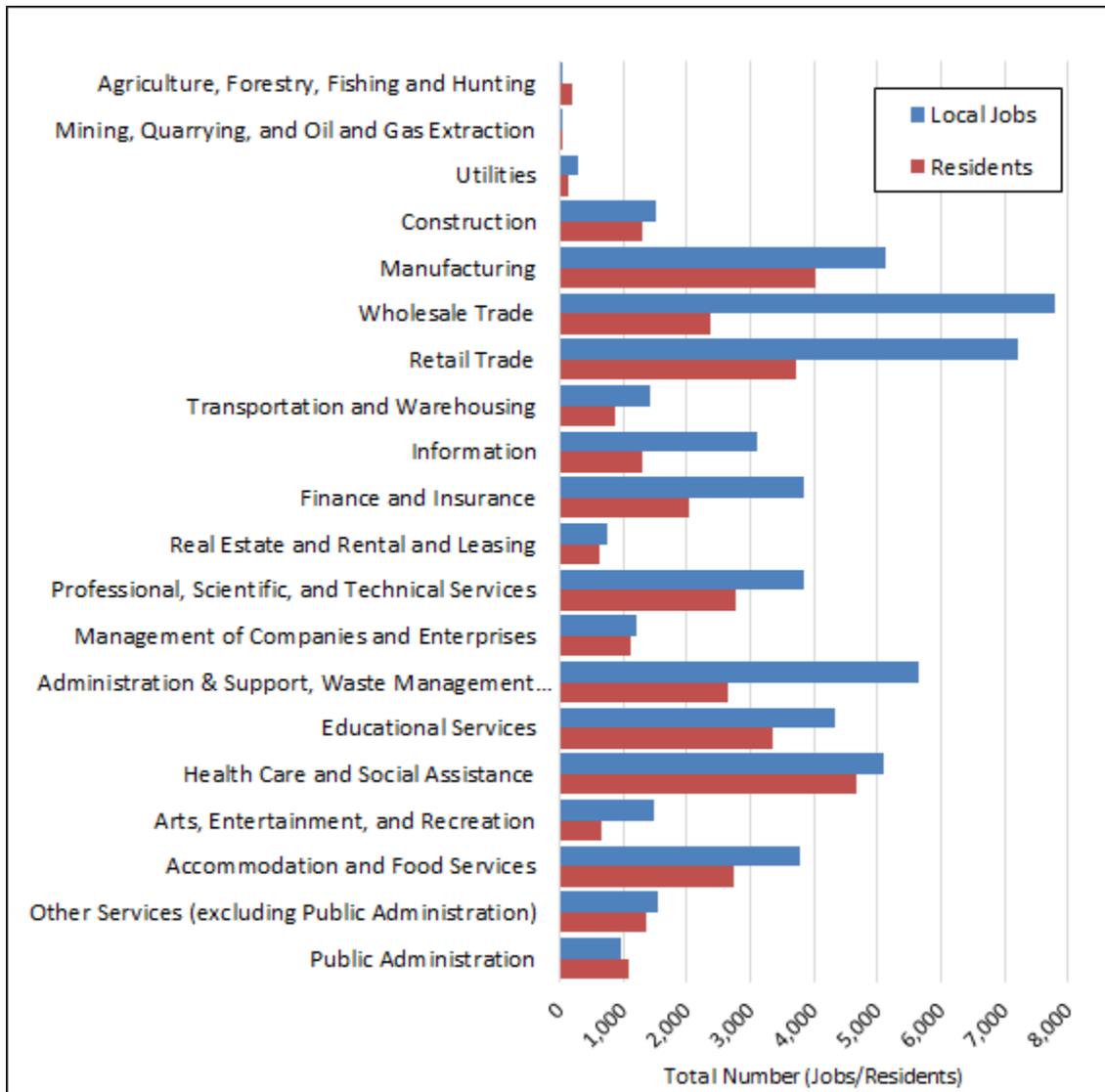
SOURCE: US Census Longitudinal Employer-Household Dynamics

Jobs/Household Ratio: Beaverton features a healthy jobs-to-households ratio. There are an estimated 62,300 jobs in the city of Beaverton, and an estimated 51,000 Beaverton residents in the labor force. This represents 1.6 jobs per household and more than one job per working adult. Considering the proximity of other major employers in the immediate area, there seems to be ample employment for Beaverton’s population.

The following figure presents a comparison of jobs which are available locally, by industry sector, and the jobs held by Beaverton residents (whether in the city or outside of it.) Because the total local employment outnumbers the number of residents with jobs, the number of jobs in many specific industry sectors outnumbers the number of residents employed in those sectors.

The disparity is most apparent in some lower paying industries such as wholesale and retail trade, arts and entertainment, and administrative roles (for instance clerical or office support). However, there is also a “surplus” of jobs available in the city in relatively high-paying industries such as information technology, finance and insurance.

FIGURE 1.11: COMPARISON OF LOCAL JOBS, TO EMPLOYMENT OF LOCAL RESIDENTS (PRIMARY JOBS)



SOURCE: US Census Longitudinal Employer-Household Dynamics

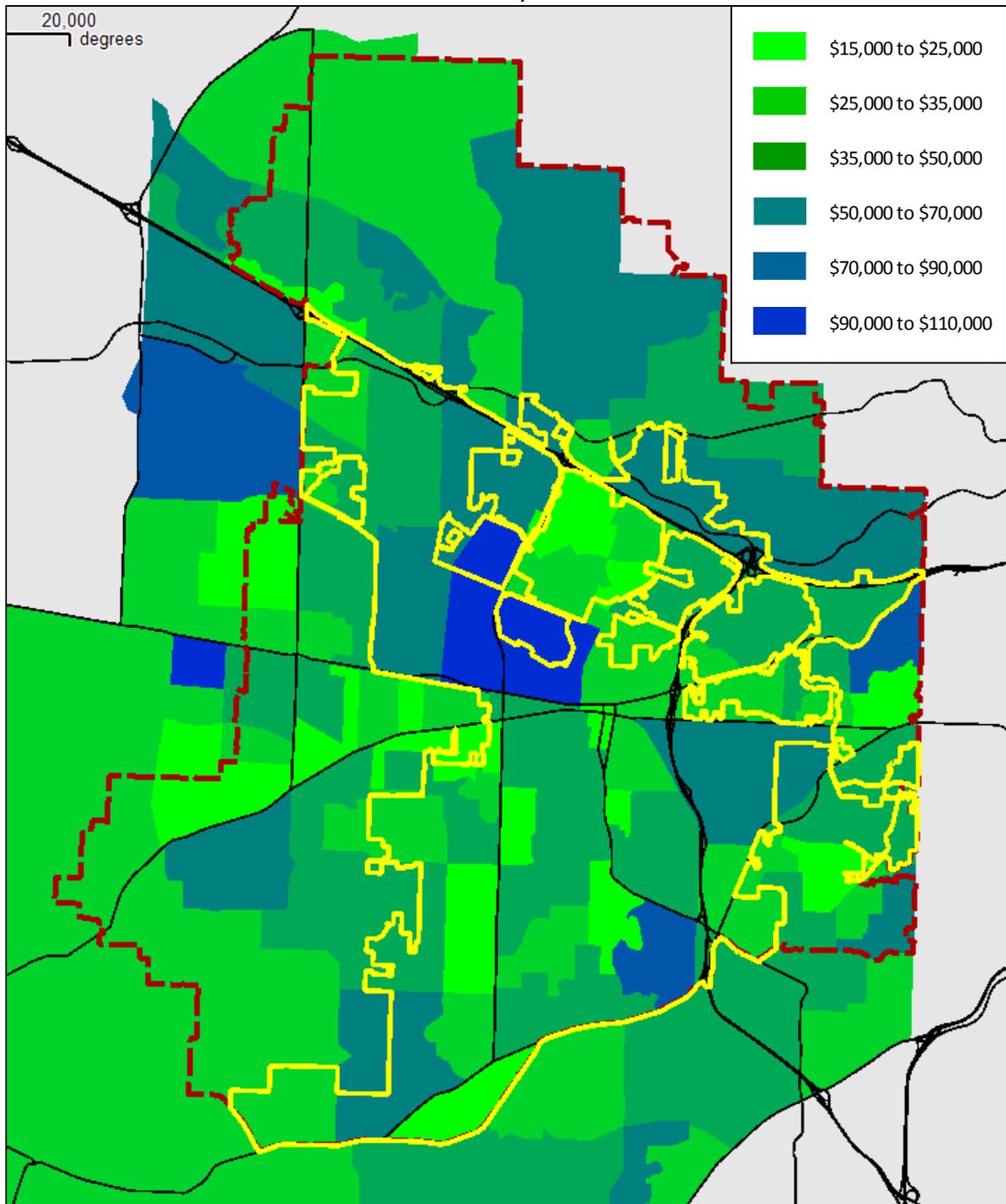
J. GEOGRAPHY OF AVERAGE WAGES

The commute patterns discussed above indicate that many local residents are finding suitable employment outside for the city while much of the city’s work force commutes from elsewhere. Figure 1.12 below shows average wage statistics by area to indicate the general geography of employment types within the city and an indication of where more housing affordable to employees earning these wages may be most appropriate to allow residents to live and work in closer proximity.

The figures shows a patchwork of average wage areas across the study area. The average wage in the Portland Metro area is roughly \$53,400, while the average wage statewide is \$46,500.

The areas shown below with an average wage of \$35,000 or less may be considered to be areas of relatively low-wage employment. Those areas with an average of \$35,000 to \$50,000 are somewhat below average to average. And those areas with an average wage of \$50,000 would be considered above-average to high-wage employment.

FIGURE 1.12: AVERAGE WAGES BY CENSUS BLOCK GROUP, BEAVERTON AREA



Source: US Bureau of Labor Statistics, State of Oregon

II. CURRENT HOUSING CONDITIONS

The following figure presents a profile of the current housing stock and market dynamics in Beaverton. This profile forms the foundation to which current and future housing needs will be compared in Phase II of this project.

A. HOUSING TENURE

Occupied housing units in Beaverton are essentially evenly divided between owner and renter households. In the 2010 Census 49.7% of occupied units were owner occupied, and 50.3% renter occupied, essentially a 50/50 split (Census table DP-1). (The 2010 Census features a lower margin of error than more recent ACS data.) The ownership rate is estimated at 62% in both Washington County and the Metro region.

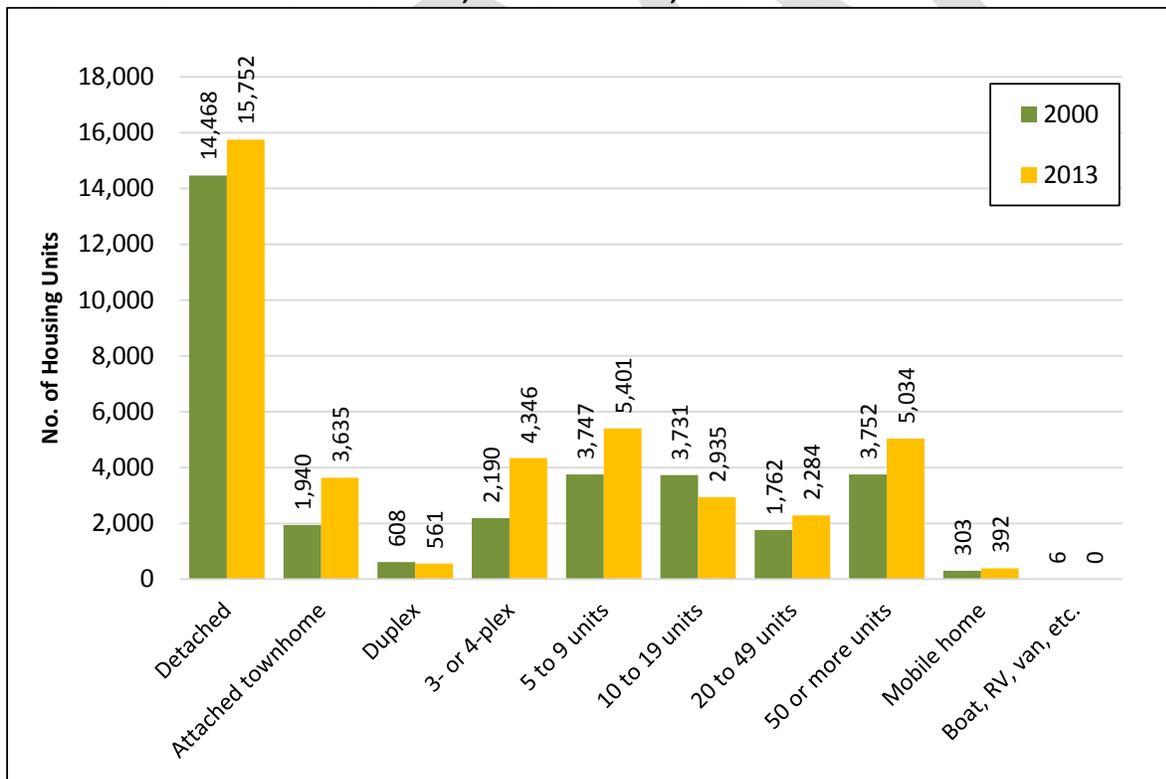
The ownership rate in Beaverton increased by 2% since 2000 (47.7%), with the number of owner households growing 26%, while renter households grew 16%.

B. HOUSING STOCK

As shown in Figure 1.1, Beaverton had an estimated 39,500 housing units according to the 2010 Census, with a vacancy rate of 5.8% (includes ownership and rental units).

Based on permits issued since that time, in 2014 the city has an estimated housing stock of over 40,800 units for its 39,377 estimated households. This is an estimated vacancy rate of 4%. The housing stock has increased by roughly 8,400 units since 2000, or growth of 26%.

FIGURE 2.1: ESTIMATED NUMBER OF UNITS, BY PROPERTY TYPE, 2000 AND 2013

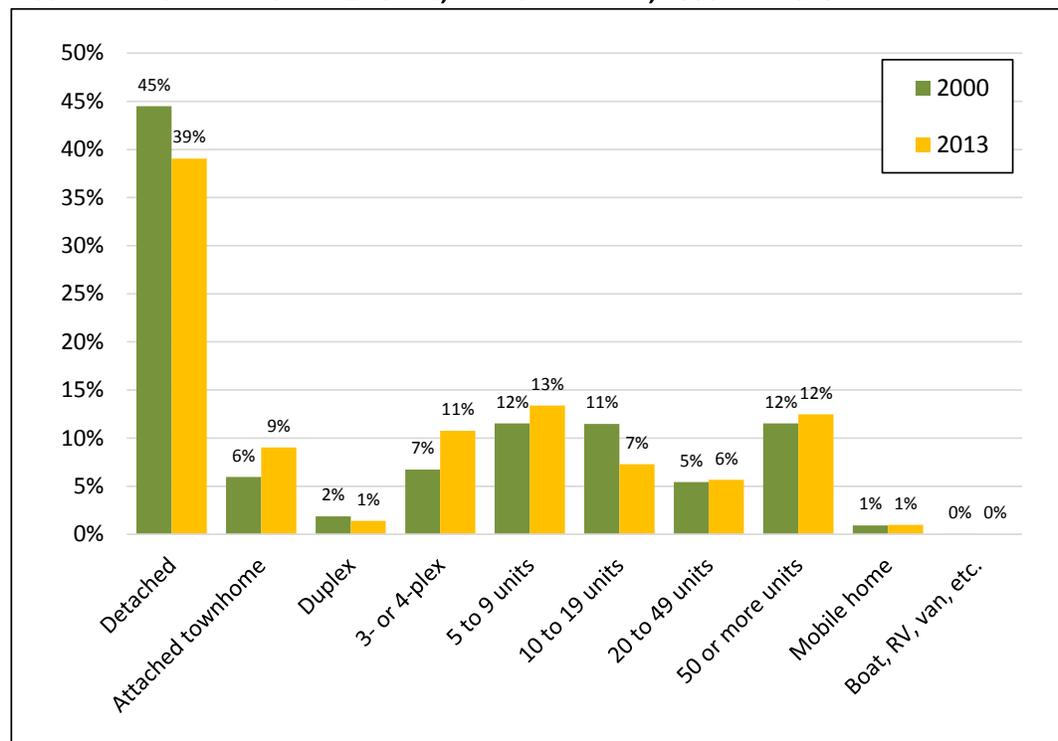


SOURCE: US Census
Census Tables: H030 (2000); B25024 (2013 ACS 1-year Estimates)

Figure 2.1 shows the estimated number of units by type between the 2000 Census and the 2013 American Community Survey. The number of detached homes has grown by more than 1,900, while the Census estimates that the number of attached single-family units has grown by 1,700. (Attached single family generally includes townhomes, some condos, and plexes which are separately metered.)

During this period, the Census estimates that the share of detached single-family homes has fallen from 45% of all units to 39% of units (Figure 2.2). More dense housing types have grown in share. Most notably, the stock of attached single family units grew from an estimated 6% to 9% of all housing units. The share of mobile homes, RV, and other transitory types of housing is negligible.

FIGURE 2.2: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2000 AND 2013



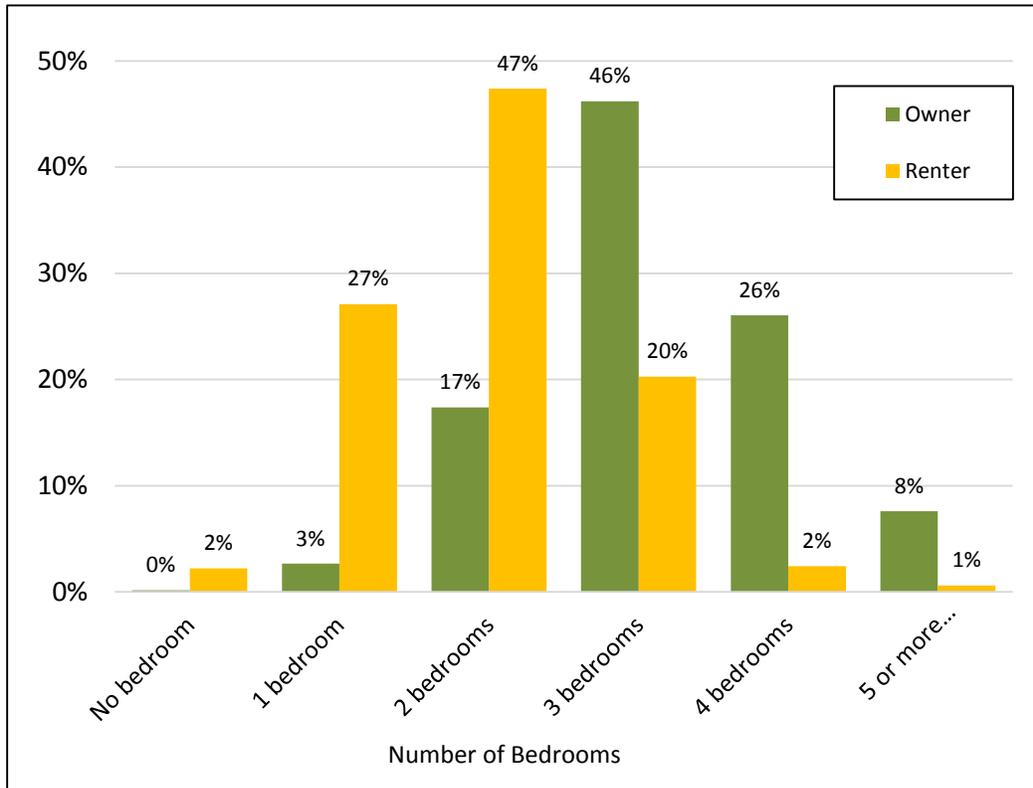
SOURCE: US Census
Census Tables: H030 (2000); B25024 (2013 ACS 1-year Estimates)

C. NUMBER OF BEDROOMS

Figure 2.3 shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are much more likely to have three or more bedrooms, while renter occupied units are much more likely to have two or fewer bedrooms.

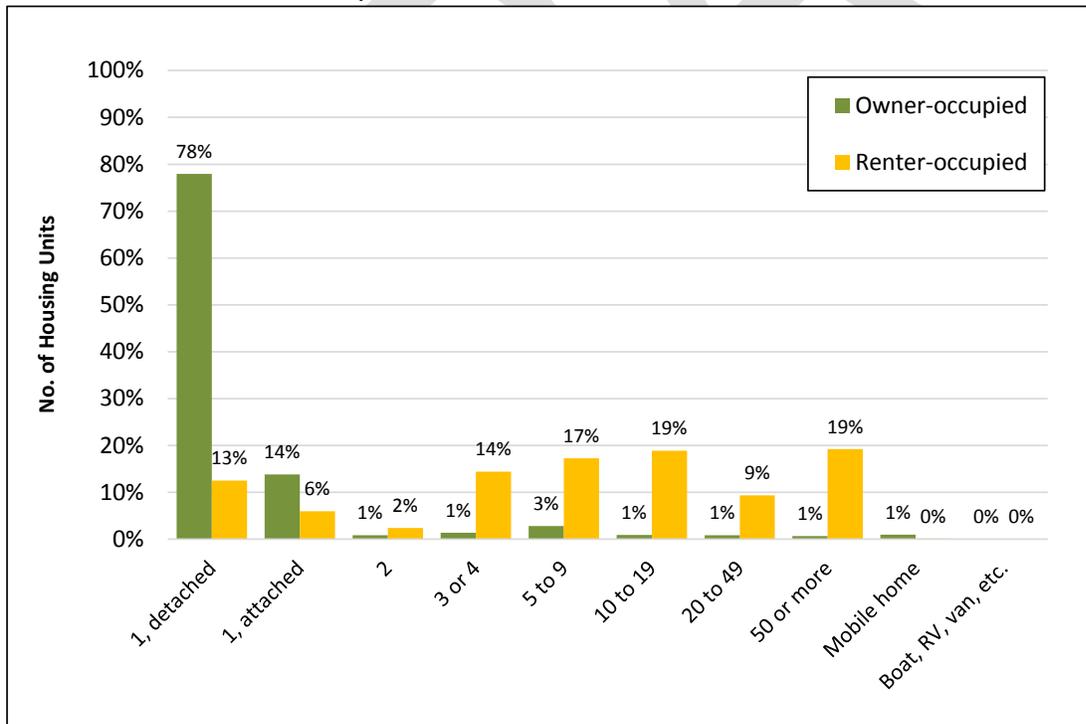
As Figure 2.4 shows, a large share of owner-occupied units (78%) are detached homes, which is related to why owner-occupied units tend to have offer more bedrooms. Renter-occupied units are much more distributed among a range of structure types. 12.5% of rented units are estimated to be detached homes, while the remainder are some form of attached unit.

FIGURE 2.3: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS



SOURCE: US Census
 Census Tables: B25042 (2013 ACS 3-year Estimates)

FIGURE 2.4: SHARE OF UNIT TYPE, FOR OWNERS AND RENTERS



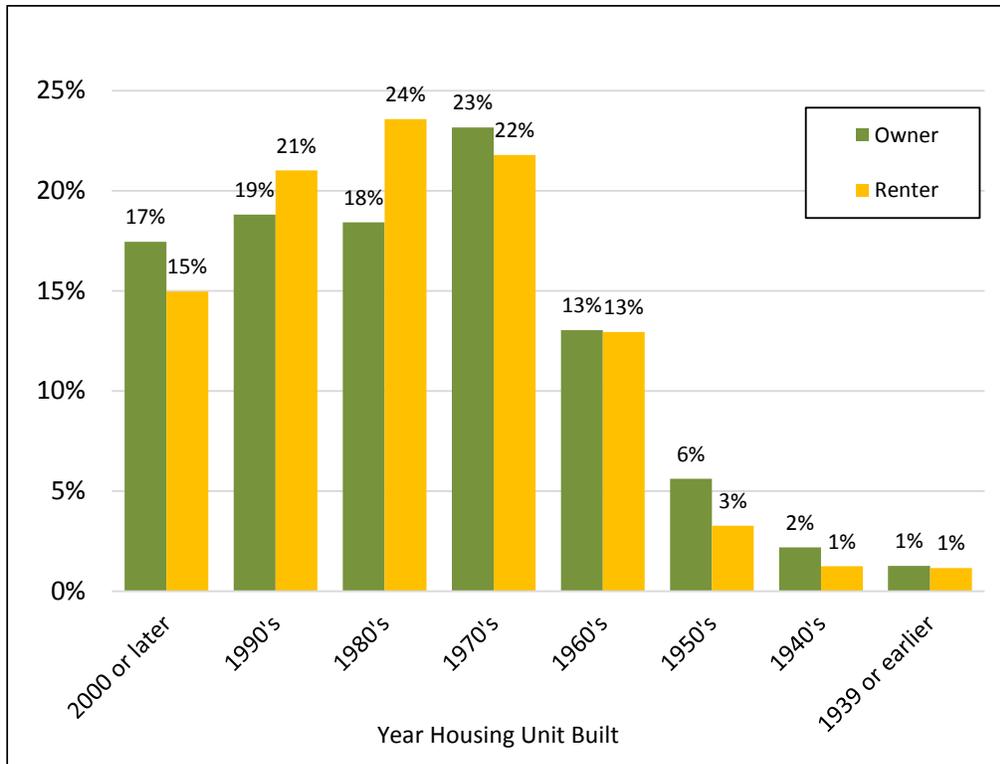
SOURCE: US Census
 Census Tables: B25032 (2013 ACS 3-year Estimates)

D. AGE OF HOUSING STOCK

Beaverton’s housing stock reflects the pattern of settlement in the area, with the earliest standing homes dating to the mid-1800’s. Roughly half of the housing stock is pre-1980’s with the remainder being post 1980. The 1980’s saw the highest amount of development activity at an estimated 7,400 units permitted. The 1990’s and 2000’s each saw roughly 5,400 units permitted. The 2000’s was on pace for higher development activity prior to the recession.

The following figure shows that a higher share of renters tend to live in housing stock from the 1980’s and 1990’s. A greater share of owners tend to live in the newest homes.

FIGURE 2.5: AGE OF UNITS FOR OWNERS AND RENTERS



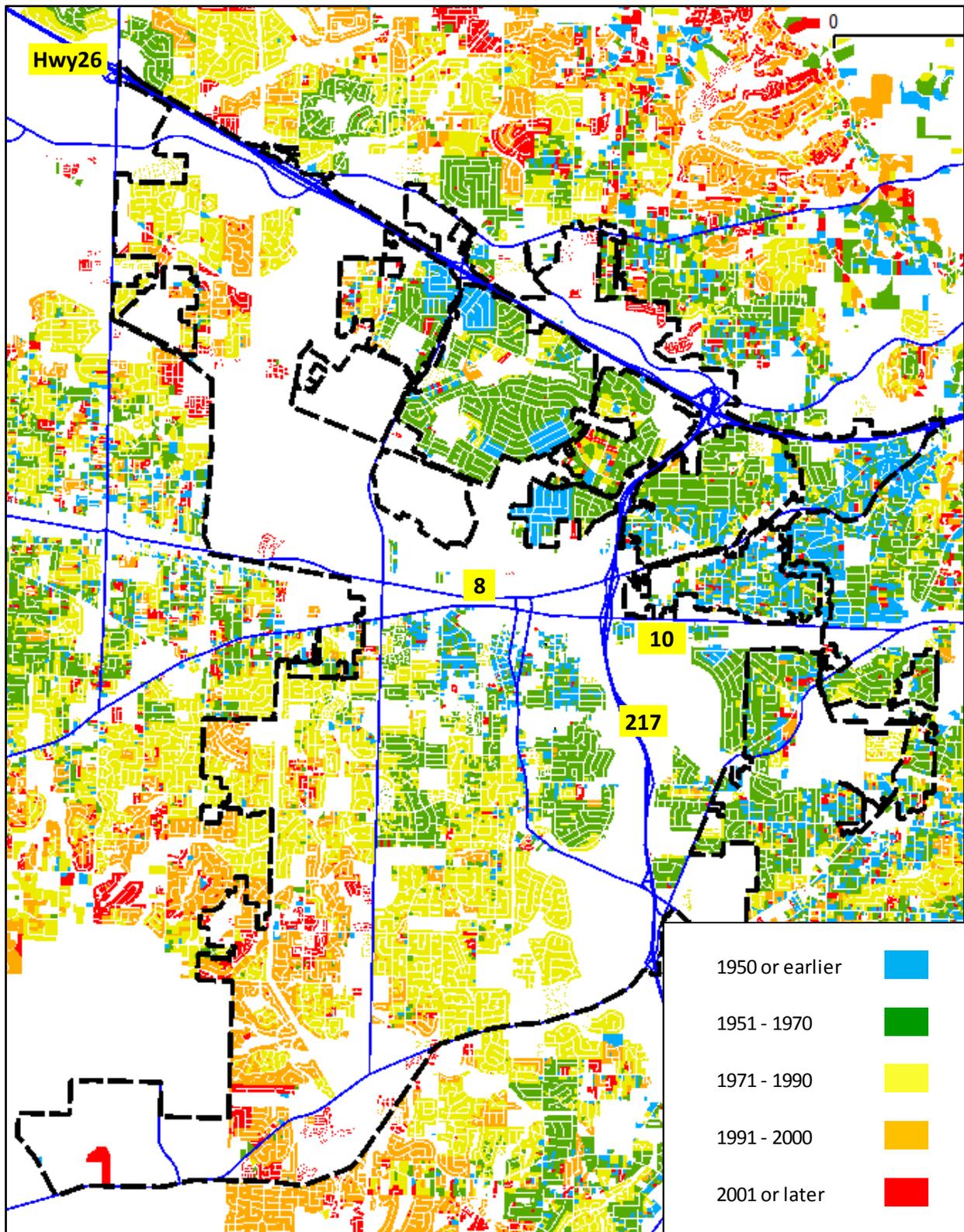
SOURCE: US Census
Census Tables: B25036 (2013 ACS 3-year Estimates)

The following map shows the general residential land use pattern in Beaverton and the immediate area. The shading reflects when the housing was built, with cooler shades (blue and green) being the oldest housing, and warmer shades (yellow to red) being the newest housing.

