Housing Inventory and Analysis:
Clark County Unincorporated Vancouver Urban Growth Area

March 2021

ECONorthwest

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1. Introduction

Like communities across the region, the unincorporated area of the Vancouver Urban Growth Area (Study Area) is facing increasing housing prices alongside new population growth. This area experiences similar challenges to other communities in the region: affordable rental and homeownership options are increasingly out of reach for current residents and those seeking a new life in the community, construction costs have risen, and there is a limited supply of available land.

To address these concerns, Clark County began the Housing Options Study and Action Plan in 2020 to identify barriers to providing a greater variety of housing types as well as the strategies needed to provide future generations with access to affordable, quality, and flexible housing opportunities.

> Clark County is one of several jurisdictions planning for future housing needs in Clark County.
>
> Vancouver, Camas, Ridgefield, Battle Ground, and Woodland are also in the process of working on housing options projects.

This Housing Inventory and Analysis report is one deliverable within the larger Housing Options Study and Action Plan. Its purpose is to summarize quantitative analysis and qualitative information collected through stakeholder interviews to paint a picture of current housing issues in the unincorporated portion of the Study Area. The findings in this report provide a coherent analysis of housing supply, demand, needs, and preferences throughout the Study Area to provide context for evaluating potential actions.

The Impact of COVID-19 on the Housing Market

Since its emergence, the pandemic has slowed the production of housing in many regions and due to growing remote work practices, commuting rates have diminished and housing preferences are shifting:

- **Up to one-third of the workforce could be working from home multiple days per week by 2021**, based on analysis by the Global Workplace Analytics estimates (1)

- **The supply of for-sale homes is very tight in comparison to previous decades.** This trend, combined with record low mortgage rates, is likely to lead to continued home price increases (2)

- **Due to disruptions in income, many households continue to struggle to pay for housing and rents consistently which will likely exacerbate housing availability and stability.** Lost or reduced employment income due to COVID-19 has exacerbated rental affordability and homeownership security issues and intensified housing cost burden especially for low-income households and those not gaining CARES Act support or other forms of relief (2)

These types of trends should be monitored as conditions and communities adjust and recover. Much of the analysis of housing needs was based on data produced before the COVID-19 pandemic.

Sources:
1. https://globalworkplaceanalytics.com/work-at-home-after-covid-19-our-forecast;
2. Joint Center for Housing Studies of Harvard University, the State of the Nation's Housing 2020. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf

About the Study Area

The Study Area—the unincorporated portion of the Vancouver Urban Growth Area (VUGA)—is located in the southwest quadrant of Clark County and north of incorporated Vancouver (see Exhibit 1). About 161,300 people reside in the Study Area. For context and in terms of population, the City of Vancouver—the largest city in Clark County—is only slightly larger than the Study Area, with a population of approximately 184,452 people (2015-2019 ACS). All other cities in Clark County have proportionately fewer people than the City of Vancouver and the Study Area.

Despite the Study Area's comparatively large population, it has a mostly rural development pattern with predominately large lot, single-family residential development. Commercial and industrial uses are more intensified along the I-5 corridor.

While this project is focused on the Study Area, this analysis often includes countywide data to provide additional context and a means to compare characteristics of the Study Area with Clark County.

Exhibit 1. Study Area - Unincorporated Vancouver Urban Growth Area (VUGA)
Source: United States Census Bureau, State of Washington.

Area
- ☐ Clark County
- ☐ Incorporated Vancouver UGA
- ■ Unincorporated Vancouver UGA
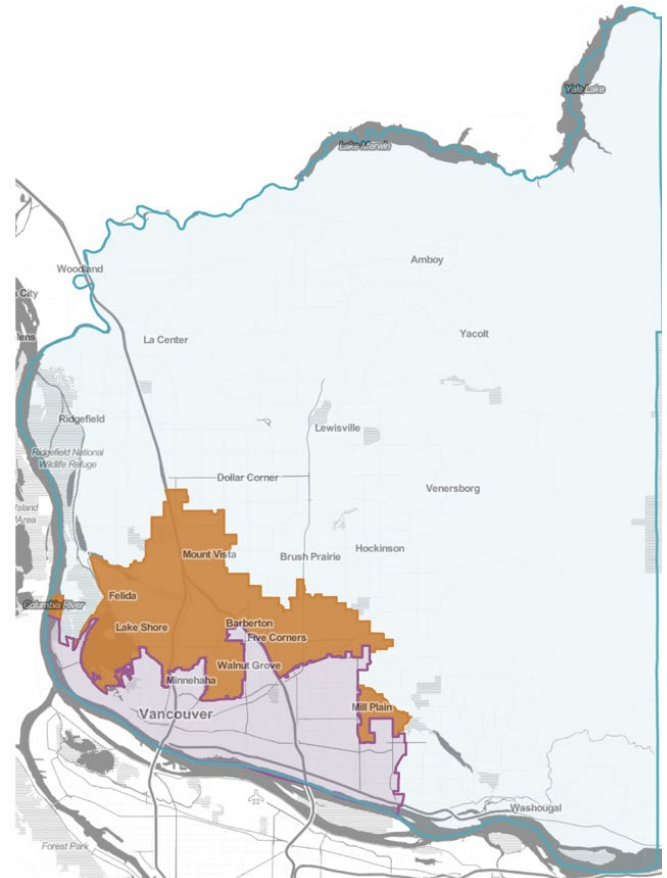
Report Organization

This report is organized as follows:

- **Chapter 2. Key Findings**

- **Chapter 3. Housing Needs Analysis.** Presents an inventory of existing housing units and an overview of housing needs within the Vancouver UGA.

- **Chapter 4. Housing Capacity and Implications.** Compares housing needs findings with data outputs from the County's buildable lands model.

- **Appendix A. Methods and Study Area Geographies**

- **Appendix B. Glossary**

2. Key Findings

Like communities across the Portland region, the Study Area is at a crossroads. The population has grown and is expected to continue to grow at a rapid pace. At the same time, housing production has not kept pace with the amount of new housing needed. This section provides an overview of the key findings from this report.

Who lives in the Study Area today?

- **The majority of households (73%) in the Study Area, across all household sizes, are homeowners.** Most households (58%) are made of one or two people and about 46% of all households are living in a three-bedroom housing unit.

- **The majority of households (73%) in both the Study Area and Clark County are composed of married families.** 36 percent of all households in the Study Area are households with children.

- **Within the Study Area, 14% of residents in the Study Area are 65 or older.** Forty percent of residents in the Study Area are between the ages of 40 and 64.

- **About one fifth of the population in the Study Area experiences a disability** (most commonly ambulatory difficulty and cognitive difficulty).

- **The Study Area and Clark County share a similar ethnic and racial makeup.** The largest minority group in the Study Area are residents who identify as Hispanic or Latino of any race (9.1% of residents). In the Study Area, less than 5% of households identify as having limited English proficiency.

- **Most people who live in the Study Area do not work there, which adds to their transportation costs**. While the Study Area has seen an increase in employment since 2012, most workers living in the Study Area still commute to their jobs, often more than 45 minutes away. Jobs further away from a household's home increases their transportation expenses, resulting in less disposable income for other essential needs. There are few industries that have jobs accessible by transit.

What are the current housing conditions in the Study Area?

- **Housing is getting increasingly expensive in the Study Area.** Both ownership and rental housing costs have increased about 4% annually since 2015 in the Study Area.

- **The Study Area's housing stock lacks diversity, with most units being single-family, owner occupied units.** Three quarters of housing units in the Study Area are single-family detached units. Multifamily units and townhomes tend to be newer, while single-family units have been built more steadily over time. The majority of the Study Area's single-family housing units (57%) are between 1,000 and 2,000 square feet.

- **The Study Area's multifamily housing stock is mostly mid-range to higher-end in quality, and represents about 13% of all units.** Just 4% of the Study Area's multifamily buildings rated as functionally obsolete.

- **The Study Area contains 1,520 units of regulated affordable housing,** about 26% of the total regulated affordable units in Clark County. In addition to these rent-restricted units, the Study Area contains 2,687 licensed beds in adult family home facilities, assisted living facilities, and enhanced services facilities.

- **Many of the Study Area's households are cost burdened.** About 44% of households who rent and 23% of households who own their own home are cost burdened or severely cost burdened in the Study Area.

- **Most households with household incomes at 60% of AMI or below need to rent a home, but there is a limited supply of affordable, multifamily rental products within the Study Area, which further increases competition for these units**. The average rent for multifamily housing in the Study Area is $1,276 for a two-bedroom unit, which is affordable to households earning approximately 58% of AMI (about $51,040). About 30% of the Study Area's households have incomes below this level and cannot afford the average rent. Of the Study Area's regulated affordable units with known affordability characteristics (1,194 units), most (85%) are affordable to households earning 60% of AMI.

- **For households looking to buy a home, entry level homes are increasingly out of reach**. The median home sales price of housing in the Study Area is about $343,000, which is affordable to households earning about 112% to 130% of the median family income (about $98,000 to $114,000). About 65% of the Study Area's households have incomes below this level. Households at middle incomes are less able to afford housing in this market. Home prices continue to rise; most single-family units in the Study Area cost $400,000 or more. The Study Area remains one of the more affordable areas in the Portland region, increasing competition for the more moderately-priced homes.

- **While many of the residents living in the Study Area have stable housing situations, some residents are living on the brink.** The number of people experiencing homelessness in the County has increased 22% since 2017, and the number of people who remain unsheltered has increased by 92%. In addition, a small share of the Study Area's larger households appear to be living in units that may be overcrowded.

- **Housing production in the Study Area has increased since 2010,** averaging 930 units per year, with a low of 164 units built in 2011 to a high of 2,106 units built in 2017.

How much housing does the County need to plan for in the Study Area?

- **Clark County will need to plan for 13,281 new dwelling units within the Study Area through 2035**, which is close to the Study Area's current housing capacity of 20,200 units.

- **Housing production has been steady since the mid 2010s, but the Study Area has not yet produced enough housing to meet demand.** Based on the ratio of housing units produced and new households formed in the Study Area over time, there has been an underproduction of 2,571 units.

- **Housing construction will need to continue at a steady clip to keep pace with demand.** Housing production in the Study Area averaged 1,070 units from 2000 to 2019, which is above the 885 units per year that the Study Area will need over the next 15 years.

- **The County will need to plan for a sizable share of future housing units to be affordable to low-income households.** Of the needed units within the Study Area, 15% of units (2,029) need to accommodate households earning less than 50% of AMI.

- **Given changes in demographics and housing affordability concerns, the County will need to plan for a shift in the types of housing needed in the Study Area**. The aging of Baby Boomers and the household formation of Millennials will drive demand for renter and owner-occupied housing of all sizes.

3. Housing Needs Analysis

To provide context for the Study Area's housing needs, this chapter presents:

- The characteristics of the Study Area and Clark County's population and households.

- An inventory of existing housing units within the Study Area and Clark County, using U.S. Census and County Assessor data. Assessor data points included in the inventory are dwelling type, year built, lot size, zoning, square footage, and assessed market value.

- Housing affordability characteristics.

- A summary of the Study Area's housing needs and its housing affordability gaps.

Demographics and Households

This section documents demographic, socioeconomic, and other trends relevant to the Study Area to provide a context for growth in the region. The Study Area exists in a regional economy and characteristics in the region impact the local housing market. Factors such as age, income, migration, and race/ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect growth moving forward. To provide context, this section compares the Study Area to Clark County. A demographic analysis is an important component of a thorough understanding of the dynamics of the Study Area's housing market.

In addition to the analysis presented in this section, Clark County's Public Health Department recently published an InfoMap to provide the community with resources and a new opportunity to learn about public health issues in the county. The InfoMap (which includes graphs, charts, maps, and brief discussions) conveys a wide range of demographic information to tell a story about the community. For more information, visit the "Healthier Clark County InfoMap."[1]

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[1] Healthier Clark County InfoMap:
https://gis.clark.wa.gov/portal/apps/MapSeries/index.html?appid=33acdf14803e4982bcd7e046a25d748c

Like other communities in the region, the Study Area's population has grown at a steady pace and is forecasted for continued growth.

Between 2015 and 2020, the Study Area grew by 17,777 people, according to OFM's Small Area Estimate Program—an increase of about 13%. This growth outpaced Clark County as a whole, which grew by 11%, from 451,820 in 2015 to 499,200 people by 2020.

The Study Area is forecast to grow by 24,989 people to 184,446 in 2035. This is a 15.7% increase in population.

Exhibit 2. Population Forecast,[2] Study Area and Clark County, 2020 through 2035
Source: OFM SAEP, Clark County.

	Study Area	Clark County
Population Growth (2015-2020)	17,777 *(+12.5%)*	47,380 *(+10.5%)*
Population Forecast (2020-2035)	24,989 *(+15.7%)*	78,231 *(+15.7%)*

Note: The population forecast for the Study Area assumes that the unincorporated Vancouver UGA will continue to capture the same 32% share of Clark County's total population as it currently does as of 2020.

Like Clark County, the Study Area has a relatively high number of older residents.

Over half of the population in the Study Area is 40 years or older, similar to Clark County as a whole.

About a quarter of the population are between 20 and 39 years of age and about 14% of the population are 65 years of age and older.

Exhibit 3. Resident Age, Unincorporated Vancouver UGA and Clark County, 2018
Source: U.S. Census 5-year ACS, 2014-2018.

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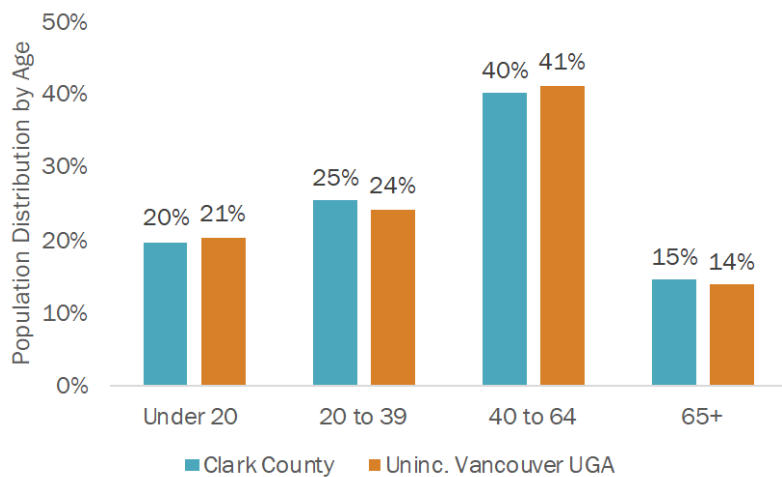
[2] The population forecast for the Study Area (unincorporated Vancouver UGA) is 32% of the forecasted population for Clark County. The 32% factor is based on the share of Clark County's total population within the UGA in 2020, per the Small Area Estimate Program. The analysis uses Clark County's medium OFM forecast that was adopted in Clark County's 2016 Comprehensive Plan.

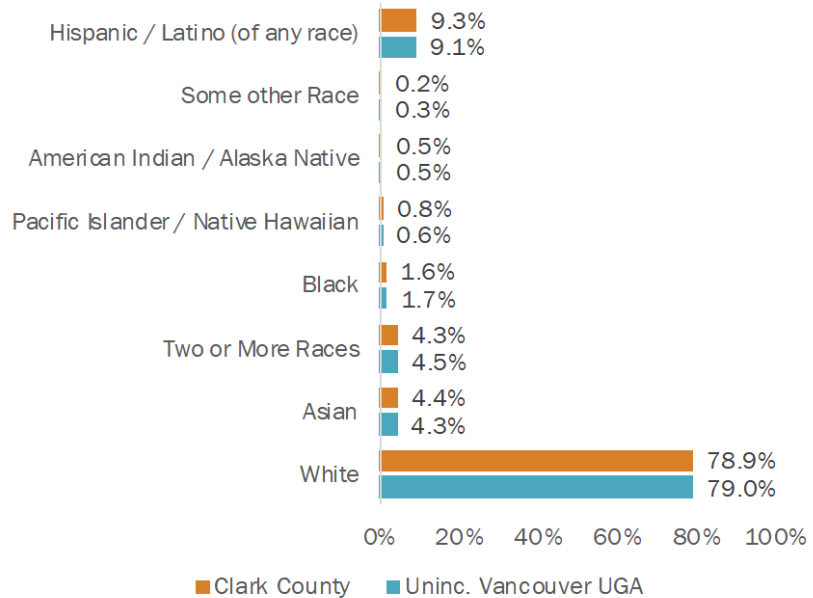# The Study Area and Clark County share a similar ethnic and racial makeup.

The largest minority group in the Study Area are residents who identify as Hispanic or Latino of any race (about 14,600 people).

This group is followed by individuals that identify as two or more races (about 7,200 people) and as Asian (about 6,900 people).

The Study Area and County have a similar ethnic and racial makeup.

Exhibit 4. Share of Population by Race and Ethnicity, Unincorporated Vancouver UGA and Clark County, 2018
Source: U.S. Census 5-year ACS, 2014-2018.

Race / Ethnicity	Clark County	Uninc. Vancouver UGA
Hispanic / Latino (of any race)	9.3%	9.1%
Some other Race	0.2%	0.3%
American Indian / Alaska Native	0.5%	0.5%
Pacific Islander / Native Hawaiian	0.8%	0.6%
Black	1.6%	1.7%
Two or More Races	4.3%	4.5%
Asian	4.4%	4.3%
White	78.9%	79.0%

Changes in Housing Preferences: National Trends

Housing preference will be affected by changes in demographics, most notably: the aging of Baby Boomers, housing demand from Millennials and Generation Z, and growth of immigrants.

- **Baby Boomers.** In 2020, the oldest members of this generation were in their seventies and the youngest were in their fifties. The continued aging of the Baby Boomer generation will affect the housing market. In particular, Baby Boomers' will influence housing preference and homeownership trends. Preferences (and needs) will vary for Boomers' moving through their 60s, 70s, and 80s (and beyond). They will require a range of housing opportunities. For example, "aging baby boomers are increasingly renters-by-choice, [preferring] walkable, high-energy, culturally evolved communities."[3] Many seniors are also moving to planned retirement destinations earlier than expected as they experience the benefits of work-from-home trends (accelerated by COVID-19). Additionally, the supply of caregivers is decreasing as people in this cohort move from giving care to needing care, making more inclusive, community-based, congregate settings more important. Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in proximity to relatives may also choose to live in multigenerational households.

