

# City of Gresham

## Five Year Strategies

### Introduction

The City of Gresham's Consolidated Plan for Housing and Community Development provides a framework to meet the needs of the residents of the city, focusing on assisting its most vulnerable populations. The five-year strategic plan outlines the city's needs, goals and strategies for assisting low- and moderate-income households and provides the basis for allocating the U.S. Department of Housing and Urban Development ( HUD) funds under the Community Development Block Grant Program (CDBG). Although Gresham is part of a Consortium with Multnomah County and the City of Portland, it is a separate Entitlement Jurisdiction and as such, has developed its own goals and strategies and prepares its own Annual Action Plan outlining the specific program activities to be implemented in order to carry out its Five-Year Plan strategies.

The City of Gresham has adopted the following Guiding Principles for Publicly-Assisted Affordable Housing and Community Development Block Grants Funds. "Publicly-Assisted Affordable Housing" is defined as housing that is made available for low- and moderate-income persons using public funds. It is also referred to as "Intentional Affordable Housing"

### **Guiding Principles:**

1. Everyone in Gresham deserves a decent, safe and affordable place to call home.
2. Gresham will be a vibrant community with a balance of jobs, housing and services.
3. The city will promote a diversity of affordable housing types across income levels.
4. Publicly-assisted affordable housing will be an attractive, high quality addition to the neighborhood in which it is located.
5. Publicly-assisted affordable housing will be dispersed throughout the community, rather than concentrated in certain areas.
6. The city will explore more innovative and creative financing options to assist publicly-assisted affordable housing, including partnerships with other public and private sector funders and investors.
7. The city will attempt to preserve the existing number of publicly-assisted housing units. In the event that these units are lost or converted to market-rate, the city will support replacing the lost units on a one-for-one basis.
8. The city will play a key role in promoting a more coordinated, sustainable and responsive delivery system for affordable housing by setting clear priorities and seeking additional resources to meet City of Gresham needs

Historically, HUD has allocated approximately \$900,000 in CDBG grant funds and \$600,000 in HOME funds annually to assist the City of Gresham in meeting its goals and strategies. Additional resources are available through loan repayments, program income and carry over funds. Based on past experience, it is estimated that 100% of the CDBG program funds will benefit low- and moderate- income persons.

The City of Gresham will use its Community Development Block Grant funds over the next five years to accomplish multiple city goals through allocation among four fund distribution categories:

1. Public Improvements and Infrastructure
2. Housing Development and Rehabilitation
3. Economic Development
4. Public Services

Within the categories listed above, priority, in descending order, will be given towards the following projects and programs that:

- Promote investment in low-income neighborhoods;
- Leverage additional revenue to stimulate private development;
- Achieve multiple affordable housing or CDBG Guiding Principles;
- Help to revitalization the Rockwood Town Center Area and Rockwood Neighborhood; and,
- Help to promote the redevelopment of the downtown.

In previous year, the City of Gresham has chosen to fund more rental assistance than what the Consortium allocates in the City of Portland. Human Solutions has a tenant based rent assistance program that not only helps homeless people but focuses on preventing eviction for City of Gresham residents. The City of Gresham has historically funded this program which serves approximately 125 households annually.

## **Public Improvements and Infrastructure**

**GOAL:** The goal of this program area is to provide basic public infrastructure and public improvements in low- and moderate- income areas as well as to improve public facilities.

**NEEDS:** The City of Gresham's population has grown by 17% over the past ten years to 105,594. To provide basic public infrastructure to accommodate that growth, Gresham must focus on capital improvements within the city including the upgrade of substandard streets and water lines, the upgrade of public facilities serving more needs and providing basic amenities and improving playground equipment in city parks.

The City of Gresham established a Rental Inspection Program in December 2007 to improve housing conditions and community livability. The primary focus of the inspections is life and safety issues; however, other important habitability concerns are also addressed, including poor ventilation, mold, pests, and inadequate heating. Due to the establishment of this program, apartment complexes in the Rockwood area and throughout the city are improving. CDBG funded programs often work hand-in-hand with this program improving the overall public health and safety of Gresham's neighborhoods.

**PROGRAM DESCRIPTION:** The Public Improvements program improves the living environment for low- and moderate- income households by addressing the issues of public health and safety at the neighborhood level. Capital improvement projects may include:

- Street improvements: improvements to curbs, gutters and sidewalks for safe pedestrian access, paving of gravel streets and streets that require improvement, adequate lighting of the public right of way and the provision of street trees.
- Park improvements: rehabilitation of existing parks in growing neighborhoods, installation of upgraded playground equipment and restroom facilities,
- Utility improvements: Extension and upgrades of the water and sewer systems in low income neighborhoods.

