

Commentary is for information only.
 Proposed new language is double-underlined;
 Proposed deleted language is ~~stricken~~.

DRAFT CB XX-XX

ORDINANCE NO. XX

**AMENDMENTS TO VOLUME 1, FINDINGS, AND VOULME 2, POLICIES OF
 THE GRESHAM COMMUNITY DEVELOPMENT PLAN, REGARDING THE
 HOUSING CAPACITY ANALYSIS (HCA) PROJECT**

THE CITY OF GRESHAM DOES ORDAIN AS FOLLOWS:

Section 1. Volume 1, Findings, Section 3.000 The Physical Environment is amended as follows:

Proposed Text Amendment	Commentary
<p>***</p> <p><u>3.130 Residential Land Use Characteristics</u> <u>See Section 4.800 2021-2041 Housing Capacity Analysis, Appendix 51 Residential Buildable Land Inventory, and Appendix 52 Housing Capacity Analysis.</u></p> <p>With the phenomenal growth that brought nearly 30,000 residents to the city between 1960 and 1980 came thousands of new dwellings. Gresham typified the "bedroom community" image created by suburban growth throughout the nation during this period. During the 1980s, commercial and industrial development have outpaced new housing, but residential growth has continued, nevertheless. Since 1980, the Gresham area has witnessed a net population increase of 8%, with a 11% increase in the housing stock.</p> <p><u>3.131 Residential Land Use Inventory</u> The Gresham Planning Area was inventoried in the fall of 1986 (Appendix 27) to determine the amount of existing housing, as well as buildable lands available for future residential development. Using building permit records, "this inventory has been updated through 1987.</p> <p>The results of the inventory show an existing housing stock of 21,659 dwelling units. Of the total amount, 13,975 dwelling units (65%) is detached housing, and the remaining 7,684 (35%) is attached housing.</p> <p>Figure 3-7</p>	<p><i>The contents of Section 3.130 are repealed in their entirety and replaced with a reference to the 2021-2041 Housing Capacity Analysis. Data in Section 3.130 is outdated and superseded by the 2021 HCA.</i></p>

Existing And Future Housing

With the restricted development potential for lands that lie within a physical constraint district taken into account, a potential for as many as 28,600 new housing units exists. Of these, over 16,760 could be attached units, and 11,840 detached dwellings. An additional 6,000 potential attached housings units are currently displaced by non-conforming uses in residential districts.

Metropolitan Housing Rule

During the periodic review process, extensive field research was required in order to evaluate Gresham's compliance with the requirements of OAR 660.07, the Metropolitan Housing Rule. The purpose of the rule is to "assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land ... [and] to provide greater certainty in the development process and so to reduce housing costs." This objective is achieved through concise definitions of "needed housing" that jurisdictions are required to accommodate, minimum overall development densities for all housing types, and a prescribed new construction mix of attached and detached housing on buildable residential land.

The definition of "needed housing" includes the mix of attached and detached housing specified in the rule, but also specifically mentions manufactured homes, and government assisted housing. Gresham accommodates all of these housing needs in its housing districts and standards.

The new construction mix on buildable residential land must provide the opportunity for at least 50% of new housing to be attached housing. Using a combination of sources, including the 1986 Land Use Inventory, building permit records, and 1988 residential map amendments that resulted from the periodic review process, a new construction mix of 41.4% detached housing, and 58.6% attached housing was determined to be available (Figure 3-8). However, this is a conservative estimate of potential attached housing, since future housing was not included for mixed use districts such as Office Residential (OFR), Transit Development District (TD), Central Urban Core (CUC) and the Moderate Density Residential 12 (MDR-12) district, which permits mobile home developments.

Figure 3-8
New Residential Construction Mix

The rule also requires several cities in the Portland area, including Gresham, to meet a minimum overall density of ten or more units per net buildable acre for new residential construction. Gresham meets the standard, since new construction maximum allowed density for residential districts would achieve an overall density of 11.75 units per net buildable acre (Figure 3-9). The TD, OFR, CUC, and MDR-12 districts are excluded from this estimate, as well, making the overall density a conservative estimate.

Figure 3-9

Future Housing By Land Use District

At each periodic review of the Portland Metro Urban Growth Boundary (UGB), Metro is required to review the findings for the UGB and determine whether a shortage of buildable lands for any land use, including housing, exists. However, Gresham retains a large amount of undeveloped residential land for all housing types, and it is unlikely that the Metro findings would support expansion of the Urban Growth Boundary where it forms the eastern and southern limits of the city. Legislation adopted in 1993 (HB 2835) requires most cities in the state, including Gresham, to amend its comprehensive plan and land use regulations to allow manufactured homes on all lands designed for single-family residential uses. The legislation does not apply to any area designated as a historic district or residential land immediately adjacent to a historic landmark.

(Amended by Ord. 1205 passed 12/18/90; effective 1/17/91.)

(Amended by Ord. 1308 passed 4/5/94; effective 5/5/94.)

3.132 Structural Conditions

A review of demolition permits issued from late 1982 through fall 1987 indicates that of the estimated 75 single family demolition permits issued, all but 15 were for structures located along arterial streets. Of the 15 units not located on major streets, most were non-conforming uses in industrial or commercial areas. Although the number of housing units that continue to exist despite structural problems is unknown, figures suggest that the total number is a small percentage of the housing stock, because units demolished during this "period were not being replaced with similar residential uses, and many structures that have been allowed to deteriorate are either non-conforming or in an undesirable location for residential uses.

3.140 Restrictions on Residential Development

3.141 Natural Resources and Physical Constraints

See Section 4.800 2021-2041 Housing Capacity Analysis, Appendix 51 Residential Buildable Land Inventory, and Appendix 52 Housing Capacity Analysis.

~~In early 1988, an inventory of natural resource sites and areas affected by physical hazards was compiled. Information in the inventory reflects extensive field observations by natural resource experts, and published data by state and federal agencies. The following description of the special purpose districts addresses development considerations for sites included in this inventory:~~

~~Flood Plain Overlay District – Development within the 100-year plain, as determined by the Federal Emergency Management Agency (FEMA) is restricted where documented natural resource or open space values are also present. In other flood plain areas, development may be permitted subject to design standards intended to minimize potential flood damage, and based on findings that the capacity of the flood plain would not be adversely affected. In low-density residential districts, a density transfer credit of two dwelling units for each acre within the flood plain is available.~~

~~Hillside & Geologic Risk Overlay – This special purpose overlay district is found south of Glisan. Special development standards are applied and detailed review of development by Geotechnical professional is required. Trees are protected for slope stabilization reasons.~~

~~Highly Sloped Subarea of the Hillside & Geologic Risk Overlay – This district mainly within low density residential land use districts. Property which is entirely within this district may be improved to the extent of one dwelling unit for each existing lot of record. Trees are protected predominately for slope stabilization but also for aesthetic reasons.~~

~~Natural Resource Overlay – This district encompasses wetlands, streams and other waters and buffers around such riparian areas as well as areas of upland habitat in PV/SW and areas in public ownership that were acquired for conservation purposes. Development within this district is generally limited. A density transfer credit is available for residential sites lying within this district.~~

~~Open Space District – This district encompasses sites identified as having significance for open space characteristics, as identified in the~~

The contents of Section 3.141 are repealed in their entirety and replaced with a reference to the 2021-2041 Housing Capacity Analysis. Data in Section 3.141 is outdated and superseded by the 2021 HCA.

Inventory of Natural Resources and Open Spaces. Public and private open space areas with this special purpose overlay designation include parks, schools, golf courses, and greenways. Development within this district is limited to community service uses serving a public need and various recreational uses. A density transfer credit is available for low density and moderate density residential sites lying partially within this district.

Section 2. Volume 1, Findings, 4.000 Social Environment is amended as follows:

Proposed Text Amendment	Commentary
<p>***</p> <p>4.100 Population Characteristics <u>See Section 4.800 - 2021-2041 Housing Capacity Analysis.</u></p> <p><u>4.110 Population Growth</u> In recent years, Gresham has experienced dramatic increases in population. The reasons for such phenomenal growth in what was previously an agriculturally based community are complex, but clearly reflect the same economic, cultural and social forces that have created unprecedented suburban growth throughout the country since the 1950s. Growth in Gresham has primarily been tied to the demand for the amenities and living environment offered by a predominantly residential community.</p> <p>Between 1950 and 1980, population growth in the planning area was remarkably high; during the 1970s, Gresham's population nearly tripled, with an average yearly increase of 25.2%, making it the fastest growing city in the state. This increase was startling in comparison with that of Multnomah County, the City of Portland, and other suburban communities in the region (Figure 4-1).</p> <p>Figure 4-1 Population Growth of Major Portland Area Suburban Cities</p> <p>The reasons for this phenomenal growth period has been studied extensively across the nation. The post-World War II baby boom was the impetus for growth, when family formation in the United States reached an all-time high. Young families of that period were eligible to purchase homes with the help of FHA loans, and automobiles through the newly conceived consumer loan. The result was a young, mobile, and increasingly affluent segment of the population that created a massive demand for new and larger housing.</p>	<p><i>The contents of Section 4.100 are repealed in their entirety and replaced with a reference to the 2021-2041 Housing Capacity Analysis. Data in Section 4.100 is from the late 1980s and is superseded by data in the 2021 HCA.</i></p>

While the demand for housing was rapidly increasing during the early 1950s, the Federal Government was actively working on a national defense project that would inadvertently alter the direction of the nation's cities. During this period, the massive construction of highways as a civil defense measure formed new, more efficient links between existing urban areas, and significantly extended the commuting range around major cities. Housing developers quickly discovered the desire for new housing in suburban areas, which could offer larger homes, larger lots and an escape from urban problems such as crime, congestion, and poor schools.

