

**ORDINANCE 1508**

***AN ORDINANCE ADOPTING THE 2021 HOUSING NEEDS ANALYSIS; AMENDING THE INVENTORIES SECTION OF THE GLADSTONE COMPREHENSIVE PLAN; AND UPDATING APPENDICES IN THE COMPREHENSIVE PLAN***

- WHEREAS,** Oregon law requires jurisdictions in the State of Oregon to regularly update a Housing Needs Analysis (HNA) to forecast the growth, analyze the capacity of the City to accommodate that growth, and identify policy considerations that may be necessary to assure an adequate 20- year supply of housing across income strata; and
- WHEREAS,** the proposed 2021 Housing Needs Analysis will be the data for the housing element of the City's Comprehensive Plan and prepares Gladstone for accommodating housing growth within its urban growth boundary through the year 2041; and
- WHEREAS,** the 2021 Housing Needs Analysis provides a comprehensive update to ensure that the City's Comprehensive Plan residential development policies provide for opportunities for development of needed housing and meet community goals of the City for regulating housing development; and
- WHEREAS,** the development of the 2021 Housing Needs Analysis and related Comprehensive Plan amendments involved citizen involvement in the form of five public work sessions with the Gladstone City Council and Planning Commission to review key documents and provide input; and
- WHEREAS,** the City has provided notice to, and an opportunity to comment to, all affected governmental units, and legal and public notices have been provided as required by law; and
- WHEREAS,** the City has followed the framework set forth under Oregon's applicable land use planning goals; and
- WHEREAS,** the Planning Commission held a public hearing on the application on December 15, 2020 and the City Council held a hearing on the application February 23, 2021.

**NOW, THEREFORE,** the City of Gladstone ordains as follows:

**Section 1.** The 2021 Housing Needs Analysis dated December 2020, a copy of which is on file with the City Recorder, is hereby adopted as Appendix A of the Gladstone Comprehensive Plan.

**Section 2.** The staff report dated February 23, 2021, attached to this ordinance as Exhibit A and hereby incorporated by reference, serves as findings in support of this ordinance.

This ordinance adopted by the Common Council and approved by the Mayor this 9<sup>th</sup> day of March, 2021.

ATTEST:

  
Tamara Stempel, Mayor

  
Tami Bannick, City Recorder



ORDINANCE 1508  
Appendix "A"

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# City of Gladstone

## 2021-2041 Housing Needs Analysis

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December 2020

Prepared for: City of Gladstone

Final Report



**ECONorthwest**  
ECONOMICS • FINANCE • PLANNING

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# Executive Summary

The primary goals of this Housing Needs Analysis was to (1) project the amount of housing needed to accommodate future housing needs in Gladstone, (2) evaluate the existing supply of residential land within Gladstone to determine if it is adequate to meet that need, and (3) fulfill state planning requirements for a twenty-year supply of residential land.

## How much housing will Gladstone need?

In Gladstone, growth in housing will be driven by growth in households. The number of households in Gladstone’s city limits is forecast to grow from 4,573 to 4,894 households, an increase of 321 households between 2021 and 2041. To accommodate new households in Gladstone’s city limits, the City will plan for 321 new dwelling units. Historically, about 72% of Gladstone’s housing was single-family detached. To meet the City’s future housing needs, Gladstone will plan for more single-family attached housing and multifamily housing (of all types). Exhibit 1 presents Gladstone’s housing forecast.

Exhibit 1. Gladstone Housing Forecast and Future Housing Mix, Gladstone City Limits, 2021 to 2041  
Source: ECONorthwest.

Housing Type:	Housing Mix:	Housing Forecast:
Single-Family Detached Units 	40%	128
Single-Family Attached Units 	10%	32
Duplex, Triplex, Quadplex Units 	10%	32
Multifamily Units 	40%	128

## How much buildable residential land does Gladstone have?

Gladstone has a limited residential land supply available for new housing development. Of Gladstone’s 16 unconstrained buildable residential acres, about 9% are in tax lots classified as vacant and 91% are in tax lots classified as partially vacant.

Exhibit 2. Buildable Acres in Vacant and Partially Vacant Tax Lots by Plan Designation, Gladstone City Limits, 2020

Source: Metro; ECONorthwest analysis. Note: values may not sum due to rounding.

Plan Designation	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
<b>Residential</b>			
Low Density Residential	14	1	13
Medium Density Residential	1	0	1
<b>Total</b>	<b>16</b>	<b>1</b>	<b>14</b>

## How much land will be required for housing?

Gladstone does not have sufficient land to accommodate development in the low-density, medium-density, and high-density plan designations.

- Low Density residential has a deficit of capacity of 30 dwelling units, meaning the City has an approximate deficit of six gross acres of low-density land, at an average density of 5.2 dwelling units per gross acre.
- Medium Density residential has a deficit of capacity of 90 dwelling units, meaning the City has an approximate deficit of 10 gross acres of medium-density land, at an average density of 8.9 dwelling units per gross acre.
- High Density residential has a deficit of capacity of 125 dwelling units, meaning the City has an approximate deficit of five gross acres of high-density land, at an average density of 24.9 dwelling units per gross acre.

Exhibit 3. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Gladstone City Limits, 2021 to 2041

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Residential Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Deficit (Gross Acres)
Low Density	66	96	(30)	(6)
Medium Density	10	100	(90)	(10)
High Density	-	125	(125)	(5)
<b>Total</b>	<b>76</b>	<b>321</b>	<b>(245)</b>	<b>-</b>



## What are the conclusions of Gladstone’s Housing Needs Analysis?

Gladstone has an unmet need for affordable housing (for renters and homeowners). About 44% of Gladstone’s households are cost burdened. About 62% of renters are cost burdened and 31% of owners are cost burdened, meaning they spend more than 30% of their incomes on housing costs. In addition, a majority of Gladstone’s residents commute outside of the city to get to their jobs—meaning they are also spending a portion of their incomes on transportation costs (further impacting household budgets). Gladstone’s share of cost-burdened households is slightly more than other communities in Clackamas County.

Based on a comparison of Gladstone’s demand for housing (321 new dwelling units between 2021 and 2041) and capacity for housing on buildable residential lands in the city, this report finds that Gladstone has a deficit of housing capacity in each of its residential plan designations.

Gladstone is unable to meet the requirement in OAR 660-007 to provide opportunity for the development of housing at an overall average density of 8 dwelling units per net acre. Gladstone’s overall average net density on vacant land is 5.3 dwelling units per net acre. Given that 14 of Gladstone’s vacant acres are in the low-density plan designation, it is not surprising that Gladstone’s average density is below the eight dwelling units per net acre required in OAR 660-007.

Gladstone’s problem is not the allowed densities in its plan designations but the lack of buildable land. **If Gladstone had enough vacant land or had enough redevelopment to meet the land deficits shown in Exhibit 65, the average development density would be 9.1 dwelling units per net acre.**

# 1. Introduction

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This report presents Gladstone’s Housing Needs Analysis for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

In 2019, Gladstone received a baseline Housing Needs Analysis as part of Clackamas County’s Regional Housing Needs Analysis. The baseline analysis was not a full housing needs analysis in that it did not incorporate local input on the analysis of needed housing and direction from decision makers about future housing policies. The baseline analysis did, however, provide information to begin those discussions. This report is a full Goal 10–compliant Housing Needs Analysis for Gladstone, based on the baseline analysis.

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

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.

## Framework for a Housing Needs Analysis

Economists view housing as a bundle of services for which people are willing to pay, including shelter, proximity to other attractions (jobs, shopping, parks and recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to a range of services (public, medical, transportation). Because it is impossible to maximize all these services and simultaneously minimize costs, households must, and do, make trade-offs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors like income, age of head of household, number of people and children in the household, number of workers and job locations, number of transportation vehicles, and so on.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors. The housing markets in Clackamas County and Gladstone are the result of the individual decisions of thousands of households. These points help to underscore the

complexity of projecting what types of housing will be built in Gladstone between 2021 and 2041. These housing types include single-family detached, single-family attached, and multifamily (including duplexes, triplexes, and quadplexes, in addition to buildings with more than five units). This report discusses these housing types in detail, as well as the range of affordability issues that will affect Gladstone households in the 2021 to 2041 period.

The complex nature of the housing market, demonstrated by the unprecedented boom-and-bust during the past decade, does not eliminate the need for some type of forecast of future housing demand and need. This includes resulting implications for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies than from the specific estimates of future demand and need. Thus, we start our housing analysis with a framework for thinking about housing and residential markets and how public policy affects those markets.

### Statewide Planning Goal 10

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

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).<sup>1</sup> Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households. Jurisdictions located in the Metro Urban Growth Boundary (UGB) are also required to comply with Metropolitan Housing in OAR 660-007 and Title 7 of Metro's Urban Growth Management Functional Plan in the Metro Code (3.07 Title 7).

Goal 10, through ORS 197.303, defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the city with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types as:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.

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<sup>1</sup> ORS 197.296 only applies to cities with populations over 25,000.

- (b) Government-assisted housing.<sup>2</sup>
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.
- (e) Housing for farmworkers.

Gladstone must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed. This Housing Needs Analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes. In addition, this analysis assumes that Gladstone will meet the requirements of House Bill 2001 to allow “missing-middle” housing types (including duplexes, triplexes, quadplexes, town houses, and cottage clusters) in zones where single-family detached housing is allowed. In addition, this analysis assumes that Gladstone will implement the policies necessary to do so by June 30, 2022 (as required in the Bill).

### The Metropolitan Housing Rule

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

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

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

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

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

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

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<sup>2</sup> Government-assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Gladstone's average density target is eight dwelling units per net buildable acre.<sup>3</sup>

## Metro Urban Growth Management Functional Plan

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

### Title 1: Housing Capacity

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

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

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

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

### Title 7: Housing Choice

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

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

- Ensure the production of a diverse range of housing types;
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries; and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730).

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<sup>3</sup> OAR 660-024-0010(6) defines net buildable acres as "43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads."

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

## Title 11: Planning for New Urban Areas

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

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

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

## Organization of This Report

The rest of this document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** presents the methodology and results of Gladstone's inventory of residential land.
- **Chapter 3. Historical and Recent Development Trends** summarizes the state, regional, and local housing market trends affecting Gladstone's housing market.
- **Chapter 4. Demographic and Other Factors Affecting Residential Development in Gladstone** presents factors that affect housing need in Gladstone, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in Gladstone relative to the larger region.
- **Chapter 5. Housing Need in Gladstone** presents the forecast for housing growth in Gladstone, describing housing need by density ranges and income levels.
- **Chapter 6. Gladstone's Residential Land Sufficiency** estimates Gladstone's residential land sufficiency needed to accommodate expected growth over the planning period.

## 2. Buildable Lands Inventory

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This chapter provides a summary of the residential buildable lands inventory (BLI) for Gladstone. This buildable lands inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. The detailed methodology used to complete the buildable lands inventory is presented in Appendix A.

Oregon Administrative Rules provide guidance on conducting residential BLIs:

**OAR 660-008-0005(2):**

*“Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:*

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
- (b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
- (c) Has slopes of 25 percent or greater;*
- (d) Is within the 100-year flood plain; or*
- (e) Cannot be provided with public facilities.*

First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), then it classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by plan designation. The results of the BLI presented in this chapter reflect updates since the 2019 analysis completed for Gladstone as part of the Clackamas County Regional Housing Need Analysis.

### Definitions

ECONorthwest completed a BLI for Gladstone and relied on the following key definitions. Detailed descriptions of these definitions are included in Appendix A, but they are based on the general definitions below.

- **Vacant land.** Tax lots that have no structures or have buildings with very little improvement value are considered vacant. The status of vacant lots was verified in aerial imagery and via City staff review.
- **Partially vacant land.** Partially vacant tax lots are those occupied by a use, but which contain enough land to be developed further. Generally, these are lots that have more

than a half-acre of buildable land after removing constraints and developed land from the total acreage. This was refined through visual inspection of recent aerial photos and recent permit information provided by City staff.

- **Public or exempt land.** Lands in public or semipublic ownership are considered unavailable for residential development. This includes lands in federal, state, county, or city ownership as well as lands owned by churches and other semipublic organizations and properties with conservation easements. These lands are identified using Metro's definitions and categories and are verified by City staff.
- **Developed land.** Lands not classified as vacant, partially vacant, or public/exempt are considered developed.
- **Buildable land.** As described in the statute definition above, buildable residential land is the portions of vacant or partially vacant lots that have development capacity, less development constraints.

## Development Constraints

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

- *Lands within floodplains and floodways.* Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains, as well as lands identified in Metro's Title 3 Stream and Floodplain Protection Plan.
- *Land within natural resource protection areas.* The combined regional and national wetlands shapefile, available from Metro RLIS, was used to identify areas within wetlands. Riparian corridors and other natural resource areas identified in Metro's Title 13 shapefile were also considered undevelopable for the purposes of this inventory.
- *Land with slopes over 25%.* Lands with slopes over 25% are considered unsuitable for residential development.



# Buildable Lands Inventory Results

## Land Base

The land base for the Gladstone residential BLI includes all tax lots in the city limits in residential plan designations. Per Goal 10, this includes all lots (or portions of lots) with residential and other nonemployment plan designations where residential uses are planned for and allowed by the implementing zones. This BLI includes lands in the following plan designations or zones:

- Low Density Residential
- Medium Density Residential
- High Density Residential
- Central Commercial
- General Commercial
- Open Space

Exhibit 4 shows the land base by generalized plan designation in the UGB. There are 3,271 tax lots in the land base, accounting for 863 acres.

Exhibit 4. Residential Tax Lots and Acres by Plan Designation, Gladstone City Limits, 2020  
Source: Metro BLI; ECONorthwest analysis.

Generalized Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent
<b>Residential</b>				
Low Density Residential	2,071	63%	579	67%
Medium Density Residential	1,121	34%	173	20%
High Density Residential	70	2%	100	12%
<b>Commercial</b>				
Central Commercial	1	0%	0	0%
General Commercial	4	0%	8	1%
<b>Other</b>				
Open Space	4	0%	3	0%
<b>Total</b>	<b>3,271</b>	<b>100%</b>	<b>863</b>	<b>100%</b>

## Development Status

We used the classifications from the Metro BLI (defined in the methods and definitions in Appendix A) to define an initial development status. Then, we used a rapid visual assessment method to confirm this development status using aerial imagery. After City staff reviewed the classifications, we applied the development constraints to calculate unconstrained buildable land.<sup>4</sup>

Exhibit 5 shows development status with constraints applied and the resulting buildable acres. Of the 863 total acres in the land base, 668 are committed acres, 179 are constrained acres, and 16 are buildable acres.

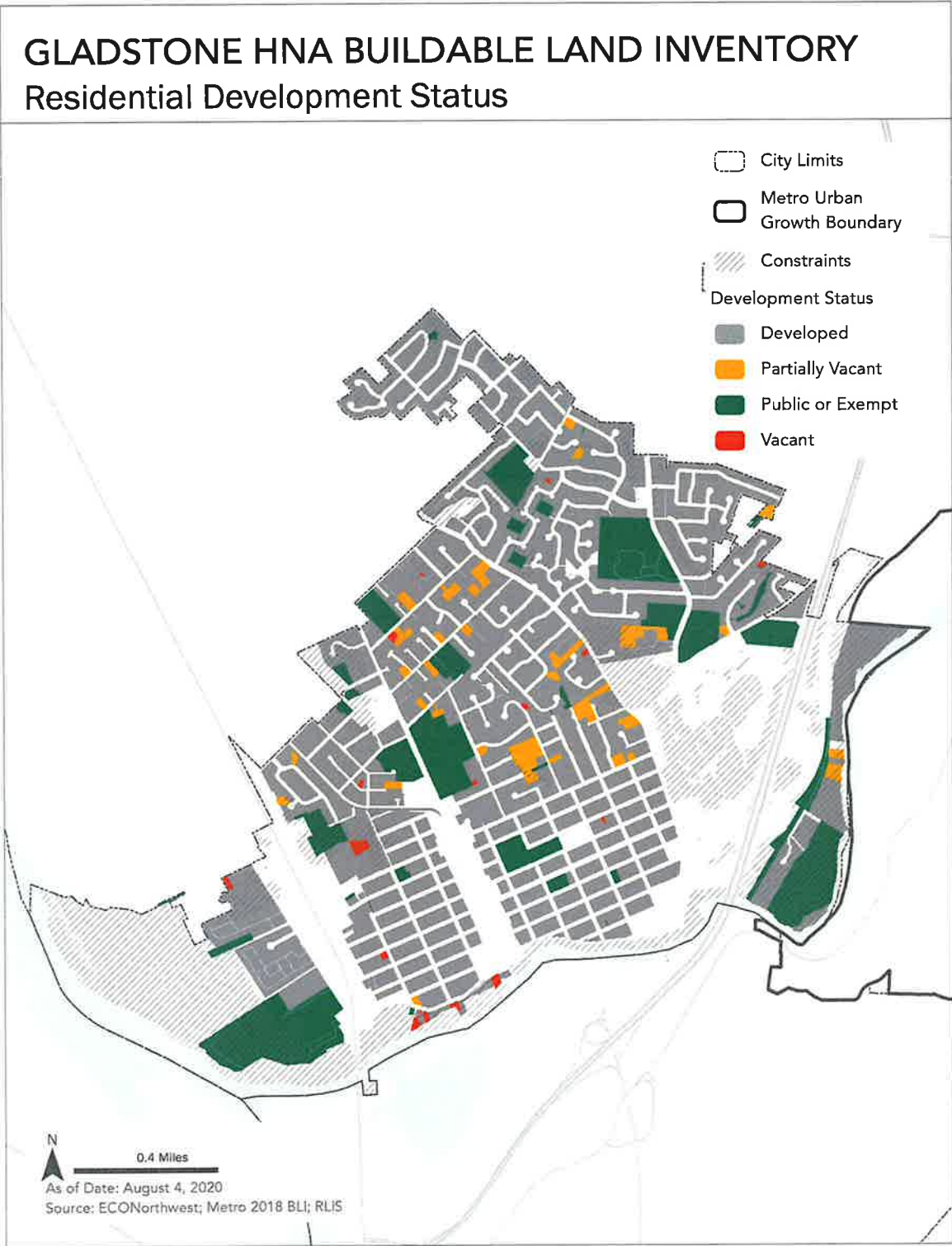
Exhibit 5. Development Status with Constraints, by Plan Designation, Gladstone City Limits, 2020  
Source: Metro BLI; ECONorthwest analysis. Note: values may not sum due to rounding.

Generalized Plan Designation	Total acres	Committed acres	Constrained acres	Buildable acres
<b>Residential</b>				
Low Density Residential	579	441	123	14
Medium Density Residential	173	165	7	1
High Density Residential	100	55	45	0
<b>Commercial</b>				
Central Commercial	0	0	0	0
General Commercial	8	5	3	0
<b>Other</b>				
Open Space	3	3	1	0
<b>Total</b>	<b>863</b>	<b>668</b>	<b>179</b>	<b>16</b>

Exhibit 6 shows residential land by development status with constraints overlaid.

<sup>4</sup> In the 2020 update of the BLI, we reviewed updated information for lots where development occurred since the 2019 BLI. City staff again verified the classifications based on local context.

Exhibit 6. Residential Land by Development Status, Gladstone City Limits, 2020



## Vacant Buildable Land

Exhibit 7 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Gladstone’s 16 unconstrained buildable residential acres, about 9% are in tax lots classified as vacant and 91% are in tax lots classified as partially vacant.

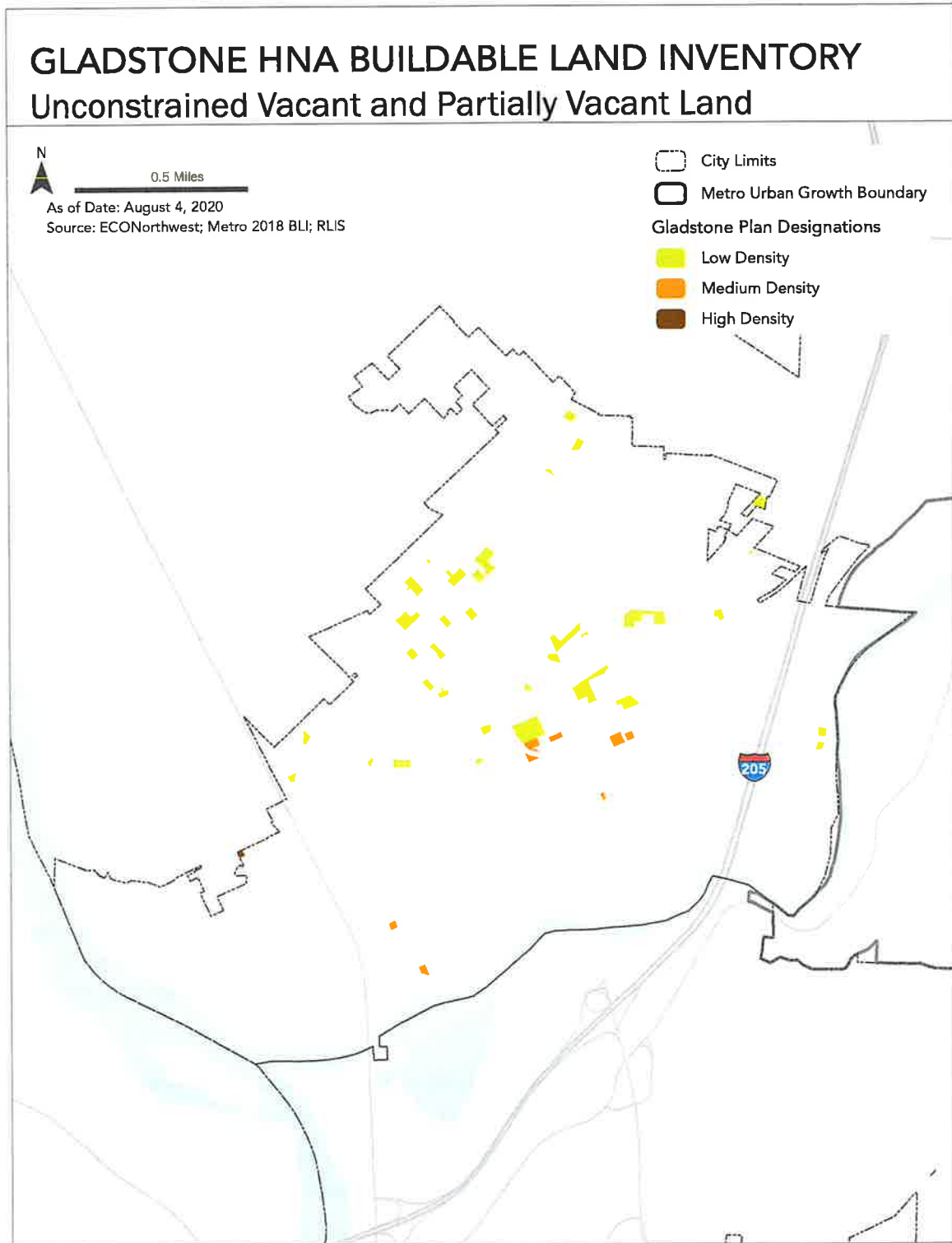
Exhibit 7. Buildable Acres in Vacant and Partially Vacant Tax Lots by Plan Designation, Gladstone City Limits, 2020

Source: Metro; ECONorthwest analysis. Note: values may not sum due to rounding.

Plan Designation	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
<b>Residential</b>			
Low Density Residential	14	1	13
Medium Density Residential	1	0	1
<b>Total</b>	<b>16</b>	<b>1</b>	<b>14</b>

Exhibit 8 shows Gladstone’s buildable vacant and partially vacant residential land.

Exhibit 8. Unconstrained Vacant and Partially Vacant Residential Land, Gladstone City Limits, 2020



### 3. Historical and Recent Development Trends

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

1. Determine the time period for which the data will be analyzed.
2. Identify types of housing to address (all needed housing types).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

This Housing Needs Analysis examines changes in Gladstone's housing market from 2000 to 2017, as well as residential development from 2000 to 2019. We selected this time period because (1) the period provides information about Gladstone's housing market before and after the national housing market bubble's growth and deflation, as well as the more recent increase in housing costs, and (2) data about Gladstone's housing market during this period was readily available from sources such as the Census and RLIS.

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

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

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

- **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 separated into two subgroups of attached structures other than single-family detached units, manufactured units, or single-family attached units. The two

subgroups are defined as (1) duplexes, triplexes, and quadplexes and (2) multifamily buildings with five or more units.

In Gladstone, government-assisted housing (ORS 197.303[b]) and housing for farmworkers (ORS 197.303[e]) can be any of the housing types listed above, as these housing types are regulated in the Gladstone Development Code in the same manner as any other housing type.

## Data Used in This Analysis

Throughout this report, we used data from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the United States. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the United States. From 2012–2016 to 2013–2017, the ACS sampled an average of 3.5 million households per year, or about 3% of the households in the nation. The ACS collects detailed information about households, such as 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.
- Metro’s **RLIS** database, which provides tax lot data for jurisdictions within the three-county metro area (including Clackamas County). We use RLIS tax lot data as a proxy for building permit data for Gladstone.
- **Zillow** databases, which are online platforms providing real estate and property owner data. We use these sources to collect housing sale price data in aggregate and by property.

In general, this report uses data from the 2012–2016 and 2013–2017 ACS. Much of the background data in this report was collected as part of the Clackamas County Regional Housing Needs Analysis, when 2012–2016 data was the most up-to-date data from the ACS. When creating Gladstone’s full Housing Needs Analysis, some critical data was updated in the 2013–2017 ACS as necessary,

Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this report includes population, income, and housing price data from the Oregon Office of Economic Analysis, the Oregon Bureau of Labor and Industries, the United States Department of Housing and Urban Development, RLIS, Costar, and Zillow. It also uses the Oregon Department of Housing and Community Services' Affordable Housing Inventory and Oregon's Manufactured Dwelling Park Inventory.

It is worth commenting on the methods used for the American Community Survey.<sup>5</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's 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.

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<sup>5</sup> A thorough description of the ACS can be found in the Census Bureau's publication "What Local Governments Need to Know." <https://www.census.gov/library/publications/2009/acs/state-and-local.html>

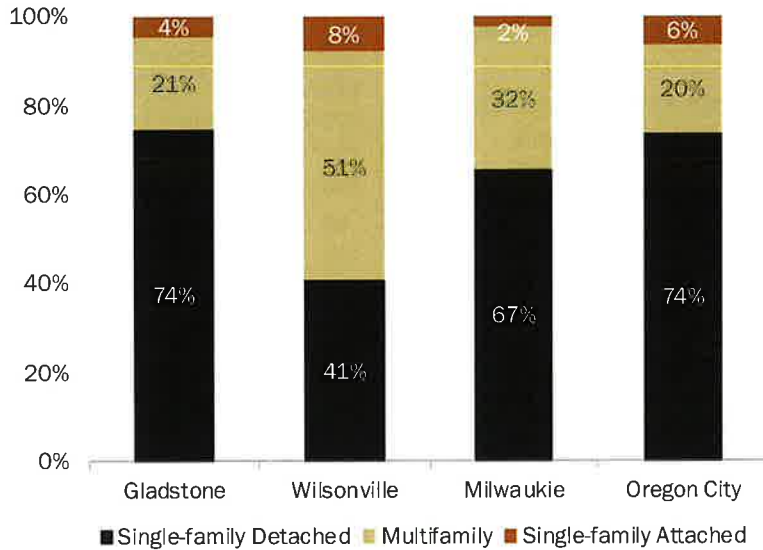


# Housing Mix

About three-quarters of Gladstone's housing stock was single-family detached housing.

