Memorandum

To: City of Vancouver

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CC: Nicole McDermott, Brian Carrico; WSP

Subject: FINAL Housing Needs Assessment, City of Vancouver Comprehensive Plan Update

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Executive summary

Community demographic and household trends

Vancouver and the region have grown substantially over the last two decades and are projected to continue to grow over the 20-year planning period (2025–2045). From 2000 to 2023, Vancouver's population even with annexation grew by just over 56,000 residents, or 39%, which is higher than Washington state (35%) but lower than Clark County as a whole (53%). The pandemic may have shifted or accelerated migration patterns and housing preferences permanently, and Portland outmigration has contributed to Clark County's rapid growth.

Vancouver's population is getting older. The share of Vancouver residents aged 65 years and older increased from 13% in 2011 to 19% in 2021, a higher share than in Clark County overall. At the same time, the share of residents under 20 years fell from 25% to 20% of the population.

Vancouver became more racially and ethnically diverse over the last decade. From 2011 to 2021, the Hispanic and Latino population increased by two percentage points (from 9% to 11%), the Asian population rose by two percentage points (from 6% to 8%), and the Black population grew by two percentage points (from 3% to 5%).

Vancouver households tend to have lower incomes compared to Clark County. The city's median household income is around $70,000 per year, roughly $14,000 less than the countywide median of $84,000. In addition, a larger share of Vancouver households earns less than $75,000 per year, and a smaller share earning more than $100,000 annually than the County overall. As of 2023, the area median income (AMI) determined by the US Department of Housing and Urban Development (HUD) for the Portland-Vancouver-Hillsboro Metropolitan Statistical Area (MSA) was $114,400 for a family of four.

Vancouver's average household size decreased slightly from 2.4 persons in 2011 to 2.3 in 2021 and the overall share of households with children declined. The share of one- and two-person households increased, while three- and four-person households decreased. In addition, the percent of households with children dropped by seven percentage points in Vancouver between 2011 and 2021.

About a third of Vancouver workers live in Vancouver. The most common workplace destination for Vancouver residents is Portland while the most common area Vancouver workers reside (besides Vancouver) is unincorporated Clark County. As of 2021 the City of Vancouver had a higher jobs-to-housing ratio than the County's goal of 1:1, with 1.18 jobs for every household compared to 0.82 jobs for every household in Clark County (see Vancouver Economic Opportunity Analysis for additional detail). This trend is reflective of Vancouver's role as an employment hub but could also indicate a shortage of housing options available for Vancouver workers.

Housing conditions and trends

Housing costs have rapidly increased. Both rental and ownership costs have far outpaced income growth in the city, with median home prices nearly tripling and average rents increasing 60% from 2012 to 2023. The widening gap between housing costs and incomes indicates declining affordability in Vancouver's ownership and rental market. Likewise, rents in Vancouver are rising faster than income, increasing 60 percent since 2011 while income has not increased proportionately (rising only 43 percent from 2011–2021 in nominal dollars or 19 percent when adjusted for inflation). Average rents have also increased in the city with a 56% change from $1,070 in 2012 to $1,673 in 2023, surpassing rents in Portland.

Just under half of Vancouver households rent their homes (48%) and over half (52%) own their homes, which is a lower homeownership rate than Clark County (65%) and the state but similar to other nearby cities.

Similar to other communities, cost burdening tends to be higher for renters compared to homeowners. For these renters, cost-burden rates increased slightly from 2011 to 2021 and now sit at 57% overall, with 27% severely cost-burdened. With over one-quarter of renters spending more than half of their income on housing (severely cost-burdened), this highlights the need for more affordable rental units and homeownership opportunities, particularly for lower-income households in Vancouver.

Vancouver had the lowest share of remote workers[1] overall, at just 17%, compared with Hillsboro, at 25%, and Portland, at 29%. However, this share is substantial enough to monitor and track to help understand how this might affect housing needs.

Vancouver's dominant type of housing is single-detached housing, which comprises more than half of the of the total number of housing units in the city. However, Vancouver has a lower share of single-detached housing (at 56%) compared to the County (at 72%). The remaining housing stock in Vancouver includes an estimated 27% multifamily housing and 18% "plex housing" which is attached units up to fourplexes (according to U.S. Census data, 2021).

Vancouver has a higher share of multi-unit housing than the county overall, with slightly under half (around 44%) of total housing units in structures including more than one housing unit (such as a single-family detached housing). Permit data analysis shows a steady increase in multifamily development in recent years. Nearly 80% of new multifamily housing developments permitted from 2019–2021 had greater than five units. This points to opportunities to diversify the housing mix, especially expanding middle housing options like duplexes, triplexes, and townhomes.

Racial disparities exist in Vancouver's housing access. White households have higher rates of homeownership than Hispanic and Black households; at the same time, Hispanic and Black households have the highest cost-burden rates.

Vancouver provides a substantial number of affordable housing units in the county, with 1,243 rent restricted affordable units sponsored by the City's Affordable Housing Fund that are either existing or currently in progress for development. Of these units, 26% are set aside for seniors, 43% are reserved for households earning less than 60% of AMI, and 9% of the units are set aside specifically for populations with disabilities or mental health issues.

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[1] Remote workers are calculated using data from the American Community Survey. This data is derived from a question in the 2022 ACS form about means of transportation to work that asks respondents 'How did you usually get to work last week?' While this variable does not specifically separate between fully remote and hybrid workers, it is at minimum representative of individuals that worked from home more frequently than commuting to a workplace.

Housing need

The City of Vancouver believes Clark County will continue to see strong growth in population. The Office of Financial Management's (OFM) middle range forecast, the most accurate forecast provided by the state, estimates that Clark County's population is most likely to increase to 698,416 by 2045, indicating the need for an additional 107,193 housing units for the whole county. The City believes it will continue to attract the same share of the likely county growth it has seen in the recent decade (42%). To estimate the housing need in Vancouver from 2023 to 2045, additional adjustments were made to the Washington State Department of Commerce Housing for All Planning Tool to account for smaller household sizes, higher vacancy rates due to the higher share of multifamily units, providing for the loss of units to second/vacation homes, accounting for the demolition of some existing units, and accounting for recent housing construction built from 2020 to 2023.

The results of this analysis indicate a total of 38,129 housing units are needed by 2045 in the City of Vancouver. Overall, this means an estimated 1,733 housing units need to be built or created per year from 2023 to 2045 to meet the housing need in the City of Vancouver. Since the existing City of Vancouver housing stock has increased by around 1,466 housing units per year over the last decade from 2012 to 2022 (per OFM data), this means that housing production will need to increase by around 267 housing units per year.

The housing needed for the city should be inclusively provided for different income levels and abilities. The 2045 housing target the following types of units in the above total:

- **Around 2,651 Permanent Supportive Housing (PSH) units;**
- **Estimated 4,371 units for households below 30% AMI (extremely low income);**
- **Around 5,890 units between 30 to 50% AMI and 5,788 housing units between 50 and 80% AMI (low income);**
- **Around 3,351 units between 80 to 100% AMI (moderate income);**
- **Estimated 3,175 housing units between 100 to 120% AMI (moderate to middle income);**
- **Around 12,902 housing units over 120% AMI (high income); and**
- **Approximately 1,374 emergency shelter beds.**

The 1,733 is an equal distribution of needed units across the 20-year time horizon of the Comprehensive Plan and is intended to guide land use actions that accommodate the total number over that time frame. The city also has a 10-Year Housing Action Plan that front loads needed production and calls for 2,500 units per year. This is because the City doesn't not want to wait the full 20-years to meet community housing needs, and our existing policy calls on us to pull every lever to increase housing production across the city. It's important to be clear that the land use designations put in place to accommodate the 20-year need will also support the shorter timeline identified in the Housing Action Plan.

Policy implications

Given Vancouver's current and future housing needs, the City should consider the following policy approaches:

- **Support increased housing production in the City of Vancouver to help meet the housing target set for 2045.** Since the existing City of Vancouver housing stock has increased by around 1,466 housing units per year over the last decade from 2012 to 2022 (per OFM data), this means that housing production will need to increase by around 267 housing units per year. The City will need to identify policies and program to help support increased production of housing targets for the different income brackets and for permanent supportive housing units and emergency shelter beds.
- **Encourage more diverse housing types, scales, and densities to meet the needs of different household sizes, ages, and incomes**. With an aging population, smaller households, and lower incomes, the city would benefit from additional housing diversity. To encourage this, the City should prioritize development of affordable and middle housing options, such as townhomes, duplexes, triplexes, courtyard apartments, and more. These can provide attainable options for varying household sizes and incomes.
- **Examine zoning and regulations to identify barriers to achieving greater density in appropriate areas.** Achieving greater density, especially through a diverse array of housing types, will help make Vancouver housing more affordable for both homeowners and renters.
- **Support accessible design and visitability in new housing to accommodate seniors aging in place.** With more older residents, accessibility is increasingly important.

- **Grow programs and incentives that support affordable housing development, including partnerships with nonprofit housing developers.** In addition, the City should leverage opportunities for affordable housing in transit-served locations.
- **Strengthen tenant protections and support programs to minimize displacement of lower income households and communities of color.** Rising prices often increase displacement risk for more vulnerable communities, and renters and communities of color are more likely to experience cost burdening.

Section 1. Introduction

Introduction and project approach

The City of Vancouver is updating its Comprehensive Plan and development regulations. This will include an updated 20-year vision statement for 2025 to 2045 and associated policies and implementation measures. The updated plan must be responsive to the changing community dynamics and the strategic vision established by the City and include focused goals to address social inequities and climate change.

The Comprehensive Plan is a foundational document that provides an overall vision and policy direction for managing growth and development while considering effects on the built and natural environment and public facilities. The Plan will build from the City's 2023-2029 Strategic Plan and is informed by other policy and plan documents, including the Climate Action Framework and Climate Adaptation Strategy, Housing Action Plan, Transportation System Plan, Parks Recreation and Cultural Services Comprehensive Plan, Urban Forestry Management Plan, and Reside Vancouver Anti-Displacement Plan.

Housing Element Purpose

The Housing Element will include recalibrated goals and policies to help correct for persistent underproduction, and better accommodate the diverse household needs of the whole community across the income spectrum for the next 20 years from 2025 to 2045.

The current Plan was originally adopted in 1994 in response to the enactment of the Washington State (State) Growth Management Act (GMA). In 2004, a comprehensive update to the Plan was completed and a minor update was done in 2011, as required by the GMA. The city has changed substantially in the 20 years since 2004, particularly since the last update in 2011. The city is transitioning from a primarily suburban community to an active urban center with an increasingly diverse community, and this plan will reflect these changing dynamics.

ECOnorthwest is assisting the City with updating the Housing Element and Economic Development Element chapters of the plan. The Housing Element will

include recalibrated goals and policies to help correct for persistent underproduction and better accommodate the diverse household needs of the whole community across the income spectrum for the next 20 years from 2025 to 2045. The city is facing serious housing challenges, including increased homelessness and a lack of affordability, which will benefit from improved access to more housing options, innovative housing types, and low barrier housing, all while supporting equitable outcomes and minimizing displacement pressures. The housing policy approach will focus on effectively bridging the gap in housing needs, customized to Vancouver's unique community conditions. This plan will also build off of recent findings from the City of Vancouver Housing Action Plan (updated in 2023).

The approach for updating the Housing Element begins with a Housing Needs Assessment (HNA). The HNA evaluates current housing stock and supply, existing conditions and housing needs across the income spectrum, and the current and projected future demand for housing to help inform policy updates. The HNA identifies and defines the range of housing needs by analyzing the best available data describing Vancouver's housing stock, workforce, household demographics, housing market dynamics, and expected housing demand. The insights from this analysis will build a factual basis for the housing policy updates. This housing analysis answers questions about the current availability of different housing types, who lives and works in the Vancouver area, and what range of housing is needed to meet current and future housing needs. The housing policy updates, to be developed in the next stage of this project, will guide changes to housing policies, programmatic investments and related decisions over the 2025–2045 planning period. Housing needs are not one-size-fits-all and instead should be thought as a menu of different options with sufficient variety for different household incomes and sizes, life stages of people, location needs, and culturally-specific housing. The lack of housing diversity meeting different needs has a compounding effect on the housing problem.

Housing analysis is an important exercise as a community's housing needs tend to continually evolve based on changes in the broader economy, local demographics, and the regulatory environment. The City of Vancouver, like other communities in the region, has changed over the years and housing needs have not always been successfully met. The affordability of housing has changed, and access to housing has never been equal, especially for low-income families and communities of color. A major component of the Comprehensive Plan update is

analyzing and planning for housing that reflects current community trends in household formation, demographic shifts, and an increasingly diverse population that have culturally-specific housing needs.

Analyzing housing needs is complex because it represents a bundle of services that people are willing or able to pay for, including shelter and proximity to other essential places and public services (e.g., jobs, education, healthcare, public transit options, shopping, recreation, etc.) and amenities (e.g., type and quality of home fixtures and appliances, landscaping, views). Since it is difficult to maximize all these services while minimizing costs, households must make decisions about trade-offs and sacrifices between needed services and what they can afford. Residents contemplate a variety of factors to choose where they live, such as the proximity to jobs, childcare, schools, transportation options, amenities, community support networks, and distinct neighborhoods. In addition, a household's needs are often driven by the affordability level, size, conditions, tenancy type, and other considerations associated with the housing (such as ADA accessibility, lower maintenance costs, etc.).

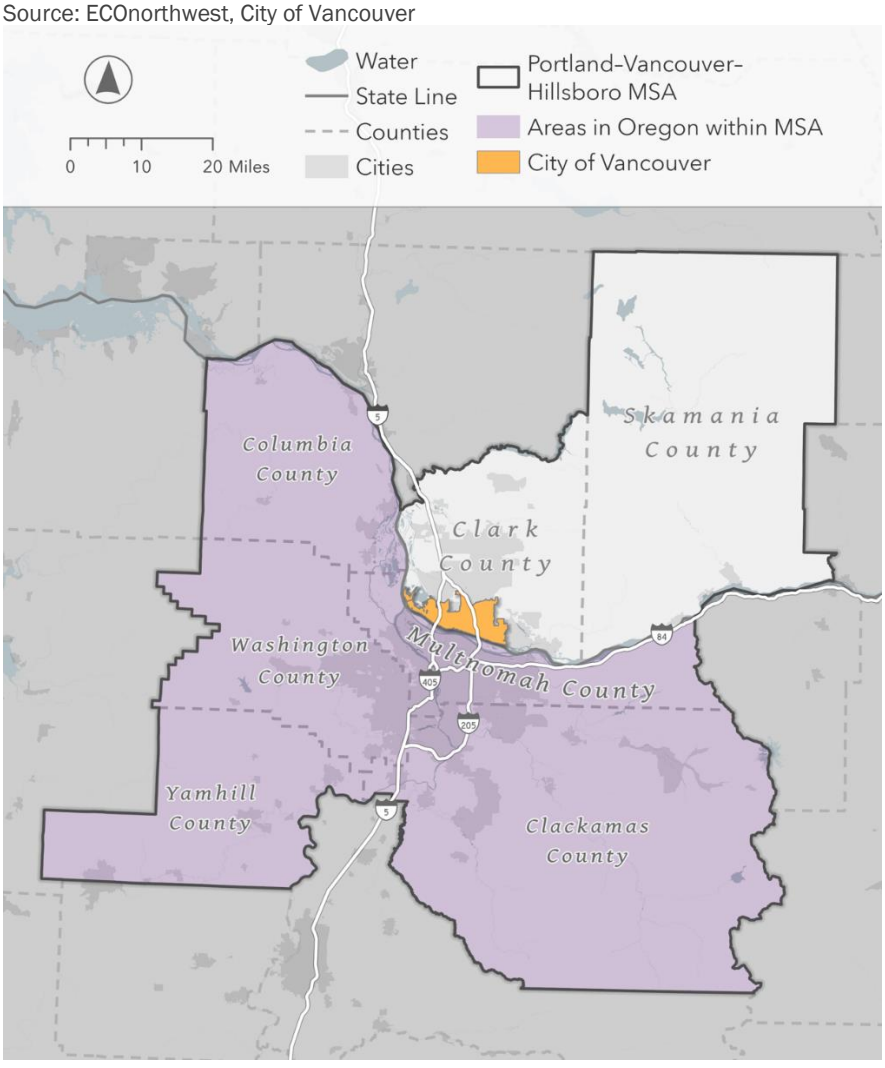
In addition, housing markets function at a regional scale, which makes it challenging for individual jurisdictions to adequately address issues without regional partnerships. Vancouver is part of Clark County, the fastest growing county within the broader Portland-Vancouver metropolitan area.[2] Vancouver is highly accessible to communities to the south, including the City of Portland, and to other fast-growing Clark County cities, such as Ridgefield, La Center, Battle Ground and Camas, as well as unincorporated areas that are increasingly developing at urban densities. As the region grows, Vancouver will need to plan for local impacts and guide growth to align with statewide requirements in Washington's GMA to encourage development in urban areas and ensure access to housing and economic opportunities. The housing market dynamics in the broader region directly affect Vancouver; thus, the full Portland-Vancouver Metropolitan Statistical Area (MSA) was analyzed in addition to Vancouver's local market. The following assessment offers insights on influential national and regional trends to help build a more comprehensive understanding of the housing landscape.

[2] Throughout this report the City of Vancouver is referred to as Vancouver.

Study area: City of Vancouver and surrounding region

The City of Vancouver is a highly desirable place to live, offering a high quality of life, a prime location, access to a bustling pedestrian friendly downtown, and various natural, cultural, and public amenities. Vancouver is the fourth largest city in Washington State, the second largest city in the Portland-Vancouver metropolitan region, and the largest city in Clark County. The City of Portland is located directly south of the City of Vancouver and easily accessible from Interstate (I) 5 and (I) 205 across the Columbia River (see Exhibit 1 below). This housing needs analysis includes many comparisons to the City of Vancouver and to Clark County as a whole, including both incorporated and unincorporated areas in the county, and in some cases, other cities, including the City of Portland, to provide helpful comparisons.

Exhibit 1: Study area map
Source: ECOnorthwest, City of Vancouver



Due to relatively low property taxes, high quality public schools and housing prices that were comparatively more affordable than Portland until the last few years, Vancouver has absorbed much of the Portland metropolitan region's population growth over the past decade. The increased demand for housing associated with this growth as well as decades of exclusionary housing policy and underproduction have led to stark housing price increases in Vancouver. Median housing sales prices doubled over the past decade and the cost of average market rent for a one-bedroom apartment was roughly $1,752 in 2023, (2023) surpassing the cost in Portland of $1,566.

Vancouver's housing market is struggling to keep pace with growth and increased demand. Housing costs and rental rates have increased, making it challenging for many renters, first-time homeowners and low-to-moderate income households to find or stay in housing in the city This issue is occurring in neighborhoods across Vancouver and the city will continue to face affordability challenges in the coming years as it continues to grow. Vancouver's vibrant downtown, great neighborhoods and schools, and various natural and cultural amenities will likely continue to attract new people and lead to continued growth.

Section 2. Community and household demographics

Population and housing characteristics are useful for developing a better understanding of Vancouver and its residents. Characteristics such as population growth, age of residents, household size and composition, homeownership, and ethnicity provide useful context about the Vancouver community the trends and forces affecting housing demand, and who the housing market is and is not serving.

Vancouver Population Growth

At almost 200,000 persons, the City of Vancouver is the fourth largest city, based on population, in the State of Washington (below the cities of Seattle, Spokane, and Tacoma but above the City of Bellevue).

This assessment relied on published data primarily from the U.S. Census Bureau, CoStar, Washington Office of Financial Management, U.S. Department of Housing and Urban Development, Clark County, and the City of Vancouver (see the HNA Appendix for more detail on the main data sources used).

Population growth

The Washington State Office of Financial Management (OFM) provides official state and local population estimates and projections for use in the allocation of funds, growth management, and other planning functions. This section utilizes official population estimates from 2000-2023 to understand Vancouver's population growth over the last few decades. Population growth and household formation are the primary drivers of demand for housing. The rate of population growth and household characteristics heavily influence the demand for specific housing types.

Population growth from 2000 to 2023

Vancouver and the broader Clark County region have grown substantially over the last two decades and are projected to continue to grow over the 20-year planning period. From 2000 to 2023, Vancouver's population grew by just over 56,000 residents, or 39%, an annualized compounded growth rate of 1.4% growth per year. **At almost 200,000 people, the City of Vancouver is the fourth**

largest city, based on population, in the State of Washington (below the cities of Seattle, Spokane, and Tacoma but above the City of Bellevue).[3] Clark County has experienced higher population growth than the City of Vancouver largely due to suburban housing development in greenfield areas outside of the city, particularly in unincorporated areas to the north, east and west.

Exhibit 2: Population growth, Vancouver, Clark County, and Washington, 2000-2023
Source: ECOnorthwest, Office of Financial Management Population Estimates.[4]

Area	2000	2010	2023	Change, 2000-2023	Percent Change, 2000-2023	Annualized Compounded Growth Rate
City of Vancouver	143,560	161,791	199,600	56,040	39%	1.4%
Clark County	345,238	425,363	527,400	182,162	53%	1.9%
State of Washington	5,894,143	6,724,540	7,951,150	2,057,007	35%	1.3%

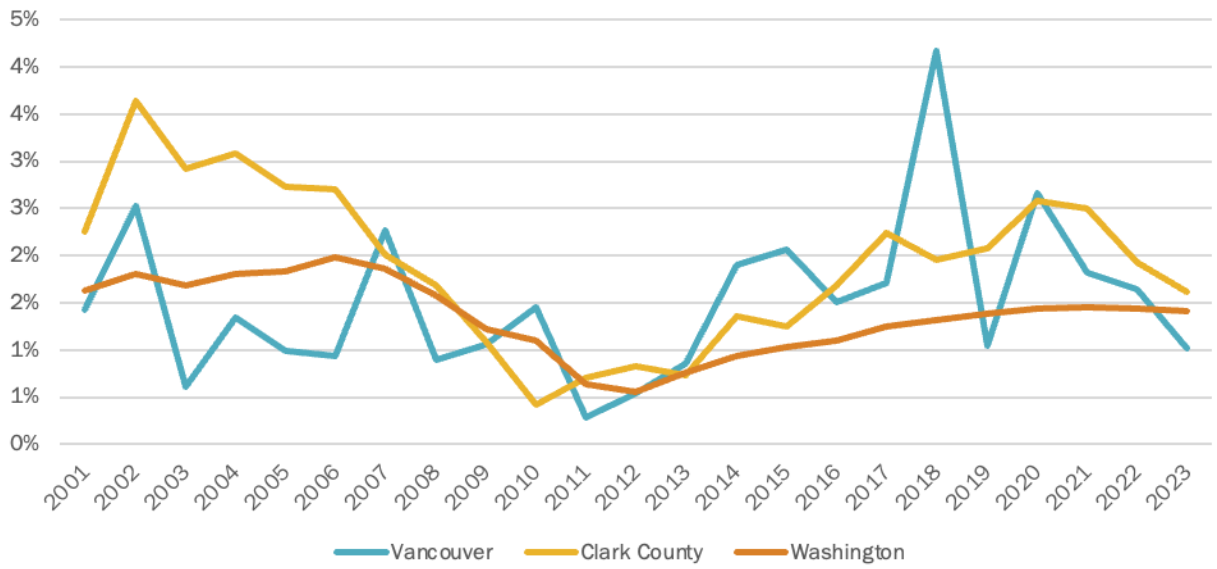
Exhibit 3 below shows the change in population growth year-over-year since 2000 in Vancouver, Park County, and Washington. Vancouver has experienced several years with spikes in population growth which may align with city annexations from the UGA.

[3] Washington State Office of Financial Management analysis of U.S. Census data, 2021: https://ofm.wa.gov/washington-data-research/population-demographics/population-estimates/population-density

[4] Between 2010 to 2020, several areas were annexed into the City of Vancouver which increased the population by approximately 6,126 persons. If the annexation was deducted from the 2023 population estimate, the percent change would be 35% rather than 39%.

