

APPENDIX C.

HOUSING MARKET ANALYSIS SUPPLEMENT

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Washington County Housing Market Analysis

This section of the Consolidated Plan supplements the HUD-required Market Analysis (MA). It provides more detail on the changes in the county's housing market since 2012; identifies market gaps by income level and tenure; contains a geographic analysis of housing conditions and needs; and concludes with projections of the need for housing serving county residents with incomes below median in the future. The section begins with a brief overview of the geography and demographics.

A note on distribution of this section: This section is part of a broader study of housing needs in Washington County, Beaverton, and Hillsboro.

A note on methodology. The data used for the market analysis come from a variety of sources. In all cases, the data represent the latest, most readily available data to describe the housing market. For the smaller cities in the analysis, and for some variables, the most recent data are from the 2017 American Community Survey, or ACS. It is important to note that ACS data are self-reported by residents and, as such, represent the rent they pay and their perceptions of their homes' market values.

ACS data are the best, readily available source of market information for many of the small areas covered in the study. However, the data do contain a margin of error—meaning the actual market data could be larger or smaller than the estimate. Margin of error risk is greater in small geographies. Given this, the data in this section should be interpreted as suggesting a likely number or magnitude of change rather than a definitive number or percentage.

Data labeled as "2011-2015 CHAS" are from a proprietary dataset maintained by the U.S. Department of Housing and Urban Development (HUD) and, at the time this section was prepared, newer data were not available. Use of these data for part of the analysis is required for the HUD Consolidated Plan.

To the extent possible, this study retains the approach and methodology used in prior Consolidated Plan market studies.

Primary Findings

- Washington County grew modestly between 2012 and 2017, with an overall population increase of 8 percent. This overall county growth rate splits the growth rates of its two largest cities, Hillsboro and Beaverton, which had growth rates of 10 percent and 6 percent respectively.
- The county's housing stock grew by 5 percent between 2012 and 2017 less than population growth. This difference between population and housing unit growth resulted in a slightly larger

average household size and lower vacancy rate. The overall residential vacancy is moderately-low at 4.8 percent (compared to 5.2% in 2012).

- Sixty percent of the county’s housing units in 2017 were within urban cities, while 28 percent were in unincorporated urban places and 11 percent were in rural unincorporated county. The remaining one percent of the total housing units were in rural cities.
- The homeownership rate for the entire county is 61 percent with lower rates in the largest cities, including Hillsboro and Beaverton, which are both closer to 50 percent. The homeownership rate is highest among the White households and Asian households, both at 63 percent. The homeownership rate of other minority households, however, are much lower, with Black/African American ownership at 48 percent; Hispanic ownership at 37 percent; and Native American and Native Hawaiian/Pacific Islander rates of 41 and 34 percent, respectively.
- Median gross rent rose in the county by 23 percent from 2012 to 2017 from \$961 to \$1,183 per month. Gross rent grew faster than median home values, which only grew by 14 percent over the same period.
- Of the nearly 53,000 households experiencing cost burden or severe cost burden, 66 percent are renters. Hispanic and Pacific Islander households have higher rates of cost burden and severe cost burden..
- The largest mismatch in the rental market is for those earning up to 30 percent of median family income. The gaps analysis conducted for this study found a shortage of 12,000 units to serve renters earning less than \$25,000 per year. There are approximately 15,000 renters who earn less than \$25,000 per year, yet only 3,000 units and housing choice vouchers to serve them. The gaps analysis found ample supply for those making over \$35,000 a year, where there are 21,494 units available under the maximum affordable rent, including utilities, of \$1,250 per month. Renters earning between \$25,000 and \$34,999 depend on a combination of the public sector subsidies (both rent-restricted and housing vouchers) as well as seasoned private market units, which have rents that may be less stable in tight markets.
- The county’s stock of regulated, affordable rental units are critical to meeting the needs of low-wage workforce households, seniors living on fixed incomes, single parents, and persons with disabilities. There are 5,082 regulated, affordable, units with one or two bedrooms, representing more than 60 percent of the total number of regulated affordable rental units. The county’s regulated affordable housing stock offers a solid range of unit sizes for low income households, and this is true across jurisdictions.

Geography

Washington County, Oregon is one of seven counties in the Portland–Vancouver–Hillsboro, OR–WA Metropolitan Statistical Area. The county’s proximity to Portland, Oregon influences the county’s population growth, housing market, and job growth. It is important to note, however, that Washington County is much more than a “bedroom community” to the City of Portland: several

global companies are located in the county and, according to Business Oregon, Washington County's job growth well outpaced that of both Clackamas and Multnomah Counties between 2005 and 2015.

Urban growth boundaries. Under Oregon law, cities are required to establish a geographic line called an urban growth boundary (UGB) that limits urban expansion into forest or farmland. For the Portland-area UGB, land within this land use boundary receive urban services managed by Metro, Portland's metropolitan regional government. The Portland Metro UGB encompasses all of Washington County's major cities including Beaverton, Hillsboro, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. These cities are designated "*Urban Cities*".

Where data are available, this section includes comparisons with smaller cities in the county. Three smaller cities Gaston, North Plains, and Banks are within Washington County but outside the Portland Metro UGB. These cities are designated as "*Rural Cities*".

The Washington County portion of the Portland Metro UGB also contains multiple unincorporated urban places. To include these places, we identify census designated places within the urban growth boundary, including Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope, and designated the places as "*Unincorporated Urban Places*." ¹

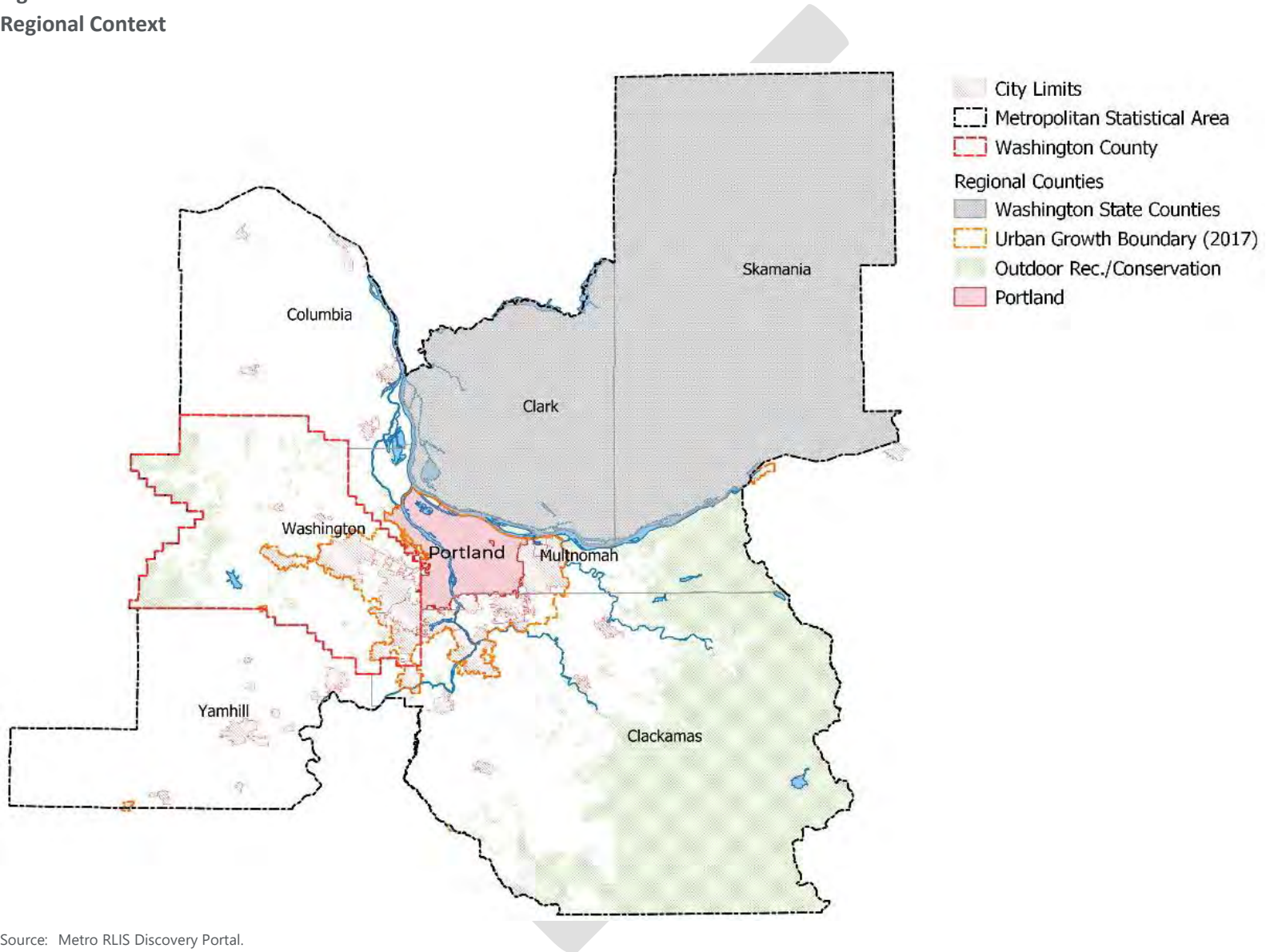
Figure C-1 shows how Washington County fits into the regional housing market. The County's housing market is closely tied to regional supply and demand issues in the high-demand Portland Metro area.

Figure C-2 shows the cities that are primarily captured in this housing market analysis.

Figure C-3 shows the unincorporated urban places for which data are provided where available.

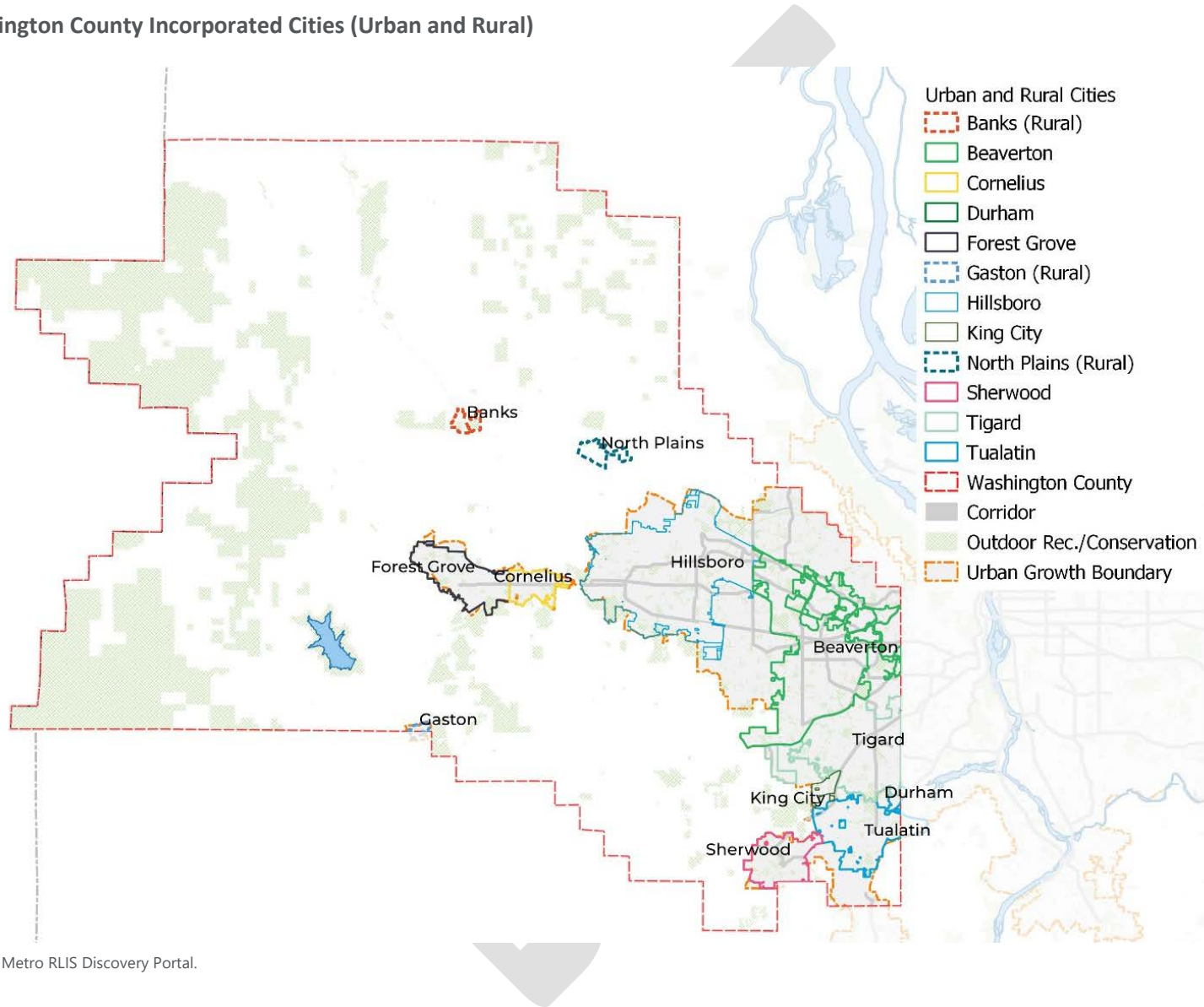
¹ We do not have American Community Survey data for areas within the Portland UGB that are neither Urban Cities nor Unincorporated Urban Places. The remaining Washington County space is considered "*Unincorporated Rural Land*".

Figure C-1.
Regional Context



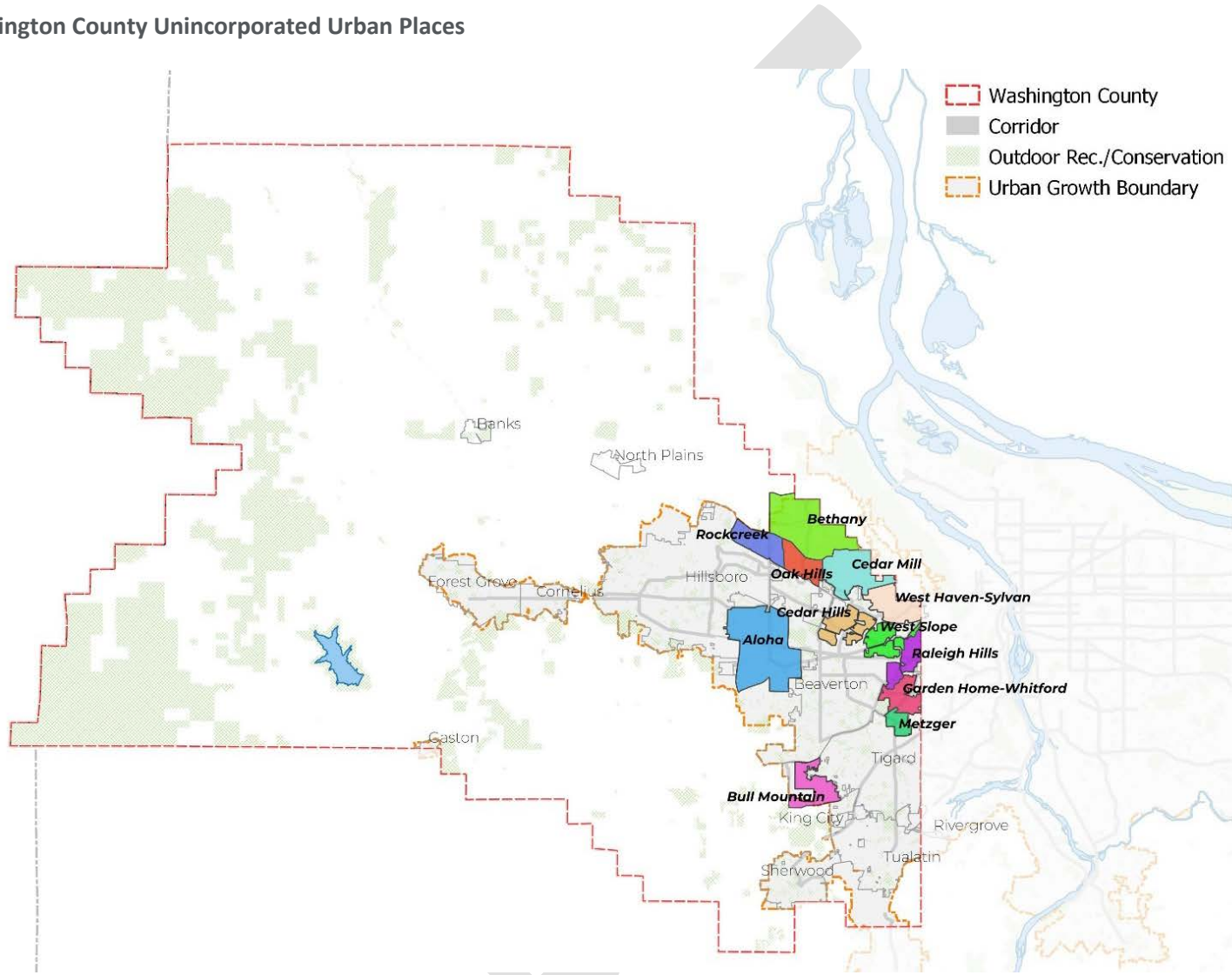
Source: Metro RLIS Discovery Portal.

Figure C-2.
Washington County Incorporated Cities (Urban and Rural)



Source: Metro RLIS Discovery Portal.

Figure C-3.
Washington County Unincorporated Urban Places



Note: Areas within the urban growth boundary that are not a census designated place or a city do not have specific data.

Source: Metro RLIS Discovery Portal and ACS 5yr 2012-2017.

Demographic Context

Between 2012 and 2017, Washington County’s population increased by 8 percent, or 40,253 people.² As shown in the figure below, urban cities experienced a large growth in population (an increase of 24,688); however, unincorporated urban places and rural places experienced similar growth rates (7% and 8% respectively), albeit from a smaller basis. Growth in rural cities was virtually flat, with a loss of an estimated 200 people. Hillsboro’s population, the most populous city in the County, increased by 10,398, or 11 percent, while Beaverton, the second most populous city, experienced a more modest population growth of 5,456 or 6 percent.

Figure C-4.
Population Change by
Geography, 2012-2017

Note:

Urban Cities include Hillsboro, Beaverton, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. Rural Cities include Gaston, North Plains, and Banks. Unincorporated Urban Places includes Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope. Unincorporated Rural Land includes any remaining area in Washington County.

Source:

2012 and 2017 5-year American Community Survey (ACS).

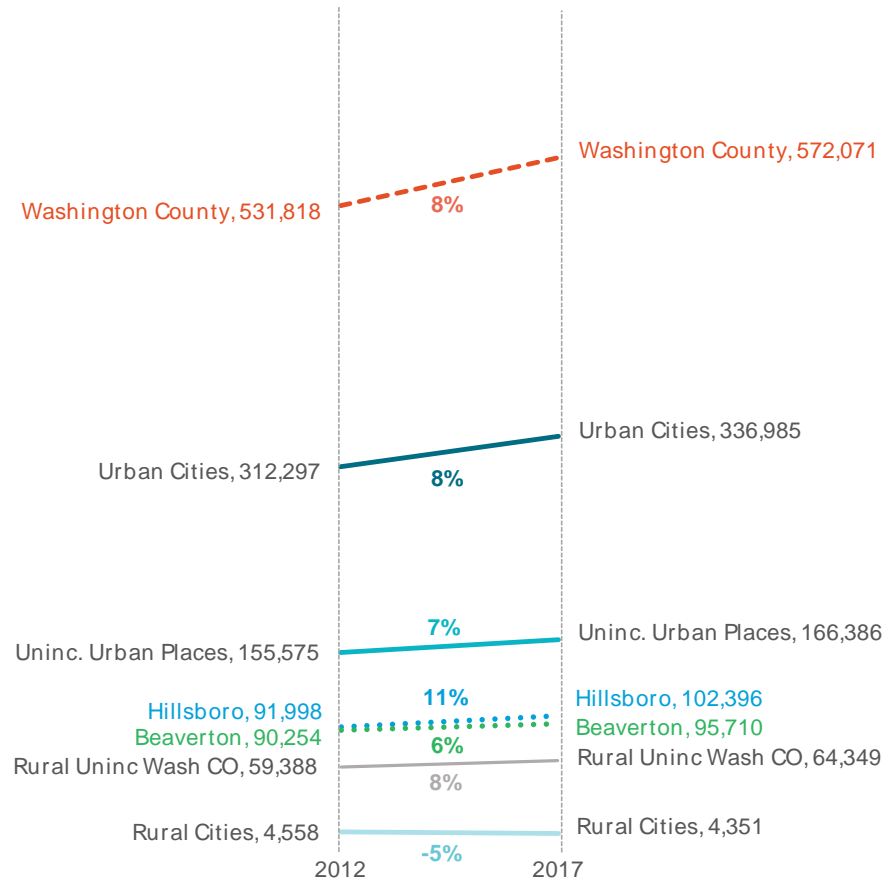


Figure C-5 shows the historical and current average household sizes and percentage of families with children for Washington County and urban and rural places. Since 2012, average household size in the County increased only slightly, by one percent. Where increases in household size did occur, they were in smaller communities. King City and Durham stand out for their relatively large increases. The largest cities, Beaverton and Hillsboro, saw declines.

² The ACS county level population number are considered “controlled” estimates (defined as fixed) and are not subject to sampling error.

Figure C-5.
Households and Families, 2012 and 2017

	Average Household Size			% Families with Children		
	2012	2017	% Change	2012	2017	% Point Change
Aloha	2.94	3.07	4%	37%	39%	1%
Banks	3.26	3.35	3%	54%	54%	0%
Beaverton	2.47	2.44	-1%	29%	27%	-2%
Cornelius	3.57	3.57	0%	52%	45%	-7%
Durham	2.25	2.56	14%	25%	31%	6%
Forest Grove	2.72	2.81	3%	33%	35%	1%
Gaston	2.51	2.76	10%	34%	28%	-6%
Hillsboro	2.81	2.70	-4%	36%	33%	-3%
King City	1.56	1.87	20%	6%	14%	8%
North Plains	2.53	2.71	7%	37%	28%	-9%
Sherwood	2.97	2.95	-1%	51%	45%	-5%
Tigard	2.50	2.49	0%	31%	29%	-2%
Tualatin	2.62	2.49	-5%	36%	32%	-4%
Washington County	2.63	2.66	1%	34%	32%	-1%

Source: 2012 and 2017 5-year ACS.

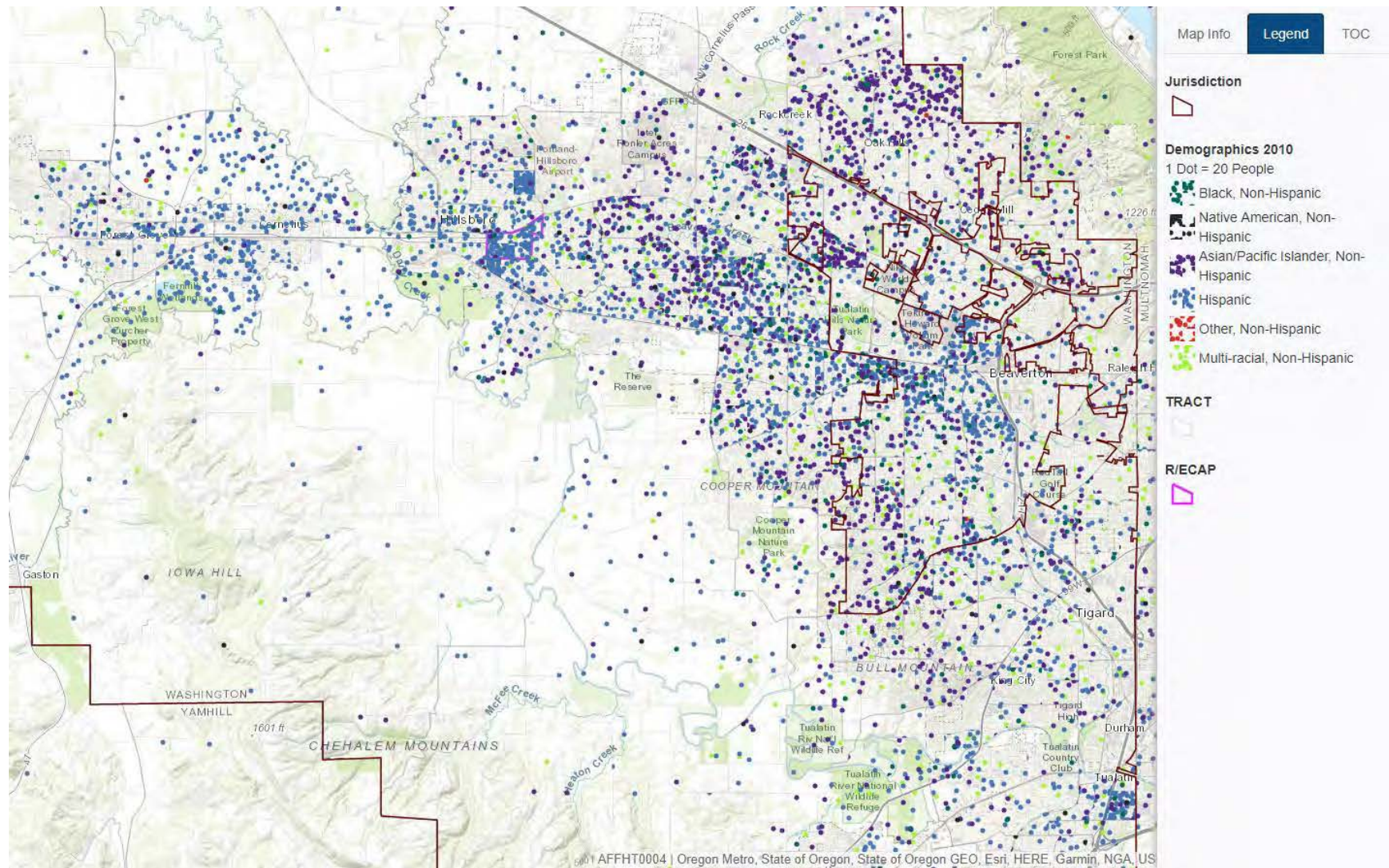
The following map, Figure C-6, provides detail of the racial/ethnic distribution of residents in Washington County, focusing on Non-White and Hispanic residents. This map was created by the U.S. Department of Housing and Urban Development to assist communities in better understanding patterns of racial and ethnic segregation. One dot represents 20 residents and each color represents a different racial or ethnic minority. Racially and ethnically concentrated areas of poverty, or R/ECAPs, indicate areas with very high poverty rates (more than 40% for individuals) and that are more than half Non-White and Hispanic residents.

The map reveals that many neighborhoods reflect the diversity of the County overall; however, it also indicates a higher proportion of Hispanic residents in Forest Grove, Cornelius, western Hillsboro, Aloha, and central Beaverton. Hispanic residents are also concentrated in southern areas of the County, such as Tualatin.

There are higher concentrations of Asian/Pacific Islander residents in east Hillsboro and west Beaverton, as well as the north-eastern unincorporated urban places including Bethany and Oak Hills.

There is one R/ECAP in Washington County located in west central Hillsboro—home to predominately Hispanic residents.

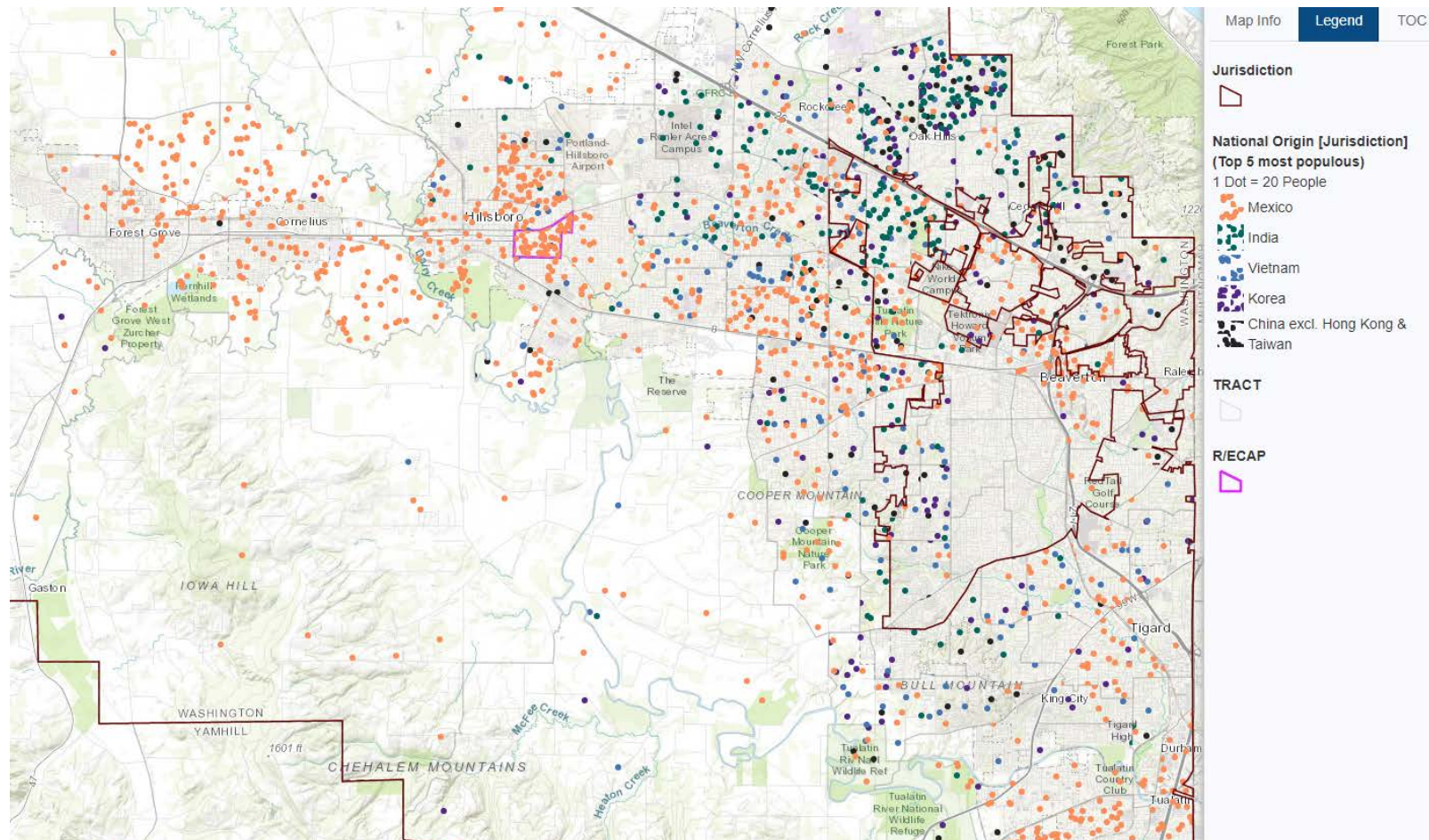
Figure C-6.
Racial and Ethnic Concentrations, Washington County



Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

Figure C-7 shows where cultural groupings exist within Washington County. Like the previous map, one dot represents 20 residents and each color represents a different national origin. Clusters of residents of Mexican origin are located north of Forest Grove and Cornelius, in west Hillsboro (and specifically in the one R/ECAP), and in north and central Beaverton. There are also clusters of residents of Indian origin north and south of Oak Hills.

Figure C-7.
National Origin Concentrations, Washington County



Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

Housing Profile

The ability of a community's housing stock to meet current and future residents' needs primarily depends on three factors:

- 1) What type of housing exists;
- 2) What type of housing may be developed, given zoning and land availability; and
- 3) How much that housing costs.

These are explored in this part of the market analysis.

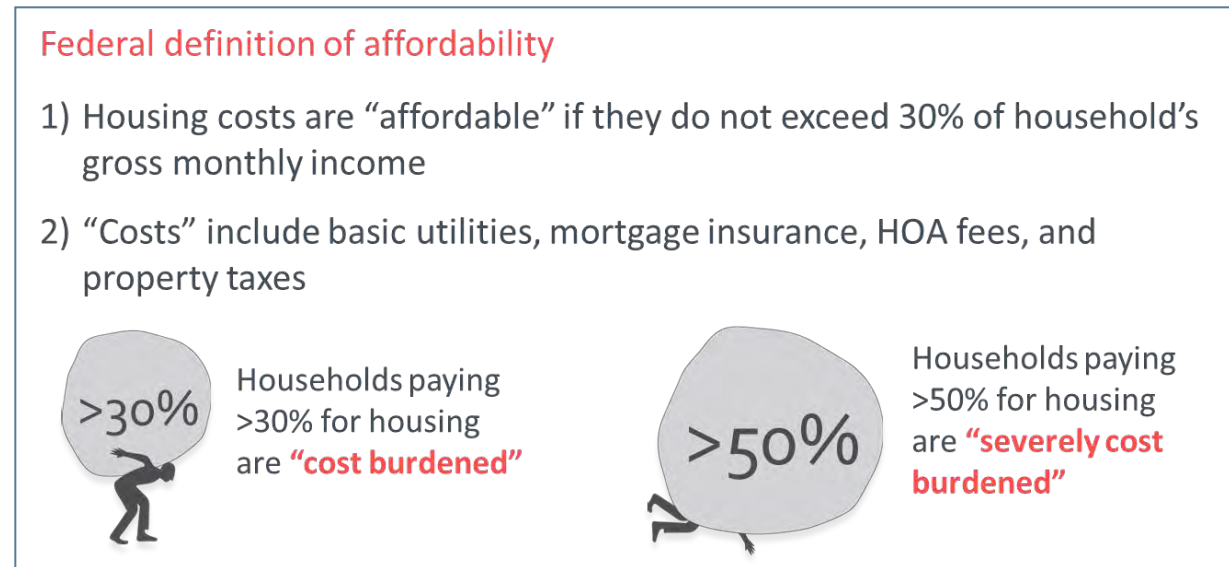
The Housing Profile begins with an introduction to the concept of affordability and how it is measured. It then examines the characteristics of the Washington County's housing stock, discusses the affordability analysis, and concludes with an assessment of housing needs.

Assessing housing needs. The most common measure of affordability assesses the "burden" housing costs put on a household. If a household pays more than 30 percent of their gross income in rent or mortgage payment (including taxes and basic utilities), they are considered to be cost burdened. The higher the cost burden, the higher the risk of eviction, foreclosure, and homelessness due to the challenges of households managing housing costs.

Households spending 50 percent or more of their income on housing are considered at risk of homelessness. These households have limited capacity to adjust to rising home prices and are vulnerable to even minor shifts in rents, property taxes, and/or incomes.

Cost burden is important because it also indicates how well a household can manage other expenses—e.g., childcare, transportation, health care—and how much disposable income they have to contribute to the economy.

Figure C-8.
Housing Affordability Definition



Source: Root Policy Research.

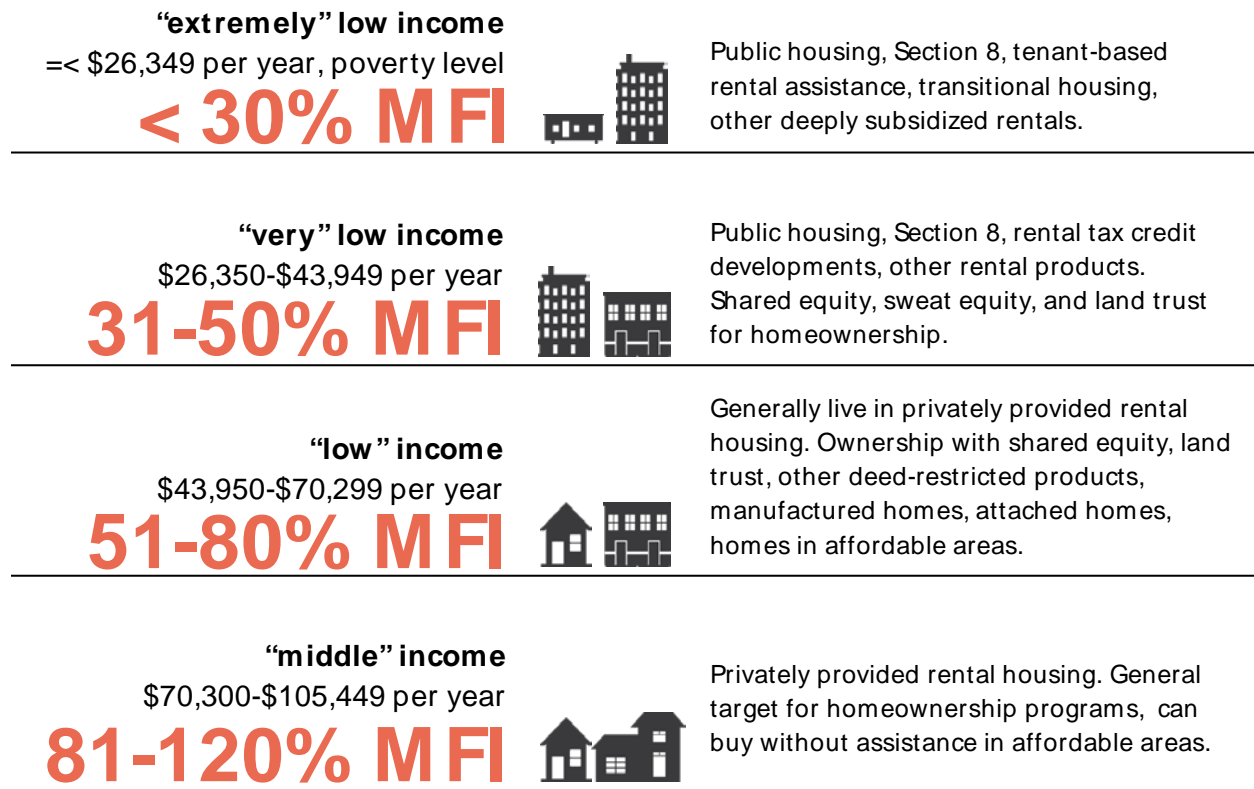
It is important to note that cost burden exists in nearly every community because demand exceeds the supply of housing at various price points. Some residents—e.g., persons with disabilities living on fixed incomes—cannot avoid cost burden unless they occupy publicly subsidized housing or receive Housing Choice Vouchers. Unless an adequate supply of affordable housing is available, being cost burdened may be the only option for certain residents.

Housing needs and income levels. Eligibility for housing programs is generally based on how a resident’s income falls within HUD-determined MFI categories, or Median Family Income. The income thresholds and target housing are outlined in Figure C-9. The figure also explains what a household at each MFI level can afford and the housing products that typically accommodate their needs. For example, a household earning between 31 and 50 percent of the MFI—a very low income household—is most likely to find affordable housing in publicly supported housing or through innovative ownership solutions such as land trusts.

HUD-funded block grant programs typically focus on households earning up to 80 percent MFI. This study includes additional income ranges to inform broader housing planning efforts, such as increasing missing middle housing.

HUD categorizes households into income ranges based on the Median Family Income, or MFI, of a region. Washington County is part of the Portland-Vancouver-Hillsboro region, where the overall MFI is \$87,900.

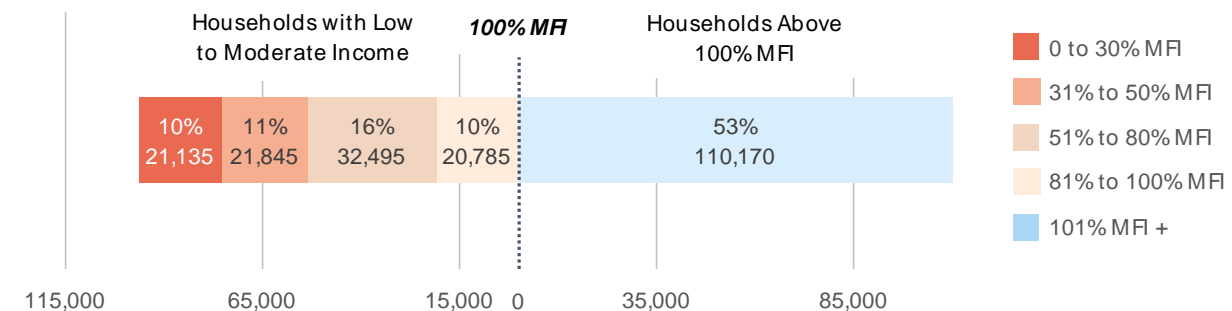
Figure C-9.
HUD Income Thresholds and Target Housing, Washington County, 2019



Note: This is for a 4-person household, the household size on which HUD based the overall MFI.
 Source: HUDuser.gov Income Limits FY19 database and Root Policy Research.

Figure C-10 shows how many households in Washington County into HUD’s MFI ranges.

Figure C-10.
Households by MFI, Washington County, 2011 to 2015



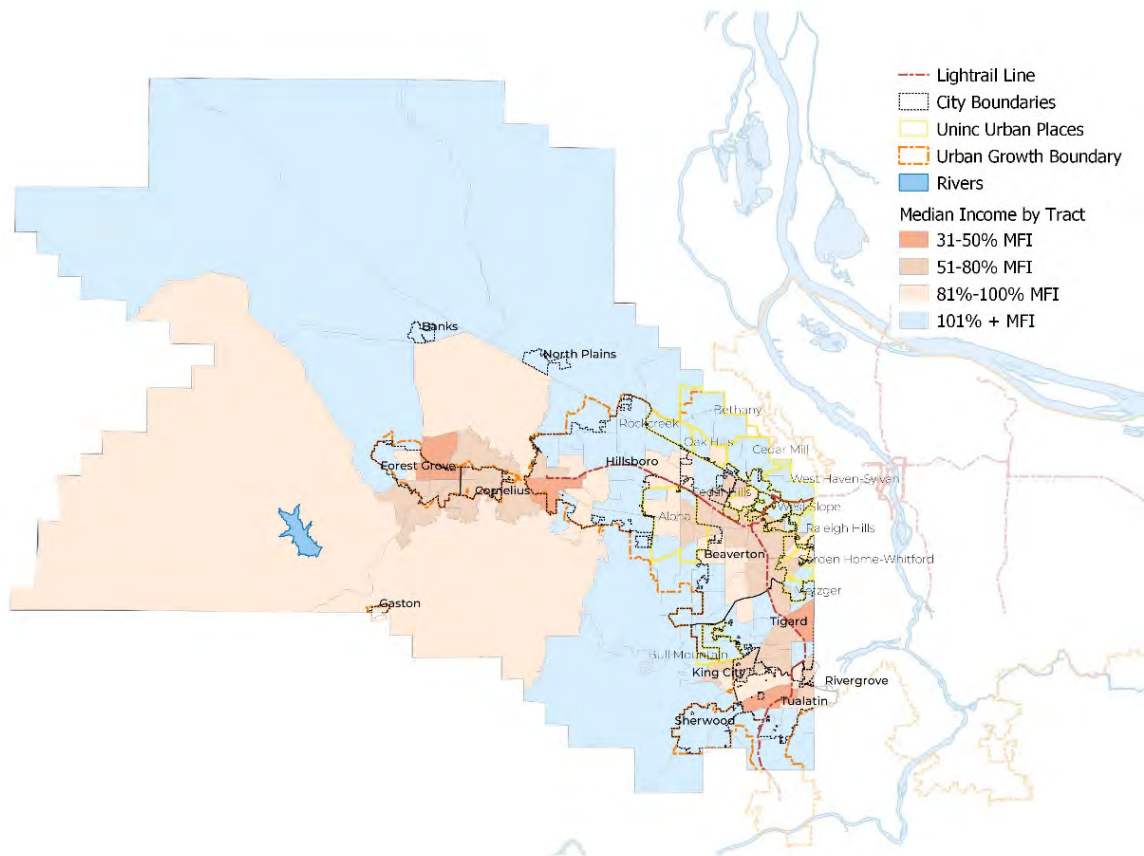
Source: CHAS 2011-2015.

More than 110,000 households in Washington County have an income of 101 percent MFI or greater, while 96,260 households have an income below 100 percent MFI, which is considered low to

moderate income. Households making between 51 and 80 percent MFI were the largest group of low to moderate income residents—comprising 16 percent of all households.

Figure C-11 shows the geographic distribution of households by MFI level. The Census tracts with the lowest average household income are located in the Forest Grove and Cornelius area, parts of Beaverton, and Tigard, and Tualatin.

Figure C-11.
Dominant MFI Range by Geographic Area, 2017



Source: 2017 5-year ACS.

Unincorporated urban places constitute a large proportion of census tracts with MFI levels higher than 101 percent (apart from Aloha, the most populous unincorporated urban place, which is more mixed). Large portions of urban cities have moderate to low income median income levels. Census tracts in west Hillsboro and East Tigard have a median income that qualifies as “very” low income. Hillsboro overall, has many tracts that have median incomes above 101 percent MFI, while Beaverton has many tracts with median incomes in the “low” income threshold. Rural areas in the county are divided between more northern and southeastern tracts having higher median incomes, while the west and southwest tracts are closer to the median area income.

Housing unit vacancies and growth. According to the 2017 American Community Survey (ACS), there were 223,394 housing units in Washington County, and the vacancy rate was relatively low at 4.8 percent, or over 10,000 vacant units. This vacancy rate is less than the 2012 rate of 5.8 percent. Vacancy rate is defined as the percentage of all available units that are unoccupied at a certain time. Vacancy rates around 5 percent typically indicate a competitive equilibrium in the housing market. Rates that fall below 5 percent indicate a very tight market.

Figure C-12 displays the occupancy of housing units for Washington County, as well as urban cities, rural cities, the largest unincorporated urban place, Aloha, and geographic totals.

Figure C-12.
Occupancy of All Housing Units (Multifamily and Single Family), 2017

	Housing Units	Occupied Housing Units	Vacant Housing Units	% Vacant
Aloha (Uninc. Urban)	18,628	17,846	782	4.2%
Banks (Rural City)	537	506	31	5.8%
Beaverton	40,857	38,855	2,002	4.9%
Cornelius	3,615	3,438	177	4.9%
Durham	643	622	21	3.3%
Forest Grove	8,440	7,955	485	5.7%
Gaston (Rural City)	207	202	5	2.4%
Hillsboro	39,659	37,424	2,235	5.6%
King City	1,963	1,946	17	0.9%
North Plains (Rural City)	808	770	38	4.7%
Sherwood	6,745	6,479	266	3.9%
Tigard	21,165	20,421	744	3.5%
Tualatin	11,329	10,843	486	4.3%
Washington County	223,394	212,778	10,616	4.8%
Urban Cities	134,416	127,983	6,433	4.8%
Uninc. Urban Places	62,906	60,227	2,679	4.3%
Rural Cities	1,552	1,478	74	4.8%
Uninc. Rural Land	24,520	23,090	1,430	5.8%

Source: 2017 5-year ACS.

Housing vacancy rate if Washington County was 4.8 percent. Rates across different geographies are consistent with the county, with slightly higher rates of vacancy in unincorporated rural land. There are several geographies with very low vacancy, including King City (0.9%) and Durham (3.3%) which are both southern county small urban cities. Gaston, a rural city has very low vacancy with very few units (2.4% or 207 units)

Overall in Washington County, rentals constitute the predominant type of vacant units. Rental units are split between units for rent and units that are rented, but not currently occupied. The remaining vacant units were for sale, sold not occupied, and for seasonal/recreational/occasional use.

Figure C-13.

Vacancies of All Housing Units (Multifamily and Single Family), 2017

	Vacant Units							Total Vacant
	For Rent	Rented, Not Occupied	For Sale Only	Sold, Not Occupied	For Seasonal, Recreational, or Occasional Use	For Migrant Workers	Other Vacant	
Aloha (Uninc. Urban)	198	84	95	74	51	0	280	782
Banks (Rural City)	7	9	7	0	0	0	8	31
Beaverton	365	368	265	180	147	0	677	2,002
Cornelius	0	27	11	0	15	0	124	177
Durham	10	4	0	0	7	0	0	21
Forest Grove	248	34	22	16	50	0	115	485
Gaston (Rural City)	0	0	0	5	0	0	0	5
Hillsboro	465	241	251	176	389	0	713	2,235
King City	0	0	0	0	17	0	0	17
North Plains (Rural City)	0	0	14	6	0	0	18	38
Sherwood	39	0	21	25	85	0	96	266
Tigard	117	108	0	98	166	0	255	744
Tualatin	190	51	85	23	44	0	93	486
Washington County	2,207	1,039	1,356	808	1,427	84	3,695	10,616

Source: 2017 5-year ACS.

Figure C-14 depicts the number of total housing units in Washington County, which grew by 11,008 units (5%) from 2012 to 2017. The highest unit growth rate occurred in urban cities, which grew by 8 percent, or a total of 9,633 units. Unincorporated urban places saw relatively stagnant housing growth of only 1 percent. The Census estimated that 6 unincorporated urban places experienced a decline in housing units (Cedar Hills, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, and Rockcreek), totaling a loss of 1,155 units.³

Hillsboro added the largest number of housing units (5,020 units or 14%). Over the same period, Beaverton, the most populous urban city in the county, grew by only 1,900 units (5%).

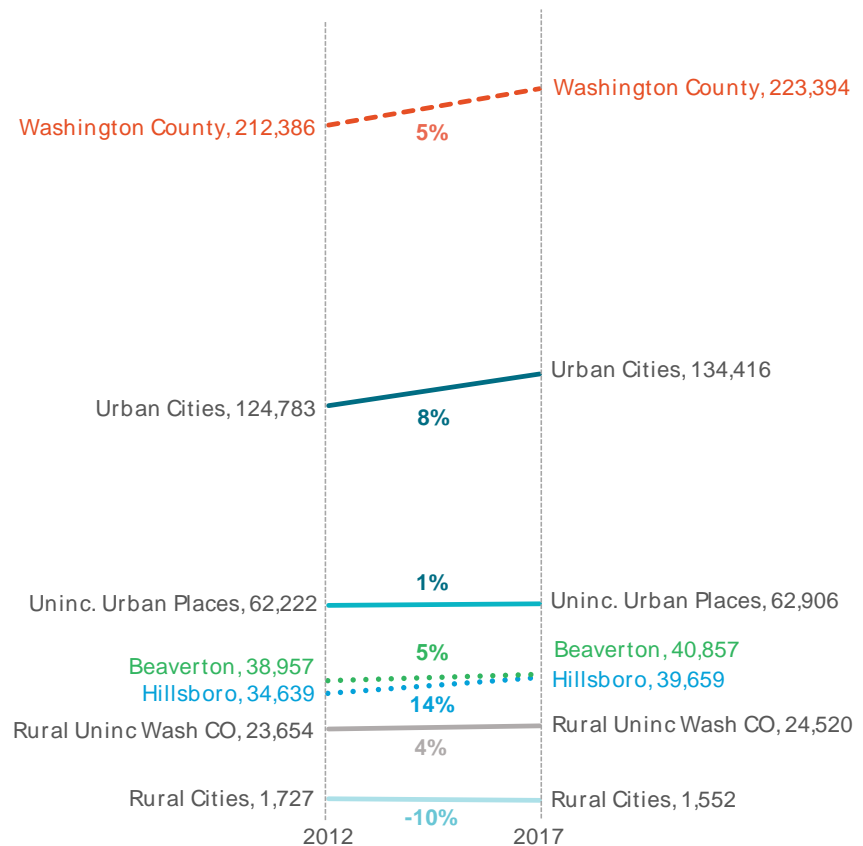
Figure C-14.
All Housing Unit Growth by Geography, 2012 and 2017

Note:

Urban Cities include Hillsboro, Beaverton, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. Rural Cities include Gaston, North Plains, and Banks. Unincorporated Urban Places includes Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope. Unincorporated Rural Land includes any remaining area in Washington County.

Includes both multifamily and single-family units.

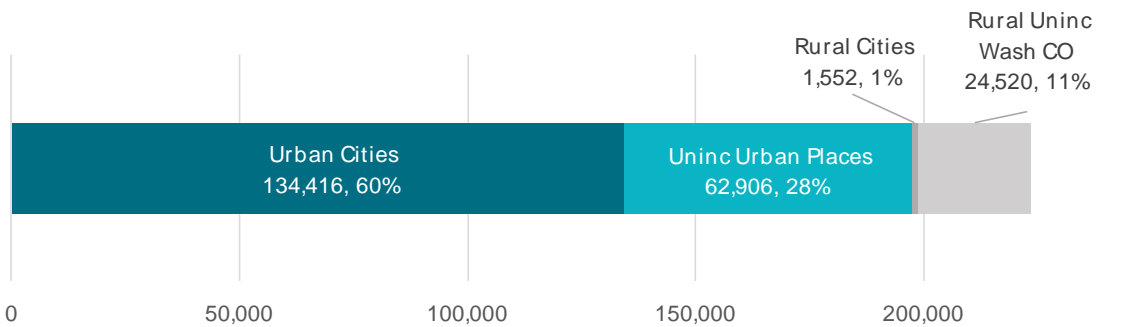
Source:
2012 and 2017 5-year ACS.



Overall in the county, the largest proportion of housing units are in Urban Cities (60%), followed by Unincorporated Urban Places (28%), as demonstrated by Figure C-15.

³ This could have also occurred as a result of an adjustment in the Census estimate of total housing units and may not always reflect a direct loss.

Figure C-15.
All Housing Units by Geography, Washington County, 2017



Note: Includes both multifamily and single-family units.

Source: 2017 5-year ACS.

Expanding on the previous two figures, Figure C-16 shows the change in housing units, from 2012 to 2017, for every geography in the county and organized by geographic typology. The table further demonstrates the variation among jurisdictions with respect to residential housing development: Urban cities, but for King City, showed moderate to strong growth; unincorporated urban places showed varied growth; and rural cities experienced a decline.

