

# City of Hillsboro

## Housing Needs Analysis Report

July 5, 2023



Source: City of Hillsboro

# Acknowledgements

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# Executive Summary

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## What is a Housing Needs Analysis?

Cities in Oregon are required to assess current and future housing needs in a report called a Housing Needs Analysis (HNA). The HNA is essentially a comparison of the amount and types of housing units needed to accommodate Hillsboro's growth for the next 20 years with the land the City has available to do meet those needs. It includes the following components:

- **Housing Needs Projection.** This is a projection of the amount of housing the City of Hillsboro will need in the next 20 years, based on current needs and projected future trends. State regulations require this projection be coordinated with state- and region-wide population projections.
- **Residential Buildable Lands Inventory (BLI).** This is a description of the amount of land in the City of Hillsboro planned and zoned to accommodate future housing. It sets the stage for future discussions of how to utilize this land and the implications of policy decisions about housing in Hillsboro.
- **Comparison of Availability and Need.** The crux of the analysis is a comparison of the supply of buildable land with land needed for housing. A subsequent process, called a "Housing Production Strategy" is the next step required by the State of Oregon and entails a detailed evaluation of strategies that the City can undertake with community partners to produce needed housing.

Key takeaways from each of these components are summarized below. Greater detail is provided in later sections of this report, and the full technical documentation is included in the appendix.

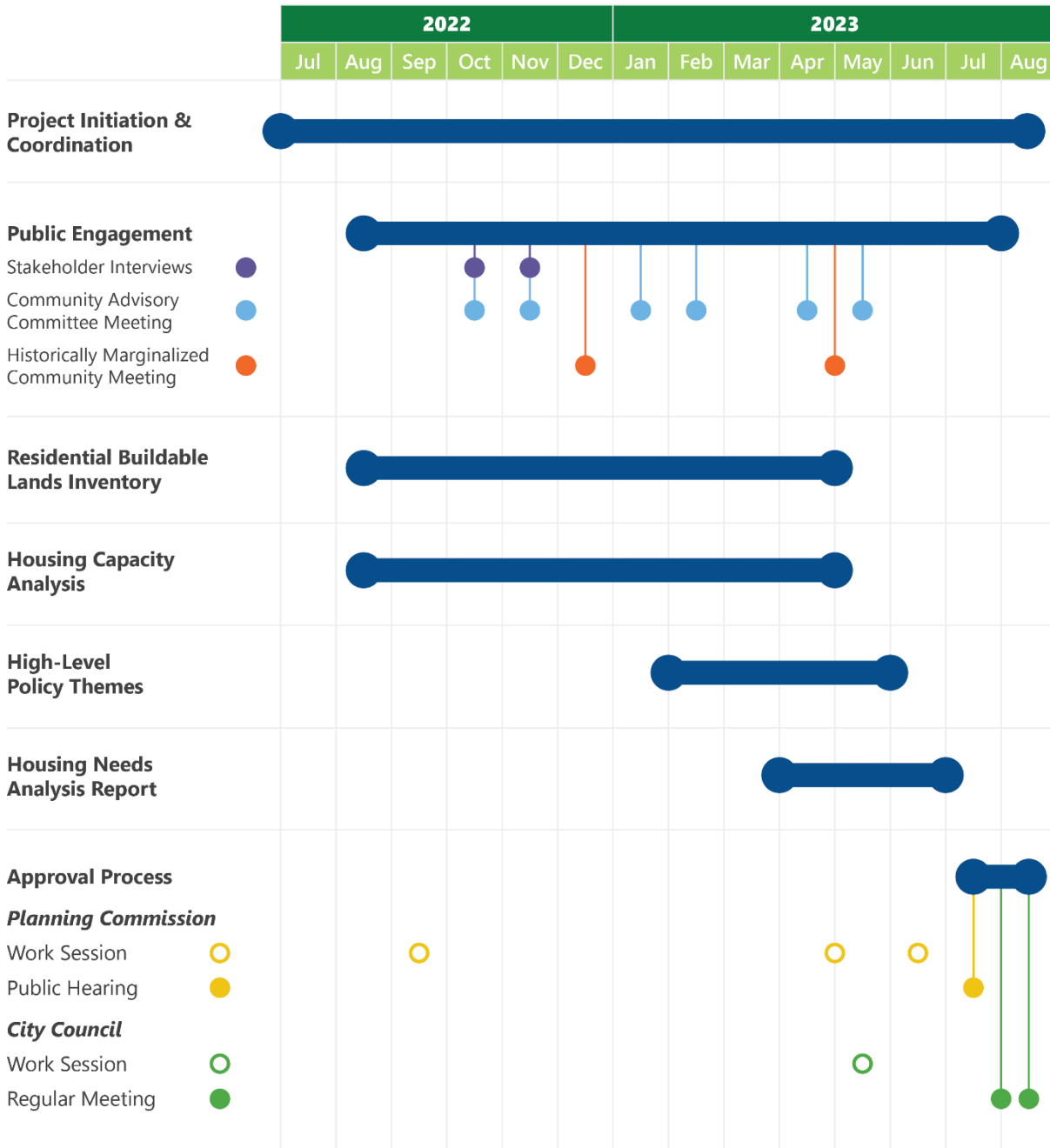
## How Was This Document Prepared?

The City of Hillsboro developed this HNA with the help of a consultant team (MIG and Johnson Economics) and a robust and multi-pronged community engagement effort, as follows.

- **Community Advisory Committee (CAC).** The City of Hillsboro appointed a CAC to review the methodology and findings of this analysis. The CAC met a total of six times throughout the process.
- **Historically Marginalized Communities Focus Groups.** City staff conducted two rounds of focus groups with Historically Marginalized Communities to learn about housing priorities and challenges.
- **Stakeholder Interviews.** The consultant team conducted a total of five stakeholder interviews with housing professionals, advocates, and interested community members to learn about the opportunities and challenges to housing in Hillsboro.

Summaries of these meetings and interviews can be found in Appendix A: Summary of Community Engagement.

Figure EX-1: Summary of Planning Process



## What are the Key Takeaways of this Report?

### Housing Needs Takeaways

#### *Demographic Profile*

The following table (Figure EX-2) presents a profile of the City of Hillsboro demographics based on Census data, and the 2022 population estimate via the PSU Population Research Center (PRC).

- The City of Hillsboro had an estimated population of 109,532 residents in 2022, making it the 5th largest city in the state by city population and the third largest city in the Metro area (excluding Vancouver).
- Hillsboro has experienced steady growth in population, growing an estimated 57% since 2000. In contrast, Washington County and the state experienced population growth of 36% and 25%, respectively, during that same period.
- Hillsboro is home to an estimated 40,970 households in 2022, an increase of over 15,900 households since 2000. The percentage of families has fallen since 2000 from 68.5% to an estimated 66.1%.
- Average household size has fallen slightly since 2000. Hillsboro’s estimated average household size is now 2.64 persons, similar to County and statewide averages.

**FIGURE EX-2: City of Hillsboro Demographic Profile**

<b>POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS</b>					
	<b>2000</b>	<b>2010</b>	<b>Growth</b>	<b>2022</b>	<b>Growth</b>
	<b>(Census)</b>	<b>(Census)</b>	<b>00-10</b>	<b>(PSU)</b>	<b>10-22</b>
Population <sup>1</sup>	69,883	91,611	31%	109,532	20%
Households <sup>2</sup>	25,028	33,289	33%	40,970	23%
Families <sup>3</sup>	17,142	22,440	31%	27,081	21%
Housing Units <sup>4</sup>	27,192	35,487	31%	43,037	21%
Group Quarters Population <sup>5</sup>	948	1,528	100%	1,391	-9%
<i>Household Size (non-group)</i>	<i>2.75</i>	<i>2.71</i>	<i>-1%</i>	<i>2.64</i>	<i>-3%</i>
<i>Avg. Family Size</i>	<i>3.28</i>	<i>3.24</i>	<i>-1%</i>	<i>3.18</i>	<i>-2%</i>

SOURCE: Census, Metro Consolidated Forecast, PSU Population Research Center, and Johnson Economics

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

1 From Census, PSU Population Research Center, growth rate 2010-2021 extended to 2022

2 2022 Households = (2022 population - Group Quarters Population)/2022 HH Size

3 Ratio of 2022 Families to total HH is based on 2020 ACS 5-year Estimates

4 4.8% vacancy rate is based on the most recent Decennial Census (2020)

5 2022 Group Quarters Population based on 5-year ACS estimates 2017-2021

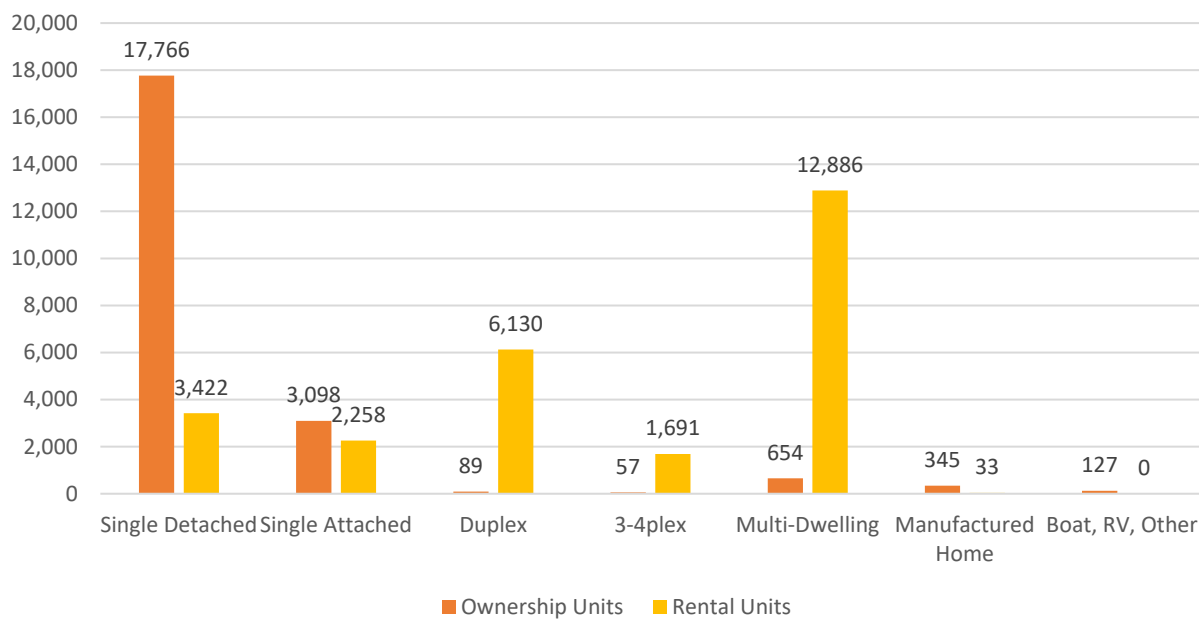
#### *Current Housing Conditions*

Hillsboro has an estimated 43,040 housing units in 2022, with a vacancy rate of 4.8% (includes ownership and rental units). The housing stock has increased by roughly 15,850 units (58% increase) since 2000.

As shown below, a large share of owner-occupied units (80%) are detached homes, which tend to have more bedrooms on average than attached or rental units. This is a key factor in the high cost of many single detached homes and a barrier to homeownership for many. Over 3% of ownership units are in buildings of three or more units, meaning these are likely condominium units. Renter-occupied units are more distributed among a range of structure types. About 16.5% of rented units are estimated to be detached homes or manufactured homes, while the remainder are some forms of attached unit. Nearly 62% of rental units are in larger apartment complexes.

**Figure EX-3: Current Housing Inventory by Unit Type, for Owner and Rental Housing**

### Current Housing Inventory by Unit Type, for Owner and Rental Housing



Sources: US Census, Johnson Economics, City of Hillsboro

#### Future Housing Need

The projected future (20-year) housing profile in the study area is based on the current housing profile (2022), with a projected future household growth rate applied. The projected future growth is based on the forecasted 2043 population for the City of Hillsboro from the most recent Metro Consolidated Forecast for cities in the Metro region (completed 2021). This forecast estimates that the Hillsboro population will grow at a rate of 0.7% annually between 2022 and 2043. (This annual growth rate would be slower than the annual rate experienced since 2010, which was 1.5% according to the Census and PSU.)

Figure EX-4: Future Housing Profile (2043)

PROJECTED FUTURE HOUSING CONDITIONS (2022 - 2043)			SOURCE
2022 Population (Minus Group Pop.)	108,141	(Est. 2022 pop. - Group Housing Pop.)	PSU
Projected Annual Growth Rate	0.7%	Metro Coordinated Forecast (2021)	Metro
2043 Population (Minus Group Pop.)	124,644	(Total 2043 Population - Group Housing Pop.)	
Estimated group housing population:	<u>1,603</u>	1.3% of total pop. (held constant from 2022)	US Census
<b>Total Estimated 2043 Population:</b>	<b>126,247</b>	Metro Coordinated Forecast (2021)	Metro
<b>Estimated Non-Group 2043 Households:</b>	<b>54,229</b>	Metro Coordinated Forecast (2021)	Metro
New Households 2022 to 2043	13,259		
Avg. Household Size:	2.30	Projected 2043 pop./2043 households	US Census
<b>Total Housing Units:</b>	<b>57,083</b>	Occupied Units plus Vacant	
Occupied Housing Units:	54,229	(= Number of Non-Group Households)	
Vacant Housing Units:	2,854	(= Total Units - Occupied Units)	
Projected Market Vacancy Rate:	5.0%	Stabilized vacancy assumption	

Sources: PSU Population Research Center, Census, Johnson Economics LLC

The mix of needed units reflects past and anticipated future trends. Since 2000, single-detached units (including manufactured and mobile homes) have constituted a little over 50% of the permitted units in Hillsboro, with attached housing making up the other half. Single-detached units are expected to continue to make up a large share of new housing development for ownership households over the next 20 years. However, an increasing share of new needed units is anticipated to be made up of attached housing types to accommodate renters and first-time home buyers.

- Over the 20-year planning period, an increasing share of renter households are expected to be younger households, those with modest incomes, and the growing share of minority households in the area. These households will need a variety of densities and sizes to accommodate single and family households.
- 37% of the new units are projected to be single detached homes or new manufactured homes, while 63% are projected to be some form of attached housing.
- Single attached units (townhomes on individual lots) are projected to meet roughly 15% of future need.
- Duplex, triplex, and four-plex units are projected to represent a growing 12% of the total need, in part reflecting new state rules for middle housing zoning.
- 36% of all needed units are projected to be multi-dwelling units in structures of 5 or more attached units.
- 1.2% of new needed units are projected to be manufactured home units, which meet the needs of some low-income households for both ownership and rental.



- Of ownership units, 70% are projected to be single detached homes or manufactured homes, and 30% are projected to be attached forms.
- Nearly all new rental units are projected to be found in new attached buildings, with 66% projected in rental properties of 5 or more units, and 31% in other attached housing forms. Only 3.5% of new rental units are projected to be detached homes, including manufactured homes.
- There will continue to be a need for group housing, with an estimated 1,631 individuals living in group housing in 2043. In Hillsboro, this includes people living in correctional facilities (including juveniles), nursing facilities, and “other noninstitutional facilities” including residential group homes, emergency and transitional shelter, and residential treatment facilities.
- Housing is needed for people at all affordability levels, including those with extremely low, very low, low, and moderate incomes, as well as people with higher incomes. Figure EX-6 presents some of the types of housing products that might commonly serve households in these income ranges.
- Many low-income households, particularly the lowest income households, need subsidized affordable housing in order to find rents affordable given their modest resources and other household spending needs. Figure EX-7 presents estimates of need at key low-income affordability levels in 2022 and in 2043.
- There is a modest current and future need for farmworker housing Hillsboro, this although population may also be served by other available affordable units, and new market rate units to some degree.

**Figure EX-5: Projected Future Need for NEW Housing Units (2043), Hillsboro**

OWNERSHIP HOUSING									
Unit Type:	Single Detached	Single Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	4,838	1,204	241	231	422	151	0	7,087	50.5%
<b>Percentage:</b>	68.3%	17.0%	3.4%	3.3%	6.0%	2.1%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Detached	Single Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	235	960	413	772	4,568	11	0	6,959	49.5%
<b>Percentage:</b>	3.4%	13.8%	5.9%	11.1%	65.6%	0.2%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Detached	Single Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	5,073	2,165	654	1,002	4,990	162	0	14,046	100%
<b>Percentage:</b>	36.1%	15.4%	4.7%	7.1%	35.5%	1.2%	0.0%	100%	

Sources: Metro, City of Hillsboro, Census, Claritas, Johnson Economics

**Figure EX-6: Projected Need for NEW Housing at Different Income Levels**

Household Income Segment	Income Level (Rounded)*	Owner Units	Renter Units	Total	Share	Common Housing Product
Extremely Low Inc. < 30% MFI	< \$27,500	521	825	1,346	10%	Government-subsidized; Voucher; Shelter; Transitional
Very Low Income 30% - 60% MFI	\$27.5k - \$55k	752	1,389	2,141	15%	Aging/substandard rentals; Government-subsidized; Voucher; Manufactured homes
Low Income 60% - 80% MFI	\$55k - \$73k	688	1,084	1,772	13%	Aging apartments; Government-subsidized; Plexes; Aging single-detached; Small homes
Middle Income 80% - 120% MFI	\$73k - \$110k	1,418	1,513	2,931	21%	Single-detached homes; Townhomes; Condominiums; Newer apartments
Upper Income > 120% MFI	> \$110,000	3,708	2,147	5,855	42%	Single-detached homes; Townhomes; Condominiums; New apartments
<b>TOTAL:</b>		<b>7,087</b>	<b>6,959</b>	<b>14,046</b>	<b>100%</b>	

Sources: HUD, Census, Claritas, Johnson Economics

**Figure EX-7: Projected Need for Housing Affordable at Low-income Levels, Hillsboro**

Affordability Level	Income Level*		Current Need (2022)		Future Need (2043)		NEW Need (20-Year)	
			# of Units	% of All	# of Units	% of All	# of Units	% of All
Extremely Low Inc.	≤ 30% MFI	≤ \$27,500	3,900	10%	5,246	10%	1,346	10%
Very Low Income	30% - 50% MFI	≤ \$45,800	3,920	9%	5,279	10%	1,359	10%
Low Income	50% - 80% MFI	≤ \$73,300	6,962	17%	9,517	18%	2,555	18%
<b>TOTAL:</b>	<b>≤ 80% MFI</b>	<b>≤ \$73,300</b>	<b>14,782</b>	<b>36%</b>	<b>20,042</b>	<b>37%</b>	<b>5,259</b>	<b>37%</b>
Tax Credit	≤ 60% MFI	≤ \$55,000	10,941	27%	14,429	27%	3,487	25%

Sources: OHCS, Claritas, Johnson Economics, HUD

**Homeless Population Housing Needs:** In 2022, Hillsboro is home to an estimated 808 homeless individuals, or 0.8% of the total population. If this rate were to persist into the future, this would imply 948 homeless individuals based on the total estimated population in 2043. This would be an increase of roughly 150 individuals over the next 20 years. Homeless individuals and families may require a mixture of shelter types depending on individual circumstances, ranging from emergency shelter to transitional housing to permanent subsidized housing. This population is a subset of the extremely-low-income population shown in prior figures.

Comparison of Future Need (2043) and Land Supply

A Buildable Lands Inventory (BLI) was conducted to estimate the acreage and unit capacity of residential land in the City of Hillsboro.

- The BLI takes into account the City’s zoning and comprehensive plan designations, environmentally constrained areas, publicly owned land, communally owned land such as HOAs, and religious/fraternal properties that are generally not expected to develop.
- Based on the assumptions in the BLI, overall capacity in the study area (the city limits plus unincorporated area with a City of Hillsboro comprehensive plan designation) is about 11,700 units.
- Roughly 37% of this capacity is in Single Detached units, 30% in Middle Housing units, and 33% in Multi-Dwelling units.
- Roughly 26% of capacity lies within the expansion areas of unincorporated South Hillsboro and Witch Hazel Village South, and another 25% is on land that has some form of development approval currently.
- Redevelopment on mixed-use land accounts for about 8% of capacity, and the report assumes a modest amount of infill (680 units) through conversion of existing single-detached units into duplexes and other middle housing.

Figure EX-8 presents the estimated new unit capacity of the buildable lands identified in the City of Hillsboro and within the UGB. Residential zones, as well as mixed-use zones that can accommodate some residential uses, were included in the inventory, and are broken into broad categories based on housing density. The inventory includes the unincorporated portions of Hillsboro’s current known expansion areas of South Hillsboro and Witch Hazel Village South.

Figure EX-9 shows land in the City of Hillsboro by “Development Status,” indicating where future residential capacity may occur.

Figure EX-8: Estimated Buildable Lands Capacity by Acreage and No. of Units (2023)

Development Category	Tax lots	Gross acres	Buildable Acres (minus constrained land)	Net Acres (subtracts future set-asides and existing structures)	Unit Capacity			
					Single Detached	Middle Housing	Multi-Dwelling	Total
<b>Residential Land</b>	<b>851</b>	<b>646</b>	<b>457</b>	<b>290</b>	<b>1,737</b>	<b>697</b>	<b>449</b>	<b>2,883</b>
<i>Vacant</i>	118	277.8	173.9	125.3	635	454	369	1458
<i>Partially Vacant</i>	313	322.7	242.7	124	682	243	80	1005
<i>Platted</i>	420	45.7	40.5	40.5	420	0	0	420
<b>Mixed Use Land</b>	<b>543</b>	<b>391</b>	<b>334</b>	<b>197</b>	<b>257</b>	<b>771</b>	<b>1070</b>	<b>2,098</b>
<i>Vacant</i>	203	169	145	33	110	300	421	831
<i>Partially Vacant</i>	81	48	39	13	72	115	96	283
<i>Redevelopable</i>	259	174	150	150	75	356	553	984
<b>Approved Development</b>					<b>600</b>	<b>551</b>	<b>1,831</b>	<b>2,982</b>
<b>Expansion Areas (S Hillsboro Unincorporated and Witch Hazel Village South)</b>					<b>1,718</b>	<b>863</b>	<b>499</b>	<b>3,080</b>
<b>Middle Housing Infill</b>			n/a		<b>0</b>	<b>680</b>	<b>0</b>	<b>680</b>
<b>TOTAL</b>					<b>4,312</b>	<b>3,562</b>	<b>3,849</b>	<b>11,723</b>

Source: MIG

Figure EX-9. Development Status of Land, Buildable Lands Inventory

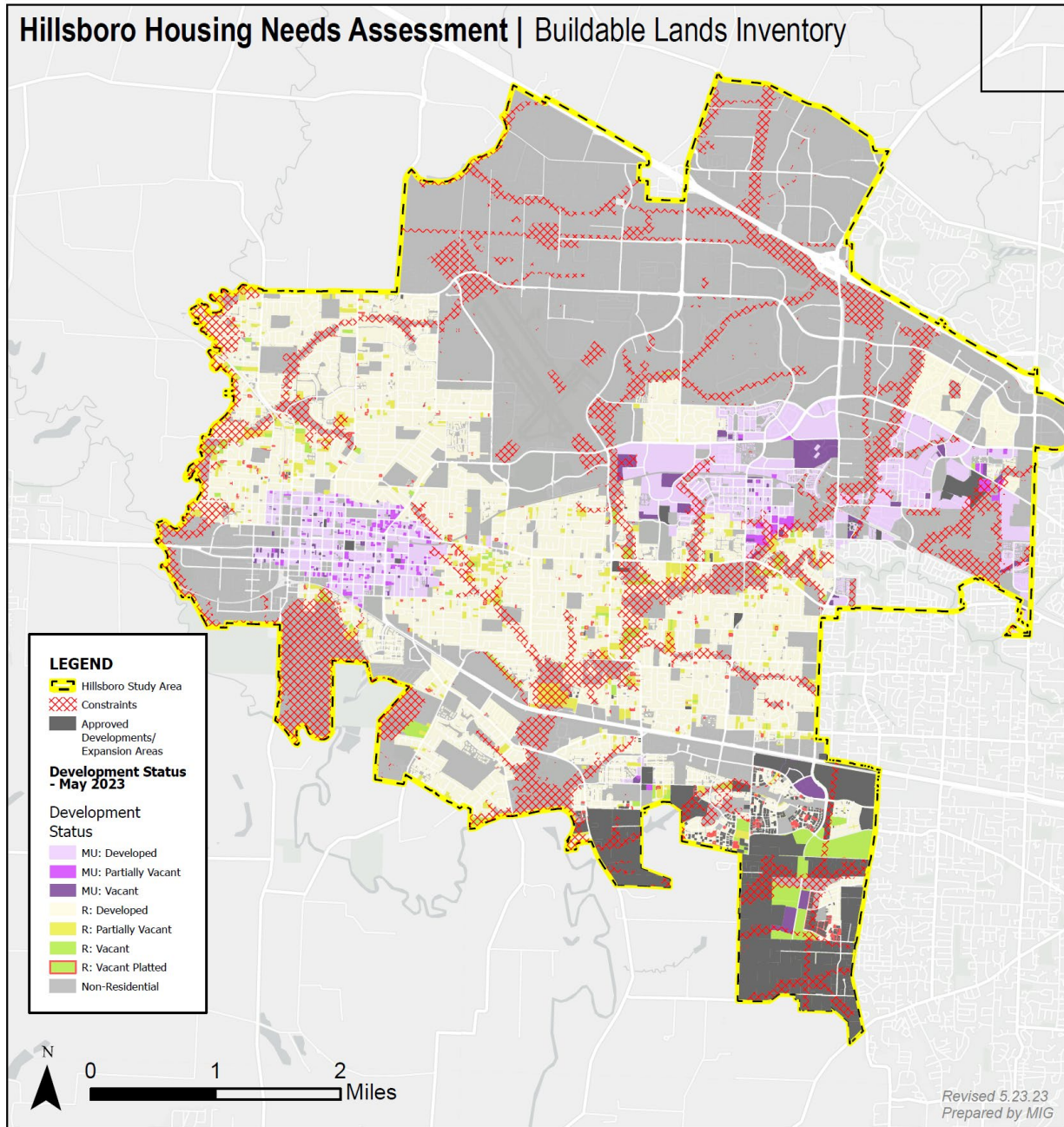
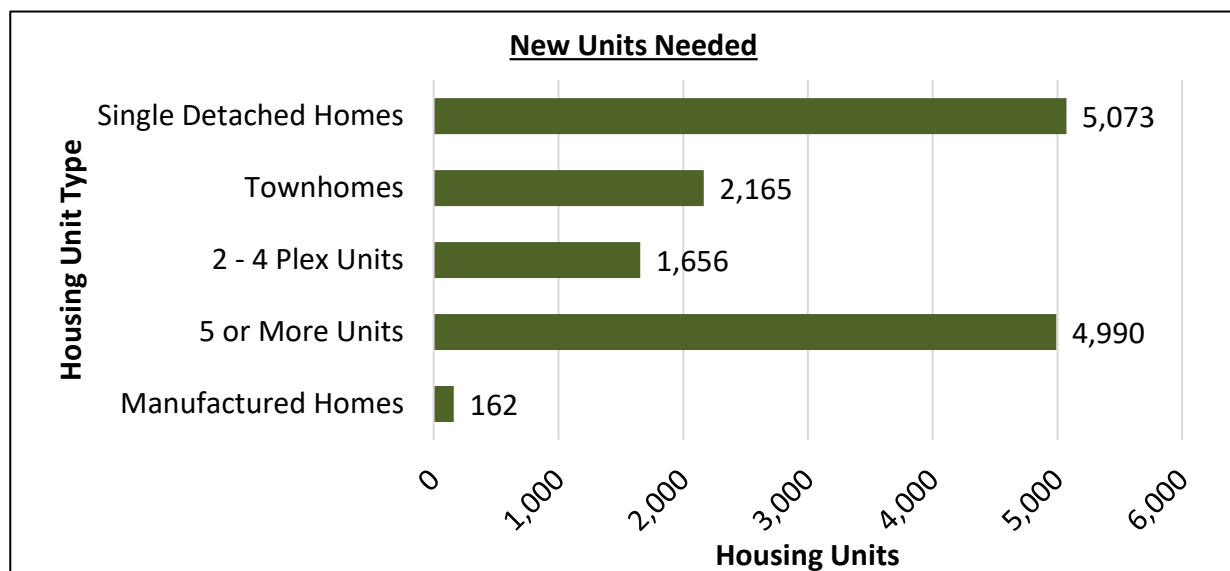


Figure EX-10: Summary of Forecasted Future Unit Need (2043)



Sources: PSU Population Research Center, Census, Johnson Economics

Figure EX-10 summarizes the forecasted future unit need for Hillsboro. There is a total forecasted need for roughly 14,050 units over the next 20 years based on the forecasted growth rate. This is greater than the estimated total capacity of 11,723 units. Figure EX-11 presents a comparison of the BLI capacity for new housing units, compared to the estimate for new units needed by 2043. It breaks down need by general zoning category (LDR, MDR, HDR). Highlights include:

- The projected demand for low-density housing types is higher than the remaining capacity by an estimated 1,116 units, or the equivalent of 139 acres of low-density residential land.
- The results find a modest deficit for medium-density housing of 3 acres.
- The projected demand for high-density housing types is higher than the remaining capacity by an estimated 1,141 units, or the equivalent of 33 acres of high-density residential land. This is the greatest deficit of capacity in terms of number of units among these three categories.
- These findings assume that under newly adopted state rules, 3% of available buildable parcels in the LDR zone will be used for the various types of smaller attached “middle housing” units (single-attached townhomes, duplex – fourplex, and cottage cluster housing).

Figure EX-11: Comparison of Forecasted Future Land Need (2043) with Available Capacity

WITHIN CITY LIMITS		SUPPLY	DEMAND				
Zone & Plan Category	Typical Housing Type	Buildable Land Inventory (Unit Capacity)	Growth Rate (0.7%)			Surplus or (Deficit)	
			New Unit Need (2040)	Avg. Density (units/ac)	Units Acres		
Low-Density	Single-detached; Single-attached & plex	4,312	5,428	8.0	(1,116)	(139)	
Med-Density	Single-attached; Manufact. home; 2-4 plexes	3,562	3,628	20.0	(66)	(3)	
High-Density	Multi-Unit apartments	3,849	4,990	35.0	(1,141)	(33)	
<i>TOTALS:</i>		11,723	14,046	20.7	(2,323)	(175)	

Sources: MIG, Johnson Economics

These findings do not require rezoning of medium- or high-density zoned land to meet the need for low-density land. A range of potential housing policies and strategies will be considered in future development of a Housing Production Strategy by the City, including the ability of future planning areas to meet the need for different types of housing during the 20-year planning period.

# Introduction

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Cities in Oregon are required to assess current and future housing needs in a report called a Housing Needs Analysis (HNA). The HNA is essentially a comparison of the amount and types of housing units needed to accommodate Hillsboro's growth for the next 20 years with the land the City has available to do meet those needs. It includes the following components:

- **Housing Needs Projection.** This is a projection of the amount of housing the City of Hillsboro will need in the next 20 years, based on current needs and projected future trends. State regulations require this projection be coordinated with state- and region-wide population projections.
- **Residential Buildable Lands Inventory (BLI).** This is a description of the amount of land in the City of Hillsboro planned and zoned to accommodate future housing. It sets the stage for future discussions of how to utilize this land and the implications of policy decisions about housing in Hillsboro.
- **Comparison of Availability and Need.** The crux of the analysis is a comparison of the supply of buildable land with the amount of needed housing. A subsequent process, called a "Housing Production Strategy" is the next step required by the State of Oregon and entails a detailed evaluation of strategies that the City can undertake with community partners to produce needed housing.

## Project Timeline and Public Engagement Overview

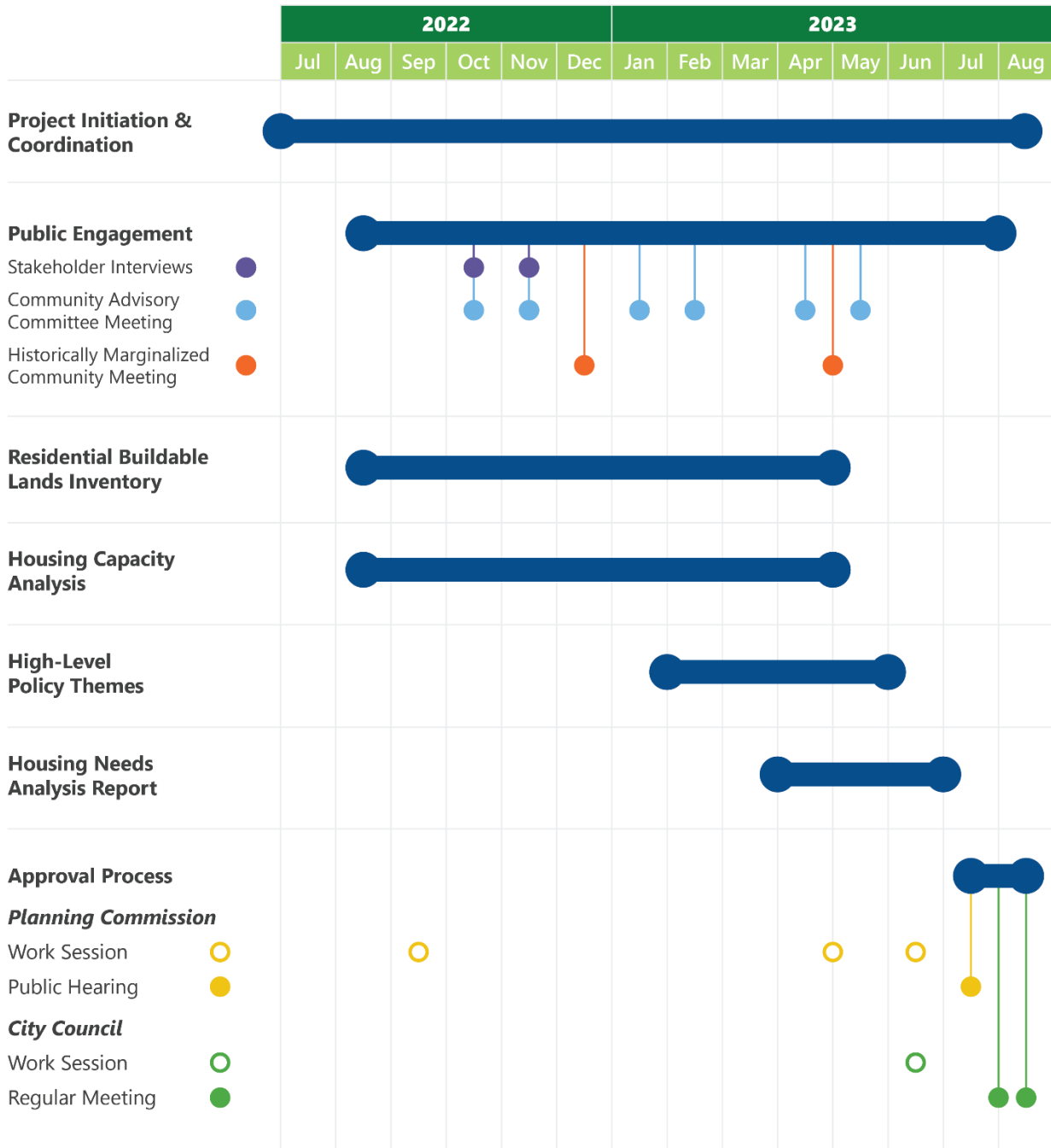
The City of Hillsboro began this HNA effort in July of 2022 and adopted this report in August 2023. Figure I shows a generalized timeline of the process. This project was guided by a robust and multi-pronged community engagement effort, as follows.

- **Community Advisory Committee (CAC).** The City of Hillsboro appointed a CAC to review the methodology and findings of this analysis. The CAC met a total of six times throughout the process.
- **Historically Marginalized Communities Focus Groups.** City staff conducted four focus group meetings with Historically Marginalized Communities to learn about housing priorities and challenges.
- **Stakeholder Interviews.** The consultant team conducted five stakeholder interviews with housing professionals, advocates, and interested community members to learn about the opportunities and challenges to housing in Hillsboro.

Summaries of these meetings can be found in **Appendix A: Summary of Community Engagement.**



Figure 1. Project Timeline



# The Housing Continuum

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Housing needs are not a constant throughout a person's or household's lifetime. The average individual or family is likely to move into a range of living situations and unit types as life circumstances change.

These changes may include a young person leaving home, meeting a partner, adding children, living with three or more generations, retirement, assisted living, but many other permutations of lifestyle may make other housing arrangements preferable or necessary. Throughout this cycle, changes in income, and unexpected challenges or opportunities, can impact the housing preferences of a household.

Ideally, a community should offer a full range of housing types to meet the needs of households of different financial means, ages, family sizes, abilities, and other factors. This helps meet the needs of the city's residents over time and ensures a community supports a diverse range of residents. The average person or family will also move between communities, regions, and even countries over a lifetime. Another key goal of promoting housing diversity across the metropolitan region and state is to supply available housing for households who may be relocating due to preference, cost, family, or work.

**Housing Needs Over a Lifetime:** While each household is unique, the following is an example of what one typical lifecycle might include:

- A child grows up with a family in housing that is preferably large enough to accommodate the family size. This might be a single-family home (owned or rented), or a larger apartment unit (2 to 3 bedrooms), or perhaps a townhome.
- As a young adult, the person moves out of their childhood housing, and often into some denser form of housing such as an apartment (studio or one bedroom) or group living situation (rental house with roommates). It is common for young adults to rent rather than own as they start their working lives and may not have the means to purchase a home. Young adults, single or couples, are key consumers of denser apartment housing in urban areas.
- The young person meets a partner, who shares the denser rental housing until they start a family. With a child in the home, the couple may seek to find a larger rental unit or small single-family home to rent or buy. Rental housing options might include larger apartments, middle housing (duplex or townhome), or older and smaller single-detached homes that have filtered into the rental market. Or as first-time homebuyers, they may seek a modest, older home. If the couple remains childless, they might purchase an attached condo unit.
- As the family grows in age and income and perhaps adds additional children, they may move up the home buying "ladder" to a larger home, preferable neighborhood, and/or newly built home. If they lack the means to buy a home, they may seek to rent a single-detached home in a preferable neighborhood or school district, even stretching their means to do so while their children are young.
- The family may yet move once or twice while children are at home, seeking a larger or "nicer" home, or perhaps having to relocate for work or extended family needs. This may also be a period where one or more extended family members, such as a grandparent, joins the household. A larger home, renovation, or ADU addition may be needed at this stage.
- When the children become young adults themselves (and start their own housing cycle), the couple may choose to remain in the home, or may change their housing preferences. At this

“empty nest” stage or at retirement, the couple may decide to downsize, or relocate altogether. A smaller single-detached home, or condominium or town home may be appropriate. The couple may re-enter the rental market as well. Their house, if it is older and perhaps hasn’t been updated in many years, may become a more modestly priced homebuying opportunity for new first-time or younger buyers.

- As the couple age, they may live with their children, forming a new multi-generational family. Or they may seek a retirement community, or eventually require assisted living. The passing of one of the partners may accelerate downsizing, or the move to an apartment.

The above is just one example of a “typical” lifecycle. It is important to note that each household is unique, and the range of housing “lifecycles” is as broad as human experience. Most importantly, some households will remain renters throughout their lives by choice or due to limited means. A full range of housing types must include recognition of the full range of income and affordability levels in the community as well.

**The Continuum of Housing Affordability:** Different housing types tend to meet the needs of households at different points on the income spectrum. Broadly speaking, lower income residents are more likely to rent their homes and high-income residents are more likely to own their homes.

- Middle income to upper income households (median income and higher) are most often served by the private housing market for single-detached homes, condos, or newer high-quality apartments. These households have the means to own or rent without subsidy or assistance and can afford to meet more of their preferences for larger or nicer units and location. In a competitive market, middle income households will still make more trade-offs in housing size, condition, and location.
- Lower-middle income households (roughly 60% to 100% of median income) will also be largely served by the private real estate market for rentals and the low-priced homes. Many of these households will rent in older apartment complexes or single-detached homes that may be in poor condition or less desirable locations. These are units that have “filtered” down the affordability ladder as they age and become outdated. If these households are able to own a home, it might be a similarly aged or modest unit in a less desirable location, or it may be a manufactured home. Some households earning 60% to 80% may find subsidized affordable housing, particularly in “tax credit” properties that offer units aimed at this income level. This is an important form of assistance to the households who can secure it, but like all affordable housing is undersupplied in most communities.
- The lowest income households (roughly 60% or lower income) are not well-served by the private real estate market and must generally find some form of subsidized affordable housing or face high rent burdens. Because there is not sufficient subsidized affordable housing to meet their needs, many of these households live in substandard housing situations including market units in very poor condition, overcrowded housing, and/or transitory and precarious housing situations. These households can be served by housing choice vouchers and subsidized units including tax credit properties and public housing. Households earning 30% or less of the median income are considered “extremely low-income” and generally must secure a rental housing voucher or federal public housing administered by a Housing Authority in order to escape extreme rent burdens.

**Factors of Development Housing Cost:** There are many factors that impact the cost of developing new housing. These costs will impact both the pace of new development, and the price/rent level of the finished housing. Some of these factors are within the public sector's influence, but some are not.

Factors that contribute to housing cost include:

- **Financial Policies:** System development charges, taxes and fees, utility rates, and incentives.
- **Development Policies and Regulations:** Zoning code, land availability, development standards, permitting process and timeliness, infrastructure design and construction standards.
- **Economic Development Programs:** Workforce development, job creation, resiliency to improve the means of householders.
- **Regulated Affordable Housing Providers and Funding:** Programs to directly serve households in lower income segments. Federal, state, Metro and local programs. Public private partnerships with agencies that build and operate this housing.
- **Public Infrastructure Availability:** Transportation, water, and telecommunication service to buildable properties. Multimodal traffic design and management, transit options.
- **Market Forces:** Much of the decision-making process for private real estate developers is out of the hands of the public sector to influence. Broad forces such as the state of the national and regional economy, population and job growth, interest rates and lending standards, the cost of labor and materials, and expectations of return from investors, all create the general environment in which the developer will make the decision to build and in what location. The public sector can ensure that the factors discussed above are addressed to make the city an attractive and accessible development destination when these market forces align.

# Housing Need Findings of the Washington County Consolidated Plan

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The five-year Washington County Consolidated Plan (2020-2024)<sup>1</sup> provides additional extensive information about the specific housing needs of Washington County residents, including those in Hillsboro.

The Consolidated Plan used an equity lens throughout to reach findings that echo and support many of those revealed through the Hillsboro HCA planning process. These include a focus on special needs and priority populations:

- Elderly and frail elderly;
- Persons with physical, cognitive, and developmental disabilities;
- Persons with mental illness and substance abuse challenges;
- Adults and/or youth at-risk and experiencing homelessness;
- Large families;
- Agricultural workers and families; and,
- Extremely low and very low-income households.

Housing Market and Needs Analyses that accompanied the Plan identified the largest countywide need from the low-income groups, with a large disparity between the number of households in this income segment, and the insufficient number of rental units affordable to them. Among the other (non-income) categories of priority populations, the analysis projected the largest growing need for housing for those with disabilities, the elderly, and large families, though there is a projected need for new housing for all of the identified groups.

The Plan emphasizes the following main goals for housing production:

- Increase the inventory of deeply affordable rental housing in good condition.
- Increase the inventory of accessible and visitable housing to serve persons with disabilities and the elderly.
- Improve the quality of affordable ownership housing in good condition and with accessibility features.
- Improve access to ownership for low to moderate income households through homebuyer assistance programs/products and by helping increase the affordable ownership inventory.

In addition to housing goals, the Plan identifies a number of community development and public service actions to support these populations achieve stability in housing and employment. The Plan identified the following key action items related to housing:

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<sup>1</sup> Available at <https://www.washingtoncountyor.gov/commdev/2020-2024-consolidated-plan>

Rental Housing

- Focus on the construction of affordable rental housing serving a range of extremely low and very low-income households.
- Expand affordable rental housing options for persons with disabilities and elderly.
- Focus on creation of housing with supportive services to serve households at 30 percent of MFI, especially projects that are in alignment with countywide plans to address homelessness.

