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**Housing Needs Analysis Update
Technical Advisory Committee**

**Meeting #1
Wednesday, February 13, 2019
2:00 PM – 3:30 PM**

**Forest Grove Community Auditorium
1915 Main Street**

AGENDA

- 1. Introductions and Agenda Review (5 minutes)**
- 2. Housing Needs Analysis Overview – PowerPoint Presentation (40 minutes)**
Outcome: Overview of project scope, schedule, tasks and role of the Technical Advisory Committee
- 3. Draft Housing Trends Memo (20 minutes)**
Outcome: Review of housing trends and policies affecting housing supply and demand
- 4. Draft Current Housing Unit Estimate Memo (20 minutes)**
Outcome: Review of existing housing stock in Forest grove
- 5. Schedule Next Meeting and Adjourn (5 minutes)**

To: Daniel Riordan & Bryan Pohl, City of Forest Grove **Date:** January 18, 2019

From: Todd Chase & Tim Wood, FCS GROUP

CC: Anne Debbaut & Kevin Young, Oregon DLCD

RE: Forest Grove Housing Trends, Tasks 2 Deliverable (revised)

INTRODUCTION

The City of Forest Grove (City) is in the process of updating the Housing Element of its Comprehensive Land Use Plan. FCS GROUP is providing Technical Assistance to the City by preparing products that will comprise an up-to-date Housing Needs Analysis (HNA) for the City. Major HNA technical work products will include the following:

- A Summary of trends affecting housing
- An analysis of existing housing stock in Forest Grove
- A Housing Needs forecast for the Forest Grove portion of the Metro Urban Growth Boundary (UGB)
- A Buildable Land Inventory (BLI) for residential and mixed-use designations in the UGB
- A Residential Land Needs Analysis for accommodating a 20-year housing demand forecast
- Identification of local policy measures for accommodating needed housing

This Memorandum addresses the first item listed above by providing an assessment of trends and policies affecting housing supply and demand. This memorandum includes an assessment of trends over the last 10-20 years and emerging housing demand characteristics. These technical findings will inform forthcoming elements of the Forest Grove HNA. All findings will be discussed and refined with the HNA project advisory committee during the HNA process.

NATIONAL, STATE, AND REGIONAL ECONOMIC OVERVIEW

The current economic recovery, which began in June 2009, has entered its 10th year and is now one of the longest economic upturns in modern history. Overall consumer confidence remains high while unemployment rates have achieved historic lows. In Oregon, 38,900 jobs were added in 2017, the 7th consecutive year of overall statewide job growth. Meanwhile, the unemployment rate in Oregon fell to 4.1 percent at the end of 2017 from 4.3 percent in 2017, the 8th consecutive year of falling unemployment in the state.

The U.S. and Oregon economies are expected to expand in 2019 albeit at a more moderate pace than in recent years. National economic growth (as measured by Gross Domestic Product) is expected to

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slow from 2.6 to 3.0 percent in 2018, to 2.2 to 2.6 percent in 2019, and decline to 1.8 to 2.1 percent in 2020, according to the Federal Reserve Bank¹.

Like many regions along the West Coast, the Greater Portland region is experiencing rapid increases in population, modest increases in household income levels, and relatively low housing and apartment vacancy rates. Overall, these factors have combined to create significant housing demand that is outstripping supply and leading to rapid increases in home prices and rent levels.

DEMOGRAPHIC AND SOCIO-ECONOMIC TRENDS

Population

The population in the Portland-Vancouver-Hillsboro Primary Metropolitan Statistical Area (PMSA) increased from 1.9 million in 2000 to nearly 2.5 million by 2017². Metro projections suggest the PMSA will add another 700,000 residents over the next 25 years (2015 to 2040)³.

Within Washington County, the historic 2000 to 2017 population growth rate averaged 1.7 percent per year, as the number of residents increased from 445,342 in 2000 to 595,860 in 2017⁴.

The City of Forest Grove recorded a new record-high population of 23,555 in 2017, according to Portland State University (PSU). Taking into account residents living in unincorporated Washington County, but inside the UGB, the total Forest Grove UGB population is estimated at approximately 24,356 (2016 estimate by PSU).

Forest Grove UGB is home to nearly 4% of all Washington county residents. Washington County is one of Oregon's fastest growing counties. Since 2000, Forest Grove and Washington County have been adding population at a faster annual growth rate (AGR) than the State of Oregon as a whole (see **Exhibit 1**).

