

DATE: April 2, 2026
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SUBJECT: Housing Needs and Land Capacity Analysis

This analysis was conducted to evaluate how the Our Vancouver, Vancouver’s 2045 Comprehensive Plan Update, Preferred Alternative performs relative to the identified housing needed in the City of Vancouver by income category through 2045. This housing need and capacity analysis indicates that the City of Vancouver through the Comprehensive Plan, new zoning designations, and new zoning map meets all housing needs by income category identified in the City of Vancouver Housing Needs Assessment. This analysis indicates the Preferred Alternative results in a net capacity surplus of 5,983 units across Vancouver. Additionally, the Preferred Alternative results in a capacity surplus for all income levels of housing need.

Housing Need

The Washington State Department of Commerce Housing for All Planning Tool (HAPT) identifies a total housing need in Vancouver of 43,198 housing units from 2020 to 2045. To account for a 2023 base planning year, the project team subtracted 5,069 housing units built from 2020 to 2023 in the city. Overall, this indicates a total need of 38,129 housing units from 2023 to 2045.¹ The breakdown in housing need by income is approximately as follows:

- 1,405 emergency shelter beds
- 2,600 Permanent Supportive Housing (PSH) units
- 4,423 non-PSH units for households below 30% AMI (extremely low income)
- 5,890 units between 30 to 50% AMI
- 5,788 housing units between 50 and 80% AMI (low income).
- 3,351 units between 80 to 100% AMI (moderate income)
- 3,175 housing units between 100 to 120% AMI (moderate to middle income)
- 12,902 housing units over 120% AMI (high income)

The HAPT estimate also shows 406 emergency living units (in the form of beds providing temporary housing) available and 1,405 emergency shelter beds needed as identified by Clark County by 2045.

Land Capacity by Zone

Exhibit 1 summarizes land capacity by zone for the 2045 Comprehensive Plan Update Preferred Alternative. Technical documentation on assumptions and methodology can

¹ Washington State Department of Commerce. (March 1, 2023). This analysis relied on Allocation Method A.

be found in the February 2026 Market and Land Capacity Analysis Methodology and Process for the Preferred Alternative Memorandum. This summary includes total land area, developable land, assumed achieved densities (from prototype feasibility analysis), gross residential capacity, existing housing on developable land, and net residential capacity. This table summarizes total net residential capacity for all zoning designations.

Exhibit 1. Development Capacity by Zoning Designation, Preferred Alternative

Source: City of Vancouver, Clak County Assessor, WSP, EConorthwest

| Development Capacity by Zone | | | | | | |
|------------------------------|-----------------|--------------------------|---------------------------------------|----------------------------|--------------------------------------|----------------------------------|
| Zoning Designation | Total Land Area | Developable Land (acres) | Assumed Achieved Density (units/acre) | Gross Residential Capacity | Existing Housing on Developable Land | Net Residential Capacity (units) |
| Manufactured Home | 211 | 0 | 0 | 0 | 1,439 | 0 |
| Low-Scale Neighborhood | 5,830 | 686 | 29 | 8,525 | 1,252 | 7,273 |
| Medium-Scale Neighborhood | 6,304 | 825 | 47 | 18,994 | 3,167 | 15,827 |
| Mixed-Use Neighborhood | 2,707 | 276 | 61 | 6,842 | 243 | 6,599 |
| Regional Activity Center | 1,569 | 97 | 84 | 10,639 | 14 | 10,625 |
| Institutional/Campus | 1,168 | 357 | 49 | 3,805 | 17 | 3,788 |

Exhibit 2 indicates that while there are 53,269 lots that are eligible lots where ADUs can be built across Vancouver, the anticipated amount of ADUs that are likely to get built is much less. For the sake of this capacity analysis, the project team evaluated recent trends in ADU production and forecasted future ADU production at similar rates while accounting for multiple ADUs allowed on eligible lots. Over the past three years, there were on average 32 ADUs built annually. Assuming an adjustment for new two ADU allowances per primary residential unit, this analysis assumes that 64 ADUs per year is a reasonable assumption given past trends and new ADU allowances. This indicates that there is a reasonable ADU capacity of 1,280 units through 2045.

