4.000 Social Environment

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4.100 POPULATION CHARACTERISTICS

See Section 4.800 2021-2041 Housing Capacity Analysis.

4.200 HOUSING CHARACTERISTICS

See Section 4.800 2021-2041 Housing Capacity Analysis.

4.300 SCHOOL FACILITIES

The planning for adequate school facilities is a vital step towards a meaningful land use planning program. School facilities have an added dimension on difficulty associated with meeting future needs and that is one of timing. Social trends vary the timing of household formation in the rearing of children for ‘various alternative goals which would in turn delay an expected student enrollment figure. Also, market conditions could swiftly change to accelerating growth at a rate beyond what is normally encountered. The ability to have in place needed faculty and facilities at the exact moment of demand is very difficult due to the scale of a project to construct a public school.

Another important factor that trust be considered when planning for future school facilities is the balancing of short-term immediate needs verses the long-term demand for facilities. Innovative administration of the educational program can alleviate the need to invest excessively in capital projects if these projects are found to be unnecessary in the terms of the long-term needs.

4.310 GRESHAM GRADE SCHOOL #4

Gresham Grade School t4 covers a major portion of the City of Gresham including areas located to the north, south and east of Gresham. The grade school district is currently responsible for the education of nearly 4,700 students in grades one through eight, including special educational students. District t4 owns and operates four elementary schools inside the city: East, West, Highland, and Powell Valley schools. A fifth elementary school lies just north of the corporate boundaries of the City of Gresham, North School. This district also runs two middle schools, Dexter McCarthy, and Gordon Russell. Both of these schools are located inside Gresham city limits. The district is currently constructing two additional elementary schools, Hall and Hollybrook, which are to be online by 1980.

The school has three additional properties: eleven acres near the southwest corner of Stark and Hogan, thirteen acres near the southeast corner of Palmquist Road and Hogan Road, and a third ten-acre parcel outside the ‘city limits on the east side of Troutdale Road north of Division Street. These parcels of land in actuality may not be used for school purposes but will in the event of final site selection prove as excellent bargaining tools. For example, the 13-acre Palmquist-Hogan site has recently been redesignated for industrial uses. The changing climates of the neighborhood resulted in a need to relocate the site to a more central location to the projected residential neighborhoods.

Gresham has operated on a 4545 year-round school program since July 1972. The initial consideration of the system was to realize an immediate savings of $3.5 million in capital construction costs. The continuance of this system assists the school district in absorbing the impact of additional students without getting involved in an overbuild situation for the long-term needs of the city. The school district expects that its enrollment will increase by nearly 30% over the next five years. Administrators

estimate that additional classroom space will be needed sometime near the 1982-83 school year. Figure 4-17 defines the projected ability for the school facilities to meet future demands.

Figure 4-17 Gresham Grade Schools – Projected Enrollment V. Classroom Capacity

School Year	Projected Enrollment (Grades 1-8)	Classroom Capacity
1978-79: Russell Middle School Opens	4,695	4,600
1979-80: Hall & Hollybrook Schools Open	5,000	5,800
1980-81	5,290	5,800
1981-82	5,550	5,800
1982-83: Added Space Needed	6,100	5,800

4.320 GRESHAM HIGH SCHOOL DISTRICT #20 JT

The high school district has a larger boundary than the Gresham Grade #4. The high school district operates two schools, Gresham High located east of Main and south of Burnside, and Sam Barlow High, located on 302nd Avenue just east of the city limits. Together these schools serve approximately 3,100 students in grades nine through twelve on a 9-month curriculum basis.

In view of the recent enrollment projection, District 20 will need additional classroom space sometime around the 1982-83 school year. Presently the school district does not own any vacant school sites. The 13.4 acres site that was set aside in southwest Gresham was transferred to Centennial High School District in 1977.

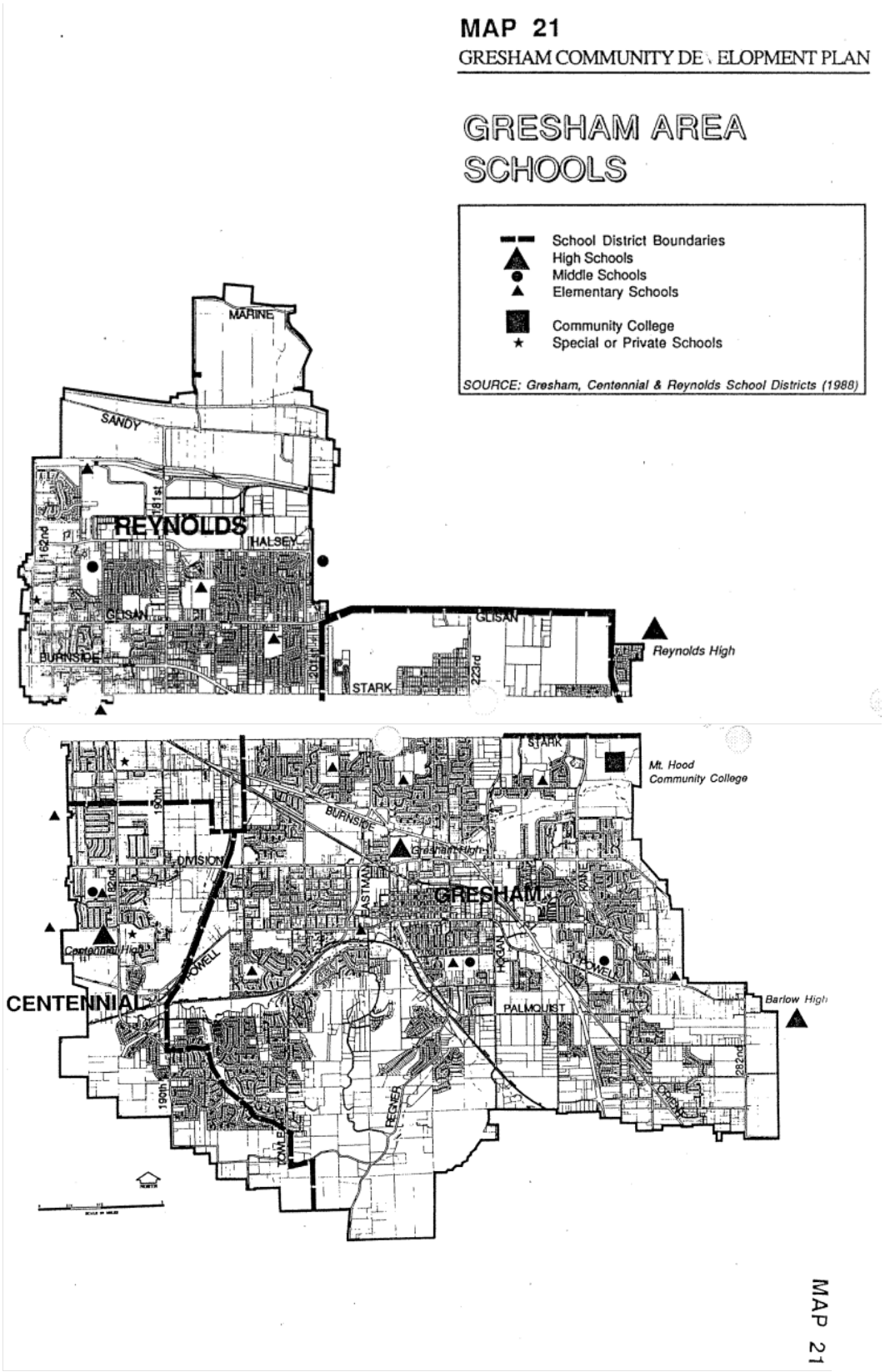
4.330 CENTENNIAL SCHOOL DISTRICT #28 JT

The Centennial District was formed in 1977 through consolidation of the Lynch and the Pleasant Valley Elementary School Districts plus some territory from the Gresham School District. Although it serves some 5,200 students, the district has only one facility inside Gresham's boundary, the 1,600 pupil Centennial High School. Centennial also owns a 38.2-acre parcel in southwest Gresham and has been offered an eleven-acre site in conjunction with the Hunter's Highland project in the far west area of Gresham.

Preliminary enrollment projections show a decline in student population throughout the entire district in the early 1980's, thus prompting the consideration of alternative to school construction as a means of alleviating the short—term overcrowding in some of its elementary schools.

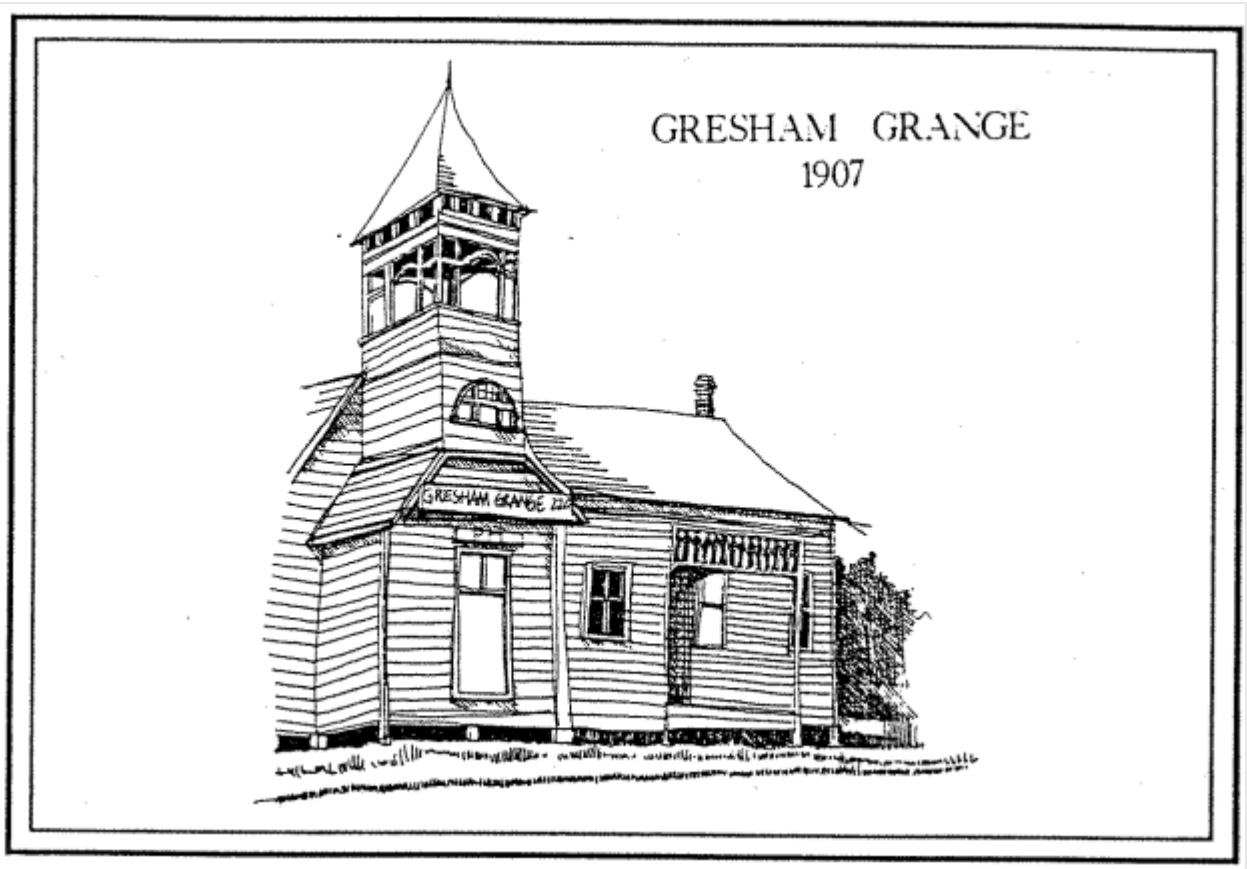
Figure 4-18 Centennial School District No. 28 JT – Enrollment Projections

Grade Level	1978	1979	1980	1981	1982
1-5	1,933	1,838	1,750	1,673	1,643
6-8	1,127	1,094	1,125	1,164	1,155
9-12	1,695	1,583	1,451	1,374	1,307
1-12	**4,755**	**4,515**	**4,326**	**4,211**	**4,105**


MAP 21
GRESHAM COMMUNITY DEVELOPMENT PLAN
GRESHAM AREA SCHOOLS
School District Boundaries
High Schools
Middle Schools
Elementary Schools
Community College
Special or Private Schools
SOURCE: Gresham, Centennial & Reynolds School Districts (1988)
MARINE
SANDY
REYNOLDS
HALSEY
GLISAN
BURNSIDE
STARK
Reynolds High
Mt. Hood Community College
DIVISION
GRESHAM
EASTMAN
POWELL
PALMQUIST
CENTENNIAL
Barlow High
MAP 21

4.340 ORIENT SCHOOL DISTRICT #6J

West Orient School (grades 1-3) and East Orient School (grades 4-8) serve approximately 185 acres of Gresham in the far southeast portion of the city. The current enrollment for the two schools is 725 students. Orient District Administrators do not anticipate any problems meeting projected demands. Major portions of the district lie outside the urban growth boundary.



4.400 RECREATIONAL OPPORTUNITIES

The City of Gresham currently does not have a formal municipal recreational program. The City Parks Committee, a seven-person board appointed by the City Council, serves as an advisory group concerning land acquisitions and improvements for the city park system. (See Section 3.152 for an inventory of the parks available for public use.) There does exist a varied selection of organized recreational programs, augmented by private recreation and support establishments.

4.410 ORGANIZED RECREATION PROGRAMS

Organized recreation programs can provide supervised activities for any age group at various skill or experience levels. The present selection of recreation programs in Gresham includes Greater East Multnomah County Softball Association, Adult Metro Soccer, Mt. Hood Classic Soccer & Gresham Little Leagues; Gresham Youth Soccer, Mt. Hood Classic Soccer, Rockwood Reynolds Soccer, Rockwood

Summer Boys Baseball, Rockwood Girls Summer Softball, Centennial/Lynch Summer Boys Baseball, Centennial/Lynch Summer Girls Softball, and the Mt. Hood YMCA.

4.411 Softball/Baseball

There are several softball and baseball associations that provide the opportunity for boys and girls to play ball in the Gresham area. Programs are active from April through August with teams scheduling fields at local schools, parks, and area churches. Maintenance and improvements to the fields are often the responsibility of the teams and associations. Their programs are funded by sponsors, concessions, and fund-raising activities.

The Greater East Multnomah County Softball Association organizes women's, men's, and co-ed adult softball for East Multnomah County.

4.412 Little League

Little League (Gresham, Rockwood, and Centennial) provides baseball and softball for boys and girls from ages 6 to 15. The program is active from March through July, with tournament play in early August. The teams schedule baseball fields at local schools through the three school districts and area churches and make use of the baseball diamond in Main City and North Gresham Parks. Maintenance and improvements to the fields are supported by the teams. The program is funded by sponsors, concessions, and fund-raising activities coordinated by parent volunteers.

4.413 Youth Soccer

The Youth Soccer (Gresham, Rockwood/Reynolds, Lynch) Clubs supervise soccer teams for boys and girls ages 8 to 18. The clubs have about 650 participants in Gresham and are active from late August through November. They take advantage of soccer fields at local school grounds, in city parks and on private property. In many cases they take an active role in maintaining fields. The clubs are funded by registration fees, sponsors, and yearly fund-raising events. Coordination is provided by parent volunteers.

4.414 Gresham Senior Center

The Gresham Senior Center provides scheduled activities for men and women 55 years and older. The center schedules daily activities and classes ranging from painting and lip reading to swimming and bowling. pool, cards, and table games are open all day and square dancing frequently takes place in the evenings. Frequent day trips and tours are implemented by extended vacation packages. The center also provides information on housing, transportation, and legal questions. The center is funded by the Area Agency on Aging, the Community Services Administration and Multnomah County. Operation is supplemented by volunteers.

4.415 Mt. Hood Community College

Mt. Hood Community College opens many of its facilities to the public at selected times during the week and weekend. Anyone can utilize tennis courts, handball and racquetball courts and the gymnasium (for volleyball and basketball). Also, a running track and weight room are available at no charge. A swimming center is also available to the public for a small fee. Senior citizens qualify for Golden Age Services. By obtaining an identification card from the college activities office, a senior citizen has all the rights that a student has to the college's facilities and programs.

Boys and girls from 5 to 14 years of age may participate in a wide range of athletic activities in the Saturday morning youth recreation program. The program is sponsored by the athletic department and requires a small registration fee. During the summer the program is expanded to include daily sessions. Additional youth sports camps are available for a small fee during the summer.

4.416 Mt. Hood YMCA

The YMCA offers a limited sports program at selected area schools and provides summer sports clinics and day camps.

In summary, these recreation programs provide some varied recreation opportunities for certain age groups and a small offering for other age groups. Athletic-minded children have a small selection of activities in which they can participate, depending on the time of year. Senior citizens have some regular organized activities available to them. Young and middle-aged adults seem to have the fewest opportunities of this nature. Non-athletic recreation for children is also lacking. There are no duplications of recreation service in the Gresham area, but there are many areas where no one is providing services or facilities.

However, the opportunities for all age groups, especially the lower income groups, are constrained by the user and registration fees that are sometimes charged. While user fees are a viable means of supporting these kinds of services, and are necessary for maintenance and supervision staff, the groups most affected are those who have the fewest activities.

4.420 PRIVATE RECREATION AND SUPPORT ESTABLISHMENTS

Because the City of Gresham has provided very little recreation service, private clubs, service organizations and commercial operations have had to fill the need. The Greater East Multnomah County Softball Association was founded to schedule and manage the softball program. There are also sports clubs for soccer, little league, and other sports. Private and commercial recreation organizations are also found in Gresham to offer specialized services for a fee. They include golf clubs, racquet, and health clubs.

In addition to the limited recreation facilities provided by the public sector, private interests also provide recreation facilities and related services. Although there are many entertainments and leisure-time activities that have traditionally been supplied by the private sector (such as movie theaters and game rooms), the trend toward private athletic and "fee for service" recreation clubs is increasing.

This trend is viewed as a significant development in the evolution of our society. In an economic sense, recreation is big business. It is expected that in the future recreational spending will capture an increasingly larger share of the consumer dollar. Increasing leisure time, earlier retirement age, and a higher level of disposable income contribute significantly to the indulgence in recreational endeavors.

4.421 Private Recreation Facilities and Services

Types. The first category of private recreation establishments inventoried here are those that directly provide the facility or entertainment. The following table (Figure 4-19) details the type of establishment and the number of each.

Figure 4-19 Private Recreation Establishments

Type	Number
Indoor racquet sports	2
Golf course	1
Movie theater	2
Roller skating rink	1
Health spa	3
Bowling	2

Entertainment and leisure providing establishments are dependent upon a sufficient market demand for their services. The rapidly increasing population of Gresham has resulted in a response by the recreation industry to the potential market.

In addition to increasing market size, the relatively high incomes found in Gresham may contribute to the rapid growth of these market-oriented recreation facilities. Given that Gresham is continuing to grow at a rapid rate, and maintaining its attraction as a relatively affluent community, it is likely that more private recreation services will locate in the city. Recreation and amusement businesses are located in commercial districts. In Gresham, such zones occur within or near the core area. The primary means of regulating these establishments is through land use and land development control measures.

4.500 COMMUNITY HEALTH SERVICES

Hospital and emergency services are provided to Gresham residents by the Gresham Community Hospital located at Northeast 5th Street and Beech Avenue. Other health services are provided by Multnomah County Project Health, Multnomah County Public Health, nursing, private health care professionals and clinics, and nursing and convalescent homes.

Gresham Community Hospital has a current 96-bed capacity. These facilities are owned by Metropolitan Hospitals, Inc. of Portland. Gresham Community has the third busiest emergency room in the metropolitan area; nearly 23,000 persons were served in 1978. This large figure is due to the

large service area lying easterly and southerly of the city. The Gresham Fire Department and private ambulance services provide additional emergency services and transport capabilities.

Gresham Community is presently seeking a 20-acre site on which to build a new hospital. The present site has inadequate parking, poor accessibility for emergency vehicles, and lacks space for location of additional healthcare facilities. The development of a new hospital facility will hinge in part upon obtaining a "certificate of need" from the Northwest Oregon Health Systems Agency. Gresham Community will be seeking community support to aid in obtaining a certificate and finding a desirable location for an operational date for the proposed facility by the mid-1980s.

4.600 IMAGE OF THE CITY

Because of its recent growth from a small rural town to a large suburban city, and its location along the primary access to nearby recreation areas, commercial development in Gresham has been viewed with mixed emotions by Portland area residents. The Burnside commercial strip has stirred resentment because of its rapid growth and apparent lack of planning; even though it is arguably as attractive as most other recent developments in the Portland area, the congestion resulting from growth has created a perception of Gresham as an ugly obstacle that must simply be endured on the way to Mt. Hood. Signs play an important role in this image since there is an inherent perception of clutter and congestion to passing motorists. Citizens involved in the update of the Community Development Plan identified this issue as a significant one in the overall health of the local economy; until the street environment, including traffic flow, landscaping, and signage, is improved, a negative image of the city could impact the economic health of commercial activities here.

(Amended by Ordinance No. 1134, passed June 27, 1989, effective July 27, 1989.)

4.700 ECONOMIC DEVELOPMENT

4.710 INTRODUCTION

A strong and diversified local economy is important both for a community's identity and its tax base. Gresham is currently a "bedroom" community largely due to its close proximity to the City of Portland job market. However, there is a desire to improve the economic base of the community. The comprehensive land use plan represents one tool the City has to provide opportunities for a variety of economic activities. To create these opportunities there has to be a clear understanding of the following factors:

- The economic trends at the national, state and local level;
- The site requirements of business and industry;
- The availability of industrial and commercial land;
- The community's economic development potential;

- The economic objectives of the City;
- The ability to provide industrial and commercial areas with public facilities;
- The amount of land needed to fulfill the economic objectives of the city.

The balance of this section will look at these factors.

4.720 ECONOMIC OPPORTUNITIES ANALYSIS

The Economic Opportunities Analysis includes four elements: a review of national, state, and local trends; a discussion of the types of sites that will be needed by industrial and commercial uses; an inventory of the industrial and commercial lands; and an assessment of the city's economic development potential.

4.721 Trends

National Trends

The national economy has been in a state of change over the past 15 years. The structure of the economy is moving away from what has been coined the "mass economy." This "mass economy" is characterized by industries which are either resource-based and/or energy-based, and which also require a large blue collar work force. The Oregon Economic Development Department Growth Industries Survey found that only 21% of those firms surveyed say access to raw materials is critical to their operation. Auto production is a classic "mass economy" industry. Now the "mass economy" is losing ground to the "information economy." This emerging economy is dominated by the generation, processing, and storage of information. Because of the improvements in telecommunications the transmission of information is very inexpensive so that the different components of the production process do not need to be located all in one place. This makes the informational industries more "foot-loose" than traditional manufacturing industries.

The four major components of an informational firm's production process and their locational requirement are identified below:

- **Research:** This activity generally will locate near major technical universities.
- **Fabrication:** This activity requires a skilled work force and tends- to locate near large pools of skilled labor as traditional manufacturing industries have done in the past.
- **Assembly:** This activity requires low-cost labor and tends to locate away from high wage areas.
- **Administration:** This activity has moved in two directions at the same time, first toward decentralization into suburban locations and centralization into large metropolitan areas.

Another national trend is the growth of the service economy. Services are rising in importance as a source of employment. In 1984 service sector businesses represented 57.3% of the national employment.

Figure 4-20 Service Economy as a Percentage of National Employment

Type of Employment	% of Total
Distribution services	22.5%
Producer services	12.6%
Social services	12.3%
Personal services	9.9%
Non-service employment	42.7%
Total of U.S. Employment	**100.0%**

Source: OEDD State and National Trends Report

Service businesses can be broken down into four categories:

- Distributive Services such as transportation, wholesale, and retail. These services have declined slightly in their proportion of the national employment over the past 25 years.
- Producer Services such as finance, real estate, and business services. These services have been the most rapidly growing type over the past 25 years.
- Social Services such as medical, educational, and non-profit organizations. These services have experienced some growth over the past 25 years.
- Personal Services such as eating and drinking establishments, auto repair and entertainment services. These services have shown a slight amount of growth over the past 25 years.

State Trends

The State of Oregon's economy experienced rapid growth through the period of 1972-79. The sectors with the strongest job growth included services, retail trade, government, and manufacturing. Oregon's manufacturing firms experienced employment growth in wood products, primary metals, fabricated metals, machinery, electrical equipment, transportation equipment, instruments, and non-durable manufacturing.

The Oregon economy went into a major decline in 1980. The sectors which exhibited significant declines included construction, manufacturing, distribution, government, wood products, transportation equipment, and fabricated metals. In the same period there was growth in electrical equipment, health services, semi-conductors, and computer manufacturing.

Looking to the future, there are several available state-wide employment forecasts which can be used to consider Gresham's economic future. One is from the Oregon Employment Division and two from the Bonneville Power Administration are shown in the following figure:

Figure 4-21 State-Wide Employment Forecasts

Employment Sector	OED 1985-1990	BPA 1985-1990	BPA 1990-2005
Construction/Mining	5.5%	1.4%	1.7%
Manufacturing:			
Lumber/wood products	-0.1%	-0.4%	0.0%
Transportation equipment	5.9%	1.6%	1.1%
Food products	0.0%	1.2%	1.1%
Electronics	4.1%	2.1%	1.9%
Other manufacturing	2.5%	0.4%	0.2%
Total Manufacturing	1.9%	0.7%	0.8%
Transportation/Communications/Public Utilities	2.0%	0.3%	0.4%
Trade	2.3%	2.7%	2.7%
Finance/Insurance/Real Estate	3.9%	3.5%	2.6%
Services	3.0%	3.5%	2.3%
Government	0.4%	2.3%	2.3%
Total Non-Agricultural Employment	2.5%	2.3%	2.1%
Total Employment (including Agriculture)	2.4%		

Source: Oregon Employment Division and Bonneville Power Administration

The BPA forecast indicates modest growth through the remainder of this decade followed by lower growth after 1990 through 2005. Electronics and transportation equipment are anticipated to experience the strongest growth of all manufacturing industries. Growth in manufacturing is expected to be below increases in other sectors of the economy.

The service sector, including retail trade, finance/insurance, real estate, and services, are anticipated to continue as the most rapidly expanding sources of new jobs.

Local Trends

Statistical Trends

Multnomah County suffered many of the same industry employment trends as the state experienced in the early 1980s, with some notable exceptions. First, Multnomah County lost 18% of its manufacturing employment compared to only 6% for the entire Pacific Northwest. Second, there was a significant 13% loss in employment in wholesale trade while in the entire Metro area there was no wholesale trade employment change.

Multnomah County did experience an increase of almost 10% in electrical manufacturing in the period between l980-85, which indicates some potential to draw high tech electronics manufacturing. The $70 million Fujitsu electronics plant represents a positive step toward enhancement of this trend. In addition, the Albertson's food distribution center (valued at $50 million), the Gresham Town Fair

shopping center (valued at $30 million), and the Gresham Community Hospital (valued at $15 million), all represent significant local investment trends which are strengthening and diversifying the Gresham economy.

Two approaches have been applied to forecast growth locally. The “Shift/Share” Analysis by Metro and the “Location Quotient” Analysis by the Oregon Employment Division. The latest Metropolitan Service District (METRO) employment forecasts used “shift/share” analysis to assign future employment prospects to various parts of the region. The “shares” represent the businesses which dominate in the area when compared to another area. For example, over 85% of the employment in textile mill products exists in the Tri-County area in relationship to the amount of employment in this business activity statewide. The “shift/share” represents growth or decline in employment in a business when compared at two specific points in time. The industries which the metropolitan area provides a predominant share of Oregon’s business activity includes:

- Traditional industries such as metals, textiles, and apparel;
- High tech industries;
- Transportation related services, from air transportation to wholesaling; and
- Office-related specialty services such as stockbrokers.

The Oregon Employment Division found that the following five employment categories with the largest gain in Tri-County employment shares between 1979 and 1985 were:

- Air transportation
- Legal services
- Primary metals
- Home furnishing stores
- Holding/Inv./Comb. Office

Another method used to identify local economic trends is the “location quotient” which measures the relative concentration of an industry in a one geographic area versus another location. According to OED statistics the Metro area as a whole in the period between 1979 and 1985 experienced growth in service sector employment in the areas of insurance agents/brokers, educational services, and in traditional manufacturing activities such as fabricated metal products and petroleum refining. Multnomah County on the other hand saw severe erosion in its share of industries such as non-electrical machinery and transportation services during the same period.

Forecasted Industries

Three recent studies reviewed both the potential for expansion of existing industries and the metropolitan area’s specific potential for supporting new kinds of industrial development. The “Pacific Power Target Industry Study” Metropolitan Portland, 1986, looked at:

- Industries whose production input are available in the area.
- Industries that exist in the area and are expected to grow.
- Industries whose products are imported into area.

Results of the project included lists of industries for which this area may be suitable or attractive. The top 20 priority target manufacturing industries are listed below:

- Special dies, tools, and accessories
- Electronic components, NEC
- Aircraft engines and engine parts
- Radio and TV communication equipment
- Plating and polishing
- Industrial controls
- Measuring and control instruments
- Toys and sporting goods
- Miscellaneous plastic products
- Conveyers arid conveying equipment
- Wiring devices
- Semiconductors
- Electronic computing equipment
- Aluminum castings
- Telephone and telegraph equipment
- Metal coating and allied services
- Surgical appliances and supplies
- Drugs
- Fabricated metal products, NEC
- Welding apparatus

Source: Pacific Power Target Industry Study: Metropolitan Portland, 1986.

Second, the Oregon Economic Development Department (OEDD) also conducted a study on growth industries. Their findings are presented in the Growth Industry Report. The 25 highest ranked statewide growth industry categories are:

- Non-ferrous rolling and drawing

- Paper coating and glazing
- Electronic coils and transformers
- Electronic components, NEC
- Printing trades machinery
- X-ray apparatus and tubes
- Book publishing
- Electronic computing equipment
- Industrial controls
- Plastic materials and resins
- Telephone and telegraph equipment
- Aluminum castings
- Dehydrated food
- Measuring and control instruments
- Metal coating and allied services
- Radio and IV communication equipment
- Semiconductors
- Surgical appliances and supplies
- Transportation equipment, NEC
- Engraving and plate printing
- Drugs
- Machine tools, metal cutting
- Upholstered household furniture

Source: Oregon Economic Development Department, Growth Industry Report, 1986.

There were 14 industries which appeared in both studies:

- Aluminum castings
- Drugs
- Electronic coils and transformers
- Electronic components, NEC
- Electronic computing equipment

- Industrial controls
- Measuring and control industries
- Metal coating and allied services
- Miscellaneous plastic products
- Printing trades machinery
- Radio and TV communication equipment
- Semiconductors
- Surgical appliances and supplies
- Telephone and telegraph equipment

Finally, the 1984 Industrial Market Study and Market Plan identified target industries specifically for Gresham and the entire East Multnomah County area. The target industries were identified based on these criteria:

- Prospects for growth in the industry.
- East Multnomah County's track record as an attractive location for the industry.
- East Multnomah County's business attraction strengths, including labor force, transportation system, business climate and other resources.

Three industrial groups were recommended:

Primary Target Industry Group

Fabricated metal products, except machinery and transportation equipment
Machinery, except electrical
Transportation equipment

Secondary Target Industry Groups

Chemicals and allied products
Electrical and electronic machinery, equipment, and supplies
Measuring and related instruments

Tertiary Target Industry Groups*
Motor vehicles and automotive parts
Electrical goods
Hardware/plumbing/heating equipment and supplies
Machinery equipment and supplies
Drugs and related supplies
Chemicals and allied products

*Note: All of the tertiary targets are wholesale trade categories.

Source: Karen Myers and Associates/Whitman Advertising and Public Relations, Industrial Market Study and Market Plan, prepared for East Multnomah County Economic Development Commission, October 1984.

Locational Attributes

Gresham exhibits a number of locational attributes which make it attractive to both industrial and commercial development.

Industrial development will be attracted to Gresham for a number of reasons. First, firms may relocate from Portland as they expand their operations or seek to modernize their plants. Gresham has a large supply of vacant industrial land available for such purposes (refer to findings on the inventory of buildable lands). Second, Gresham is an attractive area for export manufacturers because the city is located near the Port of Portland's marine and international airport facilities. The Port's five marine terminals represent the largest volume export port on the west coast. Air cargo service is provided at Portland International Airport by 16 all-cargo carriers, as well as on many of the 18 major, national, regional, and scheduled charter airlines also serving the airport. The 1987 East County Business Survey found that 35% of industrial and 23% of general business firms regards airport proximity important.

Third, manufacturing industries should also be attracted to the Gresham area because of the large and diverse labor force. The 1987 East County Business Survey found that 70% of industrial and 62% of general business firms regard access to a skilled labor force as important. East Multnomah County lies within easy commuting distance of over a quarter of a million people within the four-county region which makes up the Portland metropolitan area. There is a diversified labor pool here as the following table documents:

Figure 4-22 Employment in Four County Portland Metropolitan Area, by Major Occupational Group

Occupation	Employees	% of Total
Total Employment, persons 16 and older	582,140	100.0%
Executive and Managerial	70,730	12.1%
Professional Specialty	72,297	12.4%
Technical Support	16,969	2.9%
Sales	67,032	11.5%
Administrative Support	106,578	18.3%
Service: Private Household	2,300	0.4%
Service: Protective	6,394	1.1%
Service: Other	62,318	10.7%
Farming, Forestry & Fishing	9,627	1.7%
Precision Production & Craft	73,072	12.6%
Machine Operator	45,634	7.8%
Transportation & Material Moving	25,654	4.4%
Laborers	23,535	4.0%

Source: Metropolitan Service District Resource Center

The Gresham area is in a good position to attract industries that require workers with some technical training and experience. According to the 1980 U.S. Census, the East Multnomah County area has a higher percentage of its population with some post-secondary technical or other training than the state or the nation, as a whole, as shown below:

Figure 4-23 Educational Training

Completed	U.S.	Oregon	Metro	Multnomah Co.	Gresham Area
High School	66%	76%	79%	76%	79%
1-2 Yrs College	16%	21%	22%	22%	24%
4+ Yrs College	16%	18%	20%	20%	16%

Source: 1980 U.S. Census of Population.

Fourth, Gresham should be seen as attractive to moderate and heavy industries because of the abundant supply of flat, large, and reasonably priced properties that are isolated from urban residential development.

Fifth, large scale firms which require a technically trained labor force may find Gresham attractive due to the presence of Mt. Hood Community College. The college has many vocational-technical training programs and has been responsive in the development of training programs to meet the specific needs of local industries. The OEDD Growth Industries Survey found that a two-year community college degree was required by 22% of the business firms, The 1987 East County Business Survey also found that 49% of industrial and 56% of enera1 business firms regard access to training programs for employees important.

Sixth, Gresham is situated in the state's largest metropolitan area. This puts businesses in close proximity to suppliers of goods and services. This is especially important for small, locally owned firms. The 1987 East County Business Survey found that having a supplier nearby was regarded as "important" by 69% of industrial and 71% of general business firms. This is much higher than the percentage that was identified in the OEDD Growth Industries Survey, which found that only 33% of firms surveyed said access to suppliers was critical to their operation.

Seventh, downtown Gresham has the potential to fill a market niche as a specialty retail location especially since light rail transit serves the area. A recent MAX rider survey found that a significant percentage, 19% of the daily and 47% of weekend ridership, is for recreation, sight-seeing, or entertainment (MAX Rider Survey, 1987). Specialty retailers could take advantage of this opportunity.

Eighth, the market for neighborhood and commercial shopping centers ranging in size from 20,000 to 300,000 square feet is expected to continue to be strong city-wide. These retail businesses require highly visible sites on busy arterial streets. The City of Gresham has many high traffic volume arterial streets which make attractive locations for retailers. The city has identified tracts of land for the future expansion of commercial centers on several of the city's major streets Commercial office development in Gresham has been oriented toward the local market and is dominated by smaller independent firms.

However, this may change in the future. Commercial office is expected to be drawn to locations adjacent to the light rail transit stations. Finally, the east county area could be an attractive location for a regional shopping center with added population growth and existence of large tracts of undeveloped land which could accommodate a regional shopping center. The 1981 City of Gresham Market Plan and Implementation Study indicated that there would be a market for a regional shopping center by 1995. In addition, the 1986 Central Area Market Plan Report identified five possible locations for a regional shopping center. The 1987 economic study by Economic Development Services recommended that at least two sites should be designated for a possible regional shopping center.

The preceding information leads to some basic conclusions on the potential growth of the city's economy. First, traditional industries may play a role in the local economy. While these industries are decreasing in importance nationally, Gresham's proximity to the port facilities and blue-collar work force could work to the city's advantage. Second, growth in service sector activities is expected to dominate employment growth in the years to come at the national as well as the local level. While service sector growth is not a driving force in support of the local economic base, growth in basic industries throughout the metropolitan area will ensure growth in the local service sector businesses.

4.722 Site Requirements

This section covers the types of sites needed for anticipated industrial and commercial development. The section has been divided into industrial and commercial development. Four sub-categories are also identified. The four include heavy to moderate industrial, light industrial, commercial office/service, and commercial retail. The heavy to moderate industrial uses are land intensive uses which often generate noise and air pollution. Uses which would fall under this category include fertilizer, gas, and paper product plants. The light industrial uses include manufacturing, assembly, and distribution firms. Examples of light industrial uses include communication equipment, drugs, and motor freight terminals. Commercial office/services sector includes a diverse group of uses which range from general office developments to restaurants and banks. The final category, commercial retail, includes uses which are engaged in selling goods for personal or household consumption such as clothing, computer, or appliance stores. The section ends with a description on the importance of highway accessibility to east county businesses.

Industrial Development Sector

The industrial sector in east county is growing slowly but plays an important role since it represents the driving force behind a local area's economic growth. In general terms, industrial development is attracted to sites which are flat and have good access to major transportation facilities. Because of the land annexed to the city since 1980, there is an excellent supply of sites for a wide variety of industrial development.

Land Requirements of Existing Firms

The land requirements of east county industrial firms were studied in the 1987 East County Business Survey. The survey found that there was a wide range in the size of facilities needed by industrial firms and that most preferred to locate in "single user" buildings:

Figure 4-24 Building Size for Industrial Firms

	Industrial Building Type (%)	
Size of Building	Single	Multi-Tenant
Under 1,000 Sq. Ft.	5	0
1,001 to 2,000 Sq. Ft.	10	1
2,001 to 5,000 Sq. Ft.	16	2
5,001 to 10,000 Sq. Ft.	13	4
10,001 to 25,000 Sq. Ft.	12	8
25,001 to 50,000 Sq. Ft.	5	9
Over 50,000 Sq. Ft.	5	2
No response/Don't know	4	4
Total	**70%**	**30%**

The preceding chart indicates that east county industrial firms tend to be small requiring buildings of 2,000 sq. ft. to 25,000 sq. ft. The survey also found the majority of the firms that intend to expand operations in the next 12 months plan to move to another east county location (44%) or plan to expand at their current location (36%). Only 12% plan to relocate in some other location within the metropolitan area. These results indicate that existing firms are satisfied with their east Multnomah County locations and there is ample room to expand their operations in the area.

Heavy to Moderate Industrial Development

In general terms, the site size requirements of heavy to moderate industries are varied. The average east county firm contains 32 employees. This size of firm would require a site of almost one acre. While small firms are the general rule, it would be advisable to ensure that there are large industrially designated sites to accommodate major industrial firms since there are not an abundant supply of large vacant parcels in the Portland metropolitan region.

The transportation requirements of heavy to moderate industries include interstate freeway access with arterial street connections. Rail access is often not a critical factor. The OEDD "Growth Industries Survey," 1986, date found that only 6% of firms surveyed require on-site rail service. Port and airport access can be important depending upon the particular nature of the firm. Gresham's close proximity to the Port of Portland port and airport facilities is an advantage for many industries. Other requirements of heavy and moderate industries also vary depending upon the particular firm's need. All firms must have access to sewer, water, streets, and drainage facilities.

Light Industrial Development

The land requirements of light industrial firms are varied. “Low tech” uses such as machinery or furniture manufacturers need sites in the one-to-five-acre range. “High tech” manufacturers usually look for sites between 20 and 100 acres, and sites of 10 to 5O acres are required for wholesale distribution firms.

Transportation requirements of light industries include interstate freeway access with arterial street connections. Airport access can be critical for freight shipments as well as executive travel. Gresham satisfies this need with its close proximity to both Portland International Airport and Troutdale’s general aviation airport. Rail and marine services are infrequently needed. Some larger firms are relatively high users of water, electrical and natural gas.

Commercial Development Sector

Commercial development is the most rapidly growing sector of the city’s economy. Commercial development requires a diversity of sites depending upon the type of service they provide. For those businesses which need high customer visibility, there is a need to designate sites for commercial centers in areas adjacent to major streets. Strip commercial development patterns along major streets can be avoided by the designation of sites for commercial centers. The Urban Land Institute has developed standards regarding the type, size, and trade area of commercial centers. These standards can be utilized to guide the location of centers. There should also be opportunities for services in business parks and industrial area settings. Many of the service firms are appropriate for a downtown location where development densities are maximized and access to the light rail transit system represents an attractive area for office development.

Land Requirements of Existing Firms

The land requirements of existing East County commercial firms were studied in the 1987 East County Business Survey. The survey found that most commercial firms require less than 5,000 sq. ft. of floor area. The following table presents information on existing floor area occupied by surveyed firms:

Figure 4-25 Building Size for Commercial Firms

	General Business Building Type (%)	
Size of Building	Single	Multi-Tenant
Under 1,000 Sq. Ft.	6	11
1,001 to 2,000 Sq. Ft.	13	10
2,001 to 5,000 Sq. Ft.	16	11
5,001 to 10,000 Sq. Ft.	3	3
10,001 to 25,000 Sq. Ft.	3	1
25,001 to 50,000 Sq. Ft.	2	
Over 50,000 Sq. Ft.	2	
No response/Don't know	11	8
Total	56%	44%

The table indicates that the smaller the business the more likely it is located in a building with other businesses. The data leads to the conclusion that there is a need to provide sites for commercial centers which contain multiple tenants.

Commercial Office/Service

The 1982 "Census of Selected Services" shows that the typical firm in Gresham has six employees. This is 13 employees less than the average service firm in Multnomah County. Service firms in Gresham require about 1,350 sq. ft. By adding parking, landscaping and setback requirements, the estimated site size needed for the average firm is 4,000 sq. ft.

The demand for space by commercial services uses is varied. There are four distinct markets for sites needed by commercial office/service users. The first market is for the smaller office. These businesses often locate in former residences. This category has historically been the largest office space sector in the east county area.

The second market is for large multi-tenant office buildings which would locate downtown and in non-downtown areas around major activity centers, such as the hospital and community college. A third market is office/service development along commercial strips and in commercial centers. These users are seeking a high level of customer visibility. The final market group targets services needed in business park settings. These uses can range from executive office space to research and development activities.

The transportation requirements of commercial office/services are quite varied. Office services can be located in a wider range of sites than the service firms that need more direct customer contact. Current office/service businesses in Gresham are oriented to the local area's consumers and businesses1 therefore, access to regional highways and airport facilities is not important at this time.

Commercial Retail

The site requirements of retail firms vary according to the size of the store, whether it is located within a center or free-standing structure, and the scale of the center (i.e., neighborhood, community, or regional center).

Free-standing retail firms can be grouped into three categories. The free-standing retail business in a downtown location has a high building coverage ratio and needs a site of 5,000+ sq. ft. The small franchise operations which locate on arterials require sites of 10,000 to 30,000 sq. ft. The third type of free-standing retail business is the large general merchandise operation which requires a site of 20,000 sq. ft. or more.

There are three categories of shopping centers which are relevant to Gresham. The neighborhood scale center requires 2 to 7 acres. The community scale center requires 7 to 30 acres, and a regional center requires 25 to 65 acres or more.

Access is the number one priority for retail businesses. Most regional centers are located near a freeway. Community and neighborhood centers require access to arterials or major collector streets. Downtown businesses require adequate on-street or public parking areas or on-site parking. Light rail stations in the city provide unique retail opportunities when located within walking distance of the stations.

All retail operations require utilities to be immediately available to the site.

Highway Accessibility

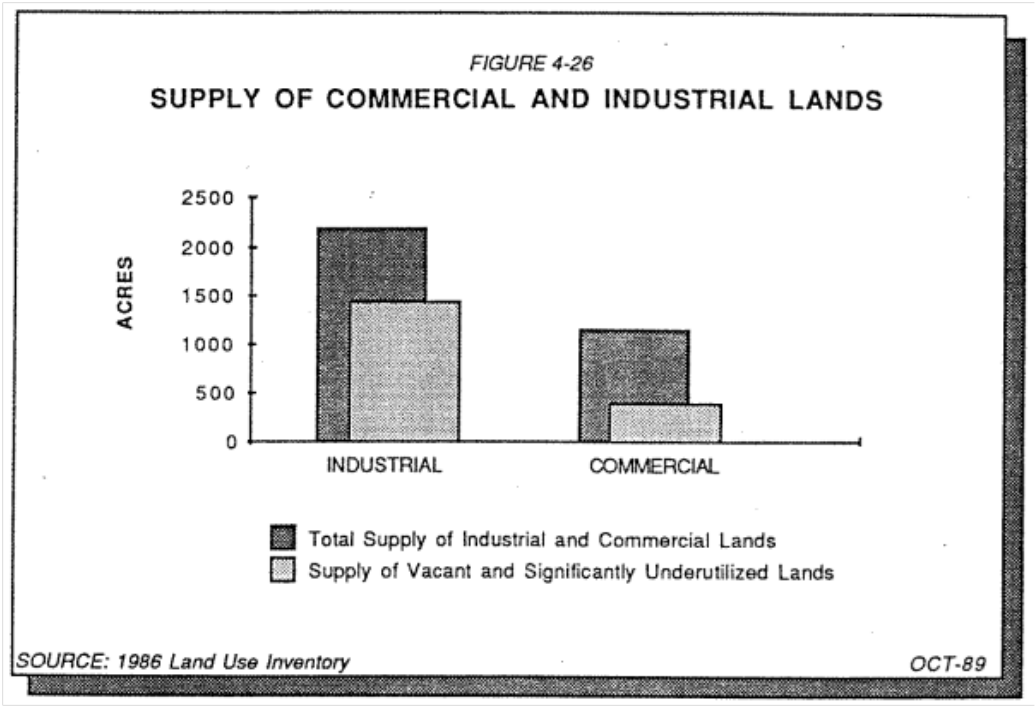
Highway accessibility is the major locational factor for both industrial and commercial development. The 1987 East County Business Survey found that good streets and roads were important for 94% of industrial and 95% of general businesses. Gresham's arterial streets system is well developed in most parts of the city. Commercial areas are better served than the industrial areas.

