



PLANNING COMMISSION MEETING MINUTES

Vancouver City Hall – Council Chambers – 415 W. Sixth Street
PO Box 1995 – Vancouver, Washington 98668-1995
www.cityofvancouver.us

Marjorie Ledell • Steve Schulte • Larry Blaufus • Zachary Pyle • Hannah Burak • Nena Cavel

April 12, 2022

REGULAR MEETING (Convened telephonically, no in person attendance)

Vancouver City Hall - 415 W. Sixth Street, Vancouver WA

CALL TO ORDER AND ROLL CALL

The April 12, 2022, meeting of the Planning Commission was called to order at 5:03 p.m. by Chair Ledell.

Present: Marjorie Ledell, Zachary Pyle, Larry Blaufus, Steve Schulte, Hannah Burak, and Nena Cavel

ADOPTION OF MINUTES

Motion by Commissioner Schulte, second by Commissioner Cavel, and carried unanimously to adopt the March 8, 2022, minutes as written.

COMMUNICATIONS FROM STAFF

There were no communications from staff.

WORKSHOPS

5:06 P.M. COMPREHENSIVE PLAN UPDATE – PROJECT INITIATION

Rebecca Kennedy, Deputy Director, CDD; Domenic Martinelli, Senior Planner, CDD

Rebecca Kennedy introduced the workshop and presented an overview of the Comprehensive Plan, a brief review of the planning process, an explanation of why this process is happening now, and key factors and trends that will inform the update to the Comprehensive Plan. The four key factors include land use and development, housing, equity, and climate change and the environment. The presentation highlighted other policy efforts that are currently underway at the City.

Domenic Martinelli presented the methodology for the development of the Comprehensive Plan, including the importance of defining core values early in the process through community engagement that will inform the principals, processes, and attributes of the Plan. The presentation covered specific data needs for this project in the areas of land use, housing, and climate, and expected deliverables for the end of the project. Staff presented this topic to City Council on April 4, and their feedback will be incorporated into the project plan. The Planning Commission will serve as the primary citizen oversight committee that will make a recommendation to Council related to approval of the Comprehensive Plan.

Commission Discussion

The Commission and staff discussed factors and considerations that are critical in the update process:

- The top challenges to work through as a community. Staff responded some of the top issues include managing growth in a way that enhances the community, addressing climate change, and affordability.
- Engaging with the community that will be affected by this plan many years from now. Staff responded that is an important thing to consider during this process, and the project team will need to find ways to more effectively engage with youth.
- Research and data to help inform what the City might look like in 20 years. Staff responded they are looking in depth at what trends exist today, in hopes that that will inform what might happen in the next few decades.
- How the changes in the workplace today, due to the pandemic, might affect the workforce and economy in the future. Staff agreed that was an important factor to consider for this Plan.
- What data sources will be used in addition to Census data. Staff responded they will use a variety of sources to gather employment data, real estate and housing data, including from subscription data providers as well as institutions like universities.
- Using clear and non-technical language throughout the Plan. Staff agreed it was important that the document use plain language as much as possible and include simplified document and graphics to convey important concepts.
- Finding a balance between adaptability to changes over time, responding to trends in a purposeful way, and following the values set at the beginning of the process.
- Consideration for a hierarchy of values to help decision makers weigh options that will align with the goals of the Plan.

COMMUNITY FORUM

Melissa von Borstel was present to provide comments on climate change impacts in Vancouver. In planning for the future, the City should consider sustainable sites, open spaces, protection and restoration of natural habitats, rain water management, heat island reduction, and reduction of light pollution. She emphasized the importance of the Fruit Valley for fruit and vegetation production, which is crucial to diversity and self-reliance for the area.

Glen Yung was present to provide comments on the home ownership opportunities and equity. There is a large disparity of net worth between people who own a home and those who rent. Many of the upcoming developments are rental properties. He supports the Commission's work to consider ways to increase the opportunities for home ownership and review current policies that lead towards a high volume of rentals. He was also supportive of ownership models for the proposed cottage cluster housing.

PUBLIC HEARING

6:40 P.M. HOUSING CODE UPDATES

Bryan Snodgrass, Principal Planner, CDD; Becky Coutinho, Associate Planner, CDD

Rebecca Kennedy introduced the hearing item, emphasizing incremental changes to the housing code to allow for more housing options in Vancouver. Bryan Snodgrass presented an overview of the project goals, the proposed single family R-17 zone standards, the multi-family R-50 zone standards, and the new parking reductions near transit.

Commission Discussion

Commission and staff discussion on the proposed parking standards:

- The public input regarding clarifying parking at housing that serves people with disabilities. Staff noted there was an omission in the proposed language. The code for parking requirements discusses the Downtown CX zone and everywhere else and revised the proposal language to include senior and disabled in both areas.
- Concerns regarding the market rate housing type and the practicality in terms of not needing a vehicle if living near a transit stop that is serviced only every 35 minutes.

Staff continued the presentation, covering the density bonus for affordable housing and cottage cluster housing.

Commission Discussion

Commission and staff discussion on cottage cluster housing:

- Flexibility in the courtyard or common areas and proximity of the houses to those areas. Staff responded it can be difficult to have the houses clustered immediately adjacent to the common area, so the standard was modified to allow a percentage of those units to be further than 25 feet away from the common area.

Becky Coutinho continued the presentation, covering setbacks for new apartments next to existing homes, micro housing, and ADUs in existing garages.

Public Testimony

Glen Yung was supportive of the overall proposed changes. He expressed concerns regarding the density bonus for affordable housing defined at 80% of AMI as required in state statute, as well as monitoring and compliance issues. He asked for clarification if the density bonus could be combined with other bonuses. He also discussed ADU setbacks, allowing existing buildings to remain in non-compliance regarding vision clearance requirements, and his support for increasing ownership opportunities.

Phil Wuest, representing Ginn Group, was supportive of the proposed changes to address housing affordability. He encouraged the City to continue to review the code after these changes are made. He noted a technical revision needed on page 33 of the staff report.

Roy Johnson, representing the Vancouver Housing Authority, was supportive of increasing density and the reduction in parking requirements near transit. He hoped that for profit developers will develop affordable units that utilize the lower parking ratio. He was also supportive of no parking at senior and disabled housing other than staff and guest parking. He believes the proposed housing code updates will be helpful to start to address the current shortages and overall trends.

Siobhana McEwen, representing the Council for the Homeless, raised concerns regarding micro housing. She noted there may be unintended consequences of codifying micro housing that could lead to further economic and racial segregation. Micro housing with shared kitchen and bath can lead to a decrease in standard of living and stated that people of color and people with disabilities do not need a lower standard of living in order to make housing and homeownership accessible. Rather than controlling the middle of the market, efforts should be towards controlling luxury buildings in Vancouver.

Brendan Sanchez, representing Access Architecture, was supportive of the proposed changes to the housing code. He emphasized the housing density bonuses for affordable and market rate housing.

Regarding the changes to parking, when designing a site, parking takes up a disproportionate amount of space on smaller lots, and when developing middle housing, the parking requirements can constrain the design. He encouraged tying parking requirements to transit as well as quantity of units.

Commission Discussion and Deliberation

Commission and staff discussion on the staff recommendations:

- Vice Chair Pyle asked if the density bonus would apply to micro-housing. Staff responded they did not intend to combine micro housing with the density bonus and could verify that there is not a loophole to allow that.
- Commissioner Blaufus asked for clarification of 80% AMI at market rate. Staff responded there is a comparison between Area Median Income (AMI) and its estimate of what people can afford to pay, and Fair Market Rent (FMR), which is what people are currently paying based on the market. In one case, a 1-person household at 80% AMI is \$1,354 and the fair market rent is \$1,416. There is a difference between the two, though it is relatively equivalent.
- Commissioner Burak asked Vice Chair Pyle to clarify his concern for density bonuses for micro housing. Vice Chair Pyle clarified that if the density bonus is combined with micro housing style apartments, it is overly incentivizing very small units when there is a need for larger units (2-3 bedrooms) that are underrepresented in the market.
- Commissioner Cavel noted that the setback increase is a limit to housing density and the size of buildings and number of units on a given lot, which may constrain the supply of multi-family housing.
- The Chair noted recommendations 3, 6 and 7 will be considered separately.

Motion, by Vice Chair Pyle, seconded by Commissioner Burak, and passed unanimously to forward to City Council a recommendation for approval of the proposed Housing Code Updates zoning code text changes for items 1, 2, 4, 5, and 8 based on the findings of the report and the April 12, 2022 public hearing.

Roll Call Vote

Larry Blaufus	Yes
Steve Schulte	Yes
Hannah Burak	Yes
Nena Cavel	Yes
Zachary Pyle	Yes
Marjorie Ledell	Yes

Motion, by Commissioner Burak, seconded by Commissioner Cavel, and passed unanimously to forward to City Council a recommendation for approval of the proposed Housing Code Updates zoning code text changes for item 3 based on the findings of the report and the April 12, 2022 public hearing with the amendment to table 20.945.070-1 to include people with disabilities along with senior housing in the land use column.

Roll Call Vote

Larry Blaufus	Yes
Steve Schulte	Yes
Hannah Burak	Yes
Nena Cavel	Yes

Zachary Pyle Yes

Marjorie Ledell Yes

Motion, by Commissioner Cavel, seconded by Commissioner Burak to strike the proposed changes regarding setbacks in item 6 and keep the original 5-foot setback requirement between single family and multi-family homes.

Amended motion, by Commissioner Cavel, seconded by Commissioner Burak to not recommend the proposed changes regarding setbacks in item 6.

Roll Call Vote

Larry Blaufus No

Steve Schulte Yes

Hannah Burak Yes

Nena Cavel Yes

Zachary Pyle No

Marjorie Ledell No

Motion fails due to a lack of a majority vote. The Commission discussed the outcome of the vote and potential steps to take following the vote. City Attorney Becky Rude clarified that a majority vote is required for an affirmative recommendation against item 6. The Commission agreed that Council can review the actions take tonight, along with the discussion at the hearing and previous workshops to inform their decision on this item.

Motion, by Vice Chair Pyle, seconded by Commissioner Blaufus to forward to City Council a recommendation for approval of the proposed Housing Code Updates zoning code text changes for item 7 based on the findings of the report and the April 12, 2022 public hearing with the amendment to disallow the affordable housing density bonus to be applied to proposed micro housing apartment projects.

Commissioner Cavel noted that dense or small units are not inherently negative, and the real issue is not having enough housing for people to live in. If there is demand for small units, the City should support it.

Commissioner Blaufus agreed with both sides but noted that the intent of recommendation 7 was not to allow for the density bonus to be applied to micro housing projects.

Commissioner Burak asked for clarification on buildings with micro units, and if they would be mixed with other larger units in the same building. Staff indicated typically the building only has micro units, but a mix of unit sizes would be allowed.

Roll Call Vote

Larry Blaufus Yes

Steve Schulte Yes

Hannah Burak No

Nena Cavel No

Zachary Pyle Yes

Marjorie Ledell Yes

Motion passes 4-2.

ADJOURNMENT 8:29 PM

Marjorie Ledell, Chair

To request other formats, contact Julie Nischik, Community Development Department | 360-487-7813. WA Relay: 711 | julie.nischik@cityofvancouver.us

City of Vancouver Planning Commission

Housing Affordability and Availability in Vancouver: A Policy Framework

Michael Wilkerson, Ph.D.

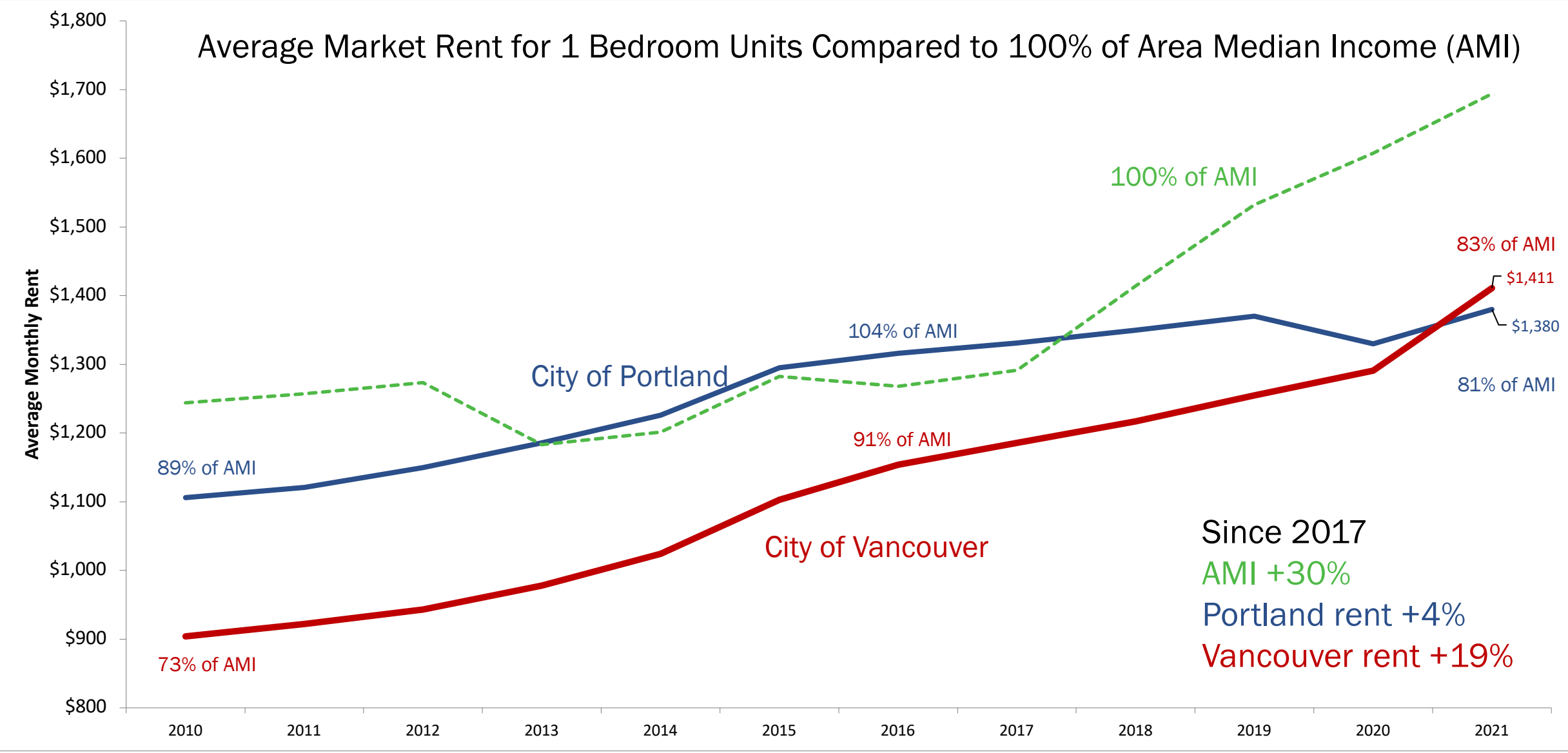
April 26, 2022

- Housing Market Today
- Demand Drivers
- Supply Drivers
- Housing Market Economics 101
- Homeownership Impacts
- Local Policy Levers

