



# Gresham Housing Production Strategy

Spring 2023



This page intentionally blank

# Table of Contents

---

<b>EXECUTIVE SUMMARY</b> .....	<b>1</b>
<b>1. INTRODUCTION</b> .....	<b>1</b>
<b>2. UNMET HOUSING NEED IN GRESHAM</b> .....	<b>7</b>
<b>3. STRATEGIES TO MEET FUTURE HOUSING NEED</b> .....	<b>19</b>
<b>4. EVALUATION AND MONITORING: ACHIEVING FAIR AND EQUITABLE HOUSING OUTCOMES</b> .....	<b>27</b>
<b>5. RECOMMENDATIONS FOR FUTURE ACTIONS</b> .....	<b>36</b>
<b>APPENDIX A: CONTEXTUALIZING GRESHAM’S HOUSING NEEDS</b> .....	<b>40</b>
<b>APPENDIX B: INTERESTED PARTY ENGAGEMENT CONDUCTED BEFORE THE HPS</b> .....	<b>77</b>
<b>APPENDIX C: EXISTING POLICIES TO ADDRESS GRESHAM’S HOUSING NEED</b> .....	<b>82</b>
<b>APPENDIX D: EVALUATION CRITERIA FOR HPS ACTIONS AND ACTION DESCRIPTIONS</b> .....	<b>85</b>
<b>APPENDIX E: EVALUATION OF OUTCOMES</b> .....	<b>117</b>
<b>APPENDIX F: TRENDS IN GENTRIFICATION AND DISPLACEMENT RISK IN GRESHAM</b> .....	<b>123</b>
<b>APPENDIX G: PRE-HPS SURVEY</b> .....	<b>139</b>

# Acknowledgements

---

ECONorthwest prepared this report for the City of Gresham. ECONorthwest and the City of Gresham thank those who helped develop the Gresham Housing Production Strategy. This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

## Housing Advisory Committee

- Eric Paine, Community Development Partners
- Josh Groesz, NAYA Family Center
- Katie Ullrich, Proud Ground
- Hai Nguyen, Rockwood Community Development Corporation
- Jeff Carr, Albertina Kerr (former)
- Stephen Brooks, Pilot Management Resources, LLC
- Jay Fetherston, Schnitzer Properties

## Interviews

- Carly Harrison, Edlen and Co.
- Chris Nelson, Capstone Partners
- Eric Paine, Community Development Partners
- Jeff Carr, Albertina Kerr
- Jenny Jenkins, Level NW
- Katie Ullrich, Proud Ground
- Roy Kim, North Bethany
- Ryan Winterberg-Lipp, Human Solutions
- Dan Eddie, Human Solutions

## Foundational Documents

This report draws its information and findings from several documents including:

- Gresham Strategic Plan 2022-2025
- Gresham's Council Work Plan (2022)
- Gresham's Housing Capacity Analysis (2021)
- Gresham's Task Force on Housing, Final Report and Recommendations (2019)
- Regional Affordable Housing Bond, Gresham Local Implementation Strategy (2019)
- Middle Housing Code Update (2022)
- Interested parties' engagement from development of the reports and plans above
- The Statewide Regional Housing Capacity Analysis (2021)

- Gresham 2021-2025 Consolidated Plan (2021)

### City of Gresham

- Eric Schmidt, Assistant City Manager
- Ashley Miller, Interim Urban Design and Planning Director and Housing Services Manager
- Jim Wheeler, Development Planning Manager
- Mary Phillips, Interim Comprehensive Planning Manager
- Terra Wilcoxson, Senior Planner
- Sarale Hickson, Planner II

Thanks also to Carly Rice (Planner II), Tabitha Boschetti (Planner II), and Andrew Gong (Planner I) for their part in the community conversations during summer outreach and Jessica Harper (Community Services Manager) for help in understanding the City's homelessness services policies and practices.

### Department of Land Conservation and Development

- Sean Edging, Housing Staff
- Kelly Reid, Field Representative

### ECONorthwest, Consulting team

- Beth Goodman, Project Director
- Emily Picha, Senior Project Manager
- Nicole Underwood, Associate

For more information about this report, contact:

**City of Gresham Contact:**

Terra Wilcoxson, Senior Planner

City of Gresham

503-618-2082

[terra.wilcoxson@greshamoregon.gov](mailto:terra.wilcoxson@greshamoregon.gov)

**ECONorthwest Contact:**

Beth Goodman, Project Director

ECONorthwest

503-222-6060

[goodman@econw.com](mailto:goodman@econw.com)

# Executive Summary

---

Recognizing the need for greater City support for housing, the City of Gresham Strategic Plan for 2022-2025 includes the following goal:

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

Gresham’s Housing Production Strategy (HPS) builds on this goal. It is a six-year plan required by the State of Oregon that outlines initiatives and actions that combine to achieve equitable housing outcomes for all residents of Gresham. The HPS emphasizes improving outcomes for underserved communities, lower-income households, people in state and federal-protected classes, and people experiencing homelessness. The HPS considers issues of Fair Housing, which is intended to provide access to housing choice by everyone, free from discrimination. In developing the HPS, the City considered equity as both an outcome and a process.

---

DLCD requires that the HPS includes an analysis of unmet housing need in Gresham, actions to meet future housing need, and an evaluation of achieving fair and equitable housing outcomes. When Gresham produces its next HPS in 2029, the City will be required to summarize the efficacy of each action included in this HPS.

---

## Housing Conditions in Gresham

As the City weighs potential strategies to encourage the development of housing affordable to community members, the City must understand the needs of its residents. Key local housing conditions and demographics that will drive the City’s policies in future years include:

- **Housing produced in recent years is not meeting the needs of all Gresham residents.** Across the Portland region, developers have focused on building a limited number of housing types without public subsidies, including market-rate apartments and single-family detached housing that is affordable to people with higher incomes. The 2018 passage of the Metro Affordable Housing Bond has allowed for the production of more housing (the goal is 3900 units throughout the region) but will not be enough to meet the overall need.
- **Gresham lacks financially attainable housing:** 44% of Gresham households are cost burdened (pay more than 30% of their income for housing).
- **Compared to the Portland region, a greater share of Gresham households makes less than 80% MFI.** In 2022, 70% of Gresham households had an income of 80% or less of the median family income for Multnomah, Washington, and Clackamas counties in contrast to 55% of households in the Portland region.<sup>1</sup>

---

<sup>1</sup> U.S. Department of HUD, Multnomah, Washington, and Clackamas Counties, 2021. U.S. Census Bureau, 2015-2019 ACS Table 19001.

- **Many low- and middle-income households have unmet housing needs.** Gresham’s residents lack options for both ownership and rental units, despite Gresham’s relatively low rent levels and home sales prices.
- **The City has a large share of BIPOC households.** About 36% of Gresham’s population identifies as Black, Indigenous, and People of Color (BIPOC) and/or Latinx. BIPOC households are more than twice as likely to be extremely low-income (less than 30% of MFI) and almost twice as likely to be very low-income (30-50% of MFI).
- **Future population growth will only increase the need for new housing development.** Gresham is forecast to grow by 6,229 new households between 2021 and 2041.

## Building Equity into the HPS

Gresham’s goal of producing equitable housing goes beyond affordability. Equitable housing comprises reasonably priced, quality homes to buy or rent that are accessible across all ages, household sizes, abilities, and incomes, and are convenient to everyday needs such as schools, childcare, grocery stores, and parks.

The City applied an equity framework to the HPS that embeds equity considerations into the HPS development process, implementation, and how the City measures the impact of its actions. In moving forward with implementation of the HPS, the City will continue to refine its understanding and engagement of underserved communities, lower-income households, and people in State and federal-protected classes.

### HPS Engagement included:

- **Four focus groups** with members of the Latinx, African American, Immigrant, and Refugee communities and those living in subsidized housing.
- **Staff presence** at Juneteenth, I Heart Rockwood, and the Gresham Arts Festival
- **Eight interviews** with service providers and developers
- **Three advisory group meetings**
- **Two virtual open houses**

## Meeting the Housing Needs of Gresham Residents

The HPS recognizes that the City needs to use different strategies to meet the housing needs of Gresham households. This section describes housing needs for people at different parts of the income spectrum.<sup>2,3</sup>

<sup>2</sup> Estimates are based on Gresham’s current income distributions.

<sup>3</sup> 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.

### Housing Needs for Extremely Low-Income Households (Less than 50% MFI)

<b>Housing Need</b>	<b>Households Would Benefit From:</b>
Existing Households: 19,523 Estimated New Households: 3,037 (2021-2041)	Income-restricted affordable housing.

### Housing Needs for Low-Income Households (50-80% MFI)

<b>Housing Need</b>	<b>Households Would Benefit From:</b>
Existing Households: 8,468 Estimated New Households: 1,317 (2021-2041)	Naturally occurring affordable housing, income-restricted affordable housing, rent assistance, and market-rate housing.

### Housing Needs for Middle-Income Households (80-120% MFI)

<b>Housing Need</b>	<b>Households Would Benefit From:</b>
Existing Households: 7,056 Estimated New Households: 1,097 (2021-2041)	A combination of the development of rental housing and lower-cost housing for homeownership.

### Housing Needs of People of Color

<b>Housing Need</b>	<b>Households Would Benefit From:</b>
15% of Gresham’s population identify as non-Hispanic Black, Asian, American Indian or Alaska Natives, Native Hawaiian or Pacific Islanders, two or more races, or another race.  21% of Gresham’s population identify as Latino (any race).	Black, Indigenous, and People of Color are cost burdened more frequently than the average household in Gresham and would benefit from housing that is affordable to their household and available without discrimination.

### Housing Needs of People with Disabilities

<b>Housing Need</b>	<b>Households Would Benefit From:</b>
13% of Gresham’s population have one or more disability, such as ambulatory, vision, hearing, cognitive, self-care, or independent living disabilities.	Specially designed housing units that are affordable to each household.

## Housing Needs of People Experiencing Homelessness

Housing Need	Households Would Benefit From:
<p>An estimated 48 households experienced unsheltered homelessness in Gresham in 2022, according to the 2022 Point-in-Time Count for Multnomah County.<sup>4</sup></p> <p>1,106 students in the Gresham-Barlow, Centennial, and Reynolds School Districts experienced homelessness according to the McKinney Vento, Homeless Student Data for 2019-2020.</p>	<p>Actions ranging from emergency assistance to housing with supportive services.</p>

## Four Housing Outcomes

The City of Gresham has identified four desired outcomes to address residents' housing needs. The HPS includes strategies that address each of these outcomes:

Outcomes	Income Range Impacted (Median Family Income <sup>5</sup> for a 4-Person Household)
Open Up Affordable Ownership Opportunities	Less than 120% MFI (up to \$127,800)
Preserve Existing Low- and Middle-Income Affordable Housing	60%-80% MFI (\$63,900 - \$85,200)
Reduce Barriers to Producing Low and Middle Income Affordable Rental Housing	60%-80% MFI (\$63,900 - \$85,200)
Encourage Production of Publicly Subsidized Affordable Housing Units	Up to 60% MFI (under \$63,900), sometimes 80% MFI (under \$85,200)

## Matching Actions to Funding

One of the limitations to implementing the HPS is the availability of funding. The City needs funding not only to build units, preserve affordable housing, and provide access to equitable housing, but also to fund staff time to implement the HPS. The City has direct access to funding for the development of affordable housing, such as the Metro Housing Bond, Community Development Block Grant Program (CDBG), and HOME Investment Partnership Program

<sup>5</sup> Based on 2022 Median Family Income that is defined by the U.S. Department of Housing and Urban Services (HUD) for Multnomah County.

(HOME) funding. However, it is limited or one-time funding. Identifying a set of realistic funding sources is necessary for achieving the vision of housing choice for all in Gresham. The City of Gresham has a lower tax rate than most jurisdictions in the Portland region and is facing financial challenges. Using just the funding from existing resources will have less impact than also adding new funding resources, such as future TIF District(s) and/or a Construction Excise Tax (CET).

Barring additional funding, many of the actions identified in the HPS can only be implemented within an existing or potential TIF District. Therefore, the City has organized the actions in the HPS as follows:

- Actions to be implemented within the existing and potential new TIF districts
- Actions for evaluation exclusively within potential new TIF district(s)
- City-wide action

## Housing Actions

The suite of actions below comprises Gresham's Housing Production Strategy for 2023-2029. Based on the project team's evaluation, these actions would increase fair and equitable housing choices. Implemented together and with adequate funding, the actions will achieve more equitable housing outcomes for all residents.

<b>Gresham's Housing Production Strategy Actions (2023-2029)</b>	
<b>Within Existing and Potential New TIF District(s)</b>	
	Explore provision of grants/loans for new development
	Explore rehabilitation grants to low-cost, market rate rental property owners in exchange for affordability agreements
	Explore partnerships to acquire and stabilize existing low-cost market rate housing
	Explore funding and partnerships for housing-related infrastructure development
<b>Exclusively Within Potential New TIF District(s)</b>	
	Explore land banking, parcel assembly, and public land disposition efforts
<b>City-Wide</b>	
	Explore and reduce barriers for affordable homeownership models
	Reduce zoning barriers for housing development, with a focus on multifamily and townhouse development
	Streamline permitting processes for all housing types, with a focus on barriers to townhouse and multifamily housing
	Implement a rent assistance pilot program for individuals experiencing homelessness and explore partnerships to address and prevent homelessness
	Extend/expand the City's tax abatement agreement with Home Forward

<b>Gresham's Housing Production Strategy Actions (2023-2029)</b>
Explore a reduction and/or waiver of System Development Charges for certain needed housing types
Evaluate the Multiple Unit Property Tax Exemption
Evaluate the Nonprofit Corporate Low-Income Tax Exemption
Explore a Gresham-specific Construction Excise Tax

## **Monitoring and Reporting**

The City will follow DLCD’s requirements for monitoring and reporting. The City will review progress annually and create an implementation progress report every three years. Since many of the actions in the HPS entail additional study, the City may include goal setting and evaluation as metrics to track. Then, if the City moves forward with implementation, the City will measure outcomes.

# 1. Introduction

---

Housing affordability is a key issue in Gresham and the City has many efforts underway to address housing needs. Most recently, the City made housing a priority in the 2022-2025 Gresham Strategic Plan, completed a Housing Capacity Analysis (HCA) in 2021, and updated its Consolidated Plan for the 2021-2025 period. The City has made progress but there is still work to be done to ensure that Gresham's existing and future housing needs are met.

The Gresham Strategic Plan 2022-2025 includes the following goal:

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

Gresham's Housing Production Strategy (HPS) is one of the ways Gresham plans to implement this goal. It includes initiatives and strategic actions that combine to achieve equitable housing outcomes for all residents of Gresham, with an emphasis on improving outcomes for underserved communities, lower-income households, and people in state and federal-protected classes. The HPS is also based in Fair Housing, which is intended to provide access to housing choice by everyone, free from discrimination.

The City received a grant from the Department of Land Conservation and Development (DLCD) in 2021 to produce the HPS in accordance with State of Oregon requirements. This HPS is a six-year strategy running through 2029. It provides information about Gresham's housing needs, using the recently completed Housing Capacity Analysis (HCA) as its foundation. It provides an understanding of the unmet housing needs (in Chapter 1), before solutions are proposed (in Chapter 2).

## Requirements of the Housing Production Strategy

DLCD requires that the HPS includes the following information.<sup>6</sup> It is noted where this information is included in this report:

- **Unmet Housing Need in Gresham** (Chapter 1, Appendix A, Appendix B, and Appendix C) covers the socio-economic and demographic trends of households in Gresham, the existing policies the City has adopted to meet housing needs, and a summary of engagement the City has had with interested parties about housing needs (especially with Gresham residents in underrepresented groups).

---

<sup>6</sup> [Oregon Administrative Rule \(OAR\) 660-008](#) describes the requirements of a HPS in sections 660-008-0050 through 660-008-0070.

- **Actions to Meet Future Housing Need** (Chapter 2 and Appendix D) identifies specific actions, measures, and policies needed to address housing needs identified in Gresham’s HCA.
- **Achieving Fair and Equitable Housing Outcomes** (Chapter 3 and Appendix E) evaluates the entire list of strategies to achieve equitable outcomes. The valuation considers factors such as location of housing, Affirmatively Furthering Fair Housing, facilitating housing choice, identifying housing options for residents experiencing homelessness, supporting development of affordable housing, and increasing housing stability.

The City must submit the HPS to DLCD after its adoption by the City Council. Then, the City must monitor progress on implementation of the HPS and the production of housing related to the initiatives and actions in this report (Chapter 3 and Appendix E). Linking housing development directly to implementation of the actions in this report may be challenging and difficult to quantify, but City staff will be able to report changes in building activity that occur before and after implementation of specific actions and will provide qualitative feedback on implementation of actions.

Gresham must submit a report to DLCD three years after the City adopts the HPS, as required. If the City is unable to or chooses not to implement an action within 90 days of the timeline proposed in the HPS, the City must notify DLCD about the action(s) that the City is taking to address this issue. The City may propose an alternative schedule for implementing the action or may identify a different action (or actions) to meet the specific housing need addressed by this action.

## Building Equity into the HPS

Gresham’s goal of producing equitable housing goes beyond affordability. Equitable housing comprises reasonably priced, quality homes to buy or rent that are accessible across all ages, household sizes, abilities, and incomes and that are convenient to everyday needs such as schools, childcare, grocery stores, and parks. In pursuing equitable housing, Gresham seeks to reduce cost burden and increase access to homeownership, especially for low-income households and vulnerable groups such as seniors, workers with low pay, people with disabilities, and communities of color.

In developing the HPS, the team considered equity as both an outcome and a process. Exhibit 1 provides an equity framework that embeds equity considerations into the HPS process, implementation, and measurement of impact. The actions in the HPS are intended to increase equitable housing outcomes.

## Exhibit 1. Gresham Housing Production Strategy Equity Framework

Equity as a process	Equity as an outcome
<ul style="list-style-type: none"> <li>• The City seeks to understand, question, and disrupt historical and contemporary inequitable systems and structures.</li> <li>• From there, the City will create policies that are based on equitable opportunity and resources. The City will ensure that those most impacted by policies and practices are meaningfully involved in their creation and implementation.</li> <li>• Creating equitable processes will help ensure that diverse and underrepresented communities (including vulnerable and low-income communities) can influence and inform policies and programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Race or other markers of social identity no longer predict one’s life outcomes (for instance in health, socioeconomic advantages, educational access, life expectancy, etc.).</li> <li>• Achieving equity remains a challenge because our economic systems were, sometimes unintentionally, designed and built to maintain inequality—and they continue to do so.</li> </ul>

### Interested Parties Involvement in the HPS

The outreach process for developing the HPS was collaborative. It included housing developers, housing service providers, consumers of needed housing, and individuals belonging to historically underserved communities. The team consulted community members in focus groups, virtual open houses, and in person at community events to learn about their priorities, needs, and challenges related to housing. Gresham City Council, Planning Commission, and the Coalition of Gresham Neighborhood Associations were consulted on the development of this plan.

Takeaways from Gresham residents that attended outreach activities are outlined below and details of the public involvement activities are included in Appendix A:

- Cost is the most important factor when looking for housing and it is the number one barrier to attaining housing appropriate for a household’s needs.
- Different communities experience different barriers to housing: some people face language challenges, some find down payment or credit score requirements a challenge, and others have difficulty finding housing with enough bedrooms.
- Different communities have different priorities for housing location: while parks and open spaces are important to some people, others care about being close to family or grocery stores.
- Not all landlords know about fair housing laws and some people stated that they face discrimination in housing.

- The city lacks appropriately sized units, particularly small ownership, or family-sized rental units.
- There is a lack of units accessible to people in disability communities.
- Residents support encouraging neighborhoods with a mix of incomes, places to live, work, and play, and a greater variety of housing types in neighborhoods.
- Lack of privacy can be a challenge in rental units (particularly in subsidized housing).
- Some people want or need assistance in finding housing and with the process of applying for or purchasing it.
- Low-quality construction leading to noise and lack of maintenance is a challenge.
- Some neighborhoods lack diversity and therefore are missing some culturally relevant services and activities.
- Community members want the City to be part of the housing conversation and to help connect people looking for housing with providers, advocates, and non-profits.

## Key Terms in the HPS

A common understanding of the variety of terms used in this HPS is important for interpretation.

The following key terms and definitions are used herein and will be incorporated into the Definitions section of OAR 660-008 (if they are not already), per the Department of Land Conservation and Development:

- **Consumers of Needed Housing:** Any person who inhabits or is anticipated to inhabit Needed Housing, as described in the definition of “Needed Housing” in ORS 197.303.
- **Housing Production Strategy Report:** The report cities must adopt within one year of their deadline to complete an updated Housing Capacity Analysis, pursuant to OAR 660-008-0050.
- **Housing Production Strategy:** A specific tool, action, policy, or measure a city will implement to meet the housing needs described in an adopted Housing Capacity Analysis. A Housing Production Strategy is one component of a Housing Production Strategy Report.
- **Needed Housing:** Housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels, including (but not limited to) renter and owner-occupied attached and detached single-family housing, multifamily housing, and manufactured homes.
- **Producers of Needed Housing:** Developers, builders, service providers, or other persons or entities providing materials and funding needed to build housing. Producers of Needed Housing may include non-profit organizations or public entities.

- **Unmet Housing Needed:** Occurs when housing need determined is greater than the housing capacity (i.e., buildable, residential land is insufficient to accommodate demand for housing).

In addition, the terms and definitions below use throughout this report:

- **Cost Burdened:** A household is defined as cost burdened if their housing costs exceed 30% of their gross income.
- **Displacement:** The process of groups or individuals moving out of a neighborhood for economic reasons.
- **Gentrification:** 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.
- **Federally Protected Classes:** Are race, color, national origin, religion, gender, familial status, and disability. Oregon’s additional protected classes are marital status, source of income, sexual orientation and gender identity, and status as a domestic violence survivor. Under Fair Housing laws, it is illegal to deny access to housing based on the characteristics of people within these protected classes.
- **Median Family Income (MFI):** Throughout this report, housing affordability is based on 2022 Median Family Income that is defined by the U.S. Department of Housing and Urban Services (HUD) for Multnomah County for a family of four people (\$106,500). The terms used to describe housing affordability by income group are:
  - Extremely Low-Income: Less than 30% MFI or \$31,500 or less for a family of four
  - Very Low-Income: 30% to 50% of MFI or \$31,500 to \$53,250 for a family of four
  - Low-Income: 50% to 80% of MFI or \$53,250 to \$85,200 for a family of four
  - Middle-Income: 80% to 120% of MFI or \$85,200 to \$127,800 for a family of four
  - High-Income: 120% of MFI or more \$127,800 or more for a family of four
- **Naturally Occurring Affordable Housing:** Naturally occurring affordable housing is housing that is not regulated but is currently affordable to lower income households, often because of its location and condition.
- **Severely Cost Burdened:** A household is defined as severely cost-burdened if its housing costs exceed 50% or more of its gross income.

The data used in this plan comes from a variety of sources, which are dated and referenced. Housing costs and income are very sensitive to changes in the economy and can change quickly over a short period of time. The body of this report generally uses the most up-to-date information about Median Family Income, Housing Sale Prices, and Homelessness. Most data in the appendices use the most up-to-date information that was available at the beginning of the project when the analysis was performed. The rent estimates provided in this report are from:

- **Average Multifamily Asking Rent**, from CoStar at \$1,430 per unit. This is the estimate of rent used most frequently because it represents the best available data about rent when the project started.
- **Median Gross Rent**, from the 2015-2019 American Community Survey of \$1,178. This estimate of rent was cited in the Housing Capacity Analysis and is included here to illustrate how rents vary across cities within the Portland region.
- **Multnomah County Fair Market Rent** for 2022, from the U.S. Department of Housing and Urban Services of \$1,467. This is a standard source of information about rents for a region.

## 2. Unmet Housing Need in Gresham

---

The HPS connects unmet housing needs with strategies to address those needs. The City already understands the housing needs of current and future residents of Gresham based on certain demographic and socioeconomic characteristics, such as age and income, from the 2021 Gresham Housing Capacity Analysis (HCA).<sup>7</sup> However, as the City weighed potential strategies to encourage affordable housing, the City sought to develop a deeper understanding of the needs that are specific to Gresham residents. Therefore, this chapter summarizes key information from the HCA and describes additional detailed data about housing needs for other demographic characteristics, such as race, ethnicity, disability status, or housing status (which were not included in the HCA).<sup>8</sup>

### Housing Needs Addressed by the Housing Production Strategy<sup>9</sup>

Across the Portland region, developers have been able to build some types of housing without need for public intervention, for example, single-family detached housing that is affordable to people with higher incomes. However, the market has been unable to keep up with the needs for housing affordable to low- and middle-income households. Housing at this part of the income spectrum, and housing that meets the special needs of specific groups, usually requires public intervention and is the focus of the strategies in the HPS.

**Gresham has a larger proportion of low-income (less than 80% MFI) households than the Portland region.**

Gresham has a higher proportion of extremely low-, very low-, and low-income households than the average for the Portland Region, as shown in Exhibit. Almost half of Gresham's households had incomes of less than 50% of the Median Family Income (MFI) (\$53,250)<sup>10</sup> as shown in Exhibit 3. The median rent in Gresham is lower than most surrounding cities and Multnomah County's median gross rent (see Appendix A, Exhibit 47), yet these households

---

<sup>7</sup> The HCA was produced in June 2021 and adopted into Gresham Community Development Plan as Volume 1, Section 4.800 2021-2041 Housing Capacity Analysis, and Volume 2, Section 10.600 Housing.

<sup>8</sup> This chapter uses standard sources of information from the U.S. Census. It adds information from other sources, such as Oregon's Housing and Community Services Department, the United States Department of Housing and Urban Development, Redfin, Costar, and the City of Gresham. The detailed data underlying the summary information presented in this chapter is in Appendix A.

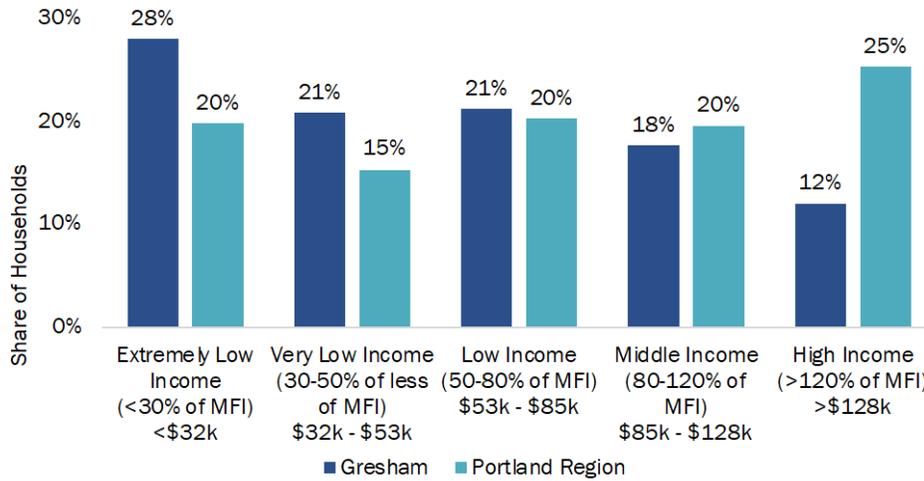
<sup>9</sup> This section describes Gresham's housing needs based on analysis from the Gresham Housing Capacity Analysis report (June 2021), household income shown in Exhibit 2 and on additional analysis of unmet housing needs for underserved groups (based on analysis in Appendix A).

<sup>10</sup> Throughout this report, housing affordability is discussed based on 2022 Median Family Income (MFI) that is defined by the U.S. Department of Housing and Urban Services (HUD) for Multnomah County for a family of four people (\$106,500).

cannot afford a two-bedroom apartment at Multnomah County’s Fair Market Rent (FMR) of \$1,467 in 2022.

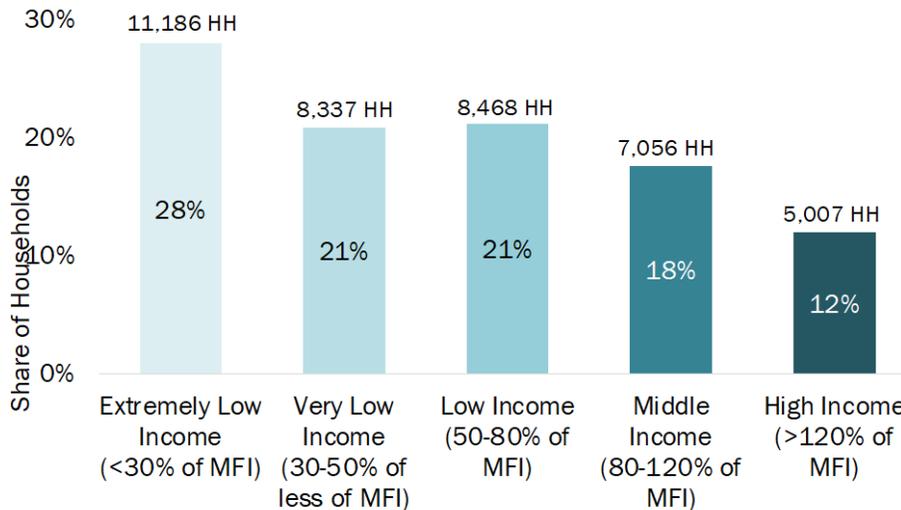
**Exhibit 2. Share of Households by Median Family Income (MFI) for Multnomah, Washington, and Clackamas Counties (\$106,500), Gresham, 2022**

Source: U.S. Department of HUD, Multnomah, Washington, and Clackamas Counties, 2021. U.S. Census Bureau, 2015-2019 ACS Table 19001.



**Exhibit 3. Share of Households by Median Family Income (MFI) for Multnomah County (\$106,500), Gresham, 2022**

Source: U.S. Department of HUD, Multnomah County, 2022. U.S. Census Bureau, 2015-2019 ACS Table 19001.



### Median Family Income varies by household size.

The actual income thresholds vary in MFI based on household size. For example, a one-person household with an income of 80% of MFI (\$59,680) makes much less than a household of four (\$85,200) or a household of six (\$98,880). This is shown in Exhibit 4. The housing needs for a single person are also different than those of a household of four people or six people.

Throughout the HPS, the income for a household of four is used to illustrate housing needs.

For reference, the median gross rent in Gresham was \$1,178 in the 2015-2019 ACS 5-year estimate period (Exhibit 47) and Multnomah County’s Fair Market Rent was \$1,467 in 2022.

### Exhibit 4. Median Family Income and Housing Affordability by Household Size, Multnomah County, 2022

Source: Analysis by ECONorthwest; U.S. Department of HUD, Multnomah County, 2022

	30% MFI	60% MFI	80% MFI	100% MFI	120% MFI
<b>1-person</b>					
Annual Income	\$ 22,380	\$ 44,760	\$ 59,680	\$ 74,550	\$ 89,460
Affordable Monthly Housing Cost	\$ 560	\$ 1,119	\$ 1,492	\$ 1,864	\$ 2,237
<b>2-people</b>					
Annual Income	\$ 25,560	\$ 51,120	\$ 68,160	\$ 85,200	\$ 102,240
Affordable Monthly Housing Cost	\$ 639	\$ 1,278	\$ 1,704	\$ 2,130	\$ 2,556
<b>4-people</b>					
Annual Income	\$ 31,950	\$ 63,900	\$ 85,200	\$ 106,500	\$ 127,800
Affordable Monthly Housing Cost	\$ 799	\$ 1,598	\$ 2,130	\$ 2,663	\$ 3,195
<b>6-people</b>					
Annual Income	\$ 37,080	\$ 74,160	\$ 98,880	\$ 123,540	\$ 148,248
Affordable Monthly Housing Cost	\$ 927	\$ 1,854	\$ 2,472	\$ 3,089	\$ 3,706

### Many households in Gresham pay more than 30% of their income for housing.

The local housing market cannot produce income-restricted, subsidized affordable housing at sufficient levels, and it cannot often produce middle-income housing without subsidy, therefore, nearly half (44%) of households in Gresham are cost burdened (as shown in Exhibit 5 below, and Exhibit 50 through Exhibit 57 in Appendix A). About 61% of Gresham’s renters were cost burdened or severely cost burdened, compared to 27% of homeowners.

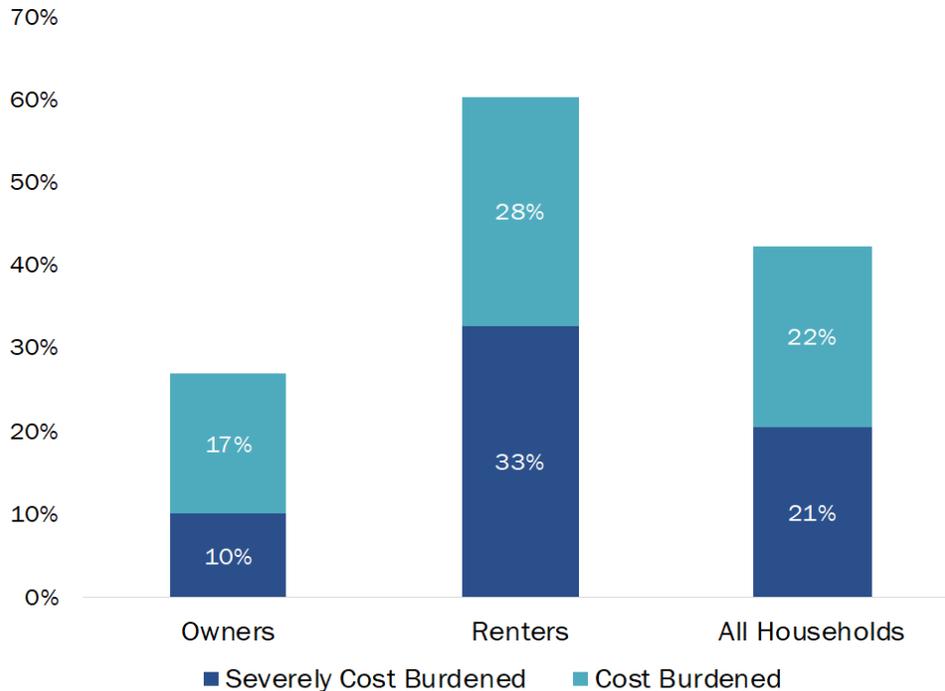
---

A household is defined as cost-burdened if their housing costs exceed 30% of their gross income. A household that spends 50% or more of their gross income on housing costs is said to be severely cost-burdened.

---

## Exhibit 5. Housing Cost Burden by Tenure, Gresham, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS Tables B25091 and B25070.



Another way to understand the need for affordable housing is through the federal poverty rate. According to Census data, 15% of Gresham’s population had income below the poverty level in 2021, compared with 22% of Gresham’s population in 2014. The change in poverty rates is consistent with changes in Multnomah County, where the percent of population below the poverty line decreased from 19% in 2014 to 13% in 2021. The change in poverty rates is, at least partially, reflective of changes in the overall economy of the state and nation.<sup>11</sup>

### Low-income households have few options for either homeownership or rental units.

Even though Gresham is one of the more affordable communities within the Portland region, housing costs for both rental and ownership units are higher than many residents can afford. Exhibit 6 shows financially attainable housing costs for households across the income spectrum in Multnomah County.

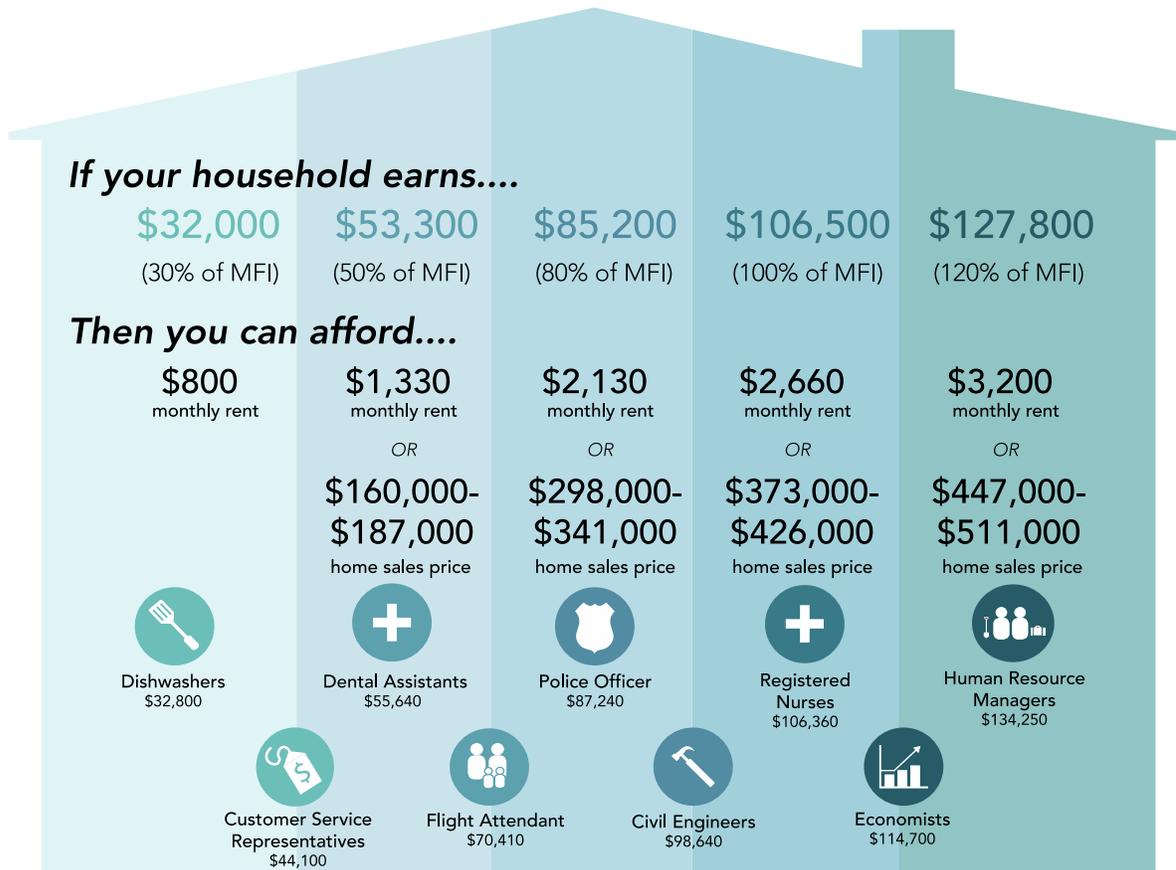
---

<sup>11</sup> Based on information from the 2009-2014 American Community Survey and 2017-2021 American Community Survey from the U.S. Census.