  Research shows that "older people in western countries prefer to live in their own familiar environment as long as possible," but aging in place does not only mean growing old in their own homes.[4] A broader definition exists, which explains that aging in place means "remaining in the current community and living

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[3] Urban Land Institute. Emerging Trends in Real Estate, United States and Canada. 2019.

[4] Vanleerberghe, Patricia, et al. (2017). The quality of life of older people aging in place: a literature review.

in the residence of one's choice."[5] Some Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into a dependent living facility or into a familial home. Moreover, "the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses."[6]

Clark County developed an Aging Readiness Plan and Commission on Aging in preparation for the wave of aging Baby Boomers. County-level research on the topic is consistent with national trends. By 2035, more than 25% of the Clark County population, or one in four residents, will be 60 and better.

- **Millennials.** Over the last several decades, young adults have increasingly lived-in multigenerational housing—more so than older demographics.[7] However, as Millennials move into their early to mid-thirties, postponement of family formation is ending, and millennials are likely to prefer detached, single family homes in suburban areas.

  At the beginning of the 2007-2009 recession, Millennials only started forming their own households. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. As this generation continues to progress into their homebuying years, they will seek out affordable, modest-sized homes. This will prove challenging as the market for entry-level, single-family homes has remained stagnant. Although construction of smaller homes (< 1,800 sq. ft.) increased in 2019, they only represented 24% of single-family units.

  Millennials' average wealth may remain far below Boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2020, Millennials comprised 38% of home buyers, while Gen Xers comprised 23% and Boomers 33%.[8] "By the year 2061, it is estimated that $59 trillion will be passed down from boomers to their beneficiaries," presenting new opportunities for Millennials (as well as Gen Xers).[9]

- **Generation Z.** In 2020, the oldest members of Generation Z were in their early 20s and the youngest in their early childhood years. By 2040, Generation Z will be between 20 and 40 years old. While they are more racially and ethnically diverse than previous generations, when it comes to key social and policy issues, they look very much like Millennials. Generation Z was set to inherit a strong economy and record-low unemployment.[10] However, because the long-term impacts of COVID-19 are unknown, Generation Z may now be looking at an uncertain future.

  While researchers do not yet know how Generation Z will behave in adulthood, many expect they will follow patterns of previous generations. A segment is expected to move to urban areas for reasons similar to previous cohorts (namely, the benefits that employment, housing, and entertainment options bring when they are in close proximity). However, this cohort is smaller than Millennials (67 million vs. 72 million) which may lead to slowing real estate demand in city centers.

- **Immigrants.** Research on foreign-born populations shows that immigrants, more than native-born populations, prefer to live in multigenerational housing. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years.

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[5] *Ibid.*

[6] American Planning Association. Making Space for Tiny Houses, Quick Notes.

[7] According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multigenerational family household, and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multigenerational family household, and by 2008, 20% did (18% change).

[8] National Association of Realtors. (2020). 2020 Home Buyers and Sellers Generational Trends Report, March 2020. Retrieved from: https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends

[9] PNC. (n.d.). Ready or Not, Here Comes the Great Wealth Transfer. Retrieved from: https://www.pnc.com/en/about-pnc/topics/pnc-pov/economy/wealth-transfer.html

[10] Parker, K. & Igielnik, R. (2020). On the cusp of adulthood and facing an uncertain future: what we know about gen Z so far. Pew Research Center. Retrieved from: https://www.pewsocialtrends.org/essay/on-the-cusp-of-adulthood-and-facing-an-uncertain-future-what-we-know-about-gen-z-so-far/

Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was staunched by the effects of the Great Recession. After a period of declines, the foreign-born population again began contributing to household growth, despite decline in immigration rates in 2019. The Census Bureau's estimates of net immigration in 2019 indicate that 595,000 immigrants moved to the United States from abroad, down from 1.2 million immigrants in 2017-2018. However, as noted in The State of the Nation's Housing (2020) report, "because the majority of immigrants do not immediately form their own households upon arrival in the country, the drag on household growth from lower immigration only becomes apparent over time."

- **Diversity.** The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between Whites and Blacks, as well as the larger share of minority households that are cost burdened warrants consideration. White households had a 73% homeownership rate in 2019 compared to a 43% rate for Black households. This 30-percentage point gap is the largest disparity since 1983. Although homeownership rates are increasing for some minorities, Black and Hispanic households are more likely to have suffered disproportionate impacts of the pandemic and forced sales could negatively impact homeownership rates. This, combined with systemic discrimination in the housing and mortgage markets and lower incomes relative to White households, leads to higher rates of cost burden for minorities —43% for Blacks, 40% for Latinx, 32% for Asians and 25% for Whites in 2019. As noted in The State of the Nation's Housing (2020) report "the impacts of the pandemic have shed light on the growing racial and income disparities in the nation between the nation's haves and have-nots are the legacy of decades of discriminatory practices in the housing market and in the broader economy."

Sources (unless otherwise noted):
The Joint Center for Housing Studies, The State of the Nation's Housing 2020.
Urban Land Institute, 2021 Emerging Trends in Real Estate.

In the Study Area, less than 5% of households struggle with the English language.

About 2.4% of all households in the Study Area have English language speaking proficiency limitations.

Exhibit 5. Households with Limited English-Speaking Proficiency (LEP), Unincorporated Vancouver UGA, 2018
Source: U.S. Census ACS, 2014-2018.
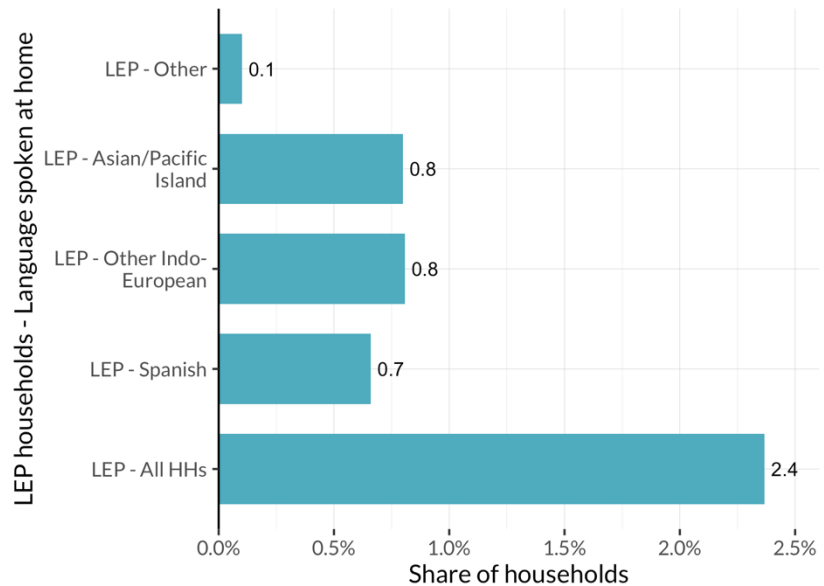
About one fifth of the population in the Study Area experiences a disability.

About 21% of the Study Area's population (or about 33,848 people) experiences one or more disabilities, with ambulatory difficulty and cognitive difficulty as the most common disabilities.

Exhibit 6. Number of People with a Disability by Type of Disability and by Age, Unincorporated Vancouver UGA, 2018
Source: U.S. Census ACS, 2014-2018.
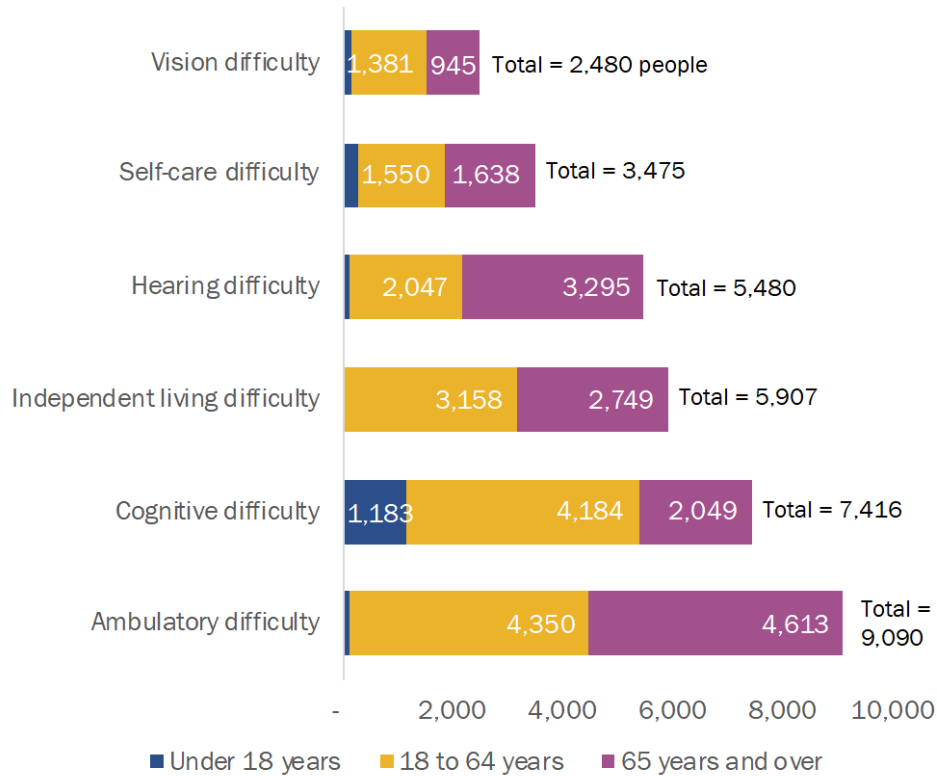
Data on Disabilities in the State of Washington

Per the 2019 Caseload and Cost Report from the Washington Developmental Disabilities Administration (DDA), there were 1,485 adults with intellectual and developmental disabilities (IDD) and 1,432 children with IDD enrolled in state services in Clark County.

National studies estimate that about 70% of all individuals with IDD in Washington live with a family caregiver. About 12% live in a residential supervised setting (e.g., group home, foster care, or IDD institution). About 18% live on their own, independently, or with a roommate (note: this is higher than other states, such as Oregon with 13% of persons with IDD living alone/independently).

Housing Needs for People with Intellectual and Developmental Disabilities

In 2020, ECONorthwest prepared a report for the Kuni Foundation evaluating the housing needs and housing challenges for individuals with intellectual and developmental disabilities (IDD) in Southwest Washington.[11] The study highlighted numerous gaps in data and information relating to the IDD community, particularly as it relates to current housing situations, desired housing preferences, and alignment between state disability agencies and state housing agencies. It recommends better data and coordination between state agencies to support the housing needs and preferences of this historically overlooked and marginalized community.

The report found that about 4,500 adults may be living with IDD in Clark, Cowlitz, Skamania, Klickitat, Lewis, Wahkiakum, and Pacific counties. According to data from the Washington Developmental Disabilities Administration (DDA), there were 1,485 adults with IDD enrolled in state services in Clark County,[12] but national research demonstrates that only a fraction of the total estimated number of people with IDD enrolled in state services.[13] The ECONorthwest study estimated that roughly 3,800 adults, or 85% of the estimated population of adults with IDD in these seven counties, may be at risk of housing insecurity due to an aging caregiver or due to housing costs exceeding an appropriate amount of gross income.

Beyond the IDD community, many adults with an array of disabilities struggle to find adequate housing in Southwest Washington. The ECONorthwest study did not find a clear estimate of the number of regulated affordable housing units restricted to individuals with disabilities in Washington State. In addition, the study found that the average cost of a 1-bedroom apartment in many areas in Southwest Washington would consume 91% of the 2020 median monthly Supplemental Security Income (SSI) payment – a vital source of income for many individuals with disabilities. Clearly more work needs to be done to provide better housing choices for individuals with disabilities in Southwest Washington.

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[11] ECONorthwest, "Housing Needs for Individuals with Intellectual and Developmental Disabilities," (Vancouver, WA: The Kuni Foundation, 2020), https://www.kunifoundation.org/wp-content/uploads/2020/09/ECONorthwestStudy.pdf

[12] Washington Developmental Disabilities Administration, "2019 Caseload and Cost Report," https://www.dshs.wa.gov/sites/default/files/DDA/dda/documents/2019%20Caseload%20and%20Cost%20Report.pdf.

[13] Sheryl Larson, Heidi Eschenbacher, Lynda Anderson, Sandy Pettingell, and Amy Hewitt, "In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends Through 2016," (Minneapolis, MN: The Residential Information Systems Project, 2018), https://risp.umn.edu/.

Household Characteristics

The Study Area has a mix of large and small households.

The Study Area has 132,380 households (73% homeowners, 28% renters). Of these households, 58% (76,230) have one or two people, 30% have three or four people (39,102), and 13% have five or more people (17,048).

The majority of households, across all household sizes, are homeowners.

Exhibit 7. Households (HHs) by Household Size and Tenure, Unincorporated Vancouver UGA, 2019
Source: PUMS 2019. Note: N = total households in category.
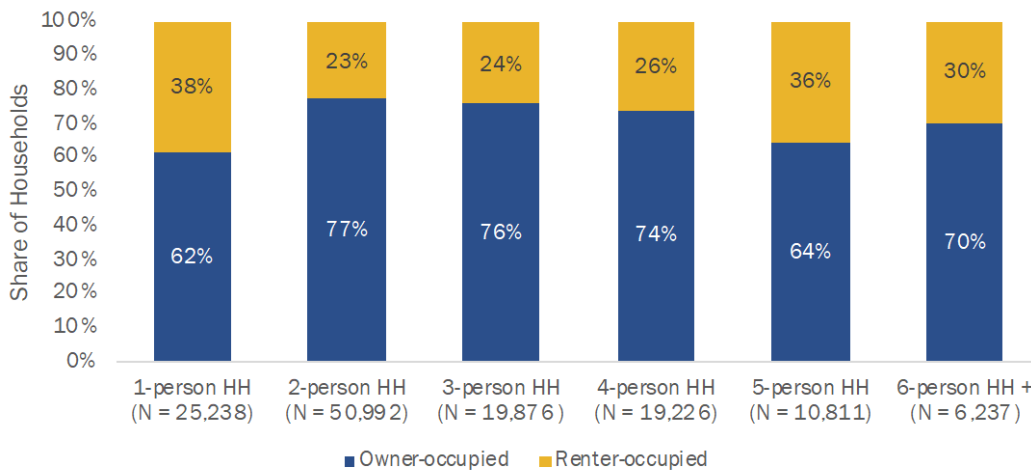
A small share of the Study Area's larger households may be overcrowded at home.

Larger households may struggle to find large units with enough bedrooms, resulting in overcrowding.

Exhibit 8. Households (HHs) by Household Size and by Housing Unit Size, Unincorporated Vancouver UGA, 2019
Source: PUMS 2019. Note1: N = total households in category. Note 2: percentages under 5% are not displayed.
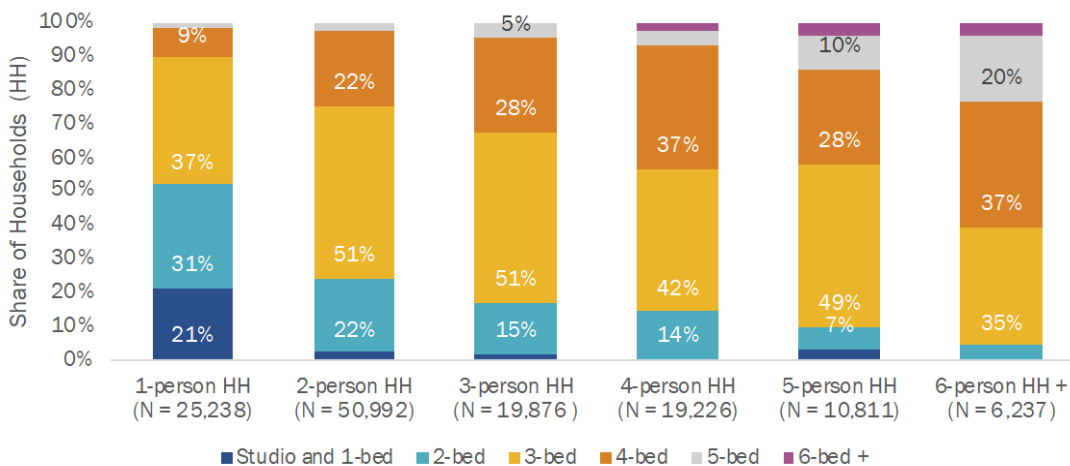
The majority of households in both the Study Area and Clark County are composed of married families.

About 20% of households (11,555) in the Study Area are single-person households. Nearly 5,000 of these single-person households are 65 years of age and older.

Note: "Living alone" includes "Living alone, 65 years or older." Also, "Married family" includes "Married family with own children."

Exhibit 9. Household Composition, Unincorporated Vancouver UGA and Clark County, 2019
Source: U.S. Census ACS, 2014-2018.
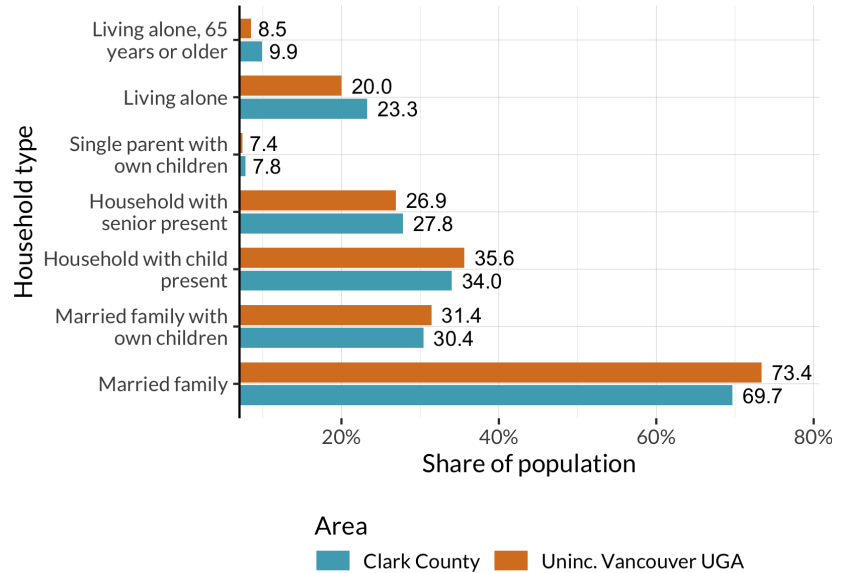
The share of people experiencing homelessness has increased since 2017, and many of those residents remain unsheltered.

In 2020, 916 people experienced homelessness in Clark County—an increase of 167 people from 2017 (or a 22% change).

In 2020, 516 people experienced homelessness and were unsheltered—an increase of 247 people from 2017 (or a 92% change).