Exhibit 2. ADU Development Capacity, Preferred Alternative

Source: City of Vancouver, WSP, EConorthwest

| ADU Capacity | | | | | |
|-------------------|---------------------------------|--------------------------------------|----------------------------------|--|--------------------|
| ADU-Eligible Lots | Assumed ADU Production per Year | Assumed Long-Term Housing Percentage | ADU Production Long-Term Housing | ADU Production Greater than Eligible Lots? | Total ADU Capacity |
| 53,269 | 64 | 2.8% | 1280 | No | 1,280 |



Affordability Levels by Zoning Designation

To inform the affordability of housing within each zoning designation, price data was gathered for housing types within each zoning designation. These housing prices were derived from 18-month price trends that were collected to inform the rent and sales price assumptions for the relevant housing types in the pro formas used to support the development capacity analysis.

Exhibit 3. Affordability Level and Housing Type by Zoning Designation

Source: Clark County Assessor, CoStar, Redfin, EConorthwest

| Zoning Designation | Typical Housing Types Allowed | Lowest Potential Income Level Served | | Assumed Affordability Level of Capacity Analysis |
|---------------------------|--|--|---|--|
| | | Market Rate | With Subsidies | |
| Manufactured Home | Manufactured Homes | Low to Moderate Income (30-80% AMI) | Very Low to Low Income (0% AMI - 50% AMI) | Low Income (0-80% AMI) |
| Low-Scale Neighborhood | Single-family Residential Building, Townhouse/Rowhouse, Stacked Multi-Plex Building, Multi-Cluster Building, and Cottage Court Building | High Income (100->120% AMI) | Moderate Income (80-120% AMI) | Higher Income (100% AMI - >120% AMI) |
| Residential Neighborhoods | Single-family Residential Building, Townhouse/Rowhouse, Stacked Multi-Plex Building, Multi-Cluster Building, Cottage Court Building, and Multifamily Building | Moderate to High Income (80% AMI-120% AMI) | Moderate Income (50% AMI-120% AMI) | Moderate Income (80% AMI-120% AMI) |
| Urban Mixed-Use | Townhouse/Rowhouse, Stacked Multi-Plex Building, Multi-Cluster Building, Cottage Court Building, Multifamily Building, Mid-Rise Residential Building, and Mixed-Use Residential Building | Moderate Income (>80% AMI-120% AMI) | Low to Moderate Income (0% AMI-80% AMI) | Low to Moderate Income (0% AMI-100% AMI) PSH |
| Urban Mixed-Use | Multifamily Building, Mid-Rise Residential Building, and Mixed-Use Residential Building | Moderate Income (>80% AMI-120% AMI) | Low to Moderate Income (0% AMI-80% AMI) | Low to Moderate Income (0% AMI-100% AMI) PSH |
| Employment Mixed Use | Townhouse/Rowhouse, Stacked Multi-Plex Building, Multi-Cluster Building, Multifamily Building, Mid-Rise Residential Building, and Mixed-Use Residential Building | Moderate Income (>80% AMI-120% AMI) | Low to Moderate Income (0% AMI-80% AMI) | Low to Moderate Income (0% AMI-100% AMI) PSH |
| ADUs | Accessory Dwelling Units on developed residential lots | Moderate Income (50% AMI-120% AMI) | N/A | Moderate Income (50% AMI-120% AMI) |

Affordability Data Sources by Zoning Designation and Housing Type

EConorthwest analyzed over 20 housing prototypes that were of various configurations and resulting densities. We based the prototypes off recent actual developments throughout the City of Vancouver as well as potential scales of housing that might be allowed in the future given legislative changes at the state level. Though the scale of development ranges substantially throughout the city, we triangulated approximate prototypes that might be possible in Vancouver.

