MEMORANDUM

Community Development Department

To:	Planning Commission
From:	Brian Martin, Long Range Planning Manager
	Jena Hughes, Associate Planner
	Javier Mena, Housing Manager
Memo Date:	Jan. 11, 2023
Work Session:	Jan. 18, 2023
Subject:	Housing Beaverton Project: Potential Housing Strategies
Attachments:	A. Summary of Existing Measures
	B. Draft Potential Housing Strategies

PURPOSE

The Housing Beaverton Project is designed to identify people's housing needs and determine what actions the city can take to promote the creation of housing that meets community members' needs. The project includes a Housing Needs Analysis to understand current and future housing needs in Beaverton over the next 20 years and a Housing Production Strategy that identifies city actions to help meet the forecasted housing need. A new state law requires the city to complete a Housing Needs Analysis and Housing Production Strategy every six years. Beaverton's last housing analysis was completed in 2015. The city's grant agreement with the state requires substantially complete draft documents by May 2023.

This work session will provide an opportunity for Planning Commission members to review and provide comments on the draft potential housing strategies, which includes potential strategies the city could implement to address current and future housing needs.

OVERVIEW

Project Background

The Housing Beaverton Project is using an equity approach to understand housing need beyond affordability alone, especially for those groups that have been historically underrepresented in housing and land use conversations. The project aims to understand the housing needs of all residents based on diverse lived experiences and living situations to inform what action is needed to address identified housing need.

Housing Needs Analysis – Preliminary Findings

City staff have been working with a consultant team led by APG/MIG to conduct the Housing Needs Analysis, which is a comprehensive study of housing needs, buildable lands, and potential policies and strategies to address current and future housing in the Beaverton community. Below is a summary of preliminary findings. More details can be found on the project website: www.beavertonoregon.gov/HBP.

Current and Future Housing Need

- **Affordability:** The housing that is currently available and being built does not align with what households can afford, particularly for households with lower incomes.
- **Rental housing:** The greatest unmet need is for households making less than $35,000 per year.
- **Ownership housing:** There is currently a need for more ownership housing at lower price points, while the middle to upper end of the market is well supplied. Most households in Beaverton cannot afford the homes that have recently sold in the city. The median sale price of homes sold within the last 12 months was $518,500, and 77 percent of recent sales took place above the $400,000 price level. Homes in this range should be mostly affordable to households earning at least $100,000 per year, or an estimated 37 percent of local households.
- **Gentrification and displacement:** Neighborhoods most vulnerable to gentrification and displacement largely correspond with areas of lower median household income and BIPOC households, such as in the central and southeastern parts of the city.
- **Population growth:** Beaverton's population is projected to grow by more than 19,000 people by 2042. Beaverton needs nearly 9,900 new housing units to accommodate the projected growth.
- **Housing types needed:** More middle housing and a smaller share of single-detached homes are anticipated to be needed. The housing forecast includes a shift toward more ownership units. The share of multi-dwelling units is projected to stay relatively constant (around 33 to 34 percent).

Housing Needs for Priority Populations

- **Low-income households:** In 2042, about 7 percent of new households will be very low income (30 percent to 50 percent of the Area Median Income [AMI]) and 14 percent are estimated to be extremely low income (less than 30 percent AMI). New market-rate construction will not generally meet this need. Further, the market may reduce the supply of housing affordable at this level through redevelopment of older, unregulated housing or removal of mobile home parks.
- **Households of color:** The largest shares of communities of color in Beaverton are people who identify as Asian (12%), people who identify as Hispanic or Latine (18%), and people who identify as Two or More Races (12%). Due to historic and ongoing systemic racism, people of color have disproportionately unmet housing needs and limited housing choice. Redlining and other forms of segregation and disinvestment in communities of color have also resulted in lower generational wealth than white communities, which negatively impacts access to homeownership. Other facets of systemic racism outside of housing

such as education, employment, health, and criminal legal systems may impact people of color's ability to access housing to meet their needs.

