

Section 2: HOUSING MARKET ANALYSIS

OVERVIEW

The buoyant economy has increased the income and the expectations of many residents of the Portland region,¹ and drawn new people to our communities. This has pushed housing prices out of the reach of many would-be homebuyers, and elevated rents beyond what many households can afford to pay. Programs offering housing subsidies, rent assistance, housing rehabilitation services and emergency shelter have helped to offset the impact of market changes on lower-income people. But these programs cannot reverse the inequities in the rising housing market.

HIGHLIGHTS OF THE REGIONAL ECONOMY

A regional perspective on local economics is explored in a special appendix to this Section. We highlight selected facts here to place the economics of Multnomah County and the cities of Portland and Gresham in context.

- Over the last five years the regional economy has added 180,000 new jobs. During the 1990s, the Oregon economy has shifted from a resource-based economy (with exports dominated by lumber, agricultural products and other natural resources) to an export economy based on manufacturing products, particularly high technology goods.
- Economic trends continue to widen the gap between the metropolitan economies of the Willamette Valley and the rest of the State. The share of jobs outside the nine most populated Willamette Valley counties has declined to 24.7 percent from a previous share of 26 percent.
- Through most of the decade, the Portland metropolitan unemployment rate has remained below 5 percent while that rate in the rest of the State has been typically higher and more variable.
- The real per capita income of Portland metropolitan workers has been increasing relative to the national income. At present it is approximately 7 percent above the national per capita income.

¹ Please note that data availability varies by geographic area. Some of the information reflects trends within the City of Portland, City of Gresham, Multnomah County or the metropolitan area (also called the “region”). Data citing Multnomah County includes the entire county area unless specifically noted otherwise. References to “the metropolitan area” are to the Primary Metropolitan Statistical Area (PMSA), including Multnomah, Clackamas, Washington, Yamhill, and Columbia Counties in Oregon and Clark County, Washington. Other data include only the three most populous counties in Oregon: Multnomah, Clackamas, and Washington. We have done our best in this market analysis to note which geographic area is being described. *The scope of the final Plan principles, priorities, and policy recommendations is limited to the jurisdictions within Multnomah County.*

- Unlike many metropolitan centers, the rate of job production and housing construction within the city of Portland has remained competitive with comparable rates of growth in the suburban sectors of the metropolitan area.
- During the last few years of the 1990s, increased economic expansion in California and the disruption of many Asian economies has slowed the economic growth in Oregon. There are, however, indicators that this slowdown is reversing so that economists are predicted steady but slower growth in the next few years.

WORKFORCE CHARACTERISTICS

One of the region's largest economic assets is the educated workforce. In 1996, more than one third of adults had a four-year college degree, up from only 26 percent in 1990. This rate of increase is roughly triple the national rate of improved educational attainment—making the Portland area among the top five of the nation's fifty largest metro areas for educational attainment.²

INDUSTRY CLUSTERS

During the mid-1990s, the Portland area economy was growing faster than the nation as a whole. This growth was primarily being driven by electronics, air transportation, construction, transportation equipment, agricultural services, and business services. Segments that lagged behind national growth patterns include utilities, government, and health care. The Institute of Portland Metropolitan Studies conducted an economic cluster analysis to determine clusters of economic activity.³ Nine main clusters were identified:

- 1) Electronics and high technology, directly employing close to 60,000 people;
- 2) Metals, Machinery and Transportation Equipment, employing nearly 41,000;
- 3) Lumber and Wood Products, employing nearly 23,000;
- 4) Nursery Products, the fastest growing component of the state's agricultural sector, employing 8,600 in nursery and related industries;
- 5) Specialty Food/Craft Beverages, employing nearly 3,500;
- 6) Creative and Professional Services, employing more than 40,000 regional residents in legal, engineering, accounting, management and creative services;
- 7) Transportation and Distribution, employing nearly 100,000 of the region's workers in travel, freight movement, and wholesaling activities;
- 8) Temporary Employment, employing nearly 24,000; and
- 9) Tourism, employing close to 10,000 people in the region's hotels and motels.

² 1999 *Benchmark Performance Report*, Oregon Progress Board, March 1999

³ *Metropolitan Briefing Book, 1999*, The Institute of Portland Metropolitan Studies, College of Urban and Public Affairs, Portland State University

SUBURBAN AND CITY JOB GROWTH

Unlike other central cities within the country, Portland's rate of job growth has been relatively vigorous despite an expanding suburban population. As the table below shows, although the number of jobs within the suburbs exceeds those within the city, the growth rate in jobs in Portland has been higher from 1991 to 1996 than in the suburban communities.

TABLE 2-1. JOB GROWTH IN PORTLAND AND SURROUNDING SUBURBS, 1991-1996

Year	Portland		Suburban	
	Jobs	% Change	Jobs	% Change
1991	276,076	-	368,628	-
1993	294,748	6.8%	374,384	1.6%
1996	341,428	15.8%	439,458	17.4%
1991-96		23.7%		19.2%

Source: The State of the Cities, 1999, US Dept of Housing and Urban Development, HUD User, June 14, 1999.

HOUSING PRODUCTION

As with the regional economy, the Portland area housing market has experienced an expansion during the greater part of this decade. Building permit activity shows the rapid pace of development that has not been seen since the late 1970s. The following tables show building permit issuance activity for the two largest cities in the County.

TABLE 2-2. RESIDENTIAL NEW CONSTRUCTION PERMIT ACTIVITY, PORTLAND 1990-98

Year	Single Family	Multi-Family	Total
1990	729	594	1,323
1991	673	299	972
1992	820	333	1,153
1993	829	355	1,184
1994	979	219	1,198
1995*	1,242	894	2,136
1996*	1,206	1,601	2,807
1997*	1,238	2,035	3,273
1998*	1,258	2,522	3,780
Total	8,974 (50%)	8,852 (50%)	17,826

Sources: Real Estate Report for Metropolitan Portland, Oregon

*From Portland Bureau of Buildings

TABLE 2-3. RESIDENTIAL NEW CONSTRUCTION PERMIT* ACTIVITY, GRESHAM 1990-99

Type	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999**	Total	%
Single Family												
Single Family Detached	245	300	272	263	257	236	266	226	232	166	2463	38%
Single Family Attached	--	--	--	--	--	--	--	--	49	46	95	1%
Sub Total	245	300	272	263	257	236	266	226	281	212	2558	39%
Multi-Family												
Duplex	--	10	--	40	40	6	12	4	22	26	160	2%
Manufactured Homes	--	--	--	43	68	72	41	15	9	2	250	4%
Apartments	525	--	276	327	441	426	81	263	995***	232	3566	54%
Condominium	--	--	--	--	--	--	--	--	12	70	82	1%
Sub Total	525	10	276	410	549	504	134	282	1038	330	4058	61%
Total	770	310	548	673	806	740	400	508	1319	542	6616	100%

Sources: adapted from Metro Data Resource Center, Regional Land Information System (RLIS), 1999 and City of Gresham, Land Use Information System (LUIS), 1999.

*Note that the building permits issued do not reflect when residential units are actually constructed. For example, some large apartment projects can take years to completely build out. Permits were issued for 995 apartment units in 1998; many of these are still being constructed.

