



Oregon
Theodore R. Kulongoski, Governor

Department of Land Conservation and Development

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NOTICE OF ADOPTED AMENDMENT

12/02/2013

TO: Subscribers to Notice of Adopted Plan
or Land Use Regulation Amendments

FROM: Plan Amendment Program Specialist

SUBJECT: City of Gresham Plan Amendment
DLCD File Number 006-13

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. Due to the size of amended material submitted, a complete copy has not been attached. A Copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Friday, December 13, 2013

This amendment was submitted to DLCD for review prior to adoption pursuant to ORS 197.830(2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

***NOTE:** The Acknowledgment or Appeal Deadline is based upon the date the decision was mailed by local government. A decision may have been mailed to you on a different date than it was mailed to DLCD. As a result, your appeal deadline may be earlier than the above date specified. **NO LUBA Notification to the jurisdiction of an appeal by the deadline, this Plan Amendment is acknowledged.**

Cc: Ann Pytynia, City of Gresham
Gordon Howard, DLCD Urban Planning Specialist
Jennifer Donnelly, DLCD Regional Representative

<paa> YA



FORM

2

DLCD

Notice of Adoption

This Form 2 must be mailed to DLCD within **20-Working Days after the Final**

Ordinance is signed by the public Official Designated by the jurisdiction

and all other requirements of ORS 197.615 and OAR 660-018-000

DATE STAMP	<input type="checkbox"/> In person	<input type="checkbox"/> electronic	<input type="checkbox"/> mailed
	NOV 25 2013		
	LAND CONSERVATION AND DEVELOPMENT		
	For Office Use Only		

Jurisdiction: **City of Gresham**

Local file number: **CPA 13-078**

Date of Adoption: **11/19/2013**

Date Mailed: **11/22/2013**

Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? ☒ Yes ☐ No Date: 7/25/2013

☒ Comprehensive Plan Text Amendment

☐ Comprehensive Plan Map Amendment

☐ Land Use Regulation Amendment

☐ Zoning Map Amendment

☐ New Land Use Regulation

☐ Other:

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".

Amended Volumes 1 and 2 of the Comprehensive Plan updating Findings, Goals, Policies and Action Measures related to Housing; included two minor housing-related amendments to Development Code.

Does the Adoption differ from proposal? Yes, Please explain below:

Added an Action Measure related to sustainability.

Plan Map Changed from: **NA**

to:

Zone Map Changed from: **NA**

to:

Location:

Acres Involved:

Specify Density: Previous:

New:

Applicable statewide planning goals:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Was an Exception Adopted? ☐ YES ☒ NO

Did DLCD receive a Notice of Proposed Amendment...

35-days prior to first evidentiary hearing?

☒ Yes ☐ No

If no, do the statewide planning goals apply?

☐ Yes ☐ No

If no, did Emergency Circumstances require immediate adoption?

☐ Yes ☐ No

DLCD file No. 006-13 (19941) [17693]

Please list all affected State or Federal Agencies, Local Governments or Special Districts:

Metro

Local Contact: **Ann Pytynia, Principal Planner**

Phone: **(503) 618-2859**

Extension:

Address: **1333 NW Eastman Parkway**

Fax Number: - -

City: **Gresham**

Zip: **97030-**

E-mail Address:

Ann.Pytynia@GreshamOregon.gov

ADOPTION SUBMITTAL REQUIREMENTS

This Form 2 must be received by DLCD no later than 20 working days after the ordinance has been signed by the public official designated by the jurisdiction to sign the approved ordinance(s) per ORS 197.615 and OAR Chapter 660, Division 18

1. This Form 2 must be submitted by local jurisdictions only (not by applicant).
2. When submitting the adopted amendment, please print a completed copy of Form 2 on light **green paper if available**.
3. Send this Form 2 and one complete paper copy (documents and maps) of the adopted amendment to the address below.
4. Submittal of this Notice of Adoption must include the final signed ordinance(s), all supporting finding(s), exhibit(s) and any other supplementary information (ORS 197.615).
5. Deadline to appeals to LUBA is calculated **twenty-one (21) days** from the receipt (postmark date) by DLCD of the adoption (ORS 197.830 to 197.845).
6. In addition to sending the Form 2 - Notice of Adoption to DLCD, please also remember to notify persons who participated in the local hearing and requested notice of the final decision. (ORS 197.615).
7. Submit **one complete paper copy** via United States Postal Service, Common Carrier or Hand Carried to the DLCD Salem Office and stamped with the incoming date stamp.
8. Please mail the adopted amendment packet to:

**ATTENTION: PLAN AMENDMENT SPECIALIST
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
635 CAPITOL STREET NE, SUITE 150
SALEM, OREGON 97301-2540**

9. **Need More Copies?** Please print forms on 8½ -1/2x11 **green paper only if available**. If you have any questions or would like assistance, please contact your DLCD regional representative or contact the DLCD Salem Office at (503) 373-0050 x238 or e-mail plan.amendments@state.or.us.

BEFORE THE CITY COUNCIL OF THE
CITY OF GRESHAM

IN THE MATTER OF AMENDMENTS TO)	Order No. 647
VOLUMES 1, 2 AND 3 OF THE GRESHAM)	
COMMUNITY DEVELOPMENT PLAN)	CPA 13-078
REGARDING HOUSING POLICY)	

On October 15, 2013, the City Council held a public hearing to take testimony on amendments to Volumes 1, 2, and 3 of the Gresham Community Development Plan as it relates to the Housing Policy.

The hearing was conducted under Type IV procedures. Mayor Shane T. Bemis presided at the hearing.

The Council closed the public hearing at the October 15, 2013 meeting, and a final decision was made at the November 19, 2013 meeting.

A permanent record of this proceeding is to be kept on file in the Gresham City Hall, along with the original of the Order.

The Council orders that these amendments are approved, and adopts the standards, findings, conclusions and recommendations as stated in the attached Planning Commission Recommendation Order and staff report.

Dated: 11/19/2013



Erik Kvarsten
City Manager



Shane T. Bemis
Mayor

**BEFORE THE PLANNING COMMISSION OF THE
CITY OF GRESHAM**

TYPE IV RECOMMENDATION ORDER

CPA 13-078

A Type IV Legislative Public Hearing was held on September 9, 2013, to consider proposed amendments to Volume 1 – Findings, Volume 2 – Policies, and Volume 3 - Development Code, of the Gresham Community Development Plan related to **Housing Policy**.

The Planning Commission closed the public hearing at the September 9, 2013 meeting, and a final recommendation was made on September 9, 2013.

William Bailey, Chair, presided at the hearing.

A permanent record of this proceeding is to be kept on file in the Gresham City Hall, along with the original of this Type IV Recommendation Order.

The Planning Commission recommends **Adoption** of the proposed Community Development Plan amendments to the City Council based on the findings, conclusions and recommendations of the Staff Report with the following changes:

No changes


Chairperson

9/9/13
Date



MEMORANDUM

Government Relations

STAFF REPORT TYPE IV HEARING—COMPREHENSIVE PLAN AMENDMENT HOUSING POLICY

To: Gresham Planning Commission

From: Ron Papsdorf, Director, Government Relations
Ann Pytynia, AICP, Principal Planner, Urban Design & Planning

Hearing Date: September 9, 2013

Report Date: August 23, 2013

File: CPA 13-078

Proposal: To adopt comprehensive plan amendments to Volumes 1 (Findings), 2 (Policies) and 3 (Development Code) of the Community Development Plan with:

1. Text amendments creating new Housing Policy Findings (Volume 1)
2. Text amendments creating new Goals, Policies and Action Measures for the City's Housing policy (Volume 2)
3. Text amendments updating Goals, Policies and Action Measures for Downtown, Gresham Civic Neighborhood and Central Rockwood (Volume 2)
4. Text amendments to Volume 3 (Development Code) that:
 - a. Extend the expiration date of the Innovative Housing Demonstration Project
 - b. Include Elderly Housing as a Permitted Use subject to Special Use Review in the Townhouse Residential – Springwater (THR-SW) District

Exhibits: 'A' – Proposed Text Amendments

Recommendation: Staff recommends **adoption** of the proposed comprehensive plan amendments.

SECTION I EXECUTIVE SUMMARY

The Housing Policy is part of the 2013 Council Work Plan. This project is designed to:

- Promote housing types in locations that will best leverage the City's community development objectives
- Guide the City's partnerships with housing providers and developers
- Direct the City's use of federal housing resources

The Housing Policy amendments update and replace existing housing-related findings in Volume 1 of the Comprehensive Plan and replace the Housing Policy goals, policies and action measures in Volume 2. New housing-related information, goals, policies and action measures for the Downtown, Gresham Civic Neighborhood and Central Rockwood sections of Volume 2 have also been developed.

Two amendments to Volume 3 (Development Code) are proposed that:

- Extend the end date of the Innovative Housing Demonstration Project
- Include Elderly Housing as a Permitted Use subject to Special Use Review in the Townhouse-Residential-Springwater (THR-SW) District

The findings in Volume 1 include factual information and housing trends information compiled from the US Census, the American Community Survey (ACS), the December 2012 City of Gresham Oregon Housing Study and various Planning and Housing reports. These Volume 1 findings support the goals, policies and action measures developed for Volume 2. The overall Housing Policy (Volume 2, Section 10.600) is being completely replaced. Separate sections in Volume 2 outlining housing goals, policies and action measures have been added to the Downtown, Gresham Civic Neighborhood and Central Rockwood sections of Volume 2.

The Volume 3 amendments are narrowly focused. The first amendment extends the sunset date for the Innovative Housing Demonstration Project from June 3, 2014 to June 3, 2019. The second amendment corrects a mistake in the Development Code. Elderly Housing was inadvertently noted as Not Permitted in the Townhouse Residential – Springwater (THR-SW) District during the Classifying Uses Project that was enacted by City Council on May 2, 2013. Elderly Housing should be listed as a Permitted Use subject to a Special Use Review (SUR).

The project included the following public meetings and public outreach events:

- City Council: 4/12/11, 11/13/12, 5/14/12 and 7/9/12
- Planning Commission: 4/9/12, 1/14/13, 4/8/13 and 7/22/13
- Community Development Housing Subcommittee: 4/19/12, 1/17/13, 4/18/13 and 8/15/13
- Stakeholder Group: 3/8/12, 4/11/13, 8/20/13
- Community Forum: 4/17/13
- Open House: 8/13/13
- Neighborhood Coalition: 4/10/12 and 5/14/13
- East Gresham Neighborhood Fair: 5/22/13

Proposed Comprehensive Plan Amendments Overview

Text changes to the Community Development Plan are proposed. The format of the attached Exhibit 'A' is a ~~strikeout~~/underline version with comments inserted into the document to help explain the rationale for each proposed change. The overview provided below summarizes the changes.

Volume 1 – Findings

Text amendments completely replace the existing version of Section 4.800 Housing Policy. The information provided includes comparative demographic data for Gresham and other cities in the Metro area, Multnomah County and Oregon. Information specific to Gresham includes data on housing types, tenure, sale prices, rental costs, housing growth and a comparison of supply and demand. Volume 1 also describes expected trends in housing needs relating to varying age cohorts, lifestyle changes that affect housing choices and expectations relating to in-migration. A housing needs projection is provided along with suggestions for tools that can help to incent needed and desired housing.

Volume 2 – Policies

Section 10.600 Housing is being completely replaced based upon the findings in Volume 1. The Downtown, Gresham Civic Neighborhood and Central Rockwood Sections are being amended to have new housing specific summary findings, goals, policies and action measures. The existing housing-related action measures in the Downtown and Central Rockwood are being moved into the new housing specific sections for those Volume 2 sections. Affected sections are:

- 10.600 Housing
- 10.314 Downtown Plan District
- 10.318 Gresham Civic Neighborhood
- 10.319 Central Rockwood Area

Goals: There are eight new goals that:

- Promote a full range of housing choices
- Encourage housing investments that contribute to economic development
- Promote livable neighborhoods
- Encourage maintenance and rehabilitation
- Promote the use of appropriate tools to achieve the development of desired housing
- Promote medium to high density housing in Downtown
- Encourage transit-oriented medium to high density housing in the Gresham Civic Neighborhood
- Prioritize high quality housing and rehabilitation of existing housing in Central Rockwood

Policies: There are 38 new policies that:

- Support the development of new and varied housing types for all life stages
- Ensure the development of quality housing
- Encourage mixed-use and live/work dwellings
- Promote a mixture of housing types and housing that complements neighborhood character
- Promote executive housing development
- Support the viability of neighborhoods through public investments
- Support rehabilitation and maintenance
- Promote the development of public-private housing partnerships
- Encourage the investigation of options for the financial, technical and procedural support of quality housing development
- Ensure a full range of housing opportunities in the Downtown and Civic Neighborhood, with a particular focus on home ownership and higher end housing
- Promote home ownership, quality housing and re-development in Central Rockwood

Action Measures: There are 46 new action measures that propose to:

- Extend the end date for the Innovative Housing Demonstration Project
- Recommend the review of alternative housing types like live/work units, accessory dwellings and multi-generational housing

- Promote the development of outreach materials outlining the housing needs of the Gresham populace
- Evaluate housing partnership opportunities (including the use of city land for housing)
- Revisit the Planned Development regulations to determine if this tool could be expanded to more land use districts
- Coordinate infrastructure projects so that walkability is promoted
- Initiate an Opportunity Mapping program
- Maintain a log of any issues arising from the implementation of the Multi-Family Design Standards
- Explore the expanded use of sustainable development practices
- Provide training on the benefits of lower cost housing improvement projects
- Develop a Neighborhood Pride Program
- Monitor the activity of the Rental Housing Inspection Program
- Evaluate the possibility of pre-approving certain housing types
- Provide training to housing professionals on the Multi-Family Design Standards
- Review all potential financial incentives and programs both city-wide and in the Downtown, Civic Neighborhood and Central Rockwood
- Develop a process for potential CDBG/HOME applicants to meet with staff to discuss City housing goals and priorities
- Develop residential design standards specifically for the Gresham Civic Neighborhood
- Promote owner-occupied and moderately priced housing in Central Rockwood
- Implement programs that encourage rehabilitation and maintenance

Volume 3 - Development Code

Text amendments will:

- Permit Elderly Housing by Special Use Review in the Townhouse Residential – Springwater District (THR-SW). During the Classifying Uses Project that was enacted on 5/2/13, a decision was made to prohibit Elderly Housing from low density residential areas. The THR-SW, however, allows for 10.0 – 17.4 units per acre. Elderly Housing was mistakenly noted as Not Permitted in the THR-SW. Also, during the Springwater Planning efforts, there was a decision made to allow Elderly Housing in THR-SW. These amendments correct this mistake.
- Extend the expiration of the Innovative Housing Demonstration Project for five years. The Innovative Housing Demonstration Project was enacted to allow for creative housing types. It is slated to sunset on June 3, 2014. Due the recent economic recession, no projects have been proposed under this program.

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 applicable Metro Urban Growth Management Functional Plan (UGMFP) titles that apply to the proposal.
- Section V identifies the applicable Oregon Statewide 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 policies.
 - Subsection C is findings of fact for the UGMFP titles.
 - Subsection D is findings of fact for the Statewide Planning Goals.
- Sections VII and VIII summarize staff conclusions and recommendations.

- Exhibit 'A' includes proposed amendments to Volume 1 (Findings), Volume 2 (Policies) and Volume 3 (Development Code). Commentary is provided with the Volume 2 and 3 amendments. This commentary provides additional findings for the proposed amendments.

SECTION II APPLICABLE COMMUNITY DEVELOPMENT CODE PROCEDURES

Section 11.0201	Initiation of an Application
Section 11.0203	Classification of Applications by Procedure
Section 11.0204	Review Authorities
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 IV APPLICABLE METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLES

Title 8	Compliance Procedures
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SECTION V APPLICABLE OREGON STATEWIDE PLANNING GOALS

Goal 1	Citizen Involvement
Goal 2	Land Use Planning
Goal 10	Housing

SECTION VI FINDINGS OF FACT

The proposed Community Development Plan amendments attached as Exhibit 'A' 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. Attachment "A" provides "*commentary*" which supplements the findings.

A. Community Development Code Procedures

1. Section 11.0201 – Initiation. This section provides that only the City Council may initiate a Type IV legislative application to amend the text of the Map or Code of the Gresham Community Development Plan. This project was initiated by the City Council when it adopted the 2013 Council Work Plan which included the Housing Policy project.

2. 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 the amendments and the

City Council be the decision-making authority. This project meets those conditions, is being processed under the Type IV procedures and will be heard by the City Council.

3. Section 11.0600 – Type IV Legislative Procedures. For a Type IV Comprehensive Plan Amendment this section requires a submittal to the Department of Land Conservation and Development at least 45 days prior to the Planning Commission hearing. This submittal was made on July 25, 2013, which is at least 45 days prior to the Planning Commission hearing date of September 9, 2013. This section also requires that hearings be scheduled, a notice published in a newspaper of general circulation in the City and a copy of the decision be mailed to those required to receive such notice. Required notice of public hearing for these proposed text amendments has been published in the Gresham Outlook as required by this section.

This section also requires that the Planning Commission shall hold a public hearing and make a recommendation to the Council for an amendment to the Community Development Code and 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 and the Council will make a decision 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.

4. 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 1: The City's land use program will be consistent with state and regional requirements but also shall serve the best interests of Gresham.

Policy 2: The City's land use regulations, actions and related plans shall be consistent with and implement the Comprehensive Plan.

Policy 13: The City may allow single family residential subdivisions and multi-structural commercial, institutional, industrial and multi-family projects to be submitted as planned developments to promote innovative design, protect natural resources and open space areas and to provide flexibility necessary for developers to adapt projects to site conditions.

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.

Findings

The proposed amendments are part of the Housing Policy project which is on the 2013 Council Work Plan and include new background, goals, policies and action measures. This project examined how the City was to address:

- Needed housing
- Public-private partnerships
- Ensuring that the right type of housing is sited in the right location
- Housing incentives
- The rehabilitation of existing housing
- Coordination with Economic Development efforts

The proposed amendments introduce new housing related background and goals, policies, and action measures that outline Gresham's current and future housing needs and its options for involvement in housing development. These amendments also extend the deadline for the Innovative Housing Demonstration Project, allowing developers the option of creating housing projects that include cottages, cluster home development and narrow lot housing. Lastly, these amendments clarify that Elderly Housing projects are permitted through the Special Use Review process in the THR-SW District.

Gresham's 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, 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 Oregon Development and Land Conservation Department (DLCD) and to Metro at least 45 days prior to the scheduled September 9, 2013 Planning Commission hearing. Neither agency has contacted the City regarding this notice.

Conclusion

Policies 1 and 2 are addressed because the proposed text amendments provide an update to the City of Gresham's Community Development Plan Volumes 1 and 2. The updates include new housing related data that formed the basis for new goals, policies and action measures. The Development Code amendments allow for the continuation of the Innovative Housing Demonstration Project for an additional five years. They also correct an inadvertent mistake by now listing Elderly Housing as a permitted use subject to Special Use Review in the THR-SW District. These changes are consistent with state and regional requirements as outlined below.

Policy 13 is addressed because new goals, policies and action measures focusing on sustainability, alternative housing choices and the possible of expansion of land use districts in which Planned Developments are permitted have been developed as part of these amendments.

Policy 20 is addressed because this project updated the factual information in Volume 1, providing the basis for the revision to the housing-related goals, policies and action measures in Volume 2. New demographic information and trends analyses formed the foundation for the development of the Volume 2 revisions. The public and elected officials reviewed and were able to comment upon the preferred approach and draft amendments.

Policy 21 is addressed because the City Council initiated these amendments through the inclusion of this project on the 2013 Council Work Plan.

Policy 23 is addressed through the notice of the proposed amendment to DLCD and Metro.

The proposal is consistent with the applicable general 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 10: The City shall ensure the opportunity for the public to be involved in all phases of planning projects and issues.

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. Public participation opportunities were provided throughout this project:

- City Council: 4/12/11, 11/13/12, 5/14/12 and 7/9/12
- Planning Commission: 4/9/12, 1/14/13, 4/8/13 and 7/22/13
- Community Development Housing Subcommittee: 4/19/12, 1/17/13, 4/18/13 and 8/15/13
- Stakeholder Group: 3/8/12, 4/11/13, 8/20/13
- Community Forum: 4/17/13
- Open House: 8/13/13
- Neighborhood Coalition: 4/10/12 and 5/14/13
- East Gresham Neighborhood Fair: 5/22/13
- City staff prepared a project flyer, posted project materials to the City's website, used Facebook to advertise the Open House and included an article on the Housing Policy work in the Spring 2013 issue of the Gresham newsletter.

Conclusion

The *Citizen Involvement Goal (10.100)* and related policies were address through public outreach efforts. This included community forums, email notices, open house events, website postings and presentations at the Planning Commission, other city committees, and the City Council.

The proposal is consistent with the applicable citizen involvement goals and policies listed in this section.

C. Metro Urban Growth Management Functional Plan

Title 8 Compliance Procedures

Findings

Section 3.07.820 of this title requires that at least 45 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 July 25, 2013, which was at least 45 days prior to the first evidentiary hearing of September 9, 2013. Metro has not contacted the City regarding this notice.

Conclusion

The City has submitted the proposed amendments to Metro at least 45 day prior to the first evidentiary hearing. The proposal is consistent with Title 8.

D. Oregon Statewide Planning Goals

Findings

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

Statewide Planning Goal 2 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. This shall result in land use plans and implementation measures that are consistent with the land use plans."

Statewide Planning Goal 10 requires cities "to provide for the housing needs of the citizens and the state."

A thorough public input process was conducted in the creation of the proposed amendments, which allowed the public to be involved at each stage of the development of these amendments.

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.

The Volume 1 findings determined the current and projected housing needs of Gresham's citizens and formed the foundation for the development of the housing-related goals, policies and action measures.

Conclusion

The proposed amendments comply with Statewide Planning Goals 1 and 2.

SECTION VII CONCLUSION

The proposed comprehensive plan amendments attached as Exhibit 'A' is 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'.

End of Staff Report

Proposed new language is double-underlined;
Proposed deleted language is ~~stricken~~.

CB 11-13

ORDINANCE NO. 1735

AMENDMENTS TO VOLUMES 1, 2 AND 3 OF THE GRESHAM COMMUNITY
DEVELOPMENT PLAN REGARDING HOUSING POLICY

THE CITY OF GRESHAM DOES ORDAIN AS FOLLOWS:

Section 1, Volume 1, Findings, Section 4.800 is repealed and replaced with the following:

Section 4.800

I. INTRODUCTION

Oregon's Statewide Goal 10: Housing is:

To provide for the housing needs of the citizens of the State.

Goal 10 states that local government Comprehensive 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.

City Council has recognized the importance of housing for its residents and included the Housing Policy as part of its adopted Council Work Plan starting in 2011 continuing to 2013. Addressing housing issues is fundamental to the success of any city, its overall vitality, and how its citizens view the overall character of a city. In fact, the Angelo Planning Group in Portland, Oregon, as part of its study of housing and neighborhoods in Beaverton, Oregon, noted that:

Housing is, without question, the most fundamental component of any community. A thorough understanding of housing needs and conditions and the dynamic forces which affect a neighborhood's future is therefore essential in attempting to advance the health and vitality of a community¹.

Gresham's Housing Policy is designed to provide a framework for decision making that will promote the development of adequate numbers and types of housing that will be needed by Gresham's current and future residents. Before the City can adequately plan for needed housing, demographic information and trends must be reviewed to determine the current character of the City's population. It is the City's goal to craft a Housing Policy for the City as a whole, as well as its key centers: Downtown, Civic Neighborhood and Rockwood.

Demographic information, trends analyses and other data will be used to:

- Define the City's role in housing (including partnership opportunities)
- Guide the City's investments of Community Development Block Grant (CDBG)/HOME entitlements
- Promote the right housing in the right location

¹ Angelo Planning Group, "City of Beaverton Final Housing and Neighborhood Stability Analysis," November 2010.

- Promote housing as an economic development tool and a means to achieve overall community objectives
- Provide information on Gresham Redevelopment Commission objectives

II. DEMOGRAPHIC OVERVIEW

A. Introduction

A community's need for housing is determined by the characteristics of its population and population growth projections.

Demographic information was obtained from the 1990, 2000 and 2010 Census, the American Community Survey (ACS) and the City of Gresham Housing Study². As a point of reference, in 2010 approximately 145 million addresses were surveyed by the U.S. Census. By comparison, 3.5 million addresses received the American Community Survey with estimates being compiled on a one year, three year and five year basis. The margin for error with American Community Survey is higher than that of the U.S. Census and can cause ACS data to be much less accurate than that found in the Census.

B. Demographics

Gresham's position in the metropolitan area and within the State is very unique. Gresham is a full service city and, as such, is a very attractive place to live for those families, couples and single person households that wish to live in the Portland metropolitan area, but do not wish to live in a city of Portland's size. Gresham's proximity to the natural areas of Mt. Hood, the Sandy River and the Columbia Gorge also serves as a strong draw for people who wish to live in a city and enjoy urban services, yet have ready access to outdoor recreational areas.

Gresham also is a city committed to social and economic development and provides, through its land use regulations, options for a variety of housing types from larger lot single family homes to multiple family and mixed use developments that can be characterized by rental or ownership properties (such as condominiums).

Gresham is the fourth most populous city in Oregon, and the second most populous 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.

C. Historic Population Trends

A review of the changes in Gresham's population as compared to other jurisdictions in the Portland metropolitan area, Multnomah County and the State provides insight into the character of population growth in the city.

Gresham's population growth was significant over the last thirty years, but increases have varied from a large increase between 1990 and 2000, to a more moderate growth between 2000 and 2010. During the 1970's and 1980's, the City experienced significant annexation activity. Aside from the annexation of 521 acres of rural lands in Pleasant Valley in 2006, that trend has not continued. The only expected significant annexations would be in the Springwater, Pleasant Valley and Kelley Creek Headwaters areas as those currently unincorporated areas become more primed for development.

Table 1, Comparative Population Growth, illustrates the changes in Gresham's population over a 20 year period and serves as a point of comparison with other Portland Metropolitan area cities, Multnomah County and the State of Oregon.

² Johnson Reid, LLC, City of Gresham Oregon Housing Study, December 2012.

Between 1990 and 2000, Gresham's population increased by approximately 32%, while the increase between 2000 and 2010 was a more moderate 17%. The total population increase for Gresham over this 20 year period (1990 to 2010) was over 37,000 residents and represents a 54.5% overall increase in population for that time period. Gresham, Beaverton, Hillsboro and Portland all saw larger population increases from 1990 to 2000 as compared to the period between 2000 and 2010.