3/22/11 DRAFT

- Code Enforcement and Blight Abatement: Code enforcement in deteriorating neighborhoods where such enforcement together with public and private improvements, rehabilitation and service serves to support and improve the health and safety of the area.

Other public improvements including rehabilitation of both city and privately owned facilities serving low- and moderate- income citizens and special needs populations of Gresham such as community centers, youth centers and senior centers will also receive consideration for funding under this program category.

#### PROJECT SELECTION

Various city departments propose the infrastructure and public improvement projects. City Council prioritizes the projects and recently, has been setting aside one or more projects during each funding cycle that it would like to see receive funding. Other proposals are reviewed and scored competitively along with organizations and agencies applying for public improvement dollars.

#### PROGRAM ELIGIBILITY

Public improvements, facilities and infrastructure projects need to serve low- and moderate- income Gresham citizens and/or be located in low- and moderate- income census tracts. Projects and improvements are located citywide with special emphasis on the Rockwood Neighborhood and Downtown Gresham.

### Housing Development and Rehabilitation

#### GOAL

The overarching goal of the Housing Development and Rehabilitation program area is to increase the range of housing opportunities affordable for households with incomes at or below 50% of the area's Median Family Income, focusing on populations with the greatest barriers. The objectives of the housing development and rehabilitation program area include the following:

1. Develop and maintain a supply of safe and decent housing affordable to low- income individuals and families;
2. Provide rental assistance to families and individuals that are homeless or at the risk of becoming homeless;
3. Provide financial assistance to first time low- and moderate- income homebuyers; and,
4. Assist low- and moderate- income homeowners to make critical home repairs and remove barriers to accessibility so that they can remain in their homes.

#### NEED

A significant percentage of Gresham homeowners are experiencing financial distress due to high housing costs. Forty-one percent of homeowners with mortgages and 15% of those without mortgages within the city are spending 30% or more of their household income on Housing ( American Housing Survey 2005-2008) Also, more than 55% of the owner-occupied homes in Gresham were built before 1979 and older homes tend to need more repairs.

Data from the 2009 American Community Survey indicates that 46.9% of households in Gresham are renters and of those, 44% are carrying a serious housing burden by paying 35% or more of their income towards rent.

#### PROGRAM DESCRIPTION

This program area focuses on both HOME and CDBG funding for housing- related programs and projects such as:

- Development of affordable homeownership units

- Financial assistance with purchase of homes for homeownership
- Tenant Based Rent Assistance
- Construction/Rehabilitation of affordable rental housing
- Grants to low- and moderate- income households to make their homes or apartments accessible
- No interest loans and or grants for essential home repairs to low- and moderate- income households to keep homeowners in their homes
- Grants to low- and moderate- income households to make their homes or apartments safe and healthy free of mold, fire hazards, high radon levels, and peeling lead paint
- Development/rehabilitation of special needs housing.

The homeownership program is intended to address obstacles faced by first time homebuyers such as being able to save enough money for a down payment. The program also helps existing low-income homeowners maintain the overall livability of their homes through necessary repairs. It also provides opportunities to increase accessibility of homes for persons with disabilities and senior citizens.

The rental housing component helps to develop and maintain affordable, safe and decent rental housing for Gresham citizens and also offers tenant based rent assistance to those Gresham residents who are at risk of being evicted.

The City of Gresham is in the process of developing a Housing Policy which will review types of housing, geographic distribution of housing, jobs/housing balance and affordable housing goals.

The rental housing program funds the development and maintenance of affordable housing opportunities for low- and moderate- income households. The program also funds organizations to provide rental assistance to low income households that are homeless or at risk of becoming homeless.

## Economic Development

### GOAL

This program area addresses funding of activities geared toward the improvement of the long-term economic and social well-being of Gresham citizens. The objective is a sustainable increase in living standards, including per capita income, education, health and environmental protection.

### NEED

Gresham has some of the highest levels of poverty in Multnomah County. The Oregon Employment Department did a study called "A Microanalysis of Rockwood," based on the 2000 Census. According to that study, 19.5% of the people in Rockwood lived in poverty. In two of Rockwood's census tracts, 27% of the residents were in poverty compared to a poverty rate of 12.7 % for Multnomah County. In 2000, 41% of the children in Rockwood lived in poverty. High rates of poverty may make potential businesses hesitant to relocate to the Gresham/Rockwood Urban Renewal Area and this may limit the economic growth of the city.

### PROGRAM DESCRIPTION

Approaches which the city may use include:

- Investing in education, training, and workforce development;
- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized business;
- Providing financial incentives for small businesses;
- Encouraging the formation of new businesses;
- Targeting particular areas of the city for regeneration or growth;
- Supporting informal and newly emerging businesses; and,

- Investing in infrastructure.