Long-range population forecasts prepared by Metro expect 139,524 people will be added to Washington County, and 9,622 added to the Forest Grove UGB by year 2039.⁵ This equates to an

¹ March 21, 2018: FOMC Projections materials, Accessible version, (<https://www.federalreserve.gov/monetarypolicy/fomcproptabl20180321.htm>)

² Sources: US Census 2000 population estimate and Portland State University Population Research Center for 2010 and 2017 population estimates. Estimates represent a combination of Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties in Oregon and Clark and Skamania Counties in Washington.

³ 2014 Metro Urban Growth Report Appendix 1a "Population and Employment Forecast for the Portland-Vancouver-Hillsboro Metropolitan Statistical Area (2015-2035)" pg. 3 2014 Vintage Regional Forecast Population Column.

⁴ Sources: US Census 2000 population estimate and Portland State University Population Research Center for 2017 population estimate.

⁵ Year 2039 forecasts have been interpolated by FCS GROUP based on the Metro population growth forecast for the 2015 to 2040 period.

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annual growth rate (AGR) of 1.7% over the 20-year HNA forecast (baseline scenario) and a 7% “capture rate” of the County population growth for the Forest Grove UGB (see **Exhibit 2**).

Exhibit 1: Population Trends (2000-2017)

	2000	2010	2017	AGR 2000-2017
Forest Grove City	17,708	21,083	23,555	1.7%
Washington County	445,342	529,710	595,860	1.7%
Portland Metro Region (Tri-County)	1,444,219	1,641,036	1,809,184	1.3%
Oregon	3,421,399	3,837,300	4,141,100	1.1%

Source: U.S. Census Bureau and Portland State University Population Research Center.

Abbreviations: AGR - Annual Growth Rate

Exhibit 2: Population Projections (2019-2039)

	Estimate 2019	Forecast 2039	Proj. Change 20 Years	Proj. AGR (2019-2039)
Forest Grove	24,652	34,275	9,622	1.7%
Washington County	564,818	704,342	139,524	1.1%
Metro UGB Population	1,659,087	2,098,553	439,466	1.2%
Oregon	4,267,226	4,957,873	690,647	0.8%

Source: July 2016 Metro Population Distributed Forecast

Compiled by FCS Group. AGR = average annual growth rate.

As indicated in **Exhibits 3 and 4**, Forest Grove has experienced significant growth in population aged 35 to 64, and measured growth in the 65 to 84 cohort. In comparison to Washington County, Forest Grove has a slightly higher proportion of residents over age 85; however that age cohort is increasing rapidly within the County.

Exhibit 3: Population by Age Cohort, 2000 & 2016

Age Range	2000	2016	Change
Under 5	8.1%	6.9%	-14.5%
5 to 19	23.8%	24.2%	1.4%
20 to 34	23.3%	21.6%	-7.1%
35 to 64	31.1%	34.1%	9.7%
65 to 84	10.1%	10.2%	1.6%
85 and older	3.6%	2.9%	-19.0%
Total	100.0%	100.0%	

Source: 2012-2016 American Community Survey

5-Year Estimates (Table DP05)

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Exhibit 4: Washington County Population by Age Cohort, 2000 & 2016

Age Range	2000	2016	Change
Under 5	7.9%	6.6%	-16.3%
5 to 19	21.5%	19.9%	-7.2%
20 to 34	23.9%	21.4%	-10.7%
35 to 64	37.9%	40.3%	6.3%
65 to 84	7.6%	10.2%	33.6%
85 and older	1.2%	1.7%	35.7%
Total	100.0%	100.0%	

Source: 2012-2016 American Community Survey
5-Year Estimates (Table DP05)

Income and General Characteristics

Socio-economic data (displayed in **Exhibit 5**) reveals unique characteristics about Forest Grove, such as:

- Income levels in Forest Grove are well below the average for Washington County which is due in part to the concentration of Pacific University students within the City and proximity of high-wage earners located nearby (such as Hillsboro and Beaverton).
- While Forest Grove makes 4% of the population in Washington County, the City accounts for over 17% of the group quarters population in the County. Again, this can largely be attributed to the presence of the Pacific University.
- Poverty rates in Forest Grove are slightly higher across all age cohorts when compared with Washington County.
- Educational attainment levels between Forest Grove and Washington County are fairly similar.
- Forest Grove has a slightly higher share of population in poverty (15.4%) than Washington County (11.1%).

PACIFIC UNIVERSITY

Pacific University has grown along with Forest Grove since the school was founded in 1849. The school has developed an exceptional reputation for its education, healthcare and optometry programs and has expanded its graduate programs to reflect growth in enrollment. As a Division 3 school, the campus attracts athletes from across the Pacific

Northwest and beyond.