Exhibit 9. Housing Mix, Gladstone, Wilsonville, Milwaukie, Oregon City, 2013–2017

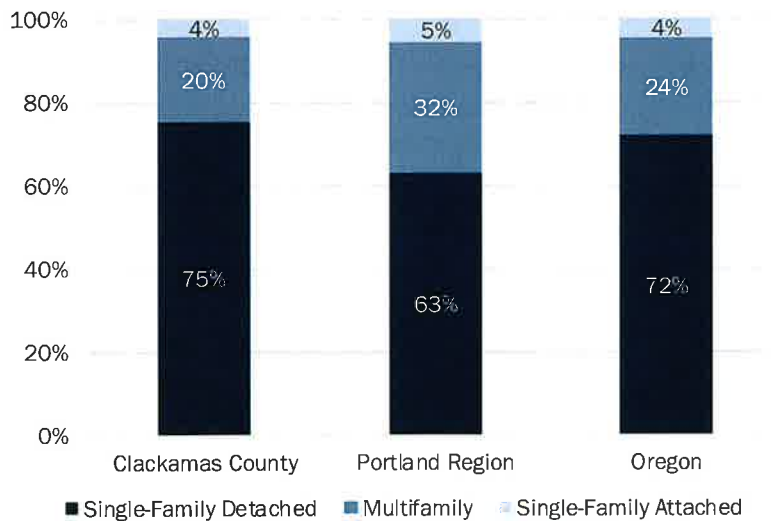
Source: U.S. Census Bureau, 2013–2017 ACS Table B25024.



Gladstone's housing mix was similar to Clackamas County's and Oregon's housing mix.

Exhibit 10. Housing Mix, Clackamas County, Portland Region, Oregon, 2013–2017

Source: U.S. Census Bureau, 2013–2017 ACS Table B25024.



## Housing Development

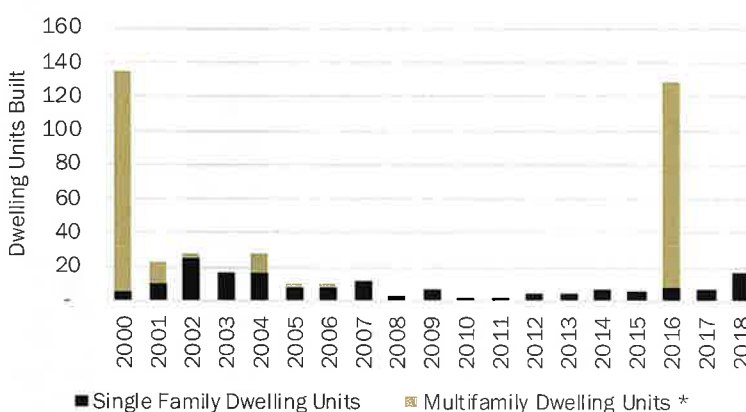
**Over the 2000 to 2018 period, Gladstone had construction of 440 dwelling units, with an annual average of 24 units built.**

Of these 440 units, about 37% were single-family dwelling units and 63% were multifamily dwelling units.

Exhibit 11. New Residential Dwelling Units Built, Gladstone, 2000 through 2020

Source: RLIS.

Note: data was pulled in May of 2020.



## Housing Density

This section shows historic densities for new residential construction by housing type and by plan designation/zone. To conduct the analysis, we used the RLIS database. RLIS data is a proxy for building permit data, with an analysis period of 2000 to 2018.

The analysis shows that between 2000 and 2020, single-family housing averaged 4.7 units per net acre while multifamily housing averaged 16.5 units per net acre. Overall, in that period, Gladstone's average housing density was 8.7 units per acre.

Exhibit 12. Average Density of New Residential Construction Permitted by Type of Unit and Plan Designation, Gladstone, 2000 through 2020

Source: RLIS. Note: DU is dwelling unit.

Plan Designations / Zone	Single Family Dwelling Units			Multifamily Dwelling Units			Total, Combined		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
<b>Residential</b>	<b>154</b>	<b>32</b>	<b>4.8</b>	<b>155</b>	<b>6</b>	<b>24.5</b>	<b>309</b>	<b>39</b>	<b>8.0</b>
Low Density	93	25	3.8	12	1	10.5	105	26	4.1
Medium Density	61	8	7.9	8	0	17.0	69	8	8.4
High Density	-	-	-	135	5	28.6	135	5	28.6
<b>Commercial</b>	<b>4</b>	<b>1</b>	<b>3.7</b>	<b>123</b>	<b>10</b>	<b>11.7</b>	<b>127</b>	<b>12</b>	<b>11.0</b>
Community Commercial	3	0	8.7	-	-	-	3	0	8.7
General Commercial	1	1	1.3	-	-	-	1	1	1.3
Industrial	-	-	-	123	10	11.7	123	10	11.7
<b>Total</b>	<b>158</b>	<b>33</b>	<b>4.7</b>	<b>278</b>	<b>17</b>	<b>16.5</b>	<b>436</b>	<b>50</b>	<b>8.7</b>

# Housing Tenure

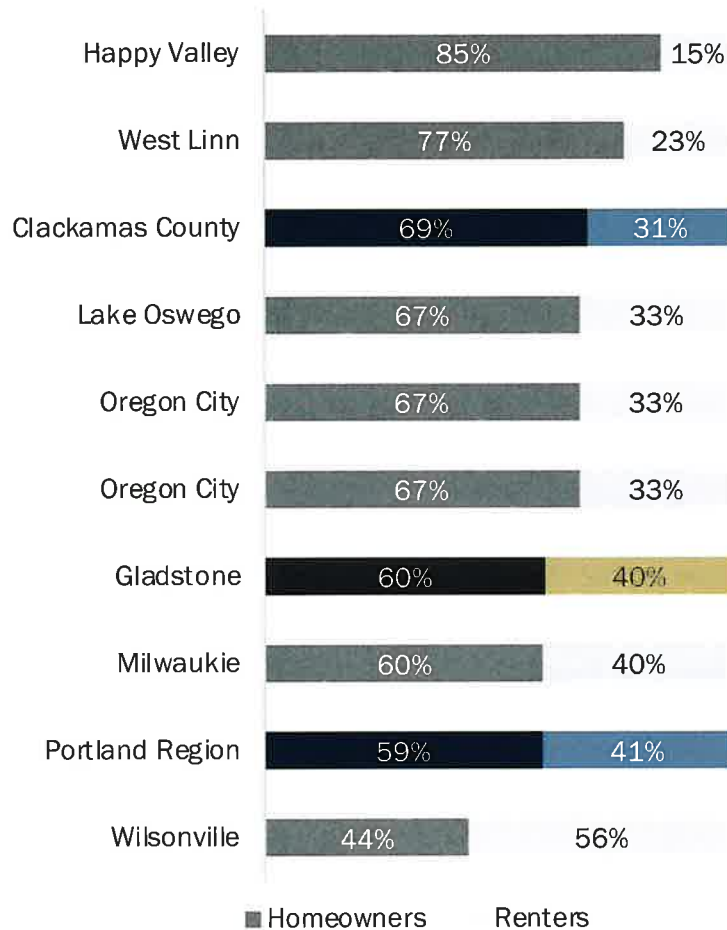
Housing tenure describes whether a dwelling is owner- or renter-occupied.

**Approximately 60% of Gladstone residents are homeowners, which is comparable to the Portland region.**

Within Clackamas County, 36% of cities have a homeownership rate of 71% or more, 50% of cities have a homeownership rate between 60% and 70%, and 14% of cities have a homeownership rate under 60%.

Exhibit 13. Housing Tenure, Clackamas County and Cities within Clackamas County, 2012–2016

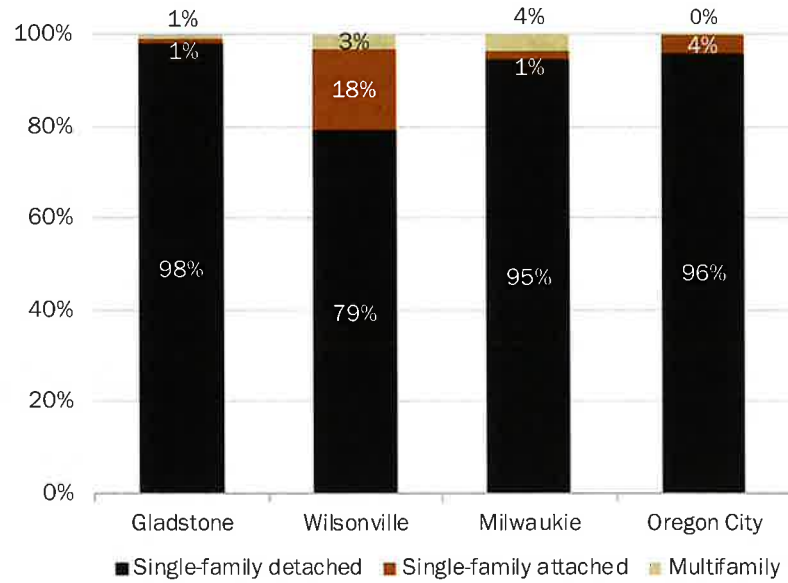
Source: U.S. Census Bureau, 2012–2016 ACS Table B25032.



Nearly all Gladstone homeowners lived in single-family detached housing.

Exhibit 14. Types of Units Occupied by Homeowners, Gladstone, Wilsonville, Milwaukie, Oregon City, 2012–2016

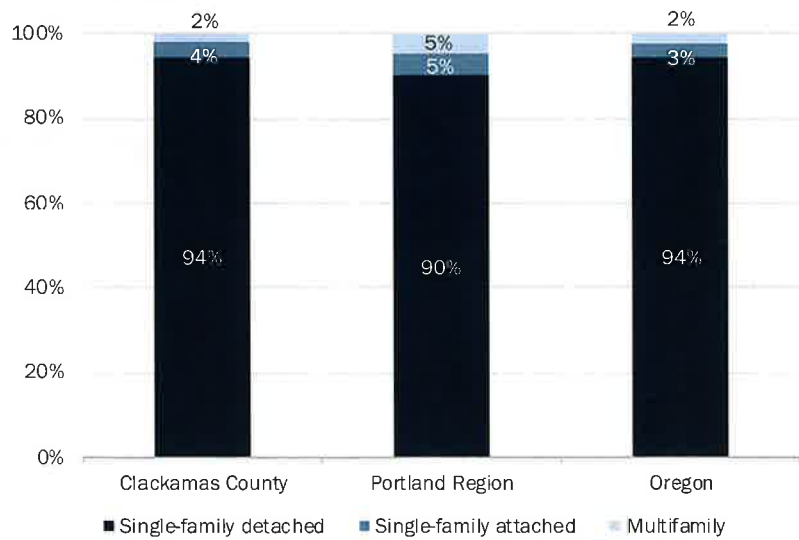
Source: U.S. Census Bureau, 2012–2016 ACS Table B25032.



Similar to Gladstone, nearly all homeowners in Clackamas County, the Portland region, and Oregon, lived in single-family detached housing.

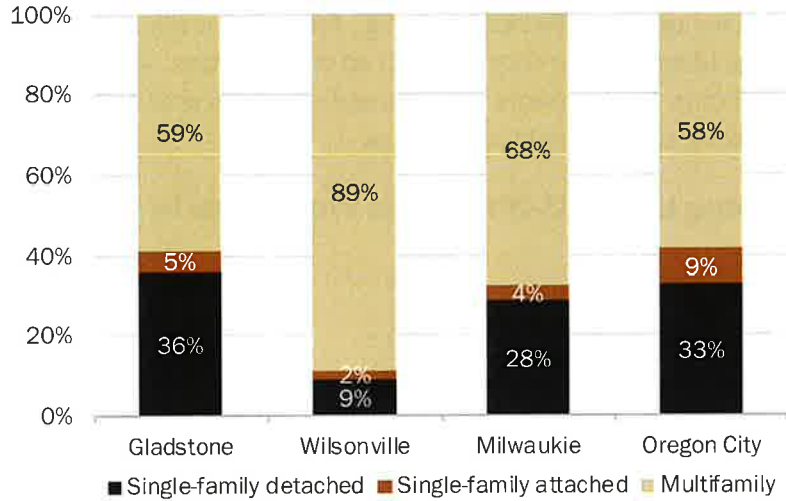
Exhibit 15. Types of Units Occupied by Homeowners, Clackamas County, Portland Region, Oregon, 2012–2016

Source: U.S. Census Bureau, 2012–2016 ACS Table B25032.



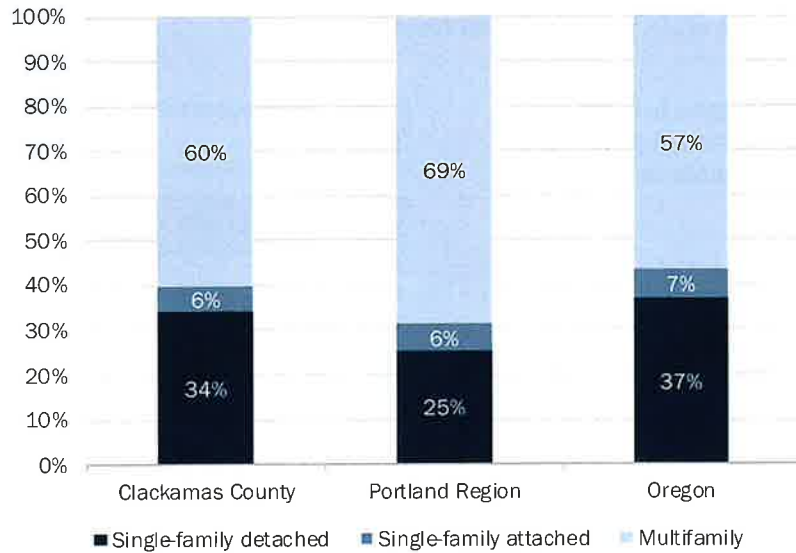
**In Gladstone, nearly 60% of renters lived in multifamily housing.**

**Exhibit 16. Types of Units Occupied by Renters, Gladstone, Wilsonville, Milwaukie, Oregon City, 2012–2016**  
 Source: U.S. Census Bureau, 2012–2016 ACS Table B25032.



**Similar to Gladstone, nearly 60% of renters in Clackamas County lived in multifamily housing.**

**Exhibit 17. Types of Units Occupied by Renters, Clackamas County, Portland Region, Oregon, 2012–2016**  
 Source: U.S. Census Bureau, 2012–2016 ACS Table B25032.



## Vacancy Rates

The Census defines vacancy as "unoccupied housing units . . . determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. Enumerators are obtained using information from property owners and managers, neighbors, rental agents, and others.

According to the 2013–2017 Census, vacancy rates by jurisdiction are:<sup>6</sup>

- Oregon: 9.3%
- Portland Region 5.5%
- Clackamas County: 6.0%
- Gladstone: 5.7%

## Government-Subsidized Housing

Governmental agencies and nonprofit organizations offer a range of housing assistance to low-income and moderate-income households in renting or purchasing a home. Data for government-subsidized housing developments derives from the Oregon Department of Housing and Community Services:<sup>7</sup>

**Gladstone had 58 government-subsidized, affordable units as of 2020.**

Exhibit 18. Government-Subsidized Housing, Gladstone, April 2020

Source: Oregon Housing and Community Services.

Development Name	Total Units	Total Affordable Units	Population Served
18320 Scott Ct	1	1	Family
18325 Tryon Ct	1	1	Family
18345 Tryon Ct	1	1	Family
18365 Tryon Ct	1	1	Family
250 E Jersey St	1	1	Family
260 E Jersey St	1	1	Family
960 Donna Lynn Way	1	1	Family
Arlington Triplex	3	3	Family
Fairfield 4-Plex	4	4	Family
River Glen Apts	44	44	Family and senior
<b>Totals</b>	<b>58</b>	<b>58</b>	

<sup>6</sup> Source: U.S. Census Bureau, 2013–2017 ACS, Table B25032.

<sup>7</sup> Oregon Housing and Community Services. (2018). Affordable Housing Inventory in Oregon. Retrieved from: <http://www.oregon.gov/ohcs/Pages/research-multifamily-housing-inventory-data.aspx>.

## Manufactured Homes

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

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

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

**As of 2020, Gladstone had two manufactured home parks within its UGB.**

Of the total 99 spaces within these communities, only one space was vacant as of June 2020.

Exhibit 19. Inventory of Mobile/Manufactured Home Parks, Gladstone UGB, June 2020

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces	Zone
Hollyview Court	1180 82nd Drive	Family	19	1	LI
Tri City Mobile Park	19575 River Rd	Family	80	0	MR
<b>Totals</b>			<b>99</b>	<b>1</b>	

## 4. Demographic and Other Factors Affecting Residential Development in Gladstone

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

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

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

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

This chapter presents data to address steps 2, 3, and 4 in this list. Chapter 5 presents data to address steps 1, 5, and 6 in this list.



## Demographic and Socioeconomic Factors Affecting Housing Choice<sup>8</sup>

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

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

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of baby boomers, people born from about 1946 to 1964, and millennials, people born from about 1980 to 2000.
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).
- **Household income** is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., a single-family detached unit, duplex, triplex, quadplex, or a building with more than five units) and to household tenure (e.g., rent or own).

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

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<sup>8</sup> The research in this chapter is based on numerous articles and sources of information about housing, including:

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

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

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

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

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

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

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

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

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

## National Trends<sup>9</sup>

This brief summary on national housing trends builds on previous work by ECONorthwest as well as Urban Land Institute (ULI) reports and conclusions from the *State of the Nation's Housing* report from the Joint Center for Housing Studies of Harvard University. The Harvard report (2019) summarizes the national housing outlook as follows:

If housing costs continue to rise faster than incomes, growth of households—and of housing demand—is likely to slow. As it is, the market has only produced enough homes to match the pace of household growth, let alone cover replacement and second-home demand and allow normal levels of vacancies. If current housing supply trends persist, house prices and rents will continue to rise at a healthy clip, further limiting the housing options for many. To ensure that the market can produce homes that meet the diverse needs of the growing US population, the public, private, and nonprofit sectors must address constraints on the development process. And for the millions of families and individuals that struggle to find housing that fits their budgets, much greater public efforts will be necessary to close the gap between what they can afford and the cost of producing decent housing.

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

- **Moderate new construction and tight housing supply, particularly for affordable housing.** New construction experienced its ninth year of gains in 2018 with 1.25 million units added to the national stock. There were about 374,000 multifamily starts in 2018, an increase after a two-year slump in 2015 and 2016, putting multifamily growth at its highest rate since 1988. The supply of sale homes in 2018 averaged 4.0 months, below what is considered balanced (six months), and lower-cost homes are considered especially scarce. The *State of the Nation's Housing* report cites lack of skilled labor, higher land prices, and land use regulations as constraints on new construction.
- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased to 64.4% in 2017–2018, up half a percentage point from the prior year. Trends suggest the recent homeownership increases are among

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<sup>9</sup> These trends are based on information from (1) the Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2019," (2) Urban Land Institute, "2019 Emerging Trends in Real Estate," and (3) the U.S. Census.

householders of all age groups; however, homeownership rates continue to remain below historic levels from 30 years ago. Homeownership rates of those aged 65 and older have remained strong, 2.9 percentage points above 1988 levels, and homeownership rates among young adults have begun stabilizing after years of decline.

- **Housing affordability.** In 2017, about 31.5% of American households spent more than 30% of their income on housing. This figure is down from the prior year and continues to improve relative to its 2010 peak, bolstered by a considerable drop in the owner share of cost-burdened households. The share of cost-burdened renter households, however, continues to remain above that of homeowners, and renter households now exceed the number of cost-burdened homeowners by more than 3 million. Low-income households face an especially dire hurdle to afford housing. With such a large share of households exceeding the traditional standards for affordability, policymakers are focusing efforts on the severely cost burdened. Among those earning less than \$15,000, 72% of households paid more than half of their income on housing.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that, nationally, demand for new homes could total as many as 12 million units between 2018 and 2028. Much of the demand will come from baby boomers, millennials,<sup>10</sup> and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand in mid-priced single-family houses is affordable to a larger buyer pool.
- **Growth in rehabilitation market.**<sup>11</sup> Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (and 40% at least 50 years old), Americans are spending in excess of \$400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).
- Despite trends suggesting growth in the rehabilitation market, rising construction costs and complex regulatory requirements pose barriers to rehabilitation. Lower-income households or households on fixed incomes may defer maintenance for years due to limited financial means, escalating rehabilitation costs. At a certain point, the cost of improvements may outweigh the value of the structure, which may necessitate new responses such as demolition or redevelopment.

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<sup>10</sup> According to the Pew Research Center, millennials were born between the years of 1981 and 1996 (inclusive). Read more about generations and their definitions here: <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>.

To generalize, and because there is no official generation of millennial, we define this cohort as individuals born between 1980 and 2000.

<sup>11</sup> These findings are copied from the Joint Center for Housing Studies. (2019). Improving America's Housing, Harvard University. Retrieved from: [https://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_Improving\\_Americas\\_Housing\\_2019.pdf](https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf)

- **Changes in housing preference.** Housing preference will be affected by changes in demographics—most notably being the aging of baby boomers, housing demand from millennials, and growth of immigrants.
  - *Baby boomers.* In 2020, the oldest members of this generation were in their seventies and the youngest were in their fifties. The continued aging of the baby boomer generation will affect the housing market. In particular, baby boomers will influence housing preference and homeownership trends. Preferences (and needs) will vary for boomers moving through their sixties, seventies, and eighties (and beyond). They will require a range of housing opportunities. For example, “aging baby boomers are increasingly renters-by-choice, [preferring] walkable, high-energy, culturally evolved communities.”<sup>12</sup> Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in proximity to relatives may also choose to live in multigenerational households.

Research shows that “older people in western countries prefer to live in their own familiar environment as long as possible,” but aging in place does not only mean growing old in their own homes.<sup>13</sup> A broader definition exists, which explains that aging in place means “remaining in the current community and living in the residence of one’s choice.”<sup>14</sup> Some boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into to a dependent living facility or into a familial home. Moreover, “the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses.”<sup>15</sup>

- *Millennials.* Over the last several decades, young adults have increasingly lived in multigenerational housing—more so than older demographics.<sup>16</sup> Despite this trend, as millennials age over the next 20 years, they will begin forming households and families. In 2020, the oldest millennials were in their late thirties and the youngest were in their late teens. By 2040, millennials will be between forty and sixty years old.

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<sup>12</sup> Urban Land Institute. *Emerging Trends in Real Estate, United States and Canada*. 2019.

<sup>13</sup> Vanleerberghe, Patricia, et al. (2017). *The quality of life of older people aging in place: a literature review*.

<sup>14</sup> *Ibid.*

<sup>15</sup> American Planning Association. *Making Space for Tiny Houses, Quick Notes*.

<sup>16</sup> According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multigenerational family household, and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multigenerational family household, and by 2008, 20% did (18% change).

At the beginning of the 2007–2009 recession, millennials only started forming their own households. Today, millennials are driving much of the growth in new households, albeit at slower rates than previous generations. As this generation progresses into their homebuying years, they will seek out affordable, modest-sized homes. This will prove challenging as the market for entry-level, single-family homes has remained stagnant. Although construction of smaller homes (< 1,800 sq. ft.) increased in 2017, they only represented 22% of single-family units.

Millennials' average wealth may remain far below boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2020, millennials comprised 38% of home buyers, while Gen Xers comprised 23% and boomers 33%.<sup>17</sup> "By the year 2061, it is estimated that \$59 trillion will be passed down from boomers to their beneficiaries," presenting new opportunities for millennials (as well as Gen Xers).<sup>18</sup>

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, prefer to live in multigenerational housing. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current population survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was stanching by the effects of the Great Recession. After a period of declines, however, the foreign born are again contributing to household growth. The Census Bureau's estimates of net immigration in 2017–2018 indicate that 1.2 million immigrants moved to the United States from abroad, down from 1.3 million immigrants in 2016–2017 but higher than the average annual pace of 850,000 during the 2009–2011 period. However, if recent federal policies about immigration are successful, growth in undocumented and documented immigration could slow and cause a drag on household growth in the coming years.
- *Diversity.* The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between Whites and Blacks, as well as the larger share of minority households that are cost burdened, warrants consideration. From 1988 to 2018, the difference in homeownership rates between Whites and Blacks rose by 3.9 percentage points to 30.1%. Alternatively, the gap between White and Latinx homeownership rates and

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<sup>17</sup> National Association of Realtors. (2020). 2020 Home Buyers and Sellers Generational Trends Report, March 2020. Retrieved from: <https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends>

<sup>18</sup> PNC. (n.d.). Ready or Not, Here Comes the Great Wealth Transfer. Retrieved from: <https://www.pnc.com/en/about-pnc/topics/pnc-pov/economy/wealth-transfer.html>

White and Asian homeownership rates both decreased during this period but remained sizable at 26.0 and 16.0 percentage points, respectively. Although homeownership rates are increasing for some minorities, minority households are more likely to live in high-cost metro areas. This, combined with lower incomes relative to White households, leads to higher rates of cost burden for minority homeowners—30% for Blacks and Latinx, 27% for Asians, and 20% for Whites in 2017.

- **Changes in housing characteristics.** The U.S. Census Bureau’s Characteristics of New Housing Report (2018) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:<sup>19</sup>
  - *Larger single-family units on smaller lots.* Between 1999 and 2018, the median size of new single-family dwellings increased by 18% nationally (from 2,028 sq. ft. to 2,386 sq. ft.) and 17% in the western region (from 2,001 sq. ft. in 1999 to 2,341 sq. ft. in 2018). Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally decreased by more than half, from 15% in 1999 to 7% in 2018. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 28% of new one-family homes completed in 2018. In addition to larger homes, a move toward smaller lot sizes was seen nationally. Between 2009 and 2018, the percentage of lots less than 7,000 sq. ft. increased from 25% to 32%.
  - *Larger multifamily units.* Between 1999 and 2018, the median size of new multifamily dwelling units increased by 5.4% nationally. In the western region, the median size decreased by 2.0%. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 36% in 2018, and it increased from 25% to 29% in the western region.
  - *Household amenities.* Across the United States since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new single-family and multifamily units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 96% in 2018. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to 44%. As of 2018, 92% of new single-family houses in the United States had garages for one or more vehicles (from 89% in 2000).
  - *Shared amenities.* Housing with shared amenities grew in popularity, as it may improve space efficiencies and reduce per-unit costs/maintenance costs. Single-room occupancies (SROs),<sup>20</sup> cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend. Shared

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<sup>19</sup> U.S. Census Bureau, Highlights of Annual 2018 Characteristics of New Housing. Retrieved from: <https://www.census.gov/construction/chars/highlights.html>

<sup>20</sup> Single-room occupancies are residential properties with multiple single-room dwelling units occupied by a single individual. From: U.S. Department of Housing and Urban Development. (2001). *Understanding SRO*. Retrieved from: <https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf>

amenities may take many forms and include shared bathrooms, kitchens, other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green spaces, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, tennis courts, and free parking.<sup>21</sup>

## State Trends

In August 2019, the State of Oregon passed statewide legislation—Oregon House Bill 2001 and 2003. **House Bill 2001 (HB2001)** required many Oregon communities to accommodate middle housing within single-family neighborhoods. “Medium cities”—those with 10,000 to 25,000 residents outside the Portland Metro area—are now required to allow duplexes on each lot or parcel where a single-family home is allowed. “Large cities”—those with over 25,000 residents and nearly all jurisdictions in the Metro urban growth boundary (UGB)—must meet the same duplex requirement, in addition to allowing single-family homes, triplexes, quadplexes, town homes, and cottage clusters in all areas that are zoned for residential use. In this instance, Gladstone is required to meet the requirements for large cities because Gladstone is within the Metro UGB. Note that the middle-housing types (other than duplexes) do not have to be allowed on *every* lot or parcel that allows single-family homes, which means that larger cities maintain some discretion.

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**Middle housing** is generally built at a similar scale as single-family homes but at higher residential densities. Middle housing provides a range of housing choices at different price points within a community. This type of housing is often called “missing-middle” housing.

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**House Bill 2003 (HB2003)** envisions an Oregon housing planning system that shifts from a singular focus (on ensuring adequate available land) to a more comprehensive approach that also achieves the critical goals to (1) support and enable the construction of sufficient units to accommodate current populations and projected household growth and (2) reduce geographic disparities in access to housing (especially affordable and publicly supported housing). In that, HB 2003 required the development of a methodology for projecting *regional* housing need and allocating that need to local jurisdictions. It also expanded local government responsibilities for planning to meet housing need by requiring cities to develop and adopt housing production strategies.

