



HOUSING PRODUCTION STRATEGY

June 2023

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OVERVIEW

The Housing Production Strategy (HPS) includes a set of tools, strategies, and actions the City of Beaverton can take to promote the creation of housing that meets community members' needs. The HPS is second phase of the Housing Beaverton Project; in the first phase, the city conducted a Housing Needs Analysis (HNA) to understand current and future housing needs in Beaverton expected over the next 20 years. The HPS identifies specific tools (policies, programs, development regulations, financial incentives, etc.) that the city will implement to meet those identified needs. The state requires the city to complete an HNA and HPS every six years.



The Housing Beaverton Project used an equity-centered approach to understand housing needs beyond affordability alone, especially for those groups that have been historically underrepresented in housing and land use conversations. The project aimed to understand the housing needs of all residents based on diverse lived experiences and living situations to inform what actions are needed to address their housing needs.

BEAVERTON'S HOUSING NEEDS

The Beaverton community faces an increasingly wide range of housing needs and growing challenges in meeting those needs. Below is a brief summary of key findings from the HNA conducted for the 2022 to 2042 period (Appendix B), as well as the Contextualized Housing Needs assessment prepared as part of the HPS process (Appendix C). Those analyses emphasize equitable outcomes for the community's current and future residents and recognize that some communities face bigger challenges to meeting their housing needs—especially low-income households, communities of color, seniors, people with disabilities, and people experiencing homelessness.

Beaverton's population is projected to grow by more than 19,000 people by 2042. This translates to a **need for nearly 9,900 new housing units** – on average, 495 new housing units per year.

More middle housing and a smaller share of single-detached homes are anticipated to be needed. The forecast calls for increased development of “middle housing” types—including single-attached housing (townhomes), duplexes, triplexes, and fourplexes—that are projected to account for more than one-third of new units.





**1/3 of new needed units
are middle housing**

The housing forecast includes a shift toward more ownership units.

To achieve greater homeownership equity going forward, a greater share of the projected new units is forecasted to be ownership units (53%), and fewer to be rental units (47%). This reflects a shift from the current 50/50 split of rental vs. ownership housing.

Homeownership costs increased significantly in Beaverton, consistent with national trends.

Median sales prices for homes in Beaverton nearly doubled between 2015 and 2022, from about \$260,000 to \$518,500. The bulk of housing supply on the current for-sale market is likely too expensive for most of Beaverton's households (nearly two-thirds).

More than one-third of Beaverton's households have housing affordability problems. Thirty-five percent of Beaverton's households are cost-burdened (i.e., paid more than 30% of their income on rent or homeownership costs). Renters are more likely to be cost-burdened (46% of renters). In fact, an estimated 21% of renters are spending 50% or more of their income on housing and are considered severely rent-burdened.



**Nearly half of renters
are cost burdened**

Comparing housing needs with buildable land in Beaverton, the HNA found there is **sufficient land to accommodate projected housing needs. However, this does not mean that the market will deliver the housing that is needed by Beaverton's residents.** As summarized below, lower-income households, people of color, seniors, people with disabilities, immigrants and refugees will all need interventions in the housing market to meet the identified housing needs.



Credit: Sightline



Credit: City of Beaverton

Housing Needs of Priority Populations

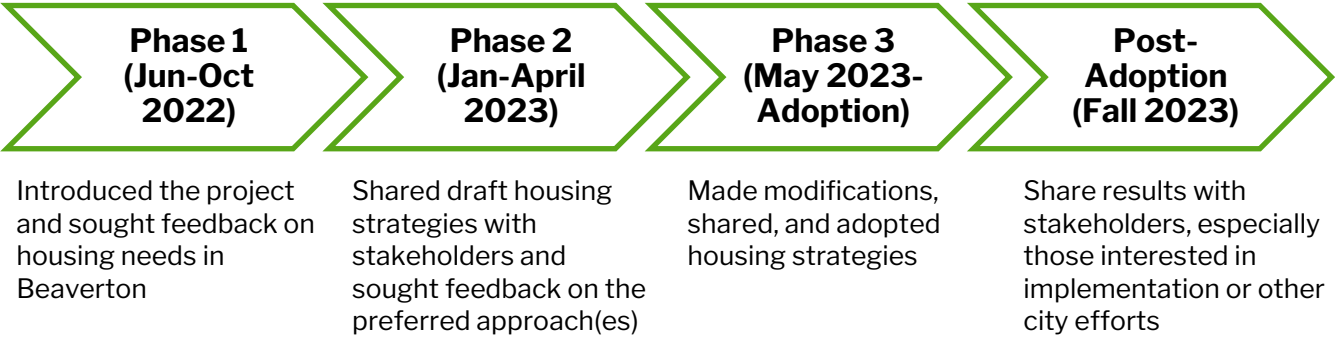
Beaverton's future housing need is not evenly distributed among the diverse and growing population in the city. The Contextualized Housing Needs memo identifies specific needs of “priority populations”—those facing historic and ongoing disadvantages, especially those impacted by limited housing choice and racism. The housing needs of these populations are briefly summarized below. See Appendix C for details.

	Scale of Need	Meeting Future Need
Low Income Households (<80% AMI)	3,153 new units (32% of total need)	New subsidized housing; older apartments and manufactured housing
People of Color	Black, Indigenous, and People of Color (BIPOC) population forecast to increase from 38% to 45% in 2042	Increased access to homeownership; multigenerational housing; access to affordable housing options
People with a Disability	1,190 new units (12% of total need)	Housing with access for wheelchairs and other devices; housing near services and amenities
Seniors (>55 years)	Senior population is the fastest growing age group (30% today)	Increased access to smaller units; accessible housing units; co-housing communities; assisted living
People Experiencing Homelessness	Estimated 653 individuals and families as of 2020	Transitional housing options and wrap-around support services; deeply affordable housing; safe shelter options
Immigrants and Refugees	Unknown	Programs administered through culturally-specific organizations; undocumented immigrants may not qualify for federally subsidized housing



ENGAGEMENT SUMMARY

At every stage of the Housing Beaverton Project, the public had an opportunity to provide ideas and feedback to the city. Public engagement was split into three phases, each with a different engagement goal:



Engagement Methods Included



Interviews with community members and stakeholders. City staff conducted interviews with community members (e.g., youth, seniors, people with disabilities, and veterans) to understand their housing needs. Consultant team members also discussed potential housing strategies with housing producers and developers and other housing stakeholders.



Meetings with city Advisory Boards, Committees, and Groups. Staff attended numerous group meetings to provide project updates and solicit feedback. Groups included: Beaverton Committee for Community Involvement (BCCI); Housing Technical Advisory Group (HTAG), Beaverton Committee on Aging (BCOA), and Urban Renewal Advisory Committee (URAC).



Multicultural Engagement. With the support of community partners and organizations, staff engaged with diverse community members, including people of color, immigrants, refugees, English language learners, non-binary people, renters, low-income persons, people with disabilities, and people who have experienced homelessness. The city's partnership with Unite Oregon through the Inclusive Housing Cohort was instrumental in this effort.



Survey and community event. A community event was held on October 19, 2022, and used Poll Everywhere, an online engagement tool, to get feedback in real-time to supplement the discussion. Live interpretation in Spanish and translated presentation materials were provided.



Tabling and other outreach. City staff attended a variety of community events to seek further public input and provided regular project updates via the project website, emails to interested parties, city publications, and newsletters.

A summary of all engagement activities and themes heard from community members is provided in Appendix I, Engagement Summary.



Credit: City of Beaverton

Beaverton Inclusive Housing Cohort

STRATEGIES AND ACTIONS

The Housing Production Strategy identifies strategies and actions the City of Beaverton and community partners can take to promote housing development that meets the current and future housing needs of the community, with a focus on more equitable and affordable housing options for a wider range of incomes, needs, and preferences. Each of the strategies is guided by racial diversity and inclusion concepts informed by a robust community engagement and participation process.

Strategies are organized into the following five categories, based on the type of action each one entails:

- 1. Zoning and Code Changes**
- 2. Reducing Regulatory Impediments**
- 3. Financial Resources**
- 4. Tax Exemption and Abatement**
- 5. Land, Acquisition, Lease, and Partnerships**

The summary of each housing strategy includes the following information:

- **Description** – What is the strategy? How can the strategy work to address identified housing needs in Beaverton? What are potential outcomes?
- **Housing Need Met** – What income levels or specific populations are served by the strategy?¹ [Note: While all strategies aimed at increasing housing affordability will also tend to benefit communities of color, strategies that are more specifically aimed at benefitting these communities are called out in this report.]
- **Magnitude of Impact** – What is the anticipated impact of the strategy in terms of producing new units?
- **Time Frame** – When does the city expect the action to be adopted and implemented? Strategies are identified as Near Term (1-2 years), Medium Term (within 3-5 years), and Longer Term (>5 years) actions.
- **Actions Needed to Implement** – What actions will the city and other stakeholders need to take to implement the strategy?

More detailed information about each strategy and necessary implementation steps—including the targeted housing tenure and details about the anticipated magnitude and timing of impact—is provided in Appendix F, Evaluation of Housing Strategies and Actions.

¹ Income levels are expressed as a percentage of the Area Median Income (AMI).

List of Housing Strategies

Below is the list of housing strategies organized by anticipated time frame for implementation. Inclusion of all of these strategies and exact time frame assumes the city has existing resources for carrying out these strategies. Housing policy decisions with fiscal implications or that require significant staff capacity to complete should be made in context of the city's fiscal sustainability plan and other city priorities.

Near-term strategies (1-2 years)

- 2.3. Remove minimum off-street vehicle parking requirements
- 5.2. Increase engagement with community groups
- 1.5. Mixed housing types in urban growth boundary expansion area
- 3.1. Housing Development Fund
- 3.2. Construction Excise Tax (CET)

Medium-term strategies (3-5 years)

- 1.2. Increase development flexibility and capacity in multi-dwelling and multiple-use districts
- 2.5. Align bike parking requirements with actual use
- 2.7. Advocate for condominium law reform to enable more homeownership opportunities
- 4.1. Multiple Unit Property Tax Exemption (MUPTE).
- 1.1. Broaden allowances for safe, overnight sheltering options for unhoused residents
- 1.3. Facilitate Single Room Occupancy (SRO) housing in more areas
- 1.7. Encourage housing that serves multigenerational households through incentives and removing code barriers
- 2.4. Flexible regulatory concessions for affordable housing
- 1.4. Apply manufactured housing community preservation zones
- 1.6. Accessible design incentives or mandates
- 5.1. Public/private partnerships for affordable homeownership
- 1.8. Analyze impact of short-term rentals on overall housing supply and create regulations

Longer term strategies (6+ years)

- 2.1. Permit-ready plan sets for middle housing types
- 2.2. Facilitate and encourage accessory dwelling units
- 2.6. Holistic planning to distribute new density more equitably

The strategy descriptions below include only **Near-term** and **Medium-term** strategies. Appendix F includes longer-term strategies that the City may consider implementing beyond Fiscal Year (FY) 2028.



CATEGORY 1. Zoning and Code Changes

The following strategies are intended to modify the Beaverton Development Code to proactively encourage needed housing development and/or ensure housing goals are met. These strategies are generally geared toward adding flexibility for housing or encouraging housing production through code incentives.

1.1 Broaden allowances for safe, overnight sheltering options for unhoused residents

Description

This strategy will allow individual living units, such as sleeping pods, Conestoga Hut micro-shelters, or other types of shelters. This strategy is intended to remove barriers to providing shelter for people experiencing homelessness and provide alternative options to typical congregate shelters.

Because individual shelter units are not permanent housing and will not fully meet people's needs, this strategy is intended to add to the spectrum of shelter/housing options but is not a long-term housing solution.

Actions Needed to Implement: Development Code updates.

Housing Need Met

- **Populations served:**
People experiencing homelessness
- **Income level:**
0-30% AMI

Magnitude of Impact

Low

Time Frame

Medium term (FY25 or 26)

1.2 Increase development flexibility and capacity in multi-dwelling and multiple-use districts

Description

Beaverton's Multi-Unit Residential (MR) and Multiple Use zones are intended for higher-density apartment and condominium development, yet they include provisions that can limit opportunities for such housing. The following Development Code updates are recommended to address these issues:

- Consider removing density limitations in the MR and Multiple Use zones.
- Consider applying floor-area ratio (FAR) limits to control the bulk and intensity of development. This would allow a building with more, smaller units to achieve the same built form as a building with fewer, larger units.
- Increase FAR limits in some Multiple Use zones.
- Remove the requirement for Planned Unit Development (PUD) review within the SC-S: Station Community Sunset District.

Actions Needed to Implement: Development Code updates.

Housing Need Met

- **Populations served:**
Moderate to higher income households (but could also benefit income-restricted multi-dwelling housing)
- **Income level:**
80% AMI and above

Magnitude of Impact

Low

Time Frame

Medium term (FY25 or 26)

1.3 Facilitate Single Room Occupancy (SRO) housing in more areas

Description

This type of housing includes multiple single-room dwelling units for individuals, often with shared kitchens and bathrooms outside the unit. SROs are typically aimed at those earning low or very low incomes.

“Micro housing” is a related type of housing, which is usually defined as having units under 400 SF that may or may not share kitchen facilities with other units on the same floor.

To facilitate development of these lower-cost housing types, the following Development Code updates are recommended:

- Add definitions for SRO and micro housing.
- Add SROs and micro housing to the land use tables and allow them where multi-dwelling housing is permitted.
- Consider prorating density calculations so each SRO/micro housing unit counts as a fraction of a typical dwelling unit (e.g., four SRO units count as a single unit).

Actions Needed to Implement: Development Code updates.

Housing Need Met

- **Populations served:**
Primarily lower-income households, including extremely low income; housing insecure or people experiencing homelessness; seniors
- **Income level:**
Focus on 0-80% AMI

Magnitude of Impact

Low

Time Frame

Medium term (FY25 or 26)

1.4 Apply manufactured housing community preservation zones

Description

This strategy would change the zoning of existing manufactured home parks (also known as manufactured housing communities) to a single-use zone that only allows manufactured home parks.

Manufactured home parks tend to fulfill housing needs at lower income levels for both owners and renters and often represent some of the lowest-cost home ownership opportunities in a community. Manufactured housing currently accounts for 1% of Beaverton’s housing stock and is expected to account for more than 4% of the 20-year projected housing need.²

Manufactured home parks and their occupants face risks of displacement as rising land costs put pressure on park owners to sell their property for redevelopment. Establishing zones that designate areas specifically for manufactured home parks is a direct action that the city can take to help prevent these properties from being redeveloped, limit displacement of residents, and preserve existing low-cost housing stock.

Actions Needed to Implement: Adopt Comprehensive Plan map and Zoning map amendments; Adopt Development Code updates.

Housing Need Met

- **Populations served:**
Low income households; seniors
- **Income level:**
0-80% AMI

Magnitude of Impact

Moderate

Time Frame

Medium term (FY25 or 26)

² Beaverton Housing Needs Analysis, 2022.

1.5 Mixed housing types in urban growth boundary expansion areas

Description

This strategy will ensure there are mixed housing types in urban growth boundary (UGB) expansion areas through both clear and objective standards and discretionary processes.

Requiring some housing variety, rather than just allowing various housing types and leaving the mix entirely up to market forces, ensures a range of housing types will be provided in a given area—including middle housing (plexes, townhomes, and cottage clusters). This can meet the housing needs of a wider variety of people and contribute to the creation of inclusive neighborhoods.

The City of Beaverton is currently working to ensure that development within the Cooper Mountain Community Plan area (added to the UGB in 2018) includes a variety of housing types. In addition to a minimum mix of housing types, the city is proposing to require a minimum amount of middle housing in the Residential Mixed (CM-RM) zone, and to require integration of middle housing within all neighborhoods in that zone.

Actions Needed to Implement: Complete and adopt the Cooper Mountain Community Plan; Adopt Development Code and Comprehensive Plan/Zoning map updates.

Housing Need Met

- **Populations served:**
Moderate to higher income households
- **Income level:**
80% AMI and above

Magnitude of Impact

Moderate to high

Time Frame

Near term (FY24)



1.6 Accessible design incentives or mandates

Description

This strategy involves incentives or mandates to increase development of housing that is accessible for seniors and people with disabilities or mobility challenges.

Potential incentives could include:

- Bonuses for height, density, lot size, or floor area ratio.
- Tax abatements (see Strategy 4.1).

Potential requirements could include:

- Requiring visitability in middle housing development—this would ensure anyone using a wheelchair can visit the subject homes.
- Requiring housing that receives public funding to provide more accessible units or more accessibility features than required under federal standards.
- Requiring elevators in some or all multi-story buildings.

Further evaluation and outreach are recommended to assess the feasibility and potential effectiveness of these options and to ensure that they do not create barriers to production of needed housing.

Actions Needed to Implement: Regulatory incentives and/or requirements would require Development Code updates. For tax abatements, see Strategy 4.1.

Housing Need Met

- **Populations served:**
Seniors; people with disabilities
- **Income level:**
All income levels

Magnitude of Impact

Moderate

Time Frame

Medium term (FY25 or 26)



1.7 Encourage housing that serves multigenerational households through incentives and removing code barriers

Description

This strategy would encourage various opportunities for multigenerational living by removing barriers in the code and by providing financial or regulatory incentives.

The Beaverton HNA reports a growing demand for multigenerational living opportunities, estimating that 17% of new households over the next 20 years will be multigenerational. The HNA also notes that, nationwide, communities of color (especially Asian, Black, and Latine) live in multigenerational households at roughly twice the rate as White Americans (24-26% vs. 13%).

The city could encourage multigenerational housing in several ways:

- Height/FAR bonus for multiple bedrooms to help offset the financial impact of providing larger units in a development.
- Financial incentive for multiple bedrooms (e.g., MUPTC tax abatement, see Strategy 4.1).
- Allow an ADU with a townhouse.

The Evaluation of Housing Strategies and Actions (Appendix F) also considers a longer-term strategy of legalizing alternative housing types on wheels (e.g., tiny homes on wheels).

Actions Needed to Implement: Development Code updates; see Strategy 4.1 for MUPTC actions.

Housing Need Met

- **Populations served:**
Multigenerational households; large families; seniors; communities of color
- **Income level:**
All income levels

Magnitude of Impact

Low

Time Frame

Medium term (FY25 or 26)

1.8 Analyze impact of short-term rentals on overall housing supply and create regulations

Description

Short-term rentals are homes or bedrooms rented out for short periods of time, typically via online platforms such as Airbnb. They can be an investment strategy for homeowners but can also remove longer-term rental housing from the market.

Beaverton should evaluate the extent to which short-term rentals are a concern for the community. This should involve: (1) assessing how many short-term rentals currently exist, and (2) tracking new rentals using a permitting system (which could involve a licensing fee). This would provide information about the number and type of short-term rental units in the city, which could be used to evaluate whether further regulation is necessary.

Actions Needed to Implement: Inventory current short-term rentals; Establish a permit tracking program; If needed, adopt regulations via Development Code updates.

Housing Need Met

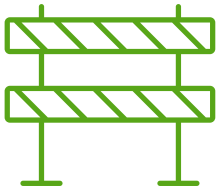
- **Populations served:**
Moderate to higher income households
- **Income level:**
80% AMI and above

Magnitude of Impact

Low

Time Frame

Medium term (FY28)



CATEGORY 2. Reduce Regulatory Impediments

These strategies address known impediments to providing needed housing. These include but are not limited to zoning, permitting, and infrastructure impediments.

2.1 Permit-ready plan sets for middle housing types

This is identified as a longer-term strategy. Refer to Appendix F for more information.

2.2 Facilitate and encourage accessory dwelling units (ADUs)

This is identified as a longer-term strategy. Refer to Appendix F, as well as the in-depth analysis memo prepared by ECONorthwest (Appendix H), for more information.

2.3 Remove minimum off-street vehicle parking requirements

Description

The city plans to remove minimum vehicle parking citywide as part of implementation of new state rules on Climate Friendly and Equitable Communities (CFEC).

Parking mandates are often cited as a major barrier for market-rate multi-dwelling and regulated affordable housing.

Actions Needed to Implement:

Development Code updates.

Housing Need Met

- **Populations served:**
Especially beneficial to low to moderate income households
- **Income level:**
All income levels – especially 30-120% AMI

Magnitude of Impact: High

Time Frame: Near term (FY23)

2.4 Flexible regulatory concessions for affordable housing

Description

This strategy involves allowing additional height or bonus floor area ratio (FAR) for affordable housing. Such bonuses would allow affordable developers to make more efficient use of land and potentially better compete for land with market-rate developers.

Note: Senate Bill 8 (2021 session) already requires cities to allow affordable housing that meets specific criteria on a wide range of sites and provides height and density bonuses. This should be a factor in the city's analysis of potential new local bonuses—although it does not appear that a local FAR bonus would be affected by the statutory requirements.

Actions Needed to Implement: Development Code updates.

Housing Need Met

- **Populations served:**
Low income households
- **Income level:**
0-80% AMI

Magnitude of Impact

Low to moderate

Time Frame

Medium term (FY25 or 26)



Credit: City of Beaverton



Credit: City of Beaverton

Affordable housing developments in Beaverton

2.5 Align bike parking requirements with actual use

Description

Excessive parking requirements can add unnecessary costs to development. This is especially true for vehicle parking, but bicycle parking requirements can also make housing more expensive to build. The city has heard anecdotally that the standards are high and that parking spaces are not always utilized.

The city's bicycle parking requirements will eventually be updated in a future Transportation System Plan (TSP) and Development Code update to comply with CFEC requirements.

In the meantime, the city should evaluate existing bicycle parking requirements and usage to help right-size the requirements—especially for multi-dwelling housing. The city could conduct a survey of actual bicycle parking usage in multi-dwelling structures to understand whether the reality reflects the perception.

Actions Needed to Implement: Conduct a survey of bicycle usage; Adopt Development Code updates.

Housing Need Met

- **Populations served:**
Low to higher income households
- **Income level:**
30% AMI and above

Magnitude of Impact

Low

Time Frame

Near term (FY24/25)

2.6 Holistic planning to distribute new density more equitably

This is identified as a longer-term strategy. Refer to Appendix F for more information.

2.7 Advocate for condominium law reform to enable more homeownership opportunities

Description

Condominiums (condos) offer homeownership opportunities that are smaller, sometimes less expensive than single-detached dwellings, and often located in areas with better access to transit and other services. However, new condo construction in the Portland-metro area has been very low in recent years, due to a range of factors, including market factors, lending practices, and construction costs.

An important additional impediment to condo development is the risk associated with the current condominium law. Oregon's construction defect liability (CDL) laws are more restrictive than in other states, leading developers to see condos as a riskier development type than rental apartments. A revamp of Oregon's CDL law is needed to address this issue, which would require action at the state level.

Actions Needed to Implement: Advocate for legislation to reform CDL laws and encourage condo development.

Housing Need Met

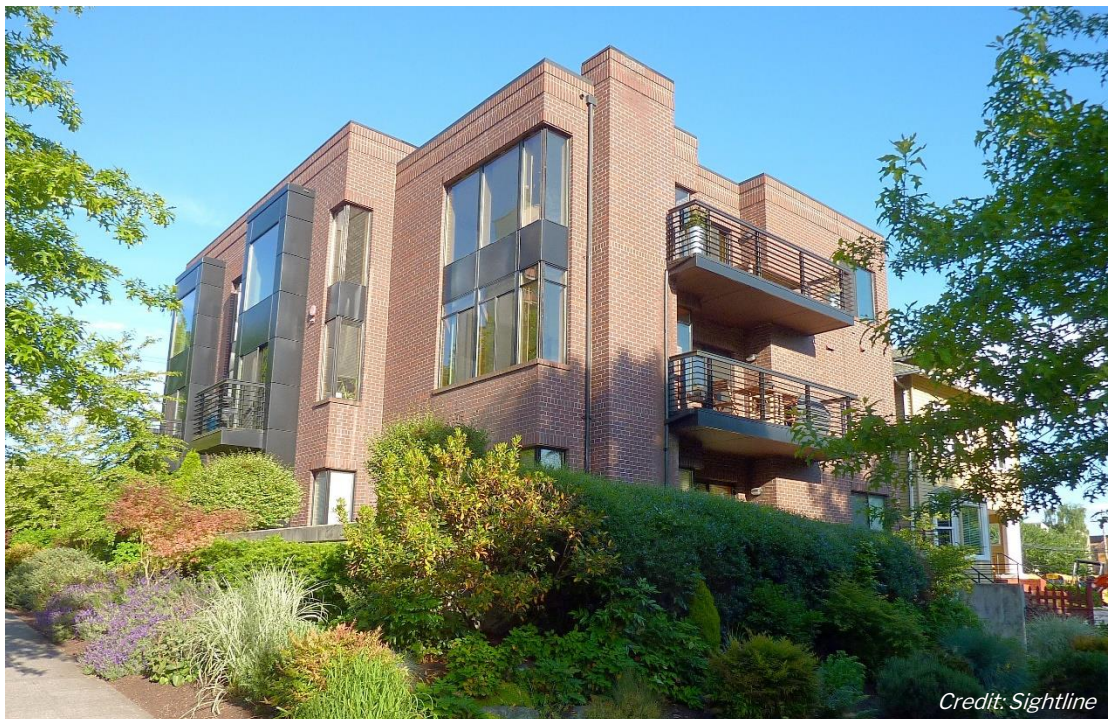
- **Populations served:** Moderate to higher income households; first-time homebuyers; seniors; smaller households
- **Income level:** 80% AMI and above

Magnitude of Impact

Low

Time Frame

Medium term (FY25); continued advocacy over longer term





CATEGORY 3. Financial Resources

Potential new revenue sources could be used to support affordable housing development. Several of the other recommended housing strategies are dependent on new funding sources.

3.1 Housing Development Fund

Description

Housing Development Funds (or “housing trust funds”) are a public sector tool used to direct financial resources to support a variety of affordable housing activities. *Housing Development Funds are not revenue sources themselves, but rather are tools for consolidating revenue, planning for how the funds are spent, and directing them to housing programs.*

A Construction Excise Tax could be a potential revenue source (see Strategy 3.2). Other sources could include the city’s general fund, Beaverton Urban Redevelopment Agency (BURA) funds, state grant funding, and/or programmatic fees associated with affordable housing development.

Actions Needed to Implement: Identify a potential funding source (or sources); Identify priorities for how funds will be spent; Continuously fund a Housing Development Fund.

Housing Need Met

- **Populations served:**
Low income households
- **Income level:**
0-80% AMI

Magnitude of Impact

Depends on funds raised or contributed

Time Frame

Near term (FY24)

3.2 Construction Excise Tax (CET)

Description

CET is a one-time tax on construction projects and is a potential funding source for affordable housing. Cities and counties may levy a CET on residential construction for up to 1% of the project’s permit value; or on commercial and industrial construction, with no cap on the rate of the CET.

The allowed uses for CET funding are defined by state statute³ and can include support for a variety of housing-related projects and programs. For example, some cities have used CET to pay for gap financing of new affordable development, backfilling System Development Charge waivers, acquisition of properties for affordable housing preservation, and down payment assistance for first-time homebuyers.

Housing Need Met

- **Populations served:**
Low income households
- **Income level:**
0-80% AMI

Magnitude of Impact

High

Time Frame

Near term (FY24)

³ Oregon Revised Statutes 320.192-195. Refer to Appendix G: CET Analysis Memo for a summary of ORS requirements.

An in-depth analysis prepared by ECONorthwest looked at potential CET revenues based on historical permit data in Beaverton between 2013-2022 (see Appendix G). Estimated potential revenues are as follows:

- **Residential CET:** Between \$280,000 per year on average with a low (0.3%) rate, and \$935,000 per year on average with a high (1%) rate.
- **Commercial/Industrial:** Between \$260,000 per year on average with a low rate (0.3%) and over \$1.75 million per year on average with a high rate (2%).

Based on these rough estimates, a CET could generate meaningful revenue for various housing initiatives in Beaverton, even if certain types of development are exempted from the tax.

In terms of a CET's impact on development subject to the tax, ECONorthwest found that a CET would have a relatively modest effect on the cost of development for single-detached housing and townhomes, whereas it could have more of an impact on multi-dwelling and commercial development. However, with affordable housing exempt and the ability to tailor other local exemptions (e.g., ADUs, multi-dwellings, units under a certain size, etc.), the city could mitigate impacts on housing types that are more sensitive to development costs.

Actions Needed to Implement: Further evaluate a potential CET and different rates and approaches; Conduct outreach to stakeholders; Adopt CET by ordinance or resolution.





CATEGORY 4. Tax Exemption and Abatement

These are tax exemption and abatement programs that are intended to encourage developers to produce specific types of housing.

4.1 Multiple Unit Property Tax Exemption (MUPTE)

Description

MUPTE can be used to incent multi-dwelling or middle housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption for 10 years (or longer, for housing subject to affordability agreements).

An in-depth analysis prepared by ECONorthwest (Appendix H) examined the following potential uses of MUPTE in Beaverton:

1. As an incentive for new middle housing or multifamily housing within specific areas of the city that offer **particular features that align with specific housing needs** that are not being fully met by the market today:
 - Accessible or visitable units
 - Family-size or multigenerational units
2. As an incentive for mixed-income development, resulting in a voluntary inclusionary housing program
3. As an incentive to for-profit property owners to rehabilitate and stabilize existing low-cost market-rate housing

Actions Needed to Implement: Further evaluate the MUPTE program options listed above; Conduct outreach to stakeholders; Determine desired eligibility criteria; Seek support from overlapping tax districts; Establish the program via resolution or ordinance.

Housing Need Met

- **Populations served:**
Could be structured to serve people with disabilities, multigenerational households, and/or lower income households
- **Income level:**
60% AMI and above

Magnitude of Impact

Moderate

Time Frame

Near term (FY25)



Credit: City of Beaverton



CATEGORY 5. Land, Acquisition, Lease, and Partnerships

These are strategies that secure land for needed housing, unlock the value of land for housing, and/or create partnerships that will catalyze housing developments.

5.1 Public/private partnerships for affordable homeownership

Description

This strategy involves partnerships with nonprofit agencies to help increase the stock of affordable homeownership options. The city could partner with a community land trust (CLT), Habitat for Humanity, or similar organizations to provide support for their affordable homeownership efforts in a variety of ways:

- Acquire land and/or donate city-owned land;
- Provide grants or low-interest loans for specific development or rehabilitation projects;
- Provide direct funding; and/or
- Leverage federal, state, and regional resources.

Actions Needed to Implement: Work with nonprofit organizations to discuss opportunities in Beaverton; Pursue partnership activities that best support the organization; Potentially provide on-going support through development/rehabilitation grants, homeownership grants/loans, donation of city-owned land, and/or an annual funding set-aside.

Housing Need Met

- **Populations served:**
Low to moderate-income households
- **Income level:**
60-120% AMI

Magnitude of Impact

Moderate

Time Frame

Medium term (FY25 or 26)



5.2 Increase engagement with community groups

Description

This strategy calls for increasing engagement with community members and organizations to educate and empower historically underrepresented communities to participate in city programs and projects, build relationships, increase community capacity, advance equity in housing projects/programs, and ensure accountability.

One approach is to establish ongoing engagement programs based on the successes of the Beaverton Organizing & Leadership Development (BOLD) and Inclusive Housing Cohort programs, previously supported by a partnership with Unite Oregon.

This would require ongoing funding for community engagement and participation, such as compensating participants for their time.

Actions Needed to Implement: Advocate for resources (staffing and budget) to dedicate to ongoing engagement.

Housing Need Met

- **Populations served:**
All income levels, with focus on low-income, renters, people of color, and other marginalized communities
- **Income level:**
All incomes

Magnitude of Impact

Low

Time Frame

Near term (FY23/24)



ACHIEVING FAIR AND EQUITABLE HOUSING OUTCOMES

Following is a summary of how the housing strategies included in this report will help achieve fair and equitable housing outcomes. OAR 660-008 requires an evaluation of all strategies in the HPS for achieving the types of outcomes identified below. In addition, the City of Beaverton is already carrying out a range housing measures that support fair and equitable outcomes, as summarized in Appendix D, Summary of Existing Housing Measures and Appendix E, Existing Measures and Gaps Memo.

Affordable Homeownership and Affordable Rental Housing

Many of the strategies included in the HPS support production of affordable rental housing and the opportunity for wealth creation via homeownership—especially for low- and moderate-income households that have been disproportionately impacted by past housing policies. In particular, communities of color have historically been excluded from homeownership by racist policies and practices. Prioritizing affordable home ownership can begin to address these patterns of exclusion. Also, by benefitting low-income households more broadly, these strategies are anticipated to benefit populations with lower median household incomes than Beaverton as a whole—including certain racial and ethnic groups.

Strategies that address these needs (in addition to the city’s existing measures) include:

- 1.3 Facilitate Single Room Occupancy (SRO) housing in more areas
- 1.4 Apply manufactured housing community preservation zones
- 2.4 Flexible regulatory concessions for affordable housing
- 2.7 Advocate for condominium law reform to enable more homeownership opportunities
- 3.1 Housing Development Fund
- 3.2 Construction Excise Tax (CET)
- 4.1 Multiple Unit Property Tax Exemption (MUPTE)
- 5.1 Public/private partnerships for affordable homeownership

The city can help ensure equitable outcomes for priority populations through its implementation of these affordable housing strategies. For example, the City can prioritize benefits for communities of color by:

- › Partnering with culturally specific organizations or other organizations that tend to work with certain groups (e.g., faith-based organizations)
- › Targeting programs to certain geographies with higher proportions of people of color (e.g., tax abatements within certain neighborhoods)
- › Using equitable engagement strategies to reach diverse communities
- › Potentially incorporating eligibility/ preference policies for housing. (An example is Portland’s Right to Return policy, which prioritized those displaced from historically Black neighborhoods.)

Additional measures will be necessary to meet the needs of undocumented immigrants, refugees, and the farmworker community. The City should consider ways to assist these households in navigating housing and financial systems, including through new and expanded partnerships with culturally specific organizations, as well as ongoing engagement, as described in Strategy 5.2.

Gentrification, Displacement, and Housing Stability

Many of the actions included in the HPS increase housing stability for residents and mitigate the impacts of gentrification and displacement. These include strategies that promote development of affordable rental and ownership housing listed above. When targeted to areas that are experiencing gentrification—or at risk of gentrifying—those strategies can help counteract potential displacement. This can be especially effective when the city proactively acquires land in areas where property values are rapidly rising; this is something the city has been doing through the Beaverton Urban Redevelopment Agency (BURA) and through reuse of publicly-owned land for affordable housing, as described in Appendix D.

Strategies that preserve existing low-cost housing will also prevent displacement. Beaverton has identified Strategy 1.4, *Apply manufactured housing community preservation zones*, as a means of preserving some of the city's lowest-cost ownership housing. Beaverton also implements a variety of existing housing measures that support housing stability for low-income residents and help prevent displacement—including emergency rent and eviction prevention assistance, home repair services, and partnerships to stabilize existing multi-dwelling rental housing.

The Evaluation of Housing Strategies and Actions (Appendix F) identifies two strategies that have the potential to increase chances of displacement through redevelopment: Strategy 1.2 *Increase development flexibility and capacity in multi-dwelling and multiple-use districts*, and Strategy 2.6 *Holistic planning to distribute new density more equitably*. These strategies can benefit priority populations by supporting development of affordable housing, or more attainable housing types, in areas of higher opportunity and access to services. However, as part of implementing strategies that upzone properties or increase allowed densities, the City will need to assess potential displacement risks and ensure that these strategies are paired with the anti-displacement strategies listed above, which should be specifically targeted to the residents affected by zoning changes.

Housing Options for Residents Experiencing Homelessness

Strategies that are aimed at addressing homelessness or intended to reduce the risk of households becoming homeless (especially those with incomes below 30% of AMI) include the following:

- 1.1 Broaden allowances for safe, overnight sheltering options for unhoused residents
- Other strategies that promote development and preservation of affordable rental and ownership housing (see above) – in particular, Strategies 1.3, *Facilitate Single Room Occupancy (SRO) housing in more areas*, and 1.4, *Apply manufactured housing community preservation zones*.

Strategy 1.1 is intended to benefit people experiencing homelessness by enabling more shelter opportunities and different options for those seeking alternatives to congregate shelters. While individual sleeping pods/shelters are not a long-term housing solution, and will not fully meet people's needs, this strategy will add to the spectrum of shelter/housing options. The city already implements a range of strategies to address homelessness, including partnering with organizations that provide services and shelter, establishing new shelters, and establishing the Safe Parking Program.

The city can also prioritize extremely low-income households who may be at risk of becoming homeless by targeting its affordable housing strategies to those populations. Supporting housing with deep affordability and wraparound services requires additional resources and partnerships with organizations that specialize in that form of housing. The city can make that a priority for HPS implementation.

Housing Choice

The following strategies are intended to facilitate access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes:

- 1.2 Increase development flexibility and capacity in multi-dwelling and multiple-use districts
- 1.5 Mixed housing types in urban growth boundary expansion areas
- 1.6 Accessible design incentives or mandates
- 1.7 Encourage housing that serves multigenerational households through incentives and removing code barriers
- 2.1 Permit-ready plan sets for middle housing types
- 2.2 Facilitate and encourage accessory dwelling units (ADUs)
- 2.6 Holistic planning to distribute new density more equitably
- 2.7 Advocate for condominium law reform to enable more homeownership opportunities
- Other strategies that promote development of affordable rental and ownership housing (see above).

Strategy 1.6 can increase housing choices for people with disabilities by either incentivizing or requiring new housing units to include accessibility features beyond minimum federal standards. A potential trade-off of accessibility mandates—especially for subsidized housing—is that could limit the number of units produced or prevent some projects from being developed. An important consideration for implementation. Strategy 4.1 (MUPTE) can also be structured to benefit housing that includes accessible or visitable units. Because MUPTE is so flexible, a challenge for the city will be balancing the various housing needs to determine what types or features are most appropriate to prioritize with this tool. This should be considered in the broader context of the HPS to ensure that the City's actions benefit all priority populations in equitable ways.

All strategies listed above that promote more attainable homeownership opportunities (middle housing, condos, mixed housing types) have the potential to benefit communities that have been disproportionately impacted by past housing policies, especially communities of color. In addition to income restricted ownership housing, these strategies encourage a broader range of housing choices that are more attainable for moderate-income households than typical single-detached housing. Increasing homeownership options is a priority for the HPS.

In addition, strategies such as 2.2, *Facilitate and encourage accessory dwelling units (ADUs)*, and 2.6, *Holistic planning to distribute new density more equitably*, are important strategies for increasing housing options in more parts of the city and serving a broader range of housing needs.

Location of Housing

Many of the HPS strategies encourage housing in compact, mixed-use neighborhoods, thereby encouraging reduced greenhouse gas emissions and opening up more opportunities to live in neighborhoods in close proximity to needed services and amenities. These strategies include:

- 1.2 Increase development flexibility and capacity in multi-dwelling and multiple-use districts
- 1.3 Facilitate Single Room Occupancy (SRO) housing in more areas
- 2.3 Remove minimum off-street vehicle parking requirements
- 2.4 Flexible regulatory concessions for affordable housing
- 2.6 Holistic planning to distribute new density more equitably
- 4.1 Multiple Unit Property Tax Exemption (MUPTE)

Adopting the code changes recommended in these strategies will create additional allowances for higher density housing in residential and mixed-use areas that are located near transit and that are within walking distance of a variety of businesses, services, and other amenities. This is a particular benefit to low-income households and people with disabilities, who are less likely to own a car may rely on transit and other modes to get around. The MUPTE program (Strategy 2.6) can also be targeted to amenity- and service-rich parts of the city where residents would most benefit from close proximity.

Fair Housing

Several of the strategies further Fair Housing goals by addressing disparities in housing needs and housing access, and by creating housing opportunities in racially and ethnically concentrated areas of poverty. Strategies that further Fair Housing goals include:

- Strategies that encourage affordable rental and homeownership housing, increase housing stability, promote housing options for people experiencing homelessness, and increase housing choice are all part of supporting Fair Housing (see above).
- Strategy 5.2, Increase engagement with community groups, which calls for ongoing equitable engagement, with a focus on low-income households, renters, people of color, and other marginalized communities.

In addition, the City of Beaverton already implements a range of measures to further fair housing outcomes, including its Analysis of Impediments to Fair Housing Choice, providing fair housing education, and reducing barriers to affordable housing through screening processes.

Conclusion

Taken together, the policies and actions included in Beaverton's HPS are intended to work together to achieve equitable outcomes for all residents of Beaverton, with an emphasis on improving outcomes for underserved communities, lower-income households, and people in state and federal protected classes.

MONITORING PROGRESS

The City of Beaverton is required to monitor the implementation and progress of the strategies recommended in the HPS and to report on progress to DLCD three (3) years after adoption. That progress report must include:

- A summary of the actions already taken by the city to implement the strategies adopted in the HPS Report. If the city has not implemented housing strategies per the schedule adopted in the HPS report, the city must provide an explanation of the circumstances or factors that posed a barrier to implementation and a plan for addressing the identified need that the strategy addressed;
- A reflection of the relative efficacy of implemented housing strategies adopted in the HPS; and
- A reflection of the efficiency of the actions taken in response to the Fair and Equitable Housing Outcomes described previously in this report.

Beaverton proposes the following measures to monitor the progress and impact of the HPS implementation:

Permitted/Constructed Housing Units

- Monitor and track housing development applications and building permits by housing type, location/zone, density/lot size, and number of bedrooms. Use this information to estimate the potential change in the mix and range of different types of housing developed over time.
- Specific tracked housing types should include single-detached, townhouse, duplex, triplex, quadplex, cottage cluster, multi-dwelling, manufactured housing, accessory dwelling units, and mixed-use residential.
- Track the number of new regulated affordable housing units and loss of regulated affordable housing units.
 - If affordable housing developments take advantage of any regulatory or financial incentives, those should be noted.
- Track the number of regulated affordable housing units that Beaverton contributed funding to, including the sources of funding or tax exemption.
- Track the number of accessible housing units constructed and/or rehabilitated to enhance accessibility.
- If MUPTE is adopted, track:
 - Number of projects and units that qualify for the program.
 - How many units are affordable and at what level.
 - Unit mix (e.g., studio, 1BR, 2BR, etc.), market rents (if possible), and any other features / public benefits they provide as part of qualifying for the abatement.
- Identify successful partnership projects that resulted in housing production or housing stability for identified groups in the HPS; include number of units built, preserved, or rehabilitated and the number of people served by the partnership(s).

Construction Excise Tax – If CET is adopted:

- Track revenues received, how funding is allocated, and the outcomes achieved with CET funding.
- Track permitting activity relative to peer jurisdictions (e.g., Tigard, which already has a CET and Hillsboro, which does not). If there is a noticeable drop in permit activity in Beaverton that is not happening in nearby cities, that would be a potential reason to consider whether CET is contributing to the reduction (especially if the city implements a relatively high CET rate).

Programs, Partnerships, Adoption Actions

- Successful adoption of Code Amendments related to the strategies identified in the HPS.
- City Council Ordinances related to the HPS strategies (e.g., tax abatement, etc.).
- Achievement of annual city work plan items related to strategies in the HPS.

Outreach

- Documented coordination with property owners in efforts to produce needed housing identified in the HPS.
- Documented consultation with non-profit and market-rate housing developers, and other community stakeholders to seek input on how implemented HPS strategies are working.
- Summary of continued housing engagement efforts and resulting actions.

The ability to report the progress described above will depend on the ability to obtain and evaluate readily available data and information. Availability or lack thereof may necessitate refinements to monitoring approaches.

APPENDICES

- A. Acknowledgements**
- B. Housing Needs Analysis**
- C. Contextualized Housing Needs Memo**
- D. Summary of Existing Housing Measures**
- E. Existing Measures and Gaps Memo**
- F. Evaluation of Housing Strategies and Actions**
- G. CET Analysis Memo**
- H. MUPTE and ADU Analysis Memo**
- I. Engagement Summary**
- J. Pre-HPS Survey Submission (per ORS 456.586)**

APPENDIX A. ACKNOWLEDGEMENTS

Advisory Groups

Housing Technical Advisory Group (HTAG)

- Dorothy Chakos
- Ruby Graven
- Berenice Lopez-Dorsey
- Joe McCleary
- Lisa Mutchler
- Roseanna Ruiz
- Laura Shugart
- Maria Dolores Torres Diaz
- Krishnamurthy Woonnimani
- Joy Stevens
- Terry Wilson

Beaverton Inclusive Housing Cohort (BIHC)

- Alejandro Saucedo-Avila
- Ana Robleto
- Annali Fuentes
- Ashlee Agtuca
- Eugenie Adamah-Tassah
- Ferzon Gonzalez
- Gloria Keeth
- Lucia Ullauri
- Maria Dolores Torres
- Melinda Bell
- Muni Kalenandi
- Saray Flores

Beaverton Committee for Community Involvement (BCCI)

Officers:

- Bintu Foday Kemokai, Chair
- Ellen Russell, Vice-Chair
- Erik Lehr, Treasurer
- Jonathan Todd Kourlas, Recorder

Members:

- Andrew Aebi
- Steve Bruns
- Amanda Clark
- Frosty Comer
- Ramona Crocker
- Sharon Dunham
- Konnette Etheredge
- Bintu Foday Kemokai
- Anouksha Gardner
- Kirsten Goetz
- Qayssar Lami
- Terry Lawler
- Erik Lehr
- Jessica McBride
- Ellen Russell
- Rick Skayhan
- Kyle Stack
- David Stewart
- Deborah Stewart
- Bing Theobald
- Jonathan Todd Kourlas
- Linda Wheeler

City Council

- Lacey Beaty (Mayor)
- John Dugger
- Ashley Hartmeier-Prigg
- Nadia Hasan
- Edward Kimmi
- Kevin Teater
- Allison Tivnon

Planning Commission

- Jennifer Nye, Chair
- Chelsea McCann, Vice Chair
- Reena Akkal
- Sean Ellis
- Stacey Glenewinkel
- Terry Lawler
- Scott Winter

City Staff

- Jena Hughes, Associate Planner / Project Manager (Phase 2)
- Brittany Gada, Associate Planner / Project Manager (Phase 1)
- Javier Mena, Affordable Housing Manager
- Bianetth Valdez, Housing Program Coordinator
- Brian Martin, Long Range Planning Manager
- Anna Slatinsky, Planning Division Manager

Consulting Team

- Matt Hastie, MIG | APG
- Kate Rogers, MIG | APG
- Andrew Parish, MIG | APG
- Brendan Buckley, Johnson Economics
- Becky Hewitt, ECONorthwest
- Jade Aguilar, ECONorthwest
- Sam Tedford, ECONorthwest
- Mary Chase, ECONorthwest



APPENDIX B: HOUSING NEEDS ANALYSIS



Source: Sequoia Equities

CITY OF BEAVERTON, OR

HOUSING NEEDS ANALYSIS REPORT

May 2023

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon. This analysis was prepared by Johnson Economics with support from other Housing Beaverton team members at MIG|APG and ECONorthwest.

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INTRODUCTION

The Beaverton community faces an increasingly wide range of housing needs and increasing challenges in meeting them. Beaverton has one of the most ethnically diverse populations in the region and state and also offers a wide, and in many ways, balanced, range of housing choices, from typical individual homes on their own lots to large apartment complexes and everything in between.

While many types of housing exist in Beaverton, a large number of people have difficulty in finding the housing they need at a price they can afford. In addition, a wide variety of factors, including historic and continuing racist or other discriminatory practices, rapidly escalating home prices and rents, limited homes outfitted to promote accessibility, and a lack of homes that meet the needs of multi-generational or other large households create additional barriers for many people.

This document summarizes the results of the Beaverton Housing Needs Analysis (HNA) currently being conducted for the 2022 to 2042 period. The HNA is a component of the Housing Beaverton Project, a comprehensive study of housing needs, buildable lands, and potential policies and strategies to address current and future housing in the Beaverton community. This document summarizes key findings from the following components of the HNA and associated work:

- Methodology and Data Sources
- Equitable Housing Need Estimate (Current Housing Needs)
- Buildable Lands Inventory
- Projected Housing Needs
- Residential Land Need Comparison

These topics are described in greater detail in a series of more detailed reports and memoranda which are included as appendices to this summary. This analysis places a strong emphasis on equitable outcomes for the community's current and future residents.

METHODOLOGY AND POLICY FRAMEWORK

Cities in Oregon are required to periodically update their analyses of current and future housing needs. In the Portland Metro region, this is done every six (6) years. These analyses need to be consistent with state administrative rules and statutes. Key guiding rules include:

- **Population projections.** Cities in the Metro area rely on the Metro coordinated population forecasts to identify the number of projected people and households expected within the 20-year planning period.
- **Breakdown of housing needs.** Cities must identify the types and price ranges of needed housing. They also must estimate the amount of land needed for housing in each of the City's zoning designations.
- **Housing measures.** To the extent that a City finds that it does not have enough land to accommodate the types of housing identified in the HNA, it must describe how it will address those gaps.

In addition to addressing state requirements, the City of Beaverton has placed a strong emphasis on addressing the following issues related to current and future housing needs:

- **Equity and housing inequality.** The City of Beaverton and its community members and leaders have placed a strong focus on diversity, equity, and inclusion in its planning and other community initiatives over many years. The HNA continues this work by applying an equity lens to the housing analysis.

- **Housing need vs. housing demand.** This analysis recognizes that the housing market is more effective at meeting the demand for some types of housing and households than others. For example, there may be a demand for higher-priced housing for more affluent households in Beaverton. However, this analysis differentiates between essential housing “needs” and “wants or preferences,” particularly the wants or preferences of higher-income households who are easily able to meet their housing needs from a financial perspective.
- **Quantitative and qualitative data.** Certain types of demographic and housing information can be quantified. Other information is more qualitative in nature. This analysis includes both quantitative data (e.g., number of households in different demographic and income groups) and qualitative information (e.g., the self-identified needs of different groups in the community, based on their lived experiences).

In conducting this analysis, the project team reviewed and utilized a wide range of information sources, including but not limited to the following:

- Metro population forecasts
- US Census data, including Decennial data American Community Survey five-year estimates
- Real estate data such as RMLS, CoStar and similar data sources
- Washington County Leading with Race study
- Housing stakeholder interview results
- Community engagement activity findings

The methodology and framework for the analysis is described in more detail in Appendix A to this report.

EQUITY AND HOUSING INEQUALITY

As explained in the City’s Diversity, Equity, and Inclusion (DEI Plan), “the City of Beaverton uses race as a primary lens for our diversity, equity and inclusion work” while acknowledging that intersectionality will allow other marginalized identity groups to also enjoy benefits of increased equity in the community. The HNA continues this work by applying an equity lens to the housing analysis and by considering the following indicators of successful outcomes for “Housing and Livability” identified in the DEI Plan: Homelessness, Affordable housing, Homeownership, Anti-displacement, and Quality of housing and tenant protections.

The HNA work acknowledges the long history of racist land use and housing practices that have impacted disadvantaged populations in Beaverton over time. This includes both intentional and unintentional racist policies like exclusive zoning, mortgage subsidies or incentives, real estate practices like deed restrictions, and outright discrimination in appraisals and lending practices. The cumulative history of exclusion is still represented geographically in communities across the country. It can be seen where certain groups of people are over- or underrepresented, what types of housing are prevalent in those areas, and in income, racial, and ethnic segregation. Beaverton is far from alone in this legacy but acknowledges that the local impacts of this history are still present on the ground and should be addressed on a local level to the greatest extent possible.

RECENT POPULATION AND DEMOGRAPHIC TRENDS

Following are some key findings from the demographic analysis of Beaverton’s residents:

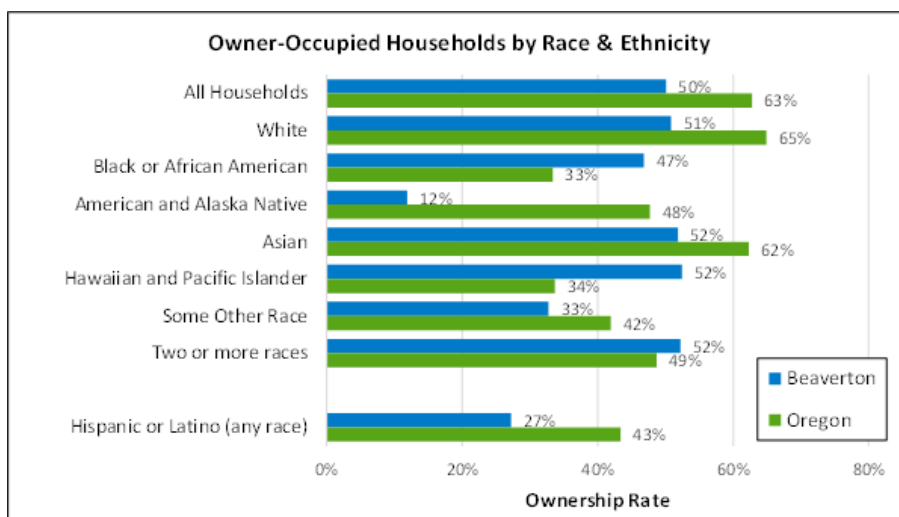
- **Beaverton’s growth is roughly on par with the County and State.** Since 2000, Beaverton has grown by roughly 23,200 people, or 31% in 22 years. In contrast, Washington County and the

state experienced population growth of 35% and 24% respectively over this period. (US Census)

- **Beaverton's housing growth has kept pace with its population growth, but not with job growth and overall demand.** The city added roughly 10,760 new housing units since 2000, representing 33% growth in the housing stock. This number of new units is slightly higher than the estimated growth in new households. However, there is a long-noted shortage of housing relative to job creation and general demand in Washington County. This shortage puts upward pressure on rents and prices as households compete for available units. The pace of development has been a major determinant of population and household growth.
- **Beaverton's population is aging.** People aged 55 years and older were the fastest growing age group in Beaverton between 2000 and 2020, consistent with state and national trends. Still, an estimated 86% of the population is under 65 years of age.
- **Beaverton is becoming more and more diverse.** Beaverton has greater racial and ethnic diversity than both Washington County and the state. The city is 62% white, with 38% Asian, Black, Indigenous, and other or multiple races (also referred to as BIPOC), and 18% Hispanic or Latine. The community grew more diverse between the 2000 and 2020 Census, with the White share of the population falling from 78.5% to 62%. See the accompanying chart for information about Beaverton's demographics and home ownership trends for specific groups.

These trends are expected to continue into 2042. The non-Hispanic white population is projected to continue to diminish in share of population from 62% to 55%, as other racial and ethnic groups are projected to grow at a higher rate.

The Latine population (which can include those of other racial categories) is forecast to grow to nearly one quarter of the population by 2042. Asian populations and those identifying as "two or more races" are also expected to grow at a faster rate than the white population.



Source: US Census, Johnson Economics
Census Tables: B25003A-H (2020 ACS 5-year)

- **Households of color tend to have larger than average household size.** For example, the average size of Hispanic and Latine households was 3.5 persons in 2010 (the most recent year with relevant data), while the average household size in Beaverton is 2.4 persons.
- **People with a disability account for an estimated 12% of Beaverton's population.** Older residents are more likely to report a disability, including nearly a third of those over 65 of years.
- **Most non-White racial and ethnic categories have a lower median household income than the overall median.** Beaverton's median household income was \$78,000 in 2020, meaning

that 50% of households make more than this and 50% earn less. Hispanic/Latine residents (of any race), Native Americans, and those of an uncategorized other race have a lower median income than other racial/ethnic categories.

CHARACTERISTICS OF THE HOUSING MARKET

Below are key findings from the profile of current housing stock and market indicators in Beaverton. This profile forms the foundation to which current and future housing needs are compared.

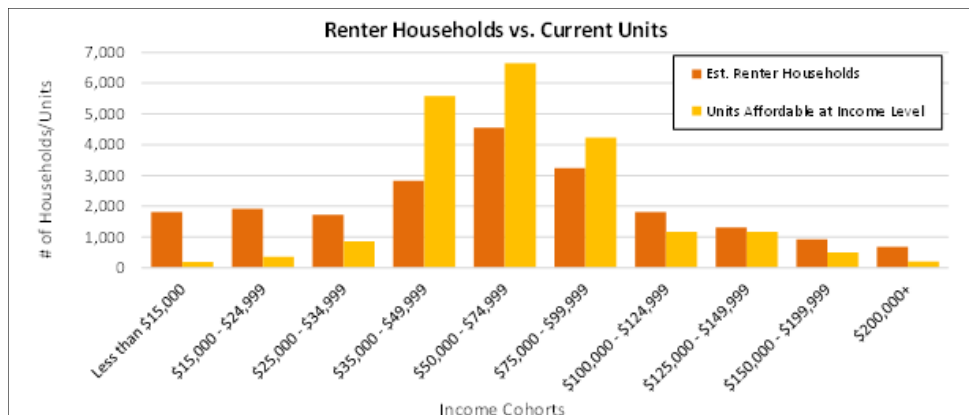
- **Beaverton's existing housing stock is relatively diverse.** A majority of existing housing units (54%) are in some form of attached housing—this includes 34% in multi-dwelling structures of 5 or more units (typically apartments) and 21% in other types of attached homes (e.g., duplexes, triplexes, fourplexes, and townhomes). Meanwhile, stand-alone homes on their own lots (referred to here as single-detached housing units) represent an estimated 43% of housing units, and mobile homes provide an additional 1%. In Washington County as a whole, where 61% of housing is single-detached or manufactured homes.
- **Beaverton has an equal share of homeowner households (50%) and renter households (50%).** Beaverton has a larger share of renters than the county (39%) and the state (37%).
- **Homeownership costs increased significantly in Beaverton, consistent with national trends.** Median sales prices for homes in Beaverton nearly doubled between 2015 and 2022, from about \$260,000 to \$518,500.
- **Beaverton has experienced low rental vacancy and climbing rental rates.** For most of the last two decades, Beaverton's rental vacancy has regularly fallen below 5%. Meanwhile, average rents have climbed steadily since 2011. The average rent in Beaverton has nearly doubled over that period, increasing to roughly \$2.00/square foot, or an average of \$1,600/month.
- **More than one-third of Beaverton's households have housing affordability problems.** Thirty-five percent of Beaverton's households are cost-burdened (i.e., paid more than 30% of their income on rent or homeownership costs). Renters are more likely to be cost-burdened (46% of renters). In fact, an estimated 21% of renters are spending 50% or more of their income on housing and are considered severely rent-burdened.

CURRENT HOUSING NEED

Following is a brief snapshot of the HNA's current housing need estimates. Current housing needs, population and demographic trends, and housing market information is described in more detail in Appendix B of this report.

- While the total number of existing housing units exceeds the number of households in Beaverton, **there is a mismatch between demand and the housing which is currently available**, in terms of what households can afford.

- **There is currently a need for more ownership housing at lower price points**, while the middle to upper end of the market is well supplied. This is because most housing in Beaverton is clustered at higher property values, which leaves many households underserved. These trends are illustrated in the accompanying chart.



Source: US Census, Johnson Economics, 2020

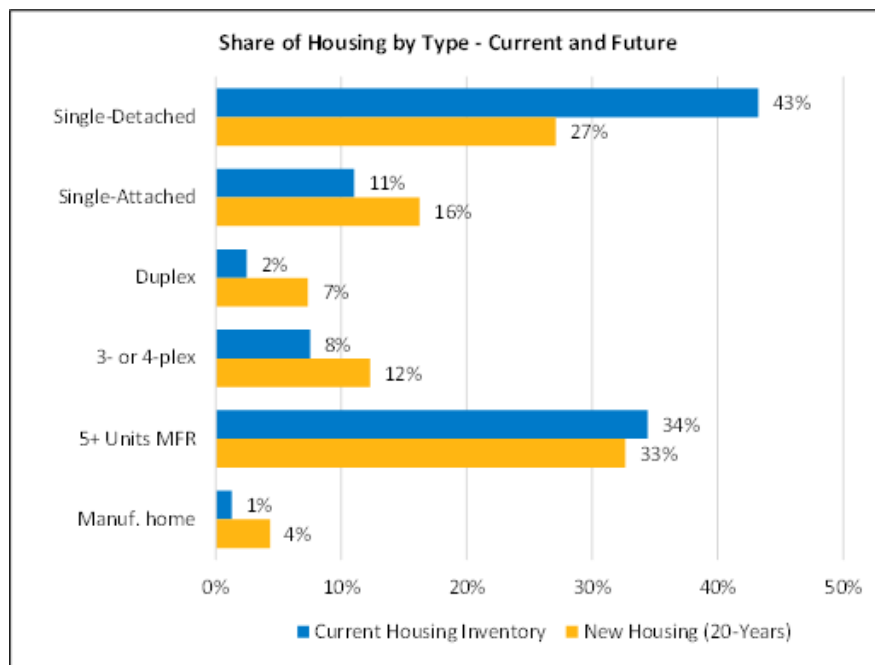
- **For rental housing, the greatest unmet need is found at the lowest end of the income scale**, where it is estimated that thousands of current renters pay more than 30% of their income in housing costs.
- **Most households in Beaverton cannot afford the homes that have recently sold in the City.** The median sale price of homes sold within the last 12 months was \$518,500, and 77% of recent sales took place above the \$400,000 price level. Homes in this range should be mostly affordable to households earning at least \$100,000 per year, or an estimated 37% of local households. This means that the bulk of housing supply on the current for-sale market is likely too expensive for most of Beaverton's households (nearly two-thirds).
- **Neighborhoods vulnerable to future gentrification and displacement correspond with areas of lower median household income and BIPOC households.** Most notably, these are the central and southeastern parts of the city. This analysis, drawn from the Anti-Displacement and Gentrification Toolkit prepared for DLCD, provides context for where unmet housing needs are most acute across the community. Neighborhoods vulnerable to displacement may need more intervention to meet housing needs, as compared to other areas where market forces are adequately meeting the demand for housing.

OVERALL FUTURE HOUSING NEED

Below is a summary of the overall housing need in Beaverton in 2042. Following that is a summary of the needs of various income segments and specific populations. Future housing needs are described in more detail in Appendix C of this report.

- **Beaverton's population is projected to grow by over 19,000 people by 2042.** Population projections from Metro indicate a projected growth from 98,215 in 2022 to 118,215 total people in 2042. This would be growth of 19% over the 2022 population and reflects an annual growth rate of 0.9%.
- **Beaverton needs nearly 9,900 new housing units to accommodate the projected growth.** This number of units would be needed to house the future households, which are projected to grow by 9,229. This would be a growth in housing units of 23% over 20 years.

- More middle housing and a smaller share of single-detached homes are anticipated to be needed.** The forecast calls for increased development of “middle housing” types—including single-attached housing (townhomes), duplexes, triplexes, and fourplexes—which are projected to account for 36% of new units. Single-detached homes are projected to account for 27% of new units. This compares to the city’s current housing stock, which is 21% middle housing and 43% single-detached units. These projected needs are illustrated in the accompanying chart.



Source: US Census, Johnson Economics, 2022

- The housing forecast includes a shift toward more ownership units.**

To achieve greater homeownership equity going forward, a greater share of the projected 9,887 new units is forecasted to be ownership units (53%), and fewer to be rental units (47%). This means a forecast of roughly 5,200 new ownership units and 4,700 new rental units, reflecting a shift from the current 50/50 split of rental vs. ownership housing.

- The share of multi-dwelling units are projected to stay relatively constant.** The current housing stock includes 34% of units in multi-dwelling structures with 5 or more units. New needed units are projected to be 33% multi-dwelling.

EQUITABLE HOUSING NEEDS BY INCOME AND PRIORITY POPULATION

Beaverton’s future housing need is not evenly distributed among the diverse and growing population in Beaverton. The Contextualized Housing Needs report considers the needs of specific populations—including priority populations. “Priority populations” in this work include groups that face historic and ongoing disadvantages due to systemic inequities rooted in access to power and decision-making, especially those impacted by limited housing choice and racism. Specifically, the City of Beaverton strives to lead with racial equity. Priority populations includes Black people, Indigenous people, People of Color, Low Income People, People with Disabilities, People Experiencing Homelessness, and Immigrants and Refugees.

Below is a summary of the housing needs for various income segments and priority populations in Beaverton. In some cases, these needs are summarized with qualitative, rather than quantitative, analysis.

Housing Needs by Income Group

- » **Extremely Low-Income Households** – *Defined as earning less than 30% of the Area Median Income (AMI).*
 - **Total Need: 1,349** new housing units by 2042 (14% of overall need).
 - **Cost Burden:** Roughly 90% of existing homeowners and 97% of renters in this income group are cost-burdened and may need additional support to retain their housing or obtain more affordable housing. Extremely low-income households often include people who are unhoused or precariously housed.
 - **Affordability Need:** Housing with rents (including utility costs) less than \$800 per month; home prices less than \$150,000.
 - **Availability:** Roughly 3% of existing rental and 4% of existing for-sale housing is affordable to extremely low-income households. Rental housing types that meet this need are rare and small, such as micro-unit rentals. Ownership housing types that meet this need are rare and very limited but may include older manufactured housing and mobile home parks.
 - **Meeting Future Need:** New market-rate construction will not generally meet this need. Further, the market may reduce the supply of housing affordable at this level through redevelopment of older, unregulated housing or removal of mobile home parks.
- » **Very Low-Income Households** – *Defined as earning between 30% and 50% of the AMI.*
 - **Total Need: 668** new housing units by 2042 (7% of overall need).
 - **Cost Burden:** Roughly 78% of existing homeowners and 95% of renters in this income group pay more than 30% of their income in housing costs.
 - **Affordability:** Housing with rents (including utility costs) less than \$1,200 per month; home prices less than \$225,000.
 - **Availability:** Roughly 7% of existing rental and 7% of existing for-sale housing is affordable to very low-income households. Rental housing that meets this need is limited and only available as micro-units, studio apartments, and older, very small apartment units. Ownership housing that meets this need is rare and may only exist as older, manufactured housing, in mobile home parks, and older, small condo units.
 - **Meeting Future Need:** New market-rate construction will not generally meet this need. Further, the market may reduce the supply of housing affordable at this level through redevelopment of older, unregulated housing or removal of mobile home parks.
- » **Low Income Households** – *Defined as earning between 50% and 80% of the AMI.*
 - **Total Need: 1,136** new housing units by 2042 (11% of overall need).
 - **Cost Burden:** Roughly 54% of existing low-income homeowners and 78% of low income renters pay more than 30% of their income in housing costs.

- **Affordability Need:** Housing with rents (including utility costs) less than \$1,700 per month; home prices less than \$350,000.
- **Availability:** Roughly 65% of existing rental and 32% of existing for-sale housing is affordable to low-income households. Rental housing that meets this need is limited and tends to be available in older apartment complexes and small, middle housing rentals. Ownership housing to meet this need is limited and found in manufactured housing, small condominiums units, and older multiplex housing types.
- **Meeting Future Need:** New market-rate construction will not fully or equitably meet this need, especially for larger households. Additionally, the market may reduce the supply of housing affordable at this level through redevelopment or remodels of older, unregulated housing.

New market-rate construction will not fully or equitably meet the need for housing for people with low incomes, especially for larger households.

» **Middle Income Households** – Defined as earning between 80% and 120% of the AMI.

- **Total Need: 3,211** new housing units by 2042 (32% of overall need).
- **Cost Burden:** Roughly 37% of existing middle-income homeowners and 43% of middle income renters pay more than 30% of their income in housing costs.
- **Affordability Need:** Housing with rents (including utility costs) less than \$2,200 per month; home prices less than \$475,000.
- **Availability:** Roughly 85% of existing rental and 64% of existing for-sale housing is affordable to middle income households. Rental housing that meets this need is typically readily available in high-amenity apartment complexes, multiplex and single-dwelling rentals. Ownership housing to meet this need is typically available in condominiums, townhomes and multiplexes, and older single dwelling housing types.
- **Meeting Future Need:** New market-rate construction will partially meet this need. When supply is limited for these households, they may rent or purchase lower cost housing and put additional pressure on the supply of housing that could be affordable to lower income households.

» **Upper Income Households** – Defined as earning greater than 120% of the AMI.

- **Total Need: 3,522** new housing units by 2042 (36% of overall need).
- **Cost Burden:** N/A
- **Affordability Need:** These households can afford housing with rents (including utility costs) over \$2,200 per month and home prices greater than \$475,000.
- **Availability:** More than 90% of existing rental and 75% of existing for-sale housing is affordable to upper income households. Rental housing that meets this need is typically readily available in high-amenity apartment complexes, large townhomes and multiplex units, and large single-dwelling rentals. Ownership housing to meet this need is typically available in condominiums, townhomes and multiplexes, and single-dwelling housing types.
- **Meeting Future Need:** New market-rate construction can meet much of this need, though prices for new single-dwelling homes may be towards the upper end of what this group

can afford. When supply is limited for these households, they may rent or purchase lower cost housing and put additional pressure on the supply of housing that could be affordable to lower income households.

Housing Needs by Specific Population

» **People of Color** – This is a general descriptor that includes people of many different backgrounds and experiences. For purposes of this summary, People of Color includes the following: Asian, Black or African American, Hispanic or Latine, Native American and Alaskan Native, Native Hawaiian and Pacific Islander, and Some Other Race.

- **Overall Need:** The largest shares of communities of color in Beaverton are people who identify as Asian (12%), people who identify as Hispanic or Latine (18%), and people who identify as Two or More Races (12%).

Due to historic and ongoing systemic racism, people of color have disproportionately unmet housing needs and limited housing choice. Redlining and other forms of segregation and disinvestment in communities of color have also resulted in lower generational wealth than white communities, which negatively impacts access to homeownership. Other facets of systemic racism outside of housing such as education, employment, health, and criminal legal systems may impact people of color's ability to access housing to meet their needs.

Without intervention, the housing market alone will not compensate for historic inequities in access to housing, especially homeownership.

- **Meeting Future Need:** Without intervention, the housing market alone will not compensate for historic inequities in access to housing, especially homeownership.
- **Increasing Homeownership:**
 - People of Color are less likely to own the homes they occupy than white people. Asian homeownership rates in Beaverton are closest to the overall average though there is much variation within this broad racial group. Latine and Native American homeownership rates are the lowest of all racial and ethnic groups in Beaverton.
 - People of Color have historically been excluded from homeownership by racist policies and practices. On-going barriers for some people of color include lower incomes, not having good credit history, lack of collateral, loan denial disparities, culturally specific barriers to banking, lack of familiarity with US banking systems, and immigration-related barriers to making long-term housing commitments.
 - **To meet more equitable homeownership goals in Beaverton in the future, the estimated new housing needs are calculated to intentionally increase homeownership rates for People of Color who currently are below the median homeownership rate.** Among new units, an increased share of 53%, or roughly 5,225 units, should be ownership units to help rebalance this deficit. Ownership housing for first-time homebuyers and people who have been historically excluded from homeownership will need to be lower in cost compared to current market-rate housing.

- **Large and Multigenerational Households**
 - People of Color households tend to have larger average household size than the white household average. Nationally, Asian, Black, and Latine people are more likely to live in multigenerational households compared to white people. Multiple immigrant groups in Washington County noted living in multigenerational households or with multiple families.
 - People of Color are projected to have a much higher share of children and young people than white people. **Larger households and multigenerational households may need larger homes or specific housing types that accommodate the greater number of household members.** Prior engagement suggests that these households may have difficulty finding units of an appropriate size and design for their household needs.
- **Affordability**
 - While the median annual household income in Beaverton is \$77,700, Latine and Native American median household incomes are substantially below that. The median income of Asian and Pacific Islander households is estimated to be above the overall median though there is much variation within this broad racial group.
- » **People with a Disability** – *There are many different types of disabilities, and their impact of housing needs are varied. Generally, ambulatory, self-care, or independent living disabilities have the greatest impact on housing needs. People over 65 years old are more likely to report a disability with over 30% of the Beaverton population aged 65 years and old reporting at least one disability. However, because Census data tends to undercount the unhoused population, there may be more residents with disabilities in Beaverton than reflected in these data.*
 - **Overall Need:** Approximately **1,190** new housing units by 2042 (12% of overall need) will need to have accessibility considerations for people with varying disabilities and needs.
 - **Housing Types/Features:**
 - **People with ambulatory disabilities** may need housing options with access for wheelchairs, walkers, or scooters.
 - **People with self-care or independent living disabilities** may require additional safety precautions around the home for when they cannot always be monitored.
 - **People with cognitive disabilities** may need housing options such as the ability to live with family or in group housing.
 - **Availability:** Prior engagement suggests that there are insufficient available units that are accessible, and that many properties are not accessible in all common areas. It also suggests that housing should be as flexible/customizable as possible to adapt to each person's needs and constructed/retrofitted in a way that accommodates the most people possible; that it should provide convenient parking for those with disabilities; and that many of those with disabilities also need affordable housing.
- » **Seniors** – *Those aged 55 years and older.*
 - **Overall Need:** The greatest impact of age on housing needs in the near future and the next three decades is a growing need for housing appropriate for seniors. Approximately 30% of the Beaverton's total population is over the age of 55 today. The age cohort over 55 years of age grew the most in terms of population share between 2000 and 2020. This

growth exceeds historic population trends and means that housing options meant to serve seniors generally remain significantly underbuilt.

- **Housing Types/Features:** Housing needs for seniors range from smaller-sized units, housing units accessible to people with mobility difficulties, co-housing communities, and retirement communities to continuing care and assisted living facilities.
 - **Meeting Future Need:** The market can provide senior housing for those with sufficient savings or income to afford independent living, assisted living, or continuing care facilities. Low-income seniors may not be able to afford these options, and may have limited funds to adapt their existing housing to meet their needs.
- » **People Experiencing Homelessness** – People experiencing homelessness encompasses a broad range of experiences and situations. It is difficult to accurately count all people who are experiencing homelessness, and it is generally presumed that this population is undercounted by most methods.
- **Overall Need:** One analysis estimated that 653 individuals and family units in Beaverton were experiencing homelessness as of mid-2020, including people who are unsheltered, in temporary shelters, or otherwise temporarily or unstably housed. The most recent January 2022 point-in-time count found 808 people experiencing homelessness in Washington County overall, including the following:
 - 72% were in temporary shelter while 28% were unsheltered.
 - Approximately 26% of those individuals were children under the age of 18.
 - 31% of those individuals are considered “chronically homeless.”
 - **Shelter Needs:** Based on prior engagement, needs for individuals experiencing homelessness include:
 - Access to safe shelter
 - A quiet, safe place to rest
 - Outdoor green space
 - Secure storage space for belongings
 - Proximity to services and transit
 - Private personal spaces (within a shelter)
 - Community gathering space (within a shelter)
 - **Housing Needs:** Beyond immediate needs for safe shelter options, people who are unhoused or precariously housed need access to transitional housing, supportive services, and deeply affordable housing in the long term.
- » **Immigrants and Refugees**
- **Housing Needs:** Immigrants, especially undocumented immigrants and mixed-status families face particular housing challenges because of their immigration status. Many undocumented people are not eligible for federally subsidized affordable housing.

Beyond immediate needs for safe shelter options, people who are unhoused or precariously housed need access to transitional housing, supportive services, and deeply affordable housing in the long term.

- Households with language or cultural barriers may have greater difficulty navigating the US financial and credit system, housing laws, and tenant rights. These barriers can make these households less likely to become homeowners and more vulnerable to eviction.

COMPARISON OF HOUSING NEED AND LAND SUPPLY

This section compares the results of the housing need projection with the Buildable Lands Inventory (BLI), which estimates the remaining residential lands in the city that can accommodate housing growth. The BLI estimates the amount of residential land that has room for development and is not constrained by natural resources or other features and estimates that land's capacity to accommodate new housing units. Key findings of the comparison include the following which are described further in Appendix D.

- **There is a surplus of buildable land to accommodate projected housing needs.** The analysis estimates a total remaining land capacity of 14,987 units of different types within the study area. This compares to the projected total need for 9,887 new housing units by 2042. This reflects a surplus capacity of 5,100 units (581 acres of residential land).
- **The analysis finds sufficient land capacity for housing at all densities** to accommodate the 20-year growth forecast. However, the surplus of land capacity for low-density housing is estimated to be larger than the surplus capacity for medium-density or high-density housing.
- **The Cooper Mountain and South Cooper Mountain plan areas account for 56% of the available capacity.** Cooper Mountain is planned for a diverse mix of housing—roughly 43% Single Detached, 26% Attached/Middle Housing, and 30% Multi-dwelling units.
- While the total land capacity is sufficient to accommodate the need for future housing units, **this does not mean that the market will deliver the housing that is needed by Beaverton's residents.** As summarized in the previous section, middle- and lower-income households, people of color, seniors, people with disabilities, immigrants and refugees will all need interventions in the housing market to meet the identified housing needs. This is a primary focus of Beaverton's Housing Production Strategy, which is aimed at providing opportunities to current and future Beaverton residents to increase equitable outcomes to the greatest extent possible.

HOUSING MEASURES

Given the findings noted above regarding the comparison of land need and supply, the City does not need to adopt any measures to directly address any imbalances in the need for and supply of land in different zoning designations. However, the City will consider a variety of other measures and strategies to address the types of housing needs identified in the HNA. Many of these strategies will be further evaluated and addressed in the Housing Production Strategy (HPS), which is a follow-up to the HNA. In addition, the City has identified the following regulatory strategies as part of the HNA process:

- **Improve the feasibility of developing higher density housing in high density and mixed use zones** by removing density limitations, and allowing form based controls such as floor area ratio and building height to control the density of development.
- **Adopt changes to parking standards** as part of the process of implementing state and regional requirements associated with the recent Climate Friendly and Equitable Communities (CFEC) legislation and administrative rules. The City also should reassess its parking requirements for mixed use zones after implementing the CFEC changes to see if further reductions should be considered.