Housing sits at the intersection of several complex systems



Average market rent for 1 bedroom units higher in Vancouver than Portland

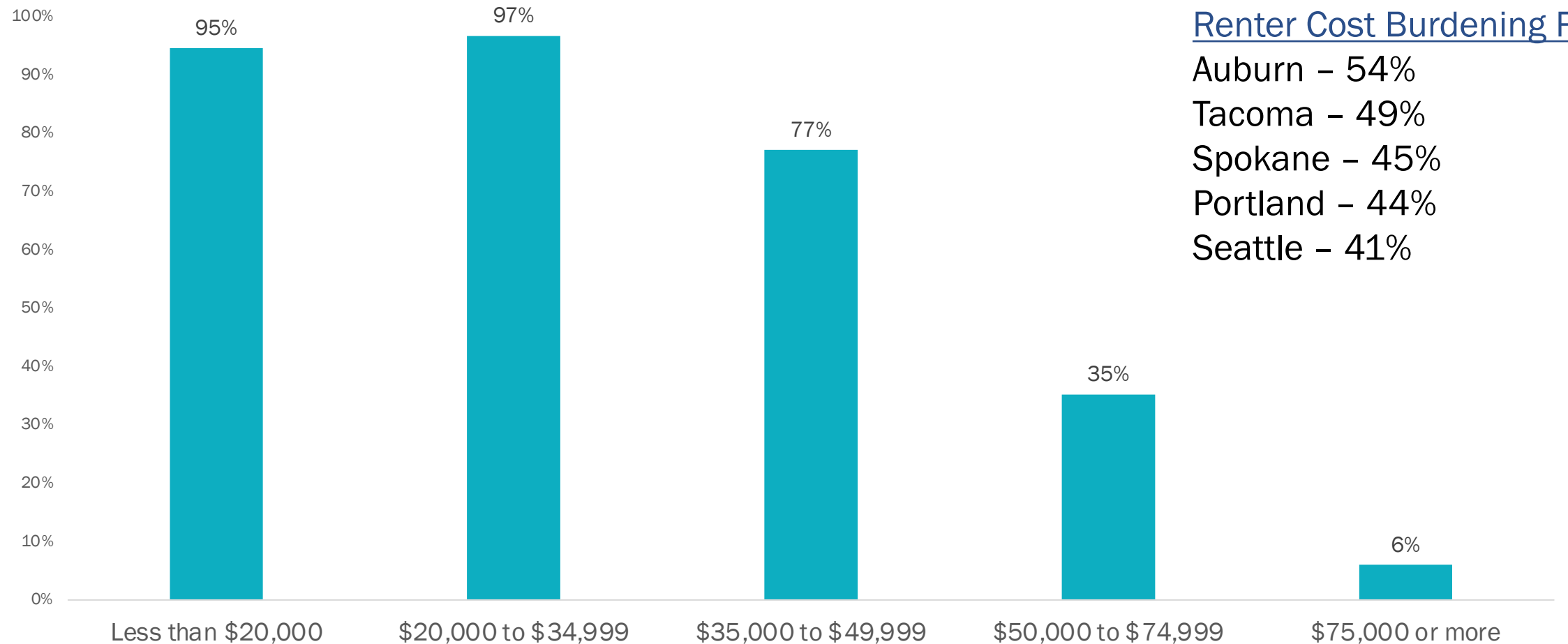


Source: CoStar, HUD

51% of renter households are cost burdened in Vancouver

Cost burdened households spend more than 30% of their gross income on rent

Percent of Renter Households that are Cost Burdened
City of Vancouver, 2019



Renter Cost Burdening Rates

Auburn – 54%

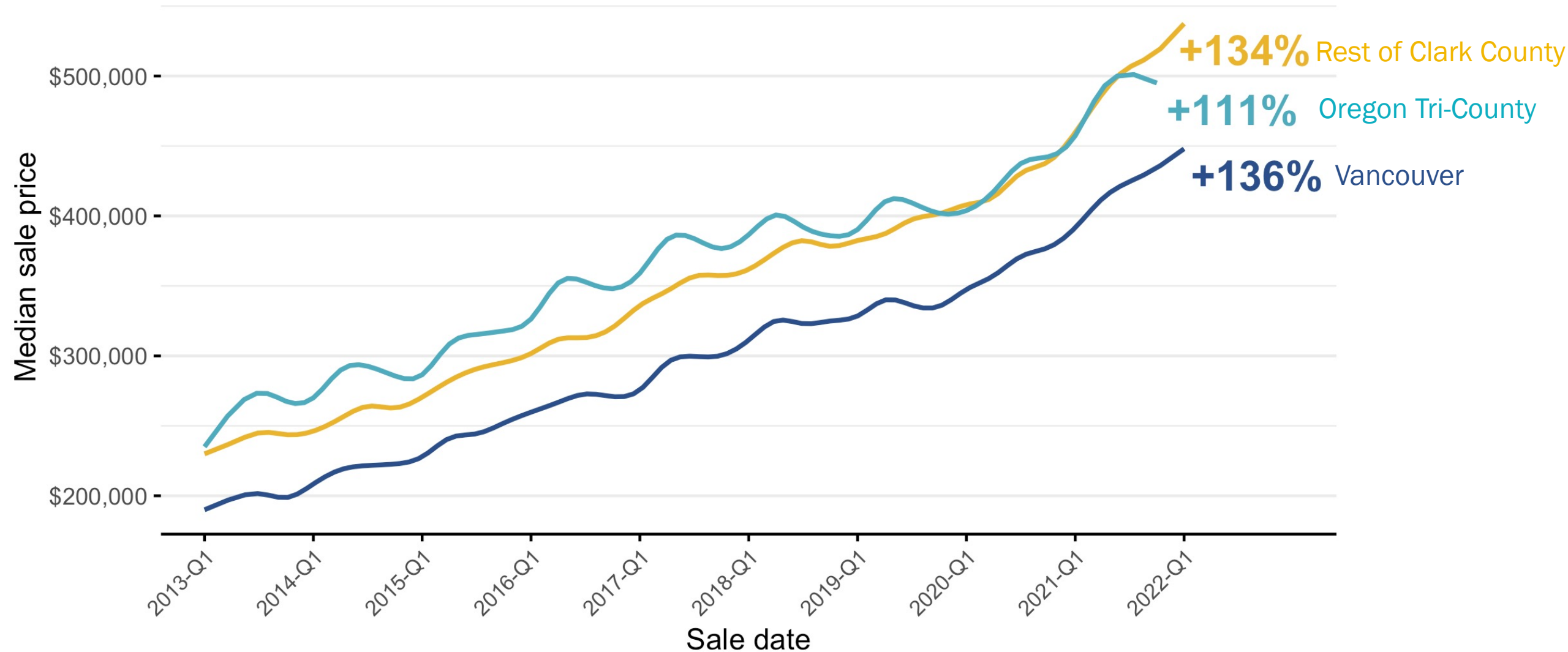
Tacoma – 49%

Spokane – 45%

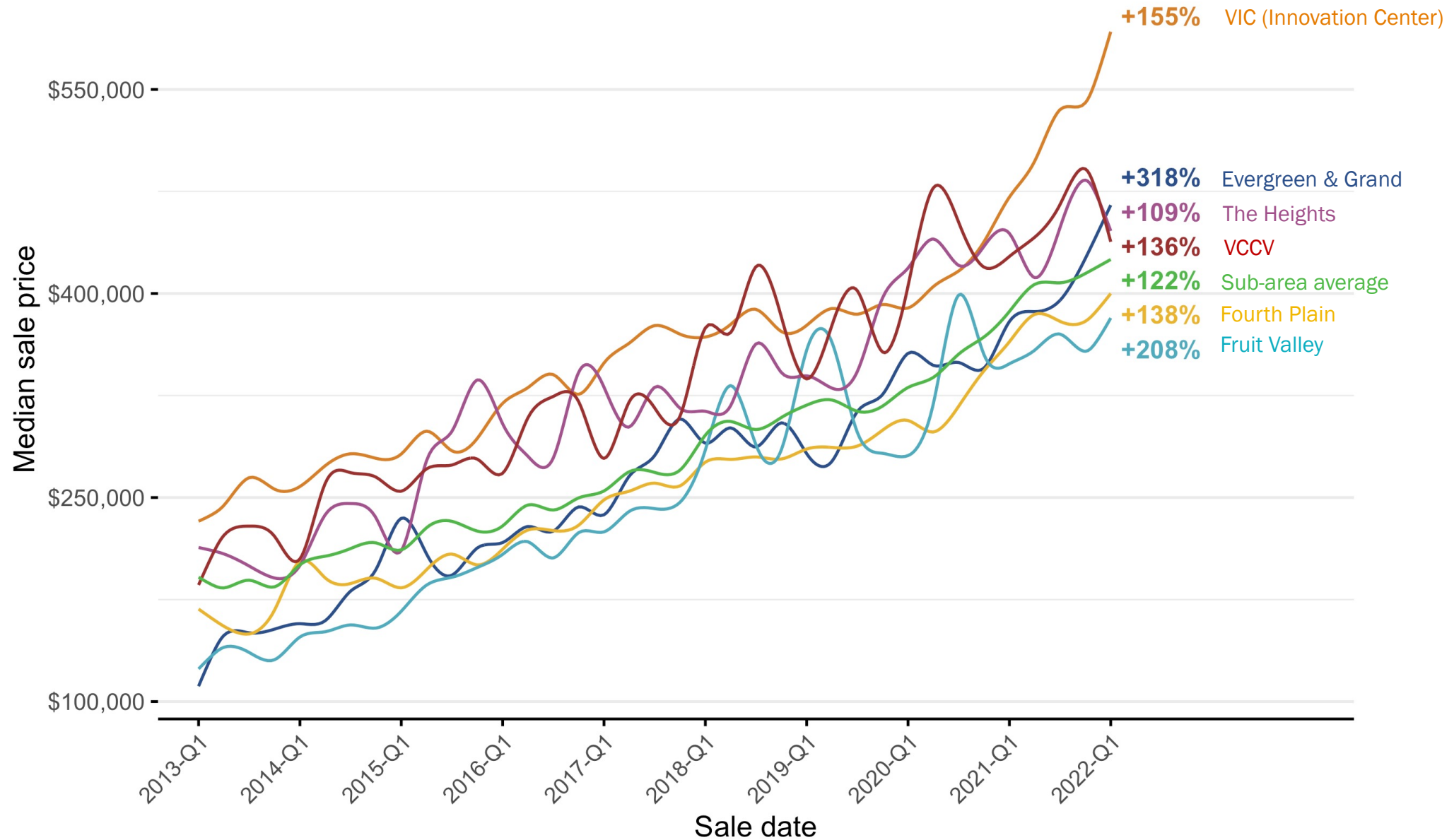
Portland – 44%

Seattle – 41%

Sales prices in the rest of Clark County have caught up to region

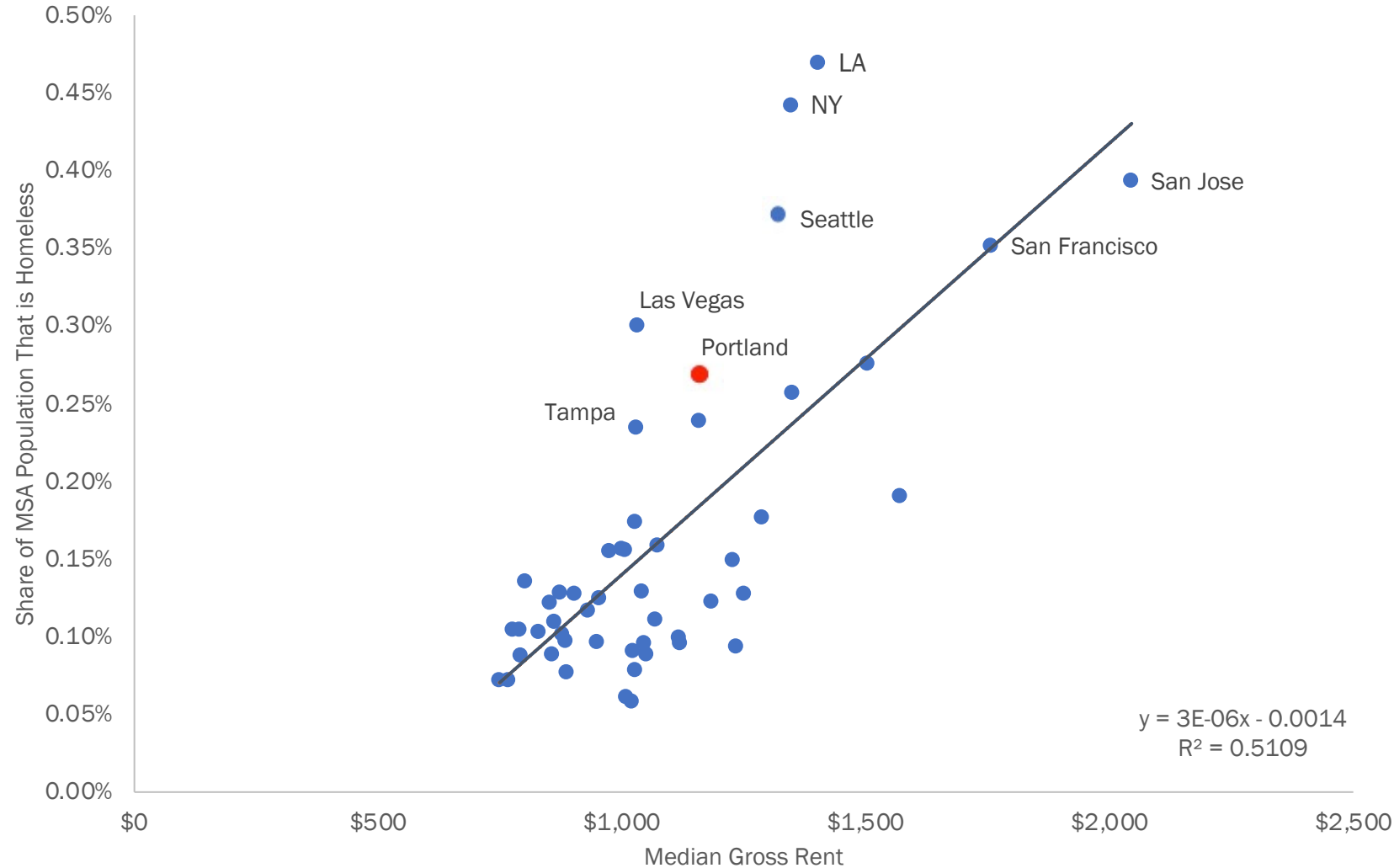


Median sales prices have more than doubled in all submarkets since 2013



Note: prices sampled from homes within ¼ mile of subarea boundaries

High rent strongest predictor of rates of homelessness



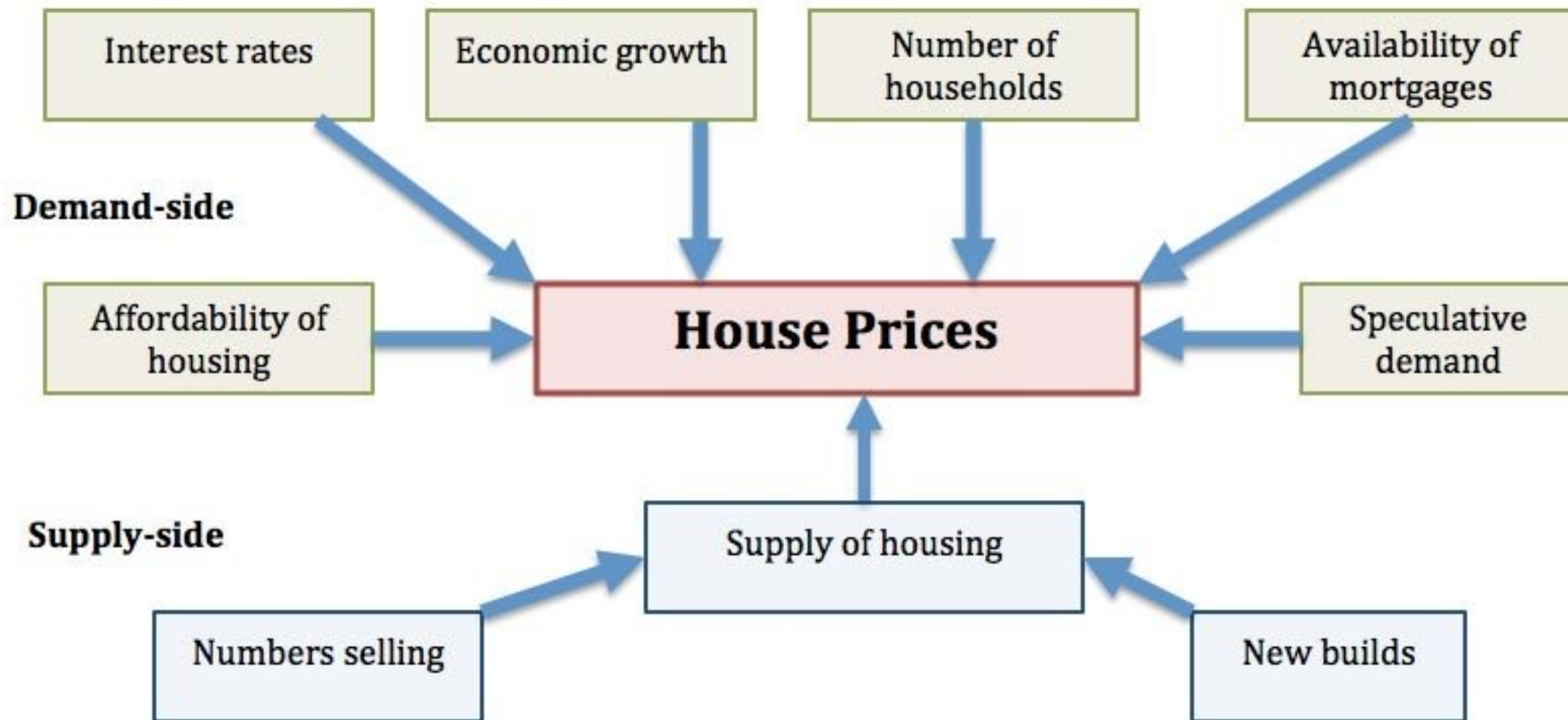
A U.S. GAO analysis found that a \$100 increase in the median rent resulted in a 9 percent increase in the incidence of homelessness

Increasing the housing stock decreases the rate of homelessness.