## Exhibit 6. Financially Attainable Housing, by Median Family Income (MFI) for Multnomah County (\$106,500), Gresham, 2022

Source: U.S. Department of Housing and Urban Development, Multnomah, 2022. Oregon Employment Department.

Note: The estimates of affordable home sales prices below are rough estimates. The affordable home sales prices will vary for each borrowing household, based on interest rates, loan term, down payment, and similar factors. These sales prices are illustrative estimates and do not make assumptions about interest rates, amount of down payment, whether mortgage insurance will be required, or other factors that are unique to an individual household's mortgage.



In Gresham, a family of four must make 107% of MFI (\$114,000) to afford the median sales price of a home (\$456,000) and 54% of MFI (\$57,000) to afford Gresham's median apartment rent (\$1,430 per month).

**Gresham is forecast to grow by 6,229 new housing units between 2021 and 2041.**

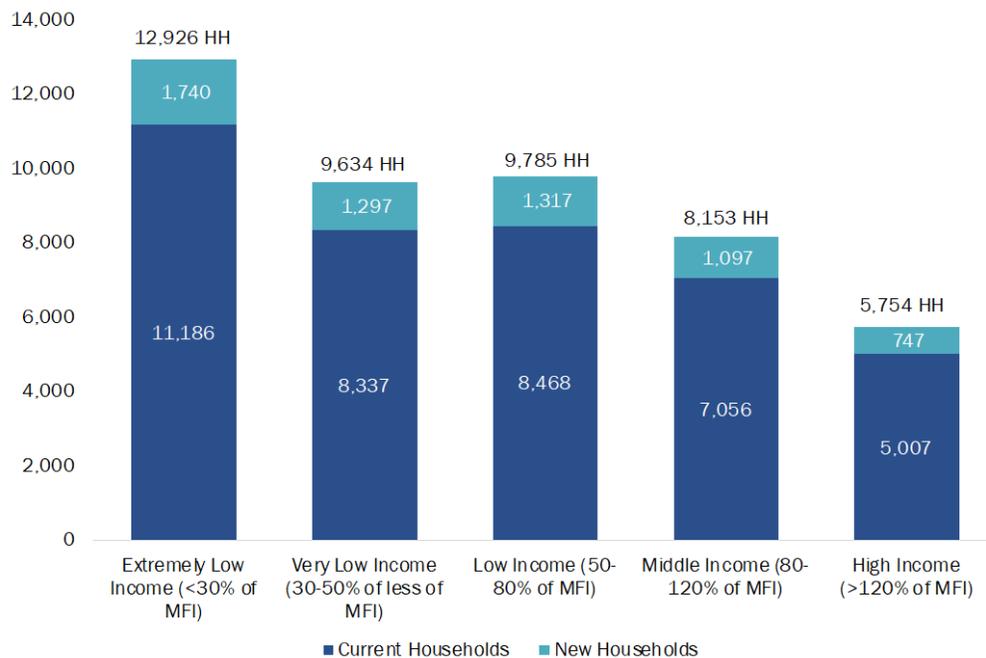
These housing units will need to be available at a variety of income levels.

Exhibit 7 shows Gresham’s current and estimated future households by income.<sup>14</sup> While the HPS does not anticipate building new units for all existing households with unmet housing need, the new development and other policies that stabilize housing affordability are likely to benefit existing households with unmet need, as well as new households.

Nearly half of new housing units will need to be for those with very low or extremely low-incomes (below 50% MFI).<sup>12 13</sup>

**Exhibit 7. Gresham’s Current and Estimated Future Households by Income, 2021 to 2041**

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B19001, U.S. Department of HUD 2022 MFI, and Metro’s 2050 Household Distributed Forecast, 2021 to 2041 as found in Gresham’s Housing Capacity Analysis. Note: Median Family Income (MFI) is estimated for a family of 4.



**Housing Needs for Various Income Levels**

The purpose of the HPS is to identify actions that will benefit Gresham’s households with the most significant unmet needs. Exhibit 8 describes the most significant unmet housing needs by

<sup>12</sup> Given the fact that incomes have grown at a relatively slow pace over the last two decades in comparison to housing costs (especially home sales prices) this may be a conservative assumption about the future affordability of housing.

<sup>13</sup> Assuming future Gresham residents have an income distribution that is the same as existing residents. The HPS does not anticipate building new units for all existing households in Gresham that have problems affording housing costs. But the HPS does propose actions to stabilize the housing costs of existing lower income households and may result in development of housing that is more affordable to these households, enabling them to stay in Gresham. Information about lower income households and cost burden for existing households illustrates the existing housing need in Gresham.

<sup>14</sup> Gresham’s current housing income levels were used to estimate future household income levels.

income level (extremely low-income, low-income, and middle-income). For each income level, the table includes the number of existing households in Gresham, the number of new households estimated or 2021-2041, affordable monthly rent, and generally what is needed to meet the housing need.

**Exhibit 8. Housing Needs by Income Level**

Income level	Existing households	Estimated new households (2021-2041)	What can they afford? <i>Rents (including basic utility costs)</i>	How to meet the need?
Extremely Low-Income (less than 50% MFI)	19,523	3,037	Rents up to \$1,330 per month. <i>A household would need to earn \$57,000 to afford average multifamily rent of \$1,430 (about 54% of MFI for a family of four).</i>	<ul style="list-style-type: none"> <li>• Preserve existing income-restricted housing</li> <li>• Develop new income-restricted affordable housing; this typically requires extensive subsidy, with funding from state and federal sources, in addition to any support from the City and other partners</li> </ul>
Low-Income (50%-80% MFI)	8,468	1,317	Rents between \$1,330 to \$2,130 per month. <i>Households with this income range are likely to live in rental housing predominantly.</i>	<ul style="list-style-type: none"> <li>• Preserve existing “naturally occurring affordable housing”</li> <li>• Develop new income-restricted housing</li> <li>• Develop new market-rate housing</li> <li>• Provide rent assistance, such as a Housing Choice Voucher</li> <li>• Provide homeownership opportunities related to housing developed by nonprofit organizations (possibly with subsidy, such as through a community land trust).</li> <li>• Provide down payment assistance</li> </ul>
Middle-Income (80%-120% MFI)	7,056	1,097	Rents between \$2,130 to \$3,200 per month. <i>Households within this income range can afford rents higher than the average multifamily rent (\$1,430). Some households can afford the median home sales price in Gresham (\$456,000). Households with incomes in the lower part of this income range may need assistance in attaining homeownership.</i>	<ul style="list-style-type: none"> <li>• Develop rental housing</li> <li>• Develop lower-cost housing for homeownership.</li> <li>• Provide down payment assistance, or housing developed by nonprofit organizations (possibly with some subsidy, such as land banking or a community land trust).</li> </ul>

**Housing Needs for Underserved Households: Addressing Equitable Access**

As the City applied the HPS Equity Framework, it considered issues of Fair housing and equitable access to housing options. Part of this process has been and will continue to be iterative, a continual refining of the City’s understanding and engagement of underserved communities, lower-income households, and people in state and federal-protected classes. This

will be critical to creating policies that are based on equitable opportunity and resources.

### Housing Needs of People of Color

Understanding the race and ethnicity characteristics<sup>15</sup> in Gresham is important for understanding housing needs because Black, Indigenous, and People of Color often face discrimination when looking for housing. In addition, comparing household income for Black, Indigenous, and People of Color (BIPOC) households with White non-Hispanic households to shows disparities in income levels, as shown in Exhibit 9 and Appendix A, Exhibits 17-19.

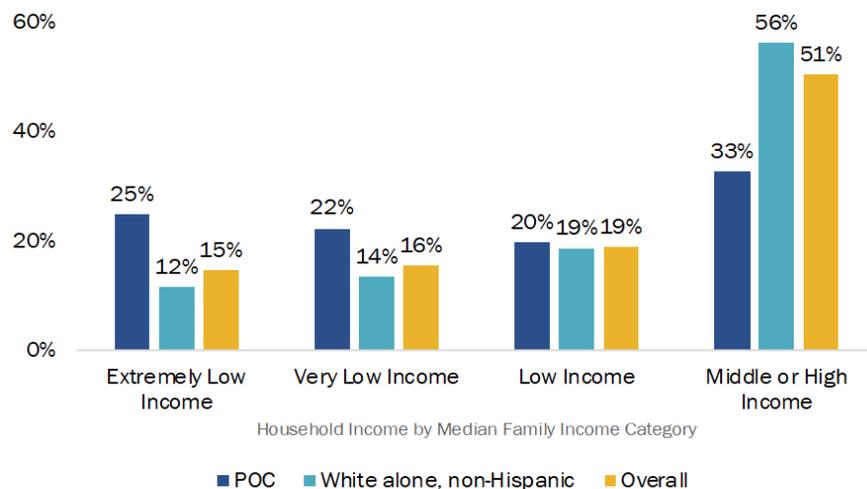
About 33% of BIPOC households were middle- or high-income compared to 56% of White, non-Hispanic households.

Extremely or very low-income households were more likely to be BIPOC.

**Exhibit 9. Household Income by BIPOC, White non-Hispanic, and All Households, Gresham, 2014-2018**

Source: CHAS, Table 2.

Note: BIPOC includes Hispanic/Latinx households



About **15% of Gresham’s population** identify as non-Hispanic Black, Asian, American Indian or Alaska Natives, Native Hawaiian or Pacific Islanders, two or more races, or another race. About 21% of Gresham’s population identify as Latino (any race). Black, Latino, American Indian or Alaska Natives, and Native Hawaiian or Pacific Islanders are more likely to rent their homes and to live in multifamily housing than the overall average in Gresham. Black, Indigenous, and People of Color are cost burdened more frequently than the average household in Gresham.<sup>16</sup> 55% of BIPOC households were cost burdened or severely cost burdened compared to 38% of White households and 31% of BIPOC households were severely cost burdened compared to 17% of White households. Addressing the affordability issues, discussed above, as well as ensuring that Black, Indigenous, and People of Color have access to housing without

<sup>15</sup> The U.S. Census Bureau considers race and ethnicity as two distinct concepts. Latino is an ethnicity and not a race, meaning individuals who identify as Latino may be of any race. BIPOC as used in this report does not include individuals who identify as white and Hispanic/Latinx.

<sup>16</sup> Black, Indigenous and People of Color includes Black, Latino, American Indian or Alaska Native, Asian, Native Hawaiian and Pacific Islanders, and people of another or multiple races. These categories were combined due to limited data availability.

discrimination. This will require increasing awareness of Fair Housing rules for property owners and managers, tenants, City decision makers, and City staff. It will also require careful decision making to change policies that have created barriers to accessing housing for Black, Indigenous, and People of Color.

### Housing Need of People with Disabilities

The Census reports that about **13% of Gresham's population** have one or more disabilities, such as ambulatory, vision, hearing, cognitive, self-care, or independent living disabilities. Appendix A, Exhibit 20 has more details about this population group in Gresham.

Addressing the affordability issues discussed above, as well as ensuring that people with disabilities have access to housing that addresses their disability and that they have access to housing without discrimination. This will require increasing awareness of Fair Housing rules for property owners and managers, tenants, City decision makers, and City staff. It will also require approaches that encourage development of housing with specialized design standards to accommodate special needs.

---

Disabilities include those that are visible, such as ambulatory or vision disabilities, and those that are not readily apparent, such as self-care, independent living, or cognitive disabilities. Other conditions may require special accommodation, such as disabling diseases or mental health conditions.

---

### Housing Need of People Experiencing Homelessness

There were approximately **48 households** experiencing unsheltered homelessness in Gresham in 2022.<sup>17</sup> In addition, **1,106 students** in the Gresham-Barlow, Centennial, and Reynolds School Districts experienced homelessness according to the McKinney Vento, Homeless Student Data. 2019-2020. . The number of people experiencing unsheltered homelessness in Multnomah County was 5,228 in 2022.<sup>18</sup> These numbers may be underestimated, especially because people experiencing homelessness may move between cities in the Portland region. Appendix A, Exhibits 41-44 have more details about this population group in Gresham.

Strategies will range from emergency assistance (including rent and utility assistance), permanent supportive housing (including supportive housing with services), and improved access to affordable units.

---

<sup>17</sup> 2022 Point-In-Time Count, Count of people experiencing HUD homelessness in Portland/Gresham/Multnomah County, Oregon on January 26, 2022, Joint Office of Homeless Services.

<sup>18</sup> 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.

## Development of Needed Housing: Opportunities and Barriers

Supporting the development of needed housing is a complex and challenging task. The City of Gresham faces challenges that can be placed into eight broad categories. In order to inform the efficacy of potential strategies, the City has identified barriers and opportunities presented by each challenge.

**Exhibit 10. Summary of Gresham’s Challenges to the Development of Needed Housing**

Challenges	Barriers include...	Opportunities: The City can...
<b>Development Standards.</b> Existing development regulations limit higher-density multifamily housing	Standards (such as open space, landscaping, ground floor uses, building height, and maximum densities), which constrict developers’ abilities to provide needed housing at affordable rents; parking minimums that have historically been viewed by developers as a barrier (these standards are changing in response to Climate Friendly and Equitable Communities rulemaking.)	Remove complex or restrictive zoning and make housing, multifamily housing development less difficult, and less costly.
		Identify locations appropriate for increased density and amend the development code can increase financial feasibility of building new multifamily housing in targeted locations.
	Numerous residential and mixed-use zones. The quantity of different zones adds to development complexity.	Evaluate the quantity and complexity of zones that permit residential uses, and potentially consolidating zones or standards can ease developer confusion, time, and cost.
<b>Few Opportunity Sites.</b> Few opportunity sites exist for development of regulated, income-restricted affordable housing in high-opportunity locations.	Developers face challenges finding sites that are affordable, allow multi-unit development, and are in an appropriate location.	Review zoning in specific locations with transportation options and service to ensure appropriate development is allowed.
		Explore the use of TIF Districts to allow the City to engage in land banking. The City can seek to secure land in high opportunity areas, such as those with access to transit, near services (both social services and other services), and near jobs (or with easy access to transit).
	There are concerns that as Climate Friendly and Equitable Communities requirements take place, the removal of required parking minimums may be offset by increased land prices near MAX stations.	Review site and building design standards in conjunction with the changes needed to meet Climate and Equitable Communities requirements to increase financial feasibility in areas with transportation options and services.

Challenges	Barriers include...	Opportunities: The City can...
<p><b>Development and Redevelopment Risk.</b> Development of key infill and redevelopment opportunity sites in Gresham’s centers may be too complex and risky for many developers.</p>	<p>Only some developers will be willing to take on the risk of redeveloping key opportunity sites, given the cost and challenges with redevelopment.</p>	<p>Continue to proactively engage and partner with owners and the development community to provide technical assistance for key opportunity sites for redevelopment to foster community-responsive development. Sites include the Rockwood Triangle, Downtown (Gresham Town Fair, Hogan/Burnside, and Beech Street), and in the Civic Neighborhood District (K-Mart site and properties near the MAX station).</p>
		<p>The City can be mindful of these barriers when taking actions under the State’s Climate Friendly and Equitable Communities requirements and changing how these projects can develop.</p>
		<p>Explore expanded/new TIF Districts to allow the City to partner in redevelopment of these areas.</p>
<p><b>Infrastructure Needs.</b> A portion of Gresham’s residential capacity is in Pleasant Valley and Springwater, which have significant infrastructure needs.</p>	<p>The costs of development of this new infrastructure will be considerable.</p>	<p>Review the mechanisms for furthering infrastructure development in Pleasant Valley, and Springwater to accommodate the potential demand for housing in these areas.</p>
		<p>Evaluate the housing component of Pleasant Valley and Springwater’s zoning in upcoming planning projects to ensure compatibility with the City’s goals and site constraints.</p>
<p><b>Limited Resources for Development.</b> Limited funding and resources are available to support development of:</p> <ul style="list-style-type: none"> <li>• income-restricted affordable housing (for incomes below 60% of MFI), and</li> <li>• new housing affordable to middle income households (60% to 120% of MFI).</li> </ul>	<p>An increasing need to secure federal, state, and local subsidies to cover the costs of development and operations with restricted rents.</p>	<p>Support housing for these income ranges through direct funding (i.e., monetary contributions for housing), contributions of land, and cost reductions (e.g., tax abatements or waiving fees), when funding and resources are available.</p>
	<p>No continuous, large, locally controlled, dedicated funding sources to develop subsidized affordable housing.</p>	
	<p>Federal and state funding is harder to access for building housing affordable to the 60%-120% MFI income ranges.</p>	
<p><b>Limited Staff Capacity.</b> Implementing the actions in the HPS will take considerable City staff capacity.</p>	<p>Limited staff capacity to work on the items in the HPS may slow or halt implementation of the HPS and the development of needed housing.</p>	<p>Designate a portion of one or more staff member’s job to implement the HPS to help ensure that actions occur within the required timelines.</p>

Challenges	Barriers include...	Opportunities: The City can...
<p><b>Local Context.</b> Lack of awareness of housing needs and the community benefits of affordable housing could lead to insufficient support for housing programs and affordable housing development.</p>	<p>Community concern and resistance may hinder the development of affordable housing and limit the City's ability to support housing programs.</p>	<p>Increase community engagement to help the City to understand and gain support for the development of affordable housing. Developers and city staff will need to reach out to neighborhood groups and other stakeholders to gain support for development by providing information about newer housing types and discussing how different housing types can fit into existing neighborhoods.</p>
	<p>Staff should highlight the benefits of diverse housing types including lower climate impacts, preservation of green space, attainability of housing for people who grew up in the community or who are ready to downsize and promoting energy efficiency.</p>	
<p><b>Local Income Levels.</b> Many households in Gresham cannot afford the high cost of new market-rate, multifamily development.</p>	<p>Nearly half of Gresham residents had incomes less than the 50% of MFI for Multnomah County; the lower income in Gresham makes it difficult for many residents to afford market rents.</p>	<p>Create incentives; financial and other support, to help offset high construction costs and lower incomes in Gresham so that developers are able to build multi-unit housing that is both financially feasible for the developer and affordable to average households in Gresham.</p>
	<p>Developers often cannot afford to build market-rate multi-unit rental housing that is affordable to households in Gresham.</p>	

## 3.Strategies to Meet Future Housing Need

---

The City of Gresham has identified four outcomes to address its housing needs. Each is associated with potential city-led actions, funding sources, and potential partnerships with other entities that help to achieve an overarching goal by bundling strategies and funding sources. The City acknowledges that several strategies and partnerships are necessary to achieve the City’s housing goals.

### HPS Outcomes

- Encourage Production of Publicly Subsidized Affordable Housing Units
- Reduce Barriers to Producing Low- and Moderate-Income Affordable Rental Housing
- Open Up Opportunities for Affordable Homeownership
- Preserve Existing Low- and Moderate-Income Affordable Housing

The City will lead and implement each action with the support of its partners. The actions arose as the best opportunities for responding to immediate needs while also establishing a framework for the City to continue its work for the long term.

### What actions will the City pursue by 2029?

After evaluating potential actions for inclusion in the HPS, within each initiative, the project team identified actions to include in the HPS. Based on the project team’s evaluation, the strategies presented in the HPS would increase fair and equitable housing choices. Using just the funding from existing resources to implement strategies will have less impact than also adding in new funding resources such as a future TIF District(s) and/or a Construction Excise Tax (CET). The table below shows the actions organized by:

1. Actions to be implemented within the existing TIF District
2. Actions for evaluation within potential new TIF District(s)
3. City-wide strategies

These actions, along with the tenure and income level they serve and the potential scale of impact on housing development, are included in Exhibit 11. Exhibit 11 includes exploring three tools that would result in a loss of revenue for the City: a targeted reduction/waiver of Systems Development Charges, the Multiple Unit Property Tax Exemption, and the Nonprofit Corporation Low-Income Tax Exemption (actions 3F, 3G and 3H). Therefore, pursuing any of these three actions would require implementing a CET to backfill the City’s foregone revenue. The City will explore balancing these strategies with a potential future CET (action 3I). For more details about the evaluation criteria for all the actions on Exhibit 11, see Appendices D and E.

## Exhibit 11. Housing Production Actions

	Action	Anticipated Impacts			
		Tenure		% MFI Targeted	Magnitude of New Units Produced
<b>1</b>	<b>Within Existing TIF District</b>				
1A	Explore provision of grants and loans for new development	Own	Rent	0 60 80 120	•••
1B	Explore rehab grants to low-cost market-rate property owners in exchange for affordability agreements	N/A	Rent	0 60 80 120	••
1C	Explore partnerships to acquire and stabilize existing low-cost market rate housing	N/A	Rent	0 60 80 120	••
1D	Explore funding and partnerships for housing-related infrastructure development	Own	Rent	0 60 80 120	•••
<b>2</b>	<b>Within Potential New TIF District(s)</b>				
2A	Explore provision of grants and loans for new development	Own	Rent	0 60 80 120	•••
2B	Explore rehab grants to low-cost market-rate property owners in exchange for affordability agreements	N/A	Rent	0 60 80 120	••
2C	Explore partnerships to acquire and stabilize existing low-cost market rate housing	N/A	Rent	0 60 80 120	••
2D	Explore funding and partnerships for housing-related infrastructure development	Own	Rent	0 60 80 120	•••
2E	Explore land banking, parcel assembly, and public land disposition	Own	Rent	0 60 80 20	•••
<b>3</b>	<b>City-Wide</b>				
3A	Explore and reduce barriers for affordable homeownership models	Own	N/A	0 60 80 120	••
3B	Reduce zoning barriers for housing development, with a focus on multifamily and townhome development	Own	Rent	0 60 80 120	•
3C	Streamline permitting processes for all housing types, with a focus on barriers to townhouses and multifamily housing	Own	Rent	0 60 80 120	•
3D	Implement Rent Assistance Pilot Program and explore partnerships to address and prevent homelessness	N/A	Rent	0 60 80 120	••
3E	Extension/expansion of tax abatement agreement with Home Forward	N/A	Rent	0 60 80 120	••

	Action	Anticipated Impacts			
		Tenure		% MFI Targeted	Magnitude of New Units Produced
3F	Explore reduction/waiver of Systems Development Charges for certain needed housing types, including those not being produced by the market	Own	Rent	0 60	•••
3G	Evaluate the Multiple Unit Property Tax Exemption	N/A	Rent	60 80	•••
3H	Evaluate the Nonprofit Corporation Low-Income Tax Exemption	N/A	Rent	0 60	•••
3I	Explore a Gresham-specific Construction Excise Tax	Own	Rent	0 60 80 120	•••

## Funding

One of the key limitations to implementing the actions in the HPS is the availability of funding. Funding is needed not only to build units, preserve affordable housing, and provide access to equitable housing, but also for staff time to implement the HPS. Gresham’s general fund limitations are a key barrier. Gresham has one of the lowest property tax rates in the state and similar size cities are operating with larger budgets and more staff. Identifying a set of realistic funding sources is necessary for achieving the vision of housing choice for all in Gresham.

A robust set of housing preservation and development programs requires funding sources that are dedicated toward these activities and that are stable and flexible. In addition to existing available funding options, the City will explore new funding sources that can help fund its programs. More information on locally controlled and other sources of funding is summarized below with details in Appendix D.

### Locally Controlled Funding

- Potential New TIF District(s).** Tax increment financing is a flexible tool that can fund many of the key strategies identified in the HPS if they are used within a TIF District. The City could pursue one or more new TIF District(s) with housing goals that complement the neighborhood(s) within the district(s). Extensive public involvement would be needed, as any new TIF District(s) would be voter approved. Upon establishment of a new district(s) some years would be needed to accumulate enough increment to invest in development.
- Existing Urban Renewal Districts.** In May 2022, Gresham voters approved an extension of the Rockwood-West Gresham Urban Renewal Area until 2029.<sup>19</sup> Over the next six years, the Gresham Redevelopment Commission is forecasted to have approximately \$30 million remaining to invest toward new projects, technical assistance such as business grants, debt,

<sup>19</sup> <https://greshamoregon.gov/Urban-Renewal/>

and agency administration. Some of these projects are likely to include infrastructure investments to support housing, direct project subsidies or low-interest loans for mixed-use or infill housing developments, land acquisition or assembly, and anti-displacement initiatives.

- **Potential Construction Excise Tax (CET).** A CET is a percentage-based fee on new residential and/or commercial construction charged at the time of permitting. Cities may adopt a CET on the value of new construction projects to raise funds for affordable housing projects. The City will explore a potential future CET to back fill loss of revenue, if the City chooses to implement a targeted reduction/waiver of Systems Development Charges, the Multiple Unit Property Tax Exemption and/or the Nonprofit Corporation Low-Income Tax Exemption.

### Other Sources of Funding

- **Current and Future Metro General Obligation Bond Funding.** Metro’s Affordable Housing Bond has funded production of rental units in Gresham. The City could consider lending bond proceeds to home developers to finance land acquisition and development. The Metro Housing Bond requires a 60-year restrictive covenant on any land on which a low-income housing development is placed. The City can engage with Metro on funding criteria for any future Metro Bond. The City can also leverage funding through the Metro Supportive Services Bond.
- **State funding** through Oregon Housing and Community Services, Oregon Brownfields Program, and Oregon Facilities Bonds, which could create a revolving loan fund for construction costs, for housing projects affordable to households earning 80% to 120% MFI. Funding levels may also increase for a variety of programs and there may be upcoming opportunities to fund the development of affordable rental and ownership units.
- **Funding from nonprofit and foundation partners**, such as Oregon Community Foundation or Meyer Memorial Trust.

### Implementation Schedule for Actions

The table below presents a draft schedule for implementation of the Housing Production Strategy. The table shows each of the actions below. Each action will go through a period of development and evaluation where staff works with decision makers to develop the specifics of the action, then potential adoption and implementation. The activities for each of these are described below.

- **Further refinement:** The actions will require some level of further refinement prior to adoption, which may range from simple logistics (such as developing materials about an existing program) to complicated coordination between multiple internal and external stakeholders (such as the implementation of a tax abatement). The refinement period will occur before adoption.
- **Adoption or Official Determination:** This occurs when the City takes official action to adopt a strategic action (or uses another official acknowledgment that the City is going to execute the strategic action). The table shows the expected time of adoption, with the expectation that the official action will be taken by the last day of the year specified below.

- **Implementation:** This occurs when the City officially begins using the strategic action represented by a tan color in the table.

DRAFT

## Exhibit 12 Implementation Schedule

	Action	2023	2024	2025	2026	2027	2028	2029
<b>1</b>	<b>Within Existing TIF District</b>							
1A	Explore provision of grants/loans for new development	Explore/refine	Explore/refine	<b>Adopt</b>	Implement	Implement	Implement	Implement
1B	Explore rehabilitation grants to low-cost, market rate rental property owners in exchange for affordability agreements	Explore/refine	Explore/refine	<b>Potential adoption based on Commission approval</b>				
1C	Explore partnerships to acquire and stabilize existing low-cost market rate housing	Explore/refine	Explore/refine	<b>Potential adoption based on Commission approval</b>				
1D	Explore funding and partnerships for housing-related infrastructure development	Explore/refine	Explore/refine	<b>Potential Adoption based on Commission approval</b>				
<b>2</b>	<b>Within Potential New TIF District(s)</b>							
2A	Explore provision of grants/loans for new housing development	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Adopt dependent on Council/ voter approval</b>	Accruing increment	Accruing increment/ implement based on accumulated funds
2B	Explore rehabilitation grants to low-cost, market rate rental property owners in exchange for affordability agreements	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Adopt dependent on Council/ voter approval</b>	Accruing increment	Accruing increment/ implement based on accumulated funds
2C	Explore partnerships to acquire and stabilize existing low-cost market rate housing	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Adopt dependent on Council/ voter approval</b>	Accruing increment	Accruing increment/ implement based

	Action	2023	2024	2025	2026	2027	2028	2029
								on accumulated funds
2D	Explore funding and partnerships for housing-related infrastructure development	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Adopt dependent on Council/ voter approval</b>	Accruing increment	Accruing increment/ implement based on accumulated funds
2E	Explore land banking, parcel assembly, and public land disposition efforts	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Adopt dependent on Council/voter approval</b>	Accruing increment	Accruing increment/ implement based on accumulated funds
<b>3</b>	<b>City-Wide</b>							
3A	Explore and reduce barriers for affordable homeownership models	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Adopt</b>	Implement
3B	Reduce zoning barriers for housing development, with a focus on multifamily and townhouse development. Two components:  Design districts design standards and corridor districts townhouse design standards (DCPU 2 project)	Explore/refine	Explore/refine	Explore/refine	<b>Adopt</b>	Implement	Implement	Implement
	Densities and zoning district evaluation/consolidation	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Adopt</b>	Implement
3C	Streamline permitting processes for all housing types, with a focus on barriers to townhouse and multifamily housing	Explore/refine	Explore/refine	Explore/refine	<b>Adopt</b>	Implement	Implement	Implement
3D	Implement a rent assistance pilot program for individuals experiencing homelessness and explore partnerships to address and prevent homelessness	<b>Adopt</b>	Implement	Implement	Implement	Implement	Implement	Implement

	Action	2023	2024	2025	2026	2027	2028	2029
3E	Extend/expand the City's tax abatement agreement with Home Forward	<b>Adopt</b>	Implement	Implement	Implement	Implement	Implement	Implement
3F	Explore a reduction and/or waiver of System Development Charges for certain needed housing types	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Council direction</b>
3G	Evaluate the Multiple Unit Property Tax Exemption	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Council direction</b>
3H	Evaluate the Nonprofit Corporate Low-Income Tax Exemption	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Council direction</b>
3I	Explore a Gresham-specific Construction Excise Tax	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	Explore/refine	<b>Council direction</b>

# 4. Evaluation and Monitoring: Achieving Fair and Equitable Housing Outcomes

## Evaluation of the Strategic Actions

The actions included in Gresham’s Housing Production Strategy work together to achieve equitable outcomes for all residents of Gresham. An evaluation of the HPS for achieving the following types of outcomes is required<sup>20</sup>:

- Affordable Homeownership,
- Affordable Rental Housing,
- Housing Stability,
- Housing Choice for Protected Classes,
- Location of Housing in Compact, Mixed-Use Neighborhoods,
- Fair Housing, and
- Housing Options for People Experiencing Homelessness.

The evaluation is consolidated in Exhibit 13 below with details in Appendix E. Moving forward, the City has choices in how it structures its programs to emphasize various goals, particularly housing choice, location, and fair housing. Throughout implementation the City will closely evaluate program criteria and application to maximize benefit.

**Exhibit 13. Evaluation of Actions in the HPS for Achieving Fair and Equitable Housing Outcomes**

	Action	Affordable Rental Housing	Affordable Homeownership	Housing Stability	Housing Choice, Location of Housing, and Fair Housing	Addressing Homelessness
1A, 2A	Explore provision of grants/loans for new development within existing and potential new TIF District(s)	✓	✓		Depends on criteria	Depends on program focus
1B, 2B	Explore rehabilitation grants to low-cost, market rate rental property owners in exchange for affordability agreements within existing and potential new TIF District(s)	✓		✓	Depends on criteria	

<sup>20</sup> This evaluation is required in OAR 660-008.

	Action	Affordable Rental Housing	Affordable Homeownership	Housing Stability	Housing Choice, Location of Housing, and Fair Housing	Addressing Homelessness
1C, 2C	Explore partnerships to acquire and stabilize existing low-cost market rate housing in exchange for affordability agreements within existing and potential new TIF District(s)	✓		✓	Depends on criteria	
1D, 2D	Explore funding and partnerships for housing-related infrastructure development in existing and potential new TIF Districts.	✓	✓		Depends on criteria	Depends on criteria
2E	Explore land banking, parcel assembly, and public land disposition efforts within potential new TIF District(s)	✓	✓	Depends on criteria	Depends on criteria	
3A	Explore and reduce barriers for affordable homeownership models		✓			
3B	Reduce zoning barriers for housing development, with a focus on multifamily and townhouse development	✓				
3C	Streamline permitting processes for all housing types, with a focus on barriers to townhomes and multifamily housing	✓	✓			
3D	Implement Rent Assistance Pilot Program for individuals experiencing homelessness and explore partnerships to address and prevent homelessness					✓
3E	Extend/expand the City's tax abatement agreement with Home Forward	✓			Depends on criteria	
3F	Explore reduction/waiver of Systems Development Charges	✓			Depends on criteria	Depends on program focus
3G	Evaluate the Multiple Unit Property Tax Exemption	✓		✓	Depends on criteria	
3H	Evaluate the Nonprofit Corporation Low-Income Tax Exemption	✓			Depends on criteria	✓
3I	Explore a Gresham-Specific Construction Excise Tax	✓	✓	Depends on criteria	Depends on criteria	Depends on criteria

## Assessment of Benefits and Burdens from the Action

Gresham is required to consider the anticipated benefit and burden from each action for the following groups of people who have been historically marginalized: low-income communities, communities of color, people with disabilities, and other state and federal protected classes. This includes potential indirect and/or marginal impacts that result from how the City implements each policy.

---

Federal protected classes include: race, color, religion, national origin, age, sexual orientation, gender identify, familiar status, and disability. Oregon's protected classes include: race, color, national origin, religion, disability, sex (including pregnancy), sexual orientation, gender identify, age, and marital status.

---

### Exhibit 2. Assessment of Benefit and Burden for Historically Marginalized Communities as a Result of Each Action

	Actions	Benefits	Burdens
1A,2A	Explore provision of grants/loans for new development within existing and potential new TIF District(s)	<ul style="list-style-type: none"> <li>Will benefit extremely low-income, very low-income, and low-income households. The groups more likely to have incomes qualifying for this action have a proportionately larger percentage of POC, people with disabilities, and seniors.</li> <li>The City should continue to identify approaches to displacement of existing residents and to ensure that these grants and loans benefit POC, people with disabilities, and seniors.</li> </ul>	<ul style="list-style-type: none"> <li>May increase burdens on POC, people with disabilities, and seniors if development displaces existing residents through redevelopment.</li> </ul>
1B,2B	Explore rehabilitation grants to low-cost, market rate rental property owners in exchange for affordability agreements within existing and potential new TIF District(s)	<ul style="list-style-type: none"> <li>Will benefit low- to middle-income households. The groups more likely to have incomes qualifying for this action have a proportionately larger percentage of POC, people with disabilities, and seniors.</li> <li>The City may want to incorporate specific criteria into its policies about rehabilitation grants to ensure that the programs benefit people in protected classes.</li> </ul>	<ul style="list-style-type: none"> <li>Burdens on these communities may increase after required affordability periods expire unless the program builds in a renewal option.</li> </ul>
1C,2C	Explore partnerships to acquire and stabilize existing low-cost market rate housing within existing and potential new TIF District(s)	<ul style="list-style-type: none"> <li>Will benefit low- to middle-income households. The groups more likely to have incomes qualifying for this action have a proportionately larger percentage of POC, people with disabilities, and seniors.</li> <li>The City may want to incorporate specific program criteria to ensure that POC, people with disabilities, and seniors benefit from this action.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> </ul>
1D,2D	Explore funding and partnerships for housing-related infrastructure development in existing and potential new TIF Districts.	<ul style="list-style-type: none"> <li>Will benefit extremely low-, very low, low- and middle-income households, depending on how the City prioritizes funding. The groups more likely to have incomes qualifying for this action are disproportionately marginalized communities, including POC, people with disabilities, and seniors.</li> </ul>	<ul style="list-style-type: none"> <li>May increase burdens on POC, people with disabilities, and seniors if the City does not mitigate redevelopment displacement pressures on existing residents.</li> </ul>

	<b>Actions</b>	<b>Benefits</b>	<b>Burdens</b>
2E	Explore land banking, parcel assembly, and public land disposition efforts within potential new TIF District(s)	<ul style="list-style-type: none"> <li>Depending on the structure, could benefit households at extremely low-income, very low-income, low-income, and limited moderate-income households. The groups more likely to have incomes qualifying for this action are disproportionately marginalized communities, including POC, people with disabilities, and seniors.</li> <li>Some land trusts specialize in providing services to these communities. To increase benefits to people in state and federal protected classes, the City may want to consider focus on working with land trusts that prioritize working with people in protected classes.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> <li>Could have a less positive impact for POC, people with disabilities, or seniors if these communities are not recruited from for participation in the resulting development or if the City does not mitigate potential effects of potential displacement from land assembly.</li> </ul>
3A	Explore and reduce barriers for affordable homeownership models	<ul style="list-style-type: none"> <li>Will benefit low- to middle-income households. The groups more likely to have incomes qualifying for this action are disproportionately marginalized communities, including POC, people with disabilities, and seniors.</li> <li>Some land trusts specialize in providing services to these communities. To increase benefits to people in state and federal protected classes, the City may want to consider focus on working with land trusts that prioritize working with people in protected classes.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities unless funding for this action reduces funding for other programs to support low-income housing.</li> </ul>
3B	Reduce zoning barriers for housing development, with a focus on multifamily and townhome development	<ul style="list-style-type: none"> <li>Depending on the structure, could benefit households at all income levels.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> </ul>
3C	Streamline permitting processes for all housing types, with a focus on barriers to townhomes and multifamily housing	<ul style="list-style-type: none"> <li>Depending on the structure, could benefit households at all income levels.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> </ul>
3D	Implement rent assistance pilot program for individuals experiencing homelessness and explore partnerships to address homelessness	<ul style="list-style-type: none"> <li>Will benefit extremely low-, and very low-income households and people experiencing homelessness. The groups more likely to have incomes qualifying for this action are disproportionately POC, people with disabilities, and seniors.</li> <li>The City may want to incorporate specific program criteria to ensure these groups benefit from this action.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> <li>Could have less positive impact for POC, people with disabilities, or seniors if these communities are not recruited from for participation in the program.</li> </ul>

	<b>Actions</b>	<b>Benefits</b>	<b>Burdens</b>
3E	Extend/expand the City's tax abatement agreement with Home Forward	<ul style="list-style-type: none"> <li>Will benefit extremely low and very low-income households. The groups more likely to have incomes qualifying for this action are disproportionately POC, people with disabilities, and seniors.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> <li>Could have less positive impact for POC, people with disabilities, or seniors if these communities are not recruited from for participation in the resulting development.</li> </ul>
3F	Explore reduction/waiver of System Development Charges	<ul style="list-style-type: none"> <li>Will benefit extremely low-income, very low-income, and low-income households. The groups more likely to have incomes qualifying for this action are disproportionately POC, people with disabilities, and seniors.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> <li>Could have less positive impact for POC, people with disabilities, or seniors if these communities are not recruited from for participation in the resulting development.</li> <li>If the action results in lower funding for developing infrastructure, this could negatively impact areas of the City with infrastructure deficiencies, which are more likely to be where lower-income households live. POC, people with disabilities, and seniors may be more likely to live in these areas.</li> </ul>
3G	Evaluate the Multiple Unit Property Tax Exemption (MUPTEx)	<ul style="list-style-type: none"> <li>Will benefit low- to middle-income households.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> </ul>
3H	Evaluate the Nonprofit Corporate Low-Income Tax Exemption	<ul style="list-style-type: none"> <li>Will benefit extremely low-income, very low-income, and low-income households. The groups more likely to have incomes qualifying for this action are disproportionately POC, people with disabilities, and seniors.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens for these communities.</li> </ul>
3I	Explore a Gresham-specific Construction Excise Tax	<ul style="list-style-type: none"> <li>The CET could benefit extremely low-, very low-, low- and middle-income households, depending on the City's funding priorities.</li> <li>The City is required to use half of the funds for developer incentives for multifamily housing, but the City could target these incentives to households making less than 80% MFI.</li> </ul>	<ul style="list-style-type: none"> <li>Developers have indicated that they may pass along some of the costs of the tax to future renters. However, many renters in new market-rate buildings would be middle- to high-income households.</li> </ul>

	Actions	Benefits	Burdens
		<ul style="list-style-type: none"> <li>• Fifteen percent of funds go toward statewide affordable housing programs, which would benefit low- and middle-income households.</li> <li>• Thirty five percent of funds go toward affordable housing programs. The City has full discretion on how to use these funds.</li> </ul>	

## Monitoring Outcomes of the HPS

Gresham will report progress on implementation of the HPS to DLCD every three years.<sup>21</sup> This report will include:

- **A summary of the actions taken to implement the HPS.** If the City has not implemented the actions scheduled for the first three years of the HPS, the City will explain the barriers to implementation and a plan for addressing the need that the action was intended to address. That plan could include identifying other actions in the HPS that will meet the need, or it could include developing a new action to meet the need.
- **A reflection of the efficacy of the actions the City has implemented.** This reflection will discuss the outcomes the City is observing from the actions they have implemented to date and could include expectations for future outcomes.
- **A reflection of the efficacy of the actions in the context of the outcomes described above.** The report will describe whether the goals and actions implemented have resulted in the expected outcomes described above: affordable homeownership, affordable rental housing, housing stability, housing options for people experiencing homelessness, housing choice, location of housing, and Fair Housing.

