

Affordable Housing Task Force Report



Acknowledgements

Affordable Housing Task Force Members

Mayor Tim Leavitt, City of Vancouver, Task Force Chair
Councilmember Alishia Topper, City of Vancouver, Task Force Co-Chair
Councilmember Anne McEnery-Ogle, City of Vancouver
Lyn Ayers and Blain Cowley, Clark County Rental Association
Sierk Braam, Norris Beggs & Simpson
Fred Dockweiler, Key Bank
Debby Dover, Second Step Housing
Jack Harroun, Building Industry Association of Clark County
Amy Hill, Al Angelo Company
James Howsley, Jordan Ramis PC
Troy Johns and Pasqual Contreras, Urban NW Homes
Roy Johnson and Saeed Hajarizadeh, Vancouver Housing Authority
Richard Keller and Marc Fazio, City Center Redevelopment Authority
Mark Maggiora, Americans Building Community
Javier Navarro, State Farm Insurance
Josh Oliva, HSP Properties
Erik Paulsen, Planning Commission
Andy Silver, Council for the Homeless
Denny Scott and Steve Ranney, St. Andrew Lutheran Church
Axel Swanson and Samantha Whitley, Clark County
Dan Valliere and Ben Sturtz, REACH

Task Force Staff

Chad Eiken, Community and Economic Development Director
Peggy Sheehan, Community Development Manager
Danell Norby, Community Development Coordinator
Alexander VanDinter, Community Development Intern
Anne Presentin, EnviroIssues, Task Force Facilitator

Table of Contents

- Introduction..... 2
- Affordable Housing Task Force 2
 - Overview 2
 - Membership..... 2
 - Process..... 3
- Needs of the Community 3
 - Housing Affordability and Availability 3
- Options Considered by the Task Force 6
 - Protecting Vulnerable Renters..... 6
 - Increasing the Supply of Affordable Housing..... 7
- Next Steps 10
- Appendix A: Prioritized Options for Council Consideration..... 11
- Appendix B: City of Vancouver Ordinances to Protect Vulnerable Renters 18

Introduction

Vancouver, Washington and the surrounding communities are experiencing an unprecedented demand for rental units. In June 2015, the vacancy rate in Vancouver was just below 2%, down from 3.8% at the end of 2010.¹ The tightening market has led to a dramatic increase in rents. Between October 2014 and October 2015, the increase in median rent for a 2-bedroom, 1-bath unit in Vancouver was the highest in the nation at 15.6% (a jump from \$900 to \$1,040 per month).²

Vancouver's housing issues mirror those affecting the broader community. The 2015 Washington State Housing Needs Assessment states that the Puget Sound region and Vancouver have the highest median rents in the state. Clark County has more than 24,000 cost-burdened renter households, defined as spending more than 30% of their gross monthly income on housing expenses. Approximately 15,000 of those households reside in Vancouver.³

Local nonprofit housing and service providers report that strategies to help homeless and low-income households find housing are proving ineffective under current market conditions. Additionally, Vancouver is currently experiencing the aftermath of mass tenant displacement from two large multi-family properties. These events have overwhelmed the capacity of the social service system. Recognizing the need for decisive action to combat the surge in housing challenges facing the community, City Council directed the formation of an Affordable Housing Task Force in April 2015.

Affordable Housing Task Force

Overview

The Affordable Housing Task Force was created to advise City Council on policy tools to address the city's lack of affordable housing options. Specifically, the Task Force was charged with reviewing and advising the Council and the Planning Commission on policy options to:

- Provide appropriate rental protection that balances landlord rights with access to housing;
- Support development of an adequate supply of affordable housing in Vancouver; and
- Lead in developing regional solutions to long-term affordable housing options for Southwest Washington.