Figure C-16.
All Housing Units (Multifamily and Single-Family), 2012 and 2017

Urban Cities	2012	2017	2012 to 2017 Change	
			#	%
Beaverton	38,957	40,857	1,900	5%
Cornelius	3,474	3,615	141	4%
Durham	568	643	75	13%
Forest Grove	7,946	8,440	494	6%
Hillsboro	34,639	39,659	5,020	14%
King City	2,046	1,963	-83	-4%
Sherwood	6,244	6,745	501	8%
Tigard	20,257	21,165	908	4%
Tualatin	10,652	11,329	677	6%
Washington County	212,386	223,394	11,008	5%

Unincorporated Urban Places	2012	2017	2012 to 2017 Change	
			#	%
Aloha	17,906	18,628	722	4%
Bethany	7,607	8,325	718	9%
Bull Mountain	3,155	3,235	80	3%
Cedar Hills	3,791	3,608	-183	-5%
Cedar Mill	6,123	6,189	66	1%
Garden Home-Whitford	3,173	2,913	-260	-8%
Metzger	1,736	1,719	-17	-1%
Oak Hills	4,462	4,321	-141	-3%
Raleigh Hills	3,196	2,751	-445	-14%
Rockcreek	3,934	3,825	-109	-3%
West Haven-Sylvan	4,035	4,206	171	4%
West Slope	3,104	3,186	82	3%
Washington County	212,386	223,394	11,008	5%

Rural Cities	2012	2017	2012 to 2017 Change	
			#	%
Rural Cities	1,727	1,552	-175	-10%
Rural Uninc Wash County	23,654	24,520	866	4%
Uninc. Urban Places	62,222	62,906	684	1%
Urban Cities	124,783	134,416	9,633	8%
Washington County	212,386	223,394	11,008	5%

Note: Includes both multifamily and single-family units.

Source: 2012 and 2017 5-year ACS.

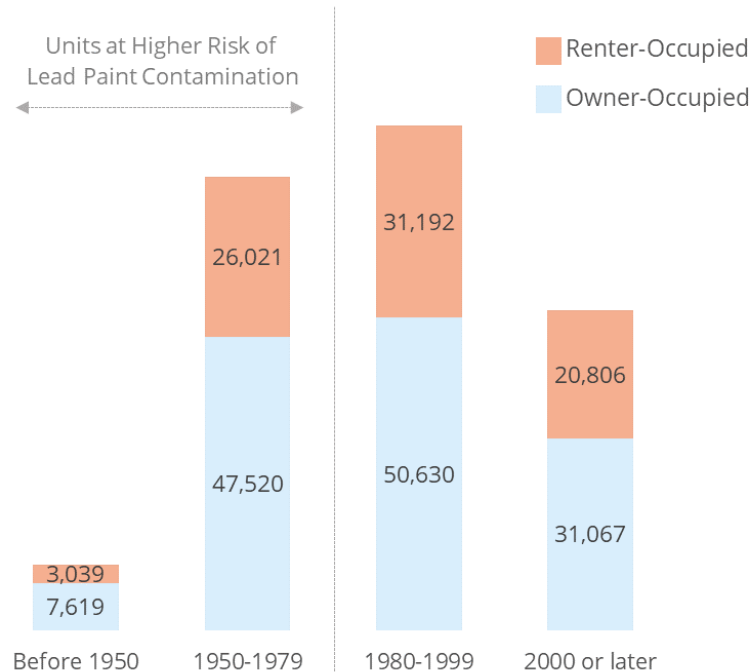
Housing condition. Figure C-17 shows the age of Washington County’s housing units and the risk of lead-based paint contamination.

The largest production of housing units (38% of existing housing stock) occurred between 1980 and 2000. Although more units were produced after 1980 than before, nearly 40 percent of the County’s housing units are at a higher risk for potential lead-based paint contamination because of when they were built.

Figure C-17.
Age of All Housing Units and
Lead-Based Paint Risk
(Multifamily and Single-
Family), Washington County,
2017

Note:
 Units built prior to 1980 have a higher risk
 of lead-based paint contamination.
 Includes both multifamily and single-family
 units.

Source: 2017 5-year ACS.

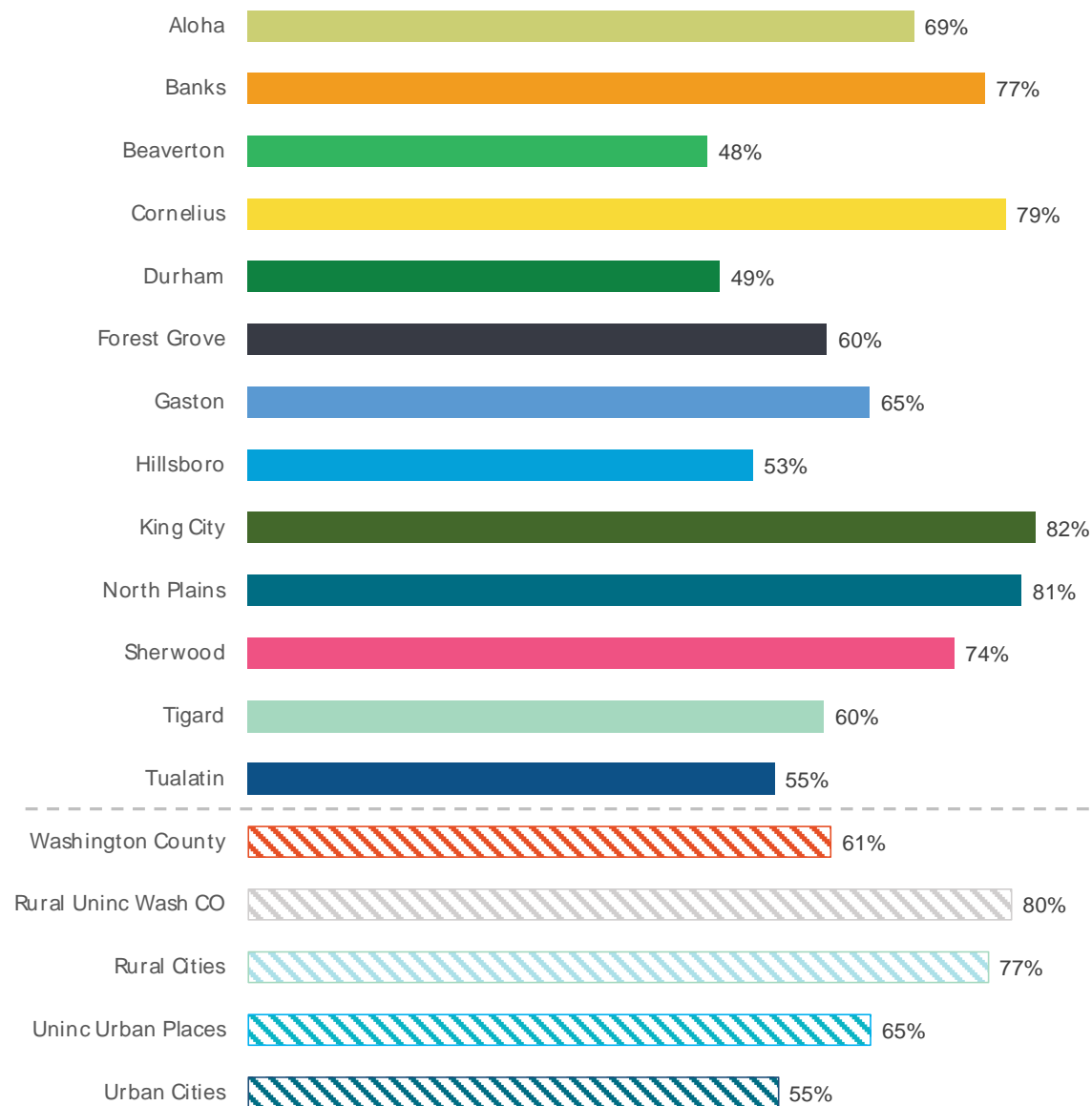


In Washington County, there were 2,235 low to moderate income households (making 100 percent of MFI or below) living in substandard housing—lacking complete plumbing and/or kitchen facilities. The majority, 91 percent, of these households living in substandard housing were renters. Extremely low-income rental households, making between 30 percent of MFI or less, were most likely to live in substandard housing. It is important to note that the Census’ definition of substandard is fairly extreme and is suggestive of nearly unlivable conditions. This should be viewed as a low-level estimate.

Ownership. Figure C-18 shows that homeownership is moderate level in Washington County, with 61 percent of units occupied by owners.⁴ Comparing homeownership across geographies reveals that rates of homeownership are much higher in rural areas (up to 80% in unincorporated rural Washington County) than in urban cities, where ownership rates are around 55 percent.

⁴ The homeownership rate is calculated based on 2017 American Community Survey data which provides the total number of owner-occupied units and the total number of occupied units. These are considered “controlled” estimates (defined as fixed) and are not subject to sampling error, such as a margin of error.

Figure C-18.
Homeownership Rates, 2017



Source: 2017 5-year ACS.

Figure C-19 shows homeownership rates by race and ethnicity for Washington County overall and urban and rural places within the county. Overall, the county’s households are 70 percent non-Hispanic White; 16 percent Hispanic; 9 percent Asian; 3 percent Two or More Races; and 1.5 percent Black or African American.

With respect to homeownership, White and Asian households had the highest rates of homeownership as of 2017, both at 63 percent. Native Hawaiian/Pacific Islander and Hispanic households had the lowest rates of homeownership in the county, at 34 percent and 37 percent, respectively. The ownership rate for African Americans in the county is 48 percent.

There is considerable variation in ownership among households by race, ethnicity, and geography. Tualatin and Durham have extraordinarily low homeownership rates for Black and Hispanic households. In contrast, some smaller communities (Banks, Gaston, King City, North Plains and Sherwood) have Hispanic homeownership rates that exceed rates for Non-Hispanic White households. Banks, Beaverton, and Cornelius have African American homeownership rates that exceed that of Non-Hispanic White Households. Some of these cities may have relatively small populations of African American and Hispanic households.

Figure C-19.
Homeownership Rates by Race and Ethnicity, 2017

	White	Black	Native American	Asian	Native Hawaiian/ Pacific Islander	Hispanic
Aloha	72%	59%	61%	74%	95%	48%
Banks	78%	100%	--	0%	--	67%
Beaverton	50%	60%	13%	50%	21%	20%
Cornelius	79%	100%	57%	100%	--	70%
Durham	56%	11%	0%	21%	0%	21%
Forest Grove	65%	48%	0%	34%	100%	54%
Gaston	64%	--	0%	100%	--	100%
Hillsboro	57%	38%	34%	42%	14%	33%
King City	82%	--	100%	100%	--	100%
North Plains	81%	--	100%	100%	--	100%
Sherwood	73%	--	47%	100%	100%	76%
Tigard	61%	43%	19%	72%	23%	29%
Tualatin	56%	18%	45%	71%	49%	18%
Washington County	63%	48%	41%	63%	34%	37%

Source: 2017 5-year ACS.

Housing Prices and Affordability

This section discusses changes in housing prices and affordability for owners and renters in Washington County overall and by jurisdiction. From 2012 to 2017, the average growth of the cost of rental housing in Washington County (23%) was nearly twice that of the growth in county median household income (12%). As mentioned in the note on methodology section above, data for the least populated jurisdictions (the rural cities of Banks, Gaston, and North Plains and the urban city of Durham) should be interpreted with caution as small communities inherently have larger margins of error.

Figure C-20 shows the historical and current median gross rent for Washington County and nearby urban and rural cities. This includes rental units of all bedroom sizes. Figure C-21 also shows gross rent change for unincorporated urban places only.

Rent levels. Few urban cities had median gross rents above the Washington County median. They include Sherwood, Hillsboro, and Aloha. Sherwood, whose Census tracts are all above 100 percent of MFI, is an outlier among urban cities with a median rent 20 percent higher than Washington County overall.

More unincorporated urban places had median gross rents higher than that of Washington County, with Bethany and Bull Mountain having the highest gross rent in 2017.

Multifamily vacancy survey average rent. The State of Oregon's landlord association, Multifamily Northwest, conducts quarterly surveys of apartment rent levels by Portland Metro Area sub-market. This survey represents medium- to large-sized apartment buildings, which are professionally managed; the survey does not include public housing or small "ma and pa" type rentals.

The Spring 2019 survey reported a softening market in the metro area, with aggressive deals being reported by luxury properties, especially in downtown Portland, the southwest Portland market, and Aloha. Vacancy rates in the Washington County submarkets captured in the survey were relatively low at 4.6 percent on average, with the lowest occurring in Aloha which was 3.7 percent. However, these rates are higher than the extremely low 3 percent rates reported by the association in 2015.

The average rents reported by the survey in the Washington County submarkets averaged \$1,250 per month for a two-bedroom, one-bath unit, excluding utilities. With utilities, a household would need to earn nearly 70 percent of the MFI to afford the average two-bedroom, one-bath unit. Half of Washington County's renters do not earn enough to afford such a unit with many—20 percent—needing rents of less than half of the average. *In sum, the private market is currently responding to demand at the \$75,000 renter income level and is unlikely to meet the affordability needs of at least half of the region's renters except in a significant recession.*

Price changes. Cornelius and King City, both urban cities, also experienced no change in gross rent.

Unincorporated urban places also experienced rapid growth in median gross rent in five places, including Bethany, Bull Mountain, Garden Home-Whitford, Oak Hills, and West Haven-Sylvan, all recording 30 percent or greater increases in median rent. Unlike most other unincorporated urban places, Metzger experienced median gross rent stagnation between 2012 and 2017.

Figure C-20.
Change in Median
Gross Rent, All
Renter-Occupied
Units, Urban and
Rural Cities, 2012
and 2017

Note:
 Includes all types of renter-occupied units, including multifamily and single-family units.

Source:
 2012 and 2017 5-year American Community Survey (ACS).

	2012	2017	2012 to 2017 Change	
			#	%
Banks (Rural)	\$869	\$1,184	\$315	36%
Beaverton	\$935	\$1,172	\$237	25%
Cornelius	\$920	\$925	\$5	1%
Durham	\$844	\$1,076	\$232	27%
Forest Grove	\$756	\$900	\$144	19%
Gaston (Rural)	\$627	\$970	\$343	55%
Hillsboro	\$1,034	\$1,249	\$215	21%
King City	\$984	\$997	\$13	1%
North Plains (Rural)	\$939	\$958	\$19	2%
Sherwood	\$1,212	\$1,427	\$215	18%
Tigard	\$920	\$1,094	\$174	19%
Tualatin	\$975	\$1,154	\$179	18%
Washington County	\$961	\$1,183	\$222	23%

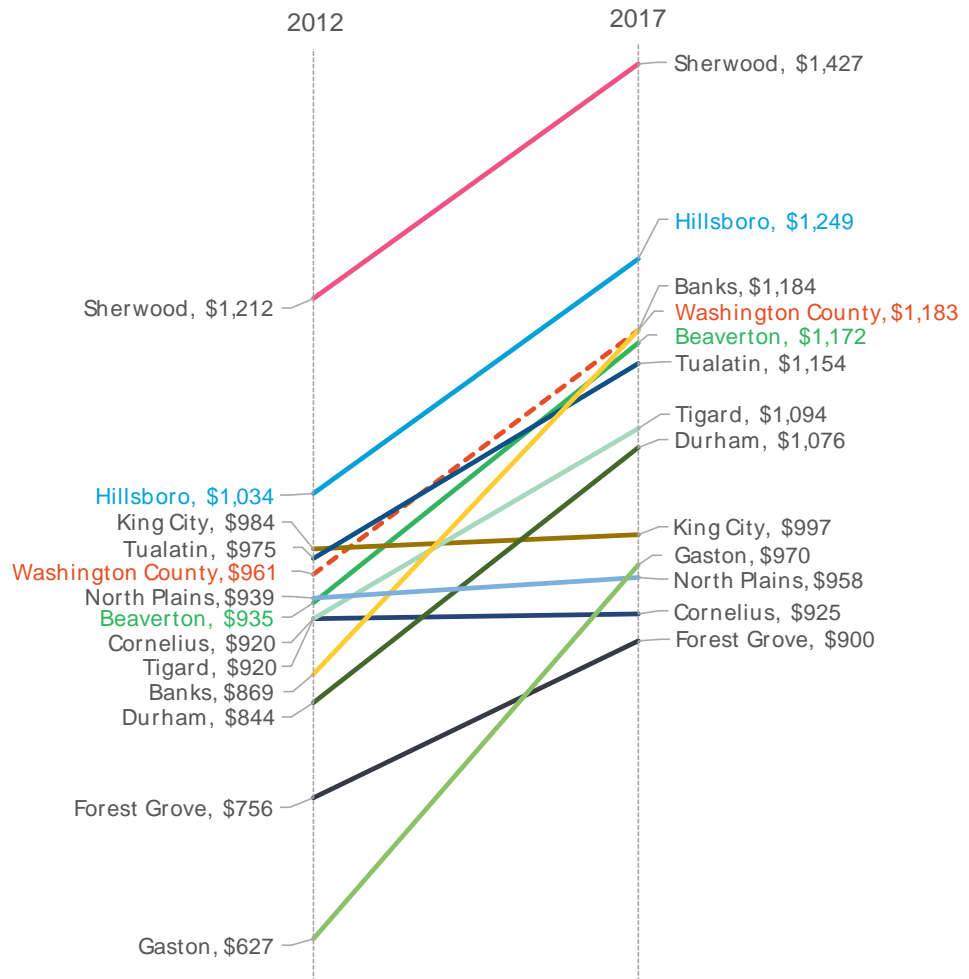
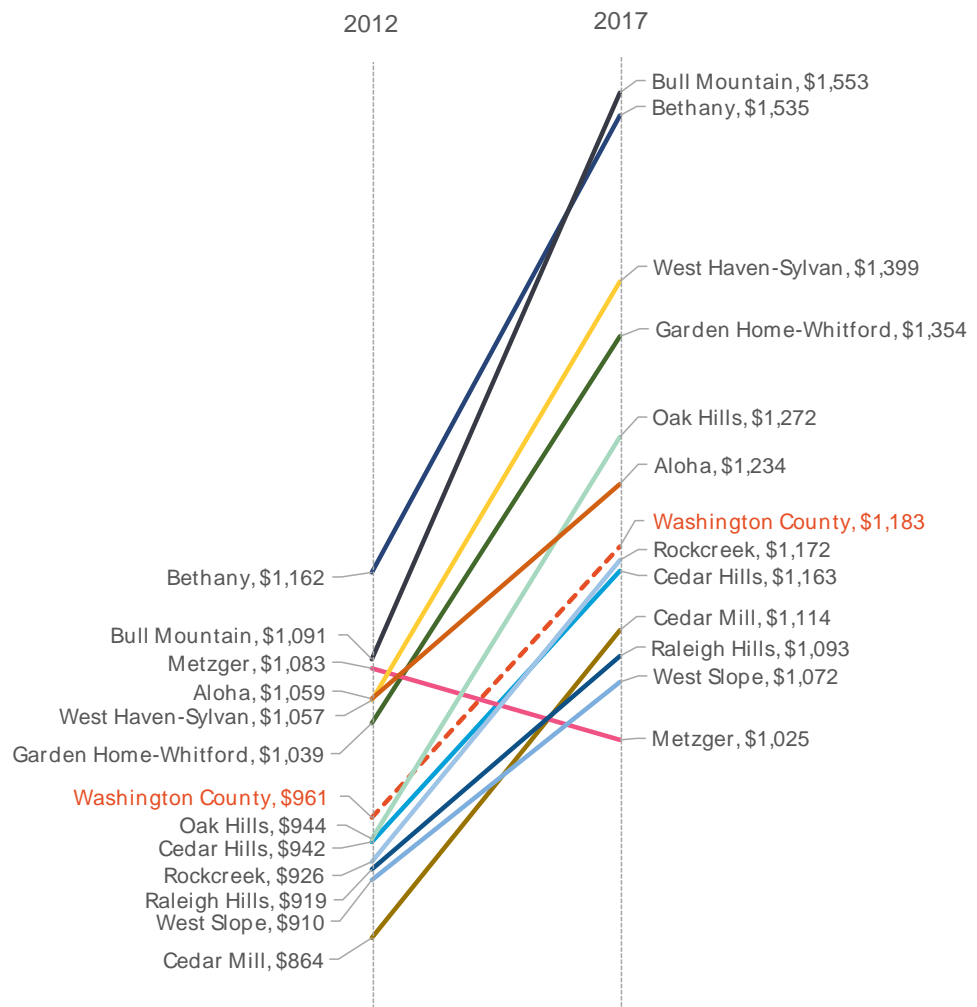


Figure C-21.
Change in Median
Gross Rent, All
Renter-Occupied
Units,
Unincorporated
Urban Places, 2012
and 2017

Note:
 Includes all types of renter-occupied units, including multifamily and single-family units.

Source:
 2012 and 2017 5-year American Community Survey (ACS).

Unincorporated Urban Places	2012	2017	2012 to 2017 Change	
			#	%
Aloha	\$1,059	\$1,234	\$175	17%
Bethany	\$1,162	\$1,535	\$373	32%
Bull Mountain	\$1,091	\$1,553	\$462	42%
Cedar Hills	\$942	\$1,163	\$221	23%
Cedar Mill	\$864	\$1,114	\$250	29%
Garden Home-Whitford	\$1,039	\$1,354	\$315	30%
Metzger	\$1,083	\$1,025	-\$58	-5%
Oak Hills	\$944	\$1,272	\$328	35%
Raleigh Hills	\$919	\$1,093	\$174	19%
Rockcreek	\$926	\$1,172	\$246	27%
West Haven-Sylvan	\$1,057	\$1,399	\$342	32%
West Slope	\$910	\$1,072	\$162	18%
Washington County	\$961	\$1,183	\$222	23%



Home values. Figure C-22 compares Washington County median home values to nearby cities, both urban and rural. While Washington County's value increased by 14 percent, there were cities that experienced larger gains both in magnitude and rate of change. As shown in the figure, larger urban cities grew at a rate similar to the county overall, while Durham, a small urban city close to the county's eastern border, witnessed a home value growth of 28 percent (or \$111,000). While its small population contributes to higher margin of error in the estimate, the city's 2012 value was already the highest of any in the County and its lead only grew in 2017. The other city with a significant relative rate of value increase was North Plains, which is rural. North Plains' median home value rose by 23 percent. Values in Cornelius and Gaston were more stagnant with an increase of just 4 percent.

Similarly, unincorporated urban places saw a range of growth in median value. Figure C-23 reveals that one of the highest-valued unincorporated urban places, Raleigh Hills, experienced high value growth of 31 percent. Other places, including Cedar Hill, Garden Home-Whitford, and Bethany, all experienced around 20 percent growth in median values. Raleigh Hills and Garden Home-Whitford both experienced negative housing unit growth during this same period.

Figure C-22.
Change in Median
Home Value, All
Owner-Occupied
Units, Urban and
Rural Cities, 2012
and 2017

Note:
 Includes all types of owner-occupied units, including single-family detached and attached units.

Source:
 2012 and 2017 5-year American Community Survey (ACS).

	2012	2017	2012 to 2017 Change	
			#	%
Banks (rural)	\$228,700	\$256,600	\$27,900	12%
Beaverton	\$290,800	\$328,400	\$37,600	13%
Cornelius	\$206,700	\$215,900	\$9,200	4%
Durham	\$392,600	\$503,600	\$111,000	28%
Forest Grove	\$228,900	\$249,300	\$20,400	9%
Gaston (rural)	\$196,400	\$204,800	\$8,400	4%
Hillsboro	\$250,900	\$282,300	\$31,400	13%
King City	\$206,500	\$236,500	\$30,000	15%
North Plains (rural)	\$234,400	\$287,700	\$53,300	23%
Sherwood	\$313,900	\$353,500	\$39,600	13%
Tigard	\$311,100	\$345,200	\$34,100	11%
Tualatin	\$324,000	\$365,700	\$41,700	13%
Washington County	\$290,900	\$331,700	\$40,800	14%

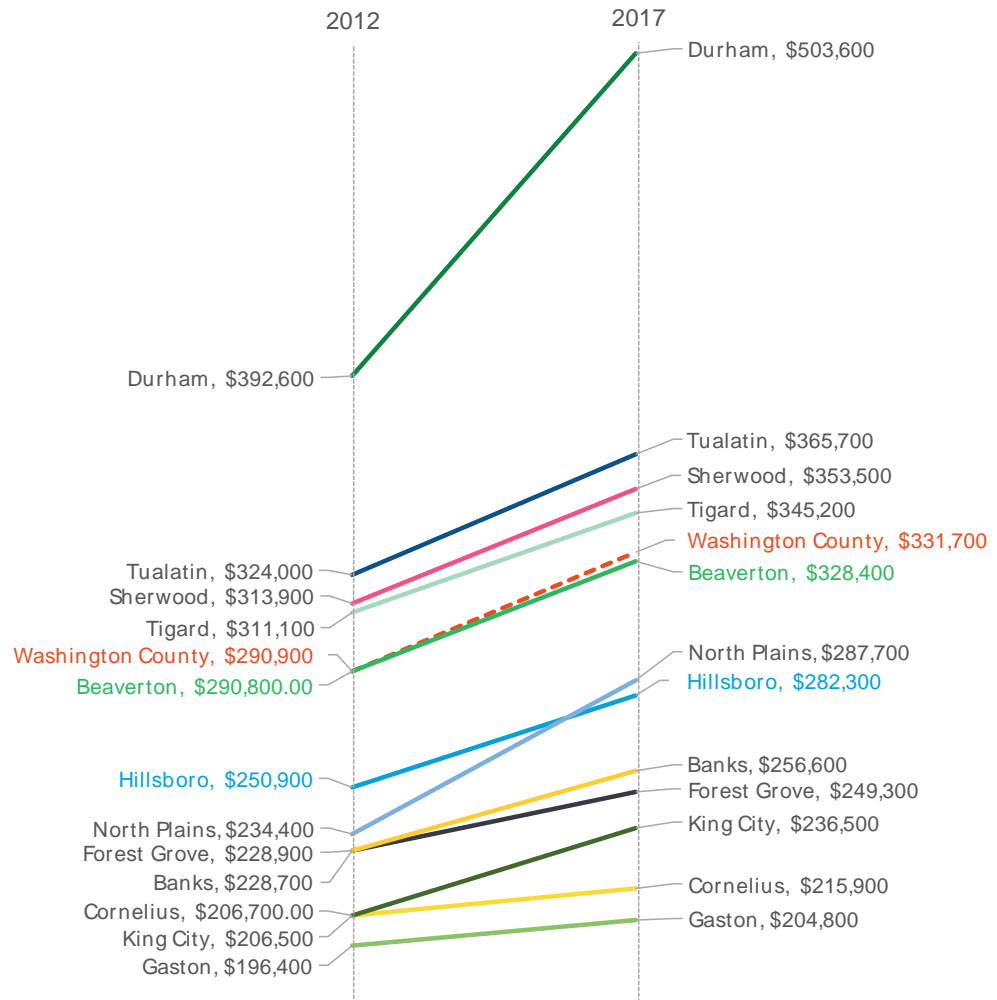
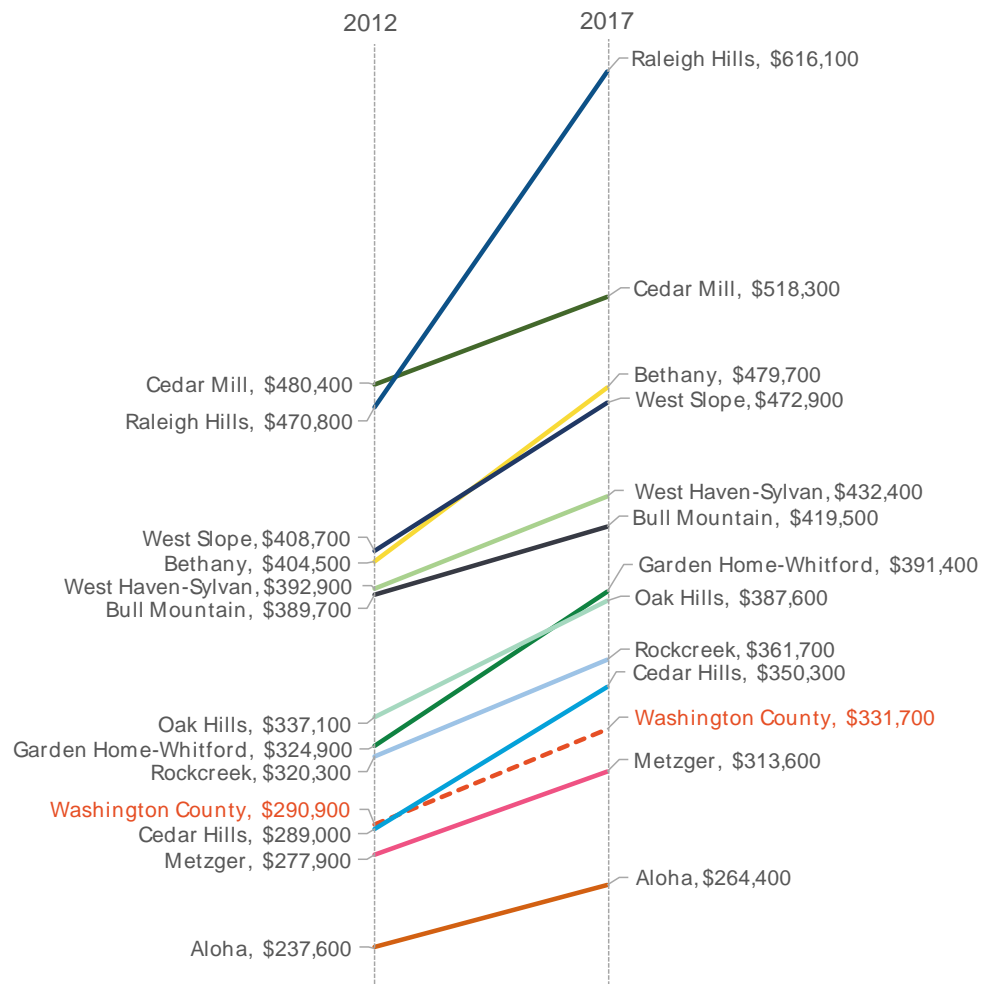


Figure C-23.
Change in Median
Home Value, All
Owner-Occupied
Units,
Unincorporated
Urban Places, 2012
and 2017

Note:
 Includes all types of owner-occupied units, including single-family detached and attached units.

Source:
 2012 and 2017 5-year American Community Survey (ACS).

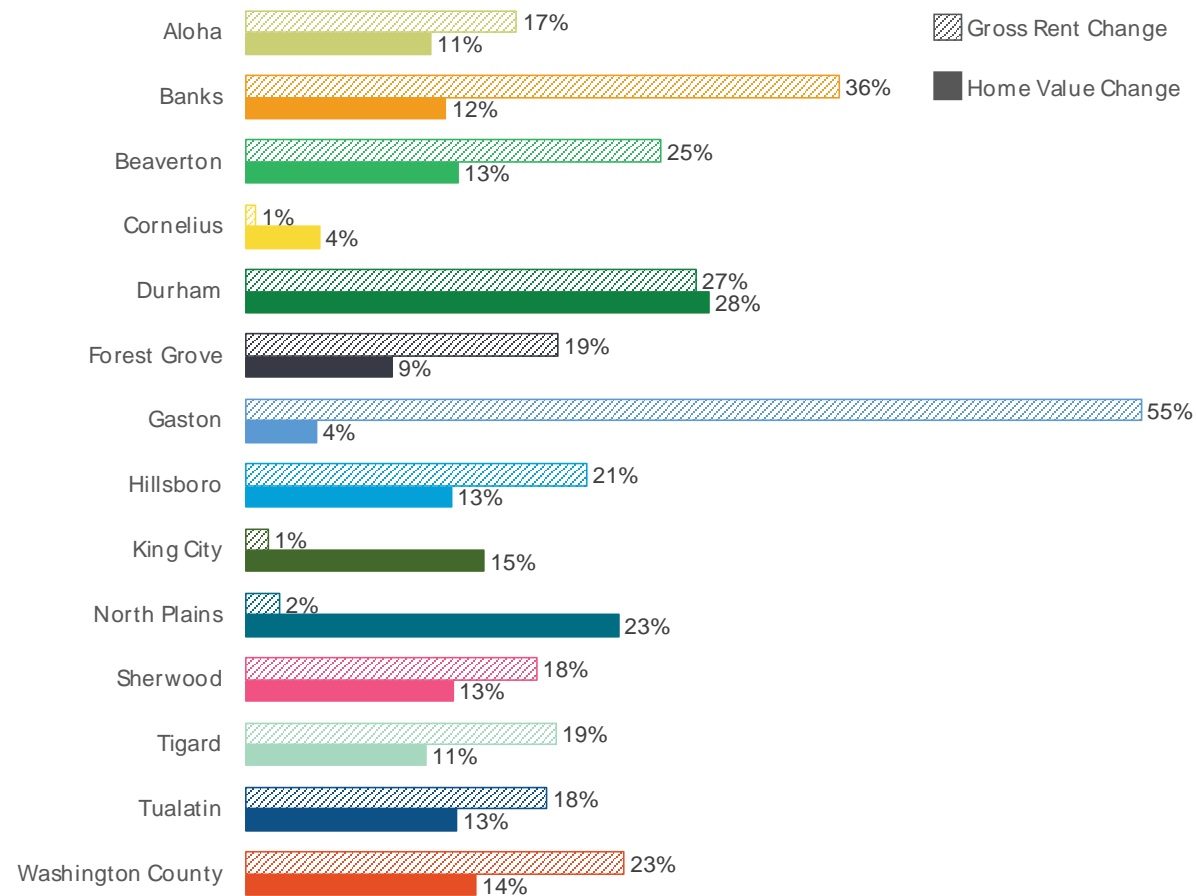
Unincorporated Urban Places	2012	2017	2012 to 2017 Change	
			#	%
Aloha	\$237,600	\$264,400	\$26,800	11%
Bethany	\$404,500	\$479,700	\$75,200	19%
Bull Mountain	\$389,700	\$419,500	\$29,800	8%
Cedar Hills	\$289,000	\$350,300	\$61,300	21%
Cedar Mill	\$480,400	\$518,300	\$37,900	8%
Garden Home-Whitford	\$324,900	\$391,400	\$66,500	20%
Metzger	\$277,900	\$313,600	\$35,700	13%
Oak Hills	\$337,100	\$387,600	\$50,500	15%
Raleigh Hills	\$470,800	\$616,100	\$145,300	31%
Rockcreek	\$320,300	\$361,700	\$41,400	13%
West Haven-Sylvan	\$392,900	\$432,400	\$39,500	10%
West Slope	\$408,700	\$472,900	\$64,200	16%
Washington County	\$290,900	\$331,700	\$40,800	14%



Rent changes v. changes in values. Figure C-24 compares the change in median gross rent to the change in median home value from 2012 to 2017. During this period, Washington County’s median gross rent increased at a faster rate (23%) than median home value (14%).

Rent grew faster than home values in most places. Notable exceptions of the more populous cities are Cornelius and King City, where the median home value grew at a faster rate than median gross rent. The outliers of Banks and Gaston must be analyzed with caution due to their number of units.

Figure C-24.
Comparison of Change in Gross Rent and Home Value, 2012 and 2017



Source: 2012 and 2017 5-year ACS.

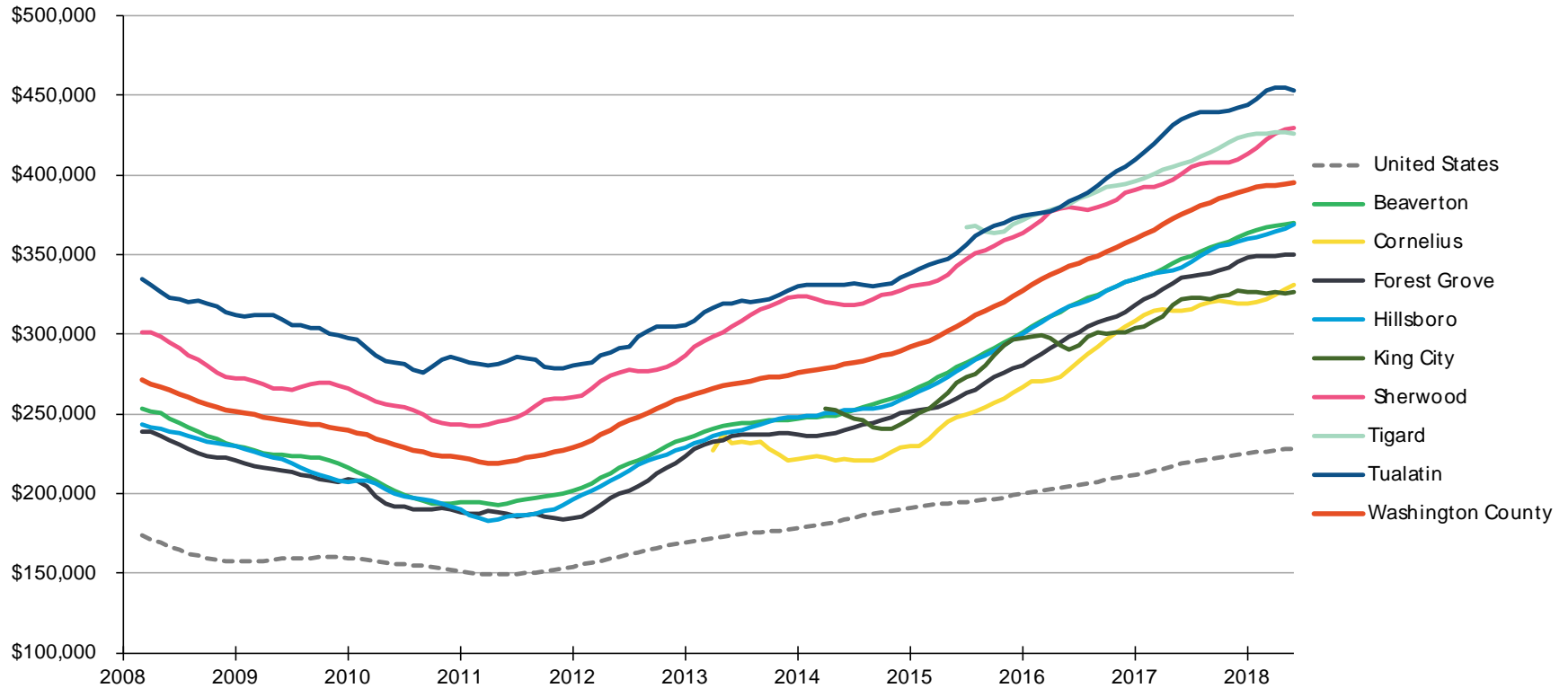
Overall, rental rates rose faster than median home values, although this differs by community. In the County, the median rent rose by 23 percent, or by \$222 per month. This means that renters need to earn nearly \$9,000 more per year in 2017 to have the same rental purchasing power as they did in 2012. Fortunately, the median income renter is earning more in 2017 than in 2012: the median income of renters in the county increased from \$41,340 to \$55,364. However, this increase may have been due to lower income renters leaving the county for more affordable areas or the Recession-related shift of homeowners becoming renters.

Increasing home values benefits existing owners but makes it more difficult for would-be-owners to buy. In sum, the increase in both rental and home prices benefits owners far more than renters—owners benefit from higher prices when they sell their homes, while renters are faced with managing higher monthly rental costs and possibly trying to save for a home to buy, the prospect of which diminishes as home prices rise.

Ability to buy. Examining median home value is an important measurement to understanding local housing markets, but value does not always represent what a household can purchase. Both current and historical home sales can provide additional insight into the real price of housing and affordability. Figure C-25 shows median sale price trends of Washington County and nearby places since 2008.

Among all communities, sale prices decreased after the Great Recession, but started to recover in mid-2011. As of May 2019, home sale prices have surpassed post-recession prices. Currently, Tualatin has the highest median sale price and King City has the lowest.

Figure C-25.
Median Home Sale Price, 12-Month Rolling Average, 2008 to 2019 (YTD)

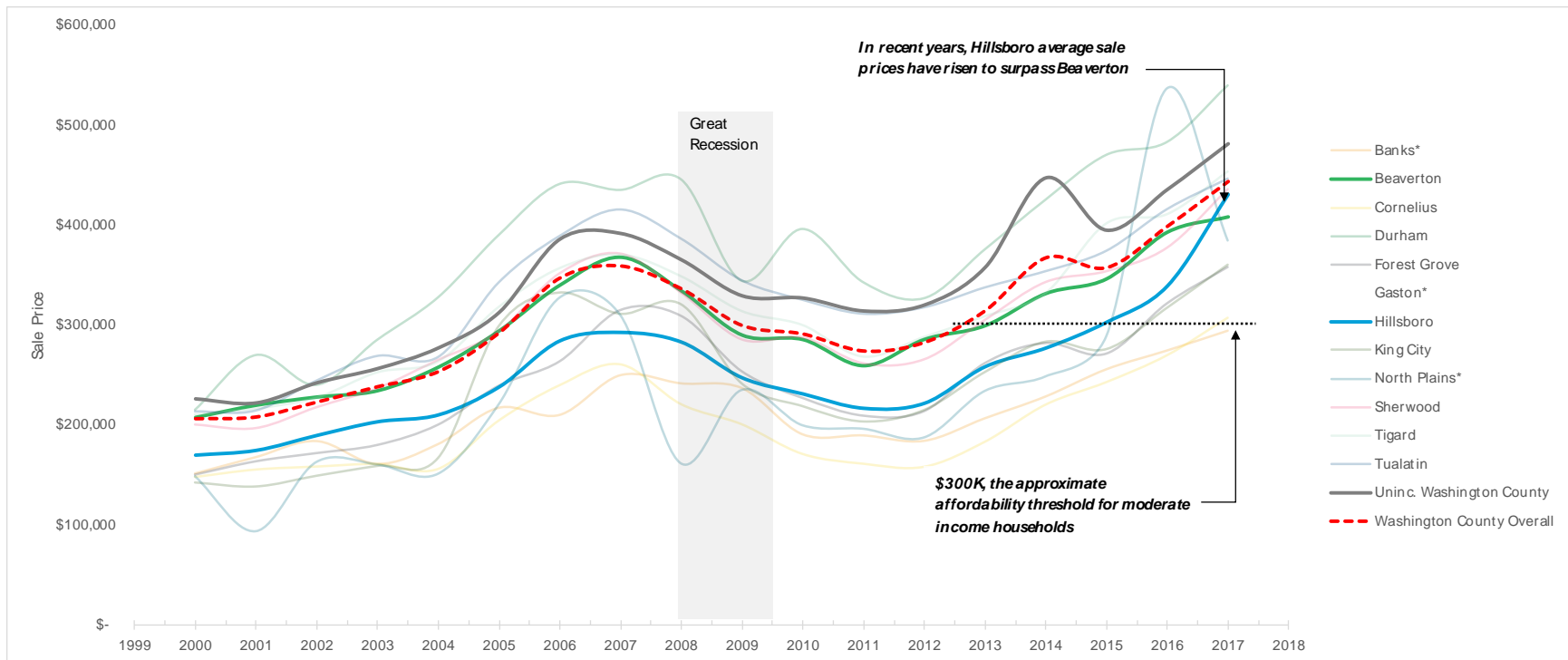


Note: Data for 2019 is year to date (through May). Historical sale data for Cornelius, King City, and Tigard is not available for all years. Zillow does not provide home sales data for Aloha, Banks, Durham, Gaston, or North Plains.

Source: Zillow.

Figure C-26 shows average sales prices per year before, during, and after the Great Recession. The graph shows the pre-recession “bubble” in prices in Washington County, followed by a gentle correction, another small bubble in 2014 and gentle correction. Price trends since 2015 have exhibited increases similar to the 2012-2014 post recession recovery. The County’s largest urban cities show prices that track the county closely, expressing the scale and impact of these markets on the county. Higher priced, smaller markets in Washington County exhibited the greatest volatility in single family residential sale prices.

Figure C-26.
Average Home Sale Price, 2000 to 2019 (YTD)



Note: The assessor data designates this property as residential improved for single family residential structures.

* Rural Cities.

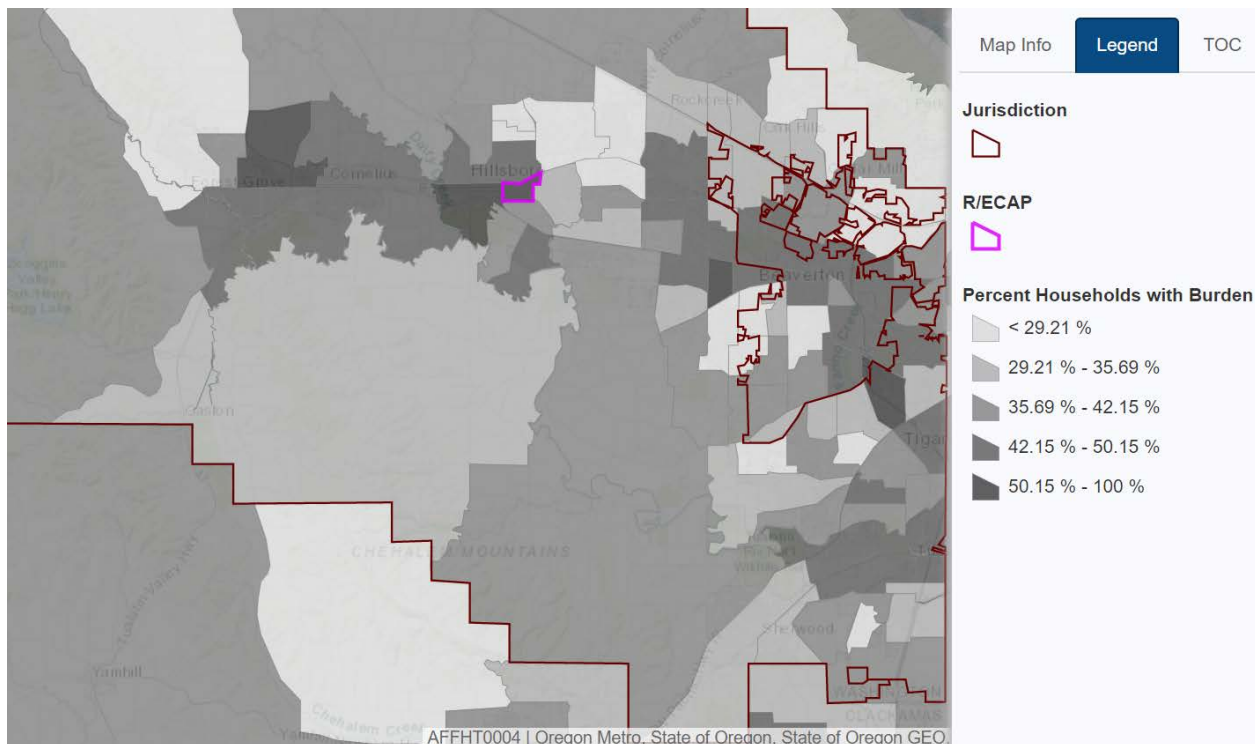
Source: County Assessors Data.

Cost burden. The most common housing problem in the county, according to HUD’s data on housing problems, is cost burden; many more households face cost burden than live in housing in severely substandard housing conditions or in overcrowded conditions. Cost burden is defined as a household spending more than 30 percent of income on housing costs and severe cost burden is defined a household spending more than 50 percent of income on housing costs.

Overall in the county, 7,595 owners and 16,570 renters are cost burdened—a total of 24,165 households. An additional 10,395 owners and 18,435 renters are severely cost burdened—a total of 28,830 households. Altogether, at least 52,995 households in the county pay more than 30 percent of their income for housing.

The map below shows where the neighborhoods with the highest housing burdens are located. In general, housing burden varies dramatically by location. The highest rates of cost burden are found in the northern and central portions of the County, close to the county’s one R/ECAP in Hillsboro. These areas align with where concentrations of Hispanic households, predominately of Mexican origin, reside. Refer to Figures C-6 and C-7 to review racial/ethnic and national origin concentrations in Washington County.

Figure C-27.
Housing Problems, Washington County



Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

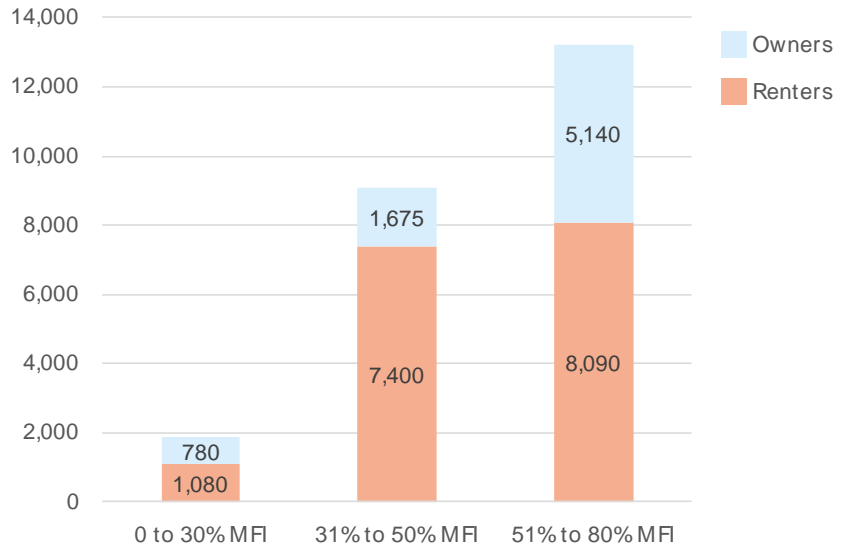
Figure C-28 shows cost burden by tenure for Washington County and Figure C-29 shows severe cost burden by tenure.

For both renters and owners, the largest number of cost burdened households are in the 51 to 80 percent MFI income cohort. The number of cost burdened renters is much higher than the number of cost burdened owners in all income categories. Renters make up nearly 78 percent of cost burdened households for the 0 to 50 percent MFI range.

Figure C-28.
Cost Burden: Households
Paying 30 to 50 Percent of
Income in Housing Costs by
Tenure, Washington County,
2011 to 2015

Note:
 Cost burden is defined as a household spending more than 30 percent of their household income on housing costs.

Source:
 CHAS 2011-2015.



In comparison, the largest group of *severely* cost-burdened households earn between 0 and 30 percent of MFI and the majority are renters. This is because these extremely low income renters have such trouble finding affordable units they are almost all severely cost burdened, rather than cost burdened. Severely cost burdened owners generally represent owners who cannot afford to keep up with property taxes and home insurance costs and are usually elderly owners.

Figure C-29.
Cost Burden: Households
Paying more than 50
Percent of Income in
Housing Costs by Tenure,
Washington County, 2011
to 2015

Note:
 Severe cost burden is defined as a household spending more than 50 percent of their household income on housing costs.

Source:
 CHAS 2011-2015.

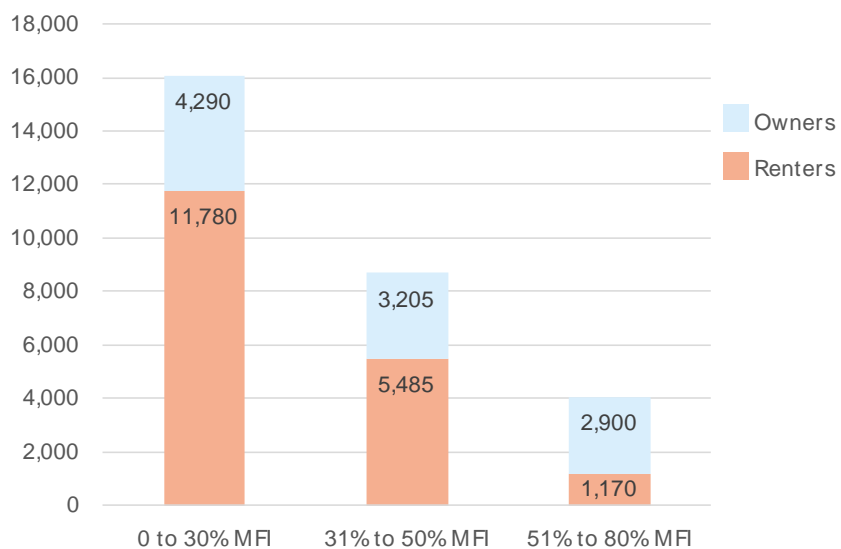


Figure C-30 shows cost burden by race and ethnicity for Washington County. Among White, Asian, and Native American⁵ households, about 70 percent are not cost-burdened. This percentage drops for Black, Pacific Islander⁶, and Hispanic households, who experience cost burden at a higher rate.

Figure C-30.
Cost Burden by Race and Ethnicity, Washington County, 2011 to 2015

	Percent Not Cost Burdened (≤30%)	Percent Cost Burdened (30% to 50%)	Percent Severely Cost Burdened (>50%)
Washington County Overall	66%	19%	15%
White	68%	18%	14%
Black / African American	65%	21%	15%
Asian	71%	16%	13%
American Indian, Alaska Native	72%	18%	10%
Pacific Islander	51%	37%	12%
Hispanic	54%	24%	22%

Source: CHAS 2011-2015.

Inventory of affordable housing. In Washington County overall, there are approximately 8,000 regulated affordable housing units. The majority of units, 87 percent, have affordability restrictions at 60 percent of MFI or below.

The following two figures show the distribution of units by income/MFI affordability level and unit type, by jurisdiction.

Figure C-31 reveals that Hillsboro has a significantly larger number (about 2,500) of regulated affordable units compared to Beaverton (about 850). This is related to Hillsboro’s increase in newly constructed regulated affordable units, discussed in more detail below. Hillsboro alone provides 30 percent of the all regulated affordable units located in the county. The next largest number of regulated affordable units is in the unincorporated county at 1,960 units.

In the county, units priced to serve 60 percent MFI households make up slightly more than half of all regulated affordable units. Units affordable to 50 percent MFI households and less comprise 25 percent of all regulated affordable units; units priced to serve 80 percent MFI households make up 15 percent of all units, and information about the affordability levels of 10 percent of the regulated units was not available in the Metro housing inventory database.