Exhibit 3: Population growth change year-over-year, Vancouver, Clark County, and Washington, 2000-2023

Source: ECOnorthwest, Office of Financial Management Population Estimates.[5]



Demographic information

Demographic information can be an indicator of a city's overall population trends. For demographic data, ECOnorthwest primarily used the 2021 American Community Survey (ACS) 1-year Estimates, which is the most current data set available. Key findings include:

- Vancouver's median age is 39 years, similar to Clark County but slightly higher than Hillsboro, Portland, and Washington State.
- Vancouver's largest age group is residents aged 20 to 34 years, representing roughly a quarter of the population (24%). From 2011 to 2021, the share of residents under 20 years decreased from 25% to 20%, while the share older than 65 increased from 13% to 19%.
- Both Vancouver and Clark County became more racially and ethnically diverse between 2011 and 2021. Communities of color increased from 24% to 33% of the total Vancouver population over the last decade from 2011 to 2021, encompassing one-third of the total population. Vancouver saw increases by two percentage points in its Hispanic/Latino population (from 9

[5] Between 2010 to 2020, several areas were annexed into the City of Vancouver which increased the population by approximately 6,126 persons. If the annexation was deducted from the 2023 population estimate, the percent change would be 35% rather than 39%.

to 11%), Asian population (from 6 to 8%), multiracial population (from 5 to 7%), and Black population (3 to 5%).

Age

Households make different housing choices at different stages of life to fit their changing needs; for example, the type of housing needed for a 20-year-old college student or young worker differs from that of a 40-year-old parent with children, or an 80-year-old single adult. Exhibit 4 shows the median age for Vancouver and comparison geographies. Vancouver has the highest median age of 39.4, just slightly older than the county overall.

Exhibit 4: Median age, Vancouver and comparison geographies, 2021
Source: ACS 1-Year Data Tables, Table S0101, 2021

39.4 years	39.2 years	34.8 years	38.3 years	38.2 years
City of Vancouver	Clark County	City of Hillsboro	City of Portland	State of Washington

Exhibit 5 shows the change in median age from 2011 to 2021. All jurisdictions increased in age over the time period, with Vancouver's median age increasing by 1.4 years, a slightly lower change than the Clark County.

Exhibit 5: Change in median age, Vancouver and comparison geographies, 2011–2021
Source: ACS 1-Year Data Tables, Table S0101, 2011, 2021

	2011	2021	Change
City of Vancouver	38.0	39.4	1.4 years
Clark County	37.0	39.2	2.2 years
City of Hillsboro	32.2	34.8	2.6 years
City of Portland	35.7	38.3	2.6 years
State of Washington	37.3	38.2	0.9 years

Exhibit 6 shows the distribution of different age groups. In the City of Vancouver, the largest age group is residents aged 20 to 34 years (24%). Compared to Clark County, Vancouver has a similar share of residents between the ages of 35 and 64, and a slightly higher share of residents older than 65 years (19%). While the county's largest age group is residents under 20 years (25%), only 20 percent of Vancouver's population is under 20 years of age.

Exhibit 6: Age distribution, Vancouver and comparison geographies, 2021
Source: ACS 1-Year Data Tables, Table B01001, 2021

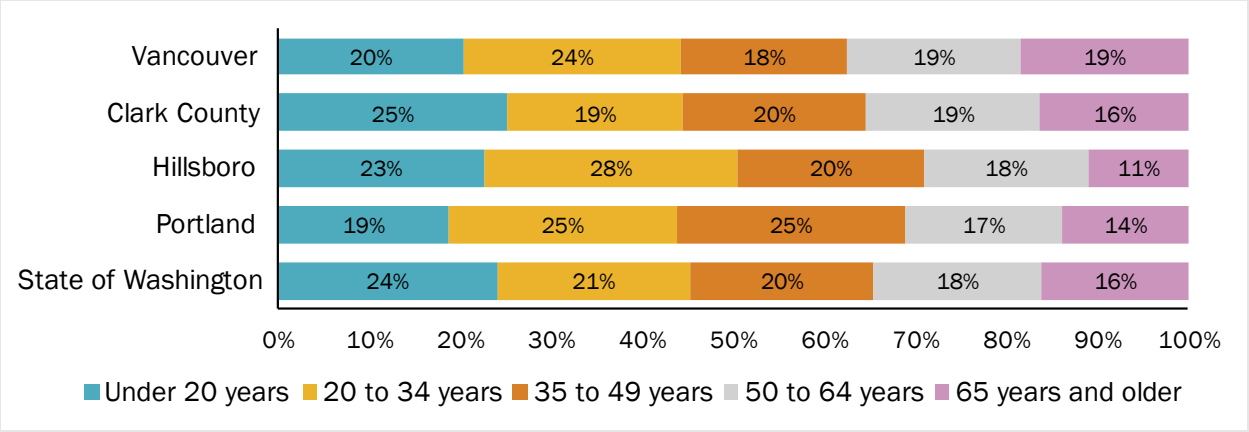
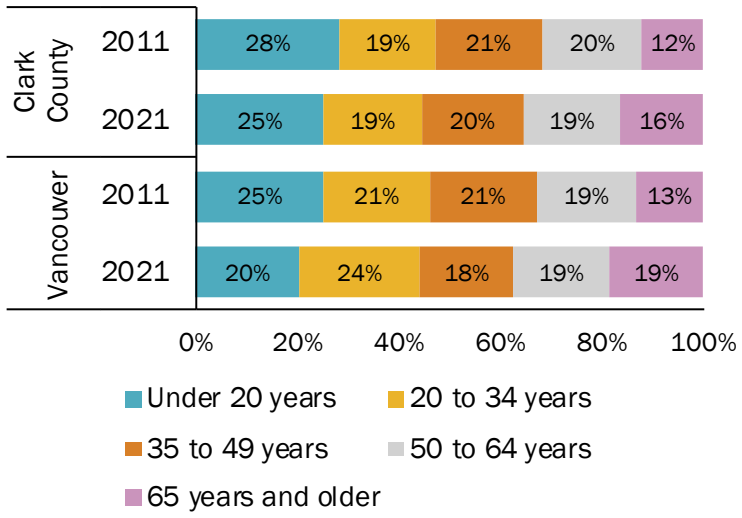


Exhibit 7 shows the change in age distribution for Vancouver and Clark County. In both jurisdictions, the share of residents under 20 years decreased (5% in Vancouver). On the other end of the spectrum, the share of residents over 65 years increased in both jurisdictions, specifically by six percentage points from 13% to 19% in the City of Vancouver from 2011 to 2021. In the county overall, the share of residents between 20 and 65 years remained relatively stable, while in Vancouver the share of residents aged 20 to 34 years increased by 3%, and the share of residents aged 35 to 49 years decreased 3%.

Exhibit 7: Change in age distribution, Vancouver and Clark County, 2011–2021
Source: ACS 1-Year Data Tables, Table B01001, 2011, 2021



Prime working age is generally defined as workers aged between 25 to 54 years. Vancouver's share of prime working population (20 to 49 years) is similar to Clark County and only slightly decreased from 2011 to 2021.

Race and ethnicity

Exhibit 8 shows the change in the distribution of residents by race and ethnicity from 2011 to 2021. In both Vancouver and Clark County, much of the population is White, with 67% of residents identifying as White in Vancouver and 74% in the county overall.[6] However, Vancouver has a higher share of Black or African American residents as well as Asian residents than the county overall. Both jurisdictions became more racially and ethnically diverse over the last decade. Notably, Vancouver saw increases by two percentage points in its Hispanic and Latino population (from 9 to 11%), Asian population (from 6 to 8%), multiracial population (from 5 to 7%), and Black population (from 3 to 5%).

Exhibit 8: Change in race and ethnicity distribution, Vancouver and Clark County, 2011–2021
Source: ACS 1-Year Data Tables, Table B03002, 2011, 2021

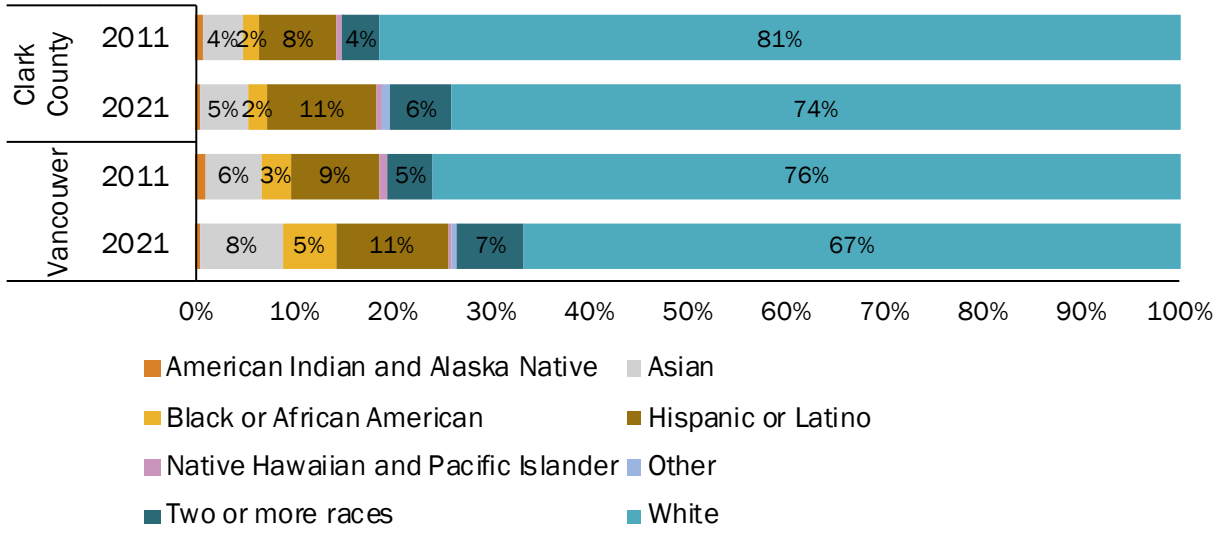


Exhibit 9 below shows the change in the distribution of students by race and ethnicity from the 2012–13 and 2022–23 school years in the Evergreen and

[6] The US Census Bureau collects race data based on self-identification. The racial categories included in the census questionnaire generally reflect a social definition of race recognized in this country, recognizing racial and national origin or sociocultural groups. People may choose to report more than one race to indicate their racial mixture. People who identify their origin as Hispanic, Latino, or Spanish may be of any race and the concept of race is separate from the concept of Hispanic origin. The race categories include White; Black or African American; American Indian or Alaska Native; Asian; Native Hawaiian or Other Pacific Islander; some other race. Source.

Vancouver School Districts. While White students continue to make up the majority of students in both school districts, the share of students who are Black, Indigenous, and people of color (BIPOC) has increased. This change mirrors that of the overall Vancouver population, which also showed a decrease in the White population alongside an increase in communities of color.

Exhibit 9: Change in race and ethnicity distribution, Evergreen and Vancouver School District, 2012–13 and 2022–23

Source: Washington Office of Superintendent Public Instruction (OSPI), 2012–13, 2022–23

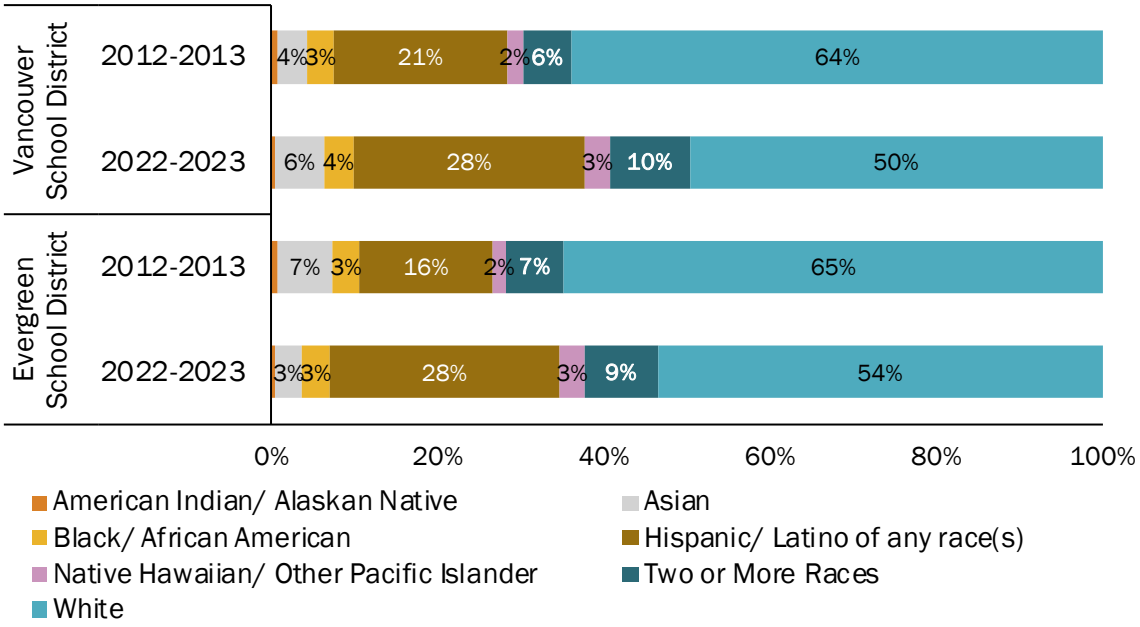
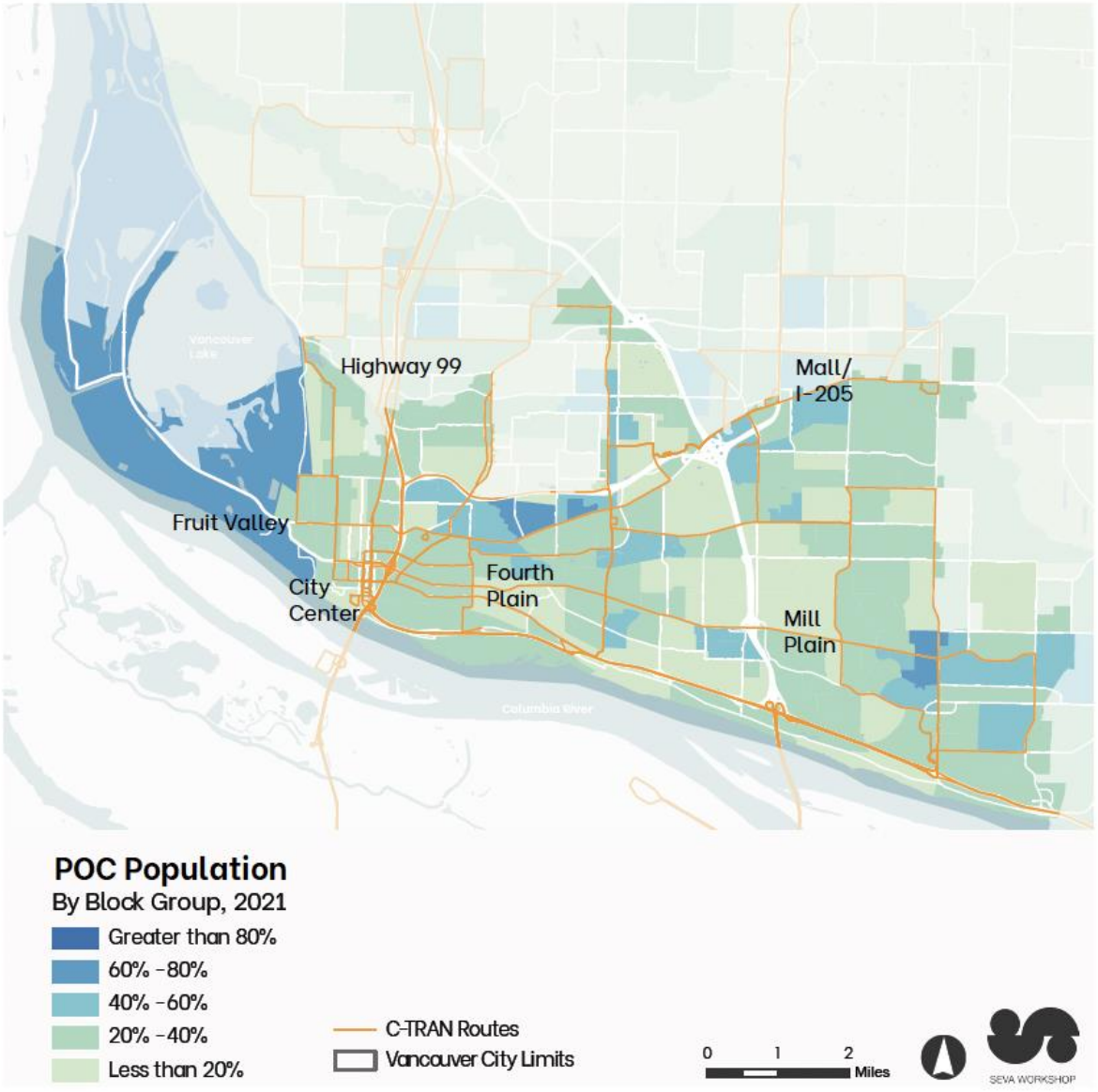


Exhibit 10 shows a map of where communities of color live throughout Vancouver. Larger shares of communities of color, with at least 40% of communities of color, are located in the Fruit Valley area, in the Fourth Plain area (northern edge), near the Vancouver Mall/I-205 area, a small area near Mill Plain, and in areas located on the eastern edge of the city.

Exhibit 10: Map of persons of color (POC) population by block group in Vancouver, 2021
Source: SEVA, ACS 5-Year estimates 2017–2021.



Source: American Community Survey 5 year estimates 2017-2021

Income distribution

Income is an important determinant of housing choice, influencing both the type of housing a household chooses (e.g., single-family detached, duplex, or a larger multifamily property) and whether a household rents or owns their housing. Key findings include:

- Vancouver has a median household income of $70,000, which is lower than Clark County. Comparatively, Vancouver has a higher share of households earning less than $75,000 and a lower share of households earning more than $100,000 annually.
- Vancouver median household incomes are lower than the Portland-Vancouver-Hillsboro MSA HUD area median income (AMI) levels for both 2021 and 2023 (family of four). Compared to the larger region, Vancouver has a higher share of households earning below 60% of the AMI.

Median household income

As of 2021, the median household income in the City of Vancouver was nearly $70,000 per year. The city's median household income is roughly $14,000 lower than that of both Clark County and the state. Exhibit 12 shows the change in median household incomes from 2011 to 2021. Both Vancouver and the County saw increases in median household income, with Vancouver's median household income increasing roughly by around $11,000 per year.

Exhibit 11: Median household incomes, Vancouver and Clark County, 2021
Source: ACS 1-Year Data Tables, Table S1901, 2021

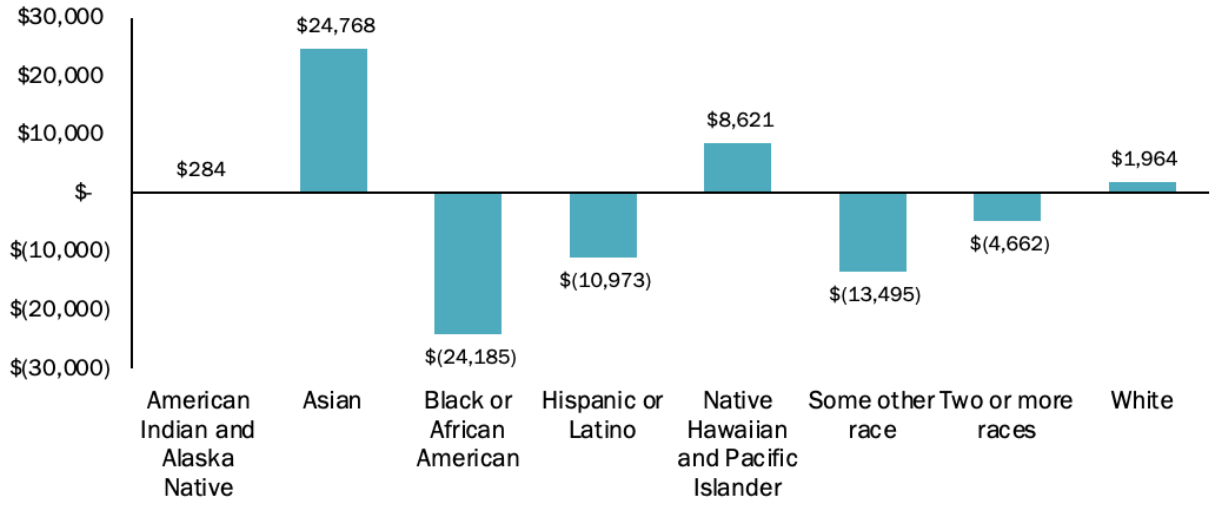
$70,000	$84,000	$97,000	$79,000	$84,000
City of Vancouver	Clark County	City of Hillsboro	City of Portland	State of Washington

Exhibit 12: Change in median household incomes, Vancouver and Clark County, 2011–2021
Source: ACS 1-Year Data Tables, Table S1901, 2011, 2021

	2011	2021	Change	Percent Change
City of Vancouver	$58,918	$69,993	$11,075	19%
Clark County	$68,250	$83,837	$15,587	23%
City of Hillsboro	$79,219	$97,436	$18,217	23%
City of Portland	$56,658	$79,057	$22,399	40%
State of Washington	$68,466	$84,247	$15,781	23%

Exhibit 13 shows differences in median income by race/ethnicity when compared with Vancouver's overall median. Asian and Native Hawaiian and Pacific Islander households, on average, earn above the median income. White households and American Indian and Alaskan Native households, on average, earn close to the overall city median. Black or African American, Hispanic/Latino, multiracial, and other race households all earn, on average, below the city median.

Exhibit 13: Median income by race compared to overall median
Source: SEVA, ACS 5-year estimates 2017–2021



Household income distribution

Exhibit 14 shows the distribution of different income brackets in Vancouver and comparison geographies. Of these jurisdictions, Vancouver has the highest share

of households earning below $25,000 (18%) annually, as well as the highest share earning below $75,000 per year (53%). Looking at the higher income brackets, fewer Vancouver households earn more than $100,000 annually than any of the comparison jurisdictions.

Exhibit 14: Median household income distribution, Vancouver and comparison geographies, 2021
Source: ACS 1-Year Data Tables, Table S1901, 2021

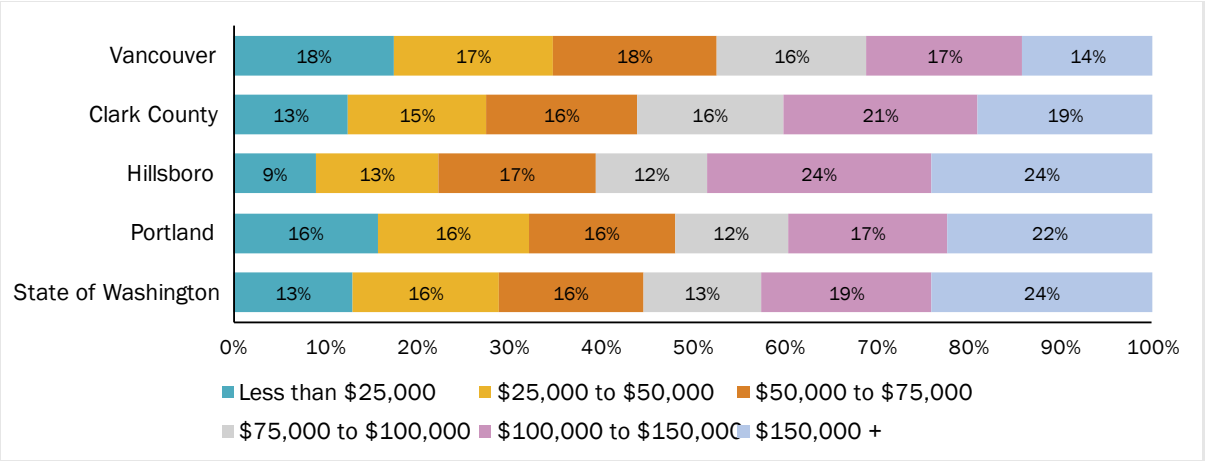
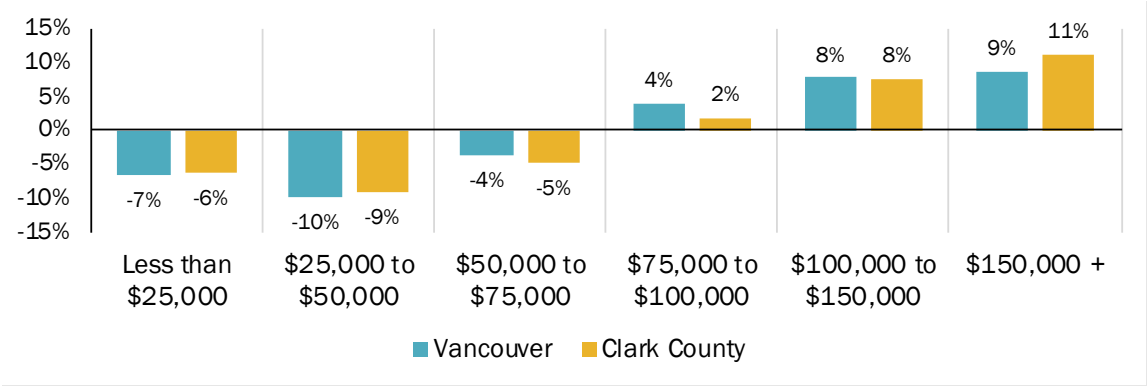


Exhibit 15 shows the change in the *share* of each income bracket from 2011 to 2021. The share of households earning more than $150,000 annually increased from 5% to 14% in Vancouver over that time period, an increase of nine percentage points (although slightly lower than the county's share). **In both Vancouver and Clark County, the share of households earning less than $75,000 annually decreased.** This could indicate that the city is gaining more people with household incomes earning above $75,000 per year or that existing households are experiencing increases in their incomes, or a combination of the two. In both the county and the city, the share of households earning between $25,000 and $50,000 decreased the most, while households earning more than $150,000 increased the most.