Membership

The 21-member Task Force includes Mayor Leavitt (chair), Councilmember Topper (co-chair), and Councilmember McEnery-Ogle, along with other representatives from the public, private and nonprofit sectors. Members were selected by Mayor Leavitt based on their expertise in housing

¹ Q4 2010 and Q2 2015 Norris Beggs & Simpson Multi-family Market Reports

² October 2015 National Apartment List Rent Report

³ 2013 American Community Survey 5-Year Estimates

development and financing, property management, nonprofit housing and social service provision, and community development.

Process

The Task Force was convened as a limited-term committee with duration through the end of 2015. Between May and December 2015, the Task Force met for monthly two-hour meetings to work toward the desired outcomes outlined in the charter:

- By July 31, 2015, the Task Force considers and recommends policy changes to address appropriate renter protections.
- By December 31, 2015, the Task Force recommends:
 - Policy changes to support development of affordable housing in Vancouver to increase available supply.
 - A City work program for 2016 to research and draft a long-term affordable housing policy for Vancouver.

Meetings were held at City Hall and were open to the public for observation and comment. A third-party facilitator was brought in to assist members in meeting the desired outcomes. Staff maintained a Task Force website that included meeting materials and an online comment portal.

Needs of the Community

Housing Affordability and Availability

Data on Vancouver’s housing needs was presented to Task Force members to provide context as they considered potential options to protect vulnerable renters and increase the supply of affordable housing. The city is the second largest in the Portland metropolitan region, where rapid population growth has resulted in low vacancy rates and a lack of affordable housing options. These challenges have particularly impacted low-income households, defined as those earning up to 60% of area median income (AMI) (Figure 1).

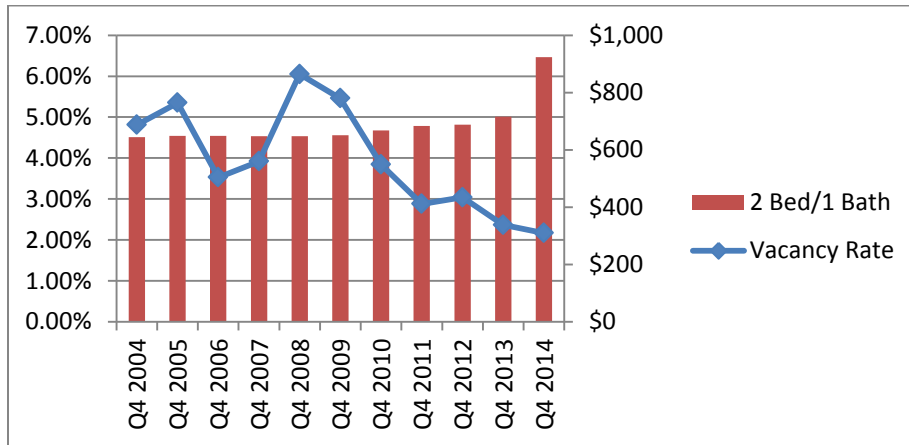
Figure 1: Household Annual Incomes in Vancouver⁴

Income Level (% of Area Median Income)	1-Person Household	2-Person Household	4-Person Household
115%	\$59,225	\$67,620	\$84,525
100%	\$51,500	\$58,800	\$73,500
60% (low-income)	\$30,900	\$35,280	\$44,100
30%	\$15,450	\$17,650	\$24,250

⁴ U.S. Department of Housing and Urban Development, effective March 6, 2015

At the time of the first Task Force meeting, low-income renters in Vancouver were experiencing significant housing affordability and availability problems, and the situation has worsened over the last several months. In December 2014, the vacancy rate was just over 2%, down from 3.8% in 2010. This has resulted in a dramatic increase in rents. According to Norris Beggs & Simpson, a locally based commercial real estate firm, rent for the average 2-bedroom, 1-bath unit jumped by 29% between Q4 2013 and Q4 2014 (Figure 2).

