From: <u>Jeff Swanson</u>
To: <u>Jose Alvarez</u>

Subject: [Contains External Hyperlinks] Re: New Committee comment

**Date:** Friday, May 1, 2020 1:04:35 PM

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Thanks, Jose. I'll do the best I can to participate using the technology, but have experienced some limitations because of demands locally on bandwidth.

As I've been reviewing the memo, I think it would be helpful to have the rationale on Page 14 explained by staff and consultants during the presentation. There are some complicated statements there and it would be good to talk through those just so we're all clear on the meaning and import.

The other point that I think staff and consultants are trying to get across that may not be clear is that after the model is parameterized and run there will be some opportunities for everyone to review and interpret the results, address anomalies, and re-parameterize and re-run the model as part of the validation process.

One of the significant limitations of the way in which we plan is that we are always having to look back and use that information to project forward/forecast. It is yet to be seen and understood how changing consumer preferences and huge structural issues like the COVID-19 pandemic will impact land use patterns going forward. I'm already seeing some interesting things happening in the commercial market!

Best.

Jeff Swanson Consultant - Community and Economic Development Manager City of La Center, WA (360) 975-9466

From: Jose Alvarez < Jose. Alvarez@clark.wa.gov>

**Sent:** Friday, May 1, 2020 12:44:10 PM

**To:** Jose Alvarez

Subject: New Committee comment

Hello,

Attached is a new committee comment, the most recent is on top. This will be uploaded to the web page shortly. <a href="https://www.clark.wa.gov/community-planning/buildable-lands-project-advisory-committee">https://www.clark.wa.gov/community-planning/buildable-lands-project-advisory-committee</a>



# Jose Alvarez Planner III COMMUNITY PLANNING

564.397.4898







From: <u>David McDonald</u>
To: <u>Jose Alvarez</u>

Subject: [Contains External Hyperlinks] Buildable Lands AC

**Date:** Friday, May 1, 2020 12:13:59 PM

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Jose:

Please circulate to the group.

Thanks,

All:

My apologies for providing this so late in the game and missing the 3/20 meeting. However, I did listen to the 3/20 meeting and I was working on some questions and comments when I saw Bryan's notes to the group and saw he raised several of the issues that I have also wanted to raise. Without addressing each and every one of Bryan's points, I have the following observations and requests:

#### **Market Factor:**

I am not convinced that the 15% Market Factor is appropriate for us to approve at all and I think that the recommendation should be greatly reduced or eliminated. I understand that the recommendation is not to exceed the 15% and that is noteworthy (and the Council could impose a lower rate or none at all) but it appears that the Rationale on page 14 of the Memorandum does not have a justification for using it at all. Moreover, the Rationale on p 14 appears to me to acknowledge that the use of the Market Factor can inflate the number on the "demand" and "create a surplus" in the system. Moreover, the model already (on the supply side) has major exceptions for Residential Vacant Lands (10% never to convert) and Underutilized Lands (30% never to convert). The model also includes reductions in "supply" for infrastructure (27.5%) and for constrained lands (50%). It seems that with those reductions in the supply already in place, there is no need for a market factor or, at best, it is simply double counting. Also, I would appreciate it if someone could point me to the materials for the "on the ground" justification for the reductions for constrained lands and infrastructure and data that shows that any development that has been denied the number of developable units for a parcel when factoring in infrastructure and or constrained lands (i.e. if a parcel qualifies for 10 units but 30% of the property is "constrained" and 27% is for infrastructure, is the County denying any developer a permit to still develop 10 units on that parcel so long as there is no minimum lot size overlay).

In addition, the Recommendation seems to take into account the potential inaccuracy of these never to convert numbers due to the new addition of the use of the 5% redevelopment number to add to the supply side (and, as Bryan points out, that 5% number is less than half of what the City is seeing on the ground (12% if I read Bryan's memo correctly) which would mean using the 5% factor would grossly underestimate the supply of developable "units").

Finally, no where does the model account for what has been a traditional part of the Clark

County Comprehensive planning process, the yearly CMZ process where commercial property owners request, and the Council approves, changing zoning to allow for increases in the amount of residential units (for example taking a commercial piece of property and allowing it to be rezoned to high density residential). If the County is allowed to change the zoning via a CP amendment. Although I have not completely researched the issue, a quick search of the Grid showed over 30 CPZ applications in 2019 alone. Certainly, and admittedly, not every CPZ is focused on adding residential development but, so long as that is an option available to a developer, that adds an unknown amount of capacity to the "supply side".