Over the past five years, the City of Gresham has invested in workforce development and training efforts through its funding of Human Solutions' Living Solutions program. This program assists low income person to gain the job skills they need and then helps to place them into career wage or career track employment. The city has also developed a storefront improvement program and small business incentive program in the downtown and focused on business redevelopment in the Rockwood Neighborhood. The goals of these two programs are to help stabilize the downtown area and Rockwood Neighborhood, to decrease deterioration and encourage redevelopment and the creation of more businesses and housing.

## **Public Services**

### GOAL

The goal of the Public Service program is to assist low- and moderate- income Gresham households to become self-sufficient by implementing strategies aimed at providing safety net services and transitional housing to help them meet their basic needs and to prevent homelessness.

### NEEDS

The poverty rate in Gresham in 2009 was 13.7% although for children living below the poverty level that number jumps to 18.6%. Gresham shows a disproportionately high poverty rate for people with a disability- 24.4%. In addition, minority communities have a higher poverty rate. For example, 29.4% of those persons experiencing poverty in Gresham identified themselves as being Latino/Hispanic while 38% of Native Americans living in Gresham reported living in poverty.

### PROGRAM DESCRIPTION

Gresham's Public Service program funds nonprofit community -based organizations and agencies to carry out activities and provide services designed to assist low- and moderate- income households and special needs households. The program funds transitional housing opportunities as well as services designed to assist individuals and families to address and overcome barriers to self-sufficiency, including employment issues, language barriers, drug and alcohol addictions, domestic violence, homelessness and physical and mental disabilities. Other program objectives include providing bilingual and bicultural case management and assistance to minority populations as well as peer-counseling and support services to low-income seniors.

### PROGRAM ELIGIBILITY

All public services must primarily benefit low- and moderate-income persons. Preference will be given to programs that exclusively assist persons with incomes below 50% Median Family Income. Also, high consideration will be given to programs that assist Gresham's most vulnerable populations. Once approved for funding, the City of Gresham's policies have provided the agencies/organizations selected with program funding for a total of three years. After the three year period is over, the process is open for competitive funding selection.

## **PROJECT SELECTION**

Annually, the City of Gresham publicly solicits applications for activities to be undertaken using available CDBG and HOME funds. In 2010 and 2011, the City Council set funding allocation targets. A workshop for potential applicants is held in January and applications are due approximately three weeks later. The Community Development and Housing Subcommittee (CDHS) and a Technical Advisory Group, including financial experts, review the applications. The CDHS holds public hearings in February and March and makes a recommendation to Council based on an evaluation of the written applications and the information garnered at the public hearing. Gresham City Council conducts a

public hearing in May and makes the final determination by approving submission of a final Action Plan to HUD.

## POTENTIAL BARRIERS

Lack of funding is the greatest barrier for all four areas. Due to budgetary constraints, the City of Gresham does not have the General Fund dollars to support all of the capital improvement needs for its neighborhoods nor to support funding safety net services to help its lower income citizens.

Due to the economic recession, the housing crisis, there is an increase in the number of homeless families. There is not sufficient rent assistance to meet demand. According to Human Solutions, Inc., the number of households needing Tenant Based Rent Assistance in 2010 exceeded the amount of that assistance by about four to one.

## GEOGRAPHIC SERVICE AREAS

The City of Gresham, which occupies 22.2 square miles, is located in Multnomah County, immediately east of Portland and is the fourth largest city in the State of Oregon. The dynamics of the population in the City of Gresham have changed since the 2000 Census. According to the 2010 Census, the city's population has grown from 90,205 to 105,594, a 17.1% increase. The poverty rate continues to increase and there continues to be a shift of low income people moving to East County. According to the 2009 American Community Survey, 13.7% of all people living in Gresham had incomes at or below the poverty level during 2009. That figure increases to 35.6% for female head of households with children. The median family income is \$53,208 for Gresham compared to \$61,810 in Multnomah County and \$61,557 in Portland.

Data from the 2009 American Community Survey also indicates that 46.9% of Gresham households are renters as opposed to homeowners. Of all Gresham renters, 44.1% or more than 7,100 households are carrying a serious housing burden by paying 35% or more of their income towards rent.

No truly reliable data exists, but there appear to be at least 1,200 homeless individuals in East Multnomah County, most of which are members of families with children. There are at least 500 homeless children in East County and anecdotally, there seem to be increasing numbers of homeless people in Gresham, especially along the Springwater Trail and major arterial corridors.