The map shows the oldest neighborhoods being clustered around central Beaverton and near the US 26 corridor. The newest residential areas tend to be in the south and west.

RLIS data does not include “year built” data for many residential parcels, and therefore not all residential properties are included. 8% of single-family and condo properties lack this data, while a full 83% of multi-family parcels lack this data. The following map is best used as a guide and general indicator of growth patterns.

FIGURE 2.6: AGE OF HOUSING UNITS



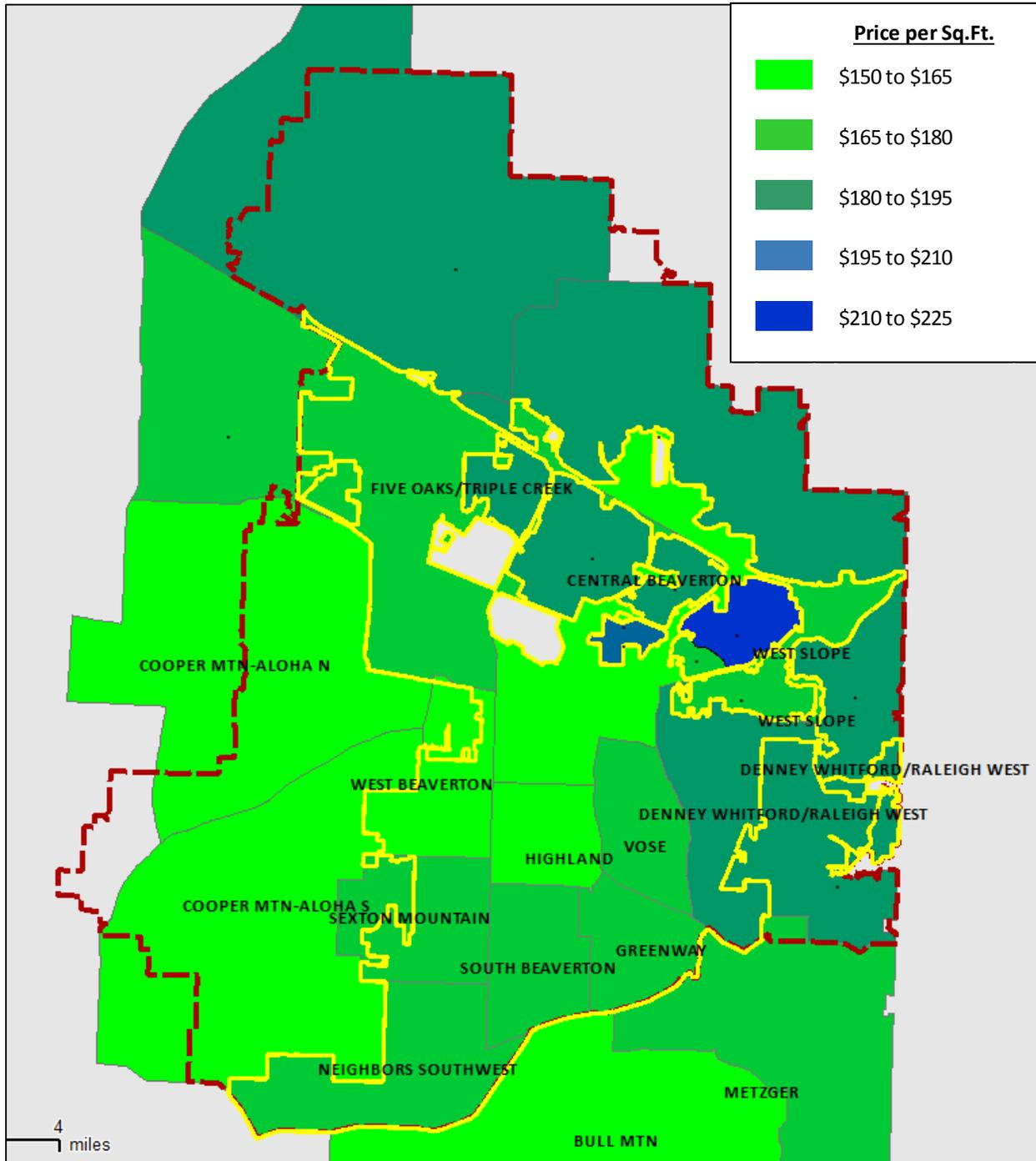
SOURCE: Metro RLIS, Johnson Economics

E. HOUSING PRICE TRENDS

Figure 2.7 shows the average price per square foot of home sales in Beaverton area neighborhoods over the summer of 2014. (Due to fluctuations in pricing over the year, the summer high season was used.) The map shows the areas of relative home values in the study area. Price per square foot is commonly used to smooth variations among different sizes and types of properties.

Areas of Central Beaverton and areas to the west exhibit the lowest sales prices per square foot, while areas to the north and west exhibit higher prices per square foot.

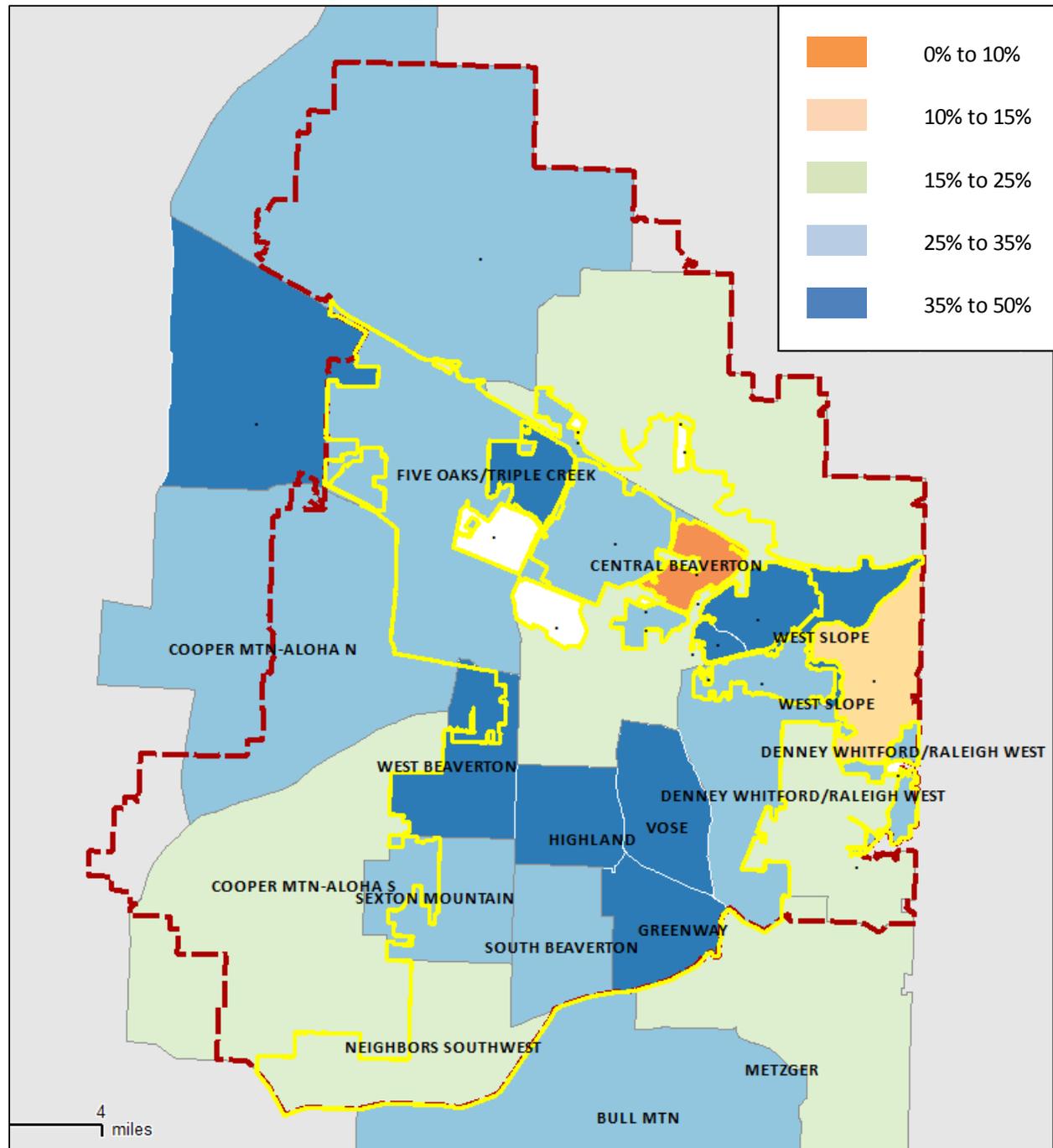
FIGURE 2.7: AVERAGE SALE PRICE PER SQUARE FOOT BY NEIGHBORHOOD, 2014 SALES



SOURCE: RMLS, Johnson Economics

Figure 2.8 shows the change in average home prices in Beaverton neighborhoods since 2011, the bottom of the market. According to the Case Shiller Index prices in the Portland Metro area have grown an average of 29% during this period. As the map shows some Beaverton neighborhoods have exceeded this average, such as West Beaverton, Highland, Vose and Greenway. Others have not experienced lower appreciation than the Metro average, such as Central Beaverton and neighborhoods within the USB, but outside of the City such as the Cedar Mills and the Garden Home areas.

FIGURE 2.8: AVERAGE HOUSING PRICE APPRECIATION SINCE 2011 BY NEIGHBORHOOD



SOURCE: RMLS, Johnson Economics

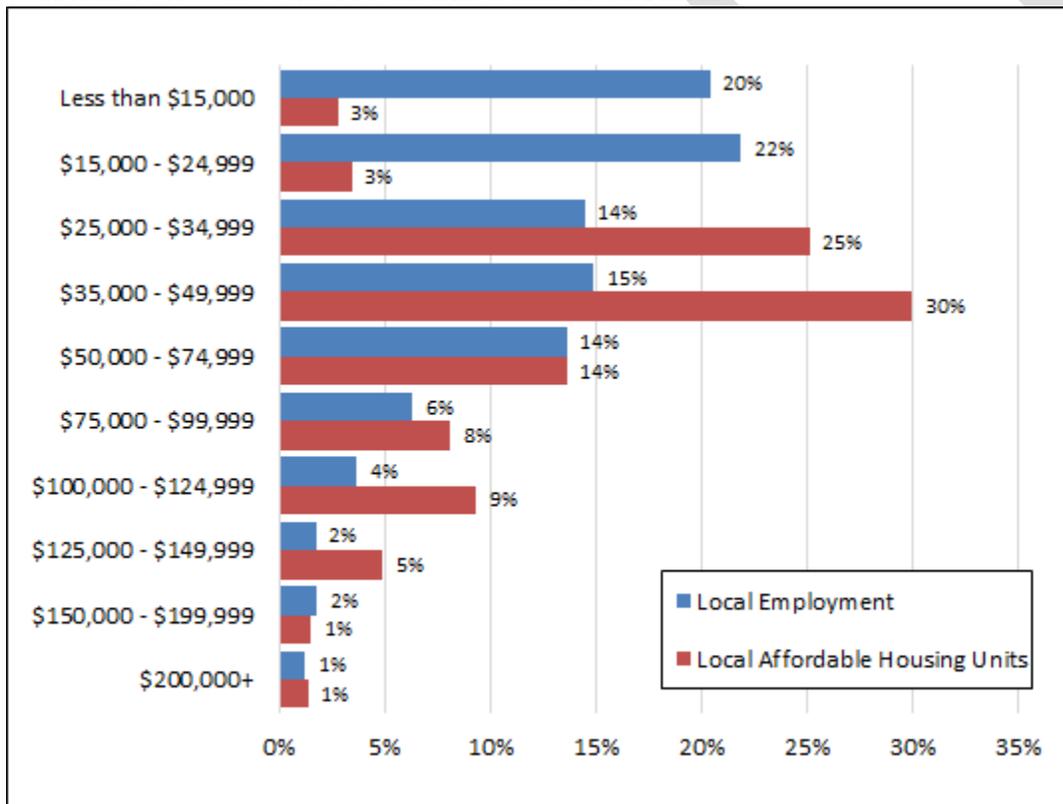
F. HOUSING COSTS VS. LOCAL INCOMES

Figure 2.9 shows the distribution of average annual wage of companies located in Beaverton (includes some of Aloha area, as well as unincorporated islands such as the Nike campus.) The average wage of local companies is compared to the distribution of housing affordable at that level. The comparison shows that housing units (both rental and ownership units) tend to hover around the middle of the spectrum in housing value and rent level.

In comparison, local employment provides many jobs at the low-end of the income spectrum. Nearly 42% of local jobs have an average annual wage of less than \$25,000. Unfortunately, the available data cannot specify how many of these employees may work in households with additional income from another earner, second job, or other source. However, it is not surprising that households at the low end of the income spectrum would find a short supply of affordable housing, as this is common in almost all communities.

At the same time, the share of housing affordable to those at incomes of \$100,000 to \$149,000 is estimated to exceed the share of local jobs paying in that income range. (The housing inventory, quantified by housing type and affordability, is discussed in more detail in Section 1, Chapter III.)

FIGURE 2.9: AVERAGE ANNUAL WAGE FOR LOCAL EMPLOYMENT, COMPARED TO HOUSING UNITS AFFORDABLE AT THAT INCOME LEVEL



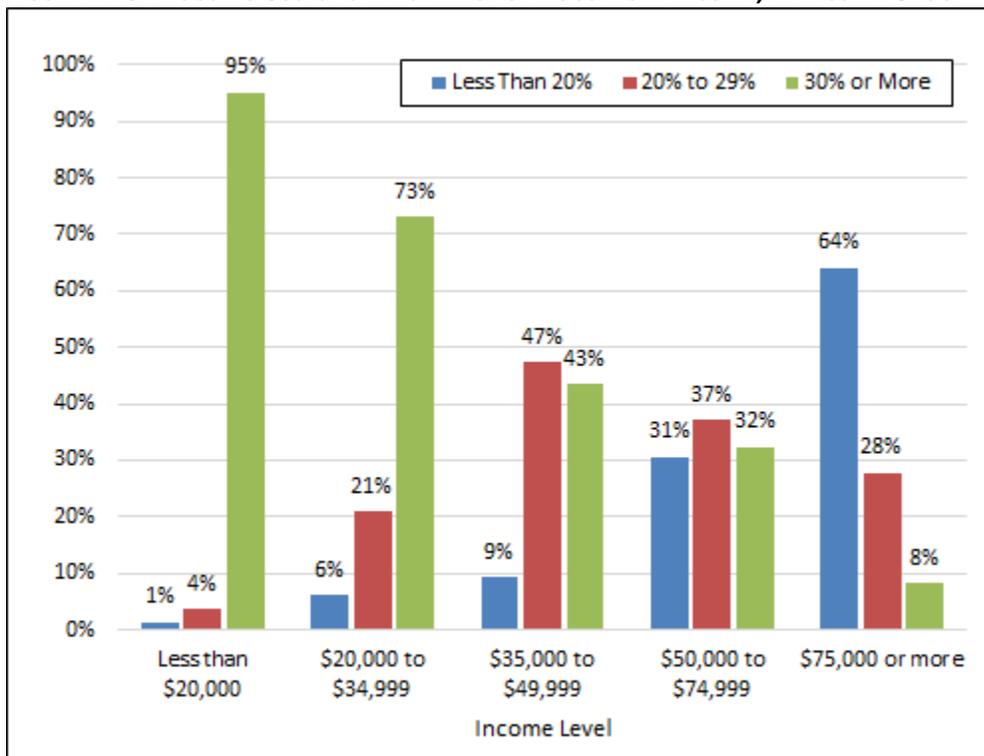
Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2013 ACS 3-yr Estimates)

It is important to note that this analysis considers estimates of housing *value* for the local ownership housing stock, as estimated by the Census. This is different than the current average sales pricing. This can create some cognitive dissonance because the inventory finds some ownership housing at what seems a low estimated value, whereas it is very rare to be able to purchase a home at this cost. However, as many households are long-term owners, with modest mortgages or even no remaining mortgage, it is accurate to say that there is a broad range of housing in the community which costs less to the owner than the current average sale price of local housing.

Figure 2.10 shows the percentage of income that local households are spending on housing based on their income group. As one might expect, lower income households spend a larger percentage of their income on housing costs than higher income households. Of those earning less than \$20,000, 95% of households spend more than 0% of income housing costs. (Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.)

Even a third of those households earning \$50,000 to \$75,000 pay more than 30% of income towards housing costs. Only those earning more than \$75,000 have a relatively small percentage paying more than 30%.

FIGURE 2.10: HOUSING COSTS AS PERCENTAGE OF HOUSEHOLD INCOME, BY INCOME GROUP

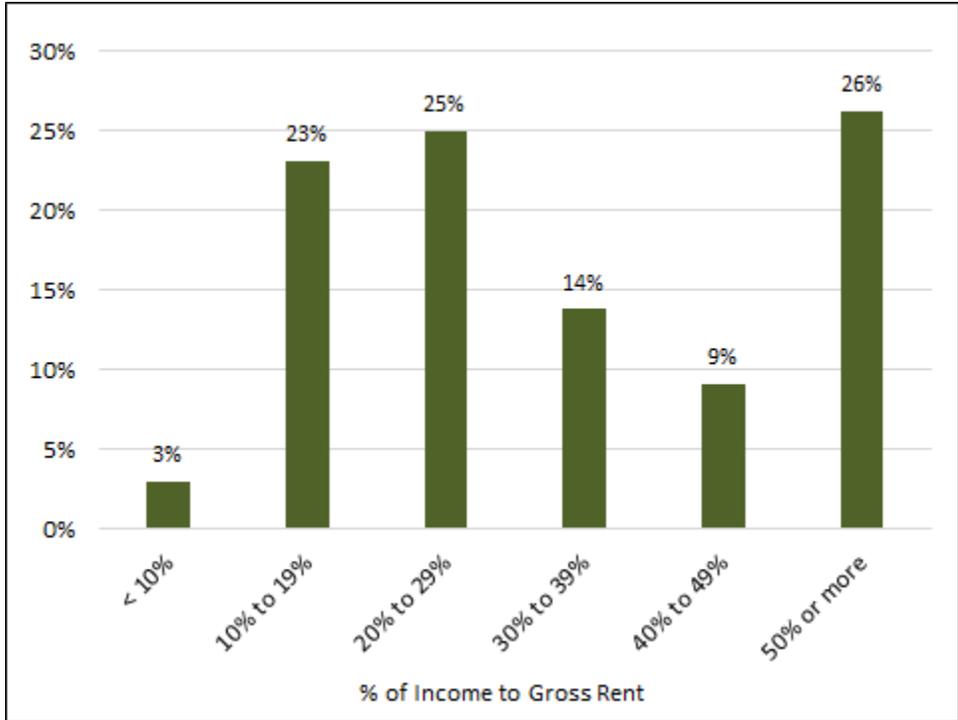


Sources: US Census, JOHNSON ECONOMICS
 Census Table: B25106 (2013 ACS 3-yr Estimates)

The following figures shows percentage of household income spent towards gross rent for local renter households only. This more fine grained data shows that not only are nearly 50% of renters spending more than 30% of their income on rent, but an estimated 26% are spending 50% or more of their income.

Renters are disproportionately lower income relative to homeowners. The burden of housing costs are felt more extensively for these households, and as the analysis presented in later section shows there is a strong need for more affordable rental units in Beaverton, as in most of the Metro area.

FIGURE 2.11: PERCENTAGE OF HOUSEHOLD INCOME SPENT ON GROSS RENT, BEAVERTON RENTER HOUSEHOLDS



Sources: US Census, JOHNSON ECONOMICS
Census Table: B25070 (2013 ACS 3-yr Estimates)

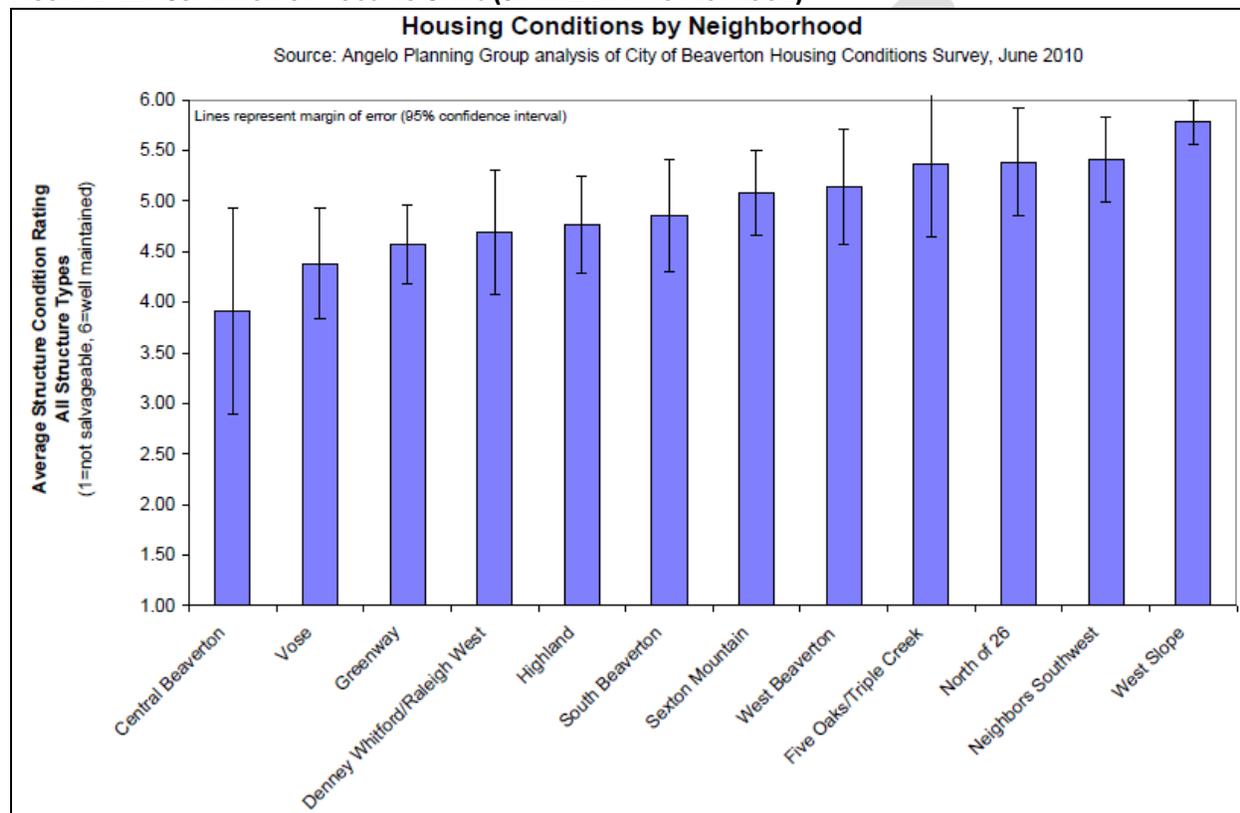
DRAFT

G. HOUSING CONDITION/QUALITY

In 2010, the City of Beaverton conducted a study of housing conditions across Beaverton neighborhoods. The project was part of the Beaverton Housing and Neighborhood Stability Report completed in support of the Civic Plan. Samples of housing stock in each neighborhood were assessed for the condition of the structure, external structural elements such as stairs, rails and porches and landscape conditions.

In general, the survey found that housing was in the best condition in neighborhoods in the outlying areas of the city. As one might expect, the housing condition seems to be correlated to housing age, and outer neighborhoods offer newer housing on average, while Central Beaverton and adjoining neighborhoods offer older housing stock.

FIGURE 2.12: CONDITION OF HOUSING UNITS (SAMPLE BY NEIGHBORHOOD)



Graphic reproduced from: Angelo Planning Group, *Beaverton Housing & Neighborhood Stability Report*, 2010, Pg. 52.

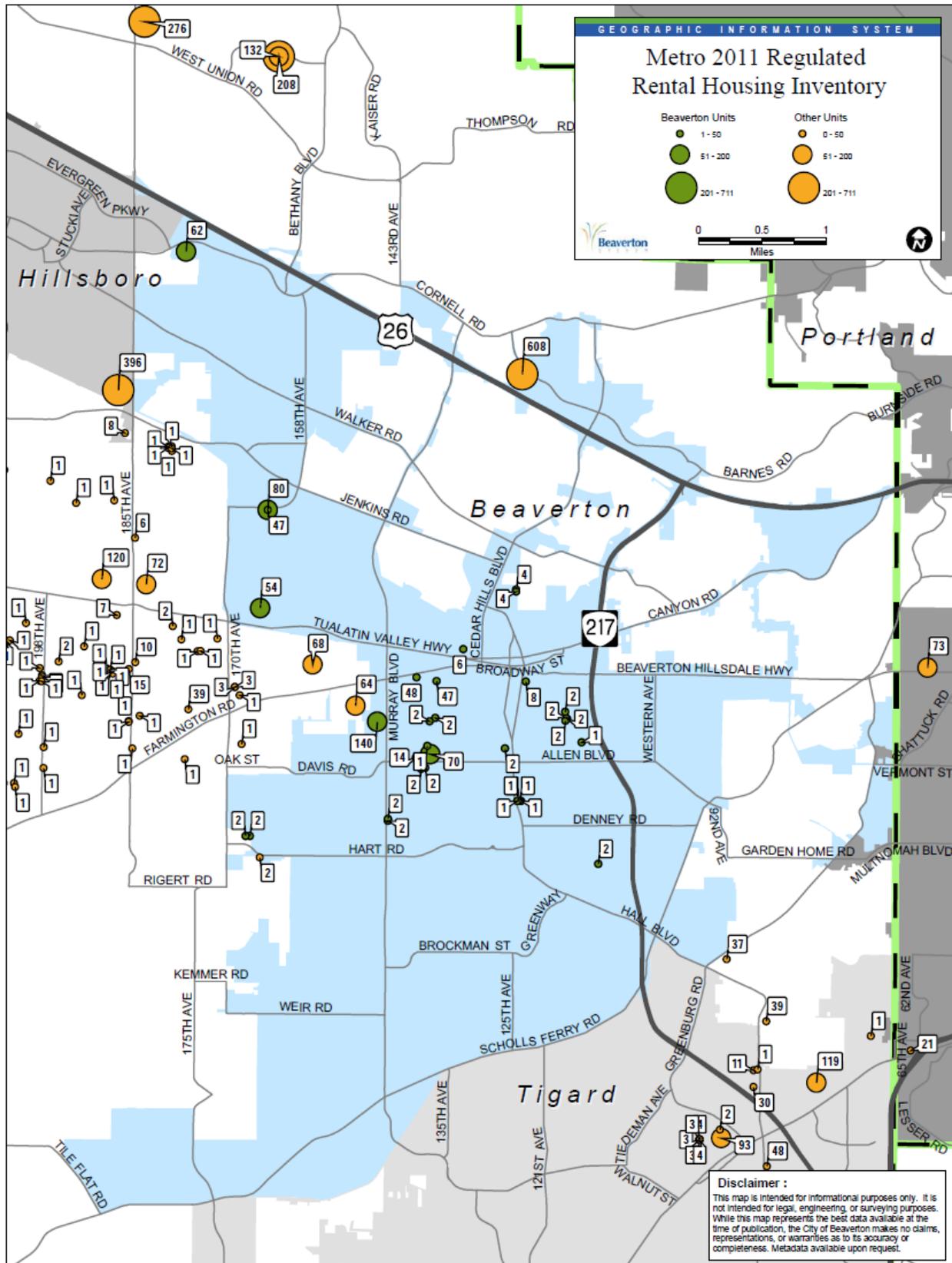
H. PUBLICLY-ASSISTED HOUSING

Beaverton has an estimated 630 subsidized affordable housing units, ranging from single-family homes to large apartment complexes. 185 of the units are owned by the Housing Authority of Washington County, with most of the remainder operated by non-profit housing agencies. (See map on following page.)

A Point-in-Time count of homeless individuals in Washington County conducted in January of 2014 found 537 homeless individuals in shelters or on the streets, making up 342 households. Roughly 27% of those counted were children under the age of 18.

An analysis of the ability of current and projected housing supply to meet the needs of low-income people, and the potential shortfall is included in the following sections of this report.

FIGURE 2.13: MAP OF SUBSIDIZED RENTAL HOUSING INVENTORY, BEAVERTON AND AREA



Source: Map produced by City of Beaverton GIS

I. OWNER-OCCUPIED HOUSING TRENDS

The following figure presents an estimate of Beaverton’s *owner-occupied* housing supply according to the US Census and American Community Survey. This reflects the 2013 ACS estimate, projected forward to 2015 based on permits issued in that time. This data does have a margin of error which varies depending on the housing category, but it provides a guideline to recent distribution of owner-occupied units.

FIGURE 2.9: ESTIMATE OF OWNER OCCUPIED UNITS BY TYPE, 2015

OWNERSHIP HOUSING								
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	15,290	2,820	207	145	918	178	0	19,558
Percentage:	78.2%	14.4%	1.1%	0.7%	4.7%	0.9%	0.0%	100.0%

SOURCE: US Census, Johnson Economics

The ownership market in Beaverton is dominated by single-family detached homes. Single-family attached units, including townhomes, some condos and zero-lot-line developments, make up an increasing share of owner-occupied homes, growing from 9% of units to over 14% since 2000, according to the Census.

Home Prices: Figure 2.10 summarizes for-sale inventory statistics in the city for the prior 12 months. In the past year, the city experienced over 1,500 home sales, at a median sale price of \$292,000 for detached housing and \$179,000 for attached housing (including condominiums). The local median sale price is essentially the same as the Metro-wide median.