Enrollment at Pacific University's Forest Grove campus reached 2,443 in the 2015-16 school year, including 1,229 students living on campus. While it is unlikely that the remaining 1,214 enrollees studying at the Forest Grove campus are all living in the city, it is probable that college students are *competing* for rental housing in the Forest Grove market.

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Exhibit 5: General Characteristics, City of Forest Grove and WA County, 2016

	City of Forest Grove	Washington County
Median Household Income	\$49,857	\$69,743
Median Family Income	\$57,922	\$81,887
Median Gross Rent	\$842	\$1,111
Group quarters population	1,228	7,046
Poverty population	3,401	61,817
% of population in Poverty	15.4%	11.1%
under 18	18.4%	15.0%
18 to 64	14.9%	10.5%
65 and over	11.7%	6.2%
Pop. % by education (highest degree)		
Less than High School	9.2%	13.4%
Highschool Degree	30.6%	31.8%
Some College	48.2%	41.9%
College Degree or Higher	12.1%	12.9%

Source: 2012-2016 American Community Survey 5-Year Estimates for City of Forest Grove and Washington County (Table B19001, S1701, S1501)

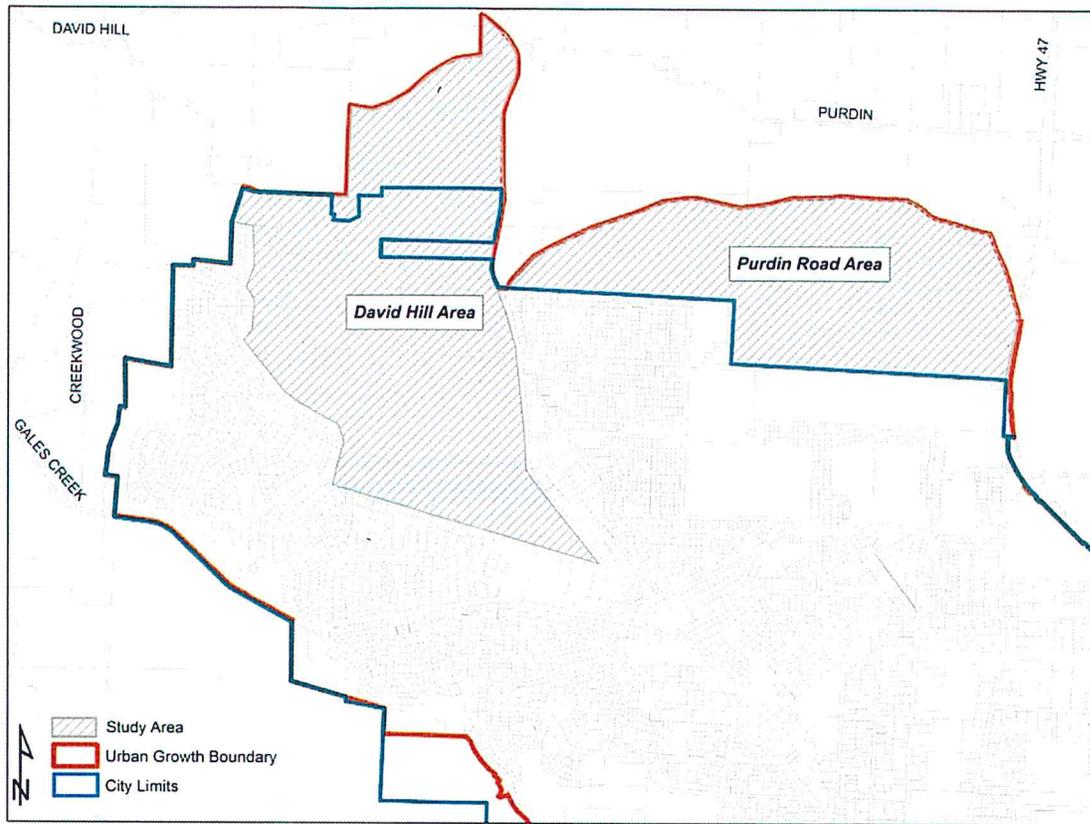
WESTSIDE PLANNING AREA

Two large areas are currently being master planned inside of the Forest Grove UGB. These areas represent a unique opportunity for Forest Grove to address a major portion of future housing needs. Approximately 464 acres of the Westside Planning Area (area map included as **Exhibit 13**) are regarded as buildable and approximately 1,950 dwelling units are expected to be developed at buildout⁶.

⁶ Westside Planning Program Refinement Plan (Adopted 8/14/17) Pg. 33

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Exhibit 13: Westside Planning Area Site Map



POLICY CHANGES THAT MAY AFFECT AFFORDABLE HOUSING

Several recent policy changes have occurred at the federal, state and regional level that may affect the future housing supply and demand in Forest Grove.

