



CITY COUNCIL MEETING MINUTES

Vancouver City Hall | Council Chambers | 415 W. 6th St.
PO Box 1995 | Vancouver, WA 98668-1995
www.cityofvancouver.us

Anne McEnery-Ogle, Mayor

Bart Hansen • Ty Stober • Erik Paulsen • Sarah J. Fox • Diana H. Perez • Kim D. Harless

August 28, 2023

WORKSHOPS

Vancouver City Hall - Council Chambers - 415 W 6th Street, Vancouver WA

Workshops were conducted in person in the Council Chambers of City Hall. Members of the public were invited to view the meeting in person, via the live broadcast on www.cvtv.org and CVTV cable channels 23 or HD 323, or on the City's Facebook page, or www.facebook.com/VancouverUS.

View the CVTV video recording, including presentations and discussion, for workshops at:

https://www.cvtv.org/vid_link/35861?startStreamAt=0&stopStreamAt=5306

4:00-5:00 p.m. Fourth Plain for All

Shannon Williams, Senior Planner, 360-487-7898

Summary

Staff led Council through a discussion of Fourth Plain for All.

5:00-6:00 p.m. Proposition 2 and 2022 Annual Report Update

Brennan Blue, Fire Chief, 360-487-7224

Summary

Staff led Council through a discussion of the Proposition 2 and 2022 Annual Report Update.

Councilmember Harless was absent for the Workshops.

COUNCIL DINNER/ADMINISTRATIVE UPDATES

COUNCIL REGULAR MEETING

This meeting was conducted as a hybrid meeting with in person and remote viewing and participation over video conference utilizing a GoToMeeting platform. Members of the public were invited to view the meeting in person, via the live broadcast on www.cvtv.org and CVTV cable channels 23 or HD 323, or on the City's Facebook page, www.facebook.com/VancouverUS. Public access and testimony on Consent Agenda items and under the Community Forum were also facilitated in person and via the GoToMeeting conference call.

Vancouver City Council meeting minutes are a record of the action taken by Council. To view the CVTV video recording, including presentations, testimony and discussion, for this meeting please visit: https://www.cvtv.org/vid_link/35863?startStreamAt=0&stopStreamAt=2695 Electronic audio recording of City Council meetings are kept on file in the office of the City Clerk for a period of six years.

Pledge of Allegiance

Call to Order and Roll Call

The regular meeting of the Vancouver City Council was called to order at 6:30 p.m. by Mayor McEnerny-Ogle. This meeting was conducted as a hybrid meeting, including both in person and remotely over video conference.

Present: Councilmembers Perez, Fox, Paulsen, Stober, Hansen, and Mayor McEnerny-Ogle

Absent: Councilmember Harless

Motion by Councilmember Stober, seconded by Councilmember Hansen, and carried unanimously to excuse Councilmember Harless.

Approval of Minutes

Minutes - August 14, 2023

Motion by Councilmember Stober, seconded by Councilmember Perez, and carried unanimously to approve the meeting minutes of August 14, 2023.

Community Communications

Mayor McEnery-Ogle opened Community Communication and received testimony from the following community members regarding any matter on the agenda not scheduled for a Public Hearing:

- Kimberlee Goheen Elbon, La Center, WA
- Karen Morrison, Vancouver

There being no further testimony, Mayor McEnery-Ogle closed Community Communication.

Consent Agenda (Items 1-8)

Council requested items 5 and 6 be pulled for discussion.

Motion by Councilmember Fox, seconded by Councilmember Paulsen, and carried unanimously to approve items 1, 2, 3, 4, 7, and 8 on the Consent Agenda.

Motion by Councilmember Stober, seconded by Councilmember Paulsen, and carried unanimously to approve item 5 on the Consent Agenda.

Motion by Councilmember Stober, seconded by Councilmember Paulsen, and carried unanimously to approve item 6 on the Consent Agenda.

1. **Construction Acceptance - NE 58 and Andresen Sanitary Sewer Improvements**

Staff Report: 157-23

North Cascades Excavating of Woodland, WA has completed construction of the NE 58th & Andresen Sanitary Sewer Improvement project. The project installed 2,221 linear feet of 8-inch gravity main to make sewer service available to 26 parcels.

The work was completed satisfactorily in accordance with the plans and specifications. Contract costs are summarized below:

<i>Total Contract Costs</i>	
<i>Labor, Equipment and Material</i>	<i>\$826,011.16</i>

<i>Sales Tax</i>	<i>\$70,948.31</i>
<i>Deduct for Apprenticeship penalty</i>	<i>-\$14,602.45</i>
<i>Total</i>	<i>\$841,056.46</i>
<i>Retainage</i>	<i>\$41,300.56</i>

The original contract amount, including sales tax, was \$532,167.68. The final project cost was \$841,056.46, which was \$308,888.78 (approximately 58%) over the original contracted amount. The difference is attributed to an increase in the pavement restoration for the majority of the project. Restoration that was identified in the contract documents was determined to not be adequate after construction of the underground work due to unanticipated pavement failures, so the limits were increased and the method modified, which caused the increase in cost.

The apprenticeship utilization required for this project, based on the engineer's estimate, was 3%. The actual utilization by the contractor was 1%. As policy requires, a deduction for the underutilization was applied to the contract and is reflected in the table above.

Request: On August 28, 2023, accept the facilities as constructed by North Cascade Excavating of Woodland, WA, and authorize release of the retainage subject to receipt of all documentation required by law.

Sheryl Hale, Senior Civil Engineer, 360-487-7151

Motion approved the request.

2. **Construction Acceptance - Vista Robles Sanitary Sewer Improvements**

Staff Report: 158-23

Parker Pacific Development of Lake Oswego, OR has completed construction of the Vista Robles Sanitary Sewer Improvement project. The project installed 355 linear feet of 8-inch gravity main, as well as 622 Linear feet of public pressure main to make sewer service available to 27 parcels. The work was completed satisfactorily in accordance with the plans and specifications. Contract costs are summarized below:

TOTAL CONTRACT COSTS	
<i>Labor, Equipment and Material</i>	<i>\$410,770.12</i>
<i>Sales Tax</i>	<i>\$19,826.77</i>
<i>Total</i>	<i>\$430,596.89</i>
<i>Retainage</i>	<i>\$20,538.51</i>

The original contract amount, including sales tax, was \$446,807.83. The final project cost was \$430,596.89, which was \$16,210.94 under (approximately 4%) the original contracted amount. The difference can be attributed to

unforeseen conditions that required less gravity sewer to be installed and more public pressure sewer.

Based on the engineers estimate, this project fell below the threshold for an Apprenticeship Utilization requirement.

Request: On August 28, 2023, accept the facilities as constructed by Parker Pacific Development of Lake Oswego, OR, and authorize release of the retainage subject to receipt of all documentation required by law.

Sheryl Hale, Senior Civil Engineer, 360-487-7151

Motion approved the request.

3. Construction Acceptance - Southside Interceptor Cured-In-Place-Pipe Rehabilitation Phase 2

Staff Report: 159-23

Allied Trenchless of Chelan, Washington, has completed construction of the Southside Interceptor CIPP (Cured-In-Place-Pipe) Rehabilitation Phase 2 project. The project installed a 36-inch UV Cured-In-Place Liner within 2,753 feet of an interceptor that conveys a large percentage of the total wastewater into the Westside Reclamation Facility.

The work was completed satisfactorily in accordance with the plans and specifications. Contract costs are summarized below:

TOTAL CONTRACT COSTS	
<i>Labor, Equipment and Material</i>	<i>\$938,690.00</i>
<i>Sales Tax</i>	<i>\$80,840.94</i>
<i>Total</i>	<i>\$1,019,530.94</i>
<i>Retainage</i>	<i>Bond</i>

The original contract amount, including sales tax, was \$976,348.10. The final project cost was \$1,019,530.94, which was \$43,182.84 (over 4%) more than the original contracted amount. The increase can be attributed to unforeseen changes in quantities during the construction process.

An apprenticeship waiver was approved for this project due to the very low labor hours and high material costs.

Request: On August 28, 2023, accept the facilities as constructed by Allied Trenchless of Chelan, Washington, and authorize release of the retainage bond subject to receipt of all documentation required by law.

Sheryl Hale, Senior Civil Engineer, 360-487-7151

Motion approved the request.

4. Construction Acceptance - Southside Interceptor Cured-In-Place-Pipe Rehabilitation Phase 3

Staff Report: 160-23

Allied Trenchless of Wenatchee, Washington, has completed construction of the Southside Interceptor Cured-In-Place-Pipe Rehabilitation Phase 3 project. The project installed a 36-inch and 33-inch UV Cured-In-Place Liner within 3,229 feet of the Southside Interceptor, which conveys a large percentage of the total wastewater into the Westside Reclamation Facility. The work was completed satisfactorily in accordance with the plans and specifications. Contract costs are summarized below:

TOTAL CONTRACT COSTS	
<i>Labor, Equipment and Material</i>	<i>\$1,713,325.52</i>
<i>Sales Tax</i>	<i>\$148,287.30</i>
<i>Total</i>	<i>\$1,861,612.82</i>
<i>Retainage</i>	<i>Bond</i>

The original contract amount, including sales tax, was \$1,734,746.83. The final project cost was \$1,861,612.82, which was \$126,865.99 (over 7%) more than the original contracted amount. The increase can be attributed to unforeseen changes in quantities during the construction process.

An apprenticeship waiver was approved for this project due to the very low labor hours and high material costs.

Request: On August 28, 2023, accept the facilities as constructed by Allied Trenchless of Wenatchee, Washington, and authorize release of the retainage bond subject to receipt of all documentation required by law.

Sheryl Hale, Senior Civil Engineer, 360-487-7151

Motion approved the request.

5. Bid Award for the Fourth Plain Blvd. – Main St to Fort Vancouver Way National Highway System Resurfacing Project per Bid #ITB 23-16

Staff Report: 161-23

The Fourth Plain Blvd. – Main St to Fort Vancouver Way NHS Resurfacing Project is being constructed as part of the Pavement Management program. This project involves paving with hot mix asphalt along the Fourth Plain corridor. The current year pavement management program includes two separate resurfacing contracts. A total of 28 lanes miles of street will be paved under those contracts. These contracts include the “2023 Resurfacing Project” and the “Fourth Plain Blvd – Main St to Fort

Vancouver Way NHS Resurfacing Project". This staff report is only for the Fourth Plain Blvd. – Main St to Fort Vancouver Way NHS Resurfacing Project. The 2023 Resurfacing project has already been awarded by Council and is under construction.

The attached vicinity map shows where the paving will occur along Fourth Plain.

On August 15, 2023 the City received 2 bids for the subject project. The bids ranged from \$1.482 to \$1.509 million dollars. The low bidder was responsive. The bids are as follows:

SUMMARY OF BIDS	
BIDDER	AMOUNT
<i>Lakeside Industries, Vancouver, WA</i>	<i>\$1,482,481.00</i>
<i>Granite Construction Company, Vancouver, WA</i>	<i>\$1,509,499.00</i>
<i>Engineers' Estimate</i>	<i>\$1,400,000.00 - \$1,600,000.00</i>

Due to the federal funding associated with this project, the Washington State Department of Transportation (WSDOT) set an Underutilized Disadvantaged Business Enterprise (UDBE) goal of 13%. Lakeside Industries Inc. has committed to meet this goal. Although this project has not been assigned a federal training requirement, federal guidelines for grant projects do not allow the inclusion of local agency apprenticeship programs. Consequently, there are no City apprenticeship goals for this project.

Request: On August 28, 2023, award a construction contract for the Fourth Plain Blvd – Main St to Fort Vancouver Way NHS Resurfacing Project to the lowest responsive and responsible bidder, Lakeside Industries, Vancouver, Washington, at their bid price of \$1,482,481.00, which includes Washington State sales tax, and authorize the City Manager or designee to execute the same.

Ryan Miles, Engineering Program Manager, 360-487-7708

Motion approved the request.

6. Bid Award for Safe Stay Community, Site 3, per Bid # 23-32

Staff Report: 162-23

A part of the Vancouver Homelessness Plan calls for the establishment of Safe Stay Community sites where residents are provided shelter and

personal hygiene facilities and are given access to social service providers to assist them in transitioning to permanent housing.

To date, two Safe Stay Communities have been established, the third is waiting on this bid award to start construction, and the fourth is in the final stages of the site plan layout. A fifth site is included in the budget, but a site has not been selected.

Each Safe Stay Community typically features 20 shelters capable of housing two persons each, one office, community spaces, restroom & sanitation units, storage facilities and garbage services.

On August 15, 2023, the City received three bids for the subject project. The bids ranged between \$708,307.68 and \$862,215.87. The apparent low bidder was deemed responsive. A summary of the bids are as follows:

SUMMARY OF BIDS	
BIDDER	AMOUNT
<i>City Electric Co. - Ridgefield, WA</i>	<i>\$708,307.68</i>
<i>Exo Contracting, LLC - Battle Ground, WA</i>	<i>\$862,215.87</i>
<i>Five Rivers Construction - Longview, WA</i>	<i>\$832,856.14</i>
<i>Engineer's Estimate</i>	<i>\$670,000.00</i>

City Electric Co. has submitted an apprenticeship plan and intends to meet the required apprenticeship goal of 3%.

Request: On August 28, 2023, award a construction contract for the Safe Stay Community Site 3 project to the lowest responsive and responsible bidder, City Electric Co. of Ridgefield, WA, at their bid price of \$708,307.68, which includes Washington State sales tax, and authorize the City Manager or designee to execute the same.

Ryan Lopossa, Transportation Division Manager, 360-487-7706

Motion approved the request.

7. Culture, Arts and Heritage Commission Cultural Grant Proposals

Staff Report: 155A-23

A RESOLUTION awarding City of Vancouver cultural grants for 2023 as recommended by the Culture, Arts and Heritage Commission.

This item was presented with the consent agenda on August 21, 2023 but was remanded to staff to resolve a procedural error concerning the grant

approval process.

On April 16, 2018 the City Council adopted a new Culture, Arts and Heritage Plan. The plan lays out three elements in its six-year action plan, one of which is to “Build Cultural Capacity.” Restarting the City’s cultural grant program was identified as a key action to reach that goal, under Objective 1.3: Expand City-supported arts and cultural programs.

The City launched the new cultural grant program in July 2019 and received sixteen grant applications from non-profit and governmental organizations, awarding a total of \$122,255. A range of projects were supported including the creation of historical exhibits, installation of sculptures and murals, and interactive experiences including performances and cultural events, among others. Funding for the program was redirected in spring 2020 as the City responded to early financial impacts of the pandemic.

Funding for the cultural grant program was restored in the 2023-2024 biennial budget process. This allowed the City to relaunch the cultural grant program in April 2023 and we received nineteen grant applications from non-profit and governmental organizations totaling \$158,965. The Culture, Arts and Heritage Commission reviewed the proposals based on the following criteria: proposals should elevate Vancouver’s livability, foster a vibrant and diverse community, exemplify the best of Vancouver’s creative community, and demonstrate innovative collaboration. The Commission voted on the proposals at its July 13, 2023 meeting and is recommending funding for fifteen of the grants, at a total of \$92,100. The funding is on a reimbursable basis and grant recipients must enter into a grant agreement with the City. The Cultural, Art and Heritage Commission also recommended a direct commitment of \$25,000 to the Vancouver Art and Music Festival. This Festival is one of the Commission’s highest priorities and the committed funds specifically supported twenty-five local artists who performed at the festival. Funding that is not being allocated to this year’s projects will be rolled into next year’s program.

Request: On August 28, 2023, approve the 2023 cultural grants as recommended by the Culture, Arts and Heritage Commission, ratify and confirm the twenty-five issued grants, and authorize the City Manager or designee to execute grant agreements consistent with the awards.

Stacey Donovan, Cultural Services Manager, 360-487-8630

Motion adopted Resolution M-4244 to approve the request.

8. Approval of Claim Vouchers

Request: Approve claim vouchers for August 28, 2023.

Motion approved claim vouchers in the amount of \$5,739,628.32.

Communications

- A. From the Council**
- B. From the Mayor**
- C. From the City Manager**

EXECUTIVE SESSION RE: PENDING LITIGATION (30 MIN)

Mayor McEnerny-Ogle announced the Council would be entering executive session from 7:13-7:38 p.m. for the purpose of discussing Pending Litigation.

Adjournment

7:38 p.m.

Anne McEnerny-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

The written comments below are those of the submitter alone and are not representative of the views of CVTV or the City of Vancouver, its elected or appointed officials, or its employees.

From: [Delapena, Amanda](#)
Cc: [Holmes, Eric](#); [Dollar, Sarah](#)
Subject: FW: Submission: City Council Contact Form
Date: Monday, August 28, 2023 7:47:45 AM
Attachments: [sw_wa law markers larch support.docx](#)

Good morning Council,

Below and attached please find correspondence received through the online contact form regarding the impending closure of Larch Corrections Center.

Amanda Delapena

From: Sidney <webresponse@cityofvancouver.us>
Sent: Sunday, August 27, 2023 11:01 AM
To: City Council <council@cityofvancouver.us>
Subject: Submission: City Council Contact Form

CAUTION: This email originated from outside of the City of Vancouver. Do not click links or open attachments unless you recognize the sender and know the content is safe.

City of Vancouver, Washington



City Council Contact Form

Submitted date: Sunday, August 27, 2023 - 11:00am

Contact Information

First name:

Sidney

Last name:

Clark

Email address:

[REDACTED]

Phone number:

[REDACTED]

Street address:

[REDACTED], VANCOUVER, WA 98660

ZIP code:

98660

Inquiry Information

Subject:**Recipient:**

All of Council

Message:

Vancouver Citizens wish to speak at the August 28, 2023 meeting to inform the Council of the closure of Larch camp and how it will impact our community i.e. Wildland Fires, Fire suppression initial attack response, Jobs, city services, etc. And to ask the city council to join the community bipartisan campaign to KEEP LARCH OPEN. We asked the council to join the other cities, towns, and counties as well as state reps. in Southwest Washington to write a resolution and send it to Governor Inslee asking him to direct DOC to put a pause on Larch Closure until Southwest Washington can explore, etc. the impact it has on our community. DOC never reached out to any City, County, State, or Fire District officials and asked or included them prior to this out-of-the-blue announcement on July 26, 2023, at 6:32 AM by email to staff. We can provide information and letters supporting keeping Larch open etc.

We know this isn't an agenda item for the August 28, 2023 meeting but we have no other way to be heard and time is running out. All we want is 3 minutes to be heard. Are scheduled for a meeting to meet you for 30 minutes and brief you.

Upload a file:

[sw_wa_law_markers_larch_support.docx](#)

Governor Jay Inslee,

August 8, 2023 Secretary Cheryl Strange, WA St Department of Corrections,

We, the undersigned members of the Clark County Delegation, are writing to express our strong opposition to the planned closure of Larch Correctional Center (LCC) in October 2023 by the Department of Corrections (DOC).

LCC plays a crucial role in our community by providing family wage jobs and valuable rehabilitation training opportunities for incarcerated individuals. The dedicated forest firefighting crews and inmate work crews at Larch have been instrumental in saving the state millions of dollars through forest and stream restoration efforts.

The closure would impede positive relationships and hinder efforts to reduce recidivism since access to visitation is crucial for incarcerated individuals. LCC is the only DOC facility in Southwest Washington, allowing most incarcerated individuals to have family nearby. Closing LCC would result in sending them to facilities much further away, reducing their visitation rates and weakening community ties.

Larch plays an essential role in transitioning incarcerated individuals by providing mental health services and addiction treatment, reflecting our commitment to community-level care. Moving towards warehousing individuals would be a step backward and compromise safety. The unique opportunities and personal guidance offered at LCC are challenging to replicate in larger facilities, making it an essential rehabilitation center for the DOC.

Additionally, the relationship between LCC and the Department of Natural Resources (DNR) is vital. Incarcerated individuals working on DNR crews receive invaluable character development and self-worth, helping fight forest wildfires and safeguarding nearby communities. While other camps have some DNR crew relationship, they lack the same level of medical care and are located in the NW region of the state, making Larch's presence in SW Washington even more crucial.

In light of these concerns, we urge you to reconsider the decision to close Larch Correctional Center (LCC) and work towards preserving its invaluable contributions to our community and the state at large.

Thank you for your attention to this matter.

Sincerely,



Sharon Wylie

49th LD State Representative



Monica Stonier

49th LD State Representative



Annette Cleveland

49th LD State Senator



**Greg Cheney
Rivers**

**18th LD State Representative
Senator**



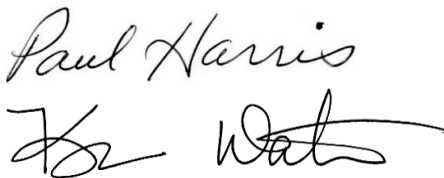
Stephanie McClintock

18th LD State Representative



Ann

18th LD State



Paul Harris

**17th LD State Representative
Representative**



Linda Wilson

17th LD State Senator

Kevin Waters

17th LD State

From: [City of Vancouver - Office of the City Manager](#)
To: [Dollar, Sarah](#)
Subject: FW: VCC meeting August 28, 2023 a Monday
Date: Monday, August 28, 2023 11:58:40 AM

From: Richard Elbon <[REDACTED]>
Sent: Monday, August 28, 2023 11:58 AM
To: City of Vancouver - Office of the City Manager <CMO@cityofvancouver.us>;
we4the4people@aol.com
Subject: VCC meeting August 28, 2023 a Monday

You don't often get email from richardelbon592@gmail.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the City of Vancouver. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This is a notice to ALL Vancouver and Clark County CITIZENS ~ This Vancouver City Council is currently a 15 year member of the UNITED NATIONS entity called the ICLEI - International Council for Local Environmental Initiatives - and has a two fold agenda. 1) Continue the 50 year plan of a One World Order Government and 2) To DePopulate.

Starting with a corrupt Presidential Election, criminal treasonist joe biden and those that support him OPENED Our Sovereign Nation to dilute not only the voting system but the millions of illegal immigrants are causing a financial, housing and food OVERLOAD. Even the Sanctuary - all democrat - Cities across America can not support this illegal migration to Our Nation. When these tyrannical Cities such as Vancouver Washington USA, Portland Oregon, Olympia, Seattle, Bellingham, Spokane and many more in Washington State and over 400 Cities in America are members of this UN agenda takeover; when these Cities HIRE City Managers or in the case here in Clark County Washington USA, a COUNTY MANAGER - those 'managers' are now submitting UN agendas to complete the weakening of The American Free Thinker and The Constitution. These managers DO NOT FOLLOW The Constitution as We might think voting Council Members will follow but do not !\$!\$ Clark County and Vancouver both follow the GROWTH MANAGEMENT ACT and I want CITIZENS to know that this County DID NOT have to join this UN agenda as many other Counties DID NOT JOIN because they are not members of the UN !!! The biden Build Back Better bumble and the American Re-Screw Plan and all sustainable, equitable, inclusive, climate action agenda words are of the UNITED NATIONS and CITIZENS must discern for ThemSelves as to what is really happening in OUR LOCAL GOVERNMENT here in Clark County Washington USA NOW !!!

The DePopulation agenda was planned years ago and is documented in sources put on PUBLIC RECORD and PUBLIC COMMENTS at the Clark County Board of Health where some of US Citizens are trying very hard to wake Clark County up to this nightmare and before it is too late We MUST STAND IN OPEN ASSEMBLY at ALL County and City COUNCIL MEETINGS - La Center, Ridgefield, Yacolt, Amboy, Battle Ground, Hockinson, Brush Prairie, Camas and all other Cities here in Clark County MUST know WE THE PEOPLE WILL NOT be governed by a Tyrannical Local Government as Our ForeFathers WARNED US to do when the government rules over the PEOPLE as it is in ALL ICLEI ran Cities !\$!\$ The Clark County Council members ARE ALSO The Clark County Board of Health and I find

that very disturbing as I see Hard Earned Tax Dollars being used for the UN agenda and NOT The Constitution !!! We believe the Covid shot is a bio-weapon that was introduced with fear and division. Clark County BOH had it's first VACCINE INJURED Citizen a month ago. There are more !!!

PLEASE GET ACTIVE IN YOUR LOCAL GOVERNMENT here in Clark County Washington USA !!!

Serving God Family and Country
Kimberlee Goheen Elbon



From: [Wynn Grcich](#)
To: [Dollar, Sarah](#); [Rebecca Messinger](#)
Subject: Watch "Tom Renz: COVID Coverup Lawsuit is & Pandemic Origin Research Update w/ Dr Kelly Victory – Ask Dr. Drew" on YouTube
Date: Thursday, August 24, 2023 5:41:12 PM

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<https://www.youtube.com/live/xM2vl4jtrD8?si=AYGbIqKzMSZevPk7>. Sent to council members and MELNECK. Put on public record and confirm that you did. Thanks from Wynn



Workers' Compensation Program Analysis



Lisa Takach
Director of Human Resources
City of Vancouver, Human Resources

Section Overview



Legislative Overview



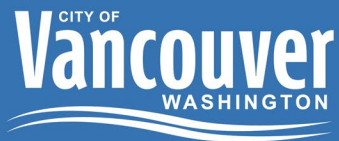
Comparative Analysis of Programs



Considerations

Washington Workers' Compensation

Revised Code of
Washington (RCW)
Title 51



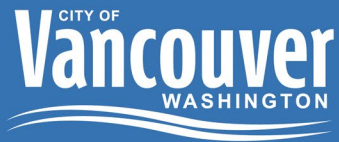
Statutorily enacted “no fault” insurance coverage

Employer can either be State Fund or Self-Insured.

Overseen by the Washington State Department of Labor & Industries (L&I).

Current Self-Insured System

Self-insured since
1977 (46 years)



Employer responsible for
administration; State
responsible for oversight

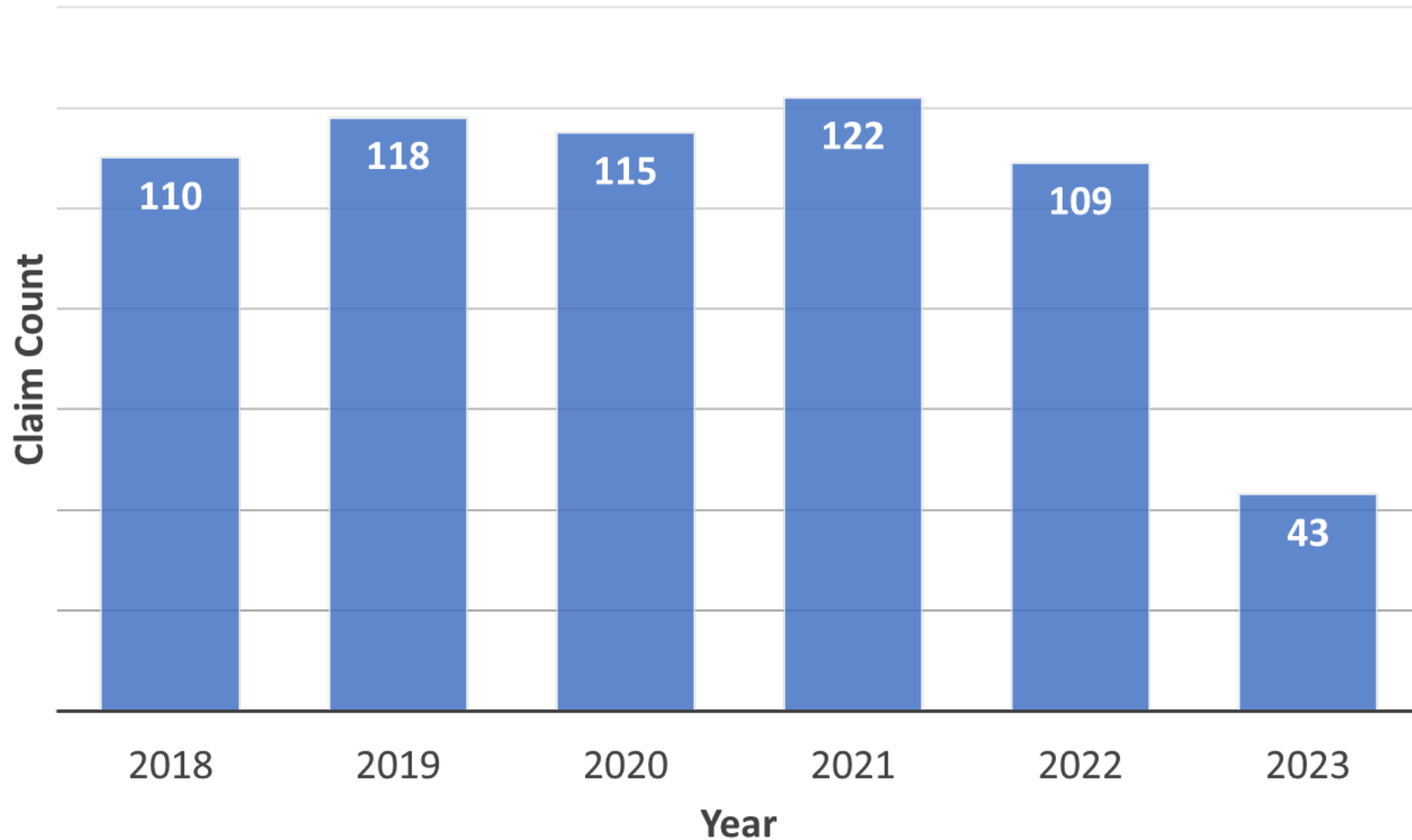
Self-insured
employers elect to
directly fund the
program costs

Financial stability,
establishing
reserves

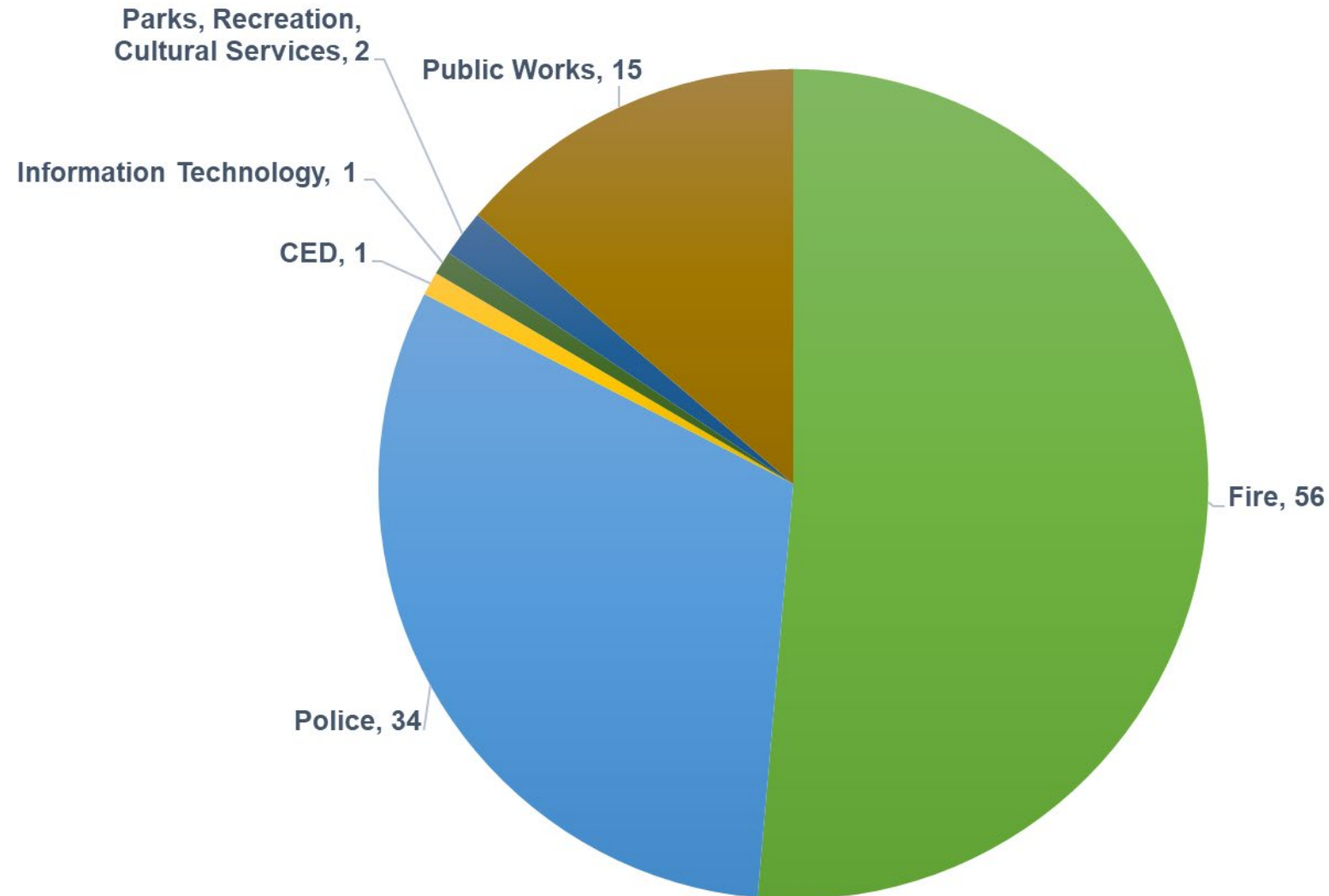
Employees work
directly with the
City and Third
Party Administrator

Regular State
audits conducted

Workers' Compensation Claim Frequency



Claims by Department 2022



Self- Insured System

Advantages

Cost &
Potential
Savings

Flexibility

Disadvantages

Financial Risk

Administrative
complexity

State Fund System

State Fund is a
large public
insurance
company

Premium based
on risk
classifications

State
administers
claims

Employers pay
premiums to
state fund

State Fund pays
benefit to
employees

State Funded System

Advantages

Predictable
and lower
upfront costs

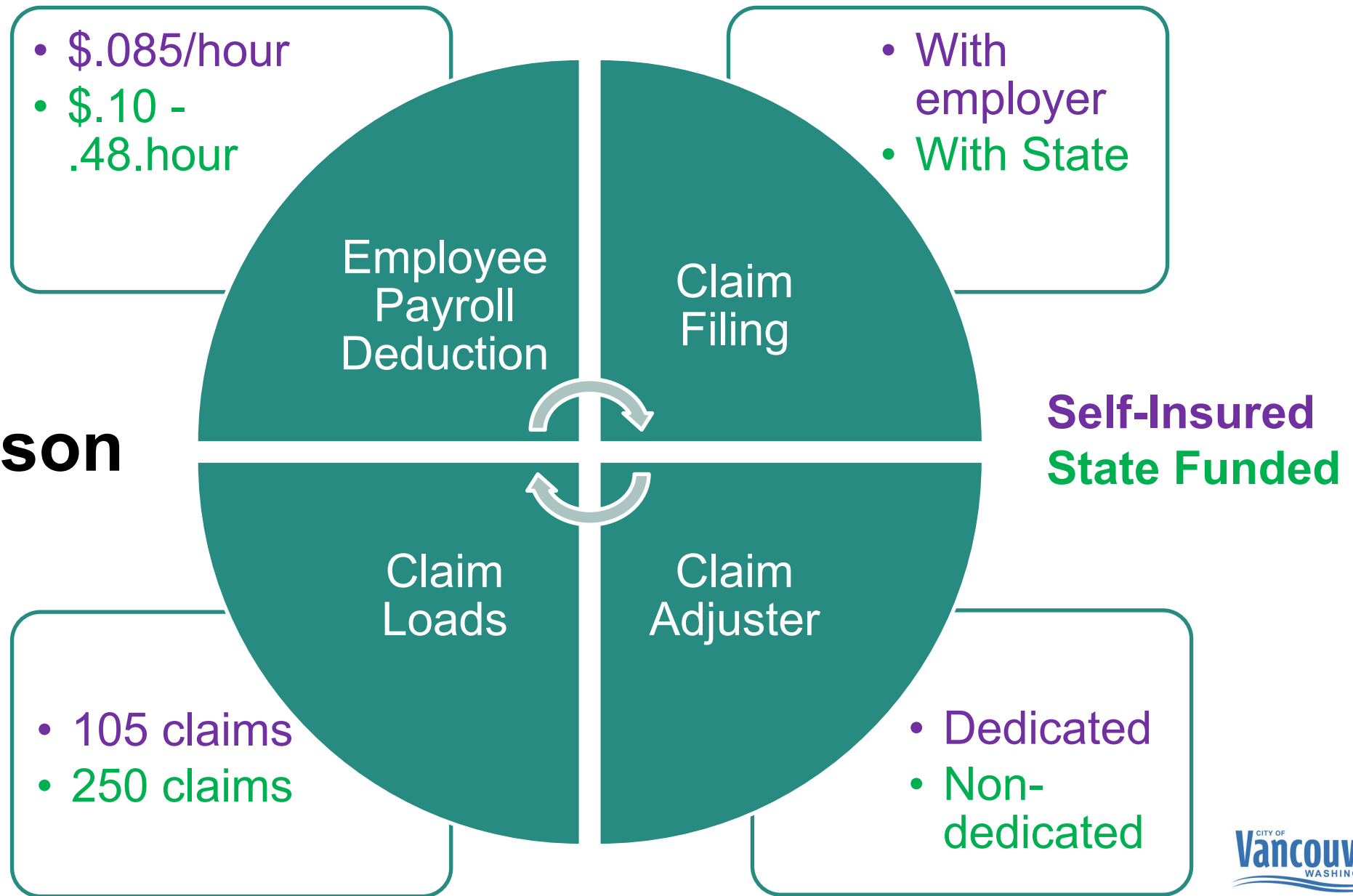
Administrative
simplicity

Disadvantages

Premiums
based on
industry
standard

Limited
customization

Comparison



- State Fund Premium Cost =
Total hours x Labor &
Industries rate
 - Does not include potential
cost associated with
experience rating
- Self Insured = Total costs,
including: claim costs,
assessments, service fees,
and administrative costs



City Cost Comparison



Transition to a State Fund System

All employee groups covered. Hybrid system is not an option.

Exact timing or transition unknown

Self-Insured Program: Legacy claims to allow for resolution

2025-2026 Budget Cycle: Transition to State Fund Program

Considerations

Self-Insured Program

Financial

- Higher exposure potential for large unexpected claim
- Lower program costs

Best Practice

- More ability to support employee experience
- Action Onsite & Ready Rebound

Strategic

- Scalable to future annexation
- Ability to develop strategic programming

Considerations

State Fund Program

Financial

- More predictable costs
- Higher program costs

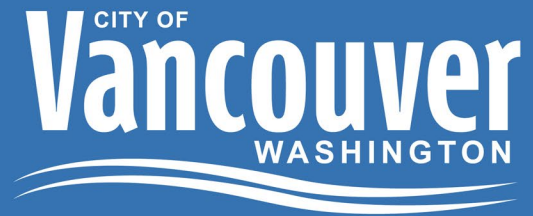
Best Practice

- Less ability to support employee experience
- Action Onsite & Ready Rebound

Strategic

- Less flexibility in scaling to future growth
- Less ability to develop strategic programming

Thank You





MEMORANDUM

DATE: September 11, 2023

TO: Vancouver City Council

FROM: Eric Holmes, City Manager
Lisa Takach, Director of Human Resources

RE: Workers' compensation program workshop briefing

Executive Summary

Washington state is one of only four monopolistic states in the United States with state legislation requiring workers' compensation coverage be provided by employers *not* through private insurance, but rather exclusively through either:

- a state fund for workers rather than a private insurance company, or
- qualify as a self-insurer.

Workers' Compensation in Washington is a "no fault" system, meaning that an employee does not have to demonstrate their employer was at fault for their workplace injury. Workers' compensation programs are administered through the Washington Department of Labor and Industries (L&I) pursuant to the provisions found under Washington Revised Code Title 51.

Vancouver is a self-insured employer under this system. This memorandum outlines the options for Vancouver to fulfill its duties for workers compensation insurance under Washington's system, as well as issues to consider associated with each option.

This memorandum and the accompanying presentation provide a comparative fiscal and operational analysis of the two systems for Council's consideration. This analysis is not intended to indicate that there is a "correct" approach – both are equally valid and viable. The analysis is offered in recognition that there are other equally important policy considerations the Council must weigh as they consider a potential change. For example, the current self-insured system results in the City being both the *insurer* and the *employer* of claimants, which adds complexity to the Council's role. Another is the progressive expansion by the legislature of eligible presumptive illness claims for public safety personnel. A third may be the dynamics of labor relations. There are likely others the Council has considered.

Staff looks forward to Monday's discussion and direction from Council.

Self-Insured Model

Employers which meet specified criteria can provide workers' compensation benefits directly to injured workers and self-fund the associated costs. Employers contract with third party administrators (TPAs) to administer workers' compensation claims on their behalf. Injured employees work directly with the TPA and

the employer throughout the course of their workers' compensation claims. Under this self-insured model, L&I:

- Ensures workers' compensation benefits are provided in compliance with all applicable industrial laws and regulations
- Maintains the role of final decision maker on all claim determinations
- Reviews and monitors the financial strength of self-insured employers so that all workers' compensation obligations can be met.

In 2023 [Senate House Bill 1521](#) was signed into law requiring L&I to enforce the "duty of good faith and fair dealing" with respect to a TPA's administration of self-insured claims. This "Good Faith Bill" will be effective on July 1, 2024. The bill describes monetary penalties for violation of the statutory duty imposed on TPAs, and the bill includes provisions that allows for the withdrawal of a self-insured municipal employer's certification as a self-insured employer if the employer violates the self-insurer's duty of good faith three times in a three-year period.

City of Vancouver Current Self-Insured Model

Approach. The City of Vancouver has been operating under a self-insured workers' compensation model since 1977. The City contracts with a third-party administrator, Eberle Vivian, for claims administration. On average, the claims to adjuster ratio is 105 claims per 1 adjuster for Vancouver. All claim costs associated with medical and indemnity payments, claims administrative fees, and state assessments are funded by the City. The City determines appropriate funding through an annual actuarial study it commissions by an independent actuarial.

Program costs. The City's current program is funded through payroll deductions, employees are required to pay workers' compensation assessments in the amount of \$.085 per reported hour of work. City staff work closely with the employee and Eberle Vivian on the administration of claims. Payments for time loss wages are issued by Eberle Vivian to the injured employee with those costs flowing through the City's self-insured funding account. In 2022, the City's total self-insured costs were \$2,373,471.

State-Funded Model

Approach. The Department of L&I administers all claims and utilizes its own claim adjusters for this purpose. Employees who sustain a work injury file for claim benefits directly with L&I and are assigned a state claims adjuster. The employee works directly with the state assigned adjuster to answer any of their questions about their claim. An employer's involvement with an employee's claim is very minimal, if at all.

L&I does not provide dedicated adjusters for employers, and the adjuster assigned to an employee's claim can be changed to manage workflow and claim counts. Inquiries with L & I in preparation for this workshop indicates the average claims to state adjuster ratio to be approximately 250:1. Payments for time loss wages are issued directly from the state to the employee.

Costs The cost associated with the workers' compensation coverage through the State program is determined by a combination of factors. Generally, the State uses a risk classification method to determine costs. Risk classification is a method for grouping risks with similar characteristics to set insurance rates. Washington developed its own risk classification system that is based on the degree of hazard for each occupation or industry and tailored to Washington's businesses and industries.

Under this methodology, each position within the City is given a job class code and assessed a risk rating. The City's payroll hours for each class code are then multiplied by the corresponding risk rating. The sum

of these calculations equates to the City's baseline fee assessment/premium at year one under the state fund model. After year one, the City may be assessed an experience rating, which could be up to 25% of the baseline assessment over the next three calendar years. The experience rating is influenced by high claim costs and/or increased claim volume.

Through payroll deductions, employees are required to pay workers' compensation assessments in the amount of \$.10 to \$.448 per reported hour of work, which is an increase from the assessment paid under the City's current self-insured program. For comparison purposes, the City's costs under the state program based on 2022 actual experience is estimated to be \$2,840,380.

Considerations

	Self Insured	State Program
Administration	Under a self-insured model, Efficient claims management, timely providing of medical care and compensation benefits result in an employee returning to work successfully which translates to program cost savings, as reflected in the rates noted herein.	. Administratively, the state funded approach is simplistic as compared the obligations an employer experiences under the self-insured program model. This is because the state is fully responsible for claims administration with only auditing by the employer to ensure claims are processed correctly and timely.
Experience	A self-insured program generally provides an employer with the ability to support the employee through the process. Through a strategic lens, the flexibility and cost savings provided by a self-insured program lends to scalability as the City experiences rapid growth and the possibility of future annexation.	Employer has less ability to support employees through the process as the State leads the management of claims. Strategically, the state funded program leaves little room for an employer to develop programming that responds to organizational growth. In looking forward to possible annexation, the job classification codes for the positions the City would acquire carry high risk ratings, such as public works and law enforcement positions.
Cost	Employers can experience cost savings through direct program management. Based on staff's initial calculations, the City's self-insured program is showing to be the more cost-effective model. There are no expected impacts to the City relative to Senate House Bill 1521.	Under a state funded model, costs associated with the workers' compensation program are more predictable but are likely less cost effective especially if the City experiences a high claim year and an experience rating is applied. The cost differential between the programs is a complex calculation. If a better understanding of the financial impacts is desired, then staff recommends an actuarial study be performed

Under either the state funded or self-insured model, L&I ensures workers' compensation benefits are provided in compliance with all applicable industrial insurance laws and regulations and L&I makes all claim determinations. There is not a hybrid option available to separate employee groups out under a hybrid approach. All employees must be covered by a single program, either state funded or self-insured, not a combination thereof. If the City were to transition to a state funded model, new claims would be administered under the state funded program. Claims still open at the time of the cut over would continue to be managed under the self-insured program until the time of their closure, which in some claims is expected to be in approximately fifteen (15) years. Under either program, the City can continue to utilize best management practices that go above and beyond the support required by law through the injury prevention and recovery offerings provided by independent employee support vendors Action Onsite and Ready Rebound.



Heights District Update

City Council Workshop
September 18, 2023



Patrick Quinton
Amy Zoltie
Economic Prosperity & Housing

Agenda

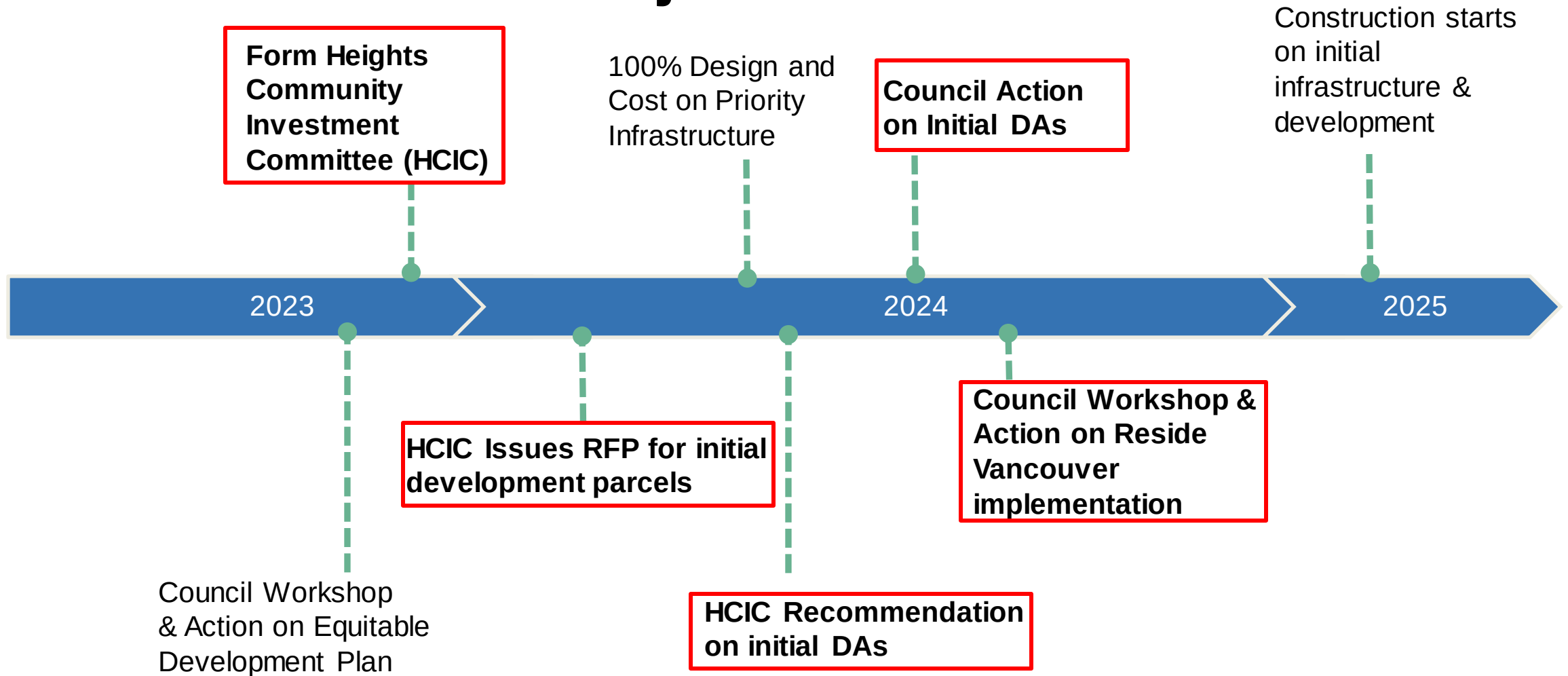
- Objectives
- Project Timeline
- Infrastructure Design Updates
- Equitable Development Plan
- Development Phasing and Selection Process
- Interim Uses
- Next Steps
- Questions & Discussion



Objectives

- Feedback on phasing timeline
- Feedback on community-led development process
- Direction on interim uses

Project Timeline





Infrastructure Design

- Completed preliminary design - Spring 2023
- Approved street plan – Spring 2023
- Road designs being advanced;
 - Mill Plain Blvd./MacArthur Blvd. intersection
 - Grand Loop (North & East)
 - MacArthur Blvd./Lieser Rd intersection
- Design completed summer 2024

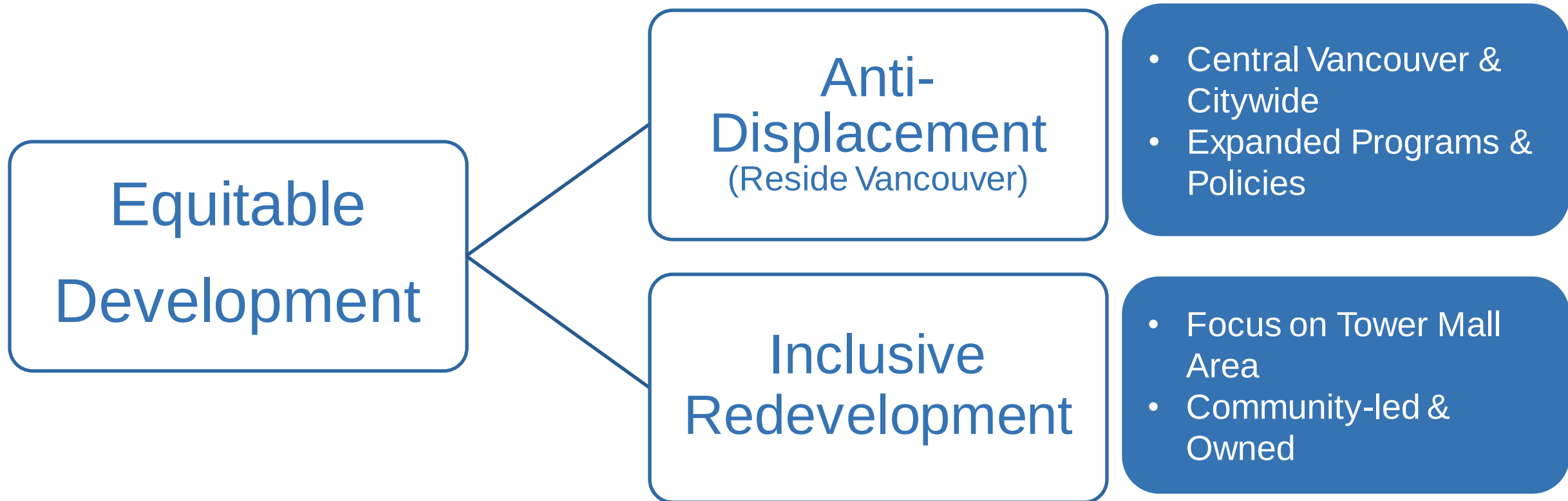
Open Space Design



- Grand Loop (linear park) design in progress
- Ongoing community engagement with stakeholders. Design subject to PRAC's review and approval
- Civic Plaza & Neighborhood Park phase 2 of infrastructure design advancement

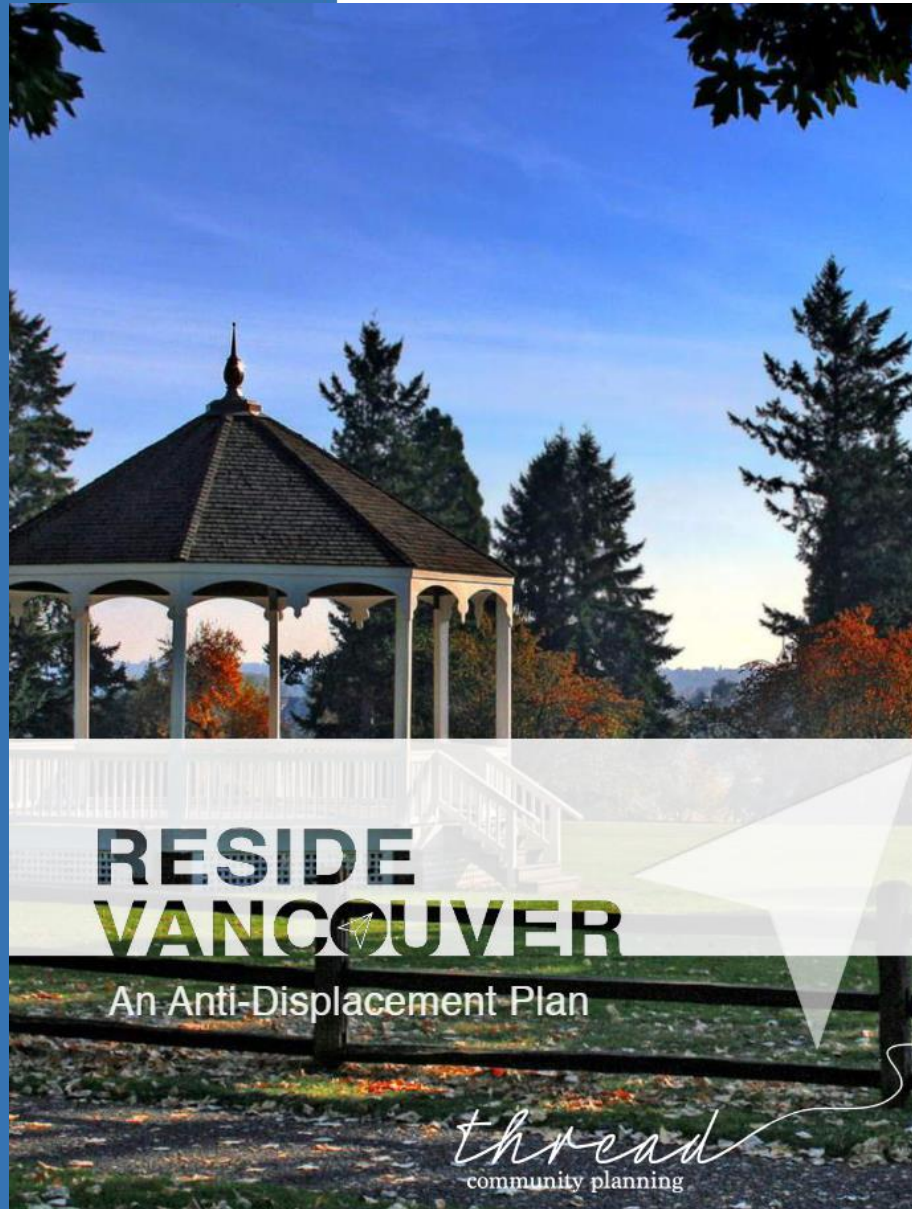
Heights Equitable Development

Strategic Framework



Implementation of Reside Vancouver

Focus on Central Vancouver and Citywide Geographies



- Equity Assessments
- Tenant Protections
- Rental Assistance
- Home Repair
- Right of First Refusal
- Preservation of affordable housing
- Assistance for existing small businesses
- Access to job training

Inclusive Redevelopment Elements

Heights District Plan

- Goals
- Outcomes

Equitable Development Plan

- Models
- Processes

Community-led Process

- Partnerships
- Focus on Ownership
- Developers with shared vision

City-owned Property

- Control over outcomes
- Opportunities for leverage
- Ideal for Affordable Housing

Inclusive Redevelopment Strategies

- Community-led RFP & developer selection process
- Affordable rental housing
- Homeownership options & programs
- Affordable commercial and retail space for lease and ownership options
- Capacity building for community partners
- Community ownership through trusts and co-ops
- Co-location of essential community services
- Workforce and procurement goals
- Business development & entrepreneurship programs
- Development agreement criteria



Phasing Strategy



Heights Community Investment Committee (HCIC)



- Purpose & Role: Lead RFP process to ensure project goals achieved
- Member criteria;
 - Personal or professional connection to Vancouver
 - Direct experience with community development and/or complex real estate transactions
 - Diversity of backgrounds and experience
- Commitment
- Selection Process

Interim Uses

- Interim Use Options
 - Public art
 - Periodic events
 - Pickleball courts
 - Food truck pod
- Estimate of costs and site preparation needs for each



Next Steps

- Council adoption of Equitable Development Plan
- Formation of HCIC in Q4 2023
- RFP issuance in Q1 2024
- HCIC recommendation on initial DAs Q3 2024
- Council action on initial DAs Q3 2024
- Council Workshop & action on Reside Vancouver implementation Q3 2024



Questions & Discussion

Thank You



DATE: September 18, 2023

TO: Mayor and City Council
CC: Eric Holmes, City Manager

FROM: Amy Zoltie, Real Estate Project Manager, Economic Prosperity & Housing

RE: **Heights District Project Update**

The purpose of this memorandum is to provide an update on the implementation of the Heights District Plan and provide a summary of the Equitable Development Plan, which has been shared with Council in final draft form. Staff will also present this information in workshop on September 18th.

Infrastructure Design

- The preliminary infrastructure design for the 205-acre project area was completed March 31, 2023.
- Council approved the location of the street network in the TMRA in May 2023.
- Staff identified three road projects to advance the design to construction drawings to support the initial phase of development of the TMRA, which are;
 - Mill Plain Blvd./MacArthur Blvd. intersection
 - Grand Loop road (North and East sections)
 - MacArthur Blvd./Lieser Road intersection
- The design of the above referenced projects will be completed summer 2024.
- Community engagement is ongoing during the design process.

Equitable Development Plan

- The Heights District Plan identified equitable development goals for the redevelopment. As part of the implementation of the Heights District Plan, economics firm, ECONorthwest was consulted to develop an equitable development plan to achieve the goals.
- A final draft of the Equitable Development Plan is attached for reference. The plan identifies strategies to mitigate involuntary displacement in Central Vancouver and Citywide caused by redevelopment activity as well as inclusive redevelopment strategies.
- The Plan focuses on three different geographic areas; 1) the Tower Mall Redevelopment Area (TMRA); 2) Central Vancouver and 3) Citywide. The project team recognized that displacement pressures triggered by the redevelopment will extend beyond the Heights District and so the focus areas should be beyond just the area of redevelopment. Additionally, the

policy framework the plan provides can be applied citywide to respond to displacement pressures and other public redevelopments and investments.

- The anti-displacement strategies identified in the equitable development plan build off of the work from Reside Vancouver.
- The plan provides a process to develop the TMRA equitably which will drive the RFP process.
- Staff will request Council's adoption of the Heights Equitable Development Plan to guide redevelopment of the district.

Phasing Plan

- Given the scale of the redevelopment, the ambitious affordable housing targets and the limited funding resources for the development of affordable housing, the development of the TMRA must be phased over time in conjunction with the infrastructure improvements.
- As part of the Equitable Development Plan, ECONorthwest conducted a feasibility analysis to show how the affordable housing targets can be met. The results showed that every parcel within the TMRA must have some level of affordable housing ranging from 30% Median Family Income (MFI) to 80% MFI. A phasing plan was prepared based off of the infrastructure design to map out the development over time. The initial phase of development will occur in the Northern half of the district abutting Mill Plain Boulevard and Devine Road as that is land the City owns and controls. The second phase will consist of the Civic Plaza and parcels east of Devine Road. Development of the southern and western half of the district is undetermined as they are privately owned.
- Construction of the Mill Plain Blvd/MacArthur Blvd intersection is anticipated to commence Fall 2024 followed by construction of the northern and eastern section of the Grand Loop in 2025 to support development of the parcels in the first phase. Construction of the MacArthur Blvd/Lieser Road roundabout will follow in 2025 or 2026.

RFP Process

- As recommended in the Equitable Development Plan, the first step in the RFP process is to establish a community development committee to lead the redevelopment of the TMRA and the process for identifying and selecting development partners to ensure consistency with the objectives of the Heights District Plan.
- City staff will work closely with the community development committee to develop the RFP.
- Three parcels abutting Mill Plain Boulevard and Devine Road identified as parcels B,C and P on the site plan will be solicited under one RFP with the expectation that three different development partners will be selected.
- The RFP will be driven by the Equitable Development Plan and set clear expectations around the community benefits and affordable housing targets. More specifically the criteria will include public/private development experience, black, minority, women owned and emerging small business contracting requirements, and partnerships with social service providers and/or non-profits will be encouraged. Respondents should also outline their financial capacity and their assessments of the financial feasibility of the project.

Heights Community Investment Committee

- City staff are currently working on the initial slate of members of the Heights Community Investment Committee (HCIC). The committee will consist of 7 members who either live or work in Vancouver and who have direct experience with complex real estate transactions.
- City staff will recommend the initial roster of HCIC members to City Manager in Fall 2023. Thereafter, the HCIC will establish member terms and new vacancies will be filled through a formal selection process.

TMRA Interim Uses

Following Council's requests at the workshop on August 21, 2023 to activate the TMRA, staff has assessed potential interim uses as well as the permitting, utility access, resources, logistics, staffing impacts and costs associated with the interim use options. Staff will present its findings and recommendations at the workshop on September 18th and seeks direction from Council on how it wishes to proceed.

Next steps

1. Staff will bring the Equitable Development Plan back to Council for adoption.
2. Form a Heights Community Investment Committee (HCIC) to lead the process of identifying and selecting development partners, reviewing development proposals and make formal recommendations to City Council.
3. Prepare the initial Request for Proposal (RFP) for the initial phase of development that will include the equitable development strategies the plan recommends. Staff anticipate bringing the RFP to Council for approval early 2024.
4. Issue the RFP in Q1 2024.
5. HCIC selects development partners in Q3 2024 and commence negotiations of development agreements.
6. Commence construction of Mill Plain Blvd./MacArthur Blvd. intersection Fall 2024

Staff contact info: Amy Zoltie, amy.zoltie@cityofvancouver.us, (360) 305-1909

Attachment(s): The Heights Equitable Development Plan

THE HEIGHTS DISTRICT

Equitable Development Plan

August 2023

Prepared for:
City of Vancouver

ECO
NW

IMPACT THROUGH INSIGHT

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APPENDICES

A. Additional Details on Recommended Strategies

B. Background – How this Plan Builds from the Heights District Plan

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ABOUT THE HEIGHTS DISTRICT EQUITABLE DEVELOPMENT PLAN



Since acquiring the Tower Mall site on Mill Plain Boulevard, the City of Vancouver has been working to create a connected, mixed-use urban neighborhood center that is economically feasible, context sensitive, and equitably promotes community health and wellness. The Heights is uniquely positioned to capitalize on the City's continued population growth and growing importance within the Portland Metropolitan region. In addition to a central location near amenities like Burnt Bridge Creek and Blandford Canyon, a new \$50 million bus rapid transit line along Mill Plain that will connect the Heights to downtown and East Vancouver starting in late 2023 and recent investments in three new schools make the area more desirable.

The City of Vancouver owns more than half of the developable area within the Tower Mall Redevelopment Area (TMRA) and is planning significant infrastructure investments that will catalyze development throughout the area. This makes the TMRA a unique opportunity to leverage development momentum to achieve community goals and deliver public benefits. The City wants to ensure that benefits from the Heights redevelopment, including housing, business, and wealth creation opportunities, benefit local residents and people of color.

The Heights District is a vibrant, connected neighborhood center.

The center seeks to promote community health, wellness, and a shared identity. This identity reflects the value placed on the past and current community with an eye toward welcoming future generations in an inclusive, respectful, and equitable manner.

**—The Heights District Plan,
Vision Statement**

At the same time, public investment and redevelopment in places like the Heights District can cause property values (and rents) for both commercial and residential properties to increase. This rise in values and costs can make it harder for the people who live, work, and own businesses in the area to afford to stay. Lower-income households, renters, and small locally owned businesses are particularly vulnerable to these displacement pressures. The City wants to prevent these negative consequences from occurring as a result of public and private investment in the Heights redevelopment.

Implementing equitable development strategies and mitigating involuntary displacement impacts are necessary to deliver the City of Vancouver's vision for the Heights: a new neighborhood that is inclusive of community members from a variety of economic and racial/ethnic backgrounds, where all community members have equitable access to services and amenities located in the District. With this vision in mind, the City initiated the Heights District Equitable Development Plan.

WHAT IS EQUITABLE DEVELOPMENT?

Equitable development purposefully endeavors to create communities that reflect the needs and desires of all its residents, particularly those who have been marginalized by past and current policies and structures.

What is the purpose of the Equitable Development Plan?

The City convened the Heights District Equitable Development Plan to outline how the City can achieve the housing, business opportunity, employment opportunity, and community service goals of the original Heights District Plan (adopted by City Council in 2020) in the context of Vancouver's current market conditions and housing needs. This plan identifies best practices for how the City can **maximize benefits of new Heights District development for the entire community while minimizing negative impacts of new development on existing businesses and lower-income residents.**

At the outset of this project, the project team (ECONorthwest) and City of Vancouver staff focused on the Heights District Plan Area as the geographic boundary for this plan. Over the course of the project, the project team and staff decided to shift the plan's focus to three geographic areas based on how and where the City can best achieve different equitable development and anti-displacement goals.

THIS PLAN IDENTIFIES BEST PRACTICES FOR THREE DIFFERENT "FOCUS AREAS."

The Tower Mall Redevelopment Area (TMRA). Most of the opportunities for delivering public benefits as part of the Heights District Plan will be concentrated in the TMRA, where most new development is likely to occur, and the City owns a large portion of the land. The TMRA provides a unique opportunity to deploy multiple equitable development strategies and serve as a case study for future equitable development opportunities throughout the City of Vancouver. This plan identifies equitable development best practices for the TMRA to:

- Articulate targets, phasing, and process for new development, including market-rate and affordable housing.
- Ensure the benefits of development, including wealth generation, accrue to local residents and people of color.
- Support infrastructure, public facility, and public realm improvements that serve the community.
- Support opportunities for new businesses to locate in the TMRA, such as providing affordable commercial space.

Central Vancouver. Displacement pressures from Heights investments and development will extend beyond the Plan Area, compounding existing displacement pressures in the area and impacts from other City investments across Central Vancouver. Because of this, this project triggered the City to reconvene the Reside Vancouver anti-displacement work across all of Central Vancouver, rather than a narrow focus on anti-displacement strategies in the Heights District Plan Area. This plan identifies anti-displacement and stabilization strategies to:

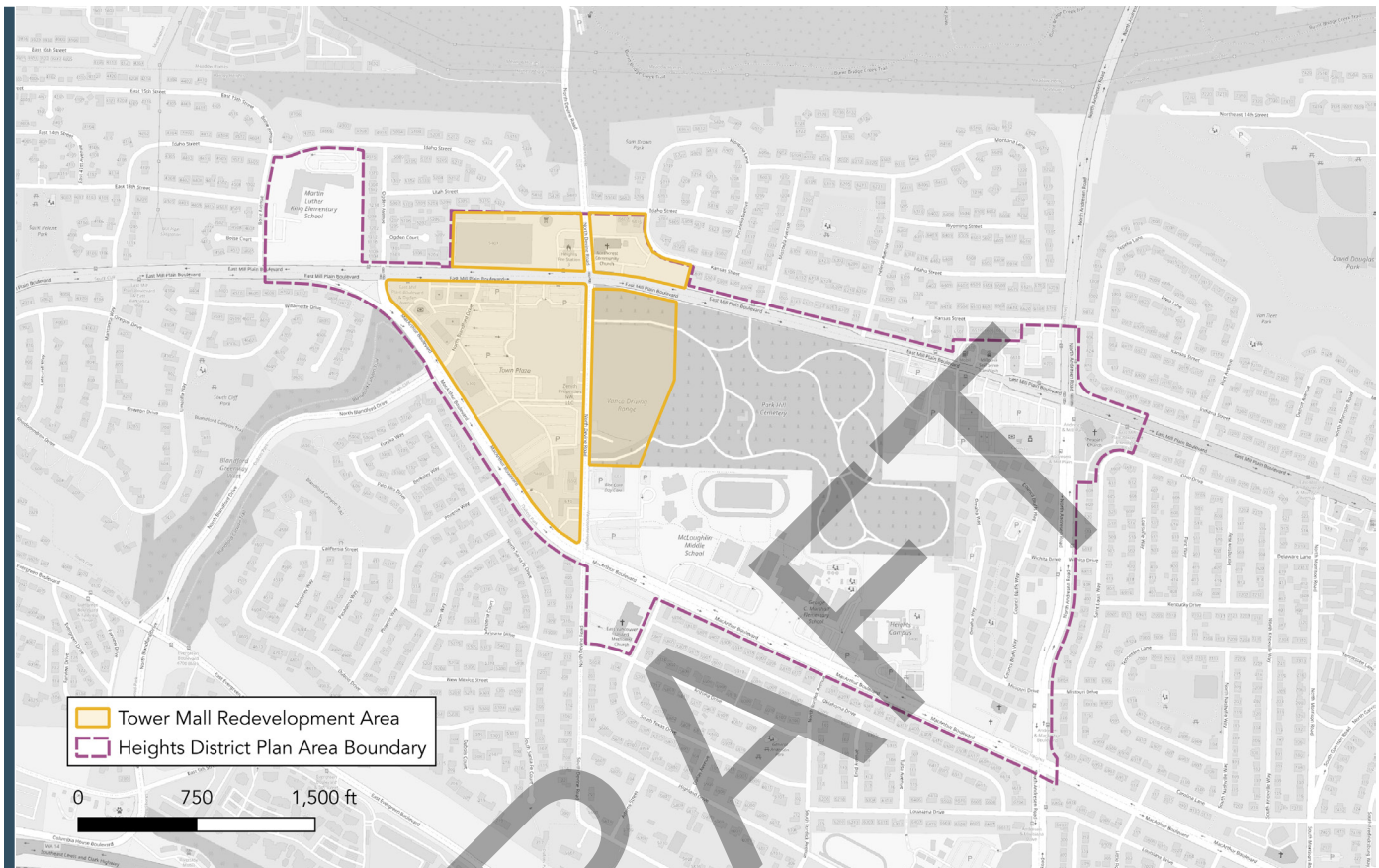
- Minimize negative impacts on existing businesses and lower-income residents in Central Vancouver.
- Provide support and create stability so existing residents and businesses can stay in the area and existing businesses can grow.
- Provide a set of strategies to employ in other areas in the City.

City of Vancouver. This plan provides a citywide policy framework to inform how the City responds to existing displacement pressures and incorporates anti-displacement strategies and equity into any public investments, including redevelopment.

¹ For the purposes of this report, Central Vancouver is defined as the area bounded by I-5 to the west, I-205 to the east, SR 500 to the north, and SR 14 to the south.

EXHIBIT 1. HEIGHTS DISTRICT PLAN AREA AND TOWER MALL REDEVELOPMENT AREA

Source: ECONorthwest



The project team worked with City staff to prepare objectives based on the Heights District Plan equitable development goals to inform the recommendations in this Equitable Development Plan.² **The objectives for the recommended strategies in this plan are to:**

1. Create a neighborhood that is **inclusive, accessible, and interesting** to all residents, as envisioned by the Heights District Plan.
2. Meet the City's **affordable housing goals** for the area and evaluate opportunities to ensure long-term affordability for housing in the Heights.³
3. Promote opportunities for alternative ownership models that create **avenues for wealth generation** and long-term stability.
4. Provide opportunities for affordable commercial space to **support small, locally owned businesses** and increase economic opportunities in the Heights.
5. **Mitigate displacement impacts** resulting from public and private sector investment in the Heights.
6. Phase strategies to **maximize impact** with limited resources.

² See Appendix B for a summary of the Heights District Plan Guiding Principles, Policies, and Goals that informed this plan.

³ See Appendix F for additional information on how the City could refine affordable housing targets for the Heights.

PROCESS FOR DEVELOPING THE EQUITABLE DEVELOPMENT PLAN



This project involved a multifaceted research approach to understand actions the City can take to prevent or mitigate displacement and purposefully promote equitable community benefits through new development in the Heights District. In addition, the City sought to understand how those actions might apply to other redevelopment areas across the City. This section summarizes how the plan was developed. Details on methodology are provided in the Appendices.

LEARN FROM THE COMMUNITY AND STAKEHOLDERS

The City conducted extensive community outreach as part of previous planning initiatives such as Reside Vancouver, the Heights District Plan, and Fourth Plain Forward. The project team reviewed and documented key themes from these efforts to inform the City's approach to the Heights redevelopment.

The City continued to engage with community members throughout the development of this Plan. Engagement included an online survey, two open house events, and several one-on-one and small-group conversations with social service agencies, housing providers, school staff, and community members living in the Heights area. The plan was also informed by recent engagement for the Affordable Housing Fund, HUD Consolidated Plan, Fourth Plain for All community investment strategy, Waterfront Gateway redevelopment, two City Council community forums and ongoing community visioning work, which started in summer 2022. Feedback from these efforts helped refine the list of recommendations and strategy details as this Plan was developed.

See Appendix C for more information.

HOUSING ENGAGEMENT

Throughout 2022 and 2023, community members have consistently mentioned housing as one of their top five priorities. In addition to concerns about homelessness, housing affordability, and housing availability, community members have also shared concerns about:

- The rising cost of rent, which creates instability and uncertainty for renters.
- Difficulty finding a home that is big enough for larger or multigenerational families.
- High home prices, which limit homeownership and the creation of generational wealth.
- The risk of displacement, including that they or their family or friends would have to move out of Vancouver due to the cost of housing.
- Experiences of discrimination when renting or buying a home or belief that some property managers engage in predatory practices.
- Increases in property taxes, which are especially concerning to seniors and those living on a fixed income.

ENGAGEMENT WITH BUSINESS OWNERS

Over the past year, the City has also conducted significant outreach and engagement with local small business owners and entrepreneurs, including Black, Latino, Asian, Indigenous, LGBTQ+, and women-owned businesses. While the needs of each business differ greatly, common concerns include:

- Lack of access to capital.
- High overhead costs, such as rent and utilities.
- Difficulty finding affordable rental space.
- Low inventory of commercial, retail, and restaurant spaces.
- The challenge of growing or scaling businesses, particularly those moving from less formal settings—such as food carts, home-based businesses, or stalls at the farmer's market—to brick-and-mortar operations.
- Difficulty navigating time-consuming and complex permit or licensing processes.

DEVELOP A LIST OF ACTIONS TO EXPLORE

To build the recommended strategies, the project team first developed a list of actions that had been recommended through community input in previous planning documents, including the Heights District Plan, Reside Vancouver, and Fourth Plain Forward. The project team supplemented this list and filled in gaps based on ECONorthwest's previous work on this topic in other geographies. Next, the project team reviewed this list with City staff to identify high-priority issues and topics of interest to study further, including but not limited to:

- Strategies for leveraging city-owned property to make strategic investments
- Affordable commercial leasing strategies
- Shared equity models

See Appendix E for more information.

DETERMINE BEST PRACTICES FROM OTHER COMMUNITIES THROUGH A LITERATURE REVIEW

The project team conducted a literature review and best practices study on equitable development and anti-displacement. This research included a series of case studies on some of the topics of interest identified by City staff to understand how these models operate in other jurisdictions.

See Appendix E for more information.

REFINE AND EVALUATE POTENTIAL ACTIONS

From this research, the project team developed a refined list of potential strategies the City could implement to meet the goals and objectives for the Heights. The strategies could be policies, programs, or other efforts, such as partnership building or funding, that the City could take to advance the goals in the Heights. This list of strategies was further refined through conversations with City staff and the feasibility analysis conducted by ECONorthwest.

See Appendix E for more information.

UNDERSTAND DEMOGRAPHIC AND REAL ESTATE TRENDS IN THE AREA

The project team conducted a market analysis to evaluate demographic and real estate trends in the Heights and across the City of Vancouver. The analysis highlighted key trends that will shape the future of the Heights and identified some of the policy implications of these trends. The analysis also informed the Development Feasibility Analysis for the TMRA, described below.

See Appendix E for more information.

EVALUATE DEVELOPMENT FEASIBILITY IN TOWER MALL REDEVELOPMENT AREA WITH A FOCUS ON PUBLIC BENEFITS

The project team conducted a feasibility analysis focused on redevelopment scenarios in the TMRA to understand how the City can leverage public and private development to meet the goals for the Heights. This study evaluated how the City can meet affordable housing goals alongside urban design goals and density targets for the Heights.⁴ This study also evaluated the feasibility of select alternative ownership models and equitable development strategies from the literature review in the TMRA.

See Appendix F for more information.

DEVELOP STRATEGY RECOMMENDATIONS

Using recommendations from past city plans, community and stakeholder input, and the best practices research and feasibility analysis conducted as part of this project, the project team developed a list of recommended strategies categorized by objectives identified by the project team and City staff. These recommendations are described in Section 4 of this Plan.

See Section 4 for more information.

⁴ The Equitable Development Plan was developed concurrently with infrastructure design work and a density capacity study for the Heights. ECONorthwest coordinated closely with First Forty Feet, the consultants preparing the density capacity study and infrastructure design work, throughout the course of this project to ensure the assumptions that built this Plan align with the density calculations, infrastructure phasing, and urban design considerations that will make up these other plan documents.

WHY DOES THE HEIGHTS NEED AN EQUITABLE DEVELOPMENT PLAN?



UNPRECEDENTED INVESTMENT REQUIRES A DELIBERATE PUBLIC BENEFIT STRATEGY

The City's unprecedented level of planned infrastructure investment and improvements and site control of large parcels makes the TMRA a prime opportunity for redevelopment to occur equitably by leveraging many of these recommended strategies. The City's site ownership provides a rare opportunity to intentionally use site control to produce equitable development and public benefits in the Heights.

ONGOING DISPLACEMENT RISK FOR CENTRAL VANCOUVER

Central Vancouver is home to Clark County's most racially and ethnically diverse populations, and residents in these neighborhoods are disproportionately low income and renters, making them particularly vulnerable to economic displacement. The City of Vancouver's displacement risk analysis (2015-2020) shows ongoing displacement risk across Central Vancouver. The displacement risk analysis categorizes census tracts in various stages of displacement vulnerability based on median household income, race, tenure, education level, share of low-income households, and rising home sales values. The analysis shows the neighborhood directly northwest of the Heights in a more advanced stage of displacement, based on displacement vulnerability factors, demographic changes, and housing market conditions. Other Central Vancouver census tracts north of the Heights and along Fourth Plain Boulevard are shown as being susceptible to, and in the early stages of, displacement.

ECONorthwest's market analysis (Appendix D) identified a number of recent real estate and demographic trends that could further exacerbate displacement risk across Central Vancouver:

- **Median sales prices have more than doubled in Central Vancouver since 2013**, increasing by 109% with a current average sales price of around \$446,000.
- **More owner-occupied households and a decrease in cost-burdened households could be indicative of early displacement pressures for the Heights.** Though the Heights⁵ still has a higher share of renters than the City as a whole, the share of owner-occupied households in the Heights increased by 3% from 2010-2019 to 50% of households. The City of Vancouver has a slightly higher share of owner-occupied households at 52%. The increase in owner-occupied households and decrease in cost-burdened households are likely a sign of higher-income households moving into the area, which could increase displacement pressures for lower-income households.
- **Apartment rents have risen.** Rents for one-bedroom units in Vancouver have increased 17% since 2017. Although rents in Central Vancouver are lower than citywide, they have been increasing at a similar rate. Average market rent for one-bedroom units in Vancouver is currently higher than in Portland.
- **Nearly all low-income renters in the city are cost burdened.** Across Vancouver, lower-income households pay more than they can afford for rent. The resulting economic instability due to cost burden increases displacement vulnerability. Over 95% of renter households in Vancouver

⁵ The Height District Plan area overlaps portions of five census tracts. The Heights Market Analysis evaluates demographic data for these five census tracts which encompass the Plan District and include surrounding neighborhoods. See Appendix D and Exhibit 2 for geographic boundaries.

earning less than \$35,000 per year are cost burdened. In total, 51% of renter households are cost burdened in Vancouver.

- **A growing share of people of color in the Heights.** Black and Hispanic residents show disproportionate rates of cost burden (spending more than a third of their income on housing) in the City of Vancouver. The share of people of color in the Heights increased from 26 to 34 percent from 2010 to 2019. In Vancouver as a whole, 29 percent of the population is made up of people of color.

Planned improvements and private investment within the Heights District and along Fourth Plain Boulevard will further increase displacement risk for households and businesses in the Central Vancouver area. Areas with higher shares of low-income households, renters, people of color, and older residents will be most vulnerable to displacement pressure. Construction within the Tower Mall Redevelopment Area will have direct and indirect displacement impacts on businesses in the Heights District. To mitigate these impacts, the City should carry out the short- and long-term anti-displacement investments, policies, and protections that aim to support stabilization and reduce and/or prevent the involuntary removal of existing households, businesses, and service providers.⁶

The best way to prevent involuntary displacement generated by redevelopment is to stabilize existing residents and businesses before any new infrastructure or development occurs.

Because of this, the City recognizes the urgent need to implement the work they began with development of the Reside Vancouver anti-displacement strategy. The Heights Equitable Development Plan builds off the recommendations in the Reside Vancouver strategy, refining the refining the Reside anti-displacement best practices into context-specific recommendations for the Heights and Central Vancouver (See Appendices A, B, and E for more information).

A NEED FOR HOUSING AT A WIDER RANGE OF INCOMES FOR CITYWIDE GROWTH

As housing prices increase in Vancouver, residents increasingly need affordable and moderate-income housing. To accommodate Vancouver's future population growth, the City will need more housing that is affordable at different income levels. The private market does not typically develop housing that is affordable for moderate- and low-income households—80 percent Median Family Income (MFI) and below—without subsidy. The City will need strategies and funding to facilitate development of needed housing for people at these income levels. Within the TMRA, the City should plan for approximately 900 units of housing available to households who earn 80 percent MFI and below over the next 20 years, according to an analysis of Washington Growth Management Act (GMA) housing targets by income category developed for Clark County.



⁶ Curren et al., Equitable Development as a Tool to Advance Racial Equity, 5.



Anti-Displacement Strategies

IMPLEMENTING RESIDE VANCOUVER

The City has already developed a blueprint for anti-displacement work in Central Vancouver through the Reside Vancouver anti-displacement strategy. As the Reside Vancouver strategy notes, it is essential that the City implements anti-displacement strategies before public investments and market changes trigger widespread involuntary displacement of vulnerable residents. While the City has made some strides in displacement mitigation work, the recommendations in Reside Vancouver have yet to be implemented on a wide scale. With Tower Mall redevelopment imminent, it is critical that the City begin a programmatic implementation of an anti-displacement strategy before it is too late.

The strategic recommendations in this Heights Equitable Development Plan build off the work from Reside Vancouver, as well as the Heights District Plan and Fourth Plain Forward. This plan refines the anti-displacement recommendations from these previous plans to provide specific implementation details and considerations in the context of the Heights District's current development program, and recent real estate market conditions and trends across Central Vancouver. (see Appendix E.) This plan recommends a two-pronged approach to implementation of an anti-displacement strategy: focus on supporting existing residents and businesses in Central Vancouver and implementing anti-displacement best practices citywide.

These approaches are described below. Specific strategies are further outlined in Appendix A.



FOCUS ANTI-DISPLACEMENT PROGRAMS IN CENTRAL VANCOUVER

As the Heights develops, public and private investment in Tower Mall Redevelopment Area could increase displacement pressures in the surrounding neighborhoods. The neighborhoods north of the Heights District have a relatively high share of vulnerable households, and construction within the TMRA will directly and indirectly impact businesses in the Heights District. Planned improvements in the Heights District and along Fourth Plain Boulevard could further increase displacement risk for households and businesses in the Central Vancouver area.

To address this, the City should implement anti-displacement programs in Central Vancouver to protect existing residents and businesses and ensure they can stay and benefit from the new amenities in the Tower Mall Redevelopment Area (TMRA). Although the plan focuses on anti-displacement strategies in Central Vancouver, these strategies can be applied citywide wherever public and private investment may cause displacement.

CENTRAL VANCOUVER ANTI-DISPLACEMENT STRATEGIES



Preserve existing affordable housing by acquiring low-cost market rental units. Central Vancouver still has low-cost market housing, but housing prices have been rising rapidly. Stabilizing existing unregulated affordable housing is a cost-effective way of ensuring residents can remain in their homes and neighborhoods. The City can support this effort in multiple ways, including establishing right of first refusal policies or supporting or subsidizing the purchase of unregulated affordable units by limited equity cooperatives or affordable housing partners.



Support low-income homeownership through down payment assistance and homeownership counseling. Supporting homeownership promotes stability and wealth generation opportunities for residents. The City can directly support homeownership by funding down payment assistance or Individual Development Account programs and providing homeownership counseling for income-qualifying individuals. The City can also promote and support alternative ownership models that generate wealth and long-term stability, such as community land trusts or limited equity cooperatives.



Support small businesses through technical assistance and targeted financing. The City already funds two nonprofit organizations that provide free business technical assistance services to income-qualified customers and has partnerships with organizations that provide an array of other technical and financial support to businesses. Increased investment (e.g., city funds or grants) towards these technical assistance partners will be key to expanding their capacity to support these small businesses. The City can promote awareness of these programs and resources to targeted businesses within Central Vancouver. Promoting and facilitating navigation of available resources may allow more existing local business owners to find the right program, funding, or other connection for their business, allowing them to stay in Central Vancouver as the area continues to develop.

CITYWIDE ANTI-DISPLACEMENT POLICY IMPLEMENTATION

In addition to targeting anti-displacement programs to Central Vancouver and other areas of concentrated public investment, the City should implement some anti-displacement policies city-wide. The City should focus on implementing renter protection policies and evaluating and mitigating displacement potential of city investments across all of Vancouver.

CITYWIDE ANTI-DISPLACEMENT STRATEGIES



Support low-income renters through tenant protections, including legal assistance, rental registration, and rights of first refusal. Reside Vancouver outlined several impactful actions the City can take to support low-income renters that the City supports but has not yet implemented. These actions include expanding legal protections and assistance for renters, providing emergency rental assistance, creating and maintaining a rental registration program of all rental properties, and establishing a right of first refusal policy. To be effective in preventing displacement, these actions need to be implemented in the near term to stabilize residents before investment and development exacerbate displacement pressures in Central Vancouver and other areas of displacement risk across the City.



Require equity assessments for all city investments and decision-making. The City should develop and implement an anti-displacement impact assessment tool to evaluate how proposed developments, zoning changes, public investments, or infrastructure projects could impact communities. These assessments can help reduce displacement by analyzing potential negative consequences and developing alternative strategies.



Equitable Development in the Tower Mall Redevelopment Area

The Tower Mall Redevelopment Area will experience most of the new development in the Heights District. City strategies here should maximize affordable housing, create opportunities for local and BIPOC-owned small businesses, and ensure that historically marginalized communities benefit from redevelopment through access to essential services and ownership in new developments.

Given the limited available resources for funding redevelopment, the City must consider how to leverage its site ownership to spur equitable outcomes while also delivering the scale of development planned for in the TMRA. The Heights density capacity study and the infrastructure design plan, which was prepared by First Forty Feet concurrently with the development of this Plan, analyzed the maximum density the TMRA can support. The Heights District Plan and the density capacity study identified substantial redevelopment potential in the TMRA, up to 1,800 new units. Not all of those units can be built at once, and the scale of City resources needed to support equitable development will not be available immediately. Development in the TMRA will likely occur over many years.

It is also important to note that the Heights District goals include density and urban design objectives, public realm and infrastructure improvements, as well as equitable development outcomes. All these objectives require consideration and public investment. Therefore, this strategy anchors equitable development outcomes in the context of other Height District objectives.

MARKET CONTEXT FOR THE TOWER MALL REDEVELOPMENT AREA

The Heights Market Analysis (Appendix D) shows

strong and growing market demand for residential and commercial uses across Central Vancouver.⁷ These data indicate that there is market demand to support the mix of multifamily and commercial uses envisioned for the TMRA in the original Heights District Plan at the scale established in the density capacity study.

What factors will drive demand for housing in the TMRA?