Figure C-32 shows the number of affordable housing units by place and unit type where unit type is known. Of the total regulated affordable units, 37 percent are one-bedroom units and 42 percent are

⁵ American Indian / Alaskan Native households make up less than one percent of the total households.

⁶ Pacific Islander households make up less than one percent of the total households.

two-bedroom units. Ten percent have three- to four-bedrooms and accommodate larger families. Overall, affordable housing units in the County are geared towards small to moderately sized households. The county's regulated affordable housing stock offers a solid range of unit sizes for low income households. This is true across jurisdictions.

Figure C-33 shows when units were built by decade; Figure C-34 shows the type of activity (e.g., new construction v. rehabilitation). New construction of affordable housing units in unincorporated Washington County grew rapidly in the 1990s and continued through to 2010, however in the last decade, few units have been built compared to the prior two decades. Hillsboro, on the other hand, saw slower growth in the 1990s but has maintained a considerable construction pace relative to other Washington County cities having built more regulated affordable housing units than any other jurisdiction as well as all of unincorporated Washington County combined.

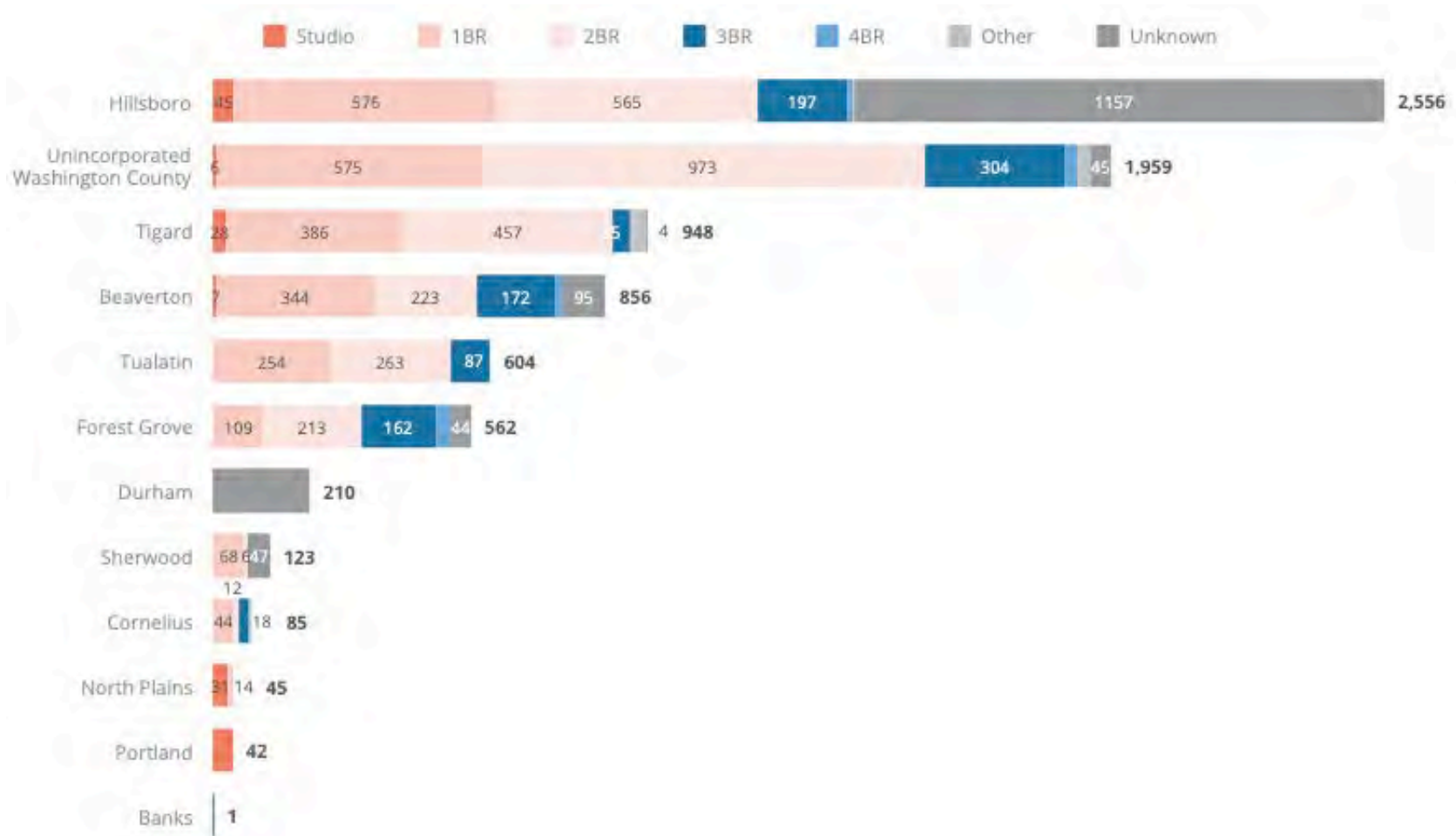
Figure C-34 reveals that in addition to new construction, Hillsboro has a significant inventory of regulated affordable housing units created through acquisition of existing housing. In unincorporated Washington County acquisition-rehab projects constitute a large proportion of the total regulated affordable units. Overall, it is notable that Beaverton has lagged behind Hillsboro, its neighbor of comparable population, in the provision of regulated affordable housing units.

Figure C-31.
Affordable Housing Units by Income Restriction, 2017



Source: 2017 Metro Affordable Housing Inventory Report.

Figure C-32.
Affordable Housing Units by Unit Type, 2017



Source: 2017 Metro Affordable Housing Inventory Report.

Figure C-33.
Construction of new, regulated affordable housing units by decade, 1980-2019

Note: New Construction units that did not have data available for the construction year are not included in this chart.

Source: 2017 Metro Affordable Housing Inventory Report.

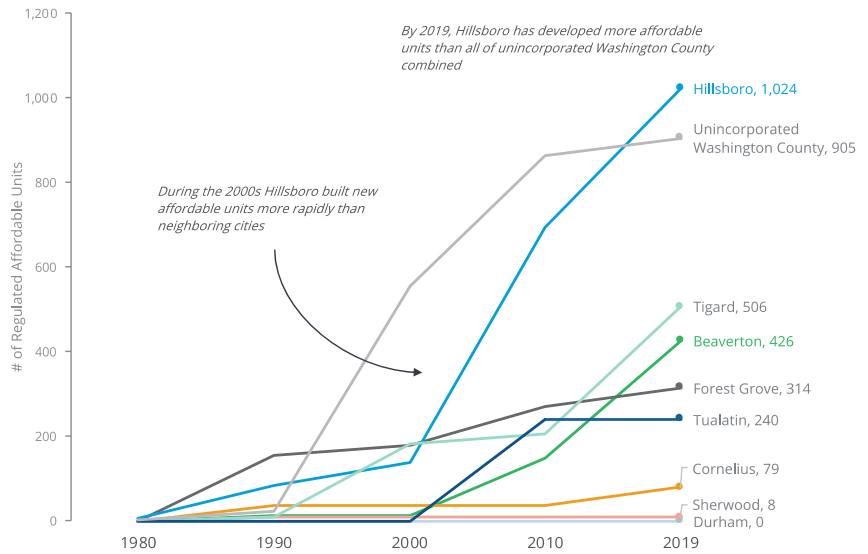
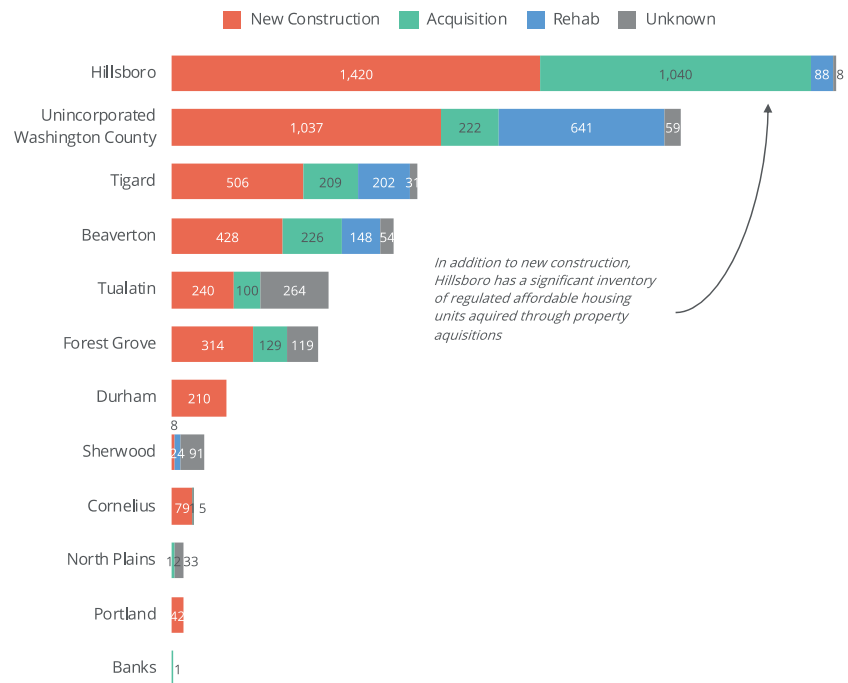


Figure C-34.
Affordable Housing Units Project by Project Type, 2017

Note:

Source: 2017 Metro Affordable Housing Inventory Report.



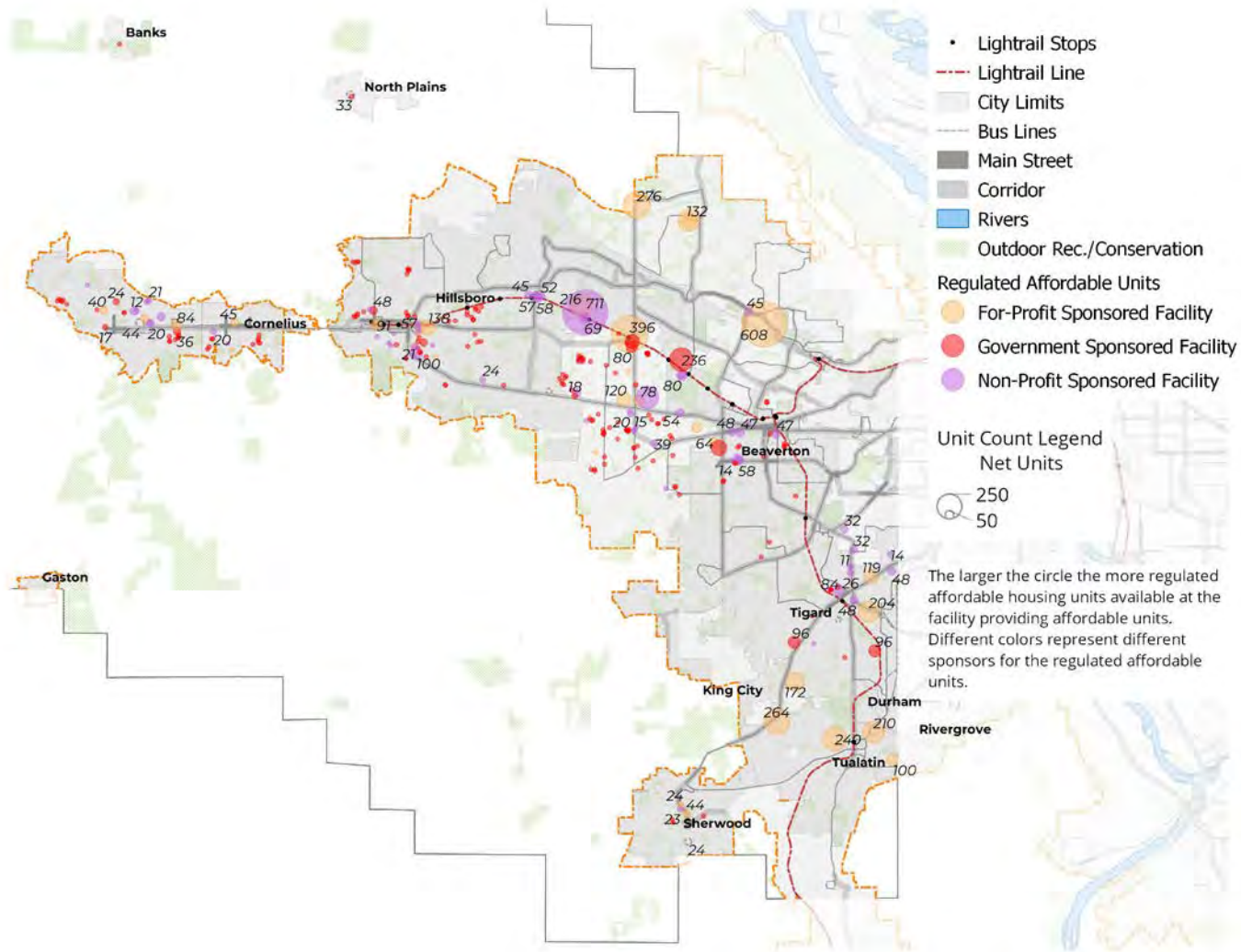
The following four maps show the geographic distribution of regulated affordable housing units, vacant parcel development opportunities, and manufactured dwelling park housing for Washington County.

Figure C-35 conveys the spatial distribution of regulated affordable housing developments, their relative number of regulated affordable rental housing units, and the type of sponsor. On the map, circles which designate the general location of developments are scaled to represent the total count of regulated affordable units of the development. The figure shows that government sponsored projects tend to be scattered, smaller scale developments within the lower-density residential neighborhood fabric, while for-profit sponsored developments tend to have the largest number of total units per project. For-profit sponsored developments exist both along the urban city light rail lines and in unincorporated urban places along transit corridors. Non-profit sponsored developments show less unique geographic concentrations and tend to be larger than government developments and comparable to for-profit transit-oriented projects. The multi-unit development with the most units contains 711 units; it is a non-profit sponsored, low-rise development in Hillsboro.

Figure C-36 conveys the distribution and scale of existing manufactured dwelling parks in Washington County. With a total of approximately 4,200 home sites (spaces), Washington County's 40 manufactured dwelling parks represent a significant source of low cost, but not income-restricted/regulated, affordable housing. As with the other maps, the circles represent dwelling units, in this case manufactured dwelling units in the park, which are scaled to convey the total number of units in that park. Dashed and solid outlines distinguish between parks that are limited to occupants over 55 years old and those that accept families. Most manufactured dwelling parks are located along major corridors throughout the county, with several on the edge of the urban growth boundary. In Cornelius, Hillsboro, and Beaverton several smaller manufactured dwelling parks are situated in proximity to main streets and transit lines. The largest park, Heritage Village, is on the western edge of Beaverton. The park accepts families and has a total of 451 units. A 1,440 square foot unit within the village was listed in July of 2019 for \$87,500 with a space rent of \$830 a month.

Figure C-37 conveys the multifamily residential unit development capacity on vacant properties in Washington County. The analysis did not incorporate environmental or other non-zoning-related development constraints. Circles on the map represent the approximate locations of potential development opportunities, and the circles size represents the maximum potential residential unit development capacity of the site. Larger circles represent a greater number of units. The colors of the outlines of the circles represent whether a site is zoned for multifamily residential or mixed-use residential development. Given that the mapped sites are vacant, it is not surprising that the largest potential developments are along urban edges or adjacent to highway or rail transportation infrastructure. Vacant sites with high total unit development potential near transit stations may present significant opportunities for transit oriented developments. There are clustered opportunities close to the Quatama/NW 205th Ave MAX light rail stop, in Hillsboro near the border with Beaverton. A cluster also exists in Beaverton near Highway 26 with several larger transit oriented development sites near the downtown and Sunset light rail stations. Cornelius and Tigard both have significant clusters of opportunity as well.

Figure C-35.
Affordable Housing Units, Washington County, 2017

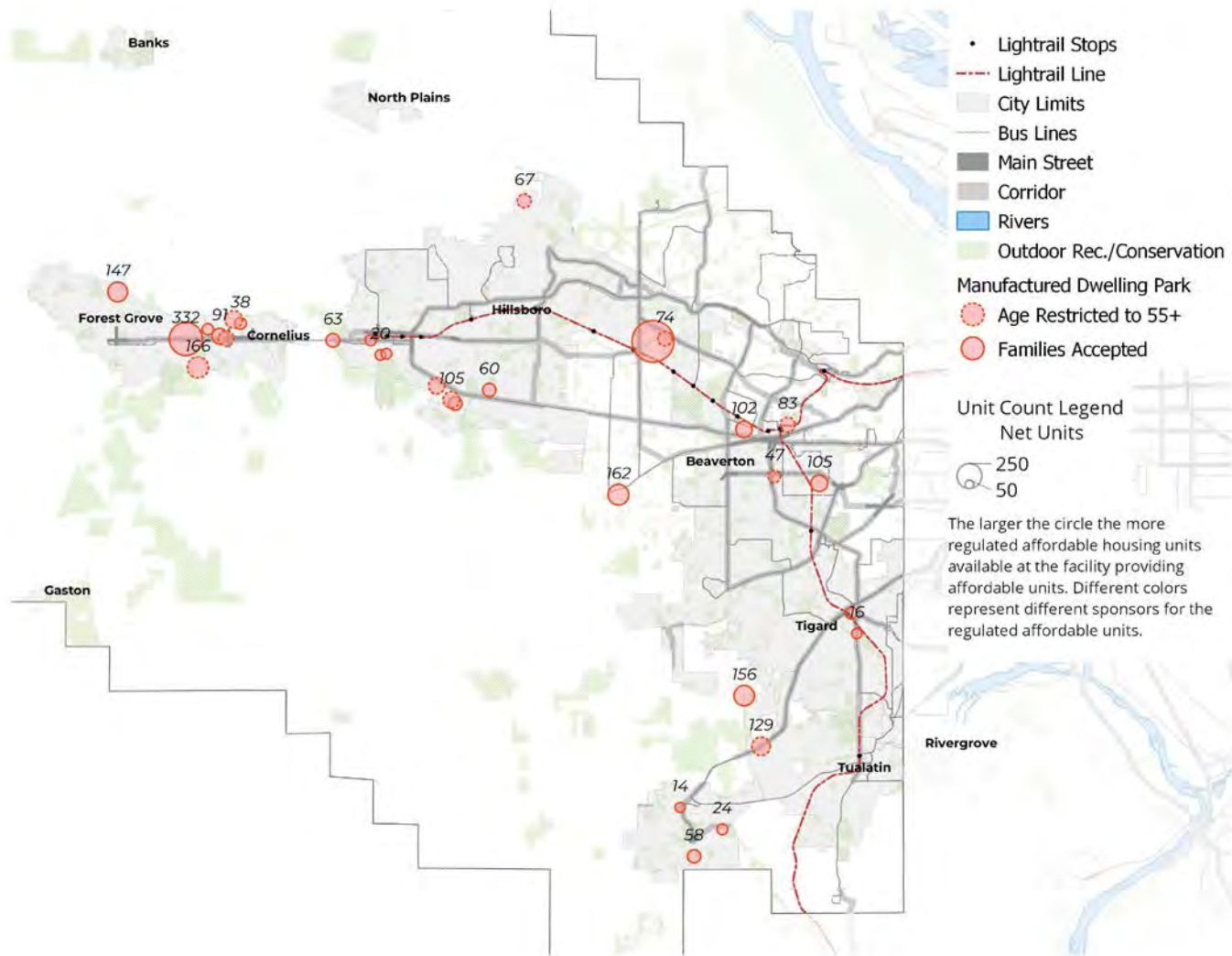


Note: Projects with greater than 5 units are also labeled with a number which signified the total number of units.

Source: Metro Supplied Affordable Housing 2017 Database

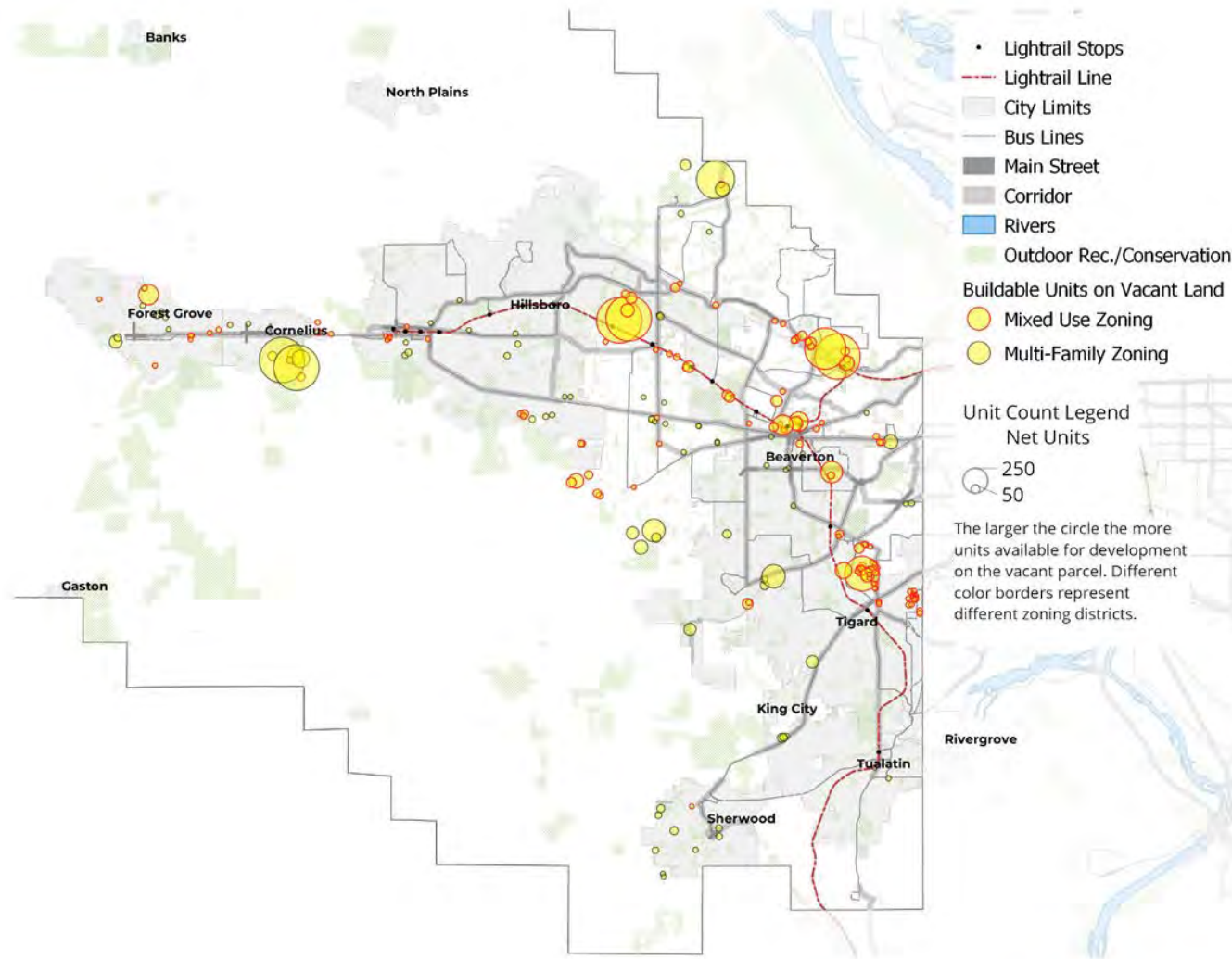
Figure C-36.

Housing Units in Manufactured Dwelling Parks, Washington County, 2017



Source: State of Oregon, Oregon Manufactured Dwelling Park Directory

Figure C-37.
Buildable Housing Units on Vacant Multifamily or Mixed-Use Zone Lots, Washington County, 2018



Source: Metro Supplied Affordable Housing 2017 Database

Housing Gaps

To examine how well Washington County’s current housing market meets the needs of its residents—and to determine how likely it is to accommodate demand of future residents and workers—this study used a modeling effort called a “gaps analysis.” The analysis compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households, the market is “oversupplying” housing at that price range. Conversely, if there are too few units, the market is “undersupplying” housing. The gaps analysis conducted for renters in Washington County addresses both rental affordability and ownership opportunities for renters who want to buy.

It is important to note that the gaps analysis does not account for persons without housing, who are doubling up, living in motels/hotels, living in their cars or camping, and in shelters. As such, the need is larger than what is identified in the rental gaps. The gaps analyses are based on Census data and reflects what households pay for rent and the estimated value of their homes. As such, supply should reflect the existing supply of regulated rent-restricted units and the use of housing vouchers, as well as existing owner-occupied homes made affordable through nonprofit sweat equity and land trust programs.

Rental gap. Figure C-38 compares the number of renter households in Washington County in 2017, their income levels, the maximum monthly rent they could afford without being cost burdened, and the number of units in the market that were affordable to them.⁷

The “Rental Gap” column in the table shows the difference between the number of renter households and the number of rental units affordable to them. Negative numbers indicate a shortage of units at the specific income level; positive units indicate an excess of units.

The line graph provides a visual of the mismatch in the rental market. When the blue line (number of rental units) is above the red line (number of renters), there is an oversupply of rental units at that income level. If the redline is above the blue line, there is an undersupply of rental units at that income level.

The results of the gaps analyses show:

- Washington County has 15,654 renters who earn less than \$25,000 per year. These renters make up 19 percent of all the county’s renters. There are just 3,310 housing units, including Housing Choice Vouchers (also known as Section 8) to serve these renters—leaving a gap of 12,343 units.

⁷ It is important to note that renters who cannot find affordable rents are not homeless. Those renters who cannot find affordability priced rentals are living in units that cost more than they can afford. These households are “cost burdened.” These households consist of students, working residents earning low wages, residents who are unemployed, and residents who are disabled and cannot work. These data do not capture persons experiencing homelessness.

- The rental gap is somewhat balanced across every low income range: all low income renters are struggling to find rental housing that is affordable to them. At the \$35,000 income level, the rental gap is resolved.

Affordable inventory v. need. As demonstrated in the gaps analysis, the rental market in Washington County is largely priced to serve renters earning between \$35,000 and \$50,000 per year: Forty percent of the county’s rental units fall within this price range, including rent-restricted units and voucher-supported households. Using the 30 percent of income for housing affordability standard, theoretically these households can afford to pay between \$875 and \$1,250 per month in rent and utilities without being cost burdened.

The units in the county that are priced at less than \$875 are a combination of units produced with a range of subsidies and developers and include rental assistance in the form of Housing Choice Vouchers. Regulated affordable units and rental units and assistance provided by the public housing authority and other nonprofit entities provide the vast majority of units that serve the county’s extremely low income households, earning less than 30 percent MFI. These entities also largely serve renters in the 31-60 percent MFI income range. The private sector provides some inventory for these households as well, mostly beginning at the 50 percent MFI level.

According to the Metro Affordable Housing database, most of the regulated units in the county are priced to serve renters between 50 and 60 percent of the MFI—70 percent of units are priced for renters at this income level. Although these units are not as deeply subsidized as is needed to reach the needs of extremely low income households as demonstrated by the gaps analysis, these units offer housing that the private market is unable to provide without some type of subsidy.

This is true of most communities and is related to the availability of federal funds for publicly-assisted housing development. The largest source of federal funds—the Low Income Housing Tax Credit program—largely serves households earning between 40 and 60 percent MFI. Public housing authorities and specialized nonprofits serve households at lower MFIs; however, funding for deeply subsidized units, including Housing Choice Vouchers, is very limited.

The gaps model identified 3,310 affordable units to serve households earning less than \$25,000 per year and an additional 11,233 to serve households earning \$25,000 to \$34,999. The affordable inventory for 0-30 percent MFI households consists of public housing authority units (244 units); affordable rentals provided by county’s housing authority and nonprofits (about 650 units, of which 237 are scattered site single family detached, duplexes/triplexes, and other attached products); and privately provided units that accept Housing Choice Vouchers/Section 8. The county housing authority administers approximately 2,500 vouchers.

The total deeply affordable inventory is about 3,600 units and vouchers—close to the inventory identified in the rental supply gaps. This means that 0-30 percent MFI households are primarily served by publicly-supported housing rentals and vouchers. Renters earning between \$25,000 and \$34,999 depend on a combination of the public sector (units with low to moderate subsidies and

vouchers) and nonprofit sector units, as well as private market units, with rents that are less stable in tight markets.

2010 Housing Gaps comparison. Because the past Consolidated Plan gaps and the current gaps used slightly different methodology, we replicated the 2010 gaps analysis using the current methodology to pinpoint how demand and supply have changed. That methodology found a shortage of 15,408 rental units for households at the 40 percent MFI level, as shown in Figure C-39 below, which is consistent with the 2015-2020 Consolidated Plan. Overall the rental unit shortage dropped by 3,065 rental units.

Why did the gaps change?

This reduction in the gaps was a result of **1) a net decrease in the number of affordable units (supply) coinciding with 2) a simultaneous decrease in the number of total renters (demand)** for renters with income levels less than \$25,000. Specifically,

- 1) The total number of renters earning less than \$25,000 dropped by 6,348 households.
- 2) The total number of available affordable units for individuals in that range simultaneously dropped by 3,283 units.
- 3) The difference (6,348 – 3,283) is the change in the gaps (3,065).

This change likely signifies that households increased their income pushing them out of this income range and/or pushing them out of the county (less demand), while landlords simultaneously raised rents (less supply).

Figure C-38.
Mismatch in Rental
Market, Washington
County, 2017

Note on the graphic:

When the blue line (number of rental units) is above the red line (number of renters), there is an oversupply of rental units at that income level. If the red line is above the blue line, there is an undersupply of rental units at that income level.

Source:

2017 5-year ACS.

Income Range	Renters		Maximum Affordable Rent, Including Utilities	Rental Units		Rental Gap
	Number	Percent		Number	Percent	
Less than \$5,000	2,952	4%	\$125	57	0%	-2,895
\$5,000 to \$9,999	1,948	2%	\$250	454	1%	-1,494
\$10,000 to \$14,999	2,496	3%	\$375	732	1%	-1,764
\$15,000 to \$19,999	3,788	5%	\$500	952	1%	-2,836
\$20,000 to \$24,999	4,470	6%	\$625	1,115	1%	-3,355
\$25,000 to \$34,999	8,913	11%	\$875	11,233	13%	2,320
\$35,000 to \$49,999	11,879	15%	\$1,250	33,373	40%	21,494
\$50,000 to \$74,999	15,357	19%	\$1,875	26,911	32%	11,554
\$75,000 or more	29,255	36%	\$1,875+	8,752	10%	-20,503
Total/Low Income Gap	81,058	100%		83,580	100%	-12,343

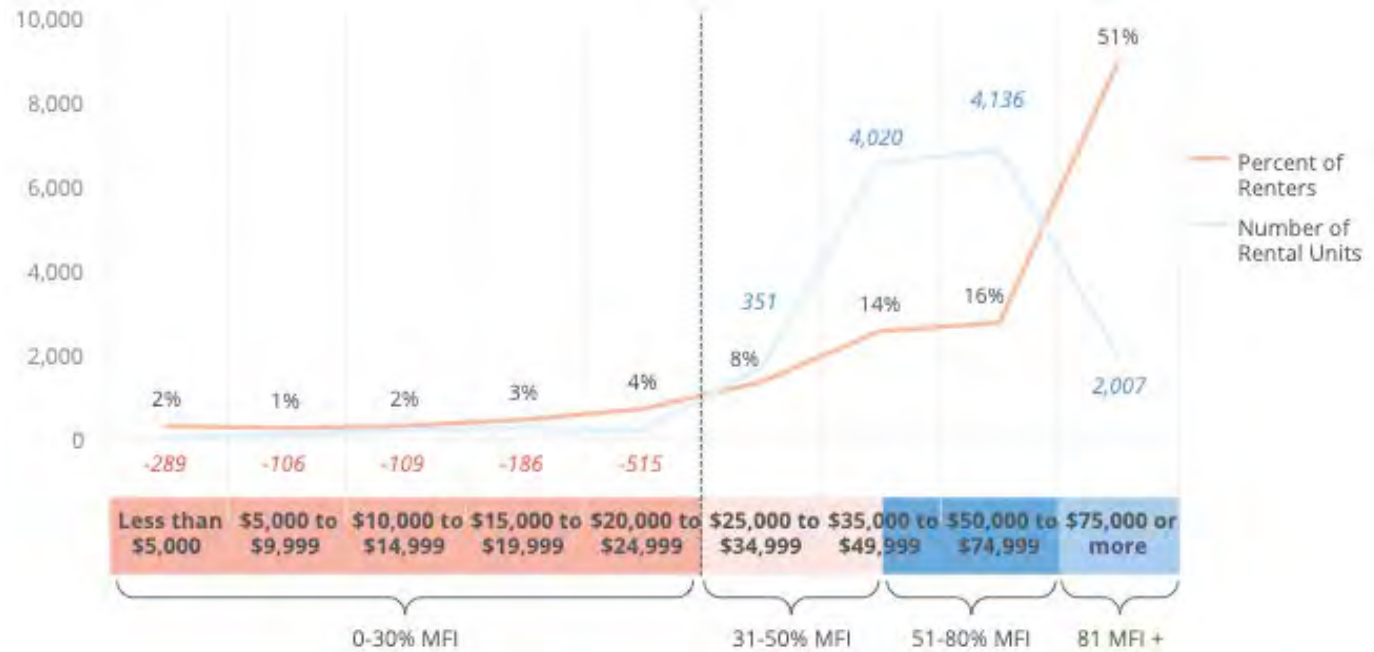


Figure C-39.
Mismatch in Rental
Market, Washington
County, 2010

Note on the graphic:

When the blue line (number of rental units) is above the red line (number of renters), there is an oversupply of rental units at that income level. If the red line is above the blue line, there is an undersupply of rental units at that income level.

Source:

2010 5-year ACS.

Income Range	Renters		Maximum Affordable Rent, Including	Rental Units		Rental Gap
	Number	Percent		Number	Percent	
Less than \$5,000	2,406	3%	\$125	18	0%	-2,388
\$5,000 to \$9,999	4,054	5%	\$250	915	1%	-5,527
\$10,000 to \$14,999	5,578	7%	\$375	977	1%	-10,127
\$15,000 to \$19,999	4,809	6%	\$500	604	1%	-14,333
\$20,000 to \$24,999	5,155	7%	\$625	4,080	6%	-15,408
\$25,000 to \$34,999	11,542	15%	\$875	25,295	36%	-1,654
\$35,000 to \$49,999	16,051	21%	\$1,250	25,135	36%	7,430
\$50,000 to \$74,999	14,462	19%	\$1,875	10,253	15%	3,221
\$75,000 or more	11,902	16%	\$1,875+	2,863	4%	-5,818
Total/Low Income Gap	75,959	100%		70,141	100%	-15,408

Ownership gap. A similar gaps analysis was conducted to evaluate the market options affordable to renters who may wish to purchase a home in Washington County. The for-sale gaps model compares renter income levels, the maximum home price they could afford, and the proportion of units in the market that were affordable to them. The maximum affordable home prices shown in Figure C-40 assumes a 30-year mortgage with a 10 percent down payment and a fixed interest rate of 4.50 percent. The estimates also incorporate property taxes, insurance, HOA fees, and utilities (assumed to collectively account for 25% of the monthly payment).

It is important to note that these are typical industry standards and do not account for household debt levels or the ability to qualify for a loan. For households with moderate debt and a less-than-stellar credit history, the model indicates a “stretch” or “best case” scenario. The model also assumes that renters are able to save for a 10 percent down payment (up to \$20,000 for a household earning less than \$50,000 annually).

The “Renter Purchase Gap” column in the table shows the difference between the proportion of renter households and the proportion of homes that were affordable to them. Negative numbers indicate a shortage of units at the specific income level; positive units indicate an excess of units.

The graph provides a visual of market options for renters wanting to buy by their income range. The blue dots represent the maximum purchase price that households at various income levels can afford. The orange and green bars indicate the size of the gap between the proportion of renters and proportion of homes affordable to them.

According to the ownership gaps analysis, renters who want to buy will have trouble finding an affordable home until they earn more than \$50,000—the income at which homes to buy begin to become affordable.

It is important to note that home size, condition, and housing preferences are not considered in the affordability model.

The purchase gap modeled also assumes an inventory of for sale units that represent the distribution of home values captured in the Census. This provides a picture of where gaps exist if the county desires to maintain a similar distribution of household economic status as housing units turn over and households enter and exit the market.

Figure C-40.
Market Options for Renters Wanting to Buy, Washington County, 2017

Note:

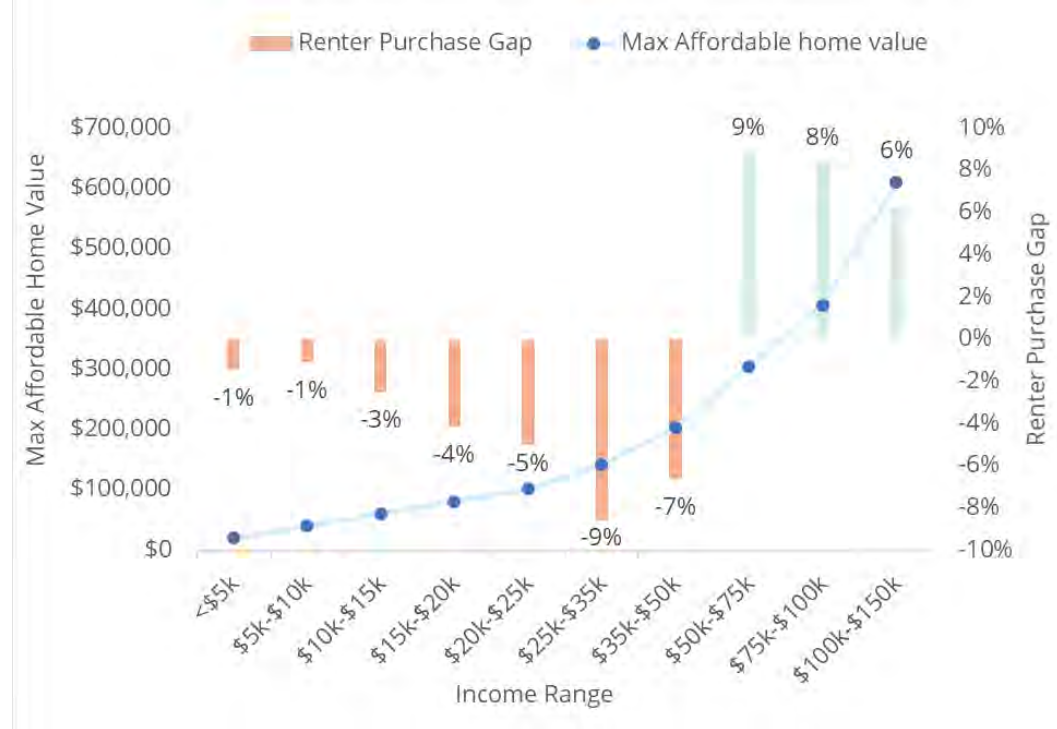
The maximum affordable home prices assume a 30-year mortgage with a 10 percent down payment and a fixed interest rate of 4.50 percent. The estimates also incorporate property taxes, insurance, HOA fees, and utilities (assumed to collectively account for 25% of the monthly payment).

On the graphic: negative numbers and orange bars indicate a lower supply, or deficit, of affordable homes to buy compared to renters. Positive and blue bars indicate a higher supply, or surplus, of homes to buy compared to renters.

Source:

2017 5-year ACS.

Income Range	Maximum Affordable Home Price	% of Homes	Renter Purchase Gap
Less than \$35,000	\$142,466	8%	-23%
\$35,000 to \$49,999	\$203,525	8%	-7%
\$50,000 to \$74,999	\$305,289	28%	9%
\$75,000 to \$99,999	\$407,053	25%	8%
\$100,000 to \$149,999	\$610,582	21%	6%
\$150,000 or more	\$610,582+	11%	6%



For sale search experience. The map in Figure C-41 below shows the number of homes that are affordable to households making \$50,000 annually or below based on the home's value. These homes do not represent homes available for purchase, but the stock of homes that if they were to go on the market, would likely be affordable. There are relatively high counts of such homes in areas in and around Cornelius, as well as in east Hillsboro and west Beaverton along their shared border. King City also has a high relative number of units at this price point.

To better understand the types of units in this category today, homes sold were collected during July 2019 from a popular listing platform, Redfin. Figure C-42 and Figure C-43 reveal the location, room composition, and size of listed for-sale units priced under \$300,000 in Washington County. During this period, just 275 units were sold in Washington County. The units averaged around two bedrooms and just under two bathrooms and 1,094 square feet. Beaverton had the highest number, 83 units, sold for less than \$300,000, or 30 percent of the total available affordable units. Hillsboro had under half that number. Figure C-43 reveals that the majority, 60 percent of the total units, were Condo or Coop units. These units, on average, were smaller in total square footage and number of rooms while also having a higher price per square foot.

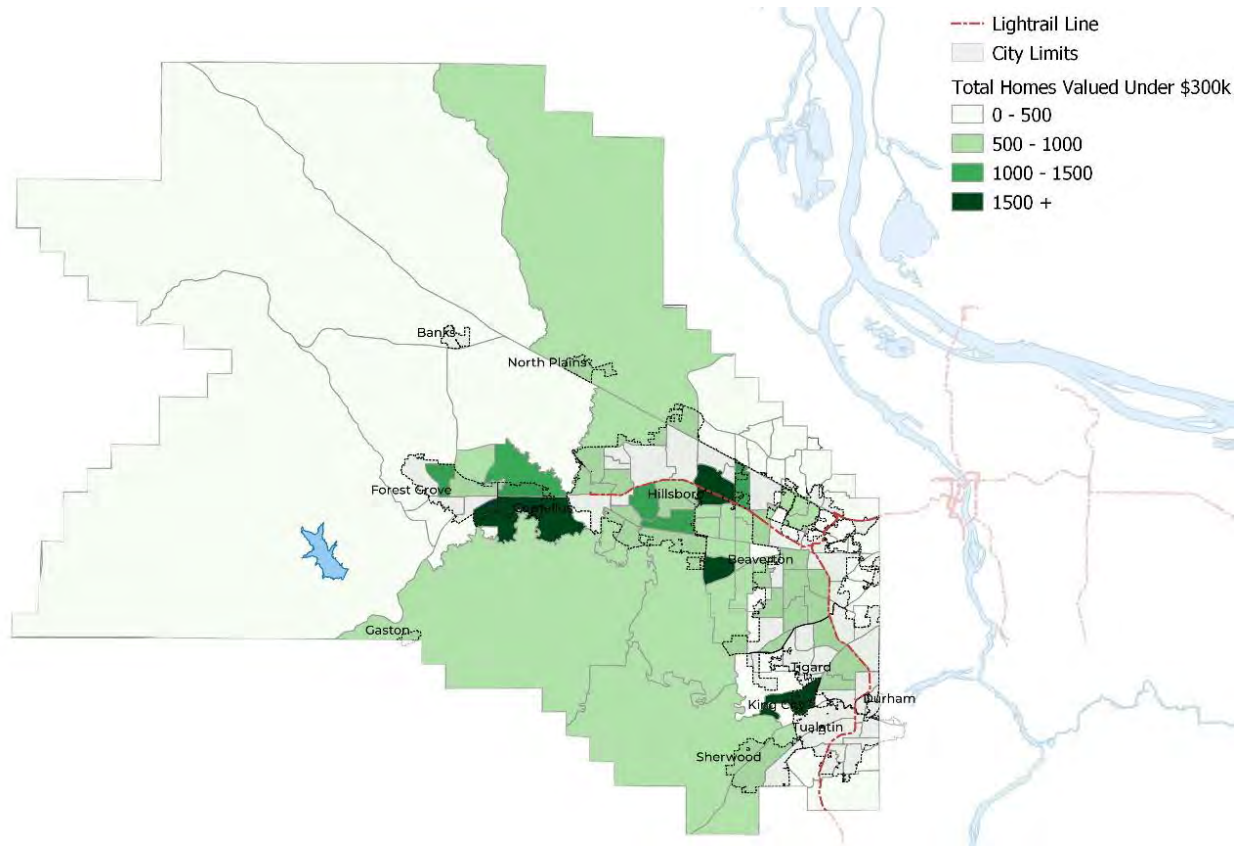
Mobile homes and for sale affordability. The lowest priced units on the market were mobile and/or manufactured homes which had an average listing price of around \$136,000. However, because homeowners in manufactured housing communities own their home but not the land it is one, this home type had rent at nearly \$500 per month. Rents charged manufactured or mobile homeowners are typically higher than HOA fees paid by owners of condominiums or homes in other types of homeowner associations. Manufactured housing units ranged in price, from \$49,000 to nearly \$300,000, with a median of \$129,000. This relative affordability is offset with very high space rental fees: the lowest priced mobile home, \$49,000, had an HOA fee of \$853 per month. Owners financing these units also pay much higher rates than a conventional mortgage because manufactured homes are financed as personal property unless they are in a co-op. Owners living in manufactured home parks also face higher vulnerability for displacement through park sales and increase in associated HOA and other lot fees.

Overall in the county, manufactured homes have a median value of \$57,600, significantly lower than the listing prices. These high asking prices are likely indicative of the high demand for affordable homeownership units in a lower price range. The lower valuation could also relate to the asset status of a mobile home in an investor-owned manufactured dwelling park as depreciating asset, where traditional "site-built" real-estate typically appreciates.

The neighborhoods showing the largest number of affordably valued units are also those where there are a large number of units located in manufactured home parks, as shown in Figure C-36.

Figure C-41.

Homes Valued Under \$300,000 and Affordable to Households Earning 100% MFI, 2017



Source: 2017 5-year ACS.

Figure C-42
Washington County For-Sale Units Under \$300,000 in July 2019,
Average Unit Size, Composition, and Days on the Market

	Total Units	% Total Units Sold	Avg Days			
			on the Market	Avg # of Beds	Avg. # of Baths	Avg Sq Ft
Aloha	5	2%	19	2.6	1.8	1,306
Banks*	2	1%	87	3.0	2.0	1,392
Beaverton	83	30%	25	2.2	1.9	1,140
Cornelius	11	4%	25	2.9	1.4	1,286
Forest Grove	7	3%	48	3.6	1.9	1,566
Gaston*	4	1%	12	2.5	1.3	1,267
Hillsboro	38	14%	22	2.3	1.9	1,209
King City	10	4%	23	1.8	1.2	948
Lake Oswego	1	0%	1	2.0	1.0	893
North Plains*	3	1%	24	3.0	1.8	1,216
Portland	65	24%	52	1.6	1.4	858
Sherwood	13	5%	23	2.2	2.1	1,088
Tigard	25	9%	37	2.1	2.0	1,141
Tualatin	8	3%	39	2.3	1.3	1,039
Washington County	275	100%	33	2.1	1.7	1,094

Source: Redfin, July 2019

* - Rural City

Note: Geographic location is based on address. Portland addresses are unincorporated Washington County. The rural cities have several units that are outside of their jurisdiction in Unincorporated Washington County.

Figure C-43.
Washington County For-Sale Unit Under \$300,000 in July 2019,
Average Unit Size, Composition, and Price by Unit Type

	# of Units	% of Total Units	Averages					
			# of Beds	# of Baths	Sq Ft	Price	Price per Sq Ft	HOA Fee
Condo/Co-op	165	60%	1.8	1.62	966	\$230,668	\$245	\$ 303
Mobile/Manufactured Home	17	6%	2.8	1.82	1,282	\$136,694	\$111	\$ 499
Single Family Residential	45	16%	2.6	1.39	1,239	\$276,338	\$242	\$ 60
Townhouse	48	17%	2.4	2.30	1,330	\$285,539	\$219	\$ 241
Overall	275	100%	2.1	1.71	1,094	\$241,910	\$232	\$ 285

Source: Redfin, July 2019

Projections of Future Needs

Figure C-44 shows low income populations (broken out by MFI) for Washington County, their current housing need, and future housing need in the next five years. Needs are based on HUD’s housing problem data. In sum, the model predicts a need for 1,400 more affordable rentals to serve the lowest income households in the county—in addition to the 12,000 rental subsidies that are currently needed based on the rental gaps analysis above.

Figure C-44.

Housing Need of Low Income Populations, Washington County, Current and Future Growth

	<i>Current</i>			<i>Future</i>	
	Total Households	# of Households with Need	% of Households with Need	Housing Need in 5 Years	Change in Housing Need
Extremely Low Income (\leq 30% MFI)	21,135	18,160	86%	19,564	1,404
Very Low Income (31-50% MFI)	21,845	18,335	84%	19,752	1,417
Low Income (51-80% MFI)	32,495	19,025	59%	20,496	1,471
Low to Moderate Income (80-100% MFI)	20,785	6,915	33%	7,450	535

Note: Housing need defined as a household having one or more of four housing problems, which includes: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost burden greater than 30%.

Source: 2017 5-year ACS.

Beaverton Housing Market Analysis

This section of the Consolidated Plan supplements the HUD-required Market Analysis (MA). It provides more detail on the changes in Beaverton’s housing market since 2012; identifies market gaps by income level and tenure; and contains a geographic analysis of housing conditions and needs. The section begins with a brief overview of the geography covered in the analysis and demographics of residents to set the context for the analysis.

A note on distribution of this section. This section is part of a broader study of housing needs in Washington County, Beaverton, and Hillsboro.

A note on methodology. The data used for the market analysis come from a variety of sources. In all cases, the data represent the latest, most readily available data to describe the housing market. For the smaller cities in the analysis, and for some variables, the most recent data are from the 2017 American Community Survey, or ACS. It is important to note that ACS data are self-reported by residents and, as such, represent the rent they pay and their perceptions of their homes’ market values.

Data labeled as “2011-2015 CHAS” are from a proprietary dataset maintained by the U.S. Department of Housing and Urban Development (HUD) and, at the time this section was prepared, newer data were not available. Use of these data for part of the analysis is required for the HUD Consolidated Plan.

ACS data are the best, readily available source of market information for many of the small areas covered in the study. However, the data do contain a margin of error—meaning the actual market data could be larger or smaller than the estimate. Margin of error risk is greater in small geographies. Given this, the data in this section should be interpreted as suggesting a likely number or magnitude of change rather than a definitive number or percentage.

To the extent possible, this study retains the approach and methodology used in prior Consolidated Plan market studies.

Primary Findings

- The City of Beaverton grew relatively slowly between 2012 and 2017, with an overall population increase of 6 percent. This compares to 10 percent for nearby Hillsboro and 8 percent for Washington County overall.
- The city’s housing stock grew by 5 percent between 2012 and 2017, slightly less than population growth. The overall residential vacancy remained low at 4.9 percent.
- Beaverton’s rents averaged \$1,211 per month for a two-bedroom, one-bath unit, excluding utilities as of Spring 2019. With utilities, a household would need to earn nearly 70 percent of

the MFI to afford the average two-bedroom, one-bath unit. The city's rents increased at a faster rate (25%) than median home value (13%) from 2012 to 2017.

- The average rent is too high for more than half of the renters in the city: Fifty-five percent of the city's renters do not earn enough to afford such a unit with many—20 percent—needing rents of less than half of the average.
- In 2017 Beaverton has 4,208 renters who earn less than \$25,000 per year—about 30 percent of the MFI. These renters make up 21 percent of all the city's renters. There are just 764 housing units to serve these renters, leaving a gap of 3,444 units. In comparison, similarly-sized Hillsboro has a rental gap of just 1,205 units due to the city's much larger share of regulated affordable units. Hillsboro also has a lower proportion of households who are cost burdened, especially severely cost burdened, than Beaverton.
- Beaverton has the lowest homeownership rate in the County at 48 percent. Renters who want to buy will have trouble finding an affordable home in the current market, due to low inventory of units priced at less than \$300,000. A review of homes to purchase in Beaverton in early July found just 21 homes listed for sale at less than \$300,000. Of these: 10 were condominiums; 6 were townhomes; 4 were single family detached homes; and 1 was a mobile home.
- An assessment of the city's buildable land inventory suggests that the city has ample land available to address affordable housing needs, both rental and ownership, with adequate funding and commitment from landowners.

Geography

Beaverton's location within the Portland–Vancouver–Hillsboro, OR–WA Metropolitan Statistical Area is an important context for the city's growth and livability.

Beaverton's regional location as a first-tier suburb, largely developed in the second half of the 20th century, has shaped much of its growth and urban form. The city's Old Town, first platted in 1868 before cars were dominant, has the small, walkable blocks characteristic of that time. However, the prevalence of cars during later development in the city shaped a set of neighborhoods, employment areas, and commercial corridors that are primarily built around automobile access. The city is also strongly influenced by the presence of Highways 217 and 26, which provide access to major employment areas throughout the west side of the county, as well as connecting to downtown Portland and providing freight routes that connect to other parts of the state and to Interstate 5. The extension of the MAX light rail line in the 1990s began a gradual transition towards more transit-oriented development around light rail stations. Recent planning for areas such as Progress Ridge, Beaverton Central, and South Cooper Mountain reflects an elevated priority for mixed use and walkable communities. Beaverton is one of Oregon's most ethnically and culturally diverse communities. This asset will help shape the city's growth—in terms of the built environment, business growth and employment opportunities, and housing demand.

Urban growth boundaries. Under Oregon law, cities are required to establish a geographic line called an urban growth boundary (UGB) that limits urban expansion into forest or farmland. For

the Portland-area UGB, land within this land use boundary receive urban services managed by Metro, Portland's metropolitan regional government. The Portland Metro UGB encompasses all of Washington County's major cities including Beaverton, Hillsboro, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. These cities are designated "*Urban Cities*."