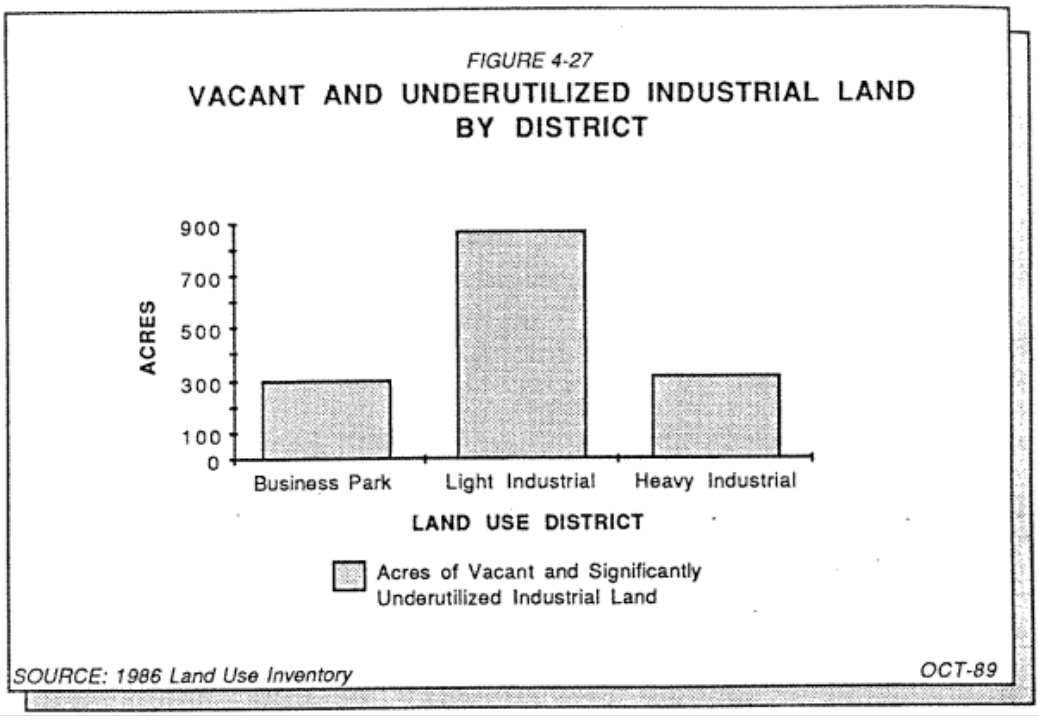
Access to the interstate highway system was found to be important for 76% of industrial and 78% of general business firms in the business survey. The OEDD "Growth Industries Survey" found that 40% of site location decision makers say that their operation requires immediate access to an interstate highway for shipping of products. Interstate 84 runs through the city in the north, but interchange access to the system is only marginal. Programmed improvements to several of the interchanges will greatly improve access from Gresham locations to the interstate system.

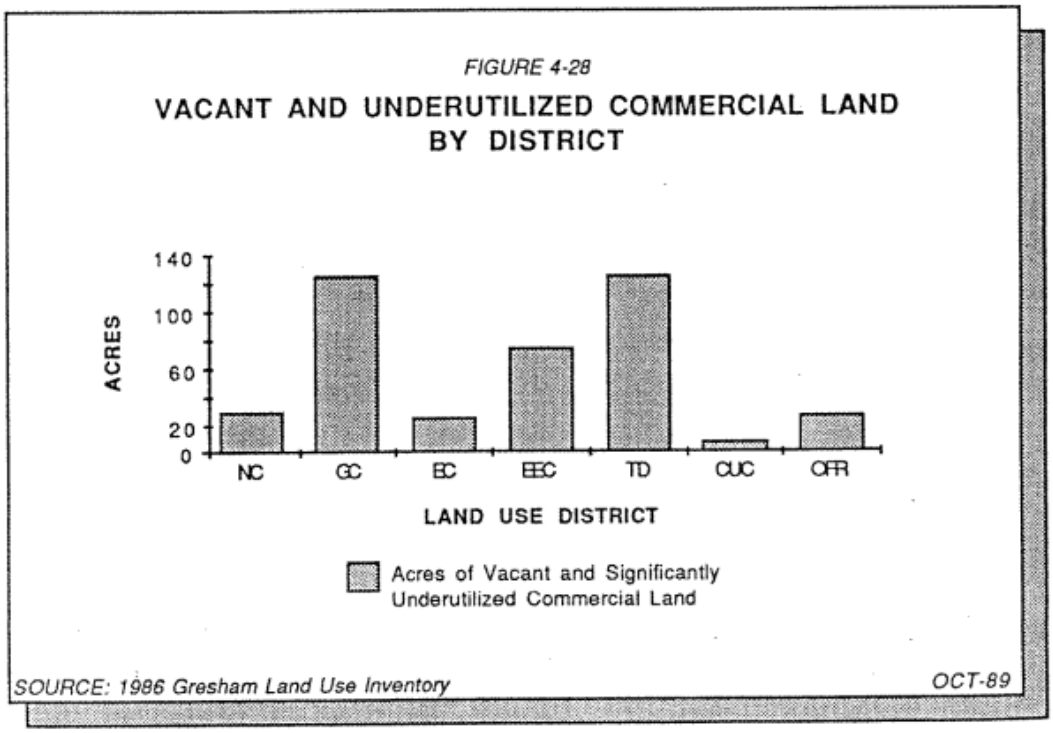
4.723 Inventory of Industrial and Commercial Land

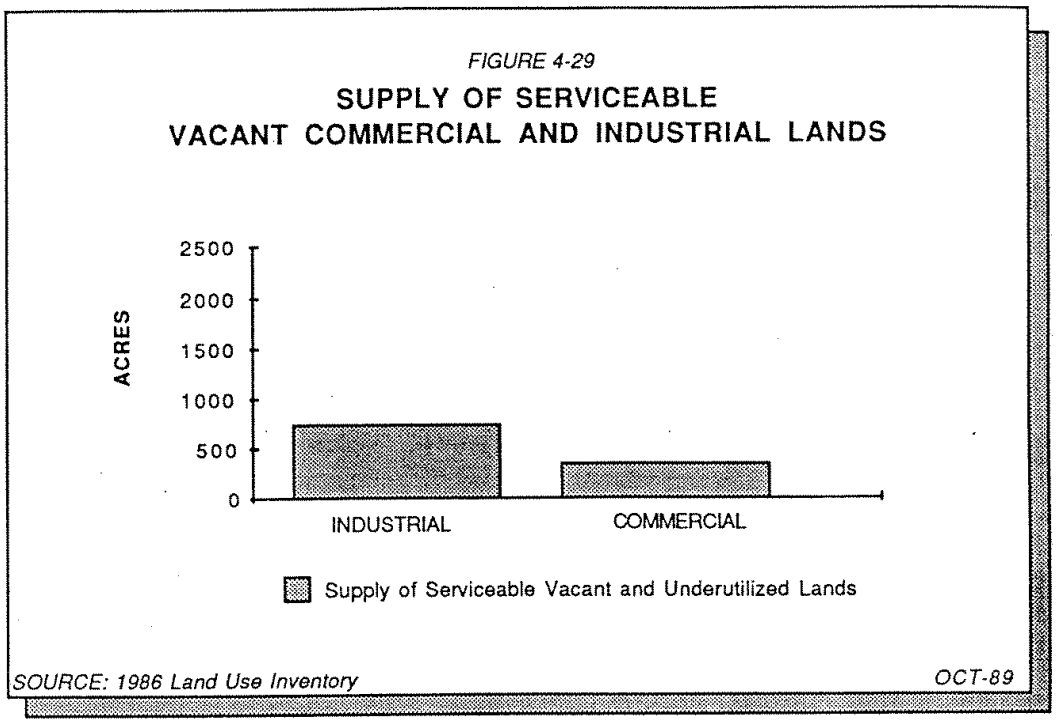
In 1986 an inventory of industrial and commercial lands was conducted to establish the supply of vacant and significant underutilized lands within the city. This inventory was updated in 1989. The methodology for the inventory is found in Appendix '20'. This section summarizes the Industrial and Commercial Inventory including information about the total supply of land, the supply of vacant and significantly underutilized land, the breakdown of the supply into the three industrial and six commercial districts, and the amount of serviceable vacant and significantly underutilized land.

The inventory indicates that currently there is a total of 2,221 acres of industrial land and 1,114 acres of commercial land.









The State's Industrial/Commercial Development Rule requires a comprehensive inventory of commercial and industrial land. The inventory of these sites is presented in Appendix 21 and a map showing their location is found in Appendix 28.

(Amended by Ordinance No. 1139, passed on July 18, 1989, effective August 17, 1989.)

4.724 Assessment of Community's Economic Development Potential

This section estimates the type and amount of industrial and commercial development likely to occur in Gresham. The findings are based upon development trends information, the inventory of available industrial and commercial lands, and the area's economic advantages and disadvantages which affects the ability to attract new businesses and accommodate the expansion of existing firms.

Development Trends

The estimate of the types and amount of industrial and commercial development forecasted for the city was prepared by the consulting firm of Economic Development Services. Two forecasts were prepared because the recession of the early l98Os and ensuing slow recovery has made job forecasting more difficult. The first forecast is the baseline (or trend) forecast which is the most likely scenario. The second forecast is the high growth forecast which reflects success at recruiting target industries as identified by Pacific Power, the OEDD and Karen Myers and Associates. The methodology for the forecasts is described in Appendix 22.

The study area upon which the estimates are based include the cities of Gresham, Wood Village, Fairview and Troutdale and a small section of unincorporated Multnomah County (refer to map on following page).

Gresham is anticipated to capture 70% of the study area's employment growth (refer to methodology described in Appendix 5).

Employment Growth

Baseline Employment Forecast. Employment in the east county area is projected to increase by 50% from 1985 to 2005, adding 11,250 new jobs. Retail trade is expected to be the number one growth category. Retail trade, self-employment, service, and finance/insurance/real estate are expected to increase by 88% from 1985 to 2005.

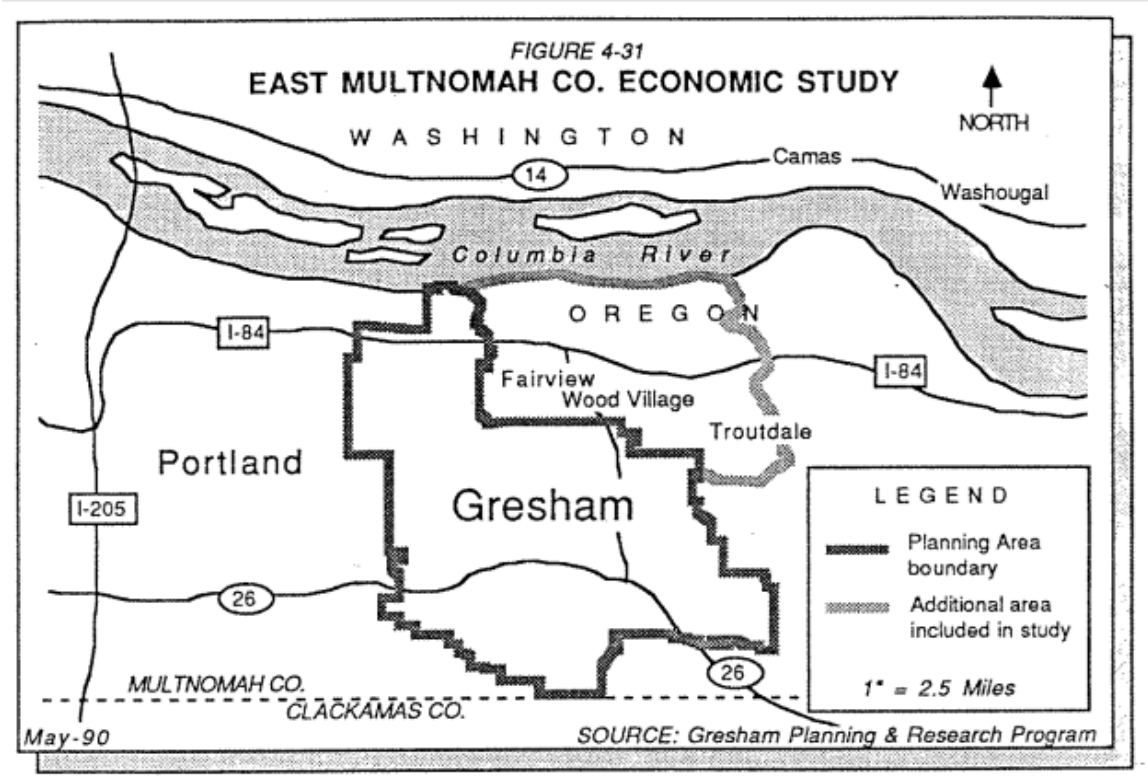
Figure 4-30 Distribution of Forecast Employment GIU4TR by Category

		East Multnomah County Employment | ------ Baseline Forecast ----- | Employment Growth Added Jobs	
Industry	Jobs in 1985	1985-90	1985-2005
Retail Trade	4,990	2,450	6,060
Self-Employed	1,930	560	1,360
Services	3,070	130	1,300
Finance/Insurance/Real Estate	1,220	260	840
Manufacturing excluding Electrical	3,690	250	560
Wholesale Trade	1,370	-230	380
Electrical Manufacturing	110	260	350

		East Multnomah County Employment | ------ Baseline Forecast ----- | Employment Growth Added Jobs	
Industry	Jobs in 1985	1985-90	1985-2005
Government	3,800	-210	330
Construction and Mining	560	80	280
Transportation/Commercial/Utilities	1,760	-60	-70
Agriculture	180	-80	-150
Total	**22,670**	**3,410**	**11,250**

Note: Totals may not add true due to rounding

Source: Estimated totals by Economic Development Services from METRO and OED data, 1987.



The City of Gresham is expected to capture 70% of the study area's forecasted employment growth of the preceding industry categories as described next:

Figure 4-32 Distribution of Forecasted Growth by Category

		Gresham Employment | ------ Baseline Forecast ----- | Employment Growth Added Jobs	
Industry	Jobs in 1985	1985-90	1985-2005
Retail Trade	3,490	1,720	4,240
Self-Employed	1,350	390	950
Services	2,150	90	910
Finance/Insurance/Real Estate	850	180	590
Manufacturing excluding Electrical	2,580	180	390
Wholesale Trade	960	-160	270
Electrical Manufacturing	80	180*	260*
Government	2,660	-150	230
Construction and Mining	390	60	200
Transportation/Commercial/Utilities	1,230	-40	-50
Agriculture	130	60	110
Total	**15,870**	**2,510**	**8,490**

Note; Totals were rounded

*Forecast did not include added employment as a result of Fujitsu development which will employ 350 when first phase is completed in 1989 and potentially 1,200 when all phases are developed.

Source: Estimated totals by City of Gresham from Economic Development Services, METRO and OED data, 1988.

The City of Gresham is forecasted to see 2,510 new jobs between 1985 to 1990 and almost 8,500 new jobs by the year 2005. In the short term, employment, decreases are expected in wholesale trade, government1 and transportation/comm./util. In the long term, retail trade is forecasted to generate one-half of the forecasted employment growth.

The top ten types of industrial development forecasted for the 1985 to 2005 time period are listed below:

Figure 4-33 Employment Categories Requiring Industrially Designated Land

Industry	Jobs in 1985	East Multnomah County Industrial Job Growth | ------ Baseline Forecast ----- | Employment Growth Added Jobs 1985-90	1985-2005
Transportation Equipment	960	240	540
Wholesale Trade	1,370	-230	380
Electrical Manufacturing	110	260*	350*
Special Trades Contractors	120	50	140
Construction/Mining except Special Trades Contractors	440	30	140
Fabricated Metal Products	400	20	110
Primary Metal Industries	810	130	90
Air Transportation	100	20	60
Printing and Publishing	220	10	50
Electric/Gas/Sanitary	340	20	50
Balance of Industrial Gainers**	480	30	60
Industrial Decliners***	1,920	-240	-240
Total	**7,270**	**340**	**1,480**

*Forecast did not include added employment as a result of Fujitsu development.

**Gainers = Other industrial uses which represent a small portion of the job market.

***Industrial decliners = Other industrial uses which represent portions of the job market which are anticipated to decline in employment.

Source: Estimated totals by Economic Development Services from METRO and OED data, 1987.

The growth in Gresham's employment categories requiring an industrially designated land is described below:

Figure 4-34 Employment Categories Requiring Industrially Designated

Industry	Jobs in 1985	Gresham Industrial Job Growth | ------ Baseline Forecast ----- | Employment Growth Added Jobs 1985-90	1985-2005
Transportation Equipment	670	170	380
Wholesale Trade	960	-160	270
Electrical Manufacturing	80	180*	250*
Special Trades Contractors	80	40	100
Construction/Mining except Special Trades Contractors	310	20	100
Fabricated Metal Products	280	20	80
Primary Metal Industries	570	90	60
Air Transportation	80	20	40
Printing and Publishing	130	10	40
Electric/Gas/Sanitary	240	20	40
Balance of Industrial Gainers**	280	20	40
Industrial Decliners***	1,110	-140	-290
Total	**4,790**	**290**	**1,110**

Note: Totals were rounded.

*Forecast did not include added employment as a result of Fujitsu development.

**Gainers = Other industrial uses which represent a small portion of the job market.

***Industrial Decliners = Other Industrial uses which represent portions of the job market which are anticipated to decline in employment.

Source: City of Gresham from Economic Development Services, METRO and OED data, 1988.

The 1985 Economic Development Study for the Urbanized East Multnomah County Area prepared by Economic Development Services assigned employment categories by Standard Industrial Codes to land use types (refer to Appendix 24 for the assignment methodology).

The four categories of land use included: heavy/moderate industrial, light industrial, commercial office/service; and commercial retail.

The following table provides a detailed forecast of East Multnomah County employment forecasts allocated to the four land use categories plus a fifth category for “self-employed” businesses.

Figure 4-35 Baseline Employment by Land use Type to 1990 and 2005

		East Multnomah County Forecasted Job Growth*	
Land Use Category	Actual Jobs	1985-90	1985-2005
Heavy/Moderate Industrial	4,300	400	800
Light Industrial	2,900	0	800
Commercial Office/Service	8,300	200	2,500
Commercial Retail	5,000	2,400	6,000
Self-Employed**	1,900	600	1,400
Total* **	**22,400**	**3,600**	**11,500**

* All employment figures rounded to nearest 100.

** Before allocation to other categories. Self-employed workers are allocated later to land-use categories as part of the land requirements forecast, according to a methodology used by METRO in an industrial land demand estimate dated September 18, 1986. The METRO estimate assumes approximately 50% of self-employed work at home, therefore these self-employed are not included in the land requirements forecast.

*** Excludes agriculture.

Source: Economic Development Services, 1987.

According to Economic Development Services, employment growth is forecasted to be evenly split between light and heavy/medium industrial development, Regionally, there is expected to be higher growth in light industrial uses. The east county area received very little growth allocated to electronics employment, which is classified as a light industrial use; however, the growth allocation was based on actual 1979-85 trends which exclude the Fujitsu electronics plant. With the 350 initial employees and the total 1,200 potential employees when all phases of the Fujitsu plant are completed, this one firm will swing the actual light industrial growth substantially ahead of employment growth in heavy/moderate industries.

The employment forecast by land use type for Gresham is described below:

Figure 4-36 Baseline Employment by Land Use Type to 1990 and 2005

		Gresham Forecasted Job Growth*	
	Actual Jobs*		
Land Use Category	1985	1985-90	1985-2005
Heavy/Moderate Industrial	3,010	280	560
Light Industrial	2,030	0	560
Commercial Office/Service	5,810	140	1,750
Commercial Retail	3,500	1,680	4,200
Self-Employed**	1,330	420	980
Total* **	**15,680**	**2,520**	**8,050**

* All employment figures rounded to nearest 10.

** Before allocation to other categories. Self-employed workers are allocated later to land-use categories as part of the land requirements forecast, according to a methodology used by METRO in an industrial land demand estimate dated September 18, 1986. The METRO estimate assumes approximately 50% of self-employed work at hone, therefore these self-employed are not included in the land requirements forecast.

*** Excludes agriculture.

Source: City of Gresham from Economic Development Services data, 1988.

High Growth Forecast

A high growth forecast was prepared in conjunction with the baseline or most likely job forecast. This forecast was prepared by Economic Development Service in their 1987 Economic Development Study for the Urbanized East Multnomah County Area. The high growth scenario assumes that the area will attract more development than what current economic trends indicate. While it is not the most likely scenario, the city should be prepared to respond to this trend in the event economic development in the next five years demonstrates job creation above the baseline forecast.

The high growth scenario assumes success at recruiting the target industries identified by Pacific Power, the Oregon Economic Development Department and the 1984 Industrial Market Study and Market Plan. The greatest weight was given to high priority targets that appeared on all three lists. The high growth scenario estimates employment at 125% of the baseline forecast. The individual land use categories table below illustrates employment gains by

Figure 4-37 East Multnomah County High Growth Employment Scenario

		East Multnomah County	
	Actual Jobs	Added Jobs	
Land Use Category	1985	1985-90	1985-2005
Heavy/Moderate Industrial	4,300	1,700	2,400
Light Industrial	2,900	2,600	4,400
Commercial Office/Service	8,300	1,200	4,200
Commercial Retail	5,000	3,400	7,400
Self-Employed	1,900	800	1,700
Total	**22,400**	**9,700**	**20,100**

Source: Economic Development Services, 1987.

The high growth job forecast for Gresham is described below:

Figure 4-38 City of Gresham High Growth Employment Scenario

	Actual Jobs	Gresham Added Jobs	
Land Use Category	1985	1985-90	1985-2005
Heavy/Moderate Industrial	3,010	1,190	1,680
Light Industrial	2,030	1,820	3,080
Commercial Office/Service	5,810	840	2,940
Commercial Retail	3,500	2,380	5,180
Self-Employed	1,330	560	1,190
Total	**15,680**	**6,230**	**14,070**

Source: City of Gresham from Economic Development Services data, 1987.

The preceding charts indicate that commercial retail and commercial office/service will make up approximately 73% of future employment allocated to the four land use categories through the year 2005. The commercial retail sector will increase over 120% between 1985 and 2005.

Heavy/moderate industrial and light industrial will have only a 7% share of the total job growth according to the above forecast. However, the new Fujitsu and Albertsons industrial developments will add 700 employees before the end of 1988 or early 1989. These developments indicate that the employment estimates are conservative. It would be appropriate to plan for more growth in the industrial sector. The completion of a full I-84 interchange improvement planned for 181st Avenue should enhance the marketability of the industrial land in close proximity to the new interchange.

The following chart is a comparison of the baseline and high growth scenarios.

Figure 4-39 Comparison of Baseline and High Employment Growth Scenarios for East Multnomah County

	Actual	1985-1990		1985-2005	
	1985	Baseline	High	Baseline	High
Heavy/Moderate Industrial	4,300	400	1,700	800	2,400
Light Industrial	2,900	0	2,600	800	4,400
Commercial Office/Service	8,300	200	1,200	2,500	4,200
Commercial Retail	5,000	2,400	3,400	6,000	7,400
Self-Employed	1,900	600	800	1,400	1,700
Total	**22,400**	**3,600**	**9,700**	**11,500**	**20,100**
% Change from 1985		**16%**	**43%**	**51%**	**89%**

Source: Economic Development Services, 1987.

A comparison between the baseline and high growth scenarios for the City of Gresham is described below:

Figure 4-40 Comparison of Baseline and High Employment Growth Scenarios for City of Gresham

	Actual	1985-1990		1985-2005	
	1985	Baseline	High	Baseline	High
Heavy/Moderate Industrial	3,010	280	1,190	560	1,680
Light Industrial	2,030	0	1,820	560	3,080
Commercial Office/Service	5,810	140	840	1,750	2,940
Commercial Retail	3,500	1,680	2,380	4,200	5,180
Self-Employed	1,330	420	560	980	1,190
Total	**15,680**	**2,520**	**6,230**	**8,050**	**14,070**
% Change from 1985		**16%**	**43%**	**51%**	**90%**

Source: City of Gresham from Economic Development Services data, 1988.

The land-use category likely to experience the greatest employment gain in the next 20 years is commercial retail. Under the baseline forecast employment increases in heavy/moderate industrial category is expected to outpace light industrial job growth but this relationship is reversed under the high growth scenario.

Area Economic Advantages and Disadvantages

The City of Gresham has both advantages and disadvantages for attracting industrial and commercial development. This information was derived in part from Economic Development Services 1987 Economic Study of East Multnomah County and OEDD 1986 Oregon Economic Trends project.

Advantages

- Large, technically skilled labor force. In 1980, East Multnomah County had 5.7% of the Portland metropolitan area's resident labor force. The area can also easily draw from the labor force of most of Multnomah, Clackamas, and Clark Counties. A higher percentage of the labor force has some technical post high school training, in comparison with the rest of the region.
- Large, stable employers. Companies such as Boeing of Portland consistently have provided a large number of high paying, blue collar jobs. Even during the recent downturn this and other employers with a high manufacturing wage base have maintained a strong presence in the area.
- High income levels. Area residents have higher than average incomes than do residents of the four-county metropolitan area. Although East Multnomah County as a whole tends to be primarily blue collar, Gresham in particular has a high proportion of white-collar workers in the labor force.
- A diversity of industrial and commercial sites. East Multnomah County has some of the largest remaining vacant industrial sites in the region. In addition, a diversity of large and small

commercial sites remains available, both in the Gresham central business district and at strip or commercial center sites within the urbanized area.

- Relatively low land cost. East Multnomah County has some of the least expensive industrial property in the urbanized portion of the metropolitan area. Vacant commercial sites and building space are also available at attractive rates.
- Airport and light rail proximity. Two airports – Portland International Airport (PIA) and Troutdale General Aviation Airport – are convenient to all of East Multnomah County. PIA is within a 10-to-15-minute drive from commercial and industrial sites. The Troutdale airport with general aviation service also is located close to Gresham's industrial and commercial areas.

  Light rail ridership has proven to be successful beyond anyone's initial expectations. Light rail has spawned growing interest on the part of investors in commercial and industrial development in the area. However, there are no directly quantifiable economic impacts to date.
- Mt. Hood Community College. The college is well regarded for both its technical and liberal arts programs. The "Oregon Economic Trends Project" prepared by OEDD date found that 22% of firms surveyed require, access to a two-year community college. The college has served as a central focus for community activities, such as the highly successful and regionally recognized Mt. Hood Jazz Festival.
- Diverse mix of recreational opportunities. Gresham is located at the gateway to two of the state's best recreational and scenic areas, Mt. Hood, and the Columbia River Gorge.
- A multi-jurisdictional, cooperative economic development effort. The East Multnomah County Economic Development Commission was successful in beginning to break down jurisdictional barriers between the four cities in East Multnomah County, Multnomah County, and the City of Portland. The continuation of this approach is vital to creating a marketable identity for East Multnomah County as a good place to invest.

Disadvantages

- Location. The Oregon Economic Trends Project prepared by OEDD found the Oregon's location away from markets in the eastern U.S. and Europe is an obstacle. However, there is an increasing level of trade with the Pacific Rim countries.
- Loss of industrial employment. Multnomah County was the hardest hit of the four-county metropolitan area in terms of job loss resulting from the recession of the early 1980's. The county has yet to recover to its 1979 or 1980 levels of employment. This loss was greatest with industrial jobs. The early 1980s have experienced a shifting of industrial employment from Multnomah County to Washington, Clark, and Clackamas Counties. East Multnomah County has yet to share in this shifting of employment out of older industrial sites, especially within Portland.

- Negative development perceptions. Within the Portland real estate and development community, East Multnomah County continues to be perceived as being remote and without prestige. This affects both the level and quality of investments that do take place within the area.

- Limited transportation access. East Multnomah County continues to be affected by somewhat limited regional transportation access and confusing internal circulation. Needs appear to include improved four-way interchanges with Interstate 84 in East Multnomah County, an arterial connection between I-84 and U.S. Highway 26, and improvements to U.S. Highway 26 (Powell Boulevard) west from Gresham to I-205.

  Planned upgrading of interchanges on I-84 together with new interchanges from 181st Street east will help to alleviate this deficiency. There needs to be better access from I-84 to industrial and commercial sites throughout East Multnomah County and improved access from I-84 to U.S. Highway 26 – as is currently planned.

- Lack of major investment appeal. Of the top 15 industrial and commercial investments within the Portland metropolitan area since 1982, East Multnomah County has captured two – Fujitsu and Albertsons. Prior to these announcements, East County's share of regional investment was less than its share of regional population. This is indicative of a lack of critical mass of both industries and business services.

- Lack of a major regional commercial center. Downtown Gresham does not serve as a major regional commercial center. No large regional shopping center has developed nor is one likely to develop within the immediate future. As a result, the commercial market has tended to be fragmented among the smaller centers and users. The physical pattern of commercial development is characterized by numerous strip centers. Central business districts have not been strong enough to attract business or serve as a community focal point.

  The population of East Multnomah County currently does not appear large enough to support a regional shopping center. However, with forecasted population growth, a regional center may become more viable after 1990, if a suitable site with arterial access is available.

- Funding of public utility and transportation services. This may not be an immediate constraint since there are vacant serviced commercial and industrial sites available. However, for the long-term, a funding program similar to that being developed for the Columbia South Shore urban renewal area needs to be developed for major industrial and commercial sites within the urbanized east Multnomah County area.

- Lack of community consensus for development. This is perhaps best exemplified by the recent and prior efforts to obtain voter approval for urban renewal in Gresham. This lack of consensus creates investment uncertainty, especially for larger companies or developers who are considering facilities within the Portland metropolitan area.

- Unique development regulations and uncertain permitting process. Of those contacted by Economic Development Services for the economic study, some highly praise Gresham's land use process while others express frustration.

  Those experiencing frustration in Gresham often do so because the comprehensive plan and development regulations have been developed in Gresham very differently from virtually any other jurisdiction within the Portland metropolitan area. It is suggested that Gresham review its performance-oriented land use and regulatory process, to provide more specificity of uses allowed within individual zones and consistency with the planning processes used by other jurisdictions in the metropolitan area.

- Limited economic development marketing. The East Multnomah County Economic Development Commission had achieved some inter-jurisdictional cooperation but there has been limited consideration of marketing industrial and commercial sites. As a result, East Multnomah County is at a significant disadvantage to other jurisdictions which have active publicly sponsored or private nonprofit economic development. organizations who are aggressively marketing their areas.

- Multiple jurisdictions. The presence of four cities within close proximity to each other – Gresham, Troutdale, Fairview, and Wood Village – creates some business and investor confusion. Each jurisdiction has its own set of different land use planning and development regulations. While this fragmentation has been reduced in recent years through Gresham's annexations and the efforts of the Economic Development Commission, it remains a hindrance to overcoming a negative development perception of the area.

4.730 INDUSTRIAL AND COMMERCIAL DEVELOPMENT POLICIES

4.731 Community Development Objectives

The overall objectives for economic development and the categories of industrial and commercial uses desired by the community are described in the Industrial and Commercial Land Use Policies and the Economic Development Policy of Volume II of the Gresham Community Development Plan.

The first industrial land use policy encourages expansion of existing industries and states that the city wishes to attract uses which are labor and capital intensive. The policy goes on to say that it is the city's objective to attract industries which are environmentally desirable. The second policy encourages the creation of opportunities for a wide range of industrial uses.

The first commercial land use policy calls for the development of commercial centers and infill commercial strip development as opposed. to the expansion of commercial strips. The second commercial policy states that it is the objective of the city to attract categories of commercial uses which provide increased employment opportunities. This policy also states that the city wants to attract commercial uses which reduce dependency on outside-of-city goods and services in order to reduce its "bedroom" community image. Other commercial land use strategies include focusing intensive commercial and office development in the Central Business District; retail development in

Rockwood; promotion of redevelopment plans for existing commercial strips and establishing controls on the parcelization of large commercial sites. The final commercial land use policy calls for the identification of sites for a potential regional shopping center.

The economic development policy supports diversification of the economy by promoting business retention and expansion, business recruitment, and marketing. The strategies implementing this objective include the development of a long-range economic development plan which seeks to create and maintain employment opportunities, diversify the economic base, and aid in the effective utilization of land, energy, and human resources. Other economic development strategies encourage development procedures that do not create barriers to economic development; maintenance of a data base on pertinent socio-economic data; development of marketing material which describes the advantages of the city; initiation of a dialogue with leaders in the industrial and commercial sectors; and, finally to design land use regulations so as to allow home occupations.

4.732 Commitment to Provide Adequate Sites and Facilities

The city has established policies which commit the city to provide an adequate inventory of serviceable industrial and commercial lands to meet the needs of the forecasted demand for industrial and commercial development.

In order to ensure an adequate supply of serviced industrial and commercial land, the city has developed a Public Facilities Plan. The Plan calls for short (1 to 5 year) and long-term (20 years) facility improvements.

In addition, the city has adopted policies to ensure that industrial and commercial areas are served with public facilities.

Both the industrial and commercial land use policies were amended to require maintenance of a three-year supply of serviced industrial and commercial land for each year of the Capital Improvements Program. In the event the city is unable to maintain this supply, then the city is committed to take one of the following actions:

- Change the Capital Improvements Program to add or reschedule projects which make more land serviceable
- Amend the land use map to redesignate more serviceable land for industrial development; or
- Reconsider the economic development objectives and amendment of plan policies based on public facility limitations.

The second economic development policy also establishes the city's commitment to provide necessary public facilities through the Capital Improvements Program. The Policy provides that, "It is the city's policy to assure that public facilities are extended in a timely, and economic fashion to areas having the greatest economic development potential." In order to achieve this policy objective, the ranking criteria for evaluating which Capital Improvement Program projects will be developed in any given year

provide that public facility improvement projects which show a direct link to economic development are considered top priority projects.

The need to provide industrial and commercial sites which are of suitable size and location represent an area in which added emphasis has been directed. It is possible to have an adequate supply of industrial and commercial land that may meet forecasted demand, but the land could be located in an inappropriate area, or the parcels may be too large or too small to meet the demands of the marketplace. Therefore, it is important to evaluate the supply of industrial and commercial land on a periodic basis to ensure it is desirable from a marketplace perspective. In order to achieve this objective a new policy has been integrated into both the industrial and commercial land use policies to require a periodic analysis of the inventory's marketability (refer to fourth Industrial Land Use Policy and third Commercial Land Use Policy, Vol. 2, Gresham Community Development Plan).

4.733 Characteristics of a Regional Shopping Center

The Gresham area today remains the only significant suburban community in the Portland region that is not wall served by a regional shopping center with full—line department stores. In the past three decades, City of Gresham plans and policies have declared that a major regional commercial center was desirable in the center of Gresham, close to or tied to the old downtown core. This goal has remained elusive. In that same period, significant commercial expansion in Gresham occurred outside of the old downtown core in linear commercial districts and in several "community" scale shopping centers (150,000 to 300,000 sq. ft.), to create a larger but unfocused central area. Prime examples of this trend are the Burnside strip, the Gresham Fred Meyer, Oregon Trail Center, and the Gresham Town Fair.

The city identified a key potential site (the county fairgrounds) for a regional shopping center in the 1965 Central Area Plan. This site was divided in the 1970's and reduced to a size which proved to be economically unworkable for a regional scale shopping center. Because of land needs (50 acres and up), many suburban regional shopping centers have located outside of suburban city cores; such regional shopping centers tend to become new city centers (e.g., Clackamas Town Center, Washington Square). Other growing communities have successfully combined new regional shopping centers within expanded city centers (e.g., Burnaby, B.C.; Redmond, Washington), leading to the enhancement of a community's social and economic center.

A regional shopping center has unique characteristics, functions, anchor tenants, and tenant composition (versus smaller-sized "community" or "neighborhood" shopping centers). Many traditional city central business districts, when they are anchored by full-line department stores and include a full range of small retailers with regional market attraction can serve the same function as a regional shopping center. A regional shopping center is a major retail commercial center ranging in size from 500,000 sq. ft. of gross leasable area and up. A regional shopping center is anchored by one or more full-line department stores, and provides comparison shopping goods, general merchandise, apparel, furniture, and home furnishings in full depth and variety. Such centers normally contain a full complement of specialty and convenience goods suppliers, and a variety of entertainment facilities and

food vendors. A regional shopping center will attract customers from its widest potential retail market area (primary and secondary), as modified by factors of travel time and competing regional facilities. Regional shopping center sites typically develop in phases as a single unified district, and often include complementary mixed uses such as hotels, entertainment complexes, offices, or senior citizen housing.

The anchor stores for a regional shopping center are its major stores that exert the prime attractive force to draw customers to a shopping center from its full regional market area. Pull-line department stores are the prime anchor tenant; a high-quality major clothing store, as distinguished from a junior or discount department store (see Urban Land Institute Tenant Classifications A-0l, A-02, and A-04) is a store unit which typically offers a complete selection of soft goods, housewares, domestics, shoes, sporting goods, furniture, toys, and appliances in full depth and variety, at a typical gross floor area of 100,000 sq. ft. and up. Junior or discount department stores (ULI Tenant Classifications A-02, A-04) will normally have less floor area, will attract customers from a smaller, less-than-regional market area, contain less depth and variety of goods lines, and in the case of discount stores, emphasize off—price marketing and lines of goods.

A market area is the geographic area which provides most of the continuing patronage necessary to support a shopping center or commercial district. The "primary" market area for a regional shopping center, as modified by competing centers and driving times, normally will be within a 10-to-15-minute off-peak driving time of a site. Regional centers tend to locate centrally within their market areas, with respect to the primary market area population distribution and major street system access.

Information sources:

- The Practice of Local Government Planning, International City Management Assn., 1979
- Shopping Center Development Handbook, Urban Land Institute, 1985
- Dollars and Cents of Shopping Centers, Urban Land Institute, 1984, et. seq.

4.740 DESIGNATION OF LANDS FOR INDUSTRIAL AND COMMERCIAL USES

4.741 Identification of Needed Sites

In the Assessment of Community's Economic Development Potential section 4.723, employment forecasts identified the anticipated amount of employment growth through the planning period. In order to forecast the number and acreage of sites needed to accommodate the growth, employment density factors were employed. The employment density calculations for the metropolitan area and East County were prepared by Economic Development Services. Their methodology is identified in Appendix 25.

The baseline land demand for industrial and commercial lands for Gresham, east county, and the Portland metropolitan area is illustrated below:

Figure 4-41 Baseline Land Demand Comparison (in acres) 1985-2005

	Additional Acres Required				
	Heavy/ Moderate Industrial	Light Industrial	Commercial Office/Services	Commercial Retail	Total
East County	75	58	34	310	478
Metro Area	2,068	5,477	1,334	2,953	11,832
Gresham	53	41	24	217	335

Notes: East county forecast based on land needed for Gresham, Troutdale, Wood village, Fairview, and small portion of unincorporated Multnomah County. Gresham's share of the land demand was disaggregated from the east county totals based upon Gresham's anticipated 70% of the amount of employment growth through the planning period.

Source: Economic Development Services and City of Gresham

The major category of land demand for east county and the City of Gresham is commercial retail, which makes up 65% of the long-term demand for commercial and industrial lands. This is followed by heavy/moderate industrial development at 16%, light industrial development at 12%, and office/services development at 7%.

The Periodic Review Committee felt the baseline forecast significantly underestimates the amount of industrial land which will be developed over the twenty-year planning period. They reached this conclusion based upon recent trends which suggest a higher rate of industrial land absorption. The Albertson's distribution facility now under construction occupies a 55-acre site, the new McCabe Foods is on a 5-acre site. These two developments alone represent 64% of the baseline land demand forecast and this suggests that even with modest growth the demand for land will most likely exceed the baseline forecast.

Another factor which could stimulate demand for industrial land is the construction of the freeway interchange at NE 181st Avenue. This full cloverleaf interchange will improve the marketability of large numbers of vacant industrial sites in Northern Gresham.

The high growth forecast which estimates the need for 353 acres of industrial land is felt to be a more accurate representation of industrial growth potential of the city.

The high growth demand for industrial and commercial lands for Gresham and east county are detailed below:

Figure 4-42 High Growth Land Requirements (in acres) 1985-2005

	Additional Acres Required				
	Heavy/ Moderate Industrial	Light Industrial	Commercial Office/Services	Commercial Retail	Total
East County	226	278	56	381	941
Gresham	158	195	39	267	659

Source Economic Development Services and City of Gresham

Under the high growth scenario Gresham would need almost two times the current amount of industrial and commercial land. The industrial categories would demand over three times the amount as the demand forecasted under the baseline forecast.

The overall growth over the planning period is dominated by service-oriented businesses rather than basic industrial activities.

The approximate number of sites needed to accommodate the forecasted industrial and commercial development was derived by analyzing the average size of industrial and commercial firms in east county, the amount of land area needed for parking and landscaping. The analysis found a need for approximately 118 sites for industrial development and 1,721 sites for commercial development (refer to Appendix 26) or estimation methodology).

4.742 Long Term Supply of Land

The City of Gresham has designated a sufficient supply of both industrial and commercial lands to meet the long-term demand for land under both baseline and high growth scenarios.

Figure 4-43 Gresham Land Supply/Demand (in acres)

	Industrial	Commercial	Total
Land Supply			
Vacant/Significantly Underutilized Acreage	1,448	382	1,830
Land Demand			
1985-2005 Baseline	94	241	335
1985-2005 High	353	306	659

Source: Economic Development Services and City of Gresham, 1988.

There will be a large excess supply of industrial land throughout the planning period. Under the baseline land forecast, only 6% of the vacant or significantly underutilized industrially designated land will be in demand to the year 2005. Under the high growth forecast, 24% of the vacant and significantly underutilized industrially designated land will be in demand. The supply of commercial land under the baseline forecast would be much closer to the demand for commercial land. Under the baseline land forecast, 63% of the commercial land inventory will be required and 80% under the high growth forecast.

(Amended by Ordinance No. 1139, passed July 18, 1989, effective August 17, 1989.)

4.743 Short Term Supply of Serviceable Sites

The city has a sufficient supply of serviceable industrial and commercial land to maintain a three-year supply of serviceable sites in each scheduled year of the five-year Capital Improvements Program.

The City's methodology for defining serviceable land is found in Appendix 20.

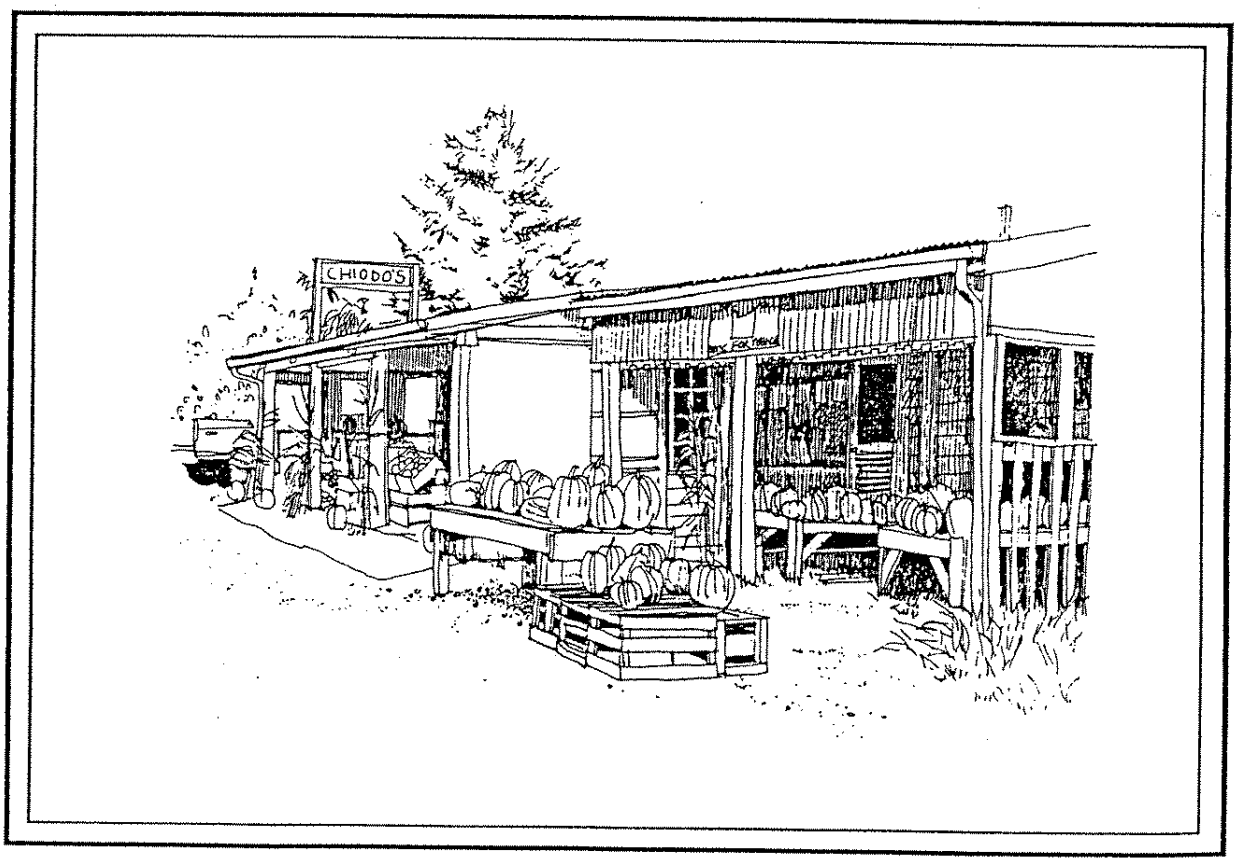
The Industrial and Commercial Development Rule requires that a three-year supply of serviceable sites be maintained for each year of the five-year Capital Improvement Program. The city's objective is to provide a sufficient supply of serviceable land that meets the high growth forecast for industrial land and the baseline growth forecast for commercial land. To estimate the annual land needs a proportionate share of the anticipated 20-year high growth demand for industrial land and the

baseline growth demand for commercial land was used. Industrial land demand is forecasted to be 353 acres and the commercial land demand is forecasted to be 241 acres.

In order for the city to maintain a three-year supply of serviceable industrial land for each year of the five-year capital improvements program the city will need to provide 17.65 acres per year or a cumulative total of 123.55 acres for the five-year period. Since the city currently has 756 acres of serviceable industrial land, the State's requirement has been fulfilled. To maintain a three-year supply of serviceable commercial land for each year of the five-year Capital Improvements Program, the city will need to provide 12.05 acres per year or a cumulative total of 84.35 acres. Since the city currently has 357 acres of serviceable commercial land-the State's requirement has been fulfilled.

In order to ensure maintenance of a three-year supply of serviceable sites for industrial and commercial development the city has adopted new strategies. These strategies are detailed in the "Commitment to Provide Adequate Sites and Facilities" section.

(Amended by Ordinance No. 1139, passed on July 18, 1989, effective August 17, 1989.)



4.800 2021-2041 HOUSING CAPACITY ANALYSIS

ACKNOWLEDGEMENTS

ECONorthwest prepared this section for the City of Gresham in 2021. ECONorthwest and the City of Gresham thank those who helped develop the Gresham Housing Capacity Analysis (HCA). This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development (DLCD). The contents of this report do not necessarily reflect the views or policies of the State of Oregon. The City of Gresham thanks all those who participated and provided feedback in the HCA process, through public meetings and the online survey. Other participants and contributors to the HCA include the Planning Commission, State of Oregon staff, City of Gresham staff, ECONorthwest Consulting Team, and the members of the public who participated in project outreach events.

EXECUTIVE SUMMARY

This report presents Gresham's Housing Capacity Analysis (HCA) for the 2021 to 2041 period. It was produced in compliance with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the Planning for Residential Growth guidebook published by the Oregon Transportation and Growth Management Program (1996).