- **Strength of the Vancouver housing market within the context of the larger Portland-Vancouver region will continue into the near future and provide tailwinds for residential demand in the TMRA.** Since 2017, rents for a 1-bedroom apartment in Vancouver have increased by 17 percent. Current average 1-bedroom rents in Vancouver are higher than average 1-bedroom rents in the City of Portland.
- **Strong market demand for ownership housing in both the City of Vancouver and the Heights will continue to be major drivers for housing demand in the area.** From 2013 to 2022, the median sales price for ownership housing in the Heights has increased 109% with an average sales price of around \$446,000 in Q1 of 2022.⁸
- **Most new residential construction in the City has been multifamily.** Over the past three years, 80 percent of new residential construction in the City has been multifamily development, but the Heights District itself has seen limited multifamily development. However, strong absorption of new units and low vacancy rates in Central Vancouver suggest a strong demand for multifamily in the area.

⁷ The Heights Market Analysis refers to Central Vancouver as the Heights Greater Market Area. This area was used to evaluate real estate trends that impact the Heights. Because there have been limited recent observations of development within the Heights District Plan Area, ECONorthwest utilized the interior highways to frame a greater market area in order to adequately capture market information within the observation years and identify trends that will influence development in the Heights.

⁸ Home sale prices for the Heights were sampled from homes within ¼ mile of the Heights District Plan area boundary.

What are current market conditions for retail?

- **Current retail vacancy rates in Central Vancouver are extremely low at less than 3%, which indicates potential near-term demand for new retail space in the TMRA.** While Central Vancouver saw a slight increase in vacancy rates in early 2020 following the beginning of the COVID-19 pandemic, which was also observed across the City of Vancouver, vacancy rates have continued to trend downward.
- **Current achievable retail rents in Central Vancouver are around \$21.21/sf, comparable to retail lease rates across the City of Vancouver.** The gap between Vancouver retail rents and rents in Central Vancouver has narrowed substantially over the last two years. From 2012 to 2022, rents in Central Vancouver increased by 57% while Vancouver rents increased by 35%.
- **This analysis indicates that there is sufficient demand for retail and services to support the 56,000 square feet of commercial retail space identified in the proposed development program of the Heights District Master Plan.** The highest retail categories of square footage demand for the Heights are food service and drinking places (restaurants, tap rooms, wineries, bars) with about 77,000 square feet of demand and health and personal care with about 91,000 square feet of demand. Additionally, demand for a broad range of retail uses could be programmed in a way to support locally owned and neighborhood-serving businesses.

Based on the Market Analysis findings, the City can expect an influx of private development interest in the TMRA. The City should leverage its site ownership and other strategies to ensure that affordable housing, affordable commercial opportunities, and other public benefits are delivered as the TMRA is developed. The following section outlines the targets, process, and phasing considerations that should inform the City's TMRA development strategy and outlines specific strategies to achieve equitable development goals in the TMRA.

SUMMARY OF HOUSING NEEDS ALLOCATION AND TARGETS

New housing in the TMRA must serve residents at all income levels to meet housing goals identified in the Heights District Plan and recent Washington Growth Management Act (GMA) housing targets for Clark County. The GMA housing targets estimate new housing needed at different income levels over a twenty-year period (expressed as a percentage of median family income, or MFI) for a range of population growth scenarios. GMA categories include a specific allocation for permanent supportive housing (PSH) for households with extremely low incomes transitioning out of homelessness. Meeting the unique needs for PSH is better planned at a citywide level. Therefore, this plan includes a proportional share of the needed non-PSH very low-income units (0-30%MFI) and assumes the City will develop a separate citywide approach for needed PSH units at or below 30% MFI. Exhibit 2 illustrates this proportional share and number of new units, assuming the TMRA is developed to its full capacity.



EXHIBIT 2. RECOMMENDED HOUSING TARGETS FOR TOWER MALL REDEVELOPMENT AREA BY INCOME LEVEL

Source: ECONorthwest

	<i>Extremely Low Income</i> 0-30% MFI (Non-PSH)	<i>Very Low Income</i> 30-50% MFI	<i>Low Income</i> 50-80% MFI	<i>Moderate Income</i> 80-100% MFI	<i>Moderate Income</i> 100-120% MFI	<i>High Income</i> 120%+ MFI
Share of units	15.2%	17.4%	15.9%	8.9%	42.6%*	
Total units for the TMRA	273	312	285	160	764*	

*For the purposes of this analysis, the upper-income categories are combined and categorized as market rate, given current market rents.

PROCESS

The City's majority share of site control on such a large parcel makes the TMRA a prime opportunity for redevelopment to occur equitably. To achieve the ambitious outcomes envisioned for the TMRA and the Heights District, the City will need a carefully considered process for selecting partners and guiding a long-term redevelopment effort. This process should include the following steps:

- **Establish a community redevelopment committee to advise the redevelopment of TMRA.** The City has done considerable community outreach to shape this equitable development plan, building upon earlier engagement for initiatives such as the Heights District Plan, Reside Vancouver, Fourth Plain for All, Waterfront Gateway redevelopment, and the citywide Affordable Housing Fund. A community redevelopment committee with diverse members representing nearby residents, local business owners, culturally specific organizations, and City staff should guide implementation of the strategies in this plan to ensure that this period of rapid city growth serves all community members. The City should partner with this committee on TMRA redevelopment implementation, including RFP development, developer selection, and program approval.
- **Phase development and infrastructure investments to support both urban design goals and equitable development objectives.** Some of the sites identified in the density capacity study will not be physically available until roads, parks, and a multimodal corridor are complete. Similarly, building affordable housing to meet the City's targets will require incremental development to access several cycles of competitive state funding. Coordinating development with the infrastructure phasing can help activate the TMRA by aligning public space investments with new housing for all incomes and commercial opportunities for a range of businesses.
- **Focus permanently affordable housing on City-owned parcels.** The City's levers for achieving affordable units within market-rate development are limited to voluntary incentive programs or negotiated developer agreements. There is also no guarantee that developments on privately owned sites will fully match the City's goals for density and capacity to achieve a proportional share of affordable housing. To help meet housing goals for residents with low and moderate incomes, the City can leverage its own sites by reducing the cost of land for affordable rental and alternative ownership housing.

- **Explore and develop partnerships to support alternative ownership structures over the life of the District build-out.** The City is interested in supporting housing options in the TMRA that are more affordable than conventional ownership and provide greater stability and permanent affordability than affordable rental housing. Building relationships with organizations that can develop alternative ownership housing (such as community land trusts and limited-equity housing cooperatives) is critical to enhancing the organizational capacity and financial ecosystem that can help these models scale along with the Heights District. The City should anticipate that units with alternative ownership models would not be developed until later phases.
- **Focus on Request for Proposal (RFP) and developer selection criteria to achieve urban design, affordability, and other equitable development objectives with market-rate development partners.** To ensure that proposals to purchase and develop city-owned property meet the City's vision for inclusive development that maximizes community benefits, solicitations should outline specific goals for affordable housing, affordable commercial space, contracting requirements, and public realm improvements. In the selection process, the City should look for development partners who can demonstrate experience with public-private partnerships and community engagement, financial capacity, investment partners, successful projects at a similar scale or in a similar urban context, and successful delivery of public benefits.

PHASING

Because the TMRA is a large site with many distinct parcels and varied ownership, development will happen in phases. The City's ownership of much of the site area—especially parcels that are ideally located for near-term development—creates an opportunity to set a template for mixed-income development and attract other development partners to help realize the City's vision. The City should be strategic about phasing development to achieve desired outcomes.

Near-Term Considerations

- The City should prioritize maximizing affordable housing development in early phases. The City can use existing and well-proven tools such as zoning and incentives to support mixed-income development and work with affordable housing partners to deliver housing developments with deeper levels of affordability on city-owned sites.

Longer-Term Considerations

- Later phases of development should focus on deploying strategies that may require more time to build capacity, develop relationships, and align financing.
- City-owned sites that will be development-ready in later phases are great opportunities to explore alternative ownership models.

Phasing Scenario⁹

Splitting this project into four phases could support gradual development that integrates with the surrounding neighborhoods, allows new housing and commercial spaces to be absorbed into the local market, and demonstrates the investment potential for additional private financing partners. The following phasing scenario describes how the TMRA could be built out over time, based on the timing of infrastructure investments, as well as capacity and ownership of parcels in the TMRA. These phases will likely occur over several decades.

⁹ See Appendix F for more information on phasing considerations.

1

2

3

4

THE FIRST PHASE

of redevelopment should start in the northern portion of the TMRA, along East Mill Plain Boulevard. This area does not require new roads to be built, aligns with near-term infrastructure investments, and will create a public-facing edge of the Heights District that begins to activate a multimodal corridor, the Grand Loop, with ground floor commercial uses. This phase could add new market-rate, mixed-income, and regulated affordable rental housing.

THE SECOND PHASE

would continue development along currently accessible parcels on East Mill Plain. This phase would also include the first major new infrastructure development—one segment of the Grand Loop and an adjoining park—to make development possible west of Devine Road. High-density housing serving a range of incomes, and some additional commercial spaces, could be added in this phase.

A THIRD PHASE

could focus on developing City-owned sites east of Devine Road with a variety of affordable rental housing and alternative ownership options. This phase could include housing affordable at a range of low and moderate incomes, including higher-density apartments or condominiums and medium-density housing types. This phase would also include large infrastructure investments to support new housing and public space.

A FOURTH PHASE

includes currently accessible sites along Macarthur Boulevard that can support high and medium-density housing. This phase may not occur last, but the development timeline of these privately owned sites is less certain.

TMRA EQUITABLE DEVELOPMENT STRATEGIES

The TMRA provides a unique opportunity to deploy multiple equitable development strategies and serve as a case study for future equitable development opportunities throughout the City of Vancouver. The following strategies outline the steps the City can take to support equitable development outcomes for the TMRA.



Advance opportunities for homeownership across different income categories. Creating opportunities for homeownership in the TMRA can support the City's goals for housing stability and inclusive access to the wealth created by investments in redevelopment.

- **Support Market-Rate Residential Ownership.** Zoning tools such as minimum densities, reduced off-street parking requirements, and other guidelines for building design can encourage housing types that work well for ownership, from townhomes to multiunit buildings. The City's urban design plan and development standards for the Heights will support a variety of housing options conducive to market-rate ownership, including townhome-scale development at the outer edges of the plan area and high-density condominium development in the District's core.
- **Support Workforce and Affordable Residential Ownership.** The City has tools to make ownership more affordable for people with incomes below the median. State tax exemption programs create affordable units within market-rate developments, and down payment assistance can fill financing gaps for moderate-income households. Expanding access to the stability and wealth-building opportunities provided by homeownership will require creative approaches and programs. Alternative ownership models can be a viable way to create permanently affordable housing with relatively low subsidies, especially with access to new tax incentives.

TMRA EQUITABLE DEVELOPMENT STRATEGIES (CONTINUED)



Invest in affordable rental housing to meet City goals. Creating a proportional share of housing affordable across income levels in the TMRA will require significant investments in rental housing. The City has multiple tools available to support affordable rental housing development, including tax incentive programs, competitive affordable housing awards, dedicated local funds, and its ownership of land in the TMRA. In order to achieve all of the affordability targets, the City will need a combination of market-rate developments providing a mix of affordable rental units at moderate incomes and multiple fully affordable developments accessing tax credit financing and other public subsidies. Thoughtfully balancing these resources and considering phasing will ensure that the TMRA includes housing options for all incomes and does not require all of the City's affordable housing resources for the entire redevelopment timeline.



Facilitate affordable commercial space to support small or locally owned businesses and increase economic opportunities. Code and policy choices can make new commercial spaces in the TMRA more accessible to existing small businesses and create economic opportunities for residents. Small businesses benefit from options to rent smaller spaces, share with multiple tenants, or have flexible lease terms. Offering support for tenant improvements for a variety of business types, from restaurant build-outs to makerspaces, or retail can also provide crucial support for growing businesses. The City can ensure these options are available through the development code or by negotiating development agreements. The City can also take a more active role by facilitating master leasing arrangements that provide flexible and affordable subleases to small businesses, either as a direct partner or with a local economic development organization.



Support opportunities for affordable commercial ownership. Opportunities for ownership in commercial developments provide another path for local residents and business owners to invest in the neighborhood and share in the profits of redevelopment. In buildings with a mix of uses, ground floor commercial spaces can be owned separately from the residential areas through commercial condominiums. This option may be especially beneficial for affordable housing developments that cannot use tax credit funding to build retail spaces or for alternative ownership models. There is a continuum of roles the City could play in supporting commercial ownership, from negotiating development agreements to allocating economic development funds to affordable commercial ownership programs.



Focus public space design and amenities on accessible and culturally relevant placemaking. Redevelopment in the TMRA will include substantial public space improvements and amenities, as laid out in the Heights District Plan. Fostering a sense of place and belonging can help mitigate the social impacts of redevelopment and neighborhood change. The City should focus on ensuring these spaces are welcoming, safe, and accessible to all and reflect the diverse cultural identities of the people of Vancouver. The City should continue to create opportunities to involve local residents and community organizations in the urban design of the TMRA, including wayfinding and signage, art installations, and public facilities so that they are welcoming, meet the needs of diverse communities, and affirm their history, present, and future in the City.

Conclusion

The City has established a bold vision for the Heights to create an equitable development inclusive of community members from a variety of economic and racial/ethnic backgrounds and to ensure that all community members have equitable access to services and amenities located in the District. This Plan outlines how to achieve this vision. Successful implementation of this plan will encourage development of new housing, business, and employment opportunities; promote stability and opportunity across Central Vancouver; and guide future redevelopment efforts across the city. Implementing the plan will take considerable time, money, and effort, but it is important that the City dedicate the resources to do it well.

Implementation of this plan will require flexibility. Conditions will change over the years it will take for the full build-out of the Heights. Implementation of all the equitable development strategies may be a challenge due to funding limitations or other resource

constraints. Many other factors that are outside of the City's control, such as market forces and access to capital, may influence how and when the Heights develops. Nonetheless, this plan can serve as a menu of options the City can implement over time.

As the City implements strategies in this Plan, both in the Heights and across Vancouver, staff should collaborate regularly with community partners to ensure that this period of rapid city growth serves all community members.

Advancing equitable development in the Heights District will create opportunities for existing and new residents and will help create a neighborhood that reflects the diversity, needs, and desires of Vancouver residents. Beyond that, the Heights could serve as a model for the City to replicate on other future large-scale redevelopment projects to advance equitable development across the rest of Vancouver.





ECONorthwest

IMPACT THROUGH INSIGHT

Appendix A: Additional Details on Recommended Strategies

This Appendix provides details and recommendations on specific tools, policies, programs, or other actions the City can implement to support the recommended strategies in the Heights Equitable Development Plan. Recommendations are categorized by the Equitable Development Plan objectives they work to achieve. The City will not feasibly be able to implement every recommendation in this plan in the near term, so this section is followed by phasing considerations and recommendations.

Summary of Strategies by Objective

A. Meet the City's affordable housing goals for the area and evaluate opportunities to ensure long-term affordability for housing in the Heights.

To accommodate the housing needs of existing and future Vancouver residents, the City will need new housing that is affordable at a range of incomes. Housing that is affordable to lower-income households is not typically feasible without subsidy (e.g., land dedication or markdowns, direct funding contributions, or tax exemptions). The strategies below articulate how the City can facilitate the development of affordable housing and permanently affordable ownership as the Heights develops.

#	Strategy	Supports	Geography
A-1	Create development agreements to negotiate affordability requirements	Residents Businesses	TMRA/ Citywide
A-2	Develop and carry out land acquisition strategy for TMRA redevelopment or other public investments	Residents Businesses	TMRA/ Citywide
A-3	Seek additional funding for affordable housing development	Residents	Citywide
A-4	Contribute funding toward affordable housing development	Residents	TMRA/ Citywide
A-5	Provide property tax exemptions through MFTE	Residents	TMRA/ Citywide
A-6	Develop an investment strategy for permanently affordable ownership	Residents	Citywide

B. Promote opportunities for alternative ownership models that create avenues for wealth generation and long-term stability.

Local community ownership or shared equity models allow residents at all income levels to access opportunities to invest and share in the profits of existing and future development.¹ While shared equity and community ownership models differ, both aim to leverage the benefits of the market while protecting historically marginalized residents and businesses from increasing market pressures.

Residents participating in these projects may realize some of the gains typically realized only by those wealthy enough to own homes or invest in commercial development. The following strategies will lay the groundwork for development of alternative ownership models in the Heights. *All alternative ownership strategies also advance other Plan objectives around affordable housing, economic opportunities, and/or anti-displacement (Objectives A, C, and D).*

#	Strategy	Supports	Geography
B-1	Establish or deepen relationships with community land trusts	Residents	Citywide
B-2	Develop City capacity and knowledge to support limited equity housing cooperatives	Residents	Citywide
B-3	Support and help facilitate conversion of low-cost market rentals into limited equity cooperatives	Residents	Central Vancouver
B-4	Explore the feasibility of a collective commercial ownership model through a community investment trust in Central Vancouver	Residents Businesses	Central Vancouver
B-5	Explore the Feasibility of Community Investment Trust for new development in the TMRA	Residents Businesses	TMRA
B-6	Design a phased, medium-scale approach to developing cooperative housing	Residents	TMRA

¹ Karen Chapple and Anastasia Loukaitou-Sideris, [White Paper on Anti-Displacement Strategy Effectiveness](#) (California: California Air Resources Board, 2021), 13.

C. Provide opportunities for affordable commercial space to support small or locally owned businesses and increase economic opportunities in the Heights.

Development in the Heights District will cause both positive and negative ripple effects for businesses throughout Central Vancouver. Different resources may be necessary at various points in a business; helping entrepreneurs plan in their early stages, through transformative periods, and during next steps after an original business owner retires can ensure that intergenerational wealth continues to build for business owners. Creating a more centralized method of engaging with resources may allow more new or aspiring business owners to find the right program, funding, or other connection for their project.

The strategies in this category aim to create economic opportunities for Vancouver residents working in the construction trades, support businesses and entrepreneurs, create opportunities for local small businesses to access commercial space in the TMRA, and ensure that residents in the Heights have adequate services, like childcare, so they can access employment.

#	Strategy	Supports	Geography
C-1	Facilitate establishment of childcare facilities/prioritize affordable childcare and health services in City-led public investments	Residents Businesses	Central Vancouver
C-2	Master lease retail space and sublease at affordable rates	Businesses	TMRA
C-3	Implement workforce agreements (e.g., joint-labor management, project labor agreement, community workforce agreements) for Tower Mall redevelopment	Residents	TMRA
C-4	Partner with business assistance organizations to provide technical assistance to support entrepreneurship	Residents Businesses	Central Vancouver
C-5	Assess current public contracting rules to prioritize BIPOC and women-owned businesses for City contracts/public investment projects	Businesses	Citywide
C-6	Facilitate colocation of essential services in the Heights District (e.g., food, health, banks)	Residents Businesses	TMRA
C-7	Support opportunities for affordable commercial ownership	Businesses	TMRA

D. Mitigate displacement impacts resulting from public and private sector investment in the Heights.

Preventing displacement is fundamental to equitable development. Residents who are priced out due to rising property values, which lead to increases in rent and taxes, or who are involuntarily displaced through acquisition and redevelopment of their homes are often the ones who bear the negative consequences of inequitable development. This also includes economic and cultural displacement caused by dramatically changed environments that are no longer reflective of, or responsive to, the needs of community members.

Marginalized communities are the most negatively impacted by inequitable development and are the first to be displaced.² To mitigate these impacts, the City should carry out the needed short- and long-term anti-displacement investments, policies, and protections that aim to support stabilization and reduce and/or prevent the involuntary removal of existing households, businesses, and service providers.³ A mix of responsive and preventative actions is particularly necessary in Vancouver, as the City is actively investing in an underserved community where vulnerable community members reside, receive services, and operate small locally serving businesses. This section outlines the actions the City can take to stabilize existing residents and businesses as the Heights develops.

#	Strategy	Supports	Geography
Residents and Businesses			
D-1	Create an anti-displacement impact assessments checklist/tool kit and require anti-displacement impact assessments for public investment projects	Residents Businesses	Citywide
D-2	Facilitate the funding of an Individual Development Account program	Residents Businesses	Central Vancouver
Support Existing Businesses			
D-3	Provide relocation and retention assistance for displaced businesses within TMRA	Businesses	TMRA
D-4	Target technical assistance (financial or programmatic) to priority businesses	Businesses	Central Vancouver

² Danyelle Solomon, Conner Maxwell, and Abril Castro, *Systemic Inequality: Displacement, Exclusion, and Segregation* (Center of American Progress, 2019).

³ Curren et al., *Equitable Development as a Tool to Advance Racial Equity*, 5.

D-5	Establish storefront improvement and other business support programs	Businesses	Central Vancouver
D-6	Aim to establish construction disruption mitigation program for area businesses	Businesses	TMRA
D-7	Create and support a business district program to organize a network for small businesses	Businesses	Central Vancouver
D-8	Use a workforce navigator to improve utilization of existing job training services	Businesses	Central Vancouver
Support Existing Residents			
D-9	Support renters through expanded rental assistance and tenant protection programs	Residents	Citywide
D-10	Facilitate the funding of home repair loans/grants	Residents	Central Vancouver
D-11	Facilitate the funding of grants/tax rebates to reduce energy expenses	Residents	Central Vancouver
D-12	Expand access to the county's property tax exemption program for elderly residents and community members with disabilities	Residents	Central Vancouver
D-13	Establish and implement right of first refusal (ROFR) policies	Residents	Citywide
D-14	Establish and implement funding strategy for the preservation of low-cost market rentals	Residents	Central Vancouver

Description of Each Strategy

Objective A: Meet the City’s affordable housing goals for the area and evaluate opportunities to ensure long-term affordability for housing in the Heights.

A1. Create Development Agreements to Negotiate Affordability Requirements

How does it help? Creates affordable housing and mixed-income housing and can meet other objectives, including attracting BIPOC community-serving and BIPOC-owned businesses.

Description: Agreements that are negotiated between the City and property owners, which detail the obligations of both parties and establish specific standards and conditions that will guide the development of the property. While these agreements are voluntary, this is one main way the City can impose requirements around affordability, phasing, and project timing for public improvements. These agreements can be used to align negotiations with the Heights District vision and other city goals and objectives.

City Role: Acquire property and negotiate development agreements. Consider establishing baseline requirements for development agreements, including MWESB participation, workforce provisions, etc.

Phasing	Partners	Target Geography	Target Population
Do now assuming the City is ready to offer its property for redevelopment and has established affordability targets and funding.	Developers	TMRA & Citywide	Residents and Businesses

A2. Develop and Carry Out Land Acquisition Strategy for TMRA Redevelopment or Other Public Investments

How does it help? Enables City to determine future uses of strategic property. Can be used to increase and/or sustain affordability for current and future residents via development agreements (strategy A1).

Description: The City would purchase property within the TMRA to increase the availability of City-owned land for the development of affordable housing. (Appendix F of this report provides considerations around the prioritization of parcels for strategic acquisition to achieve Heights goals, see Exhibit 8.)

City Role: Ascertain strategic objectives, develop acquisition criteria (including equity principles), identify key parcels, negotiate purchases, and consider establishing relocation policies (as needed).

Phasing	Partners	Target Geography	Target Population
Do now assuming the City has staff capacity and can access funding to acquire needed property to fulfill Heights District goals.	TBD	TMRA & Citywide	Residents and Businesses

A3. Seek Additional Funding for Affordable Housing Development

How does it help? Increases the availability of City funds to support affordable housing development through City property acquisition and/or affordable housing gap funding.

Description: The City would evaluate and pursue new funding sources (such as state and federal grants, tax increment financing, local levy and bond funding, local improvement districts, etc.) in the near term to help fund affordable housing developments.

City Role: Identify and/or create new funding sources for affordable housing.

Phasing	Partners	Target Geography	Target Population
Do now assuming the City's affordable housing targets exceed existing affordable funding and staff capacity can be utilized to seek out and develop additional funding sources.	TBD	Citywide	Residents

A4. Contribute Funding Toward Affordable Housing Development

How does it help? Subsidizes development of new affordable housing.

Description: The City could use funding to acquire property to use for affordable housing projects and/or contribute funding directly to the development of affordable housing.

City Role: Contribute land and/or funding to existing affordable housing partners/programs or new affordable housing projects (e.g., subsidize LEC shares, subsidize property for CLTs, etc.).

Phasing	Partners	Target Geography	Target Population
Do Now assuming the City can leverage existing local housing funds while it seeks additional funding.	TBD	TMRA & Citywide	Residents

A5. Provide Property Tax Exemptions through MFTE

How does it help? Incentivizes multifamily housing development with affordability set asides by private developers.

Description: Provides a voluntary tax exemption for developers of eligible multifamily developments in exchange for income-restricted units. In the Heights, developers may be eligible for a 12-year exemption for

projects with 20% of units restricted to households earning up to 80% AMI.			
City Role: Expand program and ensure accessibility of MFTE benefits through effective marketing and the minimization of regulatory barriers.			
Phasing	Partners	Target Geography	Target Population
Do Now assuming there are interested developers that opt into the program.	Developers	TMRA & Citywide	Residents

A6. Develop an Investment Strategy for Permanently Affordable Ownership

How does it help? Increases the share of permanently affordable homes within the city.			
Description: An investment strategy for permanently affordable ownership would include: • Creating a disposition strategy of public land for permanently affordable ownership • Creating a dedicated pool of funds for alternative ownership projects • Focusing the investment strategy on shared equity models to meet 80 percent MFI targets • Considering the timing and placement of public investment in the development process to meet affordability goals • Designing a phased, medium-scale approach to developing cooperative housing (see Appendix F for full description of these umbrella strategies)			
City Role: Develop an investment strategy that aligns housing goals for unit production, depth of affordability, and permanent affordability with dedicated resources, programs, and financing mechanisms.			
City Role	Partners	Target Geography	Target Population
Do now assuming the city is willing to use a portion of existing and new housing resources for this purpose.	Area Community Land Trusts	Citywide	Residents

Objective B: Promote opportunities for alternative ownership models that create avenues for wealth generation and long-term stability.

B1. Establish or Deepen Relationships with Community Land Trusts (CLTs)

How does it help? Ensures long-term affordability for lower-income homebuyers and allows for properties to be held at affordable levels in perpetuity.
Description: CLTs are a shared equity model that helps ensure long-term affordability through deed restrictions that require a portion of equity to be reinvested as subsidy to reduce the sale price for future buyers.

City Role: Reach out to regional land trusts to understand their current capacity and strategize partnership opportunities; consider reaching out to other Washington State CLTs; and consider opportunities to increase capacity of community land trusts in Vancouver.			
Phasing	Partners	Target Geography	Target Population
Do now assuming the City has staff capacity to build and maintain relationships with partner organizations.	Area Community Land Trusts	Citywide	Residents

B2. Develop City Capacity and Knowledge to Support Limited Equity Cooperatives			
How does it help? Preserves long-term affordability for current and future lower-income households and opportunities for these households to accumulate equity.			
Description: Limited equity cooperatives are a shared equity, member-run cooperative organization that limits the equity homeowners can accumulate and preserves long-term affordability for current and future lower-income households. Families purchase a “share” in the cooperative rather than a standard property interest in a home. Each member of the cooperative receives a right to occupy one unit, as well as a vote on matters of common interest.			
City Role: Develop partnerships with organizations that could construct a new LEC.			
Phasing	Partners	Target Geography	Target Population
Do now assuming the City has staff capacity and seed funding to build and maintain relationships with partner organizations.	LECs	Citywide	Residents

B3. Support and Help Facilitate Conversions of Low-Cost Market Rentals into Limited Equity Cooperatives (LECs)			
How does it help? Preserves the affordability of existing low-cost market rentals and provides former renters housing stability and control, making it a significant anti-displacement tool.			
Description: Limited equity cooperatives are a shared equity, member-run cooperative organization that limits the equity homeowners can accumulate and preserves long-term affordability for current and future lower-income households. Families purchase a “share” in the cooperative rather than a standard property interest in a home. Each member of the cooperative receives a right to occupy one unit, as well as a vote on matters of common interest.			
City Role: If and when the community has interest in an LEC, the City can support the preservation of affordable housing prices through subsidizing LEC buy-in costs and allocating funding for construction/rehabilitation costs for LECs.			

Phasing	Partners	Target Geography	Target Population
Do when partner organizations are identified and have capacity and the City has available capacity and/or funding to provide support.	LECs, tenant advocacy organizations	Central Vancouver	Residents

B4. Explore the Feasibility of a Collective Commercial Ownership Model through a Community Investment Trust in Central Vancouver

How does it help? Provides opportunities for lower-income residents to invest in/build equity from local commercial development at affordable prices.

Description: Community investment trusts (CITs) provide an affordable means for community residents to invest in and build equity from local commercial development. Residents buy a “share” of the CIT at affordable prices (ranging from \$10 to \$100 per month) and can build equity from the commercial development. This strategy may be more feasible with existing buildings as an anti-displacement tool.

City Role: Evaluate opportunities to both build relationships and community capacity and identify physical locations (existing buildings to acquire). Consider funding a technical assistance agreement with partner organizations to explore opportunities.

Phasing	Partners	Target Geography	Target Population
Do now assuming the City has staff capacity and seed funding to explore this concept.	TBD	Central Vancouver	Residents Businesses

B5. Explore the Feasibility of Community Investment Trust for New Development in the TMRA

How does it help? Provides ownership opportunities for lower-income residents to invest in/build equity from local commercial development at affordable prices.

Description: Community investment trusts (CITs) provide an affordable means for community residents to invest in and build equity from local commercial development. Residents buy a “share” of the CIT at affordable prices (ranging from \$10 to \$100 per month) and can build equity from the commercial development. This strategy may be more feasible with existing buildings as an anti-displacement tool.

City Role: Develop partnerships to determine the feasibility of a CIT for new development within the TMRA.

Phasing	Partners	Target Geography	Target Population
Do if City has funding and staff capacity to explore feasibility of CIT for new development.	TBD	TMRA	Residents Businesses

(CIT may be more feasible as an anti-displacement tool through acquisition of existing buildings than as an equitable development mechanism.)			
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B6. Design a Phased, Medium-Scale Approach to Developing Cooperative Housing

How does it help? Increases and/or sustains affordability for current and future residents and ensures the sustainability and longevity of LECs.

Description: An important consideration for investing in and scaling LECs is taking a phased approach to development. ECONW's conversations with cooperative housing organizations suggest that projects of approximately 20–50 units provide a solid foundation for establishing a cooperative board of directors while limiting the administrative scale of managing property and an owner community. See Appendix F for more details.

City Role: Partner with interested cooperative organizations to develop local best practices around building forms, approaches to self-governance, bylaws, shared appreciation, and other factors that can later be applied to larger scales.

Phasing	Partners	Target Geography	Target Population
Do when experienced cooperative organizations/developers are cultivated, interested, and have capacity to develop projects.	LECs	TMRA	Residents

Objective C: Provide opportunities for affordable commercial space to support small or locally owned businesses and increase economic opportunities in the Heights.

C1. Facilitate Establishment of Childcare Facilities/Prioritize Affordable Childcare and Health Services in City Led Public Investments

How does it help? Provides access to affordable childcare and/or health services. Increased access to childcare facilities would serve both existing and new residents and businesses in the Heights.

Description: The City could facilitate the establishment of childcare facilities in the project area or secure funding to support pre-existing childcare providers and expand their capacity, provide general childcare support for lower-income families, or provide specialized support for home-based childcare businesses.

City Role: The City could facilitate the establishment of childcare facilities in the project area via Development Agreements, technical assistance, and/or grant programs, or the City could secure funding to support preexisting childcare providers and expand their capacity. Consider expanding SELF's CDBG contract to provide specialized support for home-based childcare businesses to the Project Central Vancouver.

Phasing	Partners	Target Geography	Target Population
Do when funding and staff capacity are available.	TBD	Central Vancouver	Residents Businesses

C2. Master Lease Retail Space and Sublease at Affordable Rates

How does it help? Provides retail space to small businesses and microbusinesses at affordable rates.

Description: A public agency or nonprofit leases large retail space and subleases the space to small businesses or microbusinesses at affordable rates; may be paired with a business incubator.

City Role: Negotiate and execute master lease and either hire or serve as operator/property manager for subleasing space.

Phasing	Partners	Target Geography	Target Population
Do when negotiating development agreements for mixed-use development on city-owned property or if the City is able to lease commercial space in a private development in the TMRA.	TBD	TMRA	Businesses

C3. Implement Workforce Agreements (e.g., Joint Labor-Management, Project Labor Agreements, Community Workforce Agreements) for Tower Mall Redevelopment

How does it help? Implements existing Heights Master Plan and Reside Vancouver policy to provide job opportunities and improve worker skills and quality of lower-wage jobs.

Description: Agreements that outline specific terms and conditions for employment on construction jobs. Workforce agreements can include provisions for wages, training, apprenticeships, diversity goals, and worker conditions.

City Role: Develop standards and templates for workforce agreements and include as a requirement in development agreements and other funding agreements.

Phasing	Partners	Target Geography	Target Population
Do when the City has capacity to establish standards for wages, apprenticeship participation, and/or diversity targets in publicly funded projects.	Local business assistance organizations	TMRA	Residents

C4. Partner with Business Assistance Organizations to Provide Technical Assistance to Support Entrepreneurship

How does it help? Provides support to new and existing local businesses.

Description: Multiple organizations in Vancouver offer technical assistance to help entrepreneurs start and grow businesses, including marketing, financial literacy, permits, and business plans. Partnering with these entities can also have placemaking/activation benefits while increasing access to educational resources for underresourced entrepreneurs and small business owners.

City Role: Work with business assistance organizations to establish or expand partnerships and strategize efforts to increase technical assistance to entrepreneurs across Central Vancouver. Expand funding to these partners to increase their capacity to support more businesses.

Phasing	Partners	Target Geography	Target Population
Do now assuming the City has staff capacity and funding to augment support to community members in Central Vancouver.	Local business assistance organizations	Central Vancouver	Residents Businesses

C5. Assess Current Public Contracting Rules to Prioritize BIPOC and Women-Owned Businesses for City Contracts/Public Investment Projects

How does it help? Prioritizes minority- and women-owned businesses in the public procurement process to help ensure equitable participation.

Description: Restructuring public procurement processes to designate preferences for “qualified” businesses so that local, minority, and women-owned businesses are prioritized for public contracts and purchases.

City Role: Assess current procurement process and regulations and the outcomes they achieve. Based on current outcomes and desired metrics, the City should consider restructuring their public procurement processes to prioritize local, minority, and women-owned businesses for public contracts and purchase.

Phasing	Partners	Target Geography	Target Population
Do now assuming the City’s procurement staff has capacity to evaluate this opportunity.	TBD	Citywide	Businesses

C6. Facilitate Colocation of Essential Services in the Heights District (e.g., Food, Health, Banks)

How does it help? Promotes healthy foods, accessible childcare, affordable healthcare, and banks within the District.

Description: City requires developers to provide for specific uses in ground floor spaces on City property made available for redevelopment.

City Role: Identify key services needed in the Heights District and include those services as requirements in developer solicitations, negotiate development agreements, and consider funding eligible tenants (e.g., tenant improvement grant, etc.).

Phasing	Partners	Target Geography	Target Population
Do when the City makes property available for redevelopment.	Area community organizations	TMRA	Residents Businesses

C7. Support Opportunities for Affordable Commercial Ownership

How does it help? Provides a path for local residents and business owners to invest in the neighborhood and share in the profits of redevelopment.

Description: In buildings with a mix of uses, ground floor commercial spaces can be owned separately from the residential areas through commercial condominiums. This option may be especially beneficial for affordable housing developments that cannot use tax credit funding to build retail spaces or for alternative ownership

models.			
City Role: The City could play a number of different roles and will need to decide the preferred approach. The City's role could include negotiating development agreements or allocating economic development funds to affordable commercial ownership programs.			
Phasing	Partners	Target Geography	Target Population
Do when the City has decided on the preferred role to support commercial ownership, and suitable commercial space will be available.	TBD	TMRA	Businesses

Objective D: Mitigate displacement impacts resulting from public and private sector investment in the Heights.

D1. Create Anti-Displacement Impact Assessments Checklist/Tool Kit and Require Anti-Displacement Impact Assessments for Public Investments			
How does it help? Evaluates and helps identify displacement potential and informs mitigation or prevention opportunities.			
Description: Anti-displacement impact assessment tools evaluate how proposed developments, zoning changes, public investments, or infrastructure projects could impact communities. These assessments can help reduce displacement by analyzing potential negative consequences and developing alternative strategies.			
City Role: Implement an ordinance that requires staff and development partners to utilize an anti-displacement equity lens in publicly supported projects. Create anti-displacement impact tool.			
Phasing	Partners	Target Geography	Target Population
Do now assuming the City has staff capacity to complete the assessments and can act on the results.	Racial Equity Centered Organizations	Citywide	Residents and Businesses

D2. Facilitate the Funding of Individual Development Account Program			
How does it help? Supports the financial growth of eligible lower-income entrepreneurs. Could also be used to support homeownership, depending on how the program is structured.			
Description: Individual Development Accounts (IDAs) are savings account programs that support the financial growth of eligible lower-income entrepreneurs by matching (3:1 or 5:1) the investments made by the			

entrepreneur.			
City Role: Identify current capacity of Washington's IDA programs and identify funding sources to increase these programs' capacities (either matching ability and/or number of entrepreneurs they can match). Continue partnering/funding Clark County's Asset Building Coalition's IDA Program.			
Phasing	Partners	Target Geography	Target Population
Do when the City can secure funding.	IDA Programs	Central Vancouver	Residents and Businesses

Support Existing Businesses

D3. Provide Relocation and Retention Assistance for Displaced Businesses within TMRA			
How does it help? Mitigates the consequences of displacement for businesses directly impacted by redevelopment in the TMRA.			
Description: Relocation and retention assistance are funds allocated to businesses who experience direct displacement from new development. This assistance can be utilized by those directly displaced to relocate nearby and hopefully retain the success of their business.			
City Role: Fund grants and/or provide technical assistance to businesses within the TMRA area that will experience direct displacement because of the Heights Development.			
Phasing	Partners	Target Geography	Target Population
Do now assuming the City has funding and staff capacity to establish and/or implement relocation and retention assistance.	Existing businesses within the TMRA	TMRA	Businesses

D4. Target Technical Assistance (Financial or Programmatic) to Priority Businesses			
How does it help? Provides business support to businesses in areas likely to experience displacement pressures.			
Description: Technical assistance organizations provide comprehensive business development and support services to individuals looking to start a new business or grow an existing business.			
City Role: The City already funds two nonprofit organizations that provide free business technical assistance services to income-qualified customers. The City can increase funding and promote awareness of these programs to targeted geographies and populations within Central Vancouver.			

Phasing	Partners	Target Geography	Target Population
Do now assuming the City has staff capacity and available or expanded funding/program capacity to offer businesses in the Heights and Central Vancouver.	Business Assistance Organizations	Central Vancouver	Businesses

D5. Establish Storefront Improvement and Other Business Support Programs

How does it help? Assists targeted business owners in making improvements to their storefront to attract customers and enhance the neighborhood aesthetic.

Description: Storefront improvements, often in the form of grants or loans, help businesses make improvements to their storefronts in order to beautify them, attracting more customers while enhancing the neighborhood aesthetic.

City Role: According to City staff, the city developed a storefront improvement model for Fourth Plain using CDBG funding that limited rent increases via a covenant on the property. However, this program has not been implemented. The City should reassess this model and consider launching it as is or modifying it for use in Central Vancouver.

Phasing	Partners	Target Geography	Target Population
Do when the City has identified ongoing funding and staffing and has developed program parameters.	TBD	Central Vancouver	Businesses

D6. Aim to Establish Construction Disruption Mitigation Program for Area Businesses

How does it help? Helps existing businesses withstand the business interruption and disruption caused by construction in the Heights area.

Description: City and/or partner organizations provide technical assistance, funding, and/or marketing support (e.g., 'open for business,' directional signage, support local initiatives, etc.) to help businesses weather construction of public improvements or public-private partnership projects in the area.

City Role: Fund and either partner with organizations or implement program activities.

Phasing	Partners	Target Geography	Target Population
Do when designing infrastructure projects to ensure the program is operational prior to construction commencement.	TBD	TMRA	Businesses

D7. Create and Support Business District Program to Organize a Network for Small Businesses

How does it help? Creates a network of support services for small businesses in Central Vancouver.

Description: The City can help foster a network of small business support and cohesiveness. The City should facilitate connections between technical assistance organizations to ensure that best practices are shared and opportunities for collaboration are maximized.

City Role: The City can fund and either partner with organizations or implement program activities.

Phasing	Partners	Target Geography	Target Population
Do if staff capacity exists to support businesses on an ongoing basis, or partners and funding are available to maintain this network.	Small business support organizations	Central Vancouver	Businesses

D8. Use Workforce Navigator to Improve Utilization of Existing Job Training Services

How does it help? Increases access to existing job training and entrepreneurial services for under-resourced entrepreneurs, including small business owners and non-native English speakers.

Description: There are multiple job training and workforce development programs in and around Vancouver that provide multilingual access to their services and are currently being underutilized. Workforce navigators provide technical assistance to area residents to help access existing resources. They are often located in a

neighborhood-serving project.			
City Role: According to City staff, the City is currently piloting this strategy on Fourth Plain, with the hiring of a Workforce Navigator funded through a grant and managed by WSW. Based on the success of this pilot program, the City should consider expanding the program for the project to Central Vancouver.			
Phasing	Partners	Target Geography	Target Population
Do if the pilot program in Fourth Plain shows positive impact, and there is City capacity and interest in expanding the program. Do when grant funding is available for a navigator in the District.	TBD	Central Vancouver	Businesses

Support Existing Residents

D9. Support Renters through Expanded Rental Assistance and Tenant Protection Programs			
How does it help? Reduces and mitigates displacement. Emergency rental assistance and enhanced tenant protections and assistance provide direct support to prevent eviction for vulnerable renters. A rental registration program can help create a database of rental properties, which allows the City to assess where renters are living and assure that landlords are providing and maintaining units that comply with health and building codes.			
Description: This strategy could involve several separate but related initiatives: ▪ Providing emergency rental assistance ▪ Creating and maintaining a rental registration program of all rental properties ▪ Enhancing tenant protections through expanding legal protections and assistance for renters			
City Role: Evaluate whether to create new city-led programs and/or fund and support existing Clark County programs. Secure funds for and expand the Affordable Housing Fund.			
Phasing	Partners	Target Geography	Target Population
Do now assuming (1) the City has staff capacity and funding to support these opportunities, (2) long-term affordability or anti-displacement programs/opportunities are identified for residents after emergency rental assistance concludes, and 3) the City has the staff capacity to administer a rental inspection program.	TBD	Citywide	Residents

D10. Facilitate the Funding of Home Repair Loans/Grants
How does it help? Helps stabilize and assist low- and moderate-income homeowners by making improvements to their homes.

Description: Either through a city program or a nonprofit partnership, the City would provide funding or assistance to low- and moderate-income homeowners to make improvements to their homes.			
City Role: Fund grants for home improvements for lower-income homeowners			
Phasing	Partners	Target Geography	Target Population
Do when the City has sufficient funding (or desires to reallocate CDBG funding) and if partner organizations have capacity to collaborate on implementation.	TBD	Central Vancouver	Residents

D11. Facilitate the Funding of Grants/Tax Rebates to Reduce Energy Expenses			
How does it help? Offsets or reduces utility costs for income-qualifying individuals.			
Description: Grants and tax rebates are available to help reduce energy consumption and utility costs in homes of residents who are lower income.			
City Role: Identify additional funds to increase the number of grants and tax rebates that help reduce energy consumption in homes of residents who are lower income and reduce utility costs.			
Phasing	Partners	Target Geography	Target Population
Do if funding and partner organizations are identified and all parties have capacity to collaborate on implementation.	Organizations that facilitate home retrofits	Central Vancouver	Residents

D12. Expand Access to the County's Property Tax Exemption Program for Elderly Residents and Community Members with Disabilities			
How does it help? Reduces housing costs for vulnerable low-income homeowners.			
Description: Clark County has a property tax exemption program for low-income seniors and community members with disabilities.			
City Role: While the tax exemption program is administered by the county assessor, the City and local partners could increase participation in this program through education, coaching, and messaging.			
Phasing	Partners	Target Geography	Target Population
Do now assuming the City and partners are able to identify barriers to participation and have staff	Clark County	Central Vancouver	Residents

capacity to develop an approach to messaging and education.			
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D13. Establish and Implement Right of First Refusal (ROFR) Policies

How does it help? Helps preserve existing affordable housing by legally providing tenants the first right to purchase a rental building once placed for sale.

Description: Requires landlords to provide their tenants a first right to purchase their apartment building once placed for sale.

City Role: Establish policies and create a City ordinance for first right of refusal.

Phasing	Partners	Target Geography	Target Population
Do when partners and funding are identified to acquire properties identified through the ROFR process.	Area Community Land Trusts	Citywide	Residents

D14. Establish and Implement Funding Strategy for the Preservation of Low-Cost Market Rentals

How does it help? Sustains affordability for current and future residents.

Description: Use incentives to encourage landlords to agree to maintain affordable rents, or provide funding for affordable housing partners to acquire low-cost market rentals.

City Role: Establish incentive programs and/or provide acquisition gap funding.

Phasing	Partners	Target Geography	Target Population
Do now assuming the Affordable Housing Levy funds can be used for this program or other funding sources can be identified.	TBD	Central Vancouver	Residents

Phasing Considerations: Do Now, Do When, Do If

The City will need to phase its investments to ensure it has the capacity to carry out the actions identified in this plan. Given the City's current funding and staffing capacity constraints, this Plan includes two phases for implementation. The "Do Now" strategies are recommended for the City to leverage and prioritize with available resources. The City should consider "Do When/Do If" strategies as conditions change, such as when more funds and/or partners are identified. Further considerations around TMRA site redevelopment phasing, which will begin in the next several years and likely continue for decades, are included in Appendix F.

Do Now

To meet its objectives, the City will implement a broad list of strategies prior to, during, and after redevelopment. Some of these strategies must be implemented in the near term. Other strategies are contingent on the City identifying new resources or building new relationships. In order to successfully implement the strategies in this plan, the City should focus on several actions immediately. These actions will lay the foundation for equitable development in the Heights and are critical to meeting the overarching goals for the District. In the near term, the City should focus on the following actions (*specific strategies aligned with these actions are described below*):

- **Build relationships and develop partnerships.** The City should collaborate with impacted community members, community-based organizations, service providers, housing partners, and culturally specific organizations to ensure their needs are met. Building and deepening relationships with new and existing housing partners will help lay the foundation for the development of needed housing in the Heights (both affordable housing and alternative ownership models). (*Strategies B-1, B-2, C-4, D-3, D-4, D-9*)
- **Secure funding.** The City will need to secure additional funding to subsidize affordable housing and commercial space in the Heights. The City should focus on evaluating and pursuing new funding sources (such as state and federal grants, tax increment financing, local levy and bond funding, local improvement districts, etc.) in the near term to help fund projects over the course of the 20-year planning period. (*Strategy A-3*)
- **Buy property.** To meet Heights District goals, including affordable housing and mixed-use development with affordable commercial space, the City may need to acquire additional property in the TMRA. (*Strategy A-2*)
- **Help renters.** Focus on strategies aimed at stabilizing low-income households and fixed-income seniors in Central Vancouver. (*Strategies D-9, D-14*)
- **Help existing businesses.** Reach out to businesses in the Heights District and across Central Vancouver to connect them with existing assistance programs. (*Strategies B-4, C-4, D-3, D-4*)
- **Decide on affordability targets for the Heights.** Appendix F provides a detailed analysis and recommendations to inform this decision.

These actions ensure primary anti-displacement mechanisms are in place, land is acquired, partnerships are built, and infrastructure is built for catalytic development in the near term. These strategies have the highest impact relative to staff capacity, funding, and/or partner requirements. Some strategies will be complex or expensive to administer but are important in meeting the City's goals for the Heights.

Exhibit 1. Do Now Strategies

Action	Assumptions
A. Affordable Housing and Long-term Affordability	
A-1. Create development agreements to negotiate affordability requirements.	The City is ready to offer its property for redevelopment and has established affordability targets and funding.
A-2. Develop and carry out land acquisition strategy for TMRA redevelopment or other public investments.	The City has staff capacity and can access funding to acquire needed property to fulfill Heights District goals.
A-3. Seek additional funding for affordable housing development.	The City's affordable housing targets exceed existing affordable funding, and existing staff capacity can be utilized to seek out and develop additional funding sources.
A-4. Contribute funding toward affordable housing development.	The City can leverage existing local housing funds while it seeks additional funding.
A-5. Provide property tax exemptions through MFTE.	There are interested developers that opt into the program.
A-6. Develop an investment strategy for permanently affordable ownership.	The City desires affordable homeownership and intends a portion of the City's existing and expanding housing resources will be utilized for this purpose.
B. Alternative Ownership Models	
B-1. Establish or deepen relationships with Community Land Trusts.	The City has staff capacity to build and maintain relationships with partner organizations.
B-2. Develop City capacity and knowledge to support limited equity housing cooperatives.	The City has staff capacity and seed funding to build and maintain relationships with partner organizations.
B-4. Explore the feasibility of a collective commercial ownership model through a Community Investment Trust in Central Vancouver.	The City has staff capacity and seed funding to explore this concept.
C. Affordable Commercial Space and Economic Opportunities	
C-4. Partner with business assistance organizations to provide technical assistance to support entrepreneurship.	The City has staff capacity and funding to augment support to community members in Central Vancouver.
C-5. Assess current public contracting rules to prioritize BIPOC and women-owned businesses for City contracts/public investment projects.	The City's procurement staff has capacity to evaluate this opportunity.

D. Anti-Displacement	
D-1. Create an anti-displacement impact assessments checklist/tool kit and require anti-displacement impact assessments for public investment projects.	The City has staff capacity to complete the assessments and can act on the results.
D-3. Provide relocation and retention assistance for displaced businesses within TMRA.	The City has funding and staff capacity to establish and/or implement relocation and retention assistance.
D-4. Target technical assistance (financial and programmatic) to priority businesses.	The City has staff capacity and available or expanded funding/program capacity to offer businesses in Central Vancouver.
D-9. Support renters through expanded rental assistance and tenant protection programs.	1) The City has staff capacity and funding to support these opportunities. 2) For rental assistance - Long-term affordability or anti-displacement programs/opportunities are identified for residents after emergency rental assistance concludes. 3) For the rental registration program - The City has the staff capacity to administer a rental inspection program.
D-12. Expand access to the County's property tax exemption program for elderly residents and community members with disabilities.	The City and partners are able to identify barriers to participation and have staff capacity to develop an approach to messaging and education.
D-14. Establish funding strategy for preservation of low-cost market rentals or acquisition of vacant parcels.	Affordable Housing Levy funds can be used for this program or other funding sources can be identified.

Do If/Do When Strategies

As the City and its partners further establish additional funding sources, it can continue into second phase strategies to realize the full vision of equitable development. Phase 2 strategies would require significant staff capacity, new funding, and/or partners in order to implement or administer the policy or program. The City should consider pursuing these strategies when or if sufficient staff capacity, funding, and/or partners become available.

Exhibit 2. Do If/When Strategies

Action	Do When/If...
B. Alternative Ownership Models	
B-3. Support and help facilitate conversion of low-cost market rentals into limited equity cooperatives.	Offer when partner organizations are identified and have capacity and the City has available capacity and/or funding to provide support.
B-5. Explore the Feasibility of Community Investment Trust for new development in the TMRA.	Do if a CIT for new development is financially feasible and there is sufficient staff and community capacity to implement. (CIT may be more feasible as an anti-displacement tool through acquisition of existing buildings than as an equitable development mechanism.)
B-6. Design a phased, medium-scale approach to developing cooperative housing.	Do when experienced cooperative organizations/developers are cultivated, interested, and have capacity to develop projects.
C. Affordable Commercial Space and Economic Opportunities	
C-1. Facilitate establishment of childcare facilities/prioritize affordable childcare and health services in City-led public investments.	Do when negotiating development agreements for publicly owned land.
C-2. Master lease retail space and sublease at affordable rates.	Do when negotiating development agreements for mixed-use development on City-owned property or if the City is able to lease commercial space in a private development in the TMRA.
C-3. Implement workforce agreements (e.g., joint labor-management, project labor agreements, community workforce agreements) for Tower Mall redevelopment.	Do when the City has capacity to establish standards for wages, apprenticeship participation, and/or diversity targets in publicly funded projects.
C-6. Facilitate colocation of essential services (e.g., food, health, banks).	Do when the City is able to secure essential services in developments through development agreements.
C-7. Support opportunities for affordable commercial ownership.	Do when the City has decided on the preferred role to support commercial ownership and suitable commercial space will be available.
D. Anti-Displacement	
D-2. Facilitate the funding of an Individual Development Account program.	Do when the City can secure funding.

D-5. Establish storefront improvement and other business support programs.	Do when the City has identified ongoing funding and staffing and has developed program parameters.
D-6. Aim to establish construction disruption mitigation program for area businesses.	Do when designing infrastructure projects to ensure the program is operational prior to construction commencement.
D-7. Create and support business district program to organize a network for small businesses.	Do if staff capacity exists to support businesses on an ongoing basis or partners and funding are available to maintain this network.
D-8. Use Workforce Navigator to improve utilization of existing job training services.	Do if the pilot program in Fourth Plain shows positive impact and there is City capacity and interest in expanding the program. Do when grant funding is available for a navigator in the District.
D-10. Facilitate the funding of home repair loans/grants.	Do when the City has sufficient funding and if partner organizations have capacity to collaborate on implementation.
D-11. Facilitate the funding of grants/tax rebates to reduce energy expenses.	Do if funding and partner organizations are identified and all parties have capacity to collaborate on implementation.
D-13. Establish and implement right of first refusal (ROFR) policies.	Do when partners and funding are identified to acquire properties identified through the ROFR process.

Appendix B: Background - How This Plan Builds from the Heights District Plan

The Heights Equitable Development Plan is an implementation framework designed to guide the City in implementing the equitable development vision and goals in the original Heights District Plan. This Appendix summarizes the key pieces of the original Heights District Plan and describes how they informed the development of the Heights Equitable Development Plan.

The Heights District Plan

In 2017, the City of Vancouver purchased the site of the former Tower Mall building and began engaging with the community to establish a vision to enhance and revitalize this older commercial center and surrounding properties in the Heights District. The City underwent an 18-month planning process for the Heights District, guided by a robust public involvement effort by the City. The plan was developed as a means to identify a long-range land use and transportation vision and plan for the Heights District, catalyze revitalization and private investment in central Vancouver, and develop a preferred conceptual development site plan for the 63-acre Tower Mall Redevelopment Area. Feedback from the community was incorporated into the plan and reflected in the plan's design drivers, its emphasis on connectivity and public open spaces, and strategies to ensure compatibility of new development with the existing neighborhood fabric. The result was a community vision for how the Heights District will develop over the next 20 years. The Heights District Plan established a policy framework to guide the Heights District toward fulfilling this vision, as well as a redevelopment plan with a proposed 20-year development program for the Tower Mall Redevelopment Area. This plan addresses the potential for displacement of existing residents as a result of public and private investment in the area, and includes strategies to avoid and mitigate these unintended impacts on Heights residents as the district develops. The Vancouver City Council adopted the Heights District Plan in August 2020.

Heights District Equitable Development Goals

- Provide housing for people and families at all income levels
- Retain and attract locally owned businesses
- Create opportunities for businesses owners from historically marginalized groups
- Support the creation of new businesses, which can meet the needs of local residents
- Offer a variety of employment opportunities that pay a living wage and are accessible to Vancouver residents from a range of educational and professional training backgrounds
- Connect residents to community services and amenities that benefit all ages and income groups

Source: Heights District Plan, summarized by City of Vancouver staff

Exhibit 1. Map of the Heights District Plan Area and Tower Mall Redevelopment Area

Source: The Heights District Plan



Heights District Plan Guiding Principles

The Heights District Plan included guiding principles developed from community input during the visioning process. Developing a robust mixed-income housing strategy and ensuring equitable development became the overarching principle guiding the Plan. Mixed-Income Housing, Community Health, Wellness and Equity, and Economic Development were the primary guiding principles in the development of the Heights Equitable Development Plan.

Exhibit 2. Heights District Plan Guiding Principles

Source: Heights District Plan

Overarching Guiding Principle

To create an equitable development that is inclusive of community members from a variety of economic and racial/ethnic backgrounds. Ensure that all community members have equitable access to services and amenities located in the District. Build on the area's rich history of providing housing and workforce opportunities to a diverse range of people, from the WWII era to the present.



Mixed-Income Housing

To provide for a variety of housing types, affordable to people of different incomes

Primary

Through stakeholder engagement, these three guiding principles emerged as key drivers.



Connectivity

To strengthen multi-modal connections and improve accessibility throughout The District and within the 20-minute walkshed.



Community Health, Wellness & Equity

To embrace and promote healthy living, universal design and social equity as core values of The District.



Sustainability

To reflect social, economic and environmental responsibilities.

Secondary

These four guiding principles serve to supplement and reinforce the primary drivers.



Public Realm

To create a variety of vibrant community spaces to enrich the quality of life for all residents and visitors.



Arts/Culture

To promote arts and culture in The District.



Economic Development

To attract private investment and deliver equitable public benefit, including housing and amenities that serve residents of diverse racial/ethnic and socioeconomic backgrounds.



Urban Character/Form

To promote good urban form that invites high-quality design and supports safe and vibrant public spaces.

The Plan addressed six broad categories, each including policies that identified how the vision and guiding policies would be achieved:

- Land Use and Zoning
- Equity, Jobs, and Housing
- Economic Vitality
- Access and Circulation
- Public Realm and Open Space
- Environmental Sustainability

The policies in the Heights District Plan—within the Equity, Jobs, and Housing and Economic Vitality categories in particular—provided the beginning framework from which this Equitable Development Plan was built. These policies were used as a starting point by ECONorthwest to develop specific anti-displacement and equitable development strategies for the Heights.

Exhibit 3. Heights District Plan Equity Jobs and Housing Policies

Source: Heights District Plan

D-1 Ensure residential units of all levels of affordability are constructed to a high standard of quality.

D-2 Create opportunities for homeownership at a range of prices.

D-3 Increase the variety of housing to include a mix of unit types from attached single-family houses to multifamily apartments and condos, with a focus on providing options appropriate for residents at all stages of life, including young professionals, working families, seniors, and people with disabilities.

D-4 Create diversity in housing types, as well as a mix of 2- and 3-bedroom units that are affordable for families, seniors and others on fixed or limited incomes.

D-5 Ensure affordable housing is sited and integrated appropriately with market rate housing. D-6 Provide mixed-income housing affordable to people at a variety of income levels.

D-7 Ensure a range of employment opportunities suitable for a variety of educational and job training backgrounds.

D-8 Ensure opportunities for seniors to age in place in The District.

D-9 Ensure continuity of access to social and religious services as the area transitions.

D-10 Expand the reach of the community center and social services at Skyline Crest by connecting to The District both physically and programmatically.

D-11 Include social and environmental responsibility criteria for selecting developers for City-owned land.

D-12 Expand the number of living wage jobs in The District.

Exhibit 4. Heights District Plan Economic Vitality Policies

Source: Heights District Plan

E-1 Program locally owned and operated restaurants, food markets, and services that serve a range of preferences and affordability levels.

E-2 Work with development partners to promote healthy food options within The District.

E-3 Incentivize opportunities for education and innovation to occur within The Heights District.

E-4 Maintain a small business culture by retaining existing locally owned businesses and attracting new local businesses, including minority- and women-owned and disadvantaged business enterprises.

E-5 Ensure that branding and signage of larger businesses does not override the identity of The District.

E-6 Ensure that all economic strategies are feasible and attract private investment as intended.

E-7 Ensure that all economic strategies are equitable and deliver appropriate public benefit.

E-8 Employ a phased development approach, with incremental growth leading successful implementation of the long-term vision.

E-9 Avoid building the best site first, as it is more likely to realize its full potential after economic momentum has accrued.

E-10 Leverage city landownership to make strategic investments and build economic momentum.

E-11 Work to attract cafes, art galleries, incubator and maker spaces to activate the District. Consider interim uses like pop-up retail, food trucks, and temporary installations to provide short-term activation and energy.

E-12 Consider interim uses for existing buildings such as creative industries, maker spaces, artist studios, and small businesses.

E-13 Negotiate with property owners to seek tenants complementary to The Heights District vision, goals, and objectives.

E-14 Promote programs that build community and allow opportunities to share resources, such as tool libraries.

Heights District Plan Land Use Scenario

Additionally, the Heights District Plan included a future land use scenario for the district and a detailed development program for the Tower Mall Redevelopment Area. The TMRA development program planned for 1,340 residential units and 56,000 square feet of commercial space, as well as a mix of other uses, public facilities, and open space. Of the 1,340 planned residential units, the City aimed for 65 to 70 percent of those units to be market rate and 25 to 40 percent to be affordable at incomes of less than 100 percent area median income (AMI). The housing and commercial targets for the TMRA were refined in the course of developing this Equitable Development Plan, as is explained in Appendix F of this Plan.

Exhibit 5. Heights District Plan Tower Mall Redevelopment Program

Source: Heights District Plan

Land Use	Proposed 20-Year Development Program
Residential	1,340 units (1,000 sf avg.)
Commercial	56,000 sf
Office	65,000 sf
Hospitality	83,000 sf (156 hotel rooms)
Civic	16,000 sf
Church/Multi-Purpose	20,000 sf
Parks & Open Space	6.1 acres
Total	1.58M sf

Exhibit 6. Heights District Plan Implementation Strategy

Source: Heights District Plan

IMPLEMENTATION STRATEGY

The Heights District and Tower Mall Redevelopment Plan will be realized over a 20-year time period from adoption. These initial steps will set the stage for long-term fulfillment of the Plan.

2018–2019: INITIAL PLANNING

- The Heights District Plan
- Tower Mall Redevelopment Plan
- Urban Design Guidelines and Sustainability Program
- Conceptual Development Plan & Entitlements (next Phase)

2020–2021: POLICY UPDATES

- Comprehensive Plan
- Zoning Code
- Capital Facilities Plan
- Transportation Improvement Program

2021–2023: CONCEPT REFINEMENT

- Development Plan and Housing Strategy
- Streets and Public Realm Master Plan
- Lot Line Adjustments, Easements, and Acquisitions

2023–2039: DESIGN AND CONSTRUCTION

- Parks and Infrastructure
- Development Partnerships and Agreements
- Neighborhood Development Organizational Structure
- Building Project Delivery

This Equitable Development Plan is the next phase in planning for the Heights. This document builds off the policy framework in the Heights District Plan for equitable development of the District over time. The Heights District Plan outlined an implementation strategy consisting of four phases: Initial Planning, Policy Updates, Concept Refinement, and Design and Construction (see Exhibit 6). Initial Planning and Policy Updates have been complete. This project is part of the Concept Refinement Phase, representing the Development Plan and Housing Strategy in Exhibit 6. Concurrent with this project is the Streets and Public Realm master planning process (now called the infrastructure design work). The Equitable Development project team has coordinated with First Forty Feet, the infrastructure design team, throughout the course of this project and refined land use assumptions from the concurrent infrastructure design work have helped inform the recommendations in this Equitable Development Plan.

Appendix C. Engagement Plan and Summary

Heights Equitable Development Engagement Plan

I. Introduction

Context

The Heights District Plan envisions a vibrant, inclusive, and connected urban neighborhood center that is economically feasible, context sensitive, and promotes community health and wellness. The Heights District Plan area consists of the 63-acre Tower Mall Redevelopment Area within the broader 205-acre Heights District. The Plan established a policy framework to guide the Heights District toward fulfilling this vision, as well as a redevelopment plan with a proposed 20-year development program for the Tower Mall Redevelopment Area.

The City of Vancouver is in the next phase of planning for the Heights District with two concurrent projects: the Heights District Equitable Development Plan and the Heights District Infrastructure Plan. These projects, referred to collectively as the Heights District Project, will be led by the City of Vancouver and managed by a project management team consisting of City staff and project consultants (ECONorthwest for the Equitable Development Plan and Forty Feet, PBS, and Walker Macy for the Infrastructure Project).

The Heights District Equitable Development Plan and the Heights District Infrastructure Plan will have distinct but overlapping community engagement needs, so engagement activities will be closely coordinated. The City of Vancouver should lead and direct all community engagement for the Heights District Plan to present clear and coordinated messaging between projects. ECONorthwest will play a central role in helping the City develop strategic questions about equitable development for the Heights. This memorandum describes the community engagement needs specific to the Equitable Development Plan and outlines how and where the City of Vancouver might coordinate these needs with the Infrastructure Project engagement plan.

Purpose

The Heights District Equitable Development Plan will evaluate and operationalize public benefits goals, evaluate development feasibility of anticipated development types and the impact of public benefits to feasible development, and identify clear strategies for the City of Vancouver and community to carry forward as the Heights District Plan continues to be implemented.

Public input will inform the strategies and recommendations included in the Heights District Equitable Development Plan. It will also help decision-makers shape the project to meet the

needs of the communities it would serve. Public engagement activities will occur over two project phases, structured to inform the project. *Engagement Milestone #1* is intended to refine the goals from the Heights District Plan to inform the strategies and policies analyzed as part of the Equitable Development Plan, and *Engagement Milestone #2* will gather feedback from community members on prioritization and phasing of the recommended strategies.

As used throughout this document and project, a community is a group of people defined by a shared background. A stakeholder is an individual or entity that would be affected by the project, including businesses, residents, elected officials, local government, and community organizations. Engagement activities for the Equitable Development Plan should be tailored toward specific stakeholders and community members that will best inform the plan, including area residents that are at risk of displacement, impacted businesses, and neighborhood service providers.

- The purpose of this communication and public engagement plan is to:
 - Outline the goals for public engagement.
 - Specify the project decisions public input will inform.
 - Detail methods, techniques, timelines, and staffing assignments.

This document will guide both how the project is communicated to the public and how public input is used and shared. The remainder of this document is structured as follows:

- Section II: Engagement Goals and Objectives
- Section III: Outreach Strategy and Measures
- Section IV: Outreach Content and Materials Support
- Section V: Stakeholder Identification
- Section VI: Project Milestones and Engagement Topics
- Section VII. Engagement Methods
- Section VIII. Decision-Making Process

II. Engagement Goals & Objectives

The Heights District Plan engagement goals and objectives established by the City of Vancouver (COV) identify specific engagement goals and objectives to support the Plan in informing, gathering input, and using input from diverse stakeholders. Public engagement for the Equitable Development Plan will target specific underrepresented communities near the project area to better understand and mitigate potential unintended and unwanted outcomes of the development, such as displacement of existing residents and business owners.

A. Engagement Goals

1. **Communicate with neighboring residents, businesses, faith groups, and schools** in a proactive and timely manner:
 - Ensure that neighbors and interested stakeholders are clear about the project timeline and are invited to mark major milestones.
 - Provide regular progress updates, increasing awareness of work happening "behind the scenes" or in ways that are less visible to community members.
 - Ensure community values and input on the Heights District planning process is sought out and integrated regularly.
 - Ensure that neighbors know how to communicate with the City if they have questions and additional feedback.
 - Ensure the project is aligned with the needs and opportunities shared by the community.
 - Draw on local knowledge from a diverse group to create more effective, informed, creative, and practical solutions.
2. **Build on earlier community engagement**, and honor past commitments.
 - Acknowledging past participation and incorporating feedback into current planning ensures the City holds itself accountable to community needs and priorities, increases trust in the community, and improves the likelihood that project outcomes are widely accepted and successful.
 - For some groups, project-specific engagement may need the City to first acknowledge and address the trauma of past experiences across affected communities (when relevant). Engaging in dialogue on the deeper history of the project site may feel irrelevant but may be critical to arrive at a functional and equitable path forward.
3. **Engage stakeholders and the community** around equitable development strategies.
 - Invite the community (small business and residents) to learn and give feedback about strategies for anti-displacement and equitable development efforts in COV and share concerns and desires for an inclusive, livable, and workable Heights District.
 - Conduct engagement in a way that is focused on building capacity, accountability, and relationships with the community, as opposed to transactional, extractive engagement narrowly focused on gathering information.
 - LONG TERM: Take what was learned during these engagements and create an accountability tool/process to center community concerns and desires in future COV decision-making.

4. **Demonstrate how stakeholders and community feedback is being used to guide the current phase of work and overall plan.**
 - Report back on what was heard through previous engagement efforts and identify how feedback has shaped the work plan.
 - Provide opportunities for community members to receive updates on the project that clearly address how feedback influences the project.

B. Engagement Objectives

1. **Engage people with diverse experiences and views:** Ensure that people of different incomes, sectors of work, housing type, and racial and cultural identities can learn about and provide input for project decisions.
2. **Engage people who will be directly or indirectly impacted by the project,** especially those who may be involuntarily displaced. Actively work to remove and reduce barriers to participation.
3. **Strive to be inclusive and transparent** throughout the planning process.
4. **Build on previous work:** In communicating with stakeholders, proactively provide information on existing policies, visions, and goals from the Heights District Plan and Reside Vancouver and demonstrate how feedback from past engagement is being incorporated into this phase of planning. Use the themes from previous Heights District planning efforts and Reside Vancouver to inform the questions the City asks stakeholders.
5. **Ensure stakeholders are well informed:** Provide clear, timely, and accessible information about the project, its purpose, goals, schedule, and what it will mean for stakeholders. Utilize a variety of communication methods to engage diverse communities.
6. **Reflect and/or acknowledge input in decisions:** Show that the project is listening to stakeholders by reflecting on how input influences the assessment of equitable development strategies and the prioritization of City investment decisions. Throughout the planning process, the City and the project team will document input and provide feedback on how public input has influenced the plan.
7. **Strengthen community relationships and empower participants:** Through involvement in the District planning process, educate, embolden, and enable residents, stakeholders and community members as advocates and ambassadors in future City processes. Reduce or eliminate transactional engagement activities. Honor and compensate people for their expertise, when appropriate.
8. **Recognize the City's commitment to equity:** Communicate how the project will coordinate with citywide plans and initiatives to serve all residents, particularly

recognizing the historically disparate distribution of benefits and impacts among racial and socioeconomic groups as neighborhoods and cities develop and change.

9. **Foster self-determination:** Cultivate as many recommendations as possible and prioritize community feedback that advocate for greater power, control, resources, and capacity for community members to self-assess what they want and how they want to use such resources to build, protect, and develop their own communities.

III. Outreach Strategy and Measures

The Heights District Project outreach strategy and performance measures established by the COV identify core actions for outreach and dissemination of project information, equity guiding principles and values, key messaging, and measures of engagement success.

A. Core Actions

1. **Engage community members where they are. Reach out** to neighboring residents, businesses, service providers, faith groups, and schools in a proactive and timely manner; notify community of planned next steps.
 - For harder-to-reach communities, additional resources and consideration should be taken to locate and compensate key trusted messengers and reduce barriers.
 - Ensure messaging is accessible, culturally appropriate, and in key languages.
 - Use nontraditional methods to ensure harder-to-reach communities are aware of information and engagement opportunities.
2. Use engagement activities to build and strengthen relationships and community capacity for future engagement.
 - Identify and encourage opportunities for connection, coordination, and collaboration between community groups.
 - Share what is being learned in an open and transparent fashion for the benefit of all partners.
3. **Provide responsive information** that addresses community questions about safety, noise, traffic impacts, etc., including how to notify the City of concerns.
 - Use the project's Be Heard Vancouver page to accept questions and post responses related to the project. Create a key city staff phone number list for community members that are less likely to utilize the website.

B. Equity Guiding Principles and Values

- Equitable development, creating spaces that are welcoming and inclusive across all dimensions.

- Centering the needs of those most impacted.
 - Minimizing negative impacts
 - Delivering benefits
- Identifying roles for community members.
- Inspire a sense of possibility and hope for the future.
- Manage community expectations by being upfront, transparent, and honest.
- Let participants know upfront of any “nonnegotiable” aspects of the project.
- Be transparent in describing capacities and limitations (especially regarding community decision power, financial constraints, and time constraints).
- Continue engaging with community throughout project and beyond. Create pathways for ongoing communication and feedback.
- Ensure that promises and commitments made are kept.
- Fiscally compensate individuals and organizations for their time and labor. We will not ask or expect anyone to work for free. Collaborate with community to determine what fair (yet feasible) compensation for their time and emotional labor looks like.
- Look honestly and in depth at both the technical data and engagement data. If they are at odds with one another, do not discount the community perspective; it is also critical data, as community members are experts of their community.

C. Key Messaging

- **The Heights as a community project:** Highlight the ways that the plan is guided by shared values and robust community input. What community values are guiding current and upcoming work?
- **Commitment to a shared vision:** As time passes and work takes place behind the scenes, make it clear that the plan and vision created by the community will be implemented with fidelity. How is current work delivering on past promises?
- **Emphasize shared benefits:** Continually emphasize and demonstrate how the project will benefit the entire community, with an emphasis on those who live in the area now. How will the project improve livability for current and future residents?

D. Measures of Engagement Success

- Number of community members:
 - Reached from target audiences

- Reached in familiar community locations, such as schools, grocery stores, places of worship, etc.
- Participating in community meetings and small-group conversations
- Participating in interim activities held at the Heights property
- Number of businesses engaged:
 - Focus on retaining businesses that are currently onsite or nearby
- Timelines of communication, residents reporting feeling included:
 - Updates ahead of and following major milestones
- Community meeting evaluations (suggested best practice):
 - The number of participants new to conversations about the Heights
 - The number of participants reporting:
 - The meeting was helpful and that they learned information that was useful
 - They gained new perspectives about the Heights Project
 - They learned about ways that they can stay involved or play a role

Longer-term measures of success include:

- Strengthened partnerships and alliances between engaged communities and the City.
 - Community participants are seen and recognized as ongoing contributors, experts, and leaders.
- Established and mutually agreed-upon structures of engagement were upheld—such as financial compensation for community partners, requirements for equitable composition of governance or steering bodies, protocols to ensure integration of community partners into equity assessments, and arrangements for data sharing and ownership agreements, among others.
- Community-aligned solutions were developed and implemented.

IV. Outreach Content and Materials Support

Provide outreach and project status content and materials to support the COV in communications and outreach through established and newly developed communication channels. The existing Heights District Plan project email list, COV website, Be Heard Vancouver engagement platform, Vancouver Connects monthly newsletter, and My Vancouver app will be a primary source for Project information and supplement engagement efforts. Additional outreach to targeted harder-to-reach communities will take place via direct contact or through trusted partners. Materials will be adapted for use in Spanish, Russian, and other

languages as needed. Effort will also be made to ensure that materials are accessible to people with limited or no vision.

Project-specific outreach content and materials for use by the COV on the Project website, Be Heard, and established COV communications channels will consist of the following:

- **Project Orientation:** Project overview and graphics depicting the project area, process, and timeline (relative to the broader project and other related efforts) for use on the Project website and established communication channels.
- **Equitable Development Plan information:**
 - Summary of the project and project purpose
 - Summary of what was heard in past Heights engagement efforts
 - Calendar of engagement events
 - Frequently Asked Questions
 - Information on existing and potential City business and resident assistance programs
 - Information on potential equitable development strategies
- **Implementation Phase:** Outreach content, including schedule updates and description of work completed. After engagement for the project is complete, the City will publish an engagement report that summarizes what was heard.

Engagement presentation materials and deliverables will be prepared and suitable across in-person and virtual engagement platforms for print and digital viewing.

V. Stakeholder Identification

The Heights District Plan is an opportunity for the COV to partner with the private sector to bring new investment to Central Vancouver and ensure that new development provides benefits and opportunities to a broad range of residents and businesses now and into the future.

A. Community Partners

The following stakeholders are identified for engagement to provide diverse perspectives, direction, and build excitement, as well as to form and strengthen strategic partnerships and promote the project's community benefits.

- **City Council**

The City Council will be briefed to review and provide feedback on the project. City staff will determine the timing and content for Heights presentations to City Council. ECONorthwest will provide materials for the presentations as requested.

- **Boards and Commissions**

The City Center Redevelopment Authority will be briefed on the project to provide feedback on key findings and potential strategies. Other boards and commissions may be briefed on the Equitable Development Plan throughout the project as determined by City staff.

- **Public Agencies**

The City has several relevant public agencies to provide education and promote economic development, housing affordability, and services to seniors, people with disabilities, veterans, and other at-risk populations. These agencies can provide input on how to reach their constituents directly, what they think their constituents currently need, and what they'll need as the area redevelops. ECONorthwest will consult with COV to determine public agencies suitable for potential engagement such as:

- Vancouver Housing Authority
- McLoughlin Middle School and George C. Marshall Elementary School

- **Community-Based Organizations (CBOs) and Strategic Partners:**

Targeted engagement with CBOs and other strategic partners is critical to gathering the information needed to inform the Equitable Development Plan. These groups can provide input on what they need, what their constituents need, who to reach out to, and ways to reach community members directly. Engagement for the Equitable Development Plan should be targeted to the specific stakeholders and community members listed below. COV will provide a list of appropriate CBOs for potential engagement.

- Affected Businesses:
 - Affected businesses should be at the planning table to provide input on the assessment of community stabilization strategies, equitable development strategies, and the prioritization of City investment decisions.
 - Specific recruitment of small businesses owners, business owners who rent space, and business owners of color should be conducted to identify context/project-specific concerns and risks of displacement.
- Community members and residents:
 - Specific outreach to low-income renters, residents of multifamily units, and communities of color should be conducted to identify context/project-specific concerns and risks of displacement.
 - Specific outreach to low-income homeowners should be conducted to identify context/project-specific concerns and risks of displacement.
- Neighborhood service providers and community groups:

- The City should hold discussions with service providers, church groups, and other community-based organizations that serve the neighborhood to understand displacement risks and community priorities around development in the Heights.

B. External and Internal Groups

The COV with project team support will engage a wide range of external and internal groups to reach those who live, work, or attend school in the Heights District area, as well as communitywide audiences to inform infrastructure design, build excitement, be inclusive, form/strengthen strategic partnerships, and promote the public infrastructure's community benefits.

External partners

- Area neighborhoods
 - Evergreen Highlands
 - Father Blanchet Park
 - Harney Heights
 - Northcrest
 - Northwood
 - Vancouver Heights
- Businesses
 - Local restaurants and retail
- Faith-based organizations
 - Northcrest Community Church
 - Peoples Church
 - Ukrainian Baptist Church
 - St. Joseph Catholic Church
 - Grace Baptist Church
 - Trinity Baptist Church
 - Bah'ai Center
- Vancouver Public Schools
 - George C. Marshall Elementary
 - Martin Luther King Elementary
 - McLoughlin Middle School
- Boys and Girls Clubs of Southwest Washington
 - Heights O.K. 2 Clubhouse
(serving 1st–5th grade students)
- PeaceHealth Southwest Medical Center
- Vancouver Housing Authority

Internal partners

- Members of the project management team
- Consultants
 - First Forty Feet
 - PBS
- Members of the Heights District Project Technical Advisory Committee
- Equity Advisory Committee
- City Council and Mayor
- Boards and commissions (assigned City staff)
 - Vancouver Housing Authority Board of Commissioners (Roy Johnson)
 - Chief's Diversity Advisory Team (Heather Abbot)
 - Brownfields Advisory Committee (Shannon Williams)

- Community-based organizations
 - NAACP
 - Fourth Plain Forward
 - Southwest Washington Equity Coalition
 - Latino Community Resource Group
 - Workforce Southwest Washington
 - League of United Latin American Citizens SW WA
 - Habitat for Humanity
 - Vietnamese Community of Clark County
 - Sakura 39 (Chuukese/Pacific Islander organization)
- Broader citywide audiences
 - Business groups, developers, realtors, etc.
- Service providers
 - Bridgeview Resource Center
 - Veterans of Foreign Wars

VI. Project Milestones and Engagement Topics

A. Project Milestones

Engagement milestones will provide an opportunity to gather a range of stakeholder and community perspectives to inform the strategies that will be assessed and potentially recommended as part of the Equitable Development Plan. Stakeholders will be given the opportunity to provide input so that the types of strategies and phasing of strategy implementation provides the most benefit to the communities.

Engagement is intended to occur within two project milestones.

- **Engagement Milestone #1 - Refining Priorities for the Heights** – The initial phase of engagement will focus on moving to a level of specificity from goals in the Heights District Plan. The COV will collect current information from businesses and residents about their current and future needs (as the project builds out) and present preliminary information on strategies to implement goals from the Heights District Plan and Reside Vancouver. This information should be collected early in the project, as it will help inform the strategies and policies ECONorthwest focuses on in the Best Practices and Feasibility Analysis Tasks. *Expected timing: August – September 2022.*

- **Engagement Milestone #2 - Timing and Prioritization of Recommendations** - The second engagement phase will occur after ECONorthwest has completed the market analysis and best practices research and during the process of conducting the feasibility analysis. At this point the project team should have sufficient information on potential policies and strategies and will seek to gather feedback from community members on prioritization and phasing of these strategies. *Expected timing: October – November 2022.*

Engagement sessions could include focus groups, one-on-one interviews, meetings, Heights District open house events, and tabling at other community events.

B. Project Engagement Topics

The Heights District Equitable Development Plan will identify, evaluate, and recommend strategies related to two topics: (1) anti-displacement and community stabilization and (2) public benefits and equitable development. Engagement session questions and materials will be tailored to appropriate stakeholder participants.

- *Targeted Stakeholders:*

Lower-income neighborhood residents, renters, small business property owners and renters, area service providers, community groups, communities of color, and other underrepresented groups.

- *Purpose of Engagement*

Engagement sessions will gather feedback on anti-displacement, community stabilization, public benefit, and equitable development strategies to inform the Equitable Development Plan. ECONorthwest will work with the COV to develop specific questions related to these strategies corresponding to each milestone:

- *Milestone 1 - Refining Priorities for the Heights*

Questions in the initial phase of engagement will focus on understanding the current and future needs of businesses and residents. ECONorthwest will use this feedback to inform research on community stabilization strategies for existing households, businesses, and service providers in the Heights. Example questions are included in Appendix B to this document. ECONorthwest will also use feedback to refine the list of public benefits from the Heights District Plan and Reside Vancouver that are desired or needed by the community.

- *Milestone 2 - Timing and Prioritization of Recommendations*

Questions for the second round of engagement will depend on the strategies refined through the market analysis, best practices, and case studies research. ECONorthwest plans to identify and research a number of potential strategies related to anti-displacement, community stabilization, public benefits, and equitable development through Tasks 2, 3, and 4. Community feedback can help guide development of recommendations related to these strategies. Questions might revolve around identifying strategies that are the highest priority for community

members or getting feedback on how phasing of strategy implementation might best support residents, businesses, and community members. It is especially important that the COV coordinate messaging regarding the Equitable Development and Infrastructure Design Plans when discussing the prioritization of public benefits so the public may understand the trade-offs between potential strategies.

VII. Engagement Methods

The Heights District Stakeholder Engagement Process will include in-person, one-on-one, or group meetings; large-format community meetings; and feedback gathering via surveys, evaluations, and comment forms for use in online and in-person engagement.

A. In-Person Engagement

- **City Council Updates**

The COV will provide regular updates to City Council.

- **Community Events**

- *Target Stakeholders - Residents*

Community events are a forum for the COV and project team to share project information with the public and obtain input on issues and potential solutions. Open house meetings will be targeted toward engaging residents at risk of displacement.

Two community events will be held during the project, corresponding with the project's Engagement Milestones. The **Engagement Milestone #1** event will gather community insights from residents about their current and future needs and present preliminary information on strategies to implement goals from the Heights District Plan and Reside Vancouver. The **Engagement Milestone #2** event will gather community feedback from residents on prioritization and phasing of potential strategies. Coordination between the Equitable Development Plan and Infrastructure Design Plan will be important for these events to present clear messaging to residents about public benefits and trade-offs between projects. The City may consider holding joint community events that present information for both projects.

Open house meetings may be held at other project milestones as needed. Community events will be held at accessible locations. Agendas, information packets, presentation exhibits, and meeting summaries will be posted on the COV website and the Be Heard Vancouver platform.

- **Interviews**

- *Target Stakeholders – Community-Based Organizations*

To build a shared vision for the Heights District Project, the COV will conduct interviews with community-based organizations to inform their members about the project, timeline, and opportunities for engagement.

- **Tabling at Events, Pop-Ups, and Intercept Interviews**

- *Target Stakeholders – Community Members Who Have a Connection to the Heights*

Engaging people in a wide range of community settings, such as schools, faith communities, and cultural celebrations will help the team to learn more about community member needs, priorities, and hopes for the future.

- **Small-Group Conversations**

- *Target Stakeholders - Area Businesses and Service Providers*

For the Heights Equitable Development Plan, the COV will convene separate focus groups for neighborhoods businesses and service providers. ECONorthwest will prepare questions for these groups and may attend and prepare materials as requested by City Staff.

B. Online Engagement

- **Website**

The project website is hosted on the Be Heard Vancouver website and managed by the City. The project team will generate web content for engagement, including frequently asked questions and online engagement activities. The website will serve as an information resource and will provide a project overview, updates at key milestones, and documents such as the schedule, public participation calendar, and graphics. Printed materials will feature links to the project Be Heard Vancouver page and information about how to sign-up for email updates.

- **E-Newsletter**

Email updates will be distributed by the COV using its newsletter delivery tools at project milestones. Email updates will announce opportunities to get involved and share links to surveys and recent engagement summaries.

- **Social Media**

The popularity and accessibility of social media enables users to receive up-to-date information immediately. Social media channels will be used as a tool to help share information throughout the project; the COV's Facebook, Twitter, LinkedIn, and Instagram accounts will expand the reach of the Heights District Project among its followers. This allows information about the Heights District Project to reach a broader portion of the public, including underrepresented communities. Individuals who may not want to engage or be able to participate via traditional public engagement methods can still be a part of the engagement process if they use social media.

C. Collaboration with Other Engagement Efforts

The City is currently engaging residents across multiple projects in Central Vancouver and the broader community, including:

- The 2023-24 Biennial Budget, which included a scientific community survey
- Waterfront Gateway
- Affordable Housing Fund
- Fourth Plain Blvd Safety and Mobility Project
- Brownfields Assessment Project
- Fourth Plain Investment Strategy/ARPA
- Community Visioning/Comprehensive Plan

To improve alignment and reduce engagement fatigue, COV staff will actively work to break down silos between these and other engagement efforts. This may involve sharing research findings (what is being learned between projects), identifying overlap among target audiences, and reviewing stakeholder lists to ensure communications are aligned.

VIII. Decision-Making Process

A. Public Input Documentation

The COV will share summaries of engagement efforts and input received from City Council to help make key project decisions. Comments emailed or mailed to COV outside of a specific engagement event will also be included in the summaries. These summaries may take the form of a list of major themes discussed, verbatim input, or infographics depending on the content and depth of input collected. Summaries of engagement efforts and input received will be posted on the COV website, Be Heard Vancouver, and shared with project partners. This information will be shared at project milestones and leading up to project decisions to demonstrate that the input has been recorded and provided to decision-makers and the community.

B. Decision-Makers

The decision-making process is led by the following groups that are informed by input gathered from public engagement efforts.

- **CITY OF VANCOUVER**

The Heights Equitable Development Project will be organized and managed by a project management team (PMT) comprised of the COV Heights District project manager, COV staff as identified by the COV project manager, and the consultant (ECONorthwest).

- **TECHNICAL ADVISORY GROUP**

The Technical Advisory Group comprised of planning and public works staff from the City of Vancouver, and as needed agency partners as identified by COV, will provide technical input on issues related to design, the environment, engineering, construction, phasing, and funding of the Heights District Project. Technical Advisory Committee members will review technical documents and make recommendations to the project management team.

- **CITY COUNCIL**

City Council will provide the overall direction and guidance for the project. All City Council meetings will allow for public comment. The City Council will provide recommendations to the PMT on project decisions using input and findings from council meetings, technical analyses, and public engagement findings.

- **EQUITY ADVISORY COMMITTEE**

The Equity Advisory Committee will review this Engagement Strategy and provide input on stakeholders and outreach methods for the Equitable Development Plan.

- **TOPIC WORKING GROUPS**

Working groups consisting of commissions, community-based organizations, universal accessibility advocates, and affected businesses, owners, and residents will have one-on-one or group meetings where they will explore topics in depth with representatives from the COV. The COV will determine the timing for, and will convene, these meetings. ECONorthwest will provide materials and attend as needed.

C. Roles and Responsibilities

- **CITY OF VANCOUVER**

The City of Vancouver will lead all engagement efforts for the Heights District. The City will direct messaging around engagement events and coordinate messaging for the Equitable Development and Infrastructure Design Plans. The COV will convene and attend all events. The COV will work with ECONorthwest to determine timing and stakeholders for specific events.

- **ECONorthwest**

ECONorthwest will develop key questions for the Equitable Development Plan engagement events and will use community feedback to inform the strategies included in the plan. ECONorthwest will work with the COV to prepare the appropriate information for each event. ECONorthwest will attend two community events corresponding to engagement Milestones 1 and 2 and can attend commission meetings, focus groups, and interviews as necessary, to be determined in coordination with City staff.