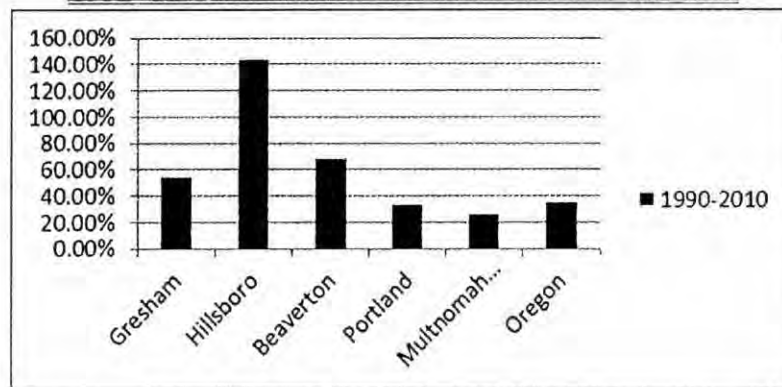
TABLE 1. COMPARATIVE POPULATION GROWTH

	<u>1990</u>	<u>2000</u>	<u>% change</u> <u>1990 -2000</u>	<u>2010</u>	<u>% change</u> <u>2000-2010</u>	<u>%</u> <u>change</u> <u>1990-</u> <u>2010</u>
<u>Gresham</u>	<u>68,235</u>	<u>90,205</u>	<u>32.1%</u>	<u>105,594</u> ³	<u>17.0%</u>	<u>54.5%</u>
<u>Hillsboro</u>	<u>37,598</u>	<u>70,186</u>	<u>86.6%</u>	<u>91,611</u>	<u>30.5%</u>	<u>143.6%</u>
<u>Beaverton</u>	<u>53,310</u>	<u>79,277</u>	<u>48.7%</u>	<u>89,803</u>	<u>13.3%</u>	<u>68.4%</u>
<u>Portland</u>	<u>437,319</u>	<u>529,121</u>	<u>20.9%</u>	<u>583,776</u>	<u>10.32%</u>	<u>33.5%</u>
<u>Multnomah</u> <u>County</u>	<u>583,887</u>	<u>660,486</u>	<u>13.1%</u>	<u>735,334</u>	<u>11.3%</u>	<u>25.9%</u>
<u>Oregon</u>	<u>2,842,321</u>	<u>3,421,399</u>	<u>20.4%</u>	<u>3,831,074</u>	<u>11.9%</u>	<u>34.8%</u>

Source: U.S. Census

Figure 1 represents a graphic comparison of this information for the twenty year period of 1990 - 2010. Gresham has outpaced Portland, the County and the State, but Hillsboro and Beaverton have experienced a higher overall percentage of growth during this time period.

FIGURE 1. COMPARATIVE POPULATION GROWTH 1990 - 2010



D. Race and Ethnicity

Information on race and ethnicity from 1990 and 2000 come from the U.S. Census; 2010 data was obtained from the American Community Survey. These sources provide the following definitions:

³ According to Portland State University's Population Research Center, Gresham's population on July 1, 2012 was 105,970, a slight increase from the 2010 census figure.

Race – White, Black, Asian, American Indian or Alaska Native, Native Hawaiian, other Pacific Islander, some other race or persons of two or more races

Ethnicity – This category distinguishes between Hispanic or Latino or not Hispanic or Latino

Tracking ethnic and racial trends is important to the development of housing policies because immigrants and certain ethnic populations tend to have larger families and need larger dwelling types because of those characteristics.

The following charts show the racial and ethnic breakdown of Gresham and other jurisdictions for 1990, 2000 and 2010. Changes over this twenty year period illustrate the relatively rapid changes occurring in the State and Portland metropolitan area.

1990 Racial/Ethnic Composition

In 1990, Gresham, like much of Oregon had a largely white populace as illustrated in Table 2. The Hispanic/Latino population mirrored that of the state and other jurisdictions (with the exception of Hillsboro which had a higher population of Hispanics/Latinos at 11.2%). Similarly, Gresham's relatively small Asian populace was similar to that of most of the Portland metropolitan area and the state, once again with the exception of one jurisdiction, Beaverton.

TABLE 2. 1990 RACIAL/ETHNIC CHARACTERISTICS

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>Oregon</u>
<u>White</u>	<u>93.8%</u>	<u>89.4%</u>	<u>88.6%</u>	<u>84.6%</u>	<u>86.9%</u>	<u>92.8%</u>
<u>Black</u>	<u>1.1%</u>	<u>.99%</u>	<u>.48%</u>	<u>7.6%</u>	<u>6.0%</u>	<u>1.6%</u>
<u>American Indian/Alaska Native</u>	<u>.95%</u>	<u>.54%</u>	<u>.55%</u>	<u>1.2%</u>	<u>1.2%</u>	<u>1.3%</u>
<u>Asian and Pacific Islander</u>	<u>2.7%</u>	<u>7.6%</u>	<u>2.2%</u>	<u>5.3%</u>	<u>4.7%</u>	<u>2.4%</u>
<u>Two or more/other</u>	<u>1.5%</u>	<u>1.5%</u>	<u>8.2%</u>	<u>1.2%</u>	<u>1.2%</u>	<u>1.8%</u>
<u>Hispanic or Latino</u>	<u>3.3%</u>	<u>3.3%</u>	<u>11.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.9%</u>
<u>White persons not Hispanic</u>	<u>92.0%</u>	<u>87.6%</u>	<u>85.6%</u>	<u>82.9%</u>	<u>85.2%</u>	<u>90.7%</u>

Source: US Census

Racial/Ethnic Trends 1990 – 2000

Between 1990 and 2000 Gresham became an increasingly diverse city. In 1990, 93.8% of Gresham's population characterized itself as White, with that percentage changing to 82.7% in 2000. This shift towards diversity was seen in all cities in the study area, the county and the state itself.

When comparing Gresham to other jurisdictions, Table 3 shows that both Gresham and Hillsboro saw large increases in the Hispanic/Latino population during this 10 year period. There was a small increase in the Black population in Gresham, Beaverton and Hillsboro, and a small decrease in that same populace in Portland and Multnomah County. This could be because of a small shift of that population to areas outside of Portland. Citizens identifying themselves as Asian or Pacific Islanders also increased in number and percentage across the jurisdictions reviewed.

TABLE 3. 2000 RACIAL/ETHNIC CHARACTERISTICS

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>Oregon</u>
<u>White</u>	<u>82.7%</u>	<u>78.3%</u>	<u>77.5%</u>	<u>77.9%</u>	<u>79.2%</u>	<u>86.6%</u>
<u>Black</u>	<u>1.9%</u>	<u>1.7%</u>	<u>1.2%</u>	<u>6.6%</u>	<u>5.7%</u>	<u>1.6%</u>
<u>American Indian/Alaska Native</u>	<u>.9%</u>	<u>.7%</u>	<u>.8%</u>	<u>1.1%</u>	<u>1.0%</u>	<u>1.3%</u>
<u>Asian and Pacific Islander</u>	<u>3.6%</u>	<u>10.1%</u>	<u>6.8%</u>	<u>6.7%</u>	<u>6.2%</u>	<u>3.2%</u>
<u>Two or more races/other</u>	<u>10.9%</u>	<u>9.2%</u>	<u>14.7%</u>	<u>8.7%</u>	<u>8.9%</u>	<u>7.3%</u>
<u>Hispanic or Latino</u>	<u>11.9%</u>	<u>3.7%</u>	<u>18.9%</u>	<u>6.8%</u>	<u>7.5%</u>	<u>8.0%</u>
<u>White persons not Hispanic</u>	<u>78.9%</u>	<u>73.6%</u>	<u>70.3%</u>	<u>75.5%</u>	<u>76.5%</u>	<u>83.5%</u>

Source: US Census

Racial/Ethnic Trends 2000 - 2010

Table 4 illustrates changes to ethnic and racial profiles that started in the ten year period from 1990 to 2000 continued between 2000 and 2010. Gresham residents characterizing themselves as White declined again, this time from 82.7% to 76%. This same shift was seen in the metropolitan area, but less of a change was noted in the overall state.

During this same time, Gresham's Hispanic/Latino population grew from 11.9% to 18.9%. Other shifts were seen in the Portland Metropolitan area. In Beaverton, the increase in the Latino population was 3.7% to 16.3%; in Hillsboro 18.9% to 22.6%; and in Portland, 6.8% to 9.4%. Statewide, the Hispanic/Latino population went from 8.0% to 12%.

Other demographic changes included a general rise in the percentage of persons identifying themselves as Asian, with increases being seen in all jurisdictions. The percentage of persons identifying themselves as Asian in Gresham is roughly 5%, while the percentage in other areas of the metropolitan area is a bit larger.

TABLE 4. 2010 RACIAL/ETHNIC CHARACTERISTICS

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>Oregon</u>
<u>White</u>	<u>76.0%</u>	<u>73%</u>	<u>73.3%</u>	<u>76.7%</u>	<u>76.5%</u>	<u>83.6%</u>
<u>Black</u>	<u>3.5%</u>	<u>2.6%</u>	<u>2.0%</u>	<u>6.3%</u>	<u>5.6%</u>	<u>1.8%</u>
<u>American Indian/Alaska Native</u>	<u>1.3%</u>	<u>.6%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.1%</u>	<u>1.4%</u>
<u>Asian and Pacific Islander</u>	<u>5.0%</u>	<u>10.5%</u>	<u>9.0%</u>	<u>7.6%</u>	<u>7.0%</u>	<u>4.0%</u>
<u>Two or more races/other</u>	<u>13.3%</u>	<u>12.7%</u>	<u>14.7%</u>	<u>8.9%</u>	<u>10.7%</u>	<u>9.1%</u>
<u>Hispanic or Latino</u>	<u>18.9%</u>	<u>16.3%</u>	<u>22.6%</u>	<u>9.4%</u>	<u>11.1%</u>	<u>12%</u>
<u>White persons not Hispanic</u>	<u>68.7%</u>	<u>66.3%</u>	<u>62.7%</u>	<u>72.2%</u>	<u>72.1%</u>	<u>78.1%</u>

Source: US Census

Racial/Ethnic Trends in Gresham

The following graphs (Figures 2 and 3) show a breakdown of racial and ethnic trends specific to Gresham. Although Gresham's population is primarily made up of those persons characterizing themselves as White, the trends towards diversity is illustrated by the uptick seen in those who characterize themselves as identifying with a race or races other than White.

FIGURE 2. RACIAL TRENDS IN GRESHAM 1990 - 2010

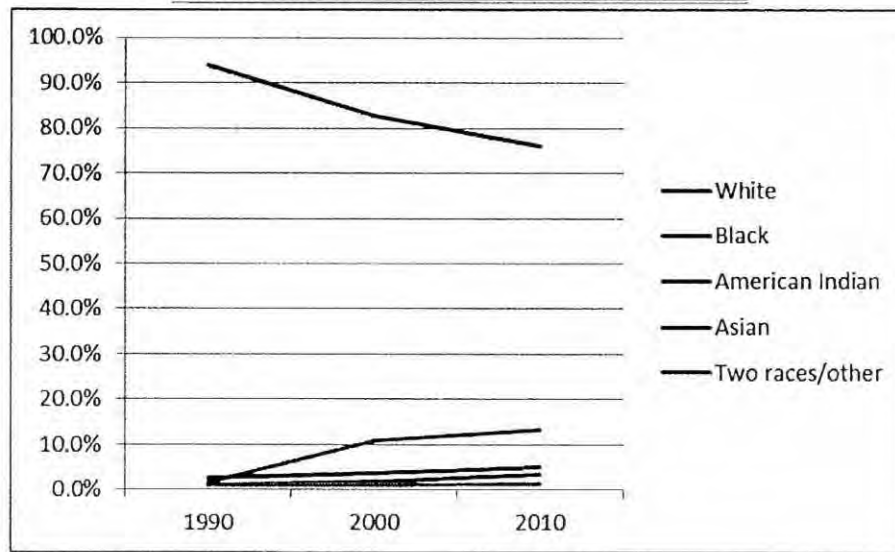
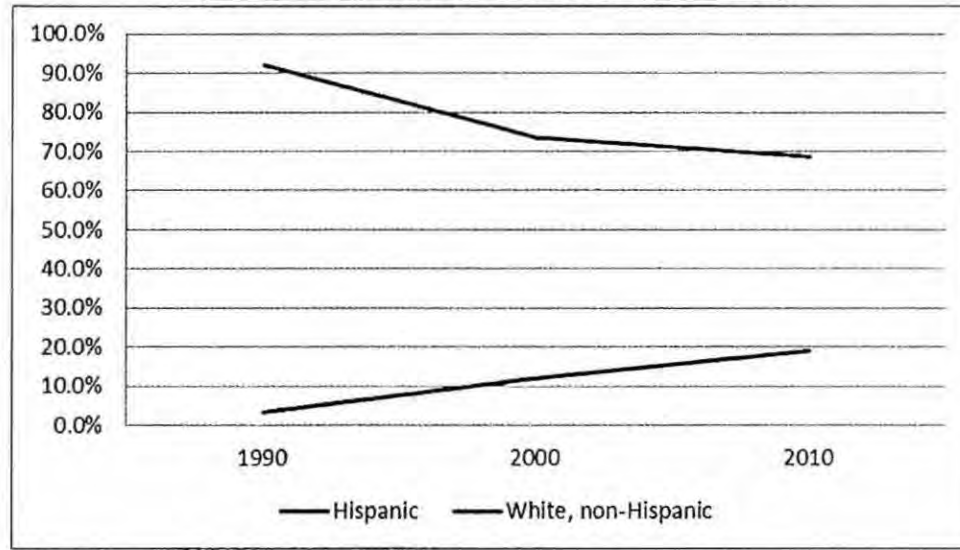


Figure 3 specifically shows the changes in the Hispanic/Latino populace when compared to the percentage of White persons not identifying as Hispanic/Latino in Gresham.

FIGURE 3. ETHNIC TRENDS IN GRESHAM 1990 - 2010



Mapping Gresham's Hispanic and Asian Populations

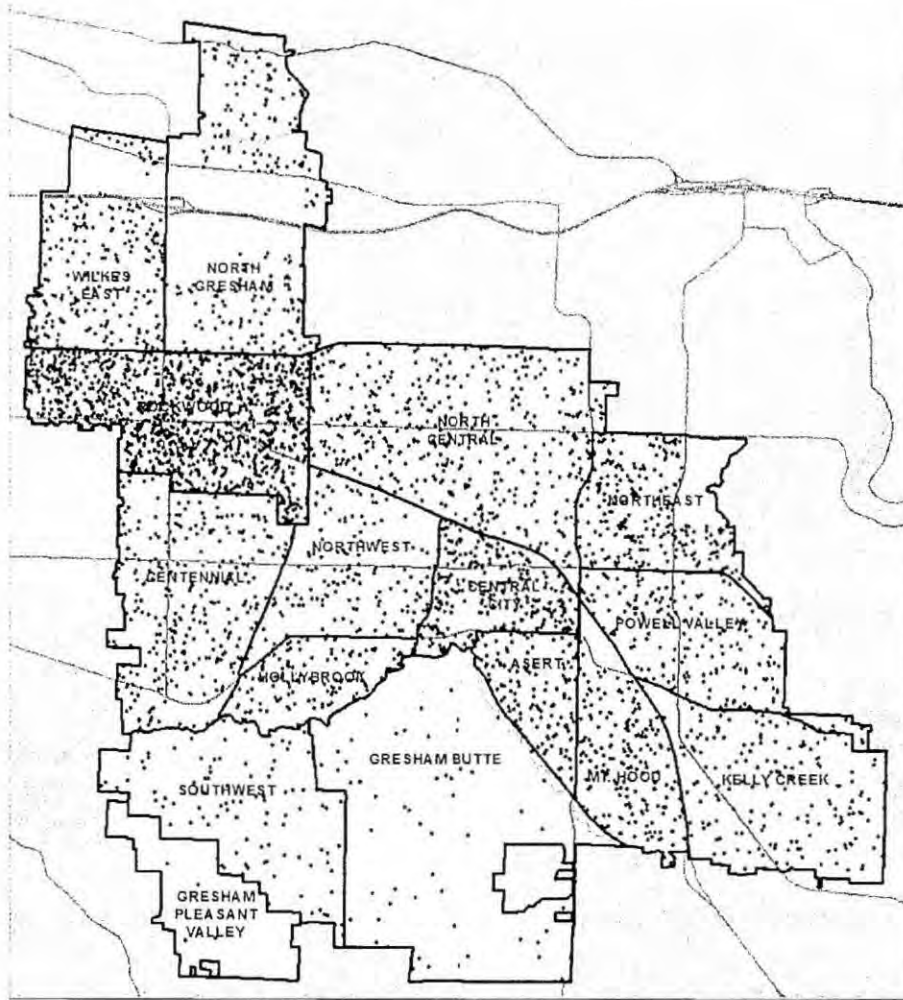
The housing needs of those persons characterizing themselves as Hispanic and Asian can be somewhat different than the rest of Gresham's population as these two populations tend to have larger families. Also, as noted in the next section of this report, Immigration, recent immigrants also often have larger families or multi-generational families.

Please note that the following maps (Figures 4 and 5) do not identically graphically depict these populations⁴.

The population of persons identifying themselves as Hispanic or Latino is not consistently spread over the City. Figure 4 depicts the 2010 density of the City's Hispanic population, with one dot representing 5 people. The largest concentration of those identifying themselves as Hispanic is in the Rockwood Neighborhood with a somewhat dense population also located within the Central City. There is a smaller Hispanic population in Southwest, Gresham Butte and Gresham Pleasant Valley.

⁴ One dot represents 5 people in Figure 4; one dot represents one person in Figure 5.

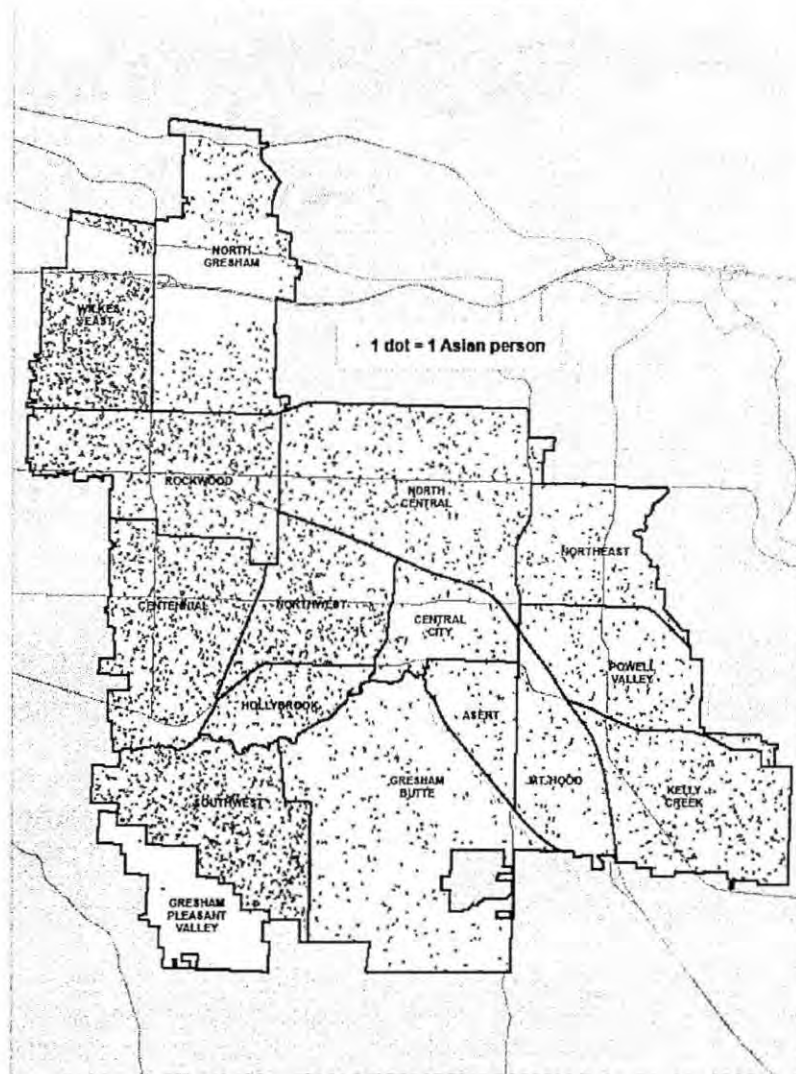
FIGURE 4. HISPANIC POPULATION BY NEIGHBORHOOD 2010
(One dot represents five people)



Source: US Census

Although not as dramatic as the concentration of persons identifying themselves as Hispanic/Latino, Gresham's Asian population also tends to concentrate in certain parts of the City, with a higher percentage found within the Wilkes East and Southwest neighborhoods. Figure 5 illustrates the concentration of the Asian population over the City.

FIGURE 5. ASIAN POPULATION BY NEIGHBORHOOD 2010
(One dot represents one person)



Source: US Census

E. Immigration

Gresham's percentage of foreign born persons increased from 13% in 2000 to 17% in 2010 while the percentage in the Portland/Vancouver Metropolitan Statistical Area is 12.5% using 2010 figures⁵. The character of the immigrant population is pertinent to housing choices because the average immigrant household is characterized by larger family size (3.8 persons per household vs. 2.7 persons per household city wide), and it has a lower median household income (\$38,000 vs. \$47,000 city wide).

Recent immigrants tend to be renters, with 53% renting while an average of 47% of all Gresham residents being renters. Although Table 5 illustrates the breakdown of Gresham's foreign born population in 2000 and 2010, the fact

⁵ All immigration data is taken from the U.S. Census and the American Community Survey 2006-2010. Margins of error are large at 7.7% for estimates of foreign born persons, 12% and 16% for Latin American and Asian populations.

that 2000 data is taken from the US Census and 2010 data is taken from the American Community Survey reduces the ability to compare the information across this time period.

TABLE 5. GROWTH IN GRESHAM'S FOREIGN-BORN POPULATION

	2000		2010		Growth	
	Number	Share	Number	Share	Number	Growth
Foreign-born population	11,828		16,856		5,028	43%
Europe	2,061	17%	2,746	16%	685	33%
Asia	2,240	19%	3,267	19%	1,027	46%
Africa	177	1%	176	1%	-1	-1%
Oceania	154	1%	206	1%	52	34%
Latin America	6,688	57%	10,044	60%	3,356	50%
Northern America	508	4%	417	2%	-91	-18%

* Latin America includes Mexico, Caribbean, Central and South America. Northern America includes Canada and Greenland
SOURCE: US Census, Johnson Reid LLC

F. Age Characteristics

Over the last 20 years, Gresham has seen a shift in its population when reviewing the trends of both its youngest and oldest population groups. The following tables illustrate how the age of Gresham's population has changed from 1990 through 2010. This information also serves as a means of comparing Gresham's trends with those of other jurisdictions.

The age distribution of a population is important when examining housing trends because different age groups have different housing needs and wants. Over the course of time housing needs also change as people mature, start families, become empty nesters and eventually retire from the workforce. Economic health and other lifestyle considerations also often determine the type and location of housing needed by various age groups.

In 1990, Gresham had a population whose average age generally mirrored the characteristics of other Portland area first tier suburban communities. The population of Portland, the county and the state was slightly older. Gresham's percentage of persons under 18 was higher than every jurisdiction reviewed aside from Hillsboro and its population of persons over the age of 65 lower when compared with Portland, Multnomah County and Oregon.

TABLE 6. 1990 AGE CHARACTERISTICS

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>Oregon</u>
<u>Median Age</u>	<u>32.3</u>	<u>31.8</u>	<u>30.5</u>	<u>34.5</u>	<u>34.2</u>	<u>34.6</u>
<u>Under 18</u>	<u>27.4%</u>	<u>25.0%</u>	<u>31.0%</u>	<u>21.9%</u>	<u>23.1%</u>	<u>25.5%</u>
<u>65 and older</u>	<u>10.0%</u>	<u>9.1%</u>	<u>8.7%</u>	<u>14.6%</u>	<u>13.6%</u>	<u>13.8%</u>

Source: US Census

In the year 2000, we see very little shift in the percentages. Gresham continued to be a younger city than that of Portland, the county and the state. The percentage of the youngest population group remained static. There was no real change in the percentage of persons over the age of 65.

TABLE 7. 2000 AGE CHARACTERISTICS

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>Oregon</u>
<u>Median Age</u>	<u>32.5</u>	<u>32.6</u>	<u>29.7</u>	<u>35.2</u>	<u>34.9</u>	<u>36.3</u>
<u>Under 18</u>	<u>27.5%</u>	<u>25.0%</u>	<u>28.3%</u>	<u>21.1%</u>	<u>22.3%</u>	<u>24.7%</u>
<u>65 and older</u>	<u>9.8%</u>	<u>9.0%</u>	<u>6.3%</u>	<u>11.6%</u>	<u>11.1%</u>	<u>12.8%</u>

Source: US Census

Between 2000 and 2010, the median age of Gresham's residents increased. However, Gresham's population remained younger than that of the overall State, the County and Portland.

The percentage of Gresham's residents that are under the age of 18, at 26.4%, is one of the highest of the jurisdictions studied. Gresham's older generation also continued to grow by almost a full percentage point between 2000 and 2010 and was of a similar character when compared with most of the metropolitan area.

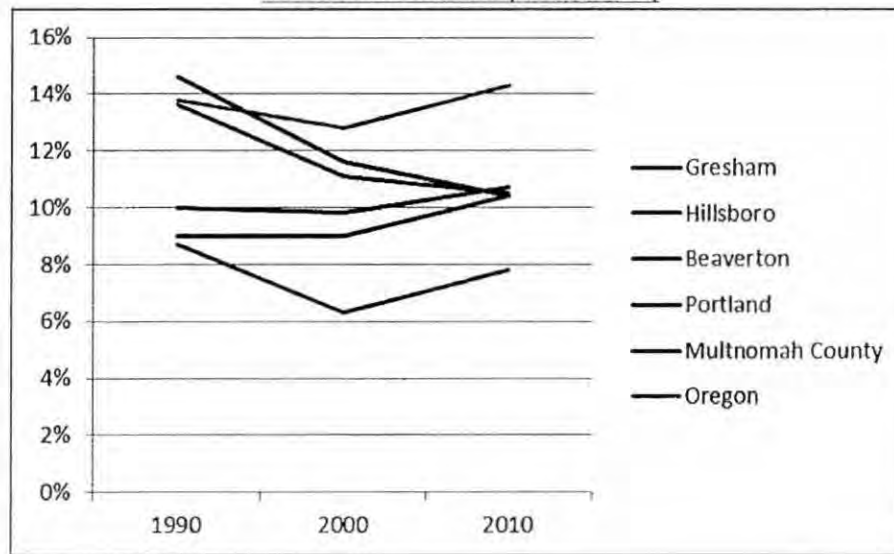
TABLE 8. 2010 AGE CHARACTERISTICS

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>State of Oregon</u>
<u>Median Age</u>	<u>33.6</u>	<u>33</u>	<u>29.7</u>	<u>35.8</u>	<u>35.7</u>	<u>38.4</u>
<u>Under 18</u>	<u>26.4%</u>	<u>22.9%</u>	<u>26.8%</u>	<u>19.9%</u>	<u>20.5%</u>	<u>22.3%</u>
<u>65 and older</u>	<u>10.7%</u>	<u>10.4%</u>	<u>7.8%</u>	<u>10.4%</u>	<u>10.5%</u>	<u>14.3%</u>

Source: US Census

A graphic representation of trends in the over 65 population across jurisdictions is found in Figure 6.

**FIGURE 6. COMPARATIVE TRENDS
SENIOR POPULATION (65 and Older)**



The following information in Figures 7 and 8 graphically show Gresham-specific trends in the age characteristics of its population from 1990 through 2010.

As noted earlier, Figure 7 shows that the younger population is remaining relatively steady or decreasing slightly, but like many places in the United States, the whole population is living longer, causing the overall population to be older. Although the differences are slight in Figure 7, consideration must be made about the relatively small time frame being reviewed.