## **Residential 1.1**:

I would like clarification on the issue of why the Recommendation includes an assumption of only 1 unit for a lot that is greater than 5000 sf but less than an acre. I think I am missing the point because I do not follow the rationale based upon "platted lots over 5,000 sf are grouped with other vacant land that has yet to be platted.

There are some other issues that I think that will be discussed today but these are the two issues that I flagged.

Thanks,

David

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From: Snodgrass, Bryan Jose Alvarez To:

Subject: BLPAC meeting 4 comments Thursday, April 30, 2020 3:13:24 PM Date:

Hi Jose – Some comments for the committee and project team to share or post. Thanks

#### Αll

It's hard to get into detail with videoconferencing, so here are comments for consideration for this Friday's meeting.

Overall, I just want to confirm that votes this week on individual assumptions are as they were described in the project Overview Memo discussed back in February - as preliminary recommendations, subject to then being confirmed or refined by the committee towards the end of this process after we see the results for the model as a whole. With some exceptions and adjustments noted below most of the recommendations look appropriate individually. However, we won't be able to estimate if the model is reasonably accurate until we see the model output as a whole, and may want to make adjustments on the individual parts at that time if the model is off.

On the individual assumptions:

Residential – Recommendations look good with some suggested adjustments:

- 1.1 Count small vacant platted lots as recommended, but only buildable lots Assuming vacant platted lots in the 1,000 to 5,000 square foot range are buildable is consistent with current Vancouver development and ongoing trends. However, platted lots set aside for drainage, open space, or other purposes shouldn't be counted. The principal that assessor assignments of property type is less accurate than valuation makes sense as a general rule, but in this case including lots identified by a public agency as unbuildable would arguably reduce the accuracy and credibility of the model.
- 1.1 For slightly bigger vacant platted lots (1/2 to 1 acre) assume 10% will redevelop through further platting, to be consistent with the recommendation in 1.3 (if I understand it correctly) that 10% of underutilized lots will redevelops. The recommendation under 1.1 that all platted vacant lots up to an acre in size will only develop with a single unit seems overly conservative for the next 20 years. Some percentage may re-plat at densities allowed by the underlying zone, or more densely than that through infill provisions. The number of such lots that get replatted is probably limited, but the number of units that might be produced in the next 20 years may be worth counting.
- 1.3 For ½ to 1 acre underutilized lots, count those designated urban low density, not just those designated urban high density. The recommendation that 10% of these type of underutilized lots be assumed to develop over 20 years but only for those with urban high density designations cites the fact that the urban high lots have converted at a higher observed rate than the low density lots, 5.8% v 3.4% over 12 years. However, the far greater prevalence of urban low designation on the ground means that the number of potential lots that the model would miss by excluding the low density lots may be greater. Both should be included. I'd suggest estimating that 5% of the urban low density underutilized lots in this size range will redevelop over 20 years.

### Employment. Looks reasonable

## **Redevelopment** – Some concerns:

- If existing County redevelopment assumptions are used for guidance, we need to confirm what they were. Per this resolution and attachment it looks like in the 2016 update the County adopted a redevelopment assumption of 15,224 persons countywide out of a total growth target of 129,546 new persons, for about a 12% redevelopment share of growth, not 5%.
- If assumptions from other Washington jurisdictions are considered, we should note if those assumptions are were developed before or after the recent changes, in which redevelopment was added to the buildable lands statute for the first time, and the new state guidance emphasized its importance.
- Getting data on how much redevelopment has occurred recently here or elsewhere would be preferable. If a local GIS based analysis isn't feasible, we could look to the experience of others. A recent Metro growth report (covering suburbs as well as the City of Portland) found that most single family development from 2007-2016 occurred on infill lands, and most duplex, triplex and apartment development occurred on lands that had been redeveloped. https://www.oregonmetro.gov/sites/default/files/2018/07/03/UGR\_Appendix5\_Residential%20Development%20Indicators.pdf,
  - see page 20. More information is needed on how to interpret this given differing markets and definitions of redevelopment, but it's a start. Recent historical information from Puget Sound jurisdictions or elsewhere would be useful if its available.
- The memo appropriately notes the overlap of redevelopment with development on commercial lands, and the two should probably be looked at in tandem. Some of the same concerns noted for housing on commercial land --that there is a lot of new development in Vancouver outside of downtown, including outside of identified subareas- apply to redevelopment.