Questions for Engagement Events

Example questions for businesses

Existing Conditions

- What percent of your income currently goes toward paying your rent?
- How have rent increases impacted your business? OR What would happen to your business if your monthly rent went up by \$300 or \$500?
- Is your current space sufficient for your needs/wants in size, affordability, condition, and health/safety?
- How is business today? Are you making a profit? Are you able to meet your family's needs?
- How would you describe the overall stability/health/condition of your business before vs. after the pandemic?
- How long has your business been in Vancouver?
- Who are your customers? Where are they located/coming from? What do they like about your business? How are they doing?
- Anything else you want to share about your business that was unaddressed by our previous questions?

Challenges

- What's your biggest challenge right now?
- How stable do feel in your business location/what barriers are present to stay?

Opportunities

- Do you see opportunities for new businesses in the area? If so, what kinds of businesses do you think are missing?
- What new businesses or services might complement your own business?

Business Support Needs as Redevelopment Occurs

- What do you need to thrive in your current location in the project area?
- What does "success" look like for your business? What additional resources would you need to make this a reality for your business?
- What is needed to keep your business going?

- Is your business receiving services from a community-based organization or government program?
- What types of business/technical assistance services would be helpful for your business?
- Are you aware of the city's current business assistance programs?
- What kinds of promotions and business activities could best support your businesses?
- What do your customers need to successfully visit/support your business?
- For BIPOC and other marginalized business owners who don't currently work in the Heights, what is needed in order to locate here, if they want to?
- As the Heights District develops, what kind of business assistance or support do you think you will need?

Relationship to the Heights

- How connected do you feel to the project area (or neighborhood)?
- Are you closely connected with other businesses in the area? Would you want to participate in a business association or related group? What would you want this group to do?
- Are there reasons you would look for another business location (expansion, lower rent, better market, loss of clientele, other)?
- If your business was located elsewhere before, what do you wish you had known about the area before you located here?
- As the Heights develops, what would make you want to stay?

Changes in the Heights

- Have rents and other costs been going up?
- Do you see your business being here in 10 years? If so, what long-term resources may you need to ensure your business is still here in 10+ years?
- What has changed about the area since you established your business here? How do you feel about these changes?
- As this neighborhood changes, what are the things that will make you want to stay and allow you to stay?
- As the Heights District develops, what other businesses, customers, or amenities would you like to see in the area?
- As the Heights District develops, what are you excited about? What are you concerned about?

Example questions for residents focused on anti-displacement

Questions on how things are going now, what they need now, do they want to stay in the area, and if so, what do they think they'll need (if anything) to do so as the area redevelops?

Existing Conditions

- Do you consider yourself a long-term resident or more of a newcomer?
- Are you a renter or homeowner?
- How much of your income (%) do you spend on rent/housing?
- How would you describe your relationship with your landlord?
- Have rents and other fees been going up?
- What would happen to your family if your monthly rent went up by \$100 or \$200?
- How stable do you feel in your housing? Why or why not?
- Is your current housing sufficient for your needs/wants in size, affordability, condition, and health/safety?
- Do you own your own home? If not, do you want to?
- Where do you work? Is it close by? Do you drive or take transit? What's your preference? Do you think good jobs are available in Vancouver?

Residents Support Needs

- What types of home repairs do you need assistance with to stay secure in your housing?

Challenges

- What are the challenges you face as a resident in the Heights?

Relationship to the Heights

- How/why did you choose to live in the Heights?
- What do you like about your neighborhood?

Changes in the Heights

- Do you think you will be living in the Heights in 10 years? If not, why?

- How do you see your community changing? How do you feel about these changes?
- As the area redevelops, what kinds of support do you think you'll need to stay here?

Inclusivity

- How connected do you feel to your neighborhood and neighbors?
- What community spaces in the Heights are the most important to you (community centers, religious spaces, social services, etc.)?
- What amenities and businesses do current/other residents value in the project area that contribute to their sense of belonging?
- What types of amenities and businesses do current residents of the project area want to see in the Heights? For BIPOC and other marginalized community members who don't live in the Heights – what would bring them there and contribute to a sense of belonging?
- What would success look like in the Heights District to you?
- What would they want to see in the redevelopment to make their neighborhood more appealing and still feel like home?

Interview Guide - Heights Residents

Overview

This framework provides core questions designed to elicit information relevant to the resident stabilization portion of the project; questions could be further tailored to the organization as appropriate. We also assume that initial questions will generate follow-up questions, and it is up to the interviewer to probe more deeply when required. We advise that the City take detailed notes documenting the interviewees' responses—the substance of these interviews is likely to be relevant to other parts of the broader project.

- *Target Key Stakeholders*

Neighborhood-area service providers, community groups, communities of color, and other underrepresented groups.

- *Purpose of Engagement*

Engagement sessions will gather feedback on displacement risk, community stabilization, and public benefits to inform the Equitable Development Plan. Questions in this initial phase of engagement focus on understanding the current and future needs of businesses and residents. ECONorthwest will use this feedback to inform research on community stabilization strategies for existing households, businesses, and service providers in the Heights.

Opening Script

Thank you so much for taking time out of your busy schedule to meet/talk with us today. We would like this to be as conversational as possible. While we have some questions to structure this discussion, we are hopeful that our conversation will lead to insights which we will build upon. None of your answers will be directly attributable to you but will be summarized by theme. Your name will be listed in an appendix as one of many we spoke with.

The City of Vancouver is working on a project in your area to revitalize the Heights District. We are planning to create a vibrant neighborhood center that is sustainable, healthy, equitable, accessible, and safe. It will include public open space, diverse housing, and safe transit opportunities to nearby neighborhoods. The questions below will give us greater insight into how to ensure that these new amenities are available to current residents and business owners.

Interview Questions

Note: These are high-level general questions to serve as a template. While we attempted to categorize the questions below by subject area, many of the questions overlap.

Relationship to the Heights

1. What are the highlights of the Heights District?

2. What makes this neighborhood special?
3. How do you see this community changing?

Challenges - for service providers

4. What are the current challenges you are seeing for the families/individuals who are residents in the Heights?
5. What housing issues are the families/individuals that you work with most concerned about? (e.g., cost of home ownership, cost of rent, discrimination, housing availability, quality of housing, other)

Resident Support Needs - for residents

6. Do you need assistance to stay secure in your housing? If so, what kinds of assistance would be most useful? (e.g., emergency rental assistance, home repair loans or grants, utilities assistance, other)

Inclusivity - for service providers and residents

7. How connected do you feel to your neighborhood and neighbors?
8. What community spaces in the Heights are the most important to you? (e.g., community centers, religious spaces, social services, etc.)
9. What amenities and businesses do you think current/other residents value in the project area that contribute to their sense of belonging?
10. What types of amenities and businesses do you think current residents of the project area want to see in the Heights? For BIPOC and other marginalized community members who don't live in the Heights—what would bring them there and contribute to a sense of belonging?
11. As the area develops, what would success look like in the Heights District to you?

Existing Conditions - for service providers

12. Are the families/individuals you are serving more long-term residents or newcomers?
13. Are the families/individuals you are serving more renters or homeowners?
14. Do you have a sense for whether the families/individuals you are serving feel stable in their housing?
15. Do you have a sense for whether the families/individuals you are serving feel that their current housing is sufficient for their needs/wants in size, affordability, condition, and health/safety?

Existing Conditions - for residents

16. What would happen to your family if your monthly rent went up by \$100 or \$200?
17. How stable do you feel in your housing? Why or why not?
18. Is your current housing sufficient for your needs/wants in size, affordability, condition, and health/safety?
19. Do you own your own home? If not, do you want to?
20. Where do you work? Is it close by? Do you drive or take transit? What's your preference?
Do you think good jobs are available in Vancouver?

Next Steps - for service providers and residents

21. We're looking to have more conversations like this one. Can you think of any other people we should talk to?

Interview Guide - Heights Businesses

Overview

This framework provides core questions designed to elicit information relevant to the business stabilization portion of the project; questions should be tailored to the individual or organization as appropriate. We also assume that initial questions will generate follow-up questions, and it is up to the interviewer to probe more deeply when required. Text in brackets after questions provides examples to help prompt responses if needed. We advise that the city take detailed notes documenting the interviewees' responses—the substance of these interviews is likely to be relevant to other parts of the broader project.

- *Target Key Stakeholders*

Heights area small business owners and commercial tenants and property owners.

- *Purpose of Engagement*

Engagement sessions will gather feedback on anti-displacement, community stabilization, public benefits, and equitable development strategies to inform the Equitable Development Plan. Questions in the initial phase of engagement focus on understanding the current and future needs of businesses and residents. ECONorthwest will use this feedback to inform research on community stabilization strategies for existing households, businesses, and service providers in the Heights.

Opening Script

Thank you so much for taking time out of your busy schedule to meet/talk with us today. We would like this to be as conversational as possible. While we have some questions to structure this discussion, I am hopeful that our conversation will lead to insights which we will build upon. None of your answers will be directly attributable to you but will be summarized by theme. Your name will be listed in an appendix as one of many we spoke with.

The City of Vancouver is working on a project in your area to revitalize the Heights District. We are hoping to create a vibrant neighborhood center that is sustainable, healthy, equitable, accessible, and safe. It will include public open space, diverse housing, and safe transit opportunities to nearby neighborhoods.

Interview Questions

Note: These are high-level general questions to serve as a template. While we attempted to categorize the questions below by subject area, many of the questions overlap.

Trends, Challenges, and Opportunities

1. What changes and dynamics have you observed running a business in the Heights over time?
2. What are some of the neighborhood trends that you are worried/excited about?
3. What are your biggest challenges right now?
4. How stable do feel in your business location/what barriers are present to stay?
5. Do you see opportunities for new businesses in the area? If so, what kinds of businesses do you think are missing?
6. What new businesses or services might complement your own business?

Business Support Needs as Redevelopment Occurs

7. What do you need to thrive in your current location in the project area?
8. What does “success” look like for your business? What additional resources would you need to make this a reality for your business?
9. What is needed to keep your business going?
10. Is your business receiving services from a community-based organization or government program?
11. What types of business/technical assistance services would be helpful for your business?
12. Are you aware of the city’s current business assistance programs?
13. What kinds of promotions and business activities could best support your businesses?
14. What do your customers need to successfully visit/support your business?
15. For BIPOC and other marginalized business owners who don’t currently work in the Heights, what is needed in order to locate here, if they want to?
16. As the Heights District develops, what kind of business assistance or support do you think you will need?

Relationship to the Heights

17. How connected do you feel to the project area (or neighborhood)?
18. Are you closely connected with other businesses in the area? Would you want to participate in a business association or related group? What would you want this group to do?
19. Are there reasons you would look for another location (expansion, lower rent, better market, loss of clientele, other)?
20. If your business was located elsewhere before, what do you wish you had known about the area before you located here.
21. As the Heights develops, what would make you want to stay?

Changes in the Heights

22. Have rents and other costs been going up?
23. Do you see your business being here in 10 years? If so, what long-term resources may you need to ensure your business is still here in 10+ years?
24. What has changed about the area since you established your business here? How do you feel about these changes?
25. As this neighborhood changes, what are the things that will make you want to stay and allow you to stay?
26. As the Heights District develops, what other businesses, customers, or amenities would you like to see in the area?
27. As the Heights District develops, what are you excited about? What are you concerned about?

Existing Conditions

28. What percent of your income currently goes toward paying your rent?
29. How have rent increases impacted your business? OR What would happen to your business if your monthly rent went up by \$300 or \$500?
30. Is your current space sufficient for your needs/wants in size, affordability, condition, and health/safety?
31. How is business today? Are you making a profit? Are you able to meet your family's needs?
32. How would you describe the overall stability/health/condition of your business before vs. after the pandemic?
33. How long has your business been in Vancouver?
34. Who are your customers? Where are they located/coming from? What do they like about your business? How are they doing?
35. Anything else you want to share about your business that was unaddressed by our previous questions?

Next Steps

36. We're looking to have more conversations like this one. Can you think of any other experts we should talk to?

Heights Equitable Development Strategy Engagement Summary

Housing Engagement

Engagement to inform the Equitable Development Strategy included an online survey, two open house events, and several one-on-one and small-group conversations with social service agencies, housing providers, school staff, and community members living in the Heights area. The plan has also been informed by recent engagement for the Affordable Housing Fund, HUD Consolidated Plan, Fourth Plain for All community investment strategy, Waterfront Gateway redevelopment, two City Council community forums, and ongoing community visioning work, which started in summer 2022.

Throughout 2022 and 2023, community members have consistently mentioned housing as one of their top-five priorities. In addition to concerns about homelessness, housing affordability, and housing availability, community members have also shared concerns about:

- The rising cost of rent, which creates instability and uncertainty for renters.
 - Difficulty paying for a deposit, plus first and last month's rent.
 - Increasing numbers of community members who report being "housing cost burdened," spending more than 30% of their income on rent and utilities.
- Difficulty finding a home that is big enough for larger or multigenerational families.
 - Affordable homes with three or more bedrooms were cited as especially needed.
- High home prices, which limit homeownership and the creation of generational wealth.
 - The increasing cost of down payments and high mortgage interest rates were cited by many as barriers to buying a home.
- The risk of displacement, including that they or their family or friends would have to move out of Vancouver due to the cost of housing.
 - Multiple community members shared that they or those they know have already left Vancouver to find more affordable rental housing or to purchase a home.
 - Among those who have continued working in Vancouver, these folks reported commuting further distances from nearby cities, such as Ridgefield, Brush Prairie and Battle Ground, and unincorporated parts of Clark, Cowlitz, and Skamania Counties.
- Experiences of discrimination when renting or buying a home or belief that some property managers engage in predatory practices.
- Increases in property taxes, which are especially concerning to seniors and those living on a fixed income.

Renters

Among renters, concerns about rent increases were a common theme. Multiple community members reported facing sizeable rent increases between 2021 and 2022, without similar increases in their income. This has led some renters to avoid moving to a home that would better suit their family's needs and have a harder time saving for the future. Some younger residents even spoke about delaying having children because of the cost of housing. Longtime renters reported significant increases in costs over the past two decades, often sharing how costs have increased since they first started renting in Vancouver. "When we first moved here, we thought \$1,200 was high for rent," said one resident. "Now we're paying more than \$2,100 per month."

Several renters cited low inventory or difficulty finding housing they could actually afford. These residents described spending a greater percentage of their income to find housing that matched their needs and feeling "priced out" of certain housing types entirely. For example, one woman shared her experience trying to find housing for her, her two teenagers, and her elderly mother. "Every house I find with more than three bedrooms, I can't afford," she said. A smaller number of community members also reported negative experiences with landlords or property managers, including concerns about the cost of fees for applications and background checks, difficulty getting maintenance requests fulfilled in a timely fashion, and unpredictable move-out costs such as cleaning or repair fees.

Housing advocates and some community members shared their desire to see the City and state implement additional renter protections or "pro-renter policies," including relocation assistance and just-cause eviction. A few community members also reported that they or someone they knew have experienced discrimination in the rental housing process. While some cited race, ethnicity, sexual orientation, or gender expression as factors, others said that having pets, children, or living with multiple roommates made them seem less appealing in the eyes of potential landlords. Community members also mentioned poor credit scores, criminal records, or past evictions as barriers to finding housing.

Homeowners

Many homeowners have also shared concerns about the rising cost of rent and home prices. Several residents said that they would "not be able to afford their current house today, if they were starting out in Vancouver." Longtime residents shared that they or their parents were previously able to buy a home in Vancouver while earning more modest incomes from middle or working-class jobs. Some of these residents say that they resent being perceived as "well off" or "rich, simply because we own a home." Longtime homeowners have also increasingly shared an awareness that the opportunities they faced, in terms of affordable homeownership, no longer exist for younger residents. In conversation with homeowners, it is common for them to mention the housing experiences of those who are close to them, including their children, grandchildren, friends, and coworkers.

Homeowners who are seniors, those who have a permanent disability, and those living on a fixed income are particularly worried that rising housing costs could force them to move from their current home or force them to leave Vancouver. For some, particularly those living on a fixed income, increasing property taxes are a concern. These residents report that although their home's assessed value has increased year over year, their income has not kept pace. For residents on a fixed income, this has meant spending a larger percentage of their income to pay taxes. Many community members appear to be unaware of property tax relief programs and eligibility requirements. There is also a persistent, inaccurate belief among many that property tax relief programs will require placing a lien on your house, selling the home to the county, or bills for those who inherit the home in the event of the homeowner's death. Among those who said they were aware of property tax relief programs, the application and renewal process were cited as potential barriers.

Many homeowners also shared concerns about the rising cost of electricity, natural gas, water, and trash collection. They expressed worry that these costs, combined with increased property taxes, would make it harder to pay for living expenses as they age. Among some residents who have already paid off their mortgages, there is a perception that little is being done to assist them or that the City "doesn't care about homeowners." Some also shared that the loss of housing security as they age has also felt like a betrayal. As one resident put it, "We've always paid our taxes. We supported local tax measures and school levies, even after our kids graduated. We've done everything right and we still might have to move."

Service Providers

Staff from local nonprofits, social service providers, housing organizations, and schools have reported concerns highly consistent with those of renters and homeowners. Staff from Vancouver Housing Authority and Council for the Homeless have reported unprecedented demand for income-based housing, including hundreds of community members on housing waitlists.

Staff at Martin Luther King Jr. Elementary School, McLoughlin Middle School, Fort Vancouver High School, and the Vancouver Public Schools district office have reported a record number of students and families reaching out for help with housing. These staff shared that they have observed an increase in the number of families experiencing homelessness; an unprecedented need for financial help, including rental assistance; multiple families living in the same home or "doubling up" to afford rent; and students being negatively impacted academically because of housing instability. Counselors also highlighted the need to expand housing supports for LGBTQ+ students who are kicked out by family members after coming out. Current services for these community members are limited.

Engagement with Business Owners

Over the past year, the City has also conducted significant outreach and engagement with local small business owners and entrepreneurs, including black, Latino, Asian, indigenous, LGBTQ+, and women-owned businesses. While the needs of each business differ greatly, common concerns include:

- Lack of access to capital.
- High overhead costs, such as rent and utilities.
- Difficulty finding affordable rental space.
- Low inventory of commercial, retail, and restaurant spaces.
- The challenge of growing or scaling businesses, particularly those moving from less formal settings, such as food carts, home-based businesses, or stalls at the farmers market, to brick-and-mortar operations.
- Difficulty navigating time-consuming and complex permit or licensing processes.

Many business owners said that they appreciate current business assistance programs, such as the City's Pre-Lease Program and those offered by partner organizations like the Greater Vancouver Chamber of Commerce and Hispanic Metropolitan Chamber of Commerce. A few business owners and nonprofit leaders suggested expanding these programs citywide and exploring additional partnerships with community-based organizations. They also identified the need for additional communication and promotion as ways to further expand awareness, access, and opportunity.

In addition to existing programs, business owners and community members said that they would like to see additional support for small business development, including streamlined permitting processes and expanded access to technical assistance, financial counseling, training programs, or marketing help. To support business incubators or start-ups, several business owners said that expanding access to affordable rental space and offering predictable, stable rents was particularly important. Additional engagement with business owners and the broader community in the coming months will help to further prioritize strategies.

The Heights Market Analysis

09/09/2022

Prepared for: City of Vancouver

Draft Report

ECONorthwest
ECONOMICS • FINANCE • PLANNING

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Executive Summary

Context

The Vancouver real estate market has changed drastically in the short period of time since the previous market analysis was conducted for the Heights District Plan in 2019. The purpose of this study is to understand current market conditions and future market potential and to provide context for how the Heights District is positioned within the broader Vancouver economy. This market analysis evaluates the changes to real estate market conditions, changes in the business mix, and household dynamics that are drivers of both residential and commercial demand. In this study, we assess market conditions and demand drivers for potential commercial, residential, and community-focused uses to help the City of Vancouver and community partners better understand opportunities to target tenancing strategies to support local, BIPOC-owned, and community-serving businesses.

Additionally, the market analysis tasks serve to inform two key elements of the Equitable Development Plan. First, they allow ECONW to set a baseline for anticipated development outcomes as a means to benchmark equitable development outcomes. Secondly, many of the data points collected in these tasks will serve as inputs or assumptions in the feasibility analysis and benefit evaluation.

Key Findings

What factors will drive demand for housing in the Heights?

- **Market strength of the Vancouver housing market within the context of the larger Portland-Vancouver region will continue into the near future and provide tailwinds for residential demand in the Heights.** Since 2017, rents for a 1-bedroom apartment in Vancouver have increased 17 percent. Current average 1-bedroom rents in Vancouver are higher than average 1-bedroom rents in the City of Portland.
- **Strong market demand for ownership housing in both the City of Vancouver and the Heights will continue to be major drivers for housing demand in the area.** Since 2013, the median sales price for ownership housing in the Heights has increased 109% with a current average sales price of around \$446,000.
- **Previous analysis conducted by ECONW indicates that both 4-story wood-frame and podium-scale development is likely feasible in the Heights District today.** Achievable rents in the Heights are at or near levels to support desired residential development types in the District.
- **The Heights Sub-Market has seen a slight increase in owner-occupied households over the study period,** though it still has a higher share of renters than the City as a whole. The share of owner-occupied households in the Heights increased by 3% from

2010-2019, to 50% of households. The City of Vancouver has a slightly higher share of owner-occupied households at 52%.

- **The Heights Sub-Market has seen an increase in three-person households** and a corresponding decrease in single-person households. This is indicative of an increase in families with children, which could drive a demand for single family homes as well as recreational opportunities.
- **Nearly all low-income renters in the city are cost burdened.** Over 95% of renter households in Vancouver earning less than \$35,000 per year are cost burdened. In total, 51% of renter households are cost burdened in Vancouver.
- **The Heights Sub-Market has seen a decrease in cost-burdened households over the study period.** This is likely a sign of higher-income households moving into the area and could be indicative of early displacement pressures for the Heights District.
- **Black and Hispanic renters are slightly more likely to be cost burdened than white renters in the City of Vancouver.**
- **There is a growing number of people of color in the Heights Sub-Market, and the area has a larger share of people of color than the City as a whole.** The share of people of color in the Heights increased from 26 to 34 percent from 2010 to 2019. In Vancouver as a whole, 29 percent of the population is made up of people of color.
- **Median household income varies widely in the Heights Sub-Market.** The tract at the northwest corner of the Heights District Plan Area, north of Mill Plain Boulevard, has a median household income of approximately \$37,300, while the tracts including the Heights Plan Area and the neighborhoods to the south across MacArthur Boulevard have a median household income of approximately \$71,500 and \$90,200, respectively.

What are current residential market conditions?

- **Rents have been on the rise in Vancouver.** Average market rent for 1-bedroom units in Vancouver is currently higher than in Portland. Rents in the Heights are lower than the City on average but have been increasing at a similar rate.
- **Most new residential construction in the City has been multifamily.** Over the past three years, 80 percent of new residential construction in the City has been multifamily development, but the Heights District itself has seen limited multifamily development. However, strong absorption of new units and low vacancy rates in the Heights Greater Market Area suggest a strong demand for multifamily in the area.
- **Home sales prices in the Heights Greater Market Area are lower than in the City of Vancouver as a whole.** Single family homes tend to sell for about \$50,000 less than the average home sales price for the City as a whole. In 2022, the average sales price of a single family home was about \$480,000 in the Heights Greater Market Area and \$530,000 for the City as a whole. The average sales price for townhomes in 2022 was approximately \$360,000 in the Heights Greater Market Area and \$395,000 for Vancouver.

What are current market conditions for office and retail?

Office

- **The office market has been less stable in the Heights Greater Market Area than in Vancouver as a whole**, with the Heights seeing greater fluctuations in rents and vacancy rates over the past ten years. However, office space in the Heights Greater Market Area currently has a low vacancy rate of 3.9 percent with rents at \$21.41 per square foot, which is higher than the average over the past ten years.
- **There has been no new office construction in the Heights Greater Market Area since 2018.** Since 2012, 68,000 square feet of new office space has been built in the Heights Greater Market Area. Net absorption of office spaces has been mostly positive over this time period with several large vacancies in 2014, 2015, and 2020.

Retail

- **Current achievable retail rents in the Heights are around \$21.21/sf, very comparable to retail lease rates across the City of Vancouver.** Retail rents in the Heights Market Area have been slightly lower than Vancouver as a whole since 2010, though that gap has narrowed substantially over the last two years. From 2012 to Q1 2022, rents in the Heights Market Area have increased by 57% or about \$7.74 per square foot. Comparatively, Vancouver rents have increased by 35% or about \$5.70 per square foot.
- **Current retail vacancy rates in the Heights are extremely low at less than 3%, which indicates potential near-term demand for new retail space in the Heights.** While the Heights Market Area saw a slight increase in vacancy rates in early 2020 following the beginning of the COVID-19 pandemic that was also observed across the City of Vancouver, vacancy rates have continued to trend downward.
- **Net absorption of retail space in the Heights Market Area has fluctuated over the past ten years.** Four years (2015, 2016, 2018, and 2021) saw high levels of positive absorption, while the other years saw low levels of vacancies. Delivery of new retail space in the Heights has been modest, with 68,500 square feet of new retail space constructed since 2012.
- **This analysis indicates that there is sufficient demand for retail and services to support the 56,000 square feet of commercial space identified in the proposed development program of the Heights District Master Plan.** The highest retail categories of square footage demand for the Heights are food service and drinking places (restaurants, taprooms, wineries, bars) with about 77,000 square feet of demand and health and personal care with about 91,000 square feet of demand. Additionally, demand for a broad range of retail uses could be programmed in a way to support locally owned and neighborhood-serving businesses.

Implications

This market analysis shows that there are two divergent trends that are likely to shape the future in the Heights. First, there is growing market demand for residential and commercial uses in the Heights; rents and home sales prices are on the rise; higher-income households and families are moving into the area; and there is a strong demand for additional retail and services in the area.

At the same time, there is a growing share of people of color in the Heights and an increasing share of cost-burdened renters citywide, with black and Hispanic residents showing disproportionate cost burden rates. There is a strong need for more affordable housing types in the Heights to meet the forecasted needs of Vancouver residents.

These trends have policy implications as the City plans for development in the Heights. As this area develops, the observed market demand has potential to increase displacement pressures on existing residents and businesses. This suggests the need to implement strategies to stabilize existing residents and businesses before development occurs. Additionally, there is a need to plan for and promote affordable housing development to meet the forecasted needs of residents at a range of income types.

Next Steps

The next steps in the Equitable Development Plan will help assess the most impactful and feasible strategies to meet the needs of current and future residents and businesses in the Heights. ECONW will evaluate various policies, projects, and programs to promote community stabilization, affordable housing, and equitable economic development opportunities in the Heights. We will gather community input and evaluate best practices and case studies on equitable development strategies and analyze feasibility of strategies in the context of the Heights. This information will be synthesized into a final report that will include recommendations for implementation strategies, programmatic investments, and development proposal evaluation criteria.

1. Introduction

Background and Purpose

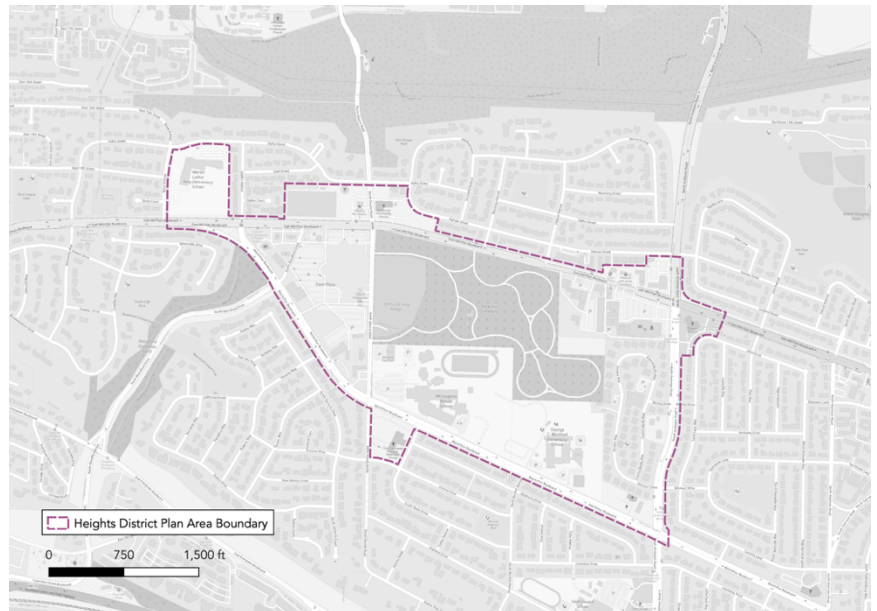
The Vancouver real estate market has changed drastically in the short period of time since the previous market analysis was conducted for the Heights District Plan in 2019. The purpose of this study is to understand current market conditions and future market potential and provide context for how the Heights District is positioned within the broader Vancouver economy. This market analysis evaluates the changes to real estate market conditions, changes in the business mix, and household dynamics that are drivers of both residential and commercial demand. In this study, we assess market conditions and demand drivers for potential commercial, residential, and community-focused uses to help the City of Vancouver and community partners better understand opportunities to target tenancing strategies to support local, BIPOC-owned, and community-serving businesses.

Additionally, the market analysis tasks serve to inform two key elements of the Equitable Development Plan. First, they allow ECONW to set a baseline for anticipated development outcomes as a means to benchmark equitable development outcomes. Secondly, many of the data points collected in these tasks will serve as inputs or assumptions in the feasibility analysis and benefit evaluation.

Site Overview

The Heights District Plan Area consists of the 63-acre Tower Mall Redevelopment Area within the broader 205-acre Heights District. The District area is bounded generally by MacArthur Boulevard, Mill Plain Boulevard, and Andresen Road (though the district extends beyond these streets in several locations). This study looks at demographic and real estate trends for the Heights District and surrounding Market Area to understand the demand for commercial and residential uses that will drive future development within the Heights District.

Exhibit 1. Heights District Plan Area



Geographies considered for this analysis

This analysis used a variety of data sources to understand demographic and real estate trends and demand drivers that affect the Heights. We delineated different geographic boundaries to assess these trends with the best available data sources. In addition to the Heights District Plan Area (shown above in Exhibit 1), this report refers to the following geographic areas in this report:

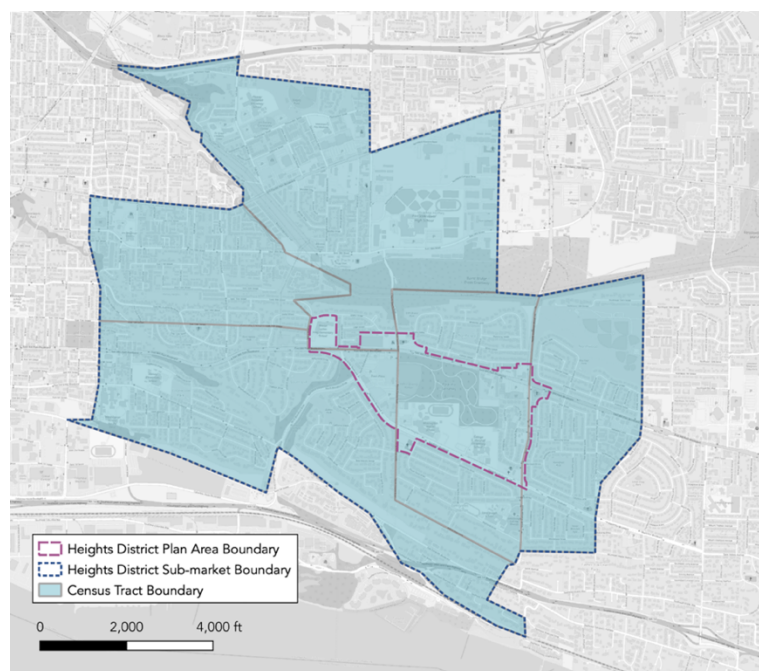
- The Heights District Sub-Market Boundary
- The Vancouver Public Use Microdata Area
- The Heights Greater Market Area
- The City of Vancouver

These geographies are described and shown below.

The Heights District Sub-Market Boundary

The Heights District Plan Area overlaps portions of five Census tracts, shown in Exhibit 2. This report looks at demographic data for these Census tracts, as tracts are the smallest geography available to compare similar data from the American Communities Survey (ACS) five-year estimates for the 2006-2010 and 2015-2019 years. This report uses these Census tracts (referred to as the Heights District Sub-Market Boundary in this report) for all demographic data, except the BIPOC cost burden estimates shown in Exhibit 12.

Exhibit 2. Heights District Sub-Market Boundary



The Vancouver Public Use Microdata Area

The Public Use Microdata Sample (PUMS) area covers the entire City of Vancouver. This is the smallest geographic boundary that can be used to accurately measure cost burden across racial and ethnic profiles. For the cost burden for renters by race, we utilized Public Use Microdata Samples (PUMS) from the 2019 five-year ACS. Because cost burden by race does not exist for the regular ACS survey, we utilized PUMS to estimate it. The smallest geography that can be used for this analysis is the Public Use Microdata Area (PUMA), which encapsulates almost all the of the City of Vancouver, as shown in Exhibit 3.

Exhibit 3. Public Use Microdata Area (PUMA)

Source: ACS 5-Year 2015-2019, PUMS

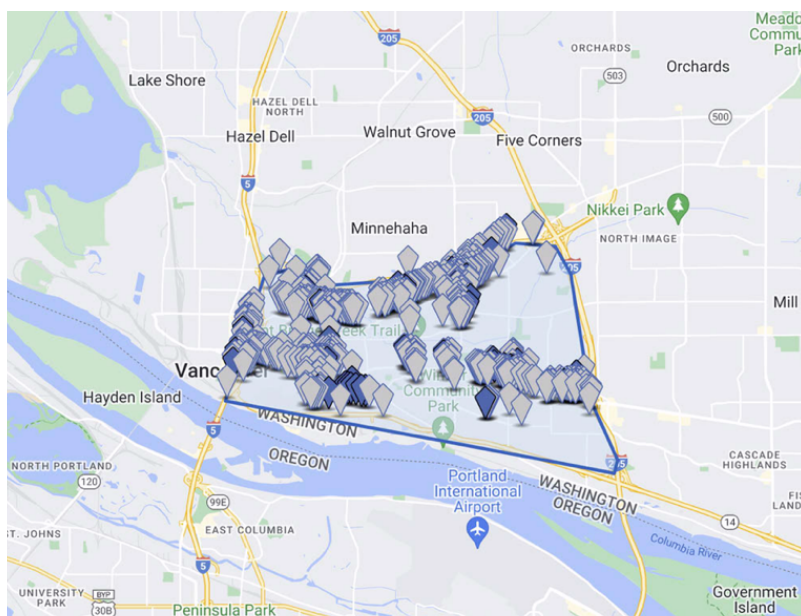


The Heights Greater Market Area.

This area was used to evaluate real estate trends that impact the Heights. Because the Sub-Market Area for the Heights was so small, we utilized the interior highways to frame a greater Market Area so that we could adequately capture market information within our observation years.

Exhibit 4. The Heights Greater Market Area

Source: ECONorthwest Analysis - CoStar

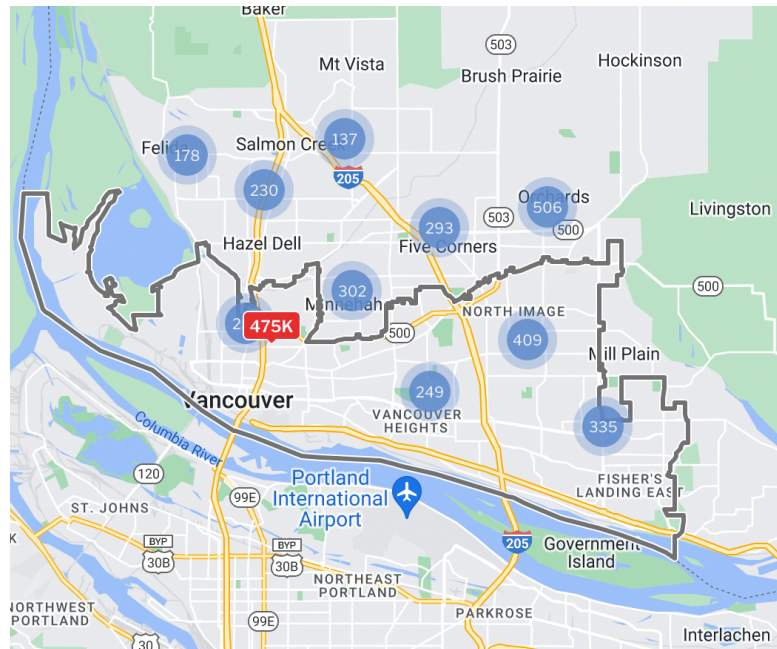


The City of Vancouver Market Area

This Market Area represents the entire City of Vancouver and will serve as the baseline for understanding real estate market conditions in the Heights compared to the City as a whole.

Exhibit 5. City of Vancouver Market Area

Source: ECONorthwest Analysis- RedFin



2. Socioeconomic Profiles

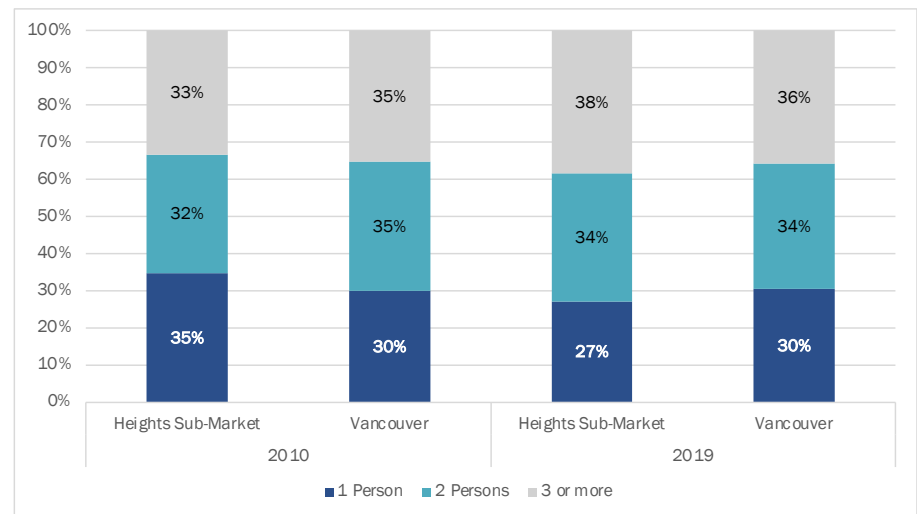
Demographics

Demographic conditions and socioeconomic trends will influence the structural demand for varying real estate development types. This section looks at demographic trends for the Heights Districts Plan Area and surrounding neighborhoods (the Heights Sub-Market, shown in Exhibit 2).

Household size in the Heights Sub-Market has seen a large (7%) decrease in single-person households and corresponding increase in both two-person and three-person households, implying that the neighborhood is becoming more couple/family oriented. This trend is not seen as sharply as in the City of Vancouver, where there was only a slight reduction in two-person households leading to an increase in three-person households.

Exhibit 6. Household Size in Vancouver and the Heights Sub-Market, 2022

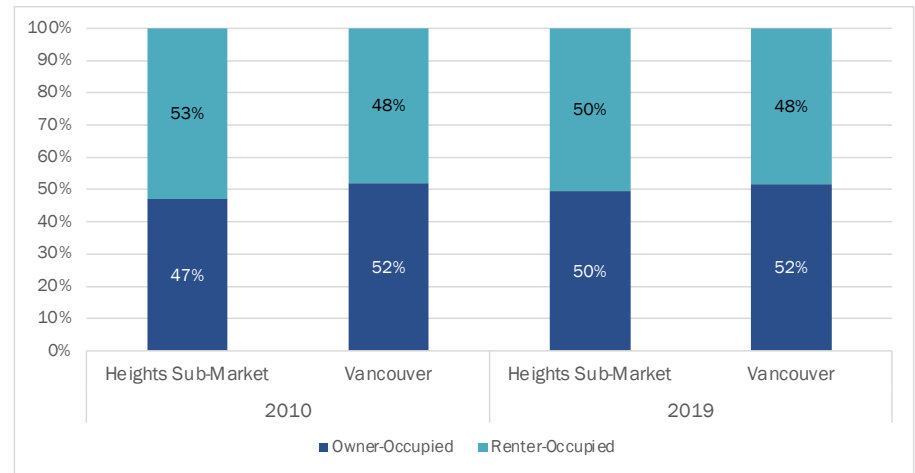
Source: ACS 5-Year 2006-2010 & 2015-2019



The Heights Sub-Market saw a slight increase in owner-occupied households over the study period. The share of owner-occupied households in the Heights increased by 3% from 2010-2019, to 50% of households. The City of Vancouver has a slightly higher share of owner-occupied households at 52%.

Exhibit 7. Housing Tenure in Vancouver and the Heights Sub-Market, 2022

Source: ACS 5-Year 2006-2010 & 2015-2019



Over 95% of renter households in Vancouver earning less than \$35,000 per year are cost burdened. In total, 51% of renter households are cost burdened in Vancouver.

Exhibit 8. Percent of Cost-Burdened Renter Households by Income Group, City of Vancouver, 2019

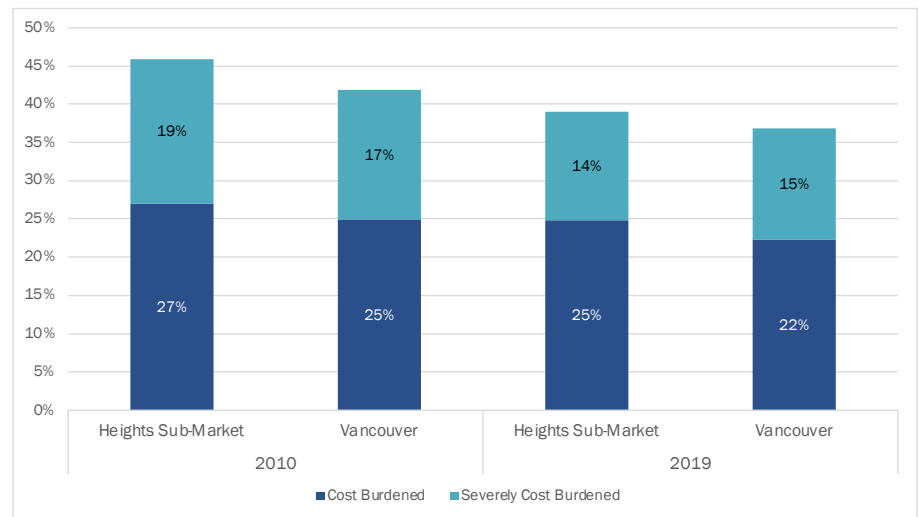
Source: Census ACS, 2019 1-year sample



In 2010, the Heights area had slightly over 45% of its households experiencing housing instability through cost burdening. This number has since dropped to just under 40% of its households with the largest drop coming from severely cost-burdened populations dropping five percentage points. Likewise, the City of Vancouver has seen a decrease, albeit much smaller than in the Heights, going from 42% in 2010 to 39% in 2019.

Exhibit 9. Cost-Burdened Households in Vancouver and the Heights Sub-Market, 2022

Source: ACS 5-Year 2006-2010 & 2015-2019

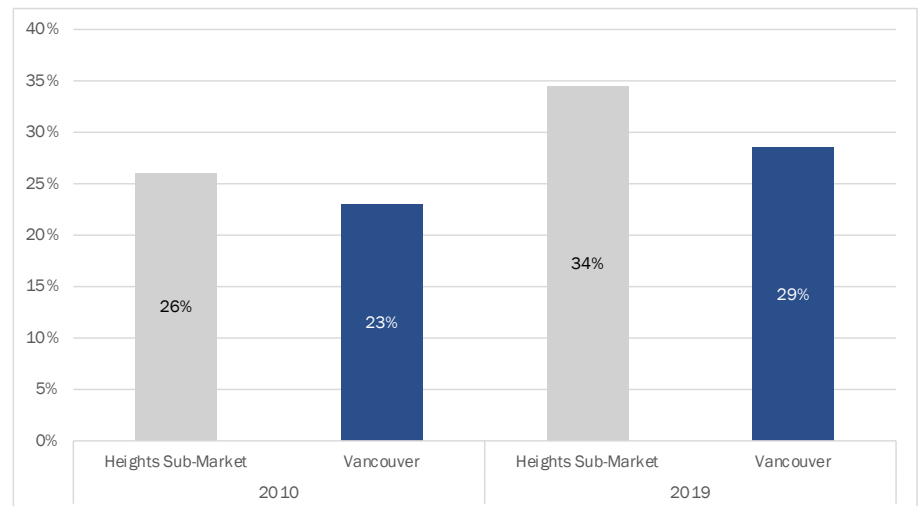


Share of people of color in the Heights has increased drastically by a total of twelve percentage points, with the City of Vancouver matching an upward trend, but at half the pace.

The share of people of color in the Heights increased from 26 to 34 percent from 2010 to 2019. In Vancouver as a whole, 29 percent of the population is made up of people of color.

Exhibit 10. People of Color in Vancouver and the Heights Sub-Market, 2022

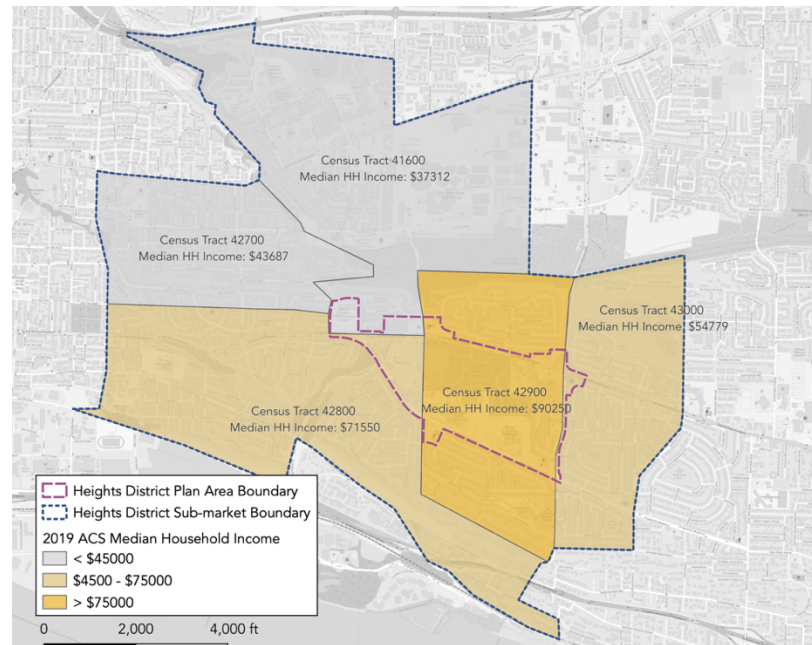
Source: ACS 5-Year 2006-2010 & 2015-2019



There is a large variation between median household incomes in the tracts that intersect with the Heights District. Tract 041600, at the northwest corner of the Heights District Plan Area north of Mill Plain Boulevard, has a median household income of approximately \$37,300. The tracts, including the Heights Plan Area and the neighborhoods to the south across MacArthur Boulevard (tracts 042800 and 042900), have a median household income of approximately \$71,500 and \$90,200.

Exhibit 11. Median Household Income in the Heights Sub-Market, 2022

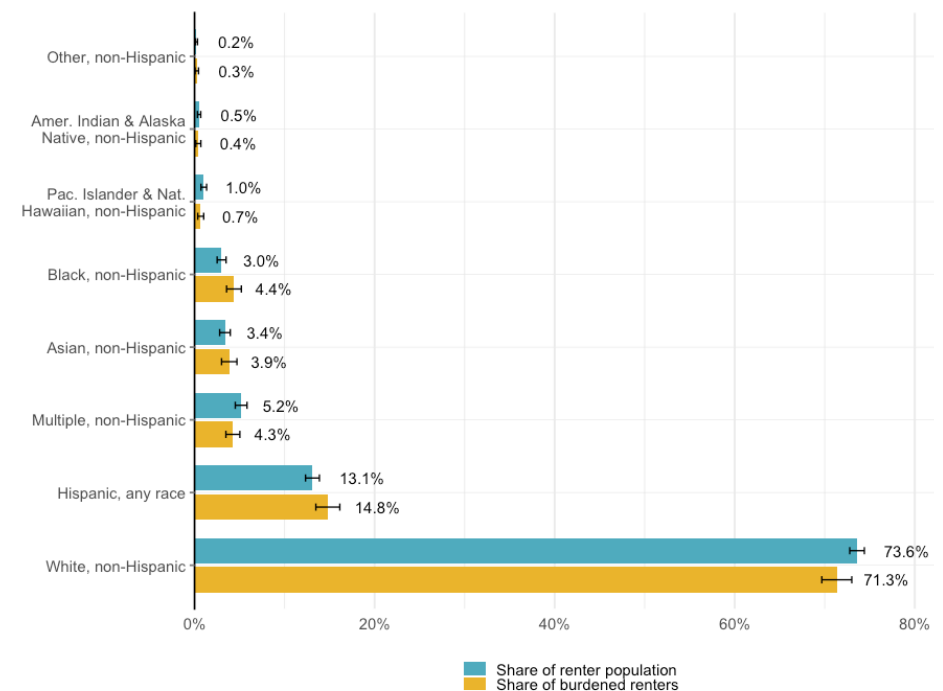
Source: ACS 5-Year 2015-2019



The large share of renters observed in our PUMS sample are non-Hispanic white, but white renters are less likely to be cost burdened than other groups. Hispanic and non-Hispanic Black renter populations have disproportionate shares of cost-burdening relative to white renters.

Exhibit 12. Renter Cost Burden by Race/Ethnicity for the City of Vancouver PUMA

Source: ACS 5-Year 2015-2019, PUMS



Source: ACS PUMS 2019 5-yr

3. Real Estate Trends

This section summarizes the current and recent historical real estate conditions for the Heights Market Area for the *commercial* and *residential* real estate sectors. We also provide market trends for Vancouver to compare how the Heights commercial and residential market has performed over time. For the purpose of this market study, we define *commercial* and *residential* real estate as follows:

- Commercial real estate is any nonresidential property used for commercial profit-making purposes. It includes office, industrial, flex space, retail, and hotel development types.
- Residential real estate includes any product type that is developed for people to live in. It includes rental and ownership housing such as apartments, condominiums, single family homes, townhomes, manufactured homes, and student housing. For purposes of this report, we only assessed multifamily residential apartments.

Market Areas for the real estate analysis

A market area is a large geography of which the Heights study area can capture a share of commercial and residential growth. For the purposes of this study, we analyzed two market areas to evaluate market conditions and the existing supply of commercial and residential real estate: the Heights Greater Market Area (Exhibit 4) and the City of Vancouver Market Area (Exhibit 5).

Summary of Real Estate Trends

This section details Vancouver's real estate conditions and identifies market drivers and trends that will influence the market appeal and viability of commercial and residential uses in the area.

Multifamily

- Multifamily rents in the Heights Market Area have risen at a similar rate to Vancouver since 2012, though rents are lower on average in the Heights. In Q1 2022, rents in the Heights are about 13 percent lower than Vancouver at \$1.56 per square feet compared to \$1.76. The Heights Market Area has experienced a strong multifamily market with most of the new units built being leased up quickly. Vacancy rates in both Market Areas have been below 5 percent in the past decade and are very low at 3.5 percent in Q1 2022. Typically, a healthy multifamily market will have a vacancy rate between 4 and 7 percent. A vacancy rate below 4 percent suggests a constrained market supply of multifamily units, which can result in upward rent pressures.

Office

- Office rents in the Heights Market Area increased from 2017 to 2020 and have since trended downward. Compared to the Heights Market Area, Vancouver has experienced steadier rent growth since 2012. Vacancy rates in both the Heights Market Area and Vancouver have generally been declining since 2015, with the exception of an increase in office vacancies in 2020 due to COVID-19. Both the Heights and the City have seen another slight increase in vacancy rates since 2021, with the Heights at 4 percent vacancy as of 2022 Q1. Total vacancy below 5 percent is indicative of a healthy market that will drive future rent growth.

Retail

- Retail rents in the Heights Market Area have been consistently lower than in Vancouver as a whole over the 2010-2021 study period, though that gap has narrowed over the past two years. Vacancy rates have generally declined for both the Heights and the City as a whole since 2013, except for an increase in 2020 due to COVID-19. Rates have since declined since 2020 to 2.2% in the Heights and 3.7% in Vancouver. Total vacancy below 5 percent is indicative of a healthy market and a major driver of rent growth—which has been seen in recent years.

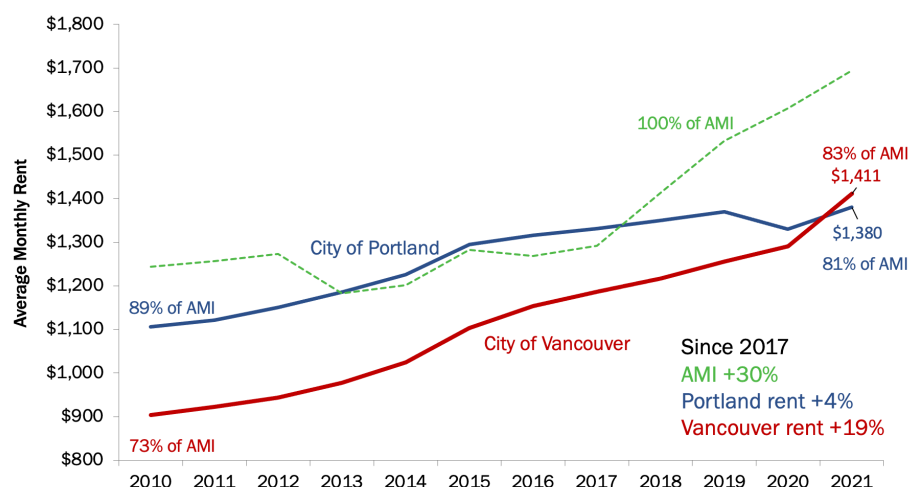
Residential Trends

Housing in Vancouver

Average market rent for 1-bedroom units in Vancouver is currently higher than in Portland. In 2021, average market rent for a 1-bedroom unit in Vancouver was \$1,411 (or 83% of AMI) and \$1,380 (or 81% of AMI) in Portland. Since 2017, Vancouver rent has increased 17 percent, while rent in Portland has increased 4 percent.

Exhibit 13. Average Market Rent for 1-Bedroom Units Compared to 100% of Area Median Income (AMI)

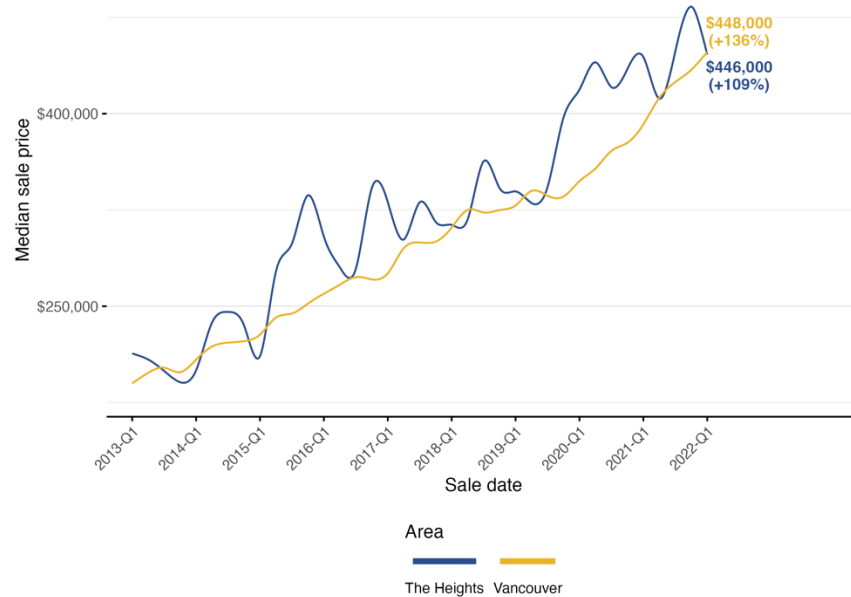
Source: CoStar, HUD



Median sales prices have more than doubled in the Heights and the City of Vancouver since 2013. In the Heights, median sales prices have increased 109% during this time, which is slightly lower than the 136% increase citywide. As of 2022 Q1, the median sales price was \$446,000 in the Heights and \$448,000 in Vancouver as a whole.

Exhibit 14. Median Home Sales Prices the Heights

Source: Clark County Assessor



Note: Prices were sampled from homes within ¼ mile of the Heights District Plan Area boundary.

Multifamily

Over the past three years, nearly 80% of new residential construction in the City has been multifamily.

Exhibit 15. Completed New Housing Units per Year in the City of Vancouver

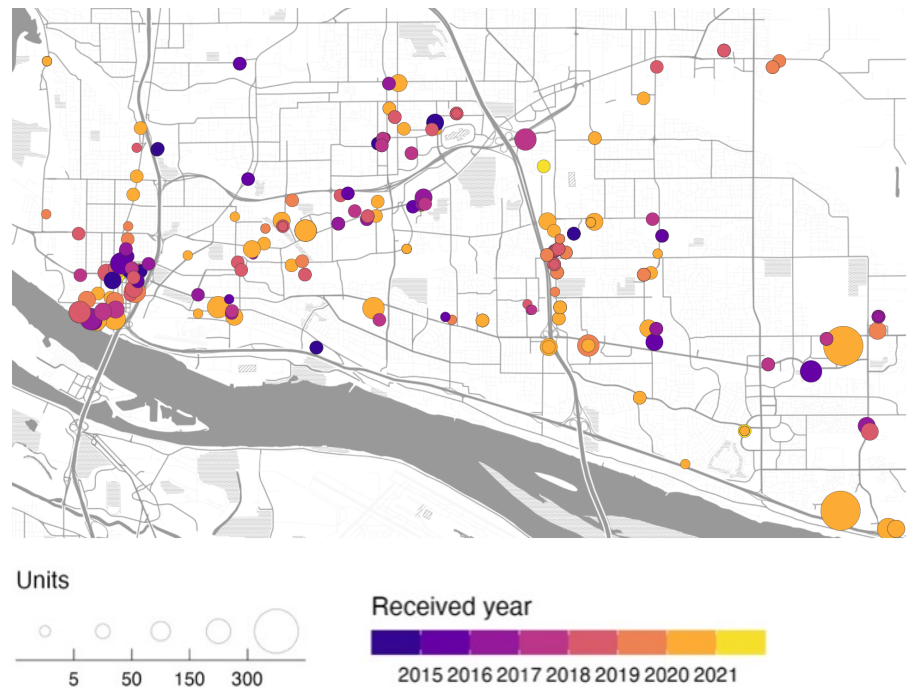
Source: City of Vancouver

Year	Multifamily	Single Family	Total
2019	1432	228	1660
2020	715	353	1068
2021	1690	468	2158
Total	3837	1049	4886
3-year average	1279	349	1628
Share of new units	78.5%	21.5%	

There has been minimal multifamily permitting activity near the Heights over the past six years. Most apartment construction has been concentrated in the downtown area, with some clusters of residential development permit activity along Fourth Plan and I-205.

Exhibit 16. Recent Residential Permitting Activity by Size and Location

Source: City of Vancouver

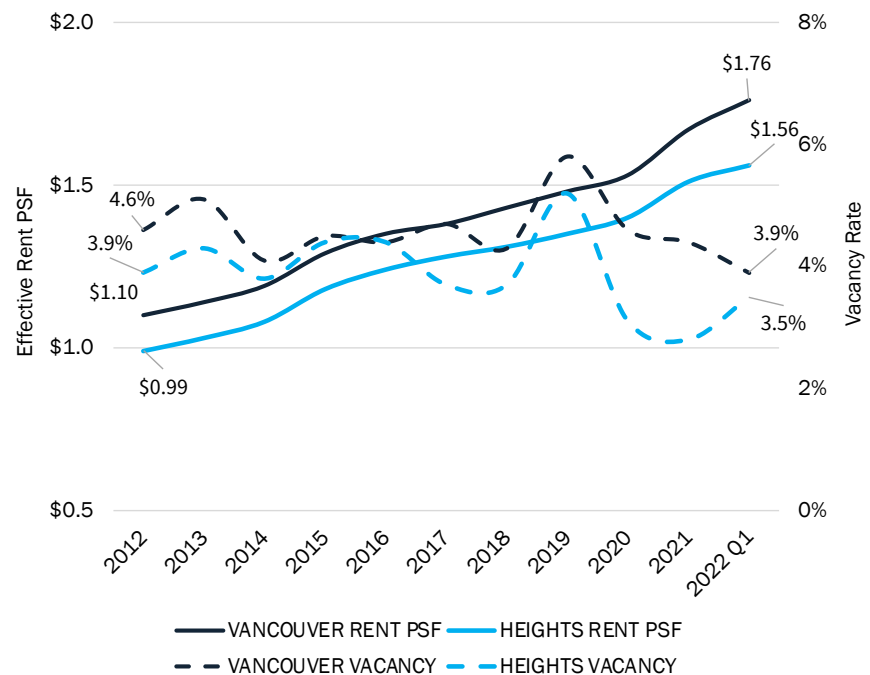


Multifamily rents in the Heights Market Area have risen at a similar rate to Vancouver since 2012, though rents are lower on average in the Heights. Over the 2012 to Q1 2022 period, rents in the Heights Market Area have increased by 58% or about \$0.57 per square foot. Comparatively, Vancouver rents have increased by 60% or about \$0.66 per square foot.

The COVID-19 pandemic has not reduced demand for multifamily in either market area. Since COVID-19, demand for housing has increased in both markets as shown in the relatively low vacancy rate of 3.5% in the Heights Market Area.

Exhibit 17. Multifamily Rent Per Square Foot and Vacancy Rate, the Heights and Vancouver, 2012–2022 Q1

Source: CoStar

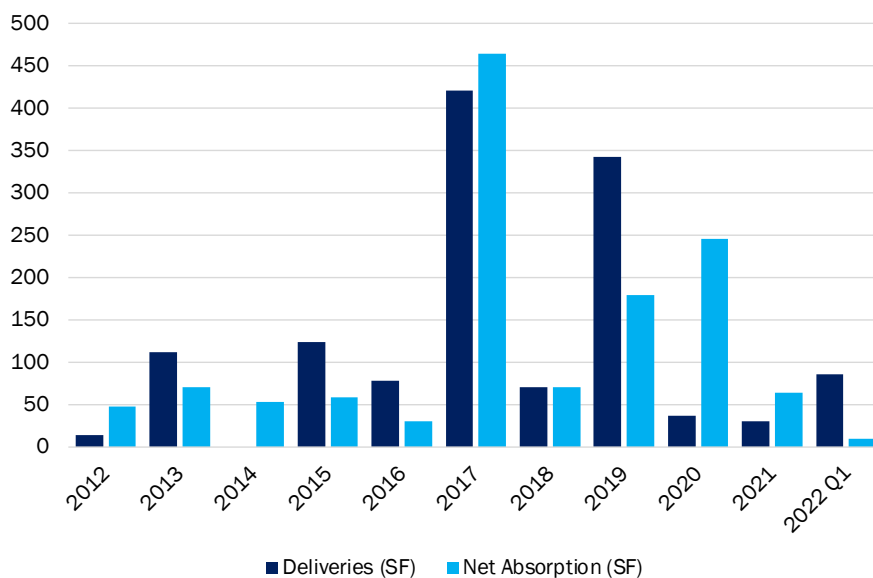


Between 2012 to 2022, a little over 1,300 units have been delivered to the Heights Market Area, while net absorption has remained positive in the past decade.

Net absorption trends indicate that all the new units that have been delivered in the Heights Market Area have been quickly leased up, suggesting a strong demand for rental units in the area.

Exhibit 18. Multifamily Deliveries and Net Absorption, the Heights Greater Market Area, 2011–2022 Q1

Source: CoStar



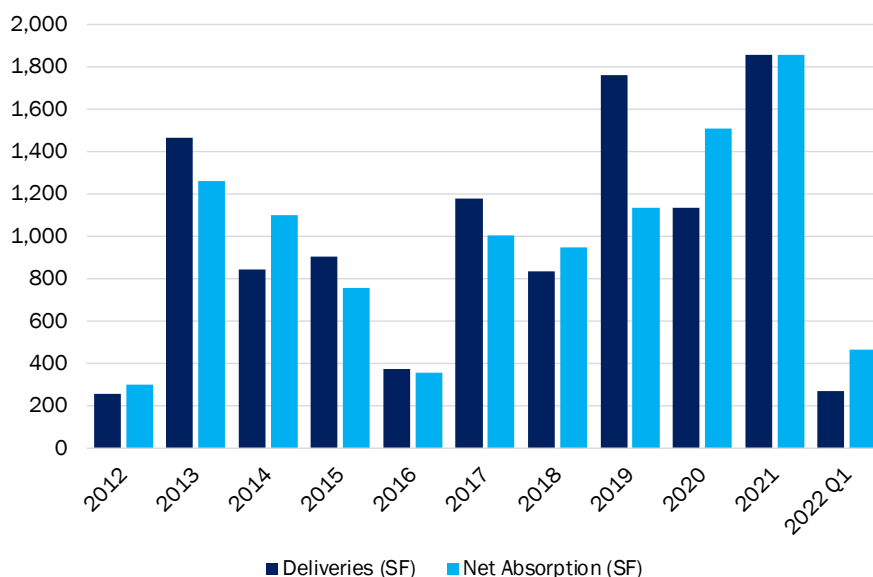
Between 2012 and 2022, a little over 10,886 units have been delivered to the Vancouver market, while net absorption has remained positive in the past decade.

Similarly to what is happening at the local level, strong demand for housing is evident citywide in Vancouver with most of the new units built being leased up very quickly.

This demand is also seen in the relatively low vacancy rate in both the Heights and Vancouver.

Exhibit 19. Multifamily Deliveries and Net Absorption, Vancouver, 2012–2022 Q1

Source: CoStar



Single Family Homes

Single family homes in Vancouver have been selling for an average sale price of about \$530,000 in 2022. RedFin trend data shows that, on average, homes in the Vancouver market sell for about \$50,000 more than in the Heights District.

Compared to the Heights Market Area, Vancouver's housing stock tends to be newer and much larger.

Exhibit 20. Single Family Homes Sold in the City of Vancouver in the Last Year, 2021-2022

Source: RedFin

Vancouver City	# of Homes	Average Price	Average Square Foot	\$/Square Foot	Average Year Built
Single Family Homes	2294	\$ 530,250.25	1,829	\$ 302.87	1983
0/Studio	3	\$ 409,033.33	1,385	\$ 352.00	1960
1-bedroom	10	\$ 437,269.00	1,306	\$ 406.70	1950
2-bedroom	230	\$ 417,629.86	1,172	\$ 374.86	1955
3-bedroom	1333	\$ 480,711.64	1,591	\$ 309.37	1984
4-bedroom	568	\$ 624,559.99	2,316	\$ 270.21	1991
5 or more	150	\$ 794,671.45	3,149	\$ 250.27	1989

In the Heights Market Area, single family homes have been sold for an average sale price of about \$480,000 in 2022.

Single family homes sold in the Heights Market Area tend to be smaller and older, which most often correlates with more affordable sale prices.

Exhibit 21. Single family Homes Sold in the Heights District in the Last Year, 2021-2022

Source: RedFin

Heights District	# of Homes	Average Price	Average Square Foot	\$/Square Foot	Average Year Built
Single Family Homes	568	\$ 479,521.46	1646	\$ 311.78	1966
0/Studio	1	\$ 336,100.00	1,400	\$ 240.00	1961
1-bedroom	4	\$ 314,750.00	1,045	\$ 308.25	1932
2-bedroom	99	\$ 364,447.05	1,026	\$ 375.73	1947
3-bedroom	339	\$ 452,525.55	1,514	\$ 311.59	1968
4-bedroom	101	\$ 653,241.93	2,425	\$ 271.24	1978
5 or more	24	\$ 637,884.88	2,902	\$ 224.92	1976

Townhomes

Sale trends indicate that townhomes offer a much more affordable housing option for homeowners, with sale prices averaging slightly below \$400,000 in 2022 across Vancouver.

Townhomes sold in Vancouver tend to be newer and slightly smaller than the typical single family home sold in the past year.

Exhibit 22. Townhomes Sold in Vancouver (City) in the Last Year, 2021-2022

Source: RedFin

Vancouver City	# of Homes	Average Price	Average Square Foot	\$/Square Foot	Average Year Built
Townhomes	240	\$ 393,926.96	1,548	\$ 257.43	2010
2-bedroom	41	\$ 362,159.88	1,327	\$ 276.20	2007
3-bedroom	191	\$ 395,544.58	1,574	\$ 253.48	2011
4-bedroom	7	\$ 497,842.86	1,952	\$ 258.43	1999
6-bedroom	1	\$ 660,000.00	2,804	\$ 235.00	2003

According to Redfin, the townhomes sold in the Heights Market Area are the most affordable housing options to purchase in 2022.

In the past year, townhomes in the Heights Market Area have sold for about \$360,000 and tend to be smaller and older than the townhomes that have been sold in Vancouver.

Exhibit 23. Townhomes Sold in the Heights District in the Last Year, 2021-2022

Source: RedFin

Heights District	# of Homes	Average Price	Average Square Foot	\$/Square Foot	Average Year Built
Townhomes	56	\$ 358,282.14	1477	\$ 249.70	1999
2-bedroom	15	\$ 328,520.00	1,181	\$ 282.53	1996
3-bedroom	39	\$ 364,207.69	1,562	\$ 238.13	2001
4-bedroom	2	\$ 465,950.00	2,061	\$ 229.00	1984

Commercial

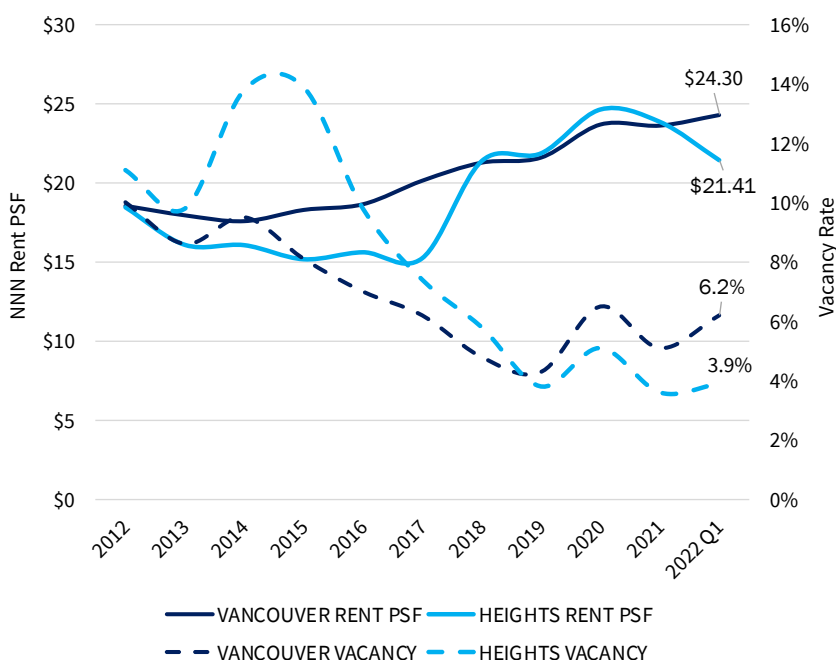
Office

Since 2012, office rents in the Heights Market Area have risen by 16% or about \$2.98 per square foot. Rents in Vancouver have risen at a faster rate of about 31% or \$5.74 per square foot.

Vacancy rates in both the Heights Market Area and Vancouver have been declining since 2015, with the exception of an increase in 2020 due to COVID-19. Both the Heights and the City have seen another slight increase in vacancy rates since 2021, with the Heights at 4 percent vacancy as of 2022 Q1.

Exhibit 24. Office Rent per Square Foot and Vacancy Rate, the Heights and Vancouver, 2012–2022 Q1

Source: CoStar

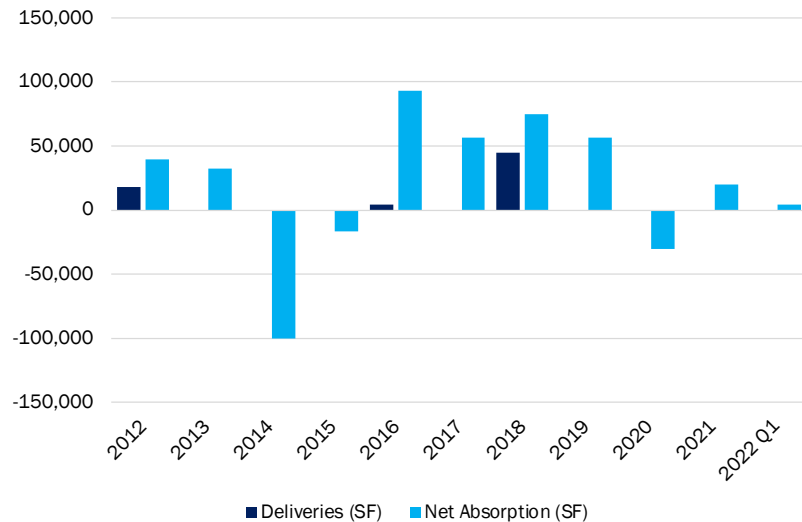


The Heights Market Area has a vacancy rate of 3.9%, which indicates a healthy market.

Within the Heights Market Area, 68,000 square feet of new office space has been built since 2012. Net absorption has been mostly positive with several large vacancies in 2014, 2015, and 2020.

Exhibit 25. Office Deliveries and Net Absorption, the Heights, 2011–2022 Q1

Source: CoStar

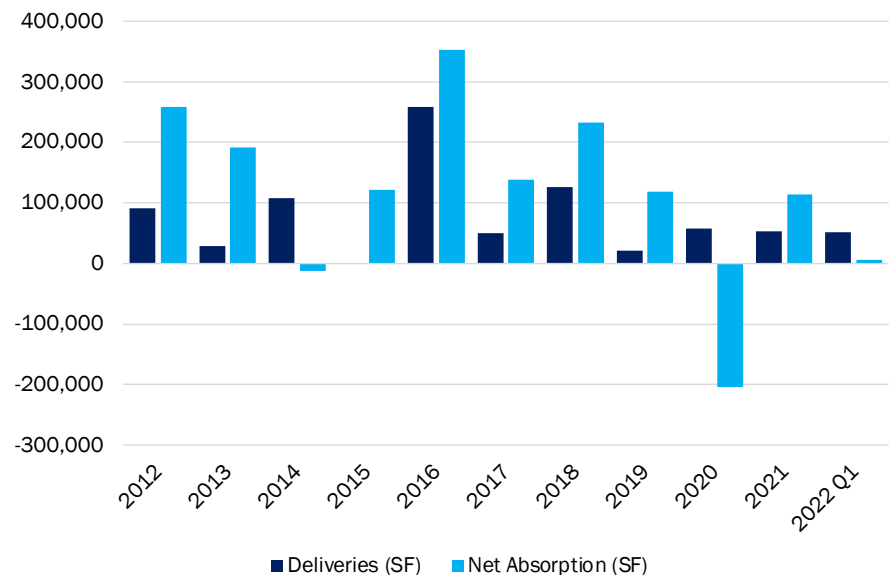


Overall, Vancouver has had a robust office market fueled by strong rent growth and new office space. Since 2012, Vancouver has experienced a positive net absorption, except for 2020.

Since 2012, 845,000 square feet of office space has been built in Vancouver.

Exhibit 26. Office Deliveries and Net Absorption, Vancouver, 2012–2022 Q1

Source: CoStar



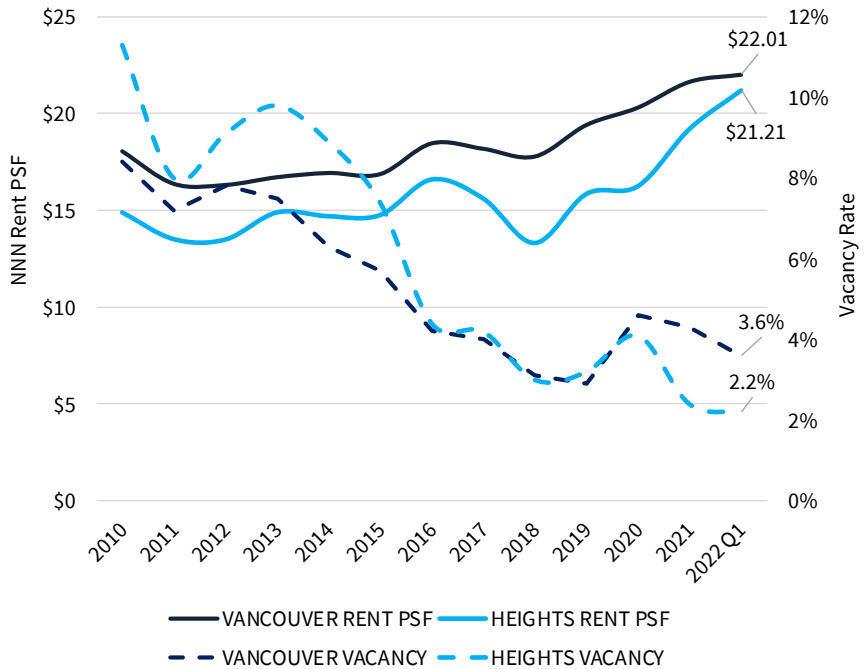
Retail

Retail rents in the Heights Market Area have been consistently lower than in Vancouver as a whole since 2010, though that gap has narrowed over the past two years. Over the 2012 to Q1 2022 period, rents in the Heights Market Area have increased by 57% or about \$7.74 per square foot. Comparatively, Vancouver rents have increased by 35% or about \$5.70 per square foot.

Overall, vacancy rates have declined since 2013, except for an increase in 2020 due to COVID-19. Rates have declined since 2020 to 2.2% in the Heights and 3.6% in Vancouver.

Exhibit 27. Retail Rent per Square Foot and Vacancy Rate, the Heights and Vancouver, 2010–2022 Q1

Source: CoStar

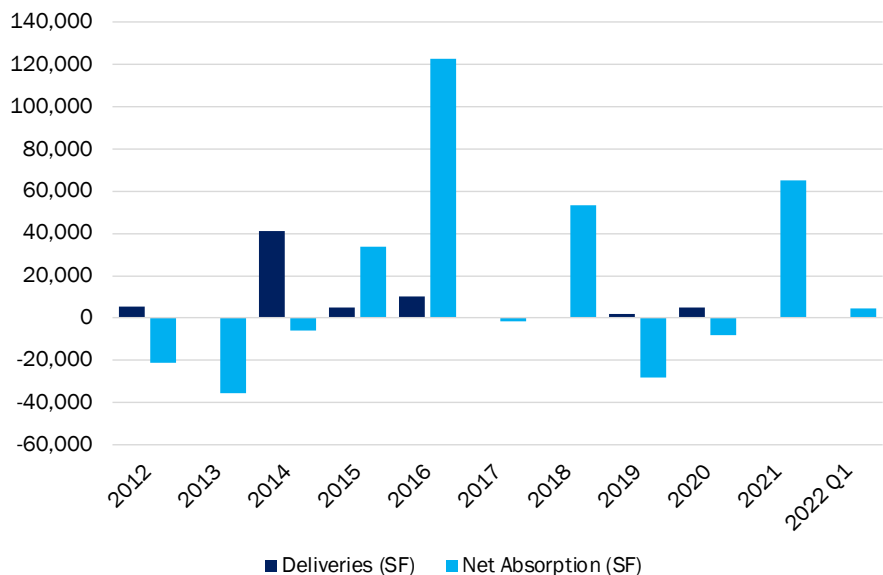


Since 2012, net absorption in the Heights Market Area has fluctuated between positive and negative over the years, but generally there has been large positive net absorption in the area.

Overall, 68,500 square feet of new retail space has been built in the Heights Market Area since 2012.

Exhibit 28. Retail Deliveries and Net Absorption, the Heights, 2012–2022 Q1

Source: CoStar

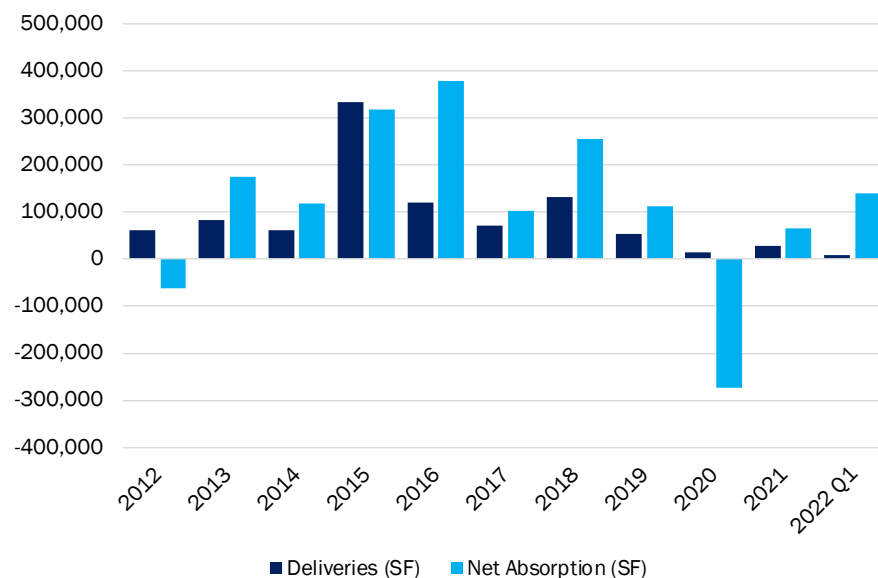


Net absorption has mostly been positive in Vancouver except for a few vacancies in 2012 and 2020.

Since 2012, almost 1,000,000 square feet of new retail space has been built in Vancouver. Most of this retail space was built between 2012 and 2018.

Exhibit 29. Retail Deliveries and Net Absorption, the Heights and Vancouver, 2012–2022 Q1

Source: CoStar



Retail Market Potential

ECONW conducted a retail leakage analysis using Claritas data to understand local spending and supply and demand. Retail “leakage” occurs when residents do not have competitive opportunities to purchase goods locally and must travel outside the market (or purchase online) to find desired products. The retail gap represents the difference between demand and supply within the specified trade area. A positive value represents leakage of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. It is also important to note that while the retail demand sales estimates indicate that Vancouver as a whole is under-retailed, this is occurring in the context of cross-state tax structures that drive consumer expenditures across the Columbia River into Multnomah County where there is no sales tax.

While there is broad retail leakage occurring in the Heights Market Area, this analysis is focused on demand for retail and service categories that are consistent with the vision of neighborhood and community-serving uses as identified in the Heights District Master Plan. These retail and service categories are identified in Exhibit 30 below, along with summarized retail leakage in the Heights, the Heights Greater Market Area, and the City of Vancouver for each category. For the purposes of this analysis, the retail demand and leakage for the Heights Greater Market Area represents the most likely geography of demand to understand how future development of the Heights can include retail components that serve the broader communities in and adjacent to the District.

Exhibit 30. Summary of Retail Leakage by 3-Digit NAICS, the Heights and Comparison Geographies, 2022

Source: Claritas Retail Market Power Report

	The Heights	The Heights Greater Market Area	Vancouver (City)
Clothing and clothing accessories stores	\$516,537	\$27,400,933	\$57,101,253
Building material and garden equipment	\$440,815	\$20,737,227	\$50,300,679
Food services and drinking places	\$298,246	\$35,734,147	-\$3,142,343
Furniture and home furnishings stores	\$289,100	\$17,257,082	\$25,707,448
Electronics and appliance stores	\$180,973	\$12,697,173	\$29,969,700
Sporting goods, hobby, book, and music	-\$90,930	\$9,969,193	\$8,841,459
General merchandise stores	\$843,735		
Health and personal care stores	-\$226,904	\$32,033,813	\$62,535,011
Food and beverage stores	-\$4,231,284	-\$5,791,291	-\$17,201,586

The retail demand and retail leakage data from Exhibit 30 was used as an input to understand how retail leakage and demand within the Market Area could be captured by future retail spaces within the Heights District. Additionally, it was used to understand how much potential square footage of retail for each category could be supported by the current unmet demand. This analysis of the demand for retail square footage indicates that there could be demand for nearly 300,000 square feet of retail and service space within the broader Heights District. The highest retail categories of square footage demand for the Heights are food service and drinking places (restaurants, taprooms, wineries, bars) with about 77,000 square feet of demand and health and personal care with about 91,000 square feet of demand. Additionally, there is demand for a broad range of retail uses that could be programmed in a way to support locally owned and neighborhood-serving businesses. This analysis also indicates that there is likely not sufficient demand for a new grocery store or a larger-format general merchandise store. This analysis indicates that there is sufficient demand for retail and services to support the 56,000 square feet of commercial space identified in the proposed development program of the Heights District Master Plan.

Exhibit 31. Potential Retail Space Demand by 3-Digit NAICS, the Heights Market Greater Market Area

Source: Claritas Retail Market Power Report, ECONorthwest analysis

Retail Store Type	Heights Market Area Retail Leakage	Heights Market Area Demand Square Feet
Furniture & Home Furnishings	\$17,257,082	6,091
Electronics & Appliances	\$12,697,173	28,216
Clothing & Clothing Accessories	\$27,400,993	18,267
Health and Personal Care	\$32,033,813	91,525
Sporting Goods, Hobby, Books & Music	\$9,969,193	13,292
Food and Beverage	-\$5,791,291	
General Merchandise	-\$25,730,759	
Building Materials and Home Improvement	\$20,737,227	60,484
Food Services & Drinking Places	\$35,734,147	77,424
Total	\$155,829,628	295,299

4. Future Housing Needs

Observed population growth in Vancouver has continued to exceed prior population forecasts. The 2011-2030 Vancouver Comprehensive Plan forecast an annual average population growth of 1.17 percent.¹ However, observed population growth over this period of time indicates that the average annual population growth since 2010 has actually grown at 1.68 percent annually, a large increase above planned growth. This population growth has led to an increasingly strong demand for housing in the Vancouver market that shows no signs of slowing down in the near term, as Vancouver continues to capture a larger share of Portland-Vancouver region population growth and residential development.

Given that the observed changes in population and household growth have far exceeded the previous adopted forecast from the 2011-2030 Vancouver Comprehensive Plan, and that community conversations about updating the long-range vision for the update to the Vancouver Comprehensive Plan will be getting underway in 2023, this analysis has used a draft estimate of a potential refined housing need forecast based on updated population estimates from the Washington Office of Financial Management. This interim estimate of household needs across Vancouver is helpful to understand how housing targets in the Heights District

¹https://www.cityofvancouver.us/sites/default/files/fileattachments/community_and_economic_development/page/874/vancouver_comprehensive_plan_2011-2030_august_2021_update.pdf

relate to potential future demand for housing across the City of Vancouver. The interim population and household forecast conducted for this analysis indicates that Vancouver could reasonably see an additional 77,000 people and 32,000 new households in Vancouver from 2020-2040.

Exhibit 32. Interim Population and Household Forecast

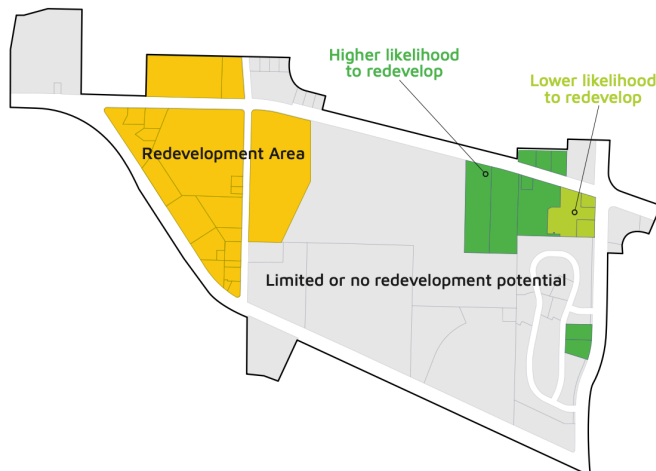
Source: OFM Population Estimates, ECONorthwest Analysis

Year	Population	Households
2020	190,915	79,513
2042	268,000	111,618
Change 2020 to 2042		
Number	77,085	32,105
Percent	40%	40%
AAGR	1.55%	1.55%

The Future Land Use Scenario from the Heights District Plan identified an additional 1,800 new residential units that are planned for the District across all redevelopment areas (Exhibit 32). These 1,800 new units represent only 5.6% of the potential future housing units identified in the interim population and households forecast, a share that should easily be achievable given both strong market dynamics as well as the public investment in infrastructure across the district.

Exhibit 33. Heights District Plan Future Land Use Scenario

Source: City of Vancouver

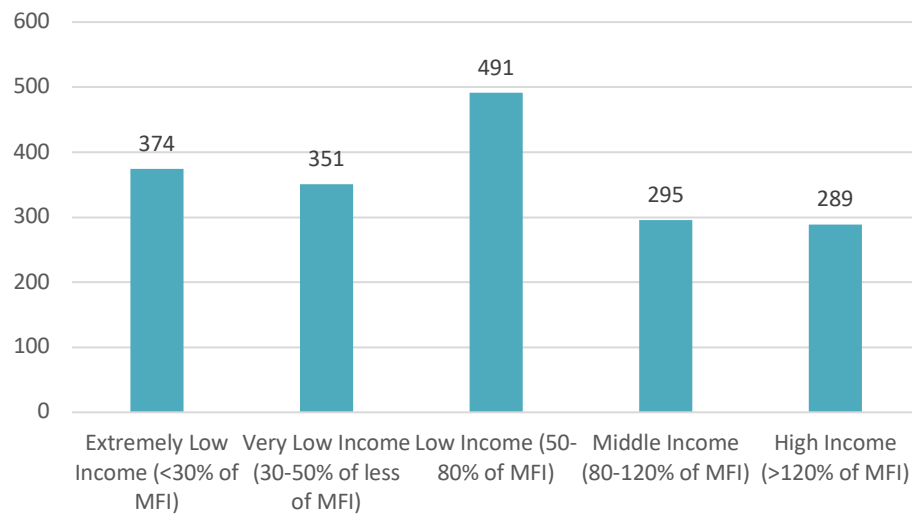


Of the 1,800 new units planned for the Heights District, there will need to be thoughtful consideration of how this housing can meet the housing affordability needs of future residents in the area. Using the current household income distribution of the City of Vancouver as a

whole, the following breakdown of units by income level could be needed in the Heights if the District were to have housing that reflects that current income distribution of Vancouver households today.