- Consider implementing a variety of possible development code amendments to **make future housing more physically accessible** to people with disabilities or mobility challenges. These could include implementing “visitability” requirements for a certain percentage of ground-floor units, require a percentage of fully accessible units in publicly funded projects, and/or require elevators in multi-story buildings.
- Implement changes to the development code that **encourage and/or incentivize development of housing with more bedrooms to increase opportunities for larger and multi-generational households**. These could include modifying off-street parking requirements, providing density bonuses for projects with larger units, allowing accessory dwelling units with townhomes, and/or legalizing alternative housing types of on wheels.

These measures are described in more detail in Appendix E and also will be further evaluated as part of the Housing Production Strategy process.



APPENDIX A

HNA PROJECT METHODOLOGY

To **City of Beaverton**
From **Brendan Buckley**
Johnson Economics
Re **Methodology Framework for Projected Housing Needs**
Date **7/29/2022**

As discussed in our recent project team meeting, this memo lays out the framework and key issues associated with our proposed approach to completing our 20-year forecast of housing need in the City of Beaverton. As emphasized throughout the project, the forecast is expected to apply a strong equity approach, highlighting the unique housing access barriers that historically disadvantaged populations face, and in particular people of color, but also lower-income households, renters, those with disabilities, and other marginalized groups.

In our recent meeting to discuss these issues, the City re-emphasized that the main focus of the estimates of both current and future housing need should be on these underserved groups, as well as on moderate-income (“workforce”) households to some degree. While more privileged groups (i.e., high-income households) will be included in overall estimates of need, there will be less emphasis on the specific needs of these segments as they are presumed to be served by the current and anticipated real estate market. The analysis will differentiate between essential housing “needs” and “wants or preferences,” particularly the wants or preferences of higher-income households who are easily able to meet their housing needs from a financial perspective.

The following proposed framework for our methodology is meant to ensure that these concerns are addressed in the coming phases of work, which include a revised report on “current need” and the 20-year projections of growth and need to come.

Total Population Growth

As required by statute, communities in the Metro area are required to use the latest coordinated housing forecast provided by Metro as the basis for their projected future growth (OAR 663-032-0030). The latest forecast by city and county was adopted by ordinance in February 2021. That forecast provides estimates for 2020, 2030, and 2045 as shown below for the City of Beaverton city limits:



City of Beaverton	Population Estimate	Households Estimate
2020	99,490	39,895
2030	114,525	47,544
2045	119,156	51,262

Source: www.oregonmetro.gov/2040-distributed-forecast

* The US Census estimates from 2020 differ from these estimates somewhat (pop: 97,494; households: 40,240). The Metro forecast was formulated prior to the release of 2020 Census data.

This forecast will be used to estimate the total population and households in 2042, based on the annual growth rate through 2045. In this case, the 2042 estimates for Beaverton are a population of 116,605 and 49,743 households.

Equitable Future: While state statute requires that Metro forecasts of total population be used, cities have flexibility to design their own methodology to determine the break-down of the housing needs it implies within that population.

The proposed approach would determine the housing need for key subgroups in the community (see below) and base the 2042 need on an equitable housing future. In other words, the snapshot of 2042 will assume that a housing mix and affordability levels are achieved in the future and will discuss what would be needed to get from here to there. *(Note that discussion housing strategies and tools is included in a future phase of this project, and not the HNA document itself. However, this analysis will lay the groundwork for identification and analysis of those strategies.)*

Break Down of Growth by Subpopulations

As part of its prior round of population forecasts adopted in 2016, Metro provided projections of growth to 2060 by race/ethnicity, gender, and age.¹ An equivalent breakdown by subpopulation has not yet been provided for the 2045 forecast cited above.

The following figure shows a snapshot of what this forecast looks like from the 2016 document. These forecasts are provided for the entire 7-county Portland-Vancouver-Hillsboro MSA:

¹ Population Forecast to 2060: Metropolitan Area Population Forecast by Race/Ethnicity, Gender, Age (April 2016)
www.oregonmetro.gov/2060-growth-forecast

Figure 1: Example of Forecasted Growth by Race/Ethnic Categories

TOTAL	2010	2015	2020	2025	2030	2035	2040	2045
white	1,732,586	1,782,173	1,849,005	1,899,483	1,939,040	1,964,088	1,978,657	1,988,004
black	70,278	74,628	81,351	87,583	93,522	98,747	103,448	107,856
Nat. Am.	26,361	28,631	33,756	38,195	42,309	45,973	49,595	53,480
Asian	141,317	158,903	188,041	213,033	237,459	260,473	283,854	308,666
pacific isl.	13,623	15,143	17,217	19,073	20,865	22,530	24,148	25,770
Hispanic	241,844	283,022	349,829	414,432	480,905	546,090	612,398	681,869
all races	2,226,009	2,342,500	2,519,200	2,671,800	2,814,100	2,937,900	3,052,100	3,165,646

Source: www.oregonmetro.gov/2060-growth-forecast

Figure 2: Example of Forecasted Growth by Race/Ethnic Categories and Age

Hispanic FEMALE	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055	2060
0-4	14,358	12,268	15,921	18,883	21,244	22,626	23,671	24,995	26,960	29,072	30,834
5-9	13,635	15,065	13,747	17,105	19,999	22,261	23,683	24,845	26,281	28,293	30,460
10-14	12,067	14,560	16,960	15,276	18,553	21,325	23,637	25,199	26,506	28,000	30,080
15-19	10,522	13,155	16,786	18,754	16,978	20,113	22,946	25,429	27,159	28,540	30,115
20-24	9,051	11,855	15,871	18,974	20,827	18,887	22,095	25,131	27,816	29,633	31,115
25-29	10,493	10,786	15,386	18,716	21,668	23,301	21,462	24,935	28,234	31,032	32,979
30-34	10,869	11,815	13,522	17,582	20,784	23,553	25,264	23,652	27,333	30,729	33,625
35-39	9,712	11,570	13,273	14,692	18,681	21,782	24,590	26,421	24,927	28,659	32,106
40-44	7,244	10,110	12,410	13,941	15,320	19,243	22,365	25,242	27,139	25,684	29,444
45-49	5,417	7,527	10,712	12,880	14,379	15,714	19,647	22,815	25,738	27,659	26,238
50-54	4,059	5,594	7,934	10,997	13,130	14,591	15,938	19,893	23,090	26,026	27,967
55-59	2,839	4,136	5,797	8,055	11,070	13,168	14,633	16,003	19,957	23,152	26,091
60-64	1,992	2,861	4,229	5,814	8,019	10,960	13,038	14,513	15,898	19,819	23,000
65-69	1,195	2,023	2,968	4,258	5,792	7,929	10,810	12,877	14,358	15,746	19,623
70-74	752	1,209	2,073	2,953	4,186	5,654	7,728	10,534	12,571	14,036	15,415
75-79	530	743	1,217	2,000	2,813	3,954	5,334	7,306	9,966	11,926	13,347
80-84	359	499	732	1,123	1,795	2,490	3,491	4,720	6,492	8,862	10,658
85-89	199	293	425	592	888	1,396	1,936	2,729	3,715	5,155	7,065
90-94	94	131	199	273	373	550	867	1,216	1,736	2,395	3,385
95-99	26	49	74	97	126	164	242	386	551	801	1,128
100+	3	10	19	21	25	29	38	56	88	126	185
	115,417	136,260	170,252	202,985	236,649	269,692	303,414	338,893	376,515	415,346	454,862

Source: www.oregonmetro.gov/2060-growth-forecast

For the 20-year growth forecasts for the City of Beaverton, we propose using this Metro-wide forecast to derive assumed growth rates for each of these subpopulations. The individual growth rates will be applied to the estimated breakdown of these race/ethnic groups (and age groups) in Beaverton as of the baseline year of 2022. The current distribution of these groups in the population differs city to city, so if the Metro-wide forecasted growth rate by subgroup is applied, the beginning point and end point will differ from other cities and the region.



This proposed approach will allow us to determine the relative growth and size of these groups within the total 2042 population estimate. We propose using this methodology to forecast the relative growth by race/ethnic groups and age groups.

There are some alternative forecasts of growth for these subgroups including from the Census, State of Oregon, and PSU. These forecasts of demographic change are for a wider geography (nation or state), or in the case of PSU explicitly exclude the Metro area.

Household Income Groups: The Metro 2060 forecast discussed above does not include projections by household income. Johnson Economics typically uses forecasted data from Claritas, a private third-party source of market data compiled through a combination of surveys, Census block group data, and proprietary analysis to help develop projections of households in different income groups. One product Claritas provides is a breakdown of past, present, and future households by income and age-of-householder cohort. This data set provides an estimate of household income change over the next five years, which we extrapolate farther into the future. This method includes some uncertainty, but we believe is as or more sound as any other alternatives we have previously identified.

Presentation of Results (Quantified)

The results of projections will be presented keeping in mind the equity approach and the idea of essential “needs” vs. non-essential “wants.” We propose to present the findings on housing need in two ways:

1. Quantify the needs of identified subgroups, based on findings of how large those populations/# of households for these subgroups. The findings will be explicit (for example, “this group is expected to grow by this many households and will need this many units in 2042). This will be presented by racial category, and Latine ethnicity. Housing need for those with disabilities and the elderly will similarly be quantified.
2. Quantify need by income level, and the type of housing generally affordable at that income level. The income segments will be based on the State income limits posted annually by the Oregon Housing and Community Services for each County.² These estimates are used to determine eligibility for various affordable housing programs, as well as allowable rent levels for those programs. The income categories used (“low income”, “extremely low income”, etc.) conform to HUD definitions.

The following table is an example of how these findings might be presented (numbers are placeholders only). As discussed, all income levels are included, as all need must eventually be quantified in the HNA, but the priority of discussion will be those in the lower and middle income ranges. The findings of common housing types in the right column will be used for further quantification of the housing types needed.

² Source: <https://www.oregon.gov/ohcs/compliance-monitoring/Pages/rent-income-limits.aspx>

Figure 2: Example of Findings of Housing Need by Income Segments

Household Income Segment		Income Level (Rounded)*	Afford. Rent Range	Afford. Price Range	Owner Units	Renter Units	Total	Share	Common Housing Product
Upper Income	> 120% AMI	> \$128,000	\$2,100 +	\$475k +	100	100	200	20%	Single-family detached
Middle Income	80% - 120% AMI	\$85k - \$128k	\$1,600-\$2,100	\$330k-\$475k	100	100	200	20%	Single-family detached; Townhomes; Small homes; New apts
Low Income	50% - 80% AMI	\$53k - \$85k	\$1,100-\$1,600	\$225k-\$330k	100	100	200	20%	Market apts; Manuf. homes; Plexes; Aging SFR
Very Low Income	30% - 50% AMI	\$32k - \$53k	\$800-\$1,100	\$150k-\$225k	100	100	200	20%	Aging rentals; Govt- subsidized; Voucher; M.H.
Extremely Low Income	< 30% AMI	< \$32,000	<\$800	<\$150k	100	100	200	20%	Govt-subsidized; Voucher; Manuf. Homes
TOTAL:					500	500	1,000	100%	

NOTE: The presentation of findings in the Current Housing Need report will be tailored to match the presentation of the projected need described above. Therefore, current need will also be quantified by subgroup, and income group.

Presentation of Results (Qualitative, with Equity Focus)

Additional discussion will be added to the quantified results to provide context and focus findings on the issue of equity. We propose this takes the form of discussing the qualitative needs of different groups in the community, based on their lived experiences. This discussion will be added to the Current Housing Need report, and the ultimate findings of current and future needs will call back to this information. Not all qualitative information can be factored in to quantified results, but we will attempt to see if any findings indicate that more or less of any specific types of housing are needed, and this might be reflected in the quantified results. For example, one finding might be that there is a need for greater homeownership levels among people of color in Beaverton, given that historically they have been discriminated against in the housing lending and buying markets and have been unable to build the same levels of intergenerational wealth, in comparison to their white counterparts.

A primary source will be the Washington County Leading with Race study. The long-form report provides specific commentary on housing circumstances among different racial subgroups. A summary discussion of this material will be added to the report. There is also on-going outreach to the community taking place during this project. This information can be integrated in future version of the report, or perhaps added as an appendix. If this outreach points to any substantive changes to the forecast, those changes can be made before the end of the project.



We have and will continue to seek other studies and sources of commentary on the unique housing needs of marginalized groups and will add any relevant qualitative data we find from that review as well.

The main takeaway is that the report will be organized and presented as a report on equity. Other data and projections for the City's entire population will be included to meet the needs of a Goal 10 HNA but will be downplayed as needed to maintain the focus on equity.



Source: Sequoia Equities

HOUSING BEAVERTON PROJECT

APPENDIX B

CURRENT HOUSING NEEDS

EQUITABLE HOUSING NEED ESTIMATE

March 2023

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon. This analysis was prepared by Johnson Economics with support from other Housing Beaverton team members at MIG|APG and ECONorthwest.

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I. INTRODUCTION

This analysis is undertaken as part of the Housing Beaverton Project, a comprehensive study of housing needs, buildable lands, and potential policies and strategies to address current and future housing in the Beaverton community. This report is one of a series of reports of background data and analysis. Not all data and context are included in each report and therefore the analysis may refer to other products from this project.

This report outlines current housing conditions within the City of Beaverton, and estimated housing needs based on local demographic and household trends. This analysis places a strong emphasis on equitable outcomes for the community's current and future residents. Future phases of this analysis will project future housing need and compare them to the inventory of buildable residential land in the city.

Data Limitations

The study area used in this analysis is the current Beaverton city boundary.

This analysis relies on the synthesis of quantitative data from a range of sources, attempting to provide the best estimates possible given the limitations of data availability, accuracy, and the scope and resources of this project. All sources of data on the scale of a large city will be incomplete and feature some margin of error. The information, estimates, and forecasts presented in this report necessarily reflect these limitations.

The primary data sources used in generating this forecast were:

- 2020 Decennial Census
- US Census American Community Survey
- Metro Urban Growth Report
- Metro RLIS
- Portland State University Population Research Center
- Point-In-Time Homeless Census
- McKinney-Vento data
- Oregon Housing and Community Services
- Oregon Employment Department
- IRS Migration Data
- City of Beaverton
- Washington County
- Census Employment Dynamics
- Regional Multiple Listing Service
- Zonda Market Research
- Claritas Spotlight¹
- Other sources as appropriate.

This analysis relies heavily on Census data from both the 2020 Decennial Census, and the annual American Community Survey (ACS). These remain the best sources of data available on many demographic and housing subjects. At the same time, all Census data feature some margin of error, and it is important to understand and acknowledge this issue when reviewing and interpreting the data.

The Decennial Census, which endeavors to be a count of all people and households in the country, is considered the most reliable source of demographic data. The Census Bureau believes that the margin of error in the 2020 Census for key counts such as population is statistically indistinguishable from zero, on the macro level.

¹ Claritas Spotlight is a third-party company providing data on demographics and market segmentation. It licenses data from 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. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

However, the Post Enumeration Survey and Demographic Analysis conducted by the Census Bureau to evaluate the accuracy of the 2020 Census did find that some groups were undercounted:

“The results show that the 2020 Census undercounted the Black or African American population, the American Indian or Alaska Native population living on a reservation, the Hispanic or Latino population, and people who reported being of Some Other Race.

On the other hand, the 2020 Census overcounted the Non-Hispanic White population and the Asian population. The Native Hawaiian or Other Pacific Islander population was neither overcounted nor undercounted according to the findings.

Among age groups, the 2020 Census undercounted children 0 to 17 years old, particularly young children 0 to 4 years old. Young children are persistently undercounted in the decennial census.”

-US Census Bureau²

The other limitation of the 2020 Census is the release schedule of data sets, which takes place over several years following the year of the Census. Thus far, data has been released on: Population; Race; Latine³ ethnicity; number of Households; number of Housing Units; and Group Quarters population. While these are key baseline data sets utilized in this analysis, any additional nuance on demographics and housing from the 2020 Census are not yet available, with the next data release expected in 2023.

Despite the limitations, the 2020 Census is relied upon here as the best available source for the key indicators listed above in Beaverton, as of 2020.

For more detailed data sets on demographics and housing, this analysis relies on the American Community Survey (ACS), which features a much higher margin of error on all tables than the Decennial Census. The ACS is a survey of a representative sample of households which the Census uses to make estimates generalized to the population of the relevant geography. This analysis relies whenever possible on the most recent 2020 ACS 5-year estimates. The 5-year estimates have a lower margin of error than the ACS 1-year estimates.

Generally, the ACS data features smaller margins of error for larger groups (i.e., total population or total households), but larger margins of error for smaller subgroups (i.e., individual age cohorts, or racial categories). For this reason, the estimate of an indicator for the White population (the largest racial subgroup in the study area) will generally have a lower margin of error than the same indicator for a small racial subcategory, which might have a very large margin of error, despite being from the same ACS data set. These data challenges underscore the need for better, locally- collected data to better understand differences that Census data cannot provide. They also make a case for supplementing quantitative data with qualitative data, or other local data sets where possible, to add context to uncertain data.

Demographic changes and increasing diversity in Beaverton have brought about changes in how people define themselves and how they categorize others. As we work with data sets, like the Census, that collect data at the national level using standardized racial and ethnic categories, we recognize that those standardized categories limit the subjectivity and flexibility of self-identification among residents. In addition, the US Census has changed its categories and definitions of racial and ethnic

² “Census Bureau Releases Estimate of Undercount and Overcount in US Census,” Census Bureau, March 10, 2022. www.census.gov/newsroom/press-releases/2022

³ “Latine” is a gender-neutral or non-binary alternative to the term “Latino” which is traditionally is both a plural but also a male descriptor. Latine adopts the letter “e” from the Spanish language as a representation of gender neutrality and is used to describe all people.

groups over time, further complicating the discussion of trends for these populations. It is important to take limitations into account as we assess all data presented in this report whether from the Census, or other sources as cited.

II. HOUSING THROUGH AN EQUITY LENS

The City of Beaverton community has placed a strong focus on diversity, equity, and inclusion in its planning and other community initiatives over many years. These efforts are embodied in the Beaverton Diversity, Equity, and Inclusion Plan (DEI Plan), which was adopted in 2015 and updated in 2019. Beaverton helped fund and was a steering committee member for the Leading with Race: Research Justice in Washington County⁴ project completed in 2018.

The Leading with Race study provides information on eight separate racial and ethnic groups in the County, using extensive outreach to members of these groups to get personal feedback on their experiences (see Section III). The DEI Plan cites this study as the groundwork behind the 2019 update.

As the DEI plan explains, “the City of Beaverton uses race as a primary lens for our diversity, equity and inclusion work” while acknowledging that intersectionality will allow other marginalized identity groups to also enjoy benefits of increased equity in the community. Some key points regarding using race as a primary lens:

- “[A]cross history race has been a basis for exclusion and discrimination. In order to repair the legacy of institutional racism and dismantle the infrastructure that it was built on, we must face this reality head on.”
- “Beaverton has seen a dramatic demographic shift over the past several decades and is now celebrated as one of the most diverse cities in Oregon.... In order to be a responsive local government and move forward successfully as the community we are today, we must increase access and opportunities for historically underrepresented communities to play an integral role in shaping our future.”
- “Tragically, research shows that in the US and Beaverton specifically, race remains one of the most powerful predictors of wellbeing and success. Across indicators of health, education, housing, income, poverty, criminal justice and more, people of color face systemic disparities that prevent them from thriving at the same rates as the White community.”

Beaverton Diversity, Equity, and Inclusion Plan (2019)

For this analysis, the equity lens is applied to housing, the focus of this project. The DEI Plan defines equity as “[w]hen structural barriers that have historically disadvantaged certain groups are removed and everyone has access to the opportunities and tools they need to thrive. Equity is measured in outcomes and is achieved when one’s identity can no longer predict their success” (page 26).

Different communities have defined equitable housing differently, but most definitions involve creating the opportunity for all persons, regardless of social markers (like race, ethnicity, or gender)

⁴ Coalition of Communities of Color. 2018. Leading with Race: Research Justice in Washington County. Portland, Oregon: Coalition of Communities of Color.

or historic disadvantage, to live in the housing types and neighborhoods they prefer, with equal homeownership rates, and similar housing opportunities for homeowners and renters.

Equitable Housing in this Analysis

The DEI Plan lays out goals and indicators of success for “Housing and Livability” include improving outcomes for such issues as:

- Homelessness
- Affordable housing
- Homeownership
- Anti-displacement
- Quality of housing and tenant protections
- City planning and policies

This memo discusses an assessment of current demographic and housing conditions, and an assessment of current housing need. This analysis is an early step of the larger Housing Beaverton Project. Later phases of this project will include discussion and recommendations on specific policies, code language, and strategies the community might adopt to help address some of the disparities or issues identified. The separate Buildable Land Inventory will provide additional insight into the availability, capacity, and suitability of remaining residential lands in the city to address findings of need. The Contextualized Housing Needs Assessment prepared later in this phase also will provide additional details about the disparate housing impacts, conditions and needs of a full range of Beaverton residents based on additional community engagement efforts and further review of previous local plans and studies.

The analysis presented in this report provides background and estimates related to the above Equitable Housing factors when possible. Unfortunately, many Census data sets are not disaggregated by race, meaning that this data is not available for each of the Census racial and ethnic categories. Other Census data sets that are disaggregated by race may have very large margins of error, especially for those racial subgroups that have a relatively small sample size. This report tries to note these data limitations, and the reader should remain aware of them.

III. EQUITABLE HOUSING NEEDS

This section discusses the history of discriminatory housing policies in Beaverton and the region that impact equitable housing and the profile of current need to this day. The discussion includes specific challenges and housing needs of different groups in the community, as identified in the Leading with Race study. The testimonies gathered through the outreach of that project help provide a qualitative narrative of housing need in the community. Subsequent sections of this report add additional quantitative context to this narrative.

This discussion reflects the extensive past work completed by the City of Beaverton, Washington County and other partners. The Housing Beaverton Project includes additional on-going outreach to many of these communities that will continue to inform the project in later phases.

A. A LEGACY OF HOUSING AND OWNERSHIP INEQUALITY

A memo⁵ prepared by city staff in 2021 summarizes the long history of racist land use and housing practices that have impacted disadvantaged populations in Beaverton over time, beginning with seizing of lands from Indigenous peoples, exclusion of Black residents in particular dating from the founding the State of Oregon, the Homestead Act, and related federal acts. During this period, White settlers dispossessed the Indigenous peoples of their lands in Washington County and severely limited the size of the Black population. The impacts of these policies are seen to this day as these groups make up a small percentage of the population compared to other groups in Beaverton and Washington County as a whole.

Restrictions on property ownership and voting eligibility lasted well into the 20th Century in Beaverton (as in many Oregon communities). The City of Beaverton's charter limited voting rights to landowners, excluding women, Indigenous peoples, low-income people, and other disadvantaged groups. It also established a poll tax and other obstacles to voting. The local restrictions were removed from the charter in the early 20th century, but nationally some voting restrictions were not lifted until the Voting Rights Act of 1965.

In the early 20th Century, the State of Oregon further placed restrictions on who could own property, explicitly excluding immigrant "aliens" from owning land or running businesses. A common practice was placing racist covenants, conditions, and restrictions (CC&Rs) on property deeds to prevent racial minorities and other disadvantaged groups from buying property in certain areas. Many of these (now unenforceable) CC&Rs remain on property deeds across the country. In Beaverton, three subdivisions built in the 1930s and 1940s were found to have these types of restrictions.

As federal laws began to dismantle some of these explicit practices by the middle of the 20th Century, a range of other public and private controls were employed to enforce segregation and ownership inequality, including in Beaverton. These types of measures included new approaches to zoning that segregate different types of residential uses. The newer zoning laws helped perpetuate earlier discriminatory zoning approaches established in the early 1900s. To this day, new residential zoning schemes are often designed, consciously or not, to protect single-family neighborhoods from rental housing specifically or other dense forms of housing that might serve lower-income people, people of color, or other residents with specific housing needs and challenges. (Please see the footnote for a link to more detail on this history.)

This cumulative history of exclusion is still represented geographically in communities across the country. It can be seen where certain groups of people are over- or underrepresented, what types of housing are prevalent in those areas, and in income, racial, and ethnic segregation. Beaverton is far from alone in this legacy but acknowledges that the local impacts of this history are still present on the ground and should be addressed on a local level to the greatest extent possible.

B. HOUSING JUSTICE

The Leading with Race study provides insight into the current housing situation and needs of eight racial and ethnic subgroups in Washington County: Native American, African, African American, Asian and Asian American, Latine, Middle Eastern and North African, Native Hawaiian and Pacific Islander, and Slavic/Russian Speaking peoples. The study included extensive outreach to these groups,

⁵ "History of Racist Land Use and Housing Practices in Beaverton." City of Beaverton Community Development Department, June 23, 2021.

<https://content.civicplus.com/api/assets/c833a56c-6404-4ed4-a7c4-2d3783e54b55?cache=1800>

demographic profiles, and snapshots of sub-county areas, including the Beaverton area. (The study drew demographic data from the ACS 2011-2015 data).

The following is a summary of comments and findings on the housing circumstances of the groups focused on in the study, which do not all correspond exactly to the racial and ethnic categories used by the US Census, but which are used elsewhere in this report. The follow summary presents these groups in alphabetical order, and all content is from the Leading with Race study. The cited dates and timeframes are due to the timing (2018) and data availability of that report.

African Communities

- Housing justice for African communities means ensuring pathways to employment, economic prosperity, and affordable housing especially for larger family homes, and redressing houselessness.
- Focus group participants identified these barriers to potential homeowners:
 - Being Black
 - Not having a good credit history
 - Lack of income
- Another issue pointed out by the focus groups was the difficulty and costliness of trying to find affordable housing for large-sized African families.
- Unaffordable housing increases the risk of homelessness in the African community. To cope with this, families and communities try to provide shelter for members who have been evicted or displaced.
 - Considering how African families provide shelter to members who are homeless, data regarding the proportion of Black/African people who are homeless may be conservative in estimates.
- Lack of Islamic banking is also a big issue for people within the African community, as their beliefs forbid them from taking out loans that charge an interest rate.
- Although fewer African homeowners are generally less burdened by mortgages, etc., they bear additional costs such as travel to culturally specific resources and services.
- With increasing rents, inadequate incomes, and unemployment, Africans are finding it more difficult to pay for housing, the single biggest expense in a typical household budget, which keeps many in poverty.
- Sub-Saharan African families were 317% more likely to be in poverty compared to a White person, and 167% more likely than all families in Washington County (ACS, 2011-2015).
- Like many other minority communities, a sizable proportion of African families are cost-burdened by rent, meaning they may reduce expenditures on necessities like food and healthcare to make up for it.

African American Community

- Less than half of African Americans in Washington County own their homes, compared to 60% of all households.
- High income African Americans were most likely (86%) to have their loan applications denied compared to high income White people nationwide.
- Analysis of the Washington County Fair Housing Plan 2012 found that very few African Americans even attempt to purchase homes in Washington County.
 - In 2009, only 69 loans originated from African American households.
- The history of mortgage redlining remains an issue within the African American community. By refusing to make loans in certain neighborhoods, these written and unwritten policies forced many Black households to remain renters and denied them wealth-building opportunities. It also ensured that whole neighborhoods would remain majority-renter with less property investment by owners.
- African American residents are seen as vulnerable to displacement from gentrification of neighborhoods, either through market forces or policies such as urban renewal.
- The African American community in Beaverton stated that there still is a need for better data surrounding the impacts of racist housing practices.
- Houselessness is also in issue within this community. Washington County records that over 11.4% of people in shelters and 5.4% of people on the streets or “doubled up” were African American. In comparison, African American people only made up 3% of the county’s population.
 - The unaffordability of rent and unemployment were the top two reasons for homelessness.
- In 2015, African American students in Washington County were 150% more likely to experience housing instability compared to White students.
- 1 in 4 African American people are food insecure, indicating that these households are faced with a tradeoff in basic needs such as housing, healthcare, and food.

Asian and Asian American Communities

- Focus group participants of various Asian nationalities and ethnicities tended to identify high housing costs and lack of affordable housing as a concern and top priority for the community.
- Though there is a lot of variation among segments of the Asian community, Asian homeownership is lower than White homeownership at the aggregate level.
- Families and households in different Asian communities are usually multigenerational and are larger than the average White and countywide household, which also increases the preference for homeownership.
- Housing cost burdens are a big issue for Asians in Washington County.
 - Vietnamese homeowners were 47% more likely than White homeowners to spend at least one-third of their income on housing.

- Chinese homeowners are 33% more likely than White homeowners to spend at least half of their income on housing costs.
- Immigration is a big barrier to homeownership for people in the Asian community. Long immigration wait times leads large portions of the community to see themselves merely as a labor force dampening their willingness to commit to a significant financial investment such as homeownership.
- Asian communities overall are 25% more likely to be in poverty than White residents in the county. Migration patterns suggest that a lot of Asians cluster to urban areas where there is a higher cost of living, meaning that higher incomes may be offset by these added costs, including housing. These two facts put people in the Asian community at risk of houselessness to an extent.

Latine Community

- Two out of three Latine residents in Washington County are renters.
 - Racial differences in loan denials, lower average incomes, expensive home loans, and a systematically higher risk of foreclosure are some of the reasons for differential Latine and White homeownership.
- Loan denial disparity rates (Latine vs. White):
 - Upper income Latine households were 125% more likely to have their loans denied than White households.
 - Middle income Latine households were 151% more likely to have their loans denied than White households.
 - Lower income Latine households were 78% more likely to have their loans denied than White households.
- Between 2007 and 2013, median home values reported by Latine owners had declined by 25.8%, comparatively White homeowners' median home value declined by only 20.3% during the same time.
- Median rents in Washington County increased by 27% between 2012 and 2015. During the same period, monthly earnings of the Latine community only grew by 17%.
- Latine home buyers were more likely to have high-cost mortgages for home purchases during the "housing boom" of the early 2000's.
- 58% of Latine renters spent more than 30% of their income on monthly rent.
- Like some other minority communities, Latine community members share the benefits of families living together. When community members become unable to financially support stable housing, other community/family members try to help support each other.
 - Overcrowding becomes an issue as it puts Latine families at risk of eviction.
- Latine students were 100% more likely to be houseless compared to White students in 2015. Housing insecure Latine students grew by 8% between 2012 and 2015, the same growth rate as the general Latine student population in that time period.

Native American Community

- Native Americans are facing increased housing costs while there is a relative lack of access towards financial services, such as loans, to help with the burden. Even if they have access to the relevant financial services, they usually incur a higher cost than usual.
- Termination of 60 Native American tribes in 1953 by the federal government displaced over 4,000 Native Americans in Oregon, fueling migration to urban areas in Washington County and Portland.
- In Washington County, only 1 out of 3 Native American owned their homes. Comparatively, 2 out of 3 White residents are homeowners in the county (ACS, 2011-2015).
- Native Americans applicants were 41% more likely than similar middle income White applicants, and 149% more likely than similarly low-income White applicants to have their loan applications denied.
- Native American applicants' denial rates increased substantially in 2000 – 2009, the primary reason cited being too high of a debt-to-income ratio, lack of collateral, and poor credit history.
- 39% of Native homeowners are spending at least 1/3 of their monthly income on mortgage and housing related costs. In comparison, only 25% of White homeowners and all County homeowners spend as much on the aforementioned cost (ACS, 2011-2015).
- During the housing boom of early 2000's in Washington County, 23% of loans to Native Americans were high priced and risky. Even after lending activity declined in the following years, Native Americans continues to have higher rates of these risky loans.
- Almost 2 out of 3 Native Americans in Washington County are renters (ACS, 2011 – 2015) and they are more likely to spend more than half their income on rent.
 - 54% of Native renters were cost burdened compared to 49% of White renters.
- The share of Native Americans on food stamps has increased from 16.2% to 26.8% (ACS, 2006 - 2010, 2011 – 2015).
 - This suggests that there is rising food insecurity as Native families must negotiate a tradeoff in basic needs such as housing, food, and healthcare.
- 16% of Native students in 2015 were housing insecure, meaning they “lacked a fixed, regular, and adequate nighttime residence” (Oregon Department of Education).

Middle Eastern and North African Communities

- Middle Eastern and North African communities are more likely to be renters than the average Washington County resident and their White counterparts. Thus, they worry about disruptions such as rent increase, delayed repairs, or no-cause evictions.
- According to community feedback, high-income community members are driving the higher homeownership rate of some segments observed in the data.
- Focus group participants identified loan interest rates being incongruous to the Islamic faith as a barrier to homeownership in the community.

- Another barrier is financial institutions being reluctant to provide homeownership loans to potential homeowners because of a lack of credit history and what the banks consider a satisfactory stream of income and employment.
- More than one-third of Middle Eastern and North African homeowners spent more than one-third of their monthly income on housing costs such as mortgages and taxes.
- Community members point out a shortage of rental housing that meets the needs of families such as large affordable units. Gentrification and unaffordable housing units along the Southwest corridor has been a concern to Middle Eastern and North African renters.
- Unaffordable housing increases risk of homelessness in the Middle Eastern and North African community and puts pressure on familial and communal networks to provide support during housing instability.
- As with other minority groups, many community members find that rent is a burden that forces tradeoffs with food, healthcare and other necessities.

Native Hawaiian and Pacific Islander Communities

- Rising housing prices, low-wage jobs, inequitable income, and lack of literacy surrounding US financial systems limit people from the Pacific Islander community's ability to stabilize a "home base".
- Focus group participants prioritized financial literacy for community members unfamiliar with the US system. They spoke about how the US financial system is fundamentally different from the communal and collective values of their heritage.
- Pacific Islanders are more likely to be renters in comparison to White households.
- A lot of Pacific Islander households cope with the housing crisis by moving from place to place or doubling up with other families.
 - This strategy of communal living puts them in danger of eviction and further displacement.
- Gentrification has destabilized Pacific Islander students in Portland as they are forced to move across school districts as their families are displaced.
- Rising home prices and predominantly low wage employment experienced by community members also lead to less time for parental involvement in their children's academic and cultural development.

Slavic and Russian-Speaking Communities

- The Slavic/Russian speaking population in Washington County were 8% less likely to be homeowners and 14% more likely to be renters compared to White residents.
- They were 44% more likely to be severely cost-burdened, with at least half of their income spent on housing. Similarly, renters in the community were 22% more likely to be severely cost-burdened by rent.
- Focus groups from the community note increasing median rents and utility costs as a main concern.

- The focus group also advocated for rent regulation, tenant rights, and for awareness surrounding these in Slavic/Russian languages.
- Some participants who live in public housing in Washington County were also concerned about poor living conditions especially air conditioning and ventilation.

C. SUMMARY OF KEY THEMES

The Leading with Race study reinforces that every segment of the community has a unique lived experience. Each part of the community features its own resources and challenges.

However, there are some common themes that arise from the outreach and data on these communities related to the housing needs of these racial and ethnic groups.

- 1) These communities are more likely to be renters than homeowners when compared to their White neighbors. There are systemic reasons that contribute to this imbalance such as past and embedded exclusionary policies, discriminatory lending policies, and challenges to affording down payments and house payments.
- 2) Many of these groups tend to have larger than average households, either because they are multigenerational, or because these groups network to assist other family or community members in need. Having larger or crowded homes can increase the threat of eviction, as well as cramped and substandard living conditions.
- 3) The affordability of housing is a major concern. A higher share of renters in these groups are rent burdened, and many report that high housing costs crowd out spending on other necessities such as food, transportation, and health care. The rapidly rising prices of homes for sale in Beaverton and across the region make them increasingly less affordable over time.
- 4) Households with language or cultural barriers may have greater difficulty navigating the US financial and credit system, housing laws, and tenant rights. These barriers can make these households less likely to become homeowners and more vulnerable to eviction.

These findings, combined with quantitative data, help inform the types of housing and affordability levels needed by Beaverton households (see Section IV). The geographic distribution of these households and other indicators of housing insecurity in Beaverton are discussed in Section VI.

IV. DEMOGRAPHY OF HOUSING NEED

This section presents a quantified estimate of housing need for Beaverton households and key subgroups. In keeping with the requirements of a Goal 10 Housing Needs Analysis, this analysis includes an estimate of the housing needs for the entire population, stratified by income segment, and estimates the current housing inventory in the city by housing type. However, the main focus of this analysis is on those groups for whom the housing need and the deficit of appropriate housing is most acute.

A. HOUSING NEEDS VS. PREFERENCES

The term “needed housing” can mean different things depending on a household’s level of income and other relative advantages/disadvantages. Some households live in inadequate housing that doesn’t meet their immediate needs, while households with more resources will find it easier to attain housing that meets their immediate needs and can think in terms of choice and preferences.

Generally, households in lower income groups are most likely to be cost-burdened and spend a larger share of their income on housing. Many do not have the resources to purchase a home and are long-term renters either by necessity or choice. Most of these households must think of housing in terms of “needs” rather than “preferences”. They are often forced to compromise on basic requirements such as affordability, number of bedrooms, location relative to work or other daily destinations, neighborhood safety, and community infrastructure.

For higher income households, the housing market in a growing city or region will supply new housing at a high price point that is attainable to them. It is more accurate to say that many in higher income segments can afford to think of housing in terms of “preferences” rather than simply “needs.” These households have the means to make choices among locations, housing types and sizes. A large proportion of the new housing being provided by homebuilders and developers will be more expensive housing suitable for these households.

The focus of this analysis is on the housing needs of the community, particularly among those who may not currently have those needs met. There is less emphasis on the preferences of households with the resources to meet their current needs, though all of the community is included in the quantified results presented below. It is assumed that the housing market will continue to meet the needs of more advantaged households, and that they will generally have the resources to navigate it.

B. HOUSING AFFORDABILITY

This 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 need housing costs to be no more than 30% of gross income (a common measure of affordability⁶). It is assumed that higher income households pay a decreasing share of their gross income towards housing costs, down to 20% for the highest income households, as confirmed by Census data (Table B25106, ACS).

⁶ Spending 30% or less on housing costs is a common measure of “affordability” used by U.S. Department of Housing and Urban Development (HUD) and others, and in the analysis presented in this report. Housing costs include rent or mortgage payment, utilities, insurance, and taxes if applicable.

While the Census estimates that most low-income households pay more than 30% of their income for housing, this is an estimate of current *need*. It assumes that low-income households need (or demand) units affordable to them at no more than 30% of income, rather than units that represent a cost burden. It is also important to remember the many upfront costs that can come from moving to a new rental or ownership unit, including deposit, multiple months of rent, down payment and initial repairs.

C. ESTIMATE OF CURRENT HOUSING DEMAND BY INCOME SEGMENT

The profile of current housing conditions in Beaverton is based on the 2000 and 2020 Census, with key indicators forecasted to 2022, using the demonstrated annual growth rate between the 2010 and 2020 Census. The data used in this section draws from the detailed data on demographics and housing in Beaverton presented in Appendices A and B.

FIGURE 4.1: CURRENT HOUSING PROFILE (2022)

CURRENT HOUSING CONDITIONS (2022)		SOURCE
Total 2022 Population:	99,110	US Decennial Census 2020
- Estimated group housing population:	895 (0.9% of Total)	US Decennial Census 2020
Estimated Non-Group 2022 Population:	98,215 (Total - Group)	
Avg. HH Size:	2.38	US Census ACS 2020
Estimated Non-Group 2022 Households:	41,267 (Pop/HH Size)	
Total Housing Units:	43,267 (Occupied + Vacant)	Census 2020 + permits
Occupied Housing Units:	41,267 (= # of HH)	
Vacant Housing Units:	2,000 (Total HH - Occupied)	
Current Vacancy Rate:	4.6% (Vacant units/ Total units)	

Sources: Johnson Economics, City of Beaverton, U.S. Census

*This table reflects population, household and housing unit projections shown in Figure 3.1

We estimate a current population in Beaverton of roughly 99,000 residents, living in 41,267 households plus 895 individuals living in group living situations. The average household size is 2.4 persons⁷.

There are an estimated 43,267 housing units in the city, indicating an estimated vacancy rate of 4.6%. (The estimate of vacant units comes out to 2,000 units exactly, but this is coincidental, and this number is expected to fluctuate constantly with the housing market). This includes units vacant for any reason, not just those which are currently for sale or rent.

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

⁷ The assumed share of the population living in group quarters and the average household size are held constant from the 2020 Decennial Census.

as a whole. Information about housing needs of specific population groups is found in subsection (D) of this section.

The analysis considered the propensity of households in specific age groups and income levels to either rent or own their home (tenure) to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2020 ACS 5-yr Estimates).

As noted above, the analysis takes into account the average amount that owners and renters tend to spend on housing costs. 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 need housing costs at no more than 30% of gross income to be affordable. Higher income households pay a decreasing share down to 20% for the highest income households.

Figure 4.2 presents an estimate of current housing demand equal to the estimated number of households in the study area (41,267). The breakdown of tenure (owners vs. renters) reflects data from the 2020 ACS.

FIGURE 4.2: ESTIMATE OF CURRENT HOUSING DEMAND (2022)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	900	Less than \$15,000	4.4%	4.4%
\$80k - \$130k	829	\$15,000 - \$24,999	4.1%	8.4%
\$130k - \$180k	1,036	\$25,000 - \$34,999	5.1%	13.5%
\$180k - \$250k	1,873	\$35,000 - \$49,999	9.2%	22.7%
\$250k - \$340k	2,811	\$50,000 - \$74,999	13.7%	36.4%
\$340k - \$420k	2,689	\$75,000 - \$99,999	13.1%	49.5%
\$420k - \$460k	2,550	\$100,000 - \$124,999	12.5%	62.0%
\$460k - \$510k	2,147	\$125,000 - \$149,999	10.5%	72.5%
\$510k - \$670k	3,082	\$150,000 - \$199,999	15.1%	87.6%
\$670k +	2,546	\$200,000+	12.4%	100.0%
Totals:	20,464		% of All:	49.6%

Rental				
Total Housing Costs	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	1,815	Less than \$15,000	8.7%	8.7%
\$400 - \$700	1,919	\$15,000 - \$24,999	9.2%	18.0%
\$700 - \$900	1,718	\$25,000 - \$34,999	8.3%	26.2%
\$900 - \$1300	2,827	\$35,000 - \$49,999	13.6%	39.8%
\$1300 - \$1700	4,547	\$50,000 - \$74,999	21.9%	61.7%
\$1700 - \$2100	3,247	\$75,000 - \$99,999	15.6%	77.3%
\$2100 - \$2300	1,806	\$100,000 - \$124,999	8.7%	85.9%
\$2300 - \$2500	1,311	\$125,000 - \$149,999	6.3%	92.2%
\$2500 - \$3400	927	\$150,000 - \$199,999	4.5%	96.7%
\$3400 +	686	\$200,000+	3.3%	100.0%
Totals:	20,803		% of All:	50.4%

All Households
41,267

Sources: Census, JOHNSON ECONOMICS

Census Tables: B19037, B25007, B25106, B25118 (2020 ACS 5-yr Estimates)

The estimated home price and rent ranges presented in Figure 4.2 are irregular because they are mapped to 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.⁸ Affordable rent for

⁸ **Home price assumptions:** The affordable price level for ownership housing shown in Figure 4.2 assumes 30-year amortization, at an interest rate of 5% (though this rate has been lower until recently, and has now spiked higher than 5%, this assumption in line with historic norms), with 10% 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 2000s, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20% is often cited as the standard for most buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

someone in this category would be \$400 or less, based on the assumption that households *need* to spend no more than 30% of income on housing costs. The higher housing cost estimates for upper income households represents housing “preferences” or “choice” more than need, as previously discussed.

Figure 4.2 is based on a synthesis of Census data sets to arrive at an estimate of propensity to rent or own by income segment. To do this, the following Census sets from the 2020 ACS were used: tenure by the age of the householder, tenure by household income, age of household-by-household income, and housing costs as a percentage of household income by tenure. These data sets combined can be used to estimate the propensity of households in different age and income segments to either rent or own their home.

Census data all features a margin of error, which is transferred to these results. In general, in Beaverton, the 2020 ACS data has a margin of error of roughly 2.0% for number of households, but a margin of error closer to 4.5% for estimates of tenure for those households. With any Census data set, as one looks at smaller individual line items, the cited margin of error increases. Consequently, the findings presented in Figure 4.2 also feature a margin of error. The estimated housing demand in the table represents the best estimate from a range of imprecise sources, and therefore despite the apparent precision of the estimates, may best be considered a guide to rough distribution of demand from different income groups.

Figure 4.3 presents an estimate of the current housing demand broken down by the estimated number of households in the major affordability income bands as defined by Oregon Housing and Community Services (OHCS) for households in Washington County. This applies the OHCS rates to the average local household size of 2.4 persons. These income bands are updated annually and used to determine eligibility for various state and federal housing programs and set the allowable rent levels for this program. It is important to note that the median income level in Washington County on which these income levels are based is higher than the estimated median income in Beaverton.

For reference, and the purposes of the Goal 10 Housing Needs Analysis, the table includes all income levels including middle- and upper-income households. However, most housing programs and strategies are aimed at those designated “low income” or less, meaning they earn less than 80% of the Area Median Income (AMI). This group makes up an estimated 47% of local households, but 59% of renter households. An estimated 27% of households earn “very low income” or lower, and an estimated 13% or nearly 5,300 households are estimated to be extremely low income. These estimates are based on the estimated demand by income band presented in Figure 4.2, and therefore carry a similar margin of error.

Interest rates are subject to disruption from national and global economic forces, and therefore impossible to forecast beyond the short term. The 5% used here is roughly the average 30-year rate over the last 25 years. The general trend has been falling interest rates since the early 1980s, and the average 30-year mortgage interest rate remained lower than 5% for over a decade. However recent inflation has caused the Federal Reserve to raise its key rate, causing mortgage rates to climb above 6% for the first time since 2008. While forecasting these trends is impossible, many economists expect the inflation to be transitory, and the general long-term decline in interest rates to reestablish itself.

FIGURE 4.3: ESTIMATE OF CURRENT HOUSING DEMAND BY AFFORDABILITY LEVEL (2022)

Household Income Segment	Income Level (Rounded)	Afford. Rent Range	Afford. Home Price Range	Owner Units	Renter Units	Total Units	Share of Units	Common Housing Product
Upper Income	> 120% AMI > \$107,000	\$2,200 +	\$475k +	9,573	4,197	13,770	33%	Single-detached homes; Townhomes, Condominiums
Middle Income	80% - 120% AMI \$71.5k - \$107k	\$1,700-\$2,200	\$350k-\$475k	3,826	4,401	8,227	20%	Single-detached homes; Townhomes; Small homes; New apartments
Low Income	50% - 80% AMI \$45k - \$71.5k	\$1,200-\$1,700	\$225k-\$350k	3,084	4,917	8,001	19%	Market apartments; Manufactured homes; Plexes; Aging single-detached
Very Low Income	30% - 50% AMI \$27k - \$45k	\$800-\$1,200	\$150k-\$225k	2,061	3,237	5,298	13%	Aging/substandard rentals; Government-subsidized; Voucher
Extremely Low Inc.	< 30% AMI < \$27,000	<\$800	<\$150k	1,920	4,051	5,971	14%	Government-subsidized; Voucher; Shelter; Transitional
TOTAL:				20,464	20,803	41,267	100%	

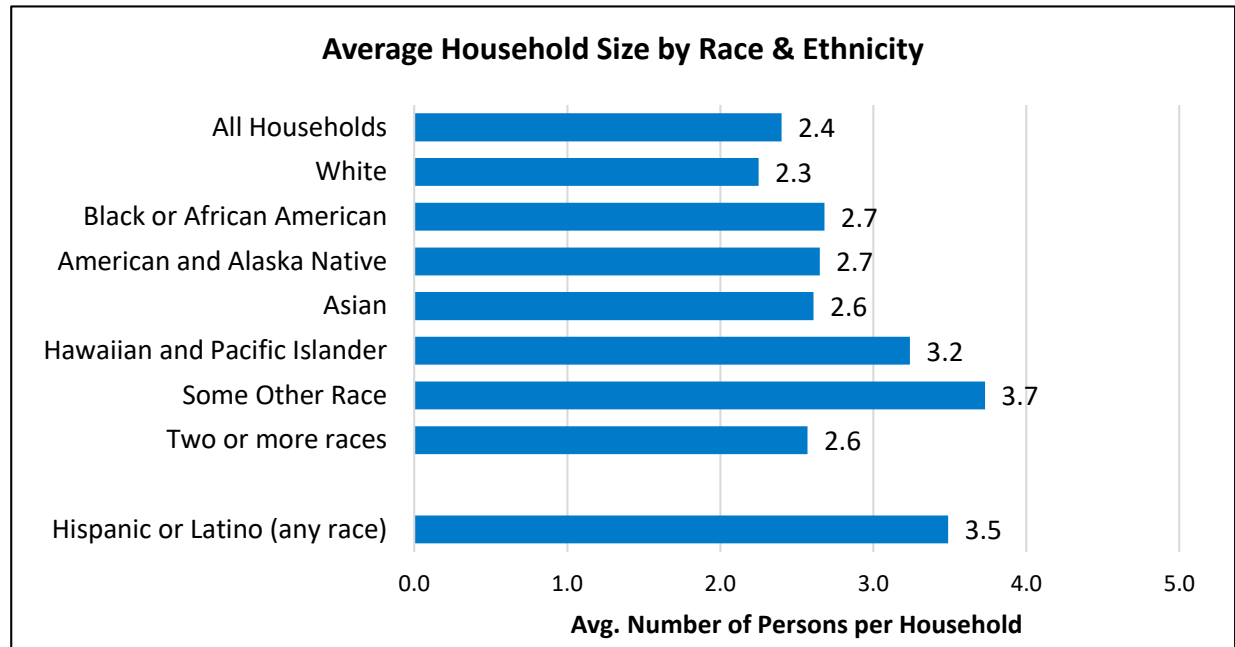
Sources: OHCS, Claritas., Census, JOHNSON ECONOMICS

D. ESTIMATE OF CURRENT HOUSING DEMAND BY RACIAL AND ETHNIC CATEGORIES

The following figure breaks down the estimated demand for rental and owner units shown in the table above by racial and ethnic categories. As noted, there is a margin of error to these data so these numbers will not be as exact as they appear, but a guide to the general distribution of demand.

Households of color in 2010, the most recent year with relevant Census data, tend to have larger average household size than the average of all households (Figure 4.4). White households had an average household size slightly smaller than the citywide average, while all other groups were estimated to have an average household size larger than the average. All of these figures fall within the margin of error, but the general trend seems clear. (See Appendix A, Part G. for more data on racial and ethnic demographics.)

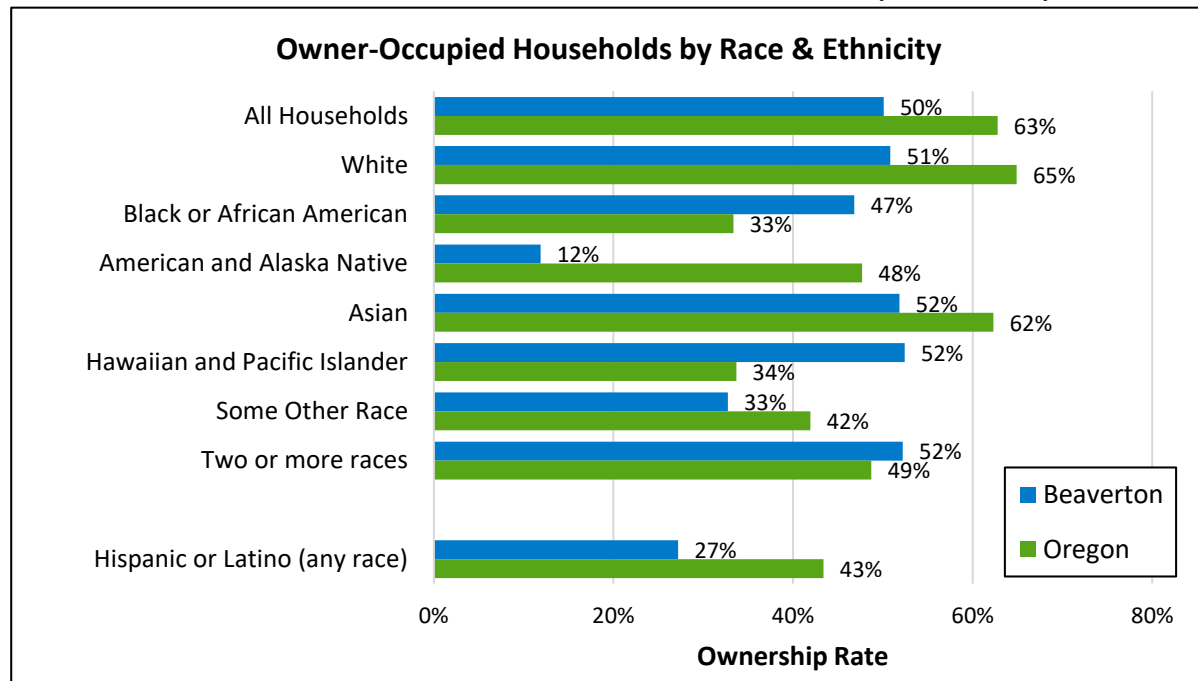
FIGURE 4.4: AVERAGE HOUSEHOLD SIZE BY RACIAL AND ETHNIC CATEGORY, 2010 (BEAVERTON)



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: P17A-H, (2010, most recent available from Decennial Census)

Figure 4.5 presents estimated homeownership by race in Beaverton and statewide, from ACS data.

FIGURE 4.5: HOME OWNERSHIP BY RACIAL AND ETHNIC CATEGORY (BEAVERTON)



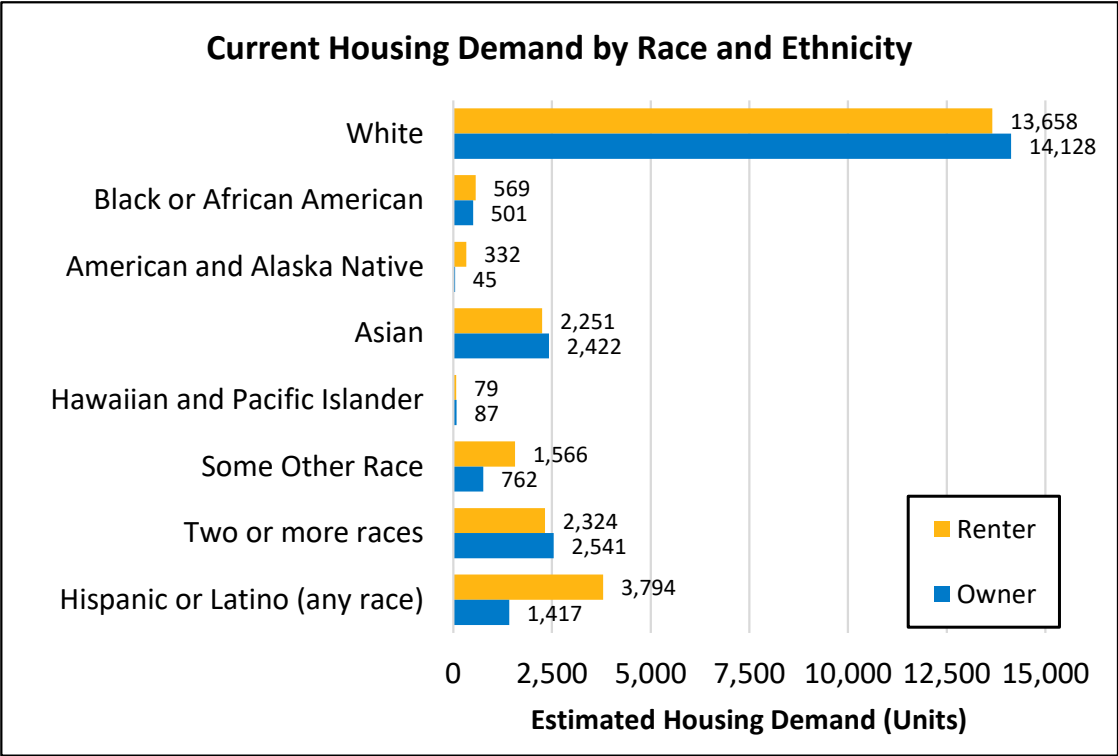
SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: B25003A-H, (2020 ACS 5-year)

The data from Beaverton feature greater margins of error than the statewide data due to sample size, and data for the smaller groups within Beaverton feature even greater margin of error. However, the more reliable citywide 2020 ACS data show that the city does have a low homeownership rate (50%) relative to the county of state. Therefore, the lower rates of homeownership shown above relative to the state reflect that difference.

Families of color are less likely to own the homes they occupy based on statewide data. On a generalized level, this includes all non-White racial subgroups. Asians report a homeownership rate close to the average, however, as the Leading with Race study found, there is much variation among each of these subgroups and it is misleading to assume that all households in a given category are accurately represented by the average figure.

Figure 4.6 presents an estimate of the housing demand presented in Figure 4.2 and 4.3, broken down by the estimated demand from racial and ethnic categories.

FIGURE 4.6: TENURE BY RACIAL AND ETHNIC CATEGORY (BEAVERTON)



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: P17A-H, (2010), B25003A-H, (2020 ACS 5-year)

As with the estimate of total demand, this represents the current tenure of households, but not an equitable housing balance. Historic government policies and subsidies have almost exclusively benefited White homeowners, which has resulted in much higher rates of homeownership among this group. At the same time, discrimination and barriers have resulted in lower rates of homeownership for people of color and, nationally, that gap is increasing, not decreasing. Lower incomes, educational attainment, access to generational wealth, and discrimination in lending are some of the factors that have suppressed homeownership in communities of color. In that sense, it does not represent a complete picture of current housing needs. However, the next step in this

process will be to estimate future housing needs. In that step of the process, we will describe the types of housing needed by specific groups to create a more equitable future. In addition, strategies or incentives that help create more opportunities for these groups to own their homes and build wealth through property ownership will be an important component of equitable housing to evaluate during the policy and strategy elements of this study.

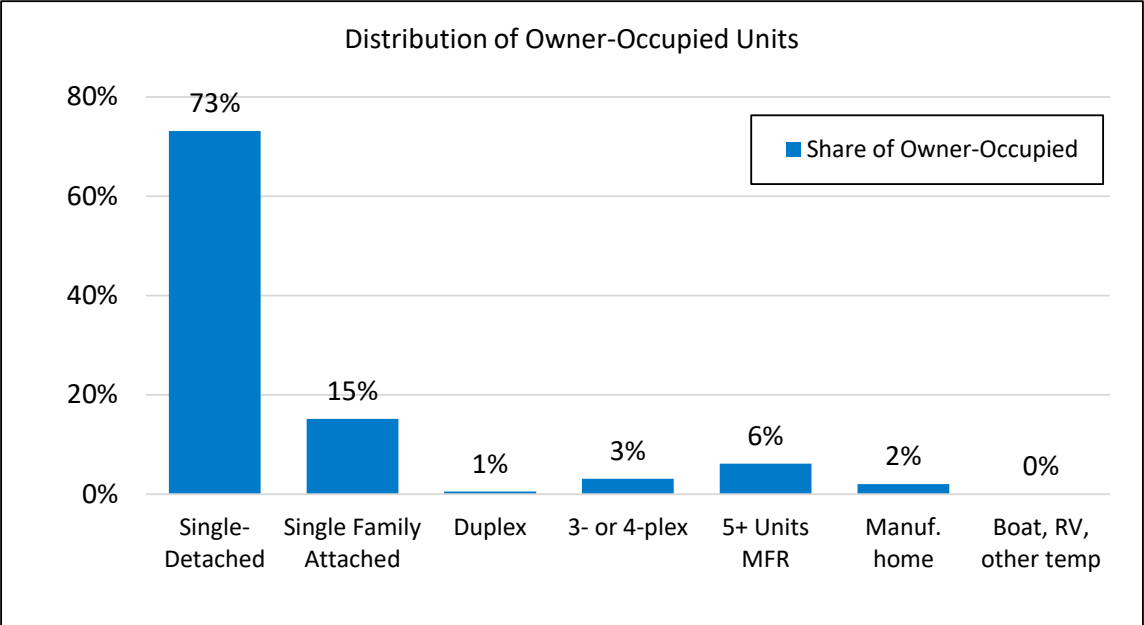
E. ESTIMATE OF CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 4.2) represents the estimated income levels of current households and the housing they can afford. In reality, the current housing supply (Figures 4.7 and 4.8 below) differs from this profile, as we know many community members are housing-cost burdened (requiring more than 30% of gross income).

A profile of current housing supply in Beaverton was estimated based on permit data from the City of Beaverton and Census data from the most recently available 2020 ACS, which provides a profile of housing types (single-detached, attached, manufactured home, etc.), tenure, housing values, and rent levels (as presented in Appendix B of this report). The 5-year estimates from the ACS were used.

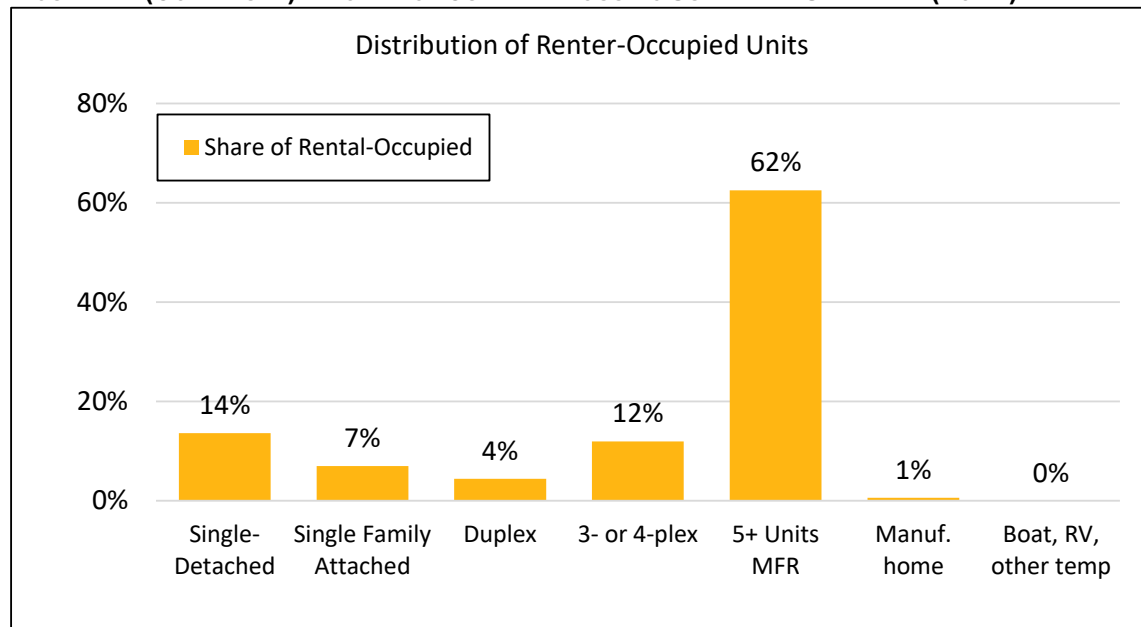
- An estimated 49.8% of housing units are ownership units, while an estimated 50.2% of housing units are rental units. This is very similar to the current tenure split in the community. The profile shown in Figure 4.2 estimated a slightly higher demand for owner units but the differences are well within the margin of error. The inventory includes vacant units.
- 73% of ownership units are single-detached homes, and an additional 2% are manufactured homes. Fourteen percent of rental units are either single-detached homes or manufactured homes, while 62% are in structures of 5 units or more.
- Of total housing units, an estimated 43% are single-detached homes, and 1% are manufactured homes. Nineteen percent are some sort of attached unit type.

FIGURE 4.7: PROFILE OF CURRENT HOUSING SUPPLY BY UNIT TYPE (2022)



(Continued below)

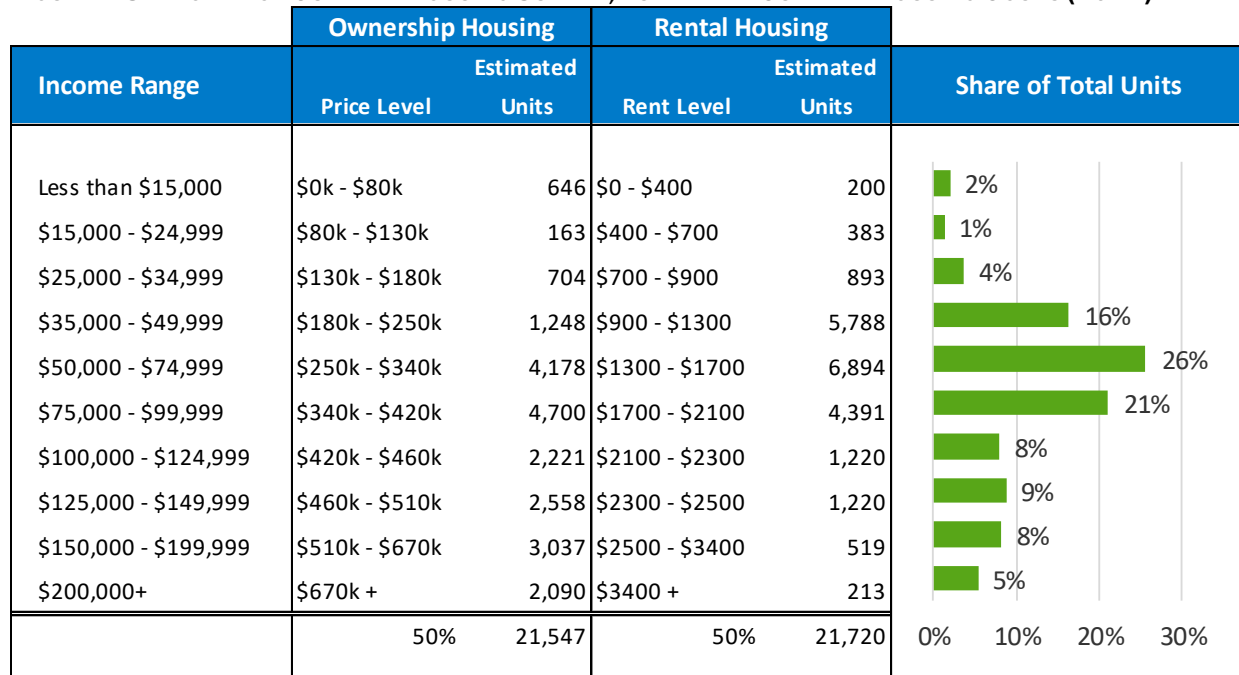
FIGURE 4.7 (CONTINUED): PROFILE OF CURRENT HOUSING SUPPLY BY UNIT TYPE (2022)



Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2020 ACS 5-yr Estimates)

- The estimated affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals), using the same assumptions of ability to pay by income band used to determine demand (see discussion of Figure 4.2).
- Communities often harbor some low-cost units, despite the general perception of housing cost inflation and unaffordability for lower-income households. The inventory at the lowest end of the rental spectrum includes subsidized affordable housing units for very low income people. Other sources of low-cost rentals can be renters who have long-term arrangements or good deals from family, friends, or landlords who trust them as tenants. That can amount to lower rents over time than is typically seen at apartment complexes offering new units.
- Ownership housing found at the lower end of the property value spectrum generally reflects older, smaller homes, or homes in poor condition on small or irregular lots. **It is important to note that these represent estimates of current property value or current housing cost to the owner, not the current market pricing of homes for sale in the city.** These properties are currently estimated to have low value but will likely eventually sell for a higher price, meaning higher housing costs, and/or may be candidates for redevelopment.
- In addition, there are many homeowners, generally older who have paid off their mortgage, which greatly reduces their actual housing costs. Other long-term owners may have mortgage payments but bought their homes at a much lower price point many years prior and may have a low housing payment despite the estimated current value of the property.

FIGURE 4.8: PROFILE OF CURRENT HOUSING SUPPLY, ESTIMATED CURRENT HOUSING COSTS (2022)



Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
Census Tables: B25004, B25032, B25063, B25075 (2020 ACS 5-yr Estimates)

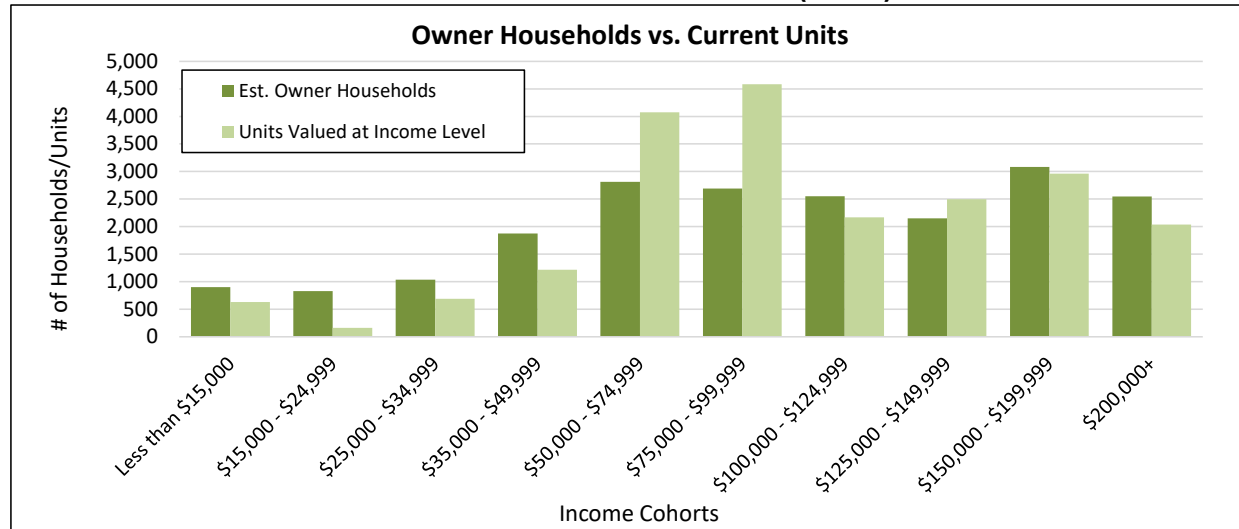
- Most housing in Beaverton is found in price and rent levels affordable to those earning at least \$50,000 per year. There is little housing available to those in lower income segments. As noted, the units available at the lowest end of the income spectrum are likely to be a combination of subsidized affordable rentals, manufactured homes, aging or substandard units.

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

A comparison of estimated current housing demand (Figure 4.2) with the existing supply (Figure 4.5) identifies the existing discrepancies between demand and the housing which is currently available. The estimated number of units outnumbers the number of households by an estimated 2,000 units. Figures 4.9 and 4.10 present the estimated number of households in given income ranges and the estimated supply of units currently valued (ownership) or priced (rentals) within those income ranges.

In general, there is currently a need for more ownership housing at lower price points, while the middle to upper end of the market is well supplied (Figure 4.9). This is because most housing in Beaverton is clustered at higher property values, which leaves some households underserved.

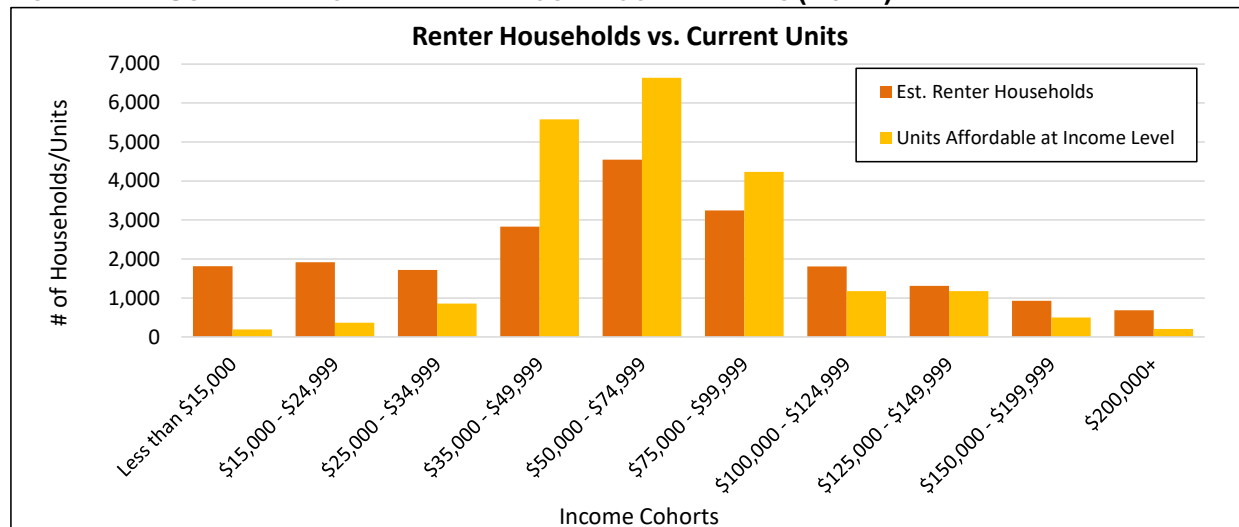
FIGURE 4.9: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2022)



Sources: Census, JOHNSON ECONOMICS

The analysis finds that the current market rates for most rental units are in the \$1,100 to \$2,000/month range (Figure 4.10). Therefore, this is where most of the rental unit supply is currently clustered. However, the greatest unmet need is found at the lowest end of the income scale, where it is estimated that thousands of current renters pay more than 30% of their income in housing costs. Rentals at the most expensive levels generally represent single-detached homes for rent.

FIGURE 4.10: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2022)



Sources: Census, JOHNSON ECONOMICS

The home value and rent segments which show a “surplus” in Figures 4.9 and 4.10 illustrate where estimated current property values and market rent levels are clustered in Beaverton. Housing prices and rent levels will tend to congregate around those levels. These levels will be too costly for many low-income households (i.e., require more than 30% in gross income) to afford, while other groups face structural barriers such as past and persistent discrimination in housing that may also make the available housing difficult to attain.

HOME SALE PRICES

It is important to note that the figures presented in the prior section represent estimates of current property value or current housing cost to the owner, not the current market pricing of homes for sale in the city. For instance, a household living in a manufactured home that has been paid off over many years may have relatively low housing costs. This indicates that one owner household is living in a “lower value” unit. It does **not** indicate that units at this price point are available on the current market.

If this hypothetical household were to sell their home, it would sell at a higher price reflecting inflation and current achievable market prices. For this reason, many of the lower value or lower rent units found in the previous section may offer lower housing costs to the current occupant but would become higher-priced units when they are sold or become vacant.

For reference, this section summarizes the recent home sales data from Appendix B to indicate housing costs for new entrants into the market. Over the prior 12 months:

- The median sale price was \$518,500.
- The average (mean) sale price was \$538,000.
- 45% of sales were priced between \$400,000 and \$599,000.
- 32% of sales were priced at \$600,000 or more.
- 23% of sales were priced below \$400,000, and only 8% were priced below \$300,000.

Affordability: As indicated, 77% of recent sales in Beaverton took place above the \$400,000 price level. Homes in this range should be mostly affordable to households earning at least \$100,000 per year, or an estimated 37% of local households. Roughly 63% of households earn less than \$100,000 per year, meaning that the bulk of housing supply on the current for-sale market is likely too expensive for most of these households. In assessing future housing needs and strategies to address them in subsequent memos, these latter households’ needs will be the focus of our work.

ADDITIONAL HOUSING NEEDS CONSIDERATIONS

This section of the report has focused on the comparison of rental and ownership housing for people in different income levels to the current housing inventory. However, in further identifying future housing needs and in formulating policies and strategies that will help address the more nuanced needs of people in Beaverton, deficits identified for low-income households or disadvantaged racial or ethnic groups, other factors previously described in this report will need to be considered, including but not limited to the following:

- Promoting home ownership opportunities for people of color and others who have faced historical housing discrimination will be important in addressing and reversing the intergenerational wealth gap experienced by these community members.
- Building housing that meets the growing needs of seniors and people with physical or other disabilities will be essential. This will include housing that is physically accessible to people with mobility challenges, as well as housing that is coupled with, or in close proximity to needed services.
- Both rental and ownership housing will be needed for larger households and intergenerational households.
- Transitional and permanent supportive housing is needed for people who are experiencing and/or facing homelessness and likely goes beyond the amount indicated by data on homelessness, given that those numbers typically underestimate the size of that population.

- Institutional and structural barriers to obtaining needed housing will need to be addressed (e.g., discriminatory lending practices).
- Better local data is needed to more accurately reflect the housing needs of communities of color and other groups where high margins of error associated with housing data make it challenging to accurately measure demographic conditions and needs.

V. GEOGRAPHY OF HOUSING NEED

This section presents additional geographical context of housing needs in Beaverton and the distribution of households that may be more vulnerable to displacement. This section (along with additional maps of key metrics presented in Appendix C) is meant to show where unmet housing needs may be most acute across the community and provide additional context to the quantified findings presented in the prior section.

The methodology used here was drawn from the Anti-Displacement and Gentrification Toolkit Project, prepared for DLCD in 2020 by a team at Portland State University. The toolkit lays out a methodology for determining the conditions within the city’s Census Tracts based on a number of metrics, which are compared to citywide averages. The number of metrics met by each Census Tract helps determine the “neighborhood typology” representing the danger of gentrification and displacement.

While no methodology is perfect, this analysis has followed the steps as outlined in the PSU Toolkit and adopted its metrics and definitions of neighborhood typologies. This document cannot recreate the detailed discussion of methodology presented in the Toolkit. Please refer to the original project⁹ for more detail on all of the material presented below.