Exhibit 10. Homelessness Estimate (Sheltered and Unsheltered), Clark County, 2017 through 2020
Source: Council for the Homeless, PIT Estimates. Clark County 2019-2022 Homeless System Action Plan, PIT Estimates.

Note: N = total number of persons experiencing homelessness.
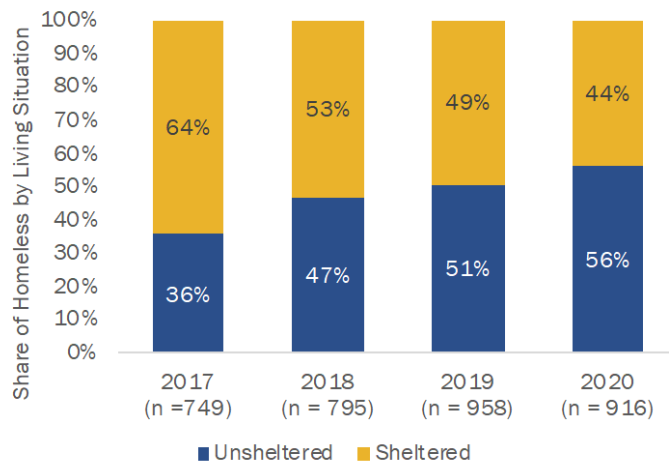
Household size varies by race and ethnicity in the Study Area.

Exhibit 11 shows that in the VUGA, households identifying as Asian, Hispanic/Latino (of any race), and American Indian/Alaska Native have the largest share of large households. About 64% of Asian, 63% of Hispanic/Latino, and 60% of American Indian/Alaska Native households have a household size of three persons or more.

Exhibit 11. Household Size by Race and Ethnicity, Unincorporated Vancouver UGA, 2019
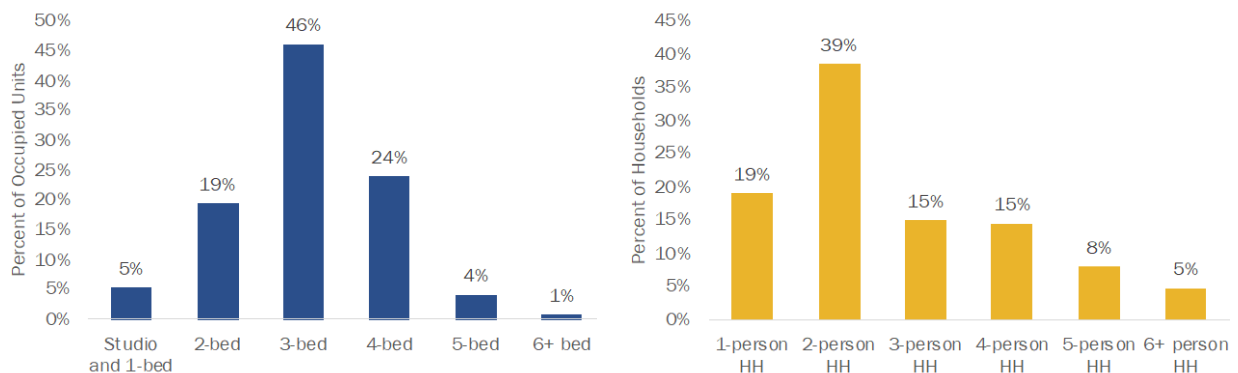Source: U.S. Census PUMS, 2019.
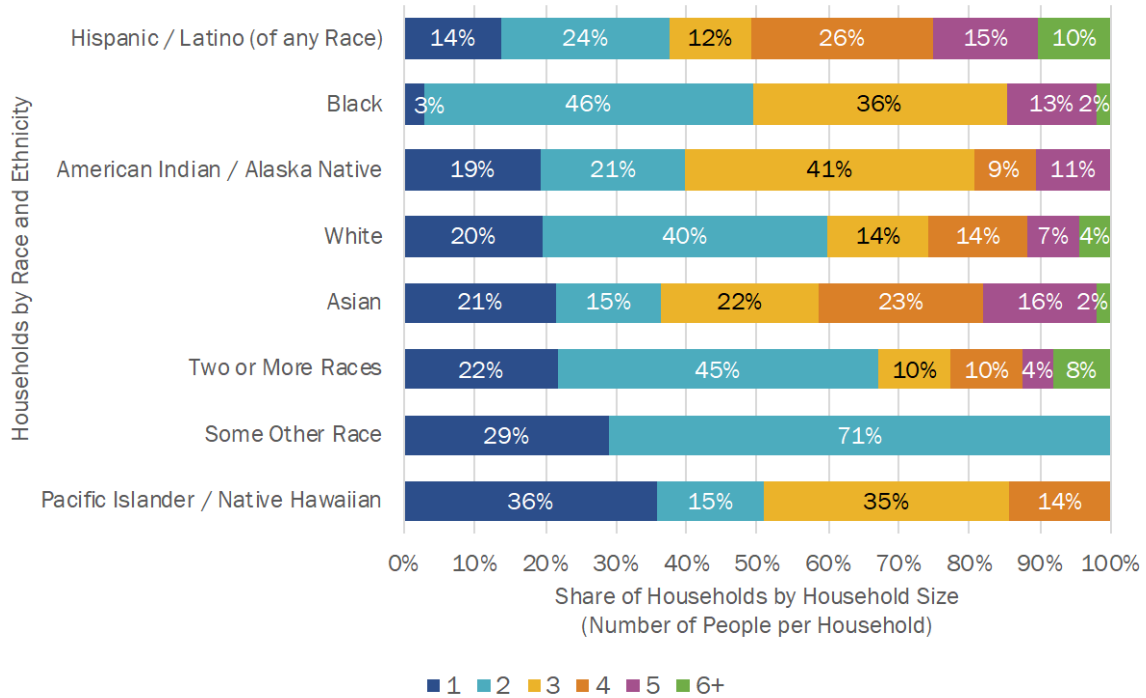
Within the Study Area, the most common unit sizes are three- and four-bedroom homes, while the most common household size is two people.

Exhibit 12. Comparison of Household Sizes and Occupied Housing Units, Unincorporated Vancouver UGA, 2019
Source: U.S. Census PUMS, 2019.

Household Income Characteristics

While the Study Area has a greater share of households at the higher end of the income spectrum than Clark County, nearly a third of households in the Study Area have household incomes lower than $50,000.

About 30% of households have an income of $50,000 or less, compared to 34% of households in Clark County.

About 35% of households in the Study Area have an income of $100,000 or more, compared to 33% of households in Clark County.

Households in the Study Area have proportionately higher incomes than households in Clark County as a whole.

Exhibit 13. Household Income Distribution, Unincorporated Vancouver UGA, Clark County, and the Portland Region, 2019
Source: U.S. Census 5-Year ACS, 2014-2018.   Note: Portland Region includes Clackamas, Multnomah, and Washington County.
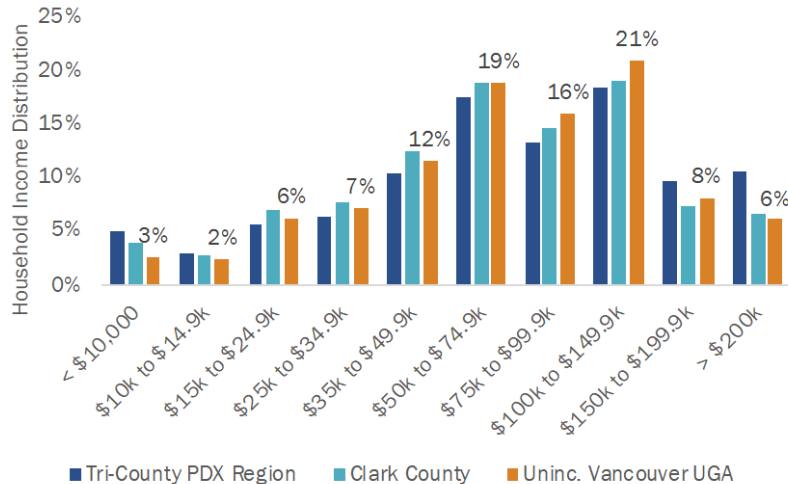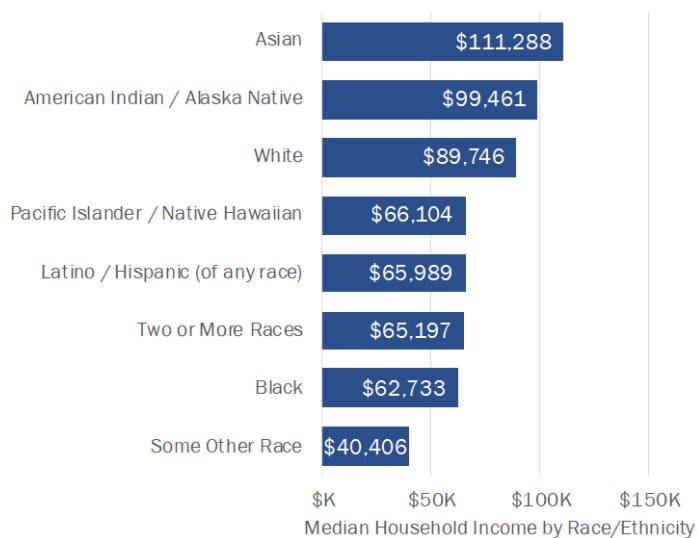

Household incomes vary by race and ethnicity in the Study Area.

Groups that identified as Black and some other race have a comparatively lower median household income (MHI) than groups of other races and ethnicities in the Study Area.

Exhibit 14. Median Household Income by Race and Ethnicity, Unincorporated Vancouver UGA, 2019
Source: U.S. Census PUMS, 2019.

The Study Area has fewer residents at the lowest end of the income spectrum than Clark County, but a similar share of middle-income households.
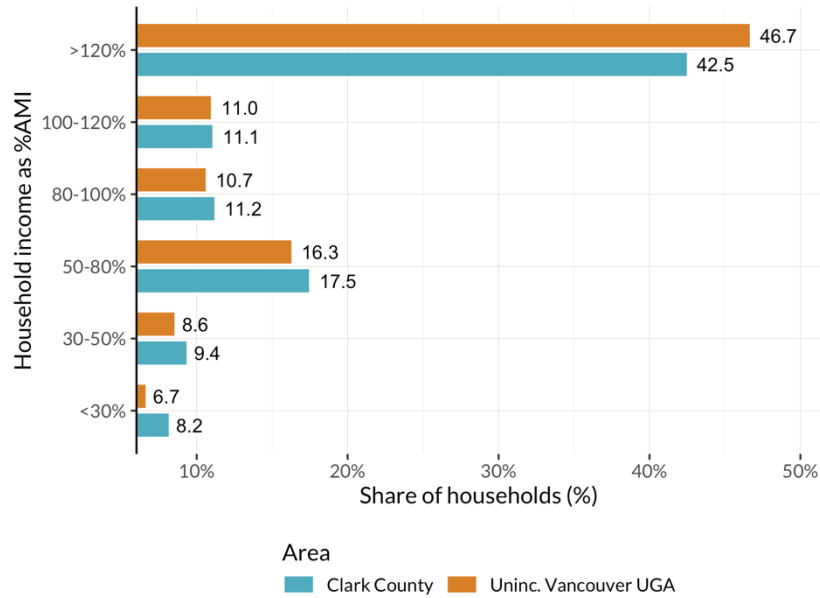
In the Study Area,

- **15%** of households earned less than 50% of AMI for a 4-person HH (< $43,950). These households can afford a monthly housing cost of **$700 or less** without cost burdening themselves.

- **27%** earned between 50% and 100% of AMI for a 4-person HH ($43,950 to $87,900). These households can afford a monthly housing cost **between $700 and $1,100**.

- **58%** earned 100% of AMI or more for a 4-person HH ($87,900+). These households can afford a monthly housing cost **greater than $1,100**.

Exhibit 15. Household Income Distribution by AMI, Unincorporated Vancouver UGA and Clark County, 2019
Source: U.S. Census PUMS, 2019.

Note: Exhibit 13 and Exhibit 15 might appear to show a discrepancy in the distribution of household income for our study areas, but it is important to keep in mind that differences between the two exhibits stem from significant differences in study area geographic units used (tracts versus larger PUMAS, see Exhibits 55 and 56), in the scale of the surveys used (1-year versus 5-year), and in the fact that HUD's AMI levels are scaled by household size.

In the Study Area, the majority of residents across the income spectrum are homeowners.

Exhibit 16. Household AMI by Tenure, Unincorporated Vancouver UGA, 2019
Source: U.S. Census PUMS, 2019.
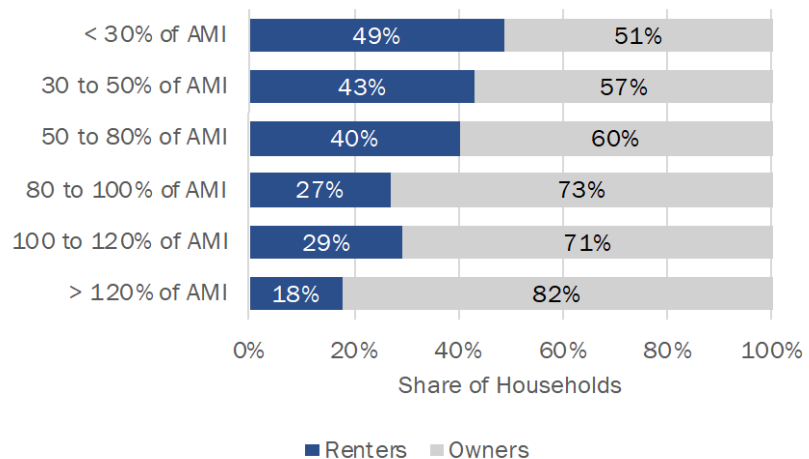
Cost Burdening

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including mortgage payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30 percent of their income on housing experience "cost burdening" and households paying more than 50 percent of their income on housing experience "severe cost burdening." Cost burdening means that households can have too little income leftover after paying for housing costs, to afford other necessities, such as transportation, food, medicine, or childcare. Housing cost burdening is particularly important for low-income households, who have very little income to begin with.

Policymakers typically focus on renters when assessing rates of cost burden as it signals a lack of affordable housing in a region. Policy makers place less focus on homeowners because a lender will assess a buyer's ability to pay for a mortgage before the household can buy a home.

Similar to Clark County, a large share of the Study Area's renters experienced housing cost-burden.

About 16,000 renter households and 22,000 households who own their own home are cost burdened or severely cost burdened in the Study Area.

Exhibit 17. Cost Burdened and Severely Cost Burdened Renters, Unincorporated Vancouver UGA, 2019
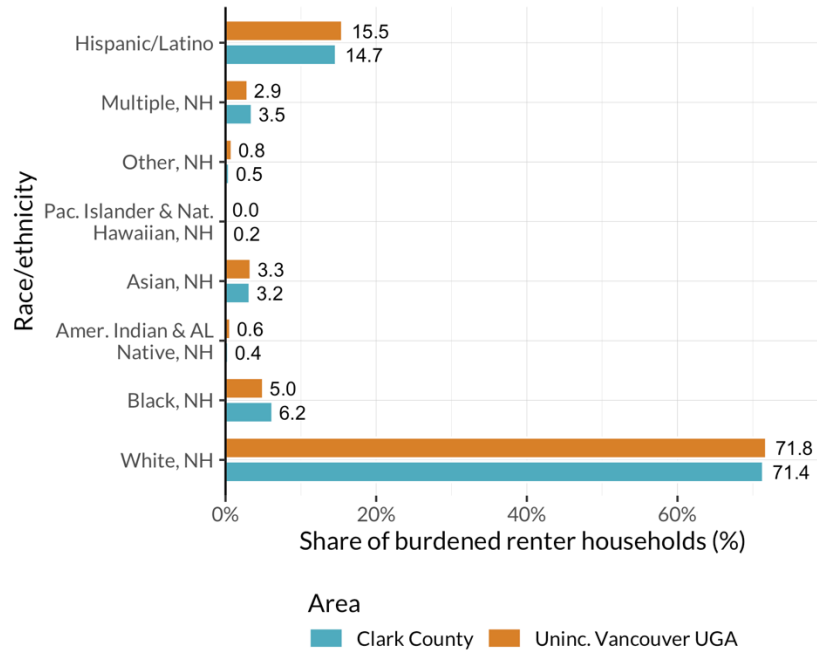Source: U.S. Census PUMS, 2019.
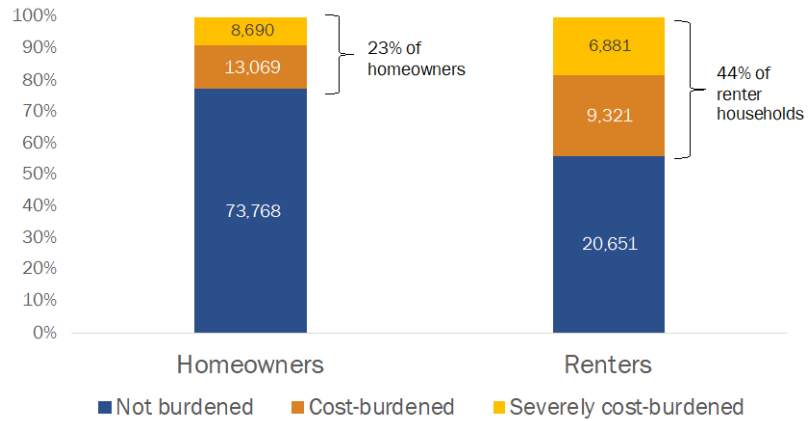
Of all rent-burdened households in the Study Area, 72% identified as White and 16% identified as Hispanic/Latino.

Exhibit 18. Cost Burdened Renters by Race and Ethnicity, Unincorporated Vancouver UGA and Clark County, 2019
Source: U.S. Census PUMS, 2019.

The Portland region is the second most expensive area to live in the Northwest, behind the Seattle region.

A renter household would need to earn $28.75 per hour to afford a two-bedroom unit at the Fair Market Rent.

Exhibit 19. Housing Wage for Two-Bedroom Unit, Most Expensive Areas in Northwest, 2020
Source: Out of Reach 2020. National Low-Income Housing Coalition.
https://reports.nlihc.org/oor

Most Expensive Areas	Housing Wage
Seattle-Bellevue HMFA	$40.37
Portland-Vancouver-Hillsboro MSA	**$28.75**
Tacoma HMFA	$27.08
Bremerton-Silverdale MSA	$24.92
San Juan County	$23.69

Note 1: MSA is Metropolitan Statistical Area and HMFA is HUD Metro FMR Area.