The City of Gresham is updating its HCA as a response to the Oregon State Legislature's passage of House Bill 2003 (HB 2003) in 2019. The goal of HB 2003 is to help local communities meet the diverse housing needs of Oregonians. The law requires Gresham (and other Oregon cities larger than 10,000 people) to study the future housing needs of its residents and to develop strategies to encourage production of that needed housing. The two main requirements of HB 2003 include:

- Every six years Gresham is required to analyze what housing is needed for current and future residents for a 20-year period (the HCA).
- Based on the State of Oregon's timelines and housing capacity analysis adoption dates, Gresham must also complete a Housing Production Strategy (HPS) according to the guidance in HB 2003 (as described in OAR 660-008-0050 through 660-008-0070). The HPS lists specific actions the City can take to promote the development of all identified housing needs.

Additionally, changes in Gresham's demographics have presented a need for a greater variety of housing types. The City has changed considerably since the completion of its last HCA (previously referred to as the Housing Needs Analysis) in 2013. Gresham grew from 105,594 people in 2010 to 113,409 people in 2020. This is an addition of 7,815 people or 7% growth. Growth in Gresham slowed but did not stop during the 2007 to 2009 recession and its aftermath of very slow growth. By 2015, Gresham's population was growing faster. During the 2015 to 2020 period, median housing prices in Gresham increased from about $259,000 in 2015 to $401,000 in 2020, a 55% increase consistent with sales price growth in Multnomah County and other cities such as Hillsboro, Troutdale, and Milwaukie.

Rates of cost burden in Gresham increased from 34% in 2000 to 44% in the 2014-2018 American Community Survey (ACS) 5-year estimate period.

This report provides Gresham with a factual basis to update the Housing Element of the City's Comprehensive Plan and zoning code, and to support future planning efforts related to housing as well as options for addressing unmet housing needs in Gresham. This report provides information to inform future planning efforts, including development and redevelopment. This report provides the City with information about the housing market in Gresham and describes the factors that will affect future housing demand in Gresham, such as changing demographics. This analysis will help decision makers understand whether Gresham has enough land to accommodate growth over the next 20 years.

What are the key housing needs in Gresham?

- **Growth in housing will be driven by growth in population.** Between 2000 and 2020, Gresham's population grew by 23,204 people (26%). Gresham is planning for 6,229 new households, as described in the next section, over the 2021 to 2041 period.
- **Demographic and economic trends will drive demand for affordable and diverse housing in Gresham.** Key demographic and economic trends affecting Gresham's future housing needs are the aging of the baby boomers, the aging of the Millennials and Generation Z, the continued growth in the Latinx population, and access to a range of housing types for people of color.
- **Housing affordability is a growing challenge in Gresham.** Housing affordability is a challenge in most of the Portland Metro region in general, and Gresham is affected by these regional trends. Housing prices are increasing faster than incomes in Gresham and Multnomah County, which is consistent with state and national challenges. Gresham has a modest supply of multifamily housing (about 28% of the city's housing stock), but over half of renter households are cost burdened (64%). The households who are most likely to be cost burdened[1] are those with an income below 50% of Multnomah County's median family income (MFI) for a family of four ($46,100).
    - Gresham's key challenge over the next 20 years is providing opportunities for the development of relatively affordable housing (both for households with an income below 60% of MFI ($55,300), who will need income-restricted housing, and for households with incomes of 60% to 120% of MFI ($55,300 to $110,500), who can afford some market-rate housing) of all types, such as lower-cost single-family housing, cottage housing, townhouses and duplexes, tri- and quadplexes, market-rate multifamily housing, and government-subsidized affordable multifamily housing.
- **Gresham lacks enough housing that is affordable, both for renter and homeowners.** About 44% of Gresham's households are cost burdened (paying 30% or more of their household

[1] The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

income on housing costs). About 64% of Gresham's **renters** are cost burdened and about 28% of Gresham's **homeowners** are cost burdened. Cost burden rates in Gresham are higher than those in Multnomah County. Because Gresham has affordable housing in comparison to other cities in the Portland Region, Gresham has a larger share of lower income households, many of whom have trouble affording housing costs in Gresham and could not generally afford housing costs in other parts of the Portland Region.

  - About 43% of Gresham's households cannot afford median rents in Gresham ($1,279). Additionally, about 84% of Gresham's households cannot afford the median housing sale price ($401,000) in Gresham. Housing sales prices increased in Gresham over the last five years. From 2015 to 2020, the median housing sale price increased by about $142,000 (55%), from about $259,000 to $401,000.
  - A household earning 100% of Multnomah County's median family income ($92,100) could afford a home valued between about $322,000 to $368,000, which is less than the median home sales price of about $401,000 in Gresham, consistent with sales price growth in Multnomah County and other cities such as Hillsboro, Troutdale, Milwaukie. A household can start to afford median home sale prices at about 107% of Multnomah County's median family income.

- Most Gresham residents live in neighborhoods that are at risk of gentrification. Gentrification here is used to mean "a process of neighborhood change that includes economic change in a historically disinvested neighborhood – by means of real estate investment and new higher-income residents moving in – as well as demographic change – not only in terms of income level, but also in terms of changes in the education level or racial make-up of residents."[2] 22% of Gresham's households live in areas that are in the early stages of gentrification with a further approximately 53% susceptible to gentrification. These areas are generally those that also have high levels of socioeconomic vulnerability, which may lead to housing insecurity or displacement.

How much household growth is Gresham planning for?

Gresham's number of households within its city limits is projected to grow by over 6,229 households between 2021 and 2041, at an annual growth rate of 311 units per year.

Exhibit 1. Forecast of Household Growth, Gresham City Limits, 2021 to 2041
Source: Metro's 2050 Household Distributed Forecast, 2021.

41,484	47,713	6,229
Households in	Households in	New households

[2] Chapple, K., & Thomas, T., and Zuk, M. (2021). Urban Displacement Project website. Berkeley, CA: Urban Displacement Project

2021 2041 2021 – 2041

How much housing will Gresham need?

The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, cottage clusters, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Duplexes, Triplexes, and Quadplexes** are a subset of multifamily attached structures that contain two, three or four living units generally on the same lot.
- **Multifamily** is all other attached structures with five or more units, other than single-family detached units, manufactured units, duplexes, triplexes, quadplexes, or single-family attached units.

To accommodate the city's forecasted household growth, Gresham needs to plan for 6,229 new dwelling units between 2021 and 2041. About 2,803 units of new housing will be single-family detached (45%); 561 units of new housing will be single-family attached (9%); 872 units of new housing will be duplexes, triplexes, or quadplexes (14%); and about 1,993 units will be multifamily housing with five or more units per structure (32%).

This housing mix is a shift from the 2014-2018 5-year ACS period, when 55% of Gresham's housing stock was single-family detached, 7% was single-family attached, 10% was duplexes, triplexes, and quadplexes, and 28% was multifamily (with five or more units per structure).

How much land will be required for housing?

In total, Gresham is forecast to grow by 6,229 dwelling units and has capacity for 12,609 dwelling units. Exhibit 2 shows a comparison of Gresham's land capacity within the urban growth boundary with demand for new units (including land for group quarters). It shows that Gresham has enough land in all of its zoning district groupings to accommodate the forecast of housing growth.

- **Lower Density:** Gresham has a surplus capacity of 3,519 dwelling units.
- **Medium Density:** Gresham has a surplus capacity of 1,941 dwelling units.
- **Higher Density:** Gresham has a surplus capacity of 920 dwelling units.

Exhibit 2. Comparison of Capacity of Existing Residential and Selected Commercial Land with Demand for New Dwelling Units and Land Surplus or Deficit, Gresham City Limits, 2021 to 2041
Source: Buildable Lands Inventory; Calculations by ECONorthwest

Zoning District Grouping	Capacity (Buildable Acres)	Capacity (Dwelling Units)	Demand for New Housing	Remaining Capacity (Supply minus Demand)

Zoning District Grouping	Capacity (Buildable Acres)	Capacity (Dwelling Units)	Demand for New Housing	Remaining Capacity (Supply minus Demand)
Lower Density	976	5,544	2,025	3,519
Medium Density	283	3,966	2,025	1,941
Higher Density	89	3,099	2,179	920
Total	1,248	12,609	6,229	6,380

What are the key findings of the Housing Capacity Analysis?

The key findings of the Gresham Housing Capacity Analysis are that:

- **Finding: Gresham has a surplus of land and capacity for all housing types.** Gresham has a surplus of capacity for 6,380 dwelling units across the lower, medium, and higher density zoning district groupings. Gresham has the highest remaining capacity (after accounting for demand for new housing) in the lower density zones at about 3,519 dwelling units. Gresham also has a surplus of 1,941 remaining dwelling units in the medium density zones and a surplus of 920 remaining dwelling units in the higher density zones.

  Gresham may have more capacity in higher density residential zones, as the HCA assumes only 7% of buildable land in commercial zones (that allow residential uses) will develop as residential. For example, if 10% of buildable land in commercial zones in the higher density zones developed with housing, Gresham would have a surplus of 1,035 dwelling units in higher density. If 15% of buildable land in commercial zones in the higher density grouping developed with housing, Gresham would have a surplus of 1,221 dwelling units in higher density.

  - **Recommendation:** Monitor land available in all zones but especially in the medium and higher density zoning district groupings, and identify areas for more residential development in commercial zones, where appropriate and consistent with City policies.

- **Finding: Gresham is meeting Metro's requirements for net density and housing mix.** OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Gresham's average density target is ten dwelling units per net buildable acre. Based on the findings in Section VI, Gresham is exceeding this average density target at an average net density of 11.0 dwelling units per net acre.

  OAR 660-007 also requires that cities within the Metro UGB "provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Exhibit 73 in Section V shows that for the 2021-2041 planning period Gresham is assuming that 9% of new dwelling units will be single-family attached, 14% of new units will be duplexes, triplexes, or quadplexes, and 32% of new units will be multifamily, for a total of 55% of new units.

  - **Recommendation:** Gresham should continue to monitor future development to evaluate resulting densities and housing mix in comparison to the planned units described in this report.

- **Finding: A portion of Gresham's residential capacity is located in Pleasant Valley and Springwater.** Of Gresham's total capacity for dwelling units (12,609 dwelling units), about one-third is located in Pleasant Valley residential zones (3,970 units) and about 7% is located in Springwater (823 units). These areas are located at the southern boundary of Gresham's city limits and the City is in the process of planning infrastructure to serve this areas to accommodate this estimated capacity over the 20-year planning period. For example, the City installed a new water and sewer line in Pleasant Valley that can accommodate demand from about 600 dwelling units in this area. Further infrastructure development is necessary in Pleasant Valley, and to a greater extent in Springwater, to accommodate the potential demand for housing in these areas.
  - **Recommendation:** Gresham should continue to coordinate phased planning of infrastructure to serve planning areas over the 20-year period. Pleasant Valley and Springwater will support future need for housing in Gresham, and the City should plan for the necessary infrastructure to serve these areas.
- **Finding: In addition to the availability of buildable land, Gresham has opportunities for redevelopment.** While Gresham has a surplus of residential land in all zoning district groupings, the City also has key opportunity sites for redevelopment including the Rockwood Triangle, Downtown (specifically, sites at the Gresham Town Fair, Hogan/Burnside, and Beech Street), and in the Civic Neighborhood District (specifically, the K-Mart site and Metro-owned properties near the MAX station).[3] Volumes 1 and 2 of Gresham's Comprehensive Plan define these areas as key redevelopment sites, as well as policies for general opportunities (not site-specific) for redevelopment for residential uses.
  - **Recommendation:** In development of the Housing Production Strategy, Gresham should identify actions that further identify opportunities for redevelopment and any barriers or challenges to redevelopment of these sites.
- **Finding: Gresham will have a need for housing affordable to all income levels, particularly for extremely low-income to middle-income households.** About 43% of Gresham's future households are expected to have incomes below 50% of Multnomah County's median family income (less than $46,050 in 2020 dollars). Homes sales are very rarely affordable to households with extremely-low and very-low incomes. Development of housing affordable to these households rarely occurs without government subsidy or other assistance. Additionally, about 40% of Gresham's future households are expected to have incomes between 50% and 120% of the county's MFI (between $46,050 and $110,520). Households in this income category

[3] At the time of this analysis two of the properties at this site have been approved for development, with one under construction.

can likely afford the average rent in Gresham, but middle-income households at less than 120% of MFI cannot afford to purchase owner-occupied housing at Gresham's median home sales price in 2020 of $401,000.

  - **Recommendation:** The need for affordable housing is a regional issue in the Portland Metro region. Some cities, like Gresham, have a larger share of housing that is comparatively affordable, such as housing affordable below 80% of MFI. Other cities have very little housing that is comparatively affordable. The regional discussion of need for better distribution of affordable housing across the region is on-going and being partially addressed through programs including the Metro Affordable Housing Bond. At the state level, HB 2003 suggests that the State and the Portland region need a better approach to equitable distributions of affordable housing, recognizing that all communities in a region should support affordable housing needs. While Gresham will need to provide opportunities for affordable housing development for both rental and ownership over the 20-year period, the City should also look for opportunities for regional coordination of affordable housing development for both rental and ownership, over the 20-year period. The City should look for opportunities for greater regional coordination to achieve an equitable distribution of affordable housing. For example, Gresham could engage with regional partners about issues related to the equitable distribution of affordable housing. Additionally, the development of the Housing Production Strategy (HPS) should help to address these needs.

- **Finding: Gresham last updated its Housing Element of the Comprehensive Plan in 2013.** This 2021 HCA report presents updated information as a response to the Oregon State Legislature's passage of House Bill 2003 (HB 2003) in 2019. Additionally, changes in Gresham's demographics have presented a need for a greater variety of housing types. The city has changed considerably since the completion of its last HCA (previously referred to as the Housing Needs Analysis) in 2013. Gresham grew from 105,594 people in 2010 to 113,409 people in 2020. This is an addition of 7,815 people or 7% growth. Growth in Gresham slowed but did not stop during the 2007 to 2009 recession and its aftermath of very slow growth. By 2015, Gresham's population was growing faster. During the 2015 to 2020 period, median housing prices in Gresham increased from about $259,000 in 2015 to $401,000 in 2020, a 55% increase, consistent with sales price growth in Multnomah County and other cities such as Hillsboro, Troutdale, and Milwaukie. Rates of cost burden increased from 34% in 2000 to 44% in the 2014-2018 ACS 5-year estimate period.

  - **Recommendation:** Gresham should adopt this HCA report as an appendix to the Comprehensive Plan. HB 2003 requires that Gresham update its HCA every six years to analyze what housing is needed for current and future residents for a 20-year period.

- **Finding: Gresham may consider completing a Housing Production Strategy (HPS) according to the guidance in HB 2003 (as described in OAR 660-008-0050 through 660-008-0070).** An HPS includes consideration of additional information about the housing needs of underserved

communities and engagement with underserved communities about potential approaches to meeting their needs. The HPS will result in policy recommendations and actions for Gresham to take over a six-year period to address unmet housing needs, with a focus on housing equity.

- **Recommendation:** Gresham should complete its HPS to address issues related to housing need presented in the HCA.

I. INTRODUCTION

This report presents Gresham's Housing Capacity Analysis (HCA) for the 2021 to 2041 period. It was produced in compliance with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the Planning for Residential Growth guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The City of Gresham is updating its HCA as a response to the Oregon State Legislature's passage of House Bill 2003 (HB 2003) in 2019. The goal of HB 2003 is to help local communities meet the diverse housing needs of Oregonians. The law requires Gresham (and other Oregon cities larger than 10,000 people) to study the future housing needs of its residents and to develop strategies to encourage production of that needed housing. The two main requirements of HB 2003 include:

- Every six years Gresham is required to analyze what housing is needed for current and future residents for a 20-year period (the HCA).
- Based on the State of Oregon's timelines and housing capacity analysis adoption dates, Gresham must also complete a Housing Production Strategy (HPS) according to the guidance in HB 2003 (as described in OAR 660-008-0050 through 660-008-0070). The HPS lists specific actions the City can take to promote the development of all identified housing needs.

Additionally, changes in Gresham's demographics have presented a need for a greater variety of housing types. The city has changed considerably since the completion of its last HCA (previously referred to as the Housing Needs Analysis) in 2013. Gresham grew from 105,594 people in 2010 to 113,409 people in 2020. This is an addition of 7,815 people or 7% growth. Median housing prices in Gresham increased from about $259,000 in 2015 to $401,000 in 2020, a 55% increase. Rates of cost burden increased from 34% in 2000 to 44% in the 2014-2018 American Community Survey (ACS) 5-year estimate period.

This report provides Gresham with a factual basis to update the Housing Element of the City's Comprehensive Plan and zoning code, and to support future planning efforts related to housing and options for addressing unmet housing needs in Gresham. This report provides information that informs future planning efforts, including development and redevelopment. This report also provides the City with information about the housing market in Gresham and describes the factors that will affect future housing demand in Gresham, such as changing demographics. The analysis will help decision makers understand whether Gresham has enough land to accommodate growth over the next 20 years.

A. Framework for a Housing Capacity Analysis

Housing includes a bundle of services for which people are willing to pay: shelter certainly, but also proximity to other attractions (job, shopping, recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to public services (quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must, and do, make tradeoffs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors like income, age of household head, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

The majority of housing in the United States is built by the private market, and therefore responds to economic and market factors. These economic and market forces have resulted in the production of units that have housed most of our nation's households. But these forces have consistently left lower-income communities and communities of color with fewer housing options, competing for a limited supply of affordable housing units. The last two decades have seen significant increases in housing costs and much slower growth in household income, resulting in increasing unmet need for affordable housing.

This report provides information about how the choices of individual households and the housing market in the Portland region and Gresham have interacted, focusing on implications for future housing need in Gresham over the 2021 to 2041 period. This section provides a framework for thinking about housing and residential markets in the context of Oregon's land use system.

Statewide Planning Goal 10

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies.

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).[4] Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an

[4] ORS 197.296 only applies to cities with populations over 25,000 outside of Metro. Gresham is located in the Metro UGB, so ORS 197.296 does not apply to Gresham.

urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low-incomes, very low-incomes and extremely low-incomes." ORS 197.303 defines needed housing types:

- **a.** Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.
- **b.** Government assisted housing.[5]
- **c.** Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.
- **d.** Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.
- **e.** Housing for farmworkers.

DLCD provides guidance on conducting a Housing Capacity Analysis in the document *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, referred to as the Workbook.

Gresham must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed. This Housing Capacity Analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes.

The Metropolitan Housing Rule

OAR 660-007 (the Metropolitan Housing rule) is designed to "assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary." OAR 660-0070-005(12) provides a Metro-specific definition of needed housing:

> "Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.

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

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

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

[5] Government assisted (income restricted) housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

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

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Gresham's average density target is ten dwelling units per net buildable acre.[6]

Metro Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan describes the policies that guide development for cities within the Metro UGB to implement the goals in the Metro 2040 Plan.

Title 1: Housing Capacity

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

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

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

Metro's *2017 Compliance Report* concludes that Gresham is in compliance with the City's Title 1 responsibilities.

Title 7: Housing Choice

Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each city and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal.

Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types;
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries; and

[6] OAR 660-024-0010(6) defines net buildable acres as "43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads."

- Increase opportunities for households of all income levels to live in affordable housing (3.07.730).

Metro's *2017 Compliance Report* concludes that Gresham is in compliance for the City's Title 7 responsibilities.

Title 11: Planning for New Urban Areas

Title 11 of Metro's Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Land brought into the Metro UGB is subject to the provisions of section 3.07.1130 of the Metro Code, which requires lands to be maintained at rural densities until the completion of a concept plan and annexation into the municipal boundary.

The concept plan requirements directly related to residential development are to prepare a plan that includes:

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

B. Public Process

At the broadest level, the purpose of the project was to understand how much Gresham will grow over the next 20 years. ECONorthwest worked in collaboration with City staff to address assumptions and approach to the HCA, as well as solicited Planning Commission and public input. The technical analysis required a broad range of assumptions that influence the outcomes. The intent of the public process was to establish broad public engagement throughout the project as work occurs. Public engagement was accomplished through various avenues. We discuss the two primary avenues below.

Planning Commission Engagement

The City of Gresham and ECONorthwest solicited public input at two meetings of the Gresham Planning Commission to discuss project assumptions, results, and implications. The project relied on the Planning Commission to review draft products and provide input at key points. In short, local review and community input were essential to developing a locally appropriate and politically viable Housing Capacity Analysis.

Public Engagement

The City of Gresham and ECONorthwest began the public engagement process through a meeting with an interested parties group of eight community members. This group reviewed the preliminary findings related to the housing needs projection and buildable lands inventory. After this meeting, ECONorthwest and City staff expanded outreach to the general public at two public meetings. The first

meeting, held on March 9, 2021, solicited comments on the preliminary results of the Housing Capacity Analysis at a Gresham Neighborhood Coalition meeting. The second public meeting was in the form of an open house held on April 8, 2021. It solicited comments and questions on the draft results of the Housing Capacity Analysis. Due to the Covid-19 pandemic, both meetings were held virtually. ECONorthwest also developed an online survey to solicit comments on the results in early April 2021.

C. Organization of this Section

The rest of this section is organized as follows:

II. **Residential Buildable Lands Inventory** presents the methodology and results of Gresham's inventory of residential land.

III. **Historical and Recent Development Trends** summarized the state, regional, and local housing market trends affecting Gresham's housing market.

IV. **Demographic and Other Factors Affecting Residential Development in Gresham** presents factors that affect housing need in Gresham, focusing on the key determinants of housing need: age, income, and household composition. This section also describes housing affordability in Gresham relative to the larger region.

V. **Housing Need in Gresham** presents the forecast for housing growth in Gresham, describing housing need by density ranges and income levels.

VI. **Residential Land Sufficiency in Gresham** estimates Gresham's residential land sufficiency needed to accommodate expected growth over the planning period.

VII. **Buildable Lands Inventory**

VIII. **Capacity Analysis**

II. RESIDENTIAL BUILDABLE LANDS INVENTORY

This section provides a summary of the residential buildable lands inventory (BLI) for Gresham. This buildable lands inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. The detailed methodology used to complete the buildable lands inventory completed is presented in Section VII.

First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), then classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by zoning district grouping.

A. Definitions

ECONorthwest developed the buildable lands inventory with a tax lot database from Metro Regional Land Information Systems (RLIS). Maps produced for the buildable lands inventory used a combination of GIS data based on the Metro BLI for the 2018 Urban Growth Report, adopted maps, and visual verification to verify the accuracy of Metro data. The tax lot database is current as of 2016, accounting

for changes and development updates through 2021.[7] The inventory builds from the database to estimate buildable land per zones that allow residential uses.[8] The following definitions were used to identify buildable land for inclusion in the inventory:[9]

- **Vacant land.** Tax lots designated as vacant by Metro based on the following criteria: (1) fully vacant based on Metro aerial photo; (2) tax lots with less than 2,000 square feet developed and developed area is less than 10% of lot; (3) lots 95% or more vacant from GIS vacant land inventory.
- **Potential infill land.** Single-family tax lots that are 2.5 times larger than the minimum lot size and a building value less than $300,000,[10] or lots that are 5 times larger than the minimum lot size (no threshold for building value). These lots are considered to still have residential capacity. For this analysis, we classified these lots as potential infill, and we assumed that 0.25 acres of the lot was developed and the remaining land is available for development, less constraints.
- **Partially vacant land.** Tax lots in higher density residential or commercial zones that are greater than 0.4 acres and have potential for further development of the lot. These lots are considered to still have residential capacity. For this analysis, we estimated the existing building area and calculated the remaining land is available for development, less constraints.
- **Public land.** Lands in public ownership are considered unavailable for residential development.[11] This includes lands in federal, state, county, city, or public school ownership, These lands are identified using Metro's definitions and categories.
- **Developed land.** Lands not classified as vacant, partially vacant, or public/exempt are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI.

Considerations for Residential Development on Public and Semi-Public Land

[7] Lots with certificates of occupancy expected in 2021 were assumed to be developed. Two lots (owned by Gresham Redevelopment Commission and Albertina Kerr) are currently under development review with expected certificates of occupancy after 2021 and were considered available for development in the BLI. The capacity analysis in Section VI accounts for these lots in terms of the planned units, 108 units on the lot owned by Gresham Redevelopment and 150 units on the lot owned by Albertina Kerr.

[8] Plan designations and zones are the same in Gresham.

[9] Definitions for the BLI are based on the interpretation of "buildable land" as defined in OAR 660-008-005 and building on the methodology used for the Metro 2018 Urban Growth Report.

[10] Includes the following zones: LDR-5, LDR-7, LDR-PV, LDR-SW, LDR/GB, MDR-12, MDR-PV, THR-SW, VLDR-SW. Lots where the configuration of the lot would not allow infill were classified as Developed.

[11] Other exempt lands owned by semi-public entities, such as churches, private schools, and other non-profit organizations, were not included in the Public land classification. These lands were classified using the same method as other residential lands and were classified as vacant, partially vacant, developed, or unbuildable. Lands with a cemetery use and owned by a semi-public entity (e.g., church) were classified as developed.

The definition for public land above states that lands in public ownership are considered unavailable for residential development in the BLI. Semi-public lands includes land owned by institutions such as private schools, non-profit organizations, churches, and other semi-public uses. Recent residential development in Gresham has occurred on both public and semi-public organizations. For the purposes of this BLI, public lands with potentially available land are generally not considered as part of the capacity for housing because lands are in public use unless they are identified as surplus by the public agency. However, Gresham may continue to look for opportunities to develop housing on key publicly owned sites.

We evaluated lands with a semi-public use as either vacant, potential infill, partially vacant, or developed using the definitions provided above and through visual verification. Lots with excess land that are not in an active use, associated with the semi-public organization, were considered as available.

B. Development Constraints

Consistent with state guidance on buildable lands inventories, ECONorthwest deducted the following constraints from the buildable lands inventory and classified those portions of tax lots that fall within the following areas as constrained, unbuildable land:

- **Lands within floodplains.** Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains, as well as lands identified in Metro's Title 3 Stream and Floodplain Protection Plan.
- **Land within Gresham's High Slope Subarea (HSS).**[12] Lands within the HSS are considered unsuitable for residential development. These lands include areas with slopes over 35%.
- **Land within Gresham's High Value Resource Area (HVRA).**[13] Lands within the HVRA, as defined in the City of Gresham's Development Code under 5.0703(A)(2)(a). The HVRA is a subarea of the city's Resource Area in the Natural Resource Overlay (NRO). Resources that are protected in the NRO include streams and stream corridors, wetlands and wetland buffers, designated uplands, publicly owned lands acquired for natural resource conservation, and other waters and water buffers.[14] Areas in the HVRA are the most restricted in terms of development that is allowed.

C. Residential Buildable Land Inventory Results

Land Base

[12] Gresham Development Code Section 5.0211

[13] Gresham Development Code Section 5.0700

[14] *City of Gresham Environmental Technical Guidance Manual – Public Review Draft.* October 30, 2020.

As defined above, the land base for the Gresham residential BLI includes all tax lots in Gresham's city limits and the Pleasant Valley and Springwater planning areas in zones that allow residential uses.[15] For the purpose of this analysis, Gresham's zones are grouped by lower, medium, and higher density. The summary tables in this section present results by these groupings, and Section VII provides detailed tables by individual zones. The lower, medium, and higher density zone district groupings include the following zones:

- **Lower Density** (zones allowing densities fewer than 9 dwelling units per acre)
  - Low Density Residential - Gresham Butte
  - Very Low Density Residential - Springwater
  - Low Density Residential - 7
  - Low Density Residential - Springwater
  - Low Density Residential - 5
  - Low Density Residential - Pleasant Valley
- **Medium Density** (zones allowing densities between 9 and equal to or less than 24 dwelling units per acre)
  - Moderate Density Residential - 12
  - Office Residential
  - Downtown Residential Low-Rise-1
  - Transit Low Density Residential
  - Moderate Commercial
  - Townhouse Residential - Springwater
  - Moderate Density Residential - Pleasant Valley
  - Moderate Density Residential - 24
  - Transition Residential
  - Corridor Multi-Family
  - Corridor Mixed Use
- **Higher Density** (zones allowing densities greater than 24 dwelling units per acre)
  - High Density Residential - Pleasant Valley
  - Rockwood Town Center

[15] Gresham's uses the same definition for plan designations and zones.

- Town Center - Pleasant Valley
- Community Commercial
- Civic Neighborhood Residential Mid Rise
- Civic Neighborhood Transit High Density
- Downtown Mixed Use
- Downtown Residential Low-Rise-2
- Downtown Transit Mid-Rise
- Mixed Use Employment - Pleasant Valley
- Station Center
- Station Center Ruby Junction Overlay
- Downtown Commercial Core
- Downtown Commercial Low-Rise
- Downtown Employment Mid-Rise
- Neighborhood Commercial - Pleasant Valley
- Village Commercial - Springwater
- Civic Neighborhood Transit High Density

Exhibit 3 shows the land base by the zone district groupings (as listed above). There are 26,120 tax lots in the land base, accounting for about 10,962 acres. Of these 10,962 acres, 70% are in lower-density zones, 19% are in medium-density zones, and 11% are in higher-density zones.

Exhibit 3. Land Base by Zone District Grouping, Gresham City Limits, Pleasant Valley, and Springwater, 2021[16]
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding.

Zoning District Grouping	Number of Taxlots	Percent	Total Taxlot Acreage	Percent
Lower Density	21,021	80%	7,642.7	70%
Medium Density	3,221	12%	2,150.9	19%
Higher Density	1,878	7%	1,168.0	11%
Total	26,120	100%	10,961.6	100%

Development Status

[16] Exhibit 88 in Section VII shows this table by zone.

Exhibit 4 shows acres in tax lots classified by development capacity (committed or buildable) and constraint status. We used a rule-based classification (defined in the methods and definitions above) to define an initial development status. Then, we used a rapid visual assessment method to confirm this development status using aerial imagery and review by City staff. Of the 10,962 acres, about 73% are committed acres, 12% are constrained acres, and 15% are buildable acres.

Exhibit 4. Development Status by Zone District Grouping, Gresham City Limits, Pleasant Valley, and Springwater, 2021[17]
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding

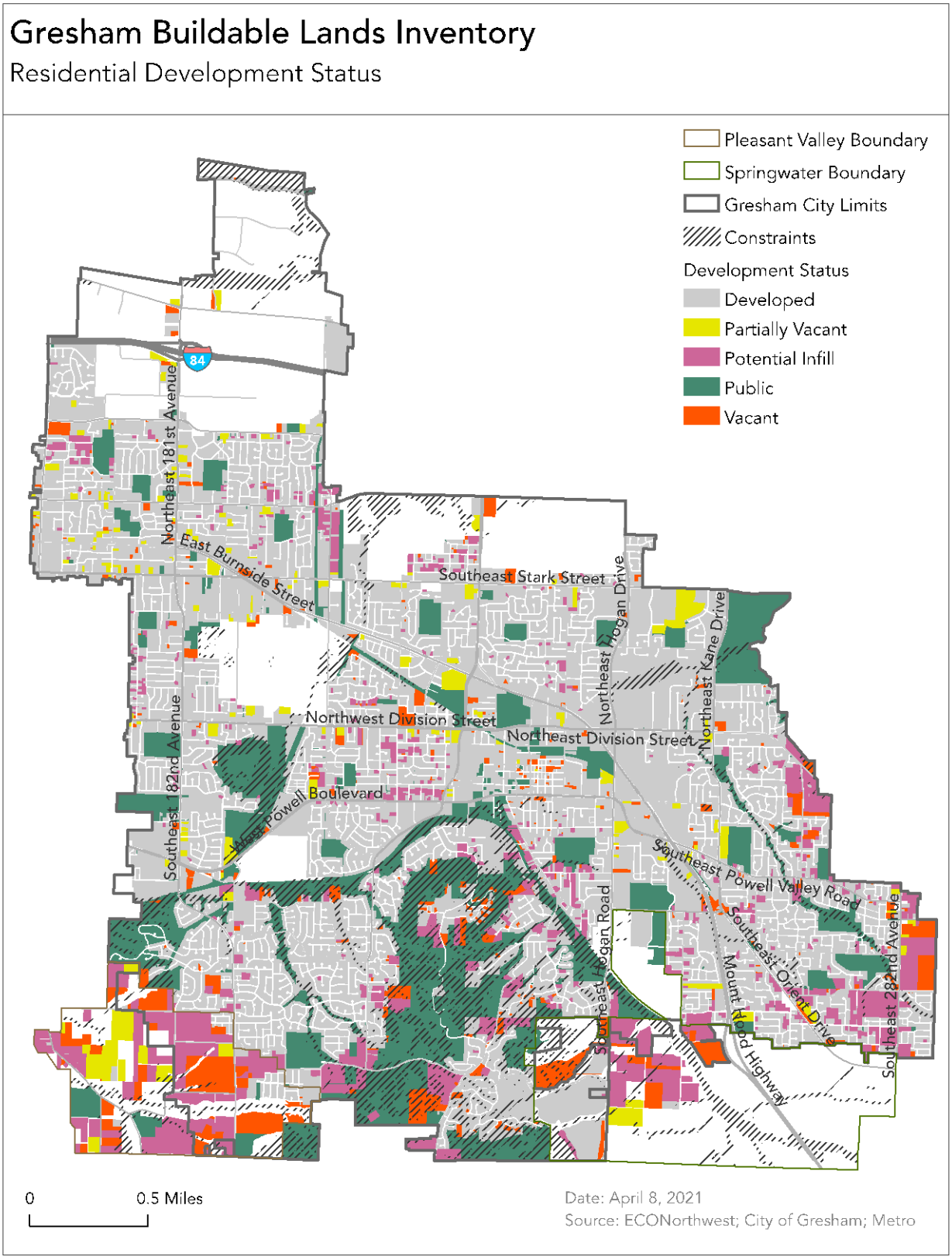
Zoning District Grouping	Total Acres	Committed Acres	Constrained Acres	Buildable Acres	Buildable Acres (Percent of Total)
Lower Density	7,642.7	5,314.8	1,223.1	1,104.9	14%
Medium Density	2,150.9	1,716.6	90.2	344.2	16%
Higher Density	1,168.0	951.7	18.6	197.8	17%
Total	10,961.6	7,983.1	1,331.9	1,646.9	15%

The buildable lands inventory identifies floodplains and areas in Gresham's High Slope Subarea and High Value Resource Area as constraints that prohibit development. Vacant, potential infill, or partially vacant land with these constraints are considered unavailable for development and removed from the inventory of buildable land.

Exhibit 5 shows residential land by development status with constraints overlaid.

[17] Exhibit 89 in Section VII shows this table by zone.

Exhibit 5. Residential Land by Development Status, Gresham City Limits, Pleasant Valley, and Springwater 2021



Vacant Buildable Land

Exhibit 6 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by zone district grouping. Of Gresham's 1,642 unconstrained buildable residential acres,[18] about 30% are in tax lots classified as vacant, about 52% are in tax lots classified as potential infill, and 18% are in tax lots classified as partially vacant. Gresham has about 1,105 buildable acres in lower-density zones, about 343 buildable acres in medium-density zones, and about 193 buildable acres in higher-density zones.

Exhibit 6. Buildable Acres in Vacant, Potential Infill, and Partially Vacant Tax lots by Zone District Grouping, Gresham City Limits, Pleasant Valley, and Springwater, 2021[19]
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding.

Zoning District Grouping	Buildable Acres on Vacant Lots		Buildable Acres on Potential Infill Lots		Buildable Acres on Partially Vacant Lots		Total Buildable Acres	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Lower Density	313.6	63%	774.5	90%	16.9	6%	1,105.0	67%
Medium Density*	124.3	25%	84.1	10%	135.0	48%	343.4	21%
Higher Density*	63.1	13%	-	0%	129.8	46%	192.9	12%
Total	501.0	100%	858.6	100%	281.7	100%	1,641.3	100%

*The total buildable acres in Exhibit 6 is different from the total in Exhibit 4 because of the deduction for lots where capacity will be determined using units, not acres.[17]

Exhibit 7 shows Gresham's buildable vacant and partially vacant residential land.

[18] Two lots are designated as Partially Vacant in the BLI and account for about 6 buildable acres shown in Exhibit 4. These lots are owned by Gresham Redevelopment Commission (5 buildable acres on land in the Rockwood Town Center zone) and Albertina Kerr (1 buildable acre on land in the Corridor Multi-Family zone), and will be built out with 108 units and 150 units respectively.

[19] Exhibit 90 in Section VII shows this table by zone.

Exhibit 7. Unconstrained Vacant, Potential Infill, and Partially Vacant Residential Land, Gresham City Limits, Pleasant Valley, and Springwater, 2021

Note: Potential infill and partially vacant land is shown as the entire tax lot, without distinguishing the part of the tax lot that has existing structures. The buildable lands inventory database (and calculations of buildable land) accounts for the portion of the tax lot that is developed (and considered unavailable for future development) and the portion of the tax lot that is vacant.

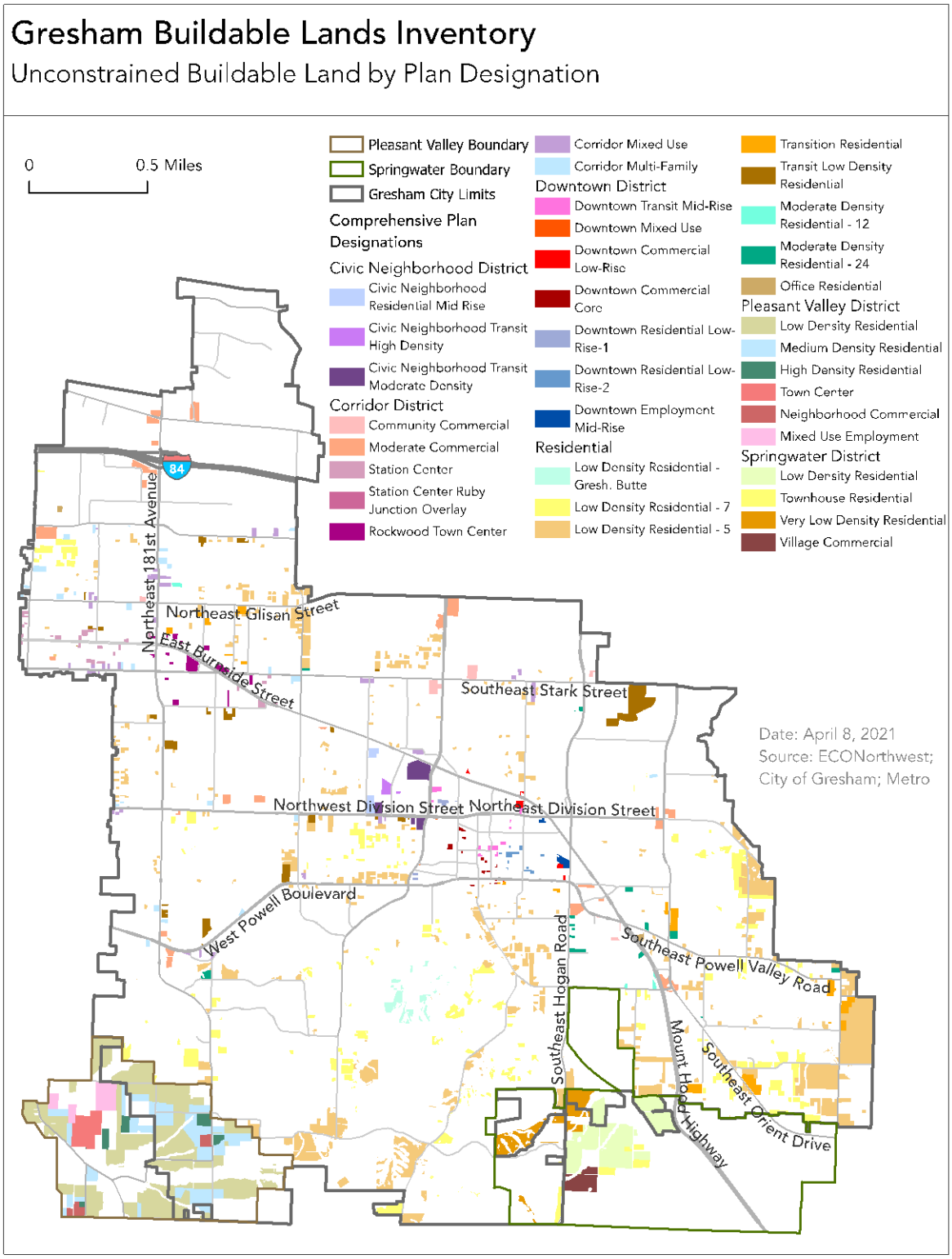


Exhibit 8 shows buildable acres in Gresham by site size. The grouping by site size is determined based on requirements described in OAR 660-007 and is used in the capacity analysis in Section VI. Of Gresham's 1,642 buildable acres, about 10% are in taxlots smaller than 0.38 acres, 14% are in taxlots between 0.38 and 1 acre, and 76% are in taxlots larger than 1 acre.

Exhibit 8. Buildable Acres by Site Size and Zone District Grouping, Gresham City Limits, Pleasant Valley, and Springwater, 2021[20]
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding.

Zoning District Grouping	Buildable Acres by Site Size			Total Buildable Acres	
	Taxlots Smaller than 0.38 Acre	Taxlots > 0.38 and < 1.0 Acre	Taxlots Larger than 1.0 Acre	Number	Percent
Lower Density	128.5	124.5	852.1	1,105.1	67%
Medium Density	13.9	82.1	247.7	343.7	21%
Higher Density	15.0	25.7	152.3	193.0	12%
Total	157.4	232.3	1,252.1	1,641.8	100%

Partial Constraints

In addition to the prohibitive constraints listed above, we calculated partial constraints that further restrict development on buildable land in Gresham. Consideration for partial constraints helps to more accurately calculate the amount of land that is available for residential development. The areas evaluated for partial constraints include only the areas not overlapping any prohibitive constraints. The partial constraints considered for Gresham's BLI include land in the following areas, as designated in Article 5 of the Gresham Development Code:

- **Hillside and Geologic Risk Overlay (HGRO).**[21] Lots being subdivided for development must disturb no more than 55% of the HGRO outside the HSS. For buildable acres unconstrained by prohibitive constraints, but within the HGRO, we assumed that 45% of these acres are partially constrained and were deducted from the unconstrained buildable acres (Exhibit 9).
- **Natural Resources Overlay Resource Area (RA).**[22] Land divisions for detached single-family or duplex development may disturb up to 10% of the RA on the parent parcel. For buildable acres unconstrained by prohibitive constraints, but within the RA, we assumed that 90% of these acres are partially constrained and were deducted from the unconstrained buildable acres (Exhibit 9).

Exhibit 9 shows the total number of unconstrained buildable acres before and after applying partial constraints. About 107 acres were deducted from the total buildable acres based on land in the HGRO

[20] Exhibit 91 in Section VII shows this table by zone.

[21] Gresham Development Code Section 5.0200

[22] Gresham Development Code Section 5.0700

and about 33 acres were deducted from the total buildable acres based on land in the RA, resulting in about 1,510 buildable acres to consider for residential capacity. Exhibit 10 shows these acres by buildable site size.

Exhibit 9. Buildable Acres with Partial Constraints Applied by Zone District Grouping, Gresham City Limits, Pleasant Valley, and Springwater, 2021[23]
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding.

Zoning District Grouping	Total Buildable Acres *(Before Partial Constraints Deduction)*	HGRO Acres Partially Constrained (45%)	RA Acres Partially Constrained (90%)	Total Buildable Acres *(After Partial Constraints Deduction)*	
				Number	Percent
Lower Density	1,105.3	101.2	27.2	976.9	65%
Medium Density	343.2	4.6	2.8	335.8	22%
Higher Density	192.9	1.2	3.1	188.6	13%
Total	1,641.0	107.0	33.1	1,501.3	100%

Exhibit 10. Buildable Acres (After Partial Constraints Deduction) by Site Size and Zone District Grouping, Gresham City Limits, Pleasant Valley, and Springwater, 2021[24]
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding.

Zoning District Grouping	Buildable Acres by Site Size			Total Buildable Acres *(After Partial Constraints Deduction)*	
	Tax Lots Smaller than 0.38 Acre	Tax Lots > 0.38 and < 1.0 Acre	Tax Lots Larger than 1.0 Acre	Number	Percent
Lower Density	116.3	109.4	750.7	976.4	65%
Medium Density	13.4	81.4	241.4	336.2	22%
Higher Density	14.9	25.4	148.5	188.8	13%
Total	144.6	216.2	1,140.6	1,501.4	100%

III. HISTORICAL AND RECENT DEVELOPMENT TRENDS

Analysis of historical development trends in Gresham provides insight into the functioning of the local housing market. The mix of housing types and densities, in particular, are key variables in forecasting the capacity of residential land to accommodate new housing and to forecast future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands Workbook* as:

1. Determine the time period for which the data will be analyzed.

[23] Exhibit 92 shows this table by zone.

[24] Exhibit 93 shows this table by zone.

2. Identify types of housing to address (all needed housing types).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

This Housing Capacity Analysis examines changes in Gresham's housing market from 2000 to 2020, as well as residential development from 2000 to 2020. We selected this time period because: (1) the period provides information about Gresham's housing market before and after the national housing market bubble's growth, deflation, and the more recent increase in housing costs; and (2) data about Gresham's housing market during this period is readily available from sources such as the Census and Metro's Regional Land Information System (RLIS).[25]

The Housing Capacity Analysis presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.).
2. Tenure (e.g., distinguishing unit type by owner or renter units).
3. Housing affordability (e.g., subsidized housing or units affordable at given income levels).
4. Some combination of these categories.

For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:[26]

- **Single-family detached**[27] includes single-family detached units, manufactured homes on lots and in mobile home parks, cottage clusters, and accessory dwelling units.[28]
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Duplexes, Triplexes, and Quadplexes** are a subset of multifamily attached structures that contain two, three or four living units generally on the same lot.

[25] ORS 197.296(5)(a) requires cities to determine housing capacity based on "…data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater."

[26] ORS 197.303 defines needed housing as "…all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes."

[27] Note that references to "single-family detached" terminology will be updated to "single-detached dwelling" through Gresham's Middle Housing Code Update process. This report uses "single-family detached" to be consistent with ORS 197.303.

[28] Other housing situations reported by the American Community Survey (ACS) include the "Boat, RV, and Van etc." category. These units are also included in the single-family detached category in this report. These units account for 0.14% of all housing units reported in Gresham (59 units). The ACS sample is collected by sending forms to registered addresses, not specific households. Thus, households that reported a housing structure in this category are assumed to be living at a registered address.

- **Multifamily** is all other attached structures with five or more units, other than single-family detached units, manufactured units, duplexes, triplexes, quadplexes, or single-family attached units.

In Gresham, government assisted (or income restricted) housing (ORS 197.303(b)) and housing for farmworkers (ORS 197.303(e)) can be any of the housing types listed above. Analysis within this section discusses housing affordability at a variety of incomes, as required in ORS 197.303.