Figure 2: Vacancy Rate and Average Rent in Vancouver, 2004-2014⁵



The trends of low vacancy rate and rising rents have persisted throughout 2015. As of Q3 2015, monthly rent for the average 2-bedroom, 1-bath unit in Vancouver reached a record high of \$1,013, with the vacancy rate at just 1.87%.⁶ A unit at this price would be unaffordable to a two-person household at 60% of AMI (Figure 3).

Figure 3: Maximum Monthly Rents Affordable to Households in Vancouver⁷

Income Level (% of Area Median Income)	1-Person Household	2-Person Household	4-Person Household
115%	\$1,481	\$1,691	\$2,113
100%	\$1,288	\$1,470	\$1,838
60% (low-income)	\$773	\$882	\$1,103
30%	\$386	\$441	\$606

⁵ 2004-2014 Norris Beggs and Simpson Multi-family Market Reports

⁶ Q3 2015 Norris Beggs and Simpson Multi-family Market Report. The October 2015 National Apartment List Rent Report shows similar figures (median rent of \$1,040 for a 2-bedroom, 1-bath unit).

⁷ Calculated as 30% of gross monthly income

Just across the Columbia from Vancouver, average monthly rents in Portland climbed between 8 and 9% (roughly \$100) over the past year.⁸ Lower-income households increasingly relocate to outer neighborhoods or suburban areas as new development and demand for units drive rents upward. Affordability, gentrification and homelessness are now among the city’s most pressing political issues, and the Portland City Council declared a state of housing emergency in October 2015.

These conditions have contributed to widespread housing cost burden—defined as spending 30% or more of gross household income on housing expenses, including utilities—for local renters. According to recent estimates, approximately half of Vancouver’s nearly 33,000 renter households are cost burdened, and nearly 23% are severely cost burdened, spending more than 50% of their income on housing.⁹ Lower-income renters are disproportionately impacted, experiencing cost burden at significantly higher rates than wealthier households (Figure 4).

Figure 4: Cost burdened renters in Vancouver¹⁰

Income Level (% of Area Median Income)	Number of Households	Cost Burdened (%)	Severely Cost Burdened (%)
Up to 30%	6,825	80.5%	63.1%
30-50%	5,970	89.4%	32.9%
50-80%	7,125	46.2%	5.1%
80-100%	4,120	15.0%	1.2%

Current challenges may be attributed to a variety of factors—including suppressed post-recession housing production, an influx of residents displaced from elsewhere in the Portland metro area, increasing recognition of Vancouver as an attractive, livable community, and persistent economic inequality that limits housing opportunities for low-income residents. Regardless of the causes, Task Force members agreed that multiple tools and approaches will be necessary to create and maintain safe, affordable housing for all residents.

⁸ City of Portland, *State of Housing in Portland*, October 2015

⁹ 2013 American Community Survey 5-Year Estimates

¹⁰ 2012 HUD Comprehensive Housing Affordability Strategy

Options Considered by the Task Force

Protecting Vulnerable Renters

Recent mass displacement events, in which multiple families from the same market-rate housing development receive notices to vacate, have brought Vancouver's housing issues to the forefront of community discussion. In Washington, landlords may terminate tenancy with month-to-month tenants by issuing a written notice at least 20 days before the end of their rental period. These are sometimes called "no cause" notices because they do not need to state the reason for termination.

Due to Vancouver's low vacancy rate and a lack of resources to pay for security deposits and other moving costs, tenants often find it difficult to secure a new rental within 20 days. Households that are low-income can be severely impacted, with some ending up homeless (temporarily or for a longer duration). If a household is evicted, the damage to their rental history makes locating new housing more difficult.

Approved Options to Protect Vulnerable Renters

From May through June 2015, the Affordable Housing Task Force considered and recommended an extension to the notice to vacate period and other policies to protect vulnerable renters, resulting in the three ordinances that follow. These were approved by City Council in September and became effective October 21, 2015. For more information, see the *City Fact Sheet: City of Vancouver Ordinances to Protect Vulnerable Renters* (Appendix B).