Note 2: To be considered affordable, the cost of rent and utilities must not exceed 30% of household income.

Transportation costs add to the overall housing burden that households face.

The standard definition of cost burden (more than 30% of household income spent on housing costs) does not factor in transportation costs. Today, housing advocates and economic research stress the importance of considering transportation costs in affordability analyses, because many households relocate to the outer edges of metro areas in search of affordable housing, thereby increasing their transportation costs to city or job centers. The Center for Neighborhood Technology publishes a Housing + Transportation Affordability Index, providing a ready-made data source for assessing the possible transportation cost burdening of residents (see Exhibit 20).

Study Area households experience greater housing and transportation cost burdens than the County.

In the Study Area, a "typical" household earning 100% of AMI would spend 53% of its income on housing and transportation costs. A household earning 80% of AMI would spend 62% of its income on these necessities.

Exhibit 20. Housing + Transportation Costs as a Percent of Household Income, Unincorporated Vancouver UGA and Clark County, 2017
Source: Center for Neighborhood Technology, https://htaindex.cnt.org/.

Jurisdiction	H+T Costs as % of income (100% of AMI)	H+T Costs as % of income (80% of AMI)
Uninc. Vancouver UGA	53%	62%
Clark County	45%	52%

Employment and Transportation

This section provides a summary of employment for the Study Area, compared to Clark County. The analysis uses two-digit data from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data.

Importantly, this section presents data about employment change by industry and median salaries by industry. This data matters to the overall analysis as household income and earnings are intrinsically linked to households' ability to pay for housing.

Since 2012, the Study Area has seen an increase in employment.

Employment trends in the Study Area improved from 2012 to 2018. In this time, jobs increased by 8,780 (30% change).

Prior to 2012, the Study Area experienced a decline in employment by about 2,488 jobs, from 2008 to 2012.

Exhibit 21. Employment Trends (Number of People Employed within the Study Area), Unincorporated Vancouver UGA, 2008 through 2018
Source: LODES.
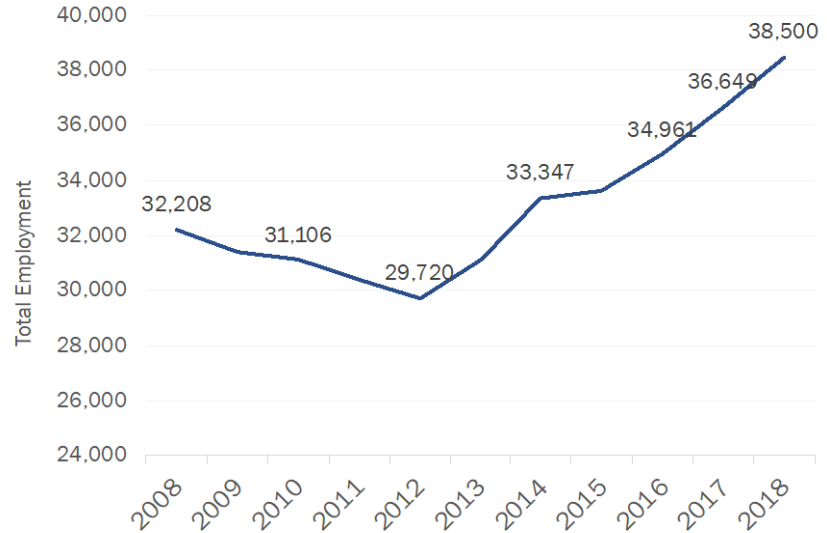
Understanding the makeup of the Study Area's employment base can help the County to understand the residents that will need housing in the future. The employment estimates presented in Exhibit 22 show the total number of residents working in each two-digit NAICS sector in the Study Area and Clark County in 2008 and 2018.

Between 2008 to 2018, employment in the Study Area increased by 6,292 jobs (which represented 21% of total job growth in Clark County overall). The industries experiencing the most growth in the Study Area are (1) Educational Services and Health Care and Social Assistance, (2) Professional, Scientific, Management, Administrative, and Waste Management Services, and (3) Arts, Entertainment, Recreation, Accommodations, and Food Services. Combined, these three sectors added 4,436 jobs to the Study Area between 2008 and 2018.

Exhibit 22. Employment by Industry in Study Area, 2008 and 2018
Source: LODES.

Industry	Uninc. Vancouver UGA			
	2008	2018	Change	
			#	%
Educational Services, Health Care, Social Assistance	7,405	9,920	2,515	34%
Retail Trade	5,203	5,680	477	9%
Construction	4,931	5,398	467	9%
Arts, Entertainment, Recreation, Accommodation, Food Services	3,055	4,004	949	31%
Professional, Scientific, Mngmt, Administrative, Waste Mngmt	3,022	3,994	972	32%
Manufacturing	2,082	2,355	273	13%
Wholesale Trade	1,403	2,047	644	46%
Transportation, Warehousing, Utilities	1,011	1,355	344	34%
Other Services, Except Public Administration	1,689	1,610	(79)	-5%
Finance, Insurance, Real Estate, Rental, Leasing	1,439	1,282	(157)	-11%
Information	552	489	(63)	-11%
Agriculture, Forestry, Fishing, Hunting, Mining	285	192	(93)	-33%
Public Administration	131	174	43	33%
Total	**32,208**	**38,500**	**6,292**	**20%**

Many of the jobs in the Study Area are middle-income jobs, with a median salary around 60% of AMI.

About 38,500 people are employed in the Study Area. The industries with the greatest number of people employed are (1) Educational Services and Health Care and Social Assistance, (2) Retail Trade, and (3) Construction. Combined, these sectors employed 20,998 people (about 55% of total employment in the Study Area).

Exhibit 23 shows that the industries with the largest median salaries in the Study Area are Public Administration ($71,300); Finance, Insurance, Real Estate, Rental, and Leasing ($68,400); and Wholesale Trade ($64,200). These industries have comparatively fewer employees than other industries with lower median earnings.

Exhibit 23. Median Salary by Industry (with AMI, Housing Cost, Employment), Unincorporated Vancouver UGA, 2018

Source: U.S. Census 5-Year ACS, 2014-2018.   Note: AMI category comparisons are based on $87,900 (100% AMI) in 2019.

Industry	Median Salary	% of AMI	Monthly Affordable Housing Cost (based on med. salary)	% of people employed (2018)
Public Administration	$71,259	81%	$1,781	0.5%
Finance, Insurance, Real Estate, Rental, Leasing	$68,411	78%	$1,710	3%
Wholesale Trade	$64,200	73%	$1,605	5%
Transportation, Warehousing, Utilities	$62,578	71%	$1,564	4%
Information	$60,953	69%	$1,524	1%
Manufacturing	$60,216	69%	$1,505	6%
Professional, Scientific, Mngmt, Administrative, Waste Mngmt Services	$58,224	66%	$1,456	10%
Construction	$54,792	62%	$1,370	14%
Educational Services, Health Care, Social Assistance	$53,447	61%	$1,336	26%
Agriculture, Forestry, Fishing, Hunting, Mining	$41,823	48%	$1,046	0.5%
Other Services, Except Public Administration	$41,477	47%	$1,037	4%
Retail Trade	$35,313	40%	$883	15%
Arts, Entertainment, Recreation, Accommodation, Food Services	$32,792	37%	$820	10%

Most people commute out of the Study Area for work.

About 38,500 people work in the Study Area. A majority of these people (70%) commute into the Study Area for work.

About 65,846 people live in the Study Area but commute outside of the Study Area for work.

Exhibit 24. Commuting Flows, Unincorporated Vancouver UGA, 2018

Source: LODES.

Like Clark County as a whole, the majority of people living in the Study Area commute to work by car.

A more granular assessment of the data finds that commuting by car is the dominant form of transportation for all racial and ethnic groups in the Study Area and in Clark County as a whole.

Exhibit 25. Commute Mode, Unincorporated Vancouver UGA and Clark County, 2019

Source: U.S. Census PUMS, 2019. Note: The 'Other' category includes options such as taxi/rideshare and motorcycle.
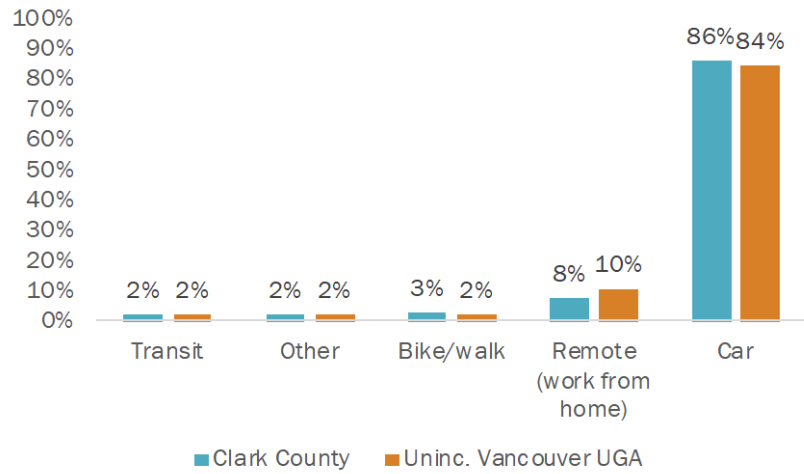
The need to commute out of the Study Area increases transportation expenses for Study Area households, resulting in less disposable income for other essential needs.

When few jobs or services are accessible within a reasonable commute time to the average resident, wages can stagnate and prices increase due to lack of competition, further exacerbating transportation and housing cost burdens.

Exhibit 26 illustrates areas accessible by transit and by car (within a 45-minute trip) for the average person living with the Study Area. [14]

Methodology: [15] Access to employment is measured for both transit and auto use, using a preset limit of 45 minutes to generate isochrones (travel sheds). ESRI Services is used to create drive-time isochrones, simulating traffic conditions typical of 8:00AM, Wednesday. Transit isochrones are created using OpenTripPlanner and the current, consolidated GTFS (General Transit Feed Specification) schedule databases for C-TRAN and TriMet.

Job totals are derived from the US Census' 2018 LODES database, joined to census block geometries.

Exhibit 26. Travel Shed for the Average Person Living in the Study Area
Source: Trimet, C-TRAN, OpenStreetMap, HERE, US Census Bureau.

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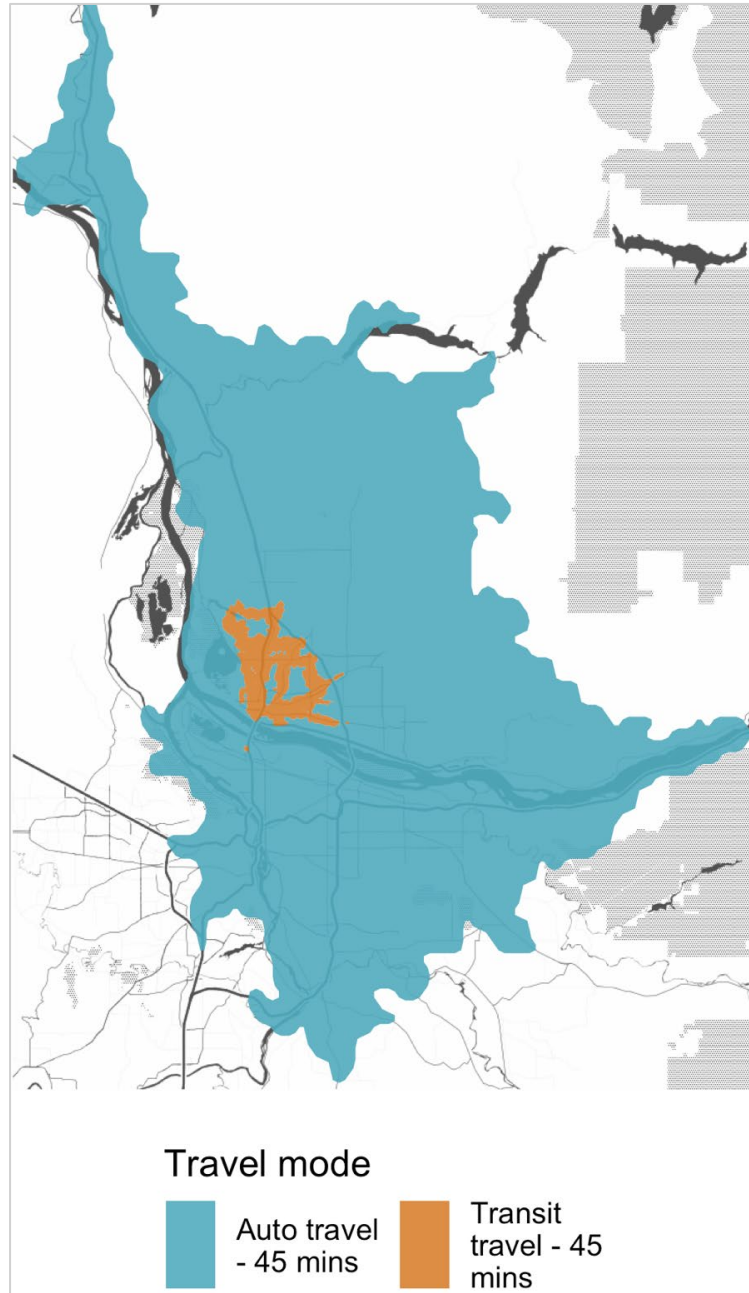
[14] This exhibit shows areas within a 45-minute trip at a point in time, as determined by ESRI. This study acknowledges that traffic congestion at peak hours may—and often will— reduce the displayed travel shed within

There are few industries in the Study Area that have jobs accessible by transit.

Based on analysis conducted and displayed in Exhibit 26, few industries with workplaces are accessible by transit. Those that are have few jobs in the Study Area: Utilities (11% of total jobs) and Public Administration (7%).

The industries with the largest share of jobs accessible by car are Transportation and Warehousing (79% of total jobs), Utilities (74%), Health Care and Social Assistance (74%), and Real Estate / Rental and Leasing (72%).

Exhibit 27. Access to Employment—Travel Shed, Percent of Jobs Accessible to the Average Person Living in the Study Area, by NAICS Sector
Source: LODES.

NAICS Sector	Total Regional Jobs	Jobs Accessible by Car (45-minutes)		Jobs Accessible by Transit (45-minutes)	
		Jobs	% of Jobs	Jobs	% of Jobs
Health Care and Social Assistance	144,838	107,685	74.3%	5,013	3.5%
Manufacturing	113,657	56,451	49.7%	1,208	1.1%
Retail Trade	108,736	69,138	63.6%	3,838	3.5%
Educational Services	89,768	61,898	69.0%	1,697	1.9%
Accommodation and Food Services	86,853	59,489	68.5%	2,521	2.9%
Professional, Scientific, and Technical Service	77,130	53,509	69.4%	1,381	1.8%
Construction	67,118	41,436	61.7%	1,359	2.0%
Administrative and Support and Waste	62,247	35,199	56.5%	1,206	1.9%
Wholesale Trade	56,573	36,188	64.0%	796	1.4%
Finance and Insurance	43,396	28,133	64.8%	755	1.7%
Other Services (except Public Administration)	40,890	26,434	64.6%	916	2.2%
Management of Companies and Enterprises	40,122	24,451	60.9%	228	0.6%
Transportation and Warehousing	39,421	31,187	79.1%	517	1.3%
Public Administration	30,312	20,221	66.7%	1,976	6.5%
Information	26,306	16,370	62.2%	555	2.1%
Real Estate and Rental and Leasing	19,315	13,942	72.2%	673	3.5%
Arts, Entertainment, and Recreation	17,239	10,823	62.8%	249	1.4%
Agriculture, Forestry, Fishing and Hunting	7,887	1,540	19.5%	30	0.4%
Utilities	5,804	4,266	73.5%	631	10.9%
Mining, Quarrying, and Oil and Gas Extraction	546	174	31.9%	0	0.0%

this threshold of time. In addition, some people in the Study Area commute further distances than what is captured in the exhibit.

[15] To determine the "average commuter," ECONorthwest generated transit isochrones from every active transit stop in the Study Area. Each stop is weighted by the population within a half-mile of the stop (a straight distance, using ACS 2014-2018 five-year estimates). The weighted average number of jobs within the isochrones was taken as the "average commuter's" job access. Auto isochrones are handled in a similar manner, generated from the centroid of each block group in the Study Area, and weighted by that block group's population (using ACS 2014-2018 5-year estimates).

Housing Inventory

As of 2020, the Study Area has 60,093 dwelling units in its housing stock. About 33% of the Study Area's housing units were built in the 1990s or earlier and about 76% of the Study Area's housing stock is single-family detached housing. In addition to these characteristics, the majority of the Study Area's occupied housing stock is occupied by homeowners (73%).

The Study Area has 1,520 regulated affordable housing units, which are typically restricted to households earning less than 60% or 80% of MFI. Given the limited supply of these units, households at these income levels must compete for older, lower cost, and lower amenity market rate housing. A household earning 80% of Clark County's AMI for a family of four[16] (about $70,300) can afford a monthly rent of about $1,760 without being cost-burdened, and there is little housing available at this price point (e.g., about 8,177 multifamily units), particularly units with multiple bedrooms. This memorandum discusses housing affordability in greater detail in later subsections.

> In this document, we use HUD's Median Family Income (MFI) and Area Median Income (AMI) interchangeably. AMI and MFI were $87,900 in 2019 for a family of four for the Portland-Vancouver-Hillsboro, OR-WA MSA (which includes Clark County).