**Permits issued prior to June 30, 1999.

***Value includes 3 apartment units in a mixed-use project.

HOUSING STOCK

HOUSING AVAILABILITY

It is important to determine whether overall housing production is keeping pace with demand. One way to do this is to estimate whether or not the rate of change of households is comparable to the rate of change of the number of units. If the ratio of housing unit change to household change is less than 1.0, stock growth has not kept pace with household growth.⁴ This is of particular concern in the Portland metro region given the high population growth. Based on the household and unit growth between 1990 and 1998, Portland's housing production has fallen somewhat short in relation to population growth. High rental and owner housing costs reflect the growing demand. Population growth began to slacken after 1993 and demographers project that over the next ten years, population will increase only moderately every year.

The following table summarizes the relative rates of population growth and housing unit production. Portland housing production has not kept pace with population growth. Gresham is doing somewhat better in maintaining a balance between population growth and production.

TABLE 2-4. ADEQUACY OF HOUSING SUPPLY: CHANGE IN NUMBER OF HOUSEHOLDS AND NUMBER OF UNITS, MULTNOMAH COUNTY AND LARGEST CITIES, 1990-1998

Area	1998		1990		Change		Units as a % of Households
	Households	Units	Households	Units	Households	Units	
Multnomah County	268,799	279,232	242,320	255,751	26,479	23,481	89%
Portland	221,611	230,716	187,262	198,319	34,349	32,397	94%
Gresham	32,285	33,168	25,870	26,978	6,415	6,190	96%

Source: 1998 American Community Survey and 1990 Census data.

Another measure of housing supply is vacancy rates. During the third quarter of 1998, the overall vacancy rate for rental units in Portland and surrounding areas was 5.13 percent. The Gresham/Troutdale area had the lowest vacancy rate of 2.95 percent.⁵ This supports the finding that the housing supply is not keeping pace with growth. Experts believe that a vacancy rate lower than 5 percent is a tight market. At the end of the second quarter of 1999, the vacancy rate for the Portland metropolitan area was estimated at 4.76 percent.

It is important to note that average vacancy rates for apartments can change dramatically in a short period of time.

⁴ This model is based on Bogdon, Amy, Joshua Silver and Margery Austin Turner, 1993, *National analysis of housing affordability, adequacy, and availability: a framework for local strategies*.

⁵ *Multifamily Market Report*, 1st Quarter 1999, Norris Beggs & Simpson.

Although there is evidence of overbuilding new multiple unit projects, especially in the western suburbs of the Portland area, vacancy rates remain under seven percent in all submarket areas as shown on the following table, which tracks large complexes containing over 100 units. It is likely that smaller projects, especially those in good condition and/or in desirable neighborhoods, show much lower vacancy rates.

TABLE 2-5. RENTAL VACANCIES BY AREA--TOTAL MARKET (LARGE PROJECTS)

Market Area	2nd Quarter 1999 Percentage of Vacant Units
North	4.60
Close In East Side	5.40
Outer East Side	3.21
Southeast	6.73
Lake Oswego/Wilsonville	6.36
Tigard/Tualatin	5.50
Outer West Side	4.44
Close-In West Side	0.25
Downtown	4.57
Vancouver, WA	6.50
Overall Vacancy	4.76

Source: Multifamily Market Report, Second Quarter, June 30, 1999, Norris Beggs & Simpson.

For newer large apartment projects, included in the table above, the vacancy rates average somewhat higher at 5.20 percent. The Lake Oswego/Wilsonville and Vancouver areas show the highest vacancy rates. Downtown Portland’s relatively high vacancy rate of 6 percent indicates that a large number of new units were added to the market. These new units are expected to be quickly absorbed.

The following table lists vacancy rates for all sizes of rental apartments by specific neighborhoods in Portland and East County for fall, 1999.

**TABLE 2-6. AVERAGE APARTMENT VACANCY RATES BY COUNTY SUBDISTRICT
NOVEMBER 1, 1999**

Area	New Construction (Built 1991 or Later)	Building Constructed Between 1980-1990	Buildings Constructed 1979 and Earlier
Downtown/NW			
Portland	7.40%	2.40%	4.20%
Southwest Portland	6.10%	4.30%	5.40%
North Portland	Not Available	4.20%	5.10%
Northeast Portland	7.70%	4.00%	5.10%
Southeast Portland	7.80%	3.70%	5.20%
Gresham/Troutdale	6.00%	5.00%	3.40%

Source: McGregor, Millette & Associates, Fall/Winter 1999

AVERAGE SUBMARKET RENTAL RATES/ISSUES

For larger apartment projects within the region, rents have been softening due to the number of new projects on the market. An increase in rents within the next year or two depends largely on the rate of in-migration to the Portland area.

A final measure of housing availability is the rate of overcrowding in existing housing units. "Overcrowding" is defined by the US Census Bureau as "a situation in which a housing unit is occupied by more than one person per room." According to the 1998 American Community Survey, there are over 9,000 housing units in Multnomah County meeting this definition.

HOUSING CONDITION

Housing problems may also be measured by a mix of *physical stock* characteristics and *fitness* characteristics. Evidence of physical stock characteristics may be found in tax appraisal assessments of houses, demand for services to clean up derelict buildings, peoples' perceptions of the condition of housing in their neighborhood, and the age of the housing stock. Fitness of the housing stock is typically assessed by measuring overcrowding, affordability, and lack of complete plumbing facilities (although this criterion is rarely an issue in most cities today).

Although there is an older housing stock in Portland and Multnomah County, the overall quality tends to be adequate or better. On average, about 65 percent of Portland residents and 75 percent of Gresham residents said that they thought the quality of housing in their neighborhood was good or very good.⁶

The State of Oregon requires county tax assessors to rank the physical condition of single family houses. These classifications, ranging from 1-8, are meant to give an indication of the quality of the construction of the house. Of the housing stock rated, most houses rank as a class 3 or better; that is, they meet the minimum code standards. Data were available on about 60 percent of the single-family houses in Multnomah County. Out of that 60 percent, close to one fifth of the single family housing stock was not at acceptable building standards; about 70 percent of all units rated were "Fair," "Average" or "Good;" and about 3 percent were classified as "Better" or "Best." These findings are within an acceptable level, given the age of the inner city housing stock. Older homes generally do not meet all of the standards of current building and housing codes.

TABLE 2-7. TOTAL SINGLE-FAMILY UNITS, MULTNOMAH COUNTY, MARCH 1999

Condition	Percent of Total
Classes 1 and 2-Does not meet building codes	12.02%
Class 3-Meets standard building codes-"Minimum"	19.18%
Class 4-Meets standard building codes-"Fair"	14.58%
Class 5-Meets standard building codes-"Average"	8.70%
Class 6-Meets standard building codes-"Good"	4.60%
Class 7- Meets standard building codes-"Better"	1.15%
Class 8-Meets standard building codes-"Best"	0.90%
Not Rated	38.87%
Grand Total	100.00%

Source: Multnomah County Tax Assessor Records, MapWorks CD.Oregon State Department of Revenue Cost Factor Book.

⁶ City of Portland, Service Efforts and Accomplishments 1997-98.

The age of the housing stock is often used to gauge its physical condition. The number of housing units built before 1940 is used in some federal programs as an indicator of poorer quality housing, but this rule of thumb is not applicable in all locations. In Portland, many older houses are of even better quality than some newer ones. The numbers below, tracking the age of the housing stock, clearly reflect Gresham's recent rapid growth.