45-Day Notice of Rent Increase

VMC 8.46 requires landlords to provide tenants with a 45-day notice of rent increase. This ordinance applies to any increase of ten percent or more than the rent charged during the past twelve months of the tenancy.

60-Day Notice to Vacate

VMC 8.47 provides an "affirmative defense" to tenants who are not provided a 60-day notice to vacate by landlords. The 60-day notice affirmative defense may be asserted by a month-to-month tenant in the case of eviction following a no-cause notice, regardless of what the lease states. This ordinance applies only to landlords who own five or more rental units.

Source of Income Protection

Under VMC 8.45, a landlord may not refuse to rent to a tenant based on the tenant's source of income, including any public benefits or rent subsidies. A landlord may still use screening criteria to determine whether or not to rent to a prospective tenant. If amount of income is reviewed during the screening process, the landlord may count only the portion of rent the tenant is responsible for paying (i.e. total rent minus any rental subsidy) when determining whether a tenant's income is enough.

Additional Options to Protect Vulnerable Renters

The following three options are additional ideas put forth by the Task Force to help vulnerable renters. Due to many unresolved questions from the Task Force as to how they could be effectively implemented, these options received a low priority ranking for Council consideration.

Increase Notice Period for Mass Vacation/Eviction Notices

The required notice to vacate period could be increased in instances where multiple tenants will be displaced from the same apartment complex.

Require a Just-Cause Notice to Vacate

“No cause” notices could be eliminated, requiring landlords to state an allowed reason when issuing a written notice to vacate to month-to-month tenants.

Provide Relocation Assistance

The City could implement a relocation assistance program consistent with State regulations (RCW 59.18.440). The policy would give property owners and the City shared responsibility for providing financial assistance to displaced renter households earning up to 50% of AMI.

Increasing the Supply of Affordable Housing

Between July and December, the Task Force identified and discussed a range of potential tools and programs to increase the supply of affordable housing in Vancouver. “Affordable housing” generally means housing that costs an owner or renter no more than 30% of gross household income.

Discussion Themes

Throughout the meetings, several themes emerged from the discussion. These include the following:

- Any options chosen by City Council for further consideration will require additional research and development. Ongoing input from community leaders with housing-related expertise will be important to guide staff in creating fully implementable programs.
- The City should strive to create policies and programs that provide a win-win for developers and residents. Where possible, strategies should allow developers to both increase their profit margin *and* help address Vancouver’s affordable housing needs.
- The City will need to carefully consider how to balance development incentives with requirements that ensure affordability for the lowest-income community members. Incentives tend to work best at the higher margins of affordability (for example, 60-115% of AMI). Options chosen for further consideration should also help our city’s most vulnerable residents, including very low-income and homeless households.
- City programs and tools interact with one another. Options should be considered as a package to fully understand potential benefits.
- Appropriate messaging regarding any new tools or programs will be critical to create understanding and buy-in among Vancouver residents and members of the development community.

- Lastly, **time is of the essence**. The current picture of housing affordability and availability is dire and getting worse. The City will need to identify staff and financial resources to develop options in a timely manner. If possible, resources should be appropriately allocated to shorten implementation timeframes for the highest priorities.

Potential Tools and Programs Considered by the Task Force

A brief summary of each option considered by the Task Force to increase the supply of affordable housing is presented below. Appendix A, *Prioritized Options for Council Consideration*, provides more details regarding development timelines, costs, potential to increase the number of affordable units, additional considerations and summary comments of the Task Force.

Note that this report includes the full range of tools and programs discussed during Task Force meetings. Through a ranking process, the Task Force identified high, medium, and low priorities among the options.

The following tools and programs received a **high priority ranking** for Council consideration:

Create a Housing Advisory Commission (or Committee)

Council may create a Housing Advisory Commission/Committee that includes community representatives with expertise in housing and related fields. The Commission would provide input to staff as they develop the options chosen by Council into implementable tools and programs to increase the supply of affordable housing. Any new housing issues or opportunities that arise could also be considered by this group.