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

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<sup>21</sup> Urbsworks. (n.d.). Housing Choices Guidebook: A Visual Guide to Compact Housing Types in Northwest Oregon. Retrieved from: [https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet\\_DIGITAL.pdf](https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf)

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

It identified the following issues that describe housing need statewide:<sup>22</sup>

- For housing to be considered affordable, a household should pay up to one-third of their income toward rent, leaving money left over for food, utilities, transportation, medicine, and other basic necessities. Today, one in two Oregon households pays more than one-third of their income toward rent, and one in three pays more than half of their income toward rent.
- More school children are experiencing housing instability and homelessness. The rate of K-12 homeless children increased by 12% from the 2013–2014 school year to the 2014–2015 school year.
- Oregon has 28,500 rental units that are affordable and available to renters with extremely low incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.
- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon’s economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.
- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.
- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latinx, and 50% of African Americans, are employed in low-wage industries.
- The majority of low-wage workers are adults over the age of 20, many of whom have earned a college degree or some level of higher education.
- In 2019, minimum wage in Oregon<sup>23</sup> was \$11.25, compared to \$12.50 in the Portland Metro and \$11.00 for nonurban counties.

Oregon also developed its *Statewide Housing Plan* in 2018. The Plan identified six housing priorities to address in communities across the State over the 2019 to 2023 period (summarized below). It includes relevant data to help illustrate the rationale for each priority.<sup>24</sup>

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

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<sup>22</sup> These conclusions are copied directly from the report: Oregon’s 2016–2020 Consolidated Plan. Retrieved from: <http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf>.

<sup>23</sup> The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016, through July 1, 2022. Retrieved from: <https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx>

<sup>24</sup> Priorities and factoids are copied directly from the report: Oregon Housing and Community Services (November 2018). Breaking New Ground, Oregon’s Statewide Housing Plan, Draft. <https://www.oregon.gov/ohcs/DO/shp/OregonStatewideHousingPlan-PublicReviewDraft-Web.pdf>



- **Summary of the Issue:** In Oregon, 26% of people of color live below the poverty line, compared to 15% of the White population.
- **2019–2023 Goal:** Communities of color will experience increased access to OHCS resources and achieve greater parity in housing stability, self-sufficiency, and homeownership. OHCS will collaborate with its partners and stakeholders to create a shared understanding of racial equity and overcome systemic injustices faced by communities of color in housing discrimination, access to housing, and economic prosperity.
- **Homelessness.** Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon’s children and veterans.
  - **Summary of the Issue:** According to the Point-in-Time count, approximately 15,800 Oregonians experienced homelessness in 2019, an increase of 13% since 2017. During that same time period, Oregon’s unsheltered population increased while the sheltered population fell. Nearly one-third (31%) of the state’s total population experiencing homelessness was chronically homeless. In 2019, Oregon’s per capita rate of individuals experiencing homelessness was higher than many other states.<sup>25</sup>
  - **2019–2023 Goal:** OHCS will drive toward impactful homelessness interventions by increasing the percentage of people who are able to retain permanent housing for at least six months after receiving homeless services to at least 85%. We will also collaborate with partners to end veterans’ homelessness in Oregon and build a system in which every child has a safe and stable place to call home.
- **Permanent Supportive Housing.** Invest in permanent supportive housing, a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.
  - **Summary of the Issue:** Oregon needs about 12,388 units of permanent supportive housing to serve individuals and families with a range of needs and challenges.
  - **2019–2023 Goal:** OHCS will increase our commitment to permanent supportive housing by funding the creation of 1,000 or more additional permanent supportive housing units to improve the future long-term housing stability for vulnerable Oregonians.
- **Affordable Rental Housing.** Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.
  - **Summary of the Issue:** Statewide, over 85,000 new affordable units are needed to house those households earning below 30% of median family income (MFI). The gap is even larger when accounting for the more than 16,000 units affordable at 30% of MFI, which are occupied by households at other income levels.

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<sup>25</sup> Oregon Housing and Community Services. (2019). 2019 Point-in-Time Count. Retrieved from: <https://www.oregon.gov/ohcs/DO/docs/11-21-2019-PIT-Brief.pdf>

- **2019–2023 Goal:** OHCS will triple the existing pipeline of affordable rental housing—up to 25,000 homes in the development pipeline by 2023. Residents of affordable rental housing funded by OHCS will have reduced cost burden and more opportunities for prosperity and self-sufficiency.
- **Homeownership.** Provide more low-income and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.
  - **Summary of the Issue:** In Oregon, homeownership rates for all categories of people of color are lower than for White Oregonians. For White non-Latinx Oregonians, the home ownership rate is 63%. For Latinx and non-White Oregonians, it is 42%. For many, homeownership rates have fallen between 2005 and 2016.
  - **2019–2023 Goal:** OHCS will assist at least 6,500 households in becoming successful homeowners through mortgage lending products while sustaining efforts to help existing homeowners retain their homes. OHCS will increase the number of homebuyers of color in our homeownership programs by 50% as part of a concerted effort to bridge the homeownership gap for communities of color while building pathways to prosperity.
- **Rural Communities.** Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.
  - **Summary of the Issue:** While housing costs may be lower in rural areas, incomes are lower as well: Median family income is \$42,750 for rural counties versus \$54,420 for urban counties. Additionally, the median home values in rural Oregon are 30% higher than in the rural United States, and median rents are 16% higher.
  - **2019–2023 Goal:** OHCS will collaborate with small towns and rural communities to increase the supply of affordable and market-rate housing. As a result of tailored services, partnerships among housing and service providers, private industry, and local governments will flourish, leading to improved capacity, leveraging of resources, and a doubling of the housing development pipeline.

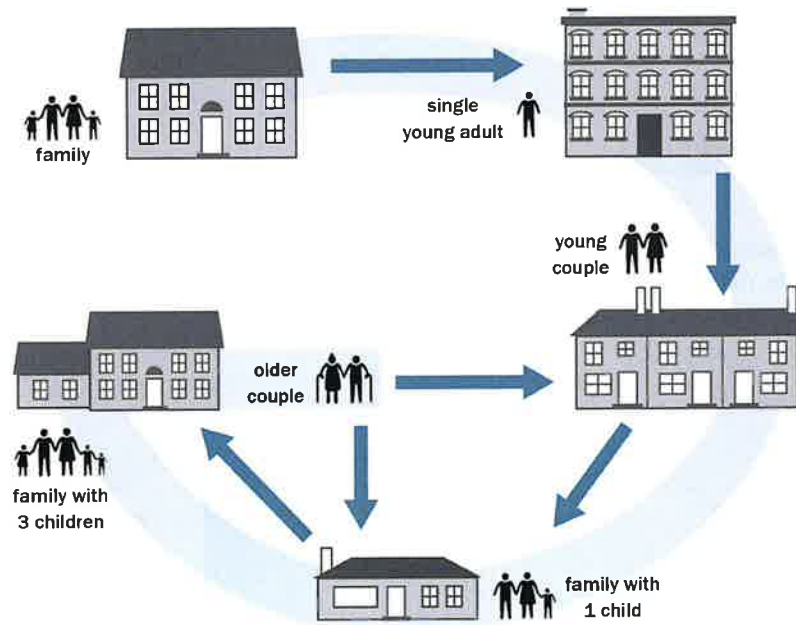
# Regional and Local Demographic Trends that May Affect Housing Need in Gladstone

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

An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Gladstone's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in Gladstone.

**Housing needs and preferences change in predictable ways over time, such as with changes in marital status and size of family.**

Exhibit 20. Effect of Demographic Changes on Housing Need  
Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.



## Growing Population

Gladstone added about 470 people to its population over the 2000 to 2019 period, growing by 4%.

Exhibit 21. Population, Gladstone, Wilsonville, Milwaukie, Oregon City, 1990–2019

Source: U.S. Decennial Census (2000) and Portland State University’s Population Research Center estimates (2019).

			Change 2000 to 2019		
	2000	2019	Number	Percent	AAGR
Gladstone	11,438	11,905	467	4%	0.2%
Wilsonville	13,991	25,635	11,644	83%	3.2%
Milwaukie	20,490	20,535	45	0%	0.0%
Oregon City	25,754	35,570	9,816	38%	1.7%

Gladstone’s population is projected to grow by 466 people between 2021 and 2041, at an average annual growth rate of 0.20%.

Exhibit 22. Forecast of Population Growth, Gladstone, 2021 to 2041

Source: Metro 2040 Population Distributed Forecast, created July 12, 2016.

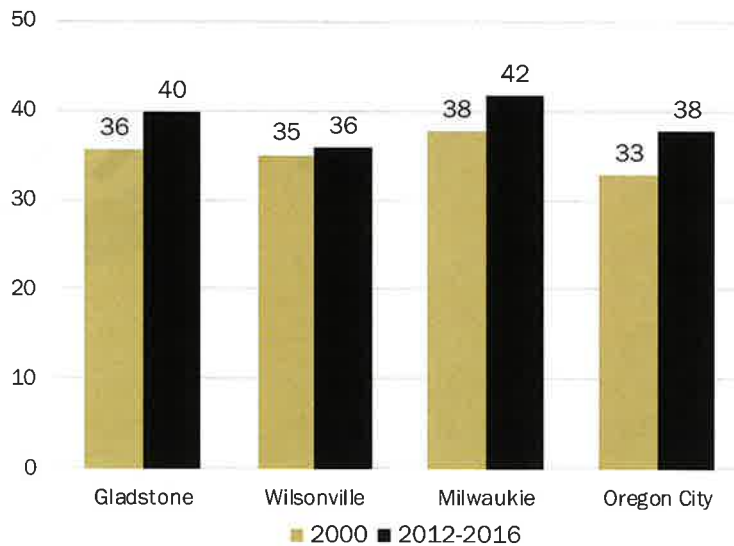
<b>11,641</b>	<b>12,107</b>	<b>466</b>	<b>4% increase</b>
Residents in 2021	Residents in 2041	New residents 2021–2041	0.20% AAGR

## Aging Population

From 2000 to 2012–2016, the median age increased by four years in Gladstone.

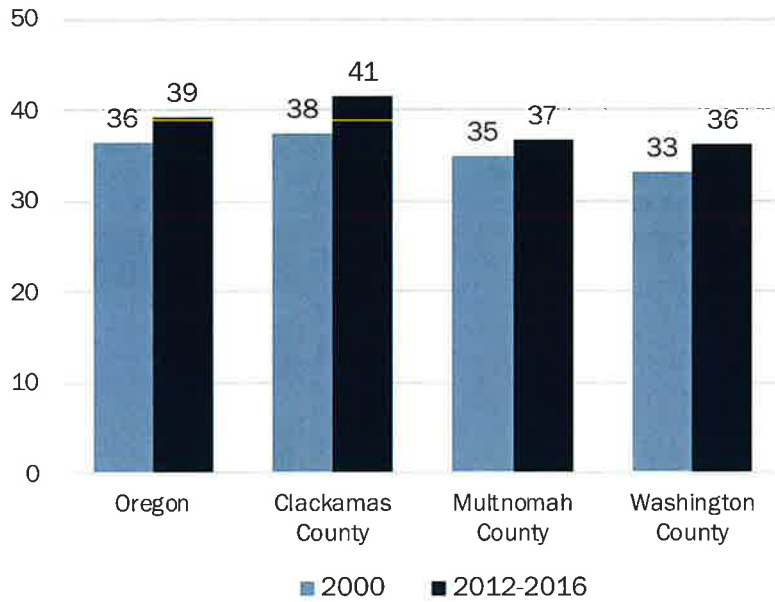
Exhibit 23. Median Age, Years, Gladstone, Wilsonville, Milwaukie, Oregon City, 2000 to 2012–2016

Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2012–2016 ACS, Table B01002.



**From 2000 to 2012–2016, Clackamas County’s median age increased by three years.**

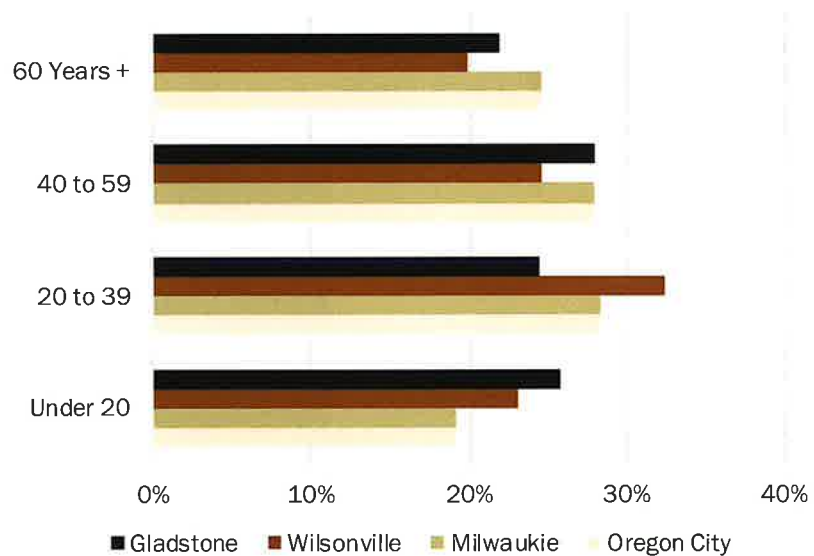
**Exhibit 24. Median Age, Years, Oregon, Clackamas County, Multnomah County, Washington County, 2000 to 2012–2016**  
 Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2012–2016 ACS, Table B01002.



**The majority of residents in Gladstone were between 20 and 59 years old.**

Compared to other cities in Clackamas County (Wilsonville, Milwaukie, and Oregon City), Gladstone had the highest proportion of residents under 20 (26%).

**Exhibit 25. Population Distribution by Age, Gladstone, Wilsonville, Milwaukie, Oregon City, 2012–2016**  
 Source: U.S. Census Bureau, 2012–2016 ACS, Table B01001.

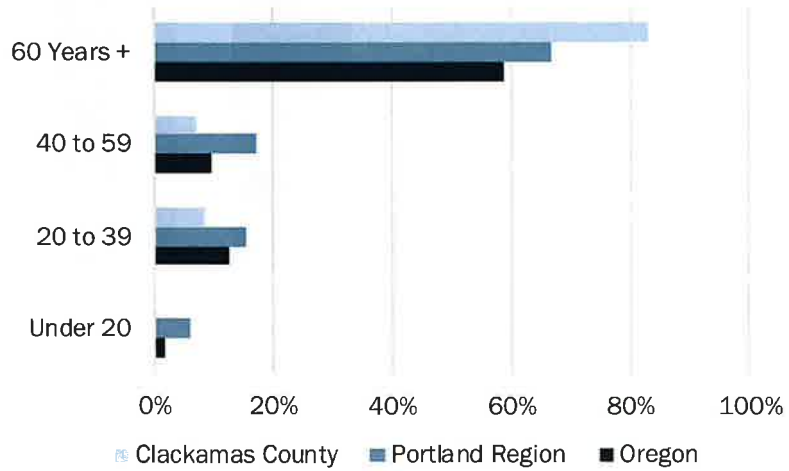


The population aged sixty and older in Clackamas County, and in larger regions, grew faster than any other age cohort. From 2000 to the 2012–2016 period, this group grew by 83% in Clackamas County, compared to 67% in the Portland region and 59% in Oregon (percent change). By 2040, this group will account for 27% of the population in Clackamas County.

**Between 2000 and 2012–2016, all age groups in Clackamas County grew in size. The most substantial change was growth in residents aged 60 and older.**

**Exhibit 26. Population Growth by Age, Clackamas County, Portland Region, Oregon, 2000 to 2012–2016**

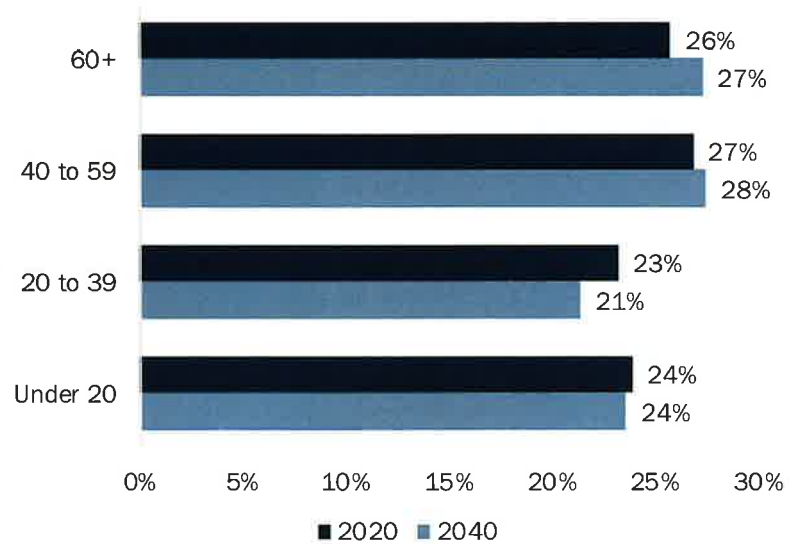
Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2012–2016 ACS, Table B01001.



**By 2040, Clackamas County residents over the age of 40 will make up 55% of the county's total population.**

**Exhibit 27. Population Growth by Age Group, Clackamas County, 2020 to 2040**

Source: Portland State University, Population Research Center, Clackamas County Forecast, June 2017.



## Increased Ethnic Diversity

The U.S. Census Bureau forecasts that at the national level, the Latinx (e.g., Latino/a and Hispanic) population will continue growing faster than most other non-Latinx populations over the planning period. The Census forecasts that the Latinx population will increase 93% from 2016 to 2060 and foreign-born Latinx population will increase by about 40% in that same time.<sup>26</sup>

Continued growth in the Latinx population will affect Gladstone's housing needs in a variety of ways. Growth in first-generation and, to a lesser extent, second-generation and third generation Latinx immigrants, will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. In that, Latinx households are twice as likely to include multigeneration households than the general populace.<sup>27</sup> As Latinx households integrate over generations, household size typically decreases, and housing needs become similar to housing needs for all households.

According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals,<sup>28</sup> the Latinx population accounted for 31.4% of the nation's net new household formations in 2019, up 2.8 percentage points from 2017. The rate of homeownership for Latinx households increased from 45.6% in 2015 to 47.5% in 2019. In that time (2015 to 2019), Latinx households were the only demographic that increased their rate of homeownership.

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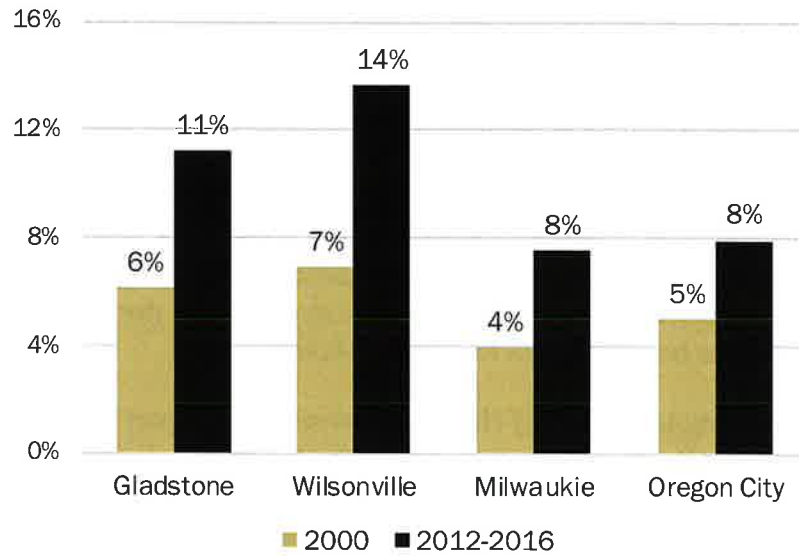
<sup>26</sup> U.S. Census Bureau, *Demographic Turning Points for the United States: Population Projections for 2020 to 2060*, pg. 7, [https://www.census.gov/content/dam/Census/library/publications/2018/demo/P25\\_1144.pdf](https://www.census.gov/content/dam/Census/library/publications/2018/demo/P25_1144.pdf)

<sup>27</sup> Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2013, Appendix 8. Retrieved from: <http://www.pewsocialtrends.org/2013/02/07/appendix-1-detailed-demographic-tables/>. National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*. Retrieved from: <https://nahrep.org/shhr/>

<sup>28</sup> *Ibid.*

**Between 2000 and 2012-2016, the share of the population that is Latinx increased by 5% in Gladstone.**

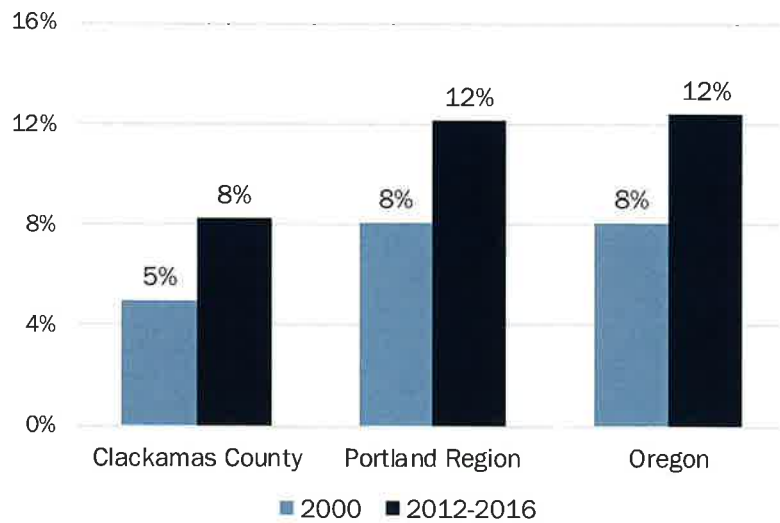
**Exhibit 28. Latinx Population as a Percent of the Total Population, Gladstone, Wilsonville, Milwaukie, Oregon City, 2000 to 2012-2016**  
 Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.



**The share of Clackamas County's population that is Latinx increased by 3% between 2000 and 2012-2016.**

Comparatively, the share of Latinx increased by 4% in the Portland region and Oregon.

**Exhibit 29. Latinx Population as a Percent of the Total Population, Clackamas County, Portland Region, Oregon, 2000 to 2012-2016**  
 Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.





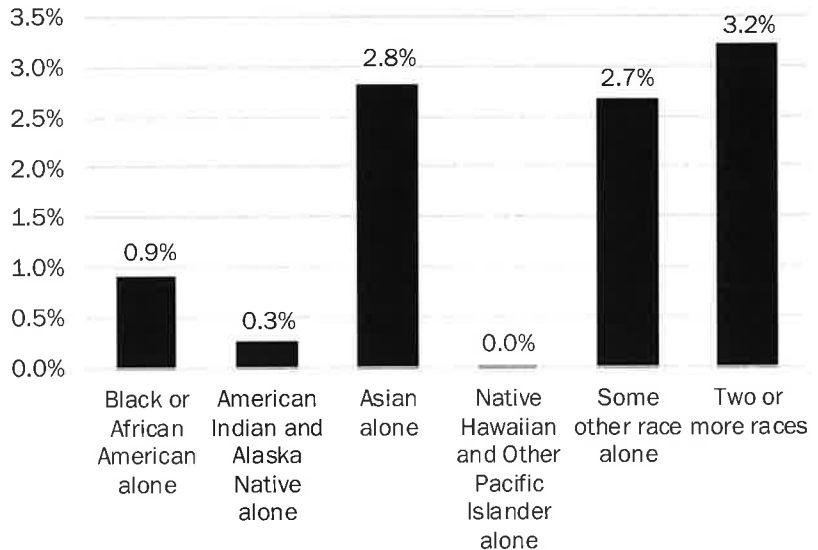
## Racial Diversity

The non-White population is defined as the share of the population that identifies as another race other than “White Alone” according to Census definitions.

**About 90% of Gladstone’s population identifies as White Alone. Persons identifying as Two or More Races make up 3.2% of Gladstone’s population.**

**Exhibit 30. Non-White Population as a Percent of Total Population, Gladstone, 2012–2016**

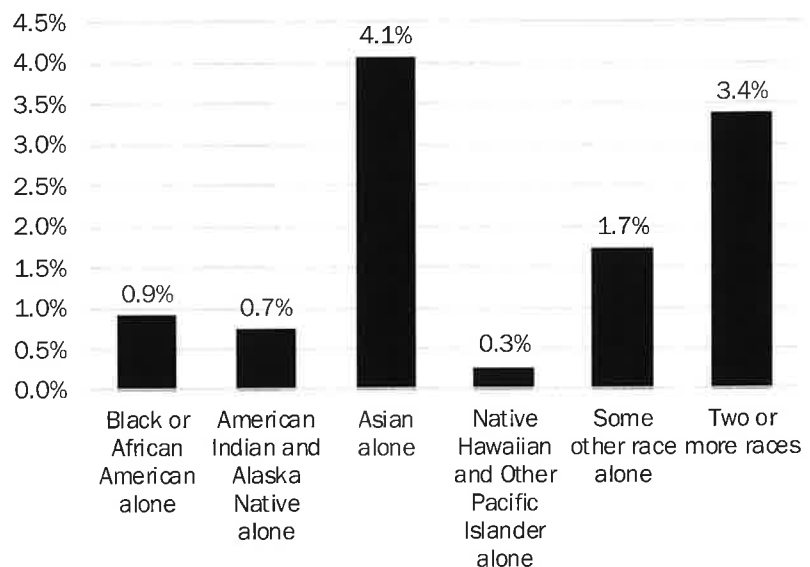
Source: U.S. Census Bureau, 2012–2016 ACS Table B02001.



**About 89% of Clackamas County’s population identified as White. About 4% of Clackamas County’s population identified as Asian, followed by Two or More Races (3%), and Some Other Race (2%).**

**Exhibit 31. Non-White Population as a Percent of Total Population, Clackamas County, 2012–2016**

Source: U.S. Census Bureau, 2012–2016 ACS Table B02001.

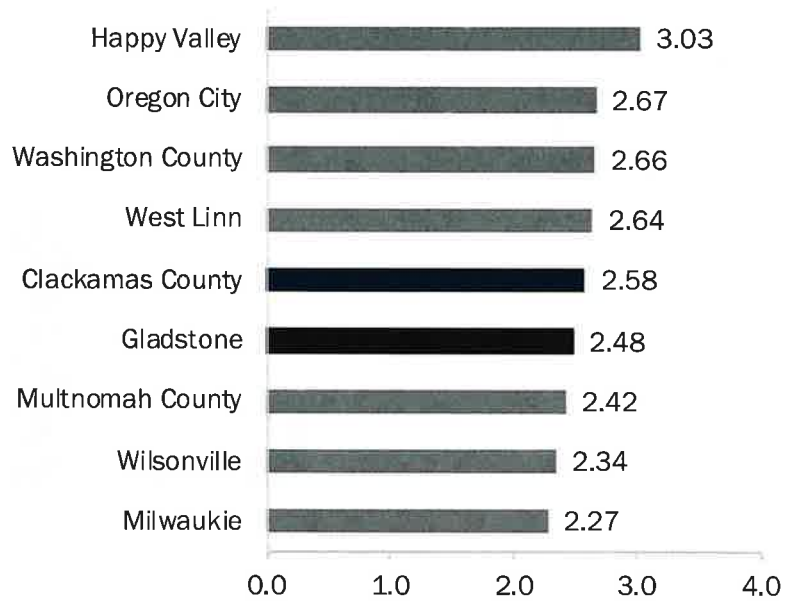


## Household Size and Composition

**In the 2013–2017 period, Gladstone’s average household size was similar to that of Clackamas and Multnomah Counties.**

**Exhibit 32. Average Household Size, 2013–2017**

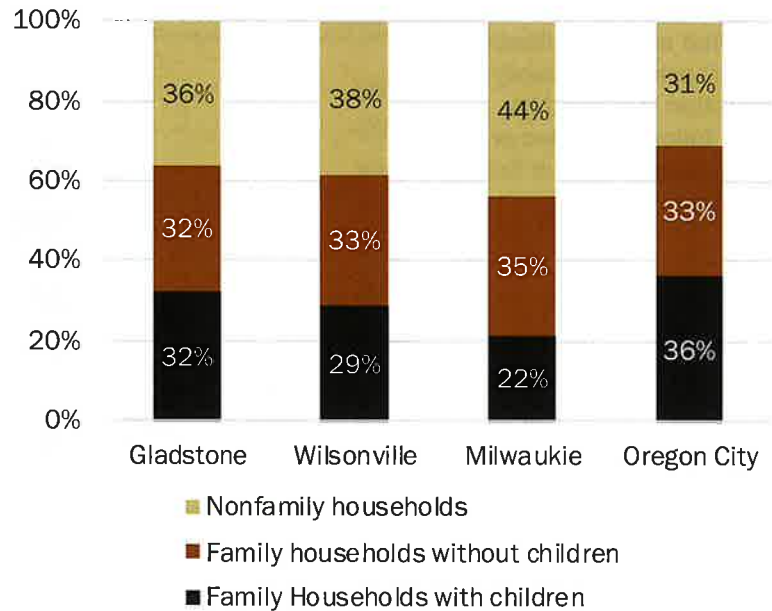
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B25010.