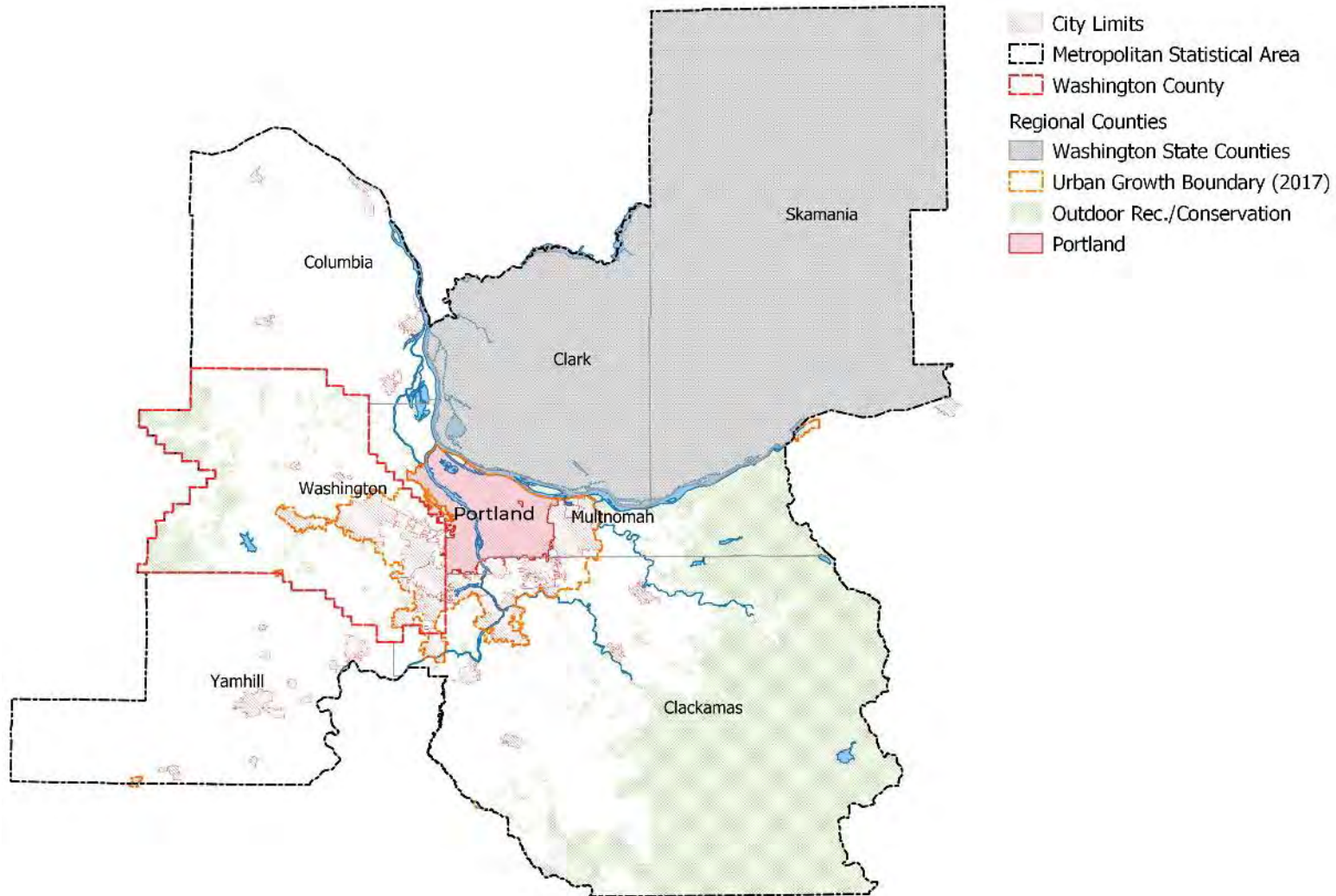
Where data are available, this section includes comparisons with smaller cities in the county. Three smaller cities — Gaston, North Plains, and Banks — are within Washington County but outside of the Portland Metro UGB. These cities are designated as "*Rural Cities*."

The Washington County portion of the Portland Metro UGB also contains multiple unincorporated urban places. This study identifies Census designated places within the urban growth boundary, including Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope, and designated the places "*Unincorporated Urban Places*."¹

Figure 1 shows the location of Washington County within the Portland MSA; Figure 2 shows Beaverton's location within Washington County.

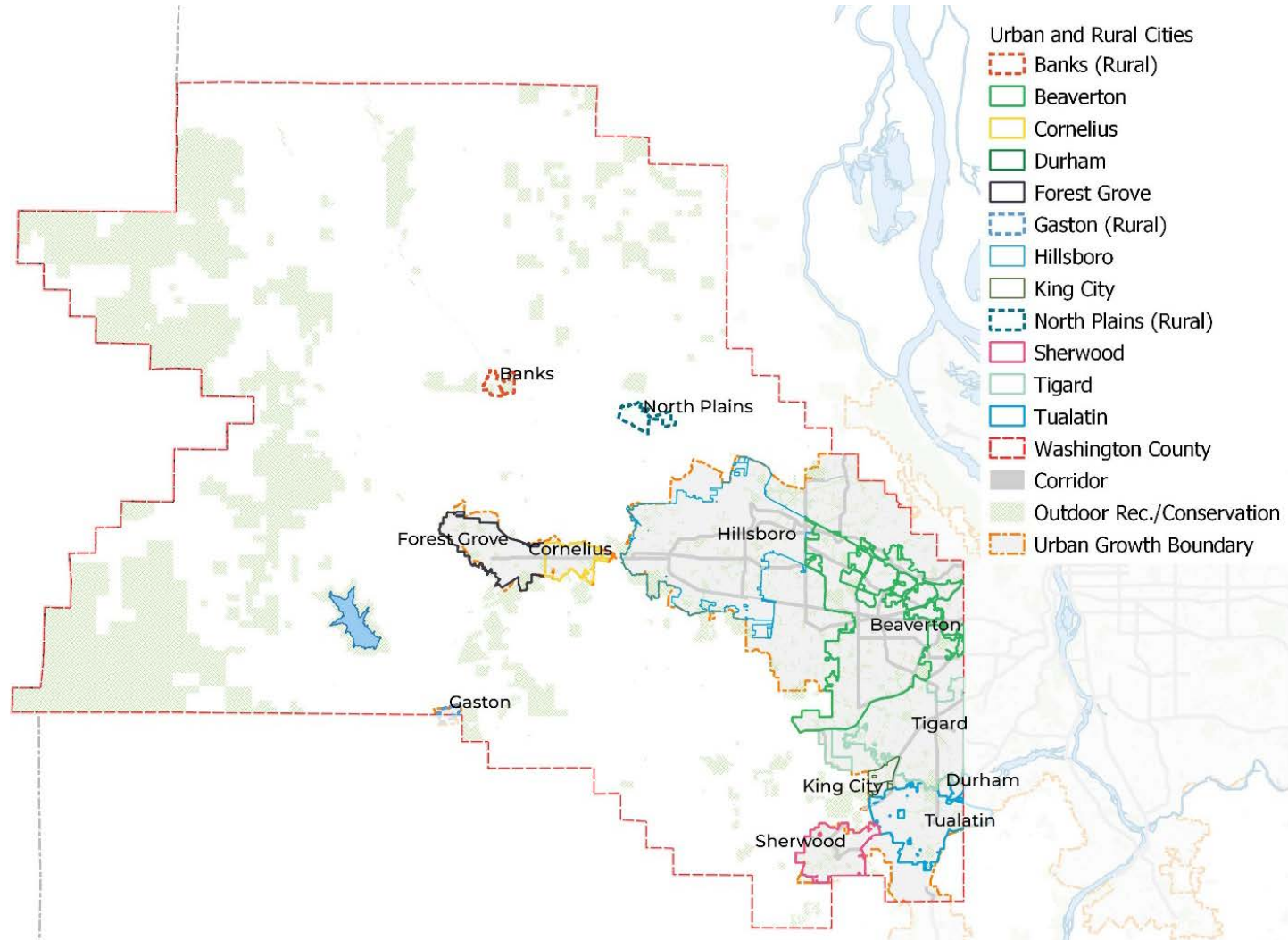
¹ We do not have American Community Survey data for areas within the Portland UGB that are neither Urban Cities nor Unincorporated Urban Places. The remaining Washington County space is considered "*Unincorporated Rural Land*."

Figure 1.
Regional Context



Source: Metro RLIS Discovery Portal.

Figure 2.
Washington County Incorporated Cities (Urban and Rural)



Source: Metro RLIS Discovery Portal.

Demographic Context

Between 2012 and 2017, Beaverton’s population increased from 90,254 to 95,710, an overall increase of 6 percent. As shown in the figure below, Washington County overall grew faster than the city, increasing by 40,000 and 8 percent. The margin of error for Beaverton’s population in 2017 was plus or minus 90 individuals, or below 0.1 percent—which is very low.²

Figure 3.
Population
Change, 2012 and
2017

Note:

Urban Cities include Hillsboro, Beaverton, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. Rural Cities include Gaston, North Plains, and Banks. Unincorporated Urban Places includes Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope. Unincorporated Rural Land includes any remaining area in Washington County.

Source:

2012 and 2017 5-year American Community Survey (ACS).

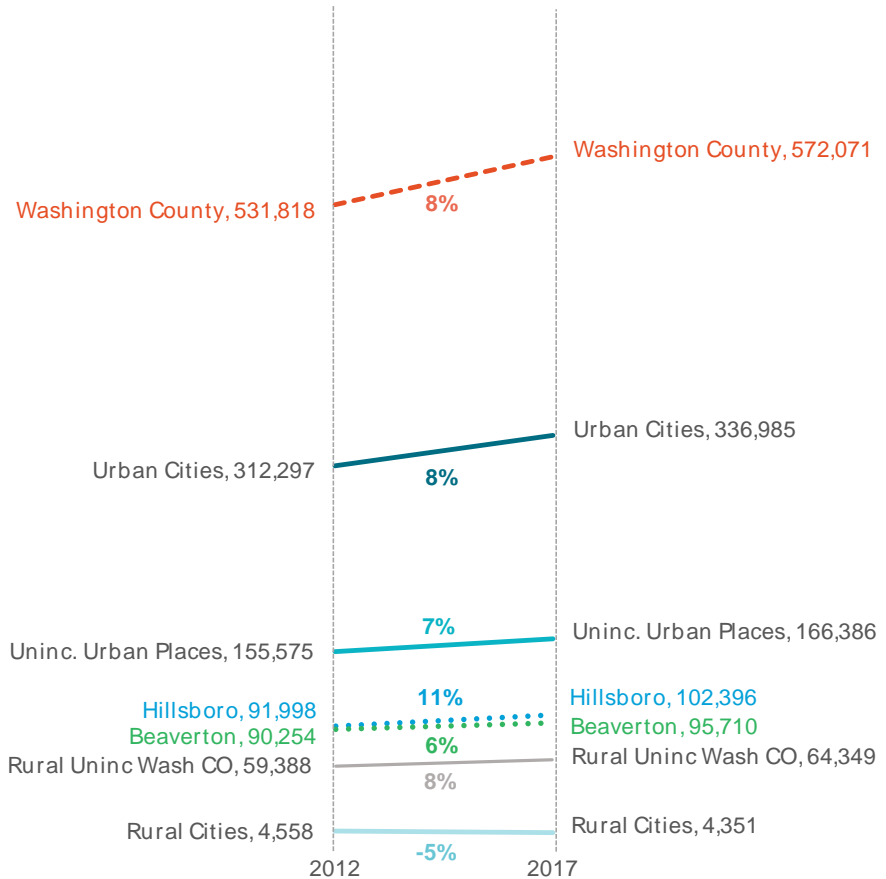


Figure 4 shows the historical and current average household sizes and percentage of families with children for Beaverton, nearby urban and rural places, and Washington County. Compared to nearby places, Beaverton’s average household size (2.44) is relatively low—second lowest after King City (1.87). Since 2012, average household size in Beaverton decreased slightly by 1 percent.

As Beaverton’s household size decreased, so did the percentage of families with children, from 29 percent in 2012 to 27 percent in 2017. Although many nearby places also experienced a reduction in

² A margin of error is the difference between an estimate and its upper or lower confidence bounds. Confidence bounds are calculated by adding the margin of error to the estimate (for an upper bound) and subtracting the margin of error from the estimate (for a lower bound). All published margins of error for the American Community Survey are based on a 90 percent confidence level. The margin of error has a greater impact on smaller quantity estimates than larger estimates; therefore, smaller communities, such as Durham, Banks, or Gaston, are more likely to have a larger margin of error compared to Beaverton and Hillsboro.

the percentage of families with children, Beaverton’s population has always had fewer families with children, just behind King City, where only 14 percent of households are families with children.

Figure 4.
Households and Families, 2012 and 2017

	Average Household Size			% Families with Children		
	2012	2017	% Change	2012	2017	% Point Change
Aloha	2.94	3.07	4%	37%	39%	1%
Banks	3.26	3.35	3%	54%	54%	0%
Beaverton	2.47	2.44	-1%	29%	27%	-2%
Cornelius	3.57	3.57	0%	52%	45%	-7%
Durham	2.25	2.56	14%	25%	31%	6%
Forest Grove	2.72	2.81	3%	33%	35%	1%
Gaston	2.51	2.76	10%	34%	28%	-6%
Hillsboro	2.81	2.70	-4%	36%	33%	-3%
King City	1.56	1.87	20%	6%	14%	8%
North Plains	2.53	2.71	7%	37%	28%	-9%
Sherwood	2.97	2.95	-1%	51%	45%	-5%
Tigard	2.50	2.49	0%	31%	29%	-2%
Tualatin	2.62	2.49	-5%	36%	32%	-4%
Washington County	2.63	2.66	1%	34%	32%	-1%

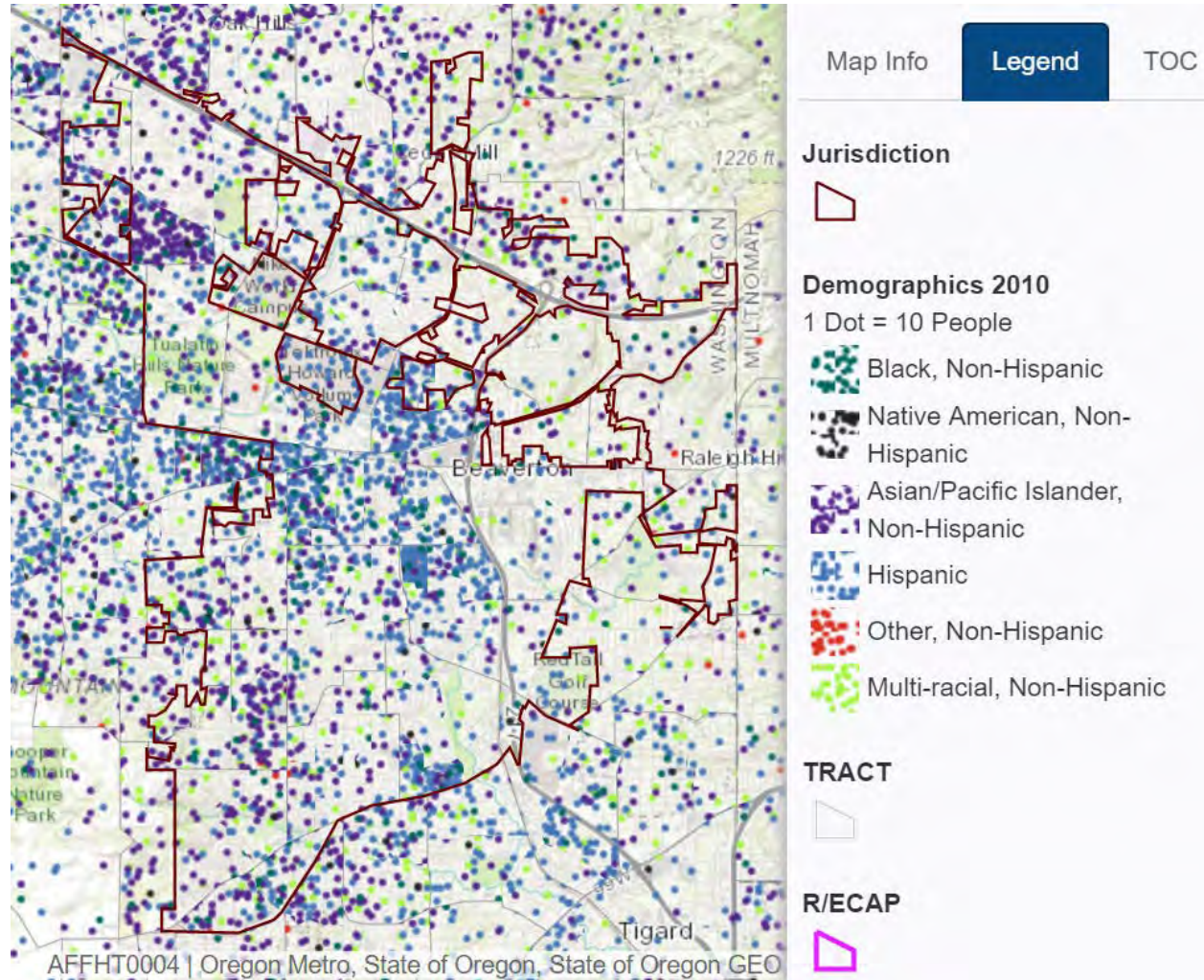
Source: 2012 and 2017 5-year ACS.

The following map, Figure 5 provides detail of the racial/ethnic distribution of residents in Beaverton, focusing on Non-White and Hispanic residents. This map was created by the U.S. Department of Housing and Urban Development to assist communities in better understanding patterns of racial and ethnic segregation. One dot represents 10 residents and each color represents a different racial or ethnic minority. Racially and ethnically concentrated areas of poverty, or R/ECAPs, indicate areas with very high poverty rates (more than 40% for individuals) and that are more than half Non-White and Hispanic residents.

Beaverton’s racial and ethnic distribution is similar to the county overall, with a non-Hispanic White proportion of 65 percent (v. the county at 70%); a Hispanic population of 16 percent (same as the county overall); and an Asian population of 11 percent (v. 9% for the county).

The map reveals that many neighborhoods reflect the diversity of the city overall; however, it also indicates a higher proportion of Hispanic residents in the central parts of the city and Asian/Pacific Islander residents in the northwest.

Figure 5.
Racial and Ethnic Concentrations, Beaverton

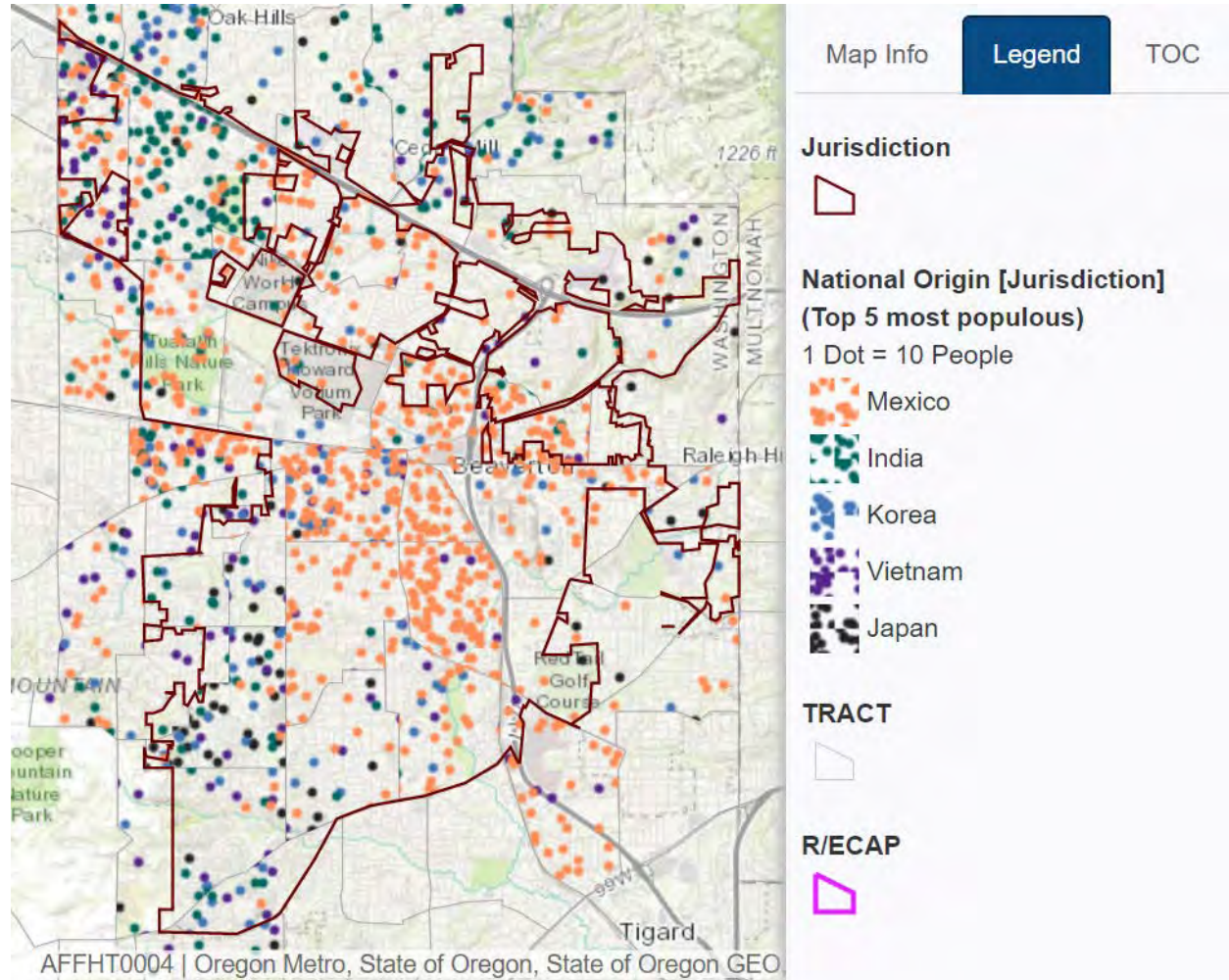


Note: White, Non-Hispanic Households were removed to accurately view minority populations. No R/ECAPs exist in Beaverton.

Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

Figure 6 shows where cultural groupings exist within Beaverton. Like the previous map, one dot represents 10 residents and each color represents a different national origin. Clusters of residents of Mexican origin are located in central Beaverton Census tracts and residents of Indian and Vietnamese origins are located in the northwest.

Figure 6.
National Origin Concentrations, Beaverton



Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

Housing Profile

The ability of a community’s housing stock to meet current and future residents’ needs primarily depends on three factors:

- 1) What type of housing exists;
- 2) What type of housing will be developed considering land availability; and
- 3) How much that housing costs.

These are explored in this part of the market analysis.

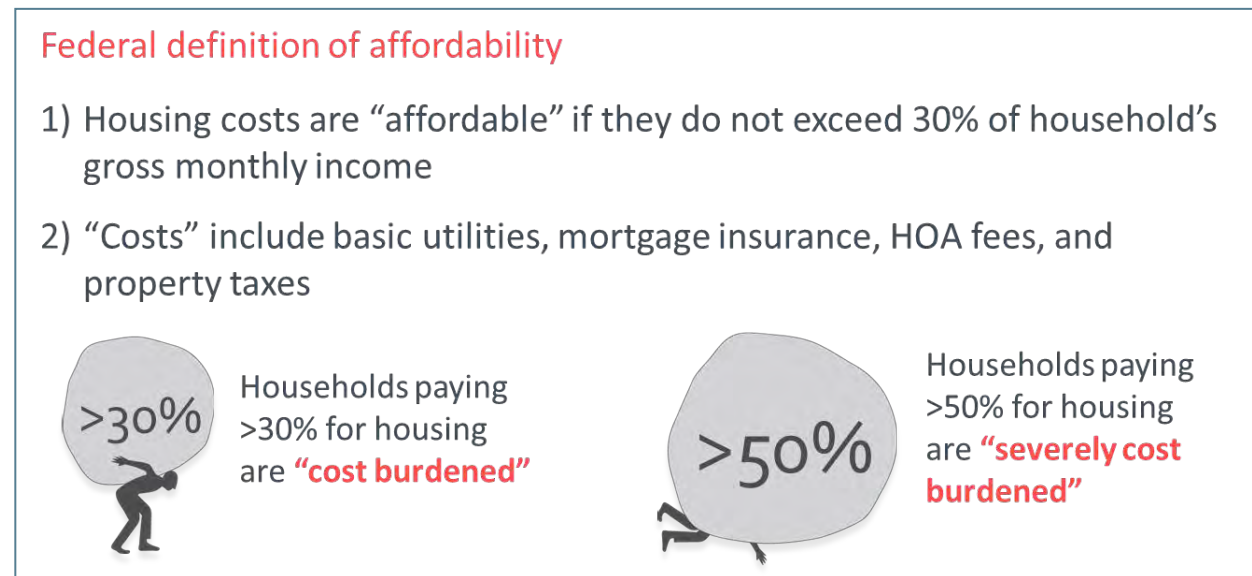
The Housing Profile begins with an introduction to the concept of affordability and how it is measured. It then examines the characteristics of the Beaverton’s housing stock, discusses the affordability analysis, and concludes with an assessment of housing needs.

Assessing housing needs. The most common measure of affordability assesses the “burden” housing costs put on a household. If a household pays more than 30 percent of their gross income in rent or mortgage payment, taxes, and basic utilities, they are cost burdened. The higher a household’s cost burden, the higher their risk of eviction, foreclosure, and homelessness due to the challenges of households managing housing costs.

Households spending 50 percent or more of their income on housing are considered at risk of homelessness. These households have limited capacity to adjust to rising home prices and are vulnerable to even minor shifts in rents, property taxes, and/or incomes.

Cost burden is important because it also indicates how well a household can manage other expenses—e.g., childcare, transportation, health care—and how much disposable income they have to contribute to the economy.

Figure 7.
Housing Affordability Definition



Source: Root Policy Research.

It is important to note that cost burden exists in nearly every community because demand exceeds the supply of housing at various price points. Some residents—e.g., persons with disabilities living on fixed incomes—cannot avoid cost burden unless they occupy publicly supported housing or receive Housing Choice Vouchers. Unless an adequate supply of affordable housing is available, being cost burdened may be the only option for certain residents.

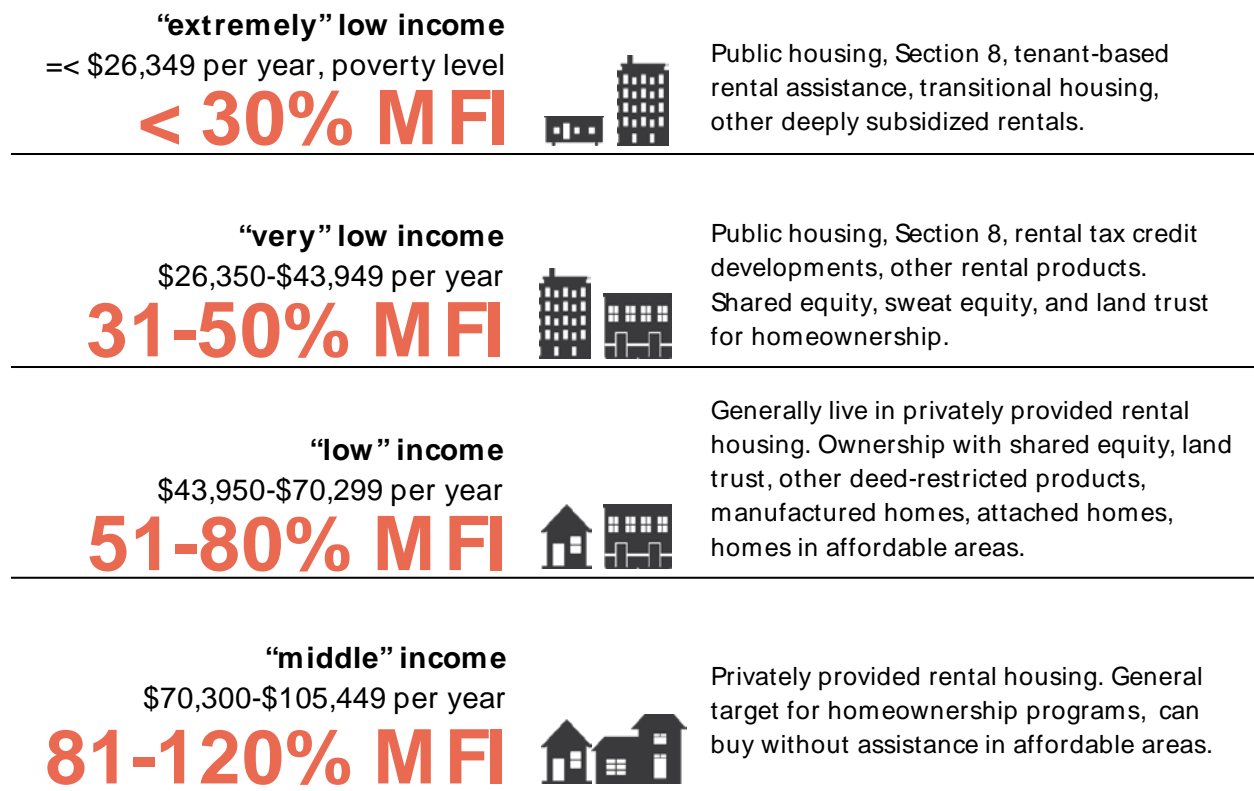
Housing needs and income levels. Eligibility for federally funded housing programs is generally based on how a resident’s income falls within HUD-determined MFI categories, or Median Family Income. The income thresholds and target housing are outlined in Figure 8. The figure also explains what a household at each MFI level can afford and the housing products that typically accommodate their needs. For example, a household earning between 31 and 50 percent of

the MFI—a very low income household—is most likely to find affordable housing in publicly supported housing or through innovative ownership solutions such as land trusts.

HUD-funded block grant programs typically focus on households earning up to 80 percent MFI. This study includes additional income ranges to inform broader housing planning efforts, such as increasing missing middle housing.

HUD categorizes households by income ranges based on the Median Family Income, or MFI, of a region. Beaverton is part of the Portland-Vancouver-Hillsboro region, where the overall MFI is \$87,900. The figure below shows how many households fall into HUD’s MFI ranges.

Figure 8.
HUD Income Thresholds and Target Housing, Washington County, 2019

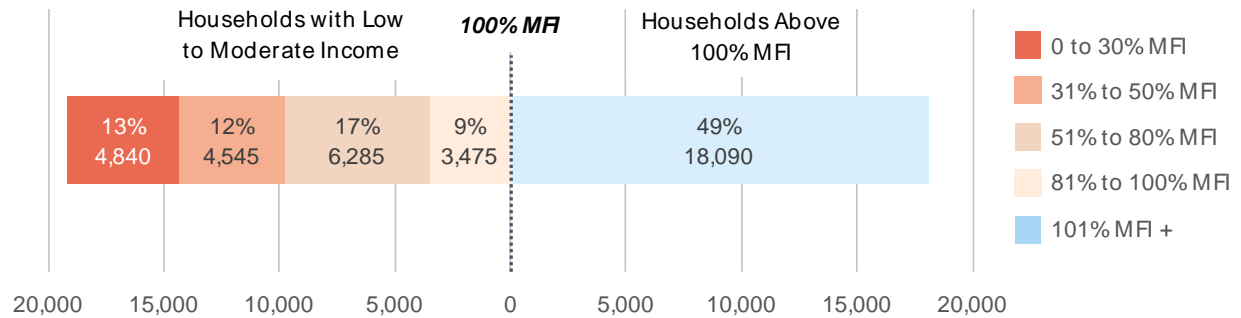


Note: This is for a 4-person household, the household size on which HUD based the overall MFI.

Source: HUDuser.gov Income Limits FY19 database and Root Policy Research.

Figure 9 shows how many households in Beaverton fall into HUD’s MFI ranges.

Figure 9.
Households by MFI, Beaverton, 2011 to 2015

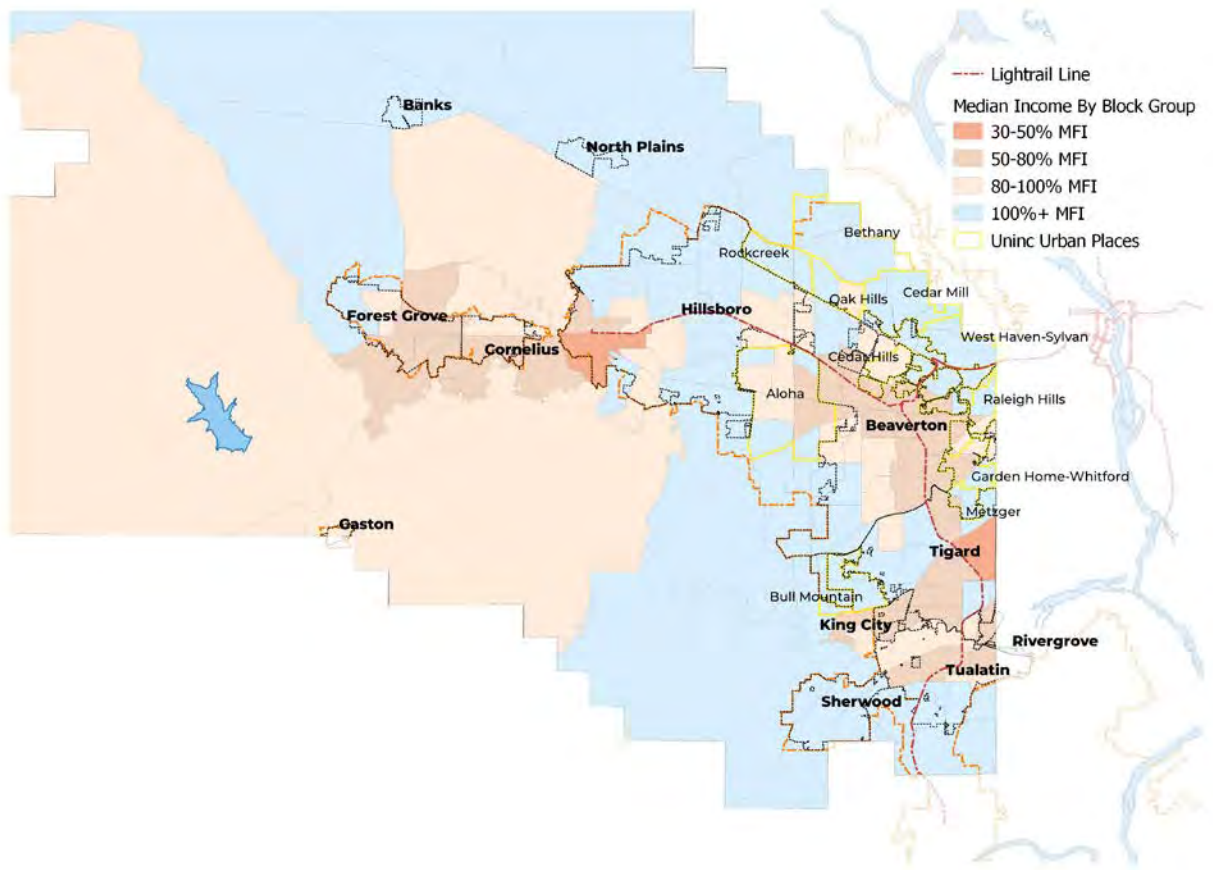


Source: CHAS 2011-2015.

More than 18,000 Beaverton households have an income of greater than 100 percent of the MFI, while 19,150 households have an income below 100 percent MFI, which is considered low to moderate income by HUD’s definition. Households making between 51 and 80 percent MFI were the largest group of low to moderate income residents—comprising 17 percent of all households.

Figure 10 shows the geographic distribution of households by MFI level. The Census tracts with the lowest income households are located in the Forest Grove and Cornelius area, parts of Beaverton, and Tigard, and Tualatin.

Figure 10.
Dominant MFI Range by Geographic Area



Source: 2017 5-year ACS.

Central and northern Beaverton Census tracts have a larger proportion of low to moderate income residents, specifically households making between 51 to 80 percent of MFI. Southwest Beaverton has a larger proportion of households making 101 percent of MFI or greater.

Housing unit vacancies and growth. According to the 2017 American Community Survey (ACS), there were 40,857 housing units (occupied and vacant) in Beaverton. Vacancies in Beaverton were relatively low at 4.9 percent, or just over 2,000 vacant units. Vacancy rate is defined as the percentage of all available units that are unoccupied at a certain time. Vacancy rates around 5 percent typically indicate a competitive equilibrium in the housing market. Rates that fall below 5 percent indicate a very tight market.

Figure 11 displays the occupancy of housing units for Beaverton, nearby urban and rural places, and Washington County. Beaverton has the largest number of housing units in Washington County, followed by Hillsboro.

Figure 11.
Occupancy of All Housing Units (Multifamily and Single Family), 2017

	Housing Units	Occupied Housing Units	Vacant Housing Units	% Vacant
Aloha	18,628	17,846	782	4.2%
Banks	537	506	31	5.8%
Beaverton	40,857	38,855	2,002	4.9%
Cornelius	3,615	3,438	177	4.9%
Durham	643	622	21	3.3%
Forest Grove	8,440	7,955	485	5.7%
Gaston	207	202	5	2.4%
Hillsboro	39,659	37,424	2,235	5.6%
King City	1,963	1,946	17	0.9%
North Plains	808	770	38	4.7%
Sherwood	6,745	6,479	266	3.9%
Tigard	21,165	20,421	744	3.5%
Tualatin	11,329	10,843	486	4.3%
Washington County	223,394	212,778	10,616	4.8%

Source: 2017 5-year ACS.

Beaverton’s vacancy rate (4.9%) was similar to Washington County (4.8%) and Cornelius (4.9%). The highest vacancy rates were in Banks (5.8%), Forest Grove (5.7%), and Hillsboro (5.6%), but vacancies across the County were generally stable.

Figure 12 shows the type of vacant units for each jurisdiction and Washington County.

Rentals were the largest type of vacant units in Beaverton, split between units for rent and units that are rented, but not currently occupied. The remaining vacant units were for sale, sold not occupied, and for seasonal/recreational/occasional use.

Figure 12.
Vacancies of All Housing Units (Multifamily and Single Family), 2017

	Type of Vacant Units							Total Vacant
	For Rent	Rented, Not Occupied	For Sale Only	Sold, Not Occupied	For Seasonal, Recreational, or Occasional Use	For Migrant Workers	Other Vacant	
Aloha	198	84	95	74	51	0	280	782
Banks	7	9	7	0	0	0	8	31
Beaverton	365	368	265	180	147	0	677	2,002
Cornelius	0	27	11	0	15	0	124	177
Durham	10	4	0	0	7	0	0	21
Forest Grove	248	34	22	16	50	0	115	485
Gaston	0	0	0	5	0	0	0	5
Hillsboro	465	241	251	176	389	0	713	2,235
King City	0	0	0	0	17	0	0	17
North Plains	0	0	14	6	0	0	18	38
Sherwood	39	0	21	25	85	0	96	266
Tigard	117	108	0	98	166	0	255	744
Tualatin	190	51	85	23	44	0	93	486
Washington County	2,207	1,039	1,356	808	1,427	84	3,695	10,616

Source: 2017 5-year ACS.

Figure 13 shows the housing unit growth from 2012 to 2017. Beaverton’s housing unit growth was relatively flat during this 5-year time period, particularly compared to neighboring Hillsboro . The largest growth in the county occurred in urban cities. The number of housing units in Beaverton as of 2017 had a margin of error of plus or minus 751 units, or 2 percent.³

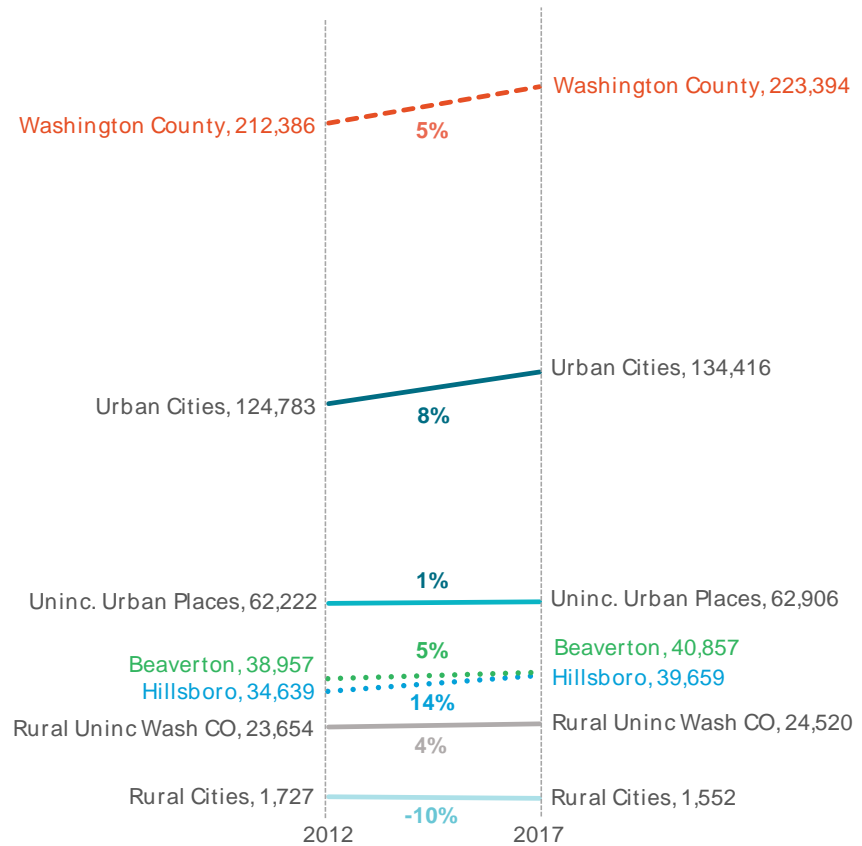
Figure 13.
All Housing Unit
Growth, 2012 and
2017

Note:

Urban Cities include Hillsboro, Beaverton, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. Rural Cities include Gaston, North Plains, and Banks. Unincorporated Urban Places includes Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope. Unincorporated Rural Land includes any remaining area in Washington County.

Includes both multifamily and single family units.

Source: 2012 and 2017 ACS. 5-year



³ A margin of error is the difference between an estimate and its upper or lower confidence bounds. Confidence bounds are calculated by adding the margin of error to the estimate (for an upper bound) and subtracting the margin of error from the estimate (for a lower bound). All published margins of error for the American Community Survey are based on a 90 percent confidence level. The margin of error has a greater impact on smaller quantity estimates than larger estimates; therefore, smaller communities, such as Durham, Banks, or Gaston, are more likely to have a larger margin of error compared to Beaverton and Hillsboro.

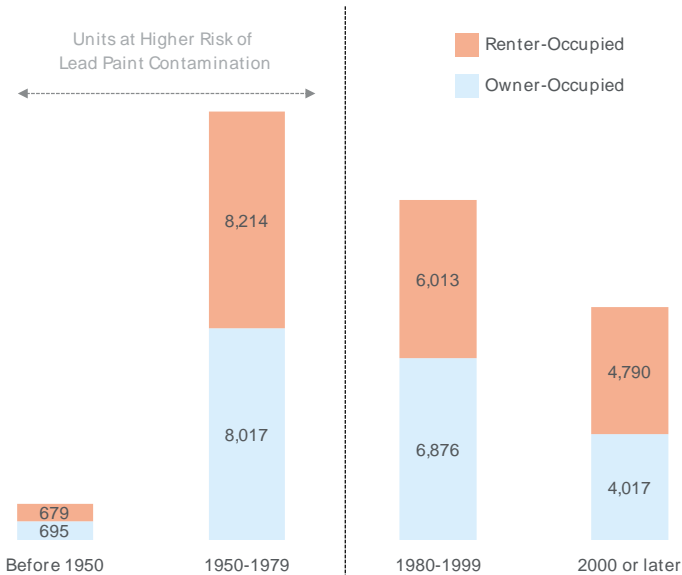
Housing condition. Figure 14 shows the age of Beaverton’s housing units and the risk of lead-based paint contamination. The largest production of housing units (16,231) in Beaverton occurred between 1950 and 1980 in Beaverton, when lead based paint was still in use. In total, more than 45 percent of housing units in the city are at a higher risk for lead-based paint contamination.

Figure 14.
Age of All Housing Units and Lead-Based Paint Risk (Multifamily and Single Family), Beaverton, 2017

Note:

Units built prior to 1980 have a higher risk of lead-based paint contamination. Includes both multifamily and single family units.

Source: 2017 5-year ACS.



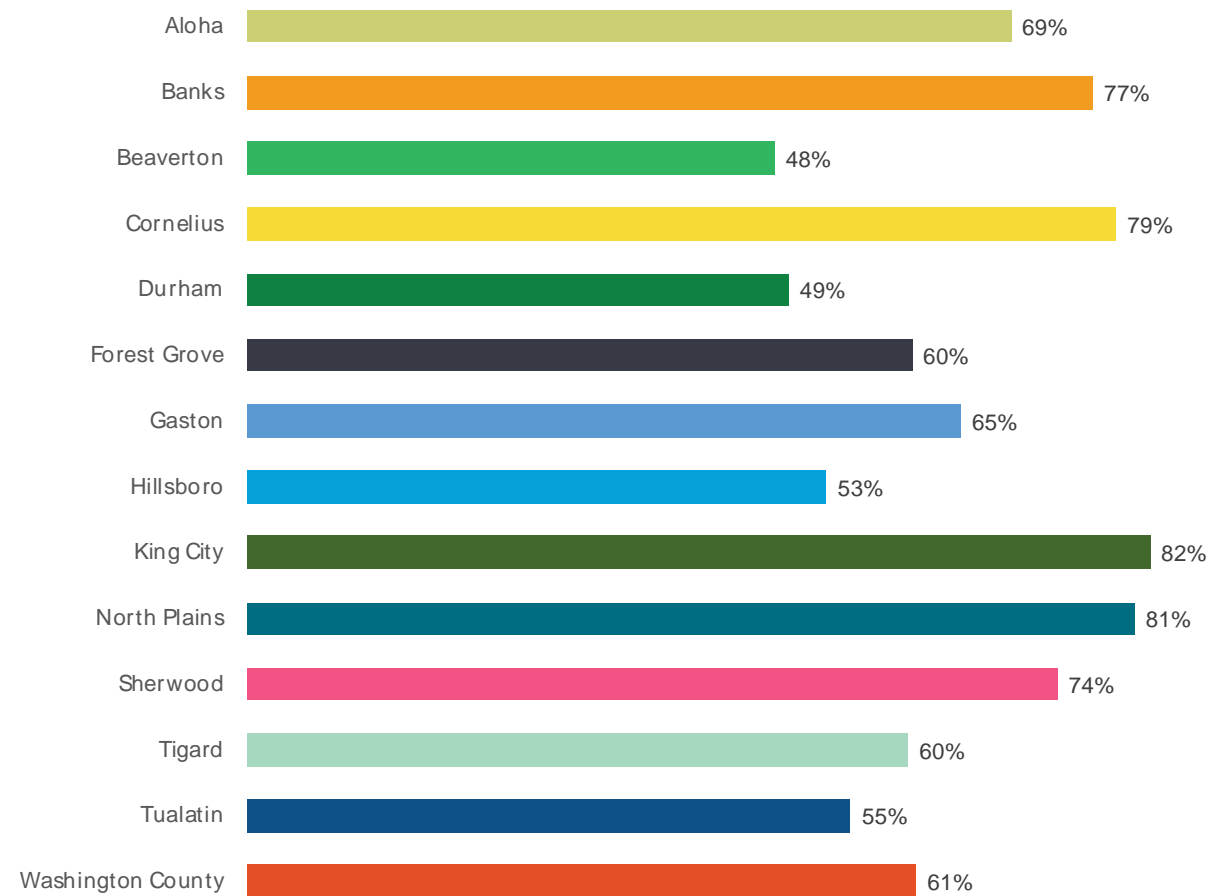
The condition of the housing stock is difficult to measure, given the lack of universal data on interior and exterior repair needs. The most accessible and consistently reported data is from the U.S. Census. However, the Census’ definition of substandard condition is fairly extreme and is suggestive of nearly unlivable conditions. It should be viewed as a low-level estimate.

In Beaverton, according to the 2017 ACS, there were 425 low to moderate income households (making 100 percent of MFI or below) living in substandard housing—lacking complete plumbing and/or kitchen facilities. The majority, 92 percent, of these households living in substandard housing were renters. Very low-income rental households, making between 31 and 50 percent of MFI, were most likely to live in substandard housing.

Ownership. Since 1950, housing production in Beaverton has been almost evenly split between renter and owner housing. Currently, the homeownership rate in Beaverton is 48 percent. Figure 15 shows how Beaverton’s homeownership rate compares to nearby urban and rural Places. Beaverton has the lowest homeownership rate in the County, just slightly lower than Durham. The ownership rate is calculated based on 2017 American Community Survey data which provides the total number of owner-occupied units and the total number of occupied units. The margin of error for the number of homeowners in Beaverton in 2017 was plus or minus 729 units, or 2 percent.⁴

⁴ A margin of error is the difference between an estimate and its upper or lower confidence bounds. Confidence bounds are calculated by adding the margin of error to the estimate (for an upper bound) and subtracting the margin of error from the estimate

Figure 15.
Homeownership Rates, 2017



Source: 2017 5-year ACS.

Figure 16 shows homeownership rates by race and ethnicity for Beaverton, nearby urban and rural places, and Washington County overall. Overall, the county is 70 percent non-Hispanic White; 16 percent Hispanic; 9 percent Asian; 3 percent Two or More Races; and 1.5 percent Black or African American. The demographics for Beaverton are similar, with slightly more residents identifying as Asian (11%) and fewer identifying as non-Hispanic White (65%). Beaverton has the same proportion of residents of Hispanic descent as the county at 16 percent.

With respect to homeownership, in Beaverton, Black households had the highest rate of homeownership at 60 percent, followed by White and Asian households, both at 50 percent homeownership. Native American had the lowest rate of homeownership in Beaverton. The following figure compares homeownership rates by race and ethnicity. Beaverton stands out for its relatively high rate of ownership for Black households and relatively low rate for Asian, White, and Hispanic

(for a lower bound). All published margins of error for the American Community Survey are based on a 90 percent confidence level. The margin of error has a greater impact on smaller quantity estimates than larger estimates; therefore, smaller communities, such as Durham, Banks, or Gaston, are more likely to have a larger margin of error compared to Beaverton and Hillsboro.

households. It should be noted that Beaverton has a small relative number of Black Households. There are a total of 461 Black owner occupied households in the city.

Figure 16.

Homeownership Rates by Race and Ethnicity, 2017

	White	Black	Native American	Asian	Native Hawaiian/ Pacific Islander	Hispanic
Aloha	72%	59%	61%	74%	95%	48%
Banks	78%	100%	--	0%	--	67%
Beaverton	50%	60%	13%	50%	21%	20%
Cornelius	79%	100%	57%	100%	--	70%
Durham	56%	11%	0%	21%	0%	21%
Forest Grove	65%	48%	0%	34%	100%	54%
Gaston	64%	--	0%	100%	--	100%
Hillsboro	57%	38%	34%	42%	14%	33%
King City	82%	--	100%	100%	--	100%
North Plains	81%	--	100%	100%	--	100%
Sherwood	73%	--	47%	100%	100%	76%
Tigard	61%	43%	19%	72%	23%	29%
Tualatin	56%	18%	45%	71%	49%	18%
Washington County	63%	48%	41%	63%	34%	37%

Source: 2017 5-year ACS.

Housing Prices and Affordability

The following three figures show housing prices and/or values from 2012 to 2017. Figure 17 shows the historical and current median gross rent for Beaverton, nearby urban and rural Places, and Washington County overall. This includes rental units of all bedroom sizes.

Rent levels. Beaverton’s median gross rent was \$1,172 in 2017, a 25 percent increase from 2012 (\$935). Washington County’s rental prices and growth were similar to Beaverton—a 23 percent increase in gross rent over the 5-year period.

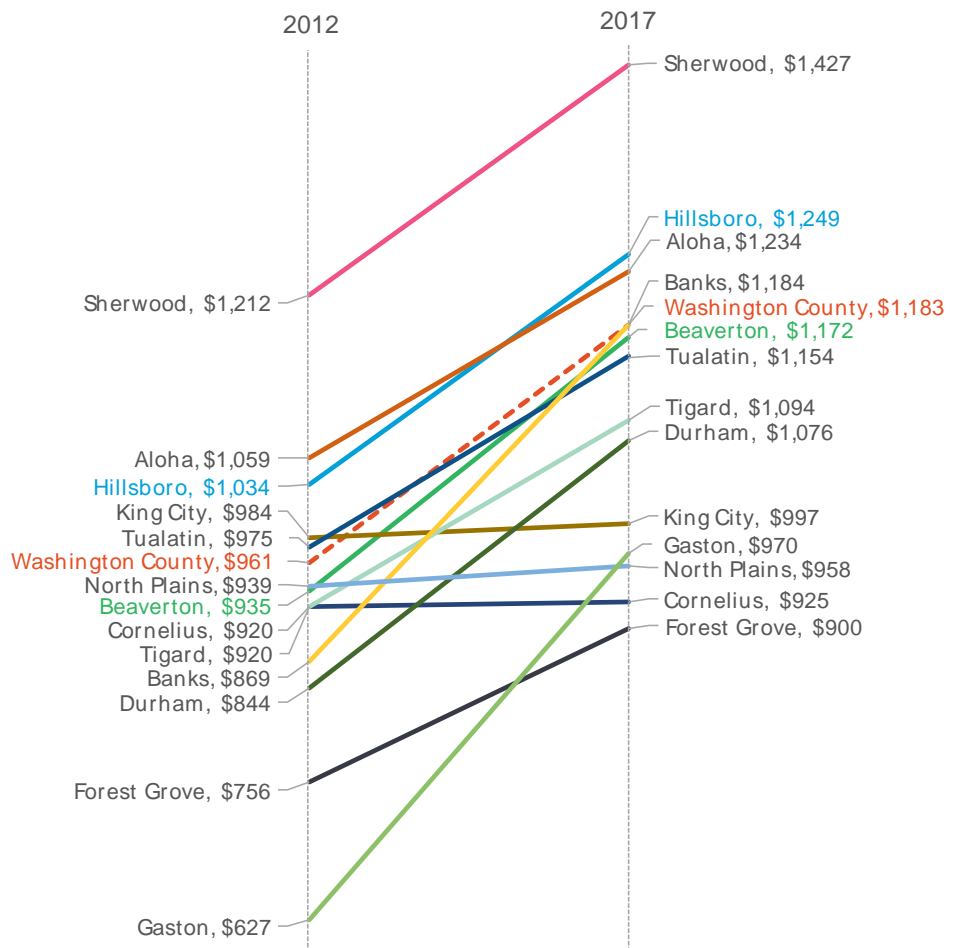
In 2017, Sherwood had the highest median gross rent at \$1,427 and Forest Grove had the lowest at \$900. The largest rent growth occurred in Gaston (55% increase from 2012 to 2017) and the slowest rent growth occurred in Cornelius and King City—both experienced a 1 percent increase in median gross rent.