A. NEIGHBORHOOD METRICS

The Toolkit recommends the following key questions and indicators to examine for each Census Tract. The results are compared to the average citywide measure for that indicator.

FIGURE 5.1: KEY QUESTIONS AND INDICATORS OF NEIGHBORHOOD TYPOLOGY

Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Where do low-income people live?	Where do BIPOC and vulnerable people live?	Where is precarious housing located?	Is the housing market “hot”?	What are changes in neighborhood characteristics?
• Low-income households • Household income	• BIPOC population • Limited English proficiency • Persons with disabilities • Female-headed households • 65 years and older	• Multi-family housing • Housing units built before the 1970’s	• Median rent • Rent change • Median home value • Home value change	• Change in BIPOC • Change in educational attainment • Change in homeownership • Change in household income

Source: Anti-Displacement and Gentrification Toolkit, PSU, DLCD (2020)

⁹ “Anti-Displacement and Gentrification Toolkit Project,” L. Bates Ph.D, M. Zapata Ph.D., S. Sung. Toulon School of Urban Studies and Planning at Portland State University, 2020.

The following is a summary of how these indicators are defined and measured, and the Census data sources used for each:

- Low-income households: % of population living in poverty (Table S1701, ACS 2020 5-Year Estimates)
- Household income: Median household income (Table S1903, ACS 2020 5-Year Estimates)
- BIPOC population: % of population in non-White racial categories and/or Latine category (Table P2, 2020 Decennial Census)
- Limited English proficiency: % of households with limited English proficiency (Table S1601, ACS 2020 5-Year Estimates)
- Persons with disabilities: % of population with one or more disabilities (Table S1810, ACS 2020 5-Year Estimates)
- Female-headed households: % of households with female head of household, no spouse (Table B11001, ACS 2020 5-Year Estimates)
- 65-years and older: % of population that is 65 years and older (Table S0101, ACS 2020 5-Year Estimates)
- Multi-family housing: % of housing units that are located in properties of 5 or more units (Table B25024, ACS 2020 5-Year Estimates)
- Housing units built before the 1970's: % of housing units that were built prior to 1970 (Table B25034, ACS 2020 5-Year Estimates)
- Median rent: Median gross rent (Table B25064, ACS 2020 5-Year Estimates)
- Rent change: % change in median gross rent from 2010 to 2020 (Table B25064, ACS 2010 and 2020 5-Year Estimates)
- Median home value: Median home value (Table B25075, ACS 2020 5-Year Estimates)
- Home value change: % change in median home value from 2010 to 2020 (Table B25075, ACS 2010 and 2020 5-Year Estimates)
- Change in BIPOC: % change in BIPOC population from 2010 to 2020 (Table P2, 2010 and 2020 Decennial Census)
- Change in educational attainment: % change in population aged 25 or older, with a bachelor's degree or higher from 2010 to 2020 (Table S1501, ACS 2010 and 2020 5-Year Estimates)
- Change in homeownership: % change in ownership households as a share of all households from 2010 to 2020 (Table B25003, ACS 2010 and 2020 5-Year Estimates)
- Change in household income: % change in median household income from 2010 to 2020 (Table S1903, ACS 2010 and 2020 5-Year Estimates)

B. NEIGHBORHOOD TYPOLOGIES

The results of each indicator are compared to city averages to determine if the indicator represents greater or lesser household vulnerability, housing market change, etc. If the indicator falls on the side of greater vulnerability or displacement risk, the tract is considered to qualify for that subject. The following is a summary of the qualifications by subject group. (See the Toolkit, pages 24-26).

- 1) **Income profile:** Tract is low income if meets both of 2 criteria.
- 2) **Vulnerable People:** Tract has vulnerable populations if meets 2 or more of 5 criteria.
- 3) **Precarious Housing:** Tract has precarious housing if meets either of 2 criteria.
- 4) **Housing Market Activity:** Tract has a “hot market” if meets 3 or more of 4 criteria.
- 5) **Demographic Change:** Tract is experiencing high change if meets 3 or more of 4 criteria.

The Toolkit provides the following Neighborhood Typologies based on the results of these indicators in each Census Tract.

FIGURE 5.2: TRACT LEVEL NEIGHBORHOOD TYPOLOGY: CHARACTERISTICS & RISKS OF DISPLACEMENT

	Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Green Affordable and vulnerable	Low	Yes	Yes	No	--
Yellow Early gentrification	Low	Yes	Yes	Yes	No
Orange Active gentrification	Low	Yes	Yes	Yes	Yes
Red Late gentrification	High	Yes	No	Yes	Yes
Blue Becoming exclusive	High	No	No	Yes	Yes
Purple Advanced exclusive	High	No	No	High value and rent	No

Source: Anti-Displacement and Gentrification Toolkit, PSU, DLCD (2020)

The following definitions of the Neighborhood Typology are quoted from the Toolkit:

[The] first three neighborhood types are designated as low-income neighborhoods. Depending upon their housing market activities and demographic changes, their stages of gentrification are differentiated. All of them have vulnerable people to displacement and precarious housing to be easily targeted to gentrification. Indeed, these neighborhoods need extra care by considering various combinations of housing supply production and preservation to mitigate the displacement risks for vulnerable people.

Green: Affordable and Vulnerable

The tract is identified as a low-income tract, which indicates a neighborhood has lower median household income and whose residents are predominantly low-income compared to the city average. The neighborhood also includes precariously housed populations with vulnerability to gentrification and displacement. However, housing market in the neighborhood still remains stable with no substantial activities yet. At this stage, the demographic change is not under consideration.

Yellow: Early Gentrification

This type of neighborhoods represents the early phase in the gentrification. The neighborhood is designated as a low-income tract having vulnerable people and precarious housing. The tract has a hot housing market, yet no considerable changes are found in demographics related to gentrification.

Orange: Active Gentrification

The neighborhoods are identified as low-income tracts with high share of vulnerable people and precarious housing. Also, the tracts are experiencing substantial changes in housing price or having relatively high housing cost found in their housing markets. They exhibit gentrification related demographic change.

The latter three neighborhoods on the table are designated as high-income tracts. They have a hot housing market as they have higher rent and home value with higher appreciation rates than the city average. They also do not have precarious housing anymore. However, Late Gentrification type still has vulnerable people with experiences in gentrification related demographic changes. The last two neighborhood types show the exclusive and affluent neighborhoods.

Red: Late Gentrification

This type of neighborhood does not have predominantly low-income households, but still has populations vulnerable to gentrification. Their housing market exhibits the high housing prices with high appreciations as they have relatively low share of precarious housing. The neighborhoods experienced significant changes in demographics related to gentrification.

Blue: Becoming Exclusive

These neighborhoods are designated as high-income tracts. Their population is no longer vulnerable to gentrification. Precarious housing is not found in the neighborhoods. However, the neighborhoods are still experiencing demographic change related to gentrification with hot housing market activities.

Purple: Advanced Exclusive

The neighborhoods are identified as high-income tracts. They have no vulnerable populations and no precarious housing. Their housing market has higher home value and rent compared to the city average, while their appreciation is relatively slower than the city average. No considerable demographic change is found in the neighborhoods.

- Anti-Displacement and Gentrification Toolkit, (Pg. 27-28)

B. NEIGHBORHOOD TYPOLOGIES IN BEAVERTON

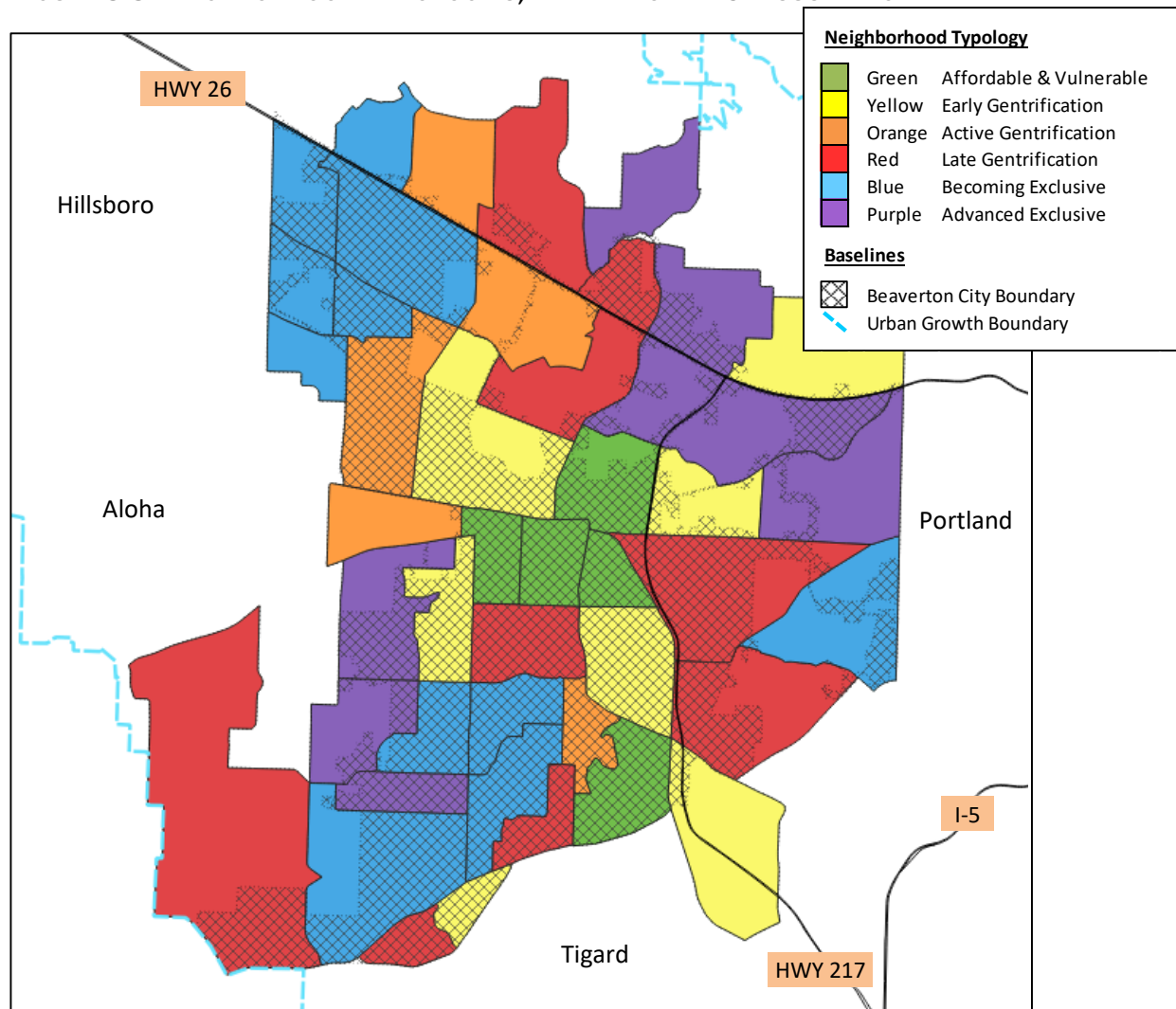
The methodology described above was applied to the 44 Census Tracts that underly Beaverton's current city boundaries. Census tracts do not exactly match municipal boundaries, and many extend beyond. The following map shows the color-coded Neighborhood Typologies applied to these tracts.

It is important to note that the table of potential results provided by PSU and shown in Figure 5.2 do not include all potential permutations of results for the five subject groups. The results for some Tracts resemble the profile of a typology as presented in Figure 5.2 but differ in one or a few of the

indicators. In those cases, we have made our best determination as to which typology most closely matches the results.

Those areas shown in green and yellow are estimated to still be the most affordable, but either vulnerable to or starting gentrification that will enhance the threat of displacement to vulnerable residents, and replacement of precarious housing stock with higher cost housing. Those tracts in orange and red are estimated to be in the process of active gentrification, and blue and purple are judged to be exclusive neighborhoods either due to advanced gentrification, or these are areas of new housing that have always been expensive.

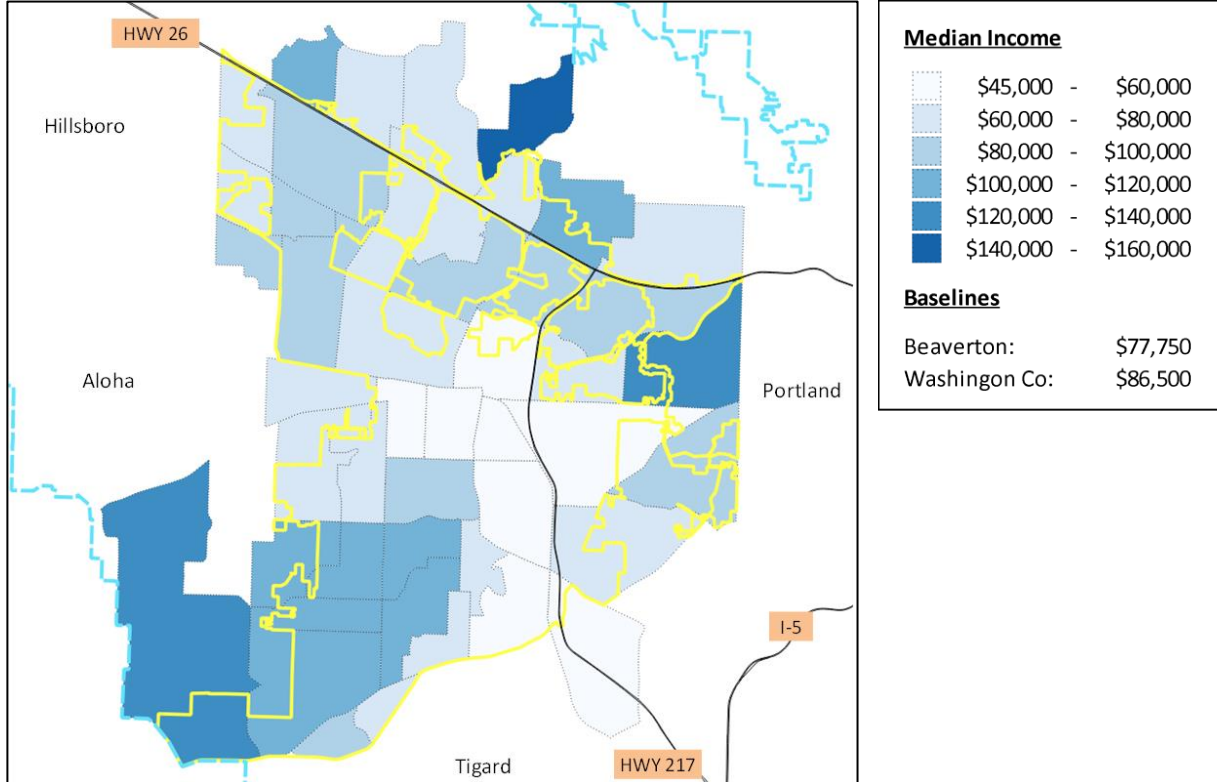
FIGURE 5.3: NEIGHBORHOOD TYPOLOGIES, BEAVERTON BY CENSUS TRACT



Source: PSU and Johnson Economics

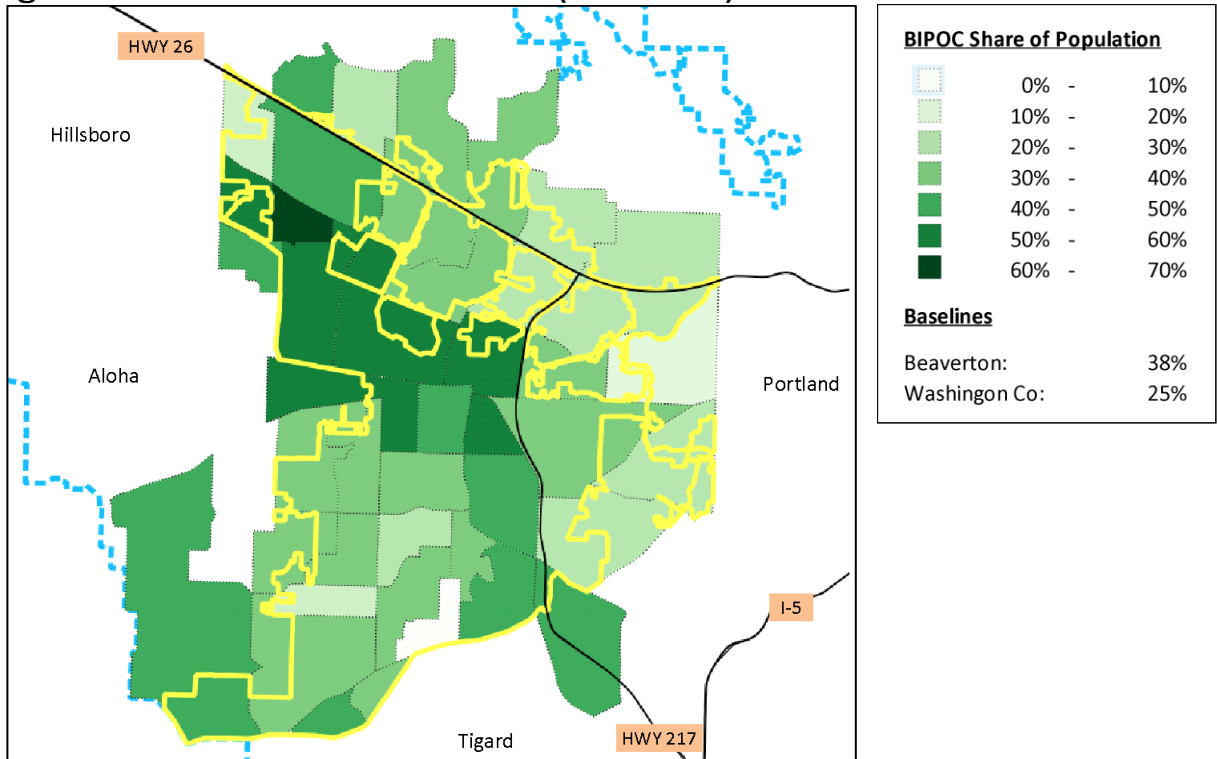
Appendix C presents additional mapping of the individual indicators that went into the composite presented above. However, the two examples reproduced on the next page show that the areas most vulnerable to future gentrification and displacement correspond with areas of lower median household income and BIPOC households. Most notably, these are the central and southeastern parts of the city. (See Appendix C for additional indicators.)

Figure 5.4: MEDIAN INCOME (BEAVERTON)



Source: 2020 5-Year ACS, Johnson Economics

Figure 5.5: BIPOC SHARE OF POPULATION (BEAVERTON)



Source: 2020 5-Year ACS, Johnson Economics

C. IMPLICATIONS OF THE GEOGRAPHY OF HOUSING NEED

Understanding the distribution of different household types, and housing conditions, can help inform discussion of policies, strategies, and programs in subsequent phases of this project. As there are different segments of the housing market that may need more intervention to meet housing needs, there also might be particular neighborhoods that need intervention more than other areas where market forces are adequately meeting the demand for housing and are not exacerbating barriers for people who already face challenges in obtaining the housing they need.

The findings of qualitative, quantitative, and geographic housing conditions in Beaverton presented in this report will form the foundation for determining what an equitable housing mix would look like at the end of the 20-year planning period. This vision of an equitable future will guide the projections of *future* housing need, and recommended strategies and tools to help achieve it.

APPENDIX A: CITY OF BEAVERTON DEMOGRAPHIC DATA

This Appendix provides an overview of demographic conditions in Beaverton. Most of the indicators presented here factor into the estimate of housing need presented in the report. Some data is presented primarily for informational purposes. The reader should keep in mind the limitations on the accuracy of Census and ACS data described at the beginning of the report.

Numbers can tell one story about the community, but it is important to note that qualitative accounts of the lived experiences of residents and subgroups impart a more nuanced story. Past projects such as Leading with Race and additional public outreach to be conducted throughout the Housing Beaverton Project will build greater context around housing needs.

SUMMARY

The following table Figure A.1 presents a profile of City of Beaverton demographics from the 2000 and 2020 Census. It also reflects the estimated population of the city as of 2022, which is forecasted from the 2020 Census estimate using the demonstrated annual growth rate since between the 2010 and 2020 Census.

- Beaverton is a city of nearly 100,000 people located in Washington County on the central western side of the Portland metropolitan area.
- Based on estimated population, Beaverton is the 7th largest city in the state by population. Beaverton is the 4th largest city in the Metro area, though similar in size to Hillsboro and Gresham. Beaverton's population is roughly 15% that of neighboring Portland.
- Between 2000 and 2020, Beaverton grew by over 21,000 people, or growth of 28%. In contrast, Washington County and the state experienced population growth of 35% and 24% respectively over this period. (US Census)
- Beaverton was home to an estimated 41,300 households in 2022, an increase of roughly 10,500 households since 2000. The percentage of families has fallen slightly from 61% of all households in 2000 to 59.5% in 2020. The city has a smaller share of family households than Washington County (67%) and the state (63%).
- Beaverton's estimated average household size is 2.4 persons. This is within the margin of error of the Washington County average of 2.5 and the statewide average of 2.5.
- As noted in the discussion of data limitations in the introduction to the report, a performance audit of the 2020 Census concluded that on a national level it undercounted the Black or African American population, Native populations living on a reservation, the Latine population, as well as those identifying as "some other race." The non-Latine White and Asian populations were overcounted. Children were also likely undercounted. The magnitude of or corrections for these flawed counts are not provided, so cannot be corrected in this analysis. These noted flaws of the Decennial Census should be considered when referring to figures in the following charts, as well as the standard margins of error found in all Census and ACS data.

FIGURE A.1: BEAVERTON DEMOGRAPHIC PROFILE

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2020 (Census)	Growth 00-20	2022 (Est.)	Growth 20-22
Population ¹	75,918	97,494	28%	99,110	2%
Households ²	30,830	40,240	31%	41,267	3%
Families ³	18,829	23,953	27%	24,564	3%
Housing Units ⁴	32,507	42,288	30%	43,267	2%
Group Quarters Population ⁵	916	880	-4%	895	2%
Household Size (non-group)	2.43	2.38	-2%	2.38	0%
Avg. Family Size	3.07	2.94	-4%	2.94	0%
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2020 (Census)	Growth 00-20	2022 (Proj.)	Growth 20-22
Per Capita (\$)	\$25,419	\$41,002	na	\$43,010	5%
Median HH (\$)	\$47,863	\$77,745	na	\$81,609	5%

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

Census Tables: DP-1 (2000, 2020); DP-3 (2000); S1901; S19301

1 From US Census, forecasted to 2022 using prior 10-year growth rate

2 2022 Households = (2022 population - Group Quarters Population)/2022 HH Size (based on 2020 ACS 5-Year)

3 Ratio of 2022 Families to total HH is based on 2020 ACS 5-Year data.

4 2022 units are the '20 Census total plus units permitted '20 through early '22 (source: Census, City)

5 Ratio of 2022 Group Quarters Population to Total Population is kept constant from 2020.

A. POPULATION GROWTH

Since 2000, Beaverton has grown by roughly 23,200 people, or 31% in 22 years. This was lower than the estimated countywide rate of growth, meaning that some other parts of Washington County grew faster over this period.

The PSU Population Research Center estimates that the population of Beaverton fell between 2020 and 2021 by roughly 175 people. This estimate may be due to the exceptional impacts of Covid on household relocation which included many households moving out of dense population centers. There has been a reversal of this trend over the past year in many urban areas, as the threat of Covid has diminished and life and work has returned to normal for many people. The events of the last two years are important, but this analysis assumes that this was an exceptional event, and the housing conditions over the 20-year planning period are more likely to look like “normal” times.

B. HOUSEHOLD GROWTH & SIZE

As of 2022, the city has an estimated 41,300 households. Since 2000, Beaverton has added an estimated 10,500 households. This is an average of roughly 475 households annually during this

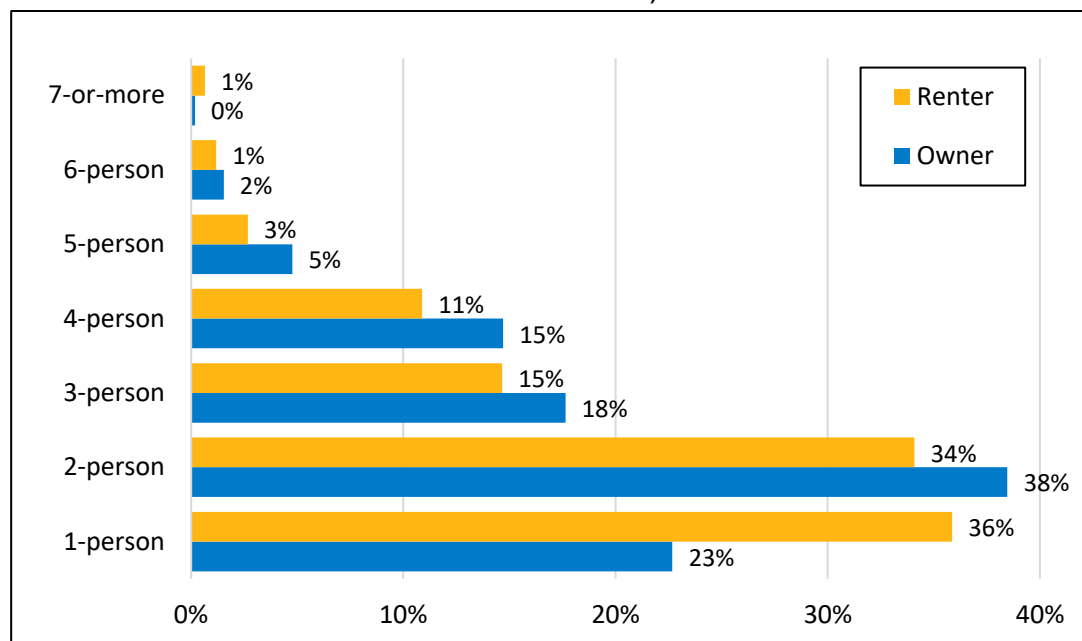
period. The growth since 2000 has roughly kept pace with the growth in new housing units, which have been permitted at the rate of roughly 490 units per year.

There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become “empty nesters.” While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall.

Beaverton’s average household size of 2.4 people is statistically the same as in Washington County.

Figure A.2 shows the share of households by the number of people for renter and owner households in 2020 (latest data available), according to the Census. Renter households are more likely to have a single occupant. Owner households are more likely to have two or more persons.

FIGURE A.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF BEAVERTON



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: B25009 (2020 ACS 5-yr Estimates)

C. FAMILY HOUSEHOLDS

The percentage of households in Beaverton that are family households was essentially unchanged between 2000 and 2020, at about 60%. The total number of family households in Beaverton is estimated to have grown by 5,735 since 2000. The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. In 2020, family households in Beaverton had an average size of 2.9 people.

D. GROUP QUARTERS POPULATION

The City of Beaverton has an estimated group quarters population of 0.9% of the total population, or 895 persons. Group quarters include such shared housing situations as nursing homes, prisons, dorms, group residences, military housing, or shelters. For the purposes of this analysis, these residents are removed from the estimated population total before determining the amount of other housing that is needed for non-group households.

In Beaverton, roughly half of people who live in group quarters are estimated to live in nursing homes/assisted living facilities, while the other half are found in “noninstitutional facilities” which the Census defines as “...including emergency and transitional shelters for people experiencing homelessness, soup kitchens that offer meals to people experiencing homelessness, targeted non-sheltered outdoor locations, group homes intended for adults, residential treatment centers for adults, and workers group living quarters and job corps centers.”

These living situations are counted separately from other households. For the purpose of this analysis, one distinction is that group quarters living situations are often on land that is zoned “non-residential,” such as commercial or institutional land. This analysis includes the needs of this group and the homeless population, who may or may not occasionally use temporary group housing. (The local homeless population is discussed in more detail in a following section.)

E. HOUSING UNITS

Data from the City of Beaverton and the US Census indicate that the city added roughly 10,760 new housing units since 2000, representing 33% growth in the housing stock. This number of new units is slightly higher than the growth in new households estimated during the same period (10,500). This is consistent with a conclusion that the pace of new housing development largely determined the pace of new household growth. In Washington County, there is a long-noted shortage of housing relative to job creation and general demand. This shortage puts upward pressure on rents and prices as households compete for available units with little oversupply to soften prices. Generally, where units are added in Beaverton, demand will fill them, and therefore the pace of development has been a major determinant of population and household growth.

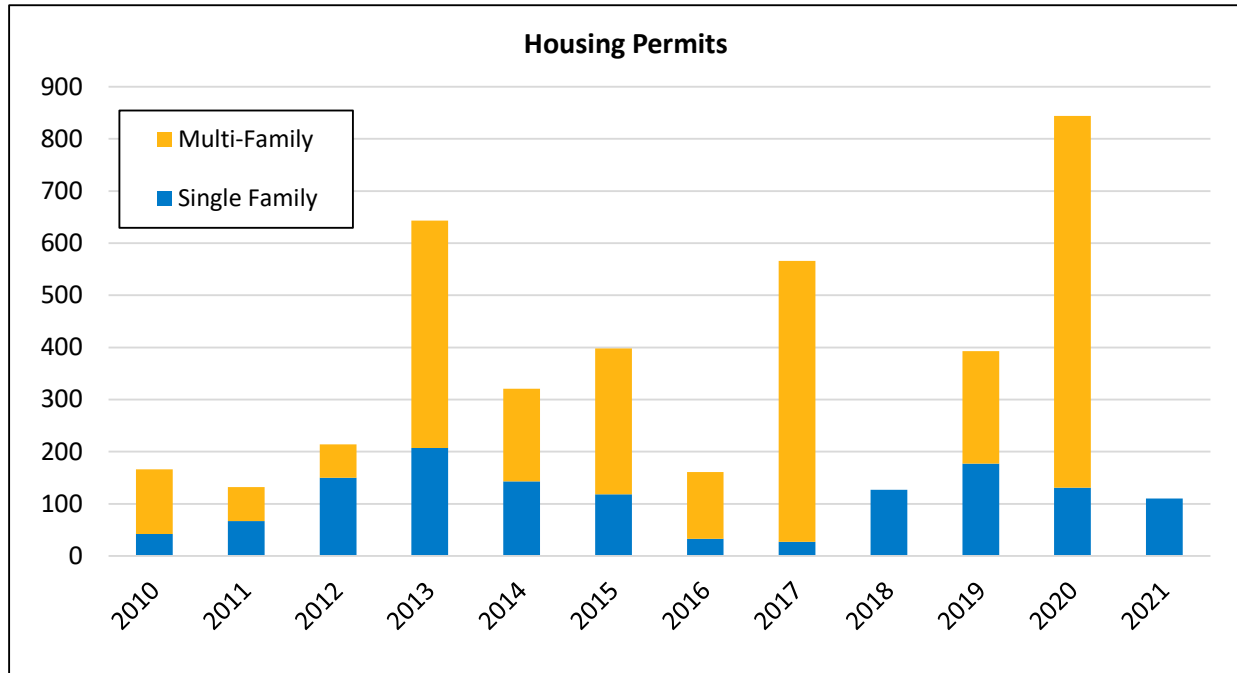
As of 2020, the city had an estimated housing stock of roughly 43,300 units for its roughly 41,300 estimated households. This translates to an estimated vacancy rate of 4.6%. This estimated vacancy rate includes housing units vacant for any reason, such as rental units between tenants, homes for sale or recently sold but not reoccupied, second homes or vacation homes that are not the primary residence of the owner, and short-term rental units.

The overall vacancy rate can obscure the fact that some housing types, unit sizes, locations, etc. might have much lower vacancy than the broad number suggests. For example, two broad surveys of rental properties in the Metro area conducted by Multifamily NW and Costar estimate that rental vacancy is closer to 3% (discussed more below).

It is also important to note that the presence of vacant units can be misleading because many households still face structural obstacles to accessing those “available” units. For instance, the units might not be affordable for lower income residents; might not be accessible for seniors or others with disabilities; or might deny housing to some people, such as excluding those with any criminal history.

Residential Permits: An average of 340 units have been permitted annually since 2010, with 67% being multi-family units.

FIGURE A.3: HISTORIC RESIDENTIAL PERMITS, CITY OF BEAVERTON

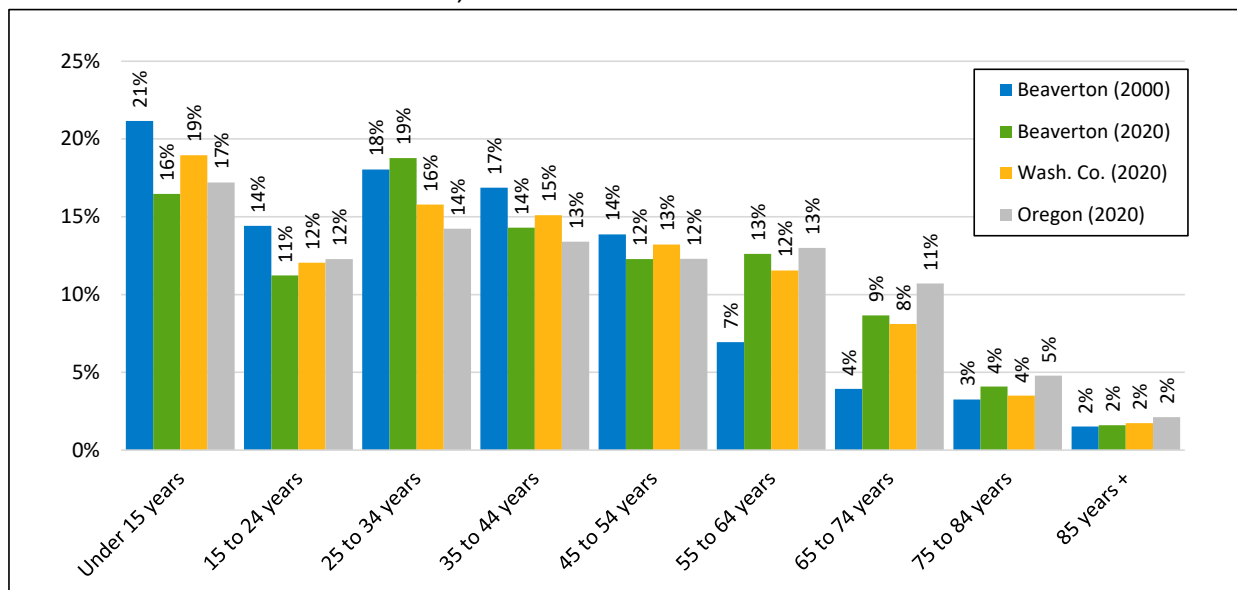


SOURCE: City of Beaverton

F. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the 2020 Census. As the chart shows, there is a general trend for people under 55 years of age to fall as share of total population, while cohorts older than 55 years of age have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation (born 1945 to 1965, and aged 57 to 77 at the time of this report).

FIGURE A.4: AGE COHORT TRENDS, 2000 - 2020



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: DP1 (2000); S0101 (2020 ACS 5-yr Estimates)

- Beaverton has a smaller share of children, and slightly greater share of residents over aged 55 than the county, though close within the margin of error. The statewide population trends somewhat older than Beaverton with smaller shares in middle age groups. These trends have implications for the size, types, and costs levels of housing that will be needed by Beaverton residents in the future.
- The cohorts that grew the most in share during this period were those aged 55 to 74 years. Still, an estimated 86% of the population is under 65 years of age.
- In the 2020 ACS, the local median age was an estimated 37 years, compared to 40 years in Oregon.

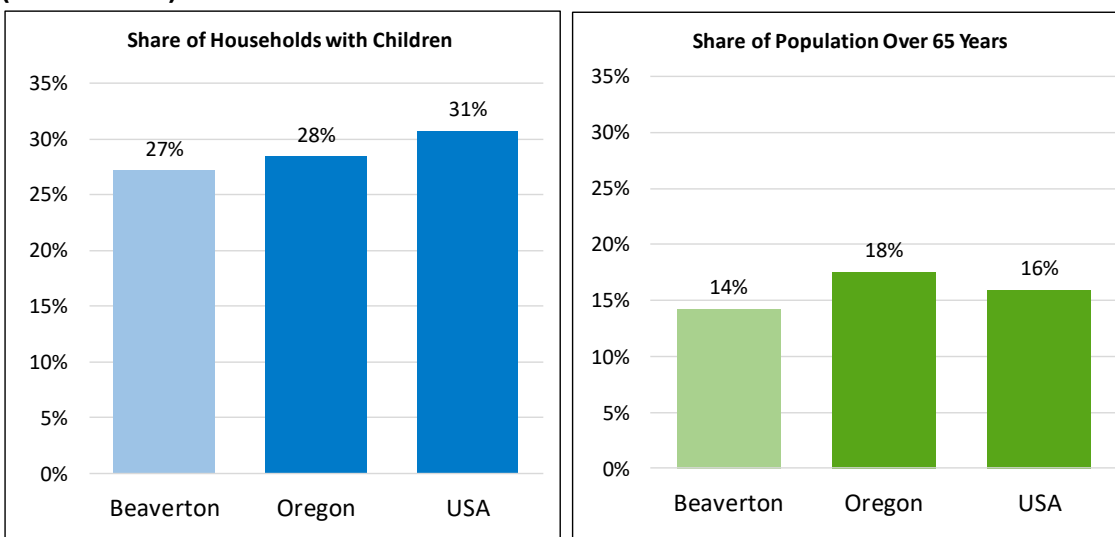
The greatest impact of age on housing needs in the near future and the next three decades is a growing need for housing appropriate for seniors. The cohort of population between 55 years of age and 80 years of age remains one of the largest and far outnumbers the generations that preceded it. This means that housing options meant to serve seniors generally remain significantly underbuilt statewide. This includes housing such as retirement communities, continuing care and assisted living facilities, smaller-sized “move down” units, accessible units for those with mobility challenges, and co-housing communities.

At the same time, as aging community members transition into new housing types, it should free up some existing housing as new owner or rental opportunities for other households. Despite the aging trend discussed above, the largest single cohort in Beaverton (19%) remains those aged 25 to 35 years, which is the middle of the Millennial generation (born 1980 to 2000¹⁰). Much of this generation is currently in what has traditionally been the family-formation and first-time homebuying phase of life. The trend of rising home prices and low housing inventory have challenged first-time buyers for over a decade. Renter households have experienced similar challenges. (Market trends are discussed more below.)

Figure A.5 presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, Beaverton has a slightly lower share of households with children. At 14%, the share of population over 65 in Beaverton is lower than the state and national figures, but might be close when margin of error is considered.

¹⁰ The definition of the Baby Boom generation (B. 1945-1965) is generally agreed upon. The determining years of the Millennial generation are less settled depending on the source, with the starting year generally falling in 1980 or early 1980's and the ending year anywhere from the mid-1990's to early 2000's. The concept of distinct “generations” is entirely an artificial construct, with births taking place every year on a continuum and nothing to distinguish the children of the “last year” of one generation, from the children of the “first year” of the next generation. Nevertheless, the concept of generations remains a useful shorthand for discussing birth rate trends, particularly when discussing large increases in certain age groups reflecting when the national birthrate was elevated. This is true of the Baby Boom and Millennial generations which are larger than other living generations, and therefore have greater impact on population, household, and housing trends.

FIGURE A.5: SHARE OF HOUSEHOLDS WITH CHILDREN/ POPULATION OVER 65 YEARS (BEAVERTON)

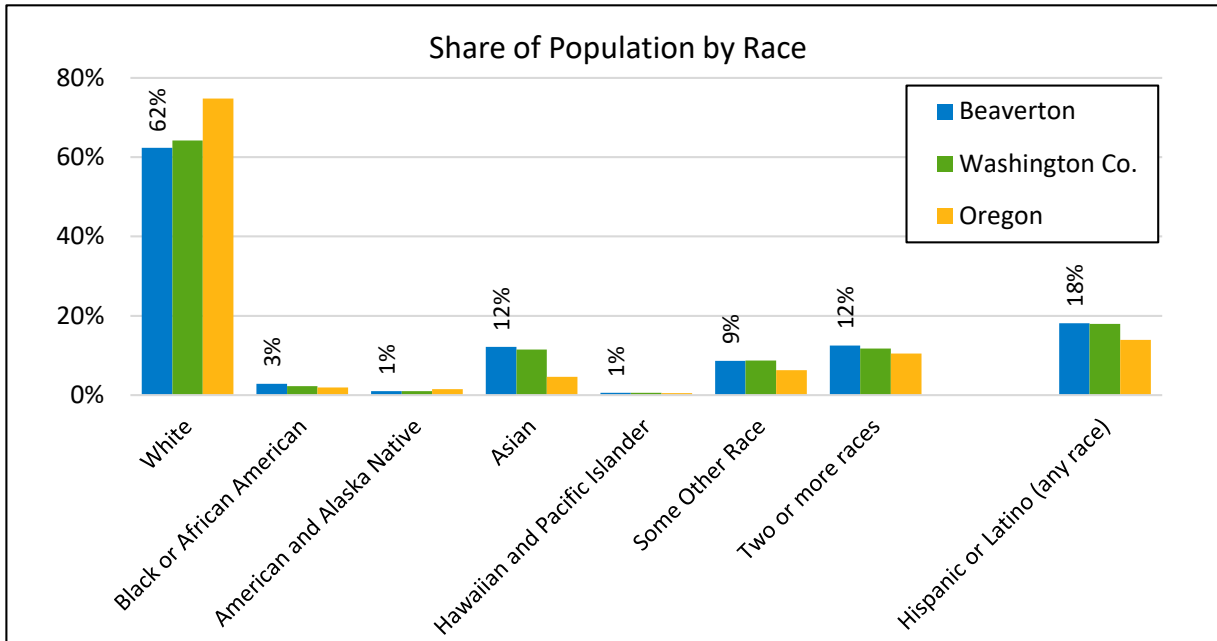


SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: B11005; S0101 (2020 ACS 5-yr Estimates)

G. RACE/ETHNICITY TRENDS

The following figure presents the distribution of Beaverton’s population by race and Hispanic ethnicity. Summarizing Census data related to this topic can be both challenging and confusing several reasons. First, the US Census treats race and ethnicity separately. Specifically, the Census categorizes people with Hispanic or Latino ethnicity (generally referred to as Latine in this document) separately. Secondly, the Census includes separate categories for “Some other race” and “Two or more races” adding further confusion to the breakdown of racial categories. Finally, the Census categories do not necessarily reflect how many people of color self-identify. All these factors should be considered when reviewing the data in this section of the report.

FIGURE A.6: RACIAL AND ETHNIC DIVERSITY, 2020 (BEAVERTON & COMPARISONS)



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: P1, P2 (2020)

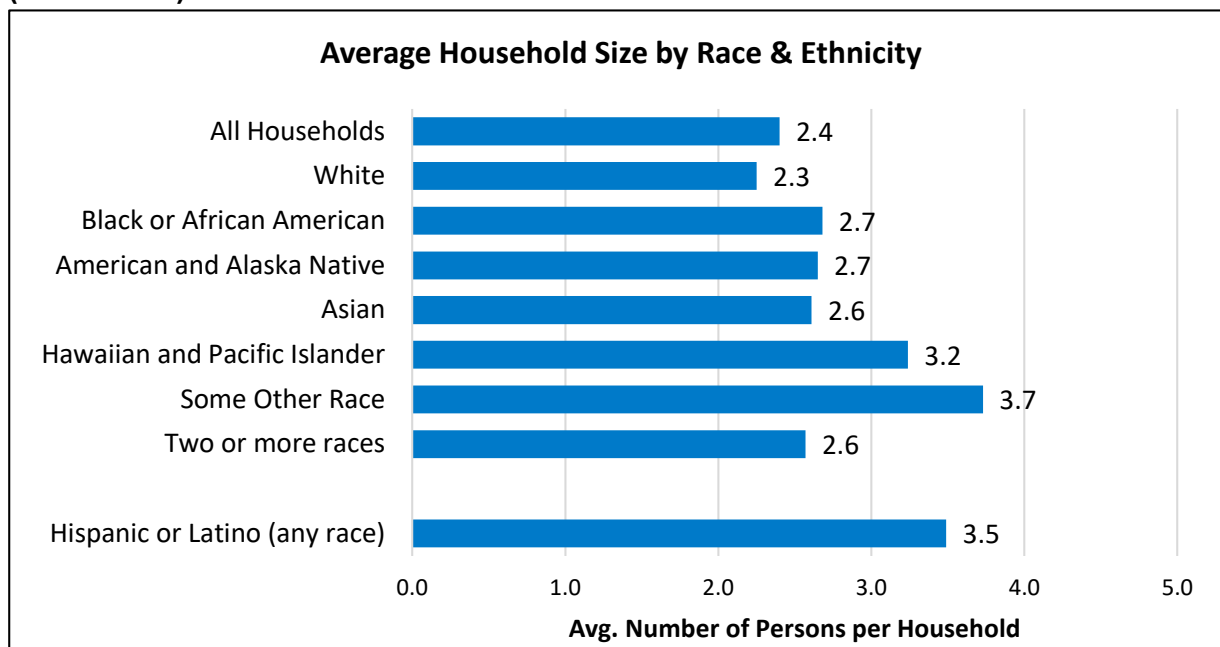
Beaverton has greater racial and ethnic diversity than both Washington County and the state. The city is 62% white, with 38% Asian, Black, Indigenous, and other or multiple races (also referred to as BIPOC in other sections of this report), and 18% Hispanic or Latine. The community grew more diverse between the 2000 and 2020 Census, with the White share of the population falling from 78.5% to 62%. Washington County is 64% White , and Oregon is 75% White .

Those identifying as Asians and Hispanic/Latine make up the largest share of communities or color in Beaverton. The share of the Beaverton population identifying as Hispanic or Latine (who may also fall under any of the racial categories) has grown from 7% to 18% of the population, indicating roughly 17,700 people as of the 2020 census.

Beaverton, as the county and state, have very low numbers of Black, Native, or Pacific islander population relative to national figures.

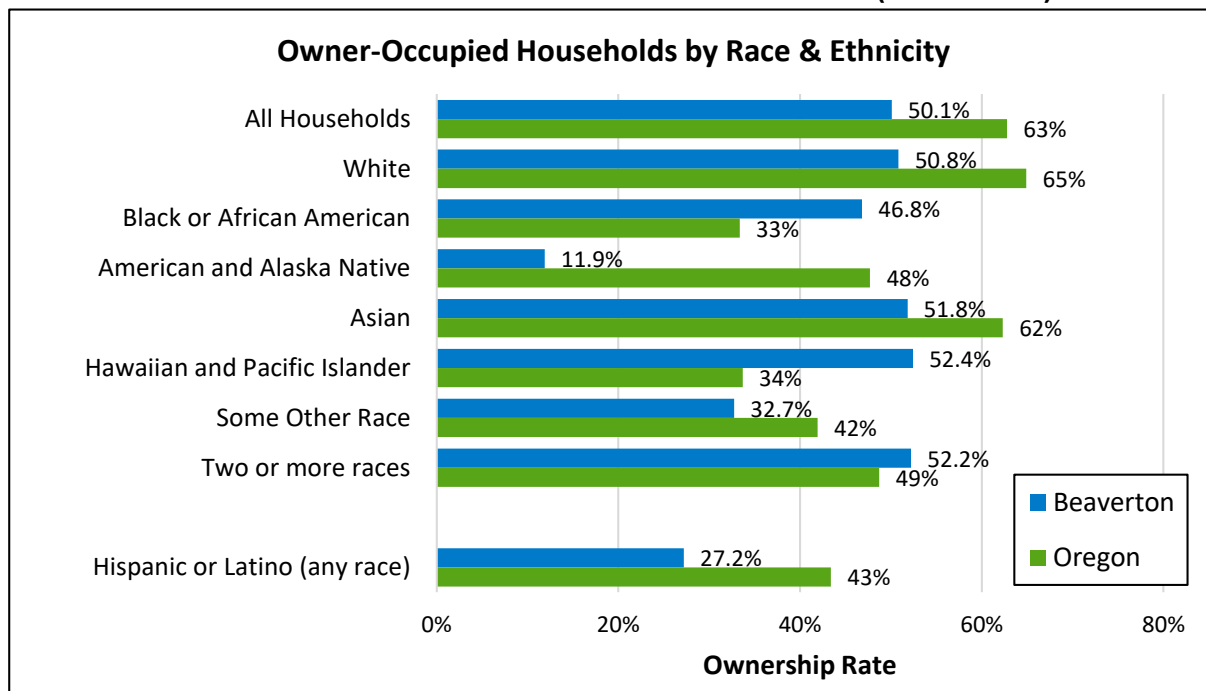
Households of color in 2010, the most recent year with relevant data, tend to have larger average household size than the average of all households (Figure A.7). This indicates a need for larger housing units on average among these households if these differences remain in 2022. These trends are also supported by national data from 2020.

FIGURE A.7: AVERAGE HOUSEHOLD SIZE BY RACIAL AND ETHNIC CATEGORY, 2010 (BEAVERTON)



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: P17A-H, (2010, most recent available from Decennial Census)

FIGURE A.8: HOME OWNERSHIP BY RACIAL AND ETHNIC CATEGORY (BEAVERTON)



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: B25003A-H, (2020 ACS 5-year)

Figure A.8 presents estimated homeownership by race in Beaverton and statewide, from ACS data. The data from Beaverton feature greater margins of error than the statewide data due to sample size,

and data for the smaller groups within Beaverton feature even greater margin of error. For this reason, the statewide data might provide a better estimate of homeownership disparities among racial and ethnic groups than the local data.

Households of color are less likely to own the homes they occupy based on statewide data. On a generalized level, this includes all non-White racial subgroups. Asians report a homeownership rate close to the average, however, as the Leading with Race study found, there is much variation among each of these subgroups and it is misleading to assume that all households in a given category are accurately represented by the average figure.

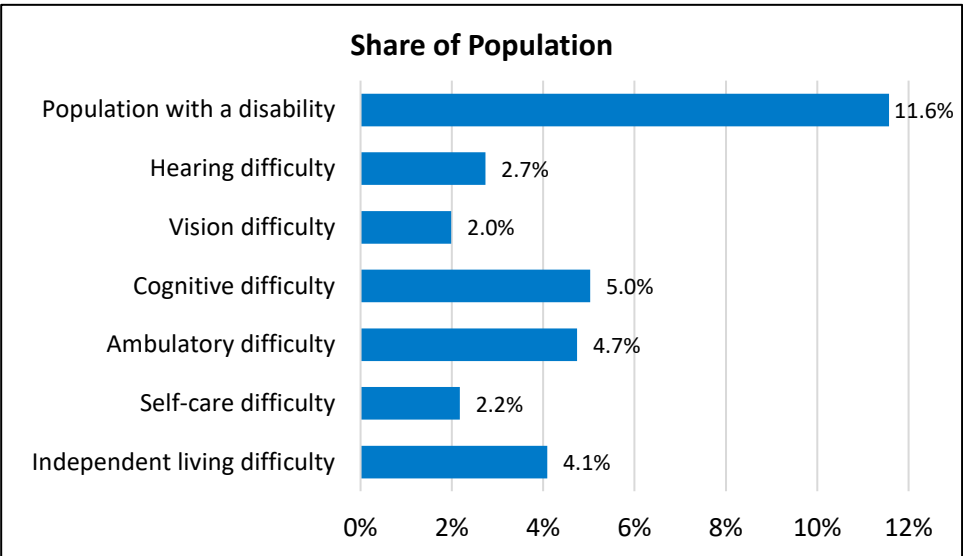
Historic government policies and subsidies have almost exclusively benefited White homeowners, which has resulted in much higher rates of homeownership among this group. At the same time, discrimination and barriers have resulted in lower rates of homeownership for people of color and, nationally, that gap is increasing, not decreasing. Lower incomes, educational attainment, access to generational wealth, and discrimination in lending are some of the factors that have suppressed homeownership in communities of color. Strategies or incentives that help create more opportunities for these groups to own their homes and build wealth through property ownership will be an important component of equitable housing to evaluate during the policy and strategy elements of this study.

H. PEOPLE WITH A DISABILITY

An estimated 12% of the population of Beaverton, or 11,300 people, report having some form of disability. This is somewhat lower than the statewide rate of 14%, but higher than the Washington County rate of 10%. (The Census reports these statistics for the “non-institutionalized population.”)

The following figure presents Census estimates of the types of disability reported among Beaverton residents. Any type of disability could impact the type of housing that may be appropriate for a resident, but those with the greatest impact on needed housing type are generally an ambulatory, self-care, or independent living disability.

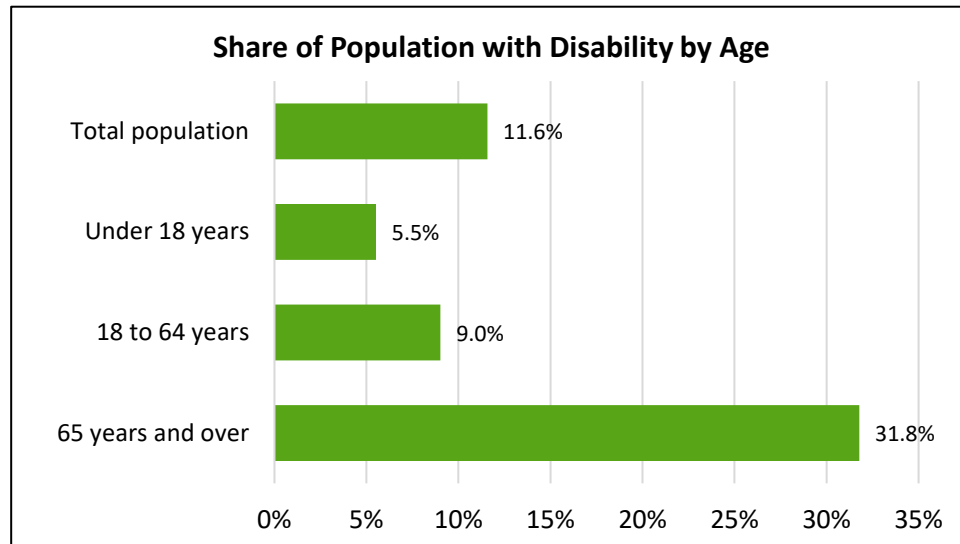
FIGURE A.9: BEAVERTON SHARE OF THE POPULATION WITH DISABILITY, BY TYPE



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: DP02, (2020 ACS 5-year)

Those with an ambulatory disability often need units with expanded access for wheelchair, walker, or scooter. Those with self-care or independent living disabilities may require additional safety precautions around the home to protect a resident who cannot always be directly monitored. The largest subset is those with a cognitive difficulty, defined as “having difficulty remembering, concentrating, or making decisions.” These individuals may need a range of housing from independent living in the general housing market, to needing to live with family or group housing situation in order to ensure they meet their daily needs.

FIGURE A.10: BEAVERTON POPULATION WITH A DISABILITY, BY AGE



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: DP02, (2020 ACS 5-year)

Older residents are more likely to report a disability, including nearly a third of those over 65 of years. Of those aged 18 to 64 years, 9% of the local population reports a disability, and 6% of children. Because Census data tends to undercount the homeless population, there are likely more residents with disabilities in Beaverton than reflected in these data, given that a larger share of homeless individuals tend to have some forms of disabilities compared to the population as a whole.

I. INCOME TRENDS

The following figure presents data on Beaverton’s income trends, between 2000 and 2022 (estimated).

FIGURE A.11: BEAVERTON INCOME TRENDS, 2000 – 2022

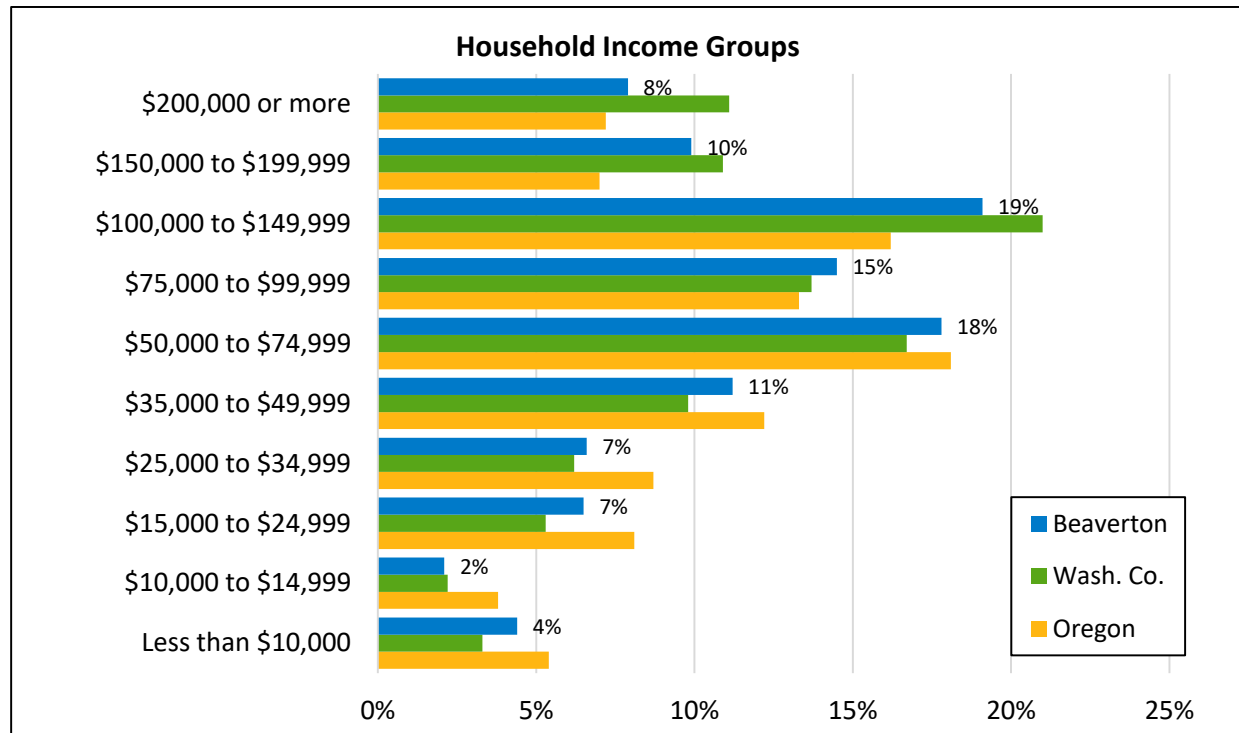
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2020 (Census)	Growth 00-20	2022 (Proj.)	Growth 20-22
Per Capita (\$)	\$25,419	\$41,002	na	\$43,010	5%
Median HH (\$)	\$47,863	\$77,745	na	\$81,609	5%

SOURCE: Census, PSU Population Research Center, and Johnson Economics
Census Tables: DP-1 (2000, 2020); DP-3 (2000); S1901; S19301

- Beaverton's estimated median household income was \$78,000 in 2020 meaning 50% of households make more than this, and 50% earn less. This is 10% lower than the Washington County median of \$86,600, but nearly 40% higher than the statewide median of \$56,000.
- Beaverton's per capita income was roughly \$41,000 in 2020.
- Median income grew an estimated 61% between 2000 and 2020, in real dollars. Inflation was an estimated 69% over this period, so the local median income somewhat trailed inflation.
- The minimum wage in Oregon (\$13.50) is well below what is estimated as a living wage in Washington County. The estimated living wage differs based on number of earners and household size, but even for a single earner with no dependents, the minimum wage is estimated to be nearly 40% lower than the necessary living wage (\$21.60). For households with children or other dependents, this gap only grows.¹¹

Figure A.12 presents the estimated distribution of households by income as of 2020.

FIGURE A.12: HOUSEHOLD INCOME COHORTS, 2020



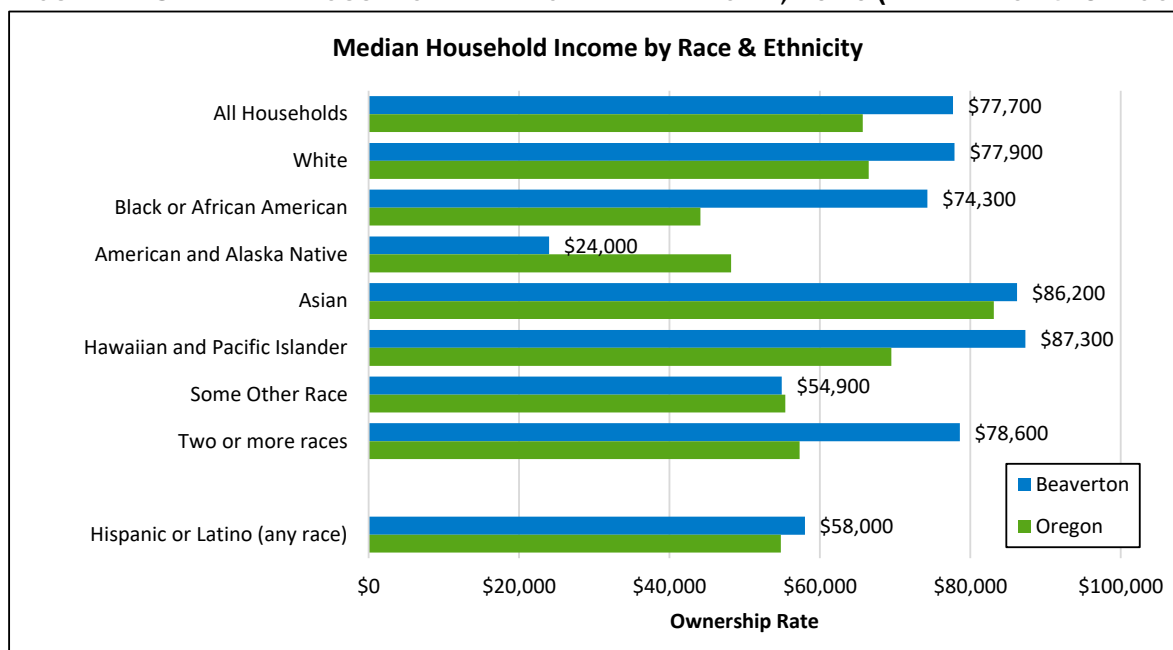
SOURCE: US Census, Census Tables: S1901 (2020 ACS 5-yr Est.)

- The 2020 median income in Beaverton was estimated at \$77,750.
- 27% of households earn more than \$100k per year.
- 13% of households earn less than \$25k per year.
- Washington County has a higher share of households earning more than \$100k per year (43%) than Beaverton. The state has a smaller share of higher income households, and a greater share of low-income households.

¹¹ Living Wage Calculator, Massachusetts Institute of Technology, www.livingwage.mit.edu/

Figure A.13 presents the median household income by racial group. Hispanic/Latine residents (of any race), Native Americans and those of an uncategorized other race have a lower median income than other categories. Most non-White racial and ethnic categories have a lower median household income than the overall median.

FIGURE A.13: MEDIAN HOUSEHOLD BY RACE AND ETHNICITY, 2020 (BEAVERTON & OREGON)



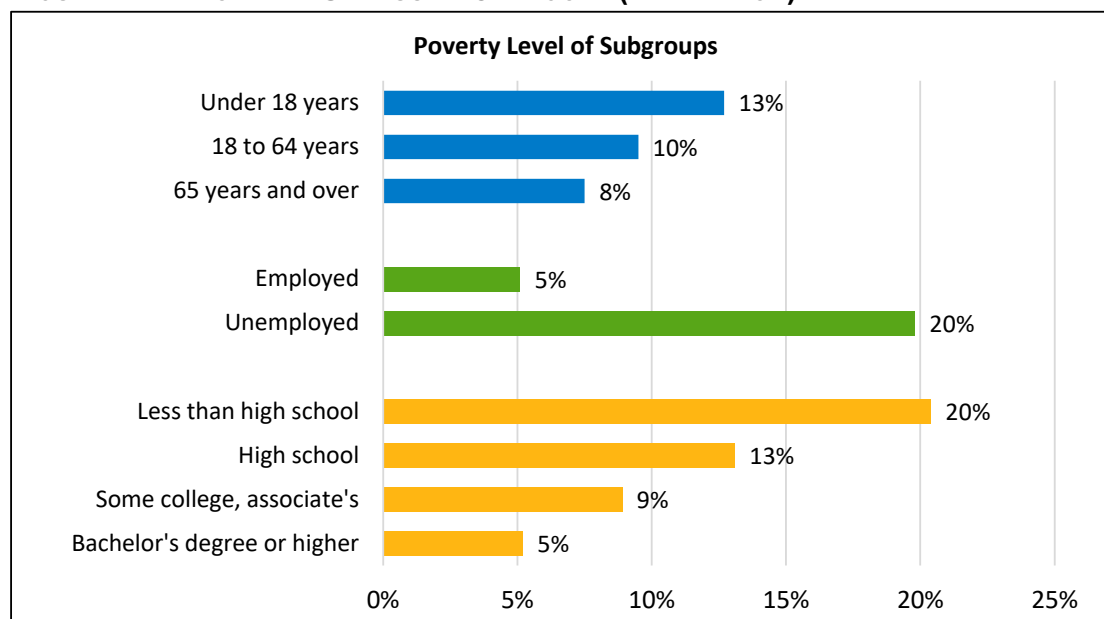
SOURCE: US Census; Tables: S1903 (2020 ACS 5-yr Est.)

J. POVERTY STATISTICS

According to the US Census, the official poverty rate in Beaverton is an estimated 10% over the most recent period reported (2020 5-year estimates).¹² This is roughly 9,600 individuals in Beaverton. In comparison, the official poverty rate in Washington County is 8.5%, and at the state level is 12.4%. In the 2016-2020 period:

¹² Census Tables: S1701 (2018 ACS 5-yr Estimates)

FIGURE A.14: POVERTY STATUS BY CATEGORY (BEAVERTON)



SOURCE: US Census; Tables: S1701 (2020 ACS 5-yr Est.)

- The Beaverton poverty rate is low among all groups, but highest among children at 13%, and lowest among those over 65 years of age at 8%.
- For those without a high school diploma, the poverty rate is 20%.
- Among those who are employed the poverty rate is 5%, while it is 20% for those who are unemployed.

K. EMPLOYMENT LOCATION TRENDS

This section provides an overview of employment and industry trends in Beaverton that are related to housing.

The City of Beaverton is part of a larger Washington County employment cluster that includes some of the largest high-tech industries found in the state. Many of the highest-paying job opportunities are in Beaverton, nearby Hillsboro to the west, and central Portland to the east. The City of Beaverton surrounds the main Nike campus which provides thousands of the state's highest paying jobs. However, the city and surrounding area also includes tens of thousands of jobs in every industry sector, at all wage levels. Housing is needed for all of these households.

Beaverton shares a long and irregular border with its neighbors and there is a widespread blending of residents and employees among Metro-area jurisdictions. It is very common for households to hold jobs outside of their community of residence, and to move among cities for other services such as schooling, medical care, shopping, or recreation. Beaverton, being more centrally located than many Metro communities, likely experiences even more of this cross traffic and housing market blending than many other cities.

Given these shared relationships among Metro-area cities, it can be difficult to pin down what "local" housing needs are. Are employees of local companies who live outside of Beaverton part of the city's

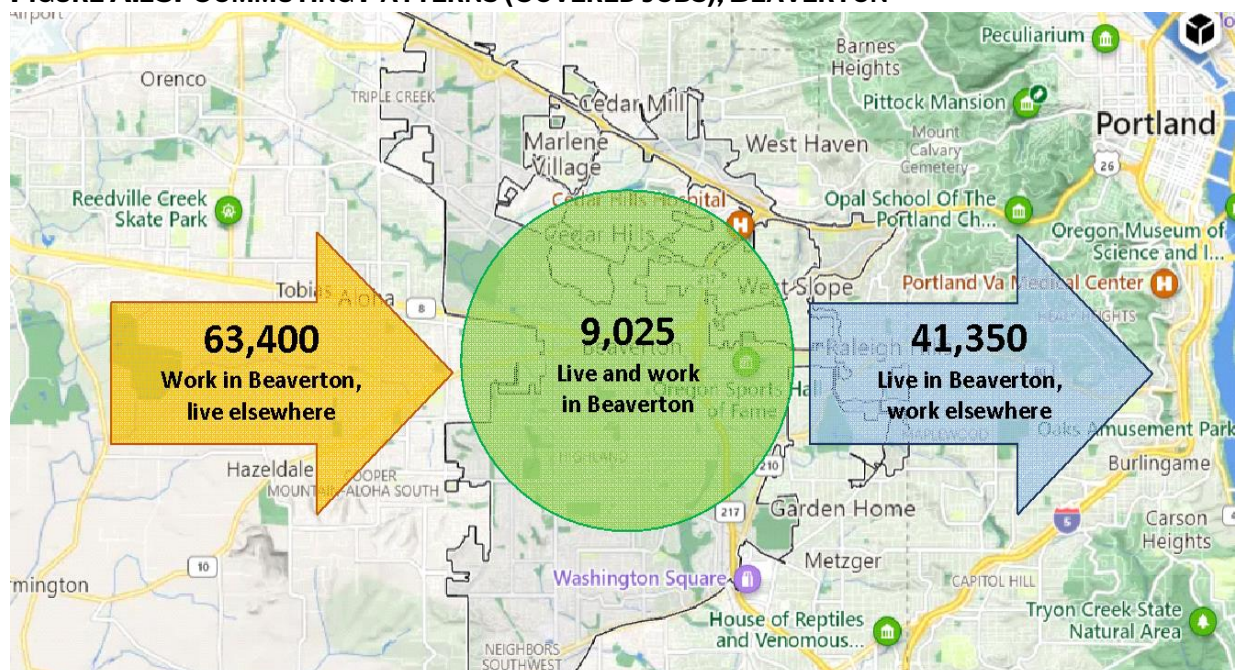
housing need? Does that mean that a Beaverton resident who works outside of the city is part of the housing need of the city where they work? Is it an indicator that more economic development is needed to bring suitable employment to the city, so that residents do not have to commute as far?

This analysis generally assumes that the city's current housing needs are based on the demographic characteristics of people and households within Beaverton. The following data is included for informational purposes, as part of the community's current profile related to incomes and opportunity.

Commuting Patterns: The following figure shows the inflow and outflow of commuters to Beaverton according to the Census Employment Dynamics Database. These figures reflect “covered employment” as of 2019, the most recent year available. Covered employment refers to those jobs where the employee is covered by federal unemployment insurance. This category does not include many contract employees and self-employed and therefore is not a complete picture of local employment. The figure discussed here is best understood as indicators of the general pattern of commuting and not exact figures.

Given the age of this data, it does not reflect the changes to commute patterns that occurred during the recent pandemic. During this time, many workers transitioned to working remotely from home. Due to this, the number of necessary commute trips fell dramatically, and some households made new location decisions based upon no longer being tethered to a physical employment location. This analysis assumes that some Covid-related impacts will be shorter lived (for example, that population growth will revert to the historical average), however changes to work and commute behavior are likely to be longer-lasting. Until more recent commute data is available the magnitude of these changes is unknown.

FIGURE A.15: COMMUTING PATTERNS (COVERED JOBS), BEAVERTON



Source: US Census Longitudinal Employer-Household Dynamics

As of 2019, the most recent year available, the Census estimated there were roughly 72,400 covered employment jobs located in Beaverton. Of these, an estimated 9,025 or 12.5%, are held by local residents, while over 63,400 employees commute into the city from elsewhere. This general pattern is fairly common among many communities in the Metro area. The most common homes of local workers commuting into the city are Portland, Hillsboro and Aloha. Similarly, of the estimated 50,350 employed Beaverton residents, 82% of them commute elsewhere to their employment. The most common destinations for Beaverton commuters are Portland, Hillsboro, and Tigard.

APPENDIX B: CURRENT HOUSING CONDITIONS DATA

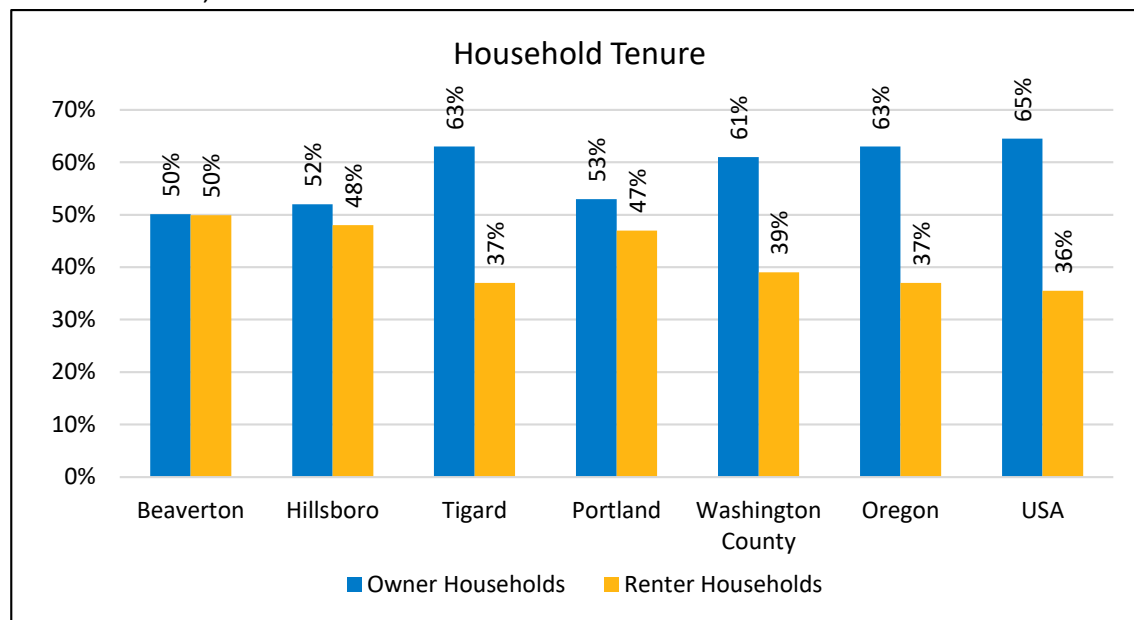
This section presents a profile of the current housing stock and market indicators in Beaverton. This profile forms the foundation to which current and future housing needs will be compared.

A. HOUSING TENURE

The Census estimates that Beaverton has an equal share of homeowner households and renter households. The 2020 ACS estimates that 50% of occupied units were owner occupied, and 50% renter occupied. The ownership rate has risen somewhat since 2000 (48%), but this is within the margin of error.

At 50% of households, Beaverton has a larger share of renters than the county (39%) and the state (37%). The tenure balance is closer in comparison to neighboring large cities of Hillsboro and Portland, while Tigard has a much higher home ownership rate.

FIGURE B.1: ESTIMATED HOMEOWNER AND RENTER HOUSEHOLDS, BEAVERTON AND COMPARISONS, 2020



SOURCE: US Census
Census Tables: B25003 (2020 ACS 5-yr Est.)

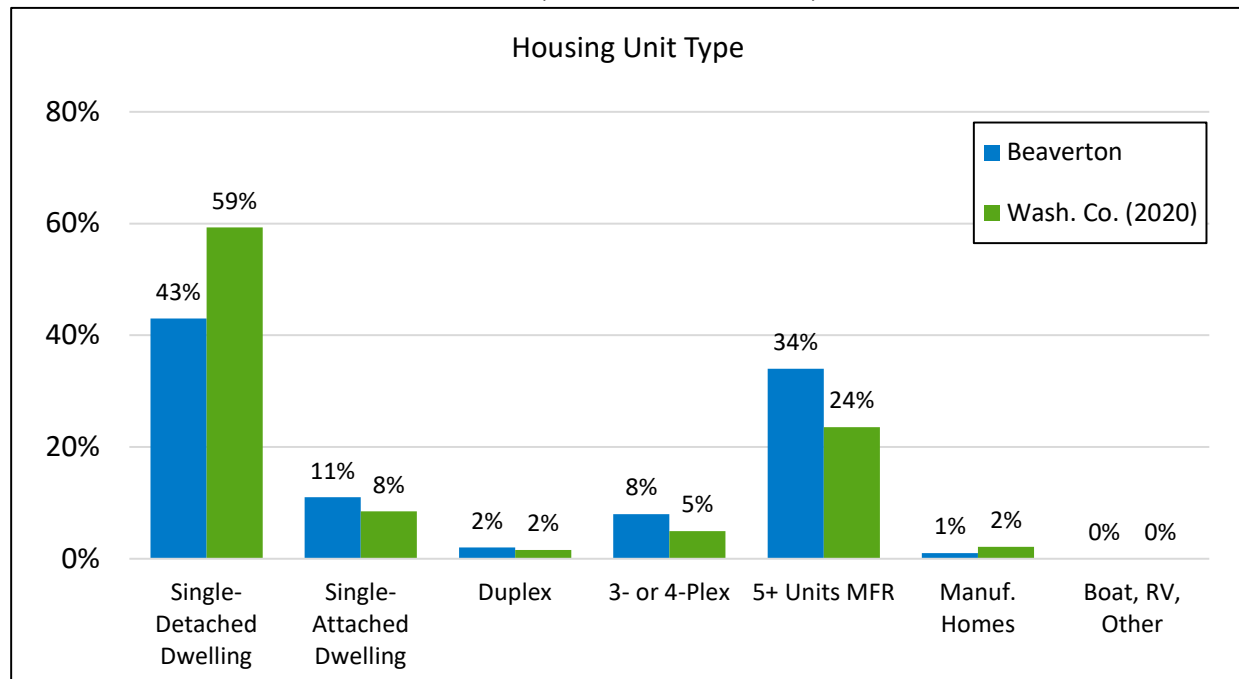
B. HOUSING STOCK

As shown in Figure B.1, Beaverton had an estimated 43,267 housing units in 2020, with a vacancy rate of 4.6% (includes ownership and rental units). The housing stock has increased by roughly 10,760 units since 2000, through annexation and new housing development.

