

CHAPTER 4 - HOUSING

EXHIBIT 2

What is this chapter about?

STATEWIDE PLANNING GOAL 10 (HOUSING)

Cities and counties are required to “provide for the housing needs of the citizens of the state”, and their Comprehensive Plans must include, at a minimum, the following items:

- An inventory of buildable lands for residential use, and an assessment of the ability of those lands to meet the current and future housing needs;
- A comparison of the distribution of residents’ incomes and available housing units by cost;
- A determination of vacancy rates and expected housing demand at varying cost levels; and
- Allowances for a variety of densities and housing unit types

The primary focus of this chapter is to provide an assessment of the city's current and future housing needs across a spectrum of housing types, cost levels, and housing tenure (owner vs. renter). Goals and policies are established to help the city meet the housing needs of current and future residents in a manner consistent with the Comprehensive Plan's major themes - livability, equity, sustainability, and resiliency. More detailed analysis, with supporting background and documentation, is included in Volume II of the Comprehensive Plan (Background and Supporting Documents).

Context

How Will Beaverton Meet its Future Housing Needs?

By 2035, Beaverton is projected to add 11,000 new households (approximately 18,000 more residents), an increase of more than 25% of the city's 2015 housing supply. However, undeveloped residential land has nearly disappeared in the city, and Beaverton already has an identified mismatch between existing housing supply and housing demand, most notably for very low and moderate income renters and high income homeowners. Meanwhile, only 13% of jobs within the city are held by Beaverton residents, which points to an imbalance between the city's housing supply and the needs/preferences of its workforce. Improving the city's jobs-housing balance is important as it has the potential to reduce commute times for local residents and demand on the city's transportation infrastructure.

The city's demographics are expected to continue to change over the next 20 years, with an increasing number of ethnic minorities, smaller households (including millennials and empty nest baby boomers), and low income households. Accommodating this growth requires new policies, strategies and solutions.

Beaverton has a valuable asset in its established single family residential neighborhoods, which will continue to attract families drawn to the city's excellent schools, plentiful parks, and diverse local economy. At the same time, areas such as Central Beaverton and the Sunset Transit Center area have the potential to attract new residents looking for a more urban lifestyle, including proximity to transit, employment centers, and amenities such as restaurants and shopping.

HOUSING AFFORDABILITY

The U.S. Department of Housing and Urban Development (HUD) considers a household cost burdened if it is spending more than 30% of its gross income on housing costs. The discussion of supply and demand in this chapter is based on the city's current income profile, and the assumption that households should not be spending more than 30% of their income on housing costs.

Affordable housing is also a major concern for Beaverton's future, as the city's housing market has experienced significant increases in home prices and rental costs since the end of the 2008-2009 Recession. As of 2013, nearly half of all renter households in Beaverton were considered housing cost burdened, while the availability of affordable housing was the most frequently mentioned topic in the city's 2014 Housing Survey.

Seniors in the community have been vocal about their desire to age in place, either in their existing homes or within or near their neighborhoods, but have been impacted by rising housing costs and property taxes and existing housing types that might not meet their future needs. Minorities and lower-income households that have historically settled in central cities have begun to move to first tier suburbs¹ such as Beaverton in increasing numbers, which has impacted the city's poverty rate and income profile. Increased poverty is more than just a housing issue, and will result in an increased demand for lower-cost housing options with proximity to transit, social services, educational opportunities and living wage jobs. Given anticipated demographic trends, it is imperative to provide fair and equitable housing opportunities to Beaverton residents.

Major Themes of the Comprehensive Plan

As the city plans for its future housing needs, it does so with an increased emphasis on four major themes - livability, equity, sustainability, and resiliency. These themes are defined in the Introduction and intended to guide updates to the Comprehensive Plan by focusing on priorities established through the community visioning process that link the policies included in this and other chapters to clearly-held public values. As a largely built-out first tier suburb, accommodating projected growth over the next 20 years will be increasingly challenging, requiring a framework and vision that recognize the city's limited supply of vacant land, potential redevelopment opportunities, multimodal transportation system (including pedestrian, bicycle, transit, and freight), valued natural resources, and rapidly changing demographics.