TABLE 2-8. AGE OF HOUSING STOCK, MULTNOMAH COUNTY AND LARGEST CITIES, 1998

Years	% of All Units		
	Multnomah County	Portland	Gresham
1990 or later	9.3%	6.3%	21.2%
1980 to 1989	7.8%	5.7%	18.4%
1970 to 1979	14.9%	11.7%	31.8%
1960 to 1969	12.0%	11.9%	15.1%
1950 to 1959	14.9%	16.3%	8.9%
1940 to 1949	11.1%	12.9%	0.9%
1939 or earlier	29.8%	34.8%	3.5%

Source: American Communities Survey, 1998.

Within Portland, the physical condition of housing varies by neighborhood. In 1998, residents were asked to rate the physical condition of neighborhood housing.

TABLE 2-9. PERCEPTION OF HOUSING QUALITY, PORTLAND 1997-98

Neighborhood	Percent Of Residents Rating Physical Condition Of Neighborhood Housing Good Or Very Good
Outer Southeast	49%
North	53%
Inner Northeast	65%
East	65%
Inner Southeast	66%
Outer Northeast	73%
Northwest	75%
Southwest	77%

Source: 1997-98 City of Portland, Service Efforts & Accomplishments: 1997-98.

Within Gresham, comparable findings are shown in the following table:

TABLE 2-10. PERCEPTION OF HOUSING QUALITY, GRESHAM, SEPTEMBER 1998

Neighborhood	Percent of Residents Rating Physical Conditions of Neighborhood Housing as Good or Very Good
Gresham West	70%
Gresham Central	80%
Gresham East	75%
All City of Gresham	75%

Source: 1998 City of Gresham Citizen Survey, March 1999

LEAD-BASED PAINT

According to the American Community Survey, the 1998 population of Multnomah County Oregon is 617,207. The City of Portland lies primarily within the boundaries of Multnomah County and has a 1998 population of 493,834. The majority of residents of Multnomah County live within the City of Portland and the majority of the City’s boundaries are located within Multnomah County. Because the Portland Lead Hazard Control Program partners with the Multnomah County Health Department, statistics are provided for both the City and the County.

In 1998, Multnomah County had a total of 279,232 housing units, 40% of which were built before 1950. In the City of Portland, 47% of its 230,000 housing units were built before 1950. According to 1990 census data, approximately 60% of the housing stock built before 1950 is owner occupied and 40 of the pre-1950 housing is renter occupied. For Portland, the figures are similar, with 59% and 41% respectively. The percentage of older rental housing is considered a significant risk factor for exposure to lead in Oregon.

TABLE 2-11. LEAD INFORMATION, MULTNOMAH COUNTY 1998

Location	Total Pop.	Pop< age 4	%<5 in poverty	Total Housing Pre-1950	Total Housing Pre-1940
Multnomah County	617,207	42,420	8,335	114,269	83,308
Portland	493,834	32,149	6,045	110,338	80,514

*Sources: Oregon Health Division
1998 American Community Survey.*

ELEVATED BLOOD LEVELS

The Oregon Health Division requires the reporting of all children under the ages of 18 years of age with elevated blood lead levels over 10 g/dl. Childhood lead screening has been conducted in Oregon on a regular basis since 1992. Multnomah County reports an average of 120 identified elevated blood lead cases per year. Data from the National Health and Nutrition Examination Survey indicates an estimated 1,800 children with elevate blood lead levels living in pre-1950 housing and 1,300 children living in pre-1940 housing in Multnomah County.

MULTNOMAH HEALTH DEPARTMENT PREVALENCE STUDY

In 1998 the Multnomah County Health Department was funded to measure the prevalence of lead dust levels in older homes within the city of Portland. Homes selected for the study were built before 1930 and were chosen in 11 targeted Zip Codes within North, Northeast, and Southeast Portland. Of the 125 homes in the study, 71% were found to contain potentially hazardous lead levels that were above the acceptable screening limits published by HUD. In the 11 zip codes included in the study, there are over 40,000 houses built before 1930. Based on 1990 Census Data, there are about 23,066 children between 2 and six years of age living in those 11 zip codes and about 8,200 children living in homes built before 1930. Based on the Multnomah County Health Department study findings, there are an estimated 28,000 homes and over 5,800 children potentially exposed to hazardous levels of lead dust in the 11 zip targeted area. These children are at risk for elevated blood lead levels and adverse effects on health and behavior.

HOUSING AFFORDABILITY FOR RENTERS

HOUSING AFFORDABILITY

As noted in public testimony, housing affordability is a major issue in the Portland metro area. Below is a table that sets out 30 percent, 50 percent and 80 percent of the respective jurisdictions' median incomes for all households. Also shown are rents that would be affordable to people within those income ranges, assuming they paid no more than 30 percent of their income toward their housing costs. The methodology by which the following tables were created is included in the Technical Addendum at the end of this document.

TABLE 2-12. INCOME AND AFFORDABLE RENT LIMITS MULTNOMAH COUNTY AND LARGEST CITIES, 1998.

Area	Median Income Limits			
		30%	50%	80%
Mult. County	Income Limit	\$10,869	\$18,115	\$28,984
	Affordable Monthly Rent	\$272	\$453	\$725
Gresham	Income Limit	\$12,094	\$20,157	\$32,251
	Affordable Monthly Rent	\$302	\$504	\$806
Portland	Income Limit	\$10,553	\$17,589	\$28,142
	Affordable Monthly Rent	\$263	\$439	\$703

Source: 1998 American Community Survey.

In order to place this in a policy context, it is important to understand the size of the populations served by federally-funded housing programs. The table below gives the percentages of renters and homeowners within identified income ranges, by jurisdiction. The City of Gresham has the highest percentage of renters living at, or below, 30 percent of their median income. The City of Portland has the lowest percentage of homeowners in the 50-80 percent of median income range.

TABLE 2-13. TENURE BY INCOME GROUP, MULTNOMAH COUNTY AND LARGEST CITIES, 1997

Income Range	Multnomah County		Portland		Gresham	
	% Owners	% Renters	% Owners	% Renters	% Owners	% Renters
<=30% of Median	5.84	19.79	6.08	18.73	4.78	24.03
30-50% of Median	7.09	16.84	7.01	17.45	10.77	14.10
50-80% of Median	12.01	21.31	11.92	21.10	12.48	22.29

Source: 1997 American Community Survey

One way to measure the proportion of housing needs that are being met is to compare the number of households that fall in a given income range, with the number of rental units affordable to households within that income range. Derive a simple ratio (units/households).⁷ The table below was derived using 1997 American Community Survey data.

TABLE 2-14. AVAILABILITY OF UNITS FOR LOW-INCOME RENTER HOUSEHOLDS, MULTNOMAH COUNTY AND LARGEST CITIES, 1997

Income Range and Place	Using County 1997 ACS Median Household Income (\$34,559)			
	Renter Households	Rental Units	Need Met (Units/HH)	Difference (Units – HH)
0-30% of Median				
Multnomah County	22,667	10,411	45.93%	-20,953
Portland	18,998	9,427	49.62%	-9,571
Gresham	2,963	742	25.04%	-2,221
30-50% of Median				
Multnomah County	19,281	19,300	100.10%	19
Portland	17,195	17,735	103.14%	540
Gresham	1,733	1,307	75.42%	-426
50-80% of Median				
Multnomah County	24,400	48,796	199.98%	24,396
Portland	20,695	16,574	80.09%	-4,121
Gresham	2,472	8,658	350.24%	6,186

Source: 1997 American Community Survey.

Using the 1997 American Community Survey data, the above table provides a rough calculation of the affordability gap for renter households with incomes ranging from 0 to 80 percent of median income, by jurisdiction. Confirming earlier analyses, the affordability gap (expressed as the relation between the numbers of households within a defined income group and the number of housing units that would be, in theory, affordable to those incomes) increases as income decreases. The greatest gap is for households in the lowest income category (0-30 percent of median).

