

Gresham Task Force on Housing

Meeting 2

October 24, 2018

Brian Monberg, Senior Manager

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Overview and Trends

Information and Decision Making

- A lot of information is available...what will provide a baseline of information, and can help shape recommendations?
- How does information compare to your observations and experiences?



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Information and Decision Making

- Demographics
- Housing stock and new housing production
- Housing Affordability

GRESHAM HOUSING FACTS

111,039
Population

23.3 square miles
4,763 people per square mile

Households



40,669

Number of households

Metro Area: 935,722
Oregon: 1,603,605

Units and Occupancy

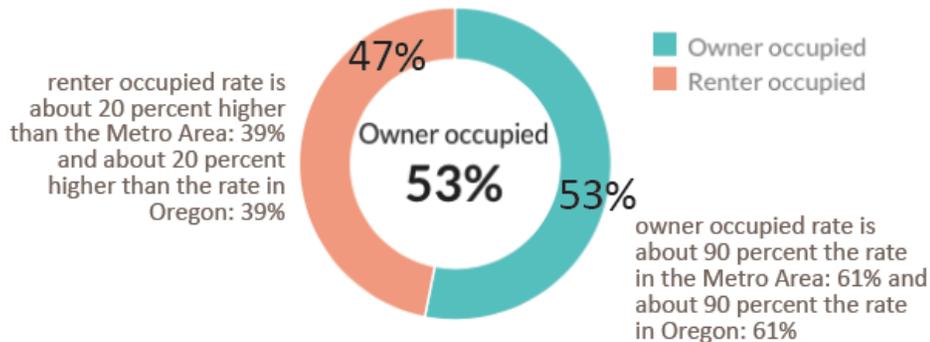


43,333

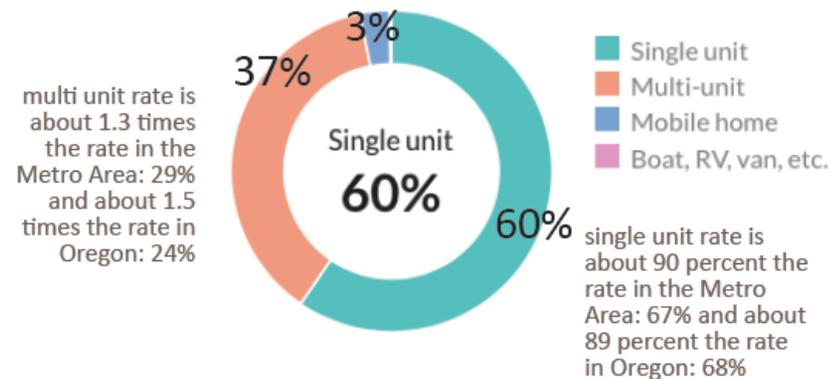
Number of housing units

Metro Area: 992,546
Oregon: 1,768,582

Ownership of occupied units



Types of structure



Income



\$51,130

Median household income

about two-thirds of the amount in the Metro Area: \$71,931
about eighty percent of the amount in Oregon: \$60,212

\$296,300

Median home value of owner-occupied housing

about 80 percent of the amount in the Metro Area: \$376,000 and about 90 percent of the amount in Oregon: \$319,200

\$1,112

Median gross rent of an apartment

gross rent includes rent and utilities

about 91 percent of the amount in Portland: \$1,216 and about 90 percent of the amount in the Metro Area: \$1,238

Summary:

Overview and Trends

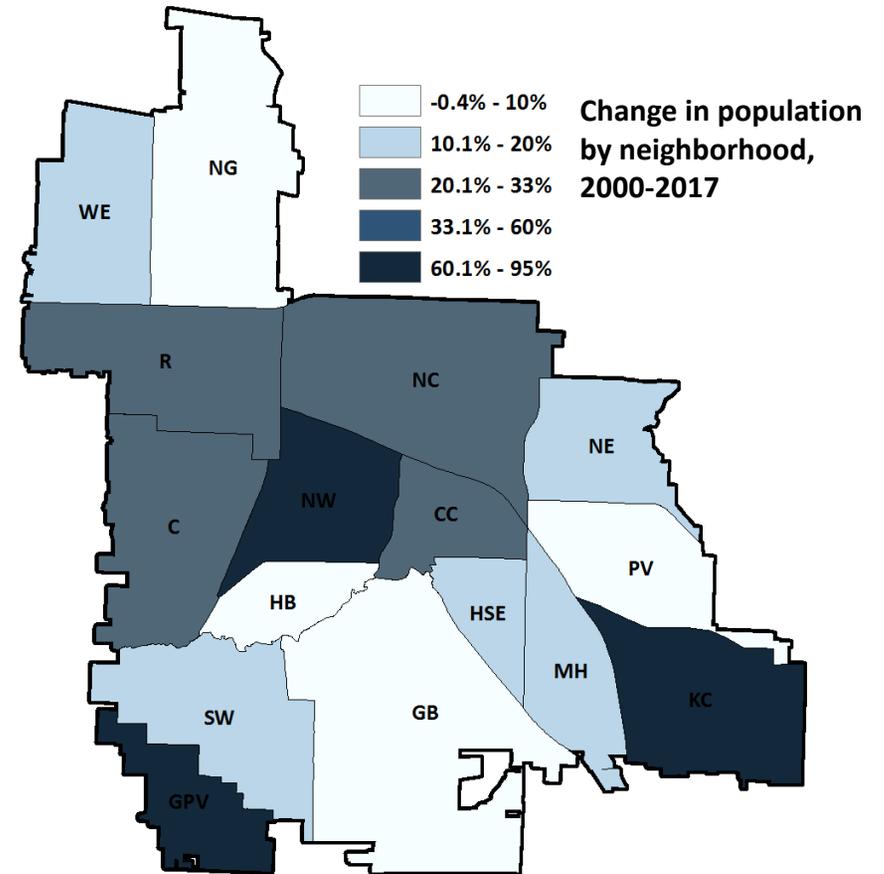
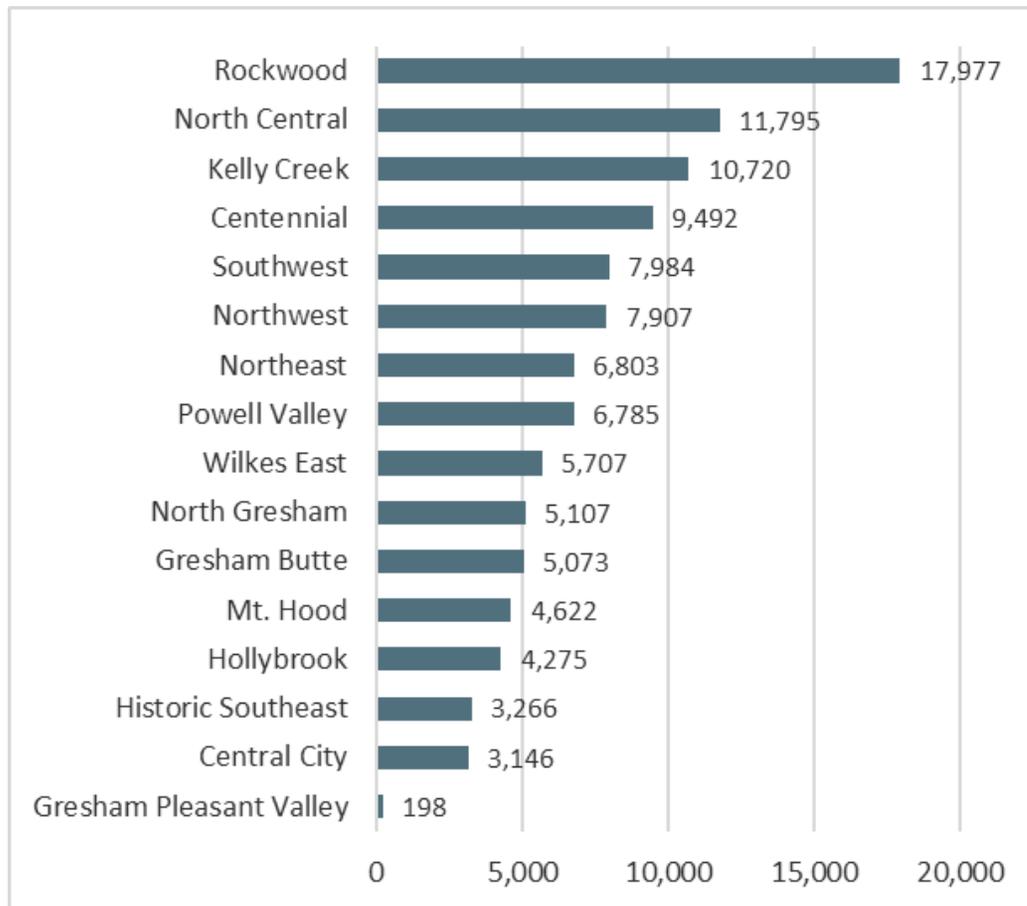
- This presentation provides a baseline of information for housing in Gresham.
- Information will inform recommendations from the Task Force.

Population & Demographics

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Population

In 2017, Gresham's population was 111,039; gaining about 5,445 this decade.