A. Data Used in this Analysis

Throughout this analysis (including the subsequent Section IV), we used data from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This section primarily uses data from three Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a sample of households in the U.S. From 2014 to 2018, the ACS sampled an average of 3.5 million households per year, or 2.9% of the households in the nation. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.
- **Comprehensive Housing Affordability Strategy (CHAS)**, which has custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau for the U.S. Department of Housing and Urban Development (HUD). CHAS data show the extent of housing problems and housing needs, particularly for low income households. CHAS data are typically used by local governments as part of their consolidated planning work to plan how to spend HUD funds and for HUD to distribute grant funds. The most up-to-date CHAS data covers the 2013-2017 period, which is a year older than the most recent ACS data for the 2014-2018 5-year estimate period.

This section uses data from the 2014-2018 ACS 5-year estimates for Gresham. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this section also includes data from Oregon's Housing and Community Services

Department, the United States Department of Housing and Urban Development, Metro's Regional Land Information System (RLIS), and the City of Gresham.[29]

The foundation of the Housing Capacity Analysis is the household forecast for Gresham from Metro's 2045 Distributed Forecast.[30] The forecasts were developed by Metro staff to inform the upcoming Urban Growth Report.

It is worth commenting on the methods used for the American Community Survey.[31] The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate.

This section uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

In many cases, we compare Gresham to Multnomah County and Oregon. In selected cases, we compare Gresham to other cities within the Portland region. The comparison cities include Beaverton, Fairview, Happy Valley, Hillsboro, Milwaukie, Portland, Tigard, and Troutdale. We chose the comparison cities based on discussion with City staff and our understanding of the range of characteristics of cities in the Portland Metro region. These cities are generally near Gresham or are other cities where people might choose to locate within the region.

B. Trends in Housing Mix

This section provides an overview of changes in the mix of housing types in Gresham and compares Gresham to Multnomah County and to Oregon. These trends demonstrate the types of housing developed in Gresham historically. Unless otherwise noted, this section uses data from the 2000 and 2010 Decennial Census and the 2014-2018 ACS 5-year estimates.

This section shows the following trends in housing mix in Gresham:

- **Over half of Gresham's housing stock is single-family detached housing units.** Fifty-five percent of Gresham's housing stock is single-family detached, 28% is multifamily (5+ units), 10% is a duplex, triplex or quadplex, and 7% is single-family attached (e.g., townhouses).

[29] Wherever possible, we have used the most recently available data for each data source. The most-recent data varies based on data release schedules and the timing of our analysis for this report.

[30] The Metro Council adopted the forecast on February 25, 2021 by Metro Council Ordinance 21-1457.

[31] A thorough description of the ACS can be found in the Census Bureau's publication "What Local Governments Need to Know." https://www.census.gov/library/publications/2009/acs/state-and-local.html

- **Since 2000, Gresham's housing stock grew by about 20%.** Between 2000 and the 2014-2018 ACS 5-year estimate period, Gresham's housing stock increased by about 7,191 new units. Of these new units, about 3,932 were single-family detached units.
- **Broadly speaking, some groups of people of color were more likely to live in multifamily housing than white or Asian people.** Hawaiian and Pacific Islander households live in multifamily housing at the highest rates (90%) followed by Black or African American households (65%) and Hispanic or Latino households (57%).
- **Single-family detached housing accounted for over half of new housing growth in Gresham between 2009 and 2020.** Fifty-five percent of new housing permitted between 2009 and 2020 was single-family detached housing units.

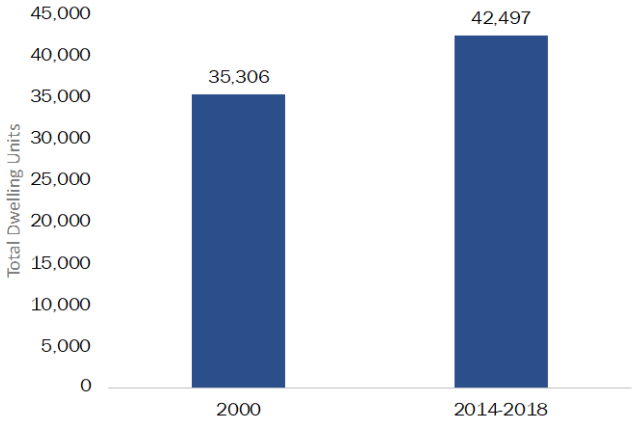
Housing mix

The total number of dwelling units in Gresham increased by 20% from 2000 to the 2014-2018 ACS 5-year estimate period.

Gresham has added 7,191 units since 2000.

Exhibit 1. Total Dwelling Units, Gresham, 2000 and 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2014-2018 ACS 5- Year Estimates Table B25024.

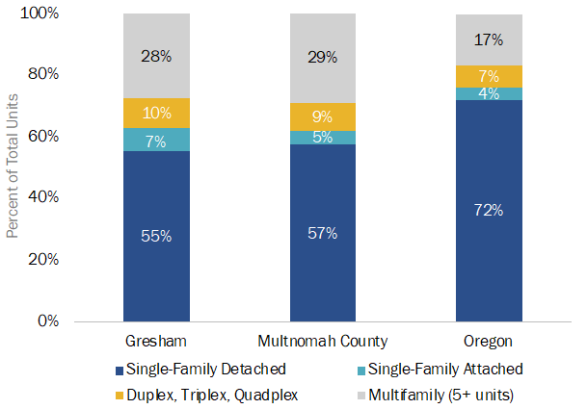


Fifty-five percent of Gresham's housing stock is single-family detached.

Gresham's share of multifamily housing is similar to Multnomah County but larger than Oregon's overall.

Exhibit 2. Housing Mix, Gresham, Multnomah County, and Oregon, 2014-2018 ACS 5-Year Estimates

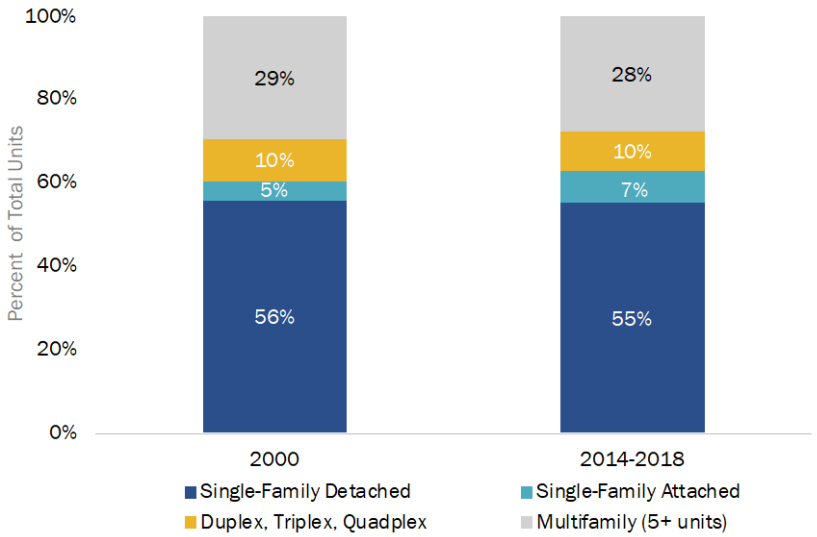
Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Table B25024.



From 2000 to the 2014-2018 5-year estimate period, the share of single-family attached housing in Gresham increased slightly.

Exhibit 3. Change in Housing Mix, Gresham, 2000 and 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2014-2018 ACS 5-Year Estimates Table B25024.



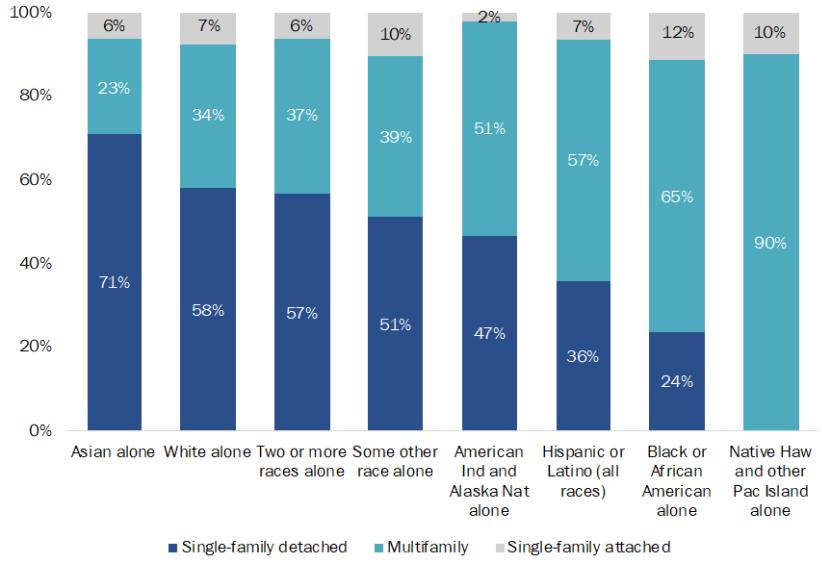
The types of housing varied by race and ethnicity. These differences are more likely to reflect availability of affordable housing, rather than different preferences by race or ethnicity.

White households and Asian households in Gresham had higher rates of living in single-family detached housing (58% and 71%, respectively).

The groups most likely to live in multifamily housing were Native Hawaiian and Pacific Islander, Black or African American families, and Hispanic or Latino (of all races) households.

Exhibit 4. Occupied Housing Structure by Race and Hispanic or Latino Ethnicity, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Table B25032 A-I.



Newly Built Units

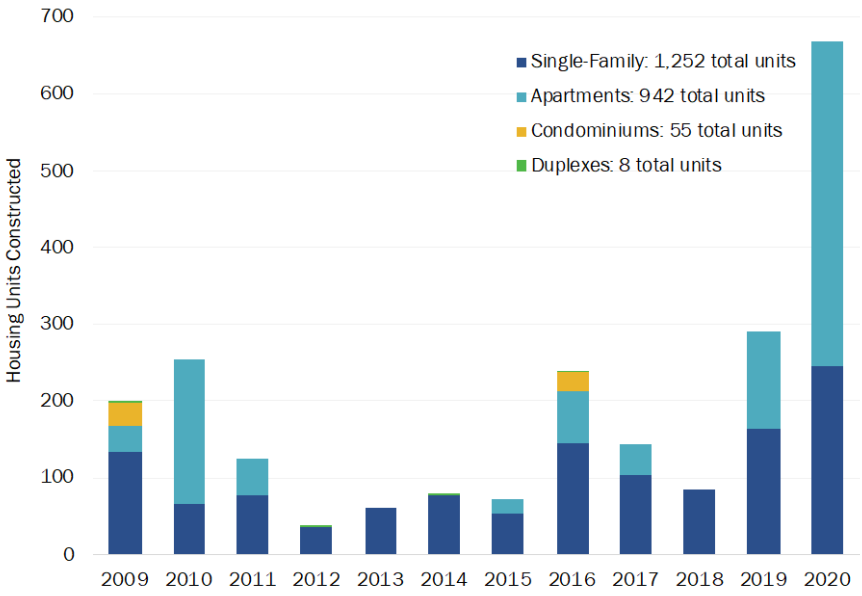
Over the 2009 to 2020 period, 2,257 dwelling units were constructed in Gresham, with an annual average of 205 units.

Of these 2,257 units, about 55% were for single-family units, 42% were for multifamily units (apartments), and 2% were for condominiums.

In 2020, 667 dwelling units were constructed in Gresham, of which 245 were single-family housing and 422 were multifamily units (apartments).

Exhibit 5. New Residential Units Constructed by Housing Type, Gresham, 2009 through 2020

Source: Regional Land Information System (RLIS) Taxlots and Multifamily housing Inventory.



C. Trends in Housing Density

Housing density is the density of residential structures by structure type, expressed in dwelling units per net or gross acre.[32] The U.S. Census does not track residential development density thus this study analyzes housing density based on development in Gresham according to Metro RLIS for development between 2000 and 2020.[33]

Exhibit 16 shows average net residential density by structure type for the 2000 to 2020. Over that period, 7,401 new dwelling units were built in Gresham. Of these, 4,440 units were single-family (60%) and 2,961 units were multifamily (40%).[34] During this time, housing in Gresham developed at an average net density of 10.4 dwelling units per net acre. Single-family housing developed at 7.5 dwelling units per net acre and multifamily housing developed at 25.0 dwelling units per net acre.

[32] OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

[33] Density analysis is based on Q3 2020 data from Metro RLIS including the Multifamily Housing Inventory and Taxlots data sets.

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

Exhibit 16 groups zones into broad categories of zoning districts based on the density ranges allowed in Gresham's zoning code. These groups include residential zones and commercial zones where housing is allowed outright. These groups, which are used later in this analysis, are:

- **Lower density.** This group of zoning districts allows densities of fewer than 9 dwelling units per acre. The average development density in this grouping was 6.3 dwelling units per net acre. About 97% of new housing built in this group was single-family housing. The Low Density Residential-5 designation accounted for 72% of new housing in this group, most of which was single-family.
- **Medium density.** This group of zoning districts allows densities between 9 and 24 dwelling units. The average development density in this grouping was 17.4 dwelling units per net acre. About 34% of new housing built in this group was single-family housing and about 66% was multifamily.
- **Higher density.** This group of zoning districts allows densities greater than 24 dwelling units per acre. The average development density in this grouping was 41.4 dwelling units per net acre. About 88% of new housing built in this group was multifamily. The Civic Neighborhood Transit High Density zone accounted for about 46% of new housing in this group, which includes areas planned for development at the Civic Station site.

Exhibit 16. Net Density by Structure Type and Zone, Gresham, 2000 through 2020

Source: RLIS

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

Zone	Single-family			Multifamily			Total, combined		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Lower Density (less than 9 du/ac)	**3,182**	**512.2**	**6.2**	**104**	**9.3**	**11.2**	**3,286**	**521.4**	**6.3**
Low Density Residential – Gresham Butte	14	10.5	1.3				14	10.5	1.3
Very Low Density Residential – Springwater	24	6.2	3.9				24	6.2	3.9
Low Density Residential – 7	511	140.3	3.6	22	2.0	10.8	533	142.4	3.7
Low Density Residential – Springwater	6	0.8	7.5				6	0.8	7.5
Low Density Residential – 5	2,361	322.0	7.3	82	7.2	11.4	2,443	329.3	7.4
Low Density Residential – Pleasant Valley	266	32.4	8.2				266	32.4	8.2
Medium Density (9-24 du/ac)	**973**	**67.9**	**14.3**	**1,888**	**97.2**	**19.4**	**2,861**	**165.1**	**17.3**
Moderate Density Residential – 12	16	2.0	8.2	2	0.2	9.1	18	2.2	8.3
Office Residential	16	0.8	18.9				16	0.8	18.9
Downtown Residential Low-Rise-1	2	0.4	4.9	2	0.1	17.4	4	0.5	7.6
Transit Low Density Residential	193	16.4	11.8	52	6.6	7.9	245	23.0	10.7
Moderate Commercial	3	0.4	7.4				3	0.4	7.4
Townhouse Residential – Springwater	152	9.6	15.9				152	9.6	15.9
Moderate Density Residential – Pleasant Valley	15	1.8	8.4				15	1.8	8.4
Moderate Density Residential – 24	27	2.3	11.5	489	24.5	20.0	516	26.8	19.2
Transition Residential	212	12.0	17.6	14	1.2	12.1	226	13.2	17.2
Corridor Multi-Family	246	16.0	15.3	827	43.4	19.1	1,073	59.4	18.0
Corridor Mixed Use	91	6.2	14.8	502	21.2	23.6	593	27.4	21.6
High Density (more than 24 du/ac)	**285**	**11.5**	**24.7**	**2,170**	**47.8**	**45.4**	**2,455**	**59.4**	**41.4**
High Density Residential – Pleasant Valley									
Rockwood Town Center	14	1.4	10.2	135	5.2	26.1	149	6.5	22.8
Town Center – Pleasant Valley									
Community Commercial	2	0.2	8.6				2	0.2	8.6
Civic Neighborhood Residential Mid-Rise				294	11.3	25.9	294	11.3	25.9
Civic Neighborhood Transit Moderate Density	78	2.9	27.3	253	3.8		331	6.7	49.5
Downtown Mixed Use	9	0.4	23.7	2	0.1	17.4	11	0.5	22.3
Downtown Residential Low-Rise-2	80	2.9	27.8	3	0.1	27.6	83	3.0	27.8
Downtown Transit Mid-Rise	39	1.1	34.8	18	0.8	21.5	57	2.0	29.1
Mixed Use Employment – Pleasant Valley									
Station Center	56	2.3	24.3	234	5.6	42.0	290	7.9	36.8
Downtown Commercial Core	7	0.4	17.9	98	2.0	49.8	105	2.4	44.5
Downtown Commercial Low-Rise									
Downtown Employment Mid-Rise									
Neighborhood Commercial – Pleasant Valley									
Village Commercial – Springwater									
Civic Neighborhood Transit High Density*				1,133	18.9	60.0	1,133	18.9	60.0
Total	4,440	591.7	7.5	4,162	154.3	27.0	8,602	745.9	11.5

D. Trends in Tenure

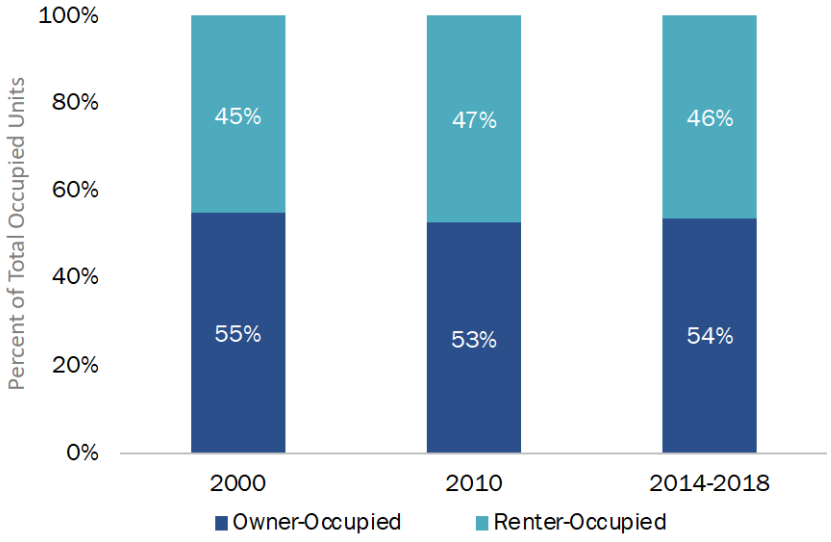
Housing tenure describes whether a dwelling is owner- or renter-occupied. This section shows:

- **Homeownership rates in Gresham are equal to Multnomah County's rate and lower than Oregon's rate.** About 54% of Gresham's households own their home. In comparison, 62% of Oregon households are homeowners.
    - **Homeownership rates in Gresham remained stable between 2000 and the 2014-2018 ACS 5-year estimate period.** In 2000, 55% of Gresham households were homeowners, which dropped to 53% in 2010 and back up to 54% in the 2014-2018 period. Most Gresham homeowners (89%) live in single-family detached housing. However, 18% of renters live in duplexes, triplexes, and quadplexes and 55% live in multifamily (5+ units) housing.
- **Asian and White (Non-Hispanics) had the highest rates of homeownership (70% and 55%, respectively).** Native Hawaiian and Pacific Islanders had the lowest rates of homeownership (0%) followed by American Indian and Alaska Native (26%), Black or African Americans (27%) and Hispanic or Latino (27%).

The homeownership rate in Gresham has remained fairly stable since 2000.

Exhibit 6. Tenure, Occupied Units, Gresham, 2000, 2010, and 2014-2018 ACS 5-Year Estimates

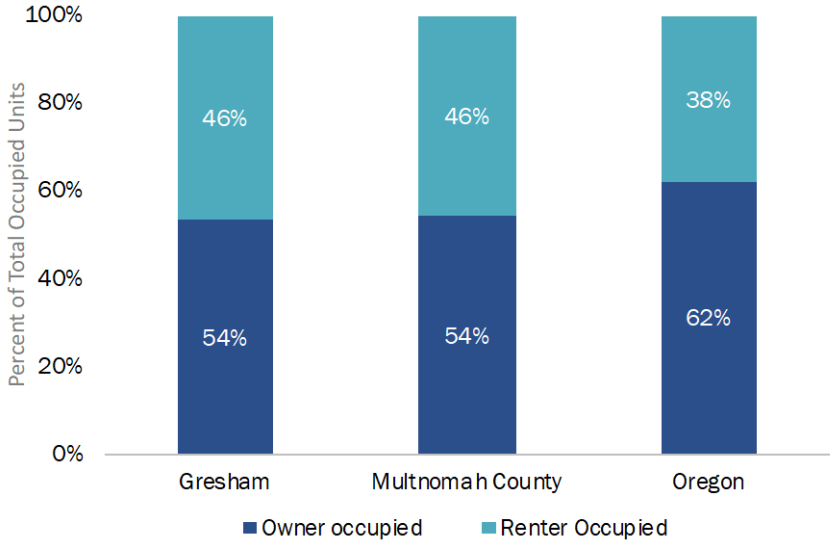
Source: U.S. Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2014-2018 ACS 5-Year Estimates Table B24003.



Gresham has a homeownership rate equal to Multnomah County and lower than Oregon.

Exhibit 7. Tenure, Occupied Units, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates, Table B24003.

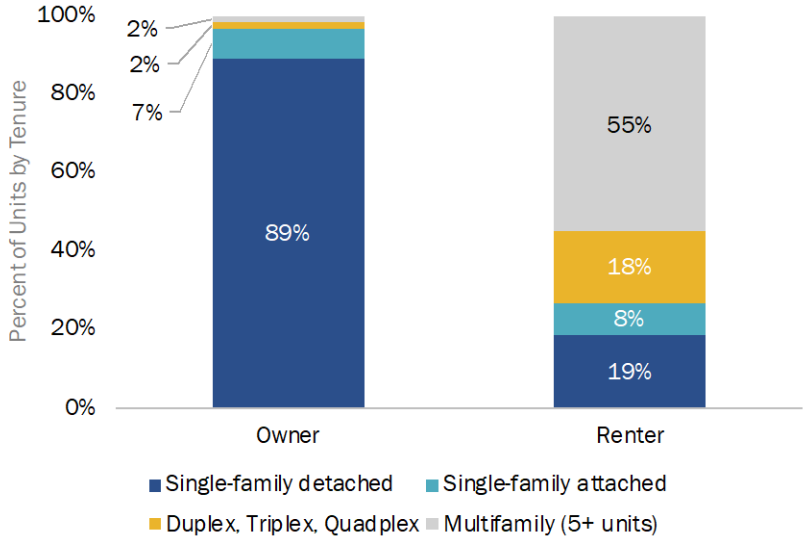


Most homeowners (89%) live in single-family detached housing.

In comparison, nearly 75% of Gresham households that rent live in multifamily housing including duplexes, triplexes, and quadplexes. Eight percent of renters live in single-family attached units (e.g., townhouses).

Exhibit 8. Housing Units by Type and Tenure, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Table B25032.

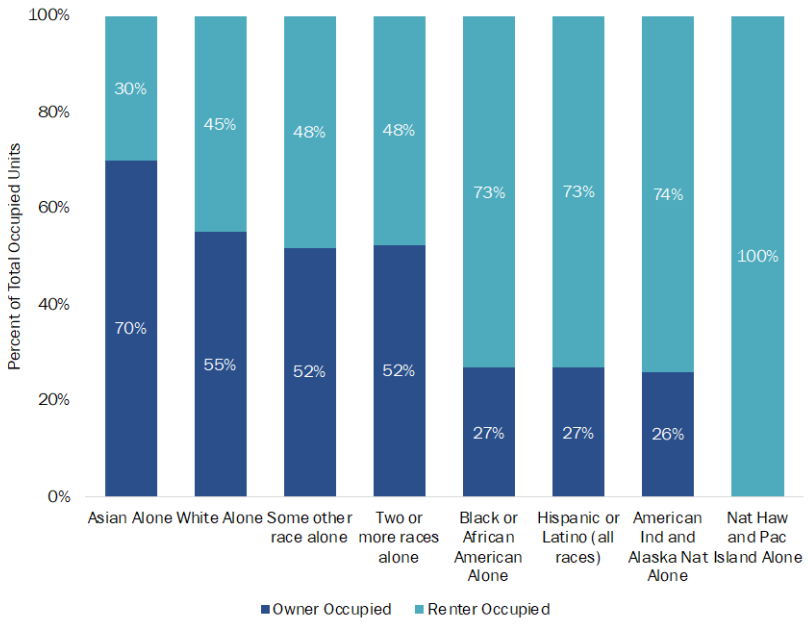


Tenure varied by race and ethnicity. These differences are more likely to reflect availability of affordable housing for homeownership, rather than different preferences for renting or owning by race or ethnicity.

Asian, White alone, some other race, and people with two or more races were more likely to live in owner-occupied housing. Native Hawaiian and Pacific Islanders, American Indian and Alaska Natives, Black or African Americans, and Latino (all races) were more likely to live in rental housing.

Exhibit 9. Tenure by Race, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Table B25003A-I.



E. Vacancy Rates

Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as "Unoccupied housing units… determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration separate from (but related to) the survey of households. Enumerators are obtained using information from property owners and managers, neighbors, rental agents, and others.

According to the 2014-2018 ACS 5-year estimate period, the vacancy rate in Gresham was 5.8%, compared to 6.1% for Multnomah County and 9.1% for Oregon. Eight percent of vacant units in Gresham were for seasonal, recreation or occasional use compared to 16% in Multnomah County and 39% for Oregon.

F. Income-Restricted Housing

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home. Across Oregon, there are approximately 1,300 affordable housing developments with a total unit count of 114,990. In Multnomah County, there are 374 developments with 22,321 housing units (about 19% of the state's total units). There are 50 income-restricted housing developments in Gresham, with 2,397 units.

Exhibit 22 (on the following page) shows an aggregation of income-restricted housing inventories from Oregon Housing and Community Services (OHCS) and Metro. The OHCS inventory includes information by bedroom and is also reported in this table where available.

The Portland, Gresham/Multnomah County (Continuum of Care) region has 1,470 emergency shelter beds and 663 transitional shelter beds supporting persons experiencing homelessness in the region.

Exhibit 21. Facilities and Housing Targeted to Households Experiencing Homelessness, Portland, Gresham/Multnomah County Continuum of Care Region, 2019
Source: HUD's 2019 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations.

Population Served	Emergency, Safe Haven, and Transitional Beds	
	Emergency	Transitional
Households with Adults(s) and Children	83	11
Households with Only Adults	1,167	486
Chronically Homeless Households	6	0
Veterans	134	109
Unaccompanied Youth	80	57

Exhibit 22. Income Restricted Housing, Gresham, 2020

Source: Oregon Housing and Community Services. (2020). Affordable Housing Inventory in Oregon; Metro Affordable Housing Inventory Draft, May 2021.

Development Name	Total Units	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
181 St & NE Couch	90					
Albertina Kerr Crisis Psychiatric	24					
Aldercrest Apts	68		24	44		
Alderwood	20			13	7	
Alpha Apts	22		15	7		
Alpha Family Treatment Center	10					
Ava House	6					
Ava II	5					
Berry Ridge Apts	248		120	128		
Bristol Woods	156			132	24	
Cedar Meadows	19			5	13	1
Central Station Apts	23		17	6		
Chestnut Lane	70					
Coburn Woods Apts	10		9	1		
East County Project	6					
East Fair Terrace	100		94	6		
Eastwood Court	31					
Fir Acres	32					
Friendship House	5					
Gresham House	1					
Gresham Station	253	3	155	95		
Gresham Village Square	72			62	10	
Halsey Street Project	5					
Kelly Place Apts	20		2	5	8	5
Lone Pine Apartments	17					
Madrona Place	45					
Mattie Younkin Manor	35	9	26			
Mayfield Court	30					
Mccarthy Place	10					
Mli Casa	3					
Mt. Hood Community Apts	15		14	1		
On Your Own	7					
Powell Vista Manor	70	6	64			
Project Open Door	9					
Raintree Apts	77	20	57			
Rockwood Building	47					
Rockwood Landing	36					
Rockwood Station	195		78	117		
Rosewood Plaza	45					
Stark Manor	30			18	12	
Station 162	44					
The Cedars	22			7	13	2
The Pine Apts	66		4	50	12	
The Village Retirement Center	123					
Tillicum North	18				18	
Tillicum South	12			12		
Villa North	32					
Village Square	72			64	8	
West Gresham Apartments	26					
Willow Tree Apts	15		1	11	3	
Total	2,397	38	680	784	128	8

G. Manufactured Homes

Manufactured homes provide a source of affordable housing in Gresham. They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons, including the fact that property taxes levied on the value of the land are paid by the property owner, rather than the manufactured homeowner. However, the value of the manufactured home generally does not appreciate in the way a conventional home would. Manufactured-home-owners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured-home-owner to relocate to another manufactured home to escape rent increases. Homeowners living in a park is desirable to some because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

Gresham has a total of 636 manufactured home spaces within city limits.

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. Exhibit 23 presents the inventory of mobile and manufactured home parks within Gresham as of 2020.

Gresham has ten manufactured home parks within city limits. Within these parks, there are a total of 636 spaces, 4 of which were vacant as of Fall 2020.

Exhibit 23. Inventory of Mobile/Manufactured Home Parks, Gresham, 2020
Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces	Comprehensive Plan Designation
BellAcres LLC dba BellAcres Mobile Estates	2980 NE Division #56	55+	68	1	Transit Low Density Residential (TLDR)
Cedarwood Estates	21400 SE Stark St.	Family	9	0	Corridor Mixed Use (CMU)
Green Tee Mobile Estates	900 NE Francis Ave	55+	89	0	Moderate Density Residential (MDR-12)
Gresham Mobile Home Community	515 SE Rene St	Family	48	1	Moderate Commercial (MC)
Heritage Park LLC	21910 SE Stark St	Family	12	1	Corridor Mixed Use (CMU)
Hogan Meadows	1949 SE Palmquist Rd	Family	136	0	Moderate Density Residential (MDR-12)
Palmquist Estates	3200 SE Palmquist Rd	Family	86	1	Moderate Density Residential (MDR-12)
Palmquist Terrace	2905 SE Palmquist Rd	Family	64	0	Moderate Density Residential – 12
Suburban Estates	21016 SE Stark	55+	72	0	Transit Low Density Residential (TLDR)
Whisper Creek	1819 SE Orient Dr	Family	48	0	Moderate Density Residential (MDR-12)
Total			632	4	

IV. DEMOGRAPHIC AND OTHER FACTORS AFFECTING RESIDENTIAL DEVELOPMENT IN GRESHAM

Demographic trends are important for a thorough understanding of the dynamics of the Gresham housing market. Gresham exists in a regional economy; trends in the region impact the local housing market. This section documents demographic, socioeconomic, and other trends relevant to Gresham at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Gresham to Multnomah County and Oregon. We also compare Gresham to nearby cities where appropriate. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

A recommended approach to conducting a Housing Capacity Analysis is described in *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, the Department of Land Conservation and Development's guidebook on local housing needs studies. As described in the workbook, the specific steps in the Housing Capacity Analysis are:

1. Project the number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
5. Determine the needed housing mix and density ranges for each zone and the average needed net density for all structure types.
6. Estimate the number of additional needed units by structure type.

This section presents data to address steps 2, 3, and 4 in this list. Section V presents data to address steps 1, 5, and 6 in this list.

A. Demographic and Socioeconomic Factors Affecting Housing Choice[35]

Analysts typically describe housing demand as the preferences for different types of housing (e.g., single-family detached or apartment) and the ability to pay for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and income are most strongly correlated with housing choice.

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This section discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, Millennials, people born from about 1980 to 2000, and Generation Z, people born between 1997 and 2012.[36] (Generation X, the generation between Baby Boomers and Millennials, is a smaller age group and does not generally drive housing demand.)
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).
- **Household income** is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

This section focuses on these factors, presenting data that suggests how changes to these factors may affect housing need in Gresham over the next 20 years.

[35] The research in this section is based on numerous articles and sources of information about housing, including:

D. Myers and S. Ryu, Aging Baby Boomers and the Generational Housing Bubble, Journal of the American Planning Association, Winter 2008.

Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

L. Lachman and D. Brett, Generation Y: America's New Housing Wave, Urban Land Institute, 2010.

George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.

Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, Housing in America: The New Decade, Urban Land Institute, 2010.

Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.

The American Planning Association, "Investing in Place; Two generations' view on the future of communities," 2014.

Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," 2014.

[36] The range of years that define generations vary across sources. We have referenced the general age range for Millennials and Generation Z, and some years may overlap depending on the definition.

National Trends[37]

This brief summary on national housing trends builds on previous work by ECONorthwest as well as Urban Land Institute (ULI) reports and conclusions from *The State of the Nation's Housing* report from the Joint Center for Housing Studies of Harvard University. The Harvard report (2020) summarizes the national housing outlook as follows:

> Given the profound impact of the pandemic on how US households live and work, there is plenty of reason to believe that it could bring meaningful changes to housing markets. With millions of people forced to work remotely, employers and employees alike may find this an attractive option even after the pandemic ends. If so, demand would likely increase for homes large enough to provide office space, as well as easy access to outdoor spaces to exercise and socialize. And if long commutes are no longer everyday requirements, many households may move to lower-density areas where housing is less expensive. However, a major shift in residential development patterns is far from certain. What is certain is that the need for more housing of all types, locations, and price points will persist. In the near term, the outlook for housing markets is bright, fueled by very low interest rates as well as unabated demand from more affluent households. If the pandemic persists, however, it will remain a serious drag on the labor market and wage growth, and ultimately on household formations. Still, the pandemic's negative impact on markets should be relatively muted given historically tight conditions on the supply side.

However, challenges to a strong domestic housing market remain. Rising mortgage rates, the tight credit market, and limited inventory of entry-level homes make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues. *The State of the Nation's Housing* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the housing market are summarized below:

- **Bounce back in residential construction led by single-family starts.** New construction made a sharp comeback in summer 2020 led by single-family construction. Single-family starts in 2020 began at about a 900,000-unit annual rate (the fastest pace since the Great Recession), before dipping to a below 700,000-unit annual rate in April due to the COVID-19 pandemic. Then single-family starts hit a 1.1-million-unit annual rate in September 2020—marking it as the strongest month for single-family homebuilding in over 13 years. Multifamily unit starts also continued to climb, increasing by 7.5% from about 374,000 units in 2018 to about 402,000 units in 2019. Notably, 2019 marked the first year since 1988 that multifamily starts topped 400,000. In 2019, home sales averaged 3.9 months which is below what is considered balanced (six months), with lower-cost and moderate-cost homes experiencing the tightest inventories. The

[37] These trends are based on information from (1) the Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2020," (2) Urban Land Institute, "2020 Emerging Trends in Real Estate," and (3) the U.S. Census.

State of the Nation's Housing report cited lack of skilled labor, rising construction costs, land use regulations (particularly density restrictions), and development fees as constraints on new construction.

- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased slightly from 64.4% in 2018 to 64.6% in 2019. Trends suggest the recent homeownership increases are among householders of all age groups, however, new growth in homeownership since the post-Great Recession low of 2013 resulted from households with higher incomes. About 88% of net new growth (2013 to 2019) was among households with incomes of $150,000 or more.
- **Housing affordability.** Despite a recent downward trend in cost burden since the peak of the 2007-2009 recession, 37.1 million American households spent more than 30% of their income on housing in 2019 which is 5.6 million more households than in 2001. Renter households experienced cost-burden at more than double the rate of homeowners (46% versus 21%) with the number of cost-burdened renters exceeding cost-burdened homeowners by 3.7 million in 2019. Affordability challenges continued to move up the income ladder, with the share of cost-burdened middle-income households increasing slightly from 2018 to 2019 even as the share of low-income households experiencing cost-burden declined slightly over the same period. Households under the age of 25 and over the age of 85 had the highest rates of housing cost-burden.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that, nationally, demand for new homes could total as many as 12 million units between 2018 and 2028.[38] Much of the demand will come from Baby Boomers, Millennials,[39] and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.
- **Growth in rehabilitation market.**[40] An aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (and 40% at least 50 years old), Americans are spending in excess of $400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).

[38] The Joint Center for Housing Studies of Harvard University. The State of the Nation's Housing 2020.

[39] According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 and Generation Z were born between 1997 to 2012 (inclusive). Read more about generations and their definitions here: http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/.

[40] These findings are copied from: Joint Center for Housing Studies. (2019). Improving America's Housing, Harvard University. Retrieved from: https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf

Despite trends suggesting growth in the rehabilitation market, rising construction costs and complex regulatory requirements pose barriers to rehabilitation. Lower-income households or households on fixed incomes may defer maintenance for years due to limited financial means, escalating rehabilitation costs. At a certain point, the cost of improvements may outweigh the value of the structure, which may necessitate new responses such as demolition or redevelopment.

- **Declining residential mobility.**[41] Residential mobility rates have declined steadily since 1980. Nearly one in five Americans moved every year in the 1980s, compared to one in ten Americans between 2018 and 2019. While reasons for the decline in residential mobility are uncertain, contributing factors include demographic, housing affordability, and labor-related changes. For instance, as Baby Boomers and Millennials age, mobility rates are expected to fall as people typically move less as they age. Harvard University's Research Brief (2020) also suggests that increasing housing costs could be preventing people from moving if they are priced out of desired neighborhoods or if they prefer to stay in current housing as prices rise around them. Other factors that may impact mobility include the rise in dual-income households (which complicates job-related moves), the rise in work-from-home options, and the decline in company-funded relocations. While decline in mobility rates span all generations, they are greatest among young adults and renters, two of the more traditionally mobile groups.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably the aging of Baby Boomers, housing demand from Millennials and Generation Z, and the growth of immigrant populations.
    - *Baby Boomers.* In 2020, the oldest members of this generation were in their seventies and the youngest were in their fifties. The continued aging of the Baby Boomer generation may affect the housing market. In particular, Baby Boomers' may influence housing preference and homeownership trends. Preferences (and needs) may vary for Boomers' moving through their 60s, 70s, and 80s (and beyond). They will require a range of housing opportunities. For example, "aging baby boomers are increasingly renters-by-choice, [preferring] walkable, high-energy, culturally evolved communities."[42] Many seniors are also moving to planned retirement destinations earlier than expected as they experience the benefits of work-from-home trends (accelerated by COVID-19). Additionally, the supply of caregivers is decreasing as people in this cohort move from giving care to needing care, making more inclusive, community-based, congregate settings more important. Senior households earning different incomes may make distinct housing choices. For instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more

[41] Frost, R. (2020). "Are Americans stuck in place? Declining residential mobility in the US." Joint Center for Housing Studies of Harvard University's Research Brief.

[42] Urban Land Institute. Emerging Trends in Real Estate, United States and Canada. 2019.

affordable units. Seniors living in proximity to relatives may also choose to live in multigenerational households.

Research shows that "older people in western countries prefer to live in their own familiar environment as long as possible," but aging in place does not only mean growing old in their own homes.[43] A broader definition exists which defines aging in place as "remaining in the current community and living in the residence of one's choice."[44] Some Baby Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into to a dependent living facility or into a familial home. Moreover, "the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses."[45]

- *Millennials.* Over the last several decades, young adults have increasingly lived in multigenerational housing—more so than older demographics.[46] However, as Millennials move into their early- to mid-thirties, postponement of family formation is ending and millennials are likely to prefer a wide range of housing types in urban or suburban areas, including detached, single family homes and multifamily housing types in walkable neighborhoods.

  At the beginning of the 2007–2009 recession, Millennials only began to form their own households. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. As this generation continues to progress into their homebuying years, they may seek out affordable, modest-sized homes. This will prove challenging as the market for entry-level, single-family homes has remained stagnant. Although construction of smaller homes (< 1,800 sq. ft.) increased in 2019, they only represented 24% of single-family units.

  Millennials' average wealth may remain far below Boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2020, Millennials comprised 38% of home buyers, while Gen Xers comprised 23% and Boomers 33%.[47] "By the year 2061, it is estimated that $59 trillion will be passed down

[43] Vanleerberghe, Patricia, et al. (2017). The quality of life of older people aging in place: a literature review.

[44] Ibid.

[45] American Planning Association. Making Space for Tiny Houses, Quick Notes.

[46] According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multigenerational family household, and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multigenerational family household, and by 2008, 20% did (18% change).

[47] National Association of Realtors. (2020). 2020 Home Buyers and Sellers Generational Trends Report, March 2020. Retrieved from: https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends

from boomers to their beneficiaries," presenting new opportunities for Millennials (as well as Gen X and Gen Z).[48]

- *Generation Z.* In 2020, the oldest members of Generation Z were in their early 20s and the youngest in their early childhood years. By 2040, Generation Z will be between 25 and 40 years old. While they are more racially and ethnically diverse than previous generations, when it comes to key social and policy issues they look very much like Millennials. Generation Z was set to inherit a strong economy and record-low unemployment.[49] However, because the long-term economic impacts of COVID-19 are unknown, Generation Z may now be looking at an uncertain future.

  While researchers do not yet know how Generation Z will behave in adulthood, many expect they will follow patterns of previous generations. A segment is expected to move to urban areas for reasons similar to previous cohorts (namely, the benefits that employment, housing, and entertainment options bring when they are in close proximity). However, this cohort is smaller than Millennials (67 million vs. 72 million) which may lead to slowing real estate demand, including in city centers.

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, live in multigenerational housing for a variety of reasons. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was staunched by the effects of the Great Recession. After a period of declines, the foreign-born population again began contributing to household growth, despite a decline in immigration rates in 2019. The Census Bureau's estimates of net immigration in 2019 indicate that 595,000 immigrants moved to the United States from abroad, down from 1.2 million immigrants in 2017–2018. However, as noted in *The State of the Nation's Housing* (2020) report, "because the majority of immigrants do not immediately form their own households upon arrival in the country, the drag on household growth from lower immigration only becomes apparent over time."

- *Diversity.* The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental

[48] PNC. (n.d.). Ready or Not, Here Comes the Great Wealth Transfer. Retrieved from: https://www.pnc.com/en/about-pnc/topics/pnc-pov/economy/wealth-transfer.html

[49] Parker, K. & Igielnik, R. (2020). On the cusp if adulthood and facing an uncertain future: what we know about gen Z so far. Pew Research Center. Retrieved from: https://www.pewsocialtrends.org/essay/on-the-cusp-of-adulthood-and-facing-an-uncertain-future-what-we-know-about-gen-z-so-far/

housing and small homes. The growing gap in homeownership rates between Whites and Blacks as well as the larger share of minority households that are cost burdened warrant consideration. White households had a 73% homeownership rate in 2019 compared to a 43% rate for Black households. This 30-percentage point gap is the largest disparity since 1983. Although homeownership rates are increasing for some minorities, Black and Latinx households are more likely to have suffered disproportionate impacts of the pandemic and forced sales could negatively impact homeownership rates. This, combined with systemic discrimination in the housing and mortgage markets and lower incomes relative to White households, leads to higher rates of cost burden for minorities —43% for Blacks, 40% for Latinx, 32% for Asians and 25% for Whites in 2019. As noted in *The State of the Nation's Housing* (2020) report, "the impacts of the pandemic have shed light on the growing racial and income disparities in the nation between the nation's haves and have-nots are the legacy of decades of discriminatory practices in the housing market and in the broader economy."

- **Changes in housing characteristics.** The U.S. Census Bureau's Characteristics of New Housing Report (2019) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:[50]
    - *Larger single-family units on smaller lots.* Between 1999 and 2019, the median size of new single-family dwellings increased by 13% nationally, from 2,028 sq. ft. to 2,301 sq. ft., and 14% in the western region from 2,001 sq. ft. in 1999 to 2,279 sq. ft in 2019. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally decreased by more than half, from 16% in 1999 to 7% in 2019. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 25% of new one-family homes completed in 2019. In addition to larger homes, a move toward smaller lot sizes was seen nationally. Between 2009 and 2019, the percentage of lots less than 7,000 sq. ft. increased from 25% to 33%.
    - *Larger multifamily units.* Between 1999 and 2019, the median size of new multifamily dwelling units increased by 3.4% nationally. In the western region, the median size decreased by 1.9%. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 35% in 2019 and increased from 25% to 27% in the western region.
    - *Household amenities.* Across the United States since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new single-family and multifamily units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 96% in 2019. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to 45%. As of 2019, 92% of

[50] U.S. Census Bureau, Highlights of Annual 2019 Characteristics of New Housing. Retrieved from: https://www.census.gov/construction/chars/highlights.html

new single-family houses in the United States had garages for one or more vehicles (from 89% in 2000). Additionally, if work from home dynamics become a more permanent option, then there may be rising demand for different housing amenities such as more space for home offices or larger yards for recreation.

- *Shared amenities.* Housing with shared amenities grew in popularity, as it may improve space efficiencies and reduce per-unit costs and/or maintenance costs. Single-room occupancies (SROs), cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend.[51] Shared amenities may take many forms and include shared bathrooms, kitchens, other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green spaces, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, tennis courts, and free parking.[52]

State Trends

In August 2019, the State of Oregon passed statewide legislation -- Oregon House Bill 2001 and 2003. **House Bill 2001 (HB2001)** required many Oregon communities to accommodate middle housing within single-family neighborhoods. "Medium Cities"—those with 10,000 to 25,000 residents outside the Portland metro area—are required to allow duplexes on each lot or parcel where a single-family home is allowed. "Large Cities"—those with over 25,000 residents and nearly all jurisdictions in the Portland metro urban growth boundary (UGB), including Gresham—must meet the same duplex requirement as well as allow triplexes, quadplexes, townhouses, and cottage clusters in all areas that are zoned for residential use and allow single-family homes. Note that the middle housing types (other than duplexes) do not have to be allowed on every lot or parcel that allows single-family homes; there is discretion for Large Cities to choose to utilize a minimum lot size requirement for these housing types.

Middle housing is generally built at a similar or smaller scale as single- family homes, but at higher residential densities. It provides a wider range of housing choices at different price points within a community.

House Bill 2003 (HB 2003) envisions Oregon's housing planning system reformed from a singular focus (on ensuring adequate available land) to a more comprehensive approach that also achieves these critical goals: (1) support and enable the construction of sufficient units to accommodate current populations and projected household growth and (2) reduce geographic disparities in access to housing (especially affordable and publicly supported housing). In that, HB 2003 required the development of a

[51] Single-room occupancies are residential properties with multiple single-room dwelling units occupied by a single individual. From: U.S. Department of Housing and Urban Development. (2001). Understanding SRO. Retrieved from: https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf

[52] Urbsworks. (n.d.). Housing Choices Guidebook: A Visual Guide to Compact Housing Types in Northwest Oregon. Retrieved from: https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

Saiz, Albert and Salazar, Arianna. (n.d.). Real Trends: The Future of Real Estate in the United States. Center for Real Estate, Urban Economics Lab.

methodology for projecting regional housing need and allocate that need to local jurisdictions. It also expanded local government responsibilities for planning to meet housing need by requiring cities to develop and adopt Housing Production Strategies.