- o **Increasing homeownership:** Households of color are less likely to own the homes they occupy compared to white households. Latine and Native American homeownership rates are the lowest of all racial and ethnic groups in Beaverton. Black homeownership is also low. People of Color have historically been excluded from homeownership by racist policies and practices. On-going barriers for some people of color include lower incomes, not having good credit history, lack of collateral, loan denial disparities, culturally specific barriers to banking, lack of familiarity with U.S. banking systems, and immigration-related barriers to making long-term housing commitments. To meet more equitable homeownership goals in Beaverton in the future, the estimated new housing needs are calculated to intentionally increase homeownership rates for People of Color who currently are below the median homeownership rate. Among new units, an increased share of 53 percent, or roughly 5,225 units, should be ownership units to help rebalance this deficit. Ownership housing for first-time homebuyers and people who have been historically excluded from homeownership will need to be lower in cost compared to current market-rate housing.
- o **Affordability:** While the median annual household income in Beaverton is $77,700, Latine and Native American median household incomes are substantially below that. The median income of Asian and Pacific Islander households is estimated to be above the overall median though there is much variation within this broad racial group.
- o **Large and multigenerational households** are more common in communities of color in comparison to white households. Large and multigenerational households may need larger homes or specific housing types that accommodate the greater number of household members. Prior engagement suggests that these households may have difficulty finding units of an appropriate size and design for their household needs.
- **Immigrants and Refugees:** Immigrants, especially undocumented immigrants and mixed-status families face particular housing challenges because of their immigration status. Many undocumented people are not eligible for federally subsidized affordable housing.
  - o Households with language or cultural barriers may have greater difficulty navigating the US financial and credit system, housing laws, and tenant rights. These barriers can make these households less likely to become homeowners and more vulnerable to eviction.
- **Persons with disabilities:** There are many different types of disabilities, and their impact of housing needs are varied. Generally, ambulatory, self-care, or independent living disabilities have the greatest impact on housing needs. People over 65 years old are more likely to report a disability with over 30% of the Beaverton population aged 65 years and old reporting at least one disability. However, because Census data tends to undercount the unhoused population, there may be more residents with disabilities in Beaverton than reflected in these data.
  - o Approximately 1,190 new housing units by 2042 (12 percent of overall need) will need to have accessibility considerations for people with varying disabilities and needs. This includes housing options with access for wheelchairs, walkers, or

scooters and housing options that give people the ability to live with family or in group housing.

- o Prior engagement suggests that there are insufficient available units that are accessible, and that many properties are not accessible in all common areas. It also suggests that housing should be as flexible/customizable as possible to adapt to each person's needs, and constructed/retrofitted in a way that accommodates the most people possible; that it should provide convenient parking for those with disabilities; and that many of those with disabilities also need affordable housing.

- **Seniors** (Those aged 55 years and older): Approximately 30% of the Beaverton's total population is over the age of 55 today. The age cohort over 55 years of age grew the most in terms of population share between 2000 and 2020. This growth exceeds historic population trends and means that housing options meant to serve seniors generally remain significantly underbuilt.

  - o Housing needs for seniors range from smaller-sized units, housing units accessible to people with mobility difficulties, co-housing communities, and retirement communities to continuing care and assisted living facilities. The market can provide senior housing for those with sufficient savings or income to afford independent living, assisted living, or continuing care facilities. Low-income seniors may not be able to afford these options and may have limited funds to adapt their existing housing to meet their needs.

- **People experiencing homelessness:** The most recent January 2022 point-in-time count found 808 people experiencing homelessness in Washington County overall. Of those counted, 72% were in temporary shelter while 28% were unsheltered. Approximately 26% of those individuals were children under the age of 18, and 31% of those individuals are considered "chronically homeless." People experiencing homelessness encompasses a broad range of experiences and situations. It is difficult to accurately count all people who are experiencing homelessness, and it is generally presumed that this population is undercounted by most methods.

