

I. Call to Order

A regular session of the Gresham Planning Commission was called to order by Chair Drechsler on the 22nd of March 2021, at 6:30 PM online via Zoom. The meeting was digitally recorded and minutes prepared by Jennifer McGinnis.

COMMISSIONERS PRESENT: Paul Drechsler, Chair
Michael Bennett
Jef Kaiser
Tim Kamp
Sue Ruonala
Laura Pramuk
Phil Wich

COMMISSIONERS ABSENT: Richard Anderson, Vice-Chair
Jason Ping

COUNCIL LIAISONS PRESENT: Vince Jones-Dixon
Sue Piazza

COUNCIL LIAISONS ABSENT: None

STAFF PRESENT: David Berniker, Urban Design & Planning Director
Amanda Lunsford, Administrative Analyst
Kevin McConnell, Senior City Attorney
Mary Phillips, Senior Comprehensive Planner
Jim Wheeler, Urban Design Manager
Terra Wilcoxson, Associate Development Planner

OTHER PARTIES PRESENT: Beth Goodman, ECONorthwest
Margaret Rainmann, ECONorthwest

II. Housing Capacity Analysis Work Session

Terra Wilcoxson explained that the Housing Capacity Analysis is being done to fulfill House Bill 2003, which was passed in 2019. The Bill requires cities to study their future housing needs and develop strategies to facilitate what has been identified as needed housing.

Beth Goodman, consultant with ECONorthwest, explained that the analysis will look at the amount of growth Gresham will see over the next 20 years and how much land is buildable for housing. She reviewed the different types of needed housing, which include single-family attached and detached, mobile and manufactured dwellings, townhouses, and multifamily housing. The project will include a technical report, draft hearings-ready Comprehensive Plan amendment, and recommended changes to the Development Code if needed.

Commissioner Bennett asked how this project interfaces with House Bill 2001. Ms. Goodman responded that they are keeping in mind that cities will be complying with House Bill 2001 and making assumptions based on that, such as that in certain zones where duplexes and townhouses are not currently allowed, they will be allowed in the future. Mary Phillips said that she is involved in both the Middle Housing Project and the Housing Capacity Analysis and is making sure they are coordinated efforts.

Ms. Goodman went over the strategy for creating the Buildable Lands Inventory, which includes identifying potential infill and partially vacant lots. Commissioner Ruonala asked how they determine tax lots with an existing dwelling for possible infill. Margaret Raimann responded that potential infill lots are those two and a half times the minimum lot size. This comes out of Metro's methodology and they used tax lot data to determine what the current building value is. It is the real market building value according to the Metro tax lot information that is available. Ms. Goodman added that, given the way the assessor's data works, potential infill is likely to be under identified rather than over identified. Ms. Raimann added that if a lot is very large and has a home on it, the building value threshold goes away as it could have potential infill.

Chair Drechsler asked if they looked for any concentration of ownership vs. renters since if there are a few owners holding onto a majority of the lots, the likelihood of them developing in the next 20 years is much smaller. Ms. Goodman responded that the Oregon system does not allow them to consider ownership and the availability of land in that way. Oregon does not have a "market factor," which assumes that some land isn't going to develop over a 20-year period.

Commissioner Pramuk said that 1600 acres of buildable land doesn't seem like that much and it seems like market forces would have more impact on the development of this amount of land than the public sector and government. Ms. Goodman responded that this comes into consideration with the housing production strategy, which will come after the housing capacity analysis. Commissioner Bennett asked if the current analysis assumes no acreage is added due to expansion of the growth boundary and Ms. Goodman confirmed that that was correct.

Ms. Goodman then went into housing market factors. She said that in looking at what was built between 2009 and now, there was a nearly even mix of single-family housing (including single-family detached and townhouses) and apartments. Around 55% of housing is owner-occupied which is lower than the statewide rate. Factors that will affect housing demand are age, household composition, and income. The fastest growing group in Gresham is people 60 years

in age or older. Gresham has more multi-family housing and more affordable housing than the region. It is evenly divided between non-family households, family households with children, and family households without children. The Housing Capacity Analysis will also look at race and disability as related to housing need.