Exhibit 15: Change in median household income distribution, Vancouver and Clark County, 2011–2021

Source: ACS 1-Year Data Tables, Table S1901, 2011, 2021



Area median income (AMI)

Another aspect of analyzing household incomes is area median income. AMI is defined as the midpoint of a specific area's income distribution and is defined each year by the Department of Housing and Urban Development (HUD).[7] HUD includes Vancouver as part of the Portland-Vancouver-Hillsboro Metropolitan Statistical Area (MSA). In 2021, HUD determined the AMI to be $96,900 for a family of four in the area.

HUD uses AMI calculations to set income limits for affordable housing in different income categories, such as extremely low income (earning less than 30% of the AMI), low income (earning between 30% and 50% of the AMI), and moderate income (earning between 50% and 80% of the AMI). Income limits for a family of four in the region for 2011 are shown in

Exhibit 17, for 2021 in Exhibit 17, and for 2023 in Exhibit 18.

Exhibit 16: Income limits by HUD area median income, family of four, Portland-Vancouver-Hillsboro MSA, 2011

Source: HUD

$21,600	$36,000	$57,600	$72,000	$86,400
Extremely Low	Low	Moderate	Median	120% AMI

[7] AMI/ Median Family Income (MFI) looks at how much each income level can afford in housing costs which is helpful for understanding housing affordability. Each year, the HUD uses data from the U.S. Census to define an area's MFI based on family size. The MFI benchmark helps determine eligibility for HUD housing programs (often including rent-restricted housing) and supports the tracking of different housing needs for a range of household incomes. If the term AMI is used in an unqualified manor, this reference is synonymous with HUD's MFI.

(30% AMI)	(50% AMI)	(80% AMI)	(100% AMI)	

Exhibit 17: Income limits by HUD area median income, family of four, Portland-Vancouver-Hillsboro MSA, 2021

Source: HUD

$29,000	$48,350	$77,350	$96,900	$116,280
Extremely Low (30% AMI)	Low (50% AMI)	Moderate (80% AMI)	Median (100% AMI)	120% AMI

Exhibit 18: Income limits by HUD area median income, family of four, Portland-Vancouver-Hillsboro MSA, 2023

Source: HUD

$33,850	$56,400	$90,200	$114,400	$137,280
Extremely Low (30% AMI)	Low (50% AMI)	Moderate (80% AMI)	Median (100% AMI)	120% AMI

Exhibit 19 (below) shows how the Portland-Vancouver-Hillsboro AMI compares to the median household income for Vancouver and other nearby cities. Vancouver's annual median household income was $69,993 in 2021 which is almost $27,000 less than the 2021 HUD 100% AMI of $96,900.

The AMI for four and one-person households is higher than actual median income in the City of Vancouver. This could have implications for housing affordability for households with four or fewer people. If affordability thresholds are set higher than actual incomes in Vancouver, lower to moderate income households may not be able to find suitably affordable housing.

Exhibit 19: Area median incomes compared to median household incomes by family size, Vancouver and nearby cities, 2021
Source: HUD, ACS 1-Year Data Tables, Table S901, 2021.

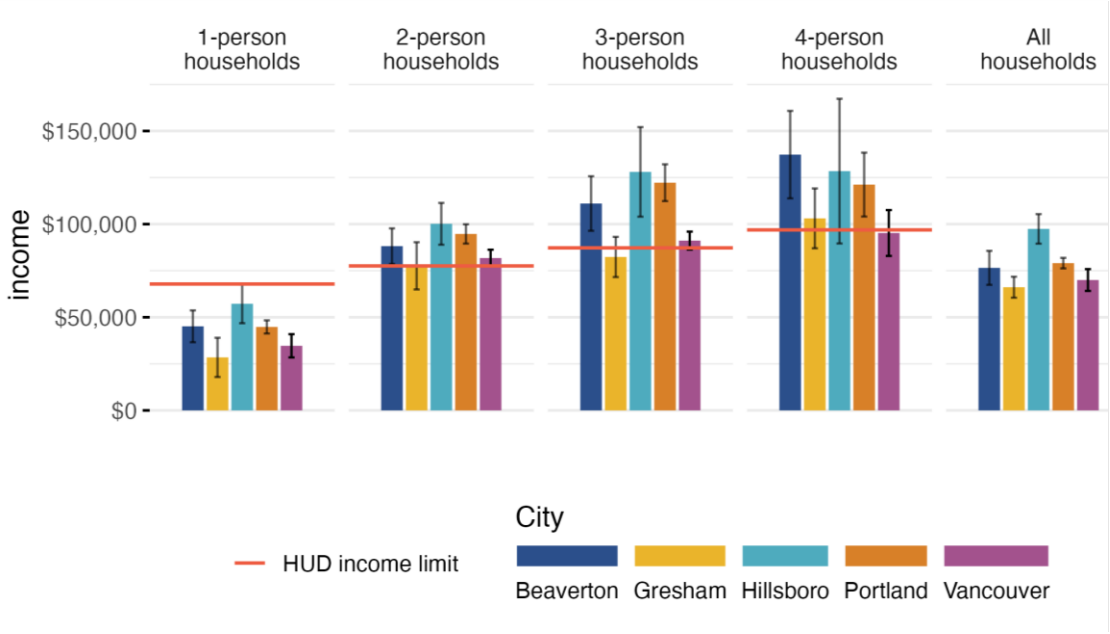
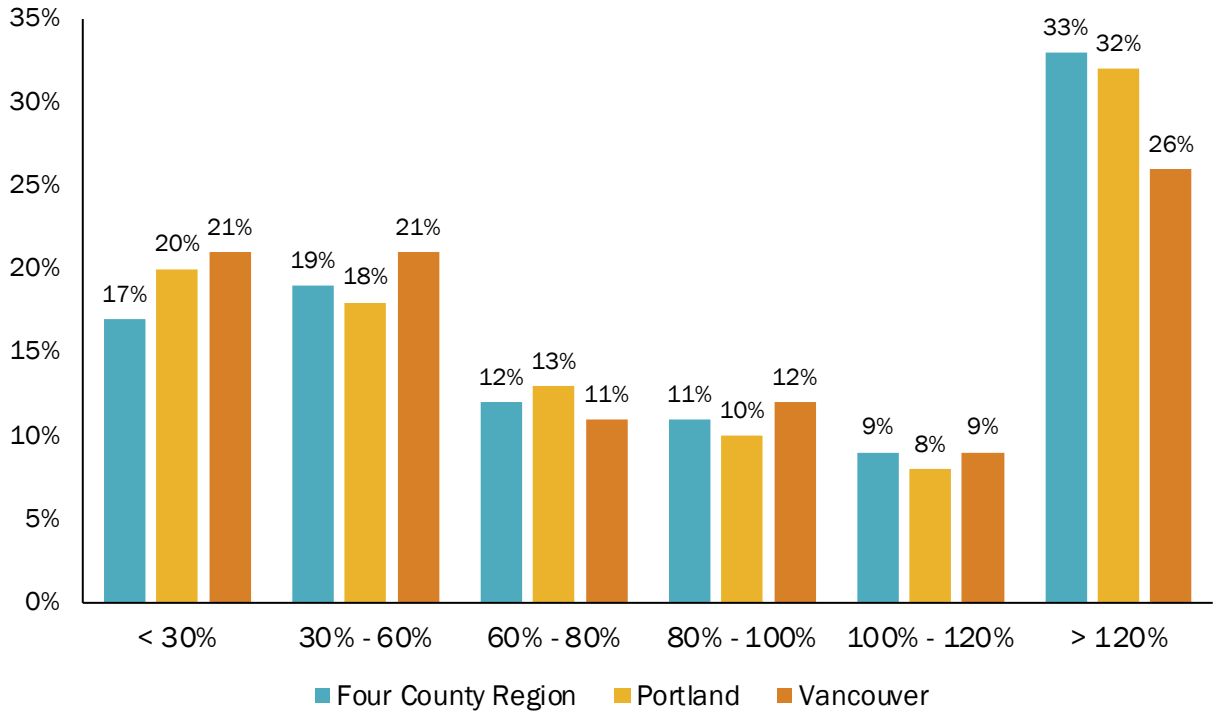


Exhibit 20 shows where households in Vancouver, Portland, and the four-county region (including Multnomah, Clackamas, Washington, and Clark counties) fall within these income limits. While the largest income bracket for each region is households earning more than 120% of the AMI, Vancouver has a smaller share of these households (6 percentage points lower than Portland and seven percentage points lower than the four-county region).

For all three areas, the second and third largest income brackets are extremely low-income households earning less than 30% and low-income households earning between 30 and 60% of the AMI. For both lower income brackets, Vancouver has a slightly higher share of households than Portland or the four-county region.

Exhibit 20: Household income as a percent of area median income, Vancouver, Portland, and four-county region, 2021
Source: HUD



Household characteristics

Household characteristics, such as whether a household owns their home, average household size, and household living arrangement trends, can highlight a city's changing housing needs. Key findings include:

- Roughly half (52%) of Vancouver households own their homes, a lower rate than the county overall (65%). In comparison, the United States average is 65%, and Washington's state average is 64%. In contrast, larger cities like Hillsboro, OR, Portland, OR, and Seattle, WA, all have lower homeownership rates (50%, 53%, and 44%, respectively). Additionally, the average age of Vancouver homeowners has increased in the past decade, which could indicate barriers to homeownership for younger residents.
- Factors like household size can impact preferences for unit types and tenure as larger households typically need larger units. In general, single-family homes (either detached or attached) tend to offer more square footage compared with multifamily units. In Vancouver, 88% of owner households lived in single-family detached homes in 2021, as well as 93% in Clark County overall. In comparison, the largest share (51%) of renter households in

Vancouver lived in larger multifamily buildings with five or more units and an additional 18% in 'plex' units (including duplexes, triplexes, and quadplexes). The same trend was true in Clark County with 44% of renters living in multifamily buildings and 16% in 'plex' units.

- The average size of Vancouver households decreased slightly from 2011 to 2021, corresponding with an increase in the share of one- and two-person households and a decrease in the share of three- and four-person households. At the same time, the number of households with children in Vancouver decreased by 7%.
- White and Asian households tend to be smaller than other households for both renters and homeowners in the City of Vancouver. Of homeowner households, Hispanic households had the largest households with 3.7 members and for renters, "other" race households are the largest with 3.5 members.
- Asian and White households had the highest homeownership rates and were the only households with an ownership rate higher than the renter rate (71% and 53%, respectively). Hispanic and multiracial households had the lowest homeownership rates (29% and 26%, respectively).
- There has been an increase in the share of households with unrelated individuals and couples without children. Unrelated households include individual householders, unmarried partners, roommates, seniors living alone or with a roommate, or other shared living arrangements. In contrast, the share of households with children are on the decline, which is further reflected in the change in average household size, which has also been decreasing.

Household tenure

Household tenure refers to whether a household rents or owns their home. Just over half (52%) of Vancouver households own their homes, which is a lower homeownership rate than Clark County (65%) and the state but similar to other nearby cities. From 2011 to 2021, the homeownership rate rose by roughly one percentage point in Vancouver. The homeownership rate remained stable in Clark County overall.

Exhibit 21: Homeownership rate, Vancouver and comparison geographies, 2011–2021
Source: ACS 1-Year Data Tables, Table B25003, 2021

	2011	2021	Change in Percentage Points
City of Vancouver	51%	52%	1%
Clark County	65%	65%	0%
City of Hillsboro	53%	50%	-3%
City of Portland	51%	53%	2%
State of Washington	63%	64%	1%

Tenure by age

Exhibit 22 shows the distribution of homeowners by age in Vancouver and Clark County. In general, Vancouver has a higher share of older homeowners than the county overall, with 51% of homeowners over 60 years (compared to 42% of county homeowners). In addition, only 30% of Vancouver homeowners are between the ages of 35 and 54, compared to 38% of county homeowners. This could indicate that there is a lower share of the prime working age population living in the city compared to elsewhere in the county.

Exhibit 22: Distribution of homeowners by age, Vancouver and Clark County, 2021
Source: ACS 1-Year Data Tables, Table B25007, 2021

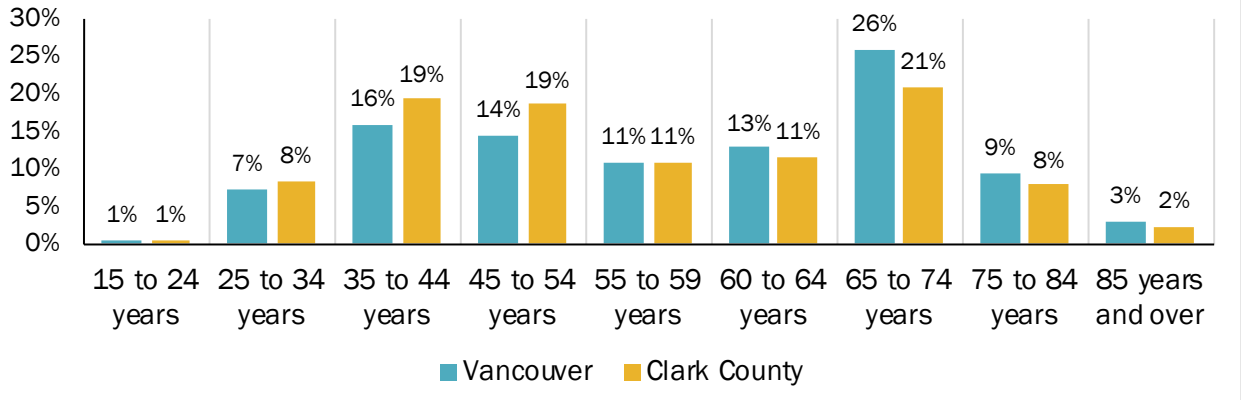
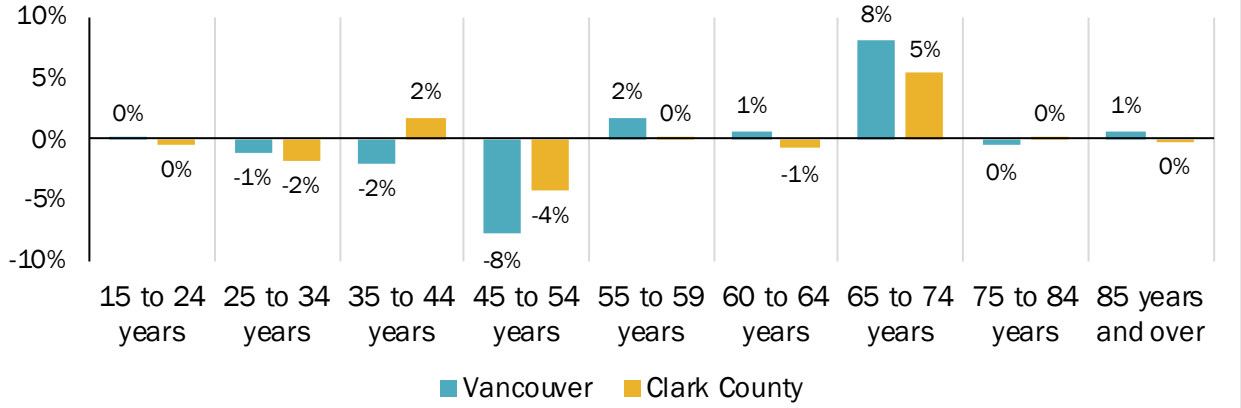


Exhibit 23 shows the change in the *share* of each homeowner age group from 2011 to 2021. Over that time period, the share of Vancouver homeowners aged 45 to 54 years dropped 8%, while the share of Vancouver homeowners aged 65 to 74 years increased 8%. While these trends are similarly reflected at the county level, the county experienced smaller levels of change over the same time period

compared to the City of Vancouver. This could indicate that homeownership is increasingly becoming out of reach for younger homeowners. Homeownership opportunities have become more limited, particularly for younger households, possibly due to the need for higher incomes and more equity to keep pace with increasing housing costs.

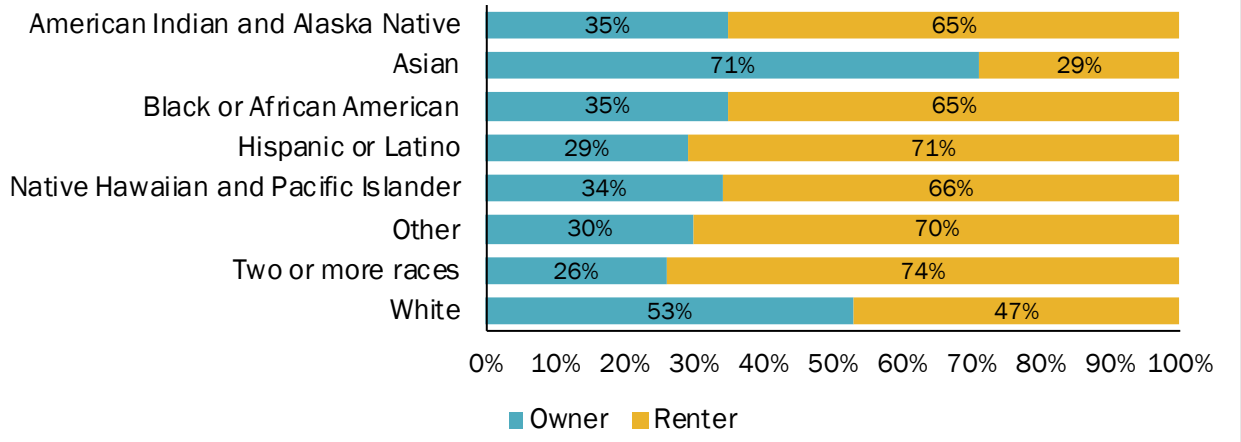
Exhibit 23: Change in distribution of homeowners by age, Vancouver and Clark County, 2011–2021
Source: ACS 1-Year Data Tables, Table B25007, 2011, 2021



Tenure by race

Exhibit 24 shows household tenure by race in Vancouver. Asian and White households have the highest homeownership rate, with 71% and 53% of households respectively. Multiracial and Hispanic or Latino households have the lowest homeownership rate, at 26% and 29% of households respectively.

Exhibit 24: Household tenure by race and ethnicity, Vancouver, 2021
Source: SEVA, ACS 5-Year Estimates, 2017–2021



Household size

Household size is an important indicator for the types of housing needed in a region. Smaller households, such as younger or older adults, may prefer living in middle or multifamily housing types given their smaller size and relative affordability, while larger households with children or extended families cohabitating may be more comfortable in larger single-family dwellings or multifamily residences with multiple bedrooms. Vancouver's average household size is roughly 2.3 members, slightly lower than the county overall (2.6 persons).

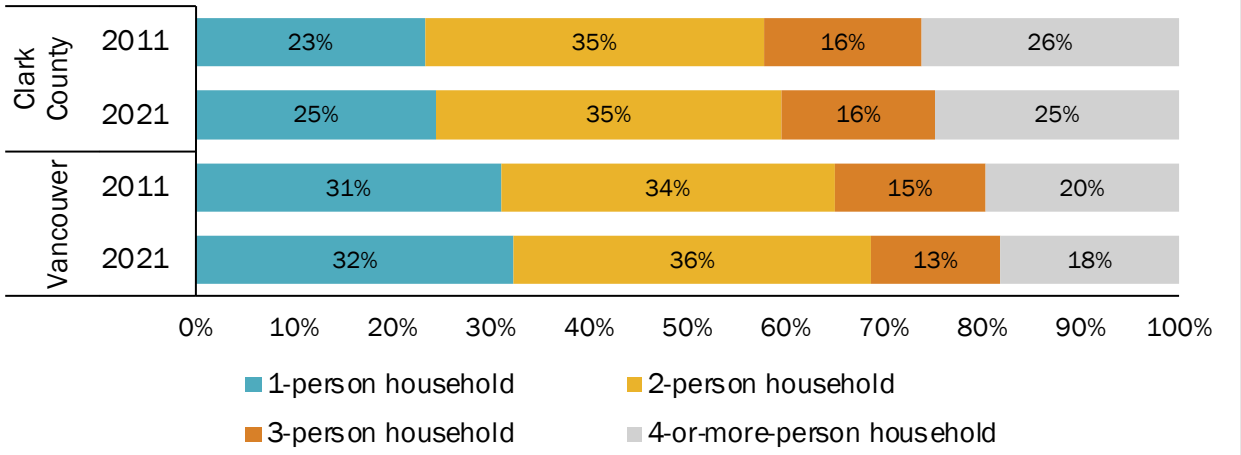
Exhibit 27 shows the change in average household size from 2011 to 2021. For both jurisdictions, the average household size decreased by roughly 0.1 household members. Given the decrease in residents under 20 years during the same time period in both areas, the decrease in household size could be due to an increase in the share of households without children.

Exhibit 25: Change in average household size, Vancouver and Clark County, 2011–2021
Source: ACS 1-Year Data Tables, Table S2501, 2011, 2021

	2011	2021	Percent Change
City of Vancouver	2.4 persons	2.3 persons	-3.0%
Clark County	2.7 persons	2.6 persons	-2.3%

Household size distribution has remained relatively consistent in the county from 2011 to 2021. In Vancouver, the share of three- and four-person households each decreased by two percentage points; at the same time, the share of two-person households increased by two percentage points and the share of one-person households increased by one percentage point. Given this information, it is possible that the shift in household sizes in the city reflects older couples becoming empty nesters, an influx of younger households without children, or (most likely) both.