FIGURE 2.10: SALES AND FOR-SALE INVENTORY STATISTICS CITY OF BEAVERTON, PRIOR 12 MONTHS

DETACHED:

Beaverton, Oregon	
Total Annual Sales:	1,515
Average Monthly Sales:	126
Median Sale Price:	\$292,000
Median Price/Sq.ft.:	\$161
Median Size (Sq.ft.):	1,841
Active Homes Available:	344
Median List Price:	\$349,900
Overall Inventory (Months):	2.7

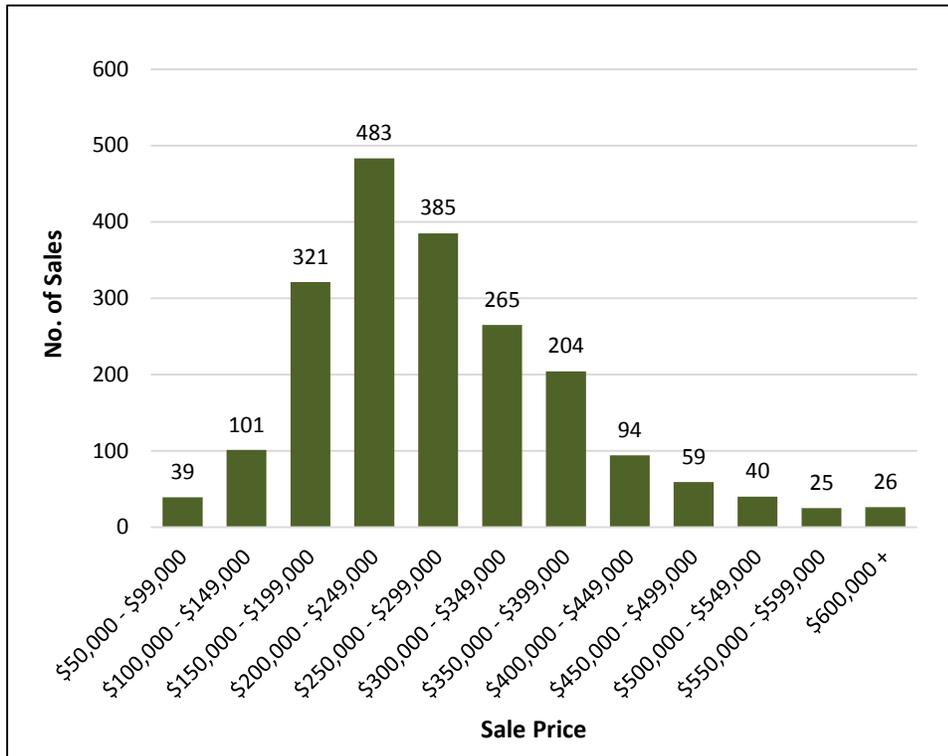
ATTACHED:

Beaverton, Oregon	
Total Annual Sales:	527
Average Monthly Sales:	44
Median Sale Price:	\$179,000
Median Price/Sq.ft.:	\$136
Median Size (Sq.ft.):	1,362
Active Homes Available:	132
Median List Price:	\$190,950
Overall Inventory (Months):	3.0

SOURCE: RMLS, Johnson Economics

Figure 2.11 shows the distribution of home sales by price. 43% of sales were between \$200k and \$299k. More than 70% of sales were between \$150k and \$350k. Only 7% of sales were for more than \$450,000. Phase II of this project will analyze how current home values and pricing meet the needs of current households and projected households.

**FIGURE 2.11: HOME SALES BY PRICE, BEAVERTON
PREVIOUS 12-MONTHS**



SOURCE: RMLS, Johnson Economics

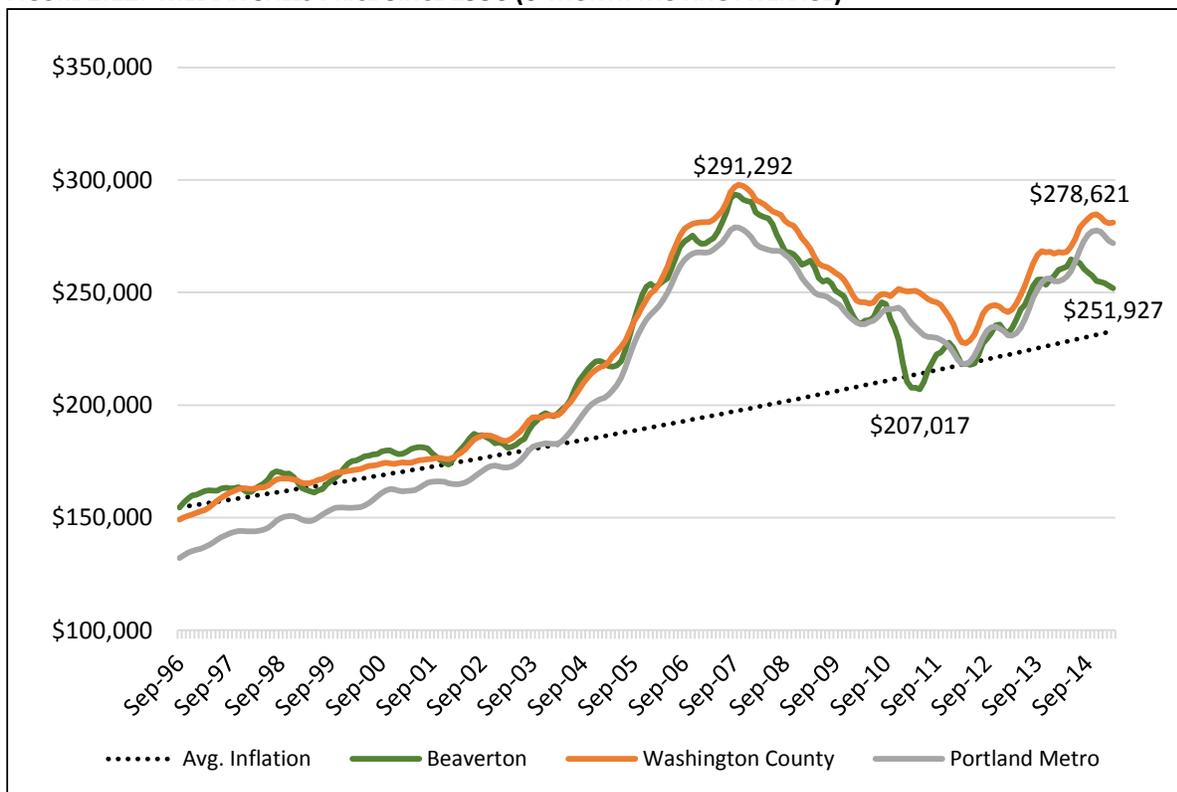
Figure 2.12 presents median sales price over the last 19 years in Beaverton vs. Washington County and the Metro region. (Sales prices are averaged over the previous six months to smooth outliers.)

As the chart shows, Beaverton pricing has closely matched Washington County in general, and tended to slightly exceed the Metro average. According to Zillow data, pricing peaked in summer 2007 at over \$300,000 and fell to under \$200,000 by the end of 2010, a decline of roughly 36% from the peak.

As the chart shows, Beaverton pricing shows a larger dip during this period, before recovering. Nationally prices got a small boost during this period due to the federal first-time homebuyer tax credit program, but it is unclear why Beaverton didn't experience this boost. Nevertheless, Beaverton pricing has rebounded to the same growth trend, and the median sales price is now closer to the Metro-wide average and slightly below the Washington County median.

The recovery in home sales and pricing is now well established and is expected to continue. According to the Case Shiller index the regional pricing is returning to the pre-“bubble” trend. During the recovery, median prices in Beaverton have matched the Metro region median, and remain slightly below the Washington County median. Zillow finds a diversion in median sales price over the fall/winter slow season of 2014/15. It is unclear at this juncture what this trend represents and if it will continue.

FIGURE 2.12: MEDIAN SALES PRICE SINCE 1996 (6-MONTH MOVING AVERAGE)



SOURCE: Zillow, Consumer Price Index, Johnson Economics

Supply vs. Demand: Based on the sales velocity of the previous year, the current number of active listings amounts to less than a 3-month housing supply. A for-sale inventory of at least 6 months is a real estate industry standard for a “healthy” or balanced level of inventory, meaning that there is sufficient inventory to provide good choice to buyers, while not oversupplying the market, which would drive down prices.

By this measure, the inventory of less than 3-month’s supply means the market has a relatively low supply of housing for buyers based on the previous year’s sales velocity. In addition, the median listing price of available inventory is significantly higher than the achieved median sale price (particularly for detached homes). This indicates a mismatch between current inventory and recent demand.

The mismatch between supply and demand is a trend apparent across much of the Metro area in which buyers are having difficulty finding a broad selection, at affordable prices. Listings consist of fewer, more expensive homes. In a market left to itself in the long run, supply and demand should approach equilibrium of 6-month supply, with increased supply in a wider price range, as well as greater buyer interest and buying power.

The greatest current wildcard in the Metro area is the impact of non-owner interests purchasing houses. These include investors and developers buying foreclosed and other low-priced housing, often for cash. This activity can reduce the supply of entry-level homes for first-time and lower-income buyers. For the past few years roughly 28% to 30% of home sales in the Metro area have been all-cash transactions.

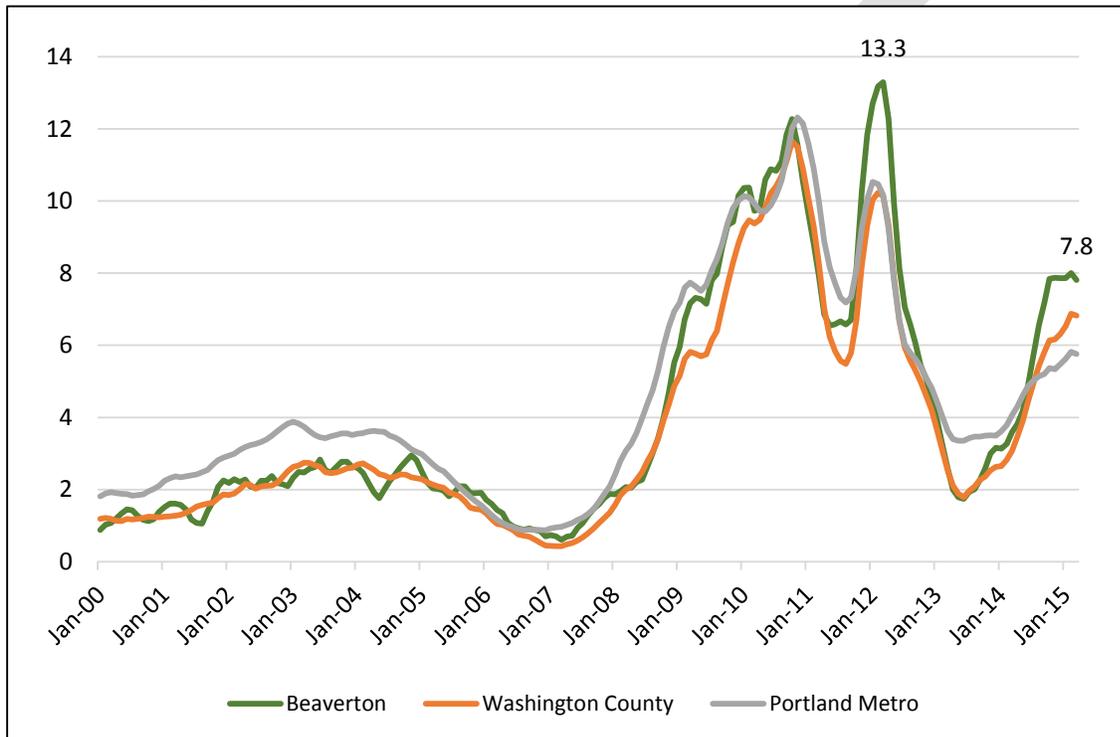
A major obstacle also remains to financing for first-time buyers and others of middle income. After the financial crisis the requirements for qualified borrowers remain much higher than a decade ago, and many willing buyers are unable to qualify for a mortgage or save sufficient money for a down payment. As long as these conditions persist, a large segment of the housing market will be hampered. At this time, the resolution to this problem, if any, is unclear.

Distressed Properties: Oregon’s foreclosure rate has fallen sharply since the depths of the housing bust, but remains elevated. Throughout the financial crisis and its aftermath, Oregon’s rate has remained significantly lower than that of California, Nevada, Idaho and Arizona, but higher than that of Washington.

The following figure shows the foreclosure rate since 2000 in Beaverton, Washington County and the Portland Metro, according to Zillow data. (The rate is averaged over the previous six months to smooth outliers.) Other than one spike in 2012, Beaverton has tracked regional foreclosure trends fairly closely.

Foreclosure rates averaged lower than 3 per 10,000 homes early the in decade and fell even lower as the housing market reached its peak. Following the bust, foreclosure rates climbed steeply. The second spike occurred when foreclosure activity was slowed in 2010 and 2011, while widespread issues over the banks’ legal title were resolved in court. After that resolution, foreclosure activity spiked again. After a wave of activity in 2012, the foreclosure rate fell sharply and is settling at a level higher than the historic trend, where it will probably remain for a few years.

**FIGURE 2.13: FORECLOSURE RATE SINCE 2000 (PER 10,000 HOMES)
6-MONTH MOVING AVERAGE**



SOURCE: Zillow, Johnson Economics

As housing prices improve, the number of distressed homes has decreased markedly. According to Zillow, an estimated 15% of homeowners with mortgages remain “underwater”, owing more than their home is worth. But this is down from an estimated 35% of owners in 2012. As values rise, these owners will feel less financial stress and regain the ability to move and put their homes on the market.

J. RENTER-OCCUPIED HOUSING TRENDS

The following figure presents an estimate of Beaverton’s rental housing supply according to the US Census and American Community Survey. This reflects the 2013 ACS estimate, projected forward to 2014 based on permits issued in that time. This does have a margin of error which varies depending on the housing category, but it provides a guideline to recent distribution of renter units.

FIGURE 2.14: ESTIMATE OF RENTAL UNITS BY TYPE, 2015

RENTAL HOUSING								
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	2,632	1,202	650	2,461	14,278	90	0	21,314
Percentage:	12.4%	5.6%	3.0%	11.5%	67.0%	0.4%	0.0%	100.0%

SOURCE: US Census, Johnson Economics

Most rental units in Beaverton are in attached housing types (87%) with 67% being in properties with 5 units or more. Over 12 percent of rentals are single-family homes, accounting for over 2,600 single family units in the city.

Of *all* the detached homes in Beaverton, roughly 14% are rented, while nearly 30% of townhomes are rented. Nearly 95% of units in properties with 3 or more units are rented rather than owned.

The development of multi-family properties remained near historic levels in Beaverton over the last decade, which was not the case in much of the Metro area. Much of the region saw rental development fall dramatically during the hot for-sale housing market. In Beaverton, development slowed after the recession but is now experiencing a rebound.

Rent Levels: The following figure shows average rent levels over time in Beaverton and comparison submarkets. These levels are presented in average rent/sq. ft. to remove the impact of number of bedrooms and other unit characteristics. (These average rent levels include units of all ages and conditions and therefore do not reflect the highest achievable pricing found at new properties.)

Washington County tends to offer rents lower than the Metro average, which is skewed higher by more expensive central Portland rentals. Within Washington County, Beaverton and other submarkets track each other closely. (Data from Multifamily NW.)

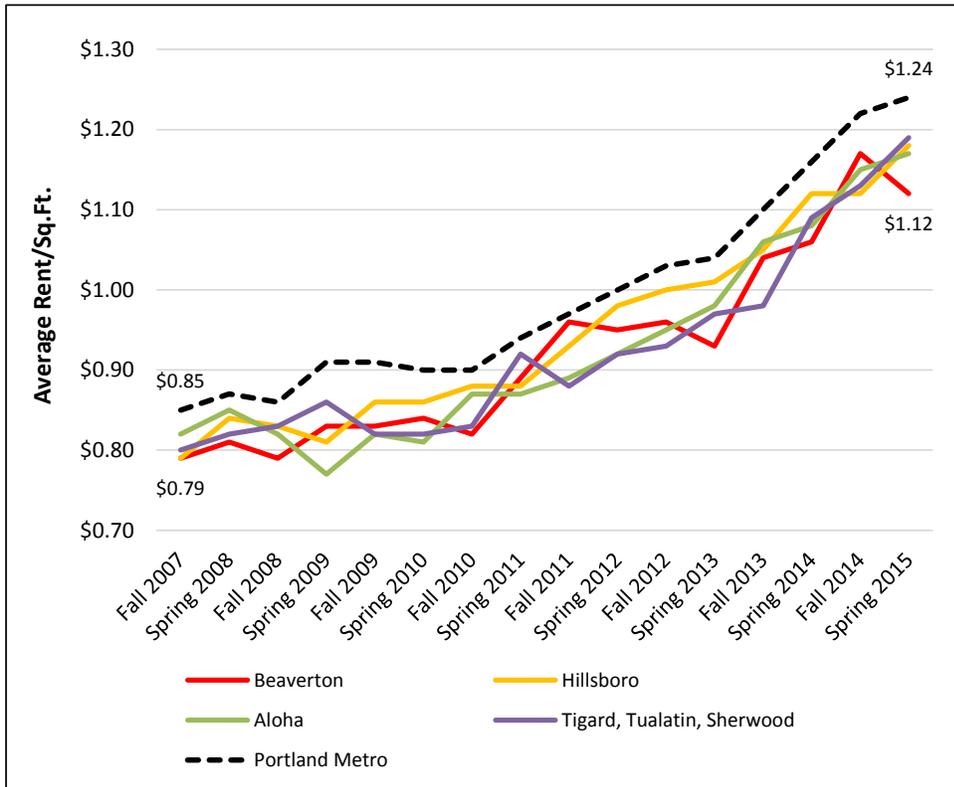
Rental rates have been escalating across the Metro area for some time, a trend seen in many metro regions nationally, as rising demand for rentals out of the housing bust was met by low new supply. Vacancy rates fell to very low levels, giving landlords strong pricing power.

After the slump in the housing market and general recession of 2007 to 2009, many displaced homeowners returned to renting, while many younger households postponed buying out of necessity or trepidation. The Census estimates that the ownership rate had risen to roughly 54% near the market's peak, before falling back to its current 50%, where the rate was in 2000. Many of these homeowners entered the rental market.

At the same time, both new household formation, and interstate relocation slowed during the recession. Now as the economy improves, younger people are again forming new households (i.e. moving out of parent homes, or multiple-roommate situations), and moving more freely. This tends to add to rental demand.

Since 2007, the average rent level in Beaverton has risen nearly 42%, or an average of 4.5% per year. Multi-family NW estimates the rent level jumped 6% in the last year.

**FIGURE 2.15: AVERAGE RENT PER SQ.FT.
BEAVERTON AND COMPARISON MARKETS**



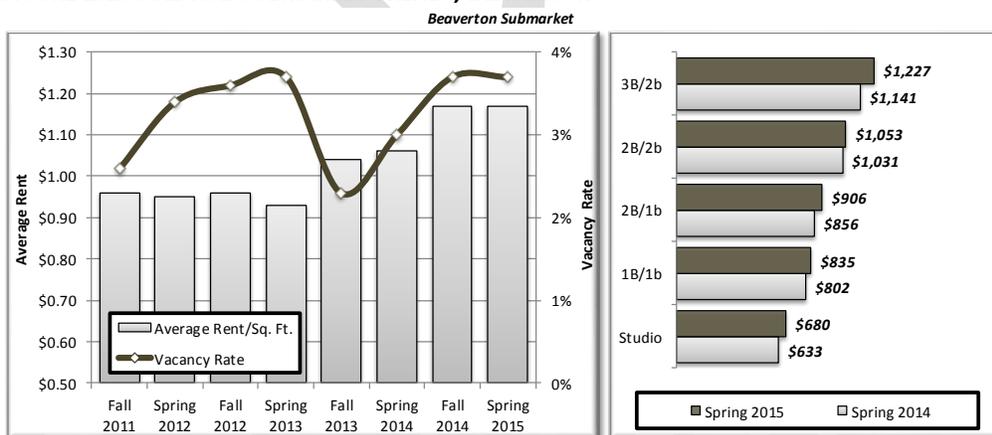
SOURCE: Multifamily NW, Johnson Economics

Vacancy: The following figure shows rental trends for the Beaverton submarket itself. Vacancy has remained very low since falling below 4% in 2010. It is now near 3%.

Following the recession, vacancy peaked in 2009 at only 5.5% which is not considered very elevated. Generally, apartment property managers consider themselves “fully leased” at 95%. The remaining 5% vacancy is considered a sustainable vacancy level reflecting normal turnover and supporting unit selection for renters.

Therefore, Beaverton’s 3% vacancy rate represents a tight market in which landlords will continue to enjoy pricing power until more supply is brought to market, or there is a noticeable bump in the homeownership rate.

FIGURE 2.16: RENTAL SUBMARKET TRENDS, BEAVERTON



SOURCE: Multifamily NW, Johnson Economics

III. CURRENT HOUSING NEEDS (CITY OF BEAVERTON)

The profile of current housing conditions in the study area is based on Census 2010, forecasted forward to 2015. (The growth rate between the 2010 Census and the 2014 certified estimates from the Population Research Center at Portland State University, was extended forward one year to 2015.) Estimates of current population and households were cross referenced with estimates from Claritas, and the U.S. Census.

FIGURE 3.1: CURRENT HOUSING PROFILE (2015)

CURRENT HOUSING CONDITIONS (2015)		SOURCE
Total 2015 Population:	94,315	US Census, PSU Pop. Research Center
- Estimated group housing population:	992 (1.1% of Total)	US Census
Estimated Non-Group 2015 Population:	93,323 (Total - Group)	
Avg. HH Size:	2.37	US Census
Estimated Non-Group 2015 Households:	39,377 (Pop/HH Size)	
Total Housing Units:	40,872 (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	39,377 (= # of HH)	
Vacant Housing Units:	1,495 (Total HH - Occupied)	
Current Vacancy Rate:	3.7% (Vacant units/ Total units)	

Sources: Johnson Economics, City of Beaverton, PSU Population Research Center, U.S. Census

*This table reflects population, household and housing unit projections shown in Figure 1.1

We estimate a current population of roughly 94,300, living in 39,377 households (excluding group living situations). Average household size is 2.37 persons.

There are an estimated 40,870 housing units in the city, with 1,500 units vacant. The estimated 2015 vacancy rate of housing units is 3.7%. This includes units vacant for any reason, not just those which are currently for sale or rent.

ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by synthesizing data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2013 ACS 3-yr Estimates).

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.

While the Census estimates that nearly half of low-income households pay more than 30% of their income for housing, this is an estimate of current preferred demand. It assumes that low-income households prefer (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

Figure 3.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (39,377).

The breakdown of tenure (owners vs. renters) reflects data from the 2013 ACS. The 50% ownership rate in Beaverton is lower than the statewide rate of 62%. The homeownership rate in Beaverton remained nearly unchanged between 2000 and 2013. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

FIGURE 3.2: ESTIMATE OF CURRENT HOUSING DEMAND (2015)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	791	Less than \$15,000	4.1%	4.1%
\$80k - \$130k	1,042	\$15,000 - \$24,999	5.3%	9.4%
\$130k - \$180k	1,501	\$25,000 - \$34,999	7.7%	17.1%
\$180k - \$250k	1,617	\$35,000 - \$49,999	8.3%	25.4%
\$250k - \$330k	4,745	\$50,000 - \$74,999	24.3%	49.7%
\$330k - \$390k	2,862	\$75,000 - \$99,999	14.7%	64.4%
\$390k - \$480k	2,641	\$100,000 - \$124,999	13.5%	77.9%
\$480k - \$580k	1,562	\$125,000 - \$149,999	8.0%	85.9%
\$580k - \$680k	1,480	\$150,000 - \$199,999	7.6%	93.5%
\$680k +	1,262	\$200,000+	6.5%	100.0%
Totals:	19,503		% of All:	49.5%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$380	3,668	Less than \$15,000	18.5%	18.5%
\$380 - \$620	2,900	\$15,000 - \$24,999	14.6%	33.0%
\$620 - \$870	2,756	\$25,000 - \$34,999	13.9%	46.9%
\$870 - \$1080	4,346	\$35,000 - \$49,999	21.9%	68.8%
\$1080 - \$1490	3,282	\$50,000 - \$74,999	16.5%	85.3%
\$1490 - \$1730	1,794	\$75,000 - \$99,999	9.0%	94.3%
\$1730 - \$2160	494	\$100,000 - \$124,999	2.5%	96.8%
\$2160 - \$2600	336	\$125,000 - \$149,999	1.7%	98.5%
\$2600 - \$3460	175	\$150,000 - \$199,999	0.9%	99.4%
\$3460 +	123	\$200,000+	0.6%	100.0%
Totals:	19,873		% of All:	50.5%

All Households	39,377
-----------------------	---------------

Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS
 Census Tables: B25007, B25106, B25118 (2013 ACS 3-yr Estimates)
 Claritas: Estimates of income by age of householder

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than \$15,000) would have to cost \$80,000 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6% (significantly more than the current rate, but in line with historic norms), with 20% down payment. These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-

year mortgage commonly serves as the standard. In the last decade, down payment requirements fell significantly, but standards have tightened since the 2008/9 credit crisis, and 20% is once again the standard for most buyers. Interest rates are difficult to forecast beyond the short term. The 6% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's, but coming out of the recent recession, many economists believe that rates cannot fall further and must begin to climb when the Federal Reserve begins to raise its rate in the next year to two years.

CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 3.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 3.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in Beaverton was determined using Census data from the 2013 ACS, which provides a profile of housing values, rent levels, and housing types (single family, attached, mobile home, etc.). The 3-year estimates from the ACS were used to reduce the margin of error inherent in the survey, compared to 1-year ACS numbers.

- An estimated 48% of housing units are ownership units, while an estimated 52% of housing units are rental units. This very closely matches the estimated demand profile shown in Figure 3.2. (The inventory includes vacant units, so the breakdown of ownership vs. rental does not exactly match the tenure split of actual households.)
- 78% of ownership units are detached homes, while 67% of rental units are in structures of 5 units or more.
- Of total housing units, an estimated 44% are detached homes, while 56% are some sort of attached type. Less than 1% are mobile home units.

FIGURE 3.3: PROFILE OF CURRENT HOUSING SUPPLY (2015)

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0k - \$80k	299	78	32	2	0	46	0	457	2.3%	2.3%
\$80k - \$130k	414	136	48	0	0	82	0	679	3.5%	5.8%
\$130k - \$180k	1,047	423	127	34	10	51	0	1,691	8.6%	14.5%
\$180k - \$250k	3,335	1,091	0	109	315	0	0	4,851	24.8%	39.3%
\$250k - \$330k	2,755	670	0	0	298	0	0	3,723	19.0%	58.3%
\$330k - \$390k	2,180	256	0	0	128	0	0	2,565	13.1%	71.4%
\$390k - \$480k	3,002	167	0	0	167	0	0	3,335	17.1%	88.5%
\$480k - \$580k	1,272	0	0	0	0	0	0	1,272	6.5%	95.0%
\$580k - \$680k	426	0	0	0	0	0	0	426	2.2%	97.1%
\$680k +	559	0	0	0	0	0	0	559	2.9%	100.0%
Totals:	15,290	2,820	207	145	918	178	0	19,558	% of All Units:	47.9%
Percentage:	78.2%	14.4%	1.1%	0.7%	4.7%	0.9%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0 - \$380	0	0	0	0	638	41	0	679	3.2%	3.2%
\$380 - \$620	0	0	0	0	677	50	0	728	3.4%	6.6%
\$620 - \$870	0	0	283	771	7,511	0	0	8,564	40.2%	46.8%
\$870 - \$1080	162	1,014	368	1,477	4,365	0	0	7,385	34.6%	81.4%
\$1080 - \$1490	736	188	0	184	733	0	0	1,841	8.6%	90.1%
\$1490 - \$1730	447	0	0	29	257	0	0	733	3.4%	93.5%
\$1730 - \$2160	391	0	0	0	98	0	0	489	2.3%	95.8%
\$2160 - \$2600	715	0	0	0	0	0	0	715	3.4%	99.2%
\$2600 - \$3460	179	0	0	0	0	0	0	179	0.8%	100.0%
\$3460 +	0	0	0	0	0	0	0	0	0.0%	100.0%
Totals:	2,632	1,202	650	2,461	14,278	90	0	21,314	% of All Units:	52.1%
Percentage:	12.4%	5.6%	3.0%	11.5%	67.0%	0.4%	0.0%	100.0%		

TOTAL HOUSING UNITS										
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	
Totals:	17,923	4,022	857	2,606	15,196	269	0	40,872	100%	
Percentage:	43.9%	9.8%	2.1%	6.4%	37.2%	0.7%	0.0%	100.0%		

Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2013 ACS 3-yr Estimates)

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available.

In general, this identifies a current need for additional ownership units at a range of price points, counterbalanced by a surplus of units in the \$180,000 to \$250,000 range, and the \$390,000 to \$480,000 range. This is simply an indicator that most housing in the Beaverton market is found in this range. Based on analysis of household incomes and ability to pay, there should be support for some ownership housing at higher and lower price points.

The analysis identifies a general need for rental units at the lowest price level and at middle price levels. There are levels of estimated surplus for apartments (\$620 to \$1080 per month). Again, this represents the current average rent prices in Beaverton, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent.