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

Buildable Lands Inventory

The results of the housing need projection are compared with the Buildable Lands Inventory (BLI), which estimates the remaining residential lands in the city that can accommodate housing growth. The BLI estimates the amount of residential land that has room for development and is not constrained by natural resources or other features and estimates that land's capacity to accommodate new housing units. Preliminary findings:

- For the next 20 years, there is a projected surplus of buildable land to accommodate projected housing needs.
- The analysis finds sufficient land capacity for housing at all densities to accommodate the 20-year growth forecast. However, the surplus of land capacity for low-density housing is estimated to be larger than the surplus capacity for medium-density or high-density housing.

- The Cooper Mountain and South Cooper Mountain plan areas account for 56 percent of the available capacity.
- While the total land capacity is sufficient to accommodate the need for future housing units, this does not mean that the market will deliver the housing that is needed by Beaverton's residents. Priority populations (such as those mentioned previously) will need interventions in the housing market to meet the identified housing needs. This is a primary focus of the Housing Production Strategy, which is aimed at providing opportunities to current and future Beaverton residents to increase equitable outcomes to the greatest extent possible.

Current and Potential Future Housing Strategies

Staff documented a list of measures and practices that the city has done or is currently doing to meet people's housing needs. This is documented in **Attachment A, Summary of Existing Measures**.

Based on the preliminary findings of the Housing Needs Analysis, community engagement, and analysis of existing gaps and measures, staff created a draft list of potential housing strategies to meet current and future housing need. These are detailed in **Attachment B, Draft Potential Housing Strategies**. Strategies are organized according to the [Housing Production Strategy Guidance Document](#) provided by the state Department of Land Conservation and Development that includes more detailed descriptions. Categories and potential strategies include:

- **Category A: Zoning and Code Changes**
    - Zoning changes to facilitate the use of lower-cost housing types (such as micro-shelters and sleeping pods)
    - Revamping multi-dwelling and mixed-use districts to remove density limitations
    - Allow for Single Room Occupancy (SROs) in more places, including residential
    - Apply Manufactured Housing Community Preservation Zones
    - Permit-ready plan sets for Middle Housing types that could reduce review times
    - Permit-ready plan sets for accessory dwelling units
    - Mixed housing types in urban growth boundary expansion areas
    - Accessible design incentives or mandates
    - Encourage multigenerational housing by providing code incentives
- **Category B: Reduce Regulatory Impediments**
    - Remove or reduce minimum parking requirements
    - Flexible Regulatory Concessions for Affordable Housing
    - Align bike parking requirements with actual use
    - Holistic planning to distribute new density more equitably
    - Incentivize homeownership development to include condominium and townhouse housing
- **Category C: Financial Incentives**
    - No strategies identified
- **Category D: Financial Resources**
    - Housing Development Fund
    - Construction Excise Tax (CET) as a funding source for affordable housing.
- **Category E: Tax Exemption and Abatement**
    - Multiple Unit Property Tax Exemption

- **Category F: Land, Acquisition, Lease, and Partnerships**
    - Public/private partnerships with homebuilders
- **Category Z: Custom Options**
    - Increase engagement with community groups

City Council will be evaluating these strategies while considering the city's overall fiscal and funding limitations.

DISCUSSION QUESTIONS

1. Do Planning Commission members have any questions or comments about the draft potential housing strategies?
2. See Attachment B. Considering that the state requires the city to have strategies that address all unmet needs, are there housing strategies that should be modified, added, or removed? Are there any that are higher priority?

NEXT STEPS

Winter/Spring 2023:

- Public engagement on the potential housing strategies
- City Council work session to discuss potential housing strategies (tentatively March 7)
- Planning Commission work session on revised housing strategies (tentatively April 5)

Summer 2023:

- Public hearings to adopt the Housing Needs Analysis and Housing Production Strategy (tentatively June 14 for Planning Commission and August 15 for City Council)