**About 36% of Gladstone’s households were nonfamily households (e.g., single-person households and households composed of unrelated roommates).**

**Exhibit 33. Household Composition, Gladstone, Wilsonville, Milwaukie, Oregon City, 2012–2016**

Source: U.S. Census Bureau, 2012–2016 ACS 5-year estimate, Table DP02.



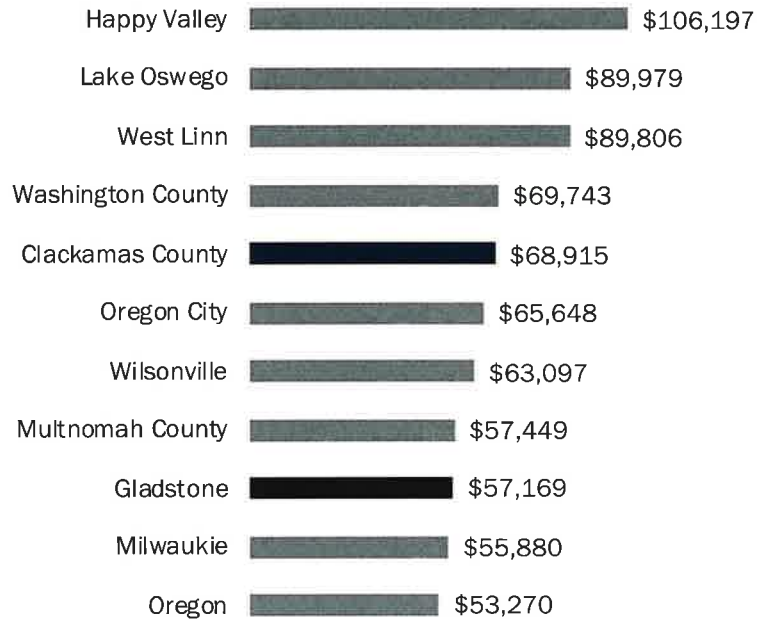
## Income of Residents

**In the 2012–2016 period, Gladstone’s median household income (MHI) was \$57,169.**

**While Gladstone’s MHI exceeded the statewide MHI by about \$4,000, the city’s MHI was lower than Clackamas County’s MHI.**

**Exhibit 34. Median Household Income, 2012–2016**

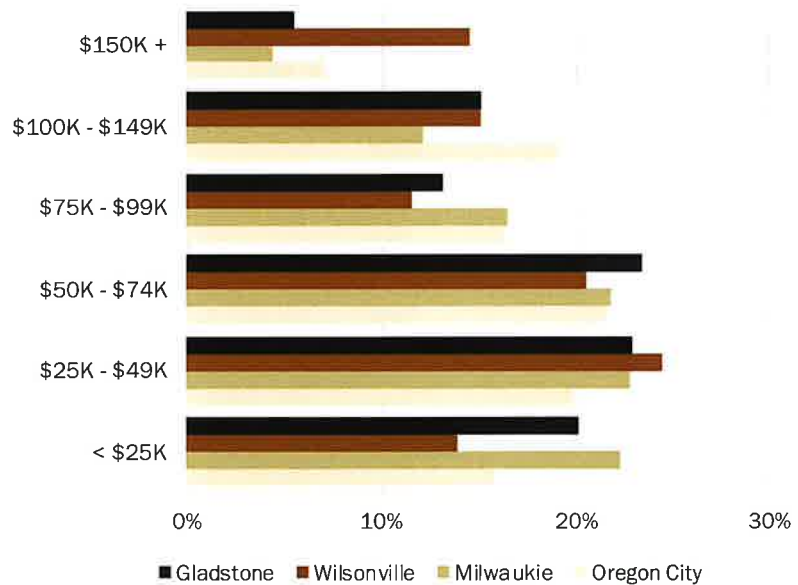
Source: U.S. Census Bureau, 2012–2016 ACS 5-year estimate, Table B25119.



**About 43% of Gladstone’s households earned less than \$50,000 in the 2012–2016 period. Another 36% of households earned between \$50,000 and \$100,000, and 21% of households earned more than \$100,000.**

**Exhibit 35. Household Income, Gladstone, Wilsonville, Milwaukie, Oregon City, 2012–2016**

Source: U.S. Census Bureau, 2012–2016 ACS 5-year estimate, Table B19001.



## Commuting Trends

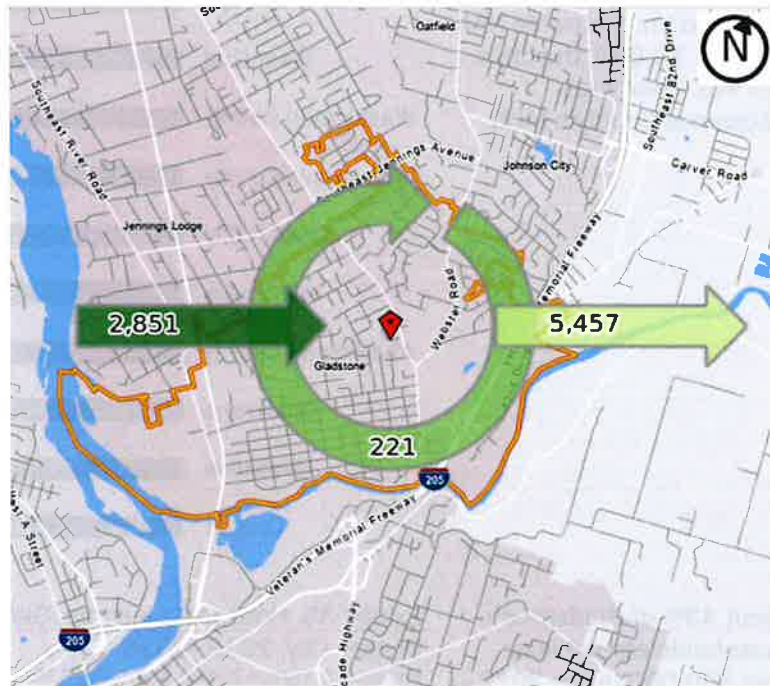
Each jurisdiction is part of the complex, interconnected economy of Clackamas County and the greater Portland region.

### Gladstone is part of an interconnected regional economy.

More than 2,800 people commuted into Gladstone for work, and nearly 5,500 people living in Gladstone commuted out of Gladstone for work. About 221 people both live and work in the city.

Exhibit 36. Commuting Flows, Gladstone, 2015

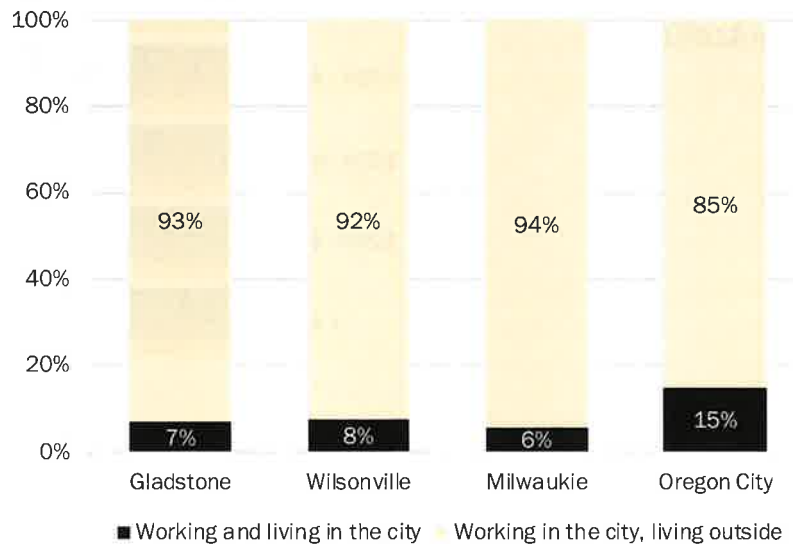
Source: U.S. Census Bureau, Census On the Map.



### Less than 10% of people both lived and worked in Gladstone.

Exhibit 37. Commuting Flows of People Who Live and/or Work in Gladstone, Wilsonville, Milwaukie, Oregon City, 2015

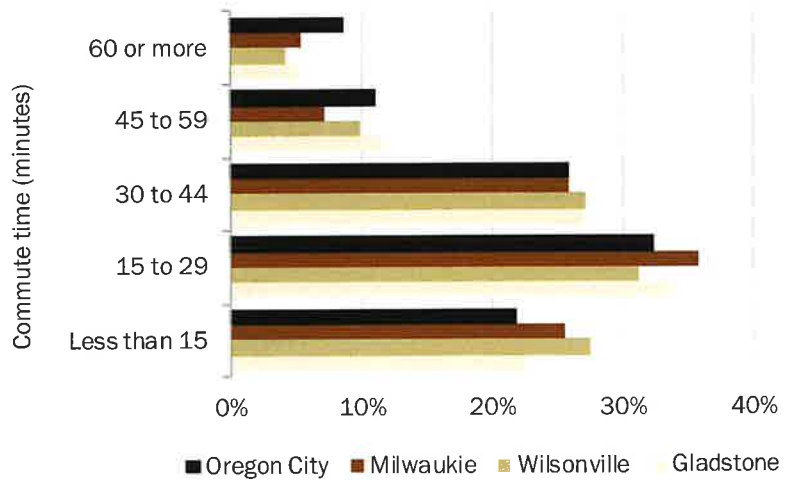
Source: U.S. Census Bureau, Census On the Map.



**The majority of Gladstone residents had a commute time of less than 30 minutes.**

**Exhibit 38. Commute Time by Place of Residence, Gladstone, Wilsonville, Milwaukie, Oregon City, 2012–2016**

Source: U.S. Census Bureau, 2012–2016 ACS 5-year estimate, Table B08303.

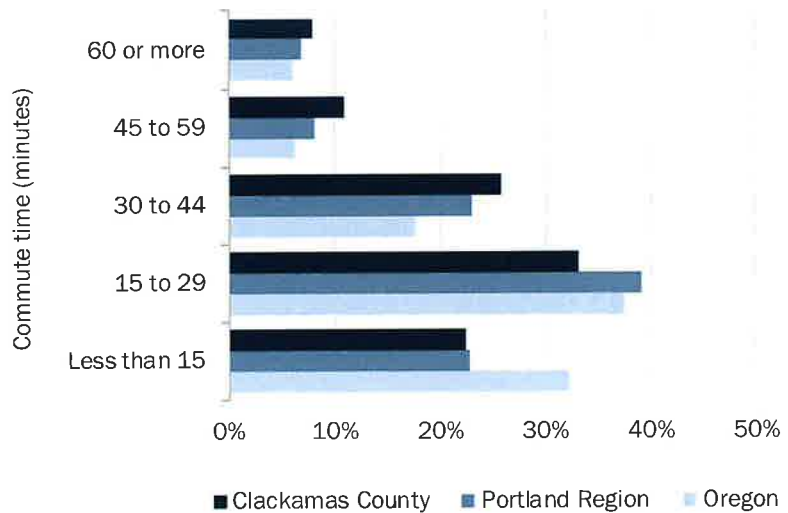


**The majority of residents in Clackamas County, the Portland region, and Oregon had a commute time that took less than 30 minutes.**

In Clackamas County, 56% of residents had a commute time of less than 30 minutes, compared to 62% for the Portland region and 70% for Oregon.

**Exhibit 39. Commute Time by Place of Residence, Clackamas County, Portland Region, Oregon, 2012–2016**

Source: U.S. Census Bureau, 2012–2016 ACS 5-year estimate, Table B08303.



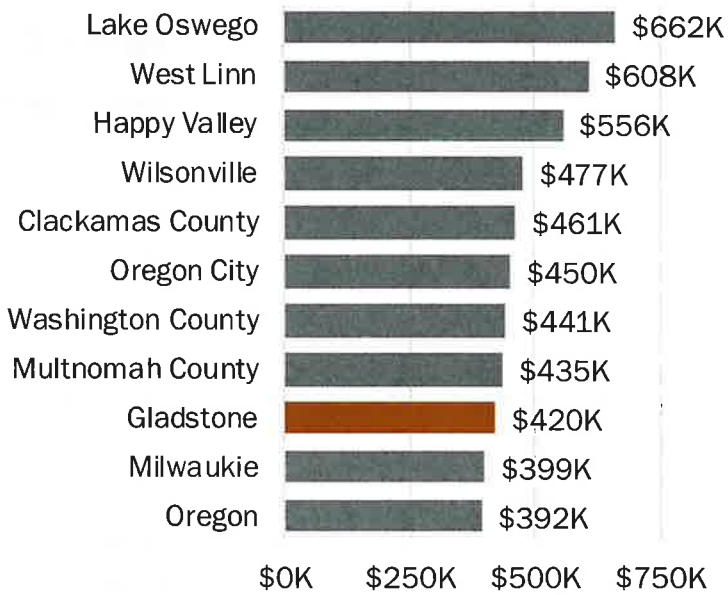
# Regional and Local Trends Affecting Housing Affordability

This section describes changes in sales prices, rents, and housing affordability by jurisdiction.

## Changes in Housing Costs

**In June 2020, Gladstone's median home sales price was \$420,000, about \$28,000 above the statewide median.**

**Exhibit 40. Median Home Sale Price, June 2020**  
Source: Redfin.



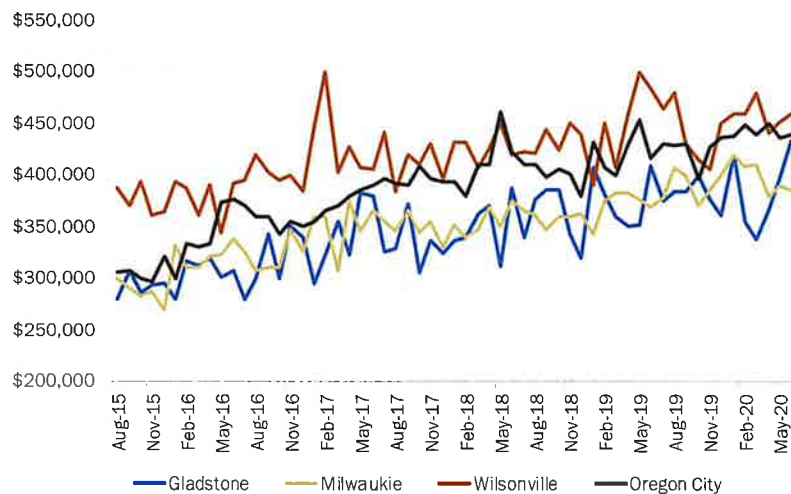
**Median home sales prices in Gladstone have increased since August of 2015.**

In June of 2020, Gladstone had a median home sales price of \$420,000.

Between August 2015 and June 2020, housing sales prices increased by \$145,000 (or 53%) in Gladstone.

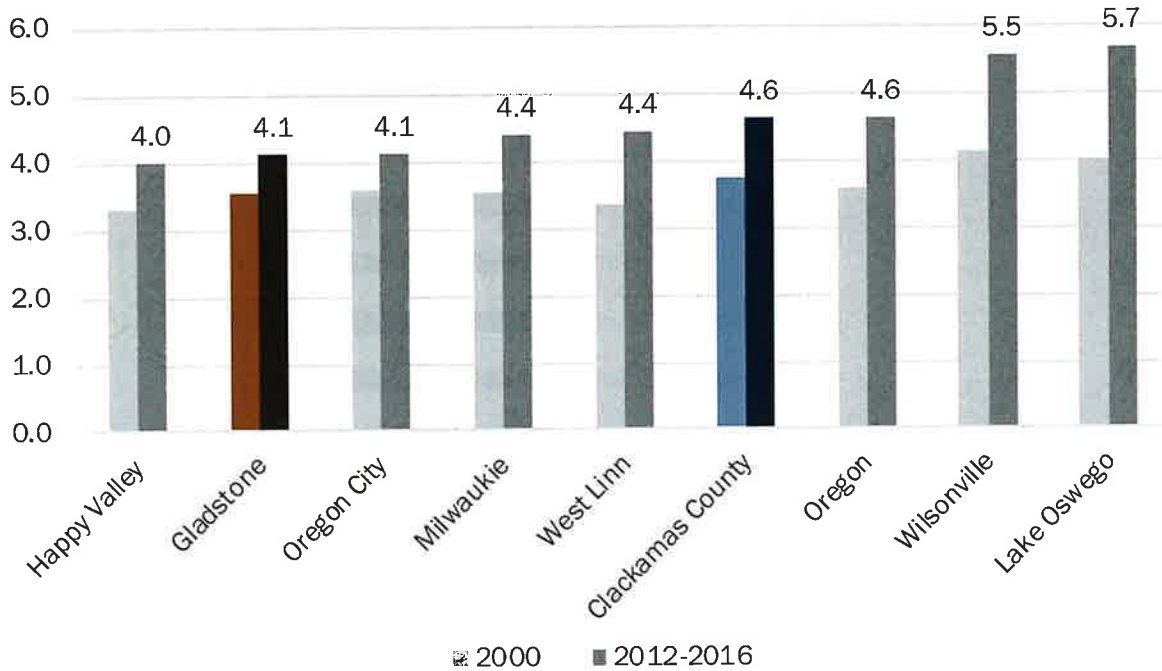
In comparison, sales prices increased by \$92,000 in Wilsonville, \$111,000 in Milwaukie, and \$120,000 in Oregon City.

**Exhibit 41. Median Sales Price, Gladstone, Wilsonville, Milwaukie, Oregon City, August 2015–June 2020**  
Source: Redfin.



Since 2000, housing costs in nearly all Clackamas County geographies increased faster than incomes. In the 2012–2016 period, Gladstone had a similar ratio for home price to income as Happy Valley and Oregon City. Lake Oswego had the highest housing-to-income ratio. In Gladstone, median home values were 4.1 times larger than median household incomes, compared to 3.6 in 2000.

Exhibit 42. Ratio of Median Housing Value to Median Household Income, 2000 to 2012–2016<sup>29</sup>  
 Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2012–2016 ACS, Tables B19013 and B25077.



<sup>29</sup> This ratio compares the median value of housing in Clackamas County (and other places) to the median household income.



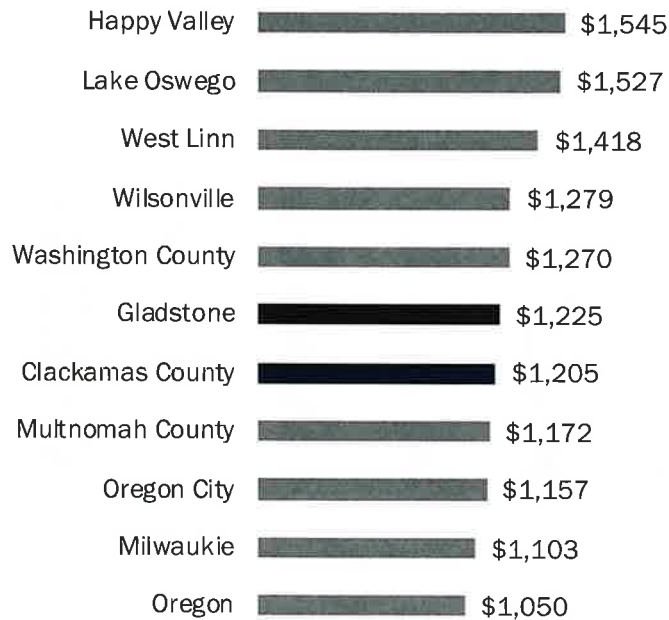
## Rental Costs

The median gross rent in Gladstone was **\$1,225** for the 2014–2018 period.

Rent in Gladstone was **\$175** above Oregon’s median gross rent of **\$1,050**.

Exhibit 43. Median Gross Rent, Gladstone, Clackamas County, and Cities within the County, Multnomah County, Washington County, and Oregon, 2014–2018

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

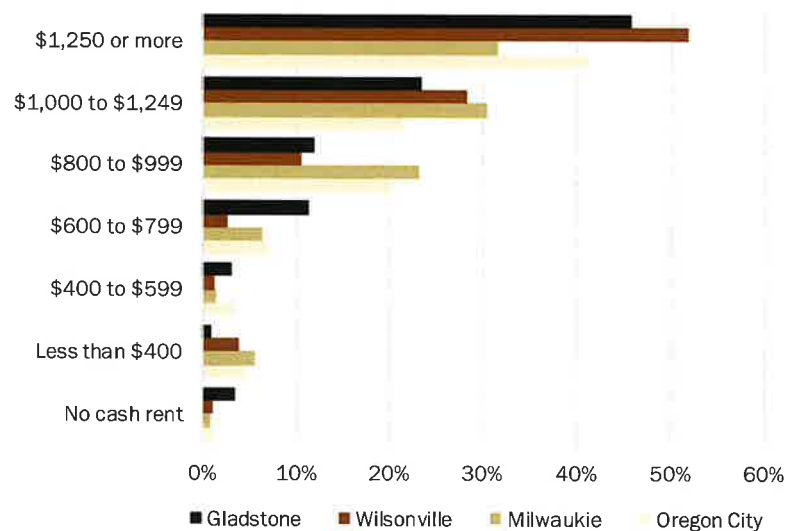


In Gladstone, the majority of renters paid more than **\$800** in rent per month.

About 46% of Gladstone renters paid **\$1,250** or more in monthly rent.

Exhibit 44. Gross Rent, Gladstone, Wilsonville, Milwaukie, Oregon City, 2014–2018

Source: U.S. Census Bureau, 2012–2016 ACS Table B25063.

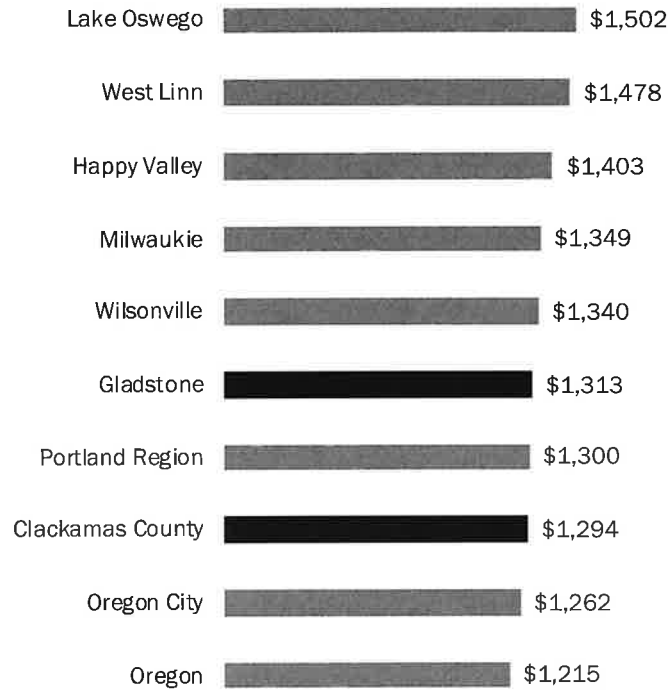




**In 2019, Gladstone's average effective multifamily rent was similar to that of the Portland region.**

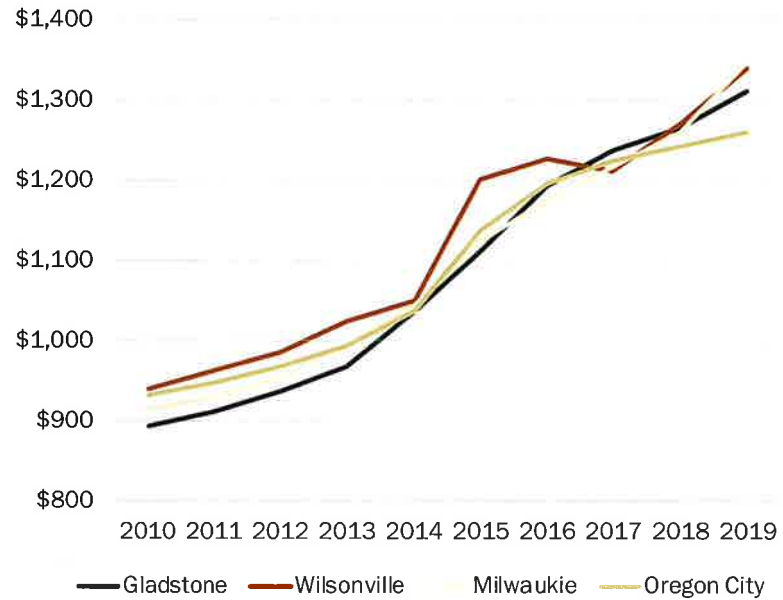
**Exhibit 45. Average Effective Multifamily Rent, Gladstone and Comparison Areas, 2019**

Source: Costar.



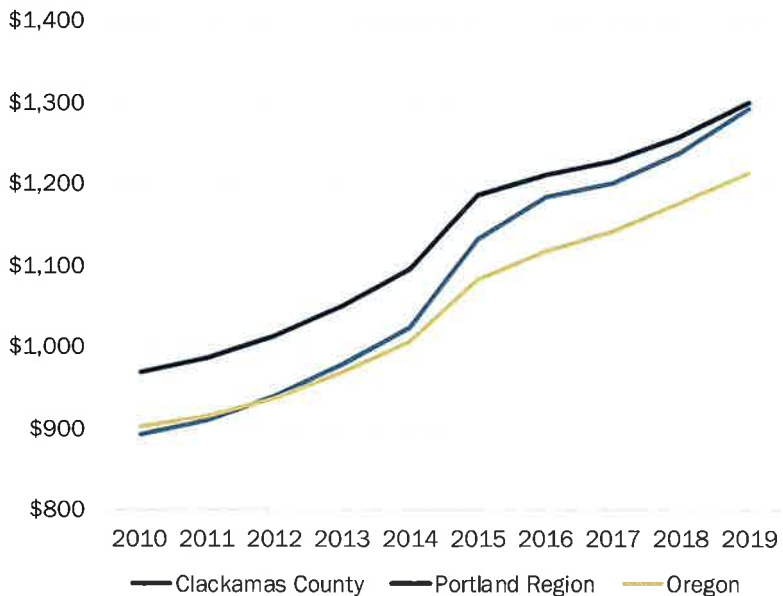
From 2010 to 2019, the average effective rent per unit grew from \$895 to \$1,313 in Gladstone (47% increase).

Exhibit 46. Average Effective Multifamily Rent, Gladstone, Wilsonville, Milwaukie, Oregon City, 2010 through 2019  
Source: Costar.



From 2010 to 2019, the average effective rent per unit went from \$894 to \$1,294 (a 45% increase) in Clackamas County, \$969 to \$1,300 in the Portland region, and \$902 to \$1,215 in Oregon.

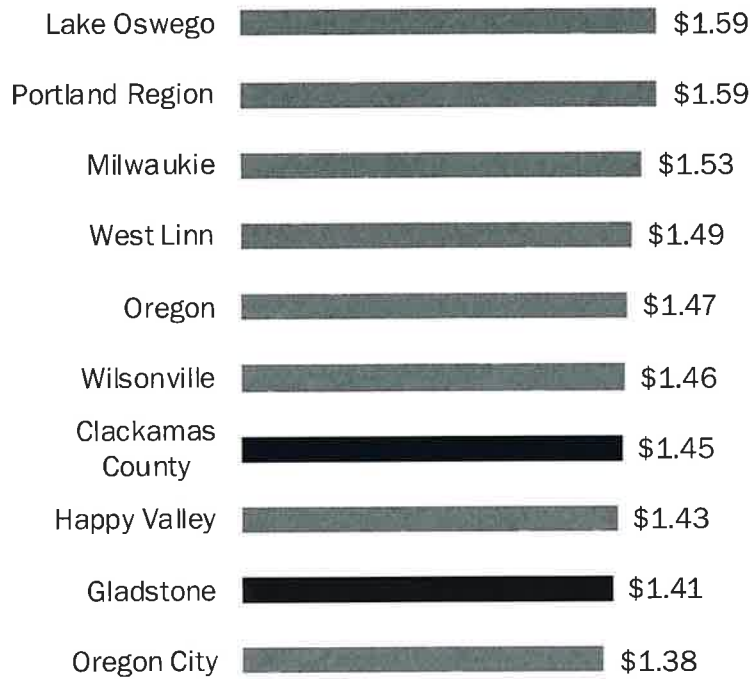
Exhibit 47. Average Effective Multifamily Rent, Clackamas County, Portland Region, and Oregon, 2010 through 2019  
Source: Costar.