FIGURE 3.4: COMPARISON OF CURRENT NEED TO CURRENT SUPPLY (2015)

Ownership				Rental			
Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
\$0k - \$80k	791	457	(334)	\$0 - \$380	3,668	679	(2989)
\$80k - \$130k	1,042	679	(363)	\$380 - \$620	2,900	728	(2172)
\$130k - \$180k	1,501	1,691	190	\$620 - \$870	2,756	8,564	5808
\$180k - \$250k	1,617	4,851	3233	\$870 - \$1080	4,346	7,385	3039
\$250k - \$330k	4,745	3,723	(1021)	\$1080 - \$1490	3,282	1,841	(1441)
\$330k - \$390k	2,862	2,565	(297)	\$1490 - \$1730	1,794	733	(1061)
\$390k - \$480k	2,641	3,335	694	\$1730 - \$2160	494	489	(5)
\$480k - \$580k	1,562	1,272	(290)	\$2160 - \$2600	336	715	379
\$580k - \$680k	1,480	426	(1053)	\$2600 - \$3460	175	179	4
\$680k +	1,262	559	(703)	\$3460 +	123	0	(123)
Totals:	19,503	19,558	55	Totals:	19,873	21,314	1440

Occupied Units:	39,377
All Housing Units:	40,872
Total Unit Surplus:	1,495

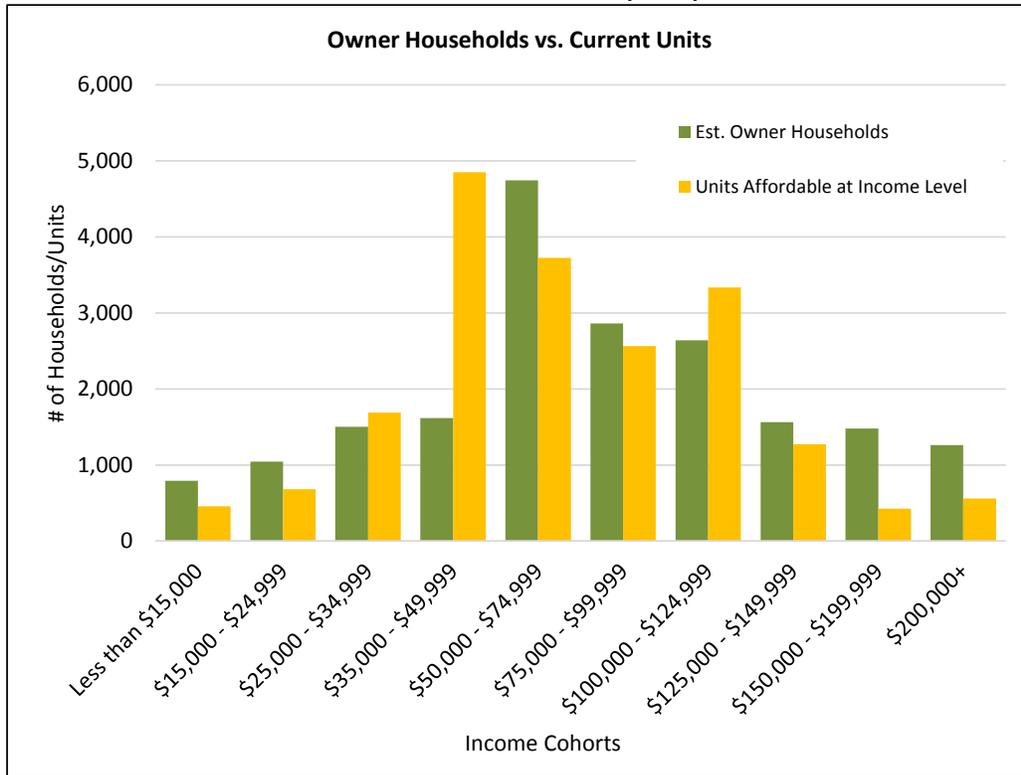
Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS
 This table is a synthesis of data presented in Figures 3.2 and 3.3.

There are an estimated 1,495 units more than the current number of households, which reflects the city's current vacancy rate of 3.7%.

Figure 3.4 is illustrating where current market-level pricing is in Beaverton. Housing prices and rent levels will tend to congregate around those price levels. These levels will be too costly for some (i.e. require more than 30% in gross income) or "too affordable" for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available).

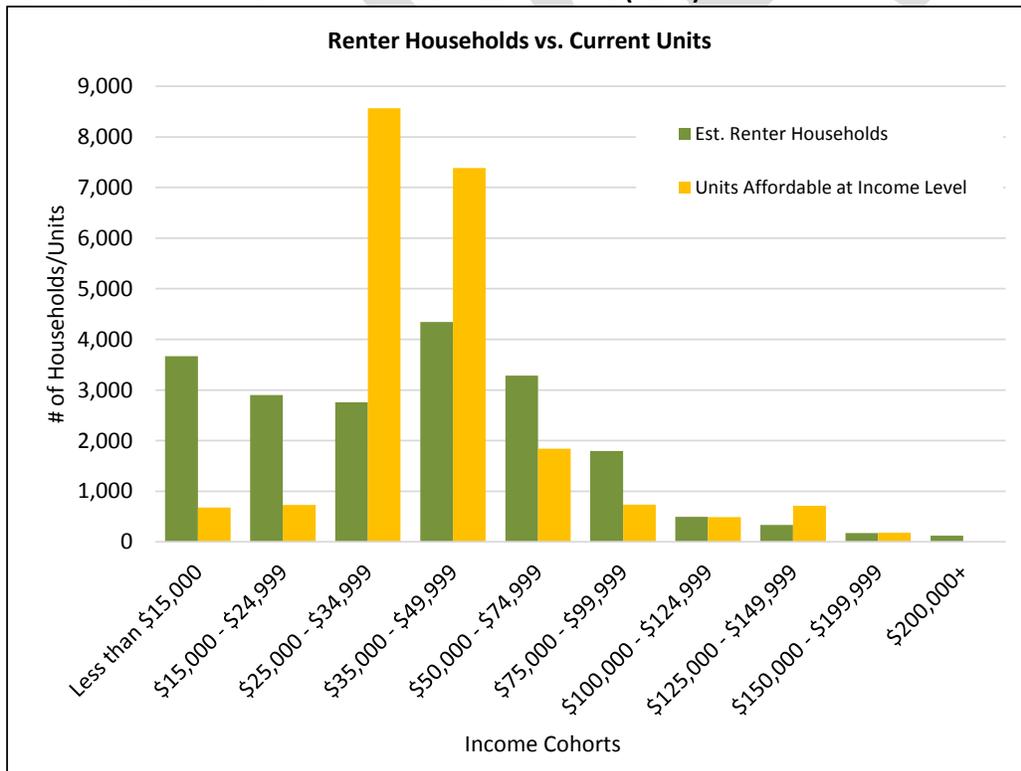
The following figures (Figure 3.5 and 3.6) present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

FIGURE 3.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2015)



Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS

FIGURE 3.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2015)



Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS

IV. ANTICIPATED HOUSING TRENDS

This section discusses current and anticipated demographic and market trends which are expected to impact the nature of housing demand and development in the future. These are macro-level trends which generally apply on a regional or nationwide scale, but the potential impact for Beaverton is discussed in each case. The impacts of these trends are factored into the projection of housing need and residential land need detailed in following sections of this report.

The major demographic trends discussed here are:

- Housing preferences
- Migration to urban environments
- Diminishing household sizes
- Baby Boom generation transitions
- Millennial generation preferences
- Immigration
- Workforce housing

A. Housing Preferences

The issue of preferred housing types has been an on-going topic of discussion in the Metro area since the adoption of the current planning framework. With a single UGB encompassing over 30 jurisdictions, the policy of Metro encourages increased density of uses within the boundary using strategic transportation investment to ease the movement of people and goods around the region. As part of this effort, the Metropolitan Housing Rule, among other policies are generally meant to encourage more development of dense housing, such as small-lot single family homes and a greater share of attached forms than in the past.

This policy can create a general tension between the stated housing preferences of residents in the region, and the affordability and housing types represented in the current supply. A 2014 Residential Preference Survey prepared for Metro demonstrates this tension well, with 80% of respondents expressing preference for a detached single family home.⁵ Meanwhile, the Metropolitan Housing Rule (OAR 660-007-0030) requires that cities provide the opportunity for at least 50% of future units to be attached unit types.

According to the survey, 65% of respondents currently live in a detached home. So in order to properly meet *stated* housing preferences, the production of detached homes would actually need to increase significantly as a share of all units.

However, it is important to note that stated preferences do not reflect the reality of what the full spectrum of households can afford or choose at any given time. While many renters might prefer a detached home, their current need, due to any number of circumstances is actually for a rental unit. In a community such as Beaverton, where roughly 50% of households rent, there is significant demand for attached unit types even if preferences might be different in an ideal world.

Implications for Beaverton: As stated, the Goal 10 process and Metropolitan Housing Rule put requirements on the future distribution of housing types. The continuing constraints of the UGB, along with the region's planning framework and policies, create an atmosphere in which individual jurisdictions must plan for an increasing share of attached housing types (from townhomes to large complexes) in order to accommodate projected population growth. These assumptions are reflected in the housing projections included in the following section of this report. However, since 2000, detached units have constituted an estimated 49% of permitted units, meaning that Beaverton is largely already meeting these requirements.

B. Migration to Urban Environments

The United States, and indeed most of the world, has been undergoing a long-term shift of population from rural areas to urban areas. For the first time in history, as of 2008, more people globally live in an urban environment

⁵ DHM Research. "Metro Residential Preference Survey." 5/14

than in rural areas. This shift is caused by the decline of small-scale farming as agriculture is mechanized, and the increasing dominance of cities in the global economy. In the developing world, cities are the location of jobs in factories and the export sectors.

In the United States, metropolitan areas are the heart of the high-tech, creative and services-based sectors which are growing as manufacturing declines. Ironically, as communication technology increasingly enables dispersed work environments and the ability to connect from anywhere, the urban environment seems to have only grown in popularity. Sociologists and other experts now acknowledge the enduring importance of physical proximity for networking, doing business and forming clusters of competitors within an industry to spur innovation and share a talent pool of employees.

These trends have been accompanied by the revitalization of city centers and a return of population growth in the core. For many metro areas, including the Portland Metro, this is a reversal of the out-migration trends of the 1970's and 1980's when the perception of urban crime and dysfunction led many to move to the suburbs to find a better family environment plus more space, cheaper housing and better schools. Since the late 1990's, the return of urban prosperity, continuously falling crime rates, and a reaction against long commutes, many cities have seen increasing demand to live in the downtown area, or the surrounding neighborhoods.

There is currently some speculation that this trend will have a negative impact on the suburban cities which surround the larger "core" city, and especially on the farther-flung "exurban" cities. As yet, the evidence is not conclusive that this will be the case.

Rather than see this trend as an ominous sign for suburban cities, some experts interpret it as impetus for suburbs to encourage some aspects of urban lifestyle in the suburbs, most notably by revitalizing traditional downtowns, zoning for mixed uses, and/or creating new town center environments which offer the benefits of a larger central city on a smaller scale.⁶ This trend is already apparent in many suburban cities, including Beaverton.

In fact, a 2013 survey from the National Association of Realtors of community preferences found that the largest share of homeowners live in the suburbs (either residential-only areas, or neighborhoods with a mix of uses).⁷ When asked where they would prefer to live, the suburbs were still dominant, but with a greater preference for mixed-use suburban environments, over residential-only neighborhoods.⁸ For renter households, the city market was the most popular, but roughly 34% still expressed a preference for the suburban market.

Implications for Beaverton: As one of the large primary cities in the Portland metro area, the city of Beaverton will continue to benefit from the general trend of migration to urban areas. The metro area as a whole can expect continued growth, with different suburbs filling different niches in terms of housing affordability, lifestyle amenities, and employment opportunities.

The growing popularity of the urban core, regional and town centers should not be interpreted as a zero-sum game in terms of attracting households. Suburban housing will continue to meet the needs for some households depending on life-stage and personal preferences.

Beaverton can continue to prioritize bringing some of the benefits of a more urban environment to the city, through the long-term development of mixed use areas such as the central city.

C. Diminishing Household Sizes

There is a clear long-term trend in the United States of falling household (and family) sizes. In 1900, the average household size in the US was 4.6 persons. By 1950, it was 3.4 persons, and in 2010 it was 2.58 persons (US Census). This is a rate of decline of -0.5% per year since 1900.

⁶ McIlwain, John. "Housing in America: The Next Decade." ULI, 2010.

⁷ National Association of Realtors, American Strategies. "NAR 2013 Community Preference Survey." 10/13

⁸ Logan, Gregg. "RCLCO Forecast: Does the Housing Market Still Want the Suburbs?" RCLCO, "The Advisory," 4/30/12.

However, in recent decades the trend has slowed considerably. Since 1980, the rate of decline has been -0.2%. Between 2000 and 2010, the average household size was essentially unchanged. In Beaverton, the average household size fell from 2.47 in 2000 to 2.39 in 2010, a rate of decline of -0.2% per year.

Nationally, a continued slow decline of household size is expected over coming decades. Younger baby boomers will transition to empty nest status as kids leave the households. Older boomers will transition to single-person households as spouses pass away, if not in the coming decade than the following decade. (As discussed in more detail below, the size of the baby boom generation causes them to have an outsized effect on demographic trends.)

At the same time, the trend for younger generations to delay having children and having fewer children than previous generations will continue. However, the rate of decline will continue to slow and the average household size is likely to reach a stable level eventually, as it cannot realistically approach a size of 1.0 person per household.

Implications for Beaverton: In keeping with the national trend, the city of Beaverton has experienced a falling household size for many decades. This is expected to continue into the future. The following section of this report uses estimates for 2035 population and households from the Metro 2014 RTP project. These estimates were reviewed by Beaverton staff. Those estimates imply a 2035 household size of 2.21, which would mean a rate of decline of -0.3% per year, slightly greater than that experienced in the last decade. (See following section for specifics.)

D. Baby Boom Generation Transitions

Due to its sheer size, the baby boom generation has dominated US demographic trends since its appearance between 1946 and 1965. (Exact definitions of generational periods vary, but this is the generally accepted definition of the baby boom generation.) There are an estimated 78 million boomers, making them approximately 26% of the US population. In 2014, this generation is roughly 49 to 68 years old.

Demographers often split the baby boom generation into an older and younger cohort when discussing their needs and preferences.⁹ The prospects of these two cohorts are likely to be very different given the severity of the recent economic downturn.

The older cohort, aged 58 to 68, is closer to retirement or retired, with less time to repair household finances if it is needed. Many in this generation have not saved adequately for retirement, and lost wealth in the recent downturn. The common expectation of using rising home equity as a backstop has been frustrated by the housing downturn. This situation may limit some opportunities in retirement.

Still, many in this older cohort were already near to retirement when the recession hit, and had built sufficient nest eggs and pension benefits to retire as planned. This cohort was able to take advantage of generally rising income growth and national prosperity over their careers. As incomes have stagnated over the last decade, they were still in their peak earning years. Many have access to pension and health benefits in retirement that are no longer offered to most workers.

The younger cohort (aged 49-58) is larger, representing about 2/3 of the generation. This cohort is in the prime of its earning years, many with children still at home. Though they may have suffered a setback to saving and job prospects during the recession, there is still the opportunity to retrench for retirement.

Economically, this younger boomer cohort has more in common with younger generations, in that it has experienced wage stagnation over the last decade. They did not necessarily share in the constant income growth and generous retirement benefits sometimes associated with older boomers.

⁹ Most of this discussion draws from the following reports:

McIlwain, John. "Housing in America: The Next Decade." ULI, 2010.

"State of the Nation's Housing 2011." Joint Center for Housing Studies of Harvard University, 2011.

In terms of housing, the baby boom generation is more likely to own their homes, having decades to enter the ownership market and build equity. They are more likely to have greater equity in their homes, providing some cushion from the recent downturn. The improving housing market is now alleviating those with underwater mortgages and other forms of housing distress, allowing them to move for jobs and retirement and see greater equity from their homes.

What are the anticipated housing preferences of empty nesters and retirees? Two studies by real estate advisors Robert Charles Lesser & Co. (RCLCO) present somewhat different conclusions on this matter. A 2009 survey found that 75% of retiring boomers said they want to live in mixed-age, mixed-use communities, which implies a more urban or town center environment.

A 2010 survey asked a sample of affluent households of a variety of ages what housing choices they anticipated making upon coming empty-nesters and/or retirees. 65% of respondents stated that they prefer to age in place. An additional 14% anticipated moving to a different single-family home in the same market. 7% stated the preference to move to a condominium either in the central city or suburb.¹⁰

These findings suggest caution with the oft-stated belief that older households will increasingly want to live in multi-family housing in dense environments. While some segment of the population will make this choice, this trend can be overstated.

Since baby boomers are likely to remain healthier and more active for longer than the previous generation, as well as face problems with underwater mortgages, they are likely to delay downsizing and seeking out senior-focused facilities for some time.

Implications for Beaverton: The baby boom generation's share of Beaverton's population (25%) is slightly lower than that of the state (27%), and the nation (26.5%). Beaverton may expect to see the impacts of this generation's lifestyle transitions to a slightly lesser degree.

Over the coming 20 years, the baby boom generation will remain healthier and more independent for longer than their parents, meaning that the transition to retirement communities will be postponed or never undertaken for some of these households. The youngest in this generation won't reach the traditional retirement age for another 16 years.

Their housing legacy may be in leaving behind a large stock of large suburban homes to generations with lower incomes, and/or preferences for a more urban setting (see below). If this is the case, then housing prices in suburban locations may not experience as robust of gains as central urban housing.

A subset of the baby boom generation will be interested in opportunities to live in well-planned and safe mixed-use communities in the future. The demand from older households for multi-family housing opportunities in town centers should be significant enough to be addressed by the market, but should not be overstated. Also, older seniors may prefer or require single-level housing.

E. Millennial Generation Preferences

As the baby boom generation moves through mid-life and into retirement, the millennial generation is emerging as the dominant demographic group of the future. This generation, sometimes called the Echo Boomers or Generation Y, is actually larger than the baby boom generation at 83 million people. Definitions vary, but members of this generation were born roughly between 1980 and 2000 and are now in their mid-teens to mid-30's.

Aside from being large, this generation is in the prime years of defining popular culture as its greatest consumers. In broad strokes, the millennial generation is more technologically savvy, networked, environmentally and socially responsible than previous generations. They value diversity and activity, and therefore gravitate to urban environments more-so than older generations.

¹⁰ Ducker, Adam and Bob Gardner. "Anticipating the Upscale Empty-Nester Condo Market Recovery" RCLCO, "The Advisory," 8/11.

This generation grew up in a time of generally rising economic prosperity in the 1980's and 1990's, but they find themselves at a disadvantage in the current economic downturn. Jobs are scarce while average student debt has risen sharply. Incomes for people younger than 35 have fallen over the last decade, meaning that this generation is starting from behind. Many experts expect that over their lifetimes, millennials will make less money and have a more modest quality of life than their parents.

The reported desire of this generation to live in an urban setting seems to be very real:

A 2008 survey by RCLCO found that 77 percent of generation Y reports wanting to live in an urban core, not in the suburbs where they grew up. They want to be close to each other, to services, to places to meet, and to work, and they would rather walk than drive. They say they are willing to live in a smaller space in order to be able to afford this lifestyle.¹¹

A 2013 National Association of Realtors (NAR) survey of preferences found that those under 40 (which includes some of Generation X) place a higher priority on convenient alternatives to driving, revitalizing cities and suburbs, a mix of ages and ethnicities, and the availability of affordable housing.

Given their age and current finances, this currently means that millennial households are much more likely to rent units than own. In fact, the experience of the housing downturn has likely tempered the desire of many in this generation to own a home for the foreseeable future.

Due to the recession, other members of this generation are currently living with their parents, or with many roommates, as evidenced by the falling rate of household formation. After 2008, the rate fell by more than half. With an improving economy, this trend is now reversing, with household formation once again growing. The Millennial generation is likely to make up for lost time in forming new households and generating new demand for housing.

Looking forward at the future housing needs of this large generation raises some questions. While they currently demand rental housing in the urban core, they will be less well-positioned to afford central city housing as they change life-stages and seek ownership opportunities and room for families. In the urban core, where they prefer to live, single-family homes will be scarce and expensive, owned mostly by Boomer and Generation X households.

Childless millennials will continue to accept smaller multi-family units in order to remain in their preferred neighborhoods, either continuing to rent, or buying condos. But millennials with children will find many urban options either too constrained or too expensive. Like previous generations, they will seek a house with a yard at a price they can afford.

This may create opportunities for close-in suburbs. The millennial generation may eventually provide a stock of demand for the suburban single family homes vacated by the Boomer generation. Similarly, they will value well-planned town centers in suburban locations. Suburbs that are able to revitalize their traditional mixed-use town centers or create new ones may be more attractive to young refugees from the urban core.

Millennials are expected to continue the trend of putting off child rearing until they are older, and therefore this trend may be slow to develop. If they move to the suburbs, this generation may be more accepting of living in denser types of housing, such as attached single-family, even with children.

Implications for Beaverton: It is generally believed that when millennials claim to prefer the urban core, they truly mean the center of a larger city (for instance, central Portland). However, the eventual impacts of affordability and life-stage decisions are likely to cause some significant share of this generation to either never move into the urban core, or move back out at some point.

As of the 2010 Census, the generation born between 1980 and 2000 represented 31% of Beaverton's population. This is actually a greater share than that found in Portland (27%). As of 2010 many in this generation were still

¹¹ McIlwain, John. "Housing in America: The Next Decade." ULI, 2010.

dependents living with their parents. However, a closer examination of those aged 20 to 29 years in 2010 finds that this group still made up 25% of the local population. Beaverton is proving adapt at attracting or retaining this cohort.

Beaverton, like many suburban cities, can plan ahead for this generation by continuing to create mixed-use regional and town centers which will provide some urban amenities. Transit options and opportunities to walk and bike will also be attractive. For all of their differences, good schools and a safe environment will appeal to millennial households just as much as preceding generations.

The younger members of this generation will need a sufficient stock of multi-family rentals. Townhomes will likely represent larger share of for-sale starter homes.

F. Immigration

Immigration is expected to be one of the key drivers of population growth, and therefore housing need over the coming decades. Immigrants and their U.S.-born children and grandchildren constitute one of the fastest growing population segments.

While native households are expected to trend towards smaller households, fewer children, and more childless households, the number of families and children among immigrant communities is expected to grow. Demographers credit the growth in immigrant households with slowing the decline in household size.¹²

The result of this rapid growth among immigrants and their children is that minorities are expected to account for most of the population growth between now and 2050. Latinos and Asians are the key drivers of this trend.

Immigrant households and their children have some key characteristics which impact their housing needs. These households tend to be poorer and larger than average. This means that many immigrants are reliant on rental housing, and often in lower-priced areas. They may stay in rental housing for more of their lifetime than other populations.

In rental and ownership housing, immigrants will need more space to house larger families. For this reason, suburbs will continue to be increasingly attractive to immigrant households. The old pattern of immigrants moving directly to a central city, and moving outwards in later generations has been reversed, and now many immigrant households move directly to suburban communities.

Going forward, as smaller native households move back into the central city, the stock of older large suburban homes will be attractive to immigrant households. Suburban apartments also tend to be larger and offer more two and three bedroom units than central apartment properties. Suburbs can expect the trends towards greater diversity to continue.

Implications for Beaverton: As of the 2013 American Community survey, an estimated 21% of Beaverton's population is foreign-born, up from 18% in 2000. This is a much higher share than the 10% found statewide.

Of Beaverton's foreign-born population, an estimated 45% were born in Asia, and roughly 35% were born in Latin America. Since 2000, these two populations have grown a similar amount, or roughly 2,000 residents each. The share of the population that speaks a language other than English as the primary language at home has increased from 23% to 28% since 2000.

The median income of Latino households in Beaverton is roughly 35% lower than the citywide median. The median income of Asian households is roughly the same as the citywide median. The immigrant population is not homogeneous and includes households ranging from political refugees, to relatives joining resident family members, to highly-skilled recruits to local companies.

¹² "State of the Nation's Housing 2011." Joint Center for Housing Studies of Harvard University, 2011.

The main impact of these groups in Beaverton and other suburbs will be continuing demand for low-to-moderate cost housing options, and the type of larger housing units already found in most suburbs. As long as the policies and land inventory allow for the production of multi-family units, it will be possible to meet the rental need for immigrants and other populations. Demand for for-sale housing will largely be met by older existing housing units, rather than new housing. It is likely that immigrant households and first-generation American households will provide a key source of demand for suburban Boomer housing.

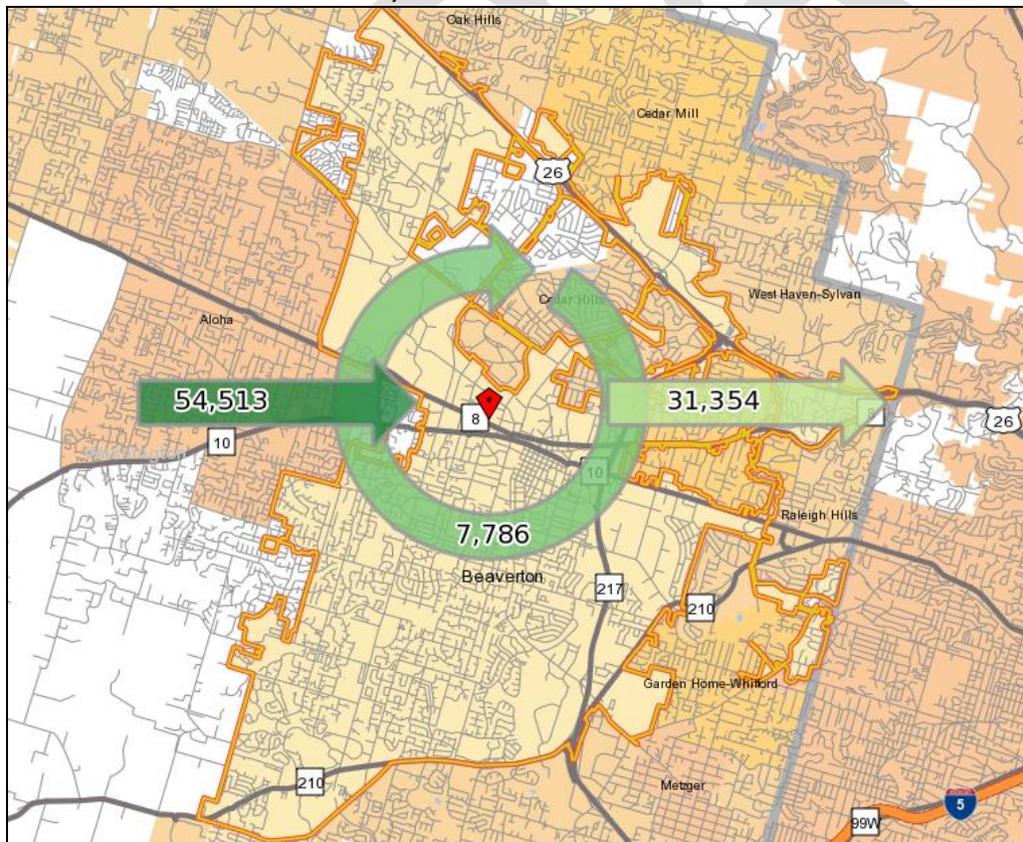
G. Workforce Housing

Many communities seek to better align housing opportunities with employment opportunities. There are many benefits to housing the local workforce closer to the community in which the jobs are located, as well as bringing new employment closer to local households. This arrangement helps keep economic activity within the community. It also reduces local commuting, which helps reduce traffic congestion. Residents have more transportation choices and shorter commute periods. Many communities aspire to provide greater workforce housing opportunities in order to provide greater location equity among different classes of worker.

In terms of housing, workforce housing generally means offering a full spectrum of housing in proximity to employment at different levels of affordability. Depending on the community, there may be a lack of housing for lower-income workers who might have to commute from other communities. Or there may be a lack of higher-end or executive housing, meaning that higher-paid employees leave the community after work, bringing their financial and other resources with them. While there is no standard definition, workforce housing often is used to describe housing for workers who are low to middle income but may not qualify for subsidized housing programs.

Implications for Beaverton: The following figure shows the inflow and outflow of commuters to Beaverton according to the Census Employment Dynamics Database. As of 2011, the most recent year available, the Census estimates 62,300 jobs located in Beaverton. Only 7,800 of these, or 13%, are held by local residents, while over 54,000 employees commute into the city from elsewhere.

FIGURE 4.1: COMMUTING PATTERNS, BEAVERTON



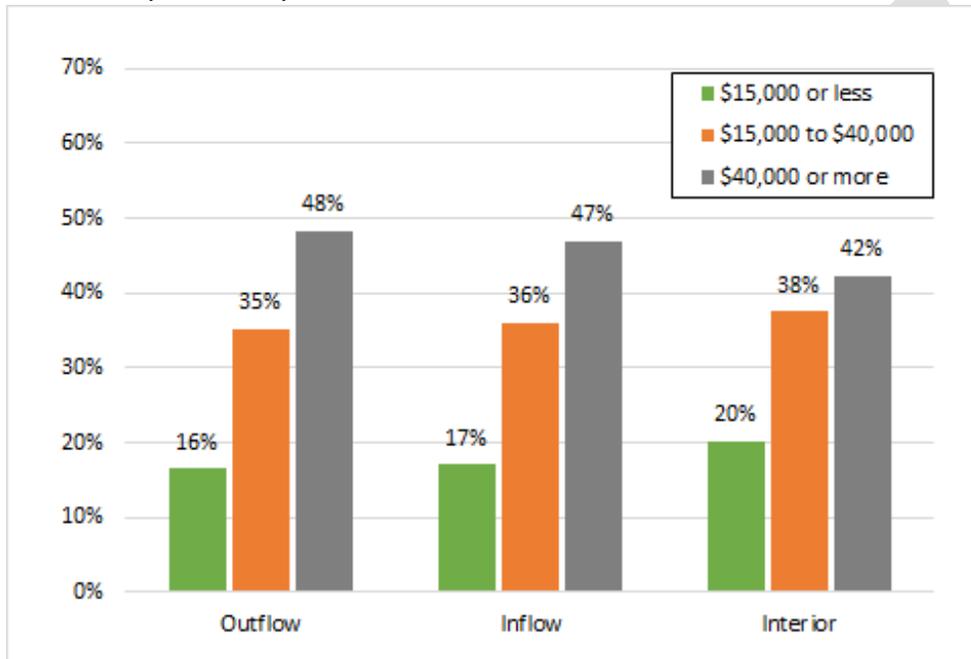
SOURCE: US Census Longitudinal Employer-Household Dynamics

Of the estimated 39,100 employed Beaverton residents, 80% of them commute elsewhere to employment.

