

10.600 Article Title

TABLE OF CONTENTS

I. BACKGROUND 1

INTRODUCTION 1

STATE AND METRO HOUSING REQUIREMENTS 2

II. HOUSING OPPORTUNITIES 6

POPULATION CHARACTERISTICS 6

HOUSING TENURE 6

HOUSING AFFORDABILITY 7

HOUSING NEEDS 8

MEETING THE NEEDS 9

HOUSING TRENDS 10

III. GOALS, POLICIES AND ACTION MEASURES 14

HOUSING GOAL 14

HOUSING EQUITY POLICY 15

HOUSING STABILITY POLICY 15

HOUSING CHOICE AND LOCATION POLICY 15

HOUSING FOR INDIVIDUALS EXPERIENCING HOMELESSNESS POLICY 16

AFFORDABLE HOUSING OWNERSHIP POLICY 16

AFFORDABLE RENTAL HOUSING POLICY 16

I. BACKGROUND

INTRODUCTION

Gresham is now a full-service city committed to social and economic development, providing its residents with a variety of amenities and services. Gresham has residential lands, a regional center, two town centers, and various industrial areas. Gresham is the fourth most populous city in Oregon and the second most populous city in the Portland Metropolitan area. Housing is a key issue in Gresham and the city contains a diverse range of housing landscapes.

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 the west side of Gresham. The development plan for this area, called Pleasant Valley, was adopted in 2004. It is expected to accommodate roughly 3200 dwellings in a mixture of single family, multifamily and mixed-

use developments in the Gresham portion of this UGB expansion. In 2002, the Springwater area, comprised of 1350 acres to the southeast of Gresham, was included in the UGB. The Springwater plan was adopted in 2005 and includes employment and industrial uses predominantly but also approximately 1600 residential units. In 2002, 222 acres of land east of Pleasant Valley, 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). Given the environmental and topographic constraints, this area is expected to be able to be developed with about 150 lots. The number of potential housing units in these areas may be higher following the adoption of state law allowing additional middle housing units on lot zoned for low density residential uses.

Since 2013, City Council has recognized that addressing housing issues is fundamental to the success of Gresham, its overall vitality and character. The city has experienced significant population growth and demographic shifts. As of July 1, 2012, Portland State University's Population Research Center estimated Gresham's population to be 105,970. Gresham's population in 2022 was estimated to be 114,833¹. Housing costs ownership and rent present challenges, as they have increased sharply from 2010-2020 and especially between 2018 and 2021, while incomes have remained flat or grown slightly.

While developers have often been able to build housing that is affordable to households with higher incomes, building housing affordable to many low- and middle-income households often requires public intervention. As a result, many low- and middle-income households have unmet housing needs.

The City has many efforts underway to address unmet housing needs. The City completed a Housing Capacity Analysis (HCA) in 2021, updated its Consolidated Plan for the 2021-2025 period, and City Council made housing a priority in the 2022-2025 Strategic Plan, among many other ongoing city efforts.

While the City has made progress, there is still work to be done to ensure that Gresham's existing and future housing needs are met. Gresham has a goal of producing and preserving housing considering housing affordability and housing equity. Equitable housing comprises reasonably priced, high-quality homes to buy or rent that are accessible across all ages, household sizes, abilities, and incomes and are convenient to everyday needs such as schools, childcare, grocery stores, and parks. The *Gresham Strategic Plan 2022-2025* includes the following goal:

"Everyone in Gresham can live in a secure and reliable place they call home, and no one experiences housing uncertainty. All Gresham community members can access housing that meets their changing needs and wants."

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.

¹ PSU Population Estimate

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 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.

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:

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 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 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 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 2001

In 2019, the Oregon State legislature passed House Bill 2001 to help increase the amount and types of housing available to Oregonians. The bill required Gresham to update the Gresham Community Development Code (Volume 3 of the Comprehensive Plan) to:

- Allow duplexes on any lot that allows detached single dwellings; and
- Allow triplexes, quadplexes, townhomes, and cottage clusters) in any area zoned to allow detached single dwellings.

Senate Bill 458

Senate Bill 458 was adopted by the Oregon Legislature in 2021. It is a follow-up to the House Bill 2001 and allows lot divisions for middle housing that enable them to be sold or owned individually.

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.

II. HOUSING OPPORTUNITIES

Housing needs are shaped by the characteristics of a city’s current and future population. Gresham is becoming a much more demographically diverse City. Knowledge of these demographic trends are important for a thorough understanding of the dynamics of the Gresham housing market. There has been, and continues to be, a shift in the make-up of its population relating to overall race and ethnicity, family size, disability status and the age of its residents. This has led to a change in the wants and need of its community members regarding housing options.