Written testimony offered by the Portland Area HUD Office suggests that the affordability gap in the above table overestimates met need because many households who could in theory afford higher rents are actually occupying units at lower rent levels. Units that would be affordable by those with lower incomes are not available to them. HUD's calculation would increase the renter affordability gap by 8,697 units so that the unmet need for rental units affordable to households earning 0-30 percent of median income in Multnomah County would amount to more than 20,000 units.

⁷ Bogdon, Amy, Joshua Silver and Margery Austin Turner, 1993, *National analysis of housing affordability, adequacy, and availability: a framework for local strategies*.

Another technicality that affects the calculation of the affordability gap is the selection of the median income. In the 1990 CHAS, the affordability gap was calculated using the *HUD Area Median Family Income (HAMFI)*. This time, the calculation uses the *Multnomah County Area Household Median Income*. The rationale behind this change is that *household* income is a more inclusive measurement of income than *family* income. A "family" is a subset of households that is limited to persons living together who are related by blood, marriage or adoption. A *household* includes all types of living situations, regardless of relationship. For comparison purposes, the following table replicates the 1990 CHAS methodology, using the 1997 HAMFI.

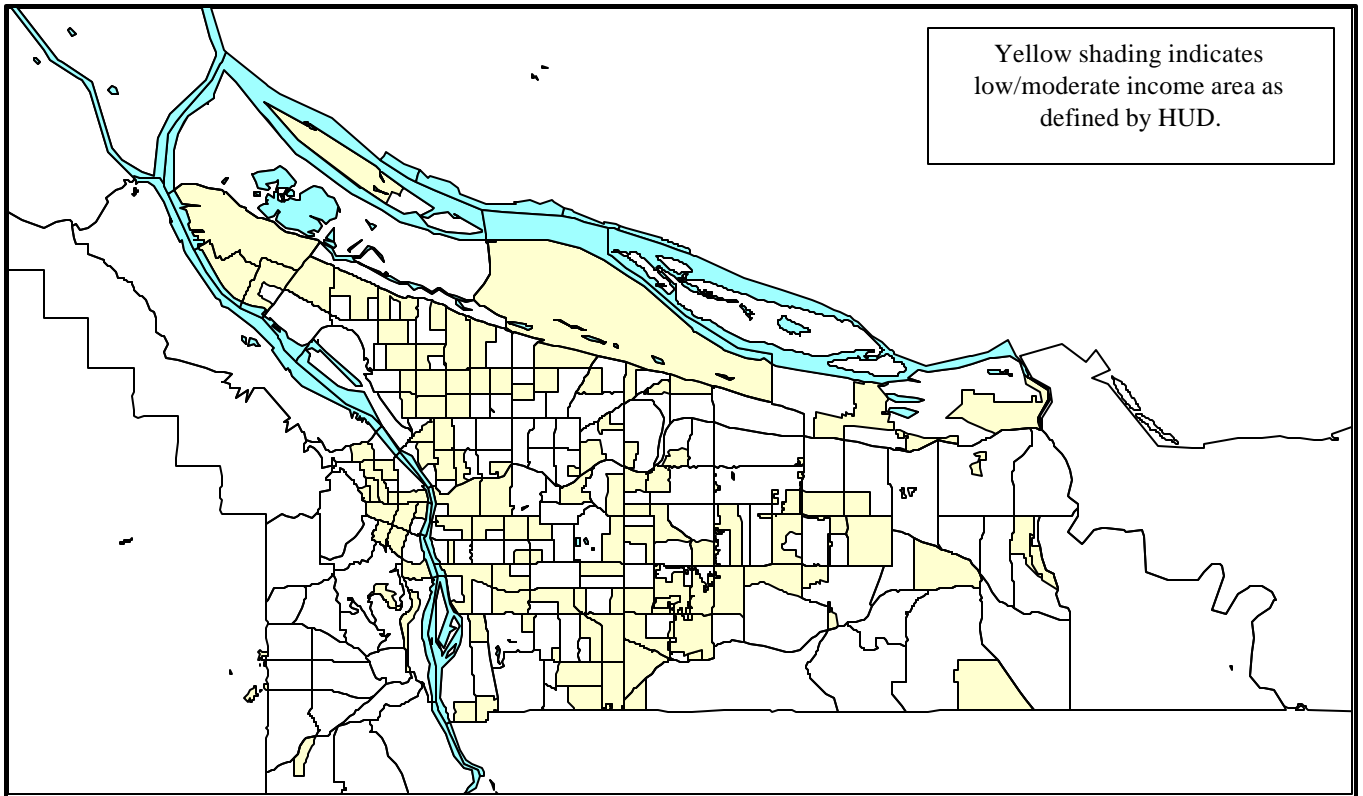
TABLE 2-15. COMPARISON TO 1990 CHAS ALTERNATIVE METHOD OF CALCULATING AVAILABILITY OF UNITS FOR LOW-INCOME RENTER HOUSEHOLDS, MULTNOMAH COUNTY AND LARGEST CITIES, 1997

Income Range and Place	USING 1997 HUD AREA MEDIAN FAMILY INCOME FOR A FAMILY OF FOUR (\$46,300)			
	Renter Households	Rental Units	Need Met (Units/HH)	Difference (Units – HH)
0-30% of Median				
Multnomah County	32,985	18,213	55.22%	-14,772
Portland	28,383	16,606	58.51%	-11,777
Gresham	3,851	1,273	33.06%	-2,578
30-50% of Median				
Multnomah County	23,676	36,932	155.99%	13,256
Portland	20,310	31,986	157.49%	11,676
Gresham	2,297	3,921	170.70%	1,624
50-80% of Median				
Multnomah County	26,196	47,715	182.15%	21,519
Portland	35,151	38,582	109.76%	3,431
Gresham	2,881	6,640	230.48%	3,759

Source: 1997 HUD Area Median Family Income and the 1997 American Community Survey.

HUD has defined certain tracts as having greater than 51% of the households as low or moderate income. This designation is based on the 1990 Census information. Local jurisdictions are required to adhere to the official HUD sanctioned low and moderate income census tracts, even though more current information is available for Multnomah County.

FIGURE 2-1. HUD DEFINED LOW AND MODERATE INCOME CENSUS TRACTS, MULTNOMAH COUNTY, 2000 (USING 1990 CENSUS DATA)



Source: HUD2020 Software. Low/Moderate Income Areas are based on 1990 Census data. Although ACS data is available, HUD regulations require use of the 1990 Census data. Therefore, this information is provided here.

OTHER ASPECTS OF RENTAL NEEDS

TABLE 2-16. AVERAGE RENTS FOR THE PORTLAND/VANCOUVER METROPOLITAN AREA, 1999

Market Area	Overall Average for Large Projects All Unit Sizes
North	\$631/Month
Close In East Side	\$643
Outer East Side	\$634
Southeast	\$653
Lake Oswego/Wilsonville	\$776
Tigard/Tualatin	\$672
Outer West Side	\$713
Close-In West Side	\$1,054
Downtown	\$915
Vancouver, WA	\$669
Overall Rents	\$736

Source: Multifamily Market Report, Second Quarter, June 30, 1999, Norris Beggs & Simpson

The inventory of rental housing affordable to very low-income residents in Downtown Portland continues to decline. As noted in the *1999 Downtown Portland Affordable Housing Inventory* published by Northwest Pilot Project, the city continues to fall short of its goal to re-establish the 5,183 low-income housing units that existed in Downtown in 1978. The report counted 3,691 units in 50 buildings that rent for \$425 or less per month. Units have been lost through demolition, expiration of federal assistance contract, conversion to higher cost housing or other uses, or simple rent increases.