Figure B.2 shows the estimated number of units by type in 2022 based on the US Census and recent permitting data from the City of Beaverton.

- Single-detached homes represent an estimated 43% of housing units, and mobile homes provide an additional 1% of housing. The remaining majority of housing (54%) is some form of attached housing.
- Units in larger apartment complexes of 5 or more units represent 34% of units, and other types of attached homes represent 21% of units. (Attached housing generally includes townhomes and some 2 to 4-plexes which are separately metered and share a common wall or walls.)
- Beaverton has a greater variety of housing types compared to the county as a whole, where a higher 61% of housing is single-detached homes or manufactured homes. 39% of county housing is some attached type.

FIGURE B.2: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2022

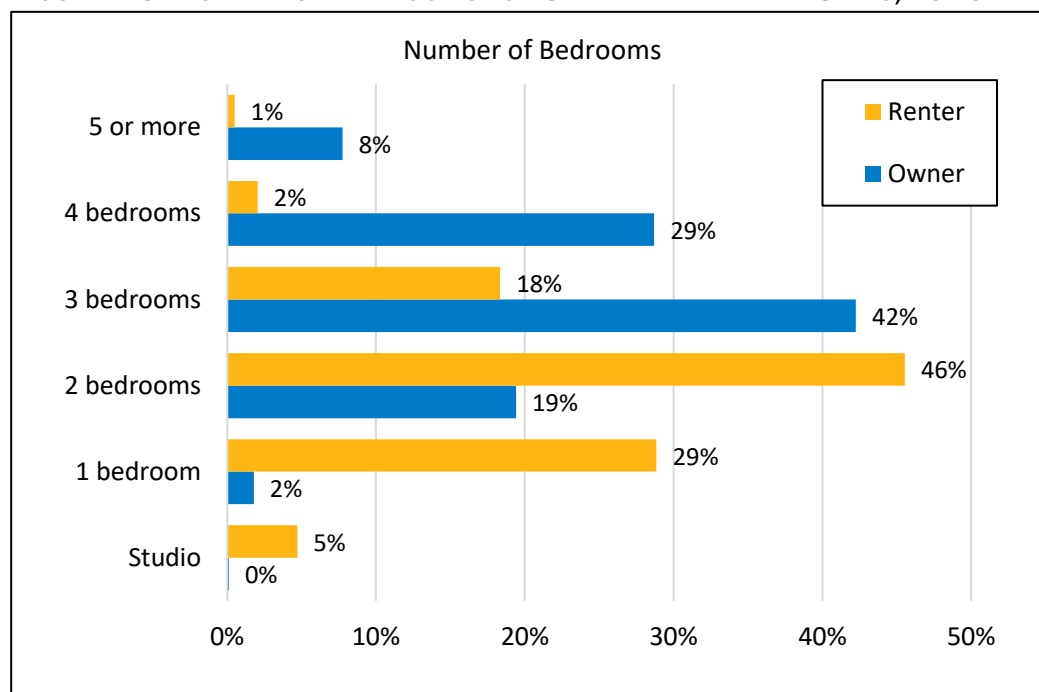


SOURCE: US Census, Johnson Economics
Census Tables: B25032 (2020 ACS 5-year Estimates)

C. NUMBER OF BEDROOMS

Figure B.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. Very few studios or one-bedroom units are estimated to be owner-occupied.

FIGURE B.3: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS, 2020



SOURCE: US Census

Census Tables: B25042 (2020 ACS 5-year Estimates)

D. UNIT TYPES BY TENURE

As Figure B.4 and B.5 show a large share of owner-occupied units (73%) are detached homes, which is related to why owner-occupied units tend to have more bedrooms. Renter-occupied units are much more distributed among a range of structure types. About 14% of rented units are estimated to be detached homes or manufactured homes, while the remainder are some form of attached unit. Nearly 63% of rental units are in larger apartment complexes.

FIGURE B.4: CURRENT INVENTORY BY UNIT TYPE, FOR OWNERSHIP AND RENTAL HOUSING

OWNERSHIP HOUSING

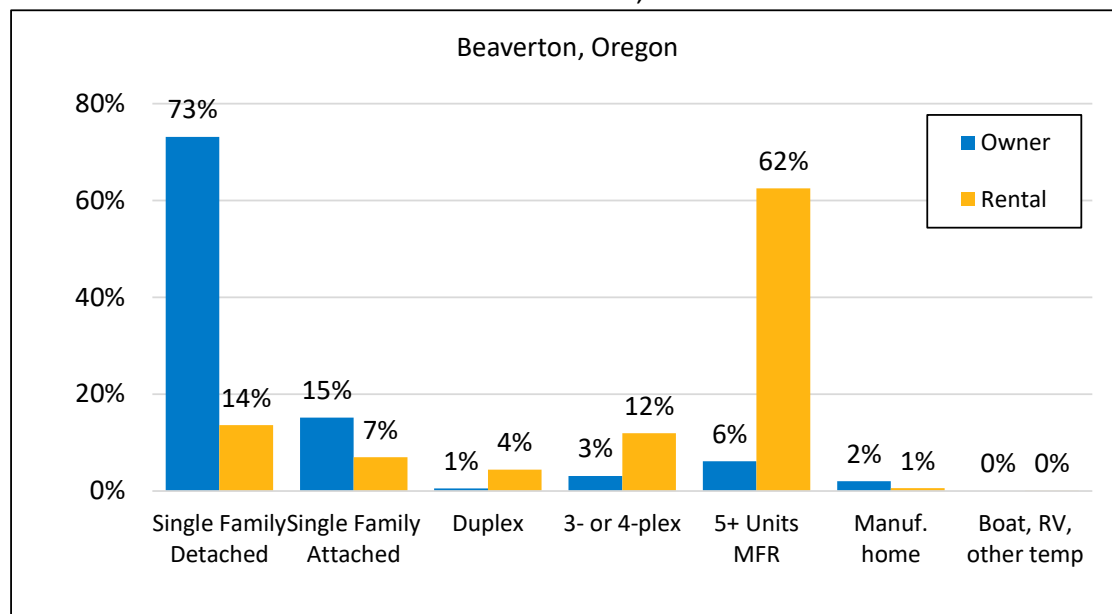
OWNERSHIP HOUSING								
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Manuf. home	Boat, RV, other temp	Total Units
Totals:	15,758	3,264	108	669	1,318	429	0	21,547
Percentage:	73.1%	15.2%	0.5%	3.1%	6.1%	2.0%	0.0%	100%

RENTAL HOUSING

RENTAL HOUSING								
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Manuf. home	Boat, RV, other temp	Total Units
Totals:	2,950	1,508	960	2,596	13,573	127	6	21,720
Percentage:	13.6%	6.9%	4.4%	12.0%	62.5%	0.6%	0.0%	100%

Sources: US Census, Johnson Economics, City of Beaverton

FIGURE B.5: CURRENT INVENTORY BY UNIT TYPE, BY SHARE

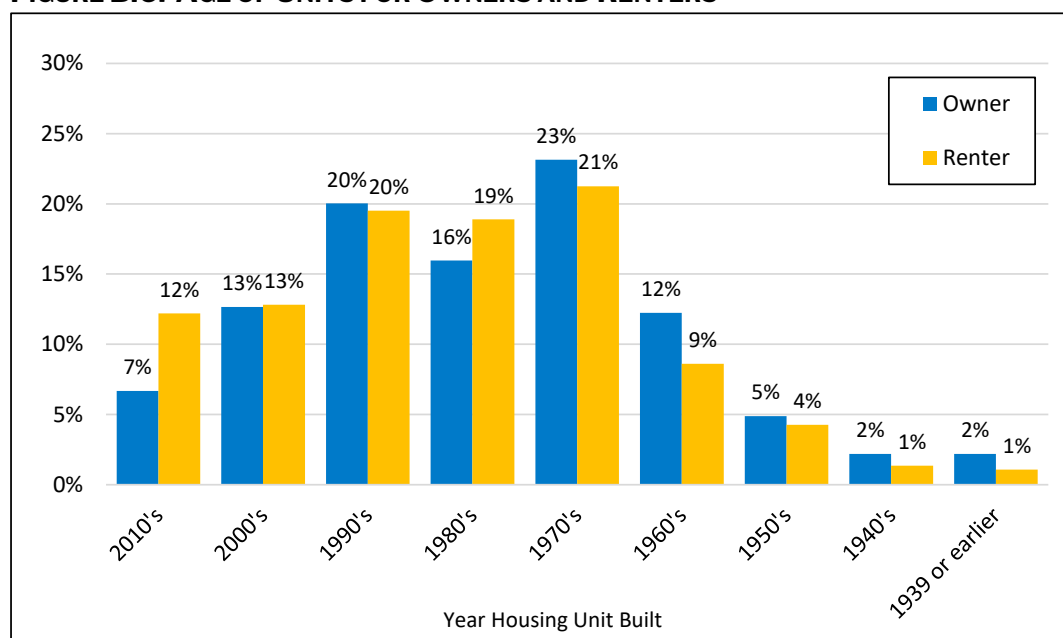


Sources: US Census, Johnson Economics

E. AGE OF HOUSING STOCK

Beaverton's housing stock reflects the pattern of development over time (Figure B.6). Nearly 60% of the city's housing stock was built in the 1970s through the 1990s. An estimated 18% was built prior to 1970, and an estimated 22% has been built since 2000. In the last decade, more rental housing has been built than ownership housing.

FIGURE B.6: AGE OF UNITS FOR OWNERS AND RENTERS



SOURCE: US Census

Census Tables: B25036 (2020 ACS 5-year Estimates)

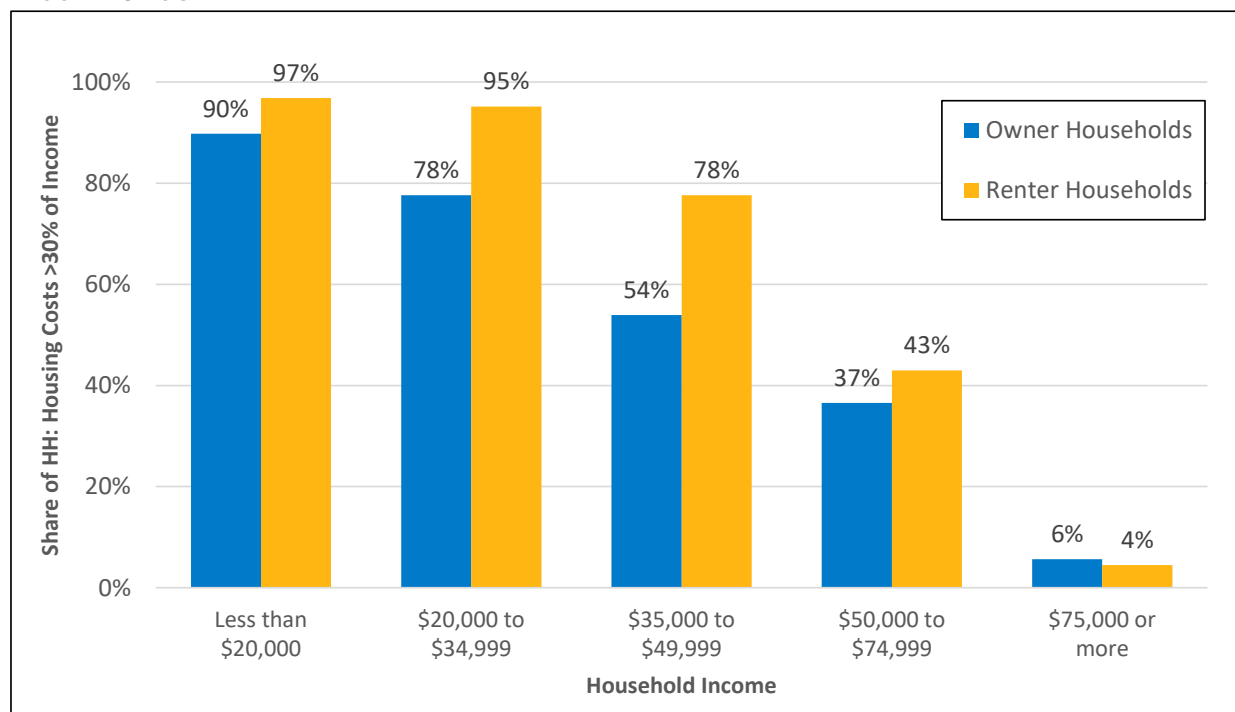
F. HOUSING COSTS VS. LOCAL INCOMES

Figure B.7 shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs by income segment. (Spending 30% or less on housing costs is a common measure of “affordability” used by U.S. Department of Housing and Urban Development (HUD) and others, and in the analysis presented in this report.) Housing costs include rent or mortgage payment, utilities, insurance, and taxes if applicable.

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% of their incomes on housing costs. Of those earning less than \$20,000, an estimated 90% of owner households spend more than 30% of income on housing costs. An even higher percentage of renters in this income category (97%) spend more than 30% of income on housing costs. As income increases, owner households are more likely to have “affordable” housing costs, while a greater share of renters at lower income levels are cost burdened.

In total, the US Census estimates that over 35% of Beaverton households pay more than 30% of income towards housing costs (2020 American Community Survey, B25106).

FIGURE B.7: SHARE OF HOUSEHOLDS SPENDING MORE THAN 30% ON HOUSING COSTS, BY INCOME GROUP



Sources: US Census, JOHNSON ECONOMICS
Census Table: B25106 (2020 ACS 5-yr Estimates)

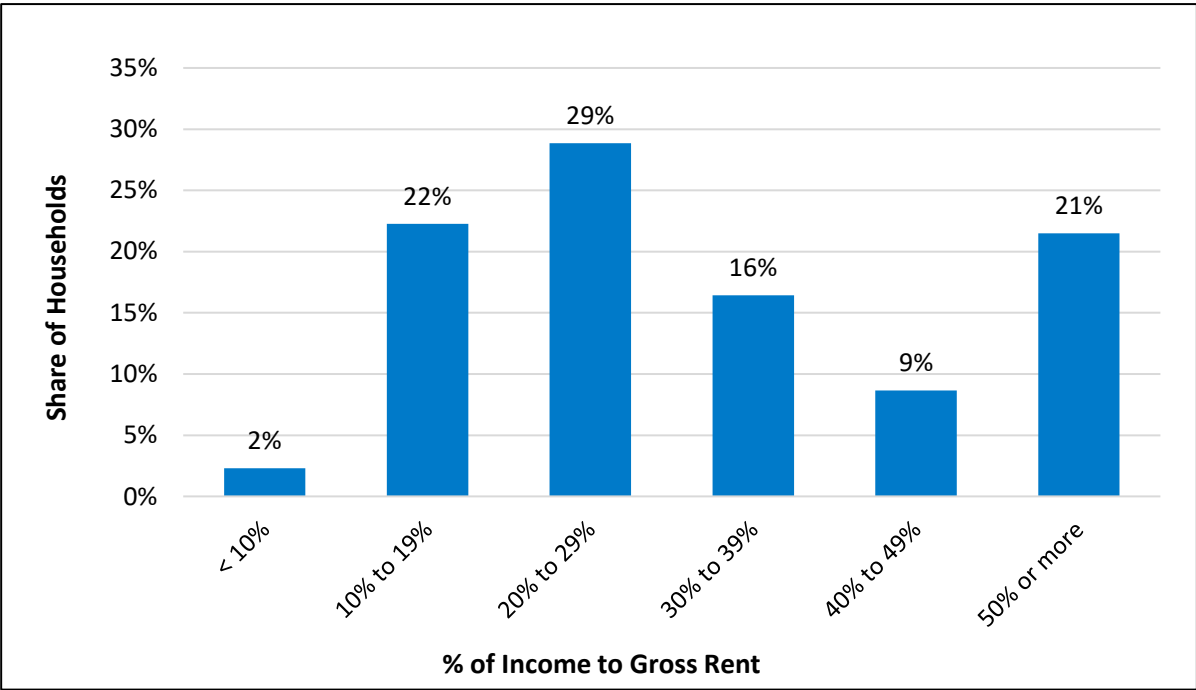
Housing is generally one of a household’s largest living costs, if not the largest. The ability to find affordable housing options, and possibly build wealth through ownership, is one of the biggest contributors to helping lower income households save and cultivate wealth. Over time, owning housing and providing it to members of the next generation in a family is a key contributor to building intergenerational wealth.

As discussed in prior sections, communities of color tend to have lower homeownership rates and a lower median income than the average. Residents of color lag significantly behind their White residents in terms of their historical ability to build intergenerational wealth due to housing discrimination and other factors that have significantly reduced homeownership rates. Helping to alleviate the housing affordability crisis in the community will disproportionately help communities of color while benefiting all households.

The following figure shows the percentage of household income spent towards gross rent¹³ for local renter households only. This more fine-grained data shows that not only are 46% of renters spending more than 30% of their income on gross rent, but an estimated 21% of renters are spending 50% or more of their income on housing and are considered severely rent-burdened.

Renters are disproportionately lower income relative to homeowners. In Beaverton, homeowners report a median income of \$106,000, compared to \$59,000 for renters (2020 ACS). Housing cost burdens are felt more broadly for these households, and as the analysis presented in a later section shows, there is a need for more affordable rental units in Beaverton, as in most communities. Renters also can face disproportionately rising housing costs compared to homeowners. The cost of both owner and rental housing has increased significantly in Beaverton in the last decade. However, once homeowner has secured a fixed rate mortgage, much of their housing cost is fixed. In comparison, housing rental costs can continue to rise for most renters.

FIGURE B.8: PERCENTAGE OF HOUSEHOLD INCOME SPENT ON GROSS RENT, BEAVERTON RENTER HOUSEHOLDS



Sources: US Census, Johnson Economics
 Census Table: B25070 (2020 ACS 5-yr Estimates)

¹³ The Census defines Gross Rent as “the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else).” Housing costs for homeowners include mortgage, property taxes, insurance, utilities and condo or HOA dues.

G. PUBLICLY ASSISTED HOUSING

According to data from Oregon Housing and Community Services, Beaverton is home to nearly 2,000 subsidized affordable units across more than 100 separate properties (Figure B.9). These are properties that are funded through HUD programs, tax credits and other programs which guarantee subsidized rents for qualified households.

80% of these units are intended for family households, and an additional 13% are intended for elderly households. The remainder are intended for special populations such as people with a disability, agricultural workers and veterans.

The high share of renters who pay over 30% of their income towards housing costs indicates that there is an ongoing need for rental units at the lowest price points. The Washington County Housing Services maintains an on-going waitlist for public housing and Section 8 vouchers. The waitlist must be closed periodically due to the perpetual strong demand.

FIGURE B.9: SUBSIDIZED LOW INCOME HOUSING PROPERTIES, BEAVERTON

	# of Properties	# of Units	Share of Units
Agricultural Worker	1	48	2%
Developmentally Disabled	3	36	2%
Elderly	4	254	13%
Ex- or Released Offender	0	0	0%
Family	101	1,569	80%
Homeless	2	14	1%
Physically Disabled	1	5	0%
Substance Use Disorder	0	0	0%
Veterans	1	20	1%
Workforce	1	5	0%
Total:	108	1,951	100%

Sources: OHCS, Johnson Economics

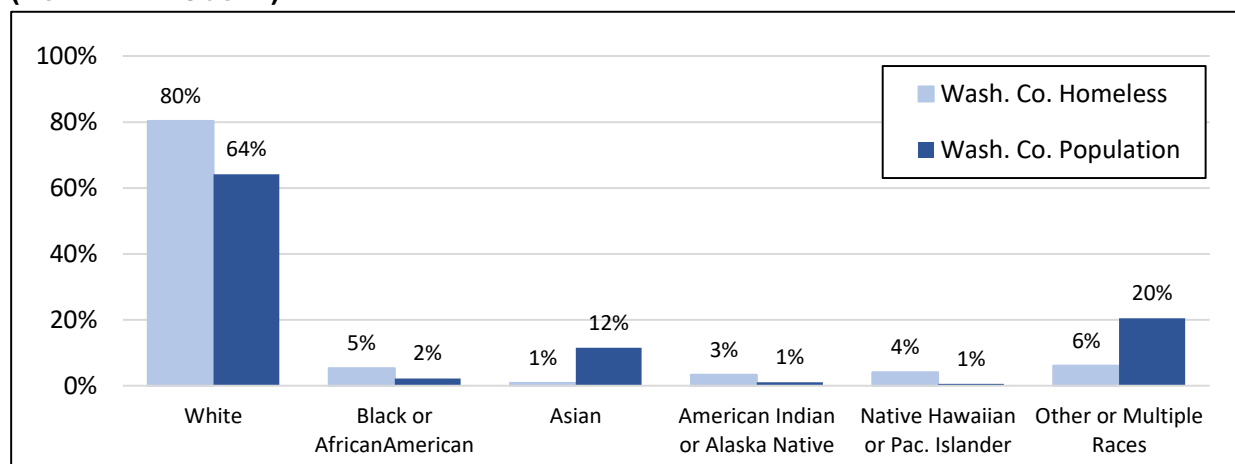
Agricultural Worker Housing: Beaverton is currently home to one property dedicated to agricultural workers with 48 units. Many farm businesses in the region provide some temporary or permanent housing for their workers outside of incorporated cities as well. This population may also be served by other available affordable units. Also, these households often report a large household size including multi-generational families, and cohabitating acquaintances. These large households may have need for larger units or single-detached homes.

Homelessness: The Census does make a multi-faceted effort to include the homeless population in the Decennial Census count, by attempting to enumerate these individuals at service providers, and in transitory locations such as RV parks or campgrounds, as of the official Census data (4/1/20). It is difficult to make an accurate count of this population, and it is generally presumed that the homeless are undercounted in the Census.

The most recent (January 2022) Point-in-Time count of people experiencing homelessness and households experiencing homelessness in Washington County¹⁴ found 808 homeless individuals in 571 households on the streets, in shelters, or other temporary and/or precarious housing.

- An estimated 72% of individuals were in some sort of temporary shelter, while 28% were unsheltered.
- The total included 171 children (under age 18), all of whom were sheltered, and 44 youth (aged 18-24) of whom 12 were unsheltered.
- 61% of those counted identified as men, 38% women, and 1% transgender or gender non-conforming.
- 24% of those counted were Hispanic or Latine, compared to 18% in the general population.
- 250 individuals, or 31%, were counted as “chronically homeless”.¹⁵
- Figure 4.11 shows the reported racial breakdown of homeless individuals in the 2022 count.

FIGURE B.11: RACE OF HOMELESS INDIVIDUALS VS. POPULATION, WASHINGTON COUNTY (2022 P.I.T. COUNT)



Sources: Washington County, Johnson Economics

While the Point-in-Time count is one of the few systematized efforts to count homelessness across the country in a regular, structured way, it is widely thought to undercount the population of homeless individuals and households. People who are doubled up, couch surfing, or experiencing domestic violence may not always be accurately represented in data gathering. In addition to the impossibility of finding all unsheltered individuals experiencing homelessness, the count is conducted in late January, when homeless counts are likely near their lowest of the year due to inclement weather. It also relies on self-reporting. A 2017 study conducted by Portland State University estimated more than 38,000 homeless individuals in the tri-county metro area at that time. Given that Washington County is one of only three counties in the estimate, it most certainly had well more than 808 homeless individuals by that estimate.

¹⁴ Figures are for the entire County

¹⁵ HUD defines “chronically homeless” as an individual with a disability as defined by the McKinney-Vento Assistance Act, who has been in uninhabitable conditions for more than 12 mo. or on four separate occasions in the last three years; or has been in institutional care for less than 90 days; or a family with an adult head of household who meets this definition.

A recent analysis prepared for OHCS to test a potential approach for preparing Housing Needs Analyses on a regional basis included estimates of the homeless population in Oregon communities, including Beaverton. The approach utilizes a combination of data from the bi-annual Point-in-Time count and from tracking of homeless school-aged children in keeping with the McKinney-Vento Act. The analysis estimates 653 homeless households in Beaverton as of mid-2020. These include households that are unsheltered, in temporary shelters, or staying with friends or relatives. These households are a component of current and future housing need.

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.

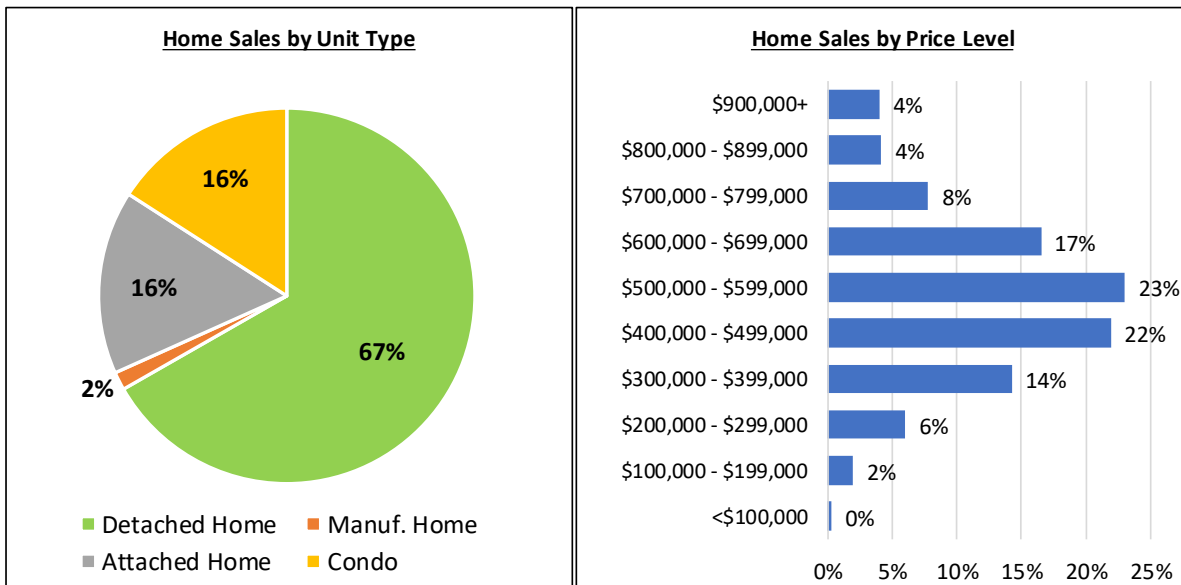
H. MARKET CONDITIONS (FOR-SALE HOUSING)

This section presents home sales data from the Regional Multiple Listing Service (RMLS) for the prior 12 months (June 2021 to June 2022).

There were 2,300 home sales in Beaverton over this period, or an average of 192 sales/month. Attached units and condominiums make up a significant share of home sales (32%).

- The median sale price was \$518,500.
- The average (mean) sale price was \$538,000.
- The average price per square foot was \$311/square foot
- The median square footage was 1,600 square feet

FIGURE 4.12: BEAVERTON HOME SALES (12 MONTHS)



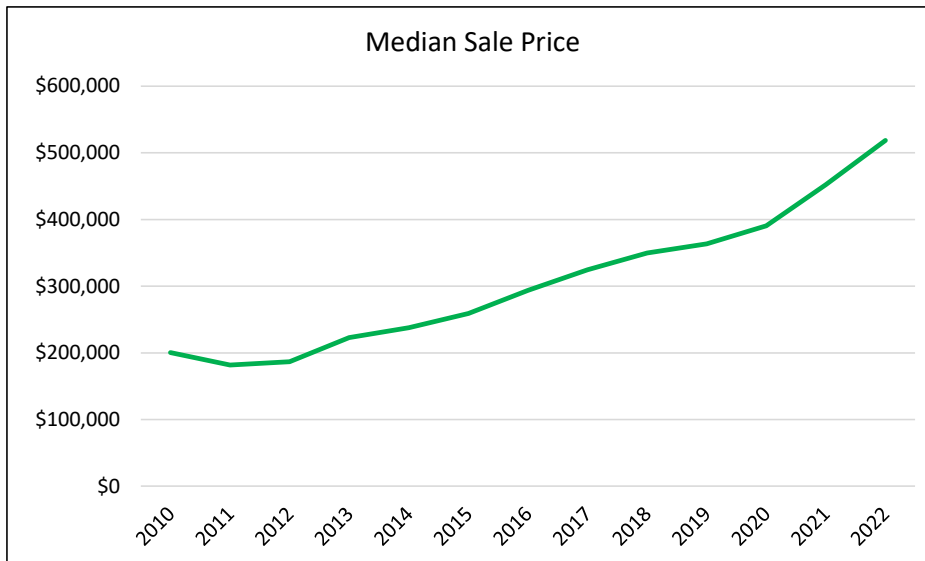
Sources: RMLS, JOHNSON ECONOMICS

- A home affordable to the median-income household in Beaverton (roughly \$80,000), would cost around \$350,000.
- 85% of total sales were priced more than \$350,000, and 55% of total sales were priced at \$500,000 or more.
- Only 15% of total sales were priced below \$350,000.

Currently, RMLS tracks 175 active listings, or less than one month of for-sale inventory at the average rate of the prior 12 months.

Home prices in Beaverton have doubled since 2015, from \$260k to \$518k. Since positive home price growth returned in 2012, home price growth has averaged 10% per year, and was an estimated 15% per year in each of the last two years.

FIGURE 4.13: MEDIAN HOME SALE PRICE (2010-2022)

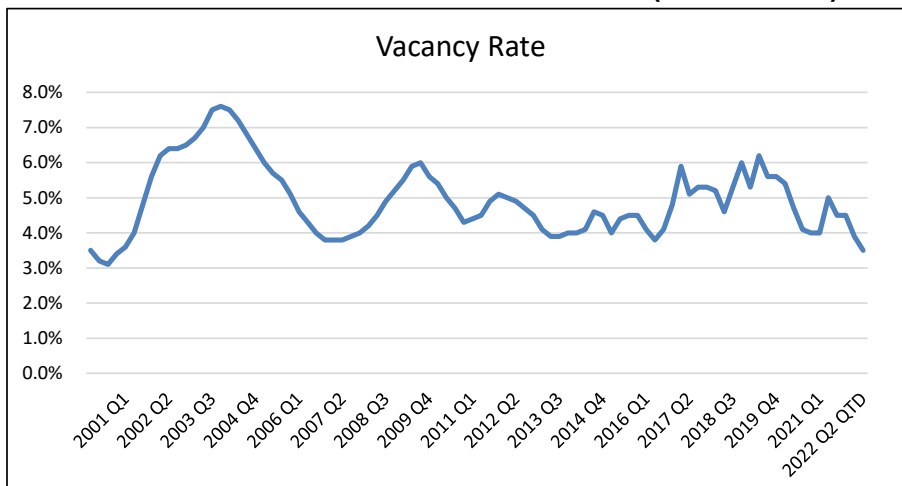


Sources: RMLS, JOHNSON ECONOMICS

I. MARKET CONDITIONS (RENTAL HOUSING)

Beaverton has experienced low rental vacancy for most of the last two decades, regularly falling below 5% vacancy according to data from CoStar. The following figure shows that rental vacancy in the area has been low for most years following the financial crisis of 2008/9. Tracked vacancy is now below 4%, meaning more limited choice for renting households, and units which become available are absorbed quickly.

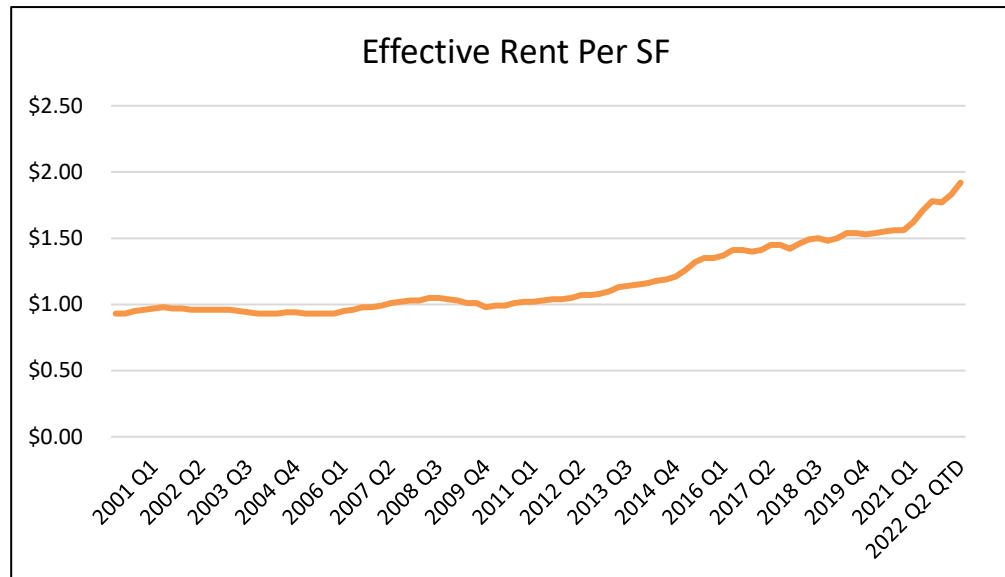
FIGURE 4.14: RENTAL VACANCY IN BEAVERTON (2000-2022)



Source: CoStar, Johnson Economics

Average rents have climbed steadily since 2011. The average rent in Beaverton has nearly doubled over that period, increasing to roughly \$2.00/square foot, or an average of \$1,600/month.

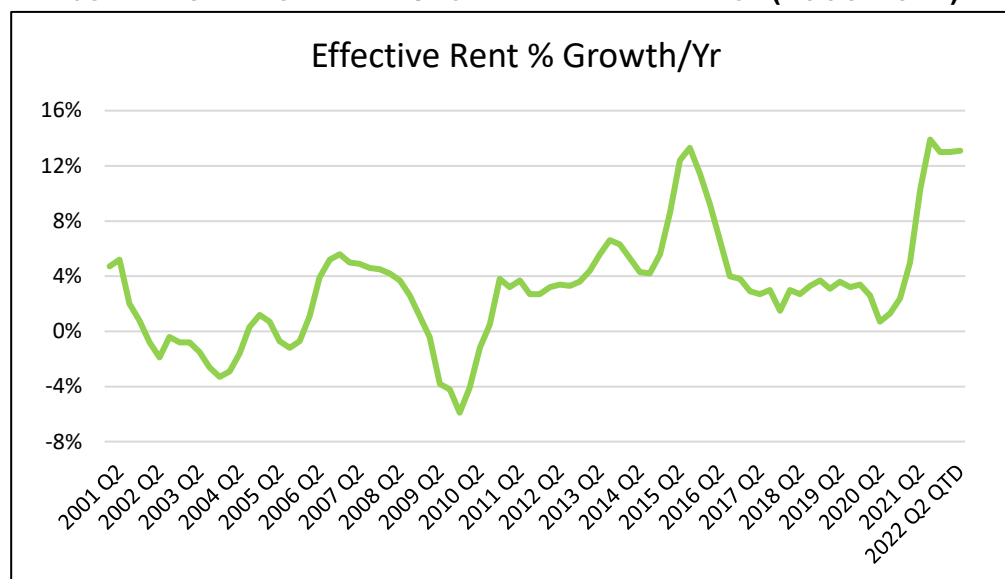
FIGURE 4.15: AVG. RENT/SQ.FT. BEAVERTON (2000-2022)



Source: CoStar, Johnson Economics

The following figure presents the average annual rent growth since 2001. Rent growth has been positive since the prior recession. After the growth rate fell to near 0% at the outset of the COVID pandemic, it quickly reversed and has seen growth of roughly 13% by early 2021, and another 13% by early 2022.

FIGURE 4.16: ANNUAL RENT GROWTH RATE BEAVERTON (2000-2022)



Source: CoStar, Johnson Economics

APPENDIX C: EQUITY MAPPING (CITY OF BEAVERTON)

The Beaverton community has prioritized planning and outreach in recent years on issues related to diversity and equity in the community on issues related to housing and land use. The community's emphasis on DEI issues related to housing extends to this project.

Section V of the HNA report presented an analysis of Census Tracts in Beaverton, using a methodology drawn from the Anti-Displacement and Gentrification Toolkit Project, prepared for DLCD in 2020 by a team at Portland State University.

The toolkit lays out a methodology for determining the conditions within the city's Census Tracts, based on a number of metrics, which are compared to citywide averages. The number of metrics met by each Census Tract helps determine the "neighborhood typology" representing the danger of gentrification and displacement. The Neighborhood Typologies were presented in Section V.

However, to determine the integrated picture represented by the Typologies, data on a number of individual indicators were taken from the Census. This section presents a number of maps that present some of those individual indicators. This Appendix is included for reference as many of these indicators present patterns that may be useful in understanding the distribution of vulnerable populations, and implications for equitable housing among the neighborhoods.

Census Tract data uses 2020 Tracts, and data from the 2020 5-year ACS. Tracts do not conform exactly to city boundaries which are super-imposed on the maps. The following table presents the indicators that are included in the maps and provides the values for these indicators in Beaverton as a whole, and in Washington County, to compare to the tract-level values.

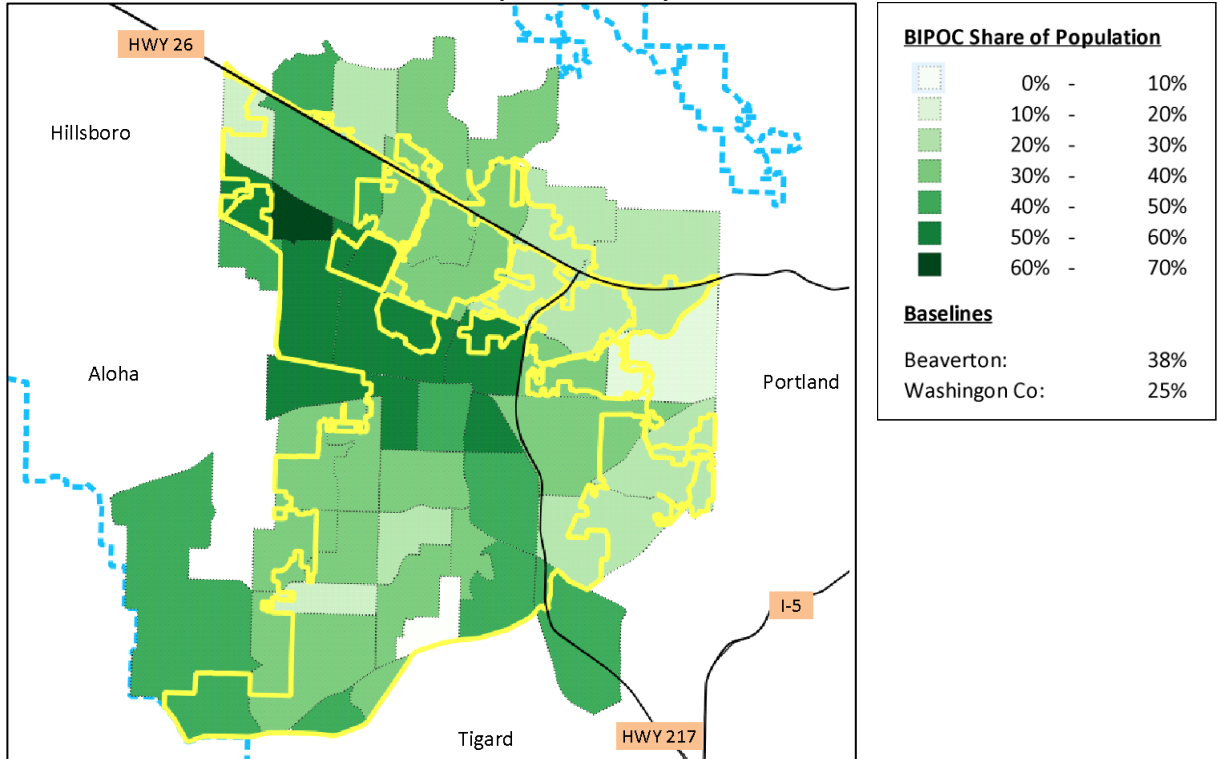
Indicator	Beaverton	Washington Co.
BIPOC Share of Population	38%	25%
Hispanic or Latino Share of Pop.	18%	18%
Non-English Spoken at Home	26%	25%
Female Head of Family Household	10%	10%
Population with a Disability	12%	10%
Median Income	\$77,745	\$86,626
Housing Costs >30% of Income	35%	32%
Homeownership Rate	50%	61%
Housing Built Before 1970	18%	18%
% of Units in MFR of 5+ Units	34%	24%

Source: 2020 Census, 2020 5-Year ACS, Johnson Economics

Note: BIPOC means Black, Indigenous and other People of Color in Beaverton.

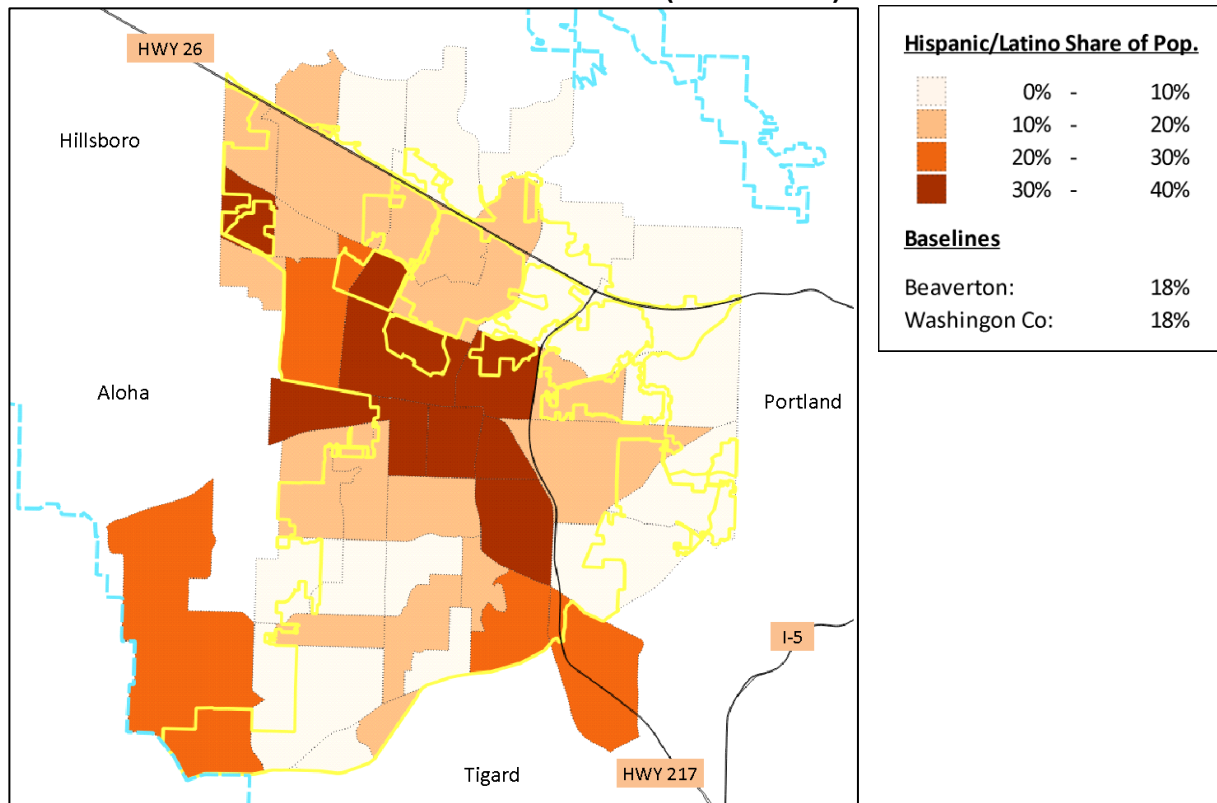
The following pages present Census Tract maps for each of these indicators.

A. BIPOC SHARE OF POPULATION (BEAVERTON)



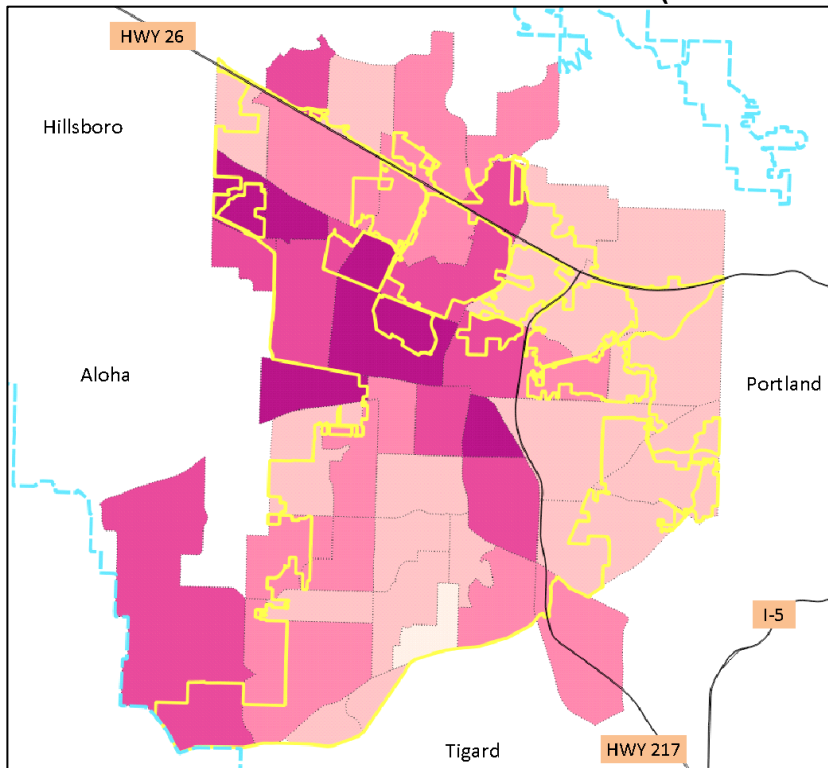
Source: 2020 Census, Johnson Economics

B. HISPANIC OR LATINE SHARE OF POPULATION (BEAVERTON)

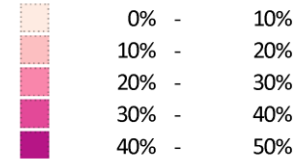


Source: 2020 Census, Johnson Economics

C. NON-ENGLISH LANGUAGE SPOKEN AT HOME (BEAVERTON)



Non-Eng. Spoken at Home

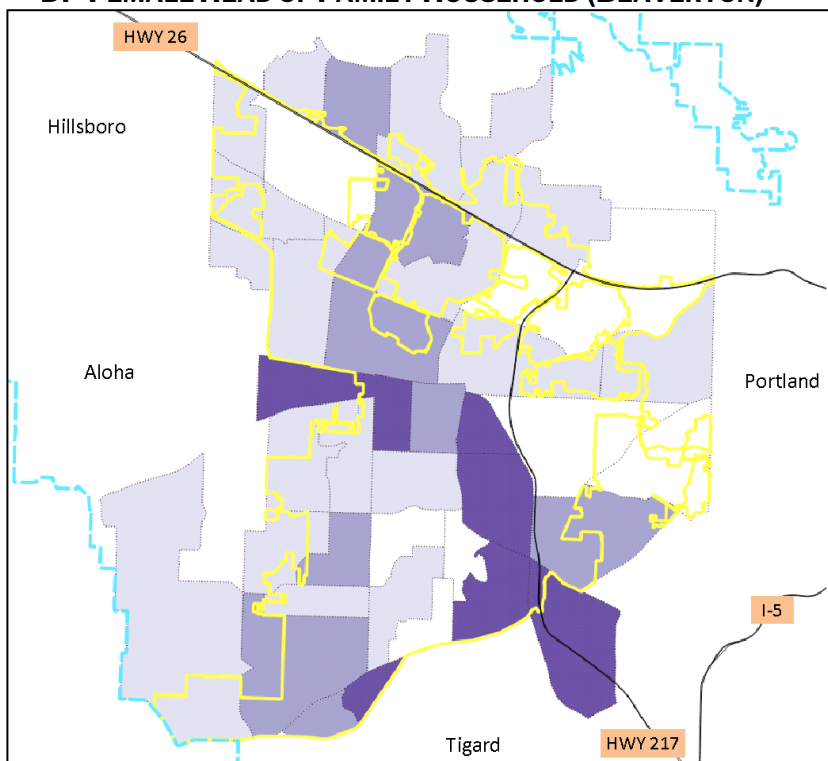


Baselines

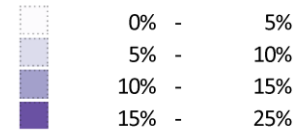
Beaverton:	26%
Washington Co:	25%

Source: 2020 5-Year ACS, Johnson Economics

D. FEMALE HEAD OF FAMILY HOUSEHOLD (BEAVERTON)



Female Head of Family HH

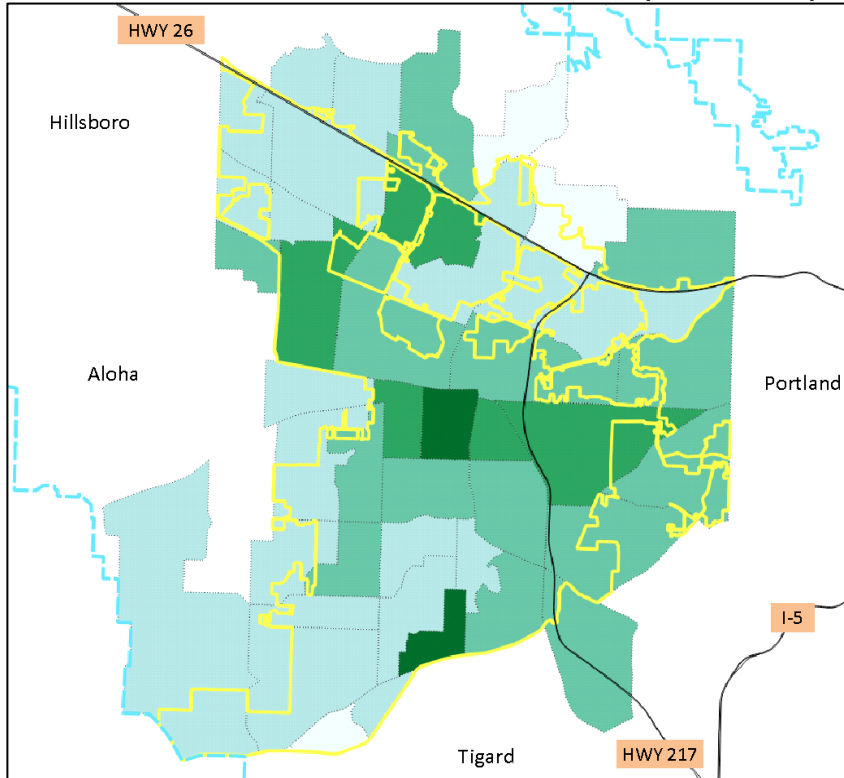


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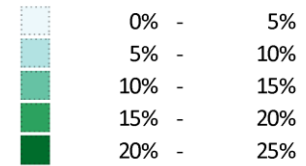
Beaverton:	10%
Washington Co:	10%

Source: 2020 5-Year ACS, Johnson Economics

E. SHARE OF POPULATION WITH A DISABILITY (BEAVERTON)



Population with Disability

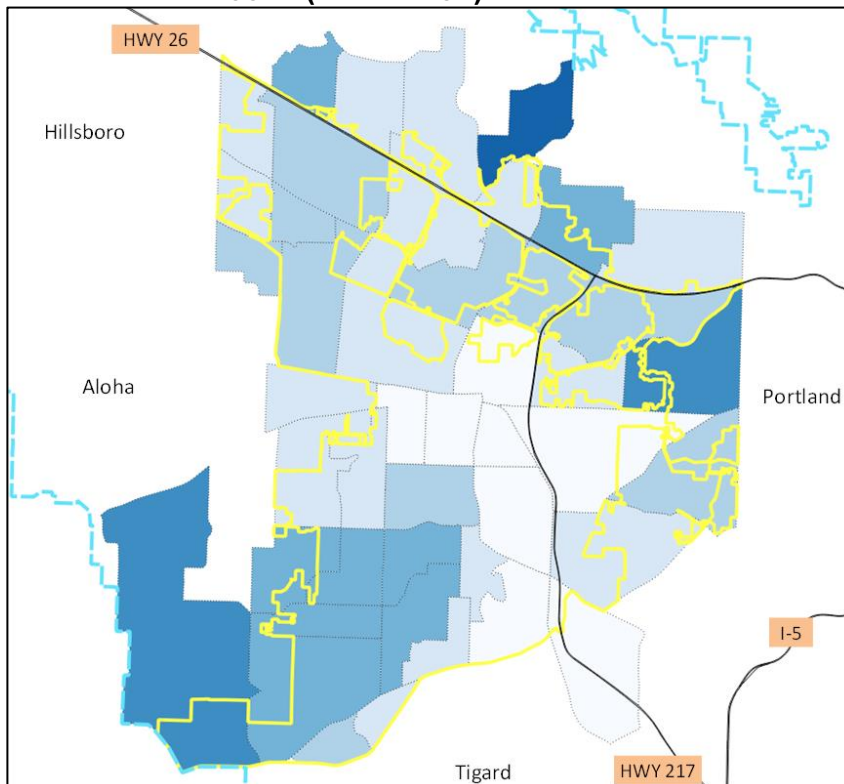


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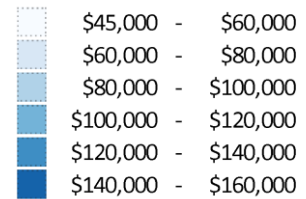
Beaverton:	12%
Washington Co:	10%

Source: 2020 5-Year ACS, Johnson Economics

F. MEDIAN INCOME (BEAVERTON)



Median Income

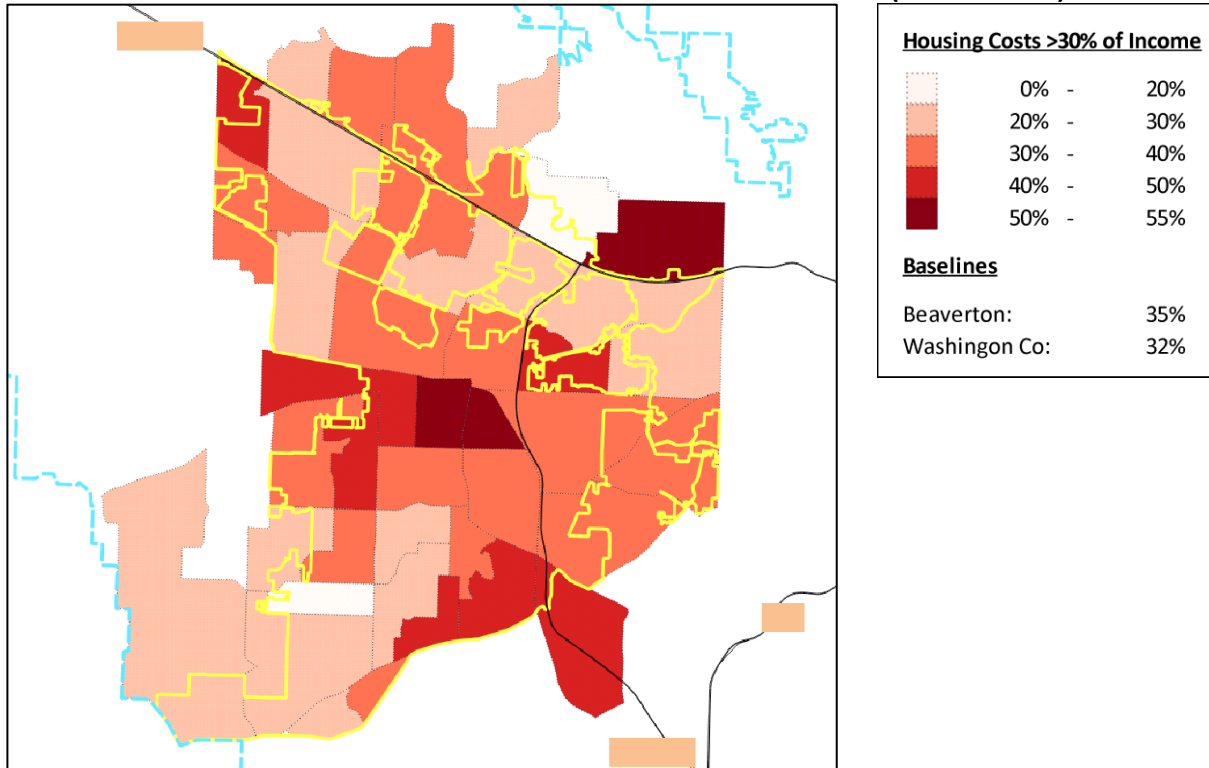


Baselines

Beaverton:	\$77,750
Washington Co:	\$86,500

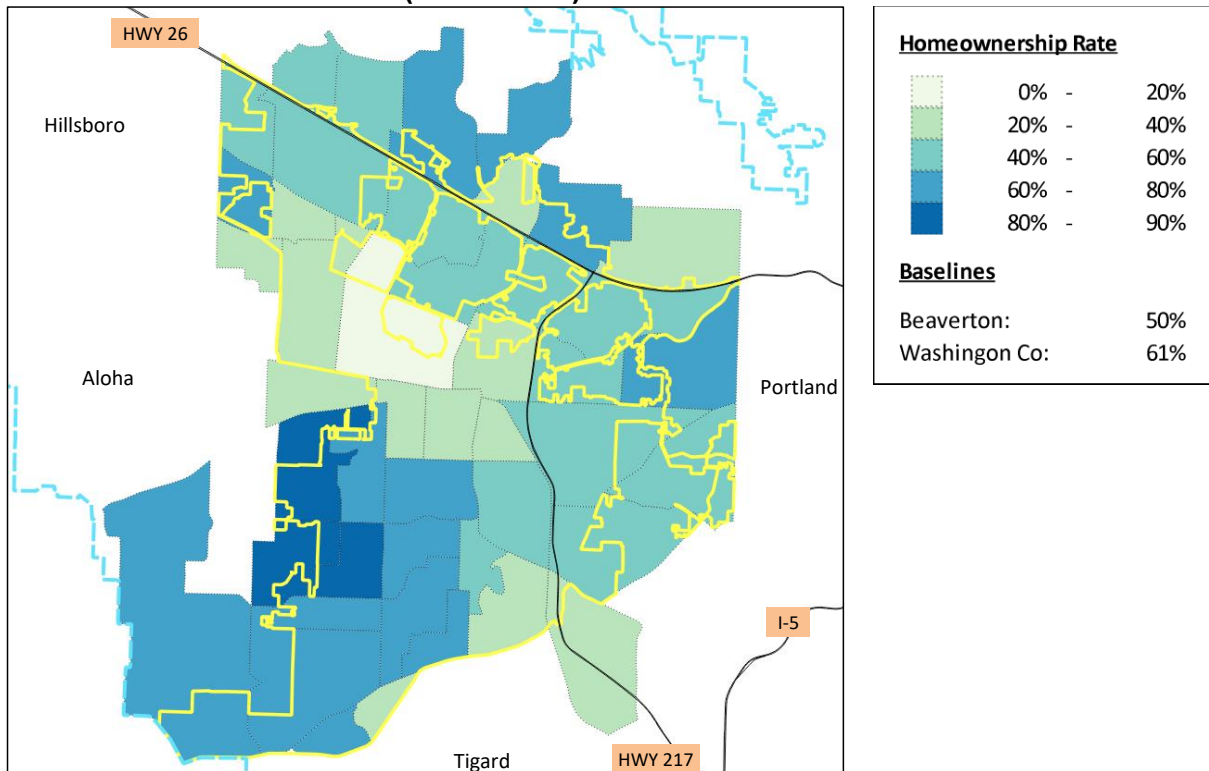
Source: 2020 5-Year ACS, Johnson Economics

G. HOUSEHOLDS WITH HOUSING COSTS >30% OF GROSS INCOME (BEAVERTON)



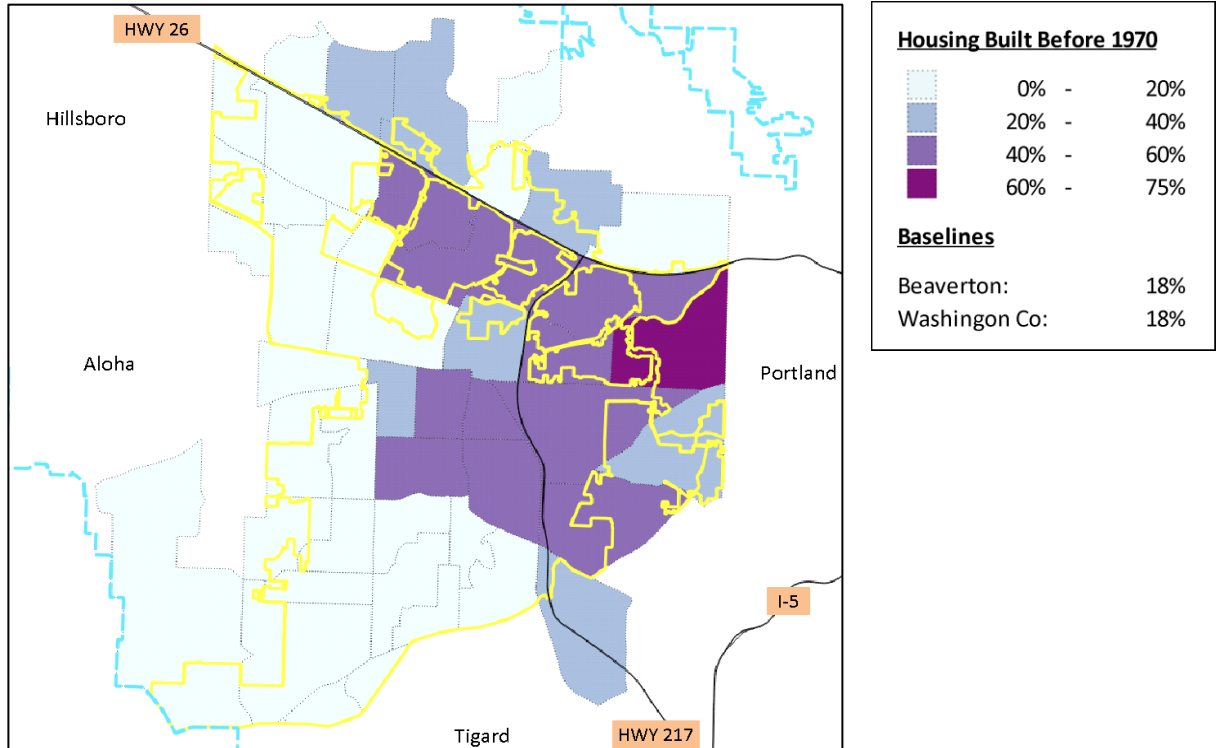
Source: 2020 5-Year ACS, Johnson Economics

H. HOMEOWNERSHIP RATE (BEAVERTON)



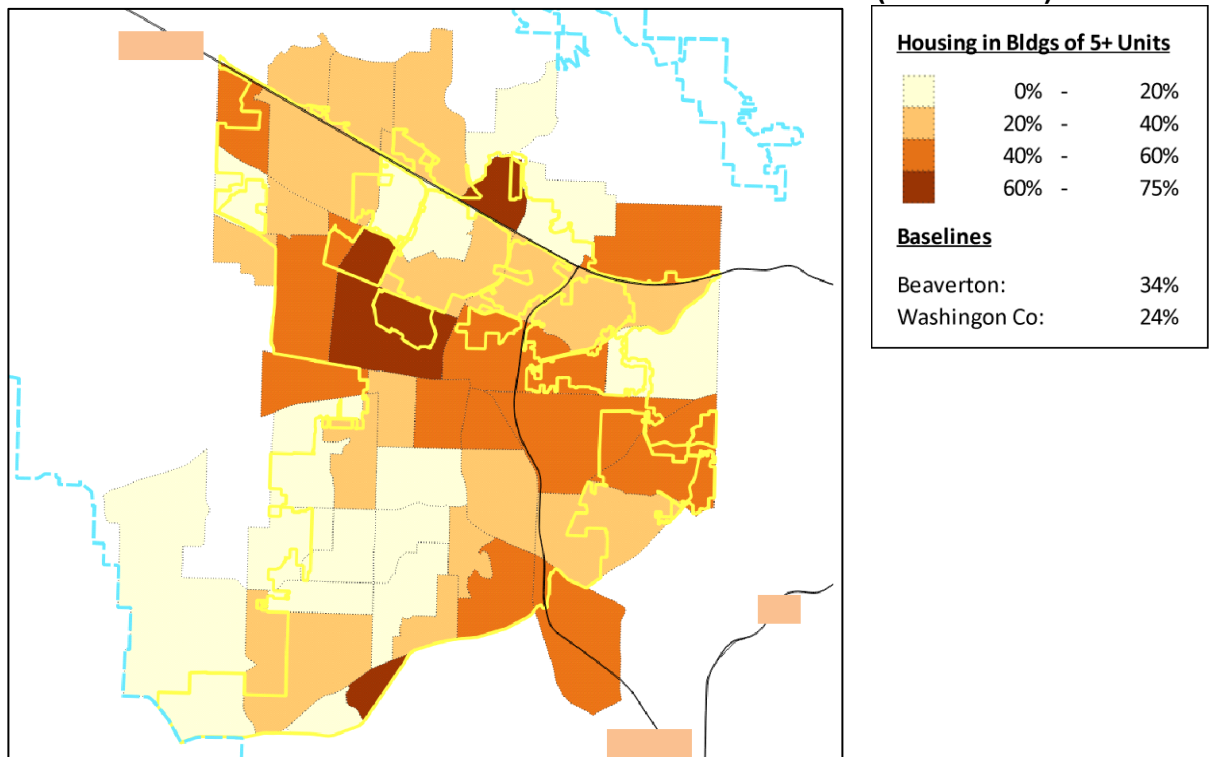
Source: 2020 5-Year ACS, Johnson Economics

I. SHARE OF HOUSING BUILT BEFORE 1970 (BEAVERTON)



Source: 2020 5-Year ACS, Johnson Economics

J. SHARE OF HOUSING UNITS IN BUILDINGS OF 5 OR MORE UNITS (BEAVERTON)



Source: 2020 5-Year ACS, Johnson Economics



Source: Sequoia Equities

HOUSING BEAVERTON PROJECT

APPENDIX C

PROJECTED FUTURE HOUSING NEEDS

March 2023

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon. This analysis was prepared by Johnson Economics with support from other Housing Beaverton team members at MIG|APG and ECONorthwest.

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INTRODUCTION

This analysis is undertaken as part of the Housing Beaverton Project, a comprehensive study of housing needs, buildable lands, and potential policies and strategies to address current and future housing in the Beaverton community. This report is one of a series of reports of background data and analysis. Not all data and context are included in each report and therefore the analysis may refer to other products from this project.

This report presents an estimate of 20-year housing needs within the City of Beaverton, based on local demographic and household trends. This analysis places a strong emphasis on equitable outcomes for the community's current and future residents.

I. PROJECTED POPULATION AND HOUSING GROWTH - 2042

A. TOTAL PROJECTED GROWTH

This section presents a forecast of population, household, and housing unit growth over the 20-year planning period (2022-2042). The current figures are based on the 2022 estimates presented in Section IV. From that foundation, future growth is estimated using the projected growth rate for Beaverton from the most recent Metro coordinated forecast (Feb. 2021). Statute requires that growth forecasts for cities within Metro agree with the coordinated forecast.¹ The administrative rule also specifies that:

“The population forecast... is a prediction which, although based on the best available information and methodology, should not be held to an unreasonably high level of precision....”

-OAR 660-032-0030(5)

Precise figures are presented below, reflecting the specificity of the Metro forecast, and serving the technical requirements of a Housing Needs Analysis. However, the reader is encouraged to think of these projections as rough estimates, subject to change due to many variables over the planning period.

Figure 1.1 presents a summary of projected growth in population, households, and housing units by 2042. Figure 1.2 (following page) presents in more detail the sources and assumptions behind these numbers.

¹ ORS 195.036; OAR 660-032-0030

FIGURE 1.1: SUMMARY OF PROJECTED GROWTH, BEAVERTON (2022 - 2042)

	2022	2042	Growth	% Growth
Total Population:	99,110	118,215	19,106	19%
Households:	41,267	50,496	9,229	22%
Housing Units:	43,267	53,154	9,887	23%

Sources: Metro, Census, JOHNSON ECONOMICS LLC

- Based on the Metro projections, there will be an estimated 118,215 total people in 2042. This would be growth of over 19,000 people over the 20-year period, or 19% growth over the 2022 population (Figure 1.1).
- The number of households is projected to grow to 50,496 by 2042. This would be 22% growth from 2022, or 9,229 additional households. The household growth rate outpaces population growth because the average household size is projected to fall from 2.4 to 2.3 persons, meaning more households would accommodate the same population.
- The estimated households do not include the population living in group living situations, which is assumed to hold constant at 0.9% of the population, or 1,067 people by 2042. Some examples of group living situations include dormitories, some nursing facilities, and prisons. The housing needs of these populations is included in the forecast of future housing types presented below.
- To accommodate the projected number of households (Metro), Beaverton would add nearly 9,900 new housing units to its housing inventory, a growth of 23%, over 20 years.

The coordinated population forecast adopted by Metro in 2021 includes a forecast for population and number of households in Beaverton in 2030 and 2045. This analysis uses these forecasts to estimate Beaverton's population and number of households in 2042, summarized in Figure 1.2. From these estimates, an estimate of the total number of housing units to accommodate these households is derived including an assumed stabilized vacancy rate of 5%.²

² 5% vacancy is considered stabilized by many large rental property management companies. It represents the level at which a property has healthy occupancy while still offering some availability and unit choice to new renters and allowing for normal unit turnover. Likewise, some vacancy in the for-sale housing market is healthy to provide inventory and choice for homebuyers. In reality, vacancy will fluctuate over the planning period. This estimate reflects an idealized view of the number of units needed to serve the projected number of households, plus some vacancy.

FIGURE 1.2: PROJECTED FUTURE POPULATION AND HOUSING PROFILE, BEAVERTON (2042)
SUMMARY OF SOURCES AND METHODOLOGY

PROJECTED FUTURE HOUSING CONDITIONS (2022 - 2042)			SOURCE
2022 Population (Minus Group Pop.)	98,215	2020 Census + growth at 2020-2020 annual rate	US Census
Projected Annual Growth Rate	0.9%	Metro Coordinated Forecast (2021)	Metro
2042 Population (Minus Group Pop.)	117,148	(Total 2042 Population - Group Housing Pop.)	
Estimated group housing population:	1,067	0.9% of total pop. (Held constant from 2020)	US Census
Total Estimated 2042 Population:	118,215	Metro Coordinated Forecast (2021)	Metro
Estimated Non-Group 2042 Households:	50,496	Metro Coordinated Forecast (2021)	Metro
New Households 2022 to 2042	9,229		
Avg. Household Size:	2.3	Projected 2042 pop. / 2042 households	US Census
Total Housing Units (2042):	53,154	Occupied Units plus Vacant	
Occupied Housing Units:	50,496	(= Number of Non-Group Households)	
Vacant Housing Units:	2,658	(= Total Units - Occupied Units)	
Projected Market Vacancy Rate:	5.0%	Stabilized vacancy assumption	

Sources: Metro, Census, JOHNSON ECONOMICS LLC (estimated housing units, including vacant and occupied units)

B. PROJECTED HOUSEHOLD GROWTH BY INCOME AND TENURE

Figure 1.3 presents the total forecasted households in 2042 (Figure 1.1), broken down by income group and owners/renters. The 2042 estimate includes both current and future households (50,496). The analysis considered the propensity of households at specific age and income levels to either rent or own their home, to estimate the future need for ownership and rental housing units, and the affordable cost level of each. The projected distribution is for *all* 2042 households and therefore includes the current households, in addition to new households.

FIGURE 1.3: PROJECTED OCCUPIED FUTURE HOUSEHOLDS (2042)

OWNERSHIP				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	1,134	Less than \$15,000	4.4%	4.4%
\$80k - \$130k	1,048	\$15,000 - \$24,999	4.1%	8.5%
\$130k - \$180k	1,335	\$25,000 - \$34,999	5.2%	13.7%
\$180k - \$250k	2,407	\$35,000 - \$49,999	9.4%	23.1%
\$250k - \$340k	3,665	\$50,000 - \$74,999	14.3%	37.3%
\$340k - \$420k	3,364	\$75,000 - \$99,999	13.1%	50.4%
\$420k - \$460k	3,227	\$100,000 - \$124,999	12.6%	63.0%
\$460k - \$510k	2,627	\$125,000 - \$149,999	10.2%	73.2%
\$510k - \$670k	3,771	\$150,000 - \$199,999	14.7%	87.9%
\$670k +	3,115	\$200,000+	12.1%	100.0%
Totals:	25,694	50.9% of Households		

RENTAL				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	2,188	Less than \$15,000	8.8%	8.8%
\$400 - \$700	2,315	\$15,000 - \$24,999	9.3%	18.2%
\$700 - \$900	2,035	\$25,000 - \$34,999	8.2%	26.4%
\$900 - \$1300	3,344	\$35,000 - \$49,999	13.5%	39.8%
\$1300 - \$1700	5,338	\$50,000 - \$74,999	21.5%	61.4%
\$1700 - \$2100	3,901	\$75,000 - \$99,999	15.7%	77.1%
\$2100 - \$2300	2,104	\$100,000 - \$124,999	8.5%	85.6%
\$2300 - \$2500	1,605	\$125,000 - \$149,999	6.5%	92.0%
\$2500 - \$3400	1,134	\$150,000 - \$199,999	4.6%	96.6%
\$3400 +	839	\$200,000+	3.4%	100.0%
Totals:	24,802	49.1% of Households		

All Households	50,496
-----------------------	---------------

Sources: Census, Claritas, JOHNSON ECONOMICS

Incomes and housing costs in Figure 1.3 are presented in current 2022 dollars. Because of the impossibility of predicting variables such as interest rates 20 years into the future, assumptions were kept constant from those used to estimate current housing affordability (Appendix B). 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.

Home price assumptions: The assumptions behind the affordable price level for ownership housing shown in Figure 1.3 are also held constant from the estimate of current housing: 30-year amortization, at an interest rate of 5% (though this rate has been lower until recently, and has now spiked higher than 5%, this assumption is in line with historic norms), with 10% 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 2000s, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20% is often cited as the standard for most buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

The projections of new population and households, including income and tenure projections, form the basis for the projections of *new* 20-year housing discussed in the following section. Before these basic growth projections, derived from Metro forecasts, are translated into a forecast of new housing types, this analysis applies an equity lens to identify the housing needs of the key groups that are a focus of this analysis.

II. EQUITABLE HOUSING NEEDS - 2042

This section presents a quantified estimate of housing need for Beaverton households and key subgroups. In keeping with the requirements of a Goal 10 Housing Needs Analysis, this analysis includes an estimate of housing to accommodate the entire forecasted population in 2042, stratified by income segment, and by housing type.

However, the main focus of this analysis is on those groups for whom the housing need and the deficit of appropriate housing is most acute as a result of current economic conditions and current and past discriminatory practices which have resulted in reduced access to different types of housing and less accumulation of intergenerational wealth for people of color. As noted in Section IV, the focus of this analysis is on the housing *needs* of the community, particularly among those who may not currently have those needs met. There is less emphasis on the *preferences* of households with the resources to meet their immediate needs, though all of the community is included in the quantified results presented below. It is assumed that the private housing market will continue to meet the needs of more financially advantaged households, and that they will generally have the resources to navigate it with minimal assistance or supportive policies by the City.

This section discusses some of the factors that will impact the types of housing most needed in the coming decades. This discussion is followed by a quantified estimate of future housing by type that can help meet these needs.

A. EXPANDED HOMEOWNERSHIP OPPORTUNITIES FOR NON-WHITE HOUSEHOLDS

As discussed in Section IV, some racial and ethnic groups (Black, Indigenous, Latine, and those of an unspecified “other” race) have a disproportionately lower homeownership rate than non-Hispanic white households or the citywide average, according to Census data (see Appendix B). At the same time, some non-white groups have a higher estimated homeownership rate. The City recognizes that both intentional and unintentional racist policies like exclusive zoning, mortgage subsidies or incentives, real estate practices like deed restrictions, and outright discrimination in appraisals and lending practices have resulted in disproportional benefits in homeownership for a privileged subset of households – namely non-Hispanic white and higher-income households – while systematically excluding, segregating, and denying opportunity to low-income households and people of color.

To meet the goal of providing more equitable homeownership opportunities in Beaverton in the future, the estimates of owner vs. renter need presented in Figure 1.3 reflect a policy goal that racial groups with lower rates of ownership should have a more equal homeownership rate going forward. Those groups that had a higher homeownership rate relative to the non-Hispanic white population were assumed to maintain that higher rate.

To be clear, the more equitable homeownership rate assumption is applied to the households added to the city between 2022 and 2042 in these racial categories. It is not assumed that new housing stock over the next 20 years will be able to remedy all the accumulated historic inequities experienced by the current population. However, the mix of new housing recommended below, along with recommended policies and housing production strategies resulting from the broader Housing

Beaverton Project, will be aimed at providing opportunities to current and future Beaverton residents to increase equitable outcomes to the greatest extent possible.