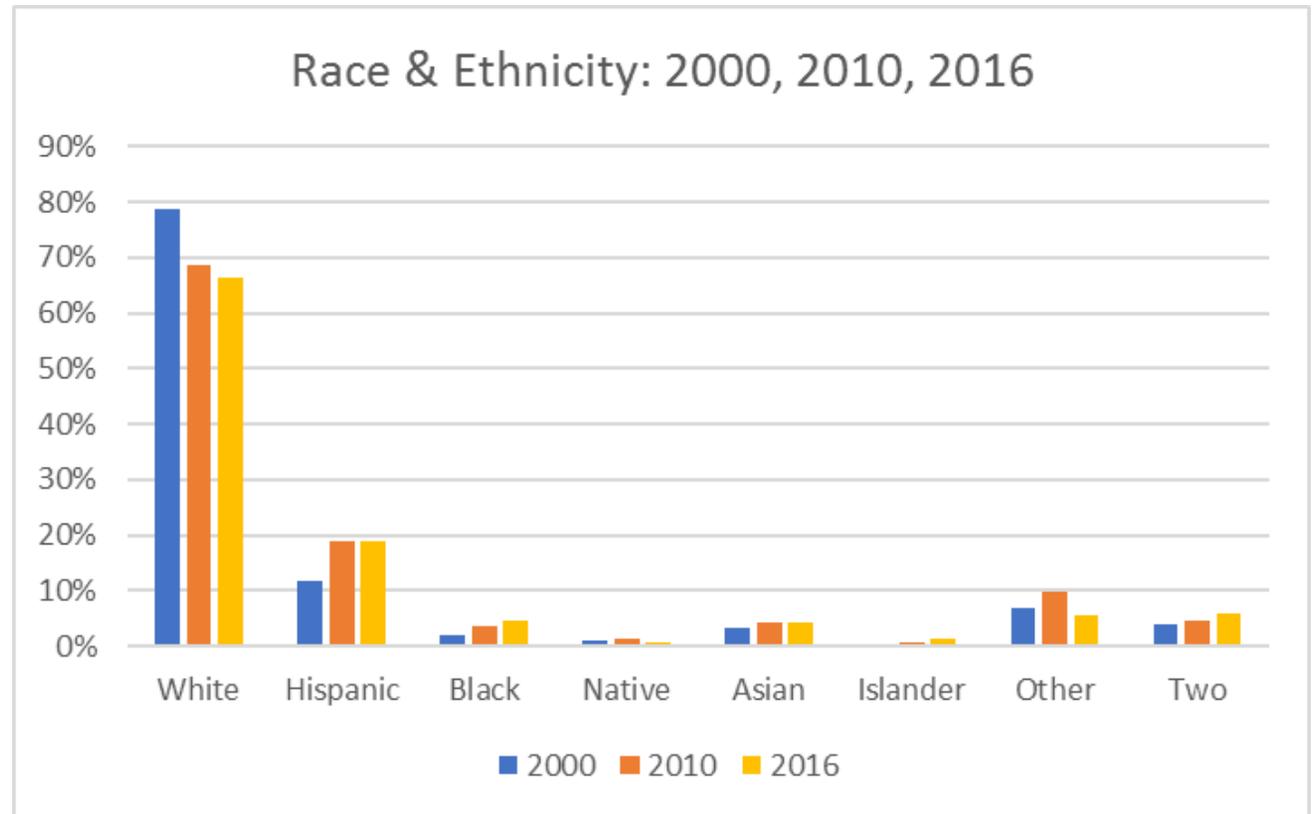


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Race and Ethnicity

Since 2000, Gresham has become more diverse.

- ▶ Gresham's population is about 66% white.
- ▶ Gresham's Hispanic population (ethnicity) is about 19%.
- ▶ Gresham's Black population is about 5%.



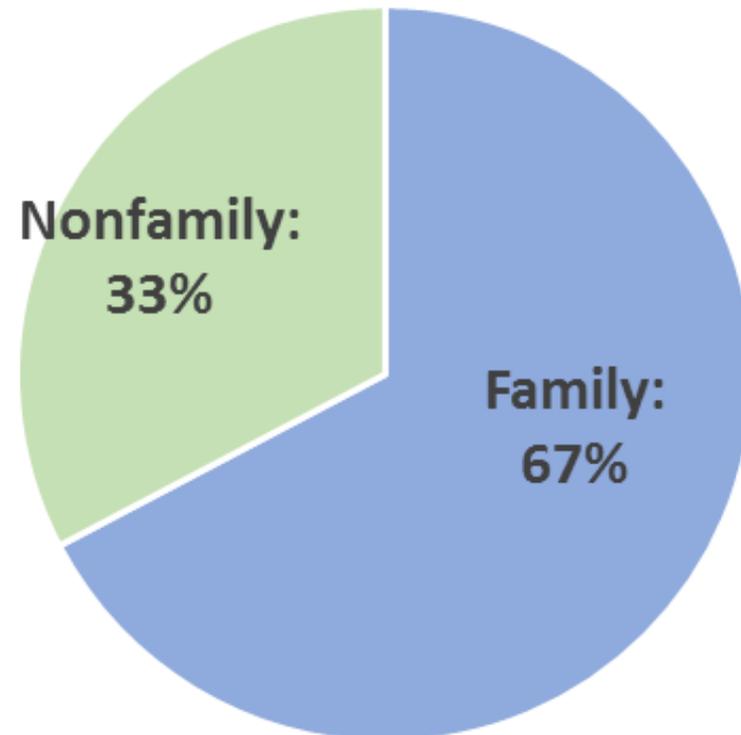
* Hispanic includes respondents of any race. Other categories are non-Hispanic.

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Households

There are approximately 40,669 households in Gresham.

- ▶ Average household size is 2.7
- ▶ About 2/3rds of households in Gresham are families.
- ▶ Over 26% of the city – over 25,000 people – are under 20.



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Age

Gresham's median age is 35.2

- ▶ Gresham's has a higher proportion of young residents, compared to the Portland metro area and cities of similar size.
- ▶ Gresham's senior population is similar to the Portland metro area as a whole, and higher than cities of similar size.

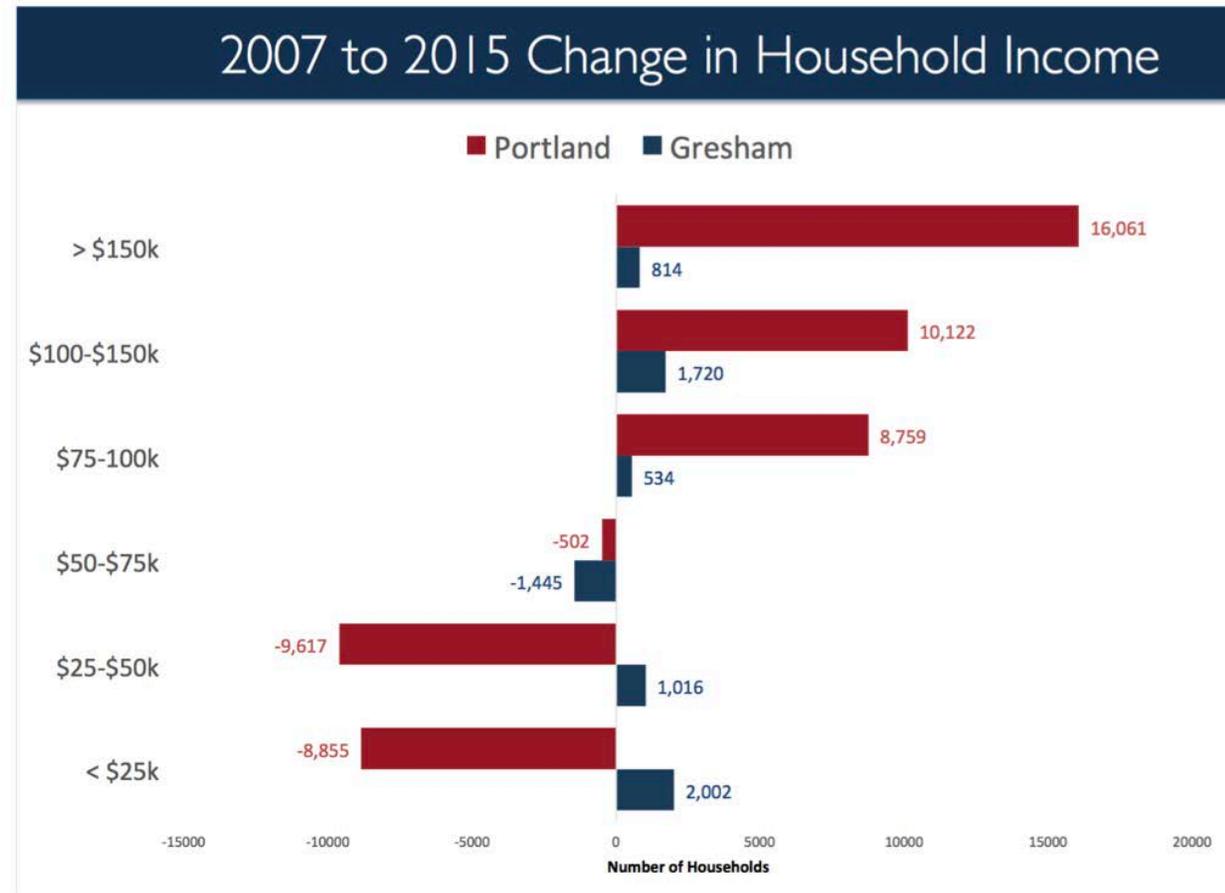
ACS 2016 5-year	S0101				
	Gresham	Portland	Hillsboro	Beaverton	Portland Metro
Median Age	35.2	36.8	34	35.9	37.6
19 and under	28%	20%	28%	24%	25%
65 and older	13%	12%	10%	12%	13%

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Income

In 2017, Gresham's median household income was \$51,130.

- ▶ Gresham's median household income is:
- ▶ About 66% of the amount in the Metro area (\$71,931).
- ▶ About 80% of the amount in Oregon (\$60,212).
- ▶ From 2007-15, Gresham gained about 3,000 households earning less than \$50K, while gaining about 2,500 households earning over \$100K.