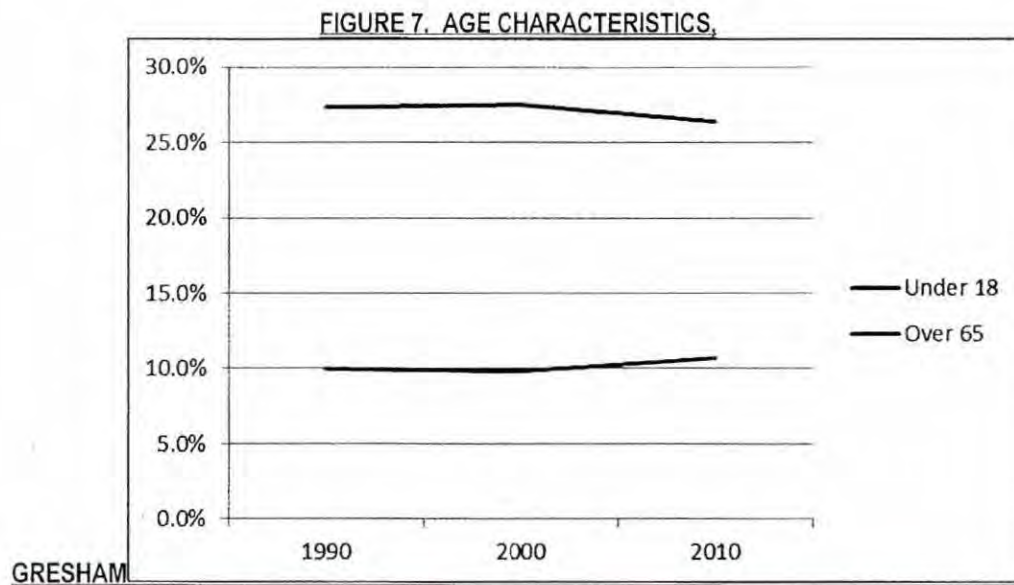
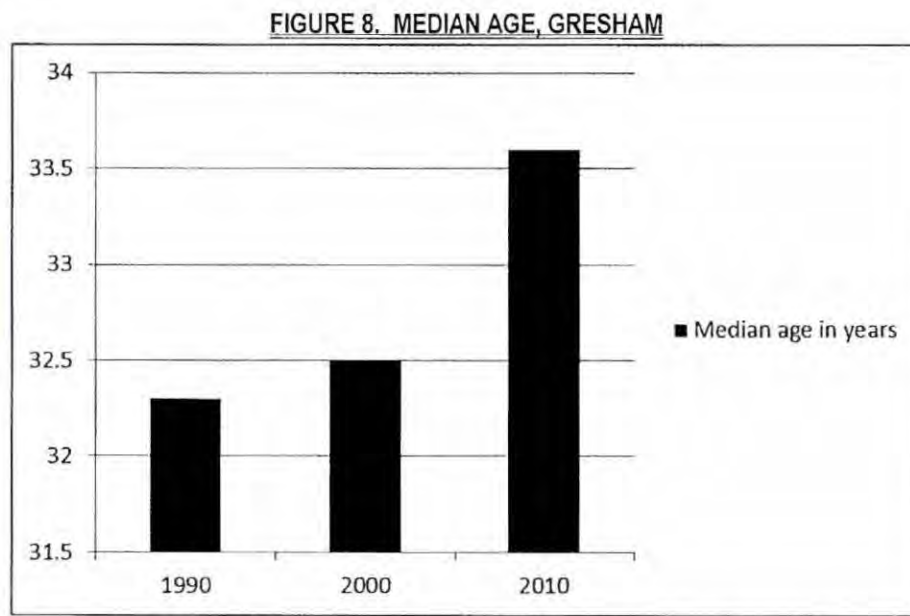


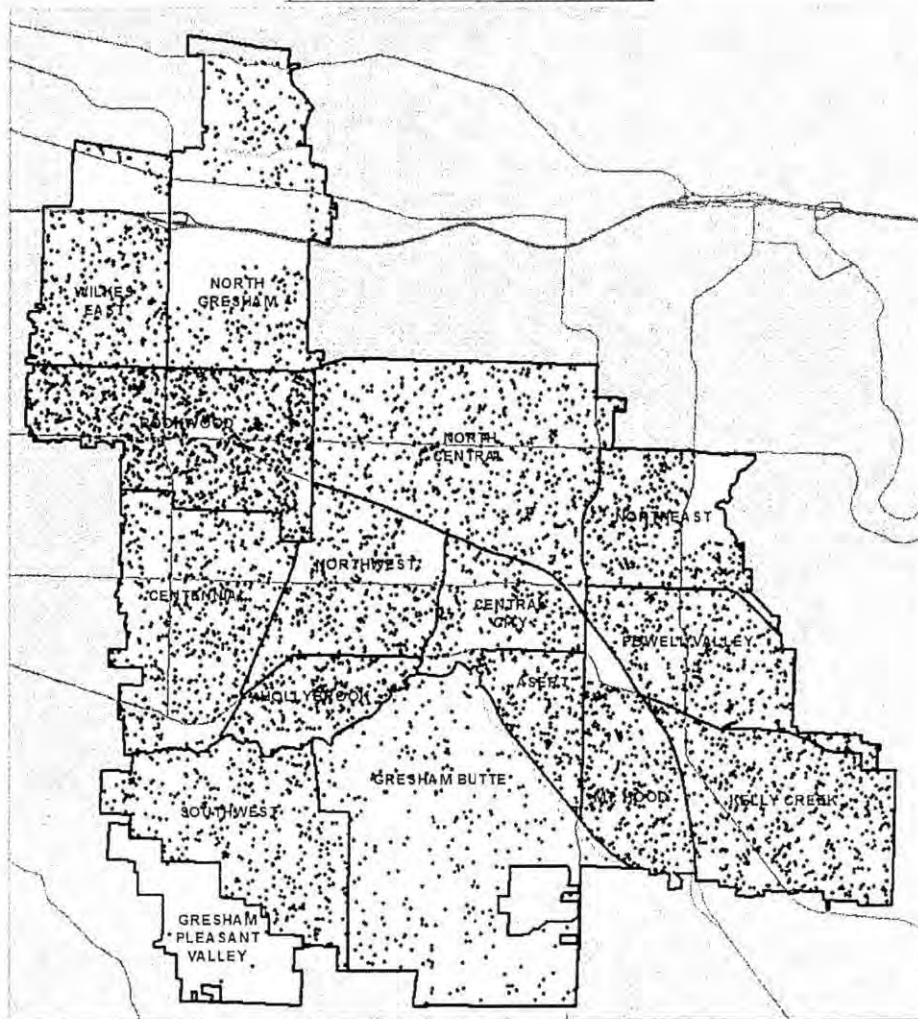
Figure 8 also demonstrates that Gresham's population is aging. Although the change between 1990 and 2000 shows a gradual increase in the median age, the difference in the change between 2000 and 2010 is more pronounced.



The location of both young and older populations is pertinent to Gresham's housing needs because younger people (under the age of 18) generally are found in families that need larger accommodations and more bedrooms. Older persons may wish to downsize living units, lot sizes and desire housing that anticipates the needs of potential aging and health concerns such as the number of floors in a dwelling and whether it can be made accessible.

Figure 9 demonstrates that the highest concentration of persons under the age of 18 is found in the Rockwood neighborhood. With the exception of Gresham Butte and Gresham Pleasant Valley, which have the lowest numbers of this age group in the City, the distribution of persons under the age of 18 is relatively evenly distributed throughout the other City neighborhoods.

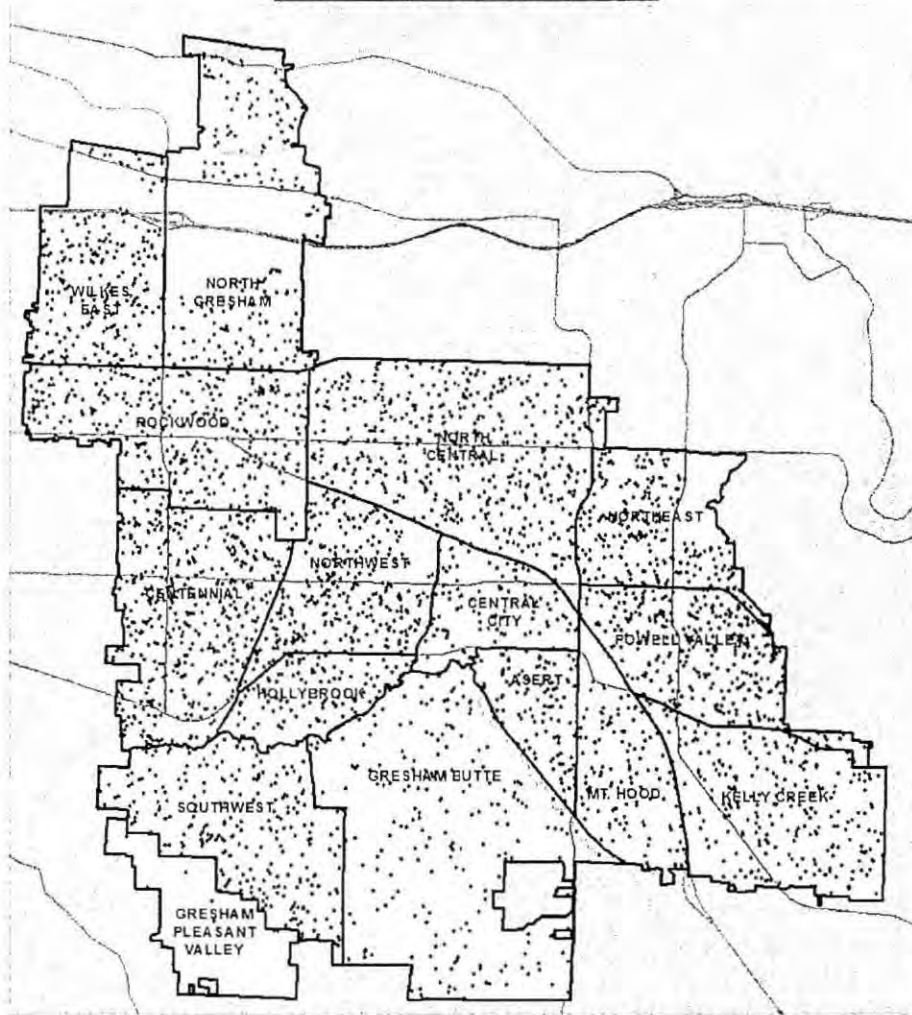
FIGURE 9. PERSONS UNDER THE AGE OF 18 BY NEIGHBORHOOD 2010
(Each dot represents five children)



Source: US Census

Figure 10 represents the distribution of persons over the age of 65 by Gresham neighborhood. The distribution of this particular population cohort is not as dramatic as that of persons under the age of 18. This suggests, as has other demographic data, that the overall population is aging, and the housing needs of that population within most City neighborhoods need to be recognized.

FIGURE 10. PERSONS OVER THE AGE OF 65 BY NEIGHBORHOOD 2010
(Each dot represents three persons)



Source: US Census

G. Education

A historical perspective on the comparative educational background of Gresham's residents is found in the following tables. There generally is a correlation between educational attainment and income. Family income and levels of poverty, of course, can be a fundamental reason for housing choices.

In 1990, Gresham's populace was similar to all but Beaverton in the percentage of citizens that had obtained a minimum of a high school diploma.⁶ However, a difference is noted in the percentage of Gresham's residents that

⁶ The percentage of the population with a high school degree or higher also includes those that have obtained a Bachelor's degree or higher.

had a Bachelor's or higher degree, with Gresham's populace having the fewest degrees of those jurisdictions reviewed.

**TABLE 9. 1990 EDUCATIONAL ATTAINMENT
PERSONS 25 YEARS AND OVER**

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>State of Oregon</u>
<u>H.S. grad or higher</u>	<u>83.6%</u>	<u>91.5%</u>	<u>81.7%</u>	<u>82.9%</u>	<u>82.9%</u>	<u>81.5%</u>
<u>Bachelor's or higher</u>	<u>15.9%</u>	<u>36.0%</u>	<u>19.3%</u>	<u>25.9%</u>	<u>23.7%</u>	<u>20.6%</u>

Source: US Census

By the year 2000, even though the number of persons with a Bachelor's degree increased, the increase was not substantial enough to put Gresham on par with other jurisdictions. The percentage of persons with a high school diploma or higher was a bit lower than the other cities reviewed.

**TABLE 10. 2000 EDUCATIONAL ATTAINMENT
PERSONS 25 YEARS AND OVER**

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>State of Oregon</u>
<u>H.S. grad or higher</u>	<u>83.1%</u>	<u>90.0%</u>	<u>84.2%</u>	<u>85.7%</u>	<u>85.6%</u>	<u>85.1%</u>
<u>Bachelor's or higher</u>	<u>18.4%</u>	<u>39.1%</u>	<u>29.5%</u>	<u>32.6%</u>	<u>30.7%</u>	<u>25.1%</u>

Source: US Census

By 2010, the percentage of Gresham's population that had obtained a high school diploma had increased from the 2000 figure. Gresham's percentage of persons with a Bachelor's degree was the same as what it was in 2000⁷, while the other jurisdictions reviewed also had an increase in the percent of those persons with college degrees.

For purposes of comparison, 88.9% of Oregon residents have at least a high school diploma, while 29% of Oregonians have a Bachelor's or higher degree. Although Gresham residents were characterized by 84.4% having high school diplomas, Gresham's percentage was the lowest of those with Bachelor's degrees at 18.4%.

⁷ In 2010, the margin of error for the Gresham information is 1.3% for the percentage of those with a high school diploma or higher and 1.2% for those with a Bachelor's degree or higher.

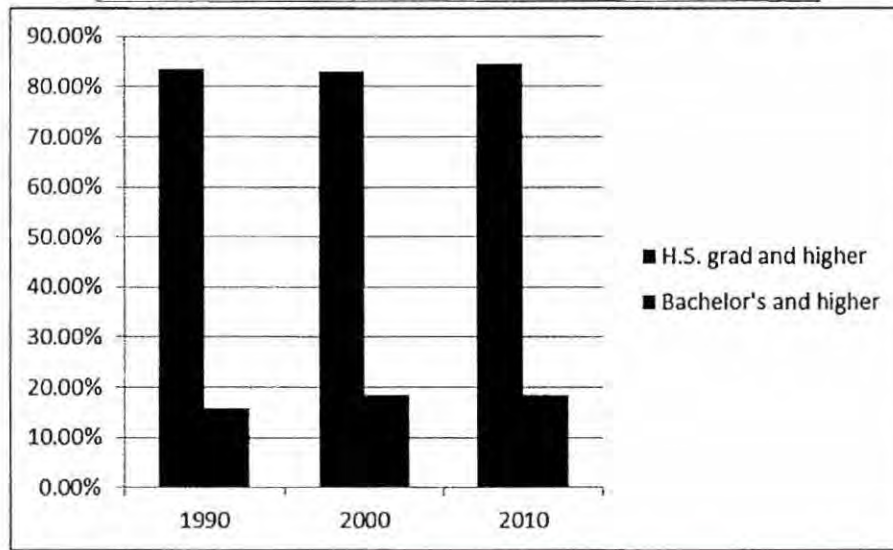
**TABLE 11. 2011 EDUCATIONAL ATTAINMENT
PERSONS 25 YEARS AND OVER**

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>State of Oregon</u>
<u>H.S. grad or higher</u>	<u>84.4%</u>	<u>91.5%</u>	<u>86.6%</u>	<u>89.9%</u>	<u>89.3%</u>	<u>88.9%</u>
<u>Bachelor's or higher</u>	<u>18.4%</u>	<u>42.8%</u>	<u>34.2%</u>	<u>42.0%</u>	<u>38.3%</u>	<u>29.0%</u>

Source: American Community Survey 2007-2011 5 Year Estimates

Figure 11 illustrates the changes in Gresham's educational attainment over the last 20 years. There has been a slight increase in those with a high school diploma between 2000 and 2010, but the percentage of those with a Bachelor's degree or higher has essentially stayed the same.

FIGURE 11. EDUCATIONAL ATTAINMENT IN GRESHAM 1990 - 2011



H. Current Household Income

Household income is a limiting factor in the types of housing that families can afford. The Department of Housing and Urban Development (HUD)'s policy is that a household should not pay more than 30% of its gross income on housing costs (rent/mortgage and utilities), and those that do are considered to be cost burdened.⁸ Persons living below the poverty level have a much higher chance of being cost burdened and have to make choices about housing and other necessities based upon economic status.

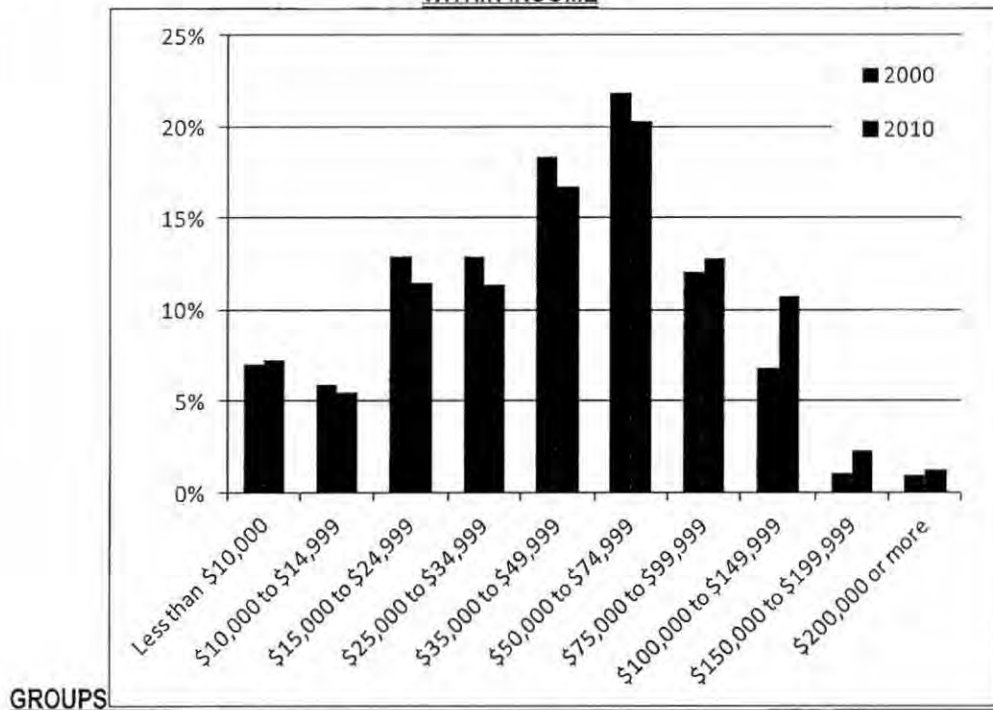
There was a decrease in Gresham's average income between 2000 and 2010. In 2000, Gresham's median income was 3% higher than the national median, but by 2010, the City median was 6% lower. Similarly, Gresham's median income exceeded Portland's and Oregon's by 6% and 8% respectively. That trend changed in 2010. Between 2000 and 2010, Gresham's median income increased by 7%, but that was insufficient to keep up with the inflation rate of 27%.⁹

⁸ Cities of Portland and Gresham, Oregon, Multnomah County, Oregon; Consolidated Plan, 2011-2016, page 46.

⁹ Bureau of Labor Statistics, Johnson Reid, City of Gresham Housing Study, December 2012, page 12.

Figure 12 illustrates the percentage of household within the noted income groups in Gresham in 2000 and 2010. Of these groups, the largest percentage of Gresham's residents, about 21%, has a household income of \$50,000 to \$75,000. Roughly 27% of households have an income of over \$75,000.

**FIGURE 12. SHARE OF GRESHAM HOUSEHOLDS
WITHIN INCOME**



Source: Claritas Inc.¹⁰, Johnson Reid LLC

Table 12 illustrates 2010 American Community Survey information on household income and indicators of poverty. As background information, the federal poverty level for a family of four is income of \$22,050 annually for all states, except Alaska and Hawaii, according to U.S. Department of Health and Human Services guidelines. The federal poverty rate for an individual is \$10,830 annually.

The median family income in Gresham is \$47,154¹¹ which is very comparable to median income in Portland, Multnomah County and the State. Incomes in Beaverton and Hillsboro are higher, and this is partially reflected in the Median Family Income (MFI) figure of \$67,290 in the Portland Metropolitan Statistical Area (MSA)¹². The Portland MSA includes Clackamas, Columbia, Multnomah, Washington and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.

As the table below indicates, the level of poverty and the need for public assistance is greater in Gresham than in any of the jurisdictions researched. This can present a challenge to the City in regard to the provision of services as well as planning for housing for the portion of the population that may have disadvantages in terms of housing availability and choices.

¹⁰ Income estimates are based on American Community Survey updated to the current year using methodology developed by Claritas. This information is based on 2008-2010 ACS data with a margin of error of 1.3%.

¹¹ Income data is based upon the American Community Survey 5 year estimates. Margin of error is 3%.

¹² This information is derived from the American Community Survey 2009 1 year estimates. The margin of error is \$1,323.

**TABLE 12. 2010 COMPARATIVE MEDIAN HOUSEHOLD INCOME AND
POVERTY INDICATORS**

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>State of Oregon</u>
<u>Median HH Income</u>	<u>\$47,164</u>	<u>54,885</u>	<u>63,618</u>	<u>\$47,185</u>	<u>\$48,043</u>	<u>\$46,560</u>
<u>Social Security Assistance</u>	<u>26.7%</u>	<u>20%</u>	<u>20.6%</u>	<u>22.5%</u>	<u>23%</u>	<u>30.1%</u>
<u>Cash public assistance</u>	<u>4.9%</u>	<u>2.7%</u>	<u>2.9%</u>	<u>4.2%</u>	<u>4.2%</u>	<u>3.6%</u>
<u>With Food stamps/SNAP benefits¹³</u>	<u>23.3%</u>	<u>11.5%</u>	<u>13.8%</u>	<u>20.7%</u>	<u>20.6%</u>	<u>17.9%</u>
<u>% Families below poverty level</u>	<u>16.2%</u>	<u>5.9%</u>	<u>8.2%</u>	<u>13.4%</u>	<u>13.6%</u>	<u>11.0%</u>
<u>% Families below poverty level with children under 18</u>	<u>25.3%</u>	<u>11.3%</u>	<u>12.9%</u>	<u>21.4%</u>	<u>21.8%</u>	<u>18.2%</u>

Source: American Community Survey, 1 Year Estimates, 2010

Figure 13 graphically depicts the median household income across the studied jurisdictions. Although Gresham appears to have the lowest median income, it is important to note that the margin of error for this figure is +/- \$3,634. If the median is actually higher than the \$47,164 it could mean that Gresham's median household income is higher than that of Portland and the County.

¹³ SNAP is the Supplemental Nutrition Assistance Program. The information provided is the percentage of families getting food stamps/SNAP in the prior twelve months.

**FIGURE 13. 2010 COMPARATIVE
MEDIAN HOUSEHOLD INCOME**

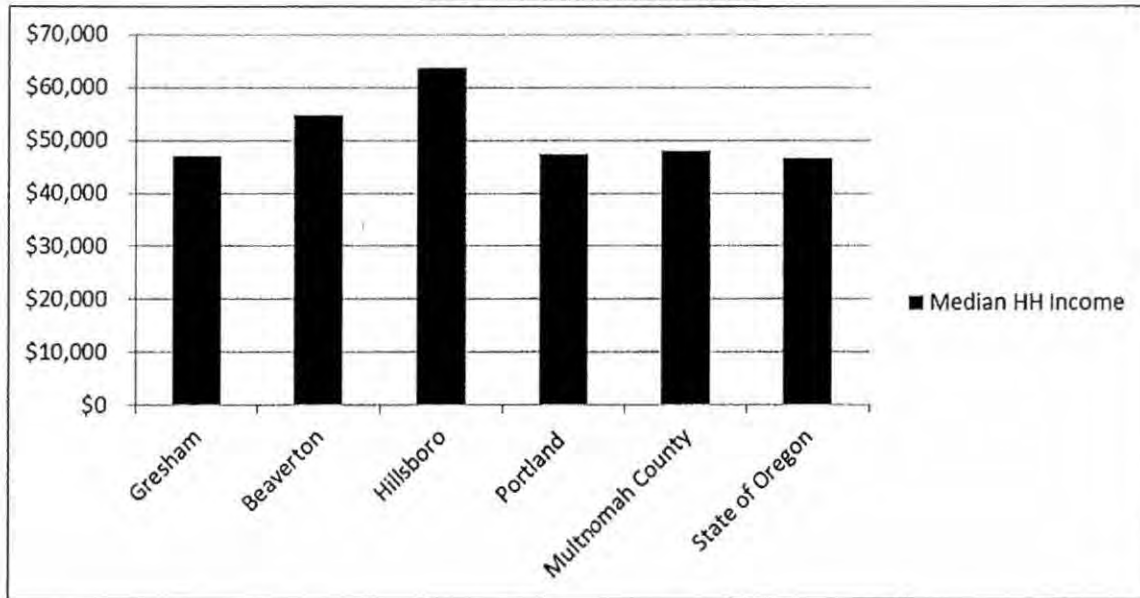
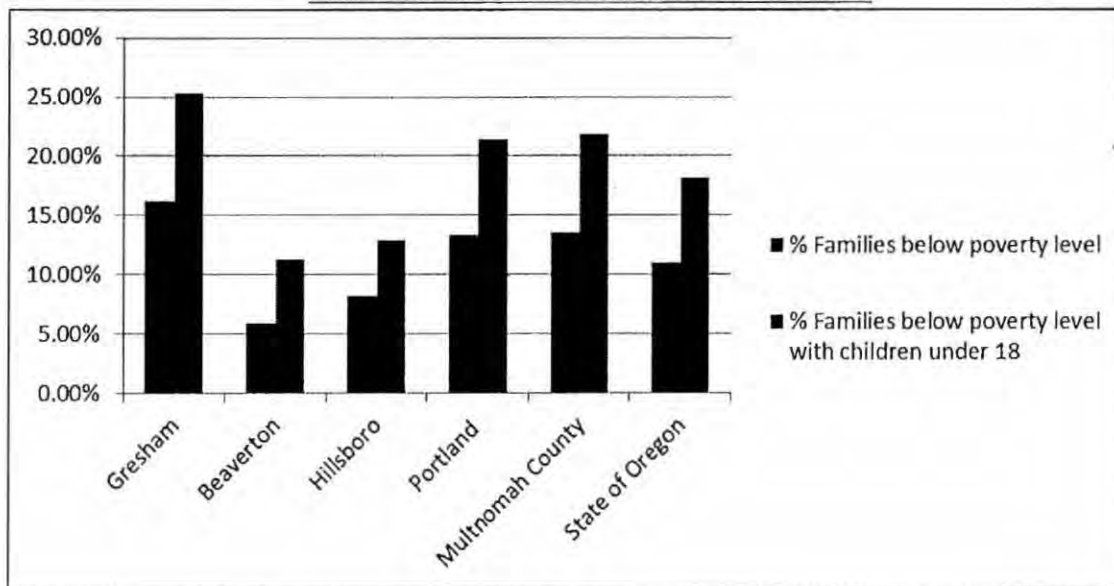


Figure 14 illustrates the percentage of households below the poverty level that have children under the age of 18. As noted in Table 12, this information is gathered from the American Community Survey, so there is a margin of error. In the case of this data set, the margin of error information for Gresham was +/- 4.0% for all families and +/- 6.2% for families with children under the age of 18.

FIGURE 14. 2010 COMPARATIVE POVERTY LEVELS



Employment rates can also be an indicator of household income and a gauge of how a community compares with the workforces of other jurisdictions. Figure 15 illustrates comparative employment rates among the studied jurisdictions. The information provided is based upon American Community Survey data and depicts the percentage of employed and unemployed persons in each jurisdiction that are in the labor force. In the case of Gresham, 33.5% of the

population was considered to be not in the labor force in 2010. The margin of error for the Gresham data was +/- 3.3% for those employed and +/- 1.8% for those unemployed.