We drew our initial market and construction cost insights from third-party sources such as the American Community Survey (ACS), Costar, Redfin, and Craftsman, and then vetted those assumptions with local developers and brokers. Though cost assumptions typically stay consistent throughout a city, we created a model to help differentiate the revenue assumptions (i.e., rent and sales prices) by census tract. This model used rent and sales data from ACS, to interpolate what revenue assumptions might be for each census tract in the city.

We then aligned similar block groups, based on rent and sales prices, into ten newly defined market areas across the City of Vancouver. We took those results and compared them to the city-wide average to understand how each market area related (expressed as a



ratio) which we could then apply as an input to each rent or sales price on a prototype level with the most up-to-date market data from CoStar and Redfin. This revenue model allowed us to refine our pro forma results spatially – different areas of Vancouver have different demand for different types of housing, which impacts the resulting feasibility of housing development.

Exhibit 4. Housing Needs and Capacity by Income Level

| Zoning Designation | Typical Housing Types Allowed | Data Sources |
|----------------------------------|--|---|
| Manufactured Homs | Manufactured Homes | Redfin |
| Low-Scale Neighborhood | Single-family Residential Building, Townhouse/Rowhouse, Stacked Multi-Plex Building, Multi-Cluster Building, and Cottage Court Building | Redfin, CoStar, Clark County Assessor, Pro-Forma Analysis |
| Residential Neighborhoods | Single-family Residential Building, Townhouse/Rowhouse, Stacked Multi-Plex Building, Multi-Cluster Building, Cottage Court Building, and Multifamily Building | Redfin, CoStar, Clark County Assessor, Pro-Forma Analysis |
| Urban Mixed-Use | Townhouse/Rowhouse, Stacked Multi-Plex Building, Multi-Cluster Building, Cottage Court Building, Multifamily Building, Mid-Rise Residential Building, and Mixed-Use Residential Building | Redfin, CoStar, Clark County Assessor, Pro-Forma Analysis |
| Urban Mixed-Use | Multifamily Building, Mid-Rise Residential Building, and Mixed-Use Residential Building | Redfin, CoStar, Clark County Assessor, Pro-Forma Analysis |
| Employment Mixed Use | Townhouse/Rowhouse, Stacked Multi-Plex Building, Multi-Cluster Building, Multifamily Building, Mid-Rise Residential Building, and Mixed-Use Residential Building | Redfin, CoStar, Clark County Assessor, Pro-Forma Analysis |
| ADUs | Accessory Dwelling Units on developed residential lots | Interviews |

Reconciling Housing Needs and Capacity by Income Level

Exhibit 5 summarizes the reconciliation of housing needs and housing capacity by income level and by Comprehensive Plan and Zoning Designations. This analysis indicates the Preferred Alternative results in a net capacity surplus of 5,983 units



across Vancouver. Additionally, the Preferred Alternative results in capacity surpluses for all income levels.

Exhibit 5. Housing Needs and Capacity by Income Level

Source: City of Vancouver, WSP, ECONorthwest

| Income Level (% AMI) and Special Housing Needs | Allocated Housing Need | Comp Plan Designations (Zoning District) Serving These Needs | Aggregated Housing Need | Total Capacity | Capacity Surplus |
|--|------------------------|---|-------------------------|----------------|------------------|
| 0-30% AMI (PSH) | 2,600 | Residential Neighborhoods (Manufactured Home)*; Urban Mixed-Use (Mixed-Use Neighborhood); Urban Mixed-Use (Regional Activity Center); Employment Mixed Use (Institutional/Campus) | 18,701 | 21,012 | 2,311 |
| 0-30% AMI (Other) | 4,423 | | | | |
| >30-50% AMI | 5,890 | | | | |
| >50-80% AMI | 5,788 | | | | |
| >80-100% AMI | 3,351 | Residential Neighborhoods (Medium-Scale Neighborhood)* | 6,526 | 6,647 | 121 |
| >100-120% AMI | 3,175 | | | | |
| >120% AMI | 12,902 | Residential Neighborhoods (Low-Scale Neighborhood); Residential Neighborhoods (Medium-Scale Neighborhood); | 12,902 | 16,453 | 3,551 |
| Total | 38,129 | - | 38,129 | 44,112 | 5,983 |