Chapter Format

The Housing Element is organized into five sections, each with a discussion of issues and a central goal. Each goal is followed by a series of policies intended to help Beaverton meet its housing needs in a manner that illustrates the city's commitment to livability, equity, sustainability, and resiliency.

¹ First tier suburbs are defined as communities that developed on the borders of central cities in the early to mid-20th Century and are now experiencing demographic and economic conditions similar to those previously experienced by the central city.

BEAVERTON'S VISION FOR HOUSING

“Beaverton has become one of the most livable communities in the nation, thanks to a cutting edge civic plan, a range of housing options and a commitment to sustainability”

Beaverton Community Vision, Enhance Livability Mini-Vision Statement

Construction of Summer Falls, one of Beaverton's newest subdivisions



4.1 Housing Supply

As of 2015, Beaverton has just under 41,000 housing units and a vacancy rate of under 4%, suggesting housing demands of the current population are being met. However, the 2015 Housing Strategies Report identified a significant mismatch between the city's current housing supply and the current housing needs of its residents. In general, there is an unmet demand for additional ownership units at a range of price points and housing types. The city's current unmet housing needs are especially pronounced for very low income renter households and high income homeowner households.

The city's Buildable Lands Inventory (BLI) estimates future housing supply within city boundaries and Beaverton's Urban Service Boundary (USB). The BLI shows the city has capacity for just under 10,700 new housing units through 2035 with the majority (63%) comprised of multi-family units. Based on projected housing demand over the 20-year planning period, there is a large surplus of land available for multi-family residential, but a large deficit of vacant land zoned for detached single family and medium density attached units (townhomes, duplexes, triplexes, etc.).

Approximately 15% of the housing demand in the city over the next 20 years is projected to be from households with annual incomes below \$25,000 per year (in 2015 dollars), which will increase the demand for lower-cost housing options in the future. Nearly 20% of growth is expected to come from households with annual incomes above \$150,000. Meanwhile, the unincorporated areas outside of the city but within its USB show a large surplus of land that has capacity to accommodate detached single family residential development and a moderate surplus of land for medium density attached units over the next 20 years.

Given the lack of vacant single family residential land and the relative abundance of vacant and re-developable mixed-use land, it is not surprising that there is excess capacity for multi-family residential units, but a large deficit in capacity for detached single family and medium density attached units in the estimated 20-year land supply. The policies under Goal 4.1.1 have been developed to ensure that Beaverton is able to provide current and future residents with the housing supply needed to accommodate projected growth and housing trends.

Attached single family homes in the Progress Ridge neighborhood



Goal 4.1.1 Provide an adequate supply of housing to meet future needs

Policies:

- a) Use available land within the city efficiently, encouraging new residential development to take advantage of allowed maximum densities where appropriate
- b) Support higher density infill development that capitalizes on existing infrastructure and where impacts can be mitigated
- c) Encourage high density residential development on mixed use and commercially zoned sites with proximity to transit and amenities with the objective of creating 18-hour neighborhoods
- d) Develop a Housing Implementation Plan that is updated regularly based on market conditions and trends
- e) Develop programs or strategies to improve Beaverton's jobs-housing balance, thereby reducing impacts on transportation infrastructure and the environment
- f) Strive to meet the city's future housing demand within city limits, while coordinating with Washington County and Metro to assess future housing needs at a larger geographic scale, especially for detached single family units
- g) Support UGB expansions and city boundary changes that consider the city's unique geopolitical boundaries and the availability of city and other urban services to help meet the city's identified housing needs
- h) Provide an efficient, consistent, and reliable development review process
- i) Work with regional partners to develop measures that reduce upfront housing development costs



45 Central, a recent housing development which provides a mix of compact single family homes and condominiums



4.2 Housing Type

The city's 2015 Housing Strategies Report identified a number of trends based on current housing demand and anticipated demographic changes, including:

- A continued significant need for affordable housing for the City's lowest income residents, particularly for rental housing.
- A need for more housing options at the upper end of the price range for higher-income households in the city, which can include both detached single family residences on larger lots as well as upscale townhomes and condominiums.
- High demand for owner-occupied housing in the \$250,000-\$390,000 price range (in 2015 dollars).
- A need for programs and services to assist seniors who want to age in place in their current homes or neighborhoods.
- A need for lower cost, larger rental housing units for larger immigrant and other households that cannot afford larger ownership housing.
- Increased need for rental units and smaller single-family homes for baby boomers and millennials, particularly in areas that provide a more urban lifestyle with easy access to shopping, transit, restaurants and other services and amenities such as bike lanes and pedestrian paths.

In addition, a number of housing types have begun to gain popularity in the metropolitan region over the last several decades as the population has aged, demographics and household composition have changed, vacant land has become less abundant, and housing affordability has become a major issue. These include single level homes, garden apartments, accessory dwelling units, cluster housing, tiny lots, skinny houses, tiny houses, cohousing/communal living, pocket neighborhoods and container homes. There is also increased interest in energy efficient and low impact housing options.

The Housing Strategies Report identified the city's needs for a variety of housing types for all income ranges, both for the current population and to accommodate projected growth over the next 20 years. The policies under Goal 4.2.1 build upon those listed under Goal 4.1.1 and are intended to meet the diverse housing needs of Beaverton's current and future residents in a manner that is

consistent with the Comprehensive Plan's major themes – livability, equity, sustainability, and resiliency.

Goal 4.2.1 Provide a variety of housing types that meet the needs and preferences of residents

Policies:

- a) Ensure that sufficient land is appropriately zoned to meet a full range of housing needs, including an adequate amount of detached single family housing to meet projected demand
- b) Develop partnerships and programs and dedicate funding to expand ownership opportunities across income ranges, including the preservation of the city's supply of moderately priced single family homes
- c) Identify and research emerging housing types and regularly consider appropriate updates to the Development Code to allow for their development
- d) Incentivize the development of housing types that are needed but not currently being provided in adequate numbers by market forces, such as single level detached homes and larger multifamily rental units
- e) Support older residents' ability to age in place through targeted investments that make existing housing more age-friendly and accessible and contribute to neighborhood stabilization
- f) Encourage the development of a variety of housing types within planned unit developments and other large projects, which can serve to improve the aesthetic character of the neighborhood and provide housing choices for different income levels

Detached single family homes in the Churchill Forest Neighborhood



4.3 Housing in the Central City

Beaverton has a variety of vibrant residential neighborhoods. Generally speaking, the older and more affordable single family neighborhoods are located within the central areas just south of the Central City (shown in Figure 2), while newer and higher cost single family housing is found in the northwest, northeast, and southern areas of the city. Most multi-family residential units are found within high density residential and mixed use zones in the Central City, light rail station areas, and along arterial streets, with medium density units (townhomes, duplexes, etc.) scattered throughout the city.

The Civic Plan placed a major emphasis on stimulating development in the Central City and stabilizing the neighborhoods in and around Central Beaverton through housing rehabilitation and renovation programs. The city's BLI shows the potential for nearly 2,000 new units in the Central Beaverton area over the next 20 years, with much of it achieved through redevelopment. Increased residential development in the central core would provide much needed housing supply while also contributing to the city's desire to create an 18-hour neighborhood with opportunities for a more urban lifestyle. A critical mass of residents in this area will attract more services and amenities to the area, consistent with the Beaverton Community Vision's goal to "Create a Vibrant Downtown". Additional housing options for a range of income levels in Central Beaverton will help to ensure that equitable housing opportunities are available for current and future residents.

The Central City's mixed use zones have the ability to attract residents looking for easy access to transit, employment, restaurants, and other amenities and the capacity to accommodate a large portion of Beaverton's anticipated residential growth. Surrounding single family neighborhoods have a large supply of moderately priced homes that can meet the future housing needs of young and increasingly diverse families. The policies under Goal 4.3.1 are intended to capitalize on the assets of Central Beaverton and surrounding neighborhoods and to stimulate residential development and revitalization in these areas, while recognizing the potential displacement of existing residents.

