

DATE: April 24, 2020  
TO: Clark County Buildable Lands Project Advisory Committee  
CC: Jose Alvarez, Clark County  
FROM: Bob Parker, Becky Hewitt, and Margaret Raimann, ECONorthwest  
SUBJECT: DRAFT: Update on Previously Addressed Issues, Mixed Use, and Preliminary Recommendations

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## Executive Summary

This memo provides a follow up on residential land classifications with responses to comments from the Buildable Lands Project Advisory Committee (BLPAC) and refined recommendations.

### Confirming Recommendations on Residential Land Classifications

**1.1: Vacant Residential Land—Lot Size Threshold/Vacant Platted Lots.** Lots under 5,000 square feet are currently classified as “built” in the model (meaning they generate no capacity); however, several jurisdictions allow single family development on lots under 5,000 square feet, and this has become increasingly common. In addition, platted lots over 5,000 square feet are grouped with other vacant land that has yet to be platted.

*Proposed Recommendation:* Create a new residential land classification for vacant lots between 1,000 square feet and 1 acre that were platted within the last 20 years. Assume capacity of 1 unit per lot.

**1.2: Vacant Residential Land—Building Value Threshold.** Land with more than \$13,000 in building value is excluded from the vacant land category, and is either captured as underutilized or built. The value threshold does not update automatically over time.

*Proposed Recommendation:* Additional analysis and discussion with the County Assessor’s office indicate that building value likely continues to be the most reliable criterion to identify vacant land. Based on data from 2007, the threshold of \$13,000 continued to be a reasonable cut-off as of that year. To ensure that the threshold remains aligned with property values as they fluctuate over time, the project team recommends adjusting the threshold annually based on the percent change in property values of existing development in Clark County.

**1.3: Underutilized Residential Land—Lot Size Threshold.** Lots under one acre with improvement values that exceed the threshold for vacant are considered built under the current methodology. Some of these may have further development potential.

*Proposed Recommendation:* Establish a new classification for small underutilized lots using the following criteria:

- Parcels between a half-acre and one acre in size
- No more than one existing dwelling unit

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- Designated in the Vacant Buildable Lands Model (VBLM) as Residential – Urban High<sup>1</sup>
  - Not already designated vacant (i.e., building value greater than \$13,000)

### Updates to Employment Land Classifications

Vacant commercial and industrial land is defined as parcels greater than 5,000 square feet and a building value less than \$67,500. Underutilized land is defined as parcels greater than 5,000 square feet and a building value per acre less than \$50,000 (and greater than \$67,500). Parcels that are assessed with another parcel (indicating they are part of a larger site, such as a parking lot for a shopping center) are treated as built. The County also excludes tax exempt properties, with the exception of Port properties that are addressed separately.

**Refined Recommendation:** Modify the existing land classifications with the following updates:

- **Vacant:** Retain the existing building value threshold (\$67,500) and index it based on the percent change in property value for existing development in Clark County.
- **Underutilized:** Retain the existing building value per acre threshold (\$50,000 per acre) and index it based on the percent change in property value for existing development in Clark County.
- **Built:** On sites classified as built, add areas identified as “excess” (unbuilt but generally developable portions of a parcel) and “rearage” (extra land behind the primary development) by the assessor to the model results as net available acres. Based on estimates provided by the assessor, assume that 75% of “excess” land will develop, and that 20% of “rearage” land will develop.<sup>2</sup>

### Confirming Recommendation on Redevelopment

The existing methodology includes a demand-side assumption that 5% of population and employment will be accommodated through redevelopment that is not captured in the VBLM.

**Proposed Recommendation:** The Project Team recommends the following updates to the methodology:

- Incorporate assumptions related to redevelopment on the land supply side in the VBLM to the extent there is a predictable pattern that can be accounted for in the model. This includes applying a redevelopment rate for the new land classification for small underutilized lots. The suggested approach to addressing residential development on commercial land (presented in Part 2 of this memo) will also

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<sup>1</sup> The Residential – Urban High grouping in the VBLM encompasses Urban Medium Density Residential and Urban High Density Residential Comprehensive Plan classifications in Vancouver.

<sup>2</sup> Based on communication with Clark County Assessor’s Office in April 2020.

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capture much of the redevelopment that has been happening in Vancouver’s Central City.

- Replace demand-side redevelopment factors for housing and employment (most recently set at 5% each of total housing units and total jobs accommodated through redevelopment) with supply-side assumptions in the model, for clarity.
  - Incorporate an assumption of a 5% increase in housing capacity for each UGA, above what the residential model calculates, to capture other redevelopment that is more difficult to predict (e.g., accessory dwelling units, zone changes, small-scale infill, and other development on land classified as built).
  - Incorporate an assumption of a 5% increase in employment capacity in each UGA, above what the commercial and industrial models calculate, to capture employment growth on land with existing development.

### Confirming Recommendation on Market Factor

The existing methodology includes “never to convert” assumptions that account for the fact that not all developable land will be developed. In addition to deductions for constrained land (e.g., wetlands, flood plains, steep slopes, habitat areas, stream corridors, etc.), the methodology applies never-to-convert factors to vacant and underutilized residential land (10% and 30%, respectively). The methodology does not include specific never-to-convert assumption for commercial or industrial land except on constrained land.<sup>3</sup>

In addition to the never-to-convert factors used in the VBLM, Clark County uses a market factor that is applied on the demand side to the number of net acres needed to accommodate new population/employment growth.<sup>4</sup> In 2016, the County applied a 15% demand-side market factor for residential, commercial, and industrial.