However, in addition to the desire to live outside the central city and commute to the work place, young families were increasingly selecting the regions in which they lived. By the 1960s, it was evident that a migration was taking place from the east coast and midwest, to the southwest and west coast. The natural beauty of Oregon, especially the Willamette Valley, and the perception of a better lifestyle attracted families to the area. The image of Oregon, with the help of Governor Tom McCall ("... you're welcome to visit, but please don't stay ..."), had evolved into a kind of mystical place, and this perception translated into explosive growth in the late 1960s and early 1970s. The Portland metropolitan area population grew by almost 38% between 1960 and 1977, with employment opportunities growing at a similar rate.

Gresham's share of the growth was largely due to its proximity to Portland, as well as recreation areas near Mount Hood, the Sandy River and in the Columbia Gorge. In addition, the city has had a social and economic environment conducive to residential growth. This has been reflected in a political history with an active annexation program, service extension policy, and land use and development controls supportive of growth.

Since 1979, the Regional Urban Growth Boundary has controlled "leap frog" development and urban service extension into rural agricultural areas, promoting a generally compact urban form. Though the boundary is relentlessly challenged by developers and land speculators, it has remained intact and has focused growth pressures for the east county region to remaining developable land within Gresham and Troutdale.

4.120 Minority Group Population

The 1980 Federal Census provides the most current data available on the racial mix of Gresham area residents. At that time, the white population accounted for 96.6% of the population. The largest minority group was the Asian/Pacific Islander Group with 1.3% of the population. The Black population accounted for 0.8% of the total and the American Indian another 0.6%. The remaining 0.7% consists of other minority groups. Due to the relatively small percentage of minority groups and the absence of ethnic activities or centers, it is assumed that the minority group population is distributed fairly evenly across the planning area.

Figure 4-2
1980 Racial Mix for Gresham Area Census Tracts

4.130 Age Characteristics

According to METRO'S 1988 update of census data, nearly 40% of the city's population in 1985 is between 25 and 45 years of age, another 40% is under the age of 25, and only 8% of the population is over age 65. This demonstrates a continuation of the trend observed for 1980 (using 1975 data), when the recent influx of young families lowered the median age group for the city to the 25-29 year bracket (13% of the population), below the state average at that time. Ten years later, the 1985 median age was in the 30-35 year bracket (also 13% of the population). The fact that the median population only shifted by one five year bracket during a ten year interval may reflect additional young families moving to the city between 1975 and 1980, while the housing boom was still occurring.

Figure 4-3
1980 Population by Age Group

Persons under age 14 accounted for 26% of the population in 1985, indicating no change for that age group since 1975, even though there had been a steady decline in the younger age brackets prior to 1975. This recent trend may indicate a resurgence in childbearing, even though household size continues to decline. The continued high percentage of children suggests that young families are still attracted to the area.

Persons over age 65 dropped from 9% in 1975 to 8% in 1985¹. While there has been a general increase in longevity, it is likely that the surge of housing construction in the late 1970s, and the

accompanying influx of young families simply diluted the percentage of elderly persons.

4.140 Education

Nearly 80% of planning area population has graduated from high school, with 39% going on to college; of these, 15% have graduated from college. Of college graduates, the largest number are located in census tracts that cover the northeast and southwest corners of the planning area. In terms of percentage college graduates per census tract, the highest is in the southwest portion of the planning area, with 22% of the population having a college degree. The lowest occurs in the census tracts bounded by Division and Stark Street, and from 162nd to 202nd Avenue, where less than 10% were college graduates.

4.150 Household Income

Nearly 38% of the planning area households have annual incomes of \$20,000 to \$35,000. Another 15% earn between \$15,000 and \$20,000, with 16% having incomes between \$35,000 and \$50,000. Only 10% earn more than \$50,000 annually, which is surprising when the increasing number of two-income households are considered.

The median household income for all census tracts in the planning area was between \$20,000 and \$30,000 per year, except for the tract bounded by 182nd, 202nd, Stark and Division streets, where the median income was slightly less than \$18,000.

Of the 22% that earn less than \$15,000 per year, over 11% make less than \$10,000 annually. Unfortunately, the number of household incomes in this range is likely to increase with the proliferation of minimum wage retail and service jobs. A full time position at the current minimum wage of \$3.35 per hour yields a gross annual income of only \$7,000.

4.160 Occupational Status

over age 16 were employed, although a 1985 METRO update of census data shows only 20,000 jobs in the area. This discrepancy demonstrates Gresham's continued dependency on the metropolitan job market.

Though the number and variety of job opportunities in the planning area continues to increase with the expansion of existing businesses, and the arrival of major employers like Fujitsu and Albertsons, many residents still commute from Gresham to employment elsewhere. In

fact, this number is probably larger than the difference between workers and jobs in the planning area, indicated by the poor correlation between the types of jobs offered in Gresham and types of workers that live here.

For example, nearly 20% of employment in the area is government related, including schools and colleges, yet only 4.2% of the resident work force falls in this sector. This means that while 3,700 public sector jobs are available in the area, only 1,300 residents currently working in this sector.

In contrast, retail and service employment accounts for less than 40% of the jobs in the planning area and over 47% of the working population is employed in this sector. Translated to actual positions, this means that while some 15,200 retail and service workers reside in the area, only 7,500 jobs are available here. Furthermore, while only 6% of the jobs in the planning area are in manufacturing, over 18% of the working population hold manufacturing jobs, which translates to 5,800 local workers, and only 1,200 available positions.

Figure 4-4
Gresham Area Employment

4.170 Population Trends

The population of the city more than doubled, from 3,944 to 9,875, between 1960 and 1970. The most significant demographic change in this period was in the 0-14 age group, which had increased steadily since 1950, marking the "postwar baby boom" and the beginning of the suburban housing boom. The growth patterns of the 0-14 age group and the 25-44 age group are well correlated during this period, reflecting the growing residential nature of the community. The drop in median age from 35.4 years in 1950 to 28.2 years in 1970, and the dramatic decline in the 65 and over bracket from 18.0% in 1960 to 9.4% in 1970, further supports this relationship.

During the 1970s, Gresham experienced its greatest growth, when nearly twenty thousand residents moved to the city. During this period, Gresham established itself as a typical "bedroom community", where residents were attracted to the local school system, natural amenities, and suburban lifestyle, but continued to commute elsewhere for employment.

By the 1980s, and the onset of a national recession, Gresham had grown to a population of 31,275, and while the construction of housing slowed from the unprecedented rate of growth in the 70s, it did not stop. Between 1980 and 1985, Gresham continued to exceed other cities in the Portland area in residential growth (Figure 4-5). In addition, commercial and industrial expansion began to occur. By 1988, the area would see substantial commercial investments ranging from the Albertson's and Fujitsu industrial facilities, to the Gresham Town Fair retail complex. In addition, the completion of the light rail line has already encouraged additional commercial development, and while this recent infusion of new jobs has been hailed a market response to the residential growth of the 70s, development proposals during the past year suggests that additional housing growth will continue.

Figure 4-5
Recession Period Growth Rates for Selected Metro Area Cities (1980-1985)

4.180 Population Projection

A population projection for the Gresham planning area was developed using several previous population estimates and projections. Most of these earlier estimates used the 1980 Census for base data, providing additional interpretation and analysis.

To determine a base estimate for the planning area population, two sources were used. First, a July 1, 1987 population estimate of 55,530 for Gresham was obtained from the Center for Population Research and Census at Portland State University. Next, results from the 1986 Gresham Land use Inventory were used to estimate a population of 6,500 for areas to be annexed (the remainder of the planning area) based on existing households (calculated at 2.5 persons per household, a figure established for the region by Metro). These figures combined produced a July 1, 1987 population estimate of 62,030 for the planning area.

Once the population estimate for the planning area was calculated, a growth constant that projects a 55% population increase for determined from Metro's 1983 Regional Population and Employment Forecast was used to project the planning area population of 96,146 for the year 2005. Assumptions included in the Metro study are described in detail in their forecast document.

