

**STAFF REPORT
TYPE IV HEARING - COMPREHENSIVE PLAN AMENDMENT**

2021-2041 Housing Capacity Analysis

TO: Gresham Planning Commission

FROM: David Berniker, Director, Urban Design & Planning
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HEARING DATE: June 28, 2021, 6:30 pm

REPORT DATE: June 21, 2021

FILE NUMBER: CPA 21-00272

PROPOSAL: To adopt Comprehensive Plan text amendments to Volume 1 (Findings) and Volume 2 (Policies) of the Community Development Plan. These amendments include an analysis of what housing is needed for current and future Gresham residents for the 2021 to 2041 period and an analysis of the city’s residential land capacity for that housing. These amendments are a response to the Oregon State Legislature’s passage of House Bill 2003 in 2019.

EXHIBITS: A. Proposed Comprehensive Plan Amendments
1. Draft Section 4.800 2021-2041 Housing Capacity Analysis

RECOMMENDATION: Staff recommends **adoption** of the proposed Comprehensive Plan amendments as contained in the attached Exhibit ‘A’ and its attachment.

SECTION I

EXECUTIVE SUMMARY

The proposed Comprehensive Plan Amendments will update the existing 2013 Housing Needs Analysis and the 1987-1989 residential characteristics, population characteristics, and housing land use inventory with the 2021-2041 Housing Capacity Analysis (HCA). The proposal updates findings related to housing but does not update housing policies. The HCA includes:

- Analysis of what housing is needed for current and future Gresham residents for the 2021 to 2041 planning period;
- Review of historic and recent development trends;
- Evaluation of demographic data related to population growth, housing demand, and other factors affecting residential development;
- Inventory of residential buildable lands;
- Analysis of current housing capacity; and
- Findings related to residential land sufficiency.

The Housing Capacity Analysis is required by the State as part of House Bill 2003 (HB 2003), passed by the State Legislature in 2019. HB 2003 was adopted to help communities meet the diverse housing needs of Oregonians and requires cities to study the future housing needs of its residents and develop strategies to encourage production of that needed housing. HB 2003 requires that every six years, Gresham analyze what housing is needed for current and future residents for a 20-year period, and the City's capacity for that housing to be built (this is the Housing Capacity Analysis, formally known as the Housing Needs Analysis). The bill also requires that Housing Capacity Analyses adopted after 2021 are followed by a Housing Production Strategy that lists specific actions the City can take to promote the development of the identified needed housing.

The HCA provides information essential for current and future housing projects, including the Housing Production Strategy, the Middle Housing Project, Development Code update projects, and other housing policy decisions for the city.

Comprehensive Plan Amendments to Volume 1 (Findings) and Volume 2 (Policies), are described in the following section titled Proposed Comprehensive Plan Amendments Overview.

The project included the following public meetings and outreach events:

- City Council: February 2, 2021, Public Hearing scheduled for August 17, 2021
- Planning Commission: March 22, 2021, June 7, 2021, June 28, 2021
- Interested Parties Meeting: December 15, 2021
- Coalition of Gresham Neighborhood Associations: November 10, 2020, March 9, 2021
- Public Open House: April 8, 2021
- Online Survey: April 1, 2021 – April 15, 2021
- Public Hearings notices in the Gresham Outlook.
- Project update emails to interested parties list
- Other Public Participation: Project website and City calendar, social media, and e-newsletter updates including GRESHAM, Neighborhood Connections, and Around the Table

Notice of the Development Code changes were sent to the Department of Land Conservation and Development (DLCD) on May 24, 2021; complying with the requirement to provide such notice at least 35 days before the first hearing. Notice of the June 28, 2021 Planning Commission hearing will be published in the Gresham Outlook on June 22, 2021. Notice of the August 17, 2021 City Council hearing will be published in the Gresham Outlook no later than August 7, 2020.

Proposed Comprehensive Plan Amendments Overview

The overview provided below summarizes the changes proposed to the Community Development Plan. The full text of the proposed updates are provided in Exhibit 'A' (formatted as a ~~strikeout~~/underline) and its attachments.