***Proposed Recommendation:*** The Project Team recommends that the County keep the existing never-to-convert factors:

- 10% never-to-convert factor for vacant residential land
- 30% never-to convert factor for underutilized residential land

In addition, the Project Team finds that the data supports up to a 15% market factor to create choice among potentially developable properties.

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<sup>3</sup> Note that the never-to-convert assumption accounts for a land market factor—that not all available land will be developed. In establishing residential land needs, the conversion from population projections to housing units needed accounts for housing unit vacancy separately. For commercial and industrial land, the use of observed employment densities (rather than built space) has historically meant that the County did not need to address vacancy in the same way for commercial and industrial development.

<sup>4</sup> This is taking into consideration the following assumptions approved by Council: OFM population projection, urban/rural split, persons per household, density targets, and infrastructure set-asides.

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## Confirming Recommendation on Infrastructure Gaps

The new buildable lands legislation requires that identification of land suitable for development and redevelopment must take into consideration infrastructure gaps, including but not limited to transportation, water, sewer, and stormwater. Clark County does not currently have an explicit step in the Buildable Lands methodology to address infrastructure gaps. However, jurisdictions in Clark County apply an Urban Holding (UH) Overlay plan designation to land that has infrastructure limitations on it that must be resolved prior to annexation and/or development.

***Proposed Recommendation:*** Continue to exclude Yacolt from urban capacity assumptions due to lack of sewer facilities. Do not exclude any additional land from the VBLM on the basis of infrastructure gaps.

## Mixed Use and Residential Development on Commercial Land

The buildable lands model classifies lands into three urban land use categories—residential, commercial, and industrial—based on comprehensive plan designations. (Lands designated as parks and open space, public facility, mining lands, or airport within the urban growth areas are excluded from available land calculations.)

The County's existing methodology assumes a portion of the buildable land in mixed use designations will develop as residential, and the other portion will develop as commercial. The split varies by land use designation. Land with a commercial land use is not assumed to generate residential development. However, some areas identified as commercial, especially the Vancouver City Center, have seen a lot of residential development in commercial zones.

***Preliminary Recommendation:*** The Project Team's preliminary recommendation for estimating additional residential development in commercial areas, outside of mixed-use designations, is to rely on existing city plans or best estimates from local planning staff for areas that are planned or zoned to accommodate residential development and where there is a demonstrated history of residential development. Using city-adopted plans, such as the Vancouver City Center Plan, appears to provide reasonably accurate estimates for future residential development on commercial land in the VBLM.

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# Introduction

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Clark County contracted with ECONorthwest and AHBL to assist in identifying and addressing needed updates to the County’s Buildable Lands Methodology and prepare the 2021 Buildable Lands Report in collaboration with the Clark County Buildable Lands Team, a Buildable Lands Project Advisory Committee and other key stakeholders. The goal of the process is to ensure that the County’s methodology is consistent with state law (including recent legislative changes); reasonably accurate in estimating land capacity for each Urban Growth Area and rural area; and supported by the available evidence and a broad base of stakeholders.

This memorandum provides updates on the Project Team’s analysis thus far for topics that the PAC has addressed in previous meetings, as well as an introduction to one new topic. Thus far, the PAC has held three meetings to discuss buildable lands topics. The PAC has five additional meetings scheduled, with the meeting on May 1, 2020 as the fourth meeting, which will focus on the content included in this memorandum.

This memorandum is organized by buildable lands topics. Part 1 covers Topics 1-5, and includes topics that the PAC has reviewed and discussed in previous meetings. Topics presented in these sections are either (1) confirming the *proposed* recommendation or (2) presenting updated analysis for a *refined* recommendation. Part 2 presents a new topic (Topic 6: Mixed Use and Residential on Commercial Land) for discussion at the May 1, 2020 PAC meeting.

## Part 1: Updates on Previously Discussed Topics

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### Topic 1: Confirming Recommendations on Residential Land Classifications

This section provides updates related to the Residential Land Classification topics addressed in the previous meeting (March 20, 2020). Please see the previous memoranda (dated February 14, 2020 and March 13, 2020) for background, the original analysis, and responses to the February 21, 2020 meeting.

#### 1.1: Vacant Residential Land—Lot Size Threshold/Vacant Platted Lots

##### Overview

Lots under 5,000 square feet are currently classified as “built” in the model (meaning they generate no capacity); however, several jurisdictions allow single family development on lots under 5,000 square feet, and this has become increasingly common. In addition, platted lots over 5,000 square feet are grouped with other vacant land that has yet to be platted.

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## Proposed Recommendation

- Create a new residential land classification for vacant platted lots that meet the following criteria:
  - Parcel size is greater than 1,000 square feet and less than 1 acre
  - Platted within 20 years of the VBLM model run
  - No existing housing units
  - Meeting all other criteria for vacant land (including building value or its alternative determined through this process)
- Assume a capacity of one unit per lot for this new classification.

## Rationale

The PAC initially discussed this topic at the February 14, 2020 meeting, and reviewed additional Project Team analysis at the March 21, 2020 meeting. The basis for the recommendation is summarized below.