(The study controlled for a variety of housing, demographic, and economic variables)

What determine the prices of housing?

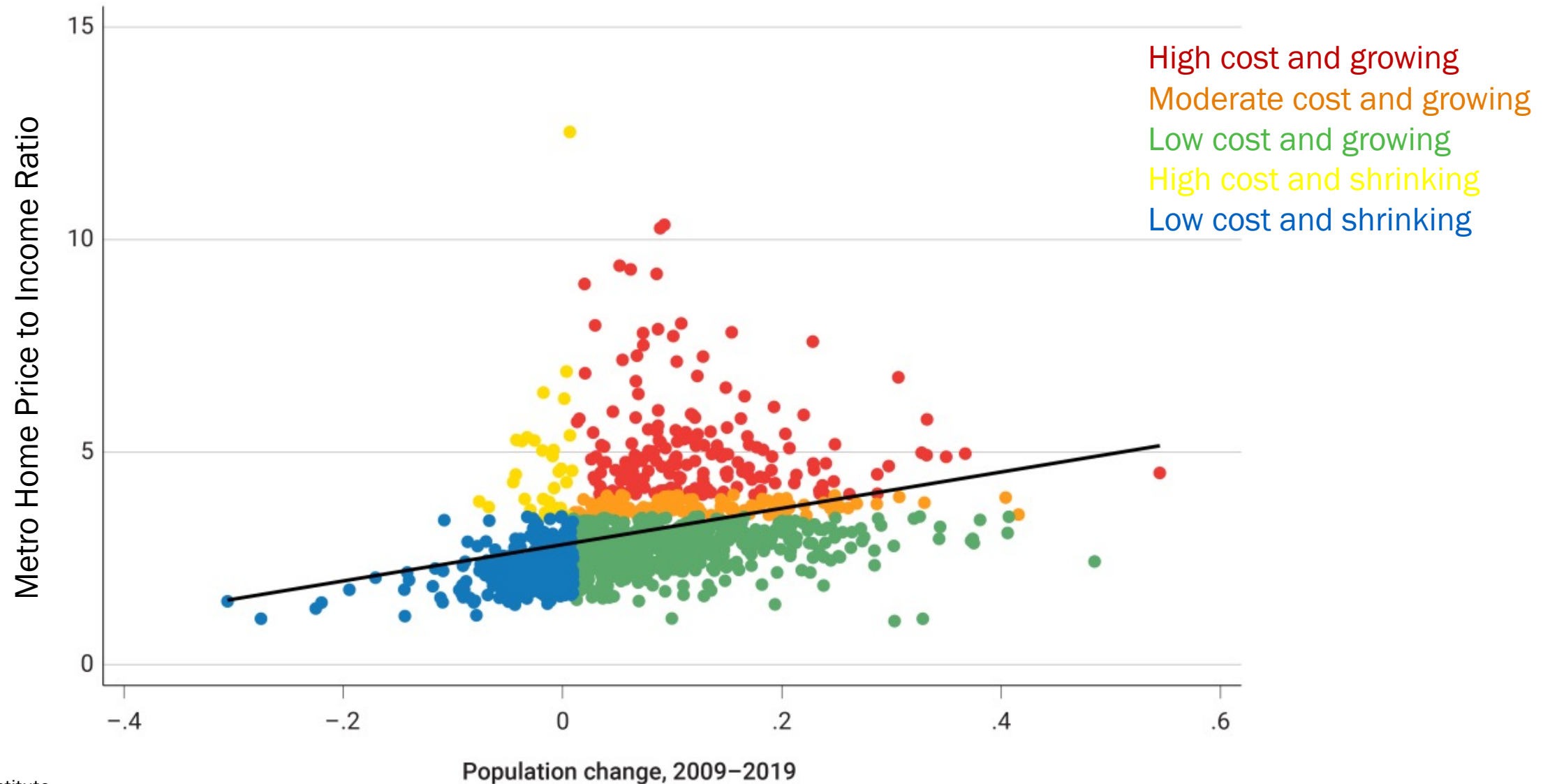
Supply vs. Demand



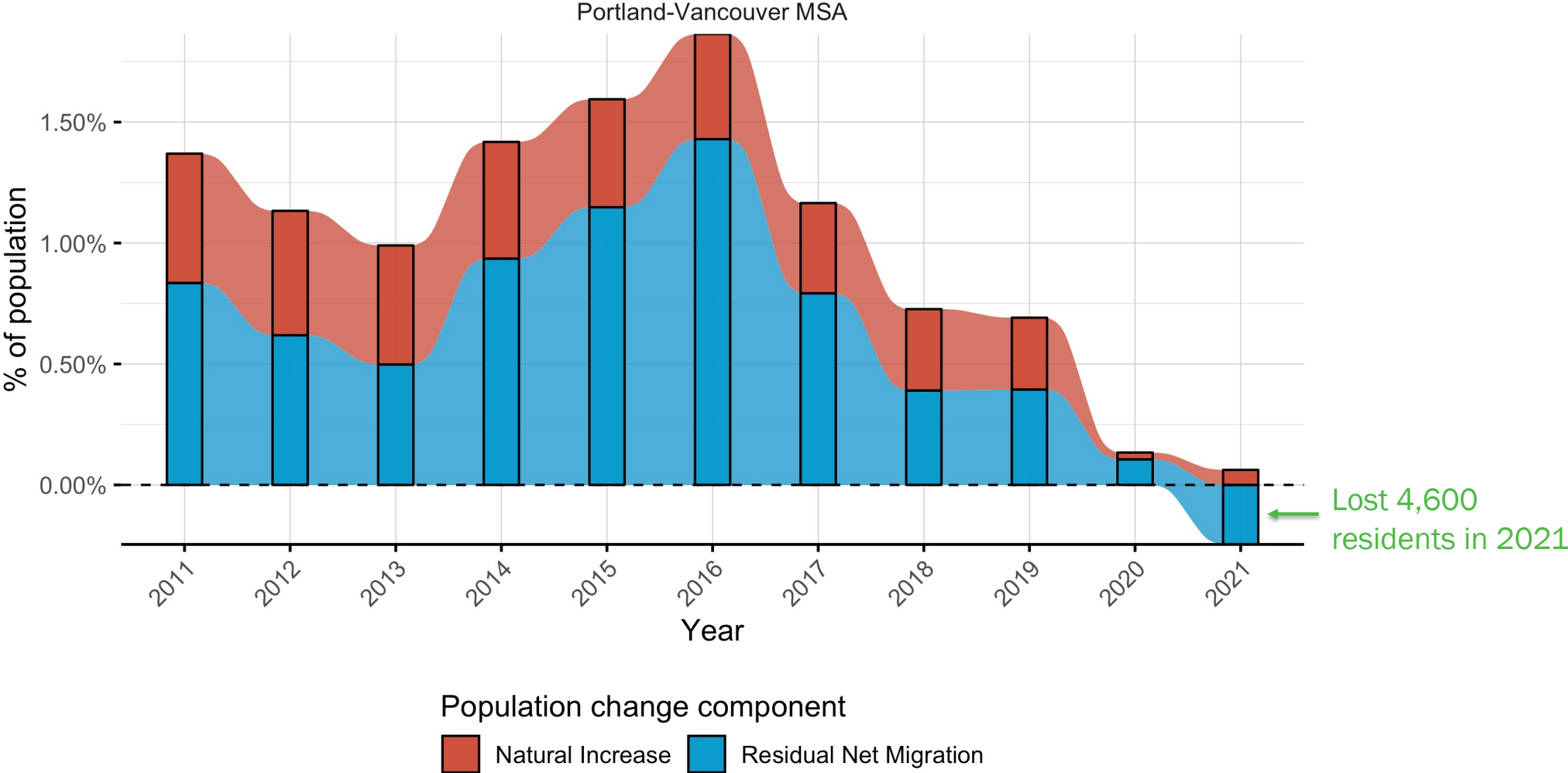
Housing Demand

Population growth and housing affordability are positively related

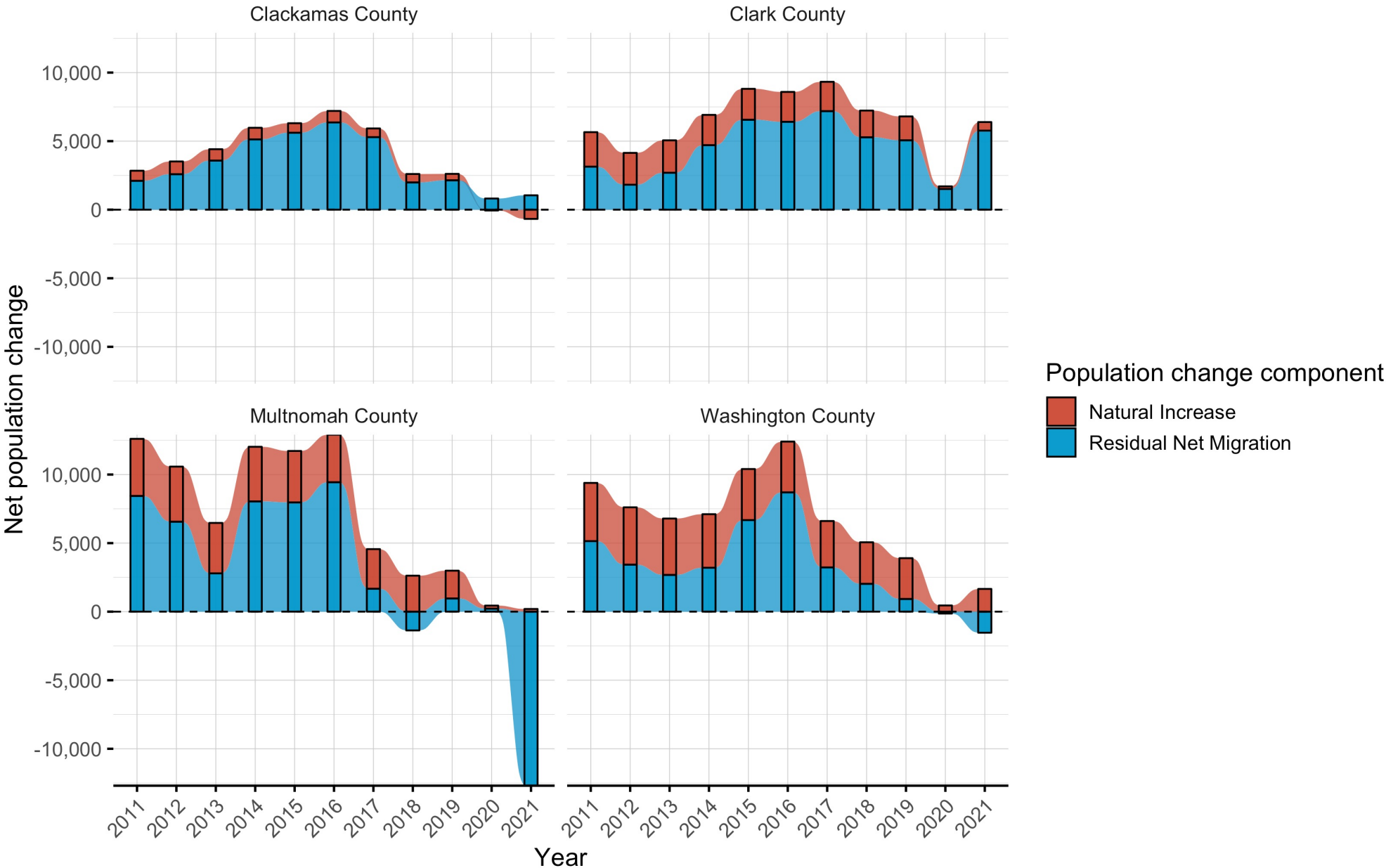
Counties Nationally – Population growth vs. Housing Affordability



Portland Metro population growth rate has been steadily declining since 2016



Clark population grew most of any County in Washington State in 2021



How do incomes in Vancouver compare to the rest of the Metro

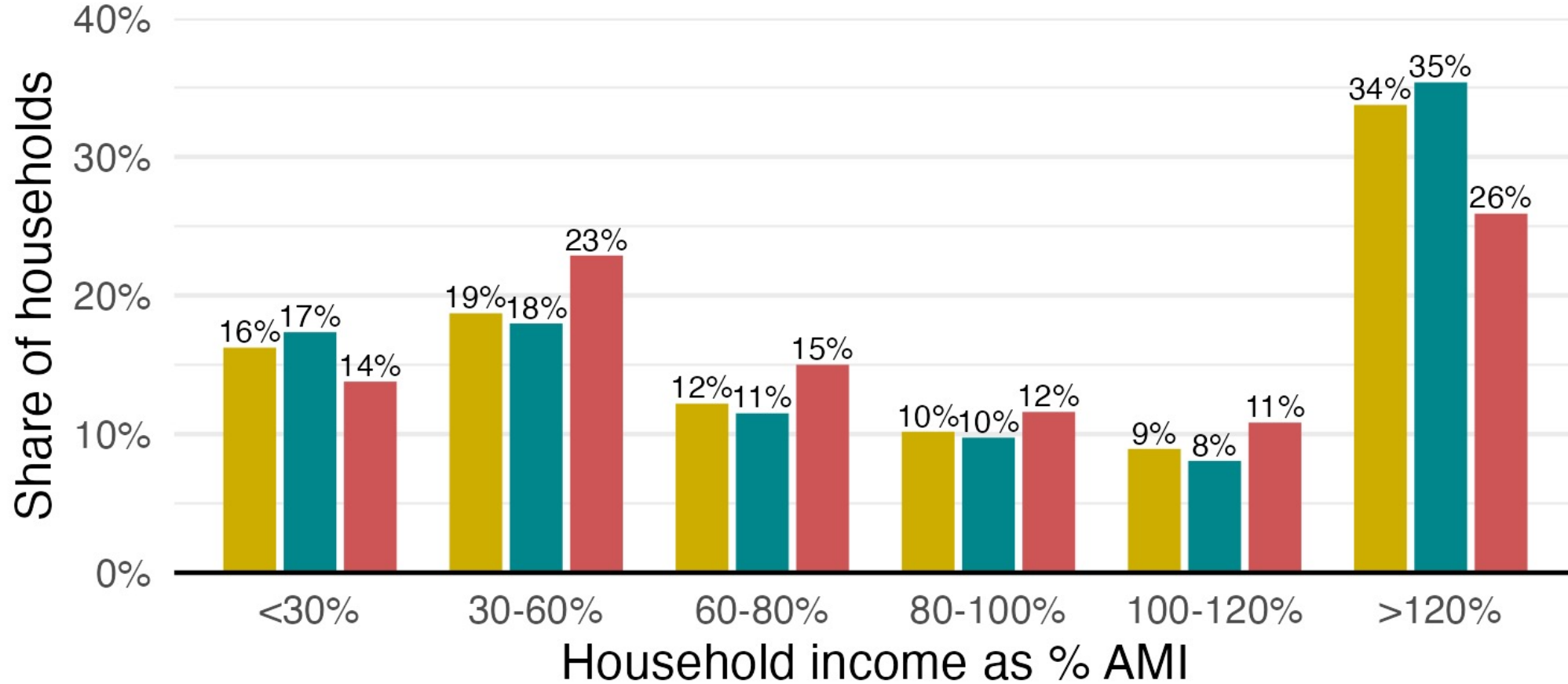
1. Are incomes lower in Vancouver?