**Figure 17.
Change in
Median Gross
Rent, All
Renter-
Occupied
Units,
Beaverton,
2012 and 2017**

Note:
Includes all types of rental units,
multifamily as well as single
family

Source:
2012 and 2017 5-year American
Community Survey (ACS).

	2012	2017	2012 to 2017 Change	
			#	%
Aloha	\$1,059	\$1,234	\$175	17%
Banks	\$869	\$1,184	\$315	36%
Beaverton	\$935	\$1,172	\$237	25%
Cornelius	\$920	\$925	\$5	1%
Durham	\$844	\$1,076	\$232	27%
Forest Grove	\$756	\$900	\$144	19%
Gaston	\$627	\$970	\$343	55%
Hillsboro	\$1,034	\$1,249	\$215	21%
King City	\$984	\$997	\$13	1%
North Plains	\$939	\$958	\$19	2%
Sherwood	\$1,212	\$1,427	\$215	18%
Tigard	\$920	\$1,094	\$174	19%
Tualatin	\$975	\$1,154	\$179	18%
Washington County	\$961	\$1,183	\$222	23%



Multifamily vacancy survey average rent. The State of Oregon’s landlord association, Multifamily Northwest, conducts regular surveys of apartment rent levels by sub-market. This survey represents medium- to large-sized apartment buildings, which are professionally managed; the survey does not include public housing or small “ma and pa” type rentals.

The Spring 2019 survey reported a softening market in the metro area, with aggressive deals being reported by luxury properties, especially in downtown Portland, the southwest market, and Aloha. Vacancy rates in the Washington County submarkets captured in the survey were relatively low at 4.6 percent on average, however, with Aloha at a very low 3.7 percent. Beaverton’s vacancy rate was 4.7 percent, up from 2.7 percent in 2015.

In Beaverton, rents averaged \$1,211 per month for a two-bedroom, one-bath unit, excluding utilities. With utilities, a household would need to earn nearly 70 percent of the MFI to afford the average two-bedroom, one-bath unit. Fifty-five percent of the city’s renters do not earn enough to afford such a unit with many—20 percent—requiring rents of less than half of the average to be affordable to them. In sum, the private market is currently responding to demand at the \$75,000 renter income level and is unlikely to meet the affordability needs of at least half of the city’s renters except in a significant recession.

Home values. Figure 18 shows the historical and current median home value for Beaverton, nearby urban and rural Places, and Washington County overall.

Beaverton’s median home value was \$328,400 according to the 5-year ACS 2017, a 13 percent increase from 2012 (\$290,800).⁵ The 1-year ACS reports the median home value for Beaverton at \$389,500—much higher than the five-year number and capturing the recent increase in prices. Washington County’s home values and growth were similar to Beaverton—a 14 percent increase in home value over the 5-year period.

In 2017, Durham had the highest median home value at \$503,600 and Gaston had the lowest at \$204,800. The largest home value growth occurred in Durham (28% increase from 2012 to 2017) and the slowest home value growth occurred in Gaston and Cornelius—both experienced a 4 percent increase in median home value.

⁵ The 5-year ACS is used for comparative data, rather than the 1-year ACS, because it is the only data available for small communities.

**Figure 18.
Change in
Median Home
Value, All
Owner-Occupied
Units,
Beaverton,
2012 and 2017**

Note:

Includes all types of owner-occupied units, including single-family detached and attached units.

Source:

2012 and 2017 5-year American Community Survey (ACS).

	2012	2017	2012 to 2017 Change	
			#	%
Aloha	\$237,600	\$264,400	\$26,800	11%
Banks	\$228,700	\$256,600	\$27,900	12%
Beaverton	\$290,800	\$328,400	\$37,600	13%
Cornelius	\$206,700	\$215,900	\$9,200	4%
Durham	\$392,600	\$503,600	\$111,000	28%
Forest Grove	\$228,900	\$249,300	\$20,400	9%
Gaston	\$196,400	\$204,800	\$8,400	4%
Hillsboro	\$250,900	\$282,300	\$31,400	13%
King City	\$206,500	\$236,500	\$30,000	15%
North Plains	\$234,400	\$287,700	\$53,300	23%
Sherwood	\$313,900	\$353,500	\$39,600	13%
Tigard	\$311,100	\$345,200	\$34,100	11%
Tualatin	\$324,000	\$365,700	\$41,700	13%
Washington County	\$290,900	\$331,700	\$40,800	14%

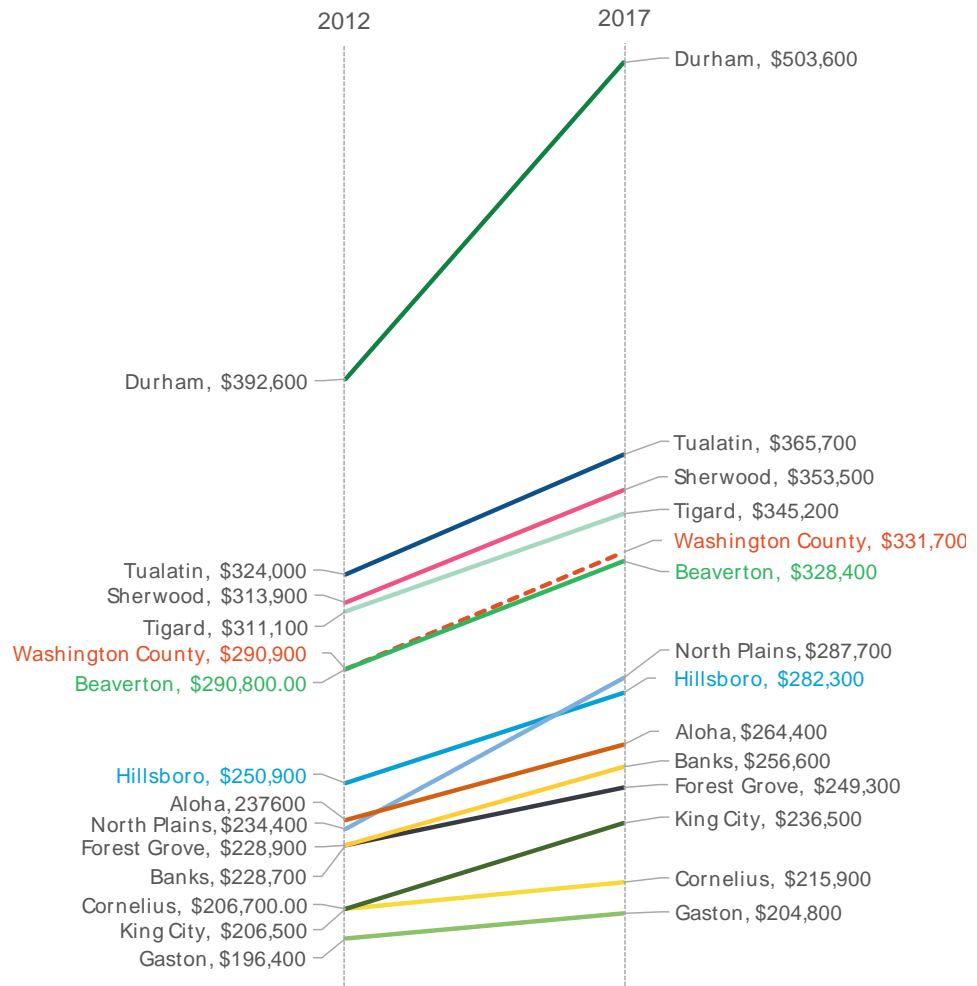
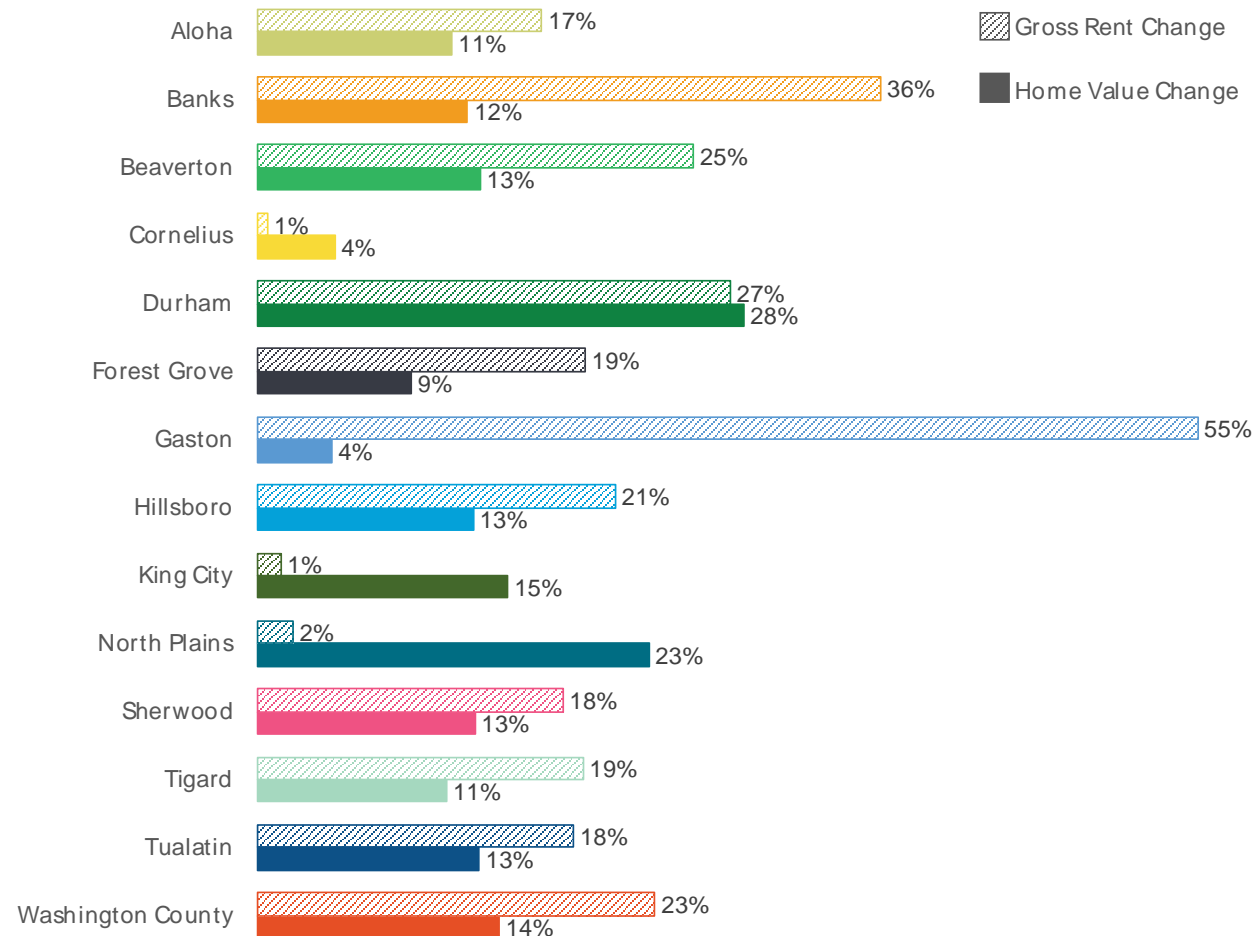


Figure 19 compares the change in median gross rent to the change in median home value from 2012 to 2017.

Figure 19.
Comparison of Change in Gross Rent and Home Value, 2012 and 2017

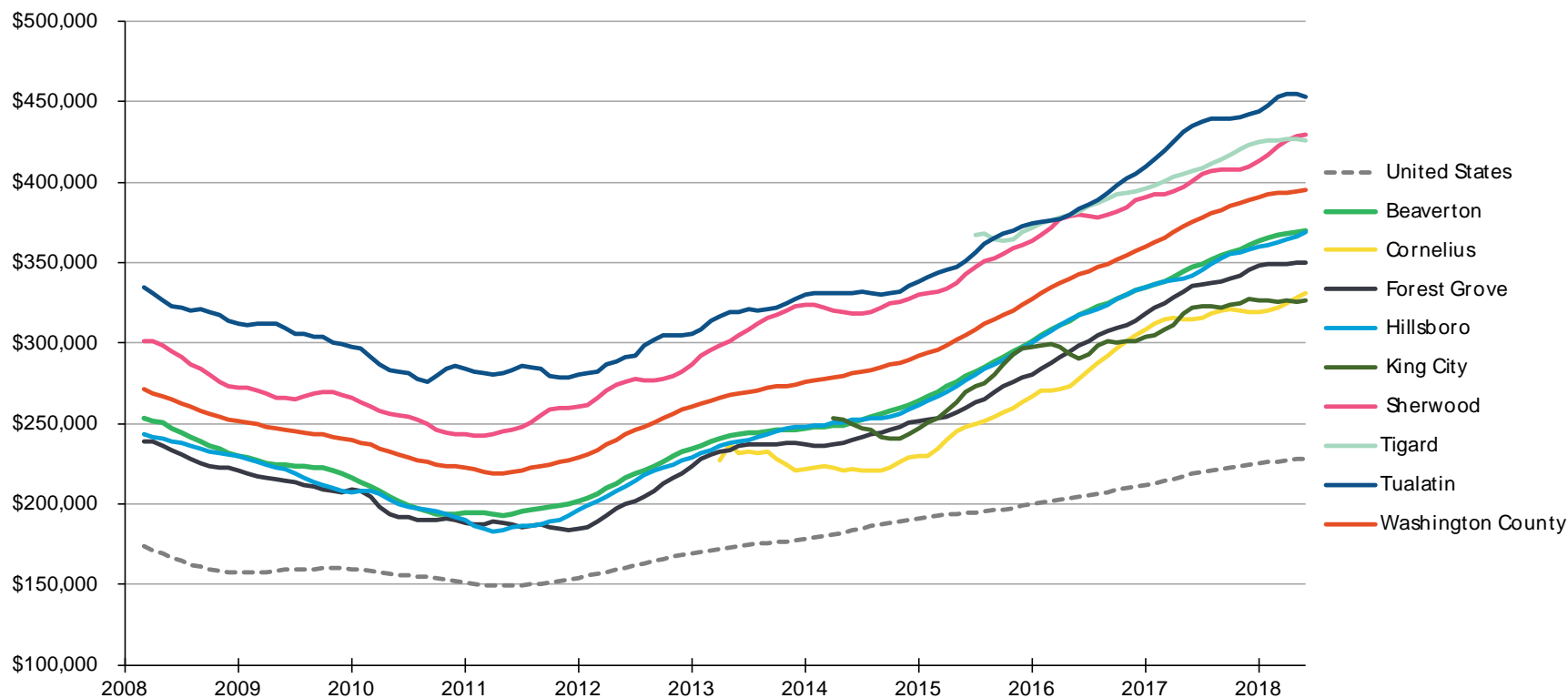


Source: 2012 and 2017 5-year ACS.

Beaverton’s median gross rent increased at a faster rate (25%) than median home value (13%) from 2012 to 2017. Rent grew faster than home values in most places, except for Cornelius, Durham, King City, and North Plains, where the median home value grew at a faster rate than median gross rent. Gaston experienced the largest difference in rent change (55%) compared to home value change (4%), whereas Durham experienced almost the same change in rent (27%) as home value (28%).

Examining median home value is an important measurement to understanding local housing markets, but value does not always represent what a household can purchase. Both current and historical home sales can provide additional insight into the real price of housing and affordability. Figure 20 shows median sale price trends of Beaverton, nearby places, and Washington County since 2008.

Figure 20.
Median Home Sale Price, 12-Month Rolling Average, 2008 to 2019 (YTD)



Note: Data for 2019 is year to date (through May). Historical sale data for Cornelius, King City, and Tigard is not available for all years. Zillow does not provide home sales data for Aloha, Banks, Durham, Gaston, or North Plains.

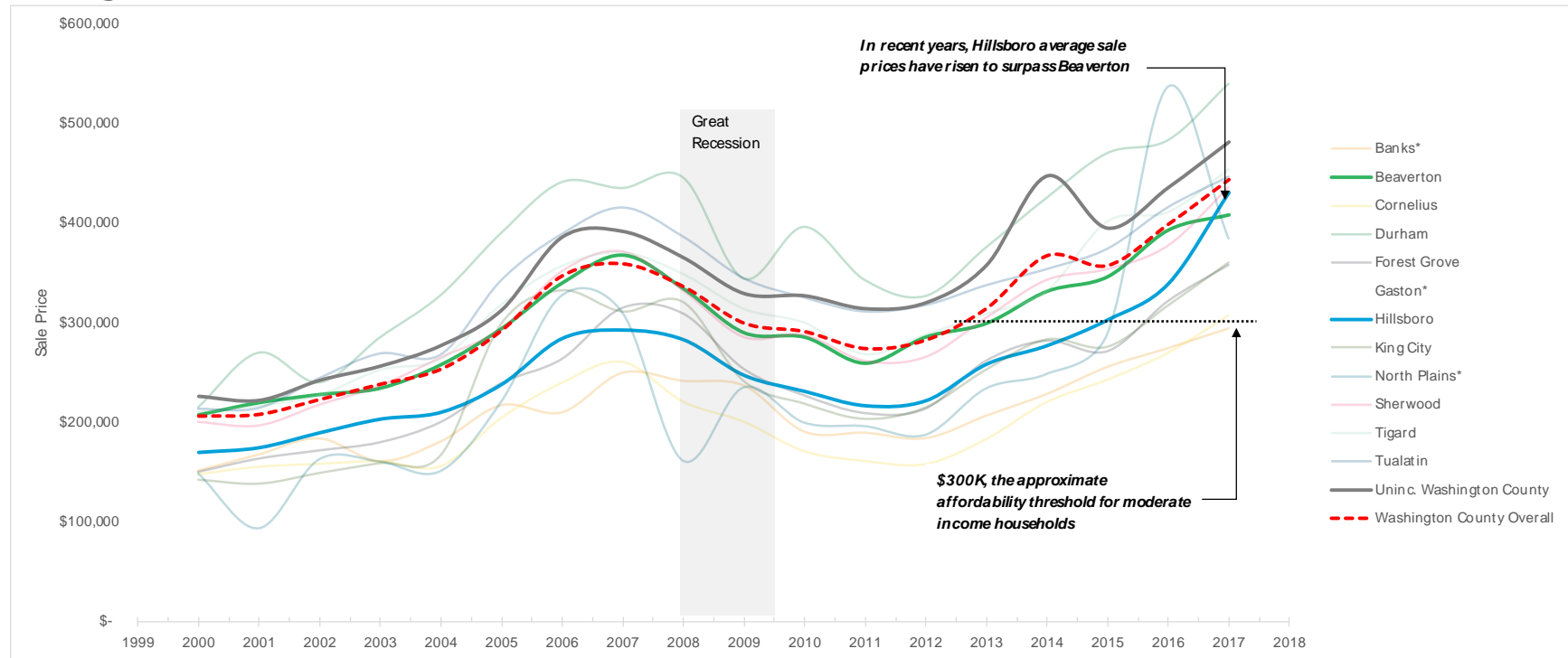
Source: Zillow.

Over the last decade, Beaverton’s sale prices have generally mirrored Hillsboro’s—but are lower than Washington County and higher than the U.S. overall. Among all communities, sale prices decreased after the Great Recession, but started to recover in mid-2011. As of May 2019, home sale prices have surpassed post-recession prices.

Figure 21 shows average sales prices per year before, during, and after the Great Recession. Both Beaverton and Hillsboro exhibit a pre-recession “bubble” in prices, followed by a correction, with Beaverton maintaining higher prices than Hillsboro until very recently.

Beaverton's average sales prices tracked very closely to the county averages expressing the scale and impact its market has on the county. Higher priced, smaller markets in Washington County exhibited the greatest volatility in single family residential sale prices.

Figure 21.
Average Home Sale Price, 2000 to 2019 (YTD)



Note: The assessor data designates these properties as residential improved for single family residential structures.

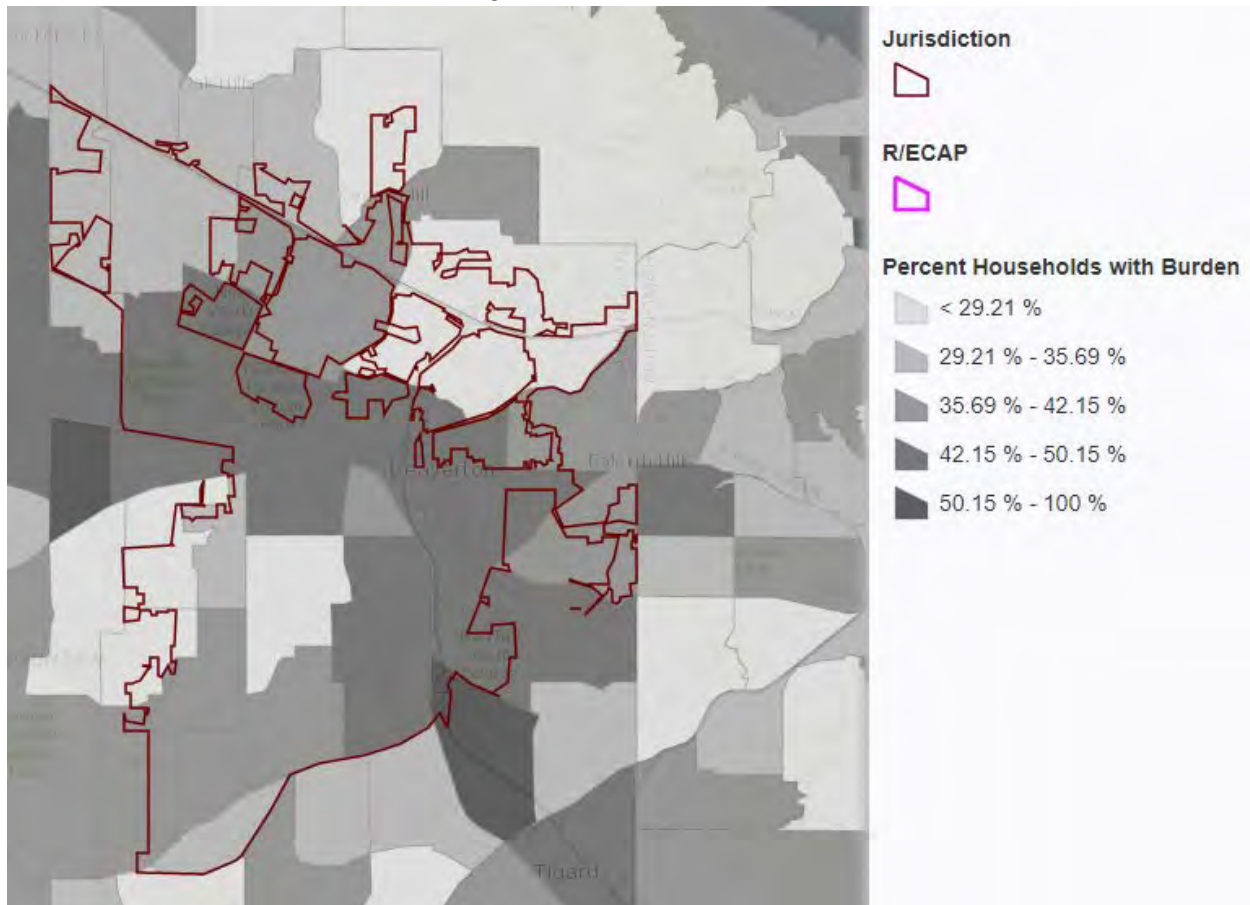
* Rural Cities

Source: County Assessors Data

Cost burden. As discussed earlier, cost burden is defined as a household spending more than 30 percent of income on housing costs. Severe cost burden is defined a household spending more than 50 percent of income on housing costs.

The map below shows where the neighborhoods with the highest housing burdens exist. In general, housing burden is moderate across Beaverton. The highest rates of housing burden exist in the central and southeast Census tracts, where there are also clusters of Hispanic residents (predominately of Mexican origin). Refer to Figures 5 and 6 to review racial/ethnic and national origin concentrations in Beaverton.

Figure 22.
Cost Burdened Households, Beaverton



Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

Figure 23 shows cost burden by tenure for Beaverton and Figure 24 shows severe cost burden by tenure. For both renters and owners, the largest number of cost burden households are in the 51 to 80 percent MFI income cohort. The number of cost burdened renters is much higher than the number of cost burdened owners in all income categories. Renters make up nearly 90 percent of cost burdened households for the 0 to 50 percent MFI range.

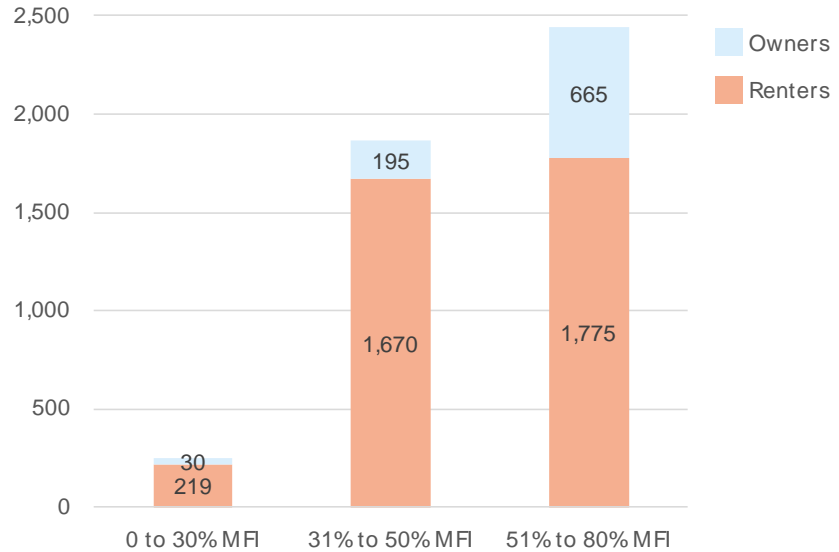
Figure 23.
Cost burden:
Households Paying
30 to 50 Percent of
Income in Housing
Costs by Tenure,
Beaverton, 2011 to
2015

Note:

Cost burden is defined as a household spending more than 30 percent of their household income on housing costs.

Source:

CHAS 2011-2015.



In comparison, the largest group of *severely* cost-burdened households earn between 0 and 30 percent of MFI and the majority are renters. This is because these extremely low income renters have such trouble finding affordable units they are almost all severely cost burdened, rather than cost burdened. Severely cost burdened owners generally represent owners who cannot afford to keep up with property taxes and home insurance costs and are usually elderly owners.

Figure 24.
Severe Cost Burden:
Households Paying
more than 50
Percent of Income
in Housing Costs by
Tenure, Beaverton,
2011 to 2015

Note:

Severe cost burden is defined as a household spending more than 50 percent of their household income on housing costs.

Source:

CHAS 2011-2015.

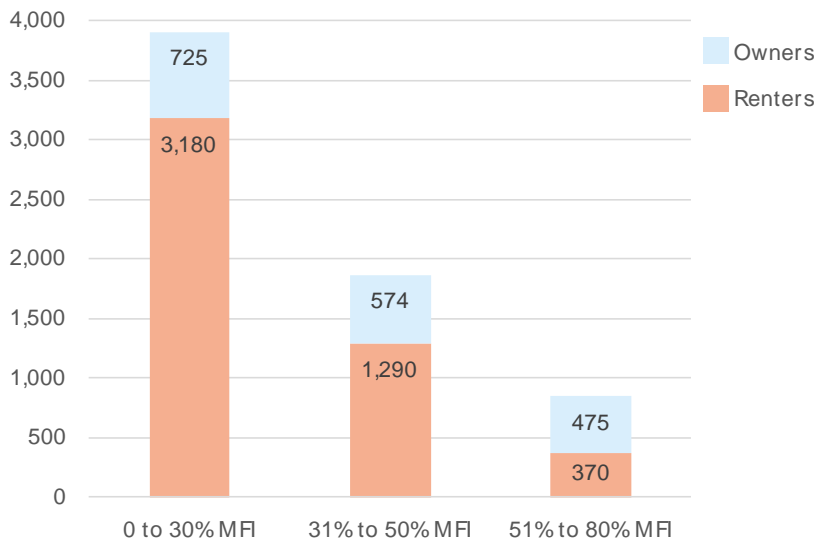


Figure 25 shows cost burden by race and ethnicity for Beaverton. For White, Black, and Asian households, about two-thirds of the population are not cost-burdened. This percentage drops dramatically for Native American, Pacific Islander, and Hispanic households, who experience cost burden at a higher rate.

Figure 25.
Cost Burden and Severe Cost Burden by Race and Ethnicity,
Beaverton, 2011 to 2015

	Percent Not Cost Burdened (<=30%)	Percent Cost Burdened (31% to 50%)	Percent Severely Cost Burdened (>50%)
Beaverton Overall	62%	20%	19%
White	64%	20%	16%
Black / African American	69%	17%	14%
Asian	64%	15%	22%
American Indian, Alaska Native	37%	30%	33%
Pacific Islander	26%	74%	0%
Hispanic	48%	22%	30%

Source: CHAS 2011-2015.

Pacific Islander households are disproportionately impacted by cost burden (paying between 30 and 50 percent of income on housing costs) compared to the jurisdiction as a whole and White households, by 55 percentage points. Native American and Hispanic households are disproportionately impacted by severe cost burden (paying more than 50 percent of income on housing costs) compared to the jurisdiction as a whole and White households, by 15 and 11 percentage points, respectively.

Inventory of affordable housing. In Washington County overall, there are approximately 8,000 regulated affordable housing units. The majority of units, 87 percent, have income restrictions at 60 percent of MFI or below.

The following two figures show the distribution of units by income level/MFI and unit type, by jurisdiction.

Figure 26 reveals that Beaverton has a significantly smaller number of regulated affordable units compared to Beaverton (about 850 in Beaverton v. 2,500 in Hillsboro). This is related to Hillsboro’s increase in newly constructed regulated affordable units, discussed in more detail below. Hillsboro alone provides 30 percent of the all units located in the county. The next largest number of regulated affordable units is in the unincorporated county at 1,960 units.

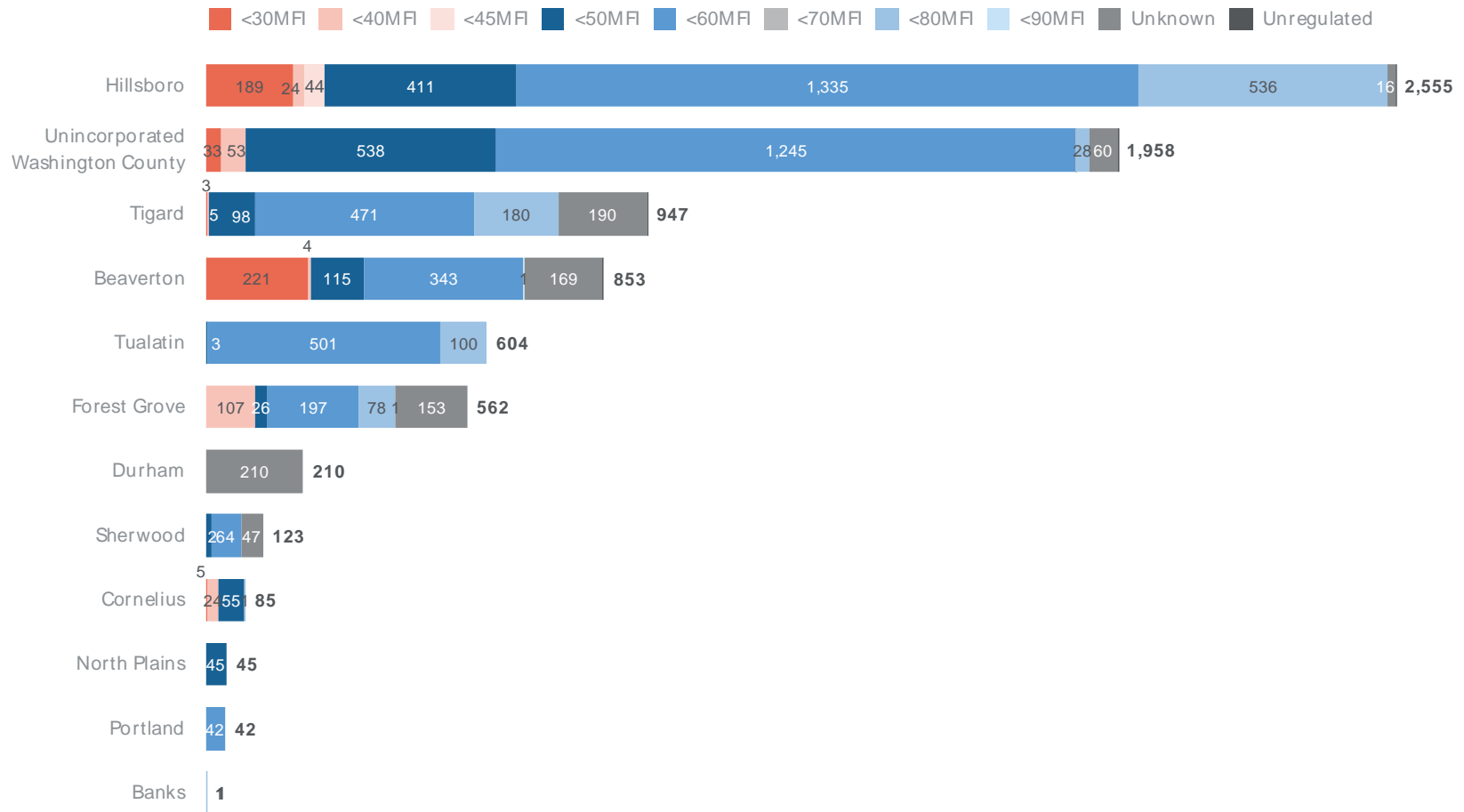
Overall in the county, units priced to serve 60 percent MFI households make up slightly more than half of all regulated affordable units. Units affordable to 50 percent MFI households and less comprise 25 percent of all units, and units priced to serve 80 percent MFI households and make up 15 percent of all units, with the MFI levels of 10 percent of the units not available in the Metro housing inventory database.

Figure 27 shows the number of affordable housing units by place and unit type where unit type is known. Of the total regulated affordable units, 37 percent are one-bedroom units and 42 percent are two-bedroom units. Ten percent have three- to four-bedrooms and accommodate larger families. Overall, affordable housing units in the County are geared towards small to moderately sized

households. The county's regulated affordable housing stock offers a solid range of unit sizes for low income households. This is true across jurisdictions.

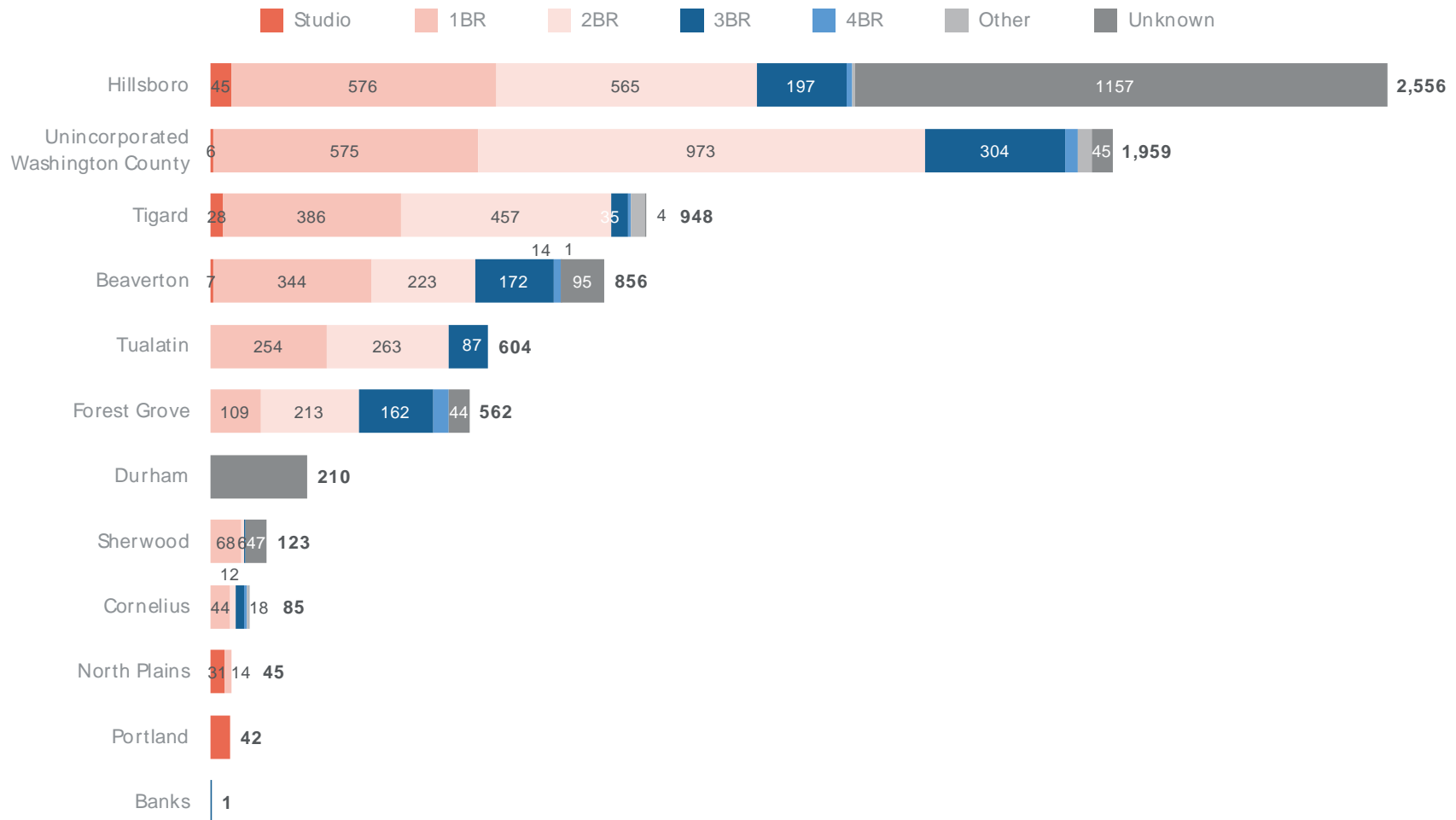
Figure 28 shows when units were built by decade; Figure 29 shows the type of activity (e.g., new construction v. rehabilitation). The figures reveal that Beaverton, relative to its size, has not kept pace with other larger cities in Washington County in the construction, acquisition, rehabilitation of regulated affordable housing units. Hillsboro, which has slightly fewer total households in 2017 than Beaverton, accelerated its construction of affordable housing units in the 1990s and has continued to expand its inventory through acquisitions. Tigard, which has just over half the total households of Beaverton, has also outpaced Beaverton in affordable unit construction.

Figure 26.
Regulated Affordable Housing Units by Income Restriction, 2017



Source: 2017 Metro Affordable Housing Inventory Report.
 Note: Unregulated units are not included in the total count.

Figure 27.
Affordable Housing Units by Unit Type, 2017



Source: 2017 Metro Affordable Housing Inventory Report.

Note: Not all category totals are labeled, however grand totals reflect all categories as well as unregulated units.

Figure 28.
Construction of new, regulated affordable housing units by decade, 1980-2019

Note: New Construction units that did not have data available for the construction year are not included in this chart.

Source: 2017 Metro Affordable Housing Inventory Report.

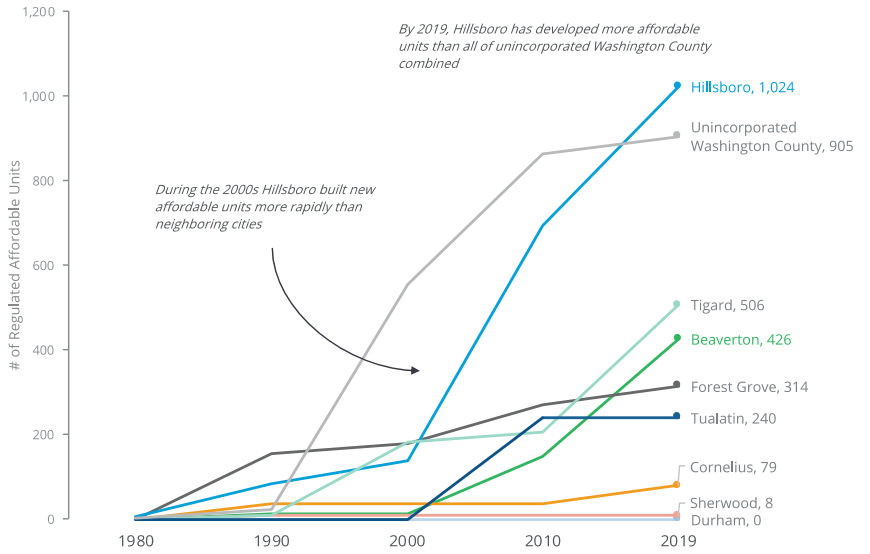
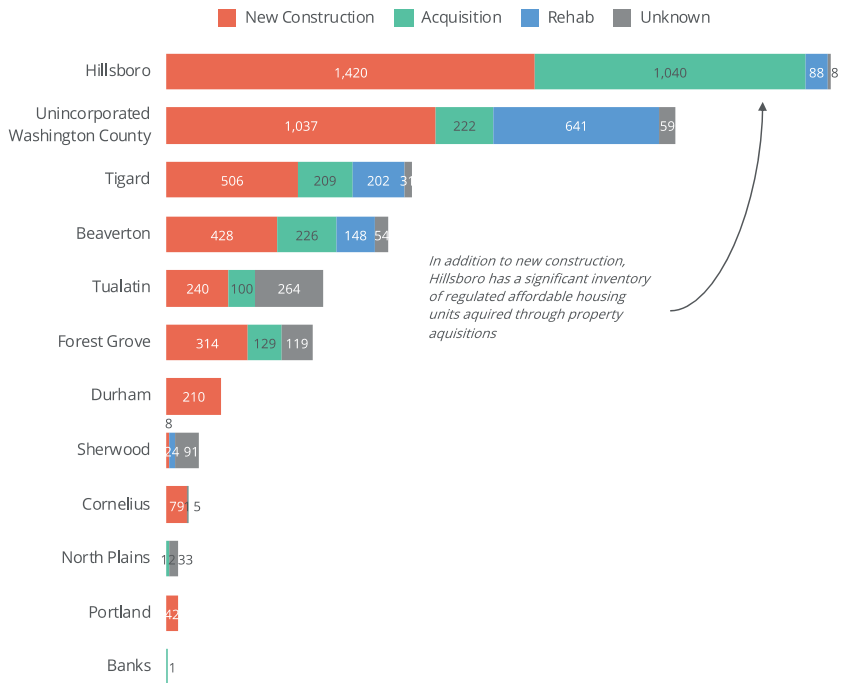


Figure 29.
Affordable Housing Units Project by Project Type, 2017

Note:

Source: 2017 Metro Affordable Housing Inventory Report.



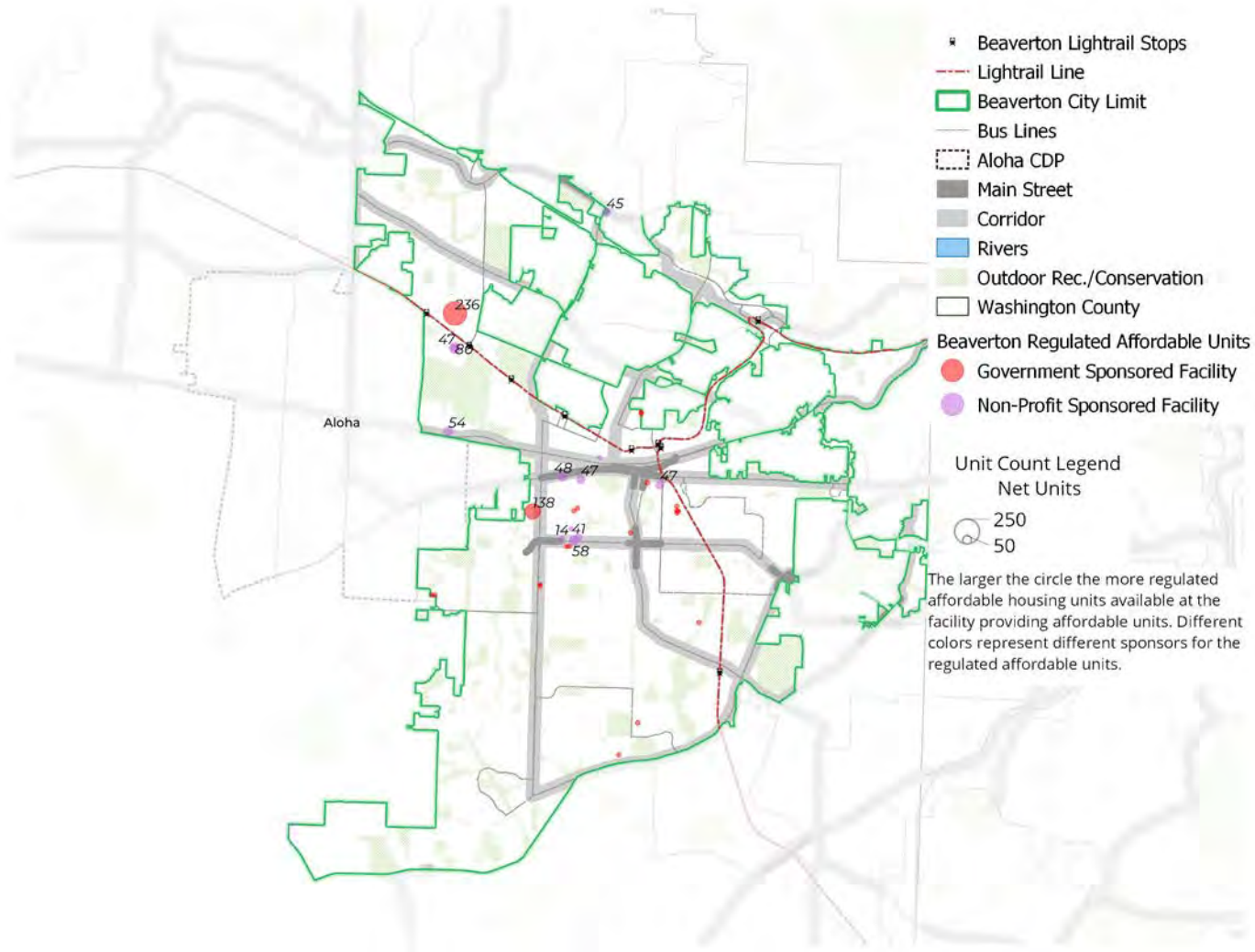
The following four maps show the geographic distribution of regulated affordable housing units, buildable land inventory, vacant parcel development opportunities, and manufactured dwelling park housing for Beaverton.

Figure 30 conveys the distribution and scale of the relatively few regulated affordable housing units. The developments are small to moderately sized with larger multi-unit developments being those that are government sponsored. On the map, circles which designate the general location of sites, are scaled to represent the total count of regulated affordable units of the development. The largest development, 236 units, is on the northwest edge of the city and is run by the Housing Authority of Washington County in the Elmonica neighborhood relatively close to light rail. Other sites are distributed along the corridors and in the residential neighborhoods near central Beaverton with decent access to main streets and transit. There are notably no sites with for-profit sponsors in Beaverton.

Figure 31 conveys the distribution and scale of potential buildable housing unit sites based on existing zoning, represented by different colored circles on the map. Similar to the map in Figure 30, the circles in Figure 31 designate the general location of sites are also scaled to represent the scale in net buildable units of the given parcel. The map reveals significant opportunities for mixed-use residential unit development in central Beaverton and north Beaverton near Highway 26, with several larger transit oriented development sites near the light rail stations of downtown as well as the Sunset station. Figure 32 further reveals that several of these opportunities exist on currently vacant parcels. There are also opportunities for both scattered and planned low-density single family detached developments near the southwest edge of the city close to the urban growth boundary and the more rural parts of the unincorporated county.

Manufactured dwelling unit parks are significant because they often represent naturally occurring affordability in markets like Beaverton. Figure 33 conveys the distribution and scale of existing manufactured dwelling parks in Beaverton, which are an important part of affordable housing in the city given the relatively small inventory of regulated affordable housing. As with the other maps, the circles represent dwelling units, in this case manufactured dwelling units in the park, are scaled to convey the total number of units in that park. Dashed and solid outlines distinguish between parks that are limited to occupants over 55 years old and those that accept families. The largest park, Heritage Village, is on the northwest corner of the city in the Elmonica neighborhood mentioned above and contains 451 units.

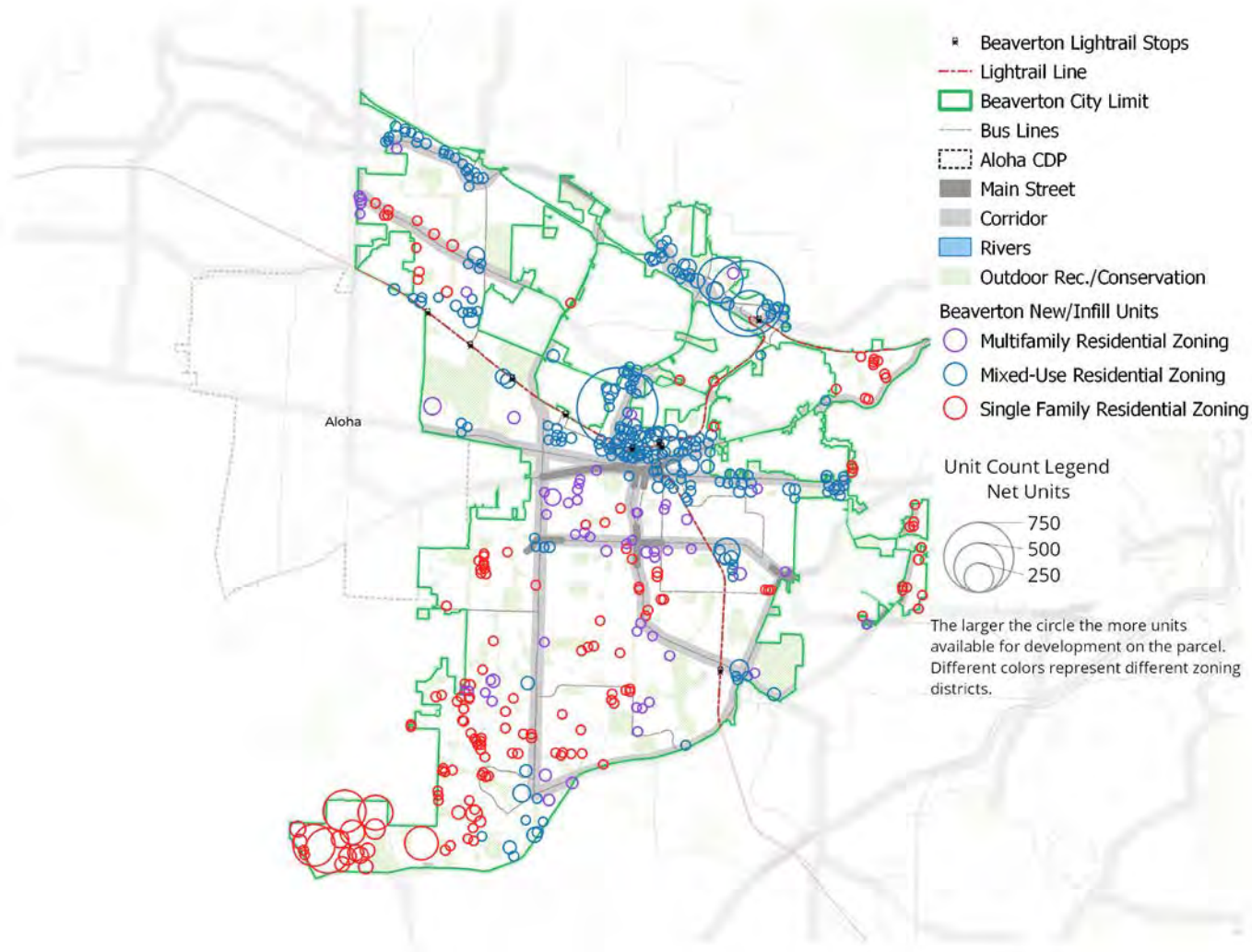
Figure 30.
Affordable Regulated Housing Units, Beaverton, 2017



Note: Projects with greater than 10 units are also labeled with a number which signifies the total number of units.

Source: 2017 Metro Affordable Housing Inventory Report.