- Nearly 2,000 units were built on lots under 5,000 square feet that otherwise would have been identified as vacant (in other words, they met all the criteria except for the minimum lot size) from 2007 to 2019.
- Cities of Vancouver, Battle Ground, Camas, Washougal, Ridgefield, La Center and the unincorporated Vancouver UGA now allow single family detached housing on lots under 5,000 square feet.
- These parcels need a separate category so that the same assumptions that are applied to larger vacant land (e.g., deductions for roads and infrastructure, environmental constraints, and market factor) are not applied to vacant platted lots.
- The risk that vacant platted lots will have been developed before the comprehensive plan is updated is minimal because the VBLM is run at the beginning of each year. When updating the comprehensive plan, an end of year forecast is done by the County demographer, so that the VBLM and baseline population are as close to being in sync as possible. This baseline population is subtracted from the Office of Financial Management (OFM) projected population, as selected by Council, to determine the amount of growth that needs to be accommodated over the planning horizon. This means a minimal lag in the data. The platted lots account for much of the near-term capacity for housing, but the alignment in timing means that if the unit is not yet complete the population of that unit remains part of the population forecast.
- Continuing to exclude lots under 1,000 square feet will exclude most remnant parcels that are not buildable. (The data shows that these generally did not develop.)
- Limiting this classification to lots platted within the last 20 years will isolate lots platted under GMA rules. Older platted lots are more likely to have zoning that does not match the zoning when they were platted, making them more likely to be re-platted and possibly divided prior to development.

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## 1.2: Vacant Residential Land—Building Value Threshold

### Overview

Land with more than \$13,000 in building value is excluded from the vacant land category, and is either captured as underutilized or built. The value threshold does not update automatically over time.

### Proposed Recommendation

- Index the building value threshold for vacant land based on the percent change in property value for existing development in Clark County from the prior year.<sup>5</sup>

### Rationale

The PAC initially discussed this topic at the February 14, 2020 meeting, and discussed additional Project Team analysis at the March 21, 2020 meeting. The basis for the recommendation is summarized below.

- The improvement value threshold has not been updated since 2007.
- According to the assessor, building value is a reliable field with an annual update cycle in which values are reviewed for accuracy every year by the State and property owner.
- The assessor indicated that property type codes do not have an annual review cycle. They do not drive value, so they are not reviewed as rigorously and are assigned somewhat differently by individual appraisers. The assessor did not recommend using property type codes to classify land in the VBLM.
- While building value is not a perfect indicator of what land is vacant, the vast majority of vacant and underutilized land that is developing has a building value of zero.
- When residential lands are valued based on a having a higher and better use than the current development, they can have a building value of zero, even though they have a housing unit; the house is declared “economically obsolescent.” Vacant and underutilized land with a unit on the property valued at or near \$0 had a higher chance of converting.
- There was little property with building values between \$0 and \$13,000 as of 2007.

## 1.3: Underutilized Residential Land—Lot Size Threshold

### Overview

Lots under one acre with improvement values that exceed the threshold for vacant are considered built under the current methodology. Some of these may have further development potential.

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<sup>5</sup> Staff is further evaluating the best source of information and methodology for this indexing approach.

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## Proposed Recommendation

Establish a new classification for small underutilized lots using the following criteria:

- Parcels between a half-acre and one acre in size
- No more than one existing dwelling unit
- Designated in the VBLM model as Residential – Urban High<sup>6</sup>
- Not already designated vacant (i.e., building value greater than \$13,000)

Apply a redevelopment rate of 10% of acres (a 5.8% conversion rate over 12 years would translate to just under a 10% conversion rate over 20 years if the trend were linear).

## Rationale

The PAC initially discussed this topic at the February 14, 2020 meeting, and discussed additional Project Team analysis at the March 21, 2020 meeting. The basis for the recommendation is summarized below (this includes some additional information in response to PAC feedback at the last meeting).

- The majority (over 70%) of the residential land identified as built that converted with additional units between 2007 and 2019<sup>7</sup> was in lots over 20,000 square feet (roughly a half-acre).
- In the Vancouver UGA, a higher percentage of land within the Urban High Density GMA land use category converted than within the Urban Low Density land use category. The ability to create additional units on the property can also increase the likelihood of redevelopment or infill.
- There was general support on the PAC for the concept of creating a new classification for lots between a half-acre and one acre with capacity for additional residential development, and the PAC agreed with the need to focus on lots with more capacity.
- PAC members suggested that this approach apply to all UGAs, not just the Vancouver UGA. The Project Team reviewed the number of acres in the 2019 VBLM that would be included in this new classification in all Clark County UGAs. Exhibit 1 shows the number of acres that would be included in this classification for the 2019 residential VBLM. While this analysis shows that most of the acres are in Vancouver (186 acres), there are other UGAs with acres on lots that fit these criteria, including Battle Ground (30 acres) and Camas (16). While applying a redevelopment rate of 5-10% of these acres does not result in a large number of acres included in the capacity for residential land, it may help to improve the accuracy of the VBLM overall.