Federal Policies

Tax Cuts and Jobs Act

Passed in 2017, the Tax Cuts and Jobs Act initiates large scale federal tax reform. The reform made changes in many ways but most notable was the shift in the federal corporate tax rate, decreasing from 35% to 21%. The new tax cuts also lower most individual income tax rates, including the top marginal rate from 39.6 percent to 37 percent. The lower tax rates potentially affect Forest Grove and other municipalities because it makes tax free municipal bonds and affordable housing tax credits less attractive to investors because the relative advantage of lowering taxable income by investing in tax exempt bonds would decrease in most cases. However, with the adoption of measure 102 and 26-199 (see below), Oregon voters have expressed the need for investing in affordable housing bonds, and these state measures should mitigate the impact of this federal act.

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Low Income Housing Tax Credits

The Low Income Housing Tax Credits program is a series of tax incentives administered by the IRS to encourage developers to construct affordable housing. Currently the program accounts for the largest source of new affordable housing in the U.S. In securing these credits, developers agree to rent out housing at an affordable level, often below market price (this is referred to as a use restriction). State agencies distribute credits to developers based on a state designed application process. These credits come in two forms, 9% (this raises about 70% of total cost) and 4% (this raises about 30% of the total cost), where 4% tax credits are often complimented with support from state bonds. In Oregon and in Washington County's case, Measures 102 and 26-199 (see below) should enable more funding of housing tax credit bonds and strengthen the effect of these tax credits on a for affordable housing development in Forest Grove.

Oregon Policies

Oregon's Statewide Housing Plan: "Breaking New Ground"

Oregon's 2018 Statewide Housing Plan is a long term plan designed to increase housing in Oregon. The plan was researched and developed by Oregon Housing Community Services (OHCS) and its implementation will rely on OHCS in conjunction with local governments and private businesses. OHCS is Oregon's housing finance agency and as such the organization issues grants and loans to help facilitate home ownership in the state. OHCS regards housing in Oregon as a statewide crisis. Housing production has failed to keep up with Oregon's population growth therefore demand has outpaced supply, pushing up home prices. From 2000 to 2015, an additional 155,156 housing units would need to have been built throughout Oregon to keep up with demand.⁷

The Statewide Housing Plan calls for over 85,000 new units to be constructed for households earning below 30% of Median Family Income (MFI). The plan is outlined in six priorities and each promotes increased housing supply. Priorities include an increase housing supply that: (1) improves racial equity; (2) combats homelessness; (3) increases housing stability for families; (4) makes rent affordable; (5) proliferates homeownership; and (6) empowers rural communities. With this in mind, OHCS will triple the existing pipeline of affordable rental housing — up to 25,000 homes in the development pipeline by 2023.

The plan proposes increased access to housing through partnerships with community organizations, loans with low interest rates, better access to OHCS resources, funding for housing projects, improved technology, and streamlined processes with a foundation of collaboration. Implementation

⁷ Up for Growth, "Housing Underproduction in the U.S.: Economic, Fiscal and Environmental Impacts of Enabling Transit-Oriented Smart Growth to Address America's Housing Affordability Challenge," Up For Growth National Coalition, 2018, 9.

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seems to rely on each area's ability to utilize and engage with OHCS as the plan clarifies goals and does not specify implementation policies.

House Bill 4006

Oregon House Bill 4006, passed by the legislature during the 2018 general session, addresses the need for affordable housing and housing assistance. Among the provisions, this Act defines "severely rent burdened" households as those spending more than 50 percent of household income on gross rent for housing; and declared this Act an emergency for the immediate preservation of the public peace, health and safety. For cities with over 10,000 residents (including Forest Grove), in any year in which the city is informed that at least 25 percent of the renter households are severely rent burdened (which included Forest Grove in 2018 with 31%), the city must hold at least one public meeting to discuss its causes and barriers to reducing rent burdens and possible solutions. In this case, no later than February 1 of each year, the City of Forest Grove shall submit to the Oregon DLCD the total number of units that were permitted and the total number that were produced in terms of:

- Residential units
- Regulated affordable residential units
- Multifamily units
- Regulated affordable multifamily units
- Single family units
- Regulated affordable single family units

Senate Bill 1533

Enacted by the 2016 Oregon Legislature, this bill aims to promote affordable housing development through local regulations and a new source of funding: the Affordable Housing Construction Excise Tax. The bill allows Forest Grove to adopt regulations that impose conditions on development for new multifamily structures (20 units or more per project), including: requirements for the inclusions of some affordable housing; or the option of paying an in-lieu fee (construction excise tax) not to exceed \$1 per square foot of floor area for residential, and \$0.50 per square foot for nonresidential structures (with a maximum cap of \$25,000 per building or structure). For new affordable housing projects, this legislation supports special incentives including: full or partial exemption of ad valorem property taxes, SDC waivers or reductions and other incentives.