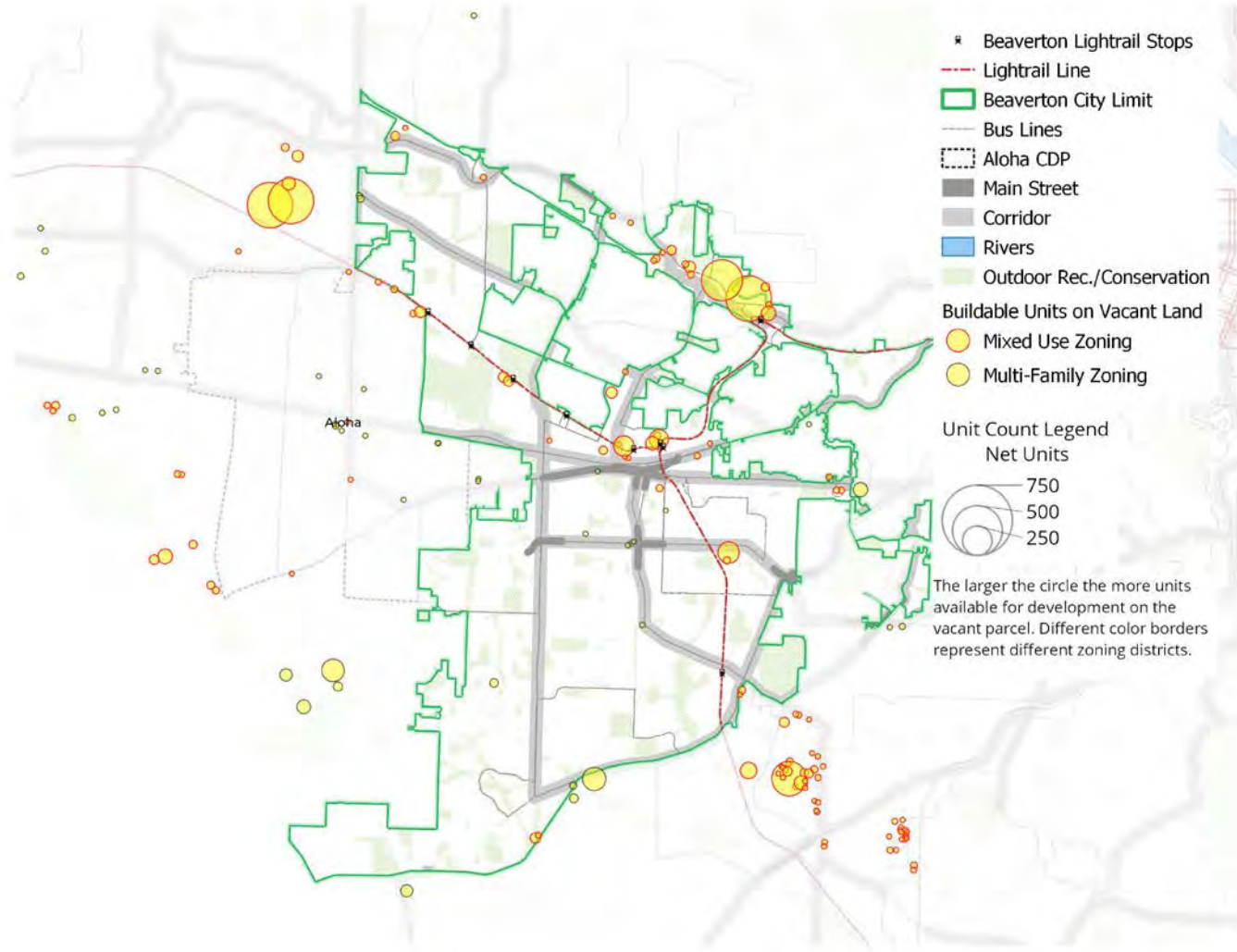
Figure 31.
Buildable Land Inventory, Beaverton, 2018



Note: Projects with 2 or fewer units were excluded.

Source: Metro RLIS Discovery Portal

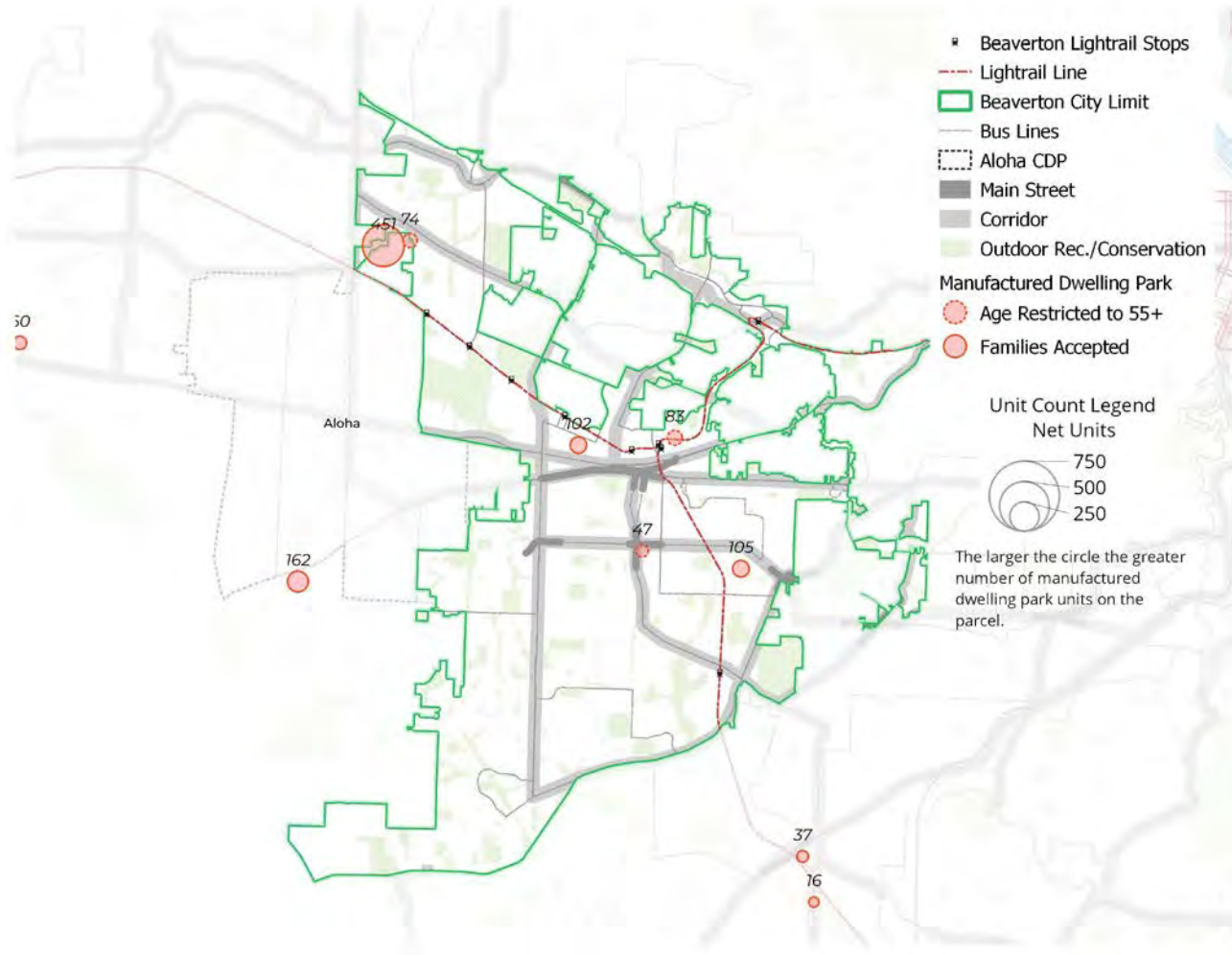
Figure 32.
Buildable Housing Units on Vacant Multifamily or Mixed-Use Zone Lots, Beaverton, 2018



Note: Projects with 4 or fewer units were excluded.

Source: Metro RLIS Discovery Portal

Figure 33.
Manufactured Dwelling Park Housing, Beaverton, 2018



Note: Projects with greater than 5 units are also labeled with a number which signified the total number of units.
 Source: State of Oregon.

Housing Gaps

To examine how well Beaverton’s current housing market meets the needs of its residents—and to determine how likely it is to accommodate demand of future residents and workers—this study used a modeling effort called a “gaps analysis.” The analysis compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households, the market is “oversupplying” housing in that price range. Conversely, if there are too few units, the market is “undersupplying” housing in that price range. The gaps analysis conducted for renters in Beaverton addresses both rental affordability and ownership opportunities for renters who want to buy.

It is important to note that the gaps does not account for persons without housing, who are doubling up, living in motels/hotels, living in their cars or camping, and in shelters. As such, the need is larger than what is identified in the rental gaps.

Rental gap. Figure 34 compares the number of renter households in Beaverton in 2017, their income levels, the maximum monthly rent they could afford without being cost burdened, and the number of units in the market that were affordable to them.⁶

The “Rental Gap” column in the table shows the difference between the number of renter households and the number of rental units affordable to them. Negative numbers indicate a shortage of units at the specific income level; positive units indicate an excess of units.

The line graph provides a visual of the mismatch in the rental market. When the blue line (number of rental units) is above the red line (number of renters), there is an oversupply of rental units at that income level. If the redline is above the blue line, there is an undersupply of rental units at that income level.

The results of the gaps analyses show:

- Beaverton has 4,208 renters who earn less than \$25,000 per year—about 30 percent of the MFI. These renters make up 21 percent of all the city’s renters. There are just 764 housing units to serve these renters, leaving a gap of 3,444 units.
- The rental gap is somewhat balanced across the subset of income categories less than 30 percent MFI. That is, all 30 percent MFI and below renters are struggling to find rental housing that is affordable to them.

⁶ It is important to note that renters who cannot find affordable rents are not homeless. Those renters who cannot find affordably priced rentals are living in units that cost more than they can afford. These households are “cost burdened.” These households consist of students, working residents earning low wages, residents who are unemployed, and residents who are disabled and cannot work. These data do not capture persons experiencing homelessness.

- The rental market in Beaverton is largely priced to serve renters earning between \$35,000 and \$50,000 per year, those earning between 40 and 55 percent MFI. These households can afford to pay between \$875 and \$1,250 per month in rent and utilities without being cost burdened. Forty-four percent of the city's rental units fall within this price range.

Figure 34.
Mismatch in Rental
Market, Beaverton, 2017

Note on the graphic: When the blue line (number of rental units) is above the red line (number of renters), there is an oversupply of rental units at that income level. If the red line is above the blue line, there is an undersupply of rental units at that income level.

Source:
 2017 5-year ACS.

Income Range	Renters		Maximum Affordable Rent, Including Utilities	Rental Units		Rental Gap
	Number	Percent		Number	Percent	
Less than \$5,000	644	3%	\$125	29	0%	-615
\$5,000 to \$9,999	781	4%	\$250	130	1%	-651
\$10,000 to \$14,999	791	4%	\$375	209	1%	-582
\$15,000 to \$19,999	1,085	6%	\$500	245	1%	-840
\$20,000 to \$24,999	907	5%	\$625	151	1%	-756
\$25,000 to \$34,999	2,032	10%	\$875	2,375	12%	343
\$35,000 to \$49,999	2,778	14%	\$1,250	8,788	44%	6,010
\$50,000 to \$74,999	3,676	19%	\$1,875	6,508	32%	2,832
\$75,000 or more	7,002	36%	\$1,875+	1,700	8%	-5,302
Total/Low Income Gap	19,696	100%		20,134	100%	-3,444



2010 rental gaps comparison. A gaps model was also prepared for 2010 for Beaverton, to examine how the market has changed. The total rental gap then was 3,767 units for households earning less than \$25,000—a larger gap than in 2017.

The reason for the change in the gaps was a reduction in the number of households earning less than \$25,000 per year. These households declined from 5,852 in 2010 to 4,208 in 2017, either because they moved from the area or experienced an income increase. Affordable rentals also declined, from 2,085 in 2010 to 764 in 2017, as prices increased. In sum, as of 2017, there were 1,321 fewer rentals to serve households earning less than \$25,000 and 1,644 fewer households who needed them.

It is important to note that Hillsboro experienced a similar decline in households but a far less significant decline in affordable rentals for less than \$25,000 households: Hillsboro lost 149 affordable rentals compared to Beaverton’s loss of 1,321. This is largely due to Hillsboro’s larger inventory of affordable regulated rentals, which is nearly three times the size of Beaverton’s.

Ownership gap. A similar gaps analysis was conducted to evaluate the market options affordable to renters who may wish to purchase a home in Beaverton. The for sale gaps model compares renter income levels, the maximum home price they could afford, and the proportion of units in the market that were affordable to them *if the units on the market for sale represented the value distribution of all homes*. The maximum affordable home prices shown assume a 30-year mortgage with a 10 percent down payment and a fixed interest rate of 4.50 percent. The estimates also incorporate property taxes, insurance, HOA fees, and utilities (assumed to collectively account for 25% of the monthly payment).

This model estimates the income at which a renter household could possibly find an affordable home to purchase. The “Renter Purchase Gap” column in the table shows the difference between the proportion of renter households and the proportion of homes that were affordable to them. Negative numbers indicate a shortage of units at the specific income level; positive units indicate an excess of units.

The graph provides a visual of market options for renters wanting to buy by their income range. The blue dots represent the maximum purchase price that households at various income levels can afford. The orange and green bars indicate the size of the gap between the proportion of renters and proportion of homes affordable to them.

According to the ownership gaps analysis, renters who want to buy will have trouble finding an affordable home until they earn more than \$50,000—the income at which homes to buy begin to become affordable.

It is important to note that home size, condition, and housing preferences are not considered in the affordability model. The model also assumes that renters can save for a 10 percent down payment (up to \$20,000 for a household earning less than \$50,000 annually).

Currently, however, there are very few homes for sale for these low income renters who could become owners if the market represented where all homes were valued. A review of homes to purchase in Beaverton in early July found 21 listed for sale at less than \$300,000 . Of these:

- Ten were condominiums; 6 were townhomes; 4 were single family detached homes; and 1 was a mobile home.
- The median sales price was \$279,900.
- The average size was 1,300 square feet, with 2 bedrooms and 2 baths.
- The average year built was 1991.
- Homeowners' Association (HOA) fees added \$315 per month, on average, to the cost of the home, putting the actual, amortized cost of the average home at around \$337,000.

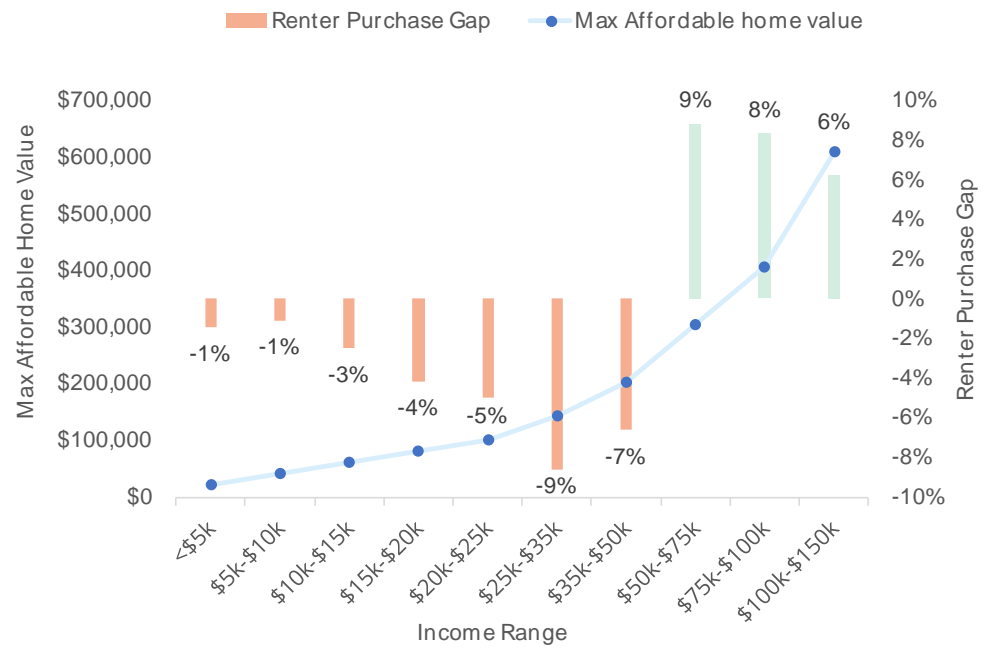
**Figure 35.
Market Options for Renters
Wanting to Buy, Beaverton,
2017**

Note: The maximum affordable home prices assume a 30-year mortgage with a 10 percent down payment and a fixed interest rate of 4.50 percent. The estimates also incorporate property taxes, insurance, HOA fees, and utilities (assumed to collectively account for 25% of the monthly payment).

On the graphic: negative numbers and orange bars indicate a lower supply, or deficit, of affordable homes to buy compared to renters. Positive and blue bars indicate a higher supply, or surplus, of homes to buy compared to renters.

Source:
2017 5-year ACS.

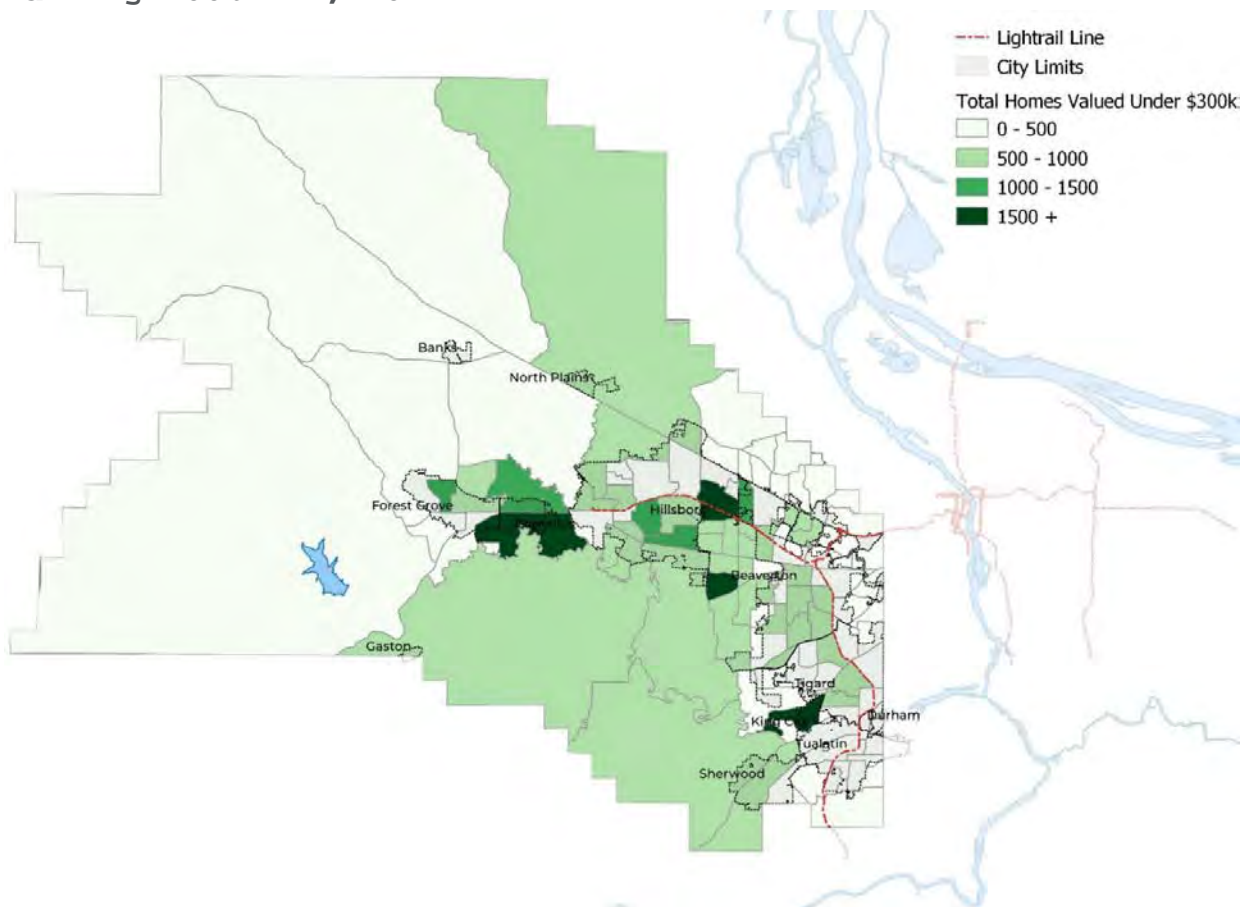
Income Range	Maximum Affordable Home Price	% of Homes	Renter Purchase Gap
Less than \$35,000	\$142,466	8%	-23%
\$35,000 to \$49,999	\$203,525	8%	-7%
\$50,000 to \$74,999	\$305,289	28%	9%
\$75,000 to \$99,999	\$407,053	25%	8%
\$100,000 to \$149,999	\$610,582	21%	6%
\$150,000 or more	\$610,582+	11%	6%



The map below shows the number of homes that are affordable to households making \$50,000 annually or below based on the home's value. These homes do not represent homes available for purchase, but the stock of homes that if they were to go on the market, would likely be affordable. Most neighborhoods in Beaverton have between 500 and 1,000 units valued under \$300,000, which is the maximum home price that a household making \$50,000 annually can afford.

The neighborhoods showing the largest concentrations of very affordable ownership units are also those where there are a large number of units located in manufactured dwelling parks. Overall in the county, manufactured dwellings have a median value of \$57,600. Although these units appear to be very affordable, owners financing these units pay much higher rates than a conventional mortgage because manufactured homes are financed as personal property, often at very high rates. Owners living in manufactured home parks also face higher vulnerability for displacement through park sales and increase in lot fees.

Figure 36.
Homes Valued Under \$300,000 and Affordable to Households Earning 100% MFI, 2017



Source: 2017 5-year ACS.

Special Needs Populations

Populations with special needs, such as persons experiencing homelessness or persons with disabilities, may have different housing needs than other populations. This part of the section explores those housing needs.

Figure 37 shows the homeless count by shelter type for Washington County. As of January 2019, 413 households and 522 individuals were experiencing homelessness. The majority of households and individuals were unsheltered.

Although individuals experiencing homelessness were more likely to be over the age of 24, there were 62 children under the age of 18 and 49 young adults between the ages of 18 and 24 experiencing homelessness in Washington County. Children were more likely than other age groups to be staying in emergency shelters.

The point-in-time count is not without limitations. There is variation in count methodology year-to-year within and across communities. Unsheltered counts have more limitations than sheltered counts, therefore it is likely that the number of unsheltered individuals experiencing homelessness is larger. This count also does not include persons who are at-risk of homelessness and is thought to undercount families and children, many of whom “float” among temporary residence and may be living in domestic violence situations.

Figure 37.
Homeless Count by Shelter Type, Washington County, 2019

	Emergency	Traditional	Safe Haven	Unsheltered	Total
Total Households	31	73	8	301	413
Total Individuals	65	90	8	359	522
<i>Under age 18</i>	33	9	0	20	62
<i>Ages 18 to 24</i>	6	13	1	29	49
<i>Over age 24</i>	26	68	7	310	411

Note: Point-In-Time data unavailable at the jurisdictional level.

Source: Washington County, Oregon Point-In-Time Homeless County 2019.

Figure 38 shows special needs populations in Beaverton, their current housing need, and future housing need in the next five years. Future housing need depicts a stabilization scenario, where population continues to grow at the same rate as the previous five years. Needs are determined by a combination of indicators, poverty, in addition to national incidence rates applied to Beaverton’s population.

Large families and households containing a person with a disability had the highest proportions of housing need—59 percent and 55 percent, respectively. Elderly households also had a high rate of housing need at 45 percent.

Figure 38.

Housing Need of Special Needs Populations, Beaverton, Current and Future Growth

	Current			Future	
	Total Households	# of Households with Need	% of Households with Need	Housing Need in 5 Years	Change in Housing Need
Elderly Households	9,185	4,135	45%	4,441	306
Single Person Households	11,240	797	7%	856	59
Large Families	2,860	1,700	59%	1,826	126
Households with LEP	1,784	278	16%	298	21
Households Containing Persons with a Disability	7,640	4,208	55%	4,520	312
<i>Hearing/Vision Impairment</i>	2,905	1,540	53%	1,654	114
<i>Ambulatory Limitation</i>	3,970	2,210	56%	2,374	164
<i>Cognitive Limitation</i>	3,880	2,225	57%	2,390	165
<i>Self-Care/Independent Living Limitation</i>	3,370	1,805	54%	1,939	134
Victims of Domestic Violence	4,217	668	16%	718	50

Note: Housing need defined as a household having one or more of four housing problems, which includes: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost burden greater than 30%.

Elderly households contain at least one person aged 62 years or older; households with LEP have Limited English Proficiency; and victims of domestic violence include rape, physical violence and/or stalking by an intimate partner.

Source: 2017 5-year ACS.

Figure 39 shows low income populations (broken out of MFI) in Beaverton, their current housing need (based on housing problems data), and future housing need in the next five years.

Extremely low income households (earning below 30% of MFI) and very low income households (earning between 31% and 50% of MFI) have the highest proportions of housing need—86 percent and 87 percent, respectively. Low income households (earning between 51% and 80% of MFI) also have a high rate of housing need at 56 percent.

Figure 39.

Housing Need of Low Income Populations, Beaverton, Current and Future Growth

	<i>Current</i>			<i>Future</i>	
	Total Households	# of Households with Need	% of Households with Need	Housing Need in 5 Years	Change in Housing Need
Extremely Low Income (\leq 30% MFI)	4,840	4,165	86%	4,474	309
Very Low Income (31-50% MFI)	4,545	3,940	87%	4,232	292
Low Income (51-80% MFI)	6,285	3,515	56%	3,775	260
Low to Moderate Income (80-100% MFI)	3,475	1,140	33%	1,224	84

Note: Housing need defined as a household having one or more of four housing problems, which includes: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost burden greater than 30%.

Source: 2017 5-year ACS and 2011-2015 CHAS data.

Hillsboro Housing Market Analysis

This section of the Consolidated Plan supplements the HUD-required Market Analysis (MA). It provides more detail on the changes in Hillsboro’s housing market since 2012; identifies market gaps by income level and tenure; and contains a geographic analysis of housing conditions and needs. The section begins with a brief overview of the geography covered in the analysis and demographics of residents to set the context for the analysis.

A note on distribution of this section. This section is part of a broader study of housing needs in Washington County, Hillsboro, and Beaverton.

A note on methodology. The data used for the market analysis come from a variety of sources. In all cases, the data represent the latest, most readily available data to describe the housing market. For the smaller cities in the analysis, and for some variables, the most recent data are from the 2017 American Community Survey, or ACS. It is important to note that ACS data are self-reported by residents and, as such, represent the rent they pay and their perceptions of their homes’ market values.

Data labeled as “2011-2015 CHAS” are from a proprietary dataset maintained by the U.S. Department of Housing and Urban Development (HUD) and, at the time this section was prepared, newer data were not available. Use of these data for part of the analysis is required for the HUD Consolidated Plan.

ACS data are the best, readily available source of market information for many of the small areas covered in the study. However, the data do contain a margin of error—meaning the actual market data could be larger or smaller than the estimate. Margin of error risk is greater in small geographies. Given this, the data in this section should be interpreted as suggesting a likely number or magnitude of change rather than a definitive number or percentage.

Throughout the report both average and median summary data were used based on the availability. It should be noted that averages (the sum of numerical data points divided by the count of the data points) may be influenced by outliers that may skew the representation upward or downward while median summaries represent the middle number in a set of ascending numerical data points and are better suited to describe the central tendency of the data when outliers are present.

To the extent possible, this study retains the approach and methodology used in prior Consolidated Plan market studies.

Primary Findings

- Between 2012 and 2017, Hillsboro's population increased by 10 percent and its housing stock increased by 14 percent, which represented the largest proportionate increase in housing units in the County. Hillsboro added nearly 5,000 residential units during this 5-year time period.
- As of 2017, the city had the third highest housing unit vacancy rate of incorporated areas within Washington County, after Banks and Forest Grove. That said, the city's housing unit vacancy rate—5.6 percent—is indicative of a stable market, not a weak market. Residential development in the city, especially development of regulated affordable rental units, has contributed to the city's balance of rental housing prices.
- According to "The Apartment Report" issued by Multifamily NW, Hillsboro's rents as of Spring 2019 averaged \$1,161 per month for a two-bedroom, one-bath unit, excluding utilities. This is lower than other submarkets in the county, including Aloha (\$1,251 average rent), Beaverton (\$1,211), and Tigard/Tualatin/Sherwood (\$1,177). With utilities, a Hillsboro household would need to earn 66 percent of the MFI to afford the average two-bedroom, one-bath unit.
- Rents are much too high for many renters in the city: 40 percent of the city's renters do not earn enough to afford the average two-bedroom, one-bath unit. The city's 1,917 lowest income renters—those earning less than \$25,000 per year, or 30 percent of the MFI and less—have 712 affordable units in the market, leaving a shortage of 1,205 deeply subsidized rental units. This does not account for renters experiencing homelessness and, as such, the overall need is slightly higher.
- An analysis of Hillsboro's buildable land inventory and densities suggests that the city is well-equipped with advantageously zoned developable land for both greenfield and infill projects that could provide affordable rental housing to address the rental gap. The success of such projects would require adequate funding and commitment from landowners.
- Hillsboro's need for units to serve these extremely low income renters is much smaller than Beaverton's, despite the cities being similar-sized. This is also notable given that Hillsboro's median gross rent is higher. This suggests that Hillsboro's larger number of regulated affordable units has been a strong factor in preserving affordability for the lowest income renters, resulting in a rental gap that is less than half of the gap that exists in Beaverton. Hillsboro also has a lower proportion of households who are cost burdened, especially severely cost burdened, than Beaverton.
- Hillsboro's homeownership rate is lower than Washington County overall and is on the lower end of homeownership rates in the County. Renters who want to buy will have trouble finding an affordable home in the current market, due to low inventory of units priced at less than \$300,000. As of July 2019, there were just 44 homes listed for sale in Hillsboro at \$300,000 or less: The vast majority were condominiums; 6 were mobile homes; 8 were townhomes; and 2 were single family detached homes.

Geography

Nestled in the Tualatin Valley between Portland and the Pacific Ocean, Hillsboro is Oregon's 5th largest city, with roughly 100,000 residents and one of the state's most diverse populations. Hillsboro is located within the Portland–Vancouver–Hillsboro, OR–WA Metropolitan Statistical Area, which centers around Portland, Oregon. After its incorporation as a city in 1876, Hillsboro's prime location and surrounding agricultural production led to the nickname "Hub City," a moniker equally suited for Hillsboro's position today as one of the state's key economic anchors. To keep pace with housing needs, the city broke ground on South Hillsboro in 2016, setting the stage for the arrival of nearly 20,000 new residents in what is the largest master-planned community in Oregon's history.

Urban growth boundaries. Under Oregon law, cities are required to establish a geographic line called an urban growth boundary (UGB) that limits urban expansion into forest or farmland. For the Portland-area UGB, land within this land use boundary receive urban services managed by Metro, Portland's metropolitan regional government. The Portland Metro UGB encompasses all of Washington County's major cities including Beaverton, Hillsboro, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. These cities are designated "*Urban Cities.*"

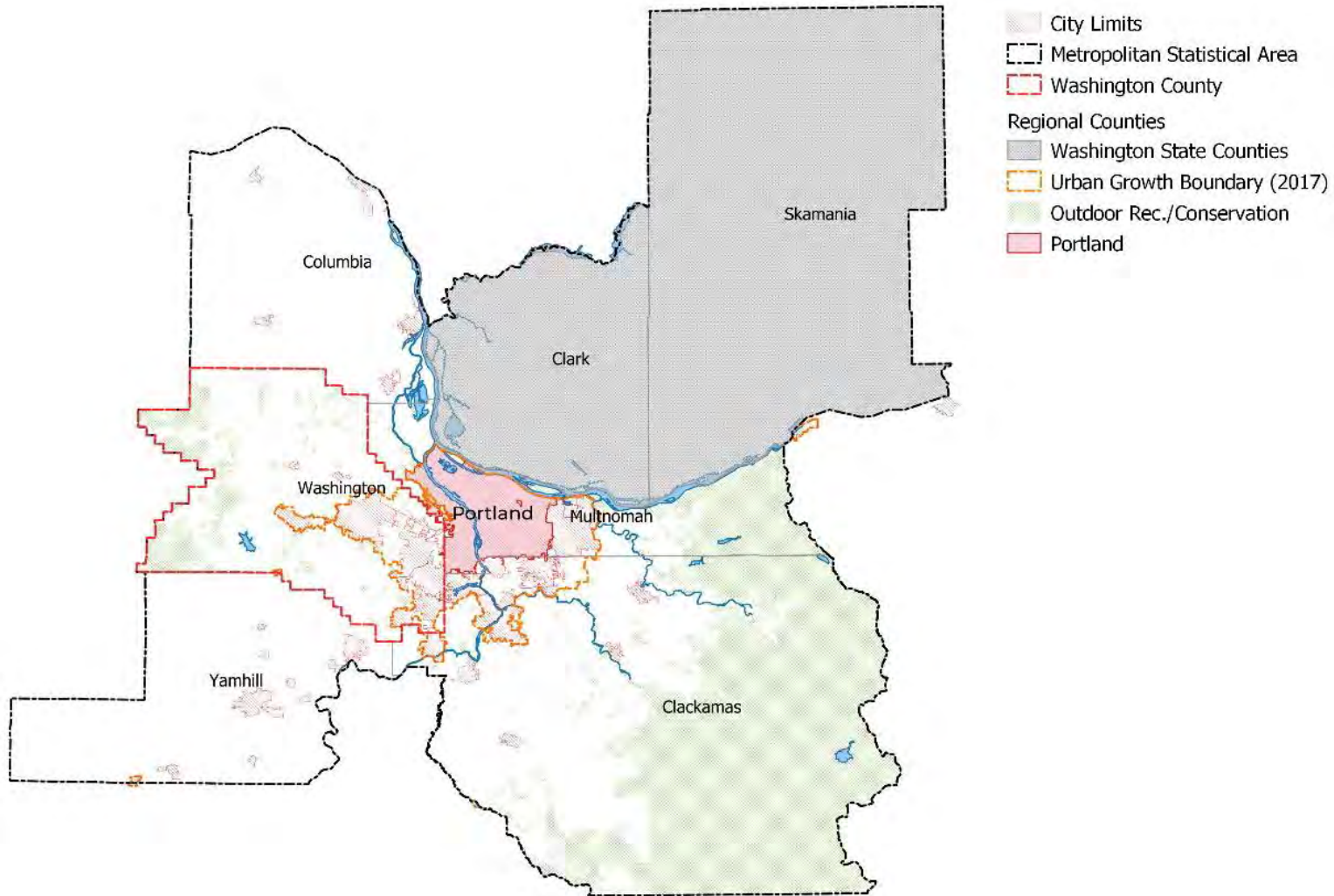
Where data are available, this section includes comparisons with smaller cities in the county. Three smaller cities — Gaston, North Plains, and Banks — are within Washington County but outside of the Portland Metro UGB. These cities are designated "*Rural Cities.*"

The Washington County portion of the Portland Metro UGB also contains multiple unincorporated urban places. To include these places, we identify Census designated places within the urban growth boundary, including Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope, and designated the places as "*Unincorporated Urban Places.*"¹

Figure I shows the location of Washington County within the Portland MSA; Figure 2 shows Hillsboro's location within Washington County.

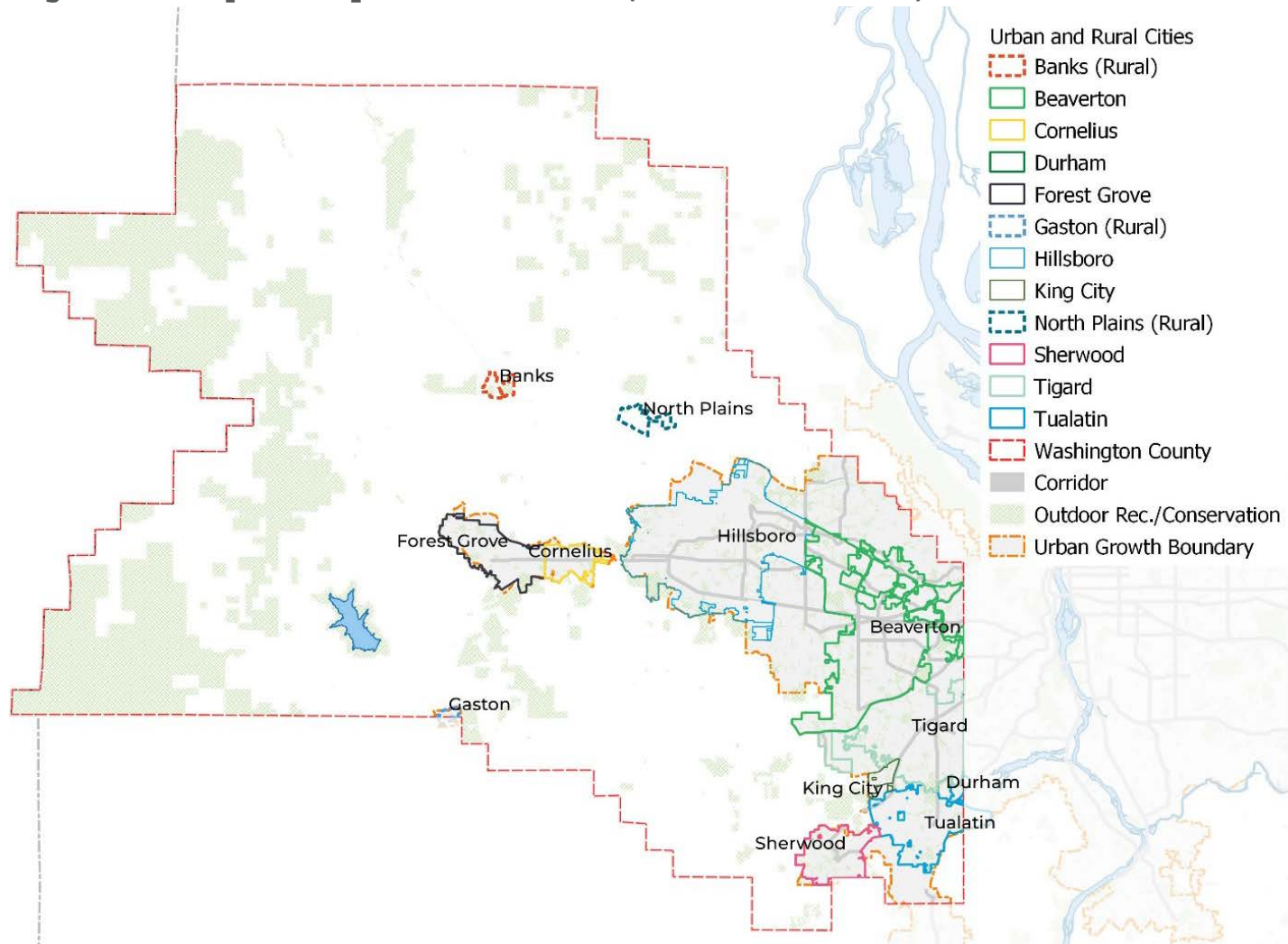
¹ We do not have American Community Survey data for areas within the Portland UGB that are neither Urban Cities nor Unincorporated Urban Places. The remaining Washington County space is considered "*Unincorporated Rural Land.*"

Figure 1.
Regional Context



Source: Metro RLIS Discovery Portal.

Figure 2.
Washington County Incorporated Cities (Urban and Rural)



Source: Metro RLIS Discovery Portal.

Demographic Context

Between 2012 and 2017, Hillsboro’s population increased from 91,998 to 102,396, an overall increase of 11 percent. As shown in the figure below, Washington County overall grew at a slower pace than Hillsboro, increasing by 40,000 and 7.6 percent; nearby Beaverton grew even less at 6 percent. In 2017, the margin of error for Hillsboro’s population was plus or minus 46 individuals, or below 0.01 percent.²

**Figure 3.
Population
Change, 2012 and
2017**

Note:

Urban Cities include Hillsboro, Beaverton, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. Rural Cities include Gaston, North Plains, and Banks. Unincorporated Urban Places includes Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope. Unincorporated Rural Land includes any remaining area in Washington County.

Source:

2012 and 2017 5-year American Community Survey (ACS).

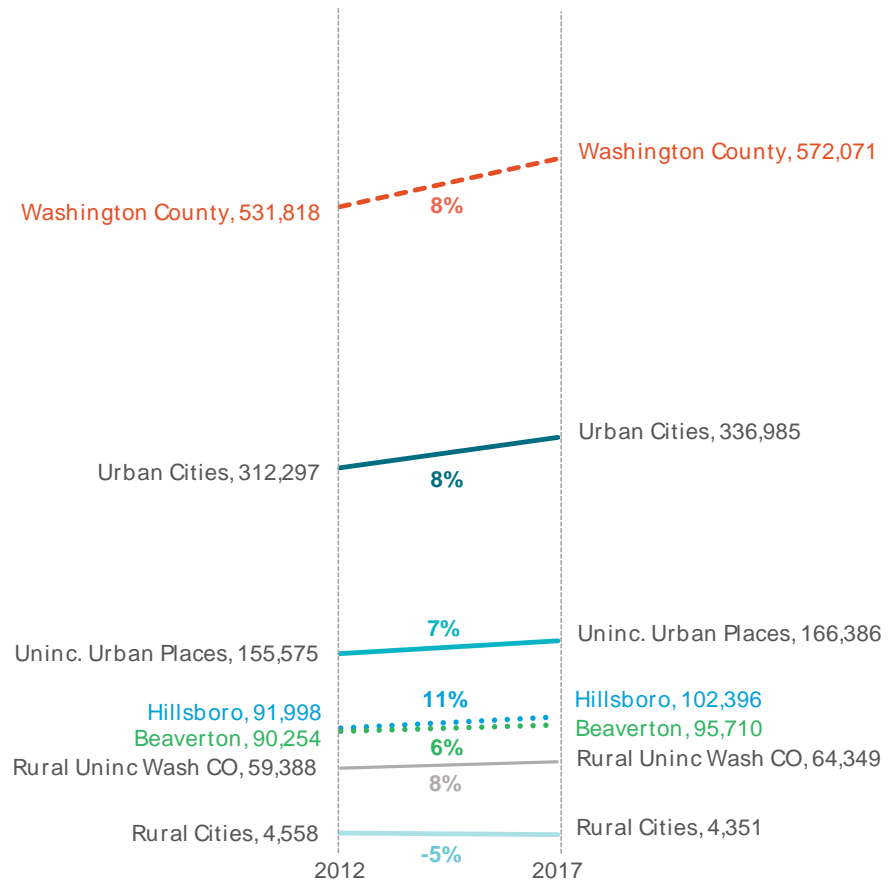


Figure 4 shows the historical and current average household sizes and percentage of families with children for Hillsboro, nearby urban and rural places, and Washington County. Hillsboro’s average household size (2.70) is in line with many nearby places (the County’s average household size is 2.66). Since 2012, average household size in Hillsboro decreased, by four percent, which is the second largest decline after Tualatin.

² A margin of error is the difference between an estimate and its upper or lower confidence bounds. Confidence bounds are calculated by adding the margin of error to the estimate (for an upper bound) and subtracting the margin of error from the estimate (for a lower bound). All published margins of error for the American Community Survey are based on a 90 percent confidence level. The margin of error has a greater impact on smaller quantity estimates than larger estimates; therefore, smaller communities, such as Durham, Banks, or Gaston, are more likely to have a larger margin of error compared to Beaverton and Hillsboro.

Hillsboro’s household size decrease is related to the decline in the city’s percentage of families with children, which dropped from 36 percent in 2012 to 33 percent in 2017. In general, the household composition of Hillsboro is similar to surrounding areas.

Figure 4.
Households and Families, 2012 and 2017

	Average Household Size			% Families with Children		
	2012	2017	% Change	2012	2017	% Point Change
Aloha	2.94	3.07	4%	37%	39%	1%
Banks	3.26	3.35	3%	54%	54%	0%
Beaverton	2.47	2.44	-1%	29%	27%	-2%
Cornelius	3.57	3.57	0%	52%	45%	-7%
Durham	2.25	2.56	14%	25%	31%	6%
Forest Grove	2.72	2.81	3%	33%	35%	1%
Gaston	2.51	2.76	10%	34%	28%	-6%
Hillsboro	2.81	2.70	-4%	36%	33%	-3%
King City	1.56	1.87	20%	6%	14%	8%
North Plains	2.53	2.71	7%	37%	28%	-9%
Sherwood	2.97	2.95	-1%	51%	45%	-5%
Tigard	2.50	2.49	0%	31%	29%	-2%
Tualatin	2.62	2.49	-5%	36%	32%	-4%
Washington County	2.63	2.66	1%	34%	32%	-1%

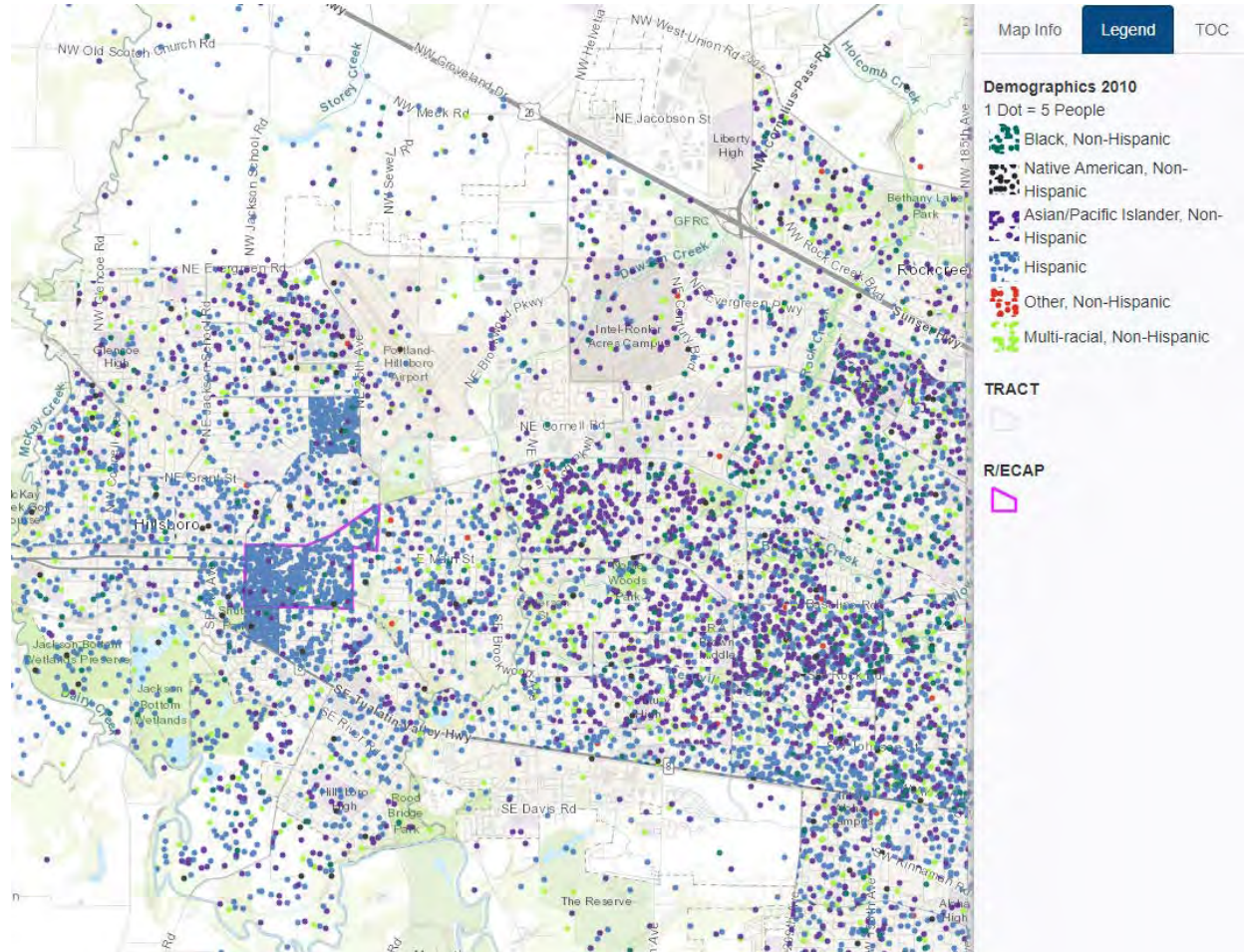
Source: 2012 and 2017 5-year ACS.

The following map, Figure 5, provides detail of the racial/ethnic distribution of residents in Hillsboro, focusing on Non-White and Hispanic residents. This map was created by the U.S. Department of Housing and Urban Development (HUD) to assist communities in better understanding patterns of racial and ethnic segregation. One dot represents 5 residents and each color represents a different racial or ethnic minority. Racially and ethnically concentrated areas of poverty, or R/ECAPs, indicate areas with very high poverty rates (more than 40% for individuals) which are more than half Non-White and Hispanic residents.

Relative to the county overall, Hillsboro is diverse racially and ethnically, with a Hispanic population comprising 23 percent of all residents, an Asian population of 12 percent, and a non-Hispanic White population of 58 percent.

The map reveals that many neighborhoods reflect the diversity of the city overall; however, it also indicates a higher proportion of Hispanic residents in the west central parts of the city and Asian/Pacific Islander residents in the east. Hillsboro has one Racial/Ethnic Concentrated Area of Poverty (R/ECAP), Census tract 0324.09, located in a west central part of the city—home to predominately Hispanic residents.

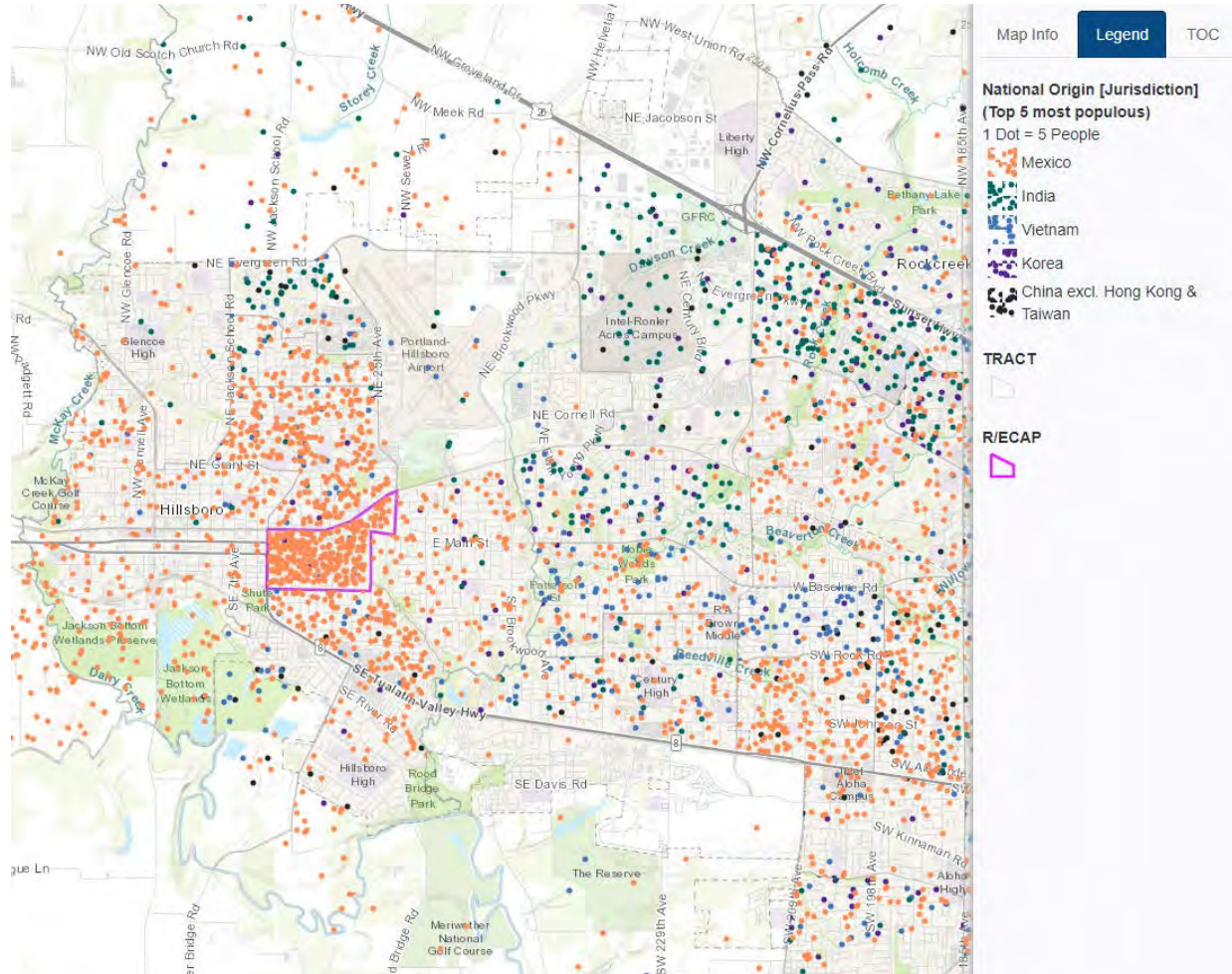
Figure 5.
Racial and Ethnic Concentrations, Hillsboro



Note: White, Non-Hispanic Households were removed to accurately view minority populations.
 Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

Figure 6 shows where cultural groupings exist within Hillsboro. Like the previous map, one dot represents 5 residents and each color represents a different national origin. Clusters of residents of Mexican origin are located in west central Hillsboro Census tracts and residents of Indian origin are located in the northeast. The city's one R/ECAP, Census tract 0324.09, is home to residents with predominately Mexican origin. Of the 5,060 residents, 3,663 identify as Hispanic or Latino (72%).