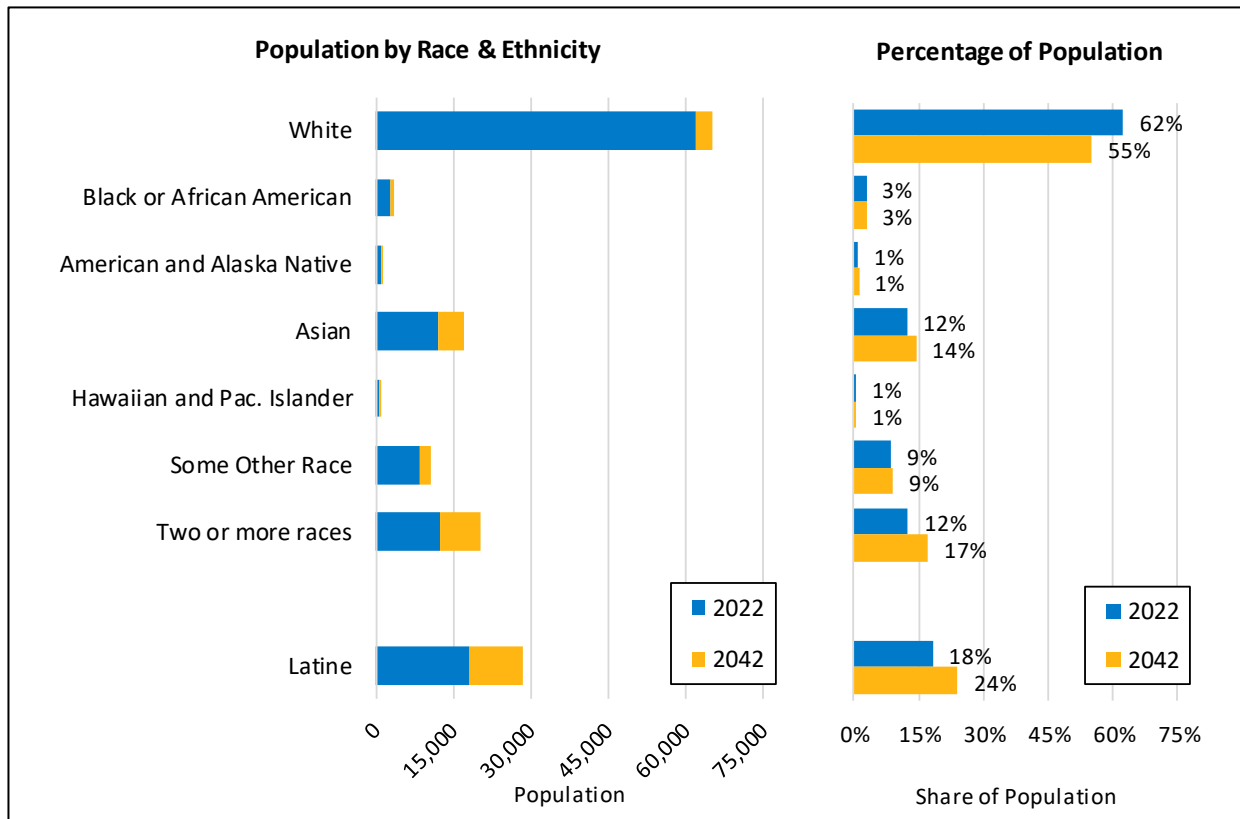
Partially due to the policy goal of greater home ownership equity going forward, the share of ownership households in Beaverton is projected to increase slightly from just less than 50% to 51%. This is a minor shift but will translate to an increase in ownership opportunities as a proportion of all units built between 2022 and 2042.

Projected Growth of Racial and Ethnic Groups: The growth of population and households by race and ethnicity was projected using forecasts prepared by Metro for the seven-county Portland-Vancouver-Hillsboro Metropolitan Statistical Area (MSA). The MSA includes five counties in Oregon and two in Washington and is currently estimated at 2.5 million people. In 2016, Metro prepared forecasts of how the region would grow in 5-year increments through 2060 by racial group, age, and gender.³

Despite the broad regional approach, this is the most localized estimate of growth by subgroup available for the Beaverton area, and therefore it is used in this analysis to approximate how the groups might grow in number and share of population by 2042. The Metro methodology did not include the population identifying as an “unspecified other race”, or “two or more races.” Growth rate assumptions for those categories were drawn from a separate US Census forecast through 2030 that was national in scope. Figure 2.1 presents the forecasted growth over the planning period for the Metro region.

³ “Population Forecast to 2060, Metro Area Population Forecast by Race/Ethnicity, Gender, Age”, Metro Research Center, April 2016.

FIGURE 2.1: PROJECTED POPULATION, BY RACE AND ETHNICITY (2022 - 2042), METRO REGION



Sources: Metro, Census, JOHNSON ECONOMICS LLC

- The non-Hispanic white population is projected to remain the largest overall racial category but is expected to continue to diminish in share of population from 62% to 55%. This is an annual growth rate of 0.3%. Other racial groups are forecast to grow at a much faster annual rate.
- Those identifying as “two or more races” are expected to grow at the fastest annual rate (2.9%), growing from 12% to 17% of the population.
- The Latine population (which can include those of other racial categories) is forecast to grow at 2.7%, growing to nearly one quarter of the population by 2042.
- The Asian population is expected to grow at 2.0% per year, to 14% of the population.
- The remaining groups are expected to grow at slower rates, and remain a relatively small, but important share of the total population.

As noted in Section IV, households of color tend to have larger average household size than the average of all households (Census 2010 data, most recent available). White households had an average household size slightly smaller than the citywide average, while all other groups were estimated to have an average household size larger than the average. All of these figures fall within the margin of error, but the general trend seems clear. (See Appendix B for more data on racial and ethnic demographics.)

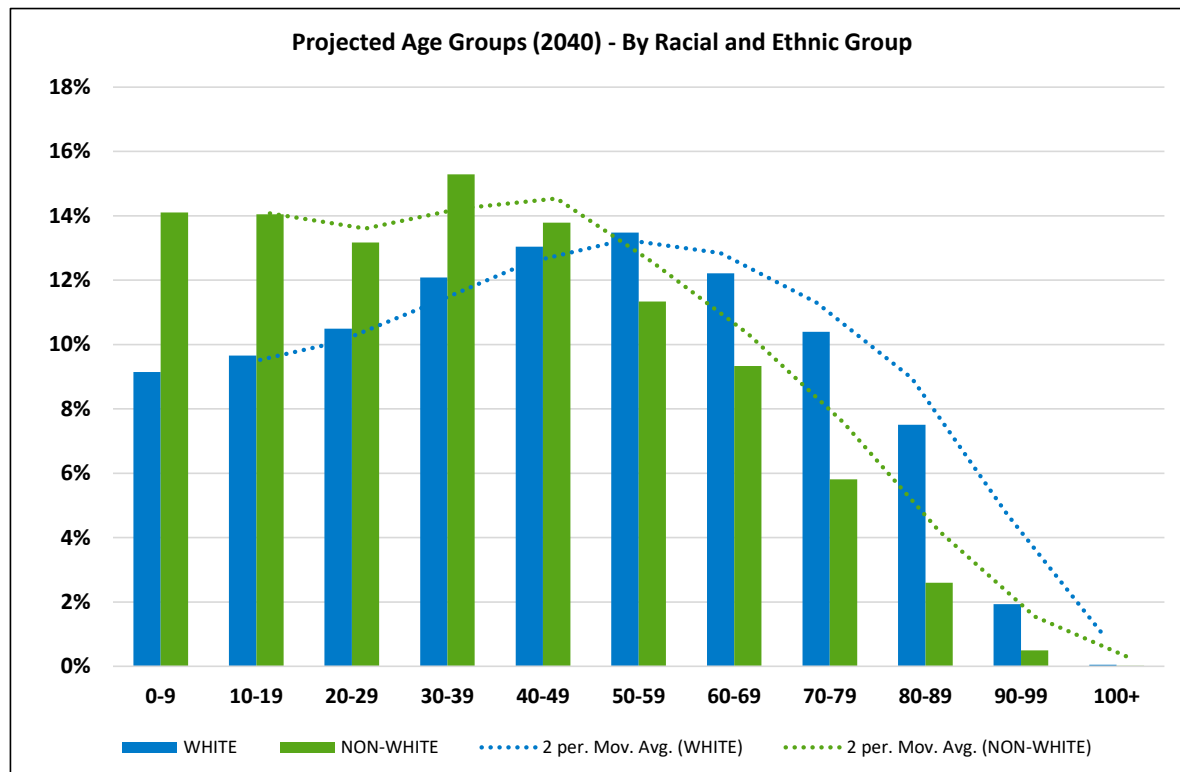
Similarly non-white groups tend to have a different age profile than the non-Hispanic white population. The Metro 2060 forecast provides estimates of growth of racial and ethnic groups by age

(excluding those of an unspecified other race, or two or more races). The white population in Beaverton has the highest median age of all groups, and this is expected to persist into the future. The median age for the white population is forecast to grow from roughly 39 years to 47 years over that time, as the youngest Baby Boomers age into their 70s and 80s, and the similarly large Millennial generation ages in to their 40s and 50s.

Other racial groups are also expected to age over the coming decades, but all non-white groups are younger on average than the non-Hispanic white population. By 2040, the median age of the Asian and Indigenous population is expected to be 42 years and 37 years for the Black and Pacific Islander populations. The Latine population is expected to be the youngest on average, with a median age of roughly 32 years, over 30% lower than the white population.

Figure 2.2 shows the projected distribution of the white and non-white populations by 2040, according to the Metro forecast. The distribution of the white population (in blue) is skewed towards the older age cohorts, relative to the non-white population. The non-white population is projected to have a much higher share of children and young people, to go with larger households. While all types of households and families will continue to be represented across all races, the aging white population will likely begin to skew more towards one and two person households as children leave the home.

FIGURE 2.2: PROJECTED DISTRIBUTION OF WHITE AND NON-WHITE POPULATION BY AGE (2040)



Sources: Metro, JOHNSON ECONOMICS LLC

Homeownership Rate: As noted in this report, Beaverton features a lower overall homeownership rate (50%) than comparative regions such as Washington County (61%), Metro area (62%), or State of Oregon (63%). Beaverton’s rate is closer to, but still lower than, those of other large cities in the Metro area such as Portland (53%), Hillsboro (53%), and Gresham (55%).

The higher prevalence of renters in Beaverton implies both fewer homeownership opportunities for residents, and a greater prevalence of rental opportunities. A higher proportion of rental units is a benefit for the types of households who tend to rent their homes, including lower-income households, certain racial groups, and certain family types such as single parents, provided they are available at affordable price points. In this sense, the city might be considered more equitably balanced currently than some communities with a shortage of rental units.

Nevertheless, the 50/50 balance in Beaverton suggests that greater purchasing opportunities among groups experiencing barriers to homeownership should be a priority, while also continuing to provide affordable rental opportunities at all income levels.

As noted in the prior section, this analysis assumes a more equitable homeownership rate among those groups that have fallen behind due to historical barriers and racism (Black, Indigenous, Latine, and those an unspecified “other” race). It also assumes that non-white racial groups that have an estimated homeownership rate slightly higher than the white households will maintain that higher rate. However, the analysis does not assume that the homeownership rate will increase to a rate

comparable to the county or Metro area (a rate of 61-62%). To assume too great an increase in the ownership rate would likely benefit the traditional homebuying demographic to the detriment of traditional renter households.

What types of housing will be needed for increased homeownership opportunities? The type of housing needed for first-time homebuyers and those who have been historically disadvantaged should be lower in cost compared to prices for large single-detached homes typically built for higher income households. New single-detached homes are readily provided by the private real estate market and reflect the profit incentives and established practices of the homebuilding industry. Therefore, these new homes tend to serve the upper end of the market and reflect buyer “preferences” rather than “needs.” This analysis assumes that this segment of the market will continue to be served by the private real estate industry and is not a necessary focus of public strategies or incentives.

Because market forces will incentivize larger and more expensive single-detached units, many of the new units needed by lower-income and non-traditional homebuyer segments will be attached housing types such as townhomes, multi-unit condo opportunities including cottage developments, and more plex types with two to four units. A plex unit can give a buyer the opportunity to live in one unit, while renting other units to help with financing the purchase, or under new state rules these developments can be subdivided into individual small lots to create multiple homebuyer opportunities. The pricing of these types of units is generally lower than single-detached housing and should face less competition from higher-income income buyers. An increased need for these “middle housing” types is reflected in the quantified housing need estimate that follows.

Homeownership Opportunity Needs: In order to reflect a goal of expanded homeownership opportunities for traditionally disadvantaged groups, an increased share of the projected *new* housing over the next 20 years should be appropriate for homeownership opportunities, particularly for first-time homebuyers or lower-income households. Therefore, among new units, **an increased share of 53%, or roughly 5,225 units, should be ownership units** to help rebalance this deficit (see Figures 2.4 and 2.5 below).

B. MULTIGENERATIONAL HOUSEHOLDS

The proportion of Americans living in multigenerational families has seen a strong rise in recent years. According to Pew Research Center, over 59.7 million U.S. residents lived with multiple generations under one roof as of March 2021⁴. (Unfortunately, more local data on multigenerational households is not available). This is an increase of 2.2% from 2019, or over 1.3 million additional U.S residents living in multigenerational homes, compared to general population growth of 1.1% over the same period. Pew defines multigenerational families as those with two or more generations of adults aged 25 and older, or grandparent(s) living with their grandchildren; families of parents living with minor or college-aged children are excluded.

The number of Americans who live in multigenerational households has increased over four-fold since the 1970s, while the population grew by a much lower rate of 50%. Part of this growth has been driven by young adults, who, due to changing economic conditions, have been marrying later, delaying

⁴ Pew Research Center, ‘The Demographics of Multigenerational Households’

homebuying, and staying in school longer compared to previous generations. In addition, increased life expectancy has enlarged the aging population that may live with relatives.

The Federal Reserve reports that in 2020, in the early stages of the pandemic, the number of households relative to the population “...showed a dramatic decline... as millions of Americans changed their living arrangements, many by remaining with or moving back in with parents and older relatives. These changes were particularly large among young adults, Black adults, and those without a college education.” As of mid-2022 however, “...there has been a remarkable rebound..., driven in large part by a return to the pre-pandemic rates at which younger adults lived with parents or older family members. This rebound has been an important contributor to a huge increase in housing demand.”⁵ Therefore, the Fed reports that the country is largely back to the pre-pandemic trend of slower, but still positive, growth in multigenerational households.

Household cost-savings and financial efficiencies are the top reasons cited for living in multigenerational homes. Pew found that the share of people in poverty is lower in multigenerational households compared to other types of households⁶. Multigenerational households have the potential to have more income-earners sharing housing, food, and transportation costs and/or providing childcare, which can help alleviate some of the cost-of-living burden on each individual member.

Pew also found that among America’s major racial and ethnic groups, Asian, Black, or Latine people are more likely to live in a multigenerational household as compared to White families. When broken down in further detail, roughly 24% of the Asian population, 26% of all Black Americans, and 26% of all Latine Americans live in a multigenerational household, roughly twice the 13% share of the White American population who live in these households (data on other racial groups was not provided). A higher share of foreign-born Americans (26%) lives in a multigenerational household compared to native-born Americans (17%). As for demographics by gender, the research suggests that both men and women are equally likely to live in multigenerational households.

What types of housing will be needed for multigenerational households? Multigenerational households may have some distinct housing needs. These households may need larger units due to the greater number of household members. In some cases, the housing cost savings or presence of more income earners can allow these households to afford larger units such as single-detached homes. However, many multigenerational households may have limited financial resources, supporting elderly or disabled members and children on moderate or lower incomes. These households will need adequately sized rental units and middle housing types to meet their needs at lower cost.

Multigenerational homes often include some separation between generations, which may range from separate living and bath quarters to additional kitchens, to completely separate accessory units (e.g., in a basement or detached unit). Ideally, future units also should allow for adequate mobility and accessibility to account for wheelchairs and walkers in living spaces as the older family members continue to age. However, most multigenerational households cannot custom-build such a home and

⁵ Federal Reserve, “The Remarkable Recent Rebound in Household Formation and the Prospects for Future Housing Demand”, Garcia, May 2022.

⁶ Pew Research Center, ‘Financial Issues Top the List of Reasons U.S. Adults Live in Multigenerational Homes’

must coinhabit a smaller traditional housing unit out of necessity, which can lead to cramped and substandard living conditions.

Public planning for this segment of the population might include increased regulatory flexibility and incentives to add accessory dwelling units (ADU's) to existing or new homes through expansion, conversion, or other renovations. These households might also be served by increased building of middle housing types (townhomes, plexes, etc.), which would allow multigenerational households to live adjacent to each other, but in separate units. Many of these households will also benefit from increased building of accessible units to serve aging family members.

The quantified housing need estimate presented below includes an increased need for middle housing, as well as some remaining, though reduced, need for single-detached housing that can help meet the needs of multigenerational households.

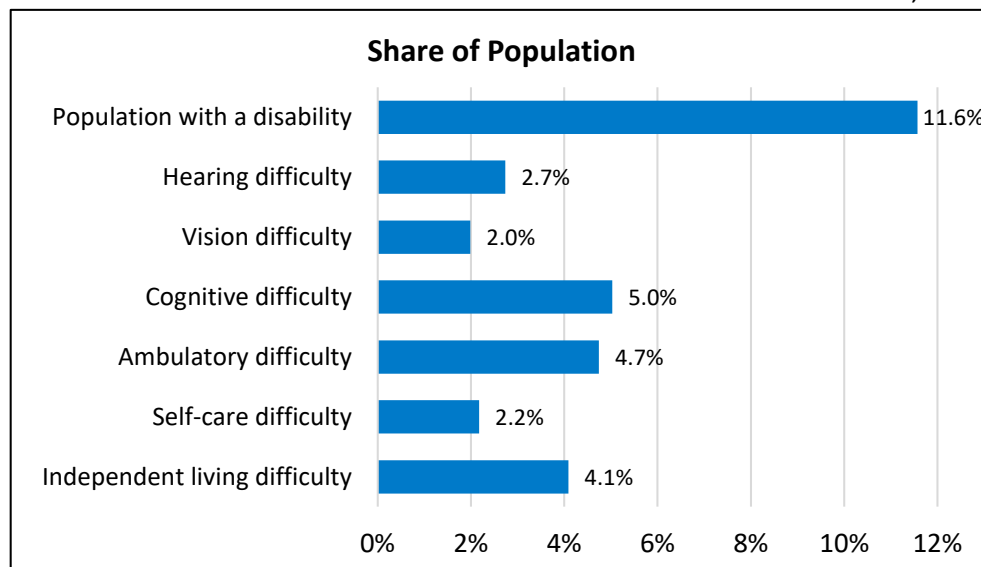
Multigenerational Housing Needs: The estimated rates of multigenerational households reported above for different racial and ethnic groups (source: Pew), were applied to forecasted growth in each of those groups in Beaverton, to determine that an estimated 18% of the total new forecasted households would be multigenerational households based on these national rates. An assumption that 18% of new total need for 9,900 new housing units should be appropriate for these households would indicate a need for **roughly 1,780 of the new units** over the next 20-years should be appropriate for multigenerational households.

C. ACCESSIBLE UNITS

Residents with a Disability: According to the Census, an estimated 12% of Beaverton's population, or 11,300 people, currently report having some disability (see Appendix B), including those with multiple disabilities. A similar share of the 2042 population would indicate roughly 14,000 residents with a disability. Unfortunately, the Census does not provide data on the number of households, or average household size, of those with disabilities.

The following figure presents current Census estimates of the types of disability reported among Beaverton residents. Any type of disability could impact the type of housing that may be appropriate for a resident, but those with the greatest impact on needed housing type are generally an ambulatory, self-care, or independent living disability.

FIGURE 2.3: BEAVERTON SHARE OF THE POPULATION WITH DISABILITY, BY TYPE



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: DP02, (2020 ACS 5-year)

Those with an ambulatory disability often need units with expanded access for a wheelchair, walker, or scooter. Those with self-care or independent living disabilities may require additional safety precautions around the home to protect a resident who does not have a family member or caretaker with them at all times. The largest subset is those with a cognitive difficulty, defined as “having difficulty remembering, concentrating, or making decisions.” These individuals may need a range of housing to ensure they meet their daily needs, depending on the severity of their disability. This may include independent living in the general housing market, to needing to live with family or in a group housing situation. (Needed housing types including accessible units are discussed in more detail below.)

Older residents are more likely to report a disability, including nearly a third of those over 65 years. Of those aged 18 to 64 years, 9% of the local population reports a disability, and 6% of children. Due to the aging of the population discussed above, a greater share of the Beaverton population may need accessible housing units in the future.

According to the 2020 ACS, those with a disability are also more likely to live below the official Federal poverty level (14.5% vs. 10% overall) and have median earnings 33% lower than the general population (\$27,600 vs. \$41,500).

What types of housing will be needed for households affected by disabilities? Accessible housing units for those with disabilities will become increasingly important to meet the needs of current residents, as well as an aging population going forward. Comprehensive data on the current number of units designed for this population in Beaverton is not available, but it is almost certainly much lower than the prevalence of disability in the community (12%).

Most contemporary housing designs do not consider the needs for people with a disability to properly utilize the space. They cite difficulties in visiting the homes of able-bodied friends and relatives as

their houses do not accommodate devices such as wheelchairs. It is also the case that builders and developers often assume people with disabilities can easily adjust to the common designs of domestic spaces. The following are some characteristics of modern-day accessible housing design that are crucial in providing proper quality of life for people with disabilities.⁷

- Designing accessible housing starts from the location. Although homes designed for people with disabilities should be available throughout the city, accessible housing units are likely most helpful to the widest range of people if sited where, 1) there is a high density of services and amenities, 2) there are neighborhood multi-modal connections and usability, and 3) there can be ease of navigation regardless of mode of transportation. Common planning standards generally recommend that the site is between $\frac{1}{4}$ to $\frac{1}{2}$ a mile away from important amenities in order to facilitate walking or other non-auto transport (e.g., the grocery store, pharmacy, banks, accessible sidewalks, transit stops, etc.) and outdoor recreational amenities (e.g., wheelchair accessible paths, public parks, etc.). Lastly, there must be ease of navigation, ideally accommodating people with a broad range of disabilities. For example, wayfinding systems throughout the sidewalks and parking lots using different materials can assist people with vision impairment in finding the correct way into a building. (Elements of locational equity are even more important for mobility-challenged residents.)
- The most important accessible element for the common space of residential buildings such as apartments and condominiums is clear floor space. Clear floor spaces allow for more turning space, which is helpful for people using mobility devices, which need to enter, turn around in, and exit rooms clear of furniture and door swings. Automatic doors should be installed in communal entries and exits, restrooms, and possibly even in resident spaces.
- Accessible units must meet the federal ADA requirements for adaptability (ADA 809.2). This includes the ability to retrofit a unit with such features as in-wall backing for grab bars in bathrooms, whether or not grab bars are yet installed. It is also recommended to use hard surfaced flooring instead of carpet to allow for ease of cleaning, increased durability, and lower risk of harboring allergens. Units should be laid out to ensure navigability early in the design process. Doorways should be wide enough to allow mobility devices, and hallways should be a minimum of 42 inches wide instead of the standard 36 inches.
- Another important design consideration is to eliminate the use of steps throughout the unit, especially in entrances to other rooms. If steps are to be used, there should be grab bars included to aid people with limited mobility.
- Kitchens should be L-shaped or straight-run instead of galley or U-shaped to allow for more flexibility and maneuverability in the kitchen, and specific appliance designs are recommended. Bathroom design should include textured, non-slip flooring as people with mobility aids or other instability are more likely to slip on a wet bathroom floor. Grab bars should be placed near toilets, in showers, tubs, etc. Including roll-in showers for people with wheelchairs is also recommended with handheld showerheads alongside a wall-mounted showerheads.

⁷ Many of the accessibility design standards discussed in this section come from recommendations by The Kelsey, a non-profit agency specializing in affordable accessible housing development, and specifically “Design Standards for Accessibility and Inclusion, First Edition,” thekelsey.org/learn-center/design-standards/

- Units should be designed to cater to as many disabilities as possible, so that they might simultaneously have improvements for vision-impaired residents, and also wheelchair bound residents, so the unit is adaptable for current and future needs.

Accessible Housing Needs: The estimated need for accessible units is included in the quantified estimates of housing need presented below. These units should be considered a subset within the total housing need and can take the form of any of the full range of housing types. Applying the estimated prevalence of disabilities among the population (12%) to the projected number of new housing units would suggest that **roughly 1,190 of the new housing units should be accessible.**

D. HOUSING AFFORDABILITY

For this analysis, it was assumed that households in lower income bands need housing costs to be no more than 30% of gross income (a common measure of affordability⁸). It is assumed that higher income households pay a decreasing share of their gross income towards housing costs, down to 20% for the highest income households, as confirmed by Census data (Table B25106, ACS).

While the Census estimates that most low-income households pay more than 30% of their income for housing, this analysis intends to establish an estimate of housing *need*. It assumes that low-income households need units that are affordable at no more than 30% of their income, rather than units that represent a cost burden.

Figure 2.4 presents an estimate of the projected profile of new units (9,887) over the next 20 years, broken down by the estimated number of households in the major affordability income bands, as defined by Oregon Housing and Community Services (OHCS) for households in Washington County. This applies the OHCS rates to the average local household size of 2.4 persons and presents figures in current 2022 dollars. These income bands are updated annually and used to determine eligibility for various state and federal housing programs and set the allowable rent levels for this program. It is important to note that the median income level in Washington County on which these income levels are based is higher than the estimated median income in Beaverton.

For reference, and for the purposes of addressing state requirements for a Goal 10 HNA, the table includes all income levels including middle- and upper-income households. However, most housing programs and strategies are aimed at those designated “low income” or less, meaning households that earn less than 80% of the Area Median Income (AMI). In addition, all households earning more than 120% AMI have been categorized here as upper income, with more stratification in the lower income ranges reflecting an emphasis on housing needs for lower income ranges.

Households that earn less than 80% of the Area Median Income (AMI) make up an estimated 32% of the projected new local households, but 40% of renter households. An estimated 21% of new households are projected to earn “very low income” or lower, and an estimated 14% or nearly 1,350 households are estimated to be extremely low income. These estimates are based on the estimated distribution of future households by income band presented in Figure 1.3.

⁸ Spending 30% or less on housing costs is a common measure of “affordability” used by U.S. Department of Housing and Urban Development (HUD) and others, and in the analysis presented in this report. Housing costs include rent or mortgage payment, utilities, insurance, and taxes if applicable.

As with the population and household projections presented in Section VI, the figures presented in Figure 2.4 should be considered rough estimates, or order of magnitude predictions, despite the apparent precision implied by the HNA methodology.

FIGURE 2.4: ESTIMATE OF NEW 20-YEAR HOUSING BY AFFORDABILITY LEVEL (2042)

Household Income Segment			Income Level (Rounded)	Afford. Rent Range	Afford. Home Price Range	Owner Units	Renter Units	Total Units	Share of Units
Upper Income	> 120% AMI		> \$107,000	\$2,200 +	\$475k +	2,412	1,109	3,522	36%
Middle Income	80% - 120% AMI		\$71.5k - \$107k	\$1,700-\$2,200	\$350k-\$475k	1,526	1,685	3,211	32%
Low Income	50% - 80% AMI		\$45k - \$71.5k	\$1,200-\$1,700	\$225k-\$350k	533	603	1,136	11%
Very Low Income	30% - 50% AMI		\$27k - \$45k	\$800-\$1,200	\$150k-\$225k	299	369	668	7%
Extremely Low Inc.	< 30% AMI		< \$27,000	<\$800	<\$150k	453	896	1,349	14%
TOTAL:						5,223	4,663	9,887	100%

Sources: OHCS, Census, Claritas, JOHNSON ECONOMICS

- Single-detached homes, townhomes, accessory dwelling units, duplexes, triplexes, quadplexes, housing with five-plus units (apartments, condominiums, cottage clusters), and manufactured home parks can theoretically provide adequate housing to all income levels. This is especially true because (aside from condominiums) the units can be either rental or homeownership units. All housing types would be found at a variety of sizes, configurations, and locations. They also are or will be present in Beaverton at different ages and conditions, with newer units or well-maintained units generally being more expensive and older units or units with deferred maintenance being available at lower price points. In addition, income support, rental assistance, or other available resources can make it possible for households with lower household income to inhabit housing types not typically considered housing that low-income households inhabit.
- Manufactured home parks tend to fulfill housing needs at lower income levels for both owners and renters. Mobile homes often represent some of the lowest-cost home ownership opportunities available in a community. Modern manufactured homes, built for placement on individual lots, have improved in quality over decades but can still be delivered at a lower price point than a home built on site.
- Government-subsidized housing tends to fulfill housing needs at the very lowest income levels. HUD programs such as public housing and Housing Choice Vouchers can serve those with little or no income, including those earning less than 30% AMI. Other types of affordable housing, such as tax credit units provided by non-profit housing developers, are often offered

to those with 50% or 60% of AMI, who are generally working class and not the extremely low income.

E. PROJECTED NEW HOUSING UNITS BY TYPE AND TENURE

This section presents the forecasted number of new housing units to accommodate new households, with a recommended distribution of housing types. For the purposes of an HNA, this estimate includes all of the new units for households across the income spectrum. This forecast aims to integrate the equity needs discussed above via anticipating a shift in new housing need that differs from the current profile of housing found in Beaverton in 2022.

In general, this forecast calls for increased development of “middle housing” types, including single-attached housing, duplexes, triplexes, and fourplexes, and a diminished share of new single-detached homes to accommodate the forecasted households.

This forecast also reflects the need to increase homeownership opportunities for historically under-represented populations and lower-income households in general. Black, Indigenous, and People of Color households generally have much lower wealth. Most housing types can be ownership units.

To achieve greater homeownership equity going forward, a greater share of the projected 9,887 new units is forecasted to be ownership units (53%), and fewer to be rental units (47%). This means a forecast of roughly 5,200 new ownership units, and 4,700 new rental units (Figure 2.5).

FIGURE 2.5: ESTIMATE OF 20-YEAR HOUSING BY TENURE AND HOUSING TYPE (2042)

OWNERSHIP HOUSING								
Unit Type:	Single-Detached	Middle Housing				Manuf. home	Total Units	% of Units
		Townhome	Duplex	3- or 4-plex	5+ Units MFR			
Totals:	2,619	1,052	287	423	581	261	5,223	52.8%
Percentage:	50.1%	20.2%	5.5%	8.1%	11.1%	5.0%	100%	

RENTAL HOUSING								
Unit Type:	Single-Detached	Middle Housing				Manuf. home	Total Units	% of Units
		Townhome	Duplex	3- or 4-plex	5+ Units MFR			
Totals:	74	557	439	791	2,634	169	4,663	47.2%
Percentage:	1.6%	11.9%	9.4%	17.0%	56.5%	3.6%	100%	

TOTAL HOUSING UNITS								
Unit Type:	Single-Detached	Middle Housing				Manuf. home	Total Units	% of Units
		Townhome	Duplex	3- or 4-plex	5+ Units MFR			
Totals:	2,692	1,609	727	1,214	3,215	429	9,887	100%
Percentage:	27.2%	16.3%	7.3%	12.3%	32.5%	4.3%	100%	

Sources: Census, City of Beaverton, Johnson Economics

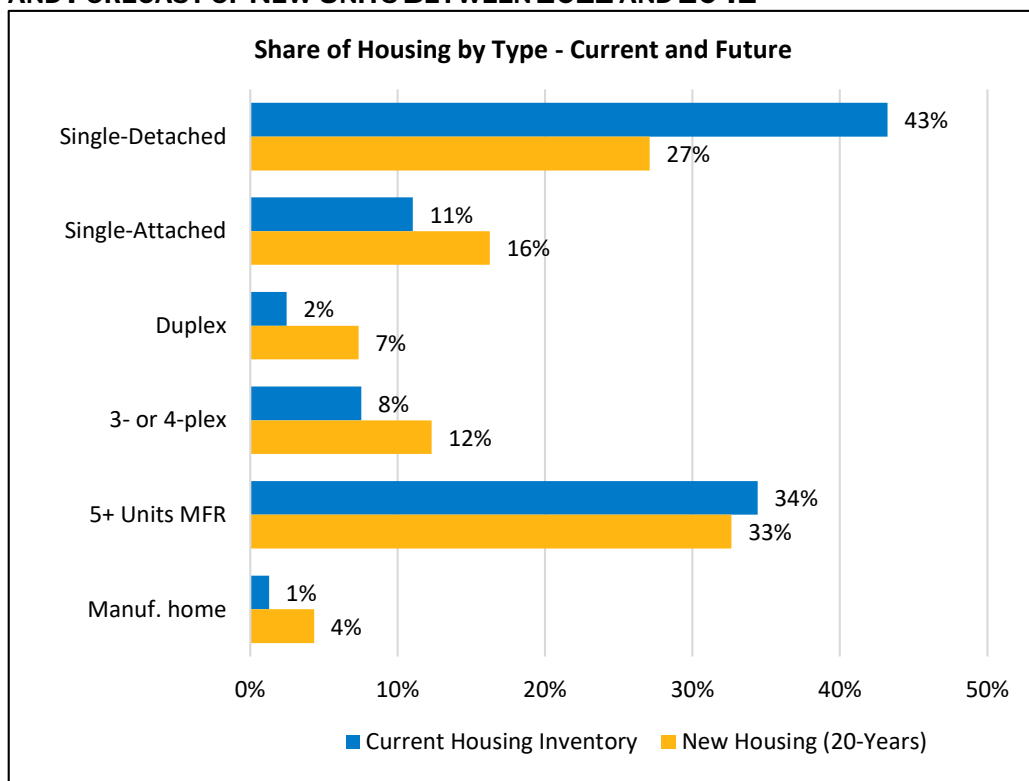
* Units are as defined in the Beaverton Development Code:

The estimates presented in Figure 2.5 take as a starting point the distribution of units permitted in Beaverton since 2000, from Census and City data. From that starting point, the share of new units forecasted to be the needed middle housing types (single-attached, duplex, tri- or four-plex, manufactured homes) is assumed to make up a larger share of units built going forward because middle housing types are now allowed in most of the city, and middle housing is an emphasis in the Cooper Mountain Plan as well.

- For these reasons, this forecast applied an assumption that, among future units, the share of middle housing types would increase by 15% over the current distribution.
- This increase is balanced mostly by a decline in the share of single-detached units, from roughly 40% of recent permits, to 27%.
- Ownership units are currently estimated to be 73% single-detached units. This forecast anticipates this share falling to 50% of ownership units, with an increased share in all other housing types, including multi-dwelling units (i.e. condominiums). Renter units are currently 14% single-detached, which is forecast to fall to under 2% of new units.
- The share of larger complexes (5+ units) is projected to fall within the new rental inventory, as more middle housing rentals are added. But properties of 5+ units are forecast to increase in the ownership inventory, as additional smaller, and lower cost homeownership opportunities such as condos, will be needed.
- Renters are expected to rent more types of middle housing, which tend to offer larger units for large households compared to apartment buildings. Middle housing might also provide greater locational equity between renters and owners by adding these units in traditional low-density, single-family neighborhoods. The share of renters in larger multi-dwelling properties is forecast to fall somewhat, from 63% to 57%, reflecting this shift.
- The share of manufactured homes within manufactured home parks⁹ is expected to grow as this is an important source of both ownership and rental housing at lower price points. Particularly for low-income homeowners, this is often one of the lowest cost buying opportunities. The share of manufactured homes is assumed to grow by roughly 3% over the existing share.

⁹ Individual manufactured homes on standard lots are a subset of single detached units.

FIGURE 2.6: COMPARISON OF EXISTING DISTRIBUTION OF HOUSING TYPES (2022), AND FORECAST OF NEW UNITS BETWEEN 2022 AND 2042



Sources: Census, City of Beaverton, JOHNSON ECONOMICS

Figure 2.6 shows the difference between the current distribution of housing in Beaverton, and the forecasted distribution of new units between 2022 and 2042. Overall, the middle housing types are forecast to make up a combined 36% of new units, with multi-dwelling units representing an additional 33%. The share of needed manufactured homes is forecast to grow to meet the needs of low-income owners and renters. The diminished share of single-detached homes includes housing at all price points, including modest starter homes, smaller lot developments, and other lower-cost options.

The forecast of new 20-year housing will help inform the subsequent steps of the Housing Beaverton Project, including comparison to the remaining inventory of buildable residential land, and formulation of strategies and tools to facilitate and encourage development of the needed housing.



Source: Sequoia Equities

HOUSING BEAVERTON PROJECT

APPENDIX D

COMPARISON OF HOUSING NEED & LAND

March 2023

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon. This analysis was prepared by Johnson Economics with support from other Housing Beaverton team members at MIG|APG and ECONorthwest.

INTRODUCTION

This analysis is undertaken as part of the Housing Beaverton Project, a comprehensive study of housing needs, buildable lands, and potential policies and strategies to address current and future housing in the Beaverton community. This report is one of a series of reports of background data and analysis. Not all data and context are included in each report and therefore the analysis may refer to other products from this project.

This report presents a comparison of projected 20-year housing needs within the City of Beaverton (Appendix C), with the inventory of remaining buildable land within the City. This analysis places a strong emphasis on equitable outcomes for the community's current and future residents.

I. RECONCILIATION OF PROJECTED HOUSING & LAND SUPPLY - 2042

A. BUILDABLE LANDS INVENTORY

This section summarizes the results of the Buildable Lands Inventory (BLI), which is presented in detail in an accompanying memo to this report. The BLI provides an estimate of the remaining buildable residential lands within the city boundary, and an estimate of the capacity to accommodate new housing units.

The following table (Figure 1.1) presents the estimated new unit capacity of the buildable lands identified in the City of Beaverton. The table details the remaining land inventory by the City's zoning designations, including the residential zones, mixed use zones, and recent planning areas in the Cooper Mountain area. The inventory includes buildable acreage for vacant and partially vacant parcels.

- There is a total estimated remaining capacity of 14,987 units of different types within the study area.
- The City's current residential zones have a remaining capacity for 5,538 housing units of a range of types including low, medium, and high density.¹ This is 36% of the total estimated capacity.
- The City's mixed-use zones include a list of 14 designations, including multiple use districts in station areas, the regional center, and some commercial areas. These zones have an estimated capacity of 1,245 housing units, or 8% of available capacity. (Development of mixed-use zones is highly variable due to the range of uses allowed to the property owner, including non-residential uses. See BLI report for more information on assumptions.)

¹ In this analysis, low-density residential (LDR) is defined as housing density of less than 8 units/net acre. Medium-density residential (MDR) is defined as supporting average density between 8 and 16 units/net acre. High-density residential (HDR) is defined as supporting average density of greater than 16 units/net acre. *These zoning categories do not correspond exactly to how they are defined in the City zoning code. See additional discussion in this section (below).*

- The Cooper Mountain and South Cooper Mountain plan areas have capacity for an additional 5,000 and 3,384 units of housing respectively, which is a combined 56% the estimated available capacity.
- According to the BLI report, Cooper Mountain is planned to have a mix of roughly 43% Single Detached, 26% Attached/ Middle Housing, and 30% Multi-dwelling units. (This assumption is applied in this analysis to estimate the breakdown of future units in these areas.)
- Figure 1.4 at the end of this section presents a map of Beaverton by major land use category.

FIGURE 1.1: ESTIMATED BUILDABLE LANDS CAPACITY BY ACREAGE AND NO. OF UNITS (2022)

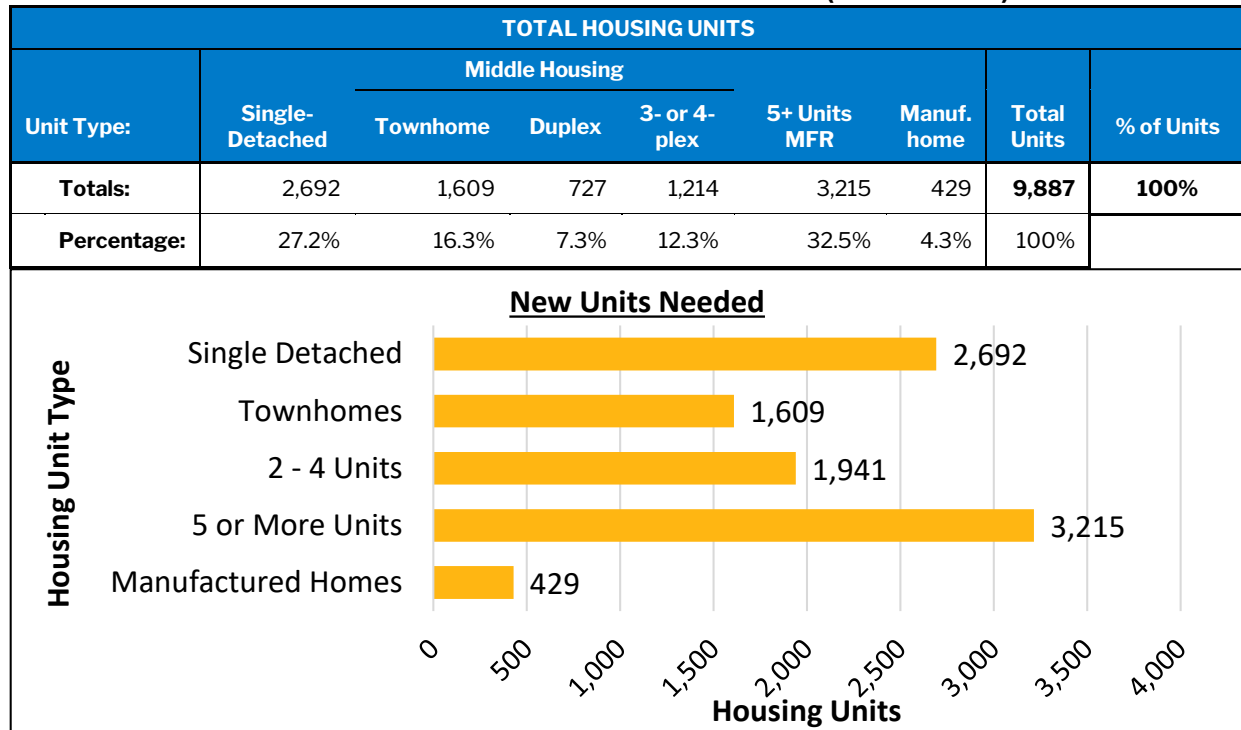
Zone	Vacant and Partially Vacant Taxlots	Net Buildable Acres	Estimated Residential Density	Estimated Unit Capacity	Middle Hsg. Infill (3% of Existing Units)	TOTAL Unit Capacity
MR - Multi-Unit Residential	23	28.3	35	990	-	990
RMA - Residential Mixed A	116	29.0	17	493	260	753
RMB - Residential Mixed B	470	89.5	10	895	264	1,159
RMC - Residential Mixed C	1,630	301.3	7	2,172	277	2,449
County Designation	2	1.5	4	6	-	6
Residential Zones Total:	2,241	449.6	10	4,556	802	5,358
Mixed Use Zones	118	123.7	10	1,245	NA	1,245
Cooper Mountain Community Plan		1,240.0		5,000		5,000
South Cooper Mountain		464.0		3,384		3,384
GRAND TOTAL ALL ZONES:	2,359	2,277	-	14,185	802	14,987

Source: Beaverton Buildable Lands Inventory (2022), MIG/APG

B. 20-YEAR HOUSING GROWTH VS. REMAINING BUILDABLE LAND

The following table summarizes the forecasted housing to accommodate the next 20 years of growth in Beaverton. These are the results from Appendix C, re-presented here for reference.

FIGURE 1.2: SUMMARY OF FORECASTED HOUSING UNIT SUPPLY (2022-2042)



Sources: Census, Metro, City of Beaverton, Johnson Economics

The forecasted growth in local households over the next 20 years calls for nearly 9,900 new units to accommodate them. This is lower than the estimated total capacity of 14,987 units. Figure 1.3 below presents a comparison of the BLI capacity for new housing units, compared to the estimate for new unit need by 2042.

- This analysis breaks down need by general zoning category (low-density, medium-density, and high-density residential). In this analysis, low-density residential (LDR) is defined as housing density of less than 8 units/net acre. Medium-density residential (MDR) is defined as supporting average density between 8 and 16 units/net acre. High-density residential (HDR) is defined as supporting average density of greater than 16 units/net acre. (These density ranges are recommended by the voluntary housing types and density guidelines defined in the Simplified Urban Growth Boundary Method laid out in Oregon OAR 660-038-0040 and -0060, and reflecting the anticipated impacts from HB2001 on housing types in low density zones.)

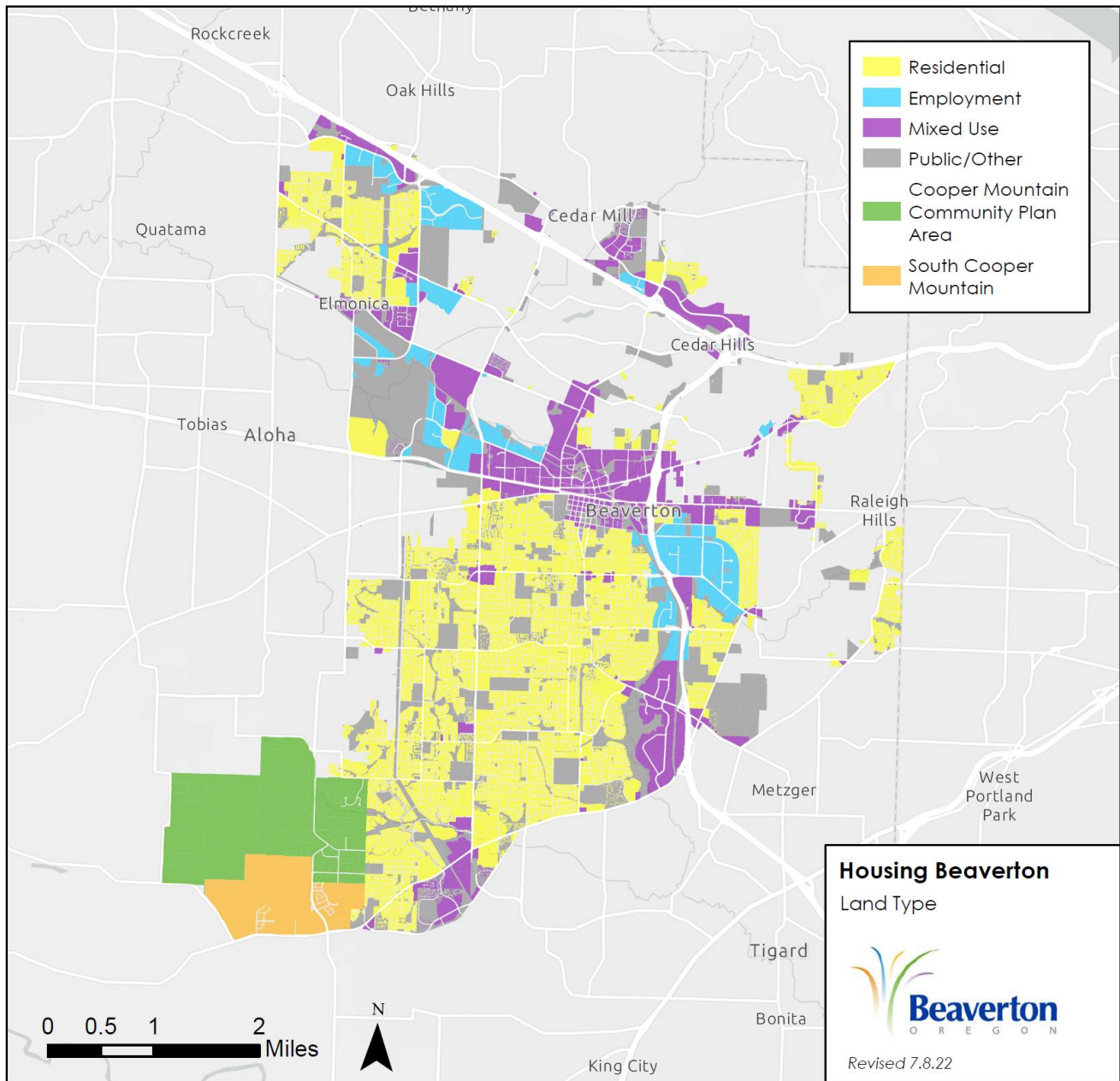
FIGURE 1.3: COMPARISON OF HOUSING GROWTH (2022-2042) WITH LAND CAPACITY

WITHIN CITY LIMITS		SUPPLY		DEMAND		
Zoning Category	Typical Housing Type	Land Inventory (Total)		Growth Rate (0.93%)		
		Unit Capacity	Avg. Density (units/ac)	New Unit Need (2042)	Surplus	
					Units	Acres
Low-Density	Single-family detached; Some Townhomes & plex	5,783	7.0	2,779	3,004	429
Med-Density	SF attached; Manufact. home; 2-4 Plexes	5,122	10.0	3,892	1,230	123
High-Density	Multi-family apartments	4,082	30.0	3,215	867	29
TOTALS:		14,987	10.2	9,887	5,100	581

Sources: MIG/APG, Johnson Economics

- The results find sufficient capacity for housing at all densities to accommodate the 20-year growth forecast. However, the surplus of land capacity for low-density housing is estimated to be larger than the surplus capacity for medium-density or high-density housing.
- The total excess available capacity is estimated to be 5,100 units above the forecasted 20-year growth, with a surplus of 581 acres of residential land, assuming average densities listed in Figure 1.3.

FIGURE 1.4: BEAVERTON CITY BOUNDARY BY MAJOR LAND USE CATEGORY



Source: Beaverton Buildable Lands Inventory (2022), MIG/APG

memo

to Housing Beaverton Project Team
from Kate Rogers and Matt Hastie, MIG|APG
re Housing Beaverton Project

Measures to Accommodate Needed Housing – Task 5

date April 10, 2023

Introduction

The purpose of this memorandum is to identify options for changes to the City of Beaverton Development Code (BDC) to address housing and residential land needs identified as part of the Housing Beaverton Project—including the Current and Future Housing Needs Projections findings and various engagement activities. City of Beaverton staff provided direction to the project team to focus on the following key housing needs and sections of the BDC:

- Multiple Use Zones
- Accessible Housing
- Multigenerational Housing

City staff's direction is further identified below, followed by results of the project team's research and recommendations for potential code changes.

Multiple Use Zones

City Direction:

- **Purpose:** City staff are aware that Beaverton's multiple-use zones have provisions that can prevent more intense, mixed-use development, possibly including low maximum floor-area ratios, low maximum heights, and excessive setbacks.
- **City direction:** Identify issues with Beaverton's multiple use zones in encouraging needed housing, including multi-dwelling/apartments and condominiums. Identify strategies for how to get more apartments/multi-dwelling housing. Include examples from other cities in Oregon, including suburban cities, or cities in other states that have clear and objective standards that would work in the Oregon context.
- **Considerations:** The Better Red Project, led by Tri-Met, will include analysis of Beaverton's mixed-use zones, but city staff have not been updated about the timeline.

RESEARCH AND FINDINGS

BDC ANALYSIS:

The City of Beaverton has 14 Multiple Use Zones (including in the Downtown Design District). The following Multiple Use Zones allow residential uses:

1. RC-BC Beaverton Central
2. RC-OT Old Town
3. RC-MU Mixed Use
4. RC- DT Downtown Transition
5. RC-E Downtown Regional Center - East District
6. OI-WS Washington Square Regional Center Office Industrial District
7. C-WS Washington Square Regional Center Commercial District
8. TC-MU Town Center Multiple Use District
9. TC-HDR Town Center High Density Residential District
10. SC-MU Station Community Multiple Use District
11. SC-HDR Station Community High Density Residential District
12. SC-S Station Community Sunset District

Table 1 below presents a summary of the land use and development standards that apply to residential uses (specifically, multi-dwellings) in these Multiple Use Zones.

Table 1. Summary of Beaverton's Multiple Use Zone Standards

Zone	Standalone Multi-Dwelling Allowed?	Max. Building Height	Max. Density (Applies to residential-only projects.)	Max. FAR (Applies to mixed-use only.)	Min. Setback
RC-BC Beaverton Central	Yes	120'	None	None	• Front, Street side/rear: with ground-floor residential 6'; without 0' • Interior side/rear: 0' • Abutting property zoned residential and/or RC-DT: 10' side, 20' rear
RC-OT Old Town	Yes	60'	None	None	• Front, Street side/rear: with ground-floor residential 6'; without 0' • Interior side/rear: 0' • Abutting property zoned residential and/or RC-DT: 10' side, 10' rear
RC-MU Mixed Use	Yes	75' (up to 120' allowed with discretionary review)	None	None	• Same as RC-BC
RC- DT Downtown Transition	Yes	60'	60 du/ac	None	• Front, Street side/rear: with ground-floor residential 10'; without 0' • Interior side/rear: 0' • Abutting property zoned residential: 10' side, 20' rear
RC-E Downtown Regional Center - East District	Yes	80'	40 du/ac	Up to 1.70, if 80% or more of floor area is residential.	• Front, Side, Rear: None • Side/Rear abutting Residential zone: 20'
OI-WS Washington Square Regional	Only permitted above a non-	60'	-	None	• Front: 10'

Zone	Standalone Multi-Dwelling Allowed?	Max. Building Height	Max. Density (Applies to residential-only projects.)	Max. FAR (Applies to mixed-use only.)	Min. Setback
Center Office Industrial District	residential use; at least 15% of ground-floor must be commercial space with street frontage.				- Side: 10' - Rear: None - Side/Rear abutting Residential zone: 75' if property is developed with residential, otherwise 20'
C-WS Washington Square Regional Center Commercial District	Only permitted above a non-residential use (same as OI-WS)	60' (for res. above commercial)	-	None	- Front: None - Side: 10' - Side/Rear abutting Residential zone: 20'
TC-MU Town Center Multiple Use District	Yes PUD required for phased projects or sites >5 acres	60'	40 du/ac	1.00	- Front, Side, Rear: None - Side/Rear abutting Residential zone: 20'
TC-HDR Town Center High Density Residential District	Yes PUD required for phased projects or sites >5 acres	50'	36 du/ac	0.60	- Front, Side, Rear: None - Side/Rear abutting Residential zone: 20'
SC-MU Station Community Multiple Use District	Yes	100' for sites within 1,320' of LRT station; 60' beyond 1,320' Within 50' of a residentially zoned property: max. height of abutting district	None	2.00 within 1,320 feet of LRT station platform, 1.00 beyond 1,320 feet	- Front, Side, Rear: None - Side or rear yards abutting residential shall equal the abutting district's rear yard setback.

Zone	Standalone Multi-Dwelling Allowed?	Max. Building Height	Max. Density (Applies to residential-only projects.)	Max. FAR (Applies to mixed-use only.)	Min. Setback
SC-HDR Station Community High Density Residential District	Yes	100' for sites within 400' of LRT station; 60' beyond 400'	None Except within 120 feet of Washington County R5 zoning, the maximum residential density is 12 units per acre	1.20 within 400 feet of LRT station platform, 1.00 beyond 400 feet	• Front, Side, Rear: None • Side or rear yards: Same note as SC-MU
SC-S Station Community Sunset District	Yes PUD is required	120'	None	None	• Front, Side, Rear: None • Side/Rear abutting Residential zone: 20'

NOTES AND DISCUSSION

Use Permissions

- Most MU zones allow both standalone multi-dwelling structures and mixed-use residential buildings.
- Ground-floor residential uses are not permitted in the OI-WS and C-WS zones; residential is only permitted on the second story and above. However, the Purpose statements for these zones indicate that the focus of these zones is on office, employment, and commercial uses, rather than residential uses.
- Planned Unit Development (PUD) review is required in the SC-S zone. This conflicts with ORS 197.307(4), which requires clear and objective standards for housing, because PUD is a discretionary review and there is no clear and objective review path for housing in the SC-S zone.
- Recommendation: Remove the requirement for PUD review for the SC-S zone. The City of Beaverton recently updated its PUD provisions for the South Cooper Mountain Community Plan Area to no longer require PUD within that area.

Maximum Density

Residential density (for residential-only development) is limited in the following Multiple Use Zones:

- RC-DT – 60 units/acre
- RC-E and TC-MU – 40 units/acre
- TC-HDR – 36 units/acre
- SC-HDR – None, except density is limited to 12 units/acre within 120 ft of the Washington County R-5 zone. Note, however, that this only appears to apply in one or two limited areas that are already developed.

In all other Multiple Use Zones, residential density is not limited. Further, density is not limited for residential uses that are part of a mixed-use development.

The density allowance of 60 units/acre in the RC-DT zone may result in buildings of up to 4 or 5 stories.¹ The density allowances of 36-40 units/acre in the RC-E, TC-MU, and TC-HDR zones may result in housing that falls somewhere between garden apartments and taller podium structures. In the RC-E zone, the maximum height allowance is 80 feet, which may not be achievable with a density of 40 units/acre; however, mixed-use residential would not be subject to maximum density and could be built up to 80 feet.

Maximum Floor Area Ratio (FAR) and Building Height

FAR only applies to residential uses when they are part of a mixed-use development—either in the same building or on the same site. Standalone multi-dwelling developments will only be subject to maximum density (if applicable in the zone), not maximum FAR.

Many of Beaverton’s Multiple Use Zones do not limit FAR. The following zones do apply maximum FAR standards:

- RC-E

¹ <https://jhparch.com/density>

- Up to 1.70 FAR, if 80% or more of floor area is residential. (Lower maximum FAR applies if there is less residential floor area, per BDC 20.25.20.)
- Maximum height is 80 ft.
- TC-MU
 - Max. FAR is 1.00
 - Max. height is 60 ft.
- TC-HDR
 - Max. FAR is 0.60
 - Max. height is 50 ft.
- SC-MU
 - Max. FAR is 2.00 within 1,320 feet of LRT station platform (max. height 100 ft)
 - 1.00 beyond 1,320 feet (max. height 60 ft).
- SC-HDR
 - Max. FAR is 1.20 within 400 feet of LRT station platform (max. height 100 ft)
 - 1.00 beyond 400 feet (max height 60 ft)

The TC-HDR zone stands out as having a fairly low FAR limit (0.60) for a mixed-use zone. If a building were to be constructed up to the maximum height (50 feet—likely 4 stories), the structure would only be allowed to cover 15% of the site. Even a 2-story building would only be allowed to occupy 30% of a site area.

Similarly, in the TC-MU zone where maximum FAR is 1.00—to meet the maximum height of 60 feet (i.e., 5 stories), a building could only cover 20% of the site. The same calculations apply in the SC-MU and SC-HDR zones in areas farther from an LRT station.

Lessons from Example Codes

There are various ways of regulating density and building bulk in mixed-use zones, as summarized in Tables 2 – 4 on the next pages. The City of Portland (Table 2) relies on maximum FAR and does not limit residential density in its Commercial/Mixed Use zones. However, Portland’s FAR limits are generally higher than Beaverton’s—especially when bonuses for things such as inclusionary housing and affordable commercial space are factored in—even though their height limits are comparable in the CM2 and CM3 zones. Hillsboro (Table 3) does not limit FAR, and only limits maximum density in certain lower-intensity zones. In most of Hillsboro’s Urban Center zones (which implement the Amberglen Plan District), neither height nor density applies; instead, height and bulk of taller buildings is regulated by bulk plane angles to limit the height of buildings at the perimeter of the site. The City of Gresham (Table 4) limits residential density in some of its Corridor and Civic Neighborhood zones, but only limits FAR in its lower-intensity Civic Neighborhood Residential Mid-Rise zone, and exempts residential-only development.

Recommendations – Density and FAR:

One approach would be to remove density limitations, and to allow form based controls such as FAR and building height to control. This may better enable higher-density developments with smaller dwelling units, which could fit into the same size building as a development with fewer, larger units. Also, FAR limits should be increased in some zones to achieve built outcomes that are consistent with the City’s goals for the Multiple Use zones.

As an alternative, the City could consider discounting smaller units in their density calculations—for example, allowing units under 750 sq. ft. to count as less than one dwelling unit for the purpose of calculating density. This is something the City should consider more broadly than just in the Multiple Use Zones.

In lieu of the changes suggested above, consider the following:

- RC-E zone:
 - Consider increasing density allowances for standalone multi-dwelling developments to 50 or 60 units/acre.
 - Consider increasing the maximum FAR limits to allow up to 2.50 or 3.00 FAR.
- TC-MU and TC-HDR zones:
 - Consider increasing density allowances for standalone multi-dwelling developments to 50 units/acre.
 - Consider allowing residential uses that are part of mixed-use development to exceed the maximum FAR—or scale the FAR allowance in a similar manner as in the RC-E zone.
- SC-MU and SC-HDR:
 - Consider allowing residential uses that are part of mixed-use development to exceed the maximum FAR—or scale the FAR allowance in a similar manner as in the RC-E zone.

Minimum Setbacks

Front Setbacks. Most of Beaverton’s Multiple Use Zones have no front setback requirements; however, the Downtown zones (RC-BC, RC-OT, RC-MU, RC-DT) require minimum setbacks of 6 to 10 feet for buildings with ground-floor residential. This is presumably intended to provide some additional privacy for ground-floor residents. Non-residential and mixed-use buildings have no minimum setback. Looking at the example codes, Hillsboro generally requires no front setback in its mixed-use zones. Portland similarly has no minimum front setback for Commercial/Mixed Use zones, except requires 5- to 10-foot setbacks when across the street from a residential zone. Gresham, however, is similar to Beaverton in requiring 5-foot front setbacks in most Corridor/Civic Neighborhood zones.

Abutting Residential Zones. In most of Beaverton’s MU zones, there is a 10- to 20-foot side or rear setback when abutting a residential zone. This is presumably intended to provide some buffer space between higher-intensity development in MU zones and lower-intensity housing in the residential zones. Note, however, that this additional setback applies regardless of which residential zone the property is abutting. For example, it could be abutting the Multi-Unit Residential (MR) zone, which allows up to 60 feet in building height and density of up to 33 units per gross acre.

Portland takes a similar approach as Beaverton, requiring 10-foot setbacks for interior (side/rear) lot lines abutting residential zone. Hillsboro tends to require 5-foot side and 10-foot rear setbacks for residential development, regardless of the adjacent zoning. Gresham takes a similar approach.

Recommendations – Setbacks:

Beaverton's setback standards do not appear to present significant barriers to housing development. However, if the desire is to relax setback standards somewhat, the City could consider removing minimum front setbacks for ground-floor residential uses in the Downtown zones.

The City could also consider reducing the extra side/rear setback (say, from 20' to 10') when the MU site is adjacent to the MR zone, as opposed to RMA, RMB, or RMC.

Off-Street Parking

Off-street parking requirements can pose a barrier to higher-density development. The BDC requires one parking space per unit in most Multiple Use zones—except in Parking District 1 of the Regional Center zones, 0.75 spaces per unit is required. The state's Climate Friendly and Equitable Communities (CFEC) administrative rules will require the City to remove parking mandates for sites near frequent transit corridors, small units under 750 SF, affordable housing, and certain other dwelling unit types. The rules regarding parking near transit will likely affect several of Beaverton's MU zones. Therefore, further parking reductions may not be warranted. However, we recommend the City reassess its parking requirements for MU zones after implementing the CFEC changes to see if further reductions should be considered.

CODE EXAMPLES FROM OTHER CITIES

The following tables summarize development standards for mixed-use zones in the Cities of Portland, Hillsboro, and Gresham. These cities were selected as the most comparable and providing promising local examples for Beaverton.

Table 2. Portland's Mixed Use Zones (PZC 33.130)

Zone	Standalone Multi-Dwelling Allowed?	Max. Height	Max. FAR	Max. Density	Min. Setbacks
CM1 Commercial/ Mixed Use 1	Yes	35'	1.50 (up to 2.5 with bonuses)	None	- Street lot line: none - Street lot line across from residential zone: 5' or 10' (depending on building use) - Interior lot line abutting commercial/employment zones: none - Interior lot line abutting residential zone: 10'
CM2 Commercial/ Mixed Use 2	Yes	45' (up to 55' with bonuses)	2.50 (up to 4.00 with bonuses)	None	
CM3 Commercial/ Mixed Use 3	Yes	65' (up to 75' with bonuses)	3.00 (up to 5.00 with bonuses)	None	

Table 3. Hillsboro's Mixed Use Zones (CDC 12.24)

Zone	Standalone Multi-Dwelling Allowed?	Max. Height	Max. FAR	Max. Density	Min. Setbacks
MU-N Mixed-Use - Neighborhood	Yes	45'	None	11-24 du/na (fronting local/collector streets vs. arterial streets)	- Front: 10' - Side: 5' - Rear: 10' residential; 5' mixed-use
MU-C Mixed-Use - Commercial	Yes	70'	None	None	- Front: 5' res.; 0' mixed-use - Side: 5' - Rear: 10' res.; 0' mixed-use
MU-VTC Mixed-Use - Village Town Center	Yes	6 stories	None	Subject to Plan District unit maximums	Front, Side: 0' for multi-dwelling

Zone	Standalone Multi-Dwelling Allowed?	Max. Height	Max. FAR	Max. Density	Min. Setbacks
					• Rear: 10'
SCR-V Station Community Residential - Village	Yes	3 stories	None	None if <1,300' from LRT station; 60 du/na if 1,301-2,600' from LRT; 45 du/na if >2,600' from LRT	• Front: 0' • Side: 5' res. • Rear: 10'
UC-RM Urban Center - Residential Medium Density	Yes	55'	None	43 du/na	• Front: 0' • Side: 5' • Rear: 10'
UC-MU Urban Center - Mixed-Use Urban Density	Yes	65' base height; no maximum height for tower, but subject to massing limitations	None	None	• Front: 0' • Rear: 0' (except 10' adjacent to existing bldg.)
UC-AC Urban Center - Activity Center	Yes, except ground-floor residential limited in some areas	None, but subject to massing limitations	None	None	• Front, Side, Rear: 0'
UC-NC Urban Center - Neighborhood Center	Yes, except ground-floor residential limited in some areas	65' Also subject to massing limitations	None	None	• Front: 0' • Side, Rear: 15' along street frontage shared with UC-RM zone; elsewhere none
UC-OR Urban Center - Office/Research	Yes, except ground-floor residential limited in some areas	85' Also subject to massing limitations	None	None	• Front, Side, Rear: 0'
UC-RP Urban Center - Research Park	Yes	55'	None	65 du/na	• Front, Side, Rear: 0'

Table 4. Gresham's Corridor and Civic Neighborhood Zones (4.0400)

Zone	Standalone Multi-Dwelling Allowed?	Max. Height	Max. FAR	Max. Density	Min. Setbacks
Rockwood Town Center (RTC)	Yes, except ground-floor residential limited in some areas	4 stories inside Stark/ Burnside/ 181st Ave Triangle (for mixed-use) 10 stories outside Triangle area	None	None inside Stark/ Burnside/ 181st Ave Triangle 40 du/na elsewhere	• Mixed-use: 0' front, side, rear • Residential: 5' front/ street side; 0' interior side; 15' rear
Station Centers (SC)	Yes, except ground-floor residential limited in some areas	80'	None	60 du/na	• Mixed-use: 0' front, side, rear • Residential: 5' front/ street side; 0' interior side; 15' rear
Corridor Mixed Use (CMU)	Yes	45'	None	24 du/na	• Front/street side: 5' • Interior side: 0' • Rear: 15'
Civic Neighborhood Residential Mid-Rise (CNRM)	Yes	6 stories, or 4 stories within 50 ft. of NW Wallula Ave.	0.9 for mixed-use None for residential	30 du/na	Multifamily and mixed-use: • Front: 5'-10' depending on street type • Street side: 5' • Side: 0'-5' depending on street type • Rear: 5'
Civic Neighborhood Transit Moderate Density (CNTM)	Yes	8 stories	None	None	
Civic Neighborhood Transit High Density (CNTH)	Yes	10 stories	None	None	

Accessible/Visitable Housing

City Direction:

- **Purpose:** People with disabilities are identified as a historically underserved group, and, anecdotally, we know there is a shortage of accessible housing units to meet this group's needs. To address this disparity, the city would like to better understand how current land use regulations could be changed to encourage more accessible or visitable homes.
- **City direction:** Identify options for meeting the housing needs of people with disabilities, in particular those with mobility issues. This could include regulations for visitable housing and incentives for accessible housing. Provide examples where available.

BACKGROUND

Federal Accessibility Requirements

Several federal laws have accessibility requirements for housing development:²

- The **Fair Housing Act** requires all new multi-family housing with four or more units to be designed and built to allow access for persons with disabilities. For buildings with an elevator, all units must be accessible. For those without an elevator, all ground floor units must be accessible.³
- The Architectural Barriers Act (ABA) of 1968, Title II of the ADA, and Section 504 of the Rehabilitation Act all have requirements for **public housing** projects or those receiving **federal funding**. Such developments are subject to the Uniform Federal Accessibility Standards (UFAS) or the 1991 ADA Standards, as applicable.^{4,5}

All multi-dwelling developments are subject to the Fair Housing Act, and those receiving federal grants and loans (which is common for affordable housing projects) are subject to the other federal standards. However, the standards only apply to certain units in a development or to a percentage of units.

Visitability

- Visitability is a design approach for new housing that allows anyone who uses a wheelchair or other mobility device to visit the home. A visitable home typically includes:
 - A zero-step entrance
 - Wide interior doors
 - A half bathroom on the main floor
- The visitability movement targets housing units not otherwise covered by existing law:

² Accessibility Requirements for Buildings, HUD.

https://www.hud.gov/program_offices/fair_housing_equal_opportunity/disabilities/accessibilityR#:~:text=Accessibility%20Requirements%20for%20Federally%20Assisted,for%20persons%20with%20mobility%20disabilities.

³ Disability Law Handbook, Southwest ADA Center.

<http://www.southwestada.org/html/publications/dlh/housing.html>

⁴ Accessible Housing Facilities: The ADA, FHA and Section 504. <https://www.adainfo.org/wp-content/uploads/imported/5.4-Housing-Facilities-1-slide-per-page.pdf>

⁵ Uniform Federal Accessibility Standards (UFAS). <https://www.access-board.gov/aba/ufas.html>

- New single-dwelling homes, duplexes, triplexes, or townhouses (i.e., the housing types not covered by the Fair Housing Act).
- Housing not required by federal law to incorporate access features (e.g., not covered by Section 504 of the Rehabilitation Act).
- Housing intended for the open market rather than custom built for a specific buyer, such as a person with a disability.⁶
- A criticism of the recent focus on visitability is that it does not ensure fully accessible living for the occupants of a home. It is intended to benefit folks visiting the unit, but does not ensure that the bedroom, kitchen, or other living spaces are usable for those using wheelchairs or other mobility devices.

OPTIONS FOR ACCESSIBILITY/VISITABILITY CODE PROVISIONS

Development Code Incentives

The City could provide incentives in the BDC for accessible units meeting accessibility or visitability standards. There are a range of accessibility standards that could be targeted with such incentives:

- **Visitability** (as described above)
- **Universal Design** – This is a building concept that incorporates design layouts and characteristics into residences to make them usable by the greatest number of people and respond to the changing needs of the resident. Universal Design incorporates standards for features such as hallways, doorways, bathrooms, and kitchens that make these features usable for people with disabilities or adaptable for that purpose.⁷
- **Lifelong Housing Certification** – This is a program developed by the Rogue Valley Council of Governments (RVCOG) in partnership with AARP Oregon as a voluntary certification process for evaluating the accessibility and/or adaptability of homes. Residences can be certified at three levels based on the extent of their accessibility: (1) VISIBLE (basic accessibility for visitors); (2) Fully Accessible (accessible for a person in a wheelchair on the main floor); and (3) Enhanced Accessibility (customized for specific accessibility needs).⁸

There are a range of code incentives that the City could consider to encourage accessible/visible housing units:

- Parking reductions
- Height bonus
- Density, lot size, or FAR bonus

Example: The City of Portland provides bonus FAR in its Multi-Dwelling Zones when at least 25% of all the dwelling units on the site meet visitability standards (that are not already required to be accessible per the Building Code).⁹

⁶ Increasing Home Access: Designing for Visitability, AARP Public Policy Institute.

https://assets.aarp.org/rgcenter/il/2008_14_access.pdf

⁷ Universal Design Standards, West Virginia Housing Development Fund. <https://tinyurl.com/yx63h792>

⁸ Lifelong Housing Program, RVCOG. <https://rvcog.org/home/sds-2/lifelong-housing-program/>

⁹ Portland Zoning Code, Section 33.120. https://www.portland.gov/sites/default/files/code/120-md-zones_1.pdf

The City could also consider financial incentives for accessible housing—we expect to explore those options as part of the Housing Production Strategy.

Development Code Mandates

As an alternative to (or in addition to) providing code incentives for accessible units, certain visitability or accessibility features could be required in some types of housing development. For example:

- **Require visitable units in multi-unit development.**

Example: The City of Portland requires visitability features for the following middle housing types in its Single-Dwelling Zones¹⁰:

- Triplexes and Fourplexes – at least one unit must be visitable
- Affordable Fourplexes and 5-6 plexes – at least two units must be visitable
- Cottage Cluster – at least 33% of units in a cluster must be visitable. (This is also required for cottage clusters in Multi-Dwelling Zones. Other housing developed in Multi-Dwelling Zones is eligible for bonus FAR if visitable units are provided, as noted above.)

Portland requires the following visitability features:

- Visitable entrance (no stairs)
- Visitable bathroom (specific requirements)
- Visitable living area (200 SF)
- Visitable doors (34 in wide)

- **Require percentage of fully accessible units in publicly-funded projects.**

As noted above, federal accessibility standards (per the Fair Housing Act or per federal funding requirements) only apply baseline standards to certain units in a development. The City could consider applying higher accessibility standards for projects that are funded through City dollars (i.e., subsidized affordable housing). The City could apply the standards to a higher percentage of units than would be required under Section 504 of the Rehabilitation Act¹¹ (which required 5% of units to pro, and could require units to meet Universal Design, Lifelong Housing Certification, or similar standards.

- **Require elevators in multi-story buildings.**

Alternatively, the City could consider requiring elevators in any multi-story buildings that are supported by the City. Currently, the Building Code only requires elevators to reach common spaces (such as exercise rooms) or units required to be accessible under federal law. Requiring elevators in one or more buildings would make all levels of that multi-dwelling building accessible for those with mobility challenges. It would also make all units “covered” units under the Fair Housing Act, meaning all units would need have accessibility features.

NOTE: Accessibility features can add to the cost of construction for a development, which can make affordable housing projects less financially feasible. Elevators, in particular, add significant cost to a project. While these requirements may provide more accessible units, they could prevent some

¹⁰ Portland Zoning Code, Section 33.110. https://www.portland.gov/sites/default/files/code/110-sd-zone_1.pdf

¹¹ Section 504 of the Rehabilitation Act requires 5% of housing units that receive federal funding to provide mobility features and 2% of units to be accessible for people with vision and hearing impairments.

affordable housing projects from being developed. As with any large cost factor in a development, the expense can become more feasible if shared across a larger building with more units.

Multigenerational Housing

City Direction:

- **Purpose:** Multigenerational households are called out in the Housing Projections as having distinct housing needs. Multigenerational living situations are also very common in communities of color, who have been historically underserved by the standard housing market.
- **City direction:** City staff acknowledge this topic is a bit complicated and may be more challenging to address through its development code requirements. There are known barriers when it comes to the Building Code (limits on the number of kitchens), the market (other housing may be more appealing to developers), and financial barriers (for people interested in building ADUs on their property), but staff is not aware of any specific Development Code issues that create a barrier to developing multigenerational housing types. Still, staff would like consultants to research this and identify strategies for encouraging multigenerational housing.

RESEARCH AND FINDINGS

MIG | APG considered the issue of removing barriers to, or encouraging, multigenerational housing from two different angles—multiple bedrooms and multiple units on one lot. These two issues are explored below.

Multiple Bedrooms

Multigenerational families that share a single dwelling unit will need more bedrooms than typical homes provide—except for very large and expensive single-detached homes. Below are possible ways to encourage dwelling units with multiple bedrooms by removing code barriers and providing incentives.

- **Modify off-street parking ratios.** Beaverton's off-street parking ratios for 2-4 plexes, townhouses, and multi-dwellings (outside of the Residential Mixed Zones and Multiple Use Zones) are scaled based on the number of bedrooms: one bedroom units require 1.25 spaces; two bedroom units require 1.50 spaces; and three or more bedroom units require 1.75 spaces. These ratios may not be so high as to pose a significant barrier to development; however, they may hinder some development of larger units that can accommodate bigger families.
Recommendation: Consider applying the same off-street parking ratio to all dwelling units, consistent with parking regulations in the RM and MU zones. These changes would apply in the MR zone and in Commercial zones that allow residential uses.
- **Provide incentives for multiple bedrooms.** A direct way to encourage dwelling units with multiple bedrooms is to provide code incentives for including such units in a development. For example, the City of Portland provides an FAR bonus in its Multi-Dwelling Zones if at least 50 percent of the dwelling units on the site have at least three bedrooms and are affordable to those earning no more than 100 percent of the area median family income.¹²

¹² PZC Section 33.120.211. https://www.portland.gov/sites/default/files/code/120-md-zones_1.pdf

Recommendation: Consider a bonus program for multi-bedroom units. This should be carefully considered with other potential bonus options for visitability/accessibility and affordability.

Multiple Units on One Lot

Multigenerational families may also benefit from occupying two or more dwelling units that are on the same lot or development site. The City of Beaverton recently made it much more feasible to construct 2-4 units on a site in the RM zones through adoption of middle housing code amendments. Below are other potential ways to enable multigenerational living arrangements in two or more dwelling units on the same lot.