<p>Figure 4-6 2005 Gresham Population Projection ***</p>	
<p>4.200 Housing Characteristics <u>See Section 4.800 2021-2041 Housing Capacity Analysis, Appendix 51 Residential Buildable Land Inventory, and Appendix 52 Housing Capacity Analysis.</u></p> <p>The majority of homes in Gresham are owner-occupied, and of these, most are detached units. Because the purchase of a home is often the largest investment that an individual makes, planning issues for residential areas are centered on the protection of neighborhoods from non-residential uses, and long term stability of land use designations. The rapid growth of Gresham during the past thirty years has a direct impact on these issues. The role of planning will be to balance the continued need for additional housing in the area, while protecting existing neighborhoods.</p> <p><u>4.210 Housing Demand</u> There has been unprecedented demand for housing across the nation during the past several years, as the "baby boom" generation has begun to form households. Just as it spawned immense growth in education through the early 1970s, this bulging segment of the population is now shaping the housing market. Beyond the sheer number of dwelling units in demand the "baby boom" generation also is investing in housing at a younger age. In addition, these households often consist of only one person, reflecting declining marriage rates and higher divorce rates. In Gresham, the median household size is only 2.6 persons. The decreasing size of households further accelerates the demand for new housing, so that housing prices have increase dramatically during the past fifteen years.</p> <p>The particularly high demand for housing in the Portland area during the 1970s was largely due to immigration from other states. The massive immigration during this period, combined with a large number of local households investing in homes, created an unprecedented market for housing. The result was a dramatic increase in housing prices. During the 1970s, new housing prices in the Portland area increased by at least 80%. During the same period, the cost of established housing increased by at least 160%.</p> <p>Rising prices would normally lessen the demand for housing, but</p>	<p><i>The contents of Section 4.200 are repealed in their entirety and replaced with a reference to the 2021-2041 Housing Capacity Analysis. Data in Section 4.200 is from the late 1980s and is superseded by data in the 2021 HCA.</i></p>

inflation during the 1970s made home ownership one of the few profitable investments during that period. The housing experience of the 1970s helped to change the reasons for which housing was purchased. The "investment" potential for housing became one of the major considerations in home ownership.

While economists in the 1970s predicted high housing demand through the 1980s based on demographic trends, the national housing market took a serious blow during the recession of the early 1980s. Since that time, lowered interest rates have helped to rebuild housing demand, although the Pacific Northwest was slower to recover. In Gresham, annual building permits for detached dwellings issued between 1977 (the largest year) and 1982 dropped by 86% (Figure 4-7). Since 1982, permits issued have not increased substantially, although it is suspected that many of the permitted units during the recession were not actually built.

Figure 4-7
Building Permits for New Housing Units

Since 1970, over 7,000 detached dwellings have been constructed in Gresham. During this period an additional 5,000 attached units have also been built. This rate of residential development is partly responsible for the dramatic population increases that have brought Gresham's size ranking from 21st in the state in 1970, to 7th in 1978, and the 4th largest today.

4.220 Vacancy Rates

In March 1987, the Apartment Data Center conducted an apartment rent survey which estimated apartment vacancy rates at 5.2% for the Gresham area. The average vacancy rate for the Portland metro area was 5.7%. Though vacancy rates for west side communities were substantially higher, it is likely that Gresham's rate will increase to or above the metro average, as a result of new apartment developments currently under construction and further housing development related to new job opportunities at Fujitsu and the Albertson's distribution facility (Figure 4-8).

Figure 4-8
Apartment Vacancy Rates for the Portland Area 1981-88

Vacancy rates for single family homes is estimated by Oregon Multiple Listing Service records, which indicate 468 homes listed for

Gresham and Troutdale in February, 1988. Similarly, 559 homes were listed in February 1987. Figures suggest that at least 3.4% of single family dwellings are potentially vacant since not all homes for sale are listed, and rental housing is not included. The average market time for Gresham homes listed in February 1988 was 83 days, compared to the metro average of 110 days (Figure 4-9).

Figure 4-9
Single Family Home Sales for Selected Cities for February 1988

4.230 Affordability of Housing in Gresham

4.231 Cost of Housing

The median cost of a home in the Portland area in 1987 was 24.4% below the national median for the same year. In addition, the Portland area median housing cost increase of 2.6% over 1986 is less than half the 5.7% average increase for the nation during the same period. Furthermore, the Portland area median cost is even lower relative to other cities in the western United States (Figure 4-10). Coupled with the growing economy of the Portland metropolitan area, and the natural and cultural amenities of the region, the relatively low cost of housing is an especially attractive value.

Figure 4-10
Comparison of Median Single Family Home Prices for Selected U.S. Cities

The average sales price of homes sold within the Gresham area was \$73,594 during the last half of 1987. In comparison, the average sales price of a home sold in Lake Oswego during the same period was \$133,893, and the average for the Portland metro area was \$83,374. The cost of purchasing a home in Gresham is about eleven percent lower than the regional average (Figure 4-11).

Figure 4-11
Average Single Family Home Sale Price for Selected Cities

4.232 Housing Affordability

Housing in Gresham, both rented and owned, is very affordable in comparison to other cities within the region, and other metropolitan areas in the nation. In addition to the relatively low purchase price for homes, rents are also very affordable in the Gresham area.

Home ownership in Gresham has become increasingly more affordable with the drop in mortgage interest rates that has occurred since the 1982 recession. While average mortgage interest rates for the nation have dropped from 15.38% in 1982 to 9.22% by October 1987, median family income has increased from \$23,433 to \$30,827, lowering the average monthly mortgage payment from 35.9% to 21.7% of family income (Figure 4-12).

Figure 4-12

Housing Affordability 1981-86

Based on U.S. Price and Rate Averages

Home ownership is usually a two-part process; having enough cash reserves for the initial investment, and also a qualifying income that will allow the buyer to pay off the remaining balance. Increasingly, however, the affordability of home ownership varies according to the financial arrangement selected by the buyer. Innovations in home financing, such as adjustable interest rates, discounted interest rates in exchange for an additional payment, and bi-weekly payments that establish equity more quickly (Figure 4-13), have broadened the range of households capable of purchasing a home.

Figure 4-13

Bi-Weekly vs. Monthly Mortgage Payments

Most rental housing in Gresham is in the form of attached dwellings, such as apartments, duplexes, multiplexes and condominiums. A March, 1987 survey by the Apartment Data Center documented rent levels throughout the Portland metro area and concluded that rents in the Gresham area were generally lower than the regional average (figure 4-14). While a one bedroom apartment in the Gresham area averaged \$277 monthly, the regional average was \$310. A two bedroom apartment in the Gresham area averaged \$321 per month, compared to the regional average of \$350; and for a three bedroom apartment, the Gresham area averaged \$340 per month, more than 10% less the regional average of \$380 for the same unit.

Figure 14

Average Rents for the Portland Area 1987-88

4.233 Housing Assistance

Several local, state, and federal agencies are currently providing

housing assistance in Gresham (see Appendix 18). Assistance ranges from voucher programs that provide households in need with rent or mortgage payment subsidies, to so-called "brick and mortar" projects that provide actual housing units.

The Federal Housing and Urban Development Department (HUD) currently provides housing in six public housing projects, offering a total of 304 living units in Gresham. Of these, 297 units are available for the elderly through Section 8, Low and Moderate Income, Elderly Disabled or Handicapped subsidy programs. The remaining seven units are available only to the elderly disabled or handicapped. currently, 36 additional units for elderly residents are under construction near the Mount Hood Medical Center, with funding support from HUD.

The State Housing Authority (SHA) provides loans for assisted housing projects through bond sales. In this way they financed the construction of Gresham Manor, a 104 unit facility for the elderly which is available through Section 8, and Elderly Disabled or Handicapped assistance (see Appendix 19).

Multnomah County is involved in a variety of housing assistance programs, "including administration of Community Development Block Grant funds, and sewer hook-up loans for areas affected by the Mid-County Sewer Project. The county also maintains a three-year Housing Assistance Plan that estimates housing assistance needs and documents housing assistance programs currently meeting those needs in Multnomah County.

As a part of its housing assistance program, the county also sponsors the Multnomah County Community Action Agency (MCCAA) which implements assistance programs such as home weatherization, housing counselling, emergency shelters and emergency assistance, rent assistance, mortgage counselling, and aging services. MCCAA is active in Gresham and it is estimated that 10,000 persons in Gresham are directly served by this agency. MCCAA is supported through federal, state, and local funds, although the City of Gresham makes no contributions to the program.

The Portland Housing Authority (PHA) provides housing in three public housing projects, for a total of 90 housing units. All three developments are offered to families through the Low-Rent Public Housing subsidy program.

The State Department of Veteran Affairs has offered low interest home loans to veterans since 1944. Since that time thousands of loans have been issued, with the peak occurring between 1976 and 1980, when more than 100,000 loans were issued. Because of financial problems with the agency, and the negative effect of the loan debt on the state's bond rating, loan issues have dropped sharply since 1980. However, the department still estimates at least 1,131 active loans and contracts in Gresham. Veterans are eligible for loans for 30 years following their last day of active duty and loan amounts are limited to \$63,000 for a home and \$185,000 for a farm, with a maximum 30-year mortgage term.

The City of Portland (along with several private service agencies) has taken the lead in providing emergency shelter for the homeless. The problem of caring for the homeless has grown alarmingly during the 1980s, when severe cuts in federal assistance programs, and the early release of individuals from crowded mental institutions and prisons has added families, convicted criminals, and the mentally impaired to the ranks of the once predominantly male homeless population. Portland has responded by creating several new shelters, and coordinating the provision of private shelters.

In Gresham, the private agency Sno-Cap, located near Eastman and Powell, provides both emergency food supplies and daily prepared meals at the Zarephath Kitchen. During the first three months of 1988, is estimated that 1,851 families, or 5,271 individuals, were assisted with emergency food supplies. An additional 125 persons visit the soup kitchen facility each day. Sno-Cap is funded almost entirely by the community through private contributions. Zarephath Kitchen is funded entirely by local churches. Covenant Presbyterian Church, located at 186th and Division, is the only homeless shelter in Gresham, and provides six bed spaces through the Church Shelter Program for the Homeless.