FIGURE 15. 2010 COMPARATIVE EMPLOYMENT RATES

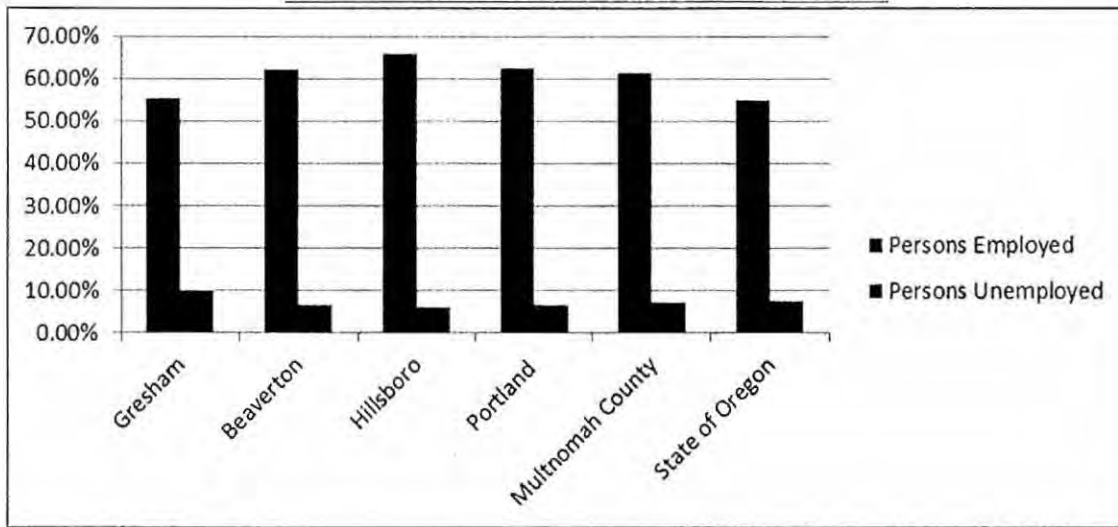


Figure 16 shows the estimated percent of households living below the poverty level by census tract with the neighborhood boundaries shown as an overlay.¹⁴ The darker census tracts indicate higher poverty levels.

Four census tracts showed areas with more than 20 percent of individuals living at or below the federal poverty level. The highest poverty pocket is Census Tract 96.06 in Rockwood where 32.5% of the population is at or below the federal poverty level. The neighboring Census Tract 96.04, also Rockwood, shows 25.5%, while Tract 98.01, again in Rockwood, shows 28% living at or below the federal poverty level. Tract 100.01 in the central business area, the Central City neighborhood, has approximately 24.2% of its residents living in poverty.

Persons and families living below the poverty level are especially challenged in making housing choices. Based upon this demographic information, those persons living in the Rockwood area have particular limitations in the types of housing they may need and desire.

¹⁴ Information by neighborhood is not available.

Map of Gresham, Oregon, showing 15 numbered precincts. Precincts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 are labeled with their respective numbers. Precinct 15 is shaded black. Precincts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14 are shaded gray. Precinct 15 is shaded black.

Precinct Number	Precinct Name	Area (sq. miles)	Shading
1	WILKES EAST	13.6	Gray
2	WILKES WEST	32.6	Gray
3	GRESHAM PLEASANT VALLEY	3	Gray
4	WILKES WEST	25.5	Gray
5	WILKES WEST	28	Gray
6	WILKES WEST	14.4	Gray
7	WILKES WEST	7.7	Gray
8	WILKES WEST	8.1	Gray
9	WILKES WEST	9.6	Gray
10	WILKES WEST	11.4	Gray
11	WILKES WEST	13.4	Gray
12	WILKES WEST	13.2	Gray
13	WILKES WEST	5.7	Gray
14	WILKES WEST	14	Gray
15	WILKES WEST	7.1	Black

The size of a household has a direct connection to the type of housing needed by a family. Larger families, obviously, prefer dwellings with more bedrooms. Multiple family rental units typically do not have over two bedrooms; those with three or more bedrooms are very rare. The U.S. Census defines "overcrowding" as "a situation in which a housing unit is occupied by more than one person per room."¹⁵ However, this definition does not account for cultural difference or even the approximate size of the rooms.

¹⁵ Cities of Portland and Gresham, Oregon and Multnomah County Oregon; Consolidated Plan 2011-2016, page 80.

TABLE 13. TRENDS IN AVERAGE HOUSEHOLD SIZE

	<u>Gresham</u>	<u>Beaverton</u>	<u>Hillsboro</u>	<u>Portland</u>	<u>Multnomah County</u>	<u>Oregon</u>
<u>1990</u>	<u>2.62</u>	<u>2.39</u>	<u>2.87</u>	<u>2.27</u>	<u>2.36</u>	<u>2.52</u>
<u>2000</u>	<u>2.67</u>	<u>2.44</u>	<u>2.76</u>	<u>2.30</u>	<u>2.37</u>	<u>2.51</u>
<u>2010</u>	<u>2.69</u>	<u>2.39</u>	<u>2.76</u>	<u>2.25</u>	<u>2.35</u>	<u>2.45</u>

Source: US Census

When shown graphically in Figure 17, it is apparent that there is a small uptick in household size in Gresham over the last twenty years while other jurisdictions have seen decreases in size or seen a bump up in 2000 followed by a decline in 2010.

FIGURE 17. AVERAGE HOUSEHOLD SIZE

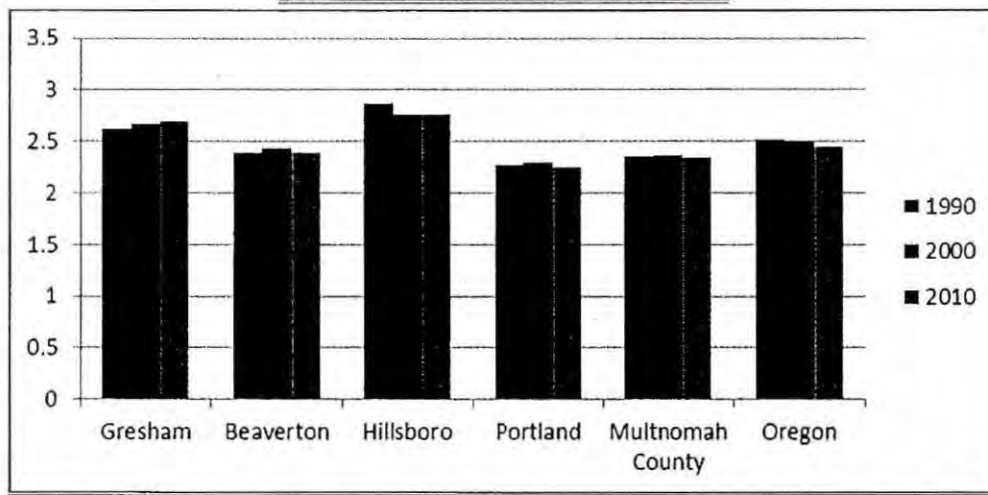
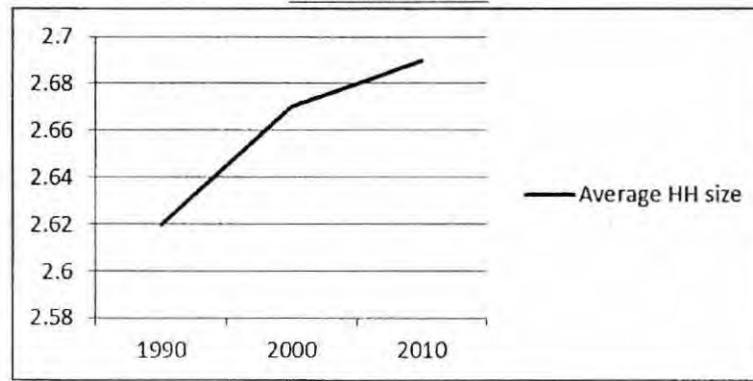


Figure 18 is specific to Gresham and shows that the average household size has increased over the past 20 years. This trend could create a challenge for meeting housing needs in the City.

FIGURE 18. TRENDS IN AVERAGE GRESHAM'S HOUSEHOLD SIZE



Source: US Census, American Community Survey

I. Special Needs Housing

The category of special needs housing includes seniors, physically and mentally disabled persons and female-headed households. Homeless persons are also often included as part of the population requiring special needs housing.

These households and individuals experience greater difficulty finding decent and affordable housing. They are often lower or fixed income, require special accommodations, and may require housing near mass transit because of lower access to personal vehicles. Gresham's population is characterized by higher percentages of these individuals than most areas within the greater metropolitan area.

Senior Citizens

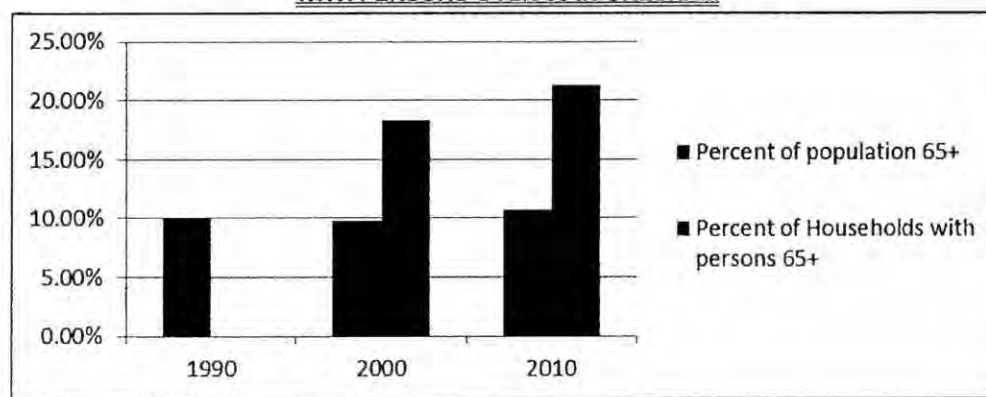
Seniors, those persons age 65 or older, often have special housing needs resulting from disabilities, income constraints and health care costs. In addition, many seniors require supportive services. As noted in Tables 6, 7 and 8 and Figure 7, the percentage of the senior population throughout the State and region is growing, with Gresham tending to be higher when compared to the Portland metropolitan area.

Figure 19 compares the percentage of persons over 65 with households that have at least one household member over the age of 65. In 2010, 21.3% of Gresham's households had at least one member over the age of 65. This was an increase from the 18.3% that existed in 2000¹⁶. This is further evidence of the aging of Gresham's population.

TABLE 14. PERCENTAGE OF GRESHAM HOUSEHOLDS WITH PERSONS OVER THE AGE OF 65

	<u>1990</u>	<u>2000</u>	<u>2010</u>
<u>Percent of Households with persons 65+</u>	<u>NA</u>	<u>18.3%</u>	<u>21.3%</u>

FIGURE 19. PERCENTAGE OF PERSONS OVER 65 AND HOUSEHOLDS WITH PERSONS OVER 65 IN GRESHAM



Source: US Census

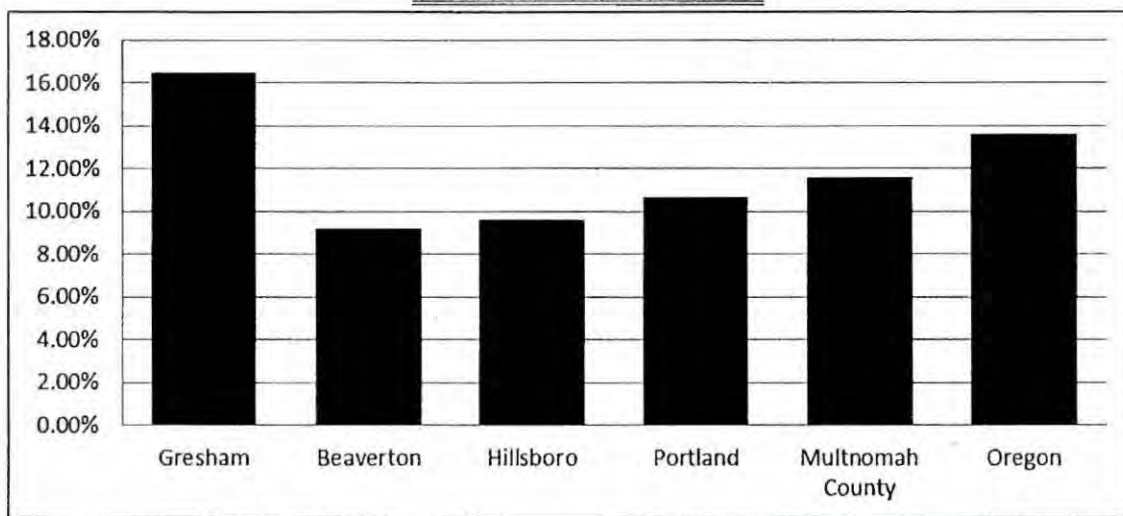
¹⁶ No information is available for 1990 according to the staff at the U.S. Census Bureau.

Disabled Persons

The Census Bureau defines disability as a long-lasting sensory, physical, mental, or emotional condition or conditions that make it difficult for a person to do functional or participatory activities such as seeing, hearing, walking, climbing stairs, learning, remembering, concentrating, dressing, bathing, going outside the home, or working at a job.

As seen in Figure 20, Gresham has a high percentage of disabled persons when compared to the noted cities and Multnomah County. Disabled persons have particular challenges in housing due to generally lower income status, need for specific types and design in housing that allows for independent or semi-independent living. The *Portland-Gresham-Multnomah County Fair Housing Plan of 2011* notes that it is widely believed that, since this data is self-reporting, that it is inaccurate; with over 17% of Multnomah County's residents being actually disabled.¹⁷

**FIGURE 20.COMPARATIVE PERCENTAGE
OF DISABLED PERSONS IN 2010**



Source: American Community Survey, 3 year estimates, 2008-2010

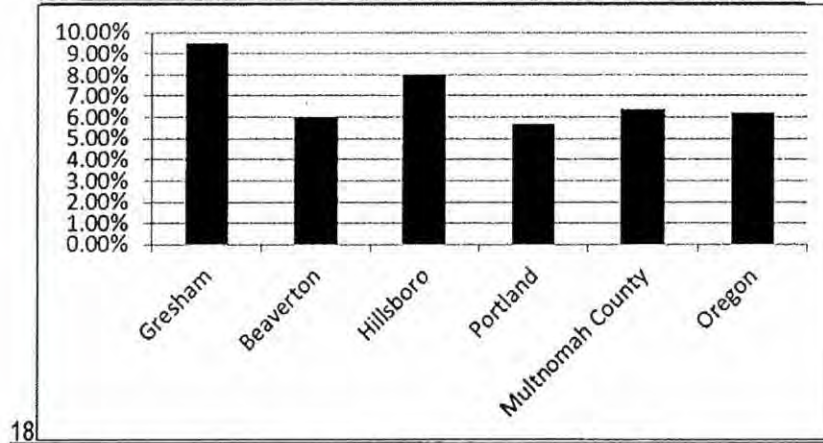
Female-Headed Households

Female-headed households with children under the age of 18 generally have lower incomes and higher living expenses. Women typically work at lower paying jobs than men and female headed households generally have only one breadwinner. They are, therefore, challenged when finding suitable housing.

As noted by Figure 21, Gresham's percentage of female-headed households was higher than that of the other jurisdictions reviewed. Approximately 9.5% of all households in Gresham are female-headed.

¹⁷ City of Portland – City of Gresham; Multnomah County Fair Housing Plan 2011, page 21.

FIGURE 21. FEMALE HEADED HOUSEHOLDS WITH CHILDREN UNDER



Source: American Community Survey, 3 year estimates, 2009 – 2011

Neighborhoods

Gresham is made up of 16 neighborhoods. Changes were seen in the population of the City's neighborhoods between 2000 and 2010. The chart below notes the increase or decrease in population as well as percentage changes in each of the City's neighborhoods during this ten year time period.

TABLE 15. NEIGHBORHOOD POPULATION CHANGES 2000 - 2010

	<u>2000</u>	<u>2010</u>	<u>Percentage Change</u>
<u>Asert</u>	<u>2973</u>	<u>3286</u>	<u>10.5%</u>
<u>Centennial</u>	<u>7816</u>	<u>8908</u>	<u>13.9%</u>
<u>Central City</u>	<u>2608</u>	<u>3433</u>	<u>31.6%</u>
<u>Gresham Butte</u>	<u>4168</u>	<u>5396</u>	<u>29.5%</u>
<u>Gresham Pleasant Valley</u>	<u>297</u>	<u>177</u>	<u>(40.4%)</u>
<u>Holly Brook</u>	<u>4379</u>	<u>3959</u>	<u>(9.6%)</u>
<u>Kelly Creek</u>	<u>5991</u>	<u>9243</u>	<u>54.3%</u>
<u>Mt. Hood</u>	<u>3829</u>	<u>4890</u>	<u>27.7%</u>
<u>North Central</u>	<u>8402</u>	<u>8983</u>	<u>17.6%</u>
<u>North Gresham</u>	<u>3511</u>	<u>5230</u>	<u>49.0%</u>
<u>Northeast</u>	<u>5951</u>	<u>6179</u>	<u>3.8%</u>
<u>Northwest</u>	<u>4716</u>	<u>7275</u>	<u>54.3%</u>
<u>Powell Valley</u>	<u>6804</u>	<u>6573</u>	<u>3.5%</u>
<u>Rockwood</u>	<u>14361</u>	<u>15714</u>	<u>9.4%</u>
<u>Southwest</u>	<u>7050</u>	<u>7774</u>	<u>10.3%</u>
<u>Wilkes East</u>	<u>4937</u>	<u>5870</u>	<u>18.9%</u>
<u>City of Gresham (all neighborhoods)</u>	<u>90205</u>	<u>105594</u>	<u>17%</u>

Source: US Census

The biggest changes in population increases occurred in Kelly Creek, Northwest (including the Gresham Civic Neighborhood), North Gresham and the Central City. Although the Rockwood neighborhood has the largest number of residents, it experienced less than a 10% increase in its population during this time period.

As noted in Table 15, the distribution of population varied widely over the City's neighborhoods in 2000 and continues to do so in 2012. The following two maps, Figures 22 and 23 show the varying relative population numbers as they are distributed throughout the City. Figure 23 graphically compares neighborhood populations by the population circle assigned to each neighborhood. Figure 24 depicts these figures in another format which allows for a better understanding of the population density within each neighborhood, with one dot representing 10 people.

FIGURE 22. POPULATION BY NEIGHBORHOOD 2010

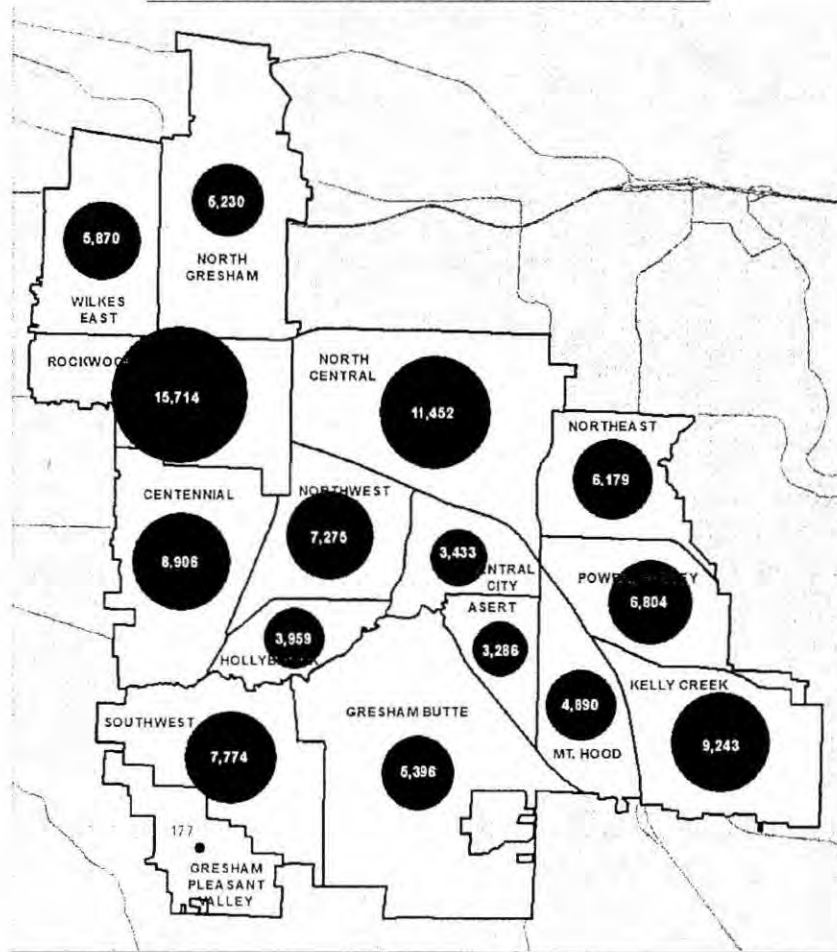
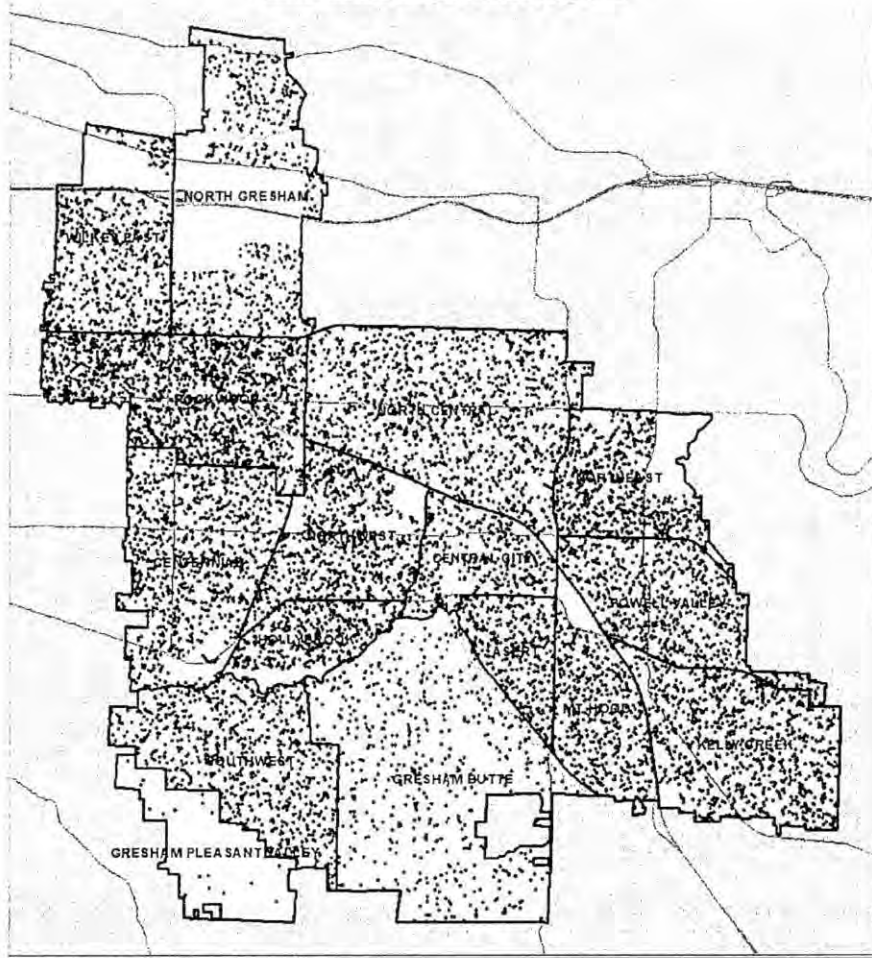


FIGURE 23. CITY POPULATION BY NEIGHBORHOOD
(One dot represents ten people)



Rockwood is the most densely populated neighborhood and Gresham Pleasant Valley is the least populated. However, Gresham Pleasant Valley is a relatively recent city annexation and has remained largely undeveloped since it was incorporated into Gresham and is not a good source of comparison. The Gresham Butte area, having many topographic constraints and the attendant lower density zoning, has a lower population density than other areas of the City.

J. Housing Characteristics

Although older housing stock is found throughout Gresham it is found in its highest concentrations in the downtown and more central parts of the city. Some of these older structures will likely be redeveloped over time, and as land use and zoning regulations have changed and continue to change. Some parcels, even though developed, may now be oversized in terms of current regulations and may be able to accommodate additional dwellings.

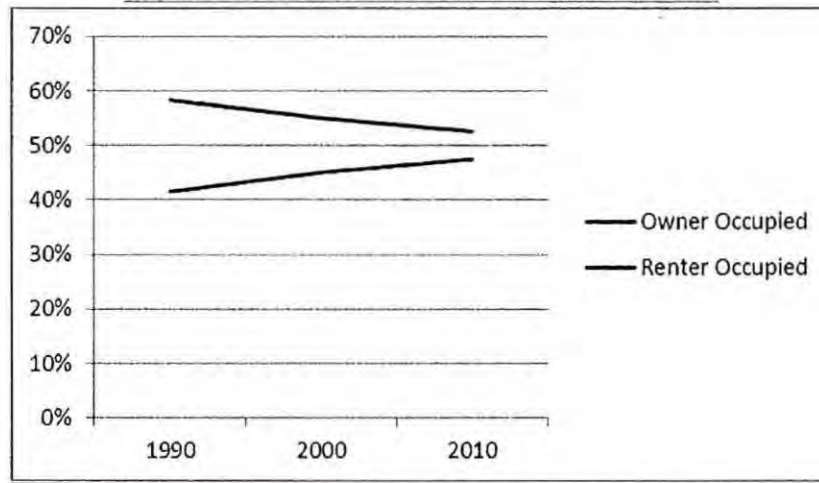
According to 2010 demographic information, Gresham's housing units are currently 52.5% owner occupied and 47.5% rentals. The ownership rate is below that of Portland's 53.7% but exceeds that of Beaverton's 49.7%.

Housing Tenure

The term "housing tenure" refers to whether a household owns or rents its dwelling. This information is relevant to housing as it demonstrates the individualities of the population and what types of dwelling units are generally needed by its residents. Figure 24 shows the change in tenure between 1990 and 2010. Tenure has experienced a shift over the 20 year period with 58.4% of dwellings in Gresham owner-occupied in 1990 and declining to 52.5% in 2010.

During the 1990's and earlier, there were many new multiple family developments constructed in Gresham that provided many opportunities for multiple family rental occupancy. Additionally, the recent economic recession has some bearing on these numbers. People have been forced to sell homes they can no longer afford, and there have been a significant amount of foreclosures in the City.

FIGURE 24. HOUSING TENURE IN GRESHAM 1990-2010



Source: US Census

More detailed information is found in Table 16. The actual number of units is depicted as well as the percentage increase in the three categories.

**TABLE 16: OWNER AND RENTER HOUSEHOLDS, CITY OF GRESHAM
2000 TO 2010**

	2000	2010	Growth	
			Units	%
Occupied Units:	33,327	38,704	5,377	16%
Owner-Occupied:	18,282	20,320	2,038	11%
Renter-Occupied:	15,045	18,384	3,339	22%

SOURCE: US Census, Johnson Reid LLC

Home Ownership

Table 17 depicts Gresham's ownership housing according to the 2010 American Community Survey 5 Year estimate. The data points out that the most common type of ownership housing is single family detached homes at over 85% of the ownership market, with single family attached homes running a distant second with 6.2%. Although City data indicate that there are roughly 1700 condominiums in Gresham, this information suggests that most of those units are not being used for ownership housing.