- At the median
- Distribution at high and low incomes

2. How do incomes in Vancouver compare to the regional Area Median Income

- Threshold used for Federal, State, and Local policies
- Determined by HUD at the Metro level
- Multifamily Tax Exemption (MFTE)

Vancouver has higher concentration of 30-120% AMI households



Area



Four-county region

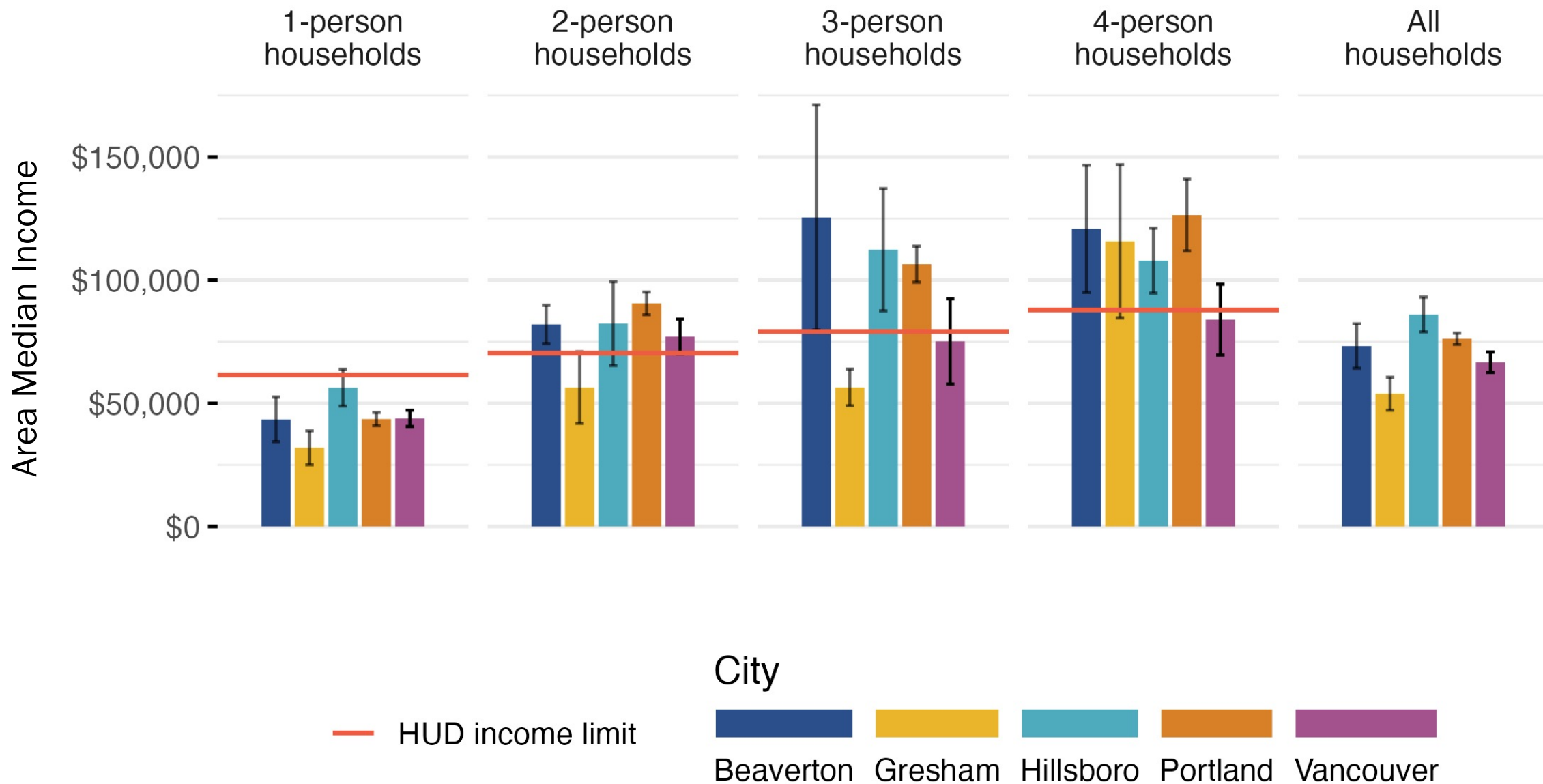


Portland



Vancouver

Vancouver incomes align with HUD Portland Metro AMI



Vancouver has more than twice the share of renters than rest of County

42% of housing units in Clark County are in Vancouver

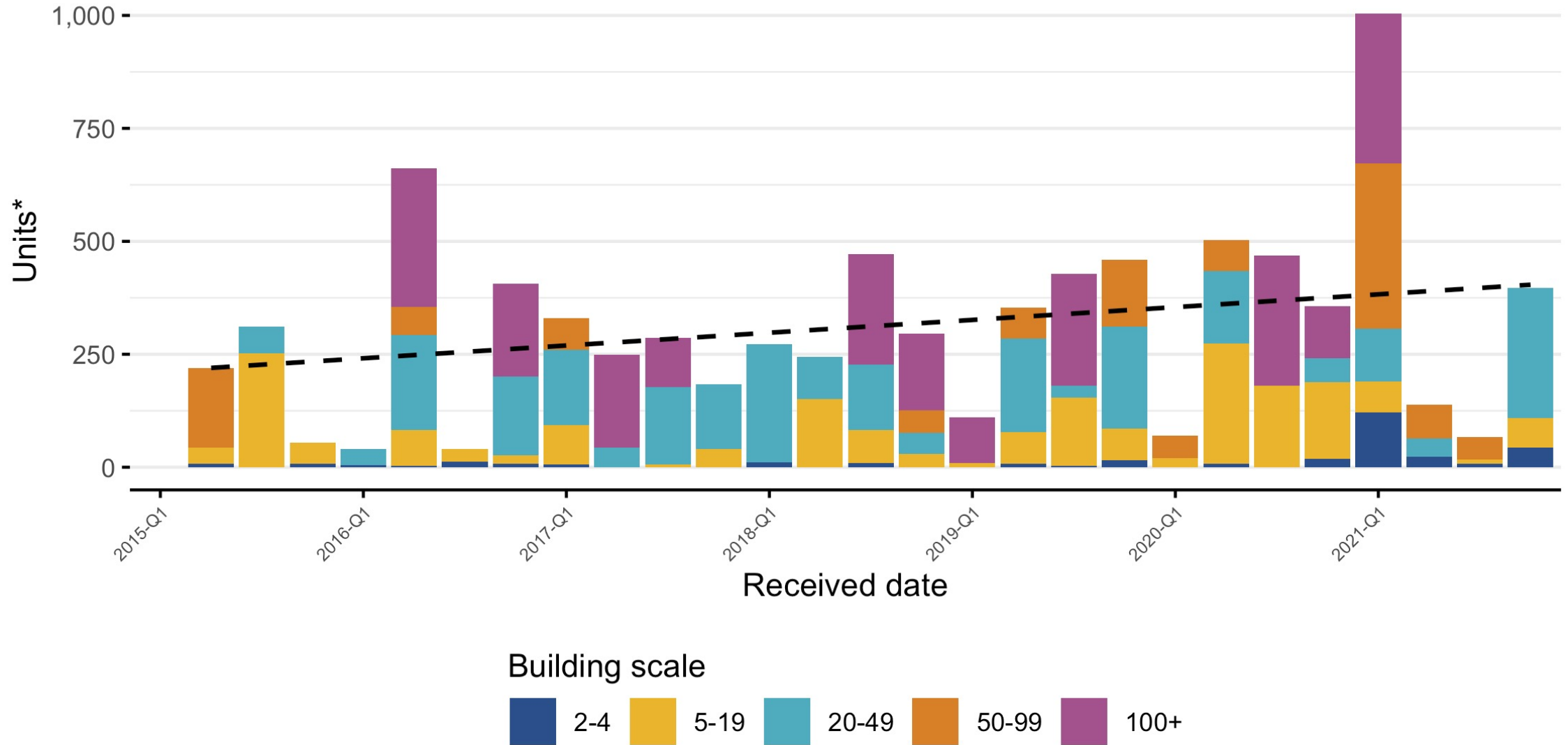
52% of households in Vancouver are renters

- Seattle – 56%
- Tacoma – 46%
- Portland – 46%
- Spokane – 43%

22% of households in rest of Clark County are renters (excluding Vancouver)

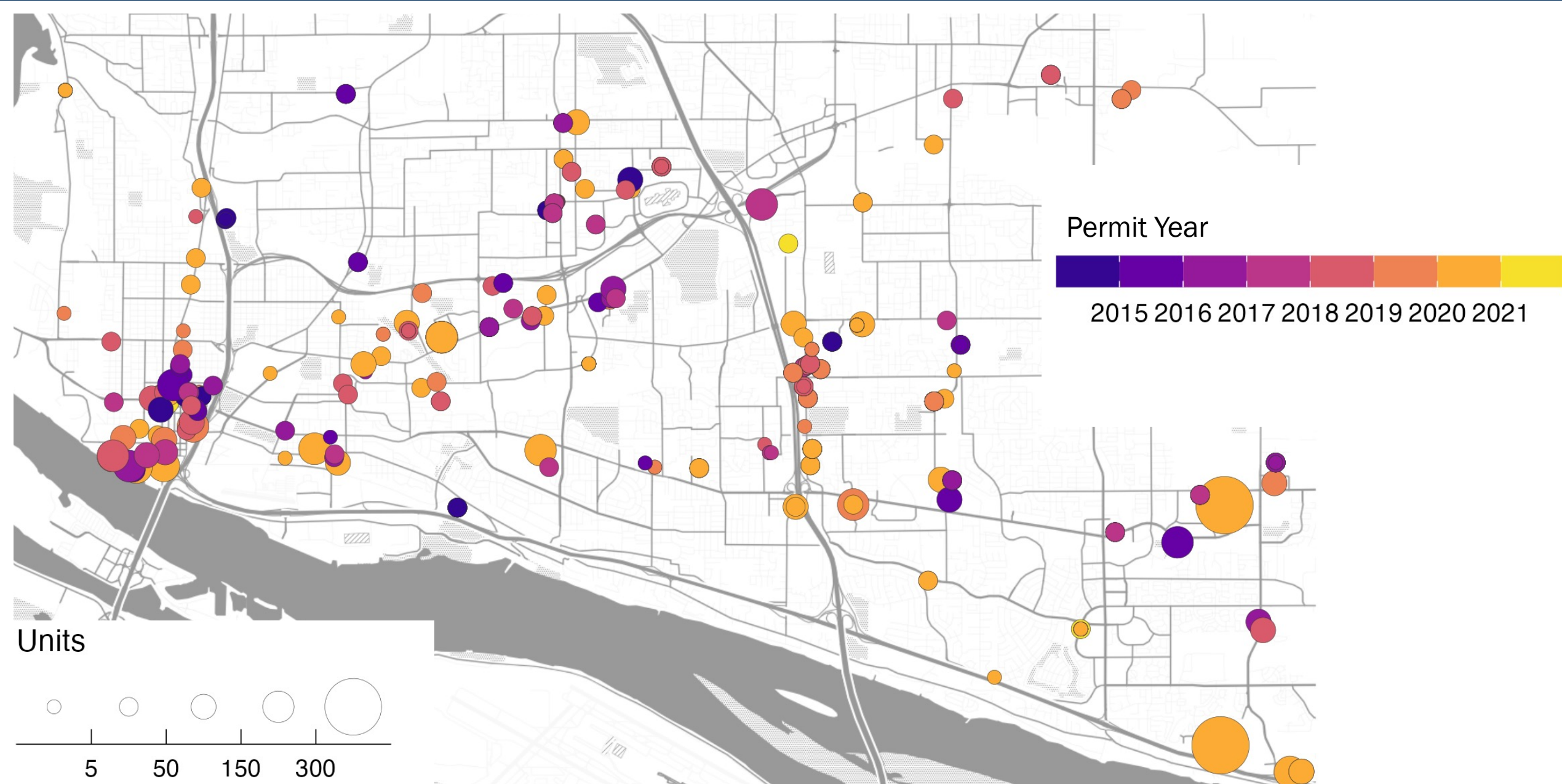
Housing Supply

Vancouver multifamily permitting trend - leading indicator



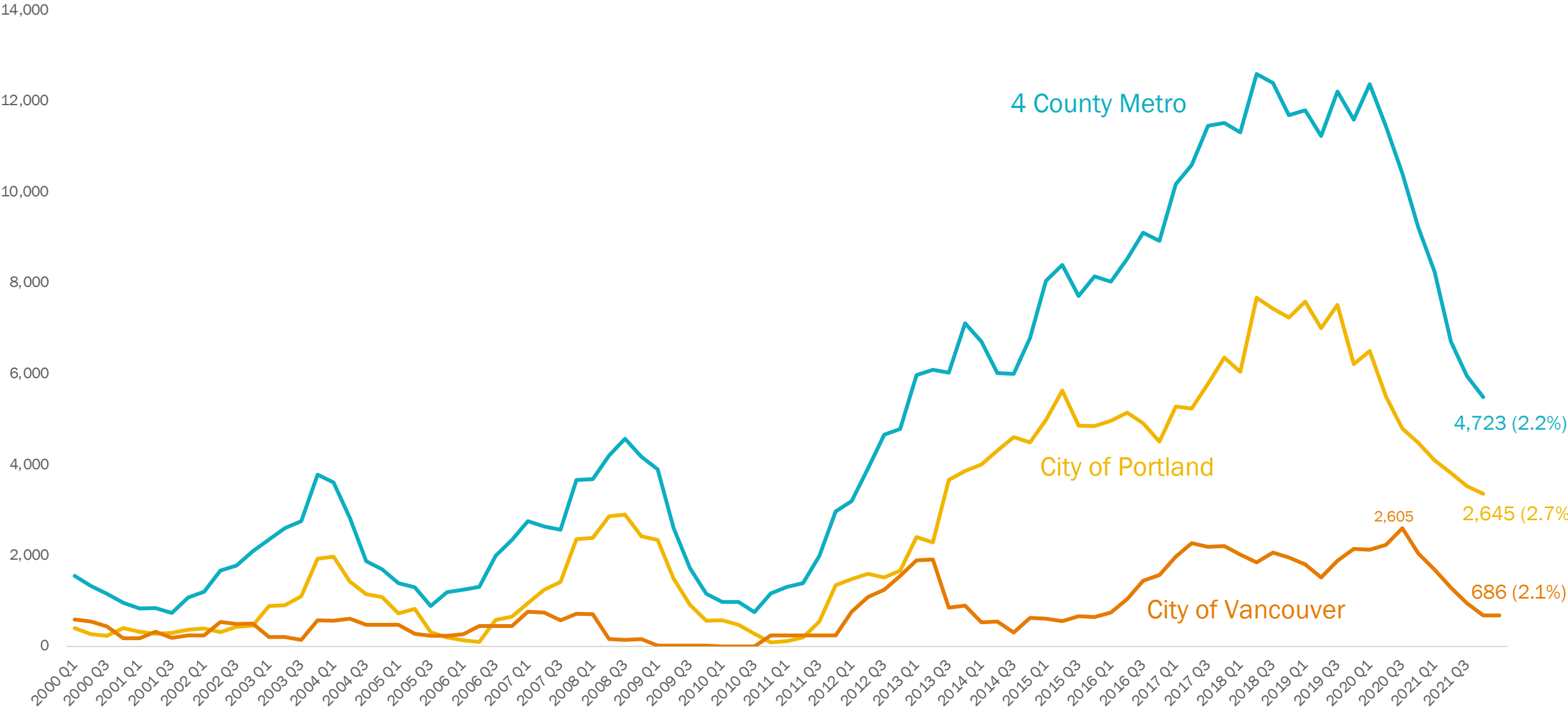
*Only completed permits or those in building plan review/construction phase

Recent apartment permitting activity by size and location



Decline in apartment production in Vancouver has bottomed

Market Rate Apartments Under Construction



Source: CoStar

80% of new construction in the City has been Multifamily over past 3 years

Year	Multifamily	Single Family	Total
2019	1,432	228	1,660
2020	715	353	1,068
2021	1,690	468	2,158
3-year average	1,279	349	1,628