Currently, the City of Gresham provides no housing assistance, meal programs, or shelter for the homeless. Officials from Sno-Cap and MCCA point out a much greater need in the area, particularly for emergency shelters to house the homeless and battered women. Their observations indicate that the need has increased substantially since annexations have occurred, and both agencies feel that the city does not fulfill its responsibility as a provider.

4.234 Manufactured Homes as a Component of Gresham's Housing

Manufactured homes comprise an option for housing which has served a segment of Gresham's population for a number of years and which will continue to fulfil a portion of the community's housing needs in the future. In 1980 there were 380 manufactured homes being occupied as permanent residences in Gresham. Within the city's recently expanded Urban Services Boundary there are in 1988, 954 manufactured home Units located in 16 manufactured home parks. Together, these parks contain 1,017 spaces, resulting in an overall occupancy rate of 94%. Manufactured homes make up 7.4% of Gresham's detached dwelling units. Figure 4-15 lists the characteristics of existing manufactured home parks in Gresham's planning area. These parks are mapped in Map 21. All of the existing manufactured home parks except two are located in residential districts.

Figure 4-15

Manufactured Home Park Inventory

Map 20

Gresham Community Development Plan

Manufactured Home Parks

Between 1987 and 2005 the population of Gresham's planning area is expected to grow from 61,720 to 95,666. With a projected average household size of 2.5, some 13,578 additional dwelling units will be needed to house this growth. In 1987 the ratio of existing detached units to attached units was 66 : 34. Metro has estimated that for the Gresham area the future ratio to the year 2005 will be 56% detached units to 44% attached units. Thus, of the 13,578 new housing units projected for this area, approximately 7,600 are expected to be detached units, including manufactured homes.

Manufactured homes have traditionally been seen as less expensive alternatives to conventional, site-built, detached dwellings. For those seeking detached housing, a manufactured home can indeed offer substantial cost savings when compared to a site-built house, depending on where the manufactured home is placed, how large it is, and how it is financed. However, in the Gresham area, occupancy of a manufactured home is not necessarily a means of obtaining low cost housing. While manufactured homes will always comprise an element of the community's total housing stock, they are not alone the complete answer to the housing needs of low and moderate income

households. Table 4-16 below illustrates comparative costs for occupancy of a site-built, detached, unit in a traditional neighborhood and a typical, newer manufactured home in a manufactured home park.

Figure 4-16
Cost Comparison

The comparison contained in Figure 4-16 shows that a typical new manufactured home in a manufactured home park might be expected to save 9-10% in monthly costs. In this example, \$62,500 was used as the unit cost for site-built housing since that is the median price for all detached dwellings in the Portland metropolitan area. The \$30,800 figure for the new manufactured home is based on an average cost for a new multi-section (i.e. double-wide or larger) unit with an average size of 1,395 sq. ft. A new multi-section manufactured home may be considered comparable to an existing site-built dwelling in terms of floor area and features.

As shown in Figure 4-16, the average price of a new single-section manufactured home is \$17,800. These units have an average size of 945 sq. ft. Using this price figure, the monthly cost for a new single-section manufactured home drops to \$386, a savings of 35% as compared to a median-value site-built house.

It should be noted that used manufactured homes are also available for sale at prices substantially below the median for a site-built unit. However, financing is more difficult to obtain for used manufactured homes and is generally more expensive.

Gresham has an abundance of existing, detached, site-built units and a large inventory of vacant residential lots. This has led to a relatively low cost for detached, site-built housing — \$63,396 on average in December, 1987, as compared with a Portland metropolitan area average of \$72,674. At the same time, median household income in the Gresham area is nearly equal to that for the metropolitan region as a whole, and 11% higher than for Multnomah County. In 1985 the median household income for the region was \$24,635 and the median household income for Multnomah County was \$21,704. For the Gresham area, the 1985 median household income was \$24,021. These factors might result in somewhat less demand for manufactured homes as a low-cost, alternative form of housing than

would be expected if overall housing costs were higher and median household income were lower.

As noted, Gresham is a community where the detached dwelling is the dominant form of housing. This is not surprising, given Gresham's status as a suburban community. This situation is expected to continue, although the proportion of attached dwelling units will increase by the year 2005. Excluding the recently annexed areas, no new manufactured home developments have occurred in Gresham since adoption of the Community Development Plan in 1980. (The Community Development Plan has permitted manufactured home subdivision, although none have been developed; the Plan has not permitted new manufactured home parks since 1980.) In the mid-county areas which have been recently annexed to the City of Gresham, only one new manufactured home park, containing nine spaces, has been developed since 1980.

In recent years, manufactured homes have accounted for about 10% of all new, detached dwelling units in Multnomah County. This compares with manufactured homes as 21% of new, detached dwellings in Washington County and 28% of all new, detached dwellings in Clackamas County during 1987.

The extent to which manufactured homes will make up a portion of the detached dwelling stock in the future depends on a large number of highly volatile factors, including the cost of credit, technological advances in the building industry, consumer preferences, and general economic conditions in the region. For purposes of projecting the demand for manufactured homes, it is assumed that the existing, 10% share of manufactured homes as a portion of new, detached dwellings in Multnomah County will continue. It seems possible that manufactured homes will make up a proportionately smaller share of new housing units in the Gresham area than in the county as a whole due to two factors. First, as noted, site-built housing costs are lower in Gresham than in the metropolitan region as a whole and median household income in Gresham is roughly equal to that for the region and substantially higher than for the rest of Multnomah County; second, there is evidence that a relationship exists between the popularity of manufactured homes as a form of housing and the extent to which an area is urbanized. In more rural areas, manufactured homes tend to comprise a greater share of new detached dwelling units than in urban areas. (In recent years, for example, Multnomah County, the most highly urbanized county in the

state, has been one of the counties with the smallest proportion of manufactured homes as a segment of all new, detached dwellings. On the other hand, there are several rural, Eastern Oregon counties in which manufactured homes have made up 100% of new detached dwellings in 1985, 1986, and 1987). Given these factors, and the relatively urbanized state of the Gresham area, the demand for manufactured homes as a proportion of Gresham's total new, detached dwellings to the year 2005 seems unlikely to exceed 10%. This would result in approximately 760 new manufactured home dwelling units between 1988 and the year 2005.

The median density of the existing manufactured home parks in Gresham is 9.11 units per acre. This is reflective of the tendency for manufactured home parks to locate in areas where moderate densities are permitted. In general, manufactured home developments may not be economically feasible where densities are restricted to 6 or fewer units per acre. At the same time, land costs where allowable densities are greater than 12 units per acre are likely to be so high as to preclude manufactured home developments which cannot achieve high densities. For future manufactured home developments in Gresham, the average, projected density is 10 units per acre. Given a projected demand of 760 manufactured homes and an average density of 10 units per acre, there would be a demand for approximately 76 acres to accommodate new manufactured homes in manufactured home parks and subdivisions. Because two of the existing manufactured home parks are non-conforming uses (one in an industrial district and one in the Transit Development District), it is possible that these properties will be redeveloped, displacing 65 manufactured homes. In addition, one park is located in a high-density residential district (HDR 60). Redevelopment of this park would displace 16 additional units, resulting in a potential demand for some 8 acres just to accommodate displaced units. When added to the projected demand for new units, the total projected land area needed to accommodate manufactured homes to the year 2005 increases to some 84 acres. This much acreage at least should be available to accommodate new manufactured home parks and new manufactured home subdivisions.

Finally, it should be noted that because only one new manufactured home park has developed in Gresham during the past eight years, there may be a backlog of demand for manufactured home developments which is unquantifiable. In view of this possibility, it might be estimated that up to 16% of total new, detached units

<p>needed to the year 2005 could be manufactured homes. This would result in a demand for approximately 122 acres of vacant land to accommodate new manufactured home developments.</p> <p>Thus, the projection of land area needed for new manufactured home developments of all types ranges between 84 acres and 122 acres. In any case, the rate of development of new manufactured home projects should be carefully monitored in coming years. If available acreage is consumed at a more rapid rate than expected, it may be necessary to designate additional land area for manufactured home parks and subdivisions.</p> <p><u>4.240 Household Size</u> In 1985 METRO published an update of the 1980 census figures for household size and predicted a drop from the regional average of 2.56 in 1980, to 2.45 in 2005; the average for the Portland area has been in decline since 1960, when households averaged 2.99 members. The decrease is explained by changing lifestyles during the 1960s and 70s.</p> <p>According to a 1988 revision of the METRO census updates, household size in the Gresham area dropped from 2.65 persons in 1980, to 2.58 in 1986. The fact that the average for the Gresham area is higher than the regional average is not surprising because Gresham's population includes a relatively higher percentage of households with children living at home.</p> <p>***</p>	
<p>Section 4.800 Housing Policy ***</p>	<p><i>Section 4.800 Housing Policy is repealed in its entirety and replaced with Attachment 1: Draft Section 4.800 2021-2041 Housing Capacity Analysis. The analysis identifies housing needs for the next 20 years and the residential land capacity for that housing to be built (as required by House Bill 2003).</i></p>

Section 3. Volume 1, Findings, Section 6.000 Appendices is amended as follows:

Proposed Text Amendment	Commentary
<p>Appendix 27 Housing Land Use Inventory ***</p>	<p><i>Appendix 27 Housing Land Use Inventory is repealed in</i></p>