Exhibit 34. Interim Population and Household Forecast

Source: OFM Population Forecast, US Census Bureau, ECONorthwest Analysis



5. Next Steps

This market analysis shows that there are two divergent trends that are likely to shape the future in the Heights. First, there is growing market demand for residential and commercial uses in the Heights; rents and home sales prices are on the rise; higher-income households and families are moving into the area; and there is a strong demand for additional retail and services in the area.

At the same time, there is a growing share of people of color in the Heights and an increasing share of cost-burdened renters citywide, with black and Hispanic residents showing disproportionate cost burden rates. There is a strong need for more affordable housing types in the Heights to meet the forecasted needs of Vancouver residents.

These trends have policy implications as the City plans for development in the Heights. As this area develops, the observed market demand has the potential to increase displacement pressures on existing residents and businesses. This suggests the need to implement strategies to stabilize existing residents and businesses before development occurs. Additionally, there is a need to plan for and promote affordable housing development to meet the forecasted needs of residents at a range of income types.

The next steps in the Equitable Development Plan will help assess the most impactful and feasible strategies to meet the needs of current and future residents and businesses in the Heights. ECONW will evaluate various policies, projects, and programs to promote community stabilization, affordable housing, and equitable economic development opportunities in the Heights. We will gather community input and evaluate best practices and case studies on equitable development strategies and analyze feasibility of strategies in the context of the Heights. This information will be synthesized into a final report that will include recommendations for implementation strategies, programmatic investments, and development proposal evaluation criteria.

Heights Equitable Development Strategy

Best Practices and Case Study Review

December 7, 2022

Prepared for: City of Vancouver

Draft Report

ECONorthwest

ECONOMICS • FINANCE • PLANNING

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1. Introduction

Purpose

ECONorthwest is working with the City of Vancouver to prepare an Equitable Development Strategy for the Heights District, which will identify strategies to minimize negative impacts on existing businesses and lower-income residents and ensure the new Heights District development benefits the entire community. Equitable development goals for the plan area and surrounding neighborhoods include:

- Provide housing for people and families at all income levels
- Retain and attract locally owned businesses
- Create opportunities for business owners from historically marginalized groups
- Support the creation of new businesses, which can meet the needs of local residents
- Offer a variety of employment opportunities that pay a living wage and are accessible to Vancouver residents from a range of educational and professional training backgrounds
- Connect residents to community services and amenities that benefit all ages and income groups

This Best Practices and Case Study document has been prepared to inform the recommendations for the Heights District Equitable Development Strategy. This document summarizes the takeaways from ECONorthwest’s anti-displacement and equitable development research. This research aimed to gather both broad national strategies and local, community-informed strategies for the City of Vancouver to consider in the next phases of their Heights Equitable Development project and other City-led redevelopment projects. To build off past community feedback and be mindful of this project’s potential impact on adjacent neighborhoods, this report incorporates relevant recommendations from Reside Vancouver, Fourth Plain Forward, and the Heights District Report.

The strategies within this report are organized into two broad categories: (1) **anti-displacement and community stabilization strategies** and (2) **equitable development and public benefits**. Stabilization strategies include policies, programs, and tools that support the stabilization of existing households, businesses, and service providers. Equitable development and public benefit strategies aim to deliver public amenities that benefit the community, such as affordable housing, public facilities, and commercial spaces for local businesses.

This report includes six case studies that explore innovative anti-displacement and equitable development strategies, including land banking, shared equity models, and alternative residential and commercial ownership structures. This report highlights the outcomes and lessons learned from the following case studies:

- (1) C-Street Co-Op in Springfield, OR,
- (2) NorthEast Investment Cooperative in Minneapolis, MN,
- (3) Mercy Corps East Portland Community Investment Trust in Portland, OR,
- (4) Pike Place Market Preservation & Development Authority in Seattle, WA,
- (5) Casa Qui Neighborhood Business Incubator in Forest Grove, OR, and
- (6) 10th and Yamhill Master Leasing in Portland, OR.

In this report, ECONorthwest uses the findings from the literature review, case studies, and review of past city community feedback to identify a range of potential strategies the City of Vancouver could implement in the Heights, or citywide, to advance the City's equitable development goals for the plan area. The findings from this report will be synthesized into a final report with findings from other tasks in this project, including the market analysis, feasibility analysis, and community engagement. The final report will include context-specific recommendations for implementation strategies, programmatic investments, and development proposal evaluation criteria for the Heights District Plan Area.

Structure of This Report

This document consists of several sections:

- **Literature Review.** Section 2 describes current trends, research, and findings on equitable development and anti-displacement strategies.
- **Summary of Potential Equitable Development and Anti-Displacement Strategies.** Section 3 provides a summary of potential strategies to support the City's goals for the Heights District. Strategies are categorized by whether they provide support for affordable housing or businesses. Select strategies include case studies that provide insight into a program's funding, governance, impact, or legal structure.
- **Preliminary Evaluation of Strategies.** Section 4 provides a summary of findings for the potential strategies considered in this report.

2. Literature Review

Heights Equitable Development Project

ECONorthwest conducted a literature review of trends and best practices in anti-displacement strategies and equitable development. This research aimed to gather both broad national strategies and local, community-informed strategies. There is limited academic research on the effectiveness of anti-displacement, community stabilization, and equitable development strategies and programs. There is, however, an emerging acknowledgement and community-generated enthusiasm of what might be the most effective programs and strategies that could yield desired results at the neighborhood and district level. This section summarizes some of the high-level findings of this literature review, which can be used to guide thinking around the development and implementation of the Heights Equitable Development Strategy.

What Is Equitable Development?

Community development is the process of spurring positive change such as growth of the physical, environmental, social, economic, and demographic aspects of a community, often in neglected areas. Equitable development, at its core, is community development done purposefully with and for the benefit of all its community members, particularly those who have been marginalized by past and current policies and structures. This can be accomplished in multiple ways, including:

- power sharing in the form of community input and/or shared decision-making on what improvements the area receives,
- employing wealth-creation strategies that distribute the gains of neighborhood revitalization more broadly, and
- value capture strategies that generate revenue to fund other affordable housing and affordable commercial or anti-displacement strategies.

Local municipalities aiming to develop equitably are invested in improving the overall quality of life of their entire communities, centering those most historically marginalized. This means improving the conditions in which people are born, grow, live, work, and age.¹ The affordability of available housing, quality of education and childcare, range of living-wage employment, health of the environment, and accessibility of transportation and health services are all common metrics that determine one's quality of life.² Therefore, equitable development

¹ "Social Determinants of Health," World Health Organization, 2020, <https://www.who.int/teams/social-determinants-of-health>, See also "Social Determinants of Health," Centers for Disease Control and Prevention, <https://www.cdc.gov/about/sdoh/index.html>.

² Ryan Curren et al., *Equitable Development as a Tool to Advance Racial Equity*, (Government Alliance on Race & Equity, 2015), 5.

includes public and private investments, programs, and policies in neighborhoods that meet the needs of residents and reduce class and racial disparities.³

According to Government Alliance on Race and Equity (GARE),⁴ guiding principles of equitable development include:

- Meaningful decision-making and policymaking led and informed by the community
- Localized strategy and contextualization of strategies
- Preservation of affordable housing and commercial properties
- Expansion of accessible and affordable public transportation
- Promotion of environmental justice
- Prevention of displacement
- Increase economic opportunities

Emerging literature suggests that a key to equitable development is increasing reliable avenues toward *localized community ownership* or *shared equity models*, where residents at all income levels are provided opportunities to invest and share in the profits of existing and future development.⁵ While shared equity and community ownership techniques differ in important ways, they all aim to leverage the benefits of the market while protecting historically marginalized residents and businesses from increasing market pressures. In this way, gains typically realized only by those wealthy enough to own homes or invest in commercial development may be realized by a broader cross-section of the community.

For example, some shared equity strategies such as community land trusts buy property and disaggregate land ownership (held by the land trust) from ownership of the structure (owned by the resident). This enables lower-income households to own their own homes and build equity while maintaining long-term affordability for future community members with the help of deed-restricted covenants, which restrict resale prices.⁶ Community ownership models such as limited equity cooperatives and community investment trusts afford residents the opportunity to purchase shares in a residential or commercial development and build (restricted) equity.⁷ Each of these strategies seeks to increase the stability of community members and enable them to benefit from the rise in neighborhood property value while preserving the long-term opportunities for future community members.

³ Ibid.

⁴ Curren et al., [Equitable Development as a Tool to Advance Racial Equity](#), 8.

⁵ Karen Chapple and Anastasia Loukaitou-Sideris, [White Paper on Anti-Displacement Strategy Effectiveness](#) (California: California Air Resources Board, 2021), 13.

⁶ ["Deed-restricted homeownership."](#) Local Housing Solutions, n.d.

⁷ Chapple and Loukaitou-Sideris, [White Paper on Anti-Displacement Strategy Effectiveness](#), 58.

What Is Anti-Displacement?

Preventing displacement is fundamental to the concept of equitable development. Residents who are priced out due to rising property values, which lead to increases in rent and taxes, or who are involuntarily displaced through acquisition and redevelopment of their homes are often the ones who bear the negative consequences of development. This also includes economic and cultural displacement caused by dramatically changed environments that are no longer reflective of, or responsive to, the needs of community members.

Studies show that marginalized communities are the most negatively impacted by inequitable development and are the first to be displaced.⁸ Therefore, it is important for cities to establish short- and long-term anti-displacement investments, policies, and protections that aim to support stabilization and reduce and/or prevent the involuntary removal of existing households, businesses, and service providers.⁹ This is particularly true when a city is actively investing in a neglected community where vulnerable community members reside, receive services, and operate small locally serving businesses.

Instituting a mix of responsive and preventative anti-displacement strategies is especially prudent for cities like Vancouver that are anticipating significant public and private investment and development. These anti-displacement strategies can range from short-term emergency rental assistance to long-term strategies such as affordable housing preservation, Individual Development Accounts (IDAs), affordable childcare, and down payment assistance.

Any equitable approach to development must address the two major obstacles, including 1) involuntary economic and cultural displacement of lower-income communities and communities of color and 2) lower-income communities of color having inequitable access to the key determinants of one's quality of life.¹⁰ In this way, equitable development and anti-displacement strategies mutually enforce one another.

⁸ Danyelle Solomon, Conner Maxwell, and Abril Castro, [Systemic Inequality: Displacement, Exclusion, and Segregation](#) (Center of American Progress, 2019)

⁹ Curren et al., [Equitable Development as a Tool to Advance Racial Equity](#), 5.

¹⁰ Ibid.

3. Potential Equitable Development and Anti-Displacement Strategies

The following strategies are a list of potential strategies that could consider implementing in the Heights or citywide, depending on resource availability and capacity of local partners, to advance the City's equitable development goals for the plan area. Because equitable development seeks to ensure affected community members influence what happens in their community and how it happens to them, ECONorthwest's initial search for specific anti-displacement and equitable development strategies began with reviewing recommendations from past Vancouver engagement efforts, including Fourth Plain Forward, the Heights District Report, and Reside Vancouver (see Appendix 1). ECONorthwest supplemented this list with research on local and national trends and best practices in equitable development.

Strategies are grouped by whether they provide support for affordable housing or businesses. Each strategy includes a brief description and is categorized as one or both of the following:

- **Anti-Displacement** - strategies that have the potential to prevent or mitigate displacement of existing businesses and residents in or around the plan area.
- **Equitable Development** - strategies that have the potential to provide new economic opportunities or affordable housing through new development and investment within the Heights District Plan Area.

3.1. Potential Affordable Housing Strategies

The affordable housing strategies include ongoing and new policy, program, and funding resource opportunities that can help build a more robust web of short- and long-term investments to preserve housing affordability, increase avenues to homeownership, and mitigate the potential negative impacts of new development.

HOUSING STRATEGIES	Anti-Displacement	Equitable Development
Funding to Support Affordable Housing Development – funding to partner organizations to support the development of regulated affordable housing units		✓
Land Acquisition and Management Strategy – plan and funding for acquisition of land and/or buildings to advance affordable housing development goals	✓	✓

Multifamily Tax Exemption Program (MFTE) – provides 8, 12, and 20-year property tax exemptions to incentivize multifamily housing development ¹¹		✓
Development Agreements – use legal agreements for public-private partnerships to meet housing goals, including: ▪ Create diversity in housing types ▪ Ensure affordable housing is sited and integrated appropriately with market-rate housing ▪ Provide mixed-income housing affordable to people at a variety of income levels		✓
Code and Design Guidelines – require universal design and other accessibility criteria for streets, sidewalks, parks, and commercial areas		✓
Right of First Refusal (ROFR) – policies that help preserve existing affordable housing by legally providing tenants the first right to purchase a rental building once placed for sale	✓	
Emergency Rental Assistance – direct payment to landlord to assist residents with paying rent to remain housed; this is particularly useful when bridging a short-term inability to pay or when paired with long-term voucher or other mechanism to ensure long-term stability (such as tenancy in a regulated affordable home)	✓	
Anti-Displacement Impact Assessment – require developers and public agencies to create and utilize an anti-displacement equity lens to analyze how proposed developments, zoning changes, public investments, or infrastructure projects could impact communities	✓	
Rental Registration Program – Create city database of all rental properties	✓	
Home Repair Loans and Grants – funding to stabilize and assist low- and moderate-income homeowners by making improvements to their homes	✓	
Community Land Trust (CLT) – shared equity model that helps ensure long-term affordability through deed restrictions that require a portion of equity to be reinvested as subsidy to reduce the sale price for future buyers	✓	
Limited Equity Cooperative (LEC) – a shared equity, member-run cooperative organization that limits the equity homeowners can accumulate and preserves long-term affordability for current and future lower-income households	✓	✓

¹¹“[Multi-Family Housing Property Tax Exemption Program](#),” Washington State Department of Commerce, updated 2022.

Deed-Restricted Homeownership – additional clauses on property titles that ensure long-term affordability for lower-income homebuyers	✓	
Conservation & Utilities Assistance – grants and tax rebates that help reduce energy consumption in homes of residents who are lower income and offset or reduce utility costs	✓	
Tenant Protection Enhancements - expand legal protections and assistance for renters to reduce and mitigate high costs of displacement	✓	

Housing Stabilization Program Research

While many of the strategies included in the section above are relatively straightforward, some of the potential activities are lesser understood or more complex. This section includes details on these novel or complicated strategies for the City of Vancouver’s review and consideration. Each strategy includes a description overview, their strengths and challenges, and the City’s expected role. Select strategies are paired with a case study to model how such a strategy has been applied either regionally or nationally and provide insight into a program’s potential funding, governance, impact, or legal structure.

Community Land Trust

Community Land Trust (CLT) is a shared equity model that helps ensure long-term affordability through **deed restrictions** that require a portion of equity to be reinvested as subsidy to reduce the sale price for future buyers, who are often families between 80% and 120% AMI.¹²

How It Works:

A community land trust (CLT) is a nonprofit organization that purchases land and places deed restrictions with the goal to increase commercial or residential affordability for lower-income communities. Residential CLTs are the most popular, providing households often at 120% AMI or below with opportunities to purchase affordable houses. This affordability is ensured through three main factors:

1. Households buy the house and lease the underlying land through a long-term (often 99-year) lease
2. A deed restriction is placed on the title to limit who can buy the property and to cap the resale price to ensure affordability for future buyers
3. A portion of the equity is reinvested into the property to subsidize resale price for future buyers¹³

CLTs usually have a three-leg organizational leadership structure, with representatives from each group below representing about a third of the organization.

1. Residents living/leasing property on CLT land
2. Public representatives
3. Community members¹⁴

¹² Chapple and Loukaitou-Sideris, [White Paper on Anti-Displacement Strategy Effectiveness](#), 58-60.

¹³ Ibid, 13., See also “[Commercial Community Land Trust](#),” Anti-Displacement Network, 2022.

¹⁴ “[Introduction to Community Land Trusts](#),” Burlington Associates In Community Development, 2012.

There is one Vancouver-based CLT ([Evergreen Habitat for Humanity](#)) and a Portland-based CLT ([Proud Ground](#)).

Example of funding sources for CLT-LECs include housing trust funds, silent loans from a municipality, HUD-SHOP forgivable loans, CDFI loan funds, CDBG funds, IDAs, etc.¹⁵

Strengths/ Opportunities	▪ Dual ownership between CLT and homebuyer ▪ Ensure permanently affordable residential or commercial property (99 years) ▪ Allow households to build equity from improvements while ensuring affordable resale price (e.g., homeowners keep 25% equity, 75% reinvested to subsidize future buyers) ▪ Residential and community ownership through nonprofit leadership structure
Challenges/ Limitations	▪ Require significant capital to acquire land and rehabilitate properties ▪ Often do not benefit households at 60% AMI or below ▪ Unsure of potential impact of housing prices adjacent to CLT-owned housing¹⁶
City's Role/s	▪ Acquire abandoned or tax delinquent properties and develop land banks¹⁷ ▪ Supply funding to subsidize initial sale price or leasing price ▪ Institute policy on deed restrictions to ensure buyers of 60% AMI or lower are prioritized for CLT-owned housing ▪ Provide educational materials to support cultural shift around CLTs

Limited Equity Cooperative

Limited equity cooperative is a shared equity model that is a member-run cooperative organization limiting the equity homeowners can accumulate, thereby preserving long-term affordability for current and future lower-income households.¹⁸

How It Works:

A limited equity cooperative (LEC) is a residential or commercial model where residents buy a share in a development (instead of an individual unit) and agree to a formula to determine a resale price that helps maintain affordable long-term buy-in costs. The buy-in costs help cover housing and operating expenses.

Residents who purchase a share may live within the LEC property or unit. While residents do not own property (or a unit) in a traditional sense, they accrue equity they can sell based on the predetermined resale share price, thus gaining access to a key benefit of homeownership.

Often LECs will either take on an existing building/house and pay for rehabilitation costs or build a brand-new development like C-Street Co-Op. However, given the potential cost impacts of both rehab and new construction, it is important for projects to consider what is more feasible: rehabilitating an existing building or starting from a blank slate. Additionally, while some LECs can be feasible with a small number of units, such as 20 and below, many LECs often suggest greater feasibility with 30 to 50-unit LECs. Therefore, the cost of developing/managing a 30 to 50-unit LEC should be weighed with the potential subsidies/funding available to ensure feasibility.

¹⁵Meagan Ehlenz, [Limited Equity Co-Ops by Community Land Trusts](#) (National Community Land Trust Network, 2013)

¹⁶ Chapple and Loukaitou-Sideris, [White Paper on Anti-Displacement Strategy Effectiveness](#), 59.

¹⁷ Ibid, 13.

¹⁸ Ibid, 58.

The formation of an LEC does not require a CLT; however, in literature, LECs that partner with CLTs are more successful as they also own the land underneath the LEC (ensuring permanent affordability with deed restrictions) and take on the administrative burden (see C-Street Co-Op Case Study). Many LECs are formed through tenant organizing (via right of first refusal), converting their apartment building into an LEC, and buying shares. Literature shows that LECs are more successful when there is existing high tenant engagement.

Example funding sources for LECs include housing trust funds, silent loans from a municipality, HUD-SHOP forgivable loans, CDFI loan funds, CDBG funds, IDAs, etc.¹⁹

Strengths / Opportunities	▪ Enable residents to build equity (unlike renting) ▪ Ensure long-term affordability through restricted equity on resale ▪ Provide residents greater control over their homes ▪ Increased affordability and stability through CLT-owned LECs (See C-Street Co-Op Case Study) ▪ Greater LEC uptake and success with first right of refusal policies²⁰ ▪ LECs more viable when community members are open to apartment-style living²¹
Challenges/ Limitations	▪ Buy-in costs can cause cost burden for some tenants ▪ Often benefit households between 80% and 120% AMI ▪ Require significant coordination, strong community volunteering capacity, and coordinated tenant action ▪ Construction/rehabilitation of LECs require significant capital ▪ While some LECs can be financially viable with 10 or fewer units, many LECs require 20-40 units to be financially feasible ▪ More common in other parts of the US, but gaining traction in Pacific Northwest²²
City's Role/s	▪ Supply funding to subsidize LEC buy-in costs ▪ Supply funding to help LEC acquire land/properties (with help of CLT) ▪ Provide educational materials to support and promote LECs ▪ Support co-op ecosystems (e.g., establish right of first refusal policies, provide predevelopment services for co-ops or educational materials to build awareness of co-ops)²³

¹⁹ Meagan Ehlenz, [Limited Equity Co-Ops by Community Land Trusts](#), 6.

²⁰ “[Limited Equity Cooperatives](#),” The Create Initiative, n.d., 1.

²¹ Cole Sinanian, “[The Forgotten Answer to the Affordable Housing Crisis](#),” *Eugene Weekly*, February 3, 2022 (accessed November, 2022).

²² Ibid.

²³ Dylan Lamar, Emily Picha, and Anne Thrall-Nash, *Affordable Middle Housing Co-ops: Opportunities and Barriers to Expanding Oregon Homeownership* (Portland, OR: ECONorthwest, March 2022), 2.

Community Land Trust/Limited Equity Cooperative Case Study - C-Street Co-Op



Springfield, Oregon - Completed Fall 2021

As an alternative homeownership model, the C-Street Co-Op located in Springfield, Oregon, is one of many emerging examples of limited equity cooperatives with a community land trust (CLT-LEC model). This CLT-LEC model includes six one-bedroom units built within a detached accessory dwelling unit (ADU) and single-family house. Each individual suite includes a bathroom and kitchenette (only two units have stoves due to zoning limitations). Additionally, the houses are Net Zero Energy Ready (with well-insulated 2x8 walls, triple-pane windows, and airtight construction) and are just a ten-minute walk from downtown Springfield, “thus, offering resident-owners the opportunity for a low-carbon, walkable lifestyle.”²⁴ The C-Street Co-Op was developed and designed by *Cultivate Inc.*, an architecture company, and *SquareOne Villages* is the local nonprofit that is serving as the community land trust, both providing administrative support for the LEC and ensuring the land beneath the LEC property remains affordable.

Completed in the summer of 2021, the C-Street Co-Op was specifically built to provide “resident-owned middle housing” for lower-income residents who are often only left with renting options with the inability to build equity. As Dylan Lamar, the C-Street Co-op architect and project manager, explained in a newspaper article on the project: “Renters are at a constant disadvantage to people who actually own their home because all of the land’s appreciation value goes to the property owners, while the renter is subject to rising rents as their property becomes more valuable over time.”²⁵ Therefore, to counteract this “wealth-extraction” of the renting model, the C-Street Co-Op chose to build a CLT-LEC model, allowing residents to buy affordable shares and become partial owners of such property with the ability to tap into its appreciation value whenever they choose to sell.²⁶

²⁴ Lamar, Picha, and Thrall-Nash, *Affordable Middle Housing Co-ops: Opportunities and Barriers to Expanding Oregon Homeownership*, 5.

²⁵ Sinanian, “[The Forgotten Answer to the Affordable Housing Crisis](#),” *Eugene Weekly*, 9.

²⁶ *Ibid*, 8-9.

Deed-Restricted Covenants

A deed restriction is one of the most common legal strategies affordable housing programs (both rental and homeownership) use to ensure compliance with federal and local program requirements.²⁷

How It Works:

Deed restrictions (also referred to as a “deed covenant” or “deed-restricted covenant”) are added clauses to property titles that dictate requirements around eligible buyers (% AMI), determine acceptable property uses, and restrict resale price.²⁸ Deed restrictions can be used on their own or in coordination with CLTs and CLT-LECs and right of first refusal policies to ensure long-term affordability for lower-income homebuyers.

When a property includes an income eligibility/resale price deed restriction, the eligible homeowner is able to obtain a mortgage loan for the entire property (including both land and home) for a purchase price well below market value. The homeowner then signs the deed covenant that details specific restrictions to the property’s resale. Most deed restrictions are designed for long-term/permanent affordability and are often considered inclusionary housing programs (also referred to as “inclusionary zoning”).²⁹

While some deed restriction programs have managed to provide 99-year terms, many deed covenants designed for shared equity homeownership (SEH) are limited to 30-year terms. These shorter terms are often a result of state law restrictions. To navigate these restrictions, the long-term affordability of homes is preserved through “ensuring the SEH program has the preemptive option to purchase the home and may transfer this option to an eligible buyer.” Moreover, these SEH programs sometimes also require every new homeowner to sign a new deed covenant with a new term. Thus ensuring “the affordable home is preserved and serves subsequent low-to-moderate-income homebuyers.”³⁰

Examples of deed restrictions can be found below:

- [Affordable Housing Deed Restrictions](#): City of Whitefish
- [Homeownership Deed Restriction Template](#): RHHousing (See Appendix 1)

Strengths / Opportunities	▪ Directly (through added funds) or indirectly (through inclusionary zoning requirements) subsidize the cost of a home to make sure the purchase price is affordable to moderate to low-income homebuyers ▪ Ensure long-term lease agreements for CLTs (often 99 years)³¹
Challenges/ Limitations	▪ Passing policies on inclusionary zoning deed restrictions can be politically controversial ▪ State regulations can limit term of covenants (30-year average)
City’s Role/s	▪ Require deed restrictions for affordable housing construction ▪ Provide funding for subsidies for CLTs, LECs, CITs, and other models that use deed restrictions

Right of First Refusal

Right of first refusal (ROFR) policies help preserve existing affordable housing by legally providing tenants the first right to purchase a rental building once placed for sale.

²⁷ Emily Thaden, [Permanent Affordable Housing: Sector Chart & Glossary of Terms](#) (National Community Land Trust Network, n.d.), 4.

²⁸ “[Deed-restricted homeownership](#),” Local Housing Solutions, n.d.

²⁹ Thaden, [Permanent Affordable Housing: Sector Chart & Glossary of Terms](#), 3.

³⁰ Ibid, 5.

³¹ Ibid, 3.

How It Works:

Right of first refusal (ROFR) or tenant/community opportunity to purchase are policies that require landlords to inform their tenants when and if they plan to sell the rental building and provide tenants the first chance to purchase their building (often in partnership with nonprofit organizations).³² The aim of these policies is to increase the supply of locally affordable properties owned by residents and mission-oriented community-based organizations.³³

Washington, DC's, Tenant Opportunity to Purchase Act (TOPA) is a popular long-standing example of an ROFR policy. In 1980, Washington, DC, passed a Rental Housing Conversion and Sale Act, which states that tenants in buildings up for sale must be offered the first opportunity to buy their building. To support this law, DC's housing department created two Tenant Purchase Assistance programs. The First Right Purchase Assistance program offers low-interest loans to income-qualified persons and tenant groups in the District to be used for (1) down payment, (2) earnest money deposits, (3) purchase, and (4) legal, architectural, and engineering costs.³⁴ The Tenant Purchase Technical Assistance program provides free, specialized development services for tenant groups pursuing the purchase of their apartment buildings as cooperatives or condominiums, including (1) assistance with organizing and structuring the group, (2) preparation of legal organizational documents, and (3) help with loan applications.³⁵

A more recent initiation of a similar policy includes San Jose, CA's, Community Opportunity to Purchase Program (COPA). In 2020, San Jose designed its COPA proposal program that provides qualified nonprofit organizations the right to make a first offer on residential property up for sale. Goals for this program include 1) preventing displacement of lower-income renters, 2) empowering tenants, 3) preserving affordable housing and stability, and 4) providing tools of support for homeownership and other asset-building opportunities.³⁶ Moreover, this program enables purchases with funding from the Accelerator Fund and the City's Small Site Acquisition Fund. The income limits and eligibility are 30-80% AMI, and these funds are mainly focused on smaller properties (3-25 units).³⁷

These ROFR policies, while newer and emerging strategies, are aimed to prevent displacement through preserving existing housing, ensuring long-term affordability, increasing tenant engagement, increasing transparency in rental property transactions, supporting wealth building, and promoting community collaboration and stability.³⁸

While these policies are a promising first step in residential preservation, it is important to note that these policies do not work well without additional supporting policies and programs. These additional supports include protecting residential and commercial renters who have subsidies, funding for the acquisition and rehabilitation of buildings with lower-income renters, and capacity building of local nonprofits who partner with tenants to purchase their buildings.³⁹

Strengths / Opportunities	▪ Increase tenant engagement and power/rights ▪ Preserve affordable housing/rental units ▪ Increase wealth building for lower-income renters
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³² Chapple and Loukaitou-Sideris, *White Paper on Anti-Displacement Strategy Effectiveness*, 101.

³³ City of San Jose, [Community Opportunity to Purchase \(COPA\) Background and Proposed Program Summary](#) (City of San Jose Government, n.d.), 1.

³⁴ DC Department of Housing and Community Development, [Tenant Purchase Assistance Fact Sheet](#) (DHCD, n.d.)

³⁵ City of San Jose, [Community Opportunity to Purchase \(COPA\) Background and Proposed Program Summary](#), 2.

³⁶ Ibid, 1.

³⁷ Ibid, 2.

³⁸ Ibid, 1.

³⁹ Karoleen Feng, "[As COVID-19 Reshapes the Real Estate Landscape, MEDA Triples Down on Preservation](#)," Mission Economic Development Agency (blog), July 13, 2020

Challenges/ Limitations	- Require significant capacity from partnering local nonprofits/community-based organizations - Passing policies on ROFR can be politically controversial - Require significant coordination/volunteer capacity - Construction/rehabilitation of buildings can be expensive
City's Role/s	- Pass similar TOPA or COPA policies - Provide funding programs and eligibility requirements to subsidize ROFR polices

Energy Conservation and Utilities Assistance

Home repair loan or grant to provide weatherization improvements or to upgrade energy efficiency, used primarily to support low-income homeowners. May be paired with utility payment assistance.

How It Works:

Expansion of a home rehabilitation program specifically for energy efficiency in older homes and lower-income areas helps stabilize the community and works toward mitigating displacement pressures.

Energy conservation and utilities assistance can be understood as a form of *housing rehabilitation*, and thus a preservation strategy. With new development on the horizon, any unsubsidized affordable units located within or adjacent to the Heights District Plan Area have the potential to face displacement pressure. Therefore, it is important for the City of Vancouver to consider expanding their funding for the preservation and rehabilitation of preexisting affordable housing (or Naturally Occurring Affordable Housing – NOAH). Implementing policies to preserve NOAH can be especially effective in avoiding displacement.⁴⁰ The expansion of this strategy will be based on priority criteria developed by the City, which could include “estimated rehabilitation cost, gentrification potential, proximity to transit, property size, property age, distance from hazards, etc.”⁴¹

This strategy, unlike CLTs and LECs, does not require the City to acquire and rehabilitate units but instead provides current households with financial incentives and technical assistance to improve their homes (and possibly build equity from such improvements).

Strengths / Opportunities	- Partner organizations available to provide these services - May be paired with State and Federal funding sources - Helps low-income homeowners remain in place and may help meet City's climate goals
Challenges/ Limitations	Requires funding and program implementation staff if directly implemented
City's Role/s	- Provide funding for partner organization or implementer of program - Fund and directly implement program

Tenant Protection Enhancements

Expand legal protections and assistance for renters to reduce and mitigate high costs of displacement.

⁴⁰ Chapple and Loukaitou-Sideris, White Paper on Anti-Displacement Strategy Effectiveness, 12.

⁴¹ Ibid.

How It Works:

Tenant protection enhancements can include a broad set of strategies,⁴² such as:

- Rent regulations or legal limitations on how much landlords can increase rent and how often.
- Policies around just cause evictions that ensure tenants' protection against no-cause evictions.
- Policies and supporting programs that ensure tenants live in safe, up-to-code, and habitable spaces (e.g., Rental Registration program, low-barrier application screenings, translation services, educational materials on renter rights, etc.).
- Tenant opportunity to purchase policies that provide tenants the right to purchase their building when the landlord chooses to sell.
- Legal resources and services that provide tenants facing eviction representation at little to no cost (e.g., [Clark County's Volunteer Lawyers Program](#), which provides legal support for tenants who cannot afford an attorney).⁴³
- Policies that protect tenants from harassment or retaliation from landlords for organizing and fighting for tenant rights.

Regional examples⁴⁴ of tenant protection strategies include

- Laws requiring 120 days of advance notice for rent increases over three percent (e.g., Redmond, Kirkland, Kenmore, and Burien)
- Laws requiring 180 days of advance notice for rent increases over 10 percent (e.g., Unincorporated King County)
- Laws capping move-in fees with option for installment payments (e.g., Redmond, Kirkland, Kenmore, and Burien)
- Laws allowing renters on fixed incomes to change rent due dates to align with when they get paid (e.g., Redmond, Kenmore, and Burien)

Vancouver, Washington, already has a city ordinance (VMC 8.47) which legally requires landlords to give tenants 60 days' notice for a "no cause eviction."⁴⁵ This ordinance, therefore, gives month-to-month tenants the right to assert legal action against such landlords who fail to provide a 60-day notice.⁴⁶ However, this city ordinance only pertains to landlords of five or more units. One way to expand the Height's tenant protections would be to expand to all landlords and help "reduce legal loopholes available to landlords."⁴⁷ Another possible way to expand such tenant enhancements would be to create a supplemental city ordinance that defines and provides clear legal reasons for what "constitutes a legitimate reason for eviction," thereby providing stronger legal protections for tenants.⁴⁸ A third expansion strategy includes requiring mandated "Renter Relocation Assistance" to be provided to lower-income renters who either have their rents increased drastically (or over 10% in a twelve-month period), are evicted with no cause, and/or are not able to renew their lease.⁴⁹

Strengths / Opportunities	▪ Enhancement strategies can be tailored to supplement tenant protections already in place ▪ Provide stronger legal protection for lower-income tenants
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⁴² Shelby R. King, "[Tenant Protections 101](#)," (blog) *Shelton Force*, November 15, 2022.

⁴³ "[About Us](#)," Clark County Volunteer Lawyers Program.

⁴⁴ Daniel Beekman, "[Five Seattle suburbs added new landlord-renter laws this year. Here's what they do](#)," (blog) *Seattle Times*, December 15, 2022.

⁴⁵ Thread Community Planning, [Reside Vancouver: An Anti-Displacement Plan](#) (Vancouver: City of Vancouver, n.d.), 41.

⁴⁶ City of Vancouver Washington, [Ordinances Protecting Vulnerable Renters](#) (Vancouver: City of Vancouver Washington, October 21, 2015).

⁴⁷ Thread Community Planning, [Reside Vancouver: An Anti-Displacement Plan](#), 41.

⁴⁸ Ibid.

⁴⁹ Ibid.

	- Changes made through ordinance updates do not require ongoing funding sources - Pairs well with other strategies, such as Renter Registration programs
Challenges/ Limitations	- Ordinance updates do require city staff capacity - Additional funding may be needed depending on which enhancement strategy is chosen, i.e., renter relocation assistance
City's Role/s	- Create additional city ordinances to further enhance Vancouver's current tenant protections - Fund programs, such as Volunteer Lawyers, to further provide resources for lower-income tenants

3.2. Potential Business Support Strategies

The affordable commercial strategies listed below include ongoing and new policy, program, and funding resource opportunities that can help build a stronger support structure for existing small businesses and create new opportunities for minoritized and BIPOC-owned businesses within and around the Heights District Plan Area.

BUSINESS SUPPORT STRATEGIES	Anti-Displacement	Equitable Development
Development Agreements - use legal agreements for public-private partnerships to meet business support and community amenities goals, including - Program locally owned and operated restaurants, food markets, and services that serve a range of preferences and affordability levels - Promote healthy food options within the District - Attract cafes, art galleries, incubator, and makerspaces to activate the District. Consider interim uses like pop-up retail, food trucks, and temporary installations to provide short-term activation and energy - Incentivize opportunities for education and innovation to occur within the Heights District - Attract BIPOC community-serving and BIPOC-owned businesses		✓
Master Lease - public agency or nonprofit leases large retail space and subleases the space to multiple small businesses or microbusinesses at affordable rates; may be paired with a business incubator		✓

Childcare Support – grant funding that provide general childcare assistance for lower-income families or specialized support for home-based childcare businesses	✓	✓
Joint Labor-Management and Job Training Partnerships - programs designed to provide job opportunities, improve worker skills and quality of lower-wage jobs		✓
Tool Libraries - promote programs that build community and allow opportunities to share resources, such as tool libraries	✓	✓
Partner with Public Institutions to Shape Development - partner with Clark College on future developments to ensure benefits for the business district and community		✓
Individual Development Accounts (IDAs) – matching (3:1 or 5:1) savings account program that supports the financial growth of eligible lower-income entrepreneurs	✓	✓
“Qualified” Local Small Businesses in Public Procurements - restructuring public procurement processes to prioritize minority- and women-owned businesses		✓
Hire Workforce Navigator to Improve Utilization of Existing Job Training Services in the District – increase access to existing job training and entrepreneurial services for non-native English speakers	✓	
Establish a Business Owner–Centered Storefront Improvement Program – façade grant/loan program to assist targeted business owners in making improvements to the business storefront to attract customers and enhance the neighborhood aesthetic	✓	
Target Technical Assistance to Priority Businesses – perhaps with microfinance organization, provide business support in the form of access to capital, business skill acquisition, and other assistance	✓	✓
Support Business District Organizing - foster a network of small business support and cohesiveness	✓	✓

Commercial Development Program Research

Some of the business support strategies are currently in progress in the City of Vancouver while others are well understood but not yet attempted. However, some potential strategies are new and/or more complex. This section includes details on these novel or complicated potential strategies for the City of Vancouver’s review and consideration. Each strategy includes a description overview, their strengths and challenges, and the City’s potential role. Various

strategies are paired with a case study to model how such strategy has been applied either regionally or nationally.

Community Investment Trust

Community investment trusts (CITs) provide an affordable means for community residents to invest in and build equity from local commercial development.

How It Works:

A real estate investment cooperative or community investment trust (CITs) is a type of shared ownership model where residents pool together resources to collectively buy, sell, and lease local commercial properties. These for-profit entities enable residents to build equity and wealth from investing in their communities and local small businesses. These investments also help provide small businesses affordable leased spaces, and thus help BIPOC and minority-owned businesses remain in place.⁵⁰

CITs are often established by community members purchasing shares into a given commercial real estate property. These CIT buy-in rates can vary. Some investment trusts are lower barrier to entry; for example, Portland's Mercy Corps CIT fee is as low as \$10 per month, while Nico REIT in Los Angeles starts their shares at \$100.⁵¹ The NEIC Case Study included in this report has a higher buy-in rate of \$1,000 compared to other CITs; however, they offer an installment plan for new members to overcome this barrier.⁵² Buy-in rates are determined by a board comprised of community residents and other key stakeholders (including small businesses, government or public agencies, banks or lending institutions, and real estate firms or developers, etc.). To purchase a commercial property, a CIT often works with attorneys and real estate brokers, and once purchased, the property is managed by a partner management firm (often either a nonprofit or CLT).

CITs can purchase either vacant or nonvacant commercial properties. For example, the NEIC Case Study focuses on vacant buildings in disrepair and those with absentee landlords, meaning that once it purchases a building, the cooperative also has to perform renovation work, which can often be more expensive than acquisition of buildings in better condition.

Partnerships with local banking institutions and public entities can provide critical gap financing, including both financing for CIT properties and as an ongoing partner for managing CIT shares. Finding a community-focused bank to provide patient capital can ensure greater success for CITs.

Additionally, a strong volunteer presence can help to jump-start and continue operations. CITs often rely on their volunteers for management, promotion, and outreach for a large part of their success without the overhead costs of full-time staff members. Most volunteers are also members and receive some compensation through dividends.

Strengths / Opportunities	▪ CITs are locally owned and operated ▪ Provide long-term affordability and stability for small business owners (tenants) ▪ Provide local lower-income residents opportunities to invest and build equity in commercial development ▪ Increase neighborhood economic development and community culture building⁵³
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⁵⁰ "Community Investment Trusts and Cooperatives," Anti-Displacement Network. n.d., <https://antidisplacement.org/tool/real-estate-and-community-investment-cooperatives/>

⁵¹ Invest Community Investment Trust, "Frequently Asked Questions (FAQ)," 1.

⁵² Oscar Perry Abello, "These Neighbors Got Tired of Waiting for Traditional Developers: In Minneapolis, a Co-Op Model for Real Estate Investment is Working," Equity Factor (blog), Next City, August 30, 2016.

⁵³ Anti-Displacement Network, "Community Investment Trusts and Cooperatives."

Challenges/ Limitations	▪ State regulatory structures can make or break investment cooperatives. In some states it may be more difficult to implement cooperative models or require significant differences in their configuration ▪ Can be complicated to set up even in states without burdensome regulatory structures ▪ Limited funding for subsidies for CLTs buying commercial properties⁵⁴ ▪ High financial scrutiny ▪ Possibly inaccessible to low-income residents who can't afford the buy-in rate
City's Role/s	▪ Advocate for state support through tax credits for residents who invest in CITs⁵⁵ ▪ Help identify potential CIT partners, funders, and/or candidate properties ▪ Provide funding to establish a CIT or patient capital to enable a CIT to purchase property

⁵⁴ Andrew Calkins et al., [Permanently Affordable Commercial Space: A Means of Preventing Business Displacement in Neighborhoods Facing Gentrification](#), (Evans School of Public Affairs, 2014), 14-15.

⁵⁵ Anti-Displacement Network, "[Community Investment Trusts and Cooperatives](#)."

Community Investment Trust Case Study - NorthEast Investment Cooperative



Minneapolis, Minnesota - Ongoing, Started 2011

In Minneapolis, Minnesota, community members formed the NorthEast Investment Cooperative (NEIC) in 2011 to improve vacant and disinvested commercial properties while maintaining local ownership in the Northeast neighborhoods of the city. The organization was first incorporated with about 50 people and has been led from the outset by volunteers and an owner-elected board. The real estate investment cooperative combines modest amounts of capital from residents to purchase properties in need of renovating, then funds rehabilitation work and either sells or leases out spaces to locally owned businesses based on bylaws created through member voting.

In 2012, the cooperative signed their first contingent purchase agreement for a former warehouse property on Central Avenue in Northeast Minneapolis. The first businesses to open in the space in 2014 after renovation work and a tenanting process were locally based Opened Fair State Brewing Cooperative and Aki's BreadHaus. A portion of the space was sold to the cooperative's partner, Recovery Bike Shop.

In 2015, the cooperative purchased another property, which they renovated and (after a lengthy process) leased in 2020 to a full-service general contractor and remodeling company. Both properties have positive cashflow, enabling NEIC to distribute a portion of profits annually to cooperative members.

How It Works

NEIC raises the bulk of its funds through two primary mechanisms. One is through new members who buy into the cooperative with an "A-share," which enables them to vote on key decisions and receive a percentage share of annual profits. Existing members can also buy additional interest-bearing "C-shares" or "D-shares" when plans are underway. These shares do not enable members a greater share of voting power but do provide modest dividends and asset appreciation over time. Members can request to exit following bylaw procedures, but the cooperative has the discretion to not buy out those shares if it compromises financial stability.

NEIC works with Northeast Bank (a local community bank) to supplement its financing. When the cooperative identifies a building and reaches an agreement with the owner, they sign a letter of intent with a deadline to raise capital. For their first plan in 2012, the cooperative combined member shares, conventional financing, a city loan, and nonprofit funding assistance.

Legal Structure

The existing regulatory framework in Minnesota includes unique features that are conducive to creating a real estate investment cooperative and different than many other states. This flexibility is in part related to the state's history of agricultural cooperatives and cultural familiarity with shared ownership structures. In Minnesota, Statute 308A.101 enables a group to form and incorporate a cooperative for any lawful business or combination of business purposes. The state's securities laws also give cooperatives more freedom to raise capital with limited requirements for reporting and notification when issuing a round of shares.⁵⁶

⁵⁶ Abello, "[These Neighbors Got Tired of Waiting for Traditional Developers: In Minneapolis, a Co-Op Model for Real Estate Investment is Working](#)," 2016.

Community Investment Trust Case Study - East Portland CIT



Portland, Oregon - Completed in 2017

After a two-year survey analysis of one of Portland's most diverse and high-poverty neighborhoods,⁵⁷ Mercy Corps Northwest learned that there was great community interest in investing in real estate; however, there was great concern regarding lack of savings and knowledge for investing.⁵⁸ Using this feedback and their own research into economic theory and behavioral economics,⁵⁹ Mercy Corps Northwest pursued a "long-term path to collective, communal ownership of real-estate" through the design and creation of a pilot East Portland Community Investment Trust (EPCIT).⁶⁰ This CIT incorporates two key elements of financial literacy training and affordable investment opportunities with little to no risk for low-income, BIPOC community members.

With the pro bono professional help of experts in securities law, commercial real estate, and finance, Mercy Corps Northwest purchased property for the EPCIT in 2014. They purchased a u-shaped, single-story strip mall⁶¹ of "29,000 square feet, of which 26,175 is leasable space for approximately 27 businesses and non-profit tenants at any given time."⁶² Through the EPCIT corporation, 300-500 community members who live in four Portland zip codes are eligible to become commercial investors through purchasing affordable shares for as little as \$10 a month⁶³ (the same price as a basic Netflix membership⁶⁴). With four low-dollar investment options (\$10, \$25, \$50, or \$100 a month) and "guaranteed protection from loss for investors through a direct pay letter of credit from a local bank," this pilot CIT provides low-income residents direct access to profit from commercial ownership within their local community.⁶⁵

Impact

- With the aim to "address asset poverty and inclusion by provid[ing] access to long-term investments," EPCIT has been able to attract 281 total local investors since their stock offering launch date in 2017⁶⁶ with a 91% investor stick rate (192 actively investing, 50 holding, 14 in process to invest, and 25 cashed out and have not reinvested).
- Additionally, with roughly \$16.4K monthly investment, the majority of the EPCIT investors (76 percent) invest at \$100 a month, while 17 percent invest at \$50 a month, 4 percent at \$25 a month, and three percent at \$10 a month.
- As of March 2022, 23,083 of EPCIT's total 45,000 issued shares (at \$10 a share) have been purchased.⁶⁷
- Regarding a return on investments, over four years, dividends have averaged 7.9% with a high of 9.6% and a low of 4.5%.⁶⁸

- A majority of the investors are first-timers, women, renters, and low-income, BIPOC/immigrants and refugees.⁶⁹
- In annual surveys of investors, 68% admit their civic engagement has increased and 98% renew their investment annually and recommend the investment to their friends and colleagues.⁷⁰⁷¹

Overcoming Legality & Financing Challenges:

Given the legal challenge of providing corporate offerings to unaccredited or lower-income people, Mercy Corps Northwest relied upon a great deal of pro bono work by attorneys to find a legal alternative pathway.⁷² Their volunteer attorneys found a securities law exemption (the Federal Security Act of 1933 known as 3[a]2) stating that a government guarantee or a direct-pay letter of credit from a bank could allow such corporate offering. With this discovery of legal alternative, Mercy Corps Northwest went in search of a bank and found Northwest Bank, a local bank who approved their need of credit under the Community Reinvestment Act of 1977. The Northwest Bank underwrote the mortgage loan with the direct-pay letter of credit, which covered “the entire value of shareholders’ share value...based on an annual appraisal of the property and the paydown of the amortized debt (just like owning a home).”⁷³

Public Development Authority

⁵⁷ John W. Haines, [A Missing Piece in Community Wealth Building: The Community Investment Trust - Financial Ownership and Real Equity](#) (Portland, OR: Invest Community Investment Trust, 2020), 1.

⁵⁸ Mercy Corps, [Case Study – The Community Investment Trust: A New Form of Real Estate Investment Can Help Low-Income People Build Assets and Resilience](#), (Portland: Mercy Corps, 2019), 4.

⁵⁹ “Behavioral economics,” is the study of the effects of psychological, social, cognitive, and emotional factors on economic decisions from John W. Haines, [Building an On-Ramp to A Culture of Fiscal Literacy and Financial Action](#) (Portland, OR: Mercy Corps, 2019), p.

⁶⁰ [“Building Community Ownership One Investor at a Time,”](#) Invest Community Investment Trust, n.d.

⁶¹ Derek Andersen, [“Mercy Corps Unveils First CIT,”](#) *Mid-County Memo* (blog), May 11, 2017.

⁶² [“Frequently Asked Questions \(FAQ\),”](#) Invest Community Investment Trust, July 24, 2020, 1.

⁶³ Ibid.

⁶⁴ [“Plans and Pricing,”](#) Netflix, n.d.

⁶⁵ Invest Community Investment Trust, [“Frequently Asked Questions \(FAQ\),”](#) 1.

⁶⁶ Ibid, 5.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ John W. Haines, [The Community Investment Trust: Revolutionizing Ownership in Real Estate, One Investor at a Time](#) (St. Louis, MO: Aspen Institute, n.d.), 418.

⁷⁰ [“Episode 6: From Owing to Owning,”](#) Sidewalk Labs, *SoundCloud* (podcast), n.d.

⁷¹ Invest Community Investment Trust, [“Frequently Asked Questions \(FAQ\),”](#) 5, See also, Reniya Dinkins, [A Community Investment Trust for Portland, Ore. residents to ‘buy back the block.’](#) (Brookings Institute, 2020).

⁷² Sidewalk Labs, [“Episode 6: From Owing to Owning,”](#) *SoundCloud* (podcast), n.d.

⁷³ Haines, [The Community Investment Trust: Revolutionizing Ownership in Real Estate, One Investor at a Time](#), 419-20.

City municipalities can enhance their funding and capacity toward local programs and affordable commercial and residential properties through the establishment of a public development authority or preservation and development authority (PDA).

How It Works:

Public development authorities (PDAs) are quasigovernmental entities that are created by an ordinance (city, town, or county level) and managed by a nonprofit organization to bring about a specific plan or public good/value.⁷⁴ PDAs are often created to help administer grants and municipal funding, manage local programs, and improve government service provision and efficiency.⁷⁵ For instance, a PDA “might manage low-income housing and commercial properties, construct and operate a public art museum, or help preserve a historic neighborhood.”⁷⁶ The included case study, Pike Place Market, is an example of a commercial and residential PDA in Seattle, Washington.

In Washington state, PDAs are legally authorized under the Revised Code of Washington, specially through the law/policy (RCW) 35.21.730, et seq. [1], which allows governments to create “public corporations, commissions, or authorities.”⁷⁷ Under this law, PDAs are authorized to:

- “Own and sell real estate property;
- Contract with a city, town, or county to conduct community renewal activities;
- Contract with individuals, associations, corporations, the State of Washington, and the United States;
- Sue and be sued;
- Loan and borrow funds and issue bonds and other instruments evidencing indebtedness;
- Transfer funds, real or personal property, property interest or services;
- Engage in anything a natural person may do; and
- Perform all types of community services.”⁷⁸

There are many active PDAs throughout Washington, with King County having the most PDAs.⁷⁹ To see a current list of these PDAs, go [here](#).

Literature suggests that further research should be done on identifying both when and why a PDA should be the strategy used to buy land and when/why a nonprofit or low-profit limited liability corporation (L3C) would be established to develop to operate such land.⁸⁰

Strengths / Opportunities	▪ PDAs can provide long-term affordable residential and/or commercial spaces ▪ PDAs require transparency in their operations and decision-making process ▪ PDAs are able to administer plans that may be too risky or challenging for a local municipality ▪ Reduce liability and financial risk due to legal separation of PDA from the local municipality ▪ Expand government capacity through professional management ▪ PDAs have access to both public and private funding (e.g., tax-exempt bonds guaranteed through local municipality)
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⁷⁴ “[Public Development Authority](#),” Tackling Commercial Gentrification, n.d.

⁷⁵ Washington State Legislation, [RCW 35.21.730 Public Corporations – Power of Cities, Towns, and Counties – Administration](#), (Washington State Legislation, n.d.).

⁷⁶ Tackling Commercial Gentrification, “[Public Development Authority](#).”

⁷⁷ Washington State Legislation, [RCW 35.21.730](#).

⁷⁸ Jay Reich et al., [Public Development Authorities](#) (MRSC, 2004), 1-2.

⁷⁹ “[List of Public Development Authorities \(PDAs\)](#),” Municipal Research and Services Center of Washington, updated on December 9, 2022.

⁸⁰ Calkins et al., [Permanently Affordable Commercial Space: A Means of Preventing Business Displacement in Neighborhoods Facing Gentrification](#), 31.

	▪ In the case of bankruptcy, any property owned by PDA is publicly owned and therefore cannot be sold to the private sector
Challenges/ Limitations	▪ PDAs require extensive volunteer capacity for their governing council - PDAs are only as strong as the abilities of the citizen volunteers serving on their governing council ▪ Less municipal oversight over PDAs than over their own municipal programs ▪ Amount of PDA control over land correlates with impact of PDA mandates, weak control, weak impact ▪ Financial sustainability is a challenge with changing state and federal tax codes ▪ Some PDAs require ongoing public funding to remain operatable
City's Role/s	▪ Approve the formation of a new PDA ▪ Appoint PDA council members ▪ Donate land or sell land to PDAs at low costs ▪ Provide stipends to support sustainability of volunteer work

Public Development Authority Case Study- Pike Place Market PDA



Seattle, Washington - Completed in 1971

Background

Founded in 1907, the Pike Place Market (PPMPDA) is one of the oldest public-operating markets in the United States, with a diverse collection of small businesses, farmers, crafters, and residents. Considered the “Soul of Seattle,” this market has also become one of the most studied markets nationwide. Reason for this is likely due to the creation of the market’s preservation & development authority (PDA) which has ensured the preservation and affordability of its commercial and resident spaces.

2021 marked the 50th year anniversary of the creation of the Pike Place Market PDA. Back in the 1960s the market was targeted for urban renewal and scheduled for extensive demolition; however, through citywide advocacy led by activist architect Victor Steinbrueck⁸¹ and the “Keep the Market” campaign, the “Let’s Keep the Market” initiative was voted on in 1971 and the market was saved.⁸² In 1973 the City of Seattle established the charter for the Pike Place Market PDA, a “not-for-profit organization” who would both “own and manage the day-to-day operations of the Market.”⁸³

The [charter](#) requires the Pike Place Market PDA’s leadership (a [twelve-member council](#))⁸⁴ to “preserve, rehabilitate, and protect the Market’s buildings; increase farm and food retailing opportunities, incubate and support small and marginal businesses; and provide services for low-income residents that call it ‘home.’”⁸⁵ These decades-long efforts of the PDA will likely safeguard the market for generations to come.⁸⁶ To learn more about Pike Place Market, one can access their free digital book detailing its rich 114-year history.⁸⁷

State Legal Support

“The Revised Code of Washington established the ability to create PDAs in Washington State through the (RCW) 35.21.730, et seq. [1]. Under these laws, a municipality can create a PDA to oversee a specific federal program or grant to receive and manage funds, goods, or services from private entities, to improve the efficiency of government services, or to improve the quality of life in urban areas for economic development purposes.”⁸⁸

Funding

The PPMPDA was unable to make necessary infrastructure updates to maintain market buildings long term as result of not earning enough through its leasing agreements. Therefore, in the late 1980s, the PPMPDA “had to fight a legal battle to maintain market property. Seattle voters approved a \$73 million levy to pay for these updates as recently as 2008.”⁸⁹

Impact

Now after 50 years of the PPMPDA, they are made up of five social service programs, over 220 independently owned shops and restaurants, at least 150 craftspeople, 70 farmers, 60 permitted buskers, over 450 residents in the market’s affordable housing, and one foundation.⁹⁰

Neighborhood Business Incubator

Neighborhood business incubators (NBI) are a type of **affordable shared commercial space** that provide both a physical location and programmatic business development support for entrepreneurs.

How It Works:

Neighborhood business incubators (NBIs) provide low-cost workspace, mentorship, access to investors, and working capital for start-up businesses.⁹¹ NBIs are often created by nonprofits but can also be started by venture capital firms, universities, and for-profit organizations. With often culturally relevant educational resources, access to e-commerce sites, and vending opportunities (e.g., pop-up spaces and farmers markets), NBIs provide vital support for lower-income and BIPOC entrepreneurs who have historically experienced greater barriers to business development.⁹²

Moving immediately into a stand-alone storefront space is often not a viable option for new businesses. It is more common for entrepreneurs to start with a minimal presence online or at pop-up events. Therefore, incubator spaces can help businesses scale up incrementally by providing entrepreneurs a shared incubator space before scaling up further. Furthermore, the small cohort-style programs of NBIs can help reduce prices paid by individual entrepreneurs. Similar to shared ownership models, distributing the cost of rent (which is often already provided below market by a nonprofit) between several small businesses reduces prices for each individual participant. Additionally, colocating a diverse mix of business types can also help to draw in more overall customers.

⁸¹ Tackling Commercial Gentrification, “[Public Development Authority](#).”

⁸² Pike Place Market PDA, [2021 Annual Report](#) (Seattle, WA: Pike Place Market, 2021), 10.

⁸³ “[About the Market](#),” Pike Place Market, n.d.

⁸⁴ Ibid.

⁸⁵ Ibid.

⁸⁶ Ibid.

⁸⁷ “[Free Downloadable Pike Place Market Book](#),” Pike Place Market, n.d.

⁸⁸ Tackling Commercial Gentrification, “[Public Development Authority](#).” <https://tacklingcommercialgentrification.wordpress.com/about/land-ownership-entities/public-development-agency/>

⁸⁹ Ibid.

⁹⁰ Pike Place Market, “[About the Market](#).”

⁹¹ “[Neighborhood Business Incubators](#),” Anti-Displacement Network, 2022.

⁹² Ibid.

Strengths / Opportunities	▪ NBIs provide free to low-cost workplaces for small businesses, reducing their overhead costs. ▪ Often NBIs offer additional resources (e.g., commercial kitchen space) that would otherwise be costly for small businesses. ▪ Culturally specific organizations can provide tailored support through their NBI, such as bilingual and Spanish services, application criteria for programs, and financial support to overcome systemic barriers through IDAs and microloans. ▪ NBIs can be tailored to support businesses at multiple states (see Casa Qui Case Study). ▪ Many NBIs support lower-income, immigrant, women, and BIPOC entrepreneurs.⁹³
Challenges/ Limitations	▪ Application process tends to be lengthy and highly competitive due to limited space and funding. ▪ Difficulty for some entrepreneurs to find capacity to commit to months or years of training, coaching, and workshops, which can be time-consuming and difficult to manage during a start-up phase.⁹⁴ ▪ Determining transition or graduation standards for businesses out of program can be difficult.⁹⁵
City's Role/s	▪ Financially support start-up capital and operating expenses.

⁹³ Ibid.

⁹⁴ Ibid.

⁹⁵ Calkins et al., [Permanently Affordable Commercial Space: A Means of Preventing Business Displacement in Neighborhoods Facing Gentrification](#), 37.

Neighborhood Business Incubator Case Study - Casa Qui Retail Business Incubator



Forest Grove, Oregon - Ongoing, Started in 2020

Adelante Mujeres is a nonprofit based in Forest Grove, Oregon, which operates a number of programs for Latinx community members, including multiple opportunities for small business development. Casa Qui is the organization's initiative to provide shared retail space on Forest Grove's Main Street that first opened in November 2020. The storefront is housed on the ground floor of Adelante Mujeres's existing building and includes enough space to colocate a cohort of up to eight entrepreneurs.

Alongside providing affordable space, Casa Qui also includes technical support for tenants to help incubator businesses learn about brick-and-mortar store operations, including applying for loans, meeting licensing requirements, designing displays, and tracking inventory. Cohort members also receive opportunities to participate in Adelante Mujeres's farmers markets, other festivals, and pop-up events.

How It Works

In order to participate, interested vendors go through an application process that includes a set of criteria set by the incubator program. Casa Qui is targeted specifically toward "products handmade and authentic made by the owners or imported from their countries of Latin origin through fair trade."⁹⁶ Participants are required to live and base their business in Washington County. If selected, incubator members must also include Adelante Mujeres as an additional insured in their business's general liability insurance policy.

Casa Qui is one part of Adelante Mujeres's robust schedule of services that it provides through the Empresas Small Business Development Program. It is a requirement that participants have attended other small business development courses before joining the incubator, and most participants so far have been graduates of other courses at the nonprofit, which include bilingual or Spanish classes for new start-ups, in-depth courses on specific business topics, and ongoing technical and financial support programs. Adelante Mujeres also offers low-cost access to its shared commercial kitchen at a rate of \$20 an hour.

Exhibit 1. Adelante Mujeres Business Development Services⁹⁷

Source: Adelante Mujeres

⁹⁶ "[Incubadora de Negocios – Casa Qui](#)," Adelante Mujeres.

	Empresas Small Business Course	Emprende con Empresas	Cocinemos Course	Business Coaching	IDA/Kiva Zip
Target Audience	Aspiring new entrepreneurs and early start-ups	Graduates from small business courses, existing microbusinesses	Caterers, food truck owners, restaurateurs, food product manufacturers	Graduates from small business courses	Graduates from small business courses
Description	10-week course for small business basics	Monthly training on specific business topics	10-week food industry training course	One-on-one assistance and counseling	Matched savings incentive or microloans
Next Steps	Access to farmers markets; eligible for Casa Qui , coaching, IDA/Kiva Zip, and Emprende classes	Eligible for Casa Qui , coaching, and IDA/Kiva Zip	Access to shared kitchen and farmers market; eligible for Casa Qui , coaching, and IDA/Kiva Zip	Ongoing assistance and mentorship	Co-enrollment with business coaching

Costs and Resources

The incubator space is a part of Adelante Mujeres's main offices, reducing the need for the organization to lease a separate storefront that would drive up costs. This allows the nonprofit to transfer some of those savings toward incubator members.

The premise of Casa Qui helps entrepreneurs to bridge a common financial gap in the process of growing a small business. Many of the businesses in the incubator program have already established a presence in temporary/seasonal pop-up spaces like farmers markets but are not yet ready to scale up to a full stand-alone retail space. Monthly rent for a share of the storefront space is a considerably lower price point than most independent brick-and-mortar commercial spaces at \$200 per business for a lease term of 18 months, alongside other technical and financial assistance benefits.

Master Leasing

Shared commercial space leasing model that provides affordable leases to small and lower-income businesses.

How It Works:

The master lease model is a type of affordable shared commercial space where a single entity (usually a nonprofit, CLT, or public agency) leases commercial real estate that it subleases at an affordable rate to individual businesses (see 10th & Yamhill Case Study).

In this model (sometimes also referred to as the Master Lessor model), a public entity or nonprofit will lease commercial property and then provide individual commercial space leases at lower monthly rates for smaller and lower-income entrepreneurs and business owners. These affordable leases provide

⁹⁷ "[Empresas Small Business Development Program](#)," Adelante Mujeres.

alternative start-up support, as commercial space ownership is “not uniformly a high priority for many business owners in underserved communities.”⁹⁸

A very common alternative is to combine a master lease with a neighborhood business incubator, which can provide additional development assistance alongside affordable commercial spaces (see Casa Qui Case Study). However, on its own, master leasing is a form of technical support for businesses that uses the space without a comprehensive or cohort-style program—the way other incubators structure their start-up support.

Strengths / Opportunities	▪ Provide long-term affordable commercial spaces for smaller businesses. ▪ Compatible with NBI strategy for comprehensive business start-up support. ▪ Compatible with CLT model – (e.g., Anchorage Community Land Trust).⁹⁹ ▪ Partnerships and pooling financial resources can make master leasing feasible. ▪ Colocating small and moderate-sized spaces can accommodate entrepreneurs at different points in their development - opportunities for a range of businesses, including low-barrier space through the market hall for smaller start-ups and more established anchor tenants that are likely to draw in more customers. ▪ Program configuration can incorporate equity criteria to integrate specific goals for entrepreneurs of color and women, as well as a mix of different retail that encourage equitable access as well as diverse business types. ▪ Compatible with interagency partnership or outright ownership model.
Challenges/ Limitations	▪ Requires extensive capital for development/rehabilitation. ▪ Demands high nonprofit/public agency capacity/staff time. ▪ Master leasing alone isn’t as successful without combined NBI or IDA strategies.
City’s Role/s	▪ Gauge potential for master leasing property within city. ▪ Provide funding support for acquisition of commercial properties and subsidize leasing costs. ▪ Partner with key local, community-based organizations. ▪ Establish qualification/eligibility standards for businesses enrolling into master leasing program.

⁹⁸ Calkins et al., [Permanently Affordable Commercial Space: A Means of Preventing Business Displacement in Neighborhoods Facing Gentrification](#), 8 and 13.

⁹⁹ Ibid.

Master Leasing Case Study - 10th and Yamhill



Portland, Oregon - Completed Fall 2019

Overview

10th and Yamhill, also known as '10Y' is a master leased commercial space that is a part of Prosper Portland's Affordable Commercial Tenanting Program. 10Y provides approximately 21,000 square feet of affordable storefront opportunities for small businesses in Downtown Portland, Oregon, located on the ground floor of a parking garage near frequent foot traffic and large anchor retail locations like Nordstrom and Pendleton. It is one of several locations that the community development corporation operates in the city, including other locations in the Alberta and Lents neighborhoods.

Within 10Y, there is space for flagship retail, restaurant, specialty shop, and market hall opportunities with sizes ranging from 619 to 6,822 square feet. Since opening in fall 2019, the space has hosted a number of local businesses, with an emphasis on underrepresented entrepreneurs.

How It Works

The City's community development organization Prosper Portland leases a space in the bottom of the 10th and Yamhill SmartPark garage that is owned by the Portland Bureau of Transportation. Through an interagency partnership started in 2018, Prosper Portland contributed to initial capital improvement of storefront spaces, then set criteria for recruitment through a Retail Advisory Committee.

In seeking out tenants, they prioritized businesses that are owned by entrepreneurs of color, activate the ground floor, strengthen the retail mix, and bolster pedestrian activity throughout the day. Prosper also provides technical and financial support for its temporary tenants depending on need, but it is not a structured incubator program.

Exhibit 2. 10Y Available Space Details

	Inline Spaces	Anchor Spaces	Restaurant	Market Hall
Size	619 - 1,407 sq ft.	2,634 –2,937 sq ft.	2,800 sq ft.	6,822 sq ft. (individual stalls from 45 – 432 sq ft.)
Rent	\$2,000 – \$4,500 per month	Not determined	Not determined	Variable by size
Target Audience	Existing small retail businesses	Existing small to midsize businesses	Food-based businesses	Small start-ups and new entrepreneurs
Features	Shared storage, tenant improvement grants available	Visible corner locations, shared storage, TI grants	TI grants, storage; includes hood and grease trap	Flexibility in size and duration of leases

Costs and Resources

Prosper Portland's partnership with PBOT was also a part of bringing together the funds for renovation and improvement of commercial spaces. The renovation cost from garage to commercial space was approximately \$25 million, with \$20 million funded by SmartPark revenue and \$5 million by urban renewal funds.¹⁰⁰ Prosper Portland's partnership with PBOT made it possible to start this affordable commercial space. The two city agencies worked together to make improvements on the bottom floor of an existing parking garage through a combination of SmartPark and urban renewal funds, and for ongoing leasing. Although Prosper operates other similar spaces under different ownership models, this partnership enabled them to locate 10Y in such a central, high-opportunity downtown area.

Socially & Environmentally Responsive Criteria

Cities leverage strategic investments and build economic momentum through the integration of social and environmental metrics to score criteria for selecting developers for City-owned developments.

How It Works:

Municipalities typically establish developer characteristics or Development Agreement requirements/criteria for selecting developers for City-owned construction/development. However, to advance equitable goals and attract developers who are committed to social and environmental outcomes, cities may elect to establish specific socially and environmentally responsive criteria.

Environmental, social, and governance investing (ESG) refers to a set of standards used by potential investors to screen a company/or organization's behavior, policies, and objectives. Applying similar ESG criteria to developer selection would entail the following:

¹⁰⁰ "PBOT News Release: Renovation of 10th and Yamhill SmartPark Garage Begins Monday," Portland Bureau of Transportation, January 12, 2018.

- Consider how developer safeguards the environment (i.e., policies addressing climate change, energy uses, pollution, natural resource conservation, and treatment of animals)¹⁰¹
- Consider how developer manages relationships with employees, supplies, and other key stakeholders within the community (e.g., developer’s promotion of “ethical and socially conscious themes, including diversity, inclusion, community focus, social justice, and corporate ethics, in addition to fighting against racial, gender, and sexual discrimination”)¹⁰²
- Consider developer’s leadership style, audits, and shareholder rights (e.g., “embraces diversity on board of directors, corporate transparency, etc.”)¹⁰³

Strengths / Opportunities	▪ Prioritize developers with social and environmental commitments in developer selection ▪ New social and environmental scoring criteria can be added to preexisting developer characteristics or DA requirements ▪ Clarifies a jurisdiction’s preferred partner characteristics and avoids confusion during negotiation
Challenges/ Limitations	▪ Layering public policy objectives may increase gap funding required for project viability or reduce eligible developer pool
City’s Role/s	▪ Establish social and environmental responsibility criteria for developer selection

¹⁰¹ The Investopedia Team, “[What is Environmental, Social, and Governance \(ESG\) Investing?](#)” *Investopedia* (blog), September 27, 2022, See also, “[Environmental social and governance \(ESG\) Investing](#),” Organisation of Economic Co-Operation and Development (OECD), n.d.

¹⁰² The Investopedia Team, “[What is Environmental, Social, and Governance \(ESG\) Investing?](#)”

¹⁰³ Ibid.

4. Preliminary Evaluation of Strategies

This section summarizes a range of potential strategies the City of Vancouver could implement in the Heights, or citywide, to advance the City's equitable development goals for the plan area. Exhibit 3 summarizes the strategies evaluated in Section 3 of this report, along with preliminary evaluation criteria, including:

- **Administrative complexity** for implementation considers how much staff time and resources (financial or otherwise) are required to implement the action.
- **Cost** considers the anticipated funding requirement from the City to implement and maintain the strategy, policy, or program.
- **Target geography** indicates whether the policy would be most feasible and effective with new development within the Heights District Plan Area (inside plan area) or with existing homes and business in surrounding neighborhoods (outside the plan area). For instance, the focus of near-term residential anti-displacement strategies should be outside the plan area, while policies aimed at developing new affordable housing units would be most effective in vacant land inside the plan area.

ECONorthwest will synthesize the findings from this report with findings from other tasks in this project, including the market analysis, feasibility analysis, and community engagement, in a final Equitable Development Strategy report. The final report will include context-specific recommendations for implementation strategies, programmatic investments, and development proposal evaluation criteria for the Heights District Plan Area.

Exhibit 3. Summary of Strategies and Preliminary Evaluation

Strategy	Strategy Type (Residential or Commercial)	Strategy Focus (Anti-Displacement or Equitable Development)	Administrative Complexity	Cost	Target Geography
Funding to Support Affordable Housing Development	Residential	Equitable Development	Medium/High	High	Inside Plan Area
Land Acquisition and Management Strategy	Residential	Anti-Displacement / Equitable Development	Medium	Low	Inside/Outside Plan Area

Strategy	Strategy Type (Residential or Commercial)	Strategy Focus (Anti-Displacement or Equitable Development)	Administrative Complexity	Cost	Target Geography
Multifamily Tax Exemption Program (MFTE)	Residential	Equitable Development	Medium	Medium	Inside Plan Area
Development Agreements	Residential / Commercial	Equitable Development	Low / Medium	Variable	Inside Plan Area
Code and Design Guidelines	Residential	Equitable Development	Low / Medium	Low	Inside Plan Area
Right of First Refusal (ROFR)	Residential	Anti-Displacement	Low / Medium	Low	Inside / Outside Plan Area
Emergency Rental Assistance	Residential	Anti-Displacement	Medium	Medium / High	Outside Plan Area
Anti-Displacement Impact Assessment	Residential	Anti-Displacement	Medium	Low	Inside / Outside Plan Area
Rental Registration Program	Residential	Anti-Displacement	Medium	Low	Inside / Outside Plan Area
Home Repair Loans and Grants	Residential	Anti-Displacement	Medium	Medium	Outside Plan Area
Community Land Trust (CLT)	Residential	Anti-Displacement / Equitable Development	Low	High	Inside / Outside Plan Area
Limited Equity Cooperative (LEC)	Residential	Anti-Displacement / Equitable Development	Medium / High	Medium / High	Inside / Outside Plan Area
Deed-Restricted Homeownership	Residential	Anti-Displacement	Low / Medium	Low	Inside / Outside Plan Area
Energy Conservation & Utilities Assistance	Residential	Anti-Displacement	Medium	Medium	Outside Plan Area
Tenant Protection Enhancements	Residential	Anti-Displacement	Low / Medium	Low / Medium	Inside / Outside Plan Area
Master Lease	Commercial	Equitable Development	Medium / High	Medium / High	Inside Plan Area
Childcare Support	Commercial/ Residential	Anti-Displacement / Equitable Development	Medium	Medium	Inside / Outside Plan Area

Strategy	Strategy Type (Residential or Commercial)	Strategy Focus (Anti-Displacement or Equitable Development)	Administrative Complexity	Cost	Target Geography
Joint Labor-Management and Job Training Partnerships	Commercial	Equitable Development	Medium	Low	Inside Plan Area
Tool Libraries	Commercial/ Residential	Anti-Displacement / Equitable Development	Medium	Low / Medium	Inside / Outside Plan Area
Partner with Public Institutions to Shape Development	Commercial	Equitable Development	Medium	Variable	Inside Plan Area
Individual Development Accounts (IDA)	Commercial	Anti-Displacement / Equitable Development	Low / Medium	Medium	Inside / Outside Plan Area
“Qualified” Local Small Businesses in Public Procurements	Commercial	Equitable Development	Medium / High	Low	Inside / Outside Plan Area
Hire Workforce Navigator to Improve Utilization of Existing Job Training Services in the District	Commercial	Anti-Displacement / Equitable Development	Medium	Medium	Outside Plan Area
Establish a Business Owner–Centered Storefront Improvement Program	Commercial	Anti-Displacement	Medium	Medium	Outside Plan Area
Target Technical Assistance to Priority Businesses	Commercial	Anti-Displacement / Equitable Development	Low / Medium	Medium	Outside Plan Area
Support Business District Organizing	Commercial	Anti-Displacement / Equitable Development	Medium	Medium	Outside Plan Area

Appendix 1. Equitable Development and Anti-Displacement Strategies from Previous Vancouver Work

The Heights Equitable Development Strategy is based in part on previous City work and community input. To build off previous community feedback, priorities, and concerns, ECONorthwest’s initial search for specific anti-displacement and equitable development strategies began with reviewing recommendations from past Vancouver reports, including Fourth Plain Forward, the Heights District Report, and Reside Vancouver. Exhibit 4 below summarizes the goals, policies, and recommendations from past city engagement activities that have informed this report. Each strategy includes a brief description and is categorized by the potential to mitigate business or residential displacement and/or provide new economic opportunities or affordable housing through new development/investment. In some cases, ECONorthwest provided supplemental information, tailored strategy descriptions to the Heights context, or identified specific strategies that could implement previously identified policies or goals.

Exhibit 4. Potential Equitable Development and Anti-Displacement Strategies from Existing Plans

Source: ECONorthwest, Fourth Plain Forward, the Heights District, Reside Vancouver

Source: ECONorthwest, Fourth Plain Forward, the Heights District, Reside Vancouver						
Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
Anti-Displacement Impact Assessments	Assess potential impact of projects	X	X			Reside Vancouver
“Qualified” Local Small Businesses in Public Procurements	Prioritize minority- and women-owned businesses for public procurements	X		X		Reside Vancouver
Joint Labor-Management & Job Training Partnerships	Design programs to provide job opportunities, improve worker skills & low-wage job quality	X		X		Reside Vancouver, Heights District Plan

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
Community Investment Trusts	Collective commercial ownership model over physical location	X	X	X	X	Reside Vancouver
Manufactured Dwelling Park Zoning	Modify zoning codes to preserve mobile home parks		X			Reside Vancouver
Right of First Refusal	City ordinance to increase CLT/nonprofit property ownership to provide affordable housing		X		X	Reside Vancouver
Notification of Sale Policy for Affordable Rental Units	Require a notice of a proposed sale to the City & Tenant prior to property being placed on market		X		X	ECONW
Rental Registration Program	Create city database of all rental properties		X			Reside Vancouver
Emergency Rental Assistance Program	Prevent eviction of renters who are facing a temporary financial emergency		X			Reside Vancouver
Tenant Protection Enhancements	Expand legal protections for renters to reduce and mitigate high costs of displacement		X			Reside Vancouver
Affordable Housing Fund	Renew/expand City’s Affordable Housing Fund		X		X	Reside Vancouver, Heights District Plan
Land Acquisition & Management Strategy	Increase the land available for the development of affordable housing				X	Reside Vancouver

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
Multifamily Tax Exemption (MFTE)	Restructure MFTE to leverage tax benefits in exchange for community benefit agreements				X	Reside Vancouver, Fourth Plain Forward, Heights District Plan
Community Land Trusts (CLTs)	Long-term affordable homeownership opportunity				X	Reside Vancouver, Heights District Plan
Limited Equity Trusts (LECs)	Affordable “share” model for part ownership in commercial or residential cooperative				X	ECONW
Improve Utilization of Existing Job Training Services	Increase access to existing job training and entrepreneurial services for non-native English speakers	X		X		Reside Vancouver, Heights District Plan
Energy Conservation and Utilities Assistance	Reduce energy consumption in homes of residents who are low income to lower utility costs		X		X	Reside Vancouver
Implement small business technical assistance strategically	Target adaptive reuse and prelease assistance programs to vacant storefronts	X				Fourth Plain Forward
	Establish a business owner–centered storefront improvement program	X				Fourth Plain Forward
	Target technical assistance to priority businesses	X				SOW, Fourth Plain Forward
	Establish an office or host office hours in the business district	X				Fourth Plain Forward

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
	Foster a network of small business support	X				Fourth Plain Forward
Extend small business support to home-based microenterprises	Invest time and resources in community outreach to engage home-based businesses	X				Fourth Plain Forward
	Connect home-based businesses with institutional customers	X		X		Fourth Plain Forward
	Provide specialized support for home-based childcare businesses	X		X		Fourth Plain Forward
	Review code for barriers to establishing/operating home-based businesses	X		X		ECONW
Help small businesses and microenterprises access capital and build assets	Consider a partnership with a microfinance organization	X		X		Fourth Plain Forward
	Facilitate crowdfunded small business loans through Kiva Zip	X		X		Fourth Plain Forward
	Encourage small business owners to set up Individual Development Accounts through share	X		X		Fourth Plain Forward
Implement projects and partnerships to catalyze the growth of food businesses	Develop a commercial kitchen incubator			X		Fourth Plain Forward
	Partner with institutions and agencies to expand opportunities for food entrepreneurs	X		X		Fourth Plain Forward
	Extend the food truck pilot program to Heights			X		Fourth Plain Forward
	Sponsor vendor stalls at the Vancouver Farmers Market for low-income food entrepreneurs	X		X		Fourth Plain Forward

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
	Weekday farmers market event at the Heights	X		X		ECONW
Encourage shared parking	Enhance regulations for transit-oriented development			X		Fourth Plain Forward, the Heights District Plan
Relax right-of-way improvement standards for midsize expansions	Enhance regulations for transit-oriented development	X		X		Fourth Plain Forward
Incentivize inclusive transit-oriented development	Target the Multifamily Tax Exemption program to the Heights and add transit-supportive requirements				X	Fourth Plain Forward
	Market development opportunities in the Heights			X	X	Fourth Plain Forward
	Provide the option of Type I development review to expedite the application process			X		Fourth Plain Forward
	Facilitate low-interest loans for projects with significant community benefit		X	X		Fourth Plain Forward
	Provide development fee relief for TOD projects			X		Fourth Plain Forward
	Establish a public development authority for the Heights			X		Fourth Plain Forward
Invest land and gap funding for affordable housing	Ensure residential units of all levels of affordability are constructed to a high standard of quality.				X	The Heights District Plan - Equity, Jobs,

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
						and Housing Policies
Home repair loans and grants	Ensure opportunities for seniors to age in place in the District.		X			The Heights District Plan - Equity, Jobs, and Housing Policies
Support acquisition of buildings/commercial spaces for faith-based institutions	Ensure continuity of access to social and religious services as the area transitions		X			The Heights District Plan - Equity, Jobs, and Housing Policies
Include social and environmental responsibility criteria for selecting developers for City-owned land.	Integrate these components into scoring criteria for developer section and disposition strategies.			X	X	The Heights District Plan - Equity, Jobs, and Housing Policies
Support public partnerships (private, nonprofit, or VHA) that meet housing goals	Increase variety of housing to include a mix of unit types with a focus on providing options for residents at all stages of life		X		X	The Heights District Plan - Equity, Jobs, and Housing Policies
	Create diversity in housing types, as well as a mix of 2- and 3-bedroom units that are affordable for families, seniors, and others on fixed or limited incomes.		X		X	The Heights District Plan - Equity, Jobs, and Housing Policies

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
	Ensure affordable housing is sited and integrated appropriately with market-rate housing.		X		X	The Heights District Plan - Equity, Jobs, and Housing Policies
	Provide mixed-income housing affordable to people at a variety of income levels.		X		X	The Heights District Plan - Equity, Jobs, and Housing Policies
Community Benefit Agreements/ Development Agreements/ Business Support Programs	Maintain a small business culture by retaining existing locally owned businesses and attracting new local businesses, including minority- and women-owned and disadvantaged business enterprises.	X				The Heights District Plan - Economic Vitality, ECONW
Master Leasing	Leverage city landownership to make strategic investments and build economic momentum.			X		The Heights District Plan - Equity, Jobs, and Housing Policies
Development Agreements	Negotiate with property owners to seek tenants complementary to the Heights District (vision, goals, and objectives)			X		The Heights District Plan - Economic Vitality, ECONW
Tool Libraries	Promote programs that build community and allow opportunities to share resources	X	X	X	X	The Heights District Plan - Economic Vitality

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
Enter into public-private partnerships that meet Economic Vitality goals	Program locally owned and operated restaurants, food markets, and services that serve a range of preferences and affordability levels.	X	X	X		The Heights District Plan - Economic Vitality
	Work with development partners to promote healthy food options within the District.		X	X		The Heights District Plan - Economic Vitality
	Work to attract cafes, art galleries, incubator, and makerspaces to activate the District. Consider interim uses like pop-up retail, food trucks, and temporary installations to provide short-term activation and energy.		X	X		The Heights District Plan - Economic Vitality
	Consider interim uses for existing buildings such as creative industries, makerspaces, artist studios, and small businesses.	X		X		The Heights District Plan - Economic Vitality
Allocate resources to organize and program the business district	Create and fund a distinct manager position	X		X		Fourth Plain Forward
	Lead litter and graffiti removal efforts	X	X	X		Fourth Plain Forward
	Establish an ongoing public market	X		X		Fourth Plain Forward
	Partner with the Vancouver Police Department to improve safety		X			Fourth Plain Forward

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
	Facilitate community placemaking		X			Fourth Plain Forward
	Host ongoing special events and festivals		X			Fourth Plain Forward
Partner with public institutions to shape development	Partner with Vancouver Public Schools in a way that benefits small businesses and the local community	X		X		Fourth Plain Forward
	Partner with Clark College on future developments to ensure benefits for the business district and community	X		X		Fourth Plain Forward
Implement Heights District Land Use and Zoning Policies	Ensure a mix of building typologies are applied to each land use throughout the District.				X	The Heights District Plan - Land Use and Zoning Policies
	Encourage a pedestrian-scale environment and walkability through smaller blocks and narrow street rights-of-way.		X			The Heights District Plan - Land Use and Zoning Policies
	Ensure public realm uses are prioritized, such as civic parks and neighborhood parks.		X			The Heights District Plan - Land Use and Zoning Policies
	Program dedicated, flexible venue space for arts and cultural events.		X			The Heights District Plan - Land Use and

Strategy Name	Description	Strategy Type				Source
		Community Stabilization & Anti-Displacement		Outcomes for New Development		
		Businesses	Residents	Economic Opportunities	Affordable Housing	
						Zoning Policies
	Ensure the availability of live/workspace, studio space, and other facilities to support local artists.	X		X		The Heights District Plan - Land Use and Zoning Policies
	Consider adding a neighborhood branch library or other civic uses as cultural amenities.		X			The Heights District Plan - Land Use and Zoning Policies
	Ensure the District is accessible for people of all abilities by requiring universal design and other accessibility criteria for streets, sidewalks, parks, and commercial areas.		X		X	The Heights District Plan - Land Use and Zoning Policies

Appendix B: Example of Deed Restriction Language

Homeownership Deed Restriction Template - RIHousing:

Affordability and Occupancy Requirement.

(a) This Deed Restriction shall remain in effect from the date this Deed Restriction is recorded in the land evidence records of the Municipality and continuing for a period of [_____] (____) years thereafter (the “Affordability Period”) unless earlier terminated in accordance with Section 3 or Section 5 hereof (the “Termination Date”). On and after the Termination Date, this Deed Restriction shall be of no further force or effect.

(b) During the Affordability Period, the Property shall be available for purchase at the maximum resale price only to an individual or household whose gross annual household income does not exceed [____] percent (____%) of area median income (adjusted for household size) for the [_____] Metropolitan/Non-Metropolitan Statistical Area as established from time to time by the U.S. Department of Housing and Urban Development (“HUD”) (an “Eligible Purchaser”). For purposes of this Deed Restriction, the “Maximum Resale Price” is determined to be the monthly housing costs (including principal, interest, taxes, insurance, and condominium fees, if any) that does not exceed thirty percent (30%) of the gross income of an individual or household earning [_____] percent (____%) of area median income (adjusted for household size).

(c) To be considered an Eligible Purchaser, the individual or household must intend to occupy and thereafter must occupy the Property as his, her or their principal residence and must provide to the Monitoring Agent such certifications as to income, assets and residency as the Monitoring Agent may require to determine eligibility as an Eligible Purchaser. Any use of the Property or any activity thereon which is inconsistent with the purpose of this Deed Restriction is expressly prohibited.

(d) Except as provided in Section 3(a) hereof, the Property shall remain affordable during the Affordability Period without regard to the term of any mortgage on the Property or to any transfer of ownership thereof.

(e) This Deed Restriction’s compliance with the affordability requirements shall be monitored and enforced by the Monitoring Agent.¹⁰⁴

¹⁰⁴ <https://www.rihousing.com/wp-content/uploads/Homeownership-Deed-Restriction-Template.docx>

Appendix F. Feasibility Analysis and Recommendations

Context

The project team conducted a feasibility analysis to evaluate redevelopment options for the Tower Mall Redevelopment Area (TMRA) for their ability to meet key objectives of the Equitable Development Framework of the Heights District Plan. This appendix provides a summary of the technical analysis, considerations, phasing, and specific recommendations for applying a subset of equitable development recommendations to the TMRA. This site-specific analysis considers the following factors:

Equitable Development Strategies	Site/Design Factors
• Leverage city-owned sites to support equitable outcomes • Advance districtwide housing affordability targets • Support alternative ownership opportunities • Consider implications for affordable commercial within the broader development area	• Density and urban design objectives (see Design Capacity Study) • Infrastructure investment • Current property ownership

Each of these considerations affect what can be built where and by whom. The Recommended Site Scenario shown in the map in Exhibit 8 depicts the project team’s preferred alternative to maximize equitable development outcomes given urban design factors, market realities, and parcel ownership within the TMRA.

Tower Mall Redevelopment Area Opportunity

The Tower Mall Redevelopment Area provides a unique opportunity to deploy multiple equitable development strategies and serve as a case study for future equitable development opportunities throughout the City of Vancouver. The planning and engagement efforts to create the Heights District Plan have reinforced the City’s strong commitment to carrying out the vision for the site. As of spring 2023, the City of Vancouver:

- **Owns at least 60 percent of the land area within the boundaries of the TMRA**, based on current parcel ownership.

- **Conducted a Density Capacity Study** to estimate the potential building capacity of TMRA parcels. This work also identified zoning changes to support different uses and scales of development that could leverage the planned infrastructure investments, such as multiple higher-density residential buildings with ground floor retail.
- **Planned and designed infrastructure investments.** The Heights District Plan calls for the site to be subdivided with roads and larger utility lines to serve the increase in site occupants. The City engaged with consultants to design roads, parks, public realm improvements, a multimodal corridor called the Grand Loop, and underground utilities in the TMRA. This infrastructure design work is supported and informed by the Density Capacity Study.

The Heights District goals include density and urban design objectives, public realm and infrastructure improvements, and equitable development outcomes that require consideration and often public investment. Therefore, the feasibility analysis is guided by equitable development outcomes for the TMRA in the context of other Heights District objectives.