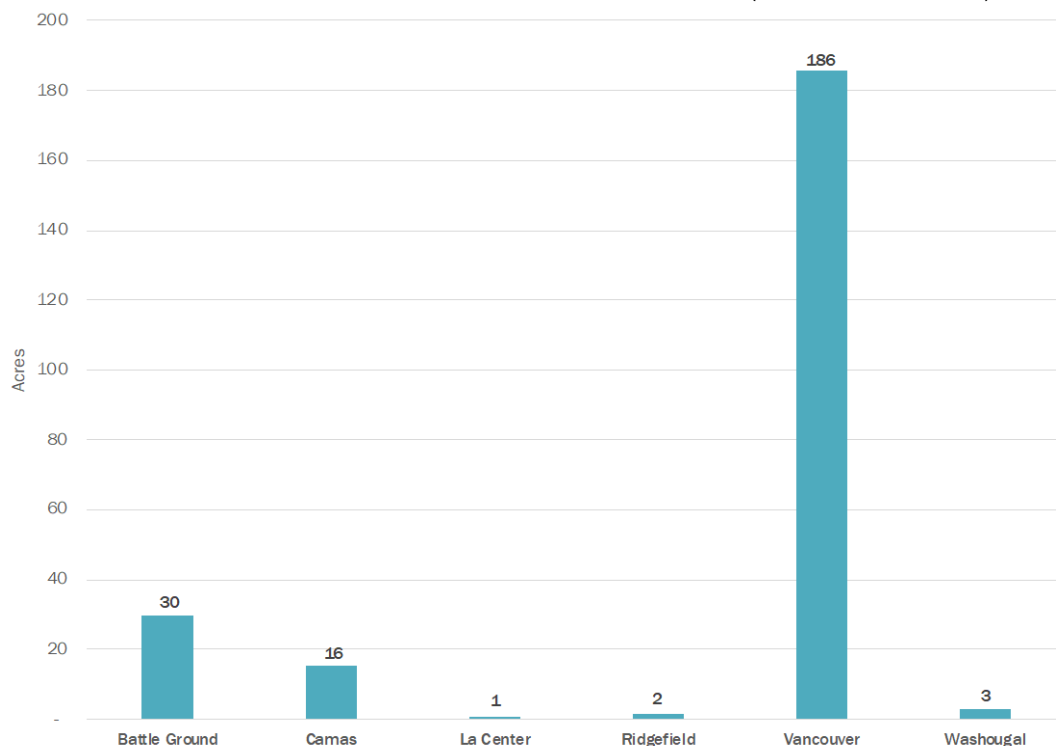
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<sup>6</sup> The Residential – Urban High grouping in the VBLM encompasses the City of Vancouver’s Urban Medium Density Residential and Urban High Density Residential Comprehensive Plan classifications.

<sup>7</sup> This analysis excludes land that was classified as built in the 2007 VBLM but has been identified for this analysis as a vacant platted lot.



Exhibit 1. Additional Acres of Underutilized Residential Land (Lot Size Threshold), 2019 VBLM by UGA



Source: ECONorthwest analysis using data provided by Clark County

## Topic 2: Updates to Employment Land Classifications

### Overview

The existing methodology for employment land (i.e., commercial and industrial land) defines vacant land as parcels greater than 5,000 square feet and a building value less than \$67,500. Underutilized land is defined as parcels greater than 5,000 square feet with a building value greater than \$67,500 and a building value per acre less than \$50,000. Parcels that are assessed with another parcel (indicating they are part of a larger site, such as a parking lot for a shopping center) are treated as built. The County also excludes tax exempt properties, with the exception of Port properties, which are addressed separately.

### Summary of BLPAC Feedback and Project Team Responses

At the February 14, 2020 PAC meeting, the Project Team presented preliminary information related to commercial and industrial land that showed a noticeable amount of development on land classified as “built”, but the historical comparison of commercial and industrial model results were inconclusive. The Project Team observed challenges in analyzing data at the parcel level, as commercial development typically happens at a site level, composed of multiple parcels with multiple buildings or other active uses (e.g., parking lots). PAC members expressed concerns about the validity of building value as an indicator of whether a parcel is vacant or underutilized.

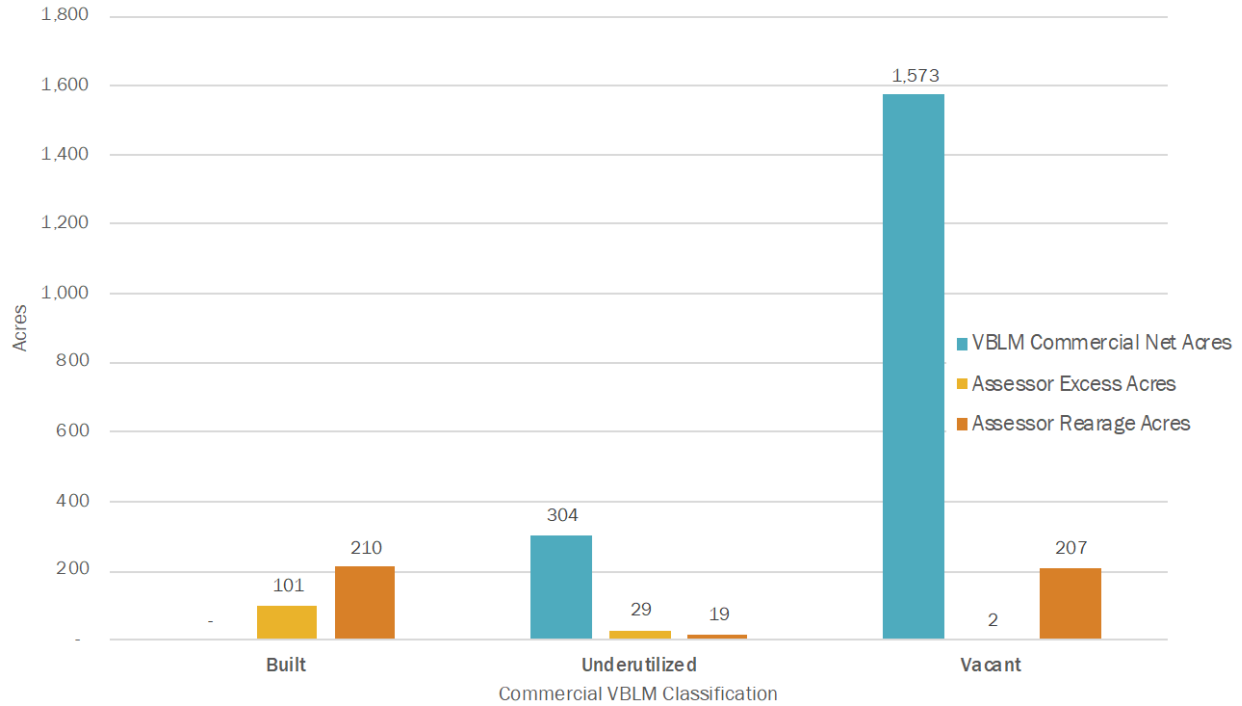
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In response, the Project Team explored several other possible ways to identify employment land (commercial and industrial) with additional development potential. The results of that exploration are summarized below.