The City will notify DLCD if it cannot implement an action within 90 days of the end of the timeline as presented in Chapter 3 (Exhibit 12) and Appendix D. The notice will identify the actions or combinations of actions that the City will take to address the need that the action was intended to address. This could include identification of other actions in the HPS that will meet the identified need, or it could include development of a new action to meet the need.

The City will review its progress toward the plan annually. During the review, the City will document implementation over the previous year and housing development activity. Key questions that the City can consider in its assessment include:

- Are additional actions needed to address new or changing conditions?
- Is staff capacity sufficient to meaningfully advance the strategies?

---

<sup>21</sup> This report is due to DLCD no later than December 31 three years after Gresham adopts its HPS.

- What benefits has the City seen from its efforts to date? Are the City’s residents, and especially its lower-income residents and communities of color, seeing a return on the investments that the City has made?

The City will develop its own metrics for tracking progress toward its desired outcomes. Exhibit 15 provides an overview of potential metrics that the City may track as part of its reviews. Since many of the actions in the HPS entail additional study, the City may include goal setting and evaluation as metrics to track. If the City moves forward with implementation, then the City can measure outcomes. The table below provides a menu of potential metrics.

**Exhibit 15. Potential Metrics by Housing Production Strategy Action**

	<b>Actions</b>	<b>Evaluation/Exploration Metrics</b>	<b>Metrics that Measure Outcomes (if action is pursued)</b>
1A, 2A	Explore provision of grants/loans for new development within existing and potential new TIF District(s)	<ul style="list-style-type: none"> <li>• Evaluate funding potential and timeline</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of funding dispersed for new affordable housing development</li> <li>• Number of projects (and units) receiving project subsidies</li> </ul>
1B, 2B	Explore rehabilitation grants to low-cost, market rate rental property owners in exchange for affordability agreements within existing and potential new TIF District(s)	<ul style="list-style-type: none"> <li>• Complete study</li> <li>• Establish a pilot program</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of funding used for rehabilitation</li> <li>• Number of units where funding was given for rehabilitation or preservation</li> <li>• Average amount of funding per unit</li> <li>• Number of additional units under affordability agreements</li> </ul>
1C, 2C	Explore partnerships to acquire and stabilize existing low-cost market rate housing within existing and potential new TIF District(s)	<ul style="list-style-type: none"> <li>• Conduct outreach with local nonprofits</li> <li>• Establish inventory of affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of funding dispersed for affordable homeownership</li> <li>• Number of projects (and units) receiving project subsidies</li> <li>• Number of households receiving homeownership assistance</li> <li>• New partnerships established or expanded to support affordable homeownership</li> </ul>
1D, 2D	Explore funding and partnerships for housing-related infrastructure development in existing and potential new TIF Districts.	<ul style="list-style-type: none"> <li>• For new districts, evaluate infrastructure development needs based on district boundaries and goals</li> <li>• For existing districts, evaluate use of funds to support infrastructure development</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of funding dispersed for off-site infrastructure that supports housing development</li> </ul>
2E	Explore land banking, parcel assembly, and public land disposition efforts within potential new TIF District(s)	<ul style="list-style-type: none"> <li>• Develop inventory of City, public, and non-profit owned parcels</li> </ul>	<ul style="list-style-type: none"> <li>• Number of lots/acres dedicated to affordable housing development</li> <li>• Amount of funding used to support land banking</li> </ul>

	<b>Actions</b>	<b>Evaluation/Exploration Metrics</b>	<b>Metrics that Measure Outcomes (if action is pursued)</b>
		<ul style="list-style-type: none"> <li>Establish and document the City's land banking goals and role in land banking</li> </ul>	
3A	Explore and reduce barriers for affordable homeownership models	<ul style="list-style-type: none"> <li>Identify barriers for affordable homeownership models</li> </ul>	<ul style="list-style-type: none"> <li>Amount of funding dispersed for affordable homeownership and/or cooperative housing models</li> <li>Number of projects (and units) receiving project subsidies</li> <li>Number of households receiving homeownership assistance</li> <li>New partnerships established or expanded to support affordable homeownership</li> </ul>
3B	Reduce zoning barriers for housing development, with a focus on multifamily and townhome development	<ul style="list-style-type: none"> <li>Determine barriers in zoning code</li> </ul>	<ul style="list-style-type: none"> <li>Number of newly developed regulated and market-rate multifamily and townhouse units</li> <li>Densities of newly developed multifamily housing</li> </ul>
3C	Streamline permitting processes for all housing types, with a focus on barriers to townhomes and multifamily housing	<ul style="list-style-type: none"> <li>Determine barriers in the permitting processes</li> </ul>	<ul style="list-style-type: none"> <li>Number of newly developed multifamily and townhouse units</li> </ul>
3D	Implement rent assistance pilot program for individuals experiencing homelessness and explore partnerships to address homelessness	<ul style="list-style-type: none"> <li>Establish a rent assistance pilot</li> <li>Explore partnerships</li> </ul>	<ul style="list-style-type: none"> <li>New partnerships established or expanded for homelessness services</li> <li>Amount of funding dedicated to homelessness services</li> <li>Number of beds/units accessed by people experiencing homelessness</li> <li>Number and demographics of people who access services</li> </ul>
3E	Extend/expand the City's tax abatement agreement with Home Forward	<ul style="list-style-type: none"> <li>Evaluate pros and cons of extension/expansion</li> <li>Evaluate potential terms of an expansion or extension</li> </ul>	<ul style="list-style-type: none"> <li>Number of projects (and units) granted tax exemption</li> </ul>
3F	Explore reduction/waiver of System Development Charges	<ul style="list-style-type: none"> <li>Evaluate pros and cons of establishing SDC reduction/waivers</li> <li>Evaluate backfilling foregone revenue</li> </ul>	<ul style="list-style-type: none"> <li>Number of inquiries about SDC waiver program</li> <li>Number of projects (and units) granted SDC waiver</li> </ul>
3G	Evaluate the Multiple Unit Property Tax Exemption (MUPTE)	<ul style="list-style-type: none"> <li>Evaluate pros and cons of establishing MUPTE</li> <li>Evaluate backfilling foregone revenue</li> </ul>	<ul style="list-style-type: none"> <li>Number of inquiries about tax exemption</li> <li>Number of projects (and units) granted tax exemption</li> </ul>

	<b>Actions</b>	<b>Evaluation/Exploration Metrics</b>	<b>Metrics that Measure Outcomes (if action is pursued)</b>
3H	Evaluate the Nonprofit Corporate Low-Income Tax Exemption	<ul style="list-style-type: none"> <li>• Evaluate pros and cons of establishing exemption</li> <li>• Evaluate backfilling foregone revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Number of inquiries about tax exemption</li> <li>• Number of projects (and units) granted tax exemption</li> </ul>
3I	Explore a Gresham-specific Construction Excise Tax	<ul style="list-style-type: none"> <li>• Evaluate pros and cons of CET</li> <li>• Evaluate CET design and potential CET revenue projections</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of funding investments made with CET to support affordable housing</li> <li>• Number of affordable housing projects supported</li> </ul>

In addition to the metrics outlined above, the City could monitor current market conditions to help the Council understand the context in which the overall Housing Production Strategy is operating:

- Number and type of new homes produced and total within the City over time (tenure, size, sales price/asking rent, and unit type)
- Share of rent-burdened residents
- Sales prices and rents for existing homes
- Number, location, and expiration date of regulated affordable units with change in units provided over time

When Gresham produces its next HPS in six years (2029), the City will be required to summarize the efficacy of each action included in this HPS. The information resulting from these metrics will help Gresham to summarize the outcomes and efficacy of the actions in this HPS.

## 5. Recommendations for Future Actions

---

The following actions are included as recommendations for the City to potentially act on in the 6-year planning period or to re-consider when next developing an HPS. They are important and useful but are not currently included as strategies in the HPS for a variety of reasons. Some of these recommendations are broad, without a clearly defined action at this point for the City. Others are good ideas but less likely to gain support as actions or have a high impact.

### Recommendations

1. The City has begun monitoring expiration of existing affordability requirements for income-restricted housing. The City can continue this practice and proactively work with owners to preserve units as affordable housing. Preservation of existing and expiring income-restricted affordable housing is a more cost-effective action than building new affordable housing. Gresham has 994 regulated housing units with Low-Income Housing Tax Credit (LIHTC) funding. This represents a portion of Gresham's regulated affordable housing. Of those, 488 are privately owned. 240 of the privately-owned units have LIHTC that will expire in 2023 and 248 units have LIHTC that will expire in 2028/2029.<sup>22</sup> With nothing in place to protect from loss of these units upon expiration of the LIHTC, these affordable units could lose their guaranteed affordable rates.

The City can continue to track the expiration of the subsidies for these properties. Recent state legislation established a regulatory framework for expiration of LIHTC multifamily rental housing developments with expiring affordability restrictions across a range of state funding programs. Owners must give notice to local government and the state when affordability restrictions will expire, and owners must provide the opportunity for the state, local government, or designee (such as Home Forward) to make an offer to purchase the property and to match a competing offer.

For these or other properties in a similar situation (such as HUD and Rural Development properties), the City could work to identify organizations (e.g., nonprofit affordable housing providers) that might be willing and able to acquire the properties if the owners seek to sell or convert them to market rate. The City could also reach out to the property owner before the end of the affordability period to offer technical assistance with preservation options and make them aware of any City programs or incentives available at that time to maintain affordability (e.g., tax exemptions).

---

<sup>22</sup> HUD National Low-Income Housing Tax Credit (LIHTC) Database provides unit numbers: <https://lihtc.huduser.gov/>. The Oregon Housing and Community Services Low-Income Housing Tax Credit project provides applicant names: <https://www.oregon.gov/ohcs/development/Documents/applicants-recipients/LIHTC-Statewide-List.pdf>.

2. The City could update the Comprehensive Plan and other policies to center equity. Centering equity in the Comprehensive Plan will help ensure that policies and land use decisions are made in a way that considers the needs of diverse groups. This can help improve housing outcomes for underserved populations. Gresham also currently certifies that it will affirmatively further fair housing via the HUD funding process. However, HUD's fair housing regulations have changed in recent years with changes in national leadership. Gresham, Portland, and Multnomah County have a joint analysis of impediments related to fair housing from approximately 2011. The consortium of Portland, Gresham, and Multnomah County will likely undergo a formal process to create an updated joint fair housing plan in the coming years. Gresham could implement recommendations from the plan. Policies the City should consider adopting are:
  - An Affirmatively Furthering Fair Housing policy
  - Equity goal(s), policies, and action items in the Comprehensive Plan including policies about housing attainability/affordability and mixed-income neighborhoods
  - Updating other goals, policies, and action items in the Comprehensive Plan to support equity and equitable outcomes
3. The City could encourage accessible design to increase the number of accessible units designed to meet Universal Design, Lifelong Housing Certification, and other similar standards. Increasing the number of units that meet accessibility standards will provide more options for people to live independently or in a housing setting of their choice. Examples of universal design features that can help people age in place or assist people with disabilities include ramps, lever door handles, automatic doors, or flat panel light switches. Potential recommendations include:
  - Use the Oregon Lifelong Housing Certification program,<sup>23</sup> which lists accessibility at different "levels" of accessible design elements, such as visitor accessible (which is basic accessibility for visitors) and enhanced accessible (which is accessible for a person in a wheelchair for the central living floor).
  - Develop pre-approved plan sets (e.g., single-family detached and attached homes with barrier-free, universal design), within the context of American with Disability Act (ADA) and Federal Housing Administration (FHA) rules.
  - Fund a grant to decrease Building Division charges (plan check fee) by some percentage for pre-approved plans and work to reduce approval times for projects meeting accessible design goals.
  - Consider adoption of code incentives for accessible units such as floor area ratio, building height or density bonuses scaled by number of units.

---

<sup>23</sup> Information about this certification program can be found at: <https://rvcog.org/home/sds-2/lifelong-housing-program/#:~:text=The%20Lifelong%20Housing%20Certification%20Project,call%20541%2D423%2D1383.I>

4. Use current and future Metro General Obligation Bond funding to support affordable homeownership. Gresham currently has a request for proposals out for Metro bond funding accepting proposals for ownership. While the Metro Housing Bond permits funds to be used for ownership housing, Metro did not specifically designate any funds for ownership. Metro also requires a 60-year restrictive covenant on any land on which a low-income housing development is placed. The covenant is enforceable so long as bond proceeds are outstanding. A 60-year covenant on land on which affordable “owner-occupied” housing sits severely restricts the options available to build such housing at any scale. The City could consider lending bond proceeds to home developers to finance land acquisition and development. The City could put in place the following, which would support development, although additional subsidy might still be needed:

- 60-year restrictive covenant on the loan: Development must be managed to preserve affordability.
- Deed restriction on each home: Price on re-sale of home limited to annualized 1.5% return on investment.

After home construction is complete, the developer would pay the bond in full. Beginning in year 5 following repayment of bond proceeds, deed restriction is phased out over next 5 years. The developer could re-borrow funds directly from the municipality – no additional bonding required. The capital could be used to develop new affordable for-sale housing. The deed restriction could stipulate that the return on re-sale is limited to 2.5% until 5 years following repayment of development loan.

5. Consider if/how CDBG and Home Dollars could be used more effectively to support affordable housing development. Staff should continue to evaluate how these funds could be used to support programs and actions identified in the HPS.

6. State and regional advocacy/collaboration:

- Advocacy for preservation uses and other desirable provisions to be included in any upcoming Metro affordable housing bond
- Advocacy for preservation funding at the state level
- Advocacy for a statewide capital gains tax exemption for affordable developments losing their tax credits whose affordability will be preserved through the sale of the development
- Advocate for federal and state legislation that would establish new funding sources for local implementation of housing production strategies and development of affordable housing.
- Advocate for federal and state legislation aimed at reducing housing cost burden, resources for tenant education related to rights and landlord-tenant law, and protecting low-income owners and renters from predatory practices.

7. In recent years, Gresham has expanded services to include homeless services and a housing resource coordinator position. Some of these positions were funded with one-time funding. Gresham should seek to secure permanent funding for the positions and look for ways to expand the services for community members and the connections to other resources/services in the community.

# APPENDIX A: CONTEXTUALIZING GRESHAM'S HOUSING NEEDS

---

This appendix provides information to contextualize Gresham's housing needs. The data included in this section is from the HPS past housing planning efforts in the City of Gresham including information gathered through the City of Gresham's HPS engagement efforts and past engagement with housing producers and consumers, including underrepresented communities.

As a part of providing context to better understand Gresham's housing needs, this appendix presents information about housing in Gresham for race, ethnicity, age, disability status, and other characteristics of the community to understand disproportionate housing impacts on different groups.

## Interested Parties Engagement for the HPS

**HPS Advisory Group.** City staff and ECONorthwest solicited input from the HPS Advisory Group (AG) to develop the HPS. The AG had seven members composed of people from the development community and service providers. The project relied on the AG to review draft deliverables and provide input at key points. During the development of the HPS, the AG met three times.

Meeting 1: Summary of housing need (April 14, 2022)

Meeting 2: Gaps in actions and strategies to fill gaps (June 30, 2022)

Meeting 3: Draft of selected strategies (October 17, 2022)

**Focus Groups.** To better understand the housing needs in Gresham, ECONorthwest and the City subcontracted the Community Engagement Liaison Services (CELS) program to hold four 90-minute focus groups in March 2022 with communities that have historically been underserved. The goal of these focus groups was to 1) identify barriers to needed housing and develop an understanding of community housing needs, 2) understand housing preferences including satisfaction with current housing and hopes for the future, and 3) identify strategies the City could pursue to alleviate those challenges. Focus groups included:

- Latino community members, with a strong preference for those with household incomes below \$75,000: 6 participants (held in Spanish)
- Black and African American community members, with a strong preference for those with household incomes below \$75,000: 3 participants
- People living in subsidized housing: 3 participants
- People from the immigrant/refugee communities: 4 participants

The project team learned:

- Participants in each focus group were concerned about the affordability of housing now and the potential for cost increases.
- Participants in each focus group described that they faced non-cost related barriers to attaining housing. Barriers included social security number requirements, credit or rental history, the amount/complexity of paperwork, and written or spoken language barriers.
- Each focus group discussed lack of availability of housing in terms of affordability or size or both.
- Participants in each focus group, except the focus group for immigrant residents, cited lack of privacy as a challenge. The participants in the focus group for immigrants was least likely to be living in multifamily housing.
- Immigrant, Latinx, and subsidized housing focus group participants stated that they would want/need assistance in finding housing and support through the process of applying for or buying it.
- The quality of housing was mentioned by Latinx and Black focus group participants; they described low quality construction leading to noise and lack of maintenance.
- Black and Latinx focus group participants stated that they faced discrimination in housing.
- Black focus group participants stated that the communities they live in lack diversity; therefore, are missing some services and activities appropriate for them.
- Immigrant focus group participants were concerned with safety and wanted to see more mixed income neighborhoods.

**Discussions with Housing Developers and Service Providers.** The project included eight interviews with stakeholders to solicit feedback. The project team spoke with:

- Service providers for vulnerable populations to better understand the range of unmet housing needs, particularly for people experiencing disabilities, mental illness, and/or discrimination. These discussions highlighted a lack of accessible units that are affordable for people with a range of disabilities, limited support services for people experiencing mental illness, and a lack of affordable units for caregivers of vulnerable populations. Preserving affordable housing and providing support to update/retrofit housing came up as important ways to help prevent displacement for vulnerable populations.
- Affordable housing developers to better understand the specific challenges to developing income-restricted housing affordable to low-income households. These interviews revealed regulatory barriers to affordable housing development including parking requirements, ground floor use requirements, and design review. Participants also identified a need for flexible funding and financing and suggested the City could help with acquiring properties for affordable homeownership (such as through land banking) as well as preserving naturally occurring affordable housing.
- Local housing developers and builders to understand the unique challenges in developing market-rate housing and identify policies and actions that could help support market-rate

housing development affordable to middle-income households. This group identified zoning and permitting as barriers to development, citing too many zoning districts, extensive landscaping requirements, and outdated design review requirements and processes. Market rate developers indicated that allowing/incenting density as well as tax abatements and other financial incentives can help get affordable, multifamily developments to pencil.

**Public Open Houses.** In the summer 2022 and winter of 2023, the project team held two public open houses that included opportunities for community members to ask questions about the project, share their housing experiences, and suggest potential solutions.

**Community Conversation at City Events.** In the summer of 2022 staff tabled three large community events and collected data regarding housing priorities, barriers the community faced in finding appropriate housing, and strategies the City could pursue. The events were held in different areas of the City. The early summer Juneteenth event was held in the Centennial neighborhood of west Gresham, the mid-summer Arts Festival was held in Downtown Gresham (a regional center), and the late summer I Heart Rockwood event was held in Rockwood (a town center). Demographic information was not collected. Over 90 community members engaged in a “sticky dot” exercise indicating prioritizing what they are looking for in housing, what barriers they have faced in finding housing, and what types of strategies they want the City to explore. The project team learned:

- Cost is the most important factor people consider when looking at housing and also the number one barrier to attaining housing appropriate for a household’s needs.
- Different communities have different barriers to housing: some people face language challenges, some find the down payment or credit score requirements a problem, others need more bedrooms than they can find.
- Not all landlords know about fair housing laws.
- Different communities have different priorities in housing: while parks and open spaces are important to some people, being close to family or grocery stores are more important to others.
- There is a lack of small units and units accessible to people in the disability community.
- Community members would like the City to be part of the housing conversation.
- Community members want the City to help connect people looking for housing with providers, advocates, and non-profits.
- There is community support for encouraging neighborhoods with a mix of places to live, work and play, and a greater variety of housing types in neighborhoods.

**Planning Commission.** ECONorthwest provided a mid-way update on the HPS project to the Planning Commission in the summer 2022, gathering their feedback and thoughts on potential strategies. ECONorthwest then presented a draft of the Comprehensive Plan text amendments that are associated with the HPS at a work session in early 2023 before presenting the proposed Comprehensive Plan text amendments in Spring 2023.

**City Council.** ECONorthwest presented to the City Council in September 2022 and December 2022, gathering their feedback and thoughts on potential strategies. ECONorthwest delivered the final HPS and presentation in Spring 2023.

**Incorporation of Input.** The strategies included in this HPS draw from the conversations held throughout the project process with focus groups participants, open house participants, and other interested parties. In each of these conversations, the project team learned about the similarities and differences between Gresham’s housing market and the rest of the region. Ground truthing potential strategies allowed the team to develop strategies that are attuned to the specific needs of Gresham residents.

The project team’s experience in developing the HPS brought forward several considerations the City should account for when implementing the HPS and engaging residents on housing issues in the future. To understand the specific needs of different population groups in the city, the City should prioritize compensating residents for their time and making engagement easy and accessible for participants. Ongoing relationships with housing service providers, housing developers, and property owners will be key to implementing strategies that are attuned to the residents’ needs. The City should invest time into building and maintaining relationships with people deeply involved in housing production.

## Demographic and Socio-Economic Characteristics Affecting Gresham’s Housing Needs

This section describes unmet housing needs for people in Gresham by age, race and ethnicity, disability, household size and composition, and household income.

### Data Used in this Analysis

Throughout this analysis data is used from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:<sup>24</sup>

- 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 2020, the Decennial Census does not collect more detailed household

---

<sup>24</sup> 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 report 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.

information, such as income, housing costs, housing characteristics, and other important household information.

- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the U.S. 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.

This report primarily uses data from the 2014-2018 and 2015-2019 ACS for Gresham and comparison areas.<sup>25</sup> Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census.<sup>26</sup> Among other data points noted throughout this analysis, this report also includes data from Oregon’s Housing and Community Services Department, the United States Department of Housing and Urban Development, Redfin, Costar, and other sources.

### Age of People in Gresham

Population growth is the primary driver of growth in housing. Between 2000 and 2020, Gresham’s population grew by about 23,204 people, with most of the growth occurring in the early 2000’s. Over that period, Gresham’s population grew by nearly 15,400 people, and by about 7,800 new residents between 2010 and 2020. Between 2000 and 2020, Gresham grew at a rate consistent with Multnomah County, but faster than the state of Oregon and the United States.

Gresham has higher percentage of its population under the age of 5 (6.5%) and under the age of 18 (23.7%) than Multnomah County (4.7% and 18%) and Oregon generally (5.0% and 20.3%). More information about how this impacts housing need is shown in Exhibit 24.

Growth in Gresham’s senior population, as well as other age cohorts, will continue to shape the City’s housing needs. The population aged 60 and older grew by nearly 10,000 residents in Gresham between 2000 and 2018, and seniors now account for 19% of Gresham’s existing population. Oregon’s population of residents 60 years and older is forecasted to grow by 36% (385,089) between 2020 and 2040, the largest growth of all age groups.

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

---

<sup>25</sup> Five-year 2020 ACS data was not available when this report was compiled.

<sup>26</sup> The 2020 Census was completed at the end of 2020. However, extenuating circumstances brought on by the COVID-19 pandemic has led to some challenges with the data. The Census Bureau is undergoing a post-enumeration survey to understand the accuracy of the 2020 Census which was not complete as of February 2022. The 2020 Decennial Census data is more limited than usual as a result of the COVID-19 pandemic.

attached) or multifamily units, moving in with family, or moving into group housing (such as assisted living facilities or nursing homes), as their health declines.

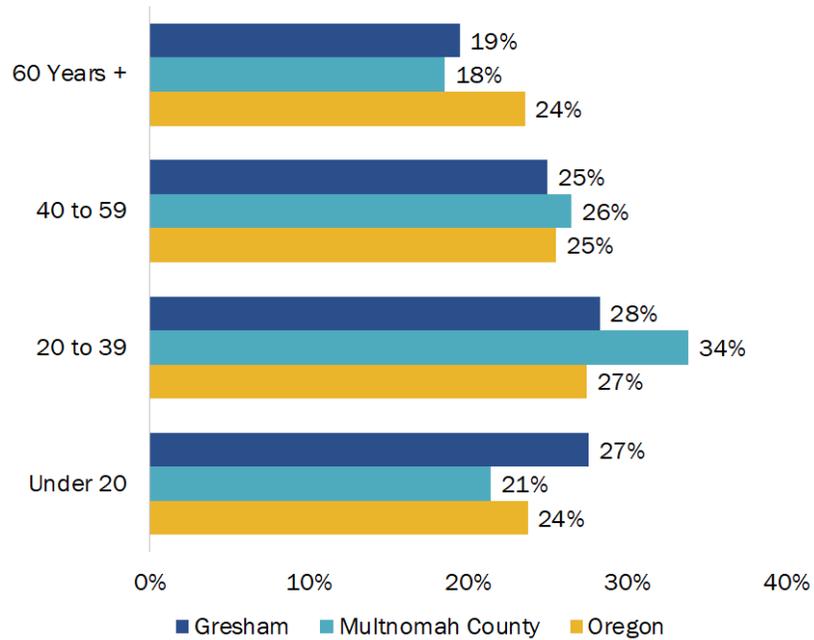
About 53% of Gresham’s residents were between the ages of 20 and 59 years.

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

27% of Gresham’s population was under 20 years old, compared to 21% of Multnomah County’s population and 24% of Oregon’s.

**Exhibit 16. 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.

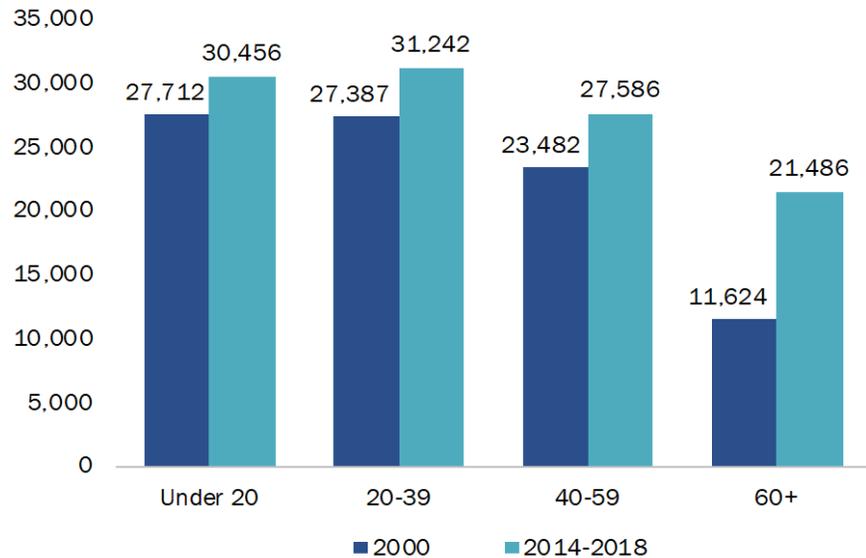


Between 2000 and 2018, the population within all age groups in Gresham grew.

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

### Exhibit 17. 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.



### Race and Ethnicity

Understanding the race and ethnicity characteristics<sup>27</sup> in Gresham is important for understanding housing needs because Black, Indigenous and People of Color often face discrimination when looking for housing.

<sup>27</sup> The U.S. Census Bureau considers race and ethnicity as two distinct concepts. Latino is an ethnicity and not a race, meaning individuals who identify as Latino may be of any race. BIPOC as used in this report does not include individuals who identify as white and Hispanic/Latinx.

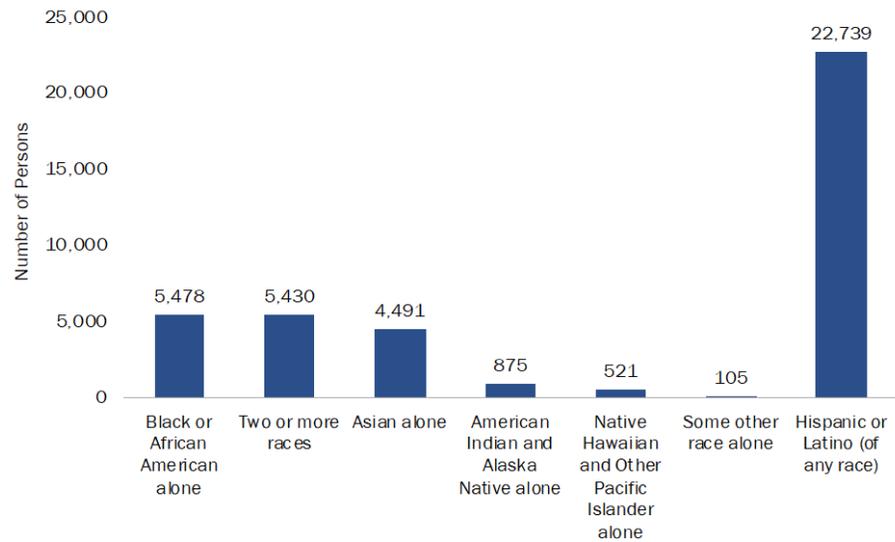
In Gresham, about 16,900 persons identified as a non-Hispanic or Latino and a race other than White alone, and over 22,700 persons identified as Hispanic or Latino of any race.

About 71,000 persons identified as White alone, non-Hispanic or Latino.

Gresham was more racially diverse than Oregon.

**Exhibit 18. 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.



**Exhibit 19. 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."

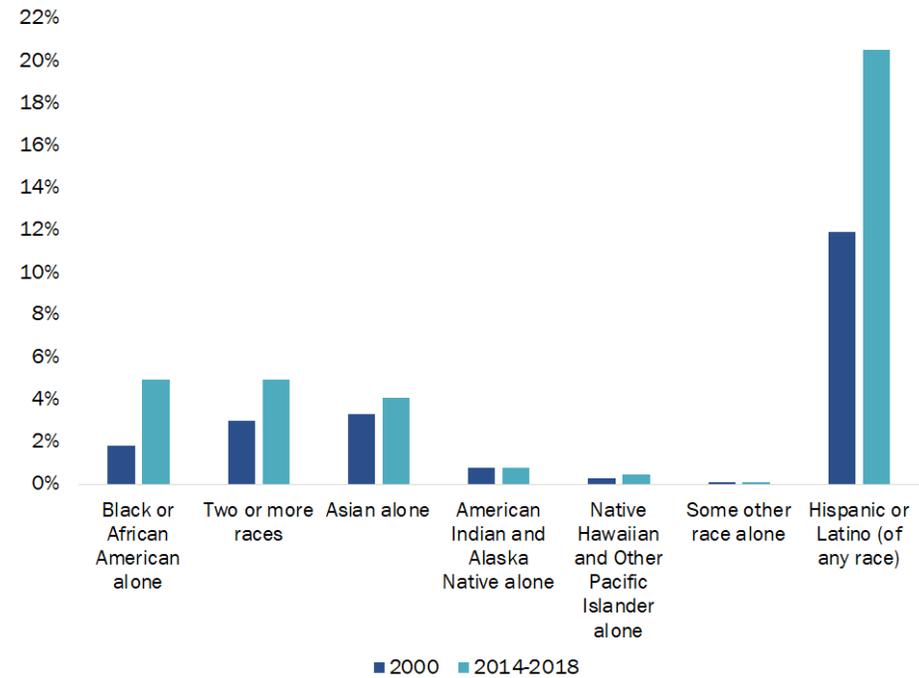
	Gresham	Multnomah Co.	Oregon
Non-Hispanic White Alone	64%	70%	76%
Hispanic or Latino (Any Race)	21%	11%	13%
Non-Hispanic Black or African American Alone	5%	5%	2%
Non-Hispanic Two or More Races	5%	5%	4%
Non-Hispanic Asian Alone	4%	7%	4%
*Some Other Race Alone	1%	2%	1%
American Indian and Alaska Native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

Gresham grew more racially diverse between 2000 and 2018.

The number of Gresham’s households that identified as Latino (of any race) increased from 10,732 people in 2000 to 22,739 people in 2018, consistent with regional trends.

**Exhibit 20. Change in Population by Race and Ethnicity as a Percent of the Total Population, Gresham, 2000 and 2014–2018**

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



### People with a Disability

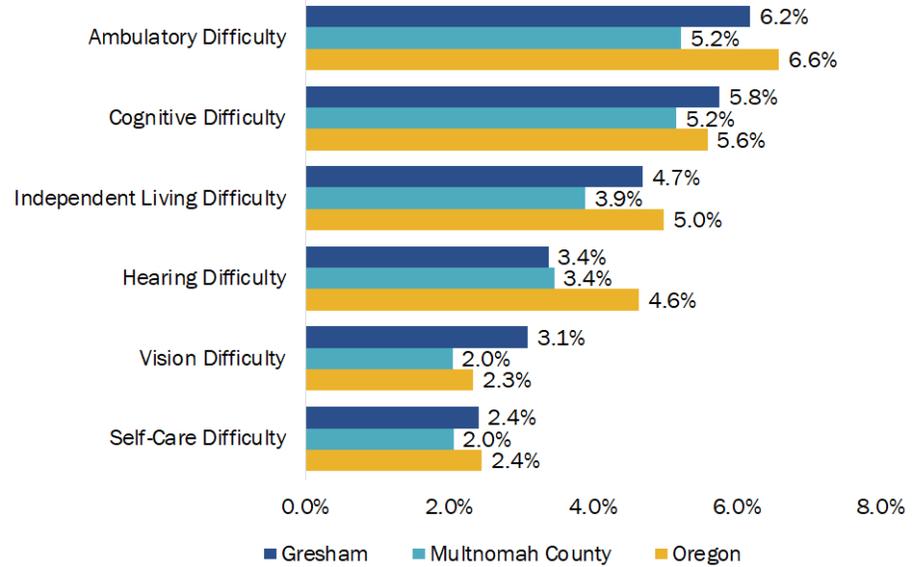
People with one or more disabilities have special housing needs because they may need housing that is physically accessible, housing that meets the needs of people with cognitive disability, or housing with specialized services.

Gresham had 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 21. Persons Living with a Disability<sup>28</sup> 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.



### Household Size and Composition

Housing need varies by household size and composition. The housing needs of a single-person household are different than those of a multi-generational family. On average, Gresham’s households are larger than both Multnomah County and Oregon.

Gresham’s average household size was slightly larger than that of both Multnomah County and Oregon.

**Exhibit 22. Average Household Size, Gresham, Multnomah County, Oregon, 2014–2018**

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



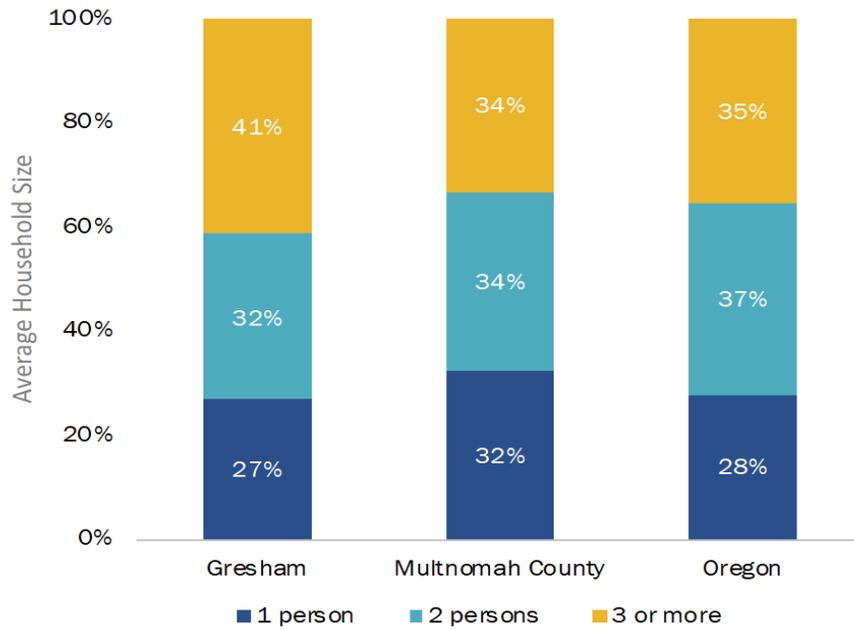
<sup>28</sup> The Census Bureau has identified people with disabilities as a hard-to-count population, which means it is likely these number are an undercount.