While these numbers seem stark, this pattern is actually fairly consistent across communities, and particularly in an interconnected metropolitan area where many people live and work in different communities and spouses and other family members often do not work in the same community.

The following numbers show broad income levels for each of the commuting groups (outflowing, inflowing, and interior). There is very little difference between the broad income groups of commuters leaving Beaverton and those coming into Beaverton to work.

**FIGURE 4.2: INCOME LEVELS BY COMMUTING COHORT (PRIMARY JOBS)
OUTFLOWING, INFLOWING, AND INTERIOR EMPLOYEES**



SOURCE: US Census Longitudinal Employer-Household Dynamics

Jobs/Household Ratio: Beaverton features a healthy jobs-to-households ratio. At an estimated 62,300 jobs, this is 1.6 jobs per local household. With an estimated 51,000 Beaverton residents in the labor force, there is more than one job per working adult. Considering the proximity of other major employers in the immediate area, there seems to be ample employment for Beaverton’s population.

See Section 1, Chapter I.I-J for additional discussion on jobs/housing balance.

H. Low-Income Housing

In 2010, the city commissioned a background report as part of the Civic Plan to help explain some of the dramatic changes affecting Beaverton within the last previous. The First Tier Suburbs Analysis analyzed various cities throughout the U.S. that were similar to Beaverton in a number of ways. Each had a contiguous proximity to a major cosmopolitan city, a suburban character, and were enduring adverse effects from escalating urbanization. The challenges that each faced included lagging commercial activity in the area downtown, traffic congestion, aging infrastructure, and most notably, a general population shift of low income households migrating to the suburbs from the adjacent central city (Portland). In July 2013, the Brookings Institute released a research paper entitled “Confronting Suburban Poverty in America”. This study also discussed the national trend in which people in poverty are being driven from inner cities to adjacent suburbs in search of affordable housing. Among its findings, it cited Beaverton as having one of the highest poverty rates in the State of Oregon.

Implications for Beaverton:

Figure 3.4 shows that the city currently has a shortage of affordable housing units capable of supporting the city's lowest income residents. The table identified a deficit of 5,161 rental units within the \$0-\$620 range and a deficit of 697 ownership units in the \$0-\$130,000 range. As a first tier suburb, the city of Beaverton will likely continue to face some significant challenges to providing affordable housing to the City's lowest income residents.

Conclusions on Anticipated Housing Trends

These are the major demographic trends impacting future housing demand in Beaverton, the region and nation. These trends were considered in building assumptions for the household growth projections presented in the following section.

The general trends that Beaverton can expect to see over the next 20 years include:

- All jurisdictions within the Metro area will need to plan for more attached forms of housing and greater density. There may be a potential tension between these forms and resident preferences/affordability levels. However, since 2000, detached units have constituted an estimated 49% of permitted units, meaning that Beaverton is largely already meeting these requirements.
- Continuing aging of the Baby Boom generation, which has slightly lower local representation than the statewide average. These households will have a preference towards aging in place as long as possible, particularly for homeowners, and will on average be healthier longer than previous generations. When they do transition to other housing, their stock of older existing single family homes will be attractive starter and move-up homes to younger family households.
- Beaverton is likely to remain attractive to 20-something residents seeking relatively affordable living near Washington County employment centers. The city can continue to attract this cohort by encouraging mixed use areas and urban-style amenities such as multi-modal environments, shopping and entertainment, and open space. Some in this generation is already starting young families and will be well into middle age during the 20-year planning period. More of these households may move from areas like central Portland to communities like Beaverton for affordable housing, more space, and schools.
- Beaverton has a large foreign-born population at 21%, double the statewide percentage. This segment has grown by nearly 5,500 people since 2000. As with the rest of the state and nation, immigrants will continue to make up an increasing share of households in coming decades. While not homogeneous, these household on average tend to be larger, have lower incomes and are more likely to rent their homes than the average household.
- In general, the homeownership rate (48%) is expected to remain steady over the coming 20-year period. This rate is much lower than the statewide average (62%) and the national average (65%) and the additional downward range is likely limited. Beaverton can expect to continue to attract young families and other seeking ownership opportunities in the Portland Metro area.

At the same time, the household size is expected to continue to decline over the 20-year period, to 2.21 by 2035. As mentioned above the trend towards diminishing household size has been leveling off nationwide since 2000.

- Beaverton, like many Metro-area communities, currently has an estimated shortage of housing available to the lowest-income households, particularly rental units.
- The following section presents the projected future housing needs and provides more detail on methodology, assumptions and findings.

V. FUTURE HOUSING NEEDS - 2035 (CITY OF BEAVERTON)

The projected future (20-year) housing profile (Figure 5.1) in the study area is based on the current housing profile, multiplied by an assumed projected future household growth rate. The projected future growth is based on population and household estimates for 2035 generated by Metro, and reviewed by the City of Beaverton, during the 2014 Regional Transportation Plan (RTP) process

FIGURE 5.1: FUTURE HOUSING PROFILE (2035)

PROJECTED FUTURE HOUSING CONDITIONS (2015 - 2035)		SOURCE
2014 Population (Minus Group Pop.)	93,323	2010 Census, PSU
Projected Annual Growth Rate	0.89% Based on Metro 2014 RTP	Metro
2035 Population (Minus Group Pop.)	111,423	
Estimated group housing population:	1,185 Share of total pop (1.1%) held constant from 2010 Census	US Census
Total Estimated 2035 Population:	112,608 Metro 2035 forecast for 2014 RTP, reviewed by City	Metro
Estimated Non-Group 2035 Households:	50,517 Metro 2035 forecast for 2014 RTP, reviewed by City	Metro
New Households 2015 to 2035	11,140	
Avg. Household Size:	2.21 2035 Non-Group Pop./ Non-Group Households	
Total Housing Units:	53,169 Based on estimated 5% vacancy rate	
Occupied Housing Units:	50,517 (= Number of Non-Group Households)	
Vacant Housing Units:	2,652 (Total Units - Occupied Units)	
Projected Vacancy Rate:	5.0% (Vacant Units/ Total Units)	

Sources: Metro Regional Transportation Plan (2014), PSU Population Research Center, Census, JOHNSON ECONOMICS LLC

*Projections are applied to estimates of 2014 population, household and housing units shown in Figure 1.1

The model projects growth in the number of non-group households over 20 years of over 11,100 households, with accompanying population growth of just less than 20,000 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

PROJECTION OF FUTURE HOUSING UNIT DEMAND (2035)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy assumption. The vacancy assumption is added in the subsequent step.* Therefore the need identified below is the total need for actual households in occupied units (50,517).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2035 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30% for low income households down to 20% for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6%, with 20% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2014 dollars.

Figure 5.2 presents the projected occupied future housing demand (current and new households, without vacancy) in 2035.

FIGURE 5.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2035)

Ownership			
Price Range	# Units	% of Units	Cumulative
\$0k - \$80k	1,009	3.8%	3.8%
\$80k - \$130k	1,366	5.2%	9.0%
\$130k - \$180k	1,901	7.2%	16.2%
\$180k - \$250k	2,107	8.0%	24.2%
\$250k - \$330k	6,079	23.1%	47.3%
\$330k - \$390k	3,903	14.8%	62.2%
\$390k - \$480k	3,594	13.6%	75.8%
\$480k - \$580k	2,279	8.7%	84.5%
\$580k - \$680k	2,139	8.1%	92.6%
\$680k +	1,950	7.4%	100.0%
Totals:	26,327	% of All:	52.1%

Rental			
Rent	# Units	% of Units	Cumulative
\$0 - \$380	4,355	18.0%	18.0%
\$380 - \$620	3,501	14.5%	32.5%
\$620 - \$870	3,242	13.4%	45.9%
\$870 - \$1080	5,292	21.9%	67.8%
\$1080 - \$1490	3,947	16.3%	84.1%
\$1490 - \$1730	2,313	9.6%	93.6%
\$1730 - \$2160	640	2.6%	96.3%
\$2160 - \$2600	469	1.9%	98.2%
\$2600 - \$3460	244	1.0%	99.2%
\$3460 +	186	0.8%	100.0%
Totals:	24,190	% of All:	47.9%

All Units
50,517

Sources: Claritas, Census, JOHNSON ECONOMICS

COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 5.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 5.3).

This estimate includes a vacancy assumption. As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is higher than that for ownership units (6% vs. 2% in 2010). This analysis maintains this discrepancy going forward, so that the vacancy rate for rentals is assumed to be higher than the overall average, while the vacancy rate for ownership units is assumed to be less.

- The results show a need for over 12,295 new housing units by 2035.
- Of the new units needed, 62% are projected to be ownership units, while 38% are projected to be rental units.

FIGURE 5.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2035)

CITY OF BEAVERTON

OWNERSHIP HOUSING											
Price Range	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %	
			2-unit	3- or 4-plex	5+ Units MFR						
\$0k - \$80k	382	99	41	3	0	58	0	583	7.7%	7.7%	
\$80k - \$130k	445	146	79	0	0	60	0	730	9.6%	17.3%	
\$130k - \$180k	147	67	32	5	68	-51	0	269	3.5%	20.9%	
\$180k - \$250k	-2,136	-603	0	-60	119	0	0	-2,680	-35.4%	-14.5%	
\$250k - \$330k	798	1,338	0	204	203	0	0	2,543	33.6%	19.1%	
\$330k - \$390k	1,116	146	0	0	196	0	0	1,457	19.2%	38.3%	
\$390k - \$480k	332	18	0	0	18	0	0	369	4.9%	43.2%	
\$480k - \$580k	1,076	0	0	0	0	0	0	1,076	14.2%	57.4%	
\$580k - \$680k	1,778	0	0	0	0	0	0	1,778	23.5%	80.8%	
\$680k +	1,451	0	0	0	0	0	0	1,451	19.2%	100.0%	
Totals:	5,389	1,212	152	152	605	68	0	7,577	% All Units:	61.6%	
Percentage:	71.1%	16.0%	2.0%	2.0%	8.0%	0.9%	0.0%	100.0%			

RENTAL HOUSING											
Price Range	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %	
			2-unit	3- or 4-plex	5+ Units MFR						
\$0 - \$380	0	0	0	0	3,978	30	0	4,008	85.0%	85.0%	
\$380 - \$620	0	0	0	0	3,050	-11	0	3,040	64.4%	149.4%	
\$620 - \$870	0	0	-167	-457	-4,451	0	0	-5,075	-107.6%	41.8%	
\$870 - \$1080	-88	-232	-84	118	-1,403	0	0	-1,689	-35.8%	6.0%	
\$1080 - \$1490	-492	388	395	666	1,451	0	0	2,407	51.0%	57.0%	
\$1490 - \$1730	725	174	0	240	615	0	0	1,754	37.2%	94.2%	
\$1730 - \$2160	160	0	0	0	40	0	0	200	4.2%	98.4%	
\$2160 - \$2600	-211	0	0	0	0	0	0	-211	-4.5%	94.0%	
\$2600 - \$3460	83	0	0	0	0	0	0	83	1.8%	95.7%	
\$3460 +	201	0	0	0	0	0	0	201	4.3%	100.0%	
Totals:	378	330	143	566	3,281	19	0	4,718	% All Units:	38.4%	
Percentage:	8.0%	7.0%	3.0%	12.0%	69.5%	0.4%	0.0%	100.0%			

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	5,767	1,542	295	718	3,886	87	0	12,295	100%
Percentage:	46.9%	12.5%	2.4%	5.8%	31.6%	0.7%	0.0%	100.0%	

Sources: PSU Population Research Center, Claritas Inc., Census, Johnson Economics

* Uses Census definition, including townhomes/rowhouses and duplexes attached side-by-side, seperately metered>

Sources: Metro 2035 forecast, Claritas, Census, JOHNSON ECONOMICS LLC

Needed Unit Types

- 47% of the new units are projected to be single family detached homes, while the remainder of units (52%) is projected to be some form of attached housing, and under 1% are projected to be mobile homes.
- The projected preferences for future unit types are based upon current conditions, housing trends discussed above, and history development patterns. It is projected that in coming decades a greater share of housing will be attached types, including attached single family. This trend is borne out in permitting data since 1980.

- Single family attached units (townhomes on individual lots) are projected to meet over 12% of future need.
- Duplex through four-plex units are projected to represent an additional 8.2% of the total need.
- 32% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 0.7% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.

Needed Affordability Levels

- The needed affordability levels presented here are based on current 2015 dollars. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.
- The future needed affordability types (2035) reflect the same relationship shown in the comparison of current (2015) need and supply (shown in Figure 3.4). Generally, based on income levels there is a shortage of units in the lowest pricing levels, particularly for renter households.
- In order for projected renter households in 2035 to paying 30% or less of their income towards housing, a total of 7,048 rental units affordable at \$620 or less would be required.
- There is a surplus, or lack of projected new need, in the middle rental spectrum (\$620 to \$1,020). As with discussed in the comparison of current need and supply, this reflects where the majority of market-rate rent levels are at the current time. As with the 2015 comparison, a future need is projected for both low-rent, but also higher rent units including single-family homes for rent. This analysis shows that some renter households have the ability pay for a larger, newer and/or higher quality unit than may be currently available.
- Projected needed ownership units show the same basic relationship, with a surplus of units valued at \$180,000 to \$250,000. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) There is an estimated need for less expensive ownership housing opportunities (1,582 units).
- However most of the projected ownership housing need is for more valuable housing units, ranging from \$250,000 to \$700,000 and above.

SECTION 2: URBAN SERVICE BOUNDARY (EXCLUDING CITY)

VI. URBAN SERVICE BOUNDARY DEMOGRAPHIC PROFILE (EXCLUDING CITY)

SUMMARY

The following table (Figure 6.1) presents a profile of the demographics of those parts of the Urban Services Boundary (USB) which do **not** include those areas within the City boundaries. This profile is derived from 2000 and 2010 Census data by Block Group. It also presents projected demographics in 2015, based on assumptions detailed in the table footnotes.

Sources: The Census Block Group boundaries do not exactly match the USB boundaries, and therefore data from those Block Groups which are most closely mapped to boundary were used to estimate general characteristics such as household size and income.

The estimated population and household totals were based on first estimating totals for the entire USB, including the City of Beaverton. This was done using Metro's Transportation Analysis Zone (TAZ) data which more closely maps to the USB boundary and provides forecasted growth. To derive the population and household estimates included in Figure 6.1, the totals for the City of Beaverton were subtracted from the estimated totals for the entire USB. The difference is attributed to those areas within the USB, but external to the City boundaries.

A. DEMOGRAPHIC TRENDS

This section refers to data presented in Figure 6.1 (below).

- The Urban Services Boundary (USB) area outside of the City has an estimated population of 175,950 people, making it nearly twice as populous as the City itself. If the unincorporated USB area was a city, it would be the second largest city in Oregon.
- The USB area has grown by an estimated 35,300 people between 2000 and 2015, or 25%. This is slightly faster than the growth experienced by Beaverton (24%) and in line with Washington County growth. (US Census and PSU Population Research Center)
- The USB area is home to an estimated 67,100 households in 2015. The area has added an estimated 12,500 households since 2000.
- The estimated percentage of families grew somewhat since 2000, from 68% to 69%. At the same time the share of families fell in Beaverton itself to 59%. The USB has a relatively larger share of family households than Washington County (67%).
- Due to its ability to continue attracting families, the USB area has seen its average household size grow since 2000 contrary to the macro-level trend of diminishing households seen in Beaverton and nationwide. The average USB household has grown from 2.58 to 2.62 people since 2000, in comparison to an average size of 2.37 in Beaverton. The Washington County average of 2.6 and the statewide average of 2.47.

FIGURE 6.1: USB DEMOGRAPHIC PROFILE (EXCLUDING CITY)

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth	2015	Growth
	(Census)	(Census)	00-10	(Proj.)	10-15
Population ¹	140,586	166,548	18%	175,950	6%
Households ²	54,611	63,788	17%	67,106	5%
Families ³	37,136	43,886	18%	46,169	5%
Housing Units ⁴	57,383	67,382	17%	69,549	3%
Group Quarters Population ⁵	1,476	1,749	18%	1,847	6%
<i>Household Size (non-group)</i>	<i>2.58</i>	<i>2.62</i>	<i>2%</i>	<i>2.62</i>	<i>0%</i>
<i>Avg. Family Size</i>	<i>3.20</i>	<i>3.21</i>	<i>0%</i>	<i>3.21</i>	<i>0%</i>
PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000	2010	Growth	2015	Growth
	(Census)	(Census)	00-10	(Proj.)	10-15
Median HH (\$)	\$57,391	\$76,901	34%	\$89,018	16%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901 (2010 ACS 1-yr Estimates); S19301 (2010 ACS 1-yr Estimates);

¹ Population is based on the ratio of population to households for Census Block Groups, applied to TAZ household estimates.

² Households are based on data from the Metro RTP TAZ zones, 2010 estimate and 2040 forecast.

³ Ratio of 2015 Families to total HH is kept constant from 2010. Family household ratio derived from US Census Block Group data.

⁴ 2015 housing units are the 2010 Census Block Groups total plus new units permitted from '10 through year-end '14; USB totals minus Beaverton totals (source: City of Beaverton, Census Permits Database, Metro RLIS Multifamily Housing data)

⁵ Ratio of 2015 Group Quarters Population to Total Population is kept constant from 2010.

B. INCOME TRENDS

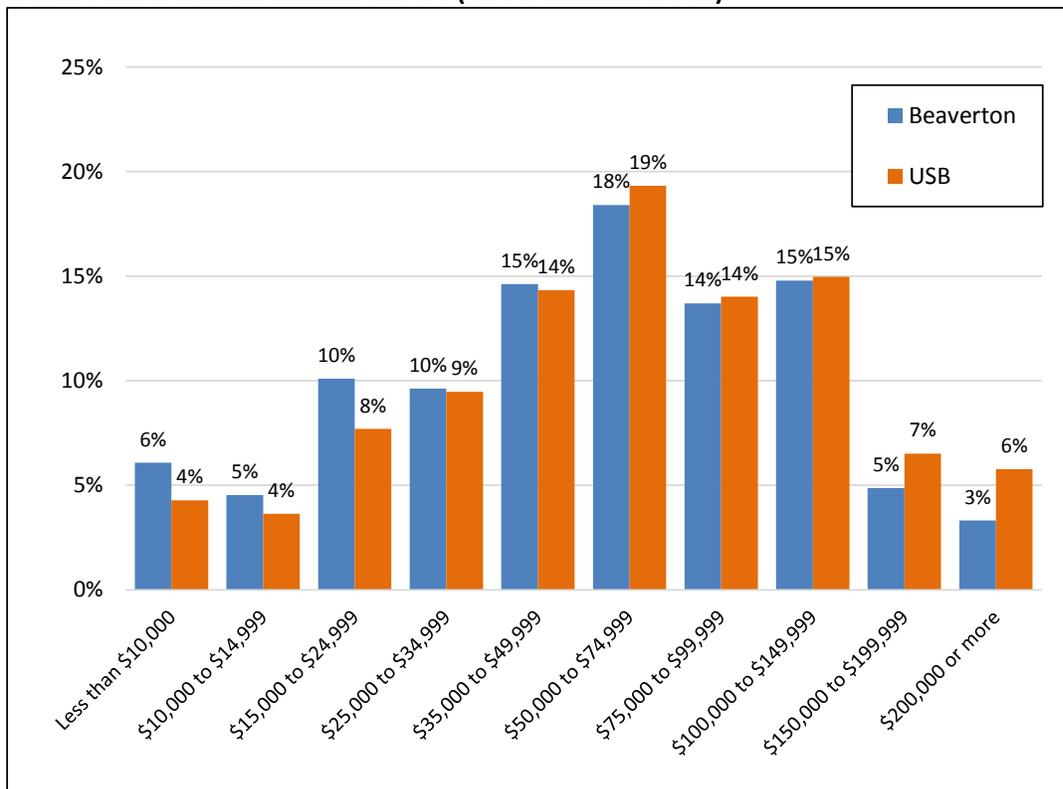
The USB area features significantly higher median incomes than the City.

- The estimated median household income in the USB is over \$89,000, compared to \$59,000 in Beaverton – a difference of 50%. It is also much higher than the Metro area median, which is in line with the City's, and the Washington County median of \$64,000.
- Median income has grown an estimated 56% between 2000 and 2015, in real dollars, while growing 23% in the City.

The stark difference in incomes between the USB area and the City of Beaverton itself is likely related to this area's ability to attract families as well as the type of housing which is being built there. The prevalence of new single-family detached housing will attract larger family households, and those who can afford new housing in general. These demographic groups tend to have higher relative incomes.

Figure 6.2 shows a comparison of income cohorts in the City and the USB outside of the City. The comparison finds relatively similar shares of households in the middle incomes, but that the City has a larger share earning less than \$25,000 while the USB area has a greater share of those earning more than \$150,000 per year.

FIGURE 6.2: HOUSEHOLD INCOME GROUPS (CITY VS. EXTERNAL USB)



SOURCE: US Census
 Census Tables: DP-3 (2000); S1901 (2013 ACS 3-yr Est.)

C. POVERTY STATISTICS

According to the US Census, the poverty rate in the USB area is significantly lower as well, at 8% compared to 16% in the City.

- The poverty rate is highest among children, with 9.4% of those under 18 years of age living in poverty (23% in City). The rate is lowest for those 65 and older at 5.6% (12% in City).
- For those without a high school diploma the poverty rate is 23%. For those with a high school diploma only, the rate is 9.3%.
- Among those who are employed the poverty rate is 5%, while it is 21% for those who are unemployed.
- The poverty rate for the white population is 7.4%, 12.3 for blacks, 22% for natives, and 6.5% for Asians. For those identifying as “some other race” the rate is 21.1%.
- The poverty rate for those identifying as Hispanic is 18% in the USB area, compared to 39% in the City.

VII. CURRENT HOUSING NEEDS (USB EXCLUDING CITY)

METHODOLOGY

The analysis presented in this report is based primarily on analysis of the City of Beaverton, and the entire Urban Service Boundary (including the City). The figures presented in this section are largely derived by subtracting the City estimates from the estimates of the entire USB, to arrive at estimates for the area of USB which lies outside of the City.

Sections 1 and 3 of this report describe in more detail the sources and methods used in the analysis of the City and the entire USB. *Where sources such as Census data are cited in this section, this means that those sources were used for analysis on the City and entire USB, from which the estimates in this Section were then derived.*

CURRENT PROFILE

The profile of current housing conditions in the study area is based on Census 2010, forecasted forward to 2015. (The growth rate between the 2010 Census and the 2014 certified estimates from the Population Research Center at Portland State University, was extended forward one year to 2015.) Estimates of current population and households were cross referenced with estimates from Claritas, and the U.S. Census.

FIGURE 7.1: CURRENT HOUSING PROFILE (2015)

CURRENT HOUSING CONDITIONS (2015)		SOURCE
Total 2015 Population:	175,950	US Census, Metro RTP
- Estimated group housing population:	1,845 (1.1% of Total)	US Census
Estimated Non-Group 2015 Population:	174,105 (Total - Group)	
Avg. HH Size:	2.62	US Census
Estimated Non-Group 2015 Households:	67,106 (Pop/HH Size)	
Total Housing Units:	69,549 (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	67,106 (= # of HH)	
Vacant Housing Units:	2,443 (Total HH - Occupied)	
Current Vacancy Rate:	3.5% (Vacant units/ Total units)	

Sources: Johnson Economics, City of Beaverton, PSU Population Research Center, Metro RTP (2014), U.S. Census

*This table reflects population, household and housing unit projections shown in Figure 6.1

We estimate a current population of roughly 176,000, living in 67,100 households (excluding group living situations). Average household size is 2.62 persons.

There are an estimated 69,500 housing units in the area, with 2,450 units vacant. The estimated 2015 vacancy rate of housing units is 3.5%, just slightly lower than that found in the City (3.7%). This includes units vacant for any reason, not just those which are currently for sale or rent.

ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by synthesizing data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2013 ACS 3-yr Estimates).

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.

While the Census estimates that nearly half of low-income households pay more than 30% of their income for housing, this is an estimate of current preferred demand. It assumes that low-income households prefer (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

Figure 7.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (67,106).

FIGURE 7.2: ESTIMATE OF CURRENT HOUSING DEMAND (2015)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	2,024	Less than \$15,000	5.0%	5.0%
\$80k - \$130k	2,542	\$15,000 - \$24,999	6.3%	11.4%
\$130k - \$180k	3,437	\$25,000 - \$34,999	8.6%	19.9%
\$180k - \$250k	3,906	\$35,000 - \$49,999	9.7%	29.7%
\$250k - \$330k	9,736	\$50,000 - \$74,999	24.3%	53.9%
\$330k - \$390k	5,824	\$75,000 - \$99,999	14.5%	68.4%
\$390k - \$480k	4,859	\$100,000 - \$124,999	12.1%	80.5%
\$480k - \$580k	2,903	\$125,000 - \$149,999	7.2%	87.8%
\$580k - \$680k	2,657	\$150,000 - \$199,999	6.6%	94.4%
\$680k +	2,248	\$200,000+	5.6%	100.0%
Totals:	40,137		% of All:	59.8%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$380	5,574	Less than \$15,000	20.7%	20.7%
\$380 - \$620	4,177	\$15,000 - \$24,999	15.5%	36.2%
\$620 - \$870	3,818	\$25,000 - \$34,999	14.2%	50.3%
\$870 - \$1080	6,257	\$35,000 - \$49,999	23.2%	73.5%
\$1080 - \$1490	3,943	\$50,000 - \$74,999	14.6%	88.1%
\$1490 - \$1730	2,110	\$75,000 - \$99,999	7.8%	96.0%
\$1730 - \$2160	484	\$100,000 - \$124,999	1.8%	97.7%
\$2160 - \$2600	333	\$125,000 - \$149,999	1.2%	99.0%
\$2600 - \$3460	163	\$150,000 - \$199,999	0.6%	99.6%
\$3460 +	112	\$200,000+	0.4%	100.0%
Totals:	26,970		% of All:	40.2%

All Households	67,106
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Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS
 Census Tables: B25007, B25106, B25118 (2013 ACS 3-yr Estimates)
 Claritas: Estimates of income by age of householder

The breakdown of tenure (owners vs. renters) reflects data from the 2013 ACS. The 60% ownership rate in the USB area is higher than Beaverton (50%), but slightly lower than the statewide rate of 62%.

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than \$15,000) would have to cost \$80,000 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6%, with 20% down payment. (These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. In the last decade, down payment requirements fell significantly, but standards have tightened since the 2008/9 credit crisis, and 20% is once again the standard for most buyers. Interest rates are difficult to forecast beyond the short term. The 6% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's, but coming out of the recent recession, many economists believe that rates cannot fall further and must begin to climb when the Federal Reserve begins to raise its rate in the next year to two years.)

CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 7.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 7.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in Beaverton was determined using Census data from the 2013 ACS, which provides a profile of housing values, rent levels, and housing types (single family, attached, mobile home, etc.). The 3-year estimates from the ACS were used to reduce the margin of error inherent in the survey, compared to 1-year ACS numbers.

- An estimated 63% of units are ownership units, while an estimated 37% of units are rental units. This split is close to the estimated demand profile shown in Figure 7.2, but finds a bit more ownership housing than the estimated need based on demographics. (The inventory includes vacant units, so the breakdown of ownership vs. rental does not exactly match the tenure split of actual households.) This 63%/37% split is in comparison to a 48%/52% split in Beaverton.
- 89% of ownership units are detached homes (78% in Beaverton), while 52% of rental units are in structures of 5 units or more (67% in Beaverton).
- Of total housing units, an estimated 64% are detached homes, while 36% are some sort of attached type. Less than 2% are mobile home units.

FIGURE 7.3: PROFILE OF CURRENT HOUSING SUPPLY (2015)

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0k - \$80k	1,105	248	47	8	0	276	0	1,685	3.9%	3.9%
\$80k - \$130k	579	117	9	0	0	244	0	950	2.2%	6.0%
\$130k - \$180k	1,509	396	17	171	14	297	0	2,404	5.5%	11.6%
\$180k - \$250k	7,703	900	0	219	105	0	0	8,927	20.5%	32.0%
\$250k - \$330k	5,383	754	0	0	312	0	0	6,449	14.8%	46.8%
\$330k - \$390k	4,405	342	0	0	171	0	0	4,918	11.3%	58.1%
\$390k - \$480k	6,889	149	0	0	149	0	0	7,186	16.5%	74.6%
\$480k - \$580k	4,109	0	0	0	0	0	0	4,109	9.4%	84.0%
\$580k - \$680k	2,610	0	0	0	0	0	0	2,610	6.0%	90.0%
\$680k +	4,342	0	0	0	0	0	0	4,342	10.0%	100.0%
Totals:	38,634	2,906	73	398	752	818	0	43,580	% of All Units:	62.7%
Percentage:	88.6%	6.7%	0.2%	0.9%	1.7%	1.9%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0 - \$380	0	0	0	0	216	116	0	332	0.8%	0.8%
\$380 - \$620	0	0	0	0	538	164	0	702	1.6%	2.4%
\$620 - \$870	681	167	392	1,248	5,983	0	0	8,471	19.4%	21.8%
\$870 - \$1080	1,193	1,343	487	1,955	4,800	0	0	9,778	22.4%	44.2%
\$1080 - \$1490	1,533	354	0	347	1,234	0	0	3,469	8.0%	52.2%
\$1490 - \$1730	993	0	0	65	570	0	0	1,627	3.7%	55.9%
\$1730 - \$2160	868	0	0	0	217	0	0	1,085	2.5%	58.4%
\$2160 - \$2600	403	0	0	0	0	0	0	403	0.9%	59.4%
\$2600 - \$3460	101	0	0	0	0	0	0	101	0.2%	59.6%
\$3460 +	0	0	0	0	0	0	0	0	0.0%	59.6%
Totals:	5,772	1,864	879	3,616	13,557	280	0	25,967	% of All Units:	37.3%
Percentage:	22.2%	7.2%	3.4%	13.9%	52.2%	1.1%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units
Totals:	44,406	4,770	952	4,014	14,309	1,097	0	69,547	100%
Percentage:	63.8%	6.9%	1.4%	5.8%	20.6%	1.6%	0.0%	100.0%	

Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2013 ACS 3-yr Estimates)

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available (Figure 7.4).