Volume 1 – Findings

- Section 3.130 Residential Land Use Characteristics: Contents are repealed in their entirety and replaced with reference to updated Section 4.800 2021-2041 Housing Capacity Analysis.
- Section 3.141 Natural Resources and Physical Constraints: Contents are repealed in their entirety and replaced with reference to updated Section 4.800 2021-2041 Housing Capacity Analysis.
- Section 4.100 Population Characteristics: Contents are repealed in their entirety and replaced with reference to updated Section 4.800 2021-2041 Housing Capacity Analysis.
- Section 4.200 Housing Characteristics: Contents are repealed in their entirety and replaced with reference to updated Section 4.800 2021-2041 Housing Capacity Analysis.
- Section 4.800 Housing Policy: Repealed in its entirety and replaced with Attachment 1: Draft Section 4.800 2021-2041 Housing Capacity Analysis.
- Appendix 27 Housing Land Use Inventory: Repealed in its entirety.

Volume 2 – Policies and Summary

- Section 10.600 Housing: Background section updated with 2021-2041 Housing Capacity Analysis data.
- Appendix 2 Demographic Profile: Repealed in its entirety.
- Appendix 6 Residential Lands Inventory: Repealed in its entirety.

Staff Report Organization

- Sections II and III identify those current Community Development Plan procedures and policies that apply to the proposal.
- Section IV identifies the Metro Urban Growth Management Functional Plan (UGMFP) titles that apply to the proposal.
- Section V identifies the Oregon Statewide Planning Goals that apply to the proposal.
- Section VI contains specific findings of fact that detail how the proposal is consistent with Sections II through V:
 - Subsection A is findings of fact for the Community Development Plan procedures.
 - Subsection B is findings of fact for the Community Development Plan goals and policies.
 - Subsection C is findings of fact for the Metro UGMFP titles.
 - Subsection D is findings of fact for the Oregon Statewide Planning Goals.

- Sections VII and VIII summarize staff conclusions and recommendations.
- Exhibit 'A' and its attachments include the proposed Comprehensive Plan amendments.

SECTION II

APPLICABLE COMMUNITY DEVELOPMENT CODE PROCEDURES

Section 11.0200 Initiation and Classification of Applications

Section 11.0600 Type IV Legislative Procedures

Section 11.1000 Public Hearings

SECTION III

APPLICABLE COMMUNITY DEVELOPMENT PLAN GOALS & POLICIES

Section 10.014 Land Use Policies and Regulations

Section 10.100 Citizen Involvement

Section 10.600 Housing

SECTION IV

APPLICABLE METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLES

Title 1 Housing Capacity

Title 7 Housing Choice

Title 8 Compliance Procedures

SECTION V

APPLICABLE OREGON STATEWIDE PLANNING GOALS

Goal 1 Citizen Involvement

Goal 2 Land Use Planning

Goal 5 Natural Resources, Scenic and Historic Areas, and Open Spaces

Goal 10 Housing

Goal 14 Urbanization

SECTION VI

FINDINGS OF FACT

The proposed Community Development Plan amendments included as Exhibit 'A' and its attachments are consistent with all applicable procedures, goals, and policies of the Community Development Plan, applicable titles of the Metro Urban Growth Management Functional Plan, and applicable Statewide Planning Goals as indicated in the following findings.

A. Community Development Code Procedures

Section 11.0200 Initiation and Classification of Applications

Section 11.0201 – Initiation of an Application. This section provides that the City Council may initiate a Type IV legislative application to amend Volume 1 (Findings) and Volume 2 (Policies) of the Community Development Plan. These Type IV Comprehensive Plan Amendments were initiated by City Council February 2, 2021. City Council will review these amendments at a hearing on August 17, 2021.

Sections 11.0203 and 11.0204 – Classification of Applications and Review Authorities. These sections provide that Type IV procedures are legislative and typically involve the adoption, implementation or amendment of policy by ordinance and that it generally applies to a relatively large geographic area containing many property owners. They also provide that the Planning Commission provide a recommendation on Community Development Plan Amendments and the City Council be the decision-making authority. This Type IV Comprehensive Plan Amendment project meets those conditions and is being processed under the Type IV procedures, including review and recommendation from the Planning Commission on June 28, 2021, and a City Council hearing on August 17, 2021.

Section 11.0600 – Type IV Legislative Procedures.

11.602(C) Application Initiation

This section provides that the City Council may initiate a Type IV legislative application to amend the text of the Community Development Plan. This project was initiated by City Council on February 2, 2021.

11.602(D)(1) Type IV Public Notice for Comprehensive Plan Amendments

(a) For a Type IV Comprehensive Plan Amendment this section requires a submittal to the DLCD at least 35 days prior to the Planning Commission hearing date. Notice was submitted on May 24, 2021, which is at least 35 days prior to the hearing date of June 28, 2021.

(b) The section requires notice to owners of properties for which the application affects permissible uses of land. No proposed changes affect the permissible uses of land.