	<i>its entirety. Data is outdated and superseded by data in the 2021 Housing Capacity Analysis.</i>
<u>Appendix 51 Residential Buildable Land Inventory</u> ***	<i>Attachment 2: Draft Appendix 51 Residential Buildable Land Inventory is inserted as a new Appendix 51 as a supporting appendix to the Draft Section 4.800 2021—2041 Housing Capacity Analysis.</i>
<u>Appendix 52 Housing Capacity Analysis</u> ***	<i>Attachment 3: Draft Appendix 52 Housing Capacity Analysis is inserted as a new Appendix 52 as a supporting appendix to the Draft Section 4.800 2021—2041 Housing Capacity Analysis.</i>

Section 4. Volume 2, Policies, Section 10.600 - Housing is amended as follows:

Proposed Text Amendment	Commentary
<p>10.600 HOUSING</p> <p>BACKGROUND</p> <p>Introduction In 2013, City Council, recognizing that addressing housing issues is fundamental to the success of Gresham, its overall vitality and character, included the review of Gresham’s Housing Policy in its Council Work Plan.</p> <p>Although primarily developed as a residential community, Gresham is a full service city that is committed to social and economic development, providing its residents with a variety of amenities and services. It has residential lands, a regional center, two town centers and industrial uses. Gresham is the fourth most populous city in Oregon and the second most populous city in the Portland Metropolitan area. As of July 1, 2012, Portland State University’s Population Research Center estimated Gresham’s population to be 105,970. <u>Gresham’s population in 2020 was estimated at 113,409, and grew by 26% between 2000 and 2020.</u></p>	<p><i>Housing background data is updated per the 2021-2041 Housing Capacity Analysis. Sections on Economic Development, Livability, Rehabilitation/Revitalization, City Roles and Summary of issues, and the Goals, Policies and Action Measures are not changed.</i></p> <p><i>Updated population data is added.</i></p>

Annexations from unincorporated Multnomah County in the 1980's accounted for much of Gresham's growth during that time. More recently, new lands have been added to the Urban Growth Boundary (UGB) that present the potential for future growth in the Pleasant Valley, Kelley Creek Headwaters and Springwater areas.

In 2000, 1500 acres were added to the UGB directly south of Gresham. This area, Pleasant Valley, is expected to accommodate roughly 3200 dwellings in a mixture of single family, multi-family and mixed- use developments in the Gresham portion of this UGB expansion. In 2002, 222 acres of land east of Pleasant Valley, an area known as Kelley Creek Headwaters, was brought into the UGB. In 2009, City Council approved an urbanization plan for this area, allowing it to be developed with a Low Density-7 designation (LDR-7). Since it has environmental and topographic constraints, this area is expected to be able to be developed into approximately 150 lots.

In 2002, the Springwater area, comprised of 1350 acres to the southeast of Gresham, was included in the UGB. It is expected to largely be developed with employment and industrial uses. Approximately 1600 residential units are planned for Springwater, most of them being single family detached homes in sloped areas west of Johnson Creek. There will be an area of townhomes clustered around the Springwater Village Center.

~~Gresham has been and continues to be a residential community that accommodates the full range of housing types. Since most easily developed residential land has already been built upon, until these recent additions to the UGB begin to experience new construction, it is expected that most of Gresham's new residential growth will take place through development and re-development in Downtown, Civic Neighborhood and Rockwood areas.~~

State and Metro Housing Requirements

Metro and Statewide Planning Goal 10 and its Metropolitan Housing Rule establish the statutory framework within which Gresham implements the housing element of its land use-planning program.

Statewide Planning Goal 10: Statewide Planning Goal 10 directs jurisdictions, "to provide for the housing needs of the citizens of the state." The Goal states that, "buildable lands shall be inventoried and Plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels, which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

Gresham last completed Periodic Review of its Comprehensive Plan in 2004. At that time, the state acknowledged that the City's plan and

Outdated development trends are removed.

implementing measures were consistent with the requirements of the Statewide Planning Goal and administrative rules.

Goal 10 Metropolitan Housing Rule: In addition to the general requirements of the Goal, the City must be in compliance with state administrative rules pertaining to housing. The applicable administrative rule is OAR 660--007--0000, Division 7, Metropolitan Housing. The rule requires that larger Portland area jurisdictions such as Gresham:

- Provide the opportunity for a net residential density of 10 units an acre with the opportunity for a 50-50 mix of attached and detached units¹.
- Provide clear and objective approval standards for needed housing. These standards must not have the effect of discouraging needed housing through unreasonable cost or delay².
- Apply specific land use plan designations for residential uses.
- Not impose any restrictions on housing tenure that restricts the construction of either rental or owner occupied housing, unless such restriction is justified by an analysis of housing need according to tenure or otherwise demonstrate that such restrictions comply with ORS 197.303 (a) and ORS 197.490.
- Conduct a buildable residential lands inventory that documents the amount of buildable land in each residential plan designation.

¹ In Gresham's case, during its last Periodic Review in 2004, its land use program provided the opportunity for development to occur at a density of 14.5 units per acre and with a 62.5 – 37.5% mix of attached versus detached units.

² Needed Housing is defined by the rule as those housing types determined to meet the need for housing within an urban growth boundary and a particular price range or rent levels. Types of housing included by the definition include attached and detached single-family housing and multi-family housing for both owner and renter occupancy; government assisted housing; mobile home or manufactured dwelling parks; manufactured homes on individual lots in addition to those within designated manufactured dwelling subdivisions. OAR 660-007 is designed to “assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary.” OAR 660-0070-005(12) provides a Metro-specific definition of needed housing:

"Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types

determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.

The Metropolitan Housing Rule also requires cities to develop residential plan designations:

(1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-007-0030 through 660-007-0037.

OAR 660-007 also specifies the mix and density of new residential construction for cities within the Metro UGB:

"Provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances" OAR 660-007-0030 (1).

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Gresham's average density target is ten dwelling units per net buildable acre. During Gresham's Periodic Review in 2004, its land use program provided the opportunity for development to occur at a density of 14.5 units per acre and with a 62.5 - 37.5% mix of attached versus detached units.

The Metro Regional Functional Plan (Title 1)

Title 1 of the Metro Functional Plan requires Metro area jurisdictions to maintain or increase housing capacity.

In 2008, the City conducted a Housing Capacity Analysis Update (HCAU) to determine if it remained in compliance with Title 1 requirements and planned to use it as a baseline to evaluate future planning projects. This update, finalized on January 31, 2008, found that Gresham was in compliance with Title 1 as of October 1, 2007 with a capacity of 17,741 additional units within the City's 1994 boundary and 3,203 within Pleasant Valley for a total of 20,944 dwellings. Starting in late 2008, a deep national economic recession resulted in a substantial stall in new housing construction. Between November 1, 2007 and January 31, 2013, the City permitted only 603 new dwelling units. Gresham's remaining capacity is now 20,341

The Metro Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan describes the policies that guide development for cities within the Metro UGB to implement the goals in the Metro 2040 Plan. Metro’s 2017 Compliance Report concludes that Gresham is in compliance for the City’s Title 1, Title 3, Title 4, Title 7, Title 11, and Title 13 responsibilities.

Metro Urban Growth Management Functional Plan (Title 1: Housing Capacity)

Title 1 of Metro’s Urban Growth Management Functional Plan is intended to promote efficient land use within the Metro UGB by increasing the capacity to accommodate housing capacity. Each city is required to determine its housing capacity based on the minimum number of dwelling units allowed in each zoning district that allows residential development and maintain this capacity.

Title 1 requires that a city adopt minimum residential development density standards by March 2011. If the jurisdiction did not adopt a minimum density by March 2011, the jurisdiction must adopt a minimum density that is at least 80% of the maximum density.

Title 1 provides measures to decrease development capacity in selected areas by transferring the capacity to other areas of the community. This may be approved as long as the community’s overall capacity is not reduced.

In 2021, the City conducted a Housing Capacity Analysis, which determined Gresham has sufficient capacity of residentially zoned lands to accommodate the projected housing need for the 2021-2041 planning period, with a surplus capacity for 6,380 units.

The Metro Regional Functional Plan (Title 7)

Title 7 calls for voluntary affordable housing production goals to be adopted by local governments and assistance from local governments on reports on progress towards increasing the supply of affordable housing.

Metro issued a revised version of its 2011 Regional Inventory of Regulated Affordable Housing on April 12, 2012. At that time, Gresham was noted as having 2165 regulated affordable units. As a point of comparison, Beaverton was noted as having 619 regulated affordable units, Hillsboro had 2195, Vancouver had 3278 and Portland 19,953.

The Metro Urban Growth Management Functional Plan (Title 7: Housing Choice)

Title 7 of Metro’s Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro

UGB. Each city and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal. Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types;
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries; and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730).

The Metro Urban Growth Management Functional Plan (Title 11: Planning for New Urban Areas)

Title 11 of Metro’s Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Land brought into the Metro UGB is subject to the provisions of section 3.07.1130 of the Metro Code, which requires lands to be maintained at rural densities until the completion of a concept plan and annexation into the municipal boundary. The concept plan requirements directly related to residential development are to prepare a plan that includes:

1. A mix and intensity of uses that make efficient use of public systems and facilities;
2. A range of housing for different types, tenure, and prices that addresses the housing needs of the governing city; and
3. Identify goals and strategies to meet the housing needs for the governing city in the expansion area.