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[16] The U.S. Department of Housing and Urban Development determines MFI thresholds for families of various sizes, not just families of four. These thresholds can be searched for and viewed here: https://www.huduser.gov/portal/datasets/il.html.
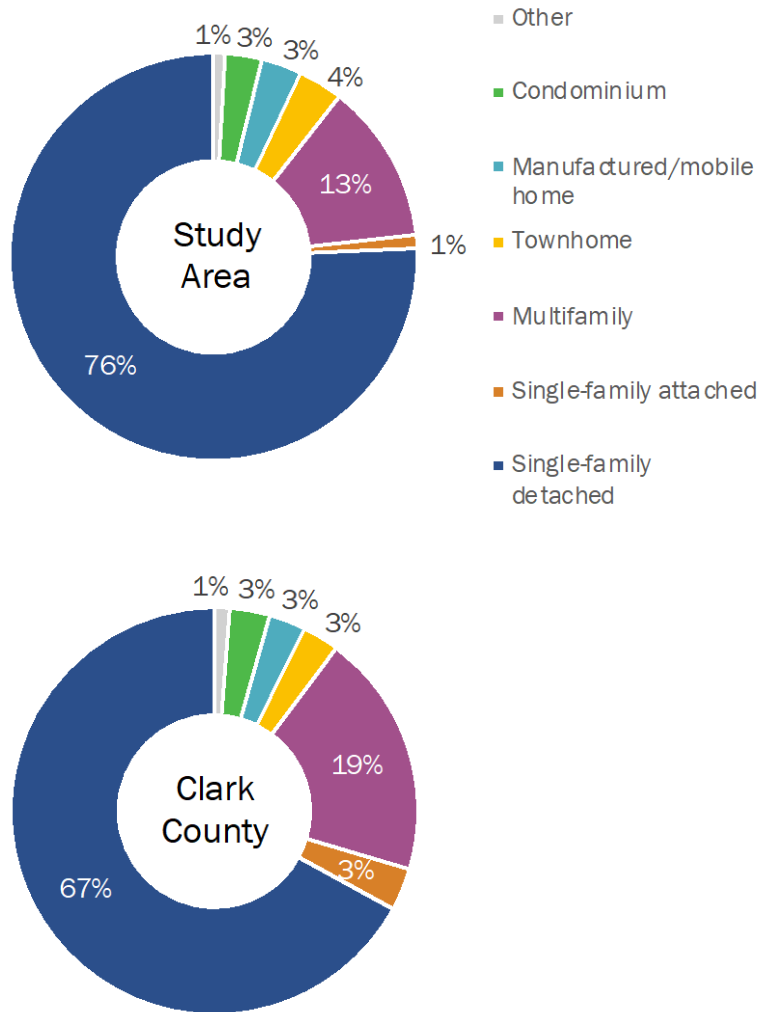
The majority of housing units in the Study Area are single-family units.

Three quarters of the Study Area's housing stock comprised single-family detached housing. Multi-family housing makes up the next largest housing type with 13%.

Note: These housing types are defined in Appendix B.

Exhibit 28. Housing Units by Type, Unincorporated Vancouver UGA and Clark County, 2020
Source: Clark County Assessor, 2020.

Study Area

1% 3% 3% 4% 13% 1% 76%

Legend:
- Other
- Condominium
- Manufactured/mobile home
- Townhome
- Multifamily
- Single-family attached
- Single-family detached

Clark County

1% 3% 3% 3% 19% 3% 67%

The majority of housing units in the Study Area were built after 1990.

About a third of the Study Area's housing stock (of any type) was built before 1990, 49% between 1990 and 2009, and 18% in 2010 and after.

Exhibit 29. Housing Units by Age of Structure, Unincorporated Vancouver UGA and Clark County, 2019
Source: Clark County Assessor, 2020.
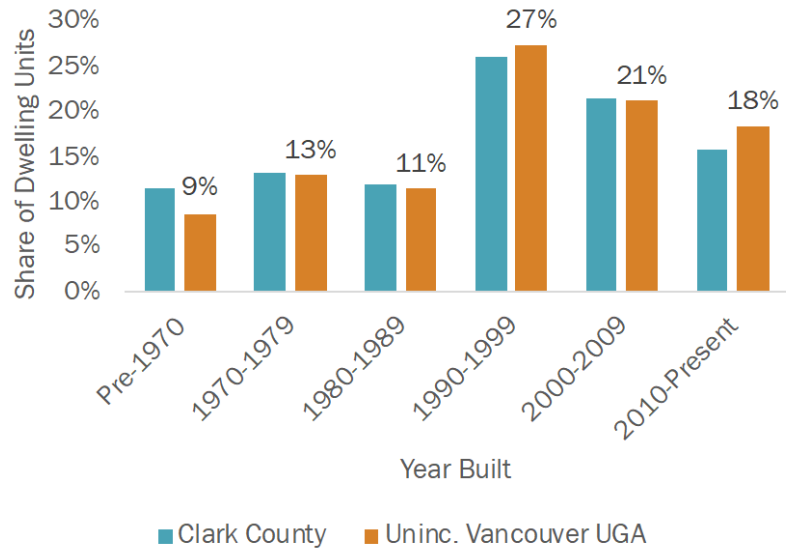
Most homes in the Study Area are owner-occupied.

About 73% of homes in the Study Area are owner-occupied and 27% are renter-occupied.

In Clark County, about 66% of homes are owner-occupied and 34% are renter-occupied. Thus, the Study Area has higher homeownership rate than the County.

Exhibit 30. Occupied Housing by Tenure, Unincorporated Vancouver UGA and Clark County, 2019
Source: U.S. Census 5-Year ACS, 2014-2018.
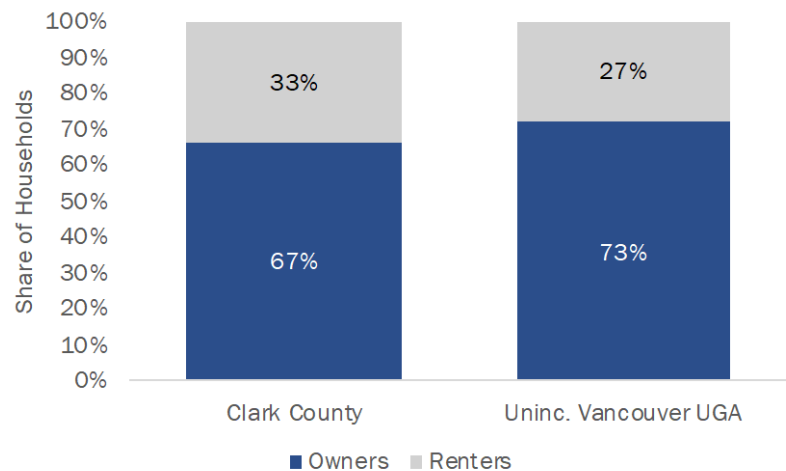
Multifamily units and townhomes tend to be newer, while single-family units have been built more steadily over time.

Since 2000, about 23,700 new housing units were built in the Study Area. Of these units, 74% are single-family detached, 14% are multifamily, 8% are townhomes, and 3% are some other housing type (e.g., manufactured/mobile homes, single-family attached homes, condominiums, and "other").

Exhibit 31. Housing Units by Type and Age, Unincorporated Vancouver UGA, 2020
Source: Clark County Assessor, 2020.
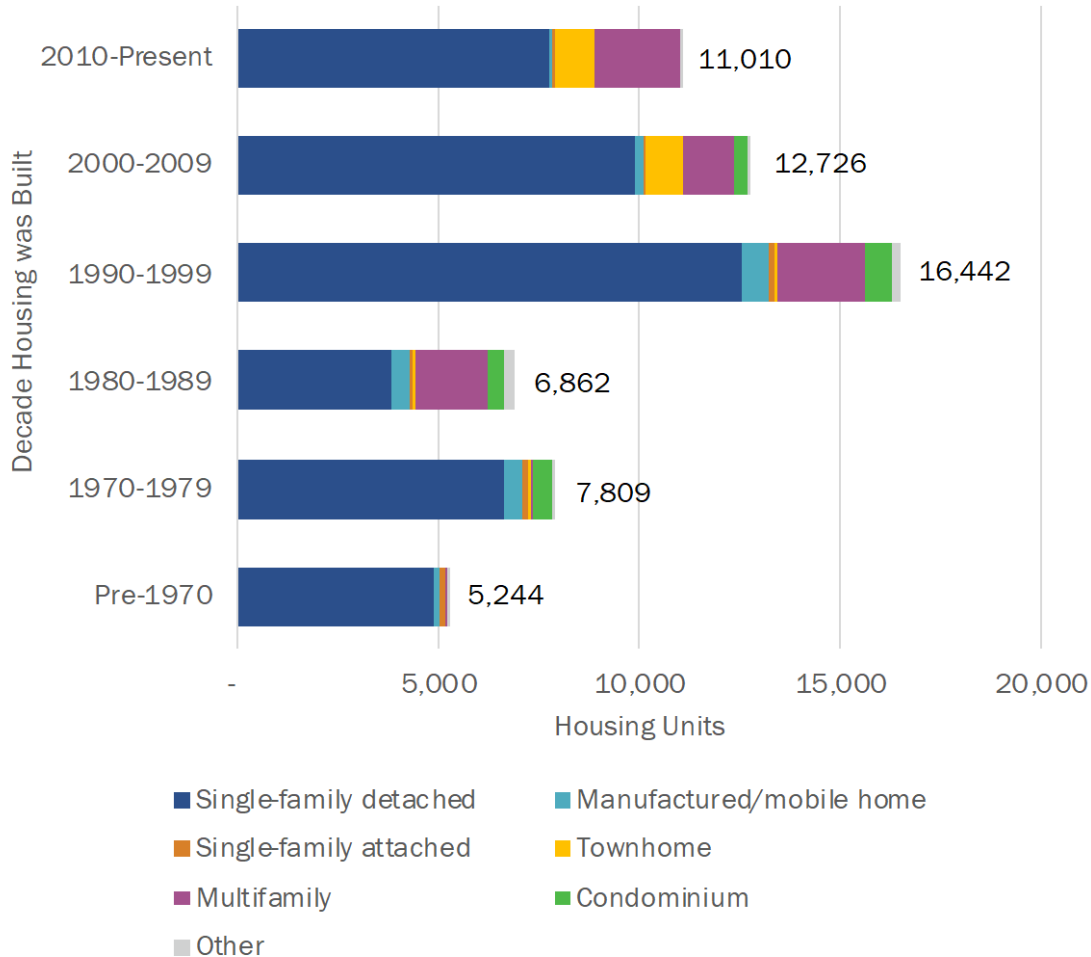
Most of the land in the Study Area designated for residential uses has an urban low density designation, and single family homes are the main type of housing built in both low density and medium density residential areas.

The majority of the Study Area's housing units (73%) and acreage (59%) have an Urban Low Density Residential comprehensive plan designation (UL). Combined, the Urban Medium Density Residential (UM) and Urban High Density Residential (UH) comprehensive plan designations make up 7% of the acreage of the Study Area and 24% of housing units.

Exhibit 32. Housing Units and Acres by Land Use, Unincorporated Vancouver UGA and Clark County, 2020
Source: Clark County Assessor, 2020.

| Comprehensive Plan Designation	Housing Units	Share of Housing Units (%)	Acres	Share of Acres (%)
Urban Low Density Residential (UL)	44,612	73%	19,850	59%
Urban Medium Density Residential (UM)	8,892	15%	1,738	5%
Urban High Density Residential (UH)	5,555	9%	662	2%
Other	2,020	3%	11,328	34%
TOTAL	**61,079**	**100%**	**33,578**	**100%**

Note: The "Other" designation in Exhibit 32 includes all other comprehensive plan designations within the Study Area that are not UL, UM or UH.

Of the 8,892 housing units developed in the Urban Medium Density Residential designation, 36% are multifamily and 44% are single family homes.

Of the 5,555 housing units developed in the Urban High Density Residential designation, 68% are multifamily and 15% are single family homes.

Exhibit 33. Housing Units by Land Use, Urban High Density and Urban Low Density, Unincorporated Vancouver UGA, 2020
Source: Clark County Assessor, 2020.
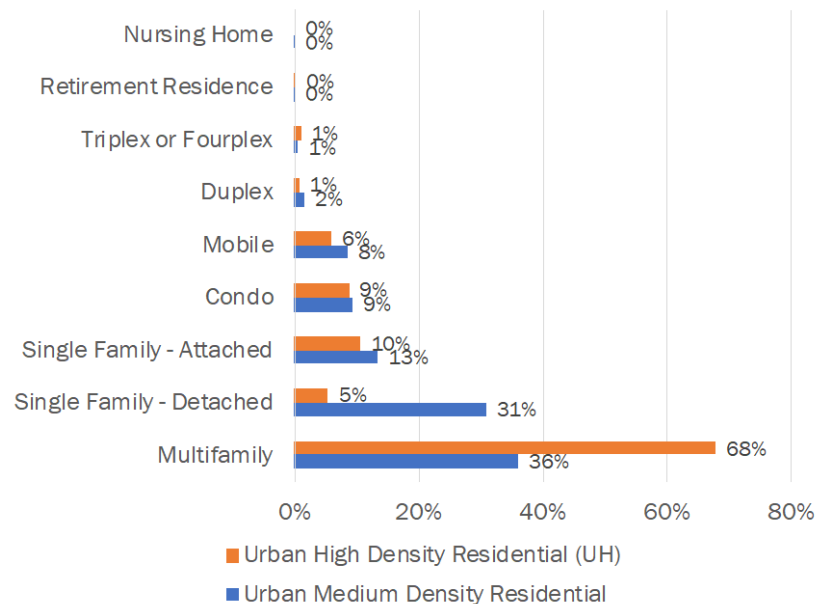
About 87% of the Study Area's single-family housing stock is located on lots greater than 5,000 square feet in size.

When limiting the Study Area to just single-family detached and single-family attached housing, and breaking parcels down by lot sizes typically used in local zoning regulations, the largest share (32%) of units is located on lots larger than 10,000 sq. ft.

Small lots, those less than 5,000 sq. ft., accounted for 13% of the Study Area's single-family units.

Exhibit 34. Housing Units by Lot Size, Single-Family Detached and Single-Family Attached Parcels, Unincorporated Vancouver UGA, 2020
Source: Clark County Assessor, 2020.

The majority of the Study Area's single-family housing units (57%) are between 1,000 and 2,000 square feet.
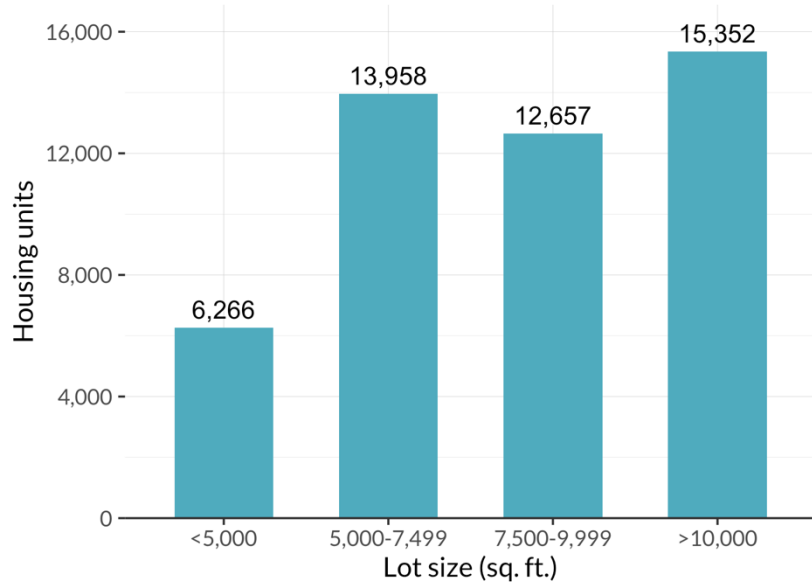
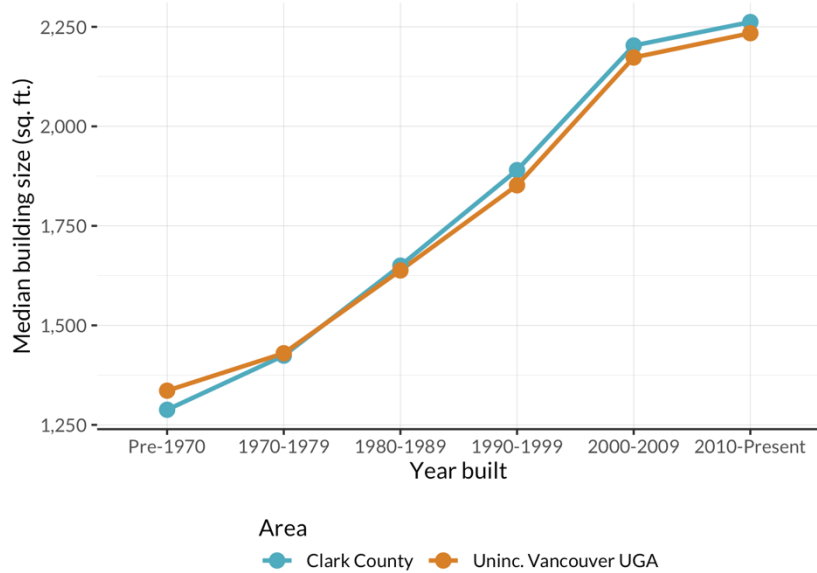**Exhibit 35. Single-Family Housing Units by Square Footage, Unincorporated Vancouver UGA and Clark County, 2020**
Source: Clark County Assessor, 2020.
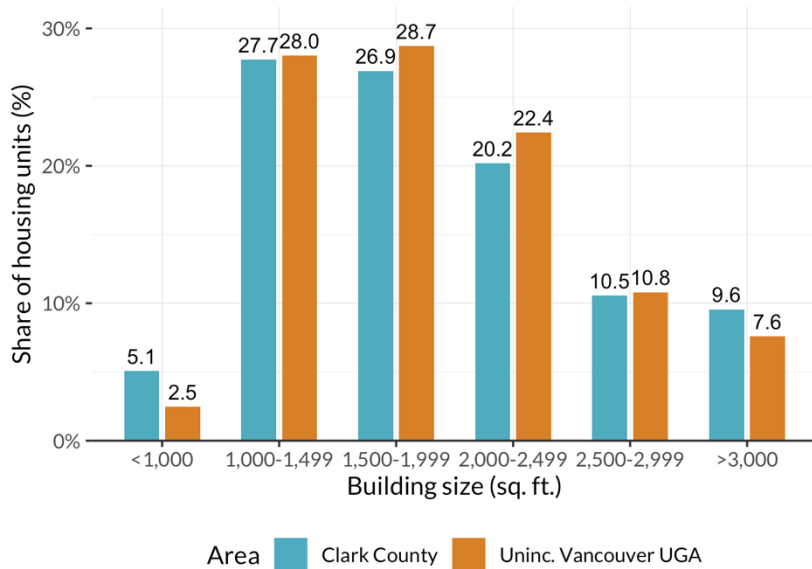
The median single-family detached house in Clark County and the Study Area has grown by just under 1,000 sq. ft. since around the 1960s, from just over 1,250 feet to around 2,250 sq. ft.

Exhibit 36. Median Building Size of Single-Family Detached Housing, Unincorporated Vancouver UGA and Clark County, Pre-1970 to 2020

Source: Clark County Assessor, 2020.

The median single-family detached lot size in the Study Area has fluctuated over the last 10 years, with a slight overall decrease to around 6,000 square feet. Median single-family detached lot sizes in Clark County, by comparison, have shown a slightly more pronounced decrease in the last 10 years, from around 7,500 square feet in 2010 to 6,500 square feet in 2020.