Amend Zoning/Development Regulations to Encourage Affordable Housing Options

Innovative regulations can encourage housing diversity and affordability in residential zones while maintaining neighborhood character. The City may explore changes to its zoning and development code to encourage alternative housing options such as cluster or cottage housing, corner-lot duplexes, micro-housing, single room occupancy housing, shared housing, and rooming or boarding houses.

Strengthen Existing Multi-Family Tax Exemption Program

The City currently has a program allowing property tax exemptions on newly constructed or rehabbed multi-family units over an eight- or twelve-year period. Twelve-year exemptions are available for projects designating some units as affordable to households earning up to 115% of AMI. The program is currently available only in the City Center and Fourth Plain subareas.

Potential changes to strengthen the program as an affordable housing tool include (but are not limited to) expanding the twelve-year exemption option to additional areas of Vancouver, targeting lower incomes (e.g. 80% or 50% of AMI), and increasing the percentage of affordable units required for the exemption.

Create an Affordable Housing Fund

Council may create a dedicated fund for the construction or rehabilitation of permanent low-income housing units in Vancouver. Potential funding sources include property or sales taxes and

development fees. Other options may also be explored. Some funding options may require a ballot measure.

Enact Inclusionary Zoning

The City may require developers to include affordable units in all new multi-family developments located within designated zoning districts, in exchange for increased development capacity within those districts. Variables include the required percentage of affordable units, target income levels, and included areas. Some jurisdictions include an opt-out provision allowing payment in lieu of units, with funds used for housing development by nonprofit agencies.

The following tools and programs received a **medium priority ranking** for Council consideration:

Promote Development of Affordable Housing by For-Profit Developers

One or more incentives such as density bonuses, parking reductions, or fee waivers may be offered to for-profit developers in exchange for affordable housing units. The City may also consider changes to the review process, the use of development agreements, and other adjustments or incentives to promote affordable housing.

Increase Flexibility for Accessory Dwelling Units

Accessory dwelling units (ADUs) are small residential units located on the same grounds as single-family homes (either attached or detached from the main residence). While ADUs are currently allowed in some residential zones in Vancouver, the City could explore code changes to encourage ADU development, such as stock plans for expedited permitting, fee waivers, allowing utility hookups tied to the main residence, and removing the owner occupancy and/or parking requirements.

The following tools and programs received a **low priority ranking** for Council consideration:

Return Vacant Homes to Housing Supply

A new program could be created to identify bank-owned vacant homes in Vancouver and help nonprofit agencies acquire them for use as affordable units.

Create a Multi-Family Inspection Program

Rental unit inspections currently take place on a complaint basis. The City could routinely inspect multi-family projects of a certain age and size to keep units safe and livable. The purpose of this program would be to preserve the existing housing stock and avoid tenant displacement caused by severe code violations.

Elected Officials Work with Other Jurisdictions to Increase Multi-Family Zoning in Greater Clark County

The region's multi-family and affordable housing is currently concentrated within Vancouver's city limits. The City's elected officials could collaborate with Clark County and neighboring cities to

increase multi-family development throughout the region, particularly near employment and transportation centers.

Explore Possibility of Change to Prevailing Wage Requirements for Affordable Housing Projects

Under current federal regulations, Davis Bacon labor requirements (including prevailing wage) are triggered when federal funds are used to build 8 or more housing units. In addition, under Washington regulations, state prevailing wages apply to all publicly funded projects, including housing. Paying the higher of state or federal prevailing wage for construction work significantly increases the cost of building subsidized housing. Changes to these requirements would require lobbying at the state and federal levels.

Next Steps

City staff members will present the ideas included in this report to City Council at a January 11, 2016 work session.