Senate Bill 1051

Senate Bill (SB) 1051, signed by Oregon Governor Kate Brown on August 15, 2017, necessitated changes to the Gresham Community Development Code (Volume 3 of the Comprehensive Plan) regarding the definitions of “needed housing”, “affordable housing”, and “qualifying applications.”

Qualifying Applications are land use permits for certain types of affordable housing developments that must be processed within 100 days (instead of 120 days) and consequently a change to the Development Code was required to accommodate this application type.

SB 1051 also required changes to Gresham’s current standards for Accessory Dwelling units.

House Bill 2003

In 2019, the Oregon Legislature passed House Bill (HB) 2003 to help communities meet the diverse housing needs of Oregonians. The law requires Gresham to study the future housing needs of its residents and to develop strategies to encourage production of that needed housing. The two main requirements of HB 2003 include:

- Every six years Gresham analyze what housing is needed for current and future residents for a 20-year period (the housing capacity analysis).
- Based on the State of Oregon’s timelines and housing capacity analysis adoption dates, Gresham must also complete a Housing Production Strategy that lists specific actions the City can take to promote the development of all identified housing needs.

In addition, HB 2003 initiated a prototype Regional Housing Needs Analysis to investigate a program where housing need is estimated and allocated on a regional level.

Housing Opportunities

Housing needs are shaped by the characteristics of a city’s current and expected population. Gresham, like many communities in the United States, is experiencing a shift in the make-up of its population relating to overall diversity, family size, the age of its residents and the changing housing options of its citizens.

Population Characteristics

Demographic trends are important for a thorough understanding of the dynamics of the Gresham housing market. Gresham exists in a regional economy; trends in the region impact the local housing market. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that the key assumptions used in the baseline analysis of housing need are (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

After experiencing an over 32% surge in population between 1990 and 2000, Gresham experienced a more moderate growth rate of 17% between 2000 and 2010. Between 2000 and 2020 the population grew by 26%. Portland State University’s Population Research Center estimated Gresham’s population in 2020 was 113,409.

Between 1990 and 2010, Gresham also experienced changes in its demographic.

Gresham has become a more diverse city. In 1990, 93.8% of Gresham's population characterized itself as White. That percentage decreased to 76% in 2010. In 1990, persons identifying themselves as Asian made up 2.7% of the population, while in 2010, that segment of the population increased to 5.0%. Even more significant is the increase of persons identifying themselves as Hispanic/Latino. In 1990, 3.3% of the population was Hispanic/Latino with that percentage increasing to 18.9% in 2010.

The housing needs of those persons identifying themselves as Asian or Hispanic/Latino can have an effect on Gresham's housing needs as these two population groups tend to have larger families. The largest number of Hispanic persons is found in Rockwood, followed by the Central City neighborhood. The Asian population is more scattered throughout the City, but there is somewhat of a concentration in the Wilkes East neighborhood.

Gresham's immigrant population has also continued to grow. Foreign-born persons comprised 13% of Gresham's resident population in 2000, but that increased to 17% over the following ten years. Immigrants typically have family sizes that are larger than the rest of the population in Gresham (3.8 persons per household vs. 2.69 persons per household in 2010) and lower household incomes than non-immigrant families (approximately \$38,000 vs. \$47,000 in 2010). This combination of larger family size and smaller income causes constraints in the housing choices of these immigrant families. Although 47% of Gresham's overall population is considered renters, 53% of the immigrant population fall into that category.

Other demographics to consider when examining housing need is the overall pattern in the average age of Gresham's population and the percentage of children and older adults. These characteristics have a direct impact on housing because different age groups have different housing needs and preferences. Those needs change over the course of time as people mature, start careers and families, become "empty nesters" and retire from the workforce.

Generally, Gresham's population is aging. In 1990, the median age of a City resident was 32.3 years. By 2010 that had changed to 33.6 years. Similarly, Gresham experienced an increase in the percentage of persons over the age of 65. In 1990, 10.0% of the population was over 65, by 2010, that had increased to 10.7%. Housing needs of an older population are generally include a desire for smaller, one-level housing designs and the potential to make the dwelling accessible.

Despite the fact that Gresham's population is generally aging, there is still a large percentage of persons under the age of 18. In 2010, 26.4%

of the population fell within that demographic. People under the age of 18 are generally still living in family settings which require larger accommodations and more bedrooms. The highest concentration of persons under the age of 18 was found in the Rockwood neighborhood.

Another factor that can be a determinant of housing choice is educational attainment. There is generally a correlation between educational attainment and income; people with lower incomes have fewer housing options. In Gresham in 2010, 84.5% of residents had obtained a high school education or higher; 18.4% of the population had obtained at least a Bachelor's degree. The percentage of persons holding a Bachelor's degree stayed steady between 2000 and 2010.

Employment status and household income are two of the more critical components governing housing choice. In 2010, roughly 10% of Gresham's population was considered unemployed, this figure being slightly higher than other communities in the Portland metropolitan area. However, the median income of a Gresham household was \$47,164, this being roughly the same as the average household income in the City of Portland.

Gresham residents tended to have higher percentages of families living below the poverty level and also a higher percentage of families with children under the age of 18 living below the poverty level. The highest rate of persons living below the federal poverty standard is found in three census tracts within the Rockwood neighborhood.³ Persons and families living below the poverty level have few housing options and often must accept accommodations that do not meet their needs. Not only does this present challenges in housing, but it also reflects the challenge that Gresham has in the arena of the provision of public services.

³ Poverty information is not available at the Neighborhood level.

Household size has a direct connection to the type of housing needed by a family. Larger families prefer homes with more bedrooms, yet most multi-family rental units do not typically have many three or more bedroom units. Between 1990 and 2010, Gresham's population showed an increase in household size, this trend being contrary to that seen in the Portland metropolitan area, the state and Multnomah County, all of which experienced small decreases in household size. Gresham's growing percentage of Asian, Hispanic and immigrant families generally have larger families than that of the rest of the population, and that could partially explain why the overall average is increasing.

Another category of housing need is special need housing that can include seniors, physically and mentally disabled persons as well as

female headed households. These individuals and families often have lower incomes, can need supportive services, may need to be near transit because they do not operate or own motor vehicles and they may also require specific adjustments to their housing units to accommodate their disabilities.

In 2010, 21.3% of Gresham's population was over the age of 65, a percentage that was generally similar to other jurisdictions in the Portland Metropolitan area. However, the percentage of disabled persons, estimated as 16.5% of the population, was higher than other jurisdictions reviewed.

Housing Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied. The term "housing tenure" refers to whether a household owns or rents its dwelling. In 2010, 52.5% of Gresham's housing units were owner occupied, this representing a decline from 1990 when 58.4% of units were owned.

During the 1990's and earlier, many new multi-family developments were constructed in Gresham and this can account for part of the shift in housing tenure. Also, the economic recession that began in 2008 forced many people to sell homes they could no longer afford or caused them to rent them out while they found other accommodations. This was also a contributing factor to the decline in home ownership.

Home Ownership

Homeownership rates in Gresham remained stable between 2000 and 2014-2018. In 2000, 55% of Gresham households were homeowners, which dropped to 53% in 2010 and back up to 54% in 2014-2018. From 2014-2018 Most homeowners (89%) lived in single-family detached housing. In comparison, nearly 75% of Gresham households that rented lived in multifamily housing including duplexes, triplexes and quadplexes. Eight percent of renters lived in single-family attached units (e.g. townhouses).

With a median sales price of \$401,000 in October 2020, Gresham's housing sales prices were generally lower than other Portland Metro submarkets. Gresham's housing prices were below prices in Beaverton, Happy Valley, Hillsboro, Milwaukie, Portland and Tigard and above Fairview and Troutdale. Between October 2015 and October 2020, Gresham's housing prices grew by 55% or \$142,000. Over the October 2015 period to October 2020 period, Gresham's median housing price increased by 55% or \$142,000.

In comparison, sales prices in Milwaukie increased by 46%, Portland by 47%, and Happy Valley by 48%.

The household-reported median value of a house in Gresham was 3.6 times the median household income (MHI) in 2000, and 5.1 times MHI in the 2014-2018 period. Decline of housing affordability was similar in Gresham to regional comparison (e.g., Portland, Beaverton, and Tigard). Housing affordability problems grew slower in Gresham than in Portland.

The median gross rent in Gresham was \$1,095 in the 2014-2018 period, demonstrating that rent costs in Gresham are lower than average for Multnomah County and are lower than comparable city averages. The average asking price per multifamily unit in Gresham has increased about 53% over the past eleven years.

Between 2016 and 2020, Gresham's average multifamily asking rent increased by about \$163, or 15%, from \$1,116 per month to \$1,279 per month. In comparison, average asking price per multifamily unit in Multnomah County increased from \$1,067 in 2010 to \$1,308 in 2020, an increase of 23%.

Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as: "Unoccupied housing units... determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." According to the 2014-2018 Census, the vacancy rate in Gresham was 5.8%, compared to 6.1% for Multnomah County and 9.1% for Oregon. Eight percent of vacant units in Gresham were for seasonal, recreation or occasional use compared to 16% in Multnomah County and 39% for Oregon.