Homeownership

- Expand homeownership opportunities that reach moderate-income renters who desire to be owners, including community land trusts, down payment assistance, cooperative housing models, sweat equity products, and potential partnerships with home builders.

Housing Preservation

- Focus preservation on regulated and/or low-cost market rate housing serving extremely low to moderate income households.

Assisting Vulnerable Populations

- Foster the creation of affordable rental and ownership housing for special needs populations in a range of community-support and geographic settings.
- Broaden the business community's knowledge of how to be a partner in employing people who have experienced homelessness, including youth, and/or previously justice involved.
- Support household stabilization and displacement mitigation for households at-risk of displacement from public investment and housing price increases.

# Housing Needs Projection

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This analysis outlines a forecast of housing needs within the City of Hillsboro. Housing need and resulting land need are forecast to 2043 consistent with the 20-year need assessment requirements of Oregon Revised Statutes.<sup>2</sup>

This section of the Report presents a housing need analysis (expressed in number and types of housing units) and a residential land need analysis, based on those projections. The study area for this analysis is the city boundary of Hillsboro.

The primary data sources used in generating this forecast were:

- 2020 Decennial Census
- US Census American Community Survey
- Metro Urban Growth Report
- Metro RLIS
- Portland State University Population Research Center
- Point-In-Time Homeless Census
- Oregon Housing and Community Services
- Oregon Employment Department
- City of Hillsboro
- Washington County
- Census Employment Dynamics
- Regional Multiple Listing Service
- Zonda Market Research
- Caritas Spotlight<sup>3</sup>
- Other sources as appropriate.

This analysis relies heavily on Census data from the 2020 Decennial Census and the American Community Survey (ACS). All Census data feature some margin of error but remain the best data source available on many demographic and housing subjects.

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

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

For more detailed data sets on demographics and housing, this analysis relies on the American Community Survey (ACS), which features a higher margin of error on all tables than the Decennial Census. The ACS is a survey of a representative sample of households which the Census uses to make

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<sup>2</sup> ORS 197.628; OAR 660-025

<sup>3</sup> Claritas Spotlight is a third-party company providing data on demographics and market segmentation. It licenses data from the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

estimates generalized to the population of the relevant geography. This analysis relies, whenever possible, on the most recent 2021 ACS 5-year estimates. The 5-year estimates have a lower margin of error than the ACS 1-year estimates.

### City of Hillsboro Demographic Profile

Table I is a profile of the City of Hillsboro’s demographics based on Census data and the 2022 population estimate provided by the Portland State University Population Research Center (PRC). Some key points include:

- As of the 2020 Decennial Census, the City of Hillsboro had an estimated population of 106,477 people within the city boundary. The PRC estimates that the population has grown to 109,532 residents in 2022. Based on the estimated population, Hillsboro is the 5<sup>th</sup> largest city in the state by city population. Hillsboro has surpassed Beaverton to become the third largest city in the Metro area (excluding Vancouver) and trails Gresham by roughly 5,000 residents.
- Hillsboro has experienced steady growth in population, growing an estimated 57% since 2000. In contrast, Washington County and the state experienced population growth of 36% and 25%, respectively, during that same period. (US Census and PSU Population Research Center)
- Hillsboro is home to an estimated 40,970 households in 2022, an increase of over 15,900 households since 2000. The percentage of families has fallen since 2000 from 68.5% to an estimated 66.1%. The city has a similar share of family households as Washington County (67%) and a higher share than the state (62%).
- Average household size has fallen slightly since 2000. Hillsboro’s estimated average household size is now 2.64 persons, roughly equivalent to the Washington County average of 2.6 and the statewide average of 2.5.

**Table I. City of Hillsboro Demographic Profile (2000-2022)**

<b>POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS</b>					
	<b>2000</b>	<b>2010</b>	<b>Growth</b>	<b>2022</b>	<b>Growth</b>
	<b>(Census)</b>	<b>(Census)</b>	<b>00-10</b>	<b>(PSU)</b>	<b>10-22</b>
Population <sup>1</sup>	69,883	91,611	31%	109,532	20%
Households <sup>2</sup>	25,028	33,289	33%	40,970	23%
Families <sup>3</sup>	17,142	22,440	31%	27,081	21%
Housing Units <sup>4</sup>	27,192	35,487	31%	43,037	21%
Group Quarters Population <sup>5</sup>	948	1,528	100%	1,391	-9%
<i>Household Size (non-group)</i>	2.75	2.71	-1%	2.64	-3%
<i>Avg. Family Size</i>	3.28	3.24	-1%	3.18	-2%

SOURCE: Census, Metro Consolidated Forecast, PSU Population Research Center, and Johnson Economics

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

1 From Census, PSU Population Research Center, growth rate 2010-2021 extended to 2022

2 2022 Households = (2022 population - Group Quarters Population)/2022 HH Size

3 Ratio of 2022 Families to total HH is based on 2020 ACS 5-year Estimates

4 4.8% vacancy rate is based on the most recent Decennial Census (2020)

5 2022 Group Quarters Population based on 5-year ACS estimates 2017-2021



### Population Growth

Since 2000, Hillsboro has grown by over 39,600 residents or 57%, in 22 years. This was much higher than the countywide rate of growth. Washington County has grown an estimated 36% since 2000, or 160,000 people (PSU Population Research Center). Hillsboro accounted for roughly one quarter of countywide growth.

PSU estimates that the population of Hillsboro increased each year between 2020 and 2022, defying the trend of some other large Metro-area cities that experienced a net out-migration of residents during the unusual COVID years of 2020 and 2021. Overall, Washington County grew modestly by 1,500 residents, while Multnomah County lost population over the year. This is part of a pattern that saw a net decline in population in Oregon between 2021 and 2022, according to the US Census. Oregon has long seen more deaths than births among its population, which has traditionally been outweighed by net in-migration.

The pandemic disrupted long term growth patterns in many metropolitan areas due to the increased prevalence of work-from-home, which freed many workers from needing to be proximate to their place of work. This was true of white-collar office workers, and less so of those in the blue collar or service industries, many of whom had to remain on-site. The closure of some businesses and services during the pandemic's "shut down" phase reduced the attractiveness of denser urban areas for some residents, as many of the usual amenities were closed due to concerns over COVID risk. In the case of Hillsboro, the community likely gained population due to the development of new housing, and the migration of households out of denser cities (i.e., Portland) to more suburban environments during the pandemic.

As the state and Metro area recover from the extreme disruption of the past few years, many economists believe that growth will return to the long-term trend. Increased housing vacancies in areas that experienced out-migration should be met by returning demand in a Metro housing market that remains undersupplied and expensive for both owners and renters. At the same time, urban amenities are returning, as is the connection between workers and their place of work though many still working remotely at least part of the week. While the changes in location and habits due to COVID have become permanent for many households and workers, new residents should gradually fill the gap and return growth to pre-pandemic trends.

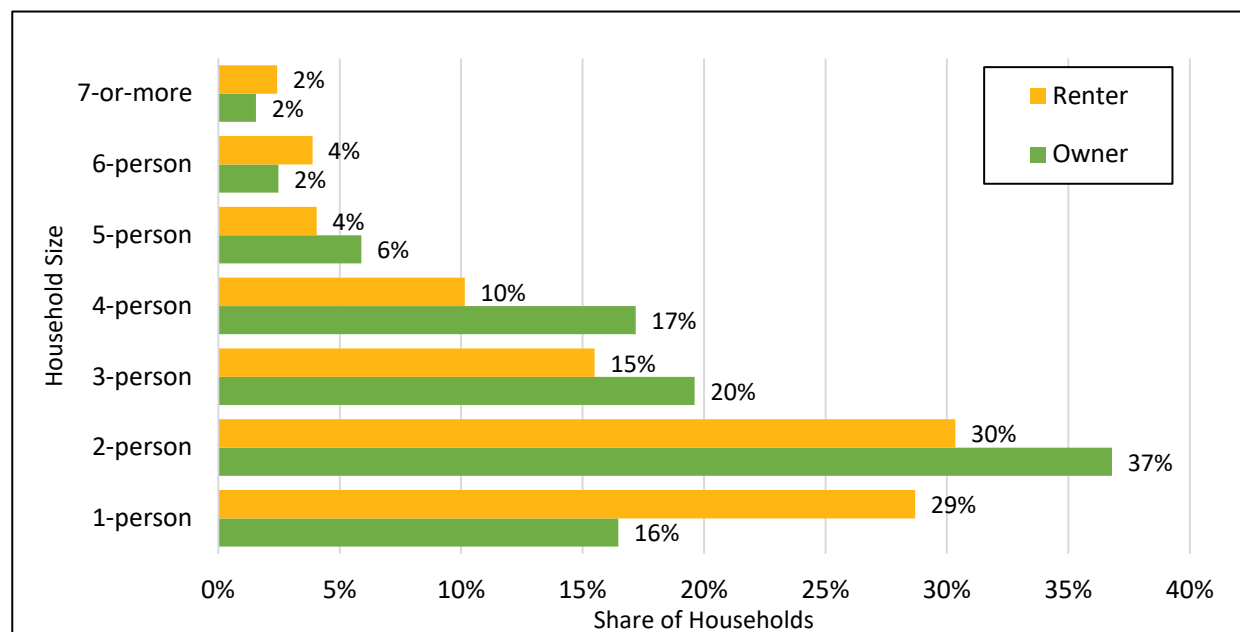
### Household Growth & Size

As of 2022, the city has an estimated 40,970 households. Since 2000, Hillsboro has added an estimated 15,942 households. This is an average of roughly 725 households annually during this period. The growth since 2000 has roughly kept pace with the increase in new housing units, which were permitted at an average rate of 740 units per year between 2000 and 2022.

Hillsboro's average household size of 2.64 people, with 66% family households, is in keeping with the average across Washington County. There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become "empty nesters." While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall.

Figure 2 shows the share of households by the number of people for renter and owner households in 2021 (latest data available), according to the Census. Renter households are more likely to have one person. Owner households are more likely to have two or more people. Household size correlates to housing needs.

Figure 2. Share Of Households by Household Size by Renters and Owners, Hillsboro



SOURCE: US Census, Johnson Economics LLC; Census Tables: B25009 (2021 ACS 5-yr Estimates)

**Family Households**

The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. As of the 2021 ACS, an estimated 66.1% of total Hillsboro households were family households, lower than the estimate in 2000 (68.5%). The total number of family households in Hillsboro is estimated to have grown by over 9,900 between 2000 and 2022. In 2022, family households in Hillsboro had an estimated average size of 3.2 people.

**Group Quarters Population**

As of the 2020 Census, Hillsboro had an estimated group quarters population of 1% of the total population, or roughly 1,100 persons. Group quarters include such shared housing situations as nursing homes, prisons, dorms, group residences, military housing, or shelters. In Hillsboro, the 2020 Census estimated that most group quarters population are in correctional facilities (36%), nursing facilities (26%) or unspecified “other noninstitutional facilities” (32.5%). The PSU Population Research Center notes that “after declines in the GQ [group quarters] population during 2020-2021 associated with closures early during the pandemic, GQ population declined approximately 10% statewide, but the GQ populations have since returned to close to pre-pandemic level” (PSU PRC website). Hillsboro experienced a similar decline during this period. The 2020 Census estimated roughly 500 fewer group quarters residents than the 2010 Census.

In Hillsboro, it is estimated that group quarters population fell in 2020 due to the impacts of the COVID pandemic but has since rebounded to a level closer to the pre-pandemic period. Between the 2017 and 2021 ACS, the estimated group quarters population in Hillsboro ranged from 1,375 to 1,404 persons. This analysis draws on an average of these figures to estimate 1,391 group quarters residents as of 2022. This is an estimated 1.3% of the total population.

For this analysis, group quarters residents are removed from the estimated population total, before determining the number of other types of housing that are needed for non-group households.

Housing Units & Vacancy

Data from the City of Hillsboro and the US Census indicate that the city added an estimated 15,840 new housing units between 2000 and 2022, representing a 58% growth in the housing stock.

As of 2022, the city has an estimated housing stock of roughly 43,040 units for its 40,970 estimated households. This translates to an estimated average vacancy rate of 4.8%, which is the estimated vacancy rate found in the 2020 Decennial Census. The estimated vacancy in the Metro area was a higher 5.2%, and 7% statewide.

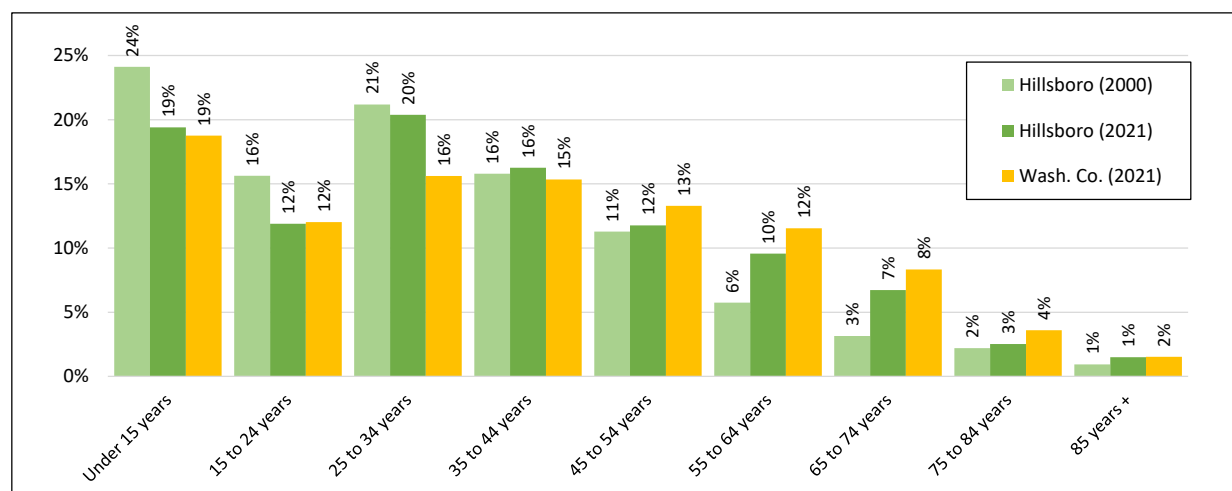
The most recent 2021 ACS estimated a lower vacancy rate of 3.5% in Hillsboro, but with a higher margin-of-error than the Decennial Census. In general, the local vacancy rate has been trending downwards since the 2008/9 recession. Vacancies peaked in 2013 near 7% in Hillsboro and have been declining ever since.

It is important to note that vacancies are not evenly distributed across housing types and price points. Vacancy includes rentals and homes for sale, or otherwise kept vacant. In a tight housing market like the one currently experienced by most of the Portland Metro area, including Hillsboro, the vacancy rate for the lowest cost units will be the lowest, as more households are competing for cost-effective units. For instance, in subsidized affordable housing, there is generally no real vacancy, as lower-income households wait on waiting lists to move into any available unit. Similarly, the inventory of for-sale housing affordable to many middle-income first-time homebuyers is very low, as these units are rarer, and sell quickly.

Age Trends

The following figure shows the share of the population falling into different age cohorts between the 2010 Census and the most recent 5-year American Community Survey estimates. The chart shows that children and young adults have fallen as a share of the population. The middle age segments have remained steady as a share of the population as the large Baby Boom generation has aged towards retirement. This is in keeping with the national trend. But overall, Hillsboro has a younger population than the county, which has an even greater share of those over 55 years in age.

**Figure 3. Age Cohort Trends, 2010 - 2021**

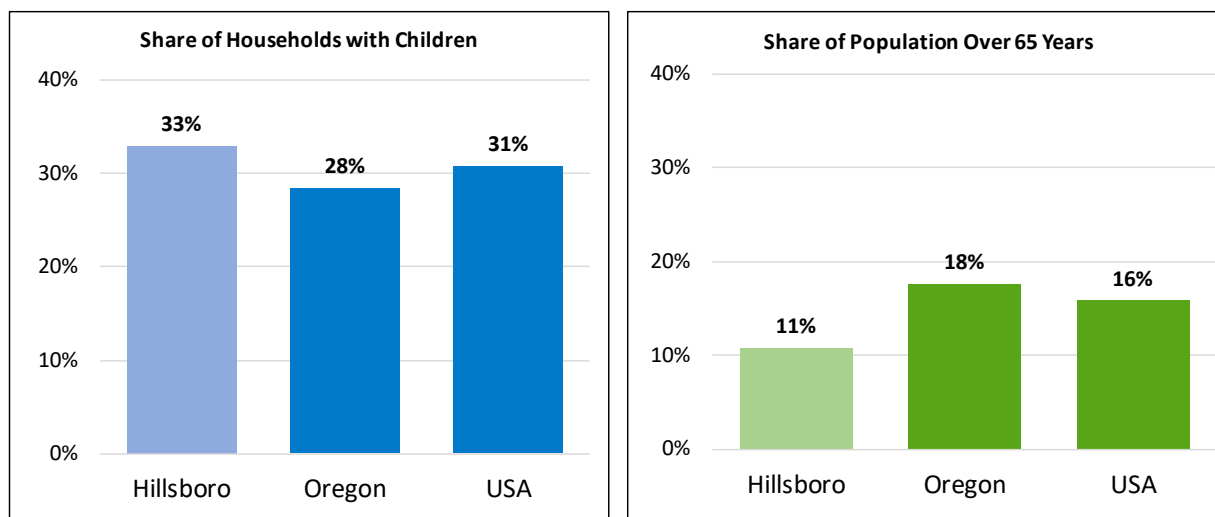


Source: US Census, Johnson Economics LLC; Census Tables: QT-PI (2000); S0101 (2021 ACS 5-yr Estimates)

- Despite the general aging of the population, nearly 90% of the population is under 65 years of age, and nearly 20% are under age 15.
- In the 2021 ACS, the local median age was an estimated 34 years, compared to 40 years across Oregon.

Figure 4 presents the share of households with children, and the share of the population over 65 years of age for comparison. Compared to state and national averages, Hillsboro has a higher share of households with children at 33%. At 11%, the share of the population over 65 is lower than the state and national figures.

**Figure 4. Share of Households with Children/ Population over 65 years (Hillsboro)**



Source: US Census, Johnson Economics LLC; Census Tables: B11005; S0101 (2021 ACS 5-yr Estimates)

**Diversity Trends**

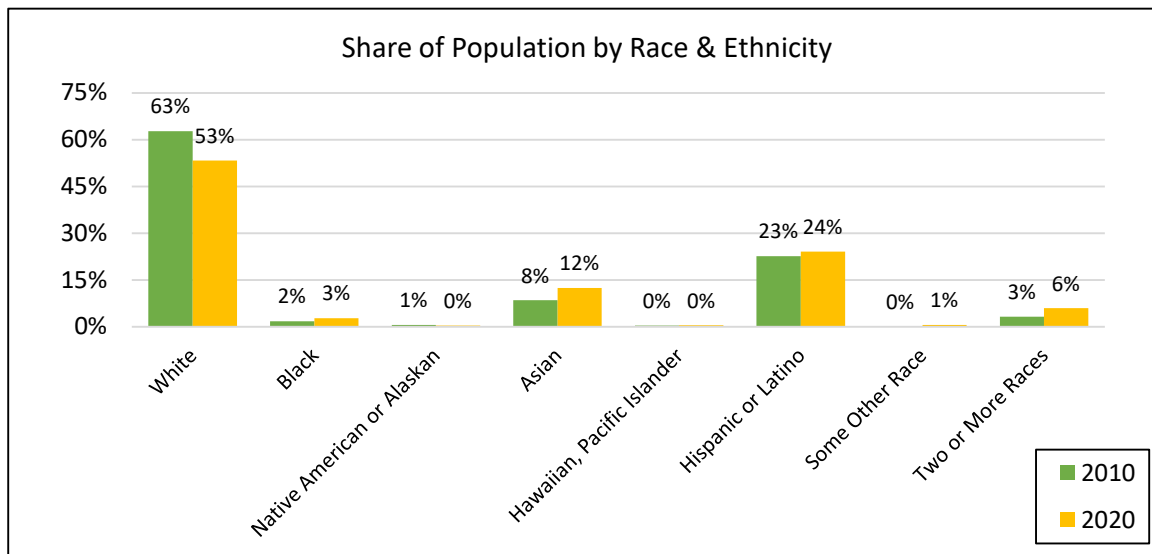
The following figure presents the distribution of Hillsboro’s population by race and Hispanic ethnicity. The community grew more diverse between the 2010 and 2020 Census, with the population’s white (non-Hispanic) share falling from 63% to 53%. The Hispanic or Latino population makes up 24% of residents, and the Asian population is 12% of the population. In comparison, the share of the population identifying as “white alone” is 61% in Washington County, and a much higher 72% statewide. The share of Hillsboro’s population identifying as Hispanic or Latino is 24% of the population, indicating over 25,000 people as of the 2020 Census. This is higher than the 14% share statewide.

Minority households tend to have a larger average household size than the average of all households (Figure 2.7). (This figure presents statewide data due to the high margin of error for local data in this data set.) Households identifying as “white alone” have the lowest average household size (2.4 persons), while all other racial and ethnic categories have a larger estimated average household size. Some of the non-white categories, such as black households and those of two or more races, are still similar in average size (2.5 and 2.7 persons, respectively). Those with the largest estimated households are Latinos, Pacific Islanders, and those identifying as “some other race.”

Larger average household size indicates a need for units with more bedrooms on average among many minority households. Each household has its own housing needs in terms of the number of bedrooms and other factors, based on the specific makeup of each family. Based on voluntary guidelines provided

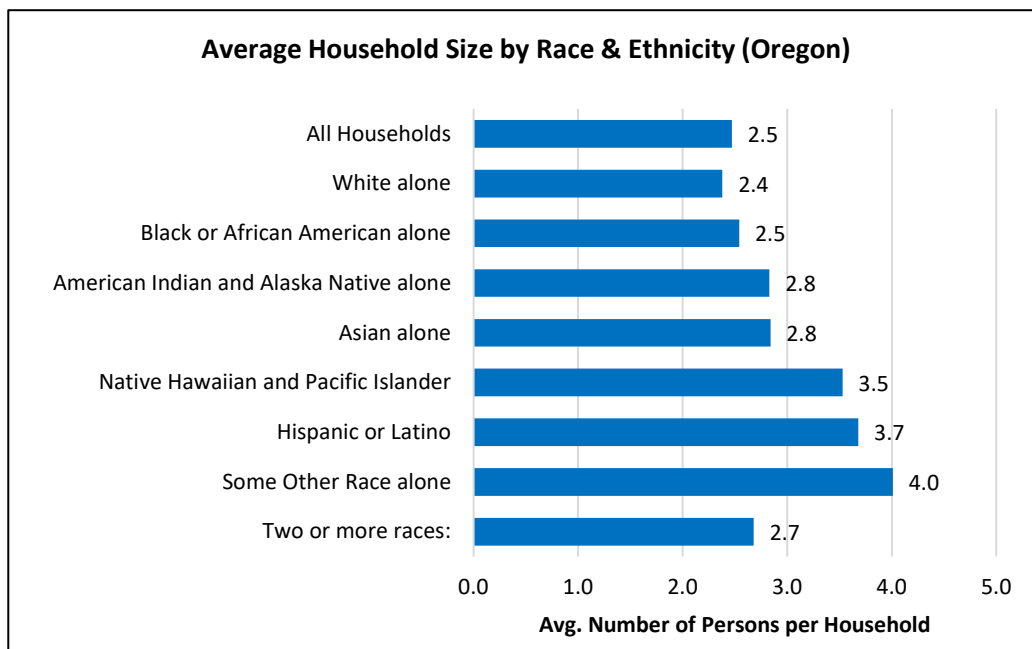
by HUD for public housing programs, households of between 2 persons generally need a one-bedroom unit, households with 3 persons might need two bedrooms, and those with 4 persons might need three bedrooms. Larger households may need four or more bedrooms, which are typically found in single-detached homes.

**Figure 5. Racial and Ethnic Diversity, 2010 – 2020 (Hillsboro)**



Source: US Census, Johnson Economics LLC; Census Tables: P1, P2 (2010, 2020)

**Figure 6. Average Number of Persons per Household by Racial and Ethnic Category (Oregon)**



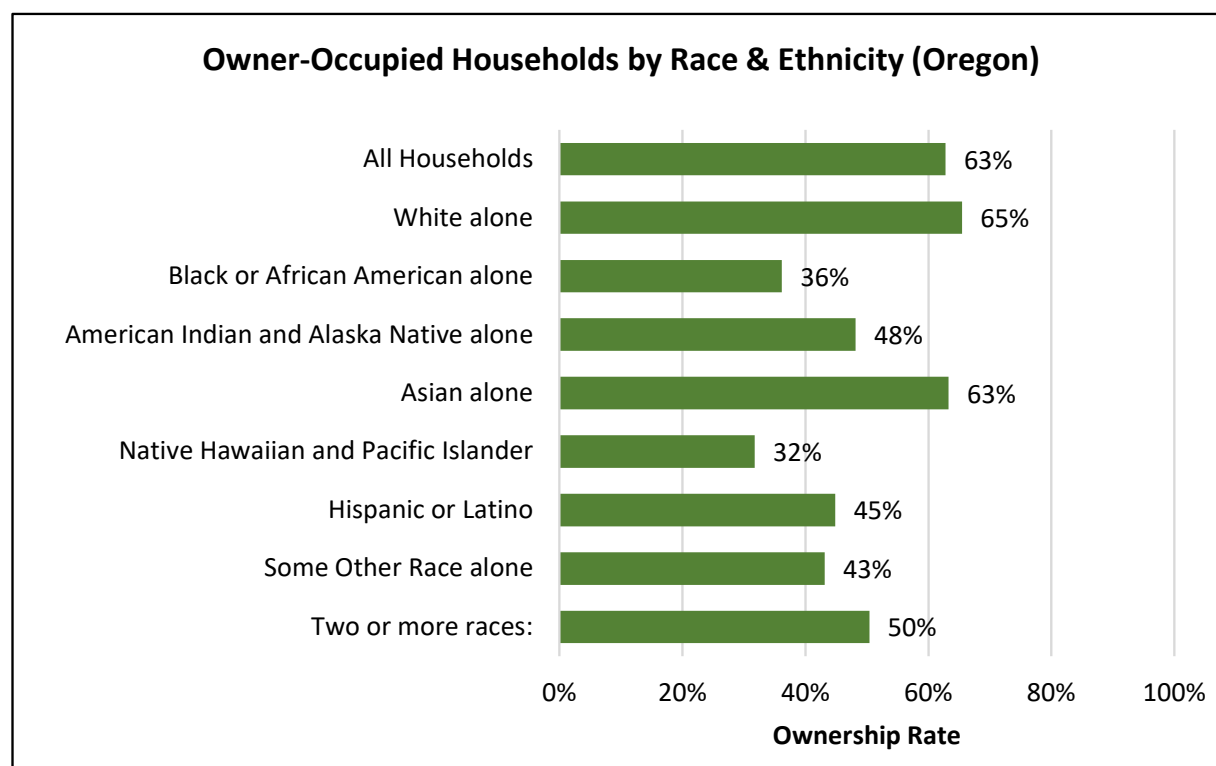
Source: US Census, Johnson Economics LLC; Census Tables: P17A-H, (State of Oregon, 2020)

\* This data is presented on a statewide basis using the most recent Census data available (2010). The data for the Hillsboro or Washington County geographies feature unusually large margins of error due to small sample size.

Currently, many racial and ethnic minorities are less likely to own the homes they occupy based on statewide data (Figure 7) meaning that they tend to occupy rental units. These communities face systemic obstacles to home ownership including lower generational wealth, access to capital and financing, and a history of discrimination in lending and geography (e.g., redlining). While the country and state try to address explicit discrimination through the law, the legacy of these barriers continue to hamper home ownership for many minority households. Going forward, Hillsboro would benefit from more entry-level homebuying opportunities for these households, as well as additional rental housing for those who are still unready or unable to buy a home.

Populations from some racial and ethnic minority groups also have lower average incomes and are more likely to have income below the official poverty level compared to the total population. This is correlated with their greater share of renter households and will also impact the types of housing they consume, as discussed later in this report.

**Figure 7. Home Ownership Rate by Racial and Ethnic Category (Oregon)**



Source: US Census, Johnson Economics LLC; Census Tables: B25003A-H, (State of Oregon, 2021 ACS 5-year)

\* This data is presented on a statewide basis using the most recent Census data available (2020). The data for the Hillsboro or Washington County geographies feature larger margins of error due to small sample size in some of the racial categories.

Income Trends

Table 2 presents data on Hillsboro’s income trends.

**Table 2. Income Trends, 2000 – 2022 (Hillsboro)**

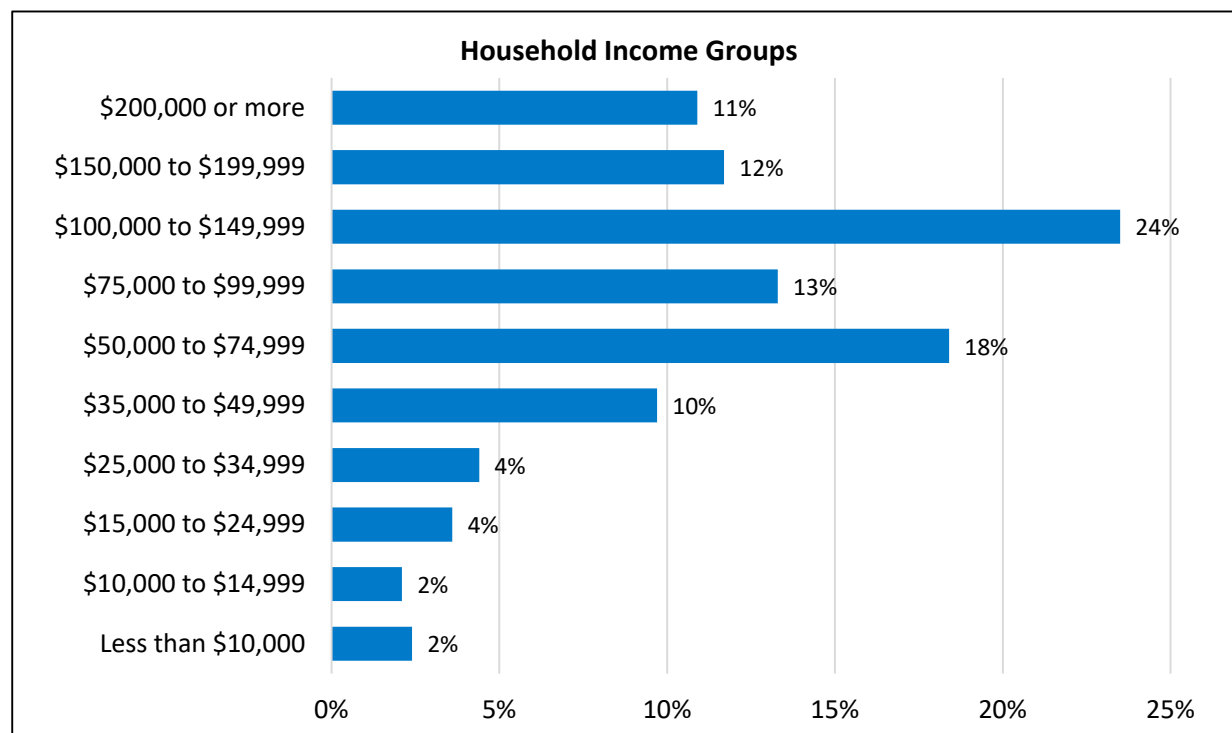
<b>PER CAPITA AND MEDIAN HOUSEHOLD INCOME</b>					
	<b>2000</b>	<b>2010</b>	<b>Growth</b>	<b>2022</b>	<b>Growth</b>
	<b>(Census)</b>	<b>(Census)</b>	<b>00-10</b>	<b>(Proj.)</b>	<b>10-22</b>
Per Capita (\$)	\$21,680	\$27,481	27%	\$42,938	56%
Median HH (\$)	\$51,575	\$62,474	21%	\$94,075	51%

SOURCE: Census, Metro Consolidated Forecast, PSU Population Research Center, and Johnson Economics

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

- Hillsboro’s per capita income was roughly \$41,625 in 2021, compared to the statewide per capita income of \$37,800. The projected per capita income in 2022 is nearly \$43,000, based on the growth rate between 2000 and 2020.
- Hillsboro’s estimated median household income was over \$94,000 in 2022. This was similar to the Washington County median of \$92,025, but 30% higher than the statewide median of \$70,100. Based on the average annual rate of growth between 2000 and 2021, the estimated median income as of 2022 is \$94,000.
- In real dollars, median income grew an estimated 82% between 2000 and 2022, in real dollars. Inflation was an estimated 55% over this period, so the local median income exceeded inflation in that period. This is not the case in many regions and nationally, where income growth has not kept pace with inflation.

Figure 8. Household Income Cohorts, 2021 (Hillsboro)



SOURCE: US Census, Census Tables: S1901 (2021 ACS 5-yr Est.)

Figure 8 presents the estimated distribution of households by income as of 2021. The largest income cohorts are those households earning between \$100k and \$150k, followed by households earning between \$50,000 and \$75,000.

- 42% percent of households earn more than \$100,000.
- 25% of households earn less than \$50k per year, and 9% of households earn less than \$25k per year.

Poverty Statistics

According to the US Census, the official poverty rate in Hillsboro is an estimated 8% during the most recent period reported (2021 5-year estimates).<sup>4</sup> This is roughly 8,200 individuals in Hillsboro. In comparison, the official poverty rate in Washington County is a similar 8%, and at the state level is 12%. In the 2017-21 period:

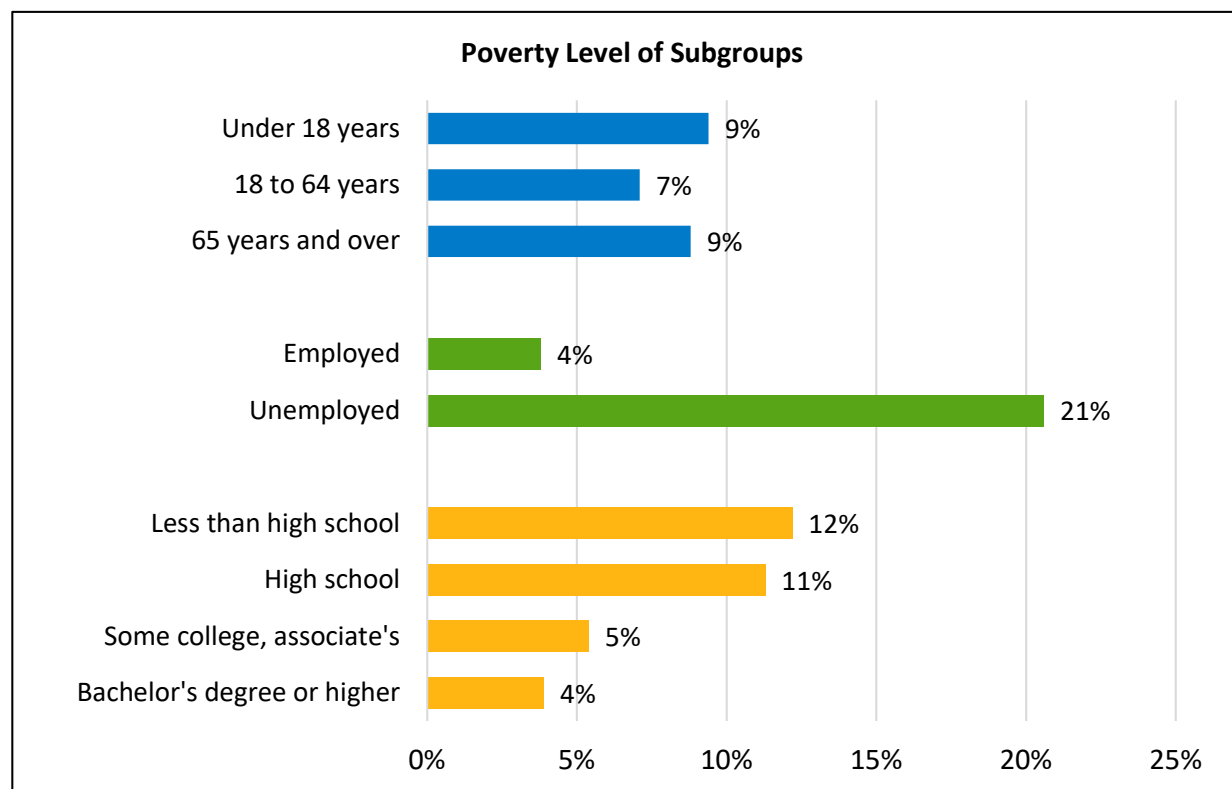
- The Hillsboro poverty rate is highest for children and older residents at 9%, and 7% for those between 18 and 64 years.
- For those without a high school diploma, the poverty rate is 12%. For those with higher rates of education, the estimated poverty rate falls.
- Among those who are unemployed the poverty rate is 21%, while it is 4% for those who are employed.

<sup>4</sup> Census Tables: S1701 (2021 ACS 5-yr Estimates)



While the Citywide average poverty rate is comparable to that of the County, the estimated poverty rate in individual Census tracts can vary widely, including some with much higher poverty rates. Two tracts in southwest Hillsboro, that encompass the Downtown and surrounding areas, featured estimated poverty rates of 22% in the 2021 ACS, among the highest poverty rates in the state. Downtown Hillsboro is the seat of Washington County governance and where many public services for the low-income and homeless are centered. Another tract in northeast Hillsboro, east of Cornelius Pass Rd. and west of Rock Creek, features a comparable poverty rate of 19%.

**Figure 9. Share of Population in Poverty by Category (Hillsboro)**



Source: US Census; Census Tables: S1701 (2021 ACS 5-yr Est.)

**Employment Location Trends**

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

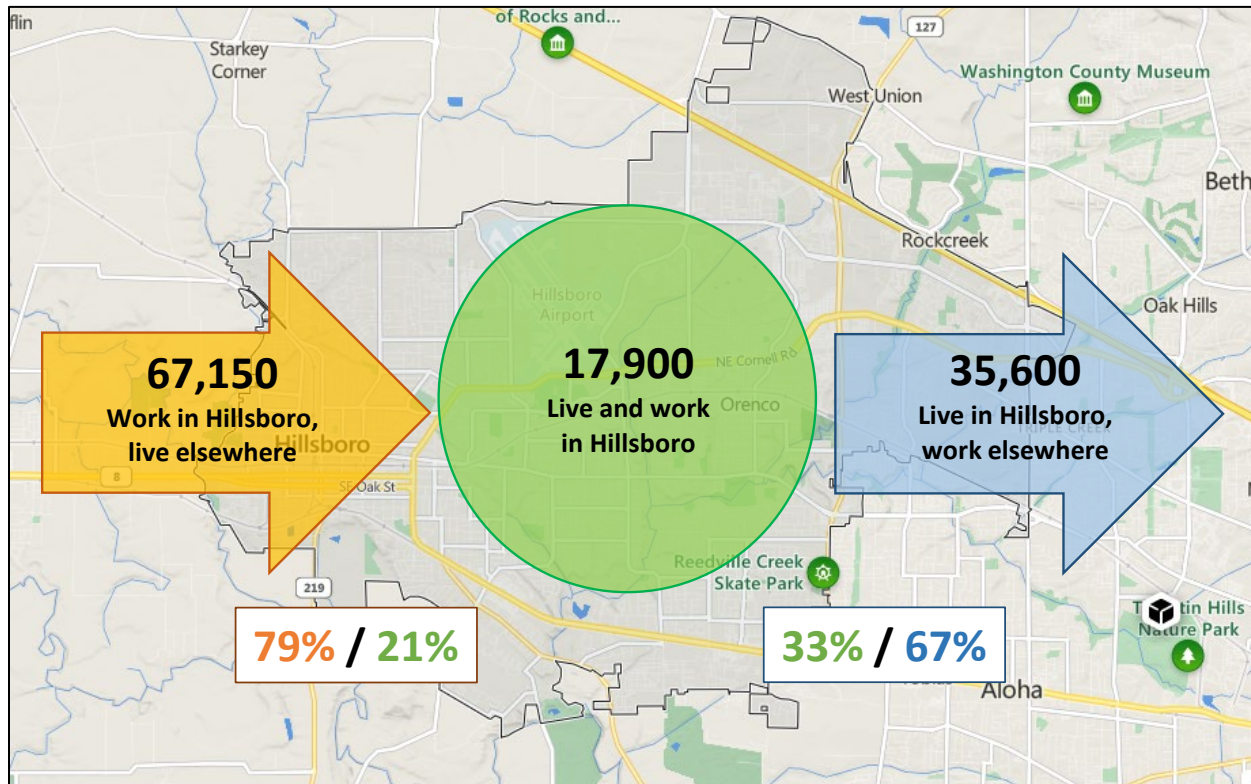
**Commuting Patterns:** The following figure shows the inflow and outflow of commuters to Hillsboro according to the Census Longitudinal Employer-Household Dynamics Database. These figures reflect “covered employment” as of 2019, the most recent year available. Covered employment refers to those jobs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

As of 2019, the Census estimated there were roughly 85,000 covered employment jobs located in Hillsboro. Of these, an estimated 17,900 or 21%, were held by local residents, while over 67,000 employees commuted into the city from elsewhere. This general pattern of cross-commuting is common

among many communities within the Metro area. The most common places of residence for workers commuting into the city are Portland and Beaverton, with smaller shares from nearby areas including Aloha, Bethany, and Forest Grove.

Similarly, of the estimated 53,500 Hillsboro residents with covered employment, 67% of them commute elsewhere to their employment. The most common destinations for Hillsboro commuters are Portland, Beaverton, and Tigard. Smaller shares work elsewhere in the Portland metro or in the mid-Willamette Valley.

**Figure 10. Commuting Patterns (Primary Jobs), Hillsboro**



Source: US Census Longitudinal Employer-Household Dynamics

**Jobs/Household Ratio:** Hillsboro features a high jobs-to-households ratio. There are an estimated 85,000 jobs in Hillsboro (covered), and an estimated 41,200 households in Hillsboro. This represents over two jobs per household. There is no standard jobs-to-households ratio that is right for all communities, but it can provide a guide to the balance between employment uses and residential uses in the city. In the case of Hillsboro, the community offers a high number of employment opportunities both for local and regional residents.

## Current Housing Conditions

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

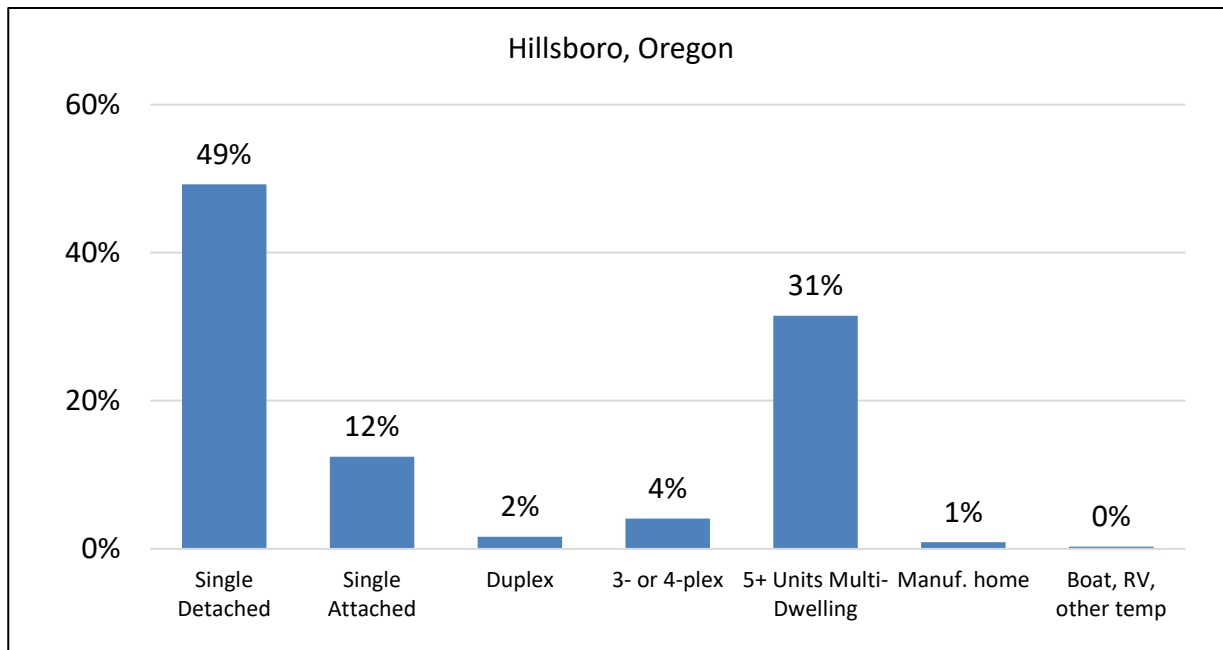
### Housing Tenure

The Census estimates that Hillsboro has a slightly greater share of homeowner households than renter households. The 2021 ACS estimates that 51% of occupied units were owner-occupied, and 49% were renter occupied. The estimated ownership rate is similar to the rate in other large Metro cities, including Beaverton (50%) and Portland (53%), but the rate is higher across Washington County (61%) and statewide (63%). Nationally, the homeownership rate is now near the historical average of 65%.