Measure 102: Passed by Oregon voters in November 2018

Measure 102 is intended to empower the collaborative partnerships described in Oregon's Statewide Housing Plan. Measure 102 amends the state's constitution to allow cities and counties to issue bonds for the construction of affordable housing construction without retaining 100% public ownership of the property. The goal is to allow local governments to pursue private public partnerships to better facilitate demand for housing.

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Regional Policies

Measure 26-199: Passed by Metro voters in November 2018

Measure 26-199 authorizes the Metro region to issue \$652.8 million in Bonds to go towards creating between 2,400 and 4,000 affordable homes within portions of Clackamas, Multnomah and Washington counties, including Forest Grove. About half of these funds will go towards new construction and half to renovation of existing affordable housing. At this moment, the details as to where those housing units will be constructed is yet to be determined but Metro plans to return funds to the counties within the Metro region in proportion to their share of assessed value within its service district. The funds will then be allocated to local housing authorities with tight restrictions meant to produce affordable housing.

SUMMARY

- The Greater Portland region is forecasted to grow significantly over the next 20+ years.
- Forest Grove and Washington County population is increasing at a faster pace than peer counties within the Tri-County Metro Region.
- Forest Grove is an attractive location for virtually all housing segments, ranging from off-campus housing for students, entry-level home owners, retirees, and renters seeking good quality *workforce* housing. Much of this demand can be addressed with new apartments, townhomes, plexes and small lot housing developments.
- Given Forest Grove's small town charm, quality schools, and convenient access to major Washington County employers, we would expect an increase in single family housing demand at all price points across the city.
- Given these trends, we would expect to see an increase in housing demand for single family detached units, townhomes/plexes and apartments over the next 20 years.
- Various state measures and policies are now in place to monitor severely rent burdened households in Forest Grove and provide new revenue sources for funding construction of affordable housing.

These trends and baseline forecasts will be discussed and refined during the next step in the HNA planning process.

To: Daniel Riordan & Bryan Pohl, City of Forest Grove **Date:** January 18, 2019

From: Todd Chase & Tim Wood, FCS GROUP

CC: Anne Debbaut & Kevin Young, Oregon DLCD

RE Forest Grove Current Housing Unit Estimate, Task 3 deliverable

INTRODUCTION

The City of Forest Grove (City) is in the process of updating the Housing Element of its Comprehensive Land Use Plan. FCS GROUP is providing Technical Assistance to the City by preparing products that will comprise an up-to-date Housing Needs Analysis (HNA) for the City. Major HNA technical work products will include the following:

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- A Residential Land Needs Analysis for accommodating a 20-year housing demand forecast
- Identification of local policy measures for accommodating needed housing

This Memorandum addresses the second item listed above by providing an overview of existing housing stock in Forest Grove. This memorandum includes an assessment of housing units which will consider different structure types, whether units are occupied by owners or renters as well as an analysis of the cost of the existing housing stock relative to incomes in Forest Grove. These technical findings will inform forthcoming elements of the Forest Grove HNA. All findings will be discussed and refined with the HNA project advisory committee during the HNA process.

PHYSICAL CHARACTERISTICS OF EXISTING HOUSING INVENTORY

According to data derived from the US Census, in 2017, the existing housing stock within the City of Forest Grove consisted of 8,440 dwelling units, of which 485 or nearly 6% were vacant (this vacancy rate has likely declined in recent years). The existing housing stock primarily consists of single family detached dwellings (61%), followed by multifamily with 5 or more units per structure (17%). Townhomes and plexes (with 2 to 4 units per structure) accounted for 16% of the housing inventory, and mobile homes/other units accounted for the remaining 6% of the inventory (**Exhibits 1 and 2**).