- **Land for Jobs:** The Project Team reached out to the Columbia River Economic Development Council (CREDC) to discuss the organization’s Lands for Jobs web-mapping application. CREDC provided an overview of a draft version of the Land for Jobs tool, which provides a web map of unbuilt commercial and commercial industrial sites in Clark County. CREDC used a methodology to define sites in three Tiers, which reflect development readiness of sites within a three year timeframe— Tier 1 (6 months), Tier 2a (7-12 months), Tier 2b (13-30 months), and Tier 3 (30-36 months). This evaluation is focused on understanding when vacant land may be ready for development rather than identifying whether land is vacant or underutilized in the first place. The Project Team determined that while this tool is useful for understanding characteristics of sites that may be developed in the short-term, it does not align with the longer (20-year) time-frame required for the VBLM.
- **Assessment of Extra Acreage:** The Project Team reached out to the County Assessor to review and explore the Assessor’s methods and data related to the assessment of additional available acreage for commercial and industrial uses. This includes acreage on lots that have an existing use, but the site may have available acreage that is not actively in use. As part of their method, the Assessor evaluates both “excess” and “rearage” acreage. Excess is defined as extra acreage that is developable on a parcel, generally with its own street frontage. Rearage is land that is located behind the primary development on the parcel; it generally lacks frontage and/or access. The Assessor estimated that 75% of identified excess land will develop, while only 20% of rearage land will develop.

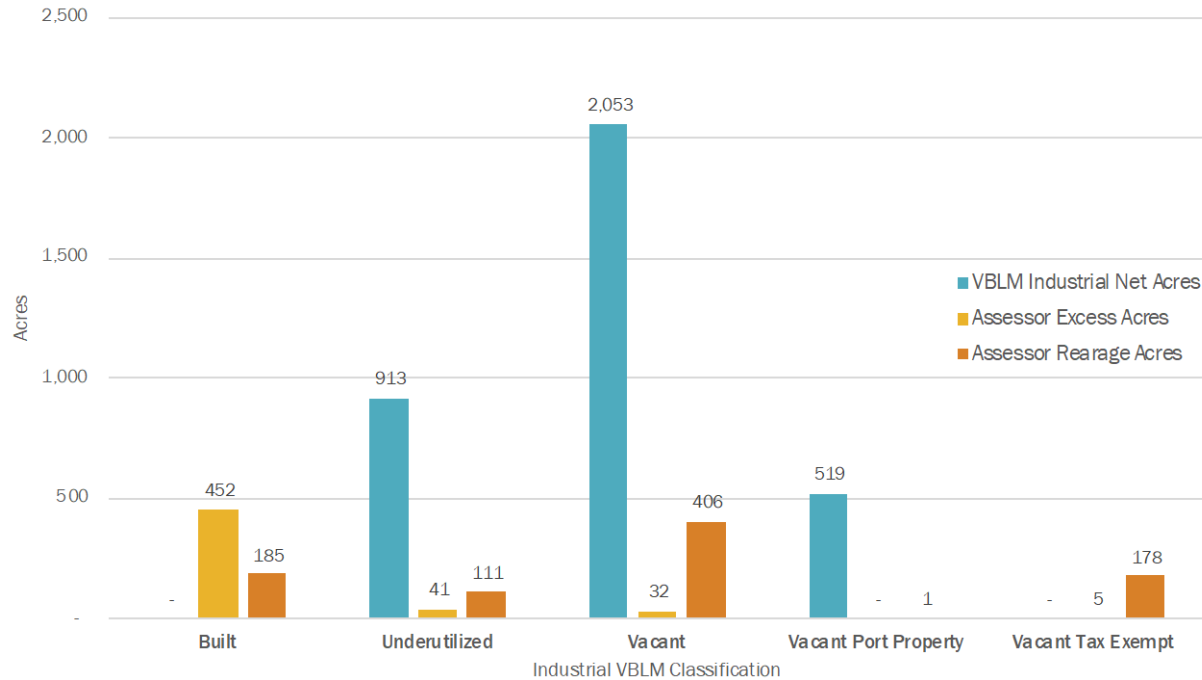
Exhibit 2 and Exhibit 3 show the distribution of net vacant acres in the Commercial and Industrial VBLM models, compared to the number of acres that the Assessor identified as “excess” or “rearage.” Most of the excess and rearage is on land identified as “built” in both the commercial and industrial VBLMs. It is not surprising to see little “excess” on land classified as vacant in the VBLM, given that this land often does not have an existing use and is more likely to be identified as vacant by the Assessor.

Exhibit 2. Assessor Excess and Rearrage Acres by General Commercial VBLM Classification.



Source: ECONorthwest analysis of Clark County data.

Exhibit 3. Assessor Excess and Rearrage Acres by General Industrial VBLM Classification.



Source: ECONorthwest analysis of Clark County data.

- Location of underutilized land:** The Project Team reviewed the spatial distribution of underutilized commercial land and found that much of the land identified as underutilized in the model is located on farm land that has not yet been annexed. The

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lack of development on these lands may be a result of their inability to urbanize since they have not yet been annexed, rather than revealing an issue with the way underutilized land is classified.

