

**From:** [Sonja Wiser](#)  
**To:** [Darlene Ferretti](#); [Cnty 2025 Comp Plan](#)  
**Cc:** [Oliver Orjiako](#)  
**Subject:** RE: Population, Housing and Employment Allocation for Clark County's 2025 Comprehensive Plan Update-Written Testimony  
**Date:** Tuesday, May 7, 2024 6:59:56 AM  
**Attachments:** [Board of County Council Letter-2025 Comp Plan Update.pdf](#)  
[image001.png](#)  
[image002.png](#)

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Good morning Darlene; your comments will be added to the Index of Record. Thank you

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**From:** Darlene Ferretti <Darlene.Ferretti@jordanramis.com>  
**Sent:** Monday, May 6, 2024 3:05 PM  
**To:** Gary Medvigy <Gary.Medvigy@clark.wa.gov>; Karen Bowerman <Karen.Bowerman@clark.wa.gov>; Michelle Belkot <Michelle.Belkot@clark.wa.gov>; Glen Yung <Glen.Yung@clark.wa.gov>; Sue Marshall <Sue.Marshall@clark.wa.gov>  
**Cc:** Oliver Orjiako <Oliver.Orjiako@clark.wa.gov>; Jose Alvarez <Jose.Alvarez@clark.wa.gov>; Sonja Wiser <Sonja.Wiser@clark.wa.gov>; Christine Cook <Christine.Cook@clark.wa.gov>; Ezra L. Hammer <elh@jordanramis.com>  
**Subject:** Population, Housing and Employment Allocation for Clark County's 2025 Comprehensive Plan Update-Written Testimony

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Dear Chair Medvigy, Councilor Yung, Councilor Belkot, Councilor Bowerman, and Councilor Marshall,

Please see the attached letter of today's date from Jamie Howsley. Please confirm receipt.

Thank you,  
Darlene

**Darlene Ferretti** | Legal Assistant  
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May 6, 2024

VIA EMAIL ONLY

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Re: **Population, Housing and Employment Allocation for Clark County’s 2025 Comprehensive Plan Update. -- Written Testimony**

Dear Chair Medvigy, Councilor Yung, Councilor Belkot, Councilor Bowerman and Councilor Marshall:

Jordan Ramis PC represents a number of Clark County residents and businesses who are actively participating in the ongoing Comprehensive Plan Update process. Our firm has worked closely with the County on comprehensive plan updates for over three decades and we are committed to supporting the process in a manner that will allow local communities to flourish, grow, and meet their residents evolving needs. As part of this process, the County Council is tasked with adopting a Housing Allotment Methodology and Vacant Buildable Lands Model (“VBLM”) that, together, form the framework for cities to craft new housing plans that will accommodate growth in the coming decades.

As discussed below, we believe that the County staff, working collaboratively with their city partners, have crafted an allotment methodology that satisfies state law requirements, while ensuring each jurisdiction has the tools and flexibility they need to accommodate future growth. With the allotment methodology settled, we ask the Council to turn its attention to the VBLM, and specifically the concept of market factor in the development context. Resolving this critical issue will ensure that the County is able to align with statewide goals related to housing production and help facilitate the creation of critically needed housing units.

**Housing Allotment Methodology**

A critical component of the plan update process, is allocating housing to the local jurisdictions (both cities and the County), so that each one can prepare their revised housing plans that will guide residential development for the coming decades. A failure to align this allocation with regional growth patterns, housing demand, and local preferences, can have the unintended consequence of stymying housing production at a time when it is critically needed.

Washington has a goal of facilitating the production of at least 55,000 new housing units a year. Despite our ability to meet that collective goal in 2022, the state fell 18,000 units short in 2023. The governor set this goal to help us address the existing housing shortfall<sup>1</sup> of approximately 225,600 units. If we effectively allocate housing units as part of the Comprehensive Plan Update process, we can work to address this shortfall. If we do not, the existing housing deficit will continue to grow.

With this critical need in mind, we were extremely concerned about the initial staff recommendation to adopt HAPT Method B for housing allotments. As explained below, the HAPT was not designed as an off the shelf application for counties to use, and absent local refinement, its various methods were generally unhelpful.

In 2021, the Washington Legislature changed the way counties are required to plan for housing. House Bill 1220 (2021) amended the Growth Management Act (“GMA”) to instruct local governments to “plan for and accommodate” housing that is affordable at all income levels. HB 1220 also directed the Department of Commerce to project future housing needs for jurisdictions according to various income brackets and made updates to how jurisdictions should plan for housing in the housing element of their comprehensive plans. As part of this process, the Department of Commerce prepared a guidance tool to help assist counties in crafting their local housing allotments, which is called the Housing for All Planning Tool (“HAPT”).