Source: EconW

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Summary:

Population and Demographics

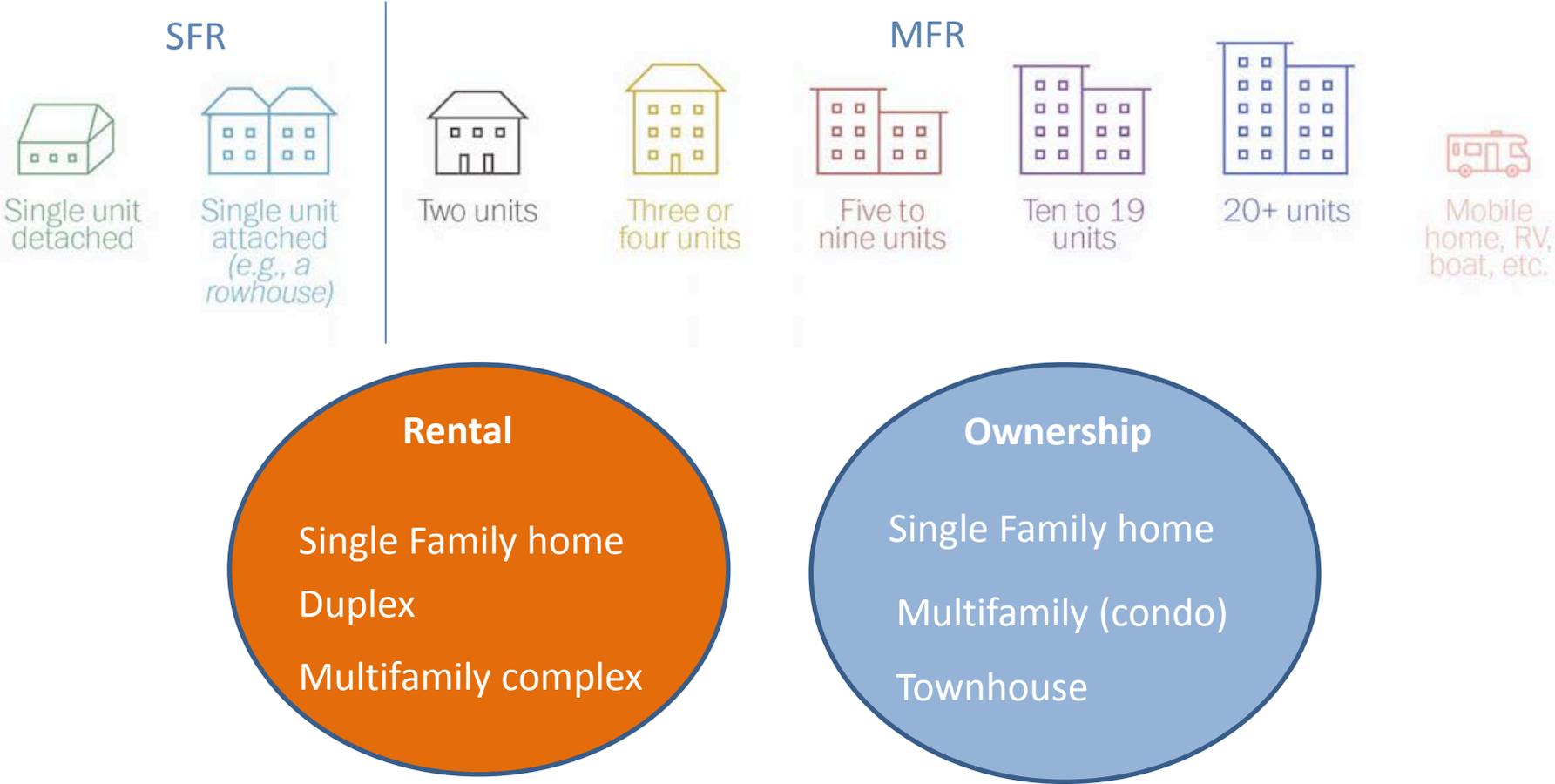
- With 111,039 residents, Gresham has gained over 5,000 people this decade.
- Since 2000, Gresham has become more diverse.
- Families comprise a significant share of City households. There are over 26,000 residents under 20.
- Gresham's median income is lower relative to the rest of the region.

Existing housing and production

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Building Structure and Tenure

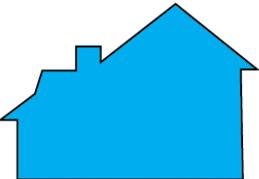
Housing units can be described by structure type, as well as ownership (tenure).



Housing Units by structure

There are about 43,333 housing units in Gresham.

Units and Occupancy



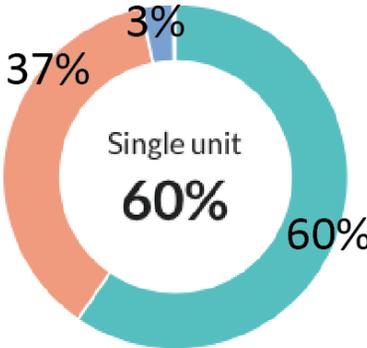
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Number of housing units

Metro Area: 992,546
Oregon: 1,768,582

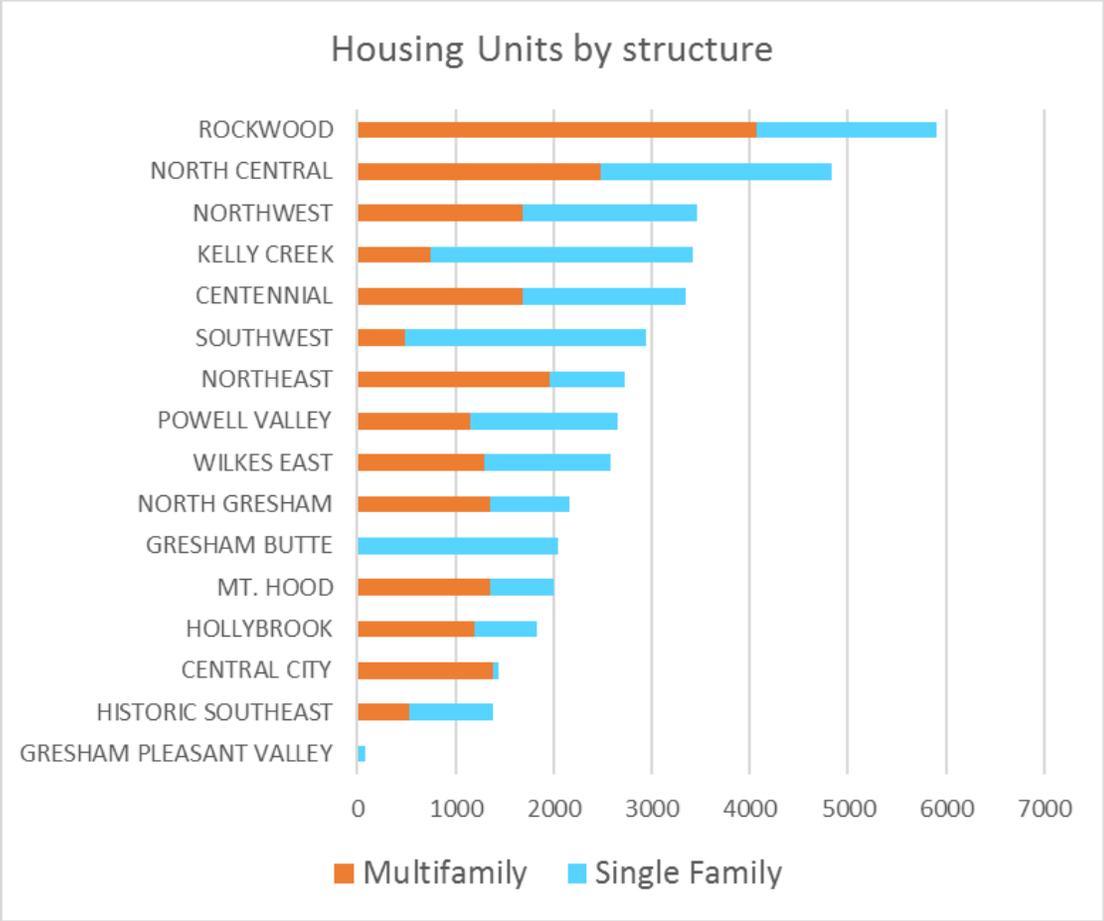
Types of structure

multi unit rate is about 1.3 times the rate in the Metro Area: 29% and about 1.5 times the rate in Oregon: 24%



single unit rate is about 90 percent the rate in the Metro Area: 67% and about 89 percent the rate in Oregon: 68%

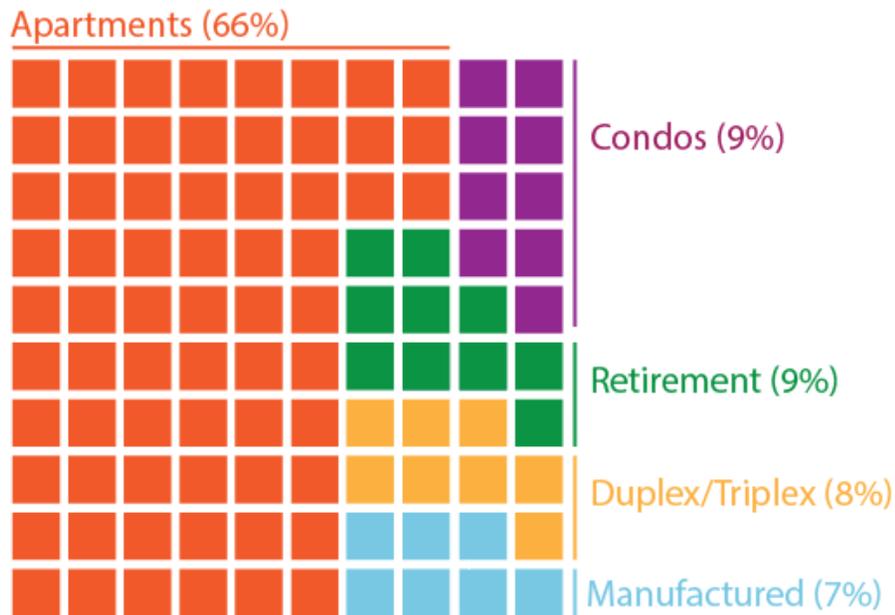
- Single unit
- Multi-unit
- Mobile home
- Boat, RV, van, etc.