Equitable Development Considerations

Defining Affordability Targets for the TMRA

A key element of the City’s vision for the Heights District overall, and TMRA in particular, is providing affordable rental and ownership options to meet housing goals identified in the Heights District Plan and recent Washington Growth Management Act (GMA) housing targets. We worked with City staff to identify preliminary affordability targets for the TMRA for the purposes of the feasibility analysis, given that the vision and planning work for the Heights District is ongoing.

Clark County has recently adopted an analysis of housing needs by income bracket as part of their compliance with the state’s GMA. The allocation of units and the income targets to the City has still not occurred, these figures are therefore preliminary estimates and are subject to revision once the final allocation occurs. The figures used in this analysis are a starting point to model how the TMRA could contribute to meeting projected housing needs.

The County’s housing needs analysis includes a range of estimates based on different target years and population growth scenarios (low, medium, or high). We assumed the target year of 2045 and medium population growth (approximately 670,000 people). For Clark County, these assumptions resulted in an estimated housing need of 51 percent of units affordable at or below 80 percent of median family income (MFI) and 36 percent of units at or below 50 percent of MFI, as shown in Exhibit 1.

Exhibit 1. Projected Countywide Housing Needs for Medium Population Growth

Source: ECONorthwest based on data from Clark County

	0-30% MFI	0-30% MFI (PSH*)	30-50% MFI	50-80% MFI	80-100% MFI	100- 120% MFI	120%+ MFI

	(Non-PSH*)						
Net New Housing Needed (2020-2045)	13,101	5,221	14,975	13,676	7,675	7,257	29,400
Share of Total New Housing Needed	14.3%	5.7%	16.4%	15.0%	8.4%	7.9%	32.2%

*Permanent Supportive Housing

The project team used GMA county-level distribution of housing needs to calculate affordability targets for the TMRA. As of spring 2023, the TMRA planning work included approximately 1,800 units of new housing, which yields the affordability targets shown in **Error! Not a valid bookmark self-reference..**

Exhibit 2. Recommended Housing Targets for Tower Mall Redevelopment Area by Income Level Based on Clark County Targets

Source: ECONorthwest

	0-30% MFI (Non-PSH)	30-50% MFI	50-80% MFI	80-100% MFI	100-120% MFI	120%+ MFI
Share of units	15.2%	17.4%	15.9%	8.9%	42.6%*	
Total units for the TMRA	273	312	285	160	764*	

* For the purposes of our analysis, ECONorthwest combined the upper income categories and categorized them as market rate given current market rents.

The City can refine these targets once the citywide affordable housing needs forecast and the vision and planning work for the Heights District are complete.

Site Ownership Informs Development Strategies

The City of Vancouver has already invested heavily—and plans to continue investing—in the Heights, both through direct funding for site preparation and infrastructure and through an acquisition strategy to achieve City ownership and site control of parcels within the TMRA. These public investments contribute to affordable housing goals in a variety of ways. The feasibility analysis considered two nonexclusive options for leveraging public subsidy for affordable housing:

- Working with developers to access conventional financing programs such as low-income housing tax credits (LIHTC) or inclusionary housing incentives such as Washington's Multifamily Tax Exemption (MFTE) to create affordable rental housing.
- Working with developers interested in exploring alternative development financing and ownership mechanisms (such as community land trusts and limited equity housing

cooperatives) to create affordable ownership housing that provides greater housing stability and the potential for building wealth.

As a first step to understand the ability of the TMRA to deliver on the multiple objectives for the Heights, the project team matched affordable units to proposed parcels and development scales for the TMRA.¹ Our baseline understanding of development economics and the conventional, market-based mechanisms for delivering affordable housing informed two assumptions that guided the mapping exercise:

- Privately owned sites are likely to be market-rate development unless they opt into providing below market rate (affordable units) through the MFTE program. These sites could meet the affordability targets for 80 percent of MFI and above identified in the GMA targets.
- City-owned sites could be leveraged to achieve deeper levels of affordability by reducing the cost of land. These sites could meet the GMA affordability targets for households earning less than 80 percent of MFI.

Taken together, these assumptions shaped four approaches to site ownership and financing within the TMRA:

1. **Privately owned sites developed by market-rate developers.** Privately owned sites will likely be developed by market-rate developers accessing conventional sources of money for market-rate development. These sites would likely only deliver affordability if they voluntarily participated in an MFTE program option that required a share of the units in the building to be set aside as affordable for the term of the tax exemption. Given proposed MFTE program options for the Heights, the project team assumed the highest affordability would be a 20 percent set aside of units at 80 percent of MFI. However, these units would only be affordable for the duration of the 12-year tax exemption.
2. **City-owned sites developed by market-rate developers via a development agreement.** The City could employ development agreements to have market-rate developers create some city-owned sites by providing access to conventional sources of money for market-rate development. The premise for this financing strategy would be to reduce the cost of the City-owned land in exchange for a market-rate developer to deliver greater affordability in a mixed-income project. Depending on the desired depth of affordability and the set-aside of units, the City might also have to consider offering additional incentives alongside the reduced land cost and MFTE program, such as reducing or exempting impact fees in order for development using conventional market-rate sources of money to be feasible.
3. **City-owned sites developed by affordable housing developers.** The City could leverage its sites to achieve deeper levels of affordability by reducing the cost of land. These city-owned sites could help meet the GMA affordability targets for households

¹ Proposed parcel boundaries will need to be negotiated as current land ownership boundaries differ from the planned TMRA site configuration.

earning less than 80 percent of MFI while also supporting longer-term affordability. The City could partner with affordable housing developers that use conventional sources of money such as a low-income housing tax credit (LIHTC) to fund the development of regulated affordable housing. Interviews with LIHTC developers indicated that delivering an LIHTC with retail components is complex, so creative approaches and supplemental sources of funding may be needed to support projects with ground floor retail requirements or to meet urban design objectives. These interviews also indicated that most LIHTCs deliver units at multiple depths of affordability, meaning that LIHTC developments could achieve multiple affordability targets.

4. **City-owned sites developed with alternative ownership models.** The City of Vancouver is interested in supporting development in the TMRA that provides permanent affordability and greater housing stability than conventional ownership or affordable rental housing. Given the resource limitations associated with conventional sources and approaches to affordable housing development, we explored the feasibility of using alternative development financing and ownership mechanisms to help achieve the City's housing goals on multiple City-owned sites. More specifically, we explored how the City could support community land trusts (CLTs) and limited equity housing cooperatives (LEHCs) for new housing development in the TMRA.

Site Development Scenario

Given the mix of ownership in the TMRA, the project team created six alternative affordability scenarios that varied in their ability to deliver on the different goals. This involved mapping affordable unit set-asides to specific parcels to understand how each scenario could meet affordability targets and provide the mix of uses and densities in line with the goals of the Heights District Plan and the Density Capacity Study while still being aligned with market reality.² The site scenario shown in Exhibit 3 Exhibit 3 is the most illustrative in highlighting the scale of affordable housing development necessary to meet the goals of the District Plan and the need to maximize the utilization of each parcel within the TMRA to achieve an equitable redevelopment project. Because the redevelopment of the TMRA will be driven by community partners with particular strengths and funding capacity, actual development of the TMRA will in all likelihood differ from this scenario shown below.

² Modeled densities and housing typologies include townhome development for market-rate and affordable homeownership in line with the City's equitable development goals. At the time of this report, the HX zone minimum density requirements for the District Gateway subdistricts are 30 dwelling units per acre, which are not conducive to most townhome development on individual parcels.

Exhibit 3. Illustrative Site Scenario

Source: ECONorthwest



Note: Parcels in shades of blue represent land under current or proposed City of Vancouver site control; parcels in shades of orange represent privately owned sites; and darker shades of blue and orange represent deeper levels of affordability compared to other parcels in the same ownership category (i.e., private or city). Proposed parcel boundaries may be negotiated as current land ownership boundaries differ from the planned TMRA site configuration.

An immediate recommendation that came out of this mapping exercise is that to guarantee the City could achieve the affordability targets, the City should consider acquiring at least one additional site that could accommodate a substantial share of units. Given the City's understanding of interested property owners, the project team identified parcel G as the most likely site for city acquisition. The map in Exhibit 3 reflects the potential change in parcel ownership. As a near-term implementation step, the City could prioritize acquisition of important parcels to secure site control to advance equitable development outcomes.

The parcels identified in the illustrative site scenario map align with the infrastructure design work and the Density Capacity Study. These parcels do not reflect current land ownership boundaries and are thus approximations of possible development sites based on future infrastructure investments and parcel boundary adjustments. Additionally, the City is already

engaging with property owners through parcel boundary adjustments and land swaps to create the parcels that will be necessary to implement both the urban design vision as well as the equitable development goals and should continue with that approach in the immediate term.

The scenario in Exhibit 3 assumes the following distribution of site ownership, primary financing, and ownership strategy for the development, in addition to the affordability mix, as shown in Exhibit 4.

Exhibit 4. Illustrative Site Scenario Ownership, Affordability Mix, and Ownership Strategy

Source: ECONorthwest

Parcel Letter	Approximate Site Ownership	Affordability Mix	Financing and Ownership Strategy
A	Private	*20% at 80% MFI	Market / MFTE
B	City	50% at 100% MFI; 50% at 80% MFI	Developer Agreement
C	City	50% at 50% MFI; 50% at 30% MFI	LIHTC
D	City	50% at 100% MFI; 50% at 80% MFI	Developer Agreement
E	Private	*20% at 80% MFI	Market / MFTE
F	Private	*20% at 80% MFI	Market / MFTE
G	City	100% at 80% MFI	Alternative
H	Private	*20% at 80% MFI	Market / MFTE
J	Private	*20% at 80% MFI	Market / MFTE
K	Private	*20% at 80% MFI	Market / MFTE
L	Private	*20% at 80% MFI	Market / MFTE
M	City	100% at 80% MFI	Alternative
N	City	50% at 50% MFI; 50% at 30% MFI	LIHTC
O	City	100% at 80% MFI	Alternative
P	City	50% at 50% MFI; 50% at 30% MFI	LIHTC

* Under this scenario, we assumed the city-owned parcels could result in almost achieving targets for 30 percent and 50 percent of MFI and could also help deliver most of the total need for units at 80 percent and 100 percent of MFI. We also assumed privately owned parcels would use a potential MFTE program to deliver close units at the targets for 80 percent and 100 percent of MFI; however, as the MFTE program is voluntary and temporary, we footnote the total affordable units that were assumed to be through this potential program. We based this off the development capacity study draft at the time of the analysis (initially approximately 2,500 units and then decreased to 1,800 units).

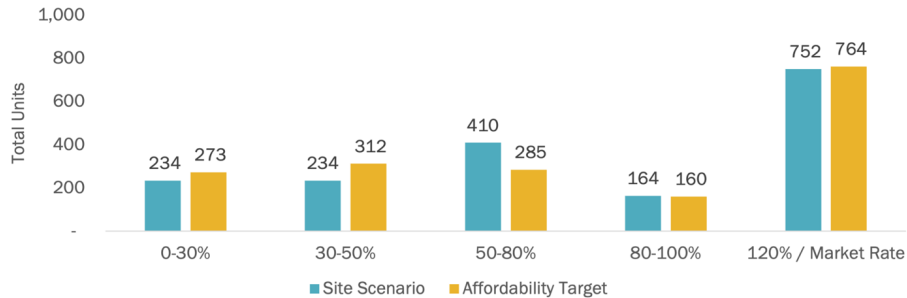
Meeting GMA Targets through Illustrative Site Scenario

Of the scenarios tested, the site scenario in Exhibit 3 was closest to achieving a mix of affordable units in line with the estimated GMA targets. Exhibit 5 shows the total housing units across all

levels of affordability yielded by that scenario compared to the proportional GMA targets for the TMRA.

Exhibit 5. Housing Unit Yield in Illustrative Site Scenario Compared to Affordability Targets

Source: ECONorthwest



Note: ECONorthwest assumed multiple privately owned properties would take advantage of MFTE, resulting in approximately 150 units at the 50–80% income target that might otherwise be in the 120%/Market Rate target if they do not participate in the program.

Risks to Realizing Affordability Targets in the TMRA

While the City can theoretically meet its affordability targets with a conventional approach to development and financing in the illustrative site scenario, there are important caveats and challenges:

- **Uncertain private market delivery.** There is no guarantee that privately owned sites will deliver the total number of units or the City’s desired share of affordable units modeled in the recommended alternative scenario. The City’s levers for achieving affordable units within market-rate development are voluntary incentive programs like MFTE or negotiated developer agreements. The volatility of the real estate market, including the cost of capital, is another dimension of uncertainty that drives development activity.
- **Preliminary nature of planned development scale.** This analysis relies on calculating the share of affordable units based on a defined total unit count and mix of development scales determined in partnership with the City. If actual development patterns in the TMRA do not reflect the modeled densities and building types identified in the Infrastructure Strategy, the feasibility of meeting the expected GMA targets will change. This will have impacts for specific funding sources and development strategies that might lend themselves to specific scales of development (we discuss this in more detail in subsequent sections).
- **Limited public resources.** More than a third of the units would need to be affordable to households earning 50 percent of MFI and below, which will require additional public subsidies beyond MFTE, such as an LIHTC. It would likely take two to three years of LIHTC funding cycles to generate enough funding for one planned development at the

density envisioned for the Heights. To fund all the targeted deeply affordable units in TMRA would commit the entirety of Clark County's LIHTC applications for decades.

Given the limitations associated with conventional sources and approaches to affordable housing development, we explored the feasibility of using alternative development financing and ownership mechanisms to help achieve the City's housing goals.

Alternative Development Financing and Ownership

In addition to meeting the goals for target unit counts and/or shares of affordable housing units, the City of Vancouver is interested in supporting development in the TMRA that provides permanent affordability and greater housing stability than conventional affordable rental housing provides. Two important methods for achieving these housing outcomes are to change the sources and terms of development capital and how the housing is owned.

The project team considered several alternative housing models, with a focus on owner-occupied housing. While there are options for raising low-cost or forgivable development capital from public or philanthropic sources for rental housing, our analysis evaluated models that create ownership opportunities for households earning below the median income. These models differ from rental housing because they rely (to varying degrees) on residents' capacity to secure debt to cover the cost of development through individual loans.

Ownership Structures and Trade-Offs

There are four primary legal structures for homeownership: fee simple, condominium, land lease, and cooperative. Each structure offers different benefits and drawbacks for owners in terms of autonomy, ability to access loan products, and potential for building wealth, as well as for meeting public policy goals related to housing affordability and stability.

Fee Simple

Fee simple ownership confers ownership of the structure and the land underneath it, which usually means that the home is not attached to any other building.³ This is the most common form of ownership and has the most options for accessing a mortgage. Fee simple ownership also offers the greatest potential for building wealth if the value of land and housing increases. Owning real property through fee simple ownership can also serve as collateral to take out loans for home improvements, education, and other life needs.

Condominium

In a condominium structure, units are owned by individuals while the common elements of the building—e.g., the roof, exterior walls, hallways—and the land underneath the building are owned by an incorporated homeowners association (HOA). This type of ownership is most common when homes are attached by walls or are in multistory apartment buildings. Many

³ In 2021, Oregon passed legislation allowing fee simple ownership and land divisions for attached townhome construction. See Senate Bill 458 (2021): <https://olis.oregonlegislature.gov/liz/2021R1/Measures/Overview/SB458>.

banks offer loans to buy condos, though it is more difficult for buyers with lower incomes to qualify for condo loans because of limits on the share of Federal Housing Administration loans allowed in a condo building.

An important difference from fee simple ownership is that condos have routine additional monthly costs beyond mortgage expenses. Condo owners pay monthly fees for maintenance and improvements to the common elements owned by the HOA. These fees also contribute to capital reserves to cover unexpected costs. These monthly fees are included in underwriting debt and therefore limit the maximum purchase price more than in fee simple property.

In most markets, the value of condos grows more slowly than the value of detached homes, which presents more limited options for building wealth. This is particularly the case for condos that are stacked vertically when compared to townhome developments that are legally structured as condos.

Land lease

One strategy to make homeownership more affordable is to separate ownership of the land from ownership of the home, whether a detached home or a multiunit building. Separating ownership in this way removes the cost of the land from the price of a home. A community land trust (CLT) is a nonprofit organization that owns and manages land on behalf of the broader community, whether for housing, agriculture, open space, or other community benefit.

CLTs usually lease the land through a long-term, low-cost ground lease to owners of homes or multiunit buildings. Sometimes CLTs also own buildings and lease those to tenants at affordable rents.

Cooperative

Like condos, cooperatives are a legal structure that allows shared ownership of real property. Unlike condos, individual owners do not hold title to property directly; instead, owners hold shares of a cooperative corporation which owns buildings, land, or both. This member ownership share comes with a long-term proprietary lease to occupy a unit owned by the cooperative. A cooperative structure can own any type of housing, including apartments, townhomes, cottage clusters, or detached homes.

Similar to HOAs, cooperatives charge monthly fees to cover the shared costs of maintaining the property. Cooperative fees also include shared costs for servicing debt held by the cooperative and paying property taxes, which are assessed on the property as a whole. These fees can vary widely based on the value of the property, local tax structures and incentives, and outstanding debt, as well as how the cooperative approaches building capital reserves.⁴

⁴ As of 2022, federal guidelines for condo lending require HOAs to meet a threshold for capital reserves. There are no such requirements for housing cooperatives.

Alternative Financing Mechanisms

Exploring alternative structures for owning property also opens possibilities for alternative (nonconventional) approaches to financing development. Land lease and cooperative ownership, in particular, offer more options for assembling alternative sources of capital. Community land trusts can offer free or low-cost land through ground leasing that is permanently separated from the cost of improvements on the land. Established CLTs also offer organizational stability and capacity to support owners, which can make lenders approach mortgages on CLT-affiliated properties as less risky. Cooperatives have the capacity to take on debt through a blanket mortgage on the property that is paid for proportionally by cooperative members and with terms that are based on the value and stability of the property as a whole.

These alternative structures and approaches also present different challenges compared to conventional development. CLTs are complex organizations that need time and resources to build the capacity to provide maximum benefit to residents and the broader community. Because cooperative residents do not own real property, they do not qualify for mortgages, which can place larger burdens on cooperative owners to fund their ownership shares. Share loans are mortgage-like products that help households finance the cost to purchase shares in a cooperative. Washington is one of a few states with lenders that offer share loan products, but they may not be active in all the state's regions.

Modeled Alternative Ownership Structures

A challenge for modeling multifamily affordable homeownership is there is no single template, given the variables and options for construction type, ownership structure, and capital sources. Because there are no large-scale programs—such as an LIHTC—to support alternative models, each project is relatively unique to its site context and specific development partners. There are, however, a few recent projects in Washington that are comparable to the development type and scale under consideration in the Heights.

These examples represent three different ownership and asset structures that helped inform the feasibility analysis for alternative approaches to affordable development in the TMRA. The discussion below is meant to provide detail on possible structures and attributes of alternative homeownership, rather than a set of fixed options. Elements of these structures can be combined in different ways or modified to meet the needs of different projects, residents, or City goals.

Deed-Restricted Condominium

Like other affordable homeownership programs, deed-restricted condos have covenants requiring they be sold to income-qualified buyers at an affordable price. The maximum affordable price is calculated with an “appreciation factor”—a multiplier that calculates the new sale price based on the previous sale price, often indexed to a federal measure like area median income. While the covenant sets the maximum sale price, it does not guarantee the unit will sell

for that price. A public agency or nonprofit organization is usually responsible for monitoring and enforcing these covenants, but otherwise they may have no involvement with homeowners.

Comparable Project: ARCH

A Regional Coalition for Housing (ARCH) is an interlocal partnership between King County and 15 east county cities to coordinate affordable housing planning and development. In addition to its policy and financing role, ARCH administers the inclusionary housing policies of its member cities, supports monitoring income restriction programs, and stewards affordability covenants on more than 700 ownership units,



Source: Northwest Multiple Listing Service

including condos. The appreciation factor ARCH uses to set resale prices on deed-restricted properties is the change in area median income since the previous sale.⁵

Community Land Trust Condominium

A deed-restricted condominium can also be affiliated with a community land trust even if the CLT does not own the underlying land. In these cases, the CLT sets the terms of price appreciation and monitors the enforcement of the affordability covenant. Some CLTs use a fixed-rate appreciation formula for resale. Others revalue properties with appraisals and allocate a share of the appreciation to the owner and the remainder to the trust. As with other land trust properties, an important benefit for CLT condos is the organizational stability and financial counseling provided to members of the land trust. CLTs often help secure public subsidies and grants to fill the gaps between the cost of acquiring or developing properties and sale prices that are affordable to income-qualified buyers. Many CLTs have also cultivated partnerships with regional lenders to provide mortgage products better tailored to their owners.

⁵ See ARCH sample covenant: <https://www.archhousing.org/arch-homeowner-program-policies>.

Comparable Project: Homestead CLT – Phinney Ridge

Seattle-based Homestead Community Land Trust has a portfolio of more than 200 homes in the Greater Seattle area.

Homestead CLT currently has two condominium projects in development in the Phinney Ridge neighborhood of Seattle. Each project has fewer than 30 units, of which 19 will be priced for households at 65 percent of MFI (with qualifying income capped at 80 percent of MFI), while the remaining units are market rate.



Source: Schemata Workshop

Prices for affordable units will likely be between \$240,000 and \$330,000. Development is being partially financed through land donation, grants, and low-cost loans from the City of Seattle. Rather than a ground lease, the condos will have resale restrictions recorded as covenants with a fixed formula appreciation value of 1.5 percent. Homeowners will be able to buy with a 1 percent down payment (i.e., \$2,500–\$3,300), which eliminates the need for down payment assistance. As in a typical condo development, owners will pay monthly fees to a homeowners association, as well as a small stewardship fee to Homestead to provide administrative support. These projects will not be leasing the land from Homestead.⁶

Limited Equity Housing Cooperative

Housing cooperatives can exist in market-rate and limited equity forms. In a limited equity cooperative, the value of membership shares appreciates at a low, fixed rate—usually lower than expected inflation. By keeping this appreciation rate low, the cost of joining the cooperative stays affordable to lower-income buyers over time. When a member leaves the cooperative, they recoup their initial investment, plus the appreciated value of their membership share according to the formula.

⁶ Interview with Kathleen Hosfeld. See also: <https://www.homesteadclt.org/about-homestead/new-homes-in-development>.

Comparable Project: HomeSight – U-lex Housing Cooperative

HomeSight is a nonprofit community development organization that provides technical assistance for small businesses and homebuyer education, in addition to developing affordable housing in Greater Seattle for the past 20 years.



Source: SKL Architects

After building dozens of detached single homes, townhomes, and condos, HomeSight is currently developing a limited equity housing cooperative in the Othello neighborhood of Seattle. The U-lex project has 68 units that will be affordable to households at 80 percent of MFI or less. Share prices for membership to the cooperative are expected to be \$86 per square foot, or \$58,000 for a one-bedroom apartment. HomeSight has partnered with a local credit union to offer share loans to households that need to finance the buy-in share price. In addition to maintenance, property management, and capital reserve fees that are roughly equivalent to HOA fees, monthly dues in a cooperative go toward paying the blanket mortgage and property taxes on the building. U-lex's total expected monthly dues for a one-bedroom apartment are \$1,750.⁷

Levers for Achieving Alternative Affordable Ownership

Each of these models takes a different approach to achieving permanent affordability and household stability while using different alternative financing structures. When modeling these different alternative affordable options in a pro forma, there are several key variables and assumptions:

- **Sources of capital.** In condominium models, development is ultimately financed through unit sales—a combination of down payments and take-out mortgages from buyers. In cooperatives, a majority of the project financing can come from a blanket mortgage on the development, which is shared proportionally by cooperative members. The remaining equity contribution comes from the share prices for cooperative membership. A cooperative's ability to take on debt at a project level—and the interest rate of that debt—affects monthly housing costs differently than a mortgage that is underwritten to a specific household's financial circumstances.
- **Down payment and loan terms.** The size of a down payment is an important factor in determining the monthly cost of housing. When buyers put down less than 20 percent of the total sales price, mortgage lenders require buyers to carry private mortgage insurance (PMI) until 20 percent of the loan has been repaid. Cooperative share prices

⁷ See <https://www.homesightwa.org/u-lex-cooperative-housing/>.

are roughly equivalent to a down payment in the sense that they are an up-front cost to buy cooperative membership. Share prices are driven by the size of the blanket mortgage on a cooperative property—if debt can cover 70 percent of the costs of construction, share prices would cover the remaining 30 percent. Depending on the blanket mortgage, share prices could be lower than a 20 percent down payment on an equivalent condo, or considerably more. The ability to finance a share price through a share loan also has an effect on feasibility, particularly at lower incomes. Loan terms and interest rates for individual mortgages, blanket mortgages, and shared loans also affect affordability.

- **Shared monthly costs.** Monthly housing costs that go toward shared expenses in condo models cover maintenance and utilities for common area amenities, required capital reserves, and property management in some cases. CLT condos add an additional stewardship fee that is paid directly to the land trust for overhead related to ongoing and on-call administrative support to homeowners such as financial counseling, foreclosure prevention, and other services. Monthly cooperative costs are higher because they include contributions toward the blanket mortgage and property taxes for the property as a whole. This cost is indirectly financed by homeowner households; that is, it cannot be refinanced or renegotiated in a way that might be available to an individual mortgage holder.
- **Property tax exemptions.** Washington offers different property tax abatements and exemptions to support affordable housing. Condo projects are eligible for a twenty-year tax abatement through the state's MFTE program. This abatement applies to the improvement value for developments in which at least one quarter of the units are affordable to households earning 80 percent of MFI or below. This abatement can be thought of as a temporary wealth transfer to the households that own an affordable unit within the first twenty years. It is a wealth transfer because lenders do not consider the abatement permanent for underwriting purposes. When targeting a unit to a particular income level, any MFTE tax abatement is therefore a benefit to the homeowner and doesn't impact the purchase price or the subsidy required to achieve the desired level of affordability.

In 2022, Washington created a renewable annual tax exemption for limited equity cooperatives in which more than 85 percent of units are affordable to households earning 80 percent of MFI or below. This exemption applies to the total real property owned by the cooperative, which can include both land and improvements.⁸ If renewal is guaranteed and this exemption is included in the underwriting assumptions for a blanket mortgage, this exemption provides a (potentially) permanent cost savings to cooperative owners. Though this statute is set to expire in 2033, the Legislature intends to study its impact on increasing the supply of affordable housing and may extend the exemption based on its performance.

⁸ See Revised Code of Washington 84.36.675: <https://app.leg.wa.gov/RCW/default.aspx?cite=84.36.675>.

Key Feasibility Findings

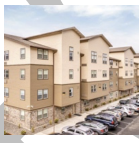
The findings below are based on a quantitative and qualitative analysis of both conventional and alternative development financing and ownership models. Our pro forma for alternative ownership models considered project feasibility and subsidies needed for initial construction but did not consider resale formulas and affordability over time.

Market-rate housing development at the densities proposed is likely feasible

The project team's prior analysis work for the City of Vancouver indicated that a midrise podium density was mostly feasible in the Heights and the next closest density we modeled, a 4-story wood-frame development, was feasible. Much of the development scale proposed for the TMRA is between these two densities we previously modeled. Our evaluation of the proposed built form is that it would be feasible for development, particularly with additional City support through investments in infrastructure and the option for reducing land costs for certain parcels.

Exhibit 6. Feasibility of Housing Development at Different Densities

Source: ECONorthwest

Small Plex	3-Story Walk-Up	4-Story Wood Frame	Midrise Podium	High-Rise Tower
				
Feasible	Feasible	Feasible	Mostly Feasible	Not Feasible

The City can leverage market-rate development to provide a mix of affordable units by offering an MFTE program

Higher-density development types for the TMRA are expected to perform better when accessing the City's proposed MFTE program. In order for the City to achieve all of the affordability targets, the City will need market-rate development to provide a mix of affordable units at 80 percent MFI and above. The project team's prior analysis indicates that, for the higher-density scales of development, an MFTE program improves the feasibility of development—higher-density development is more feasible when accessing a tax exemption program and providing a set-aside of affordable units than without the program. However, an MFTE program is voluntary—a developer does not have to participate in the program—

meaning that achieving 80 percent MFI and above affordability targets through private development is not guaranteed.

Affordable units are achievable with subsidies using alternative ownership models

The feasibility of affordable housing development is driven in part by the maximum allowable monthly housing costs for household incomes below the median. As of 2023, the Portland-Vancouver-Hillsboro MFI for a family of four is \$114,400. This increase makes alternative ownership models in the form of vertical multifamily and townhome development feasible at 80 percent MFI with moderate subsidies for construction, as shown in Exhibit 7. The minimum subsidy for units at 80 percent MFI reflects a nominal subsidy to trigger the state's tax exemption for LEHCs, which requires public investment in the project. At 50 percent MFI, we estimate per-unit subsidies ranging from \$134,000 to 193,000. This range reflects different construction types, operational models, and interest rates for debts, mortgages, and share loans.⁹

Exhibit 7. Subsidy Ranges Needed for Alternative Ownership Models, by MFI

Source: ECONorthwest

	Minimum	Minimum with down payment assistance	Maximum	Maximum with down payment assistance
80% of MFI	\$1k	\$68k-\$72k	\$40k-\$59k	\$119k-\$135k
50% of MFI	\$134k-\$150k	\$183k-\$219k	\$174k-\$193k	\$241k-\$265k

Our model considered down payment assistance as a separate subsidy from public sources needed to fill financing gaps for construction. Including full down payment assistance (or full share price assistance), per-unit subsidies range from \$68,000 to \$135,000 at 80 percent MFI and \$183,000 to \$265,000 at 50 percent MFI.

Shared equity models can increase affordability over time, but this is dependent on income growth

An important distinction between deed-restricted condos and ownership models linked to nonprofit steward organizations is the possibility of increasing affordability over time. With a deed-restricted condo, future sales prices are set by the recorded household income limit and the rate of income appreciation over time. Typically, a unit targeted to households earning 80 percent MFI will remain an 80 percent MFI unit upon every resale.

Models with fixed formulas for price appreciation have the option to increase the depth of affordability over time. This option is a result of intentional policy for setting price appreciation as well as the organization's bylaws governing shared equity during resale. Community land

⁹ Our assumptions modeled slightly lower interest rates for CLT-affiliated mortgages, senior debt on cooperatives, and share loans relative to deed-restricted condo mortgages, based on our interviews and a survey of available loan products.

trusts and limited equity housing cooperatives generally set price appreciation below estimates for income appreciation, 1.5 percent annually compared to 3 percent, for example. When the sale price is set by the price appreciation formula, and assuming incomes rise, over time the price of a CLT condo or cooperative share becomes affordable to households with lower incomes.¹⁰

While fixed appreciation formulas will create deeper affordability over the very long term, income growth is the most important factor in how quickly a unit will become affordable to lower-income households, as summarized in Exhibit 8. With a conservative assumption of 3 percent annual growth in median income, it would take more than 30 years for an 80 percent MFI condo to be affordable to households at 50 percent MFI. Assuming an income growth rate more in line with recent trends (4–5 percent), a condo could become affordable to 50 percent MFI households at 19 years, but they would not be able to afford the full property taxes after the expiration of MFTE until year 22. The fixed costs of blanket mortgages on cooperative buildings make those units more deeply affordable sooner. With 5 percent income growth, a 50 percent MFI household could afford monthly cooperative housing costs in year 11.

Exhibit 8. Time to Become Affordable to Households at 50 Percent MFI, by Income Growth Rate

Source: ECONorthwest

Income Growth Rate	Can Afford Mortgage	Can Afford Property Taxes*
CLT Condo		
3 percent	Year 30+	Year 30+
4 percent	Year 30+	Year 30+
5 percent	Year 19	Year 22
Co-Op		
3 percent	Year 22	-
4 percent	Year 15	-
5 percent	Year 11	-

* This model accounts for the expiration of the MFTE benefit in year 21 and whether households can absorb the additional costs of property taxes. Co-ops are assumed to receive an ongoing property tax exemption.

LEHCs have the additional possibility of resetting income qualifications and operational revenue requirements once the blanket mortgage on the property—the largest component of monthly cooperative dues—is paid off.

Alternative models have varying requirements for organizational capacity

Alternative homeownership models take a different operational approach to maintaining permanent affordability and supporting homeowner stability. Deed-restricted condos can be operationally lean—the responsibility for enforcing the affordability covenant can be taken on by a public agency or partnership (as with King County’s ARCH) or a designated nonprofit (e.g., Habitat for Humanity). Often this responsibility is limited to income verification during

¹⁰ In some shared equity models, the price appreciation formula determines the amount of equity received by the seller household, while the sale price is based on what is affordable for a target MFI. The organizational partner, like a land trust, receives the remaining equity from the sale.

sales transactions, though it may be necessary to allocate resources to monitor and enforce owner-occupancy rules and other requirements of the covenant.¹¹

Community land trusts can serve multiple functions for affordable ownership programs. They can help facilitate sales transactions, identify buyers, cultivate partnerships with lenders, and provide homeowner financial counseling. The support land trusts offer can be observed in lower rates of foreclosure among CLT owner households, even during the Great Recession.¹² This capacity can take time to build and operates more cost efficiently with greater scale—that is, a larger portfolio of properties. Condos connected with a community land trust will also have an independent HOA with its own operational needs.

Limited equity housing cooperatives are nonprofit corporations governed by a board of directors drawn from its members. In practice, they operate much like an HOA. Unlike with affordable condos, the cooperative itself would be the organization responsible for regulating affordability requirements. Well-functioning cooperatives benefit from providing training and ongoing support to members to establish strong practices of financial management and self-governance. Washington is home to a number of limited equity cooperatives as well as the Northwest Cooperative Development Center, which provides technical assistance and guidance to new cooperatives.

GMA targets may be difficult to achieve

Achieving a proportional share of GMA targets in the TMRA will be difficult due to a variety of factors. First is the scale of redevelopment identified in the Infrastructure Strategy—not only is the scale substantial, but approximately half of the sites are also privately owned. This means that development at the scale assumed at the time of this feasibility analysis is not guaranteed and therefore makes achieving a proportional mix of GMA targets a moving target that is difficult to meet.

Additionally, the GMA targets are weighted heavily toward deeper affordability levels—at least half of the units are needed at 80 percent of median family income (MFI) and below, and 36 percent of units are needed at 50 percent of MFI and below, as shown in Exhibit 1. The private market typically does not deliver units at these income levels which means a greater share of non-market-rate sources of money would need to be accessed to deliver development in the TMRA than what has been observed in similar master-planned projects. The dense scale of development planned for the TMRA is also more expensive to build than lower-density housing, requiring more public resources compared to lower-density buildings where cheaper types of construction are common.

¹¹ <https://www.seattletimes.com/seattle-news/eastside/the-aim-was-to-create-affordable-housing-on-the-eastside-but-some-owners-have-violated-the-rules/>

¹² Emily Thadden, “Stable Home Ownership in a Turbulent Economy: Delinquencies and Foreclosures Remain Low in Community Land Trusts,” *Lincoln Institute of Land Policy* [working paper], 2011.

Lastly, it is difficult to predict the future market rents and prices and how they might relate to the GMA target income levels. Today, new construction market rents are closer to 100 percent of MFI, if not as low as 80 percent of MFI in some parts of Vancouver. This makes the higher-income targets easy to achieve simply through market-rate development, but as median incomes and rents change, it will be challenging to guarantee that the market-rate units remain at 80 percent to 120 percent of MFI.

Site Development Phasing Strategy

With an estimated redevelopment capacity of 1,800 units in the TMRA, the project team recognizes that not all of those units can be built at once and that the scale of City resources needed to support equitable development cannot be made available immediately. Development in the TMRA will likely occur over decades. Understanding where development is likely to, or should, take place first is an important outcome of this work so the City can strategize and prioritize resources accordingly. The following principles guide the site development phasing strategy:

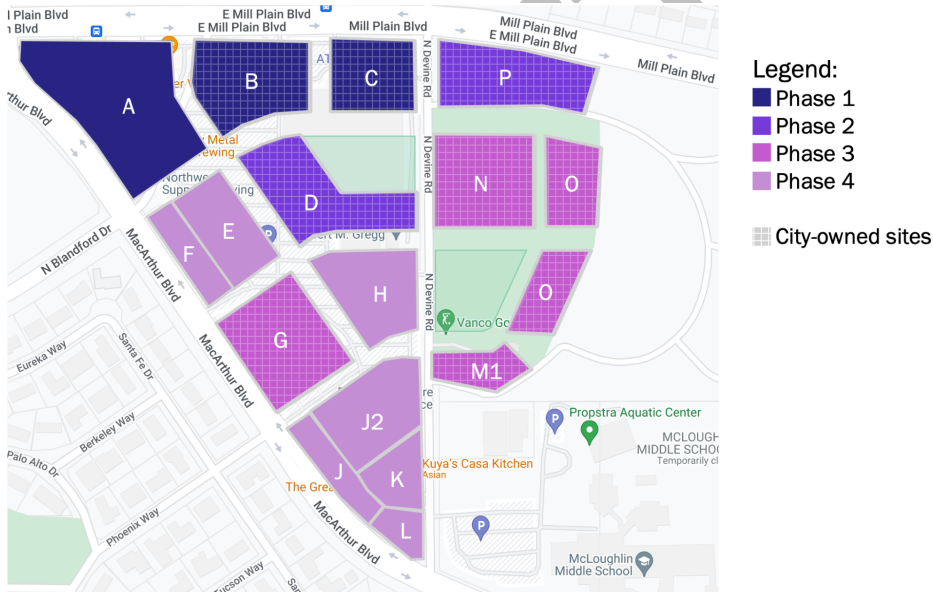
- **Coordinate development with infrastructure construction phasing as parcels become physically accessible.** Some of the sites identified in the Density Capacity Study will not be physically available until roads, parks, and the Grand Loop are complete. The City should plan for the first phase of development on the parcels that are physically accessible today, followed by the next batch of sites that become available after each infrastructure development phase. Coordinating with the infrastructure phasing can help ensure that public spaces are activated by surrounding development.
- **Prioritize development using conventional sources of money—both market rate and affordable (LIHTC)—to demonstrate the market.** The dearth of recent new development in the Heights will make financing partners concerned about investment risks. Deploying city resources to help development with readily available conventional sources of money to prove the market will make it easier for subsequent development, especially development using alternative financing and ownership structures that are less common.
- **Buy time to build relationships with, and find resources for, partners that can deliver affordable housing, especially via alternative ownership units.** LIHTC units typically require combining many competitive funding sources together over multiple funding cycles. Each LIHTC building will require years of funding cycles, which means these units will need to occur incrementally and not all in the same phase. Similarly, the City will need additional time to build relationships with, and identify financial resources to support, organizations that can develop alternative ownership units (i.e., CLTs and LECs). The City should anticipate that units with alternative ownership models will not be developed until later phases.

Phasing Plan

This phasing strategy segments development into parcels to prioritize for development sooner and parcels to prioritize later. Although the Heights could develop in four separate phases, there is no guarantee the parcels will develop in this order. Breaking a large-scale development into phases can help the City understand likely near-term versus long-term development and the sheer unit delivery that needs to happen to deliver on its urban design and housing capacity estimates. The project team refers to the four phases (shown in Exhibit 9) as Phase 1, Phase 2, Phase 3, and Phase 4.

Exhibit 9. Recommended TMRA Phasing Plan

Source: ECONorthwest



Commented [AUS1]: The unit counts cited in this section need to be updated based on the City's total dev capacity of 1,800 units

Phase 1

Phase 1 should start in the northwest corner because of the existing site frontage on either East Mill Plain or MacArthur Boulevards. Phase 1 parcels align with near-term infrastructure investments, create a public-facing edge of the Heights District along Mill Plain Boulevard, and are beginning to activate the Grand Loop with ground floor commercial uses. These parcels can move forward with development without new right-of-way alignments. The total number of units planned for this phase is approximately 600 new units on three sites:

- Parcel A** has an owner who has expressed interest in redevelopment and has already worked with the City to support parcel alignment that is oriented toward the future street grid.

- **Parcel B** is an opportunity for the City to negotiate a developer agreement in Phase 1 to achieve additional affordability targets.
- **Parcel C** could develop as 100% affordable using LIHTC, as it is close to a planned transit station on East Mill Plain.

Phase 2

The total number of units planned for this phase is approximately 300 new units on these two sites:

- **Parcel P** is already physically accessible and could be included in Phase 1 depending on funding availability. If development of this site requires use of LIHTC, similar to parcel C in Phase 1, development may need to wait until more tax credits become available to develop at the planned density.
- **Parcel D** would require some of the first phases of infrastructure development—both the northern part of the Grand Loop and the adjoining public plaza—before it would be physically accessible.

Phase 3

The total number of units planned for this phase is approximately 420. This phase is assumed to be exclusively City-owned parcels with a mix of more tax credit units as well as the first sites to develop with alternative ownership units.

- **Parcel N** could be the third and last LIHTC development which, given the proposed density, could require multiple years of tax credit awards.
- **Parcels G, M, and O** could be developed as a mix of alternative affordable ownership structures such as community land trusts, limited equity cooperatives, and potentially some deed-restricted condominium units. These three parcels would develop in this later phase after the City built relationships with, and found resources for, partners that could develop affordable units via alternative ownership structures. Parcel G is currently not city owned but is a good candidate for acquisition.

Phase 4

The total number of units planned for this phase is approximately 480. This phase may not occur last chronologically but is simply the most unknown, as it contains the remaining privately owned sites. At the time of this analysis, there were no planned developments on the privately owned sites, but the majority of these sites are at least physically accessible, either via MacArthur Boulevard or Devine Road.

Additional Recommendations

In addition to the strategic approaches, scenarios, and phasing discussed above, the project team recommends the City consider the following actions to align policies and resources to support the equitable development and urban design goals for the TMRA.

Advance Alternative Ownership Models

Expanding affordable homeownership through alternative models may help achieve the equitable development goals of the Heights District Plan in the TMRA. To further explore the opportunities offered by these models—and to understand which structures and features may best meet the City’s goals—the project team recommends these preliminary steps:

- **Establish or Deepen Relationships with Community Land Trusts.** Community land trusts, or CLTs, can provide critical organizational capacity to support individual homebuyers, affordable condo associations, or limited equity housing cooperatives (LEHCs) with financial counseling, property and asset management, and self-governance training. They could also partner with LEHCs in land lease arrangements to lower the cost of acquiring land.
- **Develop City Capacity and Knowledge to Support Limited Equity Housing Cooperatives.** The project team’s analysis shows that limited equity housing cooperatives (LEHCs) could be a viable model to create permanently affordable housing with relatively low subsidies depending on the depth of affordability targeted. The Washington Legislature also sees the potential for LEHCs to create affordable and stable housing options and is making an investment in this model through a renewable full property tax abatement, at least through 2033. This policy environment creates a window of opportunity for the City of Vancouver to explore how LEHCs could efficiently use public resources to help meet local housing needs and objectives. Partnering with experienced cooperative housing organizations and developers is critical for establishing LEHCs in Vancouver and determining how City resources can best support this model.
- **Design a Phased, Medium-Scale Approach to Developing Cooperative Housing.** If the City decides to pursue cooperative ownership projects in the TMRA, an important consideration for investing in and scaling LEHCs is taking a phased approach to development. While large-scale cooperative buildings exist in New York City and Washington, DC, the City of Vancouver should start with smaller developments because the model is less familiar. Our conversations with cooperative housing organizations suggest that projects of approximately 20 to 50 units provide a solid foundation for establishing a cooperative board of directors while limiting the administrative scale of managing property and an owner community. An ecosystem of moderately sized cooperatives also creates opportunities to experiment with different building forms, approaches to self-governance, bylaws, shared appreciation, and other factors to develop local best practices that can later be applied at larger scales.

Explore Creative Solutions for Affordable, Ground Floor Commercial

Given the location of the required ground floor retail, as currently planned in the Density Capacity Study and in the Vancouver Municipal Code, the City should explore taking an active role in owning and/or operating some of the retail spaces or facilitating creative partnerships to

do so. Retail in affordable projects, specifically LIHTC projects, is difficult as the tax credits are awarded to help cover the costs of the residential-serving spaces. This means the retail space will likely need to be under separate ownership and other sources of money will likely be needed to fund the development of these spaces. Fortunately, if the City or a partnering organization owns the retail space in an affordable building, this creates greater opportunity for achieving affordable commercial and employment goals.

For retail in other developments, specifically on City-owned sites, the opportunity remains to achieve affordable commercial and employment goals either through ownership, master lease agreements (and subleasing at affordable rates), or partnerships with community investment trusts.

This active role in ground floor commercial space could allow for the City to implement workforce agreements, facilitate colocation of essential services in the Heights, and create a space for the relocation of displaced businesses.

Design RFP and Developer Selection Criteria

The Heights District Plan recommends using a solicitation process to identify private development partners in the TMRA. This process will ensure that the development meets the vision put forth in the Height District Plan and that the City can set up an efficient process for all partners. Both the request for proposals (RFP) and the developer selection criteria should be designed to achieve urban design, affordability, and other equitable development objectives. Below is a list of considerations the City should incorporate into the RFP and developer selection criteria.

- Vision and phasing plan for the site furthers the goals and objectives stated in the development solicitation. Ensure the solicitation document clearly outlines the specific goals expected from the property redevelopment (e.g., number and depth of affordable housing units, affordable commercial, Workforce Agreements, MWESB participation, etc.).
- The proposed development is feasible based on preliminary financial information provided, including sources and uses for budget and requested gap funding, if any.
- The developer has the financial capacity to complete the proposed development, as demonstrated by evidence such as audited year-end financial statements, financial statements from completed projects, and/or letters of interest from investment partners.
- The development team and key project managers have completed successful previous public-private partnerships (based on conversations with references) with special attention to public engagement and working with adjacent property owners, refining a development program in collaboration with a public entity, successfully accessing funding sources, and a successful record of delivering public benefits in previous public-private partnerships.

- Representative projects included in the proposal are high quality, at a similar scale, and in a similar context.

DRAFT

Appendix G: Strategy Evaluation Criteria

Evaluation Criteria

This section provides an evaluation of each potential tool examined during the best practices research phase and evaluates each strategy against four criteria. The evaluation criteria, developed with input from City staff, include Administrative Complexity and Flexibility, Cost, Feasibility, and Impact. Application of these criteria varies somewhat between the different categories of tools (e.g., funding sources vs. tools that remove development barriers) but generally address the following types of questions:

Administrative Complexity & Flexibility	Cost (to the City)	Feasibility	Impact
How much staff time is required to establish the program? Is the program labor-intensive or complex to administer once in place? Can the tool be flexibly used to achieve multiple outcomes? Can the City change how the program is used over time?	Does implementation of the program require initial and/or ongoing funding by the City? Is establishment of the program dependent on finding new sources of funding?	Are there political, legal, or time constraints or other obstacles to implementation? Is the tool dependent on other agencies, organizations, or partnerships? Is the City already doing this program elsewhere in the City?	How many units might be produced, relative to other tools? How many households or businesses might benefit from this program? Can the tool leverage investments from other partners? How long will the impact last? How effective is the program at meeting the objectives for the Heights?

For each tool, we provide a qualitative assessment relative to each criterion that includes a short narrative and a score using the following color categories:

Color	Evaluation	Admin Complexity & Flexibility	Cost (to the City)	Feasibility	Impact
	Good	Low admin complexity. Could likely be accomplished with existing staff and administrative processes.	Low cost. Could likely be implemented with existing funding sources.	High feasibility. This strategy involves an existing program, or there is existing capacity, either within the City or	High impact. The strategy is important in meeting Heights goals and/or will benefit a large number of households or businesses.

				partner organization to implement.	
	OK	Moderate admin complexity. May require new staff and/or significant existing staff hours, but likely can be accomplished through modification of existing processes	Moderate cost. Costs vary depending on the approach the City takes. May require up-front costs but not likely to require ongoing funding. May need a new source of funding.	Moderate feasibility. There are few known obstacles to implementation, but successful implementation may depend on additional funding, staff capacity, or partner capacity.	Moderate impact. The strategy may serve Heights goals but is unlikely to have much impact without other investments or strategies in place. Impact is variable depending on how the strategy is implemented.
	Poor	High admin complexity. Needs new staffing and processes.	High cost. Needs a new dedicated and/or ongoing source of funding.	Low feasibility. The City may face political, legal, or other regulatory obstacles in implementation. Success is highly dependent on outside organizations.	Low impact. The strategy is likely to benefit few households or businesses, and/or has a high cost per household/business served by the program.

Evaluation Matrix

[Exhibit 1](#) summarizes the evaluation of anti-displacement strategies and [Exhibit 2](#) summarizes the evaluation of tools that promote equitable development.

Deleted: Exhibit 1

Deleted: Exhibit 2

Exhibit 1. Evaluation Matrix – Anti-Displacement Strategies

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Tower Mall Redevelopment Area (TMRA)				
Provide relocation & retention assistance for displaced businesses within TMRA	Low	Low to Moderate	High	High
	City will need to allocate funds through grants to provide technical assistance to businesses who will experience direct displacement within the project redevelopment area. Reaching out to these businesses will require staff time.	City staff should consider reaching out to these businesses to better understand the disruptions and costs associated with their direct displacement to understand the level of allocated funds necessary to relocate these businesses.	Few political and legal obstacles, however, relocation-related resistance from these direct businesses may create challenges for City staff to build relations and understand these businesses' relocation needs.	Relocation and retention assistance funds can have a high positive impact for businesses who are directly impacted by displacement. This form of direct assistance can help these businesses relocate nearby and hopefully retain the success of their business.
Aim to establish construction disruption mitigation program for area businesses	Low	Low to Moderate	High	High
	For this short-term strategy, City staff will need to allocate time to understand the construction disruptions needs of impacted businesses. Up-front and ongoing communication by City staff to potentially impacted businesses is crucial to understand businesses' needs and mitigate construction disruptions.	This strategy will require the City to better understand the disruptions and costs associated with constructions for impacted businesses. This will help determine the level of funds and types of assisting strategies needed to support these businesses.	Finding local partners can also increase staff capacity to meet business needs and improve the marketing and technical assistance businesses need to weather loss of revenue or customers.	Meaningful mitigation for construction disruption entails a strategy for providing businesses support before, during, and after construction. When done intentionally, this strategy can provide businesses with various supports (e.g., marketing and technical assistance) to mitigate potential loss of revenue or customers due to construction.

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Central Vancouver				
Create & support business district program to organize a network for small businesses	Moderate Administrative burden includes programming and holding events for small business networking and organizing. The City can decrease burden by partnering with business service providers (BSPs) to run programming. Creating networking programs and events for small businesses is replicable on various scales, and therefore flexible. The City can shape and mold networking programming over time to continue to meet the evolving needs of small businesses.	Low This strategy required in-kind support and direct costs to support staffing and event costs. The City could provide grants to BSPs instead of completing work itself.	High Few political and legal obstacles. The success of small business networking is reliant on small business participation, equitable engagement, inclusion, and meeting various needs.	Low to Moderate Low anti-displacement impact; however, moderate economic development impact in the long term. Creating spaces for small businesses to network, collaborate, share knowledge, resources, etc. can help foster an interdependent business ecosystem necessary for the city's business ecosystem to thrive.
	Moderate	High	Moderate	High

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Establish and implement a funding strategy for preservation of low-cost market rentals	If City run, this strategy requires substantial staff time and up-front policymaking, plus ongoing administration and compliance monitoring. If the City contracted administration to an established preservation entity, the staff burdens would be lower.	The City can provide funding to preserve low-cost market rentals and/or acquisition of vacant parcels. Examples include offering low-interest loans or grants for unit rehabilitation in exchange for affordability covenants. Affordable housing levy funds could be a funding source. Unless established as a pilot program, it requires ongoing funding. Partnerships could include organizations that could vet and manage affordability requirements.	Requires a pipeline of interested property owners. Rehabilitation grants/loans must offset the impact of affordability restrictions.	With a large and steady investment, this program could encourage partnerships with local property owners to preserve existing low-cost market rental units. High impact for preserving low-cost market rentals.
Facilitate the funding of home repair loans/grants	Moderate	High	Moderate	Low to Moderate
	Moderate staff time will be required to develop and maintain partnerships with agencies that focus on this type of assistance.	The City would provide funds to be administered by a third party that support home repair assistance programs. The costs per household can be high for this type of assistance.	Feasibility depends on the availability of funding and the availability of a partner organization to administer this program.	This strategy may help low to moderate-income households stay in their homes. However, costs can be high enough per household that funding limits the number of households that can be helped.
	Low	Moderate	Moderate	Low

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Facilitate the funding of grants/tax rebates to reduce energy expenses	Limited staff time would be required to build partners and connect with existing engagement. If operated as a City program, significantly more staff time would be required.	The City is not likely to operate these programs directly, but would work with Clark Public Utilities, Clark County, and other organizations that facilitate home retrofits. New funding sources would be required, including perhaps Inflation Reduction Act programs.	Existence and capacity of potential partner organizations are required for implementation. If the program targets renters, the City would need to engage with and incentivize involvement from property owners. The program would need to align with investment timelines for Inflation Reduction Act and other programs.	This strategy complements other actions for housing preservation in neighborhoods near the Heights, but on its own is unlikely to mitigate displacement. Program uptake depends on the amount of dollars available and how deep of subsidies the City/partners would want to provide.
Expand access to the county's property tax exemption program for elderly residents and community members with disabilities	Low to Moderate	Low	High	Low
	The County already has a property tax exemption program for lower-income seniors and community members with disabilities. The City's role could include partnering with local organizations to increase participation in this program through education, coaching, and marketing.	This strategy should not entail additional funds beyond staff time.	This program already exists. The City would focus on partnering with Clark County on outreach to eligible residents.	This strategy has potential to reduce housing costs for vulnerable low-income homeowners who are more likely to experience displacement pressures caused by new development. However, property taxes make up only a small portion of a homeowner's expenses.
	Low	Moderate	Low	Moderate

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Support & help facilitate conversion of low-cost market rentals into limited equity cooperatives	The City could work to develop partnerships with potential partner organizations, share information and identify ways to build community capacity to support the formation of LEC. This could be done in partnership with a community land trust (CLT). Success of LEC is reliant upon 1) capacity of CLT or other supporting organizations, 2) size of apartment complex, 3) buy-in from tenants, and 4) landlord/seller willingness.	To support affordability, the City could assist LECs with capital gap funding for acquisition and rehabilitation. Other communities have used CDBG and other federal/state affordable housing dollars to support the buy-in share. Requires ongoing technical support for co-op board members to manage the upkeep and financial records of the property, which could be provided through a community land trust.	CLT or other support partners would likely be required for effective implementation. LECs are also reliant upon strong community volunteering capacity and coordinated tenant action. Right of first refusal (ROFR) policies enhance likelihood of LEC formation.	LECs can preserve the affordability of existing low-cost market rentals and provide former renters housing stability and control, making it a significant anti-displacement tool. Since LECs are complicated and expensive, overall impact may be limited without ongoing investment and attention by the City and/or partner organizations.
Target technical assistance (financial or programmatic) to priority businesses	Low	Low to Moderate	High	Moderate
	The City and its partners offer multiple existing business technical assistance programs. Additional staff time would be required to conduct direct outreach to target businesses and communities to promote awareness and usage of these programs.	The City already funds business technical assistance programs. Expanding the program could require additional staff time to increase utilization of these programs in the Heights. Additional funding may also be needed to assist more businesses.	Small business technical assistance programs are already operating in Vancouver. City staff may need to make a case for why the City should target technical assistance in Central Vancouver.	Expanded programs could serve businesses in the Heights at risk of displacement. The City may work with existing partners to expand their capacity and consider bringing in new partners (e.g., organizations like MESO) to serve additional businesses.
	Moderate	High	Moderate	Moderate

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Establish storefront improvement and other business support programs	Program start-up requires staff time and decision-making to identify parameters, search for and confirm funding, conduct outreach with prospective businesses. Ongoing management includes managing application processes, outreach with businesses, and verifying impacts over time.	Program requires ongoing funding. The City will need to pursue a source of stable funding if it wants to invest long term in supporting area businesses. The City could evaluate opportunities to use Community Development Block Grants (CDBG), tax increment financing (TIF), or general funds to support this program.	The City would likely administer this program on its own, requiring dedicated FTE.	The City could expect that several businesses could receive grants per year. The program would work in tandem with workforce training and technical assistance programs to support the viability of targeted businesses.
Explore the feasibility of a collective commercial ownership model through a community investment trust in Central Vancouver	Moderate Staff time and funding needed to build partnerships with Mercy Corps and consider the feasibility of CIT for commercial properties in the target area for CITs. CITs are relatively inflexible. In evaluating financial support, the City would consider eligibility requirements, share price options, and other accessibility criteria to maximize CIT access, especially for lower-income residents.	Moderate City funding would likely be required for initial technical assistance and gap funding may be necessary for acquisition of commercial property by the CIT.	Moderate There are no legal limitations (thanks to the work of Mercy Corps), however, the program is dependent on finding CIT partners, funders, and candidate properties. As an initial step, the City can partner with Mercy Corps to assess the viability of CIT in the target area.	High When implemented, CITs have a high positive impact for local community businesses and stakeholders. CITs can provide long-term affordability for small businesses within the development, give lower-income residents the ability to invest and build equity in commercial development, and increase community cohesiveness and neighborhood stability. However, it should be noted that investment amounts and returns are limited.
	Moderate	Moderate	Moderate	Moderate

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Use Workforce Navigator to improve utilization of existing job training services	According to City staff, the city is currently piloting this strategy (Workforce SW Washington) in Fourth Plain. Based on the success of the program, City should consider expanding the program to Central Vancouver	Current funding for the part-time navigator for Fourth Plain is \$40,000 in grant funding. Ongoing funding will be needed to expand and continue the program.	This program will compete for dollars with other priorities. Ongoing grant funding will be required.	Limited to moderate impact over time depending on program success. Residents who receive job training may be better able to bear the cost of rising rents.

Citywide				
Create an anti-displacement impact assessments checklist/tool kit and require anti-displacement impact assessments for public investments	Moderate	Moderate	Moderate to High	Moderate
	Initial and ongoing staff time is required to implement a policy requiring anti-displacement impact assessments. For each assessment, staff would need to assess development, zoning changes, public investments, and infrastructure projects in the TMRA. Once created, the City can use and modify the assessment tool in the TMRA and other parts of the city as desired.	Staff time is required to implement the policy and complete assessments. If an assessment shows potential displacement impacts, additional staff time would be required to revise the project or evaluate mitigation opportunities. The City should consider allocating additional resources to help mitigate displacement impacts.	Moderately high feasibility given the City would lead assessments.	Impact varies depending on how the City uses the tool. The tool could help meet goals for the Heights by bringing attention to displacement potential and informing mitigation or prevention opportunities, first in the TMRA and then to other areas of the city.
	Moderate to High	High	Moderate to High	Low to Moderate

Support renters through expanded rental assistance and tenant protection programs	Administrative complexity varies based on the tools the City implements. Rental assistance requires moderate staff time and funding to augment existing emergency rental assistance programs in the target area. Depending on city staff capacity, Vancouver may choose to continue a city-led rental assistance program or support Clark County's rental assistance program. Moderate staff time would be required to evaluate, develop, and implement local legal protections. Limited staff time would be required to coordinate with partner organizations who would provide technical assistance. A rental registration program requires significant staff time for full implementation and ongoing maintenance of the database. Most programs include regular inspections to ensure that units meet basic safety standards.	Rental assistance - Depending on the number of residents served, the cost of this program can be high. Tenant protections - Ongoing costs are needed to fund technical assistance positions, for example, with the Northwest Justice Project (CLEAR). Rental Registration - The City could offset a portion of staffing costs with rental registration fees, which would serve as a new source of funding for the program.	There is support amongst City staff and leadership for these renter assistance programs. Feasibility varies depending on the tools the City implements. Rental assistance - This is an existing rental assistance program of the City and feasibility is only dependent upon the City's ability to fund and scale the program. The City should evaluate whether to create new city-led programs and/or fund and support existing Clark County programs. Tenant protections - Developing local legal protections or funding assistance might not be feasible given staffing capacity and other gaps at potential partner organizations. The City could work with those organizations to understand their limitations. Certain tenant protection programs may require the implementation of a rental registration program. Rental Registration - This program will likely receive significant pushback from the real estate community, but many other communities have	Renter assistance programs are central to meeting the City's anti-displacement goals. Impact varies depending on the tools the City implements. Rental assistance - The impact of this program is temporary unless paired with longer-term anti-displacement/affordability strategies. Households receiving emergency rental assistance may still be at risk for displacement once emergency rental assistance payments end. Tenant protections - Expanded programs can serve more tenants throughout the neighborhoods serving the Heights. This tool can complement other anti-displacement actions like housing preservation, rent assistance, etc. Reaching the tenants that are most at risk of displacement is a key first step. Rental Registration - The City would need to determine how to use the information gathered from the program to support tenants. It could be a vehicle for identifying properties that could receive rehabilitation grants or tenants who could receive renter support.
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			successfully implemented similar programs.	
Establish and implement right of first refusal (ROFR) policies	Moderate Relatively low to moderate staff capacity is required to write, pass, and institute ROFR policies. With the passing of these ordinances, additional staff capacity is required to distribute education materials on ROFR policies. Ongoing complexity would depend on the monitoring and implementation procedures the City institutes.	Low to Moderate While the passing of ROFR policies alone bear no direct costs to the city, a successful program would require financial support for organizations who want to purchase properties in the pipeline. Therefore, the City will likely need to establish funding source for these property purchases. The Affordable Housing Levy could be a funding source to help partners (e.g., CLT) or tenants acquire properties.	Moderate Local nonprofits would need the resources to acquire land/properties quickly. Sellers may want a market-rate price, making it a challenge to keep rents affordable unless the partner organization receives funding to do so.	Moderate Passing ROFR policies could mitigate displacement, but only when paired with additional supports, including residential and commercial renter subsidy protections, funding for the acquisition and rehabilitation of buildings with lower-income renters (i.e., LECs), and/or capacity building of local nonprofits who partner with tenants to purchase their buildings (i.e., CLTs). The passing of ROFR policies significantly supports other anti-displacement strategies, including the establishment of LECs, CLTs, deed restrictions, etc.
	Low	Moderate	Moderate	Moderate

Establish or deepen relationships with community land trusts	Assuming that the City would partner with an existing or start-up CLT, the City's role would be to provide funding, technical assistance, and community education. Immediate first steps would be to set up meetings with current CLTs to strengthen relationships and understand their needs and interest in expanding their presence in Vancouver.	City involvement relies on an active land trust partner. Cost depends on whether the City's role is as a partner/advocate or is limited to providing funding. The City could work with other public sector partners to sell land at below market rate to CLTs. CLTs require a lot of capital to acquire and subsidize land for homebuyers. Establishing long-term funding sources would be necessary for CLTs to make a meaningful impact. Some jurisdictions dedicate a portion of CDBG funding for this purpose.	This strategy is reliant on capacity of current CLTs (Evergreen Habitat of Humanity and Proud Ground) and partnerships to oversee and maintain new CLT properties in Vancouver. This tool can be used for unit preservation and development of land for new units. The City can establish goals and objectives coupled with its investments, and those can change over time.	CLTs create long-term homeownership affordability through deed restrictions (99+ years). The number of units produced is reliant upon a CLT's capacity to fund the acquisition of property and manage its assets. CLTs are unlikely to produce substantial unit numbers unless they can raise funds from a mix of funding partners. The City's funds can help to leverage investments from other partners and increase the impact by combining this strategy with a land acquisition strategy. CLTs can also be combined with co-ops to support co-op sustainability.
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Exhibit 2. Evaluation Matrix – Equitable Development Strategies

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Tower Mall Redevelopment Area (TMRA)				
Create development agreements to negotiate affordability requirements	High Need staff capacity and expertise to negotiate development agreements on city-owned property for redevelopment. These agreements can specify public policy objectives provided in return for a reduced sales price. These agreements are very flexible and can be used to meet multiple policy goals, especially if the City is prepared to significantly reduce the price of the land.	Moderate/High The cost to the City is most often in the form of reduced sales price on city-owned land. However, the City could commit to a cash outlay or ongoing funding, such as affordable housing gap financing or an agreement to master lease ground floor retail.	Moderate Development agreements take time to negotiate and require city ownership or control of real property as well as capable and willing development partners.	High Development agreements are one of the most impactful tools available to jurisdictions seeking to meet policy objectives. By controlling property, clearly articulating policy objectives, and negotiating with development partners who have the capacity to deliver, the City can foster development that meets goals.
	High	High	Moderate	High

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Develop and carry out land acquisition strategy for TMRA redevelopment or other public investments	Significant staff time to develop a land acquisition strategy and negotiate land acquisition agreements with private property owners. A strategy could require development of program criteria and guidelines. Requires staff well-versed in real estate.	High cost of directly purchasing additional land. Property owners know the City is planning for a build-out. Vacant land in high-opportunity areas with willing sellers is scarce in Vancouver.	Requires willing sellers for privately owned parcels. Depending on the parcel, this strategy may be more or less feasible. Both the capacity level of City staff and the City's ability to access funding to acquire needed property will be the main determinant of the feasibility of this strategy to fulfill Heights District goals. Land banking allows for patient investment in rental or ownership units. This is an important tool to use in "down market" conditions.	City ownership is critical to meeting the City's affordable housing goals for the Heights District. This strategy enables City to determine future uses of strategic property and can be used to increase and/or sustain affordability for current and future residents via land development agreements.
Facilitate colocation of essential services in the Heights District like food, health, banks	Low to Moderate	Moderate to High	Moderate to High	High
	City's role will include identifying key services needed within the Heights District and including these services requirements in developer solicitations and development agreements.	The City could also consider funding eligible tenants (e.g., tenant improvement grants), however, it will need to establish a funding source for this.	Because this strategy entails the city requiring developers to provide specific uses in ground floor spaces within City property made available to redevelopment, the feasibility will come down to developers. Potential incentives could be added to development agreements to increase developer interest.	Can help promote healthy food options and increase access to childcare, affordable healthcare, and banks within the district.
	Low to Moderate	Low	Moderate	Moderate to High

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Design a phased, medium-scale approach to developing cooperative housing.	City's role for this strategy includes partnering with interested cooperative organizations to develop local best practices around building forms, approaches to self-governance, bylaws, shared appreciation, and other factors that can later be applied at larger scales.	The development of a phased approach will not require additional funding; however, the creation and sustainability of cooperative housing does require ongoing City funds.	An important consideration for investing in and scaling LECs is taking a phased approach to development. Our conversations with cooperative housing organizations suggest that projects of approximately 20–50 units provide a solid foundation for establishing a cooperative board of directors while limiting the administrative scale of managing property and an owner community.	This strategy can increase and/or sustain affordability for current and future residents and ensure the sustainability and longevity of LECs.
Master lease large retail space and sublease at affordable rates	Moderate to High Whether staff manages the leased property or hires a property management company to do so, this program activity will require significant staff time and requires real estate expertise.	High Ongoing subsidies likely required, though the City could write down land costs up-front to minimize as part of a development agreement.	Moderate When the City leases property to businesses, there is a potential for political ramifications if the businesses encounter difficulties. Partner organizations providing technical assistance may help mitigate this risk.	High Critical to meeting the City's affordable commercial goals for the Heights District. The number of businesses that could benefit from this strategy depends on the amount of commercial space the City is able to lease and subsidize. The City could use this program to meet equitable development goals by providing community-serving retail/commercial that may otherwise not be available in the project area.
	Low to Moderate	Low	Moderate	Moderate

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Implement joint labor-management and job training goals for Tower Mall Redevelopment Area	City role will include developing standards and templates for workforce agreements and including them as requirements in development agreements and other funding agreements.	Little or no direct cost to the City, but partners will need funding for staff to enhance existing job training programs and support new programs (particularly for the construction industry).	These programs best operate at scale. As part of development agreements, the City could concentrate funding to support skill building for people in the construction trades.	Impact depends on programs initiated. This strategy implements existing Heights Master Plan and Reside Vancouver policies and could improve worker skills, provide apprenticeships and job opportunities, and/or improve the quality of low-wage jobs.
Explore the feasibility of community investment trust for new development in the TMRA	High City will need to go through various steps to determine the feasibility of candidate commercial properties and establish partners and funders (i.e., bank).	Moderate to High CITs require the purchase of either vacant or nonvacant commercial properties. Renovations may be necessary, increasing cost. However, securing a partnership with a local banking institution can provide critical gap financing for both capital costs and ongoing share subsidies.	Low Must first determine state support for providing tax credits for residents who invest in CITs. Development of CIT is reliant upon many factors (including local interest and participation), and therefore has a low feasibility.	High Because CITs are locally owned and operated, they can provide local lower-income residents with opportunities to invest and build equity in their community's commercial development while also providing long-term affordability and stability for small business owners (tenants).
Support opportunities for affordable commercial ownership	High City will need to determine the feasibility of candidate commercial properties and establish partners and funders (i.e., bank).	High Cost varies depending on the approach the City takes. The cost of subsidizing affordable commercial ownership programs would be high per business served.	Moderate The City will need to identify funding and locations for commercial ownership opportunities and evaluate any potential legal obstacles associated with their chosen approach.	High Since affordable housing developments cannot use tax credit funding to build retail spaces, this strategy may be necessary for the feasibility of affordable housing developments with ground floor retail.

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Contribute funding toward affordable housing development	Moderate If the city chooses to increase the availability of City-owned land and/or funding for the development of affordable housing, City staff will need to develop a funding plan to deploy bond and other funding.	High City will need to contribute funding to existing affordable housing partners/programs and fund new affordable housing projects (e.g., subsidize LEC shares, subsidize property for CLTs, etc.).	Moderate to High Feasibility of this strategy is moderate to high, assuming the City can leverage existing local housing funds, as they seek additional funding. However, the sustainability of these affordable housing developments will require ongoing City funds.	High Contributing funding toward affordable housing developments would have a direct and significant impact on the production of new affordable units in the Heights. This strategy is likely necessary to meet the City's affordable housing goals, since it is unlikely that other mechanisms for generating affordable units in the TMRA (such as the LIHTC program and market-rate incentives) will generate enough units to meet the City's goals.
Central Vancouver				
	Moderate	High	Moderate	Moderate to High

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Facilitate the funding of an Individual Development Account program	Relatively low staff burden to fund partner organization; often jurisdictions rely on partner organizations (like MESO) to implement IDA programs, so flexibility may be impacted by the capacity/existence of potential partners.	City must establish ongoing funding sources to secure long-term funding for IDAs. Some jurisdictions use CDBG funds for this purpose.	Legal criteria around IDAs may limit the flexibility around eligibility, however, there are little to no political or legal obstacles to support lower-income entrepreneurs or residents.	IDAs are commonly used to support the financial growth of lower-income entrepreneurs and homeownership. IDAs pair well with master leasing strategies and can provide extra support for a substantial number of lower-income business owners/entrepreneurs. However, the number of entrepreneurs served will rely on 1) level of city matching (e.g., 3:1 vs. 5:1), 2) total funding available, and 3) capacity of partner organizations.
	Moderate	High	Low	High

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Facilitate establishment of childcare facilities/prioritize affordable childcare and health services in City-led public investments	Complexity depends on the approach the City takes. The City could facilitate the establishment of childcare facilities in the project area via development agreements, technical assistance, and/or grant programs, or the City could secure funding to support preexisting childcare providers and expand their capacity.	A new funding source would be needed to support this effort, unless it was included as part of a development agreement.	Childcare facilities are subject to significant regulatory requirements, which increase TI and real estate constraints (e.g., outdoor space, etc.). The City would need available licensed childcare provider partners and available property to implement this effectively. Additional costs of prevailing wage may decrease development feasibility for large-scale projects.	Demand for childcare, especially quality affordable childcare, outpaces supply. An adequate supply of childcare located near homes and businesses is important for businesses and residents alike. Because childcare facilities would serve both existing and new residents and businesses in the Heights, the establishment of such facilities is important in serving all other goals for the Heights. If the City can help establish additional childcare facilities in the TMRA, it could be highly impactful.
Partner with business assistance organizations to provide technical assistance to support entrepreneurship.	Low City staff time would be limited. If paired with a master lease managed by the City, staff time could include technical assistance to businesses. Likely need a manager who would support all entrepreneurs in Central Vancouver.	Low The City could consider supporting partner organizations such as WSU with grants or helping to secure grants for ongoing support.	Low Entirely dependent on partner organizations' capacity to add direct support in TMRA to their portfolio. Ongoing support needed for partner organizations to expand their programs to the area.	Moderate If adequate funding was secured, could support businesses throughout Central Vancouver. Aligns well with Workforce Navigator, storefront improvement, and other strategies to provide multipronged support to businesses.
Citywide				

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Create development agreements to negotiate affordability requirements	Low to Moderate For this strategy, the City will need to acquire property and negotiate development agreements. The City should consider establishing baseline requirements for development agreements, including MWESB participation, workforce provisions, etc.	Low to Moderate Some staff time and capacity will be required to develop these agreements. However, once a framework/template of these development agreements is established, city staff capacity can focus on the negotiation of these agreements. That said, additional funding sources may need to be established to meet affordability targets.	Moderate to High These agreements are voluntary, therefore relying on voluntary participation from developers and property owners. The City should consider this strategy when it's ready to offer its property for redevelopment and has established affordability targets and funding.	High This strategy is one main way a City can impose requirements around affordability, phasing, and project timing for public improvements. These agreements can be used to align negotiations with specific city goals and objectives. This strategy can help create affordable housing and mixed-income housing and can meet other objectives, including attracting BIPOC community-serving and BIPOC-owned businesses.
Seek additional funding for affordable housing development	Moderate to High The City will need to identify and/or create new funding sources for affordable housing. Expected administrative complexity will depend on the strategy the City decides to make. However, applying for and tracking requirements of federal grant programs could take significant staff time.	Moderate to High The affordable housing levy, state resources, or federal resources could all be sources to support more affordability in Central Vancouver.	Moderate Many areas of Vancouver need affordable housing, so this area will compete for funding. The City/its partners will need to identify suitable sites for potential projects.	High This strategy can increase the availability of City funds to support affordable housing development through city property acquisition and/or affordable housing gap funding. If the City wants to meet GMA targets in the Heights, additional affordable housing funding is necessary to do so.
	Low	High	Moderate to High	Moderate

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Provide property tax exemptions through MFTE.	The City has already established an MFTE framework but will need to establish a program specific to the Heights, which is already in process. Ongoing monitoring of unit affordability will be required.	The City and other taxing jurisdictions will forgo revenue as a result of these abatements.	Programs with eligibility requirements are already in place, however, the strategy will rely on interested developers that opt into the program.	Property tax abatements reduce ongoing operating costs for affordable housing projects, which can be beneficial for affordable housing developers. Combined with other programs, these abatements could help produce units that are affordable to households at different parts of the income spectrum. An MFTE program is voluntary - a developer does not have to participate in the program - meaning that achieving 80% MFI and above affordability targets through private development is not guaranteed.
	Low to Moderate	High	High	Low

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Develop City capacity and knowledge to support limited equity housing cooperatives	Relatively low staff time will be required to develop partnerships with organizations that could construct a new LEC. Additional staff time, however, will be required to build and disseminate knowledge on limited equity housing cooperatives.	The costs of developing partnerships and building/disseminating knowledge on LECs are minor. However, the full strategy for LECs will require ongoing city funding.	Success of LEC is reliant upon 1) capacity of CLT, 2) size of complex, 3) buy-in from community, and 4) landlord/seller willingness.	While this strategy can preserve long-term affordability for current and future lower-income households and opportunities for these households to accumulate equity, the overall impact may be limited without ongoing investment and attention by the City and/or partner organizations. The number of LEC units that could be preserved through limited preservation is reliant on the interest of property owners, capacity of community land trusts or other alternative ownership organizational models, and support of other organizations that can support the transition.
	Low to Moderate	Low	Moderate	High

Strategy or Tool	Administrative Complexity & Flexibility (staffing, ongoing complexity, flexible use)	Cost (initial or ongoing, dependent on new sources?)	Feasibility (political, legal, time, dependent on partnerships?)	Impact (households or businesses impacted, meets objectives, leverages partner investments)
Develop an investment strategy for permanently affordable ownership	Staff time will be necessary for developing an investment strategy that aligns housing goals for unit production, depth of affordability, and permanent affordability with dedicated resources, programs, and financing mechanisms.	Cost around staff time for this strategy development will be relatively low, however, funds to ensure the long-term/permanent affordable homeownership development will need to be located, established, and/or increased.	With already potential partners like Proud Ground, this strategy has high feasibility and should be pursued by the city, assuming the city desires affordable homeownership and intends a portion of the city's existing and expanding housing resources will be utilized for this purpose.	Having an investment strategy will help the City meet its goals around increasing permanently affordable homes within the city.
Assess current public contracting rules to prioritize BIPOC and women-owned businesses for City contracts/public investment projects	Low to Moderate	Low	Moderate to High	Moderate to High
	Will require some staff time and potential legal support to complete assessment of current procurement process and regulations and the outcomes they achieve.	Minimal funding required. Direct costs could include additional staff time to conduct outreach with businesses to increase engagement.	Need to weigh this strategy against other evaluation criteria and research best practices for increasing program uptake. Need to work with prime contractors to determine potential barriers.	Depends on program formulation but would have a direct positive impact on small businesses. Meets economic empowerment goals for the Heights.



Item #1.

Staff Report: 174-23

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 9/18/2023

SUBJECT Bid Award for the W Fourth Plain at Franklin Street Intersection Improvement per ITB 23-30

Key Points

- The project will install a new traffic signal and related storm drain improvements at the intersection of W. Fourth Plain Blvd. and Franklin St.
- The project is funded in part with a \$540,176 grant from the Washington State Transportation Improvement Board.
- The City received three responsive bids for the project.
- Staff proposes awarding a contract to the lowest, responsive bidder, Advanced Excavating Specialists, LLC of Kelso, WA at the bid price of \$788,232.

Strategic Plan Alignment

Transportation and Mobility - a safe, future-ready and convenient transportation system.

Present Situation

This intersection is currently stop sign controlled on the north and south legs. The intersection is uncontrolled on the east and west legs. With heavier traffic, and higher speed vehicles, pedestrians find it difficult to cross along Fourth Plain without travelling further east and west to existing traffic signals. In addition, this location has ponding water at some of the corners. A traffic signal, along with drainage improvements, will improve both deficiencies.

On August 22 2023, the City received three responsive bids for the subject project. The bids ranged between \$788,232 and \$946,810. The bids are as follows:

SUMMARY OF BIDS	
BIDDER	AMOUNT
Advanced Excavating Specialists, LLC, Kelso, WA	\$788,232
Tapani, Inc, Battle Ground, WA	\$821,128
Western United Civil Group, Yacolt, WA	\$946,810

Pursuant to City policy, an Apprenticeship Program with a minimum of 3% labor hours will be required as part of this project. The Contractor intends to exceed this goal by utilizing 280 apprenticeship hours out of the total expected 2060 project hours.

Advantage(s)

1. Improved pedestrian access crossing Fourth Plain.
2. Improved drainage at the intersection.

Disadvantage(s)

1. Traffic signals often result in more stop and go traffic, which could increase noise in the vicinity.
2. Current standards for signals include accessible push buttons to alert pedestrians to the presence and status of the crossing signal. These audible alerts will need to be managed to ensure they are adequately loud during daytime with heavier traffic, yet quiet enough to not disturb adjacent property residents.

Budget Impact

Funds for this improvement were appropriated in the Street Funding Initiative and is included in the 2023-2028 Transportation Improvement Program as TRANS-866. This project also includes funding participation by the Transportation Improvement Board of \$540,176.

Prior Council Review

Funding previously reviewed by Council as part of the approval of the 2023-2028 Transportation Capital Improvement Program.

Action Requested

Award a contract for the W. Fourth Plain Blvd. and Franklin St. Intersection Improvements Project to the lowest responsive and responsible bidder, Advanced Excavating Specialists, LLC of Kelso, WA at their bid price of \$788,232, which includes Washington State sales tax.

Richard Gamble, Senior Traffic Engineer, 360-487-8251

ATTACHMENTS:

- ▣ Proposed Contract C-101413



CONSTRUCTION CONTRACT # C-101413
BID 23-30: W Fourth Plain at Franklin St Intersection Improvements

This Contract (hereinafter referred to as the "Contract") is entered into by and between the City of Vancouver, Washington, a municipal corporation organized under the laws of the State of Washington (hereinafter referred to as the "City") and Advanced Excavating Specialists LLC, 1200 Hazel Street, Kelso, WA 98626, (hereinafter referred to as the "Contractor"). The City and Contractor may be collectively referred to herein as the "parties" or individually as a "party".

WHEREAS, the City desires to engage the Contractor to provide public works construction and other related services for the work described herein;

WHEREAS, Contractor has agreed to offer its services to perform said work per the City issued Invitation to Bid (ITB) No. 23-30 and all addenda thereto, Contractor's Bid to said ITB, the Project Plan Set and Special Provisions, and City Council's approval on **Month Day, Year** per Staff Report No. **##-##**; and

WHEREAS, the Contractor represents by entering into this Contract that it is fully qualified to perform the work to which it will be assigned in a competent and professional manner, and to the standards required by the City.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, the parties hereto agree as follows:

- 1. STATEMENT OF WORK:** The Contractor hereby agrees to furnish all materials, labor, tools, machinery and implements of every description necessary to complete the work in a professional manner within the time limits stated in this Contract for the construction and installation of the following improvements and will make all necessary arrangements for the obtaining of permits from the United States, State of Washington, and/or any of its agencies as may be necessary to do the work required and covered by this Contract.

This Contract provides for the improvements of W Fourth Plain Blvd at Franklin Street Intersection Improvements within the City of Vancouver including curb ramps, drainage, signing, striping, traffic signal installation, fiber optic communications and other work, all in accordance with the attached Contract Plans, these Contract Provisions, and the Standard Specifications.

The Contract work shall be Physically Complete within 45 Working Days from the Notice to Proceed.

2. **EFFECTIVE DATE:** This Contract is effective as of the last signature of the Contract.
3. **E-VERIFY PROGRAM:** Contractor shall register and enter into a Memorandum of Understanding (MOU) with the Department of Homeland Security E-Verify program within sixty (60) days after execution of this Contract. Contractor shall ensure all Contractor employees and any sub-contractor(s) assigned to perform work under this Contract are eligible to work in the United States. Contractor shall provide verification of compliance upon City request. Failure by Contractor to comply with this subsection shall be considered a material breach.
4. **CONTRACTOR RESPONSIBILITIES FOR SUBCONTRACTORS:** The Contractor shall include the language of this section in all tier subcontracts and shall require each of its subcontractors to include the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. The requirements of this section apply to all subcontractors regardless of tier. The Contractor shall require all subcontractors to comply with all relevant federal, state and municipal laws, rules and regulations whatsoever.

At the time of subcontract execution, the Contractor shall verify that all tier subcontractors meet the following bidder responsibility criteria:

1. Have a current certificate of registration in compliance with chapter 18.27 RCW, which must have been in effect at the time of subcontract bid submittal;
 2. Have a current Washington Unified Business Identifier (UBI) number;
 3. Have received training on the requirements related to public works and prevailing wage as required by RCW 39.04.350;
 4. Within the three-year period immediately preceding the date of the bid solicitation, not have been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.
 5. If applicable, have:
 - i. Have Industrial Insurance (workers' compensation) coverage for the subcontractor's employees working in Washington, as required in Title 51 RCW;
 - ii. A Washington Employment Security Department reference number, as required in Title 50 RCW;
 - iii. A Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;
 - iv. An electrical contractor license, if required by Chapter 19.28 RCW;
 - v. An elevator contractor license, if required by Chapter 70.87 RCW.
 6. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065 (3).
5. **DELINQUENT STATE TAXES:** The Contractor shall not owe delinquent taxes to the Washington State Department of Revenue without a payment plan approved by the Department of Revenue.

6. **COMPENSATION AND SCHEDULE OF PAYMENTS:** In consideration of the promises and agreements of the Contractor as set forth herein, and in consideration of the faithful performance and furnishing of the work and materials required by this Contract to the satisfaction of the City, the City agrees to pay to the Contractor as prescribed in the solicitation and Contractor's Bid, and in accordance with the ordinances of the City of Vancouver and the laws of the State of Washington, the following sum as indicated, which amount does includes 8.5% Washington State Sales Tax (if applicable) \$788,232 USD.

The amount finally to be paid is, however, variable upon the Work actually performed and final payment will be made upon the basis of the amount of work performed and the materials furnished, and at the lump sum or unit prices fixed in the Contractor's Bid and as modified by any and all approved Change Orders.

7. **CONTRACTOR'S INSURANCE:** The Contractor agrees to the following requirements relating to insurance coverage. Provide a Certificate of Liability Insurance. Said certificate must be provided on a standard "ACORD" form, or its equivalent, and must provide that coverage shall not be canceled or modified without 30 days prior written notice to the City of Vancouver.

In addition, all policies shall be issued by an insurance company licensed to do business in the State of Washington. The City of Vancouver may inspect all policies and copies shall be provided to the City upon request.

The Contractor agrees to procure insurance coverage as required below:

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate Per Occurrence	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this Contract.	
Combined Single Limit	\$1,000,000
III. Workers' Compensation (applicable to the State of Washington)	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000

COVERAGE	LIMITS OF LIABILITY
Disease Policy Limit	\$1,000,000
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000
IV. Pollution Legal Liability	
Each Claim	\$3,000,000
Annual Aggregate	\$6,000,000

In addition to the coverage and limits listed above the Contractor's insurance must all contain the following:

- a. City Listed as an Additional Insured. The City of Vancouver, its Agents, Representatives, Officers, Directors, Elected and Appointed Officials, and Employees must be named as an additional insured. The required Additional Insured endorsements shall be at least as broad as ISO CG 20 10 11 85, or its equivalent CG 20 10 07 04 and CG 20 37 07 04 must be included with the Certificate of Insurance.
- b. Either the Commercial General Liability or the Workers' Compensation policy must be endorsed to include "Washington Stop Gap" insurance. The limits and aggregates referenced must apply to the Stop Gap coverage as well and must be indicated on the certificate.
- c. Employment Security. The Contractor shall comply with all employment security laws of the State in which services are provided and shall timely make all required payments in connection therewith.
- d. The City of Vancouver shall be listed on the Certificate as the Certificate Holder.
- e. Coverage Trigger: The insurance must be written on an "occurrence" basis. This must be indicated on the Certificate.

Contractor shall provide evidence of all insurance required, at the City's request, by submitting an insurance certificate to the City on a standard "ACORD" or comparable form.

All policies shall be issued by an insurance company licensed to do business in the State of Washington. The City of Vancouver may inspect all policies and copies shall be provided to the City upon request.

8. **CONTRACTOR'S BOND:** The Contractor agrees that before it undertakes performance of this Contract, it will file with the City of Vancouver a Performance Bond and Payment Bond, in the forms prescribed by the City of Vancouver, in the full amount of the Contract price with a company authorized to do business in the State of Washington as a surety. The bonds shall comply

with the laws of the State of Washington, and especially with the provisions of Chapter 39.08 RCW.

9. **DISPUTE RESOLUTION:** In the event of a dispute between the Parties which cannot be resolved by the contract managers, the Contractor and the City shall review such dispute and may attempt to resolve the dispute. Any controversy or claim arising out of or relating to this Contract or the alleged breach of this Contract that cannot be resolved by the Parties within 30 days of receipt of written notice may be submitted to mediation. If the dispute cannot be resolved through mediation, either party may initiate litigation pursuant to the governing law and venue provisions of this Contract. The Parties agree to pay their own attorneys' fees and expenses.
10. **GOVERNING LAW/VENUE:** This Contract shall be deemed to have been executed and delivered within the State of Washington, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of Washington without regard to the principles of conflict of laws. Any action or suit brought in connection with this Contract shall be brought in the Superior Court of Clark County, Washington.
11. **EMPLOYMENT OF LABOR:** The Contractor agrees that all persons employed by Contractor and by any of its subcontractors and any of their lower tier contractors in work performed pursuant to this Contract shall not be employed in excess of eight (8) hours in any one day, except as provided or allowed by Chapter 49.28 RCW and WAC 296-127 and any amendment thereto.
12. **PAYMENT OF LABOR:** The Contractor agrees that all laborers, workers, or mechanics employed by it or by any subcontractor in the performance of this Contract will be paid not less than the prevailing rate of wage for an hours work, in accordance with the provisions of the Chapter 39.12 RCW, and all rules and regulations promulgated pursuant thereto.

The prevailing wage in effect for the first contract year is **Tuesday, August 22, 2023**. This rate will be updated annually on the anniversary of the contract.

In case any dispute arises as to what the prevailing rates of wages for work of a similar nature are and such dispute cannot be adjusted by the parties involved, the matter shall be referred to the director of the Department of Labor and Industries of the State of Washington for arbitration, and the director's decision shall be final, conclusive and binding on all parties involved in the dispute.

13. **PAYMENT TO THE CONTRACTOR:** Progress payments to the Contractor shall be made within 30 days of a fully executed Pay Estimate pending all compliance with all contractual requirements. A sum equal to 5% may be reserved and retained from monies earned by the Contractor in accordance with Chapter 60.28 RCW. The City reserves the right to require Contractor to correct any submitted or paid erroneous invoices according to the rates set forth herein. City and Contractor agree that any amount paid in error by City does not constitute a change in the agreed upon amount; Contractor agrees to issue a refund of any overages paid in error by the City.