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

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

### Exhibit 23. Household Size, Gresham, Multnomah County, and Oregon, 2014–2018

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



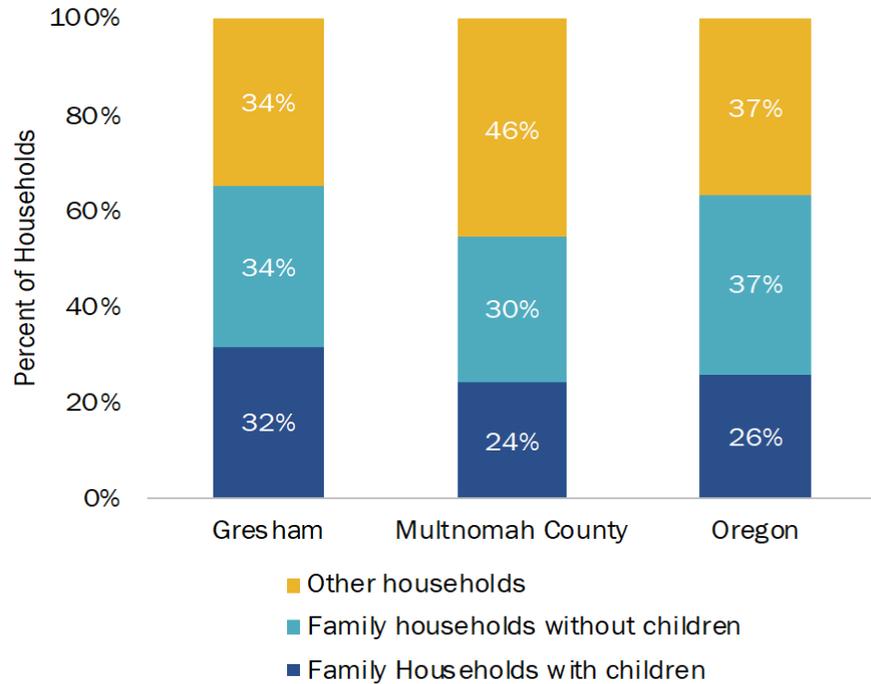
Gresham had a larger share of households with children than Multnomah County and Oregon.

About 32% of Gresham households had 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 24. Household Composition, Gresham, Multnomah County, and Oregon, 2014–2018.**

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



**Household Income**

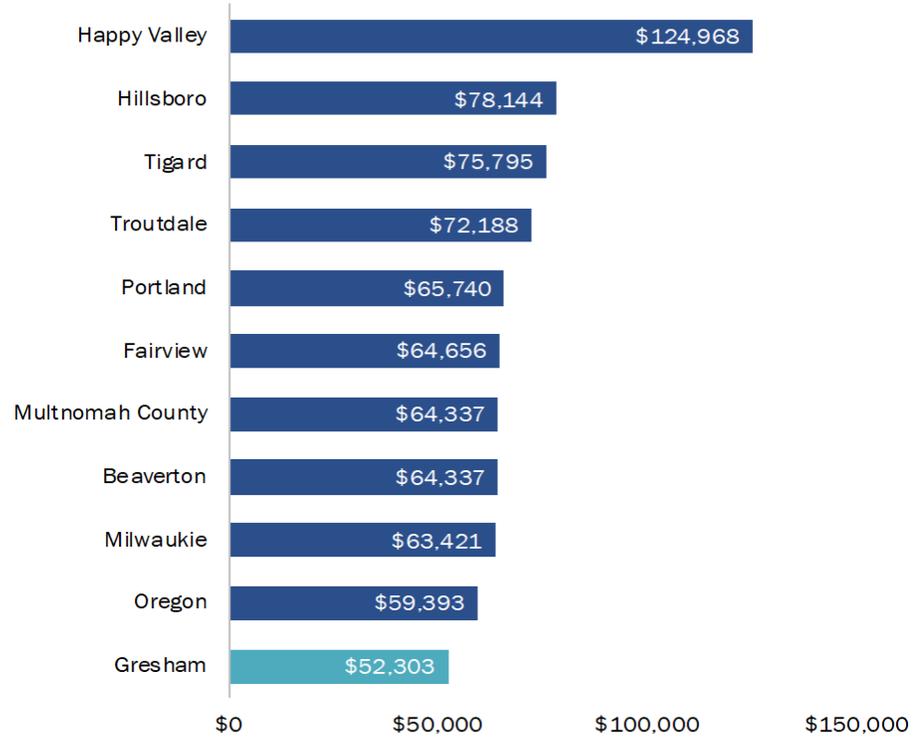
Income is one of the key determinants in housing choice and households’ ability to afford housing. Income for residents living in Gresham was lower than the Multnomah County median income and the state’s median income.

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 25. Median Household Income, Gresham, Multnomah County, Oregon, and Comparison Cities, 2014-2018

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



Gresham had a higher percentage of households that made less than \$50,000 than the county or the state.

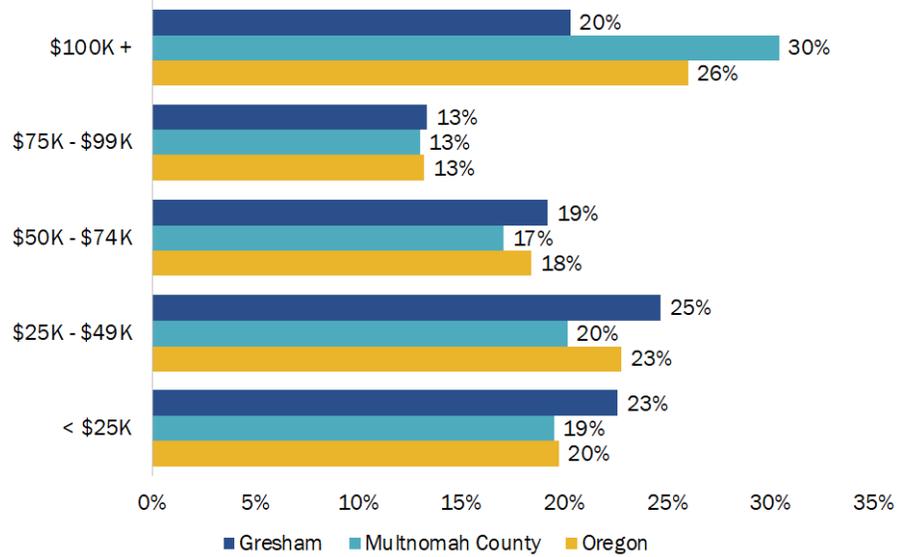
About 48% of Gresham households made less than \$50,000 per year, compared to 39% of Multnomah County households, and 43% of Oregon households.

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

In general, larger households in Gresham had higher household incomes than smaller ones.

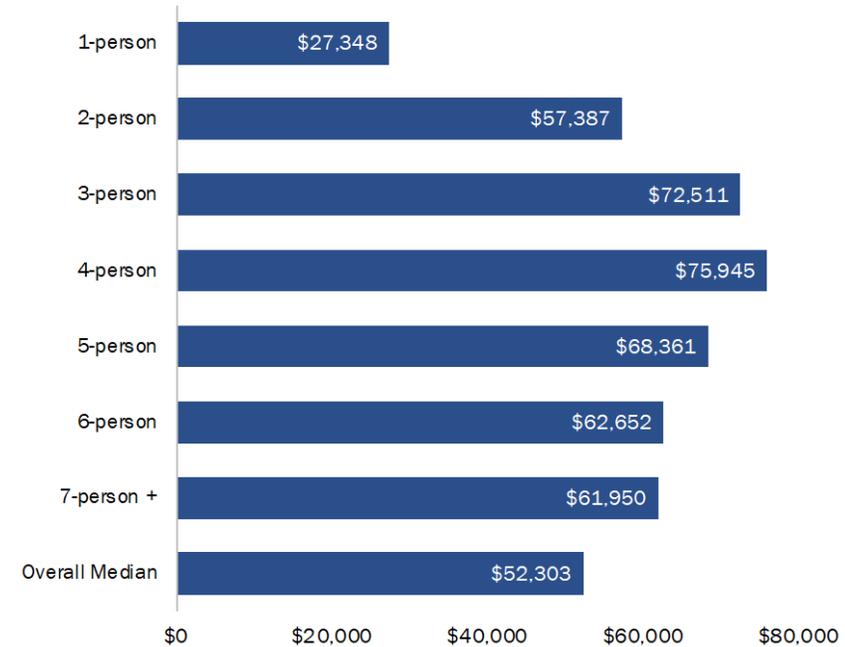
**Exhibit 26. Household Income Distribution, Gresham, Multnomah County, and Oregon, 2014-2018**

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



**Exhibit 27. Median Household Income by Household Size, Gresham, 2014-2018**

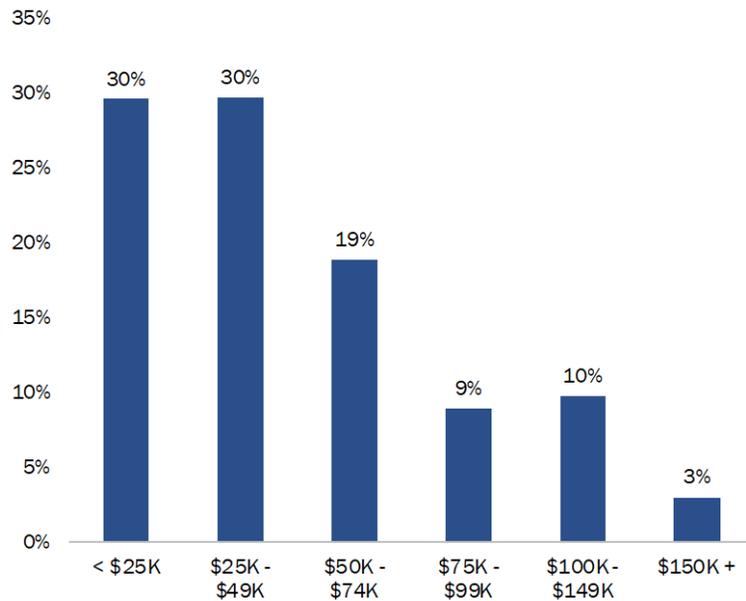
Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B19019



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

### Exhibit 28. Household Income Distribution for Householders Aged 65 Years and Older, Gresham, 2014-2018

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



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 29. 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-1.

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).

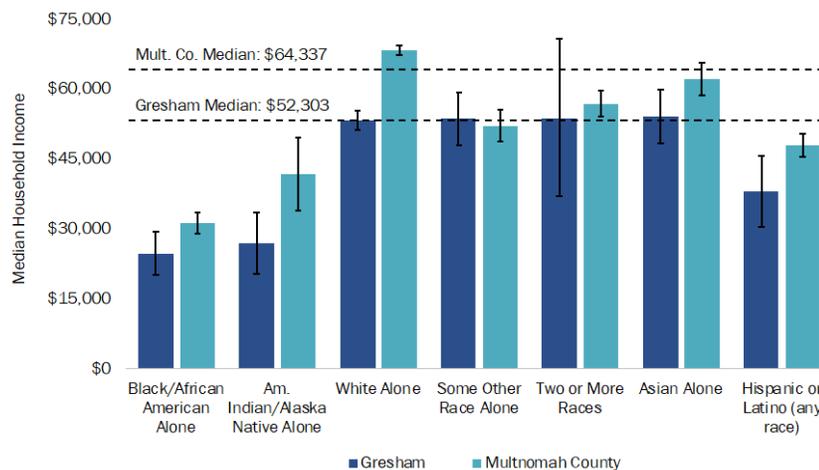


Exhibit 30 to

Exhibit 32 compares household income for Black, Indigenous and People of Color (BIPOC) households with White non-Hispanic households to show disparities in come levels. The income levels shown in these graphs are the same used throughout this report:

- Extremely Low-Income: Less than 30% MFI
- Very Low-Income: 30% to 50% of MFI
- Low-Income: 50% to 80% of MFI
- Middle-Income: 80% to 120% of MFI
- High-Income: 120% of MFI or more

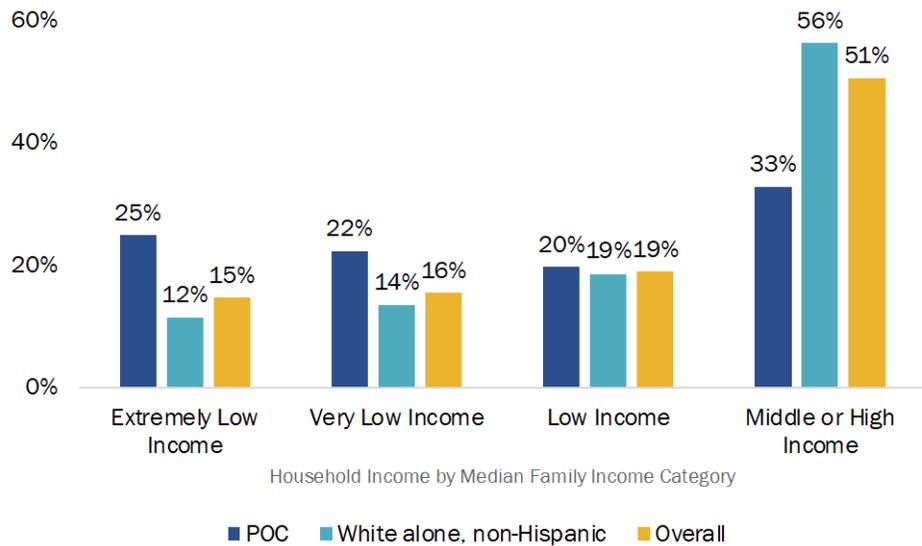
About 33% of BIPOC households were middle or high income compared to 56% of White, non-Hispanic households.

Extremely or very low-income households were more likely to be BIPOC.

**Exhibit 30. Household Income by BIPOC, White non-Hispanic, and All Households, Gresham, 2014-2018**

Source: CHAS, Table 2.

Note: BIPOC includes Hispanic/Latinx households



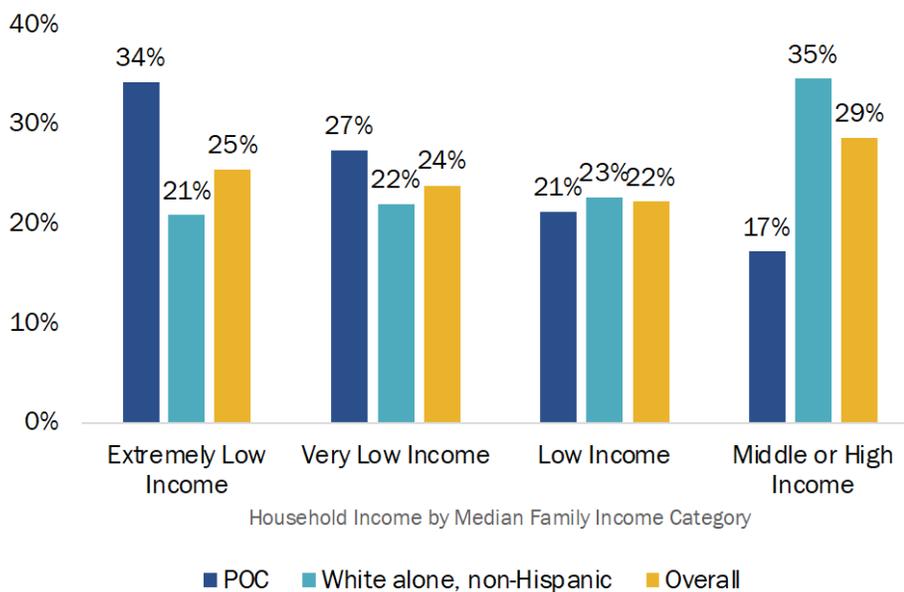
BIPOC renter households were more likely to be extremely low or very low-income compared to the average overall.

White, non-Hispanic renter households were more likely to be middle or high income.

**Exhibit 31. Renter Income by Income Grouping for BIPOC, White non-Hispanic, and All Households, Gresham, 2014-2018**

Source: CHAS, Table 2.

Note: BIPOC includes Latino households.



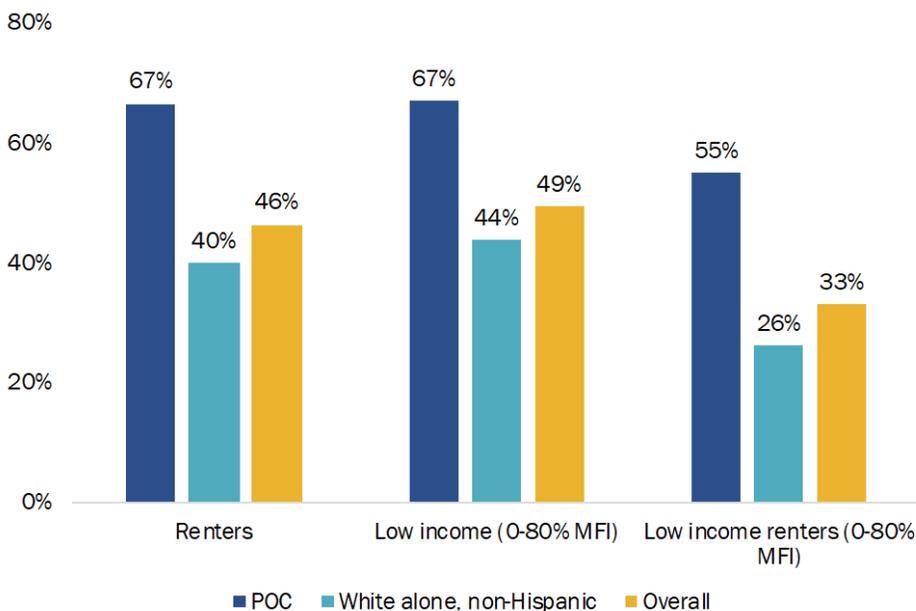
Compared to non-Hispanic White households, BIPOC households were more likely to rent and have low incomes.

Over half of BIPOC households in Gresham were low-income renters in 2018.

**Exhibit 32. Comparison by Tenure and Income BIPOC, White non-Hispanic, and All Households, Gresham, 2014-2018**

Source: CHAS, Table 2.

Note: BIPOC includes Latino households.



## Housing Market Conditions and Trends

This section provides an analysis of Gresham’s housing market conditions and trends. 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, 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.
- **Multifamily** is all attached structures (e.g., duplexes, triplexes, quadplexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units. This analysis groups multifamily units into two sub-categories: (1) duplexes, triplexes, and quadplexes and (2) multifamily units in buildings with five or more units per structure.

## Existing Housing Stock

According to the 2014-2018 American Community Survey (ACS) from the U.S. Census, Gresham had 42,497 dwelling units, an increase of 7,191 dwelling units from 2000. A majority of new units built were single-family units. In that time, about 1,823 units of multifamily housing were built in Gresham, accounting for 25% of the 7,191 new units over that period.

About 55% of Gresham’s housing stock was single-family detached housing.

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

**Exhibit 33. Housing Mix, Gresham, Multnomah County, and Oregon, 2014-2018**

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

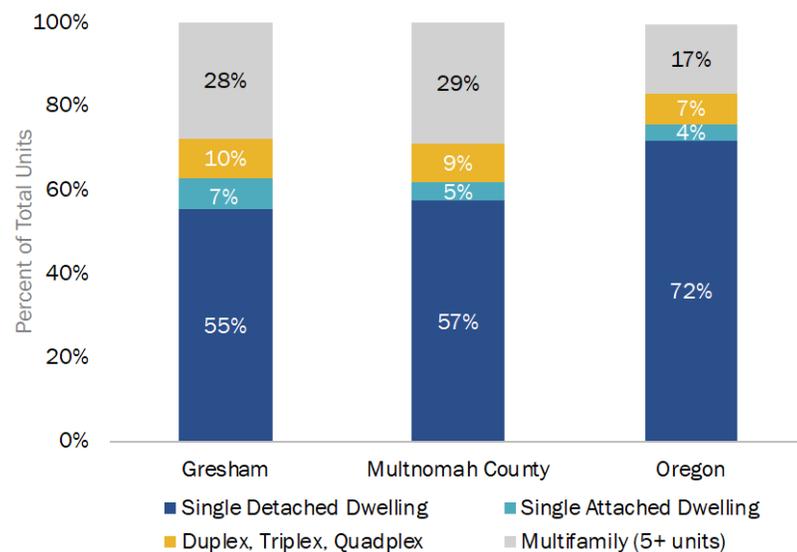
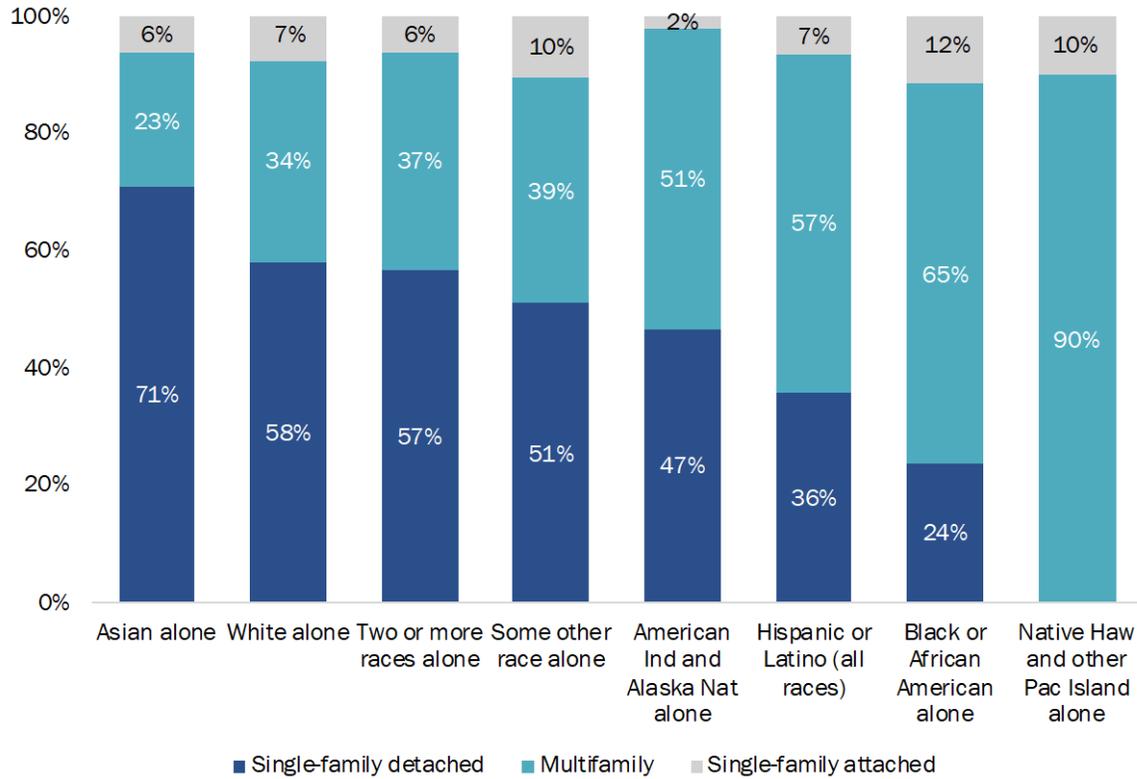


Exhibit 34 shows that White households and Asian households in Gresham had higher rates of living in single-family detached housing (58% and 71%, respectively). The groups most likely to

live in multifamily housing were Native Hawaiian and Pacific Islander, Black or African American, and Hispanic or Latino (of all races) households. While this exhibit reflects the types of housing these groups *currently* live in and/or what they can currently afford to live in, it may not reflect their housing preferences.

### Exhibit 34. Occupied Housing Structure by Race and Ethnicity, Gresham, 2014-2018

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



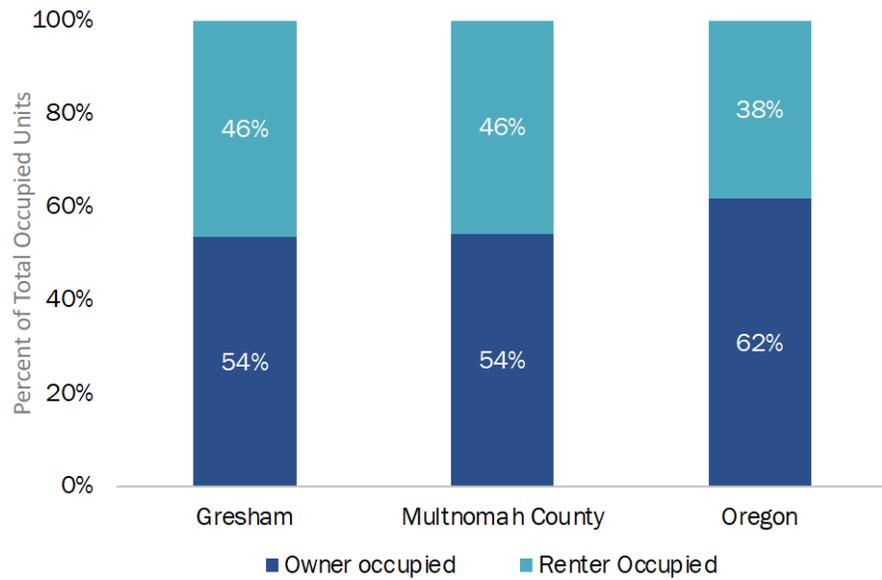
## Housing Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied. In the 2014-2018 period, about 54% of Gresham’s housing stock was owner occupied and 46% was renter occupied. Gresham’s homeownership rate decreased by one percentage point from 2000 to 2018.

Gresham had the same homeownership rate as Multnomah County and a lower homeownership rate than Oregon.

**Exhibit 35. Tenure, Occupied Units, Gresham, Multnomah County, and Oregon, 2014-2018**

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



Most renters (73%) lived in multifamily housing, including duplexes, triplexes, and quadplexes.

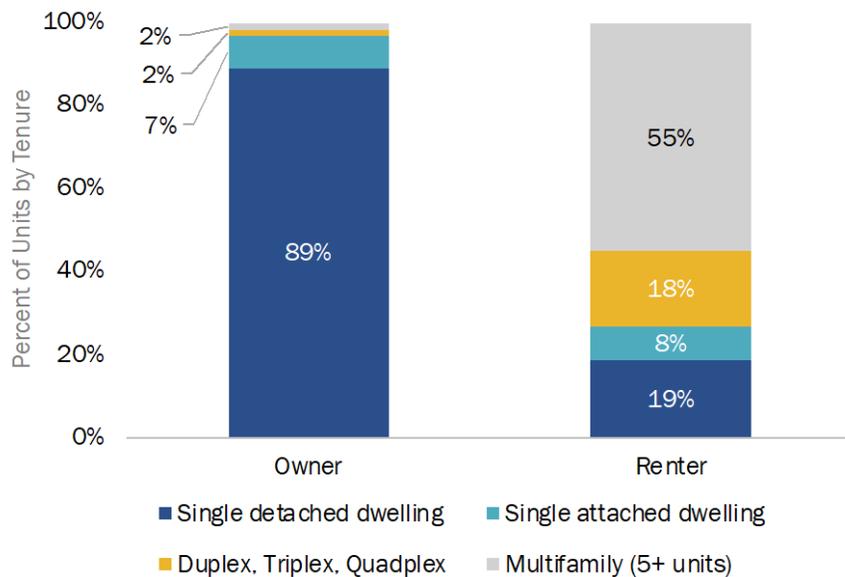
In comparison, nearly all of Gresham's homeowners (89%) lived in single-family detached housing.

Older households had higher homeownership rates.

In Gresham, about 67% of householders sixty years of age or older owned their homes.

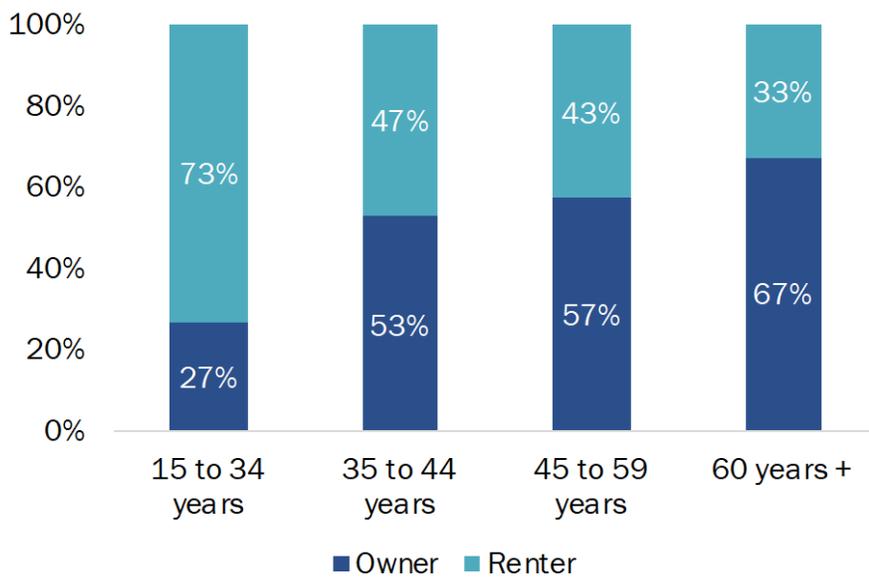
**Exhibit 36. Housing Units by Type and Tenure, Gresham, 2014-2018**

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



**Exhibit 37. Housing Tenure by Age of the Head of Household, Gresham, 2015-2019**

Source: U.S. Census Bureau, 2015-2019 ACS Table B25007.

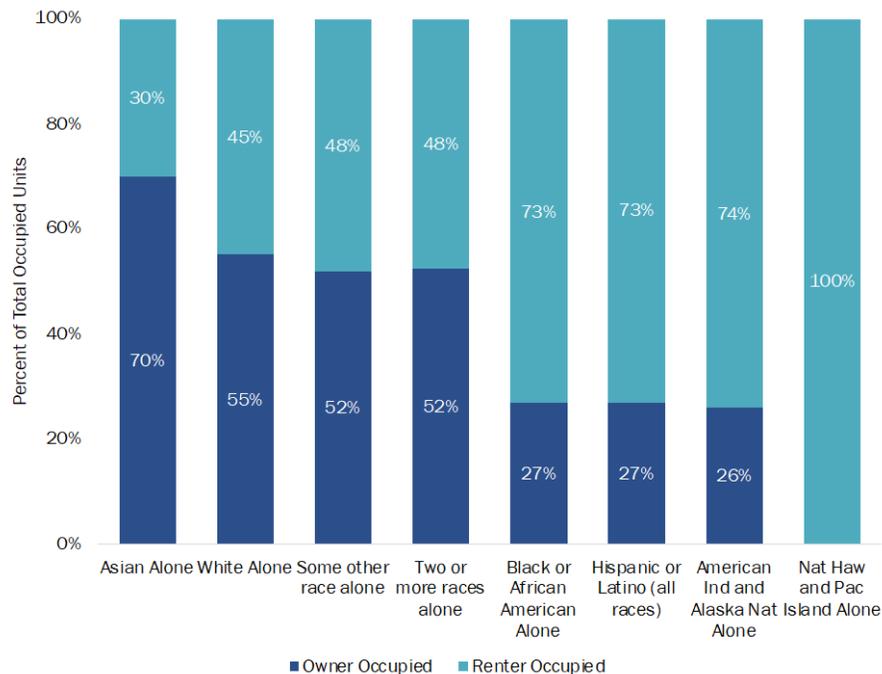


Asian, White, some other race, and two or more race households were more likely to live in owner-occupied housing. Native Hawaiian and Pacific Islander, American Indian and Alaska Native, Black or African American, and Hispanic or Latino (all races) households were more likely to live in rental housing.

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.

### Exhibit 38. Tenure by Race and by Ethnicity, Gresham, 2014-2018

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



### Rent-Restricted and Emergency Housing

As of 2020, there were 50 income-restricted housing developments in Gresham, with 2,397 units.<sup>29</sup> Exhibit 39 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.

As of 2019, the Portland, Gresham/Multnomah County (Continuum of Care) region had 1,470 emergency shelter beds and 663 transitional shelter beds supporting persons experiencing homelessness in the region. Due to the COVID-19 pandemic and increased funding, the number of beds available has increased and is expected to continue to increase with planned investments.

<sup>29</sup> This number does not capture the 374 units from two income restricted developments coming online in 2022.

**Exhibit 39. 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 Adult(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 40. 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 Bedrooms	3 Bedrooms	4 Bedrooms
<b>181 St &amp; NE Couch</b>	<b>90</b>					
Albertina Kerr Crisis Psychiatric	24					
<b>Aldercrest Apts</b>	<b>68</b>		<b>24</b>	<b>44</b>		
Alderwood	20			13	7	
<b>Alpha Apts</b>	<b>22</b>		<b>15</b>	<b>7</b>		
Alpha Family Treatment Center	10					
<b>Ava House</b>	<b>6</b>					
Ava II	5					
<b>Berry Ridge Apts</b>	<b>248</b>		<b>120</b>	<b>128</b>		
Bristol Woods	156			132	24	
<b>Cedar Meadows</b>	<b>19</b>			<b>5</b>	<b>13</b>	<b>1</b>
Central Station Apts	23		17	6		
<b>Chestnut Lane</b>	<b>70</b>					
Coburn Woods Apts	10		9	1		
<b>East County Project</b>	<b>6</b>					
East Fair Terrace	100		94	6		
<b>Eastwood Court</b>	<b>31</b>					
Fir Acres	32					
<b>Friendship House</b>	<b>5</b>					
Gresham House	1					
<b>Gresham Station</b>	<b>253</b>	<b>3</b>	<b>155</b>	<b>95</b>		
Gresham Village Square	72			62	10	
<b>Halsey Street Project</b>	<b>5</b>					
Kelly Place Apts	20		2	5	8	5
<b>Lone Pine Apartments</b>	<b>17</b>					
Madrona Place	45					
<b>Mattie Younkin Manor</b>	<b>35</b>	<b>9</b>	<b>26</b>			
Mayfield Court	30					
<b>Mccarthy Place</b>	<b>10</b>					
Mi Casa	3					
<b>Mt. Hood Community Apts</b>	<b>15</b>		<b>14</b>	<b>1</b>		
On Your Own	7					
<b>Powell Vista Manor</b>	<b>70</b>	<b>6</b>	<b>64</b>			
Project Open Door	9					
<b>Raintree Apts</b>	<b>77</b>	<b>20</b>	<b>57</b>			
Rockwood Building	47					
<b>Rockwood Landing</b>	<b>36</b>					
Rockwood Station	195		78	117		
<b>Rosewood Plaza</b>	<b>45</b>					
Stark Manor	30			18	12	
<b>Station 162</b>	<b>44</b>					
The Cedars	22			7	13	2
<b>The Pines Apts</b>	<b>66</b>		<b>4</b>	<b>50</b>	<b>12</b>	
The Village Retirement Center	123					
<b>Tillicum North</b>	<b>18</b>				<b>18</b>	
Tillicum South	12			12		
<b>Villa North</b>	<b>32</b>					
Village Square	72			64	8	
<b>West Gresham Apartments</b>	<b>26</b>					
Willow Tree Apts	15		1	11	3	
<b>Total</b>	<b>2,397</b>	<b>38</b>	<b>680</b>	<b>784</b>	<b>128</b>	<b>8</b>

## 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). Gresham has 126 manufactured home parks within city limits. Within these parks, there are a total of 1298 spaces, six of which were vacant as of Winter 2022.

### Exhibit 41. Mobile/Manufactured Home Parks, Gresham, 2022

Source: Oregon Manufactured Dwelling Park Directory<sup>30</sup>/City of Gresham.

Park and Park Location	Location	Type	Total Spaces	Vacant Spaces
BellAcre LLC dba BellAcre Mobile Estates	2980 NE Division St	55+	68	0
Big Eddy Marina Inc	19609 NE Marine Dr	Family	60	1
Cedarwood Estates	21400 SE Stark St	Family	9	0
Cherry Blossom Mobile Home Park	2500 NE 201st St	Family	76	0
Emily Park	18345 NE Glisan St	55+	14	0
Fir Haven Stark Limited Partnership	17007 SE Stark St	Family	42	2
Glisan Terrace Mobile Home Park	17424 NE Glisan St	Family	14	0
Green Tee Mobile Estates	900 NE Francis Ave	55+	89	0
Gresham Mobile Home Community	515 SE Rene St	Family	48	1
Heritage Park LLC	21910 SE Stark St	Family	12	0
Hogan Meadows	1949 SE Palmquist Rd	Family	136	0
Jamestown Mobile Estates	801-802 NE 183rd Ave	Family	15	0
Mobile Park Plaza	19776 SE Stark St	55+	92	0
Noble Estates, LLC	2742 NE 201st Ave	Family	8	1
Palmquist Estates	3200 SE Palmquist Rd	Family	86	1
Palmquist Terrace	2905 SE Palmquist Rd	Family	64	0
Rockwood Mobile Court	18625 E Burnside St	Family	76	0
Rockwood Mobile Manor	16415 SE Stark St	Family	15	0
Rockwood Senior Living Park LLC	436 SE 197th Ave	55+	11	0
Rolling Hills Mobile Terrace LLC	20145 NE Sandy Blvd	Family	38	0
Sandy Mobile Villa	20140 NE Sandy Blvd	Family	113	0
Silent Creek	2600 NE 205th Ave	55+	38	0
Suburban Estates	21016 SE Stark St	55+	72	0
Terrand Mobile Terrace	2648 NE 201st Ave	Family	40	0
Victoria Estates	530 SE 197th Ave	Family	14	0
Whisper Creek	1819 SE Orient Dr	Family	48	0
<b>TOTAL</b>			<b>1298</b>	<b>6</b>

<sup>30</sup> <https://appsprod.hcs.oregon.gov/MDPCRParcs/ParkDirQuery.jsp>

## People Experiencing Homelessness

Gathering reliable data from individuals experiencing homelessness is difficult precisely because they are unstably housed. People can cycle in and out of homelessness and move around communities and shelters. The 2022, Point-in-Time Count describes that there were approximately 48 households experiencing unsheltered homelessness in Gresham.<sup>31</sup> About 1,106 students in the Gresham-Barlow, Centennial, and Reynolds School Districts experienced homelessness. However, it should be noted that these districts include areas outside of the Gresham City limits. Housing needs for people experiencing homelessness range, including temporary shelter to rapid re-housing, permanently supportive housing, rental assistance, and income-restricted affordable housing.

---

### Homelessness Data Sources

**Point-in-Time (PIT) count:** The PIT count is a snapshot of individuals experiencing homelessness on a single night in a community. The count records the number and characteristics of people who live in emergency shelters, transitional housing, rapid re-housing, Safe Havens, or PSH; as well as recording those who are unsheltered.

**McKinney Vento data:** This 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.

---

The following exhibits provide estimates of homelessness in Gresham and Multnomah County.