## Refined Recommendations

Modify the existing land classifications with the following updates:

- **Vacant:** Retain the existing building value threshold (\$67,500) and index it based on the percent change in property value for existing development in Clark County.
- **Underutilized:** Retain the existing building value per acre threshold (\$50,000 per acre) and index it based on the percent change in property value for existing development in Clark County.
- **Built:** On sites classified as built, add areas identified as “excess” and “rearrage” by the assessor to the model results as net available acres. Based on estimates provided by the assessor, assume that 75% of “excess” land will develop, and that 20% of “rearrage” land will develop.<sup>8</sup>

## Topic 3: Confirming Recommendation on Redevelopment

### Overview

The existing methodology includes a demand-side assumption that 5% of population and employment will be accommodated through redevelopment that is not captured in the VBLM.

### Proposed Recommendation

- Incorporate assumptions related to redevelopment on the land supply side in the VBLM to the extent there is a predictable pattern that can be accounted for in the model. This includes applying a redevelopment rate for the new land classification for small underutilized lots. The suggested approach to addressing residential development on commercial land (presented in Part 2 of this memo) will also capture much of the redevelopment that has been happening in Vancouver’s Central City.
- Replace demand-side redevelopment factors for housing and employment (most recently set at 5% each of total housing units and total jobs accommodated through redevelopment) with supply-side assumptions in the model, for clarity.
  - Incorporate an assumption of a 5% increase in housing capacity for each UGA, above what the residential model calculates, to capture other redevelopment that is more difficult to predict (e.g., accessory dwelling units, zone changes, small-scale infill, and other development on land classified as built).

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<sup>8</sup> Based on communication with Clark County Assessor’s Office in April 2020.

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- Incorporate an assumption of a 5% increase in employment capacity in each UGA, above what the commercial and industrial models calculate, to capture employment growth on land with existing development.

## Rationale

The proposed changes addressed in this memo (e.g., capturing small underutilized lots and capturing residential development in Vancouver’s City Center) along with the existing methodology for identifying underutilized land respond to the most obvious residential redevelopment patterns in Clark County today, but do not fully encompass all housing growth that can occur on land classified as built or non-residential.

For commercial and industrial development, the limitations of the data and the fluidity of employment on developed sites mean that fully accounting for employment growth by specifically identifying land that may further develop is nearly impossible.

## Topic 4: Confirming Recommendation on Market Factor

### Overview

The existing methodology includes “never to convert” assumptions that account for the fact that not all developable land will be developed. In addition to deductions for constrained land (e.g., wetlands, flood plains, steep slopes, habitat areas, stream corridors, etc.), the methodology applies never-to-convert factors to vacant and underutilized residential land (10% and 30%, respectively). The methodology does not include specific never-to-convert assumption for commercial or industrial land except on constrained land.<sup>9</sup>

In addition to the never-to-convert factors used in the VBLM, Clark County uses a market factor that is applied on the demand side to the number of net acres needed to accommodate new population/employment growth.<sup>10</sup> In 2016, the County applied a 15% demand-side market factor for residential, commercial, and industrial.

### Proposed Recommendation

The Project Team recommends that the County keep the existing never-to-convert factors to capture land that may not become available for development within the planning horizon:

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<sup>9</sup> Note that the never-to-convert assumption accounts for a land market factor—that not all available land will be developed. In establishing residential land needs, the conversion from population projections to housing units needed accounts for housing unit vacancy separately. For commercial and industrial land, the use of observed employment densities (rather than built space) has historically meant that the County did not need to address vacancy in the same way for commercial and industrial development.

<sup>10</sup> This is taking into consideration the following assumptions approved by Council: OFM population projection, urban/rural split, persons per household, density targets, and infrastructure set-asides.

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- 10% never-to-convert factor for vacant residential land
  - 30% never-to-convert factor for underutilized residential land

In addition, the Project Team finds that the data supports up to a 15% market factor to create choice among potentially developable properties.

### Rationale

The project team compared the gross acreage of vacant and underutilized land identified in the 1996 VBLM to the gross acreage of vacant and underutilized land identified within the same 1996 UGA boundaries in the 2019 VBLM. County-wide (within all 1996 UGAs), roughly 30% as many acres were classified as vacant in 2019 within the 1996 boundaries as originally identified as vacant in 1996. For underutilized land, the percentage is roughly 43%. This number includes some land that is now classified as vacant or underutilized but was not classified that way in 1996, as well as a limited amount of land that should have been identified as critical.

Since the total land supply within the UGAs reflects both the never-to-convert assumptions as well as the demand-side market factor adjustments, it is most appropriate to compare the results to the combined value of both factors. As of 1996, for residential land, this was 40% for vacant land (10% never-to-convert plus 25% market factor plus 5% error factor) and 60% (30% never-to-convert plus 25% market factor plus 5% error factor) for underutilized land. (Later expansions to the UGAs included smaller market factors or none at all, and no error factor.)

**Overall, it appears that the amount of land that did not convert by 2019 within the 1996 UGAs falls between the 10% to 30% never-to-convert factor and the combined value of never-to-convert, market, and error factors (40% to 60%).** Underutilized land is converting at a lower rate than vacant land, supporting a higher market factor or never-to-convert factor for underutilized land.

The 15% market factor applied in 2016, in addition to the 10% and 30% never-to-convert factors seem to be roughly in line with observed trends. However, it is worth remembering that the demand-side market factor intentionally creates some surplus in the system, and this is reflected in the data. If the market factor assumptions had been lower over time, the observed market factor would likely be lower as well, though we do not have sufficient data to know how much lower. However, the available evidence does not support an additional market factor greater than about 15%, and with annual monitoring and regular updates as required by statute, a lower market factor could be applied if desired by Council.