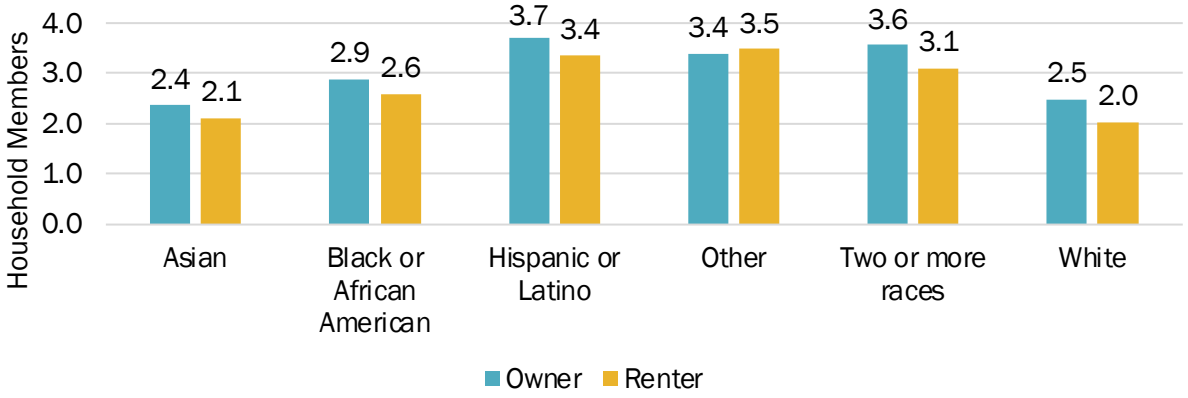
Exhibit 26: Change in household size distribution, Vancouver and Clark County, 2011–2021
Source: ACS 1-Year Data Tables, Table S2501, 2011, 2021



Household size by race

Exhibit 27 shows average household sizes by race and ethnicity in Vancouver. Of homeowner households, Hispanic households had the largest average household size with 3.7 members. On average, Asian and White homeowner households are the smallest, with roughly 2.4 and 2.5 members, respectively. Of renter households, Asian and White households are again the smallest on average, with 2.1 and 2.0 members respectively, and "other" race households are the largest on average with 3.5 members.

Exhibit 27: Average household size by race and ethnicity, Vancouver, 2022
Source: ACS 1-Year Data Tables, Table B25010A-H, 2022. Note: Data not available for American Indian and Alaska Native households or Native Hawaiian and Other Pacific Islander households.

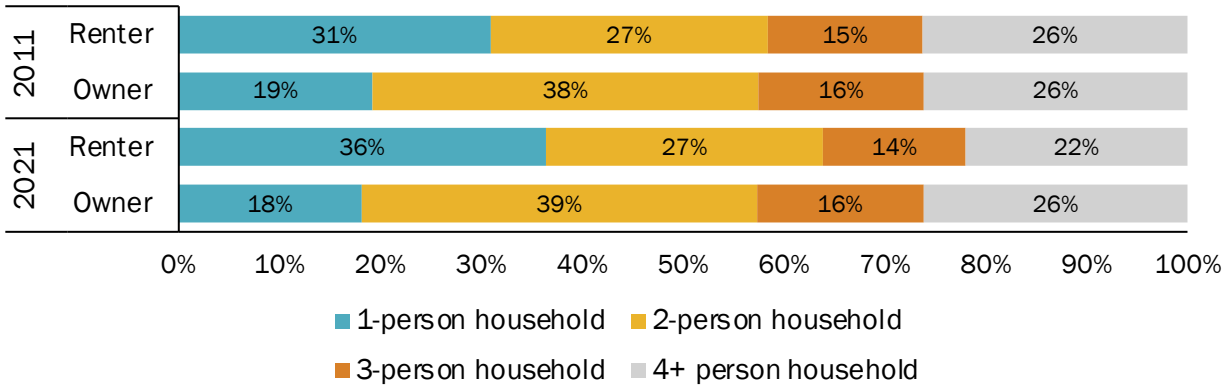


Household size by tenure

Exhibit 28 shows household size by tenure. As of 2021, renter households tend to be slightly smaller than owner households. Roughly twice as many renters live in

one-person households than homeowners (36% to 18%, respectively). On the other hand, 39% of homeowners live in two-person households compared to 27% of renters. From 2011 to 2021, the distribution of household sizes for owner households remained relatively stable. For renter households, the share of one person households increased by five percentage points, and the share of households with more than four members decreased by four percentage points. This could indicate an increasing size gap between ownership households, which tend to be larger, and renter households, which have decreased in average size.

Exhibit 28: Household size by tenure, Vancouver, 2011–2021
Source: ACS 1-Year Data Tables, Table B25009, 2011-2021

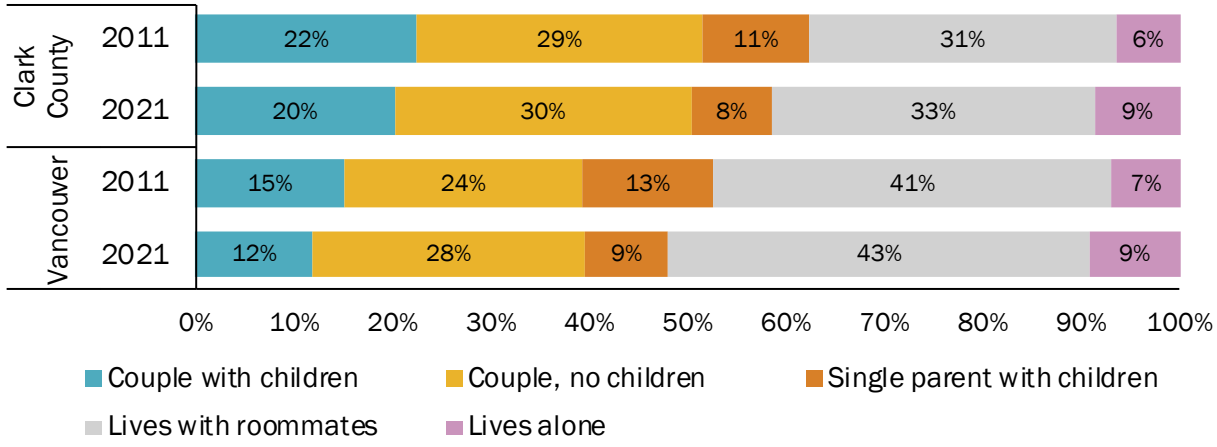


Living arrangement

As of 2021, Vancouver has a higher share of residents living with roommates than the county (43 to 33%, respectively). In both jurisdictions, the share of residents living with roommates (non-family households) increased by two percentage points.

Compared to the county, Vancouver has an eight-percentage-point lower share of couples with children, and a two-percentage-point lower share of couples without children. Overall, 21% of Vancouver households have children, compared to 28% of Clark County households. From 2011, the share of households with children decreased by seven percentage points in the city and five percentage points in the county.

Exhibit 29: Change in living arrangement, Vancouver and Clark County, 2011–2021
Source: ACS 1-Year Data Tables, Table S1101, 2011, 2021



Section 3. Housing market conditions and trends

Current housing stock

Key findings include:

Housing Mix

Vancouver has a higher share of multi-unit housing than the county overall, with slightly under half (around 44%) of Vancouver housing units having multiple units. However, the dominant type of housing is still single-detached housing (at 56%).

- **The dominant type of housing is single-detached housing comprising over half the housing stock both in Vancouver and Clark County as a whole (in terms of the total number of housing units).** However, Vancouver has a lower share of single-detached housing (at 56%) compared to the county's 72%. The remaining housing stock in Vancouver includes an estimated 27% multifamily housing, 8% single family attached (including townhomes or row homes), and 18% "plex housing" which is attached units up to fourplexes (according to U.S. Census data, 2021).
- **Vancouver has a higher share of multifamily housing than the county overall, with over a third (around 37%) of Vancouver residences having more than one unit.** Permit data analysis shows a steady increase in multifamily development in recent years. However, this percentage remains lower than that of the City of Portland (40%). Larger cities typically have higher percentages of multifamily housing units to try and keep up with the demand for housing that is less present in smaller or more rural areas.
- **Vancouver has seen a recent spike in vacancy rates among two-bedroom units in multifamily housing, jumping from just under 4% in 2022 to almost double that at 7% in 2023 that likely is related to recent housing construction.** Housing market assessments often use a 5% standard vacancy rate that implies a balance between housing supply and demand. Vancouver multifamily vacancy rates closely follow those of Clark County, only slightly falling behind as of 2023, ending at 7% to Clark County's 8%.

Housing mix

The U.S. Census provides generalized survey-based information describing the main categories of housing units, including single-family detached, single-family

attached ("plex housing" (includes up to four units including duplex/triplex/quadplex housing, townhomes and row homes), "plex housing" (including duplexes, triplexes, and quadplexes), and multifamily (indicating larger buildings of five or more units). As shown in Exhibit 30, just over half (56%) of Vancouver housing units are single detached homes and just over a quarter (27%) of units are in a multifamily development with five or more units. Roughly 18% of units are either single-family attached units or "plex housing." Vancouver generally has a similar housing mix as Portland and Hillsboro; compared to the county overall, Vancouver has a higher share of single-family attached, "plex", and larger multifamily housing.

Exhibit 30: Housing mix, Vancouver and comparison geographies, 2021
Source: ACS 1-Year Data Tables, Table B25024, 2021

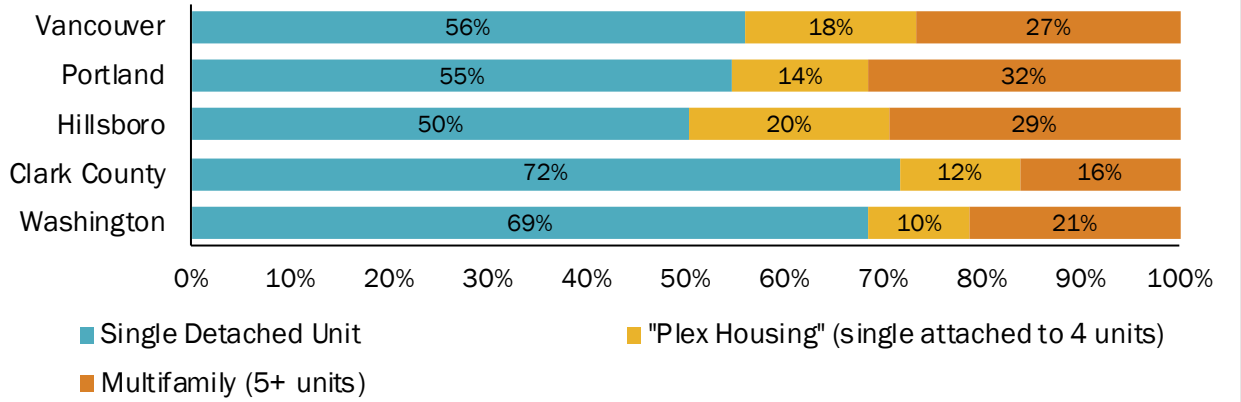
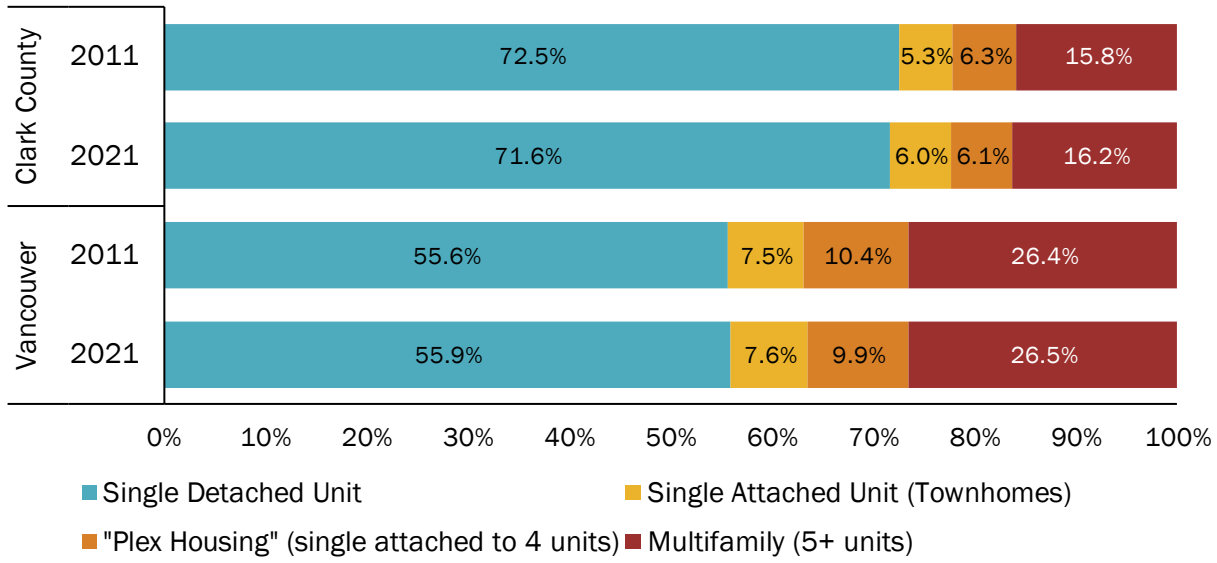


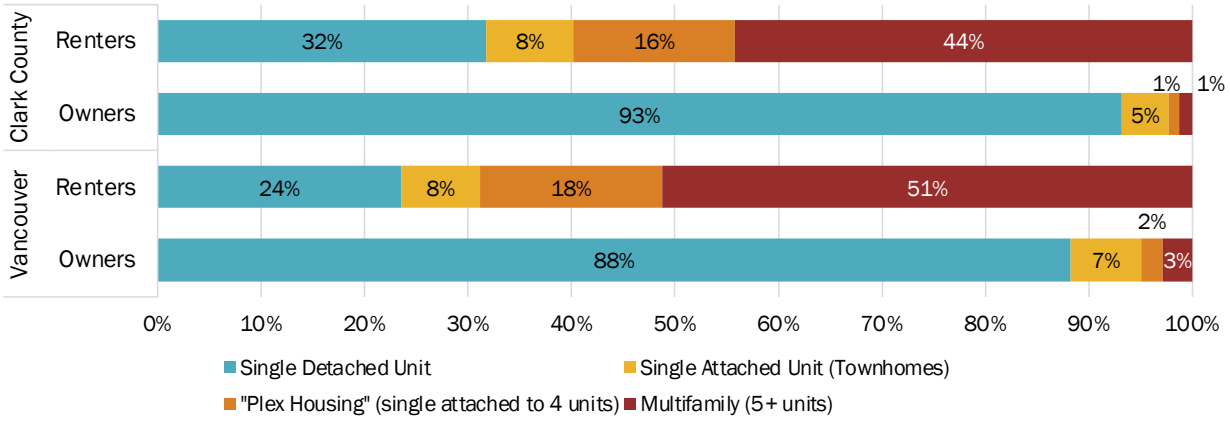
Exhibit 31 shows the change in the share of each housing type for Vancouver and the county from 2011 to 2021. According to the U.S. Census Bureau, there was only a slight change in the distribution of housing types over that time period. This general estimate provides the share of housing unit types based on information obtained from a survey sample obtained over one year (2011, 2021) including a subset of residents in the respective areas.

Exhibit 31: Housing mix, Vancouver and Clark County, 2011–2021
Source: ACS 1-Year Data Tables, Table B25024, 2011, 2021



Housing tenure varies for some housing types in both Vancouver and Clark County. In 2021, the majority of owner households in both Vancouver and Clark County lived in single-family homes (88% and 93% respectively). Likewise, the largest share of renter households lived in multifamily buildings with five units or more in Vancouver (51%) and Clark County (44%).

Exhibit 32: Housing mix by tenure, Vancouver and Clark County, 2021
Source: ACS 1-Year Data Tables, Table B25024, 2011, 2021



Vacancy

The Census defines vacancy as "unoccupied housing units considered vacant." Vacancy status is determined by how the unit would likely be occupied (e.g., for rent, for sale, or for seasonal use only). Vacancy rates are cyclical and represent

the lag between demand and the market's response to demand for additional dwelling units. Vacancy rates for rental and multifamily units are typically higher than those for owner-occupied and single-family dwelling units. In Vancouver, the vacancy rate for all units reported by ACS data was 5%, slightly higher than Clark County (4%). The city's overall vacancy rate has remained stable since 2011.

Exhibit 33: Vacancy rate, all units, Vancouver and Clark County, 2011 and 2021
Source: ACS 1-Year Data Tables, Table B25002, 2011, 2021

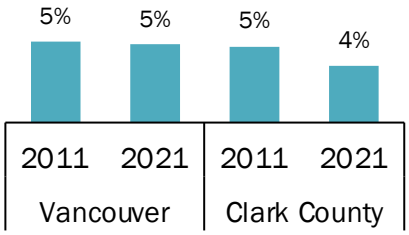
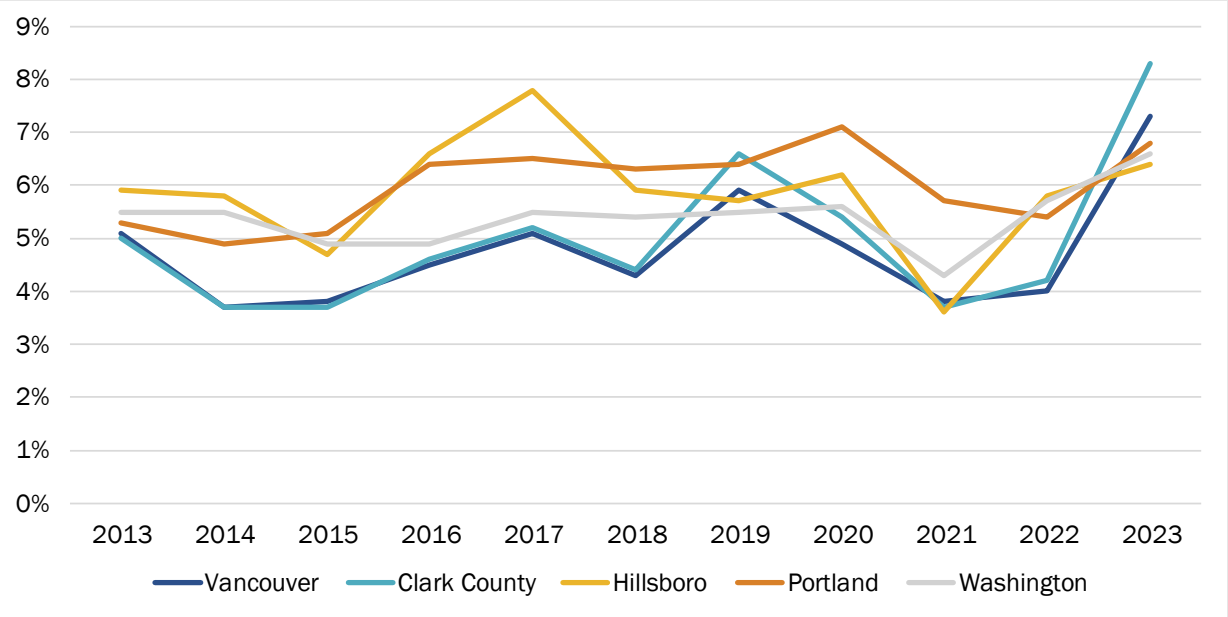


Exhibit 34 shows the two-bedroom multifamily vacancy rate for Vancouver, Clark County, Hillsboro, Portland, and Washington State according to CoStar. Clark County and Vancouver's vacancy rates closely follow each other for two-bedroom units, and until recently have been below the state average. As of 2023, Vancouver and Clark County's vacancy rates for two-bedroom multifamily units have almost doubled, from 4 to 7 and 8%, respectively (higher than the overall vacancy rate for all units reported in ACS data). In comparison, the state of Washington's vacancy rates for two-bedroom multifamily units increased by less than one percentage point in the last year. A low vacancy rate can indicate limited housing supply with inadequate production to satisfy need, while a high vacancy rate can indicate that housing costs are too high. Housing market assessments often use a 5% standard vacancy rate that implies a balance between housing supply and demand.

Exhibit 34: Two-bedroom multifamily units vacancy rate, Vancouver, Clark County, Hillsboro, Portland, and Washington State, 2013-2023

Source: CoStar



Housing development trends

Key findings include:

- **Historic and current housing underproduction has limited housing supply in both the City of Vancouver and Clark County.** Housing underproduction occurs when communities fall short in providing sufficiently available housing that meets the community's demand for housing. Essentially, there is a housing supply and demand imbalance that can persist over time to exacerbate housing access issues.
- **From 2012 to 2022, Vancouver increased its housing stock by roughly 14,700 units, or by 21% (a small portion of this increase was due to annexations). Annually, the City of Vancouver housing stock increased by around 1,466 housing units per year from 2012 to 2022. Rising housing costs and low vacancy rates suggest current housing stock and development is not adequately meeting the needs of Vancouver residents.**
- **Among the multifamily buildings permitted since 2015, the majority of units (73%) are in buildings with more than 20 units.** Alternatively, 23% are within buildings that have between five and 19 units, and only 4% are within buildings that have two to four units, suggesting an opportunity to build more middle housing and lower density multifamily housing in the city.

Housing unit supply changes

Exhibit 35 shows the housing growth for Vancouver and Clark County from 2012 to 2022. For this analysis a few other comparable cities in Washington State similar in size and scale are included to provide comparisons to the City of Vancouver. Both the City of Vancouver and Clark County showed a high growth rate, exceeding the growth rate of both the Cities of Spokane and Tacoma, which both grew at less than half the rate of Vancouver within the same time period. This helps demonstrate how rapid Vancouver's growth has been over the last decade.

Exhibit 35: Total housing units, Vancouver and Clark County, 2012–2022
Source: WA Office of Financial Management

	2012	2022	Change	Percent Change
City of Vancouver	70,853	85,511	14,658	21%
Clark County	169,992	203,749	33,757	20%
City of Spokane	94,911	101,222	6,311	7%
City of Tacoma	86,434	93,323	6,889	8%

Housing production

Since the 1960s, the U.S. has created about 1.10 housing units for every household that has formed. Households form when people move into a new area, when children leave their parents' homes, or when roommates come together or split up. A functioning housing market needs to produce at least one new housing unit for each new household formed. However, this should be higher due to the need to factor in demolition, second homes, vacation homes, changing consumer preferences, the need for a natural amount of vacancy rate that allows for movement within the market and accounts for the deterioration of existing housing stock. A ratio higher than 1:1, allows for a rate to account for a natural amount of vacancy, as well as for second homes and obsolescence. In

2022, Washington State had only 1.07 housing units for every household, which is lower than the national ratio of 1.11 housing units per household.[8]

Exhibit 36 shows the ratio of housing units to households by county in Washington State in 2023. The ratio in Clark County was only 1.05 in 2023.[9] This rate is much lower than the target rate of 1.11 housing units for every household.

Exhibit 36: Ratio of housing units to households, 2023
Source: Office of Financial Management, ECOnorthwest

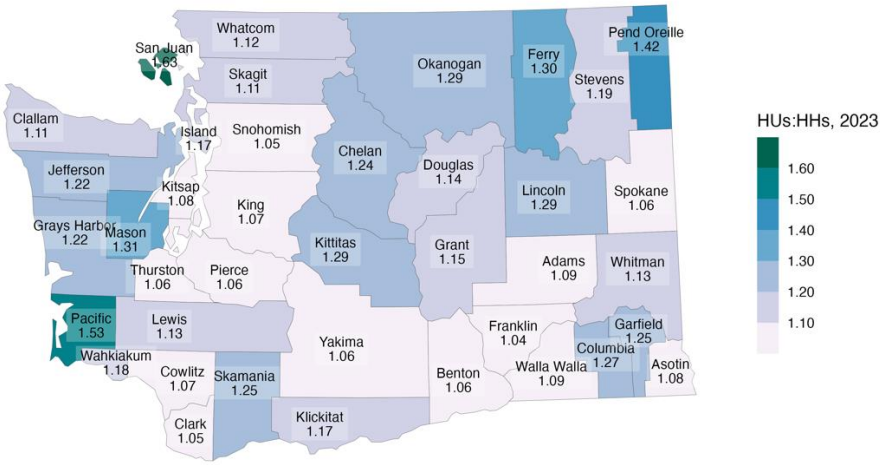
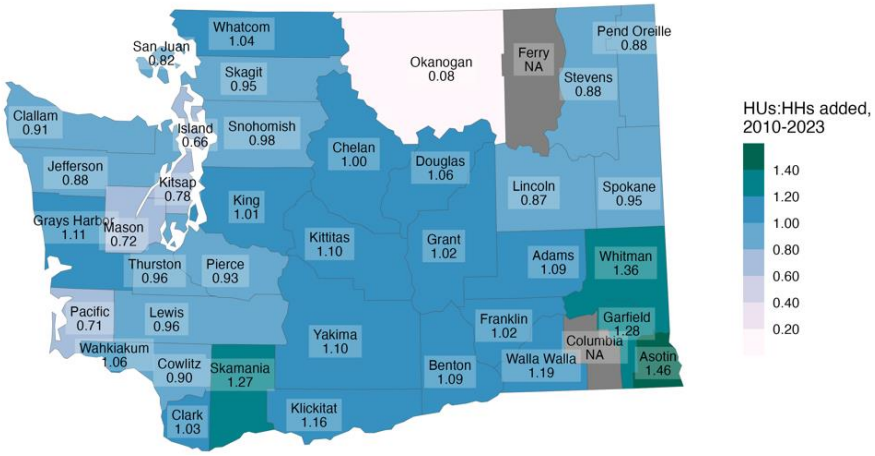


Exhibit 37 shows the ratio of housing units to households from 2010 to 2020. Over this time period, Clark County produced less housing compared to household growth than most counties in the State, contributing to rising housing costs in the city and county.