Infrastructure Gaps – This looks reasonable given local development history, where as I understand it most urban holding designations

have usually been removed reasonably early in the 20-year planning cycles and development allowed to proceed. Its also consistent with the state buildable lands guidance document which indicates jurisdictions should follow their capital facilities plans in determining if there is a local infrastructure gap which will reduce densities over 20 years.

Market Factor – Some questions and concerns, more information or discussion may be needed:

- The recommendation to consider the three market factor assumptions (vacant land that won't convert, underutilized land
  that wont convert and the demand side market factor) in aggregate makes sense, but clarification would help about what the
  aggregate impact of the assumptions that are being recommended is, and what the aggregate observed percentage in the
  data is that is being cited to support the recommendation.
- For the first of these, what the aggregate impact of the recommended assumptions, I assume the 10% vacant and 30% underutilized never to convert factors would aggregate to somewhere around 20%, depending on the relative mix of vacant and underutilized land. However in practice the last VBLM results reported on the County website (2018) state that the never to converts accounted for 38% (6025 never to convert acres from a gross of 15761 acres, and this still doesn't include the 15% demand side market factor.
- For the second part, the observed data to support the recommendations, comparing 1996 VBLM data with 2019 makes sense in providing a sufficiently long time lag to inform the recommendation, but introduces some potential pitfalls because the VBLM assumptions have changed significantly since 1996. As Memo 3 rightly acknowledges, changes in the assumptions can distort the comparison of the totals from 1996 to 2019 that are being used to estimate the percentage of land that didn't develop. Some of the changes are probably small, such as accounted for demolitions and changing valuations. Others like accounting for changes in environmental assumptions, or land divisions, may have larger impacts clouding the results.

#### Residential development on commercial land – Recommendations look OK with important adjustments:

- Developing an assumption based on the observed percentage of commercial land developed for housing may be the most objective approach.
- If City plans are used to develop an assumption, these should also include City plans outside of downtown. The Vancouver multi-family project data cited in this week's memo showing that there are currently 2012 units pending downtown also shows more than twice as many (looks like 4636 units) currently pending elsewhere in the City. Of those pending unit outside downtown, more than 40% (1944 units), appear to be on commercially designated land.
- If City plans are used, City estimates of future residential development on commercial lands occurring outside of planned subareas should also be incorporated. Of the currently pending 1944 apartment units outside of downtown, only 17% (335 units) appear to be in identified subarea or master planned sites. Not all of the pending apartments will develop, but the data suggest there is a lot of residential development on commercial lands outside of downtown, most of which is occurring outside of identified subareas.

 $\mathsf{BRS}$ 

From: <u>Jamie Howsley</u>
To: <u>Jose Alvarez</u>

Cc: Jerry Olson (jolson@olsonengr.com); Jamie Howsley; Eric Golemo
Subject: [Contains External Hyperlinks] Re: Meeting 4 presentation

**Date:** Wednesday, April 29, 2020 4:48:53 PM

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Jose,

I thought I had a conflict, but my other meeting got moved to tomorrow. But I did want to put it out there that I would like to ask for a delay of month for any voting items until we can get back in the room physically as I think it is harder to reach consensus without everybody being in the same physical space. I appreciate the virtual word, but it has two dimensional limitations.

Best,

Jamie

### Get Outlook for iOS

From: Jose Alvarez <Jose.Alvarez@clark.wa.gov>
Sent: Wednesday, April 29, 2020 4:32:05 PM
To: Jose Alvarez <Jose.Alvarez@clark.wa.gov>

Subject: Meeting 4 presentation

Hello,

The presentation for this Friday's 2 pm meeting is attached and will be available on the web page shortly <a href="https://www.clark.wa.gov/community-planning/buildable-lands-project-advisory-committee">https://www.clark.wa.gov/community-planning/buildable-lands-project-advisory-committee</a> See you on Friday.



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