In 2010, the most common type of ownership housing was the single family detached home, with single family attached housing running a distant second. Although there were roughly 1700 condominiums in the City in 2010, this information suggests that most units were being used as rentals. The Gresham Butte neighborhood, an area of largely single family homes, had the largest percentage of ownership homes, with Central City, an area that has seen recent multi-family development being the lowest.

Gresham housing prices rose through 2008, and then saw a decline brought on by the economic recession that began in that same year. Gresham's foreclosure rate, at 7.1% in August of 2012, was a full percentage point higher than that found in Portland. Those homeowners experiencing negative equity (or homes characterized as being "underwater") tended to hold off on selling their homes until they could receive what they found to be a fair asking price. This also created a stall in the market.

Housing prices in Gresham have continued to remain lower than those in other parts of the Portland Metropolitan area in recent years. In 2012, the median price of a single family home in Gresham was \$190,000 while the median price in the Portland Metropolitan area was \$227,000. As the entire region recovers from the effects of the 2008-2012 recession, housing prices will continue to rise, and those homeowners experiencing foreclosure and negative equity will decrease.

Rental Housing

During the time period between 1980 and 2000, multi-family construction swelled in the Portland Metropolitan area and within Gresham. Although this trend slowed after 2000 and eventually halted during the economic recession that started in 2008, Gresham was left with an ample supply of multi-family housing units. Recovery from the recession is expected to bring a gradual return of multi-family construction projects to Gresham.

In 2010, 47.5% of Gresham’s population characterized themselves as renters, with 75% of that population being housed in larger multi-family complexes. Rental price rates can vary drastically depending on the size of the unit and the nature of the complex in which it is located, but the average rent for a two bedroom unit in a large multi-family complex in east Multnomah County during 2012 was \$785.4 Rockwood has, by far, the highest number of rental units, but Central City has a higher percentage due to the overall smaller number of housing units available. The rental vacancy rate in Gresham was estimated at a low 4.2% in December of 2012.

4 This information is only available for East Multnomah County.

Affordable Housing

In 2011, Gresham, Portland and Multnomah County prepared the 2011-2016 Consolidated Plan. The Consolidated Plan is a document required by the U.S. Department of Housing and Urban Development (HUD) that outlines strategies around the provision of decent and suitable housing along with tactics for increasing economic development. Gresham’s land use program places no barriers to the development of any type of affordable housing in accordance with State and Federal laws.

The Consolidated Plan defines affordable housing as housing that can be attained by persons or families with incomes at or below 60% of median family income, with the HUD standard for affordability being that households should not pay more than 30% of gross income towards rent and utilities. Meeting these criteria can be challenging for many lower income families.

Gresham, like most cities, faces a challenge in its affordable housing supply. Even though Gresham is a Federal Entitlement jurisdiction and receives Community Development Block Grant (CDBG) and HOME funds, it does not have the resources to address the scope of the need. Non-profit housing providers such as Home Forward own roughly 2100 affordable housing units within Gresham, this being roughly 13% of the City's rental housing stock. Gresham also has housing that has become unintentionally affordable to lower income households because it is comprised of older deteriorated housing stock, can be unattractive or even unsafe and therefore command lower rental prices. This has been an ongoing issue for the City.

Housing Affordability

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 payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden." From 2000 to the 2014-2018 period, the number of cost-burdened and severely cost-burdened households grew by 10% in Gresham. About 44% of Gresham's households are cost burdened and 21% are severely cost burdened. About 64% of renter households are cost burdened, compared with 28% of homeowners. Thirty-seven percent of households in Gresham are rent burdened households.¹

¹Cities with populations under 10,000 are required, per HB 4006, to assess "rent burden" if more than 50% of renters are cost burdened. In Gresham as of the 2014-2018 period, 64% of total renters were cost burdened and 28% of total households were cost burdened renters.

Rents are lower in Gresham and housing sales prices are generally lower in Gresham than in nearby communities. In addition, household incomes are also lower than in nearby communities. Rents and housing sales prices have increased over the last few years in Gresham, while incomes have decreased (when adjusted for inflation) since 2000. As a result, cost burden is higher in Gresham than in nearby communities. Gresham has a larger share of cost-burdened households than Multnomah County and Oregon.

Current Housing Needs

An analysis of current housing needs has to evaluate supply and demand. This analysis includes an assumption about the amount of

income families spend on housing, with lower income households attempting to spend no more than 30% of their income on housing, while those in higher income brackets generally pay a decreasing share of income, generally around 20%.

In 2012, most detached single-family homes fell in the \$190,000 to \$270,000 price range, with the lowest number of units falling in the category of those priced at over \$710,000. Most single family attached units fall in the \$130,000 to \$270,000 range. Most rental units are priced between \$620 – \$1060 per month, with little availability below \$620 per month or over \$2140 per month.

Gresham, like most cities, has an ongoing need for housing in the lower price ranges and at the lower rental rates. However, a need for higher price range ownership housing (between \$340,000 and \$620,000) was also found to be demonstrated. This indicates that some higher income households are not choosing to spend 20% on housing or they are unable to find housing at desired higher price ranges.

Housing Needs

The need for new housing developed in Gresham generally includes a wider range of housing types and housing that is more affordable based on the following factors:

- Demographic changes across Gresham suggest increases in demand for single-family attached housing, middle housing, and multifamily housing. The key demographic trends that will affect Gresham’s future housing needs are the aging of the Baby Boomers, the household formation of the Millennials and Generation Z, and growth in Latinx populations. The implications of the trends are increased demand from small, older (often single-person) households and increased demand for affordable housing for families, both for ownership and rent.
- After adjusting for inflation, Gresham’s median household income decreased by 19% between 2000 to 2014-2018, from \$64,783 to \$52,303 per year.
- About 44% of Gresham’s households are cost burdened (paying 30% or more of their household income on housing costs).²
- About 43% of Gresham’s households cannot afford median rents (\$1,279) in Gresham. High cost burden rates for Gresham renters suggests a need for more affordable housing types for renters.
- A household earning 100% of Gresham’s median family income (\$92,100) could afford a home valued between about \$322,000 to \$368,000, which is less than the median home

²The Department of Housing and Urban Development’s guidelines indicate that households paying more than 30% of their income on housing experience “cost burden,” and households paying more than 50% of their income on housing experience “severe cost burden.”

These factors suggest that Gresham needs a broader range of housing types with a wider range of price points than are currently available in Gresham’s housing stock. This includes providing opportunity for development of housing types across the affordability spectrum such as: single-family detached housing (e.g., small-lot single-family detached units, and “traditional” single-family), accessory dwelling units, townhouses, cottage housing, duplexes, triplexes, quadplexes, and apartments.

Analysis of the residential land sufficiency for 2021-2041 demonstrates that Gresham has a surplus of land and capacity for all housing types. Gresham has the highest remaining capacity (after accounting for demand for new housing) in the lower density zone. However, Gresham also has a surplus of capacity in the medium density zones and higher density zones.

Housing Trends

Gresham’s changing demographic will continue to shape its housing needs in the future. There are several aspects of these changing characteristics that need to be considered. These trends include:

Migration:

Migration (domestic and international) accounted for less than half of Oregon’s population increase over the last decade but is expected to increase to about two-thirds of the State’s growth over the next ten years. In Gresham, immigrants (those migrating internationally) are a growing population, with that segment of the population increasing from 13% in 2000 to 16.6% in 2010. Immigrant households generally have larger household sizes, lower incomes, and tend to rent. They also tend to live in proximity to each other and, especially in the case of those of Hispanic or Latino origin, live in multi-generational households.

For many years, the tendency in United States communities was the exiting of residents from urban areas to more exurban areas where larger homes on larger lots may have been more readily available. There has been a reversal of this trend since the 1990’s, with the revitalization of urban centers, commute times to jobs from more

remote areas becoming less desirable, and overall city crime rates declining.

People are starting to gravitate to urban centers and urbanized suburbs. Over the last twenty years, Gresham saw a higher population growth than that of the City of Portland; a 54.5% increase as compared to 34.5%. Gresham has urban amenities, mixed use neighborhoods, many walkable areas and good transit service. This is particularly true in Downtown, Civic Neighborhood and Rockwood.

Household Size:

Decreasing household size has been a trend in the United States for a number of years. Gresham's household size, however, has seen a slight but steady upward trend over the last twenty years, this being at least partially explained by the growing Latino/Hispanic and other ethnic communities. Although immigrant families tend to conform to national averages within roughly a generation, it is expected that the immigrant population in Gresham will continue to grow, with household size holding steady over the next decade and beyond.

Generational Shifts:

There are two large population cohorts that are influencing housing needs because of the demographic changes they trigger, the Baby Boomers and Generation Y (also known as the Millennial Generation).

Baby Boomers are those persons born between 1947 and 1965. This generation has largely preferred homeownership, is living longer and shows a tendency to want to age in place rather than moving into retirement communities upon leaving the workforce. Boomers want to stay independent by opting for single level housing, prefer to live in mixed use, walkable areas, and are willing to live in multi-generational homes, accessory dwellings, small neighborhood developments or innovative cottage-type housing. The larger homes that were preferred by this generation may not be affordable or desired by the next age cohort, Generation X (those born from 1965 to the early 1980's), and these homes may eventually be purchased by immigrant households needing larger accommodations.