(c) This section also requires that at least 10 days before the initial hearing, a notice be published in a newspaper of general circulation in the city and copies of the hearing notice made available in City Hall. Required notice of public hearing for these proposed amendments will be published in the *Gresham Outlook* on June 22, 2021 and made available through City Hall as required by this section.

11.602(E) Type IV Decision Authority and 11.602(F) Type IV Notice of Decision

This section requires that the Planning Commission shall hold a public hearing and make a recommendation to the Council for an amendment to the Community Development Plan. The Council shall hold another public hearing and make a final decision. Interested persons may present evidence and testimony relevant to the proposal. The Planning Commission will make a recommendation during a public hearing on June 28, 2021 and the Council will make a decision at a public hearing on August 17, 2021 that will be based on findings of fact contained in this

report and in the hearings record, and a decision will be sent to those who participated in the hearings. A decision shall be made accompanied by findings and an order.

Section 11.1000 - Public Hearings. This section provides for a hearing process consistent with Section 11.1000. Both the Planning Commission and the City Council, at public hearings in conformance with provisions of this section, will consider this proposal.

B. Community Development Plan Goals and Policies (Volume II)

This section identifies the applicable Community Development Plan goals and policies. The text (*italicized*) of the policy is followed by corresponding findings and conclusions.

Section 10.014 Land Use Policies and Regulations

Goal: Maintain an up-to-date Comprehensive Plan and implementing regulations as the legislative foundation of Gresham's land use program.

Policy 4: The City shall promote a development pattern of land uses in the amounts, types and of sufficient economic values to advance the community's quality of life and its social and fiscal stability.

Policy 20: The City shall periodically review and update the Comprehensive Plan text and the Community Development Plan Map(s) to ensure they remain current and responsive to community needs; provide reliable information and dependable, factually based policy direction, and conform to applicable state law, administrative rules, and regional requirements.

Policy 21: Council may, upon finding it is in the overall public interest, initiate legislative processes to change the Comprehensive Plan text and Community Development Plan Map(s) and Development Code.

Policy 23: Gresham shall coordinate the development, adoption and amendment of its land use related goals, policies and implementing measures with other affected jurisdictions, agencies and special districts.

Action Measure 11: Revise the Comprehensive Plan Text, Map and related findings as needed to maintain its reliability and timelines to ensure consistency among goals, policies, implementing measures; accuracy of findings and compliance with regional, state and federal laws and rules. This includes review by the Planning Commission every two years; a formal evaluation every five years and an overall update at least every ten years.

Action Measure 13: Monitor actions, programs and policies of federal, state and regional governments and when appropriate amend the Comprehensive Plan to be consistent with new laws and administrative rules.

Action Measure 15: Allow mixed-use commercial, employment and residential development to support transit use, enhance neighborhood economic and social vitality and provide for a range of housing opportunities/options.

Findings

The proposed amendments are being implemented as a response to the Oregon State Legislature's passage of House Bill 2003 (HB 2003) in 2019. The project includes updates to the Community Development Plan. The updates contain a current analysis of Gresham's future housing needs and an analysis of the city's residential land capacity for that housing. This information is necessary to ensure conformance with State policies and updates to State laws, facilitates implementation of the City's Land Use goals, and identifies the need for a range of housing options.

Gresham's Community Development Plan has been found to be in compliance with state and regional requirements. The proposed amendments have been found to be in compliance with Gresham's Community Development Plan and State and regional requirements as described in this staff report.

As required by State and Metro regulations a draft of the proposed amendments were sent to the Oregon Department of Land Conservation and Development (DLCD) and to Metro at least 35 days prior to the scheduled June 28, 2021 Planning Commission hearing. As of the date of this report neither agency has contacted the City regarding this notice.

Conclusion

The Land Use and Policy Goal (10.014) and related policies and Action Measures are addressed through the notifications to DLCD and Metro and the changes to the Development Code related to recent updates in State Law (see the Proposed Comprehensive Plan Amendments Overview section above). The proposal is consistent with the applicable goals, policies, and action measures listed in this section.

Section 10.100 - Citizen Involvement

Goal: The City shall provide opportunities for citizens to participate in all phases of the planning process by coordinating citizen involvement functions; effectively communicating information; and facilitating opportunities for input.

Policy 1: The City shall ensure the opportunity for citizen participation and input when preparing and revising policies, plans and implementing regulations.

Policy 5. The City shall keep citizens informed of issues confronting the City.

Policy 6. The City shall ensure that technical information necessary to make policy decisions is readily available.