Exhibit 37: Ratio of housing units to households from 2010 to 2023
Source: Office of Financial Management, ECOnorthwest

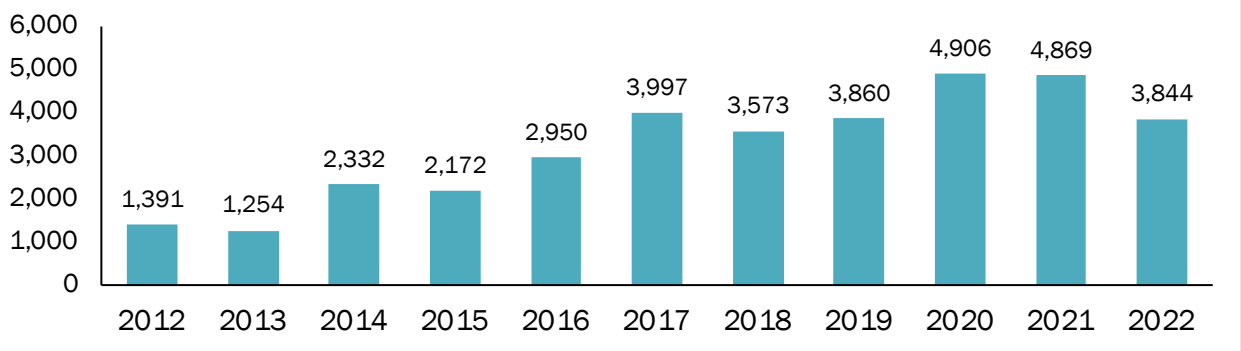


[8] Up for Growth. (2022). Housing Underproduction in Washington State. Source: https://upforgrowth.org/wp-content/uploads/2022/12/Housing-Underproduction-in-Washington-State.pdf

[9] Up for Growth Research on Housing Underproduction in Washington State, ECOnorthwest analysis of data was based on U.S. Census Bureau, Washington Office of Financial Management (OFM) and Moody's Analytics data sources.

Exhibit 38 shows the number of all types of housing units added to Clark County's housing stock each year from 2012 to 2022. Until 2021, the number of units added generally increased each year. However, this trend reversed in 2022 when roughly 1,000 fewer units were built in Clark County than in 2021.

Exhibit 38: Annual housing production, Clark County, 2012–2022
Source: Washington Office of Financial Management



Housing permit data

The project team also examined the City's building permit data from 2015 to 2021 to better understand emerging housing development trends providing more information on housing being permitted (not necessarily built already) and greater detail than available in the U.S. Census Bureau data. Below, Exhibit 39 shows multifamily permitting trends by building scale. Vancouver is seeing a steady increase in the annual rate of new units permitted in multifamily development across all scales of buildings. Approximately 79% of new unit construction in the city has been in multifamily developments over the last three years. This information differs from the general estimate provided above since the U.S. Census Bureau data shown above does not provide information on permitted housing construction and is based on a survey sample obtained over one year from a subset of residents.

In 2015, only 585 multifamily units were permitted, whereas 1,606 were permitted in 2021. Over that time period, the most commonly permitted multifamily building scale was 20- to 49-unit buildings (32% of permitted units), followed closely by 100+ unit buildings (28%), then five- to 19-unit buildings (23%). Only 4% of the permitted units were in two- to four-unit buildings, which could suggest an opportunity to expand middle housing development in the city.

Exhibit 39: Vancouver multifamily permit data by building scale, 2015–2021

Source: City of Vancouver. Number of units is shown below in the key.

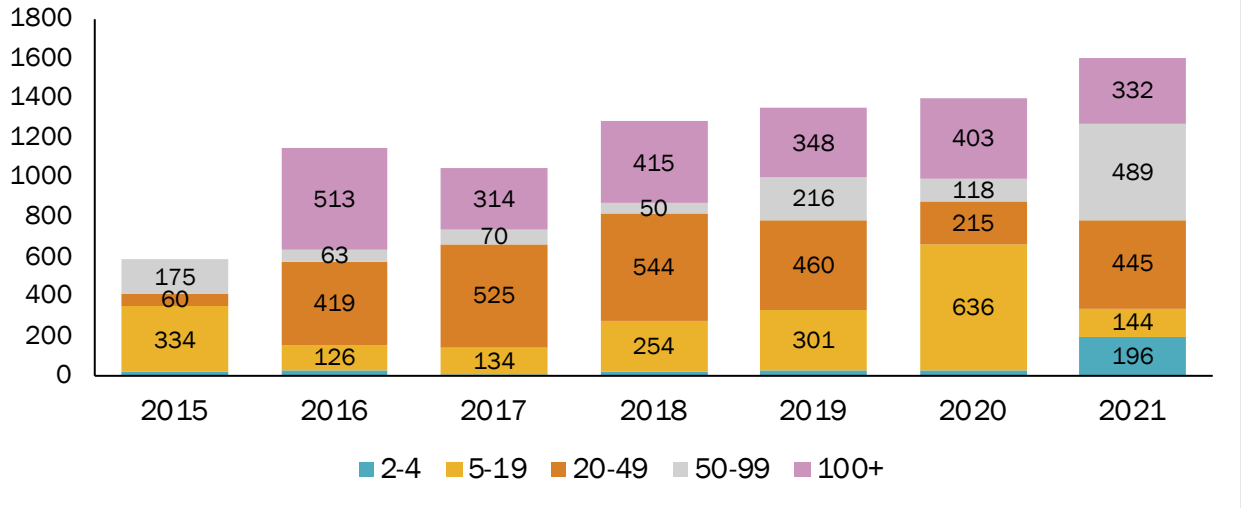
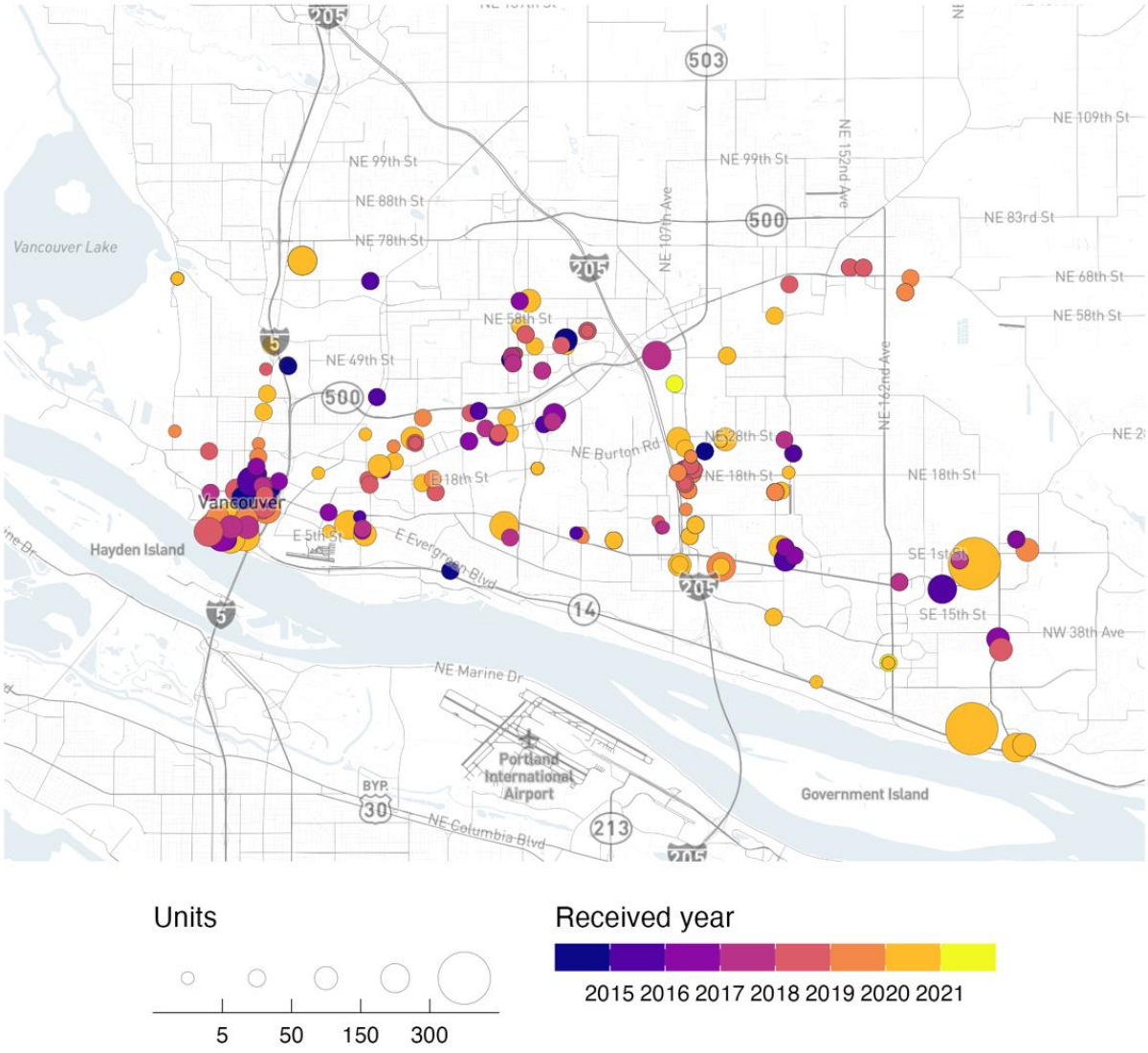


Exhibit 40 (below) provides the geographic location of the permits described above in Exhibit 39 by year received and the number of units in the building. Most apartment construction has been concentrated in the downtown area, with some clusters of multifamily development along the Fourth Plain Boulevard and near I-205.

Exhibit 40: Map of Vancouver multifamily permitting activity, 2015–2021
Source: City of Vancouver, ECOnorthwest



Housing market trends

Housing market cost data can provide insights into the attainability of existing housing stock in a city. Key findings include:

- As of 2023, the average rent in both Vancouver and Clark County is roughly $1,700. Rents in Vancouver have increased 60% over the past decade.
- As of 2023, the average home price in Vancouver is roughly $447,000. Home prices have nearly tripled over the past decade, increasing by 174%.

- Median household income in the City of Vancouver increased by 19% from 2011 and 2021 (when adjusted for inflation) which is far less than the increases in median home sales prices and average. In comparison, area median income calculated by the United States Department of Housing and Urban Development (HUD) for the Portland-Vancouver-Hillsboro metropolitan statistical area (MSA) for a four-person household rose from $72,000 in 2011 to $96,900 in 2021. Adjusted to 2021 dollars, this equates to a 12% increase in the same period for the Portland-Vancouver-Hillsboro MSA (indicating comparatively faster growth in the City of Vancouver).

Rental housing

Exhibit 41 shows the average rents across all housing unit sizes in Vancouver and comparison geographies for 2012 and 2023. Rents in the City of Vancouver are very similar to the county overall.

As of 2023, the average rent in Vancouver was $1,673 which was similar to the average rent of $1,671 in Clark County. From 2012 to 2023, Vancouver rents increased $603, or 56%, surpassing rents in Portland.

Exhibit 41: Average rents, Vancouver and comparison geographies, 2012–2023
Source: CoStar

Geography	2012	2023	$ Change	% Change
City of Vancouver	$1,070	$1,673	$603	56%
Clark County	$1,086	$1,671	$585	54%
City of Hillsboro	$1,104	$1,782	$678	61%
City of Portland	$1,198	$1,490	$292	24%

Ownership housing

As of June 2023, the median home sale price in Vancouver is roughly $477,000. The city's home prices are roughly $50,000 lower than the county overall.

Exhibit 42: Median home sales prices, Vancouver and Clark County, June 2023
Source: Redfin

$477,000	$527,000	$514,000	$511,000
City of Vancouver	Clark County	City of Hillsboro	City of Portland

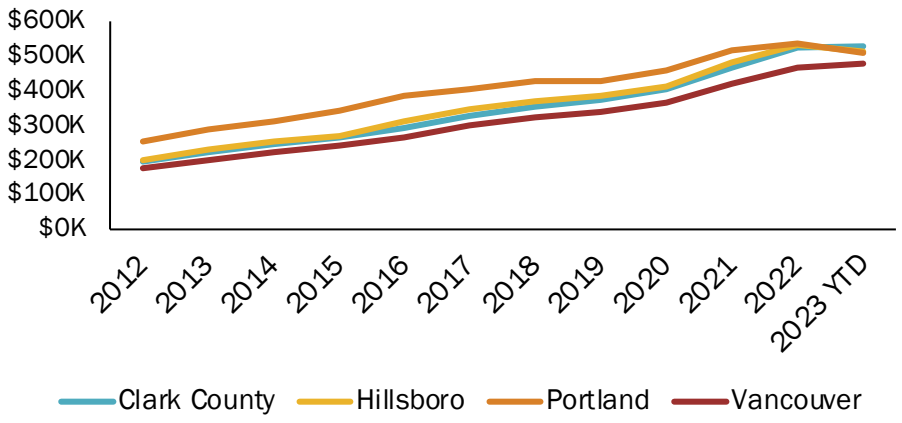
While Vancouver home prices are lower than the county, its home prices increased at a similar rate since 2012, nearly tripling (a 174% increase) over the decade from 2012 to 2023. Additionally, while Vancouver home prices are currently lower than both Hillsboro and Portland, Vancouver prices have increased at a faster rate than both cities.

Exhibit 43: Median home sales prices, Vancouver and Clark County, 2012–June 2023
Source: Redfin

Geography	2012	June 2023	$ Change	% Change
City of Vancouver	$174,000	$477,000	$303,000	174%
Clark County	$193,000	$527,000	$334,000	172%
City of Hillsboro	$198,000	$514,000	$316,000	159%
City of Portland	$253,000	$511,000	$258,000	101%

Additionally, while home prices in other jurisdictions dropped from 2022 to 2023, the City of Vancouver and Clark County home prices continued to grow, indicating a strong demand relative to other areas in the region.

Exhibit 44: Median home sales price, Vancouver and Clark County, 2019–June 2023
Source: Redfin



Section 4. Housing affordability

Cost burdened households

Housing costs are typically the largest portion of a household budget, and typically include mortgage or rent payment, utilities, interest, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience "cost burden" and households paying more than 50% experience "severe cost burden." Using cost burden as an indicator is one method of determining how well a city is meeting its need to provide housing that is affordable to all households in a community.

Cost Burden

Cost burdening tends to disproportionately impact renters in comparison to homeowners. Rates of cost burden for renters have increased since 2011 (by three percentage points) but dropped substantially for homeowners (12%).

Cost burdening for owner-occupied housing is less common because mortgage lenders typically ensure that a household can pay its debt obligations before providing a loan. However, cost burdening can occur when a household secures a mortgage and then sees its income decline. In addition, retired persons subsisting on a fixed income can experience cost burden associated with increased property taxes rising above their financial limitations.10

Key findings for Vancouver include:

- Cost burdening tends to disproportionately impact renters in comparison to homeowners and this tendency holds true for the City of Vancouver and Clark County as a whole. In the City of Vancouver, renters are nearly three times more likely to be cost burdened than homeowners. In 2021, 57% of renters in the city were cost burdened (spending more than 30% of their income on

[10] Also, it is important to note that households with incomes over 100 percent of the AMI are less burdened overall since their larger income, minus housing costs, will go farther to cover non-housing expenses such as transportation, childcare, and food. While cost burden is a common measure of housing affordability, it does have limitations. The measure does not consider the actual income and the possibility of higher incomes being able to easily pay for necessary nondiscretionary expenses with the remaining income, and it does not account for accumulated wealth and assets (such as profits from selling another house) that allow a household to purchase a house that would be considered unaffordable to them based on the cost-burden indicator.

rent), including over a quarter of all renters (27%) who were severely cost burdened, spending more than 50% of their income on rent and with around.

- **Rates of cost burden for renters have increased since 2011 (by three percentage points) but dropped substantially for homeowners (12%).**

Housing cost burden can put households with low incomes in vulnerable situations and force them to make trade-offs between housing costs and other essentials like food, medicine, or transportation. This unstable condition can also lead to rental evictions, job instability, school instability for children, and homelessness.

Exhibit 45: Overall cost burden, Vancouver and Clark County, 2021
Source: ACS 1-Year Data Tables, Table B25091, 2021

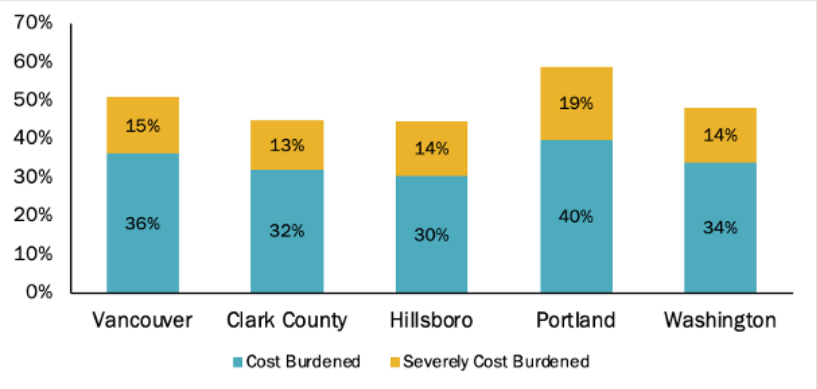


Exhibit 45 shows overall rates of cost burden for the City of Vancouver compared to Clark County, Hillsboro, Portland, and the State of Washington as a whole. In Vancouver, roughly 51% of all households experienced cost burdened, with 36% of households paying between 30-50% of their income towards housing and an additional 15% who experienced severe cost burdening (paying 50% or more of their income towards housing costs). These numbers are higher than Clark County, Hillsboro, and the State of Washington. The only area which showed higher rates of cost burdening was the City of Portland.

Exhibit 46 shows rates of cost burden trends by tenure, showing rates for homeowners and for renters, for the City of Vancouver, Clark County, Hillsboro, Portland, and the State of Washington in 2021. In all areas except for Portland, severely cost burdened owner households are under 10%. In addition, all areas show cost burdened owner households to be under 30%, with Vancouver having a rate of 20%.

In contrast, overall cost burden rates for renters are around 57% in the City of Vancouver, the highest among all comparison geographies, with Hillsboro and the state of Washington being the only geographies with cost burden rates under 50%. In all geographies, renters are significantly more likely to be cost burdened than homeowners, with the smallest gap being that of Hillsboro, where there was a 24 percentage point gap between renters and owners. In contrast, Vancouver has a 37 percentage point gap.

Exhibit 46: Cost burden by tenure, Vancouver and Clark County, 2021
Source: ACS 1-Year Data Tables, Table B25091, 2021
Note: 'Cost Burdened' indicates households paying 30-50% of income towards housing costs. 'Severely Cost Burdened' indicates households paying 50% or more of income towards housing costs.

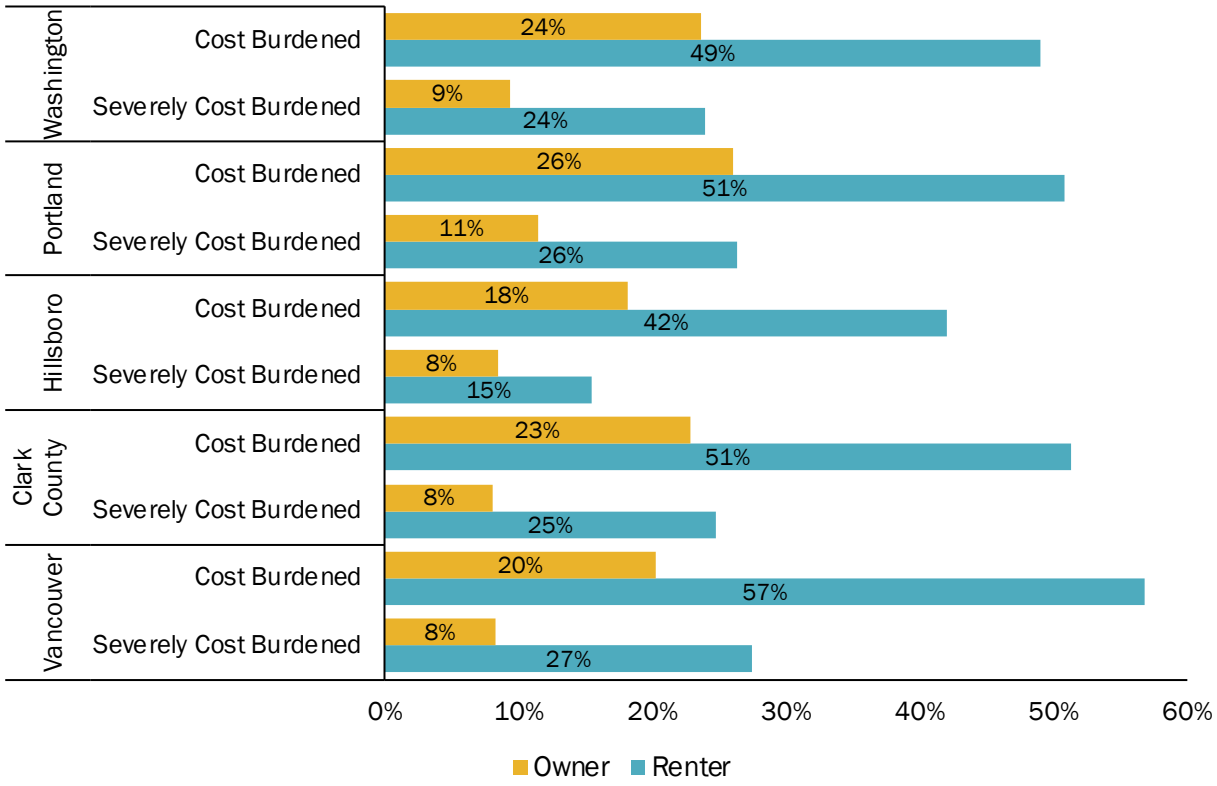
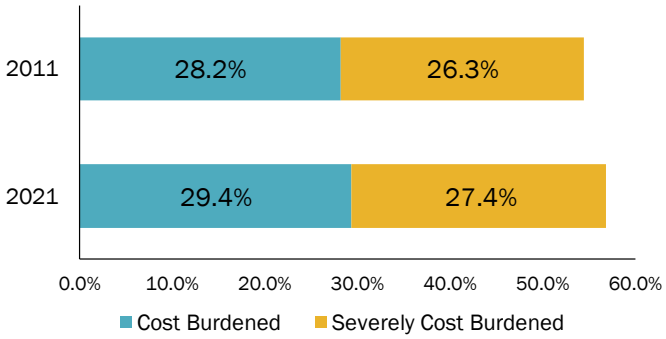


Exhibit 47 shows the increases in cost burdening for renters over the last decade in the City of Vancouver. As of 2021, 57% of renters spent over 30% of their household income on rent, and just over a quarter (27%) of renters spent more

than 50%. From 2011 to 2021, the rate of cost burdening increased by roughly three percentage points, while the rate of severe cost burdening increased by roughly one percentage point.