Testimony from the Community Energy Project notes that fuel oil prices are expected to increase by 30 percent this winter. Major providers of electrical and natural gas services have requested rate increases. If allowed, these will have a significant impact on the housing expenses of all citizens but will affect low-income renters most severely.

HOUSING AFFORDABILITY FOR HOMEOWNERS

OWNERSHIP PATTERNS

Oregon's homeownership rates have been declining relative to the rest of the country. In Portland, homeownership rates have edged upwards in the last few years, reversing a long-standing trend of decline. Gresham experienced a decline in homeownership rates since 1980, with the exception of a slight increase in 1998.

TABLE 2-17. OWNER AND RENTER OCCUPANCY IN PORTLAND 1970-96

Tenure Status	1970		1980		1990		1996*		1998*	
	Number	%	Number	%	Number	%	Number	%	Number	%
Owners	81,781	56	84,358	53	106,190	53	107,584	55	123,727	56
Renters	63,130	44	73,873	47	93,014	47	89,503	45	97,884	44
Occupied Units	144,911		158,231		199,204		197,097		221,611	
Vacant Units (Available and Unavailable)	6,948		8,949		11,616		8,998		9,105	
Total Units	151,869		167,180		210,820		206,095		230,716	

Sources: 1. US Bureau of the Census. 2. 1990 Census Data Information obtained from the January 1993 Office of Neighborhood Associations (City of Portland) & Center for Urban Studies (Portland State University) publication entitled *Portland Neighborhood Information Profiles*.

*Except as noted, the 1996 and 1998 data are from the American Community Survey.

TABLE 2-18. OWNER AND RENTER OCCUPANCY IN GRESHAM, 1980-98

Tenure Status	1980*	1990*	1996	1998
Renter Occupied	4,129	10,705	13,548	14,035
Owner Occupied	7,536	15,000	17,042	18,250
Total Occupied Units	11,665	25,705	30,590	32,285
Percent Renter Occupied	35.4 %	41.6 %	44.3 %	43.5 %

Source: US Census Bureau, 1980 and 1990 Census of Population and the 1996 and 1998 ACS.

*Annexation of Rockwood area took place between 1980 and 1990.

Portland’s homeownership rates should be compared with other cities’, rather than the national rate. The table below shows how Portland compares in homeownership rates, including those of lower-income and minority households.

TABLE 2-19. HOMEOWNERSHIP RATE PORTLAND AND SELECTED CITIES, 1990

City	% Homeowners	Rank	% Homeowners In the 50-95% Median Family Income Range	Rank	% Homeowners among Minority Households	Rank
Phoenix	60.8	1	52.1	2	46.2	2
Minneapolis-St. Paul	54.8	2	64.5	1	28.6	9
Portland	53.7	3	50.5	3	39.5	4
Sacramento	53.3	4	44.6	6	46.4	1
Salt Lake City	53.2	5	48.6	4	35.9	8
Las Vegas	52.3	6	42.6	7	37.0	6
San Diego	49.4	7	35.7	8	38.5	5
Seattle	49.2	8	46.7	5	39.8	3
San Francisco	35.6	9	34.2	9	36.8	7

Source: 1990 Census, from *Prototype Analysis of Housing Availability, Affordability, Adequacy, and Accessibility*, Urban Land Institute, July 1994

A Study commissioned by several private and governmental agencies titled the *Oregon Housing Cost Study*, released December 1998, attempts to trace the reasons for the declining affordability of single family homes in the urban areas of the state. Among several findings, the report notes that

Oregon is producing proportionately fewer single-family homes than the US. From 1980 through 1985, 69 percent of the housing units produced in Oregon were single family home, compared to 57 percent of the units produced in the US. This relationship has shifted in the past decade. Between 1992 and 1997, the proportion of single family units to total units produced in Oregon declined to 65 percent, while in the US, the proportion increased to almost 78 percent of total units.⁸

The higher proportion of multi-dwelling unit production in the Portland area may result from growth management policy to promote higher-density development opportunities. The relative decline in the percentage of single-family housing construction may be a market response to that policy.

⁸ *Oregon Housing Cost Study*, December 1999.

ACCESSIBILITY TO HOME LOANS BY INCOME AND ETHNICITY

One measure of access to housing is found in the local compliance reporting for the Home Mortgage Disclosure Act (HMDA) of 1998. The tables below show the general patterns of loan application by race and income level and the corresponding response by lending institutions as indicated by approved loans. Setting aside households for whom race was not reported and Other Race, generally we find that among the lower income categories, White and Asian/Pacific Islander have a relatively higher ratio of loan approval rate than Black or Hispanic households. This pattern also continues to hold for households among the higher income categories (those with income higher than 100 percent of median income). The only exception is among higher income Asian households that show a slightly lower loan approval rate among applicants.

**TABLE 2-20. CHARACTERISTICS OF APPLICANTS FOR CONVENTIONAL HOME PURCHASES,
PORTLAND-VA MSA, 1998**

Applicant Characteristics	Applications Received		Loans Made	
	Number	% of Total	Number	% of Total
Income <50% of Median				
American Indian	25	0.8	5	0.4
Asian/Pacific Island	94	3.2	51	4.1
Black	34	1.1	8	0.6
Hispanic	127	4.3	50	4.0
White	2195	74.2	1013	81.9
Other	27	0.9	4	0.3
Joint	28	0.9	10	0.8
Race unavailable	428	14.5	96	7.8
Income Between 50-79% of Median				
American Indian	81	0.7	34	0.5
Asian/Pacific Island	407	3.6	294	4.6
Black	174	1.6	77	1.2
Hispanic	361	3.2	166	2.6
White	8604	77.1	5210	82.1
Other	110	1.0	51	0.8
Joint	222	2.0	122	1.9
Race unavailable	1203	10.8	392	6.2
Income Between 80-99% of Median				
American Indian	36	0.4	16	0.3
Asian/Pacific Island	361	4.2	273	5.1
Black	126	1.4	62	1.2
Hispanic	189	2.2	109	2.0
White	6752	77.7	4399	81.7
Other	98	1.1	39	0.7
Joint	238	2.7	160	3.0
Race unavailable	893	10.3	327	6.1

TABLE 2-19. CHARACTERISTICS OF APPLICANTS FOR CONVENTIONAL HOME PURCHASES, 1998 PORTLAND-VA MSA (CONTINUED)

Applicant Characteristics	Applications Received		Loans Made	
	Number	% of Total	Number	% of Total
Income Between 100-119% of Median				
American Indian	10	0.1	3	0.1
Asian/Pacific Island	299	4.1	215	4.4
Black	79	1.1	46	0.9
Hispanic	132	1.8	77	1.6
White	5849	79.4	4024	82.8
Other	61	0.8	32	0.7
Joint	265	3.6	175	3.6
Race unavailable	671	9.1	285	5.9
Income >120% of Median				
American Indian	55	0.2	31	0.2
Asian/Pacific Island	914	4.0	675	3.9
Black	217	0.9	123	0.7
Hispanic	197	0.9	122	0.7
White	18740	81.2	14354	83.5
Other	182	0.8	118	0.7
Joint	767	3.3	583	3.4
Race unavailable	2004	8.7	1176	6.8

Source: Federal Reserve Board. Home Mortgage Disclosure Act Data, 1998.

www.ffiec.gov/hmda_rpt/agg_1998.htm

The following table provides a list of reasons for loan denial categorized by race of household. The two major reasons for denial are insufficient loan-to-income ratio and poor credit history. Among the records shown, Black households show rather higher debt-to-income barriers, while Asian households are less highly represented among those denied for reasons of poor credit history. Among the less frequently recorded reasons for denial, Native American and Asian households are more likely to be denied for insufficient employment history and Native American and Hispanic households are denied more often for insufficient cash.