* 42% of Medium-scale neighborhood capacity assumed in 80-120% AMI and 58% of capacity in >120% AMI capacity

Planning for Below Market Rate Housing Needs

While this analysis, and the related development capacity analysis and housing needs assessment, indicate the land use and zoning in the Preferred Alternative meet the City of Vancouver’s housing needs, additional financial subsidies will be required to meet the need for housing at 0-80% AMI levels. While not required to satisfy requirements of HB1220, this analysis was conducted to identify what level of subsidy would be required on an annual basis to build below market rate housing that is needed across the city using the two most available funding sources for affordable and middle-income housing: the Multifamily Tax Exemption Program and the Low Income Housing Tax Credit program. The subsidies needed per unit for these income levels was identified through the pro-forma analysis by identifying the funding gap necessary to target affordability at these income levels.



Exhibit 6. Annual Subsidy Needed to Deliver Below Market Rate Housing

Source: ECONorthwest

Capacity to Deliver Housing by Income with Existing Programs and Subsidies

| | 0-50% AMI | 50-80% AMI |
|---|----------------------|---------------------|
| Total Units Needed By Income Depth | 12,912 | 5,788 |
| Estimated Number of Units Needed Annually | 646 | 289 |
| Applicable Funding Program For Respective Unit Depth | Tax Credits | MFTE |
| Estimated Number of Units Delivered Annually by Applicable Program | 130 | 195 |
| Estimated Share of Potential Units Covered by Applicable Program | 20% | 67% |
| Estimated Remaining Annual Units Not Funded | 516 | 94 |
| Estimated Subsidy Needed Per Unit | \$400,000 | \$325,000 |
| Total Subsidy Needed Annually | \$206,240,000 | \$30,680,000 |

Funding for Below Market Rate Housing

The City of Vancouver is committed to increasing affordable housing throughout the community and utilizing all available tools to achieve its housing goals. Alongside regulatory changes, permitting fee reductions, and process improvements, the city supports income-restricted affordable housing development through the following programs and funding sources.

- **Affordable Housing Fund.** Local voter approved property tax levy provides \$10M annually through 2033 direct investments toward the acquisition, construction or preservation of affordable housing for households making 50% Average Median Income (AMI) or below (rental units) or 80% AMI or below (homeownership units).
- **HOME Investment Partnerships program.** Federal Department of Housing and Urban Development (HUD) entitlement funding supports rental assistance, housing construction, preservation, acquisition, and homeowner/homebuyer assistance for households making 60% AMI or below (rental assistance/units) or 80% AMI or below (homeownership assistance/units).
- **Community Development Block Grant (CDBG) program.** federal HUD entitlement supports homeowner/homebuyer assistance for households making 60% AMI or below (rental assistance) or 80% AMI or below (home ownership).
- **Multifamily Tax Exemption (MFTE) incentive.** The city deploys state authorized property tax exemption for market rate and income restricted multifamily housing



projects. Projects offering 20% of units at or below 80% AMI receive 12-year property tax exemption. Market rate projects pay into a Fee-in-Lieu Fund.

- **Affordable Housing Fee-in-Lieu Fund.** Funded by contributions from MFTE market rate projects, supports development of affordable housing and property acquisition for future development for households making 60% AMI or below (rental units) or 80% AMI or below (homeownership units).
- **Impact Fee Waivers.** These waive up to 80% of park and traffic impact fees for new affordable housing developments affordable to households making up to 80% of AMI.
- **Construction Sales Tax Deferral (CSTD).** Defers sales and use taxes for new construction of multifamily housing on public parking lots for 10 years, for projects affordable at 80% AMI (rental units) and 115% AMI for (homeownership units).
- **Affordable Housing Sales Tax and Sales Tax Credit.** Vancouver has implemented both state enabled sales tax revenue streams to fund affordable and supportive housing.
- **Dedication of \$10M from the American Rescue Fund Act** to acquire properties for future affordable housing development.
- **Real Estate Excise Tax (REET).** Historically, the City has utilized Real Estate Excise Tax (REET) to acquire land for future affordable housing development.
- In addition, the City actively supports project utilization of State programs and funding for affordable housing in Vancouver and southwest Washington, including WSHFC tax credits, the Housing Trust Fund, the Connecting Housing to Infrastructure Program (CHIP) to cover water and sewer infrastructure and connection fees, and legislative appropriations.