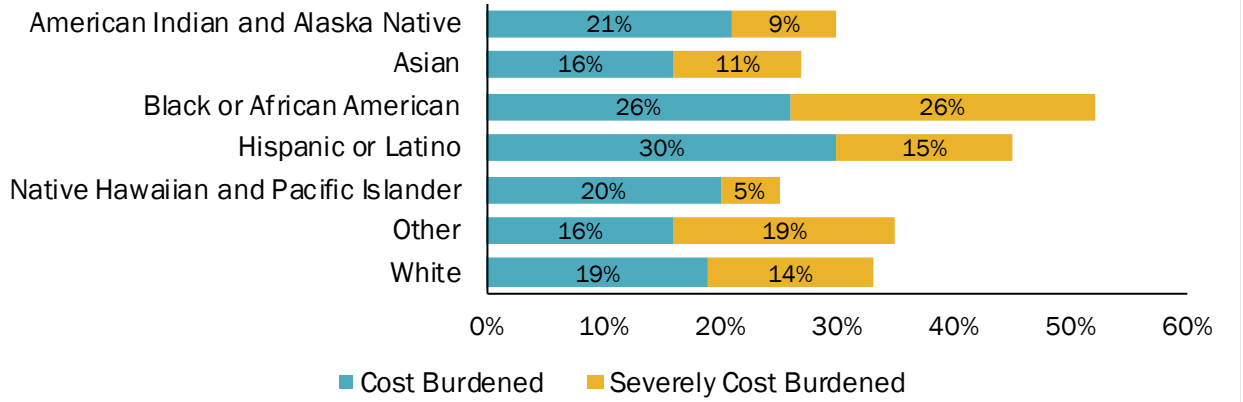
Exhibit 47: Cost burden rates for renters, Vancouver, 2011–2021
Source: ACS 1-Year Data Tables, Table B25091, 2011, 2021



Cost burden by race

Exhibit 48 shows the rates of cost burdening and severe cost burdening by race in Vancouver. In the city, Black or African American households and Hispanic or Latino households experience the highest rates of cost burden (where households pay 30% or more of their income towards housing costs). Households who identified as another race not listed ('Other') and Black or African American households had the highest rates of severe cost burden (paying 50% or more of income for housing).

Exhibit 48: Cost Burden by Race, Vancouver, 2021
Source: SEVA, American Community Survey 5-Year Data Tables, 2017–2021



Senior and affordable housing inventories

Exhibit 49 lists income restricted, project-based affordable housing sponsored by the City's Affordable Housing Fund. There are 1,243 units designated for various populations as specified below.

Exhibit 49: Affordable rental units in Vancouver, WA
Source: ECOnorthwest, Vancouver Affordable Housing Fund Units.
The "In Progress" status was added for units under construction.

Project	Units	Eligibility	Project Status
Meriwether Place	30	<30% AMI, homeless and referred by behavioral health services	Completed
The Meadows	22	Units for <30% AMI, <50% AMI	Completed
Isabella Court I	46	Seniors earning <60% AMI	Completed
Isabella Court II	49	Seniors earning <60% AMI	Completed
Skyline Crest Apartments	229	<50% AMI	Completed
Rhododendron Place	30	<30% AMI and clients of Columbia River Mental Health Services	Completed
Vista Court Senior	76	Seniors	Completed
Azalea Place Apartments	12	Disabilities	Completed
Fort Vancouver	131	<60% AMI	Completed
Laurel Manor	82	Seniors	In Progress
O-Street Tiny Homes	20	Homeless	In Progress
CRC Development (Phase I)	4	Homeless	Completed
CRC Development (Phase II)	19	Homeless	Completed
Johnson Village	9	Families	Completed
McKibbin Commons	4	Families	Completed
The Elwood	46	Homeless/Disabilities	Completed
The Pacific	18	Homeless	Completed
Recovery Home for Mothers	6	Families	In Progress

Project	Units	Eligibility	Project Status
Recovery Residence for Women	9	Families	Completed
Mercy PeaceHealth Family Housing	69	Families	Completed
Residences at Arnada	12	Families	Completed
12-Unit Acquisition	12	Families	In Progress
Neals Lane Acquisition	9	Families	Completed
Caples Terrace	28	Homeless Youth	Completed
Fourth Plain Commons	106	Families	Completed
Lainie's Crossing Acquisition	40	Families	Completed
Miles Terrace	69	Seniors	Completed
Namuqas	30	Homeless/Foster Youth	Completed
Northcrest Apartments Acquisition	26	Families	Completed

One of the major funding sources for affordable housing in Vancouver comes from the Affordable Housing Fund (AHF). This fund "supports people experiencing very low-income in Vancouver through providing affordable housing and services."[11] Established in 2016, this fund has produced 701 affordable housing units, awarding funds of almost $20 million to these projects between 2017 and 2023. This levy was recently renewed to provide $100 million in AHF funding from 2024 through 2033.[12]

[11] https://city-of-vancouver-wa-geo-hub-cityofvancouver.hub.arcgis.com/documents/CityOfVancouver::affordable-housing-fund-investment/explore

[12] https://www.cityofvancouver.us/economic-prosperity-and-housing/affordable-housing-fund/

The availability of housing for seniors (65 years or older) is important to track and assess to ensure the city has sufficient housing for the growing senior population. Exhibit 50 maps out different types of senior housing located in the City of Vancouver including adult family homes, assisted living facilities, and nursing homes.[13] Over the last decade, the share of the senior population (aged 65 years or older) has increased by six percentage points from 13% to 19% in the City of Vancouver. This likely will increase the demand for senior housing facilities.

Addressing housing needs for those aged above 60 will require a range of housing opportunities. For example, "the 82-to-86-year-old cohort dominates the assisted living and more intensive care sector" while new or near-retirees may prefer aging in place or active, age-targeted communities.[14] Characteristics like immigration and ethnicity play a role too as "older Asians and Hispanics are more likely than whites or blacks to live in multigenerational households."[15] Households for adults 65 years or older earn different incomes, thus they have to make distinctive housing choices. For instance, low-income households may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Others living nearby relatives may also choose to live in multigenerational households. The aging of the Baby Boomer generation could increase the demand for smaller "downsized" housing and greater demand for housing with assistance and age-in-place amenities.

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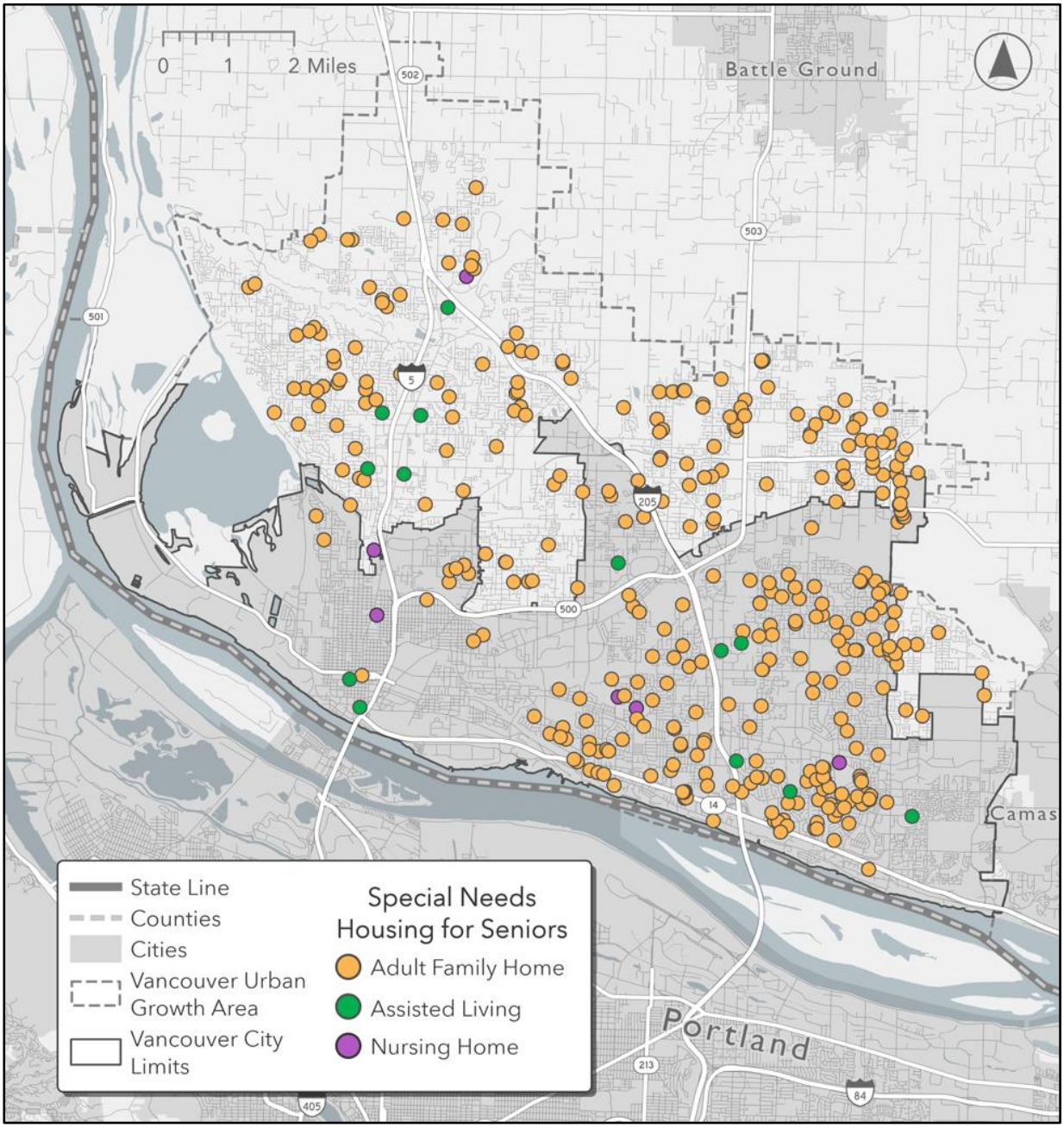
[13] An assisted living facility (ALF) provides room and board and help with activities of daily living. Some ALFs provide limited nursing services; others may specialize in serving people with mental health problems, developmental disabilities, or dementia (Alzheimer's disease). RCW 18-20-020(2). Some Assisted Living Facilities provide Assisted Living through a contract with the Department of Social and Health Services. Specific services are provided in a contracted assisted living facility. Adult family homes are regular neighborhood homes where staff assumes responsibility for the safety and well-being of an adult. A room, meals, laundry, supervision and varying levels of assistance with care are provided. Some provide occasional nursing care and/or specialized care for people with mental health issues, developmental disabilities or dementia. The home can have two to six residents and is licensed by the state. Source: Washington State Department of Health and Social Services: https://www.dshs.wa.gov/altsa/long-term-care-services-information

[14] Source: Urban Land Institute (2018). Emerging Trends in Real Estate, United States and Canada.

[15] Source: Herbert, Christopher and Hrabchak Molinsky (2015). Meeting the Housing Needs of an Aging Population. https://shelterforce.org/2015/05/30/meeting_the_housing_needs_of_an_aging_population/

Exhibit 50: Senior housing in Vancouver, WA

Source: ECOnorthwest, Washington State Department of Health and Social Services



Housing Type	Number of Facilities	Number of Beds
City of Vancouver		
Nursing Home	4	382
Assisted Living	8	724
Adult Family Home	184	1,092
Total	196	2,198
Vancouver Urban Growth Area (UGA)		
Nursing Home	2	209
Assisted Living	5	345
Adult Family Home	168	950
Total	175	1,504
Total (City and UGA)		
Nursing Home	6	591
Assisted Living	13	1,069
Adult Family Home	352	2,042
Total	371	3,702

Section 5. Current and 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% within city limits at that time[16] However, partially because of annexation, observed population growth over this period of time indicates that the average annual population growth since 2010 has actually been 1.68%, a large increase above planned growth.[17] 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 the Portland-Vancouver region population growth and residential development.

Housing Need

The City of Vancouver believes Clark County will continue to see strong growth in population. In total, an estimated 38,129 housing units are needed by 2045 in the City of Vancouver. Overall, this means an estimated 1,733 housing units need to be built or created per year from 2023 to 2045 to meet the housing need in the City of Vancouver.

Given that observed changes in population and household growth have exceeded the adopted forecast from the 2011–2030 Vancouver Comprehensive Plan, and that Clark County should make their decisions on population allocations in late 2024, this analysis uses a draft estimate of a potential refined housing need forecast based on current population estimates from the Washington Office of Financial Management (OFM).[18] Recently, the Clark County Council approved a 1.4% annual growth rate

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[16] https://www.cityofvancouver.us/sites/default/files/fileattachments/community_and_economic_development/page/874/vancouver_comprehensive_plan_2011-2030_august_2021_update.pdf. Between 2010 to 2020

[17] Although between 2010 to 2020, several areas were annexed into the City of Vancouver which increased the population by approximately 6,126 persons.

[18] The Washington State Department of Commerce (via HB 1220) has been developing method guidance for estimating housing need targets in total and by income level for counties that has been released recently in 2023. This new state requirement is a part of House Bill 1220 (2021) which amended the Growth Management Act to instruct local governments to "plan for and accommodate" housing affordable to all income levels. Clark County will have to

with a 20-year projected countywide population of 718,154 through 2045 which is nearly 20,000 more people than OFM's middle range projection (the OFM middle projection is 698,416 persons).[19]

The City of Vancouver believes Clark County will continue to see strong growth in population. The City determined that the associated demand for housing should be in line with the OFM middle forecast, which has historically been the most accurate forecast provided by the State. **The middle range OFM forecast estimates Clark County population increasing to 698,416 in 2045, indicating the need for an additional 107,193 housing units.**

Exhibit 51. City of Vancouver interim population and household forecast, 2023–2045

Source: Office of Financial Management Population Estimates, ECOnorthwest Analysis. AAGR: Average Annual Growth Rate.

Year	Population	Housing Units
2023	199,600	86,878
2045	281,544	125,007
Change 2024 to 2045		
Number	81,944	38,129
Percent	41%	44%
AAGR	1.87%	1.99%

The City believes it will continue to attract roughly the same share of county growth it has seen in the recent decade (42%). To estimate the City's housing

determine the allocation method for dividing up units for each jurisdiction and the method they will use to identify how much housing units by household income bracket should be allocated to each local jurisdiction in Clark County including the City of Vancouver. This analysis relies on the use of population projections over a period time such as 20 years or 30 years. The county must add the housing targets to their countywide planning policies. The county's allocation of housing needs to each local jurisdiction and the sum of housing needs to all jurisdictions should be documented in a public-facing summary document before the periodic Comprehensive Plan update. Vancouver's allocation of projected housing needs by income level, permanent supportive housing (PSH), and emergency housing (EH) must be documented in their comprehensive plan housing element. Definitions for PSH and EH are provided below. Additional information: https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/updating-gma-housing-elements/ and https://deptofcommerce.app.box.com/s/chqj8wk1esnnranyb3ewzgd4w0e5ve3a.

[19] Clark County Resolution No. 2023-05-03 adopted on May 2, 2023: https://clark.wa.gov/sites/default/files/media/document/2023-05/2023-05-03.pdf. The OFM 2045 population projections ranges from low 576,151 persons, middle 698,416 persons, and high 791,809 persons. Clark County's April 2022 population estimated by OFM is at 520,900 persons.

need through 2045, additional adjustments were made to account for smaller household sizes, higher vacancy rates due to the higher share of multifamily units, providing for the loss of units to second/vacation homes, and accounting for the demolition of some existing units.

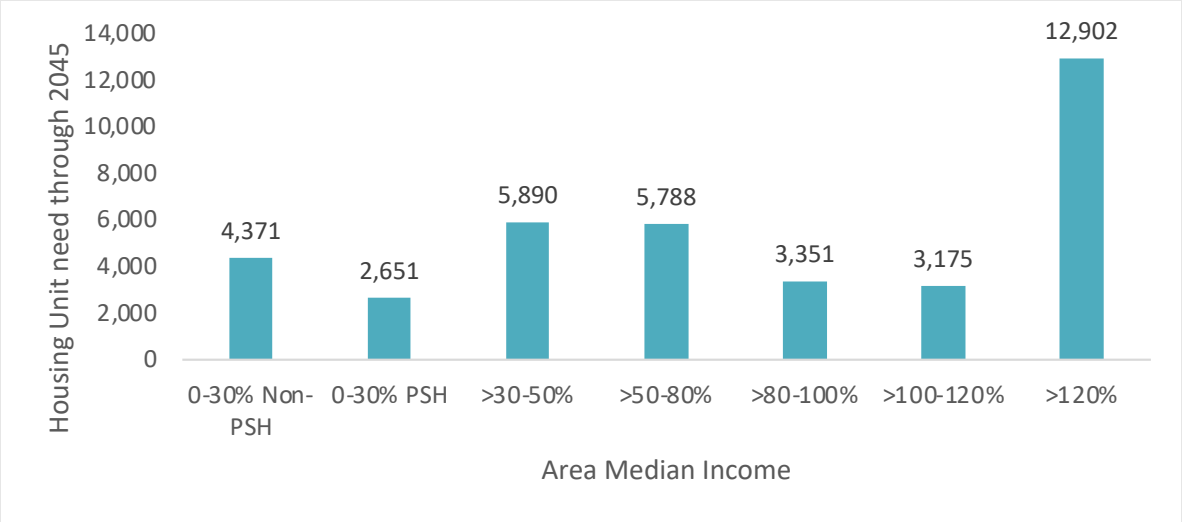
These adjustments indicate a total need of 43,198 housing units from 2020 to 2045 in the City of Vancouver. The Washington State Department of Commerce Housing for All Planning Tool (HAPT) is calibrated to 2020, therefore the project team subtracted 5,069 housing units built from 2020 to 2023 in the City. Overall, this indicates a total need of 38,129 housing units from 2023 to 2045 (the planning horizon is 2025 to 2045).[20] As shown in Exhibit 52 below, a total of 2,651 Permanent Supportive Housing (PSH) units and 4,371 non-PSH units for households below 30% AMI (extremely low income) may be needed by 2045 along with 5,890 units between 30 to 50% AMI and 5,788 housing units between 50 and 80% AMI (low income). In addition, around 3,351 units between 80 to 100% AMI (moderate income); 3,175 housing units between 100 to 120% AMI (moderate to middle income); and 12,902 housing units over 120% AMI (high income) may be needed by 2045. The precise number of housing units in the income bands needed in the City of Vancouver has not yet been determined. The HAPT estimate also shows 406 emergency living units (in the form of beds providing temporary housing) available and 1,374 beds needed by 2045.

Overall, an estimated 1,733 housing units should be built or created per year from 2023 to 2045 to meet the housing need in the City of Vancouver. Since the existing City of Vancouver housing stock has increased by around 1,466 housing units per year over the last decade from 2012 to 2022 (per OFM data), this means that housing production will need to increase by around 267 housing units per year. About one third new housing units with the interim future housing needs shown below (calculated with the Washington Department of Commerce's HAPT projections) would need to be affordable to households at or below 50% of area median income. Development of regulated affordable housing can face a

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

number of challenges and typically requires sizable gap financing to make projects feasible.[21]

Exhibit 52. City of Vancouver interim future housing need by income category, 2023–2045
Source: ECOnorthwest estimates, Washington Department of Commerce Housing All Planning Tool Projections. PSH: Permanently Supportive Housing.[22]



[21] Abby Boshart, 'Reducing Affordable Housing Barriers,' Urban Institute, March 30, 2022, https://housingmatters.urban.org/articles/reducing-affordable-housing-barriers-will-be-critical-addressing-mounting-rental-crisis.

[22] Washington State Department of Commerce, "Updating GMA Housing Elements," February 2023, www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/updating-gma-housing-elements/. *"Permanent supportive housing" (PSH) is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the residents health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all the rights and responsibilities defined in chapter 59.18 RCW. "Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement. Source: RCW 36.70A.030.*

Section 6. Local workforce and commuting trends

Regional commuting patterns and workforce trends are interconnected and changing. Employment trends and commuting patterns can provide insight on the needs of workers today and into the future. Employment plays an important role in where people live, and it can influence where people move. If the data shows that many people are commuting into the city for work, it could indicate that the city does not have enough housing to accommodate its workforce or enough housing that meets their needs and affordability levels.

Prior to the COVID-19 pandemic, many workers traveled to in-person jobs located in central business districts five days a week. Although current trends allow for greater locational flexibility and a variety of hybrid schedules, commute distances can still impact where residents seek employment opportunities. As such, jobs that require some level of in-person work may be more or less accessible to potential workers depending on the distance from residential areas.

This section describes the commute patterns of Vancouver residents and workers. The neighboring jurisdictions and unincorporated areas included in these data are those where people made the most trips to and from Vancouver. These areas, referred to in this section as "comparison geographies," include Portland, Hillsboro, Gresham, Camas, Battle Ground, Wilsonville, Milwaukie, Camas, Hazel Dell, Salmon Creek, and Beaverton. This analysis is limited to jurisdictions and unincorporated areas in Clark County and adjacent counties to control for primarily in-person commuting and avoids capturing fully remote workers who may live a further distance from Vancouver.

Key findings for commuting patterns include:

- **About a third of Vancouver workers live in Vancouver.** The fact that two thirds of Vancouver workers live outside the city could reflect a shortage of housing options suitable for Vancouver workers but could also be indicative of the growing appeal of neighboring Clark County jurisdictions as bedrooms communities for the Vancouver economy.
- **Vancouver had the lowest share of remote workers overall, at just 17%, compared with Hillsboro, at 25%, and Portland, at 29%. However, this share is substantial enough to monitor and track to help understand how this might affect housing needs.** Vancouver had the smallest percentage of remote

workers earning $65,000 or more per year when compared to Portland, Hillsboro and Clark County (at 52%). In comparison, Hillsboro and Portland had almost the same percentage, with Hillsboro having a slightly higher concentration of remote workers earning more than $65,000 per year (63 and 62%, respectively).

- **Vancouver has a higher share of workers who both live and work in the city (34%) than all nearby jurisdictions except Portland.** Vancouver residents are more likely to work in Vancouver than surrounding geographies. Vancouver workers are also more likely to be residents of Vancouver than any other single location in the area.[23]
- **Since 2010, the size of Vancouver's workforce and population has grown overall, while the share of people who commute to and from the city has stayed about the same, indicating that Vancouver has proportionately attracted both residents and workers**. In 2020, Vancouver had the second largest workforce among comparison geographies, after Portland. This grew 26% since 2010, with a slight dip from 2019 to 2020 in total workers and residents. This may indicate larger economic and population trends during the onset of the COVID-19 pandemic.
- **The second largest workplace destination for Vancouver residents is Portland and the second largest home destination for Vancouver workers is unincorporated Clark County.** The share of workers commuting from Vancouver to other destinations in Clark County increased since 2010.
- **Vancouver workers and residents had relatively short commutes in 2020 compared with other regional cities**. Of comparison geographies, workers commuting to Vancouver had the second shortest commute in 2020 (after Beaverton), and residents commuting from Vancouver had the fourth shortest distance in 2020 (with Beaverton, Milwaukee, and Portland residents all having shorter commutes). The average commute distance for Vancouver residents was 10.8 miles in 2020, while the average distance for workers at jobs in Vancouver was just over 11 miles–the second shortest among comparison cities.
- **Vancouver workers commuting for work tend to live in areas further north of the City. In contrast, Vancouver residents commuting to work tend to**

[23] In comparison, the City of Seattle has around 64%, the City of Spokane has nearly 55%, the City of Bellevue has almost 24%, and the City of Tacoma has almost 30% of persons living and working in the same city in 2020.

commute to destinations south of Vancouver such as to Portland, Gresham, and Tigard.

Vancouver is part of a connected regional economy, with residents of the city working in different locations across Clark and surrounding counties (particularly the City of Portland). Vancouver is also an important contributor to this regional economy through its major institutions and employment hubs. The City draws in workers from across the area, with commuters traveling from suburban areas of Clark County and beyond.