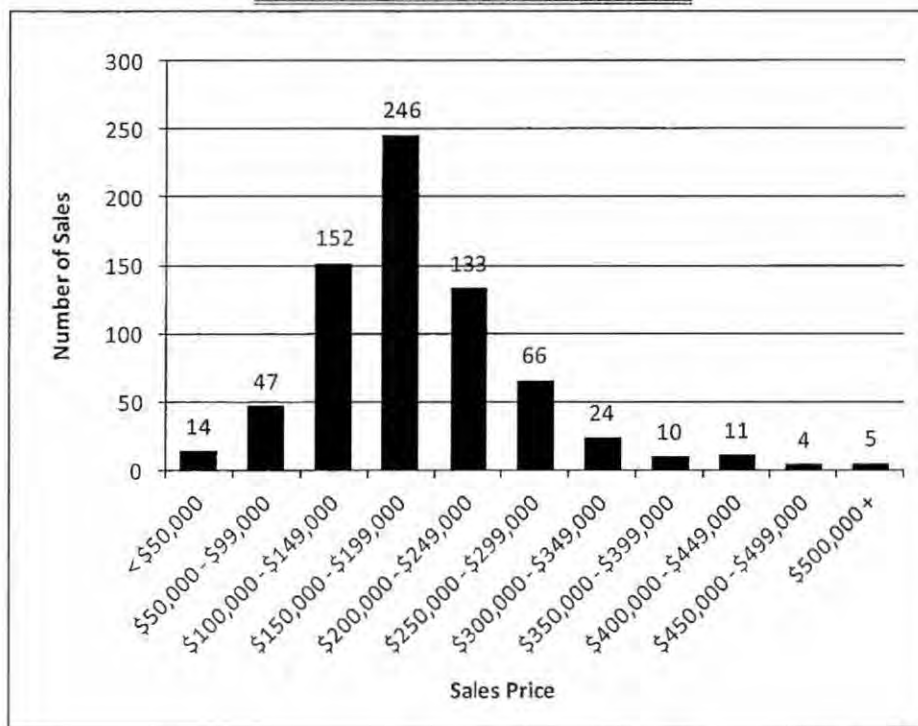
TABLE 17: ESTIMATE OF OWNER OCCUPIED UNITS BY TYPE, 2010

Housing Type	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	TOTAL:
Owner-Occupied:	17,683	1,284	156	136	325	1,117	32	20,733
	85.3%	6.2%	0.8%	0.7%	1.6%	5.4%	0.2%	

SOURCE: US Census, Johnson Reid LLC

In 2012, the median price of a single family detached home was \$190,000, while the median price in the Portland metropolitan area was \$227,000. Gresham has typically slightly trailed the overall Portland metropolitan area in housing prices since the early 2000s. Overall, Gresham housing prices rose through 2008, then experienced a decline that continued through the recession that is just recently seeing a reversal in that downward trend (in 2012).

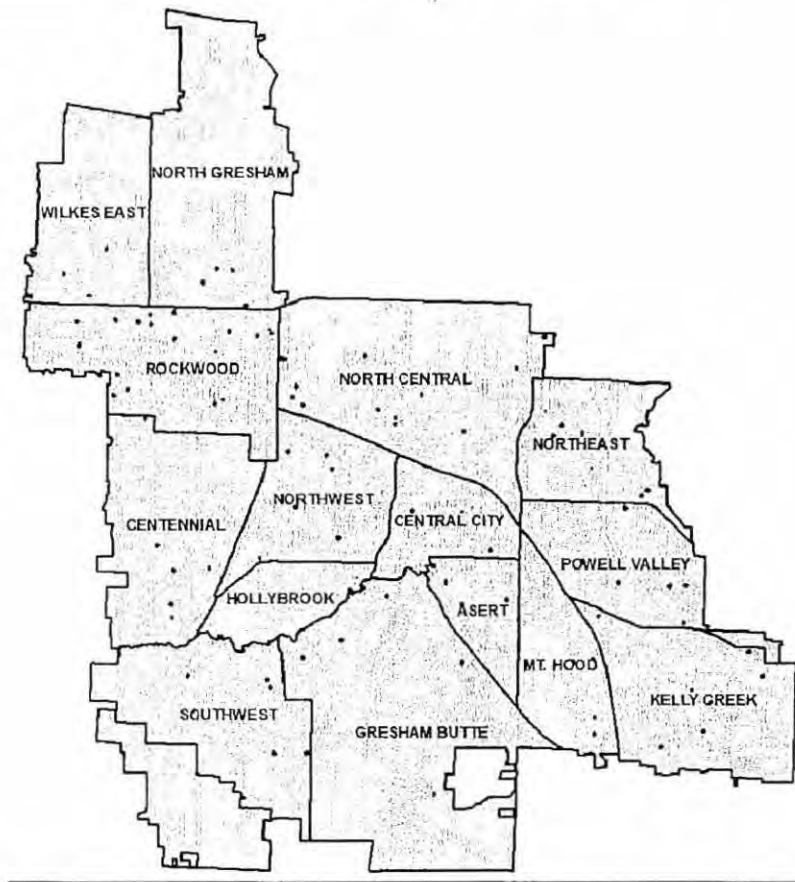
FIGURE 25: HOME SALE BY PRICE 2012



Source: RMLS, JOHNSON REID LLC

In addition to the effects of the recession, decreased housing sales values are due, in part to Gresham's foreclosure rate which, at 7.1% in August of 2012 was higher than that of the Portland metropolitan area's 6.1%.¹⁸ A map showing homes in foreclosure is shown on Figure 26, the area of highest concentration being in the Rockwood neighborhood, the same neighborhood shown in Figure 17 as having one of the higher percentages of persons living below the poverty level.

FIGURE 26: FORECLOSURES 2012



Another factor in housing sales is the number of homes determined to be "underwater".¹⁹ When a home is underwater a homeowner may be less likely to sell at a loss and this creates a stall in the housing market. Sales data from 2011 demonstrate that there is roughly a four month supply of for sale homes in Gresham.²⁰ A real estate standard of six months is considered to be balanced.

Being underwater can also be a precursor of foreclosure concerns which cause owners to sell at a loss or actually face foreclosure. These reduced prices drive down the overall housing prices within a jurisdiction. In 2011, 47% of homes in Gresham sold at a loss; that percentage was reduced to 33% in 2012.²¹

¹⁸ Johnson Reid, LLC, Op.Cit., p. 21.

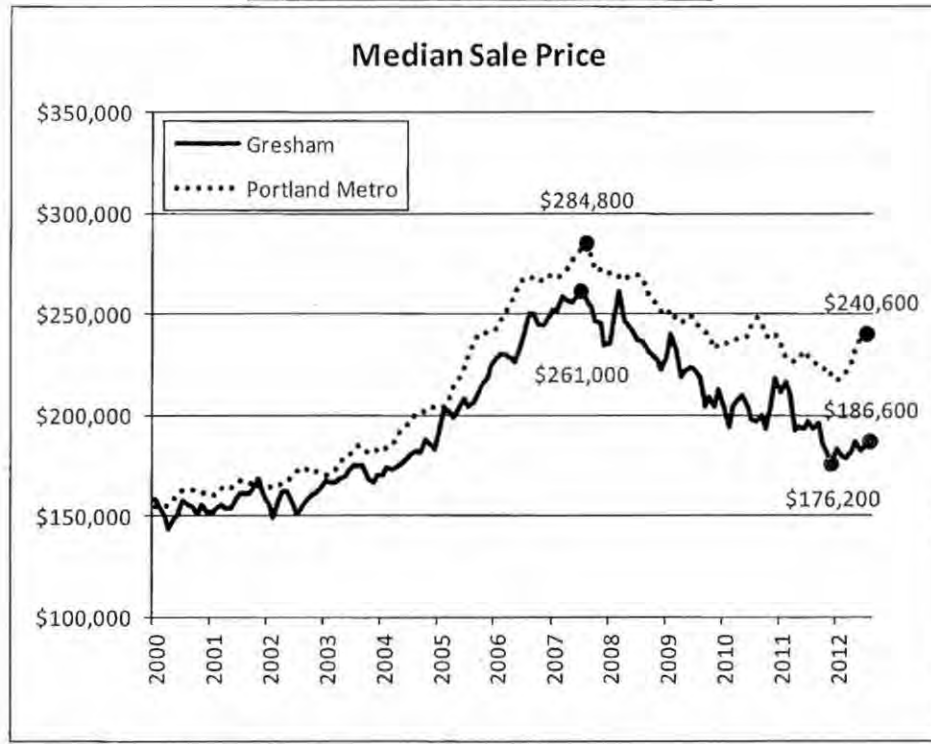
¹⁹ The term "underwater" commonly means that the homeowner owes more on the home than its anticipated selling price. This is also known as negative equity.

²⁰ Johnson Reid LLC, Op.Cit., p. 19.

²¹ Ibid. p. 24.

The price of housing in Gresham has typically been lower than that of the overall Portland Metro area for the last 10 years. Figure 27 below illustrates the housing price distribution in Gresham as compared to Portland from 2000 to 2012.

FIGURE 27: MEDIAN SALE PRICE SINCE 2000



SOURCE: Zillow, JOHNSON REID LLC

There are several implications of this information. First, homes are more affordable in Gresham. Individuals looking for housing value can maximize purchasing power by looking to the Gresham market. Homes that are underwater may stall in the market because the owners are hesitant or unable to sell for a loss. Also, those who are unable to hold on to their homes may face foreclosure which brings down housing prices ever further.

It should be noted that, as the country and Portland Metro area begin recovering from the recession, housing prices are expected to start to rise and the number of houses with negative equity will tend to level out and decrease in number.

Renter Occupied Units

Table 18 represents the characteristics of rental units within Gresham in 2010. Other factual information about the characteristics of the rental market include:²²

- Approximately 75% of rentals are found within multiple family complexes
- Roughly 50% of attached single family homes are rentals
- Approximately 10% of single family detached homes are rentals

During the course of the recession (2008 - 2012), multiple family development construction has stalled within Gresham with little change in the multiple family rental stock since 2007. The City of Portland and other areas in the Portland metropolitan area are experiencing an uptick in moderately sized multiple family developments that may be experienced by Gresham in the next several years.

²² Ibid, page 27.

TABLE 18. ESTIMATE OF RENTER OCCUPIED UNITS BY TYPE, 2010

Housing Type	Single Family Detached	Single Family Attached	Duplex	3- or 4- plex	5+ Units MFR	Mobile home	Boat, RV, other temp	TOTAL:
Renter-Occupied:	2,154 12.9%	1,271 7.6%	1,176 7.0%	2,526 15.1%	9,334 55.9%	206 1.2%	42 0.3%	16,709

SOURCE: US Census, Johnson Reid LLC

Rental prices bottomed out during mid-2009 and have continued to rise from that time moving forward.²³ Similarly, vacancy peaked at 6.6% in 2009 and is now approximately 4.2%, although the City of Portland and Washington County are experiencing rates that are even lower.²⁴ The following Table 19 represents average rents in eastern Multnomah County. Since the data are for a larger area than Gresham, it represents approximate averages for Gresham.

TABLE 19: AVERAGE RENT LEVELS, EAST MULTNOMAH COUNTY, FALL 2012

		One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom		All Units	
		Average	Median	Average	Median	Average	Median	Average	Median	Average	Median
Detached Housing Units	Rent:	na		\$1,008	\$940	\$1,549	\$1,449	\$1,712	\$1,684	\$1,479	\$1,426
	Rent per Bedroom:			\$504	\$470	\$516	\$483	\$428	\$421	\$502	\$465
	Rent per Sq.Ft.:			\$0.93	\$0.92	\$0.93	\$0.92	\$0.80	\$0.82	\$0.91	\$0.86
	Square Footage:			1,081	1,020	1,669	1,577	2,130	2,066	1,624	1,660
Small Attached Properties (Duplex - 4plex; Townhomes)	Rent:	\$649	\$649	\$869	\$852	\$1,157	\$1,183	na		\$952	\$908
	Rent per Bedroom:	\$649	\$649	\$435	\$426	\$386	\$394			\$427	\$421
	Rent per Sq.Ft.:	\$0.78	\$0.78	\$0.96	\$0.97	\$0.84	\$0.83			\$0.92	\$0.89
	Square Footage:	835	835	902	877	1,372	1,420			1,038	1,023
Large Multi-Family Properties	Rent:	\$666	\$668	\$851	\$785	\$1,073	\$1,067	na		\$815	\$780
	Rent per Bedroom:	\$666	\$668	\$426	\$393	\$358	\$356			\$499	\$482
	Rent per Sq.Ft.:	\$0.92	\$0.91	\$0.85	\$0.82	\$0.80	\$0.74			\$0.86	\$0.84
	Square Footage:	725	737	1,004	954	1,345	1,443			950	927

SOURCE: JOHNSON REID LLC, Metro Multi-Family Housing Association

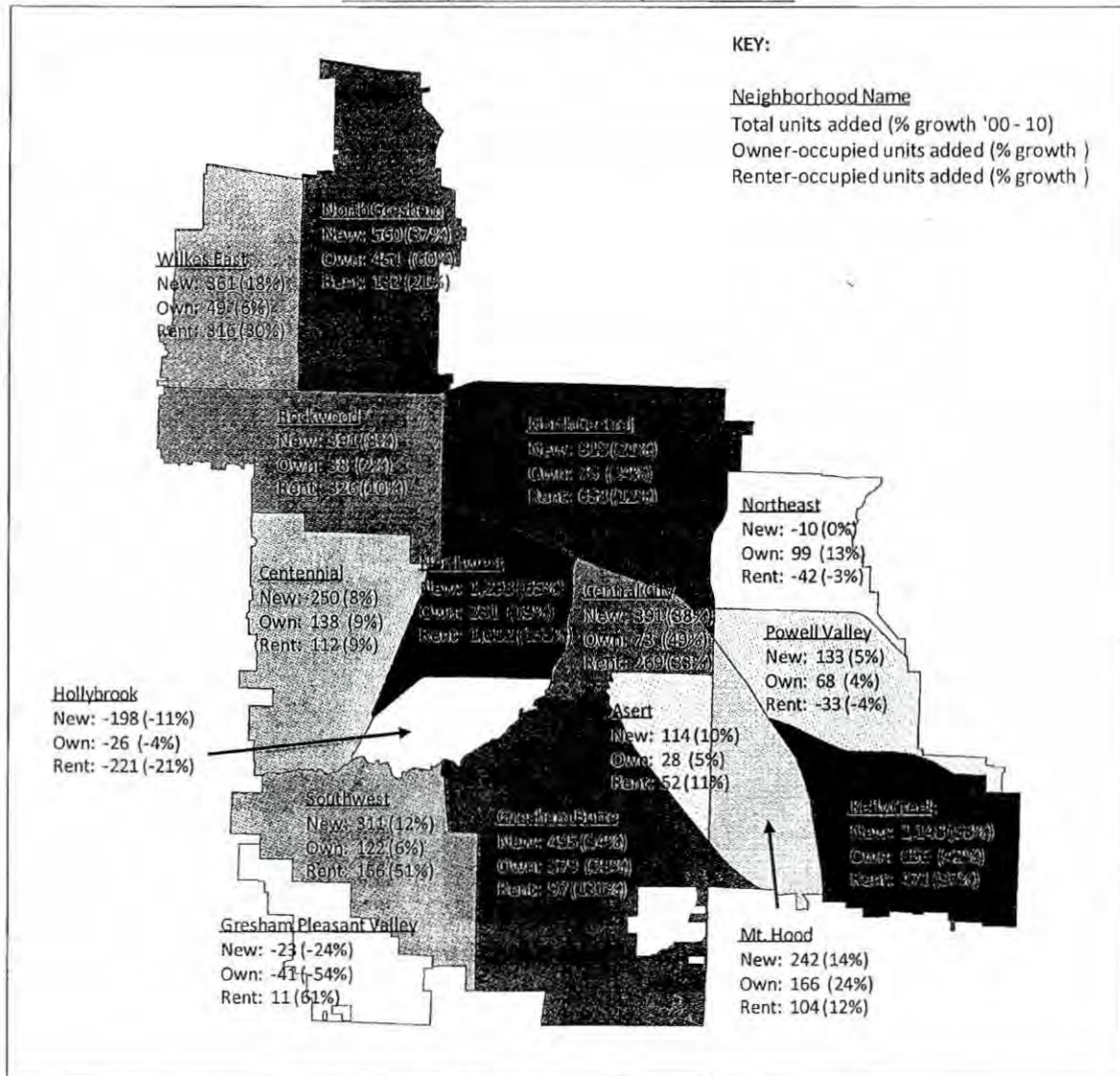
Housing Characteristics by Neighborhood

Housing growth in the neighborhoods in 2000 and 2010 is shown on Figure 28. The city added over 5700 units. Of these, about 6% are vacant. Of occupied units, 38% are owner occupied, 62% are renter occupied. The Northwest neighborhood (which includes the Gresham Civic Neighborhood) added the most housing units. The loss of housing units in Hollybrook and Pleasant Valley may be a flaw in the census data or the result of changing census boundaries.

²³ Ibid., page 28.

²⁴ Ibid.

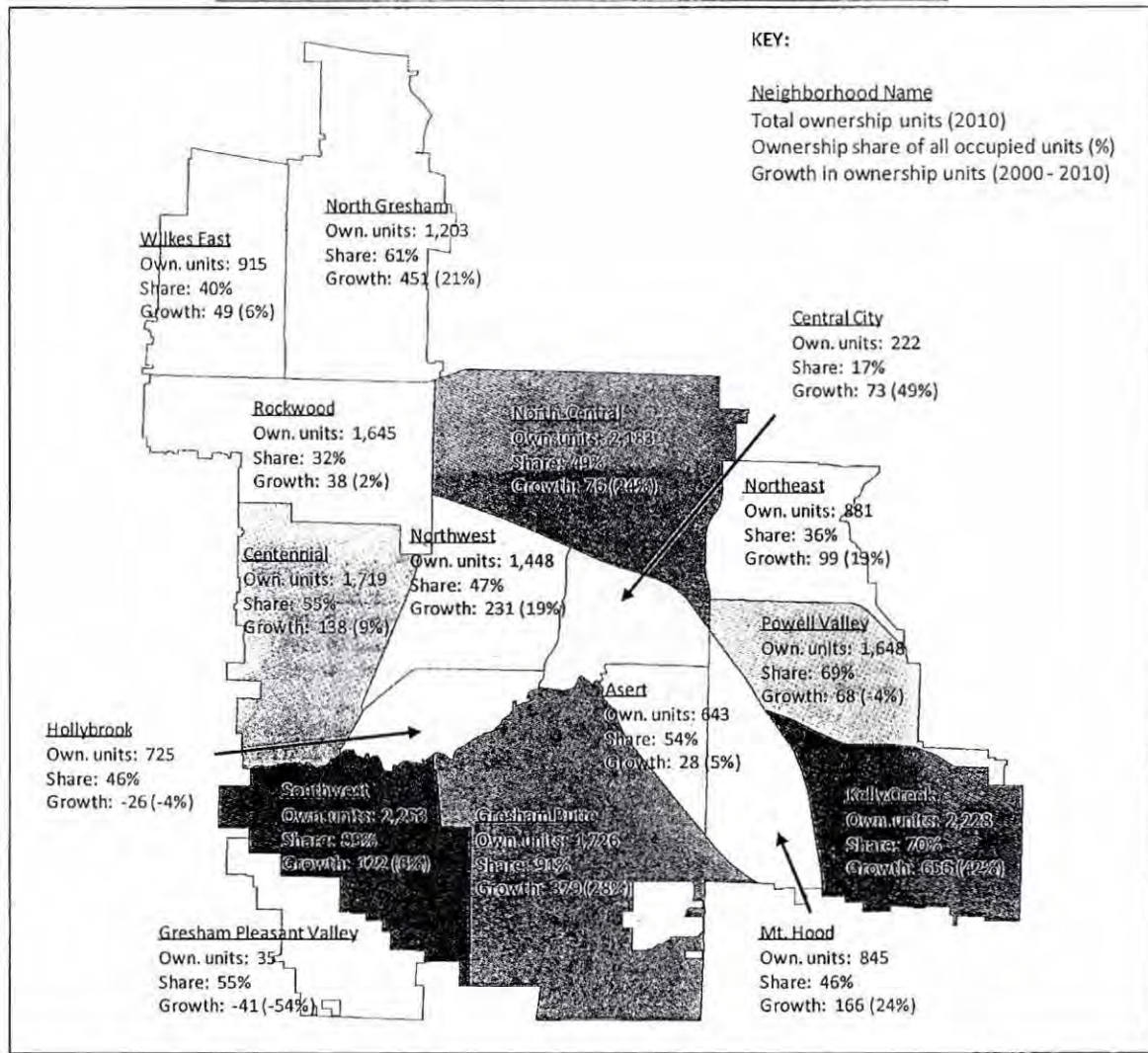
**FIGURE 28. GROWTH IN HOUSING UNITS
2000 TO 2010 CENSUS
ALL UNITS, OWNERSHIP UNITS, RENTAL UNITS**



Sources: 2000 and 2010 Census data by block group. Block groups mapped to neighborhood boundaries and data aggregated by City of Gresham. Map prepared by Johnson Reid LLC

The neighborhoods vary in terms of ownership/rental balance. Figure 29 illustrates this information for ownership housing in 2010 and the growth of these units between 2000 and 2010. Kelly Creek and North Central had the most number of ownership units while Central City had the least number of owner occupied units. Gresham Butte, an area characterized by primarily single-family homes, had the highest percentage of owner occupied units. The City may wish to consider whether home ownership promotion in neighborhoods characterized by low rates would be of benefit to the City's overall goals.

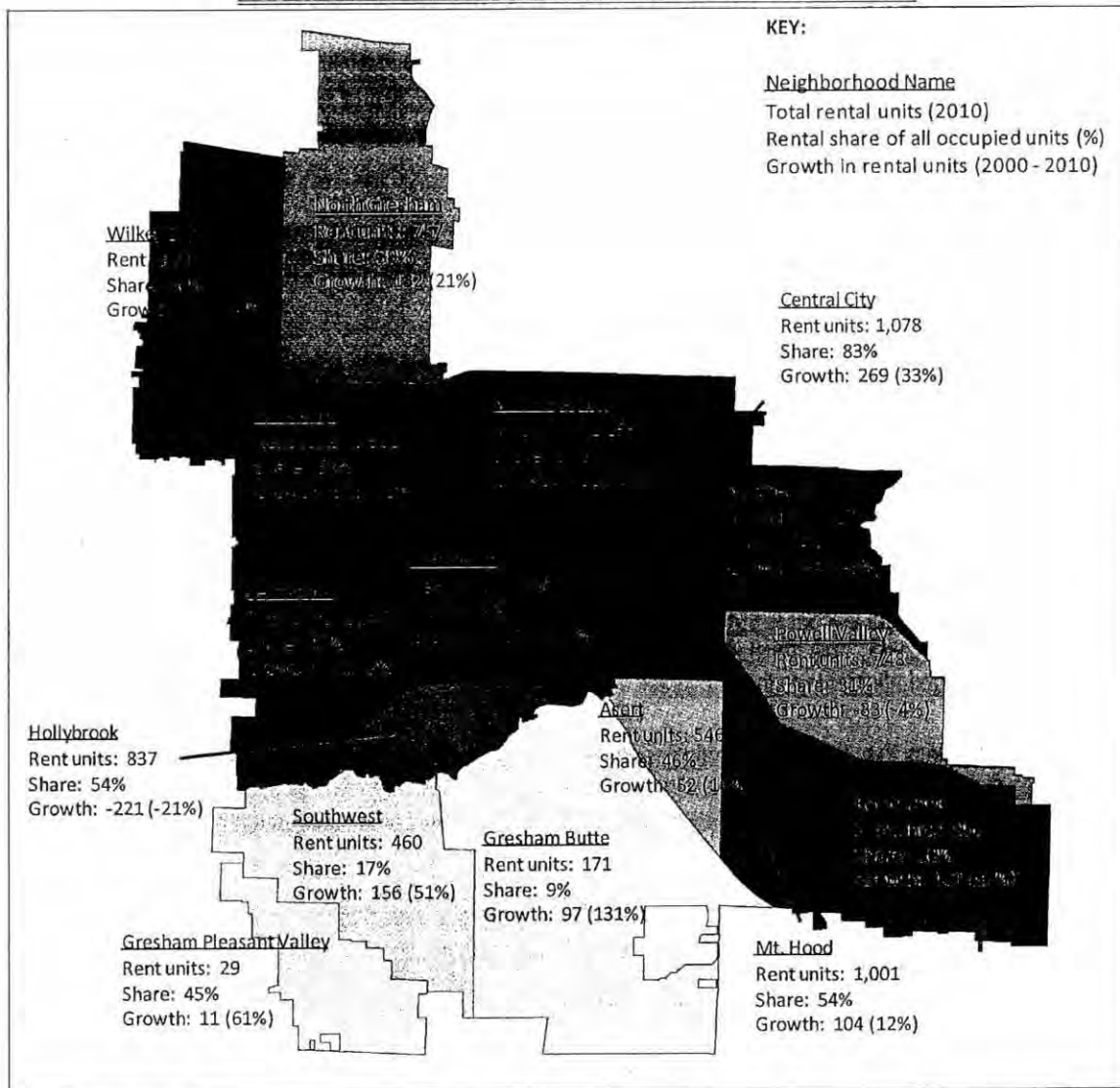
FIGURE 29. OWNERSHIP HOUSING BY NEIGHBORHOOD 2000 - 2010



SOURCE: US Census, City of Gresham, Johnson Reid LLC

Rental statistics also vary by neighborhood. Rockwood has, by far, the most rental units with neighborhoods in the southern portion of the City tending to have fewer rentals. In terms of percentage of units, Central City, with 83% of its housing stock in rentals, considerably leads the rest of the neighborhoods. Figure 30 illustrates this information and also shows the ten year growth in rentals between 2000 and 2010. As noted above in the discussion of ownership housing, the City could potentially use this information to concentrate efforts around encouraging more unit ownership in areas of the City where it is currently less likely to be located.

FIGURE 30. RENTAL HOUSING BY NEIGHBORHOOD 2000 - 2010



SOURCE: US Census, City of Gresham, Johnson Reid LLC

K. Affordable Housing

In 2011, the Cities of Gresham and Portland, and Multnomah County, jointly prepared the 2011-16 Consolidated Plan. This Plan serves as the application to U.S. Department of Housing and Urban Development (HUD) for grant funds (such as Community Development Block Grant (CDBG) and HOME) and also is a required planning document that outlines coordinated strategies for the achievement of three goals:

1. Provide decent housing
2. Provide a suitable living environment
3. Expand economic opportunities

The Consolidated Plan defines Affordable Housing as:

A term generally used to mean housing affordable to persons or families whose income is at or below 60% MFI²⁵; the HUD standard for affordability is that a household should pay no more than 30% of its gross income on rent and utilities. In plain language, housing is affordable if a household can pay the rent and have enough money left for food, medicine and other necessities.²⁶

The Consolidated Plan further defines a Low Income Household as one with income less than 50% of the MFI for a household of its size, with a Moderate Income Household being defined as one with 80% or less of the MFI of a household of its size.²⁷

Table 19 above and the salary schedules of Gresham Firefighters and elementary school teachers in the Gresham-Barlow School District were reviewed to determine housing types that were in the range deemed affordable by households where the primary breadwinner was employed in those professions. Since utility bills for individual residences can vary tremendously, that figure is an unknown, so the following information is a rough approximation.

The entry level salary for City Firefighters is \$49,896; with 30% of that income being \$14,969. This translates into the ability to pay \$1247 per month for lodging and, according to Table 19, would permit the Firefighter to rent a three-bedroom unit in a duplex, townhome or larger rental complex. Similarly, the median income for a Gresham-Barlow school district middle school teacher is \$51,528, which allows for \$15,458 per year for housing based on the Consolidated Plan definition. This translates into \$1288 per month, and would allow that individual to rent properties similar to those deemed affordable to the Firefighter.

Households making less than that of the Firefighter and teacher face a bigger challenge. Based upon Table 19 above, the median rent for a two-bedroom apartment in a larger residential complex was \$785.00. Using the rental cost figure alone and based upon HUD guidelines, household income would need to be roughly \$31,400 for this two-bedroom unit.

Assuming a 40 hour work week, a household would have to be making at least \$15.09 per hour to be able to afford this apartment. Currently, the minimum wage in Oregon is \$8.95 per hour, so those persons making minimum wage and providing the sole income for the household would not be able to afford this apartment according to HUD guidelines. Many lower income households end up paying in excess of the recommended 30% of gross income for housing alone.