The PAC discussed this topic at the meeting on March 21, 2020 (see memorandum for this meeting for full discussion of analysis and results). PAC members generally agreed with the Project Team's recommendation.

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## Topic 5: Confirming Recommendation on Infrastructure Gaps

### Overview

The new buildable lands legislation requires that identification of land suitable for development and redevelopment must take into consideration infrastructure gaps, including but not limited to transportation, water, sewer, and stormwater. Clark County does not currently have an explicit step in the Buildable Lands methodology to address infrastructure gaps. However, jurisdictions in Clark County apply an Urban Holding (UH) Overlay plan designation to land that has infrastructure limitations on it that must be resolved prior to annexation and/or development.

### Proposed Recommendation

Continue to exclude Yacolt from urban capacity assumptions due to lack of sewer facilities. Do not exclude any additional land from the VBLM on the basis of infrastructure gaps.

### Rationale

Clark County reached out to seek input from cities to identify any potential infrastructure gaps that merit consideration in the buildable lands inventory. None identified a potential infrastructure gap that could not be addressed within the 20-year plan timeframe as identified in their respective capital facilities plans. The responses received by staff included: Battle Ground, Camas, La Center, Ridgefield, and Vancouver.

Due to wastewater management issues, the urban development standards that apply to other jurisdictions do not apply to Yacolt.

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## Part 2: Introduction to New Topic

### Topic 6: Mixed Use and Residential Development on Commercial Land

#### Issue Overview and Background

The buildable lands model classifies lands into three urban land use categories—residential, commercial, and industrial—based on comprehensive plan designations. (Lands designated as parks and open space, public facility, mining lands, or airport within the urban growth areas are excluded from available land calculations.)

The County's existing methodology assumes a portion of the buildable land in mixed use designations will develop as residential, and the other portion will develop as commercial. The split varies by land use designation. Land with a commercial land use is not assumed to

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generate residential development. However, some areas identified as commercial, especially the Vancouver City Center, have seen a lot of residential development in commercial zones.

## State Guidance

The Guidelines provide a number of options to calculate the residential capacity of mixed-use areas including measuring actual residential densities across the mixed-use area and using those densities to project forward or, alternatively, establishing a commercial-to-residential ratio for mixed-use areas.

## How Addressed in Other Buildable Lands Counties

### Pierce County

To account for the mixture in both the residential and commercial/industrial capacity analyses, a percentage of a zoning classification's acreage is split between the housing and employment capacity calculations. The split varies by jurisdiction and by zone.

### Snohomish County

Snohomish County uses observed residential densities in commercial zones that have generated residential development to predict future residential development in those zones.

### Thurston County

Thurston County's model distributes buildable and redevelopable lands into residential and commercial portions, based on a mixed-use factor that varies by zone. The mixed-use factor is developed based on past trends and proposed projects.

## Summary of Analysis and Findings

### Methodology and Limitations

The Project Team evaluated commercial areas not designated mixed use that developed as residential between 2007 and 2019. This analysis first included an evaluation of areas in the Vancouver City Center, comparing planned housing units for specific planning areas to actual development. Then the Project Team looked into the number of housing units created on commercial land outside of the Vancouver City Center. This analysis shows that most residential units developed in commercial areas (outside of mixed-use designations) occurred in the Vancouver City Center. Additional units were built in Battle Ground, Camas, and Ridgefield.

### Results

The Project Team reviewed areas in the County where residential development occurred on land in the commercial model. Vancouver City Center is a clear example of planned residential development on commercial land. Additionally, the Mixed Use Overlay in Ridgefield allows residential development but is not currently accounted for in the VBLM, as these areas have a commercial GMA land use designation. Aside from these situations, most other residential development identified on commercial land was a result of changes to comprehensive plan or



zones, split-zoned parcels, or other anomalies, and does not reflect broader potential for housing development.

In Vancouver, however, close to 2,000 of the units developed in commercial areas between 2007 and 2020 were part of the Vancouver City Center Plan (VCCP)—see map in Exhibit 4. Exhibit 5 shows the actual population and housing units in 2007 and 2020. It also compares these actual values to the planned residential units in the VCCP by subarea, with a total of 4,551 units.