CENTRAL CITY STRATEGY

The Civic Plan's Central City Strategy called for a variety of housing options that would attract newcomers and residents from other neighborhoods and help support new restaurants and businesses in the city's central core.

The Central City generally refers to the areas between Hocken Road on the west, Highway 217 on the east, 5th Street to the south, and The Round and Central Transit Center to the north. The area south of Canyon Road, while Downtown refers to the transit oriented areas just north of Canyon Road

Goal 4.3.1: Increase the supply of housing in Central Beaverton and close-in neighborhoods

Policies:

- a) Make targeted improvements to public infrastructure and facilities in Central Beaverton and other close-in neighborhoods to stimulate private investment and housing construction attractive to urban residents
- b) Stimulate the development of housing in Central Beaverton through tools such as capital investment, vertical housing incentives, tax exemptions, public/private partnerships, land acquisition, and disposition
- c) Inform and educate residents about programs that provide increased home ownership opportunities for low and moderate income households
- d) Provide funding that supports improvements to lower-cost housing in older, close-in neighborhoods, with a primary focus on health, safety, energy efficiency, resiliency, and other sustainable improvements
- e) Develop programs to address the potential displacement risks that can be associated with new development and redevelopment

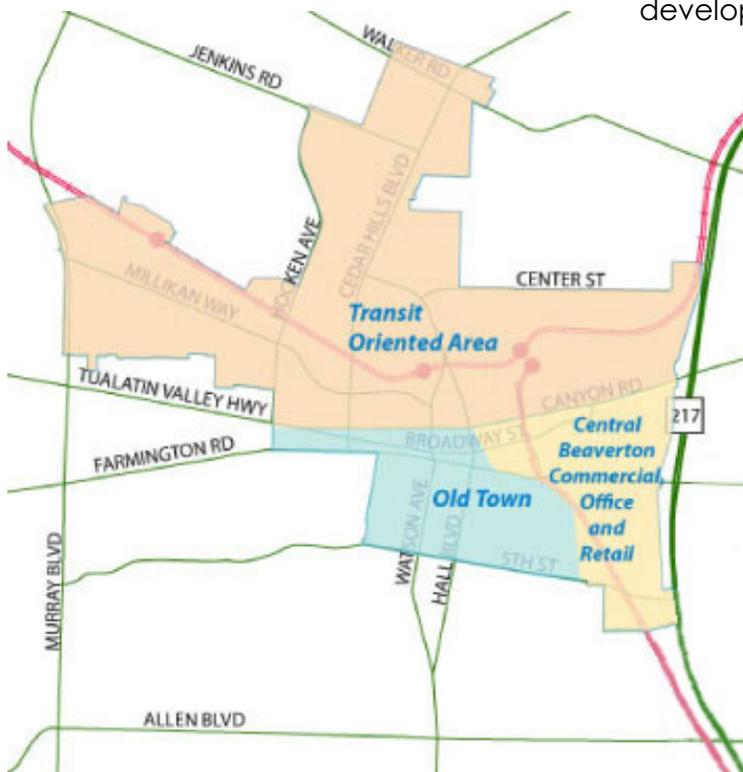


Figure 2: Districts of Central Beaverton
 Planning Commission Public Hearing Draft
 December 9, 2015

AFFIRMATIVELY FURTHERING FAIR HOUSING

The United States Fair Housing Act requires cities that receive HUD funding to affirmatively further fair housing by “taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”

4.4 Fair and Affordable Housing

Housing affordability in Beaverton has become a growing problem over the last few decades, and has been identified as an important issue by city residents. The 2014 Beaverton Housing Survey asked city residents to identify Beaverton’s most pressing housing needs in the future. Of the nearly 600 responses to this open-ended question, 22% were related to affordable housing, which was nearly 2½ times more responses than any other housing topic. Responses indicated affordable housing is an especially important issue for Beaverton’s older residents.