- **Allow an ADU with a townhouse.** Accessory dwelling units can accommodate a range of multigenerational living arrangements and can adapt to a family's changing needs. Beaverton currently allows one ADU on a lot with a single-detached dwelling, as required by state law. The City could consider also allowing ADUs with townhouses. This is a common form of housing in certain places, such as San Francisco. A few considerations:
 - Because it goes beyond the state's requirements, the City would have more flexibility to regulate ADUs with townhouses. For example, it could further limit the size of the ADU, below the maximum 800 feet in the current code. It could also have additional requirements for where the ADU is placed; for example, the current code does not preclude an ADU from being constructed in front of the primary dwelling. The City could also require off-street parking for the unit, if parking is a concern.
 - Example: The City of Hillsboro allows ADUs with townhouses. The units are subject to the same standards regardless of whether they are accessory to a single-detached dwelling or townhouse.¹³
- **Legalize alternative housing types on wheels.** Many smaller housing formats are built on wheels, including tiny homes on wheels (THOWs), park model homes, and recreational vehicles (RVs). Many local codes (including Beaverton's) classify THOWs and park model homes as RVs and prohibit siting these housing types outside of manufactured home and RV parks.

THOWs are typically lower in cost than homes constructed on a foundation and their mobility makes them more adaptable to changing household needs. These are both advantages to multigenerational living. Permitting these housing types, with appropriate siting standards to ensure adequate public facilities access and life/safety, can provide additional permanent or interim housing options outside of manufactured home/RV parks.

Examples:

- The City of Portland recently updated its City Code to allow permanent occupancy of THOWs and RVs on a lot with an existing home. THOWs and RVs continue to be classified as vehicles in the code and are therefore not considered "dwelling units" or buildings. Thus, they are not subject to typical development standards that apply to buildings; rather, they are subject to siting standards related to parking. Portland applies the following regulations to occupied RVs and THOWs :

¹³ Hillsboro CDC, Section 12.40.100. https://library.gcode.us/lib/hillsboro_or/pub/municipal_code/item/chapter_12-subchapter_12_40-12_40_100.

- Only one RV or THOW is allowed on a residential lot with a house, attached house or manufactured home. They are not permitted on undeveloped lots.
 - They must comply with parking requirements for RVs on residential lots. This means they cannot be parked in front of the street-facing façade of the primary dwelling.
 - Occupancy of RVs and THOWs does not count toward residential density.
 - THOWs are prohibited from being used as accessory short-term rentals.
- Some cities in California have added references to “movable tiny houses” in their zoning codes and regulate them like other housing types. For example, the City of San Diego has the following definition:

Movable tiny house means an accessory structure that is between 150 and 430 square feet in size on a residential lot, and that provides independent living facilities for one or more persons, independent of the primary dwelling unit, and that includes permanent provisions for living, sleeping, eating, cooking and sanitation.

San Diego allows movable tiny houses on lots with a primary dwelling, similar to Portland. However, San Diego (and likely other cities) distinguishes THOWs from other types of recreational vehicles. This approach may be more appealing to those concerned about encouraging long-term occupancy of typical RVs. Tiny homes can better blend into a neighborhood setting and can often appear indistinguishable from a tiny home built on a foundation.

Additional Notes:

- Increasing access to accessible housing, as discussed above, is another way to enable multigenerational living. Accessible homes allow seniors to live comfortably alongside their children and grandchildren—thereby making multigenerational living more feasible.
- MIG|APG also considered whether the City should allow more than one ADU with a single-detached dwelling. However, the BDC states that constructing a third unit on a lot with an ADU would simply constitute a triplex, which is allowed in all single-dwelling and multi-dwelling zones. The City has relatively flexible standards for triplexes, plus triplexes that are created by converting or adding to an existing single-detached dwelling are exempt from the BDC’s design review standards. However, if staff feels that permitting two ADUs would have significant advantages over permitting a triplex, in terms of process, fees, or flexibility, this is also something that the City could consider. The same goes for allowing an ADU with a duplex or triplex.

APPENDIX F

BUILDABLE LANDS INVENTORY

Methodology and Results

TO: City of Beaverton
FROM: Andrew Parish, AICP, MIG | APG
CC:
DATE: October 31, 2022

Introduction

This document describes the methodology and results of the Buildable Lands Inventory (BLI) prepared as part of the Housing Beaverton Project. The BLI is part of a broader Housing Needs Assessment (HNA) and Housing Implementation Plan (HIP) that will help the City identify housing needs and strategies for how to meet those needs.

What is a Buildable Lands Inventory (BLI)?

The BLI is a summary of the land in the City of Beaverton that can be used to meet needs for housing, employment, and other needs in the future. It includes the following steps:

1. Establish the Study Area
2. Identify Constraints to Development
3. Classify Land in the Study Area
4. Assign Development Status
5. Assess Results

These steps and their results are presented in this memorandum.

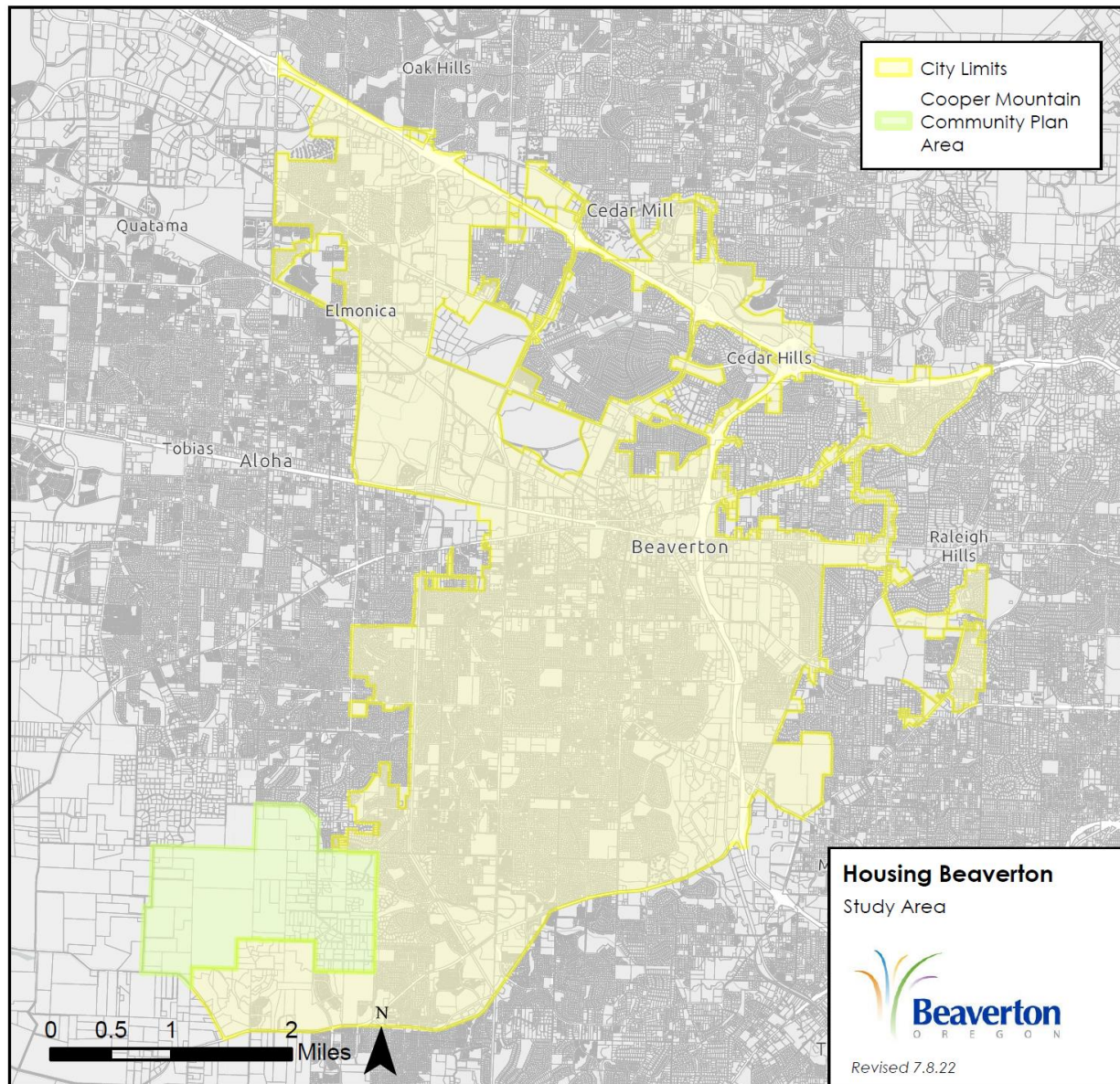
Step 1. Establish Study Area

The study area for the BLI is the City Limits, plus the area of Cooper Mountain that is anticipated to be annexed into the City of Beaverton after the adoption of the Cooper Mountain Community Plan.¹ The study area is shown in Figure 1. The yellow city limits shows

¹ The buildable land within the Cooper Mountain area is addressed in a separate memorandum, see the project website at <https://www.beavertonoregon.gov/386/Project-Documents>

where the City of Beaverton currently has land use authority. The green Cooper Mountain Community Plan area is where Beaverton will have land use authority in the future. In addition, the city limits also will expand in the future through individual annexations not reflected on this map.

Figure 1. Study Area



Step 2. Identify Constraints to Development

There are many factors that limit the ability of land to be developed for residential, employment, or other uses. Step 2 addresses land that is physically constrained in a general way – a detailed site assessment (which is out of scope for this BLI) of individual parcels may reveal new information. General constraints assessed by this effort include limitations on development related to natural resources and other environmental considerations such as steep slopes.

Data for these constraints was obtained from the City of Beaverton and the Metro Regional Land Information System (RLIS). These constraints may overlap one another spatially (such as an area with steep slopes that is also in a floodplain). Assumptions for these constraints are listed below:

- **FEMA Floodway.** These areas are assumed to be 100% constrained.
- **FEMA 100-year (1 percent annual chance) Floodplain.** Assumed to be 50% constrained (some development possible). Note: Updates are underway to FEMA Floodplain methodology and requirements that may further limit development capacity in the 100-year floodplain.
- **Slopes greater than 25%.** These areas are assumed to be 100% constrained.
- **Significant Natural Resource Areas (SNRAs).** These areas are assumed to be 40% constrained
- **Significant Groves.** These areas are assumed to be 40% constrained.
- **Metro Title 13 Riparian Class I.** These areas are assumed to be 100% constrained.
- **Metro Title 13 Riparian Class II and City of Beaverton Riparian Inventory.** These areas are assumed to be 50% constrained.
- **Metro Title 13 Upland A and B Zones.** These areas are assumed to be 40% constrained.

Note: All residential parcels are assumed to have capacity for one single-detached dwelling even if fully encumbered by constraints, consistent with Metro BLI methodology. Constraints are shown on Figure 2 and Figure 3 below. Figure 4 combines all considered constraints into one map, organized by their assumed impact to development.

The constraints used for the Cooper Mountain Community Plan Area differ somewhat, as it is a greenfield site with significant opportunities for natural resource protection and restoration as new development occurs. Detailed assumptions for the Cooper Mountain Community Plan BLI are available on the project website at <https://www.beavertonoregon.gov/386/Project-Documents>.

Figure 2. Natural Resource Constraints – City Data

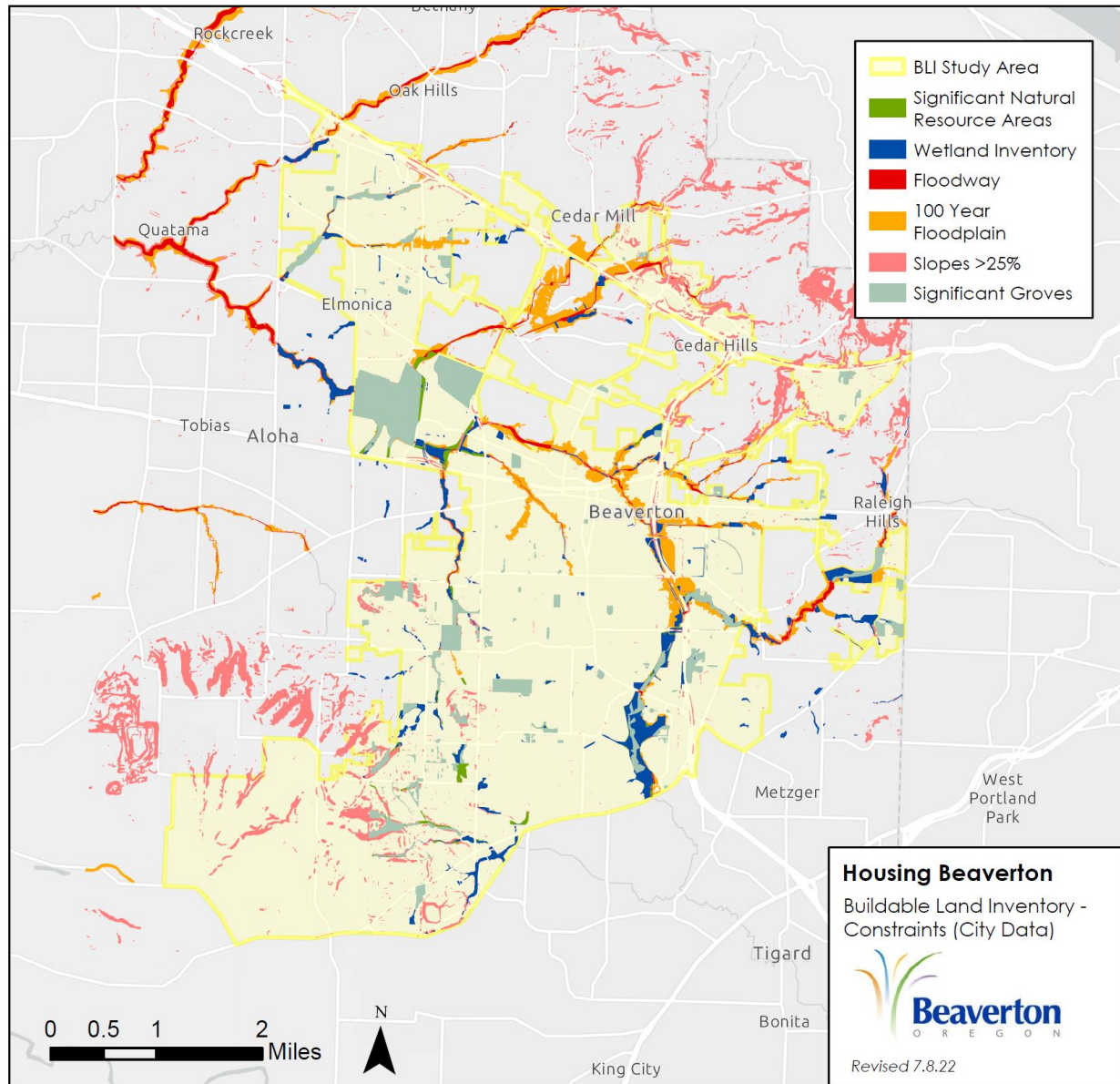


Figure 3. Natural Resource Constraints - Metro Title 13 Data

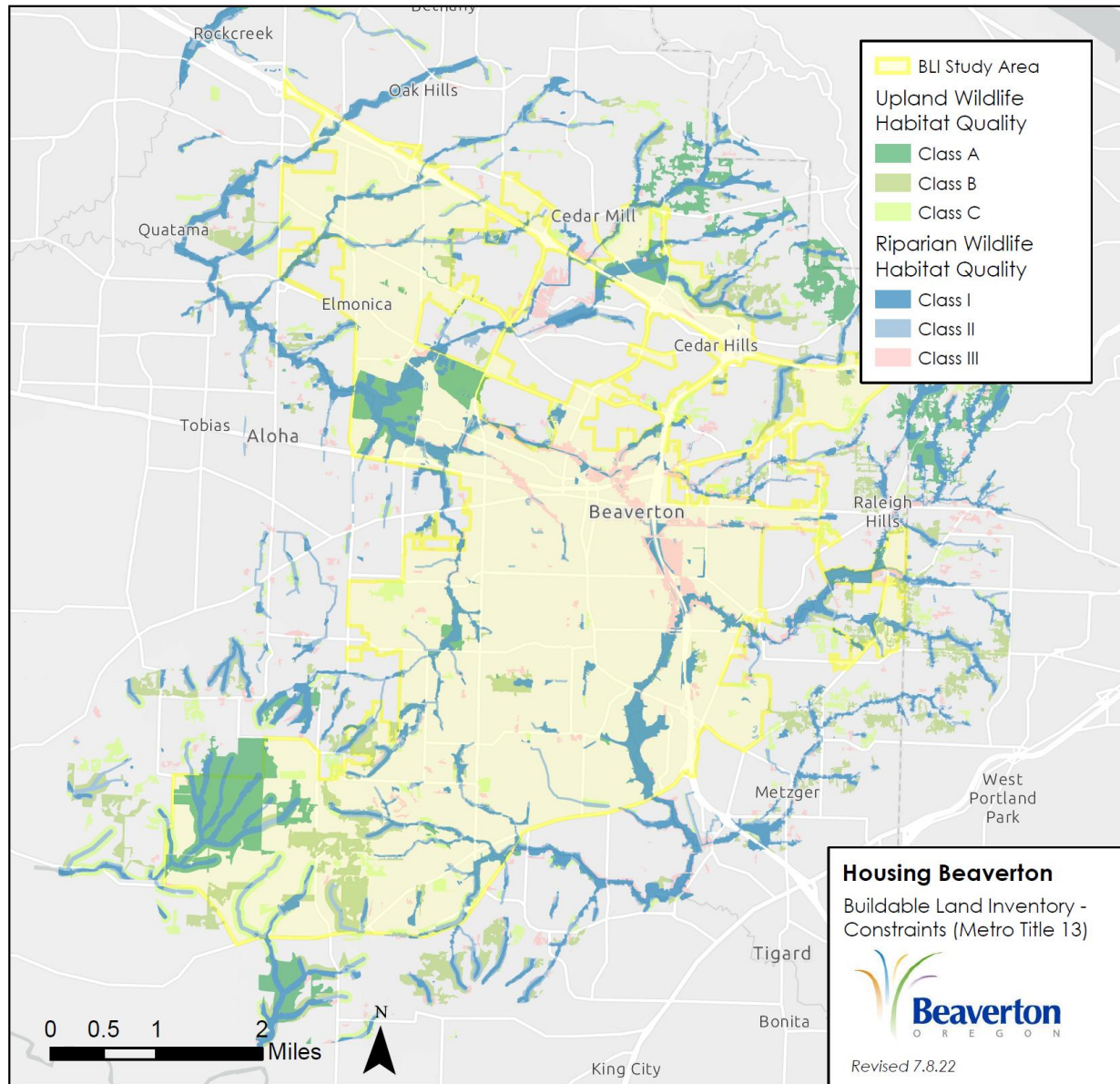
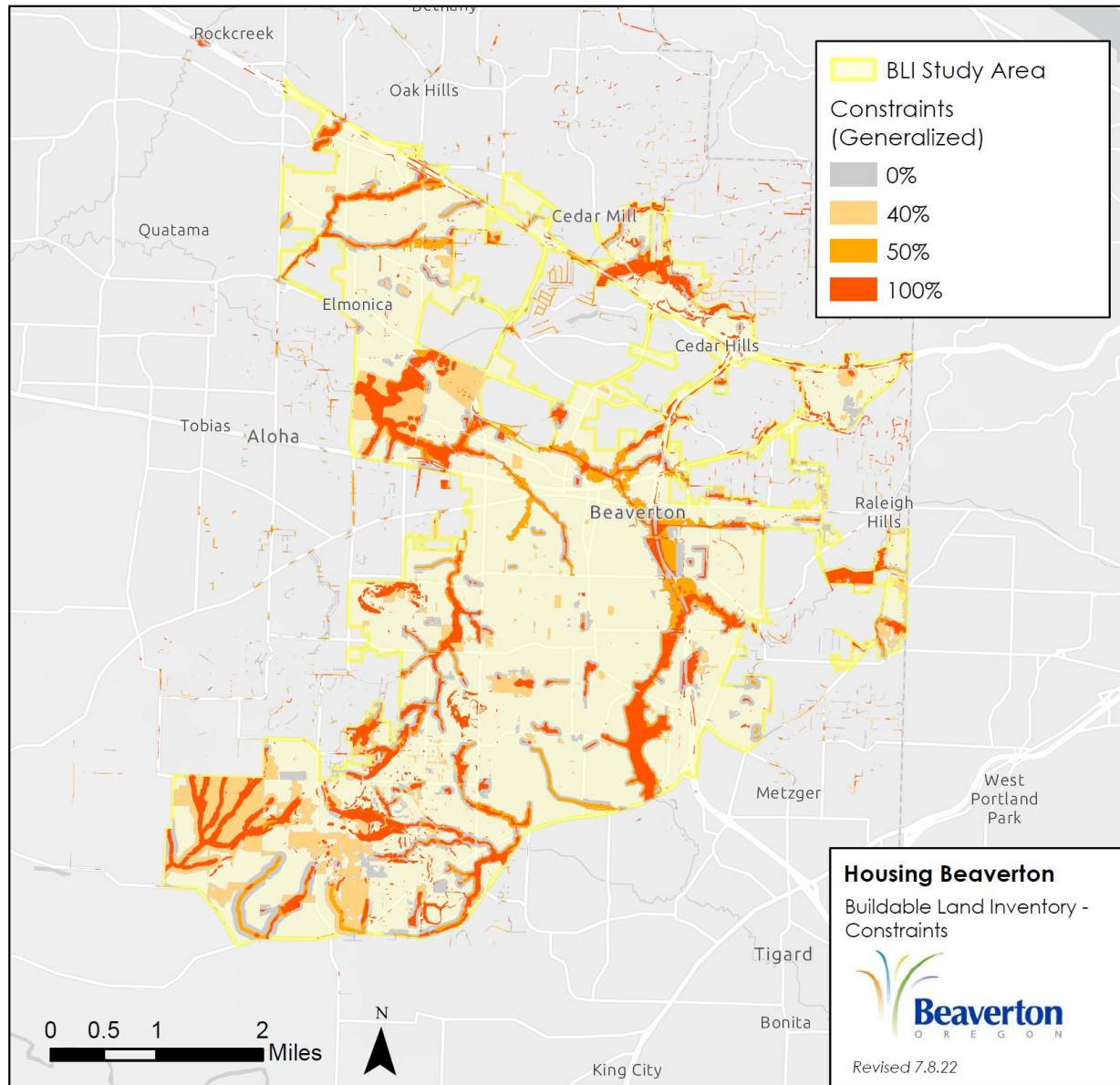


Figure 4. Summary of Constraints to Development



Step 3. Classify Land in the Study Area

Land in the study area is classified based on its zoning designation, property ownership, and other characteristics. Land classifications include residential, employment, mixed use, publicly owned, and other land such as area for utilities. Land in different classifications is treated differently in terms of how new development, infill development, and redevelopment are assumed to occur.

A summary of land classification is provided in Table 1.

Residential Land

Land with the following zoning designations is generally categorized as Residential Land

- Multi-Unit Residential (MR) – Formerly R1, Urban High Density
- Residential Mixed A (RMA) – Formerly R2 and R4, Urban Medium Density
- Residential Mixed B (RMB) – Formerly R5 and R7, Urban Standard Density
- Residential Mixed C (RMC) – Formerly R10, Urban Low Density

Employment Land

Land with the following zoning designations is generally categorized as Employment Land:

- Office Industrial (OI)
- Office Industrial – Nike Campus (OI-NC)
- Industrial (IND)
- Station Community – Employment Subarea (SC-E1 & E3)

Mixed Use Land

Land with the following zoning designations is generally categorized as Mixed Use Land:

- Regional Center – Mixed Use (RC-MU)
- Regional Center – Beaverton Central (RC-BC)
- Regional Center – Old Town (RC-OT)
- Regional Center – Downtown Transition (RC-DT)
- Regional Center – East (RC-E)
- Office Industrial – Washington Square (OI-WS)
- Commercial – Washington Square (C-WS)
- Town Center – Multiple Use (TC-MU)
- Town Center – High Density Residential (TC-HDR)
- Station Community – Multiple Use (SC-MU)
- Station Community – High Density Residential (SC-HDR)
- Station Community – Sunset (SC-S)
- Neighborhood Service Center (NS)
- Community Service (CS)
- Corridor Commercial (CC)
- General Commercial (GC)

Publicly Owned/Other Land

Land with this classification is often owned by a public agency such as roads and rail right-of-way, parks, schools, power substations, and powerline easements. This category also includes land in common ownership such as Homeowners Associations. For example, many subdivisions have open space tracts required by the City that are owned collectively by the neighborhood and assumed to be undevelopable. Land in a variety of zoning designations can fall into this category.

In some cases, land in public ownership is intended to be developed for residential or employment uses. In those cases (such as parcels downtown owned by the Beaverton Urban Redevelopment Agency), the land is classified as either residential, employment, or mixed use.

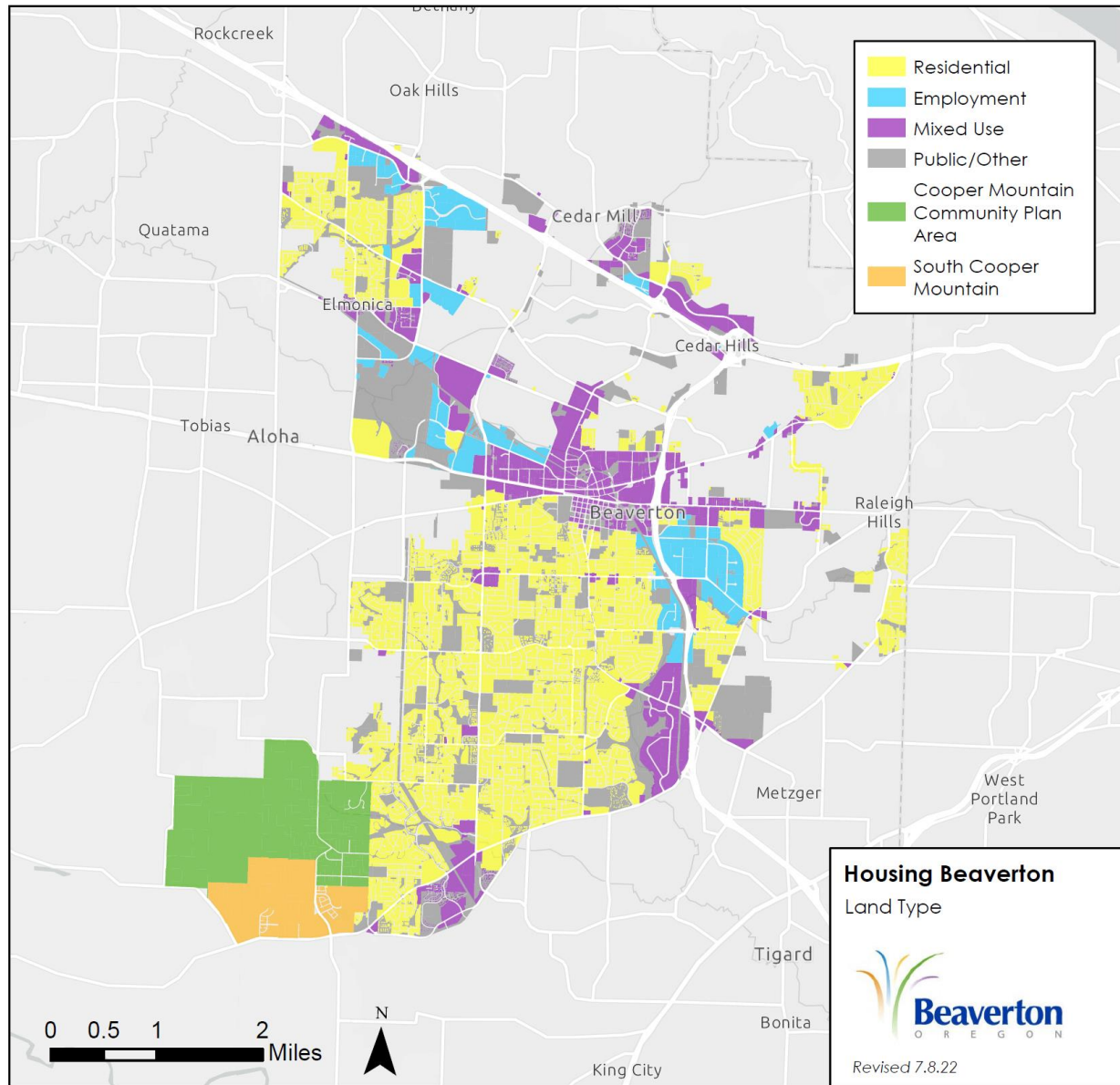
South Cooper Mountain and Cooper Mountain Community Plan Areas

The South Cooper Mountain area and the Cooper Mountain Community Plan area are treated separately by this BLI. South Cooper Mountain was the subject of a major planning effort in 2013 and has recent land use approvals for nearly all properties. The ongoing Cooper Mountain Community Plan encompasses 1,240 acres and includes its own assumptions about buildable land and natural resources. Policy direction on the topic of environmental protection and housing variety differ from other areas in the City of Beaverton as well.

Table 1. Summary of Land Classification

Land Type	Taxlots	Total Acres
Residential	21,288	4,355.0
Employment	3,811	1,642.4
Mixed Use	254	746.0
Public/Other	1,885	8,821.9
Cooper Mountain	182	1,242.8
South Cooper Mountain	400	553.6
Total	27,820	17,361.7

Figure 5. Land Type



Step 4. Assign Development Status

This step assigns each parcel in the study area a “Development Status” based on the land use classification from Step 3, constraints from Step 2, and other information available as described below. The methodology followed for this step provided a starting point for the analysis – additional information about pending/recently approved developments, City plans that affect development, and professional judgement regarding anomalous data are used as well.

Residential Land

Residential Land is assigned a development status as follows:

- **Vacant.** Land that has a building improvement value of less than \$20,000, as indicated by Washington County assessor data.
- **Partially Vacant.** This designation is intended for parcels with an existing structure that are large enough to further subdivide or develop to provide additional residential units. The recent update of the City's development code (called the Housing Options Project or HOP) allows for more flexibility and variety in the types of units that may be provided on this land. Partially Vacant land was determined as follows.
 - Parcels must be at least 8,000 square feet in size.
 - Existing building footprints were given a 15' buffer to approximate land area needed for setback and yard areas. Then, building footprint and buffer areas were removed from the buildable area of each parcel.
 - Parcels that have 5,000 square feet left over for potential development were designated Partially Vacant.
- **Developed.** All other residential land was designated Developed.

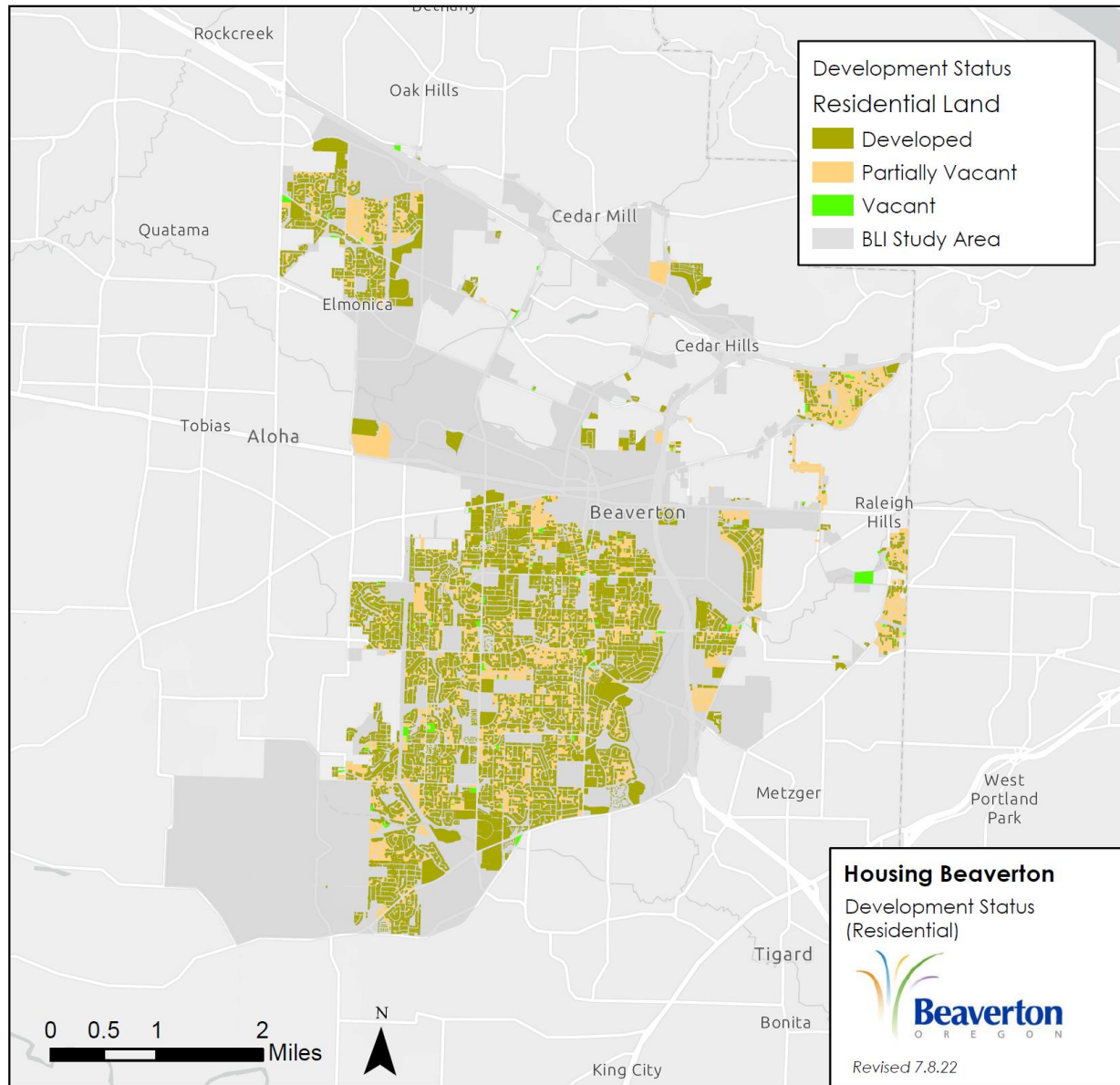
A summary of Residential Land is shown in Table 2 and Figure 6.

Table 2. Development Status of Residential Land

Development Status (Residential)*	Number of Taxlots	Unconstrained Acres	Acres for Existing Structures	Developable Acres
Developed	19,047	3,171.8	-	-
Partially Vacant	2,011	789.3	329.7	459.6
Vacant	230	39.3	-	39.3
Total	21,288	4,000.3	329.7	498.9

* Excludes residential land in South Cooper Mountain and Cooper Mountain Community Plan areas (see Section 3)

Figure 6. Development Status - Residential Land



Mixed Use Land

Mixed Use Land is assigned a development status similar to Residential Land. However, an additional screen is used to determine the likelihood of redevelopment of mixed use parcels, and assumptions about the residential/employment mix are applied.

A summary of Mixed Use Land is shown in

Table 3.

Residential Mix in Mixed Use Zones

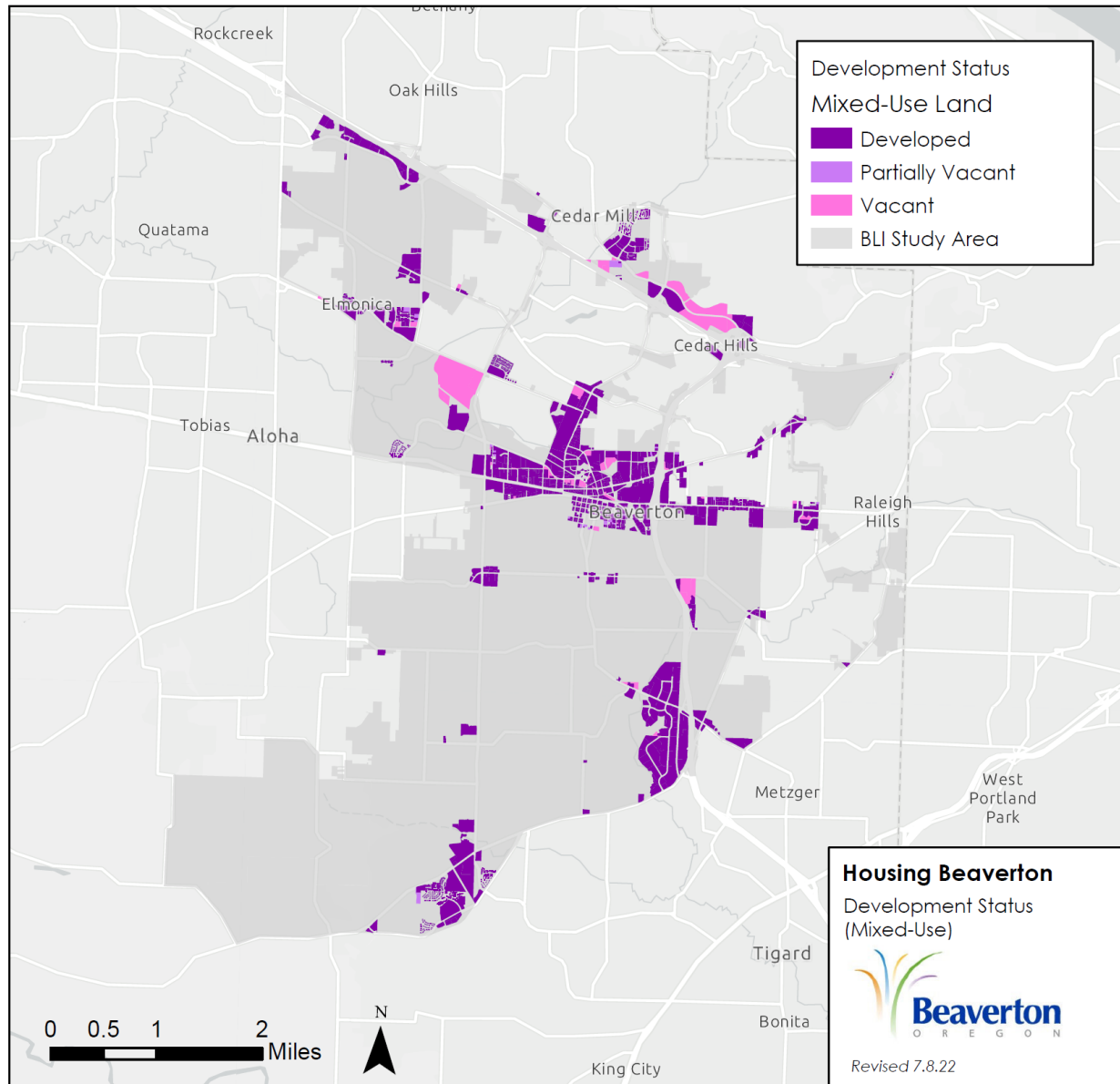
The following assumptions address the proportion (by land area) of development in multiple-use zones that is expected to occur as residential uses, the remainder of which is assumed to be developed with employment uses. This breakdown was developed with input from City of Beaverton staff.

CS	20% residential	RC-MU	50% residential
CC	20% residential	RC-E	20% residential
GC	20% residential	TC-MU	70% residential
C-WS	20% residential	TC-HDR	80% residential
NS	20% residential	SC-MU	80% residential
RC-BC	50% residential	SC-HDR	80% residential
RC-DT	80% residential	SC-S	80% residential
RC-TO	50% residential	OI-WS	10% residential
RC-OT	80% residential		

Table 3. Development Status of Mixed Use Land

Development Status (Mixed Use)	Number of Taxlots	Unconstrained Acres	Acres for Existing Structures	Developable Acres (Residential)	Developable Acres (Employment)
Developed	3,693	1,280.6	-	-	-
Partially Vacant	33	13.4	4.9	6.1	2.3
Vacant	85	140.5	-	97.8	42.7
Total	3,811	1,434.5	4.9	103.9	45.0

Figure 7. Development Status - Mixed Use Land

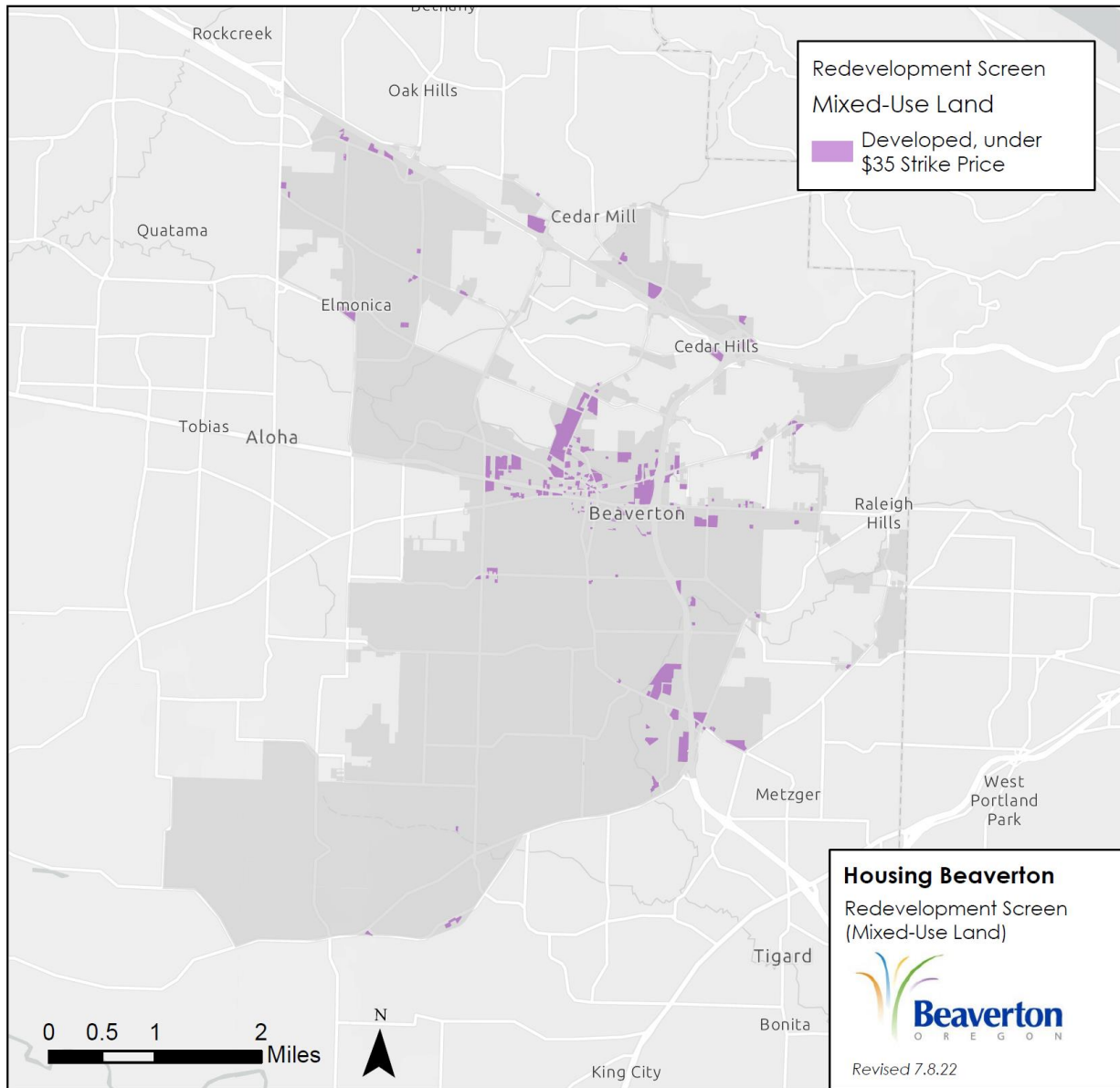


Redevelopment of Mixed Use Land

This BLI includes a high-level evaluation of potential redevelopment of mixed use land, called a “Strike Price” analysis. “Strike Price” is a term-of-art used to indicate the price at which it becomes cost-effective for a developer to consider a site for redevelopment. The strike price is the combined land value and improvement value per square foot of the lot.

This analysis uses a \$35 strike price threshold for mixed use land.² If the combined land value and improvement value for a parcel is below this value, then it has been included in the map and table below. Table 4 and Figure 8 describe these properties by zoning designation.

Figure 8. Developed Mixed Use Land Below \$35 Strike Price



² The \$35 figure is an estimate based on the City of Beaverton's previous BLI and recent development in the City. For reference, the 2018 Metro BLI used a strike price of between \$10 and \$12 for suburban mixed use and multifamily designations.

Table 4. Redevelopment Screen of Developed Mixed Use Land at \$35/sf

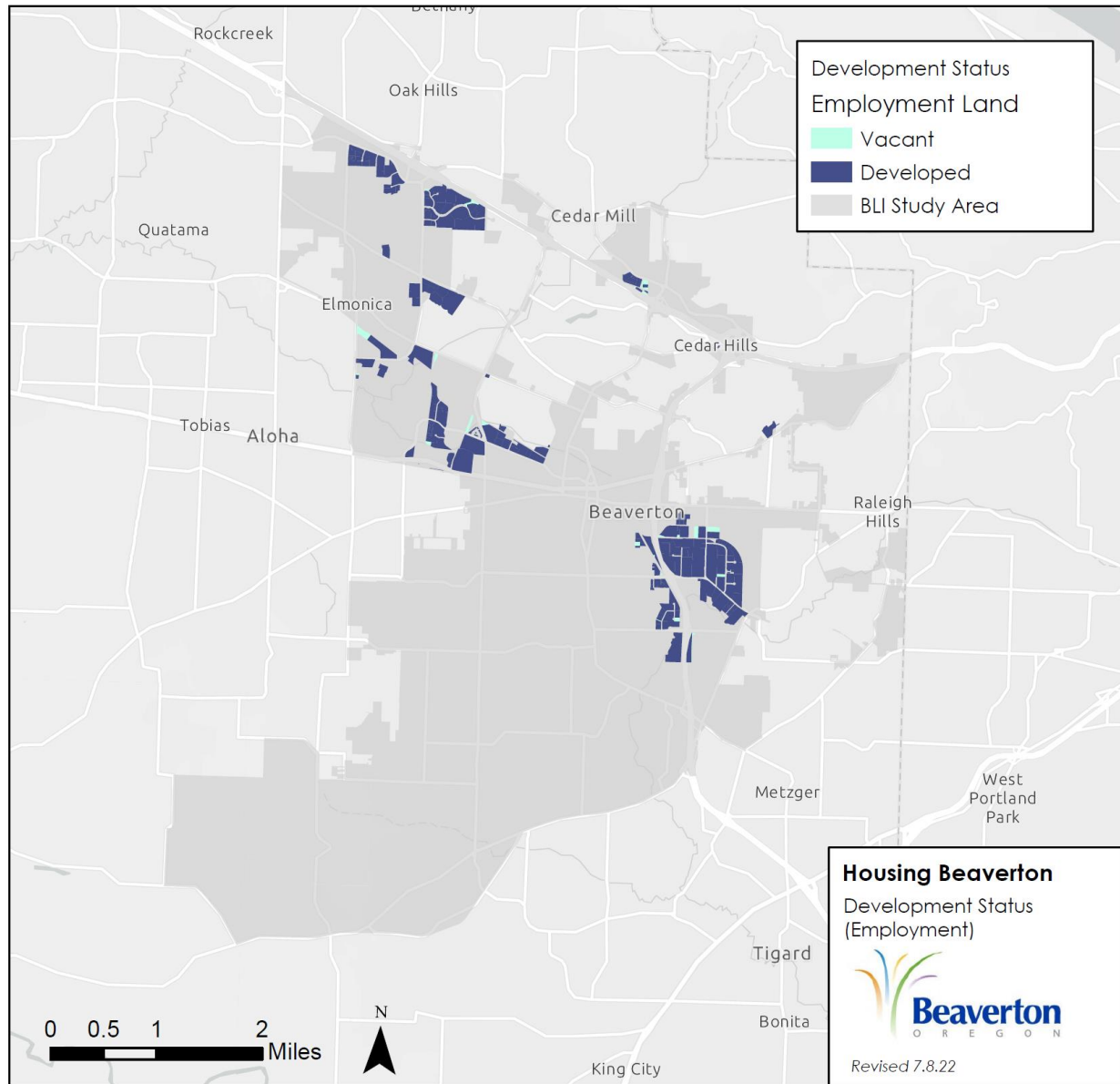
Zoning	Number of Taxlots Under \$35 Strike Price	Total Acres	Net Buildable Acres (Future streets removed)
CC	2	9.2	7.5
CS	47	97.6	73.5
C-WS	5	26.5	21.6
GC	29	44.4	35.8
NS	20	12.1	10.5
OI-WS	9	38.4	25.0
RC-BC	37	18.3	11.9
RC-DT	2	7.3	4.0
RC-E	20	32.5	25.8
RC-MU	18	20.9	16.0
RC-OT	18	4.5	4.2
SC-HDR	11	18.5	12.2
SC-MU	10	25.0	18.2
TC-HDR	1	0.0	0.0
TC-MU	6	6.7	4.9
Total	235	361.6	271.2

Employment Land

Employment Land is assigned a development status as follows:

- **Vacant.** Land that has a building improvement value of less than \$20,000, as indicated by Washington County Assessor data.
- **Developed.** All other employment land is designated Developed.

A summary of Employment Land is shown in Table 5 and Figure 9.

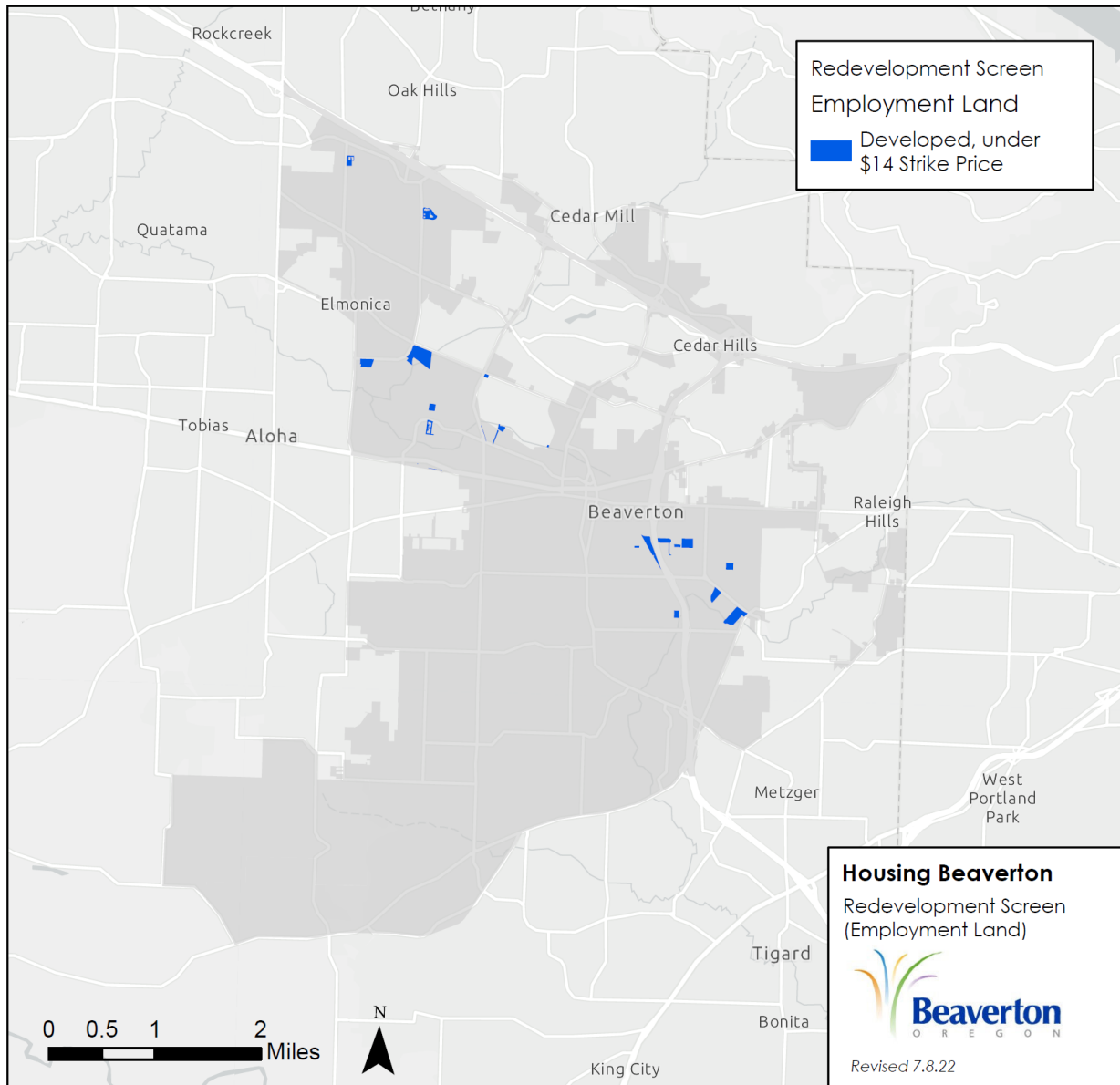
Figure 9. Development Status - Employment Land

Table 5. Development Status of Employment Land

Development Status (Employment)	Number of Taxlots	Unconstrained Acres
Developed	232	663.5
Vacant	28	18.2
Total	260	681.7

Redevelopment of Employment Land

Similar to Mixed Use Land, a “strike price” screen was used on Employment Land to evaluate the amount of potential redevelopment within the study area.³ Results of this screen are shown on Figure 10 and Table 6.

Figure 10. Developed Employment Land Below \$14 Strike Price



³ The \$14 figure is an estimate based on the City of Beaverton’s previous BLI and recent development in the City. For reference, the 2018 Metro BLI used a strike price of between \$5 and \$7 for suburban employment designations.

Table 6. Redevelopment Screen of Developed Employment Land at \$14/sf

Zone	Number of Taxlots Below \$14 Strike Price	Total Acres	Net Buildable Area (Future Streets Removed)
IND	11	53.6	23.6
OI	7	16.4	13.3
SC-E	5	8.4	5.7
Total	23	78.4	42.7

Public/Other Land

Public/Other Land is considered developed. Where information about potential development or redevelopment is available, parcels have been categorized appropriately even if under public ownership.

South Cooper Mountain

As noted previously, the South Cooper Mountain area is currently under development and subject to numerous land use approvals, summarized below. Key takeaways for this area are provided in Step 5.

Cooper Mountain Community Plan Area

As noted previously, the Cooper Mountain Community Plan area is currently being planned as part of a separate process. Key takeaways for this area are provided in Step 5.

Step 5. Assess Results

This step includes assessing the built capacity of the lands classified in earlier steps and removing land needed for future streets.

Land for Future Streets and Other Infrastructure

Development of large properties requires creating new streets, trails, stormwater facilities, and other infrastructure that reduces the amount of land left over for the development of new homes or businesses. Smaller properties, such as a residential lot that may only fit a single-detached home or duplex, generally do not require significant area for new streets or other infrastructure to be built as part of development. The following assumptions are used to remove land for future required improvements:

- Property is less than 3/8ths of an acre (about 16,000 square feet) – 0% set aside for future streets and infrastructure.
- Property is between 3/8ths of an acre and 1 acre – 10% set aside for future streets and infrastructure.
- Property is greater than 1 acre – 18.5% set aside for future streets and infrastructure.

After these set-asides, the remaining Net Buildable Acreage is the base that will be used for later steps in the Housing Beaverton Project including the Housing Needs Analysis and Housing Production Strategy.

BLI Results

Results of this analysis are provided in the following maps and tables.

Table 7. Overview of Net Buildable Acres

Land Type	Development Status	Number of Taxlots	Developable Acres		Streets and Infrastructure Set-Asides (in acres)		Net Buildable Acres	
Residential	Developed	19,047	-		-		-	
	Partially Vacant	2,011	459.6		45.1		414.5	
	Vacant	230	39.3		2.6		36.7	
	Total	21,288	498.9		47.7		451.2	
Mixed Use			Res	Emp	Res	Emp	Res	Emp
	Developed	3,687	-	-	-	-	-	-
	Partially Vacant	33	6.1	2.3	.7	.2	5.1	2.1
	Vacant	85	97.8	42.7	17.1	6.9	80.7	35.8
	Total	3,805	103.9	45.0	17.8	7.1	85.8	37.9
Employment	Developed	232	-		-		-	
	Vacant	28	18.2		2.6		15.6	
	Total	260	18.2		2.6		15.6	
Public/Other	-	1,885	-		-		-	
Cooper Mountain*	-	182	-		-		-	
South Cooper Mountain*	-	400	-		-		-	

*See Table 10 below.

The following tables describe developable acreage by zoning designation for Residential Land (Table 8), Mixed Use Land (Table 9), Employment Land (Table 10), as well as the Cooper Mountain Community Plan Area and South Cooper Mountain (Table 12).

Table 8. Net Buildable Acres and Estimated Units of Residential Land by Zoning Designation

Zone	Vacant and Partially Vacant Taxlots	Net Buildable Acres	Estimated Density	Estimated Units
MR	23	28.3	35	990
RMA	116	29.0	17	493
RMB	470	89.5	10	895
RMC	1,630	301.3	7	2,172
County Designation	2	1.5	4	6
Total	2,241	449.6	-	4,556

Table 9. Net Buildable Acres of Mixed Use Land by Zoning Designation

Zone	Vacant and Partially Vacant Taxlots	Net Buildable Acres (Residential)	Net Buildable Acres (Employment)	Residential Density	Estimated Residential Units
CS	14	2.4	10.2	35	357
GC	1	0.1	0.2	35	7
NS	5	0.2	1.2	35	42
OI-WS	2	0.0	0.1	35	3
RC-BC	24	5.2	5.2	60	312
RC-DT	1	0.0	0.1	30	3
RC-E	3	0.0	0.1	12	1
RC-MU	6	1.4	1.4	43	60
RC-OT	16	2.2	0.6	24	14
SC-HDR	15	3.0	0.7	24	16
SC-MU	18	37.1	9.3	24	223
SC-S	6	29.5	7.4	24	177
TC-HDR	6	4.3	1.1	24	26
TC-MU	1	0.4	0.2	24	4
TOTAL	118	85.8	37.9	-	1,245

Table 10. Net Buildable Acres of Employment Land by Zoning Designation

Zone	Vacant Taxlots	Net Buildable Acres
IND	14	5.8
OI	5	3.7
SC-E	5	3.9
County Designation	4	2.1
TOTAL	28	15.5

Table 11 provides an estimate of the number of new middle housing units would result from a 3% increase in density of developed neighborhoods. This percentage comes from the text of House Bill 2001, which requires that cities use this figure unless they provide a evidence to support a different amount.

Table 11. Middle Housing Assumptions

Zone	Number of Existing Taxlots	Existing Units	3% of Existing Units	Notes
MR	413	4,066	-	Units in MR designation are generally at middle housing/multifamily densities
RMA	3,287	8,683	260	3% increase in density on developed RMA properties would yield 260 units
RMB	6,400	8,806	264	3% increase in density on developed RMB properties would yield 264 units
RMC	8815	9,265	277	3% increase in density on developed RMC properties would yield 277 units
County Designation	132	130	-	Taxlots with county zoning assumed to receive City zoning in the future
Total	19,047	30,950	802	3% increase in density on developed RMA, RMB, and RMC properties would yield 802 units

Table 12. Cooper Mountain Community Plan and South Cooper Mountain Areas

Plan Area	Total Acres	Estimated Capacity	Notes
Cooper Mountain Community Plan	1,240 acres	About 5,000 units, with a mix of roughly 43% Single Detached, 26% Attached/ Middle Housing, and 30% Multi-dwelling units	Capacity and mix subject to the refinement and adoption of the Community Plan by the Beaverton City Council.
South Cooper Mountain	464 acres	3,384 units permitted.	All residential properties have land use approval. Modifications of approvals would require additional land use applications and approval by decision-makers pursuant to the Beaverton Development Code.

Table 13. Summary of Residential Capacity

Source	Unit Total	Notes
Residential Land	4,556	Mix of single-detached, middle housing, and multi-dwelling units
Mixed-Use Land	1,245	Likely predominantly middle housing or multi-dwelling units
Middle Housing Infill	802	Middle housing units
South Cooper Mountain	3,384	Mix of single-detached, middle housing, and multi-dwelling units
Cooper Mountain Community Plan Area	5,000	Mix of single-detached, middle housing, and multi-dwelling units
Total	14,987	

Next Steps

Results of this BLI will be incorporated into other elements of the Housing Beaverton Project, including the Housing Needs Analysis and Housing Production Strategy.

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO



DATE: May 3, 2023
TO: City of Beaverton Staff
FROM: Becky Hewitt and Sam Tedford, ECONorthwest
SUBJECT: Contextualizing Housing Needs in Beaverton

This memo provides a brief summary of the housing needs (overall and for specific populations) identified in the other elements of the Housing Production Strategy, answering the question: *What are the full range of more nuanced housing needs that the City is planning for?* The State of Oregon requirements for Contextualized Housing Needs under OAR 660-008-0050(1) are met within this memo and in the Beaverton Housing Needs Analysis (HNA) Report.

Beaverton's Housing Needs by 2042

Overall, it is estimated that Beaverton will need 9,887 new housing units between 2022 and 2042 to keep pace with projected population growth.¹ However, that housing need is not evenly distributed among the diverse and growing population in Beaverton. Additionally, some segments of this anticipated housing need are likely to be met by the private market based on current trends while others are expected to be unmet without intervention. Housing needs of specific populations—including priority populations²—are described in the table below, including information about how the private housing market supplies housing for each and which existing program and interventions may meet these needs. The housing needs of priority populations tend to be at a higher risk of going unmet despite the overall scale of housing need for other populations being larger due to their relative share of the total population. The table is color coded based on how well the market or existing programs are likely to meet the needs:

- **High risk of unmet need (orange)** - These housing needs are extremely unlikely to be met in part or in full without intervention.
- **Medium risk of unmet need (yellow)** - These housing needs are anticipated to be met in part by the private market but may require interventions to be met equitably and in their totality.
- **Low risk of unmet need (blue)** - These housing needs are projected to be met predominantly by the private market and require minimal intervention. However, if these needs are not met, they can have implications for other groups' housing needs (e.g., by putting pressure on the housing supply that is needed to serve other population segments).

¹ Beaverton HNA Report, Appendix C. Projected Future Housing Needs, Section I.A. Total Projected Growth

² Priority populations here refers to people who face historic and ongoing disadvantages due to systemic inequities rooted in access to power and decision-making, especially those who are impacted by limited housing choice and racism. Specifically, the City of Beaverton strives to lead with racial equity. Priority populations includes Black people, Indigenous people, People of Color, Low Income People, People with Disabilities, People Experiencing Homelessness, and Immigrants and Refugees.

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

Housing Need by Income

Risk of Unmet Need	Population	Scale of Need	Description of Need	How Does Market Meet this Need?	Existing Programs Supporting this Need ³
High	Extremely Low Income Households Extremely Low Income households are defined as earning less than 30% of the Area Median Income (AMI).	1,349 new housing units by 2042 (14% of overall need) ⁴ In addition, roughly 90% of existing extremely low income homeowners and 97% of extremely low income renters pay more than 30% of their income in housing costs. ⁵ These households are cost-burdened and may need additional support to retain their housing or obtain more affordable housing. Extremely low income households often include people who are unhoused or precariously housed.	These households need housing with rents (including utility costs) less than \$800 per month. Home prices that would be affordable to these households would be less than \$150,000.	Roughly 3% of existing rental and 4% of existing for-sale housing is affordable to extremely low income households. ⁶ Rental housing types that meet this need are rare and small, such as micro-unit rentals. Ownership housing types that meet this need are rare and very limited but may include older manufactured housing and mobile home parks. New market-rate construction will not generally meet this need. Additionally, the market may reduce the supply of housing affordable at this level through redevelopment of older, unregulated housing or removal of manufactured home parks.	Subsidized housing such as Low Income Housing Tax Credit (LIHTC) projects, Rental Assistance, project-based Section 8 vouchers, Home Repair Services Emergency rent assistance via Community Action, Centro Cultural, and Muslim Educational Trust (eligibility: 30% AMI) Eviction prevention assistance via Center for Mediation and Dialogue

³ Summary of Existing Measures Memorandum from the City of Beaverton

⁴ Beaverton HNA Report, Appendix C. Projected Future Housing Needs, Section II.D. Housing Affordability

⁵ Beaverton HNA Report, Appendix B. Current Housing Needs Equitable Housing Needs Assessment, Section IV.C. Estimate of Current Housing Demand by Income Segment

⁶ Beaverton HNA Report, Appendix B. Current Housing Needs Equitable Housing Needs Assessment, Section IV.E. Estimate of Current Housing Inventory. The estimates of housing supply include income-restricted housing units as well as market-rate housing units. The estimates provided here show the cumulative number of units that are estimated to be available at or below the rent or price level that would be affordable to this income group. The breaks in these data are not aligned for this comparison, so some inaccuracies are inherent and err on the side of conservative estimation.

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

Risk of Unmet Need	Population	Scale of Need	Description of Need	How Does Market Meet this Need?	Existing Programs Supporting this Need ³
		See section below for additional detail.			
High	Very Low Income Households Very Low Income households are defined as earning between 30% and 50% of the Area Median Income (AMI).	668 new housing units by 2042 (7% of overall need) ⁴ In addition, roughly 78% of existing very low income homeowners and 95% of very low income renters pay more than 30% of their income in housing costs. ⁵	These households need housing with rents (including utility costs) less than \$1,200 per month. Home prices that would be affordable to these households would be less than \$225,000.	Roughly 7% of existing rental and 7% of existing for-sale housing is affordable to very low income households. ⁶ Rental housing that meets this need is limited and only available as micro-units, studio apartments, and older, very small apartment units. Ownership housing that meets this need is rare and may only exist as older, manufactured housing, in mobile home parks, and older, small condo units. New market-rate construction will not generally meet this need. Additionally, the market may reduce the supply of housing affordable at this level through redevelopment or remodels of older, unregulated housing or removal of mobile home parks.	Subsidized housing such as Low Income Housing Tax Credit (LIHTC) projects, Rental Assistance, project-based Section 8 vouchers, Home Repair Services • Emergency rent assistance via Community Action, Centro Cultural, and Muslim Educational Trust (eligibility: 30% AMI) • Eviction prevention assistance via Center for Mediation and Dialogue
Medium	Low Income Households Low Income households are defined as earning between 50% and 80% of the Area Median Income (AMI).	1,136 new housing units by 2042 (11% of overall need) ⁴ In addition, roughly 54% of existing low income homeowners and 78% of low income renters pay more than	These households need housing with rents (including utility costs) less than \$1,700 per month. Home prices that would be affordable to these	Roughly 65% of existing rental and 32% of existing for-sale housing is affordable to low income households. ⁶ Rental housing that meets this need is limited and tends to be available in older apartment complexes and	Rental Assistance, Down Payment Assistance, Vertical Housing Development Zone (VHDZ) Program, Low Income Housing Tax Credit (LIHTC) projects, Affordable Housing Tax Exemption

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

Risk of Unmet Need	Population	Scale of Need	Description of Need	How Does Market Meet this Need?	Existing Programs Supporting this Need ³
		30% of their income in housing costs. ⁵	households would be less than \$350,000.	small, middle housing rentals. Ownership housing to meet this need is limited and found in manufactured housing, small condominiums units, and older multiplex housing types.⁶ New market-rate construction will not fully or equitably meet this need, especially for larger households. Additionally, the market may reduce the supply of housing affordable at this level through redevelopment or remodels of older, unregulated housing.	
Medium	Middle Income Households Middle Income households are defined as earning between 80% and 120% of the Area Median Income (AMI).	3,211 new housing units by 2042 (32% of overall need) ⁴ In addition, roughly 37% of existing middle income homeowners and 43% of middle income renters pay more than 30% of their income in housing costs.	These households need housing with rents (including utility costs) less than \$2,200 per month. Home prices that would be affordable to these households would be less than \$475,000.	Roughly 85% of existing rental and 64% of existing for-sale housing is affordable to middle income households.⁶ Rental housing that meets this need is typically available in high-amenity apartment complexes, multiplex and single-family rentals. Ownership housing to meet this need is typically available in condominiums, townhomes and multiplexes, and older single family housing types. New market-rate construction will partially meet this need.	Middle housing code provisions, ADU code provisions, Housing mix requirements in Cooper Mountain, Land acquisition for workforce/market-rate housing, Down payment assistance via Proud Ground and Portland Housing Center

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

Risk of Unmet Need	Population	Scale of Need	Description of Need	How Does Market Meet this Need?	Existing Programs Supporting this Need ³
				Many new market-rate housing units will still be unaffordable to these households, especially people at the lower end of the middle-income range. Additionally, the current rate of market-rate development may not be sufficient to provide adequate supply for these households. When supply is limited for these households, they may rent or purchase lower cost housing and put additional pressure on the supply of housing that could be affordable to lower income households.	
Low	Upper Income Households Upper Income households are defined as earning greater than 120% of the Area Median Income (AMI).	3,522 new housing units by 2042 (36% of overall need) ⁴	These households can afford housing with rents (including utility costs) over \$2,200 per month. These households can afford home prices greater than \$475,000.	More than 90% of existing rental and 75% of existing for-sale housing is affordable to upper income households.⁶ Rental housing that meets this need is typically readily available in high-amenity apartment complexes, large townhomes and multiplex units, and large single-family rentals. Ownership housing to meet this need is typically available in condominiums, townhomes and multiplexes, and single family housing types.	Market-driven housing production

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

Risk of Unmet Need	Population	Scale of Need	Description of Need	How Does Market Meet this Need?	Existing Programs Supporting this Need ³
				New market-rate construction can meet much of this need, though prices for new single-family homes may be towards the upper end of what this group can afford. When supply is limited for these households, they may rent or purchase lower cost housing and put additional pressure on the supply of housing that could be affordable to lower income households.	

Housing Needs of Specific Populations

Risk of Unmet Need	Population	Scale of Need	Description of Need	How Does Market Meet this Need?	Existing Programs Supporting this Need ⁷
High	People of Color People of Color is a general descriptor that includes people of many different backgrounds and experiences. Categorically People of Color are often connected through structural racism, though	The largest shares of communities of color in Beaverton are people who identify as Asian (12%), people who identify as Hispanic or Latine (18%), and people who identify as Two or More Races (12%). ⁸	Due to historic and ongoing systemic racism, people of color have disproportionately unmet housing needs and limited housing choice. Redlining and other forms of segregation and disinvestment in communities of color	Fair Housing law provide protection from some forms of direct discrimination in housing. Fair Lending laws provide protection from some forms of direct discrimination in credit and lending practices.	Analysis of Impediments to Fair Housing Choice, Fair Housing education, Reducing barriers to affordable housing, programs administered through culturally-specific organizations focused on serving specific racial/ethnic groups such as rental assistance via

⁷ Summary of Existing Measures Memorandum from the City of Beaverton

⁸ Beaverton HNA Report, Appendix B. Current Housing Needs Equitable Housing Needs Assessment, Appendix A: City of Beaverton Demographic Data, Section G. Race/Ethnicity Trends

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

	with differences in particular outcomes and characteristics. There tend to be discrepancies between how people self-identify and how they are classified in large-scale datasets such as the US Census. For purposes of this summary, People of Color includes all racial and ethnic categories represented in the available data except for Non-Hispanic White and categorized are as follows: Asian, Black or African American, Hispanic or Latine, Native American and Alaskan Native, Native Hawaiian and Pacific Islander, Some Other Race, and Two or More Races		have also resulted in lower generational wealth than white communities, which negatively impacts access to homeownership. Other facets of systemic racism outside of housing such as education, employment, health, and criminal legal systems may impact people of color's ability to access housing to meet their needs.	Without intervention, the housing market alone will not compensate for historic inequities in access to housing, especially homeownership.	Centro Cultural and Muslim Education Trust
High		Increasing Homeownership People of Color are less likely to own the homes they occupy than white people. Asian homeownership rates in Beaverton are closest to the overall average though there is much variation within this broad racial group. Latine and Native American homeownership rates are the lowest of all racial and ethnic groups in Beaverton. People of Color have historically been excluded from homeownership by racist policies and practices. ⁹ On-going barriers for some people of color include lower incomes, not having good credit history, lack of collateral, loan denial disparities, culturally-specific barriers to banking, lack of familiarity with US banking systems, and immigration-related barriers to making long-term housing commitments. ¹⁰ To meet more equitable homeownership goals in Beaverton in the future, the estimated new housing needs are calculated			Analysis of Impediments to Fair Housing Choice, Fair Housing education, Reducing barriers to affordable housing, programs administered through culturally-specific organizations focused on serving specific racial/ethnic groups, Down Payment Assistance

⁹ Beaverton HNA Report, Appendix C. Projected Future Housing Needs, Section II.A. Expanded Homeownership Opportunities for Non-White Households

¹⁰ Beaverton HNA Report, Appendix B. Current Housing Needs Equitable Housing Needs Assessment, Section III.B. Housing Justice

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

		to intentionally increase homeownership rates for People of Color who currently are below the median homeownership rate. Ownership housing for first-time homebuyers and people who have been historically excluded from homeownership will need to be lower in cost compared to current market-rate housing. ¹¹		
Medium		Large and Multigenerational Households People of Color households tend to have larger average household size than the white household average. Nationally, Asian, Black, and Latine people are more likely to live in multigenerational households compared to white people. ¹² Multiple immigrant groups in Washington County noted living in multigenerational households or with multiple families. ¹³ People of Color are projected to have a much higher share of children and young people than white people. Larger households and multigenerational households may need larger homes or specific housing types that accommodate the greater number of household members. Prior engagement suggests that these households may have difficulty finding units of an appropriate size and design for their household needs.		
		Affordability While the median annual household income in Beaverton is \$77,700, Latine and Native American median household incomes are substantially below that. The median income of Asian and Pacific Islander households is estimated to be above the overall median though		

¹¹ Beaverton HNA Report, Appendix C. Projected Future Housing Needs, Section II.A. Expanded Homeownership Opportunities for Non-White Households

¹² Beaverton HNA Report, Appendix C. Projected Future Housing Needs, Section II.B. Multigenerational Households

¹³ Beaverton HNA Report, Appendix B. Current Housing Needs Equitable Housing Needs Assessment, Section III.B. Housing Justice

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		there is much variation within this broad racial group. ¹⁴			
High	People with a Disability There are many different types of disabilities, and their impact of housing needs are varied. Generally, ambulatory, self-care, or independent living disabilities have the greatest impact on housing needs. People over 65 years old are more likely to report a disability with over 30% of the Beaverton population aged 65 years and old reporting at least one disability. However, because Census data tends to undercount the unhoused population, there may be more residents with disabilities in Beaverton than reflected in these data. People with disabilities are more likely to live below the Federal	Approximately 1,190 new housing units by 2042 (12% of overall need) will need to have accessibility considerations for people with varying disabilities and needs.¹⁵	There is significant variation in the specific housing needs of people with disabilities. Many needs can be proactively addressed with universal design features. Siting housing near services and amenities with multi-modal connections and usability is important. People with ambulatory disabilities may need housing options with access for wheelchairs, walkers, or scooters. People with self-care or independent living disabilities may require additional safety precautions around the home for when they cannot always be monitored. These precautions	Prior engagement suggests that there are insufficient available units that are accessible, and that many properties are not accessible in all common areas.¹⁷ It also suggests that housing should be as flexible/customizable as possible to adapt to each person's needs, and constructed/retrofitted in a way that accommodates the most people possible; that it should provide convenient parking for those with disabilities; and that many of those with disabilities also need affordable housing.¹⁸	Home repair services, Fair Housing education

¹⁴ Beaverton HNA Report, Appendix B. Current Housing Needs Equitable Housing Needs Assessment, Appendix A: City of Beaverton Demographic Data, Section I. Income Trends

¹⁵ Beaverton HNA Report, Appendix C. Projected Future Housing Needs, Section II.C. Accessible Units

¹⁷ Housing Beaverton Project, "Past Engagement Analysis," September 2022

¹⁸ Engagement Summary Report: People with Disabilities Stakeholder Interviews

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

	poverty level and have median earnings lower than the general population.		could include smart home technologies that allow service providers to control or be alerted to individual's needs remotely such as sensors to detect when someone has passed the threshold of a door or the ability to shut off a stove. ¹⁶ People with cognitive disabilities may need housing options such as the ability to live with family or in group housing.		
Medium	Seniors	The greatest impact of age on housing needs in the near future and the next three decades is a growing need for housing appropriate for seniors. ¹² Approximately 30% of the Beaverton's total population is over the age of 55 today. The age cohort over 55 years of age grew the most in terms of population share between 2000 and 2020. This growth exceeds historic	Housing needs for seniors range from smaller-sized units, housing units accessible to people with mobility difficulties, co-housing communities, and retirement communities to continuing care and assisted living facilities.	The market can provide senior housing for those with sufficient savings or income to afford independent living, assisted living, or continuing care facilities. Low-income seniors may not be able to afford these options, and may have limited funds to adapt their existing housing to meet their needs.	Home repair services

¹⁶ DiGennaro Reed FD, Strouse MC, Jenkins SR, Price J, Henley AJ, Hirst JM. Barriers to Independent Living for Individuals with Disabilities and Seniors. Behavior Analysis Pract. 2014 Jun 11;7(2):70-7. doi: 10.1007/s40617-014-0011-6. PMID: 27294013; PMCID: PMC4711747.

