From: Rebecca Messinger
To: Sonja Wiser

Subject: FW: City of Vancouver report back on requested information for 4/23 Council hearing on growth allocations

Date: Monday, April 22, 2024 4:22:35 PM **Attachments:** 24 04 23 COV to CCC fnl.docx

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Hello Sonja,

Please see the attached comments for tomorrow's council hearing. Thanks!



Rebecca Messinger

Clerk to the Council
COUNTY MANAGER'S OFFICE

564-397-4305







From: Snodgrass, Bryan < Bryan. Snodgrass@cityofvancouver.us>

Sent: Monday, April 22, 2024 4:14 PM

To: Rebecca Messinger < Rebecca. Messinger@clark.wa.gov>; Gary Medvigy

<Gary.Medvigy@clark.wa.gov>; Karen Bowerman <Karen.Bowerman@clark.wa.gov>; Glen Yung

<Glen.Yung@clark.wa.gov>; Sue Marshall <Sue.Marshall@clark.wa.gov>; Michelle Belkot

<Michelle.Belkot@clark.wa.gov>

Cc: Oliver Orjiako <Oliver.Orjiako@clark.wa.gov>; Jose Alvarez <Jose.Alvarez@clark.wa.gov>; Christine Cook <Christine.Cook@clark.wa.gov>; Kathleen Otto <Kathleen.Otto@clark.wa.gov>; Kennedy, Rebecca <Rebecca.Kennedy@cityofvancouver.us>

Subject: City of Vancouver report back on requested information for 4/23 Council hearing on growth allocations

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Good afternoon Councilors and staff

For the 4/23 Council hearing and for posting, attached please find a letter from the City of Vancouver reporting back on requested information about recent cities discussion on the growth

allocation, and on the basis for two Vancouver capacity assumptions as raised by the County Planning Commission.

We understand tomorrow's hearing now appears in the "Amendments to the agenda" section. Any advance direction as to whether testimony will or will not be taken tomorrow is welcome.

Thank you.



April 22, 2024

RE: Report back on updated growth allocation discussion and growth capacity information for April 23 Clark County Council public hearing

Chair Medvigy and Clark County Councilors:

At the April 17 workshop the County Council expressed a desire to continue the April 23 public hearing to May 7, and to be updated on the latest information regarding growth allocations and capacity. We have been involved in continued discussion with other jurisdictions, as well as a review of our own analyses, and offer the following for your consideration as you determine the scope of the upcoming hearing:

A. The Cities are in agreement with 99% of the proposed growth allocation outlined by County staff. The attached March 19, 2024 Cities joint letter to the Council expresses agreement among the Cities that the proposed allocation of the *total* number of housing units to each individual jurisdiction is reasonable, and that the proposed sub-allocation of those total housing units *within individual income bands* should fall somewhere between methods A and B. Method A distributes housing by income band to individual jurisdictions by their land capacity for future growth, regardless of how many less costly units the jurisdiction already has on the ground. Method B gives credit for the number existing housing units by income band a jurisdiction already has.

Recent constructive discussions with the City of Camas have further narrowed this small gap. Camas originally testified in support of method A, but has more recently qualified this to indicate support for method A only for itself, with the other jurisdictions able to use an allocation halfway between Methods A and B. Most recently, Camas has also indicated a willingness to consider an allocation for itself only that is 75% method A and 25% method B. The scope of remaining disagreement, the difference between the most recent Camas position and the halfway option between A and B favored by the other cities, is slightly more than 500 housing units, or about ½ of one percent of the 103,000 total new units to be allocated countywide.

In deciding how to close this remaining gap, we recommend the Council use the halfway point between Methods A and B, which is supported by the other cities and would effectively eliminate the problem of negative allocations in certain situations. Different jurisdictions have different histories and circumstances, but in our view it is not appropriate or consistent with existing Countywide Planning Policy 2.1.1 calling for fair share regional housing to have select jurisdictions receive different and preferential treatment. We very much appreciate Camas' recent efforts to find a solution, but believe the earlier movement from Method B, the general consensus of all in the initial County and Cities meetings, to the halfway point represents a significant compromise. In Vancouver's case it means half of preexisting below market units in our city will not be recognized in the allocation. Battle Ground, Yacolt and Woodland are all also disadvantaged by moving from Method B to A on the spectrum.