Based on the Point-in-Time Count the number of households experiencing unsheltered homelessness in Gresham was 64 in 2017, 103 in 2019, and 48 in 2022.<sup>32</sup>

### Exhibit 42. Unsheltered Population, Gresham, Point-in-Time Count, 2017, 2019, and 2022

Source: Joint Office of Homeless Services and Multnomah County, Point-In-Time Count of Homelessness in Portland/Gresham/Multnomah County, Oregon, 2019

<b>64 Households</b>	<b>103 Households</b>	<b>48 Households</b>
2017	2019	2022

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 three percent increase in people experiencing *unsheltered* homelessness, offset by a two percent decline in people experiencing *sheltered* homelessness. However, between 2021 and 2022, *sheltered* homelessness increased

---

<sup>31</sup> HUD defines “sheltered” homeless as people living in emergency shelters and transitional housing or other temporary settings. “Unsheltered” is defined as people who are staying in places not meant for people to live such as in cars, parks, abandoned buildings, and on the street.

<sup>32</sup> Due to data availability limitations for the City of Gresham, this count is in households. The rest of the chapter uses individual counts.

by seven percent, possibly due to the easing of pandemic-related restrictions that resulted in fewer beds being available and declines in the perceived health risks of staying in a shelter.

Exhibit 43 shows the number of persons experiencing homelessness in Multnomah County in 2017, 2019, 2021<sup>33</sup> and 2022.

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

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

**Exhibit 43. 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 report uses the estimated counts.

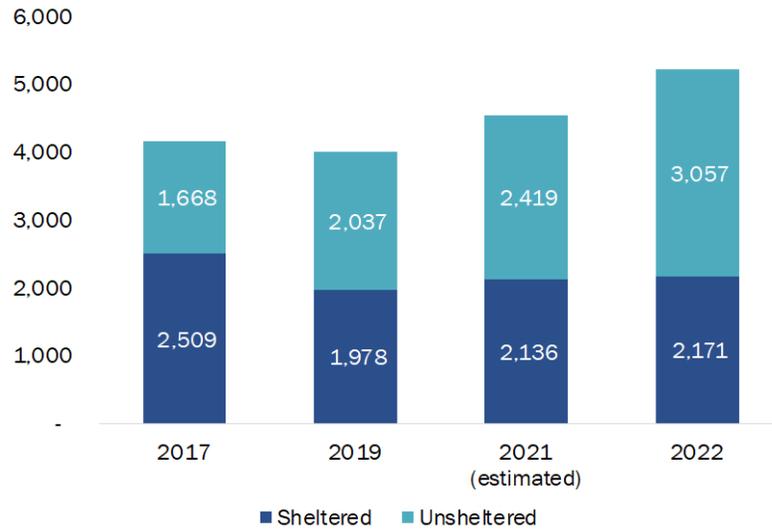


**Exhibit 44. Point-in-Time Homelessness Estimates for Multnomah County, Portland/Multnomah Continuum of Care, 2017-2022.**

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<sup>34</sup>

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



<sup>33</sup> 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.

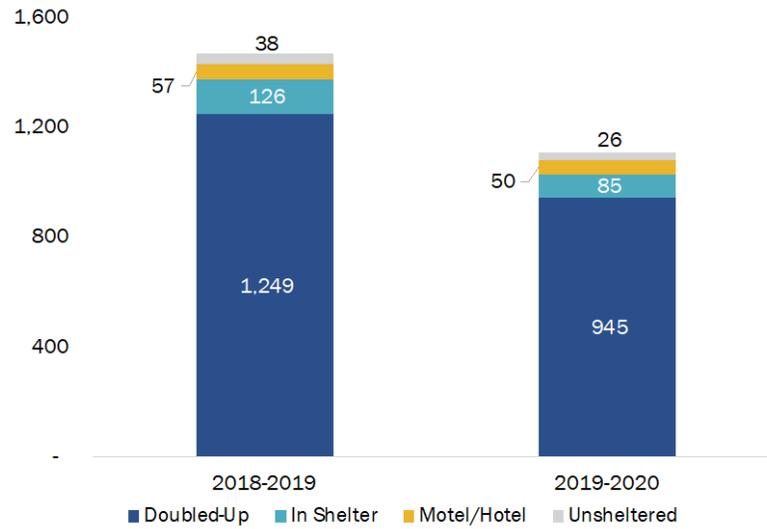
<sup>34</sup> The 2022 PIT count breaks homelessness down into three categories: unsheltered, sheltered, and transitional housing. In the graph transitional housing is combined with sheltered. In 2022, 686 people were in transitional housing in Multnomah County.

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

Of these students, 145 were unaccompanied.

### Exhibit 45. Students Homeless by Living Situation, Gresham-Barlow, Centennial, and Reynolds School Districts, 2018-2019 and 2019-2020

Source: McKinney Vento, Homeless Student Data.



## Housing Affordability Considerations

This section describes changes in sales prices, rents, and housing affordability in Gresham and a comparison of geographies. Both housing sale prices and rents have increased steadily in Gresham and the greater region over the last several years.

### Housing Sale Prices

Gresham’s median home sales price was \$456,000 in December 2021.

Gresham’s median home sale price is lower than Multnomah County and most comparison cities.

**Exhibit 46. Median Home Sale Price, Gresham and Comparison Cities, December 2021**

Source: Redfin.

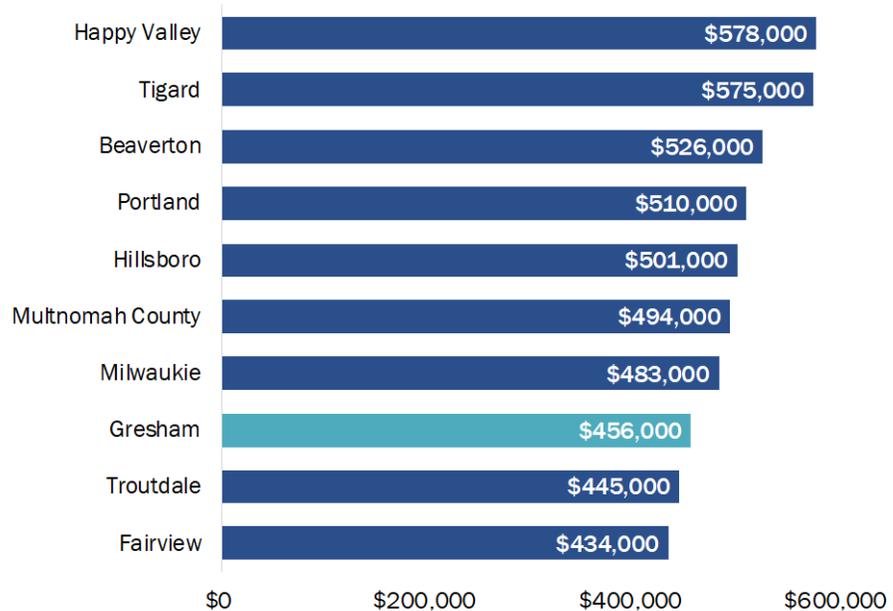
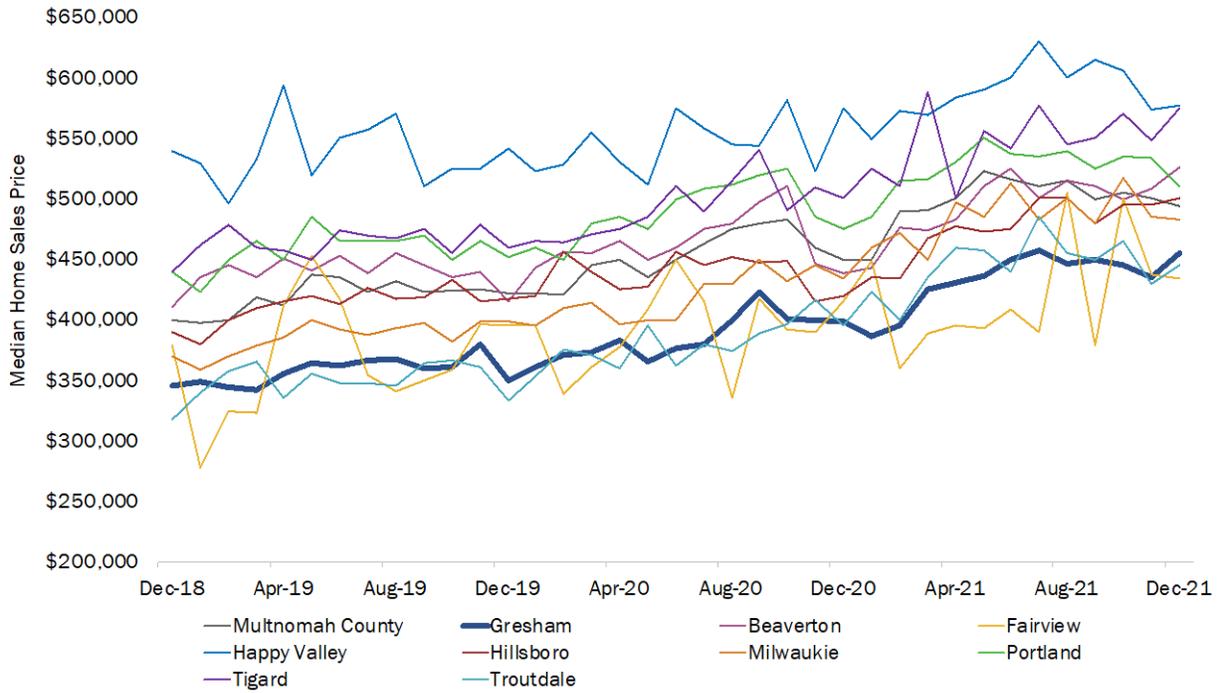


Exhibit 47 shows that Gresham’s median home sale price was generally lower than other cities in the region. Between December 2018 and December 2021, the median sale price in Gresham increased by \$110,500 (32%).

**Exhibit 47. Median Sales Price, Gresham and Comparison Cities, 2018 through 2021**

Source: Redfin.



## Rental Costs

Gresham has some of the lowest rents in the Portland region, due to its large stock of relatively lower cost market rate housing. The median gross rent in Gresham was \$1,178 in the 2015-2019 period, up from \$661 in 2000. However, based on a Costar survey of currently available rental properties in Gresham in December 2021, the average asking rent for an apartment was about \$1,430.

The median gross rent in Gresham was \$1,178 in the 2015-2019 ACS 5-year estimate period.

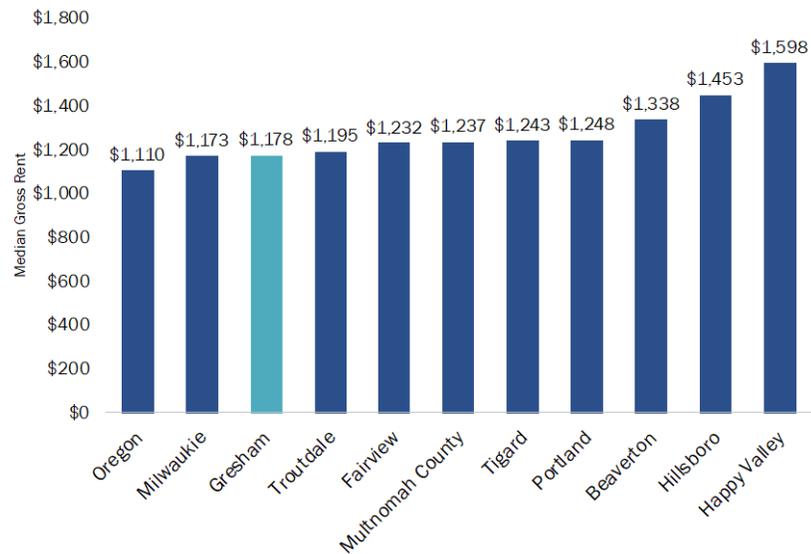
Rent in Gresham is lower than most surrounding cities and Multnomah County’s median rent.

The average asking price per multifamily unit in Gresham has increased steadily over the past decade.

Between 2013 and 2021, Gresham’s average multifamily asking rent increased by about 50% or \$471, from \$959 per month to \$1,430 per month.

**Exhibit 48. Median Gross Rent, Gresham, Multnomah County, Oregon, and Comparison Cities, 2015-2019**

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B25064.



**Exhibit 49. Average Multifamily Asking Rent per Unit, Gresham, 2013 through 2021**

Source: CoStar.



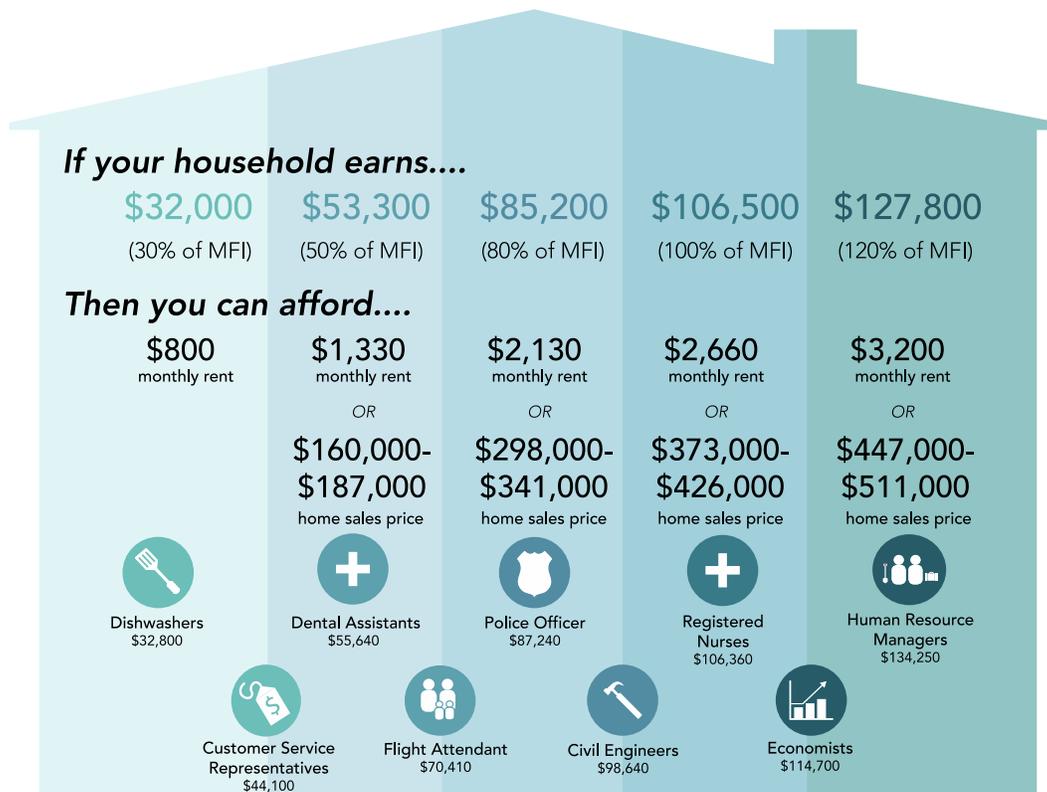
## Housing Cost Burden

Financially attainable housing costs for households across the income spectrum in Multnomah County are identified in Exhibit 50. It also provides examples of annual salaries for different job types that fall into each income bracket. For example, a household earning median family income in Multnomah County (about \$106,500 per year)<sup>35</sup> can afford a monthly rent of about \$2,660 or a home roughly valued between \$373,000 and \$426,000 without cost burdening themselves. In Gresham, a household would need to earn \$114,000 to \$130,000 (107% to 122% of MFI for a family of four) to afford the median sales price of a home in Gresham. A household would need to earn about \$57,000 (54% of MFI for a family of four) to afford the rent of a market-rate, apartment in Gresham (\$1,430 per month, not accounting for basic utilities).

### Exhibit 50. Financially Attainable Housing, by Median Family Income (MFI) for Multnomah County (\$106,500), Gresham, 2022

Source: U.S. Department of Housing and Urban Development, Multnomah, 2022. Oregon Employment Department.

Note: The estimates of affordable home sales price in below are rough estimates. The affordable home sales prices will vary for each borrowing household, based on interest rates, loan term, down payment, and similar factors. These sales prices are illustrative estimates and do not make assumptions about interest rates, amount of down payment, whether mortgage insurance will be required, or other factors that are unique to an individual household's mortgage.



<sup>35</sup> Note that Median Family Income for the region is different than Median Household Income (MHI) for Gresham (see Exhibit 26). MFI is determined by HUD for each metropolitan area and non-metropolitan county. It is adjusted by family size – in that, 100% MFI is adjusted for a family of four. MHI is a more general term. MHI includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not.

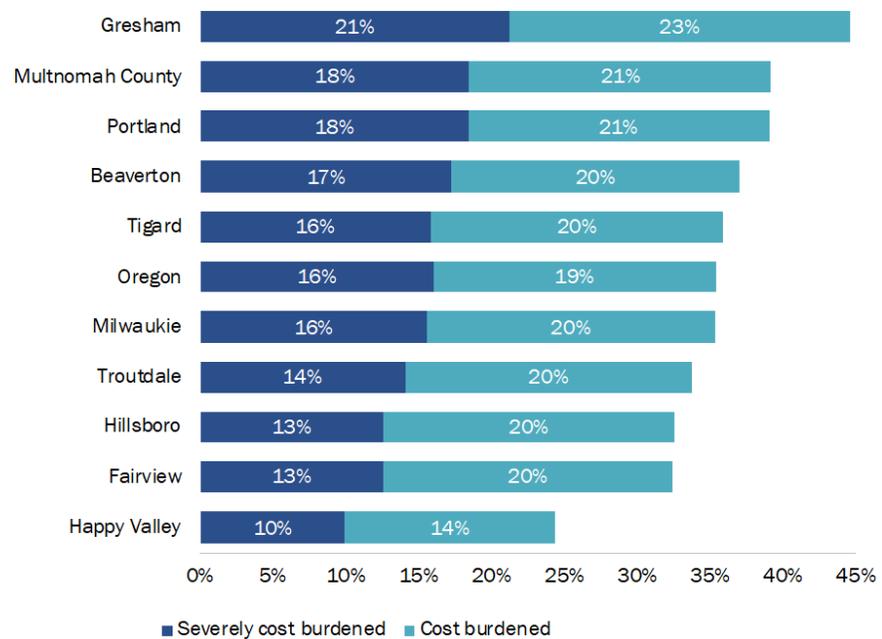
Because the local housing market cannot produce income-restricted, subsidized affordable housing at sufficient levels – and because it cannot often produce middle income housing without subsidy, many households in Gresham are cost burdened (as Exhibit 51 through Exhibit 56 show). A household is defined as cost burdened if their housing costs exceed 30% of their gross income. A household that spends 50% or more of their gross income on housing costs is said to be severely cost burdened.

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

Gresham had 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.

**Exhibit 51. Housing Cost Burden, Gresham, Multnomah County, Oregon and Other Comparison Cities, 2014-2018**

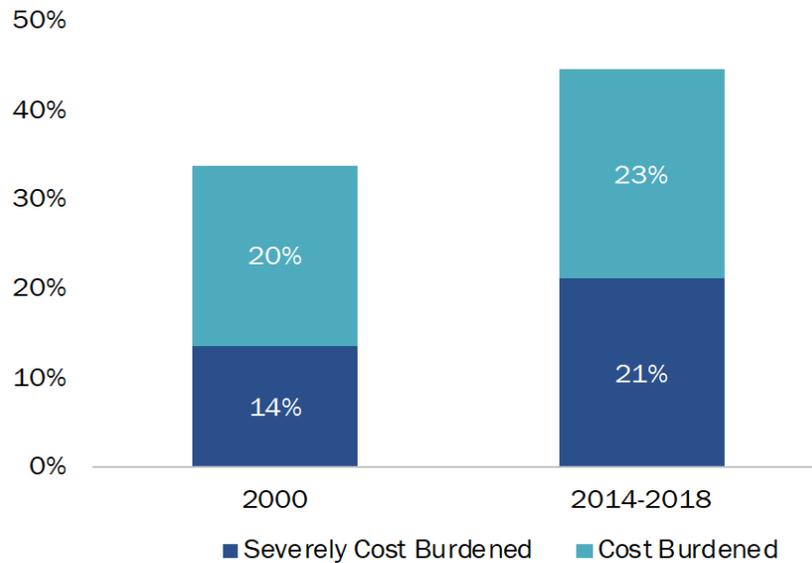
Source: U.S. Census Bureau, 2014-2018 ACS Tables B25091 and B25070.



From 2000 to 2018, the number of cost-burdened and severely cost-burdened households grew by 10% in Gresham.

**Exhibit 52. Change in Housing Cost Burden, Gresham, 2000 to 2014-2018**

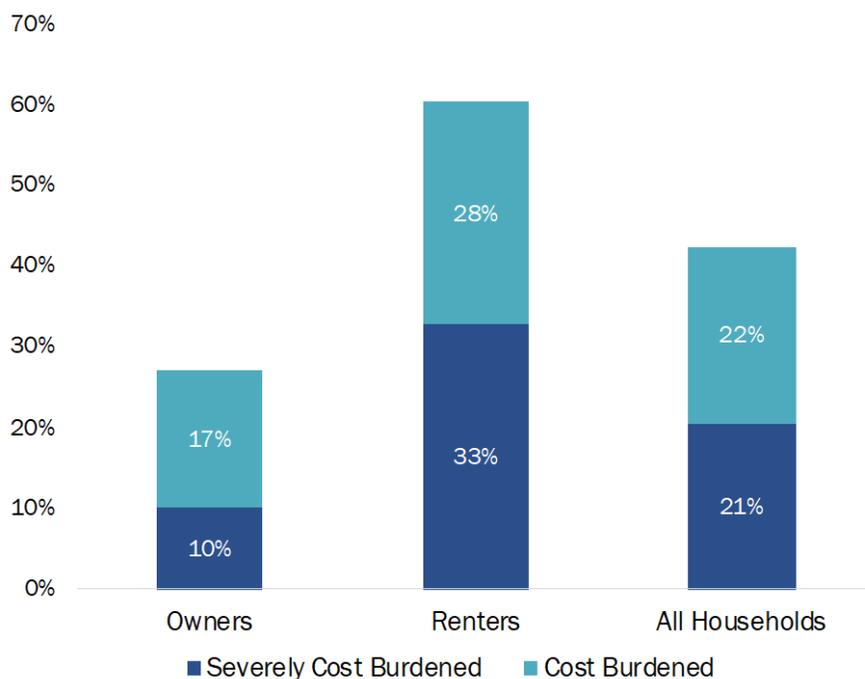
Source: U.S. Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2014-2018 ACS Tables B25091 and B25070.



Renters in Gresham were much more cost burdened than homeowners.

**Exhibit 53. Housing Cost Burden by Tenure, Gresham, 2015-2019**

Source: U.S. Census Bureau, 2015-2019 ACS Tables B25091 and B25070.



About 61% of Gresham's renters were cost burdened or severely cost burdened, compared to 27% of homeowners.

About 33% of Gresham's renters were severely cost burdened (meaning they paid more than 50% of their income on housing costs alone).

Nearly three-quarters of renter households earning less than \$20,000 were severely cost burdened.

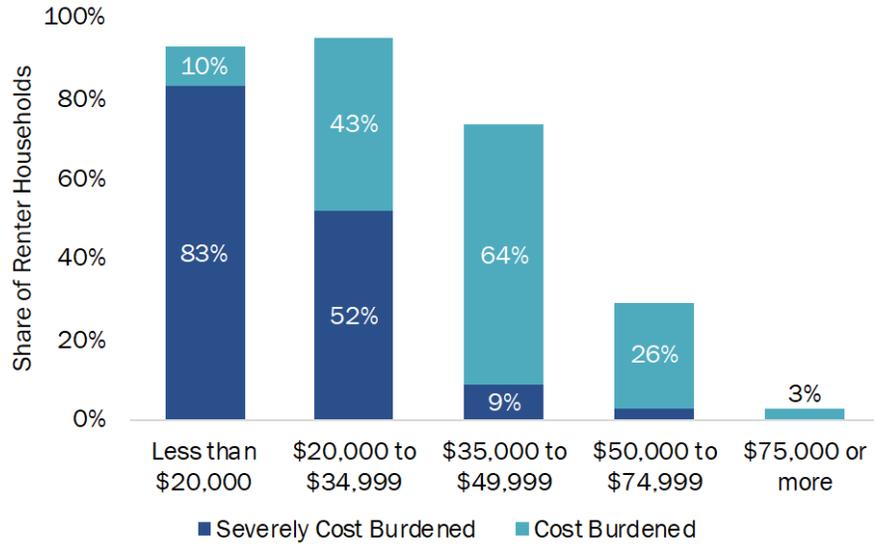
Most households (95%) earning between \$20k and \$35k per year are cost burdened and over half of households earning between \$35k and \$50k per year are cost burdened. This pattern of cost burden by income is consistent with statewide trends.

55% of BIPOC households were cost burdened or severely cost burdened compared to 38% of White households.

31% of BIPOC households were severely cost burdened spending 50% or more of their gross income on housing.

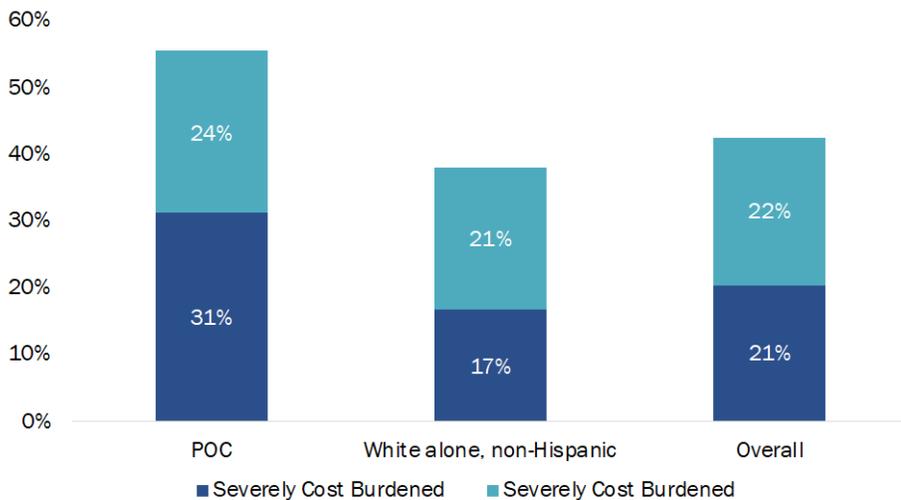
**Exhibit 54. Cost Burdened Renter Households, by Household Income, Gresham, 2015-2019**

Source: U.S. Census Bureau, 2015-2019  
ACS Table B25074.



**Exhibit 55. Cost Burdened for BIPOC, White non-Hispanic, and All Households, Gresham, 2014-2018**

Source: CHAS Table 9  
Note: BIPOC includes Hispanic/Latinx households.



BIPOC households were more likely to be severely cost burdened whether they rent or own a home compared to White households.

68% of BIPOC households that rent were cost burdened or severely cost burdened compared to 56% of White households.

### Exhibit 56. Cost Burdened by Tenure for BIPOC, White non-Hispanic, and All Households, Gresham, 2014-2018

Source: CHAS Table 9.

Note: BIPOC includes Hispanic/Latinx households.

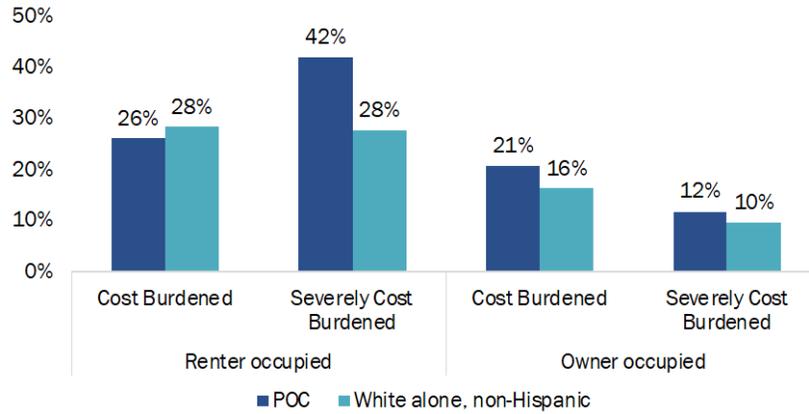


Exhibit 57 and Exhibit 58 show cost burden in Oregon for renter households for seniors, people of color, and people with disabilities.<sup>36</sup> This information is not readily available for a city with a population as small as Gresham, which is why we present statewide information. These exhibits show that these groups experience cost burden at higher rates than the overall statewide average.

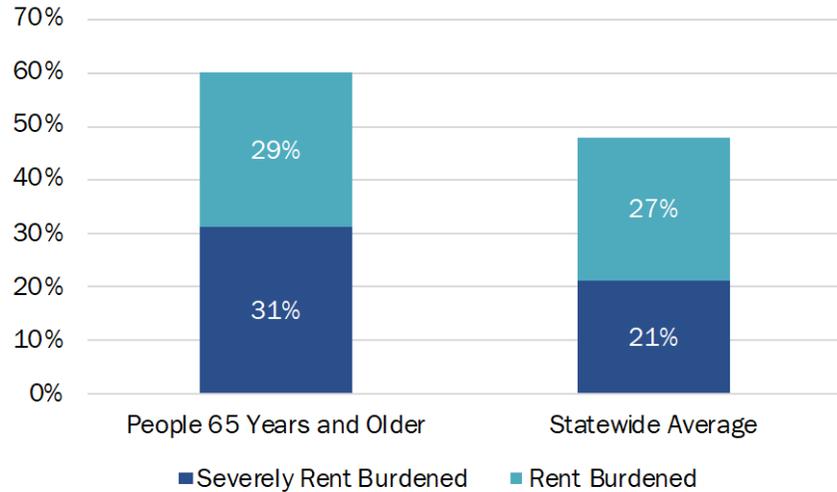
<sup>36</sup> From the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon*, prepared for Oregon Housing and Community Services by ECONorthwest, March 2021.

Renters 65 years of age and older were disproportionately rent burdened compared to the state average.

About 60% of renters aged 65 years and older were rent burdened, compared with the statewide average of 48% of renters.

**Exhibit 57. Cost Burdened Renter Households, for People 65 Years of Age and Older, Oregon, 2018**

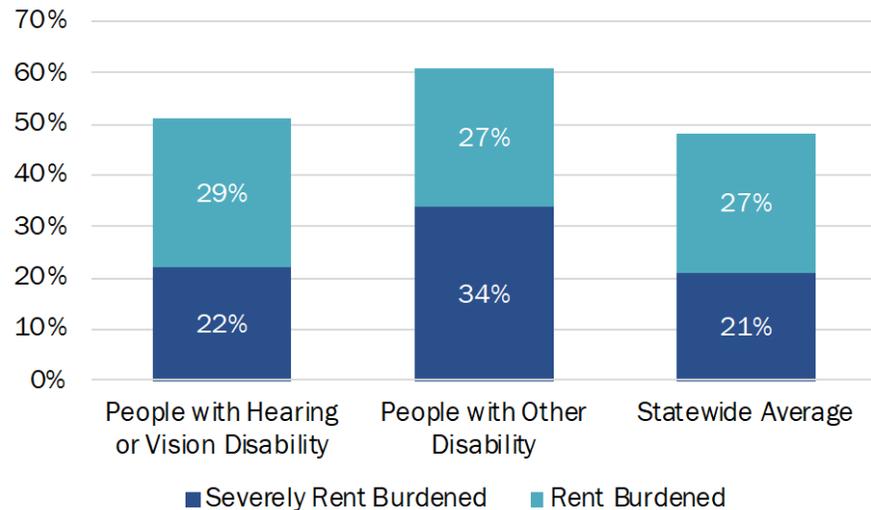
Source: S. Census, 2018 ACS 1-year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.



Renters with a disability in Oregon were disproportionately cost burdened.

**Exhibit 58. Cost Burdened Renter Households, for People with Disabilities, Oregon, 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.



# APPENDIX B: INTERESTED PARTY ENGAGEMENT CONDUCTED BEFORE THE HPS

---

Between 2018 and 2022, the City of Gresham convened residents in several planning processes related to housing. The following is a summary of Gresham’s primary public engagement efforts regarding housing and housing production along with key findings from each effort.<sup>37</sup>

## Prior Public Engagement

### 2018-2019 Task Force on Housing

**Purpose:** Discuss existing housing conditions in Gresham, explore policies that impact housing, discuss best practices, and develop toolkits to provide for the housing needs of residents in the City of Gresham. This Task Force met nine times and ended with a presentation to the City Council

**Attendees:** Members/Representatives of: Home Forward, Gresham Planning Commission, Property Owner/Landlords, Port of Portland, Task Force on Homelessness, Multifamily Property Managers, Neighborhood Association, Tenant Groups, Multnomah County CIC, Community Development and Housing Subcommittee, Tri-Met Board, Native American Youth and Family Center

### Key Findings:

**Household support** - The Task Force recommended actions that support residents in finding and remaining in a home:

- Increase services for renters.
- Provide down payment assistance and rent assistance.
- Strengthen the rental inspection program. Meeting attendees expressed concern of potential retaliation to renters who report violations. The Task Force recommended the City explore protections to reduce the risk of retaliation and/or discriminatory practices that could arise during inspections.
- Monitor and support implementation of state rules.
- Increase education for renters, home buyers and property managers.

---

<sup>37</sup> Please note that in addition to these efforts the City has a Community Development and Housing Subcommittee. The Subcommittee advises on community development and housing goals via the process of budgeting Gresham’s federal CDBG and HOME funding. They provide input for the City’s Consolidated Plan submitted to HUD every 5 years. The Consolidated Plan includes goals related to housing and community development. The City also hosts a regular Development Advisory Group to keep the development community informed and learn from their experiences.

**Need for all types of housing and recommended actions to increase the supply and affordability of housing** - Altogether, the Task Force recommended over thirty actions for housing in the City. Examples include:

- **Site Selection and Land Control** - The Task Force recommended actions to assist in land acquisition for housing, including expanding current relationships with land trusts and programs to identify purchasing rights and expiring contracts for affordability.
- **Project Design and Permitting** - There are several actions that can support more efficient and cost-effective development approvals including pre-development assistance, fast tracking permitting, and exploring space efficient housing in more locations throughout the City.
- **Financing** - Development grants and other mechanisms can lower the overall cost of development.
- **Operations** - This recommendation includes actions to make operations more efficient for housing investments.

### 2018-2019 Metro Affordable Housing Bond Local Implementation Planning

**Purpose:** Inform Gresham priorities for the Local Implementation Strategy with Metro for Gresham’s share of Metro Housing Bond funding.

#### **Meetings:**

- Residential Service Coordinators meeting
- East County community-based organization meeting
- Coalition of Gresham Neighborhood Associations
- Planning Commission (twice)
- City Council (twice)
- Nonprofit and developer outreach
- Focus groups and listening sessions
- El Programa Hispano Catolico - Latinx community (including one in Spanish)
- Beyond Black – African American community

#### **Key findings:**

Meeting participants agreed that homeownership should be a priority.

- The plan should consider the special needs of families, elders and/or disabled people, renters, those transitioning into housing (from houselessness/the criminal justice system/foster care/education), and those from historically underserved populations.
- The needs of Gresham’s neighborhoods should be met, including community meeting spaces (schools and parks), services, and property maintenance.

- General issues included transit access, perceived safety, need for services, commuting out of Gresham for work, lengthy screening processes, and aging/unmaintained housing stock.
- General desires included financial assistance, increasing services, infrastructure provided at time of development, more housing for “working families” (between market rate and deeply affordable housing), new development that complements or enhances existing neighborhood character, opportunities for mixed use developments, a balance of investments in different parts of the City, matching housing types to access and services, and having standards to prevent poor quality development.

### Annual Community Needs Hearing

**Purpose:** House Bill 4006 (2018) requires cities greater than 10,000 in population with severely rent-burdened households (including Gresham) to hold a public meeting to discuss the causes of severe rent burdens, the barriers to reducing rent burdens, and possible solutions. In 2021, 14 individuals participated in the discussion. The annual community needs meeting also acts as community engagement to help inform the Community Development and Housing Subcommittee as well as Gresham City Council on community needs and priorities for Gresham's annual allocations of federal HUD CDBG and HOME funding. See Appendix B for a summary of the 2021 Multnomah County and Gresham Community Needs Hearing.

**Attendees:** Local service providers, representatives from community organizations and other community members.

### Key Findings:

- There is a strong need for services that help lift families out of poverty or chronic homelessness. This would include housing assistance and wrap around services to help residents address needs such as mental health services, food assistance, free and affordable childcare, and eviction prevention.
- The Black, Indigenous, and People of Color (BIPOC) communities have faced ongoing housing discrimination impacting both renters and homebuyers.
- Often the only units that are “affordable” for lower income families are older units that are in poor condition.
- There is a need for various upgrades and repairs to improve transportation and pedestrian safety.
- There is need for job training and placement programs that focus on helping residents attain living wage employment are needed.

## Other Engagement

Other one-time engagement or engagement for specific projects are listed in Exhibit 59. Since March 2019, Gresham has had more than two dozen meetings focused on housing issues, ranging from community meetings, online surveys, discussion groups, and hearings.

### Exhibit 59. Gresham’s Housing Stakeholder Engagement

Date	Type	Subject
Mar 2019	Design Commission	Rockwood 10 (affordable housing development) Hearing
October 2019	City Council	Vertical Housing Conditional Certification – Alta Civic Station Resolution
Feb 2020	City Council	Intergovernmental Agreements on Metro Affordable Housing Bond Council Business
Apr 2020	RFP	RFP for projects for Metro Affordable Housing Bond
Sep 2020	City Council	Project Concept Endorsement Metro Affordable Housing Bond Council Business
Nov 2020	Neighborhood Coalition	Housing Capacity Analysis
Nov-Jan 2020	Online Survey	Middle Housing
Dec 2020	Focus Group	Housing Capacity Analysis
Dec 2020	Council	Affordable Housing Bond/Albertina Kerr Council Business
Dec 2020	Virtual Open House	Middle Housing
Feb 2021	City Council	Housing Capacity Analysis Work Session
Mar 2021	City Council	Middle Housing Work Session
Mar 2021	Planning Commission	Housing Capacity Analysis Work Session
Mar 2021	Neighborhood Coalition	Housing Capacity Analysis
Apr 2021	Virtual Open House	Housing Capacity Analysis
Apr 2021	Online Survey	Housing Capacity Analysis
May 2021	Council	Affordable Housing Bond/Rockwood 10 Council Business
May 2021	Virtual Open House	Middle Housing
Jun 2021	Planning Commission	Middle Housing Work Session
Jun 2021	Neighborhood Coalition	Middle Housing
Jun 2021	Planning Commission	Housing Capacity Analysis Hearing
Jul 2021	Public Forum	Diversity in Housing forum
Jul 2021	City Council	Housing Capacity Analysis Work Session
Aug 2021	City Council	Housing Capacity Analysis Hearing
Sep 2021	Design Commission	Middle Housing Work Session

Date	Type	Subject
Oct 2021	Public Forum	Fair Housing Landlord Forum
Oct 2021	City Council	Vertical Housing Tax Credit (amendment): Alta Civic Station Hearing
Nov 2021	City Council	Aldercrest Apartments: Short Term Funding Agreement (American Rescue Plan Act funds) Resolution on Consent
Nov 2021	City Council	Middle Housing Work Session

# APPENDIX C: EXISTING POLICIES TO ADDRESS GRESHAM'S HOUSING NEED

---

In early 2022, The City of Gresham created the following list of housing measures (or policies or strategies) that were in place to address the community's housing needs. Several of the potential or in-development strategies identified on this list are now effective, including allowance of middle housing development and the extension of the Rockwood Urban Renewal Area timeframe.