The HAPT is not designed with local considerations in mind. Rather, it is a statewide tool that provides a 30,000-foot overview and has not been refined for the particularized needs of Clark County. It merely takes the County’s current population, breaks it up into economic segments, and then extrapolates out these segments based on the county’s future population growth number which is 718,154.

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<sup>1</sup> Housing underproduction and shortfall is measured as a relationship between household formation (a family moving into the Washington state for work, someone moving out of their parents’ house, etc.) and housing units produced. An ideal ration is 1:1.1, which accounts for old units that are demolished, second homes, etc. In Clark County, this ration is a troubling 1:0.77.

In developing the HAPT, the state did not usurp the ability of counties to determine the precise housing allotments for their jurisdictions. Rather, the state designed the HAPT with a high level of flexibility in finalizing housing allotments to meet the unique needs and characteristics of each jurisdiction. Indeed, ***the HAPT explicitly states that counties remain free to refine their allotment methodology*** to ensure that the housing allocation is appropriate and fair for each city.

From the outset, we recommended the County adopt an allotment methodology that allowed each city the flexibility to plan for their future in a manner most appropriate for their localized needs. As we said from day one, we believe that the cities can only plan for future growth effectively when the underlying methodology gives them a useful, and reasonable, housing allotment that they can effectively utilize.

HAPT Method B failed in this regard, and actually prohibited two cities, Camas and Ridgefield from planning for any new single family homes over the coming two decades. Importantly, nowhere in the current Comprehensive Plan does the County express a policy desire to prohibit the construction of new single family dwellings in any community. For this reason, adopting Method B would dramatically change Clark County policy and dramatically shift the planning relationship between it and the local cities.

Despite the lack of grounding in existing policy or the stark implications that the prohibition would have, County staff originally recommended Method B to both the Board of County Councilors (at a work session) and the Planning Commission (at both a work session and public hearing on the matter). Upon realizing the implications of Method B, the Planning Commission voted to recommend that the Board of County Councilors adopt a different allotment methodology that provided all jurisdictions with the maximum possible flexibility to plan for their future growth.

This Planning Commission recommendation appears to have jumpstarted a renewed round of conversations between the cities and County. These conversations have resulted in a reasonable, and fair compromise, which staff are referring to as “Halfway Between Methods A and B and 75/25 for Camas.” This compromise allotment provides each jurisdiction with the flexibility that they need to plan in a manner most appropriate to meet localized needs with each and every tool available in their toolbox. We congratulate county staff and the cities for their compromise proposal and believe that it represents a fair and equitable housing allocation methodology. As such, we recommend that the County Council adopt the compromise housing allotment methodology.

**Market Factor**

As part of the Comprehensive Plan Update process, the County is tasked with crafting the VBLM to help jurisdictions understand existing zoning capacity (low density residential, mixed-used commercial, etc.) and needs associated with future boundary adjustments. The VBLM serves a number of purposes, one of which is to determine how much capacity for housing exists on an average acre of land in Clark County. The VBLM considers a number of discount factors (those that prevent land from being developed) including environmental constraints, infrastructure constraints, and market factor.

Market factor is defined as the “proportion of land ... that is not expected to develop ... due to market influences such as location, land configuration, or readiness for development.” Traditionally, it has been used as a proxy to account for landowner preference to not develop, or inability to develop property over a planning period. Essentially, the market factor adjustment is used to account for land that, although hypothetically developable, will not develop in the next twenty years due to site-specific constraints and conditions.

The County staff released the VBLM methodology and associated discount factors, in February 2024. However, despite the critically important role that they collectively play in shaping future development patterns throughout the County, and their inherently interconnectedness with the housing allotment methodology discussed above, staff has not scheduled a work session with the Planning Commission or Council on the VBLM nor have they scheduled a hearing to address community concerns regarding the same.

Because the housing allotment methodology and VBLM work together to inform jurisdictions in their comprehensive plan update process, the County is best served by considering the two items together. Indeed, this Council recognized that very fact and set the expectation that the VBLM would be considered as part of the allocation process and expressed that sentiment at several public hearings in 2022 as part of the County’s most recent Buildable Lands Report (the regular review of residential development that state law requires). As part of that process, your former colleague Julie Olson stated,

“The issue is where we deal with [housing capacity] and I think that Mr. McDonald’s point that those are policy questions that should be dealt with on the demand side, not on the supply side. The Vacant Buildable And Report and VBLM is part of the review and evaluation process.” Page 60, Clark County Council Minutes of June 7, 2022, Public Hearings 2021 Buildable Lands Report.

She went on to explain that the ideas related to housing capacity were best addressed as part of the VBLM process.