The City of Gresham successfully established the Rockwood- West Gresham Urban Renewal Area in November 2003 including pre-qualified Census block groups with percentages ranging from 62.1% to 81.3% of low income people. Also, the City of Gresham established a slum and blight area in 2010 for portions of the downtown where there were conditions of deterioration and problems with chronic vacancies.

Projects and programs funded with CDBG funds and HOME dollars are city-wide with a special emphasis on the Rockwood-West Gresham Neighborhoods and Downtown Gresham.

### Minority Populations

Census 2010 figures show that Latinos comprise 19,984 persons citywide, which is approximately 19% of the population with the next largest race being Asian with 4507 persons, or 4%. African Americans comprise 3732 persons or nearly 4% of the population.

Among people at least five years old in 2006-2008, 23% spoke a language other than English at home. Of those speaking a language other than English at home, 71% spoke Spanish and 29% spoke some other language; 56% reported that they did not speak English "very well".

## PROGRAM ELIGIBILITY

Low and moderate-income Gresham residents are eligible for CDBG and HOME programs. Also, the city's low-and moderate- income census tracts are eligible for funding.

Eligible uses are as follows:

- Public services: Open to all non-profits serving Gresham residents
- Public facilities: Facilities serving low & moderate income people or low & moderate income neighborhoods, such as infrastructure projects or a domestic violence center serving low income neighborhoods
- Housing: Special needs housing, acquisition and rehabilitation of existing rental housing
- Homeownership: Gresham Homeownership Program, developer-initiated.  
Housing Services: Housing rehabilitation
- Economic Development: Development assistance activities that produce jobs.

## MONITORING

Monitoring is an on-going part of project management for the City of Gresham. The elements of Gresham's project management system include the following:

- In an effort to assist applicants with addressing all applicable federal regulations, the city provides information about relevant regulations in the funding application materials. While this information may not be sufficient for an applicant unfamiliar with the regulations, it does serve as a reminder to those who have some familiarity with CDBG and HOME of the requirements they will have to meet if funded.
- The city also conducts a workshop for all prospective applicants at the beginning of the application period, to familiarize the applicants, with the regulations and requirements associated with the CDBG and HOME programs.
- Applicants are encouraged to meet with City staff to review the federal regulations and to answer any questions the applicants may have concerning the application process. This is an opportunity to assist applicants in shaping their projects in a manner that conforms to HUD guidelines.
- City staff reviews written applications to ensure general compliance with federal regulations at the initial stage in the application process.
- After extensive review by staff, the Community Development and Housing Subcommittee (CDHS), and a Technical Advisory Group, staff informally assesses the applicant's background and experience and the complexity of the project to determine how best to proceed with formalizing a contractual agreement. If the applicant is receiving funds for a service or project that they have completed successfully in a previous year, staff may simply send out a renewal contact. If it is a new project of some complexity with a new partner, then staff may prepare checklists and hold multiple meetings to ensure that the project is developed appropriately. Staff will provide considerable guidance upfront on Davis Bacon, Uniform Relocation Act, Lead Based Paint, and other related compliance issues.
- All contracts include provisions for providing written reports to the city on a regular basis. Delays in reporting may result in the city delaying payment of invoices until the required reports are provided.

- Once a year, the city sponsors an informal meeting for all public service and housing service providers to better coordinate service among agencies and to provide a forum for discussing mutual interests or concerns. Typically, a good portion of the meeting is spent discussing contractual requirements such as revisions to reporting forms or other HUD changes.
- For all housing projects for which the city provides funding for construction, the city assigns a building inspector to monitor the progress of the project in the field and to review all invoices for payment. Community Revitalization staff continue to monitor overall progress.
- The City of Gresham will complete an annual risk assessment of its CDBG subrecipients. The purpose of this risk assessment is to identify which subrecipients will require comprehensive monitoring during the program year. The risk assessment uses the following criteria to identify high-risk subrecipients which will require comprehensive monitoring:
  - those who are new to CDBG programs and have never received CDBG funding previously;
  - those who have experienced turnover in key staff positions;
  - those with previous compliance or performance problems;
  - those carrying out high-risk activities; and
  - those undertaking multiple CDBG activities for the first time.

Comprehensive monitoring of high-risk subrecipients will include a minimum of three on-site project monitoring visits during each program year. If a subrecipient is determined to be high-risk, they may also be required to submit monthly financial and program outcome reports (vs. quarterly). The schedule of each on-site monitoring visit will be determined by the subrecipient project schedule and a standardized monitoring checklist will be used when evaluating each subrecipient CDBG-funded project. There are four parts to the monitoring review:

1. Program compliance
2. Project achievements
3. Financial and grant management systems (performed by the city's financial staff)
4. Regulatory Compliance