Like most communities, Gresham faces a challenge in its supply of affordable housing. The City's 2012 Housing Study found that the city currently has approximately 2,100 affordable units that are operated by Home Forward or other non-profit housing providers. These units represent about 13% of the City's rental stock and a breakdown of the unit types is found in Table 20.

²⁵ Median Family Income. MFI is calculated by HUD using median income figures, the ACS margin of error and the Consumer Price Index. In December of 2012, the MFI for Multnomah County was \$68,300.

²⁶ Cities of Portland, Gresham and Multnomah County, 2011-2016 Consolidated Plan, page F-3.

²⁷ Ibid., pages F-18 and F-19.

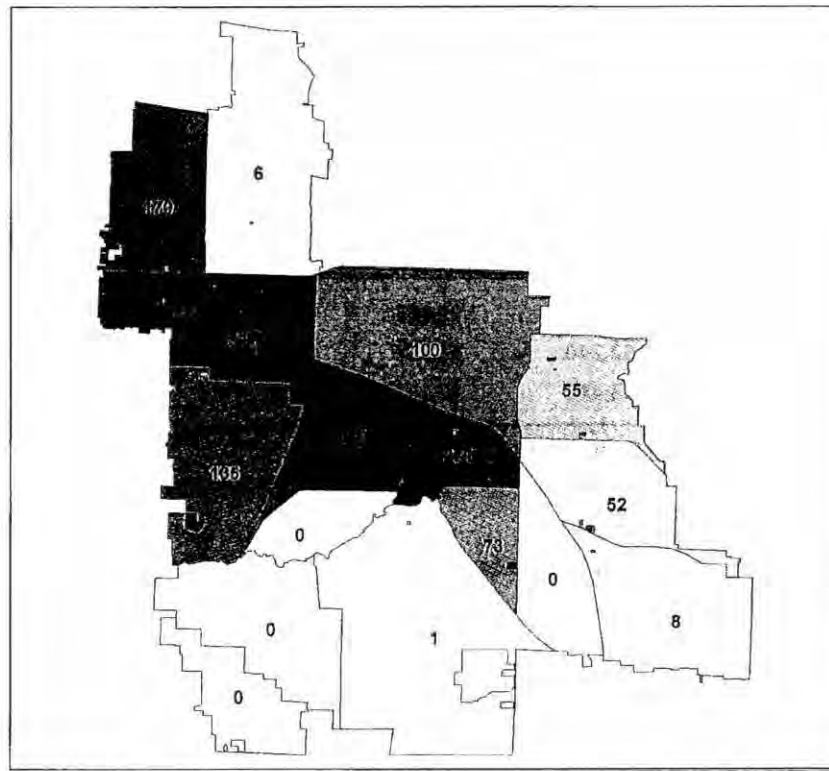
TABLE 20: SUMMARY OF AFFORDABLE HOUSING INVENTORY, CITY OF GRESHAM

Population	# of Properties	# of Units	Avg. Age
Family	17	1,204	1992
Elderly	7	567	1986
Special Needs	23	333	1998
Farmworkers	1	36	1999
<i>Total:</i>	<i>48</i>	<i>2,140</i>	<i>1994</i>

SOURCE: City of Gresham

Figure 31 illustrates the number of affordable units in each neighborhood, with the lightest colors indicating a lesser number of units and the darker colors indicating a greater number of affordable units. The Northwest neighborhood has the most units, followed by the Rockwood neighborhood.

FIGURE 31: AFFORDABLE HOUSING INVENTORY, CITY OF GRESHAM
(NUMBER OF AFFORDABLE UNITS PER NEIGHBORHOOD)



SOURCE: City of Gresham, Metro RLIS, JOHNSON REID LLC

Although this information has been centered on intentional affordable housing, Gresham does have some older housing stock that has become "affordable by accident." Many of these units do not meet current codes, can be of unattractive design and can even be unsafe. The less than ideal condition of these dwellings causes them to warrant lower rents, so they become affordable or more affordable for persons who have lower incomes. It is difficult to

determine the extent of housing that is "affordable by accident", but the City recognizes it as an issue to be addressed.

L. Current Housing Needs

To determine how well the current housing stock is meeting the needs of Gresham's residents, a review of the characteristics of the City's housing is needed. Table 21 below provides a summary of Gresham's population, households, families and housing units.

**TABLE 21: DEMOGRAPHIC PROFILE FOR GRESHAM
2000 AND 2010 CENSUS DATA PROJECTED TO 2012**

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2010 (Census)	Growth Rate 00-10	2012 (Proj.)	Growth Rate 10-12
Population ¹	90,205	105,594	1.6%	105,996	0.2%
Households ²	33,327	38,704	1.5%	38,839	0.2%
Families ³	22,683	25,835	1.3%	25,925	0.2%
Housing Units ⁴	35,309	41,015	1.5%	41,121	0.1%
Group Quarters Population ⁵	1128	1514	3.0%	1,520	0.2%
Household Size	2.67	2.69	0.1%	2.69	0.0%
PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000 (Census)	2010 (ACS)⁶	Growth Rate 00-10	2012 (Proj.)	Growth Rate 10-12
Per Capita (\$)	19,588	20,466	0.4%	20,646	0.4%
Average HH (\$)	52,240	53,706	0.3%	54,004	0.3%
Median HH (\$)	43,442	47,164	0.8%	47,946	0.8%

SOURCE: Census, PSU Population Center, Claritas, and Johnson Reid

¹ Population growth rate from 2011 to 2012 is based on '10-'11 growth rate from PSU Population Research Center

² 2012 Households = 2012 population/2012 HH Size

³ Ratio of 2012 Families to total HH is kept constant from 2010.

⁴ 2012 housing units are the 2010 Census total plus new units permitted from '10 through April '12 (source: HUD State of the Cities Data System)

⁵ Ratio of 2012 Group Quarters Population to Total Population is kept constant from 2010.

⁶ 2010 Income data is drawn from the 2010 American Community Survey, 1-Year Estimate.

Table 22 provides a summary of the population as compared to the approximate number of housing units in Gresham. For all types of housing, ownership and rental, the vacancy rate is 5.5%. The previously noted rental housing vacancy rate of 4.2% was for all of eastern Multnomah County. Gresham-specific information could be slightly different.

TABLE 22: CURRENT HOUSING PROFILE (2012)

CURRENT HOUSING CONDITIONS (2012)			SOURCE
Total 2012 Population:	105,996		US Census, PSU Pop. Research Center
- Estimated group housing population:	1,520	(0.7% of Total)	US Census
Estimated Non-Group 2012 Population:	104,477	(Total - Group)	
Avg. HH Size:	2.69		US Census
Estimated Non-Group 2012 Households:	38,839	(Pop/HH Size)	
Total Housing Units:	41,121	(Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	38,839	(= # of HH)	
Vacant Housing Units:	2,282	(Total HH - Occupied)	
Current Vacancy Rate:	5.5%	(Vacant units/ Total units)	

SOURCE: US Census, PSU Population Research Center, City of Gresham, HUD, Johnson Reid LLC

The next step in developing a comparison of current demand was to determine the number of households that could afford ownership or rental housing at different price levels by household income level. This information was compiled assuming that lower income households would spend no more than 30% of gross income on housing while higher income households could spend somewhat less. Ownership information assumes a 15% down payment with 5% interest.

Housing supply does not necessarily correlate with housing demand. Household members may be spending more than 30% of income on housing and other households may be spending far less for a variety of reasons such as personal choice or the inability to find housing that completely meets individual needs. In 2012, approximately 52% of Gresham's housing units were owned; 48% rentals. By far, at 85%, most ownership units are single family detached homes, while 54% of rental units tend to be in the larger apartment complexes of five units or more.

Table 23 illustrates the breakdown of the characteristics of Gresham's housing supply in 2012. The highest number of detached ownership housing units is in the \$190,000 to \$270,000 range, with the lowest number in the highest price range of over \$710,000. Most single family attached units fall between the price points of \$130,000 and \$270,000.

Rental unit information is found within the second portion of Table 23. Most rentals in Gresham fall within the price range of \$620 to \$1060 per month. There is little available rental housing at the lower monthly rent rates of \$0 - \$620. High end rentals (over \$2140 per month) are also in short supply.

TABLE 23: PROFILE OF CURRENT HOUSING SUPPLY (2012)

OWNERSHIP HOUSING											
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %	
\$0k - \$80k	136	66	9	18	63	1,111	30	1,433	6.7%	6.7%	
\$80k - \$130k	405	122	20	42	42	97	0	728	3.4%	10.0%	
\$130k - \$190k	2,323	349	25	47	125	0	0	2,869	13.3%	23.4%	
\$190k - \$270k	7,889	382	18	38	106	0	0	8,433	39.2%	62.6%	
\$270k - \$340k	4,300	255	14	21	78	0	0	4,668	21.7%	84.3%	
\$340k - \$410k	1,997	104	8	15	27	0	0	2,150	10.0%	94.2%	
\$410k - \$520k	719	19	1	3	7	0	0	749	3.5%	97.7%	
\$520k - \$620k	132	0	0	0	0	0	0	132	0.6%	98.3%	
\$620k - \$710k	119	0	0	0	0	0	0	119	0.6%	98.9%	
\$710k +	239	0	0	0	0	0	0	239	1.1%	100.0%	
Totals:	18,260	1,297	95	183	448	1,208	30	21,521	% of All Units: 52.3%		
Percentage:	84.8%	6.0%	0.4%	0.9%	2.1%	5.6%	0.1%	100.0%			

RENTAL HOUSING											
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %	
\$0 - \$380	0	0	20	53	159	229	15	477	2.4%	2.4%	
\$380 - \$620	103	67	78	112	476	153	10	999	5.1%	7.5%	
\$620 - \$870	563	434	548	978	3,435	0	0	5,958	30.4%	37.9%	
\$870 - \$1060	847	431	556	1,044	3,518	0	0	6,396	32.6%	70.6%	
\$1060 - \$1430	506	246	329	599	1,964	0	0	3,643	18.6%	89.1%	
\$1430 - \$1710	125	55	72	130	441	0	0	823	4.2%	93.3%	
\$1710 - \$2140	107	48	62	112	380	0	0	709	3.6%	97.0%	
\$2140 - \$2560	189	30	39	71	120	0	0	449	2.3%	99.3%	
\$2560 - \$3420	121	10	0	0	15	0	0	146	0.7%	100.0%	
\$3420 +	0	0	0	0	0	0	0	0	0.0%	100.0%	
Totals:	2,561	1,321	1,703	3,100	10,508	382	25	19,600	% of All Units: 47.7%		
Percentage:	13.1%	6.7%	8.7%	15.8%	53.6%	2.0%	0.1%	100.0%			

TOTAL HOUSING UNITS										
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	
Totals:	20,821	2,618	1,798	3,283	10,956	1,590	55	41,121	100%	
Percentage:	50.6%	6.4%	4.4%	8.0%	26.6%	3.9%	0.1%	100.0%		

SOURCES: 2010 Census, PSU Population Research Center, Claritas Inc., Johnson Reid

Table 24 demonstrates that there are obvious gaps between the needs of Gresham's current population and the existing housing demand. Like many other communities, there is an ongoing need for housing at the lower price ranges and rentals at the more affordable rental rates.²⁸ There is a good supply of ownership homes at the \$130,000 to \$270,000 range, but a gap in availability at higher price ranges. This demonstrates that there are Gresham residents that could afford higher end homes but choose not to maximize the amount they can afford to spend on housing or they cannot find the type of housing desired.

²⁸ According to Johnson Reid LLC's City of Gresham Housing Study, the surplus lower end ownership housing at the less than \$80,000 price range is likely due to the mobile home supply.

TABLE 24: COMPARISON OF CURRENT DEMAND TO CURRENT SUPPLY

Household Income	Ownership				Rental			
	Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
Less than \$15,000	\$0k - \$80k	641	1,433	792	\$0 - \$380	3,539	477	(3,062)
\$15,000 - \$24,999	\$80k - \$130k	1,043	728	(315)	\$380 - \$620	3,235	999	(2,235)
\$25,000 - \$34,999	\$130k - \$190k	1,199	2,869	1,670	\$620 - \$870	3,089	5,958	2,869
\$35,000 - \$49,999	\$190k - \$270k	2,966	8,433	5,468	\$870 - \$1060	3,990	6,396	2,406
\$50,000 - \$74,999	\$270k - \$340k	5,424	4,668	(756)	\$1060 - \$1430	3,120	3,643	523
\$75,000 - \$99,999	\$340k - \$410k	4,568	2,150	(2,418)	\$1430 - \$1710	529	823	294
\$100,000 - \$124,999	\$410k - \$520k	2,768	749	(2,019)	\$1710 - \$2140	140	709	568
\$125,000 - \$149,999	\$520k - \$620k	1,222	132	(1,090)	\$2140 - \$2560	55	449	394
\$150,000 - \$199,999	\$620k - \$710k	722	119	(603)	\$2560 - \$3420	0	146	146
\$200,000+	\$710k +	590	239	(351)	\$3420 +	0	0	0
Totals:		21,142	21,521	379	Totals:	17,697	19,600	1,903

Occupied Units:	38,839
All Housing Units:	41,121
Total Unit Surplus:	2,282

Sources: PSU Population Research Center, Claritas Inc., US Census, Johnson Reid

M. Population Growth

Over the next 20 years, the overall population of Gresham is expected to increase. As noted in Table 1, Gresham experienced a population increase of 32.1% between 1990 and 2000. In the next 10 year period, the population grew by 17.0%.

A recently completed Housing Study for Gresham projected that the annual growth rate for Gresham will be approximately 1.2% per year, yielding a population of 133,969 by the year 2032, an increase of 26.9% over the 20 year period.²⁹ This estimate is based upon recent projections from Metro for the year 2035 and includes the yet to be annexed areas in Pleasant Valley, Springwater and Kelley Creek Headwaters.

Referring again back to Table 1, **Population Growth**, Gresham's population increase from 1990 to 2010 was roughly double the population growth experienced by the County in this same period of time. This would tend to support the Johnson Reid estimate of a 26.9% increase between now and 2032.

The Oregon Office of Economic Analysis (OEA) has developed some projections by county. As a point of comparison, these projections use a base population as of July 1, 2000 and do not include the 2010 census information. This study estimated the population of Multnomah County would be 711,909 in 2010. The census information noted that Multnomah County actually had 735,334 residents in 2010, so some underestimation did occur.

Using the OEA estimate for 2010 of 711,909 the estimated County population is projected to be 756,390 in 2020 and 800,565 in 2030. These projections reflected increases of 6.2% between 2000 and 2010, 5.8% between 2010 and 2020 and 12.4% for the twenty year period between 2000 and 2020. Gresham's growth, although more moderate than in past years, is still expected to exceed that of the County over the next 20 years.

²⁹ Johnson Reid LLC, Op. Cit., page 47.

III. TRENDS

Changes in demographics and needs and desires for different housing types are very much intertwined. Although it is difficult to predict changes in demographics on a city level, there is trend analysis available that will be of assistance in gauging how the character of Gresham's housing needs may change in the next 20 years.

It is not expected that Gresham will completely mirror the trends predicted for Multnomah County, Oregon or the country as a whole, but the following information includes more macro-level trends that could be of assistance in anticipating Gresham's further needs.

A. Migration

Migration is one of the key components of population growth and the need for more housing. Since Oregon was affected by the recent recession more than many other states, migration (domestic and international) has slowed to the lowest it has been for 25 years, yet it still accounted for approximately 32% of the state's population growth in 2010. This trend, however, is expected to gradually reverse itself such that net migration to population change may reach upwards of 72% by 2020.³⁰

Immigrant (migrating internationally) households are a growing population segment in Gresham, increasing from 13% in 2000 to 16.6% in 2010 (See Table 5). Immigrant households, although often transitioning to national averages within a generation, initially have larger household sizes, may have lower incomes than the general population and also have the tendency to rent for longer periods of time.³¹ Ethnic families in general tend to combine different generations in the same household.³²

Immigrant households also tend to live in close proximity to each other, and often, especially with the Latino population, live in multiple generation homes that favor larger living quarters.³³ In 2010, 18.9% of Gresham households characterized themselves as being of Latino or Hispanic origin (see Table 4); which is a marked increase from the 11.9% of the populace that identified with this ethnic group in 2000. The Hispanic population is also specifically characterized by larger family sizes, with large numbers of children and young adults.³⁴

For many years, the tendency in the United States was for people to exit urban communities for housing in more rural or exurban areas as they were able to afford larger homes on generally larger lots. Since the 1990's, a reversal of that trend began with more individuals and families moving to more urban areas now that urban centers are becoming revitalized, crime has been reduced and commute times from city centers to employment opportunities make living in cities more appealing.³⁵

As noted in Table 1, over the last 20 years Gresham's population grew by 54.5%, while Portland's grew by 34.5%; and over the most recent 10-year period, the respective growth rates were 17% and 10.32%. This information lends itself to a conclusion that Gresham continues to be a place where people wish to move for housing and services and will likely benefit from this trend towards living in more urban areas.

³⁰ Oregon Office of Economic Analysis, Oregon's Demographic Trends, December 2012.

³¹ Johnson Reid LLC, Op. Cit., page 38.

³² Jeffrey Spivak, "Making Room for Mom and Dad," Planning, October 2012, page 11.

³³ John McIlwain, "Housing in America: The Next Decade," ULI 2010, page 17.

³⁴ Oregon Office of Economic Analysis, Op.Cit.

³⁵ Johnson Reid LLC, Op. Cit., page 40.

A recent study by the National Association of Realtors noted that most homeowners do, in fact, live in the suburbs although mixed-use neighborhoods are preferred by most.³⁶ Both urban and suburban core areas are appealing to a vast array of the population due to their proximity to amenities, variety in housing types, transit links and walkability.³⁷ The City's core centers of the Downtown, Rockwood and the Civic Neighborhood are all characterized by this type of mixed-use development.

B. Household Sizes

Based upon the information found in Figure 18, Gresham's average household size has increased slightly over the 20-year review period while most communities in the Portland metropolitan area have seen a decrease. This decrease in family size has been a trend in the United States for many years but the percentage of decline decreases as the years pass and is not likely to approach a household size of one person.³⁸

Gresham's household size increase can, at least partially, be explained by the increases in percentages in foreign born persons and increases in Latino and other ethnic populations. These populations need larger homes, but still want and need services, access to transit and amenities. As noted above, immigrant families tend to more closely conform to national averages within roughly a generation, but if Gresham's population continues to grow from immigration, the average housing size will remain about the same.³⁹

C. Generational Shifts

There are two large segments of the population, the Baby Boomers and Generation Y,⁴⁰ that are changing the characteristics of our demographics along with changes in the need for housing types. As we have seen from Figures 7 and 8, Gresham's over 65 cohort is increasing, while it's under 18 population has held relatively steady over the last twenty years, but is still holding onto over a quarter of Gresham's population.

Baby Boomers

The older Boomers (age 57 to 67 in 2012) present a mixed profile in terms of fiscal readiness for retirement due to the recent recession, but most have chosen home ownership and many own their homes outright. They are healthier than those in past generations and are not moving into retirement homes or Sunbelt cities, rather they may choose to be near children and grandchildren. Approximately 75% of them prefer mixed use, walkable communities in urban or suburban cities.⁴¹

Younger Boomers comprise about two-thirds of this generation with many still with children at home. When compared to older Boomers, their incomes are not as high, nor are their salaries increasing as steadily as those of the older portion of this cohort. Although they have also chosen home ownership and often own larger size homes, those homes could be underwater. The generation coming after them, Generation X,⁴² is much smaller in size and is also less likely to be able to afford these homes. As immigrant populations increase with assumed larger family sizes, these larger homes may become attractive to that particular demographic group.

Both sets of Boomers tend to want to age in place or remain independent for as long as possible. This may pave the way for more single level housing, accessory dwelling living or desires for planned multi-generational housing.

³⁶ Johnson Reid, LLC, Ibid., pages 40-41.

³⁷ John McIlwain, Op. Cit., page 25.

³⁸ Johnson Reid, Op. Cit., page 41.

³⁹ Ibid., page 42.

⁴⁰ Baby Boomers are the approximately 78 million persons born between 1947 and 1965. Generation Y (also known as Millennials or Echo Boomers) are those approximately 83 million people born between 1980 and 2000.

⁴¹ John McIlwain, Op. Cit., p. 12.

⁴² Generation X is comprised of those people born approximately from 1965 to the 1980's.

Generation Y

Generation Y is comprised of approximately 83 million people facing high college debt, a smaller job market and reduced economic prospects. They generally delay starting families, rent smaller homes or apartments, co-house or live with parents or relatives. They are also cautious about home ownership due to the number of homes currently underwater or foreclosed upon. Roughly 77% of this generation prefers to live in core areas but may find that they cannot afford big city urban core living. They may also become more financially constrained as they begin their families.⁴³

General Y will be looking for reasonably priced rentals in the short term and smaller, more affordable homes (single family detached and attached) in the long term. Suburban areas, being more affordable, may attract this generation due to its financial constraints yet its desire to live in rentals and ownership housing near walkable amenities, services, and transportation.⁴⁴ As this generation ages, it may decide to remain in suburban locations rather than making lifestyle changes as family units begin to develop.

Gresham can initially plan for the housing of this generation with an adequate supply of mixed use developments, rentals, smaller starter homes and for-sale attached housing.⁴⁵

D. Housing Needs Projections

The information found in Table 25 provides a projection that takes into account the current Gresham housing stock and assumptions about growth. A growth rate of 1.2% was used based on Metro projections for the year 2035. The expectation is that 29,000 new residents will be housed in roughly 10,400 Gresham households in 2032.⁴⁶

TABLE 25: FUTURE HOUSING PROFILE (2032)

PROJECTED FUTURE HOUSING CONDITIONS (2012 - 2032)		SOURCE
2012 Population (Minus Group Pop.)	104,477	2010 Census, PSU
Projected Annual Growth Rate	1.2% [Result of household growth rate presented below (1.19%)]	
2032 Population (Minus Group Pop.)	132,391	[2032 HH (below) * Avg. HH size (below)]
Estimated group housing population:	1,579	(Share of population from 2010 Census)
Total Estimated 2032 Population:	133,969	
Estimated Non-Group 2032 Households:	49,216	Forecasted rate of 1.19% Metro 2035 RTP
New Households 2012 to 2032	10,377	
Avg. HH Size:	2.69	Assumed unchanged due to increasing family sizes in key Gresham demographics, vs. national trend of declining household size. US Census
Total Housing Units:	51,535	(Occupied Units + Vacant Units)
Occupied Housing Units:	49,216	(= Number of Households)
Vacant Housing Units:	2,319	(Calculated from Vacancy Rate)
Projected Vacancy Rate:	4.5%	(Gresham data compared to Metro-area Average since 1986) Census, Johnson Reid

⁴³ John McIlwain, Op. Cit., page. 16.

⁴⁴ Ibid.

⁴⁵ Johnson Reid, Op. Cit., page 46.

⁴⁶ Population growth in Pleasant Valley, Springwater and Kelley Creek Headwaters was included in this estimate.

SOURCES: PSU Population Research Center, Metro, US Census, Johnson Reid LLC

NOTES: The model projects growth in the number of non-group households over 20 years of 10,300 households, with accompanying population growth of 29,000 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

Group Housing is defined as: A place where people live or stay other than the usual house, apartment, or mobile home. Two general types of group quarters are recognized: institutional (for example, nursing homes, mental hospitals or wards, hospitals or wards for chronically ill patients, hospices, and prison wards) and noninstitutional (for example, college or university dormitories, military barracks, group homes, shelters, missions, and flophouses). Group quarters may have housing units on the premises for staff or guests.

Table 26 represents a projection of future demand. Once the number of units was determined, then an analysis was developed that assigned the 51,535 units by the breakdown of ownership and rental units and also by the price ranges that could be supported by the segments of the projected population. The assumptions were that:

- The vacancy rate would be 4.5%
- The age and income levels of the population and the tendency of specific age and income levels to rent or own
- Housing expenditure for lower income households is 30%, 20% for highest income households
- Affordable ownership assumes 30 year amortization, 5% interest and a 15% down payment
- Income levels and prices are at 2012 levels

In 2010, the breakdown of Gresham's ownership-rental mix was 52.5% owner-occupied and 47.5% rentals. This was an increase in rentals from the 2000 figures. The expectation in 2032 is that the city's overall housing stock will be comprised of 54% ownership and 45% rentals. Although the demands of younger generations may tend to bolster the rental market, people tend to own as they age, and Gresham's population is generally aging.⁴⁷

Table 26 also demonstrates that most of the desired ownership housing will be in the price range between \$270,000 and \$410,000, representing about 47.5% of desired housing. Very low cost and very high cost ownership housing represents a small portion of what is expected to be needed within Gresham.

Lower cost rentals are needed in most communities and Gresham is no exception, with just over 20% of units in the \$0 - \$380 per month category being projected to be needed. The greatest percentage of needed rental units falls in the range of \$870 - \$1060 per month. This price range represents 22.4% of needed rental units in 2032.

⁴⁷ Johnson Reid, Op. Cit., page 48.

TABLE 26: PROJECTED TOTAL FUTURE HOUSING DEMAND (2032)

Ownership			
Price Range	# Units	% of Units	Cumulative
\$0k - \$80k	808	2.9%	2.9%
\$80k - \$130k	1,337	4.8%	7.7%
\$130k - \$190k	1,566	5.6%	13.3%
\$190k - \$270k	3,935	14.1%	27.4%
\$270k - \$340k	7,197	25.8%	53.1%
\$340k - \$410k	6,061	21.7%	74.8%
\$410k - \$520k	3,673	13.1%	88.0%
\$520k - \$620k	1,621	5.8%	93.8%
\$620k - \$710k	958	3.4%	97.2%
\$710k +	783	2.8%	100.0%
Totals:	27,938	% of All:	54.2%

Rental			
Rent	# Units	% of Units	Cumulative
\$0 - \$380	4,738	20.1%	20.1%
\$380 - \$620	4,339	18.4%	38.5%
\$620 - \$870	4,124	17.5%	55.9%
\$870 - \$1060	5,294	22.4%	78.4%
\$1060 - \$1430	4,140	17.5%	95.9%
\$1430 - \$1710	702	3.0%	98.9%
\$1710 - \$2140	186	0.8%	99.7%
\$2140 - \$2560	73	0.3%	100.0%
\$2560 - \$3420	0	0.0%	100.0%
\$3420 +	0	0.0%	100.0%
Totals:	23,597	% of All:	45.8%

All Units
51,535

Sources: Claritas, US Census, Johnson Reid.

The following two figures (Figures 32 and 33) graphically depict the projected needs in ownership and rental housing by price range and rental rates.