## Existing Housing Policies (2022)

### Zoning

**Zoning Changes to Facilitate the Use of Lower-Cost Housing Types.** Middle Housing is allowed as required by HB 2001 as well as in other districts. The code broadens the definition of multifamily to include attached and detached configurations.

**Code Provisions for ADUs.** There is an existing development code section permitting ADUs under certain provisions.

**Promote Cottage Cluster Housing.** Cottage Cluster is in the draft Middle Housing code and is currently in the Innovative Housing Development Code section. Cottage Clusters are allowed through zoning, but not yet promoted.

**Add Restrictive Covenants to Ensure Affordability.** The City applies these covenants in specific applications such as Metro Housing Bond projects, HOME, CDBG.

**Align Lot Division Density with Zoning Density.** Part of the City's current land division process.

**Increase Density near Transit Stations and Regional Multi-use Trails.** Built into land use district density provisions. When Gresham begins to implement the requirements of the State's new Climate Friendly and Equitable Communities rule, development near transit stations and in other key areas of the City will continue to have an emphasis on higher density development.

**Ensure Land Zoned for Higher Density is not Developed at Lower Densities.** Minimum density provisions and standard practice as planners work with developers.

### Reduce Regulatory Impediments

**Reduce parking requirements.** Per HB 2001, Middle Housing in HB 2001 districts will have lower parking requirements. When Gresham begins to implement the requirements of the State's new Climate Friendly and Equitable Communities rule, the City will need to comply with rules for reduced parking requirements in Climate Friendly Areas.

**Conversions.** Per HB 2001 the proposed 7.0420-40 Design Standards will not apply to conversions to a middle housing type.<sup>38</sup>

**Expedite Permitting for Needed Housing Types.** Expedited permitting for affordable multifamily developments only, per code, the City reviews these applications within a 100-day review period instead of 120 days.

### Financial Incentives

**Reduce or Exempt SDCs for ADUs.** ADUs do not pay water or sewer SDCs, Transportation SDCs apply and stormwater SDCs are based on the site's impervious area.

**New practice being implemented.** Deferral of SDCs for multifamily residential development (financing also available). SDCs related to new single family construction payable prior to request for final inspection (effective for all single-family residential development, developers need not apply for this timing). In place since Fall 2021.

### Financial Resources

**Community Development Block Grant (CDBG).** Gresham typically receives between \$1 million and \$1.2 million annually in CDBG funding from HUD. Development of affordable housing and down payment assistance are eligible CDBG funding categories. Gresham historically utilizes HOME funding for those activities because both HOME and CDBG funding levels are limited, and CDBG presents more flexibility in the use of funds. Gresham has utilized the Section 108 loan program to facilitate a loan to Human Solutions for the acquisition/development of the Rockwood building/associated rental housing. Opening a line of credit for a non-profit/developer to utilize a Section 108 loan is a potential development tool. While not related to housing production, Gresham funds many programs that support housing stability with CDBG funding. The programs include emergency home rehabilitation and accessibility upgrades and programs that provide rent assistance and other stability services.

**HOME Program.** The City directs a significant portion of its \$400,000 to \$650,000 in HOME funding toward homebuyer down payment assistance and rental assistance, new development projects, and an ongoing partnership with Proud Ground community land trust. Gresham will receive a 1-time allocation of just under \$2.3 million in specific HOME-ARP funding in 2022. The City is using these funds for supportive services, such as rental assistance, support for renters, and job training and placement programs.

**General Obligation Bonds.** The City has developed a plan for how it would spend Metro Housing Bond Dollars. Gresham's share of the bond funding totals \$26.7 million. Gresham's target number of affordable housing units is 187, with 77 deeply affordable and 93 family-sized units. Gresham has allocated funding to two projects and has approximately \$10 million remaining. The two projects funded include 194 units, and the City met the target for deeply

---

<sup>38</sup> This applies to the existing structure being converted (internal conversions), but any new structures on site will be subject to the design standard.

affordable units. Gresham's remaining metric is to produce 23 more family-sized units with the remaining \$10 million.

Gresham opened an RFP in January and expects to allocate the remaining funding this year. The remaining funding will be utilized for development over approximately the next two years. Affordable homeownership, new construction of affordable rental housing, and the rehab and conversion of market-rate housing to affordable are all eligible development types. Bond regulations dictate a 60-year affordability period, so any ownership development would likely take the form of a land trust model.

### Tax Exemption and Abatement

**Vertical Housing Development Zone Tax Abatement.** VHDZ includes an additional property tax abatement (on the land) for housing affordability, per State statute. The City's current VHDZs are restricted to Downtown and Civic area. The City is exploring expanding the zone to Rockwood Triangle and 223rd Ave and Glisan Street and altering the criteria by which the City evaluates VHDZ proposals. This will be presented to Council in mid-2023. The City is open to inclusion of other areas in the future.

**Other: Home Forward statutory incentive for tax exemption.** Gresham has an IGA/partnership pilot program with housing developers that mitigates the City's loss of tax revenues over a 20-year horizon. When Home Forward collects the fee from a developer, the City gets a portion of the fee.

### Land, Acquisition, Lease, and Partnerships

**Public/Private Partnerships (P3).** Metro Partnership for mixed use development of the Civic Sites.

### Other

**Rockwood Urban Renewal Extension.** The Gresham Redevelopment Commission has extended the existing urban renewal area for 6 years to fully use the area's maximum indebtedness. Gresham is currently exploring an Urban Renewal Area expansion.

# APPENDIX D: EVALUATION CRITERIA FOR HPS ACTIONS AND ACTION DESCRIPTIONS

This appendix summarizes the evaluation criteria used to evaluate actions for inclusion in the HPS and contains a description of each action in the HPS. The evaluation criteria (summarized below) fall into five categories: income-level served, development impact, administrative complexity, funding required, and political acceptability.

## Actions Evaluation Criteria

### MFI Targeted

Gresham would like to see development and preservation of housing affordable at all income levels. ECONorthwest defined income levels based on 2022 Median Family Income for Multnomah County (as defined by the U.S. Department of Housing and Urban Development) for a household of four people, as follows:

Extremely Low and Very Low Income	Low Income	Middle Income	High Income
Extremely Low Income: Less than 30% MFI  Less than \$31,950  Very Low Income: 30% to 50% of MFI  \$31,950 to \$53,250	50% to 80% of MFI  \$53,250 to \$85,200	80% to 120% of MFI  \$85,200 to \$127,800	120% of MFI+  \$127,800+
<i>49% of Gresham households</i>	<i>21% of Gresham households</i>	<i>18% of Gresham households</i>	<i>13% of Gresham households</i>

### Impact

Does the action result in a little or a lot of change in the housing market? How many units might be produced, relative to other tools? Can the tool leverage investments from other partners?

How long will the impact last? The scale of impact depends on conditions in the City, such as the City of Gresham’s other existing or newly implemented housing policies, land supply, and housing market conditions. ECONorthwest defined the scale of impact as follows:

Small	Medium	Large
<p>Will not directly result in development of new housing or it may result in development of a small amount of new housing.</p> <p>May not improve housing affordability in and of itself.</p> <p>May be necessary but not sufficient to increase housing affordability.</p>	<p>Could directly result in development of new housing.</p> <p>May not improve housing affordability in and of itself.</p> <p>May be necessary but not sufficient to increase housing affordability.</p>	<p>Could directly result in development of new housing.</p> <p>May improve housing affordability in and of itself.</p> <p>May still need to work with other policies to increase housing affordability.</p>
<i>~1-3% of needed housing</i>	<i>~3% to 5% of needed housing</i>	<i>~5% to 10% (or more) of needed housing</i>

### Administrative Burden

How much staff time is required to implement the action? Is it difficult to administer once it is in place? ECONorthwest defined administrative complexity, as follows:

Low	Medium	High
Requires some staff time to develop the action and requires some on-going staff time to implement the action.	Requires more staff time to develop the action and requires more on-going staff time to implement the action.	Requires significant staff time to develop the action and/or significant on-going staff time to implement the action.

### Funding Required

What financial resources are required to implement the action? This includes the cost to establish and maintain a program. For funding sources, the easier it is to administer the tax or fee, the more net revenue will be available to offset costs for housing production or preservation. ECONorthwest defined funding required, as follows:

Low	Medium	High
-----	--------	------

Has relatively small funding impacts.	Has relatively moderate funding impacts.	Has relatively larger funding impacts.
---------------------------------------	--	--

### Acceptability

Political acceptability assesses the acceptability of the action for stakeholders. It considers expected political acceptability for elected officials and the public at large. If the action is dependent on the action of another organizational entity, the action is less likely than if the City controlled all aspects of tool implementation. ECONorthwest defined political acceptability, as follows:

	Low	Medium	High
Potential resistance from stakeholder groups, the public at large, and/or elected officials	Likely significant resistance	Moderate resistance	Little resistance
Coordination with another entity required	Significant	One-time or ongoing coordination	Little or none
Planning Commission review and/or City Council acceptance/adoption required	Review and/or adoption required	Review and/or adoption required	Little or none

## Funding Evaluation

While this project did not include a robust funding analysis component, Exhibit 60 provides an overview of which funding sources advanced to inclusion in the HPS.

### Exhibit 60. Funding Sources Evaluated

Revenue Source	Recommendation HPS Inclusion?	Rationale for Inclusion/Exclusion?
Future TIF District(s)	Yes	Could provide a stable, dedicated revenue source in an area with limited existing infrastructure.
Use of CET funding	Yes	Evaluation of a CET as a funding source to support a potential System Development Charge waiver/reduction and/or tax exemption
Grants and State funding	No	Pursue as the City has staff capacity, without dedicated staff grants may not provide substantial source of funding
Private donations and gifts	No	Pursue as the City has staff capacity, without dedicated staff this is not likely to be a substantial source of funding
New local option levy	No	Requires voter approval, unlikely to pass
Increased lodging tax	No	Only 30% increased revenue could go to housing; 70% dedicated to tourism promotion
Increase Systems Development Charges	No	Would place burden on market-rate development
Increased utility fee	No	Difficult to target charges, not a large nexus between source and use of funds
New business license fee	No	May hinder local business development
New food and beverage tax	No	Requires voter approval, unlikely to pass
New sales tax	No	Not politically feasible
New payroll/business income tax	No	May not be politically feasible
New real estate transfer tax	No	Not legal in Oregon
New vacant/second home tax	No	Untested and possibly not legal in Oregon

## Potential Partners

Implementing the actions in this strategy will require participation of key partners who have roles essential to the construction, delivery, and preservation of housing units. Exhibit 61 shows how each of the partners would play a role in different actions.

**Exhibit 61. City and Partner Roles**

Actions	City of Gresham	Other Government Agencies	Affordable and Market Rate Developers	Local Nonprofits	Other Partners
1A, 2A. Explore provision of grants/loans for new development within existing and potential new TIF District(s)	Develop program; funding	Funding	Provide input		
1B, 2B. Explore rehab grants to low-cost, market-rate rental property owners in exchange for affordability agreements in existing and potential new TIF District(s)	Convening; funding	Partnership; funding		Partnership	Property owners: provide input; use the program
1C, 2C. Explore partnerships to acquire and stabilize existing low-cost market rate housing within existing and potential new TIF District(s)	Develop and enforce program; funding; outreach			Partnership; development and services; outreach	Property owners: provide input; use program
1D, 2D. Explore funding and partnerships for housing-related infrastructure development in existing and future TIF District(s)	Partnership with Urban Renewal Agency	Partnership; support and resources		Development and services; outreach	
2E. Explore land banking, parcel assembly, and public land disposition efforts within potential new TIF District(s)	Contribute land; funding; partnership	Partnership; potential contributors of land	Partnership; development	Partnership; development and services	Faith-based organizations and other potential contributors of land
3A. Explore and reduce barriers for affordable homeownership models	Partnership; funding and resources; code revision; outreach	Funding	Development	Development and services	
3B. Reduce zoning barriers for housing development, with a focus on townhouse and multifamily development	Revise development code		Provide input		Provide input
3C. Streamline permitting processes for all housing types, with a focus on barriers to	Revise permitting processes		Provide input		Provide input

Actions	City of Gresham	Other Government Agencies	Affordable and Market Rate Developers	Local Nonprofits	Other Partners
townhouses and multifamily housing					
3D. Implement Rent Assistance Pilot Program and explore partnerships to address and prevent homelessness	Partnership; provide resources; outreach and advocacy	Partnership; support and resources		Partnership; development and services; outreach	
3E. Extension/expansion of tax abatement agreement with Home Forward	Manage the IGA	Outreach; provide services	Funding		
3F. Explore reduction/waiver of System Development Charges for certain needed housing types, including those not being produced by the market	Develop and implement program		Provide input		
3G. Evaluate the Multiple Unit Property Tax Exemption	Outreach, develop criteria, implement, reporting	Consider exemption approval	Provide input		
3H. Evaluate the Nonprofit Corporate Low Income Tax Exemption	Outreach, develop criteria, implement, reporting and admin	Consider exemption approval	Provide input	Provide input	
3I. Explore a Gresham-specific Construction Excise Tax	Develop and implement program		Provide input		

### Action Descriptions

For each HPS action, a rationale, description, the role of the City, anticipated impacts, potential risks, implementation steps, and implementation timeline is described below.<sup>39</sup> There are several actions to be implemented in potential new TIF Districts (2A-2E). Prior to implementing this action, new district(s) must be established. New TIF District(s) will need clear objectives and community support, as they are voter approved.

For brevity, implementation steps to pursuing a new district are broadly generalized below:

---

<sup>39</sup> For each action partners are described in Exhibit 60.

- Work with City Council to identifying potential district boundaries, housing and non-housing goals, and key projects,
- Forecast funding; match funding projections to URA goals and projects,
- Conduct community outreach, and
- Seeking voter approval.

### 1A, 2A. Explore provision of grants and loans for new development within existing and potential new TIF District(s)

**Rationale:** Tax increment financing is a flexible funding tool that can support new housing development within a TIF District. Building affordable housing often costs more than the funding available for the development, leaving a funding gap, therefore, developers need subsidies. Gresham has one TIF District, the Rockwood-West Gresham TIF District, which was established in 2003. In May 2022, Gresham voters approved an extension of the Rockwood-West Gresham TIF District until 2029.<sup>40</sup> Over the next six years, the Gresham Redevelopment Commission is forecasted to have approximately \$30 million remaining to invest toward new projects, technical assistance such as business grants, debt, and agency administration.<sup>41</sup>

The City is also considering creating a new TIF District. One or more new TIF Districts with housing goals could be created. The Agency could choose to spend a portion of the funding on projects to support new affordable housing development.

**Description:** A city can use tax increment dollars to directly invest in a specific affordable housing project. These grants or loans can serve as gap funding to improve development feasibility. The City could consider contributing to programs that are successfully operating, such as non-profit land trusts or even other government agencies that have the administrative capacity to maintain compliance requirements over time, using intergovernmental agreements.

The City can help reduce the funding gap by providing direct subsidies to support the development of multifamily rental, middle housing, and affordable ownership projects that are affordable to families making up to 100% of MFI in the long term. These subsidies could fund predevelopment costs (e.g., due diligence), serve as lower-cost capital for construction financing (with lower interest rates), or provide direct up-front grants during the development phase in exchange for deeper levels of affordability.

The City could fund these using tax increment financing in existing and potential future TIF Districts. Within the Rockwood-West Gresham TIF District, funding might focus on the development of housing affordable to 80% to 120% of MFI. In new TIF Districts, funding might focus on housing affordable from 0% to 120% of MFI.

---

<sup>40</sup> <https://greshamoregon.gov/Urban-Renewal/>

<sup>41</sup> [https://gresham.granicus.com/MetaViewer.php?view\\_id=2&clip\\_id=911&meta\\_id=57971](https://gresham.granicus.com/MetaViewer.php?view_id=2&clip_id=911&meta_id=57971)

**City Role:** The City could provide direct funding to support affordable housing development. City would need to set up investment criteria and monitor any agreements made in coordination with the grants.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely, very, and low-income (rental) and (ownership)	0-60% MFI (rental) 60-120% MFI (ownership)	Both	Medium*

\*Medium. Depending on the level of funding, the City’s ability to provide locally generated gap funding could help to attract more affordable housing producers to the area.

**Potential Risks:** A key risk with using urban renewal to support affordable housing development in the TIF District is granting too many property tax exemptions for new affordable housing development, reducing growth of the property tax base in the URA. In addition, funds spent on affordable housing reduce funds available for other priorities. Generally, if the TIF investments align with City goals, the City is less likely to encounter political headwinds, especially if the investments achieve multiple community goals.

**Implementation Steps:**

- Within the Rockwood-West Gresham Urban Renewal District, identify investments that align with the plan goals.
- Determine type(s) of new construction subsidies the City would offer (e.g., direct project loans/grants, etc.)
- Determine investment criteria:
  - Level of affordability the City will prioritize for funding. The options are (1) publicly subsidized housing affordable to households earning less than 60% of MFI, (2) low- and moderate-income affordable housing affordable to households earning between 60% and 120% of MFI, or (3) both.
  - Other criteria could include long-term affordability requirements, locations for project subsidy, alignment with Climate Action Plan goals, size of development, distance to key amenities, access to transit, equity considerations, sustainability considerations, and other criteria.
- Quantify the level of subsidy the City is willing to commit to on any given project. Should there be a cap on direct project subsidy investments for any one site or a cap based on funding per new dwelling unit?

**Funding or Revenue Implications:** Tax increment financing would be used to implement this action in TIF Districts.

**1B, 2B. Explore rehabilitation grants to low-cost market-rate property owners in exchange for affordability agreements within existing and potential new TIF District(s)**

**Rationale:** Much of the housing in Gresham that is affordable to low- and moderate-income households is older, privately-owned housing that is not subject to affordability restrictions. This housing may have deferred maintenance issues (and, in some cases, owner neglect) because of a lack of resources to make improvements and pay for repairs. When rehabilitating housing units in multifamily buildings, most property owners increase rents because they make improvements that enhance what they can charge. Keeping low-cost housing both habitable and affordable reduces the need to subsidize new construction. By offering rehabilitation grants tied to affordability requirements, the City could prevent the loss of affordable units while also ensuring that low- and moderate-income households have access to safe, updated housing.

**Description:** The City can work with property owners of low-cost unregulated housing to support needed repairs without displacing residents. The City would work with partners to assemble a pool of money to help unregulated properties recapitalize their loans and/or pay for necessary capital repairs. Low interest loans or grants to non-regulated affordable housing owners would be made in exchange for agreements to rent units below market for a specified period.

The City would need to consider the terms of affordability (how far below market would the units be required to rent and how long would units have to remain affordable), required level of habitability, how the City would monitor and enforce compliance, how to minimize displacement of residents due to rehabilitation.

**City Role:** Funder and monitor of rehabilitation and affordability per agreements.

Community Housing Fund or the Network for Oregon, Affordable Housing could be potential partners to explore program structure, guidance, and collaboration. [Portland Affordable Housing Preservation Partnership](#) could help to identify properties and investors.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Moderate	60-80% MFI	Rental	Depending on funding levels, these funds can be a powerful tool for preservation.

**Potential Risks:** Rehabilitation assistance must be enough to entice owners to participate and should be commensurate with the restrictions. The City will want to carefully consider affordability requirements, so that these properties maintain long-term affordability.

**Implementation Steps:**

- Conduct additional study. The City can explore:
  - What rate of return would the City expect on its investment?
  - How long would the City be willing to lend?
  - How much risk is the City willing to take?
  - To what level of habitability would the City require of rehabilitated units?
  - How would the City monitor compliance?
  - How would the City qualify borrowers?
  - What are the consequences of noncompliance?
  - How would the City value its return (years of below-market rent in exchange for a given investment)? How far below market would units be required to rent?
  - How much would the City invest in these sorts of programs? Where would this funding come from?
- Consider conducting a pilot program for a set number of years where there may be available funding, such as in the Rockwood-West Gresham TIF District. The City of Beaverton developed a pilot program in 2018 in which it explored offering subsidized funding for rehabilitation in exchange for 10 years of reduced rents. It was targeting rents appropriate for households making 60%-80% of the area median income.
- Identify City staffing needs to support this program. For example, offering loans may require staff who are knowledgeable about finance. Alternatively, the City could contract with a nonprofit organization that has a similar program to run the City's program or contribute funding to an existing program.
- Establish criteria for participation in this program, such as income level, whether owners or renters are eligible, types of housing condition problems the City will support addressing, and other criteria. Conduct additional analysis using example properties to determine the appropriate investment amount and affordability requirements for properties.

**Funding or Revenue Implications:** Tax increment financing would be used to implement this action in TIF Districts.

### 1C, 2C. Explore partnerships to acquire and stabilize existing low-cost market rate housing within current and potential future TIF District(s)

**Rationale:** Acquisition and rehabilitation of existing apartments by providers of regulated affordable housing preserves existing housing. Placing conditions on the sale, demolition, or replacement of certain housing types, and providing renter protections can increase the availability of affordable housing. This makes redevelopment less attractive or cost-effective, preserving existing housing.

**Description:** The City of Gresham has a large stock of small- to medium-sized apartment

buildings which provide some of the region’s naturally occurring affordable housing. As Gresham’s neighborhoods change, some of these units may be ripe for “repositioning,” meaning that an investor would buy the units, rehabilitate them, and then rent them at a higher price. If this occurs, many Gresham residents could be at risk of displacement. Preservation of existing housing may focus on preservation of smaller, more affordable housing and aging apartment complexes. The City could explore supporting acquisition and rehabilitation of existing apartments by providers of regulated affordable housing. The City could look for opportunities to expand policies requiring or incenting purchase rights to the local housing authority,<sup>42</sup> current tenants, the City, and/or qualified nonprofit organizations within Oregon law. The City could also establish an acquisition loan fund to acquire and compete for aging apartment complexes. These types of loans can provide bridge financing until the buyer is able to complete the necessary steps to secure long-term funding and prepare to rehabilitate the property.<sup>43</sup> The City could provide financial support to Home Forward in purchasing developments with expiring LIHTC contracts. Home Forward has first right of refusal for units with Section 8 and LIHTC properties. The City could also advocate for this to be an eligible use of future Metro Housing Bond funds.

**City Role:** The City would be a convener and could also provide incentives and funding.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low- and middle-income	60-120% MFI	Owner and Renter	Low to Med

**Potential Risks:** This action is limited to the existing stock of housing and would focus on the preservation (or careful redevelopment) of smaller, more affordable housing. The City should be careful to calibrate such regulations to ensure that moderate density developments such as middle housing development types are not blocked.

**Implementation Steps:**

- Conduct outreach with local nonprofits (particularly Network for Oregon Affordable Housing), property owners, and service providers to understand which type of preservation strategies may be most successful in preserving affordable housing.
- Establish an inventory of “naturally occurring affordable housing” that could be targeted for acquisition and preservation. Staff would need to determine criteria for inclusion in the inventory, including year build, number of units, location, property value, presence of

---

<sup>42</sup> Home Forward has first right of refusal, along with state and local governments.

<sup>43</sup> Preserve Oregon housing, “Loans: Purchase of Existing Project to Convert to Affordable,” <http://www.preserveoregonhousing.org/loans.php>

amenities, recent sales or remodel, and current rent levels. The City of Beaverton conducted an inventory of their naturally occurring affordable housing which might be useful to review.

- Discuss any potential strategies or regulations with City Council at work sessions and in public hearings.

**Funding or Revenue Implications:** Tax increment financing would be used to implement this action in TIF Districts. This could also be a potential use of future Metro Housing Bond funds; in that case, implementation could expand beyond TIF Districts.

**1D, 2D. Explore funding and partnerships for housing-related infrastructure development within existing and potential new TIF Districts**

**Rationale:** Tax increment financing is a funding source that can support the development of various types of infrastructure improvements needed for housing development. On-site and off-site infrastructure improvements could meet multiple community goals such as facilitating housing and multimodal transportation. **Description:** Tax increment financing can be used to defray the costs of infrastructure development needed for multifamily rental, middle housing, and affordable ownership projects. Incentives can be structured in various ways. For example, contributions to the developer for infrastructure development, or an agreement for the Urban Renewal Agency to complete infrastructure improvements that are required as a condition of development approval.

**City Role:** The Gresham Redevelopment Commission would continue to implement the Rockwood-West Gresham Urban Renewal Plan and select projects to fund using the Tax Increment Financing tool. For one or more new TIF District(s), the City Council would adopt, and the Urban Renewal Agency Board would implement, the plan.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-, very low-, low- and middle-income households	0-120% of MFI	Renter or Owner	Moderate

**Potential Risks:** Funds spent on housing related infrastructure improvements will need to be balanced with other TIF District priorities, and (where possible) used to achieve multiple priorities. Property owners may not want to develop on the same time frame as identified in the urban renewal plan timeline. New TIF District(s) will need clear objectives and community support, as they are voter approved.

**Implementation Steps:** Decide how to use and leverage the TIF funding to support infrastructure and affordable housing development. The best use of funding may be in

coordination with other actions in the HPS, such as with land banking and support of development of income-restricted housing.

Determine desired project characteristics and partner with developers and nonprofits.

**Funding or Revenue Implications:** Tax increment financing would be used to implement this action in TIF Districts.

## 2E. Explore land banking, parcel assembly, and public land disposition efforts within potential new TIF District(s)

**Rationale:** Public sector land banking can support affordable housing by reducing or eliminating land cost from development. Developers interviewed through the HPS cited land costs as a substantial portion of overall development costs. Any action the City takes to assemble land for affordable housing would support the City’s housing production goals.

**Description:** Through land banking, the City can pursue a pipeline of land for future development and control the type of development that may occur on the land. The City could:

- Designate vacant city-owned land as surplus and contribute that land to the land bank, eventually conveying that land to affordable housing developers for development of housing at agreed-on level of affordability (e.g., 60% of MFI or below).
- Look for opportunities to:
  - Purchase and assemble smaller sites into a larger site to support multiunit development, especially in high-opportunity neighborhoods.
  - Purchase larger sites properties for the purpose of building affordable housing and convey that land to affordable housing developers for development of housing at agreed-on level of affordability. Land can be acquired cost-effectively if purchased in down-cycles and used to leverage developer investment.

Land banking is likely to focus on land within potential new TIF Districts, which is where funding to support land banking may be available. If the City has funds to support land banking outside of TIF Districts, then the City could look for opportunities for land banking citywide.

**City Role:** The City may participate in multiple projects using different types of land banking strategies, such as assisting with land purchase and assembly, providing funding to support land purchase, or leading development as well as other strategies.

### Anticipated Impacts:

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-income, very low-income, low-income, and	0-60% of MFI	Renter or Owner	Moderate to Large

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
limited moderate-income households	(Could include projects for households with income below 120% of MFI)		

**Potential Risks:** If public land is used for affordable housing, typically it cannot be used for other city functions. However, if the land were identified as surplus or excess, it would likely not be needed for city functions. Staff would need to be well-versed in real estate. Not all public sector land may be eligible for public sector disposition. Vacant land in high opportunity areas with willing sellers is scarce.

**Implementation Steps:** The following steps would most likely focus on land in new TIF Districts, if the City establishes any:

- Identify the City’s land banking investment goals. Does the City want long term control of land through a ground lease? Or would the City be open to land write downs upon sale in exchange for projects that meet the City’s investment criteria?
- Identify criteria for purchasing or dedicating city-surplus land for land banking. These could include lot size, ability to assemble adjacent parcels, willingness of the owner to sell at appraised value, zoning, distance to key amenities/transit, and displacement risk. The City should consider where it would focus its efforts in high-opportunity areas (e.g., transit corridors, downtown, and existing TIF Districts). The City should also consider how land banking activity aligns with Gresham’s Climate Action Plan.
- Inventory city-owned properties for land banking. If appropriate, surplus publicly owned land identified as suitable for land banking could be contributed to the bank. The City could implement a policy that establishes when to convey surplus land to the land bank for affordable housing. The City could explore opportunities to vacate unused streets that are functioning as alleys and have no underground utilities for the land bank.
- Inventory other public and nonprofit owned land. Consider potential partnerships on land owned by Metro, ODOT, County, State, schools, and faith-based properties.
- Consider internal staffing capacity to support land banking, with a focus on the ability to act quickly and flexibly when opportunities arise and seeking opportunities with partners.
- Determine the City’s requirements for sale or long-term ground lease, including long-term affordability and how those requirements should be enforced (e.g., deed restriction)
- Evaluate the use of state brownfield funding to evaluate potential brownfields in high-opportunity areas. If those properties were declared brownfields, the City could tap into State funding for cleanup and redevelopment.

**Funding or Revenue Implications:** Tax increment financing would be used to implement this action in TIF Districts.

### 3A. Explore and reduce barriers for affordable homeownership models.

**Rationale:** Access to homeownership is uneven for low-income and BIPOC populations who face systemic barriers to homeownership. The barriers to development of affordable homeownership projects are myriad, from a lack of developer capacity, financing challenges for prospective homeowners, and development regulations. Alternative models of ownership could improve ownership opportunities but are particularly challenging for small, attached housing units on single lots. These building types cannot always support fee simple owner-occupancy and are costly to develop as condos.

**Description:** The City could pursue a multi-pronged approach which could include advocacy at the state level to reduce barriers to development, incentives in exchange for affordability requirements, and innovative approaches to acquiring foreclosed homes, and exploring alternative homeownership models.

Advocate for and pursue State and Metro funding resources for Gresham, such as:

- The State’s Homeownership Development Program, which has \$40 million for alternative homeownership models across the State.<sup>44</sup> Through this program Gresham could be eligible for gap funding sources and predevelopment and capacity building grants. As of 2023, the City will support some of the development costs of a planned affordable ownership cottage cluster development. That project will be an innovative use of a limited amount of one-time funding from the state and Gresham's HOME-funded down payment assistance.
- Future Metro Housing Bond proceeds, which may continue to include homeownership project as eligible projects.
- LIFT funding, which would require advocacy to lift restrictions on depth of affordability to make this program a better match for homeownership projects.<sup>45</sup>

Support alternative affordable homeownership models. The City could build capacity and technical assistance support for organizations pursuing affordable homeownership:

- Support conversions of existing low-cost market rate buildings or manufactured home communities to limited equity housing cooperatives, working with tenant advocacy groups in areas threatened with redevelopment and displacement. These types of investments could provide proof of concept for novel ownership formats, such as cooperative housing. This support may be limited to areas in current or future TIF District(s) unless other funding is available.
- Examine and reduce the City’s code for barriers to alternative ownership models. The City has addressed some barriers to middle housing already, including removing

---

<sup>44</sup> A summary of the program and a framework of the Homeownership Development Program can be found on page 41 of the OHCS Housing Stability Council meeting packet from September 2022: [Housing Stability Council \(oregon.gov\)](https://www.oregon.gov/ohcs/housing-stability-council)

<sup>45</sup> LIFT funding may change substantially in the 2023-2025 biennium depending on the funding provided in the 2023 Legislative Session.

maximum densities for duplexes, triplexes, (most) townhouses, and cottage cluster developments. Middle housing types are allowed outright in most areas and do not require public notice.

- Support education programs to build awareness of alternative homeownership models like limited-equity cooperatives among the financial and development communities.<sup>46</sup>
- Work with existing organizations to create revolving loan programs to reduce construction loan costs for affordable homeownership.
- Collaborate with Oregon communities to advocate for changes to the State’s construction defect laws (CDL). CDL is a state-enabled law that “places an obligation on developers to correct or compensate for any defects in design, materials, and/or workmanship of a recently constructed building.”<sup>47</sup> Oregon’s CDL statutes stipulates that the term for which CDL can be pursued is 10 years, which is longer than other West Coast states. Advocacy could involve reducing the 10-year term and bolstering existing notice-and-opportunity-to-repair laws. This would reduce barriers to condominium and cooperative models.

**City Role:** The City could provide seed money or revolving loan funds, educational programs, and advocacy for changes to the States’ construction defect laws. There could also be code changes (e.g., occupancy restrictions) that the City could make to remove barriers.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low- and Middle-Income	60-120% MFI	Owners	Small

**Potential Risks:** Funds spent on alternative homeownership models will be unavailable for other city services and affordable rental housing opportunities. Homeownership programs may serve a smaller portion of the population than larger developments focused on affordable rental opportunities. Lower income households that buy a home may struggle to maintain or keep that home without additional support. For co-op models there are often few banks who will provide loans.

**Implementation Steps:**

---

<sup>46</sup> A summary of the program and a framework of the Homeownership Development Program can be found on page 41 of the OHCS Housing Stability Council meeting packet from September 2022: [Housing Stability Council \(oregon.gov\)](https://www.oregon.gov/ohcs/housing-stability-council)

<sup>47</sup> Impact of Construction Defect Liability on Condominium Production in Oregon Frequently Asked Questions.

<https://olis.oregonlegislature.gov/liz/2019R1/Downloads/CommitteeMeetingDocument/196263>

- Determine partners that the City could work with to advocate for changes to the State’s construction defect liability laws.
- Engage developers and service providers who are working in the affordable homeownership space or interested in branching out into this space to better understand the type of support they need and to identify how City code may be limiting this type of development.
- Examine City code for barriers to alternative type of ownership model (e.g., occupancy restrictions) and revise the code as appropriate.
- Establish a revolving loan program to reduce construction loan costs using funding such as a potential CET, TIF dollars, or future Metro bond dollars.
- Collaborate with community land trusts or small-scale developers to support affordable homeownership or cooperative housing pilot projects. Consider providing financial support using future Metro bond dollars, urban renewal dollars, or CDBG/HOME.
- Explore partnerships to better support educational programs to build awareness of affordable ownership opportunities and promote their benefits in the community.

**Funding or Revenue Implications:** The City could direct a portion of potential future Metro bond proceeds, potential Construction Excise Tax revenues, and TIF dollars to provide seed money or a revolving loan fund for construction. Education, advocacy, and changes to codes could be partially accomplished with existing staff time but may need additional employees to support more intensive efforts. Private or foundation dollars could support key projects.

### 3B. Reduce zoning barriers for housing development, with a focus on multifamily and townhouse development.

**Rationale:** Reducing complex or restrictive zoning can make multifamily and townhouse development less difficult, time consuming, and costly. Increasing development densities in select locations can also increase the financial feasibility of development projects. This could attract more developers to Gresham or encourage developers already working in Gresham to look for other properties to develop.

**Description:** Gresham has barriers in its Development Code that limit or prevent multifamily development. Based on conversations as part of the HPS development, the City could consider if and how it can update the Development Code to alleviate these barriers while still achieving other City goals. The City also recently contracted an outside consultant (MIG) to evaluate the Development Code. Implementing recommendations within this evaluation could assist with easing and clarifying multifamily development standards. Examples of regulations to consider are listed below:

- Gresham currently has numerous residential and mixed-use districts which could be consolidated to reduce complexity and encourage development.

- More flexible open space and landscaping requirements could be adopted. More flexible open space and landscaping requirements would provide developers with flexibility on the types of housing products they build and could help to reduce the overall cost of building housing units. Developers cited the following requirements as hindering development feasibility: (1) transition spaces between public, semi-public, and private open spaces, (2) private outdoor spaces, (3) landscape requirements that detail deciduous/evergreen, spacing, caliper, shade, color, scale, mulch type, pathway material, and more detail that varies depending on the setback side.
- The design standards could be streamlined. The standards could be streamlined to focus on key urban design and pedestrian-oriented development strategies and to eliminate overly prescriptive standards.
- Parking requirements (particularly in affordable units) have been discussed as a barrier to be considered. However, as the City responds to the State’s Climate Friendly and Equitable Communities regulations parking requirements are changing. Allowing market demand to determine parking supply gives developers more flexibility on the types of housing products they could build, as fewer parking spaces can reduce the overall cost of development.
- Increase flexibility for ground floor use requirements. The current ground floor requirements for multifamily and mixed-use developments are complex and were cited as overly restrictive. The City’s goal is to transition to a more walkable and active street frontage, but the current market demand for these commercial spaces is lower than the requirements. Instead, the policies could result in vacant ground floor spaces, which reduces development feasibility. Allowing more residential units on the ground floor will help to meet the current demand for housing in these city areas. However, the City should look for ways to ensure that standards do not preclude commercial development in the future and support a pedestrian-friendly environment.
- Relax maximum density requirements. Some districts specify maximum densities, minimum lot sizes, and have lenient minimum densities. The City can identify areas where these standards can be amended including revisiting density allowances in high opportunity areas. The City may have opportunities to upzone certain areas and rezone or allow multifamily buildings in commercial zones without commercial uses (Station Center, Community Commercial, and Moderate Commercial land use districts).
- The City’s minimum floor area ratios for mixed-use and multifamily vary. The City can revisit minimum and max floor area standards to ensure that they are supporting development as intended.
- The development code does not explicitly or clearly address standards for some housing types, such as density calculations for congregate shelters or allowances for single-room occupancy units. The development code can be updated to clearly address standards for a wider variety of housing types.

Despite challenges with the zoning code, developers indicated that City staff are easy to work with and provide timely assistance helping them navigate these barriers. Addressing these barriers can make the overall process easier for developers and free up staff time to focus on

other tasks.

**City Role:** The Gresham Urban Design and Planning Department should amend the Development Code to reduce barriers to allow selectively greater densities and increase flexibility of certain standards.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low-income and middle-income households	80-120% of MFI	Owner and Renter	Small

**Potential Risks:** Reducing development code barriers to achieve greater multifamily development must be balanced with other city objectives such as preserving tree canopy and open space and promoting walkable, active streets (among others). Staff capacity is needed for implementation.