Beginning in 2016, staff will complete further analysis and make recommendations on phasing and implementation for any options chosen by Council. This work will be guided by the Housing Advisory Commission/Committee, provided such a group is assembled. Estimated timeframes to develop options into implementable tools and programs are listed in Appendix A.

Members of the community will have multiple opportunities to comment on options prior to final consideration by Council and adoption by the City of Vancouver.

Appendix A: Affordable Housing Task Force – Prioritized Options for Council Consideration

The following table describes potential tools and programs identified and discussed by the Affordable Housing Task Force both to increase the supply of affordable housing units and protect vulnerable renters. It includes the full range of ideas to be presented to City Council at a work session. City Council will provide staff with direction on which options should be considered and in what priority order. Staff will come back to Council with further analysis and recommendations on phasing and implementation. With the exception of a few options that could be completed with current staff, funding for development of these ideas has not been identified. Estimated potential to increase affordable units is in relation to the status quo.

Affordability: Generally affordability is defined as housing that costs an owner or renter no more than 30% of their gross household income, including utilities.

Estimated time to develop tool/program:
 Short: 6 months to 1 year, unless otherwise noted
 Medium: 1 to 2 years
 Long: 2 years or longer

City direct costs/staff time
 \$: Low loss in revenue or general fund impact; low staff costs
 \$\$: Moderate loss in revenue or general fund impact; moderate staff costs
 \$\$\$: High loss in revenue or general fund impact; high staff costs

Cost to property owner/developer:
 \$: Low cost to property owner/developer
 \$\$: Moderate cost to property owner/developer
 \$\$\$: High cost to property owner/developer

Option for Council Consideration	Description	Estimated Time for Staff to Develop and Present to Council	City Direct Costs/ Staff Time	Cost to Property Owner/ Developer	Potential to Increase Affordable Units	Considerations and Details Additional information to follow based on Council guidance and staff analysis.	Task Force Priority
<p>Create a Housing Advisory Commission (or Committee)</p>	<ul style="list-style-type: none"> • Council creates a Housing Advisory Commission (or Committee) to provide input on: <ul style="list-style-type: none"> ○ Implementation of tools/programs resulting from further work on ideas proposed by the Affordable Housing Task Force and approved by Council ○ New housing issues or opportunities that arise 	<p style="text-align: center;">Short (30 days)</p>	<p style="text-align: center;">\$</p>	<p style="text-align: center;">NA</p>	<p style="text-align: center;">NA</p>	<p>Details:</p> <ul style="list-style-type: none"> • Some members of the current Affordable Housing Task Force could provide helpful continuity as members for new effort • Current staff could oversee commission including meeting management <p>Questions:</p> <ul style="list-style-type: none"> • Relationship with Planning Commission, given that it also has a role with housing policy • City-focused or broadened to have a regional focus with greater involvement of County and other cities • Standing commission or defined scope with sunset <p>Task Force comments: Work of the Task Force was just a start and more work is needed to fully develop priorities into implementable programs. Commission should not recreate the work of the Task Force, but instead focus on implementation of identified priorities. Commission should also have flexibility to adapt to new issues and opportunities as needed. Commission identification of housing targets and system challenges and opportunities would be helpful for planning, decision-making and measuring success.</p>	<p style="text-align: center;">High</p>