**In 2019, Gladstone had one of the lowest average effective multifamily rents per square foot relative to comparison areas (at \$1.41 per square foot).**

**Exhibit 48. Average Effective Multifamily Rent per Square Foot, Gladstone and Comparison Areas, 2019**

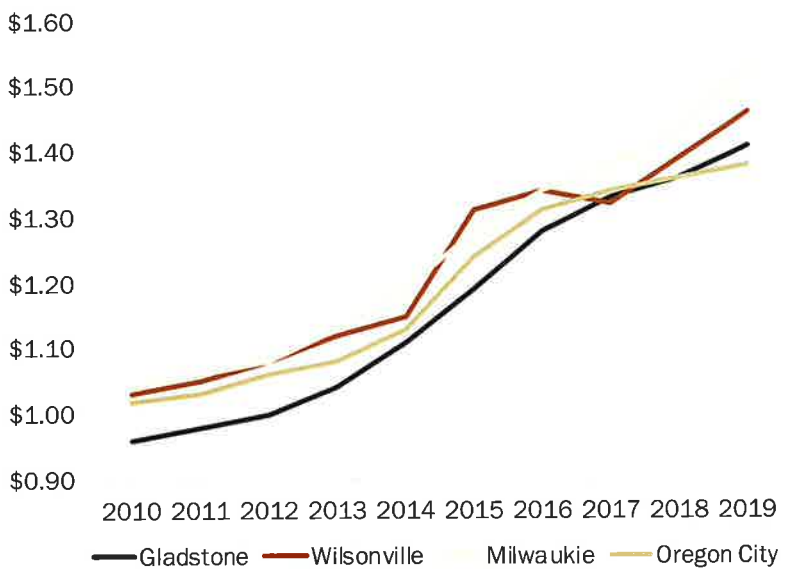
Source: Costar.



**From 2010 to 2019, the average effective rent per square foot increased from \$0.96 to \$1.41 in Gladstone (an 47% increase).**

**Exhibit 49. Average Effective Multifamily Rent per Square Foot, Gladstone, Wilsonville, Milwaukie, Oregon City, 2010 through 2019**

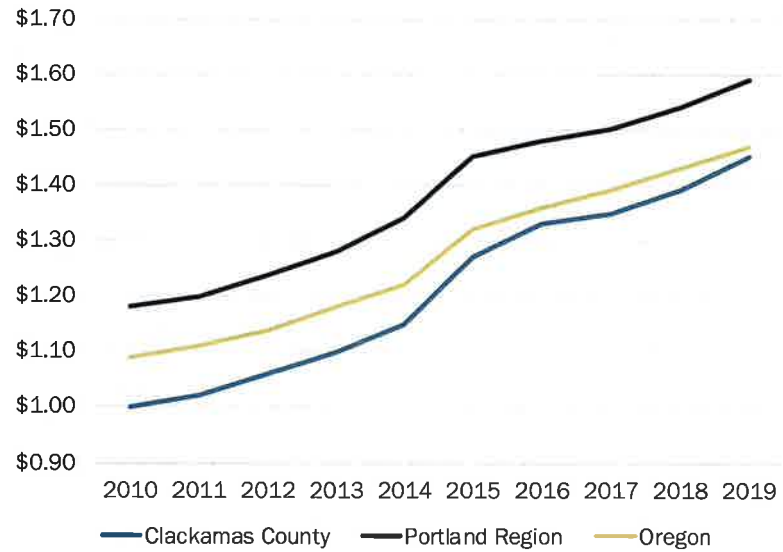
Source: Costar.



From 2010 to 2019, the average effective rent per square foot increased from \$1.00 to \$1.45 (an 45% increase) in Clackamas County, \$1.18 to \$1.59 in the Portland region, and \$1.09 to \$1.47 in Oregon.

Exhibit 50. Average Effective Multifamily Rent per Square Foot, Clackamas County, Portland Region, Oregon, 2010 through 2019

Source: Costar.



## Housing Affordability

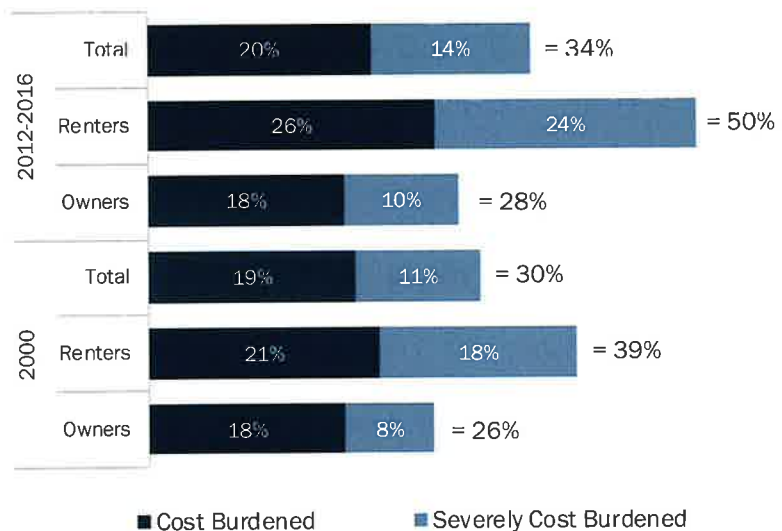
A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households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

**In Clackamas County, renters are much more likely to be cost burdened than homeowners.**

The share of total households (both renters and homeowners) who were cost burdened or severely cost burdened in Clackamas County rose from 30% in 2000 to 34% in 2012-2016.

Exhibit 51. Housing Cost Burden by Tenure, Clackamas County, 2000 and 2012-2016

Source: U.S. Census Bureau, 2000 Census Table H069, 2012-2016 ACS Tables B25091 and B25070.

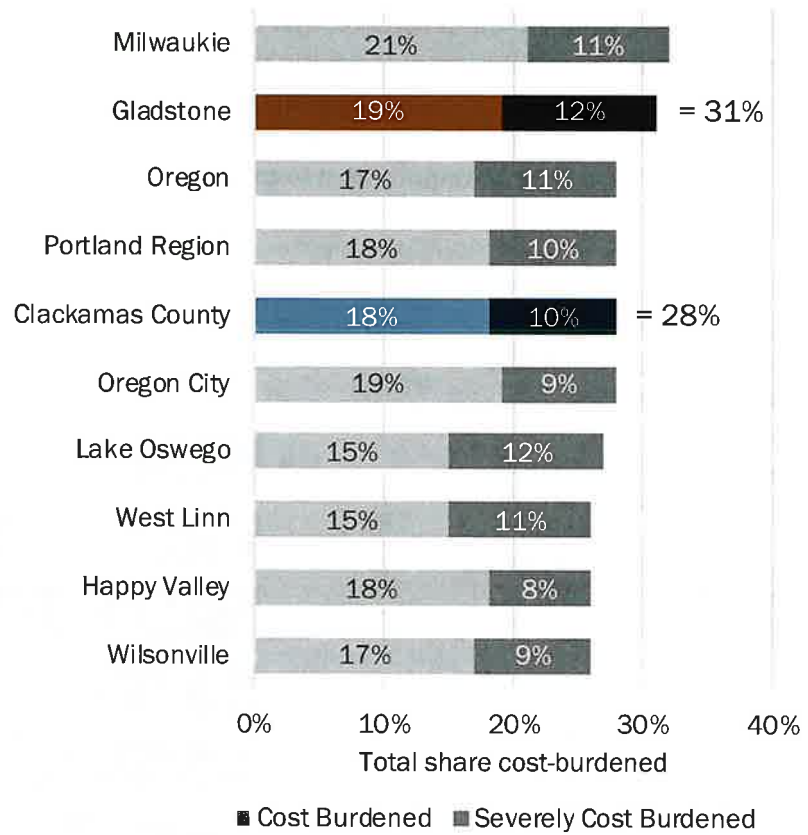


**Gladstone had one of the highest relative shares of cost-burdened homeowner households.**

In the 2012–2016 period, homeowners accounted for 60% of Gladstone’s households. In this time, 31% of these households were cost burdened or severely cost burdened.

**Exhibit 52. Cost-Burden Rates for Homeowner Households, Gladstone and Comparison Areas, 2012–2016**

Source: U.S. Census Bureau, 2012–2016 ACS Table B25091.

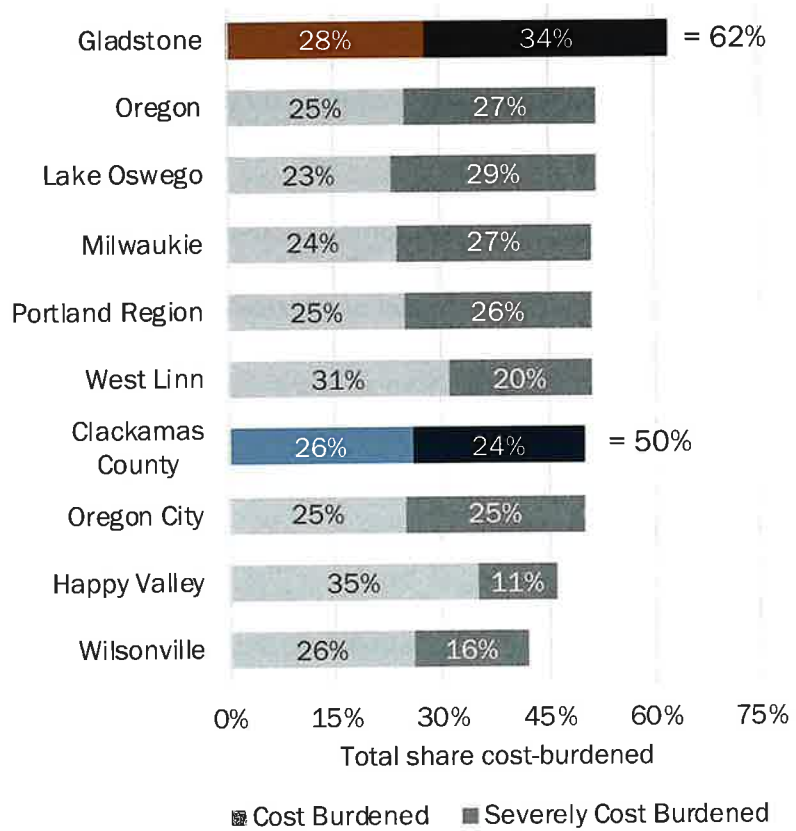


**In the 2012–2016 period, Gladstone had the highest relative share of cost-burdened renter households.**

In the 2012–2016 period, renters accounted for 40% of Gladstone’s households. In this time, 62% of these renter households were cost burdened or severely cost burdened.

**Exhibit 53. Cost-Burden Rates for Renter Households, Gladstone and Comparison Areas, 2012–2016**

Source: U.S. Census Bureau, 2012–2016 ACS Table B25070.



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

- A household is defined as cost burdened if the household’s housing costs exceed 30% of the household’s income. The remaining 70% of income is expected to be spent on nondiscretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household’s ability to pay for necessary nondiscretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household’s accumulated wealth. For example, a household of retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost-burden indicator.

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

**Fair Market Rent for a 2-bedroom apartment in Clackamas County is \$1,495.**

Exhibit 54. HUD Fair Market Rent (FMR) by Unit Type, Clackamas County,<sup>30</sup> 2020

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

<b>\$1,192</b>	<b>\$1,289</b>	<b>\$1,495</b>	<b>\$2,157</b>	<b>\$2,625</b>
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

**A household must earn at least \$28.75 per hour to afford a 2-bedroom unit in Clackamas County.**

Before taxes, a full-time job at \$28.75 per hour is an annual salary of \$59,800.

Exhibit 55. Affordable Housing Wage, Clackamas County, 2020

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

**\$28.75/hour**

Affordable Housing Wage for two-bedroom Unit in Clackamas County

<sup>30</sup> HUD reports 2018 fair market rents and median family income from the Portland-Vancouver-Beaverton MSA for Clackamas County.



A Clackamas County household earning the median family income (MFI) of \$92,100 can afford \$2,300 in monthly rent or a home roughly valued between \$322,000 and \$368,000. A four-person household must earn nearly \$60,000 per year or 65% of MFI to afford the monthly rent on a two-bedroom apartment at Fair Market Rent of \$1,495.

Exhibit 56. Financially Attainable Housing, by Median Family Income (MFI) for Clackamas County (\$92,100), Clackamas County, 2020

Source: U.S. Department of Housing and Urban Development 2020. U.S. Census Bureau, 2014–2018 ACS Table 19001. Note: MFI is Median Family Income, determined by HUD for Clackamas County.



**Gladstone’s households were relatively distributed across the income spectrum.**

About 22% of Gladstone’s existing households earned less than 30% of median family income (MFI) and can afford monthly rents of about \$690 or below.

About 49% of Gladstone households earn less than \$60,000, the income needed to afford a 2-bedroom apartment at Fair Market Rent.

**Exhibit 57. Share of Existing Households, by Median Family Income (MFI) for Clackamas County (\$92,100), Gladstone, 2014–2018**

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. U.S. Census Bureau, 2014–2018 ACS Table 19001.

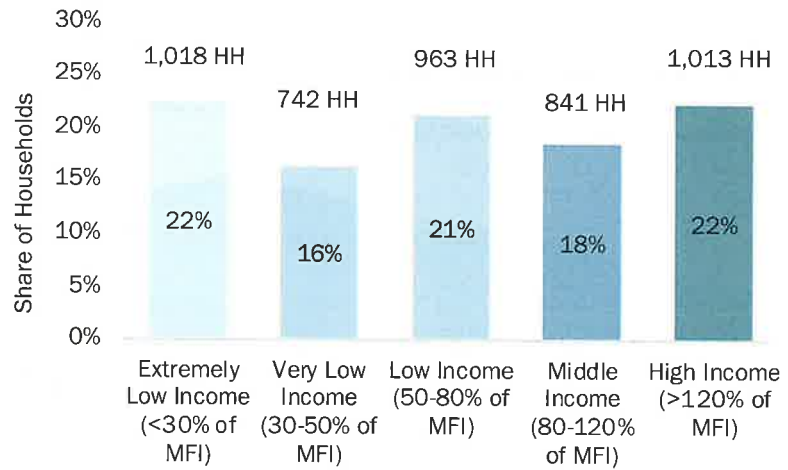


Exhibit 58 shows that Gladstone currently has a deficit of housing affordable to households earning less than \$35,000 per year. The housing types that Gladstone has a deficit of are more affordable housing types such as apartments, duplexes, triplexes, quadplexes, manufactured housing, town homes, and smaller single-family housing (e.g., small lots, cottages, etc.). About 418 high-income households in Gladstone are renting or buying down by occupying housing that costs less than what they can technically afford.

Exhibit 58. Affordable Housing Costs and Units by Income Level, Gladstone, 2020

Source: U.S. Census Bureau, 2014–2018 ACS. Note: MFI is Median Family Income, determined by HUD for the Portland MSA.



\*Median Family Income for a family of four

**Implication 1**

Some lower-income households live in housing that is more expensive than they can afford because affordable housing is not available. These households are cost-burdened.

**Implication 2**

Some higher-income households choose housing that costs less than they can afford. This may be the result of the household's preference or it may be the result of lack of higher-cost and higher-amenity housing that would better suit their preferences.

# 5. Housing Need in Gladstone

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## Project New Housing Units Needed in the Next Twenty Years

The results of the Housing Needs Analysis are based on (1) Metro’s official household forecast for growth in Gladstone over the twenty-year planning period, (2) information about Gladstone’s housing market relative to Clackamas County and the Portland region, and (3) the demographic composition of Gladstone’s existing population and expected long-term changes in the demographics of Clackamas County.

### Forecast for Housing Growth

A twenty-year household forecast (in this instance for 2021 to 2041) is the foundation for estimating the number of new dwelling units needed. The forecast for Gladstone is based on Metro’s 2040 Household Distributed Forecast, 2016. Gladstone city limits will grow from 4,573 households in 2021<sup>31</sup> to 4,894 households in 2041, an increase of 321 households.<sup>32</sup>

**Gladstone will have demand for 321 new dwelling units over the 20-year period, with an annual average of 16 dwelling units.**

Exhibit 59. Forecast of Demand for New Dwelling Units, Gladstone City Limits, 2021 to 2041

Source: Metro's 2040 Household Distributed Forecast, July 12, 2016. Calculations by ECONorthwest.

Variable	New Dwelling Units (2021-2041)
Household Forecast 2021	4,573
Household Forecast 2041	4,894
<b>Total New Dwelling Units (2021-2041)</b>	<b>321</b>
<b>Annual Average of New Dwelling Units</b>	<b>16</b>

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<sup>31</sup> Metro’s 2040 Household Distributed Forecast shows that in 2015 the Gladstone city limits had 4,481 households. The Metro forecast shows Gladstone growing to 4,877 households in 2040, an average annual growth rate of 0.34% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2021 (4,573 households) and 2041 (4,894 households).

<sup>32</sup> This forecast is based on the Gladstone city limit official household forecast from Metro for the 2021 to 2041 period.

## Housing Units Needed

Exhibit 59 and Exhibit 60 presents a forecast of new housing in Gladstone's city limits for the 2021 to 2041 period. This section determines the mix and density needed to meet State requirements (OAR 660-007) and meet the housing needs of Gladstone residents.

The preliminary conclusion for Gladstone is that, over the next twenty years, the need for new housing developed in Gladstone will generally include a wider range of housing types and housing that is more affordable. This conclusion is based on the following findings:

- Gladstone's housing mix, like Clackamas County's, is predominately single-family detached. In the 2014–2018 period, 72% of Gladstone's housing was single-family detached (including manufactured housing), 4% was single-family attached, and 24% was multifamily. In comparison, the mix of housing for the entire Portland region was 63% single-family detached, 5% single-family attached, and 32% multifamily (2013–2017).
- Demographic changes in Gladstone (and across the Portland region) suggest increases in demand for single-family attached housing and multifamily housing. The key demographic trends that will affect Gladstone's future housing needs are:
  - The aging of the baby boomers. In 2012–2016, 22% of Gladstone's population was over 60 years old. Between 2020 and 2040, the share of people over 60 years old is expected to stay relatively constant in Clackamas County, from 26% of the population to 27% of the population.<sup>33</sup> While the aging of baby boomers may have a smaller impact in Gladstone than other cities in the county because Gladstone has a smaller share of people over 60 years of age, the City will be affected by retirement and changing housing needs of baby boomers. For example, as these older residents' household size decreases, some may choose to downsize to smaller homes, while others may be unable to stay in their current homes because of health or other issues.
  - The aging of the millennials. In 2012–2016, 24% of Gladstone's population was between 20 and 40 years old. Between 2020 and 2040, millennials are expected to grow from 23% of Clackamas County's population to 21% of the population, a decrease of 2% in the share of the population.<sup>34</sup> Despite this forecasted trend, homeownership rates for millennials will increase as millennials continue to form their own households. Gladstone has a proportionate share of millennials to the county. As a result, the City may have increased demand for relatively affordable housing types, for both ownership and rent, over the planning period.
  - The continued growth in Latinx populations. From 2000 to the 2012–2016 period, the share of Gladstone's Latinx population increased from 6% to 11% of the population, an increase of 5% in the share of the population. In the same time, the share of Latinx

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<sup>33</sup> Population Research Center, Portland State University, June 30, 2017.

<sup>34</sup> Population Research Center, Portland State University, June 30, 2017.

households increased by 3% in Clackamas County and 4% in the Portland region. Continued growth in Latinx households will increase the need for larger units (to accommodate larger, sometimes multigenerational households) and relatively affordable housing.

- Gladstone households have, on average, lower incomes than the Portland region. Gladstone’s median household income was \$57,169, about \$12,000 lower than Clackamas County’s median (2012–2016). In that time, approximately 43% of Gladstone households earned less than \$50,000 per year.
- About 44% of Gladstone’s households are cost burdened (paying 30% or more of their household income on housing costs).<sup>35</sup> About 63% of Gladstone’s renters are cost burdened and about 31% of Gladstone’s homeowners are cost burdened.
- About 40% of Gladstone’s households are renters, 59% of whom live in multifamily housing. Median rents in Gladstone are \$1,225 per month, which are comparable to the \$1,205 median rent for Clackamas County as a whole. A household must earn \$44,100 to afford a monthly rent of \$1,225 per month without cost burdening themselves. In the 2014–2018 period, about 38% of Gladstone’s households earned less than \$44,100 and about 24% of Gladstone’s housing stock was multifamily. The existing share of multifamily units may constrain opportunities to rent in Gladstone.
- Housing sales prices increased in Gladstone over the last three years, but at a slower rate than the entire county. From February 2018 to February 2020, the median housing sales price increased by \$43,900 (13%), from \$344,900 to \$388,800.<sup>36</sup>
- A household earning about 60% of Gladstone’s median household income (\$55,260) could afford a home valued between about \$165,700 and \$193,400, which is less than the median home sales price of about \$420,000 in Gladstone.<sup>37</sup>

These factors suggest that Gladstone needs a broader range of housing types with a wider range of price points than are currently available in Gladstone’s housing stock. This includes providing opportunity for the development of housing types such as smaller single-family detached housing (e.g., cottages or small-lot single-family detached units), town houses, duplexes, triplexes, and quadplexes, and small to midsized apartment buildings.

Exhibit 60 presents a forecast for housing growth in the Gladstone city limits during the 2021 to 2041 period. The projection is based on the following assumptions:

- Metro’s population growth forecast for Gladstone shows that the population will increase by 321 households over the twenty-year period.

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<sup>35</sup> The Department of Housing and Urban Development’s guidelines indicate that households paying 30% or more of their income on housing experience “cost burden” and households paying more than 50% of their income on housing experience “severe cost burden.”

<sup>36</sup> Redfin.

<sup>37</sup> Redfin.

- The assumptions about the mix of housing in Exhibit 60 are consistent with the requirements of OAR 660-007<sup>38</sup>:
  - **40% of new housing will be single-family detached housing, including manufactured housing.** According to 2014–2018 ACS data from the U.S. Census, 72% of Gladstone’s housing was single-family detached.
  - **10% of new housing will be single-family attached.** In 2014–2018, 4% of Gladstone’s housing was single-family attached.
  - **10% of new housing will be duplexes, triplexes, or quadplexes.** In 2014–2018, 5% of Gladstone’s housing was multifamily housing with two to four units per structure.
  - **40% of new housing will be multifamily.** In 2014–2018, 19% of Gladstone’s housing was multifamily housing with five or more units per structure.

This change in housing mix for housing developed over the twenty-year planning period will provide more opportunity for the development of rental housing, as well as continued development of owner-occupied housing.

**Gladstone will have demand for 321 new dwelling units over the 20-year period, 50% of which are forecast to be single-family detached housing.**

Exhibit 60. Forecast of Demand for New Dwelling Units, Gladstone City Limits, 2021 to 2041  
Source: Calculations by ECONorthwest.

Variable	Mix of New Dwelling Units (2021-2041)
Needed new dwelling units (2021-2041)	321
Dwelling units by structure type	
<b>Single-family detached</b>	
Percent single-family detached DU	40%
<i>equals</i> Total new single-family detached DU	128
<b>Single-family attached</b>	
Percent single-family attached DU	10%
<i>equals</i> Total new single-family attached DU	32
<b>Duplex, Triplex, Quadplex</b>	
Percent duplex, triplex, quadplex DU	10%
Total new duplex, triplex, quadplex DU	32
<b>Multifamily (5+ units)</b>	
Percent multifamily DU (5+ units)	40%
Total new multifamily DU (5+ units)	129
<b>Total new dwelling units (2021-2041)</b>	<b>321</b>

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; it assumes they will be replaced at the same site and will not create additional demand for residential land.

<sup>38</sup> OAR 660-007-0030(1) requires that most Metro cities “provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing.”

Exhibit 61 allocates housing to plan designations in Gladstone. The allocation is based, in part, on the types of housing allowed in the zones of each plan designation.<sup>39</sup> Exhibit 61 shows:

- **Low Density Residential (R-7.2)** land will accommodate new single-family detached housing (including manufactured houses) and two-family dwellings (including duplexes and two single-family attached homes) on a collector or minor arterial street.
- **Medium Density Residential (R-5)** land will accommodate new single-family detached housing, including manufactured housing and mobile home parks.<sup>40</sup>
- **High Density Residential (MR)** land will accommodate two-family dwellings (including duplexes),<sup>41</sup> single-family attached housing, and multifamily housing.

Exhibit 61. Allocation of Housing by Type and Plan Designation, Gladstone City Limits, 2021 to 2041  
Source: ECONorthwest.

Housing Type	Residential Plan Designations			Total
	Low Density	Medium Density	High Density	
Dwelling Units				
Single-family detached	80	48	-	128
Single-family attached	6	13	13	32
Duplex, Triplex, Quadplex	10	13	9	32
Multifamily (5+ units)	-	26	103	129
<b>Total</b>	<b>96</b>	<b>100</b>	<b>125</b>	<b>321</b>
Percent of Units				
Single-family detached	25%	15%	0%	40%
Single-family attached	2%	4%	4%	10%
Duplex, Triplex, Quadplex	3%	4%	3%	10%
Multifamily (5+ units)	0%	8%	32%	40%
<b>Total</b>	<b>30%</b>	<b>31%</b>	<b>39%</b>	<b>100%</b>

<sup>39</sup> Note: Gladstone's Development Code does not specifically address town homes (single-family attached housing). Depending on the number of attached units, single-family attached housing would be allowed where duplexes, triplexes, or multifamily housing are allowed.

<sup>40</sup> Minimum area for mobile home parks is one acre.

<sup>41</sup> Due to density standards, duplexes do not typically meet the minimum density requirements of this district.



The Housing Needs Analysis will need to convert from needed housing units (Exhibit 60) to acres of land. The analysis does this based on assumptions about future development densities (dwelling units per acre). Exhibit 62 presents this forecast of future housing density based on historical densities in Gladstone for the 2000 to 2020 period from Exhibit 12. In addition, Exhibit 62 converts between net acres and gross acres<sup>42</sup> to account for land needed for rights-of-way by plan designation in Gladstone, based on Metro’s methodology of existing rights-of-way.<sup>43</sup>

- **Low Density Residential:** Average density in this plan designation was historically 5.2 dwelling units per gross acre on tax lots smaller than 0.38 acres, with the assumption that no additional land is needed for rights-of-ways based on Metro’s assumptions. For lots between 0.38 and 1.0 acres the future density will be 4.7 dwelling units per gross acre, and for lots larger than 1.0 acres the future density will be 4.2 dwelling units per gross acre.
- **Medium Density Residential:** Average density in this plan designation was historically 8.9 dwelling units per gross acre on tax lots smaller than 0.38 acres, and no land is needed for rights-of-ways based on Metro’s assumptions. For lots between 0.38 and 1.0 acres the future density will be 8.0 dwelling units per gross acre, and for lots larger than 1.0 acres the future density will be 7.2 dwelling units per gross acre.
- **High Density Residential:** Average density in this plan designation was historically 24.9 dwelling units per gross acre on tax lots smaller than 0.38 acres, and no land is needed for rights-of-ways based on Metro’s assumptions. For lots between 0.38 and 1.0 acres the future density will be 20.8 dwelling units per gross acre, and for lots larger than 1.0 acres the future density will be 24.0 dwelling units per gross acre.

Exhibit 62. Future Housing Densities<sup>44</sup> and Land for Rights-of-Way, Gladstone City Limits

Source: ECONorthwest. Note: DU is dwelling unit.

Residential Plan Designation	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre		
	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)
Low Density	5.2	0%	5.2	5.2	10%	4.7	5.2	18.5%	4.2
Medium Density	8.9	0%	8.9	8.9	10%	8	8.9	18.5%	7.2
High Density	24.9	0%	24.9	23.1	10%	20.8	29.4	18.5%	24.0

<sup>42</sup> OAR 660-024-0010(6) uses the following definition of net buildable acre. Net Buildable Acre “consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.” While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

<sup>43</sup> Metro’s methodology about net-to-gross assumptions are that (1) tax lots under 3/8 acre assume a 0% set aside for future streets, (2) tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets, and (3) tax lots greater than an acre assume an 18.5% set aside for future streets. The analysis assumes an 18.5% assumption for future streets.