**Implementation Steps:**

- Engage the development community to better understand how the development code is impacting multifamily and townhome development.
- Review the barriers in Gresham’s Development Code and consider implementing revisions to the Development Code discussed in the description above.
- Advance other recommendations from the outside consultant’s evaluation of the development code and land use review processes.
- Identify potential sites for future multifamily development and ensure that the zoning will allow development of these housing types outright to reduce developer uncertainty and make overall development easier and faster.

**Funding or Revenue Implications:** Staff time and Planning Department tools and resources will be relied on to accomplish this action.

**3C. Streamline permitting processes for all housing types, with a focus on barriers to townhouses and multifamily housing.**

**Rationale:** Reducing development delays and costs can make it easier to build middle housing or multifamily housing types.

**Description:** In 2018 the City adopted code in response to the State’s SB 1051 which created a slightly expedited land use review process for qualifying affordable housing applications. As of February 2023, the expedited process has not been utilized. In 2023, Gresham codified a new

exemption from the land use review process for the conversion of a hotel or motel into an emergency shelter or qualifying affordable housing from the land use review process. This was based on the State’s requirements in House Bill 3261 (ORS 197.748). The City could build off of this code amendment in a variety of ways. The City has also engaged the consulting firm, MIG, to conduct a deeper dive into Gresham’s design review processes and pre-application meetings. The City could consider the following actions to further streamline the permitting process and make it easier to develop multifamily and townhouse developments:

- The City could streamline the process land use review process for townhouses in corridor districts.
- The City could continue to provide support for developers as they navigate the planning and permitting process. Despite challenges with the permitting process, developers indicated that City staff are easy to work with and provide timely assistance helping them navigate these barriers. As Gresham continues to grow, the City should focus on maintaining the approachable and helpful style and ensure that City departments continue to collaborate internally so that the City can provide timely and accurate support to developers.
- The planning and building departments could evaluate changes to permitting processes to reduce development timelines.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely Low- to High-Income	0-120%+ of MFI	Owner and Renter	Small

**Potential Risks:** While it would reduce holding costs for developers, expediting the development review timeline alone will not have much impact on development costs on its own. Reducing/streamlining some design standard requirements may have a limited impact on housing costs. Implementation will take significant staff capacity in the short- to mid-term.

**Implementation Steps:**

Engage the development community to:

- Review findings from this process and the separate consulting contract.
- Understand how City could alter the review process to reduce barriers to multifamily development.
- Develop criteria for multifamily housing types that would trigger an expedited process.
- Consider developing preapproved plan sets for some housing typologies.
- Identify potential sites for future middle housing and multifamily development and ensure that the zoning will allow development of these housing types outright.

- Consider ways to continue to improve City staff and developer relationships throughout the development process.

**Funding or Revenue Implications:** No direct funding required. Requires re-prioritization of staff activities and may increase staff workload if process includes additional assistance to applicants. A continued focus on streamlining affordable housing permitting should not increase staff workload in the long-term.

### 3D. Implement Rent Assistance Program for individuals experiencing homelessness and explore partnerships to address and prevent homelessness.

**Rationale:** While many strategies that reduce homelessness do not directly result in the development of new housing, they are essential to providing opportunities to transition from homelessness or housing instability to long-term housing.

**Description:** The City will consider the following actions to address and prevent homelessness:

- Ensure the continuation of existing homeless services programs by pursuing funding and collaboration opportunities.
- Implement rent assistance pilot program for people experiencing homelessness in Gresham. The program will provide:
  - Payment of move-in costs and rent for up to 12 months.
  - Case management by City homeless services staff that fits individual circumstances including job training and placement, financial literacy, and other resources for success.
  - The City will consider how to fund additional staff and resources to support expanded programming. There may be opportunities for the City to explore regional partnerships and secure additional State funding in the next legislative session.
  - Expand partnerships to support temporary and permanent supportive housing options and services to address and prevent homelessness (align with regional funding resources).

**City Role:** The City will continue to provide and pursue expanding homeless services of outreach and case management including resource navigation, rent assistance, partnerships, and advocacy.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-income households and people experiencing homelessness	0-30% of MFI	Renter	Low

**Potential Risks:** The action will require explicit consideration of ongoing funding sources to support City-led and partner-led homeless services. Residents may be concerned with the location of certain homeless services.

**Implementation Steps:**

- Continue to share Gresham’s successful programming to provide homeless services (homelessness approach, resource navigation, code enforcement such as RV parking permit program, etc.) with regional partners to encourage information sharing, collaboration, and additional investment.
- Implement a rent assistance pilot. Consider program parameters (who can qualify for assistance and what type of assistance). Identify funding sources necessary to support the program such as the Metro Supportive Housing Services Bond
- Work with the Oregon Mayor’s Association to communicate the City’s homeless services program and funding needs to support the programs (such as funding for additional staff, other resources, etc.)
- Collaborate with Multnomah County Joint Office of Homelessness Services to navigate the City’s regulatory process.
- Continue to work with local nonprofits and service providers to understand their needs and how the City may be able to support them in navigating planning processes and regulatory requirements.

**Funding or Revenue:** Maximizing usage of Metro Supportive Housing Services Bond and other regional resources could help produce new units to meet the needs of the population experiencing homelessness. Expanding City programming will require additional staff time and resources. The City should work with the Oregon Mayor’s Association to advocate for additional funding to support desired programs in the 2023 State Legislative session.

**3E. Extend/expand the City’s tax abatement agreement with Home Forward**

**Rationale:** The City is interested in providing property tax exemptions for affordable housing projects but doing so would require the City to forgo substantial tax revenue. The current intergovernmental agreement with Home Forward allows the City to recoup its foregone property tax revenue through a fee that is shared with Home Forward.

**Description:** The City could explore extending and expanding the existing intergovernmental agreement with Home Forward to exempt property taxes on income-restricted developments in which Home Forward has an ownership stock. This would expand on the City’s IGA/partnership pilot, which encompasses up to four projects and runs through Fiscal Year 2022/23. As of early 2023, the only project that has used this process is Rockwood Village. The general process includes the following steps:

- Home Forward comes forward with a new housing project in which it is a limited partner.
- Gresham and Home Forward collaboratively review the proposal, and if Gresham is in concurrence with the proposal, Home Forward approves a 20-year property tax exemption from all taxing districts. After 20 years, upon mutual agreement of both parties, the property tax exemption may be renewed if the project is still in compliance with the requirements and conditions.
- A Special Limited Partner fee (SLP) is calculated by Home Forward
- The developer pays the SLP to Home Forward. The fee is equal to the lesser of \$1,000,000 or 25% of the full property tax exemption for 20 years.
- Sixty percent of the SLP is distributed to the City of Gresham and 40% is distributed to Home Forward who must use the fee for the primary purpose of resident services in Gresham.

**City Role:** Manage the IGA.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low- to low-income	0-60%	Renter	Medium

**Potential Risks:** Within the current program, risks have been identified as minimal. Potential expansion of the IGA will require further risk analysis for the different product types/outcomes and would be presented to City Council for review and approval as part of any IGA expansion.

**Implementation Steps:**

- Extend the IGA and consider increasing the number of eligible projects.
- Explore expanding the use of the IGA to include housing preservation as an eligible use.

**Funding or Revenue:** The IGA allows the benefit of tax exemption while also recouping some of Gresham’s tax revenue that would be lost with a full exemption. Overall, the agreement provides a tax benefit to developers and requires minimal loss to the City.

### 3F. Explore a reduction/waiver of Systems Development Charges for certain needed housing types.

**Rationale:** The City of Gresham collects System Development Charges (SDCs) for wastewater, water, stormwater, transportation, and parks.<sup>48</sup> These fees increase the cost of producing affordable housing in Gresham. Programs that reduce or waive SDCs reduce development costs and can incentivize development of qualifying housing types or building features. Qualifying housing types can be defined to support the development of needed affordable housing that is not currently able to be produced by the market.

**Description:** The City has several options to reduce the cost of SDCs for affordable housing, which are discussed below. The first option, exempting affordable housing from City SDCs without specifically “backfilling” funding from another source, is described below for reference, but it is not recommended for the City.

- Exempt affordable housing from City SDCs without specifically “backfilling” funding from another source.<sup>49</sup> Policy-based reductions, waivers, or exemptions that do not have a basis in reduced impacts or costs are not explicitly addressed in Oregon’s SDC laws,<sup>50</sup> and local jurisdictions have taken a range of approaches to navigating this ambiguity. Most jurisdictions that waive SDCs have separately adopted ordinances that provide for the exemption and simply offer the exemption without transferring funding from another source; others allocate other funds to cover the foregone revenue (see discussion below). If revenues are not backfilled, this will reduce SDC collections and could delay funding of some infrastructure projects. SDC waivers or exemptions are typically available only for the SDCs associated with affordable units, so for a mixed-income project, SDCs that are not calculated on a per-unit basis could be reduced proportionately with the percentage of units that are affordable.
- Use non-SDC City funds to subsidize SDC reductions or waivers for affordable housing. To do this, the City would require a funding source such as TIF (in TIF Districts) or CET revenue to

---

<sup>48</sup> These infrastructure services are provided by the City of Gresham for most of the City. The exception is that a part of west Gresham gets water services from the Rockwood Water PUD.

<sup>49</sup> Most communities that do not charge SDCs for affordable housing describe this as an “SDC Exemption.” Some make a distinction between “waivers” given on a case-by-case basis and “exemptions” that are set in policy. Others use these terms interchangeably.

<sup>50</sup> The 2016 Oregon law enabling inclusionary zoning (Senate Bill 1533) identifies SDC and permit fee reductions or waivers as incentives that may be offered to development impacted by an inclusionary zoning requirement. While SB 1533 does not include further discussion on SDC or permit fee waivers or reductions for affordable housing generally, it has been interpreted by some as authorizing SDC reductions or waivers for affordable multifamily development. (To the authors’ knowledge, policy-based exemptions, reductions and waivers have not been tested in court.) The equal protection clause of the 14th amendment is also relevant here, in that the government must have a rational basis to treat similar cases or individuals differently (the legal standard is higher if there is a direct or indirect impact on certain protected groups). The City Attorney should continue to advise on the legality of this option.

“backfill” the costs of SDCs. As with exemptions, SDC subsidies should be scaled to the percentage of units in the project that are affordable.

- Allow SDC deferral and financing of SDCs at a low interest rate for affordable housing. The City already offers a program for SDC financing and deferral. Deferral allows the SDCs to be paid when a certificate of occupancy is issued. The interest rate for financing is set at the rate paid on U.S. Treasury Notes plus 2%. The standard security for SDC deferral or financing is a priority lien on property. The City Manager may, at their discretion, offer alternative security which may include a second position lien, security in alternative property, or a financial guarantee acceptable to the Manager. The Manager is authorized to set a lower rate for specific projects based on market rates and development incentives.<sup>51</sup> A potential change could be to offer more flexible and preferable terms for affordable housing developments as standard if the City does not opt to reduce or waive SDCs for those projects. The City could offer a lower interest rate (e.g., 0.25% above the Oregon Prime rate) and/or allow the lien to be in second position for affordable housing developments. This would not require any direct subsidy, although it would still slightly reduce the City’s SDC revenues and increase its risk. It has less impact on total development costs than SDC waiver but requires less subsidy from the city. Because SDC financing applies to all SDCs for a project, the City would need to set a minimum percentage of the units that would have to be affordable to use the special financing terms or restrict it only to non-profit affordable housing development.
- Reduce or Exempt SDCs for ADUs - ADUs do not pay water or sewer SDCs, but transportation SDCs apply and stormwater SDCs are based on the site’s impervious area. The City could explore SDC waiver/reductions for qualifying affordable housing developments.

**City Role:** The City would create a program with specific eligibility criteria, and work with City departments to implement it.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced <sup>52</sup>
Extremely, very, and low-income	0-80% MFI	Owner and Renter	Moderate

<sup>51</sup> Resolution No. 3332: Relating to the Deferral and or Financing of System Development Charges. [https://gresham.granicus.com/MetaViewer.php?view\\_id=2&clip\\_id=503&meta\\_id=46334](https://gresham.granicus.com/MetaViewer.php?view_id=2&clip_id=503&meta_id=46334)

<sup>52</sup> Magnitude of new housing developed is approximate number of new units that the action may reasonably be expected to result in. See the discussion under the section “

Impact,” later in this memorandum.

**Potential Risks:** The City would want to ensure that implementing this action does not negatively impact the City’s near-term finances or ability to fund needed capital projects. There is some legal risk associated with offering exemptions that are not funded by another source.

**Implementation Steps:** In evaluating potential SDC incentives the City could:

- Consider SDC waivers for income-restricted units.
- Consider SDC deferral interest rates for income-restricted units.
- Develop eligibility criteria for SDC reductions or waivers (e.g., project size, depth of affordability (60% MFI or below).
- Review SDC charges by unit size (review coming up in next three years).
- Revisit SDC financing terms.
- Evaluate funding sources to backfill loss of revenue.

**Funding or Revenue:** If the City implements a Construction Excise Tax, the City could use a portion of those revenues to backfill foregone revenue from SDC waivers.

### 3G. Evaluate the Multiple Unit Property Tax Exemption.

**Rationale:** The Multiple Unit Property Tax Exemption (MUPTe) program is flexible and eligibility criteria can be set locally, allowing the City to target the exemption to meet its needs. It offers an incentive for preservation and development of housing for low- to moderate-income households. It can offer an incentive for mixed-income housing, providing a way to leverage private, market-rate development to expand affordable housing.

**Description:** MUPTe allows cities to offer a partial property tax exemption (limited to the value of the housing, not the land) for multifamily development that meets specific locally established criteria, such as having an affordability agreement with a public agency. The terms of the affordability agreement can be set by the City—there are no specific income or affordability requirements in the state statute that enables the program. The City could explore using MUPTe in two ways:

- To incent mixed income development through inclusion of below-market units (units affordable below 80% of MFI) in otherwise market-rate developments.
- To incent owners of existing low-cost market rate housing to rehabilitate properties without displacing existing tenants or escalating rents.

What does the exemption apply to? It applies to rental housing for low-income and moderate-income people, often in a mixed-income multifamily building. The exemption applies only to improvement value of the housing.

How long does it apply? The property tax exemption can be granted for up to 10 years. Housing would be required to remain affordable for the term of the property tax exemption.

What taxing districts would participate? The property tax exemption only applies to city property taxes (which account for about 20% of property taxes in Gresham, inclusive of levies) unless the City gets affirmative support from at least 51% of overlapping taxing districts for the exemption to apply to their tax collections.

What impact might MUPTE have? The property tax exemption would only apply to qualifying newly built multifamily buildings where the City Council granted an exemption. For example, The Archibald is a newly built multifamily building, with 37 dwelling units. In 2021, this building generated approximately \$10,500 of property tax revenue for Gresham or \$284 per dwelling unit in the building. If this building was granted a tax exemption, it would be similar to this amount of taxes. In return, the City would get more multifamily development and development that meets the criteria identified in the City’s MUPTE program.

**City Role:** The City could implement the exemption and conduct annual reporting and administration procedures

**Partners and Their Role:** Overlapping taxing districts would weigh in on the exemption.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low- and middle-income households	60-80% MFI	Renter	Moderate

**Potential Risks:** The City and participating taxing districts would forgo property tax income for the duration of the exemption, reducing revenue for city services and revenue for participating taxing districts.

**Next Steps:** Initiate additional study to explore:

- Desired eligibility criteria (percentage of affordable or workforce housing or other public benefits, where the program applies, etc.).
- Estimates of the revenue loss that could result from the tax exemption and identify a replacement revenue source to support police and fire services.
- Potential agreement from taxing districts representing 51% or more of the combined levying authority on the property to include all the taxing jurisdictions in the abatement. If the City is unable to get agreement from other taxing districts, the abatement will only apply to the City’s portion of property taxes.
- Discussions with City Council at work sessions and in public hearings. City Council may choose to adopt MUPTE by resolution or ordinance following a public hearing.

- Establishing annual reporting and administration procedures.
- Promoting exemption to qualified projects.

**Funding or Revenue:** MUPTTE reduces general fund revenues for all overlapping taxing districts. The City of Gresham must weigh the loss of tax revenue, including revenue that funds public safety, against value of the rent discounts offered by qualifying development. The City also chooses which projects to support and how long the property will receive the exemption.

### 3H. Evaluate the Nonprofit Corporation Low-Income Tax Exemption

**Rationale:** The Nonprofit Corporation Low-Income Tax Exemption can lower operational costs, such as property tax costs, and make affordable housing projects more feasible for nonprofit affordable housing developers. Affordable housing owned by a public agency is already exempt from all property taxes, and nonprofits can partner with public agencies to get a tax exemption in some cases. However, this adds complexity to the development. This program would reduce development barriers and lower operating costs for publicly subsidized affordable housing (affordable at 60% of MFI or below).

**Description:** The Nonprofit Corporation Low-Income Rental Housing Exemption<sup>53</sup> provides a full property tax exemption for new and existing affordable housing owned and operated by a 501(c)(3) or (4) nonprofit organization, and land held by a nonprofit for future affordable housing development. This tax exemption allows nonprofit developers of affordable housing to access a property tax exemption without partnering with the housing authority, who is already exempt from property taxes.

The exemption can apply for as long as the property meets eligibility criteria. These include requirements that tenants must initially qualify at 60% of Median Family Income (MFI) or below, which is about \$58,100 for a family of four people in Gresham based on 2022 MFI. Once qualified, existing tenant incomes may rise to as much as 80% of MFI (\$77,500 for a family of four) over time. Annual renewal is required to ensure compliance with these requirements.<sup>54</sup>

Some examples of Oregon cities that have adopted this tax exemption include Newport, Beaverton, Portland, Tigard, Forest Grove, Cornelius, and Wilsonville.

**City Role:** The City would implement the exemption and conduct annual reporting and administration procedures.

---

<sup>53</sup> This tax exemption is authorized in ORS 307.540 to 307.548.

<sup>54</sup> This requirement is stated in ORS 307.545.

### Anticipated Impacts:

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low- and very low-income households	0-60% MFI	Renter	Small to Moderate

**Potential Risks:** The City and participating taxing districts will lose property tax income for the duration of the exemption, reducing revenue for city services and revenue for participating taxing districts. One income-restricted housing development in Gresham receives a property tax exemption through an agreement with Home Forward. The City may want to assess how many other income-restricted affordable housing buildings may be newly eligible for this property tax exemption, to assess potential impact on Gresham’s property tax revenues.

**Next Steps:** The City has options to consider in evaluating the tax exemption:

- Which taxing districts? Only the City’s property taxes (which account for about 20% of property taxes in Gresham, inclusive of levies) would be exempted unless there is sufficient support from overlapping taxing districts. If the City and other taxing districts that comprise at least 51% of the local tax roll participate in the program, qualifying developments could have 100% of their property taxes waived. With this majority, all taxing districts would be obligated to participate. Without the support of at least 51% of overlapping districts, only city taxes would be affected by the exemption.
- Which depth of affordability is eligible? The City must select a definition of affordability (if different from the one stated above of having income at or below 60% of MFI)
- What other requirements would the City impose?
- Length of exemption: Exemption can be granted for as long as the property meets eligibility criteria, but the property owner must reapply on an annual basis to demonstrate on-going eligibility. For land held for future affordable housing development, the City sets a limit on how long the exemption can apply, with the option for property owners to apply for an extension after that time.

If the City determined that it wants to move forward with the program, the City would:

- Seek agreement from taxing districts representing 51% or more of the combined levying authority on the property to include all the taxing jurisdictions in the abatement. If the City is unable to get agreement from other taxing districts, the abatement will only apply to the City’s portion of property taxes.
- Discuss topic with City Council at work sessions and in public hearings. City Council may choose to adopt this exemption by resolution or ordinance following a public hearing. Adopt standards and guidelines for applications and enforcement mechanisms.
- Follow up with overlapping taxing districts to request that they pass resolutions to support the exemption.

- Promote exemption to qualified projects.

**Funding or Revenue:** This exemption will result in foregoing property tax revenues for all overlapping taxing districts. The City of Gresham must weigh forgoing of property tax revenue against the benefit of housing more income-restricted affordable housing in the community. The City could backfill lost property tax revenues through funds from a CET, if the City adopts a local CET (Action 3I). Staff time and available Community Development Department tools and resources will be relied on to accomplish this action.

### 3I. Explore a Gresham-specific Construction Excise Tax.

**Rationale:** One of the largest limitations that cities generally face in supporting affordable housing development is a lack of funding. A Construction Excise Tax (CET) could be a potential funding source to pay for other affordable housing policies, such as paying SDCs for low-income affordable housing. A CET is intended to provide funding to support development of affordable housing and other initiatives by pooling funds aimed at serving low-income households. The funds from the CET are required by State law to be spent on developer incentives, affordable housing programs, and homeownership programs.

**Description.** A CET is a development-driven funding tool. It is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought unless the project is exempted from the tax.

In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be assessed on residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction.

The allowed uses for CET funding are defined by state statute. The City may retain up to 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, depending on whether the CET is on residential or commercial and industrial development:

- For a residential CET:
  - 50% must be used for developer incentives for multifamily housing. These incentives could include City payment of permit fees and SDCs for development, tax abatements, or finance-based incentives. The City may use the CET to fund voluntary developer incentives that:
    - Increase the number of affordable housing units in a development.
    - Decrease the sale or rental price of affordable housing units in a development.

- Build affordable housing units that are affordable to households with incomes equal to or lower than 80% of MFI.<sup>55</sup>
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
- 15% flows to Oregon Housing and Community Services for homeownership programs that provide down payment assistance in Gresham.
- The State allows for more flexible use of commercial/industrial CET:
  - 50% of the funds must be used for housing-related programs, as defined by the jurisdiction (note that these funds are not necessarily limited to affordable housing).
  - The remaining 50% is unrestricted.

**City Role:** The City would implement plans for using CET funds for affordable housing development.

**Anticipated Impacts:**

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-, very low-, low- and middle-income households	0-120% of MFI	Renter or Owner	Moderate

**Potential Risks:** In tight markets, the cost may be passed on in the form of higher housing costs. In weaker markets, the increased cost can make development less feasible: Since the revenue is generated from building permits, when new development activity slows, little revenue is collected. Interested parties may oppose the CET, but opposition could be reduced with robust outreach and input on how the program will be used. Gresham’s school districts and Metro already have a CET which increases development costs.

**Implementation Steps:**

- Evaluate potential adoption of a CET. Consider how a CET could impact feasibility and attractiveness of building in Gresham.
- If City Council chooses to pursue adoption of a CET, work with stakeholders to develop the rules and program to implement CET. Determine what use (zone) CET will be tied to. Justify the rationale for the tax amount, for example 1% vs 0.5%. Estimate the revenue resulting from the CET.

---

<sup>55</sup> Based on information in ORS 197.309(7).

- Create a plan for the CET in collaboration with stakeholders and determine how to use CET funds. Identify the affordable housing program(s) that CET will support.
- Work with stakeholders to develop buy-in from community prior to CET adoption through proactive outreach to stakeholders.

**Funding or Revenue Implications:** To some extent, revenues generated depend on structure (applied only to residential or also to commercial / industrial properties). CET funding relies on an active construction cycle and, as such, fluctuates from year to year. Funds can be used for preservation or for new construction. The City will want to ensure that the CET is set at a rate that generates revenue for the City but does not discourage development. The City will also want to ensure that it has the staff capacity to implement a CET.

# APPENDIX E: EVALUATION OF OUTCOMES

---

## Evaluation of Outcomes

The actions included in Gresham’s Housing Production Strategy work together to achieve equitable outcomes for all residents of Gresham. They emphasize improving outcomes for underserved communities, lower-income households, and people in state and federal protected classes. OAR 660-008 requires an evaluation of the HPS for achieving the following types of outcomes:

### Affordable Homeownership

This outcome is achieved through actions that support development of housing affordable at less than 120% of MFI.

#### Existing actions and programs (including but not limited to):

- Zoning and code changes that support development of affordable ownership housing, such as allowing middle housing as required by House Bill 2001 and adding restrictive covenants to specific applications such as Metro Housing Bond projects, HOME, and CDBG.
- The allocation of a significant portion of the City’s HOME funding toward homebuyer down payment assistance and an ongoing partnership with Proud Ground community land trust.

#### Actions in the HPS:

- Action 1A and 1B are focused on reducing the funding gap for new development, including development of affordable homeownership projects.
- Action 2E could include dedicating city-owned surplus land or acquiring land for development of affordable housing, including affordable ownership housing.
- Action 3A focuses on removing barriers to affordable homeownership models by advocating at the state level to reduce barriers to development, providing incentives in exchange for affordability requirements, and exploring alternative homeownership models.
- Action 3C streamlines permitting processes for townhouses, which can make it easier to build this housing type.
- Action 1A, 2A, and 2D advocate for using TIF District funding to support housing and infrastructure development. Some of this investment could support development of affordable housing for homeownership through direct project subsidies or infrastructure investments.
- Action 3I evaluates a Gresham-specific Construction Excise Tax (CET) which the City could use to support development of affordable housing for homeownership; 15% of CET would flow to Oregon Housing and Community Services for homeownership programs that provide down payment assistance in Gresham.

## Affordable Rental Housing

Supporting affordable rental housing includes actions that support both income-restricted affordable housing (affordable to households with incomes below 60% of MFI) and privately developed affordable housing (affordable for households with incomes between 60% and 120% of MFI).

### Existing actions and programs (including but not limited to):

- Zoning and code changes that support development of affordable rental housing, such as allowing middle housing as required by House Bill 2001, adding restrictive covenants to specific applications such as Metro Housing Bond projects, HOME, and CDBG, and increasing densities near transit and multi-use trails.
- Expedited permitting for affordable multifamily developments as required by Senate Bill 1051. Deferment of SDCs for multifamily residential development.
- A one-time allocation of just under \$2.3 million in specific HOME-American Rescue Plan funding in 2022. The City will use these funds for supportive services, such as rental assistance, support for renters, and job training and placement programs.
- Two new affordable housing projects with a total of 194 units funded by the Metro Housing Bond.
- The Vertical Housing Development Zone Tax Abatement, which supports mixed-use housing development.

### Actions in the HPS:

- Action 1A and 2A are focused on reducing the funding gap for new development, including development of affordable rental housing.
- Action 2E could include dedicating city-owned surplus land or acquiring land for development of affordable rental housing.
- Action 1B, 1C, 2B, and 2C focus on partnering and providing funding to support the rehabilitation or acquisition of existing low-cost unregulated rental housing to support long-term affordability.
- Action 3B and 3C focus on reducing zoning and permitting barriers to multifamily housing development. Reducing these barriers can make development less difficult, time consuming, and costly.
- Action 3F focuses on potentially reducing the cost of developing affordable rental housing by exploring waiving or reducing SDCs.
- Action 3E, 3F, 3G, and 3H focus on evaluating tax exemption and offers incentives for the development of rental housing for low to moderate income households in mixed-income, market-rate developments, and publicly subsidized affordable rental developments (affordable at 60% of MFI or below).

- Action 1A, 2A and 2D advocates for using TIF District funding to support housing and infrastructure development. Some of this investment could support development of affordable rental housing through direct project subsidies or infrastructure investments.
- Action 3I explores a potential Gresham-specific CET which could be used to support development of affordable rental housing.

### Housing Stability

Increasing housing stability includes actions that increase the stability of existing households and prevent displacement resulting from public investments or redevelopment.

#### Existing actions and programs (including but not limited to):

- City programs that support housing stability with CDBG funding, including emergency home rehabilitation and accessibility upgrades and programs that provide rent assistance and other stability services.

#### Actions in the HPS:

- Action 1B, 1C, 2B and 2C focus on partnering and providing funding to support the rehabilitation or acquisition of existing low-cost unregulated rental housing to support long-term affordability and prevent displacement.
- Action 2E could include acquiring land for development of affordable housing in areas at risk of gentrification and displacement.
- Action 3G explores implementing the Multiple Unit Property Tax Exemption. The City could structure the program to incent the preservation of rental housing for low- to moderate-income households in mixed-income, market-rate developments. This can be used to support rehabilitation of multifamily rental housing, with agreements about retaining naturally occurring affordable housing costs.

### Housing Choice for Protected Classes

Increasing housing choice involves increasing access to housing for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. It also means increasing access to existing or new housing that is in neighborhoods with healthy and safe environments and high-quality community amenities, schools, and employment and business opportunities.

#### Existing actions and programs (including but not limited to):

- Zoning and code changes that support development of a variety of housing types in different neighborhoods such as increasing density near transit stations and multi-use trails and allowing middle housing as required by House Bill 2001.
- Programs that support housing choice, including emergency home rehabilitation and accessibility upgrades, rent assistance, and project subsidies or incentives for affordable housing development.

- Gresham's down payment assistance programs support households in purchasing market-rate housing in locations of their choice.

**Actions in the HPS:**

- Actions 1A, 2A and 2E focus on providing financial support and other resources (including land) to support development of affordable housing. Depending on the criteria used to identify projects, this could be in locations with access to amenities or other equity considerations.
- Actions 1B, 2B, 1C and 2C focus on ensuring that existing rental housing is safe and affordable and can support the rehabilitation of this housing to be more accessible for community members. Depending on the criteria used to identify projects, this could be in locations with access to amenities or other equity considerations.
- Action 3E, 3F, 3G, and 3H focus on tax exemptions or fee waivers that offer incentives for the development of housing for low to moderate income households. Depending on the criteria used to identify projects, if these are implemented, the actions could be used in locations with access to amenities or other equity considerations.
- Actions 3H and 3I include TIF and CET funds. Depending on the criteria used to identify projects, if these are implemented, these funds could be targeted in locations with access to amenities or other equity considerations.

**Location of Housing in Compact, Mixed-Use Neighborhoods**

Diversifying the location of housing requires increasing options for residential development that is compact, in mixed-use neighborhoods, and available to people within state and federal protected classes. This measure is intended, in part, to meet statewide greenhouse gas emission reduction goals.

**Existing actions and programs:**

- A Vertical Housing Development Zone Tax Abatement to support development of mixed-use housing.
- Zoning and code changes that can support development of a variety of housing types in different neighborhoods such as increasing density near transit stations and multi-use trails and allowing middle housing as required by House Bill 2001.

**Actions in the HPS:**

- Actions 1A, 2A, 1D, and 2E focus on providing financial support and other resources (including land) to support development of affordable housing. Depending on the criteria used to identify projects, this could be in locations with access to amenities or other equity considerations.
- Actions 1B, 2B, 1C and 2C focus on ensuring that existing rental housing is safe and affordable and can support the rehabilitation of this housing to be more accessible for

community members. Depending on the criteria used to identify projects, this could be in locations with access to amenities or other equity considerations.

- Action 3E, 3F, 3G, and 3H focus on evaluating potential tax exemptions or fee waivers that offer incentives for the development of housing for low to moderate income households. Depending on the criteria used to identify projects, if these are implemented, they could be used in locations with access to amenities or other equity considerations.
- Actions 3H and 3I include potential TIF and CET funds. Depending on the criteria used to identify projects, if these are implemented, then these funds could be targeted in locations with access to amenities or other equity considerations.

### **Fair Housing**

Supporting Fair Housing is accomplished by increasing access to housing for people in state and federal protected classes, addressing disparities in access to housing opportunity for underserved communities, and decreasing patterns of segregations or concentrations of poverty.

#### **Existing actions and programs (including but not limited to):**

- Gresham has a rental housing inspection program, which helps ensure housing units are up to fire, life, and safety codes.
- Gresham's rental housing codes includes protections against landlord retaliation and have a requirement for landlords to provide tenants with a document titled, "Rights and Responsibilities of Tenants and Landlords."
- Gresham hosts an annual Fair Housing training for landlords, which includes information about Section 8 vouchers and the Rent Well program.
- Gresham's housing resource coordination provides support related to Fair Housing, as that staff person connects with tenants and landlords.
- Zoning and code changes that can support development of a variety of housing types in different neighborhoods such as increasing density near transit stations and multi-use trails.
- Allowing middle housing as required by House Bill 2001. This can help address patterns of segregation by ensuring affordable housing options in a variety of neighborhoods.

#### **Actions in the HPS:**

- Actions 1A, 2A and 2E B focus on providing financial support and other resources (including land) to support development of affordable housing. Depending on the criteria used to identify projects, this could be in locations with access to amenities or other equity considerations.
- Actions 1B, 2B, 1C and 2C focus on ensuring that existing rental housing is safe and affordable and can support the rehabilitation of this housing to be more accessible for community members. Depending on the criteria used to identify projects, this could be in locations with access to amenities or other equity considerations.

- Action 3E, 3F, 3G, and 3H focus on evaluating tax exemptions or fee waivers that offer incentives for the development of housing for low to moderate income households. Depending on the criteria used to identify projects, if implemented this could be in locations with access to amenities or other equity considerations.
- Actions 3H and 3I include exploring TIF and CET funds. Depending on the criteria used to identify projects, if implemented these funds could be targeted in locations with access to amenities or other equity considerations.

### **Housing Options for People Experiencing Homelessness**

Increasing options for people experiencing homelessness includes working with partners and identifying ways to address homelessness and reduce the risk of households becoming homeless (especially for households with income below 30% of MFI).

#### **Existing actions and programs (including but not limited to):**

- The City has created a Homeless Services team which does field outreach to people experiencing homelessness to provide shelter, housing and other resources that fit the individuals' needs.
- Providing rent assistance and support via contracts with CDBG and HOME funding.
- Taking the steps to pilot a rent assistance program for people experiencing homelessness in Gresham.
- Addition of Housing Resources Coordinator position to assist people at risk of becoming homeless by connecting them to resources to stay in their housing.

#### **Actions in the HPS:**

- Action 3D focuses on implementing a rent assistance pilot program for people experiencing homelessness in Gresham which will include payment of move in costs and rent for up to 12 months and case management.

# APPENDIX F: TRENDS IN GENTRIFICATION AND DISPLACEMENT RISK IN GRESHAM

---

As the City of Gresham set the stage for its Housing Production Strategy, staff were interested in understanding current trends in gentrification and displacement risk in Gresham. Therefore, ECONorthwest produced this appendix, which the Housing Production Strategy Project Team used to inform potential actions that the City could take to mitigate the risk that the City's most vulnerable populations would be displaced from their housing. As the City implements the actions in the HPS, this information can help City staff structure housing and development policies and programs. This work builds on the Gresham Neighborhood Change report that ECONorthwest completed in 2015.<sup>56</sup>

The high-level results of our analysis reveal that:

- **Powell Blvd/Highway 26 is a dividing line when it comes to gentrification and socioeconomic vulnerability.** In general, there are more vulnerable and gentrifying areas to the north of the highway and more stable areas to the south.
- **Most Gresham residents live in neighborhoods that are at risk of gentrification.** Approximately 75% of households live in areas that are either susceptible to gentrification or in the early stages of gentrification. These areas are generally those that also have high levels of socioeconomic vulnerability, which may lead to housing insecurity or displacement.
- **Gresham has a substantial number of households that are at-risk of displacement and vulnerable, especially in the northern parts of the city.** Gresham has higher concentrations of vulnerable populations such as people with less than a bachelor's degree, Hispanic/Latinx population, and Black, Indigenous, and other People of Color (BIPOC).

In the following sections, we will examine results and trends in further detail. An overview of the methodologies used in this analysis is within this memorandum.

## Analysis Methodology

ECONorthwest conducted this analysis by combining two parallel models that look at (1) where the city's most **socioeconomically vulnerable populations** are currently clustered and (2) where **gentrification** has been most rapidly advancing within Gresham since 2010. While the causal relationship between gentrification and displacement is complicated, this analysis considers both gentrification and socioeconomic vulnerability, which are markers that can help planners

---

<sup>56</sup> Gresham Neighborhood Change Analysis. 2015. ECONorthwest.  
<https://greshamoregon.gov/WorkArea/DownloadAsset.aspx?id=1409>

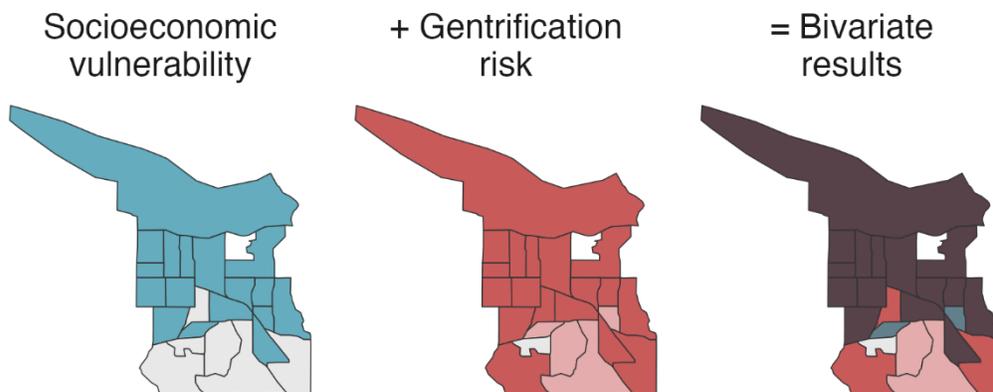
and elected officials identify neighborhoods where policy interventions should be prioritized. Some research has shown that displacement comes before gentrification.

There are very few investigations into gentrification and displacement that have resulted in “accurate” predictors of displacement, as there is no real way to measure whether the predictors captured the events. This analysis is to be used to recommend how to target the location of policy approaches to the specific characteristics and needs of neighborhoods.

Within the **socioeconomic model**, we designed a model that identified the Portland Metro region’s most disproportionately cost-burdened demographic groups (such as households with children present or households with people of color, or households with people with a disability) using 2016-2020 ACS Public Use Microdata Survey data, then compiled Census tract-level estimates of these demographic groups.

Within the **gentrification model**, we used Dr. Lisa Bates’ 2018 gentrification methodology that the Portland Bureau of Planning and Sustainability (BPS) used for the City of Portland, which identifies areas in different stages of gentrification, from stable (low risk of gentrification) to early-stage gentrification to late-stage gentrification. The data we used was similar to the data Dr. Bates used but shifted over a few years for ease of accessibility, for example: rather than using decennial census, we used American Communities Surveys for the years of 2006-2010, 2011-2015, and 2016-2020. For housing market conditions, we utilized RLIS data to capture median sale prices within a census tract for the years of 2010 and 2020.

### Exhibit 62. Bivariate Analysis Outline



### Socioeconomic Vulnerability Methodology

In this part of the analysis, ECONorthwest answers the question, “Who is most likely to be displaced if housing market conditions were to further appreciate in price or stay the same?”