HUD defines households as cost burdened if they are spending more than 30% of their income towards housing costs, including utilities. There is a strong correlation between household income and housing affordability, with nearly 95% of households in Beaverton making less than \$20,000 considered cost burdened, while only 8% of households making more than \$75,000 are cost burdened. Across all income groups, 49% of renter households in Beaverton are cost burdened.

Homelessness is also an emerging and important issue in Beaverton. Based on the federal definition of homelessness from the McKinney-Vento Homeless Education Assistance Act- which includes individuals or families in “doubled up” living situations” - the Beaverton School District (BSD) led the state in the number of homeless students in 2014-2015 for the sixth year in a row, with 1,380 homeless students, or about 3.5% of total enrollment.

While a large majority of these students are in doubled up housing situations, as opposed to living on the streets or in transitional housing, the inability of their families to afford their own homes is another indicator of the community’s need for more affordable housing options. Although BSD’s service area is approximately twice as large as the city’s boundaries, this data also far exceeds Washington County’s 2015 Point in Time Homeless County, which identified 42 homeless households in the Beaverton North and Beaverton South areas. Accurate counts of the homeless population are also notoriously difficult, as nearly 75% of the 568 homeless households counted by Washington County did not include information on where the household typically stayed.

The city recognizes that combatting poverty and homelessness is more than a housing issue, and will require additional programs and collaboration with other organizations to improve access to health care, reliable transportation options, educational and job training opportunities, and living wage jobs.

Fair housing refers to housing that does not discriminate on the basis of race or color, national origin, religion, sex, disability, or familial status. The City of Beaverton values the concepts of equal opportunity and fairness for all of its residents. Accordingly, these principles are central to the city's housing policy, as well as the city's Community Vision and the Diversity, Equity, and Inclusion Plan. In 2012, the City of Beaverton participated in a multi-jurisdictional consortium with the City of Hillsboro and Washington County in the preparation of a county-wide Analysis of Impediments and Fair Housing Plan. This document identified a series of patterns and practices that either conflicted with the Fair Housing Act or created a disparate impact resulting in a violation of the Fair Housing Act. Since that time, the city has worked to develop measures and strategies in its Consolidated Plan and other city plans to address and remedy these conflicts.

Beaverton has a clearly identified need for affordable housing across several income groups. The most pressing needs are for households making less than \$25,000 per year, although housing costs are also becoming increasingly unaffordable for more moderate income households that are above the poverty level but below the region's median income.

As a first tier suburb that is projected to add a large number of lower income households in the next 20 years, encouraging and supporting the provision of affordable housing will become increasingly important to the city's future housing needs. The policies under Goal 4.4.1 address: retention of Beaverton's current supply of affordable housing; potential impacts stemming from displacement of existing residents caused by new development; and the city's commitment to equity. Policies are further intended to expand the city's future affordable housing supply in a manner consistent with the major themes of the Comprehensive Plan – livability, equity, sustainability, and resiliency.

**The Barcelona, a 47
unit affordable housing
development in Old Town
Beaverton**



Continuum of Care

The Continuum of Care concept is a federal program designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

Source: United States Department of Housing and Urban Development (HUD)

Goal 4.4.1: Encourage the development and preservation of fair and affordable housing

Policies:

- a) Obtain local, state, and federal financial resources and incentives that support the development and preservation of affordable units, including within market-rate developments that include income-restricted affordable units
- b) Explore and promote programs and incentives that help support the creation of new affordable housing
- c) Continue to work with the Washington County HOME Consortium to identify impediments to fair housing and develop strategies to address them
- d) Exhibit a commitment to equity by encouraging the dispersal of affordable and special needs housing throughout the city, while recognizing the need for proximity to transit and social services
- e) Continue to partner with Washington County and non-profit organizations to meet the need for subsidized housing for people in the lowest income groups and those with disabilities and other special housing needs
- f) Consider new finance tools for the development of affordable housing
- g) Support regional efforts to combat homelessness and provide a Continuum of Care, including housing, medical and social services, and job training
- h) Support emergency and transitional housing options such as homeless shelters, while shifting long term efforts to more permanent housing options, including emerging housing types such as tiny homes and micro housing communities
- i) Coordinate with the Beaverton School District and social service providers to identify the needs of homeless students, their families, and others experiencing homelessness
- j) Provide housing program materials and outreach in a number of different languages, in recognition of Beaverton's diverse population