Prior to the passage of these bills, Oregon developed its *2016–2020 Consolidated Plan* which includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concluded that "a growing gap between the number of Oregonians who need affordable housing and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon." It identified the following issues that describe housing need statewide:[53]

- For housing to be considered affordable, a household should pay up to one-third of their income toward rent, leaving money left over for food, utilities, transportation, medicine, and other basic necessities. Today, one in two Oregon households is cost burdened and pays more than one-third of their income toward rent. One in three Oregon households is severely cost burdened and pays more than half of their income toward rent.
- More schoolchildren are experiencing housing instability and homelessness. The rate of K–12 homeless children increased by 12% from the 2013–2014 school year to the 2014–2015 school year.
- Oregon has 28,500 rental units that are affordable and available to renters with extremely low incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.
- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon's economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.
- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.
- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latinx, and 50% of African Americans, are employed in low-wage industries.
- The majority of low-wage workers are adults over the age of 20, including those who have earned a college degree, or some level of higher education.
- In 2019, minimum wage in Oregon was $11.25, compared to $12.50 in the Portland Metro, and $11.00 for nonurban counties.[54]

53 These conclusions are copied directly from the report: Oregon's 2016-2020 Consolidated Plan. Retrieved from: https://www.oregon.gov/ohcs/development/Documents/conplan/2016-2020-Consolidated-Plan-As-Amended.pdf

54 The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016, through July 1, 2022. Retrieved from: https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx

Oregon developed its *Statewide Housing Plan* in 2018. The Plan identified six housing priorities to address in communities across the State over the 2019 to 2023 period (summarized below). In August 2020, Oregon Housing and Community Services (OHCS) released a summary of their progress.[55] The following section includes summaries and excerpts from their status report:

- **Equity and Racial Justice.** *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*

  OHCS built internal organizational capacity through staff trainings on Equity and Racial Justice (ERJ) and hired an Equity, Diversity and Inclusion Manager. OHCS established a workgroup to support equity in their data system and approved an internal organizational structure to advance and support ERJ within all areas of OHCS. Now OHCS is developing funding mechanisms to encourage culturally specific organizations to increase services to underserved communities and to increase the number and dollar amounts of contracts awarded to minority, women, and emerging small businesses (MWESBs).

- **Homelessness.** *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children and veterans.*

  The Homeless Services Section (HSS) made progress in building a foundation for planning and engagement across intersecting economic, social, and health systems. The OHCS Veteran Leadership team established recurring information-sharing sessions with federal, state, and local partners. HSS convened Oregon Homeless Management Information System (HMIS) stakeholders to build recommendations and co-construct a path toward a new HMIS implementation and data warehouse. HSS established successful workflows to analyze demographic data of people entering and exiting the homeless service system.

- **Permanent Supportive Housing.** *Invest in permanent supportive housing (PSH), a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*

  OHCS funded 405 of their 1,000 PSH-unit targets. Almost half of these units were the result of the Notice of Funding Availability (NOFA) tied to the first PSH Institute cohort.[56]

- **Affordable Rental Housing.** *Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.*

  OHCS implemented a new electronic application and widespread adoption of system work modules. They also established a capacity building team to assess and recommend opportunities for growth in their development priorities and began training and technical

[55] This section uses many direct excerpts from the OHCS Statewide Housing Plan Year One Summary August 2020 Report to HSC. Oregon Statewide Housing Plan, Status Reports. https://www.oregon.gov/ohcs/Documents/swhp/SWHP-Report-Y1-Summary.pdf

[56] The first PSH Institute cohort was an OHCS training focused on PSH development. It was a 2019-2020 program of OHCS.

assistance to potential PSH and rural developers. OHCS increased their units by 8,408 representing 22.8% of their 25,000 unit 5-year target.

- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*

  OHCS pursued a strategy to align programs with the needs of communities of color, improved their Homeownership Center framework and Down Payment Assistance product, began developing their Home Tenant-Based Assistance program and focused on low-cost homeownership through manufactured housing. Additionally, they began developing the Restore Health and Safety program and re-opening the Oregon Homeownership Stabilization Initiative (OHSI) program. OHCS also supported the Joint Task Force on Racial Equity in Homeownership and advocating for additional funds to support communities of color. OHCS provided 678 mortgage lending products of their 6,500 5-Year goal with 170 going to households of color.

- **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*

  OHCS focused on developing a better understanding of rural community needs and increasing rural capacity to build more affordable housing. OHCS hired a full-time capacity building analyst who has conducted outreach to key stakeholders across the state representing rural communities and developed a strategy to address those needs. OHCS has funded 532 units in rural communities, out of a total of 2,543 units in the 5-year goal (21% of target).

Regional and Local Demographic Trends May Affect Housing Need in Gresham

Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

An individual's housing needs may change throughout their life, with changes in income, family composition, and age. Further, differences in housing characteristics by race and ethnicity are more likely to reflect availability of affordable housing, rather than different preferences.

The types of housing needed by a 20-year-old differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Gresham's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action.

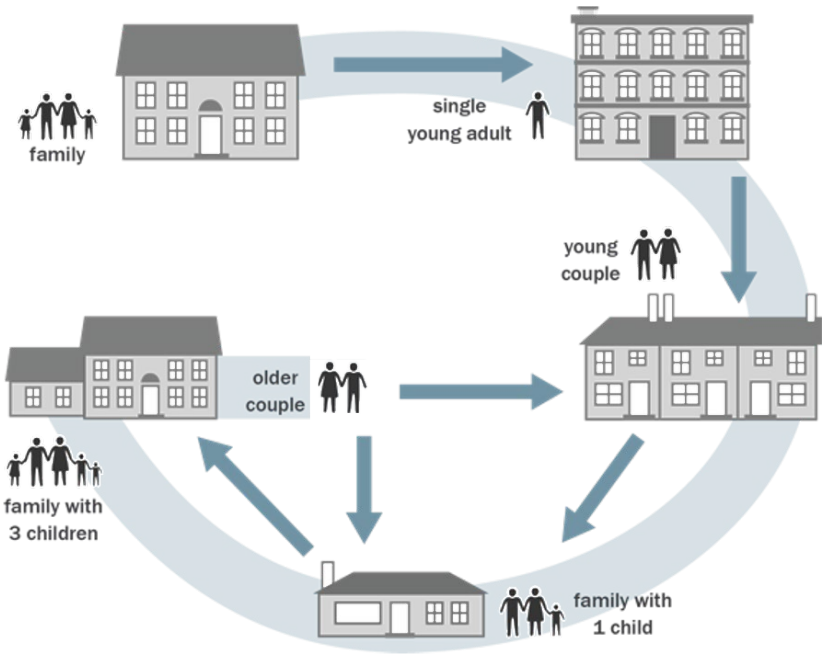
Housing needs and preferences may change over time, such as with changes in marital status and size of family. Changes in income, which may change over a person's life with age, strongly influence the types of housing selected.

Families of different sizes need different types of housing. Changes in income is also a key factor in housing demand.

This graphic illustrates an example of changes in housing needs across a person's life.

Exhibit 10. Effect of Demographic Changes on Housing Need

Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.



Growing Population

Gresham's population growth will drive future demand for housing in the City over the planning period. The population (within the city limits) forecast in Exhibit 26 is Gresham's official population forecast, from Metro's Distributed Forecast for 2020 to 2050. Metro also provides a household forecast, which Gresham is required to use as the basis for forecasting housing growth over the 2021 to 2041 period. (Section V provides information related to the household forecast.)

Exhibit 25. Population, Gresham (city limits), Multnomah County, Oregon, U.S., 2000-2020

Source: U.S. Decennial Census 2000 and 2010, Portland State University, Population Research Center (2020 certified population estimates for Oregon, Multnomah County), and Metro Distributed Forecast 2021 (2020 population for Gresham).

				Change 2000 to 2020		
	2000	2010	2020	Number	Percent	AAGR
U.S.	281,421,906	308,745,538	329,484,123	48,062,217	17%	0.79%
Oregon	3,421,399	3,831,074	4,268,055	846,656	25%	1.11%
Multnomah County	606,486	735,334	829,560	169,074	26%	1.15%
Gresham	90,205	105,594	113,409	23,204	26%	1.15%

Gresham's population within its city limits is projected to grow by over 9,000 people between 2020 and 2050, at an average annual growth rate of 0.26%.[57]

Exhibit 11. Forecast of Population Growth, Gresham City Limits,
2020 to 2050

Source: Metro Distributed Forecast, March 2021.

113,409	122,511	9,102	8% increase
Residents in 2020	Residents in 2050	New residents 2020 to 2050	0.26% AAGR

Aging Population

This section shows two key characteristics of Gresham's population, with implications for future housing demand in Gresham:

- **Growth in seniors and retirees.** Gresham currently has a smaller share of people over 60 years old than the state as a whole, but that group still accounted for the largest increase by age group in the city between 2000 and the 2014-2018 ACS 5-year estimate period. As Gresham's senior population continues to grow over the 20-year period, the City will have increasing demand for housing that is suitable for elderly residents.

  Demand for housing for seniors will grow over the planning period, as the Baby Boomers continue to age and retire and members of Generation X begin to retire. The impact of growth in Gresham seniors will depend, in part, on whether older people already living in Gresham continue to reside there as they retire. National surveys show that, in general, most retirees prefer to age in place by continuing to live in their current home and community as long as possible.[58] Gresham may be attractive to newly retiring seniors because of its location within the Portland Metro area and its recreational amenities, combined with lower-cost housing than neighboring cities.

  Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes), as they age. The challenges aging seniors face in continuing to live in their community include changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.[59]

[57] This forecast of population growth is based on Gresham's population forecast from Metro adopted in March 2021.

[58] A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See http://www.aarp.org/research.

[59] "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

- **Gresham has a larger proportion of younger people than Multnomah County and Oregon.** About 27% of Gresham's population is under 20 years old, compared to 21% of Multnomah County's population and Oregon's average of 24%. People currently aged 18 to 38 are referred to as the Millennial generation and account for the largest share of population in Oregon. In Gresham, approximately 28% of its residents are Millennials, 27% are Generation Z, and 36% are Boomers. By 2040, Millennials will be about 40 to 60 years of age and Generation Z will be 28 to 43 years of age. As they age and form their own households, their housing needs will contribute to housing needs in Gresham.
- Gresham's ability to attract households headed by people in these age groups will depend, in large part, on whether the city has opportunities for housing that both appeals to and is affordable to Millennials and Generation Z, as well as jobs that allow younger people to live and work in Gresham. Again, Gresham is attractive both because of the amenities of the Portland Metro area and because housing is more affordable in Gresham than in neighboring cities, such as Happy Valley, Portland, and Troutdale.

  In the near-term, Millennials and Generation Z may increase demand for rental units. Some households in this age group will need housing that accommodates children. In the long-term, surveys about housing preference suggest that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as areas with walkable neighborhoods.[60]

  A survey of people living in the Portland region shows that Millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.[61] The survey results suggest Millennials are more likely than other groups to prefer housing in an urban neighborhood or town center. While this survey is for the Portland region, it shows similar results to national surveys and studies about housing preference for Millennials.

  Growth in Millennials and Generation Z in Gresham will result in increased demand for both affordable single-family detached housing (such as small single-family detached units like cottages), as well as increased demand for affordable townhouses and multifamily housing, both for families with and without children. Growth in this population will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable. There is potential for attracting new residents to housing in Gresham's commercial areas, especially if the housing is relatively affordable and located in proximity to services.

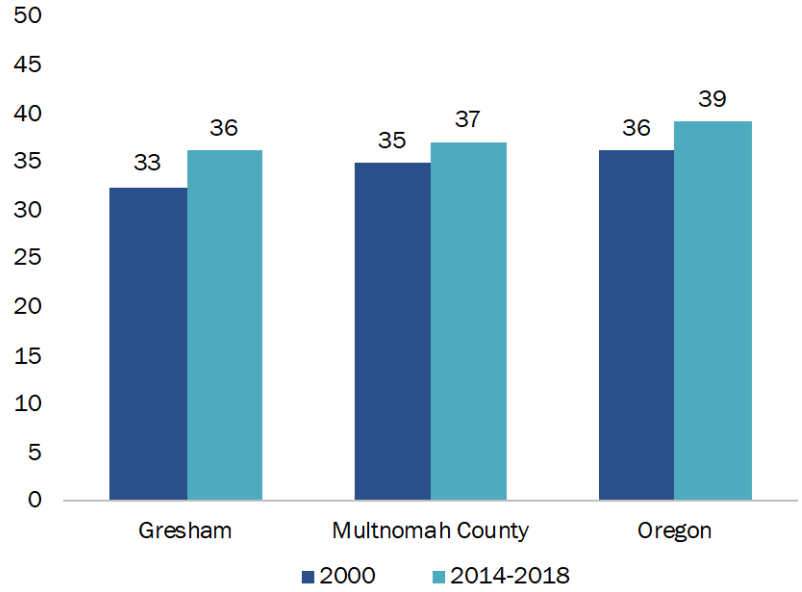
[60] The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014.
"Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," Transportation for America.
"Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders

[61] Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

Between 2000 and the 2014-2018 ACS 5-year estimate period, Gresham's median age increased from 33 to 36 years.

Exhibit 12. Median Age, Gresham, Multnomah County, and Oregon, 2000 to 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2014-2018 ACS, Table B01002.



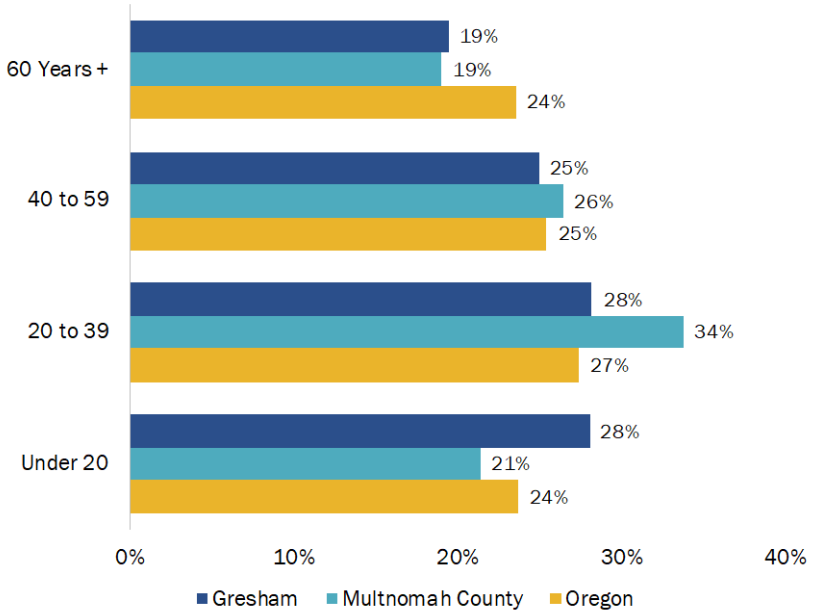
In the 2014-2018 ACS 5-year estimate period, about 53% of Gresham's residents were between the ages of 20 and 59 years.

Gresham has a smaller share of people over the age of 60 than the state.

28% of Gresham's population is under 20 years old, compared to 21% of Multnomah County's population and 24% of Oregon's.

Exhibit 13. Population Distribution by Age, Gresham, Multnomah County, and Oregon, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS, Table B01001.

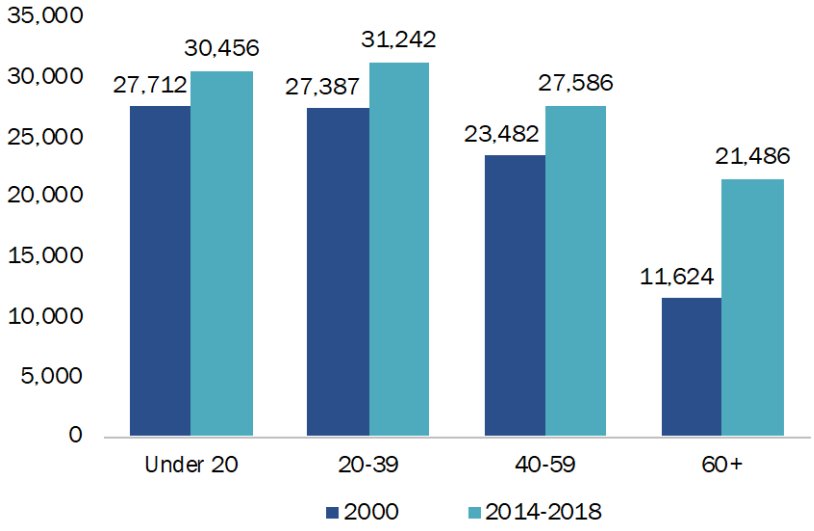


Between 2000 and the 2014-2018 ACS 5-year estimate period, all age groups in Gresham grew in size.

The largest increase in residents were those aged 60 and older at nearly 10,000 people.

Exhibit 14. Population Growth by Age, Gresham, 2000 to 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2014-2018 ACS, Table B01001.



By 2040, Oregon's population of residents 60 years and older is forecasted to grow by 36%, the largest of all age groups.

There is an expected statewide population increase of 2% for persons under 20 over the 2020 to 2040 period.

Exhibit 15. Fastest-growing Age Groups, Oregon, 2020 to 2040

Source: PSU Population Research Center, Oregon Population Forecast, June 2020.[62]

Under 20	20-39 Yrs	40-59 Yrs	60+ Yrs
2%	11%	28%	36%
20,926 People	129,396 People	299,301 People	385,089 People

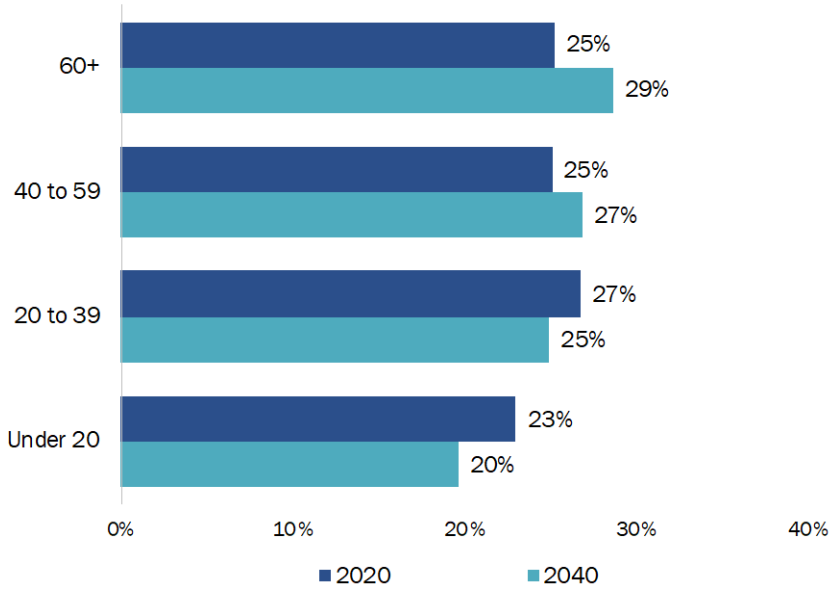
[62] PSU does not complete a forecast for Multnomah County.

By 2040, it is forecasted that Oregon residents over the age of 40 will make up 55% of the county's total population.

This accounts for a 5 percentage point increase from the state's 2020 age group estimate.

Exhibit 16. Population Growth by Age Group, Oregon, 2020 and 2040

Source: PSU Population Research Center, Oregon Population Forecast, June 2020.



Racial and Ethnic Diversity

Gresham is more diverse than the statewide average, with about 36% of Gresham's residents identifying as a person of color (Asian alone, Black or African American alone, American Indian and Alaska Native Alone, Native Hawaiian and Other Pacific Islander Alone, Some Other Race Alone, and Two or More Races, and Hispanic or Latino [of any race]). Housing needs do not generally differ by race or ethnicity, but other characteristics of households that affect housing needs (and the housing choices available to these households) may vary by race or ethnicity. For example, Exhibit 42 shows a difference in income by race and ethnicity. These differences in income result in households making different choices (often by necessity) based on income and the availability of affordable housing.

Throughout the section, we report housing characteristics by race. This information represents housing for people of different race and ethnicity. To the extent that characteristics of current housing situations for people of color are different from the overall average, these differences are more likely to reflect availability of affordable housing, rather than different preferences by race or ethnicity.

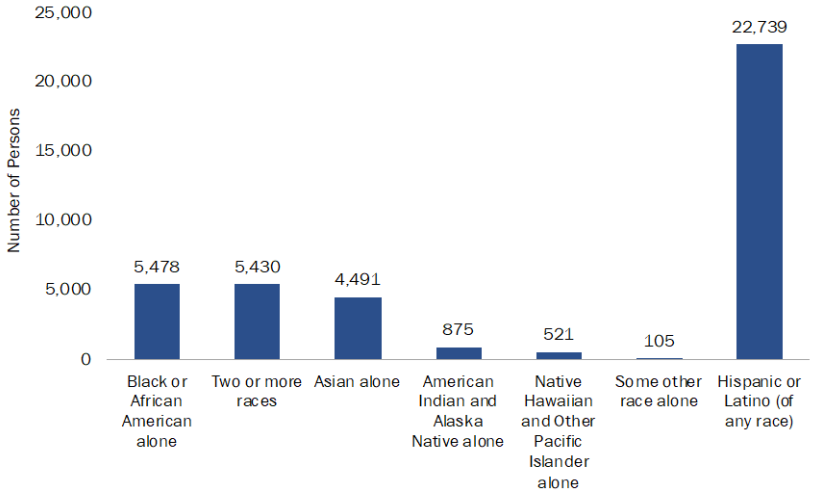
Exhibit 32 shows Gresham's population by race and ethnicity, excluding those who identified as White Alone in the 2014-2018 5-year ACS estimate period.

In Gresham, about 16,900 persons identified as a non-Hispanic or Latino and a race other than White alone, and over 22,700 persons identified as Hispanic or Latino of any race.

About 71,131 persons identified as White alone, non-Hispanic or Latino.

Exhibit 17. Number of Persons by Race and Ethnicity, Excluding White Alone, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS, Table B03002.



In the 2014–2018 ACS 5-year estimate period, Gresham was more racially diverse than Oregon.

Exhibit 18. Population by Race as a Percent of Total Population, Gresham, Multnomah County, Oregon, 2014–2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014–2018 ACS 5-Year Estimates Table B03002.

*Note: Categories of race comprising less than one percent of the population are included in "Some other race alone."

	Gresham	Multnomah Co.	Oregon
Non-Hispanic White Alone	64%	70%	76%
Hispanic or Latino (Any Race)	21%	11%	13%
Non-Hispanic Black or African American Alone	5%	5%	2%
Non-Hispanic Two or More Races	5%	5%	4%
Non-Hispanic Asian Alone	4%	7%	4%
*Some Other Race Alone	1%	2%	1%
American Indian and Alaska Native Alone	*	*	*
Native Hawaiian and Other Pacific Islander Alone	*	*	*

The number of Hispanic and Latino residents increased in Gresham by 12,007 people (from 10,732 residents to 22,739 residents) between 2000 and the 2014-2018 ACS 5-year estimate period. The U.S. Census Bureau forecasts that at the national level, the Hispanic or Latino population will continue

growing faster than most other non-Hispanic or Latino populations between 2020 and 2040. The Census forecasts that the Hispanic or Latino population will increase 93%, from 2016 to 2060, and foreign-born Hispanic or Latino populations will increase by about 40% in that same time.[63]

Continued growth in the Hispanic or Latino population will affect Gresham's housing needs in a variety of ways. Growth in first, and to a lesser extent, second and third generation Hispanic or Latino immigrants, will increase demand for larger dwelling units to accommodate the on average larger household sizes for Hispanic or Latino households. Hispanic or Latino households are twice likely to include multiple generations households than the general populace.[64] In third and later generations of Hispanic or Latino immigrant households, size typically decreases and housing needs become similar to overall housing needs for households within the community.

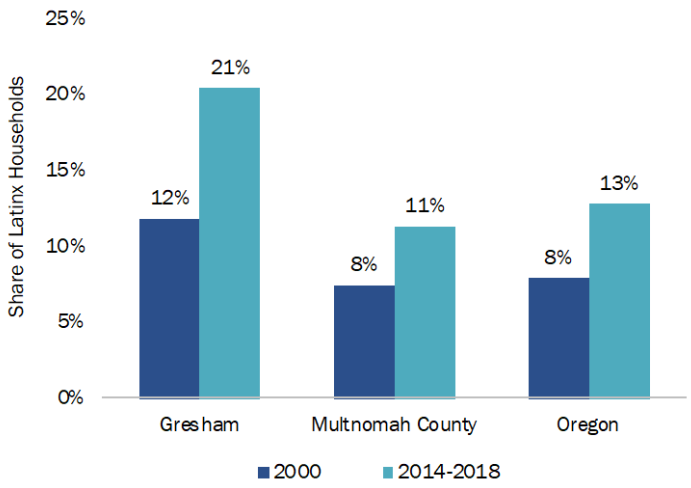
According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals, the Hispanic or Latino population accounted for 31% of the nation's new households in 2019, up 2.8 percentage points from 2017.[65] The rate of homeownership for Hispanic or Latino households increased from 45.6% in 2015 to 47.5% in 2019. In that time, Hispanic or Latino households were the only demographic that increased their rate of homeownership.

The share of Gresham's households that identified as Hispanic or Latino increased between 2000 and the 2014–2018 ACS 5-year estimate period.

Gresham had a larger share of Latino households than Multnomah County and the state in the 2014–2018 ACS 5-year period.

Exhibit 19. Hispanic or Latino Population as a Percent of the Total Population, Gresham, Multnomah County, Oregon, 2000 and 2014–2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2014–2018 ACS 5-Year Estimates Table B03002.



[63] U.S. Census Bureau, Demographic Turning Points for the United States: Population Projections for 2020 to 2060.

[64] National Association of Hispanic Real Estate Professionals (2019). 2019 State of Hispanic Homeownership Report.

[65] National Association of Hispanic Real Estate Professionals (2019). 2019 State of Hispanic Homeownership Report.

Household Size and Composition

Gresham's household composition shows that Gresham has a higher percentage of households with children than Multnomah County and the state. On average, Gresham's households are larger than Multnomah County and Oregon households.

Gresham's average household size is larger than Multnomah County's and Oregon's.

Exhibit 20. Average Household Size, Gresham, Multnomah County, Oregon, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25010.

2.72 Persons Gresham

2.42 Persons Multnomah County

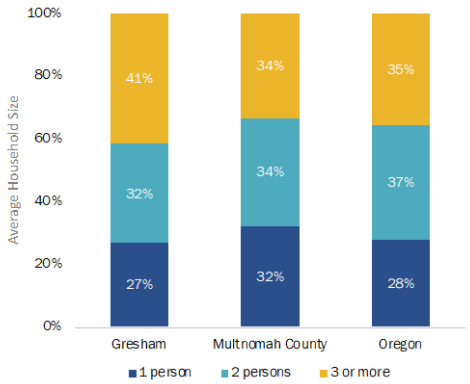
2.51 Persons Oregon

Gresham has a smaller share of one- and two-person households compared to Multnomah County and Oregon.

Gresham has a higher share of 3+ person households than the county or the state.

Exhibit 21. Household Size, Gresham, Multnomah County, Oregon, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25010.



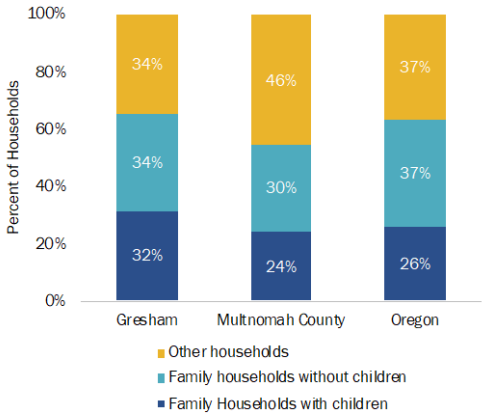
Gresham has a larger share of households with children than Multnomah County and Oregon.

About 32% of Gresham households have children, compared with 24% of Multnomah County households and 26% of Oregon households.

The US Census Bureau defines family households as households with two or more people related by birth, marriage, or adoption.

Exhibit 22. Household Composition, Gresham, Multnomah County, Oregon, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table DP02.



Income in Gresham Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Income for residents living in Gresham is lower than the Multnomah County median household income and the Oregon median household income.

Over the 2014-2018 ACS 5-year estimate period, Gresham's median household income (MHI) was below that of the county, the state, and all comparison cities.

Over this period, Gresham's MHI was $52,303. Multnomah County's MHI was $64,337 and Oregon's MHI was $59,393.

Exhibit 23. Median Household Income, Gresham, Multnomah County, Oregon, Comparison Cities, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25119.

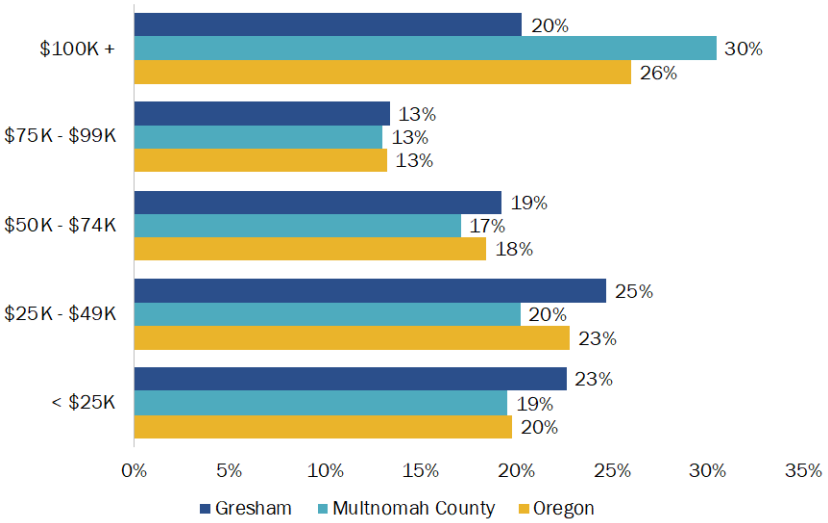
Gresham has a higher percent of households that make less than $50,000 than the county or the state.

For the 2014-2018 ACS 5-year estimate period, about 48% of Gresham households made less than $50,000 per year, compared to 39% of Multnomah County households, and 43% of Oregon households.

Similarly, Gresham has fewer households making more than $100,000 compared to Multnomah County and Oregon.

Exhibit 24. Household Income, Gresham, Multnomah County, Oregon, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B19001.

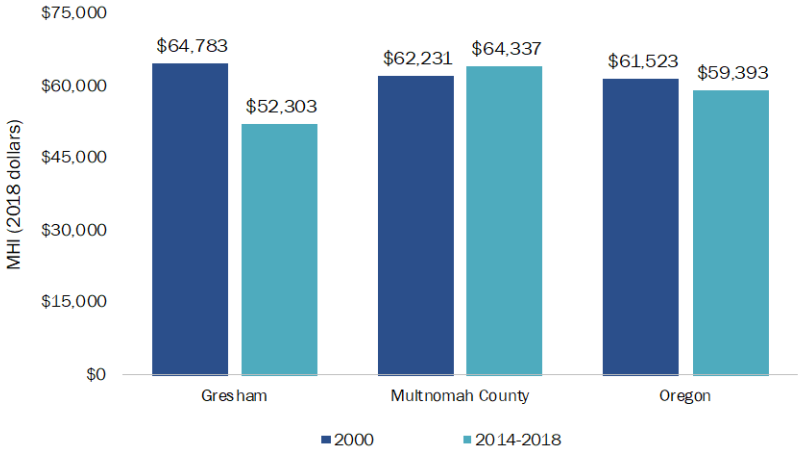


After adjusting for inflation, Gresham's median household income (MHI) decreased by 19% from 2000 to the 2014-2018 ACS 5-year estimate period, from $64,783 to $52,303 per year.

In comparison, Oregon's MHI decreased by 3% while Multnomah County's MHI increased by 3%.

Exhibit 25. Change in Median Household Income, Gresham, Multnomah County, Oregon, 2000 to 2014-2018 (ACS 5-Year Estimates), Inflation-adjusted

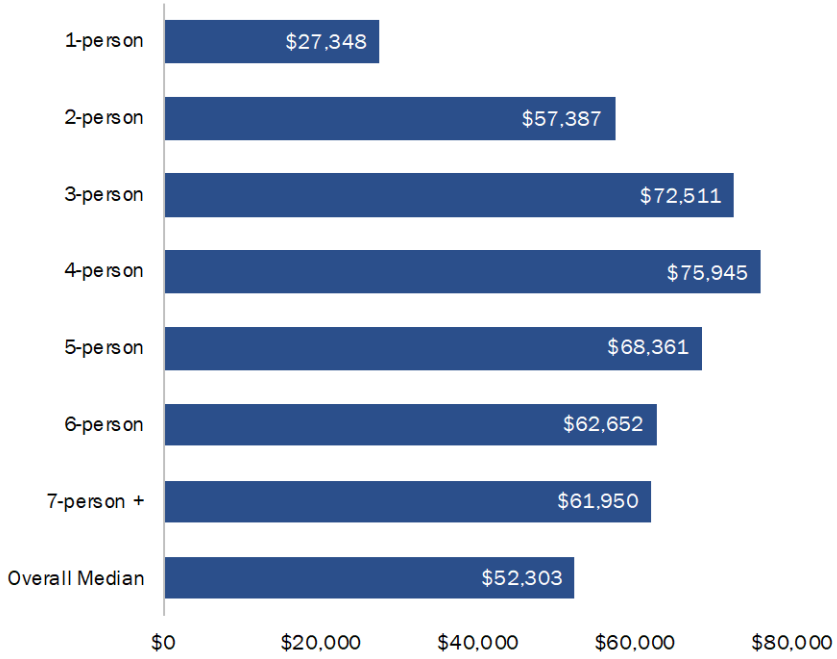
Source: U.S. Census Bureau, 2000 Decennial Census, Table HCT012; 2014-2018 ACS 5-year estimate, Table B25119.



Household income tends to increase with household size. In general, larger households in Gresham have higher household incomes than smaller ones.

Exhibit 26. Household Income by Household Size, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B19019.



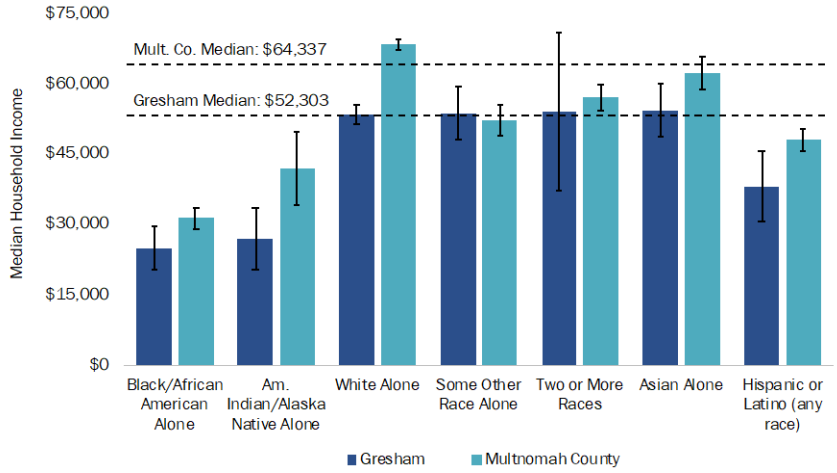
Households that identify as Asian, Some Other Race, Two or More Races, or White had incomes above the City's median, ranging from $53,349 to $54,190.

Black, American Indian / Alaska Native, and Hispanic or Latino households had incomes below the City's median income, ranging from $24,777 to $38,066.

Exhibit 27. Median Household Income by Race/Ethnicity of the Head of Household, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B19013A-I.

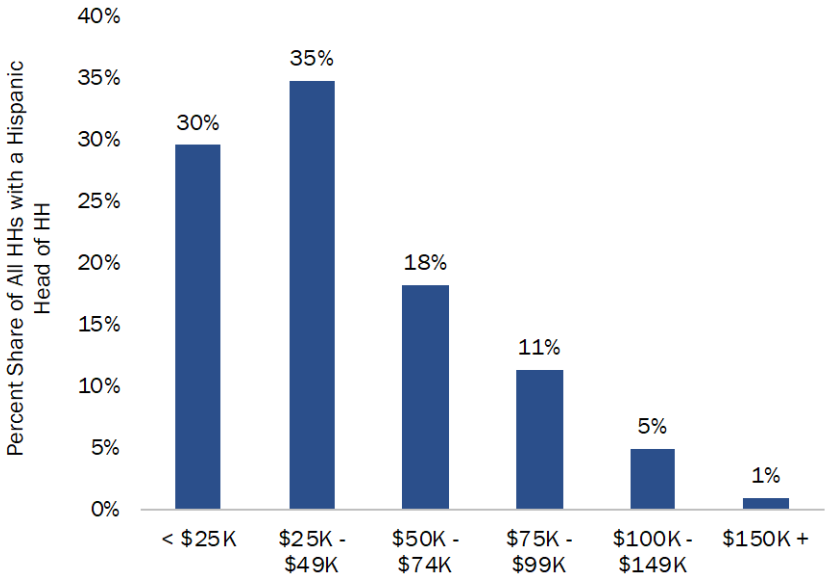
Note: The black lines for each bar in this chart denote an estimate's margin of error. These are displayed because when parsing Census survey data for a cross-section of data, there is more statistical noise when computing estimates. The inclusion of the bars indicates the range in which the true estimate likely lies (within a degree of statistical certainty).



Most Gresham households (65%) with a Latino head of household earned less than $50,000 per year.

Exhibit 28. Household Income by Hispanic or Latino Head of Household, Gresham, 2014-2018 ACS 5-Year Estimates

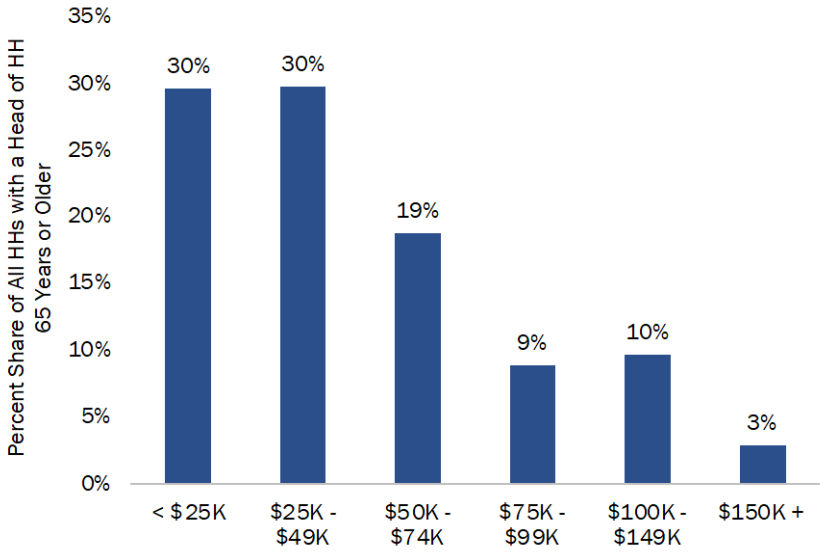
Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B19001I.



Sixty percent of Gresham households with a head of householder aged 65 or older earned less than $50,000 per year.

Exhibit 29. Household Income by Age of Householder (Aged 65 Years and Older), Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B19037.



Commuting Trends

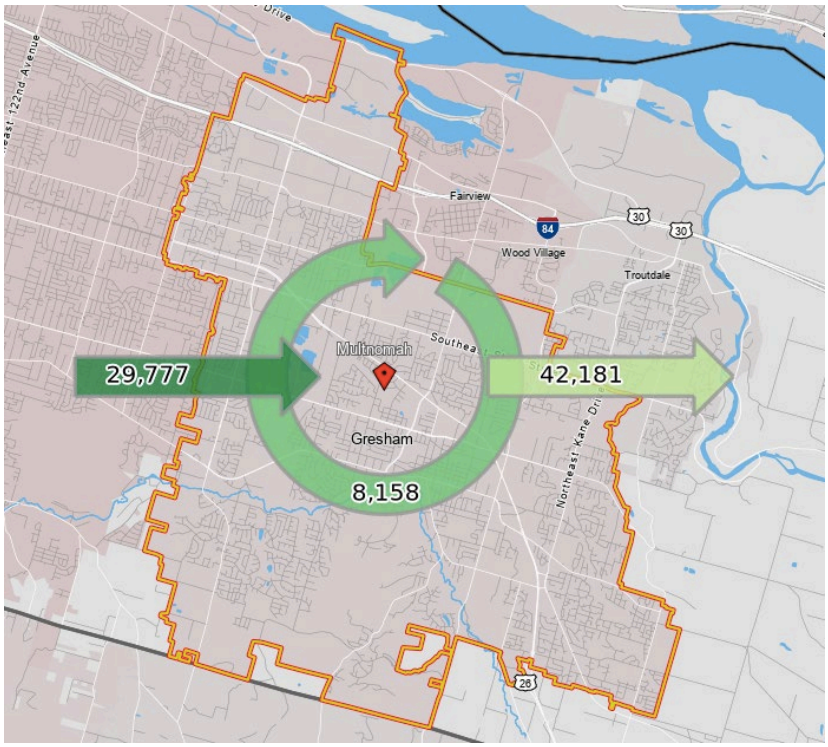
Gresham is part of the complex, interconnected economy of Greater Portland. Of the more than 37,935 people who work in Gresham, 78% of workers commute into Gresham from other areas, most notably Portland (24%). More than 42,000 residents of Gresham commute out of the city for work, many of them to Portland (43%).

Gresham is located just to the east of Portland within the interconnected, regional economy of Greater Portland.

More than 29,000 people commute into Gresham for work, and more than 42,000 people living in Gresham commute out of the City for work.

Exhibit 30. Commuting Flows, Gresham, 2017

Source: U.S. Census Bureau, Census On the Map.



About 46% of people who work at businesses located in Gresham live in Gresham or Portland.

A little over one fifth of workers work and live within City limits.

Exhibit 31. Places Where Workers at Businesses in Gresham Lived, 2017

Source: U.S. Census Bureau, Census On the Map.

22%	24%	4%	3%	2%	46%
Gresham	Portland	Vancouver	Troutdale	Hillsboro	Other

About 59% of Gresham residents work in either Gresham or Portland.

Almost half of Gresham residents work in Portland.

Exhibit 32. Places Where Gresham Residents were Employed, 2017

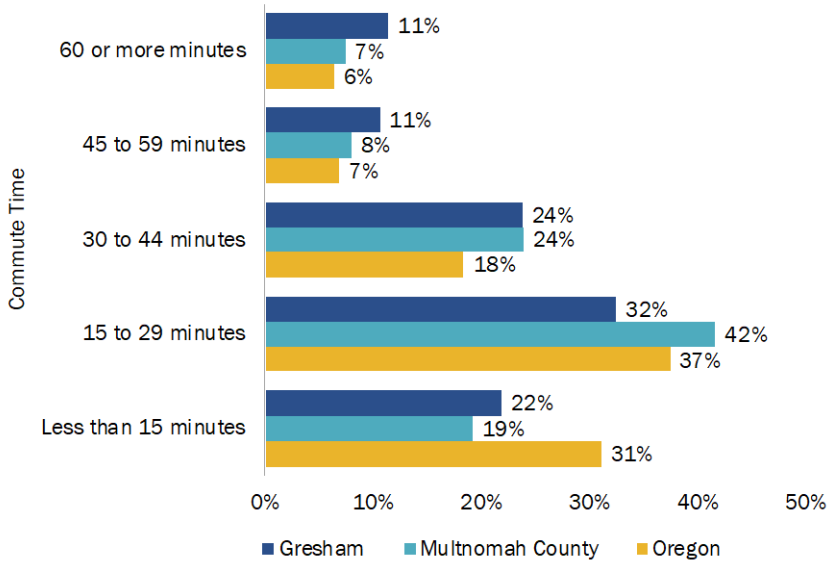
Source: U.S. Census Bureau, Census On the Map.

16%	43%	3%	2%	2%	33%
Gresham	Portland	Troutdale	Beaverton	Tigard	Other

Over half of Gresham residents (54%) have a commute time that takes less than 30 minutes.

Exhibit 33. Commute Time by Place of Residence, Gresham, Multnomah County, Oregon, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B08303.



Populations with Special Needs

People Experiencing Homelessness

Gathering reliable data from individuals experiencing homelessness is difficult precisely because they are unstably housed. People can cycle in an out of homelessness and move around communities and shelters. Moreover, the definition of homelessness can vary between communities. Individuals and families temporarily living with relatives or friends are insecurely housed, but they are often neglected from homelessness data. Even if an individual is identified as lacking sufficient housing, they may be reluctant to share information.

This section presents information about people experiencing homelessness based on the following sources of information:

- **Point-in-Time (PIT) count:** The PIT count is a snapshot of individuals experiencing homelessness on a single night in a community. It records the number and characteristics (e.g., race, age, veteran status) of people who live in emergency shelters, transitional housing, rapid re-housing, Safe Havens, or PSH; as well as recording those who are unsheltered. HUD requires that communities and Continuums of Care (CoC) perform the PIT count during the last ten days of January on an annual basis for sheltered people and on a biennial basis for unsheltered people. Though the PIT count is not a comprehensive survey, it serves as a measure of homelessness at a given point of time and is used for policy and funding decisions.
- **McKinney Vento data:** The McKinney Vento Homeless Assistance Act authorized, among other programs, the Education for Homeless Children and Youth (EHCY) Program to support the academic progress of children and youths experiencing homelessness. The U.S. Department of

Education works with state coordinators and local liaisons to collect performance data on students experiencing homelessness. The data records the number of school-aged children who live in shelters or hotels/motels and those who are doubled up, unsheltered, or unaccompanied. This is a broader definition of homelessness than that used in the PIT.

Based on the 2022 Point in Time count there were approximately **48 households** experiencing unsheltered homelessness in Gresham in 2022.[66]

In addition, **1,106 students** in the Gresham-Barlow, Centennial, and Reynolds School Districts experienced homelessness. The number of people experiencing homelessness in Multnomah County was 5,228 in 2022.[67]

According to HUD's 2022 Annual Homeless Assessment Report (AHAR), across the United States, the number of people experiencing homelessness increased slightly (less than one percent) between 2020 and 2022. This increase reflects a two percent decline in people experiencing *sheltered* homelessness offset by a three percent increase in people experiencing *unsheltered* homelessness. However, between 2021 and 2022, *sheltered* homelessness increased by seven percent, possibly due to the easing of pandemic-related restrictions that resulted in fewer beds available and declines in the perceived health risks of staying in a shelter.

Exhibit 49 shows the number of persons experiencing homelessness in Multnomah County in 2017, 2019, 2021[68], and 2022.

[66] Due to data availability limitations for the City of Gresham, this PIT count is in households. The rest of the chapter uses individual counts.

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

[68] Oregon Statewide Homelessness Estimates report from the Oregon Housing and Community Services presented two counts in their report – *estimated* and *reported* counts. The estimated count was developed to address concerns that data limitations imposed by the COVID-19 pandemic resulted in an undercount. The estimated count is actually just the highest shelter count that was reported during the 2019-2021 period. This report uses the estimated count for 2021. For unsheltered, the 2021 PIT count is not available for all counties, so the report modeled it by adding the predicted 2019-2021 change, determined through analysis of past trends and other homelessness data, to the 2019 PIT count.

Multnomah County's homeless count increased by 30% from 2019 to 2022.