- **B.** The Cities are in agreement that existing land supplies are largely adequate to accommodate long term growth. The Cities joint letter states that UGA expansions larger than the modest, primarily jobs oriented changes currently envisioned by some of the small cities are not needed to ensure robust housing and economic futures in local communities, and may be beyond jurisdictions ability to fund necessary services. We urge the Council to respect this finding, as the Cities are fully familiar with the development markets, land supplies, community desires, and future needs and service costs within their urban areas.
- C. Follow up analysis of the Vancouver mixed use and residential density assumptions as requested by the County Planning Commission shows that both are reasonable and align with existing market realities, legal requirements, and trends.

Mixed Use. All Vancouver mixed use and commercial zones allow housing to varying degrees. Newer developments, most visibly in downtown but also throughout the City, sometimes provide this through mixed use buildings which combine upper story multifamily development with first floor commercial uses on a single parcel of land. Until recently however, the VBLM model assumed land could only accommodate housing or employment, never both, which effectively assumes that mixed use buildings do not exist, and will not exist in the future. In order to rectify this oversight and account for existing market realities that are only likely to increase over the next 20 years as the city densifies, the assumed portions of land for housing and for employment in Vancouver zones together now add up to 110% in some cases, 125% in others. Note that this conservative assumption does *not* assume that all, most or even half of Vancouver's net commercially designated land will be developed with mixed use buildings, only that up to 10% to 25% will over the next 20 years. Vancouver's mixed use assumptions also conservatively assume that job densities will be no

higher than the VBLM's countywide commercial estimate of 20 jobs per acre, despite the fact that this countywide commercial average is based in part on low density commercial uses such as gas stations, auto sales and rental, cinemas, bulk sales and rental, storage and other uses which virtually never locate on the first floor of mixed use buildings.

Housing Densities. Vancouver is assuming higher future densities on vacant or underutilized land in its existing single family zones than they are currently producing because of the reality of recently passed housing laws. HB 1337 requires all jurisdictions to double their allowed density of ADU's from one to two units per homesite. HB 1110 requires Vancouver, Camas and Washougal, and any single family lands they annex, to allow multiple unit plexes where previously only a single unit was allowed. In Vancouver's case 4 to 6 unit plexes must be allowed on lots as small as 1000 square feet. Vancouver estimates are based on discussions with our consultant ECO Northwest, which has examined impacts from the new laws in the Puget Sound region and elsewhere in the state. Note that Vancouver is not assuming that unbuilt land will develop at the maximum density allowed under the new laws, or even close to that. Vancouver's expected densities are approximately two or three times current allowances, while the new laws effectively require allowing as much as a six fold increase in density from current. These and other new housing laws have already been adopted by the state, and in the case of HB 1110 there is a self-executing mechanism whereby state model standards automatically supercede local rules for those jurisdictions that do not comply on time. Parties from all sides of the local debate are on record that capacity estimates need to incorporate the newly adopted laws.

D. If the Council wishes to reopen VBLM capacity estimates to address new information not yet submitted, it should also address standing VBLM capacity concerns and recommendations that have not been responded to, and consider the implications on overall comprehensive plan update deadlines. The VBLM model consists of multiple individual assumptions developed over four years, beginning with the BLPAC committee at the end of 2019 and subsequent County Council decisions in 2021 and 2022, and then updates by County Planning and GIS staff in 2023 in response to state laws. As emphasized at last week's workshop by County staff and the Deputy Prosecuting Attorney, the upcoming Council hearing is intended to allocate growth targets, not revisit capacity estimates.

If the Council wishes to reopen capacity issues to consider what we understand is a pending development community report not yet submitted, it should advertise the change, and at the hearing address standing Vancouver concerns with the VBLM model results and assumptions raised in recent testimony but not addressed or responded to:

<u>Employment.</u> The VBLM appears to still underestimate actual growth capacity, as it projects the City of Vancouver has room to grow only an average of around 1,200 new jobs per year through 2045, when actual growth in current Vancouver city limits in the past two decades was 25% higher than this, around 1600 jobs per year since 2002 per the US Census, and would have been considerably higher since there was a historic recession and a pandemic during that time that is not likely be repeated in the coming decades.

One current model assumption likely causing this undercounting is that home-based work will account for only 4% of total jobs over the next 20 years, despite data form Scott Bailey indicating it currently accounts for approximately 20% of countywide jobs, and no data to support that this will be drastically reduced in the future. To be conservative we recommend assuming home-based work will account for at least 15% of countywide jobs.