FIGURE 32. PROJECTED TOTAL OWNERSHIP DEMAND 2032

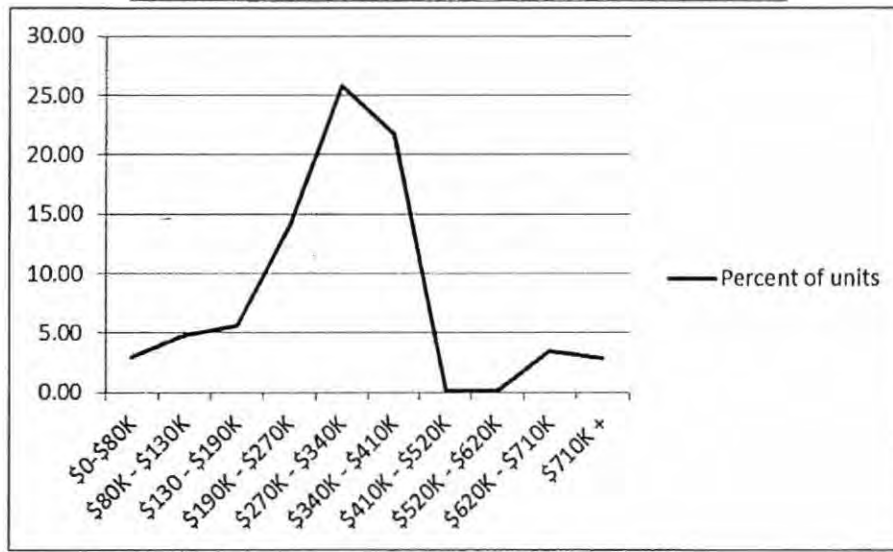
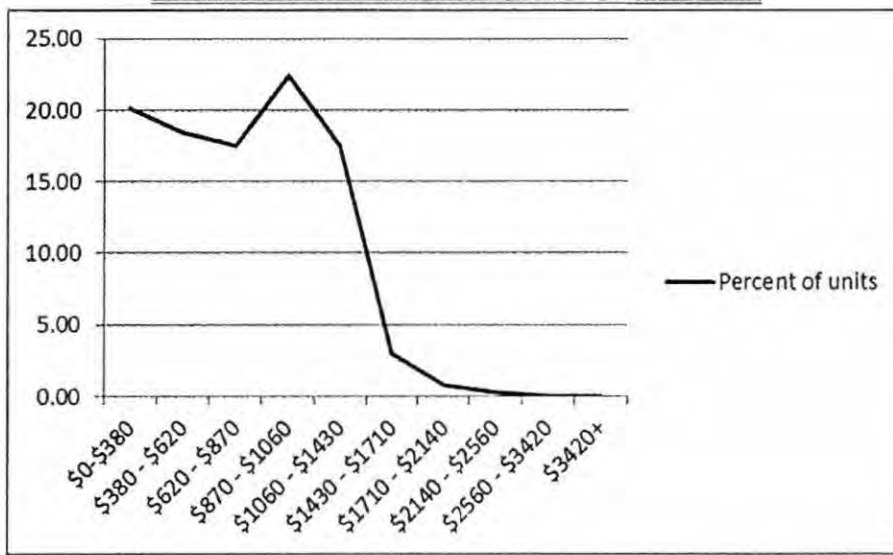


FIGURE 33. PROJECTED TOTAL RENTAL DEMAND 2032



E. Current Housing Inventory and Future Housing Demands

Estimates of expected demand, when compared to the existing inventory in Table 23 allows for a determination of how many new housing units will need to be constructed in anticipation of this demand by 2032. It is expected that roughly 10,400 new dwellings will be needed in 2032.

Table 27 shows that 62% of the needed units will be ownership; with 38% being in rentals. As noted in Table 24, there are currently more available rentals than ownership units in Gresham so a "re-balancing" of the stock will need to take place to accommodate the city's future residents as well as past permitting trends dating from 1980.⁴⁸

TABLE 27: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2032)

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
\$0k - \$80k	510	12	-4	-9	-41	180	0	650	10.1%	10.1%
\$80k - \$130k	666	8	-11	-28	-5	180	0	810	12.6%	22.8%
\$130k - \$190k	-1,069	-197	-14	-30	-82	0	0	-1,393	-21.7%	1.0%
\$190k - \$270k	-4,739	0	8	5	3	0	0	-4,723	-73.6%	-72.6%
\$270k - \$340k	1,462	442	34	57	121	0	0	2,117	33.0%	-39.6%
\$340k - \$410k	2,855	484	33	51	141	0	0	3,564	55.5%	16.0%
\$410k - \$520k	2,221	337	23	37	95	0	0	2,713	42.3%	58.2%
\$520k - \$620k	1,166	157	11	18	45	0	0	1,396	21.8%	80.0%
\$620k - \$710k	648	93	6	10	27	0	0	784	12.2%	92.2%
\$710k +	388	76	5	8	22	0	0	499	7.8%	100.0%
Totals:	4,107	1,411	93	119	326	361	0	6,417	% All Units:	61.6%
Percentage:	64.0%	22.0%	1.4%	1.9%	5.1%	5.6%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
\$0 - \$380	562	353	392	704	2,396	20	0	4,428	110.8%	110.8%
\$380 - \$620	412	256	299	582	1,864	20	0	3,433	85.9%	196.6%
\$620 - \$870	-74	-126	-190	-319	-1,211	20	0	-1,899	-47.5%	149.1%
\$870 - \$1060	-219	-36	-96	-198	-663	20	0	-1,191	-29.8%	119.3%
\$1060 - \$1430	-14	63	31	63	269	0	0	412	10.3%	129.6%
\$1430 - \$1710	-41	-3	-11	-18	-63	0	0	-136	-3.4%	126.3%
\$1710 - \$2140	-85	-34	-45	-82	-279	0	0	-526	-13.2%	113.1%
\$2140 - \$2560	-180	-25	-33	-59	-80	0	0	-378	-9.4%	103.6%
\$2560 - \$3420	-121	-10	0	0	-15	0	0	-146	-3.6%	100.0%
\$3420 +	0	0	0	0	0	0	0	0	0.0%	100.0%
Totals:	240	439	348	673	2,219	78	0	3,998	% All Units:	38.4%
Percentage:	6.0%	11.0%	8.7%	16.8%	55.5%	2.0%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units
Totals:	4,347	1,851	441	792	2,545	439	0	10,415	100%
Percentage:	41.7%	17.8%	4.2%	7.6%	24.4%	4.2%	0.0%	100.0%	

Sources: PSU Population Research Center, Claritas, Census, Johnson Reid.

⁴⁸ It is expected that more attached housing will be permitted than in the past due to regional housing policies and the smaller amount of land available for development (Johnson Reid LLC City of Gresham OR Housing Study, p. 50).

F. Estimate of Residential Buildable Lands

In January of 2008, City staff developed a Housing Capacity Analysis Update for the City.⁴⁹ At that time, staff found that Gresham had the capacity to allow for the development of approximately 10,800 new dwelling units based upon available lands, anticipated infill, allowances for environmental constraints and the residential densities allowed by the City's Land Use Districts. Since most land use districts have a minimum and maximum density and many allow for mixed uses, the City used a method that reviewed the "past performance" of the district to determine the likely built density. Table 28 represents a summary of the information found within this report.⁵⁰

TABLE 28: SUMMARY OF HOUSING CAPACITY ESTIMATES 2008

<u>Category</u>	<u>Estimated Dwelling Unit Capacity</u>
<u>Residential Districts</u>	<u>3098</u>
<u>Mixed Use Districts</u>	<u>1404</u>
<u>Platted Undeveloped</u>	<u>629</u>
<u>Environmental Overlays</u>	<u>362</u>
<u>Brickworks Plan</u>	<u>310</u>
<u>Pleasant Valley</u>	<u>3203</u>
<u>TOTAL:</u>	<u>10,827</u>

Source: City of Gresham

For the time period after this report was developed (November 1, 2007 through January 31, 2013), 337 single family detached units and 266 multiple family units were permitted within the City for a total of 603 new dwellings. In very general terms, this would mean that the City has approximately the capacity for the development of 10,224 additional dwellings. This approximates the needed 10,415 dwelling units projected as housing need in Table 27. More detailed review of the split between the capacity for the development of single family dwellings and multiple family dwellings would be needed to determine if there is an approximate match between the Johnson Reid LLC projected need of roughly 6400 single family homes and 4000 multiple family units estimated in Table 27.

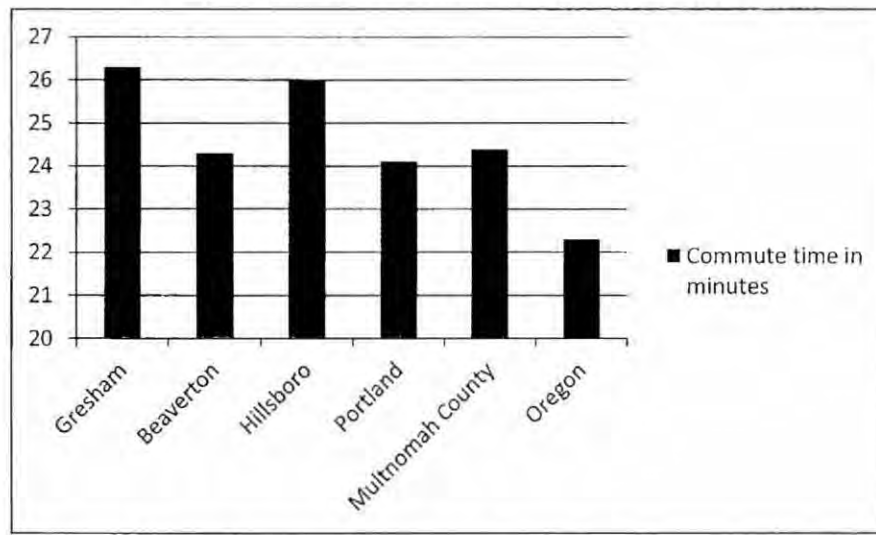
G. Jobs/Housing Balance

As noted in Figure 34, Gresham's workforce has a slightly longer commute time than the other cities studied. Most people find a longer commute to be a detriment. It impacts personal time, increases stress, increases traffic congestion and is costly. People would prefer to live closer to their place of work. If commuters are working outside the city in which they live, they are also likely to be spending money in the community in which their job is located. This negatively impacts the community in which they live. For jobs and economic development to prosper, a labor force must be available, and this labor force must have access to housing.

⁴⁹ Data available through October 31, 2007 was used.

⁵⁰ City of Gresham Housing Capacity Analysis Update, Technical Report; January 31, 2008, page. 14.

FIGURE 34: COMPARATIVE COMMUTE TIMES 2010



Source: American Community Survey, 2010, 1 Year Estimates

Housing, however, should not be viewed as just structures. People living in housing developments must have access to services and amenities that draw them to living in a particular location, and when they live and work in a particular community, they expend funds to access some of those services that can, in turn, contribute to the economic viability of an area.⁵¹ Parks, grocery stores, walkable areas, other services and the ability to pay for housing are instrumental in creating areas in which people wish to reside. It is ideal to provide housing at the entire spectrum of income levels because communities typically have a large range of people living in varying income categories.

Currently, Gresham has both a large in migration and out migration of people in the workforce. In 2010, only 17% of residents worked in Gresham while about 84% commuted out of Gresham for employment.⁵² Interestingly, about 26,000 people commute from other communities into Gresham for work.⁵³ These numbers are unbalanced and indicate that Gresham could be better served by more employment opportunities within the City boundaries.

Mixed-use developments may be able to alleviate the jobs vs. housing dilemma, and it has been demonstrated that mixed uses can reduce vehicle miles traveled by 20-25%.⁵⁴ Generally, it may be difficult to determine an exact optimal ratio of jobs to housing, but it appears that, in Gresham, a strong emphasis on recruiting commercial and industrial development and a plan policy emphasizing a jobs-housing balance may be able to change the out migration that Gresham is currently experiencing. Generally, Gresham already allows mixed-use developments in many of its land use districts.

Allowances for home occupations, live/work units, accessory dwellings and providing for adequate numbers of workforce housing units are also of assistance. Encouraging the development of smaller apartment units also warrants some consideration. There is also a concept known as a linkage program that requires larger employers to secure or provide housing for employees⁵⁵ that could be examined to determine its viability for the City. It is typically

⁵¹ In a February 2, 2013 article in the Des Moines Register authored by Kyle Munson and titled "Main Street Iowa Coming Back to Life", it was estimated that an upper floor rental housing unit renting for \$500 - \$1000 per month generated between \$19,469 and \$38,939 annually for the local economy.

⁵² Johnson Reid, LLC, Op. Cit., page 39.

⁵³ Ibid.

⁵⁴ Jerry Weitz, Jobs-Housing Balance, American Planning Association, November, 2003, page. 13.

⁵⁵ Ibid., page 28.

more often used in areas that are job rich, but it could have some applicability to Gresham when employees are seeking more affordable units.

Although not allowed in Oregon, inclusionary zoning (land use regulations that mandate a certain percentage of affordable units) is a technique that is used in jurisdictions outside the state. Similar tools could be developed that encourage developers to provide a given amount of lower income units in exchange for density adjustments, reduced or enhanced floor area ratio (FAR), design modifications, etc. This could be of particular interest since there is a projected need for more affordable rentals over the next 20 years (Table 27).

In the long term, although Metro estimates that there will be job growth in the seven county Portland-Beaverton-Vancouver MSA that directly supports the resident population in the forms of new jobs in information, business, financial services, education and health care,⁵⁶ Gresham still needs to work towards creating more job growth within the city so that there is a roughly equal amount of jobs and housing so that employees can reside near their place of work.

H. Livability

Livability can mean many things to many people, but generally since housing forms the building blocks of a neighborhood, pedestrian-friendly building/site design, having ready access to transportation, supermarkets/grocery stores, entertainment, schools, libraries, employment, and parks within reasonable proximity to residential nodes is thought to be of high value by many people. In fact, a recent study showed that walkability was an indicator of a better economy and higher housing values.⁵⁷ Gresham has invested in infrastructure improvements throughout the city that provide for enhanced pedestrian amenities, streetscapes, right of way improvements and parks maintenance. The City added the downtown Center for the Arts Plaza in 2009. An interactive fountain is planned to be built at the Center for the Arts Plaza in 2013 - 2014.

Being proactive in the siting of both single family and multiple family housing and amenities can help create neighborhoods and strong communities that draw people into city centers for needed and desired services. It is also important that a variety of housing types be represented in neighborhoods so that single types of housing, be it affordable, large lot or multiple family, not be over represented. A mix of types allows for singles and families to transition through their lives and yet be able to live in the neighborhoods and cities⁵⁸ of their choosing. As a point of interest, and as part of the Chicago Metropolis 2020 report, it was found that:

"...housing diversity may underlie our prosperity as a region, our quality of life in the long run, and our role in the larger region..."

As with many communities, Gresham's aging housing stock presents challenges. Apartment complexes and other rental properties can become run down and, although affordable especially to lower income segments of the population, sometimes do not provide the best living quarters for Gresham's families. These buildings, in many cases, were constructed prior to annexation into the City and represent a time when there were inadequate regulations for the development of such projects. The materials used were often of lower grade and the design of the project was not necessarily conducive to the creation of livable conditions or connectivity to other needed services.

⁵⁶ Metro, Executive Summary, 20 and 50 year Regional population and employment range forecasts, March 2009, page 9.

⁵⁷ Christopher B. Leinberger and Mariela Alfonzo, Walk this Way: The Economic Promise of Walkable Places in Metropolitan Washington D.C., The Brookings Institute, May 2012, page 9.

⁵⁸ Housing, Diversity and Choices: A Metro Milwaukee Opinion Survey. Regional Report Volume 1, Number 1, (Public Policy Forum, September 2004) quoted in Housing Diversity and Accessibility, Leigh Ann King and Jeff Hirt, The Rocky Mountain Land Institute, January 2008.

The Rental Housing Inspection Program, begun in 2007, has resulted in mandatory and periodic reviews of rental properties within the City that has improved living conditions in these living quarters. The city continues to try to work with property owners and site managers to improve this older housing stock so that the neighborhoods in which they exist become more stable and viable.

Starting in 2009, the City, beginning with new regulations for the downtown, began the implementation of design standards within the City. These standards significantly raised the bar for development of commercial, office and residential developments, increasing the quality of materials used in these projects as well as requiring more detailed review of site planning, landscaping and other aspects of a site's design. To date, the City has adopted these new regulations for the Downtown, Rockwood, Multiple Family Residential and Commercial projects.

The new design regulations most applicable to the Housing Policy are the 2010 multi-family standards. These regulations are implemented through a two track system under which a developer may choose to design a project using either standards or discretionary guidelines. The multi-family design standards apply to duplexes, three or more dwelling units on a single lot, residential facilities, elderly housing and the residential component of all mixed-use developments in residential, Civic Neighborhood, Pleasant Valley, Springwater and Corridor land use districts. With an emphasis on quality in design, these new standards make it unlikely that the city will face the issue of deteriorating materials or unattractive site design in the future.

Centers

Gresham has three key centers: the Downtown, the Civic Neighborhood, and Rockwood. Each has its own unique characteristics that could be captured in the following quote from the Brookings Institution that focuses on the importance of housing in core areas:

*Downtown housing provides visible and tangible evidence of urban vitality that has important psychological and economic impacts.*⁵⁹

Downtown

In 1994, a Downtown Plan was adopted for Gresham, with several revisions taking place, most recently in 2009 when the new design standards were enacted. These revisions reflect the changing character of this area. This area of town is historic, expected to grow with dense and mixed-use developments and it will continue to be characterized by design standards that were put into place over the last few years. These standards will only complement its historic character and add to the quality of design and materials expected of a core area of the city. It is served by transit and the MAX light Rail Line.

Largely non-conforming older single family detached dwelling have sold for below the citywide median price in recently years, but attached housing has sold for 29% over market.⁶⁰ Rents generally do not vary much over other city wide developments, but newer housing does command higher rents to the tune of 20% higher.⁶¹ Developments reflect standards for transit orientation and often incorporate public-private partnerships to achieve the developments themselves.

Downtown development stalled between 2008 and 2012, this lack of development mostly being attributed to the recession. As noted earlier, development of housing in the Portland metropolitan area has recently experienced an uptick, and it is possible that there may be some spillover to Gresham as a result. In the future, it is expected that development could be lower to mid-rise with lower parking ratios.⁶² There are incentives that can be reviewed as part of a program to evaluate and promote these uses. These tools and incentives are discussed below.

⁵⁹ Eugenie L. Birch, "Who Lives Downtown?" The Brookings Institution, November 2005, page 1.

⁶⁰ Johnson Reid LLC, Op. Cit., page 53.

⁶¹ Ibid. Note: Average rents in the downtown and the City in general are roughly \$0.90 per square foot.

⁶² Ibid.

Civic Neighborhood

The Civic Neighborhood, that area of Gresham that encompasses City Hall and the Public Safety Building and a large residential/office and commercial complex became its own center in 1995. Since then, it has become a commercial, office and residential hub, and the home of a new Light Rail station, the second centrally located light rail line in the neighborhood.

Most residential has been built since 2000, with price tags at 42% higher than city averages and rents logging in higher than the city wide averages.⁶³ As with downtown, much of the development is the result of public-private partnerships.

The Civic Neighborhood is well positioned for mixed use development, with all of its sub-districts allowing for these uses. Although much of the land has been developed, there is a large parcel available in the K-mart site on Burnside, at 13.5 acres, that would be a prime area should that shopping complex ever become available for redevelopment. Metro also owns several developable parcels.

Rockwood

Much of Rockwood's housing stock is older, dating from the 1960's or earlier. It does, however, serve as a center for a large Hispanic population and has a higher concentration of lower cost housing and poverty (household income is 18% lower than the rest of Gresham and 21.5% of the population is below the poverty level) than other areas of the City.⁶⁴ In 2003, the city designated much of this area as an Urban Renewal Area.

The Rockwood Design Standards were implemented in 2011, and the City is currently reviewing the Central Rockwood plan to determine what is needed to assist in the guidance of further developments in this area.

Non-profit based affordable housing is concentrated in this area, with rental rates being lower than the citywide average.⁶⁵ In addition to higher density housing, there are established single family detached neighborhoods that typically sell at prices higher than the citywide average.⁶⁶ This tends to point to the idea that well maintained single family detached homes in Rockwood are appealing to homeowners that may be looking for single family homes in established neighborhoods at a reasonable price.

As the metropolitan area emerges from the recession, newer housing developments would be expected. The design standards adopted in 2011 will ensure quality site design and building construction. Additionally, the City's Rental Housing Inspection Program has increased the livability of housing within the city and ensures the quality of rental units in Rockwood and elsewhere throughout the City.

The City continues to actively pursue the redevelopment of the Rockwood Triangle, the site of the former Rockwood Fred Meyer.

IV. SUMMARY

The following represents summary findings of the demographic information, trends and the key components of the expected housing need for new dwelling units as found in Table 27 of this report. These findings include:

⁶³ Ibid., page 56.

⁶⁴ Ibid., page 58.

⁶⁵ Ibid.

⁶⁶ Ibid., page 59.

- An expectation that of the 10,400 new housing units built, there will be a stronger emphasis on ownership housing. Projections note that about 62% need to be ownership units and 38% will be rentals. The current supply of rental units will need to be absorbed because there are currently more available rentals. Also, as Gresham's population ages, ownership becomes more desirable.
- The highest percentage of new units, at 42% of the total, will need to be single family detached homes. It is expected that 18% of all new ownership housing will be attached single family units (such as townhomes).
- It is expected that about 40% of all new units will be some form of attached housing. These could be duplexes, triplexes, four-plexes or dwelling units in larger multiple family complexes.
- Smaller multiple family developments (duplexes, triplexes, four-plexes) will make up 12% of the total units needed (ownership and rental); while roughly 25% will be in larger complexes of five units or more.
- Approximately 56% of rental units will be located in complexes of five units or greater.
- There is a surplus of ownership housing between the price range of \$130,000 - \$270,000.
- There will be a higher demand for housing in the price ranges of \$270,000 to \$620,000.
- Approximately 4% of the needed units will be mobile homes. This figure remains relatively constant when compared with current demand.
- Like most cities, more rental housing at the lower monthly rental rates (less than \$620 per month) will be needed. Most will be owned by affordable housing providers.
- There will likely be a need for both larger and smaller dwelling units. The larger units will be needed by larger families (Gresham's generally larger family size, immigrant and ethnic families) while the Millennial generation and older residents may need and desire smaller dwellings.
- Gresham could likely support ownership housing at higher price levels, perhaps in planned communities.
- Rehabilitation and revitalization of older housing units will continue to be of high importance in Rockwood, the Downtown, and wherever older housing stock is located.
- Mixed use areas that provide for amenities and services will be very attractive to many resident populations.
- Opportunities for living and working in close proximity to each other will become increasingly important.
- Alternative housing such as accessory dwellings, communal housing and very small apartments and homes will become more attractive.
- Good quality design and materials will continue to be an important component in the development of new housing and the rehabilitation of existing housing.
- The City's three core areas will continue to be areas of mixed-use development, with access to commercial services, parks and other amenities. These areas will continue to emphasize walkability and vitality in design.

V. INCENTIVES AND TOOLS

The anticipation of housing needs of a community is complex, ever changing, and can present significant challenges, but there are incentives and tools that a community can use that will help to steer choices, provide for guidance when making housing choices and provide for the best opportunities for incenting needed housing.

These tools vary in the amount of staff time needed for implementation and some may not be appropriate for Gresham at this time, but they do present options for consideration in both the near and long term. Generally, a combination of these tools may present the best opportunity for guiding the path of needed housing within Gresham. The following list presents some, but not all potential incentives and tools:

1. An evaluation of permitted uses and densities. In general, Gresham does a solid job of providing for opportunities for different housing types, mixed uses, varying densities and parking requirements. The city could also consider phasing density requirements as long as guarantees were in place to ensure compliance in the future. As we come out of the recession, it will be important to continue to monitor the effect of land use regulations and characteristics to ensure that Gresham is encouraging needed housing in appropriate locations.
2. Opportunity mapping. Opportunity mapping is often referred to a mechanism for creating neighborhoods. Pedestrian access, food access, parks, places of employment, health centers, senior centers, entertainment facilities and other amenities are mapped such that an evaluation of the ability of residents to access these uses is demonstrated. Washington County recently completed an Opportunity Mapping program that Gresham could use as a guide for a similar city-wide effort.
3. Streamlining of permits and fees. The city can evaluate if, in certain circumstances, it wishes to modify fees for desired types of uses. As an example, some jurisdictions exempt features such as structured parking from project valuation costs so that developers will have an incentive to propose such features.

Although the city already does a good job of processing development applications quickly, Gresham could investigate whether it wanted to provide templates for developers to use to have greater assurances that projects would be reviewed and approved with greater certainty. For example, several years ago the City of Portland allowed for pre-approval of "skinny house" designs that adhered to pre-approved designs.

Also, since the city's design standards are relatively new, it could consider developer/applicant training or assistance in project management when an applicant is new to these standards and guidelines.

4. Public-private partnerships. A joint effort by a local government and a developer can take many forms. For instance, the jurisdiction can assist owners in negotiating for the creation of larger parcels that are more conducive to development for all varieties of housing development. If feasible, a city can also consider reduced cost sales for City-owned parcels that can be used for an agreed upon housing type and design. Another tool is a land trust. Trusts can be used to promote ownership and could be done in partnership with non-profit providers or the city could set up its own program.

The city already is a partner with non-profit organizations in its review and allocation of CDBG/HOME entitlements each year. The City could become more proactive in joining with non-profit organizations in site selection for potential CDBG/HOME projects in advance of each year's application cycle.

The city could also investigate the possibility of applying for brownfield grants with private parties to determine if these funds could be used to clean up sites for development or redevelopment.

The City has already identified one catalyst site in the former Fred Meyer property in Rockwood. The City could choose to identify other City-owned properties that could be the focus of future partnership efforts between the City and private developers or non-profit agencies.

5. Oregon Main Street. This program helps cities organize the revitalization of its main streets. It is generally used in mixed use/commercial projects but can be of assistance in siting and promoting needed housing. Before the City were to investigate this program further, local business owners would need to agree that it would be in the best interest of the core areas to do so.
6. Capital Improvements. The city has already invested in substantial capital improvements in its core areas. A continued review and evaluation of needed pedestrian and bike routes, parks access and improved streetscapes will only enhance livability.
7. Employer Assisted Housing (EAH). The University of Portland and other larger metropolitan area employers currently use an Employer Assisted Housing program to help its employees by providing grants and loans for affordable housing for employees. Gresham could consider forming an EAH or working with larger city employers to encourage the formation of these programs.
8. Tax Increment Financing (TIF). This tool is used in urban renewal areas and is currently only available in Rockwood. When an urban renewal area is established the tax base in that area is frozen with all future taxes being reserved for the urban renewal area alone. The City could consider if other parts of Gresham are appropriate for TIF.
9. Metro's Transit Oriented Development (TOD) Program. This program is set up to stimulate development by the purchase of transit oriented easements. The TOD Program is designed to provide incentives, generally by the use of grants.
10. Tax Abatement. These tools reduce property taxes for a given length of time, generally ten years. Many of these programs exempt all or part of a structure from taxes.
11. Oregon Vertical Housing Development Zone (VHDZ) Program. Gresham already has a district for this tool in the Downtown and the Civic Neighborhood, but other areas of the city could benefit from it. It is targeted to mixed-use projects and can be either used for new construction or rehabilitation. Qualifying projects can receive a partial property tax exemption for a 10-year period. The City could also re-review the decision to opt out of the Transit Oriented Tax Exemption program when the Gresham's VHDZ program was adopted.
12. Preservation and Stabilization. The City already considers grant programs for non-profit organizations that implement housing rehabilitation programs such as Mend-A-Home and Adapt-A-Home as part of the annual CDBG/HOME application process. The City can also continue its Housing Inspection Program to mandate upgrades to substandard properties. Another tool could be the use of outreach tools to neighborhoods to determine what area residents most wish to see as part of area and property improvements. Other area jurisdictions such as Beaverton have successfully used neighborhood programs promoting property upgrades with those "most improved" being celebrated and recognized by city leaders.

Section 2. Volume 2, Policies, Section 10.600 is repealed and replaced with the following:

10.600 HOUSING

BACKGROUND

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.

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.

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 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 units⁶⁷.
- Provide clear and objective approval standards for needed housing. These standards must not have the effect of discouraging needed housing through unreasonable cost or delay⁶⁸.
- 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.

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

⁶⁷ 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.

⁶⁸ 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.

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 19953.

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

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 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.¹ 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.

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.

¹ Poverty information is not available at the Neighborhood level.

Housing Tenure

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

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 \$785.² 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.

² 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.

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 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.