In general, this identifies a current need for additional ownership units at a range of price points, counterbalanced by a surplus of units in the \$180,000 to \$250,000 range, and the \$390,000 to \$580,000 range. This is simply an indicator that most housing in the USB area is found in this range. Based on analysis of household incomes and ability to pay, there should be support for some ownership housing at higher and lower price points.

This is a similar pattern to that found in Beaverton, though in Beaverton the surplus did not extend into the \$480,000 to \$580,000 price range. This is an indicator that more new, higher-priced single family homes are being produced in the USB area than in the City itself.

The analysis identifies a general need for rental units at the lowest price levels and at middle price levels. There are levels of estimated surplus for apartments (\$620 to \$1080 per month). Again, this represents the current average rent prices in Beaverton, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent.

Overall, the analysis indicates a surplus of ownership units (either owner-occupied, for sale or otherwise vacant) and not enough rental units, based on the estimated demand by income and demographic groups presented in Figure 7.2.

FIGURE 7.4: COMPARISON OF CURRENT NEED TO CURRENT SUPPLY (2015)

Ownership				Rental			
Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
\$0k - \$80k	2,024	1,687	(337)	\$0 - \$380	5,574	332	(5,242)
\$80k - \$130k	2,542	950	(1,592)	\$380 - \$620	4,177	699	(3,477)
\$130k - \$180k	3,437	2,404	(1,033)	\$620 - \$870	3,818	8,469	4,651
\$180k - \$250k	3,906	8,930	5,023	\$870 - \$1080	6,257	9,777	3,520
\$250k - \$330k	9,736	6,449	(3,287)	\$1080 - \$1490	3,943	3,474	(469)
\$330k - \$390k	5,824	4,918	(906)	\$1490 - \$1730	2,110	1,627	(482)
\$390k - \$480k	4,859	7,183	2,324	\$1730 - \$2160	484	1,085	601
\$480k - \$580k	2,903	4,109	1,206	\$2160 - \$2600	333	403	70
\$580k - \$680k	2,657	2,610	(47)	\$2600 - \$3460	163	101	(62)
\$680k +	2,248	4,342	2,094	\$3460 +	112	0	(112)
Totals:	40,137	43,582	3,446	Totals:	26,970	25,967	(1,003)

Occupied Units:	67,106
All Housing Units:	69,549
Total Unit Surplus:	2,443

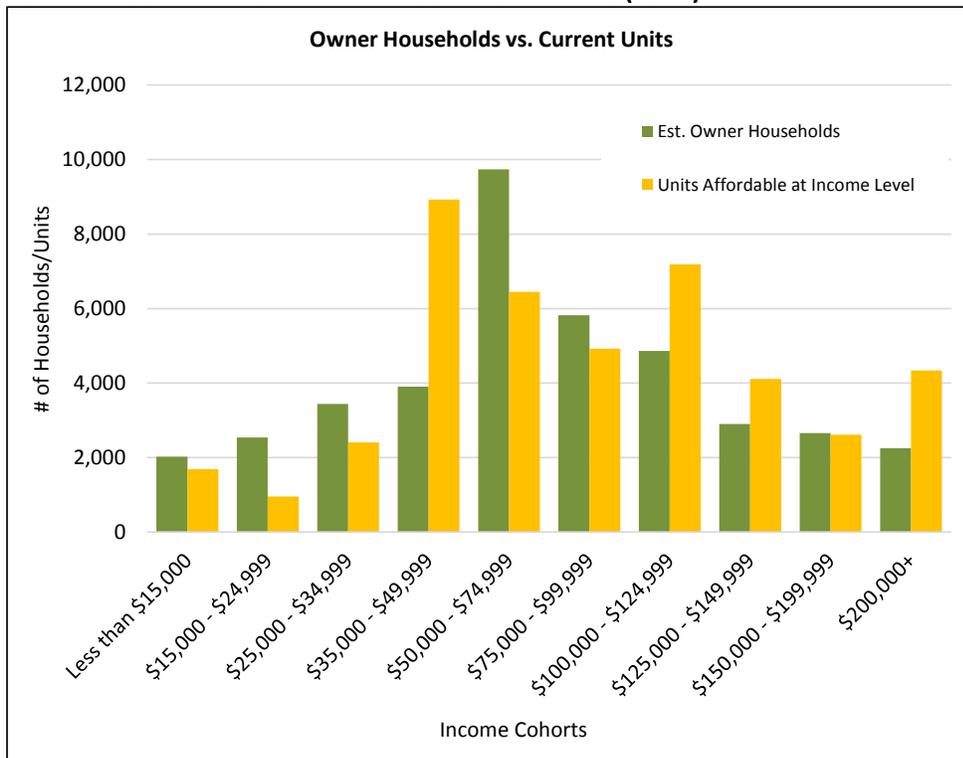
Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS
 This table is a synthesis of data presented in Figures 7.2 and 7.3.

There are an estimated 2,443 units more than the current number of households, which reflects the area’s current vacancy rate of 3.7%.

Figure 7.4 is illustrating where current market-level pricing is in the USB area. Housing prices and rent levels will tend to congregate around those price levels. These levels will be too costly for some (i.e. require more than 30% in gross income) or “too affordable” for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available).

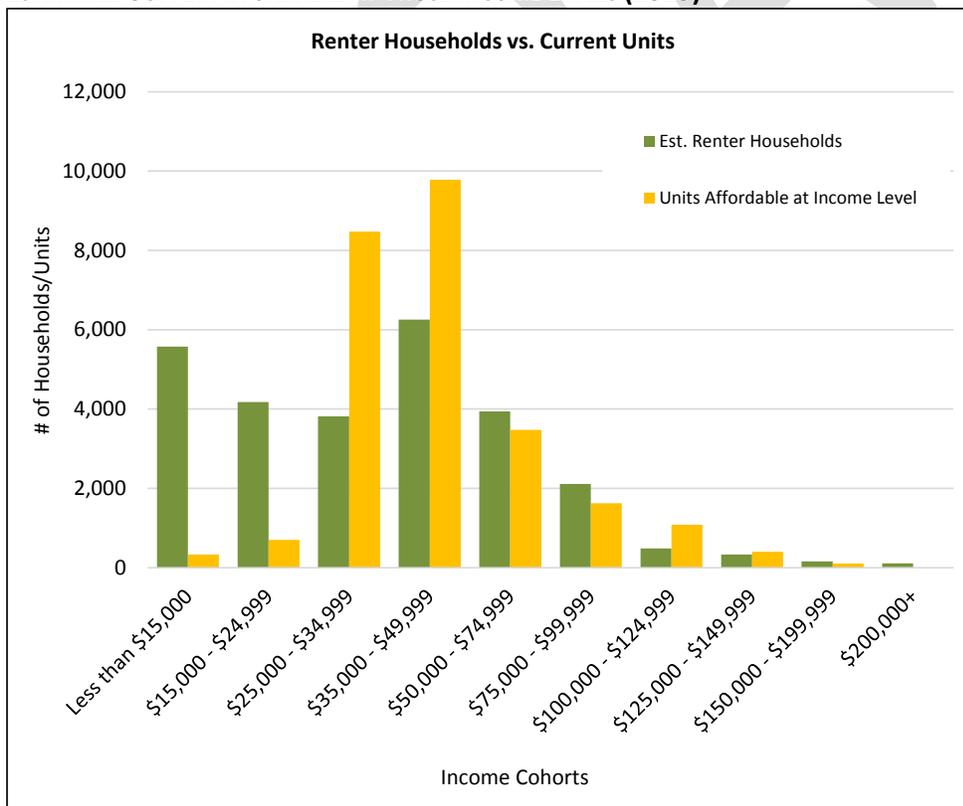
The following figures (Figure 7.5 and 7.6) present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

FIGURE 7.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2015)



Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS

FIGURE 7.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2015)



Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS

VIII. FUTURE HOUSING NEEDS - 2035 (USB EXCLUDING CITY)

METHODOLOGY

The analysis presented in this report is based primarily on analysis of the City of Beaverton, and the entire Urban Service Boundary (including the City). The figures presented in this section are largely derived by subtracting the City estimates from the estimates of the entire USB, to arrive at estimates for the area of USB which lies outside of the City.

Sections 1 and 3 of this report describe in more detail the sources and methods used in the analysis of the City and the entire USB. *Where sources such as Census data are cited in this section, this means that those sources were used for analysis on the City and entire USB, from which the estimates in this Section were then derived.*

PROJECTED OF FUTURE PROFILE (2035)

The projected future (20-year) housing profile (Figure 8.1) in the study area is based on the current housing profile, multiplied by an assumed projected future household growth rate. The projected future growth for both the City and the entire USB area are based on population and household estimates for 2035 generated by Metro, and reviewed by the City of Beaverton, during the 2014 Regional Transportation Plan (RTP) process.

FIGURE 8.1: FUTURE HOUSING PROFILE (2035)

PROJECTED FUTURE HOUSING CONDITIONS (2015 - 2035)		SOURCE
2015 Population (Minus Group Pop.)	174,105	2010 Census, Metro RTP
Projected Annual Growth Rate	0.98%	Based on Metro 2014 RTP Metro
2035 Population (Minus Group Pop.)	214,005	
Estimated group housing population:	<u>2,268</u>	Share of total pop (1.1%) held constant from 2010 Census US Census
Total Estimated 2035 Population:	216,274	Metro 2035 forecast for 2014 RTP, reviewed by City Metro
Estimated Non-Group 2035 Households:	81,036	Metro 2035 forecast for 2014 RTP, reviewed by City Metro
New Households 2015 to 2035	13,929	
Avg. Household Size:	2.64	2035 Non-Group Pop./ Non-Group Households
Total Housing Units:	85,290	Based on estimated 5% vacancy rate
Occupied Housing Units:	81,036	(= Number of Non-Group Households)
Vacant Housing Units:	4,254	(Total Units - Occupied Units)
Projected Vacancy Rate:	5.0%	(Vacant Units/ Total Units)

Sources: Metro Regional Transportation Plan (2014), PSU Population Research Center, Census, JOHNSON ECONOMICS LLC

*Projections are applied to estimates of 2014 population, household and housing units shown in Figure 6.1

The model projects growth in the number of non-group households over 20 years of over 13,900 households, with accompanying population growth of just less than 40,000 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

PROJECTION OF FUTURE HOUSING UNIT DEMAND (2035)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy*

assumption. The vacancy assumption is added in the subsequent step. Therefore the need identified below is the total need for actual households in occupied units (81,036).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2035 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30% for low income households down to 20% for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6%, with 20% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2014 dollars.

Figure 8.2 presents the projected occupied future housing demand (current and new households, without vacancy) in 2035.

FIGURE 8.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2035)

Ownership			
Price Range	# Units	% of Units	Cumulative
\$0k - \$80k	2,438	4.8%	4.8%
\$80k - \$130k	3,139	6.2%	11.0%
\$130k - \$180k	4,093	8.1%	19.1%
\$180k - \$250k	4,796	9.5%	28.5%
\$250k - \$330k	11,720	23.1%	51.6%
\$330k - \$390k	7,468	14.7%	66.3%
\$390k - \$480k	6,214	12.2%	78.6%
\$480k - \$580k	3,981	7.8%	86.4%
\$580k - \$680k	3,612	7.1%	93.6%
\$680k +	3,272	6.4%	100.0%
Totals:	50,734	% of All:	62.6%

Rental			
Rent	# Units	% of Units	Cumulative
\$0 - \$380	6,167	19.3%	19.3%
\$380 - \$620	4,668	15.0%	34.3%
\$620 - \$870	4,158	13.6%	47.9%
\$870 - \$1080	7,073	22.7%	70.6%
\$1080 - \$1490	4,364	15.3%	85.8%
\$1490 - \$1730	2,504	8.8%	94.7%
\$1730 - \$2160	577	2.2%	96.9%
\$2160 - \$2600	426	1.6%	98.5%
\$2600 - \$3460	210	0.8%	99.4%
\$3460 +	156	0.6%	100.0%
Totals:	30,302	% of All:	37.4%

All Units
81,036

Sources: Claritas, Census, JOHNSON ECONOMICS

COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 8.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 8.3).

This estimate includes a vacancy assumption. As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is higher than that for ownership units. This analysis maintains this discrepancy going forward, so that the vacancy rate for rentals is assumed to be higher than the overall average, while the vacancy rate for ownership units is assumed to be less.

- The results show a need for over 15,740 new housing units by 2035 in the USB area.
- Of the new units needed, 57% are projected to be ownership units, while 43% are projected to be rental units. In Beaverton the projected need was for a higher 62% ownership units in the future. This reflects the general imbalance between the two areas, with the City featuring a low ownership rate and many rentals, while in the USB area there are many ownership units and fewer rentals. The projected future needed units presented here reflect the identified need to rebalance the areas somewhat.

Needed Unit Types

- 52% of the new units are projected to be single family detached homes (47% in Beaverton), while the remainder of units (46%) is projected to be some form of attached housing (52% in Beaverton), and under 2% are projected to be mobile homes.
- The projected preferences for future unit types are based upon current conditions, housing trends discussed above, and history development patterns. It is projected that in coming decades a greater share of housing will be attached types, including attached single family. This trend is borne out in permitting data since 1980.
- Single family attached units (townhomes on individual lots) are projected to meet over 7% of future need in the USB area.
- Duplex through four-plex units are projected to represent an additional 13% of the total need.
- 26% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 1.7% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.

Needed Affordability Levels

- The needed affordability levels presented here are based on current 2015 dollars. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.
- The future needed affordability types (2035) reflect the same relationship shown in the comparison of current (2015) need and supply (shown in Figure 3.4). Generally, based on income levels there is a shortage of units in the lowest pricing levels, particularly for renter households.
- In order for projected renter households in 2035 to paying 30% or less of their income towards housing roughly 10,700 rental units affordable at \$620 or less would be required.
- As in Beaverton, there is a surplus, or lack of projected new need, in the middle rental spectrum (\$620 to \$1,020). This reflects where the majority of market-rate rent levels are at the current time. As with the 2015 comparison, a future need is projected for both low-rent, but also higher rent units including single-family homes for rent.
- Projected needed ownership units show the same basic relationship, with a surplus of units valued at \$180,000 to \$250,000. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) There is a sizable estimated need for both less expensive ownership housing opportunities and more expensive ownership units.

FIGURE 8.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2035)

USB EXCLUDING CITY

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
			2-unit	3- or 4-plex	5+ Units MFR					
\$0k - \$80k	547	117	12	4	285	-131	0	834	9.3%	9.3%
\$80k - \$130k	1,402	324	27	289	84	173	0	2,298	25.7%	35.0%
\$130k - \$180k	1,096	353	42	255	-62	149	0	1,831	20.5%	55.5%
\$180k - \$250k	-3,543	-357	264	-4	-322	0	0	-3,962	-44.3%	11.2%
\$250k - \$330k	5,590	7	0	-204	290	0	0	5,683	63.6%	74.8%
\$330k - \$390k	2,642	196	0	0	-25	0	0	2,813	31.5%	106.3%
\$390k - \$480k	-690	-30	0	0	-30	0	0	-750	-8.4%	97.9%
\$480k - \$580k	13	0	0	0	0	0	0	13	0.1%	98.0%
\$580k - \$680k	1,130	0	0	0	0	0	0	1,130	12.6%	110.7%
\$680k +	-955	0	0	0	0	0	0	-955	-10.7%	100.0%
Totals:	7,233	608	344	340	221	191	0	8,937	% All Units:	56.8%
Percentage:	80.9%	6.8%	3.9%	3.8%	2.5%	2.1%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
			2-unit	3- or 4-plex	5+ Units MFR					
\$0 - \$380	0	0	0	1,419	4,819	98	0	6,337	93.1%	93.1%
\$380 - \$620	0	0	0	1,137	3,236	-27	0	4,346	63.9%	156.9%
\$620 - \$870	-681	-89	-191	-200	-2,814	0	0	-3,975	-58.4%	98.5%
\$870 - \$1080	-934	144	564	-881	-1,022	0	0	-2,130	-31.3%	67.3%
\$1080 - \$1490	1,469	595	-54	-300	-458	0	0	1,252	18.4%	85.6%
\$1490 - \$1730	1,162	-174	0	-126	223	0	0	1,084	15.9%	101.6%
\$1730 - \$2160	-369	0	0	0	-92	0	0	-461	-6.8%	94.8%
\$2160 - \$2600	59	0	0	0	0	0	0	59	0.9%	95.7%
\$2600 - \$3460	126	0	0	0	0	0	0	126	1.9%	97.5%
\$3460 +	169	0	0	0	0	0	0	169	2.5%	100.0%
Totals:	1,000	476	319	1,049	3,892	70	0	6,807	% All Units:	43.2%
Percentage:	14.7%	7.0%	4.7%	15.4%	57.2%	1.0%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	8,233	1,084	663	1,389	4,113	261	0	15,744	100%
Percentage:	52.3%	6.9%	4.2%	8.8%	26.1%	1.7%	0.0%	100.0%	

Sources: Metro 2035 forecast, Claritas, Census, JOHNSON ECONOMICS LLC

SECTION 3: URBAN SERVICE BOUNDARY (TOTAL INCLUDING CITY)

This section presents the *combined findings* of current and future housing needs presented in Sections 1 and 2. The results presented in this section are simply the sum of the two areas, and therefore the figures tend to be a blend of those presented in Sections 1 and 2.

As explained in Section 2, the methodology used was to make projections for the City of Beaverton and the complete Urban Service Boundary (USB) area (including Beaverton) which is discussed in this Section. The results for Beaverton were then subtracted from the total USB results discussed in this section, in order to derive the totals presented in Section 2 for the USB area outside of the City. This was done mainly due to the nature of the data available.

IX. CURRENT HOUSING NEEDS (FULL USB INCLUDING CITY)

CURRENT PROFILE

The profile of current housing conditions in the study area is based on Metro RTP (2014) estimates for Transportation Analysis Zones. These estimates for 2010 are based on Census data, but more closely map the irregular boundaries of the USB than the Census Block Group boundaries do. (The Metro RTP data also provides a growth forecast for population and households which forms the basis of the future housing need projections in the following section.)

The Metro RTP forecasted growth rate between 2010 and 2040 was applied to project 2010 figures forward to 2015.

FIGURE 9.1: CURRENT HOUSING PROFILE (2015)

CURRENT HOUSING CONDITIONS (2015)		SOURCE
Total 2015 Population:	270,265	US Census, Metro RTP
- Estimated group housing population:	2,838 (1.1% of Total)	US Census
Estimated Non-Group 2015 Population:	267,427 (Total - Group)	
Avg. HH Size:	2.51	US Census
Estimated Non-Group 2015 Households:	106,483 (Pop/HH Size)	
Total Housing Units:	110,421 (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	106,483 (= # of HH)	
Vacant Housing Units:	3,938 (Total HH - Occupied)	
Current Vacancy Rate:	3.6% (Vacant units/ Total units)	

Sources: Johnson Economics, City of Beaverton, Metro RTP (2014), U.S. Census

Within the total USB area, including Beaverton, we estimate a current population of roughly 267,500, living in 106,500 households (excluding group living situations). Average household size is 2.51 persons.

There are an estimated 110,500 housing units in the USB, with 3,940 units vacant. The estimated 2015 vacancy rate of housing units is 3.6%, just slightly lower than that found in the City (3.7%). This includes units vacant for any reason, not just those which are currently for sale or rent.

ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by synthesizing data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2013 ACS 3-yr Estimates).

Figure 9.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (106,483).

The breakdown of tenure (owners vs. renters) reflects data from the 2013 ACS. The 56% ownership rate in the USB area is a blend of the rate in Beaverton (50%) and the unincorporated USB area (60%).

FIGURE 9.2: ESTIMATE OF CURRENT HOUSING DEMAND (2015)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	2,815	Less than \$15,000	4.7%	4.7%
\$80k - \$130k	3,584	\$15,000 - \$24,999	6.0%	10.7%
\$130k - \$180k	4,938	\$25,000 - \$34,999	8.3%	19.0%
\$180k - \$250k	5,524	\$35,000 - \$49,999	9.3%	28.3%
\$250k - \$330k	14,480	\$50,000 - \$74,999	24.3%	52.6%
\$330k - \$390k	8,686	\$75,000 - \$99,999	14.6%	67.1%
\$390k - \$480k	7,500	\$100,000 - \$124,999	12.6%	79.7%
\$480k - \$580k	4,466	\$125,000 - \$149,999	7.5%	87.2%
\$580k - \$680k	4,136	\$150,000 - \$199,999	6.9%	94.1%
\$680k +	3,510	\$200,000+	5.9%	100.0%
Totals:	59,640		% of All:	56.0%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$380	9,242	Less than \$15,000	19.7%	19.7%
\$380 - \$620	7,077	\$15,000 - \$24,999	15.1%	34.8%
\$620 - \$870	6,573	\$25,000 - \$34,999	14.0%	48.9%
\$870 - \$1080	10,603	\$35,000 - \$49,999	22.6%	71.5%
\$1080 - \$1490	7,225	\$50,000 - \$74,999	15.4%	86.9%
\$1490 - \$1730	3,904	\$75,000 - \$99,999	8.3%	95.3%
\$1730 - \$2160	978	\$100,000 - \$124,999	2.1%	97.3%
\$2160 - \$2600	670	\$125,000 - \$149,999	1.4%	98.8%
\$2600 - \$3460	337	\$150,000 - \$199,999	0.7%	99.5%
\$3460 +	234	\$200,000+	0.5%	100.0%
Totals:	46,843		% of All:	44.0%

All Households	106,483
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Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS

Census Tables: B25007, B25106, B25118 (2013 ACS 3-yr Estimates)

Claritas: Estimates of income by age of householder

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.

While the Census estimates that nearly half of low-income households pay more than 30% of their income for housing, this is an estimate of current preferred demand. It assumes that low-income households prefer (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than \$15,000) would have to cost \$80,000 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6%, with 20% down payment. (These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. In the last decade, down payment requirements fell significantly, but standards have tightened since the 2008/9 credit crisis, and 20% is once again the standard for most buyers. Interest rates are difficult to forecast beyond the short term. The 6% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's, but coming out of the recent recession, many economists believe that rates cannot fall further and must begin to climb when the Federal Reserve begins to raise its rate in the next year to two years.)

CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 9.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 9.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in Beaverton was determined using Census data from the 2013 ACS, which provides a profile of housing values, rent levels, and housing types (single family, attached, mobile home, etc.). The 3-year estimates from the ACS were used to reduce the margin of error inherent in the survey, compared to 1-year ACS numbers.

- An estimated 57% of units are ownership units, while an estimated 43% of units are rental units. This split is close to the estimated demand profile shown in Figure 9.2, but finds a bit more ownership housing than the estimated need based on demographics. (The inventory includes vacant units, so the breakdown of ownership vs. rental does not exactly match the tenure split of actual households.)
- 85% of ownership units are detached homes (78% in Beaverton), while 59% of rental units are in structures of 5 units or more (67% in Beaverton).
- Of total housing units, an estimated 56% are detached homes, while 42% are some sort of attached type. 1.2% are mobile home units.

FIGURE 9.3: PROFILE OF CURRENT HOUSING SUPPLY (2015)

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0k - \$80k	1,404	326	79	11	0	322	0	2,144	3.4%	3.4%
\$80k - \$130k	994	252	57	0	0	326	0	1,629	2.6%	6.0%
\$130k - \$180k	2,555	819	143	205	25	348	0	4,095	6.5%	12.5%
\$180k - \$250k	11,038	1,991	0	328	420	0	0	13,780	21.8%	34.3%
\$250k - \$330k	8,138	1,424	0	0	610	0	0	10,172	16.1%	50.4%
\$330k - \$390k	6,585	599	0	0	299	0	0	7,483	11.9%	62.2%
\$390k - \$480k	9,890	316	0	0	316	0	0	10,518	16.7%	78.9%
\$480k - \$580k	5,381	0	0	0	0	0	0	5,381	8.5%	87.4%
\$580k - \$680k	3,036	0	0	0	0	0	0	3,036	4.8%	92.2%
\$680k +	4,901	0	0	0	0	0	0	4,901	7.8%	100.0%
Totals:	53,924	5,728	280	543	1,671	996	0	63,141	% of All Units:	57.2%
Percentage:	85.4%	9.1%	0.4%	0.9%	2.6%	1.6%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0 - \$380	0	0	0	0	854	157	0	1,011	2.1%	2.1%
\$380 - \$620	0	0	0	0	1,215	214	0	1,428	3.0%	5.2%
\$620 - \$870	681	167	675	2,018	13,494	0	0	17,033	36.0%	41.2%
\$870 - \$1080	1,356	2,357	855	3,432	9,164	0	0	17,162	36.3%	77.5%
\$1080 - \$1490	2,270	542	0	532	1,967	0	0	5,316	11.2%	88.7%
\$1490 - \$1730	1,440	0	0	94	826	0	0	2,361	5.0%	93.7%
\$1730 - \$2160	1,259	0	0	0	315	0	0	1,574	3.3%	97.0%
\$2160 - \$2600	1,118	0	0	0	0	0	0	1,118	2.4%	99.4%
\$2600 - \$3460	280	0	0	0	0	0	0	280	0.6%	100.0%
\$3460 +	0	0	0	0	0	0	0	0	0.0%	100.0%
Totals:	8,398	3,067	1,531	6,079	27,835	371	0	47,281	% of All Units:	42.8%
Percentage:	17.8%	6.5%	3.2%	12.9%	58.9%	0.8%	0.0%	100.0%		

TOTAL HOUSING UNITS										
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	
Totals:	62,322	8,795	1,811	6,621	29,506	1,366	0	110,421	100%	
Percentage:	56.4%	8.0%	1.6%	6.0%	26.7%	1.2%	0.0%	100.0%		

Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2013 ACS 3-yr Estimates)

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available (Figure 9.4).

In general, this identifies a current need for additional ownership units at a range of price points, counterbalanced by a surplus of units in the \$180,000 to \$250,000 range, and the \$390,000 to \$580,000 range. This is simply an indicator that most housing in the USB is found in this range. Based on analysis of household incomes and ability to pay, there should be support for some ownership housing at higher and lower price points.

The analysis identifies a general need for rental units at the lowest price levels and at middle price levels. There are levels of estimated surplus for apartments (\$620 to \$1080 per month). Again, this represents the current average rent prices in Beaverton, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent.

Overall, the analysis indicates a large surplus of ownership units (unincorporated USB area) and small surplus of rental units (Beaverton), based on the estimated demand by income and demographic groups presented in Figure 9.2.

FIGURE 9.4: COMPARISON OF CURRENT NEED TO CURRENT SUPPLY (2015)

Ownership				Rental			
Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
\$0k - \$80k	2,815	2,144	(672)	\$0 - \$380	9,242	1,011	(8,231)
\$80k - \$130k	3,584	1,629	(1,955)	\$380 - \$620	7,077	1,428	(5,649)
\$130k - \$180k	4,938	4,095	(843)	\$620 - \$870	6,573	17,033	10,460
\$180k - \$250k	5,524	13,780	8,257	\$870 - \$1080	10,603	17,162	6,558
\$250k - \$330k	14,480	10,172	(4,308)	\$1080 - \$1490	7,225	5,316	(1,910)
\$330k - \$390k	8,686	7,483	(1,203)	\$1490 - \$1730	3,904	2,361	(1,543)
\$390k - \$480k	7,500	10,518	3,018	\$1730 - \$2160	978	1,574	596
\$480k - \$580k	4,466	5,381	916	\$2160 - \$2600	670	1,118	449
\$580k - \$680k	4,136	3,036	(1,100)	\$2600 - \$3460	337	280	(58)
\$680k +	3,510	4,901	1,391	\$3460 +	234	0	(234)
Totals:	59,640	63,141	3,501	Totals:	46,843	47,281	438

Occupied Units:	106,483
All Housing Units:	110,421
Total Unit Surplus:	3,938

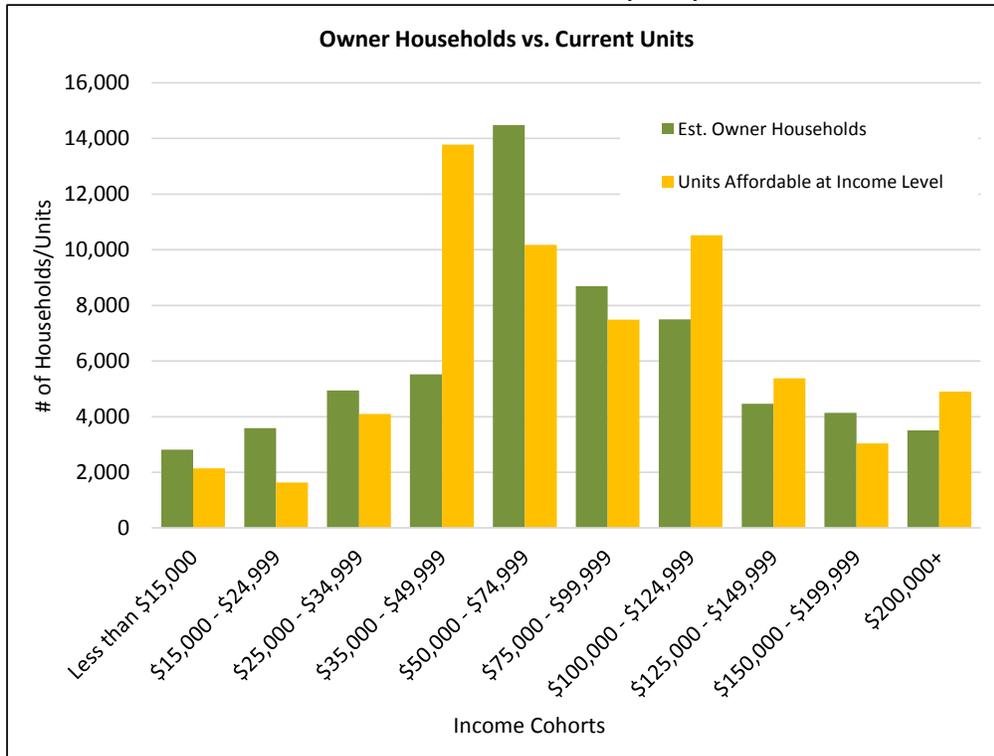
Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS
 This table is a synthesis of data presented in Figures 9.2 and 9.3.