Release of the retained percentage or the retainage bond shall be in accordance with Chapter 60.28 RCW. Every person performing labor or furnishing supplies toward the completion of said

improvement of work shall have a lien upon said monies so reserved; provided, that such notice of the lien of such claimant shall be given in the manner provided in RCW 39.08.030 and within the time provided in Chapter 60.28 RCW as now existing and in accordance with any amendments that may hereafter be made thereto.

No payment shall be made to the Contractor, however, until the Contractor and all subcontractors who have performed work shall have filed and received approval of a Statement of Intent to Pay Prevailing Wage as required by RCW 39.12.040 from the Washington State Department of Labor and Industries. Said Contractor and all subcontractors shall also keep accurate payroll records for three years from the date of acceptance as described in RCW 39.12.120. A Contractor and all subcontractors shall, file a copy of its certified payroll records using the Department of Labor and Industries online system on a monthly basis. A Contractor's noncompliance with this section shall constitute a violation of RCW 39.12.050.

- 14. INDEMNIFICATION:** Contractor agrees to indemnify, defend, save and hold harmless the City, its officials, employees and agents from any and all liability, including but not limited to demands, claims, causes of action, suits or judgments, claims of copyright or patent infringement, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, the performance of services by Contractor pursuant to this Contract.

In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against the Contractor, the City retains the right to participate in said suit.

This indemnity and hold harmless shall include any claim made against the City by an employee of Contractor or subcontractor or agent of the Contractor, even if Contractor is thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 RCW. To the extent that such liability arises from the concurrent negligence of both the City and the Contractor, such cost, fees and expenses shall be shared between the City and the Contractor in proportion to their relative degrees of negligence. This indemnity and hold harmless shall NOT apply in the case where liability arises from the sole negligence of the City. Contractor specifically acknowledges that the provisions contained herein have been mutually negotiated by the Parties and it is the intent of the Parties that Contractor provide the broadest scope of indemnity permitted by RCW 4.24.115.

- 15. OWNERSHIP OF RECORDS AND DOCUMENTS:** Any and all work product prepared by the Contractor in the course of performing this Contract shall immediately become the property of the City. In consideration of the compensation provided for by this Contract, the Contractor hereby further assigns all copyright interests in such work product to the City. A copy may be retained by the Contractor. Previously owned intellectual property of Contractor or any third party, and any know-how, methodologies or processes used by Contractor to provide the services or project deliverables under this Contract shall remain property of the original City.

- 16. PUBLIC DISCLOSURE COMPLIANCE:** The parties acknowledge that the City is an "agency" within the meaning of the Washington Public Records Act, Chapter 42.56 RCW, and that materials submitted by the Contractor to the City become public record. Such records may

be subject to public disclosure, in whole or part and may be required to be released by the City in the event of a request for disclosure. In the event the City receives a public record request for any data or deliverable that is provided to the City and that is licensed from the Contractor, the City shall notify the Contractor of such request and withhold disclosure of such information for not less than five (5) business days, to permit the Contractor to seek judicial protection of such information, provided that the Contractor shall be responsible for attorney fees and costs in such action and shall save and hold harmless the City from any costs, attorney fees or penalty assessment under Chapter 42.17 RCW for withholding or delaying public disclosure of such information.

- 17. COOPERATIVE PURCHASING:** The Washington State Inter-local Cooperation Act, Ch. 39.34 RCW, authorizes public agencies to cooperatively purchase goods and services if all parties agree. By having executed this Agreement, the Contractor agrees that other public agencies may purchase goods and services under this solicitation or contract at their own cost and without the City incurring any financial or legal liability for such purchases. The City agrees to allow other public agencies to purchase goods and services under this solicitation or contract, provided that the City is not held financially or legally liable for purchases and that any public agency purchasing under such solicitation or contract file a copy of this invitation and such contract in accordance with RCW 39.34.040.
- 18. AMENDMENTS:** All changes to this Contract, including changes to the statement of work and compensation, must be made by written Change Order and/or Amendment and signed by all parties to this Contract.
- 19. AUTHORIZATION AND COMPLIANCE WITH THE LAW:** The Contractor certifies that the person signing the Contract is legally authorized to enter into this binding Contract and that the Contractor shall fully comply with all relevant, federal, state and municipal laws, rules, regulations and policies.
- 20. CITY BUSINESS AND OCCUPATION LICENSE:** The Contractor will be required to obtain a business license when contracting with the City unless allowable exemptions apply. The Contractor shall contact the State of Washington Business License Service (BLS) at: <http://bls.dor.wa.gov/file.aspx>, or by phone at 800-451-7985, or go to www.bls.dor.wa.gov/cities/vancouver.aspx or www.cityofvancouver.us/businesslicense, to determine whether a business license is required pursuant to the Vancouver Municipal Code (VMC) Chapter 5.04.
- 21. RELATION OF PARTIES:** The Contractor, its subcontractors, agents and employees are independent contractors performing services for The City and are not employees of City; shall not, as a result of this Contract, accrue leave, retirement, insurance, bonding or any other benefits afforded to City employees; and, shall not have the authority to bind the City in any way except as may be specifically provided in the Statement of Work.
- 22. ASSIGNMENT:** This Contract is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstances, be assigned or transferred by either party without the other party's express written authorization.

- 23. TERMINATION FOR CONVENIENCE:** The City, at its sole discretion, may terminate this Contract for convenience at any time for any reason deemed appropriate. Termination is effective immediately upon notice of termination given by the City.

In the event this Contract is terminated prior to the completion of Work, Contractor will only be paid for the Work completed at the time of termination of the Contract.

- 24. TERMINATION FOR CAUSE:** In the event the Contractor is, or has been, in violation of the terms of this Contract, including the solicitation, the City reserves the right, upon written notice to the Contractor, to cancel, terminate, or suspend this contract in whole or in part for default. Termination shall be effected by serving a notice of termination on the Contractor setting forth the manner in which the Contractor is in default. The Contractor will be paid only the contract price for services performed in accordance with the manner of performance set forth in the Contract.

If it is later determined by the City that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, or events which are not the fault of or are beyond the control of the Contractor, the City after setting up a new delivery or performance schedule, may allow the Contractor to continue work or treat the termination as a termination for convenience.

- 25. OPPORTUNITY TO CURE:** The City at its sole discretion may in lieu of a termination allow the Contractor to cure the defect(s), by providing a "Notice to Cure" to Contractor setting forth the remedies sought by City and the deadline to accomplish the remedies. If the Contractor fails to remedy to the City's satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within the time stated time, the City shall have the right to terminate the Contract without any further obligation to the Contractor. Any such termination for default shall not in any way operate to preclude the City from also pursuing all available remedies against the Contractor and its sureties for said breach or default, including but not limited to termination of this Contract for convenience.

- 26. WAIVER AND REMEDIES:** City's failure to enforce the terms or conditions herein or to exercise any right or privilege, or the City's waiver of any breach hereunder shall not thereafter waive any other term, condition, or privilege, whether of the same or similar type. Remedies under this Contract are cumulative; the use of one remedy shall not be taken to exclude or waive the right to use another.

- 27. ENTIRETY OF CONTRACT:** This Contract incorporates all the agreements, covenants and understanding between the parties hereto and are merged into this written Contract. No prior agreement or prior understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless set forth in this Contract.

- 28. USE OF CITY'S NAME:** Contractor may not use any of City's name, trademark, service marks, or logo in connection with the services contemplated by this Contract or otherwise without the prior written permission of City, which permission may be withheld for any or no reason and may be subject to certain conditions.

- 29. DEBARMENT:** The Contractor certifies that that it is not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any Federal, State or local department or agency.
- 30. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY:** During the term of this Contract, Contractor will not discriminate against any employee or applicant for employment in accordance with RCW Chapter 49.60, including, but not limited to creed, religion, race, color, age, sex, marital status, sexual orientation, sexual identity, pregnancy, military status, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical disability, unless based upon a bona fide occupational qualification. The Contractor will take affirmative action to ensure that applicants and employees are treated fairly, without regard to their creed, religion, race, color, sex, national origin, or the presence of any sensory, mental or physical disability. Such action shall include all terms and conditions of employment, compensation, and benefits, including apprenticeship.
- 31. BINDING EFFECT:** The provisions, covenants and conditions in this Contract bind the parties, their legal heirs, representatives, successors, and assigns.
- 32. RATIFICATION:** Acts taken pursuant to this Contract but prior to its effective date are hereby ratified and confirmed.
- 33. CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE:** The complete Contract includes these parts, all of which are incorporated herein by reference, and any inconsistency in the parts of the contract shall be resolved by following this order of precedence (e.g., 1 presiding over 2, 2 over 3, 3 over 4, and so forth):
1. Amendments to the Contract,
 2. This Contract,
 3. Addenda to the Solicitation,
 4. The Solicitation,
 5. Contractor's Bid,
 6. Special Provisions,
 7. Contract Plan Set,
 8. City of Vancouver Amendments to the specified WSDOT Standard Specifications,
 9. City of Vancouver Standard Plans,
 10. WSDOT Amendments to the WSDOT Standard Specifications,
 11. WSDOT Standard Specifications,
 12. WSDOT Standard Plans.

On the Contract Plans, Working Drawings, and Standard Plans, figured dimensions shall take precedence over scaled dimensions.

Whenever reference is made in these Specifications or the Special Provisions to codes, rules, specifications, and standards, the reference shall be construed to mean the code, rule,

specification, or standard that is in effect on the Invitation to Bid advertisement date, unless otherwise stated or as required by law.

If any part of the Contract requires Work that does not include a description for how the Work is to be performed, the Work shall be performed in accordance with standard trade practice(s). For purposes of the Contract, a standard trade practice is one having such regularity of observance in the trade as to justify an expectation that it will be observed by the Contractor in doing the Work.

34. NOTICES: All notices which are given or required to be given pursuant to this Contract shall be hand delivered, mailed postage paid, or sent by electronic mail as follows:

For the Owner:
Anna Vogel
City of Vancouver
415 W 6th Street
P O Box 1995
Vancouver WA 98668-1995
anna.vogel@cityofvancouver.us

For the Contractor:
Chad Rorabaugh
Advanced Excavating Specialists, LLC
1200 Hazel Street
Kelso, WA 98626
chad@advexc.us

The undersigned, as the authorized representatives of the Owner and Contractor respectively, agree to all of the terms and conditions contained in this Contract, as of the dates set forth below.

CITY OF VANCOUVER
A municipal corporation

CONTRACTOR:
Advanced Excavating Specialists, LLC

Eric Holmes, City Manager

Signature

Date

Printed Name /Title

Attest:

Date

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney



Staff Report: 175-23

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 9/18/2023

SUBJECT Amend Contractual Amount with Outsiders Inn for Safe Stay Communities 1 and 3

Key Points

- Unsheltered homelessness has continually increased and has significant negative impacts on unhoused residents themselves, the broader community, and the natural environment.
- Our community does not have shelter capacity to meet the growing need.
- The Ninth Circuit Court of Appeals has held that cities cannot criminalize camping in all places, at all times, unless there is adequate access to temporary shelter (Martin v. Boise).
- Revisions to Chapter 8.22 VMC "Camping" have been made to implement a Safe Stay Community Pilot Program.
- Establishment of Safe Stay Communities increases health, sanitation, and livability for all Vancouver residents, businesses, and visitors.
- Outsiders Inn successfully manages and provides supportive services at our first Safe Stay Community, The Outpost.
- Current local workforce capacity is not sufficient to meet the need in this field due to burnout and insufficient pay.
- Outsiders Inn provides low-barrier re-entry employment opportunities that put individuals with lived experience on a path to a career in social services, and competitive wages/benefits are needed to attract and retain those employees.
- State legislature is changing certification and pay requirements for Peers state-wide, and Outsiders Inn is preparing to come into alignment with those eventual requirements.
- The addition of a Client Housing Support Fund is needed to assist Safe Stay residents with reducing housing barriers and quickly obtaining permanent housing when ready.
- City staff is requesting to amend their current contract to increase budget for Safe Stay Communities 1 and 3.

Strategic Plan Alignment

Economic Opportunity - a place where a wide variety of businesses of all sizes grow and thrive.

Housing and Human Needs – meeting basic needs and partnering with organizations to support

the community.

Present Situation

An estimated 500-600 individuals reside in tents or vehicles within the City of Vancouver, which poses significant health and safety risks to the individuals experiencing unsheltered homelessness, as well as the rest of the community and the environment. At this time, our community does not have an adequate supply of shelter or housing options to meet the growing need. This Council has observed that many individuals who live outdoors on public property do so, not by choice, but due to a lack of financial means to afford adequate shelter. These individuals are adversely mentally and physically impacted by outdoor habitation. Single female encampment occupants experience a disproportionately high incidence of violent crime as compared to other people. Families with children who live outdoors as a result of a lack adequate shelter are also disproportionately adversely impacted through risk of physical danger and impediments to childhood education.

Simultaneously, Council has also observed that the City's sensitive ecological areas are adversely impacted by secondary impacts of outdoor habitation. The City's sensitive waterways, water treatment facilities, stormwater and wastewater facilities are particularly vulnerable to impacts of illegal dumping and improper disposal of human waste. Additionally, individuals living outdoors in greenways and wooded areas, who utilize fire as a source of heat, or to cook with, increase the potential for wildfire in those areas, particularly during our dry/summer months.

In an effort to reduce the aforementioned negative impacts of unsheltered homelessness, provide for greater safety, stability, and access to needed services for individuals experiencing unsheltered homelessness, and to remain in compliance with *Martin v. Boise*, this Council has approved the establishment of city-sponsored Safe Stay Communities in designated areas. These Communities are managed and supported by a contracted service provider who works to ensure safety and sanitation within and immediately surrounding the designated Community, assist Safe Stay Community residents with obtaining stability, accessing needed resources, and transitioning into a more permanent housing situation, and proactively engage with the surrounding neighborhood(s) to mitigate potential negative impacts to the neighborhood, facilitate neighborhood participation and volunteer opportunities within the designated Community, and encourage participation in neighborhood/community events, neighborhood association meetings, etc. amongst Safe Stay Community residents.

This field of work, both locally and across the country, has struggled to maintain the workforce capacity necessary to meet the growing need. Organizations experience high rates of turnover and consistent unfilled job openings, largely due to employee burnout and inadequate pay. It is very common for outreach workers, case managers, and Peers to need the very same resources or supports they assist their clients with accessing due to the continually rising cost of living.

Outsiders Inn is not only a direct service provider, but they've also been working to provide training and low-barrier re-entry employment opportunities to individuals with lived experiences with homelessness, mental health, substance use, justice involvement, and recovery, as well as increase our local workforce capacity in this field. The Washington State legislature, also recognizing this need, passed new legislation last year to create an actual profession of certified Peer Specialists vs. a simple certification, in an effort to address the workforce shortage and expand access to Peer services. A committee was created to make recommendations regarding

implementation, and those recommendations include ensuring that organizations employing Peers are paying their Peers a living wage and creating a variety of certification types.

Additionally, while intended to provide greater opportunities for individuals with lived experience, some of the impacts of this legislation include doubling fees for licensing, adding a requirement for continuing education, which there will be fees for, and adding experience requirements of between 1000-1500 supervised hours for full certification. In preparation for the rollout of these requirements, Outsiders Inn has created a tiered pay structure for employees re-entering the workforce and building their skills and experience (hours they will eventually need for certification). Their new pay structure, included in the proposed contract amendment, is needed to attract and retain entry level employees, retain long-term/more experienced Peers that assist with training new staff, and come into alignment with what the new Peer requirements will be. Along with a more competitive and living wage, Outsiders Inn is looking to offer more meaningful healthcare/insurance benefits than they've previously been able to offer as a smaller, but growing, organization.

Other budget amendments, while not significantly changing the total amount requested, are the addition of a Client Housing Support Fund, and reallocation of unutilized or underutilized line items from the prior budget. For example, not knowing if contracted security would be needed, it has historically been budgeted for. After nearly two years of operating, Outsiders Inn is confident that contracted security is not needed. However, they have experienced challenges and delays in getting people into housing, or addressing some barriers to housing, due to the limited availability of funding for things like move-in costs/deposits, application fees, utility debt, etc. In the current housing market, having immediate access to those funds can be the difference between obtaining housing and remaining in shelter for a significantly longer period of time.

Advantage(s)

1. Outsiders Inn is a Peer-run organization, with supportive services delivered by trained individuals who also have lived experiences with homelessness, mental/behavioral health, and demonstrated recovery.
2. Outsiders Inn is an existing city contractor, and successfully operates The Outpost-Safe Stay Community, as well as shelter at St. Paul Lutheran Church and Mail Service for unhoused City residents and is contracted to operate the third Safe Stay Community when site construction is complete.
3. Safe Stay Communities serve as a temporary bridge while more permanent housing and shelter options are implemented; the first annual review of The Outpost shows that 41% of the residents served in that time period exited to permanent housing.
4. Because these sites are managed, our community has seen a decrease in solid waste, encampments in unsafe spaces, and negative environmental impacts.
5. Because these sites are supported, residents have greater access to services, increased stability, and more safe, healthy, and humane living conditions as they work to resolve their homelessness.
6. Outsiders Inn is successfully assisting individuals with barriers to re-enter the workforce and helping to expand our workforce capacity to meet the growing need.
7. The creation of a Client Housing Support Fund will assist with more and/or quicker exits to housing at these sites, which frees up shelter space for other individuals living without shelter.

Disadvantage(s)

None at this time.

Budget Impact

This request is to amend the contract with the Outsiders Inn to support Safe Stay 1 and 3 from October 2023 to September 2024. Current budget for onsite management is \$2.4 million for the Biennium. The additional amount needed for the contract increase will be requested in the Fall Supplemental (~200k).

It is highly likely, that additional budgetary request will be submitted during the next supplemental appropriation to complete the setup of all five sites.

Prior Council Review

- [May 24, 2021 City Council Workshop](#)
- [August 2, 2021 City Council Workshop](#)
- [August 16, 2021 City Manager Communications](#)
- [September 13, 2021 City Council Meeting](#)
- [September 12, 2022 City Council Meeting](#)

Action Requested

Approve the amendment of a professional services contract with Outsiders Inn of Vancouver, WA, and to authorize the City Manager, or their designee, to execute a contract for delivery of supportive services and site management at city-sanctioned Safe Stay Communities 1 and 3.

Jamie Spinelli, Homeless Response Manager, 360-487-8610

ATTACHMENTS:

- ▢ Services Agreement #C-100727 Amendment No. 2
- ▢ Amendment 1
- ▢ Contract - executed
- ▢ Outsiders Inn Budget for Safe Stay 1 for October 2023 - September 2024
- ▢ Outsiders Inn Budget for Safe Stay 3 for October 2023 - September 2024
- ▢ September 2022 - 2023 Safe Stay 1 and Safe Stay 3 budget
- ▢ The Outpost 1-Year Review

SERVICE AGREEMENT #C-100727

AMENDMENT No. 2

SUPPORTIVE CAMPSITE & SAFE PARK PROGRAMS

This Agreement amends the Professional Services Agreement number C-100727 by and between the City of Vancouver, hereinafter referred to as "City", and Outsider Inn.org, hereinafter referred to as "Contractor", whose address is 5301 NE 56th Ave, Vancouver, WA 98661, for services offered.

This amendment amends the original agreement as follows:

1. Increase the authorized amount of the Agreement by \$1,412,313 to a revised authorized amount of \$3,481,013. (Safe Site 1, third year of service, for \$997,222. Safe Site 3, second year of service, for \$1,023,166.)
2. **Amend** the language contained in Section 3, Payment for Contractor Services, updating Cost Chart with language in herein attached and by reference made part of the Contract, Attachment "A".
3. **Amend** the language contained in Section 4, Term of Agreement, as follows:
 - The term of this Agreement shall commence on October 1, 2021 and continue until September 30, 2024.
4. Ratification: Acts taken pursuant to this Amendment but prior to its effective date are hereby ratified and confirmed.

This amendment in no way alters any other provisions of the original agreement.

CITY OF VANCOUVER

A municipal corporation

CONTRACTOR:

Outsider Inn.org

Eric Holmes, City Manager

Signature

Date

Printed Name /Title

Attest:

Date

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney

SERVICE AGREEMENT #C-100727

AMENDMENT No. 1

SUPPORTIVE CAMPSITE & SAFE PARK PROGRAMS

This Agreement amends the Professional Services Agreement number C-100727 by and between the City of Vancouver, hereinafter referred to as "City", and Outsider Inn.org, hereinafter referred to as "Contractor", whose address is 5301 NE 56th Ave, Vancouver, WA 98661, for services offered.

This amendment amends the original agreement as follows:

1. Increase the authorized amount of the Agreement by \$1,497,552 to a revised authorized amount of \$2,068,700. (Safe Site 1, second year of service, for \$748,776. Safe Site 3, first year of service, for \$748,776.)
2. **Amend** the language contained in Section 3, Payment for Contractor Services, updating Cost Chart with language in herein attached and by reference made part of the Contract, Attachment "A".
3. **Amend** the language contained in Section 4, Term of Agreement, as follows:
 - The term of this Agreement shall commence on October 1, 2021 and continue until September 30, 2023.
4. Ratification: Acts taken pursuant to this Amendment but prior to its effective date are hereby ratified and confirmed.

This amendment in no way alters any other provisions of the original agreement.

CITY OF VANCOUVER

A municipal corporation

DocuSigned by:



75A9183485CA407...

Eric Holmes, City Manager

9/19/2022

Date

Attest:

DocuSigned by:



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Natasha Ramras, City Clerk

Approved as to form:

DocuSigned by:



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Jonathan Young, City Attorney

CONTRACTOR:

Outsider Inn.org

DocuSigned by:



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Signature

Adam Kravitz

executive director

Printed Name /Title

9/13/2022

Date

Attachment "A"

Cost Chart

Supportive Campsite Program
Outsiders Inn

Year 2 for Safe Stay Site 1
New Safe Stay Site 3

Personnel Cost

	Hourly rate	Number of Staff	Hours per week	Monthly Salary	Monthly Taxes & Benefits* (\$15/hr)	Total per month	Total per year
Peer Support (Day shift)	20.00	2	56	9,707	6,720	16,427	197,120
Peer Support (Evening shift)	20.00	2	56	9,707	6,720	16,427	197,120
Peer Support (Overnight)	22.00	1.5	56	8,008	5,040	13,048	156,576
Homeless Services Manager	31.00	1	15	2,015	900	2,915	34,980
Total		7	183				585,796
Plus Indirect Cost 10%**							58,580
Total Annual Base for Contract							644,376

* Includes health benefits

**Includes office supplies, office furniture, accounting and billing services, IT support

Other Costs

		Monthly	Yearly
Employee training & travel mileage		250	3,000
Resident Stipend	\$45 per month per resident for cleanup and nightly gate duty	1,125	13,500
Employee Phones	\$50 each per month - 8 total	400	4,800
Security - four times per day	\$800 per month	800	9,600
Security Camera/Storage	Cameras, storage, maintenance	425	5,100
Professional Fees - Legal, mediation, open house events		300	3,600
Insurance		250	3,000
Laundry vouchers for clients	\$20 per person per month	500	6,000
Client Showers	\$50 per person per month	1,250	15,000
Sleeping bags, outdoor supplies		200	2,400
Food - Ice, water, prepared foods	\$250 per person per month	3,000	36,000
Hygiene, sanitizers, trash bags		200	2,400
Total Annual Base for Contract			104,400

Total Annual Cost For Each Site	748,776
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Monthly 62,398



**CITY OF VANCOUVER
SERVICES AGREEMENT
No.C-100727**

This Services Agreement (hereinafter referred to as the “Agreement”) is entered into by and between the City of Vancouver, Washington, a municipal corporation organized under the laws of the State of Washington, (hereinafter referred to as the "City") and Outsider Inn.org (hereinafter referred to as the "Contractor"). The City and Contractor may be collectively referred to herein as the “parties” or individually as a “party”.

WHEREAS, the City desires to engage the Contractor to perform services as described in this Agreement; and

WHEREAS, the City advertised and issued a Request for Proposal, numbered 34-21 (hereinafter referred to as the “solicitation”) and after evaluation of the Contractor’s responsive proposal, found the Contractor be capable of performing the required services; and

WHEREAS, the Contractor represents by entering into this Agreement that it is fully qualified to perform the services described herein in a competent and professional manner, and to the full satisfaction of the City.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, the parties hereto agree as follows:

- 1. SCOPE OF WORK:** The Contractor agrees to provide the City all services and materials set forth below or and as further described in the City’s solicitation, and the Contractor’s responsive proposal to the City’s solicitation, (collectively referred to herein as the “work”) which are each incorporated herein by this reference, and made a part of this Agreement as if fully set forth herein.

The Contractor shall be responsible to do the following:

1. Manage the site and day-to-day operations of the supported camp site(s);
2. Amending a base Code of Conduct with the campsite residents to meet their needs while still meeting community expectations about the site;
3. Enforce a Code of Conduct and identify the process for removing those individuals not following the rules;

4. Register and track clients in the Homeless Management Information System;
5. Assist clients with housing navigation services as a pathway to permanent housing;
6. Provide strengths-based and trauma informed support and engagement to individuals in camp community; and facilitate/coordinate connection to other community partners to provide supportive services on-site such as mental health counseling, substance use treatment, legal assistance, enrollment in benefits,, literacy training, medical, dental care etc.;
7. Manage snacks and develop and enforce policy on receiving food from outside people/agencies;
8. Provide an ambassador to monitor activity outside the perimeter of the facility to mitigate loitering around the site and help the City maintain its commitment as a Good Neighbor.
9. Maintain timely and accurate records which reflect service levels, participant characteristics, specific actions taken to assist participants, service outcomes, and expenditures

All work must be authorized and approved by the City's Project Manager before any work can begin. The Contractor shall approach each project in a manner consistent with its usual customary business practices. The Contractor shall actively seek collaborative input from City staff.

2. **COMPENSATION:** Payment to the Contractor for the work described in this Agreement shall not exceed \$571,148.00 USD.

This payment shall be maximum compensation for the work and for all labor, materials, supplies, equipment and incidentals necessary to complete the work as set forth herein, and it shall not be exceeded without the City's prior written authorization in the form of a negotiated and executed amendment.

Compensation is limited to the amount specified for each specific task and/or sub-task, unless amended in writing. The City requires the Contractor to complete the work stated within the number of hours stated for each task, and/or sub-task, or the lump sum amount. If compensation is made on an hourly basis and the work requires fewer hours than those estimated, the Contractor will be paid for the actual worked hours necessary to complete that task and/or sub-task. If the Contractor underestimated the number of hours required to perform the work, the Contractor shall be paid up to the maximum number of hours stated for the task and/or sub-task. Compensation may be amended, at the City's sole discretion, for documentable circumstances not reasonably foreseeable to either party at the time the task and/or subtask is initiated, or for changes to the scope of work or deliverables requested by the City. All deliverables must be acceptable to the City, at the sole discretion of the City.

- 3. PAYMENT FOR CONTRACTOR SERVICES:** The Contractor shall submit monthly invoices to City covering both professional fees and project expenses, if any, for fees and expenses from the previous month. Payments to Contractor shall be net thirty (30) days.

The City reserves the right to correct any invoices paid in error. The Contractor shall be paid according to the rates set forth in Attachment “A”, incorporated herein by this reference, and made a part of this Agreement as if fully set forth herein.

City and Contractor agree that any amount paid in error by City does not constitute a rate change in the amount of the contract. The City’s contract/purchase order (PO) number given on the notice to proceed **must** be referenced on any invoice submitted for payment.

- 4. TERM OF AGREEMENT:** The term of this Agreement shall commence on October 1, 2021 and continue until September 30, 2022. The City reserves the right to offer four (4) one-year extensions. Unless directed otherwise by the City, Contractor shall perform the work in accordance with any schedules made a part of this Agreement.
- 5. ORDER OF PRECEDENCE:** Where there is a conflict among or between any of these documents, the controlling documents shall be the first listed in the following sequence: Amendments to this Agreement; this Agreement; Contract Purchase Orders; the Contractor’s responsive proposal to the City’s solicitation, and the City’s solicitation.
- 6. RELATION OF PARTIES:** The Contractor, and its subcontractors, agents, employees, or other vendors contracted by the Contractor to provide services or other work for the purpose of meeting the Contractor’s obligations under this agreement (collectively referred to as “subcontractors”), are independent contractors performing professional services for the City and are not employees of the City. The Contractor and its subcontractors shall not, as a result of this Agreement, accrue leave, retirement, insurance, bonding or any other rights, privileges, or benefits afforded to City employees. The Contractor and its subcontractors shall not have the authority to bind City in any way except as may be specifically provided herein.
- 7. E-VERIFY:** The Contractor shall enter into and register a Memorandum of Understanding with the Department of Homeland Security E-Verify program within sixty (60) days after execution of this Agreement. The Contractor shall ensure all Contractor employees and any subcontractors assigned to perform work under this Agreement are eligible to work in the United States. The Contractor shall provide verification of compliance upon the request of the City. Failure by the Contractor to comply with this subsection shall be considered a material breach.

- 8. DELAYS AND EXTENSIONS OF TIME:** If the Contractor is delayed at any time in the progress of the work covered by this Agreement, by any causes beyond Contractor's control, the time for performance may be extended by such time as shall be mutually agreed upon by the Contractor and the City and shall be incorporated in a written amendment to this Agreement. Any request for an extension of time shall be made in writing to the City.
- 9. OWNERSHIP OF RECORDS AND DOCUMENTS:** Any and all work product prepared by the Contractor in the course of performing this Contract shall immediately become the property of the City. In consideration of the compensation provided for by this Agreement, the Contractor hereby further assigns all copyright interests in such work product to the City. A copy may be retained by the Contractor. Previously owned intellectual property of Contractor, and any know-how, methodologies or processes used by the Contractor to provide the services or project deliverables under this Agreement shall remain property of the Contractor.
- 10. TERMINATION FOR PUBLIC CONVENIENCE:** The City, at its sole discretion, may terminate this contract for convenience at any time for any reason deemed appropriate. Termination is effective immediately upon notice of termination given by the City.

In the event this Agreement is terminated prior to the completion of work, the Contractor will only be paid for the portion of the work completed at the time of termination of the Agreement.

- 11. TERMINATION FOR DEFAULT:** If the Contractor defaults by failing to perform any of the obligations of the Agreement, including violating any law, regulation, rule or ordinance applicable to this Agreement, or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the City may, by depositing written notice to the Contractor in the U.S. mail, postage prepaid, terminate the Agreement, and at the City's option, obtain performance of the work elsewhere.

If the Agreement is terminated for default, the Contractor shall not be entitled to receive any further payments under the Agreement until all work called for has been fully performed. Any extra cost or damage to the City resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by the City in completing the work, and all damage sustained, or which may be sustained by the City by reason of such default.

If a notice of termination for default has been issued and it is later determined for any reason that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the termination for public convenience paragraph herein.

- 12. OPPORTUNITY TO CURE:** The City at its sole discretion may in lieu of a termination allow the Contractor to cure the defect(s), by providing a “Notice to Cure” to Contractor setting forth the remedies sought by City and the deadline to accomplish the remedies. If the Contractor fails to remedy to the City’s satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within the time stated time, the City shall have the right to terminate the Contract without any further obligation to the Contractor. Any such termination for default shall not in any way operate to preclude the City from also pursuing all available remedies against the Contractor and it’s sureties for said breach or default, including but not limited to termination of this Contract for convenience.
- 13. COMPLIANCE WITH THE LAW:** The Contractor agrees to comply with all relevant, Federal, State, and Municipal laws, rules, policies, regulations or ordinances in the performance of work under this Agreement.
- 14. CITY BUSINESS AND OCCUPATION LICENSE:** The Contractor will be required to obtain a business license when contracting with the City unless allowable exemptions apply. The Contractor shall contact the State of Washington Business License Service (BLS) at: <http://bls.dor.wa.gov/file.aspx>, or by phone at 800-451-7985, or go to www.bls.dor.wa.gov/cities/vancouver.aspx or www.cityofvancouver.us/businesslicense, to determine whether a business license is required pursuant to the Vancouver Municipal Code (VMC) Chapter 5.04.
- 15. LIABILITY AND HOLD HARMLESS:** The Contractor agrees to indemnify, defend, save and hold harmless the City, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, of whatsoever kind or nature (including patent infringement or copyright claims) to the extent arising out of, or in connection with, or incident to, the negligent performance or willful misconduct pursuant to this Agreement. This indemnity and hold harmless shall include any claim made against the City by an employee of Contractor or subcontractor or agent even if Contractor is thus otherwise immune from liability pursuant to the workers’ compensation statute, Title 51 Revised Code of Washington (RCW), except to the extent that such liability arises from the concurrent negligence of both the City and the Contractor, such costs, fees and expenses shall be shared between the City and the Contractor in proportion to their relative degrees of negligence. The Contractor specifically acknowledges the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that the Contractor provide the broadest scope of indemnity permitted by RCW 4.24.115. The Contractor is an independent contractor and responsible for the safety of its employees.
- 16. INSURANCE:** The Contractor shall obtain and keep in force during the entire term of this agreement, liability insurance against any and all claims for damages to person or property which may arise out of the performance of this Contract whether such work shall be by the Contractor,

subcontractor or anyone directly or indirectly employed by either the Contractor or a subcontractor.

All liability insurance required herein shall be under a Comprehensive or Commercial General Liability and business policies.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate Per Occurrence	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
III. Workers' Compensation (applicable to the State of Washington)	
Per Occurrence	
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000
IV. Umbrella Liability	
Each Claim	\$1,000,000
Annual Aggregate	\$5,000,000

In addition to the coverage and limits listed above the Contractor's insurance must all contain the following:

- a. City Listed as an Additional Insured. The City of Vancouver, its Agents, Representatives, Officers, Directors, Elected and Appointed Officials, and Employees must be named as an additional insured. The required Additional Insured endorsements shall be at least as broad as ISO CG 20 10 11 85, or its equivalent CG 20 10 07 04 and CG 20 37 07 04 must be included with the Certificate of Insurance.

- b. Either the Commercial General Liability or the Workers' Compensation policy must be endorsed to include "Washington Stop Gap" insurance. The limits and aggregates referenced must apply to the Stop Gap coverage as well and must be indicated on the certificate.
- c. Employment Security. The Contractor shall comply with all employment security laws of the State in which services are provided and shall timely make all required payments in connection therewith.
- d. The City of Vancouver shall be listed on the Certificate as the Certificate Holder.
- e. Coverage Trigger: The insurance must be written on an "occurrence" basis. This must be indicated on the Certificate.

Contractor shall provide evidence of all insurance required, at the City's request, by submitting an insurance certificate to the City on a standard "ACORD" or comparable form.

All policies shall be issued by an insurance company licensed to do business in the State of Washington. The City of Vancouver may inspect all policies and copies shall be provided to the City upon request.

17. NOTICES: All notices which are given or required to be given pursuant to this Agreement shall be hand delivered, mailed postage paid, or sent by electronic mail as follows:

For the City:
Anna Vogel
City of Vancouver
415 W 6th Street
P O Box 1995
Vancouver WA 98668-1995
Email: anna.vogel@cityofvancouver.us

For the Contractor:
Adam Kravitz
Outsiders Inn.org
5301 NE 56th Avenue
Vancouver WA 98661
Email: outsidersinnorg@gmail.com

Either party may change the designated contact or any information listed above by giving advance notice in writing to the other party.

18. AMENDMENTS: All changes to this Agreement, including changes to the scope of work and compensation sections, must be made by written amendment and signed by all parties to this Agreement.

- 19. SCOPE OF AGREEMENT:** This Agreement incorporates all the agreements, covenants and understanding between the parties hereto and are merged into this written Agreement. No prior agreement or prior understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless set forth in this Agreement.
- 20. RATIFICATION:** Acts taken pursuant to this Agreement but prior to its effective date are hereby ratified and confirmed.
- 21. GOVERNING LAW/VENUE:** This Agreement shall be deemed to have been executed and delivered within the State of Washington, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of Washington without regard to the principles of conflict of laws. Any action or suit brought in connection with this Agreement shall be brought in the Superior Court of Clark County, Washington.
- 22. COOPERATIVE PURCHASING:** The Washington State Inter-local Cooperation Act, Ch. 39.34 RCW, authorizes public agencies to cooperatively purchase goods and services if all parties agree. By having executed this Agreement, the Contractor agrees that other public agencies may purchase goods and services under this solicitation or contract at their own cost and without the City incurring any financial or legal liability for such purchases. The City agrees to allow other public agencies to purchase goods and services under this solicitation or contract, provided that the City is not held financially or legally liable for purchases and that any public agency purchasing under such solicitation or contract file a copy of this invitation and such contract in accordance with RCW 39.34.040.
- 23. PUBLIC DISCLOSURE COMPLIANCE:** The parties acknowledge that the City is an “agency” within the meaning of the Washington Public Records Act, Chapter 42.56 RCW, and that materials submitted by the Contractor to the City become public record. Such records may be subject to public disclosure, in whole or part and may be required to be released by the City in the event of a request for disclosure. In the event the City receives a public record request for any data or deliverable that is provided to the City and that is licensed from the Contractor, the City shall notify the Contractor of such request and withhold disclosure of such information for not less than five (5) business days, to permit the Contractor to seek judicial protection of such information, provided that the Contractor shall be responsible for attorney fees and costs in such action and shall save and hold harmless the City from any costs, attorney fees or penalty assessment under Chapter 42.17 RCW for withholding or delaying public disclosure of such information.
- 24. DEBARMENT:** The Contractor certifies that that it is not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any Federal, State or local department or agency.

- 25. CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT:** Supplier must agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- 26. BYRD ANTI-LOBBYING AMENDMENT:** Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Suppliers that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
- 27. PROCUREMENT OF RECOVERED MATERIALS:** Supplier must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- 28. WARRANTIES:** All products shall be warranted against defects or faulty workmanship and materials by the Supplier for one (1) year following inspection and acceptance of the products by the City. Warranty shall include all costs incurred, including shipping, for repair or replacement except that which is damaged by misuse or abuse. This one-(1) year warranty shall in no way affect normal extended or manufacturer's warranty exceeding this one (1) year period. Supplier warrants that all goods and services furnished under this Contract are new, conform strictly to the specifications herein, are merchantable, good workmanship, free from defect, comply with all applicable safety and health standards established for such products, all goods are properly packaged, and all appropriate instructions or warnings are supplied. If a defect is found, a component failure occurs, or workmanship is found to cause failure, the Vendor shall replace the product at their own expense, including shipping charges. Any replacement product will be warrantied for one (1) year from the date it is delivered. All implied and expressed warranty provisions of the Uniform Commercial Code are incorporated into this Contract.
- 29. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY:** During the term of this Contract, the Supplier agrees as follows: The Supplier will not discriminate against any employee or applicant for employment because of creed, religion, race, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any

sensory, mental or physical handicap, unless based upon a bona fide occupational qualification. The Supplier will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their creed, religion, race, color, sex, national origin, or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The undersigned, as the authorized representatives of the City and Contractor respectively, agree to all of the terms and conditions contained in this Agreement, as of the dates set forth below.

CITY OF VANCOUVER

A municipal corporation

DocuSigned by:



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Eric Holmes, City Manager

10/11/2021

Date

Attest:

DocuSigned by:



661359AB277E439...

Natasha Ramras, City Clerk

Approved as to form:

DocuSigned by:



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Jonathan Young, City Attorney

CONTRACTOR:

Outsiders Inn.org

DocuSigned by:



B1F54B79E6E848F...

Signature

Adam Kravitz

Executive Director

Printed Name /Title

10/7/2021

Date

**Supportive Campsite Program
Outsiders Inn**

**Budget Safe Stay Site 1
October 2023 - September 2024**

Personnel Cost		Hourly		Hours Per				
		Rate	Staff	week/staff	Total hours		Weekly	Yearly
Labor	Peer Support - Tier 1	\$ 20.00	4	40	160	\$	3,200	\$ 166,400
	Peer Support - Tier 1 (Overnight)	\$ 24.00	2	40	80	\$	1,920	\$ 99,840
	Peer Support - Tier 2	\$ 22.00	2	40	80	\$	1,760	\$ 91,520
	Peer Support - Tier 3	\$ 24.00	2	40	80	\$	1,920	\$ 99,840
	Director	\$ 31.00	1	15	15	\$	465	\$ 24,180
Benefits & Taxes*	Peer Support - Tier 1	\$ 16.00	4	40	160	\$	2,560	\$ 133,120
	Peer Support - Tier 1 (Overnight)	\$ 16.00	2	40	80	\$	1,280	\$ 66,560
	Peer Support - Tier 2	\$ 16.00	2	40	80	\$	1,280	\$ 66,560
	Peer Support - Tier 3	\$ 16.00	2	40	80	\$	1,280	\$ 66,560
	Director	\$ 16.00	1	15	15	\$	240	\$ 12,480
					415	Labor & Benefits	\$	827,060
Plus Indirect Cost 10%**							10%	\$ 82,706
								\$ 909,766

Other Costs	Yearly
Employee Training & Travel Mileage	3,000
Resident Stipend	13,500
Location Phone & Wi-Fi	3,376
Security Camera/storage	8,800
Professional Fees - (legal, mediation, open house events)	3,600
Insurance	3,000
Laundry Vouchers for Clients	3,180
Client Showers	6,000
Durable goods	5,000
Operational Supplies (food/water/food storage/hygiene)	58,000
Client Housing Support Fund	10,000
Operations covered by VHA Grant	(30,000)
	\$ 87,456.00

Total Contract Budget \$ 997,222.00

*Includes Health Benefits

**Includes office supplies, accounting and billing services, IT support

**Supportive Campsite Program
Outsiders Inn**

**Budget Safe Stay Site 3 (415-West)
October 2023 - September 2024**

Personnel Cost		Hourly		Hours Per				
		Rate	Staff	week/staff	Total hours		Weekly	Yearly
Labor	Peer Support - Tier 1	\$ 20.00	4	40	160	\$	3,200	\$ 166,400
	Peer Support - Tier 1 (Overnight)	\$ 24.00	2	40	80	\$	1,920	\$ 99,840
	Peer Support - Tier 2	\$ 22.00	2	40	80	\$	1,760	\$ 91,520
	Peer Support - Tier 3	\$ 24.00	2	40	80	\$	1,920	\$ 99,840
	Director	\$ 31.00	1	15	15	\$	465	\$ 24,180
Benefits & Taxes*	Peer Support - Tier 1	\$ 16.00	4	40	160	\$	2,560	\$ 133,120
	Peer Support - Tier 1 (Overnight)	\$ 16.00	2	40	80	\$	1,280	\$ 66,560
	Peer Support - Tier 2	\$ 16.00	2	40	80	\$	1,280	\$ 66,560
	Peer Support - Tier 3	\$ 16.00	2	40	80	\$	1,280	\$ 66,560
	Director	\$ 16.00	1	15	15	\$	240	\$ 12,480
					415	Labor & Benefits	\$	827,060
Plus Indirect Cost 10%**							10%	\$ 82,706
								\$ 909,766

Other Costs		Yearly
Employee Training & Travel Mileage		3,000
Resident Stipend		13,500
Location Phone & Wi-Fi		4,800
Security Camera/storage		9,000
Professional Fees - (legal, mediation, open house events)		3,600
Insurance		3,000
Laundry machine support / repair		2,000
Client Housing Support Fund		10,000
Durable goods		6,500
Operational Supplies (food/water/food storage/hygiene)		58,000
		\$ 113,400.00

Total Contract Budget \$ 1,023,166.00

*Includes Health Benefits

**Includes office supplies, accounting and billing services, IT support

**Supportive Campsite Program
Outsiders Inn**

Safe Stay 1 and Safe Stay 3

Personnel Cost

	Hourly rate	Number of Staff	Hours per week	Monthly Salary	Monthly Taxes & Benefits* (\$15/hr)	Total per month	Total per year
Peer Support (Day shift)	20.00	2	56	9,707	6,720	16,427	197,120
Peer Support (Evening shift)	20.00	2	56	9,707	6,720	16,427	197,120
Peer Support (Overnight)	22.00	1.5	56	8,008	5,040	13,048	156,576
Homeless Services Manager	31.00	1	15	2,015	900	2,915	34,980
Total		7	183				585,796
Plus Indirect Cost 10%**							58,580
Total Annual Base for Contract							644,376

* Includes health benefits

**Includes office supplies, office furniture, accounting and billing services, IT support

Other Costs

		Monthly	Yearly
Employee training & travel mileage		250	3,000
Resident Stipend	\$45 per month per resident for cleanup and nightly gate duty	1,125	13,500
Employee Phones	\$50 each per month - 8 total	400	4,800
Security - four times per day	\$800 per month	800	9,600
Security Camera/Storage	Cameras, storage, maintenance	425	5,100
Professional Fees - Legal, mediation, open house events		300	3,600
Insurance		250	3,000
Laundry vouchers for clients	\$20 per person per month	500	6,000
Client Showers	\$50 per person per month	1,250	15,000
Sleeping bags, outdoor supplies		200	2,400
Food - Ice, water, prepared foods	\$250 per person per month	3,000	36,000
Hygiene, sanitizers, trash bags		200	2,400
Total Annual Base for Contract			104,400

Total Annual Cost	748,776
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Monthly 62,398

One Year of Safe Stay Success

The City of Vancouver opened its first Safe Stay Community located at **11400 NE 51st Circle** on city-owned property, on Dec. 23, 2021. More than a year later, it continues to provide the most vulnerable in our community with comfortable, dry and secure surroundings where they have access to high-quality, compassionate life-saving and social services while they work to transition out of homelessness.

Safe Stay Community staff work with partner agencies to facilitate residents' transition out of homelessness. **44 referrals** have been made to partner agencies for services that include medical care, mental health check-ins, education, employment, housing, pet care, Social Security and other benefits such as nutrition assistance.

80 PEOPLE SERVED SINCE OPENING IN DECEMBER 23, 2021, INCLUDING:

BREAKDOWN BY GENDER AND HOUSEHOLD	
47	Males
32	Females
1	Transgender/Non-Binary
12	Couples
2	Multi-Generational Households

BREAKDOWN BY RACE	
67	White
5	Black or African American
4	American Indian—Alaska Native, Indigenous
4	Multiple Race

BREAKDOWN BY AGE						
AGE GROUP	18–24	25–34	35–44	45–54	55–61	62+
# SERVED	4	16	25	21	12	2

HOUSING ASSISTANCE

- 128** AVERAGE LENGTH OF STAY IN PROGRAM PRIOR TO HOUSING ACQUISITION, IN DAYS
- 33** SUCCESSFUL TRANSITIONS TO HOUSING 
- 62** HOUSING ASSESSMENTS COMPLETED
- 21** NEGATIVE EXITS FROM PROGRAM

NUMBER OF SERVICES BY TYPE

- 2,317** PEER SUPPORT SERVICES PROVIDED
- 161** LAUNDRY SERVICES PROVIDED
- 338** TRANSIT SERVICES PROVIDED 
- 28** OBTAINED LEGAL IDENTIFICATION CARDS
- 21** SECURED EMPLOYMENT
- 11** ACCESSED DETOX SERVICES
- 11** ACCESSED EMERGENCY SERVICES (# TIMES STAFF CALLED)



Changing Lives, One Stay and One Day at a Time

The Safe Stay Communities are helping turn lives around. They are another one of the City's solutions to help end homelessness; an immediate, compassionate alternative for people living on our streets so they can move toward gaining employment and living indoors again. And some people are doing just that. People like Michael Eddy and Wesley Roseberry. **Scan the QR code to watch their story.**



Providing a Sense of Community

11

COMMUNITY
EVENTS HELD,
INCLUDING:



- Garden Seed Exchange
- Garden Planter Boxes
- Meditation Garden Remodel with YMCA Youth
- Art Activities
- Fort Vancouver Library Book Exchange
- KeyBank Financial Services Visits
- AA Recovery Visits
- Lupine Experiential School Holiday Service Visit
- Governor Inslee Visit and Tour
- WA Association of Cities Tour
- Veterinarian Pet Wellness Checks
- Narcan Training
- COVID-19 and Flu Vaccine Clinics

36

COMMUNITY
MEETINGS HELD



5



COMMUNITY
PARTNERSHIPS FOR
RESIDENT EMPLOYMENT
OPPORTUNITIES

Including Evergreen Memorial Gardens, Talkin' Trash, YMCA and Outsiders Inn



Students from Lupine Experiential School visited the Safe Stay Outpost location on a holiday service visit.

A Safer Safe Stay

Prior to opening the City's first Safe Stay Community, the property located at 11400 NE 51st Circle was the site of a sizeable homeless encampment. Since the Safe Stay Community opened, the number of calls to police for service and officer-initiated activity within a 500 foot radius of the address, has dropped **29 percent** over the same time period compared to 2021.



Of the other Fire/EMS-related calls for service within the same radius, the percentage responding specifically to 11400 NE 51st Circle dropped from 20% to **7%** of the total.

CALLS FOR FIRE/EMS

(500FT RADIUS AROUND PROPERTY AT 11400 NE 51ST CIRCLE)

2021 2022

128 245

TOTAL CALLS TO AREA

TOTAL CALLS TO AREA

2021 2022

26 17

TOTAL CALLS TO UNSANCTIONED CAMP

(20% OF TOTAL CALLS AS UNSANCTIONED CAMP)

CALLS TO SAFE STAY COMMUNITY

(7% OF TOTAL CALLS AS SAFE STAY COMMUNITY)

CALLS FOR POLICE

(500FT RADIUS AROUND PROPERTY AT 11400 NE 51ST CIRCLE)

2021 2022

222 185

TOTAL CALLS

TOTAL CALLS

OFFICER-INITIATED VISITS

(500FT RADIUS AROUND PROPERTY AT 11400 NE 51ST CIRCLE)

2021 2022

126 61

TOTAL VISITS

TOTAL VISITS

29%

REDUCTION IN TOTAL POLICE CALLS AND VISITS FROM 2021 TO 2022

NOTABLE CALL REDUCTIONS

2021	ACTIVITY	2022
9	ASSAULT/BATTERY	4
5	WEAPONS VIOLATION	1
9	THEFT	1

SCAN THE QR CODE FOR A COMPLETE BREAKDOWN OF CALLS





Staff Report: 176-23

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 9/18/2023

SUBJECT Professional Services Agreement for Water Station 14 Per- and polyfluoroalkyl substances (PFAS) Treatment System Preliminary Design (RFQ 32-23)

Key Points

- Vancouver's Water Station 14 is a 3.35-acre parcel located at 6803 NE 78th Street and has served the community with safe clean drinking water since 1980.
- PFAS concentrations in the Water Station 14 groundwater wells have been detected at or above the 2022 State of Washington implemented state action level (SAL) and above the Environmental Protection Agency's (EPA) 2023 proposed maximum contaminant level (MCL) for perfluorooctane sulfonic acid (PFOS) and perfluorooctanoic acid (PFOA).
- The City has been awarded \$12.7 million in Drinking Water State Revolving Fund (DWSRF) loan funding for this project.
- A Request for Qualifications (RFQ 32-23) was issued earlier this year and three proposals were received for professional services.
- Of the proposals submitted, Brown and Caldwell was selected to perform the engineering design work and permitting work necessary to meet federal funding requirements

Strategic Plan Alignment

Safe and Prepared Community – a safe place to live, work, learn, and play.

Present Situation

Water Station 14 is on a 3.35-acre parcel and has been a municipal water facility serving our community with safe clean drinking water since 1980. The site contains three groundwater wells with a combined capacity of 3,200 gallons per minute, an air stripping tower for pH adjustment, a booster pump station that boosts water into the distribution grid, an emergency back-up generator, disinfection and fluoridation systems. A Water Station 14 site map is attached for reference.

PFAS represent a group of thousands of synthetic chemicals that are prevalent in commercial products and applications. These chemicals do not readily degrade and thus build-up in people, animals and in the environment. Studies reported by the EPA have proven that exposure to high

levels of specific PFAS compounds can have adverse health effects. In response, federal and state agencies have proposed regulations to limit the concentrations of specific PFAS compounds in drinking water. In 2022, the Washington State Board of Health established state action levels (SALs) for five PFAS compounds. Additionally, the EPA has proposed a National Primary Drinking Water Regulation to establish maximum contaminant levels (MCLs) for six PFAS compounds. A final rule is expected from the EPA in early 2024. Sampling results in 2020 were the first to detect PFAS concentrations in the Water Station 14 wells. Continued sampling has shown consistent levels at or above the implemented SAL and above EPA's 2023 proposed MCL for PFOS and PFOA – the two most prevalent PFAS compounds. Pilot testing is currently underway at Water Station 4 as a means to evaluate PFAS filtration technologies and to acquire data to provide to Washington Department of Health (WDOH) for approval of full-scale filter implementation. The City's water quality monitoring program has included a proactive approach to monitoring PFAS at all the system's water stations. Water Station 14 sampling has consistently been the highest of all water stations and has been at or exceeded the above-mentioned state and federal regulations, and as such, was identified as a priority for treatment. The new PFAS treatment system will allow the water utility to continue to meet the community's expectation of safe, reliable water service.

A Request for Qualifications (RFQ 32-23) for the Water Station 14 PFAS Treatment System Design was issued on April 21, 2023. The scope of work for the professional service's identified in the Request for Qualifications has been divided into two parts to streamline the project scoping; Phase 1 will include the preliminary design and associated initial permitting tasks and Phase 2 will include final bid-ready plans and specifications for construction. The attached contract is for the scope of work identified as, 'Phase 1: Water Station 14 PFAS Treatment System Design Project'. This portion of the work is expected to take seven months to complete. The completed preliminary design will then be used as the basis for the final design. 'Phase 2: Water Station 14 PFAS Treatment System Final Design' work will follow under a separate contract and approval request to City Council expected next year.

In response to the Request for Qualifications, three engineering firms submitted proposals with statements of qualifications. Brown and Caldwell was selected through the City's evaluation process, and if approved by Council, will act as the design lead while working closely with City staff in the development of the preliminary design.

The City was awarded with \$12.7 million in Drinking Water State Revolving Fund (DWSRF) funding for this project in the form of a forgivable loan (grant). The water utility is currently awaiting the final contract from WDOH that will be presented to Council for approval within the next two months. Once the DWSRF contract is approved by council, the City will be required to have a Water Station 14 construction contract awarded within 18 months. Therefore, it is important to get the design started. As this project will be federally funded, the professional services work is scoped to follow federal loan requirements. The major design element for the Water Station 14 project is the installation of the new PFAS treatment units. Much of the associated design work with the new treatment system is dependent on the selection of the PFAS treatment technology, which will be either ion exchange or granular activated carbon filters.

Brown and Caldwell has proposed an approach that provides a collaborative effort between City staff and their experienced team. They have proven qualifications with the completion of similar municipal water projects of this size and complexity.

Advantage(s)

1. Provides for specialty technical services to complete a comprehensive preliminary design for PFAS Treatment.
2. Develops a permitting plan to comply with federal loan requirements.
3. The preliminary design will provide the basis for the final design; with which to move forward and develop final drawings and specifications in order to meet DWSRF timelines for construction.

Disadvantage(s)

None

Budget Impact

Funding for this consulting project is identified as PRJ100893 in the current 2023-2024 Capital Water Budget. The resulting mitigation project is anticipated to be funded through the \$12.7 million DWSRF loan to be repaid with the existing utility fee revenues.

Prior Council Review

Approved in the 2023-2024 Capital Water Budget.

Action Requested

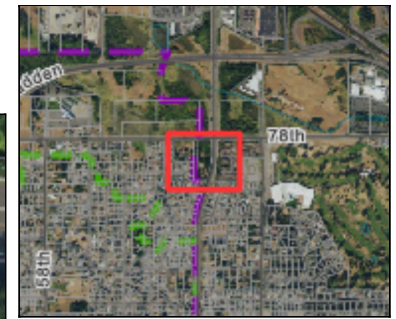
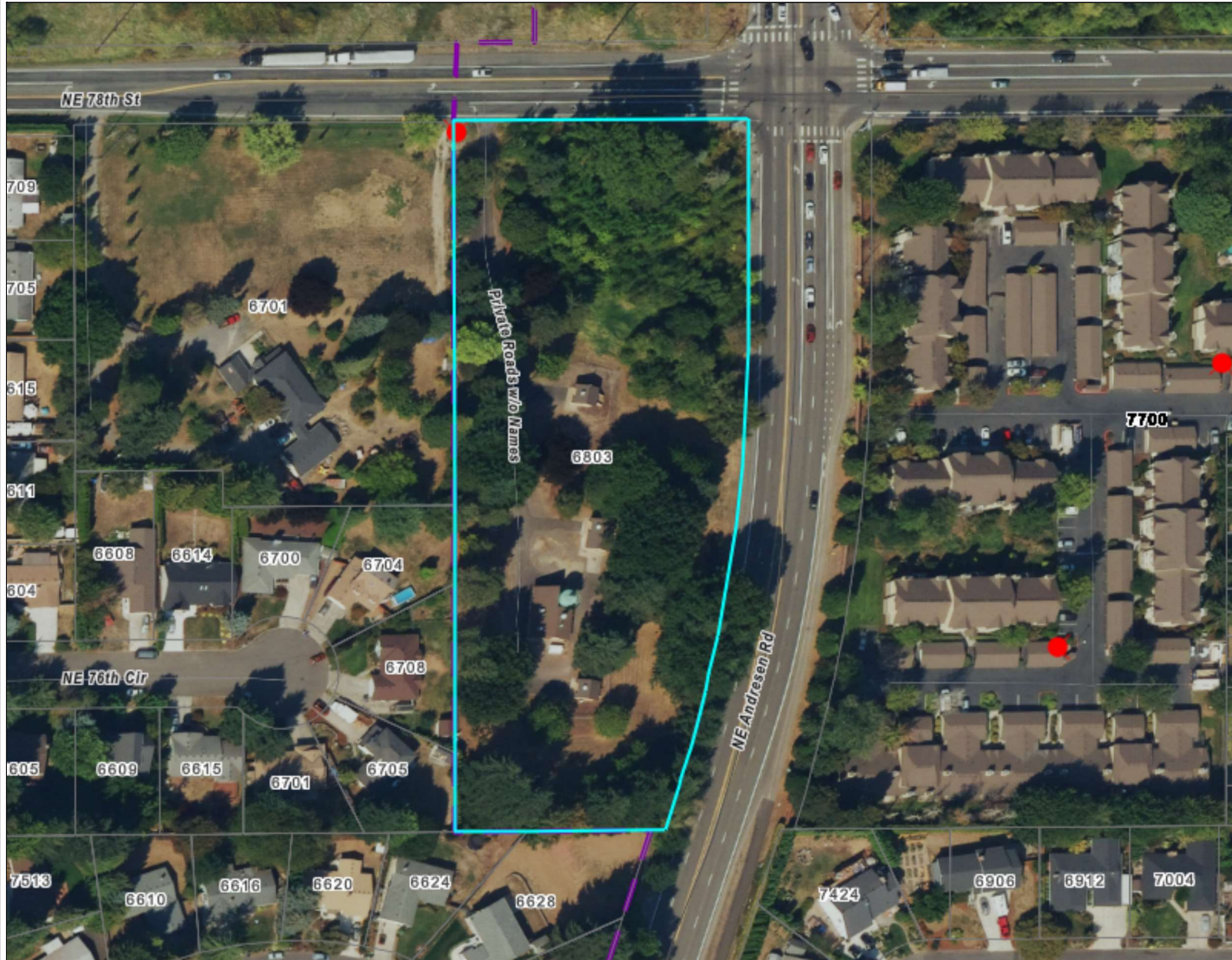
Authorize the City Manager or designee to execute a professional services agreement between the City of Vancouver and Brown and Caldwell for an estimated amount not to exceed \$718,700.00.

Mehrin Selimgir, Civil Engineer, 360-487-7128

ATTACHMENTS:

- ▢ Site Map
- ▢ Professional Service Contract

Water Station 14



wSystemFS_4986

WFHB

d632638e36e34d2db24891f14:



7f74e744d84645e69ae485014f

- > 78 – 105
- > 57 – 78
- > 44 – 57
- > 35 – 44
- > 26 – 35
- 11 – 26



Map Generated on 04/12/2023

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ft

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Notes



**CITY OF VANCOUVER
SERVICES AGREEMENT
No. C-101426**

This Services Agreement (hereinafter referred to as the "Agreement") is entered into by and between the City of Vancouver, Washington, a municipal corporation organized under the laws of the State of Washington, (hereinafter referred to as the "City") and Brown and Caldwell (hereinafter referred to as the "Contractor"). The City and Contractor may be collectively referred to herein as the "parties" or individually as a "party".

WHEREAS, the City desires to engage the Contractor to perform services as described in this Agreement; and

WHEREAS, the City advertised and issued a Request for Qualifications, numbered 32-23 (hereinafter referred to as the "solicitation") and after evaluation of the Contractor's responsive proposal, found the Contractor be capable of performing the required services; and

WHEREAS, the Contractor represents by entering into this Agreement that it is fully qualified to perform the services described herein in a competent and professional manner, and to the full satisfaction of the City.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, the parties hereto agree as follows:

- 1. SCOPE OF WORK:** The Contractor agrees to provide the City all services and materials set forth below and in the scope of work identified in Attachment "A", and as further described in the City's solicitation, and the Contractor's responsive proposal to the City's solicitation, (collectively referred to herein as the "work") which are each incorporated herein by this reference, and made a part of this Agreement as if fully set forth herein.

Contractor to provide consulting services to develop final plans and specifications for the design of a PFAS treatment system at Water Station 14.

All work must be authorized and approved by the City's Project Manager before any work can begin. The Contractor shall approach each project in a manner consistent with its usual customary business practices. The Contractor shall actively seek collaborative input from City staff.

2. **COMPENSATION:** Payment to the Contractor for the work described in this Agreement shall not exceed \$718,700.00 USD.

This payment shall be maximum compensation for the work and for all labor, materials, supplies, equipment and incidentals necessary to complete the work as set forth herein, and it shall not be exceeded without the City's prior written authorization in the form of a negotiated and executed amendment.

Compensation is limited to the amount specified for each specific task and/or sub-task, unless amended in writing. The City requires the Contractor to complete the work stated within the number of hours stated for each task, and/or sub-task, or the lump sum amount. If compensation is made on an hourly basis and the work requires fewer hours than those estimated, the Contractor will be paid for the actual worked hours necessary to complete that task and/or sub-task. If the Contractor underestimated the number of hours required to perform the work, the Contractor shall be paid up to the maximum number of hours stated for the task and/or sub-task. Compensation may be amended, at the City's sole discretion, for documentable circumstances not reasonably foreseeable to either party at the time the task and/or subtask is initiated, or for changes to the scope of work or deliverables requested by the City. All deliverables must be acceptable to the City, at the sole discretion of the City.

Travel expenses are limited to airfare, or mileage at the current IRS rate, and lodging at the U.S. General Services Administration rates. The Contractor is solely responsible for its staff's travel time, including travel to and from the City of Vancouver. The City will reimburse only pre-approved miscellaneous Contractor expenses at-cost upon submission of receipts to City.

During the life of this Contract, and in consideration of the City's business needs, the Contractor may make requests for compensation adjustments. In consideration of market conditions, the City may allow an annual adjustment to compensation paid for the actual cost of services. Contractor shall submit the request for consideration, together with supporting documentation, before the anniversary date of this Agreement. The City will review the request and, at its sole discretion, make a decision. If accepted, the adjustment shall become effective on the anniversary date of the Agreement and will be firm for the remainder of the contracted period. All adjustments will be authorized by written contract amendment.

3. **PAYMENT FOR CONTRACTOR SERVICES:** The Contractor shall submit monthly invoices to City covering both professional fees and project expenses, if any, for fees and expenses from the previous month. Payments to Contractor shall be net thirty (30) days.

The City reserves the right to correct any invoices paid in error. The Contractor shall be paid according to the rates set forth below in Attachment “B”, incorporated herein by this reference, and made a part of this Agreement as if fully set forth herein.

City and Contractor agree that any amount paid in error by City does not constitute a rate change in the amount of the contract. The City’s contract/purchase order (PO) number given on the notice to proceed **must** be referenced on any invoice submitted for payment.

4. **TERM OF AGREEMENT:** The term of this Agreement shall commence on October 1, 2023 and continue until June 30, 2024. Unless directed otherwise by the City, Contractor shall perform the work in accordance with any schedules made a part of this Agreement.
5. **ORDER OF PRECEDENCE:** Where there is a conflict among or between any of these documents, the controlling documents shall be the first listed in the following sequence: Amendments to this Agreement; this Agreement; Contract Purchase Orders; the Contractor’s responsive proposal to the City’s solicitation, and the City’s solicitation.
6. **RELATION OF PARTIES:** The Contractor, and its subcontractors, agents, employees, or other vendors contracted by the Contractor to provide services or other work for the purpose of meeting the Contractor’s obligations under this agreement (collectively referred to as “subcontractors”), are independent contractors performing professional services for the City and are not employees of the City. The Contractor and its subcontractors shall not, as a result of this Agreement, accrue leave, retirement, insurance, bonding or any other rights, privileges, or benefits afforded to City employees. The Contractor and its subcontractors shall not have the authority to bind City in any way except as may be specifically provided herein.
7. **SUBCONTRACTING:** The City does not permit subcontractors for the work performed under this Agreement. The Contractor shall not subcontract for the performance of any work under this Agreement without prior written permission of the City.
8. **E-VERIFY:** The Contractor shall enter into and register a Memorandum of Understanding with the Department of Homeland Security E-Verify program within sixty (60) days after execution of this Agreement. The Contractor shall ensure all Contractor employees and any subcontractors assigned to perform work under this Agreement are eligible to work in the United States. The Contractor shall provide verification of compliance upon the request of the

City. Failure by the Contractor to comply with this subsection shall be considered a material breach.

9. DELAYS AND EXTENSIONS OF TIME: If the Contractor is delayed at any time in the progress of the work covered by this Agreement, by any causes beyond Contractor's control, the time for performance may be extended by such time as shall be mutually agreed upon by the Contractor and the City and shall be incorporated in a written amendment to this Agreement. Any request for an extension of time shall be made in writing to the City.

10. OWNERSHIP OF RECORDS AND DOCUMENTS: Any and all work product prepared by the Contractor in the course of performing this Contract shall immediately become the property of the City. In consideration of the compensation provided for by this Agreement, the Contractor hereby further assigns all copyright interests in such work product to the City. A copy may be retained by the Contractor. Previously owned intellectual property of Contractor, and any know-how, methodologies or processes used by the Contractor to provide the services or project deliverables under this Agreement shall remain property of the Contractor.

11. TERMINATION FOR PUBLIC CONVENIENCE: The City, at its sole discretion, may terminate this contract for convenience at any time for any reason deemed appropriate. Termination is effective immediately upon notice of termination given by the City.

In the event this Agreement is terminated prior to the completion of work, the Contractor will only be paid for the portion of the work completed at the time of termination of the Agreement.

12. TERMINATION FOR DEFAULT: If the Contractor defaults by failing to perform any of the obligations of the Agreement, including violating any law, regulation, rule or ordinance applicable to this Agreement, or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the City may, by depositing written notice to the Contractor in the U.S. mail, postage prepaid, terminate the Agreement, and at the City's option, obtain performance of the work elsewhere.

If the Agreement is terminated for default, the Contractor shall not be entitled to receive any further payments under the Agreement until all work called for has been fully performed. Any extra cost or damage to the City resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by the City in completing the work, and all damage sustained, or which may be sustained by the City by reason of such default.

If a notice of termination for default has been issued and it is later determined for any reason that the Contractor was not in default, the rights and obligations of the parties shall be the same as if

the notice of termination had been issued pursuant to the termination for public convenience paragraph herein.

- 13. OPPORTUNITY TO CURE:** The City at its sole discretion may in lieu of a termination allow the Contractor to cure the defect(s), by providing a “Notice to Cure” to Contractor setting forth the remedies sought by City and the deadline to accomplish the remedies. If the Contractor fails to remedy to the City’s satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within the time stated time, the City shall have the right to terminate the Contract without any further obligation to the Contractor. Any such termination for default shall not in any way operate to preclude the City from also pursuing all available remedies against the Contractor and it’s sureties for said breach or default, including but not limited to termination of this Contract for convenience.
- 14. COMPLIANCE WITH THE LAW:** The Contractor agrees to comply with all relevant, Federal, State, and Municipal laws, rules, policies, regulations or ordinances in the performance of work under this Agreement.
- 15. CITY BUSINESS AND OCCUPATION LICENSE:** The Contractor will be required to obtain a business license when contracting with the City unless allowable exemptions apply. The Contractor shall contact the State of Washington Business License Service (BLS) at: <http://bls.dor.wa.gov/file.aspx>, or by phone at 800-451-7985, or go to www.bls.dor.wa.gov/cities/vancouver.aspx or www.cityofvancouver.us/businesslicense, to determine whether a business license is required pursuant to the Vancouver Municipal Code (VMC) Chapter 5.04.
- 16. LIABILITY AND HOLD HARMLESS:** The Contractor agrees to indemnify, defend, save and hold harmless the City, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, of whatsoever kind or nature (including patent infringement or copyright claims) to the extent arising out of, or in connection with, or incident to, the negligent performance or willful misconduct pursuant to this Agreement. This indemnity and hold harmless shall include any claim made against the City by an employee of Contractor or subcontractor or agent even if Contractor is thus otherwise immune from liability pursuant to the workers’ compensation statute, Title 51 Revised Code of Washington (RCW), except to the extent that such liability arises from the concurrent negligence of both the City and the Contractor, such costs, fees and expenses shall be shared between the City and the Contractor in proportion to their relative degrees of negligence. The Contractor specifically acknowledges the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that the Contractor provide the broadest scope of indemnity permitted by RCW 4.24.115. The Contractor is an independent contractor and responsible for the safety of its employees.

17. INSURANCE: The Contractor shall obtain and keep in force during the entire term of this agreement, liability insurance against any and all claims for damages to person or property which may arise out of the performance of this Contract whether such work shall be by the Contractor, subcontractor or anyone directly or indirectly employed by either the Contractor or a subcontractor.

All liability insurance required herein shall be under a Comprehensive or Commercial General Liability and business policies.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate Per Occurrence	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
III. Workers' Compensation (applicable to the State of Washington)	
Per Occurrence	
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000
IV. Umbrella Liability	
Each Claim	\$1,000,000
Annual Aggregate	\$5,000,000
V. Professional Liability	
Policy shall include coverage against any and all claims for damages to person or property which may arise out of the performance of this Contract whether such work shall be by the Contractor, subcontractor or anyone directly or indirectly employed by either the Contractor or a subcontractor	\$1,000,000

In addition to the coverage and limits listed above the Contractor's insurance must all contain the following:

- a. City Listed as an Additional Insured. The City of Vancouver, its Agents, Representatives, Officers, Directors, Elected and Appointed Officials, and Employees must be named as an additional insured. The required Additional Insured endorsements shall be at least as broad as ISO CG 20 10 11 85, or its equivalent CG 20 10 07 04 and CG 20 37 07 04 must be included with the Certificate of Insurance.
- b. Either the Commercial General Liability or the Workers' Compensation policy must be endorsed to include "Washington Stop Gap" insurance. The limits and aggregates referenced must apply to the Stop Gap coverage as well and must be indicated on the certificate.
- c. Employment Security. The Contractor shall comply with all employment security laws of the State in which services are provided and shall timely make all required payments in connection therewith.
- d. The City of Vancouver shall be listed on the Certificate as the Certificate Holder.
- e. Coverage Trigger: The insurance must be written on an "occurrence" basis. This must be indicated on the Certificate.

Contractor shall provide evidence of all insurance required, at the City's request, by submitting an insurance certificate to the City on a standard "ACORD" or comparable form.

All policies shall be issued by an insurance company licensed to do business in the State of Washington. The City of Vancouver may inspect all policies and copies shall be provided to the City upon request.

18. NOTICES: All notices which are given or required to be given pursuant to this Agreement shall be hand delivered, mailed postage paid, or sent by electronic mail as follows:

For the City:
Anna Vogel
City of Vancouver
415 W 6th Street
P O Box 1995
Vancouver WA 98668-1995
Email: anna.vogel@cityofvancouver.us

For the Contractor:
Lynn Stephens
Brown and Caldwell
6500 S Macadam Ave, Suite 200
Portland, OR 97239
Email: LStephens@brwnncald.com

Either party may change the designated contact or any information listed above by giving advance notice in writing to the other party.

- 19. AMENDMENTS:** All changes to this Agreement, including changes to the scope of work and compensation sections, must be made by written amendment and signed by all parties to this Agreement.
- 20. SCOPE OF AGREEMENT:** This Agreement incorporates all the agreements, covenants and understanding between the parties hereto and are merged into this written Agreement. No prior agreement or prior understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless set forth in this Agreement.
- 21. RATIFICATION:** Acts taken pursuant to this Agreement but prior to its effective date are hereby ratified and confirmed.
- 22. GOVERNING LAW/VENUE:** This Agreement shall be deemed to have been executed and delivered within the State of Washington, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of Washington without regard to the principles of conflict of laws. Any action or suit brought in connection with this Agreement shall be brought in the Superior Court of Clark County, Washington.
- 23. COOPERATIVE PURCHASING:** The Washington State Inter-local Cooperation Act, Ch. 39.34 RCW, authorizes public agencies to cooperatively purchase goods and services if all parties agree. By having executed this Agreement, the Contractor agrees that other public agencies may purchase goods and services under this solicitation or contract at their own cost and without the City incurring any financial or legal liability for such purchases. The City agrees to allow other public agencies to purchase goods and services under this solicitation or contract, provided that the City is not held financially or legally liable for purchases and that any public agency purchasing under such solicitation or contract file a copy of this invitation and such contract in accordance with RCW 39.34.040.
- 24. PUBLIC DISCLOSURE COMPLIANCE:** The parties acknowledge that the City is an “agency” within the meaning of the Washington Public Records Act, Chapter 42.56 RCW, and that materials submitted by the Contractor to the City become public record. Such records may be subject to public disclosure, in whole or part and may be required to be released by the City in the event of a request for disclosure. In the event the City receives a public record request for any data or deliverable that is provided to the City and that is licensed from the Contractor, the City shall notify the Contractor of such request and withhold disclosure of such information for not less than five (5) business days, to permit the Contractor to seek judicial protection of such information, provided that the Contractor shall be responsible for attorney fees and costs in such action and

shall save and hold harmless the City from any costs, attorney fees or penalty assessment under Chapter 42.17 RCW for withholding or delaying public disclosure of such information.

- 25. DEBARMENT:** The Contractor certifies that that it is not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any Federal, State or local department or agency.
- 26. CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT:** Supplier must agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- 27. BYRD ANTI-LOBBYING AMENDMENT:** Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Suppliers that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
- 28. PROCUREMENT OF RECOVERED MATERIALS:** Supplier must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- 29. WARRANTIES:** All products shall be warranted against defects or faulty workmanship and materials by the Supplier for one (1) year following inspection and acceptance of the products by the City. Warranty shall include all costs incurred, including shipping, for repair or replacement except that which is damaged by misuse or abuse. This one-(1) year warranty shall in no way affect normal extended or manufacturer’s warranty exceeding this one (1) year period. Supplier warrants that all goods and services furnished under this Contract are new, conform strictly to the specifications herein, are merchantable, good workmanship, free from defect, comply with all applicable safety and health standards established for such products, all goods are properly packaged, and all appropriate instructions or warnings are supplied. If a defect is found, a component failure occurs, or workmanship is found to cause failure, the Vendor shall replace the product at their own expense, including shipping charges. Any replacement product will be

warrantied for one (1) year from the date it is delivered. All implied and expressed warranty provisions of the Uniform Commercial Code are incorporated into this Contract.

30. NONDISCRIMINATION: The City of Vancouver, WA is an equal opportunity employer. In the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, sexual orientation, marital status, age or the presence of any sensory, mental or physical handicap.

The undersigned, as the authorized representatives of the City and Contractor respectively, agree to all of the terms and conditions contained in this Agreement, as of the dates set forth below.

CITY OF VANCOUVER

A municipal corporation

CONTRACTOR:

Brown and Caldwell

Eric Holmes, City Manager

Signature

Date

Printed Name /Title

Attest:

Date

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young, City Attorney



6500 S Macadam Avenue, Suite 200
Portland, OR 97239
T: 503.244.7005

Water Station 14 PFAS Treatment System Design Project

City of Vancouver

Phase 1 Scope of Work

August 14, 2023

Project Overview

The City of Vancouver (City) has tasked Brown and Caldwell to provide professional engineering services for a PFAS water treatment system design at Water Station 14 (WS-14) located at 6803 NE 78th St, in Vancouver, Washington. This scope of work describes BC ("Consultant") and the City activities that will occur during the WS-14 PFAS Treatment System Design Project ("Project") for treatment of PFAS in groundwater produced from the City's Wells at WS-14. Brown and Caldwell (BC) will subcontract with Shannon & Wilson, Greenworks, MWA Architects, and ESA to provide project support.

Background

The City owns and operates the 3rd largest state-regulated municipal water system in the State of Washington. Vancouver's source of drinking water is 100% groundwater. There are nine well fields with a total of 40 wells in the City's system. These wells produce an average daily demand of 27 million gallons (MG) serving approximately 280,000 people. The City's service area covers approximately 72 square miles incorporating areas within the City limits and extending into unincorporated Clark County.

WS-14 is on a 3.35 acre parcel and has been a municipal water facility serving Vancouver since 1980. The site contains three groundwater wells with a combined capacity of 3,200 gpm.

Water Station 14 consists of the following major components:

- 3 groundwater wells
- Booster pump station with 2 pumps
- On-site sodium hypochlorite generation (OSHG) system for disinfection
- Fluoride dosing equipment
- Single-tower aeration system for pH control
- Emergency generator

Water from the station's wells flows through the single-tower aeration system for pH adjustment, receives disinfection treatment provided via an on-site sodium hypochlorite generation system, and is fluoridated with sodium fluoride. Water pumped from the wells at WS-14 flows through a common flow meter prior to distribution in the Heights High Pressure Zone. The disinfection and fluoride injection points are located within the flow meter vault.



The booster pump station at WS-14 consists of two variable-speed pumps that draw water from a clearwell beneath the current treatment building. The total booster pump capacity is 3,200 gpm (1,600 gpm per pump).

Per- and polyfluoroalkyl substances (PFAS) were first detected in the groundwater at WS-14 in late 2020. Additional testing was completed of all water system wells in 2021. In 2022, the City completed a high-level treatment system conceptual layout and cost estimate to understand the feasibility and cost of adding PFAS treatment at WS-14. The City also completed RSSCT testing and is currently conducting a pilot test with four different filter media. The pilot testing began in early January 2023 and final results are not expected until early 2024, which means design will commence prior to pilot study completion.

The City has received \$12.7 million in State Revolving Fund (SRF) loan funding for this project. This project will need to meet the federally funded project requirements through the SRF program including Build America, Buy America (BABA) requirements, cultural and environmental reviews/SEPA, and the Davis-Bacon Act. The City will sign an SRF contract with the state in mid-2023. The City will have 18 months from signing to have a construction contract awarded.

Approach

BC will complete the project in two phases at the City's direction to incorporate findings from Phase 1 to inform the Phase 2 scope of work. The first phase of the project will include the site evaluation, preliminary design, initial permitting tasks including the cultural review, wetlands delineation, and land use pre-application, and public outreach. Cultural conditions can critically impact schedule, so BC and subconsultant, ESA, will kick off the cultural review immediately following notice-to-proceed. Following an in-person kick-off meeting, our key discipline leads and team will visit the WS-14 site. The site assessment and alternative analysis phases will advance while waiting for the pilot study data.

One objective for Phase 1 is to make important decisions that will lay the basis for a repeatable design for the City for future PFAS treatment systems. The first key task will be to review the piloting data and tour sites to familiarize staff with the available options. This effort will provide the basis for selecting the treatment technology. The effort will also solidify needs around pre-purchasing to inform Phase 2.

Some of the additional key decisions include the location of the treatment system in the process, location of the treatment process on the site, and method for discharge of washwater. These decisions will be made in alternative assessment meetings and pilot findings meeting. As a part of the meetings, BC will conduct an alternatives analysis that looks at trade-offs and impacts of the design decisions. Once these decisions are made, sizing criteria will be established and the rationale for the decisions will be documented in a Project Engineering Report (PER), including expectations for code requirements. BC will then advance the preliminary design deliverables including the Preliminary drawings under Phase 1.

Phase 2 of the project will include the detailed design and final design efforts to develop construction documents, estimated to take approximately 8 months following Phase 1 based on the design elements listed in this scope of work. Additional design elements could be realized through the preliminary design that may change that assumption and the project schedule. This phase will involve development of the 60 percent and 90 percent design submittals, followed by preparation of the 100% and final bid documents. BC will also provide bid support. Phase 2 will also include construction and commissioning services including services during construction (SDC) support and services following construction (SFC) for on-site construction management and commissioning and start-up.

Scope of Work Summary and Work Breakdown Structure

The BC Team's scope of services for the WS-14 PFAS Treatment System Design Project is divided into the following phases and tasks:

WS-14 PFAS Project Design Tasks		
Contract Phase 1		
Phase 100	Project Management	
	Task 110	Phase 1 Client Meetings
	Task 120	Phase 1 On-going Project Management
Phase 200	Site Assessment	
	Task 210	Survey
	Task 220	Geotechnical Investigation
	Task 230	Review Site Background Information
Phase 300	Alternatives Analysis and Conceptual Design	
	Task 310	Site Tours
	Task 320	Pilot Data Review and Treatment Selection
	Task 330	Alternatives Assessment
	Task 340	Conceptual Layout
	Task 350	Prepurchase Evaluation
Phase 400	Preliminary Design	
	Task 410	Project Engineering Report
	Task 420	Preliminary Design Drawings and Specifications
	Task 430	Preliminary Design Submittal
	Task 440	Cost Estimating
	Task 450	Preliminary Design QA/QC
Phase 500	Permitting & Public Outreach	
	Task 510	SRF Compliance
	Task 520	SEPA
	Task 530	Wetland Delineation
	Task 540	Preapplication Meeting and Support
	Task 550	DOH Engagement and Coordination
	Task 560	Outreach materials development
Phase 800	Unanticipated Services	
	Task 801	Phase 1 Unanticipated Services

WS-14 PFAS Project Design Tasks		
Contract Phase 2		
Phase 100	Project Management	
	Task 120	Phase 2 Project Management
Phase 200	Site Assessment	
	Task 240	Existing Conditions Scan and Modeling
Phase 500	Permitting & Public Outreach ^a	
	Task 510	SRF Compliance
	Task 520	Wetlands Delineation
	Task 550	DOH Engagement and Coordination
	Task 560	Outreach materials development
	Task 570	Land use approval support
	Task 580	Building permitting support
	Task 590	Discharge compliance permitting support
Phase 600	Final Design	
	Task 610	Intermediate (60%) Design
	Task 620	Draft Construction Cost Estimate
	Task 630	Final Design (90%) Design
	Task 640	Final Construction Cost Estimate
	Task 650	Bid Documents (100%)
	Task 660	On-call Bid Support
	Task 670	Final Design QA/QC
Phase 710	Services During Construction	
	Task 711	Submittals
	Task 712	RFIs
	Task 713	Change Orders
	Task 714	Record Drawings
Phase 720	SDC: On-site Construction Management and Observation	
Phase 730	SDC: Commissioning and Start-up (to include testing and optimization)	

a. New subtasks will be created for tasks listed in Phase 500.

This scope of services and level of effort includes the Contract Phase 1 tasks only. Phase 2 will be scoped during Phase 1. This scope, schedule, and budget are expressly developed for the completion of the deliverables summarized herein for Phase 1. We have assumed input and support from City staff and that relevant information and data will be provided by the City. Professional services that may be required beyond this scope may require an amendment.

Contract Phase 1

Phase 1 of the project includes the site assessment, alternatives analysis, preliminary design, initial permitting tasks including the cultural review, wetlands delineation and land use pre-application, and public outreach as detailed in the following phases and tasks:

Phase 100: Project Management

Tasks 110: Phase 1 Client Meetings

Activities: project kick-off and external PM meetings

Assumptions:

- Kick-off meeting will be a 1-hour in-person meeting.
- Key staff from the site assessment team will visit the site for the project kick-off.
- External PM meetings will be virtual and will occur weekly with a duration of 60 minutes, attended by 3 consultant staff. Additional time for meeting prep and circulation of post-meeting materials is included in this task budget.

Meetings:

- External project kick-off meeting and site visit
- Weekly virtual PM calls for duration of this phase (not to exceed 7 months). Preliminary design is anticipated to be delivered in 6 months. Permitting and outreach will be occurring during that last month.

City Responsibilities:

- Participate in project kick-off meeting and site visit
- Communicate issues that impact project at weekly PM meetings
- City Responsibilities:

Deliverables:

- Brief meeting agendas and notes for weekly calls

Tasks 120: Phase 1 Project Management

Activities/Approach: Provide management, direction, coordination, and control of all work associated with the project schedule, budget, technical quality, and monthly invoices for the project, along with project meetings under this phase. This task includes the following activities:

- Task-level project and staff management
- Project file management
- Creation and maintenance of the project schedule
- Tracking project expenditures versus percent complete
- Communication and coordination with City staff
- Monthly invoices and progress reports via cover letters
- Development of a project management plan (PMP)
- Development and maintenance of the change management log

City Responsibilities:

- Review monthly status reports and supporting project documentation for invoice and payment approval

Deliverables:

- Submittal of updated project logs as needed to support key activities and decisions (action/issue/decision logs)
- Monthly progress reports and invoices
- Project schedule

Phase 200: Site Assessment**Task 210: Survey and Basemap Preparation****Activities:**

- City to complete survey to prepare a basemap for the treatment improvements with horizontal and vertical datum
- BC to provide prioritized needs for survey effort.
- Survey to include:
 - Existing buildings exterior and roof overhangs
 - Property boundaries
 - Location of existing site underground utilities
 - Location of existing utilities in the right-of-way
 - NE 78th St. and existing stormwater manhole in right-of-way
 - DTM/TIN surface with elevations
 - Existing trees 6" diameter breast height (DBH) and greater on City property and trees on adjacent properties where canopy overhangs City property and root zone could be impacted by improvements, per assumptions under Subtask 423
 - Sewer manhole on NE 76th Circle, owned by Clark Regional Wastewater District (CRWWD), and properties between City site and manhole
- City to survey location and elevation of geotechnical borings, cultural exploration locations, and wetland delineation in a separate trip

Assumptions:

- City will use city-hired staff to conduct the site survey
- City will locate and mark water utilities on the site City will locate all utilities onsite and coordinate with other utilities for locates if there are other non-City owned utilities in an easement through the site.
- City will pothole critical water utilities on the site if required

Deliverables:

- City to provide site survey basemap in Civil 3D format

Task 220: Geotechnical Investigation**Activities:**

- Review existing soils data and develop an exploration layout for up to two borings, two test pits for infiltration testing, and two shallow Dynamic Cone Penetrometers for pavement design.
- Develop a laboratory testing program based on the results of the geotechnical borings and test pits. For planning purposes we assume up to 8 grain size analyses, 4 Atterberg limits tests, and corrosion testing on two samples (DIPRA plus chlorides).

- Install a vibrating wire piezometer and one data logger to monitor groundwater levels for up to 6 months.
- Perform geotechnical analysis and provide recommendations to support:
 - Building foundations including both shallow and deep foundations (if required)
 - GAC Backwash/IX Flush Tank foundation
 - Meter vault subgrade/backfill/shoring/lateral earth pressures (including traffic surcharge pressures)/conceptual dewatering alternatives
 - Pipe bedding/backfill/conceptual shoring and dewatering alternatives
 - Pavement
 - Unfactored infiltration rates of soil
- Prepare a geotechnical data report (GDR) containing the boring logs and results of the laboratory testing.
- Evaluate the seismic hazards including the seismic site class, liquefaction potential to the depth explored, and lateral spread, and potential for surface fault rupture.
- Prepare a geotechnical engineering report (GER) containing the results of our geotechnical analyses to support design development and the City's permitting process.
- Review of geotechnical related plans and specs.

Assumptions:

- No contamination will be encountered, and soils can be disposed of at site that accepts clean fill.
- Test pits will be backfilled with soils from the excavation using minimal compactive effort.
- Two borings will be advanced to maximum depths of 45 to 75 below ground surface or practical refusal using mud-rotary drilling techniques.
- Traffic loads will be provided by others for pavement design.
- Structures will have a period of less than 0.5 seconds, and Shannon & Wilson will provide a code-based design spectrum. No site-specific design spectrum will be required.
- If liquefaction is identified as a potential hazard we will provide conceptual mitigation strategies and recommendations and recommendations for shallow and deep foundations (if required). A discussion of conceptual ground improvement options can be provided, but our scope does not include final design of ground improvement systems.
- Dewatering and shoring evaluations will be conceptual in nature and the final design will be performed by the construction contractor and design professionals retained by the contractor.
- City will locate all utilities onsite within a 25-ft radius of the staked boring location. We request any utility plan drawings be provided to us by the City prior to commencement of our exploration program.
- The City of Vancouver will provide access to the site and any permit fees required by drilling will be paid by others.
- New structures will not be buried greater than 10 feet in depth.