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		population trends and means that housing options meant to serve seniors generally remain significantly underbuilt. ¹⁹			
High	People Experiencing Homelessness People experiencing homelessness encompasses a broad range of experiences and situations. It is difficult to accurately count all people who are experiencing homelessness, and it is generally presumed that this population is undercounted by most methods.	One analysis estimated that 653 individuals and family units in Beaverton were experiencing homelessness as of mid-2020, including people who are unsheltered, in temporary shelters, or otherwise temporarily or unstably housed. The most recent January 2022 point-in-time count found 808 people experiencing homelessness in Washington County overall, including the following: ²⁰ 72% were in temporary shelter while 28% were unsheltered. - Approximately 26% of those individuals were	Based on prior engagement, needs for individuals experiencing homelessness include: ²¹ - Access to safe shelter - A quiet, safe place to rest - Outdoor green space - Secure storage space for belongings - Proximity to services and transit - Private personal spaces (within a shelter) - Community gathering space (within a shelter)	The private market will not provide housing or services needed by people experiencing homelessness. In addition, people moving into housing often need transitional housing options and wrap-around health and support services to move toward financial and housing stability.	Year-round shelter, Safe Parking Program, street outreach partnerships, support for Family Promise

¹⁹ Beaverton HNA Report, Appendix B. Current Housing Needs Equitable Housing Needs Assessment, Appendix A: City of Beaverton Demographic Data, Section F. Age Trends

²⁰ Beaverton HNA Report, Appendix B. Current Housing Needs Equitable Housing Needs Assessment, Appendix B: Current Housing Conditions Data, Section G. Publicly Assisted Housing

²¹ Housing Beaverton Project, "Past Engagement Analysis," September 2022, p.9 (Shelter Code Project)

APPENDIX C. CONTEXTUALIZED HOUSING NEEDS MEMO

		children under the age of 18. 31% of those individuals are considered “chronically homeless”	Beyond immediate needs for safe shelter options, people who are unhoused or precariously housed need access to transitional housing, supportive services, and deeply affordable housing in the long term.		
High	Immigrants and Refugees		Immigrants, especially undocumented immigrants and mixed-status families face particular housing challenges because of their immigration status. Many undocumented people are not eligible for federally subsidized affordable housing. Households with language or cultural barriers may have greater difficulty navigating the US financial and credit system, housing laws, and tenant rights. These barriers can make these households less likely to become homeowners and more vulnerable to eviction.	Fair Housing law provide protection from some forms of direct discrimination in housing. Fair Lending laws provide protection from some forms of direct discrimination in credit and lending practices. Without intervention, the housing market alone will not meet the needs of refugees and immigrants, especially those with language or cultural barriers.	Analysis of Impediments to Fair Housing Choice, Fair Housing education, Reducing barriers to affordable housing, Programs administered through culturally-specific organizations focused on serving specific racial/ethnic groups such as rental assistance via Centro Cultural and Muslim Education Trust



APPENDIX D. SUMMARY OF EXISTING HOUSING MEASURES

MEMORANDUM

Community Development Department

To: Matt Hastie, MIG
From: City of Beaverton
Date: November 21, 2022
Subject: Summary of Existing Measures

Overview

This memo contains a list of existing measures and practices that the City of Beaverton has implemented or is currently doing to promote the creation and/or preservation of needed housing. Staff is also documenting existing and potential future housing strategies in a separate spreadsheet available at: [Housing Strategies Brainstorm \(sharepoint.com\)](https://sharepoint.com).

Summary of measures and existing practices

Measures and existing practices that affirmatively further fair housing

1. Development Code definition of “family”: Removed in 2022 as part of Housing Options Project to eliminate code discrimination based on family type or size.
2. Maximum occupancy limits in residential units: Removed maximum occupancy limits with the deletion of the definition of “family” in 2022.
3. Fair housing education: The City offers fair housing education for landlords and tenants in multiple languages. The City also provides information about housing resources provided by others on its website and offers an Affordable Housing hotline via phone and email with information and responses in multiple languages. These resources connect to and supplement available counseling, education, and informational programs from other providers.
4. The Analysis of Impediments to Fair Housing Choice, or AI, is a planning process for local governments to take meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The Consortium of Washington County, City of Hillsboro, and City of Beaverton is preparing to perform Audit Testing with the Fair Housing Council of Oregon (FHCO) in 2023. FHCO and the Consortium intend to conduct sixty-seven (67) tests of fair housing rental practices. 16 of these tests will be in

APPENDIX D. SUMMARY OF EXISTING HOUSING MEASURES

Beaverton. FHCO will provide a final Audit Testing report to the Consortium with an audit testing analysis, summary of results, proposed solutions, and further recommendations.

5. Reducing barriers to affordable housing: The City requires new regulated affordable housing to minimize barriers to housing through their screening process as well as provide ample opportunity for appeals on declined applications. Leasing and outreach activities are to provide access to opportunities to Black, Indigenous, People of Color (BIPOC) and marginalized communities. Providing information in multiple languages and community centric outlets.

Measures and existing practices that link housing to transportation

1. Vertical Housing Development Zone (VHDZ) Program: Developers that plan to build mixed-use development projects in designated zones near mass transit may qualify to receive up to an 80% property tax abatement through this program. More information can be found at: <https://www.beavertonoregon.gov/1131/Vertical-Housing-Development-Zone-VHDZ>.

Measures and existing practices that provide access to housing choice

1. Middle housing: The City of Beaverton updated its Development Code in 2022 to allow duplexes, triplexes, quadplexes, townhouses, and cottage clusters in all residential zones that allow single-detached houses. The plexes can be either attached or detached. Through middle housing land divisions, they also can share one lot or be each on their own lot, which facilitates both rental and homeownership outcomes.
2. Accessory dwelling units: These units are allowed with single-detached homes.

Measures and existing practices that create opportunities for rental housing and homeownership

1. Development Code flexibility for regulated affordable housing: The Development Code, since 2019, provides affordable housing-specific minor adjustments and major adjustments to site development standards (such as density, setbacks, height) with less stringent approval criteria than other adjustments, including removing approval criteria that required applicants to demonstrate “special conditions or circumstances ... make it difficult or impossible to meet the applicable development standard.”
2. Urban growth boundary expansion: Successfully applied in 2018 to have the urban growth boundary expanded to include Cooper Mountain, a 1,200-acre area abutting southwest Beaverton.
3. Cooper Mountain Community Plan and Cooper Mountain Utility Plan: Currently working on the Cooper Mountain Community Plan and associated Cooper Mountain Utility Plan to development Comprehensive Plan and Zoning amendments for the

APPENDIX D. SUMMARY OF EXISTING HOUSING MEASURES

Cooper Mountain area as well as plan for essential utility services for that growth area. The preferred approach for Cooper Mountain anticipates about 5,000 new households, above the 3,760 required by Metro.

4. Land acquisition: The City has been proactive in land acquisition for future development of regulated, market rate, and mix use/income housing, including affordable homeownership. The Mary Ann, a newly built affordable housing building, was possible due to a prior city acquisition of a quarter parcel at the site. The Beaverton Urban Renewal Area (BURA) sets aside for affordable housing strategies in the urban renewal district
5. The City continuously looks for opportunities to increase its regulated affordable housing stock, specially to very low-income households. Leveraging affordable housing capital, whether federal, state, or regional resources, is important in this goal. Publicly owned property continuously assessed as a potential affordable housing site. Over the past four years, The City has leveraged city and Washington County Metro Affordable Housing Bond resources, the state's 9% and 4% Low Income Housing Tax Credits (LIHTC), project-based Section 8 vouchers, foundation funds, etc. These resources will enable the creation of 373 new regulated affordable units.
6. Down payment assistance: The City provides funding through two nonprofits (Proud Ground and Portland Housing Center) for down payment assistance to low-income households purchasing a home in the city.
7. Affordable Housing Tax Exemption: In 2013, the City Council officially adopted property tax exemption as an affordable housing development incentive. The Affordable Housing Tax Exemption program exempts property taxes on apartments rented to low-income tenants. This lowers the nonprofit's annual operating costs so that savings derived from the tax relief can be passed on to renters in the form of lower rents. In 2022, staff received 10 applications, benefiting a total of 678 units.

Measures and existing practices that mitigate and minimize gentrification and displacement and increase housing stability

1. The City has been working with a few interested property owners to test out partnerships to stabilize existing multifamily rental housing while retaining existing property ownership. The intent of the program is to improve the housing stock while minimizing displacement and retaining some affordability. The program has been challenging to implement due to low-interest rates (creating little incentive to take City funding with affordability requirements), but it remains an important strategy.
2. Home repair services: The City provides funding through regional nonprofit organizations to fund home repair projects and accessibility adaptations for low-income, owner-occupied households. These local funds supplement other funding

APPENDIX D. SUMMARY OF EXISTING HOUSING MEASURES

sources for community organizations such as Habitat for Humanity which provide home repair services in the region.

3. Rental assistance: The City currently provides direct allocations for rental assistance and resources for low-income tenants impacted by COVID-19 through some culturally specific organizations, as well as Community Action. These local resources supplement state/federal rental assistance programs such as Housing Choice Vouchers (Section 8).
4. Eviction protection: The City currently offers eviction prevention assistance through a community mediation and dialogue program. The Center for Mediation and Dialogue, part of the City's Department of Community Services and Engagement, provides mediation between private entities. A state-funded program is piloting 6-8 mediation centers throughout the state to try to keep people out of eviction court. This supplements eviction defense resources available statewide.

Measures and existing practices that support people experiencing homelessness

1. Year-round shelter: On April 19, 2022, City Council announced a decision to purchase a property for a permanent year-round shelter. The property is a stand-alone commercial building located off Beaverton Hillsdale Highway and next to 217. The year-round shelter will be operated by Washington County in partnership with a contracted service provider. The shelter will provide beds, meals, showers, a clinic space, and other resources on a 24/7, 365-day basis to adults experiencing homelessness. Housing navigation and supportive services will be provided, and intake for the shelter will be by enrollment through the county's coordinated entry system. The year-round shelter is anticipated to open 2024. The City currently has a winter shelter to provide a place for adults to stay during winter months.
2. Safe Parking Program: Beaverton's Safe Parking Program was created in April 2019 and provides a safe, legal place to park for people experiencing homelessness and living in their vehicles. Safe parking provides a safe place to park to help families and individuals in this situation stabilize their lives and gain better access to services. The city contracts with Just Compassion of East Washington County, which provides intake and case management for guests. Changes were made to the Development Code and Beaverton City Code to support the city's Safe Parking Program in 2019. To date, the program has five host sites and has served 108 individuals total, 49 of whom who have transitioned successfully into housing.
3. Partnerships: In 2022, the City contracted with Greater Good NW and Washington County to provide street outreach services in Beaverton 7 days/week to help connect people to housing and social services. The City also supports Family Promise, an organization that serves families experiencing homelessness.

APPENDIX D. SUMMARY OF EXISTING HOUSING MEASURES

memo

to Housing Beaverton Project Team
from Kate Rogers & Matt Hastie, MIG|APG
cc Becky Hewitt & Mary Chase, ECONorthwest
Brendan Buckley, Johnson Economics
re Housing Beaverton Project
Evaluation of Housing Strategies and Actions
date 5/19/2023

Introduction

This report provides a preliminary summary and evaluation of various strategies, tools, and policies that the City of Beaverton and its partners could employ to facilitate housing development that meets the current and future housing needs of the community. This report builds off the Draft Potential Housing Strategies memo prepared by City of Beaverton staff and will be a component of the Beaverton Housing Production Strategy. The report includes new strategies as well as existing measures that could be altered to be more effective in promoting the production and/or preservation of needed housing.

Format

This report provides background information for the strategies and takes a closer look at the potential impacts to housing supply/affordability and actions needed for implementation. The report goes into greater detail for nearer-term strategies that will be implemented primarily by City staff, and provides a more high-level summary for longer-term strategies and those that rely on other organizations for implementation. Each of the strategies is guided by racial diversity and inclusion concepts, which include a robust community engagement and participation process.

Strategies are organized into the following five categories, based on the type of action each one entails (and according to the [Housing Production Strategy Guidance Document](#) provided by DLCD¹):

1. **Zoning and Code Changes**
2. **Reducing Regulatory Impediments**
3. **Financial Resources**
4. **Tax Exemption and Abatement**
5. **Land, Acquisition, Lease, and Partnerships**

The summary of each housing strategy includes the following information:

¹ For each strategy, the corresponding strategy number from DLCD's List of HPS Tools, Actions, and Policies is indicated in [brackets].

Description	What is the strategy? How can the strategy work to address identified housing needs in Beaverton? What are potential outcomes?
Considerations	What potential options, funding needs, challenges, etc. are applicable to the strategy? Are there potential trade-offs or negative externalities to consider?
Anticipated Impact	What is the anticipated impact of the strategy? The following types of impacts are considered: • Populations served by the strategy • Income levels addressed by the strategy • Housing tenure (either owner or renter) • Magnitude of the action for producing new housing: ○ Low impact: The strategy is unlikely to meet the relevant housing need. A low impact strategy does not mean an action is unimportant. Some actions are necessary but not sufficient to produce new housing. ○ Moderate impact: The strategy either may have a moderate impact on meeting the relevant housing need or be designed to target that need. ○ High impact: The strategy may directly benefit a certain housing need and is likely to be most effective at meeting that need relative to other needs.
Time Frame	When does the City expect the action to be adopted and implemented? Strategies are identified as Near Term (1-2 years), Medium Term (within 3-5 years), and Longer Term (>5 years) actions. Impact: Over what time period will the impact occur?
Implementation Actions	What actions will the City and other stakeholders need to take to implement the strategy?
Lead & Partners	Who will be responsible for implementing the strategy? What partnerships might be necessary or beneficial to the strategy?

Summary of Strategies and Actions

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Housing Strategy Summaries & Evaluation

CATEGORY 1. Zoning and Code Changes

The following strategies are intended to modify the Beaverton Development Code (BDC) to proactively encourage needed housing development and/or ensure housing goals are met. These strategies are generally geared toward adding flexibility for housing or encouraging housing production through code incentives.

1.1 Broaden allowances for safe, overnight sheltering options for unhoused residents [A02]

Description Allow individual living units, such as sleeping pods, Conestoga Hut micro-shelters, or other types of shelters.

Oregon state statute considers these forms of individual shelter units as “transitional housing accommodations” and authorizes local governments to permit them. Per ORS 446.265, transitional housing is “accommodations (that) are intended to be used by individuals or families on a limited basis for seasonal, emergency or transitional housing purposes and may include yurts, huts, cabins, fabric structures, tents and similar accommodations.” The transitional housing accommodations are limited to persons who lack permanent or safe shelter or cannot be placed in other low income housing.

Under the Beaverton Shelter Code Project, the City is proposing updates to the BDC to permit congregate shelter facilities throughout the city and to establish what review procedures and standards apply to those uses.² However, that project does not include individual shelter units such as sleeping pods. Beaverton also allows vehicle camping on private property in all zones.

Other cities in Oregon have updated their codes to explicitly permit sleeping pods and other individual unit or outdoor shelters. Examples include Bend, Portland, Salem, and Silverton.

- Considerations**
- Removes barrier to providing shelter for people experiencing homelessness and provides different kinds of shelters, including non-congregate shelters.
 - Sleeping pods/shelters are not permanent housing and don’t fully meet people’s needs. This should be considered as adding to the spectrum of shelter/housing options, but not a long-term housing solution.
 - Other cities have included the following types of provisions in regulating individual shelter units:
 - Number and types of shelter units permitted
 - Maximum length of stay
 - Minimum site size

² Beaverton Shelter Code Project, <https://www.beavertonoregon.gov/658/Shelter-Code-Project>.

	○ Screening and other siting requirements ○ Operational requirements ○ Access to sanitation, storage, garbage removal, and other services • Micro-shelters and similar shelter units are not permanent buildings, and therefore are not subject to the building code. However, fire code and other life safety standards will apply.
Anticipated Impact	• Populations served: Extremely low income residents; people experiencing homelessness • Income level: 0-30% AMI • Housing tenure: N/A • Magnitude: Low – this strategy will not create permanent housing units; however, it may enable more unhoused residents to find safe shelter.
Time Frame	Medium term (FY25 or 26) Impact: The action can begin to have impact after it is implemented in the BDC.
Implementation Actions	• Review best practices for permitting and regulating individual-unit shelters and identify implementation options. • Work with Washington County and nonprofit organizations to discuss implementation options and operational requirements for individual-unit shelters. • Draft code amendments related to definitions, land uses, siting and design standards, land use applications and procedures, and special use regulations. • Work with Beaverton’s Planning Commission and City Council to adopt code amendments.
Lead & Partners	Lead: Beaverton Community Development Partners: Washington County Housing Services, Housing and Supportive Services Network (HSSN), and nonprofit organizations working to address homelessness

1.2 Increase development flexibility and capacity in multi-dwelling and multiple-use districts [A02]

Description Revamp multi-dwelling and mixed-use districts to remove density limitations, increase floor area ratio (FAR) for residential uses, and remove the Planned Unit Development review requirement in the SC-S zone.

Beaverton’s Multi-Unit Residential (MR) and Multiple Use zones have provisions that can prevent more intense development and limit opportunities for high-density housing. The following BDC updates are recommended to address these issues:

Density and FAR Recommendations

- Consider removing density limitations in the MR and Multiple Use zones that allow residential uses and allow form-based controls such as FAR and building height to control.
- Consider applying FAR limits to control the bulk and intensity of development.
 - FAR does not currently apply in the MR zone, where maximum height is 60 feet. FAR standards were recently added to the Residential Mixed Districts (RMA, RMB, RMC) as part of the Housing Options Project, so there is precedent for regulating FAR in residential zones.³
 - In Multiple Use zones, FAR standards only apply to mixed-use and non-residential development. Using FAR in lieu of maximum density would allow all development types to achieve the same built form.
- Increase FAR limits in some Multiple Use zones to achieve built outcomes that are consistent with the City's goals for these zones. Potential zones include TC-MU: Town Center Multiple Use District (max. FAR 1.00) and TC-HDR: Town Center High Density Residential District (max. FAR 0.60).

PUD Recommendations

- Remove the requirement for Planned Unit Development (PUD) review within the SC-S: Station Community Sunset District. This requirement conflicts with ORS 197.307(4), which requires clear and objective standards for housing. Because PUD is a discretionary review, there is currently no clear and objective review path for housing in the SC-S zone. This can present a procedural barrier to building housing in the SC-S zone.
- The City of Beaverton recently updated its provisions for the South Cooper Mountain Community Plan Area to no longer require PUD within that area. That effort could serve as an example for establishing a clear and objective review path for housing in the SC-S zone.

Considerations

- Reduces Development Code barriers to adding more housing in multi-dwelling (apartment) and multiple-use zones where more units, activity, and vibrancy are desired and expected.
- May better enable development of higher-density housing with smaller dwelling units, which could fit into the same size building as a development with fewer, larger units.
- Could increase the chances of redevelopment and displacement and requires equity considerations to be part of changes.

Anticipated Impact

- **Populations served:** Moderate to higher income households (but could also benefit income-restricted multi-dwelling housing)
- **Income level:** 80% AMI and above
- **Housing tenure:** For sale or rent

³ Beaverton Housing Options Project, <https://www.beavertonoregon.gov/399/Housing-Options-Project>.

- **Magnitude:** Low – This action will not directly result in production of new units, but will remove barriers to higher-density housing. The magnitude of impact will depend on the amount of land in multi-dwelling and multiple-use zones that is vacant or potentially redevelopable.

Time Frame Medium term (FY25 or 26)

Impact: The action can begin to have impact after it is implemented in the BDC.

**Implementation
Actions**

- Further evaluate development standards in the MR and multiple-use districts.
- Work with developer/housing stakeholders to vet potential BDC revisions.
- Draft code amendments for site development standards in the MR and multiple-use districts.
- Potentially integrate BDC amendments with code updates to support transit-oriented development opportunities, associated with TriMet’s Better Red project.
- Mitigating Displacement: Consider using DLCD’s Anti-Displacement and Gentrification Toolkit to assess displacement risk in areas that would be affected by increased development flexibility.
- Revise the code to remove PUD requirements for housing in the SC-S zone and establish new clear and objective review criteria.
- Work with Beaverton’s Planning Commission and City Council to adopt code amendments.

Lead & Partners

Lead: Beaverton Community Development

Partners: Developer and housing stakeholders

1.3 Facilitate Single Room Occupancy (SRO) housing in more areas [A07]

Description

An SRO is a building with multiple single-room dwelling units for individuals, sometimes with shared kitchens and bathrooms outside the unit.

Single room occupancy (SRO) is a form of housing in which the units share bathroom or kitchen facilities with other units on the floor or in the building. SROs are typically aimed at those earning low or very low incomes.

“Micro housing” or “micro apartments” are a related type of housing that has been gaining in popularity in recent years, mostly in larger cities so far. Micro housing is usually defined as units under 400 SF that may or may not share kitchen facilities with other units on the same floor. While typically marketed as higher-end units compared to SROs, micro apartments are usually more affordable than standard apartments due to their size and shared amenities. They can be a viable option for individuals with lower incomes, or for those who simply desire to live with less space and fewer private amenities.

To facilitate development of SROs and micro housing in Beaverton, the following

BDC updates are recommended:

- Add definitions for SRO and micro housing. These forms are not currently defined and do not fit neatly into the definition of “dwelling” or multi-dwelling housing. As an example, Vancouver, Washington recently updated its code to define Micro Housing Units as 120-400 SF units that may or may not have shared facilities.⁴
- Add SROs and micro housing to the land use tables and allow them where multi-dwelling housing is permitted.
- Consider prorating density calculations for SROs and micro housing (if density limits are retained). In the current BDC, it is unclear how density would be calculated, given that SROs and micro housing do not consist of typical dwelling units (each of which must have independent living facilities). A potential approach is to count each SRO/micro housing unit as 0.25 dwelling units for the sake of calculating density. This would incentivize these types of lower-cost housing and would make them more feasible to build and rent. (This would not be necessary if density limits are removed, per Strategy 1.2).

Considerations

- SROs and micro housing may not have a strong potential for market-rate development in Beaverton at this time. However, they could become more feasible if housing prices continue to rise.
- May be more affordable, but won’t serve everyone’s needs (families).
- Could present opportunities for subsidized, transitional, or supportive housing, as well as for employer-provided workforce housing.
- Potential for units to serve chronically homeless individuals.

Anticipated Impact

- **Populations served:** Primarily lower-income households, including extremely low income; housing insecure or people experiencing homelessness; seniors
- **Income level:** Focus on 0-80% AMI
- **Housing tenure:** For rent
- **Magnitude:** Low – This action will not directly result in production of new units, but will remove barriers to production of SROs and micro housing.

Time Frame

Medium term (FY25 or 26)

Impact: The action can begin to have impact after it is implemented in the BDC.

Implementation Actions

- Work with developer/housing stakeholders to vet potential BDC revisions.
- Draft code amendments for definitions, land uses, site development standards, and potentially special use regulations.
- Work with Beaverton’s Planning Commission and City Council to adopt code amendments.

Lead & Partners

Lead: Beaverton Community Development

Partners: Developer and housing stakeholders

⁴ Vancouver Municipal Code, Ch. 20.815 Micro Housing Units. <https://vancouver.municipal.codes/VMC/20.815>

1.4 Apply manufactured housing community preservation zones [A16]

Description This strategy would change the zoning of existing manufactured home parks (also known as manufactured housing communities) to a single-use zone that only allows manufactured home parks.

Manufactured home parks tend to fulfill housing needs at lower income levels for both owners and renters, and often represent some of the lowest-cost home ownership opportunities available in a community. Manufactured housing currently accounts for 1% of Beaverton’s housing stock and is expected to account for over 4% of the 20-year projected housing need.⁵

Manufactured home parks and their occupants face risks of displacement as rising land costs put pressure on park owners to selling their property for redevelopment. Establishing zones that designate areas specifically for manufactured home parks is a direct action that the City can take to help prevent these properties from being redeveloped, limit displacement of residents, and preserve existing low-cost housing stock.

The City of Portland established a Residential Manufactured Dwelling Park (RMP) zone in 2018, which preserved 56 manufactured home parks in the city. Portland allows unused residential density to be transferred to other sites zoned for multi-dwelling use (i.e., allows development rights to be sold to other developers). This creates an economic commodity for MHP owners and also preempts potential takings claims.⁶

The City of Cornelius also applies the Manufactured Housing Park zoning designation to manufactured home parks in the city.

Considerations

- Ensures preservation of least restrictive housing and enables affordable ownership opportunities.
- Reduces property owner options by limiting land uses on the lot. Allowing transfer of development rights, similar to Portland, could counteract that to some extent.

Anticipated Impact

- **Populations served:** Low income households; seniors
- **Income level:** 0-80% AMI
- **Housing tenure:** For sale or rent
- **Magnitude:** Moderate – This action will not produce new units, but will preserve existing low-cost housing (aka “naturally occurring affordable housing”) and will help prevent displacement of vulnerable residents. There are four existing manufactured home parks in Beaverton, with a total of 323

⁵ Beaverton Housing Needs Analysis, 2022.

⁶ Greauxing Resilience at Home, Georgetown Climate Center.

https://www.georgetownclimate.org/files/Louisiana%20Regional%20Vision/Greauxing_Resilience_Portland.pdf

spaces.⁷ Therefore, this strategy has the potential to preserve up to 323 affordable homes.

Time Frame	Medium term (FY25 or 26)
	Impact: The action can begin to have impact after it is implemented via zone changes and BDC amendments.
Implementation Actions	• Inventory existing manufactured home parks. • Conduct outreach to manufactured home park residents and owners to hear from those who would be impacted by the zoning changes. • Develop a new Manufactured Housing Community zone. Consider provisions such as transfer of development rights (similar to Portland’s program) to compensate manufactured home park owners and balance the new restrictions. • Work with Beaverton’s Planning Commission and City Council to adopt code amendments, Comprehensive Plan amendments, and map amendments.
Lead & Partners	Lead: Beaverton Community Development Partners: Manufactured home park residents and owners, community-based organizations

1.5 Mixed housing types in urban growth boundary expansion areas [A22]

- Description** This strategy will ensure there are mixed housing types in urban growth boundary (UGB) expansion areas through both clear and objective standards and discretionary processes.
- Requiring some housing variety, rather than just allowing various housing types and leaving the mix entirely up to market forces, ensures a range of housing types will be provided—including middle housing (plexes, townhomes, and cottage clusters). This can meet the housing needs of a wider variety of people and contribute to the creation of inclusive neighborhoods.
- The City of Beaverton is currently working to ensure that development within new planning areas includes a variety of housing types.
- **Existing Measure:** The BDC already requires developments in the South Cooper Mountain Community Plan Area to provide at least two or three different types of housing, depending on the size of the site. The City recently updated these provisions to include a clear and objective review path.

⁷ Washington County, Manufactured Housing Communities: Facts, Risks, and Resources, 2022.
<https://www.washingtoncountyor.gov/commdev/documents/mfg-housing-communities-report-low-resolutionpdf/download?inline>

- **Future Measure:** The City is currently working on future regulations for the Cooper Mountain Community Plan area (added to the UGB in 2018) to ensure development of a variety of housing types. In addition to a minimum mix of housing types, the City is proposing to require a minimum amount of middle housing in the Residential Mixed (CM-RM) zone, and to require integration of middle housing within all neighborhoods in that zone. Staff recommend providing developers with options for meeting the integration requirements.⁸

For both the South Cooper Mountain and Cooper Mountain areas, the code will also offer a discretionary option, such as approval of a Planned Unit Development. This will provide developers with more flexibility in choosing the arrangement of housing types on a property, as long as the proposal meets guidelines for mix/integration of housing types.

Considerations

- This strategy would increase market-rate housing choices in new neighborhoods—including middle housing options that may be less expensive than typical single-detached homes.
- It is challenging to add affordable or lower-cost housing in new expansion / greenfield development areas due to additional infrastructure cost. These higher development costs typically translate to higher housing costs for buyers and renters.
- Integrating different housing types within neighborhoods would enable people of varied incomes and housing choices to live close to each other.
- Developers have cautioned against requirements that are overly prescriptive—such as requiring block-level housing integration. These types of requirements can make development less feasible. Flexibility for achieving housing mix/integration is desired.

Anticipated Impact

- **Populations served:** Moderate to higher income households
- **Income level:** 80% AMI and above
- **Housing tenure:** For sale or rent (however, middle housing developed in greenfield settings is anticipated to be mostly for-sale product, such as townhomes)
- **Magnitude:** Moderate to high – This action will ensure middle housing types are developed in Cooper Mountain and other UGB expansion areas. A total of 3,648 units are planned for the CM-RM zone. If 20% - 40% of units are required to be middle housing, that would mean roughly 730 to 1,460 new middle housing units.

Time Frame

Near term (FY24)

Impact: The Cooper Mountain Community Plan will be completed in 2024. The action will begin to have impact once development begins. When development will occur depends on providing of infrastructure, the City determining a funding strategy, and the timing of annexation. Full build-out timeline is unclear but likely years out.

⁸ City of Beaverton, Zoning Approach for Cooper Mountain – Residential Mixed Zone, 10/5/2022. https://beaverton.granicus.com/MetaViewer.php?view_id=3&clip_id=2692&meta_id=159412

- Implementation Actions**
- Complete the Cooper Mountain Community Plan.
 - Draft updates to the BDC to implement zoning approaches identified in the Community Plan.
 - Work with Beaverton’s Planning Commission and City Council to adopt the Community Plan and BDC amendments.

Lead & Partners **Lead:** Beaverton Community Development
Partners: N/A

1.6 Accessible design incentives or mandates [A23]

Description This strategy involves incentives or mandates to increase development of housing that is accessible for seniors and people with disabilities or mobility challenges. The Beaverton HNA identified a need for 1,190 new housing units by 2042 (12% of the total need) with accessibility considerations for people with varying disabilities and needs.

This could include:

- Bonuses for height, density, lot size, or floor area ratio (FAR).
- Tax abatements (see Strategy 4.1).
- Requiring visitable units in middle housing or multi-dwelling development or requiring a percentage of fully accessible units in publicly funded projects.

Potential Standards. Eligible units (for either incentives or mandates) could be required to meet certain standards – which would go beyond minimum federal requirements or could target housing not subject to these requirements (e.g., single-dwelling homes and middle housing).⁹ Options include:

- **Universal Design** is a building concept that incorporates design layouts and characteristics into residences to make them usable by the greatest number of people and respond to the changing needs of the resident. Universal Design incorporates standards for features such as hallways, doorways, bathrooms, and kitchens that make these features usable for people with disabilities or adaptable for that purpose.¹⁰
- **Lifelong Housing Certification** is a program developed by the Rogue Valley Council of Governments (RVCOG) in partnership with AARP Oregon as a voluntary certification process for evaluating the accessibility and/or adaptability of homes. Residences can be certified at three levels based on

⁹ Multi-dwelling developments are subject to the Fair Housing Act; for buildings with an elevator, all units must be accessible; for those without an elevator, all ground floor units must be accessible. Housing projects receiving public funding are subject to federal laws (Section 504 of the Rehabilitation Act of 1973 and/or Title II of the ADA), which require 5% of units to be mobility-accessible. Source: Disability Law Handbook, Southwest ADA Center. <http://www.southwestada.org/html/publications/dlh/housing.html>

¹⁰ Universal Design Standards, West Virginia Housing Development Fund. <https://tinyurl.com/yx63h792>

the extent of their accessibility: (1) Visitable (basic accessibility for visitors); (2) Fully Accessible (accessible for a person in a wheelchair on the main floor); and (3) Enhanced Accessibility (customized for specific accessibility needs).¹¹

- **Visitability** is a design approach for new housing that allows anyone who uses a wheelchair or other mobility device to visit the home. A visitable home typically includes:
 - A zero-step entrance;
 - Wide interior doors; and
 - A half bathroom on the main floor.

Potential Requirements. Mandates for accessibility features could take various forms:

- **Require visitability in middle housing development.** For example, in the City of Portland’s single-dwelling zones, at least one unit in a triplex or quadplex and 33% of units in a cottage cluster are required to be visitable (PZC 33.110.265.E and .G). Visitability is most relevant for buildings with fewer than four units, townhouses, and detached homes that aren’t subject to ADA requirements.
- **Require housing that receives public funding to provide more accessible units or more accessibility features.** The City could apply accessibility standards beyond what is federally required for projects that are funded through City dollars (i.e., subsidized affordable housing). This could mean applying the standards to a higher percentage of units than would otherwise be required (above 5%) and/or requiring units to meet higher Universal Design or Lifelong Housing Certification standards.
- **Require elevators in some or all multi-story buildings.** Currently, the Building Code only requires elevators to reach common spaces (such as exercise rooms) or units that are federally required to be accessible. Requiring elevators in one or more multi-dwelling buildings would provide access to all levels of that building. It would also make all units “covered” units under the Fair Housing Act, meaning all units would need to have baseline accessibility features.

Considerations

- Accessibility features can add to the cost of construction for a development, which can make housing projects less financially feasible. Elevators, in particular, add significant cost to a project and can make it harder for the market to deliver moderately priced new apartments.
- Requirements would reduce the number of units that could be provided in a building (because bathrooms and other areas need to be larger.) While this may provide more accessible units, it could prevent some affordable housing projects from being developed.

¹¹ Lifelong Housing Program, RVCOG. <https://rvkog.org/home/sds-2/lifelong-housing-program/>

	• As with any large cost factor in a development, the expense can become more feasible if shared across a larger building with more units. Requirements could be tied to project size. • Developers see incentives (height/FAR bonuses or financial incentives) as a more effective way to encourage accessible housing. • Regarding visitability: A criticism is that visitability does not ensure fully accessible living for the occupants of a home. It is intended to benefit folks visiting the unit, but does not ensure that the bedroom, kitchen, or other living spaces are usable for those using wheelchairs or other mobility devices.
Anticipated Impact	• Populations served: Seniors; people with disabilities • Income level: All income levels • Housing tenure: For sale or rent • Magnitude: Moderate – Depending on how the strategy is structured, it could lead to production of a significant number of new units with accessibility features. However, the strategy could also have the effect of deterring housing production if requirements are too onerous.
Time Frame	Medium term (FY25 or 26) Impact: The action can begin to have impact after it is implemented in the BDC or adopted as a financial incentive.
Implementation Actions	• Code bonus. ○ Evaluate a potential new height/FAR bonus with input from housing stakeholders. ○ Consider whether a bonus should apply in all zones or only certain zones. ○ A potential accessibility bonus should be carefully considered in conjunction with any other potential bonus provisions (see Strategies 1.7 and 2.4). ○ Implement via BDC updates. • Code requirement. ○ Evaluate potential new accessibility requirements, working closely with non-profit and market-rate housing developers to understand how their projects might be impacted. ○ Conduct a pro forma analysis to evaluate potential impacts to project costs. ○ Implement via BDC updates. • Financial incentive. ○ Develop an incentive program (e.g., MUPTE, Strategy 4.1) to increase the number of dwelling units designed accessibly. ○ Work with developers to gather feedback on program parameters and interest. ○ Implement incentive program through Council action.
Lead & Partners	Lead: Beaverton Community Development

Partners: Home Building Association of Greater Portland; Fair Housing Council of Oregon; AARP; Rogue Valley COG; non-profit and for-profit housing developers.

1.7 Encourage multigenerational housing through incentives and removing code barriers

Description This strategy would encourage various opportunities for multigenerational living by removing barriers in the code and by providing financial or regulatory incentives.

The Beaverton HNA reports a growing demand for multigenerational living opportunities. The report estimates that 17% of new forecasted households will be multigenerational households, which translates to a need for roughly 1,650 new units over the next 20-years. The HNA also notes that, nationwide, communities of color (especially Asian, Black, and Latine) live in multigenerational households at roughly twice the rate as White Americans (24-26% vs. 13%).¹² Multigenerational households offers advantages in terms of pooling financial resources, providing childcare, and caring for elders.

Multigenerational households may benefit from greater availability of housing units with multiple bedrooms (e.g., multi-dwelling units with 3+ bedrooms). These households may also benefit from occupying two or more dwelling units that are on the same lot or development site (e.g., in an ADU or a duplex).

The City could encourage multigenerational households in several ways:

- **Height/FAR bonus for multiple bedrooms.** In multi-dwelling housing, multigenerational families that share a single unit will need more bedrooms than are typically provided. A height or FAR bonus program could encourage multi-bedroom units and could help offset the financial impact of providing such units in a development. For example, the City of Portland provides an FAR bonus in its Multi-Dwelling Zones if at least 50 percent of the dwelling units on the site have at least three bedrooms and are affordable to those earning no more than 100 percent of the area median family income.¹³
- **Financial incentive for multiple bedrooms.** The MUPTE tax abatement program could be structured to incentivize multi-bedroom units. See Strategy 4.1.
- **Allow an ADU with a townhouse.** Accessory dwelling units can accommodate a range of multigenerational living arrangements and can adapt to a family's changing needs. Beaverton currently allows one ADU on a lot with a single-detached dwelling, as required by state law. The City could consider also allowing ADUs with townhouses (e.g., as a basement unit or in a detached unit in the backyard). As an example, the City of Hillsboro allows ADUs with townhouses. The units are subject to the same standards regardless of whether they are accessory to a single-detached dwelling or townhouse.¹⁴

¹² The Beaverton HNA cites the following source: Pew Research Center, 'The Demographics of Multigenerational Households.'

¹³ PZC Section 33.120.211. https://www.portland.gov/sites/default/files/code/120-md-zones_1.pdf

¹⁴ Hillsboro CDC, Section 12.40.100. https://library.qcode.us/lib/hillsboro_or/pub/municipal_code/item/chapter_12-subchapter_12_40-12_40_100.

[See Strategy 2.2 for additional strategies to support ADU development.]

- **Legalize alternative housing types on wheels.** Many smaller housing formats are built on wheels, including tiny homes on wheels (THOWs), park model homes, and recreational vehicles (RVs). Many local codes (including Beaverton’s) classify THOWs and park model homes as RVs and prohibit siting these housing types outside of manufactured home and RV parks.

THOWs are typically lower in cost than homes constructed on a foundation and their mobility makes them more adaptable to changing household needs—these are both advantages to multigenerational living. Permitting these housing types, with appropriate siting standards to ensure adequate public facilities access and life/safety, can provide additional permanent or interim housing options outside of manufactured home/RV parks.

As an example, the City of Portland updated its City Code in 2021 to allow permanent occupancy of THOWs and RVs on a lot with an existing home. THOWs and RVs continue to be classified as vehicles in the code and are therefore not considered “dwelling units” or buildings. Thus, they are not subject to typical development standards that apply to buildings; rather, they are subject to siting standards related to parking.¹⁵

Considerations

- **Height/FAR bonus or MUPTE for multiple bedrooms.** Developers and housing providers have noted that multi-bedroom (“family size”) units are very difficult to pencil out because fewer such units can fit into a building, thus reducing revenue potential (because they generate less revenue per square foot). Incentives could work to encourage developers to build more family units, but they would need to be calibrated to effectively offset these additional costs. Another potential challenge is that units with more bedrooms will be more expensive rent and may not serve as many low- and moderate-income households.
- **Allow ADU with townhouse.** Because it goes beyond the state’s requirements, the City would have more flexibility to regulate ADUs with townhouses. For example, it could further limit the size of the ADU, below the maximum 800 feet in the current code. It could also have additional requirements for where the ADU is placed
- **Legalizing housing types on wheels.** While some may welcome new housing options, there may be some community opposition to allowing full-time occupancy of RVs and THOWs. The City would need to carefully consider the siting/parking standards to limit impacts to neighboring properties. Also, there is no good path to converting THOWs for permanent living, unless they are constructed to the building code (ORSC) standards under the state’s prefabrication program.
Allowing occupancy of tiny homes on wheels and RVs would offer a housing option for those with few other choices. Living in an RV is not a permanent

¹⁵ City of Portland, Occupied Recreational Vehicles, including Tiny Houses on Wheels.
<https://www.portland.gov/bds/zoning-land-use/zoning-code-overview/occupied-rvs-and-tiny-houses-wheels#toc-electrical-requirements>

	housing solution for most people, but offers an option for those who may otherwise lose their housing and could provide shelter for those who are already unhoused. THOWs could offer more permanent housing and opportunities for those who could not otherwise afford to own their own homes.
Anticipated Impact	• Populations served: Multigenerational households; large families; seniors; communities of color • Income level: All income levels • Housing tenure: For sale or rent • Magnitude: Low – The potential actions under this strategy would not directly lead to production of new units, but they would broaden options for multigenerational families.
Time Frame	Implementation: Multi-bedroom bonus and ADUs with townhouses: Medium term (FY25 or 26); Legalizing housing types on wheels: Longer term. Impact: The action can begin to have impact after it is implemented in the BDC or adopted as a financial incentive.
Implementation Actions	• Multi-bedroom bonus: ○ Evaluate a potential new height/FAR bonus with input from housing stakeholders. ○ Consider whether a bonus should apply in all zones or only certain zones. ○ A potential accessibility bonus should be carefully considered in conjunction with any other potential bonus provisions (see Strategies 1.6 and 2.4). ○ Implement via BDC updates. • ADUs with townhouses: ○ Conduct community and developer outreach to assess interest and concerns. ○ Consider additional code standards to limit impacts of additional units and density. ○ Implement via BDC updates. • Legalize housing types on wheels: ○ Conduct community and outreach to assess interest and concerns. ○ Develop standards to ensure safe/healthy living conditions and to limit impacts to neighboring properties. ○ Implement updates to the BDC and Beaverton Municipal Code.
Lead & Partners	Lead: Beaverton Community Development Partners: N/A

1.8 Analyze impact of short-term rentals on overall housing supply and create regulations [A09]

Description Short-term rentals are homes or bedrooms rented out for short periods of time, typically via online platforms such as Airbnb.

Short-term rentals can be seen as an investment strategy for homeowners and small investors, but can also remove rental housing supply from the market. This can drive up rental rates in the local housing market. To avoid this effect, some communities regulate short-term rentals by defining allowed uses, occupancy standards, and how many days they can operate consecutively.

Beaverton should evaluate the extent to which short-term rentals are a concern for the community. At minimum, the City should track short-term rental units using a permitting system (which could involve a licensing fee). This would provide information about the number and type of short-term rental units in the city, which could be used to evaluate whether it is necessary to further regulate short-term rentals.

Regulations and enforcement procedures should scale with the extent to which short-term rentals are an issue in Beaverton. The City should not impose extensive regulations if short-term rentals are not resulting in measurable issues.

- Considerations**
- Short-term rentals are not currently regulated by Beaverton's Development Code, but they are known to exist.
 - Regulating short-term rentals may open up more long-term rental opportunities.
 - This strategy may not be as impactful as other strategies in meeting housing needs.
 - Some homeowners use short-term rental as a way to finance construction of an accessory dwelling unit, which they eventually intend to rent on a long-term basis.¹⁶
 - If the City severely limits short-term rentals, this may make it more difficult for a household dependent on short-term rentals for income to afford their housing.

- Anticipated Impact**
- **Populations served:** Moderate to higher income households
 - **Income level:** 80% AMI and above
 - **Housing tenure:** For rent
 - **Magnitude:** Low – This strategy will not produce new units, but it will help ensure existing rental units remain available on the market.

Time Frame Medium term (FY28)

Impact: This strategy can begin to take effect once it is implemented via new permitting systems and Code updates.

¹⁶ AARP, The ABCs of ADUs, <https://www.aarp.org/livable-communities/housing/info-2019/accessory-dwelling-units-adus.html>.

**Implementation
Actions**

- Develop a system to track and monitor the number and locations of short-term rentals.
- Have public discussions to determine the extent to which short-term rentals are perceived as an issue. Review code violations associated with short-term rentals (if any) to identify and measure negative impacts.
- If short-term rentals are problematic, evaluate regulations to restrict use or to incentivize moderate use.
- Work with the Planning Commission and City Council to adopt regulations and enforcement procedures by ordinance.

Lead & Partners

Lead: Beaverton Community Development

Partners: Neighborhood groups and residents; Operators of short-term rentals.

CATEGORY 2. Reduce Regulatory Impediments

These strategies address known impediments to providing needed housing. These include but are not limited to zoning, permitting, and infrastructure impediments.

2.1 Permit-ready plan sets for middle housing types [A20]

Description Permit-ready plan sets have been reviewed in advance for conformance with zoning and building codes. Permit-ready plan sets can reduce housing development costs by reducing design and permit process times and fees. This strategy could be used to encourage more development of middle housing typologies, such as duplexes, townhomes, and cottage clusters.

Permit-ready plans can reduce costs in three main ways:

- **Streamlining permit processes** – Permitting times are frequently cited by market-rate builders a major barrier to housing production, as delays in permitting often translate into increased costs.
- **Reducing permit fees** – The Building Department may decrease permit review charges for applicants because of the simplified review.
- **Reducing design fees** – The builder would pay less in professional services to architects, etc.

Offering permit-ready plans for middle housing types could help attract developers that typically develop only single-family housing to get into missing middle housing production.

Middle housing builders have expressed support for this strategy and believe it would be frequently used and would cut down on costs.

- Considerations**
- A potential consequence is too much architectural uniformity. However, this is already difficult to avoid, as many builders use building plans multiple times.
 - Consider partnering with a university, design institution, or developing a competition to produce plans.
 - Once developed, the City could offer the plans for a small fee, which could help offset the costs of developing the program. Alternatively, the City could work with a number of design firms to pre-approve their plans and offer them for a reduced fee. Local design firms might see this as a marketing opportunity to sell their permit-ready plans multiple times.
 - There would be some upfront costs associated with developing the permit-ready plans, including paying design fees for architects that develop the base plans, and dedicating staff time for working with the architects and reviewing the plans.
 - Variable site characteristics such as utility services, topography, and property dimensions cannot be universally anticipated; could limit usefulness and savings.

Anticipated • **Populations served:** Moderate to higher income households

Impact	• Income level: Likely 80% AMI and above
	• Housing tenure: For sale or rent
	• Magnitude: Moderate – This strategy would likely lead to more development of middle housing in the city. The cost savings to builders wouldn’t necessarily translate to reduced sale prices or rents, but would deliver more housing.
Time Frame	Longer term (beyond FY28)
	Impact: The action can begin to have impact after the permit-ready plans are pre-approved and made available to builders.
Implementation Actions	• Evaluate which housing type(s) to adopt plans for and which programmatic approaches to pursue.
	• Develop middle housing type plans in collaboration with one or more of the partners discussed above.
	• Work with the Building Division to ensure plans meet all City Code standards, approve the plans, and adopt reduced fees for the plans.
	• Work with the Building Division to implement a streamlined review process.
Lead & Partners	Lead: Beaverton Community Development (including Building Division)
	Partners: Universities, design institutions, and/or design firms

2.2 Facilitate and encourage accessory dwelling units (ADUs)

Description	Accessory dwelling units (ADUs) are a type of housing located on the same lot (and sometimes in the same structure) as a primary dwelling unit. They are generally smaller in size compared to the primary home and come in a number of different configurations. In Beaverton, there may be one ADU per primary home, either attached or detached from it. Cities have several tools at their disposal to encourage development of ADUs. An in-depth analysis prepared by ECONorthwest examined three of the most common strategies in Oregon and their potential application in Beaverton: 1. Offer City System Development Charge (SDC) exemptions. 2. Offer permit-ready plans for ADUs and waive or reduce building permit fees. 3. Offer a low-interest loan product. Refer to ECONorthwest’s separate analysis memo for more information about each of these options.¹⁷
Considerations	• SDC exemptions:

¹⁷ ECONorthwest for the City of Beaverton, “Analysis of Selected Housing Strategies: Multiple Unit Property Tax Exemption and Addressing Non-Regulatory Barriers to Accessory Dwelling Units,” dated March 10, 2023.

	○ Lowers permitting costs. However, the City can only waive its own SDCs, which account for only a portion of the total SDCs charged by all service providers. ○ A larger coalition would be necessary to get other service districts to waive SDCs. ○ Waiving City Water SDCs would mean foregone revenue by the Public Works Department. ● Permit-ready plans: ○ Lowers ADU site and building design costs, which could lead to an increase of new ADU units. ○ Potentially increases the city's rental stock. ○ Potentially increases short-term rental options, negating new long-term rental units. ○ Potential consequence is too much architectural uniformity. ○ Variable site characteristics such as utility services, topography, and property dimensions cannot be universally anticipated; could limit usefulness and savings. ● Low-interest loans: ○ Increases access to financing, which could make ADU construction more viable for a broader range of homeowners in Beaverton. ○ The City could work with local institutions to help create more viable loan options that would help fill in the financing gap, particularly needed by older adults and low to moderate-income households. ○ Likely requires a new funding source.
Anticipated Impact	● Populations served: Moderate to higher income households ● Income level: Likely 80% AMI and above ● Housing tenure: For rent ● Magnitude: Low to Moderate – The magnitude of impact depends on which of the above options is pursued. Low-interest loans and permit-ready plans may have a larger impact on ADU production than exempting City Water SDCs.
Time Frame	Longer term (beyond FY28) Impact: The action is expected to have impact over the longer term.
Implementation Actions	● Further evaluate this strategy to determine which option(s) would be most effective and feasible in Beaverton. ● Engage with homeowners and builders to assess interest in, and barriers to, ADU construction. ● Collaborate with financial institutions on potential low-interest loan options and identify a funding source to finance the program. ● Changes to SDC policy require City Council adoption. ● For permit-ready plan implementation, see Strategy 2.1.

Lead & Partners	Lead: Beaverton Community Development Partners: Other service providers; Universities, design institutions, and/or design firms; Financial institutions
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2.3 Remove minimum parking requirements [B01]

Description The City plans to remove minimum vehicle parking citywide as part of implementation of new state rules on Climate Friendly and Equitable Communities (CFEC).

Considerations N/A

Anticipated Impact

- **Populations served:** All income levels – but especially low to moderate income households
- **Income level:** All income levels – especially 30-120% AMI
- **Housing tenure:** For sale or rent
- **Magnitude:** High – This action is likely to have the most impact on market-rate multifamily and regulated affordable housing. Parking mandates are often cited as a major barrier for those types of development.

Time Frame Near term (FY23)
Impact: The action will begin to have impact as soon as the parking mandates are removed.

Implementation Actions The City plans to adopt BDC amendments to remove vehicle parking mandates in 2023 to comply with CFEC rules. No further action is necessary to implement this strategy.

Lead & Partners **Lead:** City of Beaverton Community Development
Partners: N/A

2.4 Flexible regulatory concessions for affordable housing [B07]

Description Some development regulations can present obstacles or add costs to housing development. These obstacles are particularly challenging for developments built by housing authorities, non-profit developers, or even for-profit developers that are attempting to build units affordable to people with lower or moderate incomes. In order to support these developments, the City can offer concessions on development code standards—such as height or FAR bonus provisions.

Note: Senate Bill 8 (2021 session) requires cities to allow affordable housing that meets specific criteria on a wide range of sites and provides height and density bonuses. For height, the bonus is one to three stories, depending on existing

density limits in the zone.¹⁸ If the height/density bonus exceeds the local bonuses for affordable housing, the SB 8 bonus will apply directly. This should be a factor in the City’s analysis of potential new bonuses—although it does not appear that a local FAR bonus would be affected. The City could also incorporate SB 8’s provisions into the BDC, though this is not required; the allowances established by SB 8 are available regardless of local adoption.

If additional local bonus provisions were to be considered, the Multi-Unit Residential (MR) and Multiple Use zones would be likely candidates.

Considerations	• A height/FAR bonus likely would not incentivize private developers to include affordable units in their projects. These types of bonuses typically won’t lead to mixed-income development on their own unless the base entitlements are very low and there’s a lot of demand for more density. • The bonus would more likely be a way to allow affordable developers to make more efficient use of land and potentially better compete for land with market-rate developers. Non-profit housing providers have indicated that such bonuses can be very effective.
Anticipated Impact	• Populations served: Low-income households • Income level: 0-80% AMI • Housing tenure: For rent • Magnitude: Low to moderate – This strategy might lead to small percent increase in the number of units that are possible for affordable housing developments.
Time Frame	Medium term (FY25 or 26) Impact: The action can begin to have impact after it is implemented in the BDC. The statutory bonuses under Senate Bill 8 are already available.
Implementation Actions	• Consult with affordable housing providers to determine what height/FAR incentives would be most beneficial in supporting their work. • Evaluate SB 8 to determine how the statutory bonuses compare to the potential new bonuses. • Implement through BDC updates.
Lead & Partners	Lead: Beaverton Community Development Partners: Affordable housing providers

¹⁸ The requirements of Senate Bill 8 were added to the Oregon Revised Statutes as ORS 197.308.

2.5 Align bike parking requirements with actual use [B13]

Description Excessive parking requirements can add unnecessary costs to development. This is especially true for vehicle parking, but bicycle parking requirements can also make housing more expensive to build.

The BDC has minimum bicycle parking requirements for all housing types, as follows:

	Short Term	Long Term
Single-Detached Dwellings and Middle Housing	1 space per unit	1 space per unit
Multi-Dwelling Structure	2 spaces or 1 space per 20 units	1 space per unit

The City's bicycle parking requirements will eventually be updated in a future Transportation System Plan (TSP) and BDC update, in order to comply with CFEC requirements.

In the meantime, the City should evaluate existing bicycle parking requirements and usage to determine whether they are excessive. The City has heard anecdotally that the standards are too high and that parking spaces are not always utilized. This is likely more of an issue for multi-dwelling structures, as opposed to single-dwelling or middle housing, where bicycle parking is often provided in individual garages. The City could conduct a survey of actual bicycle parking usage in multi-dwelling structures to understand whether the reality reflects the perception.

One idea that has been discussed in Beaverton as an alternative to reducing bicycle parking requirements is to create flexibility by allowing developers to convert vehicle parking or storage space into bicycle parking in the future, should demand exceed the available parking spaces.

Considerations

- This strategy could potentially reduce costs and prevent overbuilding of bike parking in cases where existing parking ratios are too high.
- Updated requirement should still ensure adequate bicycle parking to allow people using bicycles to access housing, commercial opportunities, and jobs.

Anticipated Impact

- **Populations served:** Low to higher income households
- **Income level:** 30% AMI and above
- **Housing tenure:** For rent
- **Magnitude:** Low – Reducing parking requirements or adding more flexibility may reduce costs for development, but it is unlikely to influence production of a large number of new units.

Time Frame Near term (FY24/25)
Impact: The action can begin to have impact after it is implemented in the BDC.

Implementation Actions

- Conduct a survey of bicycle parking usage at a sampling of multi-dwelling developments in the city.

- Work with housing developers, property managers, and to better understand the costs and usage of bicycle parking. Also conduct direct outreach to multi-dwelling residents to understand their needs and desires for bicycle access and storage.
- If the City’s evaluation indicates that modifying bicycle parking requirements is warranted, update the BDC to either reduce parking ratios or to allow flexibility to adapt spaces in the future.
- Longer-term, this strategy could also involve updates to the TSP.

Lead & Partners **Lead:** Beaverton Community Development
Partners: Multi-dwelling housing developers, property managers, and residents

2.6 Holistic planning to distribute new density more equitably [B16]

Description In Beaverton (like in most cities), opportunity is not distributed equitably. Some neighborhoods have greater access to high-quality schools, employment centers, natural resources, recreation, transit, and other amenities and services that enhance quality of life for residents. Such “high-opportunity neighborhoods” typically have more expensive housing than areas that offer fewer opportunities, which limits lower-income households from benefiting from these opportunities. Such inequitable access to opportunity disproportionately impacts communities of color.

This strategy would work to increase housing access and equity in high-opportunity neighborhoods by allowing more housing variety and lower-cost housing options in high-opportunity neighborhoods.

The strategy would involve assessing different parts of the city based on their level of access to opportunity, as targeting strategies to increase equitable housing options in those areas. This could be undertaken as a citywide project or studies could focus on smaller neighborhoods or areas.

Potential actions to increase housing access in high-opportunity neighborhoods include:

- Targeted rezoning (e.g., from a Residential Mixed designation to MR) and updates to the BDC
- Facilitating property-owner-led rezoning by pre-qualifying certain areas based on their location and proximity to services; this would reduce the burden on the property owner to justify a proposed zone change
- Creating location-specific bonus programs for high-density or affordable housing
- Focusing certain financial incentives in targeted areas (the City already does this with its Vertical Housing Development Zones)
- Acquiring land for affordable housing development

Considerations

- Some neighborhoods are already developed with single-detached homes, and implementing this strategy might require allowing new uses (in addition to middle housing) in those neighborhoods.
- Some possible upzoning could lead to loss of low-cost market rate houses. Anti-displacement programming may need to be paired with this strategy.
- This strategy should coordinate transportation and land use planning. Ideally, affordable or higher-density housing should have strong access to transit and active transportation options.
- Potential rezoning should consider size, ownership, and opportunities for development or redevelopment. Larger and vacant or underdeveloped land is more likely to be developed and will provide more capacity for additional housing.

Anticipated Impact

- **Populations served:** Low to moderate income households, communities of color
- **Income level:** 30-120% AMI
- **Housing tenure:** For sale or rent
- **Magnitude:** The potential magnitude of impact would vary widely, depending on how the City approaches this strategy—how many areas are rezoned, how targeted the City’s actions are, etc.

Time Frame

Longer term (beyond FY28)

Impact: This strategy is expected to have impact housing production over the longer term.

Implementation Actions

- Identify where high-opportunity areas are located. Assign ratings based on the types and quality of amenities nearby. See Portland’s and the Puget Sound Regional Council as examples.^{19,20}
- Analyze demographic and economic data to understand the characteristics of high- and low-opportunity areas.
- Identify barriers to housing within high-opportunity neighborhoods.
- Evaluate potential areas for rezoning or other strategies to assess potential for housing development.
- Mitigating Displacement: Consider using DLCD’s Anti-Displacement and Gentrification Toolkit to assess displacement risk in areas that would be affected by rezoning or increased development flexibility.
- Undertake a legislative Zone Change, adopt policies, and/or implement other actions to broaden housing options in targeted areas.

Lead & Partners

Lead: Beaverton Community Development

Partners: Property owners in high-opportunity neighborhoods

¹⁹ City of Portland, Opportunity Mapping. <https://www.portland.gov/phb/opportunity-mapping>.

²⁰ Puget Sound Regional Council, Opportunity Mapping. <https://www.psrc.org/our-work/opportunity-mapping>

2.7 Advocate for condominium law reform to enable more homeownership opportunities [B18]

Description Condominiums (condos) are multi-unit developments in which each unit is individually owned and residents share ownership of common spaces. Condos offer homeownership opportunities that are smaller, sometimes less expensive than single-detached dwellings, and often located in areas with better access to transit and other services.

However, new condo construction in the Portland-metro area has been very low in recent years. This is due to a range of factors, including market factors, lending practices, and construction costs. In addition, an important impediment to condo development in Oregon is the risk associated with the current condominium law. Oregon's construction defect liability (CDL) laws are more restrictive than in other states, leading developers to see condos as a riskier development type than rental apartments. (Refer to ECONorthwest's 2018 report on the "Impact of Construction Defect Liability on Condominium Production in Oregon," which has more information about CDL.²¹)

A revamp of Oregon's CDL law is needed to increase homeownership opportunities for first-time home buyers, seniors, and middle-income households. This would require action at the state level.

- Considerations**
- Condos provide an alternative to single-detached homes, which can be appealing to those seeking lower-maintenance and smaller-footprint homes in more urban parts of the city.
 - While condos usually come with larger condo association dues that can increase on-going housing costs, this is also a form of forced savings to cover repairs and capital replacement projects (e.g., roofs).
 - Revamp of Oregon condominium law is needed, with focus on incentivizing condo development without transferring development risks to the new homeowner.
 - Mitigating Displacement: To ensure access to homeownership to under-represented groups, development of owner-occupied housing types should be paired with homebuyer education, financial assistance like downpayments and low-cost loans, and affirmative marketing.

- Anticipated Impact**
- **Populations served:** Moderate to higher income households; first-time homebuyers; seniors; smaller households
 - **Income level:** 80% AMI and above
 - **Housing tenure:** For sale
 - **Magnitude:** Low – Even if Oregon condo law were successfully changed, condos still face many obstacles to development, as discussed above.

²¹ ECONorthwest for the Portland Housing Center, Impact of Construction Defect Liability on Condominium Production in Oregon.

<https://olis.oregonlegislature.gov/liz/2019R1/Downloads/CommitteeMeetingDocument/196263>

However, if condos development became more appealing, it is expected that some multi-dwelling developers would switch to a for-sale product.

Time Frame	Medium term (FY25) for initial implementation; Continued advocacy over the longer term Impact: This strategy is expected to impact housing production over the longer term.
Implementation Actions	Partner with other local governments and organizations to advocate for legislation to reform CDL laws and encourage condo development.
Lead & Partners	Lead: Beaverton Community Development Partners: Oregon state legislature; Home Building Association of Greater Portland; Oregon Home Builders; other cities and counties; Oregon League of Cities

CATEGORY 3. Financial Resources

Potential new revenue sources that could be used to support affordable housing development. Several of the other recommended housing strategies are dependent on new funding sources.

3.1 Housing Development Fund [D03]

- Description** Housing Development Funds (or “housing trust funds”) are a public sector tool used to direct financial resources to support a variety of affordable housing activities.
- Housing Development Funds are not revenue sources themselves, but rather are tools for consolidating revenue, planning for how the funds are spent, and directing them to housing programs.*
- Public revenue sources vary by jurisdiction, often due to the variation in specific taxes and fees. Common sources include development impact fees, document recording fees, and bonds or levies. A Construction Excise Tax (CET) could be a potential revenue source (see Strategy 3.2).
- Because they are created and administered at the local level, Housing Development Funds are not subject to the restrictions of federal subsidy programs and therefore can be designed specifically to address local priorities and needs. The City could determine eligible activities, which can include anything from emergency rent assistance to gap financing for new construction of affordable housing. (Note: If funded by a CET, state requirements for how funds are spent will still apply – see Strategy 3.2.)
- Examples include Ashland’s Affordable Housing Trust Fund, which receives portions of the City’s revenue from the State Marijuana Tax, and Eugene’s

Affordable Housing Trust Fund, whose funding source is the City's construction excise tax.^{22,23}

Considerations	• Provides flexibility for opportunity-based investment. • Relies on identifying a sustainable funding source with sufficient revenue to have impactful contributions. • Sources of funding will fluctuate with the strength of the economy and construction. • Takes time to build sufficient amounts to make a difference and requires consistent investment with a long-term outcome perspective.
Anticipated Impact	• Populations served: Low-income households • Income level: 0-80% AMI • Housing tenure: For sale or rent • Magnitude: The amount of housing production depends on the funds raised and contributed through these resources. See Strategy 3.2 for further evaluation.
Time Frame	Near term (FY24) Impact: This strategy may take several years for funds to accumulate to an amount that could be used to support development of housing.
Implementation Actions	• Identify a potential funding source for a Housing Development Fund. • Establish a Housing Development Fund and identify priorities for how funds will be spent. • Consider establishing an advisory committee that can provide input and recommendations to staff on the use of the funds. • Continuously fund a Housing Development Fund for rental or ownership gap financing.
Lead & Partners	Lead: Beaverton Community Development Partners: Non-profit affordable housing providers

3.2 Construction Excise Tax (CET) [D09]

Description Construction Excise Tax (CET) is a potential funding source for affordable housing. Regulated by state statute, CET is a one-time tax on construction projects, including building new structures and adding square footage to an existing structure.

²² City of Ashland. Housing Trust Funds. <https://www.ashland.or.us/Page.asp?NavID=10828>

²³ City of Eugene, Affordable Housing Trust Fund. <https://www.eugene-or.gov/4232/Affordable-Housing-Trust-Fund>

Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.

The allowed uses for residential CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows if the City uses a residential CET:

- 50% to be used for developer incentives (e.g., fee and SDC waivers, tax abatements, etc.)
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
- 15% flows to Oregon Housing and Community Services for homeowner programs.

If the City implements a CET on commercial or industrial construction, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.

The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in the community, either through City-led programs or those implemented by private or non-profit partners.

Oregon cities that have passed a Construction Excise Tax for affordable housing include Grants Pass, Medford, Milwaukie, Corvallis, Cannon Beach, Newport, Hood River, Bend, Eugene, Tigard, and Portland (and likely others). Most cities are using—or plan to use—the revenues to offer grants and/or loans as flexible gap financing for affordable housing development.

Refer to ECONorthwest’s separate CET analysis memo for further analysis of potential CET revenues and impacts to the cost of development.²⁴

Considerations

- Opportunity to create a dedicated funding source for affordable housing.
- Addresses housing disparities for low-income households.
- Increases construction costs, potentially affecting affordability for residential development. ECONorthwest’s analysis found that the cost for single-detached homes and townhouses would be relatively modest on a per unit basis, though total costs for multi-dwelling and commercial development could add up to more, due to the larger scale per project, especially at a higher rate. This additional cost could have some impact on development at the margins for the most cost-sensitive developments.
- There are many ways to configure a CET based on which types of development it is applied to, and the tax rate.
 - Because of the greater flexibility for nonresidential CET revenues, the City could design an adaptable program for using the funds, or direct all of the

²⁴ ECONorthwest for the City of Beaverton, “Analysis of Selected Housing Strategies: Construction Excise Tax,” dated March 28, 2023.

net revenues towards a dedicated Housing Development Fund, then make decisions about how to allocate them on an ongoing basis towards actions in the HPS.

- Although there is slightly less flexibility for residential CET uses, there are a range of different developer incentives and affordable housing programs that Beaverton could choose to prioritize for receiving CET funding.
- State statute requires affordable housing and certain other types of development (such as schools and hospitals) to be exempt from the CET.
- The City can also exempt other development, such as construction under a certain value, housing units under a certain size, multi-dwelling housing, or ADUs.

Anticipated Impact

- **Populations served:** Low-income households
- **Income level:** 0-80% AMI
- **Housing tenure:** For sale or rent
- **Magnitude:** High – As demonstrated by ECONorthwest’s analysis, a 0.5% or 1% rate on commercial and industrial development could generate meaningful revenue for various housing program types in Beaverton, especially if the unrestricted portion is also dedicated toward housing (although the City could also choose to use these funds towards other initiatives). Residential CET could produce a similar amount of funding to use for affordable housing programs and developer incentives, even at the lower rate of 1% compared to commercial/industrial CET.

Time Frame

Near term (FY24)

Impact: This strategy may take several years for funds to accumulate to an amount that could be used to support development of housing.

Implementation Actions

- Evaluate a potential approach. Include projections on potential revenue and what programmatic goals could be accomplished with revenue. Consider both residential and commercial/industrial options.
- Analyze potential impacts to development.
- Thorough engagement with development community, other stakeholders including Black, Indigenous, People of Color and marginalized communities.
- City Council could impose the CET by adoption of an ordinance or resolution that conforms to the requirements of ORS 320.192–ORS 320.195.
- If directed, create a plan for the use of CET funds.

Lead & Partners

Lead: Beaverton Community Development

Partners: Finance Department; local developers; non-profit housing partners could implement funded programs

CATEGORY 4. Tax Exemption and Abatement

These are tax exemption and abatement programs that are intended to encourage developers to produce housing.

4.1 Multiple Unit Property Tax Exemption (MUPTE) [E04]

Description The Multiple Unit Property Tax Exemption (MUPTE) can be used to incent multi-dwelling or middle housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption for 10 years (or longer, for housing subject to affordability agreements).

MUPTE is a flexible tax abatement that can be used in various ways to encourage needed housing. An in-depth analysis prepared by ECONorthwest examined the following potential uses of MUPTE in Beaverton:

1. As an incentive for new middle housing or multifamily housing within specific areas of the City that offers **particular features that align with specific housing needs** that are not being fully met by the market today:
 - Accessible or visitable units
 - Family-size or multigenerational units
2. As an incentive for mixed-income development, creating a voluntary inclusionary housing program
3. As an incentive to for-profit property owners to rehabilitate and stabilize existing low-cost market-rate housing, potentially in combination with the City's Preservation Pilot Program

Refer to ECONorthwest's separate analysis memo for more information about each of these options.²⁵

- Considerations**
- The exemption applies only to the City's share of property taxes unless other taxing districts representing at least 51% of the combined levy (in combination with the City) agree to the exemption, in which case taxes from all districts are included.
 - ECONorthwest's analysis found that if used to incent mixed-income housing, the MUPTE would likely offer a net benefit to developers **if all taxing districts participate**. The analysis tested two program options (20 percent of units at 80% AMI and 10 percent of units at 60% AMI). Neither program option would be viable without the participation of other taxing districts.
 - City property tax collections would be lower for the duration of the property tax exemption (10 years, for example). For the mixed-income incentive, ECONorthwest's analysis estimates that the City could forego roughly \$20,000 to \$40,000 per affordable unit (depending on how the program is structured).

²⁵ ECONorthwest for the City of Beaverton, "Analysis of Selected Housing Strategies: Multiple Unit Property Tax Exemption and Addressing Non-Regulatory Barriers to Accessory Dwelling Units," dated March 10, 2023.

	MUPTE differs from the City’s existing Vertical Housing Development Zone (VHDZ), which allows a partial abatement (up to 80%) on mixed-use developments, and the Limited Affordable Housing Tax Exemption, which offers a full abatement for housing owned by a non-profit and available to tenants earning 60% AMI and below or 80% AMI and below for those in their second and subsequent years of tenancy.
Anticipated Impact	Populations served: Depends on which option(s) the City selects—could be structured to serve people with disabilities, multigenerational households, and/or lower income households Income level: 60% AMI and above Housing tenure: For rent Magnitude: Moderate – This strategy could encourage production of more affordable housing units and/or units that meet housing needs not currently being met by the private market.
Time Frame	Near term (FY25) Impact: The MUPTE can be used once it is adopted, and for as long as the City offers the exemption.
Implementation Actions	- Further evaluate the various options for structuring the MUPTE program to determine whether—and how—it should be implemented. - Consult with developers and housing providers to determine their level of interest. - Determine desired eligibility criteria (e.g., affordability, accessibility, etc.). - Seek input from overlapping taxing districts on their willingness to support the exemption. - City Council votes to establish the program consistent with state law (via resolution or ordinance).
Lead & Partners	Lead: Beaverton Community Development Partners: Beaverton Finance Department and Overlapping Taxing Districts

CATEGORY 5. Land, Acquisition, Lease, and Partnerships

These are strategies that secure land for needed housing, unlock the value of land for housing, and/or create partnerships that will catalyze housing developments.

5.1 Public/private partnerships for affordable homeownership [F04]

Description Public/private partnerships (PPPs) are arrangements between public and private entities to create more and/or affordable housing. Cities can engage in PPPs in a variety of ways, such as providing land and helping leverage public funding.

Beaverton could leverage partnerships with nonprofit organizations to increase the stock of affordable homeownership options through new construction. This could include partnerships with a community land trust or Habitat for Humanity.

- **Community land trust (CLT)** is a model wherein a community organization owns land and provides long-term ground leases to low-income households to purchase homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows low-income households to become homeowners and capture some equity as the home appreciates, but ensures that the home remains affordable for future homebuyers. Proud Ground is an example of a CLT working in Beaverton (as well as other jurisdictions). Beaverton already partners with Proud Ground by providing down payment assistance to low-income home buyers via CDBG funds. Proud Ground partners with other organizations to build the homes, then manages the sales, ground leases, and other programs.
- **Habitat for Humanity** uses a similar approach as CLTs to maintain the affordability of the homes it builds—largely through volunteer labor and limiting resale prices, while allowing owners to accrue home equity. Portland Region Habitat for Humanity is the local affiliate organization. The City has already supported Habitat’s efforts by providing CDBG funds for home repair.

The City could partner with these (or similar) organizations and provide further support in a variety of ways:

- **Acquire land and/or donate City-owned land.** The City can transfer property they see fit for affordable housing development to a CLT or Habitat to build and maintain the development.
- **Provide grants or low-interest loans for specific development or rehabilitation projects.** Grants and loans can provide funds to assist with predevelopment costs or acquisition and rehabilitation costs for existing homes.
- **Funding Partnership.** Providing direct funding to a CLT is also an effective way to support affordable homeownership. For example, the City of Hillsboro provides an annual set-aside of CDBG funds to Proud Ground, which allows the organization to eschew the competitive grant process annually.
- **Leverage federal, state, and regional resources.** The City’s funds can help to

	leverage investments from other partners.
Considerations	• Addresses housing disparities for low-income households. • Increases housing opportunities within the housing continuum, potentially moving rental households into homeownership. • This strategy would likely depend on additional revenue source—such as a construction excise tax. The City has limited resources to carry this out today.
Anticipated Impact	• Populations served: Low to moderate-income households • Income level: 60-120% AMI • Housing tenure: For sale • Magnitude: Moderate – CLTs and similar organizations are unlikely to produce substantial unit numbers unless significant resources are raised from a broad mix of funding partners, but they can provide permanent affordability of the units they develop.
Time Frame	Medium term (FY25 or 26) Impact: Timing of impact depends on the nature of the public/private partnership. Given availability of funds, impact to housing production would be expected to occur over the longer term.
Implementation Actions	• Work with affordable housing organizations and/or a CLT to discuss opportunities in Beaverton. • Take action on partnership models and programs that best benefit the organization and the City's financial and/or administrative capacity. • Potentially provide on-going support through development/rehabilitation grants, homeownership grants/loans, donation of City-owned land, and/or an annual funding set-aside.
Lead & Partners	Lead: Beaverton Community Development Partners: Proud Ground, Habitat for Humanity, and/or other nonprofit developers of for-sale units

5.2 Increase engagement with community groups [Z01]

Description Increase engagement with community members and organizations to build relationships, increase community capacity, advance equity in housing projects/programs, and ensure accountability.

In the past, City staff have partnered with Unite Oregon, a community-based organization, to coordinate both the Beaverton Organizing & Leadership Development (BOLD) program and Inclusive Housing Cohort Program, which provides training for immigrants, refugees, people of color, and other historically underrepresented communities interested in leadership development and housing issues. Members of the Inclusive Housing Cohort have been instrumental in providing feedback to city staff on various housing and land use projects and sharing resources with others in their communities. As of spring 2023, the contracts with Unite Oregon for both programs have ended, but there are plans to create a new program based on the successes of the BOLD and Inclusive Housing Cohort programs.

Considerations

- Requires ongoing funding for community engagement and participation, such as compensating participants for their time.
- Limited staff capacity to create a new program and conduct ongoing, robust engagement.

Anticipated Impact

- **Populations served:** All income levels, with focus on low-income, renters, people of color, and other marginalized communities
- **Income level:** All incomes
- **Housing tenure:** Focus on rental housing
- **Magnitude:** Low – This strategy will likely have no discernible impact on housing production. However, it is nonetheless important to the City’s efforts to better understand and respond to the community’s evolving housing needs—especially the specific needs of various marginalized communities. Implementation of this strategy will also help with the equitable implementation of other housing strategies.

Time Frame Near term (FY23/24)
Impact: This strategy will be more ongoing and have a longer-term impact.

Implementation Actions

- Advocate for City resources (staffing and budget) to dedicate to ongoing engagement.

Lead & Partners
Lead: Beaverton Community Development
Partners: Community based organizations

APPENDIX F. CET ANALYSIS MEMO



DATE: March 28, 2023
TO: Jena Hughes and Brian Martin, City of Beaverton
CC: Kate Rogers and Matt Hastie, MIG
FROM: Becky Hewitt and Mary Chase, ECONorthwest
SUBJECT: Analysis of Selected Housing Strategies: Construction Excise Tax

This memorandum presents analysis by ECONorthwest on a potential Construction Excise Tax (CET) for the City of Beaverton as part of its Housing Production Strategy. This strategy was selected by staff for more in-depth evaluation to help refine recommendations for the Housing Production Strategy and show the potential impacts of implementing this action in Beaverton.

Overview

In 2016, the Oregon Legislature passed Senate Bill 1533, which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. The tax is limited to 1% of the permit value on residential construction, with no cap on the rate applied to commercial and industrial construction. A number of cities of various sizes in Oregon have adopted a CET to fund affordable housing initiatives.

Construction Excise Tax:
Levies a tax on new construction projects to fund housing programs and/or investments. It can be applied to residential and/or commercial and industrial development.

How the Construction Excise Tax Works

The allowed uses for CET funding are defined by state statute:¹

- The City may retain up to 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, depending on whether the CET is on residential or commercial and industrial development:
- For a residential CET:
 - 50% must be used for developer incentives (e.g., permit fee and SDC reductions, tax abatements, or finance-based incentives) that the City would offer. The City could use CET revenue to “backfill” foregone revenue for programs like permit fee and SDC reductions or to pay the costs rather than charging them to the development.
 - 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
 - 15% flows to Oregon Housing and Community Services (OHCS) for homeownership programs that provide down payment assistance. OHCS has a policy to spend the

¹ Oregon Revised Statutes 320.192-195.

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revenue in the communities where it is collected through expanding down payment assistance in those communities.²

- For a commercial/industrial CET:
 - 50% of the funds must be used for housing-related programs, as defined by the jurisdiction (note that these funds are not necessarily limited to affordable housing).
 - The remaining 50% is unrestricted.

The source for CET funds is new development, meaning that it raises costs for construction of commercial, industrial, and/or market rate residential housing. The statute exempts public buildings, regulated affordable housing, places of worship, public and private hospitals, agricultural buildings, nonprofit facilities, long-term care facilities, residential care facilities, and continuing care retirement communities.³ The City could choose to exempt other types of development if desired.