Figure 6.
National Origin Concentrations, Hillsboro



Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

Housing Profile

The ability of a community’s housing stock to meet current and future residents’ needs primarily depends on three factors:

- 1) What type of housing exists;
- 2) What type of housing will be developed considering land availability; and
- 3) How much that housing costs.

These are explored in this part of the market analysis.

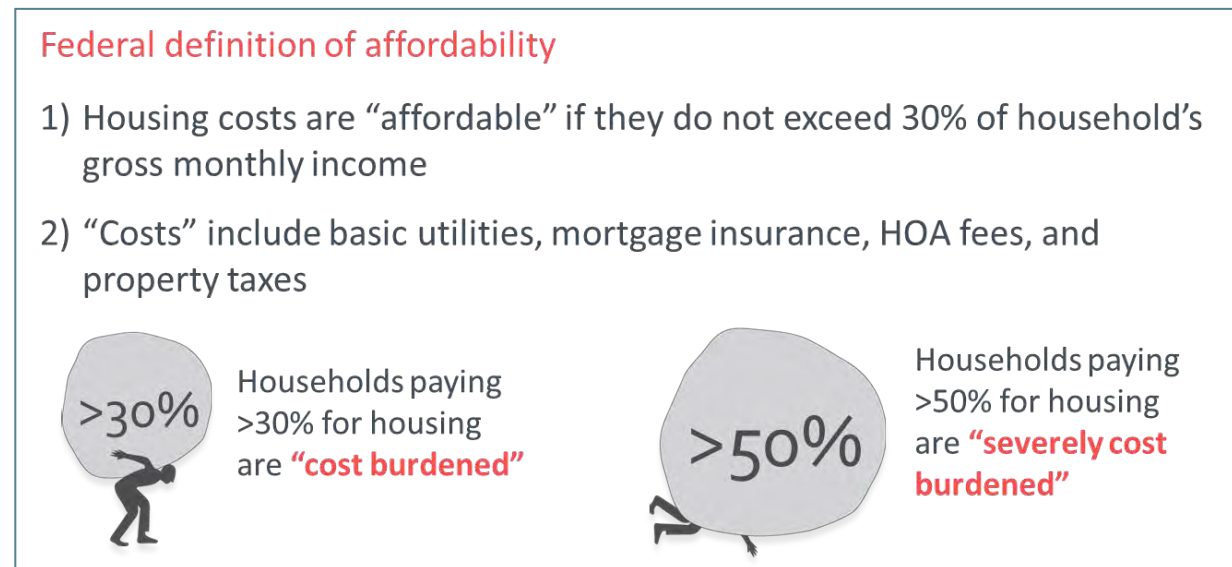
The Housing Profile begins with an introduction to the concept of affordability and how it is measured. It then examines the characteristics of the Hillsboro’s housing stock, discusses the affordability analysis, and concludes with an assessment of housing needs.

Assessing housing needs. The most common measure of affordability assesses the “burden” housing costs put on a household. If a household pays more than 30 percent of their gross income in rent or mortgage payment, taxes, and basic utilities. The higher the cost burden, the higher the risk of eviction, foreclosure and homelessness due to the challenges of households managing housing costs.

Households spending 50 percent or more of their income on housing are considered at risk of homelessness. These households have limited capacity to adjust to rising home prices and are vulnerable to even minor shifts in rents, property taxes, and/or incomes.

Cost burden is important because it also indicates how well a household can manage other expenses—e.g., childcare, transportation, health care—and how much disposable income they have to contribute to the economy.

Figure 7.
Housing Affordability Definition



Source: Root Policy Research.

It is important to note that cost burden exists in nearly every community because demand exceeds the supply of housing at various price points. Some residents—e.g., persons with disabilities living on fixed incomes—cannot avoid cost burden unless they occupy publicly supported housing or receive Housing Choice Vouchers. Unless an adequate supply of affordable housing is available, being cost burdened may be the only option for certain residents.

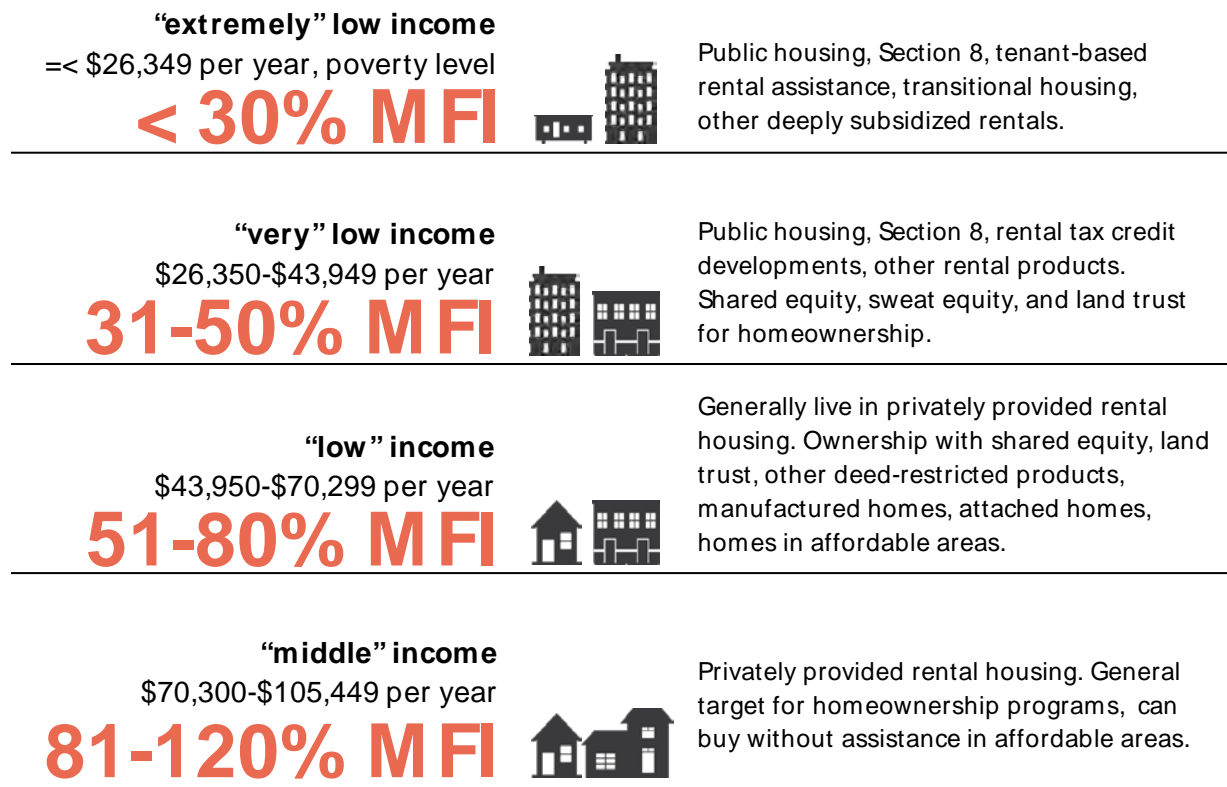
Housing needs and income levels. Eligibility for housing programs is generally based on how a resident’s income falls within HUD-determined MFI categories, or Median Family Income. The income thresholds and target housing are outlined in Figure 8. The figure also explains what a household at each MFI level can afford and the housing products that typically accommodate their needs. For example, a household earning between 31 and 50 percent of the MFI—a very low

income household—is most likely to find affordable housing in publicly supported housing or through innovative ownership solutions such as land trusts.

HUD-funded block grant programs typically focus on households earning up to 80 percent MFI. This study includes additional income ranges to inform broader housing planning efforts, such as increasing missing middle housing.

HUD categorizes households into income ranges based on the Median Family Income, or MFI, of a region. Hillsboro is part of the Portland-Vancouver-Hillsboro region, where the overall MFI is \$87,900. The figure below shows how many households fall into HUD’s MFI ranges.

Figure 8.
HUD Income Thresholds and Target Housing, Washington County, 2019

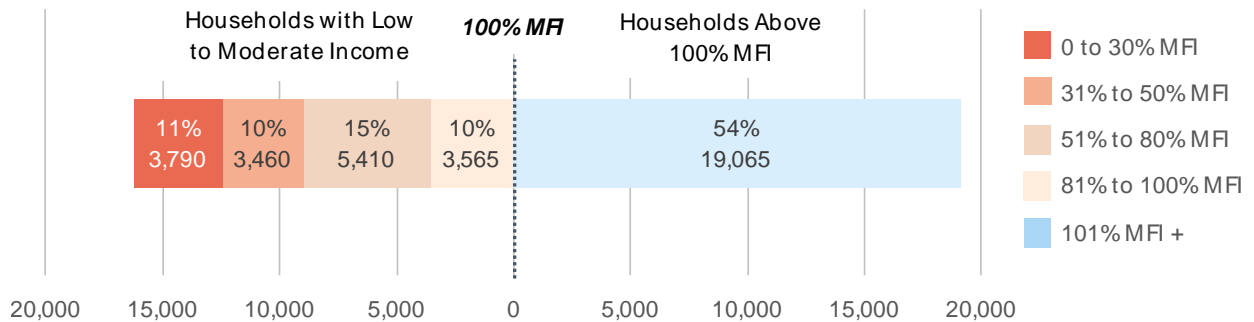


Note: This is for a 4-person household, the household size on which HUD based the overall MFI.

Source: HUDuser.gov Income Limits FY19 database and Root Policy Research.

Figure 9 shows how many households in Hillsboro fall into HUD’s MFI ranges.

Figure 9.
Households by MFI, 2011 to 2015

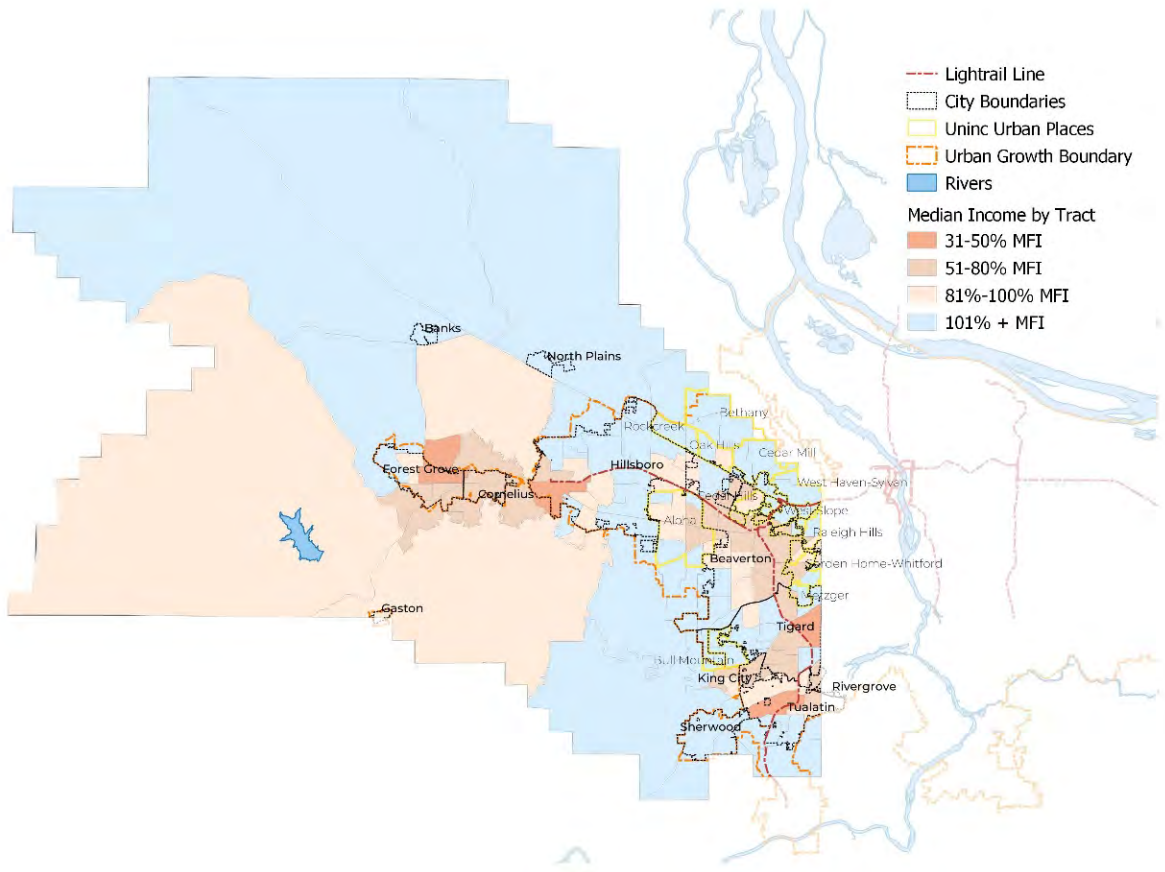


Source: CHAS 2011-2015.

More than 19,000 Hillsboro households have an income of 100 percent MFI or greater, while 16,225 households have an income below 100 percent MFI, which is considered low to moderate income. Households making between 51 and 80 percent MFI were the largest group of low to moderate income residents—comprising 15 percent of all households.

Figure 10 shows the geographic distribution of households by MFI level. The Census tracts with the lowest income households are located in the Forest Grove and Cornelius area, parts of Beaverton, and Tigard, and Tualatin.

Figure 10.
Dominant MFI Range by Geographic Area, 2017



Source: 2017 5-year ACS.

Southwestern Hillsboro Census tracts have a larger proportion of low to moderate income residents of all income categories. Central, north, and south Hillsboro have a larger proportion of households making 101 percent of MFI or greater.

Housing unit vacancies and growth. According to the 2017 American Community Survey (ACS), there were 39,659 housing units (occupied and vacant) in Hillsboro. Vacancies in Hillsboro were moderate but stable at 5.6 percent, or just over 2,200 vacant units. Vacancy rate is defined as the percentage of all available units that are unoccupied at a certain time. Vacancy rates around 5 percent typically indicate a competitive equilibrium in the housing market. Rates that fall below 5 percent indicate a tight market.

Figure 11 displays the occupancy of housing units for Hillsboro, nearby urban and rural places, and Washington County. Hillsboro has the second largest number of housing units in Washington County, after Beaverton.

Figure 11.
Occupancy of All Housing Units (Multifamily and Single Family), 2017

	Housing Units	Occupied Housing Units	Vacant Housing Units	% Vacant
Aloha	18,628	17,846	782	4.2%
Banks	537	506	31	5.8%
Beaverton	40,857	38,855	2,002	4.9%
Cornelius	3,615	3,438	177	4.9%
Durham	643	622	21	3.3%
Forest Grove	8,440	7,955	485	5.7%
Gaston	207	202	5	2.4%
Hillsboro	39,659	37,424	2,235	5.6%
King City	1,963	1,946	17	0.9%
North Plains	808	770	38	4.7%
Sherwood	6,745	6,479	266	3.9%
Tigard	21,165	20,421	744	3.5%
Tualatin	11,329	10,843	486	4.3%
Washington County	223,394	212,778	10,616	4.8%

Source: 2017 5-year ACS.

While vacancies across the County were generally stable, Hillsboro had one of the highest vacancy rates at 5.6 percent, just after Banks (5.8%) and Forest Grove (5.7%). Washington County (4.8%) overall experienced a lower vacancy rate and the lowest vacancies were in King City (0.9%) and Gaston (5%). Still, a vacancy rate of around 5 percent should not be of concern and instead indicates a relatively stable market.

Figure 12 shows the type of vacant units for each jurisdiction and Washington County.

Outside of “Other Vacant,” which includes units where no one lives and the owner is not interested in renting or selling or is using the unit for storage, rentals were the largest type of vacant units in Hillsboro, followed by vacant units for seasonal, recreational, or occasional use. Overall, Hillsboro had the largest number of vacant units in Washington County, followed by Beaverton.

Figure 12.
Vacancies of All Housing Units (Multifamily and Single Family), 2017

	Type of Vacant Units							Total Vacant
	For Rent	Rented, Not Occupied	For Sale Only	Sold, Not Occupied	For Seasonal, Recreational, or Occasional Use	For Migrant Workers	Other Vacant	
Aloha	198	84	95	74	51	0	280	782
Banks	7	9	7	0	0	0	8	31
Beaverton	365	368	265	180	147	0	677	2,002
Cornelius	0	27	11	0	15	0	124	177
Durham	10	4	0	0	7	0	0	21
Forest Grove	248	34	22	16	50	0	115	485
Gaston	0	0	0	5	0	0	0	5
Hillsboro	465	241	251	176	389	0	713	2,235
King City	0	0	0	0	17	0	0	17
North Plains	0	0	14	6	0	0	18	38
Sherwood	39	0	21	25	85	0	96	266
Tigard	117	108	0	98	166	0	255	744
Tualatin	190	51	85	23	44	0	93	486
Washington County	2,207	1,039	1,356	808	1,427	84	3,695	10,616

Source: 2017 5-year ACS.

Figure 13 shows the housing unit growth from 2012 to 2017. Hillsboro’s housing stock grew by 14 percent, or nearly 5,000 units, during this 5-year time period—and was the largest proportionate increase in housing units in the County. The number of housing units in Hillsboro as of 2017 had a margin of error of plus or minus 669 units, or 2 percent.³

Figure 13.
All Housing Unit
Growth, 2012 and
2017

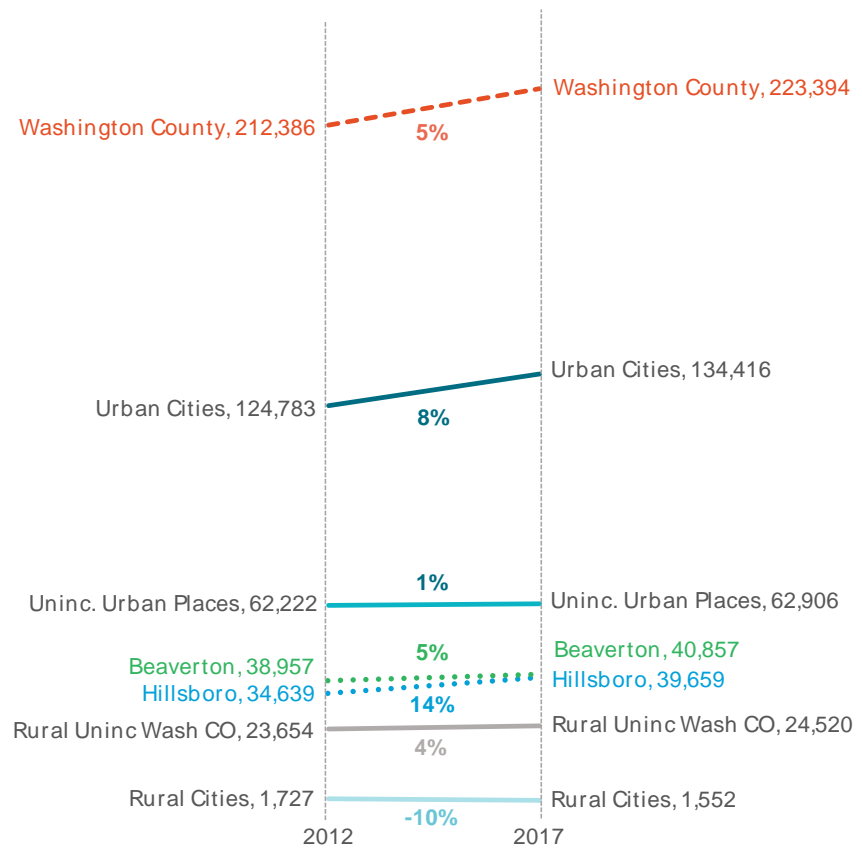
Note:

Urban Cities include Hillsboro, Beaverton, Tigard, Tualatin, Forest Grove, Sherwood, Cornelius, King City, and Durham. Rural Cities include Gaston, North Plains, and Banks. Unincorporated Urban Places includes Aloha, Bethany, Bull Mountain, Cedar Hills, Cedar Mill, Garden Home-Whitford, Metzger, Oak Hills, Raleigh Hills, Rockcreek, West Haven-Sylvan, and West Slope. Unincorporated Rural Land includes any remaining area in Washington County.

Includes both multifamily and single-family units.

Source:

2012 and 2017 5-year ACS.



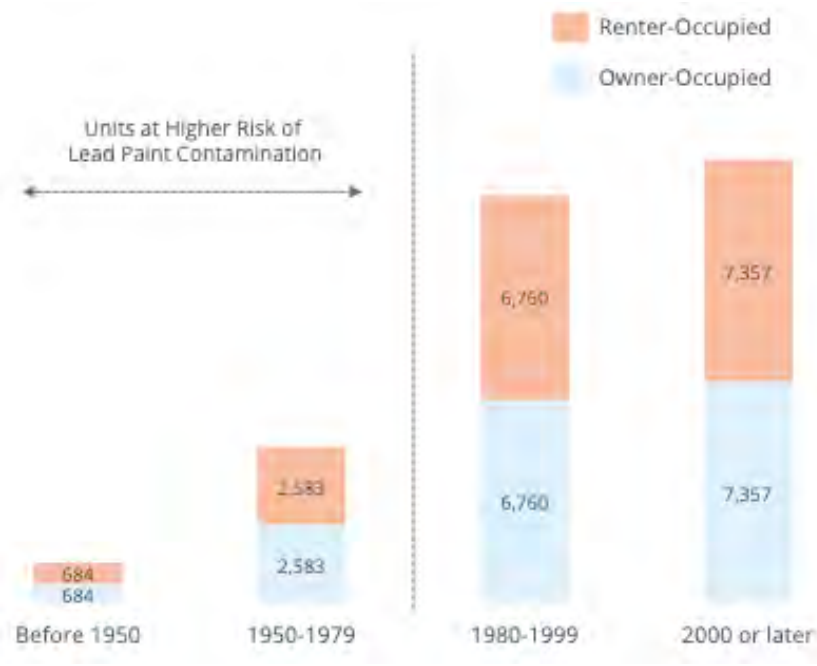
³ A margin of error is the difference between an estimate and its upper or lower confidence bounds. Confidence bounds are calculated by adding the margin of error to the estimate (for an upper bound) and subtracting the margin of error from the estimate (for a lower bound). All published margins of error for the American Community Survey are based on a 90 percent confidence level. The margin of error has a greater impact on smaller quantity estimates than larger estimates; therefore, smaller communities, such as Durham, Banks, or Gaston, are more likely to have a larger margin of error compared to Beaverton and Hillsboro.

Housing condition. Figure 14 shows the age of Hillsboro’s housing units and the risk of lead-based paint contamination. In Hillsboro, most housing construction (28,599 units) occurred after 1980, reducing the risk of lead based paint. In total, 26 percent of housing units (10,000) are at a higher risk for lead-based paint contamination. In contrast, in Beaverton, nearly half of units were built before 1980 and are at risk of lead contamination.

Figure 14.
Age of All Housing
Units and Lead-Based
Paint Risk
(Multifamily and
Single Family),
Hillsboro, 2017

Note:
 Units built prior to 1980 have a higher risk of lead-based paint contamination. Includes both multifamily and single-family units.

Source:
 2017 5-year ACS.

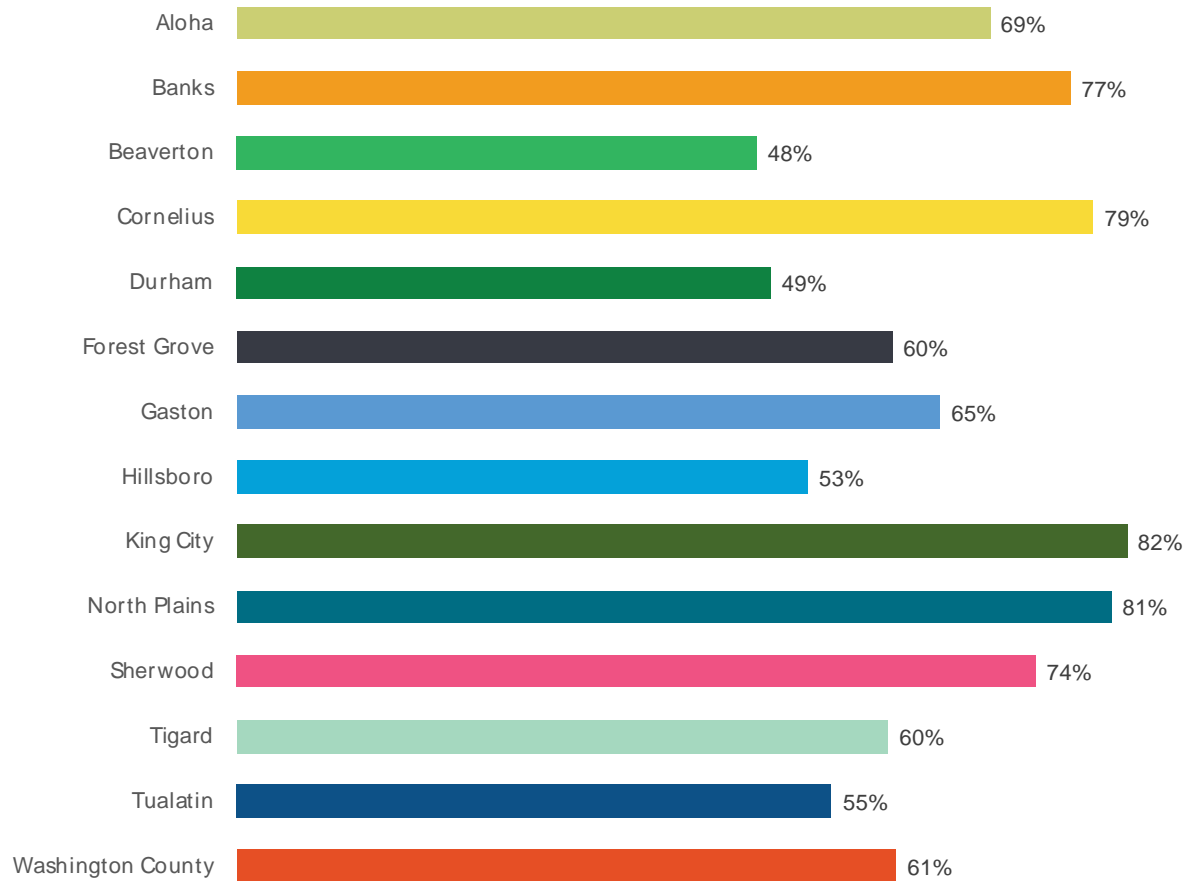


The condition of the housing stock is difficult to measure, given the lack of universal data on interior and exterior repair needs. The most accessible and consistently reported data is from the U.S. Census. However, the Census’ definition of substandard condition is fairly extreme and is suggestive of nearly unlivable conditions. It should be viewed as a low-level estimate.

According to the 2017 ACS, there were 390 low to moderate income households (making 100 percent of MFI or below) who lived in substandard housing—lacking complete plumbing and/or kitchen facilities. The majority, 86 percent, of these households are renters and extremely low income, earning 30 percent of MFI or less.

Ownership. Figure 15 shows how Hillsboro’s homeownership rate—currently 53 percent—compares to nearby urban and rural Places. Hillsboro’s rate is lower than Washington County overall and is on the lower end of homeownership rates in the County (but similar to Tualatin at 55%). The ownership rate is calculated based on 2017 American Community Survey data which provides the total number of owner-occupied units and the total number of occupied units. The margin of error for the number of homeowners in Hillsboro in 2017 was plus or minus 668 units, or 2 percent.⁴

Figure 15.
Homeownership Rates, 2017



Source: 2017 5-year ACS.

Figure 16 shows homeownership rates by race and ethnicity for Hillsboro, nearby urban and rural places, and Washington County overall. Overall, the county is 70 percent non-Hispanic White; 16 percent Hispanic; 9 percent Asian; 3 percent Two or More Races; and 1.5 percent Black or African

⁴ A margin of error is the difference between an estimate and its upper or lower confidence bounds. Confidence bounds are calculated by adding the margin of error to the estimate (for an upper bound) and subtracting the margin of error from the estimate (for a lower bound). All published margins of error for the American Community Survey are based on a 90 percent confidence level. The margin of error has a greater impact on smaller quantity estimates than larger estimates; therefore, smaller communities, such as Durham, Banks, or Gaston, are more likely to have a larger margin of error compared to Beaverton and Hillsboro.

American. Hillsboro is more diverse racially and ethnically, with a Hispanic population of 23 percent, an Asian population of 12 percent, and a non-Hispanic White population of 58 percent.

With respect to homeownership, Hillsboro’s rate of ownership is low relative to other cities and this is true across races and ethnicities. White households have the highest rate of homeownership at 57 percent (lower than the county overall), followed by Asian households at 42 percent homeownership. Residents of Hispanic descent—nearly a quarter of the city’s population—have a relatively low ownership rate at 33 percent; this is also one of the lowest rates of the cities in the region. Native Hawaiian/Pacific Islander households have the lowest rate of homeownership (14%) in Hillsboro. Over one third of Black, Native American, and Hispanic households are homeowners.

Figure 16.
Homeownership Rates by Race and Ethnicity, 2017

	White	Black	Native American	Asian	Native Hawaiian/ Pacific Islander	Hispanic
Aloha	72%	59%	61%	74%	95%	48%
Banks	78%	100%	--	0%	--	67%
Beaverton	50%	60%	13%	50%	21%	20%
Cornelius	79%	100%	57%	100%	--	70%
Durham	56%	11%	0%	21%	0%	21%
Forest Grove	65%	48%	0%	34%	100%	54%
Gaston	64%	--	0%	100%	--	100%
Hillsboro	57%	38%	34%	42%	14%	33%
King City	82%	--	100%	100%	--	100%
North Plains	81%	--	100%	100%	--	100%
Sherwood	73%	--	47%	100%	100%	76%
Tigard	61%	43%	19%	72%	23%	29%
Tualatin	56%	18%	45%	71%	49%	18%
Washington County	63%	48%	41%	63%	34%	37%

Source: 2017 5-year ACS.

Housing Prices and Affordability

The following three figures show housing prices and/or values from 2012 to 2017. Figure 17 shows the historical and current median gross rent for Hillsboro, nearby urban and rural Places, and Washington County overall. This includes rental units of all bedroom sizes.

Rent levels. Hillsboro's median gross rent was \$1,249 in 2017, a 21 percent increase from 2012 (\$1,034). Washington County's rental prices and growth were similar to Hillsboro—a 23 percent increase in gross rent over the 5-year period.

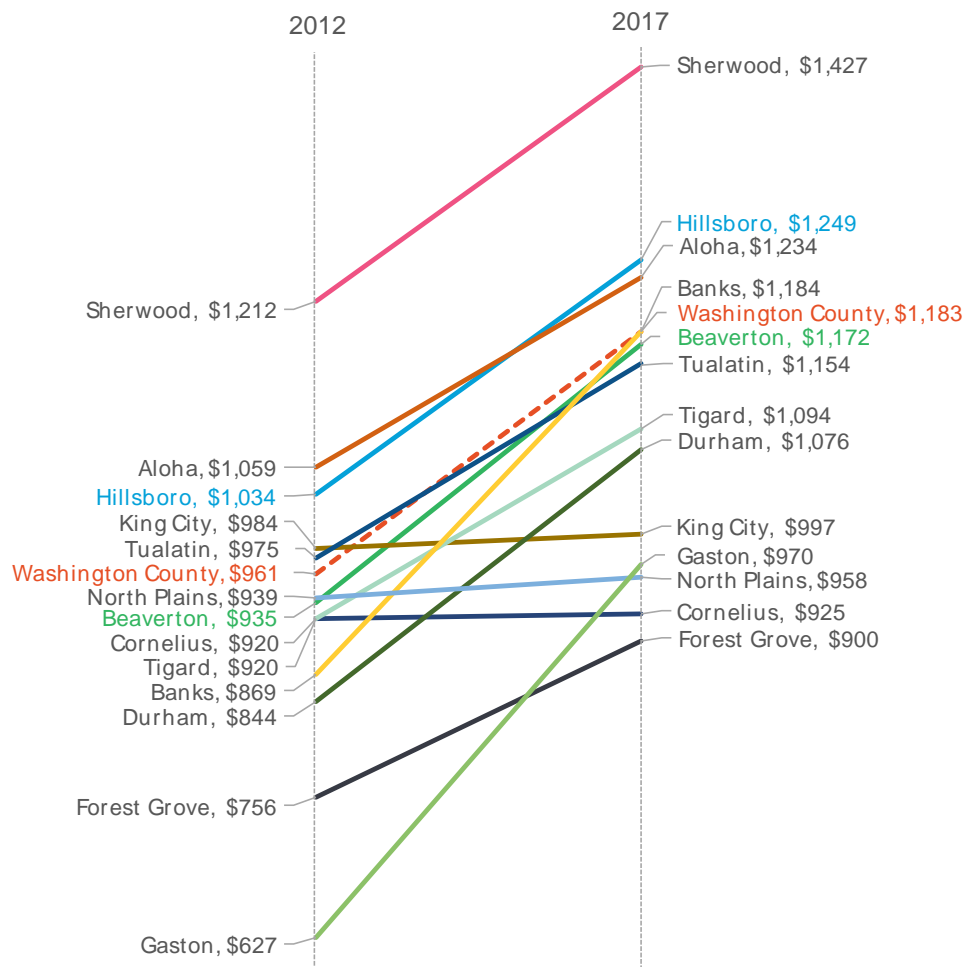
In 2017, Sherwood had the highest median gross rent at \$1,427 and Forest Grove had the lowest at \$900. The largest rent growth occurred in Gaston (55% increase from 2012 to 2017) and the slowest rent growth occurred in Cornelius and King City—both experienced a 1 percent increase in median gross rent.

**Figure 17.
Change in
Median Gross
Rent, All
Rental Units,
Hillsboro,
2012 and 2017**

Note: Includes all types of rental units, multifamily as well as single family

Source:
2012 and 2017 5-year
American Community Survey
(ACS).

	2012	2017	2012 to 2017 Change	
			#	%
Aloha	\$1,059	\$1,234	\$175	17%
Banks	\$869	\$1,184	\$315	36%
Beaverton	\$935	\$1,172	\$237	25%
Cornelius	\$920	\$925	\$5	1%
Durham	\$844	\$1,076	\$232	27%
Forest Grove	\$756	\$900	\$144	19%
Gaston	\$627	\$970	\$343	55%
Hillsboro	\$1,034	\$1,249	\$215	21%
King City	\$984	\$997	\$13	1%
North Plains	\$939	\$958	\$19	2%
Sherwood	\$1,212	\$1,427	\$215	18%
Tigard	\$920	\$1,094	\$174	19%
Tualatin	\$975	\$1,154	\$179	18%
Washington County	\$961	\$1,183	\$222	23%



Multifamily vacancy survey average rent. The State of Oregon’s landlord association, Multifamily Northwest, conducts regular surveys of apartment rent levels by sub-market. This survey represents medium- to large-sized apartment buildings, which are professionally managed; the survey does not include public housing or small “ma and pa” type rentals.

The Spring 2019 survey reported a softening market in the metro area, with aggressive deals being reported by luxury properties, especially in downtown Portland, the southwest market, and Aloha. Vacancy rates in the Washington County submarkets captured in the survey were relatively low at 4.6 percent on average, however, with Aloha at a very low 3.7 percent. Hillsboro’s vacancy rate was 4.5 percent, up from 2.6 percent in 2015.

In Hillsboro, rents averaged \$1,161 per month for a two-bedroom, one-bath unit, excluding utilities. This is lower than other submarkets in the county, including Aloha (\$1,251 average rent), Beaverton (\$1,211), and Tigard/Tualatin/Sherwood (\$1,177). With utilities, a Hillsboro household would need to earn 66 percent of the MFI to afford the average two-bedroom, one-bath unit. Forty percent of the city’s renters do not earn enough to afford such a unit with many—12 percent—needing rents of less than half of the average.

Home values. Figure 18 shows the historical and current median home value for Hillsboro, nearby urban and rural Places, and Washington County overall.

Hillsboro’s median home value was \$282,300 in 2017, a 13 percent increase from 2012 (\$250,900).⁵ The 1-year ACS reports the median home value for Hillsboro at \$350,000—much higher than the five-year number and capturing the recent increase in prices. Washington County’s home values and growth were similar to Hillsboro—a 14 percent increase in home value over the 5-year period.

In 2017, Durham had the highest median home value at \$503,600 and Gaston had the lowest at \$204,800. The largest home value growth occurred in Durham (28% increase from 2012 to 2017) and the slowest home value growth occurred in Gaston and Cornelius—both experienced a 4 percent increase in median home value.

⁵ The 5-year ACS is used for comparative data, rather than the 1-year ACS, because it is the only data available for small communities.

**Figure 18.
Change in
Median Home
Value, All
Owned Units,
Hillsboro,
2012 and 2017**

Note: Includes all types of owned units, single family detached and attached units

Source:
2012 and 2017 5-year American Community Survey (ACS).

	2012	2017	2012 to 2017 Change	
			#	%
Aloha	\$237,600	\$264,400	\$26,800	11%
Banks	\$228,700	\$256,600	\$27,900	12%
Beaverton	\$290,800	\$328,400	\$37,600	13%
Cornelius	\$206,700	\$215,900	\$9,200	4%
Durham	\$392,600	\$503,600	\$111,000	28%
Forest Grove	\$228,900	\$249,300	\$20,400	9%
Gaston	\$196,400	\$204,800	\$8,400	4%
Hillsboro	\$250,900	\$282,300	\$31,400	13%
King City	\$206,500	\$236,500	\$30,000	15%
North Plains	\$234,400	\$287,700	\$53,300	23%
Sherwood	\$313,900	\$353,500	\$39,600	13%
Tigard	\$311,100	\$345,200	\$34,100	11%
Tualatin	\$324,000	\$365,700	\$41,700	13%
Washington County	\$290,900	\$331,700	\$40,800	14%

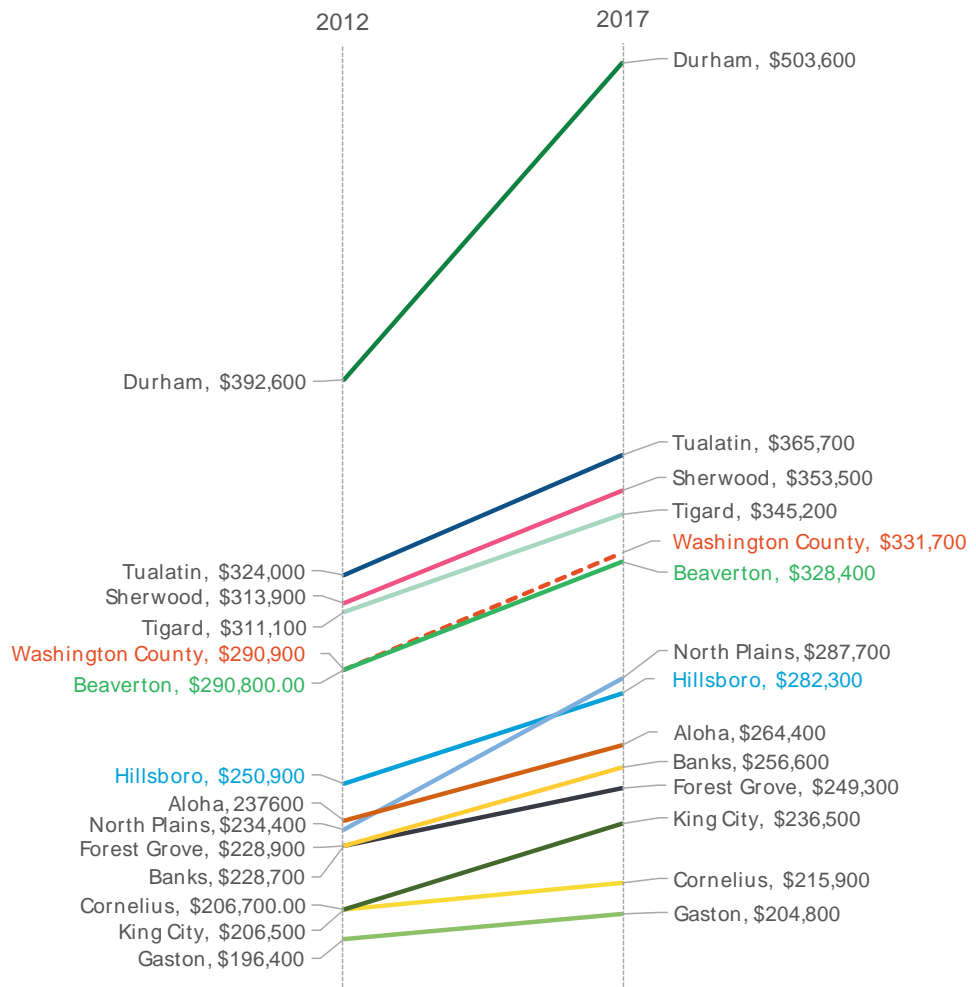
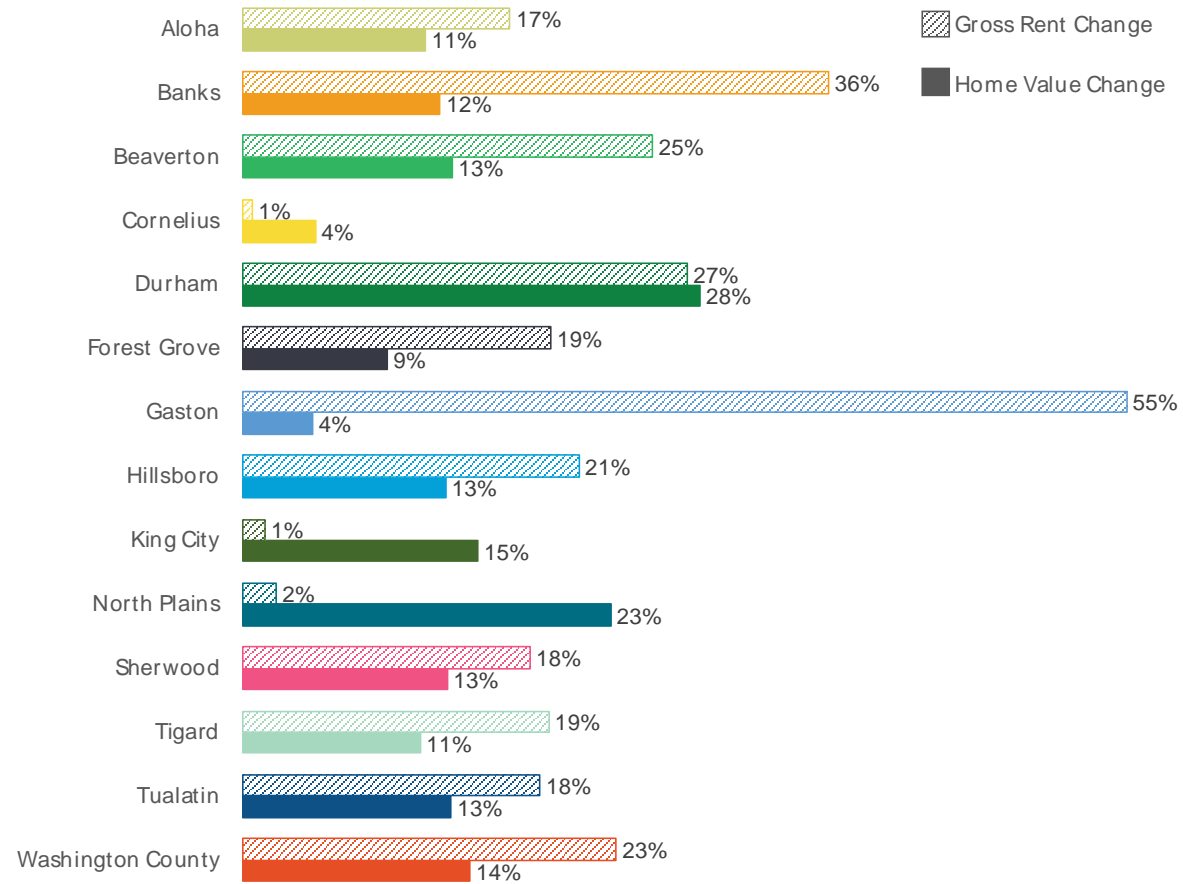


Figure 19 compares the change in median gross rent to the change in median home value from 2012 to 2017.

Figure 19.
Comparison of Change in Gross Rent and Home Value, 2012 and 2017

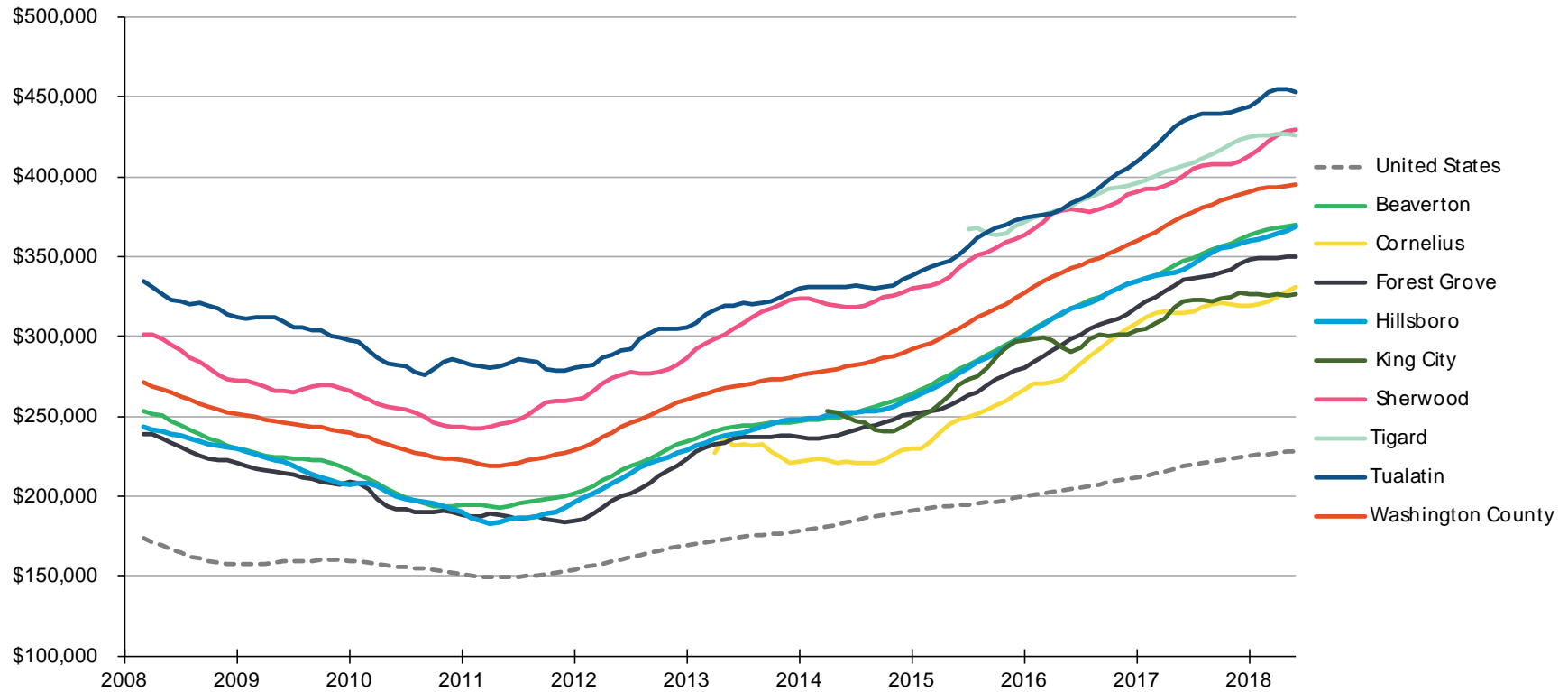


Source: 2012 and 2017 5-year ACS

Hillsboro’s median gross rent increased at a faster rate (21%) than median home value (13%) from 2012 to 2017. Rent grew faster than home values in most places, with the exception of Cornelius, Durham, King City, and North Plains, where the median home value grew at a faster rate than median gross rent. Gaston experienced the largest difference in rent change (55%) compared to home value change (4%), whereas Durham experienced almost the same change in rent (27%) as home value (28%)

Examining median home value is an important measurement to understanding local housing markets, but value does not always represent what a household can purchase. Both current and historical home sales can provide additional insight into the real price of housing and affordability. Figure 20 shows median sale price trends of Hillsboro, nearby places, and Washington County since 2008.

Figure 20.
Median Home Sale Price, 12-Month Rolling Average, 2008 to 2019 (YTD)



Note: Data for 2019 is year to date (through May). Historical sale data for Cornelius, King City, and Tigard is not available for all years. Zillow does not provide home sales data for Aloha, Banks, Durham, Gaston, or North Plains.

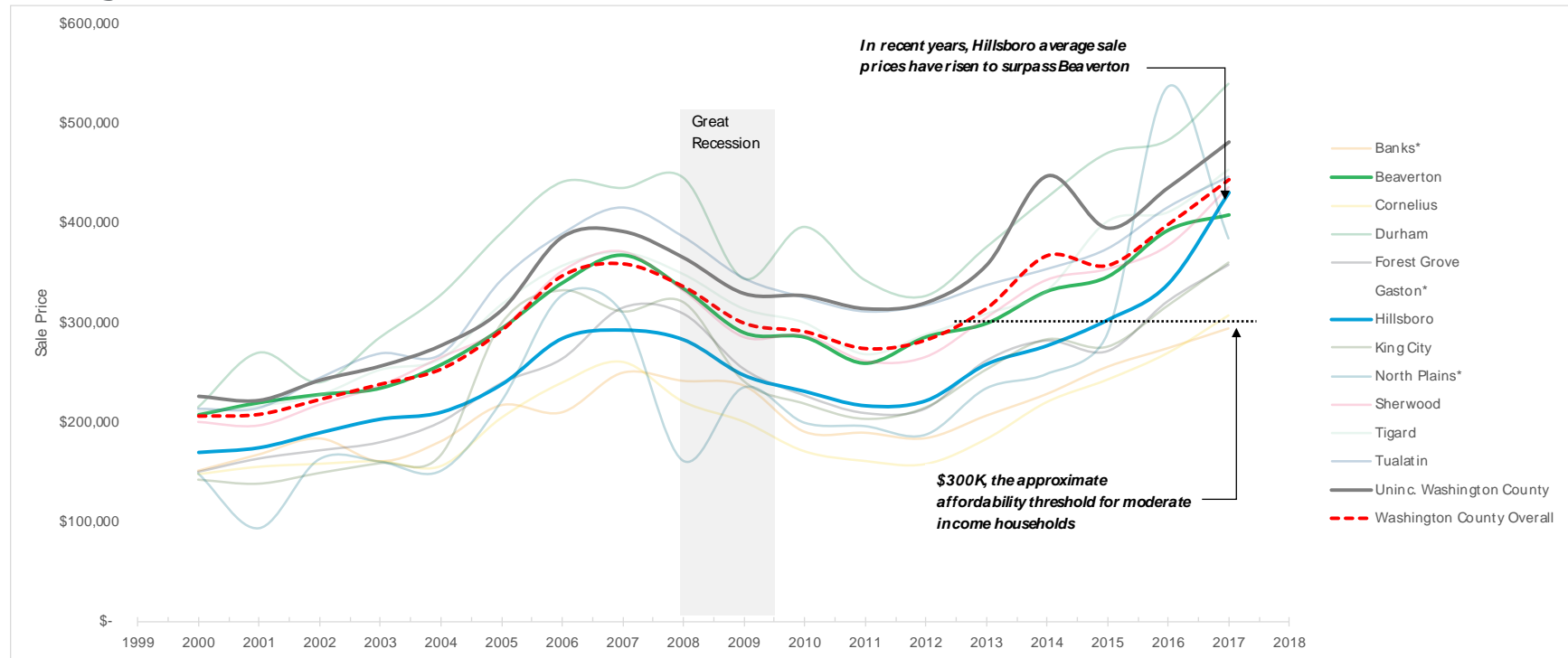
Source: Zillow.

Over the last decade, Hillsboro’s sale prices have generally mirrored Beaverton’s—but are lower than Washington County and higher than the U.S. overall. Among all communities, sale prices decreased after the Great Recession, but started to recover in mid-2011. As of May 2019, home sale prices have surpassed post-recession prices.

Figure 21 shows average sales prices per year before, during, and after the Great Recession. Both Beaverton and Hillsboro exhibit a pre-recession “bubble” in prices, followed by a correction, with Beaverton maintaining higher prices than Hillsboro until very recently. Hillsboro’s average prices tracked the county’s trends but were consistently lower than the county until 2017. Beaverton’s average sales prices tracked

very closely to the county averages expressing the scale and impact its market has on the county. Higher priced, smaller markets in Washington County exhibited the greatest volatility in single family residential sale prices.