There are an estimated 3,938 units more than the current number of households, which reflects the USB’s current vacancy rate of 3.7%.

Figure 9.4 is illustrating where current market-level pricing is in the USB area. Housing prices and rent levels will tend to congregate around those price levels. These levels will be too costly for some (i.e. require more than 30% in gross income) or “too affordable” for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available).

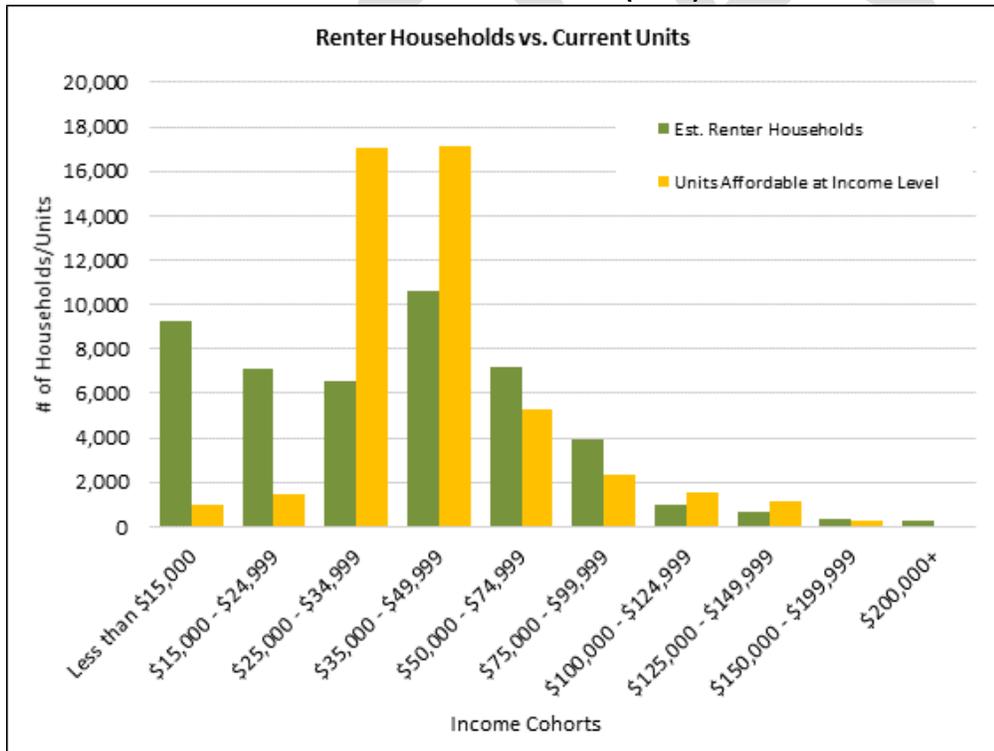
The following figures (Figure 9.5 and 9.6) present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

FIGURE 9.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2015)



Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS

FIGURE 9.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2015)



Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON ECONOMICS

X. FUTURE HOUSING NEEDS - 2035 (FULL USB INCLUDING CITY)

PROJECTED OF FUTURE PROFILE (2035)

The projected future (20-year) housing profile (Figure 10.1) in the study area is based on the current housing profile, multiplied by an assumed projected future household growth rate. The projected future growth for both the City and the entire USB area are based on population and household estimates for 2035 generated by Metro, and reviewed by the City of Beaverton, during the 2014 Regional Transportation Plan (RTP) process.

FIGURE 10.1: FUTURE HOUSING PROFILE (2035)

PROJECTED FUTURE HOUSING CONDITIONS (2015 - 2035)		SOURCE
2015 Population (Minus Group Pop.)	267,427	2010 Census, Metro RTP
Projected Annual Growth Rate	0.99% <small>Based on Metro 2014 RTP</small>	Metro
2035 Population (Minus Group Pop.)	325,428	
Estimated group housing population:	3,453 <small>Share of total pop (1.1%) held constant from 2010 Census</small>	US Census
Total Estimated 2035 Population:	328,882 <small>Metro 2035 forecast for 2014 RTP, reviewed by City</small>	Metro
Estimated Non-Group 2035 Households:	131,553 <small>Metro 2035 forecast for 2014 RTP, reviewed by City</small>	Metro
New Households 2015 to 2035	25,070	
Avg. Household Size:	2.47 <small>2035 Non-Group Pop./ Non-Group Households</small>	
Total Housing Units:	138,459 <small>Based on estimated 5% vacancy rate</small>	
Occupied Housing Units:	131,553 <small>(= Number of Non-Group Households)</small>	
Vacant Housing Units:	6,907 <small>(Total Units - Occupied Units)</small>	
Projected Vacancy Rate:	5.0% <small>(Vacant Units/ Total Units)</small>	

Sources: Metro Regional Transportation Plan (2014), PSU Population Research Center, Census, JOHNSON ECONOMICS LLC

The model projects growth in the number of non-group households over 20 years of over 25,000 households, with accompanying population growth of 58,000 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

PROJECTION OF FUTURE HOUSING UNIT DEMAND (2035)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy assumption. The vacancy assumption is added in the subsequent step.* Therefore the need identified below is the total need for actual households in occupied units (131,553).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2035 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30% for low income households down to 20% for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6%, with 20% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future,

these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2014 dollars.

Figure 10.2 presents the projected occupied future housing demand (current and new households, without vacancy) in 2035.

FIGURE 10.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2035)

Ownership			
Price Range	# Units	% of Units	Cumulative
\$0k - \$80k	3,447	4.5%	4.5%
\$80k - \$130k	4,505	5.8%	10.3%
\$130k - \$180k	5,994	7.8%	18.1%
\$180k - \$250k	6,904	9.0%	27.1%
\$250k - \$330k	17,799	23.1%	50.2%
\$330k - \$390k	11,371	14.8%	64.9%
\$390k - \$480k	9,808	12.7%	77.6%
\$480k - \$580k	6,260	8.1%	85.8%
\$580k - \$680k	5,751	7.5%	93.2%
\$680k +	5,222	6.8%	100.0%
Totals:	77,060	% of All:	58.6%

Rental			
Rent	# Units	% of Units	Cumulative
\$0 - \$380	10,522	19.3%	19.3%
\$380 - \$620	8,168	15.0%	34.3%
\$620 - \$870	7,400	13.6%	47.9%
\$870 - \$1080	12,365	22.7%	70.6%
\$1080 - \$1490	8,311	15.3%	85.8%
\$1490 - \$1730	4,817	8.8%	94.7%
\$1730 - \$2160	1,216	2.2%	96.9%
\$2160 - \$2600	895	1.6%	98.5%
\$2600 - \$3460	453	0.8%	99.4%
\$3460 +	342	0.6%	100.0%
Totals:	54,492	% of All:	41.4%

All Units
131,553

Sources: Claritas, Census, JOHNSON ECONOMICS

COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 10.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 10.3).

This estimate includes a vacancy assumption. As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is higher than that for ownership units. This analysis maintains this discrepancy going forward, so that the vacancy rate for rentals is assumed to be higher than the overall average, while the vacancy rate for ownership units is assumed to be less.

- The results show a need for over 28,000 new housing units by 2035 in the USB area.
- Of the new units needed, 59% are projected to be ownership units, while 41% are projected to be rental units.

Needed Unit Types

- 50% of the new units are projected to be single family detached homes, while the remainder of units (48%) is projected to be some form of attached housing, and 1.3% are projected to be mobile homes.
- The projected preferences for future unit types are based upon current conditions, housing trends discussed above, and history development patterns. It is projected that in coming decades a greater share of housing will be attached types, including attached single family. This trend is borne out in permitting data since 1980.
- Single family attached units (townhomes on individual lots) are projected to meet over 9% of future need in the USB area.
- Duplex through four-plex units are projected to represent an additional 11% of the total need.
- 28.5% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 1.3% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.

Needed Affordability Levels

- The needed affordability levels presented here are based on current 2015 dollars. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.
- The future needed affordability types (2035) reflect the same relationship shown in the comparison of current (2015) need and supply (shown in Figure 9.4). Generally, based on income levels there is a shortage of units in the lowest pricing levels, particularly for renter households.
- In order for projected renter households in 2035 to paying 30% or less of their income towards housing, roughly 17,700 rental units affordable at \$620 or less would be required.
- There is a surplus, or lack of projected new need, in the middle rental spectrum (\$620 to \$1,020). As with discussed in the comparison of current need and supply, this reflects where the majority of market-rate rent levels are at the current time. As with the 2015 comparison, a future need is projected for both low-rent, but also higher rent units including single-family homes for rent. This analysis shows that some renter households have the ability pay for a larger, newer and/or higher quality unit than may be currently available.
- Projected needed ownership units show the same basic relationship, with a surplus of units valued at \$180,000 to \$250,000. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) There is an estimated need for both less expensive ownership housing opportunities and more expensive ownership opportunities.

FIGURE 10.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2035)
FULL USB, INCLUDING CITY

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
			2-unit	3- or 4-plex	5+ Units MFR					
\$0k - \$80k	930	216	53	7	285	-72	0	1,418	8.6%	8.6%
\$80k - \$130k	1,847	469	106	289	84	233	0	3,028	18.3%	26.9%
\$130k - \$180k	1,242	420	74	260	6	98	0	2,100	12.7%	39.6%
\$180k - \$250k	-5,679	-960	264	-64	-203	0	0	-6,642	-40.2%	-0.6%
\$250k - \$330k	6,387	1,345	0	0	494	0	0	8,226	49.8%	49.2%
\$330k - \$390k	3,758	342	0	0	171	0	0	4,271	25.9%	75.1%
\$390k - \$480k	-358	-11	0	0	-11	0	0	-381	-2.3%	72.8%
\$480k - \$580k	1,089	0	0	0	0	0	0	1,089	6.6%	79.4%
\$580k - \$680k	2,908	0	0	0	0	0	0	2,908	17.6%	97.0%
\$680k +	497	0	0	0	0	0	0	497	3.0%	100.0%
Totals:	12,622	1,820	496	492	826	259	0	16,514	% All Units:	58.9%
Percentage:	76.4%	11.0%	3.0%	3.0%	5.0%	1.6%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
			2-unit	3- or 4-plex	5+ Units MFR					
\$0 - \$380	0	0	0	1,419	8,798	127	0	10,344	89.8%	89.8%
\$380 - \$620	0	0	0	1,137	6,287	-38	0	7,386	64.1%	153.8%
\$620 - \$870	-681	-89	-358	-657	-7,264	0	0	-9,049	-78.5%	75.3%
\$870 - \$1080	-1,022	-88	480	-763	-2,425	0	0	-3,819	-33.1%	42.2%
\$1080 - \$1490	977	983	341	365	993	0	0	3,659	31.8%	73.9%
\$1490 - \$1730	1,887	0	0	114	837	0	0	2,838	24.6%	98.6%
\$1730 - \$2160	-209	0	0	0	-52	0	0	-261	-2.3%	96.3%
\$2160 - \$2600	-152	0	0	0	0	0	0	-152	-1.3%	95.0%
\$2600 - \$3460	210	0	0	0	0	0	0	210	1.8%	96.8%
\$3460 +	369	0	0	0	0	0	0	369	3.2%	100.0%
Totals:	1,379	806	462	1,615	7,173	89	0	11,525	% All Units:	41.1%
Percentage:	12.0%	7.0%	4.0%	14.0%	62.2%	0.8%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	14,001	2,626	958	2,107	7,999	348	0	28,038	100%
Percentage:	49.9%	9.4%	3.4%	7.5%	28.5%	1.2%	0.0%	100.0%	

Sources: Metro 2035 forecast, Claritas, Census, JOHNSON ECONOMICS LLC

SECTION 4: BUILDABLE LANDS INVENTORY AND FUTURE LAND NEED

This section presents the results of the Buildable Lands Inventory (BLI) as recently revised and confirmed by the City of Beaverton, based on the preliminary Buildable Lands Inventory prepared by Metro.

XI. RECONCILIATION OF FORECASTED NEED AND BUILDABLE CAPACITY

A. BUILDABLE LANDS INVENTORY

The following tables present the estimated new unit capacity of the building lands identified in the City of Beaverton, the external USB area and combined. There is a total remaining capacity for over 42,200 units of different types within the study area.

FIGURE 11.1: ESTIMATED BUILDABLE LANDS CAPACITY BY RESIDENTIAL UNIT (2015)

<u>CITY OF BEAVERTON CAPACITY</u>	<u>Unit Type</u>			<u>TOTAL</u>
	<u>SFR</u>	<u>MDR</u>	<u>MFR</u>	
South Cooper Mountain	1,505	787	1,129	3,421
Peterkort	-1	0	2,175	2,174
Approved future units	-5	16	573	584
Vacant land	1,487	0	53	1,540
Infill/Developed land	2,047	824	2,716	5,587
Totals:	5,033	1,627	6,646	13,306

<u>URBAN SERVICE AREA CAPACITY</u>	<u>SFR</u>	<u>MDR</u>	<u>MFR</u>	<u>TOTAL</u>
Vacant land	3,034	1,282	984	5,300
Infill/Developed land	12,809	3,978	6,895	23,682
Totals:	15,843	5,260	7,879	28,982

<u>TOTAL CAPACITY</u>	<u>SFR</u>	<u>MDR</u>	<u>MFR</u>	<u>TOTAL</u>
Vacant land	6,020	2,085	4,914	13,019
Infill/Developed land	14,856	4,802	9,611	29,269
Totals:	20,876	6,887	14,525	42,288

* Medium-densit attached units are defied as ranging from single-family attached (townhomes) to fourplexes. Multi-family units are defined as units in structures of 5 or more units.

Source: City of Beaverton, Angelo Planning Group, Metro

B. PROJECTED HOUSING UNIT NEED

The following tables summarize the forecasted future unit need for the City of Beaverton, the unincorporated USB area, and the total combined USB area, including the City. These are the summarized results from Sections 1 – 3 of this report.

FIGURE 11.2: SUMMARY OF FORECASTED FUTURE UNIT NEED (2035)

CITY OF BEAVERTON

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	5,767	1,542	295	718	3,886	87	0	12,295	100%
Percentage:	46.9%	12.5%	2.4%	5.8%	31.6%	0.7%	0.0%	100.0%	

USB AREA (EXCLUDING BEAVERTON)

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	8,233	1,084	663	1,389	4,113	261	0	15,744	100%
Percentage:	52.3%	6.9%	4.2%	8.8%	26.1%	1.7%	0.0%	100.0%	

COMBINED USB AREA (INCLUDING BEAVERTON)

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	14,001	2,626	958	2,107	7,999	348	0	28,038	100%
Percentage:	49.9%	9.4%	3.4%	7.5%	28.5%	1.2%	0.0%	100.0%	

Sources: Metro RTP, PSU Population Research Center, Claritas Inc., Census, Johnson Economics

Comparison of Housing Need and Capacity

There is a total forecasted need for 28,038 units in the combined USB over the next 20 years. This is well below the estimated capacity. However, a comparison of the capacity for specific unit types available within the City and within the unincorporated USB shows some mismatch between the current buildable capacity and the types of units needed (Figure 11.3 below).

In general, the findings are that the City has an undersupply of buildable single family detached capacity, and an excess of multi-family residential capacity. While the unincorporated USB area has remaining capacity for both single family homes and multi-family units.

FIGURE 11.3: COMPARISON OF FORECASTED FUTURE UNIT NEED (2035) WITH AVAILABLE CAPACITY

CITY OF BEAVERTON

<u>PROJECTED UNMET UNIT NEED</u>	Single Family Detached	Medium-Density Attached*	Multi-Family	<u>TOTAL</u>
Unmet Need (Capacity-Need)	(821)	(928)	2,760	1,011

USB AREA (EXCLUDING BEAVERTON)

<u>PROJECTED UNMET UNIT NEED</u>	Single Family Detached	Medium-Density Attached*	Multi-Family	<u>TOTAL</u>
Unmet Need (Capacity-Need)	7,348	2,124	3,766	13,238

COMBINED USB AREA (INCLUDING BEAVERTON)

<u>PROJECTED UNMET UNIT NEED</u>	Single Family Detached	Medium-Density Attached*	Multi-Family	<u>TOTAL</u>
Unmet Need (Capacity-Need)	6,527	1,196	6,526	14,250

Sources: City of Beaverton BLI, Johnson Economics

SUMMARY OF UNIT NEED FINDINGS

- **City of Beaverton**
 - Some shortage of SFR capacity (-821 units)
 - Some shortage of MDR capacity (-928 units)
 - An excess of MFR capacity (+2,760 units)
 - Combined surplus (1,011 units)
- **USB Area (Not including Beaverton)**
 - Large excess of SFR capacity (+7,348 units)
 - Excess of MDR capacity (+2,124 units)
 - Excess of MFR capacity (+3,766 units)
 - Combined excess (13,238 units)
- **Total USB Area (Including Beaverton)**
 - Significant excess of SFR capacity (+6,527 units)
 - Excess of MDR capacity (+1,196 units)
 - Excess of MFR capacity (+6,526 units)
 - Combined excess (14,250 units)

C. PROJECTED RESIDENTIAL LAND NEED

Based on the need for different types of residential units presented above, estimates were made of the amount of appropriately-zoned land needed to accommodate these units. For this analysis, a set of representative zones was selected to accommodate the different housing types, as summarized below:

Single Family Residential (SFR) Zones

- **R5 zone:** A residential zone requiring a minimum of 5,000 s.f. per unit. This is used as the primary SFR zone for detached single family homes.
- **R4 zone:** A residential zone requiring a minimum of 4,000 s.f. per unit. This is used as an additional SFR zone for slightly denser, more compact “small lot” single family homes.
- **COUNTY - R-9 zone:** A residential zone requiring a density of 7 to 9 units per acre. This is used as the primary SFR zone for detached single family homes in the USB area.

Medium-Density Residential (Med.FR) Zones

- **R2 zone:** A residential zone requiring a minimum of 2,000 s.f. per unit. This is used as the primary zone for “medium density” attached housing forms, ranging from single family attached (town homes) to four-plexes.
- **COUNTY - R-15 zone:** A residential zone requiring a density of 12 to 15 units per acre. This is used as the primary zone for “medium density” attached housing forms in the USB area.

Multi-Family Residential (MFR) Zones

- **R1 zone:** A residential zone requiring a minimum of 1,000 s.f. per unit. This is used as the primary MFR zone for multi-family attached housing such as apartments or condominium developments.
- **TC-HDR:** A Town Center zone allowing a maximum density of 36 units per acre. This zone was included to as a representative of Multi-Use zones such as station center and town center zoning. At this stage it is difficult to make assumption about the future placement of new town center or station designations. The inclusion of the TC-HDR is meant to acknowledge that in newly developed master-planned areas, these types of zones may be included.
- **COUNTY - R-25+ zone:** A residential zone requiring a density of at least 25 units per acre. This is used as the primary zone for MFR housing forms in the USB area.

The following table presents estimates of *Residential Land Need* by these representative zones. This includes both zones for which there is an estimated **NEED** (i.e. there is not sufficient capacity in these zones for all of the needed housing units of that type), and those zones of which there is an estimated **SURPLUS** (i.e. there is sufficient buildable capacity to accommodate the needed housing units AND additional capacity.)

The purpose of estimating both **needed** and **surplus** zones is to give guidance on the possible rezoning of surplus zone, to accommodate more of the needed zone.

The number of units were used to derive need for **Net Acres**. The estimate of need for **Gross Acres** is derived by applying a simple 20% assumption of land for infrastructure, public facilities, natural space, topography, etc.

FIGURE 11.4: ESTIMATED LAND NEED BY ZONE (2035) TO ACCOMMODATE THE ESTIMATED UNIT NEED

CITY OF BEAVERTON

		Housing Unit Need					
		SFR		Med.FR		MFR	
		(821)		(928)		2,760	
Avg. Density/ Net Acre		Net Acres - Need/(Surplus)			Gross Acres - Need/(Surplus)		
		SFR	Med.FR	MFR	SFR	Med.FR	MFR
R5 Zone:	8.7	47.1			58.9		
R4 Zone:	10.9	37.7			47.1		
R2 Zone:	21.8		42.6			53.3	
R1 Zone:	43.6			(50.7)			(63.4)
TC-HDR:	36			(61.3)			(76.7)
Totals - Need/ (Surplus):		84.8	42.6	(112.0)	106.0	53.3	(140.1)
		Sum: 15.4			Sum: 19.2		

USB AREA (EXCLUDING CITY)

		Housing Unit Need					
		SFR		Med.FR		MFR	
		7,348		2,124		3,766	
Avg. Density/ Net Acre		Net Acres - Need/(Surplus)			Gross Acres - Need/(Surplus)		
		SFR	Med.FR	MFR	SFR	Med.FR	MFR
R-9 Zone:	9.0	(816.5)			(1020.6)		
R-15 Zone:	15.0		(141.6)			(177.0)	
R-25+ Zone:	25.0			(150.6)			(188.3)
Totals - Need/ (Surplus):		(816.5)	(141.6)	(150.6)	(1020.6)	(177.0)	(188.3)
		Sum: (1108.7)			Sum: (1385.9)		

COMBINED CITY & USB AREA

		Housing Unit Need					
		SFR		Med.FR		MFR	
		6,527		1,196		6,526	
Avg. Density/ Net Acre		Net Acres - Need/(Surplus)			Gross Acres - Need/(Surplus)		
		SFR	Med.FR	MFR	SFR	Med.FR	MFR
R5 Zone:	8.7	47.1			58.9		
R4 Zone:	10.9	37.7			47.1		
R2 Zone:	21.8		42.6			53.3	
R1 Zone:	43.6			(50.7)			(63.4)
TC-HDR:	36.0			(61.3)			(76.7)
R-9 Zone:	9.0	(816.5)			(1,020.6)		
R-15 Zone:	15.0		(141.6)			(177.0)	
R-25+ Zone:	25.0			(150.6)			(188.3)
Totals - Need/ (Surplus):		(731.7)	(99.0)	(262.7)	(914.6)	(123.7)	(328.4)
		Sum: (1093.3)			Sum: (1366.7)		

Sources: City of Beaverton BLI & Development Code, Washington Co. Development Code, Johnson Economics

SUMMARY OF LAND NEED FINDINGS

The findings of land need naturally follow the same pattern as the findings of unit need compared to land capacity.

- **City of Beaverton**
 - There is an estimated need for additional SFR (106 acres) and Medium Density (53.3 acres) zoned land
 - There is an estimated excess of MFR zoned land (140.1 acres)
 - In sum, there is a net estimated need for 19.2 gross acres of land in the City of Beaverton.

- **USB Area (Not including Beaverton)**
 - There is a large excess of SFR capacity (1,020.6 acres), and an excess of Medium Density capacity (177 acres).
 - There is an estimated excess of MFR capacity (188.3 acres).
 - In sum, the USB area is estimated to have 1,386 more acres than needed to accommodate the identified housing need.

- **Total USB Area (Including Beaverton)**
 - In total, the combined USB area is judged to have an excess of both SFR, Medium Density, and MFR land.
 - In balance across the entire area, there is an estimated excess of nearly 1,367 gross acres, if land were repurposed to meet need and eliminate some surplus capacity.

DRAFT

Appendix C: Strategies to Address Housing Needs, Issues, and Requirements

The following lists of strategies are taken from recent planning efforts in the city related to housing. They are generally organized by guiding principles from the Civic Plan, however, they have been significantly narrowed down and focused for the strategies section in the main body of this report. This appendix allows the strategies to be viewed in full, along with source of the strategies being identified.

Invest in targeted capital improvements to focus housing development in the Central City and other areas, as appropriate and connect housing to transit.

Strategies from the *City of Beaverton Housing and Neighborhood Stability Analysis (September 2010)* that address partnering and financing include the following:

- Acquisition and new construction of affordable housing
 - *Use urban renewal funding to help reduce the cost of building new housing, particularly in the Downtown and Central Beaverton area, allowing developers to reduce housing costs and prices and requiring development of mixed income housing projects in exchange for such subsidies.*
 - *Support efforts by community land trusts to acquire land or existing affordable housing. Towards this end, work with existing, new or emerging land trusts such as Proud Ground to identify partnership opportunities, share information about potential target acquisition sites and pursue funding and other strategies.*
- Funding and financing
 - *Continue to implement or support provision of financing programs by the state and Washington County to ease the transition to homeownership for first-time homebuyers, such as down payment assistance and low interest loans.*
 - *Support the efforts of community housing development organizations and other non-profit housing providers to identify opportunity sites, assist with the development permitting process and provide information about local and state financing programs.*
 - *Encourage other developers to incorporate housing affordable to low and moderate income residents in their proposed developments, including through potential incentives such as density bonuses, development permitting assistance, or SDC or fee waivers.*
 - *Encourage large employers to consider implementing employer assisted housing programs.*
 - *Consider implementing a tax abatement program in coordination with Washington County and other taxing districts in Beaverton. The program would be similar to the one that the City of Tigard currently administers and/or a program being considered by Washington County.*
 - *Consider advantages of tax increment financing that can be used with possible adoption of an urban redevelopment agency.*
- Community ownership and neighborhood pride

- *Develop a “Pride Week” program similar to the program in Columbus, Ohio. Coordinate a series of public and private improvements to occur within a concentrated period. Enlist the assistance of existing advocacy and other community groups to assist in these efforts.*
- *Continue to partner with and promote other local programs that help improve neighborhood conditions and amenities, such as Rebuilding Together, Friends of trees, Homeowner’s Association efforts, and partnerships between the Beaverton Police Department and residents.*
- *Support neighborhood associations. Continue to provide funding for programs to promote neighborhood pride, such as clean up days, block parties, etc., including through grants administered by the City’s Neighborhood Programs Office.*
- *Consider development of neighborhood gathering facilities and events such as community gardens, meeting centers, art walks, and special park events such as concerts and mobile movie screenings.*

Strategies from the *Beaverton’s Civic Plan; Housing and Neighborhoods Strategy (April 2011)* that address partnering and financing include the following:

- *Partner with non-profit organizations to build affordable housing.*
- *Expand employer assisted housing options.*

Develop housing policies to match the needs of emerging market segments such as Baby Boomers, Generation Y, and immigrants and their children.

The following housing-related preferences and needs were identified in the *City of Beaverton Housing and Neighborhood Stability Analysis (September 2010)*:

Hispanic Families. Recent studies indicate that Latino residents tend to favor large homes, if they can afford them, but that their tendency to prefer a sense of community would suggest that they may not want to locate in outer suburban neighborhoods.²¹ These preferences, general income patterns, and the tendency for extended families to share a home indicate a need for moderately-priced housing suitable for large, semi-independent families within a single household. There is little of this type of housing in Beaverton at present, with most large homes being more expensive and located in outer areas of the Study Area. If home prices come down sufficiently in areas with larger homes, this may change. Construction of Accessory Dwelling Units may also provide space appropriate for semi-independent families.

Low-income Households. The demographic projections above indicate a need for housing in Beaverton affordable to those with very low incomes that is suitable for single-parent families with children. A recent Metro study notes that young, low-income families with children tend to choose single-family rental homes.²² There were just over 5,200 renter-occupied single family detached homes in the Study Area as of the 2000 Census. This represented 6.5% of the total occupied housing units at that time.²³

²¹ John McIlwain, *Housing in America: The Next Decade*, Urban Land Institute, 2010, p. 14-16.

²² George C. Hough, Jr. et al, Institute of Portland Metropolitan Studies, *Housing Needs Study for the Portland Metropolitan Area: Final Report*, Prepared for Metro, May 2008, p. ES-2.

²³ Census 2000; Study Area approximated by block groups.

Given that demographic groups that tend to favor this type of housing (including low-income families with children and “Generation Y” households with children that are reluctant to buy a home) are projected to increase, there may be a need for more rental single family homes. Also, there is already a shortage of housing units affordable to those with the lowest incomes in Beaverton at present, and this gap is likely to grow as the need increases.

“Generation Y”: 25 to 44 Year Olds. Recent demographic analyses note that today’s young adults, who will be on the older end of the 25 to 44 age range in 2025, are willing to sacrifice living space in order to live in a more urban, walkable environment, but that their ability to afford city living will be limited. Their preferences can be expected to shift as they start families, though they may be more likely to choose older, close-in, less expensive suburbs over low-density outer suburban areas. This generation’s constrained incomes (as a result of the down economy) and concern for the environment suggest that when they do buy homes, they will be likely to look for small, simple starter homes on small lots that are well-designed and built to green standards.²⁴ There is an opportunity to attract households from “Generation Y” with or without children to Beaverton’s older, close-in residential neighborhoods where homes and lots are small and prices are modest. While many of the homes in these neighborhoods were built in the 1970s and are not especially “green” at present, there may be opportunities for renovations and energy efficiency upgrades for both owner-occupied and renter-occupied housing.

The younger end of the 25 to 44 year old age range may be more likely to select multi-family rental housing, especially single-person households, households without children, and those with lower incomes.²⁵ The City already has a substantial supply of this type of housing, but developable land near downtown provides the City an opportunity to encourage development of mixed use housing that may be more attractive to this more urban-oriented generation.