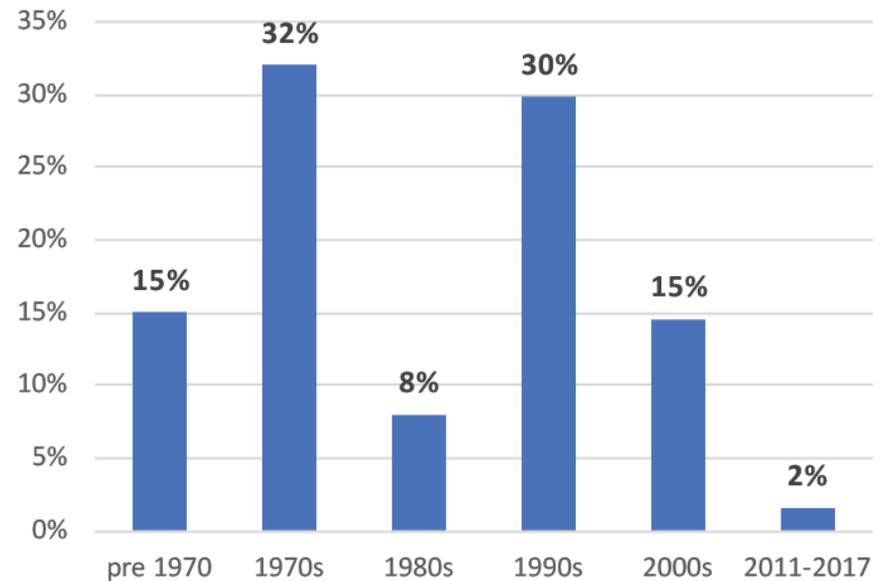
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Source: US Census 2017 ACS 1-year estimates; ESRI 2016 demographics estimates.

Multifamily units by type and construction



Multi-family construction by decade

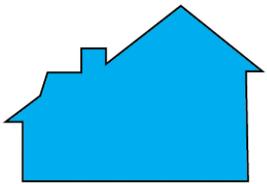


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Housing Units by tenure

There are about 43,333 housing Units in Gresham.

Units and Occupancy



43,333

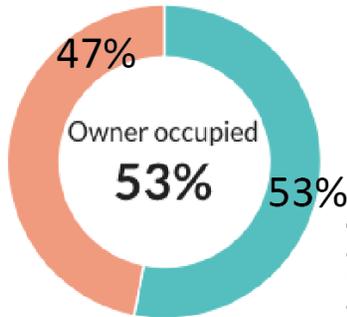
Number of housing units

Metro Area: 992,546

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Ownership of occupied units

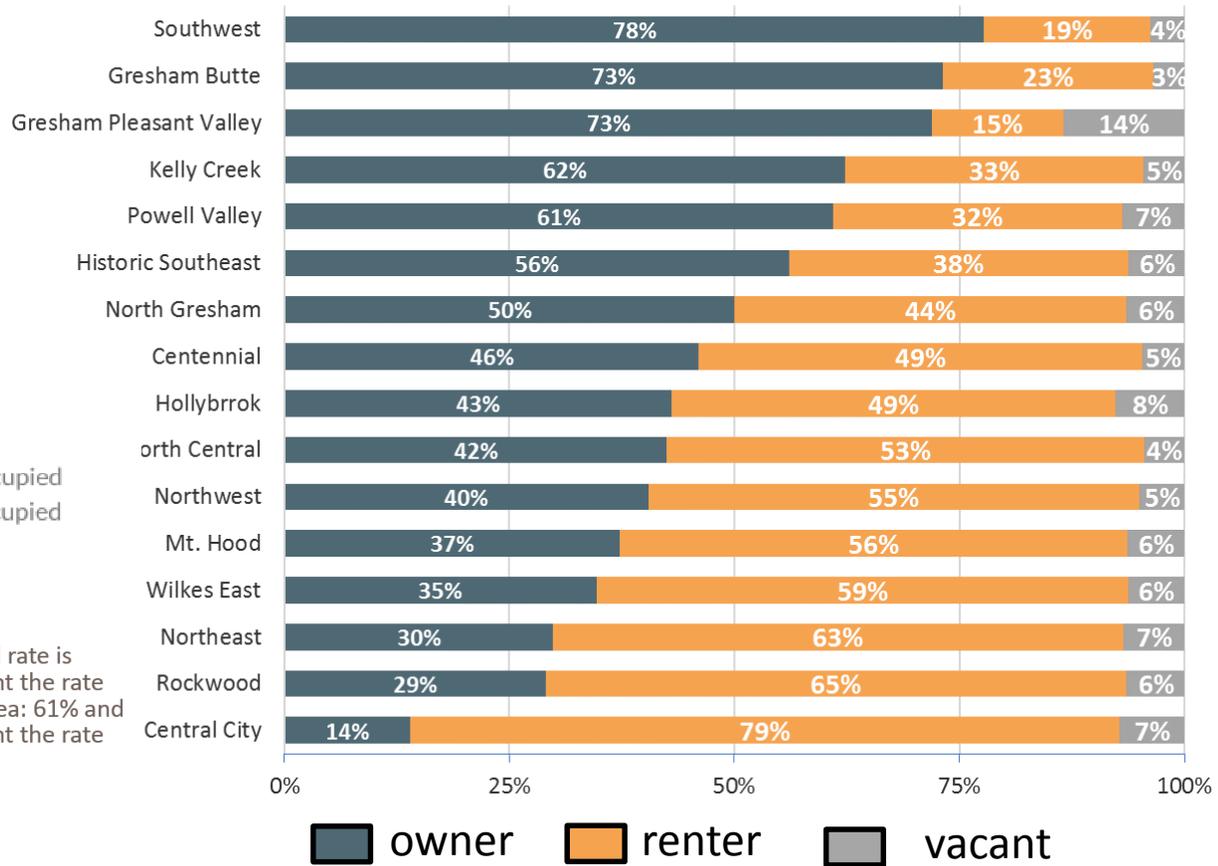
renter occupied rate is about 20 percent higher than the Metro Area: 39% and about 20 percent higher than the rate in Oregon: 39%



Owner occupied
Renter occupied

owner occupied rate is about 90 percent the rate in the Metro Area: 61% and about 90 percent the rate in Oregon: 61%

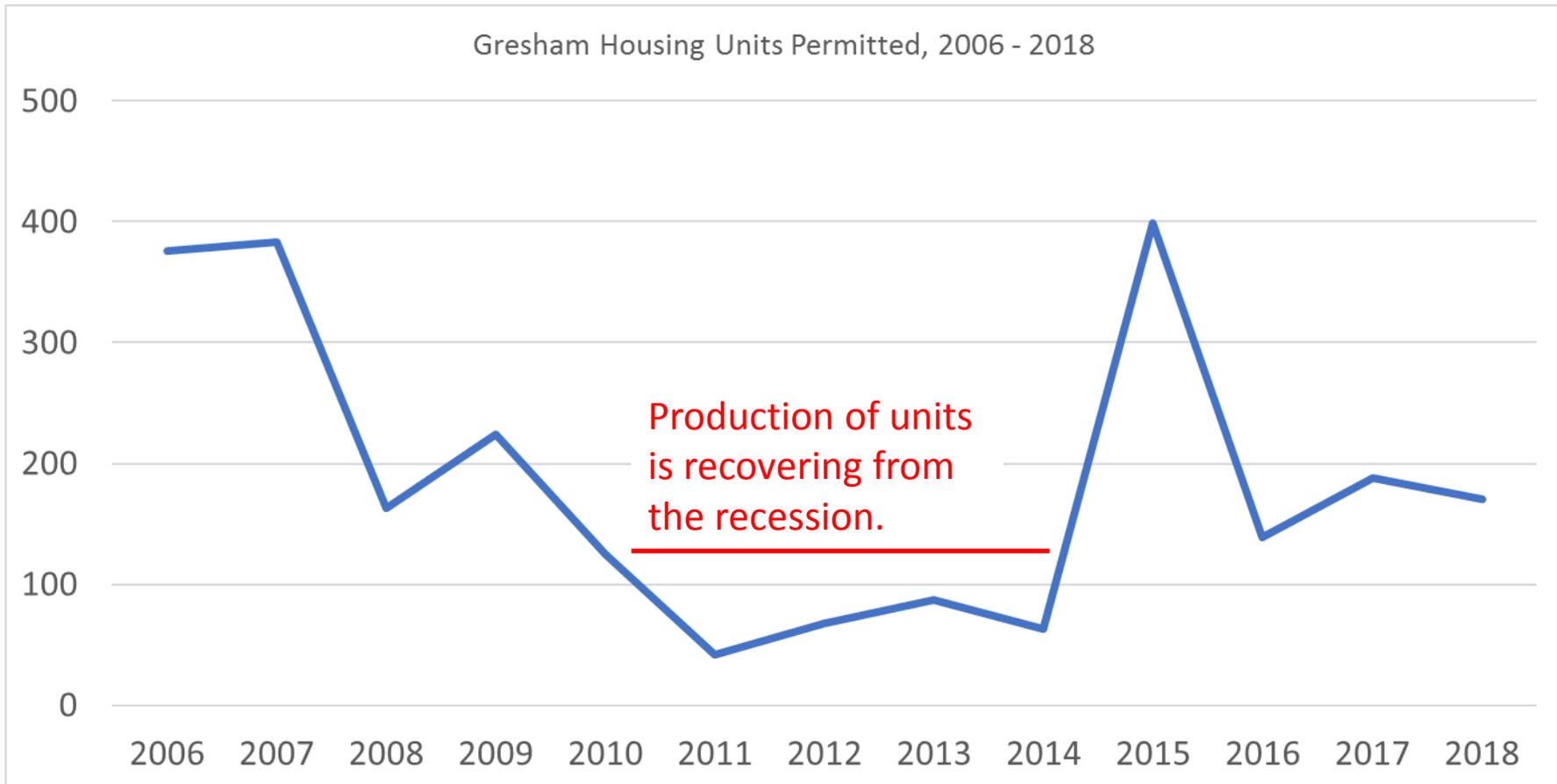
Housing units by tenure



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Unit production: all units

The pace of housing has grown recently. There have been about 1000 units permitted since 2012.