### Housing Stock

Hillsboro has an estimated 43,040 housing units in 2022, with a vacancy rate of 4.8% (includes ownership and rental units). The housing stock is projected to have increased by roughly 15,850 units since 2000, or a growth of 58%.

**Figure 11. Estimated Share of Housing Units, By Property Type, 2022**



Source: US Census, City of Hillsboro

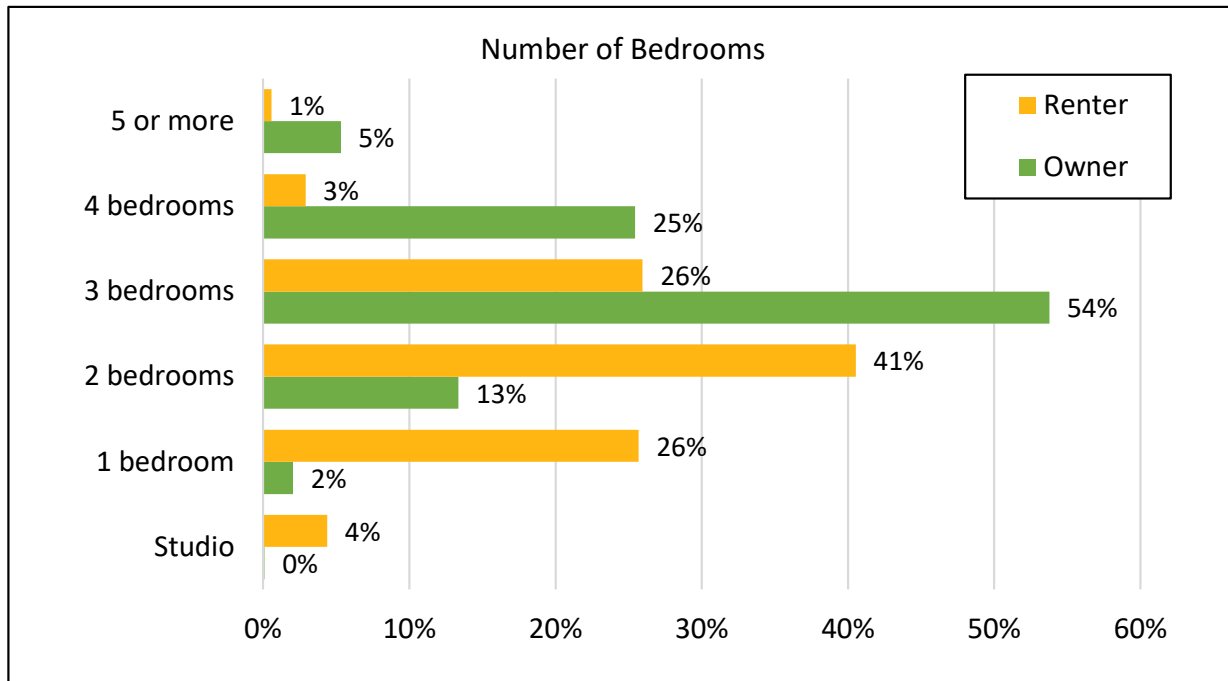
Figure 11 shows the estimated number of units by type in 2022 based on forecasting forward from the most recent US Census and ACS data. Single-detached homes represent an estimated 44% of housing units. Manufactured homes represent an additional 1% of the inventory.

Units in larger apartment complexes of 5 or more units represent 34% of units, and other types of attached homes (townhomes, duplexes and, 3-or 4 plexes) represent an additional 21% of units. (Single-attached generally includes attached townhomes, and some 2 to 4-plexes which are separately metered).

Number of Bedrooms

Figure 12 shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are much more likely to have three or more bedrooms, while renter-occupied units are more likely to have two or fewer bedrooms. However, rental units with three or more bedrooms make up nearly 30% of rental units.

**Figure 12. Number of Bedrooms for Owner and Renter Units, 2021**



Source: US Census; Census Tables: B25042 (2021 ACS 5-year Estimates)

Unit Types by Tenure

A large share of owner-occupied units (80%) are detached homes, which is related to why owner-occupied units tend to have more bedrooms on average. This is a key factor in the high cost of many single-detached homes and a barrier to homeownership for many. Over 3% of ownership units are in buildings of three or more units, meaning these are likely condominium units. Renter-occupied units are more distributed among a range of structure types. About 16.5% of rented units are estimated to be detached homes or manufactured homes, while the remainder are some forms of attached unit. Nearly 62% of rental units are in larger apartment complexes.

Table 3. Current Housing Inventory by Unit Type, for Owner and Rental Housing

**Ownership housing**

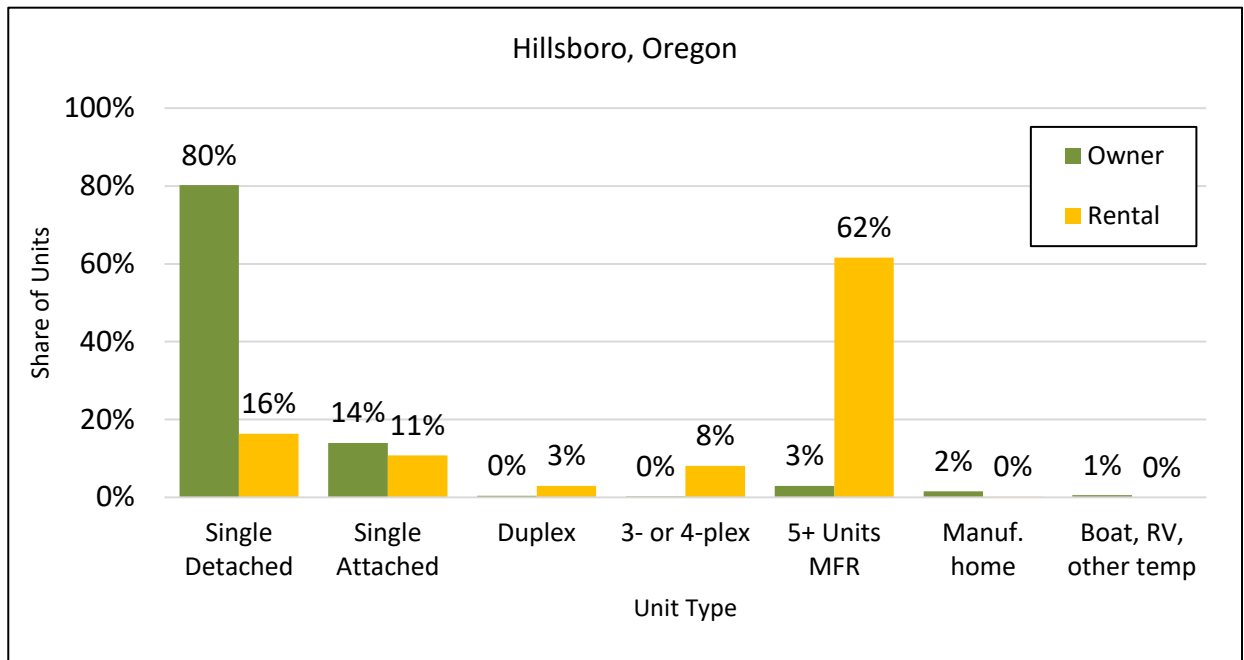
OWNERSHIP HOUSING								
	Single Detached	Single Attached	Duplex	3- or 4-plex	5+ Units MFR	Manuf. home	Boat, RV, other temp	Total Units
<b>Totals:</b>	17,766	3,098	89	57	654	345	127	22,135
<b>Percentage:</b>	80.3%	14.0%	0.4%	0.3%	3.0%	1.6%	0.6%	100%

**Rental housing**

RENTAL HOUSING								
	Single Detached	Single Attached	Duplex	3- or 4-plex	5+ Units MFR	Manuf. home	Boat, RV, other temp	Total Units
<b>Totals:</b>	3,422	2,258	613	1,691	12,886	33	0	20,903
<b>Percentage:</b>	16.4%	10.8%	2.9%	8.1%	61.6%	0.2%	0.0%	100%

Sources: US Census, Johnson Economics, City of Hillsboro

Figure 13. Current Housing Inventory by Unit Type, by Share

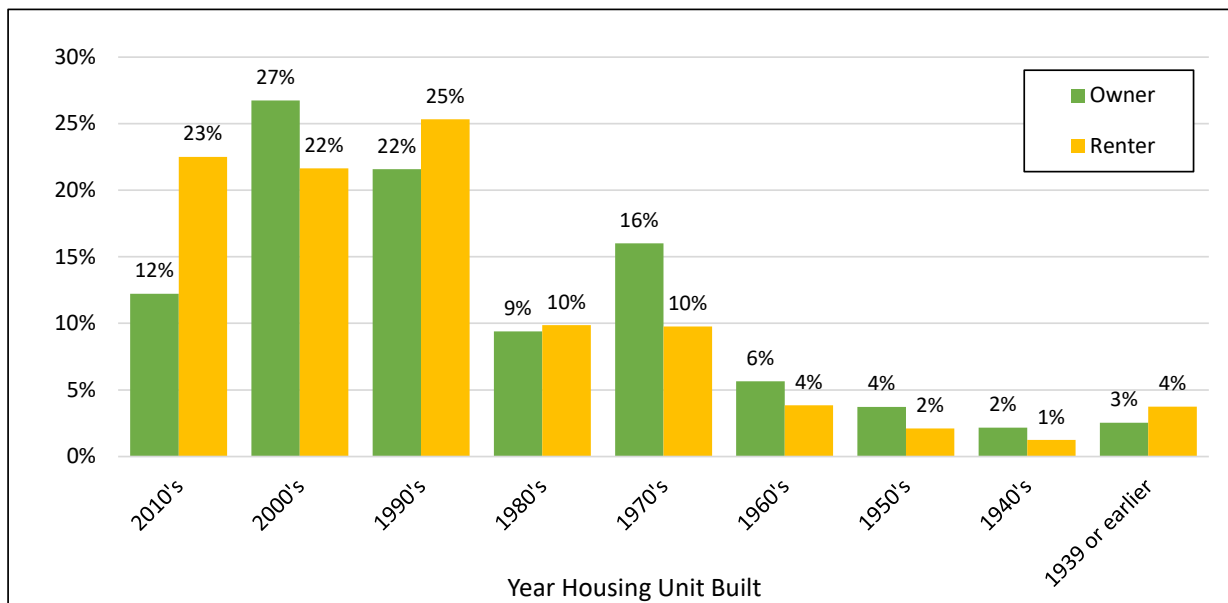


Sources: US Census, Johnson Economics, City of Hillsboro

Age and Condition of Housing Stock

Hillsboro’s housing stock reflects the pattern of development over time. An estimated 12% of owner housing and 23% of renter housing have been built over the last decade. An additional 50% of both ownership housing and rental housing was built in the 1990’s and 2000’s.

**Figure 14. Age of Housing Units for Owners and Renters**



Source: US Census

Census Tables: B25036 (2021 ACS 5-year Estimates)

- Good quantitative data on housing condition is generally unavailable without an intensive on-site survey of all local housing that is beyond the scope of this analysis. Census categories related to housing condition are ill-suited for this analysis, dealing with such issues as units without indoor plumbing, which was more common in the mid-20th Century, but is an increasingly rare situation. Age of units serves as the closest reliable proxy for condition with available data.
- For ownership units, older homes may be in poor condition, but are also more likely to have undergone some repair and renovation over the years. Rental units are more likely to degrade steadily with age and wear-and-tear, and less likely to receive sufficient reinvestment to keep them in top condition, though this is not universally true.

Housing Costs vs. Local Incomes

Figure 15 shows the share of owner and renter households paying more than 30% of their household income towards housing costs (typically including utilities), by income segment. Spending 30% or less on housing costs is a standard measure of “affordability” used by HUD<sup>5</sup> and others, and in the analysis

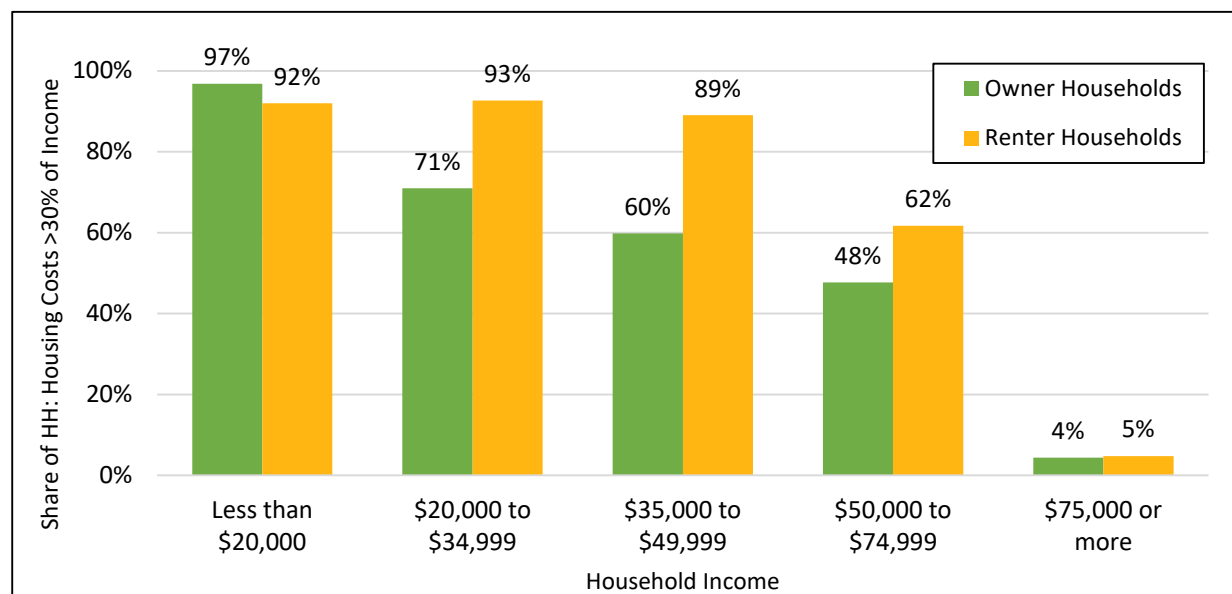
<sup>5</sup> “Cost burden – Monthly housing costs (including utilities) exceeding 30% of monthly income. Severe cost burden – Monthly housing costs (including utilities) exceeding 50% of monthly income.” Source: [www.huduser.gov/portal/datasets/cp/CHAS/bg\\_chas.html](http://www.huduser.gov/portal/datasets/cp/CHAS/bg_chas.html)

presented in this report. HUD defines households spending more than 30% of income on housing as “rent burdened” or “cost burdened.”

Households with lower incomes tend to spend more than 30% of their income on housing as they have less income, while incrementally, fewer of those in higher income groups spend more than 30% of their incomes on housing costs as they have greater financial resources. Of those earning less than \$20,000, it is estimated that most owner and renter households spend more than 30% of their income on housing costs.

In total, the US Census estimates that over 31% of Hillsboro households pay more than 30% of income towards housing costs (2021 American Community Survey, B25106).

**Figure 15. Share of Households Spending More than 30% on Housing Costs, by Income Group**



Sources: US Census, Johnson Economics; Census Table: B25106 (2021 ACS 5-yr Estimates)

Housing is generally one of a household’s largest living costs, if not the largest. The ability to find housing options that are affordable, and even build wealth through ownership, is one of the biggest contributors to helping lower income households save and cultivate wealth. Even if renting, housing costs that are affordable allow for more household income to be put to other needs, including savings.

Renters are disproportionately lower income relative to homeowners. Housing cost burdens are felt more broadly for these households, and as the analysis presented in a later section shows there is a need for more rental units at more affordable levels in Hillsboro, as in most communities.

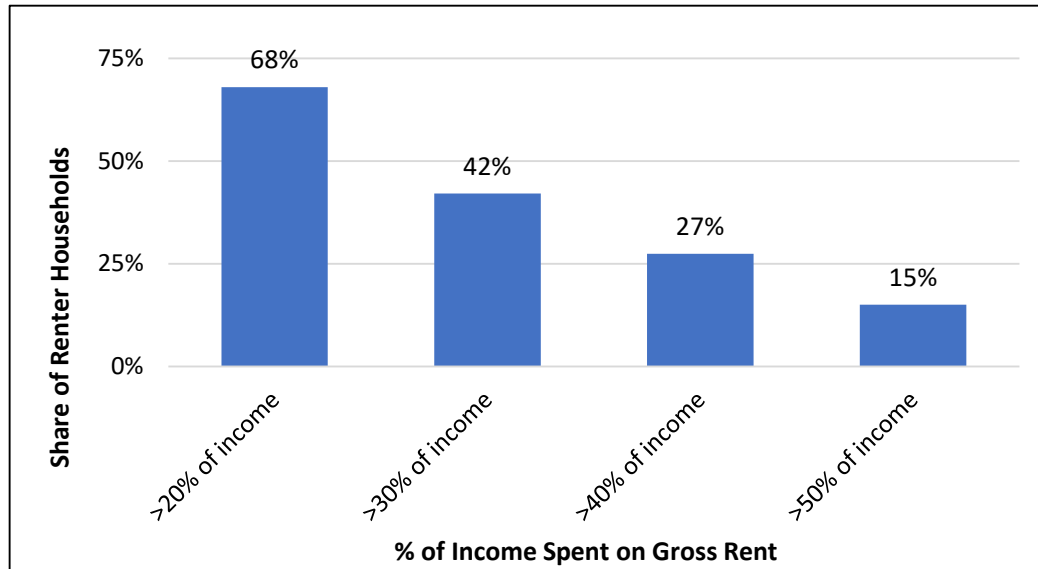
Figure 16 shows the percentage of household income spent towards gross rent<sup>6</sup> for local renter households only. This more fine-grained data shows that not only are 42% of renters spending more

<sup>6</sup> The Census defines Gross Rent as “the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else).” Housing costs for homeowners include mortgage, property taxes, insurance, utilities and condo or HOA dues.

than 30% of their income on gross rent, but an estimated 15% of renters are spending 50% or more of their income on housing and are considered “severely rent-burdened”.

The state of Oregon tracks cities where at least 25% of renter households are severely rent burdened, identifying them as “severely rent burdened cities.” With 15% of renter households meeting this threshold, Hillsboro does not currently qualify as one of these cities.

**Figure 16. Percentage of Household Income Spent on Gross Rent, Hillsboro Renter Households**



Sources: US Census, Johnson Economics; Census Table: B25070 (2021 ACS 5-yr Estimates)

**Publicly Assisted Housing**

The Metro affordable housing database lists 2, 2,562 subsidized affordable units within Hillsboro in 77 separate properties. Table 4 lists those properties tracked by Oregon Housing and Community Services (OHCS) in Hillsboro, which is less complete but includes a breakdown of the eligible households. These are properties that are funded through HUD programs, tax credits and other programs which guarantee subsidized rents for qualified households. Most of these units are offered towards families (75%), while lesser amounts are aimed at other groups. The high share of renters still paying over 30% of their income towards housing costs indicates that there is an ongoing need for rental units at the lowest price points. Hillsboro is currently home to one property, the Montebello Apartments, dedicated to agricultural workers with 47 units.



**Table 4. Subsidized Affordable Housing Inventory, Hillsboro**

	# of Properties	# of Units	Share of Units
Agricultural Worker	1	47	2%
Developmentally Disabled	0	0	0%
Elderly	4	143	7%
Ex- or Released Offender	0	0	0%
Family	60	1,502	75%
Homeless	0	0	0%
Physically Disabled	3	89	4%
Substance Use Disorder	0	0	0%
Veterans	0	0	0%
Workforce	3	232	12%
<b>Total:</b>	<b>71</b>	<b>2,013</b>	<b>100%</b>

Source: OHCS

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

The most recent (January 2022) Point-in-Time count of people experiencing homelessness and households experiencing homelessness in Washington County<sup>7</sup> found 808 homeless individuals in 571 households on the streets, in shelters, or other temporary and/or precarious housing. The estimated 808 homeless individuals represented 0.8% of Hillsboro’s total estimated population in 2022.

- An estimated 72% of individuals were in some sort of temporary shelter, while 28% were unsheltered.
- The total included 171 children (under age 18), all of whom were sheltered, and 44 youth (aged 18-24) of whom 12 were unsheltered.
- 61% of those counted identified as men, 38% as women, and 1% as transgender or gender non-conforming.
- 24% of those counted were Hispanic or Latino compared to 18% in the general population.
- 250 individuals, or 31%, were counted as “chronically homeless”.<sup>8</sup>

While the Point-in-Time count is one of the few systematized efforts to count homelessness across the country in a regular, structured way, it is widely thought to undercount the population of homeless

<sup>7</sup> Figures are for the entire County.

<sup>8</sup> HUD defines “chronically homeless” as an individual with a disability as defined by the McKinney-Vento Assistance Act, who has been in uninhabitable conditions for more than 12 mo. or on four separate occasions in the last three years; or has been in institutional care for less than 90 days; or a family with an adult head of household who meets this definition.

individuals and households. People who are doubled up, couch surfing, or experiencing domestic violence may not always be accurately counted. In addition to the impossibility of finding all unsheltered individuals experiencing homelessness, the count is conducted in late January, when homeless counts are likely near their lowest of the year due to inclement weather. It also relies on self-reporting.

A recent analysis prepared for OHCS to test a potential approach for preparing Housing Capacity Analyses on a regional basis included estimates of the homeless population in Oregon communities, including Hillsboro. The approach utilizes a combination of data from the bi-annual Point-in-Time count and from tracking of homeless school-aged children in keeping with the McKinney-Vento Act. The analysis estimates 768 homeless households in Hillsboro as of mid-2020. These include households that are unsheltered, in temporary shelters, or staying with friends or relatives. These households are a component of current and future housing needs.

The persistence of homelessness speaks to the need to continue to build a full spectrum of services and housing types to shelter this population, from temporary shelter to subsidized affordable housing. An analysis of the ability of current and projected housing supply to meet the needs of low-income people and the potential shortfall is included in the following sections of this report.

### Market Conditions (For-Sale Housing)

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

There were 1,585 home sales in Hillsboro over this period, or an average of 132 sales/month. Attached units and condominiums make up a significant share of home sales (29%).

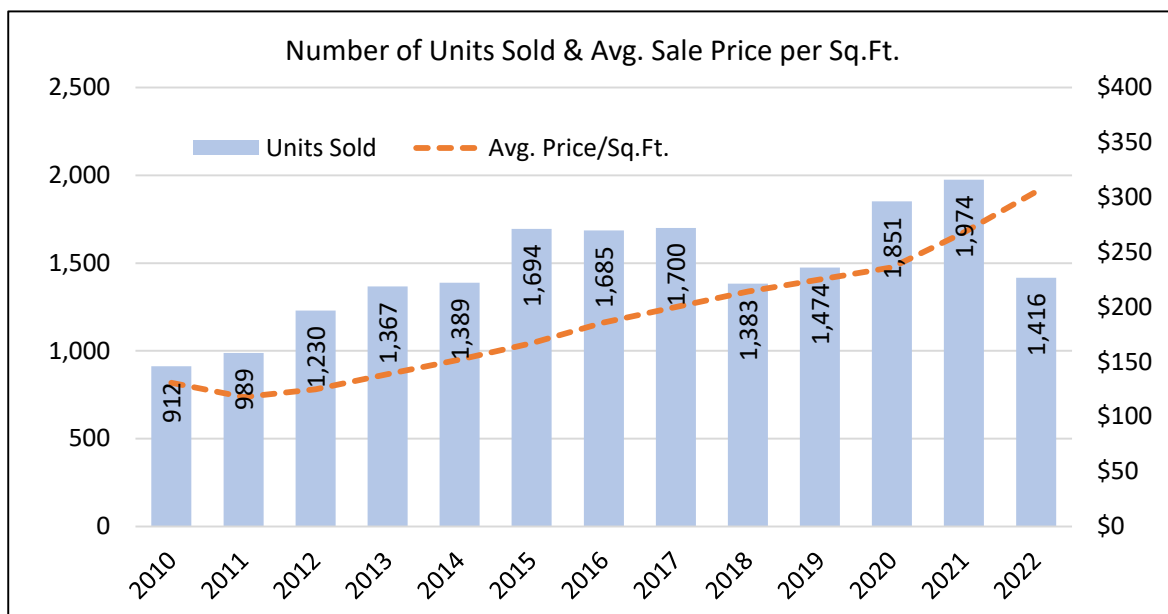
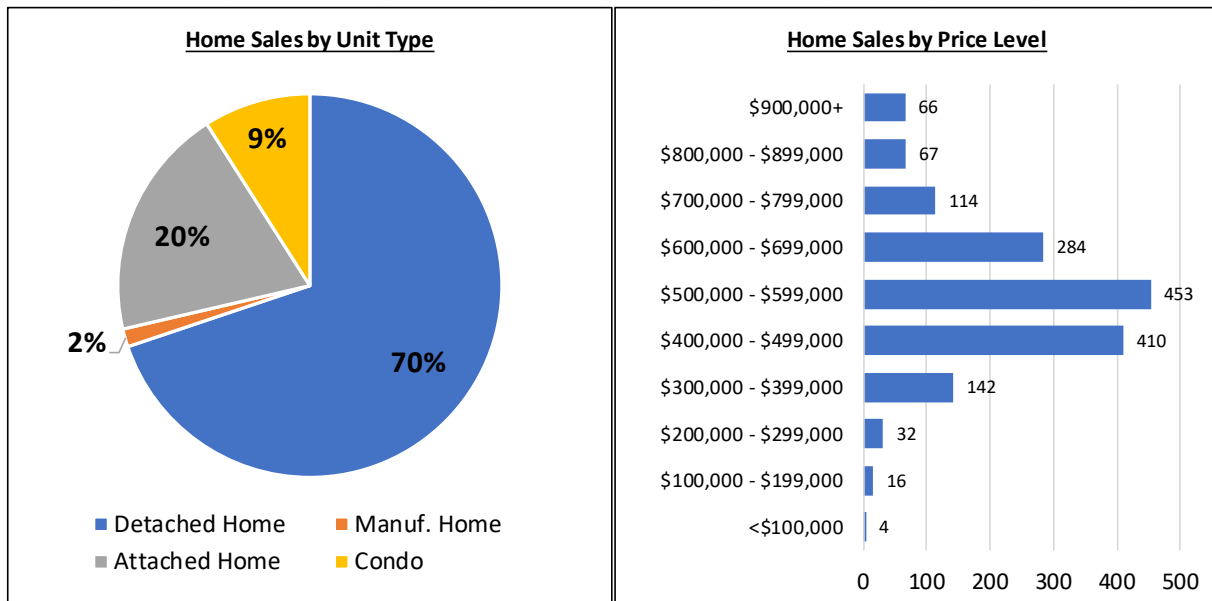
- The median sale price was \$535,500.
- The average (mean) sale price was \$564,000.
- The average price per square foot was \$305/square foot.
- The median square footage was 1,715 square feet.
- A home affordable to the median-income household in Hillsboro (roughly \$90,000), would cost around \$350,000.
- Only 7% of total sales were priced below \$350,000. Therefore, very few units are affordable to any would-be buyers making less than the median household income.
- 93% of total sales were priced at more than \$350,000, and 62% of total sales were priced at \$500,000 or more.

Currently, RMLS tracks 174 active listings, or about 1.5 months of for-sale inventory at the average rate of sales over the prior 12 months. Historically, this is a very low housing inventory and indicates a tight housing market.

Figure 18 presents the estimated home price affordable to the median-income household in Hillsboro and comparison market areas, compared to the actual median sale price for homes in 2022. In all cases, the median sale price is well in excess of what would be affordable to the median-income household.

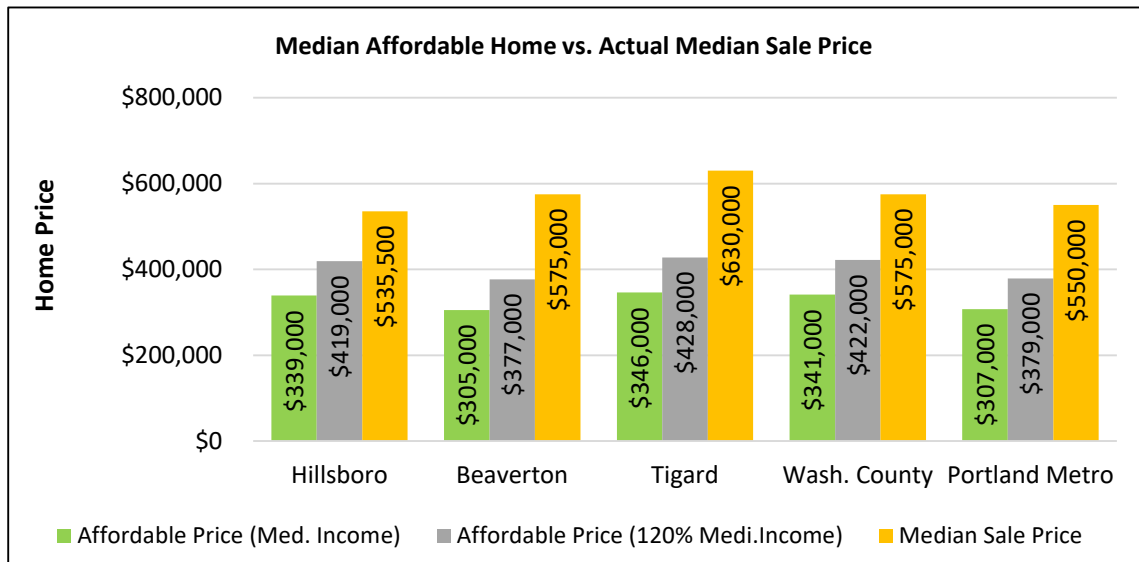
In Hillsboro, the median sale price was roughly 60% higher than the affordable price for the median household. However, in the comparison jurisdictions the median sale price ranged from 70% to 90% higher.

Figure 17. Hillsboro Home Sales (12 Months)



Sources: RMLS, Johnson Economics

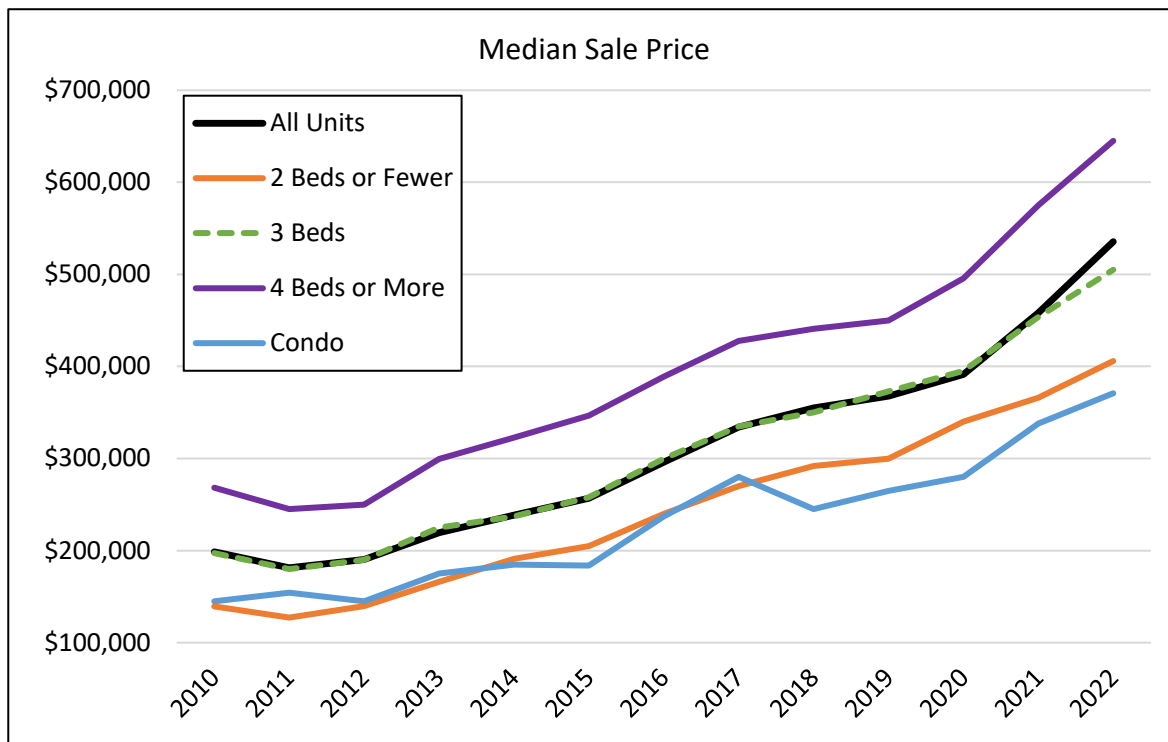
Figure 18. Home Price Affordable to Median Household vs. Actual Median Home Price (2022)



Sources: RMLS, Johnson Economics

Home prices in Hillsboro have doubled since 2015, from \$260k to \$535k. Since positive home price growth returned in 2012, home price growth has averaged 10% per year, and was estimated at 17% per year in each of the last two years.

Figure 19. Median Home Sale Price (2010-2022)

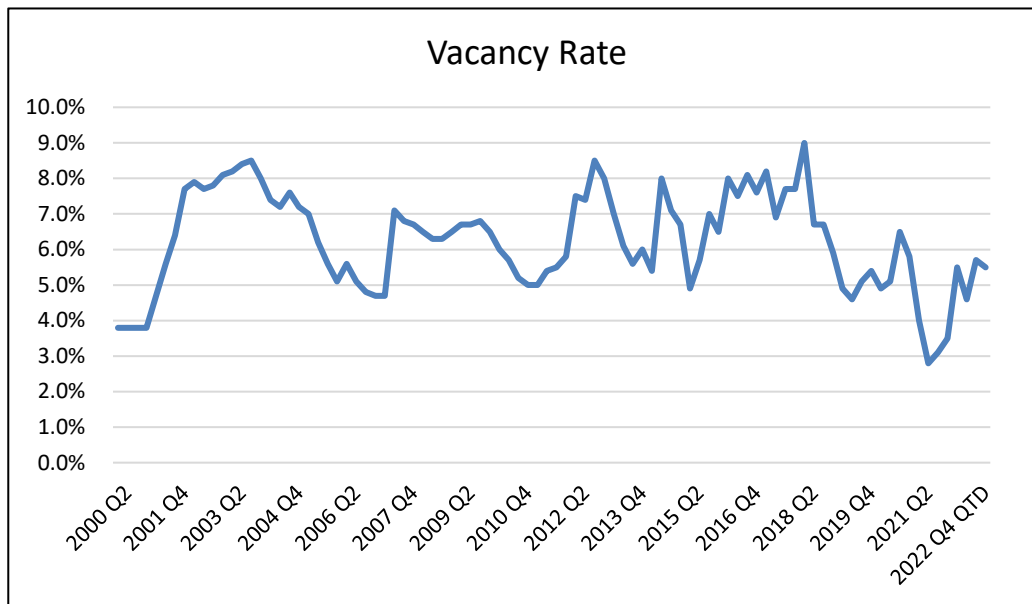


Sources: RMLS, Johnson Economics

Market Conditions (Rental Housing)

Based on the inventory tracked by CoStar (13,500 units in 160 properties), estimated rental vacancy hovered above 5% for much of the last decade, before falling in 2020. The vacancy rate is now close to 5%. This includes units at all price points, as well as new properties in lease up. As noted previously, vacancies are not evenly distributed across rent levels, with few available units at low rent levels where the greatest unmet need remains (see following sections.)

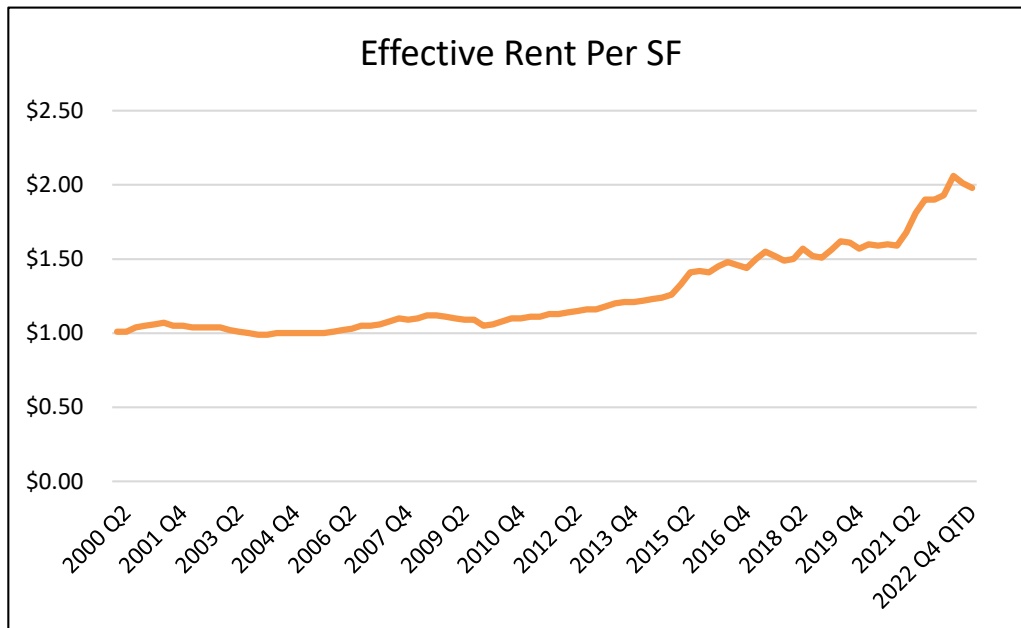
**Figure 20. Rental Vacancy in Hillsboro (2000-2022)**



Source: CoStar, Johnson Economics

Average rents have climbed steadily since 2009. The average rent in Hillsboro has nearly doubled over that period, increasing to roughly \$2.00/square foot, or an average of \$1,800/month.

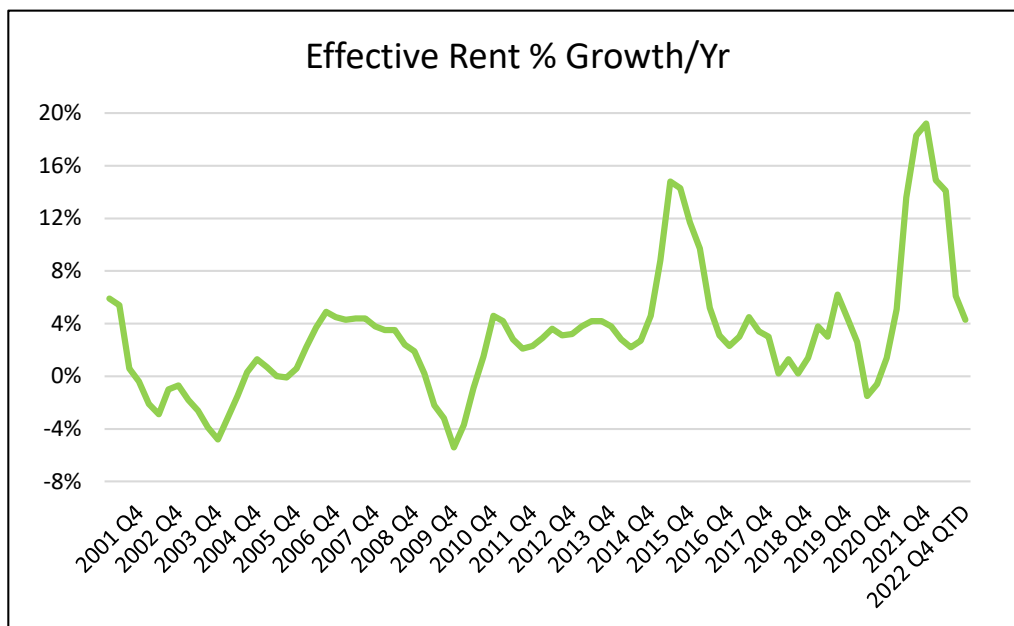
Figure 21. Avg. Rent/Sq.Ft. Hillsboro (2000-2022)



Source: CoStar, Johnson Economics

The following figure presents the average annual rent growth since 2001. Rent growth has been positive since the prior recession. After the growth rate fell to near 0% at the outset of the COVID pandemic, it quickly reversed and rebounded with rent growth of roughly 20% in 2021, before falling to a more modest 4% by the end of 2022.

Figure 22. Annual Rent Growth Rate Hillsboro (2000-2022)



Source: CoStar, Johnson Economics

## Current Housing Needs

The profile of current housing conditions in the study area is based on Census 2020 and informed by the Portland State University Population Research Center (PRC) finalized estimate for 2022.

**Table 5. Current Housing Profile (2022)**

CURRENT HOUSING CONDITIONS (2022)		SOURCE
Total 2022 Population:	109,532	PSU Pop. Research Center
- <u>Estimated group housing population:</u>	<u>1,391</u> (1.3% of Total)	US Census
<b>Estimated Non-Group 2022 Population:</b>	<b>108,141</b> (Total - Group)	
Avg. HH Size:	2.64	US Census
<b>Estimated Non-Group 2022 Households:</b>	<b>40,970</b> (Pop/HH Size)	
<b>Total Housing Units:</b>	<b>43,037</b> (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	40,970 (= # of HH)	
Vacant Housing Units:	2,067 (Total HH - Occupied)	
Current Vacancy Rate:	4.8% (Vacant units/ Total units)	

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

*\*This table reflects population, household and housing unit projections shown in Table 1.*

We estimate a 2022 population of roughly 109,532 residents, living in 40,970 households (excluding group living situations). The average household size is 2.64 persons.

There are an estimated 43,040 housing units in Hillsboro, indicating an estimated vacancy rate of nearly 5%. This includes units vacant for any reason, not just those which are currently for sale or rent.

### Estimate of Current Housing Demand

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

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age, and tenure by income, from the Census American Community Survey (tables: B25007 and B25118, 2021 ACS 5-yr Estimates).

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

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

Table 6 presents a snapshot of current housing demand (i.e., preferences) equal to the number of households in the study area (40,970). The breakdown of tenure (owners vs. renters) reflects data from the 2021 ACS.