Older Adults. Among older boomers (currently 55 to 64), those who had not moved before the housing bubble burst are likely to remain in their existing homes, waiting for prices to recover sufficiently to restore their lost equity. This makes opportunities to retrofit homes to accommodate changing physical abilities and opportunities to integrate walkable commercial destinations into existing neighborhoods more important. The City should target improvements that enable aging in place, including retrofitting single-family neighborhoods with neighborhood commercial uses, to those neighborhoods with the greatest current concentrations of baby boomer households.

If and when they do move, Baby Boomers will likely seek walkable, urbanized suburban town centers, based on preferences for mixed-age and mixed-use communities expressed in surveys.²⁶ The share of householders 65 and older living in owner-occupied multifamily housing is projected to rise from just over 4 percent in 2005 to over 10 percent in 2035.²⁷ It will be important for Beaverton to strengthen the existing downtown as a suburban town center so that those boomers who want to transition to somewhat more urban living can do so without leaving the City.

²⁴ John McIlwain, *Housing in America: The Next Decade*, Urban Land Institute, 2010, p. 14-16.

²⁵ George C. Hough, Jr. et al, Institute of Portland Metropolitan Studies, *Housing Needs Study for the Portland Metropolitan Area: Final Report*, Prepared for Metro, May 2008, p. 3-8 – 3-9.

²⁶ John McIlwain, *Housing in America: The Next Decade*, Urban Land Institute, 2010, p. 12-13.

²⁷ George C. Hough, Jr. et al, Institute of Portland Metropolitan Studies, *Housing Needs Study for the Portland Metropolitan Area: Final Report*, Prepared for Metro, May 2008, p. ES-2.

The 45 to 65 year old age group is more likely to own moderate to high-value single family detached homes in more suburban neighborhoods. Development of large, higher-priced single-family homes was fairly common in the outlying portions of the Study Area during the last two decades, and since this demographic group is not expected to grow in the next 10 to 15 years, there is a lesser need to add to the existing inventory of this type of housing. [...]

Aging in Place

- *Continue to develop or build upon existing programs to allow aging Beaverton residents to stay in their homes. These programs may include grants and other funding or technical assistance to make modifications to homes that are more “age friendly” such as building ramps, widening doorways, and adjusting heights and access to sinks and cabinets.*
- *Study “universal design” standards and evaluate whether to strengthen local building design and accessibility code based on these standards.*
- *Review regulations for accessory dwelling units (ADUs) to ensure that they do not create unnecessary barriers to their development. Develop templates and “how to” guides for ADU development. Create loan, incentive encouragement, and other assistance programs for increasing the development of ADUs.*
- *Seek opportunities for “creative re-use” of buildings and groups of buildings for centers for health care, education, cultural, and social programs for seniors and other Beaverton residents. Evaluate commercial “strips” and other potential redevelopment sites for potential to redevelop for these uses for such purposes.*
- *Pursue efforts to conserve and enhance mobile home parks which can provide an affordable housing option to seniors. A number of mobile home parks in Beaverton provide a relatively affordable housing option for seniors who live there. A number of cities in Oregon have sought to enact ordinances to protect this supply of housing. Continue to provide grants to help make needed renovations to mobile home parks.*

Partner with non-profit organizations to build affordable housing and provide financial incentives to promote affordability and spur redevelopment

Housing strategies in the *2010-2015 Washington County Consolidated Plan; Cities of Beaverton and Hillsboro* are organized into categories that include homelessness, affordable rental housing, special needs housing, and affordable homeownership. Strategy actions and production targets from these categories for which the City of Beaverton is identified as one of the lead organizations include:

- *(Action 2.h) Partner with local Section 8 landlords, CDCs and non-profits to refer qualified properties into the Portland Regional Lead Hazard Control Program.*
- *(HUD Production Target 3.6) Use City of Beaverton CDBG funds to provide accessibility improvements for approximately 60 disabled households in Beaverton.*
- *(Action 4.d) Continue to coordinate with The Portland Regional Lead Hazard Control Program to refer eligible homeowners into the lead remediation grant program. Continue to utilize lead-safe practices and qualified contractors when performing rehabilitation activities.*

- *(HUD Production Target 4.3) Use City of Beaverton CDBG funds to finance the rehabilitation of 35 owner-occupied housing units for households with incomes at or below 80% MFI in Beaverton.*
- *(HUD Production Target 4.4) Use City of Beaverton CDBG funds to provide critical home repairs to manufactured housing units and other owner-occupied homes for households with incomes at or below 80% MFI in Beaverton.*

Strategies from the *City of Beaverton Housing and Neighborhood Stability Analysis (September 2010)* that address special needs and affordable housing include the following:

- Housing repair and renovation
 - *Continue to implement current programs focused on repair and renovation of existing housing and seek additional funding for these efforts. Consider targeting these programs to neighborhoods with relatively lower housing condition ratings and higher concentrations of low-income households (e.g., Central Beaverton, Vose, Greenway, and Highland).*
 - *Continue to support energy efficiency improvements through City, state, federal, and non-profit programs.*
 - *Explore opportunities to support renovation or rehabilitation of multi-family and single-family rental housing.*
- Acquisition and new construction of affordable housing – *Provide incentives for private market developers to include affordable housing units as part of larger housing developments and/or mixed-use projects.*

Strategies from the *Beaverton's Civic Plan; Housing and Neighborhoods Strategy (April 2011)* that address special needs and affordable housing include the following:

- *Preserve and stabilize existing housing stock through rehabilitation programs.*
- *Use tax incentives to promote affordability and spur development.*
- *Expand employer assisted housing options.*
- *Expand the City's existing programs for energy upgrades.*

Strategies from the *City of Beaverton Housing and Neighborhood Stability Analysis (September 2010)* that address partnering and financing include the following:

- Acquisition and new construction of affordable housing
 - *Use urban renewal funding to help reduce the cost of building new housing, particularly in the Downtown and Central Beaverton area, allowing developers to reduce housing costs and prices and requiring development of mixed income housing projects in exchange for such subsidies.*
 - *Support efforts by community land trusts to acquire land or existing affordable housing. Towards this end, work with existing, new or emerging land trusts such as Proud Ground to identify partnership opportunities, share information about potential target acquisition sites and pursue funding and other strategies.*
- Funding and financing

- *Continue to implement or support provision of financing programs by the state and Washington County to ease the transition to homeownership for first-time homebuyers, such as down payment assistance and low interest loans.*
- *Support the efforts of community housing development organizations and other non-profit housing providers to identify opportunity sites, assist with the development permitting process and provide information about local and state financing programs.*
- *Encourage other developers to incorporate housing affordable to low and moderate income residents in their proposed developments, including through potential incentives such as density bonuses, development permitting assistance, or SDC or fee waivers.*
- *Encourage large employers to consider implementing employer assisted housing programs.*
- *Consider implementing a tax abatement program in coordination with Washington County and other taxing districts in Beaverton. The program would be similar to the one that the City of Tigard currently administers and/or a program being considered by Washington County.*
- *Consider advantages of tax increment financing that can be used with possible adoption of an urban redevelopment agency.*
- *Consider adoption of a vertical housing tax abatement program as an incentive to incorporate mixed use design and affordable housing in the City's downtown.*
- *Community ownership and neighborhood pride*
 - *Develop a "Pride Week" program similar to the program in Columbus, Ohio. Coordinate a series of public and private improvements to occur within a concentrated period. Enlist the assistance of existing advocacy and other community groups to assist in these efforts.*
 - *Continue to partner with and promote other local programs that help improve neighborhood conditions and amenities, such as Rebuilding Together, Friends of trees, Homeowner's Association efforts, and partnerships between the Beaverton Police Department and residents.*
 - *Support neighborhood associations. Continue to provide funding for programs to promote neighborhood pride, such as clean up days, block parties, etc., including through grants administered by the City's Neighborhood Programs Office.*
 - *Consider development of neighborhood gathering facilities and events such as community gardens, meeting centers, art walks, and special park events such as concerts and mobile movie screenings.*

Strategies from the *Beaverton's Civic Plan; Housing and Neighborhoods Strategy (April 2011)* that address partnering and financing include the following:

- *Partner with non-profit organizations to build affordable housing.*
- *Expand employer assisted housing options.*

The following are financing and partnering strategies that were identified in the *City of Tigard Population and Housing Review; Housing Strategies Report (February 2013)*.

- *Use of urban renewal funding to construct public improvements that act as incentives for private sector residential development and to augment the costs of selected residential development projects.*
- *In partnership with the Tigard/Tualatin School District, and Tualatin Valley Fire & Rescue, provides tax exemptions for low-income housing owned by non-profit corporations. Exemptions, first adopted in 1996, must be renewed each year and have been granted to a total of five projects developed by Community Partners for Affordable Housing. Currently, the City only offers these exemptions to nonprofit organizations. However, the City could consider providing the exemptions for affordable housing developments built by private sector developers if they meet all the same program eligibility and other requirements, including guarantees to maintain the long-term affordability of the units. (Note: A similar approach could be incorporated in Beaverton in partnership with the Beaverton School District, Tualatin Hills Park and Recreation District and TVF&R.)*
- *Implementation of an Affordable Housing Fee Assistance program to waive or reduce fees for qualifying affordable housing developments. As part of this program the City provides a fee waiver of up to \$500 per unit up to a total budgeted amount of \$10,000 per year for project that meet eligibility requirements, including affordability standards.*
- *Low interest loans and grants*
- *Down payment assistance*
- *Leveraging private and non-profit resources*
- *Expansion of the fee assistance program or implementation of a separate program to waive or defer payment of system development charges for affordable housing projects*
- *Target financing programs such as low interest loans, grants, down payment assistance, and tax credits or abatements to areas with high housing cost burdens; provide specific outreach about these programs to people in these neighborhoods.*
- *Provide information about and encourage residents to take advantage of state and other programs described in Appendix C.*
- *Partner with area non-profit development organizations to capitalize on their capacity to raise public and private subsidies and structure financing near the break-even point that will ultimately benefit low income households.*
- *Support the efforts of community housing development organizations and other non-profit housing providers to identify opportunity sites, assist with the development permitting process and provide information about local and state financing programs.*
- *Encourage other developers to incorporate housing affordable to low and moderate income residents in their proposed developments, similar to development code provisions in Beaverton and Milwaukie.*
- *Encourage large employers to consider implementing employer assisted housing programs.*

Create an infill development policy and toolkit, and provide several permit-ready building types for compact housing development.

The following are the types of code amendments that were recommended in the *City of Tigard Population and Housing Review; Housing Strategies Report (February 2013)*, some of which are already addressed in the City of Beaverton Development Code.

- New Housing Type – Cottage Cluster
- New Housing Types – Live/Work Units
- Duplex Lot Size Standards
- Single Family Attached Housing Standards
- Residential Infill Requirements or Revisions to PUD Standards
- Accessory Dwelling Unit
- Parking Requirements
- Clear and Objective Standards for Needed Housing
- Density or Height Bonuses

Housing strategies in the adopted *2010-2015 Washington County Consolidated Plan; Cities of Beaverton and Hillsboro* and draft *2015-2020 Washington County Consolidated Plan; Cities of Beaverton and Hillsboro* identify the City of Beaverton as one of the lead organizations for the following planning-related strategy actions and production/progress targets:

- *Support affordable housing by developing model(s) for expediting the review of eligible projects. Models could include designation of an “ombudsman” staff person in each jurisdiction, coordination of either city departments (Hillsboro model) or service districts (Beaverton model), or accelerated review (Tigard suggestion).*
 - *Have model process available for jurisdictions to review by Year 3.*
 - *Identify ombudsmen in participating jurisdictions by Year 3.*
- *Develop a coordinated approach to fee waivers/fee reduction strategies by identifying existing policies in individual jurisdictions, discussing additional options and developing a menu of potential fee waivers/fee reduction policies targeted to affordable housing developments that meet specific affordability targets. Determine whether there are policies likely to be supported by multiple jurisdictions, thus forming a “trans-jurisdictional” policy package.*
 - *Identify replacement funding sources in participating jurisdictions by Year 2. (Note: The City of Tigard has an affordable housing fee waiver program.)*
 - *Have draft policies for participating jurisdictions’ elected officials to consider by Year 3.*
- *Jurisdictions will provide an opportunity for affordable housing in Metro UGB expansion areas consistent with UGMFP Title 11. Compliance includes specific implementation strategies and enforcement. Prior to adoption, jurisdictions will discuss effectiveness of proposed compliance documents with affordable housing experts.*
 - *Year 1 through 5: Individual jurisdictions prepare Title 11 compliance documents for each UGB expansion area (e.g., South Cooper Mountain).*

- *Note: The Coordinating Group believed that this could include cluster housing and multi-generational housing.*
- *Develop a ‘Green Construction Resource Directory’ of sustainable development practices for use by affordable housing providers in each jurisdiction, including compilation of available resources and best management practices from other County or regional jurisdictions [Beaverton Sustainability Coordinator].*
- *Through the Coordinating Group], consider additional municipal strategies to support affordable housing as a contributing part of the city, such as:*
 1. *Reduced parking requirements based on population characteristics and transit access*
 2. *Identification of grants to support public improvements related to affordable housing development*
 3. *Municipal housing inspection program to maintain the quality of existing housing*
 4. *Enhanced safety program to reduce crime and improve the safety of rental properties*
- *Years 1 through 5*
- *Note: The City of Beaverton is currently exploring the possibility of implementing a municipal housing inspection program to maintain the quality of existing housing. The City is examining what has been done to date in the City of Gresham. The City is also discussing additional support for community land trusts.*

Strategies from the *City of Beaverton Housing and Neighborhood Stability Analysis (September 2010)* that address development assistance include the following:

- *Acquisition and new construction of affordable housing*
 - *Identify target vacant and infill sites with good access to transportation and other services and existing housing units in poor condition for new development or redevelopment efforts to be undertaken by non-profit and other affordable housing developers.*
 - *Support affordable housing developers by assistance with development permitting, information about state loan and grant programs, and reviewing development code to reduce housing costs where feasible.*
- *Development assistance*
 - *Consider implementing an SDC waiver or payment program.*
 - *Work with other Washington County jurisdictions to develop and implement an expedited permitting process and fee waiver/reduction programs.*
 - *Ensure zoning allows for lower-cost housing. Acquire land for affordable housing via community land trusts or other avenues.*
 - *Explore changes to development code and administrative procedures that allow for density bonuses, public improvement grants, improved public safety enforcement and crime reduction, and improved rental property safety.*
- *Infill development opportunities and mixed-use centers*

- *Work with the community to establish a clear definition of infill and to identify the desire balance between increased density and neighborhood compatibility.*
- *Further evaluate and encourage infill in specific target areas by providing guidance to potential developers about potential types of appropriate infill, opportunities for land assembly and permitting processes.*
- *Consider developing a new set of infill standards. Work closely with the development community and neighborhood groups to craft a set of standards and procedures that promote good design, minimize potential adverse impacts on surrounding areas and create opportunities for a streamlined development permitting process.*
- *Identify opportunities to couple infill development with supportive commercial services and public amenities to further enhance new and existing surrounding development.*
- *In addition to the Downtown, evaluate other potential target areas for allowing mixed use or neighborhood commercial development in Beaverton, particularly those near denser residential neighborhoods with well-connected street patterns and with good access to transit and public amenities.*

Strategies from the *Beaverton's Civic Plan; Housing and Neighborhoods Strategy (April 2011)* that address development assistance include the following:

- *Create an infill development policy and toolkit.*
- *Pre-permit desirable infill building types*
- *Support low-impact design features in new developments.*

Fair Housing

The *2012 Washington County Fair Housing Plan* represents the most recent comprehensive work done by the Cities of Beaverton and Hillsboro and Washington County in complying with the Fair Housing Act. The plan concludes with a number of actions and strategies in which the City of Beaverton has an identified role. An overview of the actions and strategies are provided below. The plan can be viewed in full online.

Awareness, Information, and Training

Actions

- 1. Washington County and the City of Beaverton will develop a coordinated schedule of trainings and educational opportunities to help address the lack of information documented above. (Primary Partners: Washington County Office of Community Development (OCD), City of Beaverton)*
- 2. Develop and maintain coordinated websites providing information on Fair Housing and linking to informational and enforcement resources. (Lead Partners: Washington County Office of Community Development, City of Beaverton)*
- 3. Encourage landlords to participate in Fair Housing training through regular outreach. (Primary Partners: Metro Multifamily Housing Association, Washington County Office of Community Development, City of Beaverton)*

4. Assess the need for additional written materials (posters, brochures), particularly in translation. Seek resources to help produce and appropriately distribute these materials. Also include information about where to go for general assistance with housing needs (e.g., 211). (Lead Partners: Washington County Office of Community Development, City of Beaverton)

5. Participate in and support Fair Housing awareness efforts, such as Fair Housing Week, to the extent feasible. (Lead Partners: Washington County Office of Community Development, City of Beaverton)

Access to Decent and Affordable Rental Housing

Aspirational Strategies

1. Improve the quality of testing protocols. Identified issues include: a) some landlords know when they are being tested because of the way that the testing is conducted. b) Some landlords say that they have been tested multiple times. This is onerous, as it requires spending time with applicants who are not seriously considering renting. City of Beaverton will bring these issues to the attention of the Fair Housing Council of Oregon, which performs the testing.

2. Improve the availability of information and assistance on landlord-tenant rights and responsibilities. City of Beaverton has funded this service in the past and, if funding is available, may continue to do so. Washington County Office of Community Development will investigate the availability of funding for this service for the remainder of the county.

Land Use and Zoning Tools to Promote Access to Opportunity

Actions

1. Research the feasibility of having problem-solving/ training sessions involving neighborhood association leaders/citizen participation organizations, developers and managers of special needs housing and Department of Community Corrections staff on housing for persons with special needs. (Lead Partner: OCD; Primary Partners: City of Beaverton, planning departments, staff who work with neighborhood associations and CPOs, nonprofit developers, Community Corrections, mediation staff)

2. Include protected classes as a consideration in awarding incentives for mixed-use housing development elements (e.g., vertical housing). (Lead Partner: City of Beaverton Planning Staff; note: staff is currently working on creating incentives and associated policy. Adoption will be in later years.)

Aspirational Strategies

1. Support removal of the state preemption of local inclusionary zoning. OCD and City of Beaverton will review proposed inclusionary zoning bills and forward their recommendations to their respective Administration/Manager/Governing Body, as appropriate, as a potential part of the County's/City's legislative strategy. One option may be to support the removal of the ban on inclusionary zoning through participation in a larger group, such as the Housing Alliance.

2. At the regional level, develop model comprehensive plan language and zoning code provisions to address Fair Housing issues identified in the Analysis of Impediments. Issues to consider include the following:

- Definitions and requirements for group homes
- Greater clarity about when onsite supportive services require a mixed-use zoning designation and when they can be provided in a residential zone
- Code language addressing alternative housing designs, such as co-housing

- *Options to eliminate extra planning steps and costs associated with non-standardized developments*
- *Allowing large (4+) bedroom apartments to be considered 2 dwelling units for the purpose of calculating minimum densities*
- *Zoning and siting of congregate care/assisted living*
- *Occupancy standards*
- *Further consideration of open space requirement in market-rate projects that include affordable units for members of protected classes*
- *Parking standards for specialized uses*
- *Availability of land near transit for group quarters*

OCD and City of Beaverton will promote this concept at the regional level. If it cannot occur regionally, OCD will request that it be added to Long Range Planning's work plan or incorporated into the third phase of the Aloha-Reedville Plan. Note: Some of these provisions may already be included in some jurisdictions' codes.

3. Develop ways to better help guide nonprofit developers through the development review process. The strategies will be dependent upon a jurisdiction's current procedures. Options include, but are not limited to, providing one free hour of planning assistance prior to a formal Pre-Application Conference and assigning a staff liaison to help guide the organization through the development review process. OCD and City of Beaverton will make this request of their planning departments. If adopted, City of Beaverton and OCD will request that other jurisdictions consider this action.

4. In the County and more populous cities with planning departments, designate a staff person to be the Fair Housing resource person for the department. Provide in-depth Fair Housing training for planners to these individuals.

5. Develop "Fair Housing Checklists" that can be used to review new subdivisions and multi-family housing projects.

Overcoming Linguistic and Cultural Isolation and Serving Communities of Color

Actions

1. Support high-performing agencies and non-profits that provide culturally-competent financial literacy training, homebuyer assistance, and other housing-related activities with their efforts to obtain funding from foundations, businesses and other sources. (Lead Partners: OCD and City of Beaverton)

Aspirational Strategies

1. Determine how county/city departments provide for translation services, when needed, and the languages available. City of Beaverton to inquire about availability of this information for City.

2. Inventory languages other than English spoken/read by staff and level of fluency. City of Beaverton to inquire about availability of this information for City.

3. Develop list of key housing-related documents available in translation and the associated languages in which they are available. City of Beaverton to inquire about availability of this information for City.

4. Develop an overview of the composition of key appointed and elected bodies by race, ethnicity, gender and disability status of the members of appointed commissions and committees and the languages other than English spoken by these members. City of Beaverton to inquire about availability of this information for City.

Overcoming Disability-Related Barriers

Actions

- 1. Develop, promulgate and maintain a database of rental housing units with accessibility features. (Primary Partner: Metro Multifamily; Lead Partners: City of Beaverton, Unlimited Choices)*
- 2. Support efforts to amend state Landlord Tenant statutes to hold harmless those landlords who offer a unit with accessible features to the next waiting list applicant needing those features instead of the next applicant. (Lead Partners: OCD, City of Beaverton)*
- 3. Support efforts to amend state Landlord Tenant statutes pertaining to the owner's ability to require tenants to escrow funds to restore a unit back to its original, "preadaptation" condition if the tenant-made adaptations do not result in a decrease in the value of the property or the rental income from the unit. (Lead Partners: OCD, City of Beaverton)*
- 4. Request waiver from HUD to permit use of CDBG funds for making accessibility improvements to homes of disabled, low-income households and individuals without having to certify the incomes of other households in the apartment complex who are not receiving assistance. (Lead Partners: OCD, City of Beaverton)*

Aspirational Strategies

- 1. Create a certification and listing program of rental and owner-occupied homes with specified levels of physical accessibility, like the program in Rogue Valley. City of Beaverton is also interested in the possibility of creating a pilot program for Beaverton, and will coordinate its efforts with the DAVs Housing Committee.*

Data Collection and Analysis

Actions

- 1. Collect and analyze data from existing property inspections programs to better understand the scope and nature of substandard housing problems, so that jurisdictions can develop potential new innovations to address the problems. (Lead Partner: City of Beaverton)*

Appendix D: Recommended Amendments to City Housing Policies

City of Beaverton Comprehensive Plan Housing Element Goals, Policies, and Actions

4.2.1.1 Goal: Maximize use of buildable residential land in the City.

Policies:

a) Increase residential capacity in the City to substantially comply with requirements of Title 1 of the Metro Urban Growth Management Functional Plan.

Action 1: *Adopt and apply a Development Code provision to require that net residential development density occur at a minimum of 80% of the maximum density a zone allows for.*

Action 2: *Adopt and apply a new zoning designation allowing for a minimum lot size of 4,000 square feet per dwelling unit.*

Action 3: *Consider adopting and applying land use regulations allowing increased density where low impact development techniques and habitat friendly development practices are applied.*

b) To the extent practical, ease the review process and standards for higher density residential projects.

Action 1: *Amend the City's flexible setback provisions to allow more flexibility in residential design alternatives.*

Action 2: *Consider adopting a two track development review process for higher density development projects proposed outside of established neighborhoods, whereby projects that meet clear and objective design and development standards can be approved administratively. Alternatively, projects whose developers would propose to vary from the standards would be subject to a public hearing process.*

4.2.2.1 Goal: Provide an adequate variety of quality housing types to serve Beaverton's citizenry

Policies:

a) Allow development of a wide variety of housing types in the City.

Action 1: *Work in partnership with the Washington County Housing Authority to preserve its portfolio of federally assisted housing at rent levels affordable to extremely and very low-income households.*

Action 2: *Determine if Development Code restrictions exist that might impede the development of co-housing, halfway houses, or other innovative and needed housing types and, where evident, make amendments to eliminate or reduce those restrictions.*

Action 3: *Provide information about accessible design practices to housing developers to help ensure that new housing is accessible to people with physical and mobility limitations, including aging residents.*

b) Actively support development of housing types that meet the needs and preferences of Beaverton residents as established in housing needs analyses and other housing studies prepared by or for the City.

Action 1: *Assign staff time to tracking emerging housing types.*

Action 2: *Associate findings from housing needs analyses with emerging housing types.*

Action 3: *Compile educational resources for the City, non-profit and for-profit developers, home buyers, and renters about emerging housing types, and determine how best to tailor and share these resources with each of these audiences.*

Action 4: Research best practices from around the region, state, and country regarding development code and building code provisions needed to implement emerging housing types.

Action 5: Identify strategic opportunities to review and adopt development code provisions for needed and emerging housing types.

b) Maintain the quality and safety of existing Beaverton housing stock.

Action 1: Investigate the possibility of establishing a Housing Code Enforcement Program to insure that various housing quality and safety standards are met in order assure that low income renters are provided with decent living conditions.

4.2.3.1 Goal: Promote the retention of existing affordable housing stock in the City.

Policies:

a) Support low-income homeowners with housing rehabilitation needs through continued funding and administration of the Citywide Housing Rehabilitation Loan Program. Target this support in neighborhoods with relatively lower housing condition ratings and higher concentrations of low-income households.

b) Continue to devote funding through the City's CDBG and HOME Programs to local non-profit agencies in order to aid in the rehabilitation of existing long-term affordable housing in the City.

c) Provide continued CDBG funding support to local non-profit service providers so that they may continue to supply needed living and service assistance to low income homeowners and renters.

d) Work in partnership with TVHP, the Bridge Housing Corporation, Community Partners for Affordable Housing, the Housing Development Corporation, and Habitat for Humanity to preserve housing that is affordable to households at or below 60% of the MFI.

e) Assure the long term affordability of City funded housing projects.

Action: 1 Review CDBG and HOME program requirements that relate to housing assistance and where necessary, establish long term affordability requirements, standards, and guidelines.

4.2.3.2 Goal: Promote the production of new affordable housing units in the City.

Policies:

a) Inform Beaverton's residents, property owners, and business owners of the need for additional affordable housing within the City.

Action 1: Continue participation in statewide efforts to fund affordable housing programs.

Action 2: Conduct outreach to local media to raise public awareness of affordable housing needs and build public support for such programs.

Action 3: Continue to support and participate in efforts being undertaken by other groups to develop affordable housing in and around Beaverton (e.g., the Washington County Vision Action Network, the Inter-religious Action Network, and the Housing Advocacy Group).

b) Partner with and assist local non-profit developers (including TVHP, the Bridge Housing Corporation, Community Partners for Affordable Housing, the Housing Development Corporation, and Habitat for Humanity) in supplying additional affordable units throughout the City for "at risk" populations including those at or below 60% of the MFI.

Action 1: Assign the responsibility of coordinating and responding to inquiries about the development review process that involve the development of affordable housing to a specific staff member.

Action 2: Whenever possible, assist developers of affordable housing in the development application and review process by providing a single staff contact to assist with application processing.

Action 3: Whenever possible, assign a priority status in the development review and permitting process to applications where affordable housing is being proposed so that application processing time may be reduced.

Action 4: Assist housing developers in determining market demand for low income, elderly and special needs housing in the City and identify specific buildable parcels for affordable housing to serve these populations.

Action 5: Consider comments received from developers of affordable, senior and disabled housing when considering amendments to the City's Development Code in order to minimize impediments to such projects.

Action 6: Consider refining and clarifying criteria for approving alternative parking requirements to reduce the cost of providing parking for affordable housing projects.

Action 7: Establish a revolving loan program to assist affordable housing developers with system development charges, development review and permit fees.

Action 8: In the interest of leveraging the fund raising capacity of the City's non-profit housing developers, dedicate funding to the Washington County Community Housing Fund. Dedication of funding will be contingent upon establishment by fund trustees of award criteria that would result in allocation of a reasonable proportion of that fund to projects located within or near the City.

Action 9: Establish criteria that qualify affordable housing development proposals for property tax abatements.

c) Continue to devote funding through the City's CDBG/HOME Program to local non-profit housing development agencies in order to aid in the development and maintenance of new long-term affordable housing in the City.

Action 1: Establish a land banking program utilizing the City's CDBG/HOME entitlement to acquire and make available to developers land for the purpose of increasing the City's inventory of affordable housing units.

Action 2: Explore the idea of establishing a program using City funds to leverage employer efforts to secure affordable housing for their lower-income employees.

Action 3: Explore establishing a Community Land Trust that would acquire and hold land for affordable housing projects in Beaverton or Washington County as a whole.

d) Pursue sources of revenue to be directed toward increasing the City's inventory of affordable housing units.

Action 1: Support efforts to establish a real estate transfer tax or fee with revenues dedicated to assisting in the provision of affordable housing.

e) Continue to comply or substantially comply with Metro Urban Growth Management Functional Plan (UGMFP) provisions that pertain to affordable housing.

Action 1: Annually monitor the progress of efforts to increase the supply of affordable housing in Beaverton, and report the findings to Metro as specified by relevant provisions of the UGMFP.

f) Continue over time to explore various tools and strategies that may serve to encourage the development of affordable housing in Beaverton.

Action 1: Consider implementing a density bonus or density credit program that focuses on achieving the City's affordable housing goals.

Action 2: Consider future implementation of a residential demolition delay policy targeted for residentially zoned properties where redevelopment of the property could result in the loss of affordable units.

Action 3: Explore implementing a voluntary inclusionary housing program to be used in combination with various affordable housing incentives.

Action 4: *Adopt and apply regulations allowing and encouraging low impact development techniques and habitat friendly development practices to facilitate integration of natural resources into affordable housing projects.*