We began by identifying groups that are inequitably burdened by housing costs, meaning that these groups have higher rates of cost burden compared to all households. First, we developed a weighted vulnerability indexing analysis, based on Oregon’s 2019 Public-Use Microdata Survey (PUMS) data at the state level to identify demographic groups that are unequally burdened by housing costs. This means that a given group’s share of the state’s cost-burdened households is greater than its total share of all state households. For example, households with a Hispanic/Latinx head comprise 8.6% of the state’s households, but 13.4% of the state’s cost-burdened households, a difference of 4.8% points.

Our analysis identified six demographic groups that were most disproportionately burdened:

- Households with children present
- Black, Indigenous and People of Color (neither White non-Hispanic, nor Hispanic/Latino people are included in this group)
- People of Hispanic/Latino origin, any race
- People five years and older who speak English “not well”
- People with one or more disabilities
- People 25 years and older who have an educational attainment of less than a bachelor’s degree

Disproportionate cost burdening varies across the state. To capture this variation, ECONorthwest compared disproportionate cost burdening among these groups for six geographic areas of the state and compared levels of disproportionate cost burden among the demographic groups for Census tracts in Gresham with state and regional results.<sup>57</sup>

The result of this analysis is identification of Census tracts with lower and higher percentages of people in vulnerable groups. Census tracts with higher vulnerability levels would indicate places where it is more likely that not only current, but where future housing cost burdening and possible displacement are more likely to occur.

### Gentrification and Displacement Methodology

Displacement takes many forms and does not have a singular definition. The researcher operationalizes displacement differently within their analytical approach. Displacement is caused by many factors and there is not a clear causal relationship between displacement and gentrification. Put another way, investment in an area does not need to lead to residents

---

<sup>57</sup> ECONorthwest rank-ordered vulnerable demographic groups by six geographic areas of the state. We used the rank (1 through 6) as a weighting factor. Based on this rank-ordered list, we next used tract-level 2019 ACS estimates of all six demographic groups to calculate each tract’s percentage of its region’s total number of vulnerable groups. This share was then converted to decile ranks, and each decile rank was multiplied by the rank-ordered weighting factor. These “scores” were then summed for each tract, with total scores ranging between 21 to 210. Lastly, this score was then divided by the maximum possible value to compute a more intuitive percentage value, with “100%” indicating tracts with the **highest** levels of **all** vulnerable demographic groups.

leaving the area, especially if the city takes actions to avoid displacement. This awareness of the potential for displacement with neighborhood investment can allow a city to prevent or reduce displacement associated with investments.

The analysis identifies Census tracts in Gresham where gentrification is taking place or may take place in the future. These tracts where place-specific ordinances and location-specific research can serve to protect vulnerable populations and determine how much the data matches the lived experience of residents on the ground.

The Gentrification and Displacement Risk Analysis methodology used in this analysis mirrors closely to what BPS and Dr. Lisa Bates utilized in 2018 with an additional typology, explained below.<sup>58</sup> The analysis considers the following characteristics:<sup>59</sup>

Vulnerable populations are ones with:

- High rates of renting households relative to the region
- Large shares of communities of color relative to the region
- Large shares of adults (25 years and older) without a four-year degree relative to the region
- Large shares of low-income households (below 80% Median Family Income) relative to the region

Demographic changes (over the last decade or so) require three of the following four conditions being true or the **two bolded** were true:

- Share of homeowners increased or decreased slower than the regional average
- **Share of white population increased or decreased slower than the regional average**
- **The share of adults with a four-year degree increased faster than the regional average**
- Median household income increased faster than the regional average

Housing market conditions are Census tracts with the following conditions:

- Adjacent tracts
  - Had low or moderate 2010 home values/rents
  - Experienced low or moderate 2010-2020 appreciation (or 2015-2020 rental appreciation)
  - Touched the boundary of at least one tract with high 2020 values and/or high 2010 appreciation (or 2010-2020 rental appreciation)
- Accelerating tracts

---

<sup>58</sup> The methods used by ECONorthwest draw from the work of Dr. Lisa Bates and BPS, but used the observation years of 2010, 2015, and 2020 for both Census and American Communities Surveys years.

<sup>59</sup> More information about the definitions for the “Vulnerable Population”, “Demographic Change”, and “Housing Market Condition” can all be found in the [2018 report here](#).

- Had low or moderate 2020 home values/rents
- Experienced high 2010-2020 appreciation (or 2010-2020 rental appreciation)
- Appreciated tracts
  - Had low or moderate 2010 home values/rents
  - Had high 2020 home values/rents
  - Experienced high 2010-2020 appreciation

This analysis of change (in populations, demographics, and housing markets) over time is completed at the regional and Census-tract levels, rather than at the household level. A basic limitation of census and ACS data is that they cannot provide longitudinal data on individual households between surveys (e.g., over +10-year spans of time). Whether or not low-income families in Gresham have been displaced from other neighborhoods in that time (tracts labeled Late: Type 1 or Dynamic) requires a much deeper level of analysis and qualitative analysis done by either academics or the City.

Exhibit 63 shows a summary of the typologies used in this analysis. They are:

**Early-Stage Gentrification.** These tracts have not started to gentrify or show early signs that they could be gentrifying.

- **Susceptible.** These tracts have higher shares of vulnerable populations but have not yet experienced demographic changes. Their housing market sales and rents were low or moderate in costs, but they are adjacent to tracts whose housing costs are already high or are increasing rapidly.
- **Early Type 1.** These tracts have higher shares of vulnerable populations but have not yet experienced demographic changes. Their housing market is still low or moderate in cost but has experienced high appreciation since 2010.
- **Early Type 2.** These tracts have higher shares of vulnerable populations but have experienced demographic changes showing the loss of vulnerable populations. Their housing market is low or moderate in costs, but they are adjacent to tracts whose housing costs are already high or are increasing rapidly.

**Mid-Stage Gentrification.**

- **Dynamic.** These tracts are currently undergoing gentrification. They have higher shares of vulnerable populations and have experienced demographic changes by losing vulnerable populations. Their housing market is still low or moderate in costs but has experienced high appreciation since 2010.

**Late-Stage Gentrification.** These tracts have mostly gentrified but vulnerable populations may still reside there. The housing market has completely shifted from low or moderate to high housing costs.

- **Late Type 1.** These tracts have higher shares of vulnerable populations but have experienced demographic changes by losing vulnerable populations proportionally. Their

housing market used to be low or moderate in 2010 but has appreciated rapidly since, and now values are high.

- **Late Type 2.** These tracts no longer have high shares of vulnerable populations like they used to in 2010. They have experienced demographic changes by losing their once-high share of vulnerable populations. Their housing market is still low or moderate but has experienced high appreciation since 2010.

**Continued loss.** These tracts no longer have high shares of vulnerable populations like they used to in 2010 or in 2015. The share of white people is growing and/or the share of people with a four-year degree is growing. Their housing market used to be low or moderate in 2010 but has appreciated rapidly since, and now values are high.

**Stable Low-Vulnerability Communities.** These tracts are ones that have had historically low levels of vulnerable populations relative to the region (from 2010-2020).

**Exhibit 63. Gentrification/Displacement Methodology**

Typology	Vulnerable Population?	Demographic Change?	Housing Market Condition
<b>Early-Stage Gentrification</b>			
<b>Susceptible</b>	Yes	No	Adjacent
<b>Early: Type 1</b>	Yes	No	Accelerating
<b>Early: Type 2</b>	Yes	Yes	Adjacent
<b>Mid-Stage Gentrification</b>			
<b>Dynamic</b>	Yes	Yes	Accelerating
<b>Late-Stage Gentrification</b>			
<b>Late: Type 1</b>	Yes	Yes	Appreciated
<b>Late: Type 2</b>	Used to be in 2010 or 2015	Yes	Accelerating
<b>Continued Loss</b>	Used to be in 2010 or 2015	Increasing share of white people and adults with bachelor's degree	Appreciated
<b>Stable - Low Vulnerability **</b>	No	No	Any**

**What neighborhoods are at most risk of gentrification and displacement?**

The most at-risk neighborhoods are in the northern, denser areas of Gresham, while the more stable, low-risk neighborhoods are located south of US 26.

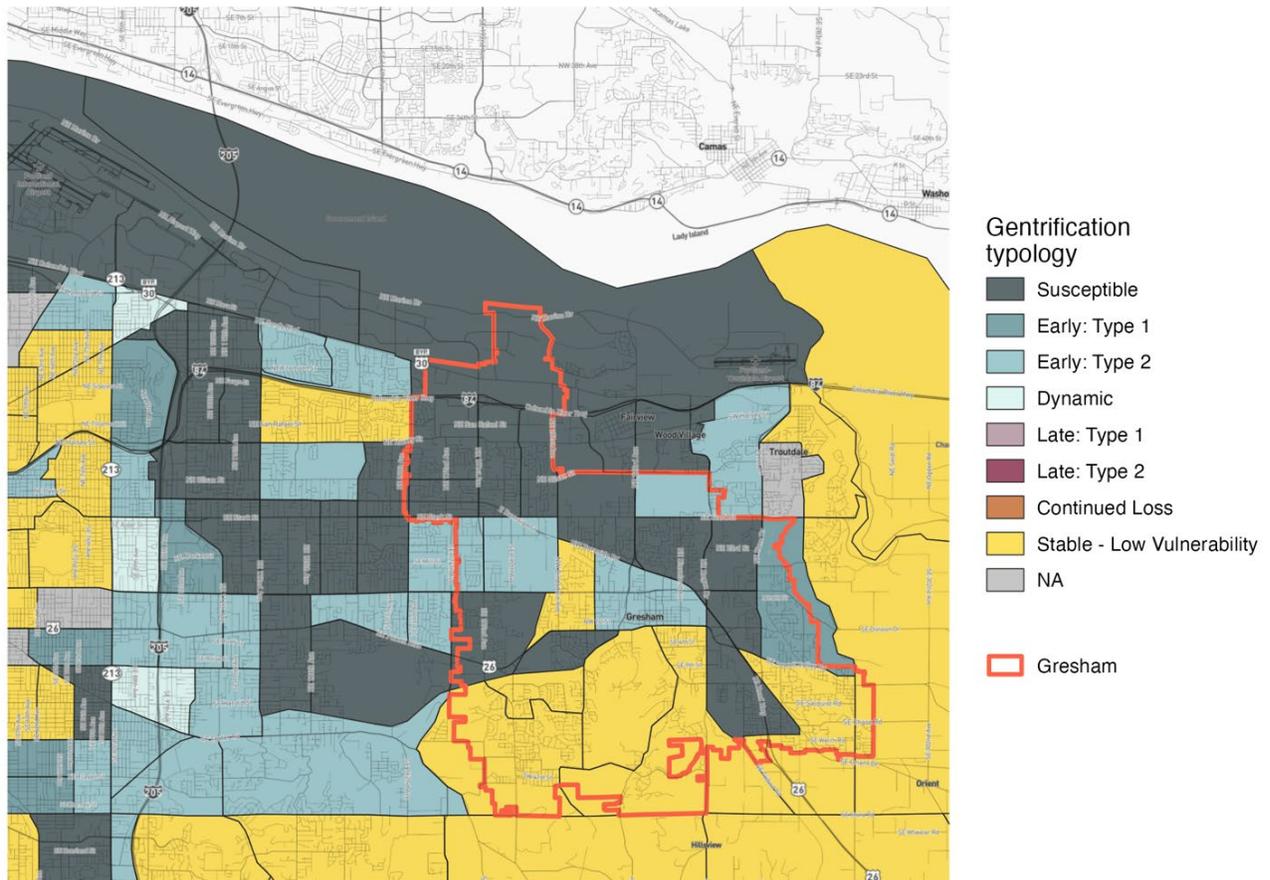
Most households (53%) live in Census tracts that are susceptible to gentrification, with 22% of households in the early stages of gentrification, while around 25% are in low-risk areas (see Exhibit 65).

Most tracts north of Powell Blvd/Highway 26 are classified as Early: Type 2 or Susceptible (see Exhibit 64). Demographic changes and housing price increases suggest that these areas are in the early stages of gentrification. This indicates that economically vulnerable neighborhoods may be at-risk of experiencing gentrification which ultimately leads to rising housing costs, and potentially displacement. Early: Type 1 may indicate that some areas are already experiencing gentrification to some degree, while Early: Type 2 indicates demographics of the neighborhood are changing relative to the Metro area while also being near tracts that are increasing in housing value (both rent and sale value).

**Areas south of Highway 26 are generally classified as Stable – Low Vulnerability** (see Exhibit 64). In these neighborhoods, incomes and housing prices are generally higher and have not changed over the study period (2010-2020). However, some pockets of Susceptible tracts are found in this area around Hogan Butte and Hogan Cedars.

**Exhibit 64. Gresham’s Gentrification Typology by Census Tract.**

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest, Bates/BPS

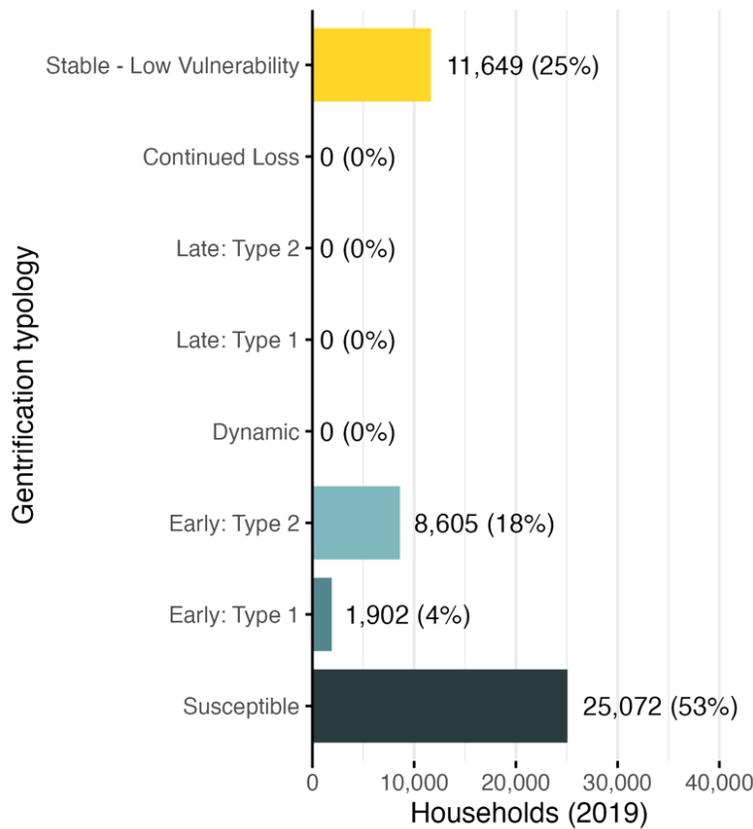


About three-fourths (~75%) of households in Gresham live in tracts that are in the early or susceptible stages of gentrification, as shown in

Exhibit . While this does not necessarily indicate that three-fourths of *all households* are at risk of gentrification, it indicates that the majority of Gresham shows signs of housing instability relative to the Metro region.<sup>60</sup>

### Exhibit 65. Total Gresham Households by Tract Gentrification Typology

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest



<sup>60</sup> Gresham's tracts are small enough that they cannot be compared to each other. As a result, the methodology used in the analysis compares Gresham to the Metro region, which makes additional examination of regional differences difficult.

## Neighborhood-Level Observations Results

Gentrification can be quite a nuanced topic. While the data presents one story about an entire census tract, Gresham’s neighborhoods that are in the process of being gentrified may be a much smaller portion of that Census tract.

For Gresham, most tracts and households within those tracts fall under the definition of **Early: Type 2** and **Susceptible**. These typologies are 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. These tracts are ones where the City may want to focus active monitoring to make sure that residents who are already cost-burdened are not forced to leave due to gentrification.

## Where do Gresham’s most vulnerable residents live?

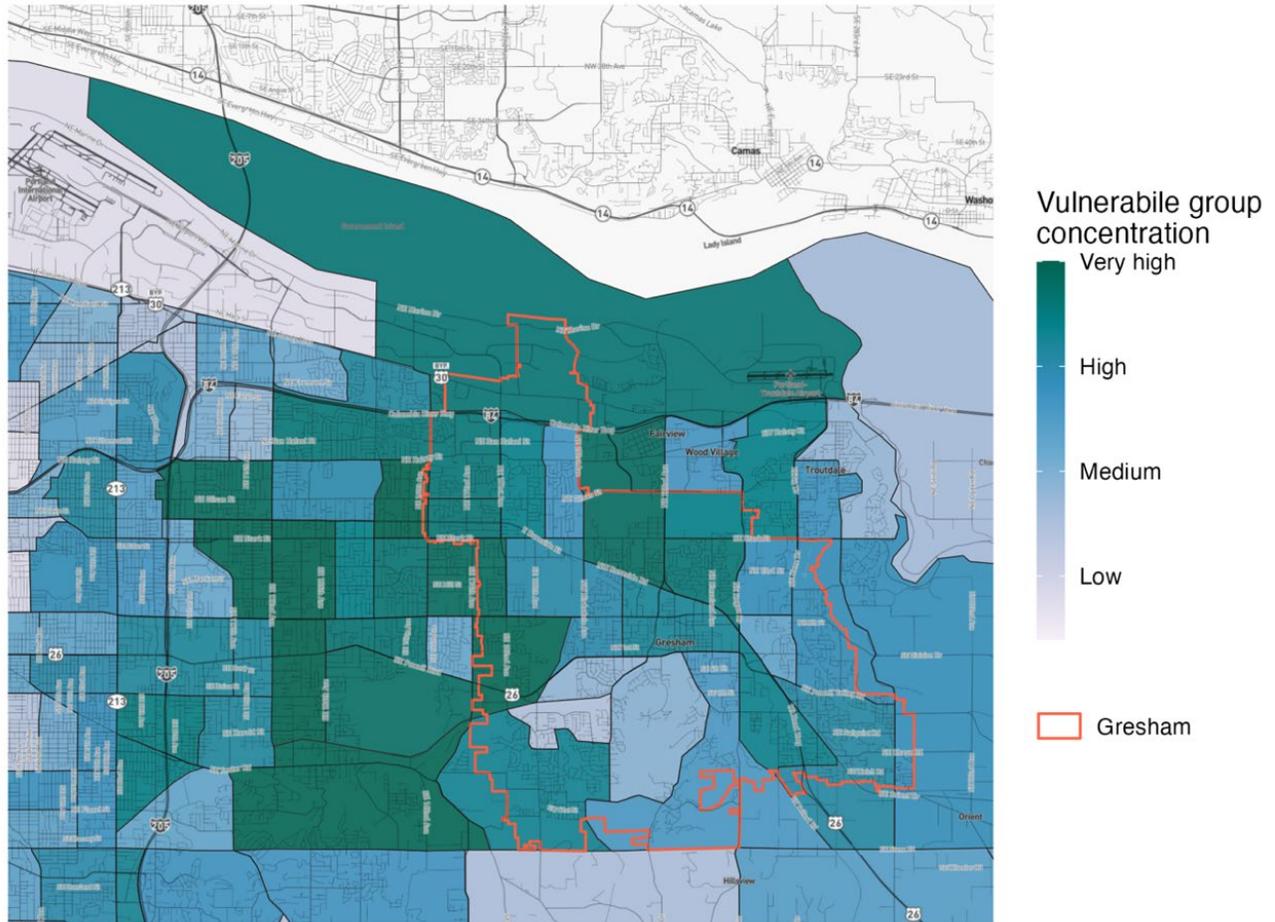
While the previous section provides information on how tracts in Gresham have or have not gentrified, based in part on the Dr. Bates/BPS methodology, this does not answer the question of which neighborhoods and demographic groups are most disproportionately burdened by housing costs. To address this issue, ECONorthwest developed a separate model (described on page 124) using ACS/census datasets to determine which tracts in Gresham are most acutely and unequally burdened by housing prices – the implication being that, should trends hold, the most burdened households today will likely be the first to be displaced tomorrow.

**Tracts showing the highest levels of vulnerability are mainly clustered around Gresham’s western and northern boundary.**

**Error! Reference source not found.** shows the results of the Socioeconomic Vulnerability model. These “high vulnerability” tracts contain the combined largest shares of the Metro region’s most disproportionately cost burdened demographic groups, such as people without a bachelor’s degree or higher, people of color, and people living with one or more disabilities. Low-vulnerability tracts in Gresham are mostly found in the south-central areas of the city, around Hollybrook neighborhood and southwards. Most vulnerable tracts are clustered in the northern portion of Gresham, but the unique groups that make up those tracts vary around the city.

## Exhibit 66. Overall Socioeconomic Vulnerability by Tract

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest



### Who is most likely to be displaced if housing market conditions continue to appreciate or stay the same?

Some interesting trends include a noticeable clustering of Limited English Proficiency (LEP) households along Gresham's northwestern boundary, higher BIPOC shares in the Centennial neighborhood area, and higher clustering of households with at least one disabled person around the North Central neighborhood.

Exhibit 6 shows the results of our Socioeconomic Vulnerability analysis, broken out by each demographic group examined.

Across the state of Oregon, having less than a bachelor's degree was the strongest determinant of cost-burdened households. Gresham largest vulnerable group is "Less than a Bachelor's Degree", though this group can also include relatively more financially secure elder or retired residents.

## Exhibit 67. Vulnerable Group Concentration by Tract

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest

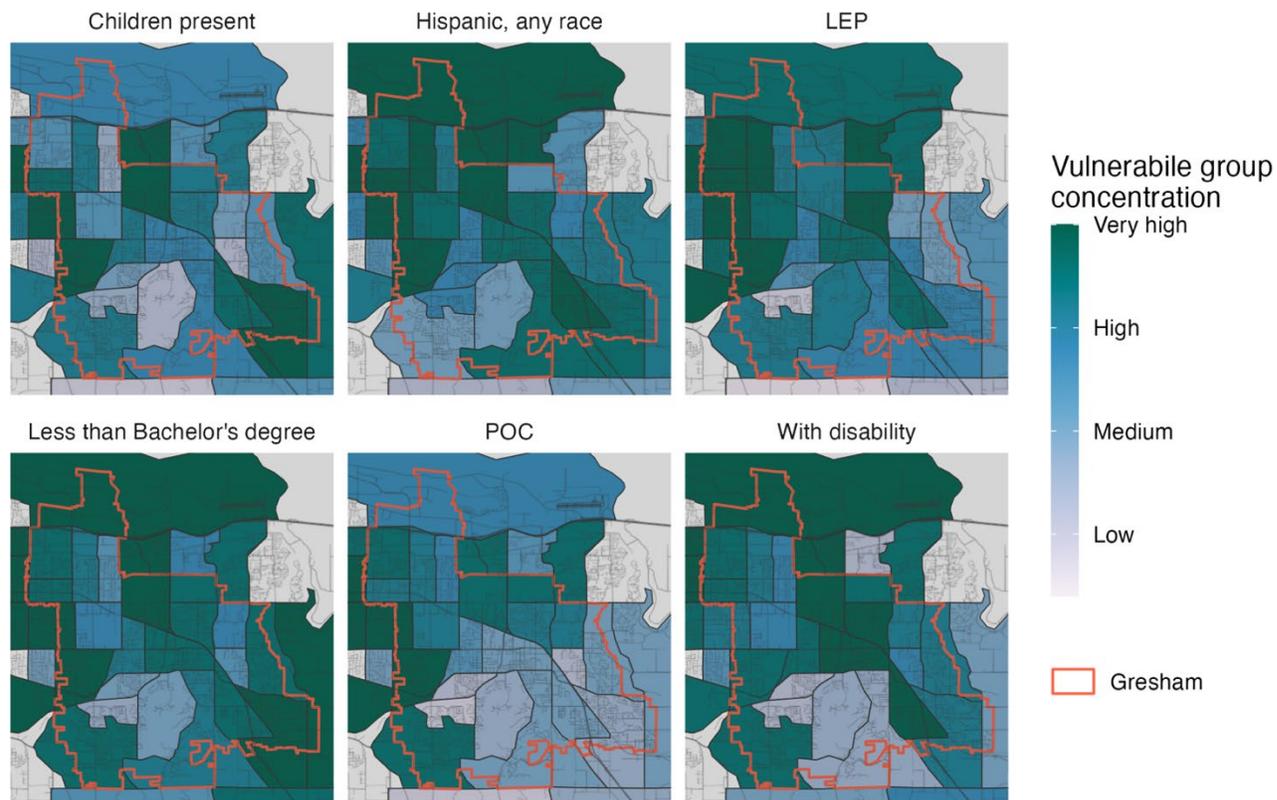


Exhibit 68 depicts the combined Socioeconomic Vulnerability model results in terms of number of households that reside in tracts with intersecting gentrification typologies and socioeconomic vulnerability groupings. For instance, we find that the most common intersection of our model are the 36,708 households living in a Susceptible to gentrification tract and having a head of household educational attainment of less than a bachelor's degree. These demographic groups are not mutually exclusive, so many households would be counted in multiple groups (i.e., a BIPOC head of household, with children present, and with someone in the household having a disability).

### Exhibit 68. Estimated Households or Population by Vulnerability Group and Gentrification Typology

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest

Note: The colors in the graph indicate total number of households facing a level of vulnerability to a typology of gentrification. The darker the color, the higher the number of households.

Gentrification Typology	Stable - Low Vulnerability	4,112	4,462	1,038	15,520	3,826	2,883
	Continued Loss	0	0	0	0	0	0
	Late: Type 2	0	0	0	0	0	0
	Late: Type 1	0	0	0	0	0	0
	Dynamic	0	0	0	0	0	0
	Early: Type 2	3,243	5,096	2,417	13,087	5,387	2,730
	Early: Type 1	562	840	74	3,050	618	562
	Susceptible	8,221	16,093	5,249	36,708	11,946	7,970
		Children present (Households)	Hispanic, any race (Population)	LEP (Population)	Less than Bachelor's degree (Population)	POC (Population)	With disability (Population)
		Vulnerable Group					

Most socioeconomically vulnerable residents in Gresham are in the “Less than bachelor’s degree” group, which falls in line with high degrees of housing cost-burdening across the state of Oregon. This sub-group is concentrated in tracts that are susceptible to gentrification, or have started the process of gentrifying, thus placing them even more at risk. Interestingly, there are also pockets of neighborhoods in Gresham that are stable with low levels of vulnerability for their neighborhood gentrifying, while also having a high number of households without a bachelor’s degree.

## Where do areas with higher gentrification risk and vulnerable populations intersect?

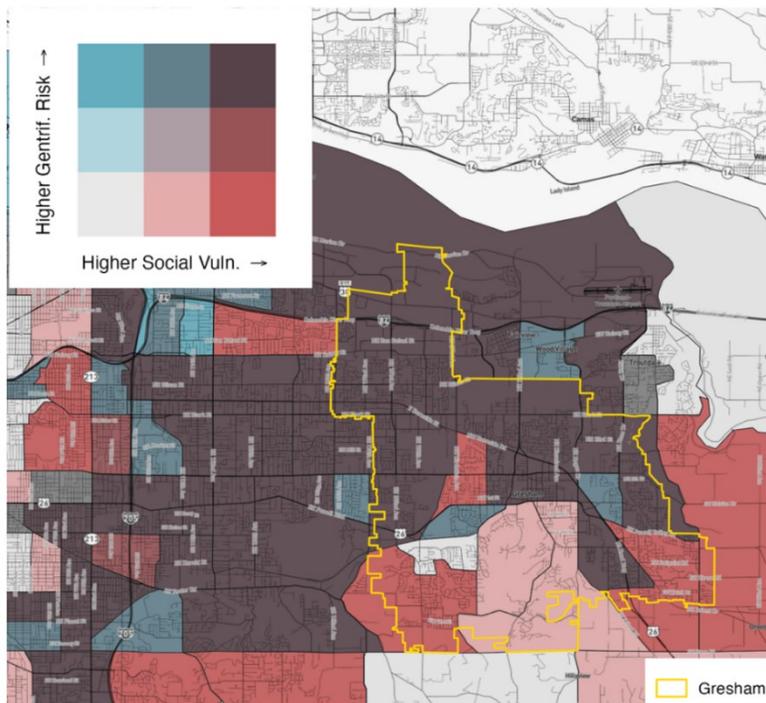
Powell Blvd/Highway 26 is a dividing line when it comes to gentrification and vulnerability.

Gresham, along with portions of East Portland, contains large amounts of the Metro region's most vulnerable tracts when considering both gentrification and displacement risk. The denser tracts north of Powell Blvd./Highway 26 exhibit signs of highest gentrification risk combined with high 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.

Exhibit 69 shows areas with higher gentrification risk and areas with higher social vulnerability.

### Exhibit 69. Composite Gentrification and 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

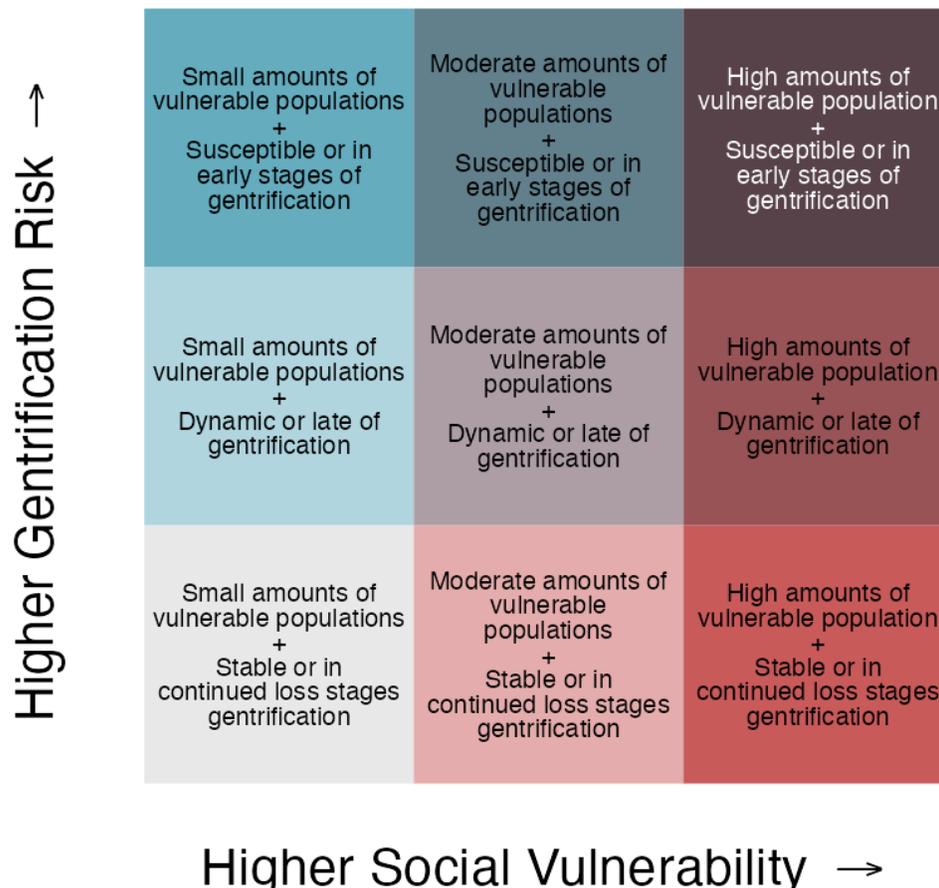
#### Indicators of higher social vulnerability include:

- higher shares of the region's BIPOC
- higher shares of the region's population without a bachelor's degree or higher

Exhibit 70 provides more context about the risk for gentrification and the level of social vulnerability in Exhibit 69. The following describes the gentrification risk and social vulnerability at each corner of the matrix.

- Top row left side – in blue. These areas are at risk of displacing existing populations but the populations in these areas are generally less vulnerable as compared to the region. This may also indicate that neighborhoods nearby are experiencing appreciations in home sales and rents.
- Top row left side – in dark grey.
- These areas are the highest risk of displacement of existing vulnerable population, such as lower-income households, people of color, Latino households, or other vulnerable populations.
- Bottom row left side – in light grey. These are areas with little risk of displacement and few vulnerable populations.
- Bottom row right side – in pink. These areas have little existing risk of displacement but are home to vulnerable populations.

**Exhibit 70. Gentrification and Socioeconomic Vulnerability Risk Matrix**



**Most Gresham residents live in neighborhoods that are at risk of gentrification.**

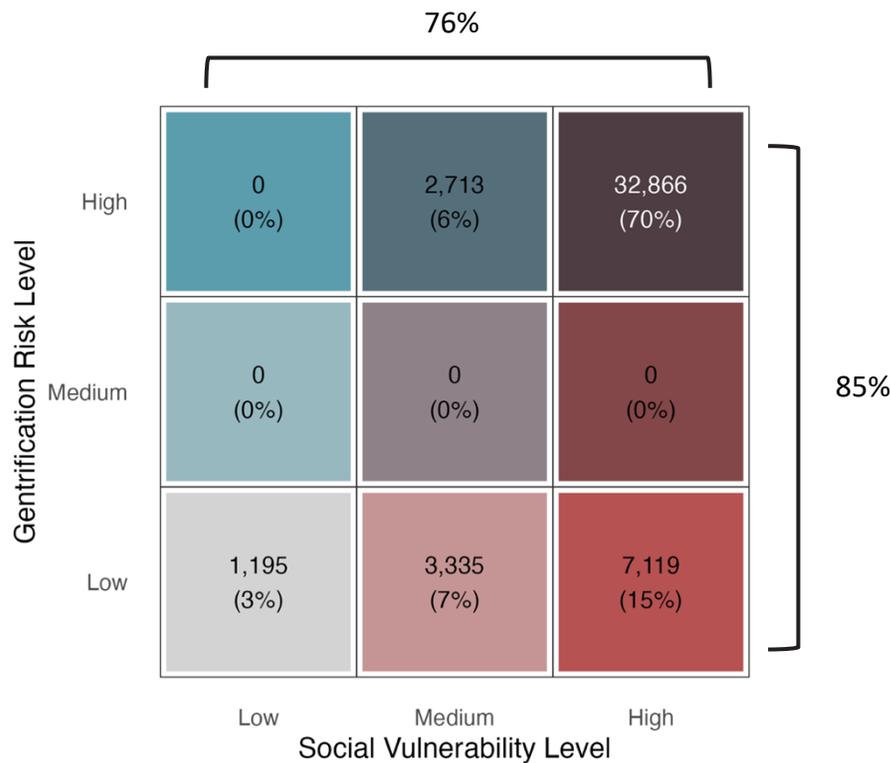
Many Gresham residents are at risk of displacement. The analysis describes the households and tracts that may be at most risk of displacement or additional cost-burdening if the City continues business as usual. Nearly two thirds (63%) of Gresham households live in Census tracts that combine a high gentrification risk and a high socioeconomic vulnerability level.

Exhibit 71 shows the percentage of the population in Gresham in each of the groupings shown in Exhibit 69 and Exhibit 70.

- 76% of Gresham households reside within tracts identified as at high risk of gentrification (either in early or susceptible stages).
- 85% of households reside in tracts identified as at high socioeconomic risk of housing displacement.

**Exhibit 71. Gresham Households Within Composite Gentrification and Socioeconomic Vulnerability Groups**

Source: ACS 2010, 2015, 2019 (5-year), RLIS, ECONorthwest



## Implications and Next Steps for the Housing Production Strategy

This analysis shows that 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. As neighborhoods that were once low-income begin to appear appealing to new residents, it is important to recognize that the people living in those neighborhoods may not have the same economic opportunities as the people moving in.

For the City of Gresham to validate what is happening on the ground, it is important to consider neighborhood characteristics and design community charettes to accurately represent what change looks like to the residents there now. Gresham may want to take steps to further understand potential for gentrification and potential displacement of vulnerable population, such as conducting additional research about areas at risk for gentrification to better understand the demographic characteristics of people who may be displaced. This could include an analysis of whether existing and new regulated housing reduces risk of gentrification and/or displacement gentrification. Preserving existing affordable housing, stabilizing households, and preventing future displacement and gentrification are considerations for the HPS.

# APPENDIX G: PRE-HPS SURVEY

Below is the survey that City of Gresham staff submitted to the Department of Land Conservation and Development prior to starting the HPS.

Housing Portal **Pre-HPS Survey Submission** Page: 1 of 2  
 Year: 2021 City: Gresham Submitted Date: 01/11/2022 3/16/2023 12:31:01 pm

Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
A - Zoning and Code Changes	A01 - Ensure Land Zoned for Higher Density is not Developed at Lower Densities	Yes	No	No
	<b>Comments:</b>			
A - Zoning and Code Changes	A02 - Zoning Changes to Facilitate the Use of Lower-Cost Housing Types	Yes	Yes	Yes
	<b>Comments:</b>			
A - Zoning and Code Changes	A05 - Code Provisions for ADUs	Yes	Yes	No
	<b>Comments:</b>			
A - Zoning and Code Changes	A08 - Promote Cottage Cluster Housing	Yes	Yes	No
	<b>Comments:</b>			
A - Zoning and Code Changes	A11 - Add Restrictive Covenants to Ensure Affordability	Yes	Yes	Yes
	<b>Comments:</b>			
A - Zoning and Code Changes	A12 - Align Lot Division Density with Zoning Density	Yes	Yes	No
	<b>Comments:</b>			
A - Zoning and Code Changes	A18 - Increase Density near Transit Stations and Regional Multi-use Trails	Yes	Yes	No
	<b>Comments:</b>			
B - Reduce Regulatory Impediments	B03 - Expedite Permitting for Needed Housing Types	Yes	No	No
	<b>Comments:</b> Expedited permitting for affordable multifamily developments.			
C - Financial Incentives	C03 - Reduce or Exempt SDCs for ADUs	Yes	Yes	No
	<b>Comments:</b>			
D - Financial Resources	D01 - Community Development Block Grant (CDBG)	Yes	Yes	No
	<b>Comments:</b>			

Housing Portal **Pre-HPS Survey Submission** Page: 2 of 2  
 Year: 2021 City: Gresham Submitted Date: 01/11/2022 3/16/2023 12:31:02 pm

D - Financial Resources	D06 - HOME Program	Yes	Yes	No
	<b>Comments:</b>			
D - Financial Resources	D09 - Construction Excise Tax (CET)	Yes	No	No
	<b>Comments:</b>			
D - Financial Resources	D16 - General Obligation Bonds – for Affordable Housing	Yes	Yes	Yes
	<b>Comments:</b>			
E - Tax Exemption and Abatement	E03 - Vertical Housing Development Zone Tax Abatement	Yes	Yes	Yes
	<b>Comments:</b>			
F - Land, Acquisition, Lease, and Partnerships	F04 - Public/Private Partnerships (P3)	Yes	Yes	Yes
	<b>Comments:</b>			