<sup>44</sup> Housing net densities derive from an analysis of RLIS data for Gladstone for the 2000 to 2019 period. ECONorthwest modified some net densities to enable a more representative housing density target for the low-

## Housing Need by Income Level

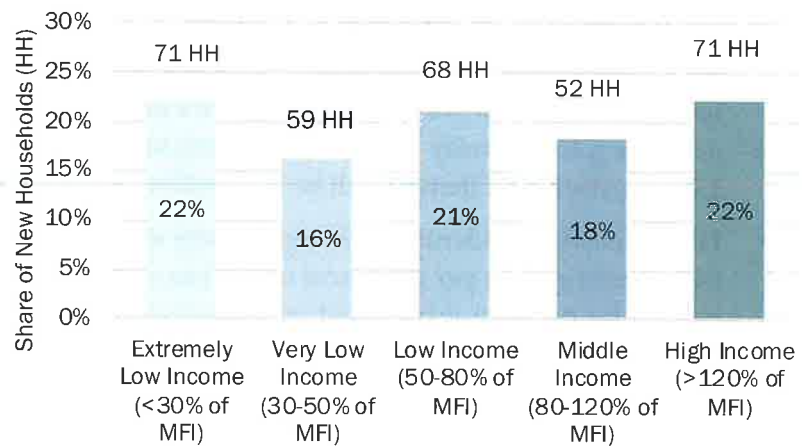
The next step in the Housing Needs Analysis is to develop an estimate of need for housing by income and housing type. Exhibit 63 presents an estimate of the income distribution of future households. It was based on American Community Survey income data for existing households in Gladstone. Income was categorized into market segments consistent with HUD income level categories, using Clackamas County’s 2020 median family income (MFI) of \$92,100. The analysis assumes that approximately the same percentage of households will be in each market segment in the future.<sup>45</sup>

**About 38% of Gladstone’s future households will have income below 50% of Clackamas County’s MFI (\$46,050 or less).**

This trend shows a need for affordable housing types, such as government-subsidized affordable housing, manufactured homes, apartments, town homes, duplexes, and small single-family homes.

Exhibit 63. Future (New) Households, by Median Family Income (MFI) for Clackamas County (\$92,100), Gladstone, 2021 to 2041

Source: U.S. Department of Housing and Urban Development, Median Family Incomes, 2020. U.S. Census Bureau, 2014–2018 ACS, Table 19001.



density and medium-density plan designations. In that, for these two plan designations, net densities for tax lots between 0.38 to 1.0 acres and for tax lots larger than 1.0 acre were set to match the net densities in tax lots smaller than 0.38. This change offset some lower-density housing developments that brought the average densities in these tax lot categories down below what was typical for the area.

<sup>45</sup> For example, 22% of Gladstone’s households had incomes below 30% of the Clackamas County median family income in 2014–2018. This analysis assumes that 22% of the 321 new households added to Gladstone over the 2021–2041 period will have incomes below 30% of the Clackamas County median family income.

## Need for Government-Assisted, Farmworker, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 require cities to plan for government-assisted housing, farmworker housing, manufactured housing on lots, and manufactured housing in parks.

- **Government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single-family detached, apartments, etc.). Gladstone allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Gladstone will continue to allow government housing in all of its residential plan designations. Because government-assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- **Farmworker housing.** Farmworker housing can apply to all housing types, and the City allows development of farmworker housing in all residential plan designations, with the same development standards as market-rate housing. This analysis assumes that Gladstone will continue to allow this housing in all of its residential plan designations. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- **Manufactured housing on lots.** Gladstone allows manufactured homes on lots in the R-7.2 and R-5 zones, which are the zones where single-family detached housing is allowed. Gladstone does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,<sup>46</sup> Gladstone has two manufactured home parks within the city, with 99 spaces and 1 vacant space.
  - ORS 197.480(1)(b) requires cities to allow mobile home or manufactured dwelling parks in "areas planned and zoned for a residential density of six to 12 units per acre sufficient to accommodate the need." Gladstone allows mobile home or manufactured dwelling parks in its Medium Density Designation (R-5 zone) but not in its Low Density Designation (R-7.2 zone). The R-7.2 zone allows a minimum lot size of 7,200 sq. ft. (6 dwelling unit per acre), and the R-5 zone allows a minimum lot size of 5,000 sq. ft. (8 dwelling unit per acre).

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<sup>46</sup> Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

- ORS 197.480(2) requires Gladstone to project need for mobile home or manufactured dwelling parks based on (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential.
  - Exhibit 59 shows that Gladstone will need 321 dwelling units over the 2021 to 2041 period.
  - Analysis of housing affordability shows that about 38% of Gladstone’s new households will be low income, earning 50% or less of the region’s median family income. One type of housing affordable to these households is manufactured housing.
  - Manufactured housing (in parks) accounts for about 2% (99 dwelling units) of Gladstone’s current housing stock.
  - National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces.
  - The households most likely to live in manufactured homes in parks are those with incomes between \$27,630 and \$46,050 (30% to 50% of MFI), an income category which includes 16% of Gladstone’s households. However, households in other income categories may choose to live in manufactured homes in parks as well.
  - The national and state trends of the closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that the development of new manufactured home parks in Gladstone is unlikely.

Our conclusion from this analysis is that the development of new manufactured home parks in Gladstone City (and most of the Portland region) over the planning period is unlikely. It is, however, likely that manufactured homes will continue to locate on individual lots in Gladstone. The forecast of housing assumes that no new manufactured home parks will be opened in Gladstone over the 2021 to 2041 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.

Over the next 20 years (or longer), one or both of Gladstone’s existing manufactured home parks may close. This may be a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

While there is statewide regulation of the closure of manufactured home parks designed to

lessen the financial difficulties of this closure for park residents,<sup>47</sup> the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for the development of new, relatively affordable housing. The City may use a range of policies to encourage development of relatively affordable housing, such as allowing a wider range of moderate-density housing, designating more land for multifamily housing, removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary zoning policy, or partnering with a developer of government-subsidized affordable housing.

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<sup>47</sup> ORS 90.645 regulates rules about closure of manufactured dwelling parks. Before closing a manufactured dwelling park, landlords must give tenants at least one year's notice of park closure, must pay the tenant between \$5,000 and \$9,000 for each manufactured dwelling park space, and must not charge tenants for demolition costs of abandoned manufactured homes.

## 6. Gladstone’s Residential Land Sufficiency

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This section presents an evaluation of the sufficiency of vacant residential land in Gladstone to accommodate expected residential growth over the 2021 to 2041 period. This section includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Gladstone’s ability to accommodate needed new housing units for the 2021 to 2041 period, based on the analysis in the Housing Needs Analysis.

### Capacity Analysis

The comparison of supply (buildable land) and demand (population and growth leading to demand for more residential development) allows the determination of land sufficiency.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that all land has different characteristics—factors such as zone, slope, parcel size, and shape can affect the land’s ability to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the city limits to accommodate new housing. This analysis, sometimes called a “capacity analysis,”<sup>48</sup> can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

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<sup>48</sup> There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the “capacity” of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: “estimating how many new dwelling units the vacant residential land in the city limits is likely to accommodate.” That phrase is cumbersome, however, and it is common in Oregon and elsewhere to refer to that type of analysis as “capacity analysis,” so we use that shorthand occasionally in this memorandum.

## Gladstone Capacity Analysis Results

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type categories shown in Exhibit 62.

Exhibit 64 shows that **Gladstone’s vacant land has capacity to accommodate approximately 72 new dwelling units**, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in residential plan designations and zones that allow residential uses in Exhibit 8.
- **Assumed densities.** The capacity analysis assumes development will occur at historical densities. Those densities were derived from the densities shown in Exhibit 62.

Exhibit 64. Estimate of Residential Capacity on Unconstrained Vacant and Partially Vacant Buildable Land, Gladstone City Limits, 2021 to 2041

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Residential Plan Designation	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre			Total, combined	
	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Capacity (Dwelling Units)
Low Density	5.0	5.2	25	3.8	4.7	18	5.5	4.2	23	14	66
Medium Density	0.9	8.9	7	0.4	8.0	3	0.0	7.2	0	1	10
High Density	0.0	24.9	0	0.0	20.8	0	0.0	24.0	0	0	0
<b>Total</b>	<b>5.8</b>	-	<b>32</b>	<b>4.2</b>	-	<b>21</b>	<b>5.5</b>	-	<b>23</b>	<b>16</b>	<b>76</b>

Exhibit 64 shows capacity and densities in gross acres. OAR 660-007 requires that Gladstone provide opportunity for the development of housing at an overall average density of 8 dwelling units per net acre. The average net density of buildable residential land in Exhibit 64 is 5.32 dwelling units per net acre and 4.87 dwelling units per gross acre. Given that 14 of Gladstone’s vacant acres are in the low-density plan designation, it is not surprising that Gladstone’s average density is below the 8 dwelling units per net acre required in OAR 660-007.

## Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Gladstone is to compare the demand for housing by plan designation (Exhibit 61) with the capacity of land by plan designation (Exhibit 64).

Exhibit 65 shows that Gladstone does not have sufficient land to accommodate development in the low density, medium density, and high density residential plan designations.

- Low Density Residential has a deficit of capacity of 30 dwelling units, meaning the City has an approximate deficit of 6 gross acres of low-density land, at an average density of 5.2 dwelling units per gross acre.
- Medium Density Residential has a deficit of capacity of 90 dwelling units, meaning the City has an approximate deficit of 10 gross acres of medium-density land, at an average density of 8.9 dwelling units per gross acre.
- High Density Residential has a deficit of capacity of 125 dwelling units, meaning the City has an approximate deficit of 5 gross acres of high-density land, at an average density of 24.9 dwelling units per gross acre.

Exhibit 65. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Gladstone City Limits, 2021 to 2041

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Residential Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Deficit (Gross Acres)
Low Density	66	96	(30)	(6)
Medium Density	10	100	(90)	(10)
High Density	-	125	(125)	(5)
<b>Total</b>	<b>76</b>	<b>321</b>	<b>(245)</b>	<b>-</b>



## Conclusions

In Gladstone, growth in housing will be driven by growth in households. The number of households in Gladstone's city limits is forecast to grow from 4,573 to 4,894 households, an increase of 321 households between 2021 and 2041. Therefore, to accommodate new households in Gladstone's city limits, the City will plan for 321 new dwelling units, which averages out to 16 new dwelling units annually over the planning period.

To meet the City's future housing needs, Gladstone will plan for more single-family attached housing and multifamily housing (of all types). Historically, about 72% of Gladstone's housing was single-family detached. New housing in Gladstone is forecast to be 40% single-family detached; 10% single-family attached; 10% duplex, triplex, and quadplex units; and 40% multifamily housing with five or more units. Based on the forecast of 321 units, this housing mix equates to 128 single-family detached units; 32 single-family attached units; 32 duplex, triplex, or quadplex units; and 129 multifamily units with five or more units.

The factors driving the shift in types of housing needed in Gladstone include changes in demographics and decreases in housing affordability:

- The aging of senior populations and the household formation of young adults will drive demand for renter-occupied and owner-occupied housing, such as small single-family detached housing, town houses, duplexes, and apartments/condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.
- Gladstone's location within the broader Portland Metro region makes the community potentially attractive for a wider range of housing types, including housing types such as town houses, triplexes and quadplexes, and apartments from garden apartments to three-story to five-story apartment buildings.
- Gladstone's existing deficit of housing affordable for low-income and high-income households indicates a need for a wider range of housing types, for renters and homeowners. About 31% of homeowner and 62% of renter households have affordability problems and are considered cost burdened.
- Lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 123 of the forecasted new households will have incomes of \$46,050 or less (50% of MFI income or less). These households cannot afford market-rate housing without government subsidy. Another 68 new households will have incomes between \$46,050 and \$73,680 (50% to 80% of MFI). These households will all need access to affordable housing, such as the housing types described above.

Gladstone has unmet need for affordable housing. About 44% of Gladstone's households are cost burdened. As mentioned above, 62% of renters are cost burdened and 31% of owners are cost burdened, meaning they spend more than 30% of their incomes on housing costs. In addition, a majority of Gladstone's residents commute outside of the city to get to their jobs—

meaning they are also spending a portion of their incomes on transportation costs (further impacting household budgets). Gladstone's share of cost-burdened households is slightly more than other communities in Clackamas County. The City's unmet housing needs include:

- *Renter housing.* The average rent for multifamily housing in Gladstone in 2019 was about \$1,313, which is affordable to households earning approximately 60% of the median family income (about \$53,000). About a third of Gladstone's households have incomes below this level and cannot afford the average rent. As shown in the rates of cost burden, many of these renter households are cost burdened.
- *Owner-occupied housing.* The median home sales price in June 2020 was about \$433,000, which is affordable to households earning about 140% of the median family income (about \$130,000). More than 80% of Gladstone's households have incomes below this level. Households at middle incomes are less able to afford housing in Gladstone. One way to increase the supply of affordable owner-occupied housing is to increase opportunities for the development of the middle-income housing described above.

Based on a comparison of Gladstone's demand for housing and capacity for housing on residential, buildable lands in the city, this report finds that Gladstone has a deficit of housing capacity in each of its residential plan designations. Specifically:

- Gladstone has 14 buildable acres in its low-density residential plan designation. These 14 acres can accommodate 66 dwelling units. Gladstone has demand for 96 units in this plan designation, resulting in a housing capacity deficit of 30 units. A deficit of 30 units results in a deficit of 6 gross acres (assuming a density of 5.2 units per gross acre).
- Gladstone has one buildable acre in its medium-density residential plan designation. This acre can accommodate 10 dwelling units. Gladstone has demand for 100 dwelling units in this plan designation, resulting in a housing capacity deficit of 90 units. A deficit of 90 units results in a deficit of 10 gross acres (assuming a density of 8.9 units per gross acre).
- Gladstone has no buildable acres in its high-density residential plan designation. Gladstone has demand for 125 units in this plan designation, meaning the City has a housing capacity deficit of 125 units. A deficit of 125 units results in a deficit of 5 gross acres (assuming a density of 24.9 units per gross acre).
- Gladstone is unable to meet the requirement in OAR 660-007 to provide opportunity for the development of housing at an overall average density of 8 dwelling units per net acre. Gladstone's overall average net density on vacant land is 5.3 dwelling units per net acre. Given that 14 of Gladstone's vacant acres are in the low-density plan designation, it is not surprising that Gladstone's average density is below the 8 dwelling units per net acre required in OAR 660-007.

Gladstone's problem is not the allowed densities in its plan designations but the lack of buildable land. **If Gladstone had enough vacant land or had enough redevelopment to**

**meet the land deficits shown in Exhibit 65, the average development density would be 9.1 dwelling units per net acre.**

Based on the conclusions above, ECONorthwest proposes the following recommendations to Gladstone:

- **Continue to pursue ongoing planning efforts related to housing.** Gladstone conducted the *City of Gladstone Code Audit for Needed Housing* in 2019 and developed the *Downtown Revitalization Plan* in 2017. Neither plan has yet been implemented through changes to Gladstone’s housing policies. The City is planning to conduct a community engagement process in 2021 to bring this report and the recommendations from the *Code Audit* and *Downtown Revitalization Plan* to residents of Gladstone for discussion and potential implementation.
  - Gladstone conducted the *City of Gladstone Code Audit for Needed Housing* in 2019, which is an evaluation of its zoning code in 2019 to identify potential zoning code updates. The *Code Audit* identified recommended changes to the zoning code, such as expanding the types of housing allowed in Gladstone (including allowing “missing-middle” housing types), allowing a wider range of housing in commercial zones, improving minimum parking requirements, considering allowing cottage cluster housing in the R-5 zone and other appropriate zones, and allowing live/work units in appropriate zones.
  - Gladstone developed the *Downtown Revitalization Plan* in 2017, which includes recommendations for residential development in downtown. The type of development discussed in the *Downtown Revitalization Plan* meets some of the key needs identified in the Housing Needs Analysis for missing-middle and multifamily housing development, as well as development of more rental housing.
- **Update the Housing Chapter of the Comprehensive Plan.** The *City of Gladstone Code Audit for Needed Housing* made recommendations to update the Housing Chapter of the City’s Comprehensive Plan. The *Code Audit* recommended expanding the goals and policies to support the development of a wider range of housing and improve accessibility for populations with special needs such as seniors or people with disabilities. This report provides Gladstone with a factual basis to update the Housing Chapter of the City’s Comprehensive Plan to support future planning efforts to address unmet housing needs in Gladstone. We recommend that the City go forward with the types of updates recommended in the *Code Audit* and adopt this Housing Needs Analysis as an appendix to the Comprehensive Plan to provide a factual basis in support of the update.
- **Identify opportunities to meet the unmet housing needs in Gladstone.** Exhibit 65 shows deficits for housing in all plan designations, for a total deficit of 245 units. The City already has the necessary recommendations for addressing these housing deficits, through implementation of (1) the requirements of House Bill 2001, (2) the *Downtown Revitalization Plan*, and (3) the *City of Gladstone Code Audit for Needed Housing*. The

community engagement process that will begin in 2021 should explain the importance of each of these planning efforts for meeting Gladstone’s housing needs.

- Implement the requirements of House Bill 2001. This bill requires Gladstone to allow missing-middle housing types such as duplexes, triplexes, quadplexes, town houses, and cottage clusters in zones where single-family detached housing is allowed, and the bill requires Gladstone to implement the policies necessary to do so by June 30, 2022 (as required in the bill). Implementing these requirements will provide opportunities for the development of missing-middle housing types in the Low Density and Medium Density Plan Designations, which will help the City accommodate the deficit of capacity for housing shown in Exhibit 65.
- Support redevelopment efforts and pursue strategies to encourage redevelopment in specific target areas, such as downtown. The *Downtown Revitalization Plan* proposes changes of policies to allow a wider range of housing in downtown. These changes can support redevelopment in downtown Gladstone that will help the City. Pursuing this action would increase Gladstone’s capacity for multifamily housing in in the Medium and High Density Designations, helping to accommodate the deficit of capacity for housing shown in Exhibit 65.
- Implementation of the recommendations in the *City of Gladstone Code Audit for Needed Housing* will support implementation of the requirements of HB 2001 and *Downtown Revitalization Plan*. These changes to Gladstone’s zoning code help the City better accommodate the housing deficits shown in Exhibit 65.
- **Ensure that the City is able to meet the requirements of OAR 660-007 to provide opportunity for the development of housing at an overall average density of 8 dwelling units per net acre.** If development occurs in the plan designations to address the deficits shown in Exhibit 65 at densities approximately the same as the historical densities in Gladstone (Exhibit 12), then the average development density would be about 9 dwelling units per gross acre. If Gladstone implements this recommendation in the *City of Gladstone Code Audit for Needed Housing* and complies with House Bill 2001, the development densities that the City achieves over the twenty-year planning period may be higher than historical densities. In either case, the City would be meeting the requirements of OAR 660-007.
- **Ensure that the City is complying with state requirements on where to allow mobile and manufactured home parks.** ORS 197.480(1)(b) requires cities to allow mobile home or manufactured dwelling parks in “areas planned and zoned for a residential density of six to 12 units per acre sufficient to accommodate the need.” Gladstone allows mobile home or manufactured dwelling parks in its Medium Density Designation (R-5 zone, which allows 8 dwelling units per acre) but not in its Low Density Designation (R-7.2 zone which allows development of 6 dwelling units per acre). Gladstone may need to allow manufactured home parks on the R-7.2 zone to comply with ORS 197.480(1)(b), even though it is unlikely that a new mobile or manufactured home park will be built over the twenty-year planning period.

# Appendix A: Buildable Lands Inventory Methodology

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A key initial component of the Housing Needs Analysis is conducting a buildable lands inventory (BLI). This appendix summarizes the methods ECONorthwest used to conduct the residential BLI for Gladstone.

Oregon Administrative Rules provide guidance on conducting residential BLIs:

**OAR 660-008-0005(2):**

*“Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:*

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
- (b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
- (c) Has slopes of 25 percent or greater;*
- (d) Is within the 100-year flood plain; or*
- (e) Cannot be provided with public facilities.*

The methods used for conducting the Gladstone BLI are consistent with Oregon statutes. The Gladstone BLI presented in this analysis aligns with the methods and definitions in the 2019 Clackamas County Regional Housing Needs Analysis, with updated classifications to reflect development since 2019.

## Methodology

The BLI is based on the data and methods used by Metro. Metro is required to complete a BLI for land within the regional UGB every six years. The agency finished an updated BLI (based on 2016 data) in November 2018 for the 2018 Urban Growth Report (UGR). The methods used for inventorying lands in Gladstone attempt to be consistent with Metro’s results while also updating the results to account for new development since the 2019 BLI completed for the Clackamas County Regional Housing Needs Analysis and other local conditions, such as unique environmental constraints.

## Study Area

The BLI for the Gladstone city limits includes all residential land designated in the Comprehensive Plan.<sup>49</sup> ECONorthwest used the tax lot shapefile from Metro's 2018 BLI (2016 tax lot base data), with attention to lots that subdivided since 2016 based on local staff identification. City staff then reviewed these areas and identified lots that should be excluded or included for their jurisdiction based on future planning or errors in GIS data.

## Inventory Steps

The BLI consists of several steps:

1. Generating UGB "land base"
2. Classifying land by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

### Step 1: Generate "Land Base"

Per Goal 10 this involves selecting all of the tax lots with residential and other nonemployment plan designations where residential uses are planned for and allowed by the implementing zones.

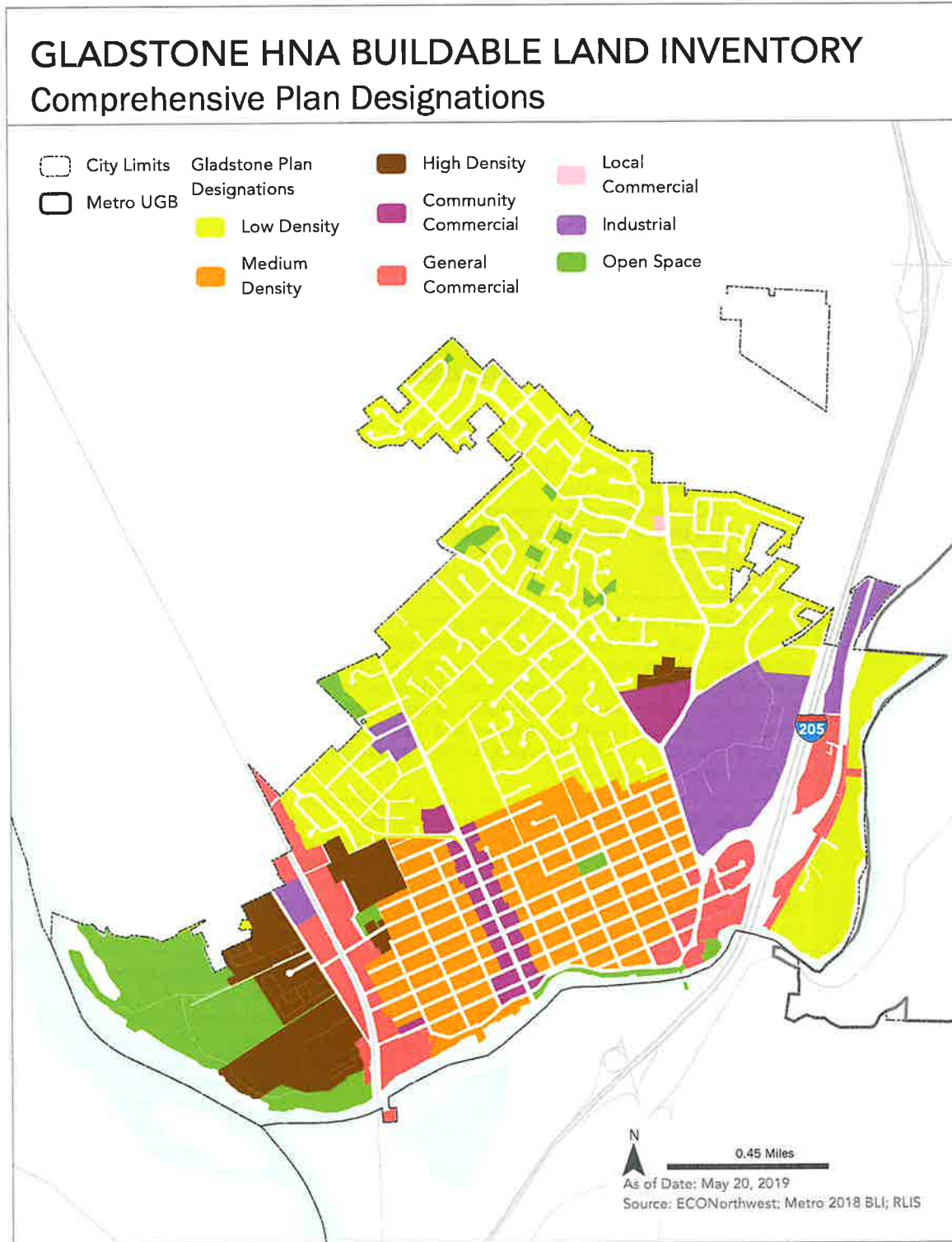
Exhibit 66 shows the residential plan designations included in the BLI.

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<sup>49</sup> ECONorthwest reviewed local plan information for Gladstone based on 2020 RLIS data. Residential comprehensive plan designations remained the same since the 2019 BLI.

Exhibit 66. Residential Land Base by Plan Designation, Gladstone, 2020

Source: ECONorthwest. Note: No comprehensive plan changes occurred for residential plan designations in Gladstone since the 2019 BLI.



## Step 2: Classify Lands

In this step, ECONorthwest classified each tax lot with a plan designation that allow residential uses into one of four mutually exclusive categories based on development status:

- Vacant
- Partially vacant
- Public or exempt
- Developed

ECONorthwest used the classifications determined through Metro’s model, which are outlined below.

Development Status	Definition	Statutory Authority
Vacant	Tax lots designated as vacant by Metro based on the following criteria: 1) Fully vacant based on Metro aerial photo 2) Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3) Lots 95% or more vacant from GIS vacant land inventory	OAR 660-008-0006(2) (2) “Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses.
Partially Vacant	Single-family tax lots that are 2.5 times larger than the minimum lot size and a building value less than \$300,000 or lots that are 5 times larger than the minimum lots size (no threshold for building value). These lots are considered to still have residential capacity. For this analysis, we are classifying these lots as partially vacant. We assume that 0.25 acres of the lot is developed, and the remaining land is available for development, less constraints.	OAR 660-008-0006(2)
Public or Exempt	Lands in public or semipublic ownership are considered unavailable for residential development. This includes lands in federal, state, county, or city ownership as well as lands owned by churches and other semipublic organizations and properties with conservation easements. These lands are identified using the Metro’s definitions and categories.	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.
Developed	Lands not classified as vacant, partially vacant, or public/exempt are considered developed.	OAR 660-008-0006(2) (2) “Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses.