POPULATION CHARACTERISTICS

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 age of the householder, size of the household, and income are most strongly correlated with housing choice.

HOUSING TENURE

Housing tenure describes whether a dwelling is owner- or renter-occupied. In 2010, 52.5% of Gresham’s housing units were owner occupied, this represents a decline from 1990 when 58.4% of units were owned. In the 2014-2018 ownership rates in Gresham were equal to Multnomah County’s rate and lower than Oregon’s rate. About 54% of Gresham’s households owned their dwelling compared to 62% of Oregon's households.

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 just above Fairview and Troutdale. Between October 2015 and October 2020, Gresham's housing prices grew 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. 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% between 2010 and 2020. Average asking price per multifamily unit in Multnomah County increased from \$1,067 in 2010 to \$1,308 in 2020, an increase of 23%. 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.

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.

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 29% 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.

- 28% percent of total households in Gresham are cost burdened households.²
- 64% of total renters are cost burdened and 34% are severely cost burdened².

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.

HOUSING NEEDS

The need for new housing developed in Gresham for 2021 to 2041 will generally include a wider range of housing types and housing that is more affordable based on the following factors:

- In the 2014-2018, 56% of Gresham’s housing was single-family detached; 7% was single-family attached; 10% was duplexes, triplexes, and quadplexes; and 28% was multifamily.
- Demographic changes across Gresham suggest increases in demand for single-family attached housing, duplexes, triplexes, quadplexes, cottage clusters, 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).³
- 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 Multnomah County’s median family income (\$92,100) could afford a home valued between about \$322,000 to \$368,000, depending on interest rate and other

² Cities with populations over 10,000 are required, per HB 4006, to assess “rent burden” if more than 25% of renters are severely cost burdened. In Gresham as of the 2014-2018 ACS 5-year estimate period.

³ 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.”

considerations, which is less than the median home sales price of about \$401,000 in Gresham. 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.

MEETING THE NEEDS⁴

Proportionately, more Gresham households are low income (less than 80% MFI) than the Portland region as a whole. Housing at this part of the income spectrum, and housing that meets the special needs of specific groups, usually requires public intervention.

- **Housing Needs for Extremely Low Income (Less than 50% MFI) Households:** This income range includes a projected 3,037 new households (from 2021-2041) and 19,523 existing households. Meeting the housing needs of these households will require a combination of preserving existing income-restricted affordable housing and development of new income-restricted affordable housing. Development of income-restricted affordable housing typically requires extensive subsidy, with funding from state and federal sources, in addition to any support from the city and other partners.
- **Housing Needs for Middle Income (80-120% MFI) Households:** This income range includes an estimated 1,097 new households (from 2021-2041) and 7,056 existing households. Meeting the housing needs of these households will require a combination of the development of rental housing and lower-cost housing for homeownership. Some homeownership opportunities for this income group will likely be related to housing developed by nonprofit organizations, possibly with some subsidy, such as land banking or a community land trust.
- **Housing Needs of People of Color:** About 15% of Gresham's population identify as non-Hispanic Black, Asian, American Indian or Alaska Natives, Native Hawaiian or Pacific Islanders, two or more races, or another race. About 21% of Gresham's population identify as Latino (any race). Black, Latino, American Indian or Alaska Natives, and Native Hawaiian or Pacific Islanders are more likely to rent their homes and to live in multifamily housing than the overall average in Gresham. People of Color are cost burdened more frequently than the average household in

⁴ Projected housing needs are based on Gresham's 2021 income mix.

Gresham.⁵ Addressing the affordability issues, discussed above, as well as ensuring that people of color have access to housing without discrimination, will require increasing awareness of Fair Housing rules for property owners and managers, tenants, City decision makers, and City staff. It will also require careful decision making to change policies that have created barriers to access housing by people of color.

- **Housing Need of People with Disabilities:** The Census reports that about 13% of Gresham’s population have one or more disability, such as ambulatory, vision, hearing, cognitive, self-care, or independent living disabilities. Addressing the affordability issues as well as ensuring that people with disabilities have access to housing that addresses their disability and that they have access to housing without discrimination, will require increasing awareness of Fair Housing rules for property owners and managers, tenants, City decision makers, and City staff. It will also require approaches that encourage development of housing with specialized design standards to accommodate special needs.
- **Housing Need of People Experiencing Homelessness:** The 2022 Point-In-Time Count describes approximately 48 households experiencing unsheltered homelessness in Gresham in 2022.⁶ In addition, 1,106 students in the Gresham-Barlow, Centennial, and Reynolds School Districts experienced homelessness⁷. The number of people experiencing homelessness in Multnomah County was 5,228 in 2022.⁸ These numbers may be underestimates, especially because people experiencing homelessness may move between cities in the Portland region. Strategies to support the needs of these households and individuals will range from emergency assistance (including rent and utility assistance), permanent supportive housing (including supportive housing with services), and improved access to an affordable unit.