Since the onset of the COVID-19 pandemic in 2020, remote work trends have accelerated in many places, particularly for certain job types like professional services that are less likely to require in-person work. The United States Census Bureau is still adapting to the nuances of changes in the way that people work in remote and hybrid settings. Exhibit 53 shows the percentage of remote workers by area in the region. This data is derived from a question in the 2022 American Community Survey about means of transportation to work that asks respondents 'How did you usually get to work last week?'[24] While this variable does not separate between fully remote and hybrid workers, it is at minimum representative of individuals that worked from home more frequently than commuting to a workplace. Vancouver had the smallest percentage of remote workers among all geographies, a little over half the percentage that Portland has.

[24] US Census Bureau, 'American Community Survey and Puerto Rico Community Survey 2022 Subject Definitions.'

Exhibit 53: Percentage of remote workers by region, 2022
Source: ACS 1-Year Data Tables, Table B08006, 2022.

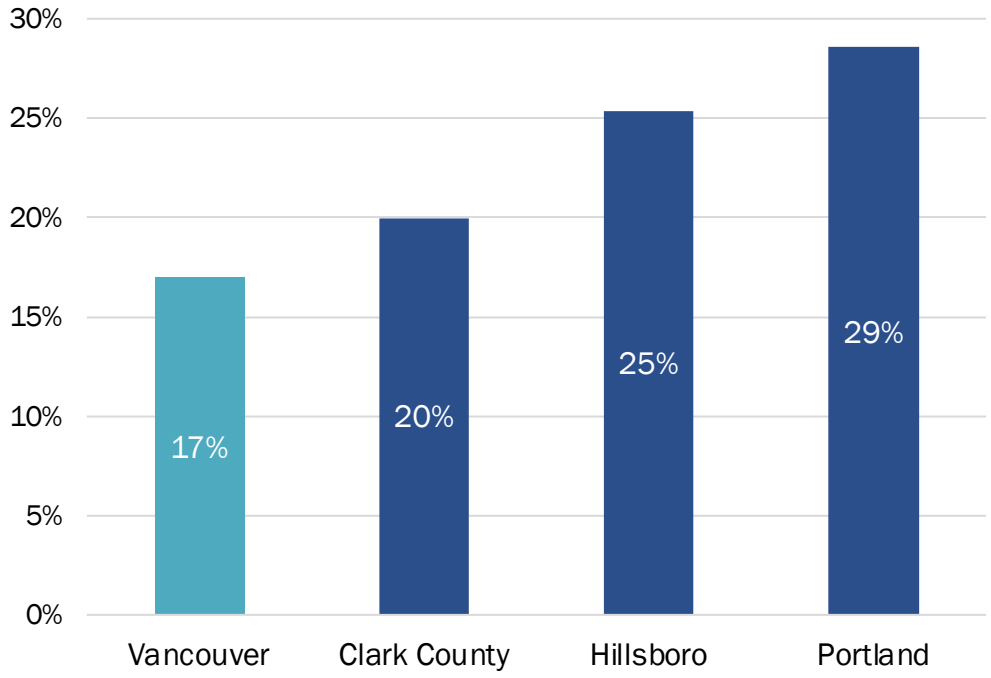
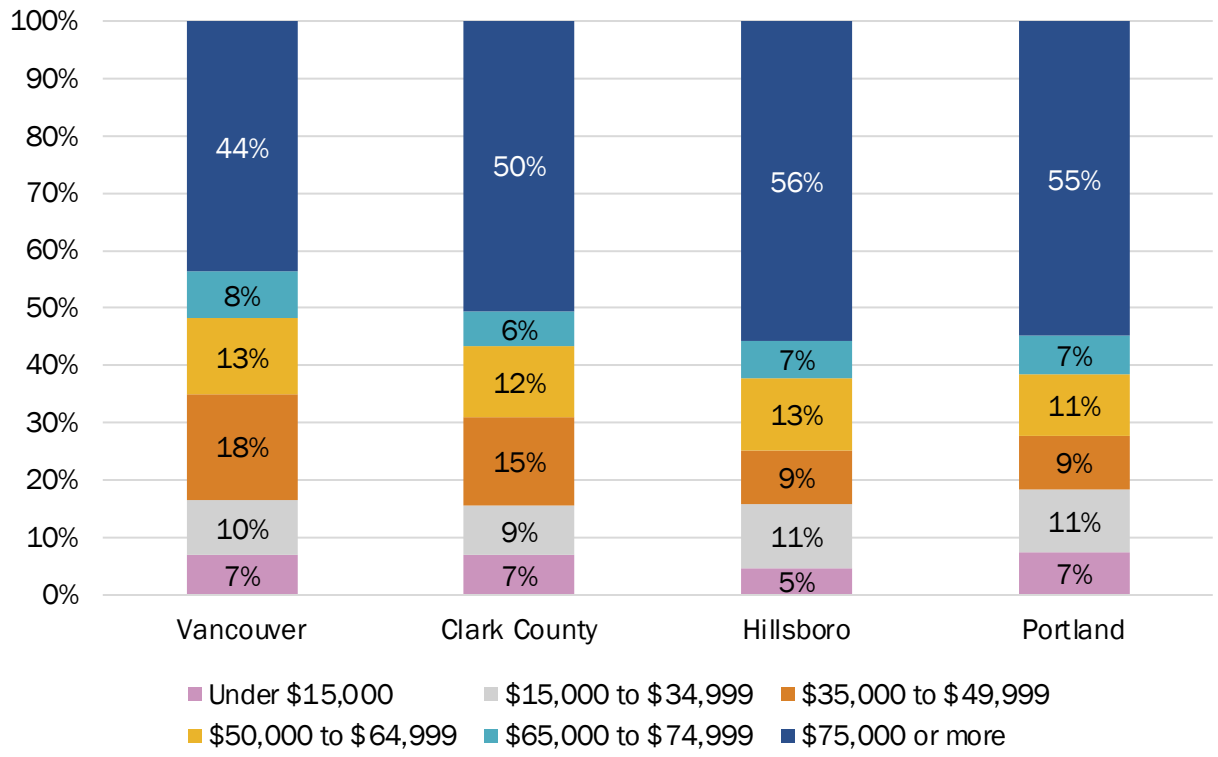


Exhibit 54 shows the breakdown of remote workers incomes by region. The US Census Bureau assigns income brackets for this data with the largest group in the data capturing those earning $75,000 or more. Due to these bin levels there is not a more accurate breakdown of income levels above this number at the City level. Vancouver has the smallest share of remote workers earning over $65,000, at 52%. In comparison, Portland and Hillsboro had shares of remote workers earning over $65,000, at 62 and 63%, respectively.

Exhibit 54: Remote workers' incomes by region, 2022
Source: ACS 1-Year Data Tables, Table B08119, 2022.



The maps below depict two-dimensional density regions, which are broken out into four tiers. These can be best described as representing the smallest area that can contain 99%, 95%, 80%, and 50% of all commutes to or from Vancouver. These types of cartographic representations are best used as generalizations of spatial concentrations of points, and since these percentage values can often be confusing or abstract for the general reader, we have re-labeled them to "High" and "Low" at the 99% and 50% tiers.

Exhibit 55: Workplace location of Vancouver residents, 2020
Source: LODES, 2010-2020

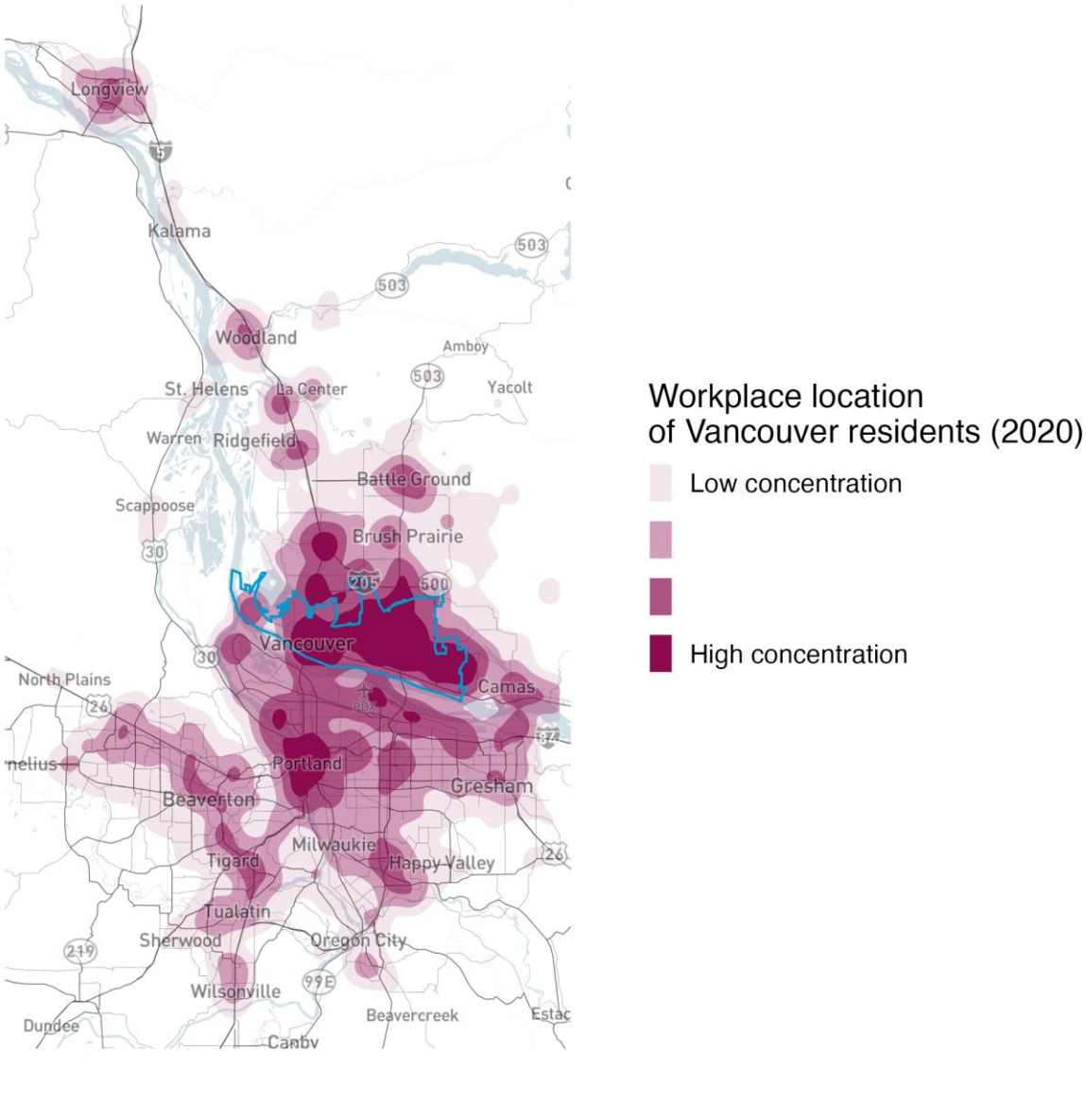
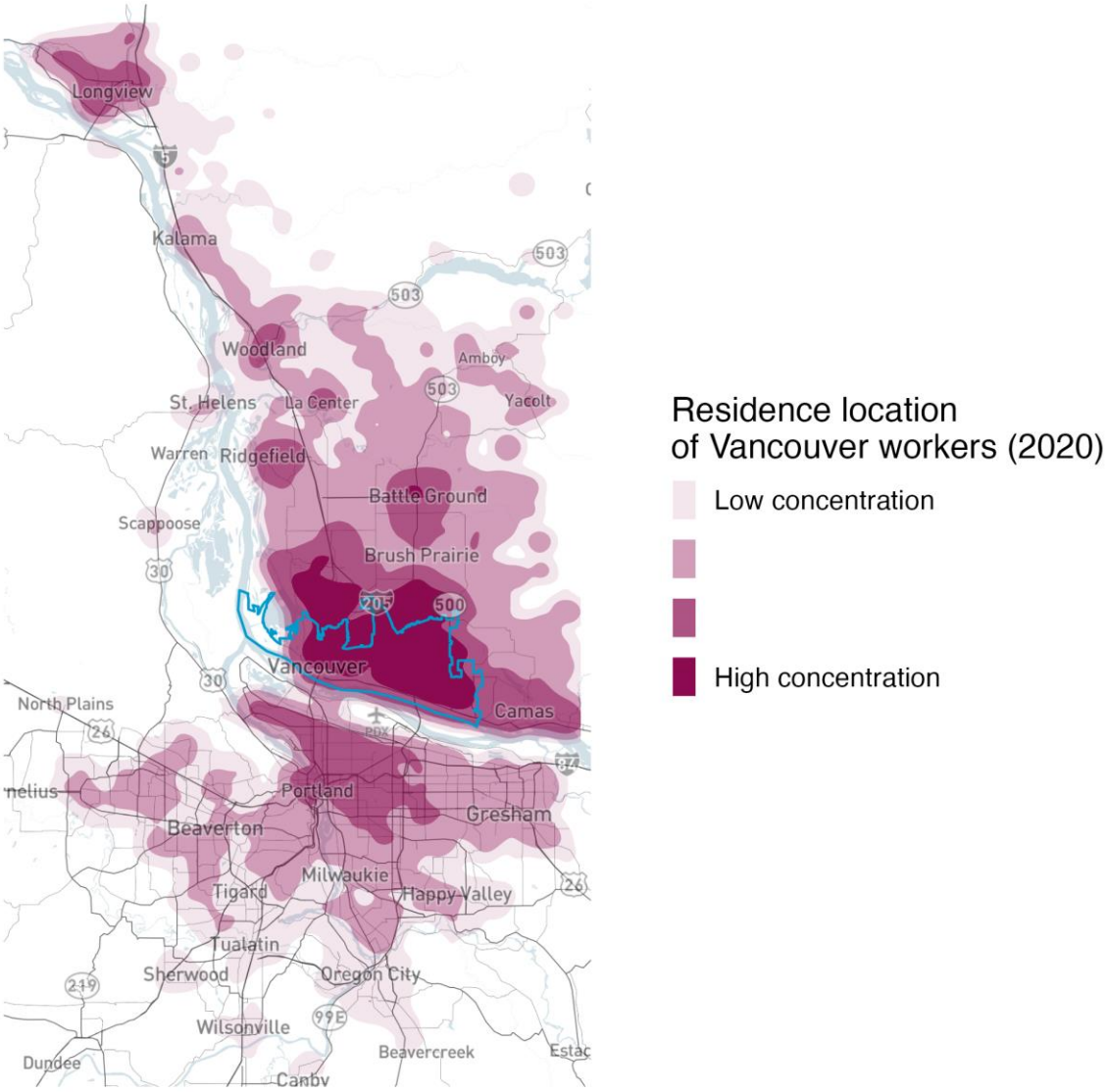
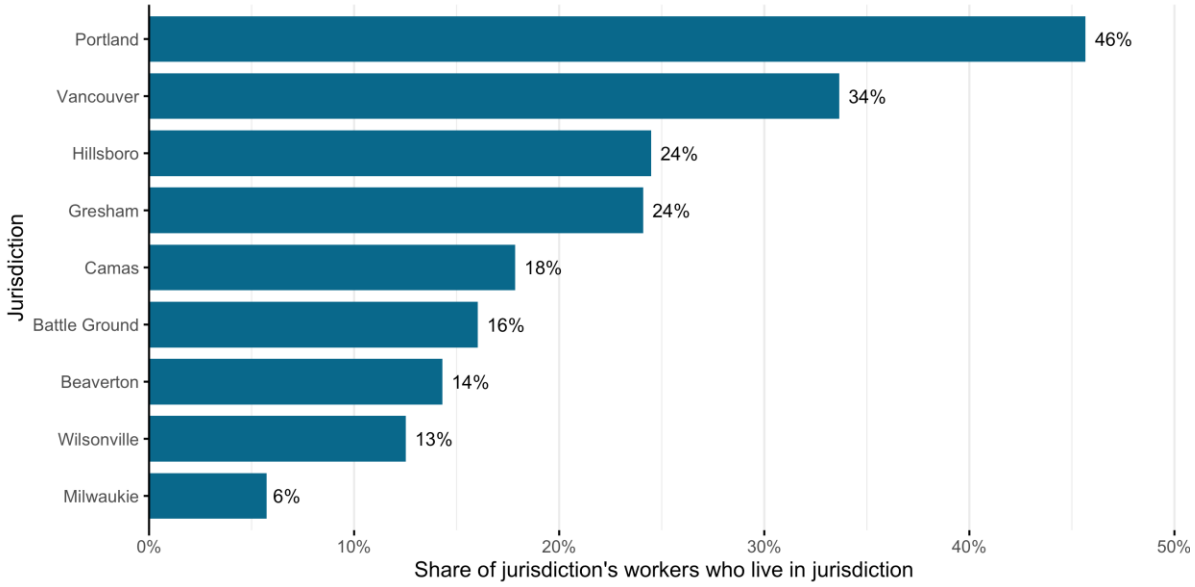


Exhibit 56: Residence location of Vancouver workers, 2020
Source: LODES, 2010-2020



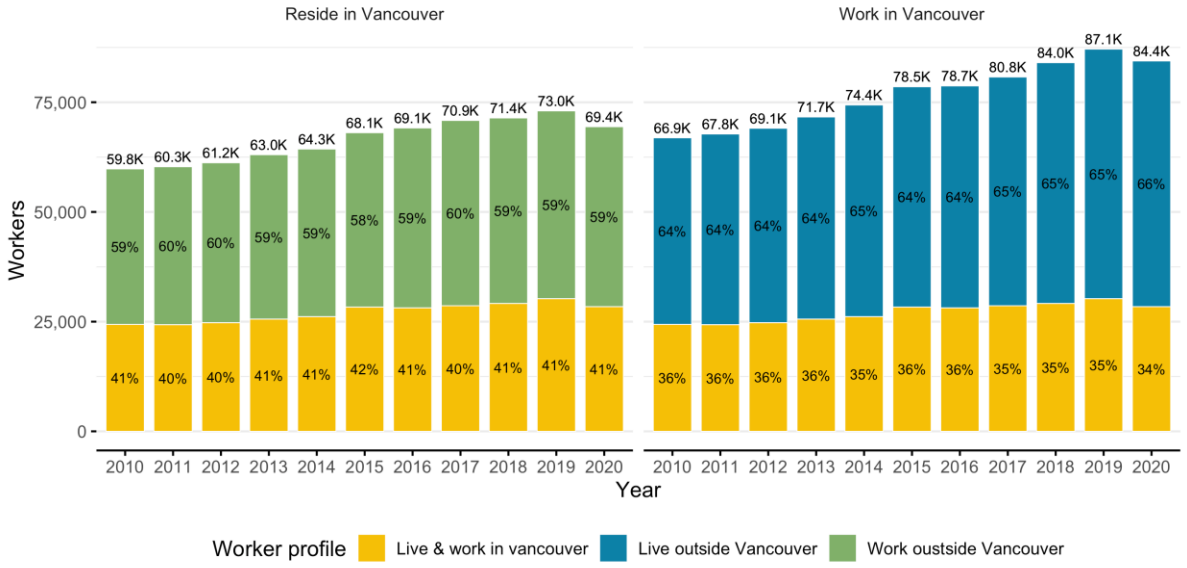
Of comparison geographies in the region, Vancouver had the second largest share of workers who both live and work in the city (34%) after Portland in 2020 (see Exhibit 57 below). Other cities and towns in the area saw much lower shares of workers who lived within the same location, particularly smaller jurisdictions to the south of Portland like Milwaukie and Wilsonville.

Exhibit 57: Share of workers living and working in Vancouver and surrounding cities, 2020
Source: LODES, 2010-2020



In Vancouver, the total number of residents and workers grew overall between 2010 and 2020 (with a slight decline in 2020 from previous years), as shown in Exhibit 58. The share of the population both living and working in the city remained about the same from 2010 to 2020, indicating that Vancouver has proportionately attracted both groups. In 2020, Vancouver had 84,413 workers, the second largest workforce among comparison geographies in this analysis, after Portland (with 396,692 workers in 2020) growing by 26% since 2010 from 66,898 to 84,413 workers (by 17,515 workers). However, in 2020 the city saw a slight decline in both residents and workers for the first time in the ten-year period. This may indicate larger economic and population trends during the onset of the COVID-19 pandemic, including a national spike in unemployment, an increase in early retirements, and relocation in response to greater locational flexibility.

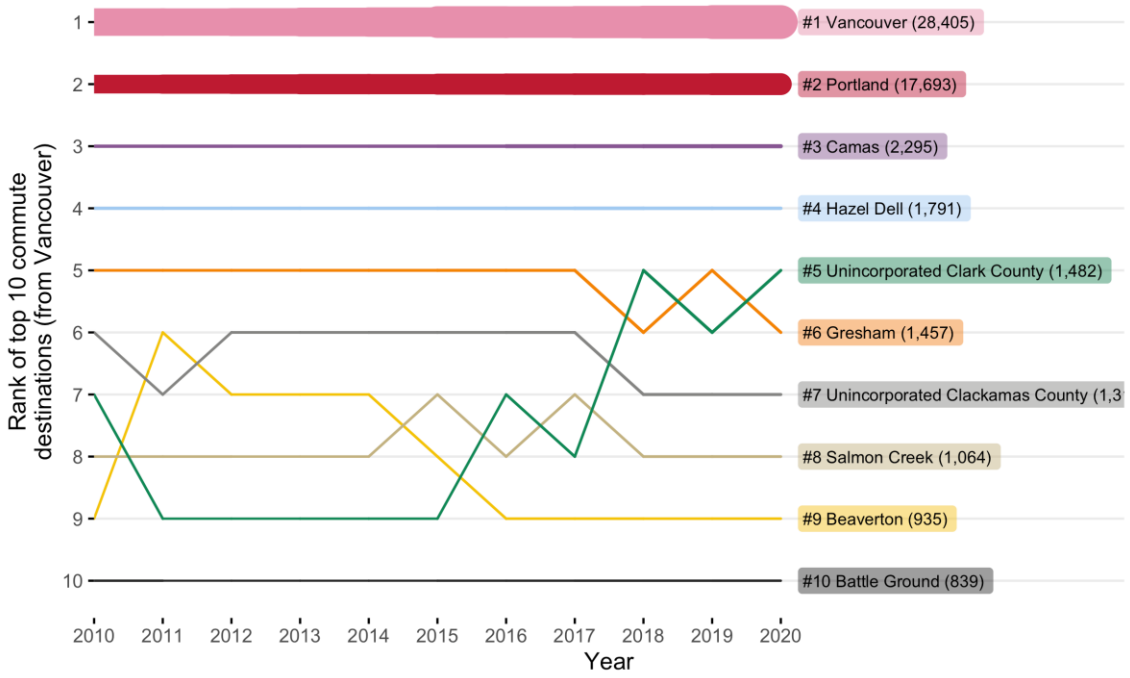
Exhibit 58: Share of residents and workers living and working in Vancouver, 2010-2020
Source: LODES, 2010-2020



Vancouver's residents are more likely to work in Vancouver than surrounding geographies. The second largest *destination* for Vancouver residents is Portland, followed to a lesser extent by Camas, Hazel Dell, and unincorporated Clark County (see Exhibit 59). Top destinations have remained steady since 2010, although the share of workers commuting to destinations in Clark County increased.