Economic Development

When people both live and work in a community, they tend to spend more time and money there. This not only increases the amount of revenue experienced by the community, but allows its residents to maintain a much more direct connection to their cities and neighborhoods. Having an employment base that matches the needs of its workforce is a preferred situation, but one that is difficult for many communities to achieve.

Gresham historically has, and continues to be a residential city. In 2010, 17% of Gresham residents were employed in Gresham and Gresham residents tend, therefore, to have a slightly longer commute time than those of other Portland Metropolitan area jurisdictions. It is also estimated that roughly 26,000 people commute into Gresham for their jobs. Traveling longer distances between home and work takes up time, can create stress and impacts the infrastructure and the environment.

Once committed to a place of residence, neighborhood or school district, people often want to find employment within a reasonable distance of their home. Gresham already allows mixed uses in its core areas and this promotes the ability to live near a place of residence. Quality housing and neighborhoods draw people to a city. In turn, those people can be instrumental in creating new businesses and jobs that are economic drivers. Gresham will continue to promote high quality single family, multi-family and mixed use projects that will serve the needs of its residents.

On a smaller scale, Gresham could also review its home occupation regulations and accessory dwelling requirements and perform an analysis of potential incentives for more workforce housing. All of these could serve to allow for more alternative housing types.

Metro estimates that area job growth is expected to occur in the information, business, financial services, education and health care fields over the next twenty years. Gresham will continue to work on ensuring that much of this growth is located within Gresham such that the jobs to housing ratio is much more balanced.

Livability

Cities are usually characterized as "livable" if they are pedestrian – friendly, have strong site and building design standards, and ensure that residents have ready access to amenities, services and transportation. Generally, a mix of housing types and non-residential uses creates more complete and livable neighborhood. Neighborhoods and neighborhood identity becomes more discernable, with residents often choosing to remain in areas where they are able to transition into different living accommodations throughout their lives.

In 2009, the City began to implementation of design standards which significantly raised the bar for the design of and materials used in new construction. To date, design standards have been adopted for the Downtown, the Rockwood Design District, and commercial development in the Corridor Districts.

The Multi-Family Residential Standards became effective in 2010 and consist of a two track system by which a developer may choose design standards or discretionary guidelines. These standards apply to multi-family developments and the residential components of developments consisting of three or more units in all residential districts, the Civic Neighborhood, Pleasant Valley, Springwater, the Corridor districts and all duplexes being constructed in the Downtown. These new standards ensure that the City's housing will be of high quality design and materials.

Rehabilitation/Revitalization

Like many other communities, Gresham has the challenge of an aging housing stock. Maintaining an older housing stock can be problematic because older properties may not conform to current codes, they may lack the amenities of newer facilities, can be unattractive and unsafe, or be perceived to be unsafe.

In December of 2007, the City began a mandatory Rental Housing Inspection Program that has increased the health of these units and improved living conditions for their residents. The City is expected to continue this program and also continue to work with property owners and site managers so that housing units in them become safer and more stable.

Through its Community Revitalization Program the City also partners with non-profit organizations providing housing rehabilitation services such as Mend-A-Home and Adapt-A-Home. These programs enhance properties that have become deteriorated so residents can stay in their homes as they experience physical and other limitations in relationship to housing accommodations.

Through its Design Standards, all new multi-family dwellings will need to conform to current standards. Certain improvements proposed to existing multi-family residences will also be required to adhere to these new standards. These requirements will only further enhance these developments, making them more livable and attractive.

It is often more cost effective and sustainable to maintain existing housing stock if it is viable and can be upgraded to become more conforming with current standards. This can also translate into neighborhood stability when current residents are satisfied with their living conditions and choose to stay within a given area and support its businesses and services. The City can consider programs to help incent property owners to spend more time and resources in the upkeep of their properties and continue to work with Code Enforcement and the Rental Housing Inspection Program as site violation are reported.

City Roles

Gresham has made a strong investment in its future housing by its dedication to improving existing rental housing stock, constructing and planning to construct capital improvement projects in key areas, ensuring that new housing is developed using both attractive design and durable materials and emphasizing mixed use development in its core areas.

As a Federal Entitlement community, Gresham allocates annual CDBG and HOME monies through a competitive evaluation process. The City can consider becoming more proactive and coordinate with potential applicants early in the process so that applications submitted can be mutually beneficial to the applicants and the City. In addition, partnerships that were formed as a result of the City's Section 108 loan gap financing for Human Solutions' Rockwood Building could be considered to be expanded.

As Gresham moves forward in its refinement of housing opportunities, it will continue to develop its partnerships with the private sector, review and re-evaluate its permitting processes, examine programs that revitalize its urban centers, investigate financial and tax incentives, continue to invest in capital improvements that enhance residential and mixed-use developments, and look to more programs that promote the rehabilitation of its existing housing stock.

Summary of Issues

1. Gresham is characterized by residential lands, a regional center, two town centers and industrial lands.
2. Gresham will continue to see moderate population growth.
3. Gresham's population demographic is changing. It is becoming older and more diverse with an increasing immigrant population.
4. Gresham's average household size has increased.
5. Gresham and the rest of the Portland Metropolitan area will feel the effect of the housing needs of the Baby Boomer and Generation Y, two large population cohorts.
6. Gresham provides its residents with the full spectrum of housing choices.
7. Creative housing types such as cottage developments and accessory dwellings can be attractive to many Gresham residents.
8. Gresham's ownership and rental housing market offers reasonably priced homes.
9. Gresham has experienced an increase in the percentage of rental units, but that trend is expected to reverse over by 2032.
10. There is and will continue to be a demand for lower cost rental housing.
11. There is and will continue to be a gap in the market for homes in the mid to higher price ranges.
12. Gresham recognizes the connection between quality housing and economic development.
13. Gresham residents have a slightly longer commute time than other Portland Metropolitan area residents.
14. Mixed use developments, live-work units and other creative housing types can decrease commute time.
15. Rehabilitation of the existing aging housing stock needs to be evaluated.
16. The City's Design Standards ensure quality new multi-family site design and building construction.
17. Gresham has both intentional affordable housing units and those that have become unintentionally affordable because their condition commands lower rental prices.
18. Livable cities provide for ready access to amenities.
19. The City is a Federal Entitlement community and allocates CDBG and HOME funds on an annual basis.
20. The City has a large array of options to consider if it chooses to expand its partnerships with housing providers.

GOALS, POLICIES AND ACTION MEASURES

The Comprehensive Plan includes definitions of Goals, Policies and Action Measures. These are:

Goal: A general statement indicating a desired end, or the direction the City will follow to achieve that end.

Policy: A statement identifying Gresham's position and a definitive course of action. Policies are more specific than goals. They often identify the City's position in regard to implementing goals. However, they are not the only actions the City can take to accomplish goals.

Action Measures: An action measure is a statement that outlines a specific City project or standard, which, if executed, would implement goals and policies. Action measures also refer to specific projects, standards, or courses of action the City desires other jurisdictions to take in regard to specific issues. These statements can also define the relationship the City desires to have with other jurisdictions and agencies in implementing Comprehensive Plan goals and policies.

Housing Opportunities Goal

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

Housing Opportunities Policies

1. Provide a full range of housing types and sizes that reflect the needs 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.

Housing Opportunities Action Measures:

1. Extend the expiration of the City's Innovative Housing Demonstration Project from June 3, 2014 to June 3, 2019 and develop educational materials explaining the benefits of using this program for new housing developments.
2. Refine and amend existing code language allowing for select alternative housing types when such amendments would benefit Gresham and its citizens. These housing types could include:
 - Co-housing
 - Multi-generational housing
 - A revision to the accessory dwelling regulations
 - An evaluation of the districts allowing for the Innovative Housing Demonstration Project (including Pleasant Valley)
3. Develop an outreach program to promote:
 - The development of multi-family housing units that offer more bedrooms
 - The development of smaller sized multi-family and single family housing units.
 - Designing units to allow residents to age in place.
 - Providing the proper proportion of workforce and higher end housing.

Economic Development Goal

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

Economic Development Policies

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".

Economic Development Action Measures

1. Re-evaluate the City's Home Occupation regulations to ensure they provide the most flexibility for Gresham residents while protecting the residential character of neighborhoods.
2. Define live/work units, re-examine where they are permitted and determine if they should be allowed in additional land use districts.
3. Provide developers with Gresham's housing trends analyses which outline its need for higher end rental and ownership housing and encourage them to consider developing these types of units.
4. Evaluate partnership opportunities with larger employers for programs such as Employer Assisted Housing.
5. Re-visit the Planned Development (PD) regulations to determine if they should be revised to include mixed use developments.

Livability Goal

Gresham will provide for a variety of livable neighborhoods.

Livability Policies:

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.

Livability Action Measures:

1. Review the Development Code to determine if there are barriers to the permissibility of desired housing types within new housing developments within Gresham.
2. Coordinate the efforts of Urban Design & Planning, the Department of Environmental Services and Code Enforcement to determine suggested locations for maintenance of existing, and the planned construction of new infrastructure projects that would enhance the walkability of neighborhoods within Gresham.
3. Initiate an Opportunity Mapping project that would determine the best locations for housing of varying types and densities in relationship to the current and anticipated provision of services and amenities.
4. As multi-family projects are reviewed, maintain a log of issues that include unclear code language, errors, or unintended consequences of regulations and guidelines. This information can serve as the basis for future code amendments and ensure that quality developments are constructed.
5. Provide a CPTED handout during the pre-application conferences for all multi-family projects.

6. Explore the possibility of requiring the use of sustainable development and building construction best practices for all types of residential development.

Rehabilitation/Revitalization Goal

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

Rehabilitation/Revitalization Policies

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.

Rehabilitation/Revitalization Action Measures

1. Review the Development Code to ensure that the Design Review standards do not present a barrier to improvements and rehabilitation of the existing housing stock.
2. Provide training and suggestions to housing providers and site managers that assist them in determining how properties can be improved and upgraded. Outside of recommendations for structural rehabilitation and safety upgrades, this could include programs including painting projects, enhanced landscaping, the installation of walking paths and benches, and the inclusion of low cost natural play areas.
3. Develop a Neighborhood Pride program that, in select areas:
 - Identifies neighborhood strengths and weaknesses
 - Recognizes property improvements and maintenance
 - Celebrates neighborhood identity through special events
 - Promotes a sense of connection to the city using designated staff liaisons.
4. Continue to monitor the results of the Rental Housing Inspection Program and provide, at minimum, annual activity reports to City Council.

City Roles Goal

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

City Roles Policies

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.

City Roles Action Measures

1. Evaluate if the City wishes to pre-approve certain housing designs and types such that the review process is expedited and made more cost effective.
2. Develop a city sponsored training program and develop informational materials for the implementation of the Multi-Family Design Standards.
3. Review all options for the financial support of good quality housing design including, but not limited to, an expansion of the Vertical Housing Development Zone, tax abatement, the sale of city land at a reduced price, and implementation of the Oregon Multiple Unit Housing Program.
4. Investigate how other jurisdictions have marketed city-owned properties for housing developments and what types of contractual agreements were entered into for their development.
5. Develop a process that allows potential CDBG/HOME applicants to meet with City staff to discuss the City's housing goals and priorities.
6. Develop communication tools to inform potential CDBG/HOME applicants of the City's housing goals and priorities.
7. Determine if it is feasible to partner with already established non-profit land trusts.
8. Research the feasibility of City land banking so that there is more control over larger scale housing developments.
9. Evaluate City fees and processes and determine appropriate incentives to encourage a mix of market rate and workforce housing within new housing developments.

Section 3. Volume 2, Policies, Section 10.314 is amended as follows:

10.314 Downtown Plan District

HEALTH AND THE BUILT ENVIRONMENT

...Providing these opportunities, ensuring they are part of a complete network, and ensuring they are designed to promote pleasant and safe experiences increases the likelihood that people will use these modes of travel and increase their physical activity.

HOUSING AND THE DOWNTOWN PLAN DISTRICT

In 2013, the City Council Work Plan included a Housing Policy project designed to result in a long term strategy for meeting and investing in Gresham's Housing needs. This project was to address:

- Types and amounts of housing required by various economic segments;
- Housing needs based on current and projected population;
- Existing conditions, challenges and opportunities in the City's Housing market.

The Downtown district contains Gresham's traditional main street and is a designated Metro Regional Center. As a Regional Center, it has the advantage of multi-modal transportation that has the ability to attract growth around station areas and provide transit-oriented housing, employment and services. It is expected that Downtown will continue its development as one of the region's great mixed use areas as well as home to dense housing development.

Since the original Downtown Plan was adopted in 1994, Gresham's Downtown experienced strong housing growth up until the economic recession that began in 2008. As of 2012, Downtown was home to approximately 350 single family homes (including single family attached units) and 933 multi- family units (including condominiums). Newer projects built in the Downtown tend to achieve sale prices and rental rates which exceed City – wide averages. The most recent amendments, adopted in July of 2009, completely revised the Downtown section of the Development Code and implemented the Downtown Design Standards. These Standards and Guidelines are used to review all multi- family developments in the Downtown for compliance with the established design principles for the Downtown.

The city has long expressed a desire for more housing in the Downtown, recognizing that additional housing will result in increased vitality and leverage the development of employment opportunities and services. In order to attract more intense development, the City, as part of its overall Housing Policy, will review programs and mechanisms that can potentially prompt denser development in the Downtown. Additionally, as the effects of the economic recession lessen and new housing developments are proposed for the Downtown, staff will continue to review and update the Downtown Design Standard to ensure they are encouraging of new and quality development.

DOWNTOWN PLAN DISTRICT GOALS, POLICIES AND ACTION MEASURES

d. A shopping district that offers unique goods, entertainment, cultural activities and nightlife.

~~2. Designate areas for medium and high density residential development that will provide a variety of housing types for people of all income levels and that will support a vibrant shopping district. Allow the highest densities of housing near the Downtown Core and MAX line.~~

5. Encourage the location of at least one major civic use anchor (such as a new city hall, library or higher education institution) in or near the Downtown core area.

~~6. Provide housing for citizens with special needs, such as the elderly, and those requiring care for disabilities.~~

2. The City will consider relocating City Hall to Downtown or try to attract another major civic use anchor.

~~3. Continue to support housing affordability, special needs housing, ownership opportunities, and housing rehabilitation in Downtown through the Community Development Block Grant and HOME programs.~~

d. Consider participation in the Main Street program in cooperation with Gresham Downtown Association and Historic Downtown Business Association.

DOWNTOWN HOUSING GOAL

Downtown will experience increased development of medium to high density quality housing.

DOWNTOWN HOUSING POLICIES

1. Ensure that Downtown Land Use Districts allow for medium and high density residential development allowing for a variety of housing types for people of all income levels such a vibrant city core will be promoted. Allow the highest densities of housing near the Downtown Core, MAX line, and other transit hubs.
2. Ensure quality housing development through the City's implementation and refinement of its Downtown Design Standards.
3. Allow for housing types that accommodate citizens with special needs, such as the elderly and those requiring care for disabilities.
4. Promote home ownership opportunities in the Downtown.
5. Encourage the development of higher end, executive home ownership and rental housing in the Downtown.
6. Incent housing development through all means practical.

DOWNTOWN HOUSING ACTION MEASURES

1. Continue to monitor housing development proposals in the Downtown to ensure that the existing Land Use District regulations and Design Standards do not present a barrier to desired housing.
2. Proactively work with developers proposing affordable housing, special needs housing, ownership opportunities and housing rehabilitation projects in the Downtown.
3. Develop a process that allows potential CDBG/HOME applicants to meet with City staff to discuss the City's housing goals and priorities.
4. Develop communication tools to inform potential CDBG/HOME applicants of the City's housing goals and policies.
5. Review all forms of potential incentives including, but not limited to, the Transit Oriented Development (TOD) program, fee adjustments, process adjustments and any other partnership opportunities that could provide additional impetus for Downtown housing developments.

Section 4. Volume 2, Policies, Section 10.318 is amended as follows:

10.318 Gresham Civic Neighborhood

HEALTH AND THE BUILT ENVIRONMENT

...Providing these opportunities, ensuring they are part of a complete network, and ensuring they are designed to promote pleasant and safe experiences increases the likelihood that people will use these modes of travel and increase their physical activity

HOUSING AND THE GRESHAM CIVIC NEIGHBORHOOD PLAN DISTRICT

In 2013, the City Council Work Plan included a Housing Policy project designed to result in a long term strategy for meeting and investing in Gresham's Housing needs. This project was to address:

- Types and amounts of housing required by various economic segments;
- Housing needs based on current and projected population;
- Existing conditions, challenges and opportunities in the City's Housing market.

The Civic Neighborhood Plan was adopted by Gresham City Council in 1995. Since the first part of the project developed commercially in 1999, it has quickly become a home to several residential and mixed use developments. The median sale price of housing is approximately 10% higher than that found in the Downtown. Rents in the Civic Neighborhood are higher than the City average.

The Civic Neighborhood has some of the City's best examples of Transit Oriented development. It has, however, taken public-private partnerships to achieve most of this development.

Although the Civic Neighborhood experienced rapid development soon after the Civic Neighborhood Plan was adopted, this development stalled with the 2008 economic downturn. Several large vacant and underdeveloped parcels remain that present opportunities for additional transit oriented development. One of the largest, the K-Mart site on the northwest corner of the plan area, could present a future redevelopment opportunity.

An additional Civic Neighborhood MAX station was constructed next to the Center for Advanced Learning in 2010, providing residents with additional options for access to services and amenities.

The Multi-Family Residential Design Standards apply to residential developments in the Civic Neighborhood, but no projects have yet been constructed using these standards.

CIVIC NEIGHBORHOOD HOUSING GOAL

The Civic Neighborhood will continue to be developed with medium to high density quality housing that complements its mixed-use transit oriented character.

CIVIC NEIGHBORHOOD HOUSING POLICIES

1. Ensure that the Civic Neighborhood land use regulations provide for a variety of housing types support a transit oriented mixed use neighborhood.
2. Allow for housing types that accommodate citizens with special needs, such as the elderly and those requiring care for disabilities.
3. Promote home ownership opportunities in the Gresham Civic Neighborhood.
4. Encourage the development of higher end, executive home ownership and rental housing in the Gresham Civic Neighborhood.
5. Incent Civic Neighborhood housing development through all means practical.

CIVIC NEIGHBORHOOD HOUSING ACTION MEASURES

1. Create residential Design Standards specific to the Gresham Civic Neighborhood.
2. Proactively work with developers proposing all residential and mixed use projects in the Civic Neighborhood to ensure that the character of the Civic Neighborhood is promoted.
3. Review all forms of potential incentives including, but not limited to, the TOD program, fee adjustments, process adjustments and any other partnership opportunities that could provide additional impetus for Civic Neighborhood housing developments.

Section 5. Volume 2, Policies, Section 10.319 is amended as follows:

10.319 Central Rockwood Area

Additional applicable design policies and implementation strategies can be found in Volume 2, Policies, Section 10.413.14 Design Standards for Development in the Rockwood Plan Design District.

HOUSING AND THE CENTRAL ROCKWOOD PLAN DISTRICT

In 2013, the City Council Work Plan included a Housing Policy project designed to result in a long term strategy for meeting and investing in Gresham's Housing needs. This project was to address:

- Types and amounts of housing required by various economic segments;
- Housing needs based on current and projected population;
- Existing conditions, challenges and opportunities in the City's Housing market.

Rockwood is a West Gresham Neighborhood characterized by the confluence of several arterials, the MAX line and some older housing stock, much of which was developed prior to its annexation into the City. Rockwood has a higher rate of poverty and lower property values and lower housing costs than other parts of the City. It is also a Metro Town Center that has the potential for significant residential, commercial and mixed use development.

In 2003, the City voted to designate much of the neighborhood in an Urban Renewal district to provide funding tools to address the area's opportunities and challenges. In 2011 Rockwood Design Standards were implemented. These standards regulate the construction of most multi-family development. In 2013, the City is in the process of reviewing the Central Rockwood Plan to assess its implementation.

Rockwood's housing stock is older, some of it characterized by inadequate maintenance. As of 2012, over 500 subsidized affordable units were provided by non-profit agencies in the Rockwood neighborhood. Average rents are lower than other places in the City.

Aside from the multi-family developments in Rockwood, there are pockets of well-established and often well maintained mid-century single family homes in the area. The sale price of detached single family homes is generally lower than that of the rest of the City.

Rockwood is the home to recent developments that were constructed using transit design standards, with most developments being of a mid to higher density.

The city is committed to the rehabilitation of older units in Rockwood when that rehabilitation is feasible and of benefit to the overall area. Since 2007, a Rental Housing Inspection Program has been in place which subjects properties to periodic mandatory inspection. Other incentive programs may be of additional benefit.

ROCKWOOD HOUSING GOAL

Rockwood will be developed with new high quality housing and existing good quality housing will be rehabilitated when of benefit to Gresham.

ROCKWOOD HOUSING POLICIES

1. Ensure that the Rockwood land use regulations and Design Standards provide for a variety of housing types for people of all income levels that supports a transit oriented mixed use neighborhood.
2. Allow for housing types that accommodate citizens with special needs, such as the elderly and those requiring care for disabilities.
3. Promote home ownership opportunities in Rockwood.
4. Encourage the re-development of Rockwood's older housing stock whenever feasible.
5. Incent quality Rockwood housing development through all means practical.

ROCKWOOD HOUSING ACTION MEASURES

1. Proactively work with developers proposing affordable housing, special needs housing, ownership opportunities and housing rehabilitation projects in the Downtown.
2. Develop a process that allows potential CDBG/HOME applicants to meet with City staff to discuss the City's housing goals and priorities.

3. Develop communication tools to inform potential CDBG/HOME applicants of the City's housing goals and priorities.
4. Proactively work with developers proposing all new residential projects and re-habilitation projects in Rockwood to ensure that quality in site design and construction is promoted. Develop and outreach program that will invite property owners and managers to discuss potential site and building upgrades with city staff.
5. Promote the development of moderately priced housing that can serve as a mechanism for citizens desiring transition from renting to home ownership.
6. Review all forms of potential incentives including the TOD program, fee adjustments, process adjustments and any other partnership opportunities that could provide additional impetus for Rockwood's housing developments.
7. Implement housing programs which require maintenance of existing and future residential developments.
8. Allow for the highest residential densities within the Rockwood Town Center district, Station Center, and adjacent to other existing light rail stations.
9. Permit and encourage moderate density residential development along bus transit corridors
10. Preserve the integrity of existing, single family residential neighborhoods within the Central Rockwood area. Permit additional, small lot single family dwellings in these neighborhoods and allow for modest, gradual increases in density by allowing two unit attached dwellings. Commercial and mixed use developments will not be allowed.
11. Permit and encourage owner-occupied housing throughout Central Rockwood.

CENTRAL ROCKWOOD IMAGE AND CHARACTER POLICY

IMPLEMENTATION STRATEGIES

7. Prepare and adopt a detailed action plan to ensure that actions called for in the Central Rockwood Action Plan are carried out (see Rockwood Action Plan Policy below).

- ~~8. Support adoption of housing policies which require maintenance of existing and future residential developments.~~

CENTRAL ROCKWOOD LAND USE POLICY

IMPLEMENTATION STRATEGIES

1. Designate a Rockwood Town Center district which is centered on and around the triangle formed by NE 181st Ave., Stark and Burnside. Make this the focal point for Central Rockwood, by permitting and encouraging a variety of residential, commercial, mixed use and civic uses.

2. ~~Allow for the highest residential densities within the Rockwood Town Center district, and adjacent to other existing light rail stations.~~

- ~~3. 2. Establish minimum floor area ratios for new commercial and mixed use developments to ensure intensive development within the Rockwood Town Center and on sites near light rail stations.~~
- ~~4. 3. Permit and encourage moderate density residential development along bus transit corridors. Limit commercial development in these bus transit corridors in order to minimize traffic and to direct most new commercial development to the Town Center and to MAX station centers.~~
- ~~5. 4. Permit multi-family residential development as an adjunct to commercial uses in these districts.~~
- ~~6. Permit and encourage owner-occupied housing throughout Central Rockwood.~~
- ~~7. 5 Prohibit or strictly limit industrial and auto oriented uses in order to promote a more intensive and pedestrian friendly pattern of land uses. Permit smaller scale industrial uses (excluding storage and warehousing) and auto dependent uses within the Ruby Junction station center as interim uses, and so~~

that light rail transit may serve as a convenience to employees and customers of these businesses.
~~8. Preserve the integrity of existing, single family residential neighborhoods within the Central Rockwood area. Permit additional, small lot single family dwellings in these neighborhoods and allow for modest, gradual increases in density through new attached single family and two unit attached dwellings. Commercial and mixed use developments will not be allowed.~~

Section 6. Volume 3, Community Development Code, Section 4.1507 is amended as follows:

Table 4.1507: Permitted Uses in the Springwater District –Residential

USES	VLDR-SW	LDR-SW	THR-SW ⁶
RESIDENTIAL			
Single-Family Detached Dwelling	P	P	L ¹
Duplex	NP	L ²	NP
Single-Family Attached Dwellings	NP	NP	P
Attached Dwellings on a Single Lot	NP	NP	NP
Elderly Housing	NP	NP	NP <u>SUR</u>
Manufactured Dwelling Park	NP	NP	NP
Residential Facility	P	P	P
Residential Home	P	P	P

Section 7. Volume 3, Community Development Code, Section 7.0300 is amended as follows:

Section 7.0302.B. This ordinance shall expire ~~five (5)~~ ten (10) years following its effective date or when seven (7) projects are approved under this ordinance, whichever occurs first unless extended by the City Council, or unless the City Council specifically authorizes additional projects. Projects submitted prior to the expiration date and prior to approval of seven projects shall be permitted to complete the application process. The effective date of this ordinance is June 4, 2009. If seven projects are not approved prior to ~~five (5)~~ ten (10) years following the effective date, this ordinance shall expire on June 3, ~~2014~~ 2019.

Section 8. Volume 3, Community Development Code, Section 8.0114 is amended as follows:

8.0114 Elderly Housing

In addition to the standards in **Section 8.0103**, the following apply to elderly housing where it is allowed through the Type II Special Use Review procedure:

- A. Elderly housing shall meet at least one of the following standards:
 1. Be located in the Station Center District; or
 2. Be located in the Downtown Plan District; or
 3. Be located in the Rockwood Town Center District; or
 4. Be located in the Civic Neighborhood Plan District; or
 5. Be located in the Townhouse Residential – Springwater District; or
 6. Have frontage on a Transit Street or a Transit Route, as identified in **Section A5.500** of the Community Development Code; or
 7. Be within 1,000 feet walking distance of a transit facility and have direct access to a street with a functional classification of Collector or greater. For the purposes of this section, a transit facility includes a light rail transit station, a park and ride lot for transit riders, a transit center, or a transit stop and their transit improvements, including a bus stop.

- B.** Elderly housing shall meet the minimum density, if any, of the underlying land use district and shall not exceed a maximum of 62 living units per acre in all other land use districts or the maximum allowed in the land use district, whichever is greater.

First reading: October 15, 2013

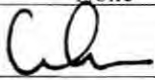
Second reading and passed: November 19, 2013

Yes: Bemis, Hinton, French, Echols, Palmero, McCormick, Stegman

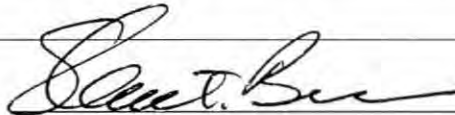
No: None

Absent: None

Abstain: None

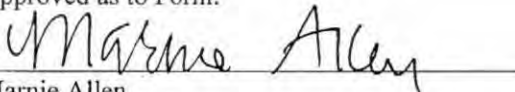


Erik Kvarsten
City Manager



Shane T. Bemis
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Approved as to Form:



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LAND CONSERVATION
AND DEVELOPMENT

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