TABLE 2-21. REASONS FOR DENIAL OF APPLICATIONS FOR CONVENTIONAL HOME PURCHASE LOANS BY RACE: PORTLAND MSA, 1997

Race of Applicants	Debt to Income Ratio	+/- Avg.	Emp. History	+/- Avg.	Credit History	+/- Avg.	Collateral	+/- Avg.	Insufficient Cash	+/- Avg.
Percent of Total Denials										
Am. Indian	25	-3	10	3	35	9	15	8	10	3
Asian	28	0	10	3	13	-13	7	0	8	1
Black	36	8	7	0	35	9	2	-5	5	-2
Hispanic	27	-1	6	-1	28	2	5	-2	12	5
White	28	0	5	-2	27	1	5	-2	8	1
Other	25	-3	6	-1	18	-8	6	-1	0	-7
Joint	30	2	7	0	30	4	3	-4	7	0
Race N/A	26	-2	4	-3	39	13	5	-2	6	-1
Average*	28		7		26		7		7	

Source: Federal Reserve Board. Home Mortgage Disclosure Act Data, 1998.

www.ffiec.gov/hmda_rpt/agg_1998.htm

* Does not include Joint Applicants and Race N/A Applicants.

The two preceding tables, showing Characteristics of Applicants for Conventional Home Purchases and Reasons for Denial of Applications for Conventional Home Purchases, are one-year snapshots of lending records. Tracking these results over time will give us useful information about trends in lending to low- and moderate-income people of different races/ethnicities.

RECENT FINDINGS FOR THE PORTLAND HOMEBUYING MARKET⁹

In June 1999, the Portland Development Commission issued a report, *Homeownership in the City of Portland*. This report responded to City Council's request for an overview of city initiatives in this area. Significant findings of this report include:

- The City of Portland homeownership rate fell between 1970 and 1990, from 59 percent to 53.8 percent. By 1996, the homeownership rate had risen to 56.7 percent. This recent increase does not identify whether new homeowners were incumbent renters (first-time buyers) or previous homeowners moving into the area.
- In 1998, the homeownership rate within the Portland-Vancouver, OR-WA MSA was 62.7 percent. The regional rate is six percentage points higher than the City's 1996 rate.
- In 1990, the overall City rate was comparable to other central western cities such as Las Vegas, Seattle, and Salt Lake City (more current comparisons are not available).
- Within the City, the homeownership rate is lowest downtown and in inner Southeast and Northwest neighborhoods.
- Homeownership rate fluctuation within minority groups is difficult to measure due to the small size of minority populations within the city. 1990 Census data lists the black and Native American homeownership rate at 37.6 percent and 37.2 percent respectively (17 percentage points below the City average); the Hispanic rate at 31.6 percent (22 percentage points below the City average), and the Asian/Pacific Islander rate at 49.1 percent. Data from 1996 indicate that homeownership had decreased for these groups between 1-4 percent.
- Population projections indicate a two-fold increase in Hispanic and Asian/Pacific populations by 2010. The White population will decrease from 89.1 percent to 83.2 percent of the total population. Hispanic households average 3.25 persons, versus 2.48 for White non-Hispanics.
- Homeownership rates increase with income level. In 1996, households with incomes below \$35,000 had lower than average homeownership rates. This statistic does not represent whether those households could afford a home if they entered today's market conditions as first-time buyers.

⁹ Portland Development Commission, *Homeownership in the City of Portland*, June 1999.

- In Portland, the homeownership rate increased by a few percentage points for single men (to 35 percent), single women (to 43 percent) and non-family households (to 35 percent) between 1990 and 1996. In 1996, these groups combined comprised 63 percent of the population.
- Homeownership declined to around 35 percent for single mother (7 percent of the population), although the small sample size prevents us from confidently quantifying the extent of the decline.
- In 1996, homeownership rates were above 70 percent for married couples with and without children. Combined, these groups comprised 38 percent of the population.
- Changes in Portland household demographics between 1990 and 1996 indicate a net decrease in families and an increase in non-family households. Between 1990 and 1996, the number of married couples with children decreased by around 2,500. Non-family households, or groups of non-related people living together, increased by 10,593, and single parents increased by 1,750.
- Portland family size has mirrored national trends and decreased in size between 1980 and 1998.
- The 1998 Homebuilder's Association 'Housing Opportunity Index' (HOI) lists 34.6 percent of the population in the greater metropolitan area as able to afford the median priced house (in 1997, \$155,000).
- While Portland metro area prices are comparable to (but still below) those in the Western region, affordability (as measured by the HOI) is far lower than other Western metropolitan areas with high population and employment growth: Denver, 66.8 percent; Austin, 61.9 percent; Seattle, 59.8 percent.
- However, the April 1999 issue of *Market Action*, published by the Realtors Multiple Listing Service indicates increasing affordability in the Portland region due to an increase in the HUD Portland Area Median Family Income for 1999. The RMLS Affordability Index indicates that the Median Family Income of \$52,400 is 32 percent more income than is needed to purchase the March 1999 median priced house (\$159,300) in the Portland market. *This more optimistic index assumes 20 percent down payment and standard underwriting (28:36 debt ratios). While the HOI is a more complex measure of affordability, both of the above measures represent an average snapshot of a market that encompasses widely varied housing sub-markets in a growing metropolitan area.*
- Portland Development Commission first-time affordability calculations indicate that a three-person family earning 100 percent MFI can afford a home costing \$117,528. This figure assumes a 3 percent down payment, some debt burden, and accounts for utility costs, taxes and mortgage insurance.

- Income growth has not kept pace with housing cost: for first-time homebuyers, the median-priced unit increased by 96 percent between 1986 and 1995; median income for this population for this population increased by 52 percent.
- First-time buyers are down as a percentage of the home buying population, from 34 to 28 percent. “Recent movers” have increased their percentage of the home buying population.
- In 1995, 25-to-34 year olds comprised 52 percent of first-time homebuyers, down from 60 percent in 1990, suggesting that Portland residents are waiting longer to buy a home.

PDC’s *Homeownership in the City of Portland* report presented the following questions, facts, and conclusions of their analysis. These points are relevant to the ongoing community discussion of the opportunities for home purchase among low- and moderate-income households:

Question: What accounts for the three percent increase in Portland’s homeownership rate between 1990 and 1996?

Facts: During these years, first-time homebuyers decreased from 34 percent to 28 percent of the city’s total home-buying population. This suggests that existing homeowners from other areas (or homeowners from the area who are able to “buy-up”) caused the increase in overall homeownership rate.

Black, Native American, Hispanic, and single-mother homeownership rates remain far below the citywide average, and may have even declined during this period.

Conclusion: While citywide homeownership rates rose three percent between 1990 and 1996, the population most frequently targeted by housing policies did not necessarily benefit from this increase.

Question: Is Portland becoming less affordable?