Exhibit 37. Median Lot Size of Single-Family Detached Housing, Unincorporated Vancouver UGA and Clark County,
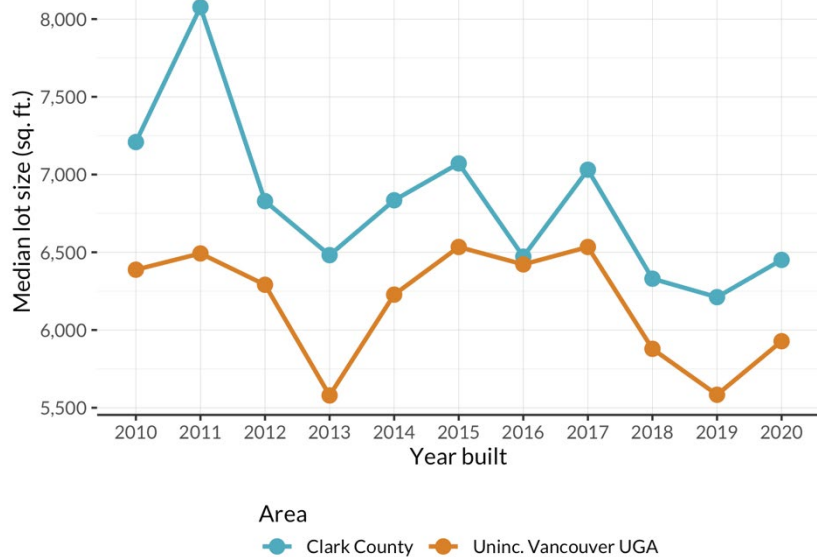
The Study Area's multifamily housing stock quality ranges from mid-range to higher-end, with just 4% of the Study Area's multifamily developments rated as functionally obsolete.

Compared to the County, the Study Area has a greater share (47% compared to 42%) of units rated with three stars or above.

Exhibit 38. Multifamily Housing Quality (Share of Costar Inventory by Costar Star Rating[17]), Unincorporated Vancouver UGA and Clark County, 2020
Source: CoStar.
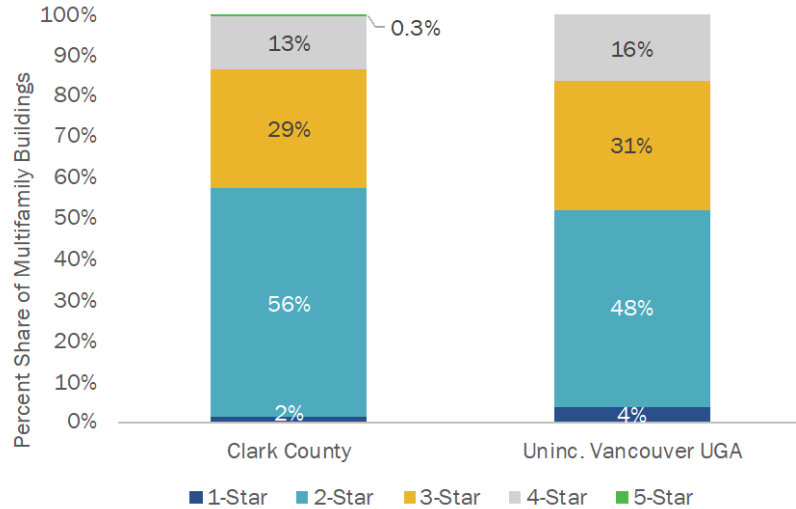
About 76% of regulated affordable units in the Study Area are one- and two-bedroom units.

Exhibit 39. Regulated Affordable Units, Unincorporated Vancouver UGA and Clark County, 2020
Source: Washington State Housing Finance Commission, Vancouver Housing Authority, U.S. Department of Housing and Urban Development, and U.S. Department of Agriculture.

	Clark County		VUGA	
	#	%	#	%
Studio units	666	12%	118	8%
1-bedroom units	2,551	44%	551	36%
2-bedroom units	1,826	32%	708	47%
3-bedroom units	614	11%	120	8%
4-bedroom units	110	2%	23	2%
Total	5,767	100%	1,520	100%

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[17] CoStar ratings consider design, amenities, certification, and landscaping among other factors—as assessed by CoStar. A five-star building represents the luxury end of multifamily buildings defined by finishes, amenities, the overall interior/exterior design and the highest level of specifications for its style (garden, low-rise, mid-rise, or high-rise). Four-star buildings are constructed with higher end finishes and specifications, providing desirable amenities to residents and are designed/built to competitive and contemporary standards. Three-star buildings are likely smaller and older with less energy-efficient and controllable systems, have average finishes, a layout conducive to compact lifestyle, and have few on-site shared facilities and spaces. Two-star buildings have small, adequate windows, average aesthetics, purely functional systems, and below-average finishes and use of space with one or no on-site shared facilities. One-star buildings are practically uncompetitive with respect to typical multifamily investors, may require significant renovation, and are possibly functionally obsolete.

Of the Study Area's regulated affordable units with known affordability characteristics (1,194 units), most (85%) are affordable to households earning 60% of AMI, suggesting a highly limited supply of housing for households that are very low- and extremely low-income.

Of Clark County's regulated affordable units with affordability characteristics (4,419 units), most (75%) are affordable to households earning 60% of AMI.

Exhibit 40. Regulated Affordable Units by AMI, Unincorporated Vancouver UGA, 2020

Source: Washington State Housing Finance Commission, Vancouver Housing Authority, U.S. Department of Housing and Urban Development, and U.S. Department of Agriculture.

Note: Housing totals in Exhibit 40 do not sum to totals in Exhibit 39 as affordability levels are not known for each regulated affordable housing development.

| Percent of AMI | Income Level | Regulated Affordable Housing | | | |
| | | Clark County | | VUGA | |
		Units	% of Total	Units	% of Total
30% AMI	$26,370	242	5%	39	3%
35% AMI	$30,765	-	0%	-	0%
40% AMI	$35,160	74	2%	15	1%
45% AMI	$39,555	15	0%	-	0%
50% AMI	$43,950	779	18%	125	10%
60% AMI	$52,740	3,309	75%	1,015	85%
Total	-	4,419	100%	1,194	100%

In addition to the supply of regulated affordable housing, the Study Area had 1,186 housing choice voucher recipients in 2020.
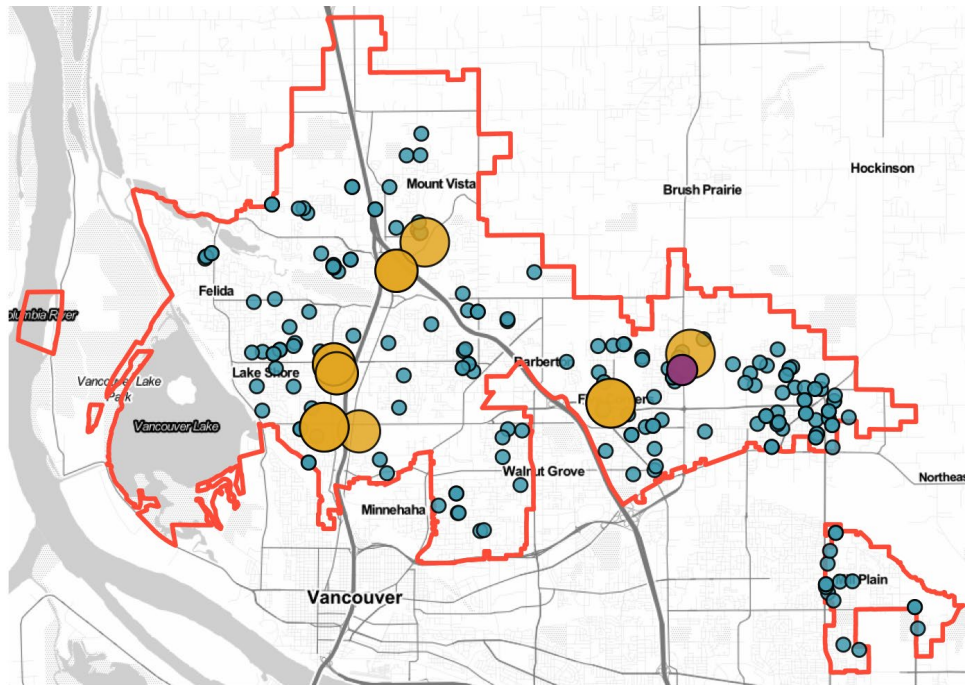
The Study Area has 219 adult family home facilities (with 1,220 licensed beds), 18 assisted living facilities (with 1,431 licensed beds), and three enhanced services facilities (with 36 licensed beds).
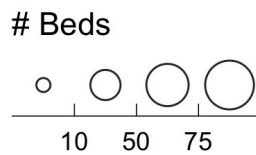
Exhibit 41. Long-Term Care Units, Unincorporated Vancouver UGA, 2020
Source: Washington Geospatial Open Data Portal. DSHS Long Term Care - Residential Care. 2020.
https://geo.wa.gov/datasets/12cacca85238434b9bf54f8e47ece35f_1

Housing Market Conditions

Both the Study Area and County have relatively few vacant units.

Vacant units comprised 3.5% of the Study Area's housing stock and 4.6% of Clark County's housing stock.

Exhibit 42. Vacancy Rates, Unincorporated Vancouver UGA and Clark County, 2018
Source: U.S. Census 5-Year ACS, 2014-2018.
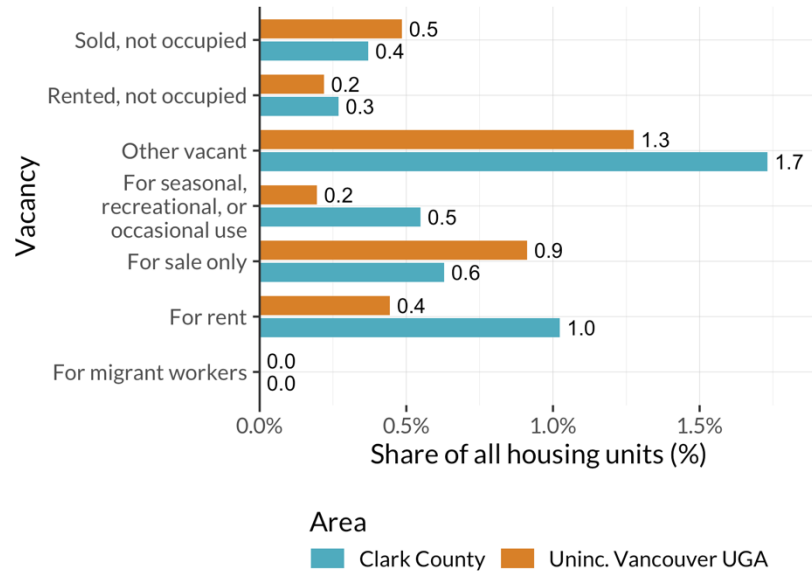
Rents have increased steadily in the Study Area since 2010.

Between 2010 and 2020, average rents in the Study Area for one- and two-bedroom units increased at an average annual growth rate of about 4% (compared to 1.2% in 2000 to 2010).

The average asking rent for a one-bedroom unit in a multifamily structure is $1,074, which is affordable to a household earning $42,960.

The average asking rent for a two-bedroom unit in a multifamily structure is $1,276, for a two-bedroom unit, which is affordable to a household earning $51,040.

Between 2015 and 2020, the average asking rent for a 1-bedroom multifamily unit increased by $186 (21% change). In this period, the average asking rent for a 2-bedroom multifamily unit increased by $216 (20% change).

Exhibit 43. Quarterly Average Asking Rental Rates for Multifamily Units, Unincorporated Vancouver UGA, 2000 Q1 through 2020 Q3
Source: CoStar.
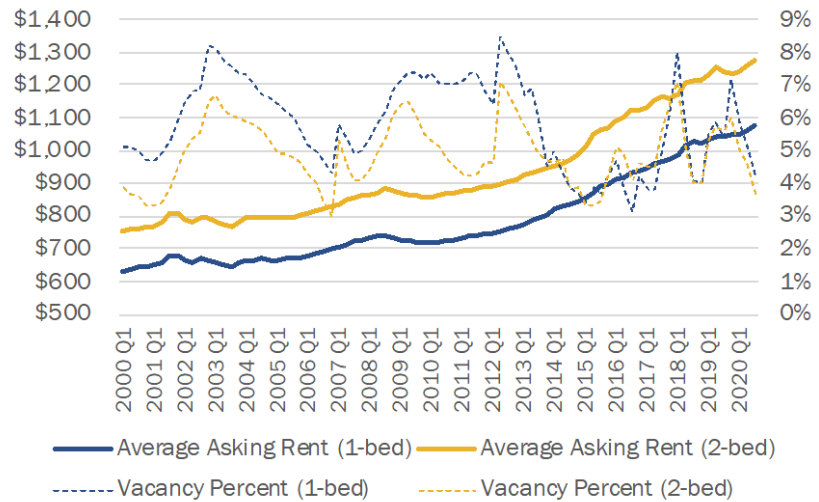
Like in Clark County, home prices in the Study Area are increasingly out of reach for middle income households looking to buy.

The real market value of single-family housing in the Study Area is greater than in Clark County when normalized by lot square footage.

The Study Area has a larger share of single-family housing units valued more than $30 per square foot compared to the County overall.

Exhibit 44. Single-Family Housing Units by Real Market Value per Lot Square Foot, Unincorporated Vancouver UGA and Clark County, 2020
Source: Clark County Assessor, 2020.
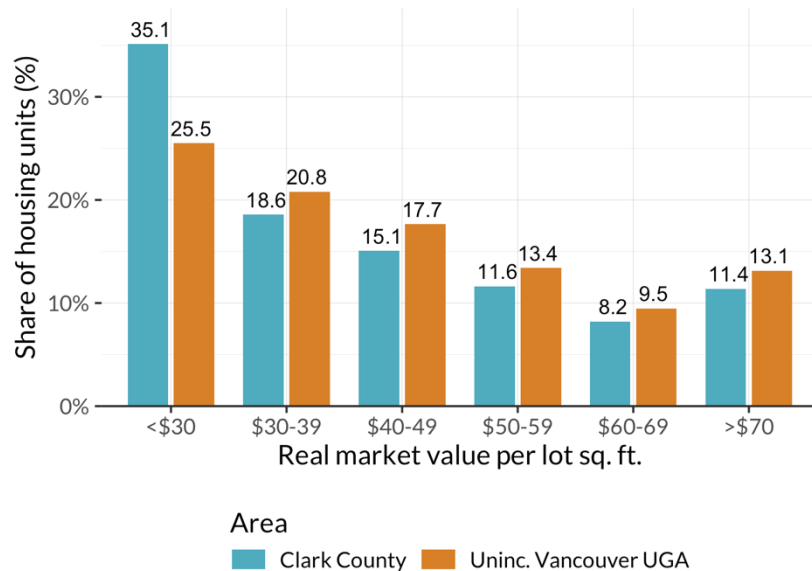
Median home sales prices in the Study Area have roughly kept pace with prices in Clark County, and have risen since 2017.

As of 2019, the median price of a home in the Study Area was about $381,000. This price is approximately affordable to a household earning about $109,000 to $127,000 per year (about 124% to 144% of AMI).

Between 2017 and 2019, the median home sale price of single-family detached homes in the Study Area increased by $25,970.

Exhibit 45. Median Home Sales Price (Single-Family Detached Units), Unincorporated Vancouver UGA and Clark County, 2017 to 2019
Source: Clark County Assessor, 2020.

Note: Prices are inflation-adjusted to 2020 dollars, and properties must have had a minimum sale price of $100,000 to be considered a market-representative transaction.
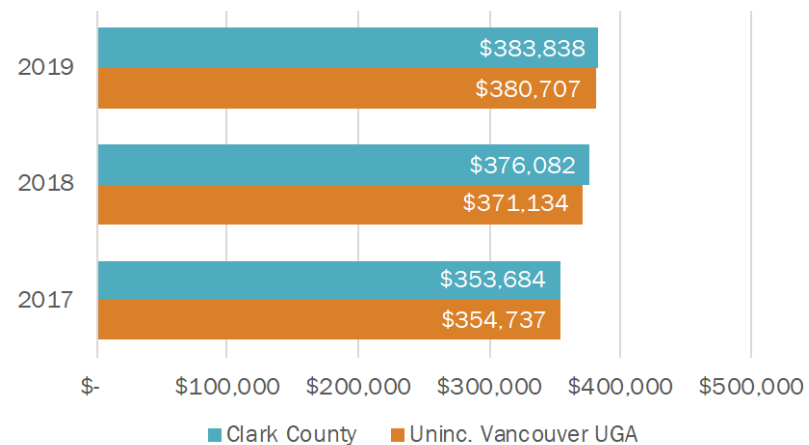
**The median sale price per lot square foot of single-family homes decreased between 2008 and 2011 (during the recession) and has increased since 2011.**

In the Study Area, the median home sale price per lot square foot increased from $28.96 in 2011 to $58.81 in 2019.

Exhibit 46. Median Home Sales Price per Lot Square Foot (Single-Family Detached Units), Unincorporated Vancouver UGA and Clark County, 2005 through 2019

Source: Clark County Assessor, 2020.

Note: Prices are inflation-adjusted to 2020 dollars, and properties must have had a minimum sale price of $100,000 to be considered a market-representative transaction.
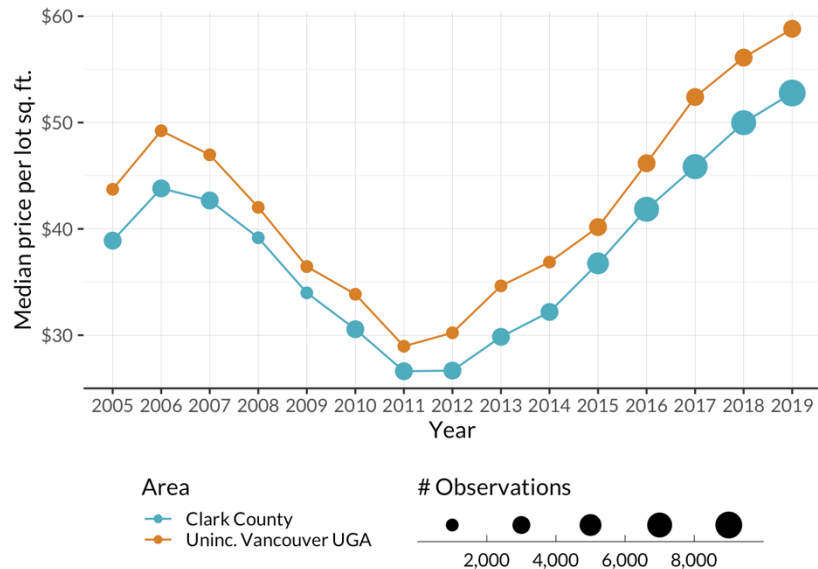
Most single-family units that are for sale in the Study Area cost $400,000 or more, which is unaffordable to many potential homebuyers.