Exhibit 49. Number of Persons Homeless, Multnomah County, Point-in-Time Count, 2017, 2019, 2021, and 2022

Source: Annual Homeless Assessment Report (AHAR) data. 2017-2021

Source: 2022: News Release: Tri-county Point in Time Count numbers, Joint Office of Homeless Services, May 4, 2022

Note: OHCS reported two counts in 2021 – estimated and reported counts. This section uses the estimated counts.

4,177 Persons	4,019 Persons	4,555 Persons	5,228 Persons
2017	2019	2021 (estimated)	2022

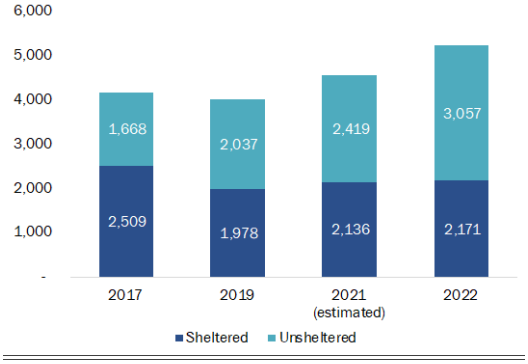
The unsheltered homeless population in Multnomah County has been increasing since 2017. In 2022, an estimated 3,057 people experienced unsheltered homelessness.

Exhibit 50. Point-in-Time Homelessness Estimates for Multnomah County, Portland/Multnomah Continuum of Care, 2017-2022.

Source: Annual Homeless Assessment Report (AHAR) data. 2017-2021

Source: 2022: News Release: Tri-county Point in Time Count numbers, Joint Office of Homeless Services, May 4, 2022[70]

Note: OHCS reported two counts in 2021 – estimated and reported counts. This section uses the estimated counts.

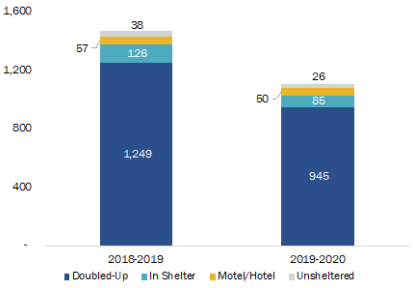


[70] The 2022 PIT count breaks homelessness down into three categories: unsheltered, sheltered, and transitional housing. In the graph transitional housing is combined with sheltered. In 2022, 686 people were in transitional housing in Multnomah County.

About 1,106 students experienced homelessness in the 2019-20 school year. students.

Of these students, 145 were unaccompanied

Exhibit 51. Students Homeless by Living Situation, Gresham-Barlow, Centennial, and Reynolds School Districts, 2018-2019 and 2019-2020
Source: McKinney Vento, Homeless Student Data.



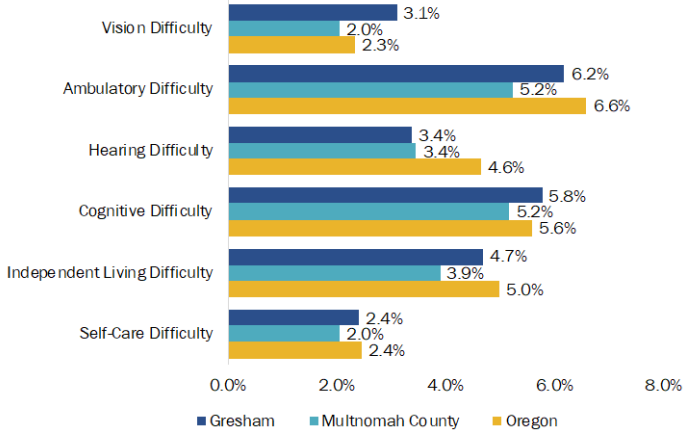
People with Disabilities

Exhibit 52 presents data on the share of individuals living with disabilities in Gresham and larger regions. Persons with disabilities often require special housing accommodations such as single-story homes or ground floor dwelling units, unit entrances with no steps, wheel in showers, widened doorways, and other accessibility features. Due to an insufficient supply of these housing options, this group often experiences additional barriers to accessing affordable housing that meets their needs.

Gresham has a higher share of persons living with a disability than Multnomah County.

Gresham had a total of 14,579 people with one or more disabilities, accounting for 13% of people in Gresham. The most common disabilities were ambulatory, cognitive, and independent living difficulty.

Exhibit 34. Persons Living with a Disability by Type and as a Percent of Total Population, Gresham, Multnomah County, Oregon, 2014-2018 ACS 5-Year Estimates
Source: U.S. Census Bureau 2014-2018 ACS, Table K201803.



B. Regional and Local Trends Affecting Affordability in Gresham

This section describes changes in sales prices, rents, and housing affordability in Gresham since 2015. It uses cities and submarkets in the Portland Metro, as well as Multnomah County as comparisons. It also considers trends in gentrification and displacement risk.

Changes in Housing Costs

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

Gresham's median home sales price was lower than Hillsboro, Beaverton, Milwaukie, Portland, Tigard, and Happy Valley but greater than Fairview and Troutdale.

Exhibit 35. Median Home Sale Price, Gresham Area and Comparison Cities, October 2020

Source: Redfin.

$392K	**$396K**	**$401K**	**$432K**	**$449K**
Fairview	Troutdale	Gresham	Milwaukie	Hillsboro
$483K	**$490K**	**$510K**	**$525K**	**$582K**
Multnomah Co.	Tigard	Beaverton	Portland	Happy Valley

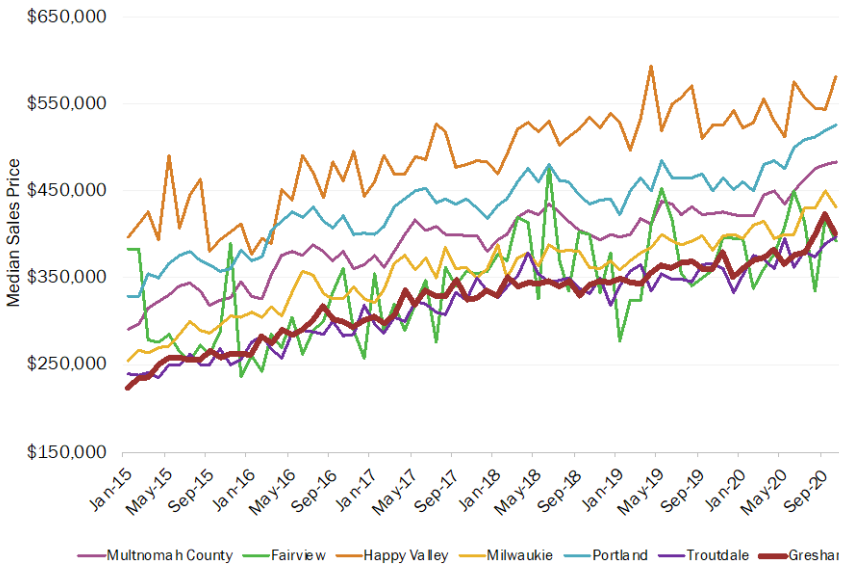
Although sale prices were generally higher, between 2015 and 2020, home sales prices in Gresham followed similar trends to the Troutdale submarket.

Over the October 2015 period to October 2020 period, Gresham's median housing price increased by 55% or $142,000.

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

Exhibit 36. Median Sales Price, Gresham Area and Submarket, 2015-October 2020

Source: Redfin



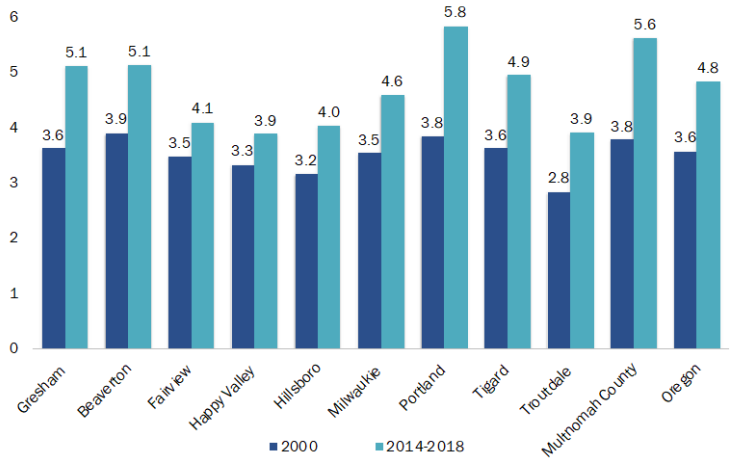
Since 2000, housing costs in Gresham have increased faster than incomes, but at a slower rate than in Portland and Multnomah County.

The household-reported median value of a house in Gresham was 3.6 times the median household income (MHI) in 2000, and 5.1 times MHI in the 2014-2018 ACS 5-year estimate period.

Decline of housing affordability was similar in Gresham to regional comparison (e.g., Portland, Beaverton, and Tigard). Housing affordability problems grew slower in Gresham than in Portland.

Exhibit 37. Ratio of Median Housing Value to Median Household Income, Gresham, Multnomah County, Oregon, and comparison cities, 2000 to 2014-2018[69] ACS 5-Year Estimates

Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2014-2018 ACS, Tables B19013 and B25077.



Rental Costs

Rent costs in Gresham are lower than average for Multnomah County and are lower than comparable city averages. The following charts show gross rent (which includes the cost of rent plus utilities) for Gresham in comparison to Multnomah County and Oregon based on Census data.

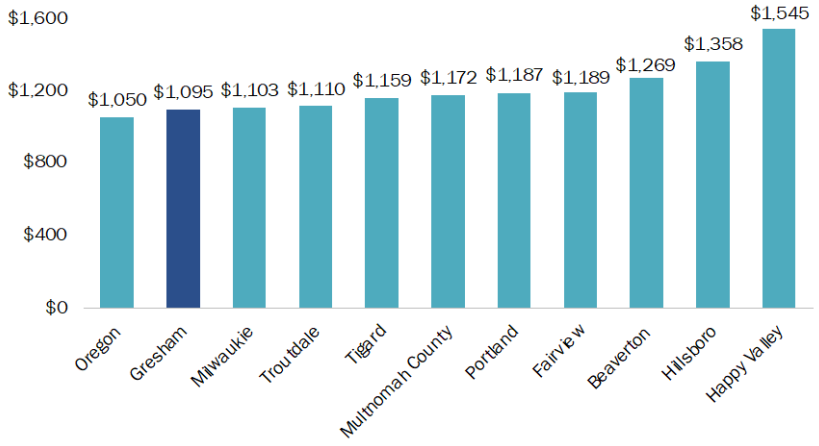
[69] This ratio compares the median value of housing in Gresham (and other places) to the median household income. Inflation-adjusted median owner values in Gresham increased from $234,829 in 2000 to $267,000 in the 2014-2018 ACS 5-year estimate period. Over the same period, inflation-adjusted median income decreased from $64,783 to $52,303.

The median gross rent in Gresham was $1,095 in the 2014-2018 ACS 5-year estimate period.

Rent in Gresham is lower than surrounding cities and Multnomah County's median rent.

Exhibit 38. Median Gross Rent, Gresham, Multnomah County, Oregon, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25064.

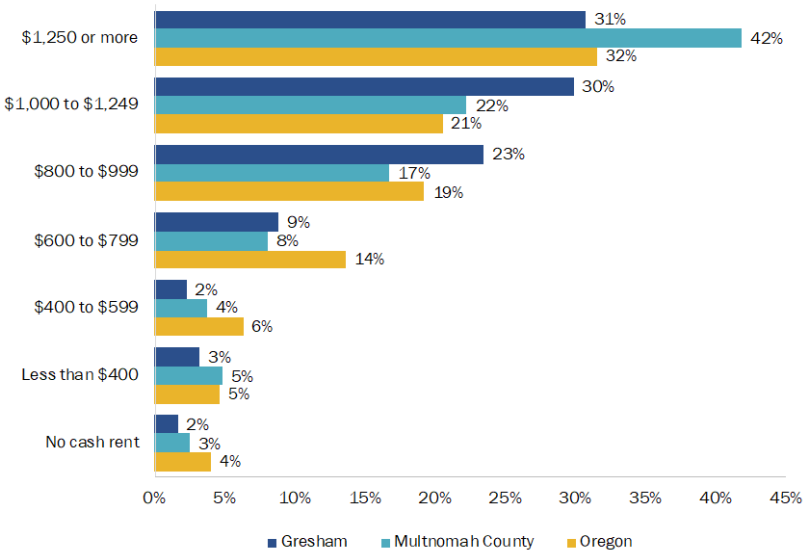


About 61% of renters in Gresham pay $1,000 per month or more.

About 31% of Gresham's renters pay $1,250 or more in gross rent per month, a smaller share than Multnomah County.

Exhibit 39. Gross Rent, Gresham, Multnomah County, Oregon, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Table B25063.



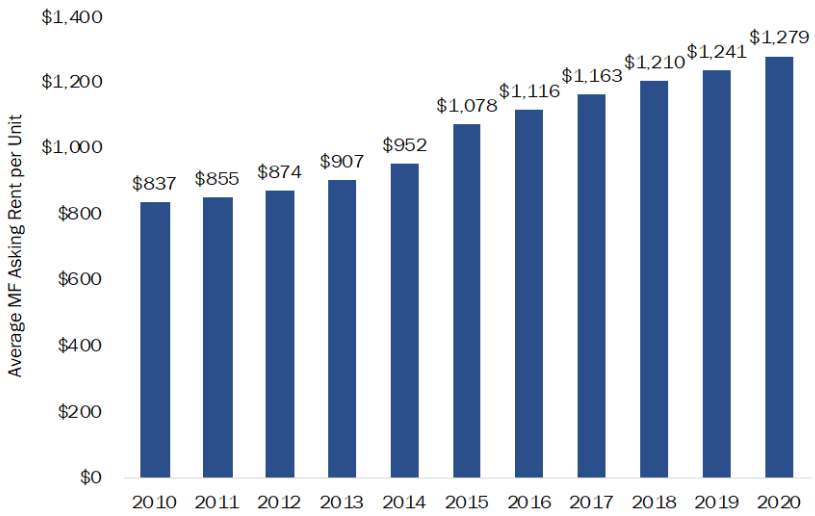
The average asking price per multifamily unit in Gresham has increased about 53% between 2010 and 2020.

Average asking price per multifamily unit in Multnomah County increased from $1,067 in 2010 to $1,308 in 2020, an increase of 23%.

Between 2016 and 2020, Gresham's average multifamily asking rent increased by about $163, or 15%, from $1,116 per month to $1,279 per month.

Exhibit 40. Average Multifamily Asking Rent per Unit, Gresham, 2010 through 2020

Source: CoStar.



Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience a "cost burden," and households paying more than 50% of their income on housing experience a "severe cost burden." Using cost burden as an indicator is one method of determining how well a city is meeting the Goal 10 requirement to provide housing that is affordable to all households in a community.

For example, about 23% of Gresham's households have an income of less than $25,000 per year. These households can afford rent of less than $625 per month, or a home with a value of less than $62,500. Most, but not all, of these households are cost burdened.

About 44% of Gresham's households are cost burdened and 21% are severely cost burdened. About 64% of renter households are cost burdened, compared with 28% of homeowners. Thirty-seven percent of households in Gresham are rent burdened households.[70] Overall, Gresham has a larger share of cost-burdened households than Multnomah County and Oregon.

Rents are lower and housing sales prices are generally lower in Gresham than in nearby communities. In addition, household incomes are also lower than in nearby communities. Rents and housing sales prices have increased over the last few years in Gresham, while incomes have decreased (when

[70] Cities with populations over 10,000 are required, per HB 4006, to assess "rent burden" if more than 25% of renters are severely cost burdened. In Gresham as of the 2014-2018 ACS 5-year estimate period, 64% of total renters were cost burdened, 34% were severely cost burdened, and 28% of total households were cost burdened renters.

adjusted for inflation) since 2000. As a result, cost burden is higher in Gresham than in nearby communities. As the community with comparitively affordable housing, Gresham is attracting more households with lower incomes, many of whom have trouble affording housing costs in Gresham and could not generally afford housing costs in other parts of the Portland Region.

Overall, about 44% of all households in Gresham are cost burdened.

Gresham has one of the largest shares of cost burdened households relative to all comparison cities as well as Multnomah County and Oregon for the 2014-2018 ACS 5-year estimate period.

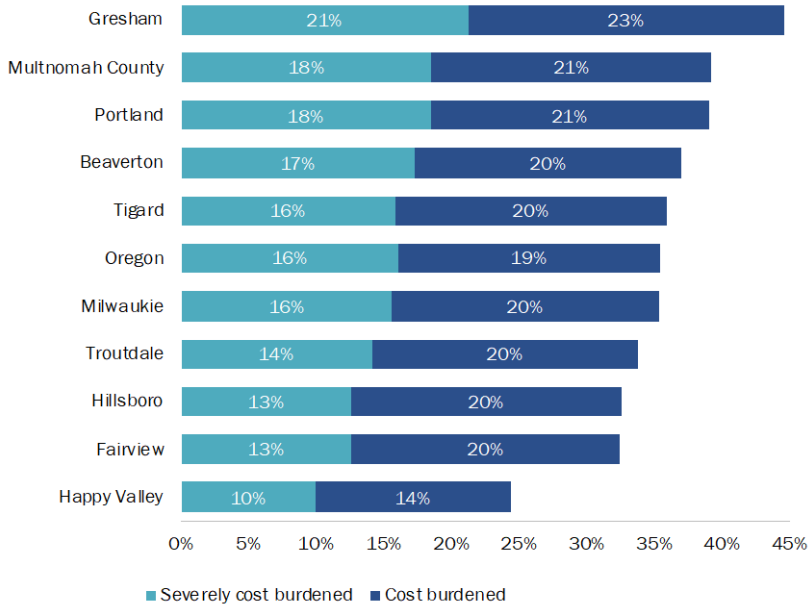
Gresham's housing market is among the most affordable in the Portland Region.

Exhibit 53 shows that Gresham's median home sales price was one of the lowest in the Region in 2020 and Exhibit 54 shows that Gresham's sales price has been among the lowest since at least 2015.

Exhibit 56 shows that Gresham's median gross rent is the lowest among the cities in the Region.

Exhibit 41. Housing Cost Burden, Gresham, Multnomah County, Oregon, Other Comparison Cities, 2014-2018 ACS 5-Year Estimates

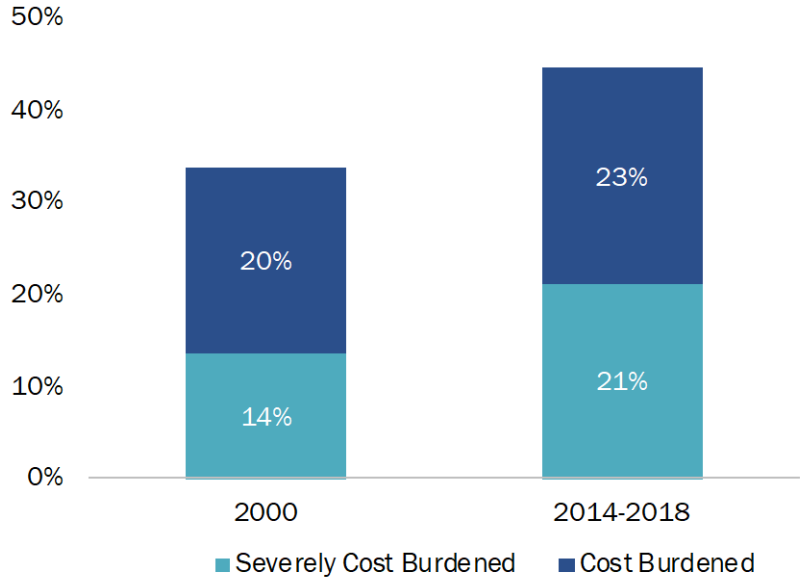
Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Tables B25091 and B25070.



From 2000 to the 2014-2018 5-year estimate period, the number of cost-burdened and severely cost-burdened households grew by 29% in Gresham.

Exhibit 42. Change in Housing Cost Burden, Gresham, 2000 to 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2014-2018 ACS 5-Year Estimates Tables B25091 and B25070.



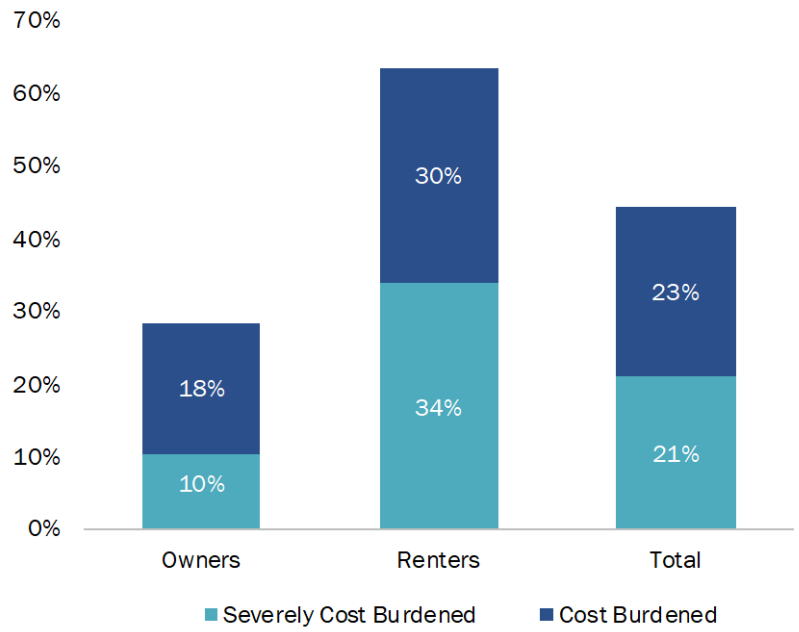
Renters in Gresham are more cost burdened than homeowners.

In the 2014-2018 ACS 5-year estimate period, about 64% of Gresham's renters were cost burdened or severely cost burdened, compared to 28% of homeowners.

About 34% of Gresham's renters were severely cost burdened compared to 10% of homeowners.

Exhibit 43. Housing Cost Burden by Tenure, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Tables B25091 and B25070.

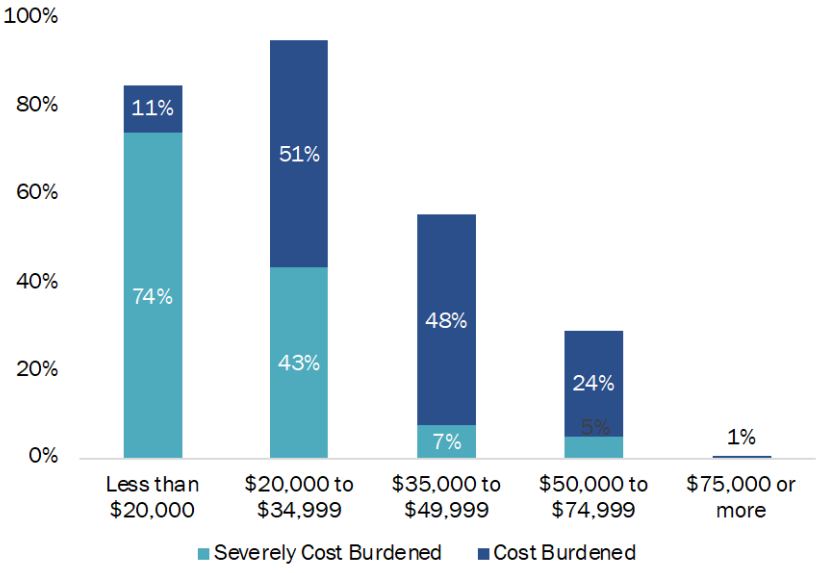


Nearly three-quarters of renter households earning less than $20k are severely cost burdened.

Most households (94%) earning between $20k and $35k per year are cost burdened and over half of households earning between $35k and $50k per year are cost burdened. This pattern of cost burden by income is consistent with statewide trends.

Exhibit 44. Cost Burdened Renter Households, by Household Income, Gresham, 2014-2018 ACS 5-Year Estimates

Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Table B25074.

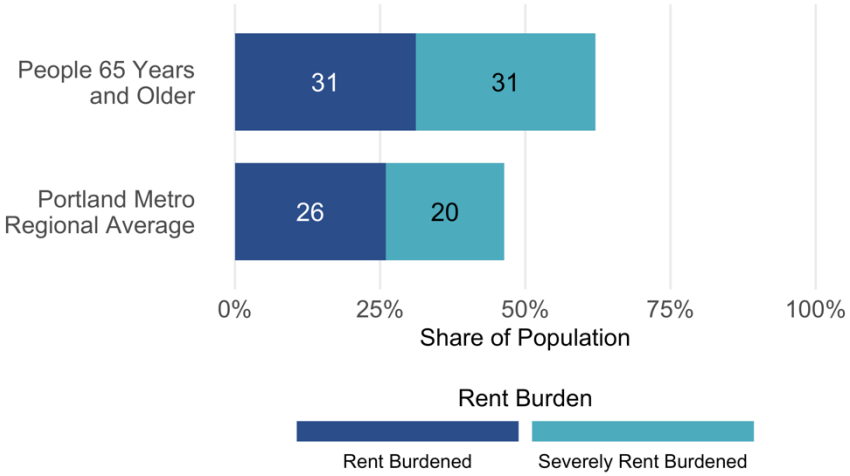


Across the Portland Metro Region, renters 65 years of age and older were disproportionately rent burdened compared to all renter households in the Portland Metro Region.

About 62% of renters aged 65 years and older in the Portland Metro Region were rent burdened.

Exhibit 45. Cost Burdened Renter Households, for People 65 Years of Age and Older, Portland Metro Region, 2018

Source: U.S. Census, 2018 ACS 1-year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.



Renters with a disability in the Portland Metro Region were disproportionately cost burdened compared to the average for all households in the region.

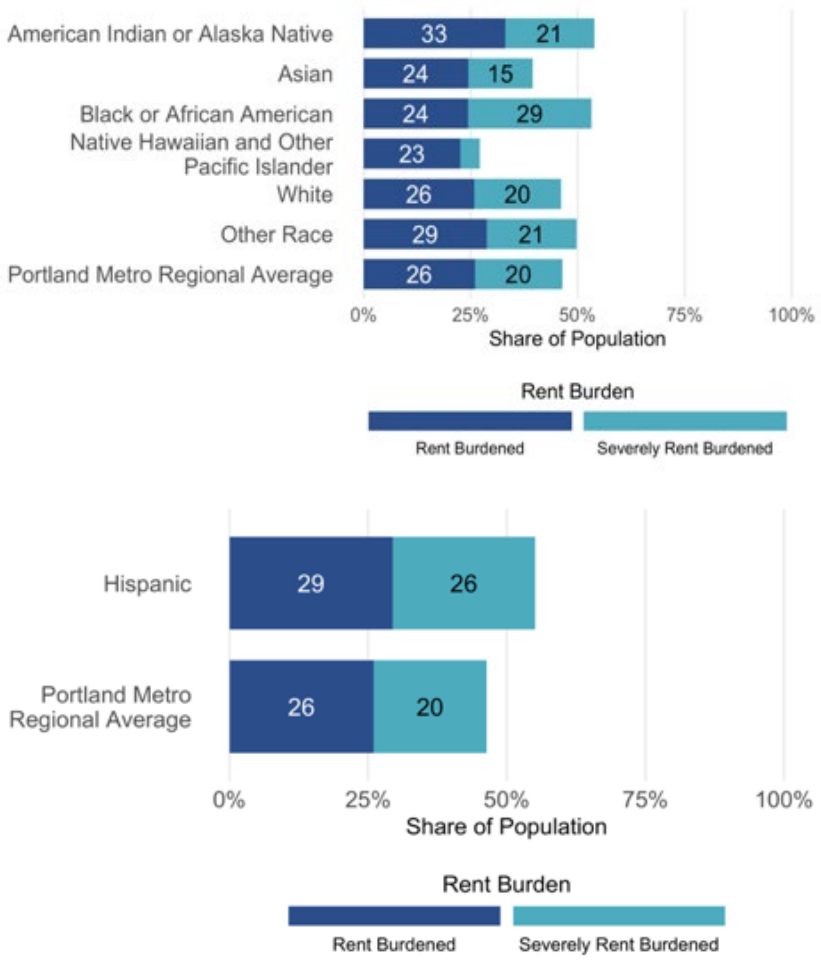
Exhibit 46. Cost Burdened Renter Households, for People with Disabilities, Portland Metro Region, 2018

Source: S. Census, 2018 ACS 1-year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.

Compared to the average renter household in the Portland Metro Region, those that identified as a non-Asian People of Color or as Hispanic or Latino were disproportionately rent burdened.

Exhibit 47. Cost Burdened Renter Households, by Race and Ethnicity, Portland Metro Region, 2018

Source: U.S. Census, 2018 ACS 1-year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.



While cost burden is a common measure of housing affordability, it does have some limitations. Three important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, whether very low income or very high income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household's accumulated wealth. For example, a household of retired

people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

- Cost burden does not account for debts, such as college loans, credit card debt, or other debts. As a result, households with high levels of debt may be less able to pay up to 30% of their income for housing costs.

Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income.

Fair Market Rent for a 2-bedroom apartment in Multnomah County is $1,536.

Exhibit 48. HUD Fair Market Rent (FMR) by Unit Type, Multnomah County, 2021

Source: U.S. Department of Housing and Urban Development.

$1,245	$1,331	$1,536	$2,193	$2,657
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least $26.58 per hour to afford a two-bedroom unit at Fair Market Rent ($1,536) in Multnomah County.

Exhibit 49. Affordable Housing Wage, Multnomah County, 2021

Source: U.S. Department of Housing and Urban Development; Oregon Bureau of Labor and Industries.

$26.58 per hour

Affordable Housing Wage for two-bedroom Unit in Multnomah County

Exhibit 68 shows housing affordability based on incomes for Multnomah County. The regional Median Family Income (MFI) is used by HUD as a way to understand the differences in housing affordability in different places across the nation. In Multnomah County (and the rest of the Portland region), the MFI for a family of four is $92,100.

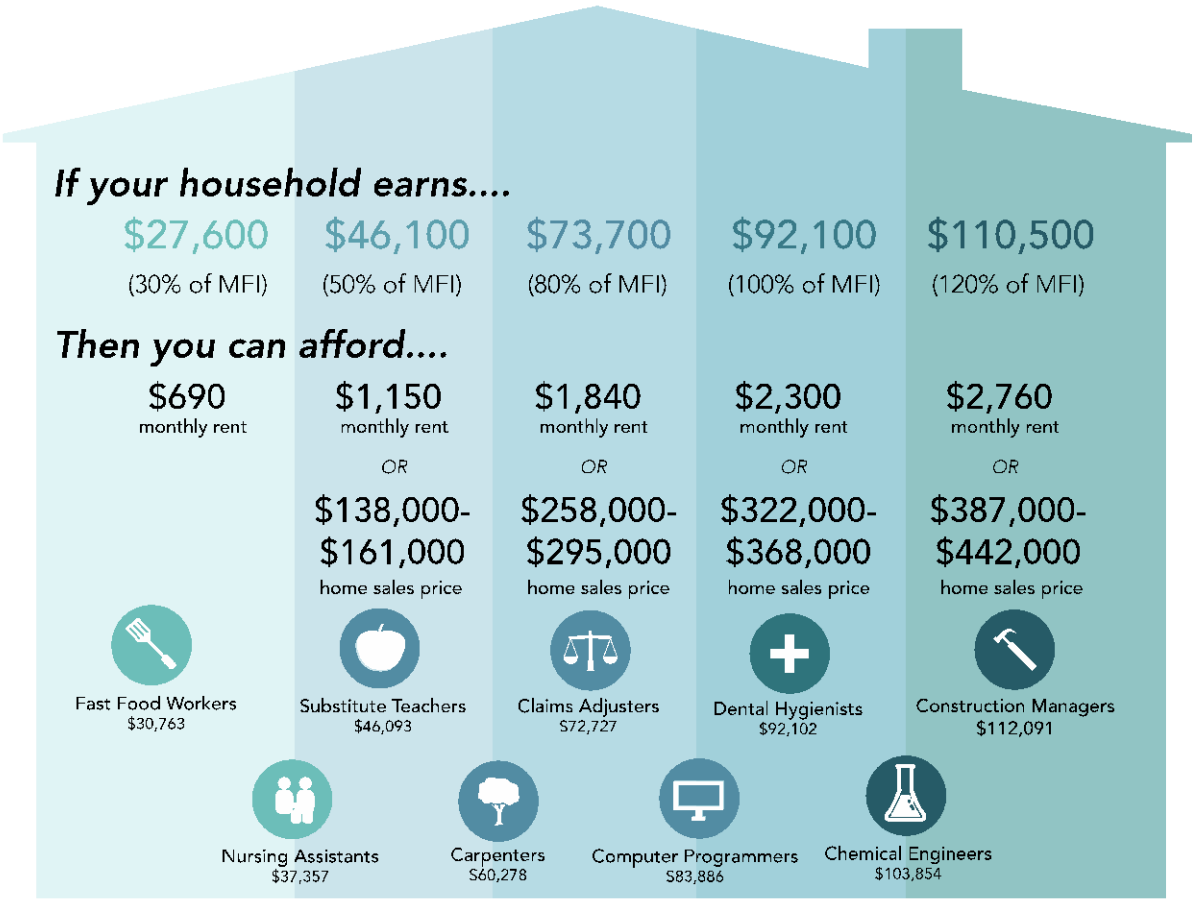
A household earning the median family income ($92,100) can afford a monthly rent of about $2,303 or a home roughly valued between $322,350 and $368,400.

A household would need to have income of about $99,000, or 107% of MFI for Multnomah County to afford a house at the Gresham median home sale price of $401,000. About 17% of households in Gresham can afford housing at this cost.

A household would need to have income of about $60,000 (about 65% of MFI) to afford the average asking rent for multifamily housing of nearly $1,300, plus basic utilities like power, heat, and water. About 34% of households in Gresham can afford housing at this cost.

Exhibit 68. Financially Attainable Housing, by Median Family Income (MFI) for Multnomah County ($92,100). 2020

Source: U.S. Department of Housing and Urban Development, Multnomah, 2020. Oregon Employment Department



About 43% of Gresham's households have income less than $46,100 (50% MFI) and cannot afford a two-bedroom apartment at Multnomah's Fair Market Rent (FMR) of $1,536.

Exhibit 50. Share of Gresham Households, by Median Family Income (MFI) for Multnomah County ($92,100), 2020

Source: U.S. Department of Housing and Urban Development, Multnomah County, 2020. U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Table 19001.

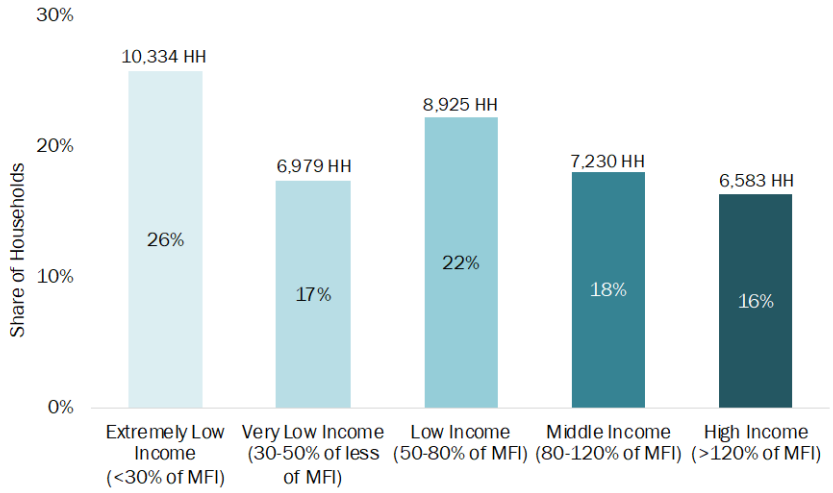


Exhibit 70 illustrates the types of financially attainable housing by income level in Multnomah County. Generally speaking, however lower-income households will be renters occupying existing housing. Newly built housing will be a combination of renters (most likely in multifamily housing) and homeowners. The types of housing affordable for the lowest income households is limited to government subsidized housing, manufactured housing, lower-cost single-family housing, and multifamily housing. The range of financially attainable housing increases with increased income.

Exhibit 70. Types of Financially Attainable Housing by Median Family Income (MFI) for Multnomah County ($92,100). 2020
Source: U.S. Department of Housing and Urban Development, Multnomah, 2020. Oregon Employment Department.

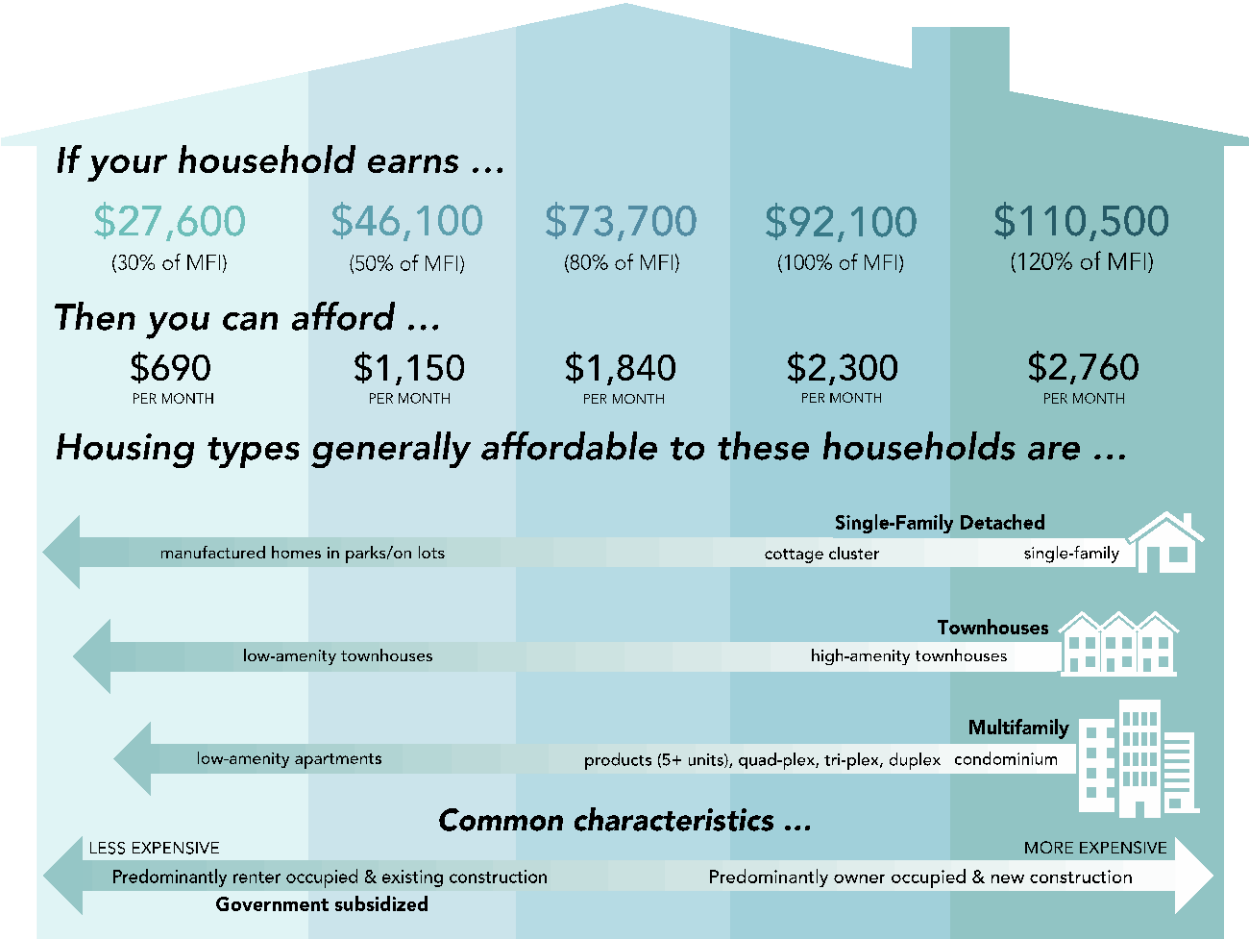


Exhibit 71 illustrates housing unit affordability based on information from HUD and the U.S. Census about unit affordability and household income. It shows household income by percentage of MFI and units affordable by MFI grouping.

- Cells highlighted in green show the number of households who live in housing that is affordable to them at their income level. Exhibit 71 shows that 3,622 (or, 29%) of Gresham's households have income below 50% of MFI and live in a unit affordable to that income grouping.
- Cells highlighted in red show the number of households who are cost burdened because they live in housing that is not affordable to them. Cost burden is most common among households with income below 50% of MFI, with about 6,979 households living in housing affordable at 50-80% of MFI.
- Cells highlighted in blue show the number of households who are renting or buying down and could afford to live in housing that costs more. Renting or buying down is most common among households with income above 80% of MFI, with about 6,960 households (or 18% of all

Gresham households) living housing affordable at 50-80% of MFI. These households may own their units and choose to continue to live in them by preference.

Exhibit 71. Unit Affordability by Household Income, Gresham, 2013-2017 ACS 5-Year Estimates
Source; CHAS, 2013-2017, Table 18.

		Household Income		
Unit Affordability		0-50% MFI (Annual income of $46,100 or less)	50-80% MFI (Annual income of $46,100–$73,700)	+80% MFI (Annual income of $73,700 or more)
0-50% (Monthly housing costs of $1,150 or less)		3,622	1,418	1,463
50-80% (Monthly housing costs $1,150–$1,840)		6,979	4,550	6,960
+80% (Monthly housing costs of more than $1,840)		1,859	2,129	10,305
Total Households		12,460	8,097	18,728
% of Households		32%	21%	48%

Renting/ Buying Down

Cost Burdened

Gresham's primary housing policy role is around households that are cost burdened, especially households with income of less than 50% of MFI. Housing affordable to households in this income category is generally built by nonprofit affordable housing developers or public agencies. The city can support development of housing affordable to households in this income category by partnering with affordable housing developers, providing funds or land to support affordable housing development, ensuring that infrastructure needed to support housing development (such as roads, water, or sanitary sewer) is available on sites for affordable housing development, and by providing other means of support.

Gresham can also have a role in policies to support development of housing affordable to households with income of 50-80% of MFI that are cost burdened. The City may adopt policies that support housing affordable to these households, often called middle-income households, such as tax exemptions, lowering fees and charges, and removing regulatory barriers.

Trends in Gentrification and Displacement Risk

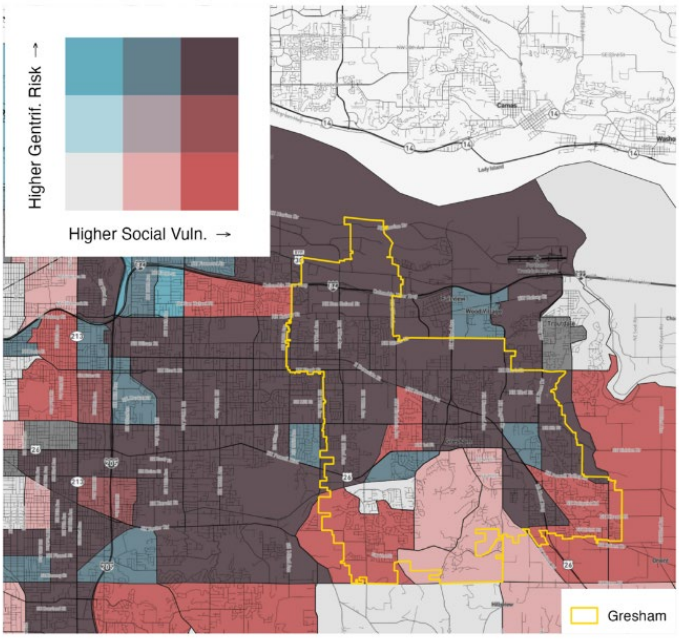
Many Gresham residents are at risk of displacement. Substantial parts of Gresham are in the early stages of gentrification or at-risk of gentrification, especially where there are higher concentrations of vulnerable population.[73] Gresham, along with portions of East Portland, contain large amounts of the Metro region's most vulnerable Census tracts. In addition, Powell Blvd/Highway 26 is a dividing line when it comes to gentrification and socioeconomic vulnerability. In general, more vulnerable and gentrifying areas to the north of the highway, and more stable areas to the south. The denser tracts north of Powell Blvd./Highway 26 exhibit signs of highest gentrification risk combined with high

[73] For the complete study of trends in gentrification and displacement risk in Gresham refer to Section 6.000 Appendices: Appendix 19.

socioeconomic vulnerability to displacement. By comparison, areas south of Highway 26 (which are lower density and have a larger share of homeowners) show signs of low gentrification risk or low levels of socioeconomic vulnerability. Key insights include:

- 76% of Gresham households reside within tracts identified as at high risk of gentrification (either in early or susceptible stages). These tracts fall under the level of gentrification characterized by having high levels of economic vulnerability, low rates of demographic change, and having either nearby tracts (called "adjacent" tracts) becoming more valuable (rents and/or sale prices appreciating quickly) or being in an "appreciated" tract where rent values and home sale prices rose drastically between 2010 and 2020.'
- Nearly two thirds (63%) of Gresham households live in Census tracts that contain both a high gentrification risk and a high socioeconomic vulnerability level.
- Tracts showing the highest levels of vulnerability are mainly clustered around Gresham's western and northern boundary.
- Some important trends include a noticeable clustering of limited English proficiency households along Gresham's northwestern boundary, higher POC shares in the Centennial neighborhood area, and higher clustering of households with at least person who experiences disabilities around the North Central neighborhood.

Exhibit 72. Composite Gentrification & Socioeconomic Vulnerability Risk, by Tract
Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest



Indicators of higher gentrification risk include:

- high shares of low-income households,
- changing socioeconomic demographics as compared to the region
- rising prices of housing for sales and rent

Indicators of higher social vulnerability include:

- higher shares of the region's POC
- higher shares of the region's population without a bachelor's degree or higher

C. Summary of the Factors Affecting Gresham's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice. While the number of and relationships between these factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies, it is a crucial step to informing the types of housing that will be needed in the future.

There is no question that age affects housing type and tenure. Mobility is substantially higher for people aged 20 to 34. People in that age group will also have, on average, less income than people who are older. They are also less likely to have children. These factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing.

The data illustrate what more detailed research has shown: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; and income affects the ability of a household to afford a preferred housing type. Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand. However, certain trends, including differences in housing characteristics by race or ethnicity, are more likely to reflect availability of affordable housing, rather than different preferences for by race or ethnicity.

Still, one is ultimately left with the need to make a qualitative assessment of the future housing market. The following is a discussion of how demographic and housing trends are likely to affect housing in Gresham over the next 20 years:

- **Growth in housing will be driven by growth in population.** Between 2000 and 2020, Gresham's population grew by 23,204 people (26%). Gresham is planning for 6,229 number of new households, as described in the next section, over the 2021 to 2041 period.
- **Housing affordability is a growing challenge in Gresham.** Housing affordability is a challenge in most of the Portland Metro region in general, and Gresham is affected by these regional trends. Housing prices are increasing faster than incomes in Gresham and Multnomah County, which is consistent with state and national challenges. Gresham has a modest supply of multifamily housing (about 28% of the city's housing stock), but over half of renter households are cost burdened (64%). The households who are most likely to be cost burdened are those below 50% of Multnomah County's median family income (MFI) of $46,100 for a family of four.