### Step 3: Identify Constraints

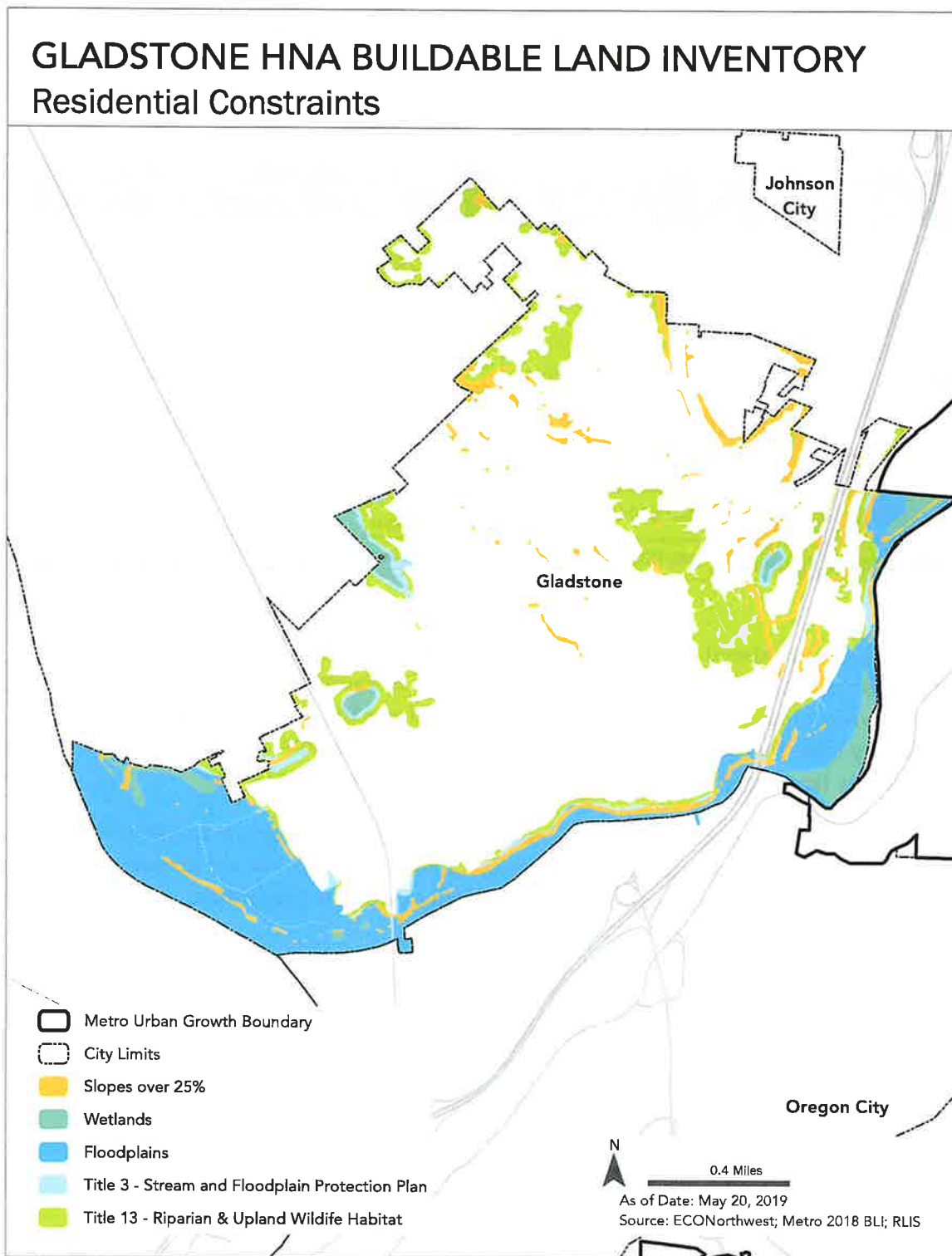
Consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECONorthwest deducted certain lands with development constraints from vacant lands. Unless cities identified alternative constraints (as identified below), the constraints we used are summarized in the table below.

Constraint	Statutory Authority	Threshold	File name
<b>Goal 5 Natural Resource Constraints</b>			
Regulated wetlands and habitat	OAR 660-008-0005(2)	Regionally Significant Riparian and Upland Wildlife habitat, Habitats of Concern, and impact areas	Title 13-layer, Wetlands layer
Riparian Corridors	OAR 660-015-0000(5)	Areas protected by the Stream and Floodplain Plan	Title 3 layer
<b>Natural Hazard Constraints</b>			
Floodways	OAR 660-008-0005(2)	Lands within FEMA FIRM identified floodway	floodway_Area
100-Year Floodplain	OAR 660-008-0005(2)	Lands within FEMA FIRM 100-year floodplain	floodplain_Area
Steep Slopes	OAR 660-008-0005(2)	Slopes greater than 25%	slopes25_Area

These areas are considered as prohibitive constraints (unbuildable) as shown in Exhibit 67. These areas are deducted from lands that are identified as vacant to determine the buildable portion of vacant lots. In addition, we applied any local specific environmental constraints identified by cities that also prohibit the development of vacant lots. These local constraints should clearly limit development potential in the local development code.

The lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. These tax lots are currently unserved but could potentially become serviced over the twenty-year planning period.

Exhibit 67. Residential Development Constraints, Gladstone, 2020



#### Step 4: Verification

ECONorthwest used a multistep verification process to review development status in Gladstone. The first verification step included a “rapid visual assessment” of land classifications using GIS and recent aerial photos. The rapid visual assessment involved reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. We reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output. We amended the BLI based on City staff review and comments, and the 2020 BLI update (since the 2019 BLI) considered areas developed in the past year based on permit information and local confirmation from City staff.

#### Step 5: Tabulation and Mapping

The results are presented in tabular and map format in Chapter 2.



# ORDINANCE 1508

## Exhibit "A"

### City of Gladstone Staff Report

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Report Date: February 12, 2021  
Meeting Date: February 23, 2021  
To: City Council  
From: Joy Fields, Planning Department

#### AGENDA ITEM

Oregon Revised Statute 197.296 requires jurisdictions in the State of Oregon to create and regularly update a Housing Needs Analysis (HNA). The essential purpose of the HNA is to forecast future growth, analyze the capacity of the City to accommodate that growth, and identify policy considerations that may be necessary to assure an adequate 20-year supply of housing across income strata. To do this work, the City has retained ECONorthwest, a private consulting firm, to review demographic data and create a buildable lands inventory for the City of Gladstone to determine the housing need for the projected population through 2041, and the capacity for building the needed housing.

#### History/Background

The City conducted three work sessions that were open public forums held between August and October 2020. Each work session included opportunities for elected officials, appointed officials, and the public, to review methodology, review draft conclusions, discuss key aspects, and answer questions. Approximately 5 members of the public attended the work sessions in addition to the City representatives.

The City publicized these work sessions on their website, social media and during other public meetings.

A public hearing was held during the Planning Commission meeting on December 15, 2020 (A copy of the memo is attached to this staff report as Exhibit A).

#### Proposal

The number of households inside Gladstone's city limits is forecast to grow from 4,573 to 4,894 households, an increase of 321 households between 2021 and 2041 (ECONorthwest draft Housing Needs Analysis, 2020). To accommodate new households in Gladstone's city limits, the City will need to plan for 321 new dwelling units. Of Gladstone's 16 unconstrained buildable residential acres, about 9% are in tax lots classified as vacant and 91% are in tax lots classified as partially vacant (Exhibit 2).

Historically, about 72% of Gladstone's housing was single-family detached. Gladstone does not have sufficient land to accommodate development in the low-density, medium-density, and high-density plan designations. EcoNorthwest found the City has the following deficits:

- Low Density residential has a deficit of capacity of 30 dwelling units, meaning the City has an approximate deficit of six gross acres of low-density land, at an average density of 5.2 dwelling units per gross acre.
- Medium Density residential has a deficit of capacity of 90 dwelling units, meaning the City has an approximate deficit of 10 gross acres of medium-density land, at an average density of 8.9 dwelling units per gross acre.

- High Density residential has a deficit of capacity of 125 dwelling units, meaning the City has an approximate deficit of five gross acres of high-density land, at an average density of 24.9 dwelling units per gross acre.

The first step to address these land deficits, is to consider accepting and approving the Housing Needs Analysis provided by EcoNorthwest with funding support from DLCD through TA Grant 21-183. The draft Housing Needs Analysis has the potential to provide updated information on housing needs in Gladstone so that the Comprehensive Plan and future land use decisions and zoning updates are based on recent data.

### Options

- The City Council could choose not to accept and adopt the Housing Needs Analysis and continue using the data in the Comprehensive Plan that goes through 2010.
- As recommended by the Planning Commission, the City Council may choose to accept and adopt the Housing Needs Analysis and amend the Comprehensive Plan to include the Housing Needs Analysis as referenced.
- The City Council could choose not to accept and adopt the Housing Needs Analysis and contract with a different consulting firm to perform a different Housing Needs Analysis.

### Cost Impact

The City received grant funds in the amount of \$26,160 from the Department of Land Conservation and Development (DLCD) to complete the Gladstone Housing Needs Analysis and Community Engagement Strategy. The City's in-kind match is \$2,000 which was met.

### Recommended Staff Action

Staff recommends that City Council hold the public hearing on February 23<sup>rd</sup>. Staff will then prepare an ordinance for the March 9, 2021 City Council meeting to accept and adopt the Housing Needs Analysis and amend the Comprehensive Plan to include the Housing Needs Analysis as referenced.

This is one step towards amending the Comprehensive Plan to serve the current and future needs of residents. Using updated data will help landowners understand what is needed and whether their proposals meet the goals of the City.

Department Head  
Signature

Joy Fields

Date

City Administrator  
Signature

Date

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## Agenda Item No. 3

PC Meeting Date: 12/15/20

### STAFF REPORT: HOUSING NEEDS ANALYSIS

**Project No.:** DLCD TA Grant 21-183;

**Contact:** City of Gladstone

**Project Location:** Citywide

**Project Description:** Oregon Revised Statute 197.296 requires jurisdictions in the State of Oregon to create and regularly update a *Housing Needs Analysis* (HNA). The essential purpose of the HNA is to forecast future growth, analyze the capacity of the City to accommodate that growth, and identify policy considerations that may be necessary to assure an adequate 20-year supply of housing across income strata. To do this work, the City has retained ECONorthwest, a private consulting firm, to review demographic data and create a buildable lands inventory for the City of Gladstone to determine the housing need for the projected population through 2041, and the capacity for building the needed housing.

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### SUMMARY

The number of households inside Gladstone's city limits is forecast to grow from 4,573 to 4,894 households, an increase of 321 households between 2021 and 2041 (ECONorthwest draft Housing Needs Analysis, 2020). To accommodate new households in Gladstone's city limits, the City will need to plan for 321 new dwelling units. Of Gladstone's 16 unconstrained buildable residential acres, about 9% are in tax lots classified as vacant and 91% are in tax lots classified as partially vacant (Exhibit 2).

**Exhibit 2. Buildable Acres in Vacant and Partially Vacant Tax Lots by Plan Designation, Gladstone City Limits, 2020**

Source: Metro; ECONorthwest analysis. Note: values may not sum due to rounding.

<b>Plan Designation</b>	<b>Total buildable acres</b>	<b>Buildable acres on vacant lots</b>	<b>Buildable acres on partially vacant lots</b>
<b>Residential</b>			
Low Density Residential	14	1	13
Medium Density Residential	1	0	1
<b>Total</b>	<b>16</b>	<b>1</b>	<b>14</b>

Historically, about 72% of Gladstone’s housing was single-family detached. Gladstone does not have sufficient land to accommodate development in the low-density, medium-density, and high-density plan designations. EcoNorthwest found the City has the following deficits:

- Low Density residential has a deficit of capacity of 30 dwelling units, meaning the City has an approximate deficit of six gross acres of low-density land, at an average density of 5.2 dwelling units per gross acre.
- Medium Density residential has a deficit of capacity of 90 dwelling units, meaning the City has an approximate deficit of 10 gross acres of medium-density land, at an average density of 8.9 dwelling units per gross acre.
- High Density residential has a deficit of capacity of 125 dwelling units, meaning the City has an approximate deficit of five gross acres of high-density land, at an average density of 24.9 dwelling units per gross acre.

To address these land deficits, in the future the City should consider additional amendments to the Comprehensive Plan and the Gladstone Municipal Code (GMC) to implement the policies that the City has initiated in the past several years, including the Housing Code Audit (2019), the Downtown Revitalization Strategy (2017), as well as reviewing and updating the Gladstone Municipal Code to comply with the requirements of HB 2001 (2019).



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### EXHIBITS

Exhibit 1.	Development Status
Exhibit 2.	Unconstrained Buildable Lands
Exhibit 3.	Development Patterns
Exhibit 4.	Dwelling Unit Demand

### APPENDIX: SUBSTANSIVE FILE DOCUMENTS

#### A. Draft Housing Needs Analysis

##### I. PUBLIC NOTICE

**Published In:** Clackamas Review, DLCD's post-acknowledgment plan amendment website (PAPA), and on the Gladstone Website. City Council and Planning Commission work sessions in August, September, and October were also advertised on the Gladstone Website and sent out in the Gladstone Weekly Update.

**Responses Received:** No comments were received by staff for the Housing Needs Analysis. Members of the public attended the work sessions and were able to ask questions of EcoNorthwest and staff. These meetings were recorded for reference.

##### II. CONSISTENCY WITH STATEWIDE PLANNING GOALS

**Goal 1 – Citizen Involvement:** To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

**Finding:** Goal 1 requires the City to incorporate six key components in its public involvement program:

- Citizen Involvement: An officially recognized committee for public involvement broadly representative of geographic areas and interests related to land use and land-use decisions to provide for widespread public involvement;
- Communication: Mechanisms for effective two-way communication between the public and elected/appointed officials;
- Influence: Opportunities for the public to be involved in all phases of the planning and decision-making process including developing, evaluating, and amending plans;
- Technical Information: Access to technical information used in the decision-making process, provided in an accessible and understandable format;

- Feedback Mechanisms: Programs to ensure that members of the public receive responses from policymakers and that a written record for land-use decisions is created and made accessible; and,
- Financial Support: Adequate resources allocated for the public involvement program as an integral component of the planning budget.

Following is a summary of activities undertaken by the City associated with each of these elements of the City's community engagement effort undertaken to support the production and adoption of the Housing Needs Analysis.

The City conducted three work sessions that were open public forums held between August and October 2020. Each work session included opportunities for elected officials, appointed officials, and the public, to review methodology, review draft conclusions, discuss key aspects, and answer questions. Approximately 5 members of the public attended the work sessions in addition to the City representatives.

The City publicized these work sessions on their website, social media and during other public meetings.

In addition to these efforts, the City has contracted with COMMUNITAS to develop a public engagement strategy for the future housing production strategies and associated changes to the Gladstone Municipal Code related to housing.

Lastly, the City's prior initiatives related to the provision of more housing choice (the Downtown Revitalization Plan, 2018; and the Housing Code Audit, 2019) entailed extensive community engagement, including community forums, and information on the City website. The City appointed a diverse group of community stakeholders to serve on an Advisory Committee for the Housing Code Audit, and all members of that Committee have been invited to participate in the HNA work sessions as well as the Planning Commission hearings on the topic.

Based on the findings above, the Comprehensive Plan amendment to adopt the HNA as referenced, is consistent with Statewide Planning Goal 1.

**Goal 2 – Land Use Planning:** To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

**Finding:** Statewide Planning Goal 2 requires each local government in Oregon to have and follow a comprehensive land use plan and implementing regulations. Cities and counties must build their comprehensive plans on a factual base, and follow their plan when making decisions on appropriate zoning. City and county plans must be consistent with one another. Special district and state agency plans and programs must be coordinated with comprehensive plans.

The housing needs analysis being considered by the Planning Commission and City Council serves as a factual basis for the City to rely on for future planning efforts. The data in the analysis is from reputable sources such as the Census, Metro, and local tax data. This housing needs analysis, when adopted into the comprehensive plan by reference, will provide an important source of information to use when considering amendments to the Gladstone Municipal Code and future amendments to the comprehensive plan.

The Housing needs analysis is consistent with the current Comprehensive Plan. Currently the Gladstone Comprehensive Plan includes the following Goals:

**Land Use Planning Goals:** *“To provide and maintain a high standard for Gladstone’s quality of life.” And “To ensure a factual base for land use decisions and actions and to establish a planning process and policy framework for this purpose.”*

**Housing Goal:** *“To meet the housing needs of all segments of the population through optimum utilization of housing resources for the construction, rehabilitation and maintenance of the diversity of housing types at appropriate locations, price ranges and rent levels, while preserving and enhancing the integrity and identity of existing residential neighborhoods.”*

The 2020 Housing Needs Analysis is an update of the Clackamas County Regional Housing Needs Analysis that was a regional effort completed by ECONorthwest in 2019. Notice of the Housing needs analysis consideration was provided to Metro and DLCD through the Post-Acknowledgement Plan Amendment website and distribution system.

The factual basis for the Comprehensive Plan Amendment in this case includes analyses and background research identifying issues and trends and providing a framework for future policy development. The data in the analysis is from reputable sources such as the Census, Metro, and local tax data. The findings for Goal 10 provide more detailed information about the background analyses and inventories and rely on specific data to establish findings that provide a technical basis for developing policy recommendations. The analysis and inventories include:

- Buildable Lands Inventory, which analyzes existing development patterns and intensity, land and development values, existing land use designations and zoning, and building constraints to determine where there is vacant land and/or land that is likely to be redeveloped, and compares the existing supply of land to emerging trends and indicators for future estimates of demand; and
- Housing Needs Analysis, which provides information about the factors that could affect housing development, including demographics, affordability trends, workforce housing availability, market health, and regulatory structure (see findings for Goal 10).

Therefore, the housing needs analysis and Comprehensive Plan amendment to adopt the HNA as referenced, are consistent with Statewide Planning Goal 2.

### **Goals 3 -4 – Agricultural and Forest Lands:**

**Finding:** These goals are not applicable because the housing needs analysis and associated amendments do not change the City of Gladstone policies required to meet these goals that are directed at rural areas and counties.

**Goal 5 – Open Spaces, Scenic and Historic Areas, and Natural Resources:** To protect natural resources and conserve scenic and historic areas and open spaces.

**Finding:** Goal 5 aims to protect natural resources and conserve scenic and historic areas and open spaces. Particularly in urban areas, the emphasis of Goal 5 is on the inventory and conservation of wetlands, riparian zones, and wildlife habitats. In addition to Goal 5, the City is required to comply with Metro Title 13 for all mapped resources located within the UGB. By meeting the requirements of Title 13, the City also complies with Goal 5 for riparian areas and wildlife habitat. Metro Title 13 is addressed in the findings for the Urban Growth Management Functional Plan.

The Gladstone Municipal code contains the following zoning overlays that were adopted by the City to provide protection for Significant Natural Resources under Statewide Planning Goal 5 and to comply with the provisions of OAR 660, Division 23:

- 17.25 HCAD—Habitat Conservation Area District;
- 17.26 OS—Open Space District;
- 17.27 WQ—Water Quality Resource Area District;
- 17.28 GW—Greenway Conditional Use District; and
- 17.29 FM—Flood Management Area District.

The City of Gladstone works closely with the Gladstone Historical Society to promote the enjoyment, research, documentation, preservation and public enrichment of the history and heritage of Gladstone, Oregon and the surrounding local area. The Gladstone Municipal Code, Chapter 2.48, includes the ability for a Historic Preservation Board to review alterations to historic landmarks. A 2009 survey of historical resources in downtown Gladstone found that 19% (22 buildings) of the buildings surveyed were potentially eligible for designation on the National Register. Recently, the City worked with the Gladstone Historical Society to display the history of Gladstone in the newly constructed City Hall. The housing needs analysis neither reduces, nor increases, the pressure for the redevelopment of historic resources.

The housing needs analysis (HNA) does not modify these natural resource zoning overlay districts or historic preservation efforts. The Comprehensive Plan Update, through the adoption of the HNA, does not propose any changes to the adopted inventories, the Comprehensive Plan Map, or the natural resource zoning districts in the Gladstone Municipal Code. Goal 5 does not directly apply to the housing needs analysis or comprehensive plan amendment because no new Goal 5 program is advanced by this amendment and no existing Goal 5 program is changed by this amendment.

Based on the findings above, the Comprehensive Plan Update to adopt the HNA as referenced, is consistent with Statewide Planning Goal 5.

**Goal 6 – Air, Water and Land Resources Quality:** To maintain and improve the quality of the air, water and land resources of the state.

**Finding:** Goal 6 instructs local governments to consider protection of air, water and land resources from pollution and pollutants when developing comprehensive plans. The pollutants addressed in Goal 6 include solid waste, water waste, noise and thermal pollution, air pollution, and industry-related contaminants. Comprehensive Plans must demonstrate consistency with the administrative rules related to air, water, and land quality established by the Environmental Quality Commission (EQC).

Under the oversight of the EQC, the Oregon Department of Environmental Quality (DEQ) regulates air, water, and land through its permitting actions under the federal Clean Water Act and Clean Air Act. The Department of State Lands and the Army Corps of Engineers regulate jurisdictional wetlands and waters of the state and the country, respectively. The City of Gladstone Public Works department regulates impervious surface and stormwater runoff throughout the City through design standards applied to development. The Clackamas County Water Environmental Services and Oak Lodge also provide sewer and stormwater services for City residents. The Gladstone Municipal Code (GMC) has the following overlay districts that are related to water quality, wetlands, and surface water:

- 17.25 HCAD—Habitat Conservation Area District;
- 17.27 WQ—Water Quality Resource Area District; and
- 17.29 FM—Flood Management Area District.

While air quality is largely regulated by DEQ, the City can impose conditions of approval on land use approvals that require minimizing air pollution and carbon emission impacts through actions such as vegetative plantings and conservation.

The Federal Transit Administration and Federal Highway Administration enforce noise standards for federally-funded rail and highway projects. The Oregon Noise Control Act authorizes cities and counties to adopt and enforce noise ordinances and standards of their own. Gladstone regulates noise through the GMC Chapter 8.12 Noise Control, which designates prohibited noises and maximum permissible environmental noise and sound levels. Gladstone's Zoning Code (Chapter 17) also includes noise-related provisions in several sections of the code, often referring to the City's Noise Ordinance in Chapter 8.12 or standards of the DEQ.

The housing needs analysis (HNA) does not modify existing water resource zoning overlay districts or noise ordinance. The adoption of the HNA does not propose any changes to the adopted inventories, the Comprehensive Plan Map, or the water resource zoning districts in the Gladstone Municipal Code. Goal 6 does not directly apply to the housing needs analysis or comprehensive plan amendment because no new Goal 6 program is advanced by this amendment and no existing Goal 6 program is changed by this amendment. Therefore, Goal 6 is not applicable to the housing needs analysis (HNA) and associated comprehensive plan amendment because the amendment does not propose to change

comprehensive land use plan policies or implementing regulations for compliance with Statewide Planning Goal 6.

Based on the findings above, the Comprehensive Plan amendment to adopt the HNA as referenced, is consistent with Statewide Planning Goal 6.

**Goal 7 – Areas Subject to Natural Disasters and Hazards:** To protect people and property from natural hazards.

**Finding:** Goal 7 requires local comprehensive plans to address Oregon’s natural hazards. Protecting people and property from natural hazards requires knowledge, planning, coordination, and education. Natural hazards applicable to Gladstone include floods, landslides, weak foundation soils, earthquakes, and wildfires. Goal 7 calls for local governments to respond to new hazard inventory information provided by federal and state agencies by adopting or amending plan policies and implementing measures as needed. For riverine flood hazards, local governments must adopt and implement local floodplain regulations that meet the minimum National Flood Insurance Program (NFIP) requirements. In implementing natural hazard plans and policies, the State goal urges local governments to do the following: coordinate plans with emergency preparedness and recovery programs; consider stormwater management as a means to address flood and landslide hazards; consider nonregulatory approaches to implementing hazard plans; and to require technical reports when reviewing development requests in hazard areas.

The City of Gladstone complies with Goal 7 by regulating development in hazard-prone areas through the Municipal Code, the Public Works Design Guidelines and MOU’s with Clackamas County on fire response and other emergency preparedness efforts. The following Gladstone Municipal Code Chapters address flooding and landslides:

17.27 WQ—Water Quality Resource Area District.

17.29 FM—Flood Management Area District.

Additionally, the Design Review and Conditional Use land use processes address applicable natural hazards.

The housing needs analysis (HNA) does not modify existing zoning overlay districts or design standards related to protecting development from hazards. The adoption of the HNA does not propose any changes to the adopted inventories, the Comprehensive Plan Map, or the overlay zoning districts in the Gladstone Municipal Code. Goal 7 does not directly apply to the housing needs analysis or comprehensive plan amendment because no new Goal 7 program is advanced by this amendment and no existing Goal 7 program is changed by this amendment. Therefore, Goal 7 is not applicable to the housing needs analysis (HNA) and associated comprehensive plan amendment because the amendment does not propose to change comprehensive land use plan policies or implementing regulations for compliance with Statewide Planning Goal 7.

Based on the findings above, the Comprehensive Plan amendment to adopt the HNA as referenced, is consistent with Statewide Planning Goal 7.

**Goal 8 – Recreational Needs:** To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

**Finding:** Goal 8 requires local governments to plan for the recreation needs of their residents and visitors. The goal places priority on non-motorized forms of recreation, and recreation areas that serve high-density populations with limited transportation options and limited financial resources. It also places priority on recreation areas that are free or available at a low cost to the public.

The City of Gladstone has a robust system of parks, recreation facilities and trails, including 14 neighborhood parks, community gardens, and natural areas. All of Gladstone's parks are owned and managed by the City. The City completed a Parks Master Plan in 2017. Many of the current parks are included in the Open Space District that is regulated by Chapter 17.26 of the Gladstone Municipal Code.

The housing needs analysis (HNA) does not modify existing open space overlay districts or the Parks Master Plan. The adoption of the HNA does not propose any changes to the Parks Master Plan, adopted inventories, the Comprehensive Plan Map, or the overlay zoning districts in the Gladstone Municipal Code. Goal 8 does not directly apply to the housing needs analysis or comprehensive plan amendment because no new Goal 8 program is advanced by this amendment and no existing Goal 8 program is changed by this amendment. Therefore, Goal 8 is not applicable to the housing needs analysis (HNA) and associated comprehensive plan amendment because the amendment does not propose to change comprehensive land use plan policies or implementing regulations for compliance with Statewide Planning Goal 8.

Based on the findings above, the Comprehensive Plan amendment to adopt the HNA as referenced, is consistent with Statewide Planning Goal 8.

**Goal 9 – Economy of the State:** To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

**Finding:** Goal 9 ensures cities and counties have enough land available to realize economic growth and development opportunities. Commercial and industrial development takes a variety of shapes and leads to economic activities that are vital to the health, welfare and prosperity of Oregon's citizens. To be ready for these opportunities, local governments perform Economic Opportunity Analyses based on a 20-year forecast of population and job growth.

Goal 9 is not applicable because the amendments do not propose to change comprehensive land use plan policies or implementing regulations related to economic development and analysis in the City.

**Goal 10 – Housing:** To provide for the housing needs of citizens of the state.

**Finding:** Goal 10 concerns urban lands designated for residential use. Goal 10 requires the City to maintain and plan for an adequate land supply to accommodate at least 20 years of future growth, providing flexibility in housing location, type, and density (specifically at an overall density of 10 or more units/acre with the opportunity for 50 percent of new units to be attached single family or multifamily) to ensure the availability and prices of housing units are commensurate with the needs and financial capabilities of Oregon households.

Comprehensive plans are required to include an analysis of community housing needs by type and affordability, an assessment of housing development potential, and an inventory of residential land; contain policies for residential development and supportive services based on that analysis that increase the likelihood that needed housing types will be developed; and provide for an adequate supply of a variety of housing types consistent with identified policies and meeting minimum density and housing mix requirements (established by OAR 660, Division 007).

The findings for Goal 10 Housing, based on the City's proposed 2020 Housing Needs Analysis (HNA), include findings that demonstrate that Gladstone currently has a range of housing types, including single-family detached and attached homes, duplexes, multi-family, and mixed-use developments, and has a need for additional capacity to provide for needed housing during the next 20 years. The HNA provides information about the factors that could affect housing development, including demographics, affordability trends, workforce housing availability, and development patterns.

The HNA includes the City's buildable lands inventory (BLI) for housing within the UGB. The BLI is required by Goal 10 and ORS 197.296 to ensure that current use designations provide an adequate short- and long-term land supply for housing development for meeting existing needs and those of projected growth. It analyzes existing development patterns and intensity, land and development values, existing land use designations and zoning, and building constraints to determine where there is vacant land and/or land that is likely to be redeveloped and compares the existing supply of land to emerging trends and indicators for future estimates of demand.

The findings for Goal 10 also illustrate that the current policies in the Comprehensive Plan support housing affordability and housing type diversity to encourage a variety of housing options for households of all incomes. The current Comprehensive Plan housing goals includes an emphasis on the preservation of existing homes, with a policy that calls out those that are historically significant.

**Excerpts from Gladstone Comprehensive Plan**

**Land Use Planning Goals:** *"To provide and maintain a high standard for Gladstone's quality of life." And "To ensure a factual base for land use decisions and actions and to establish a planning process and policy framework for this purpose."*

**Land Use Planning Objectives:** *1) "To provide for adequate levels of housing, services, shopping, employment, transportation and recreation facilities for the city's residents. 2) To relate land use actions to housing, open space, recreation, transportation, utilities, shopping facilities, jobs, police and fire protection, and other*



social needs. 3) To protect property values and livability. And 4) To direct development away from flood plains, hazard areas, stream banks, places with unique natural value, and other desirable permanent public open spaces.”