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Summary:

Existing housing and production

- 43,333 housing units in Gresham. Since 2012, Gresham has added about 1,000 housing units.
- The Great Recession slowed housing construction. Both the Metro Region, and the City of Gresham have increased the pace of new housing construction since 2012.
- Gresham's housing stock is similar to the Metro region, but proportionally has a higher share of multifamily housing.

Housing Affordability

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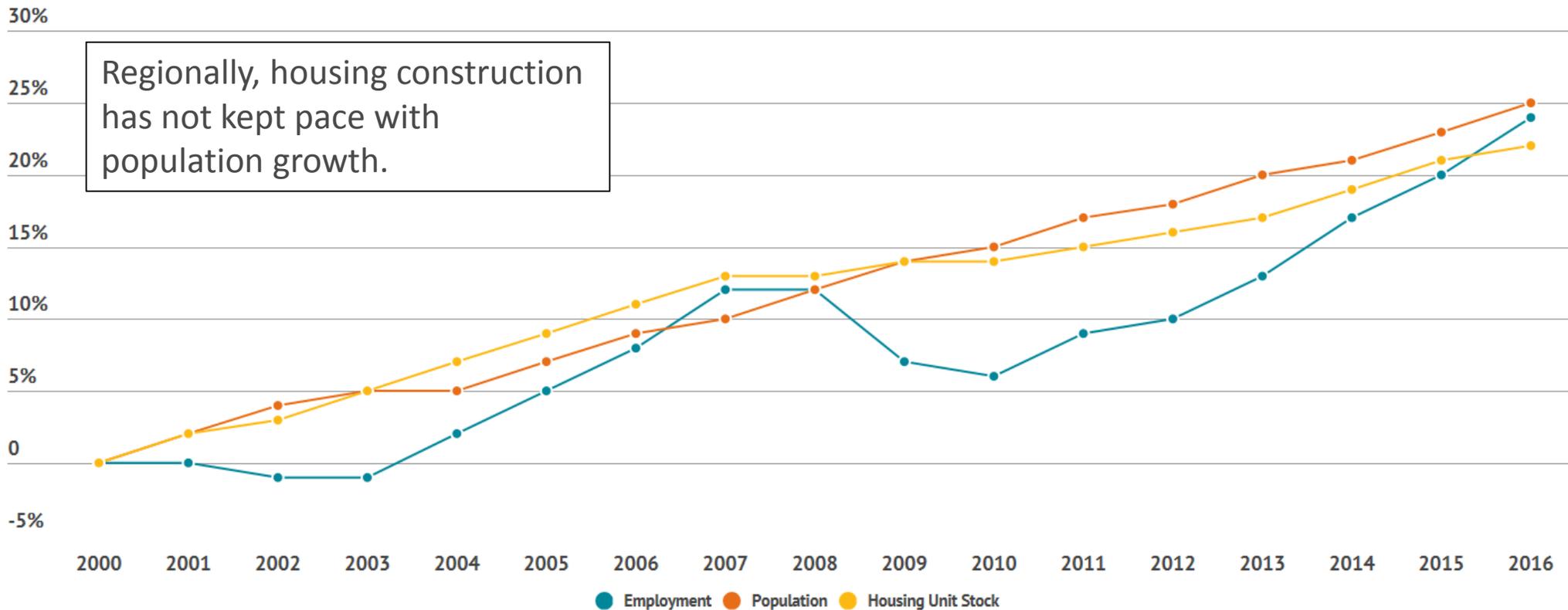
Affordability

Housing affordability is a relationship between income and price



Regional affordability: supply

Portland-metro employment, population and housing unit stock growth



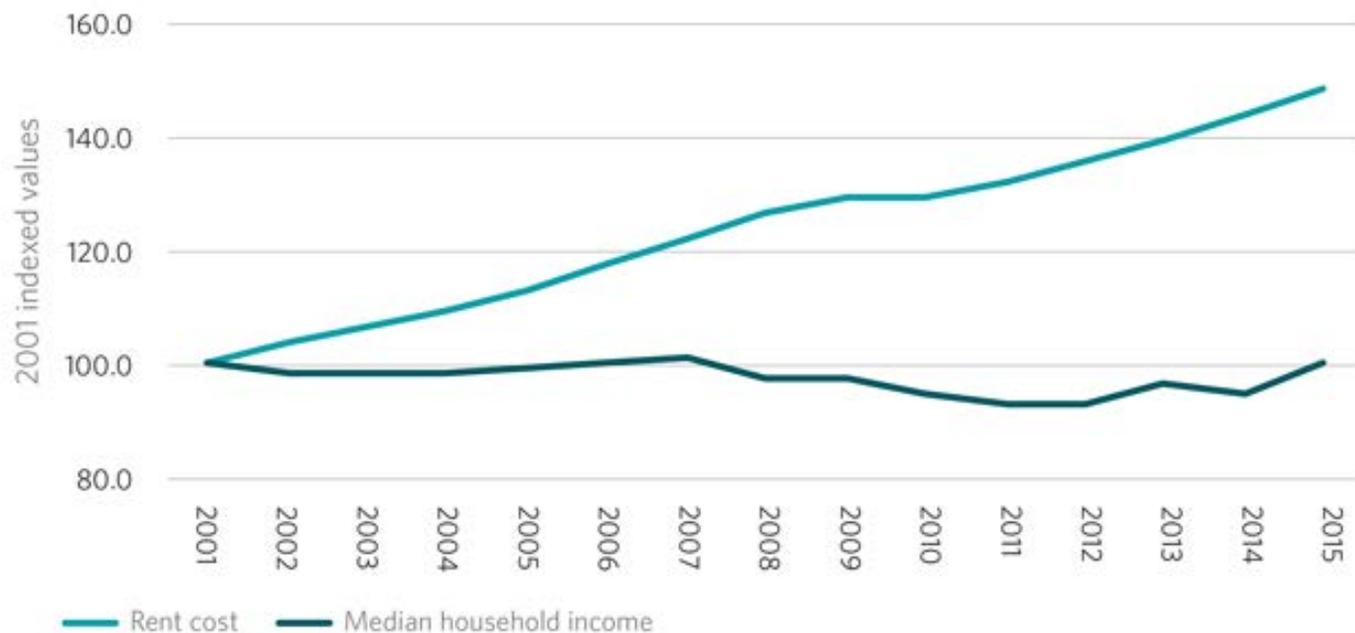
Source: American Community Survey, 1-year estimates, 2007 - 2016

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Nationally, renter incomes are not keeping pace with rent increases

Rent Increases Outpaced Income Growth Since 2001

Changes in rent and household income, 2001-15



Note: Rent and income are inflation-adjusted to 2015 dollars using the consumer price index for all urban consumers. Rent costs and income values are indexed to 2001.

Source: Federal Reserve Bank of St. Louis, "Consumer Price Index for All Urban Consumers: Rent of Primary Residence," retrieved Aug. 30, 2017, <https://fred.stlouisfed.org/series/CUUR0000SEHA>

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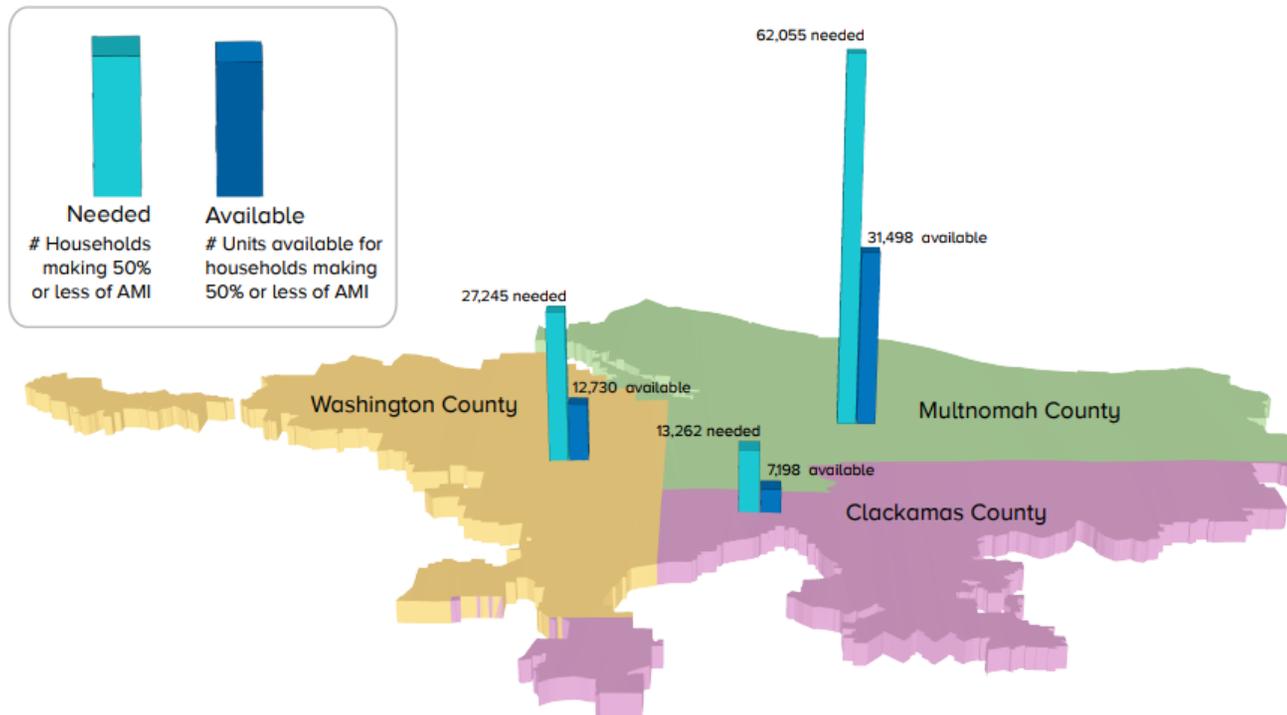
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Regional affordability: supply