79%

20%

Housing identified as top barrier to economic growth in the state

3 big Ideas - BEaR

Build

more housing of all types that is affordable to all residents

Equip

the workforce for success, and close the skills gap

and

Revitalize

entrepreneurship and make it easier to do business

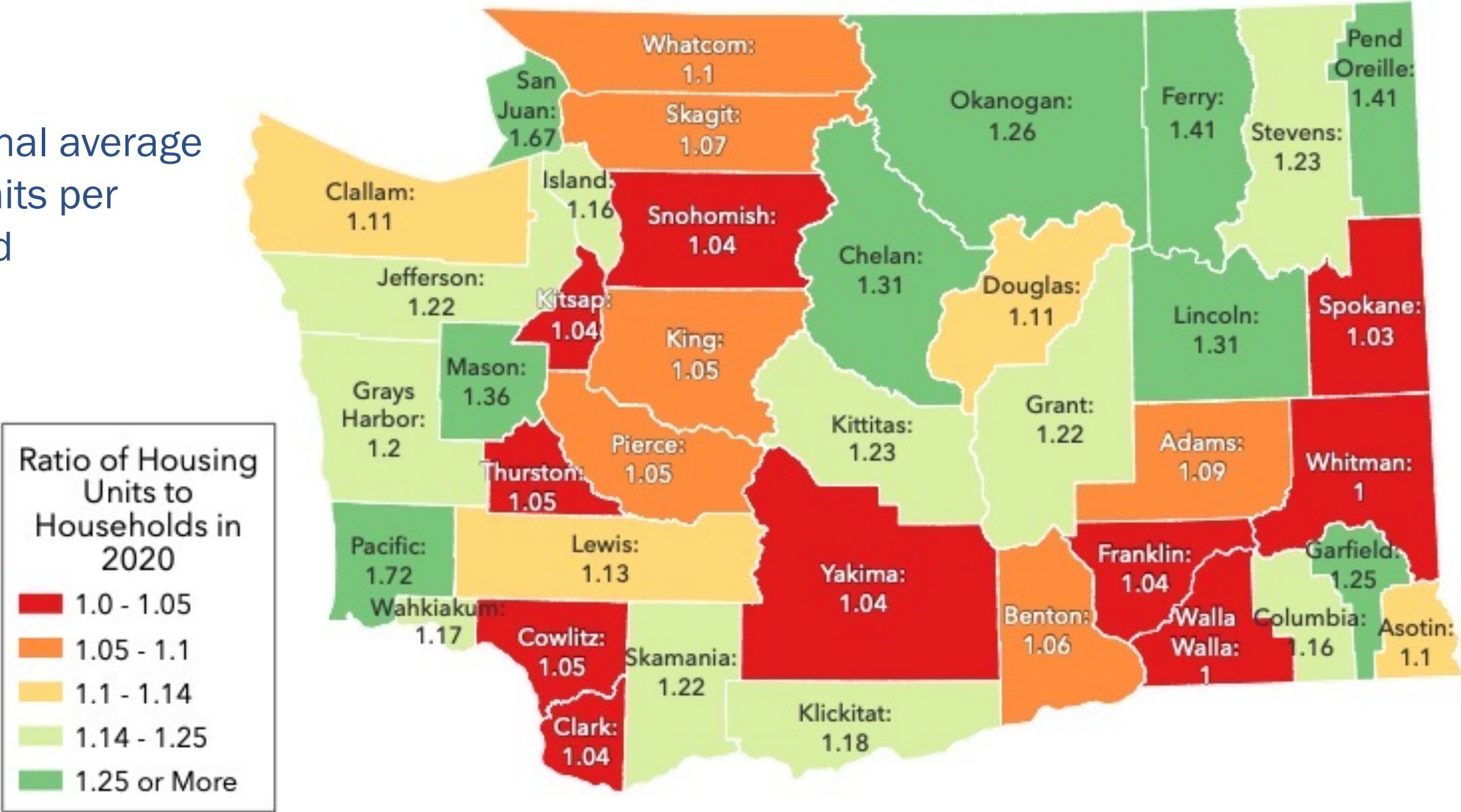


Washington State has the fewest number of housing units per household of any state in the country

190K units underproduced through 2019

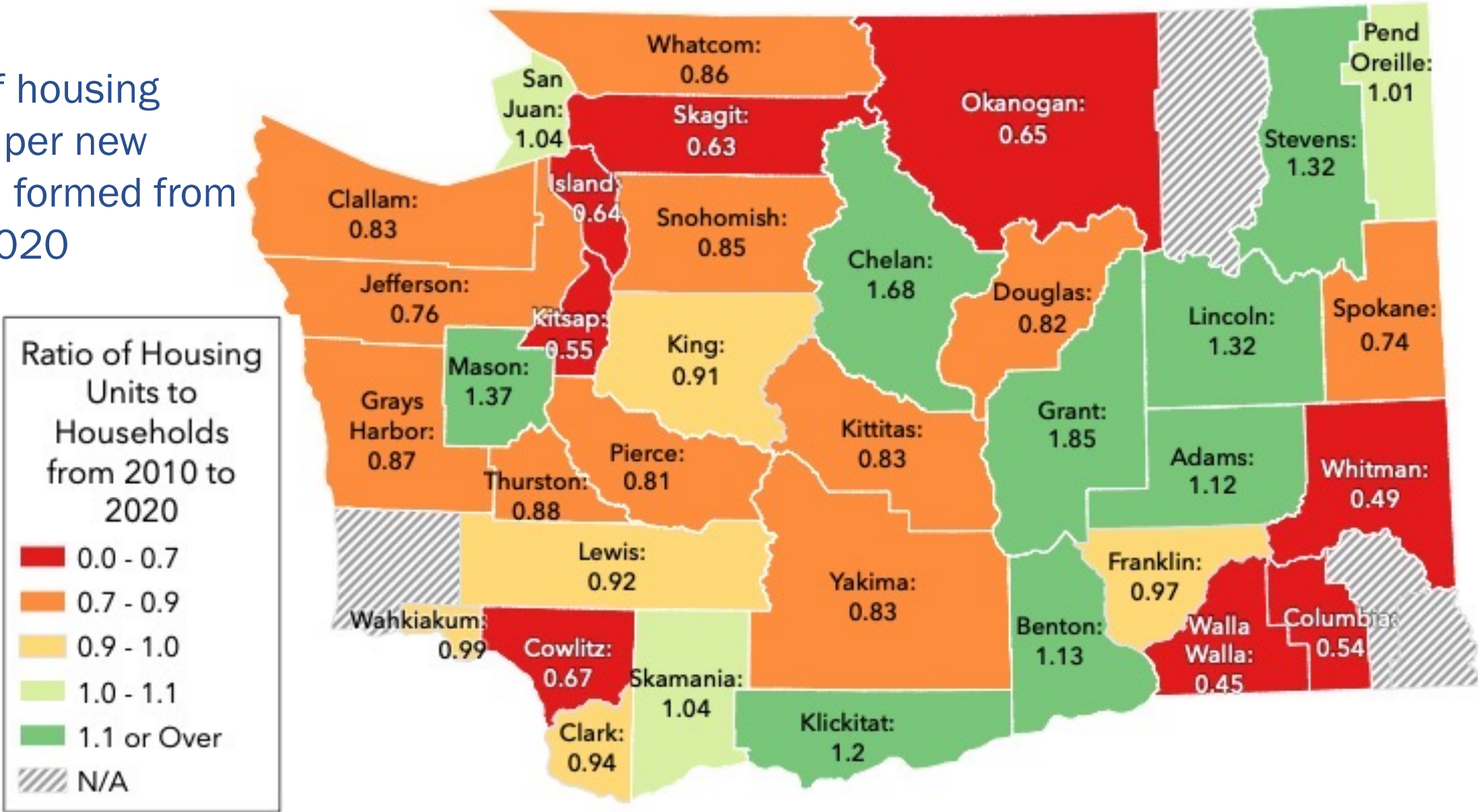
Clark County has fewer units per household than King or Pierce County

The national average is 1.14 units per household



Since 2010, Clark County produced fewer than 1 unit per new household formed

Number of housing units built per new household formed from 2010 to 2020



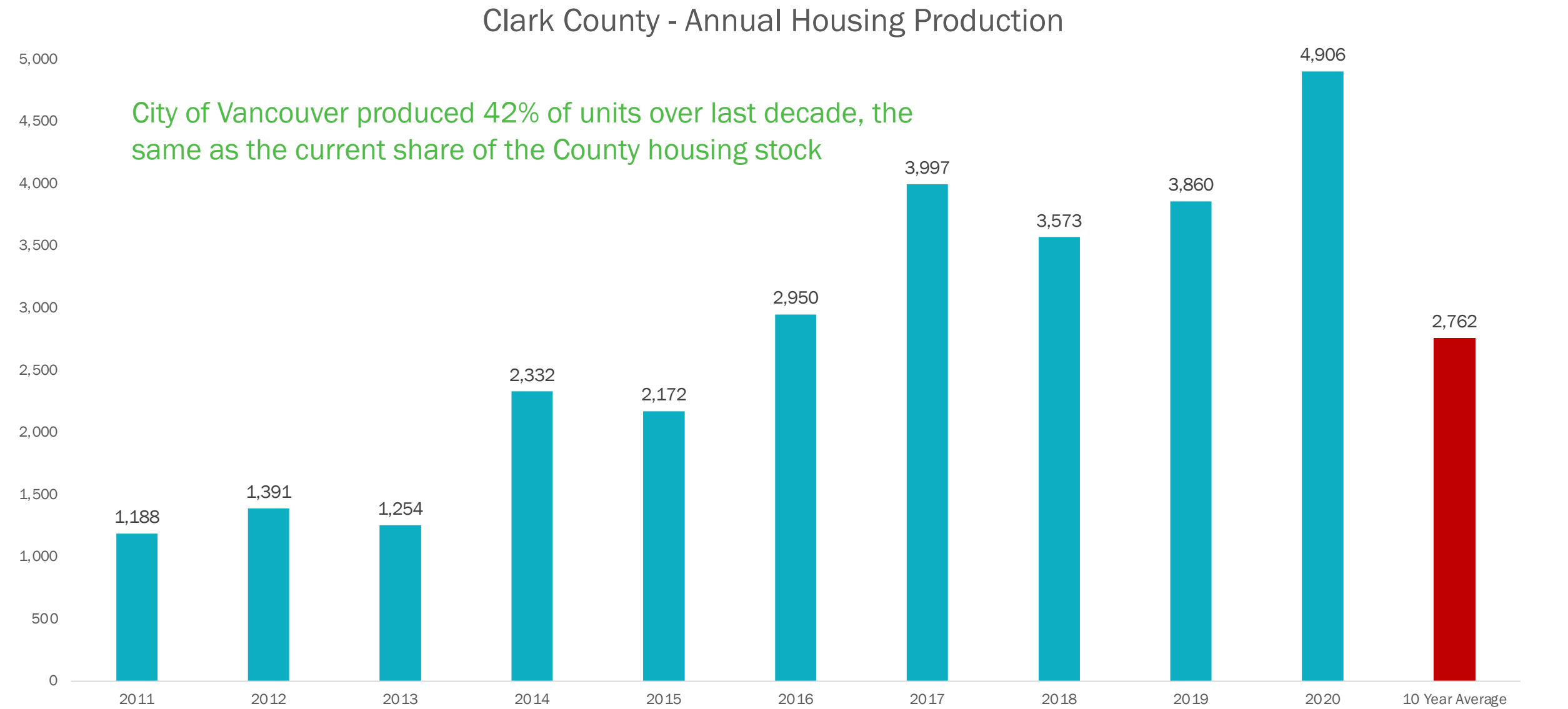
What is housing underproduction?

- When there are fewer units of housing built than market demand
- The underproduction of housing directly leads to increased rents and housing prices
- To measure underproduction:
 - Target vacancy rate of 5%
 - Removes uninhabitable units from the supply
 - Account for missing households that didn't form

Housing underproduction occurs at the regional level

13,500 units underproduced in Clark County
7% of the current stock of housing

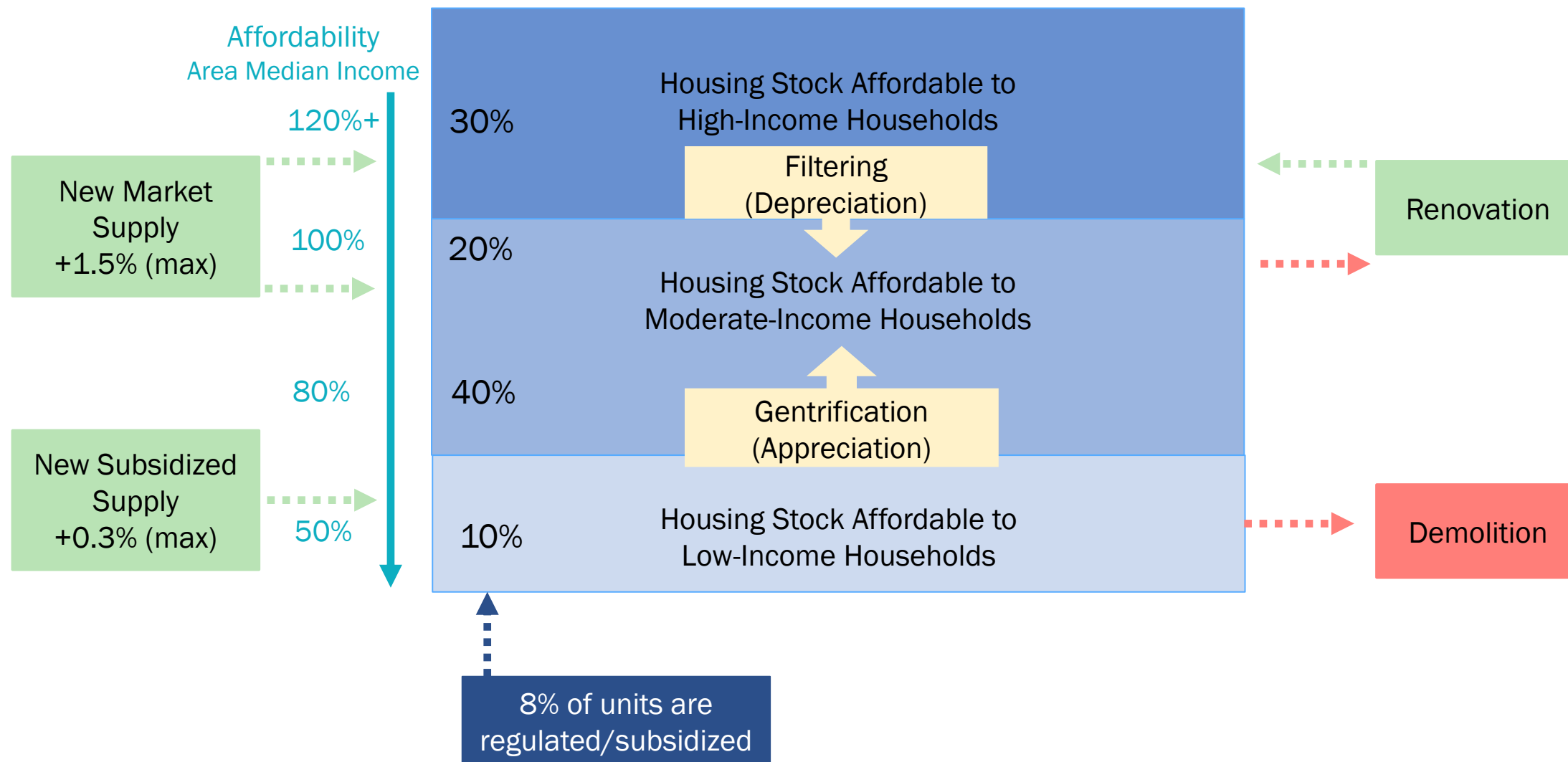
Clark County underproduction equal to about 4 years of building



Questions

Housing Market Economics

Housing Markets, Affordability, and Neighborhood Change



What is income sorting? How does it impact housing availability

City of Vancouver 2019

Household Income (% of MFI)		Rental Unit Affordability (% of MFI)				
		0-50%	50-80%	80-100%	100-120%	120%+
	0-50%	28%	51 % of renters are Cost Burdened (spending more than 30% of income)			
	50-80%	50%				
	80-100%	45%				
	100-120%	Renting Down (spending less than 30% of income)			12%	13%
	120%+					

Renting down removes unit availability for lower income HHs

City of Vancouver 2019

		Rental Unit Affordability (% of MFI)				
		0-50%	50-80%	80-100%	100-120%	120%+
Household Income (% of MFI)	0-50%	28%				
	50-80%	16%	50%			
	80-100%	3%	42%	45%		
	100-120%	11%	45%	31%	12%	
	120%+	3%	42%	23%	19%	13%

There are more units affordable at 80% and less of MFI than renter HHs

City of Vancouver 2019

Household Income (% of MFI)	0-50%	50-80%	80-100%	100-120%	120%+
0-50%	3,493	6,959	1,487	81	369
50-80%	1,595	5,055	2,396	404	607
80-100%	187	2,497	2,724	505	94
100-120%	504	2,152	1,454	565	85
120%+	262	3,680	2,072	1,636	1,172