**Table 6. Estimate of Current Housing Demand (2022)**

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	682	Less than \$15,000	3.2%	3.2%
\$80k - \$130k	691	\$15,000 - \$24,999	3.2%	6.4%
\$130k - \$180k	766	\$25,000 - \$34,999	3.6%	10.0%
\$180k - \$230k	1,168	\$35,000 - \$49,999	5.5%	15.5%
\$230k - \$310k	2,585	\$50,000 - \$74,999	12.1%	27.7%
\$310k - \$370k	3,128	\$75,000 - \$99,999	14.7%	42.4%
\$370k - \$440k	2,828	\$100,000 - \$124,999	13.3%	55.6%
\$440k - \$510k	2,323	\$125,000 - \$149,999	10.9%	66.6%
\$510k - \$680k	3,374	\$150,000 - \$199,999	15.8%	82.4%
\$680k +	3,745	\$200,000+	17.6%	100.0%
<b>Totals:</b>	<b>21,291</b>		<b>% of All:</b>	<b>52.0%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	1,223	Less than \$15,000	6.2%	6.2%
\$400 - \$700	839	\$15,000 - \$24,999	4.3%	10.5%
\$700 - \$900	1,092	\$25,000 - \$34,999	5.6%	16.0%
\$900 - \$1200	2,341	\$35,000 - \$49,999	11.9%	27.9%
\$1200 - \$1600	3,831	\$50,000 - \$74,999	19.5%	47.4%
\$1600 - \$1900	3,259	\$75,000 - \$99,999	16.6%	64.0%
\$1900 - \$2200	2,553	\$100,000 - \$124,999	13.0%	76.9%
\$2200 - \$2500	1,855	\$125,000 - \$149,999	9.4%	86.4%
\$2500 - \$3400	1,313	\$150,000 - \$199,999	6.7%	93.0%
\$3400 +	1,372	\$200,000+	7.0%	100.0%
<b>Totals:</b>	<b>19,678</b>		<b>% of All:</b>	<b>48.0%</b>

<b>All Households</b>
<b>40,970</b>

Sources: PSU Population Research Center, Claritas., Census, Johnson Economics; Census Tables: B25007, B25106, B25118 (2021 ACS 5-yr Estimates); Claritas: Estimates of income by age of householder



The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, a home affordable to those in the lowest income category (less than \$15,000) would have to cost \$80,000 or less. Rent affordable to someone in this category would be \$400 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5% (in line with historical norms), with a 10% down payment. These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. In the 2000's, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20% is often cited as the standard for most buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

Interest rates are subject to disruption from national and global economic forces, and therefore impossible to forecast beyond the short term. The 5% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's. However, recent inflation has caused the Federal Reserve to raise its key rate, causing mortgage rates to climb above 7% for the first time since 2008. While forecasting these trends is impossible, many economists expect the inflation to be transitory, and the general long-term decline in interest rates to be reestablished.

### Current Housing Inventory

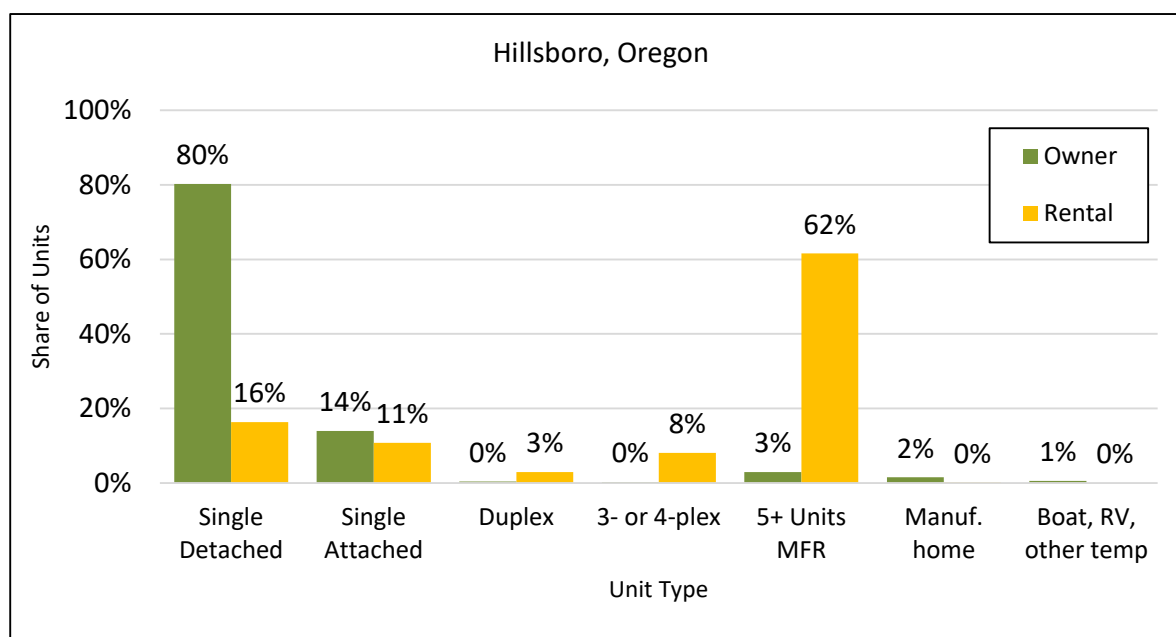
The profile of current housing need or demand (Table 6Figure 23) represents the preference and affordability levels of households. The current housing supply (Figure 23 and Figure 24) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's rent/own preference, or being unaffordable (requiring more than 30% of gross income).

A profile of the current housing supply in Hillsboro was estimated based on permit data from the City of Hillsboro and Census data from the most recently available 2021 ACS 5-year estimates, which provides a profile of housing types (single-detached, single-attached, manufactured home, etc.), tenure, housing values, and rent levels.

- An estimated 51.4% of housing units are ownership units, while an estimated 48.6% of housing units are rental units. This is slightly different from the estimated demand profile shown in Figure 4.2, which estimates demand for ownership units from 52% of households based on their age and income characteristics. The inventory includes vacant units.
- 80% of ownership units are detached homes, and 2% manufactured homes, which are another form of detached dwelling. An estimated 14% of ownership units are single-attached.
- 16.5% of rental units are single-detached homes or manufactured homes, while 62% are in structures of 5 units or more.
- Of total housing units, an estimated 49% are detached homes, and an additional 1% are manufactured homes. 50% percent are some form of attached unit type.
- The affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals).

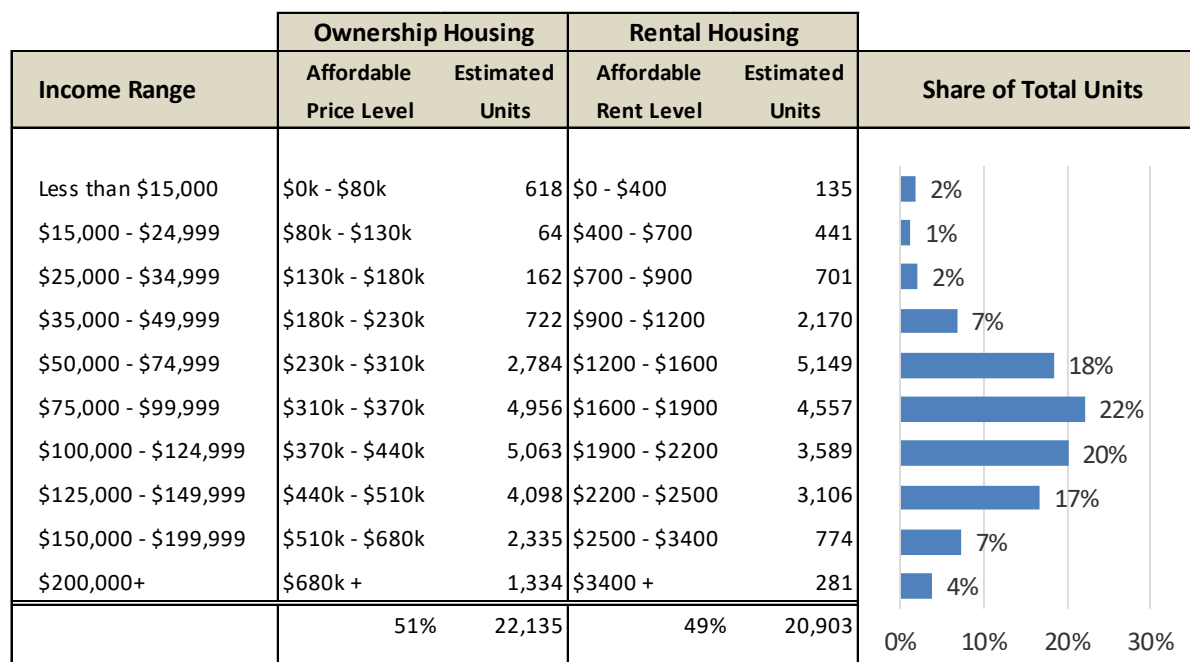
- Most of the inventory identified at the lowest end of the rental spectrum is likely subsidized affordable housing in some form.
- Ownership housing found at the lower end of the value spectrum generally reflects older, smaller homes, or homes in poor condition on small or irregular lots. **It is important to note that these represent estimates of current property value or current housing cost to the owner, not the current market pricing of homes for sale in the city.** These properties may be candidates for redevelopment when they resell but are currently estimated to have low value.
- Most housing in Hillsboro is found in price and rent levels attainable to those earning at least \$50,000 per year. Only 12% percent of housing is estimated to be affordable to those earning less than this, which is an estimated 25% of households.

Figure 23. Profile of Current Housing Supply by Type (2022)



Sources: US Census, PSU Population Research Center, Johnson Economics; Census Tables: B25004, B25032, B25063, B25075 (2021 ACS 5-yr Estimates)

Figure 24. Profile of Current Housing Supply, by Estimated Affordability (2022)



Sources: US Census, PSU Population Research Center, Johnson Economics; Census Tables: B25004, B25032, B25063, B25075 (2021 ACS 5-yr Estimates)

**Comparison of Current Housing Demand with Current Supply**

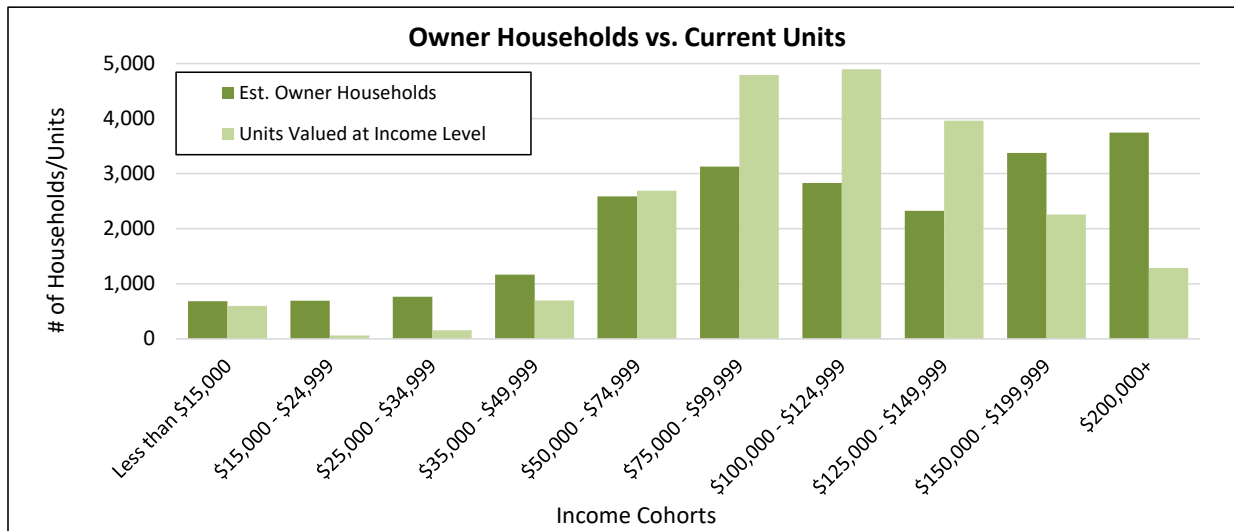
A comparison of estimated current housing demand with the existing supply identifies the existing discrepancies between needs and the housing which is currently available. The estimated number of units outnumbers the number of households by roughly 2,070 units, indicating an average vacancy rate of 4.8%.

This indicates that the middle and higher portion of the market is generally well supplied for ownership households. There is a finding that upper income households in Hillsboro could perhaps support some more expensive housing supply, though the large amount of new housing built in recent years is filling this niche. The largest supply is found around the middle price points, near the median home price, while income is more broadly distributed.

According to online property listings and Census estimates, the current market rates for most rental units are in the \$1,200 to \$2,200/month range, depending on unit size. There is still a cluster of rental housing in the community that is lower cost to the current tenants. These units are likely held by long-term tenants and would become more expensive if they were re-tenanted. There is support for more rental housing appropriate for lower-to-middle income households earning less than \$50,000 per year. Rentals at the most expensive levels generally represent single-detached homes for rent.

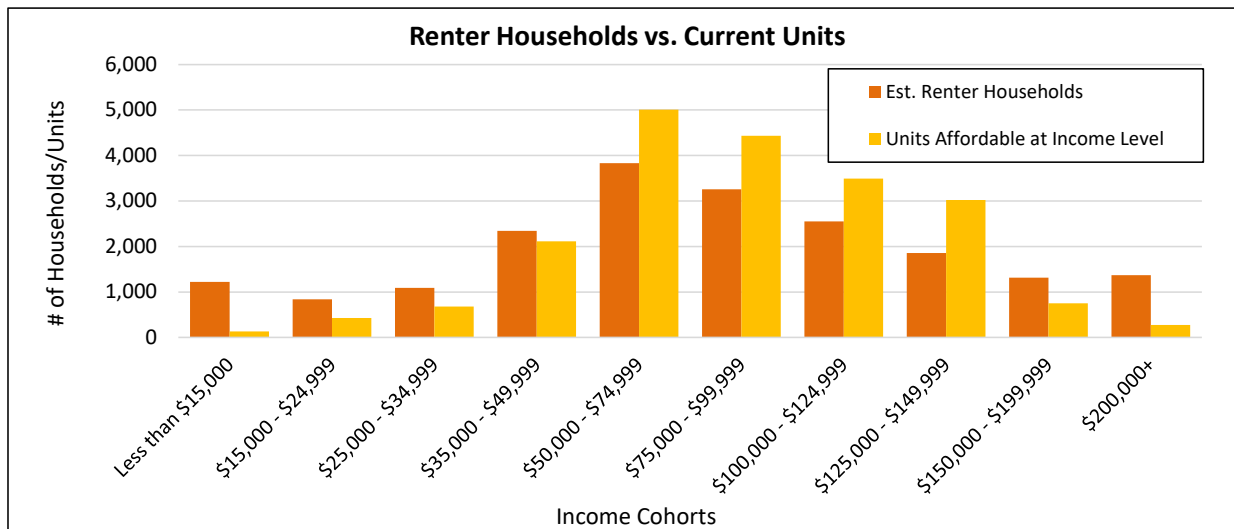
Figure 25 and Figure 26 present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently valued (ownership) or priced (rentals) within those income ranges. The data is presented for owner and renter households. (These figures present an estimate of current housing costs for current households. Some households may have a home price or rent that is tied to an earlier, lower-cost period. However, if relisted for sale or rent, these same units, would likely have their cost set to market, and therefore be more expensive.)

**Figure 25. Comparison of Homeowner Household Income Groups to Estimated Supply of Housing Units Affordable at Those Income Levels (2022)**



Sources: PSU Population Research Center, City of Hillsboro, Census, Johnson Economics

**Figure 26. Comparison of Renter Household Income Groups to Estimated Supply of Housing Units Affordable at Those Income Levels (2022)**



Sources: PSU Population Research Center, City of Hillsboro, Census, Johnson Economics

The home value and rent segments which show a “surplus” in Figures 4.5 and 4.6 illustrate where current property values and rent levels are clustered in Hillsboro. Housing prices and rent levels will tend to congregate around those market levels. These levels will be too costly for some (i.e., require more than 30% in gross income) or less than what might be reasonable for others (i.e., they have income levels that indicate they could afford more expensive housing if it were available, and they had the preference).

In general, these findings demonstrate that there are few lower-cost housing opportunities for many owner households. This may include more attached types of units such as townhomes, or smaller units

such as condos or cottage clusters. There may be support for more modern rental units aimed at lower-income households. (Housing need at specific income levels is discussed in more later in this report)

### Home Sale Prices

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

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

The findings of current need form the foundation for projected future housing need, presented in the following section. The 20-year projections of housing need are meant to achieve a healthy mix of unit types and affordability levels for all residents in 2043, including meeting the needs of current residents who may not be in optimal housing situations. Therefore, the total projected housing needs are inclusive of new and current households, while reflecting that the current housing inventory must serve as the starting point.

### Future Housing Needs

The projected future (20-year) housing profile (Table 7) in the study area is based on the current housing profile (2022), with a projected future household growth rate applied. The projected future growth is based on the forecasted 2043 population for the City of Hillsboro from the most recent Metro Consolidated Forecast for cities in the Metro region (completed 2021). This forecast estimates that the Hillsboro population will grow at a rate of 0.7% annually between 2022 and 2043. (This annual growth rate would be slower than the annual rate experienced since 2010, which was 1.5% according to the Census and PSU).

**Table 7. Future Housing Profile (2043)**

PROJECTED FUTURE HOUSING CONDITIONS (2022 - 2043)			SOURCE
2022 Population (Minus Group Pop.)	108,141	(Est. 2022 pop. - Group Housing Pop.)	PSU
Projected Annual Growth Rate	0.7%	Metro Coordinated Forecast (2021)	Metro
2043 Population (Minus Group Pop.)	124,644	(Total 2043 Population - Group Housing Pop.)	
Estimated group housing population:	1,603	1.3% of total pop. (held constant from 2022)	US Census
<b>Total Estimated 2043 Population:</b>	<b>126,247</b>	Metro Coordinated Forecast (2021)	Metro
<b>Estimated Non-Group 2043 Households:</b>	<b>54,229</b>	Metro Coordinated Forecast (2021)	Metro
New Households 2022 to 2043	13,259		
Avg. Household Size:	2.30	Projected 2043 pop./2043 households	US Census
<b>Total Housing Units:</b>	<b>57,083</b>	Occupied Units plus Vacant	
Occupied Housing Units:	54,229	(= Number of Non-Group Households)	
Vacant Housing Units:	2,854	(= Total Units - Occupied Units)	
Projected Market Vacancy Rate:	5.0%	Stabilized vacancy assumption	

Sources: PSU Population Research Center, Census, Johnson Economics LLC

\*Projections are applied to estimates of 2022 population, households, and housing units shown in Table 1.

The model projects growth in the number of non-group households over 20 years of nearly 13,300 households, with accompanying population growth of 16,715 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

In the Metro analysis relied on in this analysis, Metro forecast that between 2020 and 2045 Hillsboro will capture 12.5% of the population growth in Washington County (or 23k persons). Currently, Hillsboro represents 18% of the County population (or 606k persons), while Washington County is forecast to capture 38%, or 188k new persons, of the three-county Metro growth forecast over this period (or 491k new persons).

### Projection of Future Housing Unit Demand (2043)

The profile of future housing demand was derived using similar assumptions as those used to produce the estimate of current housing need. This estimate includes current and future households *but does not include a vacancy assumption*. (The vacancy assumption is added in the subsequent step). Therefore, the need identified below is the total need for actual households in occupied units (54,229).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home to derive the future need for ownership and rental housing units and the affordable cost level of each. The projected need is for *all* 2043 households and therefore includes the needs of current households.

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

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5%, with a 10% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in current dollars.

Figure 27 presents the projected occupied future housing demand (current and new households, without vacancy) in 2043. The estimated demand is categorized by estimated price/rent levels and income levels.

The number of households across the income spectrum seeking a range of both ownership and rental housing is anticipated to grow. It is projected that the homeownership rate in Hillsboro will climb slightly over the next 20 years to above 52%, and the rental rate will fall slightly to 48%.

Figure 27. Projected Occupied Future Housing Demand (2043)

Ownership					
Price Range	# of Households	Income Range	% of Total	Cumulative	
\$0k - \$80k	903	Less than \$15,000	3.2%	3.2%	Extremely Low Income <30% MFI
\$80k - \$130k	914	\$15,000 - \$24,999	3.2%	6.4%	
\$130k - \$180k	1,014	\$25,000 - \$34,999	3.6%	10.0%	Very Low Income <50% MFI
\$180k - \$230k	1,546	\$35,000 - \$49,999	5.5%	15.5%	
\$230k - \$310k	3,421	\$50,000 - \$74,999	12.1%	27.7%	Low Income <80% MFI
\$310k - \$370k	4,141	\$75,000 - \$99,999	14.7%	42.4%	
\$370k - \$440k	3,744	\$100,000 - \$124,999	13.3%	55.6%	
\$440k - \$510k	3,075	\$125,000 - \$149,999	10.9%	66.6%	
\$510k - \$680k	4,466	\$150,000 - \$199,999	15.8%	82.4%	
\$680k +	4,958	\$200,000+	17.6%	100.0%	
<b>Totals:</b>	<b>28,182</b>		<b>% of All:</b>	<b>52.0%</b>	

Rental					
Rent Level	# of Households	Income Range	% of Total	Cumulative	
\$0 - \$400	1,619	Less than \$15,000	6.2%	6.2%	Extremely Low Income <30% MFI
\$400 - \$700	1,110	\$15,000 - \$24,999	4.3%	10.5%	
\$700 - \$900	1,446	\$25,000 - \$34,999	5.6%	16.0%	Very Low Income <50% MFI
\$900 - \$1200	3,099	\$35,000 - \$49,999	11.9%	27.9%	
\$1200 - \$1600	5,071	\$50,000 - \$74,999	19.5%	47.4%	Low Income <80% MFI
\$1600 - \$1900	4,313	\$75,000 - \$99,999	16.6%	64.0%	
\$1900 - \$2200	3,379	\$100,000 - \$124,999	13.0%	76.9%	
\$2200 - \$2500	2,455	\$125,000 - \$149,999	9.4%	86.4%	
\$2500 - \$3400	1,738	\$150,000 - \$199,999	6.7%	93.0%	
\$3400 +	1,816	\$200,000+	7.0%	100.0%	
<b>Totals:</b>	<b>26,047</b>		<b>% of All:</b>	<b>48.0%</b>	

<b>All Units</b>	<b>54,229</b>
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Sources: Metro, Census, Claritas, Johnson Economics

Comparison of Future Housing Demand to Current Housing Inventory

The profile of occupied future housing demand presented above was compared to the current housing inventory presented in the previous section to determine the total future need for new housing units by type and price range (Figure 28).

This estimate includes a vacancy assumption. As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is typically higher than that for ownership units. For this analysis, an average vacancy rate of 5% is assumed for both ownership and rental housing.



Figure 28. Projected Future Need for NEW Housing Units (2043), Hillsboro

OWNERSHIP HOUSING									
Unit Type:	Single Detached	Single Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	4,838	1,204	241	231	422	151	0	7,087	50.5%
Percentage:	68.3%	17.0%	3.4%	3.3%	6.0%	2.1%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Detached	Single Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	235	960	413	772	4,568	11	0	6,959	49.5%
Percentage:	3.4%	13.8%	5.9%	11.1%	65.6%	0.2%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Detached	Single Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	5,073	2,165	654	1,002	4,990	162	0	14,046	100%
Percentage:	36.1%	15.4%	4.7%	7.1%	35.5%	1.2%	0.0%	100%	

Sources: Metro, City of Hillsboro, Census, Claritas, Johnson Economics

- The results show a need for nearly 14,050 new housing units by 2043.
- Of the new units needed, roughly 51% are projected to be ownership units, while 49% are projected to be rental units. This represents more owners than the estimated tenure split, but it is projected that more ownership units will need to be added, to rebalance the current inventory and serve the slightly increased ownership rate in the future.
- New ownership housing at the lower-middle portion of the pricing spectrum. But income trends suggest that the most significant demand will remain in the middle and higher price ranges (\$300k to \$600k).
- The greatest need for rental units is found at the lowest income levels. Market rents are currently clustered in the \$1,200 to \$2,200 range in current dollars. Therefore, most units are to be found in this range. Many households will need rent levels lower than the market rate in order to maintain housing costs that are affordable (see more detail below).

**Needed Unit Types:** The mix of needed unit types shown in Figure 28 reflects past and anticipated future trends. Since 2000, single-detached units (including manufactured and mobile homes) have constituted a little over 50% of the permitted units in Hillsboro, with attached housing making up the other half. Single-detached units are expected to continue to make up a large share of new housing development for ownership households over the next 20 years. However, an increasing share of new needed units is anticipated to be attached housing types to accommodate renters and first-time home buyers.

- Over the 20-year planning period, an increasing share of renter households are expected to be younger households, those with modest incomes, and the growing share of minority households in the area. These households will need more than just rental units, but units of a variety of densities and sizes to accommodate single and family households.
- 37% of the new units are projected to be single-detached homes or new manufactured homes, while 63% are projected to be some form of attached housing.
- Single attached units (townhomes on individual lots) are projected to meet roughly 15% of future need. These are defined as units on separate tax lots, attached by a wall but separately metered, the most common example being townhome units.
- Duplex, triplex, and four-plex units are projected to represent a growing 12% of the total need, reflecting new state rules for middle housing zoning. Duplex units would include a single-detached home with an accessory dwelling unit on the same lot, or with a separate unit in the home (for instance, a rental basement unit.)
- 36% of all needed units are projected to be multi-dwelling units in structures of 5+ attached units.
- 1.2% of new needed units are projected to be manufactured home units, which meet the needs of some low-income households for both ownership and rental.
- Of ownership units, 70% are projected to be single-detached homes or manufactured homes, and 30% are projected to be attached forms.
- Nearly all new rental units are projected to be found in new attached buildings, with 66% projected in rental properties of 5 or more units, and 31% in other attached housing forms. Only 3.5% of new rental units are projected to be detached homes, including manufactured homes.

**Group Housing Needs:** There is an estimated population of 1,631 individuals living in group housing in 2043, based on an assumption that the share of the population living in group quarters (1.3%) remains stable from current levels. This would represent an increase of roughly 240 people living in group quarters.

In Hillsboro, the Census estimates that 39% of the group quarters population lives in correctional facilities (including juveniles), and an additional 26% live in nursing facilities. Roughly a third live in “other noninstitutional facilities” including residential group homes, emergency and transitional shelter, and residential treatment facilities.

### Needed Affordability Levels

Table 8 presents the estimated need for net new housing units by major income segment, based on the projected demographics of new households to the market area. The needed affordability levels presented here are based on current dollars. Table 8 also discusses the housing types typically attainable by residents at these income levels.

This analysis presented in this table uses the official state measure of “low-income” used to set rent and income limits for various affordable housing programs. This estimate via OHCS and HUD are based on an estimate of median income in Washington County that is quite high (over \$106k in 2021, based on a family of four), while this analysis estimates that the median income in Hillsboro was a lower \$90k.

For this analysis, the estimated Median Family Income (MFI) for a family of four (\$106k) was adjusted to match the average household size in Hillsboro of 2.64 persons (\$91.6k) so that the estimates presented below reflect the city average.

Table 8 presents some of the types of housing products that might commonly serve households in these income ranges. Many households below 60% MFI or even higher income will require some form of subsidized affordable unit or voucher to find housing affordability. Those at 60% to 100% MFI may find housing in older and substandard market rate rentals, manufactured homes, and middle housing types.

**Table 8. Projected Need for NEW Housing at Different Income Levels**

Household Income Segment	Income Level (Rounded)*	Owner Units	Renter Units	Total	Share	Common Housing Product
Extremely Low Inc. < 30% MFI	< \$27,500	521	825	1,346	10%	Government-subsidized; Voucher; Shelter; Transitional
Very Low Income 30% - 60% MFI	\$27.5k - \$55k	752	1,389	2,141	15%	Aging/substandard rentals; Government-subsidized; Voucher; Manufactured homes
Low Income 60% - 80% MFI	\$55k - \$73k	688	1,084	1,772	13%	Aging apartments; Government-subsidized; Plexes; Aging single-detached; Small homes
Middle Income 80% - 120% MFI	\$73k - \$110k	1,418	1,513	2,931	21%	Single-detached homes; Townhomes; Condominiums; Newer apartments
Upper Income > 120% MFI	> \$110,000	3,708	2,147	5,855	42%	Single-detached homes; Townhomes; Condominiums; New apartments
<b>TOTAL:</b>		<b>7,087</b>	<b>6,959</b>	<b>14,046</b>	<b>100%</b>	

Sources: HUD, Census, Claritas, Johnson Economics

- Table 8 presents the *net NEW* housing unit need over the next 20 years. However, there is also a *current* need for more affordable units. For all households, current and new, to pay 30% or less of their income towards housing in 2043, more affordable rental units (subsidized and non-subsidized) would be required. This indicates that some of the current supply, while it shows up as existing available housing, would need to become less expensive to meet the needs of current households.
- There is a finding of new need at the lowest end of the rental spectrum (\$800 and less).
- The projection of future ownership units finds that the supply at the lowest end of the spectrum will be insufficient due to the prevalence of newer homes, much of which will be detached houses. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) Ownership options and lower and middle price points are often manufactured homes, townhomes, condos, and small detached homes, often on smaller lots.

**Subsidized Affordable Housing Need**

Some low-income households, particularly the lowest income households, typically need subsidized affordable housing in order to find rents affordable given their modest resources and other household spending needs. Table 9 presents estimates of need at key low-income affordability levels in 2022 and in 2043. The table uses HUD definitions of Extremely Low, Very Low, and Low-income, as well as 60% MFI which is a standard affordability level for tax credit properties.

**Table 9. Projected Need for Housing Affordable at Low-income Levels, Hillsboro**

Affordability Level	Income Level*	Current Need (2022)		Future Need (2043)		NEW Need (20-Year)	
		# of Units	% of All	# of Units	% of All	# of Units	% of All
Extremely Low Inc.	≤ 30% MFI ≤ \$27,500	3,900	10%	5,246	10%	1,346	10%
Very Low Income	30% - 50% MFI ≤ \$45,800	3,920	9%	5,279	10%	1,359	10%
Low Income	50% - 80% MFI ≤ \$73,300	6,962	17%	9,517	18%	2,555	18%
<b>TOTAL:</b>	<b>≤ 80% MFI ≤ \$73,300</b>	<b>14,782</b>	<b>36%</b>	<b>20,042</b>	<b>37%</b>	<b>5,259</b>	<b>37%</b>
Tax Credit	≤ 60% MFI ≤ \$55,000	10,941	27%	14,429	27%	3,487	25%

Sources: OHCS, Claritas, Johnson Economics, HUD

\* Income levels are based on OHCS guidelines for avg. Hillsboro household size of 2.64 persons.

- There is an existing and on-going need at these levels, based on income levels specified by OHCS for Washington County. An estimated 36% of households qualify as at least “low-income” or lower on the income scale, while 10% of households qualify as “extremely low-income”. (Again, this is based on the official state measure of Washington County median income for application to HUD and other subsidized affordable housing programs, which is relatively high.)
- Typically, only rent-subsidized affordable properties can accommodate these extremely-low-income households and many other low-income households at “affordable” housing cost levels. Often the lowest income households must be served by housing choice vouchers and public housing. Tax credit projects are often structured to serve those earning 60% and below of MFI, and sometimes can obtain vouchers tied to the buildings to serve the lowest end of the income levels.

**Homeless Population Housing Need:** In 2022, Hillsboro is home to an estimated 808 homeless individuals, or 0.8% of the total population. If this rate were to persist into the future, this would imply 948 homeless individuals based on the total estimated population in 2043. This would be an increase of roughly 150 individuals over the next 20 years. Homeless individuals and families may require a mixture of shelter types depending on individual circumstances, ranging from emergency shelter to transitional housing to permanent subsidized housing. This population is a subset of the extremely-low-income population shown in prior figures.

**Agricultural Worker Housing:** There is currently one property of 47 units meant for agricultural workers in Hillsboro. Based on the assumption that this type of housing will maintain its current representation in the local housing stock, this indicates that there will be a need for about 15 additional

housing units dedicated specifically for agricultural workers over the planning period. However, this population may also be served by other available affordable units, and new market rate units.

### Conclusion of Need

The projected need for new housing types and estimated affordability levels are meant to help guide planning and policy decisions of the City of Hillsboro moving forward. The vast majority of housing development, be it single or multi-dwelling, is undertaken by the private development sector and the real estate industry. Mission driven non-profit housing agencies are also a critical piece of the housing puzzle, City governments rarely directly develop housing itself, though cities often , support or partner with developers or housing providers, help acquire or assemble land for housing, and/or administer urban renewal, development incentive programs, and funding sources to support housing development.

Another important role of City government is to ensure that local policy and zoning code help to facilitate the production of the full spectrum of local housing needs by both market-rate and non-profit agencies. While this analysis assesses the current and future needs for a full range of housing types, including for households across the income spectrum, public policy will generally focus on those housing types and households that are not already supplied by market rate development. In many communities, the development and real estate industry will generally supply single detached housing and market-rate apartments without policy intervention if land and building sites are available and properly zoned.

However, the for-profit real estate industry generally will *not* supply the housing needed for low-income households without policy interventions, and non-profit housing agencies have difficulty meeting demand despite best efforts due to limited resources. Therefore, public policy and housing strategies are generally focused on those segments, which are not traditionally supplied by the development industry without partnerships or subsidies. The analysis presented in this report is meant to provide a dataset and baseline of findings to inform the recommended policy changes and finding of land need moving forward.

# Residential Buildable Lands Inventory

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This section provides a Residential Buildable Lands Inventory (BLI) for the City of Hillsboro. The methodology for this BLI is based on the 2018 Metro BLI<sup>9</sup> and further discussed and refined with City staff, the Community Advisory Committee, and elected and appointed City officials.

The BLI is conducted in the following steps:

- **Step 1: Land classification.** This step identifies the land in the City that is available for residential uses.
- **Step 2: Constraints to Development.** This step identifies constraints such as natural resources, steep slopes, and utility easements that limit development.
- **Step 3: Development Status.** This step assigns a “Development Status” of vacant, partially vacant, or developed to tax lots in the inventory.
- **Step 4: Net Buildable Area.** This step removes land for future rights-of-way and other land needs to provide a net number of acres for each City zoning designation.
- **Step 5: Estimated Unit Capacity.** This step estimates the number of units and mix of unit type (single detached, multi-dwelling, middle housing) expected based on the results of Step 4.

## Step 1: Land Classification

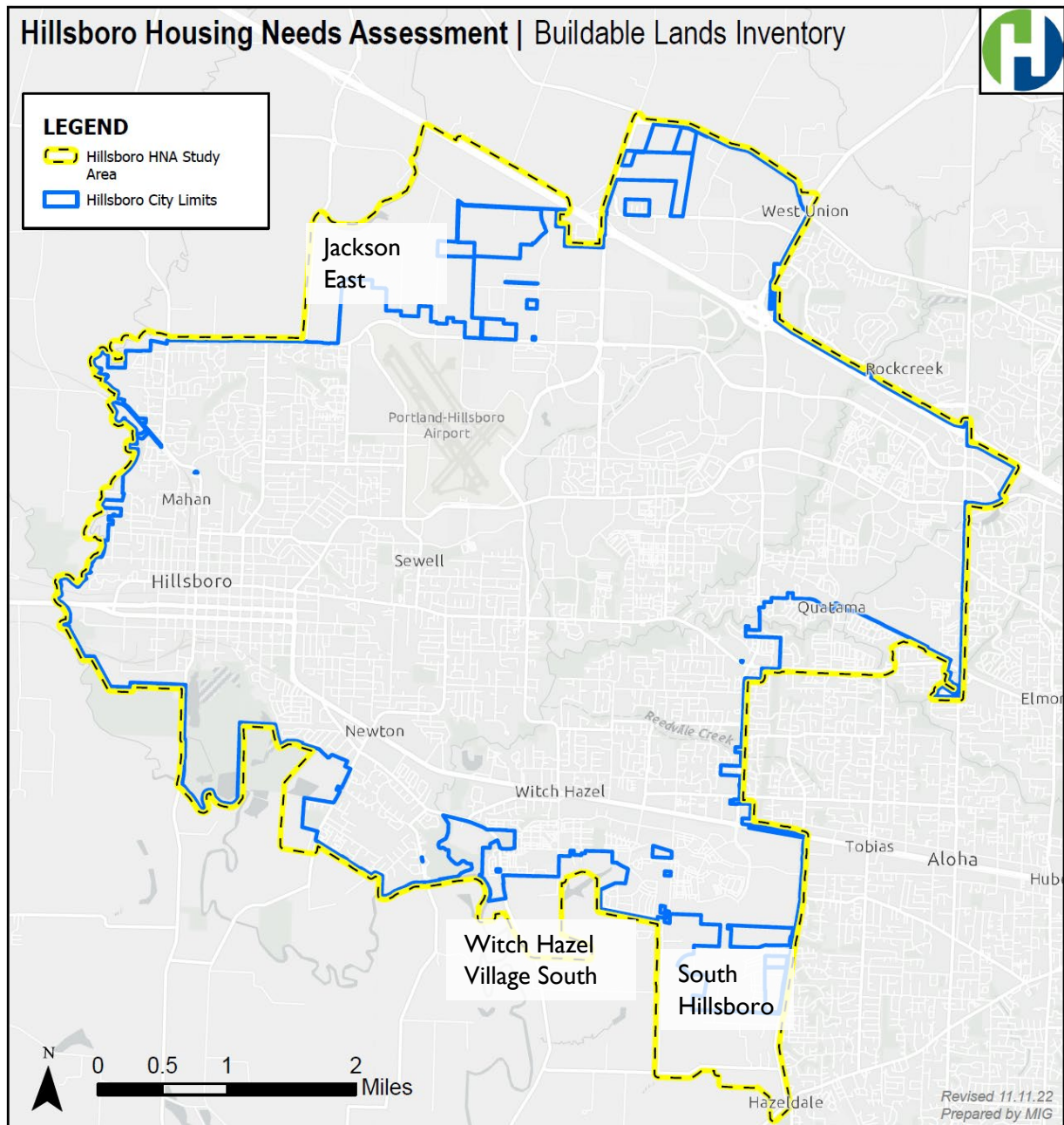
### Study Area

The study area for this analysis is shown in Figure 29. The study area includes land within Hillsboro City Limits, as well as adjacent areas within the Urban Growth Boundary (UGB) around Hillsboro.

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<sup>9</sup> [https://www.oregonmetro.gov/sites/default/files/2018/07/03/UGR\\_Appendix2\\_Buildable\\_Lands\\_Inventory.pdf](https://www.oregonmetro.gov/sites/default/files/2018/07/03/UGR_Appendix2_Buildable_Lands_Inventory.pdf)

Figure 29. Study Area Map



**Comprehensive Plan and Zoning Districts**

A list of the City of Hillsboro’s Comprehensive Plan Districts is shown in Table 10. This is the primary basis for classifying lands into the categories of Residential, Mixed-Use, Nonresidential, and Publicly Owned/Other. The purpose statements in Table 10 are taken from the City’s existing Comprehensive Plan. Comprehensive Plan and Zoning map designations are shown in Figure 30 and Figure 31, respectively. Overarching categories of land and how they are considered in this inventory are described on the pages following those figures.

Table 10. City of Hillsboro Comprehensive Plan and Zoning Districts

Comp Plan Designations	Implementing Zones	Purpose
<b>RL: Residential Low Density</b>	<ul style="list-style-type: none"> <li>• R-10 Residential</li> <li>• R-8.5 Residential</li> <li>• R-7 Residential</li> <li>• R-6 Residential</li> </ul>	Provides for large to moderate lot, detached residential development, middle housing, and accessory dwelling units in a neighborhood with compatible uses such as schools, assembly facilities, and parks. This designation may act as a transition between rural agricultural areas and the urban edge.
<b>RM: Residential Medium Density</b>	<ul style="list-style-type: none"> <li>• R-4.5 Residential</li> <li>• MR-1 Multi-Dwelling Residential</li> </ul>	Provides for a mix of small-lot single detached dwellings, second dwellings, duplexes, triplexes, quadplexes, townhomes, cottage clusters and lower <u>density</u> multi-dwelling units in a neighborhood with <u>compatible</u> uses such as schools, assembly facilities, and parks.
<b>RH: Residential High Density</b>	<ul style="list-style-type: none"> <li>• MR-2 Multi-Dwelling Residential</li> </ul>	Provides for higher <u>density</u> middle housing or multi-dwelling developments in a neighborhood with <u>compatible</u> uses such as schools, assembly facilities, and parks.
<b>RMR: Residential Mid-Rise Density</b>	<ul style="list-style-type: none"> <li>• MR-3 Multi-Dwelling Residential</li> </ul>	Provides for higher density middle housing or multi-dwelling developments in a neighborhood with compatible uses such as schools, assembly facilities, and parks.
<b>C: Commercial</b>	<ul style="list-style-type: none"> <li>• C-G Commercial – General</li> <li>• MU-C Mixed-Use – Commercial</li> </ul>	Provides for retail, service, and office commercial developments in small-scale neighborhood <u>nodes</u> to serve daily community needs or at larger scales along highways and <u>transit</u> routes, or in downtown and other <u>employment areas</u> , for more convenient access to goods and services by various transportation <u>modes</u> .
<b>SCPA: Station Community Planning Area</b>	<ul style="list-style-type: none"> <li>• SCR-LD Station Community Residential Low Density</li> <li>• SCR-OTC Station Community Residential Orenco Townsite Conservation</li> <li>• SCR-DNC Station Community Residential Downtown Neighborhood Conservation</li> <li>• SCR-MD Station Community Residential – Medium Density</li> <li>• SCR-HD Station Community Residential – High Density</li> <li>• SCC-DT Station Community Commercial – Downtown</li> <li>• SCC-SC Station Community Commercial – Station Commercial</li> <li>• SCC-MM Station Community Commercial – Multi-Modal</li> <li>• SCR-V Station Community Residential Village</li> <li>• SCBP Station Community Business Park</li> <li>• SCI Station Community Industrial</li> <li>• SCFI Station Community Fair Complex Institutional</li> </ul>	Provides for medium- to high- <u>density</u> <u>transit-oriented</u> and pedestrian-sensitive mixed-use developments, authorized at more <u>intensive</u> land use densities and floor area ratios than other residential zones, in areas within reasonably close proximity of light rail <u>transit</u> stations.
<b>MU: Mixed-Use</b>	<ul style="list-style-type: none"> <li>• MU-N Mixed-Use – Neighborhood</li> <li>• MU-C Mixed-Use – Commercial</li> </ul>	Provides for a mix of commercial and residential uses on the same site, either horizontally side-by-side or vertically in the same structure, in appropriate locations to shorten



Comp Plan Designations	Implementing Zones	Purpose
	<ul style="list-style-type: none"> <li>• MU-VTC Mixed-Use – Village Town Center</li> <li>• UC-NC Urban Center – Neighborhood Center</li> </ul>	transportation trips and facilitate <u>multi-modal development</u> .
<b>MU-UR: Mixed-Use – Urban Residential</b>	<ul style="list-style-type: none"> <li>• UC-RM Urban Center – Residential Medium Density</li> <li>• UC-MU Urban Center – Mixed-Use Urban Density</li> </ul>	Provides for a range of medium- to high- <u>density</u> housing types (e.g., townhomes, apartments, and condominiums) with an urban character, constructed at or near the street frontage and sidewalk, while also accommodating complementary office and retail, and schools, assembly facilities, and parks.
<b>MU-UC: Mixed-Use – Urban Commercial</b>	<ul style="list-style-type: none"> <li>• UC-AC Urban Center – Activity Center</li> </ul>	Provides for a vibrant mix of retail, restaurants, civic, cultural, entertainment, and recreational uses, complemented by secondary office and residential uses, creating focused activity served by high-capacity transit and active street frontages that provide visual and physical connections to other activity centers.
<b>MU-UE: Mixed-Use – Urban Employment</b>	<ul style="list-style-type: none"> <li>• UC-MU Urban Center – Mixed-Use Urban Density</li> <li>• UC-OR Urban Center – Office/Research</li> </ul>	Provides concentrated opportunities for office and research employment to complement residential, retail, and commercial services within high <u>intensity</u> areas of the City served by <u>transit</u> that provide visual and physical connections to other activity centers.
<b>MU-I: Mixed-Use – Institutional</b>	<ul style="list-style-type: none"> <li>• UC-MU Urban Center – Mixed-Use Urban Density</li> <li>• UC-OR Urban Center – Office/Research</li> <li>• UC-RP Urban Center – Research Park</li> </ul>	Provides for a range of research, development, and testing laboratory; educational; medical research and clinical; and high-tech and bio-tech research and applied technology uses, encouraging a <u>transit</u> -supportive, pedestrian-sensitive campus environment, and preventing conflicts among the mix of uses and activities.
<b>OS: Open Space</b>	<ul style="list-style-type: none"> <li>• All base zones are considered implementing zones. Standards for usable open space are defined in 12.50.210, and by plan district in 12.61.400-800, 12.62.500, 12.63.300, 12.64.210, and 12.65.210.</li> </ul>	Provides usable open space for active or <u>passive recreation</u> (e.g., parks, golf courses, playgrounds) and unusable open space for natural resource preservation as an important aspect of <u>livability</u> , public health, and well-being for residents, employees, and customers.
<b>FP: Floodplain</b>	<ul style="list-style-type: none"> <li>• All base zones are considered implementing zones. The corresponding RFO Regulatory Floodplain Overlay zone may be applied.</li> </ul>	Identifies the boundaries of the 100-year base flood maps by the National Flood Insurance Program for agricultural, <u>wetland</u> , or recreational use, or some underground utility or accessory structures in order to protect the public from damage to life and property from flooding.
<b>PF: Public Facility</b>	<ul style="list-style-type: none"> <li>• SCFI Station Community Fair Complex Institutional</li> </ul>	Provides for <u>public facilities</u> such as airports, schools, fire stations, police stations, public buildings (e.g., libraries, public offices), public <u>utilities</u> (e.g., <u>wastewater</u> treatment center) and similar types of public uses and facilities.
<b>IN: Industrial</b>	<ul style="list-style-type: none"> <li>• I-G Industrial General</li> <li>• I-P Industrial Park</li> <li>• I-S Industrial Sanctuary</li> <li>• SSID Shute Road Special Industrial District</li> <li>• ESID Evergreen Area Special Industrial District</li> <li>• HSID Helvetia Area Special Industrial District</li> </ul>	Provides for all types of research and development, manufacturing, warehouse, and wholesale industrial, which may take a traditional form concentrated along highways and freight and <u>transit</u> routes, or as industrial park neighborhoods or mixed commercial business parks with high- <u>amenity multi-modal access</u> .