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.

⁵ People of Color includes Black, Latino, American Indian or Alaska Native, Asian, Native Hawaiian and Pacific Islanders, and people of another or multiple races. These categories were combined due to limited data availability.

⁶ 2022 Point-In-Time Count, Count of people experiencing HUD homelessness in Portland/Gresham/Multnomah County, Oregon on January 26, 2022, Joint Office of Homeless Services.

⁷ School district boundaries do not match City boundaries. Gresham-Barlow, Centennial, and Reynolds all extend beyond City boundaries to differing extents.

⁸ This is the total count of people experiencing homelessness, sheltered, in transitional housing, and unsheltered. It includes those who are experiencing chronic homelessness as well as those experiencing temporary homelessness.

- 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).
- 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.
- Since 2000, Gresham’s housing stock grew by about 20%. Between 2000 and the period between 2014-2018, 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 occupied by Gresham residents varied by household race and ethnicity. These differences are more likely to reflect availability of affordable housing, rather than different preferences by race or ethnicity. Broadly speaking, some groups of people of color 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%).

Trends in Housing Density

Housing density is the density of residential structures by structure type, expressed in dwelling units per net or gross acre.⁹ From 2000 to 2020, 7,401 new dwelling units were built in Gresham. Of these, 4,440 units were single-family (60%)¹⁰ 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.

Trends in Housing Tenure¹¹

- 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.

⁹ Density analysis is based on Quarter 3 2020 data from Metro RLIS including the Multifamily Housing Inventory and Tax lots data sets.

¹⁰ Single-family includes single-family detached and single-family attached, as this database does not clearly distinguish between these two types of housing.

¹¹ See Volume 1, Section 4.800, 2021-2041 Housing Capacity Analysis for data sources.

- 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, the literature about housing markets finds that 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. 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 immigrant populations.
- National changes in housing characteristics including larger single-family units on smaller lots, larger multifamily units, increase in household amenities, and increase in 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, and 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 will continue to grow in 2021-2041, 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%.
- According to the 2014-2018 American Community Survey 5-Year Estimates, Gresham is more racially diverse than the statewide average, with about 36% of Gresham’s residents identifying as a person of color (Asian alone, Black or African American alone, American Indian and Alaska Native Alone, Native Hawaiian and Other Pacific Islander Alone, Some Other Race Alone, and Two or More Races, and Hispanic or Latino [of any race]). 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 or

ethnicity. For example, Exhibit 42 in Volume 1, Section 4.800, 2021-2024 Housing Capacity Analysis shows a difference in income by race and ethnicity. These differences in income result in households making different choices (often by necessity) based on income and the availability of affordable housing.

- The number of Hispanic and Latino 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 Hispanic and Latino population will continue growing faster than most other non-Hispanic or Latino 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.
- 22% of Gresham's households live in areas that are in the early stages of gentrification with a further approximately 53% susceptible to gentrification. These areas are generally those that also have high levels of socioeconomic vulnerability, which may lead to housing insecurity or displacement.

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 2021¹² to 47,713 households in 2041, an increase of 6,229 households.¹³ 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.

Volume 1 Section 4.800, 2021-2041 Housing Capacity Analysis outlines how Gresham has sufficient land to accommodate housing development in all zoning district groupings. Gresham has a total surplus of capacity for 6,380 dwelling units. After accounting for demand for new housing, Gresham has a remaining capacity for 3,519 dwelling units in lower density residential zones; a surplus of 1,941

¹² Metro'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).

¹³ This forecast is based on Gresham city limits' official household forecast from Metro for the 2020 to 2050 period.

remaining dwelling units in the medium density zones and a surplus of 920 remaining dwelling units in the higher density 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 these 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. Utilizing the current income distribution, about 43% of Gresham's estimated 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 40% of Gresham's future households will likely 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.

III. GOALS, POLICIES AND ACTION MEASURES

HOUSING GOAL

Everyone in Gresham can live in a secure and reliable place they call home, and no one experiences housing uncertainty. All Gresham community members can access housing that meets their changing needs.