Commissioner Kaiser asked if nursing homes count as housing. Ms. Goodman responded that nursing homes aren't separated from other types of housing and would typically be w medium to high density housing.

Commissioner Bennett asked if there has been any investigation into different ethnicities and place of employment as Gresham has historically been a farming community. Ms. Goodman said that they did not look at occupations because some of the numbers are so small that the data could be skewed.

Commissioner Kamp asked if the same questions and types of surveys are being used for different populations. Ms. Goodman responded that they are gathering the information from a variety of sources, such as national surveys from the AARP and a 2014 survey done in the Portland region that focused on millennials. At this point, they are relying on regional and national information due to budget constraints. However, the City is required to complete outreach to different local stakeholder groups during creation of the housing production strategy.

Ms. Goodman then talked about housing sales prices. Median sales price in Gresham is around \$400,000 and increased by 55% between 2015 and 2020. Prices are slightly higher than Troutdale and Fairview, but below many other cities in the region.

Commissioner Ruonala asked if the age of housing was taken into consideration and if there are ways to differentiate between older housing stock and new development. Ms. Goodman responded that there are ways to differentiate, but it would take additional analysis. In the housing production strategy, median sales prices of existing housing and median sales prices of new housing is typically evaluated.

Average rent in 2020 was about \$1,300 in Gresham, which is less than surrounding cities of similar size. A higher percentage of Gresham households are considered cost burdened than the surrounding area.

Commissioner Kaiser asked if there was anything in House Bill 2003 that would work toward sharing the responsibility across the region for addressing cost burden. Ms. Goodman responded that part of HB 2003 was directing Oregon Housing and Community Services to work with DLCD to develop a methodology for a regional housing needs analysis. That methodology proposed ways to provide an equitable distribution of publicly supported affordable housing. The regional housing needs analysis needs additional work and stakeholder input and it is not

clear what the state legislature is going to do with the regional housing needs analysis at this point.

Commissioner Ruonala said that using gross income doesn't accurately represent cost burden because taxes are not taken into account and asked if this has ever been addressed. Ms. Goodman responded that they use this metric because it is a HUD standard, but they point out in the report some of the ways in which the metrics are flawed.

Ms. Goodman then went over Median Family Income and what households need to earn to afford different levels of rent or home prices. Based on the Regional Housing Needs Analysis, there is a need for more income-restricted and middle-income affordable housing, income-restricted affordable housing development has not been equally distributed among cities, and there are disproportionate rates of cost burden for BIPOC and other populations.

Commissioner Wich asked if they have data on the percentage of affordable homes being built in Gresham relative to the median sale price home. He is wondering if they are pushing Gresham citizens out by the cost of new homes. Ms. Goodman responded that that is part of the intention of House Bill 2001 to provide a wider range and opportunity for smaller units that are affordable, but it is a very difficult problem.

Chair Drechsler said that Gresham has seen in-migration due to being one of the more affordable communities in the region. He commented that, reading this data, it sounds like Gresham needs more low-income housing, but the City needs a healthy mix of income and housing types rather than concentrating low-income or other demographic groups in one area. Ms. Goodman responded that there are some complex regional issues but even if other cities take on more affordable housing, Gresham will still have some need for more affordable housing. Chair Drechsler asked if they have a lower or higher availability in terms of regional capacity. Ms. Goodman responded that Gresham has more capacity and more vacant land.

Commissioner Ruonala said that she becomes concerned with talk about affordable housing because it may end up being a false narrative since housing prices continue to escalate. She wondered if the number of people moving to the region for the mild climate has been accounted for. Ms. Goodman responded by moving into the next section of the presentation about the preliminary housing forecast. She said that Metro data suggests Gresham will add 6,229 new dwellings over the next 20 years. This forecast does not take into account climate refugees. Part of the determination of the projected number of units by housing type is based on OAR660-007, which requires the City to provide the opportunity for development of at least 50% of new housing to be attached single-family or multifamily housing. Based on the buildable lands inventory and historical density, there is capacity for over 18,000 new dwelling units.