22k Households

26k Units

Renting down results in fewer units available to HHs earning less than 80% of MFI

City of Vancouver 2019

Household Income (% of MFI)		0-50%	50-80%	80-100%	100-120%	120%+
	0-50%	3,493	6,959	1,487	81	369
	50-80%	1,595	5,055	2,396	404	607
	80-100%	187	2,497	2,724	505	94
	100-120%	504	2,152	1,454	565	85
	120%+	262	3,680	2,072	1,636	1,172

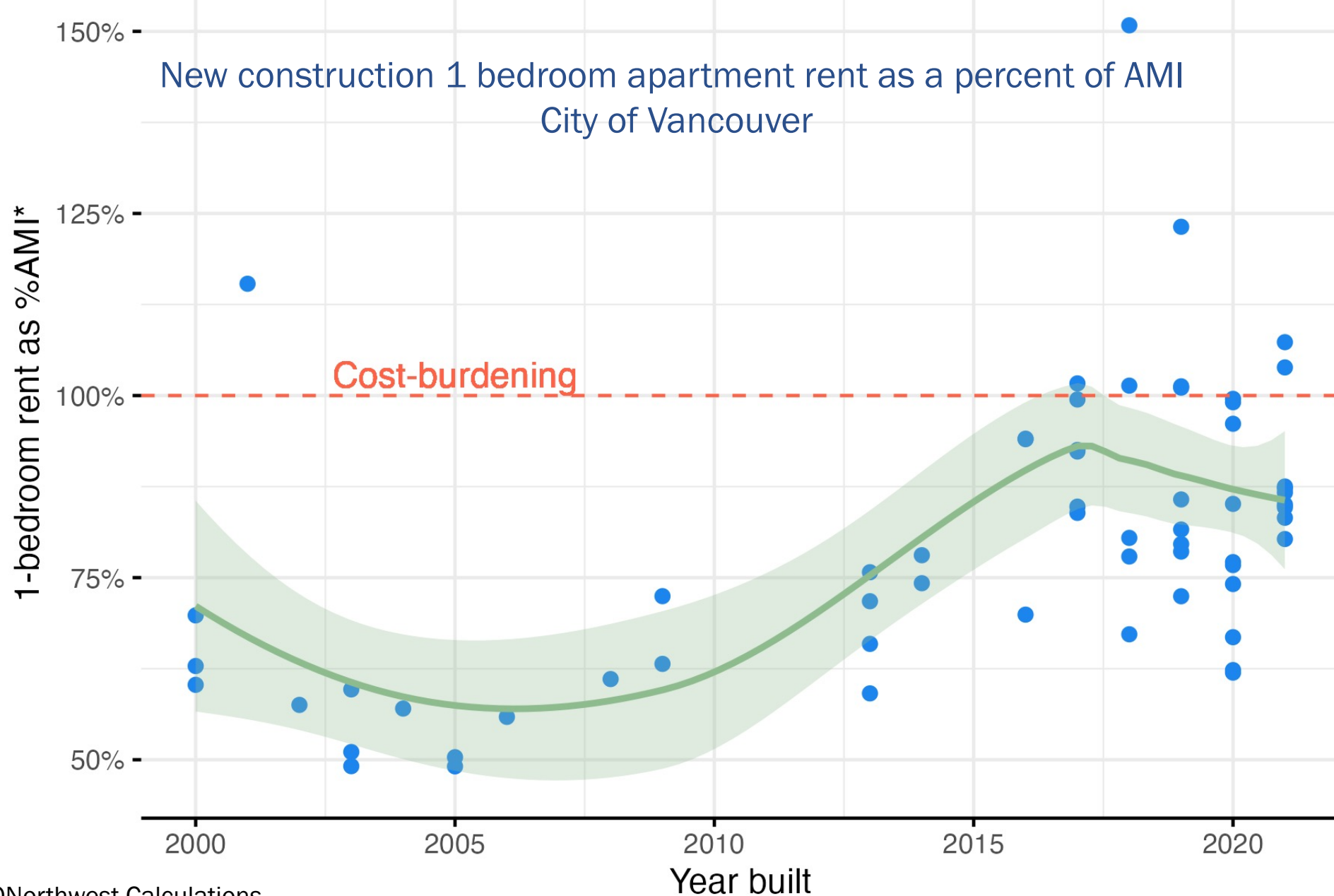
9,282
Units

Shortage for renter households earning less than 80% of MFI

26,384 units – 22,446 households = 3,938 units surplus

3,938 unit surplus – 9,282 units not available = **5,344 unit shortage**

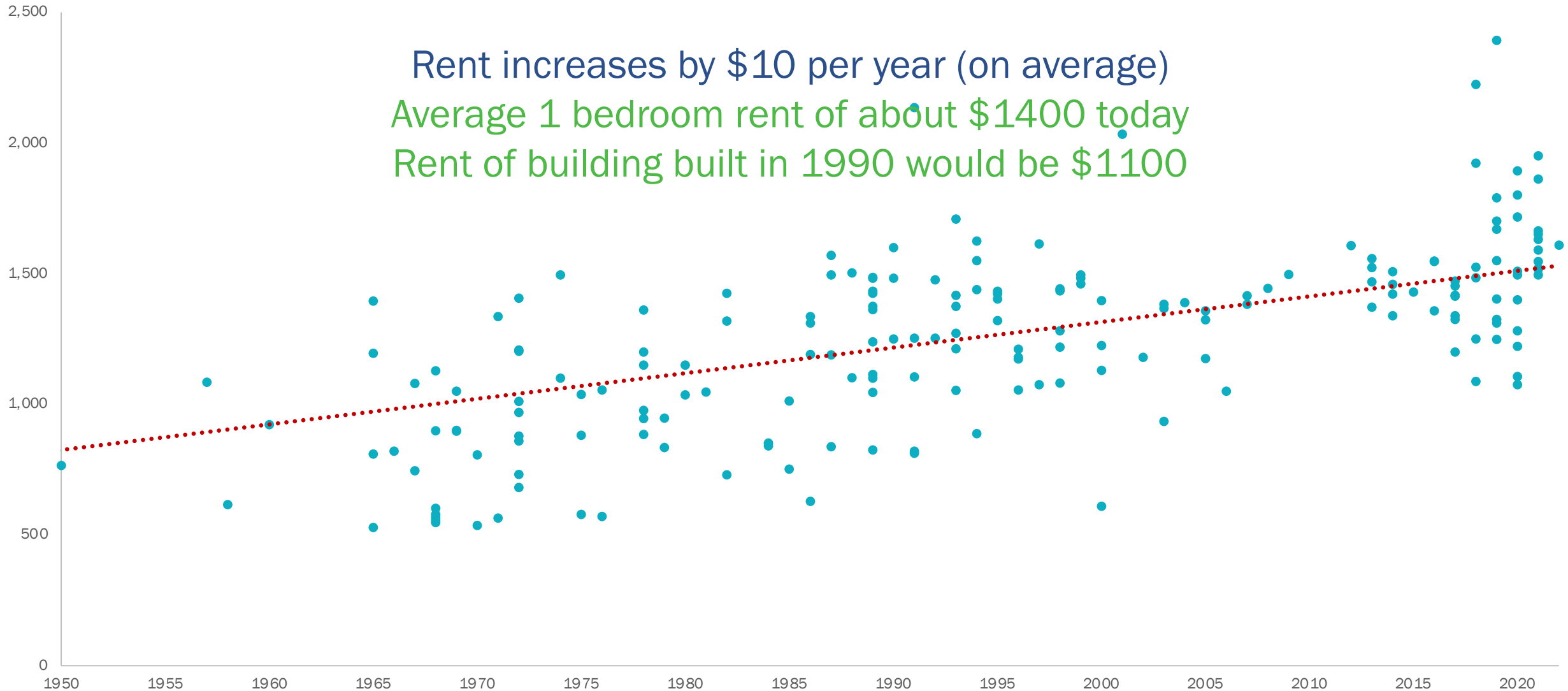
New apartments construction produces workforce housing



What is the rate of filtering in Vancouver?

1 bedroom average rent by building – City of Vancouver – March 2022

$R^2 = 0.4053$

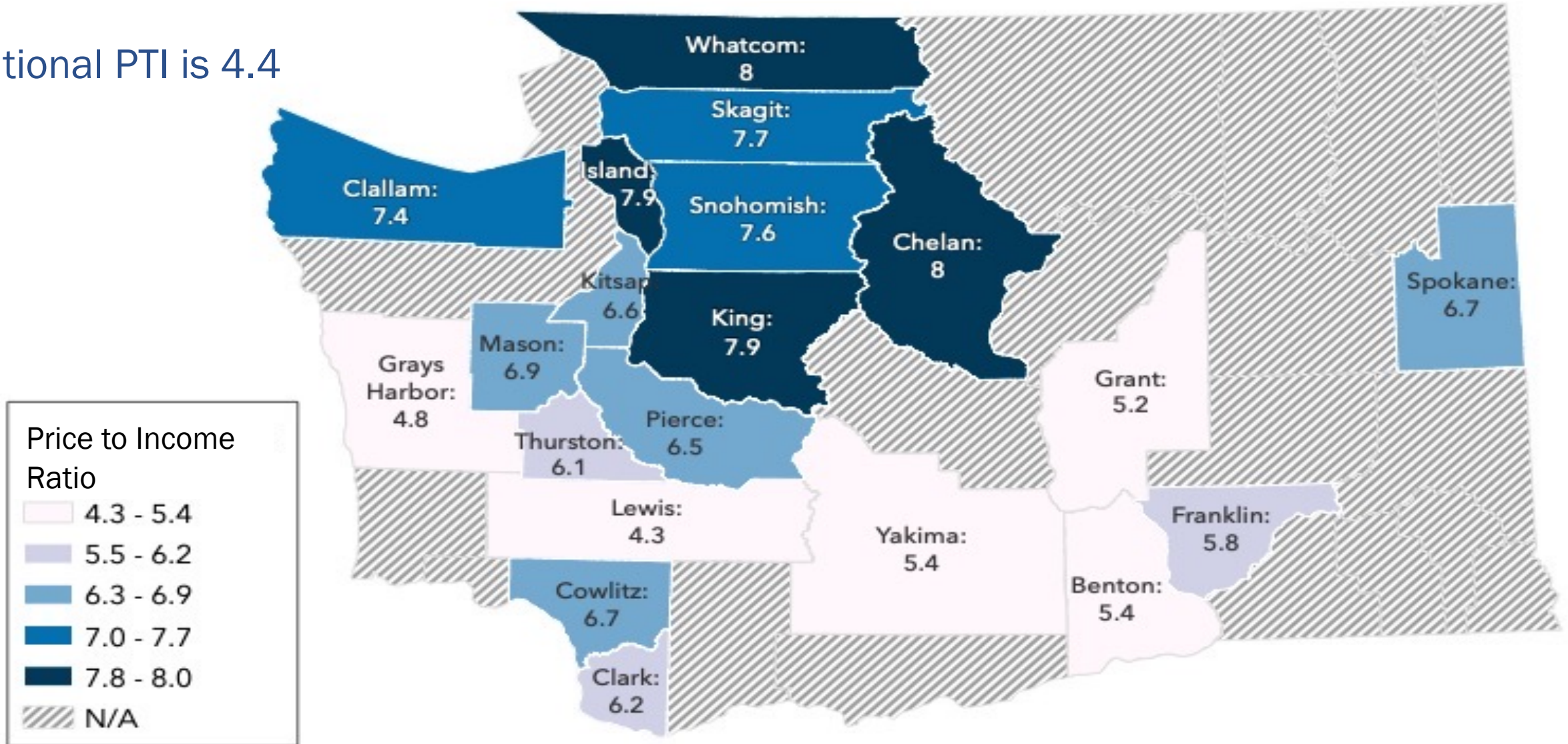


Homeownership Impacts

Price to income ratios higher across WA than the national 4.4 ratio

Price to Income Ratio = Median Household Income / Median Home Value (ZHVI)

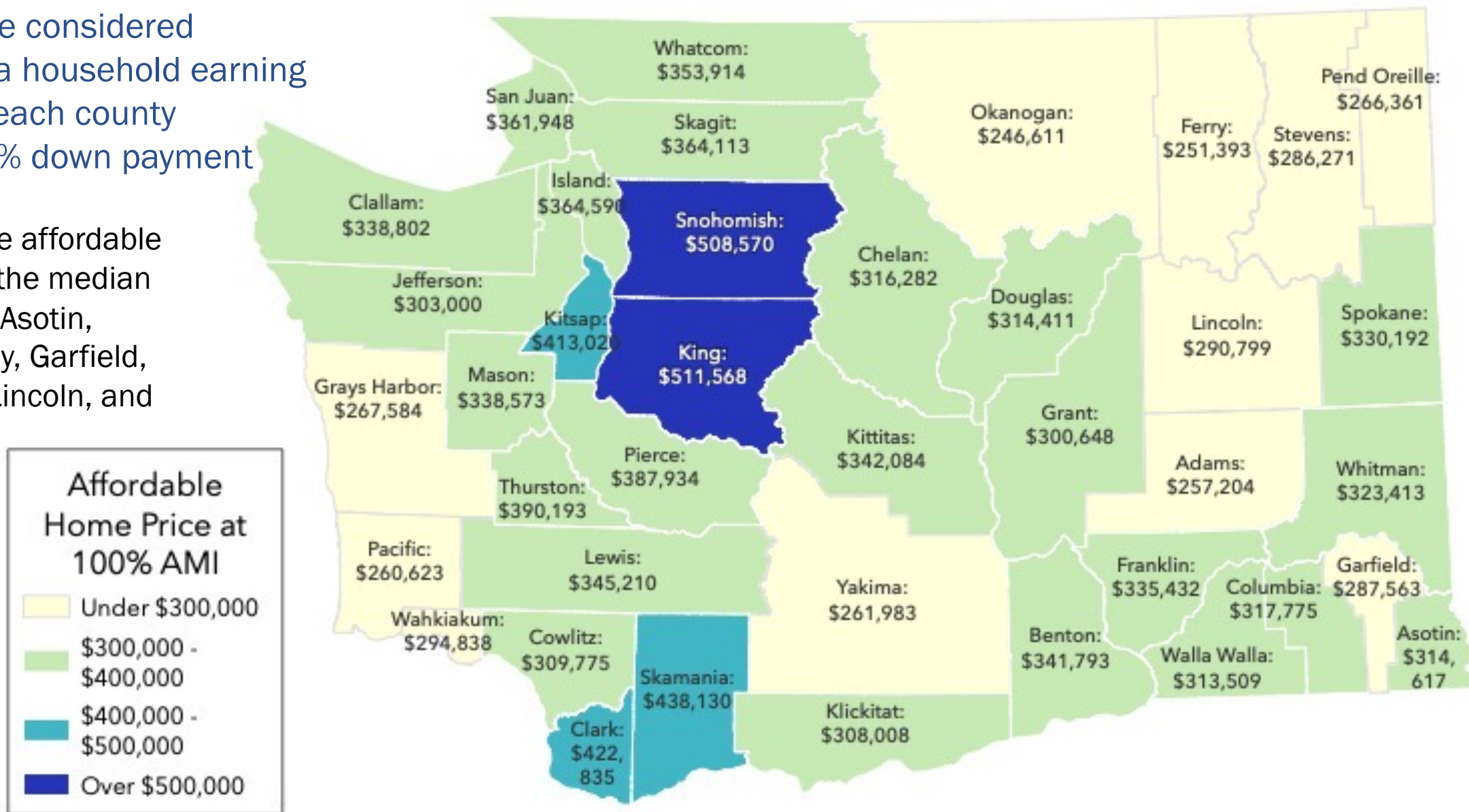
National PTI is 4.4



HHs earning 100% of AMI can only afford the median home in 9 counties

Purchase price considered affordable to a household earning 100% AMI in each county assuming a 5% down payment

Counties where affordable price is below the median value: Adams, Asotin, Columbia, Ferry, Garfield, Grant, Lewis, Lincoln, and Pacific