Of the 53 single-family homes for sale in the Study Area in December 2020, asking prices ranged from $389,900 to $689,900.

The average asking price was $485,657. This price is generally affordable to a household earning between $138,700 and $161,900 (about 158% to 184% of AMI).

Exhibit 47. Single-Family Residences for Sale by Price, Unincorporated Vancouver UGA, December 2020

Source: Redfin.
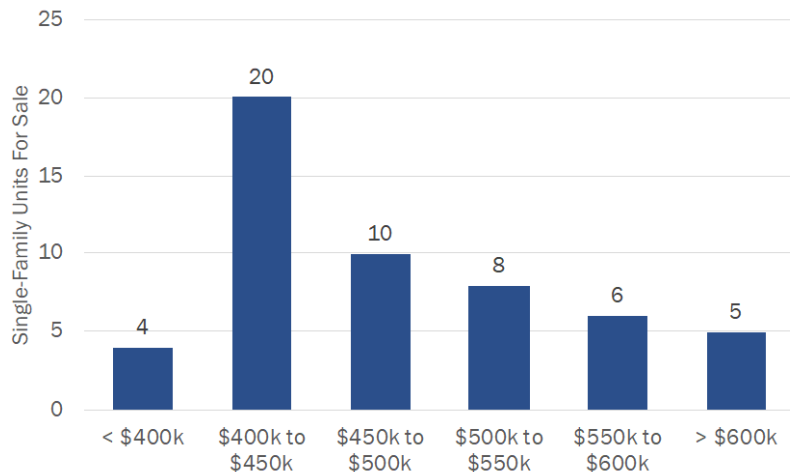
Households at the lower and middle part of the income spectrum often have no choice but to pay increasingly higher rents, because homeownership is out of reach.

Another way to look at housing affordability is to assess affordable housing costs for the broader region. For example, a household earning median family income for Clark County and the entire Portland Metropolitan Region ($87,900) can afford a monthly rent of about $2,200 or a home roughly valued between $308,000 and $352,000.
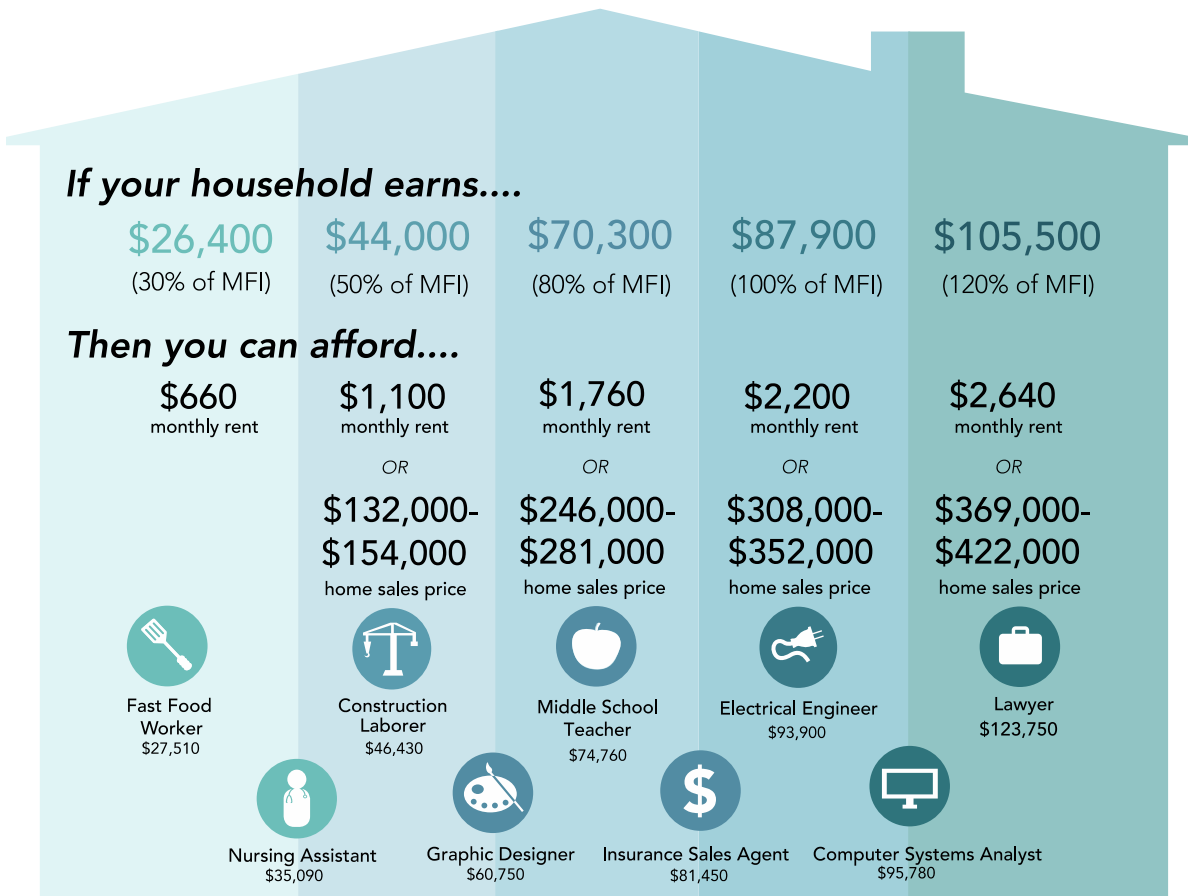
Exhibit 48. Financially Attainable Housing, by Median Family Income (MFI) for Clark County and the Portland Metropolitan Region ($87,900), 2019
Source: U.S. Department of Housing and Urban Development, Clark County and the Portland Metropolitan Region, 2019. Oregon Employment Department.

Notes: (1) MFI is Median Family Income for a Family of 4, (2) the assumed affordable monthly rent is 30% of a family's monthly salary, and (3) an affordable home sale price is assumed to be 3 to 3.5 times MFI at 50% of MFI and 3.5 to 4 times MFI at 80%, 100%, and 120% of MFI.

If your household earns....

$26,400	$44,000	$70,300	$87,900	$105,500
(30% of MFI)	(50% of MFI)	(80% of MFI)	(100% of MFI)	(120% of MFI)

Then you can afford....

$660	$1,100	$1,760	$2,200	$2,640
monthly rent	monthly rent	monthly rent	monthly rent	monthly rent
	OR	OR	OR	OR
	$132,000-$154,000	$246,000-$281,000	$308,000-$352,000	$369,000-$422,000
	home sales price	home sales price	home sales price	home sales price

Fast Food Worker $27,510

Construction Laborer $46,430

Middle School Teacher $74,760

Electrical Engineer $93,900

Lawyer $123,750

Nursing Assistant $35,090

Graphic Designer $60,750

Insurance Sales Agent $81,450

Computer Systems Analyst $95,780

The Study Area has seen increased housing construction activity.

The Study Area has seen an increase in housing production, from a low of 164 units in 2011 (during the Great Recession) to a high of 2,106 units per year in 2017.

Exhibit 49. Housing Units Constructed by Year in the Unincorporated Vancouver UGA, 2010 through 2019
Source: Clark County Assessor, 2020.
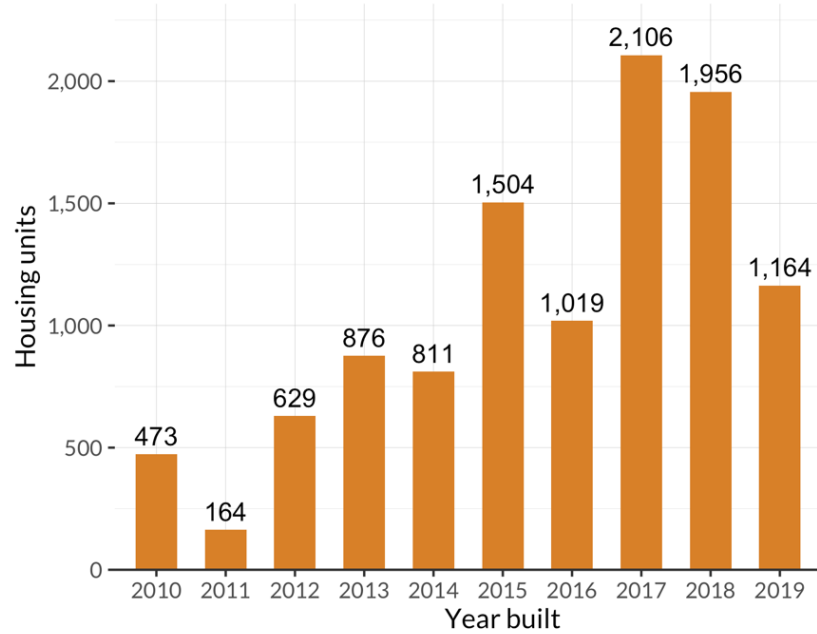
Market-Rate Affordable Housing Supply

In addition to the 1,520 units of regulated affordable housing, the Study Area also has some market-rate rental units that are affordable to households at the lower end of the income spectrum.[18] These units are sometimes called NOAHs, or Naturally Occurring Affordable Housing (see sidebar). This section identifies the Study Area and Clark County's supply of affordable housing, including housing that is affordable without government subsidy.

NOAHs are units that are affordable to households earning less than 80% of AMI but are unregulated and unrestricted by government programs. NOAH units are an important part of a community's housing stock but can be at risk of dramatic price increases because they are not regulated.

There is a low supply of housing units affordable to households at the lowest end of the income spectrum, and few of these units are larger than two bedrooms.

The Study Area is home to about 25% of the NOAH units in the County. Of the 3,747 units affordable to households earning less than 80% of AMI ($70,320) in the Study Area, about one third are affordable to household earning 50% of AMI ($43,950) or less (1,247 units). The other two thirds of NOAH units (2,500 units) are affordable to households earning between 50% and 80% of AMI.

Of the 3,747 NOAH units within the Study Area, most are two bedrooms or fewer. About 32% are studio or one-bedroom units, 53% are two-bedroom units, 12% are three-bedroom units, and 3% are 4-bedroom units. Exhibit 50 presents data on the Study Area's multifamily NOAH units (defined as units with a three-star rating in CoStar).

Multifamily units in the Study Area are an important source of naturally occurring affordable housing.

The multifamily housing stock in the Study Area totals 8,177 units. The majority of these units (71%) are affordable to households earning between 50% and 80% of AMI. Of the 8,177 multifamily NOAH units, 83% (6,828 units) are one-bedroom and two-bedroom units.

Exhibit 50. Multifamily Rental Housing Units Affordable by AMI, Unincorporated Vancouver UGA, 2020
Source: CoStar.

AMI Category	Income Range	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total
< 30% AMI	$26,370 or less	77	52	39	7	3	178
30% to 50% AMI	$26,370 to $43,950	218	1,036	700	33	15	2,002
50% to 80% AMI	$43,950 to $70,320	0	1,122	3,879	711	131	5,843
80% to 100% AMI	$70,320 to $87,900	0	0	0	154	0	154
100% to 120% AMI	$87,900 to $105,480	0	0	0	0	0	0
> 120% AMI	$105,480 or more	0	0	0	0	0	0
Total		295	2,210	4,618	905	149	8,177

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[18] Households do not need to spend more than 30% of their income on housing for it to be affordable.

Future Housing Needs

This section identifies the housing costs that different households can afford, the existing housing available to meet those needs, and the gaps between what is available and what households can afford. A detailed explanation of our methodology is included in the inset "Calculating Underproduction and Housing Need." See page 7 for an explanation of the population forecast assumptions.

Clark County will need to plan for 13,281 new dwelling units within the Study Area through 2035 to address the Study Area's underproduction of housing and develop new housing demanded by population growth.

The unincorporated UGA's population is forecast to grow by 24,989 people by 2035, from 159,457 to 184,446 people (see page 7 for an explanation of the population forecast methods).

To accommodate new growth in the unincorporated UGA, the County will need to plan for 13,281 units by 2035:

- 10,710 housing units to meet the demand from new population growth

- 2,571 housing units to address past underproduction

Of the needed units in the Study Area, about 20% are intended to address current housing underproduction and 80% are intended to address future housing need.

To meet this need, developers in the Study Area would need to build an average of 885 new dwelling units annually over the next 15 years.

Exhibit 51. Existing Housing Underproduction and Forecasted Future Housing Need, Unincorporated Vancouver UGA, 2020 to 2035
Source: OFM SAEP, Clark County.
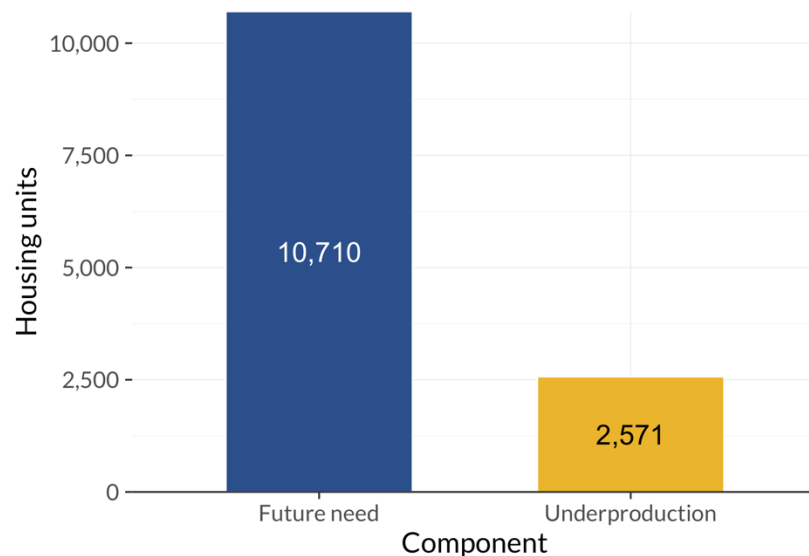
Note: Past underproduction is defined as the gap needed to be filled in order to bring the unincorporated UGA up to the same ratio of housing units to households for Clark County as a whole (about 1.03).

Exhibit 52. Total Needed Housing Units in Unincorporated Vancouver UGA by 2035
Source: OFM SAEP, Clark County, summary by ECONorthwest.

Underproduction (2020) **2,571 units**	**+**	Future Need (2020-2035) **10,710 units**	**=**	Total Needed Housing Units **13,281 units**

Target: # units to achieve County average ratio

Key Assumptions:
- Housing-units-to households: 0.99 (Study Area), 1.03 (County average and target ratio)
- 2.66 persons-per-household ratio
- Clark County's OFM Small Area Estimate population estimate for 2020

Target: # units needed to achieve national target ratio

Key Assumptions:
- 1.14 housing-units-to households' target ratio (national average)
- 2.66 persons-per-household ratio
- Clark County's OFM Small Area Estimate 2020 population estimate
- Adopted 2035 population forecast for Clark County

While households in the Study Area may have slightly higher incomes, the Study Area still has an unmet need for housing affordable to people across the income spectrum.

Of the 13,281 needed units within the Study Area, 15% of units (2,029) need to accommodate households earning less than 50% of AMI.

About 27% of units will accommodate households earning between 50 and 100% of AMI.

About 58% of units will accommodate households earning more than 100% of AMI.

Exhibit 53. Existing Housing Underproduction and Forecasted Future Housing Need by AMI, Unincorporated Vancouver UGA, 2020 to 2035
Source: OFM SAEP, Clark County, U.S. Census PUMS 2019.
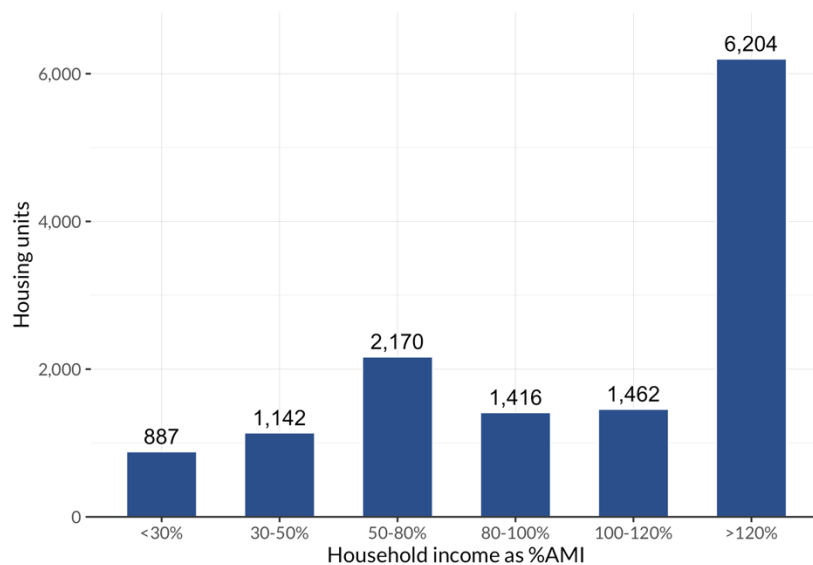
Assuming current household income trends continue, there will be a continued need for housing that is affordable to people at the low- to middle-income parts of the income spectrum. Within the Study Area, 44% percent of renter households and 23% of homeowners are cost burdened or severely cost burdened, meaning they spend more than 30% of their incomes on housing costs. Without substantial changes in housing policy to address housing costs in the area, these characteristics will continue to persist. In addition, a majority of the Study Area's residents commute outside of the area to get to their jobs—meaning they are also spending a portion of their incomes on transportation costs (further impacting household budgets). When accounting for housing and transportation cost burdening factors, ECONorthwest finds that the typical household (earning 100% of AMI) is spending 53% of their income on housing and transportation costs.

Housing Need and Housing Capacity

The County's Vacant Buildable Lands Model provides an estimate of the development potential of vacant residential lands, absent constraints, to accommodate new housing based on a range of assumptions including residential densities. Based on the 2016 VBLM Model,[19] the existing residential capacity for the Study Area (Vancouver Unincorporated Growth Area) is **20,200 housing units.**

> ECONorthwest used the results from the 2016 VBLM model because the County Council will not approve the revised VBLM model until mid-2021.