Policy 7. The City shall facilitate involvement of citizens in the planning process, including data collection, plan preparation, adoption, implementation, evaluation and revision.

Policy 9. The City shall ensure that citizen involvement plans and activities incorporate Gresham's diverse constituencies regardless of age, sex, religion, social or business affiliation.

Policy 10. The City shall ensure the opportunity for the public to be involved in all phases of planning projects and issues.

Action Measure 4. Keep the public informed of opportunities for involvement in all phases of land use planning issues...

Action Measure 5. Provide citizens timely access to all public information related to land use matters under consideration...

Action Measure 7. Engage in outreach activities to inform and encourage public involvement...

Action Measure 8. Facilitate citizen input into the process for revising local land use plans and ordinances...

Action Measure 9. Make public participation processes user-friendly...

Action Measure 10. Encourage broadly based public participation including all geographic area and diverse interests...

Action Measure 11. When appropriate, provide culturally sensitive participation opportunities, which may include language translation and interpretation.

Findings

The public involvement goals and policies establish the City's intent that its citizens have meaningful opportunities throughout a planning project to be informed and to affect proposals. The project included the following public meetings and outreach events:

- City Council: February 2, 2021, Public Hearing scheduled for August 17, 2021
- Planning Commission: March 22, 2021, June 7, 2021, June 28, 2021
- Interested Parties Meeting: December 15, 2021
- Coalition of Gresham Neighborhood Associations: November 10, 2020, March 9, 2021
- Public Open House: April 8, 2021
- Online Survey: April 1, 2021 – April 15, 2021
- Public Hearings notices in the Gresham Outlook.
- Project update emails to interested parties list
- Other Public Participation: Project website and City calendar, social media, and e-newsletter updates including GRESHAM, Neighborhood Connections, and Around the Table

The public was informed of opportunities for involvement through the City's social media and calendar, the project website, newsletters mailed to every address in the city, e-newsletters, and emails to an interested parties sign-up list. Translation services are advertised on the footer of

City web pages. Due to COVID-19 precautions, open houses and hearings were held online with phone call-in participation options for participants without access to the internet. A summary section was included in the HCA to facilitate clarity of the technical information provided in the study.

Conclusion

The Citizen Involvement Goal (10.100) and related policies were addressed through the public open house and public notice and presentations at the Planning Commission, Coalition of Gresham Neighborhood Associations, and City Council and other activities listed above. The proposal is consistent with the applicable citizen involvement goals and policies listed in this section.

Section 10.600 - Housing

Housing Opportunities Goal: Gresham will have a full range of quality housing for its current and future residents.

Housing Opportunities Goal: Provide a full range of housing types and sizes that reflect the needs Gresham's citizens through all life stages and circumstances.

Housing Opportunities Policy 2: Support the development of housing that reflects the square footage and number of bedrooms needed by the full range of family sizes from singles to large families.

Livability Goal: Gresham will provide for a variety of livable neighborhoods.

Livability Action Measure 1: Review the Development Code to determine if there are barriers to the permissibility of desired housing types within new housing developments within Gresham.

Findings

Consistent with the Housing goals, policies, and action measures listed above, the HCA evaluated the need for housing by housing type and income based on a 20-year household forecast. Over the next 20 years, the HCA identified the need for a greater variety of housing types, and a need for housing affordable across all income levels, particularly for extremely low to middle income households. The HCA also found that land capacity was not a barrier to housing, as Gresham has a surplus of residential land capacity for all the needed housing types identified.

Conclusion

The findings of the HCA support the Housing goals identified in Section 10.600. The proposal is consistent with the applicable Housing goals, policies, and action measures listed in this section.

C. Metro Urban Growth Management Functional Plan

Title 1: Housing Capacity

Findings

Section 3.07.110 of this section states that *“The Regional Framework Plan calls for a compact urban form and a “fair-share” approach to meeting regional housing needs. It is the purpose of Title 1 to accomplish these policies by requiring each city and county to maintain or increase its housing capacity except as provided in section 3.07.120.”*

The proposed Comprehensive Plan amendments do not change the zoned capacity of residential lands. The Buildable Lands Inventory in the HCA identified 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.

Conclusion

The findings in the HCA support maintaining current housing capacity. The proposal is consistent with Title 1.

Title 7: Housing Choice

Findings

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 and 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 2021-2041 HCA identified need for a greater variety of housing types, and a need for housing affordable across all income levels, particularly for extremely low to middle income households. Metro’s 2017 Compliance Report concludes that Gresham is in compliance for the City’s Title 7 responsibilities.