Generation Y are those persons born from the early 1980's into the early 2000's. Generation Y is comprised of roughly 83 million people who are facing diminished job opportunities, high college debt and higher living costs. This generation tends to find smaller housing types acceptable and delay beginning families. Due to limited economic prospects, a need for mobility in a changing job market and a cautionary approach to homeownership, this generation tends to rent longer. The vast majority of this generation wishes to live in core areas, but often cannot afford prices in larger cities. Walkability, access to transportation services and other amenities are very

important. Gresham's availability of mixed-use neighborhoods, rental housing and more affordable homes can be attractive to Generation Y.

Housing Needs Projections:

Using a Metro-based growth rate of 1.2%, it is expected that Gresham will grow by approximately 29,000 residents in roughly 10,400 new households by 2032. It is expected that, since older populations gravitate to home ownership, this housing type will increase from 52.5% in 2010 to 54.2% in 2032. To achieve this re-balancing of homeowner and rental housing, it is expected that more new ownership residences will be desired, mostly single-family dwellings. Using an analysis based upon the expected age and income levels of the population in 2032, an excess of units in the \$130,000 to \$270,000 price range is expected. On the other hand, there is a substantial gap in the housing inventory for homes in the \$270,000 to \$620,000 price range. These potential homebuyers may wish to trade up but may not be able to find housing in the noted price range. It is expected there will be a surplus of rental housing in the \$620-\$870 per month price band, but, as with most communities, a continued need for rentals at the lower price ranges.

Housing Trends

Trends in Housing Mix

These trends demonstrate the types of housing developed in Gresham historically based on data from the 2000 and 2010 Decennial Census and the 2014-2018 American Community Survey 5-Year Estimates.

- Over half of Gresham's housing stock is single-family detached housing units. Fifty-five percent of Gresham's housing stock is single-family detached, 28% is multifamily (5+), 10% is a duplex, triplex or quadplex and 7% is single-family attached (e.g., townhouses).
- Since 2000, Gresham's housing stock grew by about 20%. Between 2000 and the 2014-2018 period, Gresham's housing stock increased by about 7,191 new units. Of these new units, about 3,932 were single-family detached units.
- The types of housing varied by race and ethnicity. These differences are more likely to reflect availability of affordable housing, rather than different preferences by race or ethnicity. Broadly speaking, Black, Indigenous, and People of Color (BIPOC) were more likely to live in multifamily housing than white or Asian people. Hawaiian and Pacific Islander households live in multifamily housing at the highest rates

(90%) followed by Black or African American households (65%) and Hispanic or Latinx households (57%).

- Single-family detached housing accounted for over half of new housing growth in Gresham between 2009 and 2020. Fifty-five percent of new housing permitted between 2009 and 2020 was single-family detached housing units.

Trends in Housing Density

Housing density is the density of residential structures by structure type, expressed in dwelling units per net or gross acre. From 2000 to 2020, 7,401 new dwelling units were built in Gresham. Of these, 4,440 units were single-family³ (60%) and 2,961 units were multifamily (40%). During this time, housing in Gresham developed at an average net density of 10.4 dwelling units per net acre. Single-family housing developed at 7.5 dwelling units per net acre and multifamily housing developed at 25.0 dwelling units per net acre.

³Single-family includes single-family detached and single-family attached, as this database does not clearly distinguish between these two types of housing.

Trends in Housing Tenure

- Homeownership rates in Gresham are equal to Multnomah County's rate and lower than Oregon's rate. About 54% of Gresham's households own their home. In comparison, 62% of Oregon households are homeowners.
- Homeownership rates in Gresham remained relatively consistent between 2000 and 2014-2018. In 2000, 55% of Gresham households were homeowners, which dropped to 53% in 2010 and back up to 54% in 2014-2018.
- Asian and White (Non-Hispanics) had the highest rates of homeownership (70% and 55%, respectively). Native Hawaiian and Pacific Islanders had the lowest rates of homeownership (0%) followed by American Indian and Alaska Native (26%), Black or African Americans (27%) and Hispanic or Latinx (27%).

Trends in Demographic and Socioeconomic Factors Affecting Housing Choice

Many demographic and socioeconomic variables affect housing choice. However, age of the householder, size of the household, and income are most strongly correlated with housing choice. Gresham exists in a regional economy; trends in the region impact the local

housing market, as well as national and state trends are also relevant to Gresham. These trends include:

- National changes in demographics, most notably: the aging of Baby Boomers, housing demand from Millennials and Generation Z, and growth of immigrants.
- National changes in housing characteristics including larger single-family units on smaller lots, larger multifamily units, increase in household amenities, increase in is shared amenities.
- Oregon House Bill 2001 and 2003. House Bill 2001 required many Oregon communities to accommodate middle housing within single-family neighborhoods.
- Oregon 2016–2020 Consolidated Plan which includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.
- Oregon Statewide Housing Plan (2018), which identified housing priorities to address in communities across the State over the 2019 to 2023 period. The six priorities are equity and racial justice, homelessness, permanent supportive housing, affordable rental housing, homeownership, rural communities.
- Between 1990 and 2020, Gresham’s population grew by 21,605 people (24%). Gresham is planning for 6,229 new households, over 2021 to 2041.
- As Gresham’s senior population continues to grow over the 20-year period, it will have increasing demand for housing that is suitable for elderly residents.
- Gresham has a larger proportion of younger people than Multnomah County and Oregon. About 27% of Gresham’s population is under 20 years old, compared to 21% of Multnomah County’s population and Oregon’s average of 24%.
- Gresham is more racially diverse than the statewide average, with about 21% of Gresham’s residents identifying as a Person of Color. Housing needs do not generally differ by race or ethnicity but other characteristics of households that affect housing needs (and the choices households make) may vary by race. For example, difference in income by race. These differences in income result in households making different

choices (often by necessity) based on income and the availability of affordable housing.

- Gresham’s ethnic diversity is increasing. Most prominently, the number of Latinx residents increased in Gresham by 12,007 people, from 10,732 residents to 22,739 residents, between 2000 and the 2014-2018 period. The U.S. Census Bureau forecasts that at the national level, the Latinx population will continue growing faster than most other non-Latinx populations between 2020 and 2040.
- Gresham has a higher percentage of households with children than Multnomah County and the state. On average, Gresham’s households are larger than Multnomah County and Oregon households.
- Income for residents living in Gresham is lower than the Multnomah County median household income and Oregon median household income. Over 2014-2018, Gresham’s MHI was \$52,303. Multnomah County’s MHI was \$64,337 and Oregon’s MHI was \$59,393.

Housing Needs Projections

A 20-year household forecast (in this instance for 2021 to 2041) is the foundation for estimating needed new dwelling units. The forecast for Gresham, based on Metro’s 2050 Household Distributed Forecast (2019), estimates that Gresham city limits will grow from 41,484 households in 2021⁴ to 47,713 households in 2041, an increase of 6,229 households.⁵ Gresham will have demand for 6,229 new dwelling units over the 20-year period, with an annual average of 311 dwelling units. The assumed mix of new housing is approximately 45% single-family detached, 9% single-family attached, 14% duplexes, triplexes, and quadplexes, and 32% multifamily.

⁴Metro’s 2050 Household Distributed Forecast shows that in 2020, the Gresham city limits had 41,195 households. The Metro forecast shows Gresham growing to 49,067 households in 2045, an average annual growth rate of 0.7% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2021 (41,484 households).

⁵This forecast is based on Gresham city limits’ official household forecast from Metro for the 2020 to 2050 period.

The 2021-2041 HCA describes that Gresham has sufficient land to accommodate housing development in all zoning district groupings. Gresham has a total surplus of capacity for 6,380 units. Gresham has a

surplus of capacity for 3,759 dwelling units in lower density residential zones; a surplus of capacity for 2,074 dwelling units in medium density residential zones; and a surplus of capacity for 547 dwelling units in high density residential zones.

Of Gresham’s total capacity for dwelling units (12,609 dwelling units), about one-third is located in Pleasant Valley residential zones (3,970 units) and about 7% is located in Springwater (823 units). These areas are located at the southern boundary of Gresham’s city limits and the City is in the process of planning infrastructure to serve this areas to accommodate this estimated capacity. Further infrastructure development will be necessary in Pleasant Valley, and to a greater extent in Springwater, to accommodate the potential demand for housing in these areas.

Gresham will have a need for housing affordable to all income levels, particularly for extremely low to middle income households. About 43% of Gresham’s future households will have incomes below 50% of Multnomah County’s median family income (less than \$46,050 in 2020 dollars). Homes sales are very rarely affordable to households with extremely-low and very-low incomes. Development of housing affordable to these households rarely occurs without government subsidy or other assistance. Additionally, about 57% of Gresham’s future households will have incomes between 50% and 120% of the county’s MFI (between \$46,050 and \$110,520). Households in this income category can likely afford the average rent in Gresham, but middle-income households at less than 120% cannot afford to purchase owner-occupied housing at Gresham’s median home sales price in 2020 of \$401,000.

Section 5. Volume 2, Appendices is amended as follows:

Proposed Text Amendment	Commentary
<p>*** Appendix 2: Demographic Profile ***</p>	<p>Appendix 2 is repealed in its entirety. Data is outdated and superseded by the 2021 HCA.</p>
<p>Appendix 6: Residential Lands Inventory ***</p>	<p>Appendix 6 is repealed in its entirety. Data is outdated and superseded by the 2021 HCA.</p>