Figure 30. City of Hillsboro Comprehensive Plan Designations

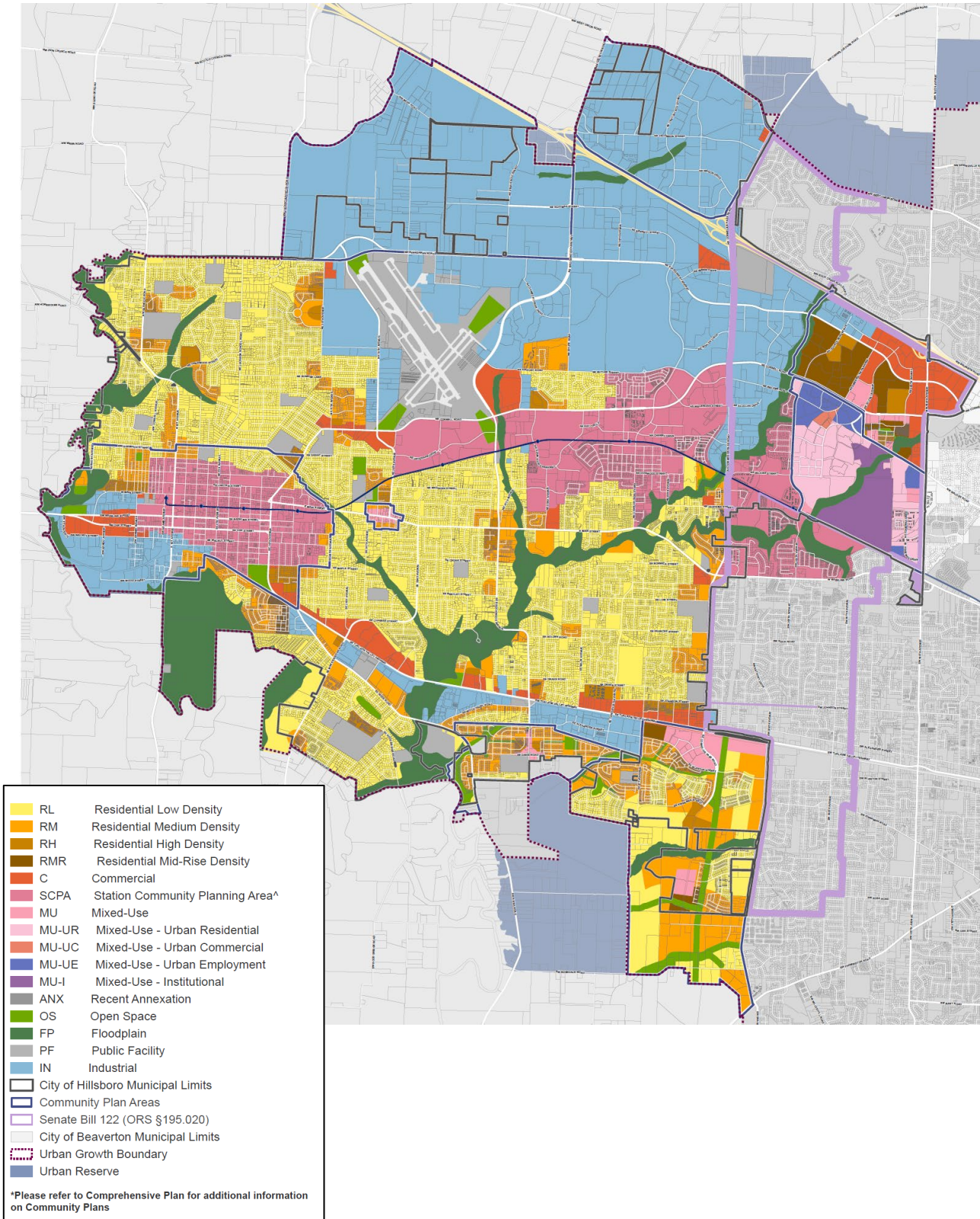
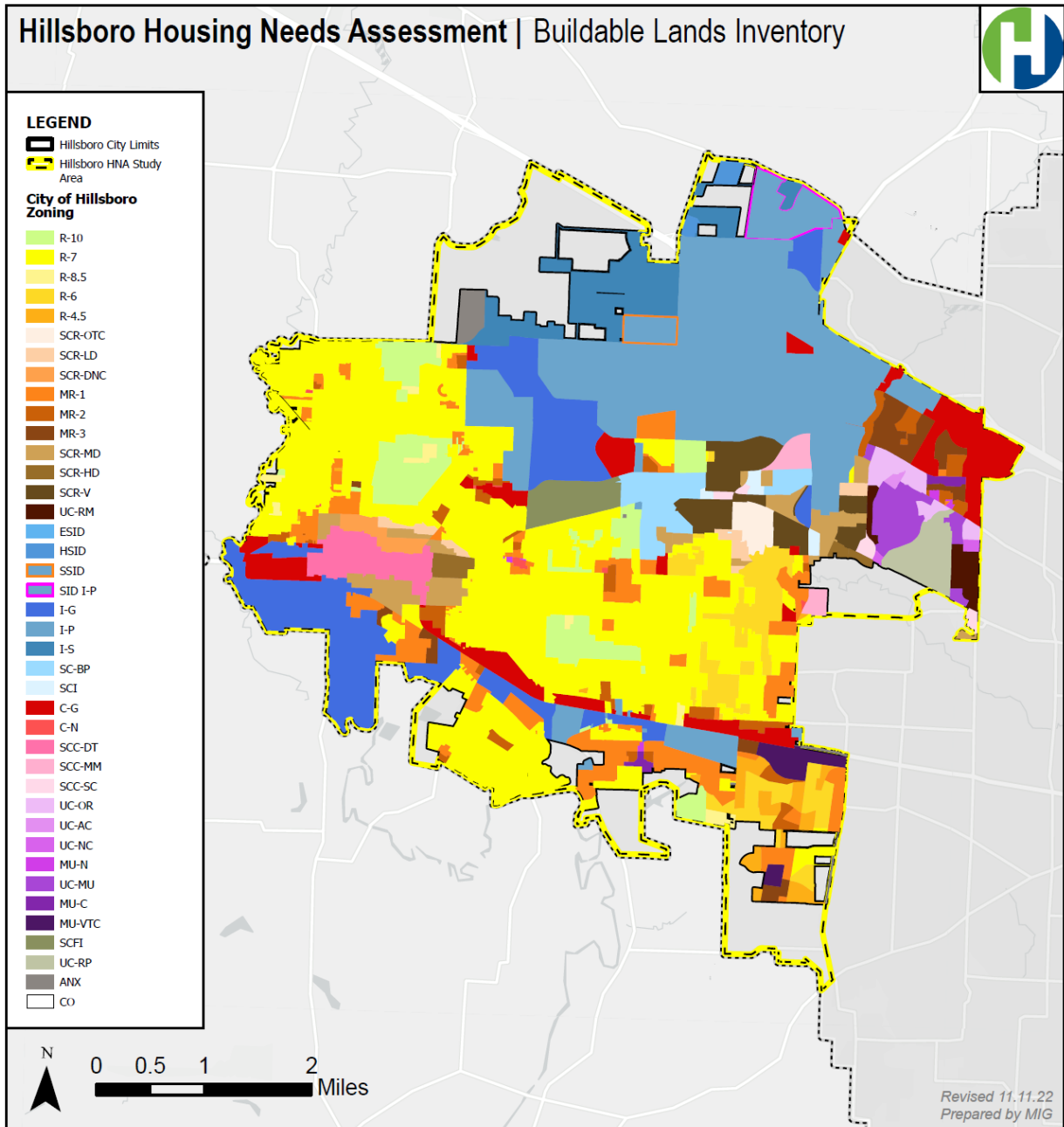


Figure 31. City of Hillsboro Zoning Designations



### Residential Land

Residential Land is intended to meet the City's need for residential uses of various types. It includes land within the Residential Low Density (RL), Residential Medium Density (RM), Residential High Density (RH), and Residential Mid Rise (RMR) designations, unless it meets the criteria for "Publicly Owned/Other" land.

### Mixed Use Land

Mixed Use land can be developed to meet the City's residential and employment needs – sometimes within the same structure. It includes land within the Mixed Use (MU), Mixed Use Urban Residential (MU-UR), Mixed Use Urban Commercial (MU-UC), Mixed Use Urban Employment (MU-UE), and Mixed Use Institutional (MU-I) designations, as well as most of the areas with a Station Community Plan Area (SCPA) designation, unless it meets the criteria for "Publicly Owned/Other" land. More information about the assumptions for future housing development in these areas is found later in this report.

### Nonresidential Land

Nonresidential land includes employment land (which will be addressed in a separate Employment Buildable Lands Inventory), and "Publicly Owned/Other" land, as follows.

#### *Employment Land*

Employment Land is intended to meet the City's employment needs. It includes land within the Commercial (C) and Industrial (IND) comprehensive plan designations, and some of the areas with a SCPA designation, unless it meets the criteria for "Public/Other" land.

Cities in Oregon are required to plan for both residential and employment uses. The City is currently engaged in an Economic Opportunities Analysis and an Inventory of Buildable Employment Land to evaluate land needed to accommodate future employment growth.

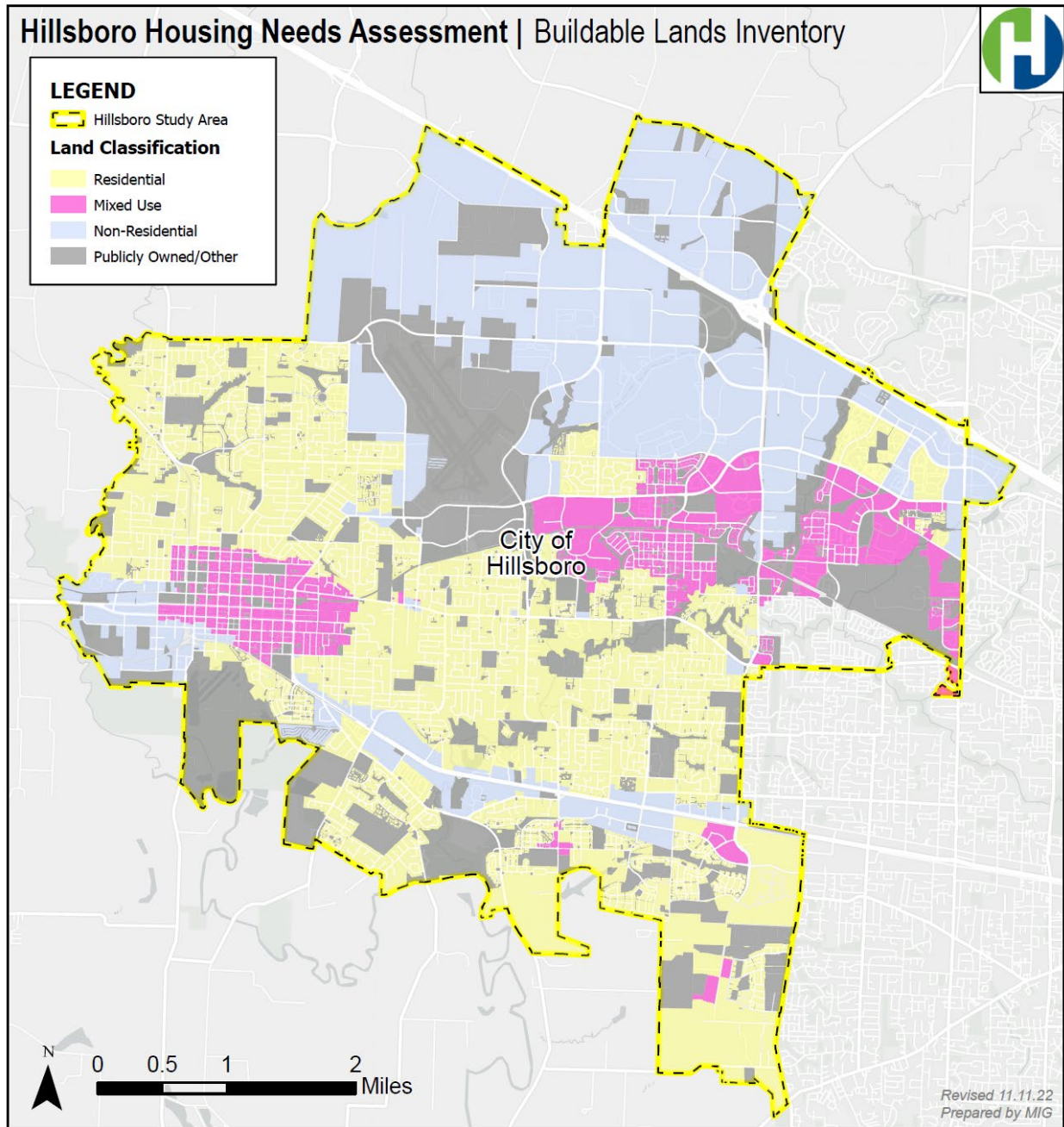
#### *Publicly Owned/Other Land*

This category of land includes the PF and OS designations, as well as land in the following categories:

- Land in another Comprehensive Plan designation under City, County, State, Federal, or Special District Ownership
- Land commonly held in HOA ownership, such as required open space.
- Religious or fraternal properties
- Private driveways and ROW

Parcels in this category may be included in other classifications if information is available to suggest development capacity for residential or employment uses.

Figure 32. Land Classification



### Step 2: Constraints to Development

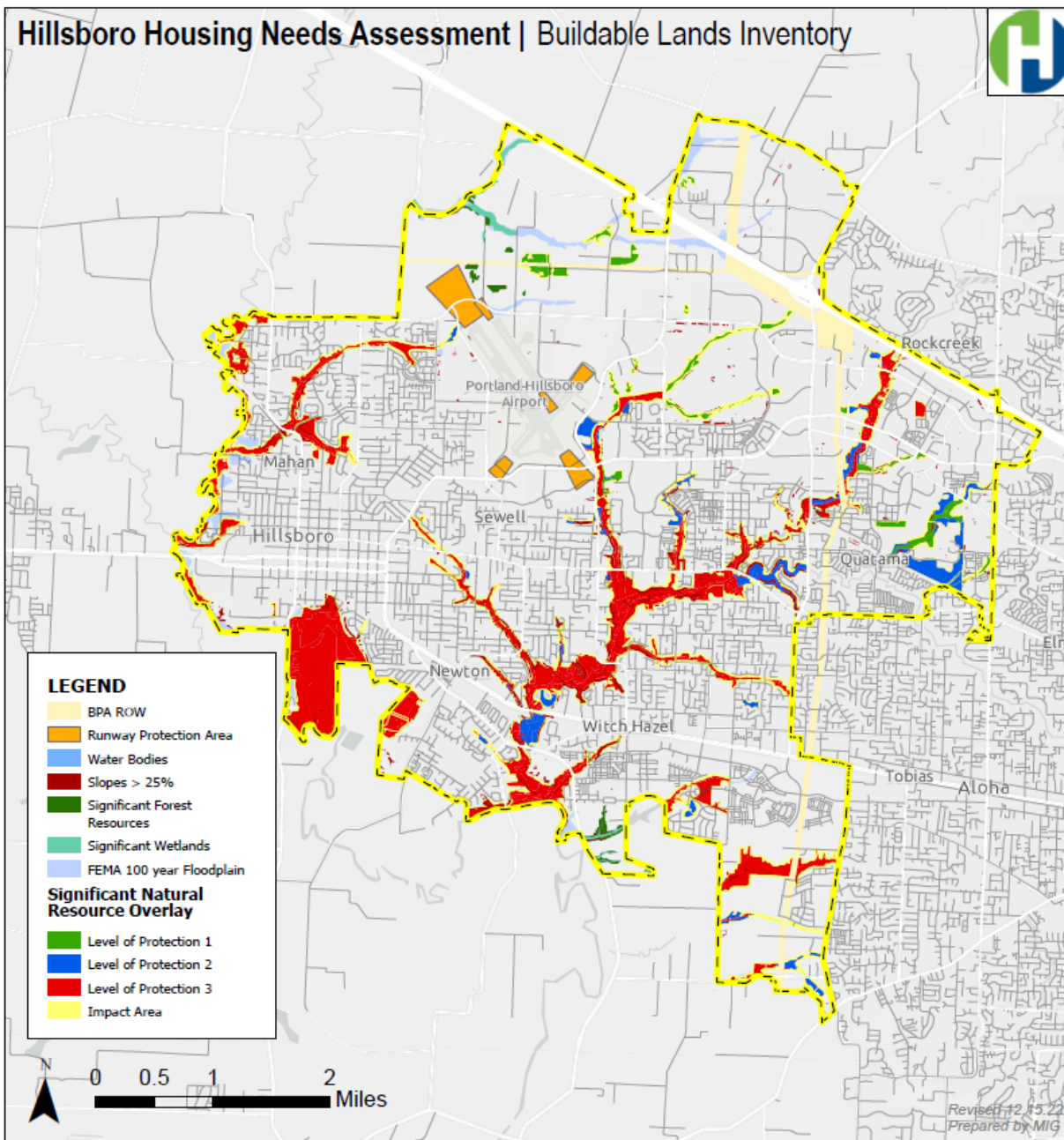
One of the primary tasks of this BLI is to identify land that is constrained by natural resources, natural hazard areas, or other regulatory constraints. Metro’s 2018 BLI used a system of partial constraints for natural resources as identified in the Metro Title 13 inventory – this BLI uses a simplified system of full constraints for all land uses.

Constraints are described in Table 11 and shown on Figure 33.

Table 11. Development Constraints

<b>Constraint</b>	<b>Description</b>	<b>Developable Portion</b>
<b>Steep Slopes</b>	Slopes greater than 25%	0% Developable
<b>Water Bodies</b>	Includes lakes, streams, other areas of open water	0% Developable
<b>FEMA 100 Year Floodplain</b>	The floodway plus floodway fringe, calculated to convey a 1% annual chance (100-year) flood	0% Developable
<b>Significant Wetlands</b>	Wetlands identified as significant in the City’s Local Wetland Inventory	0% Developable
<b>Significant Forest Resources</b>	Areas identified in Significant Forest Resources inventories	0% Developable
<b>Significant Natural Resources Overlay</b>	Includes significant wetlands, riparian corridors, and wildlife habitat. Disturbances greater than 500’ generally require permit and mitigation per Development Code 12.27.220.	0% Developable
<b>BPA easements</b>	Land controlled by the Bonneville Power Administration (BPA); development is very limited	0% developable
<b>Airport Runway Protection Area</b>	Airport Runway Protection Area prohibits most uses and is identified as a constraint. Other airport zones can develop with some restrictions.	0% developable

Figure 33. Constraints to Development



The BLI includes the following information for each tax lot in the study area based on the location of constraints.

- Acres – Total size of the tax lot
- Constrained Acres – Acreage of constrained areas, per Table 32
- Unconstrained Acres – Total acres minus Constrained Acres

The following table shows gross acres of land in each primary land classification in the Study Area.

**Table 12. Constrained and Unconstrained Acres by Land Type**

Land Type	Total Acres	Constrained Acres	Unconstrained Acres
Residential	5,397.9	894.2	4,503.7
Mixed Use	1,395.3	108.0	1,287.3
Non-Residential	4,735.6	610.8	4,124.8
Publicly Owned/Other	4,587.6	1,679.3	2,908.2
<b>Total</b>	<b>16,116.4</b>	<b>3,292.3</b>	<b>12,824.1</b>

### Step 3: Development Status

Each tax lot in the study area is categorized as Vacant, Partially Vacant, or Developed. Vacant tax lots (including those with low-value structures) are assumed to have development capacity equal to the area unconstrained by natural resources, minus additional set-asides for future right-of-way and infrastructure (see Step 4). Platted lots are also identified, and assumed to have one unit per lot. Developed parcels will be subject to further screening for redevelopment potential, described in later steps. Properties in the “Partially Vacant” category have an existing home but are large enough to subdivide based on criteria such as parcel size and allowable lot size.

The following data is used to determine development status of Study Area tax lots:

- Assessor data, including property land use code, improvement value, and land value
- City inventory of outdoor areas, used in identifying public and commonly-held open spaces such as public facilities, parks, greenways, and homeowners association-owned open spaces
- Metro Vacant Land Inventory derived annually from aerial photo information
- Review of recent aerial imagery
- Discussion and review with City staff and Community Advisory Committee (CAC)

Detailed methodology and notes related to development status follows.

#### Residential Development Status

The following criteria are used to determine the status of residential land, unless that land is in the list of Approved Developments and Planned Expansion Areas described later in this step.

- **Vacant.** Land that has a building improvement value of less than \$20,000, as indicated by County assessor data. All land outside of constrained areas is included in the developable area for these properties.
- **Vacant – Platted.** Vacant land that is part of a platted but unbuilt subdivision is included in this category. Platted lots are assumed to contain one unit each unless other information is available (see Step 4). “Developable Acres” is shown as “0” for these lots because they are treated separately from other acreage in the inventory.
- **Partially Vacant.** This designation is intended for parcels with an existing structure that are large enough to further subdivide or develop to provide additional residential units. The recent update of the City’s development code (called Housing Hillsboro) allows for more flexibility and variety in the types of units that may be provided on this land. The methodology for Partially



Vacant land was updated in May 2023 to be consistent with the 2018 Metro Buildable Lands Inventory<sup>10</sup>, as follows:

- Each zoning designation is given a minimum lot size (see Table 13) for new single detached dwellings.
- Lots that are greater than 5 times the minimum size (discounting development constraints from Step 2) are added to the Partially Vacant inventory.
- Lots that are between 2.5 and 5 times the minimum lot size are subject to a \$300,000 building value screen – the rationale is that more expensive homes are less likely to be subdivided.
- Lots that are below 2.5 times the minimum lot size are not included.
- In order not to over-estimate the likely densities in some zones, the infill capacity of partially vacant lots is determined as the minimum of:
  - (Calculated area of TL – max lot size) / min lot size (rounded down to a whole number); can equal 0
  - (Net unconstrained sq. ft. / 2,000 sq. ft.), rounded down to a whole number; can equal 0
- **Developed.** All other residential land is designated Developed and has no developable area. Developed land is subject to further screening for redevelopment potential in Step 4.

**Table 13. Lot Size Assumptions for Partially Vacant Land**

Zoning Designation	Minimum Lot Size	Source
RL	10,000	City zoning/comprehensive plan
R-10	10,000	City zoning/comprehensive plan
R-8.5	8,500	City zoning/comprehensive plan
SCR-OTC	7,000	City zoning/comprehensive plan
R-7	7,500	City zoning/comprehensive plan
RM	6,000	City zoning/comprehensive plan
R-6	6,000	City zoning/comprehensive plan
MR-3	6,000	City zoning/comprehensive plan
MR-2	6,000	City zoning/comprehensive plan
R-4.5	4,500	City zoning/comprehensive plan
MR-1	4,500	City zoning/comprehensive plan
SCC-MM	3,889	Metro assumptions used
SCR-LD	3,600	City zoning/comprehensive plan
SCR-DNC	3,000	City zoning/comprehensive plan
RH	3,000	City zoning/comprehensive plan
SCR-MD	2,000	City zoning/comprehensive plan
MU-N	1,885	Metro assumptions used
SCC-DT	1,496	Metro assumptions used
MU-C	1,496	Metro assumptions used
SCR-HD	1,481	Metro assumptions used
UC-RM	1,086	Metro assumptions used
UC-OR	1,086	Metro assumptions used
UC-NC	1,086	Metro assumptions used

<sup>10</sup> [https://www.oregonmetro.gov/sites/default/files/2018/07/03/UGR\\_Appendix2\\_Buildable\\_Lands\\_Inventory.pdf](https://www.oregonmetro.gov/sites/default/files/2018/07/03/UGR_Appendix2_Buildable_Lands_Inventory.pdf)

Zoning Designation	Minimum Lot Size	Source
UC-MU	1,086	Metro assumptions used
SCC-SC	1,086	Metro assumptions used
UC-AC	797	Metro assumptions used
SCR-V	797	Metro assumptions used

Mixed Use Development Status

Mixed Use development is subject to the same criteria as Residential Land. However, an additional screen is used to determine the likelihood of redevelopment of mixed-use parcels in Step 4, and assumptions about the residential/employment mix (see Table 15. ) are applied.

Approved Developments and Planned Expansion Areas

Where information is available, this analysis uses information about approved or expected developments. These developments are listed in Step 4.

Additionally, this analysis relies on prior work completed by ECONorthwest to assess the capacity of two planned expansion areas – Witch Hazel Village South and the portions of South Hillsboro not currently within City limits. See additional detail in Step 4.

Land associated with approved developments and expansion areas are removed from the inventory, with unit capacity addressed in Step 5.

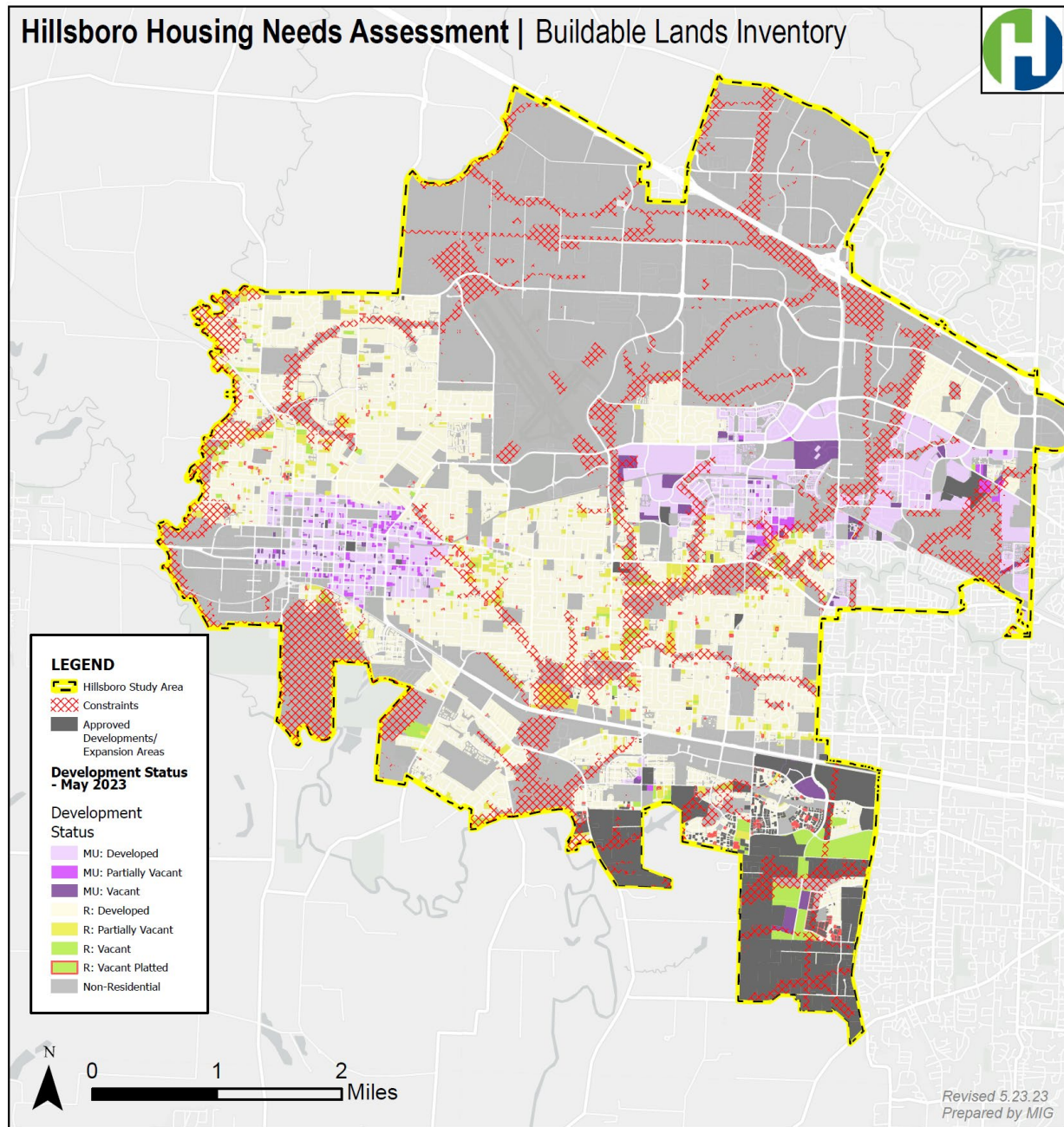
Summary

The following table lists the number of tax lots, total and constrained acreage, and developable area by land type. Land with approved developments is excluded from this table. A map summarizing development status is shown in Figure 34.

**Table 14. Developable Area of Residential and Mixed Use Tax Lots (Excluding Approved Developments and Planned Expansion Areas)**

Land Type and Development Status	Number of Tax Lots	Total Area (Acres)	Constrained Area (Acres)	Unconstrained Area (Acres)
<b>Residential</b>	<b>22,293</b>	<b>4,721</b>	<b>737</b>	<b>417</b>
Developed	21,444	4,075	548	0
Partially Vacant	313	323	80	243
Vacant	118	278	104	174
Vacant – Platted	418	45	5	0
<b>Mixed Use</b>	<b>6,018</b>	<b>1,335</b>	<b>100</b>	<b>184</b>
Developed	5,734	1,118	68	0
Partially Vacant	181	48	9	39
Vacant	203	169	23	145
<b>Total</b>	<b>28,311</b>	<b>6,056</b>	<b>837</b>	<b>631</b>

Figure 34. Development Status of Residential and Mixed Use Land



### Step 4: Net Buildable Area

This step of the BLI establishes the net buildable area of residential land in the Study Area by removing land needed for future right-of-way and other infrastructure set-asides, and by subtracting the non-residential portions of mixed-use zones. This step also accounts for platted subdivisions and other development with known approvals.

#### Right of Way and Other Set-Asides

When vacant land develops, land for roads, infrastructure, open space, and other needs reduce the gross available acres into a net developable acreage. It is common for this reduction to be 1/5<sup>th</sup> to 1/3<sup>rd</sup> of the gross developable area. The BLI uses the following assumptions to calculate net developable acreage for each parcel. These amounts are based on discussions with planning staff and reflect the high level of street connectivity desired in multi-unit and mixed-use neighborhoods.

- Detached Housing Zones (SFR 4.5 through SFR-10 zones): 25%
- Multi-Unit Residential and Mixed Use Zones: 35%

#### Residential Mix in Mixed Use Designations

The following assumptions address the proportion (by land area) of development in multiple-use zones that is expected to occur as residential uses, the remainder of which is assumed to be developed with employment uses.

**Table 15. Residential and Employment Mix Assumptions for Mixed-Use Areas**

Mixed Use Zone	Residential Percentage	Employment Percentage
Mixed Use – Commercial	60%	40%
Mixed Use – Neighborhood	80%	20%
Mixed Use – Village Town Center	60%	40%
Station Community – Business Park	0%	100%
Station Community Commercial – Downtown Zone	30%	70%
Station Community Commercial – Multi-Modal Zone	40%	60%
Station Community Commercial -Station Commercial	50%	50%
Station Community Residential – Downtown Neighborhood Conservation	90%	10%
Station Community Residential – High Density	80%	20%
Station Community Residential – Low Density	90%	10%
Station Community Residential – Medium Density	85%	15%
Station Community Residential – Orenco Town Center	90%	10%
Station Community Residential – Village	80%	20%
Urban Center – Activity Center	60%	40%
Urban Center – Mixed-Use Urban Density	80%	20%
Urban Center – Residential Medium Density	80%	20%

#### Platted Lots and Approved Developments

Platted lots that are currently unbuilt are each assumed to have the capacity for one dwelling unit. Where information is available about approved developments on specific tax lots, that will supersede other assumptions. These are listed in Table 16.

**Table 16. List of Platted Lots and Major Approved Developments (currently without Certificate of Occupancy)**

<b>Development Description</b>	<b>Taxlot(s)</b>	<b>Number of Units</b>
3 <sup>rd</sup> Ave Apartments	IN231CA06300 IN231CA06400	35
4 <sup>th</sup> Avenue Apartments	IS206BA03700	13
Amberglen Alta 1 Cooley	IN236AC00400	326
Amberglen Alta 2 Mixed-Use Apartments	IN236BD00500	594
Amberglen lot 35	IN236BD00900	162
Approved case file and construction underway - Reed's Crossing Town Center North Townhome Apartments	IS211CB09300	45
Approved case file and construction underway - Reed's Crossing Wellness Center and Hillsboro Eye Clinic	IS211CB08900	0
Approved case file and construction underway - The Ackerly Senior Living	IS211CB09400	182
Approved PUD for Westbrooke Estates	IS210CB00900 IS210CB01000 IS210CB01100 IS210CC01100	135
Butternut Creek Phase 14	IS215D000100	44
Dawson Woods	IS204AA00400	24
Nueva Esperanza, PUD	IN234CB00400	150
Habitat for Humanity - Century Commons	IS203AC00600	20
Merrill Gardens at Hillsboro	IN231CD02400	140
Oak Street village	IS206AA01700	58
Q2 Apartments	IN235DA00300	66
Reeds Crossing 1c	IS2140003500	221
Reed's Crossing Town Center North Mixed-Use	IS211CB09500 IS211CB09600 IS211CB09700	256
Reeds Crossing phase 2	IS2110001800	485
River Bend No. 2	IS216A000802	26
<b>Total Approved Units</b>		<b>2,982</b>
<b>Platted Lots</b>		<b>420</b>
<b>Total Approved and Platted Units</b>		<b>3,402</b>

**Planned Expansion Areas**

In 2022, ECONorthwest prepared an estimate of remaining buildable capacity in the unincorporated portion of South Hillsboro, Witch Hazel Village South, and other areas. Witch Hazel Village South and the South Hillsboro Community Plan Area are part of the study area for this BLI, while the Golf Club and Rosa Reserve areas are not part of this inventory.

This report relies on the ECONorthwest study for these areas, as shown in Table 17. Figure 35 identifies these expansion areas. Figure 36 and Figure 37 are detailed maps of South Hillsboro and Witch Hazel Village South, respectively.

Figure 35. Hillsboro Expansion Area Yield Study Reference Map (Source: ECONorthwest)

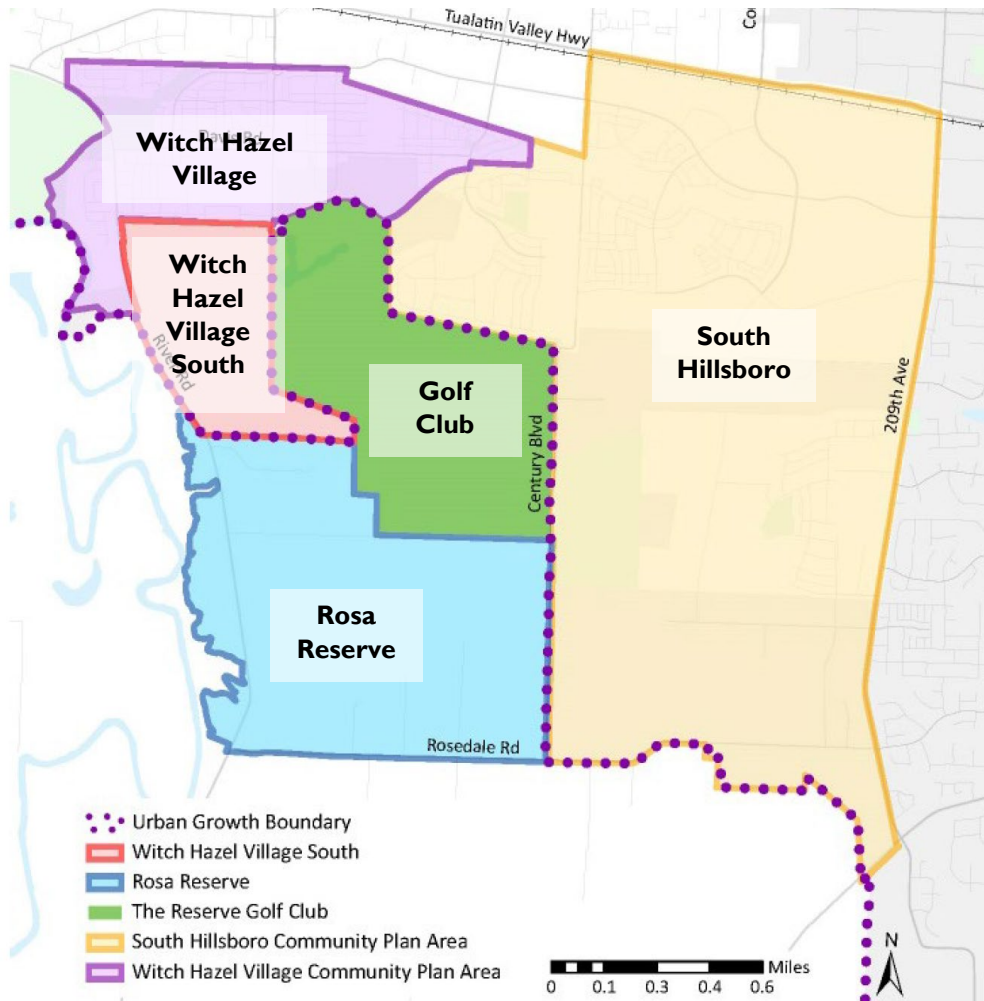


Figure 36. South Hillsboro Unincorporated Area (Source: ECONorthwest)

Source: City of Hillsboro GIS

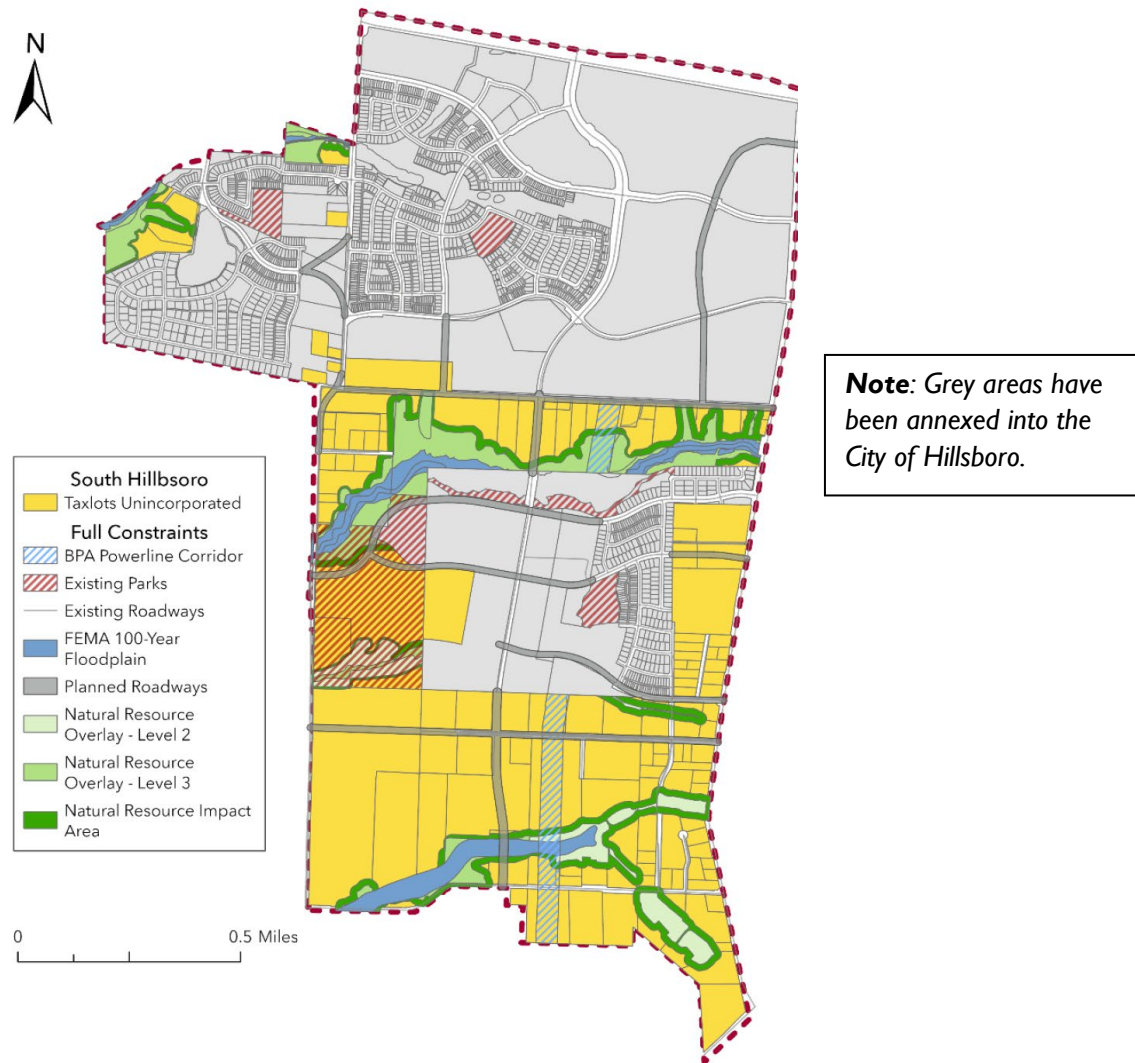


Table 17. Estimated Dwelling Unit Yield, South Hillsboro Unincorporated Areas (Source: ECONorthwest)

Housing Types	Low			High			"Best Guess" Dwelling Unit Estimate
	Net Developable Acres	Units	% of Units	Net Developable Acres	Units	% of Units	
Single Detached	189	1,215	74%	183	1,519	63%	1,367
Middle Housing	25	417	26%	34	665	28%	541
Apartments	-	-	0%	7.3	209	9%	104
<b>Total</b>	<b>214</b>	<b>1,632</b>		<b>224</b>	<b>2,393</b>		<b>2,012</b>

Figure 37. Witch Hazel Village South Detail (Source: ECONorthwest)

Source: City of Hillsboro GIS

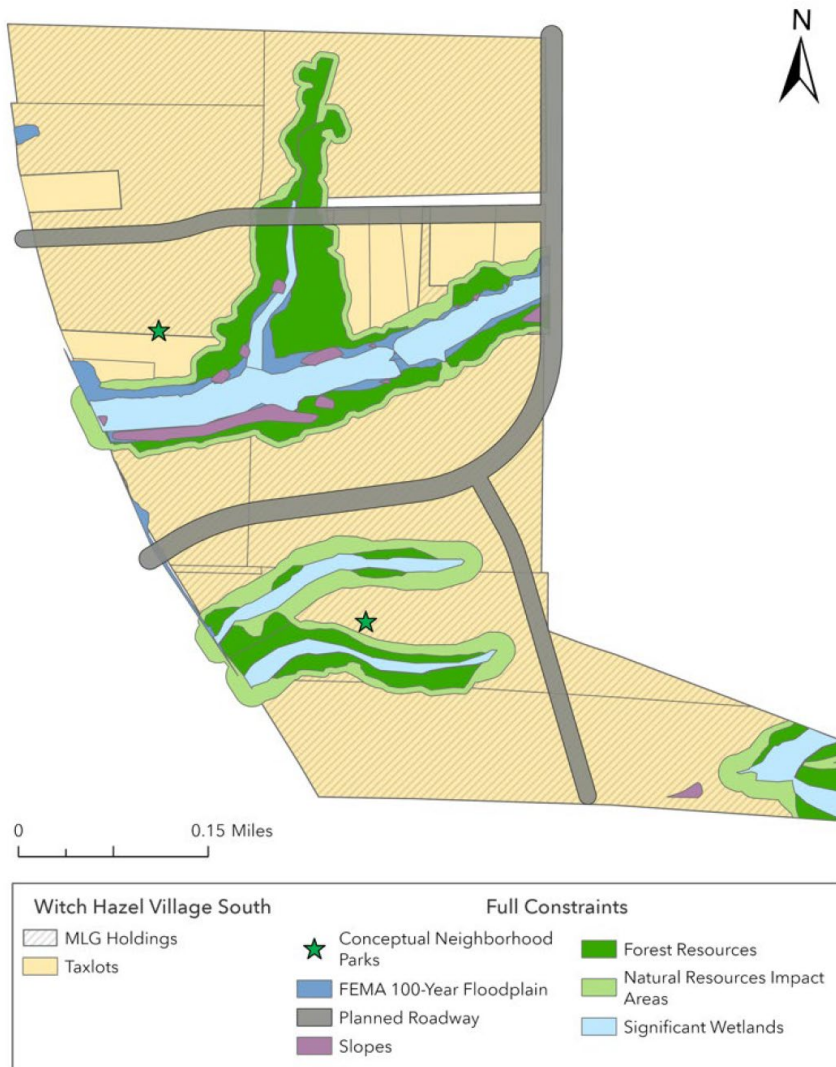


Table 18. Estimated Dwelling Unit Yield, Witch Hazel Village South (Source: ECONorthwest)

Housing Types	Low			High			"Best Guess" Dwelling Unit Estimate
	Net Developable Acres	Units	% of Units	Net Developable Acres	Units	% of Units	
Single Detached	45	372	46%	36	344	30%	351
Middle Housing	10	198	24%	15	363	31%	322
Apartments	8	240	30%	13	447	39%	395
<b>Total</b>	<b>63</b>	<b>810</b>		<b>64</b>	<b>1,154</b>		<b>1,068</b>



Summary

Table 19 summarizes net residential acreage for both residential land in the study area. Table 20 describes the net residential developable acres in Mixed Use zones, accounting for employment uses on mixed-use land and assumed right-of-way. Table 16 lists approved developments.