Ms. Goodman explained factors that influence housing development, including zoning, availability of land, and availability of infrastructure. The City can directly influence public policy,

zoning, and infrastructure. The City has a limited influence on market feasibility. These factors will need to be taken into account when creating the housing production strategy. Additional considerations are opportunities for redevelopment, challenges in providing infrastructure, and constraints in natural resource protections.

Commissioner Bennett said that Gresham is in a unique position of being resource constrained and asked if this is factored in at the state level when creating these policies. Ms. Goodman responded that the forecast the City needs to use is mandated and there are requirements for different factors that need to be taken into consideration but the City has a lot of flexibility in developing policies to address housing need. Commissioner Bennett asked if it would make more sense to direct developers to areas where infrastructure is already somewhat in place to reduce the overall cost burden. Ms. Goodman said that this is something that could be considered with the housing production strategy.

Commissioner Kamp asked for clarification on the growth forecast and asked why the forecast is less than the actual growth over the last 20-year period when they have continued to see an influx in population in the region. Ms. Goodman responded that the forecast comes from Metro and they are required to use it. Metro is forecasting slower growth region-wide and the state has seen growth slowing. The growth that is happening is primarily as a result of in-migration. Gresham will need to do this analysis in another six years and can adjust at that point.

Public Comment

Shelley Denison, 2700 West Powell Boulevard, Apartment 325. Ms. Denison stated that she and her husband recently moved to Gresham from Ohio. She works as a Planner for the City of Sandy and her husband works in education. They would love to be homeowners in Gresham but are not able to afford a \$400,000 house. Wages have not kept up with the cost of living and homebuying is becoming increasingly inaccessible. They need local government agencies to use both regulatory and market-based land use tools to encourage a variety of housing across multiple price points that young families can afford. She said that she hopes they use the housing needs analysis as a jumping off point for action to create more housing opportunities in Gresham.

Commissioner Ruonala asked Ms. Denison what the price range is for homes in Sandy. Ms. Denison responded that there are other factors that make living in Gresham more attractive to her than Sandy, but her understanding is the price point in Sandy is about the same as Gresham.

Chair Drechsler said that supply and demand is a factor and he is interested in looking at how they create more housing. The projected 20-year population growth is higher than the predicted number of future housing units so if that happens, it will continue to exacerbate the problems with affordability. He is interested in looking at ways to incentivize development that reflects community values and making sure they have a healthy mix of housing options.

Mr. Berniker proposed looking at the number of potential units that can be developed by dividing them between areas that are served by infrastructure and areas with infrastructure challenges.

Ms. Goodman went over the next steps, which include:

- Refining the HCA results
- Online survey April 1-15
- Open House April 8
- Planning Commission meeting May 3
- Consultant grant ends on May 15

Chair Drechsler asked if staff can take the inventory and expand it at some point for internal use as it would be interesting to take a more nuanced look as they talk about strategies. Ms. Goodman responded that ownership information is in the buildable lands inventory and city staff will be able to use that when doing their housing production strategy.

Commissioner Pramuk said that she was on the City Council Taskforce on Housing last year and they came out with a publication. She asked how all the different documents are working together to inform decisions. Ms. Wilcoxson responded that a very informative document was produced from that effort that included policy-level strategies. These strategy recommendations will be revisited as they work on the housing production strategy. The Housing Production Strategy needs to be adopted a year from when the Housing Capacity Analysis is adopted.

III. Other Business/Adjournment

Chair Drechsler said that he had a lengthy conversation with Mayor Stovall about the role of advisory bodies and building the relationship between City Council and the Planning Commission. He said that Mayor Stovall is eager to utilize these resources but to have patience as there have been numerous significant challenges including replacing the city manager and chief of police.

Commissioner Ruonala said that the Urban Forestry Subcommittee (UFS) is very frustrated and asked David Berniker to speak to that. Mr. Berniker said that the subcommittee is trying to understand their role within the larger structure. He has spoken with Chair Drechsler and Chair Buck about how the subcommittee can more effectively work with the Planning Commission. Another challenge is that while the Urban Forestry Subcommittee wants to be more involved in reviewing development projects, the State mandates that projects go through a certain process and the review process needs to be equitable. More discussion is needed to determine how this may be implemented. The subcommittee would like to weigh in on the tree list. This idea will be presented to the City Attorney to see what the process would be to allow this.