Facts: “Affordability” is not just a matter of housing price. It is also based on income (which has increased at a slower rate than housing costs); amount of savings available for down payment and closing costs; and mortgage interest rates.

Housing price or at least one of these non-price affordability factors must be addressed in order to boost target population homeownership rates.

Conclusion: As Portland’s real estate market has boomed, the population traditionally targeted by housing policies are getting priced out of the market.

Question: Will Portland's future housing supply match its population's needs?

Facts: Between 1990 and 1996, Portland experienced a net decrease in the number of family households and a net increase in non-family households.

Portland's ethnic composition is changing. The white population will decrease while the number of Hispanic households will double by 2010. The number of African-American households is also expected to increase.

This demographic change has significant housing implications since Hispanic households average 3.25 persons, while white households average 2.48 persons.

Conclusion: current and future housing policy must address whether Portland has enough homes available for purchase and whether these homes fit the city's demographic needs.

RECENT FINDINGS FOR THE GRESHAM HOMEBUYING MARKET

- The City of Gresham homeownership rate fell between 1980 and 1990, from 64.6 percent in 1980 to 58.4 percent in 1990. During this time period Gresham annexed the Rockwood area, an already urbanized district containing a large number of apartments. From 1990 to 1998, homeownership fell from 58.4 percent to 56.5 percent. The American Community Survey data indicate a slight upswing in the homeownership rate from 1996 to 1998 of approximately one percent, but it is important to remember that this information is based on sample data and is subject to sampling variability.
- The regional homeownership rate for the Portland-Vancouver MSA in 1998 was 62.7 percent, which is 6.2 percent higher than Gresham's rate.
- Within Gresham, the areas of the city with the lowest homeownership rate are Central Rockwood neighborhood and the southern portion of the nearby Wilkes East neighborhood.
- Homeownership rates increase with income level in Gresham. Only 32.6 percent of all owner households have incomes below 80 percent of median family income.
- The 1998 American Community Survey reports that the vacancy rate for owner-occupied housing in Gresham was 1.8 percent.
- Nineteen percent of all homeowner households in Gresham in 1998 had housing costs that comprised 35 percent or more of their adjusted household income. Approximately 2.7 percent of all homeowner households in Gresham in 1998 paid more than 35 percent of their income on housing costs but paid no mortgage.
- Forty-five percent of all homeowner households in Gresham in 1998 had housing costs that comprised less than 20 percent of their adjusted household income.
- In 1998, 20.6 percent of all homeowner households in Gresham had no mortgage.
- The gap between median-household income and median-house value in Gresham grew in the 1990s, just as it did in the other areas of the Portland region.
- In 1995, 36 percent of Multnomah County homeowners (excluding those living in Portland) were living in the first home they had ever owned.
- In 1995, 8.6 percent of Multnomah County homeowners (excluding those living in Portland) reported using a lower-cost state or local mortgage program to purchase their home.

- In 1995, for Multnomah County homeowners (excluding those living in Portland) who have a mortgage, the median year that the mortgage was originated was 1992. In other words, the median mortgage was about three years old.
- In 1995, the median ratio of house value to current income for Multnomah County homeowners (excluding Portland) was 2.5, as compared to 2.7 for the Portland MSA.

ASSISTED HOUSING INVENTORY AND SERVICES

FEDERALLY ASSISTED HOUSING

The major federal programs that have either a rent subsidy attached to the unit (project-based) or an operating subsidy are: Section 202 (elderly); Section 811 (disabled); Section 8, and public housing. A household in one of these housing units pays no more than 30 percent of its income (with adjustments) for rent and utilities. The table below contains summary information about the number of units by program, target population, and jurisdiction.

TABLE 2-22. FEDERALLY RENT-ASSISTED HOUSING IN EACH JURISDICTION BY PROGRAM AND POPULATION, JANUARY, 1998

Program	Portland		Gresham		Multnomah Cty/Fairview.		TOTALS	
	Number	Percent	Numer	Percent	Number	Percent	Number	Percent
202/811	1,018	14.1%	249	43.6%	0	0.0%	1,267	16.0%
Elderly	748	10.3%	206	36.1%	0	0.0%	954	12.0%
Disabled	270	3.7%	53	9.3%	0	0.0%	323	4.1%
236/Sec. 8	3,409	47.2%	202	35.4%	112	84.8%	3,723	46.9%
LRPH	2,670	36.9%	120	21.0%	20	15.2%	2,810	35.4%
Other	140	1.9%	0	0.0%	0	0.0%	140	1.8%
Population	7,230	100.0%	571	100.0%	132	100%	7,933	100.0
								%
Family	2,172	30.0%	254	44.5%	132	100.0%	2,558	32.2%
Elderly	4,183	57.8%	264	46.2%	0	0.0%	4,447	
Disabled	286	4.0%	53	9.3%	0	0.0%	339	4.3%
Singles	596	8.2%	0	0.0%	0	0.0%	596	7.5%
TOTALS	7,237						7,940	

Sources: HUD Directory of Assisted Housing, Portland Development Commission, and Housing Authority of Portland.

Note 1: This information was compiled in 1997 by HCDC staff as part of the effort to provide Metro with an inventory of all publicly assisted housing within the Urban Growth Boundary.

Note 2: These numbers have changed somewhat since that time, for example, additional Section 202 and Section 811 unites have been developed, and some Section 8 project-based units have been lost. There were 2,810 public housing units in 1998; and 2,809 in 2000.

TENANT-BASED SECTION 8

In addition to project-based assistance, the Housing Authority of Portland administers the federal Section 8 program in which the assistance is provided to the tenant. HAP provides assistance for approximately 6,100 households in Multnomah County.

In late 1999 HAP was awarded 700 “Welfare to Work” vouchers which will be targeted to eligible family households who receive Temporary Assistance to Needy Families or received it within the past two years. Families must either be employed or engaged in an activity (or activities) which will lead to employment. HAP also has a few small set-aside programs:

- 100 vouchers for persons with a disability
- 10 for persons in the federal Witness Protection program
- 25 for homeless veterans
- 100 for homeless families

ALL ASSISTED HOUSING FOR LOW-INCOME RENTERS

The tables below identify the number of existing rental housing units that receive(d) any federal, local, or state funding which require the units to continue to be affordable for low-income renters. Each of the funding sources provides different kinds of assistance and has its own eligibility criteria. (The number of state-funded units is not shown, as all of them also have one of the identified sources.)

**TABLE 2-23. PUBLICLY-FUNDED LOW-INCOME RENTAL HOUSING BY FUNDING SOURCE
MULTNOMAH COUNTY JURISDICTIONS, JANUARY, 1998**

Jurisdictions	Federal Program			Low-Inc Hsg Tax Credit		State	Local		Total Units
	Public Hsg	202/811	SEC 8/236	Only	w/Bonds		Bonds	Funds	
City of Portland	2,670	1,002	3,223	2,138	597	27	587	2,752	12,996
Fairview	0	0	45	0	152	0	328	0	525
Gresham	120	250	208	284	0	1	278	32	1,173
Troutdale	0	0	0	44	160	1	0	0	205
Unincorporated County	20	0	67	0	0	0	0	0	87
TOTAL	2,810	1,252	3,543	2,466	909	29	1,193	2,784	14,986

Sources: HUD Directory of Assisted Housing; national database of LIHTC projects up to 1994; Oregon HCS; Portland Development Commission; and Housing Authority of Portland.