Using affordability measures, Metro report shows regional need

There is a shortage of affordable housing relative to need in all three counties of the Portland metro area

Demand vs. supply of units affordable to households making 50% or less of area median income (AMI).



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Rental Market

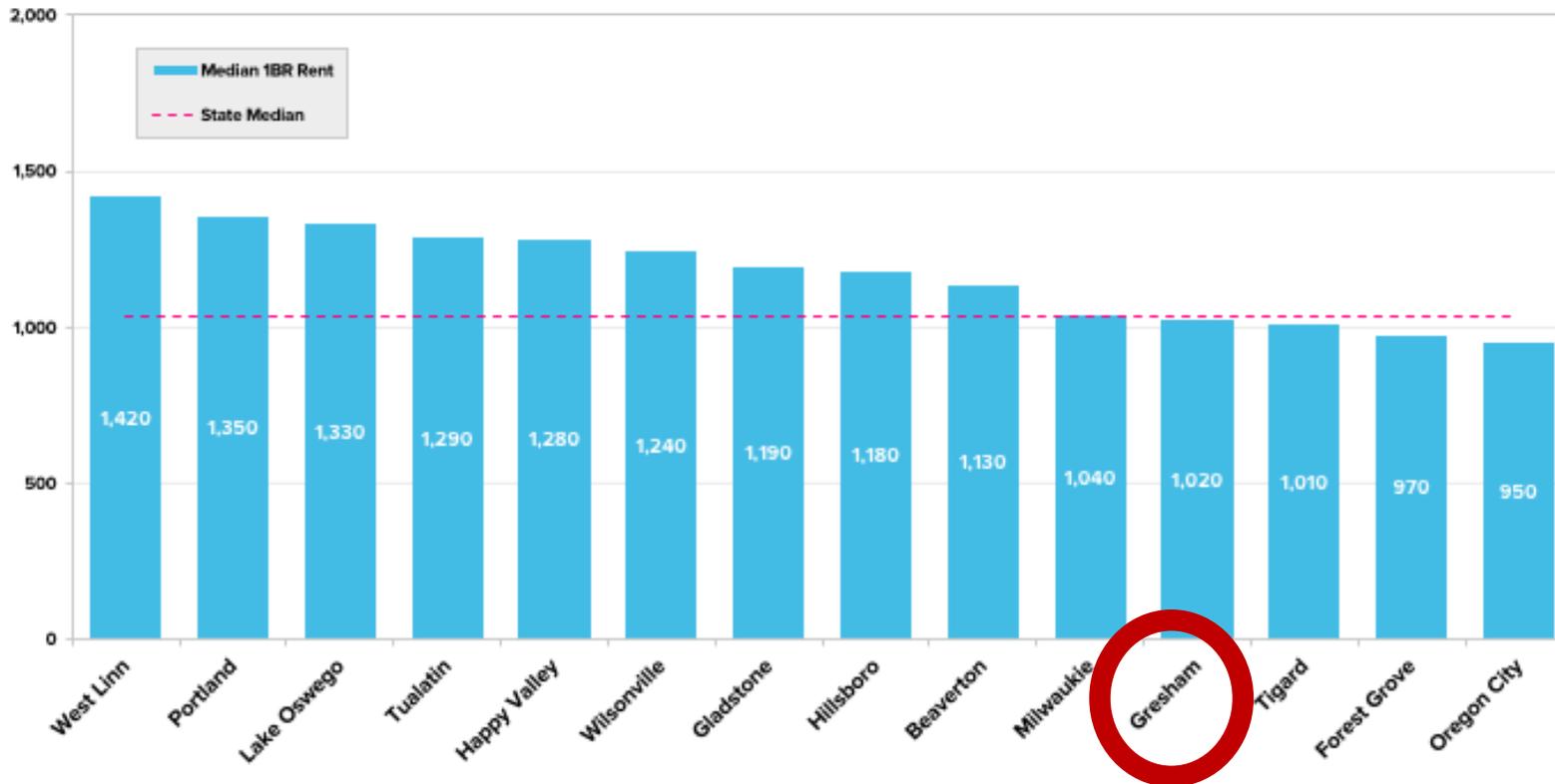
- There are a variety of data sources for identifying rents, and the rental market.
- Key information to consider:
 - Median rent price
 - Rent changes over time
 - Vacancy rate

Regional affordability: rent price

Gresham remains more affordable relative to most cities in the region



Portland Metro Cities Ranked By One Bedroom Rent September 2017



City rents are near the state median.

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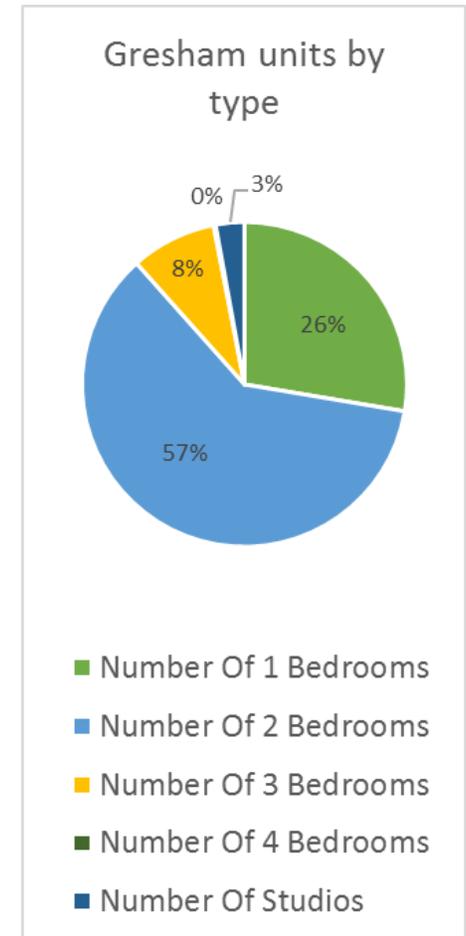
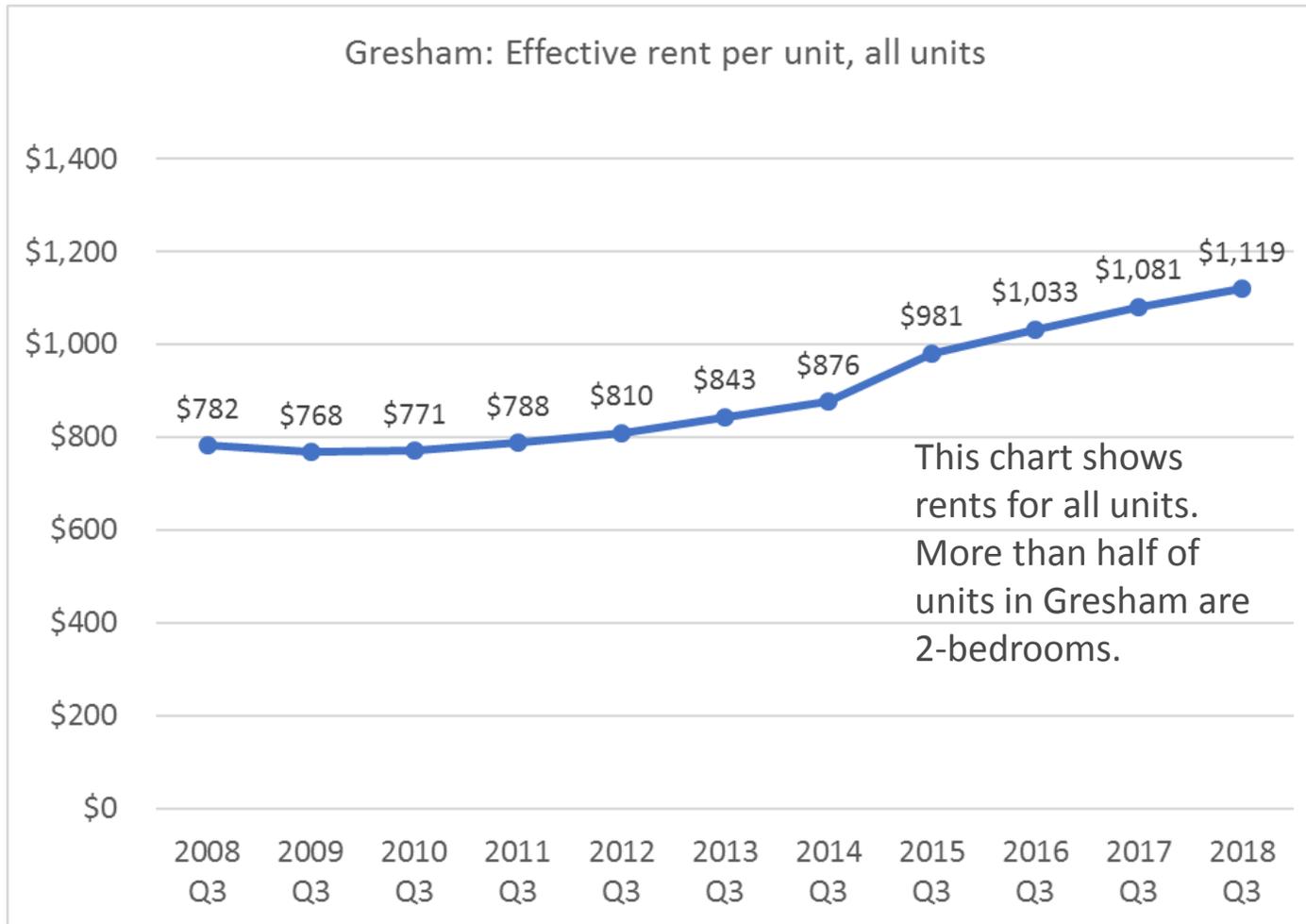
Regional affordability: rent price