Conclusion

The proposal is consistent with Title 7.

Title 8 - Compliance Procedures

Findings

Section 3.07.820 of this title requires that at least 35 days prior to the first evidentiary hearing on an amendment to a comprehensive plan, or land use regulation, that the City submit the

proposed amendments to Metro. Metro may review the amendments and can request that the City provide an analysis of compliance with the Functional Plan.

The City submitted the proposed amendments to Metro on May 24, 2021, which was at least 35 days prior to the first evidentiary hearing of June 28, 2021. As of the date of this report Metro has not contacted the City regarding this notice.

Conclusion

The City has submitted the proposed amendments to Metro at least 35 days prior to the first evidentiary hearing. The proposal is consistent with Titles 1, 7, and 8.

Title 11 - Planning for New Urban Areas

Findings

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.

The 2021-2041 HCA identified need for a greater variety of housing types, and a need for housing affordable across all income levels, particularly for extremely low to middle income households. The HCA identified that Gresham currently has sufficient capacity of residentially zoned lands to accommodate the projected housing need for the planning period. The surplus capacity is estimated to be 6,380 units.

Metro's 2017 Compliance Report concludes that Gresham is in compliance for the City's Title 11 responsibilities.

Conclusion

The proposal is consistent with Title 11.

D. Oregon Statewide Planning Goals

Statewide Planning Goal 1 for Citizen Involvement requires that cities "*insure the opportunity for citizens to be involved in all phases of the planning process.*"

The public process was provided through web updates, public meetings, an open house, an online survey, and the published notices posted in the Gresham Outlook in advance of both the Planning Commission and City Council hearings. See Section I of this report for a full list of public outreach activities.

Statewide Planning Goal 2 for Land Use Planning requires cities to “*establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.*” The goal requires that “*plans and actions related to land use shall be consistent with the comprehensive plans of cities and counties and regional plans adopted under ORS Chapter 268.*”

The City has a state-acknowledged Comprehensive Plan. Section VI of this report describes findings and conclusions that the proposed Comprehensive Plan Amendments are consistent with applicable procedures and applicable goals and policies of the City’s Comprehensive Plan and the Metro Urban Growth Management Functional Plan.

Statewide Planning Goal 5 for Open Spaces, Scenic and Historic Areas and Natural Resources requires local governments to “*adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations.*” It states that “*development should be planned and directed so as to conserve the needed amount of open space.*”

The Buildable Lands Inventory in the Housing Capacity Analysis took into account development restrictions on residential lands protected under Goal 5 to ensure such lands were not included in projects for housing capacity.

Statewide Planning Goal 10 for Housing specifies that each city must plan for and accommodate needed housing. It requires each city to inventory its buildable residential lands, project future needs for such lands, and plan and zone enough buildable land to meet those needs. It also prohibits local plans from discriminating against needed housing types.

The Housing Capacity Analysis identified the projected housing needed over the 20-year period between 2021-2041. The HCA evaluated the need for housing by income and housing type based on the 20-year household forecast. The study considers Gresham’s changing demographics, development trends, and other factors pertinent to residential development. The study includes an inventory of residential buildable lands. The HCA determined there is sufficient land, which is adequately zoned to accommodate expected growth over the planning period; this includes accommodating the variety of projected housing needs.

The Housing Capacity Analysis was produced in compliance with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7 (Metropolitan Housing), and OAR 660 Division 8

(Interpretation of Goal 10 Housing). The methods used in the study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Statewide Planning Goal 14 for Urbanization requires cities to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities. The goal requires cities to estimate future growth and needs for land and then plan and zone enough land to meet those needs.

The Housing Capacity Analysis identified the projected housing needed over the 20-year period between 2021-2041 and determined there was sufficient land to accommodate that housing. It was produced in compliance with statewide planning policies that govern planning for housing and residential development.

Conclusion

The proposed amendments comply with the applicable Statewide Planning Goals 1, 2, 5, 10, and 14. As of the date of this report DLCD has not contacted the City regarding the notice for these amendments.

SECTION VII CONCLUSION

The proposed comprehensive plan amendments attached as Exhibit 'A' and its attachments are consistent with applicable criteria and policies of the Community Development Plan, the applicable Development Code of the Community Development Plan, applicable Metro UGMFP Titles, and the applicable Oregon Statewide Planning Goals as indicated by findings contained or referenced in Section VI of this report.

SECTION VIII RECOMMENDATION

Staff recommends **adoption** of the proposed comprehensive plan amendments as contained in the attached Exhibit 'A' and its attachment.

End of Staff Report