**Table 19. Residential Developable Acres in Residential Zones**

Residential Zone	Developable Acres (Excluding constrained area and building set-asides for Partially Vacant properties)	Right Of Way Set-Asides	Net Residential Acres
MR-1	42.5	35%	27.7
MR-2	18.7	35%	12.2
MR-3	17.2	35%	11.2
R-10	66.8	25%	50.1
R-8.5	5.1	25%	3.8
R-7	185.3	25%	139.0
R-6	33.3	25%	25.0
R-4.5	60.8	25%	45.6
RL*	19.3	25%	14.4
RM*	8.3	25%	6.2
RH*	0.3	35%	0.2
<b>Total</b>	<b>457.7</b>		<b>335.4</b>

\* Comprehensive Plan designations outside of City limits.

**Table 20. Residential Developable Acres in Mixed Use Zones**

Mixed Use Zone	Developable Acres (Excluding constrained area and building set-asides for Partially Vacant properties)	Residential Proportion	Right Of Way Set-Asides	Net Residential Acres
MU-C	3.1	60%	35%	1.2
MU-N	4.7	80%	35%	2.4
MU-VTC	39.4	60%	35%	15.4
SCC-DT	12.8	30%	35%	2.5
SCC-MM	1.6	40%	35%	0.4
SCC-SC	1.1	50%	35%	0.4
SCR-DNC	3.1	90%	35%	2.1
SCR-HD	1.2	80%	35%	0.6
SCR-LD	5.7	90%	35%	3.8
SCR-MD	12.1	85%	35%	6.7
SCR-OTC	8.2	90%	35%	4.8
SCR-V	6.4	80%	35%	3.3
UC-AC	3.1	60%	35%	1.2
UC-MU	2.6	80%	35%	1.3
UC-RM	0.8	80%	35%	0.4
<b>Total</b>	<b>105.8</b>	<b>-</b>	<b>35%</b>	<b>46.6</b>

### Step 5: Estimated Unit Capacity

#### Development Assumptions by Zoning Designation

The BLI uses an assumed density for various zoning designations in the City of Hillsboro. This information is based on the Hillsboro Community Development Code (CDC).<sup>11</sup>

Table 21 shows the assumed density for various zoning designations in the City of Hillsboro. This information is based on the Hillsboro Community Development Code (CDC).<sup>12</sup>

**Table 21. Unit Capacity on Residential and Mixed-Use Land**

Zoning Designation	Density Notes	Assumption for BLI
<b>R-10</b>	Generally 10,000 sf single-detached lots, but other housing types allowed.	5 du/ac
<b>R-8.5</b>	Generally 8,500 sf single-detached lots, but other housing types allowed	6 du/ac
<b>R-7</b>	Generally 7,000 sf single-detached lots, but other housing types allowed	7 du/ac
<b>R-6</b>	Generally 6,000 sf single-detached lots, but other housing types allowed	8 du/ac
<b>R-4.5</b>	Generally 4,500 sf single-detached lots, but other housing units allowed.	9 du/ac
<b>MR-1</b>	11-16 du/ac per code (townhouses higher).	16 du/ac
<b>MR-2</b>	17-21.25 du/ac per code.	21.25 du/ac
<b>MR-3</b>	23-28.5 du/ac per code	28.5 du/ac
<b>SCR-LD</b>	9-14 du/ac	14 du/ac
<b>SCR-MD</b>	18-23 du/ac per code, up to 36 du/ac in a PUD.	20 du/ac
<b>SCR-HD</b>	24-30 du/ac per code. Up to 45 du/ac in a PUD.	30 du/ac
<b>SCR-OTC</b>	6-12 du/ac	12 du/ac
<b>SCR-DNC</b>	9-23 du/ac, depending on location relative to LRT.	23 du/ac within 1,300 feet of a light rail station; 15 du/ac beyond.
<b>SCC-DT</b>		70 du/ac
<b>SCC-MM</b>		30 du/ac
<b>SCC-SC</b>		30 du/ac
<b>MU-N</b>	Differing requirements for Local/Collector frontage vs Arterial frontage. Differing	20 du/ac

<sup>11</sup> [https://library.qcode.us/lib/hillsboro\\_or/pub/municipal\\_code/item/chapter\\_12](https://library.qcode.us/lib/hillsboro_or/pub/municipal_code/item/chapter_12)

<sup>12</sup> [https://library.qcode.us/lib/hillsboro\\_or/pub/municipal\\_code/item/chapter\\_12](https://library.qcode.us/lib/hillsboro_or/pub/municipal_code/item/chapter_12)

Zoning Designation	Density Notes	Assumption for BLI
	requirements for Mixed Use buildings as well.	
<b>MU-C</b>	12 du/ac in mixed use buildings, 23 in residential-only buildings.	15 du/ac
<b>MU-VTC</b>	Specific South Hillsboro mins/maxes per 12.24.360-2. About 20 du/ac for single detached otherwise.	20 du/ac
<b>SCR-V</b>	24 du/ac near LRT, 15 du/ac further from LRT, down to 7 du/ac far from LRT	40 du/ac within 1,300 feet of light rail; 15 du/ac beyond.
<b>UC-RM</b>	24-43 du/ac	30 du/ac
<b>UC-MU</b>	43 du/ac min, no max	70 du/ac
<b>UC-AC</b>	43 du/ac min, no max	45 du/ac
<b>UC-NC</b>	30 du/ac min, no max	35 du/ac
<b>UC-OR</b>	30 du/ac min, no max	35 du/ac
<b>UC-RP</b>	18-65 du/ac	30 du/ac

Redevelopment of Mixed-Use Land

Land in mixed-use designations has undergone a “Strike Price” assessment for redevelopment potential. “Strike Price” is a term-of-art used to indicate the price at which it becomes cost-effective for a developer to consider a site for redevelopment. The strike price is the combined land value and improvement value per square foot of the lot.

This analysis uses a \$30 strike price threshold for mixed use land. If the combined land value and improvement value per unconstrained square foot for a parcel is below this value, then it is added to a list of potentially redevelopable sites and included in the BLI. A discount factor of 50% is then applied to indicate the uncertainty of whether any individual lower-value property will be redeveloped. As a comparison, the 2018 Metro BLI used a \$12 strike price for suburban areas such as Hillsboro – meaning this analysis supposes a much higher likelihood of redevelopment than the Metro effort.

A review of residentially-designated land at a \$30 strike price was also conducted, but no properties other than single-detached dwellings or manufactured home parks were identified as having a likelihood of redevelopment.

An initial screen has identified **259 tax lots totaling roughly 150 unconstrained acres** across the City’s mixed-use zones that meet the \$30 du/ac strike price. These properties are included in Table 22 in the “Redevelopable” category, and their residential capacity is estimated based on zoning assumptions.

Middle Housing and House Bill 2001

The text of House Bill 2001 and the City’s Housing Hillsboro Project have implications for this work, particularly in the assumptions for what the density and housing mix new development and redevelopment will look like:

- Some proportion of existing single detached housing in Hillsboro will divide internally or redevelop into middle housing units (duplexes, triplexes, quads). State statute provides a safe

harbor of a 3% assumed increase in density for residential land due to this development activity for purposes of evaluating potential urban growth boundary amendments.

- Some proportion of new development in residential zones will develop as middle housing units (duplexes, triplexes, quads, townhomes, cottage clusters), when they would have previously been developed as single detached units. This has been addressed through density and mix assumptions of new development included in this analysis.

There are 22,684 lots classified as “Developed” with an assessor’s property code of “101” (single-detached dwellings). Redevelopment/subdivision of 3% of these lots would mean 680 new units throughout the City over the planning horizon. These units are accounted for in the overall capacity assumptions.

**Table 22. Summary of BLI Results**

Development Category	Tax lots	Gross acres	Buildable Acres (minus constrained land)	Net Acres (subtracts future set-asides and existing structures)	Total Unit Capacity
<b>Residential Land</b>		<b>851</b>	<b>646</b>	<b>457</b>	<b>2,883</b>
Vacant		118	278	174	1,458
Partially Vacant		313	323	243	1,005
Platted		420	46	40	420
<b>Mixed Use Land</b>		<b>543</b>	<b>391</b>	<b>334</b>	<b>2,097</b>
Vacant		203	169	145	831
Partially Vacant		81	48	39	282
Redevelopable		259	174	150	984
<b>Total</b>		<b>1,394</b>	<b>1,037</b>	<b>791</b>	<b>4,981</b>
<b>Approved Development</b>					<b>2,982</b>
<b>Expansion Areas (South Hillsboro Unincorporated and Witch Hazel Village South)</b>					<b>3,080</b>
<b>Middle Housing Infill</b>					<b>680</b>
<b>Total Units</b>					<b>11,723</b>

Key takeaways include:

- Based on the assumptions in this analysis, overall capacity in the study area is about 11,700 units.
- Roughly 37% of this capacity is in Single-Detached units, 30% in Middle Housing units, and 33% in Multi-Dwelling units.
- Roughly 26% of capacity lies within the expansion areas of unincorporated South Hillsboro and Witch Hazel Village South, and another 25% is on land that has some form of development approval currently.
- Redevelopment on mixed-use land accounts for about 8% of capacity, though market dynamics and City policy could affect this number significantly.

# Comparison of Land Need and Supply

This section summarizes the results of the Housing Needs Projection and Buildable Lands Inventory (BLI), presented in detail elsewhere in this report.

The following table (Table 23) presents the estimated new unit capacity of the buildable lands identified in the City of Hillsboro and within the UGB. Residential zones, as well as mixed-use zones that can accommodate some residential uses, were included in the inventory, and are broken into broad categories based on housing density. The inventory includes the unincorporated portions of Hillsboro’s current known expansion areas of South Hillsboro and Witch Hazel Village South.

**Table 23. Summary of Buildable Land Inventory**

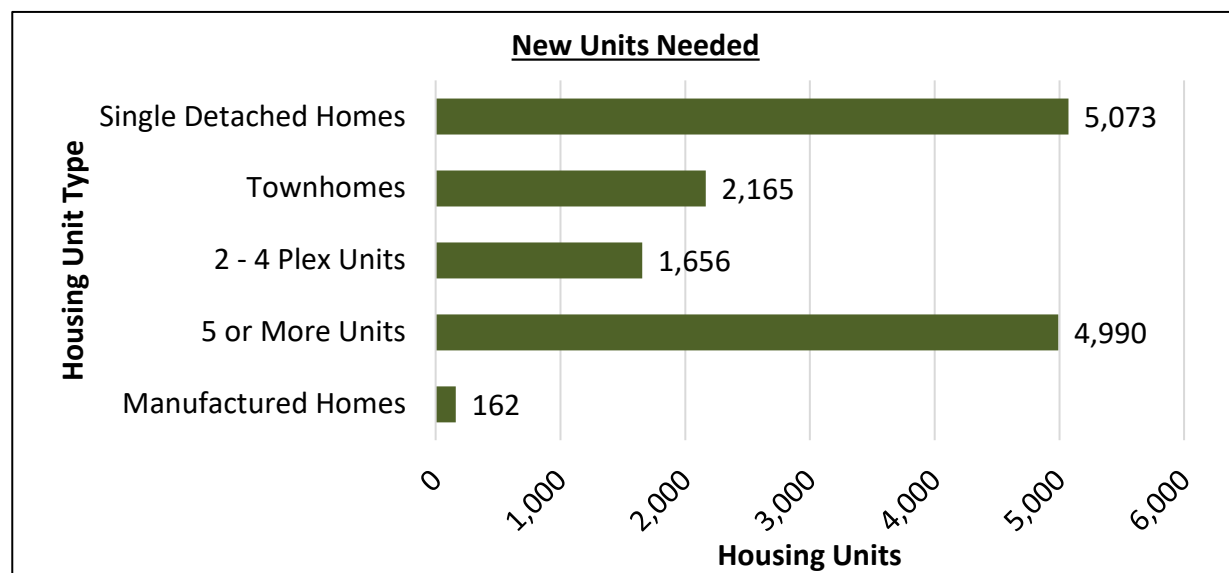
Development Category	Tax lots	Gross acres	Buildable Acres (minus constrained land)	Net Acres (subtracts future set-asides and existing structures)	Unit Capacity			
					Single Detached	Middle Housing	Multi-Dwelling	Total
<b>Residential Land</b>	<b>851</b>	<b>646</b>	<b>457</b>	<b>290</b>	<b>1,737</b>	<b>697</b>	<b>449</b>	<b>2,883</b>
<i>Vacant</i>	118	277.8	173.9	125.3	635	454	369	1458
<i>Partially Vacant</i>	313	322.7	242.7	124	682	243	80	1005
<i>Platted</i>	420	45.7	40.5	40.5	420	0	0	420
<b>Mixed Use Land</b>	<b>543</b>	<b>391</b>	<b>334</b>	<b>197</b>	<b>257</b>	<b>771</b>	<b>1070</b>	<b>2,098</b>
<i>Vacant</i>	203	169	145	33	110	300	421	831
<i>Partially Vacant</i>	81	48	39	13	72	115	96	283
<i>Redevelopable</i>	259	174	150	150	75	356	553	984
<b>Approved Development</b>					<b>600</b>	<b>551</b>	<b>1,831</b>	<b>2,982</b>
<b>Expansion Areas (S Hillsboro Unincorporated and Witch Hazel Village South)</b>					<b>1,718</b>	<b>863</b>	<b>499</b>	<b>3,080</b>
<b>Middle Housing Infill</b>			n/a		<b>0</b>	<b>680</b>	<b>0</b>	<b>680</b>
<b>TOTAL</b>					<b>4,312</b>	<b>3,562</b>	<b>3,849</b>	<b>11,723</b>

Source: MIG

- There is a total estimated remaining capacity of 11,723 units of different types within the study area.
- The estimated remaining capacity for low density housing units remains the greatest share at capacity for 4,312 units, or 37% of the total.
- There is a total estimated capacity for 3,562 middle housing units, including future infill in low density zones. This is roughly 30% of the total unit capacity.
- There is a total estimated capacity for 3,849 housing units in higher density multi-dwelling properties. This is roughly 333% of the total unit capacity.
- Of the total capacity, 25% is located in future developments that have already been approved (2,982 units).
- 26% of capacity remains in the unincorporated portions of the expansion areas of South Hillsboro and Witch Hazel Village South.

Figure 38. Summary of Forecasted Future Unit Need (2043)

TOTAL HOUSING UNITS									
Unit Type:	Single Detached	Single Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	5,073	2,165	654	1,002	4,990	162	0	14,046	100%
Percentage:	36.1%	15.4%	4.7%	7.1%	35.5%	1.2%	0.0%	100%	



Sources: PSU Population Research Center, Census, Johnson Economics

**Comparison of Housing Need and Capacity**

There is a total forecasted need for roughly 14,050 units over the next 20 years based on the forecasted growth rate. This is greater than the estimated total capacity of 12,607 units. Table 24 presents a comparison of the BLI capacity for new housing units, compared to the estimate for new unit need by 2043. It breaks down need by general zoning category (LDR, MDR, HDR). Highlights include:

- The projected demand for low-density housing types is higher than the remaining capacity by an estimated 1,116 units, or the equivalent of 139 acres of low-density residential land.
- The results find a modest deficit for medium-density housing of 3 acres.
- The projected demand for high-density housing types is higher than the remaining capacity by an estimated 1,141 units, or the equivalent of 33 acres of high-density residential land. This is the greatest deficit of capacity in terms of number of units among these three categories. Because the achieved density of these housing types is higher, it translates to somewhat less acreage deficit than the deficit in low density zones.
- These findings assume that under newly adopted state rules, 3% of available buildable parcels in the LDR zone will be used for the various types of attached units (single-attached townhomes, duplex – fourplex).

**Table 24. Comparison of Forecasted Future Land Need (2043) with Available Capacity**

WITHIN CITY LIMITS		SUPPLY	DEMAND				
Zone & Plan Category	Typical Housing Type	Buildable Land Inventory (Unit Capacity)	Growth Rate (0.7%)			Surplus or (Deficit)	
			New Unit Need (2040)	Avg. Density (units/ac)	Units Acres		
Low-Density	Single-detached; Single-attached & plex	4,312	5,428	8.0	(1,116)	(139)	
Med-Density	Single-attached; Manufact. home; 2-4 plexes	3,562	3,628	20.0	(66)	(3)	
High-Density	Multi-Unit apartments	3,849	4,990	35.0	(1,141)	(33)	
<i>TOTALS:</i>		11,723	14,046	20.7	(2,323)	(175)	

Sources: MIG, Johnson Economics

These findings do not require rezoning of medium- or high-density zoned land to meet the need for low-density land. A range of potential housing policies and strategies will be considered in future development of a Housing Production Strategy by the City, including the ability of future plan areas to meet the need for different types of housing during the 20-year planning period.

# High-Level Policy Themes

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The project team prepared high-level policy themes as part of the HNA to inform the subsequent planning process, called a Housing Production Strategy (HPS). HPS are required of Oregon cities under House Bill 2003 and OAR 660-008 and requires Hillsboro and other cities to evaluate a broad range of solutions to increase housing production to meet their housing needs. The HPS is a strategic and flexible tool that can assess policies, programs, funding tools, equity, partnerships, and more.

The City's HPS process is expected to begin in Fall 2023 and conclude in Fall 2024. The below high-level policy themes were refined in spring 2023 based on input from the HNA Community Advisory Committee and Historically Marginalized Communities focus groups.

## High-Level Policy Themes

1. Ensure adequate supply of land and public infrastructure, utilities, and services to support a variety of housing types and choices.
2. Increase housing development opportunities in multi-dwelling and mixed-use zones and commercially zoned areas along TV Highway corridor's future rapid bus transit line.
3. Support housing for all incomes to align with the results of the Housing Needs Analysis.
4. Extend high-amenity housing discussion beyond large lot size, since high-amenity housing can come in all forms and lot sizes.
5. Include affordable housing in new residential expansion areas to foster more mixed-income neighborhoods that have access to new amenities such as parks, open space, trails, and bicycle/pedestrian infrastructure.
6. Support homeownership opportunities for homebuyers, including low-income and first-time buyers.
7. Identification, acknowledgment, and discussion of multi-generational housing.
8. Increase rental housing development that includes a greater number of bedrooms for larger families.
9. Increase development of accessible housing for seniors and people with disabilities.
10. Assess connections to the housing supply for those experiencing or at risk of houselessness in Hillsboro and how these connections and housing opportunities can be increased.
11. Identification, acknowledgment, and discussion to preserve manufactured dwelling parks and increase opportunities for alternative housing such as manufactured and modular.



## Next Steps

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This report is the culmination of over a year of analysis, coordination, and engagement to identify housing needs in the City of Hillsboro, however the work is far from complete. The City plans to undertake a subsequent effort required by the State of Oregon, called a Housing Production Strategy, in the fall of 2023.

Going forward, State statute requires the City of Hillsboro to update this analysis and evaluate its performance in producing needed housing every six years. Through this important work, the City will continue to understand and respond to the community's housing needs.

# Appendices

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## **Appendix A: Summary of Community Engagement**

1. Overview of Public Engagement
2. Detailed CAC meeting Summaries
3. Detailed Stakeholder Interview Summaries

## **Appendix B: Alternative Growth Projection Analysis**

# Overview of HNA 2022-2023 Engagement

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City staff met with Public Engagement Committee on September 7, 2022 to review and approve the proposed Public Communications and Engagement Plan (PCEP), which resulted in additional translation services and contracting with community-based cultural organizations.

The HNA community engagement process reached a representative cross-section of Hillsboro's diverse communities and had a robust mix of Community Advisory Committee members. It also included opportunities for input from Historically Marginalized Communities in Hillsboro. In addition, the project offered opportunities for stakeholder interviews for people who live or work in Hillsboro to provide input into the project.

## **Project Webpage on City Website:**

A project webpage was established early in the project on the City website, which offered a variety of opportunities to get involved in the project and provided an engagement timeline and project timeline and other relevant project information. The webpage was updated as new information became available. It also offered sign-up for email updates to various news and announcements in the City. The website is: <https://www.hillsboro-oregon.gov/our-city/departments/community-development/projects/housing-needs-analysis>

## **Community Advisory Committee (CAC)**

A CAC was established early in the project. The role of the Community Advisory Committee (CAC) is for community members to provide input into the HNA project. The CAC is a voluntary committee comprised of 15 community members including people who live or work in Hillsboro, and for-profit and non-profit developers. The CAC met five times from October 2022 through April 2023 and has its final meeting on June 13, 2023. The CAC reviewed and provided feedback on housing data and provided input on the high-level housing policy themes.

Meeting content included the following: Introduction to HNA/project overview, Buildable lands inventory (BLI) methodology/data, Initial discussion about goals and policies, review of the draft BLI draft report and data, review of the draft Housing Capacity Analysis (HCA) report (which included extensive data and a Land Sufficiency Analysis) review of high-level policy themes. The final meeting will provide the results to the finalized BLI and HCA.

Range of input received during meetings included: Most needed housing types in Hillsboro, BLI methodology, HCA methodology, and High-Level Policy Themes. Short summaries from each of the CAC meetings are included below:

## Hillsboro Housing Needs Analysis

### **CAC Meeting #1 Input:** “What in your opinion is the most needed housing type in the City?

Examples of responses summarized: need to set aside opportunities for lower income folks, youth homelessness, low cost rentals not available, tiny houses needed, homeownership for 30-80% AMI needed, housing for at risk youth needed, low-income and affordable needed, smaller cottage clusters, lack of affordable housing, for families with more than two bedrooms needed, very low income housing for seniors needed, lack of supply of developable land across all housing types – increase supply, need all levels of housing from affordable workforce, middle housing up to executive housing, everyone is struggling with the cost of housing in Hillsboro, at all levels of income, affordable rental properties with good living conditions and affordable homeownership for first-time homebuyers, homeownership for first-time buyers is almost impossible, renters can't save up or devote money to homebuying with high rent prices in Hillsboro.

**CAC Meeting #2 Input:** Examples of input on Buildable Lands Inventory draft via open discussion includes: Wide range of concerns and questions for many types of housing needs. Concern whether there is enough land to accommodate the need. Concerns about how land will develop, how fast to grow, most of the land being lower density, not enough multifamily and equity issues about locations next to roads and commercial areas, how to balance residential land with other needs like parks. Questions about what partially vacant includes, how are areas set aside for camping categorized, what is the average size for market driven residential, why was publicly owned land taken off the table? Comments about qualified census tracts should be target for multifamily because designation makes affordable projects more viable, subsidized affordable housing more like 100 du/ac is a common average density.

Examples of input on the Housing Needs Projection data analysis came in form of many questions, for example: Does the data accurately represent the pandemic? Is the city trying to house everyone who currently commutes to Hillsboro for work? Does Metro establish the growth figures? Do we talk about different affordability levels? What is the city's current attached/detached split and how does this compare to projections? Does the analysis assume that current needs are being met? Generally, no.

**CAC Meeting #3 Input:** Update and continued discussion/input/questions on BLI and HCA.

### **Questions and answers:**

- How do we fit more homes into this city? The need seems high. This will be the subject of further conversation – rezonings, new expansion areas, coordination with Metro are all part of the equation.
- What is the solution for homeless folks? Short term housing by the City and nonprofits?
- Does Partially Vacant category include parking lots for churches with large parking lots? Generally, not.
- Does the land availability drive the forecast or the other way around?
  - Forecasts are kind of idealized - the regional population projection leads to the number of housing units and other data/trends let us identify what housing unit types to forecast. If that doesn't align with the land base, then that informs City policy to accommodate that growth.
  - Housing Production Strategy (HPS) is a follow up step for the City to look at those items more specifically.

### **Discussion on Comprehensive Plan Evaluation and Initial Goals/Policy Concepts**

Questions on intergenerational housing, affordable and accessible housing, large lot housing, implementation of Metro regional housing bond, creating intergenerational wealth, may be missing

## Hillsboro Housing Needs Analysis

language on large potential need and potential shortfall in supply of land, if something isn't a problem (e.g. short term rental) maybe we don't need a policy related to it, Supportive housing – make sure it is addressed, include policy analogous to “net zero” policies – e.g., how to eliminate homelessness, short-term rental policies - we wouldn't have to ban them but could limit them to a degree;

**CAC Meeting #4 Input:** The City will not adopt comprehensive plan changes as part of this project. CAC members participated in a live polling exercise through Mentimeter, which facilitated conversation about what role the City should play in housing. Below is a summary of the conversation:

What housing issues are the most important for City policy to address?

- The top three responses were Affordable homeownership opportunities, Affordable rental opportunities, and Reducing homelessness.
- CAC members noted that homelessness is expensive, and Washington County has a high share of youth that are homeless.
- Hillsboro has large minority populations, who often feel housing issues more acutely.
- Rehabilitating homes that are in disrepair keep people housed and is important for safety.
- Cost of land is prohibitive to build affordable products without subsidy these days.
- Executive housing is an important component of the City's tax base.
- The City's housing plan must include availability of executive housing so that we work towards a full spectrum of housing options at all levels of income.
- Suggestion to clarify what is meant by “affordable housing” in policies.

**CAC Meeting #5 Input:** High-Level Policy Themes.

The six themes below each received two or more positive comments in support from CAC members with exception of #3, which received no negative or positive comments.

Increase housing development opportunities in **multi-dwelling and mixed-use zones**.

1. Identification, acknowledgment, and discussion of **multi-generational housing**.
2. **Extend high-amenity housing discussion beyond large lot size**, since high-amenity housing can come in all forms and lot sizes.
3. Identification, acknowledgment, and discussion around **homelessness**
4. Support **housing for all incomes** to align with the results of the Housing Needs Analysis.
5. Support **homeownership opportunities** for low-and moderate-income community members.

Additional preferences suggested by CAC members during the High-Level Policy Themes input process, which included:

- Mixed income areas
- Disability friendly housing
- LGBTQ friendly housing
- More development of rental properties
- Rental housing with more bedrooms for larger families
- Housing for low-income households in single family neighborhoods
- Affordable, inclusive and accessible housing
- Increased density and transit-oriented development
- Housing for low-income young families
- Inclusive housing options
- On affordability, concern too much redevelopment will drive the cost of housing up.

**Final CAC Meeting #6** (June 13, 2023)

## Hillsboro Housing Needs Analysis

Staff and consultants provided an overview of the Housing Needs Analysis and a description of what the follow-up Housing Production Strategy work to come. The Committee felt that the High-Level Policy Themes were a good start for future housing conversations.

### Historically Marginalized Community (HMC) Input

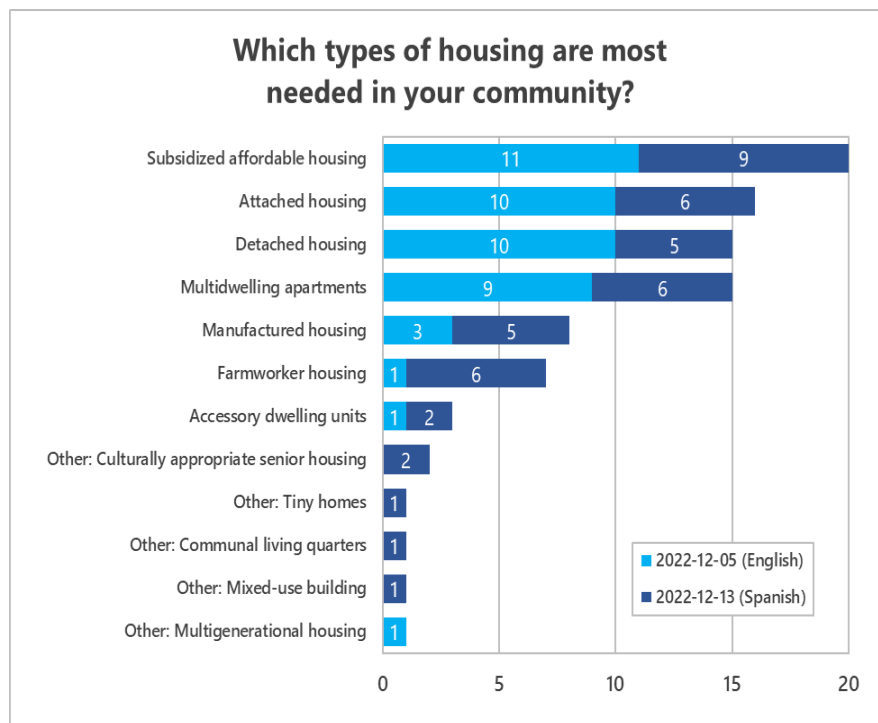
The City contracted with two community-based organizations beginning in the fall of 2022 to provide an opportunity for English and a Spanish-language BIPOC focus groups (each 12 to 15 community members) to receive valuable input on current and future housing needed in Hillsboro. The role of the HMC focus groups was to provide input and have a voice in the HNA process as they historically have not had this opportunity. A total of four focus group meetings were held (two for BIPOC group and two for Spanish speaking group).

In the first round of focus groups (HMC #1), participants learned what is a Housing Needs Analysis and afterwards they gave input via polling on the following questions and provided additional comments:

1. Which types of housing are currently most needed in your community?
2. Which housing need issues are a concern in your community?

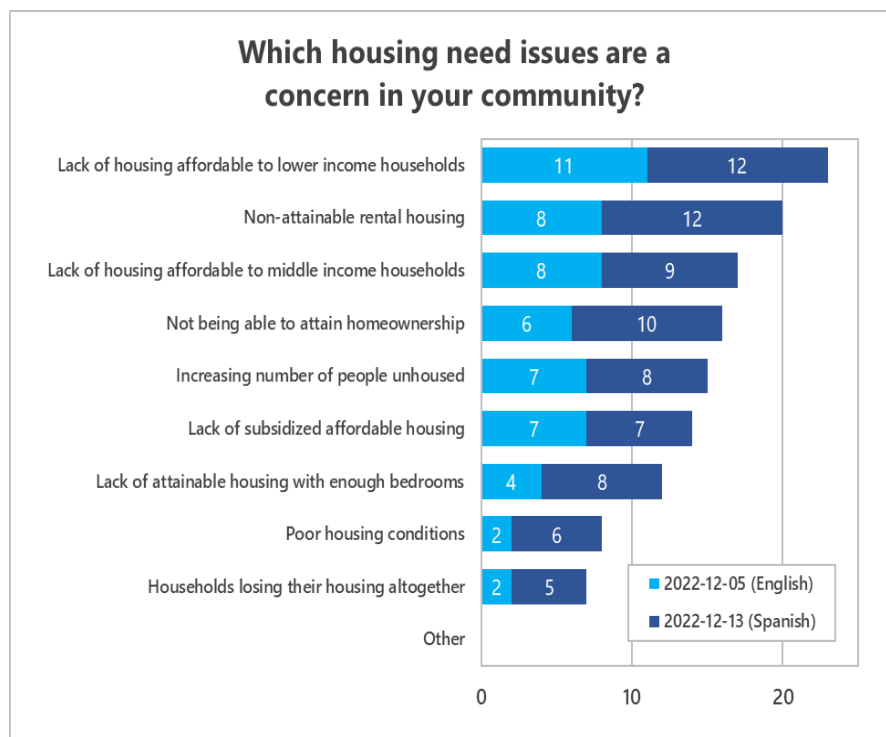
#### Meeting #1 Poll Summary

The following charts shows the number of December 5, 2022 BIPOC English-speaking focus group participants and the number of December 13, 2022 Spanish-speaking focus group participants who indicated that the following housing types were among their top three (or, in some cases, four) priorities.



## Hillsboro Housing Needs Analysis

The following chart shows the number of December 5, 2022 English-speaking focus group participants and the number of December 13, 2022 Spanish-speaking focus group participants who indicated that the following issues were a concern in their community.



### Meeting #1 with BIPOC Group (December 5, 2022)

#### **Additional comments received:**

- There are few housing options that are affordable for low- and middle-income households, and there is a general lack of affordable rental housing.
- The cost of rent prevents many households from being able to save towards a down payment.
- Homeowner association dues are a burden for low- and middle-income homeowners; costs are passed on to renters, presenting an additional barrier.
- Security deposit requirements present an additional barrier to low- and middle-income renters.
- Investors are purchasing housing units to rent out (often with upgrades that drive up demand and cost) or to list as short-term rentals, which decreases housing inventory.
- The stigma around subsidized affordable housing persists and often presents a barrier when needed housing is proposed in existing neighborhoods.
- Awareness about resources available to households looking to purchase a house is lacking.
- Awareness about subsidized affordable housing and how to find it is lacking.
- There is a sense that detached housing with a private yard no longer makes sense given the amount of developable land left in Hillsboro.
- A portion of Hillsboro's population prefers denser, mixed-use development patterns that encourage walking and allow people to meet their daily needs without an automobile.
- Additional multigenerational housing options and opportunities are desired.

## Hillsboro Housing Needs Analysis

### Meeting #1 with Spanish Speaking Group (December 13, 2022)

#### **Additional comments received:**

- There are few housing options that are affordable for low- and middle-income households, and there is a general lack of affordable rental housing.
- The cost of rent prevents many households from being able to save towards a down payment.
- Rent increases pose challenges and create financial hardship, sometimes putting tenants at risk of becoming unhoused.
- Housing for farmworkers is viewed as a critical need.
- Detached housing is an important means by which community members can accumulate generational wealth.
- Apartments are viewed as an important housing option because they are generally more affordable than other housing types.
- There is need for apartments with a greater number of bedrooms.
- Manufactured housing provides a form of homeownership that is more affordable than the alternatives.
- Attached housing meets a range of needs, blending some of the benefits of apartments (e.g., greater affordability) with those of detached housing (e.g., a yard, garages, more space, etc.)
- The availability of parking and outdoor space is a concern for large households and for community members who need a place to store their construction or landscaping equipment.
- Poor living conditions are an issue with some market-rate affordable housing.
- There is some interest in mixed-use buildings, live/work units, tiny homes, communal living quarters, and accessory dwelling units.

### Meeting #2 with BIPOC Group (April 27, 2023)

There were eleven participants. There were six high-level housing policy themes presented for input. Overall, participants were primarily interested in supporting housing for all incomes and homeownership opportunities for low-and moderate-income community members. The identification, acknowledgement and discussion around homelessness and high amenity housing were the second most chosen choices followed by increasing housing opportunities in multi-dwelling and mixed-use zones. Multi-generational housing was mentioned the least. A few participants asked about what is being done to address homelessness.

Below are the “High-Level Policy Themes” from March 30, 2023, which focus on a wide range of housing items that were previously identified in the HNA process. These policy themes were drafted as a starting point for discussion when developing housing production strategies that build upon the findings of housing needs. Following these themes are summaries of community input that followed. At the end of this document are track changes for consideration to update the High-Level Policy Themes.

1. Increase housing development opportunities in **multi-dwelling and mixed-use zones**.
2. Identification, acknowledgment, and discussion of **multi-generational housing**.
3. **Extend high-amenity housing discussion beyond large lot size**, since high-amenity housing can come in all forms and lot sizes.
4. Identification, acknowledgment, and discussion around **homelessness**
5. Support **housing for all incomes** to align with the results of the Housing Needs Analysis.
6. Support **homeownership opportunities** for low-and moderate-income community members.



## Hillsboro Housing Needs Analysis

Participants	1	2	3	4	5	6
1	x			x	x	
2		x			x	x
3				x		
4	x			x	x	x
5				x	x	x
6			x			
7			x		x	x
8			x		x	
9			x			
10					x	x
11	x				x	x

Totals            3            1            4            4            8            6

The matrix above shows an x in box, depicting which of the six high-level policy themes were most important to each of the eleven participants.

### Meeting #2 with Spanish Speaking Group (May 4, 2023)

There were eight participants. There were six high-level housing policy themes presented for input, the same as in themes that were presented to the BIPOC Group. The majority of the participants were most interested in homeownership opportunities for low and moderate income. Second greatest interest was housing for all incomes. Other areas of interest included rent-to-own, address homelessness, tiny homes for young adults so they do not have stay living with their parents, housing for empty nesters, manufactured housing, reuse of buildings that became vacant during the pandemic, and addressing issue being at risk of losing subsidized housing when income increases.

Community members voiced a concern for the poverty line standards to hold them back towards homeownership and self-growth. There has been a deep emphasis on allowing individuals of low income and middle income to have opportunity towards home ownership, they want the study to take into account every single logistic that stops individuals towards achieving that dream of having their own home. They voiced a deep need for the analysis to not only focus on the types of houses needed, but also on the lack of resources and reusing pre-existing abandoned houses and buildings in order to preserve our green areas and farmland.

### **Stakeholder Interviews**

Interviews were conducted via phone/video call in November of 2022 by MIG, the City's consultant for this effort. A total of five interviews were conducted with the following: Resident of Hillsboro, Real Estate Broker 1, Habitat for Humanity Portland Region, Real Estate Broker 2, Bienestar Oregon, and Resident of Hillsboro and disability advocate.

## Hillsboro Housing Needs Analysis

The consultant team drafted and refined a set of questions for interviews, though not all questions were applicable for all interviewees. These questions are included below.

### Interview Questions

1. What types of projects or programs does your organization offer to address housing needs in Hillsboro? If you are developing or providing housing, what type of housing is being developed and who are the intended residents?
2. What is the greatest need in terms of housing in Hillsboro? What types of housing are needed that are not being developed? What do you see as the most significant housing gap in the city, either in terms of income levels or types of households not being served or types of housing not available or being built? What kinds of housing would you like to see more of in Hillsboro?
3. What do you see as some of the primary sources of these gaps or the most significant barriers to addressing them?
4. What tools or strategies do you think would be effective in creating more desired housing in Hillsboro? Which tools or strategies are a poor fit for this community?
5. How could the city strengthen their relationships with your organization and best assist you in the housing related work you are doing?
6. Are there any particular sources of information you recommend we look at to better understand housing needs and conditions in Hillsboro?
7. Do you have anything else to say on this general topic?

### Housing Needs in Hillsboro from Stakeholder Interviews:

Summary of What We Heard on Housing Needs:

- Large need for housing for working families.
- Larger units with 2-4 bedrooms that are affordable.
- Need for starter homes.
- Executive housing
- Single-level units and dwellings for people who are older or not mobile.
- Homes with yard space
- 3-bedroom, 2.5-bathroom 1600 sf homes on a 7,000-sf lot
- More small senior units or first-time-buyer homes
- Smaller units for individuals needed.
- Higher density housing with parks and open space amenities.
- Middle housing is missing – more townhome development would be useful. Housing for people with disabilities, families with children, and immigrant households as well.
- Housing for those with developmental disabilities
- Homes with Universal Design/single level living would be ideal for some people. ADUs could meet some of this need.
- Opportunities for cohousing, roommates, young people without financial resources
- More housing in dense areas connected by transit.

### Challenges to Housing in Hillsboro:

- Suburban zoning can be prohibitive for multifamily development.
- The timelines associated with zone changes are challenging for affordable projects.

## Hillsboro Housing Needs Analysis

- Changing interest rates and supply chain for construction materials have been a challenge recently.
- Homes tend to be multi-level because there are few lots big enough for moderate or larger single-level homes with yard space.
- The market pressure for maximizing home square footage is less intense than it has been in the past.
- Affordable housing providers are often reliant on one-time funds.
- There are not many infill lots in Hillsboro.
- People are being priced out – school districts say so as well. People are displaced to Vancouver WA or Salem.
- Disability appears to be low on the list of priorities for the City based on my experience. Caregivers are aging and there is going to be a big need for independent housing. Disability is a common reason for denying a housing voucher – the process to make home modifications is very arduous.

## Planning Commission and City Council Work Sessions

### PC Work Session #1 September 28, 2022:

An Introduction to the project was provided by City staff followed by questions that ranged from “How stakeholders interviewees were chosen to “Should this HNA promote and incentivize mid-to-high-rise residential?”

Discussion covered topics such as regionwide need for housing, housing affordability, importance of homeownership opportunities, climate change and urban heat impact, such as people moving within the state and strategies to address housing.

### PC Work Session #2 April 26, 2023

Range of questions and comments from Commissioners, such as redevelopment percentage, strike price proposed, housing needs (e.g. ADUs, needs of those with disabilities), density, comparison of land deficit in 2023 to 2016, 38% low-income in Hillsboro, publicly owned land, preference for mix of incomes and not isolating lower income households, address moderate income households, suggestion to use matrix of ideas for HPS.

### PC Work Session #3 (June 14, 2023)

Staff and consultants provided an overview of the Housing Needs Analysis and a description of what the follow-up Housing Production Strategy work to come. The Planning Commission asked clarifying questions and discussed the kinds of strategies that might help alleviate the need shown by the analysis.

### City Council Work Session (June 20, 2023)

Staff and consultants provided an overview of the Housing Needs Analysis and a description of what the follow-up Housing Production Strategy work to come. There was concern among Council that the growth rate and buildable land assumptions the City is required to use are not adequately stating the City’s housing need. There was some discussion about what it would mean to push back against DLCD on these assumptions.

## HILLSBORO HOUSING NEEDS ANALYSIS

### COMMUNITY ADVISORY COMMITTEE MEETING #1 Summary

October 25, 2022, 6-8 pm  
Virtual Meeting

## Participants:

### CAC Members:

- Andrea Wallace
- Bob Abbey
- Brad Smith
- Brian Fogg
- Cindy Cosenzo
- Eric Peterson
- Jilian Saurage-Felton
- Karl Buchholz
- Madison Johnston
- Maria Hernandez
- Nicole Swearingin
- Rhys Ramey
- Sarah Radcliffe
- Stef Kondor
- Wendy Jones

### City Team

- Karen Perl-Fox
- Dan Rutzick
- Lauren Scott
- Colin Cooper

### Consultant Team

- Matt Hastie, MIG
- Andrew Parish, MIG
- Brendan Buckley, Johnson Economics

## Introductions

- CAC members, City staff, and consultant team members introduced themselves. CAC membership includes a variety of housing, real estate, and development professionals as well as affordable housing providers, case workers, and other interested community members.
- Icebreaker question: What was the first type of housing you lived in? Responses varied from single family homes to apartments to migrant labor quarters.