Gresham remains more affordable relative to most cities in the region



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Gresham multifamily rents



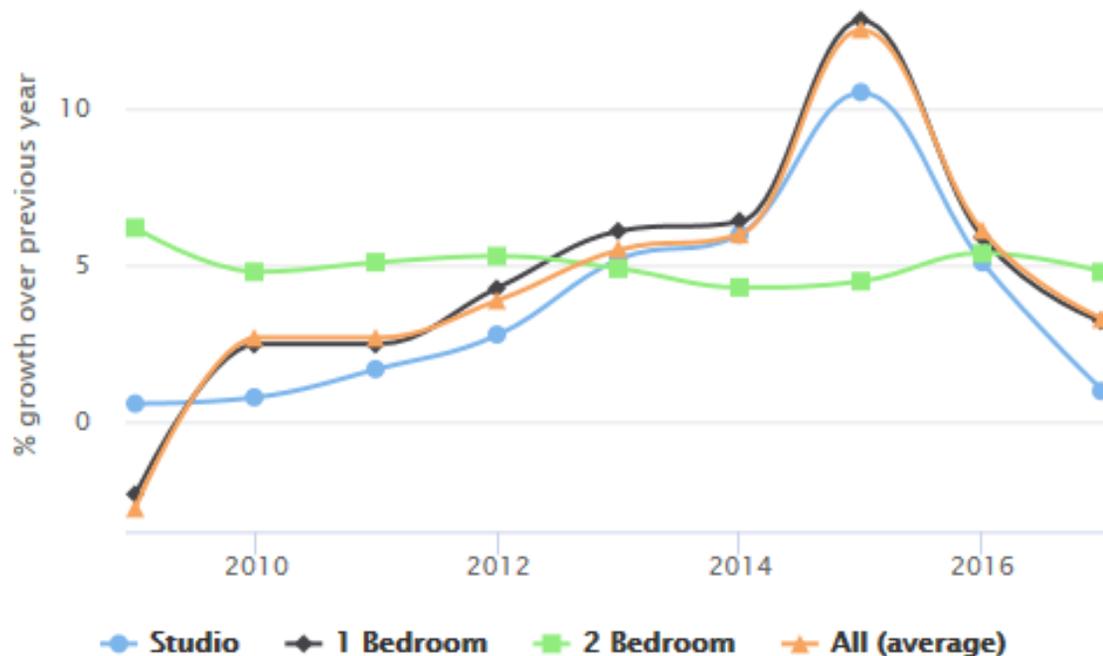
Vacancies: Regionwide, vacancy has been increasing. Vacancy rate in 2Q 2018 in Gresham was approximately 3.9%, which is lower than the regional rate of 4.6%.

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Regional affordability: rate of rent increases

After years of climbing growth rates, the rental market is starting to cool down.

% growth in rental prices, Portland metro area 2009–2017 (year to date)



Data for Portland metro area, courtesy of CoStar commercial real estate company.

New housing production has resulted in lower vacancies region wide. This has led to lower rates of growth.

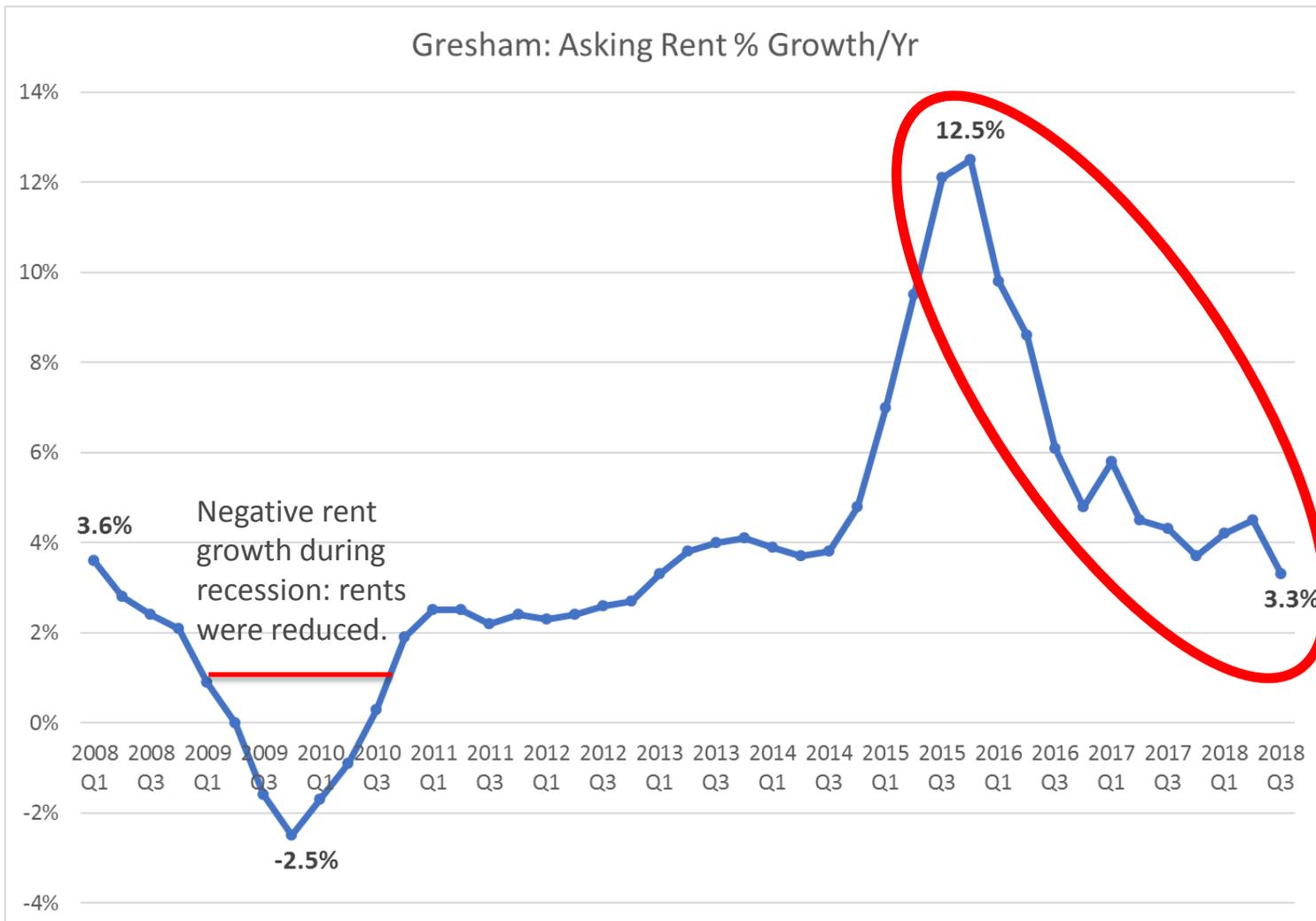
Source: Metro, Snapshot of Housing Affordability in Greater Portland, November 2017

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Source: Metro, A snapshot of Portland-area housing costs, November 2017 [Link](#)

Gresham multifamily rents

Rate of rent growth has slowed significantly



Rent growth in Gresham in 2018 is about 3.3%, similar to pre-recession level

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Home ownership market

- Key information to consider:
 - Median home prices, including change over year
 - Inventory: How many home sales, and how long it takes for a home to sell

Single Family Home sale price, 2018

Price:

East County is one of the last locations with homes under \$320,000.