Considerations for Emergency Housing

Emergency housing, emergency shelters, and transitional housing are allowed uses by right in all zones across Vancouver that allow residential and lodging uses. Changes to the zoning map and new designations create allowances for this housing types across the applicable zones that allow residential and hotel uses across Vancouver. Clark County identified the need for approximately 1,405 emergency shelter beds in Vancouver. The table below summarizes the total acres of zoned capacity by zone where emergency housing, emergency shelters, and transitional housing are allowed.



Exhibit 7. Zoned Capacity by Zoning Designation Where Emergency Housing and Shelters Are Allowed Uses

Source: WSP

| Zoning Designation | Acres |
|---------------------------|-------|
| Manufactured Home | 205 |
| Low-Scale Neighborhood | 5,830 |
| Medium-Scale Neighborhood | 6,304 |
| Mixed-Use Neighborhood | 2,707 |
| Regional Activity Center | 1,569 |
| Institutional/Campus | 1,168 |

Aligning Vancouver Housing Needs with County Allocation

The housing needs assessment and subsequent findings in this analysis utilized the Housing for All Planning (HAPT) tool and relied on Allocation Method A. Using these housing needs assessment findings, the City of Vancouver is planning for 1,601 more units over the planning horizon than Clark County has allocated to Vancouver during the county allocation process. Applying a consistent methodology to reconcile housing needs across both the Vancouver HNA and the Clark County allocation with the Vancouver Comprehensive Plan Land Capacity analysis indicates that the development capacity achieved through the 2045 Vancouver Comprehensive Plan Update meets total housing need and housing needs by income level of both methodologies. Exhibit 8 below summarizes housing needs and total capacity for the Clark County Housing Needs Allocation method which indicates that the Draft 2045 Vancouver Comprehensive Plan also meets housing needs by income category allocated by Clark County.

Exhibit 8. Housing Needs and Capacity by Income Level – Clark County Allocation Method

Source: Clark County, City of Vancouver, WSP, ECONorthwest

| Income Level (% AMI) and Special Housing Needs | Allocated Housing Need | Comp Plan Designations (Zoning District) Serving These Needs | Aggregated Housing Need | Total Capacity | Capacity Surplus |
|--|------------------------|---|-------------------------|----------------|------------------|
| 0-30% AMI (PSH) | 2,600 | Residential Neighborhoods (Manufactured Home)*; Urban Mixed-Use (Mixed-Use Neighborhood); Urban Mixed-Use (Regional Activity Center); Employment Mixed Use (Institutional/Campus) | 13,833 | 21,012 | 7,179 |
| 0-30% AMI (Other) | 4,641 | | | | |
| >30-50% AMI | 5,227 | | | | |
| >50-80% AMI | 1,365 | | | | |
| >80-100% AMI | 1,459 | Residential Neighborhoods (Medium-Scale Neighborhood)* | 6,340 | 6,647 | 307 |
| >100-120% AMI | 4,881 | | | | |
| >120% AMI | 16,355 | Residential Neighborhoods (Low-Scale Neighborhood); Residential Neighborhoods (Medium-Scale Neighborhood) | 16,355 | 16,453 | 98 |
| Total | 36,528 | - | 36,528 | 44,112 | 7,584 |

* 38% of Medium-scale neighborhood capacity assumed in 80-120% AMI and 62% of capacity in >120% AMI capacity