Forest Grove Housing Trends

Exhibit 1: Existing Housing Inventory, City of Forest Grove, 2017

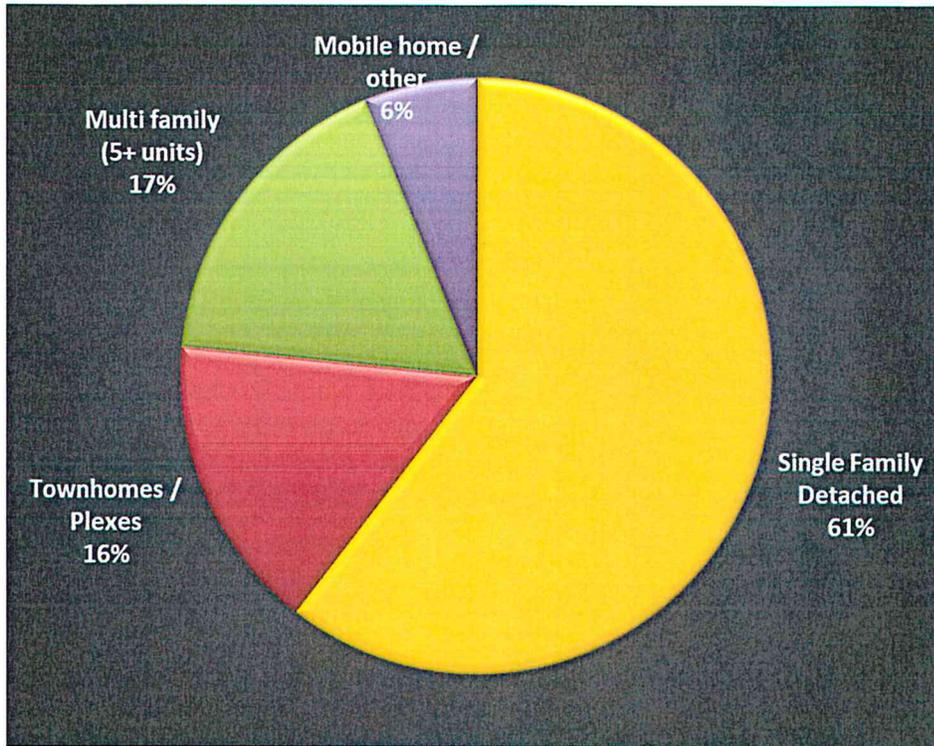


Exhibit 2: Housing Units By Structure Type, City of Forest Grove (2017 ACS)

Housing Type	Count of Units	Share
1-unit, detached	5,104	60%
1-unit, attached	333	4%
2 units	425	5%
3 or 4 units	599	7%
5 to 9 units	371	4%
10 to 19 units	203	2%
20 or more units	885	10%
Mobile home	520	6%
Boat, RV, van, etc.	0	0%
Total Units:	8,440	100%

Source: 2013-2017 American Community Survey (Table DP04)

According to the US Census Forest Grove’s occupied housing units were mostly built after 1960 with over 20% having been built since the turn of the century (**Exhibit 3**).

Forest Grove Housing Trends

Year Built	Housing Units	% Share
2014 or later	131	1.6%
2010 to 2013	348	4.4%
2000 to 2009	1,148	14.4%
1980 to 1999	2,420	30.4%
1960 to 1979	2,061	25.9%
1940 to 1959	1,068	13.4%
1939 or earlier	779	9.8%
Total	7,955	100.0%

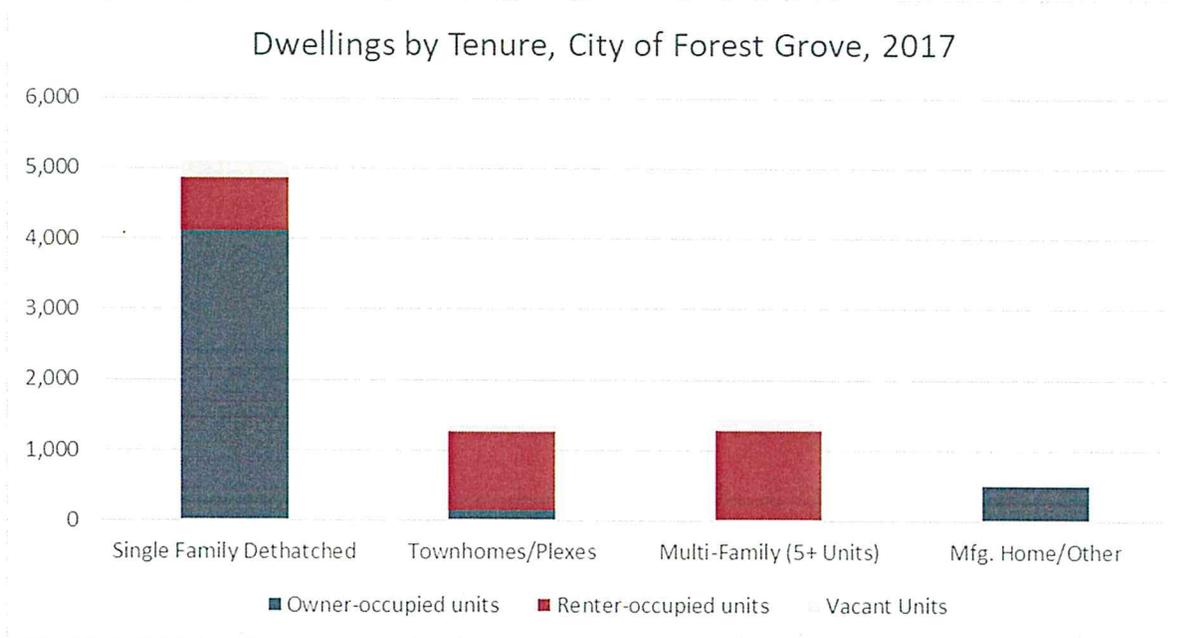
Source: 2013-2017 American Community Survey (Table S2504)