Note. This information was compiled in 1997 by HCDC staff as part of the effort to provide METRO with an inventory of all publicly assisted housing within the Urban Growth Boundary.

**TABLE 2-24. PUBLICLY-FUNDED LOW-INCOME RENTAL HOUSING BY TARGET POPULATION
MULTNOMAH COUNTY JURISDICTIONS, JANUARY, 1998**

	Family		Seniors		Special Needs		TOTALS	
	Number	%	Number	%	Number	%	Number	%
City of Portland	6,879	81	4,756	94	1,361	94	12,996	87
Fairview	525	6	0	0	0	0	525	4
Gresham	786	9	300	6	87	6	1,173	8
Troutdale	204	2	0	0	1	0	205	1
Unincorporated County	87	1	0	0	0	0	87	1
TOTAL	8,481	100	5,056	100	1,449	100	14,986	100

Sources: HUD Directory of Assisted Housing; national database of LIHTC projects up to 1994; Oregon HCS; Portland Development Commission; and Housing Authority of Portland.

Note. This information was compiled in 1997 by HCDC staff as part of the effort to provide METRO with an inventory of all publicly assisted housing within the Urban Growth Boundary.

PUBLICLY-ASSISTED RENTAL HOUSING IN THE PORTLAND METRO REGION

The table below lists the number of assisted rental units within the three largest metropolitan counties, by jurisdiction. This list, compiled with the help of Staff representing the three counties, represents an unduplicated number of units, many of which receive assistance from a variety of sources. The majority, or 70 percent, of the units are located in Multnomah County. The City of Portland, with less than 30 percent of the overall metropolitan area population, contains over 60 percent of the publicly assisted units. Note that some adjustments were made in the jurisdiction totals, resulting in numbers that differ slightly from the previous tables.

**TABLE 2-25. PUBLICLY ASSISTED AFFORDABLE RENTAL HOUSING BY JURISDICTION
PORTLAND METROPOLITAN AREA, JANUARY 1, 1998**

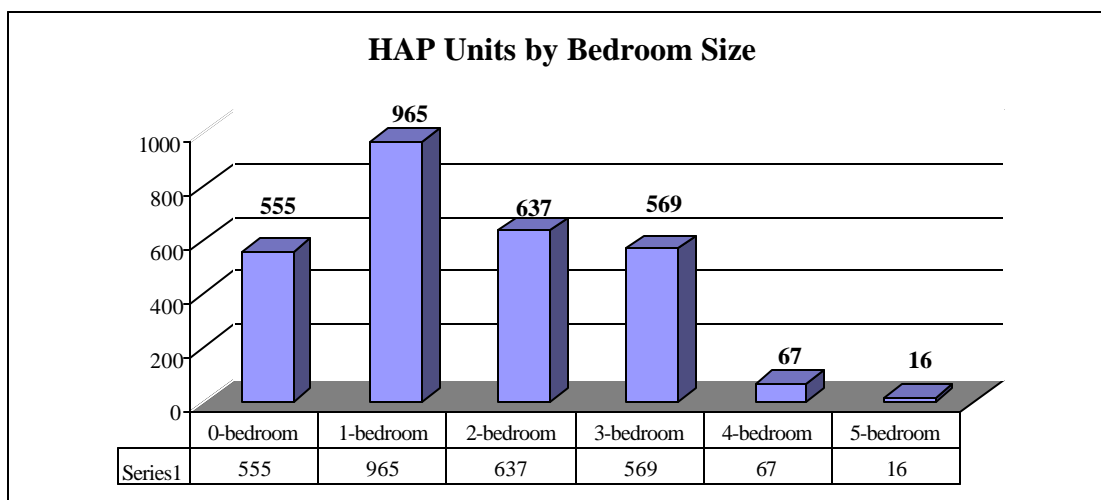
Jurisdiction	Number of Units	Percent of Total
Clackamas County	1,932	9.1%
Clackamas	294	1.4%
Gladstone	11	0.1%
Lake Oswego	60	0.3%
Milwaukie	384	1.8%
Oregon City	599	2.8%
Wilsonville	336	1.6%
Unincorporated Clackamas County	248	1.2%
Washington County	4,450	20.8%
Beaverton	624	2.9%
Cornelius	35	0.2%
Durham	210	1.0%
Forest Grove	308	1.4%
Hillsboro	598	2.8%
Sherwood	134	0.6%
Tigard	873	4.1%
Tualatin	100	0.5%
Unincorporated Washington County	1,568	7.3%
Multnomah County	14,962	70.1%
Fairview	525	2.5%
Gresham	1,194	5.6%
Troutdale	205	1.0%
Portland	12,951	60.7%
Unincorporated Multnomah County	87	0.4%
Three County Total	21,344	100.0%

Source: Marge Ille, Housing Authority of Portland

PUBLIC HOUSING STOCK

The Portland Housing Authority (HAP) has 2,809 units of public housing in Multnomah County constructed and maintained by the federal Low Rent Public Housing Program. There has been no significant change in this number since 1996 when the construction of 20 two- and three-bedroom units was completed. In 1999 one scattered site unit was sold through the homeowner program. The figure below indicates unit sizes.

FIGURE 2-2. HAP UNITS BY BEDROOM SIZE



Source: Housing Authority of Portland, 1999.

The stock includes:

- 10 high rise buildings, commonly referred to as Mixed Population Buildings, provide 1,225 studio and one-bedroom units for elderly persons (62 years of age and over) and persons under the age of 62 with a disability. These units constitute 44 percent of HAP's total public housing units.
- 33 apartment complexes range in size from 10 units to 598 units at Columbia Villa and Tamaracks. These complexes are primarily for families with children although they include 158 one-bedroom units which house elderly persons and persons under the age of 62 with a disability.
- 190 scattered site units.

Approximately 25 percent of HAP's public housing stock was built in the 1940s. This housing exhibits the wear and aging typical for federal housing built during this period. The majority of the remaining stock was built in the 1970s and 1980s, and a substantial portion of the building components of these units are nearing the end of their useful life (e.g., floor coverings, HVAC systems, fixtures) and need replacement. These items are wearing out and causing an increase in maintenance time.

HAP recently completed a preliminary review of the physical status of its properties. This review also focused on the extent to which each property's site is being utilized. Generally, all properties were found to be in good repair and well-maintained. Several properties, however, show varying degrees of physical distress and inadequate functionality. In response, HAP is considering a comprehensive assessment of resources available for the redevelopment of some of these properties and opportunities to enhance the properties' effectiveness. This assessment also will focus on the broader needs of each property's neighborhood and community objectives and expectations.

There has been an increase in the number of applicants and residents of the public housing program who require accessible units. HAP has identified the need to convert additional units to meet accessibility requirements of the Americans with Disabilities Act (ADA). This is an expense that reduces the amount of funds available for improvements and replacements of components of building systems.

PRESERVATION OF SUBSIDIZED HOUSING

The City of Portland has over 100 properties that are subsidized through federal mortgage assistance, totaling over 6,800 units of affordable housing. Of those units, over 2,000 are at-risk of becoming unaffordable to low-income households if property owners “opt out” of their federal subsidy contracts.

Three at-risk federally subsidized properties have been acquired since the passage of Portland’s preservation ordinance in November of 1998. Together, the Biltmore, the Park Terrace, and the Oak Apartments provide 256 units of housing that continues to be affordable to low-income households.

In addition, as this is written the City continues to negotiate with property owners for the acquisition of an additional 235 affordable units.

SECTION 2: HOUSING MARKET ANALYSIS

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Appendix

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