Figure 21.
Average Home Sale Price, 2000 to 2019 (YTD)

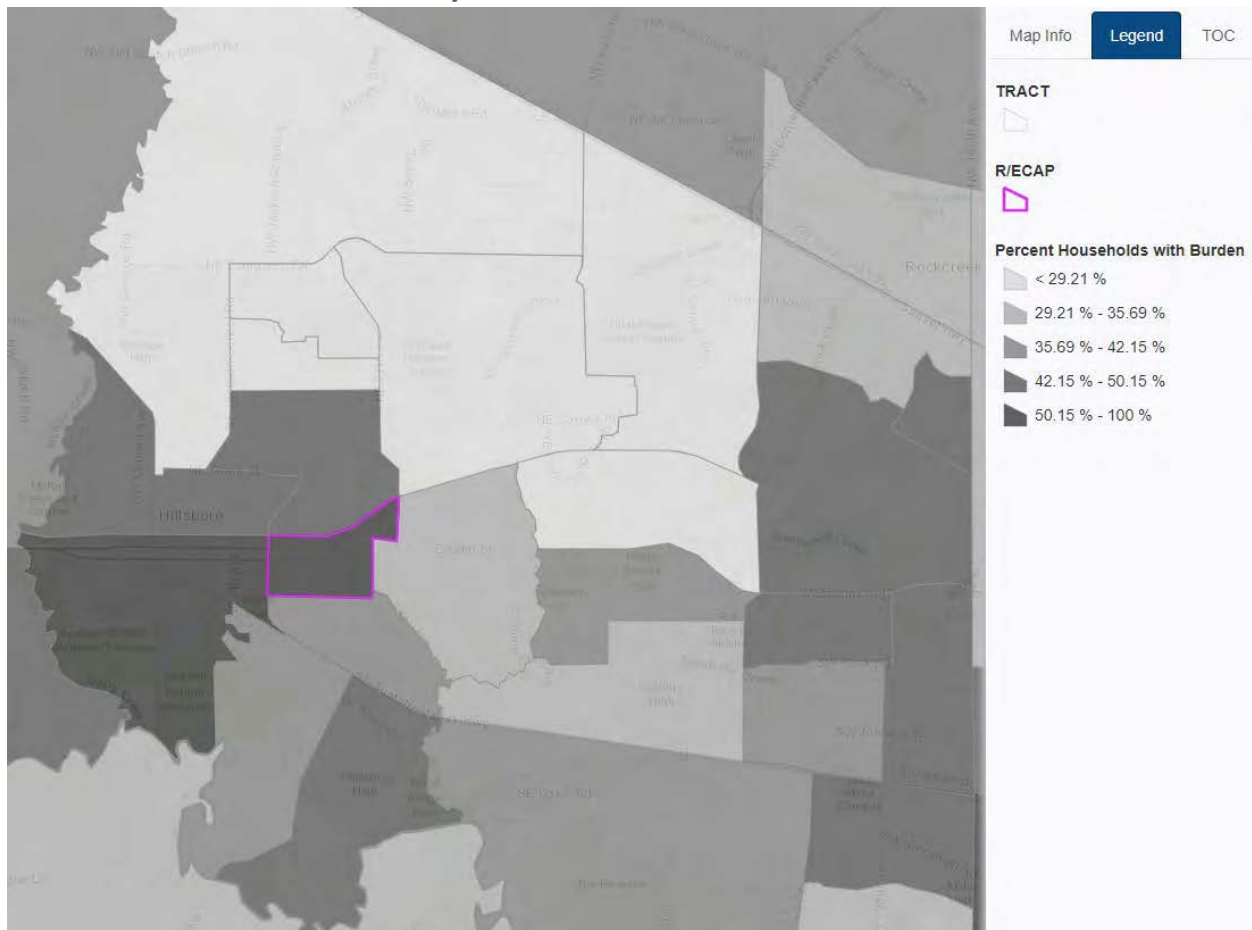


Note: The assessor data designates these properties as residential improved for single family residential structures.
 * Rural Cities
 Source: County Assessors Data

Cost burden. As discussed earlier, cost burden is defined as a household spending more than 30 percent of income on housing costs and severe cost burden is defined a household spending more than 50 percent of income on housing costs.

The map below shows where the neighborhoods with the highest housing burdens exist. Percentages are broken out using “natural breaks” in the data. This classification scheme finds class breaks that will minimize within-class variance and maximize between-class differences. The highest rates of housing burden exist in south and southwest Census tracts, where there are also clusters of residents of Hispanic descent, predominately of Mexican origin. Refer to Figures 5 and 6 to review racial/ethnic and national origin concentrations in Hillsboro. Fifty to 100 percent of households living in the city’s one R/ECAP, Census tract number 0324.09, experience cost burden.

Figure 22.
Cost Burden Households, Hillsboro



Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool—Version 4. <https://egis.hud.gov/affht/>.

Figure 23 shows cost burden by tenure for Hillsboro and Figure 24 shows severe cost burden by tenure. For both renters and owners, the largest number of cost burden households are in the 51 to 80 percent of MFI income cohort. The number of cost burdened renters is much higher than the number of cost burdened owners in all income categories. Renters comprise nearly 75 percent of all cost burdened households earning 50 percent of MFI or less.

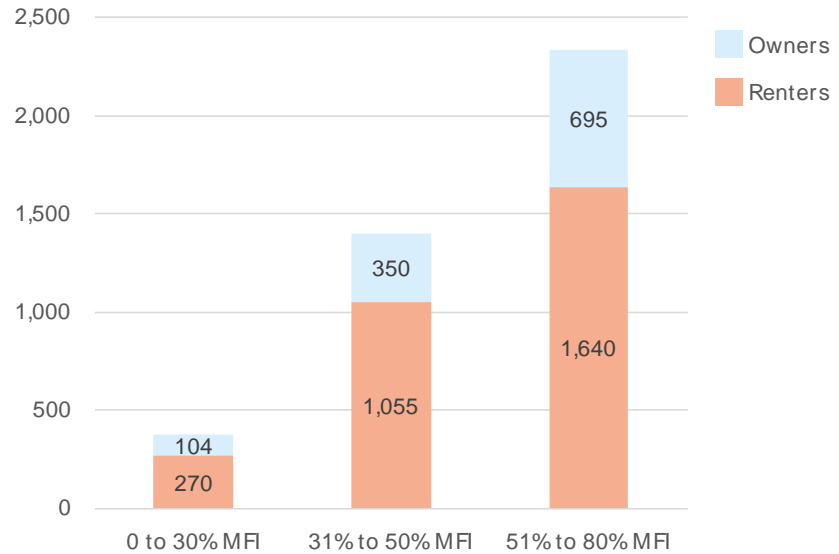
Figure 23.
Cost Burden:
Households Paying
30 to 50 Percent of
Income in Housing
Costs by Tenure,
Hillsboro, 2011 to
2015

Note:

Cost burden is defined as a household spending more than 30 percent of their household income on housing costs.

Source:

CHAS 2011-2015.



In comparison, the largest group of *severely* cost-burdened households earn between 0 and 30 percent of MFI and the majority are renters. This is because these extremely low income renters have such trouble finding affordable units they are almost all severely cost burdened, rather than cost burdened. Severely cost burdened owners generally represent owners who cannot afford to keep up with property taxes and home insurance costs and are usually elderly owners.

Figure 24.
Severe Cost Burden:
Number of
Households Paying
more than 50
Percent of Income
in Housing Costs by
Tenure, Hillsboro,
2011 to 2015

Note:

Severe cost burden is defined as a household spending more than 50 percent of their household income on housing costs.

Source:

CHAS 2011-2015.

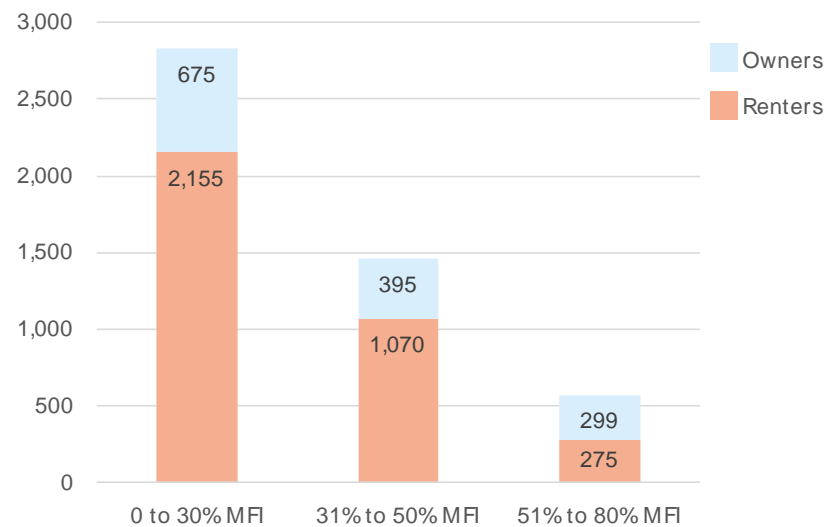


Figure 25 shows cost burden by race and ethnicity for Hillsboro. For White, Asian, Native American, and Pacific Islander households, around 70 percent of the population are not cost-burdened. This percentage drops dramatically for Black and Hispanic households, who experience cost burden at a higher rate. Black households, although a small proportion of the city's population are heavily cost burdened, and Hispanic households are heavily severely cost burdened.

Figure 25.
Cost Burden by Race and Ethnicity, Hillsboro, 2011 to 2015

	Percent Not Cost Burdened (<=30%)	Percent Cost Burdened (30% to 50%)	Percent Severely Cost Burdened (>50%)
Hillsboro Overall	68%	18%	14%
White	70%	17%	13%
Black / African American	45%	43%	12%
Asian	77%	15%	8%
American Indian, Alaska Native	75%	25%	0%
Pacific Islander	73%	20%	7%
Hispanic	54%	22%	24%

Source: CHAS 2011-2015.

Inventory of affordable housing. In Washington County overall, there are approximately 8,000 regulated affordable housing units. The majority of units, 87 percent, have income restrictions at 60 percent of MFI or below.

The following two figures show the distribution of units by income level/MFI and unit type, by jurisdiction.

Figure 26 reveals that Hillsboro has a significantly larger number (about 2,500) of regulated affordable units compared to Beaverton (about 850). This is related to Hillsboro’s increase in newly constructed regulated affordable units, discussed in more detail below. Hillsboro alone provides 30 percent of the all units located in the county. The next largest number of regulated affordable units is in the unincorporated county at 1,960 units.

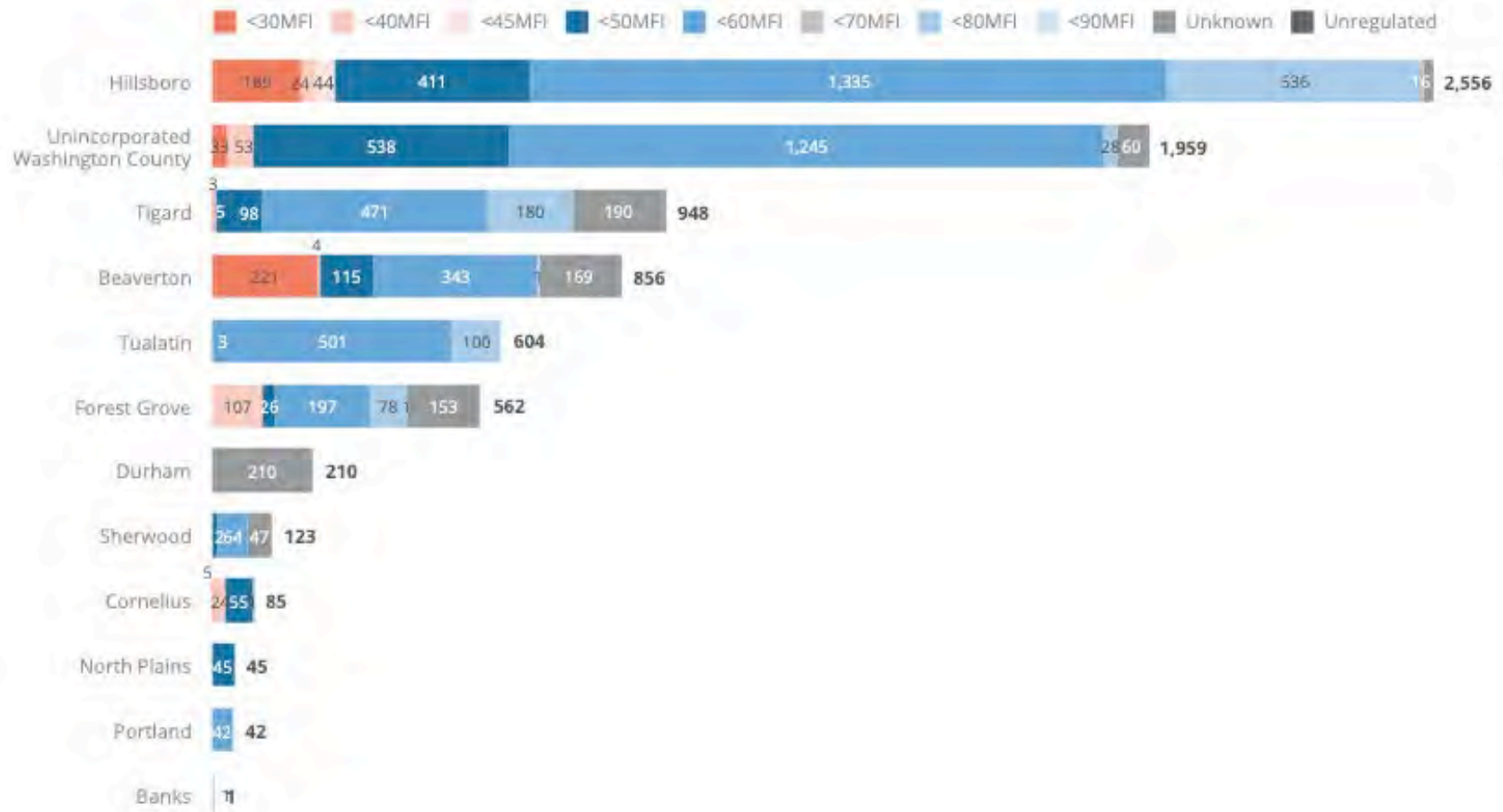
Overall in the county, units priced to serve 60 percent MFI households make up slightly more than half of all regulated affordable units. Units affordable to 50 percent MFI households and less comprise 25 percent of all units, and units priced to serve 80 percent MFI households and make up 15 percent of all units, with the MFI levels of 10 percent of the units not available in the Metro housing inventory database.

Figure 27 shows the number of affordable housing units by place and unit type where unit type is known. Of the 80 percent of the regulated affordable units at the county level for which room composition was available, 37 percent are one-bedroom units and 42 percent are two-bedroom units. Ten percent have three- to four-bedrooms and accommodate larger families. Hillsboro, on the other hand, had a much higher level of unknown room compositions (45 percent), making comparison among room types difficult as the unknown units could dramatically affect the comparisons. Given the available data, affordable housing units in the County are geared towards small to moderately sized households. The county’s regulated affordable housing stock offers a solid range of unit sizes for low income households. This is true across jurisdictions.

Figure 28 shows when units were built by decade; Figure 29 shows the type of activity (e.g., new construction v. rehabilitation). Hillsboro saw slow initial growth in newly constructed affordable

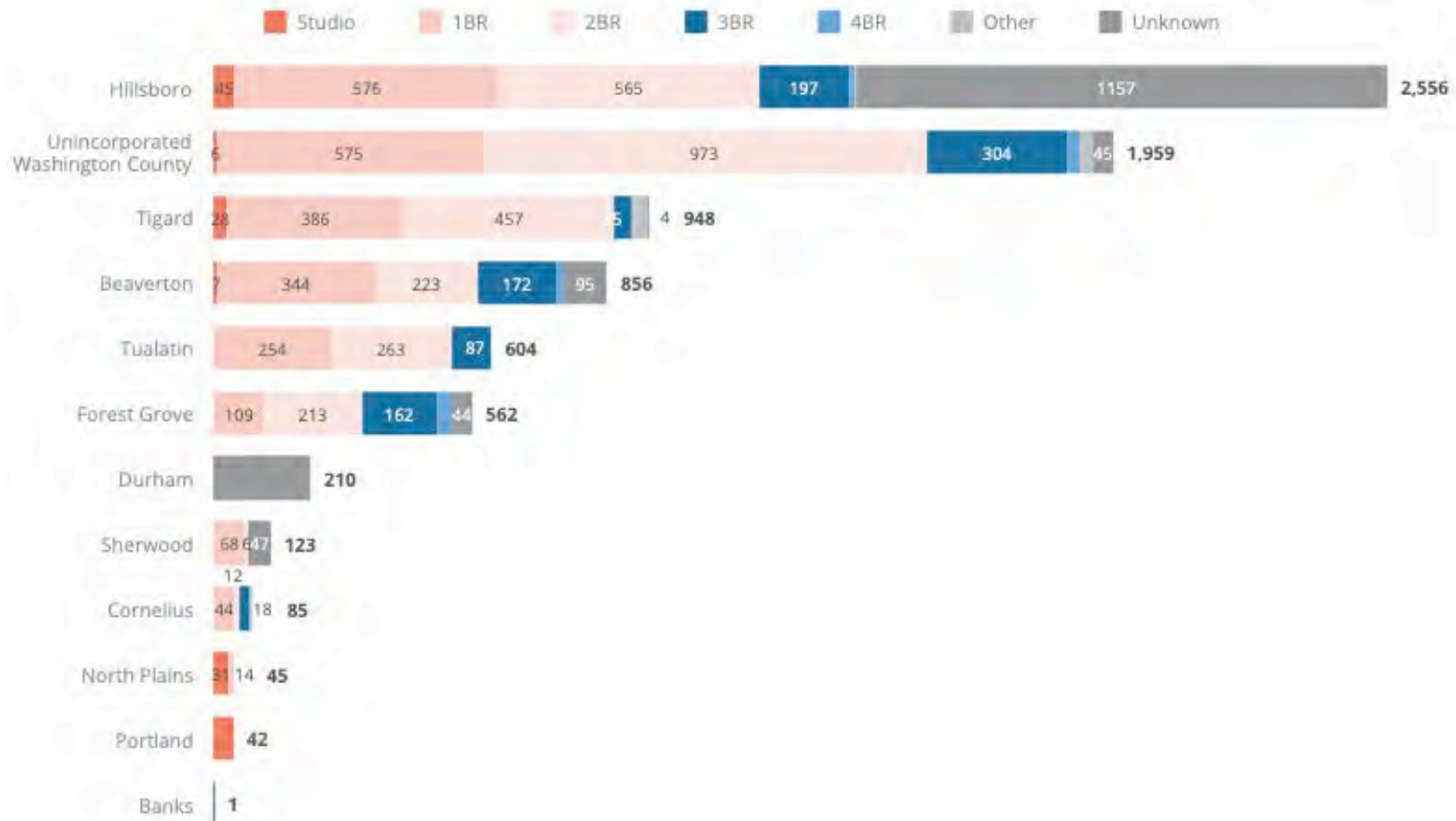
housing units in the 1990s. In the 2000s however, construction increased considerably and rates have maintained to date. Figure 39 reveals that in addition to new construction, Hillsboro has a significant inventory of regulated affordable housing units acquired through property acquisitions.

Figure 26.
Affordable Housing Units by Income Restriction, 2017



Source: 2017 Metro Affordable Housing Inventory Report

Figure 27.
Affordable Housing Units by Unit Type, 2017



Source: 2017 Metro Affordable Housing Inventory Report

Figure 28.
Construction of new, regulated affordable housing units by decade, 1980-2019

Note: New Construction units that did not have data available for the construction year are not included in this chart.

Source: 2017 Metro Affordable Housing Inventory Report.

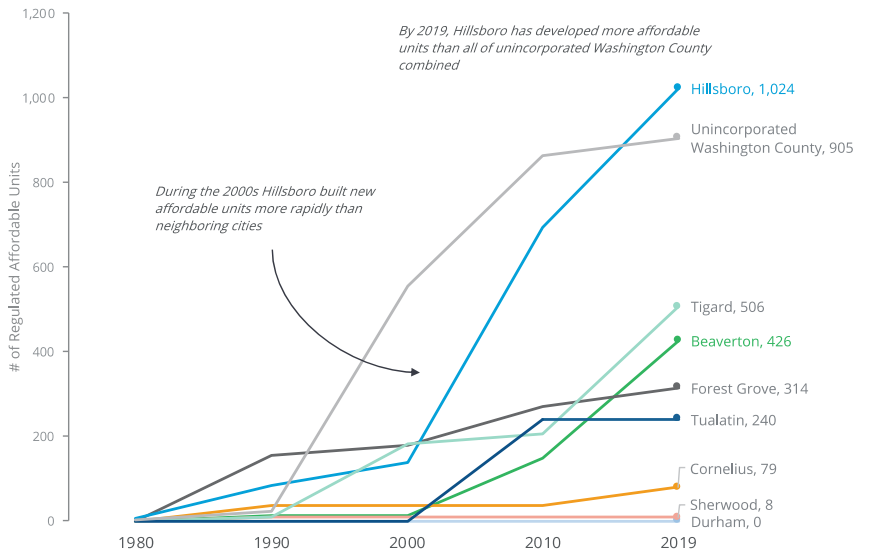
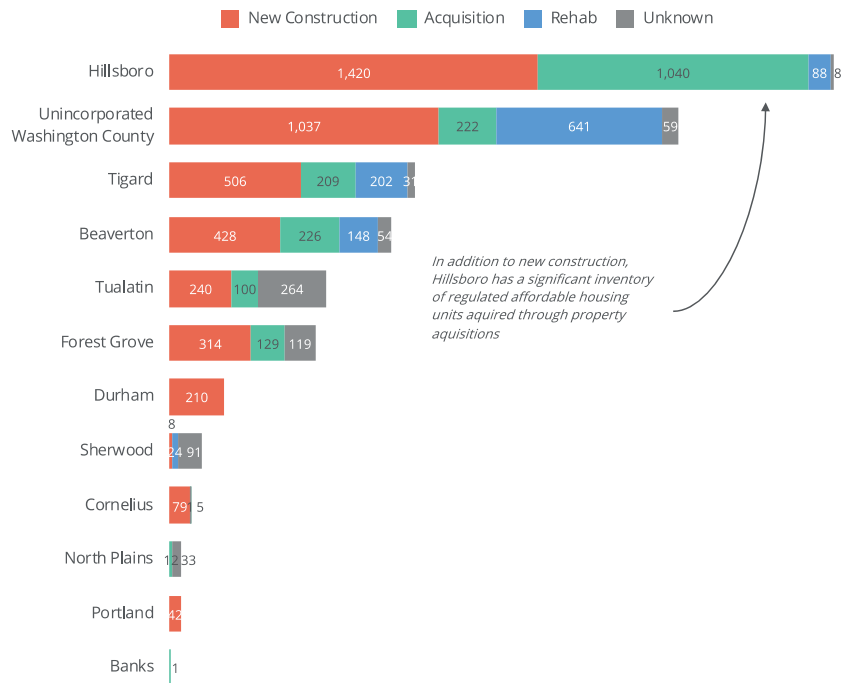


Figure 29.
Affordable Housing Units Project by Project Type, 2017

Note:

Source: 2017 Metro Affordable Housing Inventory Report.



The following four maps show the geographic distribution of regulated affordable housing units, buildable land inventory, vacant parcel development opportunities, and manufactured dwelling park housing for Hillsboro.

Figure 30 shows that the largest cluster of affordable multi-unit developments are in and around the city's one R/ECAP, Census tract 0324.09 just southeast of the city center, while several other large multi-unit developments exist near the light rail station on the eastern edge of the city. The figure reveals that government sponsored units tend to be scattered smaller scale developments within the lower-density residential neighborhood fabric, while for-profit and non-profit sponsored multi-unit developments tend to have the largest number of total units per development and cluster around the transit stations areas near urban edge light rail stations.

Figure 31 shows residential units available through buildable land in Hillsboro and the potential for infill development. The largest areas of buildable land are located along the city boundary in the east and southeast. These areas should be further assessed for their development potential. The largest opportunity to build a significant number of new units on vacant land Hillsboro is clustered close to the Quatama/NW 205th Ave MAX light rail stop. This proximity makes a transit oriented development feasible providing access to the regions employment centers without the need of a car.

Figure 33 shows all manufactured dwelling parks in Hillsboro, broken out by type—family and seniors (55+) based on the Oregon Manufactured Dwelling Park Directory. There are at total of 3,900 manufactured dwelling park units in the county with a total of 97 vacancies. Among these units 1,533 are restricted to those 55 years of age and older will the remaining 2,367 are open to families of all ages. Most manufactured dwelling parks are located south of the light rail line and along a major corridor. While there are no manufactured dwelling parks in the city's one R/ECAP (Census tract 0324.09), they are in close proximity to this concentrated area of poverty. There are several larger parks strung along the SE Tualatin Valley Highway as well.

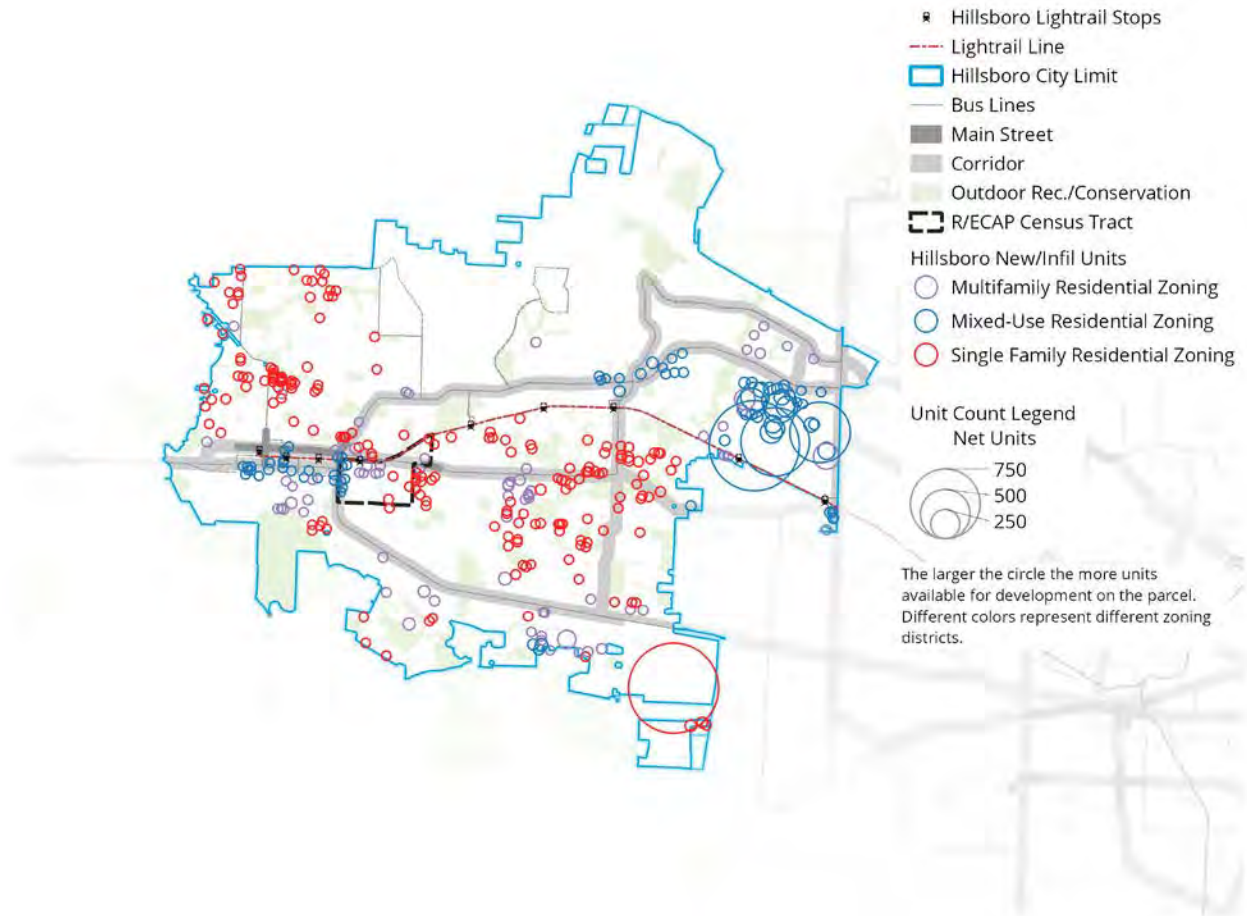
Figure 30.
Affordable Housing Units, Hillsboro 2017



Note: Projects with greater than 10 units are also labeled with a number which signified the total number of units.

Source: 2017 Metro Affordable Housing Inventory Report.

Figure 31.
Buildable Land Inventory, Hillsboro, 2018

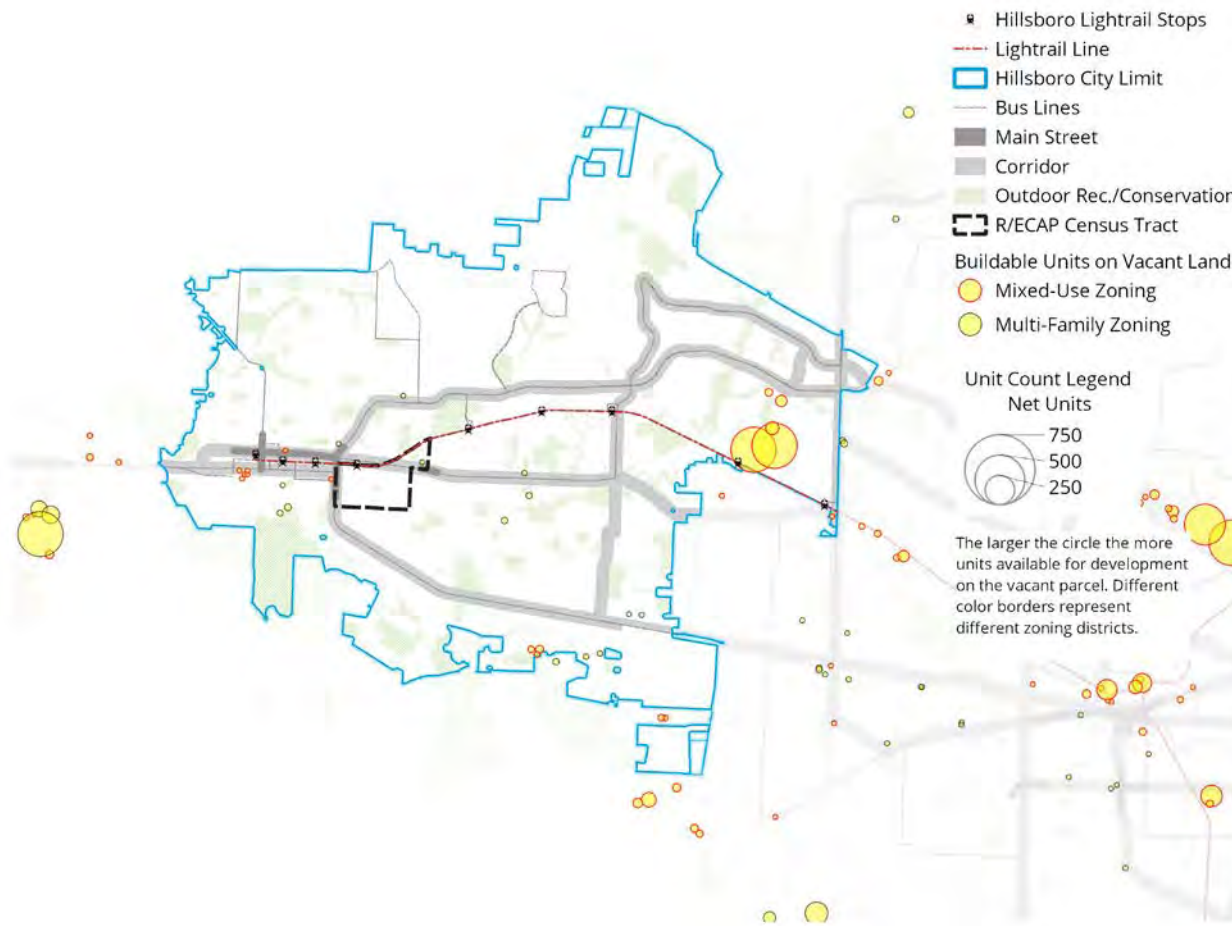


Note: Projects with two or fewer units were excluded.

Source: Metro RLIS Discovery Portal.

Figure 32.

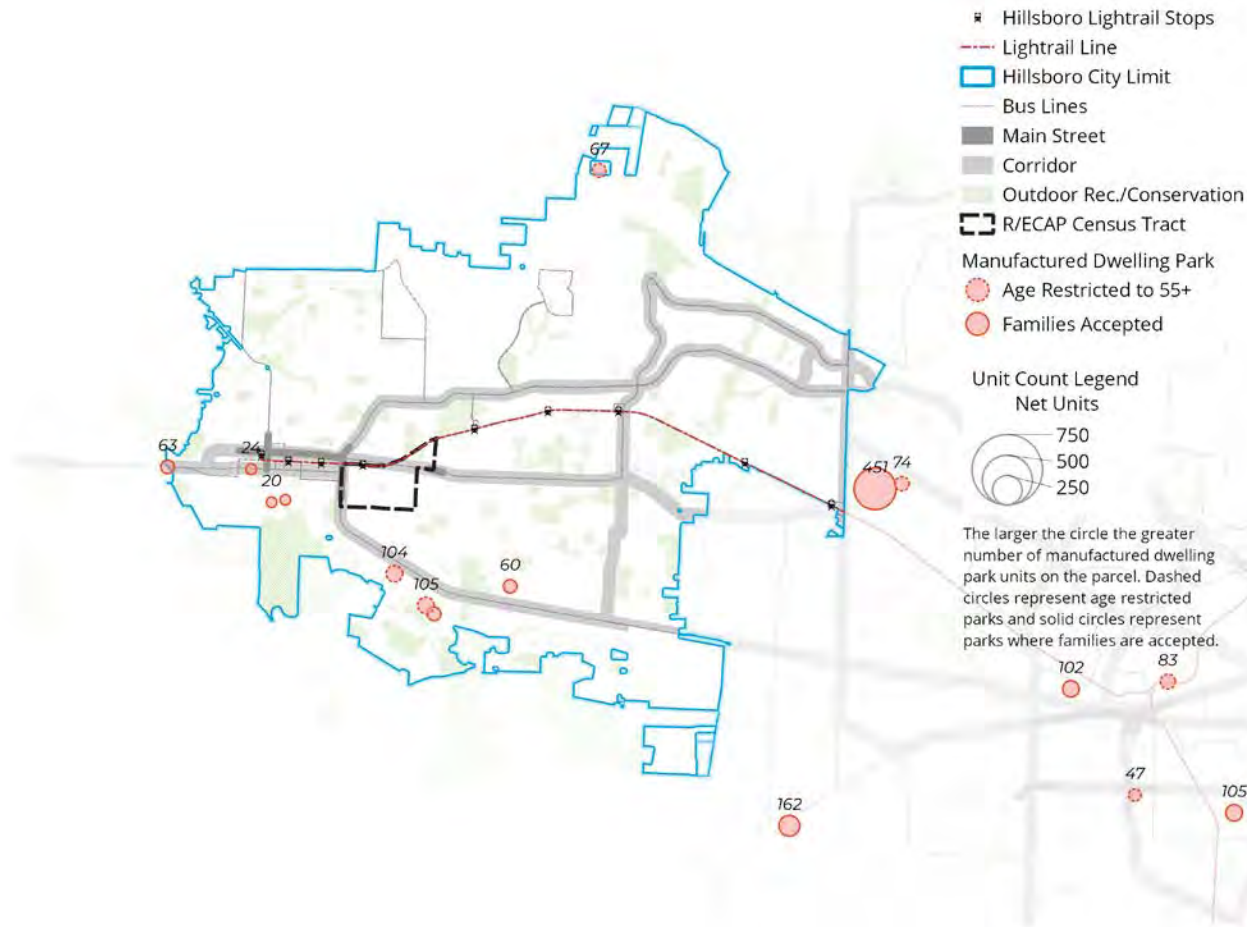
Buildable Housing Units on Vacant Multifamily or Mixed-Use Zone Lots, Hillsboro, 2018



Note: Projects with two or fewer units were excluded.

Source: Metro RLIS Discovery Portal

Figure 33.
Manufactured Dwelling Parks Housing Units, Hillsboro, 2018



Note: Projects with greater than five units are also labeled with a number which signified the total number of units.

Source: State of Oregon, Oregon Manufactured Dwelling Park Directory

Housing Gaps

To examine how well Hillsboro’s current housing market meets the needs of its residents—and to determine how likely it is to accommodate demand of future residents and workers—this study used a modeling effort called a “gaps analysis.” The analysis compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households, the market is “oversupplying” housing at that price range. Conversely, if there are too few units, the market is “undersupplying” housing. The gaps analysis conducted for renters in Hillsboro addresses both rental affordability and ownership opportunities for renters who want to buy.

It is important to note that the gaps does not account for persons without housing, who are doubling up, living in motels/hotels, living in their cars or camping, and in shelters. As such, the need is larger than what is identified in the rental gaps.

Rental gap. Figure 34 compares the number of renter households in Hillsboro in 2017, their income levels, the maximum monthly rent they could afford without being cost burdened, and the number of units in the market that were affordable to them.⁶

The “Rental Gap” column in the table shows the difference between the number of renter households and the number of rental units affordable to them. Negative numbers (in parentheses) indicate a shortage of units at the specific income level; positive units indicate an excess of units.

The line graph provides a visual of the mismatch in the rental market. When the blue line (number of rental units) is above the red line (number of renters), there is an oversupply of rental units at that income level. If the redline is above the blue line, there is an undersupply of rental units at that income level.

The results of the gaps analyses show:

- Hillsboro has 1,917 renters who earn less than \$25,000 per year. These renters make up 11 percent of all the city’s renters. There are just 712 housing units to serve these renters—leaving a gap of 1,205 units.
- The rental gap exists for households earning less than 30 percent of the MFI with the largest gaps for households with nearly no income (\$0 to \$5,000 per year) and those earning between \$20,000 and \$25,000.
- The rental market in Hillsboro is largely priced to serve renters earning between \$35,000 and \$75,000 per year. These households can afford to pay between \$875 and \$1,875 per month in

⁶ It is important to note that renters who cannot find affordable rents are not homeless. Those renters who cannot find affordably priced rentals are living in units that cost more than they can afford. These households are “cost burdened.” These households consist of students, working residents earning low wages, residents who are unemployed, and residents who are disabled and cannot work. These data do not capture persons experiencing homelessness.

rent and utilities without being cost burdened. Thirty-seven of the city's rental units are priced to serve renters earning \$35,000 and \$50,000 and another 39 percent are priced to serve renters earning between \$50,000 and \$75,000.

- Hillsboro's gap is much smaller than Beaverton's, despite the cities being similar-sized. This is also notable given that Hillsboro's median gross rent is higher. This suggests that Hillsboro's larger number of regulated affordable units has been a strong factor in preserving affordability for the lowest income renters, resulting in a rental gap that is less than half of the gap that exists in Beaverton.

Figure 34.
Mismatch in Rental Market,
Hillsboro, 2017

Note on the graphic: When the blue line (number of rental units) is above the red line (number of renters), there is an oversupply of rental units at that income level. If the red line is above the blue line, there is an undersupply of rental units at that income level.

Source:
 2017 5-year ACS.

Income Range	Renters		Maximum Affordable Rent, Including Utilities	Rental Units		Rental Gap
	Number	Percent		Number	Percent	
Less than \$5,000	295	2%	\$125	6	0%	-289
\$5,000 to \$9,999	214	1%	\$250	108	1%	-106
\$10,000 to \$14,999	291	2%	\$375	182	1%	-109
\$15,000 to \$19,999	436	3%	\$500	250	1%	-186
\$20,000 to \$24,999	681	4%	\$625	166	1%	-515
\$25,000 to \$34,999	1,316	8%	\$875	1,667	9%	351
\$35,000 to \$49,999	2,518	14%	\$1,250	6,538	37%	4,020
\$50,000 to \$74,999	2,733	16%	\$1,875	6,869	39%	4,136
\$75,000 or more	8,900	51%	\$1,875+	2,007	11%	-6,893
Total/Low Income Gap	17,384	100%		17,793	100%	-1,205



2010 rental gaps comparison. A gaps model was also prepared for 2010 for Hillsboro, to examine how the market has changed. The total rental gap then was 2,566 units for households earning less than \$25,000—a much larger gap than in 2017.

The reason for the change in the gaps was a reduction in the number of households earning less than \$25,000 per year. These households declined from 3,427 in 2010 to 1,917 in 2017, either because they moved from the area or experienced an income increase. Affordable rentals also declined but only slightly—by 149 units (this compares to the loss of 1,321 units in Beaverton during the same time period). In sum, as of 2017, there were 149 fewer rentals to serve households earning less than \$25,000 and 1,510 fewer households who needed them.

Ownership gap. A similar gaps analysis was conducted to evaluate the market options affordable to renters who may wish to purchase a home in Hillsboro. The for-sale gaps model compares renter income levels, the maximum home price they could afford, and the proportion of units in the market that would be affordable to them *if the units on the market for sale represented the value distribution of all homes*. The maximum affordable home prices shown in Figure 35 assumes a 30-year mortgage with a 10 percent down payment and a fixed interest rate of 4.50 percent. The estimates also incorporate property taxes, insurance, HOA fees, and utilities (assumed to collectively account for 25% of the monthly payment).

This model estimates the income at which a renter household could possibly find an affordable home to purchase. The “Renter Purchase Gap” column in the table shows the difference between the proportion of renter households and the proportion of homes that were affordable to them. Negative numbers indicate a shortage of units at the specific income level; positive units indicate an excess of units.

The graph provides a visual of market options for renters wanting to buy by their income range. The blue dots represent the maximum purchase price that households at various income levels can afford. The orange and green bars indicate the size of the gap between the proportion of renters and proportion of homes affordable to them.

According to the ownership gaps analysis, renters who want to buy will have trouble finding an affordable home until they earn more than \$50,000—the income at which homes to buy begin to become affordable.

It is important to note that home size, condition, and housing preferences are not considered in the affordability model. The model also assumes that renters are able to save for a 10 percent down payment (up to \$20,000 for a household earning less than \$50,000 annually).

There are very few homes currently available for these low income renters who may want to buy. As of July 2019, there were just 44 homes listed for sale in Hillsboro at \$300,000 or less:

- The vast majority were condominiums; 6 were mobile homes; 8 were townhomes; and 2 were single family detached homes.

- The median sale price was \$249,750.
- The average size was 1,200 square feet, with 2 bedrooms and 2 baths.
- The average year built was 1993.
- Homeowners' Association (HOA) fees added \$232 per month, on average, to the cost of the home, putting the actual, amortized cost of the average home at around \$300,000.

Figure 35.
Market Options for Renters
Wanting to Buy, Hillsboro,
2017

Note:

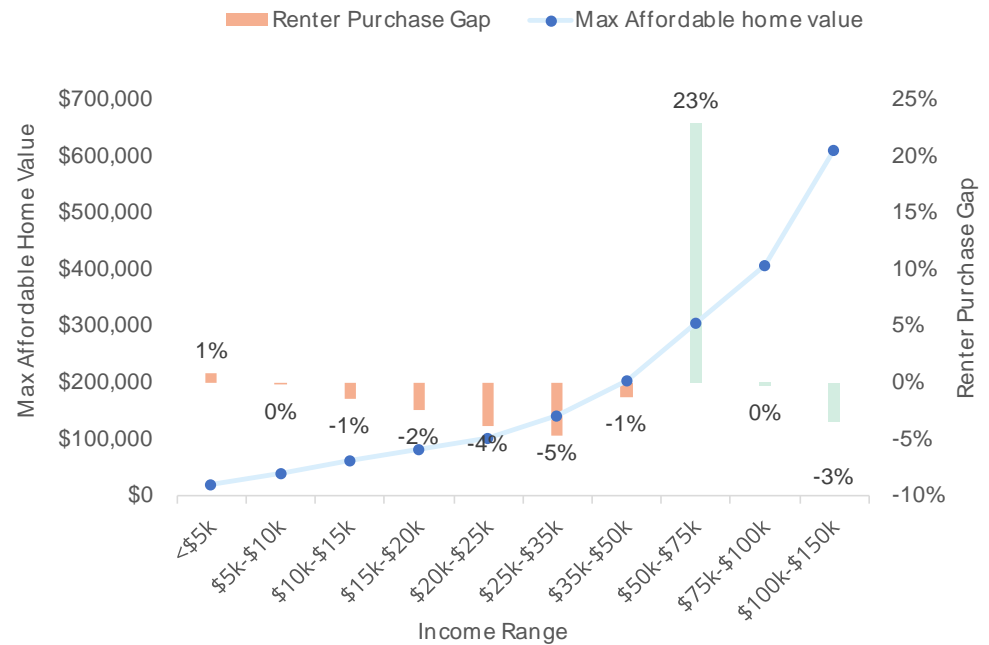
The maximum affordable home prices assume a 30-year mortgage with a 10 percent down payment and a fixed interest rate of 4.50 percent. The estimates also incorporate property taxes, insurance, HOA fees, and utilities (assumed to collectively account for 25% of the monthly payment).

On the graphic: negative numbers and orange bars indicate a lower supply, or deficit, of affordable homes to buy compared to renters. Positive and blue bars indicate a higher supply, or surplus, of homes to buy compared to renters.

Source:

2017 5-year ACS.

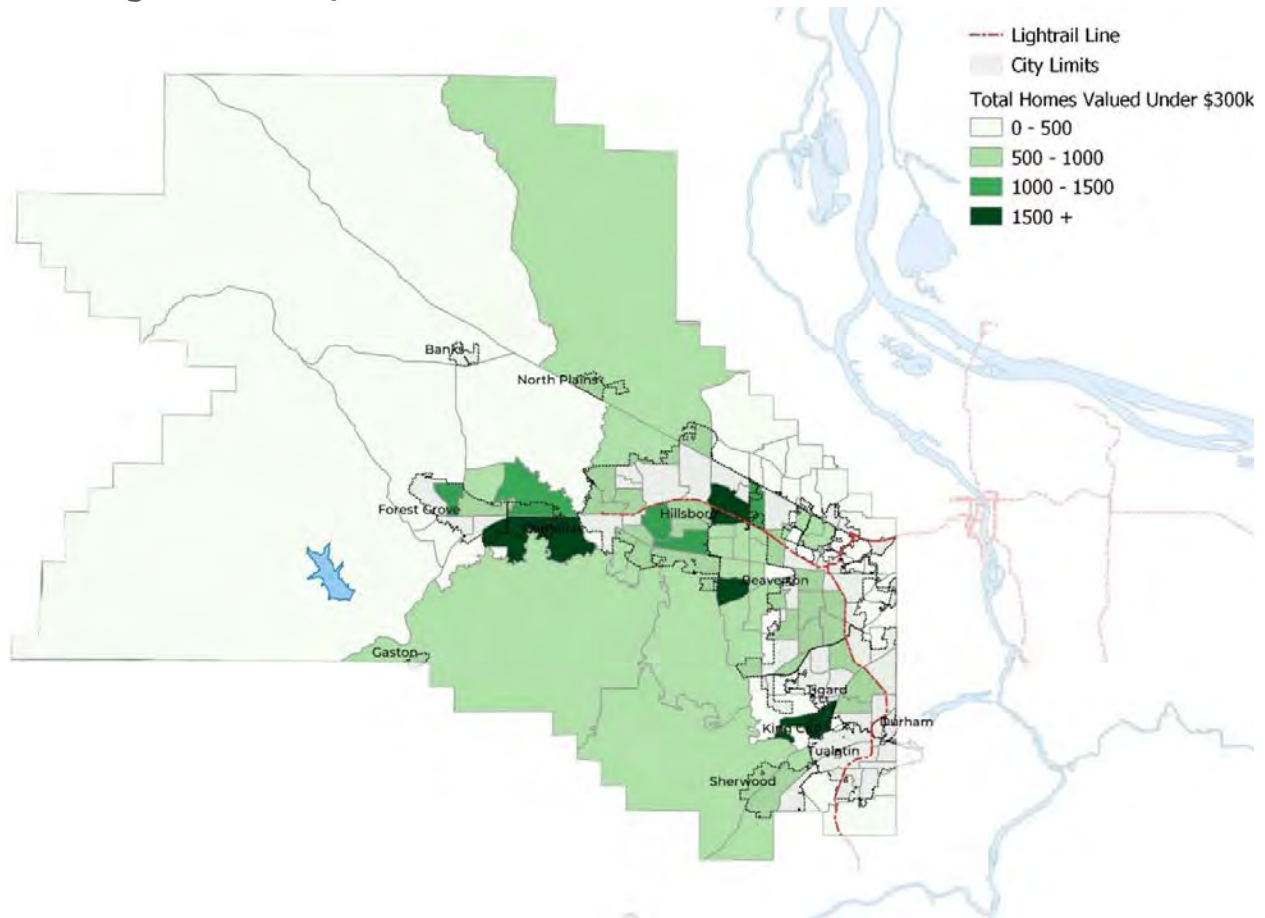
Income Range	Maximum Affordable Home Price	% of Homes	Renter Purchase Gap
Less than \$35,000	\$142,466	7%	-12%
\$35,000 to \$49,999	\$203,525	8%	-7%
\$50,000 to \$74,999	\$305,289	28%	9%
\$75,000 to \$99,999	\$407,053	25%	8%
\$100,000 to \$149,999	\$610,582	21%	6%
\$150,000 or more	\$610,582+	11%	6%



The map in Figure 36 below shows the number of homes that are affordable to households making \$50,000 annually or below based on the home's value. These homes do not represent homes available for purchase, but the stock of homes that if they were to go on the market, would likely be affordable. Some neighborhoods in Hillsboro, particularly in the south and southwest, have between 500 and 1,500 units valued under \$300,000, which is the maximum home price that a household making \$50,000 annually can afford.

The neighborhoods showing the largest concentrations of very affordable ownership units are also those where there are a large number of units located in manufactured home parks, as shown in Figure 36. Overall in the county, manufactured homes have a median value of \$57,600. Although these units appear to be very affordable, owners financing these units pay much higher rates than a conventional mortgage because manufactured homes are financed as personal property, often at very high rates. Owners living in manufactured home parks also face higher vulnerability for displacement through park sales and increase in lot fees.

Figure 36.
Homes Valued Under \$300,000 and Affordable to Households Earning 100% MFI, 2017



Source: 2017 5-year ACS

Special Needs Populations

Populations with special needs, such as persons experiencing homelessness or persons with disabilities, may have different housing needs than other populations. This part of the section explores those housing needs.

Figure 37 shows the homeless count by shelter type for Washington County. As of January 2019, 413 households and 522 individuals were experiencing homelessness. The majority of households and individuals were unsheltered.

Although individuals experiencing homelessness were more likely to be over the age of 24, there were 62 children under the age of 18 and 49 young adults between the ages of 18 and 24 experiencing homelessness in Washington County. Children were more likely than other age groups to be staying in emergency shelters.

The point-in-time count is not without limitations. There is variation in count methodology year-to-year within and across communities. Unsheltered counts have more limitations than sheltered counts, therefore it is likely that the number of unsheltered individuals experiencing homelessness is larger. This count also does not include persons who are at-risk of homelessness and is thought to undercount families and children, many of whom “float” among temporary residence and may be living in domestic violence situations.

Figure 37.
Homeless Count by Shelter Type, Washington County, 2019

	Emergency	Traditional	Safe Haven	Unsheltered	Total
Total Households	31	73	8	301	413
Total Individuals	65	90	8	359	522
<i>Under age 18</i>	33	9	0	20	62
<i>Ages 18 to 24</i>	6	13	1	29	49
<i>Over age 24</i>	26	68	7	310	411

Note: Point-In-Time data unavailable at the jurisdictional level.

Source: Washington County, Oregon Point-In-Time Homeless County 2019.

Figure 38 shows special needs populations in Hillsboro, their current housing need, and future housing need in the next five years. Future housing need depicts a stabilization scenario, where population continues to grow at the same rate as the previous five years. Needs are determined by a combination of indicators, poverty, in addition to national incidence rates applied to Hillsboro’s population.

Large families and households containing a person with a disability had the highest proportions of housing need—49 percent for both type of households. Elderly households also had a high rate of housing need at 42 percent.

Figure 38.

Housing Need of Special Needs Populations, Current and Future Growth

	<i>Current</i>			<i>Future</i>	
	Total Households	# of Households with Need	% of Households with Need	Housing Need in 5 Years	Change in Housing Need
Elderly Households	7,604	3,175	42%	3,608	433
Single Person Households	9,300	544	6%	618	74
Large Families	3,890	1,890	49%	2,148	258
Households with LEP	2,055	141	7%	161	19
Households Containing Persons with a Disability	7,165	3,489	49%	3,965	476
<i>Hearing/Vision Impairment</i>	3,025	1,440	48%	1,637	197
<i>Ambulatory Limitation</i>	3,875	1,860	48%	2,114	254
<i>Cognitive Limitation</i>	2,840	1,440	51%	1,637	197
<i>Self-Care/Independent Living Limitation</i>	2,725	1,330	49%	1,512	182
Victims of Domestic Violence	4,342	664	16%	755	91

Note: Housing need defined as a household having one or more of four housing problems, which includes: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost burden greater than 30%.

Elderly households contain at least one person aged 62 years or older; households with LEP have Limited English Proficiency; and victims of domestic violence include rape, physical violence and/or stalking by an intimate partner.

Source: 2017 5-year ACS.

Figure 39 shows low income populations (broken out of MFI) in Hillsboro, their current housing need (based on housing problems data), and future housing need in the next five years.

Extremely low income households (earning 30% of MFI or below) and very low income households (earning between 31% and 50% of MFI) had the highest proportions of housing need—86 percent and 85 percent, respectively. Low income households (earning between 51% and 80% of MFI) also had a high rate of housing need at 60 percent.

Figure 39.

Housing Need of Low Income Populations, Current and Future Growth

	<i>Current</i>			<i>Future</i>	
	Total Households	# of Households with Need	% of Households with Need	Housing Need in 5 Years	Change in Housing Need
Extremely Low Income (\leq 30% MFI)	3,790	3,265	86%	3,711	446
Very Low Income (31-50% MFI)	3,460	2,930	85%	3,330	400
Low Income (51-80% MFI)	5,410	3,225	60%	3,665	440
Low to Moderate Income (80-100% MFI)	3,565	1,370	38%	1,557	187

Note: Housing need defined as a household having one or more of four housing problems, which includes: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost burden greater than 30%.

Source: 2017 5-year ACS and 2011-2015 CHAS data.