**Residential Use Policy:**

5. Allow housing types ranging from low to high density units, providing for variation in the design of housing units.

**Housing Goal:** “To meet the housing needs of all segments of the population through optimum utilization of housing resources for the construction, rehabilitation and maintenance of the diversity of housing types at appropriate locations, price ranges and rent levels, while preserving and enhancing the integrity and identity of existing residential neighborhoods.”

**Housing Objectives: 1)** “To provide for the housing needs of a minimum population of 12,000 by the year 2000. 2) To utilize housing resources to the maximum. 3) To minimize housing costs. 4) To promote and preserve the integrity, aesthetic quality and compatibility of neighborhoods. 5) To adapt the type and density of housing to the nature of the neighborhood in order to provide the widest possible range of housing choice and to enhance neighborhood stability and identity. 6) To minimize adverse social, economic and environmental impacts.”

*Policy 1: Provide a choice of housing type, density and price range.*

*Policy 2: Promote the development of high density housing around commercial and/or industrial centers served by mass transit transfer stations.*

*Policy 3: Promote the supply of adequate housing.*

- a. *Work with Clackamas County in applying for federal housing assistance funds.*
- b. *Explore the feasibility of offering density bonuses to developers who provide for federally subsidized low and moderate income housing units within developments.*
- d. *Solicit the participation of the building industry, lending institutions and school district in a program for supplying housing structures to meet the special needs of the physically limited and elderly.*

*Policy 4: Promote the upgrading and preservation of existing housing units and neighborhoods, with special emphasis on historically significant homes.*

- a. *Work with Clackamas County in applying for federal funds for housing and neighborhood rehabilitation and improvements.*
- b. *Work with the building industry, lending institutions and school district in rehabilitation and/or maintenance programs.*
- c. *Explore ways of encouraging an on-going maintenance program of existing multi-family structures and landscaping.*

The City’s proposed HNA responds to the City’s updated 20-year population projection and provides data on the number of housing units the City will need to serve the future population. The proposed HNA also provides an inventory of buildable lands to ensure the comprehensive plan map is up to date and adequate.

Key findings from the City's proposed HNA include the following:

- The number of households in Gladstone's city limits is forecast to grow from 4,573 to 4,894 households, an increase of 321 households between 2021 and 2041.
- To accommodate new households in Gladstone's city limits, the City will plan for 321 new dwelling units.
- Historically, about 72% of Gladstone's housing was single-family detached. To meet the City's future housing needs, Gladstone will plan for more single-family attached housing and multifamily housing (of all types). Exhibit 1 presents Gladstone's housing forecast.
- Gladstone has a limited residential land supply available for new housing development. Of Gladstone's 16 unconstrained buildable residential acres, about 9% are in tax lots classified as vacant and 91% are in tax lots classified as partially vacant.
- Gladstone does not have sufficient land to accommodate development in the low-density, medium-density, and high-density plan designations.
- Gladstone has an unmet need for affordable housing (for renters and homeowners). About 44% of Gladstone's households are cost burdened. About 62% of renters are cost burdened and 31% of owners are cost burdened, meaning they spend more than 30% of their incomes on housing costs.
- In addition, a majority of Gladstone's residents commute outside of the City to get to their jobs—meaning they are also spending a portion of their incomes on transportation costs (further impacting household budgets).
- Based on a comparison of Gladstone's demand for housing (321 new dwelling units between 2021 and 2041) and capacity for housing on buildable residential lands in the City, this report finds that Gladstone has a deficit of housing capacity in each of its residential plan designations.
- Gladstone is unable to meet the requirement in OAR 660-007 to provide opportunity for the development of housing at an overall average density of 8 dwelling units per net acre.
- Gladstone's overall average net density on vacant land is 5.3 dwelling units per net acre. Given that 14 of Gladstone's vacant acres are in the low-density plan designation, it is not surprising that Gladstone's average density is below the eight dwelling units per net acre required in OAR 660-007. Gladstone's problem is not the allowed densities in its plan designations but the lack of buildable land. If Gladstone had enough vacant land, or had enough redevelopment to meet the land deficits shown in Exhibit 65 of the proposed HNA, the average development density would be 9.1 dwelling units per net acre.

Based on the findings above the HNA and Comprehensive Plan amendment are consistent with Statewide Planning Goal 10.

**Goal 11 – Public Facilities and Services:** To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

**Finding:** The City conducted a Water System Master Plan and a Sanitary Sewer Master Plan in 2014. In 2017, a Sanitary Sewer Master Plan, Parks Master Plan and Transportation System Plan were completed. The Housing Needs Analysis and Comprehensive Plan amendment to adopt the HNA do not propose any changes to the adopted master plans, the Comprehensive Plan Map, or the Gladstone Municipal Code. The housing needs analysis or comprehensive plan amendment proposes no new Goal 11 program and no existing Goal 11 program is changed by this amendment. The HNA and amendment do not propose to change the comprehensive land use plan policies or implementing regulations regarding public facilities and services for compliance with Statewide Planning Goal 11.

Based on the findings above, the Comprehensive Plan Update to adopt the HNA as referenced, is consistent with Statewide Planning Goal 11.

**Goal 12 – Transportation:** To provide and encourage a safe, convenient and economic transportation system.

**Finding:** Goal 12 is implemented by Oregon Administrative Rules (OAR) Chapter 660, Division 12. Local governments are required to adopt a transportation system plan (TSP) and land use regulations to implement the TSP. OAR 660-012-0060 requires any comprehensive plan amendment to be evaluated according to the terms outlined in that OAR to demonstrate whether they will have a significant impact on the transportation system. The City of Gladstone completed a Transportation System Plan in 2017. The Housing Needs Analysis (HNA) and Comprehensive Plan amendment to adopt the HNA does not propose any changes to the adopted Transportation System Plan, the Comprehensive Plan Map, or the Gladstone Municipal Code. The HNA and comprehensive plan amendment proposes no new Goal 12 program and no existing Goal 12 program, or standard, is changed by this amendment. The HNA and amendment do not propose to change the comprehensive land use plan policies or implementing regulations regarding transportation and compliance with Statewide Planning Goal 12.

Based on the findings above, the Comprehensive Plan amendment to adopt and incorporate the HNA as referenced, is consistent with Statewide Planning Goal 12.

**Goal 13 – Energy Conservation:** To conserve energy.

**Finding:** Goal 13 requires that land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. The housing needs analysis (HNA) does not modify existing design standards or land use regulations related to energy conservation. The adoption of the HNA does not propose any changes to the adopted inventories, the Comprehensive Plan Map, or the Gladstone Municipal Code. Goal 13 does not directly apply to the housing needs analysis or comprehensive plan amendment because no new Goal 13 program is advanced by this amendment and no existing Goal 13 program is changed by this amendment. Therefore, Goal 13 is not applicable to the housing needs analysis (HNA) and associated comprehensive plan

amendment because the amendment does not propose to change comprehensive land use plan policies or implementing regulations for compliance with Statewide Planning Goal 13.

Based on the findings above, the Comprehensive Plan amendment to adopt the HNA as referenced, is consistent with Statewide Planning Goal 13.

**Goal 14 – Urbanization:** To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

**Finding:** The entirety of the city and its Urban Growth Management Area is located within the Regional Urban Growth Boundary (UGB). As such, this amendment will not result in the transition of any land from rural to urban uses, or result in population or employment growth outside of the UGB. The housing needs analysis (HNA) does not modify the Gladstone Urban Growth Management Area, the UGB, or existing zoning requirements related to urbanization. The adoption of the HNA does not propose any changes to the adopted inventories, the Comprehensive Plan Map, or the Gladstone Municipal Code. Goal 14 does not directly apply to the housing needs analysis or comprehensive plan amendment because no new Goal 14 program is advanced by this amendment and no existing Goal 14 program is changed by this amendment. Therefore, Goal 14 is not applicable to the housing needs analysis (HNA) and associated comprehensive plan amendment because the amendment does not propose to change comprehensive land use plan policies or implementing regulations for compliance with Statewide Planning Goal 14.

Based on the findings above, the Comprehensive Plan amendment to adopt the HNA as referenced, is consistent with Statewide Planning Goal 14.

**Goal 15 – Willamette River Greenway:** To protect, conserve, enhance and maintain the natural, scenic, historical, agricultural, economic and recreational qualities of lands along the Willamette River as the Willamette River Greenway.

**Finding:** Gladstone is bordered on one side by the Willamette River and the Greenway. Therefore, the Gladstone Municipal Code includes Chapter 17.28 that establishes the land use regulations related to the Greenway Conditional Use District. The housing needs analysis (HNA) does not modify the Greenway Conditional Use District, or existing zoning requirements related to the Willamette River Greenway. The adoption of the HNA does not propose any changes to the adopted inventories, the Comprehensive Plan Map, or the Gladstone Municipal Code. Goal 15 does not directly apply to the housing needs analysis or comprehensive plan amendment because no new Goal 15 program is advanced by this amendment and no existing Goal 15 program is changed by this amendment. Therefore, Goal 15 is not applicable to the housing needs analysis (HNA) and associated comprehensive plan amendment because the amendment does not propose to change comprehensive land use plan policies or implementing regulations for compliance with Statewide Planning Goal 15.

Based on the findings above, the Comprehensive Plan amendment to adopt the HNA as referenced, is consistent with Statewide Planning Goal 15.

**Goals 16-19 – Estuarine Resources, Coastal Shore lands, Beaches and Dunes, and Ocean Resources:**

**Finding:** The City of Gladstone is not subject to these four Statewide Planning Goals. Therefore, they are not applicable to the HNA, or the comprehensive Plan amendment to adopt the HNA.

**III. FINDINGS RELATED TO GLADSTONE MUNICIPAL CODE**

Once the Housing Needs Analysis is finalized and recommended by the Planning Commission and adopted City Council, the Comprehensive Plan will need to be amended to reference the Housing Needs Analysis as part of the consistency with Statewide Planning Goal 10.

The City of Gladstone planning staff finds:

**17.68.010 AUTHORIZATION TO INITIATE AMENDMENTS.**

*(1) An amendment to the text of this title or the Comprehensive Plan may be initiated by the City Council, the City Planning Commission or the City Administrator or his designee.*

*(2) An amendment to the Zoning Map or to the Comprehensive Plan Map may be initiated by:*

*(a) The City Council;*

*(b) The City Planning Commission;*

*(c) The City Administrator or his designee; or*

*(d) By application of a property owner, contract purchaser or authorized agent of the subject property.*

*(3) The request by a property owner for a map amendment shall be accomplished by filing an application with the city using forms prescribed by the city and submitting the information required from the applicant under Section 17.68.050.*

**Finding:** The request came from the City Administrator or his designee. This criterion is met.

**17.68.020 Review process.** *Applications under this chapter shall be reviewed pursuant to GMC Division VII (administrative procedures).*

**Finding:** The Housing Needs Analysis was submitted and was reviewed by the Planning Commission in October and a public hearing is being held on the final draft. The amendment to the comprehensive plan to incorporate the HNA as referenced is being reviewed according to GMC Division VII. This criterion is met.

**17.68.040 Conditions.**

*(1) City Council may require conditions. When necessary to properly relate new developments to existing or anticipated conditions in the vicinity or to make possible a higher quality of development than would otherwise be possible, the City Council may determine that a zone change will be accompanied by the acceptance or accomplishment of certain specified*

conditions. Conditions and requirements invoked pursuant to a zoning map amendment shall thereafter apply to the property so zoned.

(2) *Acceptance of conditions.* Such conditions shall be designed to further the objectives of the comprehensive plan and the zoning ordinance codified in this title and shall clearly set forth, in written form or upon drawings, all restrictions and requirements which will be applicable to the property rezoned. Where a zone change is made subject to such conditions, it shall become effective upon written acceptance and filing of the applicable terms and conditions by the property owner and by any other person intending to have an ownership interest in or to develop the property. The signed acceptance of conditions shall be filed with the City Recorder and a certified copy shall also be filed in the county deed records at the expense of the petitioner.

(3) *Type of conditions.* Conditions may include special measures designed to limit use or density, screen or separate buildings or portions of the site from adjoining property; limit access from important thoroughfares or through residential areas; provide additional right-of-way for an abutting street, preserve or provide public access to greenspace, floodplains, or river frontage; improve bicycle or pedestrian safety and connectivity; or improve transit capacity and efficiency.

(4) *No variance of ordinance standards.* In connection with the adoption of a zoning amendment, ordinance standards may be varied only when the Planning Commission finds that the development proposed and covered by specific limiting conditions will provide benefits and safeguards equal to or better than those possible under a strict interpretation of the zoning ordinance. In no case shall a use not specifically permitted within the zoning district be allowed under this section and Section 17.68.050. When circumstances as described in GMC Section 17.72.020 (circumstances for granting) exist, the regular variance procedures shall be followed.

(5) *Building permit conditions.* In addition to conditions as described above in this section, the Council may also provide that a zoning amendment will become effective upon satisfactory performance by the applicant of certain conditions or actions, such as a bona fide application for a building permit within a specified period of time.

**Finding:** Staff are not recommending any special conditions. This criterion does not apply.

**17.68.050 Evidence supplied by applicant.** The applicant seeking a zoning map change pursuant to the provisions of GMC Section 17.68.010 must show by a preponderance of the evidence all of the following, unless otherwise provided for in this title:

(1) *Granting the request fulfills a public need; the greater departure from present development policies or land use patterns, the greater the burden of the applicant.*

(2) *The public need is best carried out by granting the petition for the proposed action, and that need is best served by granting the petition at this time.*

(3) *The proposed action is consistent with the comprehensive plan and Metro's Functional Plan (Metro Code 3.07), and the Transportation Planning Rule (OAR 660-012-0060).*

(4) *Proof of significant change in a neighborhood or community or a mistake in the planning or zoning for the property under consideration, when relevant.*

(5) *The property and affected area is presently provided with, or concurrent with development can be provided with, adequate public facilities, including, but not limited to, the planned function, capacity, and performance standards of the transportation system as adopted in the transportation system plan.*

(6) *The transportation system is capable of safely supporting the uses allowed by the proposed designation in addition to the existing and planned uses in the area, consistent with the Transportation Planning Rule (OAR 660-012-0060). Requirements of the State Transportation Planning Rule shall apply to those land use actions that significantly affect the transportation system, as defined by OAR 660-012-0060.*

**Finding:** This project is not seeking a zoning map change. Therefore, this criterion is not applicable.

**17.70.010 Authorization to grant or deny.**

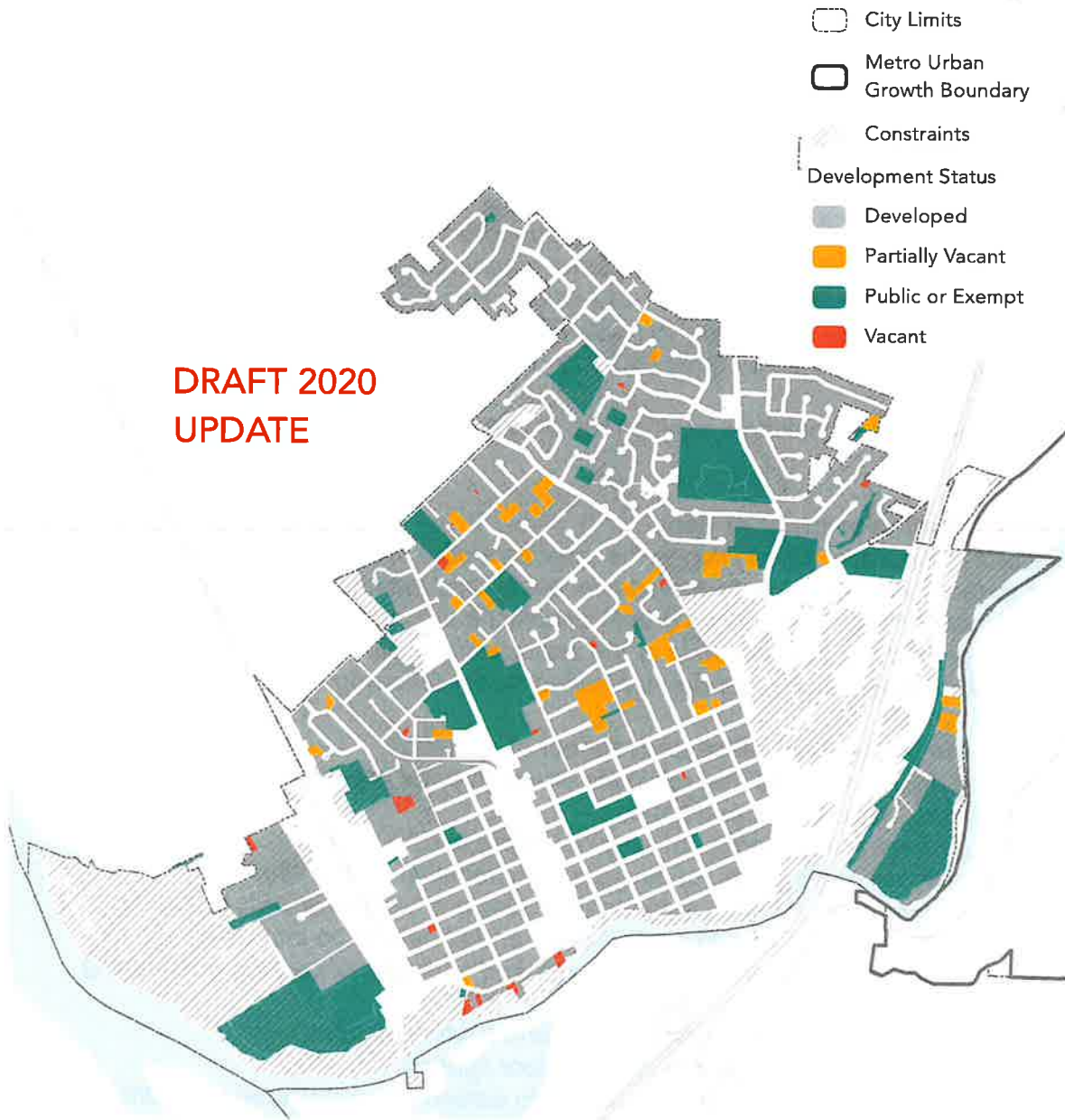
2) *Conditions of Approval. In addition to the specific requirements of this title, including those set forth in GMC Chapter 17.62 (special uses), and the comprehensive plan, approval of a conditional use may be granted subject to additional conditions that are found necessary to protect the best interests of the surrounding area or the city as a whole. These conditions may include, but are not limited to, the following:*

- (a) Limiting the hours, days, place and manner of operation;*
- (b) Requiring design features that minimize environmental impacts such as noise, vibration, smoke, dust, fumes and glare;*
- (c) Requiring increased setbacks, lot area, lot depth and lot width;*
- (d) Limiting building height, size, lot coverage and location on the site;*
- (e) Designating the size, number, location and design of vehicle access points;*
- (f) Requiring street right-of-way to be dedicated and streets to be improved;*
- (g) Requiring landscaping, screening, drainage and surfacing of parking and loading areas;*
- (h) Limiting the number, size, location, height and lighting of signs;*
- (i) Regulating the location and intensity of outdoor lighting;*
- (j) Requiring a sight-obscuring fence or hedge to screen the conditional use from adjacent to or nearby property;*
- (k) Construction of off-site transportation improvements to mitigate impacts resulting from development that relate to capacity deficiencies and public safety; and*
- (l) Upgrade or construct public facilities to city standards.*

**Finding:** Currently there are no conditions recommended. This criterion is met.

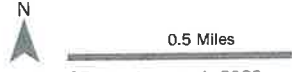


## EXHIBITS





**EXHIBIT 1**  
Development  
Status Mapped by  
ECONorthwest

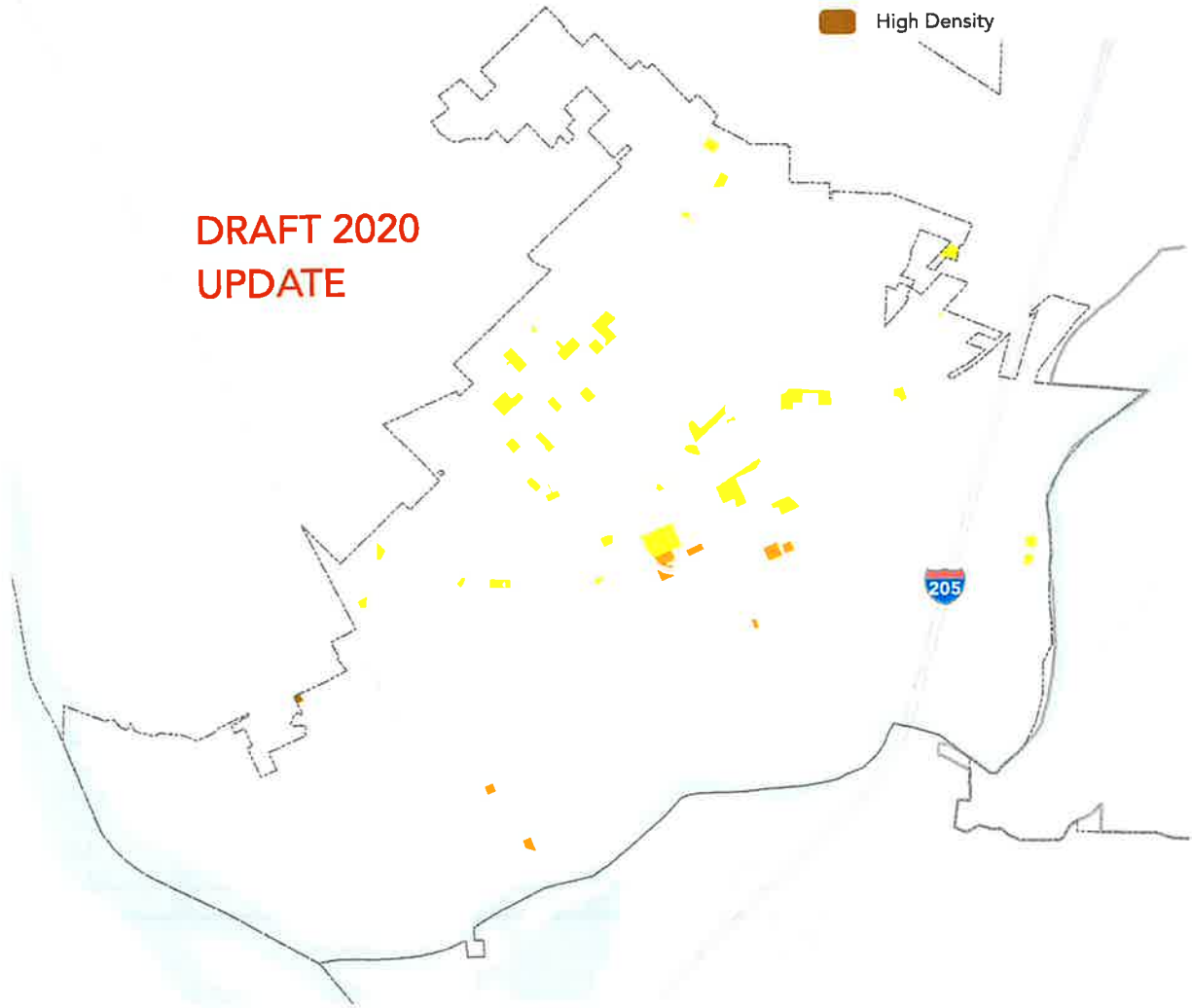




As of Date: August 4, 2020  
Source: ECONorthwest; Metro 2018 BLI; RLIS

-  City Limits
-  Metro Urban Growth Boundary
- Gladstone Plan Designations**
-  Low Density
-  Medium Density
-  High Density

**DRAFT 2020  
UPDATE**



**EXHIBIT 2**  
Unconstrained  
Buildable Lands  
Mapped by  
ECONorthwest

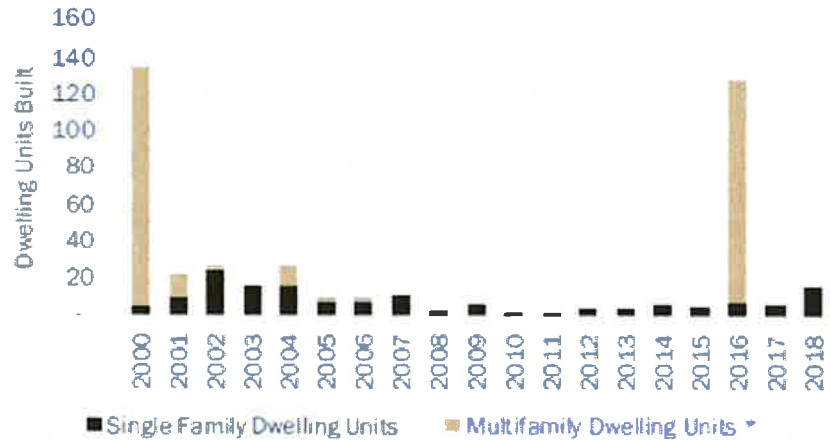
Over the 2000 to 2018 period, Gladstone had construction of 440 dwelling units, with an annual average of 24 units built.

Of these 440 units, about 37% were single-family dwelling units and 63% were multifamily dwelling units.

**Exhibit 11. New Residential Dwelling Units Built, Gladstone, 2000 through 2020**

Source: RLIS.

Note: data was pulled in May of 2020.



**Exhibit 12. Average Density of New Residential Construction Permitted by Type of Unit and Plan Designation, Gladstone, 2000 through 2020**

Source: RLIS. Note: DU is dwelling unit.

Plan Designations / Zone	Single Family Dwelling Units			Multifamily Dwelling Units			Total, Combined		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
<b>Residential</b>	<b>154</b>	<b>32</b>	<b>4.8</b>	<b>155</b>	<b>6</b>	<b>24.5</b>	<b>309</b>	<b>39</b>	<b>8.0</b>
Low Density	93	25	3.8	12	1	10.5	105	26	4.1
Medium Density	61	8	7.9	8	0	17.0	69	8	8.4
High Density	-	-	-	135	5	28.6	135	5	28.6
<b>Commercial</b>	<b>4</b>	<b>1</b>	<b>3.7</b>	<b>123</b>	<b>10</b>	<b>11.7</b>	<b>127</b>	<b>12</b>	<b>11.0</b>
Community Commercial	3	0	8.7	-	-	-	3	0	8.7
General Commercial	1	1	1.3	-	-	-	1	1	1.3
Industrial	-	-	-	123	10	11.7	123	10	11.7
<b>Total</b>	<b>158</b>	<b>33</b>	<b>4.7</b>	<b>278</b>	<b>17</b>	<b>16.5</b>	<b>436</b>	<b>50</b>	<b>8.7</b>

**EXHIBIT 3**  
Development  
Patterns from  
DRAFT HNA by  
ECONorthwest

Gladstone will have demand for 321 new dwelling units over the 20-year period, with an annual average of 16 dwelling units.

**Exhibit 59. Forecast of Demand for New Dwelling Units, Gladstone City Limits, 2021 to 2041**

Source: Metro's 2040 Household Distributed Forecast, July 12, 2016. Calculations by ECONorthwest.

Variable	New Dwelling Units (2021-2041)
Household Forecast 2021	4,573
Household Forecast 2041	4,894
<b>Total New Dwelling Units (2021-2041)</b>	<b>321</b>
<b>Annual Average of New Dwelling Units</b>	<b>16</b>

Gladstone will have demand for 321 new dwelling units over the 20-year period, 50% of which are forecast to be single-family detached housing.

**Exhibit 60. Forecast of Demand for New Dwelling Units, Gladstone City Limits, 2021 to 2041**

Source: Calculations by ECONorthwest.

Variable	Mix of New Dwelling Units (2021-2041)
Needed new dwelling units (2021-2041)	321
Dwelling units by structure type	
<b>Single-family detached</b>	
Percent single-family detached DU	40%
<i>equals</i> Total new single-family detached DU	128
<b>Single-family attached</b>	
Percent single-family attached DU	10%
<i>equals</i> Total new single-family attached DU	32
<b>Duplex, Triplex, Quadplex</b>	
Percent duplex, triplex, quadplex DU	10%
Total new duplex, triplex, quadplex DU	32
<b>Multifamily (5+ units)</b>	
Percent multifamily DU (5+ units)	40%
Total new multifamily DU (5+ units)	129
<b>Total new dwelling units (2021-2041)</b>	<b>321</b>

**EXHIBIT 4**  
**Dwelling Unit Demand**  
 from DRAFT HNA by  
 ECONorthwest