A second assumption likely contributing to the employment capacity undercount is that less than 1% of future job growth countywide is assumed by the VBLM to occur through replacement or expansion of existing buildings, or adding of any employees within existing structures, even those that are currently vacant or underused. This despite the fact that redevelopment is generally likely to increase over the long term as cities densify, and redevelopment was added to GMA's buildable lands statutes in RCW 36.70A.215 for the first time in 2018. To address this, we recommend reinstating the assumption adopted in Clark County's 2016 Comprehensive Plan that redevelopment would account for 15% of total job growth countywide. No data or evidence was ever provided to our knowledge indicating that future redevelopment should be assumed to be 15 times less than previously assumed.

Housing. Despite improvements, the latest housing capacity estimates also appear to still underestimate actual growth capacity in light of applications currently under review. The VBLM projects that Vancouver has a 20-year capacity for about 2.5 times as many housing units as developers already have under review with the City right now, which appears low given that most applications result in development within 2-5 years, not 20 years. Individual model assumptions likely contributing to an overall undercounting of capacity include the assumption for critical lands deductions that is based on data with little or no multi-family housing included; an assumption that future long term redevelopment will be slower than in the recent past, without data that this will occur; and an assumption that long term unincorporated VUGA residential densities will not be impacted by HB 1110 housing requirements, which is effectively an assumption that no VUGA residential annexations will occur during the 20 year planning period.

- E. We share the County Council's emphasis on trying to expand affordable home ownership opportunities in particular, and some of the concerns about new state housing laws, but we note that compliance is not optional, and we do not believe the impacts are as dire as some have suggested:
 - As confirmed by Department of Commerce staff, the housing unit allocations to individual jurisdictions in individual income bands are minimums, not maximums. If a jurisdiction wishes to plan for more units in a particular income band than allocated it can do so.
 - 2. Building in the 120% AMI and higher category is not the only opportunity to provide ownership options. Single family homes can also be built at the 100-120% AMI level, and also in levels lower than that through smaller lot developments including cottage clusters, compact subdivisions, and other options.
 - 3. HB 1220 does not force one-size-fits-all outcomes on our communities. Although we will all need to plan for more varied and small housing than we have in the past, under any allocation scenario the largest share of obligations for new housing, and for new below market housing, will be borne by the City of Vancouver, and all jurisdictions will be able to plan for new single as well as multi-family housing.
 - 4. In our view well planned multi-family housing can have positive impacts in all of our communities. It provides the only affordable option for many community members, or is a preferred choice offering more flexibility for others. Multi-family housing also supports long term home ownership through various means, by building up an existing stock in the event liability laws are further updated to support condominiums in the future, and in the shorter term by easing pressure on single family homes to be rented, thereby freeing more of those homes up for ownership. A robust multi-family housing supply can also contribute to lower or more stable rents, allowing renters to save more money towards becoming future owners.

Thank you for the opportunity to comment. More specific comments will follow in advance of the Council hearing, once the scope and scheduling of the hearing is clarified. In deciding whether to reopen the VBLM and related capacity issues, we request the Council keep overall project timelines in mind, as there is less than 20 months until final adoptions are required. We also request that the Council honor the work of all jurisdictions over the last four years to hone and refine the VBLM to make it more accurate, and the community involvement in this process. We do not believe a last minute report commissioned by one stakeholder will show a different picture of growth capacities, or that it should be allowed to further delay our Comprehensive Plan updates. The Cities, and the County itself, need closure on allocations and capacity issues

at this stage in order to begin the challenging task of developing parcel specific land use alternatives for the environmental review process and community consideration. This work will be more difficult than in any previous update because almost all jurisdictions, including the County, will need to include varying degrees of rezones to higher densities in existing areas in their plans, to meet new housing and climate laws. To get it right, from a community engagement as well as technical basis, this work will take time and needs to begin very soon.

The latest information, in terms of the recent allocation discussions between the Cities as well as the Vancouver capacity assumptions, further confirms in our view that existing land supplies with small adjustments are adequate to accommodate future long term countywide growth in this Comprehensive Plan update cycle. This is evident in the views of the Cities, based on their knowledge of local development conditions, land supplies, and community needs. It is evident in the County's own data, which show that even with development assumptions that likely underestimate actual employment and to a lesser extent housing capacity, there is an overall balance between the aggressive countywide growth targets chosen by the Council, and the amount of land available to accommodate them.

Sincerely,

Erik Paulsen

Mayor Pro Tempore, City of Vancouver