  Gresham's key challenge over the next 20 years is providing opportunities for the development of relatively affordable housing (both for households with incomes below 60% of MFI ($55,300), who will need income-restricted housing, and for households with incomes of 60% to 120% of MFI ($55,300 to $110,500), who can afford some market-rate housing) of all types, such as lower-cost single-family housing, cottage housing, townhouses and duplexes, tri- and quadplexes, market-rate multifamily housing, and government-subsidized affordable multifamily housing.

As the community with comparatively affordable housing, Gresham may be attracting more households with lower incomes, many of whom have trouble affording housing costs in Gresham and could not generally afford housing costs in other parts of the Portland Region. As Gresham develops policies to address unmet housing needs (through developing a Housing Production Strategy), the city should identify opportunities to meet the unmet housing needs of its existing residents as well as housing needed for people likely to move to the Portland region and locate in Gresham over the next 20 years. Gresham may be able to meet housing needs for a wider range of people in the region by allowing a wider range of housing types (in compliance with House Bill 2001) and through the City's ongoing planning and redevelopment activities.

- **Without substantial changes in housing policy, on average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that is important when trying to address demand for new housing.

  The City's residential policies can impact the amount of change in Gresham's housing market, to some degree. If the City adopts policies to increase opportunities to build smaller-scale single-family and multifamily housing types (particularly multifamily that is affordable to low- and moderate-income households), a larger percentage of new housing developed over the next 20 years in Gresham may begin to address the city's needs, including need for ownership opportunities of less costly (smaller) units. Examples of policies that the City could adopt to achieve this outcome include ensuring that there is sufficient land zoned to allow single-family attached and multifamily housing development, ensuring that land has the infrastructure necessary to support residential development, supporting development of government-subsidized affordable housing, and encouraging multifamily residential development in downtown and commercial corridors and centers. The degree of change in Gresham's housing market, however, will depend on market demand for these types of housing in Multnomah County.

  If the future differs from the past, it is likely to move in the direction, on average, of increased need for smaller units and more diverse housing types. Most of the evidence suggests that the bulk of the change will be in the direction of smaller average houses and lot sizes for single-family housing and middle-income housing types. This includes providing opportunities for development of smaller single-family detached homes, cottage housing, accessory dwelling units, townhouses, duplex through quadplex, and multifamily housing.

  Key demographic and economic trends that will affect Gresham's future housing needs are: (1) the aging of the Baby Boomers, (2) the aging of the Millennials and Generation Z, (3) the continued growth in the Latinx population, and (4) access to a range of housing types for people of color.

  - *The Baby Boomer's population is continuing to age.* The changes that affect Gresham's housing demand as the population ages are that household sizes and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move.

Demand for specialized senior housing, such as age-restricted housing or housing in a Continuum of Care from independent living to nursing home care, may grow in Gresham.

- *Millennials and Generation Z will continue to form households and make a variety of housing choices.* As Millennials and Generation Z age, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2020 and 2040, Millennials and Generation Z will be a key driver in demand for housing for families with children. The ability to attract these younger households will depend on the City's availability of affordable renter and ownership housing. It will also depend on the location of new housing in Gresham as many Millennials prefer to live in more walkable neighborhoods.[71] The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.[72] Housing preferences for Generation Z are not yet known but it is reasonable that they will also need affordable housing, both for rental and later in life for ownership.
- *Latinx population will continue to grow.* Latinx population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in the Latinx population will drive demand for housing for families with children. Latinx households are disproportionately cost burdened when compared to the statewide average, in part because of lower household incomes. Growth in Latinx households will also drive demand for affordable housing, both for ownership and renting, both for smaller units for one- and two-person households but also for larger family households, including multigenerational households.
- *Most people of color (other than Asians) are more likely to live in multifamily housing and have lower rates of homeownership than white or Asian people.* Some people of color may live in rental or multifamily housing out of necessity, rather than by preference, based on availability of affordable housing. A key future housing need in Gresham will be more affordable multifamily housing (including duplexes, triplexes, and quadplexes)[73] and affordable housing, including single-family homes for ownership.

In summary, an aging population, increasing housing costs, housing affordability concerns for Millennials, Generation Z, Latinx populations, people of color, and other variables are factors that support the conclusion of need for smaller and less expensive units and a broader array of housing choices in Gresham over the 20-year planning period.

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[71] Choi, Hyun June; Zhu, Jun; Goodman, Laurie; Ganesh, Bhargavi; Strochak, Sarah. (2018). Millennial Homeownership, Why is it So Low, and How Can We Increase It? Urban Institute. https://www.urban.org/research/publication/millennial-homeownership/view/full_report

[72] Ibid.

[73] People of color are more likely to live in multifamily housing types in the Portland Region than Non-Hispanic Whites households, according to the *study Implementing a Regional Housing Needs Analysis Methodology in Oregon* (March 2021) by ECONorthwest for Oregon Housing and Community Services. This difference in housing types is likely a result of issues with affordability and access to housing, rather than housing preferences. For example, people of color are more frequently rent burdened than Non-Hispanic White households. The result is that people of color live more frequently in multifamily housing than Non-Hispanic White households.

V. HOUSING NEED IN GRESHAM

A. Project New Housing Units Needed in the Next 20 Years

The results of the Housing Needs Analysis are based on:

- Metro's official household forecast for growth in Gresham over the 20-year planning period,
- Information about Gresham's housing market relative to Multnomah County and the Portland region, and
- Demographic composition of Gresham's existing population and expected long-term changes in the demographics of Multnomah County.

Forecast for Housing Growth

A 20-year household forecast (in this instance for 2021 to 2041) is the foundation for estimating needed new dwelling units. The forecast for Gresham is based on Metro's 2050 Household Distributed Forecast (2019). Gresham city limits will grow from 41,484 households in 2021 to 47,713 households in 2041, an increase of 6,229 households.[74]

To accommodate new households, Exhibit 73 shows that Gresham will have demand for 6,229 new dwelling units over the 20-year period, with an annual average of 311 dwelling units.

Exhibit 73. Forecast of Demand for New Dwelling Units, Gresham City Limits, 2021 to 2041
Source: *Metro's 2050 Household Distributed Forecast*, 2021. Calculations by ECONorthwest. Note: DU is dwelling unit.

	New DU City Limits
Household Forecast 2021	41,484
Household Forecast 2041	47,713
Total New Dwelling Units (2021-2041)	6,229
Annual Average of New Dwelling Units	311

Housing Units Needed Over the Next 20 Years

Exhibit 73 presents a forecast of new housing in Gresham for the 2021 to 2041 period. This section determines the needed mix and density for the development of new housing developed over this 20-year period in Gresham.

Over the next 20 years the need for new housing developed in Gresham will generally include a wider range of housing types and housing that is more affordable. This conclusion is based on the following information, found in Section III and IV:

[74] Metro's *2050 Household Distributed Forecast* shows that in 2020, the Gresham city limits had 41,195 households. The Metro forecast shows Gresham growing to 49,067 households in 2045, an average annual growth rate of 0.7% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2021 (41,484 households). This forecast is based on Gresham city limits' official household forecast from Metro for the 2020 to 2050 period.

- Gresham's housing mix, like Multnomah County's, is about half single-family detached. In the 2014-2018 ACS 5-year estimate period, 56% of Gresham's housing was single-family detached; 7% was single-family attached; 10% was duplexes, triplexes, and quadplexes; and 28% was multifamily. In comparison, the mix of housing for Multnomah County was 57% single-family detached; 5% single-family attached; 9% duplexes, triplexes, and quadplexes; and 29% multifamily.
- Demographic changes across Gresham suggest increases in demand for all housing types including single-family attached housing, duplexes, triplexes, quadplexes, cottage clusters, and multifamily housing. The key demographic trends that will affect Gresham's future housing needs are the aging of the Baby Boomers, the household formation of the Millennials and Generation Z, and growth in Latinx populations. The implications of the trends are increased demand from small, older (often single-person) households and increased demand for affordable housing for families, both for ownership and rent.
    - Gresham's median household income was $52,303, about $12,000 lower than Multnomah County's median ($64,337). Approximately 48% of Gresham's households earned less than $50,000 per year, compared to 39% in Multnomah County and 43% in Oregon. After adjusting for inflation, Gresham's median household income decreased by 19% between 2000 to the 2014-2018 ACS 5-year estimate period, from $64,783 to $52,303 per year. In comparison, Oregon's median household income decreased by 3% while Multnomah County's median household income increased by 3%.
- About 44% of Gresham's households are cost burdened (paying 30% or more of their household income on housing costs).[75] About 64% of Gresham's **renters** are cost burdened and about 28% of Gresham's **homeowners** are cost burdened. Cost burden rates in Gresham are higher than those in Multnomah County. Because Gresham has comparatively affordable housing in comparison to other cities in the Portland Region, Gresham has a larger share of lower income households, many of whom have trouble affording housing costs in Gresham and could not generally afford housing costs in other parts of the Portland Region.
- About 43% of Gresham's households cannot afford median rents ($1,279) in Gresham. High cost burden rates for Gresham renters suggest a need for more affordable housing types for renters.
- About 84% of Gresham's households cannot afford the median housing sale price ($401,000) in Gresham. Housing sales prices increased in Gresham over the last five years. From 2015 to 2020, the median housing sale price increased by about $142,000 (55%), from about $259,000 to $401,000.

[75] The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

- A household earning 100% of Multnomah County's median family income ($92,100) could afford a home valued between about $322,000 to $368,000, which is less than the median home sales price of about $401,000 in Gresham. About 76% of Gresham's households have income below 100% of MFI, consistent with sales price growth in Multnomah County and other cities such as Hillsboro, Troutdale, and Milwaukie. A household can start to afford median home sale prices at about 107% of Multnomah County's median family income.

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

Exhibit 74 shows a forecast of needed housing in Gresham during the 2021 to 2041 period. The projection is based on the following assumptions:

- Gresham's official forecast for household growth shows that the City will add 6,229 dwelling units over the 20-year period (Exhibit 73).
- The assumptions about the mix of housing in Exhibit 74 are:
    - About 45% of new housing will be single-family detached, a category which includes manufactured housing. In the 2014–2018 ACS 5-year estimate period, about 55% of Gresham's housing was single-family detached.[76]
    - About 9% of new housing will be single-family attached. In the 2014–2018 ACS 5-year estimate period, about 7% of Gresham's housing was single-family attached.
    - About 14% of new housing will be duplexes, triplexes, and quadplexes. In the 2014–2018 ACS 5-year estimate period, about 10% of Gresham's housing was duplexes, triplexes, and quadplexes.
    - About 32% of new housing will be multifamily. In the 2014–2018 ACS 5-year estimate period, about 28% of Gresham's housing was multifamily.

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

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

Gresham will have demand for 6,229 new dwelling units over the 20-year period, 45% of which will be single-family detached housing.

Exhibit 74. Forecast of Demand for New Dwelling Units by Housing Type, Gresham City Limits, 2021 to 2041

Source: Calculations by ECONorthwest. DU = Dwelling unit

Variable	Mix of New Dwelling Units 2021-2041
Needed new dwelling units (2021-2041)	6,229
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	**45%**
equals Total new single-family detached DU	2,803
Single-family attached	
Percent single-family attached DU	**9%**
equals Total new single-family attached DU	561
Duplex, Triplex, Quadplex	
Percent duplex, triplex, quadplex	**14%**
equals Total new duplex, triplex, quadplex	872
Multifamily (5+ units)	
Percent multifamily (5+ units)	**32%**
equals Total new Multifamily	1,993
Total new dwelling units (2021-2041)	6,229

The forecast of new units does not include dwellings that will be demolished and replaced (i.e., redevelopment). This analysis does not factor those units in; however, it assumes they will be replaced at the same site and will not create additional demand for residential land. Potential sites for residential redevelopment in Gresham are discussed in Section VI.

Exhibit 75 allocates needed housing to zone district groupings in Gresham. The allocation is based, in part, on the types of housing allowed in the zoning designations in each zone district grouping (as defined in Section II). Exhibit 75 shows:

- **Lower-density residential**[77] land will accommodate new single-family detached housing, including manufactured houses, single-family attached housing (townhouses), and duplexes.
- **Medium-density residential**[78] land will accommodate new single-family detached and manufactured housing (to a lesser extent than lower-density residential land), single-family attached housing (townhouses), duplexes, triplexes, quadplexes, and multifamily with five or more units.

[77] Lower density residential includes zones that allow housing development at less than 9 dwelling units per acre.

[78] Medium density residential includes residential and commercial zones that allow housing development at 9 to 24. dwelling units per acre.

- **Higher-density residential**[79] land will accommodate all housing types listed in medium-density residential, but with more multifamily with five or more units than on medium density residential land.

Exhibit 75. Allocation of Needed housing by Housing Type and Zoning District Grouping, Gresham City Limits, 2021 to 2041
Source: ECONorthwest analysis

	Zoning District Grouping			
Housing Type	Lower Density	Medium Density	Higher Density	Total
Dwelling Units				
Single-family detached	1,558	934	311	2,803
Single-family attached	218	281	62	561
Duplex, triplex, quadplex	249	436	187	872
Multifamily (5+ units)		374	1,619	1,993
Total	2,205	2,025	2,179	6,229
Percent of Units				
Single-family detached	25%	15%	5%	45%
Single-family attached	3%	5%	1%	9%
Duplex, triplex, quadplex	4%	7%	3%	14%
Multifamily (5+ units)	0%	6%	26%	32%
Total	33%	33%	35%	100%

Section III of the HCA (Exhibit 16) provides the results of the historic density analysis by zone for single-family and multifamily development in Gresham between 2000 and 2020. In discussion with Gresham City staff and in review of historic achieved densities compared to maximum densities defined for zones in the Gresham Development Code, we used a hybrid approach for density assumptions by zone:

- For zones where the historic data sample was large enough (e.g., more than 100 units built in low or medium density zones) or aligned with what City staff would expect, we assumed the historic density for future capacity over the 2021–2041 period.
- For zones where historic data was not available or not a sufficient sample size, we assumed 80% of maximum density for future capacity over the 2021–2041 period.
- For zones with no maximum density designated in the Gresham Development Code, we assigned the highest max density allocated to zones in the higher density zoning district grouping (60 dwelling units per acre, or 48 dwelling units per acre at 80% max density).

[79] Higher density residential includes residential and commercial zones that allow housing development at greater than 24 dwelling units per acre.

Exhibit 76 shows the density assumptions used for each zone. Zones with a density highlighted in **blue** used a historic density assumption, and zones with a density highlighted in **orange** used an 80% of maximum density assumption.

Exhibit 76. Density Assumptions by Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2021

Source: City of Gresham, Metro RLIS, ECONorthwest analysis.

Zone	Historic Net Density	80% Max Density
Lower Density (less than 9 du/ac)		
Low Density Residential - Gresham Butte	1.3	0.8
Very Low Density Residential - Springwater	3.9	2.9
Low Density Residential - 7	3.7	5.0
Low Density Residential - Springwater	7.5	5.8
Low Density Residential - 5	7.4	7.0
Low Density Residential - Pleasant Valley	8.2	6.3
Medium Density (9-24 du/ac)		
Moderate Density Residential - 12	8.3	9.7
Office Residential	18.9	9.7
Downtown Residential Low-Rise-1	7.6	10.0
Transit Low Density Residential	10.7	16.0
Moderate Commercial	7.4	32.0
Townhouse Residential - Springwater	15.9	13.9
Moderate Density Residential - Pleasant Valley	8.4	16.0
Moderate Density Residential - 24	19.2	19.4
Transition Residential	17.2	14.5
Corridor Multi-Family	18.0	19.2
Corridor Mixed Use	21.6	19.2
Higher Density (more than 24 du/ac)		
High Density Residential - Pleasant Valley	n/a	24.0
Rockwood Town Center	22.8	32.0
Town Center - Pleasant Valley	n/a	32.0
Community Commercial	8.6	32.0
Civic Neighborhood Residential Mid-Rise	25.9	24.0
Civic Neighborhood Transit Moderate Density	49.5	48.0
Downtown Mixed Use	22.3	48.0
Downtown Residential Low-Rise-2	27.8	48.0
Downtown Transit Mid-Rise	29.1	48.0
Mixed Use Employment - Pleasant Valley	n/a	48.0
Station Center	36.8	48.0
Downtown Commercial Core	44.5	48.0
Downtown Commercial Low-Rise	n/a	48.0
Downtown Employment Mid-Rise	n/a	48.0
Neighborhood Commercial - Pleasant Valley	n/a	48.0
Village Commercial - Springwater	n/a	48.0
Civic Neighborhood Transit High Density	60.0	48.0

Exhibit 76 presents assumptions about future housing density based on historical densities in Gresham shown in Exhibit 16 or maximum allowed densities defined in Gresham's Development Code. Exhibit 93 in Section VIII converts between net acres and gross acres.[80] To account for land needed for rights-of-way and convert net densities (Exhibit 93) we used Metro's methodology of calculating existing rights-of-way. Metro's methodology about net-to-gross assumptions is (1) tax lots under 3/8 acre assume 0% set aside for future streets; (2) tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets; and (3) tax lots greater than an acre assumes an 18.5% set aside for future streets.

Exhibit 92 in Section VIII provides the results of this calculation by zone for Gresham.

B. Needed Housing by Income Level

The next step in the Housing Capacity Analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The analysis in Exhibit 77 is based on Census data about household income levels for existing households in Gresham. Income is distributed into market segments consistent with HUD income level categories, using Multnomah County's 2020 Median Family Income (MFI) of $92,100. The Exhibit assumes that approximately the same percentage of households will be in each market segment in the future, as a way to have some understanding of potential future income based on groupings of median family income. The income distribution in Gresham will likely change over the next 20-years based on demographic and economic changes but a forecast of future income is not available for Gresham or Multnomah County. Exhibit 77 illustrates that Gresham will have households with very low income in the future, as well as very high income.[81]

[80] Per OAR 660-024-0010(6), net buildable acre "consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

[81] Exhibit 75 assumes the same distribution of households by income as shown for existing households in Exhibit 68. As noted, a distribution of future incomes for Gresham's households is not available.

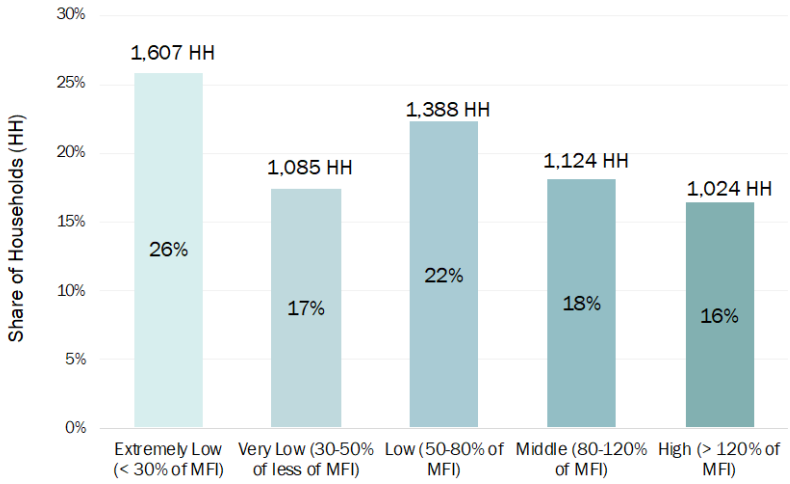
About 43% of Gresham's future households will have incomes below 50% of Multnomah County's median family income (less than $46,050 in 2020 dollars).

About 40% will have incomes between 50% and 120% of the county's MFI (between $46,050 and $110,520).

This graph shows as Gresham's population grows, Gresham will continue to have demand for housing across the affordability spectrum.

Exhibit 77. Future (New) Gresham Households, by Median Family Income (MFI) for Multnomah County ($92,100), 2021 to 2041

Source: U.S. Department of Housing and Urban Development, Multnomah County, 2020. U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates Table 19001.



C. Need for Income-Restricted, Farmworker, Manufactured Housing, People with Disabilities, and People Experiencing Homelessness

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for income-restricted housing, farmworker housing, manufactured housing on lots, and manufactured housing in parks.

- **Income-restricted housing.** Government-subsidies for development of income-restricted housing can apply to all housing types (e.g., single family detached, apartments, etc.). Gresham allows development of income-restricted housing in all residential zones, with the same development standards as for market-rate housing. This analysis assumes Gresham will continue to allow government housing in all of its residential zones. Because income-restricted housing is similar in character to other housing (with the exception being the subsidies), the housing capacity analysis does not present it with a separate forecast. Exhibit 77 shows the possible future need for income restricted housing in the extremely-low- and very-low-income categories based on the existing distribution of households by income in Exhibit 70.
- **Farmworker housing.** Farmworker housing can also apply to all housing types and the City allows development of farmworker housing in all residential zones, with the same development standards as market-rate housing. This analysis assumes that Gresham will continue to allow housing for this population in all of its residential zones. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.

- **Manufactured housing on lots.** Gresham allows manufactured homes on lots as a permitted use in residential zones where single-family detached dwellings are also allowed.
- **Manufactured housing in parks.** Gresham allows manufactured homes in parks in the Transit Low Density Residential (TLDR) and Medium Density Residential-12 (MDR-12) zones. ORS 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory, Gresham has ten manufactured home parks within the City, with 636 spaces.[82]

  ORS 197.480(2) requires Gresham to project need for mobile home or manufactured dwelling parks based on (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.

  - Exhibit 73 shows that Gresham will grow by 6,226 dwelling units over the 2021 to 2041 period.
  - Analysis of housing affordability shows that about 43% of Gresham's new households will be considered very-low or extremely-low-income, earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.
  - Manufactured housing accounts for about 3% (about 1,275 dwelling units) of Gresham's current housing stock.
  - National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close—more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.
  - The households most likely to live in manufactured homes in parks are those with incomes between $27,630 and $46,050 (30% to 50% of MFI), which include 17% of Gresham's households. However, households in other income categories may live in manufactured homes in parks.

    "Manufactured home subdivision development" is an allowed use in the TLDR and MDR-12 zones. National and state trends of closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon over the last 15 years demonstrate that development of new manufactured home parks in Gresham is unlikely.

[82] Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

Our conclusion from this analysis is that development of new manufactured home parks or subdivisions in Gresham over the 2021-2041 planning period is unlikely, though manufactured homes may locate on lots in Gresham where they are allowed. The forecast of housing assumes that no new manufactured home parks will be opened in Gresham over the 2021-2041 period.

- Over the next 20 years (or longer) one or more manufactured home parks may close in Gresham. This may be a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.
- While there is statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents,[83] the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing (both for households with income below 60% of MFI, who will need income-restricted housing, and for households with incomes of 60% to 120% of MFI, who can afford some market-rate housing).
- If the City does have need for a new manufactured home park, that would be for about 187 new units (3% of new units), which at about 7 to 14 dwelling units per acre (based on standards for the TLDR and MDR-12 zones) will need 13 to 27 acres of land. Gresham can accommodate this in their existing vacant buildable land base.

In addition to these required housing types, this section also addresses housing for people with disabilities and housing for people experiencing homelessness.

- **Housing for people with disabilities.** Housing for people with disabilities can be in any housing type. Broadly, housing options for people with disabilities include (1) living in housing independently—alone or with roommates/family, (2) living in housing with supportive services (e.g., with help from a live-in or visiting caregiver), or (3) living in housing in a supervised residential setting. Housing for people with disabilities may include physical characteristics needed to address disabilities (such as ramps or wider doorways for people with ambulatory disabilities), services for people with cognitive or other disabilities, or other adaptations needed by other people with disabilities. Meeting the housing needs of people with disabilities will require addressing affordability issues as well as ensuring that people with disabilities have access to housing that addresses their disability and that they have access to housing without

[83] ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord must do the following for manufactured dwelling park tenants before closure of the park: give at least one year's notice of park closure, pay the tenant between $5,000 to $9,000 for each manufactured dwelling park space, and cannot charge tenants for demolition costs of abandoned manufactured homes.

discrimination. About 13% of Gresham's population has one or more disability. Gresham may want to consider policies to support housing for people with disabilities.

- **Housing for people experiencing homelessness.** Housing for people experiencing homelessness can apply to all housing types, with provisions to make the housing more affordable. It can also apply to other residential / group living uses and income-restricted housing. Meeting the housing needs of people experiencing homelessness can range from emergency assistance (including rent and utility assistance), rapid re-housing, and inclusion of local shelter to permanent supportive housing (including with supportive housing with services) and improved access to an affordable housing unit. About 4,019 people in Multnomah County experienced homelessness in 2019. Gresham may want to consider policies to support housing for people experiencing homelessness.

VI. RESIDENTIAL LAND SUFFICIENCY IN GRESHAM

This section presents an evaluation of the sufficiency of vacant residential land in Gresham to accommodate expected residential growth over the 2021 to 2041 period. This section includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Gresham's ability to accommodate needed new housing units for the 2021 to 2041 period, based on the analysis in the Housing Capacity Analysis. The section ends with a discussion of the conclusions and recommendations for the Housing Capacity Analysis.

A. Capacity Analysis

The buildable lands inventory summarized in Section II (and presented in full in Section VII) provided a *supply* analysis (buildable land by type), and Section V provided a *demand* analysis (population and growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

This analysis estimates the ability of vacant residential lands within the city to accommodate new housing. This analysis, sometimes called a "capacity analysis," can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.[84]

Gresham Capacity Analysis Results

This section summarizes the capacity analysis for Gresham, based on the methodology summarized below and described in Exhibit 93 through Exhibit 93 in Section VIII. This section shows the results of the capacity analysis by zoning district groupings, as listed in Section II. Exhibit 78 shows that Gresham'

[84] There is ambiguity in the term capacity analysis. It would not be unreasonable for one to say that the "capacity" of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: "Estimating how many new dwelling units the vacant residential land the city is likely to accommodate." That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as "capacity analysis," so we use that shorthand occasionally in this memorandum.

buildable land has the capacity to accommodate approximately 12,609 dwelling units, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in residential zones and commercial zones that allow residential uses outright, as shown in Exhibit 10 in Section II (and Exhibit 91 in Section VII).
- **Future densities.** The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the densities shown in Exhibit 93 in Section VIII. As described in Section V and Section VIII, we assumed that development would occur at either historical densities or 80% of maximum allowed densities based on historical information available for each zone.[85]
- **Capacity on commercial land.** The estimate of capacity includes land in commercial zones that allow residential uses in the medium- and higher-density zone district groupings.[86] We did not assume that all commercial zones would develop as residential. Exhibit 95 in Section VIII shows the capacity assumed for all zones in Gresham that allow residential uses, including selected commercial zones where we assumed 7% of land would develop as residential. This assumption is based on empirical analysis of historical development on commercial land in Gresham.
- **Average net density.** Exhibit 78 does not show the average density assumption due to the large number of zones and the complexity of density assumptions in Gresham. The assumptions about densities are shown in Exhibit 94 in Section VIII.

To give an example of how we estimated residential capacity in Gresham, the Low Density Residential-5 zone (part of the lower density zone district grouping) has 362 buildable acres (Exhibit 10) and an assumed future net density of 7.4 dwelling units per acre (Exhibit 75). The gross densities are applied based on the size of each parcel, ranging from 7.4 dwelling units per gross acre for parcels smaller than 0.38 acres to 6.0 dwelling units per gross acre for parcels larger than 1 acre (Exhibit 94). The result is capacity of 2,327 dwelling units (Exhibit 95).

Exhibit 78 shows the following capacity by zoning district grouping:

- **Lower density** zones have a capacity of 5,544 dwelling units.
- **Medium density** zones have a capacity of 3,966 dwelling units, including 104 dwelling units in commercial zones that allow residential uses.
- **Higher density** zones have a capacity of 3,099 dwelling units, including 467 dwelling units in commercial zones that allow residential uses.

[85] The historical density analysis is based on housing developed between 2000 and 2020 using Q3 2020 data from Metro RLIS including the Multifamily Housing Inventory and Taxlots data sets.

[86] Generally, commercial zones considered for the purpose of this analysis did not include mixed-use zones. The only mixed use zone included in the commercial capacity calculation was Mixed Use Employment – Pleasant Valley.

OAR 660-007 requires that Gresham provide opportunity for development of housing at an overall average density of 10 dwelling units per net acre. The average net density of dwelling units in Exhibit 77 is approximately 11.0 dwelling units per net acre and 9.4 dwelling units per gross acre.

Exhibit 78. Estimate of Residential Capacity on Residential Land and Selected Commercial Land by Zoning District Grouping, Gresham City Limits, Pleasant Valley, and Springwater, 2021
Source: Buildable Lands Inventory; Calculations by ECONorthwest.

Note: Dwelling units capacity assumed in commercial zones that allow residential uses are accounted for in the medium and higher density zoning district groupings, as described in this Section and Section VIII.

Zoning District Grouping	Capacity (Buildable Acres)	Capacity (Dwelling Units)
Lower Density	976	5,544
Medium Density	283	3,966
Higher Density	89	3,099
Total	1,348	12,609

B. Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Gresham is to compare the demand for housing by zoning district groupings from Exhibit 75 with the capacity of land by zoning district grouping in Exhibit 78 is (shown in detail in Exhibit 95 – Section VIII).

Exhibit 79 shows that Gresham has sufficient land to accommodate housing development in all zoning district groupings:

- **Lower density.** Gresham has a surplus of capacity for 3,519 dwelling units in lower density residential zones.
- **Medium density.** Gresham has a surplus of capacity for 1,941 dwelling units in medium density residential zones.
- **Higher density.** Gresham has a surplus of capacity for 920 dwelling units in high density residential zones.

Exhibit 79. Comparison of Capacity of Existing Residential and Selected Commercial Land with Demand for New Dwelling Units and Land Surplus or Deficit, Gresham City Limits, 2021 to 2041
Source: Buildable Lands Inventory; Calculations by ECONorthwest.

Zoning District Grouping	Capacity (Buildable Acres)	Capacity (Dwelling Units)	Demand for New Housing	Remaining Capacity (Supply minus Demand)
Lower Density	976	5,544	2,025	3,519
Medium Density	283	3,966	2,025	1,941
Higher Density	89	3,099	2,179	920
Total	1,348	12,609	6,229	6,380

C. Findings and Recommendations

The key findings and recommendations of the Gresham's Housing Capacity Analysis are that:

- **Finding: Gresham has a surplus of land and capacity for all housing types.** Gresham has a surplus of capacity for 6,380 dwelling units across the lower, medium, and higher density zoning district groupings. Gresham has the highest remaining capacity (after accounting for demand for new housing) in the lower density zones at about 3,519 dwelling units. Gresham also has a surplus of 1,941 remaining dwelling units in the medium density zones and a surplus of 920 remaining dwelling units in the higher density zones.

  Gresham may have more capacity in higher density residential zones, as the HCA assumes only 7% of buildable land in commercial zones (that allow residential uses) will develop as residential. For example, if 10% of buildable land in commercial zones in the higher density zones developed with housing, Gresham would have a surplus of 1,035 dwelling units in higher density. If 15% of buildable land in commercial zones in the higher density grouping developed with housing, Gresham would have a surplus of 1,221 dwelling units in higher density.

  - **Recommendation:** Monitor land available in all zones but especially in the medium and higher density zoning district groupings, and identify areas for more residential development in commercial zones, where appropriate and consistent with City policies.

- **Finding: Gresham is meeting Metro's requirements for net density and housing mix.** OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Gresham's average density target is ten dwelling units per net buildable acre. Based on the findings in Section IV, Gresham is exceeding this average density target at an average net density of 11.0 dwelling units per net acre.

  OAR 660-007 also requires that cities within the Metro UGB "provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Exhibit 74 in Section V shows that for the 2021-2041 planning period Gresham is assuming that 9% of new dwelling units will be single-family attached, 14% of new units will be duplexes, triplexes, or quadplexes, and 32% of new units will be multifamily, for a total of 55% of new units.

  - **Recommendation:** Gresham should continue to monitor future development to evaluate resulting densities and housing mix in comparison to the planned units described in this section.

- **Finding: A portion of Gresham's residential capacity is located in Pleasant Valley and Springwater.** Of Gresham's total capacity for dwelling units (12,609 dwelling units), about one-third is located in Pleasant Valley residential zones (3,970 units) and about 7% is located in Springwater (823 units). These areas are located at the southern boundary of Gresham's city limits and the City is in the process of planning infrastructure to serve this areas to accommodate this estimated capacity over the 20-year planning period. For example, the City

installed a new water and sewer line in Pleasant Valley that can accommodate demand from about 600 dwelling units in this area. Further infrastructure development is necessary in Pleasant Valley, and to a greater extent in Springwater, to accommodate the potential demand for housing in these areas.

  - **Recommendation:** Gresham should continue to coordinate phased planning of infrastructure to serve planning areas over the 20-year period. Pleasant Valley and Springwater will support future need for housing in Gresham, and the City should plan for the necessary infrastructure to serve these areas.

- **Finding: In addition to the availability of buildable land, Gresham has opportunities for redevelopment.** While Gresham has a surplus of residential land in all zoning district groupings, the City also has key opportunity sites for redevelopment including the Rockwood Triangle, Downtown (specifically, sites at the Gresham Town Fair, Hogan/Burnside, and Beech Street), and in the Civic Neighborhood District (specifically, the K-Mart site and Metro-owned properties near the MAX station).82F Volumes 1 and 2 of Gresham's Comprehensive Plan define these areas as key redevelopment sites, as well as policies for general opportunities (not site-specific) for redevelopment for residential uses.

  - **Recommendation:** In development of the Housing Production Strategy, Gresham should identify actions that further identify opportunities for redevelopment and any barriers or challenges to redevelopment of these sites.

- **Finding: Gresham will have a need for housing affordable to all income levels, particularly for extremely low-income to middle-income households.** About 43% of Gresham's future households are expected to have incomes below 50% of Multnomah County's median family income (less than $46,050 in 2020 dollars). Homes sales are very rarely affordable to households with extremely-low and very-low incomes. Development of housing affordable to these households rarely occurs without government subsidy or other assistance. Additionally, about 40% of Gresham's future households are expected to have incomes between 50% and 120% of the county's MFI (between $46,050 and $110,520). Households in this income category can likely afford the average rent in Gresham, but middle-income households at less than 120% of MFI cannot afford to purchase owner-occupied housing at Gresham's median home sales price in 2020 of $401,000.

  - **Recommendation:** The need for affordable housing is a regional issue in the Portland Metro region. Some cities, like Gresham, have a larger share of housing that is comparatively affordable, such as housing affordable below 80% of MFI. Other cities have very little housing that is comparatively affordable. The regional discussion of need for better distribution of affordable housing across the region is on-going and being partially addressed through programs including the Metro Affordable Housing Bond. At the state level, HB 2003 suggests that the State and the Portland region need a better approach to equitable distributions of affordable housing, recognizing that all communities in a region should support affordable housing needs. While Gresham will need to provide

opportunities for affordable housing development for both rental and ownership over the 20-year period, the City should also look for opportunities for regional coordination of affordable housing development for both rental and ownership, over the 20-year period.

The City should look for opportunities for greater regional coordination to achieve an equitable distribution of affordable housing. For example, Gresham could engage with regional partners about issues related to the equitable distribution of affordable housing. Additionally, the development of the Housing Production Strategy (HPS) should help to address these needs.

- **Finding: Gresham last updated its Housing Element of the Comprehensive Plan in 2013.** This 2021 HCA report presents updated information as a response to the Oregon State Legislature's passage of House Bill 2003 (HB 2003) in 2019. Additionally, changes in Gresham's demographics have presented a need for a greater variety of housing types. The city has changed considerably since the completion of its last HCA (previously referred to as the Housing Needs Analysis) in 2013. Gresham grew from 105,594 people in 2010 to 113,409 people in 2020. This is an addition of 7,815 people or 7% growth. Growth in Gresham slowed but did not stop during the 2007 to 2009 recession and its aftermath of very slow growth. By 2015, Gresham's population was growing faster. During the 2015 to 2020 period, median housing prices in Gresham increased from about $259,000 in 2015 to $401,000 in 2020, a 55% increase, consistent with sales price growth in Multnomah County and other cities such as Hillsboro, Troutdale, and Milwaukie. Rates of cost burden increased from 34% in 2000 to 44% in the 2014-2018 ACS 5-year estimate period.
    - **Recommendation:** Gresham should adopt this HCA report as an appendix to the Comprehensive Plan. HB 2003 requires that Gresham update its HCA every six years to analyze what housing is needed for current and future residents for a 20-year period.
- **Finding: Gresham may consider completing a Housing Production Strategy (HPS) according to the guidance in HB 2003 (as described in OAR 660-008-0050 through 660-008-0070).** An HPS includes consideration of additional information about the housing needs of underserved communities and engagement with underserved communities about potential approaches to meeting their needs. The HPS will result in policy recommendations and actions for Gresham to take over a six-year period to address unmet housing needs, with a focus on housing equity.
    - **Recommendation:** Gresham should complete its HPS to address issues related to housing need presented in the HCA.

VII. RESIDENTIAL BUILDABLE LAND INVENTORY

The general structure of the buildable land (supply) analysis is based on the DLCD HB 2709 workbook *"Planning for Residential Growth – A Workbook for Oregon's Urban Areas,"* which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with Goal 10/OAR 660-008. This section describes the methodology that ECONorthwest

used for this section, based on the Metro 2018 Urban Growth Report BLI and updated with 2020 data. The results of the BLI are discussed in Section II.

A. Overview of the Methodology

Following are the statutes and administrative rules that provide guidance on residential BLIs:

> ***OAR 660-008-0005(2):***
>
> *"Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:*
>
> *(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
>
> *(b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
>
> *(c) Has slopes of 24 percent or greater;*
>
> *(d) Is within the 100-year flood plain; or*
>
> *(e) Cannot be provided with public facilities*

B. Inventory Steps

The BLI consists of several steps:

1. Generating "land base"
2. Classifying land by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

Step 1: Generate "land base"

Per Goal 10 this involves selecting all of the tax lots in Gresham city limits, Pleasant Valley, and Springwater that allow residential uses. Gresham has 35 zones where housing is allowed outright with clear and objective standards, both in residential zones and commercial zones. Zones included in the residential inventory include:

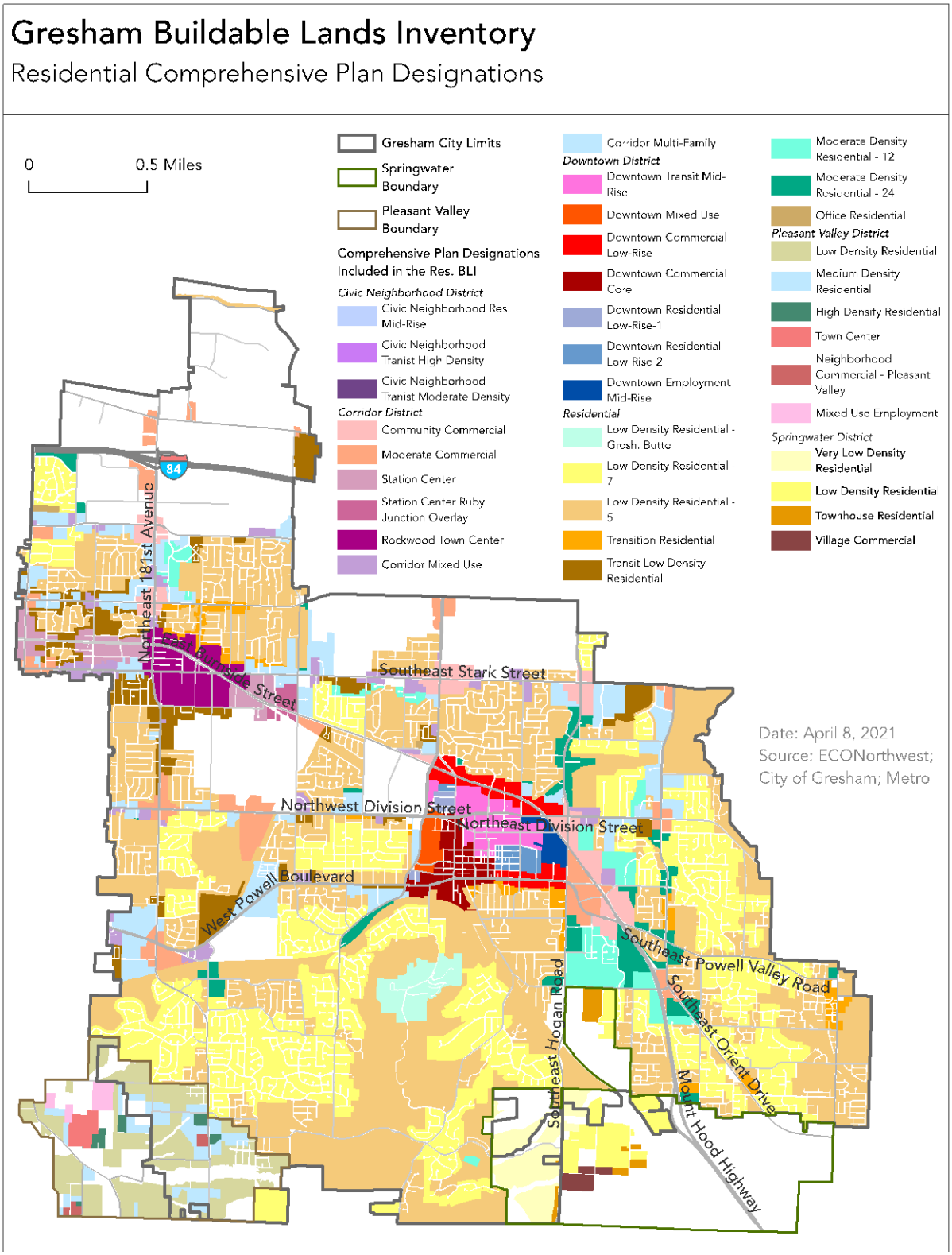
- Lower density zones (allowing for development less than 9 dwelling units per acre)
    - Low Density Residential - Gresham Butte
    - Very Low Density Residential - Springwater

  - Low Density Residential - 7
  - Low Density Residential - Springwater
  - Low Density Residential - 5
  - Low Density Residential - Pleasant Valley
- Medium density zones (allowing for development of 9 to 24 dwelling units per acre)
  - Moderate Density Residential - 12
  - Office Residential
  - Downtown Residential Low-Rise-1
  - Transit Low Density Residential
  - Moderate Commercial
  - Townhouse Residential - Springwater
  - Moderate Density Residential - Pleasant Valley
  - Moderate Density Residential - 24
  - Transition Residential
  - Corridor Multi-Family
  - Corridor Mixed Use
- Higher density zones (allowing for development more than 24 dwelling units per acre)
  - High Density Residential - Pleasant Valley
  - Rockwood Town Center
  - Town Center - Pleasant Valley
  - Community Commercial
  - Civic Neighborhood Residential Mid Rise
  - Civic Neighborhood Transit High Density
  - Downtown Mixed Use
  - Downtown Residential Low-Rise-2
  - Downtown Transit Mid-Rise
  - Mixed Use Employment - Pleasant Valley
  - Station Center
  - Station Center Ruby Junction Overlay

- Downtown Commercial Core
- Downtown Commercial Low-Rise
- Downtown Employment Mid-Rise
- Neighborhood Commercial - Pleasant Valley
- Village Commercial - Springwater
- Civic Neighborhood Transit High Density

Exhibit 80 shows the residential and commercial zones included in the BLI.

Exhibit 80. Residential Land Base by Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2020



Step 2: Classify lands

In this step, ECONorthwest classified each tax lot with a zone that allows residential uses into one of five mutually exclusive categories based on development status:

- Developed land
- Vacant land
- Partially vacant land
- Potential infill land
- Public land

ECONorthwest initially identified buildable land and classified development status using a rule-based methodology consistent with the DLCD Residential Lands Workbook and applicable administrative rules. The rules are described below in Exhibit 81.

Exhibit 81. Rules for Development Status Classification

Development Status	Definition	Statutory Authority
Vacant Land	Tax lots designated as vacant by Metro based on the following criteria: (1) fully vacant based on Metro aerial photo; (2) tax lots with less than 2,000 square feet developed and developed area is less than 10% of lot; (3) lots 95% or more vacant from GIS vacant land inventory.	OAR 660-008-0006(2) (2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and development land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses.
Partially Vacant Land	Tax lots in higher density residential or commercial zones that are greater than 0.4 acres and have potential for further development of the lot. These lots are considered to still have residential capacity. For this analysis, we estimated the existing building area and calculated the remaining land is available for development, less constraints.	No statutory definition
Potential Infill Land	Single-family tax lots that are 2.5 times larger than the minimum lot size and a building value less than $300,000, or lots that are 5 times larger than the minimum lot size (no threshold for building value). These lots are considered to still have residential capacity. For this analysis, we classified these lots as partially vacant, and we assumed that 0.25 acres of the lot was developed and the remaining land is available for development, less constraints.	No statutory definition, consistent with Metro BLI methodology.
Public Land	Lands in public ownership are considered unavailable for residential development.	OAR 660-008-0005(2) – Publicly owned land is generally not considered available

	This includes lands in federal, state, county, city, or public school ownership. These lands are identified using Metro's definitions and categories.	for residential uses.
Developed Land	Lands not classified as vacant, partially vacant, or public/exempt are considered developed.	No statutory definition

Step 3: Identify Constraints

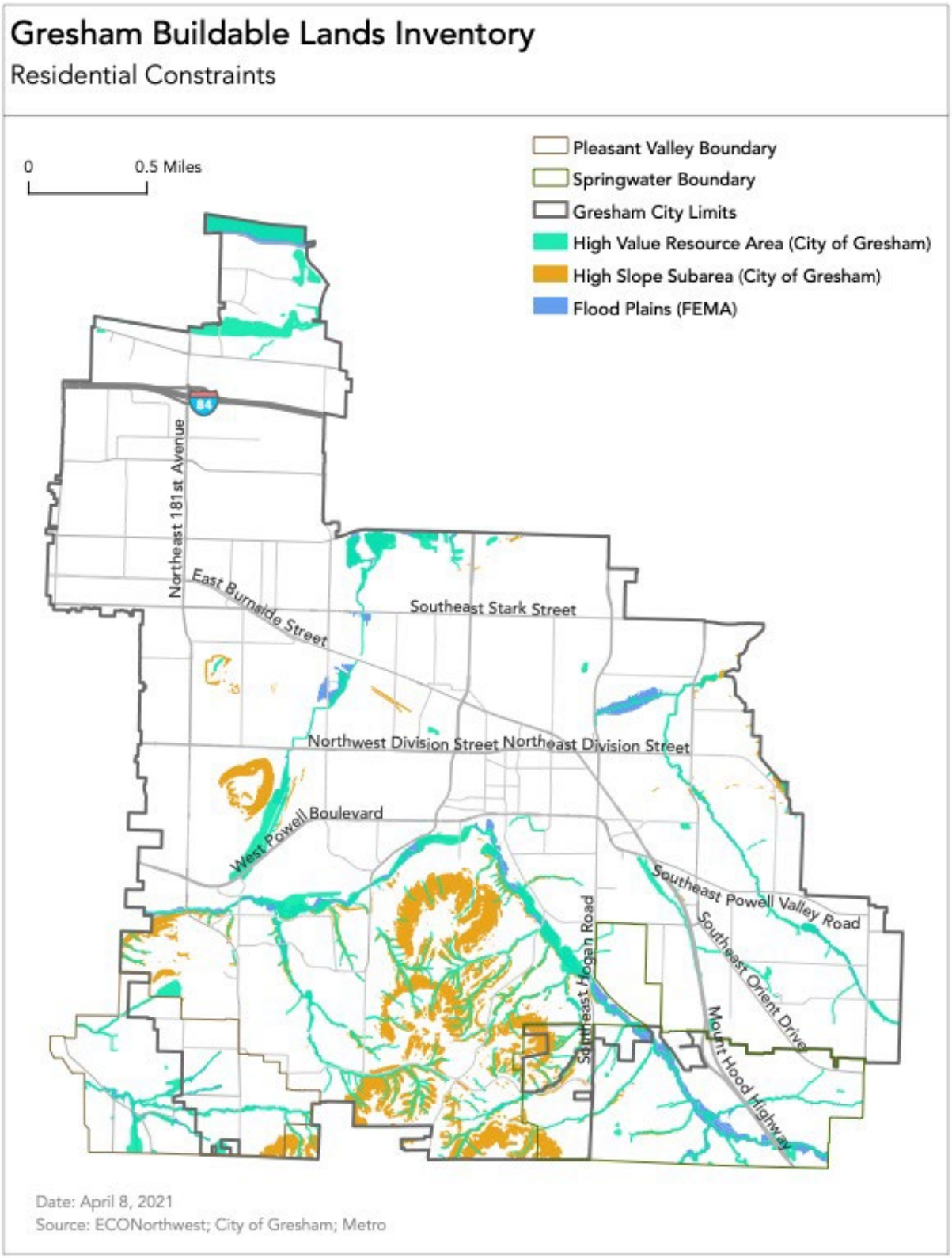
Consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECO deducted certain lands with development constraints from the BLI. We used the following constraints, as listed in Exhibit 82.