Option for Council Consideration	Description	Estimated Time for Staff to Develop and Present to Council	City Direct Costs/ Staff Time	Cost to Property Owner/ Developer	Potential to Increase Affordable Units	Considerations and Details Additional information to follow based on Council guidance and staff analysis.	Task Force Priority
EXPAND SUPPLY OF AFFORDABLE HOUSING							
Amend zoning/ development regulations to encourage affordable housing options	<ul style="list-style-type: none"> • Allow/promote alternative housing, e.g.: <ul style="list-style-type: none"> ○ Cluster/cottage housing ○ Corner-lot duplexes ○ Micro-housing and single room occupancy (SRO) housing ○ Shared housing, including rooming/boarding houses • Reduced parking requirements 	Medium to Long	\$\$	\$	Medium	<p>Details:</p> <ul style="list-style-type: none"> • May be effective at increasing overall supply over a long period of time, but affordability not guaranteed • Marketing incentives/opportunities to property owners and developers • Can use current staff, but may be contracted out <p>Questions:</p> <ul style="list-style-type: none"> • Requires determination of priorities among several options • Need to determine appropriate level of incentives <p>Task Force comments: Support for allowing a wider variety of housing types and sizes. This option may also provide low-income homeownership units, an opportunity to address affordable housing apart from rentals.</p>	High
Strengthen existing Multi-Family Tax Exemption Program	<ul style="list-style-type: none"> • Expand 12-year option to other areas of the city beyond City Center and Fourth Plain • Target lower income levels for affordable units • Increase percentage of affordable units required to take advantage of program • Consider different owner (115% AMI) vs. renter (30-80% AMI) affordability levels • Consider increasing required affordability period beyond current 12 years • Consider incentivizing preservation of existing rental units 	Short	\$\$	Cost savings	Medium	<p>Details:</p> <ul style="list-style-type: none"> • Forgone tax revenue on value of improvements • Reduced income for property owner from affordable units that would otherwise be market-rate • Can use current staff <p>Questions:</p> <ul style="list-style-type: none"> • Need to determine balance between incentives and requirements • Requires further research on potential target areas and program criteria (e.g. transit-oriented development, close to jobs, etc.) <p>Task Force comments: Strong support for evaluating the program for expansion citywide as a method to increase affordable housing supply. A tiered approach is recommended to target affordability to different income levels.</p>	High

Option for Council Consideration	Description	Estimated Time for Staff to Develop and Present to Council	City Direct Costs/ Staff Time	Cost to Property Owner/ Developer	Potential to Increase Affordable Units	Considerations and Details Additional information to follow based on Council guidance and staff analysis.	Task Force Priority
Create an affordable housing fund	<ul style="list-style-type: none"> • Create a dedicated fund for the construction or rehabilitation of permanent low-income housing units in Vancouver • Potential funding sources include: <ul style="list-style-type: none"> ○ Property tax increase ○ Sales tax increase ○ Development fees ○ Other options may be explored 	Medium to Long	\$\$	Increased taxes	High	<p>Details:</p> <ul style="list-style-type: none"> • May require ballot measure • For sales tax, City would need to wait until after October 9, 2017 to implement (based on State regulations) • Property tax could be implemented more quickly • Will take time to collect enough taxes to produce units • Funds used to create permanent affordable units • Requires additional staff for long-term management of funds, may be contracted out <p>Questions:</p> <ul style="list-style-type: none"> • Impact of different funding options on residents and developers <p>Task Force comments: Needs research to determine how a local affordable housing funding source can create the greatest impact (for example, funds given as vouchers vs. construction funding).</p>	High
Enact inclusionary zoning	<ul style="list-style-type: none"> • Enact mandatory inclusionary zoning requiring a set-aside of affordable units in all new multi-family development in designated zoning districts • Could include an opt-out provision (fee in-lieu for affordable housing) 	Long	\$\$	\$\$	Medium	<p>Details:</p> <ul style="list-style-type: none"> • Upzoning/increase in development capacity required • Reduced income for property owner from affordable units that would otherwise be market-rate • High potential to increase affordable units depending on housing market conditions • Requires additional staffing for development, management, and monitoring <p>Questions:</p> <ul style="list-style-type: none"> • Requires further research on potential target areas and program criteria (size of projects, percentage and income level of affordable units required) <p>Task Force comments: Inclusionary zoning could disperse affordable housing throughout the community and take advantage of the current strong development market. It could also lead to litigation and disincentivize housing development in Vancouver. The best approach would create a win-win for both developers and the City.</p>	High