Potential Applicability in Beaverton

The City of Beaverton could consider using CET as a tool to help fund other actions in its Housing Production Strategy. CET revenue is a relatively flexible source of funding, which the City could allocate to a number of different housing-related projects or programs. For example, some cities have used CET to pay for gap financing of new affordable development, acquisition of properties for affordable housing preservation, and down payment assistance for first-time homebuyers. Beaverton would have discretion over how to use CET funds for housing initiatives, within the rules set out by state statute.

Program Analysis

Revenue Potential

Methodology Overview

This analysis provides a rough estimate of potential CET revenue for the City of Beaverton based on historical building permit values for residential and nonresidential development over the last ten years (2013 to 2022), using the annual permit value totals provided by the City.⁴ This

² Oregon Housing and Community Services, "Residential* Construction Excise Tax," <https://www.oregon.gov/ohcs/homeownership/PublishingImages/Pages/homeownership-publications/09-03-2021-Residential-Construction-Excise-Tax%20kf%20ah.pdf>

³ Oregon Revised Statute 320.173.

⁴ ECONorthwest used the Construction Cost Index published by Engineering News Record to inflate permit values from past years to 2022 dollars. The permit data did not allow ECONorthwest to exclude exempt types of development that would not be subject to CET (such as affordable housing), which could affect results to some extent.

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analysis excludes permits for alterations to existing buildings, which are subject to CET only if they add square footage to a building.⁵

ECONorthwest tested several potential scenarios for CET rates on both residential and nonresidential development within the limits allowed by statute:

- **Residential:** 0.3%, 0.5%, .75%, and 1% (statutory cap is 1%)
- **Nonresidential:** 0.3%, 0.5%, 1%, and 2% (no statutory cap)

ECONorthwest then estimated the amount of funding that could go towards the various uses allowed by statute, based on the percentages set in statute (see above).

Results: Historical Permit Values

Building permit values for residential and commercial/industrial development in Beaverton fluctuate from year to year, and do not show a clear trend over the past 10 years. Exhibit 1 summarizes the annual total permit values for both new residential and commercial/industrial construction in 2022 dollars. The annual average over the ten-year period (2013-2022) is approximately **\$74.5 million per year in permit value for commercial and industrial development**, and **\$96.2 million per year in permit value for residential development**.

Exhibit 1. Residential Building Permit and Commercial/Industrial Building Permit Values by Year (2013 to 2022), in 2022 dollars

Source: ECONorthwest analysis of City of Beaverton permit data

Year	Commercial and Industrial Building Permit Valuation (2022\$)	Residential Building Permit Valuation (2022\$)
2013	\$64,971,858	\$147,850,295
2014	\$69,845,236	\$75,058,955
2015	\$87,925,402	\$86,584,538
2016	\$212,777,609	\$32,529,085
2017	\$70,756,672	\$112,263,219
2018	\$66,516,772	\$55,628,039
2019	\$75,892,604	\$103,273,173
2020	\$84,035,758	\$164,085,063
2021	\$106,149,492	\$32,165,926
2022	\$40,192,849	\$125,967,428
Annual Average	\$74,557,495	\$96,223,926
Total (2018-2022)	\$372,787,475	\$481,119,629

Exhibit 2 shows potential CET revenue for commercial/industrial development if CET were in place in a period with similar construction activity.⁶ This analysis shows that CET revenue from commercial and industrial development could be between about \$260,000 per year on average with a low rate (0.3%) and over \$1.75 million per year on average with a high rate (2%).

⁵ The available permit data did not allow ECONorthwest to identify alterations that included an expansion.

⁶ This analysis assumes that CET would not add enough cost to deter development in Beaverton. However, with the higher CET rates, some impact to development activity could occur — this analysis does not fully explore the impacts to development feasibility from imposing a CET.

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However, the variation between the minimum and maximum from year to year shown in Exhibit 2 highlights that revenue could be highly variable from year to year, particularly for the higher rates.

Exhibit 2. Historical Minimum, Maximum, and Average Annual Potential Commercial/Industrial CET Revenue by Rate (2013 to 2022),

Source: ECONorthwest analysis of City of Beaverton permit data.

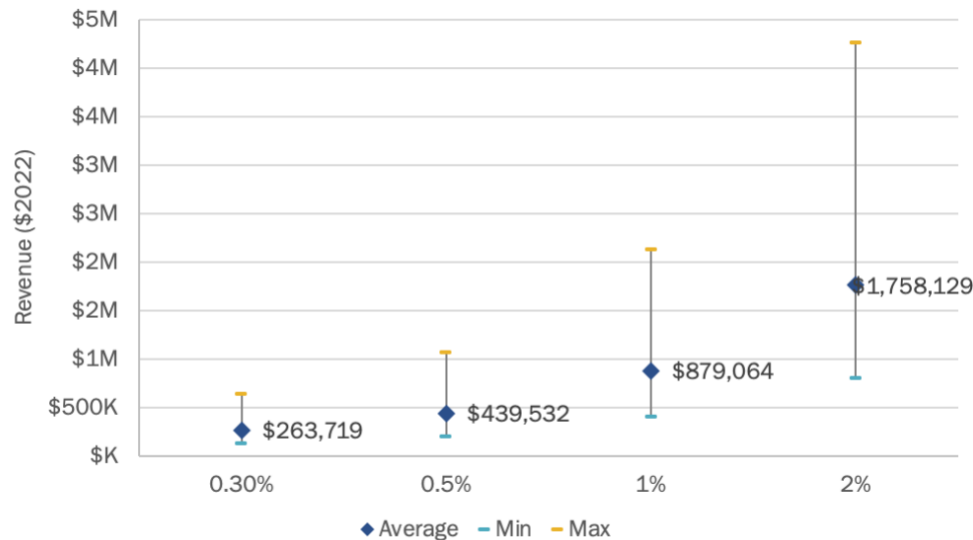
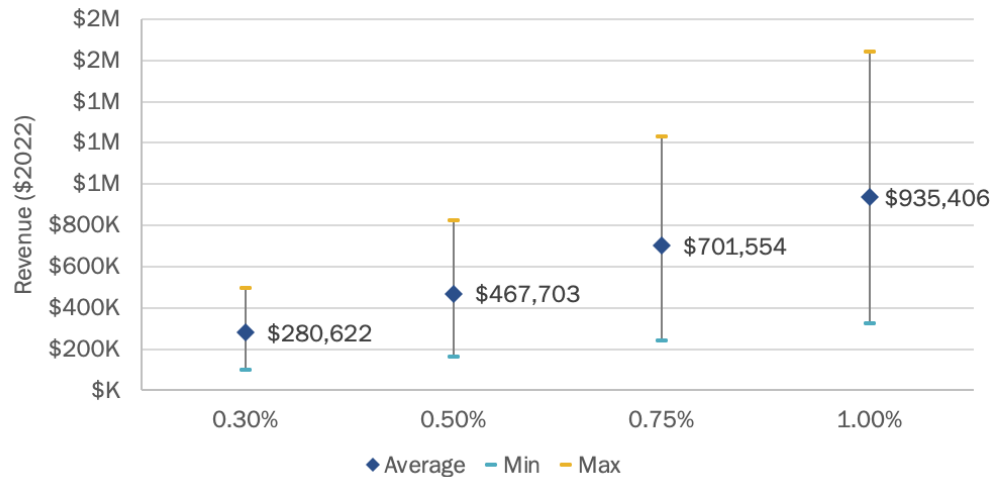


Exhibit 3 shows potential annual CET revenue for residential development if CET were in place in a period with similar construction activity. This analysis shows potential revenue from residential development between \$280,000 per year on average with a low (0.3%) rate, and \$935,000 per year on average with a high (1%) rate. (Note that the data likely includes some affordable housing development that would be exempt from a CET, making these numbers an over-estimate.) As with commercial/industrial development, expected collections from a residential CET would vary from year to year, though potentially to a smaller extent than for a commercial/industrial CET.

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Exhibit 3. Historical Minimum, Maximum, and Average Annual Potential Residential CET Revenue by Rate (2013 to 2022)

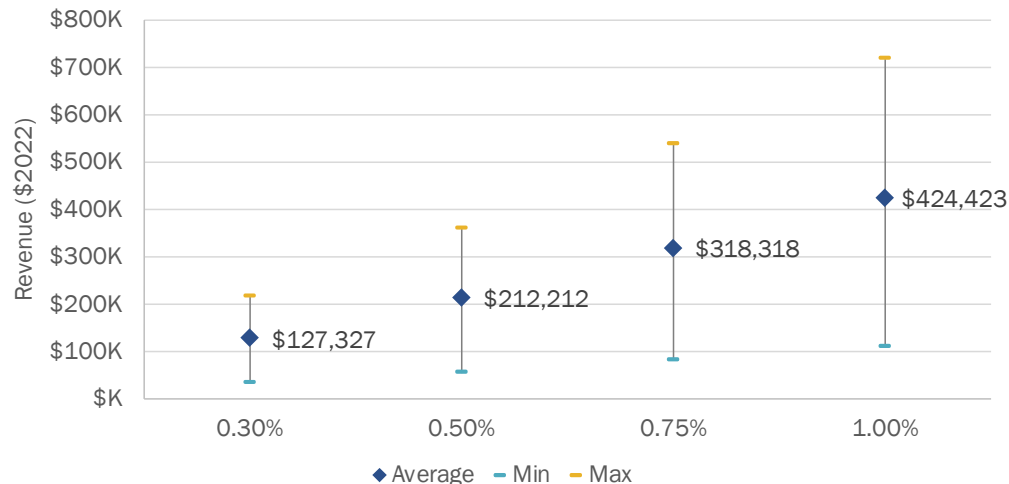
Source: ECONorthwest analysis of City of Beaverton permit data.



ECONorthwest also isolated the single-family (attached⁷ and detached) component of residential permits to evaluate how much revenue could be generated just from those housing types. The results are shown in Exhibit 4 below. These housing types account for close to half of the total potential residential CET revenue.

Exhibit 4. Historical Minimum, Maximum, and Average Annual Potential Residential CET Revenue by Rate (2013 to 2022): Single-Family Attached and Detached Housing Only

Source: ECONorthwest analysis of City of Beaverton permit data.



⁷ In building permit data, single-family attached housing generally refers to attached housing built under the residential building code, including townhomes and certain other middle housing types such as duplexes and some side-by-side triplexes and quadplexes. Most of the permit data in this analysis predates the City's middle housing code amendments and there is not a specific designation in permit data to indicate middle housing types.

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Based on the statutory requirements about use of funds, ECONorthwest translated the average annual simulated CET collections between 2013 and 2022 into funds available for each funding category, as shown in Exhibit 5 and Exhibit 6.

Exhibit 5. Estimated Annual Commercial/Industrial CET Revenue (2013 to 2022), by Rate and Use of Funds

Source: ECONorthwest analysis of City of Beaverton permit data.

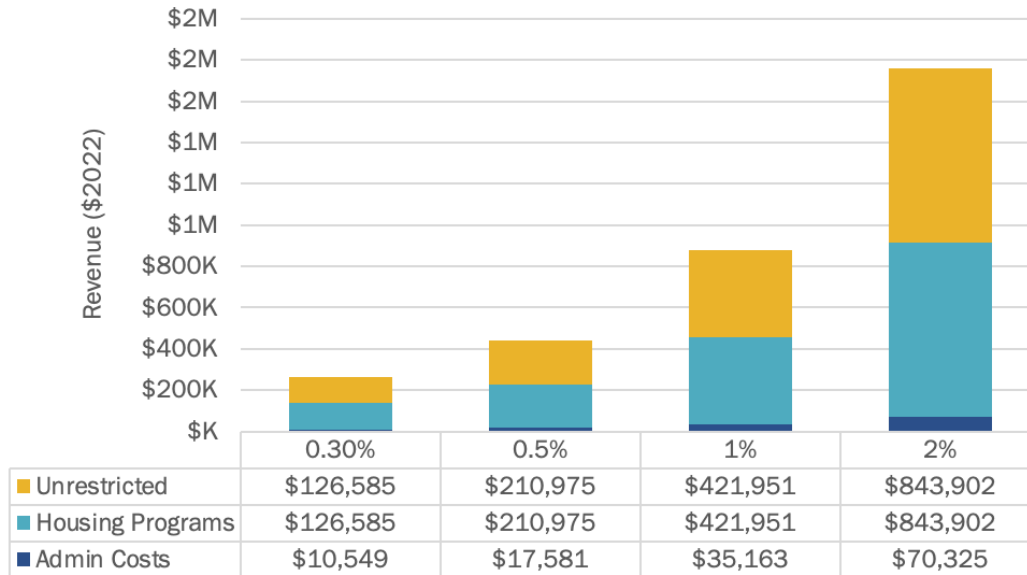
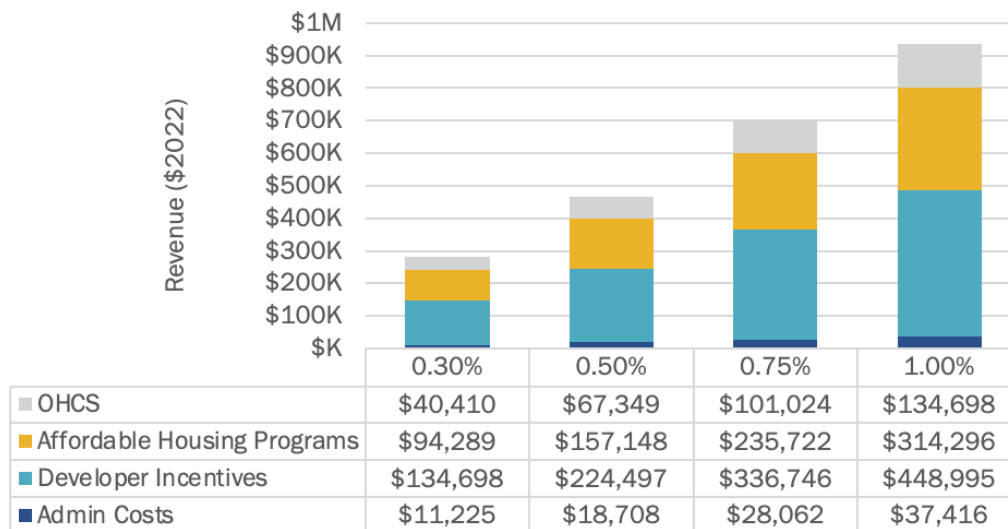


Exhibit 6. Estimated Annual Residential CET Revenue (2013 to 2022), by Rate and Use of Funds

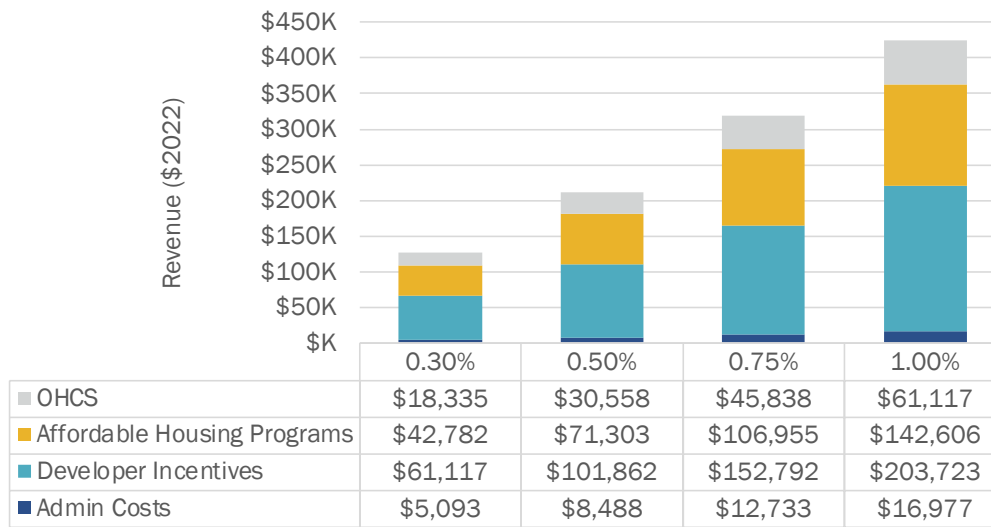
Source: ECONorthwest analysis of City of Beaverton permit data.



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Exhibit 7. Estimated Annual Residential CET Revenue (2013 to 2022), by Rate and Use of Funds: Single-Family Attached and Detached Housing Only

Source: ECONorthwest analysis of City of Beaverton permit data.



As shown above, a 0.5% or 1% rate on commercial and industrial development could generate meaningful revenue for various housing program types in Beaverton, especially if the unrestricted portion is also dedicated toward housing (although the City could also choose to use these funds towards other initiatives). Because of the greater flexibility for these revenues, the City could design an adaptable program for using CET funds, or direct all of the net revenues towards a dedicated Housing Trust Fund, then make decisions about how to allocate them on an ongoing basis towards actions in the HPS.

Residential CET could produce a similar amount of funding to use for affordable housing programs and developer incentives, even at the lower rate of 1% compared to commercial/industrial CET. A larger share of residential CET must be allocated to housing programs, potentially providing a substantial amount of revenue for programs in Beaverton. Although there is slightly less flexibility for its uses, there are a range of different developer incentives and affordable housing programs that Beaverton could choose to prioritize for receiving CET funding. Exhibit 7 shows that even if the City chose to exclude multifamily development from the CET, it could still generate substantial funding for local housing priorities if applied at a higher (1%) rate.

Impacts to Development

While it is beyond the scope of this study to perform a full analysis of CET's potential impact on development feasibility, the estimated cost to different types of development can help give a sense of how substantial the cost impacts might be. This analysis uses several example types of development to illustrate the amount that CET would add to development costs at the various rates tested in this evaluation:

- Single-family detached
- Single-family attached

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- Multifamily
- Small commercial development
- Large commercial development

To estimating a typical permit value for these different types of development (shown in Exhibit 8) we used a combination of example new construction or annual averages from the City of Beaverton's publicly available building permit data.

- For **single-family attached** and **single-family detached** development, we used the average permit value per building provided by the City's annual data for the most recent year available (2022) to reflect current conditions for new construction. Although there is variation between individual permits, this gives an approximation of typical costs that these types of development would expect to pay per unit.
- Because **multifamily** building permit valuations vary much more widely depending on the size, number of units, and other factors in a building, we used a recent example of similar size in Beaverton to estimate permit value rather than the annual average across all new multifamily construction. We selected an example of a new apartment building with 172 units constructed in 2019 as a stand-in for this type of multifamily development.⁸
- For **small and large commercial development**, we also used recent example buildings to provide an idea of what typical permit values might be. Because valuation for commercial and industrial buildings can also vary widely depending on a number of factors, we used two stand-ins to qualitatively represent smaller and larger scale projects. For a relatively small-scale example, we used the permit value of a two-story steel brick commercial bank building of approximately 18,500 square feet; to compare with a larger scale building, we chose a large 207,000 square foot new commercial facility (both from 2022).

Exhibit 8. Estimated Impact of CET by Development Type

Source: ECONorthwest analysis of City of Beaverton permit data.

Type of Development	Estimated Permit Value	Estimated CET – Low End (0.3%)	Estimated CET – High End (1% Residential, 2% Commercial/Industrial)
Single-family detached (1 unit)	\$344,197	\$619	\$2,062
Single-family attached (1 unit)	\$206,197	\$1,034	\$3,446
Multifamily (172 units)	\$28,403,887	\$85,212	\$284,039
Small commercial development	\$7,597,666	\$22,793	\$151,953
Large commercial development	\$29,137,979	\$87,414	\$582,760

This suggests that the cost for single-family attached and detached homes would be relatively modest on a per unit basis, though total costs for multifamily and commercial development

⁸ Since the most recent comparable example with a similar amount of units was from 2019, we used the same Construction Cost Index inflation methodology used for annual averages to show what the same building would likely be in 2022 dollars.

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could add up to more due to the larger scale per project, especially at a higher rate. This additional cost could have some impact on development at the margins for the most cost-sensitive developments. However, with affordable housing exempt and the ability to tailor other local exemptions (e.g., ADUs, multifamily, units under a certain size, etc.), the City could mitigate impacts on development that is more sensitive to development costs.

DATE: March 21, 2023
TO: Jena Hughes and Brian Martin, City of Beaverton
CC: Kate Rogers and Matt Hastie, MIG
FROM: Becky Hewitt and Mary Chase, ECONorthwest
SUBJECT: Analysis of Selected Housing Strategies: Multiple Unit Property Tax Exemption and Addressing Non-Regulatory Barriers to Accessory Dwelling Units

This memorandum presents analysis by ECONorthwest of two tools for the City of Beaverton as part of its Housing Production Strategy: a Multiple Unit Property Tax Exemption and ways to remove barriers to Accessory Dwelling Units that go beyond code amendments. These strategies were selected by staff for more in-depth evaluation to help refine recommendations for the Housing Production Strategy.

Multiple Unit Property Tax Exemption

Overview

Oregon statutes authorize jurisdictions to implement the Multiple Unit Property Tax Exemption (MUPTE, sometimes referred to as MULTE or similar names). This provides a 10-year partial property tax exemption on new or rehabilitated housing with multiple dwelling units that are not intended for sale to individual households if the property meets criteria set by the City related to design features and/or affordability.¹

Multiple Unit Property Tax Exemption: Can be used to incent multifamily or middle housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption for 10 years (or longer, for housing subject to affordability agreements).

How the Multiple Unit Property Tax Exemption Works

MUPTE can be used in several ways:

1. As an **incentive for new housing in targeted locations with particular features** that the market is not producing today and where the incentive is needed to make development with those features viable. The jurisdiction determines what features allow development to qualify for the abatement (including a minimum number of units), and must specify a geographic area either in a “core area” or adjacent to transit where development is eligible for the abatement. The abatement lasts for 10 years. Several Oregon jurisdictions have implemented the program in this way.
2. To make **mixed-income or fully regulated affordable housing anywhere in the jurisdiction** financially feasible. If used for housing with affordability restrictions, the exemption can last longer than 10 years and continue as long as the restrictions remain in place. The statute does not specify affordability criteria, only that there must be an affordability contract in place with a public entity, so the jurisdiction has discretion to set the criteria it would use to enter into an affordability contract, including the number

¹ This tax exemption is authorized in ORS 307.600 to 307.637

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or percentage of affordable units and the required affordability level. The City of Portland uses MUPTE in combination with its Inclusionary Housing program for mixed-income development, and several other Oregon jurisdictions offer mixed-income development as one option to qualify for the abatement, as an alternative to providing specific physical features.

3. As an **incentive for rehabilitating and preserving affordability in older multifamily housing**. Because the program can apply to rehabilitated housing as well as new construction, jurisdictions have the option of offering MUPTE as an incentive to property owners of older low-cost market rate apartments or middle housing to rehabilitate properties and enter into an agreement with the jurisdiction (or another public entity, such as a County Housing Authority) to maintain some level of affordability or limit rent increases. This approach is not yet in use in Oregon.

Regardless of the local eligibility criteria, the exemption applies to 100% of the residential portion of the property's improvement value but does not apply to the land value. For example, if the program requires that 10 percent of units are affordable and a project meets the criteria, all of a residential project's improvement value is exempted. However, if there are nonresidential portions of the building (like ground floor commercial), the exemption does not apply to that portion of the development unless the nonresidential component is a required feature of the development to qualify for the abatement.

This program applies only to the City's share of property taxes unless other taxing districts representing at least 51% of the combined levy (in combination with the City) agree to the exemption, in which case taxes from all districts are included. Even if districts representing less than 51% of the combined levy agree, other taxing bodies can choose to join. For example, if Washington County agreed to participate in the program, County taxes could also be included in the exemption even if it was insufficient to meet the threshold. A number of cities in Oregon have implemented tax exemption programs under these statutes, though the program names and requirements vary between jurisdictions.

Potential Applicability in Beaverton

The City of Beaverton already uses two other tax abatement programs for certain types of residential development:

- Vertical Housing Development Zones (VHDZs) provide partial tax abatements on mixed-use development within specific areas of the City, which are largely adjacent to transit and in Central Beaverton.
- The Nonprofit Low-Income Rental Housing tax exemption provides a full property tax exemption for new or preserved nonprofit-owned or operated affordable housing that lasts for as long as the property meets the eligibility criteria.

Given this, the City could consider using MUPTE in one or more of several ways that would complement rather than duplicate the existing programs:

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1. As an incentive for new middle housing or multifamily housing within specific areas of the City that offers particular features that align with specific housing needs that are not being fully met by the market today, such as additional accessible or visitable units or larger family-size units or units designed for multi-generational households.
2. As an incentive for mixed-income development, creating a voluntary inclusionary housing program.
3. As an incentive to for-profit property owners to rehabilitate and stabilize existing low-cost market-rate housing, potentially in combination with the City's Preservation Pilot Program.

Additional analysis and considerations related to each of these options are provided below. Note that the options are not mutually exclusive: the City could opt to implement a program with multiple pathways to qualify for the exemption.

Program Evaluation

Incentivizing Design Features to Meet Specific Housing Needs

Accessible or Visitable Units

The Fair Housing Act (FHA) establishes design and construction requirements to make new multifamily dwellings accessible to and usable by persons with disabilities. It requires the following features for covered dwelling units:

- Accessible building entrance on an accessible route;
- Accessible common and public use areas;
- Doors that are usable by a person in a wheelchair;
- Accessible route into and through the dwelling unit;
- Light switches, electrical outlets, thermostats, etc. in accessible locations;
- Reinforced walls for grab bars; and
- Usable kitchens and bathrooms.²

The requirements apply to buildings with four or more dwelling units: all units in buildings with elevators and ground floor dwelling units in buildings without elevators (except multistory townhouses).

² Department of Housing and Urban Development, *Supplement to Notice of Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines*,

https://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/fhefhasp;

U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity and U.S. Department of Justice Civil Rights Division, *Joint Statement of the Department of Housing and Urban Development and the Department of Justice: Accessibility (Design and Construction) Requirements for Covered Multifamily Dwellings Under the Fair Housing Act*, April 13, 2013, <https://www.hud.gov/sites/documents/JOINTSTATEMENT.PDF>.

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Some jurisdictions, such as the City of Portland, have requirements or incentives that focus on making more units (that are not covered by the FHA requirements summarized above, such as townhomes or triplexes) hospitable for those with disabilities to visit, such as by having an accessible entrance and route from the property line, a bathroom on the ground floor that can accommodate a wheelchair, and some living area that is accessible from the accessible entrance.

Other organizations, such as AARP, focus on encouraging “universal design”, which takes a more holistic approach to making housing work for a broad range of people and needs.³ Universal design is a more qualitative approach that is harder to regulate, but could be used as a criteria for a discretionary program such as MUPTE.

The City could consider offering MUPTE to developments that go beyond meeting the FHA minimum requirements or are not subject to them but are designed to be visitable. Further discussion with disability advocates is needed to refine appropriate criteria for such a program.

Family-Size or Multigenerational Housing Units

There are many factors that can contribute to making it less likely that market-rate developers will build apartment units designed for larger households, including building code requirements, market factors, and parking requirements. The City could consider offering MUPTE for multifamily or middle housing developments that incorporate some percentage of certain floor plans, such as a 3-bedroom, 1.5- or 2-bath unit, that are better suited for larger households. The City could also consider offering MUPTE for other new housing designed for multi-generational households, if appropriate design criteria could be identified. Discretionary criteria may be appropriate for the program, but would increase the complexity of program administration.

Mixed-Income Housing

To be viable as an incentive for market-rate developers to include affordable units, the program would need to be designed to provide a net financial incentive to the developer. If reduced taxes do not outweigh the reduced rent from the affordable units, market rate developers would not opt into this voluntary program. The City can specify its own affordability criteria, but would also want to ensure the development would be offering units at rents or price-points that would not otherwise be provided by the market. This analysis tests two scenarios for affordability:⁴

- 20% of units in the development affordable at 80% of Area Median Income (AMI)
- 10% of units in the development affordable at 60% AMI

ECONorthwest analyzed the value of MUPTE as an incentive relative to the cost of rent discounts using illustrative examples of recent multifamily developments in Beaverton:

³ More information about universal design features is available in the *AARP HomeFit™ Guide* at <https://www.aarp.org/livable-communities/housing/info-2020/homefit-guide.html>.

⁴ The analysis assumes that affordable units are distributed evenly across all unit sizes.

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- Example 1: a 269-unit, 4-story development with a pool, fitness center, and other amenities in a greenfield development.
- Example 2: a 209-unit, 5-story development with a pool and other amenities near corporate campuses.
- Example 3: a 70-unit, 3-story development without major amenities near Central Beaverton.

The analysis is based on current market rents⁵ and property values⁶ for the example properties built between 2015 and 2021, which are located in three different areas of Beaverton (noted above). These properties were selected to represent different types of multifamily buildings, including a simple walk-up and larger buildings with more amenities. The estimated rents for the example properties and the rent limits (set by the US Department of Housing and Urban Development) for each unit size are summarized in Exhibit 2. While Examples 1 and 2 have rents above the 80% AMI threshold, Example 3's rents fall below that limit.

Exhibit 1. Market Rents by Example Property and Rent Limits

Source: ECONorthwest, based on data from CoStar, US HUD, and Washington County

Unit Type	Market Rents*			Affordable Rent Limits**	
	Example #1	Example #2	Example #3	80% AMI	60% AMI
Studio	\$1,808	\$1,657	N/A	\$1,434	\$1,061
1BR	\$1,814	\$2,044	\$1,193	\$1,532	\$1,132
2BR	\$2,448	\$2,552	\$1,575	\$1,833	\$1,353
3BR	\$2,718	N/A	\$2,008	\$2,111	\$1,557

N/A = Not Applicable, because the example does not include this unit type.

* Assumed market rents for Examples 2 and 3 were adjusted slightly upwards because these developments are several years old, and a similar development might have somewhat higher rents when brand new.

** Rent limits account for assumed utility allowances (gas, electric, etc.).

Exhibit 2. Monthly Rent Discounts by Example Property and Rent Limits

Source: ECONorthwest, based on data from CoStar, US HUD, and Washington County

Unit Type	Discount to 80% AMI			Discount to 60% AMI		
	Example #1	Example #2	Example #3	Example #1	Example #2	Example #3
Studio	\$374	\$256	N/A	\$747	\$629	N/A
1BR	\$282	\$553	---	\$682	\$953	\$196
2BR	\$615	\$770	---	\$1,095	\$1,250	\$401
3BR	\$607	N/A	\$123	\$1,161	N/A	\$677

N/A = Not Applicable, because the example does not include this unit type.

Note: For Example #3, there is no discount shown for 80% AMI because those units are already affordable at that level

Results

Both program options tested (20% of units at 80% of AMI and 10% of units at 60% of AMI) would likely offer a net benefit to developers across all example developments if all taxing districts participate. This is illustrated in Exhibit 3 and Exhibit 4: the turquoise and navy

⁵ Current (March 2023) average effective rents from CoStar for the example properties were adjusted upward slightly in the analysis to reflect a small premium for new construction relative to the example properties.

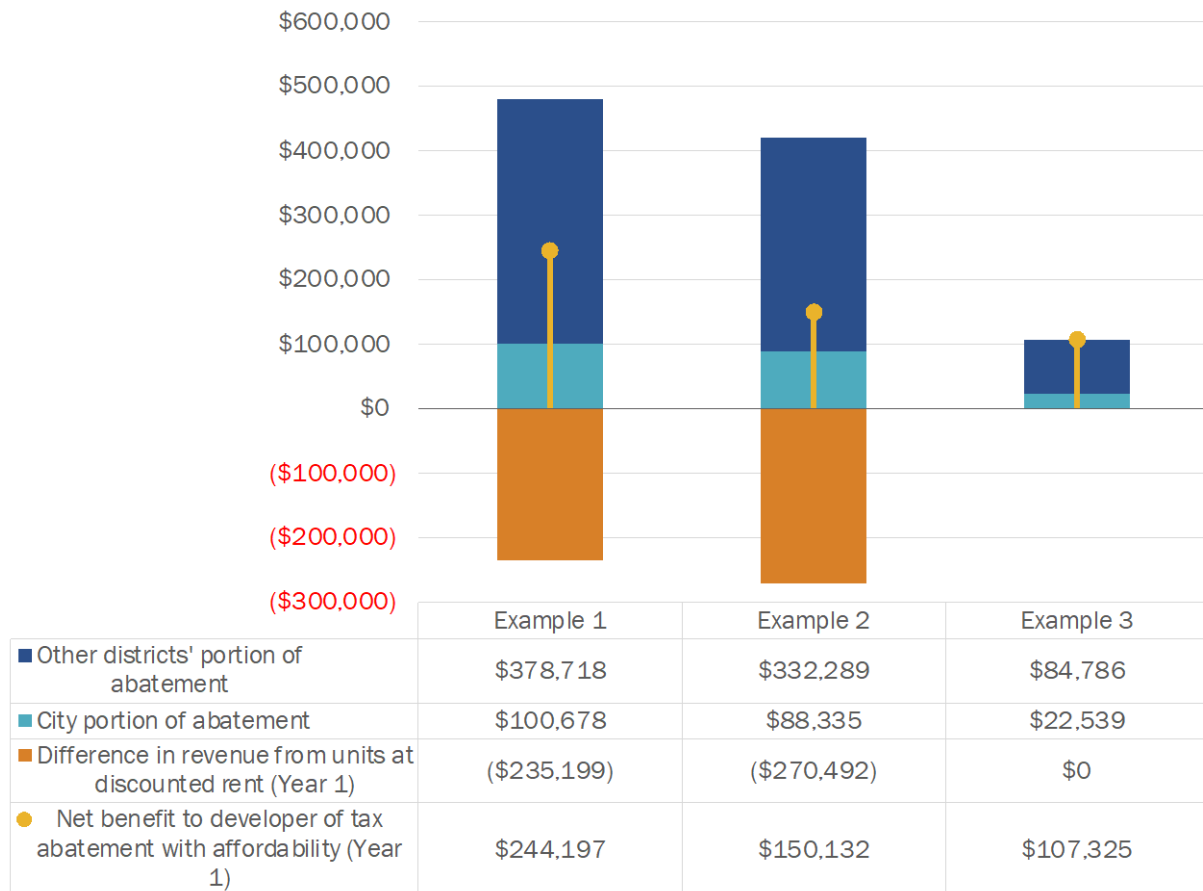
⁶ Property values are based on Washington County Assessor's data and assumed to escalate at 3 percent per year.

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positive bars represent tax savings from the City and other taxing districts, respectively; the foregone revenue from below-market rents is shown as an orange negative bar; and the net benefit to the developer is shown as a yellow dot and line. However, neither program option would be viable without the participation of other taxing districts. Also, because the market rents for Example 3 are already below 80% of AMI, this type of development would not necessarily offer a rent discount but may not be financially feasible in areas with higher land and/or infrastructure costs at those lower rents.

Exhibit 3. Tax Abatement Value vs. Foregone Rent (Year 1) for 20% of Units at 80% of AMI

Source: ECONorthwest Analysis



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Exhibit 4. Tax Abatement Value vs. Foregone Rent (Year 1) for 10% of Units at 60% of AMI

Source: ECONorthwest Analysis

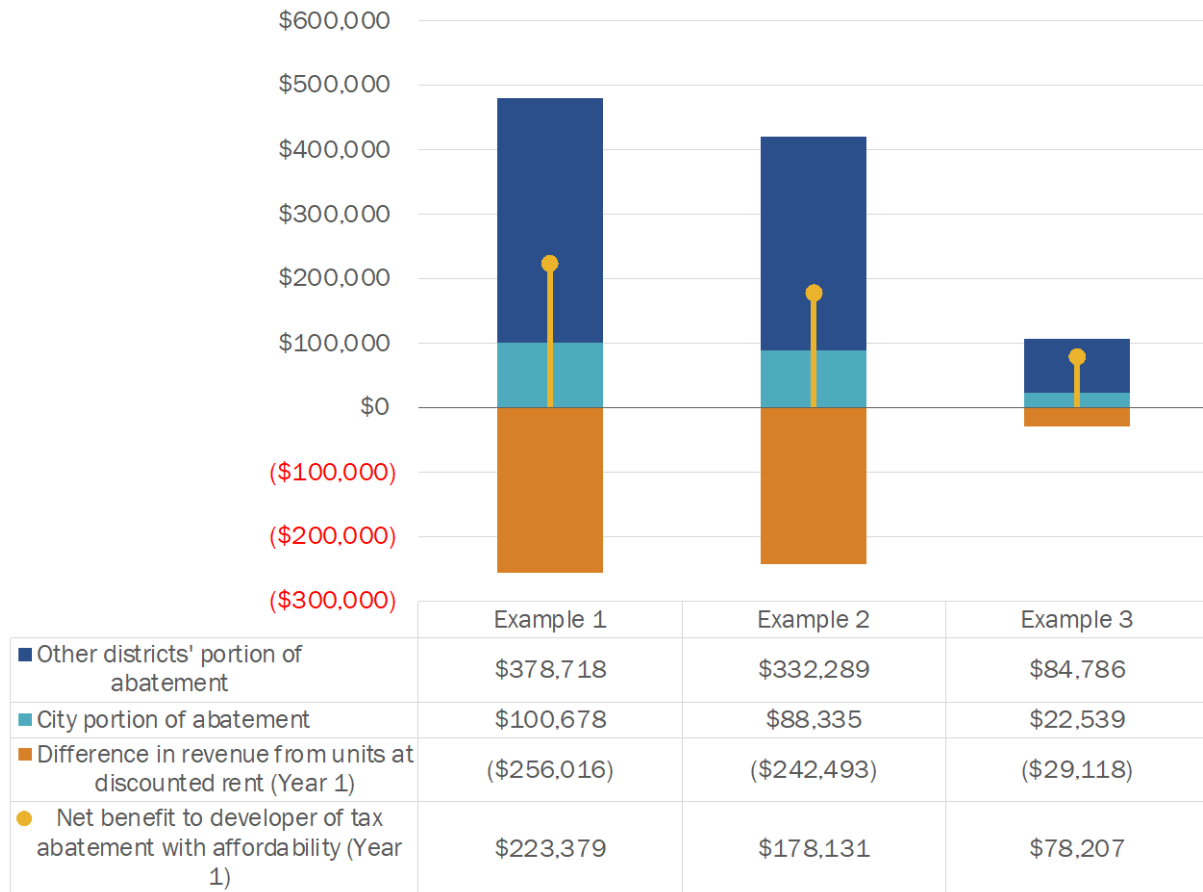


Exhibit 5. 10-Year Forgone Revenue Estimates

Source: ECONorthwest

	Example #1	Example #2	Example #2
All	\$4,793,956	\$4,206,239	\$1,073,251
City	\$1,006,777	\$883,351	\$225,393
Other Districts	\$3,787,179	\$3,322,888	\$847,858
Per Affordable Unit for all taxes (20% of units)	\$88,777 for (54 units)	\$100,149 (42 units)	\$76,661 (14 units)
Per Affordable Unit for city taxes only (20% of units)	\$18,644 (54 units)	\$21,032 (42 units)	\$16,100 (14 units)
Per Affordable Unit for all taxes (10% of units)	\$182,238 (27 units)	\$198,505 (21 units)	\$177,291 (7 units)
Per Affordable Unit for city taxes only (10% of units)	\$38,272 (27 units)	\$41,688 (21 units)	\$37,233 (7 units)

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Rehabilitation and Preservation

The City could offer MUPTE as an incentive to owners of older apartments where the City is concerned about poor housing conditions or potential rent increases to support housing condition improvements while keeping rents affordable to tenants. The property owners could maintain ownership and management of the property, but sign an agreement with a public agency (such as the City or the Washington County Housing Authority) to regulate rents. There are several ways the City could structure this type of program:⁷

- **Rehabilitation emphasis:** Make renovations an eligibility requirement, with a required investment amount that is proportional to (and less than) the value of the tax abatement to the property owner. Require that participating property owners prioritize investments in health and safety improvements first, and then improvements for energy efficiency, universal accessibility, etc. Limit the rate of rent increases for the duration of the tax abatement (e.g., 2% or less). This would not require income qualification.
- **Rent reduction emphasis:** Do not require renovations (except in cases where they are needed for health and life safety) but require that rents be reduced in proportion to the tax abatement, with a limit on the rate of increase year-to-year. This would not necessarily require income qualification.
- **Income-restricted affordability emphasis:** Do not require renovations (except in cases where they are needed for health and life safety) but require that a percentage of the units be made affordable at a specific income level and require income qualification. The share of units to be made affordable and the income level could be set on a property-by-property basis.

Requiring income qualification creates an administrative burden for the property owner, and some existing residents may not qualify. For enforcement, participating property owners could be required to submit current rent rolls and provide written notice to all tenants of the affordability agreement with contact information to report any potential violations. If income qualification was not required, the City could in theory establish affordability contracts directly with property owners. This would require some additional administrative effort, but much less than income certification.⁸

Additional testing of MUPTE as an incentive for specific properties and outreach to property owners would be needed as a follow-up step to determine whether it could provide a viable incentive for rehabilitation and stabilization. This program could potentially be paired with a low-interest loan or grant for projects with more extensive capital needs.

⁷ ECONorthwest, "Displacement and Gentrification Risks and Potential Mitigations," prepared for City of Hillsboro, June 3, 2022.

⁸ Ibid.

Accessory Dwelling Units

Overview

Cities have several tools at their disposal to encourage development of accessory dwelling units (ADUs). Some of the most common strategies used in Oregon include reducing or exempting system development charges (SDCs), providing permit-ready ADU plans, and financing support. This section gives an evaluation of these three tools for the City of Beaverton:

Accessory Dwelling Units: ADUs are a type of housing located on the same lot (and sometimes in the same structure) as a primary dwelling unit. They are generally smaller in size compared to the primary home and come in a number of different configurations. In Beaverton, there may be one ADU per primary home, either attached or detached from it.

- **Find ways to reduce SDC fees for property owners adding an ADU.** The City cannot waive SDC fees from other service providers, but may be able to make changes to its methodology related to ADUs, encourage other service providers so revisit their methodologies, or identify a funding source to backfill SDCs.⁹ These actions may not entirely eliminate SDC costs for ADUs but could reduce them.
- **Offer permit-ready plans for ADUs and waive or reduce building permit fees.** This action would require that the city work with industry professionals to develop one or more standard sets of plans that could be used for ADU development. This could reduce design for simple projects and could potentially offer some savings in permit review time and costs for both developers and the city.
- **Offer a low-interest loan product.** For example, the City could offer a 10-year fully amortizing loan with a below-market interest rate. How the City would operationalize such a program and the details of how it might work require further discussion with financing partners.

System Development Charge Exemptions

The City of Beaverton collects SDCs, with most collected on behalf of other districts. The City does not currently have a separate rate or exemption program for its SDCs that apply for ADUs

⁹ The City's legal counsel advises that the City should backfill any SDCs exempted for policy reasons. As summarized in a recent statewide study of SDCs: "There are differing views on the validity of SDC waivers or exemptions for any purpose that is unrelated to a reduced demand for system capacity. Some experts are of the opinion that it is inconsistent with ratemaking principles to grant SDC adjustments or exemptions for reasons that are not cost-based. Others point to modern rate-making principles that integrate affordability and equity considerations. Oregon's SDC Act does not explicitly address exemptions for affordable housing (or for any other class of development), as it says little about how SDCs should be calculated for specific developments. Other parts of state statute make clear that jurisdictions may offer whole or partial SDC waivers in exchange for local affordability requirements, but some experts recommend that agencies should "backfill" any foregone SDC revenue with resources external to the SDC fund to ensure the agency can complete necessary infrastructure projects and avoid compromising equitable share protection for other SDC payers." ("Oregon System Development Charges Study: Why SDCs Matter and How They Affect Housing," by ECONorthwest, Galardi Rothstein Group, and FCS GROUP on behalf of Oregon Housing and Community Services, December 15, 2022, p. 116-117.)

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and may not be able to impact what other districts set for their rates. Some other districts already offer specific rates for ADUs. Depending on the type of SDC, the charge may be a flat rate, or a scaled rate that depends on square footage or other metrics (such as water meter size). Those which are scaled to square footage will tend to be lower for ADUs (which are generally capped at 800 square feet unless they are a conversion of an existing level or floor of the primary dwelling unit (Beaverton Development Code 60.50.03.2(C))).

Other jurisdictions in Oregon have offered various SDC exemptions or reductions for ADUs, with different programs depending on existing local SDCs and legal interpretations. In some cases, the City backfills forgone revenue from SDC exemptions or partners with utility companies to offer exemptions or reduced fees. However, backfilling may not always be necessary in the case of ADUs, especially if they are able to share some infrastructure (like a water line) with the primary dwelling unit.¹⁰ SDC rates that apply in Beaverton as of February 1, 2023 are summarized in Exhibit 6.

¹⁰ ECONorthwest, Galardi Rothstein Group, and FCS GROUP on behalf of Oregon Housing and Community Services, "Oregon System Development Charges Study: Why SDCs Matter and How They Affect Housing," December 15, 2022.

https://www.oregon.gov/ohcs/development/Documents/Oregon%20SDC%20Study_FinalReport_121422.pdf

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Exhibit 6. Summary of Fees in Beaverton

Source: City of Beaverton, Washington County, and Tualatin Hills Parks and Recreation

Charge	Applicable Rates	Collected For:
Sewer	Sanitary Sewer: - ADUs generally exempt (must be <1,000 sf with water meter no larger than ¾")^{11,12} Storm Sewer: - ADUs may be exempt if they do not add impervious surface area (such as garage or internal conversions)¹³ - Storm Water Quality: \$238 - Storm Water Quantity: \$291 - Storm Water SDC: \$1,394	Clean Water Services
Water	ADUs exempt if using existing water meter. If a new or larger meter is required: ¹⁴ Meter: \$499 SDCs: 5/8-Inch meter: \$10,329 3/4-Inch: \$15,493	City of Beaverton
Parks	Lower rate than single family dwelling: \$5,118 for an ADU¹⁵	Tualatin Hills Parks & Recreation
Transportation Development Tax (TDT)	No specific rate or exemption for ADUs: ¹⁶ - Detached Housing: \$9,998¹⁷ - Attached Housing: \$5,981	Washington County ¹⁸

¹¹ City of Beaverton, "Building Code Considerations for Accessory Dwelling Units," 2019, <https://www.beavertonoregon.gov/199/Codes-References>.

¹² While this would not apply for most detached ADUs (which are not permitted to exceed 800 square feet in floor area), an attached ADU could exceed 1,000 sq ft. and therefore be subject to a sanitary sewer SDC.

¹³ Clean Water Services, "Permit and Development Fees," July 2022, <https://cleanwaterservices.org/development/process-fees/permit-fees/>.

¹⁴ City of Beaverton, "Building Code Considerations for Accessory Dwelling Units."

¹⁵ Tualatin Hills Parks & Recreation District, "Parks and Recreation System Development Charges: Administrative Procedures Guide," August 10, 2022, <https://www.thprd.org/district-information/administration/planning-design-and-development>, 7.

¹⁶ Some other jurisdictions within Washington County have chosen to forgo collecting this fee for ADUs if other SDCs are not applicable.

¹⁷ Depending on whether an ADU is attached or detached from these primary dwelling unit, it might currently have to pay either the detached or attached housing rate.

¹⁸ Julie Sosnovske, "Transportation Development Tax & Transportation System Development Charges | Washington County, OR," www.washingtoncountyor.gov, accessed March 8, 2023, <https://www.washingtoncountyor.gov/transportation-planning/tdt-transport-system-develop-charges>.

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Permit-Ready ADU Plans

Permit-ready plans are a tool used by some jurisdictions, which can help to reduce the timeline and costs for ADUs, including both design and permit fees. Typically, the city planning staff and architects will work to create a set of plans, sometimes with a range of different sizes and styles, which are vetted to meet criteria for building permits. The City of Beaverton could develop such permit-ready plans, which could remove approximately 10 percent of ADU development costs.²¹

Best Practice: Seattle

The City of Seattle has a number of tools available for supporting ADU development. In 2020, the City released 10 pre-approved ADU designs. The typical permitting time for a detached ADU is 4-8 months, however, this timeline is reduced to just 2-6 weeks for any of the 10 ADU designs already pre-approved by the City.¹⁹ Although the program still charges fees, they are much lower than the cost of a custom design, ranging from \$750 to \$1,000. An expedited permitting timeline combined with a simpler process with the City reduces risk and uncertainty building an ADU; reduced timeline can help to avoid increased labor costs, longer loan repayment periods, and other costs.²⁰

If the City offers these plans, it could potentially also reduce or waive the cost of permit review fees, with the understanding that they require significantly less staff capacity to process. The City's building permit fee schedule for one- and two-family dwellings is based on valuation, and assuming a permit value roughly between \$100,000 to \$200,000, this translates to a permit fee between about \$1,000 and \$2,000.

Financing

There are various ways an ADU could be financed, including:²²

- **Home equity loans**, which are available from most lenders who offer primary mortgages. These typically provide a lump sum up front and can be fixed-rate or adjustable-rate loans with a typical payoff period of 10-15 years.
- **Home equity lines of credit**, which are also typically provided by banks and other mortgage lenders and are generally adjustable-rate loan products that may be drawn against and repaid somewhat flexibly, with an initial draw period and a repayment period.

¹⁹ City of Seattle, "Pre-Approved DADUs," aduniverse-seattlecitygis.hub.arcgis.com, accessed March 9, 2023, <https://aduniverse-seattlecitygis.hub.arcgis.com/pages/gallery>.

²⁰ ECONorthwest, "The Role of Accessory Dwelling Units in Supporting the Housing Needs of Older Adults" (Habitat for Humanity, February 13, 2023), 37.

²¹ Cottage, "What Does It Cost to Build an ADU?," May 7, 2021, <https://www.cotta.ge/resources/2021-05-05-what-does-it-cost-to-build-an-adu-part-1>.

²² ECONorthwest for City of Medford, "Analysis of Financial Incentives for Accessory Dwelling Units," December 2018.

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- **Refinancing the primary home**, which typically incurs higher financing costs, but may offer a lower interest rate and a longer amortization period (e.g., 30 years) than home equity loans, lowering the additional monthly payment.
- **Cash / savings** – depending on where people would otherwise have this money invested, the forgone interest / earnings on this money could be modest (e.g., less than 1% for a savings account) or more significant.
- **Loans or other funds from friends or family** – these could be low or no interest, an agreement to share some of the revenue from the ADU, or a contribution because the ADU will house the family member with no expectation of repayment, depending on the situation.

Access to financing and/or having sufficient home equity can be barriers to ADU construction, particularly for low- to moderate-income homeowners. Some cities, counties, and states have launched or piloted loan programs for ADU construction. Loan programs have often been forgivable or zero-interest loans that can be repaid when homeowners sell the property. For example, California's Housing Finance Agency (CalHFA) offers grants of up to \$40,000 for lower-income homeowners, via lending partners throughout the state, which covers predevelopment and/or closing costs but is limited to owner-occupied properties.²³ Freddie Mac has also recently supported a new mortgage loan available for ADUs which offers borrowers the ability to fund construction through a no-fee mortgage refinance that would fold into the existing mortgage of the homeowner.²⁴

Providing more loan options to finance ADU development could make their construction more viable for a broader range of homeowners in Beaverton. The City could work with local institutions to help create more viable loan options that would help fill in the financing gap, particularly needed by older adults and low to moderate-income households.

²³ California Finance Agency (CalHFA). (2023).

²⁴ ECONorthwest, "The Role of Accessory Dwelling Units in Supporting the Housing Needs of Older Adults" (Habitat for Humanity, February 13, 2023), 56.

Housing Beaverton Project: Public Engagement Summary

Public Engagement Purpose

The public had an opportunity to provide ideas and feedback at every stage of the project. Public engagement is split into three phases, each with a different engagement goal:

- **Phase 1 (June-October 2022):** Introduce the project and seek feedback on housing needs in Beaverton; used to inform the development of housing strategies (collaborate/involve)
- **Phase 2 (January – May 2023):** Share draft housing strategies with stakeholders and get feedback on the preferred approach(es) and make modifications; used to inform prioritization (involve/consult)
- **Adoption and Post-Adoption (Summer-Fall 2023):** Make modifications as needed, share, and adopt housing strategies. After, communicate results with stakeholders, especially those interested in implementation or other city efforts (inform)

Background and Approach

The Housing Beaverton Project is designed to identify people's housing needs and determine what actions the city can take to promote the creation of housing that meets community members' needs. The project includes a Housing Needs Analysis to understand current and future housing needs in Beaverton over the next 20 years. In addition, a Housing Production Strategy identifies priority city actions and specific tools (policies, programs, development rules, financial incentives, etc.) that the city will implement to help make that housing happen.

What We Have Already Heard from the Community

The Housing Beaverton Project is guided by existing community and city policy direction and builds on previous city engagement efforts. The community has long identified the need for housing, as described in the following community-led and Council-adopted documents:

- [Past Engagement Plan](#)
- [Beaverton's Diversity, Equity, and Inclusion Plan](#)
 - Priority Area 3: Housing and Livability
- [Beaverton Community Vision Plan](#),
 - Enhance Livability
- [Beaverton Housing Five-Year Action Plan](#)
 - Goals under Affordable Homes and Housing Supply Areas of Focus

Building on the community's longtime support for housing in Beaverton, staff has tailored the Phase 1 engagement approach to ask the community what housing needs exist in Beaverton and other factors that should be taken into consideration.

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Summary of Engagement Activities for Phase 1

Phase 1: June-October 2022

The first phase of engagement focused on learning and understanding housing needs, prioritizing underserved communities such as low-income households, people of color, seniors, and people with disabilities. Given the ongoing popularity of hybrid meetings, staff used a variety of engagement methods that included in-person interaction and virtual engagement opportunities.

Interviews with Community Members

City staff conducted interviews with community members (e.g., youth, seniors, people with disabilities, and veterans) to understand their housing needs. To connect with these specific populations, staff received support from community partners to conduct outreach. The list includes:

- Boys and Girls Aid
- HomePlate Youth Services
- Second Home
- Salvation Army
- Housing Supportive Services Network (HSSN)
- Boards and Commissions
- Unite Oregon

Meetings with City Advisory Boards, Committees, and Groups

Staff attended group meetings, held via Zoom video conference, to introduce the project and collect feedback on the project engagement strategy, equity considerations, and housing needs in Beaverton. Groups included:

- Beaverton Committee for Community Involvement (BCCI)
- Housing Technical Advisory Group (HTAG)
- Beaverton Committee on Aging (BCOA)
- Urban Renewal Advisory Committee (URAC)

Meetings with Other Priority Groups

Outside of city advisory boards, groups, and committees, staff also discussed the project with the following city partners and community members:

- **Unite Oregon:** Unite Oregon is a community organization led by people of color, immigrants and refugees, rural communities, and people experiencing poverty to build an intercultural movement for justice in Oregon. The city has a contract with Unite Oregon to conduct multicultural engagement. City staff meets weekly with Unite Oregon staff to discuss local housing issues and potential topics to bring to the Inclusive Housing Cohort or share with others in the broader community.
- **Multicultural Engagement** With the support of community partners and organizations, further engagement was completed to include community members consisting of people of color, immigrants, refugees, English language learners, non-

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binary people, renters, low-income persons, people with disabilities, and people who have experienced homelessness. A community event was held on October 19, 2022, and used Poll Everywhere, an online engagement tool, to get feedback in real-time, to supplement the discussion. Live interpretation in Spanish and translated presentation materials was provided.

- **Community Events:** To engage with a broader community, during the housing needs phase of this project, the project team participated in the following outreach events:
 - City of Beaverton library tabling
 - Beaverton Night Market
 - Tualatin Hills Parks and Recreation District: Concert in the Park at Cedar Hills Park
 - Tualatin Hills Parks and Recreation District: Tianquiztli Anahuaca Cultural Market at Schiffler Park
 - Central Beaverton business and community partner flyering

Other Engagement Methods

In addition to group meetings and one-on-one interviews, staff used other methods to engage members of the community, such as:

- Project website
- Notify Me and emails to various stakeholder groups and organizations
- Your City article
- Neighborhood Association Committee (NAC) newsletter
- Cultural Inclusion Newsletter
- Community Survey

What We Heard During Phase 1

This includes feedback from conversations with BCCI, BCOA, HTAG, the Inclusive Housing Cohort, and other community members through interviews and focus groups.

Youth Focus Group

Neighborhood Needs

- Accessible transit (bus route to train)
- Transit centers (bathrooms need to be cleaned, charging stations on the train, bus stops (to stay dry) and have lights
- More sidewalks
- Need for more supportive housing (wraparound), consider mandatory reporting as a need when considering cases of abuse and neglect

Interior and Exterior Needs

- Home must allow pets (emotional support animal, companion)
- Natural light
- Outdoor area
- Privacy
- Indoor relaxation area

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- Bedroom and kitchen
- Washer and dryer available

People with Disabilities

- People with disabilities are not a monolith; housing needs and accommodations will depend on what kind of disability someone has
- Housing should be flexible/customizable e.g., pocket doors, accessible laundry, open floor plans
- Housing should be accommodated/retrofitted that accommodates the most people possible e.g., lever handles rather than turning knobs, wide hallways, accessible showers, no landings
- Parking close to the dwelling is important
- Consider climate change for all homes e.g., heat pumps and/or air conditioners
- Requesting reasonable accommodations can be a burdensome process e.g., long delays in requests, yearly renewals of requests
- Financial assistance is needed to retrofit homes for accessibility
- Affordability is a huge constraint
 - To find a home that meets their needs is to purchase one and renovate it to accommodate accessibility
 - Accessible units are difficult to find
 - Renters are also often faced with large losses to security deposits e.g., scuffs and dings on walls, cabinets, and appliances

Veterans and Seniors

Challenges

- Rent controls needed to anticipate increases in bills and cap increase amount
- Rentals are not affordable
- Changes in landlords or ownership cause disruptions to living situations due to raising rents or selling buildings
- Live somewhere without fear of changes in price or eviction

Characteristics of Needed Housing

- Housing with free parking
- Safety and security
- Proximity to medical care (VA), shopping, and services
- Interior needed characteristics included a washer/dryer (free or low-cost), an elevator, and space for families.
- Ground-floor ADA-compliant units for low-income people and families.

Other

- VASH (Veterans Affairs Supportive Housing) assistance is inadequate and there are challenges in finding landlords who will accept VASH vouchers.
- Developers should be required to build a certain percentage of units for low-income people.

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Survey Respondents

Location Needs

- Walkable
- Close to transit
- Close to work, grocery, schools, shopping, and green spaces/parks
- Safe neighborhood
- Bike infrastructure

Interior Needs

- Space e.g., for larger families, storage, open floor plan, more than one bathroom
- Single-level homes
- ADA accessible e.g., open spaces for navigating mobility devices and equipment, ground floor, grab bars, lower cabinets, turn-around space
- AC and in-unit washer and dryer
- Natural light/windows

Exterior Needs

- Outdoor space and access to parks/green spaces
- Safety
- Quiet
- Privacy e.g., separation from neighbors
- Off-street parking
- Accessibility
 - Paved walkways
 - Flat sidewalks
 - Bikeable
 - Walkable
 - Shaded areas
- Long lasting
 - Concrete shake-proof
 - Good condition
 - Materials/finishes

Challenges

- Affordability
 - Cost of living/high rent
 - Price of homes
 - High down payment
 - HOA (Homeowner Association) fees/restrictions
 - APR (Annual Percentage Rate) for housing loans is high
- Accessibility
 - ADA ground floor units
 - Handicap parking spaces
 - Older homes need to be ADA
- Landlords

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- Hard to get a hold of
 - Not following up on applications
 - Fail to provide adequate notification of unit availability
- Screening process and full waitlist
- Adequate outdoor space
- Unaffordable larger homes

Further Takeaways

- Incentivize affordable housing development
- Village and town square-type atmosphere
- Multigenerational and mixed-age housing
- Homeownership education and assistance
- Affordability for single parents

Staff plans to use this early feedback to develop housing strategies to address the needs and challenges mentioned. Staff will then share and seek feedback on housing strategies with community members and other stakeholders during the Phase 2 Engagement period.

Questions Asked During Phase 1 Engagement

Questions varied depending on the audience and their experience with housing. Below is a general list of questions we asked during this project's first phase.

Accessibility

1. What are the challenges to finding accessible units?
2. What are your non-negotiable exterior and interior needs?
3. What has been your experience visiting other people's homes?
4. What programs/facilities/services support you or others with disabilities?

Location

1. What are the most important things that should be in your neighborhood to meet your needs?
2. For a home to meet your needs, what is the most important thing(s) about where it is located?

Needs

1. Does your current living situation meet your housing needs? If so, why, or why not?
2. What is the most important interior characteristic(s) about a home that would meet your needs?
3. What is the most important exterior characteristic(s) about a home that would meet your needs?

Challenges/Other

1. What other barriers or challenges do you have, or have you faced that prevent or hinder meeting your housing needs?
2. Is there more information you would like to provide to help us better understand your housing needs?

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Summary of Engagement Activities for Phase 2

Phase 2: January-May 2023

The second phase of engagement focused on drafting housing strategies to address the housing needs shared from the community during Phase 1 and receive input and feedback on the strategies shared. Due to the increasing popularity of virtual/hybrid meetings, staff focused on engagement methods that included both in-person interaction as well as virtual engagement opportunities to provide options for people who prefer to participate remotely.

Meetings with City Advisory Committees and Groups

Staff attended group meetings, held via Zoom video conference, to give an update about the project and gather feedback on the potential housing strategies to meet people's housing needs in Beaverton. Groups included:

- Beaverton Committee for Community Involvement (BCCI)
- Housing Technical Advisory Group (HTAG)
- Beaverton Committee on Aging (BCOA)
- Urban Renewal Advisory Committee (URAC)

Meetings with Other Priority Groups

Outside of city advisory boards, groups, and committees, staff also discussed the project with the following city partners and community members:

- **Unite Oregon:** Unite Oregon is a community organization led by people of color, immigrants and refugees, rural communities, and people experiencing poverty to build an intercultural movement for justice in Oregon. The city has a contract with Unite Oregon to conduct multicultural engagement. City staff meets weekly with Unite Oregon staff to discuss local housing issues and potential topics to bring to the Inclusive Housing Cohort or share with others in the broader community.
- **Multicultural Engagement:** With the support of community partners and organizations, further engagement was completed to include community members consisting of people of color, immigrants, refugees, English language learners, non-binary people, renters, low-income persons, people with disabilities, and people who have experienced homelessness. An Inclusive Housing Cohort meeting was held on January 11, 2023, and used Jam Board, an online engagement tool, to get feedback in real-time, to supplement the discussion. Live interpretation in Spanish and translated presentation materials were provided. In addition, the team connected with all previous community members (e.g., survey and stakeholder interview participants, youth and veteran community partners) who were engaged during phase 1 of the project, to have an opportunity to provide input.
- **Stakeholder Interviews:** To engage with a broader community, during the housing strategies phase of this project, the project team, including both city staff and consultants, connected with housing producers and developers, which include:
 - Rachael Duke, CPAH – Affordable housing provider
 - Dan Grimberg, West Hills Development – Market-rate housing developer

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- Roy Kim, Central Bethany Development – Market-rate multi-dwelling housing and commercial developer
- Todd Kimball – Realtor and disability advocate
- Mike Mitchoff, Portland Houseworks – Middle housing developer
- Brendan Sanchez, Access Architecture – Designer of multi-dwelling and other types of housing (including affordable housing)
- Erica Calderon, Bienestar- Non-profit housing provider
- Roy Kim, Central Bethany Development- Real estate development
- Preston Korst, Home Building Association of Greater Portland

Other Engagement Methods

In addition to group meetings and interviews with stakeholders, staff used other methods to engage members of the community, such as:

- Project website with a comment box allowing people to submit feedback
- Notify Me and emails to various stakeholder groups and organizations
- Your City article
- Neighborhood Association Committee (NAC) newsletter
- Cultural Inclusion Newsletter
- Housing Supportive Services Network newsletter

What We Heard During Phase 2

This includes feedback from community members and groups such as the Housing Technical Advisory Group, the Beaverton Committee for Community Involvement, and the Inclusive Housing Cohort. The consultant team also engaged with developers and housing producers to get their thoughts on the strategies. Below are major takeaways:

Key housing priorities from community groups and the general public:

- Micro-shelters/sleeping pods
- Renter protections/rent control
- More education around housing
- Homes for large or multigenerational households
- More homeownership opportunities
- Preserving existing low-cost housing, such as manufactured dwelling parks
- Accessible/senior housing
- Partnering with builders, especially in the non-profit sector
- More housing concentrated near transit and services

Developers and housing producers

- Developers are in favor of increasing development flexibility and capacity in multi-dwelling and mixed-use districts, which can make multi-dwelling development more feasible to build.
- Single Room Occupancy (SRO) housing is seen as a good option for permanent supportive housing, but SROs and micro-housing can be controversial if they're market-rate.

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- Permit-ready plan sets for Middle Housing types (including single-family dwelling units) can help deliver more housing by dramatically cutting down on costs.
- Accessible design incentives or mandates: Accessible features in units can add significant costs and reduce the number of units that could be provided. A requirement to add elevators could be a project killer, both for affordable and market-rate development, but incentives could work to encourage accessible housing.
- Incentives (such as density and floor area ratio (FAR) bonuses) could also work to encourage developers to build more family units with multiple bedrooms and can make affordable housing and mixed-income projects more feasible.
- Onerous bike parking requirements can be a challenge for middle housing infill development.
- Expedite or streamline permitting: Anything the City can do to speed up the permitting process will benefit developers and lead to more housing production.
- Construction Excise Tax (CET) may deter some developers, but per affordable housing providers, any and all funding sources should be considered.
- Middle housing and multi-dwelling developers advocate for the Multiple Unit Property Tax Exemption (MUPTe) program and think it could be very effective in spurring development (including single unit housing).
- Consider an interim rule for public right of way requirements for Accessory Dwelling Units (ADUs).
- System Development Charge (SDC) deferral option that defers payment of SDCs until timing of impact, sale of unit, etc. to help builders save on carrying costs which could help affordability for buyers/renters.
- Think of more creative ways to fund infrastructure beyond SDCs, including reimbursement districts, urban renewal, grants, general budget etc.

Staff plans to use this feedback to finalize housing strategies to then share with the City Council for prioritization and implementation.

Questions Asked During Phase 2 Engagement

Questions varied depending on the audience and their experience with housing. Below is a general list of questions we asked during this project's first phase.

Community Members:

Which housing strategies are the most important/highest priority in Beaverton?

- a) Preserve existing low-cost housing
- b) Homeownership
- c) Affordable rental housing
- d) Home for big families
- e) Accessible housing
- f) Micro-shelters/pods
- g) Housing near transit/services

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Other Stakeholders:

- What types of projects or programs does your organization offer to address housing needs in Beaverton? If you are developing or providing housing, what type of housing do you focus on and who are the intended residents?
- What tools or strategies do you think would be effective in creating more desired housing in Beaverton? Which of these tools or strategies, if any, has the city used previously to support your projects in Beaverton? [Some overlap with Q3 below; will ask in whatever sequence makes sense.]
- Which tools or strategies are a poor fit for this community?
- How could the city strengthen their relationships with your organization and best assist you in the housing related work you are doing?

Questions for Affordable Housing Developers/Designers:

- Are there particular development code or process barriers that you think should be addressed to make multi-dwelling housing easier to build in Beaverton?
- What types of incentives are most beneficial to your organization? Density/height/FAR bonuses, tax abatements, fee reductions, etc.?
- What are other ways that local governments have supported your work?
- Does your organization include accessibility features beyond the minimum federal requirements? What are the barriers to providing accessible units? What are the costs?
- Do you think financial, or code incentives (such as reduced fees or density/height/FAR bonuses) would be effective in delivering more accessible units? What about requirements for accessibility beyond federal standards?
- One of the needs identified in Beaverton is more housing for multi-generational families. Does your organization provide units that meet these types of needs? What are the barriers? Would bonuses (density/height/FAR) be an effective way to encourage multiple bedrooms?
- Do you see opportunities for SRO development in Beaverton?

Questions for Middle Housing Developers:

- Have you developed or explored developing middle housing in Beaverton? What challenges have you faced (here or elsewhere).
- Are there particular development code or process barriers that you think should be addressed to make middle housing easier to build in Beaverton? Have bicycle parking requirements for middle housing been a challenge?
- The city is considering the strategy of developing pre-approved plan sets to facilitate middle housing development. Would you consider using them? Do you think it would help reduce costs? Lead to lower home prices? Any other potential benefits or drawbacks?

Questions for Multi-Dwelling Developer:

- Are there particular development code or process barriers that you think should be addressed to make multi-dwelling housing easier to build in Beaverton?

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- Beaverton is considering increasing or removing density maximums in mixed-use zones. Do you think higher allowed densities would make housing units more affordable? What density range would you target if there were no limits (except height)?
- Does your organization include accessibility features beyond the minimum federal requirements? What are the barriers to providing accessible units? What are the costs?
- Do you think financial, or code incentives would be effective in delivering more accessible units? What about requirements for accessibility beyond federal standards?
- Some officials in Beaverton are curious about inclusionary zoning (IZ)—like what Portland has done. What do you think would be the impact to your developments—or other multi-dwelling developers? What kind of incentives do you think the city would need to consider offsetting the impact of IZ on development?

Questions for West Hills / Larger Land developer:

- What do you think of the strategy to require a mix of middle housing in new planned areas, such as Cooper Mountain?
- Does your organization incorporate accessible features into its homes? If not, what are the barriers? Would local incentives increase the likelihood that you would include those features?
- Beaverton is considering a Construction Excise Tax for affordable housing. The tax rate could be up to 1% for residential development. Have you worked in communities that have a CET? To what degree would this impact what you build—or whether you build—in Beaverton? Would it affect home prices, and if so, to what degree?
- What could the City do (in terms of regulatory changes, incentive, etc.) to support more development of lower-cost market-rate homes in Beaverton?

Questions for Realtor/Accessibility advocate:

- What is your involvement with housing in Beaverton or in the area?
- What types of homes do you find people with mobility or other impairments are looking for?
- Do you see many homes with accessibility features? Are you aware of the costs of building those features into homes?
- The city is considering strategies to encourage more accessible housing in Beaverton. What do you think about the requirements to make certain new housing visitable for people with disabilities (versus full accessibility)?

Stakeholder Impact

The feedback received from stakeholders greatly influenced the strategies included in the Housing Production Strategy. For example, multigenerational housing, accessible housing, and affordability were broadly supported and advocated by community members and have been integrated as part of the housing strategies. In addition, Multiple Unit Property Tax Exemption (MUPTE), increasing development flexibility, and exploration of funding sources were favored by developers and housing producers and have been integrated into the

APPENDIX H: ENGAGEMENT SUMMARY

housing strategies. Housing producers also advocated for strategies that would make the permitting process more efficient, which is reflected in strategies like 2.1 and 2.2 which involve creating permit-ready plan sets for middle housing types and facilitating development of ADUs to make the permitting process quicker and more cost-effective.

Engagement Evaluation

Even though this project implemented a robust engagement effort, there are opportunities for improvement in future engagement practices. The city lacks tools and platforms that make virtual/hybrid participation accessible and engaging for everyone. The project incorporated several tools (e.g., Google JamBoard and Poll Everywhere) to engage community members virtually. However, tools for hybrid opportunities were scarce. In the future, a virtual engagement platform like Bang the Table could make virtual engagement more accessible to those who cannot attend or commit to an event/meeting/focus group at a set date and time. Lastly, inviting community members to lead or co-lead some engagement work, while being monetarily compensated, could be a future strategy that provides a broader reach to a diverse range of community members. The city intends to increase engagement with diverse community members and organizations, as described in Strategy 5.2.

APPENDIX I. PRE-HPS SURVEY SUBMISSION

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Year: 2021 City: Beaverton

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Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
A - Zoning and Code Changes	A08 - Promote Cottage Cluster Housing	Yes	No	No
Comments:	The city's Housing Options Project, which implements House Bill 2001, is working on cottage cluster code language. Staff expects Council consideration of the code language in summer 2022.			
A - Zoning and Code Changes	A18 - Increase Density near Transit Stations and Regional Multi-use Trails	Yes	No	No
Comments:				
A - Zoning and Code Changes	A19 - High Density Requirements for to-be-Annexed Land	Yes	No	No
Comments:	City is working on the Cooper Mountain Community Plan, which will determine Comprehensive Plan policies and zoning for a 1,200-acre urban growth boundary expansion areas southwest of Beaverton. It will include zoning for a variety of housing types and densities.			
B - Reduce Regulatory Impediments	B01 - Remove or Reduce Minimum Parking Requirements	No	Yes	No
Comments:	Allows a parking variance for regulated affordable housing projects			
B - Reduce Regulatory Impediments	B10 - Public Facility Planning	Yes	No	No
Comments:	The city is conducting public facility planning to ensure new development can be served, including in the Cooper Mountain area with the Cooper Mountain Utility Plan. Cooper Mountain is a 1,200-acre UGB expansions area.			
B - Reduce Regulatory Impediments	B14 - Adopt Affirmatively Furthering Fair Housing as a Housing Policy in Comprehensive Plan	No	Yes	No
Comments:				
C - Financial Incentives	C01 - Reduce or Exempt SDCs for Needed Housing	Yes	Yes	No
Comments:	The city's parks partner, Tualatin Hills Park and Rec District (THPRD), exempts 50% of SDCs for regulated affordable housing projects restricting units up to 60% AMI; 100% of SDCs for regulated units affordable restricted at 30% AMI			
C - Financial Incentives	C01 - Reduce or Exempt SDCs for Needed Housing	Yes	Yes	No
Comments:	Beaverton provides funding to offset city-controlled SDC fees for regulated affordable housing projects			
D - Financial Resources	D01 - Community Development Block Grant (CDBG)	No	Yes	Yes

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	Comments:	The city funds various community based organizations that service homeless/home insecure households/youth, services for residents in regulated affordable housing, home repair/modifications, home ownership			
D - Financial Resources		D02 - Low Income Housing Tax Credit (LIHTC)	Yes	Yes	Yes
	Comments:	The city encourages affordable housing developers to access and maximize LIHTC as a funding source for Beaverton projects.			
D - Financial Resources		D03 - Housing Trust Funds	Yes	Yes	Yes
	Comments:	To the greatest degree possible, the city encourages affordable housing developers, to the greatest degree possible, to leverage funding sources including Housing Trust Funds			
D - Financial Resources		D04 - Operating Subsidies for Affordable Housing Developments	Yes	Yes	Yes
	Comments:	Regulated affordable housing projects developed in Beaverton, include resident services, replacement reserve requirements as part of its operating proforma. The city also funds through its CDBG funds resident services for a couple regulated affordable housing projects			
D - Financial Resources		D06 - HOME Program	Yes	Yes	Yes
	Comments:	The city is part of the Washington County HOME consortium. The newest affordable housing project recently opened, The Mary Ann, used HOME funds			
D - Financial Resources		D07 - Dedicated Revenue Sources for Affordable Housing	Yes	Yes	Yes
	Comments:	City Council allocates annually general fund for the benefit of affordable housing activities			
D - Financial Resources		D10 - Tax Increment Financing (TIF) Set-Aside	Yes	Yes	Yes
	Comments:				
D - Financial Resources		D15 - Bond - for Resident Support Services and Permanent Supportive Housing Services	No	Yes	Yes
	Comments:	While the city is not an implementer of the Metro Supportive Housing Services (SHS) tax levy, we are working with Washington County to ensure SHS resources are matched with affordable housing projects in the city			
D - Financial Resources		D16 - General Obligation Bonds – for Affordable Housing	Yes	Yes	Yes
	Comments:	The city is one of seven jurisdictions implementing the Metro Affordable Housing Bond passed by voters in 2018			
D - Financial Resources		D18 - Weatherization Funds through Community Action Agencies	No	No	Yes

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	Comments:	The city partners with Community Action of Washington County to access weatherization resources for Beaverton residents		
D - Financial Resources		D19 - Transit-Oriented Development Grants	Yes	Yes
	Comments:	The city works with Metro to access TOD funds for affordable housing projects		
E - Tax Exemption and Abatement		E01 - Nonprofit Low-Income Rental Housing Exemption	Yes	No
	Comments:			
E - Tax Exemption and Abatement		E03 - Vertical Housing Development Zone Tax Abatement	Yes	Yes
	Comments:			
F - Land, Acquisition, Lease, and Partnerships		F01 - Land Banking	Yes	No
	Comments:	The city is actively acquiring property for redevelopment purposes, we also partner with other local jurisdictions to leverage publicly owned land for the benefit of affordable housing		
F - Land, Acquisition, Lease, and Partnerships		F03 - Community Land Trusts	Yes	No
	Comments:	The city has partnered with Proud Ground for several years		
F - Land, Acquisition, Lease, and Partnerships		F04 - Public/Private Partnerships (P3)	Yes	No
	Comments:			
F - Land, Acquisition, Lease, and Partnerships		F08 - Conversion of Underperforming or Distressed Commercial Assets	Yes	No
	Comments:	This is part of the city's property acquisition strategy		
F - Land, Acquisition, Lease, and Partnerships		F10 - Prioritize Housing on City/County Owned Land	Yes	Yes
	Comments:			
F - Land, Acquisition, Lease, and Partnerships		F16 - Regulatory Agreement	Yes	Yes
	Comments:	Affordable housing financial incentives include regulatory agreements to ensure compliance.		

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F - Land, Acquisition, Lease, and Partnerships	F20 - Fair Housing Education, Referral, and Other Services	Yes	No	Yes
Comments:	Partner with Washington County and the City of Hillsboro for fair housing education, outreach, referrals			