“I think it’s our obligation to put a report forward and adopt assumptions that are legally defensible and then do our darndest to manage the issues that we’re having on hour housing and jobs land and that happens on the growth management ... the demand side, that happens on the [VBLM] update side.” Page 61, Clark County Council Minutes of June 7, 2022, Public Hearings 2021 Buildable Lands Report.

At a subsequent public hearing, Community Planning Director Oliver Orjiako agreed with the Council and recommended postponing the discussion of housing capacity and development expectations until the current Comprehensive Plan Update process. He stated,

“So I will tell everyone to just hold off this conversation [regarding housing capacity] and policy issues will be discussed during the next plan update.” Page 18, Clark County Council Minutes of June 21, 2022, Public Hearings 2021 Buildable Lands Report.

As the Council and staff both agreed in 2022, it is during this very VBLM and housing allotment process that we should discuss policy issues related to housing capacity. As such, we offer the following critique of the current market factor constraint.

Staff recommends adopting a 10% market factor constraint, meaning that only a small fraction of all the land that conceivably could develop over the next twenty years will not do so. Unfortunately, this is an overly rosy expectation, that has not been born out with reality. Rather than build sufficient housing – as a low market factor constraint would assume – Clark County has not been able to meet recent demand.

In fact, Washington State and Clark County have both underproduced housing to such a significant degree that the housing market imbalance has spike housing costs to an unsustainable level. Due to the reasons described below, ***we recommend adopting a 50% market factor constraint.*** Doing so will keep the pressure squarely focused on housing production.

From 2000 to 2015 Washington state underproduced housing by an astounding 225,600 units, or roughly 7.5% of the total housing stock. This underproduction has created a supply and demand imbalance that is reflected in the housing and homelessness crisis playing out in communities across the state, including Clark County where more than 31% of residents spend more than 30% of their total gross household income on housing.

Clark County’s housing crisis is actually a result of its extremely impressive job growth. Incredibly, analysis shows that in recent years, Clark County has created 1.5 jobs for every housing unit produced. This significant imbalances between job growth and housing unit production causes problems for housing affordability as workers compete for limited housing, for traffic as commuters drive for housing, and for emissions as congestion worsens, among other issues. At the most fundamental level, workers filling new jobs need some place to live.

This jobs to housing imbalance is most pronounced in Clark County and its sister counties in the Seattle-Tacoma metro area. Unfortunately, their housing challenges are also similar. In counties with large imbalances, rents and home prices have rapidly increased and have even surpassed the previous housing bubble’s peak prices.

In order to combat these concerning trends, Washington has asked its counties and cities to think critically about future growth and strive to create a regulatory framework that will greatly enhance the opportunity for housing production, especially in job creation centers such as Clark County. Adopting an appropriate market factor rate is part of this process.

As indicated above, County staff have proposed a single, universal market factor that applies to all residential zones. However, this uniform approach does not address variances in market demand and capacity. As a general rule, it is best practice to provide for variation. This means that zones where a high level of development or land conversion are expected should include a low market factor. Importantly, market factor should also account for “underbuilding” where new developments include less than the maximum amount of units. Conversely, zones where development may be more difficult or slower to develop should include a high market factor. As an example, King County’s 2021 Urban Capacity Report recommends a variety of market factors generally relating to density and product type, as seen in the table below.

<b>Density</b>	<b>Multifamily</b>	<b>Single Family</b>
Low	10-24%	1-10%
Medium	25-35%	11-40%
High	36-50%	41-50%

The above ranges are the result of the examination of actual achieved density – as measured through completed developments – compared with VBLM assumed capacity over a five year period. This process is time consuming and costly and Clark County has chosen not to engage in such a review. Therefore, the



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next best option is to pick a market factor that acknowledges the differences between actual production and need. Indeed, as part of its market factor proposal, County staff proffered no analysis or explanation as to why they had chosen the 10% number. There is effectively no information on the record regarding why it is appropriate, particularly given the significant housing underproduction that has plagued Clark County over the past years.

Because Clark County is not producing anywhere near enough housing to accommodate the incredible demand, we recommend picking a number that will account for this underproduction. A failure to adopt a VBLM that puts housing underproduction and need front and center will only serve to exacerbate both. This will result in greater housing costs and a host of negative knock on effects as residents are forced to direct greater and greater percentages of their income towards housing. The VBLM can help stave off those issues. For those reasons, the County Council should adopt a 50% market rate factor.

We thank the County Council for considering our recommendation and are happy to answer any questions you may have.

Sincerely,

JORDAN RAMIS PC



Jamie D. Howsley  
Admitted in Oregon and Washington

cc: Oliver Orjiako, Clark County  
Jose Alvarez, Clark County  
Sonja Wisser, Clark County  
Christine Cook, Clark County Counsel  
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