Deliverables:

- GDR, Draft and Final
- GER, Draft and Final

Task 230: Review Site Background Information

Activities:

- Collect and review background information:
 - City will provide best available existing site plans which include the electrical service location and other utilities; and data communication.
 - Record drawings for existing WS-14 facilities for all design disciplines
 - Buried utility maps
 - Existing supervisory control and data acquisition (SCADA) communication infrastructure
 - Pump curves for installed pumps
 - Water quality data for WS-14
 - Existing Geotechnical Report(s)

Assumptions:

The City will provide the requested information that is available within 10 days of request in electronic format.

Phase 300: Alternatives Analysis

Task 310: Site Tours

Activities: This task will involve visiting other PFAS installations with City and BC staff. This task will provide the opportunity for City staff to see installed and operating PFAS treatment systems and discuss lessons learned from engineering and operations staff. The following sites are proposed for tours:

- Ponders and Scott Wells sites, Lakewood Water District, Lakewood, WA
- PFAS Treatment System, City of Issaquah, Issaquah, WA
- Virtual tour with South Adams County GAC system and IX Design (currently in 60% Design)

Following the tours, BC will conduct an Operations Workshop to debrief with engineering and operations staff on lessons learned from the site tours.

Assumptions:

- Two tours will be in person, attended by 4 consultant staff.
- The tours of Lakewood Water District and City of Issaquah will occur on the same day.
- One additional tour will be in person attended by 1 consultant staff that will require travel out of the State of Washington.
- One tour will be virtual, attended by 4 consultant staff
- Operations Workshop will be a virtual meeting, 2-hours, attended by 4 consultant staff.

Deliverables:

- Virtual workshop preparation materials summarizing findings of tours
- Operations Workshop and meeting minutes

Task 320: Pilot Data Review and Treatment Selection

Activities: This task will involve helping the City decide on what the BC team should design for PFAS treatment at WS-14 through the following activities:

- Review pilot data and any summaries provided by HDR.
- Review historical water quality data beyond PFAS concentrations
- Based on estimated breakthrough, prepare planning level capital and O&M costs for GAC and IX systems to compare options.
- This assessment of other sites beyond WS-14. This assessment will investigate the desire for flexibility. The BC team will investigate potential for switching media (GAC vs. IX) in the future. It will also look at flexibility for demonstrating different density medias at the same time.
- Treatment Selection Workshop – meet with the City to discuss treatment technology trade-offs and ability to implement alternative technologies later.

Assumptions:

- Pilot breakthrough data from multiple sample events will be available by mid-August.
- Pilot data will only be reviewed once. If additional data is made available after the cut-off time for the assessment, a scope amendment will be prepared to review additional data at the City's request.
- Only IX and GAC treatment will be compared as part of the assessment.
- Treatment Selection Workshop will be a hybrid meeting at City facilities, 2-hour meeting, attended by 4 consultant staff.
- City will confirm approach around treatment design.

Deliverables:

- Coordination meeting with HDR and City to review pilot data
- Treatment Selection TM to summarize of pilot data results for treatment comparison with planning level capital and O&M costs.
- Treatment Selection Workshop preparatory materials and meeting minutes

Task 330: Alternatives Assessment

Activities: BC will conduct an alternatives analysis that provides a summary of the alternatives and rationale for selection. The intended outcome of this assessment will be for the City to make key design decisions ahead of the Preliminary Design. The assessment will look at three primary aspects of the design including treatment location, design features, and washwater discharge as follows:

- **Treatment Location**
 - Treatment location within existing process (i.e., between raw water well pumps and air stripper or after the booster pumps)
 - Treatment location on the site
 - Hydraulic Assessment: Both GAC and IX technologies will remove PFAS, but the hydraulics are an important consideration for energy usage and performance optimization. This task will involve the following activities:
 - Update BC Fathom hydraulic modeling completed as a part of the PFAS Treatment Feasibility Study to determine if the current well pumps or booster pumps are sufficient, if the pumps need to be upgraded, and/or larger impellers or motors need to be installed.

- **Design Features**

- Backwash storage: confirm Treatment Feasibility Study decision to place in an elevated backwash tank versus temporary Baker tank.
- Media Backwash/Flushing Design: Treatment media cleaning is an important consideration for either GAC or IX design. The existing distribution system pressure can be used as the supply to either backwash (GAC) or forward flush (IX). For GAC systems, the backwash design is an important consideration. This task will involve the following:
 - Evaluate system pressure to determine feasibility of backwash supply from system pressure or if additional pumping capacity and storage volumes are needed.
- Level of Automation: determine if vessels will be designed for automated backwash or flushing
- Architectural: whether vessels and/or electrical equipment will be located outside or in a building. There are also decisions around if additional space is provided for storage, lab sink, and/or office space, etc.

- **Washwater Discharge:** In tandem with Phase 500 tasks, BC will explore options and confirm the City's preferred approach for management and discharge of the washwater for GAC or IX as a part of this task. WS-14 has no permitted sewer or stormwater discharge connections, so this task will explore alternative discharge approaches. This task will involve the following activities:

- Explore the option to discharge to stormwater through a State Waste Discharge Permit to discharge to an infiltration basin for surface dispersion
- Confirm infiltration basin feasibility based on site-specific soils evaluation. Task to be completed in tandem with Task 220
- Explore option for a temporary or permanent connection to the nearby stormwater manhole on NE 78th St. near NE Andresen Ave covered under a Water Treatment Plant General Permit.
- The following sewer options will be explored offsite:
 - Pump to CRWWD manhole in adjacent neighborhood
 - Sewer connection to CRWWD sewer either along NE Andresen Rd (~500 feet) or connect to the East at NE 78th St. & NE 72nd Ave (~1,000 feet)

BC will lead two Alternative Assessment meetings to make decisions on the items highlighted in this task.

Assumptions:

- This task will be completed following Tasks 310 and 320.
- Key Decisions that will be made by the City as a part of this task for the basis of design include:
 - Treatment location physically
 - Two options will be presented.
 - Conceptual layouts will be markups of existing site plan in Bluebeam, prepared in PDF format, and presented during the meeting.
 - Treatment location in process
 - Two options will be evaluated.
 - Level of automation
 - Architectural (building or no building, and what is in it)
- Likely priorities for discharge will be selected, but a proposed outcome may not be finalized.
- Alternative assessment meetings will last 2 hours. One of the two meetings will be in person. Both meetings will be attended by 4 consultant staff.

Deliverables:

- Two alternative assessment meetings
- Alternatives Assessment Technical Memorandum to summarize assessment and key decisions (limited to 10 pages or less) as preface to be incorporated into the PER.

Task 340: Conceptual Design Layout

Activities: This task will establish the proposed site layout. This will involve the following activities:

- Confirm sizing of treatment equipment
- Develop conceptual layout and preliminary pipeline routing Include proposed modifications for paved maintenance routes.
- Discuss underdrain selection and other equipment preferences for manufacturer's, such as valves and instruments
- Determine method of equipment access (i.e., elevated catwalk or mobile boom lift)
- Develop approach for construction phasing
- Considerations for expansion
- Design Workshop – meet with the City to discuss general layout, sizing, and site related considerations, and review preliminary layout and confirm basis of sizing.

Assumptions:

- Conceptual layouts will be markups of existing site plan in Bluebeam, prepared in PDF format, and presented during the meeting.
- Design Workshop will be a virtual, 2-hour meeting, attended by 4 consultant staff.

Deliverables:

- Design Workshop
- Conceptual equipment layouts for PFAS Facility
- Preliminary process flow diagram (PFD)

Task 350: Prepurchase Evaluation

This task will focus on supporting the City in evaluating pre-purchasing.

Activities:

- Evaluate pre-purchasing approaches, such as a separate bid package(s) or developing a master services agreement with a vessel manufacturer that complies with the SRF funding
- Coordinate with SRF staff on compliance of pre-purchase options
- Assess benefits and risks of different approaches based on estimated equipment lead times, long-term standardization, and estimated contractor mark-up.
 - Team will assess specifically vessels, media, and electrical equipment.
- Hold pre-purchasing meeting

Assumptions:

- Pre-purchasing meeting will be a virtual, 2-hour meeting, attended by 4 consultant staff.

Deliverables:

- Pre-purchasing meeting, preparatory materials and meeting minutes. Outcomes will be further documented in the PER.

Phase 400: Preliminary Design

During this phase, BC will develop a PER for DOH approval and preliminary design documents. The PER document will serve as a basis of design decisions for this and future PFAS design projects. The preliminary design will be dependent on the treatment selection decision and decision to include a building as outcomes from Phase 300. Discipline leads will complete a site visit.

Task 410: Project Engineering Report

Subtask 411 PER Preparation

Activities: BC will prepare a written draft of the PER that summarizes the basis for the design activities for the DOH PER, which will be submitted by the City. The primary focus of this PER will be design documentation including the rationale for design decisions, including the following:

- An overall conceptual equipment layout on the site
- Preliminary construction sequencing plan for equipment installation
- Mechanical design criteria, including PFAS treatment system, wash water handling, and piping and discussion of pumps and motors, piping and valves;
- Building mechanical design criteria for ventilation, heating and cooling for equipment rooms, and fire suppression system review [assuming building is included in the design]
- Structural design criteria, including codes and standards, design loads, seismic design requirements, safety factors, and materials.
- Electrical design criteria, including power supply, site lighting, equipment, telemetry, and controls.
- Instrumentation and control (I&C) design criteria including level of automation, instruments and hardware, local and remote networking with existing SCADA.

Subtask 412 Standards Document

Activities:

- BC will develop Standards Technical Memorandums that summarize design standards for key disciplines that the City can leverage for future designs.
- BC will present the City with a questionnaire(s).
- BC will develop draft standards for City review.
- BC will meet with the City to discuss the proposed standards.

Assumptions:

- These standards could be incorporated as appendices in the PER.
- Equipment list itemizing the major pieces of equipment and proposed manufacturer's and/or types
 - Long lead items will be identified and included in the pre-purchase evaluation discussed in Task 350.

Deliverables:

- PER, Draft and Final Draft for DOH
- PER discussion meeting, virtual
- Standards Technical Memorandum

Task 420: Preliminary Design Drawings and Specifications

Activities/Approach: Once the conceptual design work and Draft PER are complete, BC will proceed with developing preliminary design documents. The preliminary design submittal will involve the following design activities, based on the listed activities and assumptions:

- Drawings will be prepared using BC CAD standards with the exception of the cover sheet. A combination of Revit and AutoCAD version 2022 will be used.
- Refer to Attachment A for a list of the anticipated Drawings to be provided with the Preliminary Design package.
- The City will provide a list of standard or preferred manufacturers for major equipment identified in Subtask 412.
- Each discipline lead will attend an internal kick-off meeting and select staff will complete a site visit (civil, process-mechanical, I&C/electrical, architectural, and landscape architect) to capture information not previously covered in the pre-scoping site-visit.
- List of anticipated specifications to be developed during Phase 2. Develop draft specifications for pressure vessel and treatment media.

Preliminary Design Assumptions:

- To be conservative, a new building for the PFAS treatment equipment was assumed for this preliminary design phase. The building will have a footprint roughly 114' x 32', and 40' height.

Preliminary Design Deliverables:

- Preliminary design drawings
- Technical specifications table of contents
- Design review workshop

Subtask 421: Internal Team Meetings and Design Management Coordination

Activities:

- Internal Team Meetings
- Design Management and Coordination
- Building Information Modeling (BIM)/CAD Management and Coordination
 - Produce BIM Execution Plan (BxP) describing CAD and modeling goals
 - Set-up of drawing package general sheets, and coordination between designer leads.
 - Bi-weekly designer coordination meetings
 - Modeling for placement of equipment layout for PFAS Facility.
 - 3D model development to facilitate internal design reviews, and presentation to the City.

This subtask assumes the following team meetings are twice per month as follows:

- Internal kick-off meeting: 1 hour
- Eight, 1-hour internal biweekly design team meetings
- One, in-person 2-hour meeting with the City to discuss 30% design review comments with the City for associated discipline leads.

Subtask 422: Civil

Activities:

- Develop the site layout, including conceptual yard piping, site drainage, and slopes, based on the project requirements identified in the PER.
- Prepare preliminary civil design of new access road to the new PFAS treatment system that is capable of handling a media slurry truck
- Prepare preliminary civil drawings for the 30 percent design submittal
- Prepare preliminary drainage plan
- Identify construction constraints, sequencing and lay-down areas.

Assumptions:

- Existing conditions base-mapping will be provided by client and will be provided with identifiable horizontal and vertical controls, as well as parcel boundaries and right-of-way. City will provide updated survey for the site.
- Preparation of technical specifications will not be provided.
- Preliminary plan for site landscaping to be coordinated between civil discipline and landscape architect
- Street improvements in the ROW, curb and gutter, a driveway, or pavement is not required.
- The new pollution generating surface will be under 5,000 square-feet and will therefore not require a SWPPP, a drainage Technical Information Report, and stormwater treatment BMPs for site runoff. Detention, storm drain improvements in the ROW, and extensive stormwater quality treatment is not required.
- No changes to pedestrian and vehicular access to the existing buildings will be provided.

Subtask 423: Landscape

Activities:

- Support pre-application meeting materials.
- Prepare plan for landscape, which is documented in PER.
- Prepare preliminary landscape planting plan for the preliminary design submittal.
- Identify preliminary irrigation point of connection.
- Develop a tree plan to identify species, native, healthy, remove, keep, etc.

Assumptions:

- Existing conditions base-mapping will be provided by client and will be provided with identifiable horizontal and vertical controls, as well as parcel boundaries and right-of-way.
- Tree survey to include location and species of existing trees with 6" diameter breast high (DBH) and greater.
- Preparation of technical specifications will not be provided.
- Preliminary plan for site landscaping to be coordinated between civil discipline and landscape architect.

Subtask 424: Architectural

Activities:

- Assuming a building is selected, work with City and Structural to decide what type of building is most appropriate for the project, balancing construction cost, durability, and constructability.
- Coordinate with process mechanical and building mechanical teams for equipment and systems.
- Coordinate with electrical and lighting teams for systems.
- Provide preliminary building code review and documentation.
- Provide design information for client review (materials, colors, FF&E as needed)
- Provide input on land use pre-app, including descriptions, renderings, etc.
- Provide preliminary design work, including drawings, and draft specifications for the architectural discipline. Assume PER content for code review, basis of design options, and materiality.
- Coordinate work with the work of other disciplines as needed.
- Provide input and participation in land use pre application, including building descriptions and visualizations as needed.
- Provide input and participation in public outreach activities, including architectural overview and visualizations as needed.

Assumptions:

- Include building heating to 50-degrees, and therefore must comply with the Washington State Energy Code for building envelope, air leakage, mechanical systems, ventilation, and lighting.
- Type of building is decided prior to the start of preliminary design
- Building aesthetics will be confirmed after preliminary design
- Provide man doors to meet the exiting requirements for a building.
- Provide an overhead/roll-up door for equipment and material load-in.
- Provide roof hatches over each tank so they can be removed/replaced in the future.
- There will be no interior walls or rooms, except for the electrical room.
- Scope assumes no architectural work for the site or landscaping.

Subtask 425: Structural

Activities:

- Review geotechnical findings under Task 220
- Design new concrete foundation slab for PFAS Facility
- Design new concrete foundation slab for washwater storage tank

Assumptions:

- The building will conform to design criteria per IBC 2018 and ACSE 7-16. Discuss during preliminary design what class of seismic resiliency to design to and what class to submit to the building department.
- Geotechnical findings will not be available during preliminary design.
- The building will be one-story with no mezzanine level.
- The building will not include an equipment platform for the tanks.

Subtask 426: Process/Process-Mechanical

Activities:

- Develop treatment system design concept. The preliminary design drawings will be based on the decisions from Task 330.
- Develop 3D rendering for the GAC or IX treatment system
- Prepare preliminary process/mechanical drawings for the preliminary design submittal
- Prepare draft specifications for primary design elements including GAC or IX contactors and media.

Assumptions:

- Distribution system can provide backwash flow, which will range from 400 to 1,200 gpm, so no backwash pumps are required.
- District has an asset numbering system sufficiently developed for use on this project.

Subtask 427: Building Mechanical and Plumbing

Activities:

- This task will be limited to review of energy and air exchange requirements for the new facility, assuming a building.

Assumptions:

- No building mechanical drawings at Preliminary design.
- Building will need to be heated to 50-degrees and ventilation will be required.
- Alternative analysis for energy code compliance is not required. Building will meet energy code utilizing the Prescriptive Method.
- There is no water heater anticipated for the building. No bathroom or emergency eyewash/shower are anticipated.
- No fire alarm or fire protection systems needed at the unoccupied building.

Subtask 428: Electrical

Activities:

- Review existing facility record drawings and electrical diagrams.
- Conduct site visit to confirm power distribution systems for the existing WTP facilities and loads, and confirm existing one-lines, electrical equipment ratings and capacities, and demolition impacts.
- Provide code review of existing electrical system.
- Determine electrical requirements for PFAS system and new electrical loads/pumps.
- Determine best way to power new PFAS treatment system.
- Determine if existing backup generator is adequate to support the additional loads.
- Develop preliminary design criteria for electrical as part of PER
- Develop preliminary electrical one-line drawing.

Assumptions:

- No electrical power system modelling or coordination/arc flash studies are included as part of this electrical scope.
- Existing utility maximum demand meter readings obtained from the City power utility for the prior 24 months will be provided to the consultant by the City. In addition, 30-day, demand meters may

be requested to be installed on existing electrical distribution equipment, as determined by the consultant during preliminary design, and installed by the City's electrician.

- No yard lighting or lighting modifications will be detailed on the drawings. If included, this will be covered in Phase 2.
- No sound modeling will be performed in Phase 1 of this scope of work. If the generator requires replacement, then sound modeling will be incorporated into Phase 2.

Subtask 429: Instrumentation & Controls

Activities:

- Determine any City preference for instrumentation and controls (I&C).
- Determine communication requirements for PFAS system to interface with City's existing SCADA system.
- Develop preliminary design criteria for I&C and confirm what will be automated versus manual.
- Determine security requirements for new building and remote monitoring by the District.
- Develop:
 - Preliminary communication network drawing
 - Preliminary control descriptions
 - Prepare preliminary P&IDs

Assumptions:

- No SCADA integration programming work is envisioned for this project. The City will leverage their local system integrator for all programming and graphic development.

Task 430 Preliminary Design Submittal

Activities:

- Prepare submittal package for City Review

Assumptions:

- Refer to Attachment A for the Preliminary Design Drawing List and Specifications
- At the conclusion of the Preliminary design review, no changes are expected to the major equipment sizing and locations.
- City comments will be received within 10-working days as one set of comments.
- Comments will be resolved and incorporated into the intermediate design submittal.
- Submittals will be electronically delivered pdf files.

Deliverables:

- Preliminary Design Documents
- Phase 2 scope of work, schedule, and budget

Task 440: Preliminary Cost Estimate

Activities:

- Develop a Class 4 opinion of probable construction cost (OPCC), as defined by the Association for the Advancement of Cost Engineering International (AACEI). The expected accuracy of this Class is from -30 to +50 percent.

Assumptions:

- Will use equipment quotes where available for major equipment.

Deliverables:

- Class 4 Opinion of Probable Construction Cost

Task 450: QA/QC

Develop and implement a quality assurance/quality control (QA/QC) program to review calculations and work products from the project. Based on the Quality Management Plan, provide appropriate calculation and deliverable QA/QC reviews by in-house, senior staff members. Incorporate internal and City review comments to prepare and complete final work products.

Activities:

- Senior review of PER
- Senior review of preliminary design package

Phase 500: Permitting and Outreach

This phase will support the cultural review permitting required for the SRF funding and the permitting process for the new discharge location discussed under Task 330. The City will undertake building permitting and land use. BC will support the pre-application in Phase 1. BC will also support DOH approval for the new PFAS treatment system.

Task 510: SRF Compliance

Subtask 511: Phase 1 SRF Compliance Plan

Activities:

- To meet funding requirements, this task will develop a high-level plan for achieving compliance, outlining requirements, deadlines, and responsible parties
- Support consultant leadership team in tracking requirements and deadlines
- If moving forward with pre-purchasing, then confirm documentation requirements, integration of federal requirements into any pre-purchasing approaches and if sole sourced, identify what will be required to keep eligible.

Assumptions:

- Support incorporation of compliance requirements into specifications
- City will complete quarterly reporting

Deliverables:

- SRF Compliance Plan

Task 520: SEPA

Washington's State Environmental Policy Act (SEPA) (RCW 43.21) requires local and state agencies to

consider possible environmental impacts in their decision-making processes. A SEPA determination on whether environmental impacts are significant must be made by the City Community Development Department prior to issuing permits for the project, and that determination is also needed in order for WADOH to complete its environmental review for SRF funding.

Subtask 521: Draft SEPA Checklist

ESA will complete a Draft SEPA Environmental Checklist during Phase 1 of the project, based on the preliminary design. This would help ensure that the required environmental considerations are addressed in the preliminary design phase.

Activities:

- Conduct research and use information from field investigations for other tasks to complete a Draft SEPA Environmental Checklist for the project's preliminary design.
- Prepare the Draft SEPA Environmental Checklist using the City of Vancouver's template, which is formatted to include the required information stated in WAC 197-11-960 and address subject areas including Earth, Air, Water, Plants, Animals, Energy and Natural Resources, Environmental Health, Noise, Land and Shoreline Use, Housing, Aesthetics, Light and Glare, Recreation, Historic and Cultural Preservation, Transportation, Public Services, and Utilities.

Assumptions:

- The SEPA Environmental Checklist will be finalized in Phase 2 of the project, when design is advanced to a level suitable for permit application submittals.
- The City will prepare and publish a Determination of Non-Significance, based on the Final SEPA Checklist (prepared in Phase 2), if warranted
- It is assumed an Environmental Impact Statement will not be required to satisfy SEPA review/documentation requirements for this project, and EIS preparation is not included in this scope.
- Cultural resources investigation and wetland delineation results will be summarized in the Draft SEPA Checklist based on work completed under separate tasks/contracts.
- SEPA review/filing fees will be paid by City of Vancouver in Phase 2.

Deliverables:

- Draft SEPA Checklist

Task 530: Wetland Delineation

Clark County GIS mapping, National Wetland Inventory (NWI) mapping, and previous site plans for the subject property identify wetlands on the site. Construction and development activities in jurisdictional wetlands are regulated by federal and state agencies, and ground disturbance in wetland buffers is regulated by the City under its Critical Areas Ordinance.

Subtask 531: Phase 1 Wetland Delineation

The following describes a scope of work for identifying and documenting the location and nature of wetland area on the site.

Activities:

- Review existing site data and mapping including previously mapped wetland boundaries, soils information, precipitation and climate data, and NWI mapping.
- Field delineate the boundaries of site wetlands using methods consistent with current U.S. Army Corps of Engineers (Corps) and Washington Department of Ecology (Ecology) guidance.
- Record wetland boundary and wetland/upland plot locations in the field with GPS equipment capable of sub-meter accuracy and/or flag wetland boundaries for survey by others.
- Document wetland findings in a Wetland Delineation Report with figures and site photographs.

Assumptions:

- Wetland field work can be completed by two ESA biologists in one day.
- ESA will flag boundaries and ID points needed to be picked up by City survey for critical area mapping.

Deliverables:

- Draft and Final Wetland delineation report by ESA that meets Corps, Ecology, and City of Vancouver code requirements and which could be used to support future phase permitting efforts.
- Site mapping that shows restricted buffer areas.

Task 540: Pre-application Meeting and Support

Subtask 541: Preapplication Materials Support

Activities:

- Develop preliminary site plan for pre-application meeting.
- Develop two-page project narrative.
- Participate in pre-application meeting by 2 consultant staff.

Assumptions:

- The City will submit the documentation to the Land Use Planning Department.

Deliverables:

- Develop preliminary site plan for pre-application meeting.
- Develop two-page project narrative.
- Pre-application meeting minutes

Subtask 542: Architectural Support

Support Preapplication materials.

Task 550: DOH Engagement and Coordination

Subtask 551: Phase 1 DOH Engagement and Coordination

BC's approach is to bring DOH along from the beginning to introduce them to the project, meet with them around submittal of the PER, and again at the construction document submittal.

Activities:

- Meet with DOH to discuss PFAS treatment design approach
- Meet with DOH to present preliminary design criteria in a DOH pre-design meeting

Assumptions:

- Initial meeting to discuss any concerns with GAC vs. IX treatment design and introduce design schedule.
- DOH coordination for the 106 determination is accounted for in Task 512.
- PER to be delivered to DOH during Phase 2 and 60% design.

Deliverables:

- Meeting minutes

Task 560: Outreach Materials Development

Given the public interest in PFAS, there may be significant interest in the WS-14 design. The BC team will use our in-house communications team to support neighborhood meetings or additional outreach to the community.

Subtask 561: Phase 1 City Council Support

Activities:

- Develop materials to communicate proposed design for City Council

Assumptions:

- Support - one City Council engagement
- Graphics and presentations support estimated to be not greater than 46 hours.
- No one from the BC team will attend the City Council meeting.

Deliverables:

- Presentation materials to include at least one existing site graphic and one site visualization graphic.
- One handout-type document

Subtask 562: Architectural Support

Support City Council presentation materials.

Phase 800: Unanticipated Services

Objective: Provide budget allowance for potential additional work requested by the City.

Task 801: Phase 1 Unanticipated Services

Activities/Approach: To be determined, based on City requests. No work will be completed under this task without written direction from the City. The budgeted amount for unanticipated services is as provided in Exhibit B.

Task Assumptions

- Brown and Caldwell will prepare a Project Change Request (PCR) describing each additional and identifiable task under this allowance. The PCR will include a short description of the added scope with budget to be authorized prior to proceeding, unless otherwise directed in writing by the City.

City Responsibilities

- Provide direction and authorization for requested additional work.

Meetings

- To be determined.

Work Products

- To be determined.

Contract Phase 2:

Phase 2 will consist of the final design with preparation of drawings and specifications for construction of the proposed PFAS treatment system and associated work, additional permitting and outreach, and construction and commissioning support. Tasks may be refined from this list based on Phase 1 findings.

Schedule

Phase 1 of the project is estimated at 7 months with the key deliverables and meeting milestones dependent on the notice to proceed (NTP) timing. The predesign effort is anticipated to take 6 months with an additional month for permitting support. Phase 2 (final design) duration is estimated at 7 months following the preliminary design. Note that some of the permitting tasks started under Phase 1 will continue under Phase 2. The cultural conditions encountered and the cultural review could cause schedule delays.

A detailed schedule is provided in Attachment B.

Attachment A

Proposed Preliminary Drawing List

Drawing Number	Drawing Title
G-00-001	COVER SHEET
G-00-002	DRAWING INDEX
G-00-101	GENERAL NOTES AND SYMBOLS
G-00-201	ABBREVIATIONS
G-00-501	PROCESS FLOW DIAGRAM
G-00-601	DESIGN CRITERIA SUMMARY
C-00-001	CIVIL LEGEND AND GENERAL NOTES
C-00-101	EXISTING SITE AND DEMOLITION PLAN
C-00-202	TESC PLAN
L-00-101	LANDSCAPE PLAN
A-00-001	ARCHITECTURAL LEGEND AND GENERAL NOTES
A-20-101	PFAS TREATMENT BUILDING FLOOR PLAN
S-00-001	STRUCTURAL LEGEND
S-00-002	STRUCTURAL GENERAL NOTES 1
S-00-003	STRUCTURAL GENERAL NOTES 2
S-20-101	PFAS TREATMENT BUILDING FOUNDATION PLAN
S-20-103	SPENT BACKWASH TANK FOUNDATION PLAN
D-00-001	PROCESS LEGEND AND SYMBOLS
D-10-101	PUMP IMPROVEMENTS PLAN
D-20-101	PFAS TREATMENT BUILDING OVERALL PLAN
D-20-102	SPENT BACKWASH TANK OVERALL PLAN
D-20-301	PFAS TREATMENT SECTION 1
D-20-302	PFAS TREATMENT SECTION 2
D-20-305	SPENT BACKWASH TANK SECTIONS
D-20-901	PFAS TREATMENT ISOMETRIC VIEW 1
D-20-902	PFAS TREATMENT ISOMETRIC VIEW 2
E-00-001	LEGENDS AND SYMBOLS 1
E-00-002	LEGENDS AND SYMBOLS 2
E-00-003	ABBREVIATIONS AND GENERAL NOTES
E-00-101	SITE PLAN
E-20-501	PFAS TREATMENT BUILDING ONE-LINE DIAGRAM
I-00-001	LEGENDS AND SYMBOLS 1
I-00-002	LEGENDS AND SYMBOLS 2
I-00-003	LEGENDS AND SYMBOLS 3
I-00-004	ABBREVIATIONS AND GENERAL NOTES
I-10-101	P&ID - PUMP IMPROVEMENTS
I-20-101	P&ID - PFAS TREATMENT VESSELS 1 AND 2
I-20-102	P&ID - PFAS TREATMENT VESSELS 3 AND 4
I-20-103	P&ID - PFAS TREATMENT VESSELS 5 AND 6
I-20-104	P&ID - SPENT BACKWASH TANK

Proposed Preliminary Specification List

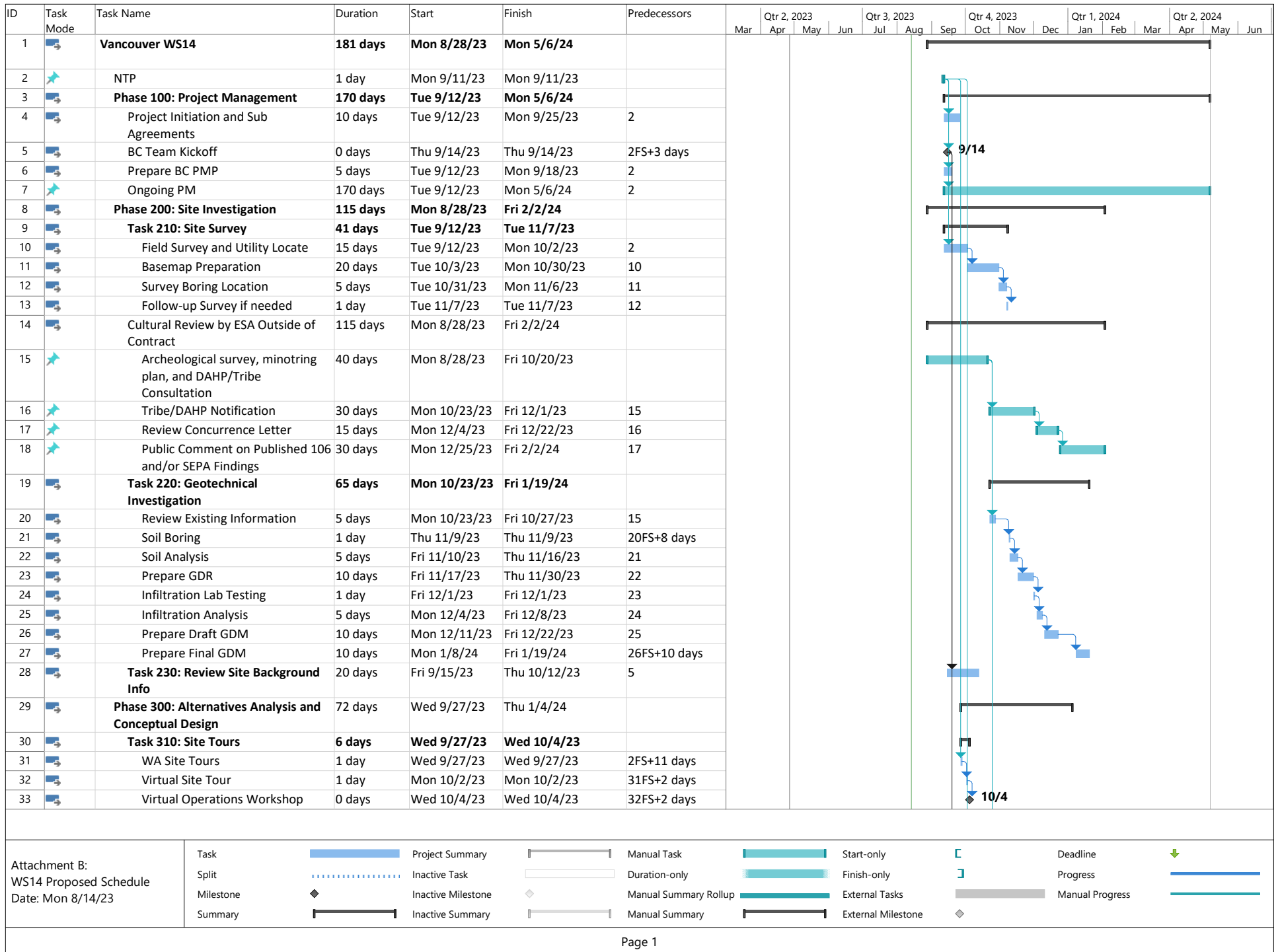
Division 43 – Process Gas and Liquid Equipment

43 23 73 Vertical Turbine Pumps

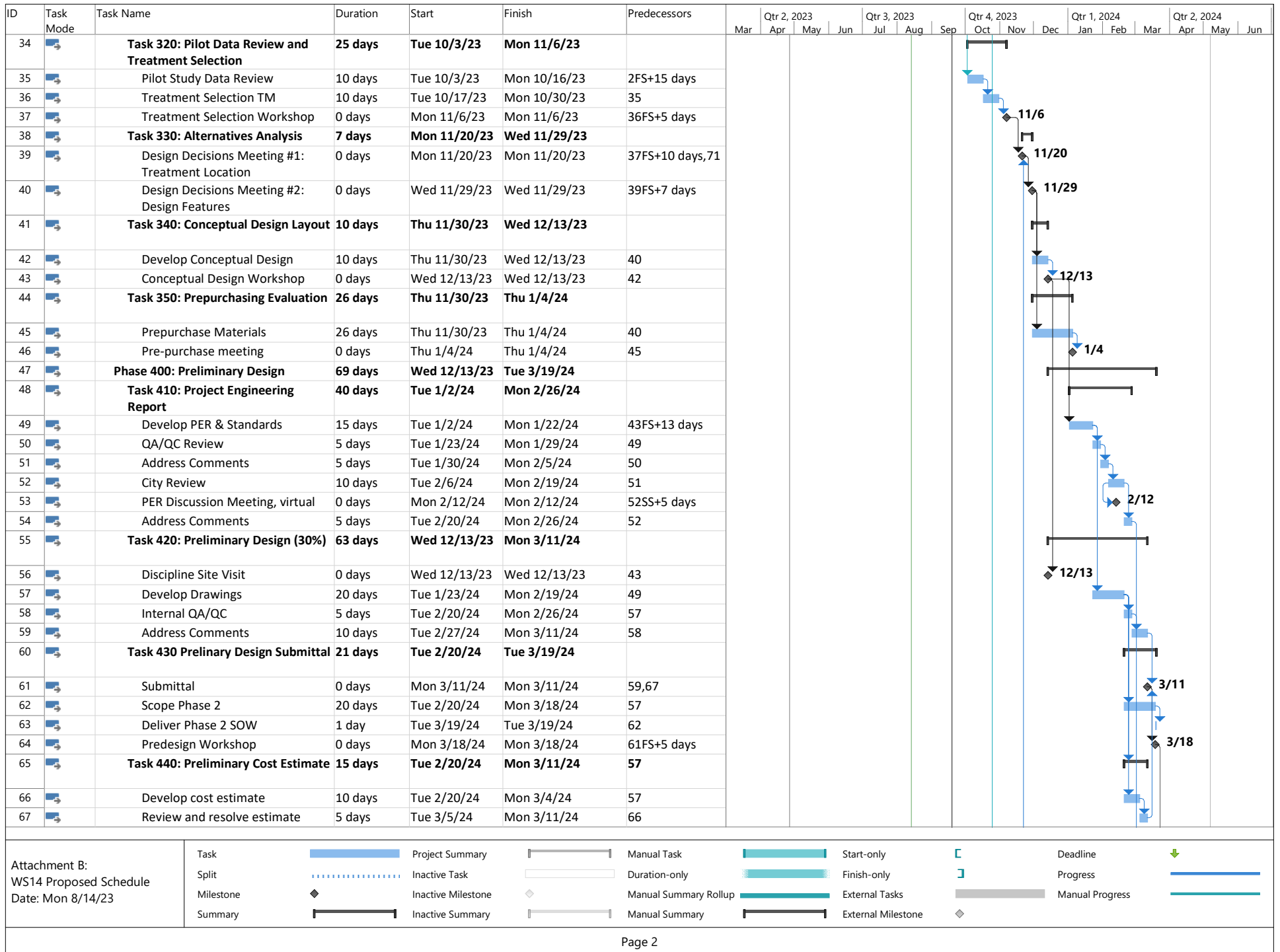
43 31 13 Vertical Contactors

Division 46 – Water and Wastewater Equipment

46 61 15 PFAS Treatment Media



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ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Qtr 2, 2023			Qtr 3, 2023		Qtr 4, 2023				Qtr 1, 2024			Qtr 2, 2024			
							Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
68		Phase 500: Permitting and Outreach	157 days	Fri 9/15/23	Mon 4/22/24																	
69		Task 510: SRF Compliance	30 days	Fri 9/15/23	Thu 10/26/23	5																
70		Task 520: SEPA	120 days	Mon 10/23/23	Fri 4/5/24	15																
71		Task 530: Wetland Delineation	20 days	Mon 10/23/23	Fri 11/17/23	15																
72		Task 540: Preapplication Meeting and Support	15 days	Tue 3/19/24	Mon 4/8/24	64																
73		Task 550: DOH Engagement and Coordination	30 days	Tue 2/27/24	Mon 4/8/24	54																
74		Task 560: Outreach Materials	10 days	Tue 4/9/24	Mon 4/22/24	72																

Attachment B:
 WS14 Proposed Schedule
 Date: Mon 8/14/23

Task		Project Summary		Manual Task		Start-only		Deadline	
Split		Inactive Task		Duration-only		Finish-only		Progress	
Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
Summary		Inactive Summary		Manual Summary		External Milestone			

Page 3

EXHIBIT B: Vancouver WS-14 PFAS Treatment Project

Brown and Caldwell
Budget

			Lynn Stephens	Brittany Bax	Joanie Stultz	Kelly Kimball	Bill Persich	Laurie Sullivan	Rick Long	Tony Actis	Shania Lynch	Kyle Hay	Caylin Cyr	Dylan Witte	Tom Lemon	Marc Maisenville	Jim Cook	Linnea Lubke	Nila Molodih	Bambang Nursuwito	Dan Stewart	Keith Rice	Jack Butler	Jerry Simon	Dana Henshaw	Stevanie Suhori	Evan Schoel	Fiona van Ammers	Tina Rossillon	Amanda Lawler	Keith Tolle
Phase	Task	Phase Description	PM	Project Analyst	Project Engineer	PIC	Senior QA/QC	Operations	Design Manager	Deputy Design Manager	Design Coordinator	Process-Mech / PFAS SME	Process-Mech Engineer	Hydraulics	Proc-Mech Designer	Electrical QA/QC	Electrical Lead	I&C Lead	Electrical and I&C Support	Electrical and I&C CAD	Build Mech QA/QC	Build Mech Lead	Build Mech Support	Struct QC	Struct Lead	Structural Engineer	Struct CAD	Civil QC	Civil Lead	Civil Engineer	Civil CAD
Phase 1			\$300	\$107	\$193	\$327	\$327	\$327	\$300	\$193	\$128	\$193	\$148	\$193	\$193	\$300	\$259	\$300	\$148	\$148	\$300	\$172	\$148	\$327	\$222	\$128	\$193	\$327	\$222	\$148	\$172
100		Project Management	108	50	60	8	0	0	26	4	0	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	110	Client Meetings	40		40	4			16	4		16																			
	120	On-going PM	68	50	20	4			10																						
200		Site Assessment	6	0	6	0	0	0	2	2	0	2	8		0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	12	0
	210	Survey	4						2																			4	12		
	220	Geotechnical Investigation																													
	230	Review Site Background Information	2		6					2		2	8																		
300		Alt Analysis and Conceptual Design	83	0	102	6	9	39	0	0	0	90	104	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0
	310	Site Tours	18		20			25				5	8																		
	320	Pilot Data Review and Treatment Selection	22		24		2	4				21	20	21																	
	330	Alternatives Assessment	28		46		5	8				54	56	6															10		
	340	Conceptual Layout	7		8		2	2				5	16																		
	350	Prepurchase Evaluation	8		4	6						5	4																		
400		Preliminary Design	86	8	142	4	10	0	68	130	70	68	179	16	96	6	28	22	68	52	6	30	8	6	48	62	44	6	44	88	62
	410	Project Engineering Report	10		20				6	4		10	24		10		2	4	12		6	30	8		2	16		4	16		
	420	Preliminary Design Drawings and Specificatic	48		96				36	102	53	52	155	16	86		20	18	56	52					40	46	44		38	72	62
	430	Preliminary Design Submittal	20	8	24	4			20	16	16																				
	440	Cost Estimating	2		2				4	2																			2		
	450	Preliminary Design QA/QC	6				10		2	6	1	6				6	6				6			6	6			6			
500		Permitting & Public Outreach	26	0	18	0	0	0	2	2	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	20	16
	510	SRF Compliance	8		4	0	0	0	0	0	0	0	4																		
	520	SEPA	2			0	0	0	0	0	0	0	4																		
	530	Wetland Delineation	2																											4	
	540	Preapplication Meeting and Support	8		2				2	2																		4	16	16	
	550	DOH Engagement and Coordination	2		4																										
	560	Outreach Materials Development	4		8																										
800		Unanticipated Services																													
	801	Phase 1 Unanticipated Services																													
PHASE 1 TOTAL			309	58	328	18	19	39	98	138	70	176	299	43	96	6	28	22	68	52	6	30	8	6	48	62	44	6	52	130	78

Brown and Caldwell
Budget

			Tracy Eastman	Tyler Pearson	Pepe Viteri	Tim Cain	Seema Chavan	Emily O'Morrow	Bill Agster	Dan Goodburn	David Shroyer	Holly Tichenor	Rachel Garrett	Ellen Milne	Wendy Pare	Steve Vasquez				MWA	Greenworks	S&W	ESA				
Phase	Task	Phase Description	BIM Manager	BIM Lead	BIM IT/DB Support	CAD Visuals	SRF Comp	SRF Support	Senior Cost Est / QA/QC	Cost Estimator	Electrical Cost Estimator	Comms	Comms	Graphic Designer	Word Processing	Biller	Total Labor Hours	Total Labor Effort	Expenses	Architecture	Landscape Architecture	Geotech	SEPA/ Wetlands	Total Sub Cost	Total Expense Cost	Total Effort	
			\$222	\$148	\$172	\$148	\$327	\$193	\$259	\$259	\$222	\$327	\$300	\$172	\$148	\$148											
Phase 1																											
100		Project Management	0	0	0	0	0	0	0	0	0	0	0	0	0	8	280	\$ 64,790	\$ 4,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,671	\$ 69,500	
	110	Client Meetings															120	\$ 29,688	\$ 4,671					\$ -	\$ 4,671		
	120	On-going PM														8	160	\$ 35,102						\$ -	\$ -		
200		Site Assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42	\$ 8,178	\$ -	\$ -	\$ -	\$ 53,400	\$ -	\$ 53,400	\$ -	\$ 61,600	
	210	Survey															22	\$ 4,464						\$ -			
	220	Geotechnical Investigation															0	\$ -				\$ 53,400		\$ 53,400			
	230	Review Site Background Information															20	\$ 3,714						\$ -			
																		\$ -									
300		Alt Analysis and Conceptual Design	0	0	0	0	0	0	0	0	0	0	0	0	3	0	473	\$ 102,141	\$ 8,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,200	\$ 110,300	
	310	Site Tours															76	\$ 19,584	\$ 2,000					\$ -	\$ 2,000		
	320	Pilot Data Review and Treatment Selection													2		116	\$ 24,556	\$ 3,100					\$ -	\$ 3,100		
	330	Alternatives Assessment													1		214	\$ 43,025	\$ 3,100					\$ -	\$ 3,100		
	340	Conceptual Layout															40	\$ 8,285						\$ -	\$ -		
	350	Prepurchase Evaluation															27	\$ 6,691						\$ -	\$ -		
400		Preliminary Design	13	104	24	4	0	0	4	52	13	0	0	4	8	0	1,683	\$ 322,602	\$ 3,200	\$ 26,114	\$ 8,272	\$ -	\$ -	\$ 34,385	\$ 3,200	\$ 360,200	
	410	Project Engineering Report			4									4	8		185	\$ 33,346						\$ -	\$ -		
	420	Preliminary Design Drawings and Specificatic	6	86	24												1,217	\$ 222,176						\$ -	\$ -		
	430	Preliminary Design Submittal	3	16													127	\$ 26,966						\$ -	\$ -		
	440	Cost Estimating							4	52	13						81	\$ 20,406						\$ -	\$ -		
	450	Preliminary Design QA/QC	4	2													73	\$ 19,708						\$ -	\$ -		
500		Permitting & Public Outreach	0	0	0	22	16	24	0	0	0	4	16	8	8	0	194	\$ 41,832	\$ -	\$ 11,456	\$ -	\$ -	\$ 28,817	\$ 40,273	\$ -	\$ 82,100	
	510	SRF Compliance					16	24							8		64	\$ 14,812						\$ -	\$ -		
	520	SEPA															6	\$ 1,192				\$ 12,342	\$ 12,342	\$ -	\$ -		
	530	Wetland Delineation															6	\$ 1,192				\$ 16,476	\$ 16,476	\$ -	\$ -		
	540	Preapplication Meeting and Support				16											66	\$ 12,148					\$ 5,003	\$ -	\$ -		
	550	DOH Engagement and Coordination															6	\$ 1,372					\$ -	\$ -	\$ -		
	560	Outreach Materials Development				6						4	16	8			46	\$ 11,116						\$ 6,452	\$ -		
800		Unanticipated Services																	\$ 35,000					\$ 35,000	\$ 35,000	\$ 35,000	
	801	Phase 1 Unanticipated Services																	\$ 35,000					\$ 35,000			
PHASE 1 TOTAL			13	104	24	26	16	24	4	52	13	4	16	12	19	8	2672	\$ 539,543	\$ 51,072	\$ 37,569	\$ 8,272	\$ 53,400	\$ 28,817	\$ 128,058	\$ 51,072	\$ 718,700	



Staff Report: 177-23

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 9/18/2023

SUBJECT Agreement between the Vancouver Police Department (VPD) and Washington State Criminal Justice Training Commission (CJTC) for VPD member services for Basic Law Enforcement Academy

Key Points

- CJTC Southwest Washington Regional Basic Law Enforcement Academy (BLEA) has its first class scheduled to begin in January 2024.
- As part of Vancouver's support for the regional BLEA, the CJTC solicited interested applicants from SW Washington law enforcement agencies to help run the local academy. The CJTC selected two (2) VPD members - a VPD Lieutenant and Sergeant to assist with the daily operations for the Basic Law Enforcement Training.
- CJTC will reimburse the City for the services of VPD personnel while working at the BLEA.

Strategic Plan Alignment

Safe and Prepared Community – a safe place to live, work, learn, and play.

Present Situation

VPD supports the newly created Southwest Washington Regional Basic Law Enforcement Academy, which will enhance the City's ability to recruit and train future law enforcement officers from Vancouver and nearby communities by removing the barrier for new applicants to travel to Burien, WA to attend the BLEA. The first Southwest Washington Regional BLEA class will begin in early 2024.

VPD has agreed to provide the services of a VPD Lieutenant and Sergeant for the SW Washington Regional BLEA. The VPD Lieutenant will manage and supervise training staff, as well as participate in the implementation, coaching, and evaluation of recruit training. The VPD sergeant will administer and present the Washington State Basic Training Academies held at the Southwest Regional Campus. VPD may also provide to CJTC the part-time services of additional qualified VPD personnel to provide academy instruction and instructional support.

For each of the VPD members assigned to work at the BLEA, CJTC will reimburse the City for the full salary and overtime the VPD member worked in service to the CJTC, including all benefits and all increases to the salary or benefits. The Agreement between VPD and CJTC authorizes such reimbursements.

Advantage(s)

1. Supports the Southwest Washington Regional BLEA by providing the services of experienced VPD personnel.
2. Authorizes reimbursement to the City for the services of VPD members assigned to the BLEA.

Disadvantage(s)

None

Budget Impact

Authorizes payment to the City for VPD staff services.

Prior Council Review

None

Action Requested

Authorize the City Manager or their designee to execute the Agreement with CJTC and take all necessary actions to enforce the Agreement terms.

Jeff Mori, Police Chief, 360-487-7421

ATTACHMENTS:

- ▣ Interagency Agreement



WASHINGTON STATE CRIMINAL JUSTICE TRAINING COMMISSION

Monica A. Alexander, Executive Director

19010 1st Avenue South • Burien, WA 98148 • Phone: 206-835-7300 • www.cjtc.wa.gov

INTERAGENCY AGREEMENT No. IA24-053

This agreement is made and entered into by and between the Washington State Criminal Justice Training Commission, hereinafter referred to as the "WSCJTC", and the City of Vancouver Police Department, hereinafter referred to as the "Agency".

Whereas the WSCJTC, pursuant to Chapter 43.101 RCW, is empowered to provide programs and standards for the training of criminal justice personnel and in conjunction therewith may contract with individuals and agencies for the purpose of training; and

Whereas Jeff Olson is employed by the Agency as an employee, holding the position of Lieutenant therein, and Carole Boswell is employed by the Agency as an employee, holding the position of Sergeant therein; and

Whereas the Agency has the ability to provide the full-time services of Jeff Olson (hereafter referred to as the "Assistant Commander"), the full-time services of Carole Boswell (hereafter referred to as the "TAC Officer", and the part-time services of other Agency personnel (hereafter referred to as "Instructors") for the purposes of administering and conducting Basic Training Academies, including the Basic Law Enforcement Academy (hereafter referred to as "BLEA"); and

Now therefore, for and in consideration of the mutual promises set forth hereafter, the parties hereto mutually agree as follows:

1. Term

This agreement shall commence on the 1st day of August, 2023 and terminate on the 30th day of June, 2025, subject to prior termination as provided herein and unless as extended by written mutual agreement of the City Manager or their designee, on behalf of the Agency, and WSCJTC.

2. Full-Time Assistant Commander

The Agency shall provide the full-time services of the Assistant Commander to the WSCJTC for the purpose of managing, operating, and overseeing the daily operations of the Washington State Basic Training Academies held at the Southwest Regional Campus. If Jeff Olson resigns, retires, or otherwise separates from the Agency before the expiration of this agreement, upon mutual agreement by the parties, another qualified Agency Lieutenant may serve in the role of Assistant Commander until termination of this agreement.

The responsibilities of the Assistant Commander include, but are not limited to:

- Managing and supervising TAC Staff and instructors taking part in the delivery, implementation, coaching, and evaluation of recruit training
- Tracking and confirming all regular and overtime hours accrued by TAC staff and instructors participating in the delivery, implementation, coaching, and evaluation of recruit training
- Managing academy schedules by coordinating the day-to-day academy activities, including making instructor assignments and facility reservations, as required by the academy curriculum

- Acting as a liaison with the Agency's staff and venues
- Supporting the WSCJTC Regional Academies Commander's management of the academy budget
- Managing and overseeing equipment and supply inventory
- Providing instruction and instructional support as found in Section (5)

a. Payment for Assistant Commander

WSCJTC will reimburse to the Agency the full salary, and overtime worked in service to the WSCJTC, of the Assistant Commander, including all benefits and all increases to said salary or benefits, during the period of the Assistant Commander's service to the WSCJTC as Assistant Commander. WSCJTC shall pay said reimbursement amount upon submission by the Agency of an invoice to WSCJTC.

3. Full-Time TAC Officer

The Agency shall provide the full-time services of a TAC Officer to the WSCJTC for the purpose of administering, conducting, and presenting the Washington State Basic Training Academies held at the Southwest Regional Campus. Services provided can be found in Section (5). If Carole Boswell resigns, retires, or otherwise separates from the Agency before the expiration of this agreement, upon mutual agreement by the parties, another qualified Agency Sergeant may serve in the role of TAC Officer until termination of this agreement.

a. Payment for TAC Officer

WSCJTC will reimburse to the Agency the full salary, and overtime worked in service to the WSCJTC, of the TAC Officer, including all benefits and all increases to said salary or benefits, during the period of the TAC Officer's service to the WSCJTC as a TAC Officer. WSCJTC shall pay said reimbursement amount upon submission by the Agency of an invoice to WSCJTC.

4. Part-Time Instructors

The Agency may provide to the WSCJTC the part-time services of on-duty and qualified Agency personnel to provide academy instruction and instructional support. These part-time instructors must be approved by the WSCJTC Regional Academies Commander prior to instructing WSCJTC courses. Assignments will be submitted to the WSCJTC Regional Academies Commander for approval. Services provided can be found in Section (5).

The Agency will send detailed invoices to WSCJTC at the end of each month that include the following:

- Instructor name
- Subject taught
- Dates and hours worked
- Dollar amount based on the applicable hourly rate
- Academy class number

a. Payment for Part-Time Instructors

WSCJTC will reimburse the Agency for the payment of part-time instructors, which are the Agency's employees. The hourly rate assigned to each instructor will be based on the WSCJTC Contractor Pay Scale. WSCJTC will notify the Agency upon the approval of any revision to the pay scale. WSCJTC shall pay said reimbursement amount upon submission by the Agency of an invoice to WSCJTC.

5. Instructional Services Provided

The Assistant Commander, TAC Officer, and Instructors provide academy instruction and instructional support. Such services may include, but not be limited to:

- Being familiar with, and adhering to, the policies and procedures of the Basic Training Division and the WSCJTC
- Coordinating with the Assistant Commander to ensure that all training materials and equipment are available and ready for use and are in good working order
- Being familiar with the course lesson plan prior to instruction
- Participating in course briefing and debriefing
- Providing instruction and delivering written and practical exercises in assigned courses as prescribed in the course lesson plan(s)
- Supporting and assisting with practical training exercises
- Tutoring/counseling academy attendees
- Proctoring recruit testing to ensure compliance with established expectations
- Evaluating recruit performance in accordance with established rubrics
- Maintaining accurate student attendance and performance records as required
- Ensuring that all equipment used in the instruction are properly stored and/or cleaned upon the completion of instruction and any damaged or dysfunctional equipment is reported to the Assistant Commander, or their designee, as soon as possible after the training session
- Suggesting revisions to academy programs and curriculum in accordance with the policies and procedures of the WSCJTC to ensure that all materials are current, relevant, and rigorous

6. First Right of Refusal for the Agency's Recruits

The WSCJTC agrees to grant first right of refusal to the Agency for a maximum of six (6) seats in each BLEA class held at the Southwest Regional Campus for up to six (6) weeks prior to the start date of each class. These seats may only be filled by applicants from the Agency and the Agency may not assign seats to applicants from another organization. Any additional applicants will be processed in accordance with the policies and procedures of the WSCJTC.

7. Payment

Compensation for the work provided in accordance with this agreement has been established under the terms of RCW 39.34.130. All costs shall be reimbursed monthly, when applicable.

8. Billing Procedures

The Agency shall submit an invoice to WSCJTC at the end of each month in which services were provided. WSCJTC shall pay the Agency for all approved and completed work by warrant or account transfer within thirty (30) days of invoicing.

All invoices shall be submitted to:

Registered Mail

WSCJTC

Attn: Brian Elliott, Fiscal Manager

19010 1st Ave S

Burien, WA 98148

Electronic Mail

basictraining@cjtc.wa.gov

9. Agreements Outside of this Agreement

This agreement contains the complete agreement between the parties and shall, as of the effective date hereof, supersede all agreements, either written or oral, between the parties concerning the matters address in this agreement. The parties agree that neither of them has made any representations with respect to the subject matter of this agreement or any representations, including the executing and delivery hereof, except such representations as are specifically set forth herein; and each of the parties hereto acknowledges that it has relied on its own judgment in entering into this agreement.

10. Modification

No waiver or modification of this agreement or any covenants, conditions, or limitations herein contained shall be valid unless in writing and duly executed by the parties to be charged therewith; and no evidence of any waiver or modification shall be offered or received in evidence of any proceeding or litigation between the parties hereto arising out of or affecting this agreement, or the rights or obligations of the parties herein under, unless such waiver or modification is in writing duly executed as aforesaid; and the parties further agree that the provisions of this section may not be waived except as herein set forth.

11. Termination of Agreement

This agreement may be terminated in part or whole without cause at any time by mutual agreement of the parties hereto, or by either party after thirty-days (30) following the other party's receipt of a written intent to terminate.

The parties retain the right to cancel this agreement in part or whole upon ten (10) days written notice to the other party if either party fails to properly keep any of the provisions of this agreement. In the event of termination under this section, the Agency will be entitled to receive, to the date of such termination on a pro rata basis, the compensation as set forth in Section (2a, 3a, and 4a) herein.

12. Health and Safety Operations

To protect the health and safety of the WSCJTC and the students of the WSCJTC, the Agency understands that WSCJTC maintains control over its operations and that the WSCJTC expects the Assistant Commander, TAC Officer, and Instructors to submit to directions and protocols put in place to carry out its mission, including submitting to infectious disease testing when directed to do so by the WSCJTC. The instructors must report the results to WSCJTC's confidential appointee. Failure of the Assistant Commander, TAC Officer, or instructors to abide by these requirements will result in their release from WSCJTC's service. Termination of agreement as set forth in Section (11).

13. Employment Obligations of Parties

The Agency agrees to pay to the Assistant Commander and the TAC Officer (or any replacements mutually agreed to by the parties, as set forth in Sections 2 and 3 above) the full salary and benefits, including all increases to said salary and benefits, accruing to them as employees of the Agency during the period of their services herein under. Additionally, the Agency agrees to extend to the Assistant Commander and TAC Officer all rights, privileges, and benefits attendant to and resulting from their employment by the Agency, including any and all promotional opportunities otherwise available to them. The Agency further agrees that upon completion and conclusion of the Assistant Commander's and TAC Officer's service herein under, and in the absence of any promotion or upgrading in classification which has occurred during the duration of this agreement and in the absence of any

disciplinary action taken during the duration of this agreement, they will be returned and reinstated to the Agency at the same or equal commissioned rank or position which they held on the beginning date of this agreement.

The WSCJTC agrees to complete all necessary evaluation and documentation regarding the Assistant Commander and TAC Officer during the period of their service herein under and as required by the Agency. The Agency reserves the right to discipline the Assistant Commander or TAC Officer for any violation of the Agency's rules in the same manner as other Agency employees. The WSCJTC additionally agrees to provide the Assistant Commander and TAC Officer a work and learning experience and professional opportunities for career development and enrichment at no special cost or direct cost to the Agency.

14. Independent Capacity

The employees or agents of each party who are engaged in the performance of this agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

15. Mutual Indemnification/Hold Harmless

To the extent allowed by law, the Agency shall be responsible for and shall indemnify and hold WSCJTC harmless for all claims resulting from the acts or omissions of the Agency and its officers, officials and employees that arise from or are in connection with this Agreement. To the extent allowed by law, WSCJTC shall be responsible for and shall indemnify and hold the Agency harmless for all claims resulting from the acts or omissions of WSCJTC and its officers, officials and employees that arise from or are in connection with this Agreement.

16. Medical/Health and Workers' Compensation Benefits

In the event of any injury to, or the illness or death of the Assistant Commander or TAC Officer while acting in performance of this agreement, the Agency agrees to extend to the Assistant Commander and TAC Officer medical / health and workers' compensation benefits and other compensation, to the same extent and in the same manner as if such injury, illness, or death had occurred during work assignment in and for the Agency.

17. Venue Stipulation

This agreement is made and delivered within the State of Washington, and the laws of the State of Washington shall be applicable to its construction and enforcement. Any action at law, suit in equity, or judicial proceeding for the enforcement of this agreement or any provision hereto shall be instituted in King County, Seattle, Washington.

18. Assignment

The work to be provided under this Agreement and any claim arising from this Agreement cannot be assigned or delegated in whole or in part by either party, without the express prior written consent of the other party.

19. Rights in Data

Material created from this agreement shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned by the WSCJTC, including but not limited to reports, documents, videos,

curricular material, exams or recordings. Such materials are subject to RCW 42.56, the Public Records Act; The WSCJTC may disclose such documents in accordance with the PRA.

20. Compliance with Laws

The parties hereto agree to comply in carrying out the terms of this agreement with all applicable federal, state, and local laws, ordinances, and regulations, including but not necessarily limited to, the laws pertaining to civil rights and laws pertaining to the WSCJTC and the Agency, including merit system rules.

21. Notices

All notices given herein shall be in writing and shall be sent by registered mail to the parties at their recognized business addresses.

22. Headings

The article headings contained in this agreement are inserted solely as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of the provisions of this agreement.

IN WITNESS WHEREOF, the parties have affixed their signatures on the dates below.

Washington State Criminal Justice Training Commission

Vancouver Police Department, Washington

Monica Alexander,
Executive Director
Criminal Justice Training Commission
19010 1st Avenue South
Burien, Washington 98148

Date

Jeffrey Mori,
Chief
Vancouver Police Department
605 E. Evergreen Blvd.
Vancouver, WA 98668

Date

cc: Carole Boswell, Sergeant, Vancouver PD
Brian Elliott, Fiscal Manager, WSCJTC
Dave Miller, Regional Academies Commander, WSCJTC
Jeff Olson, Lieutenant, Vancouver PD
Jerrell Wills, Deputy Director, WSCJTC



Staff Report: 178-23

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 9/18/2023
10/2/2023

SUBJECT MFTE Code Clean-up

Key Points

- Providing clarification code language for the Multifamily Tax Exemption program policies.
- Correct a residential target area boundary map.

Strategic Plan Alignment

Housing and Human Needs – meeting basic needs and partnering with organizations to support the community.

Present Situation

On July 3, 2023, City Council adopted substantial changes to the MFTE program. Following the adoption of those changes it was determined that additional clarification language was needed in certain areas of the ordinance. Staff added clarifying language as indicated in the attached ordinance document.

Additionally, the ownership option language was added after the initial code change stakeholder meetings were held in March of 2023. Another stakeholder meeting was held on September 29, 2023, to seek additional comment and answer questions specifically related to the homeownership option language.

Advantage(s)

- Provides clarification of Multifamily Tax Exemption policies.
- Corrects a mapping error for the Mill Plain residential target area.

Disadvantage(s)

None.

Budget Impact

None of the proposed amendments will result in changes to the City's adopted budget.

Prior Council Review

- March 28, 2022 ECONorthwest Housing Market Study Workshop
- July 25, 2022 Housing Strategies Workshop
- August 8, 2022, ECONorthwest MFTE Program Evaluation Workshop
- June 5, 2023, Proposed Ordinance Change Workshop
- June 26, 2023, Consent Agenda
- July 3, 2023, Ordinance Adoption

Action Requested

Following the September 18, 2023, introduction first reading of the ordinance amendment, proceed on October 2, 2023, to hold a public hearing, consider testimony, deliberate and vote to adopt the proposed amendments to VMC 3.22.

Bryan Monroe, Associate Housing Project Coordinator, 360-487-7958

ATTACHMENTS:

- ▢ MFTE Ordinance Amendment (VMC 3.22)
- ▢ MFTE Ordinance Amendment Matrix
- ▢ MFTE Mill Plain target area boundary map correction (VMC 3.22)
- ▢ Mill Plain Map Error

09/18/23 (Date of First Reading)

10/02/23 (Date of Public Hearing)

ORDINANCE NO. M- [Ordinance Number]

AN ORDINANCE of the City of Vancouver relating to changes to the City's Multi-Family Housing Tax Exemption Program (MFTE); adopting corrections to recent updates; amending Sections 3.22.020, 3.22.030, and 3.22.040 of the Vancouver Municipal Code (VMC) to clarify code language and maps as well as the ownership tax exemption option and associated requirements; providing for severability; and setting an immediate effective date.

WHEREAS, Washington State law (RCW 84.14) authorizes cities to adopt an MFTE program in certain residential target areas for the purpose of incentivizing the development of multiple-unit housing including creating additional affordable housing, encouraging urban development and density, increasing market rate workforce housing, developing permanently affordable housing opportunities, promoting economic investment and recovery, and creating family-wage jobs, and

WHEREAS, the City of Vancouver adopted a Multi-Family Housing Tax Exemption (MFTE) program in 1997 and updated the program in 2011, 2016, and 2021, and most recently in July 2023, and

WHEREAS, City Council desires to update the MFTE codes to clarify and correct recent code updates for the Multi-Family Tax Exemption, and

WHEREAS, the City performed additional outreach regarding the ownership options, hosting a virtual forum with homeownership, development, finance and real estate stakeholder groups, and

WHEREAS, the City Council desires to amend VMC 3.22 to incorporate updates and corrections to increase the program’s clarity and promote the development of multi-family housing in the City of Vancouver, including the development of affordable housing.

WHEREAS, the City Council adopts and incorporates by reference Staff Report SR [REDACTED] and finds that the adoption of the updates to the MFTE program set forth in this Ordinance will promote the general welfare and convenience of the people of Vancouver, and will encourage the development of affordable multi-family housing in the City; and

WHEREAS, with proper notice to the public, the Vancouver City Council conducted a first reading of the proposed ordinance on September 18, 2023, and a public hearing concerning the ordinance and proposed code changes on October 2, 2023.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. **Recitals Adopted as Findings.** The City Council hereby adopts and incorporates by reference the above recitals as findings in support of this Ordinance.

Section 2. **Amendment.** Vancouver Municipal Code Section 3.22.020 entitled “Definitions” as codified by Ordinance Ord. M-3314 and last amended by Ordinance M-4416 § 4 is hereby amended as follows:

3.22.020 Definitions.

“Annual income” means gross annual income adjusted for household size and calculated based on verifiable income documentation provided by the housing applicant/tenant.

“Area Median family income” means the median income calculated annually by the United States Department of Housing and Urban Development for the Portland-Vancouver-Hillsboro metropolitan statistical area. Area Median family income is adjusted based on household size.

“Director” means the director of the city’s ~~community~~ Economic Prosperity and Housing department or authorized designee.

“Growth Management Act” means Chapter 36.70A RCW.

“Household” means a single person, family or unrelated persons living together.

“Income-based housing” means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone and any mandatory recurring fees required as a condition of tenancy for the unit, do not exceed 30 percent of the household’s monthly income. For the purposes of homeownership, the income limits are listed in VMC 3.22.040(D)(98), Options under the Program.

“Market-rate exemption option” means an eight-year property tax exemption with no income or rent requirements ~~subject to the public benefit requirements as outlined in VMC 3.22.040(D)(98)(a).~~

“Multi-family housing” means building(s) having four or more dwelling units designed for permanent residential occupancy resulting from new construction or rehabilitation or conversion of vacant, underutilized, or substandard buildings.

“Owner” means the property owner of record.

“Permanent residential occupancy” means multi-family housing that provides either rental or owner occupancy for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

“Primary Residence” means a residence occupied for more than six months each calendar year.

“Rehabilitation improvements” means modifications to existing structures that are vacant for 12 months or longer, or modification to existing occupied structures which convert nonresidential space to residential space and/or increase the number of multi-family housing units.

“Residential target area” means an area within an urban center that has been designated by the city council as lacking sufficient, available, desirable, and convenient residential housing to meet the needs of the public.

“Urban center” means a compact identifiable district containing several business establishments, adequate public facilities, and a mixture of uses and activities, where residents may obtain a variety of products and services.

Section 3. **Amendment.** Vancouver Municipal Code Section 3.22.030 entitled “Residential target area designation and standards” as codified by Ordinance Ord. M-3314 and last amended by Ordinance M-4416 § 4 is hereby amended as follows:

3.22.030 Residential target area designation and standards.

A. Criteria. Following a public hearing, the city council may, in its sole discretion, designate one or more residential target areas. Each designated target area must meet the following criteria, as determined by the city council:

1. The target area is located within an urban center;
2. The target area lacks sufficient available, desirable, affordable, and convenient residential housing to meet the needs of the public who would likely live in the urban center if desirable, affordable, attractive, and livable places were available; and
3. The providing of additional housing opportunities in the target area will assist in achieving the following purposes:
 - a. Encourage increased residential opportunities within the target area, including income-based housing opportunities; or
 - b. Stimulate the construction of new multi-family housing and/or the rehabilitation of existing vacant and underutilized buildings for multi-family housing; or
 - c. Where appropriate, stimulate the construction, rehabilitation or conversion of existing vacant and underutilized multi-family rental units to owner-occupied multi-family housing as such property redevelops.
4. In designating a residential target area, the city council may also consider other factors, including, but not limited to: whether additional housing in the target area will attract and maintain an increase in the number of permanent residents; whether an increased residential population will help alleviate detrimental conditions in the target area; and whether an increased

residential population in the target area will help to achieve the planning goals mandated by the Growth Management Act under RCW 36.70A.020. The city council may, by ordinance, amend or rescind the designation of a residential target area at any time pursuant to the same procedure as set forth in this chapter for original designation.

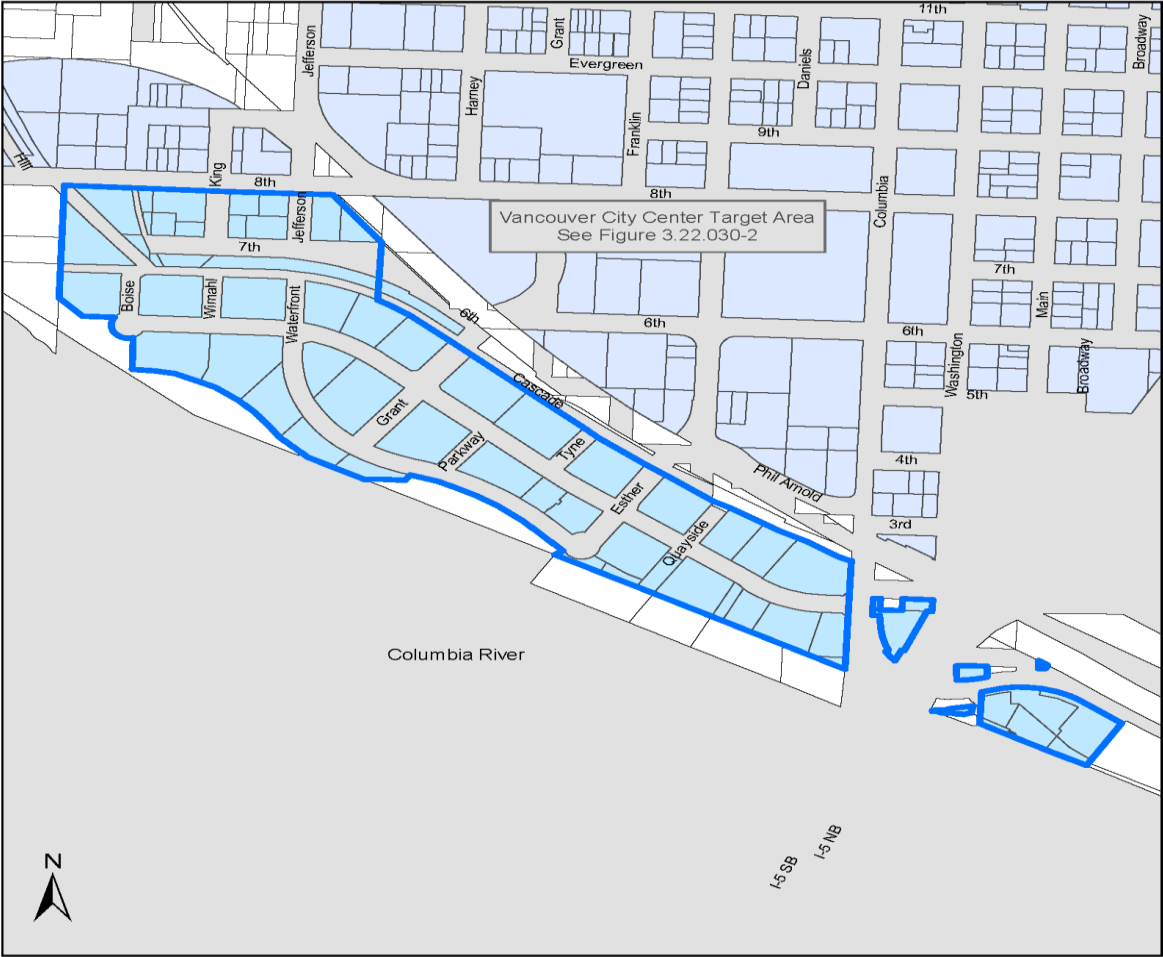
5. When designating a residential target area, the city council shall give notice of a hearing to be held on the matter and that notice shall be published once each week for two consecutive weeks, not less than seven days nor more than 30 days before the date of the hearing. The notice must state the time, date, place, and purpose of the hearing and generally identify the area proposed to be designated.

B. Target Area Standards and Guidelines. For each designated residential target area, the city council shall adopt basic requirements for both new construction and rehabilitation, including the application process and procedures. The city council may also adopt guidelines which include parking, height, density, environmental impact, home ownership, public benefit features, compatibility with the surrounding property and such other amenities as will attract and keep permanent residents and will properly enhance the livability of the residential target area. The required amenities shall be relative to the size of the proposed project and the tax benefit to be obtained.

C. Designated Target Areas. The following “residential target areas” are designated in the City of Vancouver:

1. The Vancouver Waterfront Target Area depicted on Map 1 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as well as the market rate or income-based requirements under VMC 3.22.040(D)(9)(a):

Map 1: Vancouver Waterfront Target Area



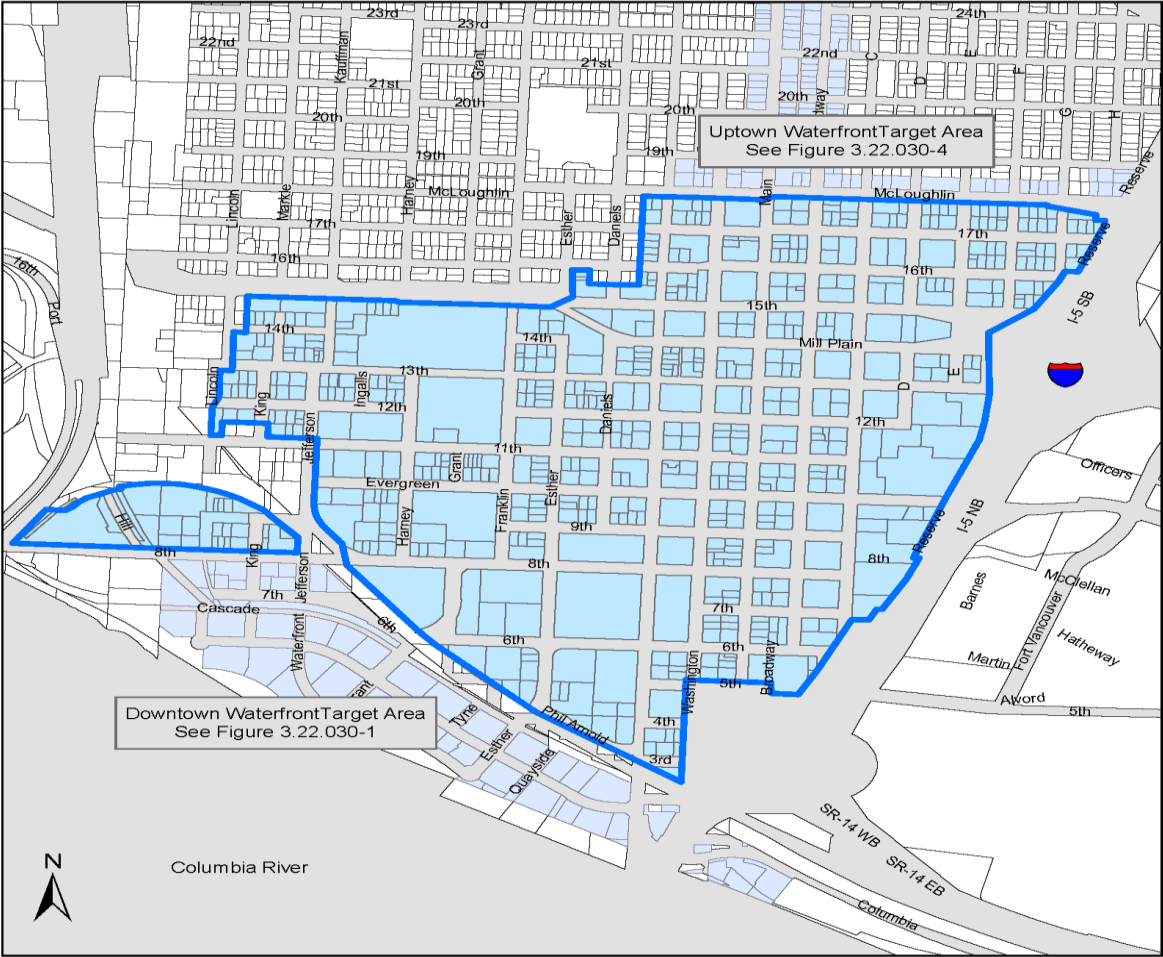
**FIGURE
3.22.030-1**

 Downtown Waterfront MFTE Target Area Boundary

Multifamily Tax Exemption Boundary

2. The Vancouver City Center Target Area depicted on Map 2 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as well as the market rate or income-based requirements under VMC 3.22.040(D)(9)(a):

Map 2: Vancouver City Center Target Area



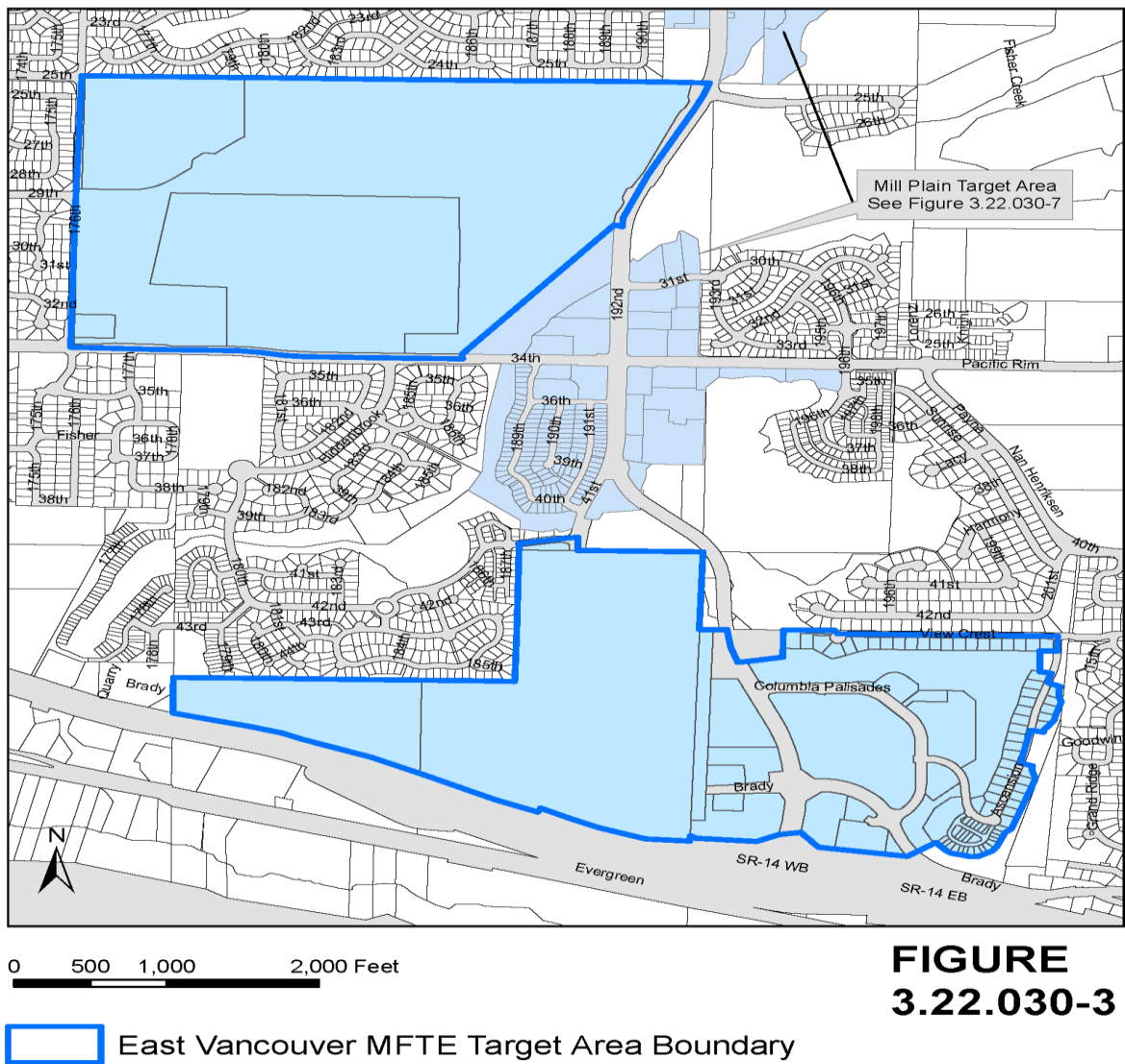
**FIGURE
3.22.030-2**

 Vancouver City Center MFTE Target Area Boundary

Multifamily Tax Exemption Boundary

3. East Vancouver Target Area depicted on Map 3 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as the market rate or income-based requirements under VMC 3.22.040(D)(9)(a):

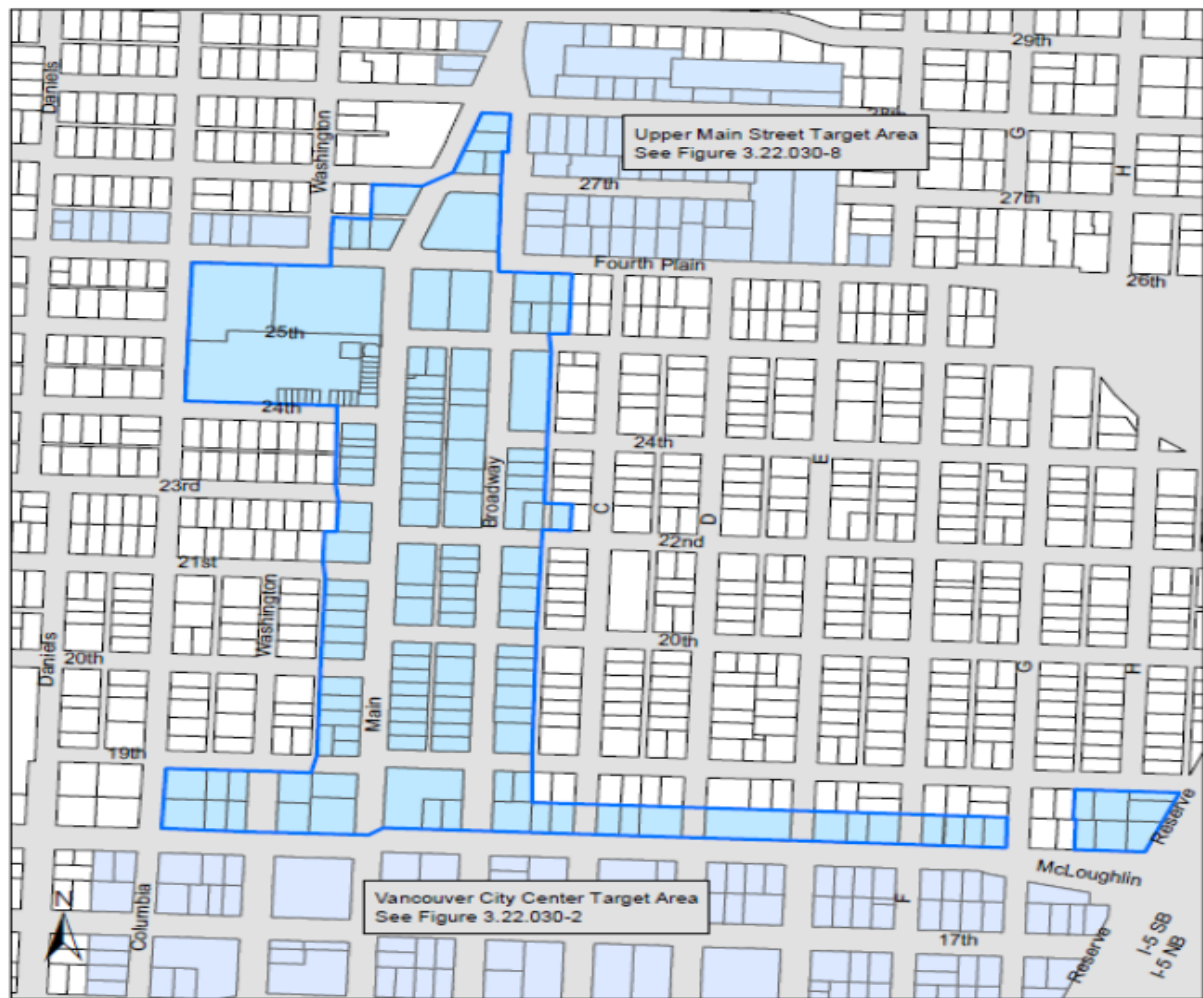
Map 3: East Vancouver Target Area



Multifamily Tax Exemption Boundary

4. The Uptown Target Area depicted on Map 4 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as well as the market rate or income-based requirements under VMC 3.22.040(D)(9)(a):

Map 4: Uptown Target Area



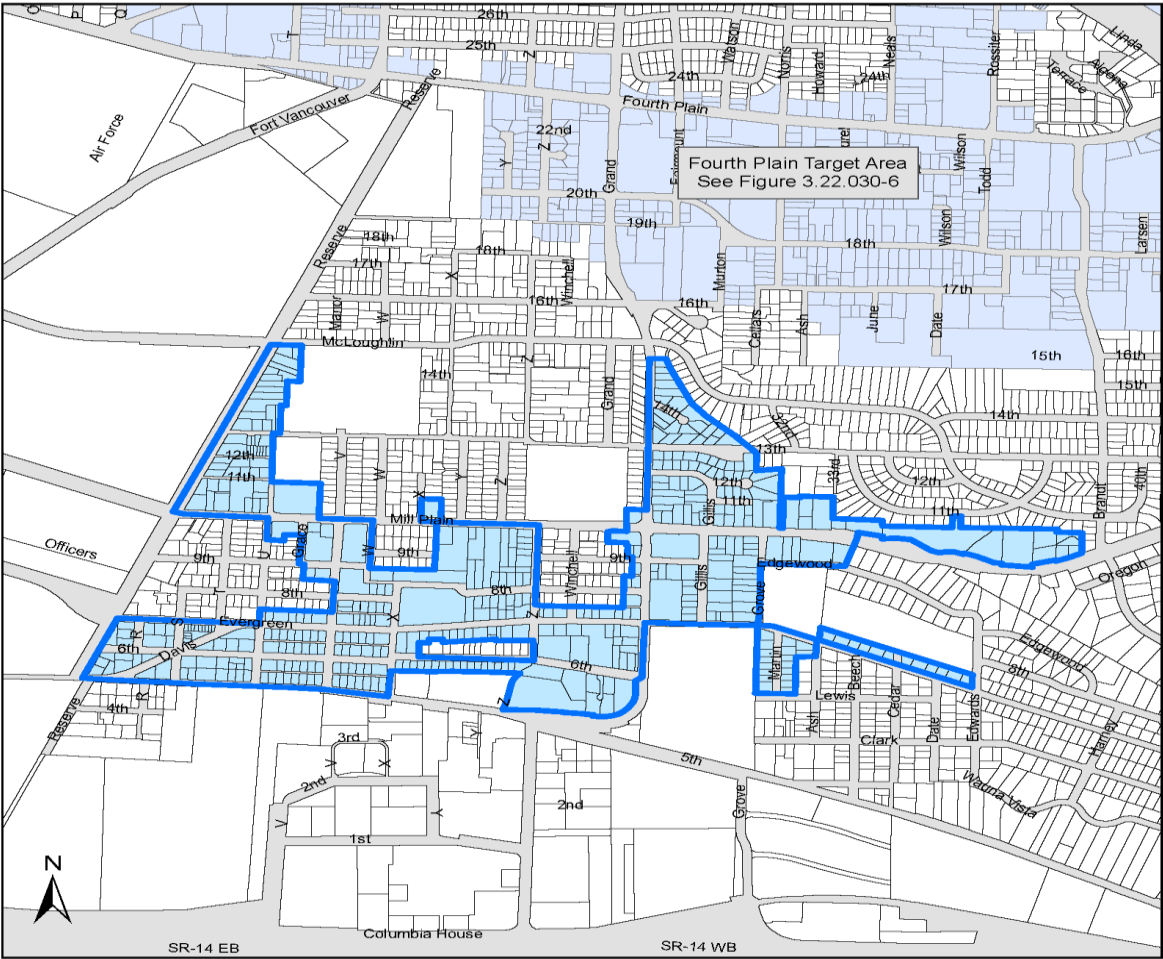
**FIGURE
3.22.030-4**

 Uptown MFTE Target Area Boundary

Multifamily Tax Exemption Boundary

5. The Evergreen/Grand Target Area depicted on Map 5 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as well as the market rate or income-based requirements under VMC 3.22.040(D)(9)(a):