Exhibit 4: Vancouver City Center Plan Subarea Map

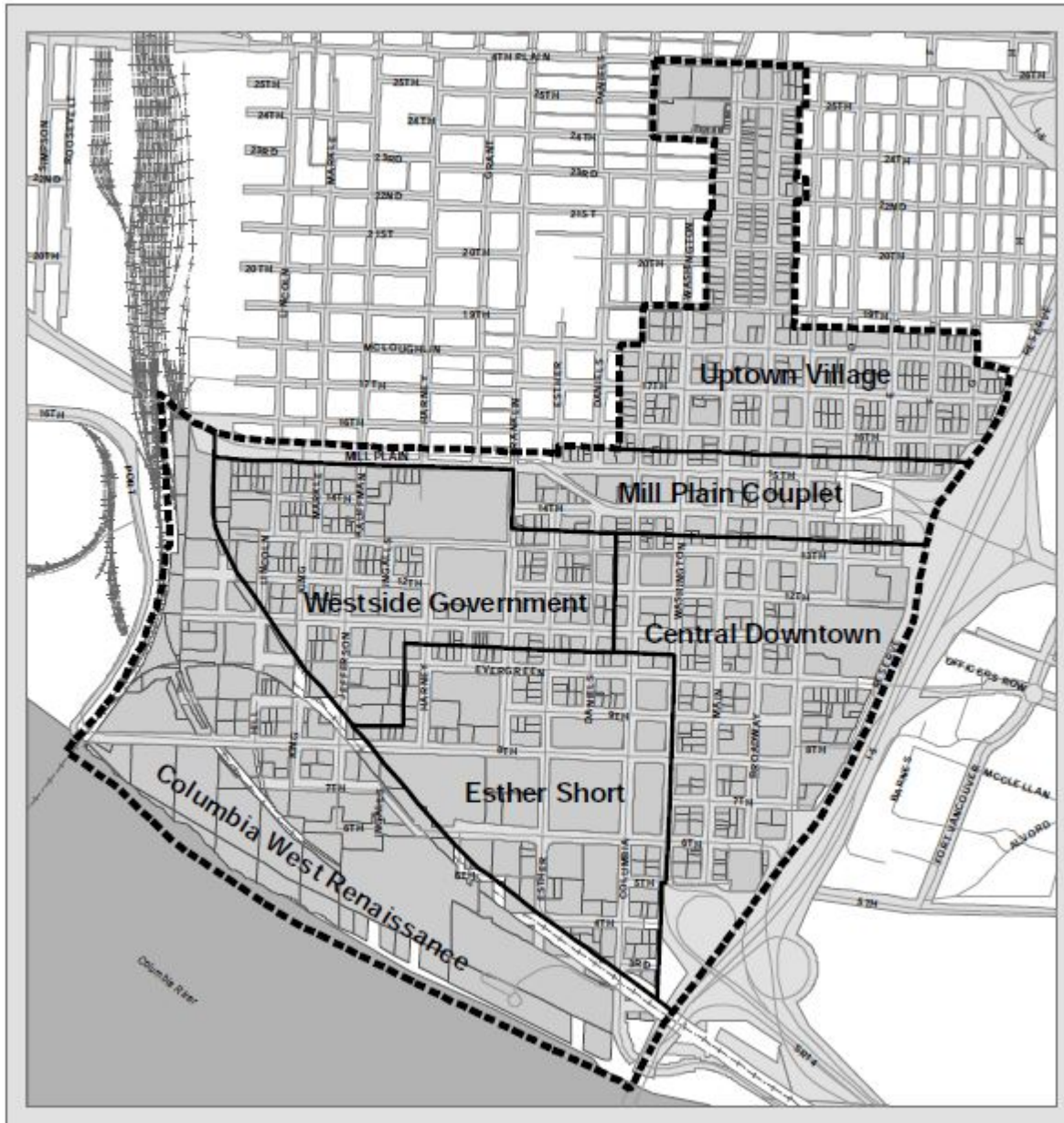


Exhibit 5. Housing Units in Vancouver City Center Plan Sub Areas, 2008-2020

Sub Area Name	2008	2020	2008-2020	VCCP	Acres
	Housing Units	Housing Units	Housing Unit Growth	Planned Units	
Central Downtown	152	601	449	495	92
Uptown Village	223	725	502	254	78
Mill Plain Couplet	110	506	396	171	40
Columbia West Renaissance	-	322	322	3,014	127
Esther Short	451	676	225	350	71
Westside Government	229	323	94	267	73
<b>Total</b>	<b>1,165</b>	<b>3,153</b>	<b>1,988</b>	<b>4,551</b>	<b>482</b>

Source: Clark County; Office of Financial Management (OFM); Vancouver City Center Vision & Subarea Plan, 2007 (p.16)  
Planned Units reflects the estimated capacity for new housing development.

Exhibit 6 shows the additional units in the pipeline for development in the VCCP as of February 29, 2020.

Exhibit 6. Multifamily Development Projects in Vancouver City Center Plan Sub Areas

Name	Units	Subarea
<b>Pre-App scheduled or completed</b>	<b>659</b>	
Waterfront East	100	Columbia West Renaissance
Block 18 Senior Housing	215	Columbia West Renaissance
Terminal 1 Blocks A and C	172	Columbia West Renaissance
Alliance Waterfont	172	Columbia West Renaissance
<b>Preliminary Land Use Review</b>	<b>405</b>	
Jefferson Street Apts.	89	Columbia West Renaissance
Vancouver Block 10	110	Esther Short
Aegis Phase II	206	Central Downtown
<b>Building Permit Review</b>	<b>205</b>	
Johnson Mixed Use	10	Uptown Village
Aegis Mixed Use	147	Central Downtown
The Broadway	48	Uptown Village
<b>Permits Issued -Under Construction</b>	<b>743</b>	
Our Heroes Place	49	Mill Plain Couplet
Tinnakorn Lofts	21	Westside Government
Kirkland Tower Lofts Block 4	40	Columbia West Renaissance
South Tower@Vancouvercenter	118	Esther Short
VW 10	96	Uptown Village
The Aria(The Esther)	127	Esther Short
Mill Plain Center Phase II	44	Mill Plain Couplet
The Columbia Block 20	248	Columbia West Renaissance
<b>Total</b>	<b>2,012</b>	

Source: Clark County as of 2/29/2020.

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In total, 4,000 units have been built or are in the pipeline within the VCCP, out of a total of 4,551 planned units, in the first 11 years of the planning period. Even if not all of the units in the pipeline are built, this suggests that development has been on-pace with the City's projections.

### Preliminary Recommendation

The Project Team's preliminary recommendation for estimating additional residential development in commercial areas, outside of mixed-use designations, is to rely on existing city plans or best estimates from local planning staff for areas that are planned or zoned to accommodate residential development and where there is a demonstrated history of residential development. Using city-adopted plans, such as the VCCP, appears to provide a reasonably accurate estimate for future residential development on commercial land in the VBLM.