Note: Data reflects occupied housing units

TENURE CHARACTERISTICS

Tenure, or the split between owner-occupied and renter-occupied units, in Forest Grove suggests a preference among home owners towards single family detached and manufactured home stock. Meanwhile, renters in Forest Grove tend to prefer townhomes, plexes, and multi-family units (**Exhibits 4 & 5**). Vacant units are spread across single family detached, townhomes, plexes, and multifamily units.

Exhibit 4: Dwellings by Tenure, City of Forest Grove, 2017



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Exhibit 5: Dwellings by Tenure, City of Forest Grove, 2017

	Owner-occupied units	Renter-occupied units	Vacant Units
Single Family Detached	4,111	754	239
Townhomes/Plexes	149	1132	76
Multi-Family (5+ Units)	26	1263	170
Mfg. Home/Other	520	0	0
Total	4,806	3,149	485

Source: 2013-2017 American Community Survey (Table B25032)

FINANCIAL CHARACTERISTICS

The city of Forest Grove has undertaken this HNA in part to address the critical issue of housing affordability. State funding for this study was made available to Forest Grove in part due to the high concentration of rent burdened households (those paying more than 30% of income towards housing costs). Analysis of recent Census data highlights where some of these issues are most acute.

Cost of Housing

Median gross rental costs made available by the US Census show that rents in Forest Grove are lower than it's Washington County neighbors in Beaverton and Hillsboro but does show that rents have increased by an annual rate of 3.5% between 2012 and 2017 (**Exhibit 6**).

Exhibit 6: Median Gross Rent for Select Cities (2012-2017)

	2012	2013	2014	2015	2016	2017	AGR (2012 to 2017)
Forest Grove	\$756	\$770	\$792	\$799	\$842	\$900	3.5%
Beaverton	\$935	\$955	\$1,012	\$1,055	\$1,094	\$1,172	4.6%
Hillsboro	\$1,034	\$1,057	\$1,090	\$1,128	\$1,176	\$1,249	3.9%
Portland	\$885	\$915	\$945	\$971	\$1,025	\$1,109	4.6%

Source: US Census Bureau 2013 - 2017 ACS (Table B25064)

Likewise, year-over year median home sales value figures obtained on Zillow.com show housing stock in Forest Grove increasing more rapidly than its regional counterparts (**Exhibit 7**).

Exhibit 7: Median Home Sales Prices for Select Cities (2017-2018)

	Nov-17	Nov-18	Change %
Forest Grove	\$283,000	\$303,000	7.1%
Beaverton	\$364,000	\$380,000	4.4%
Hillsboro	\$342,000	\$364,000	6.4%
Portland	\$421,000	\$424,000	0.7%

Source: Zillow.com; analysis by FCS Group 11/22/18.

The above figures are further borne out further by Census data collected for housing units in Forest Grove. **Exhibits 8 and 9** show monthly gross rent for renter-occupied units and home values for owner-occupied units respectively.

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Exhibit 8: Monthly Gross Rent for Renter-Occupied Units in Forest Grove (2017)

Monthly Gross Rent	Count
Less than \$500	173
\$500 to \$999	1,870
\$1,000 to \$1,499	537
\$1,500 to \$1,999	307
\$2,000 to \$2,499	33
\$2,500 to \$2,999	42
\$3,000 or more	98
No Cash Rent	89
Total	3,149

Source: US Census Bureau 2013 - 2017 ACS (Table DP04)

Note: Measures renter occupied units

Exhibit 9: Home Value for Owner-Occupied Units in Forest Grove (2017)

Home Value	Count	Distribution
Less than \$50,000	379	8%
\$50,000 to \$99,999	235	5%
\$100,000 to \$149,999	157	3%
\$150,000 to \$199,999	495	10%
\$200,000 to \$299,999	1,924	40%
\$300,000 to \$499,999	1,312	27%
\$500,000 to \$999,999	282	6%
\$1,000,000 or more	22	0%
Total	4,806	100%