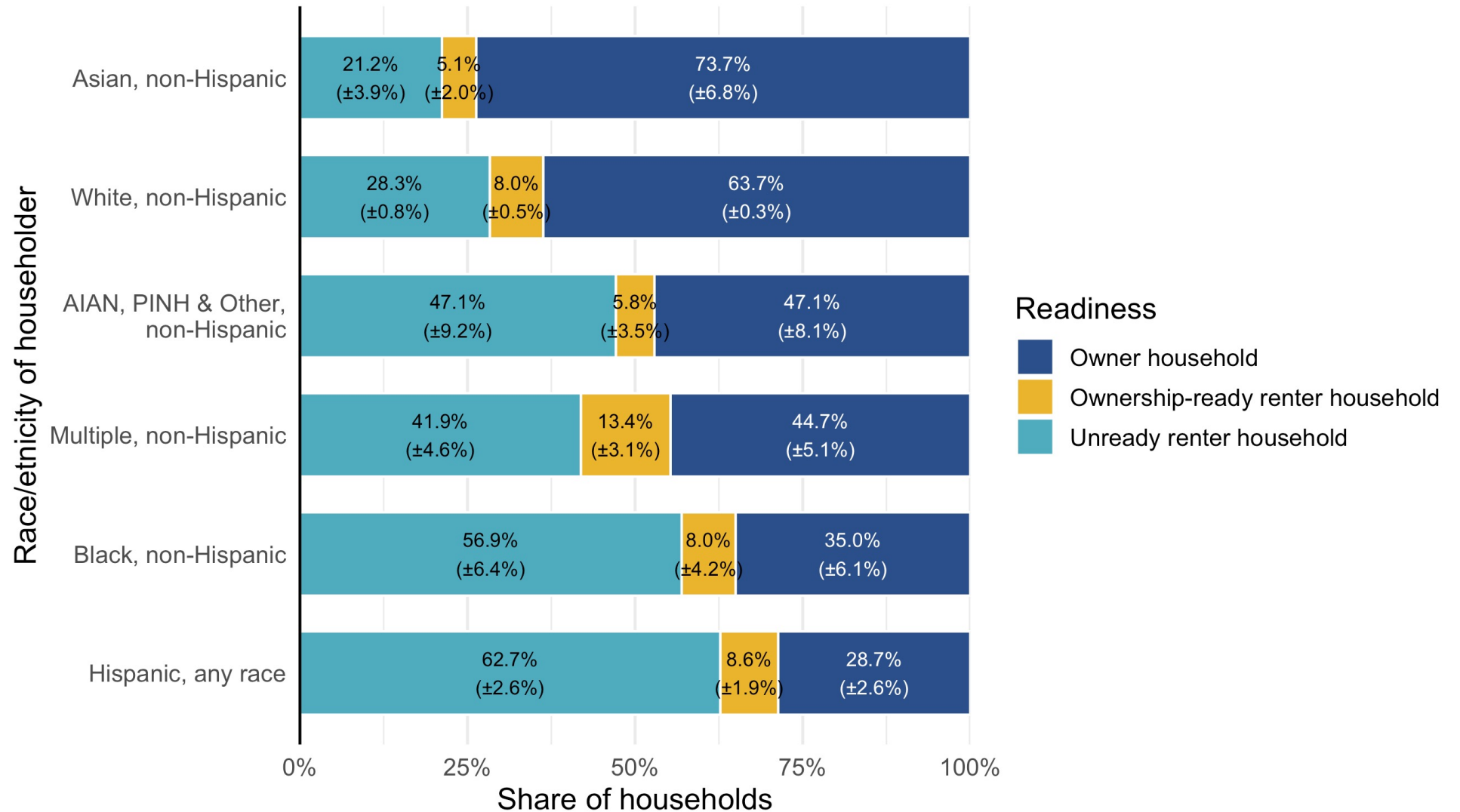


High rent and cost of housing a barrier for BIPOC communities

Homeownership Readiness



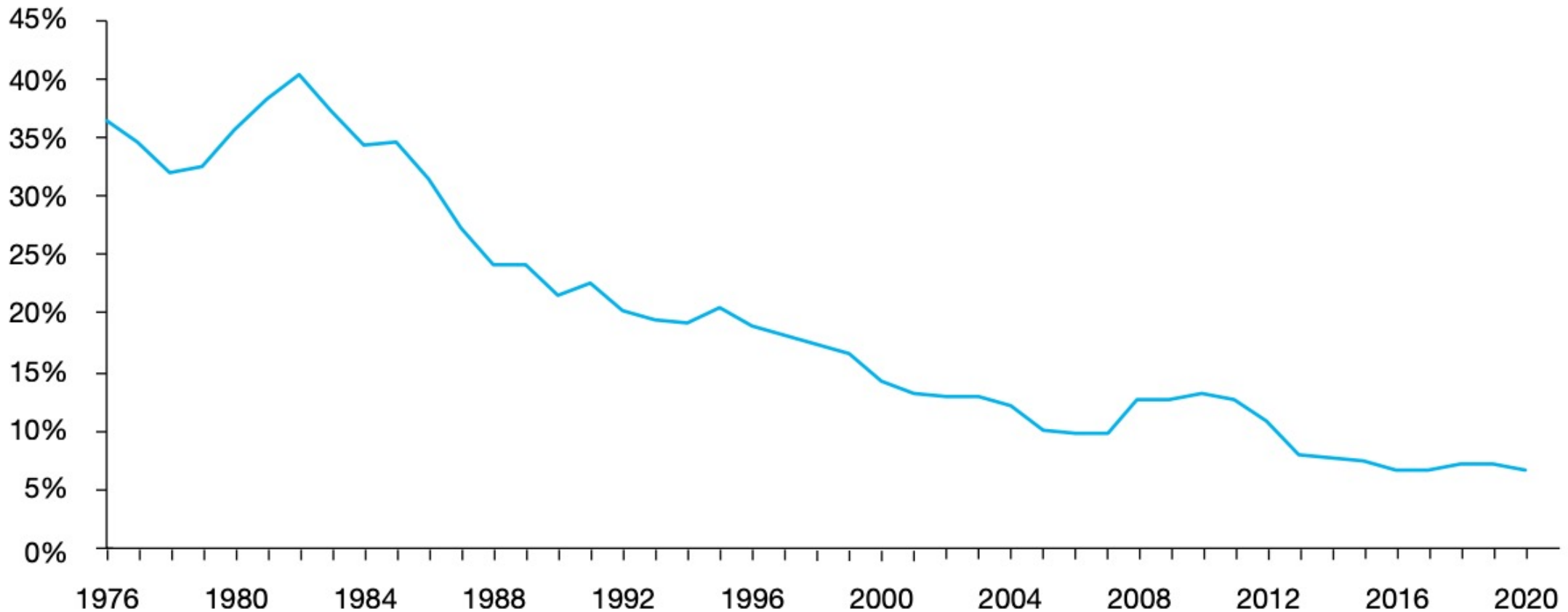
- 1) households that are not cost burdened
- 2) total household income > 100% AMI in 2019 (\$87,900)



National decline in production of naturally affordable homes

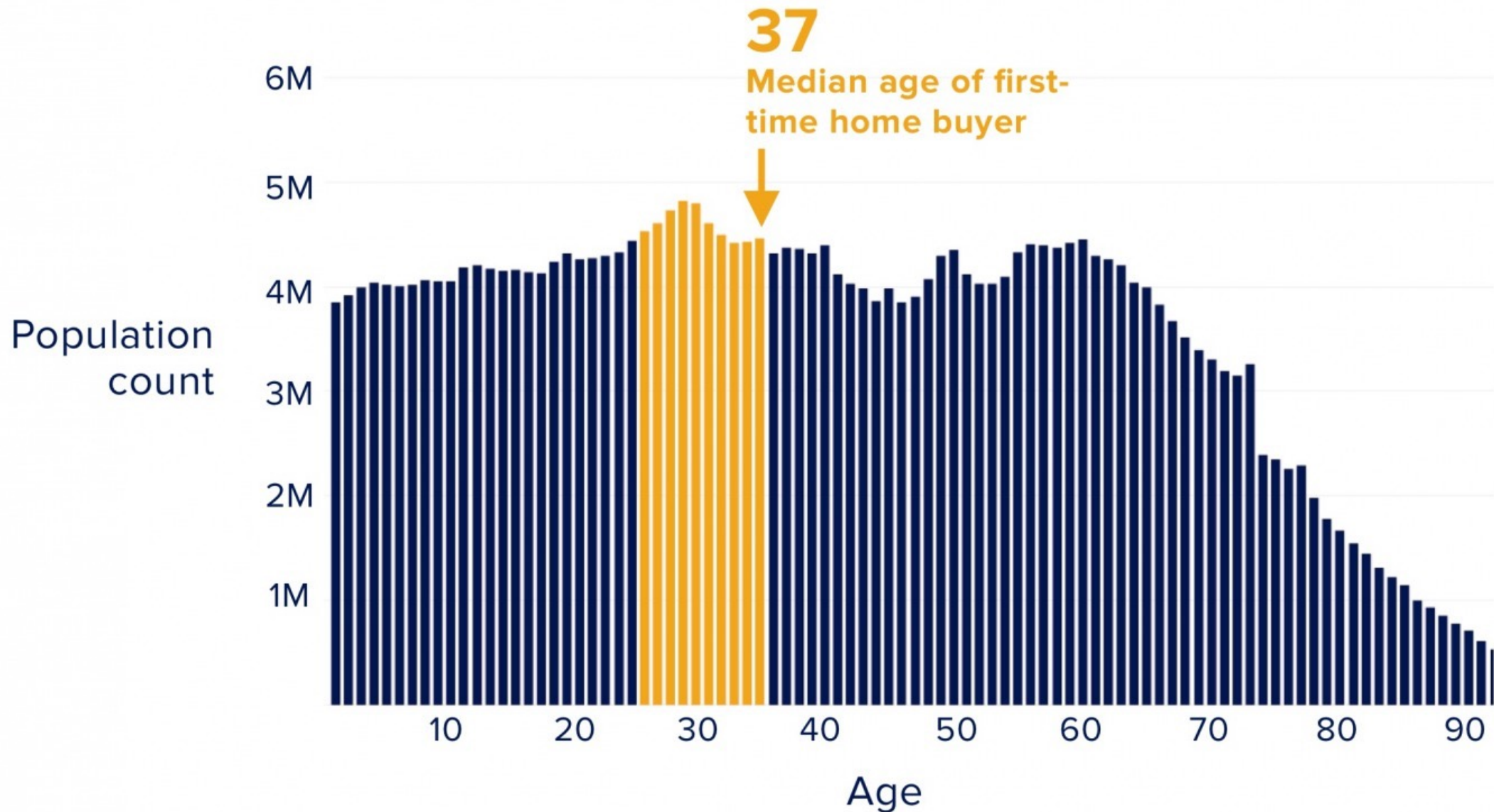
Percent of new homes below 1,400 square feet

Entry-Level home construction consistently declined as a share of new construction and is at near a 50-Year Low



Source: U.S. Census Bureau.

Homeownership ladder - heading into peak homeowner demand



Middle housing provides naturally affordable options



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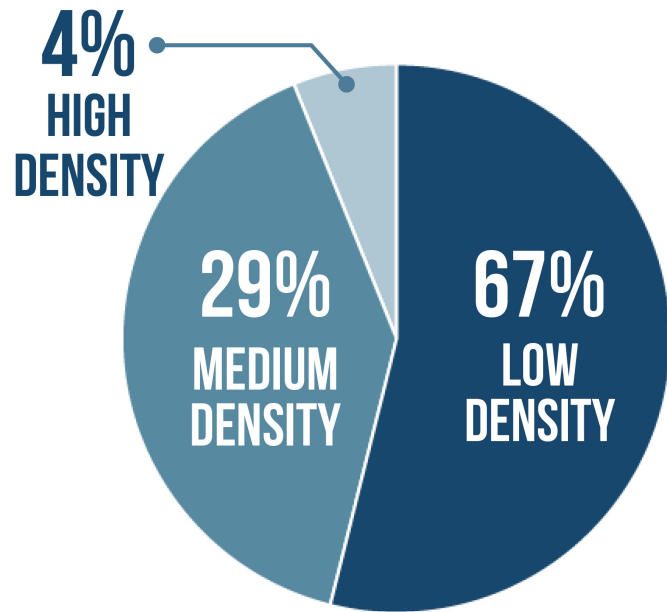


Questions

Policy Options

More of the same leads to known outcomes

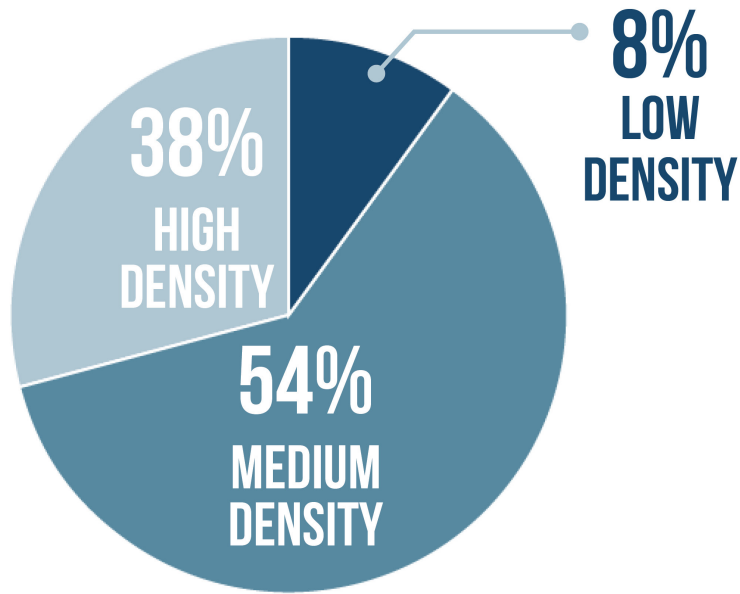
Existing Approach



- Limits housing production
- New growth is pushed outside of the city
- New housing production concentrated in expensive SF housing
- Strain public infrastructure investment and maintenance
- Limited affordable middle housing production

Transition to balanced growth development pattern

Balanced Approach



- Maximizes development in high density corridors
- Makes better use of available land within UGB and existing public infrastructure
- Encourages naturally affordable middle housing production

What are achievable density targets?

Recent projects in the City that are high density – Above 150 Units per Acre



The Uptown
Main & McLoughlin
185 Units per acre
5 over 1 Podium



The Hamilton
20th & Broadway
157 units per acre
4 Story wood construction

What are achievable density targets?