Mr. Wheeler added that many of their issues are policy related and UFS wants quicker action than is possible with the amount of time it takes to change policy. They would like a more direct

role in development review as it relates to trees, but it is difficult to incorporate an advisory committee into a very structured land use review process. Planning will be providing a detailed response to the subcommittee regarding their issues. Mr. Berniker added that they still need to work collectively on the code compliance concerns. Chair Drechsler said that he, Mr. Berniker and Chair Buck are setting up a meeting to figure out how to empower the subcommittee and more effectively coordinate efforts. Commissioner Pramuk reinforced the need to address enforcement as related to tree issues because the subcommittee made great contributions to the policies and guiding documents and it is frustrating when they aren't followed or enforced. She said that they need to look at all the subcommittees and make sure the work they do is put into action. Chair Drechsler agreed that the advisory groups are key to advise not only the Planning Commission, but the Council, Mayor, and staff. He requested to add City Council Advisory Subcommittees liaisons to the next meeting's agenda.

Commissioner Kaiser said that he is concerned that they are always having the conversation about addressing this issue in the future when things settle down. He said that UFS has aggressively embarked on a neighborhood tree program which is building a lot of credibility in his neighborhood and if the City lags behind in supporting it, they will lose a lot of goodwill and potential participation from the neighborhoods. There is no cohesive effort which is causing frustration. The Planning Commission needs to use the momentum from the committees, which has the potential of relieving a lot of staff work. Mr. Berniker responded that the difficulty is that figuring out how to alleviate staff becomes a lift in itself. All the advisory committees have a charge and if they follow through, staff will support them. Chair Drechsler said that they have had a very staff-driven agenda but staff is not there to tell them what to work on. Instead that comes from their charter in combination with their relationship with City Council. They have an opportunity with new leadership and new members of the Planning Commission. Commissioner Wich said that historically there has been a lot of energy that has gone by the wayside due to people leaving the committee, work items being tabled, and lack of support from City Council. The current Urban Forestry Subcommittee has a lot of momentum that they don't want to lose because of inaction from the Planning Commission and Council. Mr. Berniker said that recent changes to the structure of the Urban Design and Planning department may help with this issue. Jim Wheeler is taking on management of comprehensive planning in addition to development planning and Mary Phillips will now be the liaison to Planning Commission.

Commissioner Bennett read a paragraph from the original enactment of the City Council Advisory Committee (CCAC) revisions in 2008 that stated the CCAC chair together with the Council liaisons and staff liaisons assigned to each CCAC will act as a coordinating committee. The coordinating committee shall meet at least quarterly and assist in the development of the annual CCAC work plan, coordinate the work of the CCAC citizen advisory subcommittees and any task force operating under its umbrella. He said that this has not happened but was the original intent for how the CCACs were to function together with staff and Council to develop their work plans for each quarter. The work plans would provide guidance to staff and support Council.

Commissioner Kaiser suggested that UFS come up with a proposal to be discussed with Planning Commission that the groups could then jointly bring to Council. Commissioner Wich said that he would send something to the UFS staff liaison and attend the next meeting. The Commissioners agreed on trying this approach moving forward for all subcommittees.

Schedule

Ms. Phillips let the Commissioners know that the next meetings would be April 12 for the Capital Improvements Program Hearing and May 3 for the Draft Housing Capacity Analysis.

Councilor Piazza asked when the Winters Plan Map Amendment hearing would be coming back to Planning Commission. Jim responded that they are researching additional information that might be needed and then will coordinate with the applicant to schedule the hearing.

Chair Drechsler requested to add a CCAC liaison discussion item to the April 12 meeting agenda.

The meeting adjourned at 9:03 p.m.

Chairperson

Recording Assistant

Date

Date

A full recording of this meeting is available upon request.