The Study Area appears to have enough housing capacity to address future housing needs, but the confluence of demographic changes with site constraints will likely require a departure from current housing production patterns. When the updates to the VBLM model is complete, the County can revisit this analysis to better ascertain the difference between housing capacity and housing need.

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[19] This number is the 2020 capacity based on the 2016 VBLM model.

Calculating Underproduction and Housing Need

ECONorthwest calculated future housing needs as the current underproduction of housing plus the future needs based on projections from the County's 2035 population projections. Without accounting for past and current underproduction, development targets focused solely on future housing needs will continue to underproduce relative to the actual need.

To calculate the underproduction and future housing need, ECO used a target ratio of developing 1.14 housing units per new household. This ratio was the national average of housing units to households in 2019. It is important to use a ratio greater than 1:1, since healthy housing markets allow for vacancy, demolition, second/vacation homes, and broad absorption trends. Using this ratio suggests that at a minimum, the jurisdiction should be hitting the national average and is preferred as the existing regional ratio may capture existing issues in the housing market (such as existing housing shortages).

Current Underproduction

ECONorthwest calculated the current underproduction of housing based on the ratio of housing units produced and new households formed over time. We first calculated the current underproduction of units in the Study Area's housing stock. We estimated the underproduction based on the ratio of housing units produced and new households formed in the Study Area over time using population data and assumptions provided by Clark County. This approach to underproduction uses the best available data that is both local and the most recent. This analysis does not differentiate between renter and owner households, account for local or regional housing preferences by type or tenure, or account for housing affordability. The steps for calculating current underproduction are as follows:

- Calculate the count of housing units and population.
- Convert population to households by using average household size of 2.66 for the County from the 2018 PUMS dataset.
- Compare the Study Area's ratio of total housing units to households (0.99) to that of the County (1.03) as the target ratio.

Future Housing Needs

We estimated the Study Area's future housing needs based on the Study Area's forecasted population growth through 2035 (see explanation on page 7), using the County's average household size of 2.66.

To allocate the units by income level, we looked at the most recent distribution of households by income level (using PUMS to determine area median income or "AMI") in the Study Area. Because forecasting incomes at the household level over time can be challenging at best, and misleading at worst, this data evaluates housing need using current income distributions forecast forward. The forecast housing need by income category at both the city level and at the subregion is likely to vary depending on policy choices made over the next 20 years. That is to say that if local jurisdictions choose to take less action on increasing housing production and affordability worsens due to demand outpacing supply, the forecast need for lower income households is likely to be less because those low-income households that are most at risk from housing price changes are more likely to be displaced from the subregion. The ultimate income distribution in 2035 will be the result of regional housing trends and policy decisions made at the local level.

Appendix A. Methodology

This analysis compares unincorporated Vancouver UGA with trends in Clark County. It identifies gaps in the housing supply based on current and projected needs.

This analysis uses applicable data sets and an analytic approach based on conversations with the Clark County team and the Project Advisory Group (PAG). To accurately project the expected housing needs in the future, the evaluation of Projected Housing Need focuses on analyzing current housing and household characteristics as well as trends relating to: housing production (by type, size and price), affordability (cost burdening by income), demographics (changes in household size, age, race and ethnicity), and employment trends (fastest growing jobs and wages).

Data Sources

To evaluate housing and demographic trends, this analysis primarily relies on data from Washington Office of Financial Management (OFM), the U.S. Census Bureau's Public Use Micro Sample (PUMS), U.S. Census Bureau's American Community Survey (ACS 2014-2018), U.S. Census Longitudinal Employer-Household Dynamics (LEHD) data, GTFS schedule databases (C-TRAN, Trimet), and the Clark County Assessor. Additional data derived from other sources included:

- **CoStar:** CoStar is a proprietary data source commonly used for market analysis in the real estate industry. While CoStar is one of the best available sources of rent and vacancy data overall, the data has gaps and limitations that make it less reliable in areas with few existing buildings. Newer buildings and those that are professionally managed are more likely to have reliable rent and vacancy information, while smaller, older buildings may have incomplete data or be missing from the system entirely. The analysis uses CoStar's multifamily datasets.

- **Redfin:** Redfin has real estate data comparable to Zillow. Redfin provided the analysis with aggregated data for housing market trends.

- **Long-Term Residential Care.** The Washington Geospatial Open Data Portal maintains a dataset of Long Term Care Adult Family Homes, Assisted Living Facilities, and Enhanced Services Facilities licensed by the Washington State Department of Social and Health Services (DSHS). It also presents the business locations of Certified Residential Service and Supports Providers and their Group Training Homes when available. The data is extracted nightly from the Washington State Department of Social and Health Services (DSHS) Aging and Long Term Support Administration's (ALTSA), Facilities Management System (FMS) and geocoded using the Washington Master Address Services (WAMAS) address correction and geocoding tool. This is the same data that is available in the lookup tools in the Residential Care Services web site with the addition of location data columns.

- **Clark County's Public Health Department** recently published an InfoMap to provide the community with resources and a new opportunity to learn about public health issues in the county. The InfoMap (which includes graphs, charts, maps, and brief discussions) convey a wide range of demographic information to tell a story about the community. For more information, visit the "Healthier Clark County InfoMap."[20]

Study Geographies

ECONorthwest and the Clark County project team identified the geographic scope of the data collection and scale of the analyses. The primary scope of the study looks at unincorporated Vancouver UGA (Exhibit 55) and Clark County, as shown in Exhibit 54.
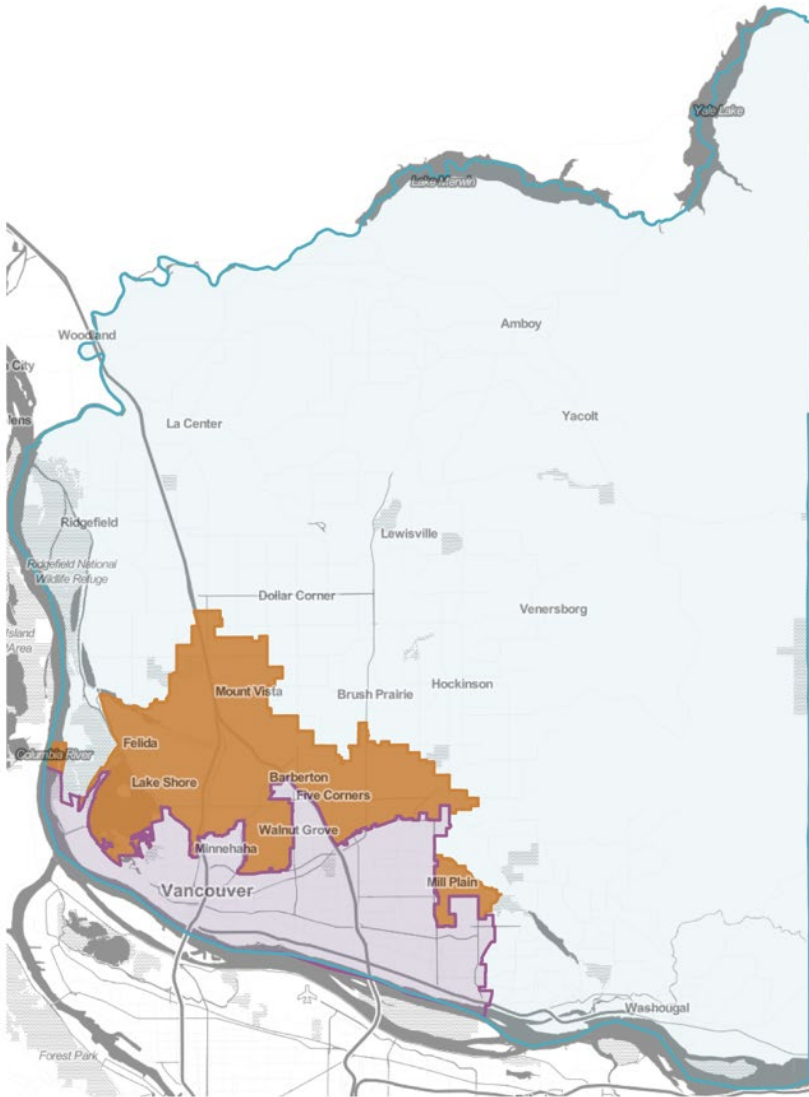
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[20] Healthier Clark County InfoMap:
https://gis.clark.wa.gov/portal/apps/MapSeries/index.html?appid=33acdf14803e4982bcd7e046a25d748c

Exhibit 54. Study Area - Unincorporated Vancouver Urban Growth Area (VUGA)
Source: United States Census Bureau.

Area
- ☐ Clark County
- ☐ Incorporated Vancouver UGA
- ■ Unincorporated Vancouver UGA

To describe housing needs, this analysis uses two types of data, described below.

## Public Use Microsample (PUMS) Geographic Data

To characterize housing need (demographics/income), this analysis uses Public Use Microsample (PUMS) data. PUMS enables one-year estimates to quantify household incomes

and housing costs in terms of percentages of Area Median Income (AMI), which is not possible to assess using pre-made American Community Survey tract-level data. PUMS also allows analysis of incomes and housing cost cross-tabulations (as a percent of AMI) along with analysis of household demographics such as age, race/ethnicity, and employment info, etc.

PUMS data are only available for geographies called Public Use MicroSample Areas (PUMAs) which contain about 100,000 people. Exhibit 55 shows the Study Area's PUMA geographies.

Exhibit 55. PUMA Geographies, overlaid on Unincorporated Clark County Vancouver Urban Growth Areas
Source: U.S. Census Bureau.
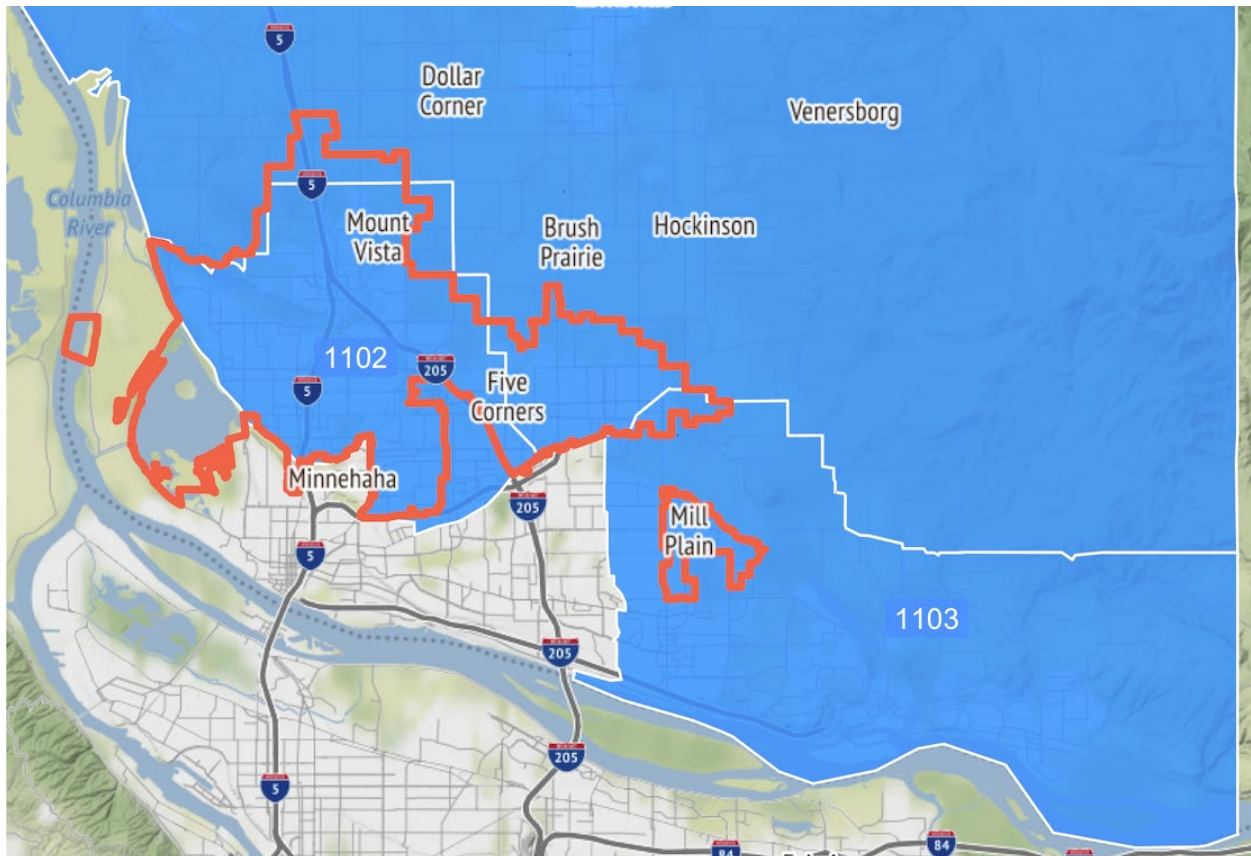
Census Tracts with ACS Geographic Data

For certain data points, the Census tracks allow for better spatial conformity with the Study Area when analyzing more basic demographic data from the ACS. The tracts used in this analysis are shown in Exhibit 56. Some of the Census Tracks (e.g., in the northern portion of the UGA) are not included in the analysis as they extend too far from the Study Area and they do not contain residential development.

Exhibit 56. Tract Geographies, Overlaid on Unincorporated Clark County Urban Growth Areas
Source: United States Census Bureau.
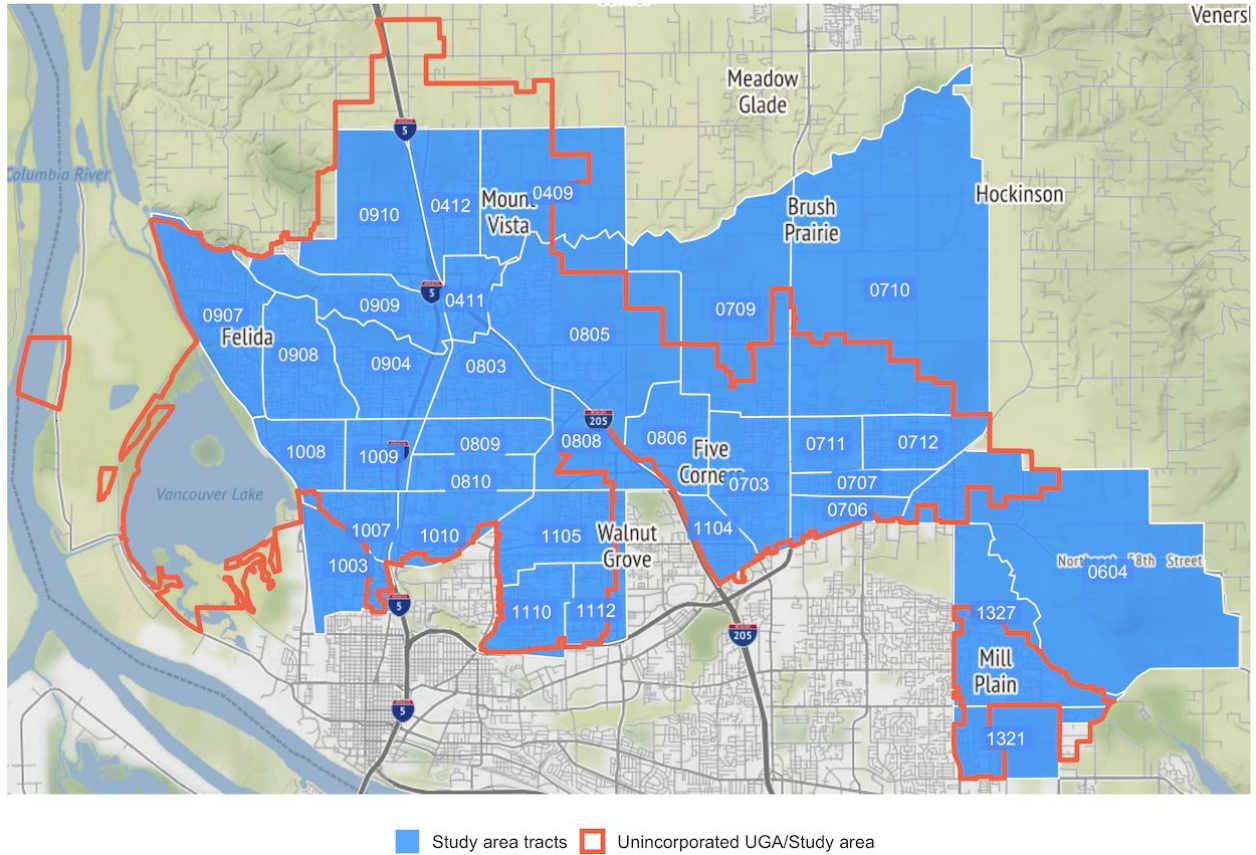
Appendix B. Glossary

Appendix B defines key terms used throughout the analysis. Many of definitions for housing types derive from Clark County's development code.[21]

- **Condominium:** An individually owned dwelling unit in a multifamily building or in a complex of homes.

- **Duplex:** A building, on a single lot, designed or used for residence purposes by not more than two (2) families, and containing two (2) dwelling units.

- **Manufactured home:** A structure constructed after June 15, 1976, in accordance with state and federal requirements for manufactured homes. These units must conform to federal Manufactured Home Construction and Safety Standards rather than to the Building Code requirements. Manufactured homes can be sited on lots or in manufactured home parks.

- **Mobile Home:** A structure constructed before June 15, 1976, transportable in one (1) or more sections, which is built on a permanent chassis, and is designed for use with or without a permanent foundation when attached to the required utilities. This structure is not a recreational vehicle.

- **Multifamily:** A building or portion thereof designed or used as a residence by three (3) or more families and containing three (3) or more dwelling units. This category of housing would include triplexes, quadplexes, and buildings with five or more units per structure.

- **Single-Family Attached:** A physically attached building designed or used for residential purposes by not more than one (1) family and containing one (1) dwelling unit only. "Attached" may mean sharing a common wall or walls that separate interior occupant space or attached garage space on separate lots.

- **Single-Family Detached:** A physically separated building designed or used for residential purposes by not more than one (1) family and containing one (1) dwelling unit only.

- **Townhome:** A form of attached single-family housing where two (2) or more dwelling units share one (1) or more common walls with other dwelling units, and with each dwelling occupying an individually owned parcel of land.

- **Unincorporated Vancouver UGA:** The analysis' Study Area.

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[21] For more information:
https://www.codepublishing.com/WA/ClarkCounty/html/ClarkCounty40/ClarkCounty40100/ClarkCounty40100070.html