## What is an HNA

- The project team described a Housing Needs Analysis at the highest level – an examination of the housing needed in a community and the land base, policies, and other measures a community can use to meet that need.

## Project Overview and Timeline

- The project team described the overall project flow and timeline of the project.

## Community Advisory Committee Roles and Responsibilities

- Matt Hastie described the roles and responsibilities of the CAC. Generally, they are to review draft documents, provide direction to the project team, and encourage other community members to participate in the process.

## Legal Requirements

- The project team described the State and regional requirements for a Housing Needs Analysis, including the requirements for cities to plan for “needed housing.”
- A CAC member raised a question about whether “needed housing” includes housing for all income ranges.
- Response: This process will definitely examine housing for all income levels, including both ownership and rental housing.

## Community Engagement Approach

- The project team described the proposed community engagement approach and activities for the project.
- A CAC member asked questions about the effort to engage marginalized communities – what does recruitment for that piece look like?
- Response: The City is reaching out to “Community Based Organizations” that they have worked with previously. The contracting process is underway so the City doesn’t wish to name them just yet but will do so once they are under contract.

## Housing Needs Projection Approach and Methods

- The project team described the methodology to create the Housing Needs Projection.
- Discussion from CAC members included the following comments:
  - Also think about unhoused.
  - Think about "gentrification," including impacts on people who get priced out of their homes or the community as housing prices increase.
  - Karen suggests "Affordable Housing" means subsidized housing, rather than general affordability.
  - Discussion about the term “workforce housing” – low income people usually have jobs and are part of the workforce too. In that sense workforce housing can include housing for people who earn less than 80% area median income. Many people who qualify for affordable housing at incomes as low as 30-50% area median income have full-time jobs.

## Buildable Lands Inventory Methodology

- Andrew Parish described the general methodology for a Buildable Lands Inventory. A question was asked about what is used for floodplain assumptions. Response: We generally rely on the City’s development code for what is allowed to occur in a floodplain. Typically land within the 100-year floodplain is considered constrained and not included in development capacity calculations. That may or may not be the case for land in the 500-year floodplain.

## Closing Question

- What in your opinion is the most needed housing type in the City of Hillsboro? Participants typed their answers into the chat box, and were invited to elaborate verbally if desired. Responses are summarized below:
  - Hillsboro is in a growth mode. Need to set aside opportunities for lower income folks. Lots of need out there. Metro bond is helping but the City needs to take a bigger role.
  - Youth homelessness. Lots of folks who don’t have homes.
  - 2 bedroom apartments for \$1,500 / month or less. When I rented this unit, it was the only one available at the time in the Glencoe feeder area.
  - I feel more tiny houses will help the need of the housing market.
  - More integration of multiple different housing types and light commercial development within neighborhoods.
  - Tiny homes or pods.
  - Habitat’s model is multi-family (middle housing) home ownership for households between 30-80% AMI, which I think is a big need across the Metro region.
  - Housing for at risk youth has always been limited in Hillsboro, I’ve had friends and classmates all voice their concern on the resources provided by the city.
  - Low-income and affordable, but not just in large complexes. Smaller cottage cluster style living situations can be nice for individuals who have social anxiety or want a little more privacy but need to rent.

## Hillsboro Housing Needs Analysis

- Lack of affordable housing for families needing more than 2 bedrooms and very low income units for seniors who are getting priced out.
- There is a lack of supply of developable land across all housing types. Would like to see a significant increase in supply of available land and therefore housing in all product types.
- We need all levels of housing from affordable workforce up to executive housing.
- All housing is needed throughout Hillsboro and our entire region but Middle Housing is becoming increasingly difficult to provide given the cost of construction, inflation, and the fact that subsidies are largely unavailable to offset these costs.
- Middle housing. We need all levels of housing from affordable workforce up to executive housing
- Everyone is struggling with the cost of housing in Hillsboro, at all levels of income. Some families have moved out of state to find something they can afford. Renters are living in small apartment spaces but paying high prices. From what I hear from community members, affordability across the board is a key issue right now.
- Affordable rental properties with good living conditions. Affordable homeownership for first-time homebuyers.
- Homeownership for first-time buyers is almost impossible for most in Hillsboro.
- Plus, homeowners money goes into their own property. Renters aren't able to save up or devote money to homebuying with high rent prices in Hillsboro.

## Next Steps and Adjourn

- Project team described the upcoming steps for the HNA and adjourned the meeting.

## HILLSBORO HOUSING NEEDS ANALYSIS

### COMMUNITY ADVISORY COMMITTEE MEETING #2 Summary

November 29, 2022, 6-8 pm  
Virtual Meeting

## Participants:

### CAC Members:

- Andrea Wallace (*not present*)
- Bob Abbey (*not present*)
- Brad Smith
- Brian Fogg
- Cindy Cosenzo
- Eric Peterson
- Jilian Saurage-Felton
- Karl Buchholz (*not present*)
- Madison Johnston
- Maria Hernandez (*not present*)
- Nicole Swearingin
- Rhys Ramey
- Sarah Radcliffe
- Stef Kondor
- Wendy Jones

### City Team and Other Staff

- Karen Perl-Fox
- Dan Rutzick
- Chris Hartye

### Consultant Team

- Matt Hastie, MIG
- Andrew Parish, MIG
- Brendan Buckley, Johnson Economics

## Introductions

- CAC members, City staff, and consultant team members briefly re-introduced themselves. CAC membership includes a variety of housing, real estate, and development professionals as well as affordable housing providers, case workers, and other interested community members.

## Project Update and Status Report

- Matt Hastie described the current status of the project and upcoming steps.

## Buildable Lands Inventory Report and Discussion

- Andrew Parish described the initial results of the Buildable Lands Inventory (BLI) and led a discussion with the committee.
- The Committee had questions/concerns about what goes into the “Partially Vacant” land category. The concern is that draft results may overestimate the amount of this land that is actually buildable. The project team will dig deeper into this land category with help from Staff.
- Was infrastructure availability part of the analysis? The answer is generally no – land that is vacant and zoned for residential uses was assumed to be developable in the long term (20 years).
- Overall concern that the amount of available land seems high.

- Does the City have any guiding principles about how land will develop, how to balance residential uses with need for parks and open spaces, etc.? The city's policy framework is generally in its Comprehensive Plan and other documents such as a Parks Master Plan. The City doesn't have any specific policies about how much or how fast to grow – that is generally guided by State of Oregon and Metro policy and law. As one of our next steps, we will review the Comprehensive Plan and the City's Development Code for consistency with the housing needs we are identifying through this process.
- Why was publicly owned land taken off the table? The City, other public entities, or religious/fraternal organizations may choose to develop some of their land for residential uses in the future, but we don't assume capacity on that land unless we have specific information to that effect in order to avoid overcounting developable land.
- Most of the developable land is in lower density zones, while there is little buildable multifamily land.
- Multifamily land is generally located next to roads and commercial areas – this is an equity issue for those who live in this housing when they don't have access to neighborhood amenities.
- "Qualified Census Tracts" should be a target for multifamily housing because that designation makes affordable projects more viable.
- Does partially vacant land include everything that could become "middle housing"? Generally no, as just about every lot with a single family home could theoretically become a duplex and we don't assume that. The "Partially Vacant" category is meant to capture large lots with the ability to further subdivide and develop, despite some structure on site currently. We will factor a certain amount of development of middle housing into our capacity analysis; it will be based in part on the identified need or demand for those forms of housing.
- How are areas set aside for safe camping categorized? City staff followed up on this question and identified the following information available on the City's website:
  - Information about Pursuing Solutions to Homelessness with Community Partners at: [hillsboro-oregon.gov/Home/Components/News/News/13767/](https://hillsboro-oregon.gov/Home/Components/News/News/13767/)
  - Information on the City's Homelessness Initiative at: [hillsboro-oregon.gov/services/community-services/homelessness-initiatives](https://hillsboro-oregon.gov/services/community-services/homelessness-initiatives)
  - Additional information on the City's shelters at: [hillsboro-oregon.gov/services/community-services/homelessness-initiatives/shelters](https://hillsboro-oregon.gov/services/community-services/homelessness-initiatives/shelters)
- What is the average size for a market-driven residential development? CAC member suggests that you won't see much development on very small (e.g., ½ acre) lots, but 10-30 acres is a good size for a residential subdivision and 5-8 acres (at 30 du/ac) is a viable size for a market rate multifamily project.
- For subsidized affordable housing, more like 100 du/ac is a common average density. Parking becomes a big constraint in terms of the amount of land needed and the ability to develop specific sites.

## Data Analysis and Housing Needs Projection

- Brendan Buckley described the analysis of demographics, housing, and projected housing needs.
- Does the data accurately represent the pandemic and the way things have changed? This is an interesting question – new Census data will be available in the coming months that will better represent the pandemic years. We have been discussing and will need to address the question of whether trends in recent years are a "blip" or represent a fundamental shift in the way people live and work.
- Is the City of Hillsboro trying to house everyone who currently commutes to Hillsboro for work? No, but it is a useful indicator. Some communities try to achieve a "balance" of jobs to housing units, while others acknowledge that they are employment centers or "bedroom communities." Overall, it is good policy to provide options for housing for the types of workers in the community. At the same time, our methodology is based on accommodating projected future population that is identified by Metro through a regional coordination process with Hillsboro and other jurisdictions.
- How does Metro establish the growth figures? Do they take into account job growth? It's part of a regional process that involves lots of discussion with jurisdictions. Job growth is one factor among many.
- Do we have much information about those who commute here but don't live here? Would be a useful data point. The Census provides some information about this but not in very granular detail – we'll include what we can in the report.
- Do we talk about different affordability levels or do we just deal with overall number of units? Affordability levels, and policies/strategies to ensure housing affordability, are part of later phases of this work.
- Lumping housing units into a broad "5+ unit" category is problematic. Multi-story development is very different from 5 attached homes, for example. It would be helpful to take a more granular approach to



estimating the need for different types of multi-family housing and describing how that affects associated land needs.

- What is the city's current attached/detached split and how does this compare to projections? It's not far off – current mix is roughly 55% attached, and the forecast shows a need for about 60% attached.
- Home ownership without a social security number is very difficult – hard to get a mortgage. For that reason, you might want to talk about housing needs for immigrants specifically.
- Don't count on "filtering" to solve affordable housing issues. People with low incomes don't deserve to live in substandard, unsafe, unhealthy housing. And filtering hasn't been sufficient to date because we still have a huge affordability problem.
- Unit size is very important – lots of affordable housing units are 1 bedroom but families who need more space can't find places to use their vouchers.
- Does the analysis assume that current needs are being met? Generally, no.
- Current and projected age breakdowns will be useful. There is a lot of interest in single-level housing for older individuals.
- Information on what portion of current housing is ADA accessible would be helpful.

## **Stakeholder Interviews**

- Matt provided an overview of stakeholder interviews so far. There are a couple of remaining individuals we're trying to get hold of in order to finish up the interviews.

## **Marginalized Communities Meetings**

- City staff, Karen Perl Fox, provided an overview of these meetings. The City is hosting two meetings for BIPOC/Latino groups specifically. These meetings are intended to get a better picture of what housing needs these communities have. The first set of meetings is scheduled for early December and will orient participants to this project. The second set will take place in February and will focus on policy issues.

## **Next Steps**

- Matt Hastie briefly described the next steps of the project.

## HILLSBORO HOUSING NEEDS ANALYSIS

### COMMUNITY ADVISORY COMMITTEE MEETING #3 Summary

#### Participants:

##### CAC Members:

- Andrea Wallace
- Bob Abbey (*not present*)
- Brad Smith
- Brian Fogg (*not present*)
- Cindy Cosenzo
- Eric Peterson
- Jilian Saurage-Felton
- Karl Buchholz
- Madison Johnston
- Maria Hernandez (*not present*)
- Nicole Swearingin (*not present*)
- Rhys Ramey
- Sarah Radcliffe
- Stef Kondor (*not present*)
- Wendy Jones (*not present*)

##### City Team and Other Staff

- Karen Perl-Fox
- Dan Rutzick

##### Consultant Team

- Matt Hastie, MIG
- Kate Rogers, MIG
- Andrew Parish, MIG
- Brendan Buckley, Johnson Economics

#### Introductions

- CAC members, City staff, and consultant team members briefly re-introduced themselves. CAC membership includes a variety of housing, real estate, and development professionals as well as affordable housing providers, case workers, and other interested community members.

#### Project Update and Status Report

- Matt Hastie described the current status of the project and upcoming steps.

#### Buildable Lands Inventory Report and Discussion

- Andrew Parish described the updates and discussions underway with the City regarding the Buildable Lands Inventory. These include:
  - Refinements to the threshold of “Partially Vacant” parcel size for inclusion in the inventory
  - Assumptions about the unit mix and density of development to expect in each residential/mixed use zone in the City.
- Questions included:
  - Does the “Partially vacant” category include parking lots for churches with large parking lots? Generally not. Often churches are required to or desire to keep things like parking lots. However, they can ultimately represent some bonus capacity beyond what we formally calculate.

- Does total units sum up sizes of units? This is an outcome of estimates based on average density in each zone. Doesn't assume specific unit sizes.

## Data Analysis and Housing Needs Projection

- Brendan Buckley described the analysis of demographics, housing, and projected housing needs. Updates are underway as part of discussion with the City and new data from the US Census.
- Questions – how do we fit more homes into this city? The need seems high.
  - This will be the subject of further conversation – rezonings, new expansion areas, coordination with Metro are all part of the equation.
- What is the solution for homeless folks? Short term housing by the City and nonprofits?
- This equates to about 250 SFD per year, which is more permit activity than we've seen outside of South Hillsboro. Does the land availability drive the forecast or the other way around?
  - Forecasts are kind of idealized - the regional population projection leads to the number of housing units and other data/trends let us identify what housing unit types to forecast. If that doesn't align with the land base, then that informs City policy to accommodate that growth.
  - Housing Production Strategy (HPS) is a follow up step for the City to look at those items more specifically.

## Comprehensive Plan Evaluation and Initial Goals/Policy Concepts

- Kate Rogers led the discussion of the draft memorandum in the committee packet. Questions included:
  - Intergenerational housing – stating a need or describing strategies? More along the lines of stating a need in order to support subsequent strategies.
  - Affordable and accessible – incorporate this language throughout to support disability initiatives rather than relegating it to its own section.
  - Large lot housing – there is a need for one-story homes on larger lots (e.g., for adult foster homes). Also, some need for larger lots for upper income residents if we're really trying to address all needs in the community.
  - City is helping implement Metro regional housing bond; have local implementation strategy for City; includes a lot of language re: leading with racial equity – based on a lot of equity work with community stakeholders. Review and potentially incorporate policy language as appropriate.
  - OK to include language related to access to credit, creating intergenerational wealth, etc.
  - May be missing language re: large potential need and potential shortfall in supply of land. For example, language around making this something that entire community is aware of and trying to address. (community education, awareness, shared understanding and values around housing for everyone)
  - Comp Plan policies shouldn't be an excuse for robbing Peter to pay Paul. If something isn't a problem (e.g., short-term rentals), maybe we don't need a policy related to that. Don't necessarily look at Portland as an example if what they are doing isn't working.
  - Supportive housing – make sure that is addressed somehow.
  - Include policy analogous to "net zero" policies – e.g., how to eliminate houselessness.
  - Short-term rental policies - we wouldn't have to ban them but could limit them to a degree; at same time, some short-term rental income can help people afford to own or stay in housing. Often Accessory Dwelling Units need short term rental income to pencil.

## Stakeholder Interviews

- Andrew provided an overview of stakeholder interviews conducted as part of this round of engagement. A detailed summary of these interviews was provided in the committee packet. This information will help guide the City's policies related to housing.

## Marginalized Communities Meetings

- City staff, Karen Perl Fox, provided an overview of these meetings. The City has hosting two meetings, one in English and one in Spanish. Will have a second set of meetings in late March with these groups about draft

## Hillsboro Housing Needs Analysis

policies. City will be asking for their input from their communities to get pulled into the overall report and influence policies.

- Are folks that represent the houseless community part of the outreach effort? Not explicitly as part of this effort, though the City does have ongoing programs engaging with these community members. Providing a summary of these meetings to the CAC is desired.

## **Next Steps**

- Matt Hastie briefly described the next steps of the project.

## HILLSBORO HOUSING NEEDS ANALYSIS

### COMMUNITY ADVISORY COMMITTEE MEETING #4 Summary

#### Participants:

##### CAC Members:

- Andrea Wallace (*not present*)
- Bob Abbey
- Brad Smith
- Brian Fogg
- Cindy Cosenzo
- Eric Peterson (*not present*)
- Jilian Saurage-Felton
- Karl Buchholz (*not present*)
- Madison Johnston (*not present*)
- Maria Hernandez
- Nicole Swearingin (*not present*)
- Rhys Ramey
- Sarah Radcliffe
- Stef Kondor
- Wendy Jones (*not present*)

##### City Team and Other Staff

- Karen Perl-Fox
- Dan Rutzick

##### Consultant Team

- Matt Hastie, MIG
- Kate Rogers, MIG
- Andrew Parish, MIG
- Brendan Buckley, Johnson Economics

#### Introductions

- CAC members, City staff, and consultant team members briefly re-introduced themselves. CAC membership includes a variety of housing, real estate, and development professionals as well as affordable housing providers, case workers, and other interested community members.

#### Project Update and Status Report

- Matt Hastie described the current status of the project and upcoming steps.

#### Buildable Lands Inventory Report and Discussion

- Andrew Parish described the updates and discussions underway with the City regarding the Buildable Lands Inventory. These include the same topics identified at the previous meeting:
  - Refinements to the threshold of “Partially Vacant” parcel size for inclusion in the inventory
  - Assumptions about the unit mix and density of development to expect in each residential/mixed use zone in the City.
- Andrew provided an overview of how the findings of need (from the Housing Needs Projection) and supply (from the Buildable Lands Inventory) will be compared and used. As of initial findings, there is something like a ~1,000 unit deficiency across various housing types. More detail will be provided in the full draft reports in the coming weeks.

- Questions and discussion about what this apparent deficit might mean in terms of needed acreage. It's too early to say with any accuracy, but that's the question that will be answered in our reports.

## Data Analysis and Housing Needs Projection

- Brendan Buckley described the analysis of demographics, housing, and projected housing needs. Updates are underway as part of discussion with the City and new data from the US Census.
- Brendan discussed the City's desire for an alternative forecast that may be used for internal purposes – however official forecasts based on Metro's projections are required to be adopted.

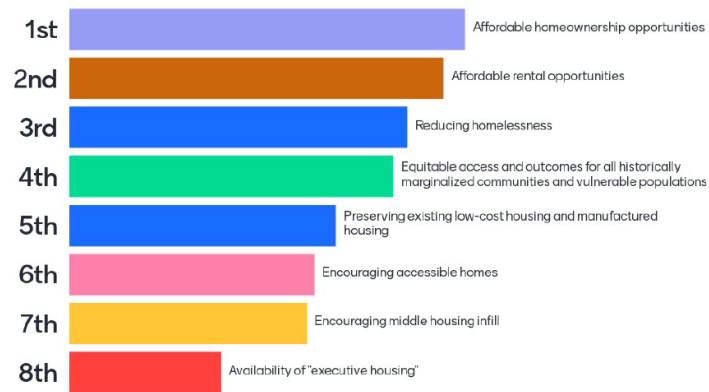
## Comprehensive Plan Evaluation and Initial Goals/Policy Concepts

- Kate Rogers led the discussion of recommended comprehensive plan goals and policies that will be an outcome of this project.
- This is planned as a sequence of two meetings – high level concepts today, more detailed review at the next meeting.
- The City will not adopt comprehensive plan changes as part of this project, but they will be forwarded to the follow-up "Housing Production Strategy" project next year and further refined.
- CAC members participated in a live polling exercise through Mentimeter, which facilitated the conversation. Results from the polling exercise are included below, along with a summary of CAC member questions and comments. (Full Mentimeter results are also included as an attachment.)



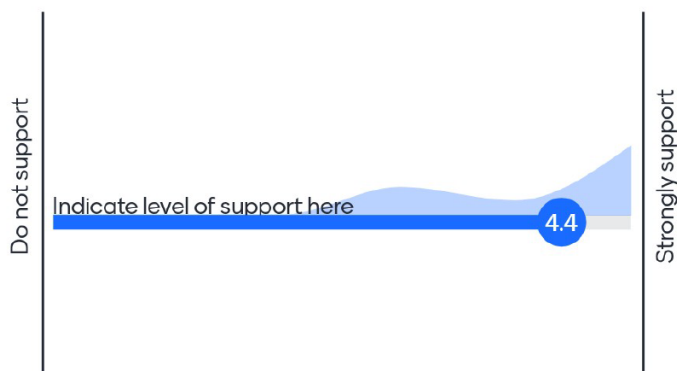
- **What role should the City plan in housing?** CAC participants noted that affordable housing only occurs through thoughtful planning, and that should be the City's role. Some members noted that the City's primary role should be to establish an environment friendly to housing development, to avoid unduly burdening potential developers. Thoughtful policy language is important to achieving any significant amount of affordable (subsidized) housing.

## What housing issues are the most important for City policy to address?



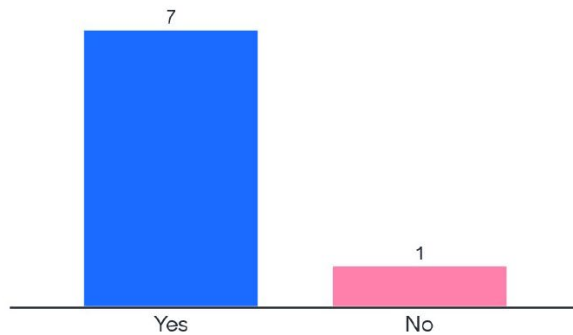
- **What housing issues are the most important for City policy to address?**
  - The top 3 responses were Affordable homeownership opportunities, Affordable rental opportunities, and Reducing homelessness.
  - CAC members noted that homelessness is expensive, and Washington County has a high share of youth homelessness. Hillsboro has large minority populations, who often feel housing issues more acutely. Rehabilitating homes that are in disrepair keep people housed and is important for safety. Cost of land is prohibitive to build affordable products without subsidy these days. Executive housing is an important component of the City's tax base – support affordable housing but not to the detriment of other markets.
  - The City's housing plan must include availability of executive housing so that we work towards a full spectrum of housing options at all levels of income.
  - Suggestion to clarify what is meant by "affordable housing" in policies.

## Do you support the way the policies were restructured to separate Affordable Housing as its own goal?



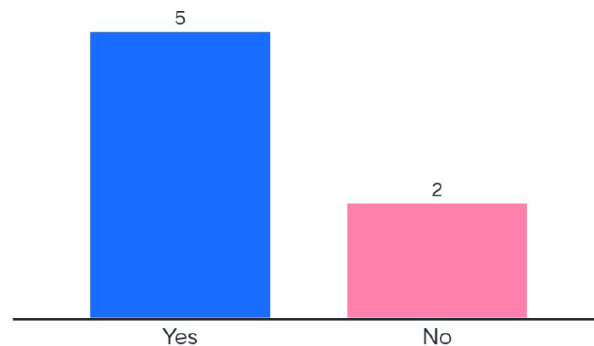
- **Do you support the way the policies were restructured to separate Affordable Housing as its own goal?**
  - Results of the polling suggest the CAC generally support this reorganization.

## Do you think that Housing Equity should be a new Comp Plan goal (as opposed to just a policy)?



- **Do you think that Housing Equity should be a new Comp Plan goal (as opposed to just a policy)?**
  - What's the difference between a policy and a goal? A goal is an outcome you want, policies are the course of action to get there.
  - Equity and housing - this word has different meaning in different context. Consider addressing historical injustices (like redlining). May need to provide a definition.
  - Some equity goal ideas: close the racial homeownership gap, address the lasting impact of racist housing practices.

## Should the policies prioritize affordable housing for households earning 60% or less of median family income?

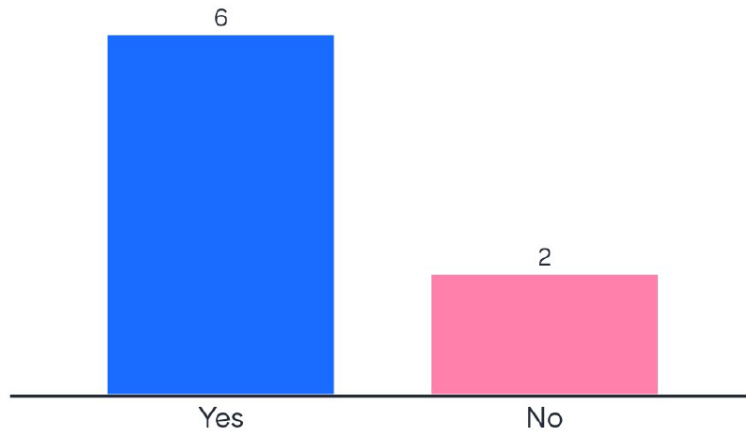


- **Should the policies prioritize affordable housing for households earning 60% or less of median family income?**
  - Prioritizing affordable housing for 60% AMI - this is where the federal (LIHTC) funding is for the most part.
  - Consider 60% a priority but not at the exclusion of above 60% AMI.
  - There are other people prioritizing 60% - City should support a spectrum of housing including middle incomes.
  - Affordable housing doesn't happen without government support and planning. Since this is a government plan and there's such a need, it makes sense for the plan to focus on affordable.
  - I understand that developers left to their own devices do not prioritize low-income family housing and so if it is going to happen it will need to be led by City goals and policy. At the same time, I feel the City's policies should prioritize assuring a full spectrum of options for all levels of income, with



special attention to removing obstacles for equal access to all those options for historically marginalized families and individuals.

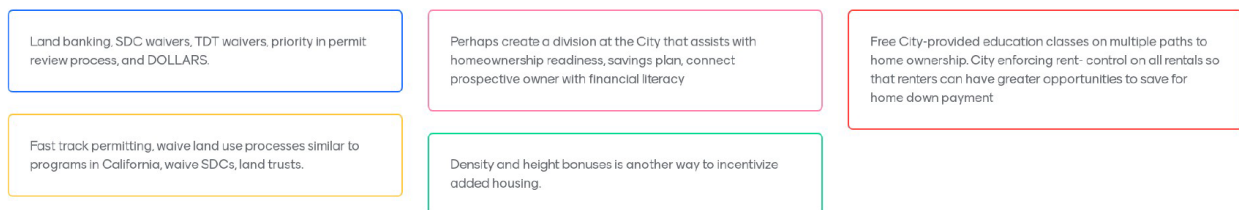
# Should the goals and policies place more emphasis on affordable homeownership?



- **Should the goals and policies place more emphasis on affordable homeownership?**
  - There are lots of barriers to producing this - challenging to build and fund. Shouldn't come at the detriment of other easier ways to produce affordable units at scale.
  - Ownership is the only way to build intergenerational wealth.
  - Affordable rental housing is usually restricted to people earning 60% or less AMI, funded with LIHTC and other sources. Affordable homeownership typically refers to opportunities for people who are low to mid income and would otherwise be unable to purchase a home. The top AMI is usually 120% and rarely below 50%. 60% AMI for a family of 4 is \$63,900 in gross annual income in 2022.
  - I think it is important to make sure people who work here can afford to live here, so "affordable rents" and "homes" thinking in terms of the median income.

## If you answered yes, what approaches do you suggest to support affordable homeownership?

Mentimeter

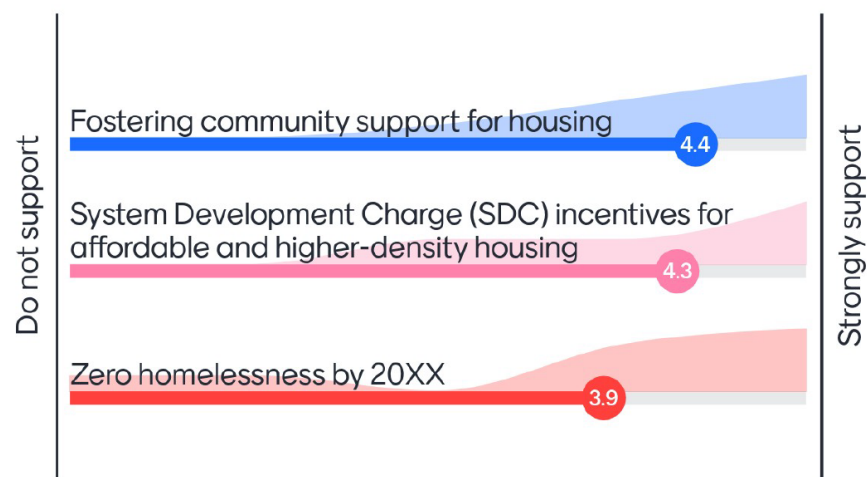


- **What approaches do you suggest to support affordable homeownership?**
  - Responses submitted via Mentimeter:
    - Land banking, SDC waivers, TDT waivers, priority in permit review process, and DOLLARS.
    - Free City-provided education classes on multiple paths to home ownership. City enforcing rent- control on all rentals so that renters can have greater opportunities to save for home down payment
    - Perhaps create a division at the City that assists with homeownership readiness, savings plan, connect prospective owner with financial literacy
    - Fast track permitting, waive land use processes similar to programs in California, waive SDCs, land trusts.
    - Density and height bonuses is another way to incentivize added housing.
  - Permitting expedience for affordable housing is costless for the jurisdiction. Putting affordable items on the top of the pile is an easy win. A single point of contact for all affordable housing permits.

## Hillsboro Housing Needs Analysis

- A city or regional (even better) land bank - land to be made available for housing development. Could potentially require lasting affordability through community land trust.
- SDC waivers for affordable housing.
- Cully TIF is a great new model to direct TIF \$\$ to affordable housing and to prevent displacement (rather than fuel gentrification).
- Parking reductions are appropriate.
  - Note - parking requirements for affordable housing and near transit cannot be required per state law new.
- Clear and objective process helps affordable housing developers. The city can require neighborhood notices and neighborhood meetings without required land use processes.
- Pre-approved plans.
- What is the role of Hillsboro land in statewide industrial (microchip) policy? Discussions are happening and land in the vicinity of Hillsboro is being discussed.

## What is your level of support for these policies?



- **What is your level of support for the policies suggested by CAC members at the last meeting?**
  - CAC participants indicated general support for the three proposed policies.

## Next Steps

- Matt Hastie briefly described the next steps of the project.

## HILLSBORO HOUSING NEEDS ANALYSIS

### COMMUNITY ADVISORY COMMITTEE MEETING #5 Summary

#### Participants:

##### CAC Members:

- Andrea Wallace
- Bob Abbey
- Brad Smith
- Brian Fogg
- Cindy Cosenzo
- Eric Peterson
- Jilian Saurage-Felton (*not present*)
- Karl Buchholz (*not present*)
- Madison Johnston
- Maria Hernandez (*not present*)
- Nicole Swearingin (*not present*)
- Rhys Ramey
- Sarah Radcliffe
- Stef Kondor
- Wendy Jones (*not present*)

##### City Team and Other Staff

- Karen Perl-Fox
- Dan Rutzick
- Chris Hartye
- Colin Cooper

##### Consultant Team

- Matt Hastie, MIG
- Kate Rogers, MIG
- Andrew Parish, MIG
- Brendan Buckley, Johnson Economics

#### Introductions

- CAC members, City staff, and consultant team members briefly re-introduced themselves. CAC membership includes a variety of housing, real estate, and development professionals as well as affordable housing providers, case workers, and other interested community members.

#### Project Update and Status Report

- Andrew Parish described the status of the project and upcoming steps.

#### Buildable Lands Inventory Report and Discussion

- Andrew Parish provided an overview of the latest draft of the Residential Buildable Lands Inventory, focusing on updates since the last version was presented to the CAC. This is part of the “supply” side of the housing equation.
  - The team has revised assumptions for densities in several of the City’s zones, particularly the SCC-DT zone.
  - The analysis uses a prior ECONorthwest Study of the South Hillsboro and Witch Hazel Village South areas.

- Redevelopment assumptions for mixed-use land, including a \$35/sf “strike price” and an assumption that 50% of the land identified will redevelop over in the 20-year planning period.
- Overall there is a capacity of roughly 12,600 units in this draft analysis, though updates and edits are still underway.

### Questions and Discussion

- How does your approach align with House Bill 2001?
  - HB 2001 required city to update code to allow middle housing types in single-dwelling zones. This factors into the mix of unit types in single-dwelling zones and a line item for future middle housing infill in the final tables.
  - Sarah clarified she was referring to the 2023 HB 2001, which relates to housing analyses and housing production strategies required of cities. Cities will be required to look at buildable land and also “shovel-ready” land
  - We can’t really address new legislation until it’s codified into the Oregon Administrative Rules (OARs).
- Question about redevelopable land – how confident are you with these findings and how did you come up with them? Some of the sites are post office, etc.
  - Confidence is low; this analysis looked mainly at strike price via assessor data. We’ve only assigned a limited amount of redevelopment because it was a high-level evaluation.

## Housing Capacity Analysis

- Brendan Buckley described draft Housing Capacity analysis – the “demand” side of the equation of housing need.
- Updates since the last version of the report include:
  - Updating the PSU Population Estimates – indicating that the City has a higher population currently which affects the forecast somewhat.
  - Addition of the “Draft Comparison of Demand and Supply” section at end of the document. This shows a deficit of about 985 units in high-density areas and 578 units in low-density areas, and a rough match of units in middle-density areas.
- Brendan discussed how private-sector housing market generally provides housing for higher income households, and housing for lower incomes generally requires some subsidy from the public or nonprofit entities.

### Questions and Discussion

- At an earlier meeting, the forecast was that we’d need an additional 22,000 units; the problem seemed insurmountable; relieved to see that the deficit is smaller
  - Brendan:
  - Andrew: some changes on the capacity side; density assumptions increased based on look at market trends and recent development
  - Matt: earlier report wasn’t that different in terms of projected housing need
- Did you do any stress testing on the numbers? 50% of redevelopment seems high
  - Also, does the demand drive the supply or does the supply drive demand? If there’s more supply available, wouldn’t more people move to Hillsboro?
  - Matt: we are bound to using the Metro projections for population growth; not based on employment forecasts, etc.
    - In terms of stress testing, we could provide a range (e.g., 25% to 50%)
  - Andrew: 50% was an ; multi-dwelling deficit could increase if you assume less redevelopment; could also factor into city policies for
  - Dan: redevelopable land focused mostly on SCC-DT downtown zone, and some in Amberglen; a relatively small portion
    - Brad: just because a parcel could be redeveloped doesn’t mean it will be
    - Andrew: because the land is within the UGB and vacant, we need to assume it could be developed; we’re limited in our assumptions under state law
- Surprised that the deficit is only 97 acres; concerned that partially vacant land makes up 45% of overall available land. Is there a percentage that’s applied to partially-vacant land?

- Andrew: We could clarify how the analysis breaks down – e.g., partially-vacant could be a farmhouse on a 20-acre parcel.
- Dan: How bound are we to assuming that partially-vacant land will redevelop within the 20-year horizon?
- Andrew: Not necessarily clear requirements from state. It's on the City to make the case.
- What is the endgame if 97 acres are needed. Will we consider upzoning these areas to add density? Concerned about preserving agriculture.
  - Andrew: Yes, the next step is to look at measures.
- I recall my earlier reaction to the estimated need for over 14,000 units; surprised that the deficit is relatively small
  - Andrew: your feedback and feelings are important because it helps us understand what community reactions might be
- Dan: Amberglen – we've been tracking impressive density increases there; also Downtown
  - Witch Hazel Village South – planning for overall densities of 15-16 units/acre; much more dense than
  - Centers have been rezoned to allow more capacity
  - Maximum densities in multi-dwelling zones could be raised; with the Housing Production Strategy, we can examine this further
- Happy to hear the city's smarter growth strategy; parking also often dictates what you can build – encourage the City to look at that

## High-Level Policy Themes

- Dan Rutzick gave some background about the upcoming Housing Production Strategy work – this is the City's chance to take a closer look at the City's housing policies and strategies
- The current effort will focus on higher-level policy themes; in-depth policy discussions and updates should be part of HPS
- Dan presented the list of high-level policy themes, and Kate Rogers led a discussion with the CAC, asking each member to describe which themes resonate most for them.

## Discussion

- Brad: On the topic of housing affordability – if a large amount of the City's capacity is in redevelopment, that might impact older affordable housing by replacing it with newer and less affordable housing.
- Rhys: We talked about weaving a requirement for considering disability-friendly housing options and housing amenable to the LGBTQ community and this isn't on the list.
- Andrea: The language feels too soft; think it should be stronger and more committed. Housing for all incomes and addressing houselessness are themes that resonate with me.
- Brad: I think the list is good, covers a broad range; want to see policies that promote development of rental properties specifically.
- Brian Fogg: think the high points are here; homeownership opportunities hits home as well as multigenerational housing—especially among certain ethnic groups; rental housing with enough bedrooms for larger families
- Cindy: my high-level policies are not on this list – public transportation, safety, preserving agricultural land. If we're really planning for all incomes then that is addressing lots of other topics as well.
- Stef: it's a good start to a list. I would like to see more emphasis on mixed-income areas – housing set aside for low-incomes in single family neighborhoods. This would provide opportunities to elevate up within a given area and for seniors to downsize in same area. The list is missing something about equity and inclusion.
- Madison: on a personal note, affordable homeownership; I'm a teacher in the Hillsboro school district; families need to move because of housing needs – this is very disruptive to children's lives. Me and my peers have been renting for years and home ownership feels increasingly unachievable.

## Hillsboro Housing Needs Analysis

- Rhys: Echo a lot of what has already been said. Also support last bullet as most important. We really need to support low income families if we want societies that are safe and functional. Also agree with comments about homelessness – large systemic forces are causing it; challenging for City to address (bigger than Hillsboro).
- Sarah: Homeownership opportunities are important. Density and transit-oriented development. Multi-dwelling, mixed-use, and mixed-income communities/ developments. Overall we should use stronger wording.

## **Next Steps**

- Andrew Parish briefly described the next steps of the project – updates and refinements to the reports presented today and a full draft of the Housing Needs Analysis for the committee to review at their final meeting.

## HILLSBORO HOUSING NEEDS ANALYSIS

### COMMUNITY ADVISORY COMMITTEE MEETING #6

June 13, 2023, 6-7:30 pm

### NOTES

#### Participants:

##### CAC Members:

- Andrea Wallace (*not present*)
- Bob Abbey
- Brad Smith
- Brian Fogg
- Cindy Cosenzo (*not present*)
- Eric Peterson
- Jilian Saurage-Felton
- Karl Buchholz (*not present*)
- Madison Johnston
- Maria Hernandez (*not present*)
- Nicole Swearingin (*not present*)
- Rhys Ramey
- Sarah Radcliffe
- Stef Kondor
- Wendy Jones (*not present*)

##### City Team and Other Staff

- Karen Perl-Fox
- Dan Rutzick
- Chris Hartye
- Colin Cooper

##### Consultant Team

- Matt Hastie, MIG
- Kate Rogers, MIG
- Andrew Parish, MIG
- Brendan Buckley, Johnson Economics

1. Welcome and Introductions
2. Project Update and Status Report
  - Andrew gave an update of where we are in the project timeline and the work completed to date.
3. Buildable Lands Inventory Report – Final Revisions
  - Project team updated methodology for redevelopment capacity assumptions on “partially vacant” lands. Decision was to be consistent with the 2018 Metro BLI methodology.
    - Previously ~600 acres partially vacant (~1,900 units capacity); Updated ~370 acres partially vacant (~1,300 units capacity)

- More cautious approach to assumptions for redevelopment.
- Findings from BLI
  - Land supply 11,700 units; roughly split between single detached, middle housing, and multi-dwelling
- 4. Housing Capacity Analysis and Land Sufficiency Assessment – Final Revisions
  - Housing growth projections
    - Of all households, 38% projected to be considered low-income or lower
  - Comparison of land need and capacity
    - Updated figures: Deficit of 2,323 units, 175 acres
  - HCA Updates
    - Housing needs: 14,050 units
    - Deficit: 2,323 units
    - 25% of new households projected to be “very low income”; 13% projected to be “low income.”
    - Emphasis on the need for subsidized rental housing
  - Other updates
    - Alternative Growth Forecast (in progress) – for informational purposes, but doesn’t meet the state requirements for HNA
      - 1.4%/year based on recent growth
      - 5,700 new units needed (vs. 2,300)
    - Analysis on impacts of short-term rentals in Hillsboro and how it’s affecting housing supply (or not) – this work is underway.
  - Discussion
    - Eric: Slide 8 – assumption of 8 du/acre for low-density designation; Reed’s Crossing is quite dense, and not even achieving that level of density
      - Dan: these are big buckets – within each one, there are many zones within each one; we’re assuming there’s some middle housing development
      - Example: Witch Hazel Village South includes a mix of housing types
      - Clarification of gross vs net densities (BLI and HCA tables are generally in net densities)
    - How we arrived at the unit count
      - Based on the income ranges and types of housing that people need, you can do some mapping
      - Focus on the deficit in total units and type of units
    - Brad: 38% of households 80% MFI or less – those projects will be large-scale multi-dwelling developments; that need will not be fulfilled with partially-vacant land (small scale infill projects); you need volume to make those projects work; a large portion of the land we’re using won’t meet those needs; the amount of land needed should be more than what’s shown
      - Karen: Building more densely will result in less land need
      - Dan: We approached this through an iterative process, making adjustments as we went along. Thinking about the HPS process – how do we go about addressing the needs?
      - Brendan: We’re identifying the need, not necessarily the solutions yet. This point will be important to consider. Need for large-scale projects should be factored into the strategies.



- Stef: 35 units/acre is conservative for high density zones – you can get more than that density for multi-dwelling. The need for low-income housing should be emphasized.
  - Andrew: Yes, the density assumptions are based on current density limits
- Jilian: Agree, city density limits are low – highest multi-dwelling zoning only allows 30 units/acre. Need to look at parking, height, etc.
  - CPAH doesn't do less than 40 units – otherwise lose economy of scale. City needs to start buying land to pair with funding sources. Higher-value parcels are high density; starts making affordable housing not feasible.

5. High-Level Policy Themes – Final Revisions

- Stef – happy to see emphasis on mixed-income communities; seems like a complete list.
- Brian – good to see manufactured housing preservation in the list. Also, in terms of housing in new planning areas, want to emphasize how important it is to reserve land for commercial and mixed-use development as well to make sure folks have access to food, services, and recreation as well.

6. Next Steps – Adoption of HNA and Upcoming Housing Production Strategy Process

7. Thank you and Adjourn

# HOUSING HILLSBORO

## Summary of Stakeholder Interviews

January 5, 2023

### Introduction

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This memorandum provides a summary of stakeholder interviews conducted in support of the City of Hillsboro Housing Needs Analysis (also known as Housing Hillsboro). Interviews were conducted via phone/video call in November of 2022 by MIG, the City's consultant for this effort.

A total of five interviews were conducted with the following individuals:

- Heidi Robinson, resident and disability advocate
- Steve Messinetti, Habitat for Humanity Portland Region
- Veta Holscher, Real Estate Broker
- Matt Crile, Windemere Real Estate
- Sarah Moll, Bienestar Oregon
- Shoshana Timm, resident

The consultant team drafted and refined a set of questions for interviews, though not all questions were applicable for all interviewees. These questions are included at the end of this document.

What follows is a summary of responses organized by topic.

### Role of the Organization

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Participants were asked to describe how their organization or their personal efforts address housing in Hillsboro. Responses included:

- **Bienestar:** Developing and managing multifamily affordable housing projects, particularly targeted for the Latino community and generally serving the 60% Area Median Income (AMI) range.
  - Specifically, Bienestar has 150 units under construction at Hidden Creek in a development called Nueva Esperanza, expected to rent primarily to Latino and Somali immigrants. Expected to open in 2023.
  - Currently applying for more Metro bond funds and tax credits to renovate/rehabilitate older properties that were built by another organization.
  - Two old properties that need renovation/rehab. Applying for tax credits...one project includes about 50 units; the other has about 100 units (Sunset Gardens).
- **Windemere:** Large real estate company focused on the Western US

- **Habitat for Humanity:** Has been working in Hillsboro for a long time. Constructing family-sized housing (currently 3-4 bedroom townhomes and rowhouses) generally targeting homeowners making \$40-60k per year.