Exhibit 82. Prohibitive and Partial Constraints Included in BLI

Constraint	Statutory Authority	Threshold
Prohibitive Constraints (100% Constrained Areas)		
High Value Resource Area (HVRA)	OAR 660-008-0005(2); Gresham Development Code Section 5.0700	Lands within City of Gresham's HVRA. Includes protected areas in streams, stream corridors, wetlands and wetland buffers, designated uplands, etc.
Floodways	OAR 660-008-0005(2)	Lands within FEMA FIRM identified floodway
100 Year Floodplain	OAR 660-008-0005(2)	Lands within FEMA 100-year floodplain
High Slope Subarea (HSS)	OAR 660-008-0005(2); Gresham Development Code Section 5.0200	Lands within City of Gresham's HHS. Includes land with slopes over 35%.
Partially Constrained Areas		
Hillside and Geologic Risk Overlay (HGRO, 45% constrained)	OAR 660-008-0005(2); Gresham Development Code Section 5.0200	Lands with City of Gresham's HGRO.
Resource Area (RA, 90% constrained)	OAR 660-008-0005(2); Gresham Development Code Section 5.0700	Lands within City of Gresham's RA.

We treated these areas as prohibitive constraints (unbuildable) as shown in Exhibit 83. All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands that are identified as vacant or partially vacant. Lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. This is because tax lots that are currently unserviced could potentially become serviced over the 20-year planning period.

Exhibit 83. Residential Development Constraints, Gresham City Limits, Pleasant Valley, and Springwater, 2021



Step 4: Verification

ECO used a multi-step verification process. The first verification step involved a "rapid visual assessment" of land classifications using GIS and recent aerial photos. The rapid visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECO reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output using an online web map and local context about recent developments on residential parcels. ECO amended the BLI based on City staff review and a discussion of the City's comments.

Step 5: Tabulation and mapping

The results are presented in tabular and map format. Section II includes summarized versions of the tabulated results, a development status map, and an unconstrained buildable residential land map. Exhibit 84 to Exhibit 91 include tables showing land by zone.

Exhibit 84. Land Base by Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2021
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.

Zone	Number of Taxlots	Percent	Total Taxlot Acreage	Percent
Lower Density	**21,021**	**80%**	**7642.7**	**70%**
Low Density Residential – Gresham Butte	100	0%	110.3	1%
Very Low Density Residential – Springwater	24	0%	189.1	2%
Low Density Residential – 7	8,540	33%	2,383.4	22%
Low Density Residential – Springwater	32	0%	156.2	1%
Low Density Residential – 5	11,972	46%	4,328.9	39%
Low Density Residential – Pleasant Valley	353	1%	474.8	4%
Medium Density	**3,221**	**12%**	**2,150.9**	**20%**
Moderate Density Residential – 12	243	1%	208.9	2%
Office Residential	26	0%	11.6	0%
Downtown Residential Low-Rise-1	79	0%	15.2	0%
Transit Low Density Residential	950	4%	364.3	3%
Moderate Commercial	243	1%	283.8	3%
Townhouse Residential – Springwater	10	0%	43.2	0%
Medium Density Residential – Pleasant Valley	57	0%	129.6	1%
Moderate Density Residential – 24	169	1%	233.3	2%
Transition Residential	504	2%	116.2	1%
Corridor Multi-Family	645	2%	583.7	5%
Corridor Mixed Use	295	1%	161.1	1%
Higher Density	**1,878**	**7%**	**1,168.0**	**11%**
High Density Residential – Pleasant Valley	9	0%	23.0	0%
Rockwood Town Center	245	1%	157.2	1%
Town Center – Pleasant Valley	3	0%	31.3	0%
Community Commercial	168	1%	202.8	2%
Civic Neighborhood Residential Mid Rise	11	0%	16.4	0%
Civic Neighborhood Transit Moderate Density	107	0%	44.2	0%
Downtown Mixed Use	41	0%	37.2	0%
Downtown Residential Low-Rise-2	199	1%	34.3	0%
Downtown Transit Mid-Rise	216	1%	115.4	1%
Mixed Use Employment – Pleasant Valley	8	0%	30.8	0%
Station Center	316	1%	124.5	1%
Station Center Ruby Junction Overlay	31	0%	23.2	0%
Downtown Commercial Core	306	1%	99.4	1%
Downtown Commercial Low-Rise	149	1%	104.3	1%
Downtown Employment Mid-Rise	34	0%	32.5	0%
Neighborhood Commercial – Pleasant Valley	5	0%	11.4	0%
Village Commercial – Springwater	2	0%	23.6	0%
Civic Neighborhood Transit High Density	28	0%	56.5	1&
Total	26,120	100%	10,961.6	100%

Exhibit 85. Development Status by Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2021

Source: City of Gresham, Metro RLIS, ECONorthwest analysis.

Zone	Total acres	Committed Acres	Constrained Acres	Buildable Acres
Lower Density	**7,642.7**	**5,314.8**	**1,223.1**	**1,104.9**
Low Density Residential – Gresham Butte	110.3	40.9	52.9	16.6
Very Low Density Residential – Springwater	189.1	115.6	21.6	51.9
Low Density Residential – 7	2,383.4	1,952.4	264.3	166.6
Low Density Residential – Springwater	156.2	26.5	5.6	124.1
Low Density Residential – 5	4,328.9	3,053.6	862.1	413.4
Low Density Residential – Pleasant Valley	474.8	125.8	16.6	332.3
Medium Density	**2,150.9**	**1,716.6**	**90.2**	**344.2**
Moderate Density Residential – 12	208.9	199.1	7.4	2.4
Office Residential	11.6	10.0	-	1.6
Downtown Residential Low-Rise-1	15.2	12.7	-	2.4
Transit Low Density Residential	364.3	279.9	28.8	55.7
Moderate Commercial	283.8	213.4	14.6	55.8
Townhouse Residential – Springwater	43.2	26.7	0.5	15.9
Medium Density Residential – Pleasant Valley	129.6	11.8	1.8	116.0
Moderate Density Residential – 24	233.3	202.1	18.3	12.8
Transition Residential	116.2	80.3	2.4	33.6
Corridor Multi-Family	583.7	545.7	16.4	21.8
Corridor Mixed Use	161.1	134.9	-	26.2
Higher Density	**1,168.0**	**951.7**	**18.6**	**197.8**
High Density Residential – Pleasant Valley	23.0	3.4	-	19.5
Rockwood Town Center	157.2	142.8	-	14.4
Town Center – Pleasant Valley	31.3	0.3	0.2	30.8
Community Commercial	202.8	188.7	3.4	10.6
Civic Neighborhood Residential Mid Rise	16.4	7.8	0.5	8.2
Civic Neighborhood Transit Moderate Density	44.2	28.3	-	15.9
Downtown Mixed Use	37.2	36.9	-	0.3
Downtown Residential Low-Rise-2	34.3	30.3	-	4.0
Downtown Transit Mid-Rise	115.4	109.4	-	6.0
Mixed Use Employment – Pleasant Valley	30.8	1.2	-	29.7
Station Center	124.5	111.3	-	13.2
Station Center Ruby Junction Overlay	23.2	23.2	-	-
Downtown Commercial Core	99.4	87.4	8.6	3.4
Downtown Commercial Low-Rise	104.3	101.4	0.3	2.6
Downtown Employment Mid-Rise	32.5	29.9	-	2.7
Neighborhood Commercial – Pleasant Valley	11.4	0.1	0.1	11.2
Village Commercial – Springwater	23.6	0.3	2.6	20.7
Civic Neighborhood Transit High Density	56.5	49.0	2.9	4.6
Total	10,961.6	7,983.1	1,331.9	1,646.9

Exhibit 86. Residential Land by Development Status, Gresham City Limits, Pleasant Valley, and Springwater, 2021

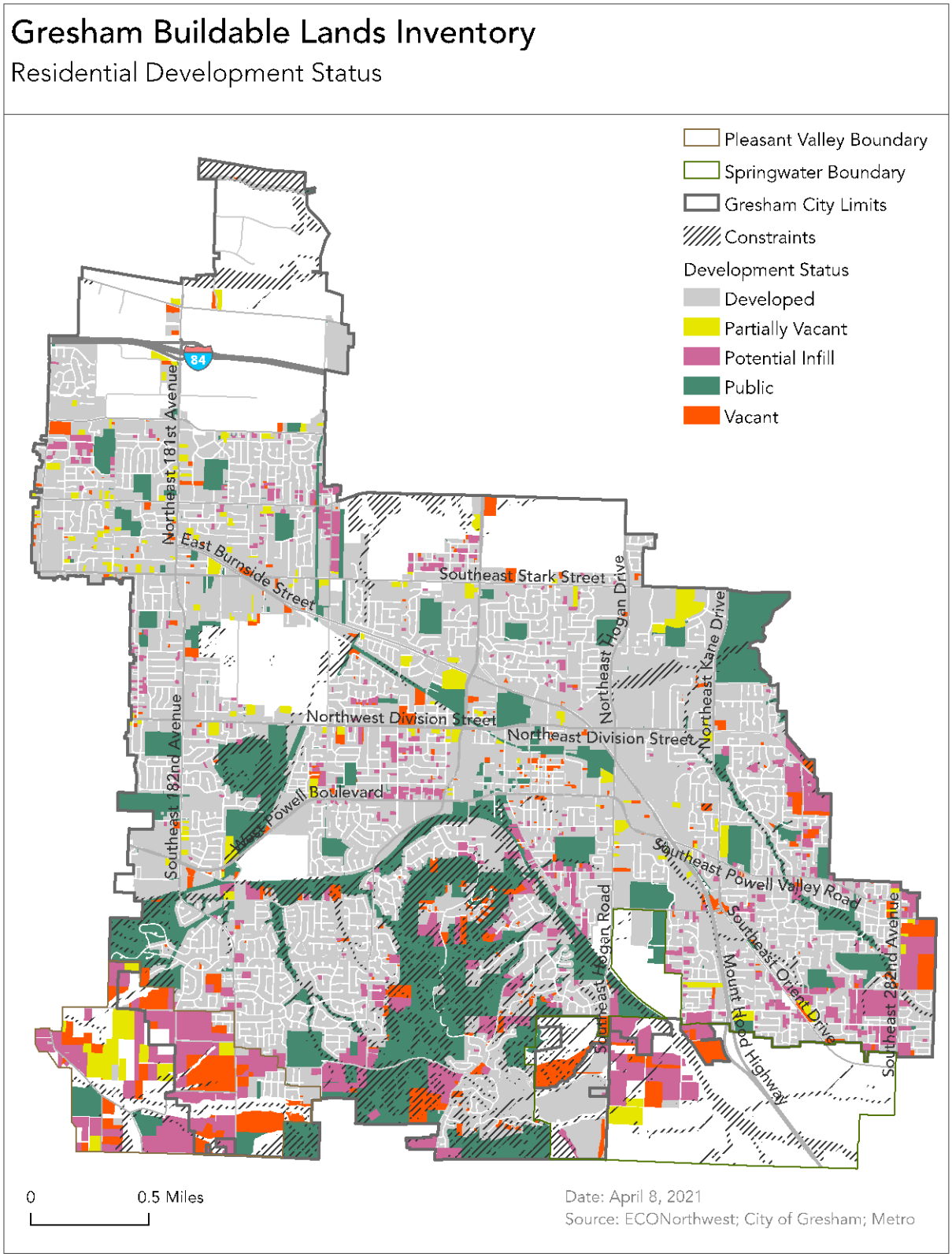


Exhibit 87. Buildable Acres in Vacant, Potential Infill and Partially Vacant Taxlots by Zone, Gresham City Limits, Pleasant Valley and Springwater, 2021
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.

Zone	Buildable Acres on Vacant Lots	Buildable Acres on Potential Infill Lots	Buildable Acres on Partially Vacant Lots	Total Buildable Acres
Lower Density	**313.6**	**774.5**	**16.9**	**1,105.0**
Low Density Residential – Gresham Butte	7.0	9.6	-	16.6
Very Low Density Residential – Springwater	24.6	27.3	-	51.9
Low Density Residential – 7	44.0	121.2	1.5	166.7
Low Density Residential – Springwater	39.7	84.4	-	124.1
Low Density Residential – 5	86.0	322.1	5.3	413.4
Low Density Residential – Pleasant Valley	112.3	209.9	10.1	332.3
Medium Density	**124.3**	**84.1**	**135.0**	**343.4**
Moderate Density Residential – 12	2.0	0.4	-	2.4
Office Residential	-	-	1.6	1.6
Downtown Residential Low-Rise-1	0.5	-	2.0	2.5
Transit Low Density Residential	7.8	-	47.8	55.6
Moderate Commercial	35.4	-	20.4	55.8
Townhouse Residential – Springwater	9.1	6.8	-	15.9
Medium Density Residential – Pleasant Valley	39.2	76.9	-	116.1
Moderate Density Residential – 24	3.9	-	9.0	12.9
Transition Residential	10.7	-	22.0	33.6
Corridor Multi-Family	6.7	-	14.1	20.8
Corridor Mixed Use	9.0	-	17.2	26.2
Higher Density	**63.1**	**-**	**129.8**	**192.9**
High Density Residential – Pleasant Valley	3.2	-	16.3	19.5
Rockwood Town Center	5.4	-	4.2	9.6
Town Center – Pleasant Valley	3.2	-	27.6	30.8
Community Commercial	5.8	-	4.8	10.6
Civic Neighborhood Residential Mid Rise	5.1	-	3.1	8.2
Civic Neighborhood Transit Moderate Density	2.8	-	13.1	15.9
Downtown Mixed Use	0.3	-	-	0.3
Downtown Residential Low-Rise-2	4.0	-	-	4.0
Downtown Transit Mid-Rise	5.0	-	1.1	6.1
Mixed Use Employment – Pleasant Valley	6.9	-	22.7	29.6
Station Center	5.6	-	7.6	13.2
Downtown Commercial Core	2.8	-	0.6	3.4
Downtown Commercial Low-Rise	1.0	-	1.6	2.6
Downtown Employment Mid-Rise	0.8	-	1.8	2.6
Neighborhood Commercial – Pleasant Valley	6.8	-	4.4	11.2
Village Commercial – Springwater	-	-	20.7	20.7
Civic Neighborhood Transit High Density	4.4	-	0.2	4.6
Total	501.0	858.6	281.7	1641.3

Exhibit 88. Unconstrained Vacant, Potential Infill, and Partially Vacant Residential Land, Gresham City Limits, Pleasant Valley, and Springwater, 2021

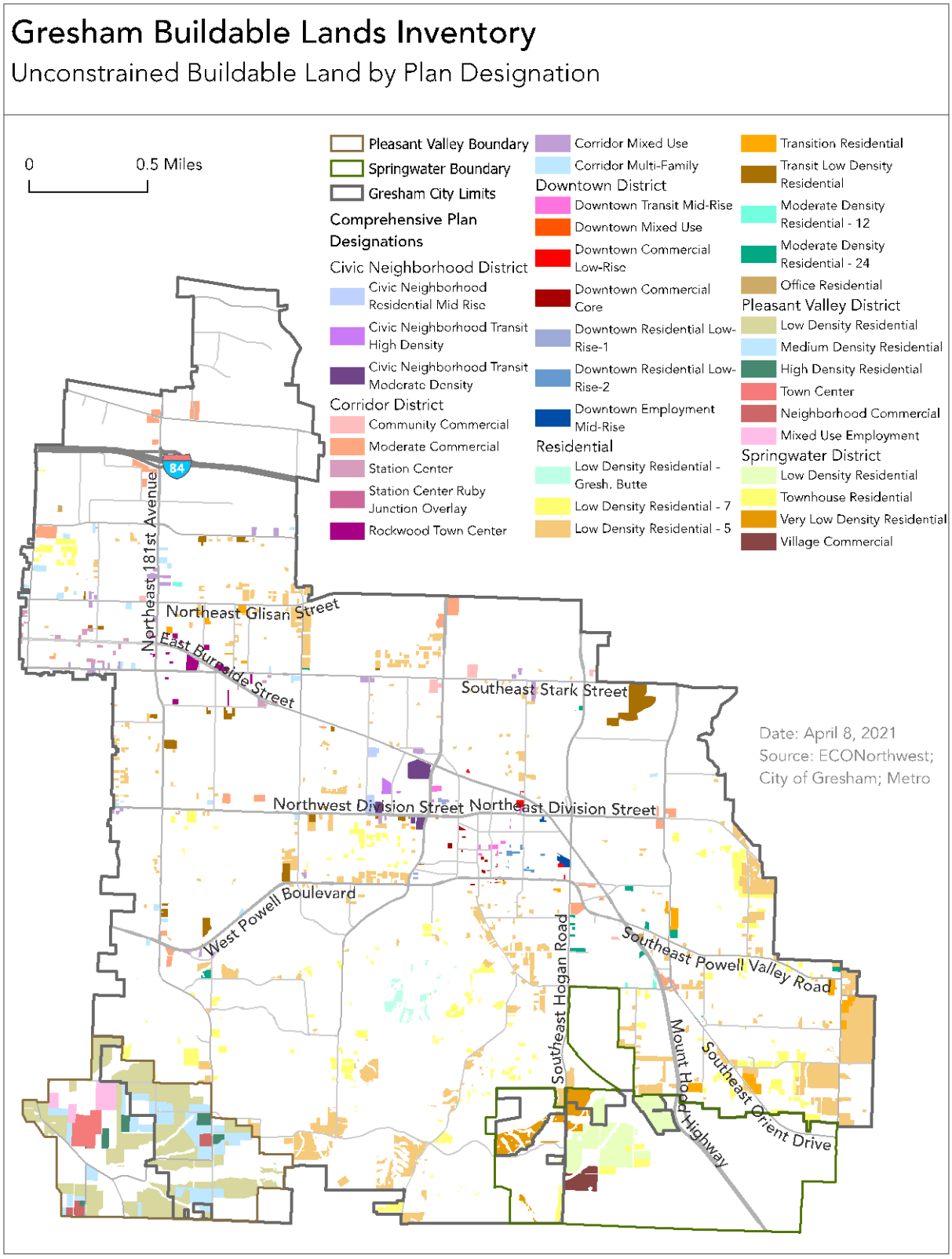


Exhibit 89. Buildable Acres by Site Size and Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2021
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding

Zone	Buildable Acres by Site Size			Total Buildable Acres
	Taxlots Smaller than 0.38 Acre	Taxlots > 0.38 and < 1.0 Acre	Taxlots Larger than 1.0 Acre	
Lower Density	**128.5**	**124.5**	**852.1**	**1,105.1**
Low Density Residential – Gresham Butte	1.6	2.1	12.8	16.5
Very Low Density Residential – Springwater	0.3	0.6	51	51.9
Low Density Residential – 7	39.8	36.8	90.1	166.7
Low Density Residential – Springwater	0.9	1.3	122	124.2
Low Density Residential – 5	82.8	73.3	257.3	413.4
Low Density Residential – Pleasant Valley	3.1	10.4	318.9	332.4
Medium Density	**13.9**	**82.1**	**247.7**	**343.7**
Moderate Density Residential – 12	0.7	0.4	1.3	2.4
Office Residential	0.4	1.3	0	1.7
Downtown Residential Low-Rise-1	1.5	0.9	0	2.4
Transit Low Density Residential	1.5	9.2	45	55.7
Moderate Commercial	1.9	13.4	40.5	55.8
Townhouse Residential – Springwater	0.2	0.8	15	16.0
Medium Density Residential – Pleasant Valley	0.6	2.8	112.7	116.1
Moderate Density Residential – 24	0.4	8.2	4.3	12.9
Transition Residential	2.1	14.4	17.2	33.7
Corridor Multi-Family	1.2	15.3	4.3	20.8
Corridor Mixed Use	3.4	15.4	7.4	26.2
Higher Density	**15**	**25.7**	**152.3**	**193.0**
High Density Residential – Pleasant Valley	0.1	1.8	17.6	19.5
Rockwood Town Center	2.1	4.8	2.6	9.5
Town Center – Pleasant Valley	0	0	30.8	30.8
Community Commercial	0.2	2.2	8.3	10.7
Civic Neighborhood Residential Mid Rise	0	0	8.2	8.2
Civic Neighborhood Transit Moderate Density	0	1.2	14.7	15.9
Downtown Mixed Use	0.3	0	0	0.3
Downtown Residential Low-Rise-2	1.6	1.3	1.1	4.0
Downtown Transit Mid-Rise	3	3	0	6.0
Mixed Use Employment – Pleasant Valley	0	0.8	28.9	29.7
Station Center	3.4	7.1	2.7	13.2
Downtown Commercial Core	2	1.5	0	3.5
Downtown Commercial Low-Rise	1.3	1.3	0	2.6
Downtown Employment Mid-Rise	0.8	0	1.8	2.6
Neighborhood Commercial – Pleasant Valley	0	0.7	10.5	11.2
Village Commercial – Springwater	0	0	20.7	20.7
Civic Neighborhood Transit High Density	0.2	0	4.4	4.6
Total	157.4	232.3	1252.1	1,641.8

Exhibit 90. Buildable Acres with Partial Constraints Applied by Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2021

Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding.

Zone	Total Buildable Acres *(Before Partial Constraints Deduction)*	HGRO Acres Partially Constrained (45%)	RA Acres Partially Constrained (90%)	Total Buildable Acres *(After Partial Constraints Deduction)*
Lower Density	**1,105.3**	**101.2**	**27.2**	**976.9**
Low Density Residential – Gresham Butte	17.0	7.8	-	9.2
Very Low Density Residential – Springwater	51.9	11.5	2.6	37.8
Low Density Residential – 7	166.6	25.8	1.8	139.0
Low Density Residential – Springwater	124.1	4.4	7.4	112.3
Low Density Residential – 5	413.4	46.2	4.7	362.5
Low Density Residential – Pleasant Valley	332.3	5.5	10.7	316.1
Medium Density	**343.2**	**4.6**	**2.8**	**335.8**
Moderate Density Residential – 12	2.4	-	0.6	1.8
Office Residential	1.6	-	-	1.6
Downtown Residential Low-Rise-1	2.4	-	-	2.4
Transit Low Density Residential	55.7	-	0.2	55.5
Moderate Commercial	55.8	0.2	0.1	55.5
Townhouse Residential – Springwater	15.9	0.1	0.7	15.1
Medium Density Residential – PV	116.0	3.5	0.5	112.0
Moderate Density Residential – 24	12.8	0.2	0.4	12.2
Transition Residential	33.6	0.4	0.1	33.1
Corridor Multi-Family	20.8	0.1	0.2	20.5
Corridor Mixed Use	26.2	0.1	-	26.1
Higher Density	**192.9**	**1.2**	**3.1**	**188.6**
High Density Residential – Pleasant Valley	19.5	-	0.2	19.3
Rockwood Town Center	9.5	-	-	9.5
Town Center – Pleasant Valley	30.8	-	0.1	30.7
Community Commercial	10.6	-	0.1	10.5
Civic Neighborhood Residential Mid Rise	8.2	-	-	8.2
Civic Neighborhood Transit Moderate Density	15.9	-	-	15.9
Downtown Mixed Use	0.3	-	-	0.3
Downtown Residential Low-Rise-2	4.0	-	-	4.0
Downtown Transit Mid-Rise	6.0	-	-	6.0
Mixed Use Employment – Pleasant Valley	29.7	-	1.1	28.6
Station Center	13.2	-	-	13.2
Downtown Commercial Core	3.4	-	0.1	3.3
Downtown Commercial Low-Rise	2.6	-	-	2.6
Downtown Employment Mid-Rise	2.7	-	-	2.7
Neighborhood Commercial – Pleasant Valley	11.2	-	0.1	11.1
Village Commercial – Springwater	20.7	1.2	1.4	18.1
Civic Neighborhood Transit High Density	4.6	-	-	4.6
Total	1,641.4	107.0	33.1	1,501.3

Exhibit 91. Buildable Acres (After Partial Constraints Deduction) by Site Size and Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2021
Source: City of Gresham, Metro RLIS, ECONorthwest analysis.
Note: Numbers may not sum due to rounding.

Zone	Buildable Acres by Site Size			Total Buildable Acres *(After Partial Constraints Deduction)*
	Taxlots Smaller than 0.38 Acre	Taxlots > 0.38 and < 1.0 Acre	Taxlots Larger than 1.0 Acre	
Lower Density	**116.3**	**109.4**	**750.7**	**976.4**
Low Density Residential – Gresham Butte	0.9	1.2	6.7	8.8
Very Low Density Residential – Springwater	0.3	0.6	36.9	37.8
Low Density Residential – 7	34.7	31.4	72.9	139.0
Low Density Residential – Springwater	0.8	1.1	110.4	112.3
Low Density Residential – 5	77.1	64.9	220.4	362.4
Low Density Residential – Pleasant Valley	2.5	10.2	303.4	316.1
Medium Density	**13.9**	**81.4**	**241.4**	**336.2**
Moderate Density Residential – 12	0.4	0.1	1.3	1.8
Office Residential	0.4	1.3	-	1.7
Downtown Residential Low-Rise-1	1.5	0.9	-	2.4
Transit Low Density Residential	1.5	9.2	44.8	55.5
Moderate Commercial	1.9	13.4	40.3	55.6
Townhouse Residential – Springwater	0.2	0.8	14.2	15.2
Medium Density Residential – Pleasant Valley	0.6	2.8	108.6	112.0
Moderate Density Residential – 24	0.3	8.1	3.8	12.2
Transition Residential	2.0	14.4	16.7	33.1
Corridor Multi-Family	1.2	15.1	4.3	20.6
Corridor Mixed Use	3.4	15.3	7.4	26.1
Higher Density	**14.9**	**25.4**	**148.5**	**188.8**
High Density Residential – Pleasant Valley	0.1	1.8	17.4	19.3
Rockwood Town Center	2.1	4.8	2.6	9.5
Town Center – Pleasant Valley	-	-	30.7	30.7
Community Commercial	0.2	2.1	8.3	10.6
Civic Neighborhood Residential Mid Rise	-	-	8.2	8.2
Civic Neighborhood Transit Moderate Density	-	1.2	14.7	15.9
Downtown Mixed Use	0.3	-	-	0.3
Downtown Residential Low-Rise-2	1.6	1.3	1.1	4.0
Downtown Transit Mid-Rise	3.0	3.0	-	6.0
Mixed Use Employment – Pleasant Valley	-	0.6	28.0	28.6
Station Center	3.4	7.1	2.7	13.2
Downtown Commercial Core	1.9	1.5	-	3.4
Downtown Commercial Low-Rise	1.3	1.3	-	2.6
Downtown Employment Mid-Rise	0.8	-	1.8	2.6
Neighborhood Commercial – Pleasant Valley	-	0.7	10.5	11.2
Village Commercial – Springwater	-	-	18.1	18.1
Civic Neighborhood Transit High Density	0.2	-	4.4	4.6
Total	144.6	216.2	1,140.6	1,501.4

Exhibit 92. Buildable Acres (After Partial Constraints Deduction) by Neighborhood, Site Size, and Zoning District Grouping, Gresham City Limits, Pleasant Valley, and Springwater, 2021
Source: City of Gresham, Metro RLIS, ECONorthwest analysis. Note: Numbers may not sum due to rounding.

Zoning District Grouping by Neighborhood	Buildable Acres by Site Size			Total Buildable Acres *(After Partial Constraints Deduction)*
	Taxlots Smaller than 0.38 Acre	Taxlots > 0.38 and < 1.0 Acre	Taxlots Larger than 1.0 Acre	
Centennial	**7.2**	**11.6**	**18.7**	**37.5**
Low Density	5.4	2.2	1.5	9.1
Medium Density	1.9	9.5	17.2	28.6
Central City	**9.5**	**8.0**	**2.9**	**20.4**
Low Density	1.5	0.9	-	2.4
High Density Residential	7.9	7.1	2.9	17.9
Gresham Butte	**11.2**	**14.2**	**104.2**	**129.6**
Low Density	11.0	14.2	99.4	124.6
Medium Density	0.2	-	4.8	5.0
Gresham Pleasant Valley	**3.2**	**16.1**	**479.2**	**498.5**
Low Density	2.5	10.2	288.7	301.4
Medium Density	0.6	2.8	103.9	107.3
Hight Density Residential	0.1	3.1	86.6	89.8
Historic Southeast	**10.7**	**6.2**	**3.4**	**20.3**
Low Density	9.1	6.2	3.4	18.7
Medium Density	1.2	-	-	1.2
High Density Residential	0.4	-	-	0.4
Hogan Cedars	**3.2**	**11.6**	**51.6**	**66.4**
Low Density	2.0	7.5	46.7	56.2
Medium Density	1.1	3.4	5.0	9.5
High Density Residential	0.1	0.6	-	0.7
Hollybrook	**1.1**	**1.8**	**3.6**	**6.5**
Low Density	1.1	1.8	3.6	6.5
Kelly Creek	**21.3**	**40.0**	**125.5**	**186.8**
Low Density	19.6	32.9	111.3	163.8
Medium Density	1.6	7.1	14.3	23.0
North Central	**18.4**	**11.0**	**19.7**	**49.1**
Low Density	17.4	4.9	-	22.3
Medium Density	0.4	5.6	11.4	17.4
High Density Residential	0.6	0.5	8.3	9.4
North Gresham	**5.4**	**8.8**	**13.4**	**27.6**
Low Density	5.2	3.4	1.1	9.7
Medium Density	0.2	5.4	12.3	17.9
Northeast	**0.9**	**3.0**	**30.3**	**34.2**
Low Density	0.6	0.9	1.7	3.2
Medium Density	0.3	2.0	28.6	30.9
Northwest	**19.1**	**11.2**	**41.5**	**71.8**
Low Density	17.0	5.6	7.8	30.4
Medium Density	2.0	4.3	6.5	12.8
High Density Residential	0.2	1.2	27.2	28.6

Powell Valley	**7.7**	**20.4**	**52.0**	**80.1**
Low Density	7.7	7.7	50.8	66.2
Medium Density	-	12.6	1.2	13.8
Rockwood	**11.3**	**32.6**	**11.4**	**55.3**
Low Density	4.3	3.9	-	8.2
Medium Density	1.5	16.7	6.1	24.3
High Density Residential	5.5	11.9	5.3	22.7
Southwest	**3.1**	**7.2**	**61.3**	**71.6**
Low Density	3.1	7.2	56.6	66.9
Medium Density	-	-	4.7	4.7
Springwater	**0.3**	**1.1**	**105.7**	**107.1**
Low Density	0.3	0.3	78.2	78.8
Medium Density	-	0.8	9.4	10.2
High Density Residential	-	-	18.1	18.1
Wilkes East	**10.9**	**11.6**	**16.2**	**38.7**
Low Density	10.1	0.5	-	10.6
Medium Density	0.8	10.0	16.2	27.0
High Density Residential	-	1.0	-	1.0
Total	144.5	216.4	1,140.6	1,501.5

VIII. CAPACITY ANALYSIS

This section documents the methodology used to develop the analysis of capacity on buildable land for the Gresham Housing Capacity Analysis (HCA). This section also provides detailed tables (by zone) for information presented in Sections V and VI the HCA report. ECONorthwest developed the assumptions for the capacity analysis in conversations with City staff. The key steps of the capacity analysis were:

1. Determine net density assumptions by zone, using either historic or maximum densities
2. Calculate gross density using the net to gross conversion methodology required by Metro.
3. Calculate dwelling unit capacity of buildable land by zone

Once capacity was calculated by zone, we summarized the information to compare to the demand for new dwelling units, which was calculated by zoning district groupings of lower, medium, and higher density zones. The calculation of land sufficiency (i.e., compare capacity to demand for new dwelling units over the 20-year period) is provided in Section VI.

A. Density Assumptions

Calculating dwelling unit capacity on buildable acres requires a density assumption for each zone. In some cities, historic data provides enough information to continue to assume historic densities will continue, while in other cities maximum density (or a percentage of maximum density) is a better assumption of what will occur over the 20-year period. Factors in these methodological decisions include availability of historic density information, reliability of permit data, and recent zoning changes.

Section III of the HCA (Exhibit 16) provides the results of the historic density analysis by zone for single-family and multifamily development in Gresham between 2000 and 2020. In discussion with Gresham City staff and in review of historic achieved densities compared to maximum densities defined for zones in the Gresham Development Code, we used a hybrid approach for density assumptions by zone:

- For zones where the historic data sample was large enough (e.g., more than 100 units built in low or medium density zones) or aligned with what City staff would expect, we assumed the historic density for future capacity over the 2021–2041 period.
- For zones where historic data was not available or not a sufficient sample size, we assumed 80% of maximum density for future capacity over the 2021–2041 period.
- For zones with no maximum density designated in the Gresham Development Code, we assigned the highest max density allocated to zones in the higher density zoning district grouping (60 dwelling units per acre, or 48 dwelling units per acre at 80% max density).

Exhibit 93 shows the density assumptions used for each zone. Zone highlighted in **blue** used a historic density assumption, and zones highlighted in **orange** used an 80% of maximum density assumption.

Exhibit 93. Density Assumptions by Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2021

Source: City of Gresham, Metro RLIS, ECONorthwest analysis

Zone	Historic Net Density	80% Max Density
Lower Density (less than 9 du/ac)		
Low Density Residential - Gresham Butte	1.3	0.8
Very Low Density Residential - Springwater	3.9	2.9
Low Density Residential - 7	3.7	5.0
Low Density Residential - Springwater	7.5	5.8
Low Density Residential - 5	7.4	7.0
Low Density Residential - Pleasant Valley	8.2	6.3
Medium Density (9-24 du/ac)		
Moderate Density Residential - 12	8.3	9.7
Office Residential	18.9	9.7
Downtown Residential Low-Rise-1	7.6	10.0
Transit Low Density Residential	10.7	16.0
Moderate Commercial	7.4	32.0
Townhouse Residential - Springwater	15.9	13.9
Moderate Density Residential - Pleasant Valley	8.4	16.0
Moderate Density Residential - 24	19.2	19.4
Transition Residential	17.2	14.5
Corridor Multi-Family	18.0	19.2
Corridor Mixed Use	21.6	19.2
Higher Density (more than 24 du/ac)		
High Density Residential - Pleasant Valley	n/a	24.0
Rockwood Town Center	22.8	32.0
Town Center - Pleasant Valley	n/a	32.0
Community Commercial	8.6	32.0
Civic Neighborhood Residential Mid-Rise	25.9	24.0
Civic Neighborhood Transit Moderate Density	49.5	48.0
Downtown Mixed Use	22.3	48.0
Downtown Residential Low-Rise-2	27.8	48.0
Downtown Transit Mid-Rise	29.1	48.0
Mixed Use Employment - Pleasant Valley	n/a	48.0
Station Center	36.8	48.0
Downtown Commercial Core	44.5	48.0
Downtown Commercial Low-Rise	n/a	48.0
Downtown Employment Mid-Rise	n/a	48.0
Neighborhood Commercial - Pleasant Valley	n/a	48.0
Village Commercial - Springwater	n/a	48.0
Civic Neighborhood Transit High Density	60.0	48.0

Net to Gross Density

The next step in the capacity analysis was to convert net densities to gross densities. As described in Section V, Metro requires cities to use a net to gross density conversion based on site size using the following methodology:

- Tax lots under 3/8 acre: assume a 0% set aside for future streets
- Tax lots between 3/8 acre and 1 acre: assume a 10% set aside for future streets
- Tax lots greater than an acre: assume an 18.5% set aside for future streets.

Exhibit 93 shows the net to gross density conversions for each zone for the historic or maximum density assumption as shown in Exhibit 92.

Exhibit 94. Net to Gross Density Conversion by Zone, Gresham City Limits, Pleasant Valley, and Springwater, 2021

Source: ECONorthwest analysis

Zones	Tax Lots Smaller than 0.38 acre			Tax Lots > 0.38 and < 1.0 acre			Tax Lots larger than 1.0 acre		
	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)
Lower Density (less than 9 du/ac)									
Low Density Residential - Gresham Butte	0.8	0%	0.8	0.8	10%	0.7	0.8	18.5%	0.7
Very Low Density Residential - Springwater	2.9	0%	2.9	2.9	10%	2.6	2.9	18.5%	2.3
Low Density Residential - 7	3.7	0%	3.7	3.7	10%	3.4	3.7	18.5%	3.1
Low Density Residential - Springwater	5.8	0%	5.8	5.8	10%	5.3	5.8	18.5%	4.8
Low Density Residential - 5	7.4	0%	7.4	7.4	10%	6.7	7.4	18.5%	6.0
Low Density Residential - Pleasant Valley	8.2	0%	8.2	8.2	10%	7.4	8.2	18.5%	6.7
Medium Density (9-24 du/ac)									
Moderate Density Residential - 12	9.7	0%	9.7	9.7	10%	8.7	9.7	18.5%	7.9
Office Residential	9.7	0%	9.7	9.7	10%	8.7	9.7	18.5%	7.9
Downtown Residential Low-Rise-1	10.0	0%	10.0	10.0	10%	9	10.0	18.5%	8.1
Transit Low Density Residential	10.7	0%	10.7	10.7	10%	9.6	10.7	18.5%	8.7
Moderate Commercial	32.0	0%	32.0	32.0	10%	28.8	32.0	18.5%	26.1
Townhouse Residential - Springwater	15.9	0%	15.9	15.9	10%	14.3	15.9	18.5%	13.0
Moderate Density Residential - Pleasant Valley	16.0	0%	16.0	16.0	10%	14.4	16.0	18.5%	13.0
Moderate Density Residential - 24	19.2	0%	19.2	19.2	10%	17.3	19.2	18.5%	15.7
Transition Residential	17.2	0%	17.2	17.2	10%	15.4	17.2	18.5%	14.0
Corridor Multi-Family	18.0	0%	18.0	18.0	10%	16.2	18.0	18.5%	14.7
Corridor Mixed Use	21.6	0%	21.6	21.6	10%	19.5	21.6	18.5%	17.6
Higher Density (more than 24 du/ac)									
High Density Residential - Pleasant Valley	24.0	0%	24.0	24.0	10%	21.6	24.0	18.5%	19.6
Rockwood Town Center	22.8	0%	22.8	22.8	10%	20.5	22.8	18.5%	18.6
Town Center - Pleasant Valley	32.0	0%	32.0	32.0	10%	28.8	32.0	18.5%	26.1
Community Commercial	32.0	0%	32.0	32.0	10%	28.8	32.0	18.5%	26.1
Civic Neighborhood Residential Mid-Rise	25.9	0%	25.9	25.9	10%	23.3	25.9	18.5%	21.1
Civic Neighborhood Transit Moderate Density	49.5	0%	49.5	49.5	10%	44.6	49.5	18.5%	40.4
Downtown Mixed Use	22.3	0%	22.3	22.3	10%	20.1	22.3	18.5%	18.2
Downtown Residential Low-Rise-2	27.8	0%	27.8	27.8	10%	25	27.8	18.5%	22.6
Downtown Transit Mid-Rise	29.1	0%	29.1	29.1	10%	26.2	29.1	18.5%	23.7
Mixed Use Employment - Pleasant Valley	48.0	0%	48.0	48.0	10%	43.2	48.0	18.5%	39.1
Station Center	36.8	0%	36.8	36.8	10%	33.1	36.8	18.5%	30.0
Downtown Commercial Core	44.5	0%	44.5	44.5	10%	40.1	44.5	18.5%	36.3
Downtown Commercial Low-Rise	48.0	0%	48.0	48.0	10%	43.2	48.0	18.5%	39.1
Downtown Employment Mid-Rise	48.0	0%	48.0	48.0	10%	43.2	48.0	18.5%	39.1
Neighborhood Commercial - Pleasant Valley	48.0	0%	48.0	48.0	10%	43.2	48.0	18.5%	39.1
Village Commercial - Springwater	48.0	0%	48.0	48.0	10%	43.2	48.0	18.5%	39.1
Civic Neighborhood Transit High Density	60.0	0%	60.0	60.0	10%	54	60.0	18.5%	48.9

B. Calculate Capacity

The final step in the capacity analysis was to calculate dwelling unit capacity by zone using the gross density assumptions in Exhibit 93 and the number of buildable acres in Exhibit 90. For commercial zones, we did not assume all of the buildable acres would develop as residential uses. Using the data from the historical density analysis, we found that about 7% of developed commercial land in Gresham was developed with commercial uses. Zones included in the commercial land capacity calculation were:

- Office Residential
- Moderate Commercial
- Community Commercial
- Downtown Commercial Core
- Downtown Commercial Low-Rise
- Downtown Employment Mid-Rise
- Neighborhood Commercial - Pleasant Valley
- Town Center – Pleasant Valley
- Mixed Use Employment – Pleasant Valley
- Village Commercial - Springwater

Exhibit 95 shows the dwelling unit capacity by zone. It also incorporates the additional planned units referenced in Section II, owned by Gresham Redevelopment Commission (108 units) and Albertina Kerr (150 units). Gresham has capacity for 12,609 dwelling units at an average gross density of 9.4 dwelling units per acre, and an average net density of 11 dwelling units per acre.

Exhibit 95. Dwelling Unit Capacity by Zone, Gresham City Limits, Pleasant Valley, Springwater, 2021

Source: City of Gresham, Metro RLIS, ECONorthwest analysis.

Zones	Tax Lots Smaller than 0.38 acre			Tax Lots > 0.38 and < 1.0 acre			Tax Lots larger than 1.0 acre			Total, combined		
	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Additional Planned Units	Buildable Acres	Capacity (Dwelling Units)
Lower Density (less than 9 du/ac)	**116**	**6.3**	**727**	**109**	**5.7**	**621**	**751**	**5.6**	**4196**		**976**	**5,544**
Low Density Residential - Gresham Butte	1	0.8	1	1	0.7	-	7	0.7	4		9	5
Very Low Density Residential - Springwater	0	2.9	1	1	2.6	1	37	2.3	84		38	86
Low Density Residential - 7	35	3.7	128	31	3.4	106	73	3.1	225		139	459
Low Density Residential - Springwater	1	5.8	5	1	5.3	5	110	4.8	529		112	539
Low Density Residential - 5	77	7.4	571	65	6.7	434	220	6.0	1,322		362	2,327
Low Density Residential - Pleasant Valley	3	8.2	21	10	7.4	75	303	6.7	2,032		316	2,128
Medium Density (9-24 du/ac)	**11**	**16.6**	**187**	**68**	**15.9**	**1077**	**204**	**12.5**	**2552**	**150**	**283**	**3,966**
Moderate Density Residential - 12	0	9.7	4	0	8.7	-	1	7.9	10		2	14
Office Residential	0	9.7	-	0	8.7	-	0	7.9	-		0	-
Downtown Residential Low-Rise-1	2	10.0	15	1	9.0	8	0	8.1	-		2	23
Transit Low Density Residential	2	10.7	16	9	9.6	88	45	8.7	389		56	493
Moderate Commercial	0	32.0	4	1	28.8	27	3	26.1	73		4	104
Townhouse Residential - Springwater	0	15.9	3	1	14.3	11	14	13.0	184		15	198
Moderate Density Residential - Pleasant Valley	1	16.0	10	3	14.4	40	109	13.0	1,411		112	1,461
Moderate Density Residential - 24	0	19.2	6	8	17.3	140	4	15.7	59		12	205
Transition Residential	2	17.2	34	14	15.4	221	17	14.0	233		33	488
Corridor Multi-Family	1	18.0	22	15	16.2	244	4	14.7	63	150	21	479
Corridor Mixed Use	3	21.6	73	15	19.5	298	7	17.6	130		26	501
Higher Density (more than 24 du/ac)	**11**	**44.8**	**492**	**20**	**37.4**	**734**	**58**	**30.5**	**1765**	**108**	**89**	**3,099**
High Density Residential - Pleasant Valley	0	24.0	2	2	21.6	38	17	19.6	341		19	381
Rockwood Town Center	2	32.0	67	5	28.8	138	3	26.1	67	108	10	380
Town Center - Pleasant Valley	0	32.0	-	0	28.8	-	2	26.1	56		2	56
Community Commercial	0	32.0	-	0	28.8	4	1	26.1	15		1	19
Civic Neighborhood Residential Mid Rise	0	25.9	-	0	23.3	-	8	21.1	173		8	173
Civic Neighborhood Transit Moderate Density	0	49.5	-	1	44.6	53	15	40.4	593		16	646
Downtown Mixed Use	0	48.0	14	0	43.2	-	0	39.1	-		0	14
Downtown Residential Low-Rise-2	2	48.0	77	1	43.2	56	1	39.1	43		4	176
Downtown Transit Mid-Rise	3	48.0	144	3	43.2	129	0	39.1	-		6	273
Mixed Use Employment - Pleasant Valley	0	48.0	-	0	43.2	1	2	39.1	76		2	77
Station Center	3	48.0	163	7	43.2	306	3	39.1	105		13	574
Downtown Commercial Core	0	48.0	6	0	43.2	4	0	39.1	-		0	10
Downtown Commercial Low-Rise	0	48.0	4	0	43.2	3	0	39.1	-		0	7
Downtown Employment Mid-Rise	0	48.0	3	0	43.2	-	0	39.1	4		0	7
Neighborhood Commercial - Pleasant Valley	0	48.0	-	0	43.2	2	1	39.1	28		1	30
Village Commercial - Springwater	0	48.0	-	0	43.2	-	1	39.1	49		1	49
Civic Neighborhood Transit High Density	0	60.0	12	0	54.0	-	4	48.9	215		5	227
Total	**139**	**-**	**1,406**	**197**	**-**	**2,432**	**1,013**	**-**	**8,513**		**1,348**	**12,609**