HOUSING EQUITY POLICY

All housing related policies and actions will affirmatively further fair housing for all state and federal protected classes and other underserved populations by: addressing disproportionate access to housing, furthering patterns of integration and lessening racial or ethnic segregation, deconcentrating areas of poverty and wealth, and decreasing disparities in access to housing services and opportunity.

Housing Equity Action Measures

1. Support outreach and education about Fair Housing.
2. Allow a variety of uses in each plan designation to further patterns of integration and reduce concentrations of poverty.
3. Ensure residential development can be accessed by a variety of transportation types in order to allow people of different incomes and abilities to access housing throughout the City.

4. Support climate-adaptive and sustainable development to reduce and prevent climate inequity.

HOUSING STABILITY POLICY

Increase housing stability for residents; mitigate the impacts of gentrification and the economic and physical displacement of existing residents resulting from investment or redevelopment.

Housing Stability Action Measures

1. Preserve and stabilize existing regulated affordable housing through implementing public-private partnerships.
2. Support the rehabilitation of existing low-cost market rate property in exchange for affordability agreements.
3. Explore the use of tax increment financing to support the preservation of existing affordable housing and development of new affordable housing in neighborhoods that are experiencing or are vulnerable to gentrification.

HOUSING CHOICE AND LOCATION POLICY

Facilitate housing choice for all, particularly for state and federally protected classes, communities of color, low-income communities, people with disabilities, and other under-served populations. Foster access to existing or new quality housing that is located in neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment.

Housing Choice and Location Action Measures

1. Encourage diverse housing types and sizes by exploring and reducing barriers to affordable home ownership models and to housing development with a focus on middle housing and multifamily development.
2. Support affordable housing preservation and development goals in resource-rich neighborhoods by employing incentives supported by tax increment financing and HOME/CDBG funds, as well as other funds that become available from the State or other sources.
3. Encourage the development of housing types that are responsive to unique neighborhood and socioeconomic conditions and character through development standards and permitting incentives.
4. Encourage mixed-use development, especially in areas with transit, such as urban renewal districts.
5. Reduce concentrations of the same housing type through policies, and development standards.

HOUSING FOR INDIVIDUALS EXPERIENCING HOMELESSNESS OR HOUSING INSECURITY POLICY

Reduce the number of individuals experiencing homelessness or housing insecurity by supporting the development of housing options and housing services.

Housing For Individuals Experiencing Homelessness or Housing Insecurity Action Measures

1. Implement a rapid rehousing program.
2. Explore partnerships to address and prevent homelessness and housing insecurity.
3. Continue and expand existing homelessness services based on funding availability.

AFFORDABLE HOUSING OWNERSHIP POLICY

Encourage opportunities for housing stability and wealth creation via housing ownership with particular focus on state and federal protected classes that have been disproportionately impacted by past inequitable housing policies.

Affordable Housing Ownership Action Measures

1. Explore and reduce barriers to affordable housing ownership models (such as land trusts, co-ops, condominiums, and cottage cluster-style housing).
2. Evaluate and pursue partnerships for affordable housing ownership development.
3. Leverage Federal (such as HOME/CDBG), State, and local funds as they become available to effectively and creatively foster the development of affordable housing ownership units.

AFFORDABLE RENTAL HOUSING POLICY

Encourage the production, preservation and rehabilitation of affordable rental housing with a focus on access for state and federal protected classes that have been disproportionately impacted by past housing policies.

Affordable Rental Housing Action Measures

1. Continue the existing rental housing inspection program to help ensure existing naturally occurring affordable housing units are maintained up to fire, life, safety building codes.
2. Explore methods to lower costs for new affordable rental housing development, such as (but not limited to) land banking, targeted system development charge reductions and/or waivers, and a state enabled tax abatement.
3. Pursue the use of tax increment financing to support affordable rental housing development in targeted locations.

4. Support the preservation and rehabilitation existing regulated affordable housing.

(Amended by Ordinance No. 1442 passed 5/5/98; effective 6/4/98)

(Amended by Ordinance No. 1620 passed 2/21/06; effective 3/23/06)

(Amended by Ordinance No. 1735 passed 11/19/13; effective 12/19/13)

(Amended by Ordinance No. 1786 passed 09/18/18; effective 10/18/18)

(Amended by Ordinance No. 1820 passed on 09/21/2021; effective 10/21/21)

(Amended by Ordinance No. XXXX passed on XX/XX/XXXX; effective XX/XX/XX)

DRAFT