Exhibit 59: Top commute destinations from Vancouver, 2010-2020

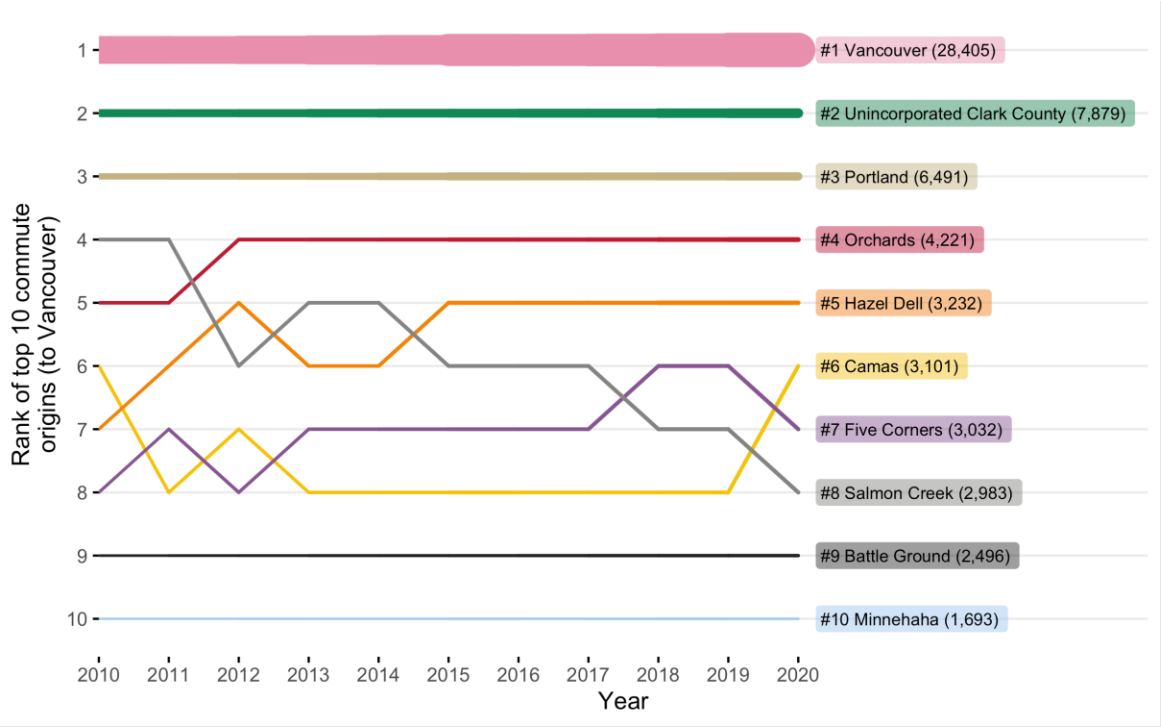
Source: LODES, 2010-2020. Note: Heavier line weights indicate the larger number of commuters shown in parentheses on the right of each destination.



Vancouver workers are also more likely to be residents of Vancouver than any other single location in the area. Residents of unincorporated Clark County are the largest group of workers *commuting into* the city of Vancouver, followed closely by workers from Portland. To a lesser extent, workers also commuted from smaller cities in Clark County and surrounding counties.

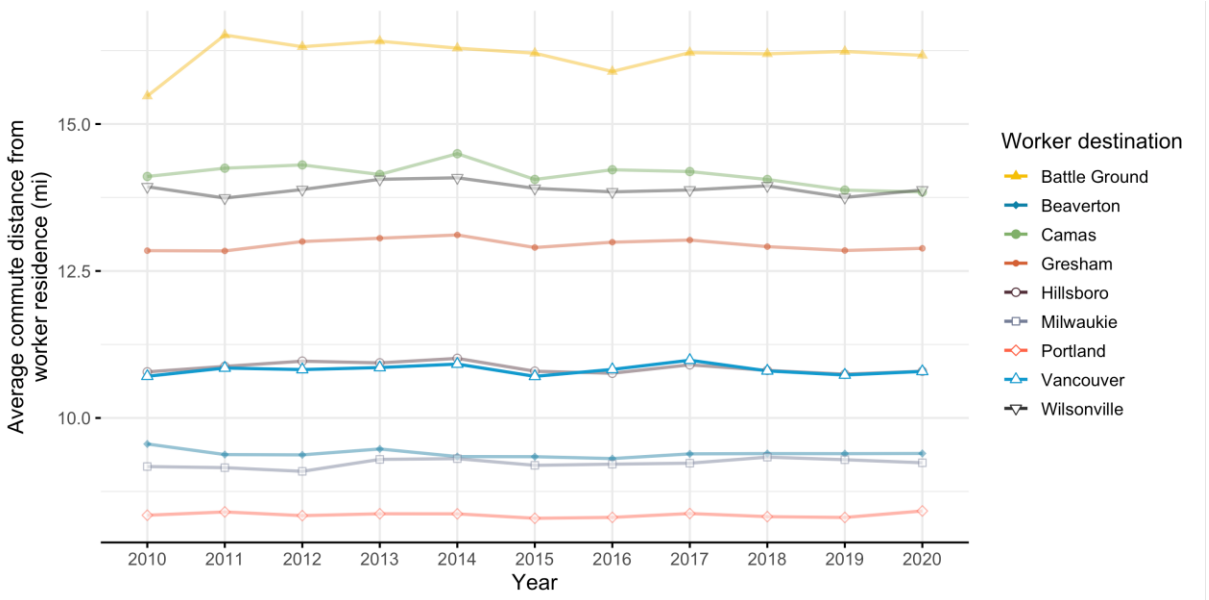
Exhibit 60: Top commute origins to Vancouver, 2010-2020

Source: LODES, 2010-2020. Note: Heavier line weights indicate the larger number of commuters shown in parentheses on the right of each origin.



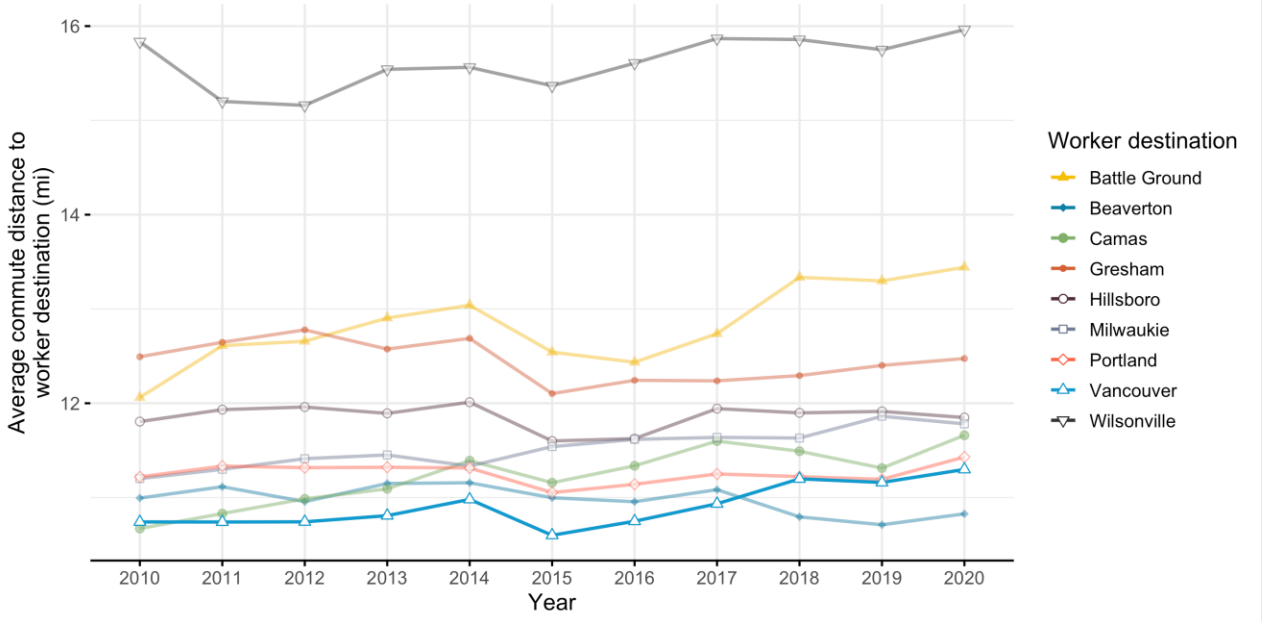
Residents commuting *from* Vancouver had the fourth shortest distance in 2020 (with Beaverton, Milwaukee, and Portland residents all having shorter commutes), at about 10.8 miles on average. This fluctuated only slightly between 2010 and 2020.

Exhibit 61: Average commute distance from worker residence, Vancouver, and surrounding cities (residents), 2010-2020
Source: LODES, 2010-2020



Of comparison geographies, workers commuting *to* Vancouver for work had the second shortest commute in 2020 (commuters to Beaverton had the shortest), at just over 11 miles on average. The average commute for Vancouver workers grew slightly since 2010 by about 0.5 miles.

Exhibit 62: Average commute distance to worker destination, Vancouver, and surrounding cities (workers), 2010-2020
Source: LODES, 2010-2020



Section 7. Equity and displacement considerations

Displacement risk analysis

As Vancouver grows and sees increasing demand for housing, the city faces new challenges around displacement and gentrification for its existing households. The combination of housing underproduction and a competitive regional housing market put upward pressures on the market that can have implications for local communities, particularly those with higher shares of vulnerable populations. Displacement risk describes when these pressures in the real estate market may force households to relocate due to rising costs for housing or increased interest from outside development. Addressing displacement in areas facing the highest risk through intentional strategies can help to prevent negative externalities of new development and growth.

In 2022, the City of Vancouver created a Displacement Risk Map to facilitate conversations among decision-makers and community partners working to prevent displacement of existing residents. This section summarizes the methodology and discusses the implications for neighborhoods found to have the greatest displacement risk.

Who is at risk of displacement?

Residential displacement can affect a wide range of households with different characteristics but is more likely to impact people experiencing low income, who already face disproportionate housing-related challenges. While displacement can happen to both renter and owner households, tenure is a key factor alongside a number of social factors that come into play when considering who is at risk. Householders who face disadvantages or discrimination in the real estate market are often more vulnerable due to the inability to absorb price increases. This covers a range of characteristics, with some of the most critical including:

- **Low-income households and particularly those who rent, are at greatest risk of being forced to move due to rising rents,** since they have limited ability to pay higher prices that come with rent increases and may already be facing tradeoffs between paying rent and covering other basic needs for their household. While Washington state regulations offer some protection for renters, private property owners have no limit on rent increases aside from

buildings under public-private agreements to provide regulated affordable housing.[25]

    - **Low-income households** are measured by census tracts with a share of households below 80% of MFI (or AMI) that is higher than the City average.
    - **Renters** are measured by census tracts with a share of renter households higher than the City average.

- **Adults without college degrees** have less ability to increase their income to cover higher housing costs and may have to work multiple low-wage jobs to make ends meet. Educational attainment (as well as income) is not protected under federal housing legislation, also leaving these households more vulnerable to discrimination.

    - **Education levels** are measured by census tracts with a share of adults 25 years or older without a four-year degree higher than the City average.

- **Black, Indigenous, and People of Color (BIPOC)**—particularly people who are Black, Indigenous, and/or Latinx—tend to face greater housing discrimination and may have a harder time finding other housing if they are forced to move. Race, color, and national origin are all protected by the Fair Housing Act, but the long history of racist housing policies in the United States continues to impact household wealth and housing options for many people of color. The legacy of these practices contributes to ongoing disparities in homeownership and housing cost burden nationwide. Past policies barring people of color from homeownership have played a role in systemically preventing accumulation of generational wealth to the extent of White families whose homes have appreciated in value over time, contributing to persistent unequal barriers that create more vulnerability to displacement.

    - **BIPOC households** are measured by census tracts where the share of the population that are communities of color is higher than the City average (including all groups except for white non-Hispanic residents).

[25] RCW 36.01.130 pre-empts jurisdictions from adopting local rent control ordinances, but other state regulations provide some protections around notice to vacate.

What market factors indicate displacement risk?

Real estate market trends are also critical for understanding displacement risk and gentrification. Appreciating property values and rents indicate upward pressures on the market where the cost to buy or rent a home is becoming more expensive. When these market factors occur in areas with higher shares of vulnerable populations (described above) who may be less able to absorb price increases, there is heightened risk that households will be displaced.

Changes to rental and home sale prices do not always track together and may be more or less sensitive depending on the makeup of an area's housing stock. In Vancouver, accurate, point-level, and up-to-date information about rental rates was not consistently available for the City's analysis, though home sale prices are available through Regional Multiple Listings Service (RMLS). While this makes a full assessment of real estate market pressure more difficult, it indicates general appreciation rates at the tract level and in comparison, with neighboring tracts.[26] The appreciation rate is the percentage change in median sale values or rental indices.

How is displacement risk assessed?

The City of Vancouver created its Displacement Risk Map to better understand displacement pressures citywide and further the city's equity goals by pairing investments with anti-displacement strategies in areas shown to have greater displacement risk, using the methodology of the City of Portland's 2018 Gentrification and Displacement Neighborhood Typology Assessment and Dr. Lisa Bates' previous work at the University of Portland. This assessment uses the demographic factors described above to measure socioeconomic vulnerability[27] to displacement as well as housing market data based on changes between 2010 to 2020. 2007 is the base market year used for home prices, to capture prices when the market was at its peak before the 2008 crash.

This methodology includes seven different categories for describing displacement risk based on the combination of socioeconomic vulnerability

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[26] Vancouver's analysis uses 'rook adjacency' that focuses on comparison with tracts that share an edge to focus on "spillover" effects of rising home values.

[27] The City's study defined vulnerable tracts by analyzing the distribution of quintile scores, and then set the threshold at approximately the 75th percentile.

factors and real estate market trends by tract, grouped into **early-stage, mid-stage, or late-stage gentrification** as defined in Exhibit 63.[28]

Exhibit 63: Description of displacement risk typologies
Source: City of Portland

<table>
<tr><th>Early-Stage Gentrification</th><th>Mid-Stage Gentrification</th><th>Late-Stage Gentrification</th></tr>
<tr><td>Susceptible
Area has a higher share of vulnerable populations but has not yet experienced demographic change; housing market is low to moderate, but adjacent to tracts with high or increasingly values</td><td rowspan="3">Dynamic
Currently undergoing gentrification: there are higher shares of vulnerable populations, and the area is experiencing demographic changes and losing vulnerable populations proportionally; housing market is still low or moderate but has experienced high appreciation since base year for rents and sales prices</td><td>Late: Type 1
Area has a higher share of vulnerable populations but has lost a proportionate share; housing market was low at the base year but is now high</td></tr>
<tr><td>Early: Type 1
Area has a higher share of vulnerable populations but has not yet experienced demographic change; housing market is low to moderate, but seeing high appreciation since base year</td><td>Late: Type 2
Area has lost a previously high share of vulnerable populations; housing market remains low or moderate but has appreciated since base year</td></tr>
<tr><td>Early: Type 2
Area has a higher share of vulnerable population and is experiencing demographic changes and losing vulnerable populations proportionally; housing market is low to moderate, but adjacent to tracts with high or increasing values</td><td>Continued Loss
Area has lost a previously high share of vulnerable populations; housing market was low or moderate at the base year but is now high</td></tr>
</table>

[28] City of Portland Bureau of Planning and Sustainability, "Gentrification and Displacement Neighborhood Typology Assessment," October 2018.

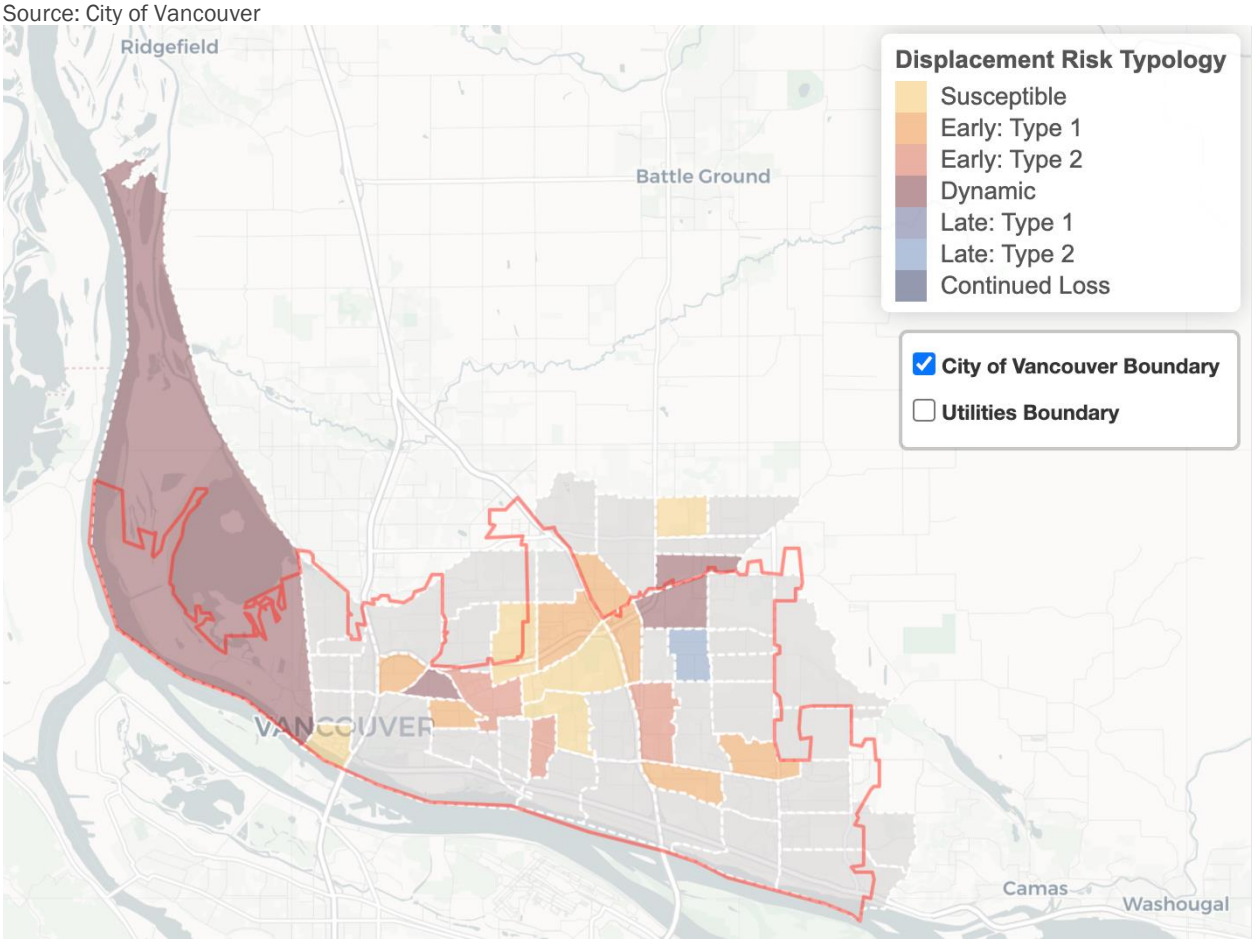
Where is there displacement risk in Vancouver?

Exhibit 64 displays the results of this analysis for the City of Vancouver, using the base housing year of 2007 and demographic and housing market year range of 2010 to 2020.[29] The map below shows tracts that meet the criteria for different displacement typologies based on their change over this time period. The City's analysis finds that as of 2020, the city had only one tract showing late-stage gentrification, but a concentration of tracts experiencing various levels of early- to mid-stage gentrification, including:

- **Sixteen early-stage census tracts**, including six Susceptible, seven Early Type 1, and three Early Type 2 primarily in central Vancouver
- **Four mid-stage Dynamic** tracts
- **One late-stage** tract (Late Type 2)

[29] All dollar amounts were adjusted for inflation using the Consumer Price Index.

Exhibit 64: Displacement risk map, Vancouver, 2010-2020
Source: City of Vancouver



The analysis had to be generalized at the tract level scale and some of the sub-sections in tracts might include nonresidential uses (such as open space zoning) without residential populations.

What does this mean for Vancouver?

Communities in Vancouver are facing displacement risk, but few areas have reached late-stage gentrification. Fourth Plain Village and North Image represent the two neighborhoods which fall into the Dynamic typology, with Image (just south of North Image) being the only tract which has reached Late-Stage gentrification based on the methodology. These 'Dynamic' neighborhoods are areas where focusing new anti-displacement actions can still help to prevent loss of vulnerable populations and before they reach late-stage trends.

Early gentrification and susceptible neighborhoods are concentrated in Central Vancouver. While few tracts along the waterfront and eastern edges of the city

are showing gentrification trends, tracts located in central Vancouver which fall into Early Type 1 and 2 or Dynamic typologies are where there is a larger share of existing residents facing growing displacement risk along Fourth Plain Boulevard, I-205, and WA-500. In these areas, preserving low-cost housing and preventing loss of vulnerable populations can help keep neighborhoods from advancing further into mid- or late-stage gentrification.

In terms of public intervention, the most effective anti-displacement strategies vary by what stage a neighborhood is currently experiencing. The City's 2019 Reside Vancouver plan presents a package of recommended strategies for preventing displacement, which include citywide and geographically specific strategies for the Fourth Plain Corridor.[30] Strategies to prevent displacement can include actions that preserve existing low-cost housing, create new affordable housing options, increased economic opportunities for residents, and support homeownership to stabilize households depending on how much low-cost housing is still available and how many vulnerable residents are still located in the area.

[30] City of Vancouver, "Reside Vancouver: An Anti-Displacement Plan," 2019 https://www.cityofvancouver.us/business/planning-development-and-zoning/long-range-planning/aging-in-place/anti-displacement-strategy/.

HNA appendix

Main data sources used

This analysis uses data from multiple sources, focusing on those that are well-recognized, reliable, verifiable, and of higher accuracy.

National data

One of the key sources for housing and household data is the U.S. Census Bureau. This report primarily uses data from the following Census sources:

- The Decennial Census, completed every ten years, is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.

- The American Community Survey (ACS) is an ongoing nationwide survey completed every year or every five years by the U.S. Census Bureau. This data surveyed a sample of households in the U.S. The ACS sampled an average of 3.5 million households per year, or about 2.9 percent of the households in the nation. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics. The survey is designed to provide communities with current data about how they are changing.

    - The ACS 5-year sample is available for smaller towns/cities with fewer than 65,000 residents. The ACS 5-year estimate includes data collected over a 60-month period or five calendar years (e.g., 2011–2015 ACS estimates). The ACS 5-Year data is offered at different scales/geographies including Census Tract and Census Place. The main advantage for the 5-year estimates is the increased statistical reliability for smaller geographic areas and small population groups. It is not recommended to compare two 5-year estimates over two time periods back-to-back since it is difficult to determine whether the values are applicable for the beginning or the end of the time frame.

- **Comprehensive Housing Affordability Strategy (CHAS)**. The U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey data annually which provides surveyed information collected over a five-year period which is averaged (such as 2012 to 2016). The CHAS data are used by local governments to plan how to spend HUD funds and may also be used by HUD to distribute grant funds. Another purpose is to estimate housing assistance by estimating the number of households that have certain housing problems and have income low enough to qualify for HUD's programs (primarily 30, 50, and 80 percent of the median income). The CHAS data provide counts of the numbers of households that fit these HUD-specified characteristics in HUD-specified geographic areas. The HUD CHAS data is a common source of data for describing cost-burdened households.

- The **Longitudinal Employer-Household Dynamics (LEHD)** program is part of the Center for Economic Studies at the US Census Bureau. This program provides publicly available data including federal, state and Census Bureau data on employers and employees. The LEHD program combines Unemployment Insurance earnings data and the Quarterly Census of Employment and Wages (QCEW) data from the states with other administrative data, and information derived from censuses and surveys. This data includes statistics on employment, earnings, and job flows. LEHD Origin-Destination Employment Statistics (LODES) provides GIS/map information on commuting trends at the census block scale. Data files are organized into three types: Origin-Destination, Residence Area Characteristics, and Workplace Area Characteristics, all at census block geographic detail. Source: https://lehd.ces.census.gov/data/#lodes.

- **CoStar** provides data on multi-family pricing and vacancy rates over time. Market data comes from CoStar, a proprietary data source commonly used for market analysis in the real estate industry. While CoStar is one of the best available sources of rent and vacancy data overall, the data has gaps and limitations that make it less reliable in areas with few existing buildings. Newer buildings and those that are professionally managed are more likely to have reliable rent and vacancy information, while smaller, older buildings may have incomplete data or be missing from the system entirely.

State data

- The **Washington State Office of Finance and Management (OFM)**. OFM researches a variety of issues related to the state budget, public policy, and demographics and releases the official state and local population estimates and projections for use in the allocation of certain state revenues, growth management, and other planning functions. They provide mostly tabular data describing current demographics, housing (median home prices), and population densities and population forecasts and projections. As the

official partner of the U. S. Census Bureau for Washington state, the Population unit helps disseminate information about the characteristics of Washington's population, housing, and economy and provide guidance to a variety of stakeholders in accessing and using demographic information. https://www.ofm.wa.gov/washington-data-research/population-demographics