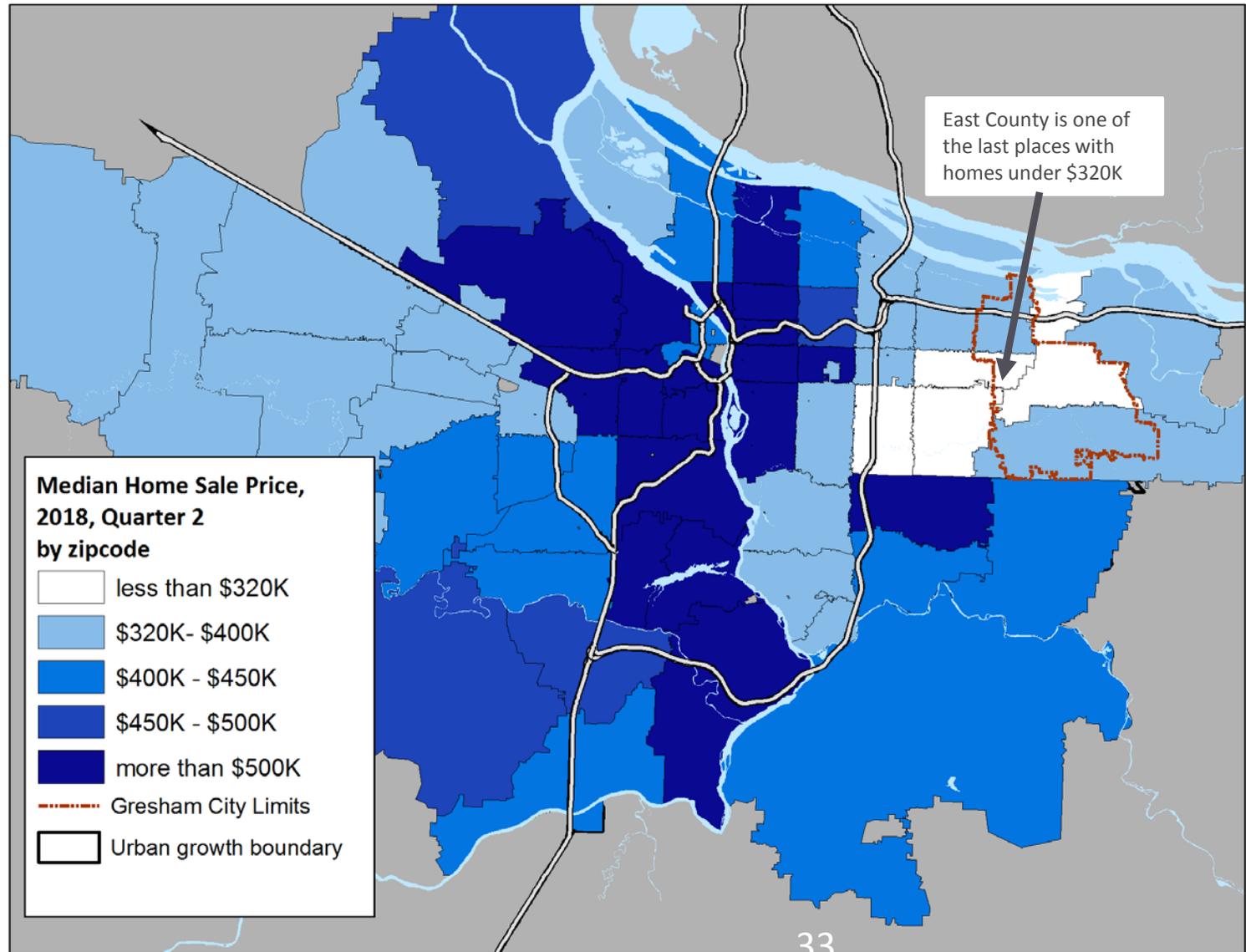
Regionwide, median sale price in September 2018 was \$392,500.

Inventory:

Homes sold in September spent an average of 45 days on the market. That's about a week longer than a year ago.

The 7,082 active listings at the end of September represented a **3.1-month supply** if September's sale pace continued. That is about a month longer than a year ago.

That still suggests a seller's market; a five- to six-month supply indicates a balanced market, with a bigger inventory suggesting a buyer's market.



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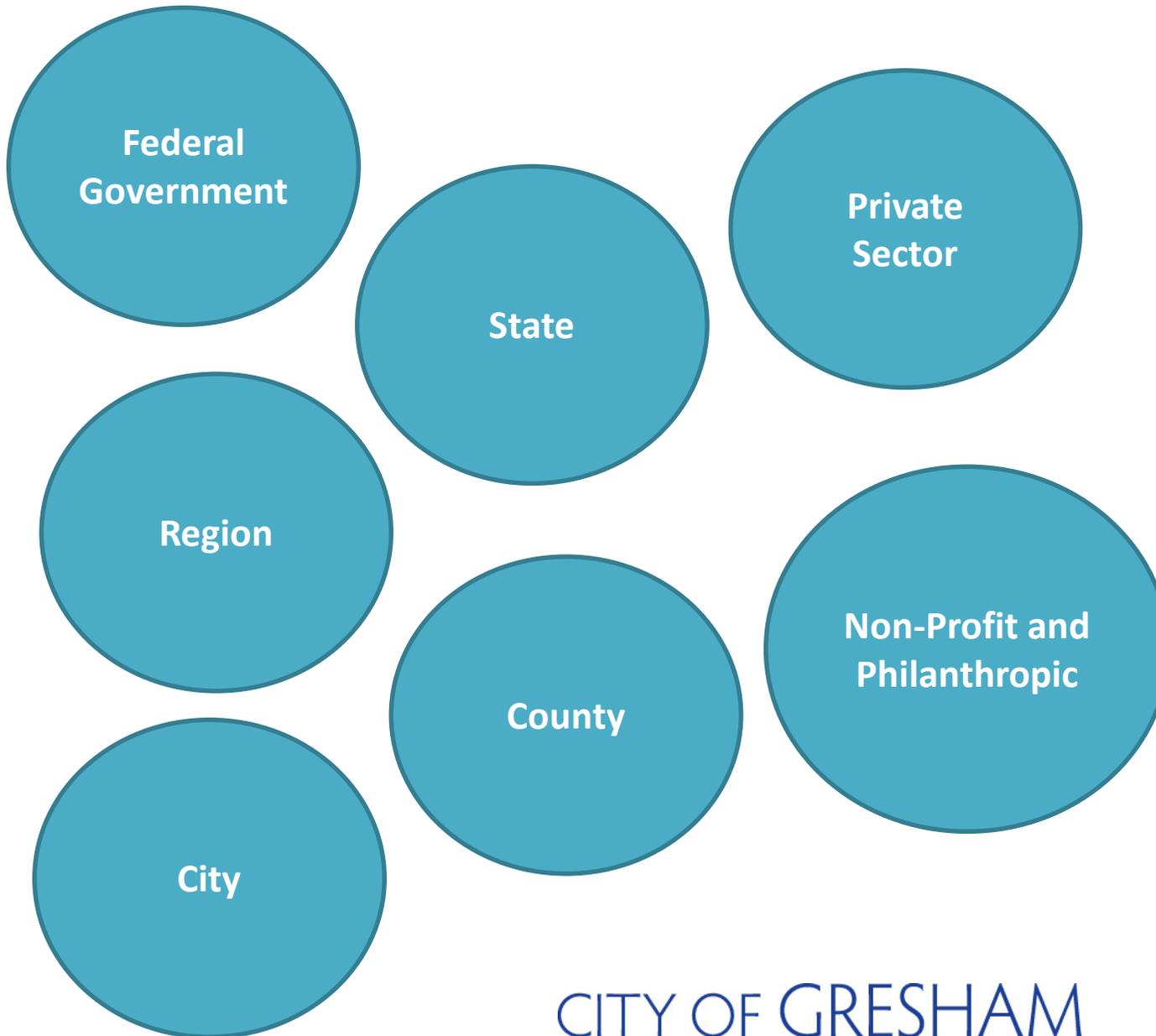
Summary:

Housing Affordability

- Regionwide - not enough affordable housing for everyone who needs it. Population is increasing faster than housing production.
- Relative to the region, Gresham remains affordable. Median apartment rents, and median home prices, are less expensive than the region as a whole.
- Affordability continues to be a challenge, particular for those with fixed-incomes and lower-incomes.
- The cost of housing has increased, but the pace is slowing.

Policy

Housing Roles and Policies



There are a number of government organizations with a role in housing.

The private sector and non-profit sector also play an important role in housing.

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Gresham housing policy

HOUSING OPPORTUNITIES

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

1. Provide a full range of housing types and sizes that reflect the needs of Gresham's citizens through all life stages and circumstances.
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.
3. Ensure that new housing developments are of high quality.

ECONOMIC DEVELOPMENT

Housing investments will contribute to Gresham's economic development goals.

1. Provide opportunities for mixed use developments.
2. Provide for all forms of "live/work" opportunities.
3. Promote a mix of housing types where appropriate.
4. Promote the use of the Gresham's workforce for development projects.
5. Promote the development of additional higher-end ownership and rental "executive housing".

REHABILITATION

Gresham's housing stock will be well maintained and will be rehabilitated when appropriate.

1. Ensure that Gresham's land use regulations support the rehabilitation and revitalization of both the existing single family and multi-family housing stock.
2. Promote the maintenance of good quality housing.
3. Endorse incentives promoting the rehabilitation of deteriorated but still good quality housing.

LIVABILITY

Gresham will provide for a variety of livable neighborhoods.

1. Avoid concentrations of any one housing type.
2. Permit appropriate housing types in locations that most benefit the viability of the overall City and its centers.
3. Maintain existing City public investments and construct capital improvements that promote the viability of city neighborhoods.
4. Continue to evaluate the Development Code to ensure that it: Promotes walkability in and through neighborhoods; allows for the coordination of residential development with existing and new amenities, services and transit; allows for the correct residential density in the appropriate locations
5. Ensure that new housing developments complement or enhance the character of existing quality neighborhood development.
6. Encourage housing developments to incorporate features of Crime Prevention through Environmental Design (CPTED).
7. Coordinate with Tri-Met when planning for changes to residential densities.

CITY ROLES

The City will use appropriate tools, including public-private partnerships, to achieve desired types and locations of housing.

1. Develop partnerships with private and non-profit housing providers that promote collaboration on the siting of market rate and affordable housing.
2. Pursue local, state and federal financial support for both new housing and housing rehabilitation projects.
3. Utilize technical and procedural assistance programs for the promotion and construction of desired housing types.
4. Promote home ownership.

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