Map 5: Evergreen/Grand Target Area



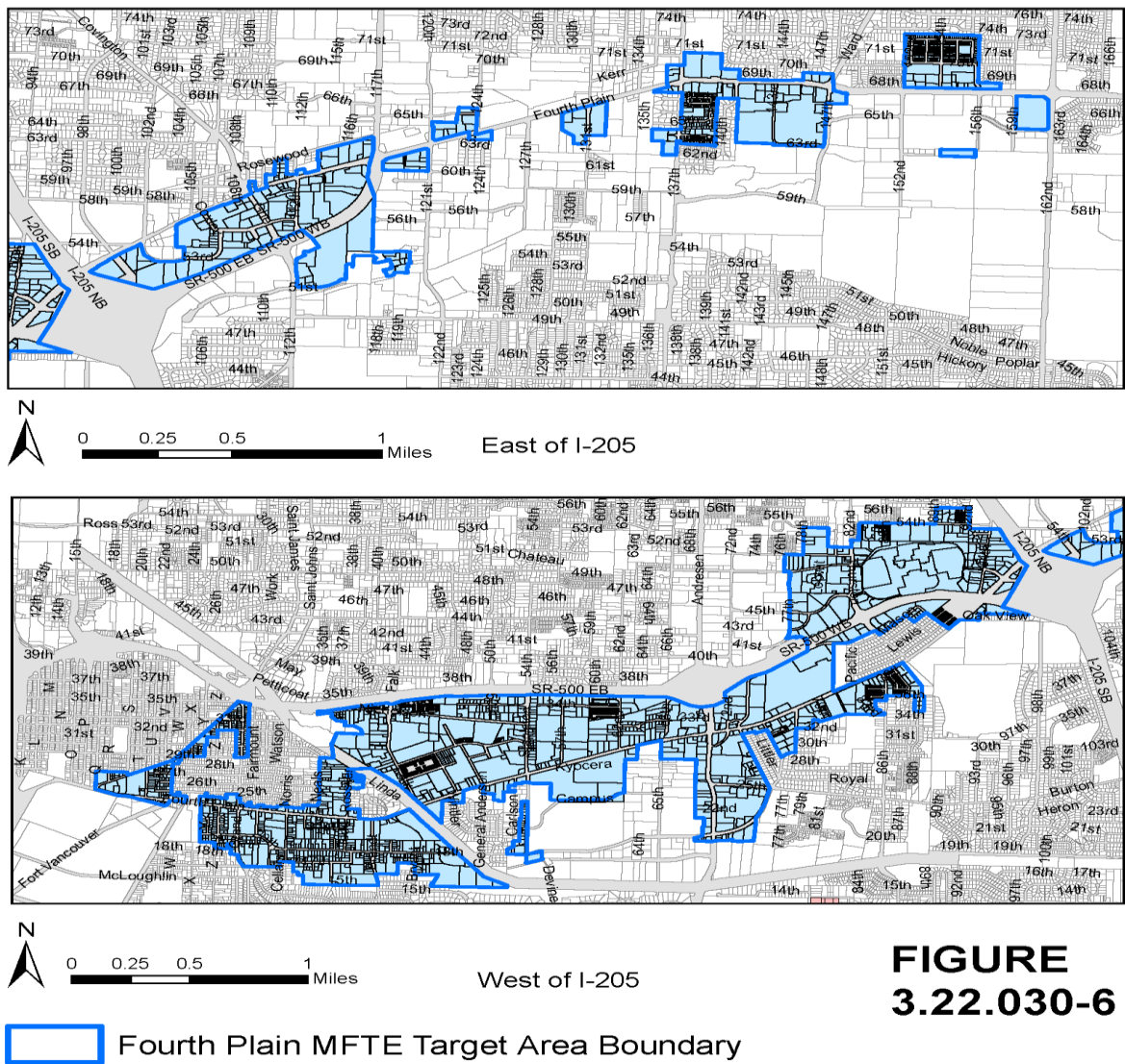
**FIGURE
3.22.030-5**

 Evergreen / Grand MFTE Target Area Boundary

Multifamily Tax Exemption Boundary

6. Fourth Plain Target Area depicted on Map 6 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as the market rate or income-based requirements under VMC 3.22.040(D)(9)(a):

Map 6: Fourth Plain Target Area

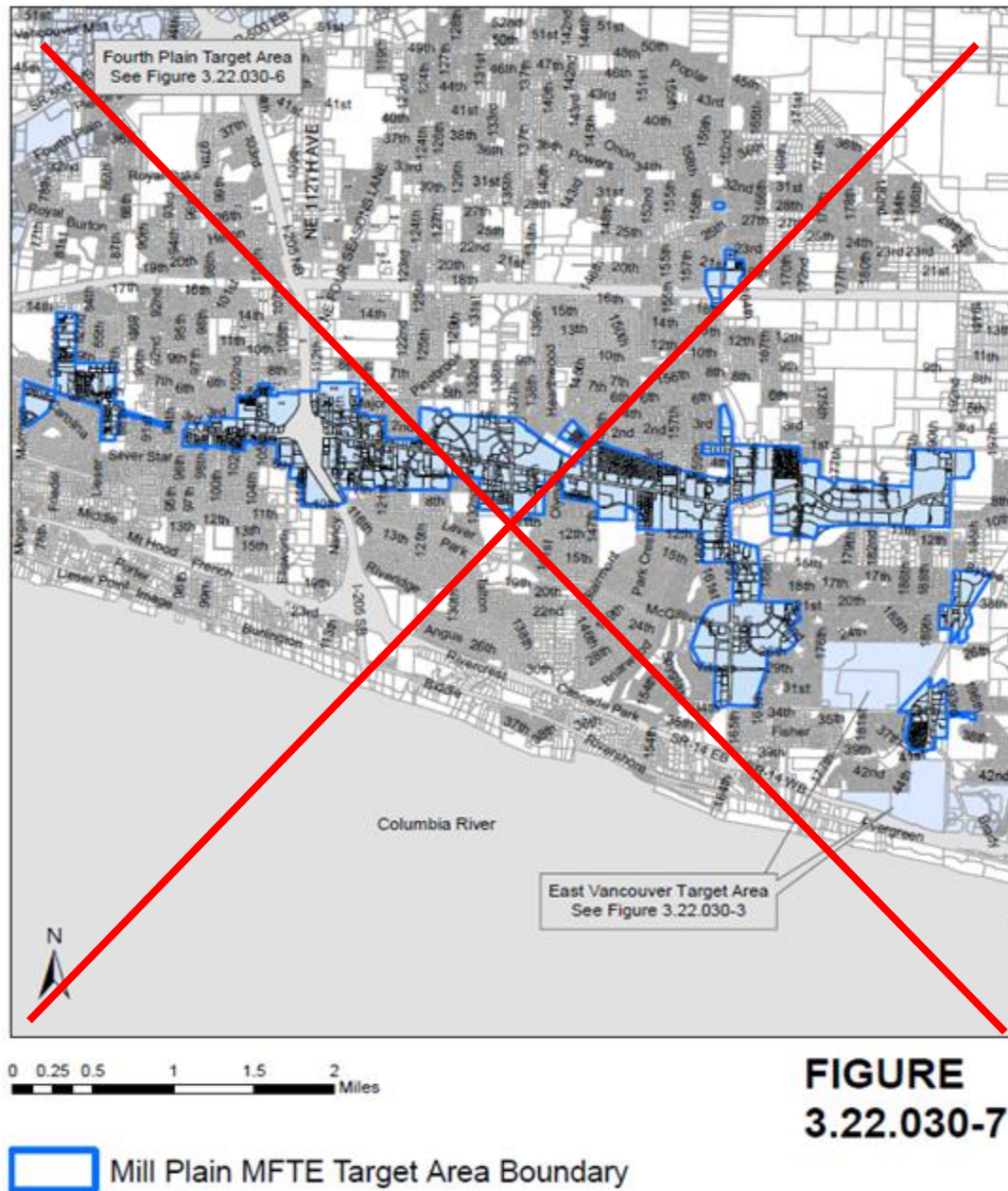


**FIGURE
3.22.030-6**

Multifamily Tax Exemption Boundary

7. Mill Plain Target Area depicted on Map 7 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as the market rate or income-based requirements under VMC 3.22.040(D)(9)(a):

Map 7: Mill Plain Target Area

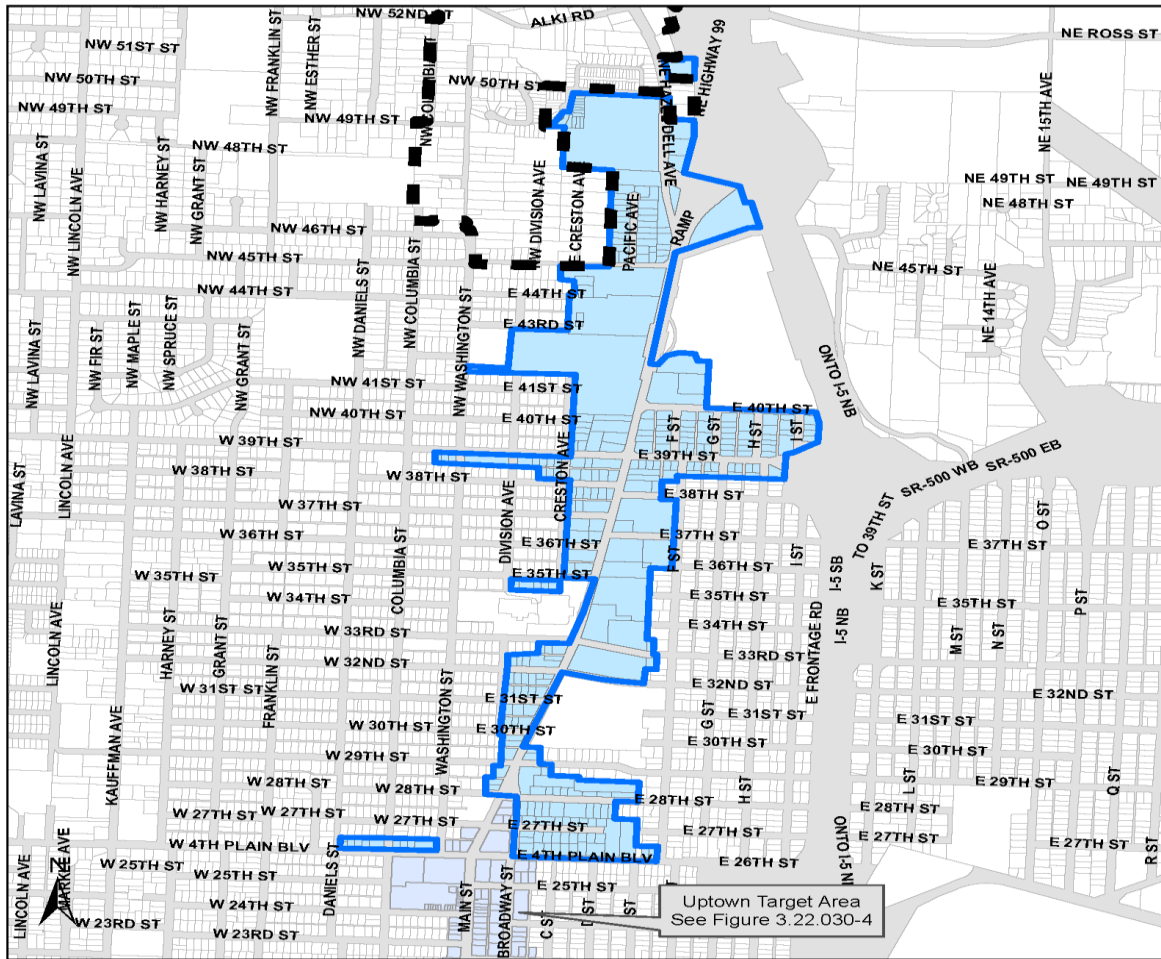


**FIGURE
3.22.030-7**

Multifamily Tax Exemption Boundary

8. The Upper Main Street Target Area depicted on Map 8 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as well as the market rate or income-based requirements under VMC 3.22.040(D)(9)(a):

Map 8: Upper Main Street Target Area



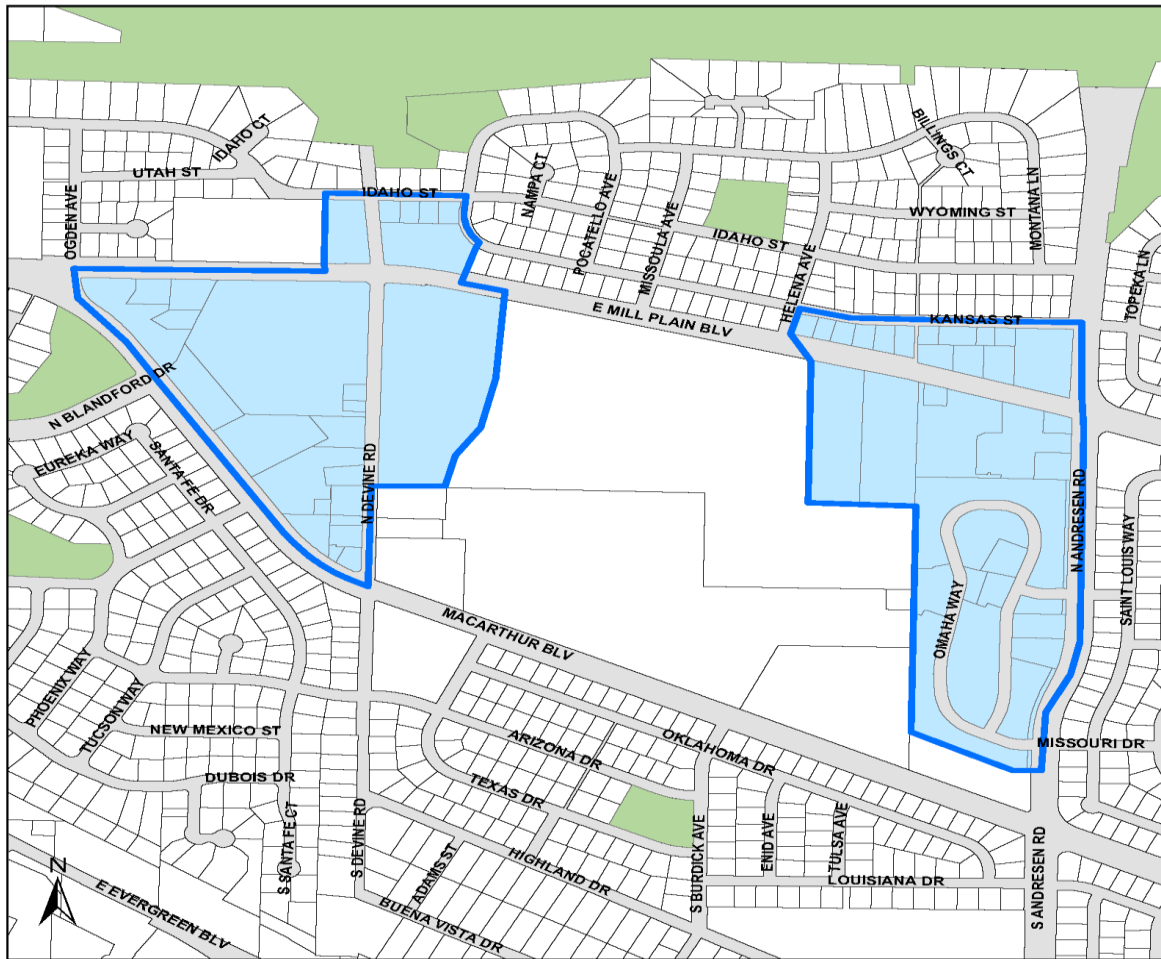
**FIGURE
3.22.030-8**

 Upper Main Street Target Area Boundary

Multifamily Tax Exemption Boundary

9. The Heights Target Area depicted on Map 9 below. Projects in this target area must meet the zoning requirements of the underlying zoning district as well as the income-based requirements under VMC 3.22.040(D)(9)(a):

Map 9: The Heights Target Area



**FIGURE
3.22.030-9**

 The Heights MFTE Target Area Boundary

Multifamily Tax Exemption Boundary

D. *Target Area Map Boundary Interpretation.* Target area boundary lines are intended to follow property lot lines or be parallel or perpendicular thereto, or along the centerline of alleys, streets, rights-of-way or watercourses. Where, due to the scale, lack of detail or illegibility of the target area maps, there is uncertainty, contradiction or conflict as to the intended location of any target area boundary as shown thereon, the director shall provide an interpretation of said map upon request.

Section 4. **Amendment.** Vancouver Municipal Code Section 3.22.040 entitled “Tax exemption for multifamily housing in residential target areas” as codified by Ordinance Ord. M-3314 and last amended by Ordinance M-4416 § 4 is hereby amended as follows:

3.22.040 Tax exemptions for multifamily housing in residential target areas.

A. *Intent.* Limited eight- or 12-year exemptions from ad valorem property taxation for multifamily housing in urban centers are intended to:

1. Encourage increased residential opportunities within urban centers designated by the city council as residential target areas;
2. Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in residential target areas to increase and improve housing opportunities;
3. Assist in directing future population growth to designated urban center target areas and thereby reducing development pressure on single-family residential neighborhoods;

4. Achieve development densities which are more conducive to transit use in designated urban centers;
5. Encourage new construction or rehabilitation of owner-occupied multifamily housing where identified as desirable; and
6. Encourage income-based housing opportunities.

B. *Duration of Exemption.* The value of residential improvements qualifying under this chapter will be exempt from ad valorem property taxation for:

1. Eight successive years where all applicable criteria herein are met under subsection (D)(9)(a) of this section; or
2. Twelve successive years if all applicable criteria herein are met [under subsection \(D\)\(9\)\(b\) of this section](#). In all cases the duration of exemption shall be measured beginning January 1st of the year immediately following the calendar year after issuance of the final certificate of tax exemption.

C. *Limits on Exemption.* The exemption does not apply to the value of land or the value of improvements not qualifying under this chapter, nor does the exemption apply to increases in assessed valuation of land and nonqualifying improvements. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this chapter. The exemption does not apply during [the construction phase](#) of the project [prior to issuance of the final MFTE certificate](#).

D. *Project Eligibility.* A proposed project must meet the following requirements for consideration for a property tax exemption:

1. *Location.* The project must be located within a residential target area, as designated in VMC 3.22.030.
2. *Application Date.* A complete MFTE application must be received prior to receiving a construction occupancy permit.
3. *Tenant Displacement Prohibited.* Property proposed to be rehabilitated must be vacant at least 12 months before submitting an application and fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995.
4. *Size.* The project must include at least four units of multifamily housing within a residential structure or as part of a mixed-use development. A minimum of four new units must be constructed or at least four additional multifamily units must be added to existing occupied multifamily housing. Existing multifamily housing that has been vacant for 12 months or more does not have to provide additional units so long as the project provides at least four units of new, converted, or rehabilitated multifamily housing.
5. *Permanent Residential Housing.* At least 50 percent of the space designated for multifamily housing must be provided for permanent residential occupancy, as defined in VMC 3.22.020.
6. *Proposed Completion Date.* New construction multifamily housing and rehabilitation improvements must be scheduled to be completed within three years from the date of [City Council approval](#) of the conditional certificate.
7. *Compliance with Guidelines and Standards.* The project must be designed to comply with the city's comprehensive plan, building, housing, and zoning codes, and any other

applicable regulations in effect at the time the application is approved. Rehabilitation and conversion improvements must comply with all applicable housing codes. New construction must comply with the International Building Code. The project must also comply with any other standards and guidelines adopted by the city council for the residential target area in which the project will be developed as defined in Table 1 below.

8. *Owner Occupancy.* Projects within a residential target area that are developed for owner occupancy shall include a contract or other guarantee acceptable to the director ensuring that some or all of the units within the project are used for purposes of owner occupancy. [Each MFTE unit shall be occupied by the owner as their primary residence.](#)

9. *Options Under the Program.* To be eligible for the MFTE tax exemption program option under this chapter, the applicant must either commit to providing income-based housing in exchange for a 12-year tax exemption, or, alternatively, must pay an affordable housing fee in lieu of providing income-based housing (“affordable housing fee”) and meet certain density requirements in exchange for an eight-year [market rate](#) tax exemption. The criteria for these options are set forth below:

- a. The market-rate exemption option is an eight-year exemption that is contingent upon payment of an affordable housing fee in lieu of providing income-based housing as a part of the project (“affordable housing fee”). The affordable housing fee is determined by the specific target area and density as set forth in Table 1. Depending upon the target area and the density of the project, the affordable housing fee shall be either 25 percent or 50 percent of the net present value of the property tax exemption over the life of the exemption. Affordable housing fees paid pursuant to this subsection shall be held in a

separate fund and used to develop affordable housing in the city. The ownership option units will not be subject to the affordable housing fee. Starting from the date of the conditional certificate of tax exemption approval and throughout the exemption period, ~~The MFTE ownership option units must initially shall not~~ sell for ~~less~~ more than ~~or equal to~~ two times the United States Department of Housing and Urban Development (HUD) HOME homeownership value limit for newly constructed housing in Clark County, which is updated annually by HUD. Owners may contact the Director at any time to confirm current resale price limits. The Owner shall provide the Director written notice of property sale 30 days in advance of recording the new deed with the Clark County Auditor. Exceeding the resale price limit shall constitute non-compliance and will initiate the cancellation of the exemption under VMC 3.22.040 Q and subject the owner to the effect of cancelation under VMC 3.22.040 Q1. The required number of ownership units for each target area are set forth below in Table 1.

Table 1 below summarizes the options and corresponding requirements for market rate projects in each residential target area. To encourage production of larger family-size units, for the purposes of calculating the development density required to reduce the affordable housing fee in-lieu percentage, three-bedroom units will count as one and one-half units and four or more bedroom units will count as two units.

Table 1.

Residential Target Area	Option 1 Market Rate With Affordable Housing Fee	Option 2 Market Rate With Density Requirements and/or Affordable Housing Fee	Option 3 Ownership
Downtown Waterfront	50%	275 dwelling units/acre + 25% Affordable Housing Fee In Lieu	No Affordable Housing Fee In Lieu; Minimum of 12 units provided required
Vancouver City Center	50%	225 dwelling units/acre + 25% Affordable Housing Fee In Lieu	
East Vancouver	50%	200 dwelling units/acre + 25% Affordable Housing Fee In Lieu	
Uptown	25%	160 dwelling units/acre	
Evergreen/Grand	25%	90 dwelling units/acre	No Affordable Housing Fee In Lieu; Minimum of 4 units provided required
Fourth Plain Corridor	25%	90 dwelling units/acre	
Mill Plain Corridor	25%	90 dwelling units/acre	
Upper Main Street Corridor	25%	90 dwelling units/acre	

b. The income-based option is a 12-year tax exemption under which applicants must commit to renting ~~or selling~~ at least 20 percent of the total development units as income-based housing to households with annual incomes at or below 80 percent of area median income. If the total number of MFTE units calculated according contains a fraction, then the number of MFTE units shall be rounded up to the next whole number. The ratio of MFTE unit types (bedrooms) shall be equal to the unit type ratio for the entire development. The property owner must provide information regarding tenant outreach regarding the availability of designated income-based units when advertising the property.

E. *Application Procedure.* A property owner who wishes to propose a project for a tax exemption shall complete the following procedures:

1. File with the city the required application and the required fees. The initial application fee to the city shall consist of a base fee of \$5,000 plus \$75.00 per multifamily unit. If the city denies the application, the city will retain that portion of the fee attributable to its own administrative costs and refund the balance to the applicant.
2. A complete application shall include:
 - a. A completed city of Vancouver multifamily limited tax exemption application form;
 - b. A description of the project including the type of project and exemption requested;
 - c. Preliminary floor and site plans of the proposed project;
 - d. Detailed list of unit size, number of bedrooms and bathrooms and projected rent or sales price;

- e. A detailed project budget, financing plan and operating projection;
- f. A detailed description of green building construction practices proposed for the development;
- g. A detailed advertising plan describing outreach methods for income-based tenants;
- h. For rehabilitation projects, the applicant shall also submit an affidavit that existing dwelling units have been unoccupied for a period of 12 months prior to filing the application and shall secure from the city verification of property noncompliance with the city's minimum housing code;
- i. A statement acknowledging the potential tax liability when the project ceases to be eligible or is canceled under this chapter;
- j. Verification by oath or affirmation of the accuracy of the submitted information;
- k. Application fee receipt.

F. *Application Review.* City staff will review applications to determine eligibility based on subsection D of this section and evaluate the effect of the deferred tax proceeds. The city will review applications under the approval criteria, procedures, and program guidelines in effect when the city deems an application complete.

G. *Issuance of Conditional Certificate.* The director may certify as eligible an applicant who is determined to comply with the requirements of this chapter. A decision to approve or deny an application shall be made within 90 days of receipt of a complete application.

1. *Approval.* If an application is approved, the applicant shall enter into a contract with the city, subject to approval by the city council in a form of a resolution, regarding the terms and conditions of the project. Upon council approval of the contract, the director shall issue a conditional certificate of acceptance of tax exemption. The applicant shall record the certificate with the Clark County auditor. The conditional certificate shall expire three years from the date of [City Council](#) approval unless an extension is granted as provided in this chapter.

2. *Denial.* If an applicant is denied, the director shall state in writing the reasons for denial and shall send notice to the applicant at the applicant's last known address within 10 days of the denial. An applicant may appeal a denial to the city council within 30 days of receipt of notice. On appeal, the director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the director's decision. The city council's decision on appeal will be final.

H. *Conditional Certificate Completion.* Beginning on the date of the conditional certificate approval, the property owner has three years to obtain an occupancy permit.

I. *Extension of Conditional Certificate.* The conditional certificate may be extended by the director for a period not to exceed 24 consecutive months except as provided below. The applicant must submit a written request stating the grounds for the extension, accompanied by a \$1,000 processing fee. An extension may be granted if the director determines that:

1. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the applicant;

2. The applicant has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
3. All the conditions of the original contract between the applicant and the city will be satisfied upon completion of the project.
4. An additional 12-month extension may be granted where each of the following criteria are met:
 - a. The request for the extension is for a later phase of a development subject to a development agreement; and
 - b. The conditional certificate was granted prior to February 2015; and
 - c. Ownership of the property has been transferred subsequent to the granting of the conditional certificate.

J. Application for Final Certificate.

1. Upon completion of the improvements agreed upon in the contract between the applicant and the city and upon issuance of a temporary or permanent certificate of occupancy, the applicant may request a final certificate of tax exemption. The applicant must file with the city the following:
 - a. A statement of expenditures made with respect to each multifamily housing unit and the total expenditures made with respect to the entire property;

- b. A description of the completed work and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for limited exemption;
 - c. If applicable, a statement that the project meets the income-based housing requirements as described in RCW 84.14.020; and
 - d. A statement that the work was completed within the required three-year period plus any authorized extension.
2. Within 30 days of receipt of all materials required for a final certificate, the director shall determine which specific improvements satisfy the requirements, whether the work was completed, and the rent and income limits of the units are consistent with the application and the contract approved by the city and is qualified for a limited tax exemption under this chapter.

K. Issuance of Final Certificate.

- 1. *Review and Approval.* If, after reviewing the application for final certificate, the director determines that the project has been completed in accordance with the contract between the applicant and the city and has been completed within the authorized time period, the city shall, within 10 days, file a final certificate of tax exemption with the Clark County assessor.
- 2. *Denial.* The director shall notify the applicant in writing that a final certificate will not be filed if the director determines that:
 - a. The improvements were not completed within the authorized time period;

b. The improvements were not completed in accordance with the owner's application or the contract between the applicant and the city; including if applicable as income-based housing requirements; or

c. The owner's property is otherwise not qualified under this chapter.

3. *Appeal.* Within 14 days of receipt of the director's denial of a final certificate, the applicant may file an appeal with the city council. On appeal, the director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the director's decision. The city council's decision on appeal will be final.

L. *Post-exemption Rent Restriction.* At the expiration of the 12-year tax exemption period, a five-year rent restriction will apply to the MFTE units to reduce potential displacement of tenants. In each of the five years following the expiration of the multifamily tax exemption, annual increase in the income-based unit rents shall not exceed the unit rent in the previous year by 5 percent plus the Consumer Price Index-U factor, as referenced in VMC 3.08.100. During this five-year period, the applicant shall continue to provide the city with timely annual reporting pursuant to subsection O of this section and participate in the city's compliance monitoring program pursuant to subsection P of this section. In the event that a household occupying an MFTE designated unit voluntarily vacates the unit during the five-year post-exemption period then that designated MFTE unit shall no longer be subject to any further rent restrictions and may return to market rate status.

M. *Exemption Renewal.* For income-based projects that are within 18 months of exemption expiration the exemption period may be extended for an additional 12 years contingent upon approval by city council. For the property to qualify for a potential extension the applicant must

commit to renting ~~or selling~~ at least 20 percent of the multifamily housing units as income-based units low-income households earning at or below 80 percent area median income. [Income-based projects previously approved at an MFI rate above 80 percent \(100 or 115 percent\) must agree to make MFTE units affordable to tenants with a median family income level at 80 percent or below.](#)

1. *Application.* Property owners must request the 12-year exemption renewal no later than September 1st (four months prior to initial MFTE expiration date). Staff will review exemption application and project for compliance before making recommendation to city council for consideration. A \$1,000 fee is required for the exemption renewal request.
2. *Extension Expiration Notice.* At the end of both the tenth and eleventh years of a 12-year extension of a tax exemption, applicants must provide tenants of rent-restricted units with notification of intent to provide the tenant with rental relocation assistance as provided below.
3. *Tenant Relocation Assistance.* At the expiration of any 12-year exemption or any 12-year exemption extension, the applicant must provide tenant relocation assistance in an amount equal to one month's rent to a qualified MFTE tenant within the final month of the qualified tenant's lease. To be eligible for tenant relocation assistance the tenant must occupy an income-restricted unit at the time the exemption expires and must qualify as a low-income at the time relocation assistance is sought. If the income-based requirements remain in place for the unit after the expiration of the exemption, relocation assistance in an amount equal to one month's rent must be provided to a qualified tenant within the final month of a qualified

tenant's lease who occupies an income-restricted unit at the time those additional affordability requirements cease to apply to the unit.

N. *Annual Compliance Review.* For the duration of the exemption the owner of the rehabilitated or newly constructed development shall file a notarized declaration annually with the director that includes the following:

1. A statement identifying the total number of occupied and vacant multifamily units receiving a property tax exemption;
2. A certification that the property continues to be in compliance with the contract with the city including any provisions related to income-based housing; and
3. A description of any improvements or changes to the property constructed after the issuance of the certificate of tax exemption;
4. The total monthly rent or total sale amount for each unit;
5. For exemptions granted under the income-based housing provisions of this chapter, the income of each renter household at the time of initial occupancy ~~and the income of each initial purchaser of owner-occupied units at the time of purchase~~; and
6. For exemptions granted under the income-based housing provisions of this chapter, documentation showing that 20 percent of the units were rented ~~or sold~~ as income-based housing to low- or moderate-income households. The property owner must maintain records supporting this declaration and those records and the multifamily units are subject to inspection by the city. Failure to submit the annual declaration or maintain adequate records may result in the tax exemption being canceled.

O. *Annual Reporting.* For the first year of reporting, final MFTE certificates issued by the city in a calendar year shall be reported to the Washington State Department of Commerce by April 1st providing the information required by Chapter 84.14 RCW. For the remaining years of the exemption period applicants shall submit annual monitoring reports to the city no later than December 1st.

P. *Annual Monitoring.* A review of the rent rolls is required annually including unit number, unit size (bedrooms/bathrooms), household size, income, rent, and utilities. City staff will conduct on-site reviews of tenant files randomly. There is a \$500.00 annual monitoring fee.

Q. *Cancellation of Tax Exemption.* If the director determines the owner is not complying with the terms of the contract, the tax exemption will be canceled. This cancellation may occur in conjunction with the annual review or at any other time when noncompliance has been determined. If the owner intends to convert the multifamily housing to another use or otherwise discontinues compliance with this chapter, the owner must notify the director and the Clark County assessor within 60 days of the change in use.

1. *Effect of Cancellation.* If a tax exemption is canceled due to a change in use or other noncompliance, the Clark County assessor may impose an additional tax on the property, together with the interest and penalty, and a priority lien may be placed on the land, pursuant to Chapter 84.14 RCW.

2. *Notice and Appeal.* Upon determining that a tax exemption is to be canceled, the director shall notify the property owner by certified mail. The property owner may appeal the determination by filing a notice of appeal with the city clerk within 30 days, specifying the factual and legal basis for the appeal. The city council will conduct a hearing at which all

affected parties may be heard and all competent evidence received. The city council will affirm, modify, or repeal the decision to cancel the exemption based on the evidence received. An aggrieved party may appeal the city council's decision to the Clark County superior court.

Section 5. **Severability.** If any clause, sentence, paragraph, section, or part of this ordinance or the application thereof to any person or circumstances shall be adjudged by any court of competent jurisdiction to be invalid, such order or judgment shall be confined in its operation to the controversy in which it was rendered and shall not affect or invalidate the remainder of any parts thereof to any other person or circumstances and to this end the provisions of each clause, sentence, paragraph, section or part of this law are hereby declared to be severable.

Section 6. **Effective Date.** This ordinance shall be effective immediately upon passage.

DATE OF FINAL PASSAGE by the Vancouver City Council:_____.

SIGNED this _____ day of _____, 2023.

Anne McEnery-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

VMC Title 3.22 Multifamily Housing Tax Exemption Amendments

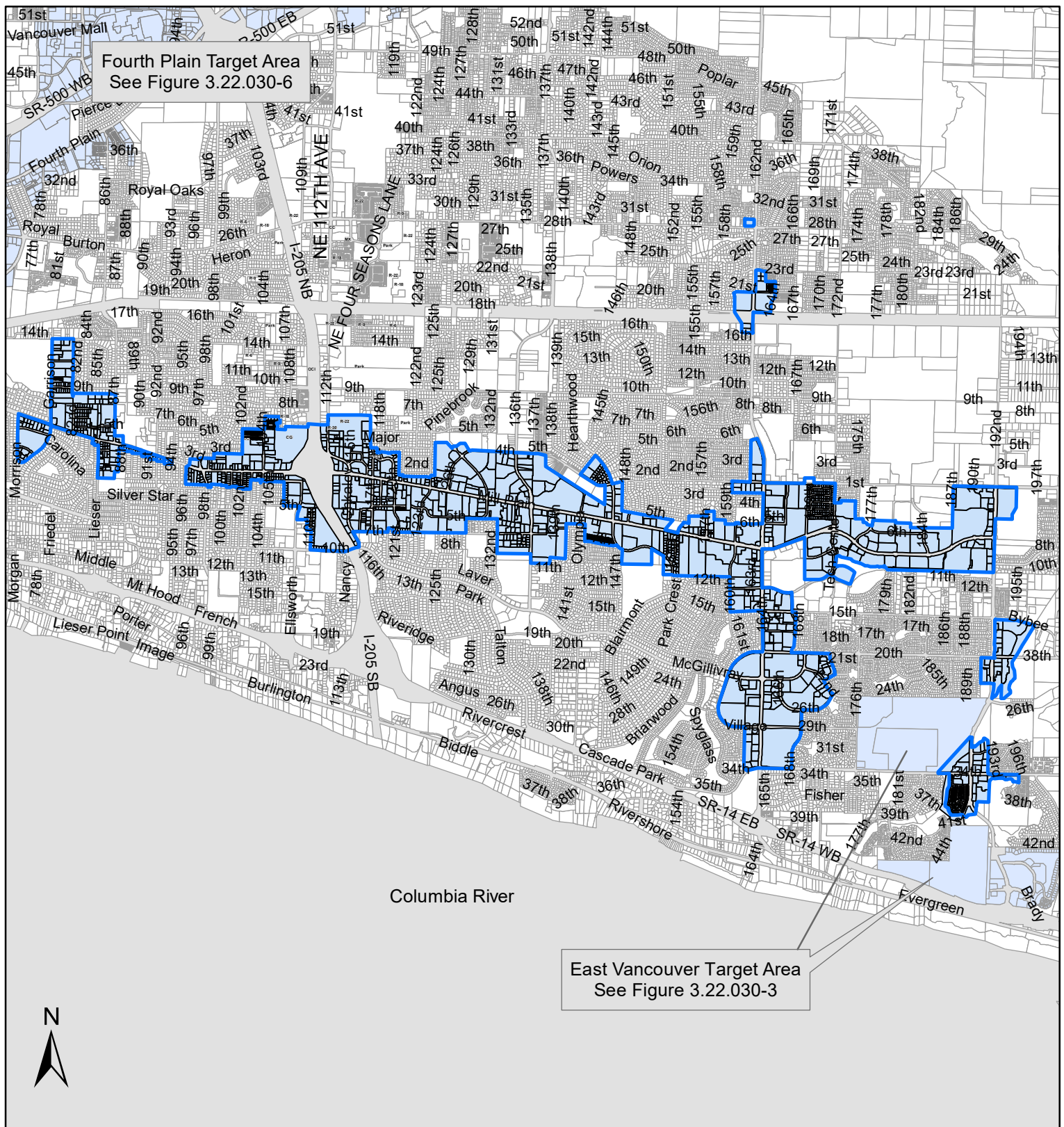
Item	VMC Section	Change Type	Proposed Language	Staff Comments
1.	3.22.020 Definitions	Deleting existing text	“Director” means the director of the city’s community Economic Prosperity and Housing department or authorized designee.	Deleting reference to old department name
2.	3.22.020 Definitions	Deleting existing text	“Market-rate exemption option” means an eight-year property tax exemption with no income or rent requirements subject to the public benefit requirements as outlined in VMC 3.22.040(D)(98)(a).	Eliminates reference to the public benefit option that was eliminated in July 2023.
3.	3.22.020 Definitions	Adding new text	<u>“Primary Residence” means a residence occupied for more than six months each calendar year.</u>	Provideds definition relating to homeownership option residency requirement.
4.	3.22.030 Residential target area designation and standards.	Replacing Target Area Map	Replace Map Figure 3.22.030-7 with corrected map	Eliminates error in the Mill Plain residential target area boundary. An area of single family zoning was included with the original target area boundary.
5.	3.22.040 B 2 Duration of Exemption	Adding new text	2. Twelve successive years if all applicable criteria herein are met <u>under subsection</u> (D)(9)(b) of this section.	Adding missing context text for clarification.
6.	3.22.040 C Limits on Exemption	Adding new text	<i>Limits on Exemption.</i> The exemption does not apply to the value of land or the value of improvements not qualifying under this chapter, nor does the exemption apply to increases in assessed valuation of land and nonqualifying improvements. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this chapter. The exemption does not apply during <u>the</u> construction <u>phase</u> of the project <u>prior to issuance of the final MFTE certificate.</u>	Clarifies the timing of when the tax exemption applies
7.	3.22.040 D 6 Project Eligibility	Adding new text	<i>Proposed Completion Date.</i> New construction multifamily housing and rehabilitation improvements must be scheduled to be completed within three years from the date of <u>City Council approval</u> of the conditional certificate.	Clarifies that the Council approval date and not the certificate recording date is the start date of the 3 years completion period.
8.	3.22.040 D 8 Project Eligibility	Adding new text	<i>Owner Occupancy.</i> Projects within a residential target area that are developed for owner occupancy shall include a contract or other guarantee acceptable to the director ensuring that some or all of the units within the project are used for purposes of owner occupancy. <u>Each MFTE unit shall be occupied by the owner as their primary residence.</u>	Specifies that the ownership option must be owner occupied and not used for rental purposes.

VMC Title 3.22 Multifamily Housing Tax Exemption Amendments

9.	3.22.040 D 9a Project Eligibility	Adding new text	<i>Options Under the Program.</i> To be eligible for the MFTE tax exemption program option under this chapter, the applicant must either commit to providing income-based housing in exchange for a 12-year tax exemption, or, alternatively, must pay an affordable housing fee in lieu of providing income-based housing (“affordable housing fee”) and meet certain density requirements in exchange for an eight-year market rate tax exemption. The criteria for these options are set forth below:	Clarifying option type.
10.	3.22.040 D 9 a Project Eligibility	Replacing text Adding new text	<u>Starting from the date of the conditional certificate of tax exemption approval and throughout the exemption period, the MFTE ownership option units must initially shall not sell for less more than or equal to two times the United States Department of Housing and Urban Development (HUD) HOME homeownership value limit for newly constructed housing in Clark County, which is updated annually by HUD. Owners may contact the Director at any time to confirm current resale price limits. The Owner shall provide the Director written notice of property sale 30 days in advance of recording the new deed with the Clark County Auditor. Exceeding the resale price limit shall constitute non-compliance and will initiate the cancellation of the exemption under VMC 3.22.040 Q and subject the owner to the effect of cancelation under VMC 3.22.040 Q1.</u>	Clarifies that the maximum sales price for homeownership option and resale limit period. Clarifies that the exemption owner shall notify the director prior to recording sale of the property to ensure maximum sales price is confirmed. Clarifies that non-compliance with resale price limit will result in cancellation of exemption.
11.	3.22.040 D 9 a Project Eligibility Table 1	Replacing text	No Affordable Housing Fee In Lieu; Minimum of 12 units provided required .	Clarified that the number of units for new homeownership is a minimum requirement
12.	3.22.040 D 9 b Project Eligibility	Removing text	b. The income-based option is a 12-year tax exemption under which applicants must commit to renting or selling at least 20 percent of the total development units as income-based housing to households with annual incomes at or below 80 percent of area median income.	Removed reference to “selling” from the income-based section. The City has not adopted a homeownership option for the income-based exemptions.
13.	3.22.040 D 9 b Project Eligibility	Adding new text	<u>If the total number of MFTE units calculated according contains a fraction, then the number of MFTE units shall be rounded up to the next whole number.</u> The ratio of MFTE unit types (bedrooms) shall be equal to the unit type ratio for the entire development. The property owner must provide information regarding tenant outreach regarding the availability of designated income-based units when advertising the property.	Clarified that any fraction of a whole number will be rounded up when calculating the 20% of total units required to be income-based.
14.	3.22.040 G 1 Issuance of Conditional Certificate	Adding new text	The conditional certificate shall expire three years from the date of City Council approval unless an extension is granted as provided in this chapter.	Clarifies that the Council approval date and not the certificate recording date is the start date of the 3 years completion period.
15.	3.22.040 L Post- exemption Rent Restriction	Adding new text	L. <i>Post-exemption Rent Restriction.</i> At the expiration of the 12-year tax exemption period, a five-year rent restriction will apply to the MFTE units to reduce potential displacement of tenants. In each of the five years following the expiration of the multifamily tax exemption, annual increase in the income-based unit rents shall not exceed the unit rent in the previous year by 5 percent plus the Consumer Price Index-U factor, as referenced in VMC 3.08.100. During this five-year period, the applicant shall continue to provide the city with timely annual reporting pursuant to subsection O of this section and participate in the city’s compliance monitoring program pursuant to subsection P of this section. <u>In the event that a household occupying an MFTE designated unit voluntarily vacates the unit during the five-year post-exemption period then that designated MFTE unit shall no longer be subject to any further rent restrictions and may return to market rate status.</u>	Clarifies that the post exemption rent restriction will be removed if a household voluntarily moves out.

VMC Title 3.22 Multifamily Housing Tax Exemption Amendments

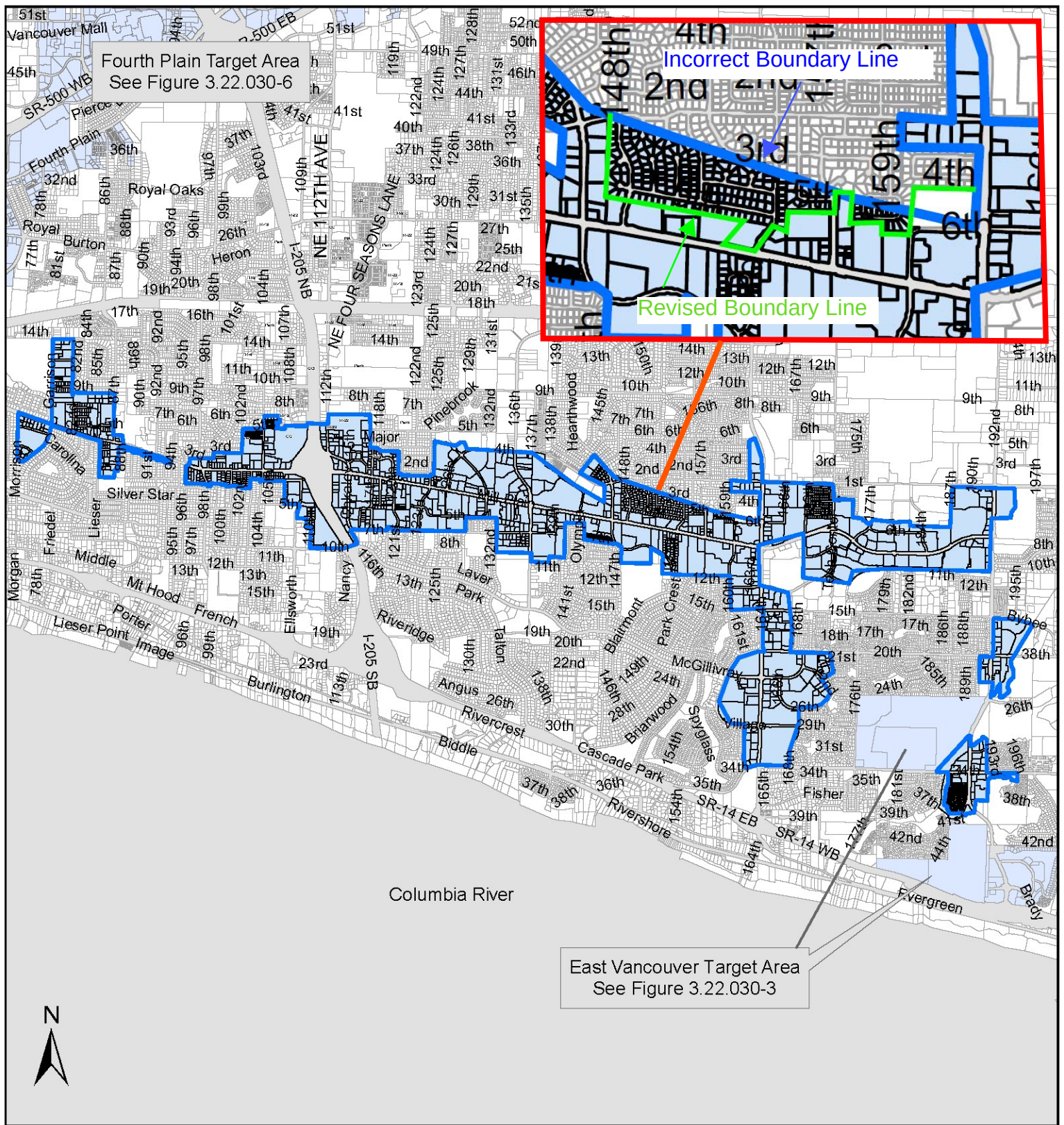
	3.22.040 M Exemption Renewal	Removing text Adding new text	M. <i>Exemption Renewal.</i> For income-based projects that are within 18 months of exemption expiration the exemption period may be extended for an additional 12 years contingent upon approval by city council. For the property to qualify for a potential extension the applicant must commit to renting or selling at least 20 percent of the multifamily housing units as income-based units low-income households earning at or below 80 percent area median income. <u>Income-based projects previously approved at an MFI rate above 80 percent (100 or 115 percent) must agree to make MFTE units affordable to tenants with a median family income level at 80 percent or below.</u>	The City has not adopted a homeownership option for the income-based exemptions. Clarify that if projects with older exemptions that restricted incomes at the 100 or 115% of median family income want to renew their exemption it will be at the current 80% median family income level.
	3.22.040 N 5 Annual Compliance Review	Removing text	5. For exemptions granted under the income-based housing provisions of this chapter, the income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase; and	The City has not adopted a homeownership option for the income-based exemptions.
	3.22.040 N 6 Annual Compliance Review	Removing text	6. For exemptions granted under the income-based housing provisions of this chapter, documentation showing that 20 percent of the units were rented or sold as income-based housing to low- or moderate-income households.	The City has not adopted a homeownership option for the income-based exemptions.



**FIGURE
3.22.030-7**

 Mill Plain MFTE Target Area Boundary

Multifamily Tax Exemption Boundary



**FIGURE
3.22.030-7**

 Mill Plain MFTE Target Area Boundary

Multifamily Tax Exemption Boundary

VOUCHER APPROVAL

We, the undersigned council members of the City of Vancouver, Clark County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of:

\$ 14,769,476.01 this 18th day of September 2023.

DocuSigned by:
Anne McEnerny-Ogle
6C80D9089EC5424
MAYOR

Cyndi A. Turner
Digitally signed by Cyndi A. Turner
Date: 2023.09.11 14:22:46 -07'00'
AUDITING OFFICER

DocuSigned by:
Ty Stib
3EEB713B42764A7...
COUNCILMEMBER

DocuSigned by:
MW
0202D02A45A0402...
COUNCILMEMBER

DATE	INCLUSIVE CHECK NUMBERS	CHECK TOTAL
September 04, 2023 - September 10, 2023	Accounts Payable Checks (see attached)	\$ 10,797,826.68
September 04, 2023 - September 10, 2023	Hansen City Payments (see attached)	\$ 23,537.68
September 04, 2023 - September 10, 2023	Visa Refunds (see attached)	\$ 2,679.18
September 04, 2023 - September 10, 2023	Payroll Checks (see attached)	\$ 3,945,432.47
TOTAL		\$ 14,769,476.01

INVOICE PAYMENTS REPORT

Payment Category	Payment Type	Transaction Reference	Payment Date	Payment Amount	Payment Payee	Memo
Ad Hoc Payment	Check	13565	9/6/2023	180.00	Angela Bugarin Admin, Estate of Gerard Nordick	Utility Refunds: 0076084200-04 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	13566	9/6/2023	58.67	Cherington, James	Utility Refunds: 0085008500-05
Ad Hoc Payment	Check	13567	9/6/2023	112.64	Colleen Barton Kimbrell or George Kimbrell	Utility Refunds: 0035050500-02
Ad Hoc Payment	Check	13568	9/6/2023	122.61	Hoover, Kelley	Utility Refunds: 0101000650-07
Ad Hoc Payment	Check	13569	9/6/2023	59.29	Keen, Jerry or Marsha	Utility Refunds: 0046056903-03
Ad Hoc Payment	Check	13570	9/6/2023	172.18	Krebs, Irene	Utility Refunds: 0045006122-01
Ad Hoc Payment	Check	13571	9/6/2023	50.04	Mccolm, Lisa or Michael	Utility Refunds: 0035050300-03
Ad Hoc Payment	Check	13572	9/6/2023	283.98	McNutt, Don or Rosemarie	Utility Refunds: 0087024020-01
Ad Hoc Payment	Check	13573	9/6/2023	335.00	Meghan Thompson or Harrison Jones	Utility Refunds: 0004015100-09
Ad Hoc Payment	Check	13574	9/6/2023	44.82	Olsen, Leslie	Utility Refunds: 0045006122-01
Ad Hoc Payment	Check	13575	9/6/2023	82.37	Patel, Nayan or Sima	Utility Refunds: 0000009341-01
Ad Hoc Payment	Check	13576	9/6/2023	142.13	Pei-Fen Yang or Chin-Yi Lin	Utility Refunds: 0076069200-05
Ad Hoc Payment	Check	13577	9/6/2023	447.00	Ricky Inman Jr or Joann Gray	Utility Refunds: 0056074100-09
Ad Hoc Payment	Check	13578	9/6/2023	601.96	Schauer, Roman	Utility Refunds: 0031023200-01 Consolidated refund created from multiple refunds
Ad Hoc Payment	Check	13579	9/6/2023	56.55	Semenova, Svetlana	Utility Refunds: 0000005522-02
Ad Hoc Payment	Check	13580	9/6/2023	397.44	Vestcapital LLC	Utility Refunds: 0012053400-02
Ad Hoc Payment	Check	13581	8/31/2023	76.19	Woodfin, Rebekah and Charles	Utility Refunds: 0045019308-05
Miscellaneous Payment	Check	13582	9/6/2023	120.00	Cimarron Neighborhood Association	2023 RecycleU
Miscellaneous Payment	Check	13583	9/6/2023	650.00	Cystic Fibrosis Foundation	ES Park Refund
Miscellaneous Payment	Check	13584	9/6/2023	7,065.50	Earthworks Excavating Services, Inc	Contractor Payment for loan # 6000648 - 519 SE 104th Ave - Schlechter & King
Miscellaneous Payment	Check	13585	9/6/2023	100.00	Father Blanchet Park Neighborhood Association	2023 Resource Conservation Challenge
Miscellaneous Payment	Check	13586	9/6/2023	97.04	Hamer Electric Inc.	FRI-339460 (jobsite: 14300 SE 1st St)
Miscellaneous Payment	Check	13587	9/6/2023	120.00	Harney Heights Neighborhood Association	2023 RecycleU
Miscellaneous Payment	Check	13588	9/6/2023	322.58	JASMINE A LUNCEFORD	Refund of Parking Permit no longer needed
Miscellaneous Payment	Check	13589	9/6/2023	21.44	Lacey Cutter	Parking Permit Refund
Miscellaneous Payment	Check	13590	9/6/2023	1,328.56	Landscape Management & Services Inc.	RES-339835 (jobsite: 3510 NE 124th Ave)
Miscellaneous Payment	Check	13591	9/6/2023	46.46	Phuoc Tran	Refund Parking Permit Not Needed
Miscellaneous Payment	Check	13592	9/6/2023	264.14	R A WARNER PLUMBING CO INC	MPE-341684 (jobsite: 409 E Mill Plain Blvd.)
Miscellaneous Payment	Check	13593	9/6/2023	1,390.00	Tualatin Valley Water District	PMP Training for Michelle Henry
Miscellaneous Payment	Check	13594	9/6/2023	100.00	Vancouver Highlands Neighborhood Association	2023 Resource Conservation Challenge
Miscellaneous Payment	Check	13595	9/6/2023	35.00	Western Region - Waste Connections	Parking Permit Refund - Signs had incorrect times.
Expense Payment	Check	13596	9/6/2023	447.87	Darryl Hebert	
Supplier Payment	Check	13597	9/6/2023	15,862.50	Action Onsite Inc	
Supplier Payment	Check	13598	9/6/2023	2,665.42	Action Technology Systems	
Supplier Payment	Check	13599	9/6/2023	10,732.50	Afghan Associates Inc	
Supplier Payment	Check	13600	9/6/2023	1,793.55	Anderson Glass Co	
Supplier Payment	Check	13601	9/6/2023	2,208.00	Arborscape Ltd Inc	
Supplier Payment	Check	13602	9/6/2023	8,354.33	AT & T Mobility II LLC	
Supplier Payment	Check	13603	9/6/2023	863.37	Bounce-N-Battle LLC	
Supplier Payment	Check	13604	9/6/2023	2,896.25	Brown and Caldwell - Remit-To: Brown & Caldwell - San Francisco	
Supplier Payment	Check	13605	9/6/2023	1,059.82	Cellco Partnership - Remit-To: Cellco - Dallas	
Supplier Payment	Check	13606	9/6/2023	1,507.66	Chicago Title Company of WA	
Supplier Payment	Check	13607	9/6/2023	91.00	City of Vancouver - Remit-To: COV Main	
Supplier Payment	Check	13608	9/6/2023	1,200.00	Clark County Title Company - Remit-To: Clark County - Reconveyance Fees	
Supplier Payment	Check	13609	9/6/2023	590.63	Clark Public Utility District No. 1	

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

INVOICE PAYMENTS REPORT

Supplier Payment	Check	13610	9/6/2023	3,000.00	Colliers International Holdings (USA) Inc.	
Supplier Payment	Check	13611	9/6/2023	32.91	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	13612	9/6/2023	9,475.55	Copiers Northwest	
Supplier Payment	Check	13613	9/6/2023	268.00	Dex Media West	
Supplier Payment	Check	13614	9/6/2023	9,683.08	Echo Electric LLC	
Supplier Payment	Check	13615	9/6/2023	3,460.39	Emerald Services Inc - Remit-To: Emerald - Pittsburgh	
Supplier Payment	Check	13616	9/6/2023	460.00	Evergreen Orchards LLC	
Supplier Payment	Check	13617	9/6/2023	54.35	Experian Marketing Solutions - Remit-To: Experian - Los Angeles	
Supplier Payment	Check	13618	9/6/2023	8,470.00	Financial Consulting Solutions Group Inc	
Supplier Payment	Check	13619	9/6/2023	1,043.85	Iron Mountain Inc - Remit-To: Iron Mountain - New York	
Supplier Payment	Check	13620	9/6/2023	1,466.10	Jamestown Networks	
Supplier Payment	Check	13621	9/6/2023	18,170.51	Janus Youth Programs Inc	
Supplier Payment	Check	13622	9/6/2023	11,410.69	Kamron Hedval - Remit-To: Washington Department of Revenue	
Supplier Payment	Check	13623	9/6/2023	37,777.27	Kennedy Jenks Consultants - Remit-To: Kennedy Jenks Consulting	
Supplier Payment	Check	13624	9/6/2023	551.15	Kona Ice	
Supplier Payment	Check	13625	9/6/2023	20,892.14	Kurita America Inc - Remit-To: US Water - Minneapolis	
Supplier Payment	Check	13626	9/6/2023	2,600.00	LK Weiss	
Supplier Payment	Check	13627	9/6/2023	106,501.11	Motorola Solutions Inc	
Supplier Payment	Check	13628	9/6/2023	1,356.42	Municipal Emergency Services Inc - Remit-To: Municipal Emergency Services - Chicago	
Supplier Payment	Check	13629	9/6/2023	16,976.25	Nelson Nygaard Consulting Associates Inc - Remit-To: Nelson Nygaard Consulting Associates Inc	
Supplier Payment	Check	13630	9/6/2023	77,252.81	Northside Ford Truck Sales, Inc	
Supplier Payment	Check	13631	9/6/2023	47,153.32	Northwest Staffing Resources Inc - Remit-To: Northwest Staffing Resources	
Supplier Payment	Check	13632	9/6/2023	20,412.12	Owen Equipment Co - Remit-To: Supplier Owen Equipment Co	
Supplier Payment	Check	13633	9/6/2023	39,019.00	Parkeon	
Supplier Payment	Check	13634	9/6/2023	140.00	Porter W Yett Company	
Supplier Payment	Check	13635	9/6/2023	5,877.36	PPC Solutions Inc	
Supplier Payment	Check	13636	9/6/2023	5,000.00	Rachel Boehm	
Supplier Payment	Check	13637	9/6/2023	2,262.00	Rapid Response Bio Clean Inc.	
Supplier Payment	Check	13638	9/6/2023	681.71	River City Environmental	
Supplier Payment	Check	13639	9/6/2023	14,779.19	Rogers Machinery Co.	
Supplier Payment	Check	13640	9/6/2023	17,083.42	S&B Inc	
Supplier Payment	Check	13641	9/6/2023	3,043.60	Safe Software	
Supplier Payment	Check	13642	9/6/2023	146,438.25	San Diego Police Equipment Co Inc	
Supplier Payment	Check	13643	9/6/2023	2,260.00	Scott Edwards Architecture LLP	
Supplier Payment	Check	13644	9/6/2023	2,527.73	Shrums Pest Control	
Supplier Payment	Check	13645	9/6/2023	37,879.81	Software House International SHI - Remit-To: SHI - Dallas	
Supplier Payment	Check	13646	9/6/2023	1,124.85	Solid Waste Systems, Inc.	
Supplier Payment	Check	13647	9/6/2023	290.00	Southwest Washington Humane Society	
Supplier Payment	Check	13648	9/6/2023	41.71	State of Oregon Department of Transportation - Remit-To: OR DMV - Salem	
Supplier Payment	Check	13649	9/6/2023	1,048.78	State of Washington Department of Transportation	
Supplier Payment	Check	13650	9/6/2023	2,012.25	Sun Badge Company	
Supplier Payment	Check	13651	9/6/2023	35,118.80	SwiftComply US OpCo Inc	
Supplier Payment	Check	13652	9/6/2023	17,494.75	Tamarack Management LLC	
Supplier Payment	Check	13653	9/6/2023	9,508.54	Tapani Materials Inc	
Supplier Payment	Check	13654	9/6/2023	589.15	The ADT Security Corporation	
Supplier Payment	Check	13655	9/6/2023	268,836.44	The Pape Group Inc - Remit-To: Pape Machinery	
Supplier Payment	Check	13656	9/6/2023	2,500.00	Thrive2Survive	

INVOICE PAYMENTS REPORT

Supplier Payment	Check	13657	9/6/2023	1,010.94	Towing & Recovering Services Inc	
Supplier Payment	Check	13658	9/6/2023	28,767.58	Treadway Events & Entertainment LLC	
Supplier Payment	Check	13659	9/6/2023	3,981.67	Triple J Enterprises	
Supplier Payment	Check	13660	9/6/2023	5,875.58	Univar Solutions USA Inc - Remit-To: Supplier Univar Solutions USA Inc	
Supplier Payment	Check	13661	9/6/2023	1,407.00	Vancouver Slow Pitch Umpires Association - Remit-To: VSPUA - Vancouver	
Supplier Payment	Check	13662	9/6/2023	8,297.62	Wallis Engineering PLLC	
Supplier Payment	Check	13663	9/6/2023	1,704.48	Walter E Nelson Company	
Supplier Payment	Check	13664	9/6/2023	42,500.61	West Coast Fire & Rescue	
Supplier Payment	Check	13665	9/6/2023	22,013.99	WSP USA Inc. - Remit-To: WSP USA Inc. Dallas	
Supplier Payment	Check	13666	9/6/2023	2,282.68	Zayo Group Holding Inc - Remit-To: Zayo Group Holding Inc	
Cash Advance Payment	Check	13667	9/6/2023	495.27	Gabriel Montez	
Supplier Payment	Check	13668	9/8/2023	6,521.54	Aflac	
Supplier Payment	Check	13669	9/8/2023	5,477.75	AFSCME Local #307	
Supplier Payment	Check	13670	9/8/2023	334.00	California State Disbursement Unit	
Supplier Payment	Check	13671	9/8/2023	491.00	Hawaii SDU	
Supplier Payment	Check	13672	9/8/2023	739.90	IAM Local #1374	
Supplier Payment	Check	13673	9/8/2023	8,764.93	Life Insurance Company of North America	
Supplier Payment	Check	13674	9/8/2023	875.00	MFS Service Center Inc	
Supplier Payment	Check	13675	9/8/2023	200.00	OPEIU Local #11	
Supplier Payment	Check	13676	9/8/2023	4,404.84	OPEIU Local #11	
Supplier Payment	Check	13677	9/8/2023	608.00	Teamsters Local #58	
Supplier Payment	Check	13678	9/8/2023	245.00	UA Local #290	
Supplier Payment	Check	13679	9/8/2023	3,510.60	Western Conference of Teamsters	
Supplier Payment	Check	13680	9/8/2023	1,214.40	Western Metal Industry Pension Plan	
	Check			1,230,906.23		
Cash Advance Payment	Direct Deposit	EFT-00210750	9/7/2023	407.50	Gary Allmon	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00210751	9/7/2023	434.50	Julie Ballou	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00210752	9/7/2023	137.25	Jenn Amadeo	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00210753	9/7/2023	131.00	Katherine Stanton	Travel Advance
Expense Payment	Direct Deposit	EFT-00210754	9/7/2023	90.25	Brayden Thornton	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00210755	9/7/2023	782.71	Rebecca Small	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00210756	9/7/2023	40.50	Lee Gelsinger	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00210757	9/7/2023	88.74	Jonas Van Skike	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00210758	9/7/2023	96.00	Aaron Lande	Employee Reimbursement
Cash Advance Payment	Direct Deposit	EFT-00210759	9/7/2023	131.00	William Cooley	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00210760	9/7/2023	434.50	James Dewey	Travel Advance
Cash Advance Payment	Direct Deposit	EFT-00210761	9/7/2023	197.50	Max Musich	Travel Advance
	Direct Deposit			2,971.45		
Supplier Payment	EFT	EFT-00210762	9/7/2023	11,005.38	Boys and Girls Clubs of Southwest Washington	
Supplier Payment	EFT	EFT-00210763	9/7/2023	25,425.17	Meterreaders LLC	
Supplier Payment	EFT	EFT-00210764	9/7/2023	1,521.80	Fire Systems West	
Supplier Payment	EFT	EFT-00210765	9/7/2023	23,149.50	Live Love Outreach	
Supplier Payment	EFT	EFT-00210766	9/7/2023	397.90	Praxair Distribution Inc	
Supplier Payment	EFT	EFT-00210767	9/7/2023	9,554.50	Coffman Engineers Inc	
Supplier Payment	EFT	EFT-00210768	9/7/2023	7,957.97	Western Water Works Supply Co Inc	
Supplier Payment	EFT	EFT-00210769	9/7/2023	16,041.95	Workday Inc	
Supplier Payment	EFT	EFT-00210770	9/7/2023	5,566,652.15	Operations Management International Inc	
Supplier Payment	EFT	EFT-00210771	9/7/2023	9,194.50	Sequence Graphics LLC - Remit-To: Sequence Graphics	
Supplier Payment	EFT	EFT-00210772	9/7/2023	12,729.52	Wapiti NW LLC	
Supplier Payment	EFT	EFT-00210773	9/7/2023	7,208.67	Vancouvercenter Condominium Association	
Supplier Payment	EFT	EFT-00210774	9/7/2023	6,884.69	Council for the Homeless	
Supplier Payment	EFT	EFT-00210775	9/7/2023	2,226,226.52	Granite Construction Company	
Supplier Payment	EFT	EFT-00210776	9/7/2023	8,957.50	Columbia West Engineering	
Supplier Payment	EFT	EFT-00210777	9/7/2023	525.00	PBS Engineering and Environmental Inc	
Supplier Payment	EFT	EFT-00210778	9/7/2023	366.00	Purple Communications Inc	
Supplier Payment	EFT	EFT-00210779	9/7/2023	5,920.67	Universal Field Services Inc	
Supplier Payment	EFT	EFT-00210780	9/7/2023	887.14	Workforce Southwest Washington	
Supplier Payment	EFT	EFT-00210781	9/7/2023	24,550.70	Lynn K Wittwer MD PC	
Supplier Payment	EFT	EFT-00210782	9/7/2023	4,118.00	Andrews Terry Jeffers LLP	
Supplier Payment	EFT	EFT-00210783	9/7/2023	40.81	Ziply Fiber	
Supplier Payment	EFT	EFT-00210784	9/7/2023	2,465.14	T2 Systems Inc - Remit-To: T2- Atlanta	
Supplier Payment	EFT	EFT-00210785	9/7/2023	44,683.56	SDB Inc	
Supplier Payment	EFT	EFT-00210786	9/7/2023	33,645.00	Otak Inc	
Supplier Payment	EFT	EFT-00212700	9/8/2023	1,029.60	Vancouver Command Guild	
Supplier Payment	EFT	EFT-00212701	9/8/2023	25,658.52	IAFF Local #452	

INVOICE PAYMENTS REPORT

Supplier Payment	EFT	EFT-00212702	9/8/2023	16,233.85	Allegiance Benefit Plan Management Inc	
Supplier Payment	EFT	EFT-00212703	9/8/2023	153.91	Legal Shield	
Supplier Payment	EFT	EFT-00212704	9/8/2023	12,203.81	Vancouver Police Officer Guild	
			EFT	8,105,389.43		
Supplier Payment	Manual Wire		9/1/2023	63,385.37	JP Morgan Chase Bank, N.A.	
Supplier Payment	Manual Wire		9/5/2023	16,980.80	Washington Dental Service	
Supplier Payment	Manual Wire		9/5/2023	178,939.30	Blue Cross Blue Shield of Oregon	
Supplier Payment	Manual Wire		9/5/2023	199,784.94	Western States Health & Welfare Trust	
Supplier Payment	Manual Wire		9/5/2023	498,883.05	Vancouver Firefighters Union Health & Welfare Trust	
Supplier Payment	Manual Wire		9/5/2023	7,432.96	VSP Vision Care Inc	
Supplier Payment	Manual Wire		9/7/2023	89,052.23	Liberty Mutual Group Inc.	
Supplier Payment	Manual Wire		9/8/2023	1,438.46	Vancouver Fire Command Officers	
Supplier Payment	Manual Wire		9/8/2023	24,519.39	Vancouver Firefighters Union Health & Welfare Trust	
Supplier Payment	Manual Wire		9/8/2023	6,000.70	Washington SDU	
Supplier Payment	Manual Wire		9/8/2023	636.00	Oregon SDU	
Supplier Payment	Manual Wire		9/8/2023	22,460.35	Western States Health & Welfare Trust	
Supplier Payment	Manual Wire		9/8/2023	271,649.51	International City Management Association Retirement Corporation	
Supplier Payment	Manual Wire		9/8/2023	19,900.00	Washington State Firefighters	
Supplier Payment	Manual Wire		9/8/2023	4,509.00	State of Washington Department of Licensing - Remit-To: DOL - Seattle Remit	
Supplier Payment	Manual Wire		9/8/2023	52,987.51	State of Washington Department of Retirement Systems (DRS)	
			Manual Wire	1,458,559.57		
			Checks	1,230,906.23		
			Direct Deposit	2,971.45		
			EFT	8,105,389.43		
			9/11/2023	23,537.68	City Payments	Posted 09-04-23 to 09-10-23
			Hansen Total	23,537.68		
			9/11/2023	2,667.18	Miscellaneous	Parks Class Refunds FCC 09-04-23 to 09-10-23
			9/11/2023	12.00	Miscellaneous	Parks Class Refunds MCC 09-04-23 to 09-10-23
			VISA Total	2,679.18		
			Payroll Total	3,945,432.47		
			GRAND TOTAL	14,769,476.01		

City of Vancouver
Payroll Council Report
September 04, 2023 - September 10, 2023

Check No.	Date	Explanation	Amount
1595 - 1630	09/08/23	September 8th Payroll	\$ 15,607.69
210787 - 212699	09/08/23	September 8th Direct Deposits	\$ 3,929,824.78

\$ 3,945,432.47

SE 34th Street Safety & Mobility Project Update

Vancouver City Council
September 18, 2023

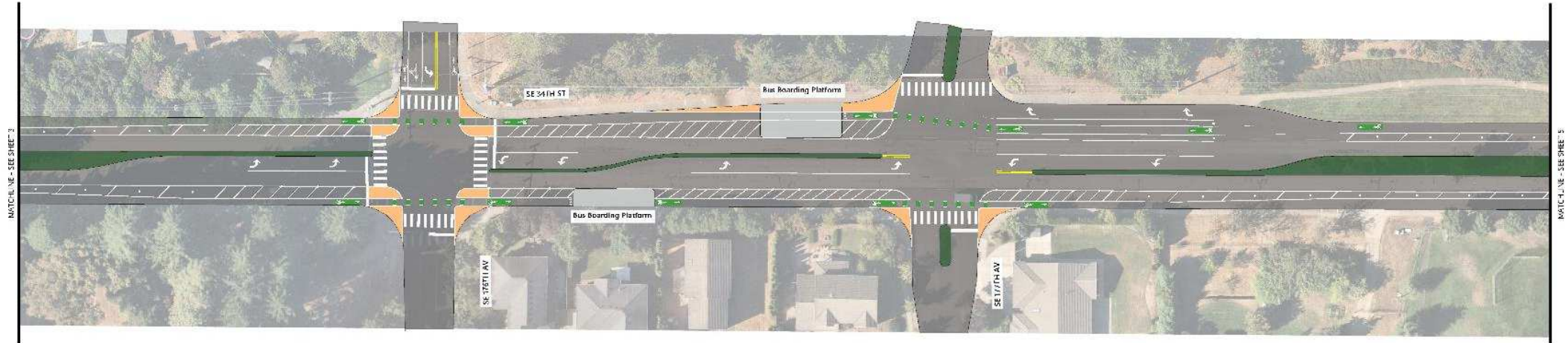


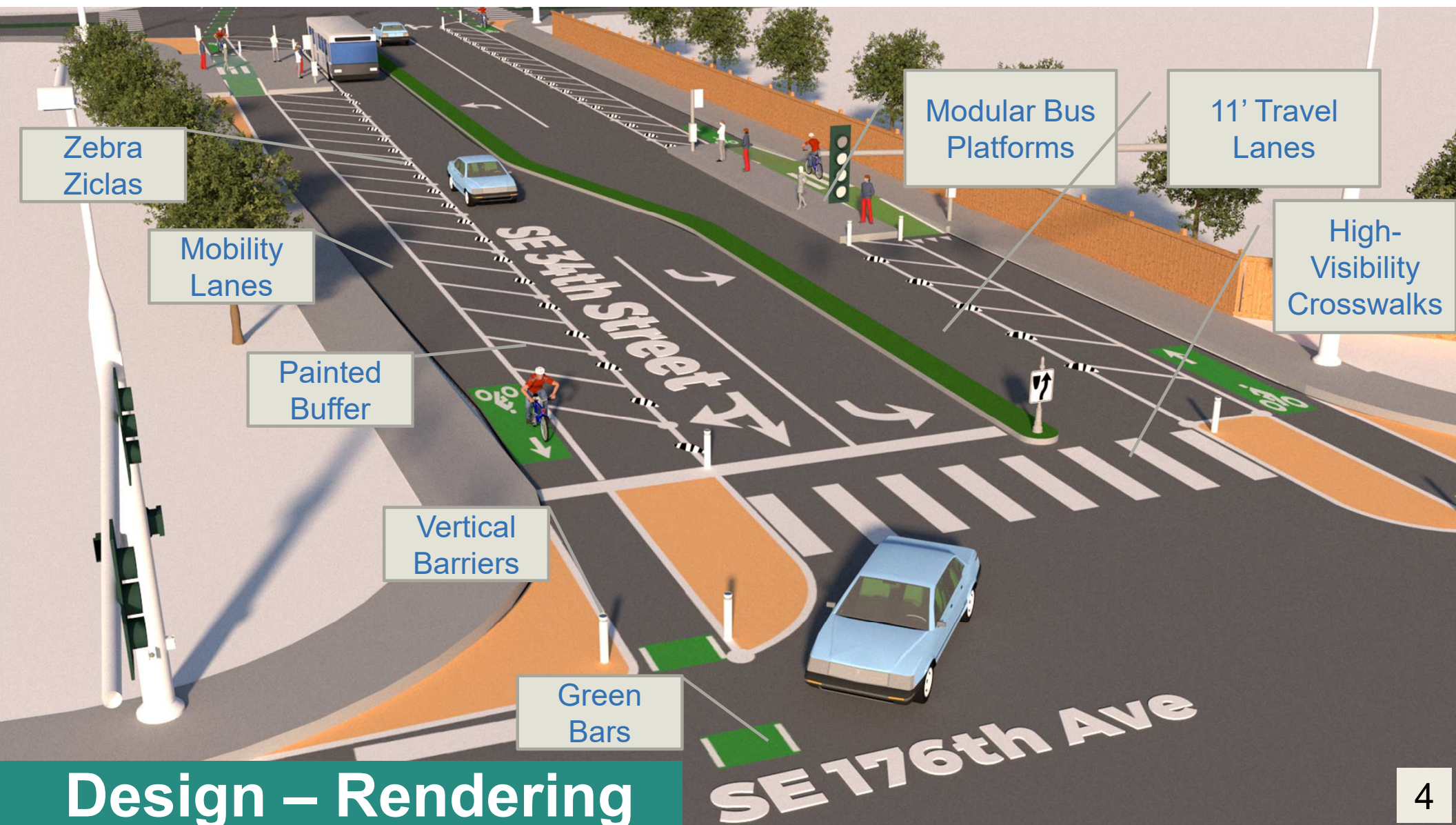
Emily Benoit, Senior Transportation Planner, CDD
Kara Hall, Consultant Project Manager, Fehr & Peers

Agenda

- Purpose
 - Share **new traffic analysis** conducted on the corridor in response to City Council concerns
 - Illustrate existing traffic conditions for **intersections with delay** (SE 164th Avenue and SE 192nd Avenue)
- Updated Traffic Analysis
 - Coordination with the Vancouver Innovation Center (VIC)
 - Forecasts and limitations
 - Intersections with delay

Design – Aerial





Community Engagement

Touchpoints

- Touchpoint #1 – June 2022
- Touchpoint #2 – September to mid-October 2022

Activities and Events

- Stakeholder Coordination (C-TRAN, VIC, etc.)
- Online Community Open House & Survey
- Promoted in-person at community events
- Communicated via postcards and yard signs along the corridor, social media

Vancouver Innovation Center (VIC) Coordination



- The **VIC Team** has submitted **proposed amendments to the existing master plan** that includes refinements to planned use allocations and development phasing.
- The SE 34th St Project **updated the traffic analysis** as the planned improvements will likely change how people travel to/from the VIC:
 - Improvements on SE 29th St, including operational improvements at the SE 164th intersection
 - Construction of a roundabout at SE 29th St and SE 176th Ave
 - Connecting SE 29th St from SE 176th Ave to SE 192nd Ave

Changes to the traffic analysis to incorporate these planned improvements were not found to change the forecast opening-year, mid-term or long-term traffic conditions on the corridor, and staff is not recommending any changes to the proposed design.

Updated Traffic Analysis

- Project goals can be achieved without substantially increasing travel time for people driving.
 - Evaluated: opening year (2024), mid-term (2030), and long-term (2040) conditions
 - Limitations: only collects volumes for AM and PM *peak hours* and forecast *vehicle* growth
 - Average daily traffic (ADT): about 10,000 per day (2022), low four vehicle travel lanes

Intersections with Delay: Findings

SE 164th Avenue and SE 192nd Avenue

Findings

- Delay and congestion at both intersections is forecasted to increase with or without the SE 34th Street Project.
- The VIC development will benefit these intersections - trips will utilize SE 29th Street to reach SE 164th Avenue and SE 192nd Avenue rather than SE 34th Street.

Next Steps

- Continue to monitor and evaluate these intersections as new transportation technologies and behaviors emerge.
- **Long term:** if needed, initiate new capital projects to address issues
- **Short term:** proposed design advances safety for all users in alignment with the Complete Streets policy, without significantly delaying drivers

Intersections with Delay: Data

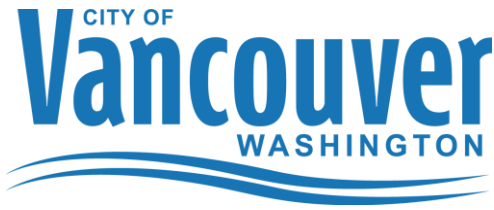
Intersection	SE 164 th Avenue	SE 192 nd Avenue
Existing left turn lanes	2	2
Proposed left turn lanes	1	1
2024 LOS (AM/PM)	D/D	D/C
2030 LOS (AM/PM)	C/E	C/D
2040 LOS (AM/PM)	D/F	C/F



Thank You

To learn more, visit www.beheardvancouver.org/se-34th





MEMORANDUM

DATE: September 18, 2023

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

CC: Emily Benoit, Senior Transportation Planner, Community Development; Rebecca Kennedy, Deputy Director, Community Development; Ryan Lopossa, Transportation Division Manager Public Works

RE: **Complete Streets – SE 34th Street Safety and Mobility Project Traffic Update**

Purpose

This Memo contains updates to the SE 34th Street Safety and Mobility Project's traffic analysis, to respond to changes in vehicle volumes on the corridor as travel patterns continue to return to pre-COVID conditions. This also includes updates from the Vancouver Innovation Center (VIC) Master Plan amendment process to ensure consistent traffic analysis methodologies regarding future development and traffic operations. With the updated VIC project phasing and traffic volumes, the traffic analysis was found to not significantly alter conditions or necessitate changes to the proposed roadway design.

Background

The SE 34th Street Safety and Mobility Project has evaluated potential roadway design changes to improve safety and mobility on SE 34th Street between SE 162nd and SE 192nd Avenues. The project will repurpose a travel lane in each direction to add dedicated space for people walking, biking, and using mobility-devices, and other safety improvements for all users, including drivers.

In addition to the Complete Streets policy goals, these corridor specific goals were identified for the Project and were used to align potential changes to the corridor with desired outcomes:

- Improve comfort and mobility for all users
- Prioritize safety for all users
- Facilitate near term implementation

Coordination with the Vancouver Innovation Center (VIC) Master Plan Amendment

The Vancouver Innovation Center (VIC) is a 179-acre campus located north of SE 34th Street between SE 176th Avenue and SE 192nd Avenue. A master plan and associated development agreement for the full site was approved by Council in August 2021. In 2023, the VIC team submitted an application for a revised master plan that refines the previous version- including adjustments to the mix of uses and updates to the development schedule- but does not substantially deviate from the overall vision established by the original plan. In order to ensure that the proposed roadway

reconfiguration of SE 34th Street is fully integrated with master plan refinements, updates were made to the Project's traffic analysis in coordination with the VIC redevelopment team, including new land use and transportation assumptions and changes to development phasing. This includes incorporating the following infrastructure improvements that will be made by the VIC and that are likely to change how people travel to and from the VIC site:

- Improvements on SE 29th Street, including operational improvements at the SE 164th intersection.
- Construction of a roundabout at SE 29th Street and SE 176th Avenue.
- Connecting SE 29th Street from SE 176th Avenue to SE 192nd Avenue.

Changes to the traffic analysis to incorporate these planned improvements were not found to change the forecast opening-year, mid-term or long-term traffic conditions on the corridor, nor necessitate changes to the proposed design. Note that the amended master plan proposal is scheduled for initial review by the Planning Commission at this year's September 12 and September 26 meetings, with additional Planning Commission and Council workshops and hearings anticipated through the fall and into winter.

Technical Findings

The traffic analysis indicated that under the opening year (2024) and mid-term (2030) scenarios, the project goals can be achieved without substantially increasing travel time for people driving. Under the long-term scenario (2040), increases in travel time will be experienced by people driving with or without the repurposing of a travel lane.

Like all models, there are limitations to the extent that the traffic analysis can predict all future conditions. One limitation is that the Southwest Regional Transportation Council (RTC) traffic models used for the technical evaluation rely on volumes collected during AM and PM peak hours, and forecast growth during those peak hours for vehicles only – providing a narrow view of growth for only one mode of transport. It does not account for small mobility devices, bicyclists, pedestrians, transit, mode shift or travel time shifts that could result from design changes.

The average daily traffic (ADT) on SE 34th Street is about 10,000 vehicles per day (2022), which is low for a corridor with four vehicle travel lanes. For perspective, the ADT of SE 164th Avenue is about 30,000 trips (2021), SE 192nd Avenue is about 22,000 trips (2018) and Fourth Plain Blvd, west of I-5 where there is now only one travel lane in each direction, is about 15,000 trips (2021).

Intersections with Delay

Throughout the SE 34th Street Safety & Mobility Project, forecasted delay at the SE 164th Avenue and SE 192nd Avenue intersections have been a concern for stakeholders and community members. To better understand the traffic operations, the Project Team supplemented traffic volume collection with drone footage to observe driver behavior. This section presents the findings for the analysis conducted for these intersections.

SE 164th Avenue

Today, there are two westbound and eastbound left-turn lanes on SE 34th Street where it intersects with SE 164th Avenue. Many users experience queueing at this intersection when making a left-turn from westbound SE 34th Street onto southbound SE 164th Avenue. Understanding the impacts of a

design change that removes one of the east- and westbound left turn lanes was a key piece of the technical analysis.

Under 2024 conditions, the largest increase in delay (approximately 22 seconds) would occur during the morning peak hour and result in a change in the level of service (LOS) from C to D, which is considered acceptable under the City's standards. During the evening peak hour, the increase in overall intersection delay would be minimal (four seconds) and there is no change in LOS.

Under 2030 conditions, the change in delay at the intersection with the repurposing of a lane would increase by four seconds during the morning peak hour and 12 seconds during the evening peak hour rather than without the project in place. The proposed project would not change LOS during the morning peak hour; however, in the evening peak hour LOS would change from D without the project in place to E with the project in place.

By 2040, increasing congestion on SE 164th Avenue would result in an increase in delay with or without the project in place, including LOS E operations during the evening peak hour. Repurposing a left-turn lane in both directions would increase delay by 11 seconds during the morning peak hour and 25 seconds during the evening peak hour. This change in delay results in LOS D operations during the morning peak hour and LOS F during the evening peak hour.

While repurposing a left-turn lane on SE 34th Street will increase delay, the delay increase is less than 30 seconds under all time periods analyzed. One reason a turn-lane can be repurposed, without substantially increasing delay, is poor lane-utilization in the existing westbound left-turn lanes onto southbound SE 164th Avenue. Today, most drivers making the left-turn use the second left-turn lane because they are positioning for the merge onto SR-14. To quantify how well the existing left-turn lanes are utilized, a drone was used to capture video footage of the intersection during morning and evening peak hours on a weekday in December 2022. The drone footage showed that:

- Most vehicles use the outside left-turn lane.
- No more than three vehicles were observed to use the inside left-turn lane during a cycle (the time it takes for all intersection legs to be served at the traffic signal).
- While queueing occurs in the outside lane today, during most cycles there was only one vehicle waiting in the inside turn-lane.

This analysis indicates that because the existing left-turn lanes are poorly utilized, a turn-lane can be repurposed without substantially increasing delay for that movement. The video footage is available [here](#).

SE 192nd Avenue

At SE 192nd Avenue, there are two intersection approaches where the capacity for vehicles would be repurposed:

- The eastbound approach on 34th Street where the existing outside lane that serves through and right-turning vehicles would be repurposed to connect people using the mobility lane to the intersection, leaving one shared vehicle lane for through- and right turning movements.
- The northbound left-turn from SE 192nd Avenue onto westbound SE 34th Street where one left-turn lane would be removed as the addition of a mobility lane on SE 34th Street would reduce the number of available receiving lanes on SE 34th Street.

Under 2024 conditions, the proposed changes would increase delay 18 seconds during the morning peak hour and five seconds during the evening peak hour. The change in LOS would occur during the morning peak hour when intersection LOS would go from C to D under the proposed project design.

Under 2030 conditions, the increase in delay during the morning peak hour would be minimal (two seconds more with the project), while the largest increase, 22 seconds, would occur during the evening peak hour with the project. Similar to the 2024 conditions, the project would result in LOS D operations during the evening peak hour. The intersection would operate at LOS C during all other scenarios analyzed.

Under 2040 conditions, repurposing a lane for vehicles would increase delay three seconds during the morning peak hour and 44 seconds during the evening peak hour. During the morning peak hour, the intersection would operate at LOS C with or without the project in place. During the evening peak hour, the intersection could operate at LOS D without the project and LOS F operations with the project.

It is important to note that delay and congestion at both the SE 164th Avenue and SE 192nd Avenue intersections is forecast to increase with or without the SE 34th Street Safety and Mobility Project in place as traffic volumes on these major arterial corridors will continue to increase. The planned improvements being constructed as part of the VIC development will also benefit these intersections, as trips traveling to and from that site in the future will be able to utilize SE 29th Street to reach SE 164th Avenue and SE 192nd Avenue rather than using SE 34th Street.

The City will continue to monitor and evaluate these intersections and turning movements as new transportation technologies and behaviors emerge. If needed, the City can initiate new capital projects to address these issues over the long term. In the short and medium term, the proposed design advances safety for all users in alignment with the Complete Streets policy, without significantly delaying drivers.

Table 1: Summary of Forecasted Level of Service for Major Intersections

Intersection with SE 34 th Street	2024 (AM Peak/PM Peak)	2030 ¹ (AM Peak/PM Peak)	2040 (AM Peak/PM Peak)
SE 164 th Avenue	D/D	C/E	D/F
SE 192 nd Avenue	D/C	C/D	C/F

Transportation and Mobility Commission and City Council

In 2022 the Project team presented to the TMC four times (February, April, July, and October) to discuss the project goals, traffic analysis and findings, community engagement process and input,

¹ The changes in LOS from 2024 to 2030 are related to planned transportation improvements by the VIC. By 2030, the VIC anticipates the SE 29th Street connection at SE 176th Avenue to be operational and the closure of the SE 177th Avenue Driveway to the VIC site, reducing volumes on critical movements at both the SE 164th Avenue and SE 192nd Avenue intersections. By 2040, the VIC anticipates that SE 29th Street will be connected all the way through the VIC site to SE 192nd Avenue, which helps maintain the same LOS in the AM peak at SE 192nd Avenue and minimize the increase in delay at SE 164th Avenue.

and proposed design elements. On October 4, the TMC voted 5-2 in favor of a design recommendation for the corridor including the repurposed lane and new safety elements.

On August 15, 2022 the Project team held a workshop with City Council to share about the project, traffic analysis, and community engagement. On September 26, 2022, City Council passed a resolution to proceed with a proposed design to repurpose a travel lane in each direction on SE 34th Street to meet project goals. On November 7, 2022, City Council heard an update on the design discussion and voiced concerns about the impact of development along the corridor and removal of left turn lanes at the SE 164th Avenue and SE 192nd Avenue intersections. This September 18, 2023 update is intended to provide additional data that directly addresses these concerns, providing a revised traffic analysis in coordination with the VIC Master Plan amendment work and illustration of the current intersection queuing issue, supported by video analysis at the SE 164th Avenue intersection.

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Attachment(s):

- [SE 34th Street Traffic Analysis Updated Memo](#) (May 2023)
- [SE 34th Street and SE 164th Avenue Intersection Turning Movement Video](#) (December 2022)
- [SE 34th Street Resolution M-4189 in September 26, 2022 City Council Meeting Minutes](#) (September 2022)