Recent projects in the City that are middle density – Between 20 and 150 UPA



Esther Short Commons
8th and Esther
82 Units per acre
4 over 1 Podium



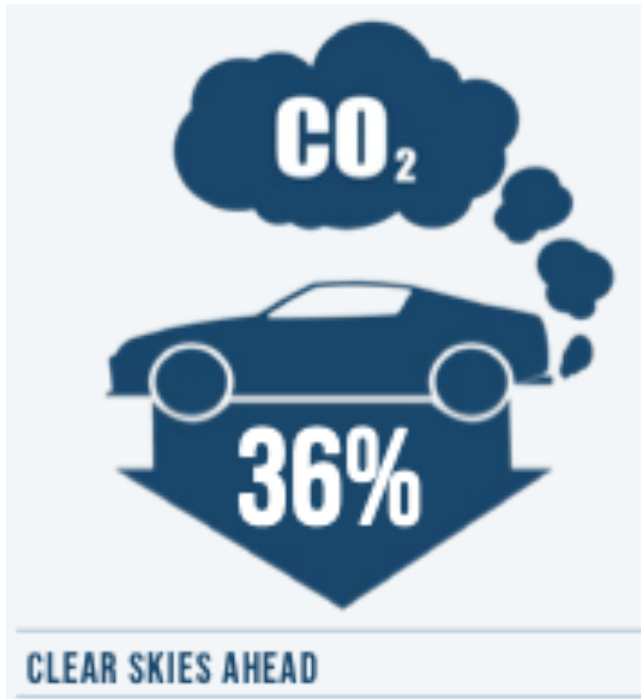
K West Apartments
4th Plain & 57th Ave
35 Units per acre
3 Story Wood Walk Up



Evergreen Townhomes
Evergreen and S Street
21 Units per acre
Townhome

Balanced approach also produces environmental and economic benefits

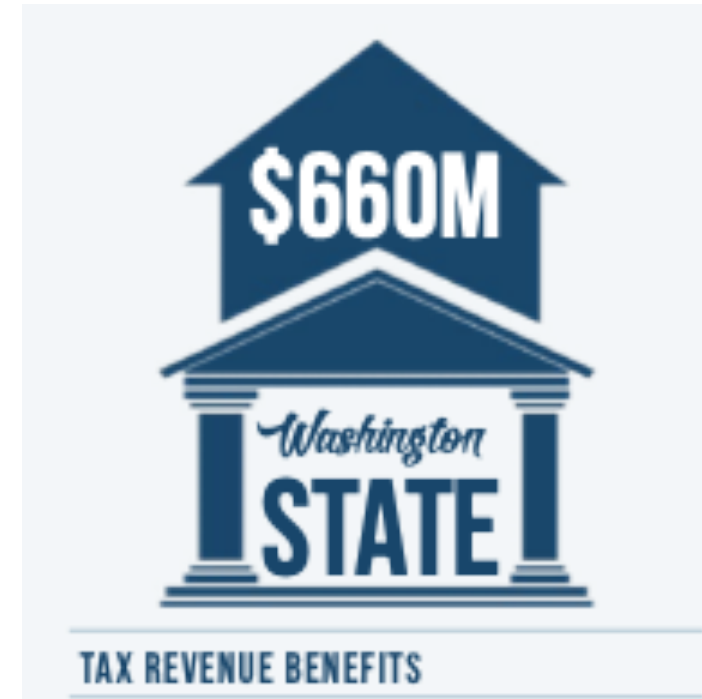
Modeled statewide incremental housing production of 225k units over 20 years



Used 12% of the land compared to more of the same



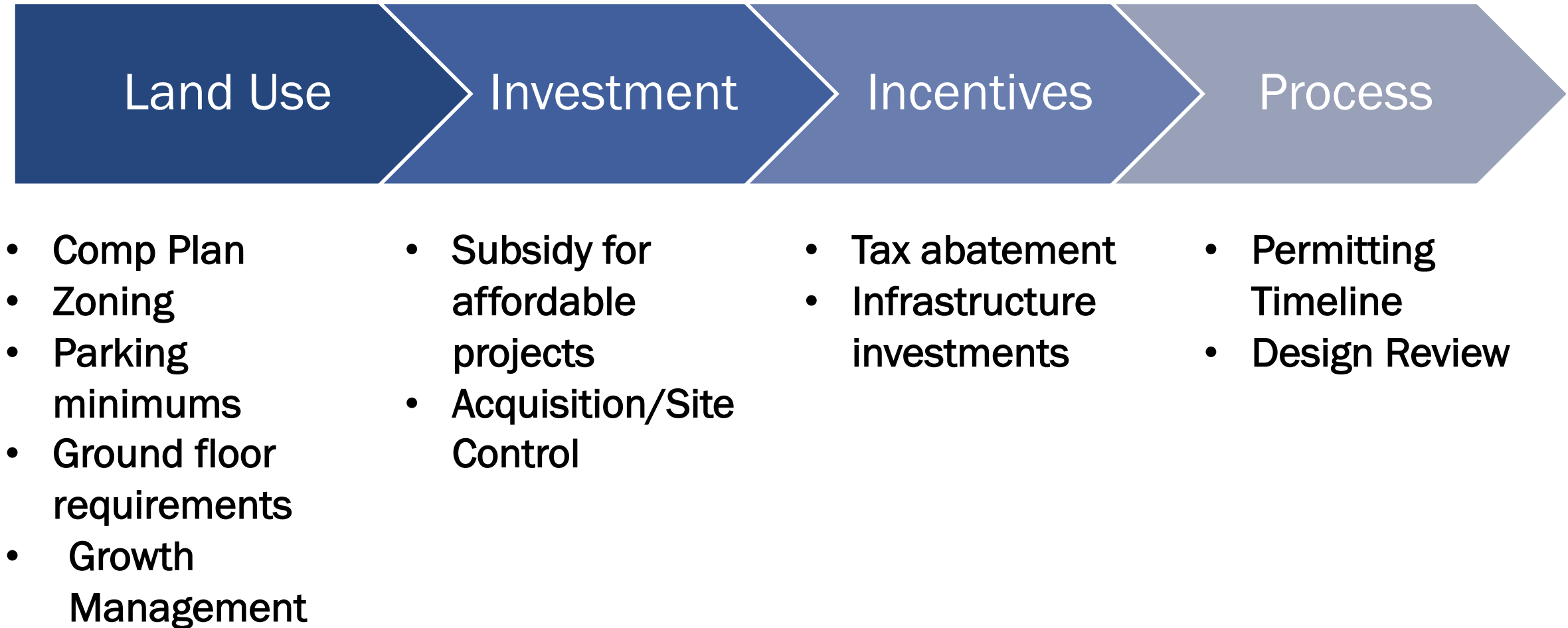
Increased Gross State Product by \$25 billion over 20 years



Produced an additional \$660 million in state revenue over 20 years

Local Levers for Balanced Growth

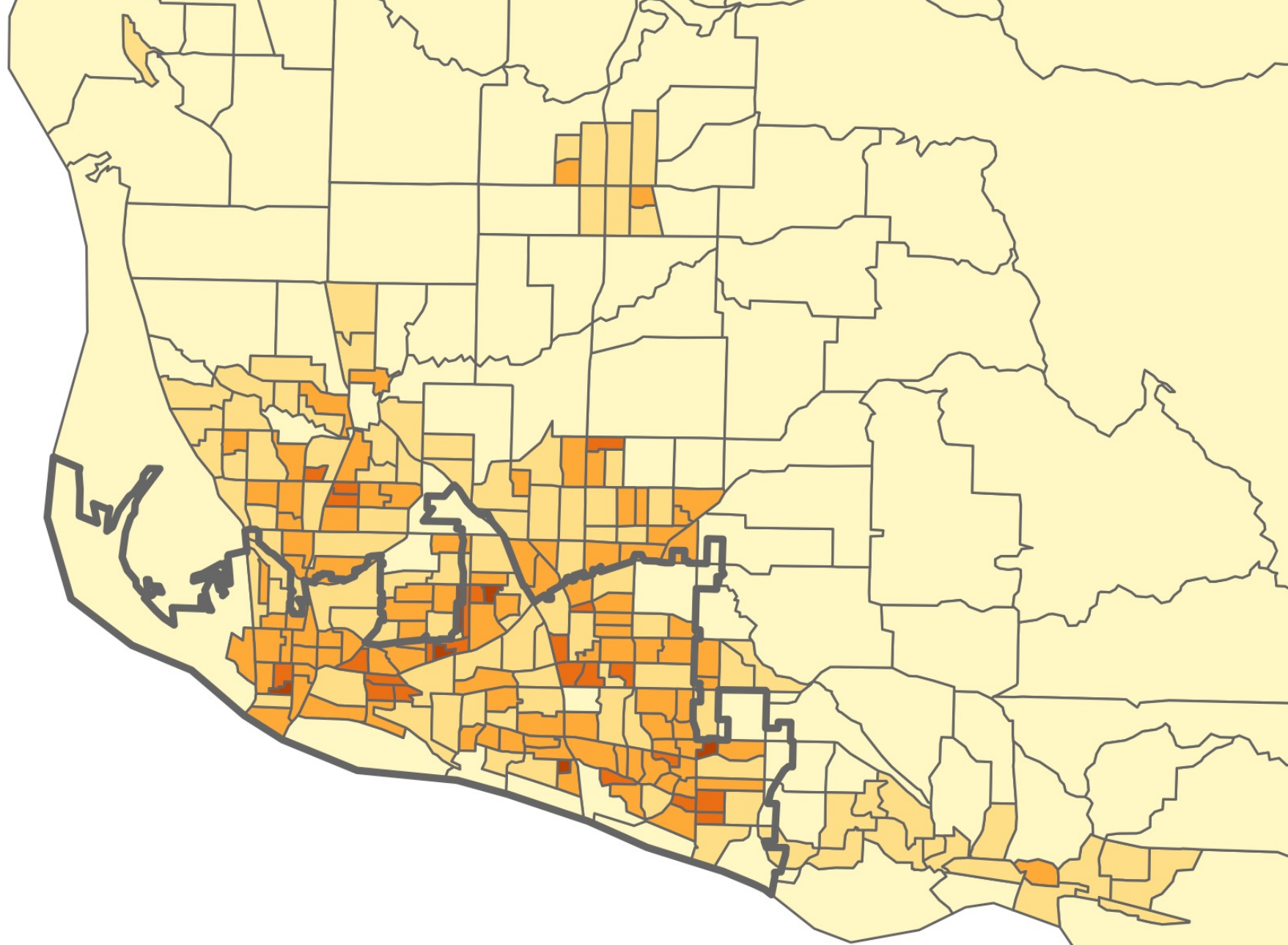
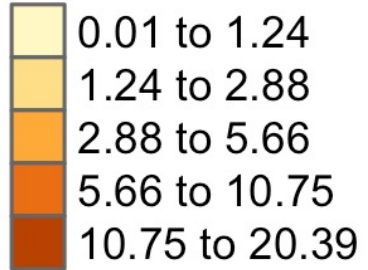
Use all policy levers to promote supply and affordability



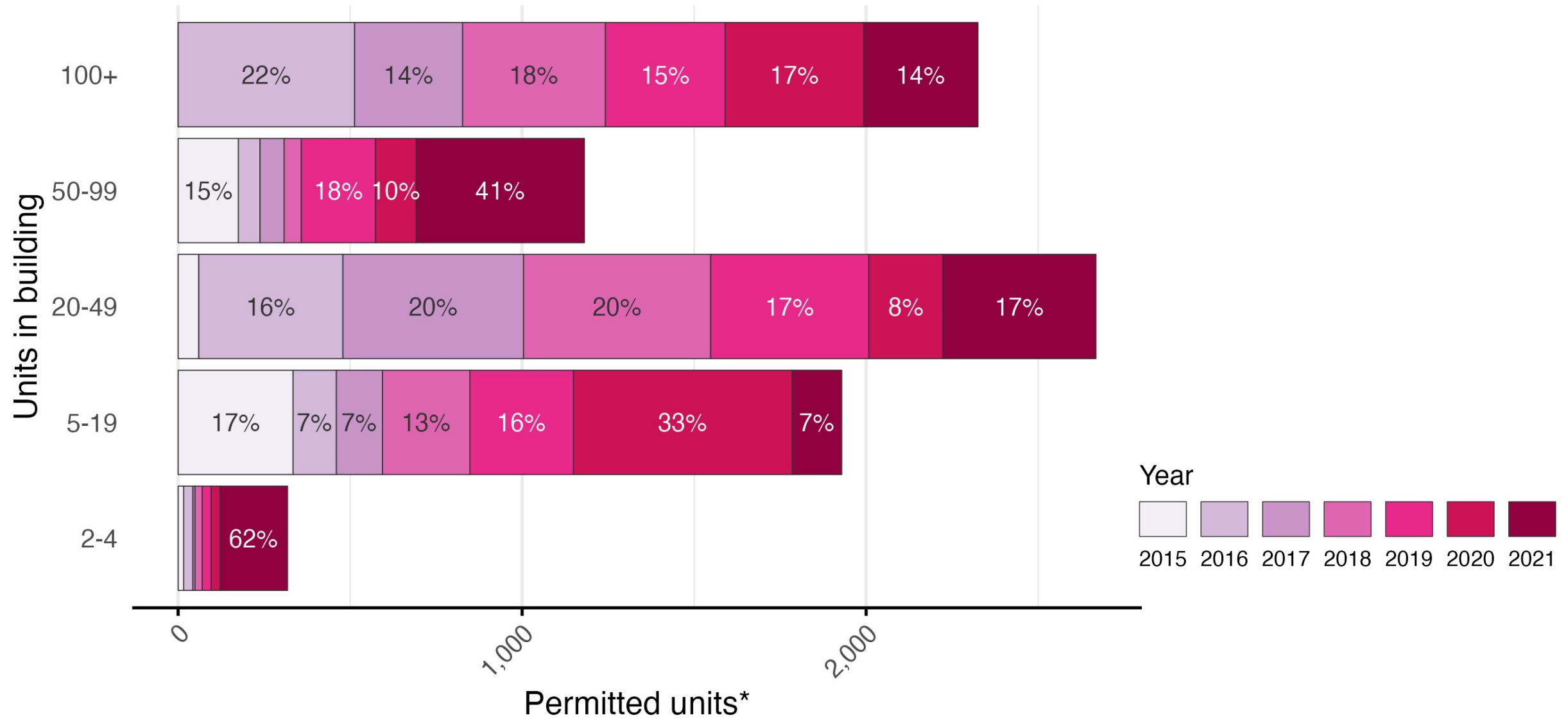
Land Use

Islands of density -- room to grow up rather than out

Units / Acre

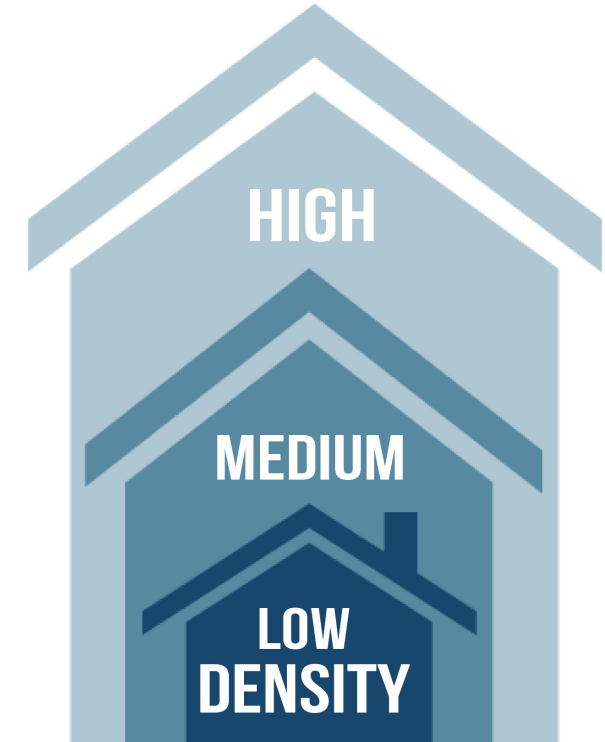


Missing middle opportunity in the City of Vancouver



Land use policies are primary tool to promote density

- Comprehensive Plan establishes housing and density goals throughout city
- Code updates required to remove artificial barriers to density and additional housing types
 - Parking minimums
 - Active ground floor use requirements
 - Height limits
- Update single family zoning to achieve naturally affordable housing, especially for first time homeowners



Investment

Direct investment required to achieve affordability

- Market will not produce <80% AMI housing
 - Tradeoffs of more units vs. lower depth of affordability
 - Market conditions determine amount of subsidy
- Local investments should be flexible given constraints of State and Federal funding
- Land is a powerful tool in building affordable housing as a form of site control and direct investment

Incentives and Feasibility Toolkit

Leverage the market to achieve density

- Development economics often work against density – change in type of construction for taller buildings is expensive
- Incentives can lower the cost of development and encourage greater density:
 - MFTE
 - Public infrastructure
- Incentives are best suited to achieve density and not deep affordability

Process

The development process thrives on predictability

- Vancouver is known for a being a predictable city for development
 - this is an asset in addressing housing crisis
- Developers are repeat customers - want to benefit from local knowledge and economies of scale
- Developers are seeking best value not lowest cost place to build
 - Streamlined development review
 - Predictable fees and requirements
 - Staff development review
- Investors are not only local – investors seek returns globally

Questions

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Boise

From: [Glen Yung](#)
To: [Planning Commission](#)
Subject: Importance of Ownership
Date: Tuesday, April 19, 2022 3:00:47 PM
Attachments: [chart.png](#)

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Good Afternoon Planning Commissioners,

I would like to provide you with some information that I have found in relation to what I have testified regarding the importance of policy that encourages ownership, rather than discourage it. As I have mentioned in the past, our current housing unit pipeline is 84% rental, with the remaining 16% possibly ending in rentals as well. If this is what we are ending up with, what must we change in order to change this ratio to be more balanced??

This information comes from a study done by the Federal Reserve, so I would assume that it is much more trustworthy than what I have presented to you in the past. I will attach a copy of the chart and provide you with the link to get there yourself. The link brings you to a very helpful tool that is incredible in the amount of good, trustworthy economic data.

What the data shows is that in 2019, the average net worth of individuals were:

Renters: \$6,270.00

Owners: \$254,900.00

Owners, on average, have over 40 times the wealth of renters! When our current policy is leading to such an outcome, this is a prime example of Systemic Inequity.

This data reiterates how incredibly important that our policies lead to sufficient ownership opportunity!

Once again, thank you for all you do and for your dedication to our City! I look forward to all of your comments and questions on Tuesday during the workshop that touches on this very subject!

Cheers,

Glen Yung

https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Net_Worth;demographic:housecl;population:all;units:median