A conceptual rendering shows some of the attributes that will make South Cooper Mountain one of the most livable communities in the metropolitan region



- k) Focus economic development efforts on industries that provide wages that allow employees to afford to live in Beaverton or nearby areas, thereby improving the city's jobs-housing balance
- l) Evaluate and address the potential impacts of new development on the loss of unregulated affordable housing units
- m) Explore the development of expedited development review processes and fee waivers for new affordable housing developments

4.5 Livability and Neighborhood Character

The Comprehensive Plan Introduction defines livability as “the sum of factors contributing to a complete community’s quality of life”, factors which apply to both the built and natural environments. As it relates to housing, livability is a major determinant of where people choose to live. While no two Beaverton residents may have the same ideas of what comprises a livable community, visioning has shown that residents value a number of common characteristics that led them to live in Beaverton. Among these desirable traits are safe streets and neighborhoods; a variety of housing choices; nearby shops and commercial services; easily accessible quality parks and schools; abundant natural resources and trails; quality design; and opportunities to walk and bike.

At the local level, livability is about building community, strengthening neighborhoods, and creating a sense of place. Beaverton is a city of strong and vibrant neighborhoods, each one unique, but also bound together in a way that makes Beaverton the livable community that it is. In order for Beaverton to continue to be an attractive and desirable place to live, it is important that neighborhood strengths be maintained and protected, while opportunities to enhance livability are capitalized upon.

From established single family neighborhoods to its urbanizing Central City, Beaverton has identified a vision for growth that can continue to make Beaverton a quality community. As Beaverton continues to grow over the next several decades, opportunities exist to improve upon the already high quality of life and livability that exist in the city.

Recent years have seen housing development in Beaverton that, while consistent with regional efforts to focus future population growth within the existing urban growth boundary and protect natural resources, have resulted in an increase in density and traffic that some residents see as a threat to their quality of life and the livability of Beaverton. The policies under Goal 4.5.1 have

been developed in recognition of the changes that are likely to continue to occur in Beaverton as it grows over the next 20 years, while seeking to maintain and enhance the characteristics that make Beaverton a highly desirable community to live in.

Goal 4.5.1: Ensure that Beaverton continues to be one of the most livable communities in the region

Policies:

- a) Encourage quality design throughout the city that acknowledges neighborhood character, provides safe and direct connections for pedestrians and bicyclists to a variety of destinations, and integrates open space, natural resources and scenic view corridors
- b) Provide support to local neighborhood associations for programs that encourage neighborhood pride such as clean up days, block parties, community gardens, and other special events
- c) Work with neighborhood associations to improve resiliency by preparing residents for potential natural disasters and economic uncertainty
- d) Engage the community in a continuing dialogue about the city's anticipated population growth, limited land supply, and current housing trends
- e) Address the potential impacts of densification, including increased traffic and noise, on established neighborhoods
- f) Provide flexible development standards for projects that exceed the minimum requirements for natural resource protection, open space and public gathering places, and energy efficiency
- g) Work with regional partners to improve bicycle and pedestrian access to nearby parks, schools, and neighborhood services and provide increased opportunities for healthy active living
- h) Encourage a compact mix of uses at the neighborhood level that increase the number of local jobs and services, and reduce impacts to the city's transportation system
- i) Provide adequate opportunities for residents to be involved in decisions affecting their neighborhoods
- j) Review and reconsider minimum parking standards for new multiple family development.

Local residents rake leaves in their neighborhood as part of Visioning Clean Up Day