## Housing Needs in Hillsboro

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- There is a large need for housing for working families in Hillsboro.
- Larger units with 2-4 bedrooms that are affordable are a huge unmet need.
- Need for starter homes - Residents of affordable housing can start to make too much money for subsidized units, but not enough money to afford most market rate housing in Hillsboro. People who don't qualify for homeownership assistance programs can't afford a home right now.
- There has been a need for executive housing in Hillsboro to attract the executives of Intel and other large companies in the region. This has improved in recent years – delighted to see the Street of Dreams and developments near the Reserve for example.
- Lack of single-level units and dwellings for people who are older or not mobile. Especially ones that are well-built and well-maintained, and especially if you don't want a condo with an elevator.
- There are few homes with yard space. Neighborhood parks are better than nothing but they aren't the same as having your own private space.
- 3 bedroom, 2.5 bathroom 1600 sf homes on a 7,000 sf lot are very popular. Attached units, units with a single car garage, and smaller lots than this are less popular.
- More small senior units or first-time-buyer homes are needed.
- Smaller units for individuals needed.
- Executive housing is needed – particularly in cohesive areas with lots of this type of housing together.
- Need for higher density housing with parks and open space amenities.
- Middle housing is missing – more townhome development would be useful. Housing for people with disabilities, families with children, and immigrant households as well.
- Households for those with developmental disabilities are sorely needed. These folks are usually living on Social Security/Disability funds (about \$12k a year). This means they rely on family or group home/adult foster care for their housing and there are very few affordable, independent housing options available to them.
- Homes with Universal Design/single level living would be ideal for some people. ADUs could meet some of this need.
- Opportunities for cohousing, roommates, young people without financial resources
- More housing in dense areas connected by transit

## Challenges to Housing in Hillsboro

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- Suburban zoning can be prohibitive for multifamily development.
- The timelines associated with zone changes are challenging for affordable projects.

- Changing interest rates and supply chain for construction materials have been a challenge recently.
- Homes tend to be multi-level because there are few lots big enough for moderate or larger single-level homes with yard space.
- The market pressure for maximizing home square footage is less intense than it has been in the past.
- Affordable housing providers are often reliant on one-time funds.
- There are not many infillable lots in Hillsboro.
- People are being priced out – school districts say so as well. People are displaced to Vancouver WA or Salem.
- Disability appears to be low on the list of priorities for the City based on my experience. Caregivers are aging and there is going to be a big need for independent housing. Disability is a common reason for denying a housing voucher – the process to make home modifications is very arduous.

## What can the City do to help?

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- One of the most important things that the City could do is help affordable housing organizations to acquire land. Finding land in the right locations and zoning designations is the biggest obstacle to affordable housing development.
- City staff has been a supportive partner for affordable housing development.
- A property tax exemption from the City has been helpful for affordable housing developers.
- Neighborhood opposition can be a challenge – the City could help with the Planned Unit Development (PUD) process and with educating neighbors about the need for more affordable housing.
- The City could help support single-level living by providing System Development Charge (SDC) credits for main-level master units, and possibly adjust setbacks to allow for larger first floors.
- The City could consider subsidizing covered outdoor living space – this is oddly lacking in Oregon homes and could offset the lack of interior space in smaller units.
- Create more areas with low density requirements for 5,000-7,000 sf lots to make Hillsboro competitive with other communities in the region for that part of the market.
- Support new market rate developments with park & recreation facilities, sidewalks, trails, etc.
- The City could redesignate employment land in the Evergreen area to residential uses.
- People with the money need to help people who don't have it, including through fees or taxes on industrial/commercial development to contribute to the housing needs of the community.
- Discussions and public outreach are helpful.
- The City could conduct research into successful strategies that other communities have used to address housing needs.
- Faster permitting, waiving fees for affordable units, and reducing SDCs would be helpful.
- SDCs and permitting fees are high – they can be \$40k per home. They are not waived for affordable housing in Hillsboro as they are in some other communities. These fees are due early in the project and have significant impact. Gresham defers these fees with interest until the home is sold which is helpful.

- Tax abatement is a huge boost for affordable projects, but this can turn into a big cliff if they end after 10 years.
- The City could identify underutilized/vacant properties that are in public ownership or help organizations acquire land.
- Cost of public improvements is very high; help subsidizing or reducing those costs would be very helpful.
- Creating a housing plan that identifies needs is beneficial.
- Educate landlords about renting to people with developmental disabilities.
- Inventory/support units for those with disabilities. Include representation of people with disabilities or their advocates on advisory committees.
- Look nationally and internationally for innovative solutions to housing.

## Other Comments

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- Some affordable housing projects need a bit more parking – folks who have landscaping businesses and work trucks for example.
- Invest in local developers – who ends up developing in Hillsboro matters.
- Hillsboro has expanded nearly as much as it can, there is not much suitable land left in the vicinity for residential uses.
- Title company data may be helpful to get a better understanding of housing in Hillsboro.

## Interview Questions

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1. What types of projects or programs does your organization offer to address housing needs in Hillsboro? If you are developing or providing housing, what type of housing is being developed and who are the intended residents?
2. What is the greatest need in terms of housing in Hillsboro? What types of housing are needed that aren't being developed? What do you see as the most significant housing gap in the city, either in terms of income levels or types of households not being served or types of housing not available or being built? What kinds of housing would you like to see more of in Hillsboro?
3. What do you see as some of the primary sources of these gaps or the most significant barriers to addressing them?
4. What tools or strategies do you think would be effective in creating more desired housing in Hillsboro? Which tools or strategies are a poor fit for this community?
5. How could the city strengthen their relationships with your organization and best assist you in the housing related work you are doing?
6. Are there any particular sources of information you recommend we look at to better understand housing needs and conditions in Hillsboro?
7. Do you have anything else to say on this general topic?

# Additional Notes about Disability and Housing

(Provided by Heidi Robinson)

We met for a stakeholder interview earlier in November (I was given an interview slot specifically for my daughter Izzy, who experiences disabilities) and discussed specifically housing needs for an individual with Intellectual and Developmental Disabilities (I/DD).

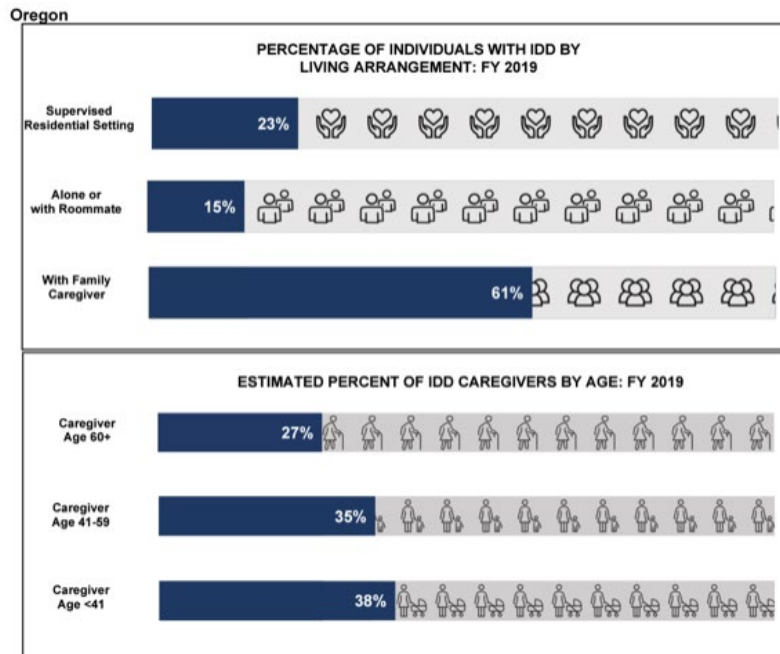
It is really hard to find information specific to Hillsboro (it can be hard to find this info specific to the state even), but here is some info I have found that may help give insight to housing needs for individuals with I/DD.

The Kuni Foundation funded a major housing research report on housing needs for individuals with I/DD within the state of Oregon and Vancouver metro area. The highlights of the report are located here:

[https://www.kunifoundation.org/wp-content/uploads/2020/09/ECONorthwest\\_Study\\_Highlights.pdf](https://www.kunifoundation.org/wp-content/uploads/2020/09/ECONorthwest_Study_Highlights.pdf)

For the 31,000 adults with I/DD in Oregon and Vancouver, 24,000 face housing insecurity. The State of the States in Intellectual and Developmental Disabilities report also gave this data for Oregon:

<https://stateofthestates.org/state-profiles/>



Individuals living with a family caregiver over the age of 60 are at risk of housing insecurity.

The Kuni reports shares some facts about individuals with I/DD and housing. Oregon’s 2021 Analysis of Impediments to Fair Housing Choice reported that 55% reported housing discrimination is on basis of disability, a trend which has remained consistence since 2010. Washington County is reported as the 2nd highest county in the state for complaints of housing discrimination (Pg 214-215, I linked the report at the bottom of email).

Nationally, most people with IDD live off of SSI or SSDI (Social Security Disability Income), which is \$841 currently in Oregon (which means they are living off of \$10,092 a year to pay for housing, food, utilities, health and all basic needs).

[http://www.thearc.org/wp-content/uploads/forchapters/NPM-SocialSecurity\\_SSI\\_4.pdf](http://www.thearc.org/wp-content/uploads/forchapters/NPM-SocialSecurity_SSI_4.pdf)

I went to [Oregon.gov](http://Oregon.gov) Special education Child Count that they do yearly in Dec. to get an idea of how many kids in HSD currently receive Special Education services (their 2121-2022 report her below). I am assuming this would be relevant since these are kids who will be living in Hillsboro as adults. This is just for K-12 (around ages 5-18).

Hillsboro School District currently has 2887 receiving Special Ed services. It is an excel doc and very small.

<https://www.oregon.gov/ode/reports-and-data/SpEdReports/Pages/December-Special-Education-Child-Count-Media-Files.aspx>

If you select "Primary Disability" you can get an idea of what that looks like within Special Education in Hillsboro. My best educated guess would be that students with a primary disability of:

**Intellectual Disability:** 119

**Communication Disorder:** 625

**Autism:** 436

**Developmental disability:** 162

Are going to need rental assistance, (based on nation-wide data) live well below AMI, and live independently with supports.

Populations I'm assuming would need housing consideration with other primary disabilities:

**Other Health Impairment:** 441 (often need specifically accessible housing and ADA considerations)

**Orthopedic Impairment:** 20 (same as above)

**Emotional Disturbance:** 184 (I would assume a lot of kids in this category are kids with specific behavioral supports. As adults, under this qualification, they would receive generally qualify for services and supports from DHS, as well as SSDI or SSI. Currently we have many families and individuals who have discussed housing considerations needed to support this population and we often see families and individuals with behavioral considerations evicted from housing if they don't receive accessible housing).

**Visual Impairment:** 8 (would have specific housing accessibility needs)

**Hearing Impairment:** 32 (would have specific housing accessibility needs)

Again, all of this is my best guess, based on nationwide data I have been sifting through for work.

Oregon Council on Developmental Disabilities shared with me a general design list they created of ways to make accessible housing, based on state-wide focus groups they ran and what families and individuals reported needed outside of typical ADA accessibility (generally property developers just think of ADA accessibility as things like wheelchair ramps and grab bars). Here was their list:



**At Time of Construction**

- Bathrooms: Bathroom floor drain / waterproof envelop.
- Automatic shut off in appliances like stoves
- Rounded corners on all counters in kitchens / bathrooms / elsewhere
- Wall treatments and counters designed to make cleaning easy.
- Plentiful lighting ... ceiling, walls, perhaps in critical transition points at floor level
- Sufficient wiring / plugs to facilitate technology assists when appropriate. Example: alarms / monitoring systems
- Soundproofing: For people who need quiet, as well as those who may be louder due to behavioral needs
- Keyless doors - Either fobs or doors that recognize individual and unlock automatically
- Two wide fisheyes in door to allow individual to actually see who is at door, one at a height acceptable for people who use wheelchairs, and one at a height for people who do not.

Overall, for this population other considerations wood be:

Ground floor apt. units

Affordable Housing within 30% AMI or lower

Housing near transit and community (grocery store, recreation - many of these individuals will not drive and will walk or use public transit to get where they need to go).

The state released a report on 2021 of data and information used for an Analysis of Impediments to Fair Housing Choice in Oregon. Some info included specific to disability:

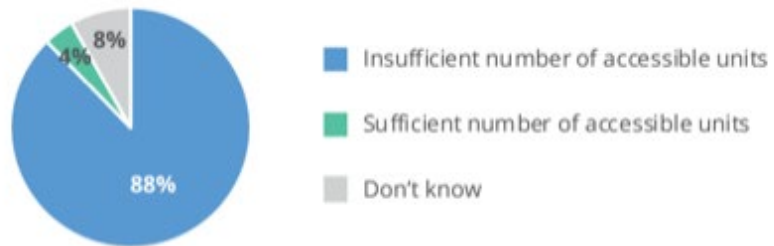
<https://www.oregon.gov/ohcs/development/Documents/conplan/2021-2025%20Action%20Plan/State-of-Oregon-2021-2025-AI.pdf>

**Figure II-8.  
Housing Stock  
Accessibility and  
Visitability for Persons  
with Disabilities**

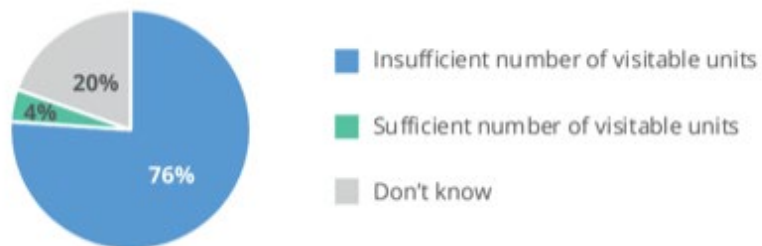
Note:  
n=49 and n=46.

Source:  
Root Policy Research from the 2020  
OHCS Housing Stakeholder Survey.

How would you characterize the availability of housing stock in the area you serve that is **accessible** to persons with disabilities?



How would you characterize the availability of housing stock in the area you serve that is **visitable** to persons with disabilities?



"Types of units most needed. Single level units, first floor units, and units with zero step entrances are the most common types of units stakeholders report are most needed in their service area. Making accessibility modifications to existing housing units is also a need. Several respondents described a need for supportive services and peer living options.

"For people with physical disabilities it can be heard to find a place that can ensure accessibility—doors, bathrooms. In Rogue Valley there is hardly any housing that will accommodate people with physical disabilities, there is also not a good uniform understanding of what the definition of a disability is." (Disability focus group participant)

"Single level units, first floor units, units accessible for people with sensory disabilities; small group living with peer support." (Stakeholder survey respondent)

"Not only is there an ever increasing need for greater affordable supply, much of our current supply is in need of general safety maintenance. Ideally, I would like to see more investments to better support people with disabilities' housing needs and I understand there's significant challenges to doing so." (Stakeholder survey respondent)

"Zero step entrances, units accessible for people with sensory disabilities; small group living with peer support." (Stakeholder survey respondent)"

Ability of state and local policies to support living in integrated, independent settings. Overall, nearly half of stakeholders do not think state and local policies and practices support community living and the ability of people with disabilities to live in the most integrated, independent setting they prefer very well. One in four think state and local policies do moderately well in supporting these aims. "

Principal housing challenges. Acquiring housing and remaining housed, living in a neighborhood of choice, and reasonable accommodation requests are principal housing challenges experienced by residents with disabilities in Oregon identified through the community engagement process. Difficulties associated with accessing employment and services are detailed in Section III.

Acquiring housing and remaining housed. Among the challenges experienced by persons with disabilities related to acquiring housing and remaining housed, the most common are a lack of units that are affordable to extremely low income households as well as a lack of affordable and accessible housing for those with accessibility needs.

“Barriers to meeting occupancy criteria; community often have criminal records, bad credit history resulting from disability.” (Stakeholder survey respondent)

“Transportation, navigating housing search.” (Stakeholder survey respondent)

“Not affordable unless subsidized for people on SSI/SSDI.” (Stakeholder survey respondent)

“Extremely low availability.” (Stakeholder survey respondent)

“Many people with disabilities in the communities I serve are very low income and cannot find accessible units they can afford.” (Stakeholder survey respondent)

“Lack of housing designed for individuals with SPMI and SUD.” (Stakeholder survey respondent)

Living in the neighborhood of their choice. For many people with disabilities, particularly those who are reliant on SSI/SSDI income, it is very rare to have the opportunity to live in a neighborhood of choice. More often than not, neighborhood is determined solely by the availability of a unit that the resident can afford which may or may not meet their accessibility needs, much less provide access to opportunity.

“The options of finding housing is very limited so you have to take what you can get, which leaves the renter at the mercy of the landlord.” (Stakeholder survey respondent)

“Not all get to choose due to high rent or past renting history.” (Stakeholder survey respondent)

“The availability of affordable housing could result in living in depressed neighborhoods.” (Stakeholder survey respondent)

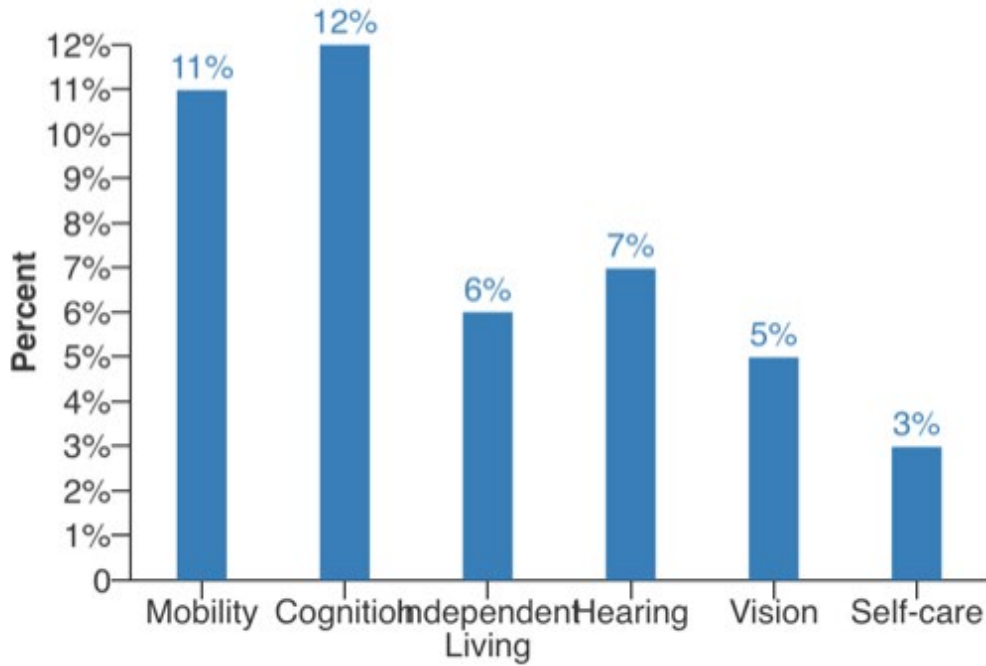
“Often the housing they can afford is within communities in which other people are experiencing SPMI and active drug use. It can lead to people being taken advantage of.” (Stakeholder survey respondent)

-all information above is from Analysis of Impediments to Fair Housing Choice in Oregon

I hope some of this information is helpful as far as issues with housing IDD community is facing and what they need. I don't know how to get better numbers specific to Hillsboro. I tried to see if Washington County DD services had data on their website (<https://www.washingtoncountyor.gov/developmental-disabilities>), but I didn't see any. A state profile by the CDC says that adults within the state:

<https://www.cdc.gov/ncbddd/disabilityandhealth/impacts/oregon.html>

## Percentage of adults in Oregon with select functional disability types





MEMORANDUM

City of Hillsboro Housing Capacity Analysis  
Alternative Growth Rate (Advisory)

DATE March 6, 2023  
TO City of Hillsboro  
FROM Brendan Buckley, Johnson Economics

**INTRODUCTION**

The Housing Capacity Analysis (HCA) project undertaken by the City of Hillsboro presents a forecast of needed housing in the community over a 20-year timeframe (2023-2043). The analysis presented in the HCA report conforms to the statutory guidelines for completing a housing needs analysis by a city in the Metro area (ORS 197.628; OAR 660-025), meaning it relies on the latest adopted population and household forecasts from the most recent Metro Consolidated Forecast (adopted 2021).

As shown in the HCA report, the population forecasted by Metro in Hillsboro by 2043, when compared to the current estimated population (2022) results in a quite modest annual growth rate of 0.7% per year during the 2023 and 2043 study period. For comparison, Hillsboro has achieved estimated annual growth of 1.5% since 2010, and 2.0% annually since 2000.

This memo summarizes the results of additional analysis based on an alternative growth rate methodology that projects higher growth than that found in the HCA report. *The forecast based on this alternate growth rate is presented here purely for informational and advisory purposes* that may be helpful to the City for internal planning efforts. However, the HCA project is statutorily required to adopt the most recent Metro forecast.

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- Baseline and Alternate Residential Land Needs ..... 4
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  - Alternate Household Size Assumption ..... 7
  - Number of Households and Housing Need ..... 8

## APPENDIX A

### BASELINE AND ALTERNATE GROWTH RATE COMPARISON

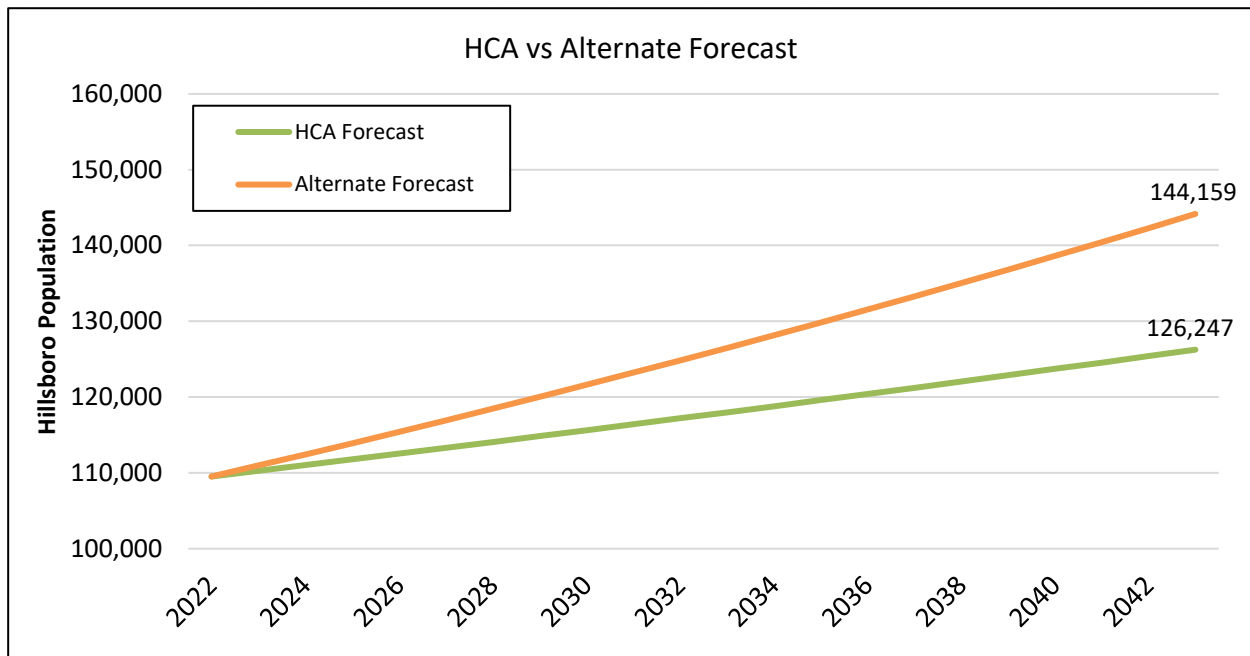
As noted, Metro has forecast growth rate of 0.7% per year for Hillsboro, while the average household size is projected to fall to 2.3 persons per household from the current 2.6 persons. The smaller household size means that more households will be needed to accommodate the same population. This forecast is reflected in HCA report and is referred to below as the HCA Forecast.

The alternate growth rate methodology results in a higher assumed growth rate, but a smaller decline in the average household size by 2043. A comparison of the HCA Forecast and the Alternate Forecast is shown in Figure 1, followed by a discussion of the alternate forecast methodology.

**FIGURE 1: HCA FORECAST VS. ALTERNATE FORECAST**

	2022	HCA FORECAST			ALTERNATE FORECAST				
		2043	Growth	% Growth	Annual Rate	2043	Growth	% Growth	Annual Rate
Total Population:	109,532	126,247	16,715	15%	0.7%	144,159	34,627	32%	1.3%
Avg. HH Size*	2.64	2.30				2.45			
Households:	40,970	54,229	13,259	32%	1.3%	58,171	17,201	42%	1.7%
Housing Units:	43,037	57,083	14,046	33%	1.4%	61,232	18,195	42%	1.7%

\* Excluding group housing population



Source: Hillsboro HCA Report, Johnson Economics

## APPENDIX A

- The Alternate Forecast projects a much higher growth rate of 1.3% per year, resulting in a forecast of nearly 18,000 more residents over the forecast period than the HCA Forecast.
- The Alternate Forecast projects nearly 4,000 more new households over the forecast period than the HCA Forecast, and nearly 4,200 more new housing units needed (including a 5% vacancy assumption).
- The assumed average household size is larger in the Alternate Forecast than the Metro forecast (2.45 vs. 2.30 persons). This means that while the Alternate Forecast projects more than double the population growth, the *household* growth is only 30% greater than the HCA Forecast.

Figure 2 shows the estimated new housing need projected under the Alternate Forecast, assuming a similar mix to those forecast in the HCA Forecast.

**FIGURE 2: PROJECTED FUTURE NEED FOR NEW HOUSING BY INCOME LEVEL AND TYPE (2043) - ALTERNATE FORECAST**

Household Income Segment	Income Level (Rounded)*	Owner Units	Renter Units	Total	Share	Common Housing Product
Extremely Low Inc. < 30% MFI	< \$27,500	677	1,065	1,742	10%	Government-subsidized; Voucher; Shelter; Transitional
Very Low Income 30% - 60% MFI	\$27.5k - \$55k	978	1,793	2,771	15%	Aging/substandard rentals; Government-subsidized; Voucher; Manufactured homes
Low Income 60% - 80% MFI	\$55k - \$73k	895	1,399	2,294	13%	Aging apartments; Government-subsidized; Plexes; Aging single-detached; Small homes
Middle Income 80% - 120% MFI	\$73k - \$110k	1,843	1,954	3,797	21%	Single-detached homes; Townhomes; Condominiums; Newer apartments
Upper Income > 120% MFI	> \$110,000	4,820	2,772	7,592	42%	Single-detached homes; Townhomes; Condominiums; New apartments
<b>TOTAL:</b>		<b>9,211</b>	<b>8,984</b>	<b>18,195</b>	<b>100%</b>	

Source: Johnson Economics

- The Alternate Forecast projects a need of roughly 18,200 new units over 20 years, in comparison to the projected need for roughly 14,050 in the HCA Forecast.

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### BASELINE AND ALTERNATE RESIDENTIAL LAND NEEDS

The following figures present a preliminary comparison of estimated new housing need (demand) to estimated remaining capacity of residentially zoned land to development more units (supply). The BLI is presented in a separate memo accompanying the HCA report.

The BLI found a total remaining capacity for 12,478 housing units on the remaining land with residential or mixed use zoning. The BLI also includes the capacity of known expansion areas in South Hillsboro and Witch Hazel Village South, which have a combined estimated capacity for over 3,000 new units.

The BLI is broken down into estimates of capacity for three main categories of housing: detached single family, middle housing, and multi-family. The estimated capacity for those units is reflected in Figures 3 and 4 below.

Figure 3 presents the comparison of housing unit demand and supply for the HCA Forecast, using the Metro growth rate.

**FIGURE 3: COMPARISON OF FORECASTED FUTURE LAND NEED (2043) WITH AVAILABLE CAPACITY (HCA FORECAST)**

WITHIN CITY LIMITS		SUPPLY	DEMAND			
Zone & Plan Category	Typical Housing Type	Buildable Land Inventory (Unit Capacity)	Growth Rate (1.8%)			
			New Unit Need (2040)	Avg. Density (units/ac)	Surplus or (Deficit)	
				Units	Acres	
Low-Density	Single-family detached; Some SF attached & plex	4,848	5,428	8.0	(580)	(72)
Med-Density	SF attached; Manufact. home; 2-4 plexes	3,783	3,628	15.0	155	10
High-Density	Multi-family apartments	3,847	4,990	30.0	(1,143)	(38)
<i>TOTALS:</i>		<i>12,478</i>	<i>14,046</i>	<i>17.6</i>	<i>(1,568)</i>	<i>(100)</i>

Source: MIG, Johnson Economics

Figure 4 presents the comparison of housing unit demand and supply for the Alternate Forecast.



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**FIGURE 4: COMPARISON OF FORECASTED FUTURE LAND NEED (2043) WITH AVAILABLE CAPACITY (ALTERNATE FORECAST)**

WITHIN CITY LIMITS		SUPPLY	DEMAND			
Zone & Plan Category	Typical Housing Type	Buildable Land Inventory (Unit Capacity)	Growth Rate (1.8%)			
			New Unit Need (2040)	Avg. Density (units/ac)	Surplus or (Deficit)	
				Units	Acres	
Low-Density	Single-family detached; Some SF attached & plex	4,848	7,052	8.0	(2,204)	(276)
Med-Density	SF attached; Manufact. home; 2-4 plexes	3,783	4,697	15.0	(914)	(61)
High-Density	Multi-family apartments	3,847	6,446	30.0	(2,599)	(87)
<i>TOTALS:</i>		<i>12,478</i>	<i>18,195</i>	<i>17.6</i>	<i>(5,717)</i>	<i>(423)</i>

Source: MIG, Johnson Economics

Under the HCA Forecast, there is a finding of need for roughly 100 acres of additional residential land, with deficits of both low-density and high-density lands. There is estimated to be a slight surplus of medium-density lands.

Under the Alternate Forecast, with the substantially higher finding of new housing need, there is an estimated deficit of all density categories of residential land, resulting in a total estimated residential land deficit of over 400 acres over the study period.

As discussed in the HCA report, the finding of land need will be addressed in the next phases of this project and the completion of a Housing Production Strategy.

### ALTERNATE GROWTH RATE METHODOLOGY

The alternate growth rate presented here is based on two main concerns with the adopted Metro forecast: that the annual growth rate projected is low compared to historical growth, and that the assumed average household size also seems low considering Hillsboro’s typically larger households relative to the region and state.

The Alternate Forecast therefore sought potential alternatives to the future population growth rate, and the corresponding number of households (based on a new household size assumption.)

#### Alternate Growth Rate

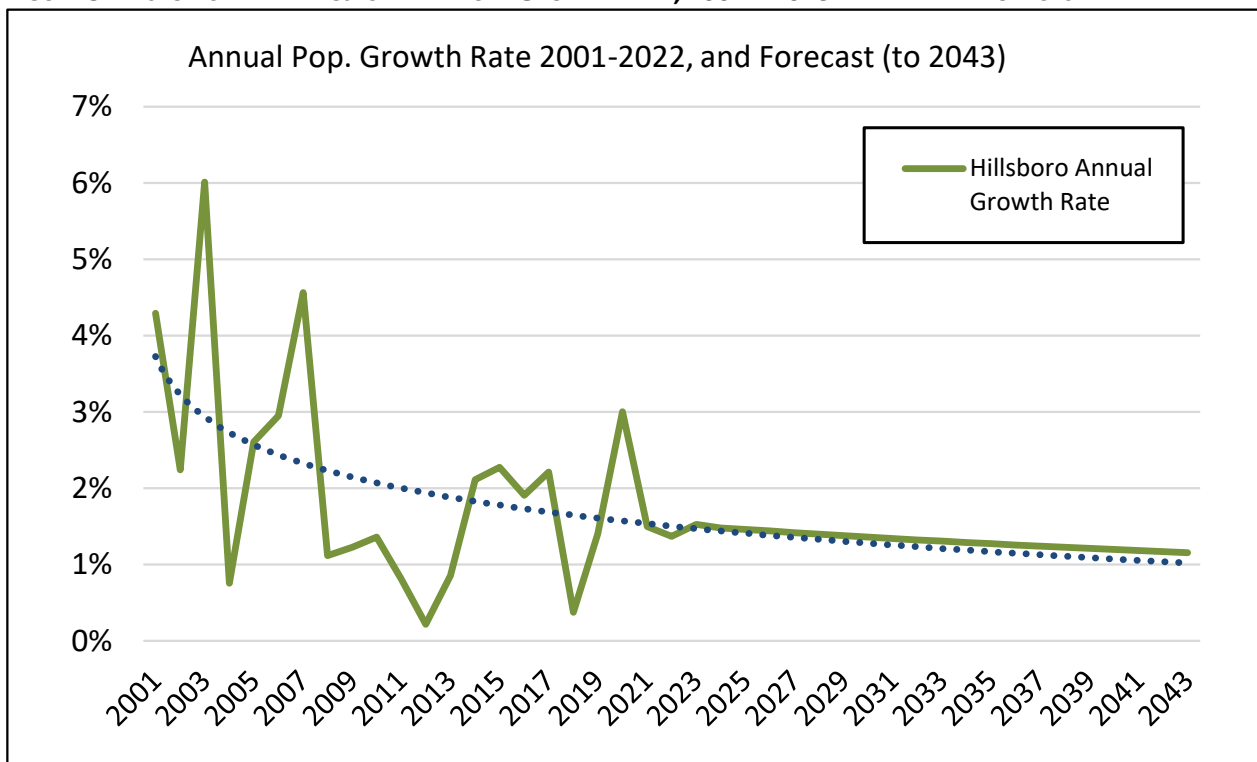
The analysis presented in the official Hillsboro HCA Report finds a projected annual population growth rate of 0.7% between 2022 and 2043. While growth rates of larger cities do tend to decline gradually over time, this decline is stark considering that Hillsboro grew at an average annual rate of 1.5% per year between 2010 and 2022. Since 2000, the average annual rate was 2%.

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For this analysis, the past growth rate trend (2001-2022) was used to generate a forecast of the expected trend going forward until 2043.<sup>1</sup> Figure 3 shows the historical annual growth rates up to 2022, and then the forecasted growth rates over the 20-year period based on the historical pattern.

As Figure 5 shows, the actual annual changes in population can be quite erratic, often depending on fluctuations in housing production year to year. The logarithmic trendline imposed represents the pattern in the noise and how it is projected forward beginning in 2023.

**FIGURE 5: HISTORICAL AND PROJECTED ANNUAL GROWTH RATE, 2001 – 2043 – ALTERNATE FORECAST**



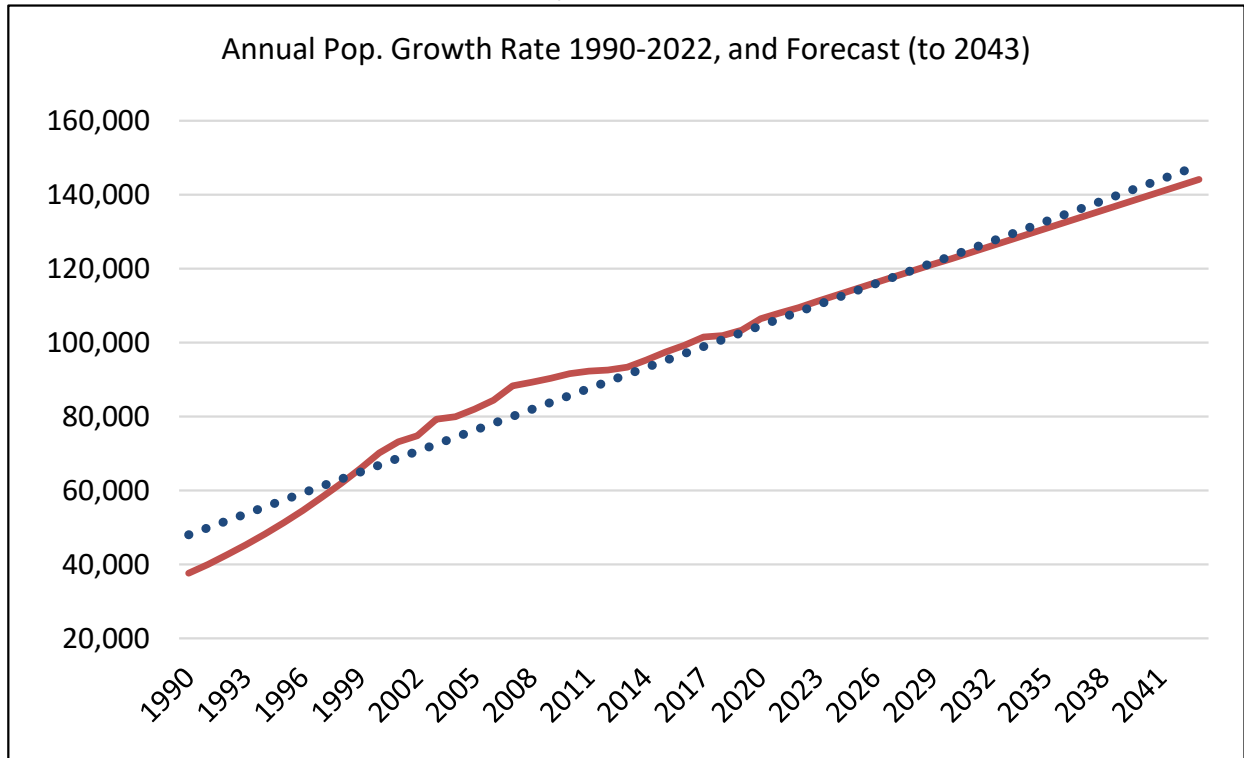
Source: Census, Portland State University, Johnson Economics

The analysis projects the annual growth rate will fall from close to the recent average rate of 1.5% in 2023 to less than 1.2% by 2043. The average annual rate over the total period is projected to be 1.32%.

Figure 6 shows the population level in Hillsboro according to the Census and PSU, and with the forecasted growth rate (Figure 5) applied between 2023 and 2043. As presented in Figure 1, the alternative growth rate assumption results in a forecasted population of 144,000 people in 2042, growth of nearly 34,700 people over 20 years.

<sup>1</sup> The excel Forecast with Exponential Smoothing function was applied to annual population estimates from PSU between 2000 and 2022. The function draws a pattern from a past data series to forecast future expected behavior at equal time intervals.

FIGURE 6: HISTORICAL AND PROJECTED POPULATION, HILLSBORO 1990– 2043 – ALTERNATE FORECAST



Source: Census, Portland State University, Johnson Economics

Alternate Household Size Assumption

Average household size has been in continued decline in the US since the middle of the 20<sup>th</sup> Century, as American families have had fewer children on average, and rates of single parenthood and divorce have risen. In recent decades, the large baby boom generation has aged into the “empty nest” and retirement years which has further led to declining household sizes.

The US Census projects that the aging of the US population will continue at least through 2060 (the end period of this Census analysis<sup>2</sup>), with population over the age of 65 rising in absolute numbers, and as a share of the total population (from roughly 17% to 23%). This change will continue to contribute to household size decline. The aging of the population combined with a rising standard/cost of living are expected to coincide with a falling birth rate, as experienced in many aging European and Asian countries today that have preceded the US in this pattern. Around roughly 2030, population growth from natural increase (i.e. births minus deaths) is expected to no longer be the largest contributor to net population growth, surpassed by net international migration.

<sup>2</sup> “Demographic Turning Points for the United States: Population Projections for 2020 to 2060”, US Census, 2020.

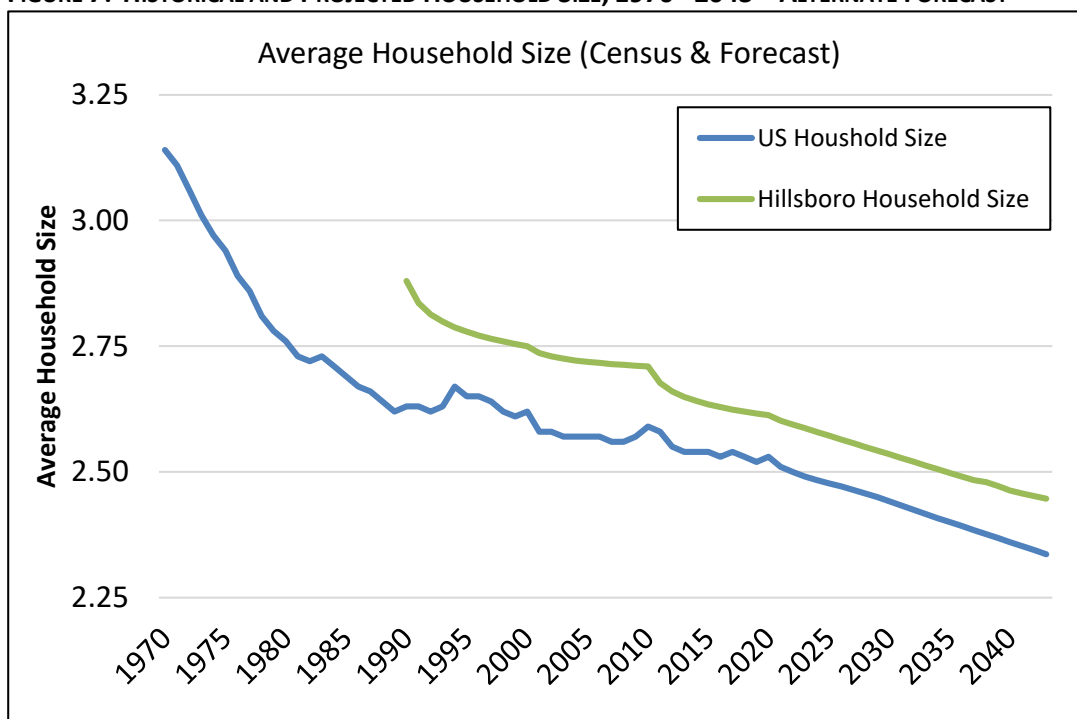
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The US Census estimates that average US household size has fallen from 3.3 persons in 1960 to 2.5 persons in 2022. Applying a similar forecasting function to the historical data on household size as was applied to the population data above, indicates that the average US household size is expected to continue its decline well into the future (Figure 7).

The Metro forecast used in the HCA analysis expects that average household size in Hillsboro will fall to 2.30 persons by 2043. However, Hillsboro has long tended to have a larger average household size than the US average. For instance, in 2020, the average household was estimated to be 2.53 nationally, and 2.64 persons locally.

The forecasting function used in the Alternate Forecast indicates that the average household size will fall to 2.34 persons by 2043 nationwide. Applied to the local Hillsboro historical data, the Alternate Forecast projects the average household size in Hillsboro will continue to be larger, at 2.45 persons.

**FIGURE 7: HISTORICAL AND PROJECTED HOUSEHOLD SIZE, 1970– 2043 – ALTERNATE FORECAST**



Source: Census, Johnson Economics

### Number of Households and Housing Need

A comparison of the forecasted population in 2043 and the estimated average household size results in an estimate of the number of households. (An estimate of group housing population is first removed from the total forecasted population. The share of population living in group housing is assumed to stay constant from the current share, absent a basis for a more specific estimate.)

## APPENDIX A

The number of new housing units needed is closely related to the growth in households, but an additional assumption of 5% market vacancy by 2043 is assumed, as in the HCA analysis. 5% vacancy is considered a healthy level to allow for housing choice among homebuyers and renters, without elevated vacancy indicating excess housing.

\* \* \*

The two forecasts present a range of potential growth that may be achieved in Hillsboro. Actual growth rates should be tracked to ensure that the population and growth forecasts from Metro and the PSU program keep pace with observed housing production and population growth on the ground. The alternate forecast presented here are for reference and internal planning purposes only and do not impact the official projection required in the HCA.