Source: US Census Bureau 2013 - 2017 ACS (Table DP04)

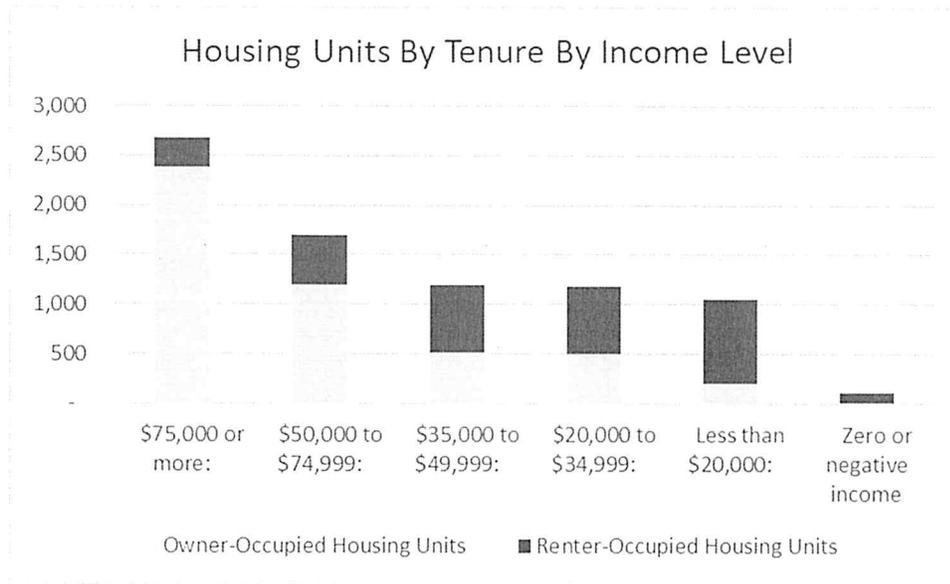
Housing by Income (Affordability) Level

While housing costs in Beaverton and Hillsboro are notably higher it is also the case that incomes are lower for residents of Forest Grove (median family income in Forest Grove is \$65,679 compared with \$80,663 in Beaverton and \$82,086 in Hillsboro as of 2017). This issue materially impacts the rent burden equation noted above.

Exhibit 10 shows the number of housing units in Forest Grove broken down by income levels as well as tenure (owner versus renter occupied). While the plurality of dwelling units are occupied by the highest earners (34%) at least 1,000 dwelling units fall into each of the remaining income categories. It is also worth noting that renter-occupied units constitute a substantial proportion of each income category below \$50,000 which likely contributes to the issue of rent burden in Forest Grove.

Forest Grove Housing Trends

Exhibit 10: Housing Units by Tenure by Income Level



Source: US Census 2013-2017 ACS Data

Regulated Affordable Housing

According to analysis performed by Oregon Housing and Community Services (OHCS), Forest Grove is home to 526 units of affordable rental housing with income or rent restrictions. These units include OHCS funded projects as well as those funded by local Housing Authorities, HUD, Rural Development and included in the Metro housing inventory.

Naturally Occurring Affordable Housing

Based on information detailed above FCS Group performed an analysis of housing available to various median household income ranges (**Exhibit 11**). Results suggest that there are significant gaps on the low end of the income range (700 total units for those income levels below \$20,000) and a gap among upper-middle earners (making \$50,000-\$74,999).

Exhibit 11: Distribution of Rental Units based on Income and Affordability

Income Range	Renter-Occupied Housing Units	Affordable Monthly Rent Costs *	Estimated Available Rental Units	Gap or Surplus
\$75,000 or more:	293	\$1,875	404	111
\$50,000 to \$74,999:	509	\$1,250-\$1,875	233	(276)
\$35,000 to \$49,999:	691	\$875-\$1,250	1,037	346
\$20,000 to \$34,999:	684	\$500-\$875	1,213	529
Less than \$20,000:	861	Less than \$500	173	(688)
Zero or negative income	111	Require Subsidy	89	(22)
Total	3,149		3,149	-

Source: Previous Tables

* Calculated as 30% of income range based on HUD guidelines

Forest Grove Housing Trends

- Using Washington County's median household income thresholds as a guide, the upper-end of the attainable monthly rents for family households in the 80% of median income level is approximately \$1,481. Since there were about 2,600 renter-occupied dwelling units in Forest Grove with rents at or below this price point, of which 526 units were public subsidized units (based on OHCS data), it is estimated that 2,076 units are considered to be within the naturally occurring attainable rental housing inventory.

Next Steps

These findings will be refined based on city staff and TAC input and utilized along with current housing permit data to determine the most up to date housing inventory.