Option for Council Consideration	Description	Estimated Time for Staff to Develop and Present to Council	City Direct Costs/ Staff Time	Cost to Property Owner/ Developer	Potential to Increase Affordable Units	Considerations and Details Additional information to follow based on Council guidance and staff analysis.	Task Force Priority
Promote development of affordable housing by for-profit developers	<ul style="list-style-type: none"> • Consider incentives such as: <ul style="list-style-type: none"> ○ Density bonuses ○ Fee waivers ○ Fees based on location ○ Reduced parking requirements • Waive ground floor commercial requirement for affordable projects in commercial zones • Improve timing of review process • Use development agreements to promote affordability • Consider using surplus City owned property 	Short	\$\$	\$	Medium	<p>Details:</p> <ul style="list-style-type: none"> • Reduced income for property owner from affordable units that would otherwise be market-rate • Will need to market effectively to developers • Requires additional staffing for management and monitoring <p>Question:</p> <ul style="list-style-type: none"> • Need to determine appropriate level of incentives <p>Task Force comments: Support for allowing increased density for projects with affordable units and making development process easier. Incentive programs must be streamlined and accessible.</p>	Medium
Increase flexibility for ADUs	<ul style="list-style-type: none"> • Stock plans for expedited permitting • Fee waivers • Utility hookups tied to main house • Remove owner occupancy requirement to allow both primary house and ADU to be used as rentals • Consider removing parking requirement 	Medium	\$	\$	Medium	<p>Details:</p> <ul style="list-style-type: none"> • May be effective at increasing overall supply over a long period of time, but affordability not guaranteed • Minimal cost to City • Relies on owner investment • Will need to market effectively to public/property owners • Can use current staff, but may be contracted out <p>Questions:</p> <ul style="list-style-type: none"> • Requires further research on available options for utility hookups <p>Task Force comments: Strong support for promoting ADUs: “Even one unit is one less homeless family.” Removing parking requirements could be problematic.</p>	Medium
Return vacant homes to housing supply	<ul style="list-style-type: none"> • Identify bank-owned vacant homes • Connect banks with nonprofit developers • Help nonprofits access financing and acquire homes for affordable rentals 	Long	\$	NA	Low	<p>Details:</p> <ul style="list-style-type: none"> • City does not currently have an abandoned housing inventory • Cooperation from banks will likely be a challenge • New program, requires additional staff for development and management <p>Questions:</p> <ul style="list-style-type: none"> • Requires further research on financing options for nonprofit acquisition <p>Task Force comments: Converting abandoned homes would help low-income renters while addressing neighbors’ concerns.</p>	Low

Option for Council Consideration	Description	Estimated Time for Staff to Develop and Present to Council	City Direct Costs/ Staff Time	Cost to Property Owner/ Developer	Potential to Increase Affordable Units	Considerations and Details Additional information to follow based on Council guidance and staff analysis.	Task Force Priority
Create a multi-family inspection program	<ul style="list-style-type: none"> Require multi-family projects to be inspected on a routine basis to keep units safe and livable Preserve existing housing stock and avoid tenant displacement caused by severe code violations 	Long	\$\$	\$	Medium	<p>Details:</p> <ul style="list-style-type: none"> New program, requires additional staff for development and management <p>Questions:</p> <ul style="list-style-type: none"> Need to determine age and size of projects that would trigger requirement <p>Task Force comments: Would not have a significant effect on the affordable housing supply. This option is not currently a priority.</p>	Low
Elected officials work with other jurisdictions to increase multi-family zoning in greater Clark County	<ul style="list-style-type: none"> Increase multi-family development near employment and transportation zones 	Ongoing	\$	NA	High	<p>Details:</p> <ul style="list-style-type: none"> Current County Comprehensive Plan is under review Other jurisdictions have their own zoning processes; changes will require involvement from their city councils <p>Questions:</p> <ul style="list-style-type: none"> How can the City of Vancouver best collaborate with other jurisdictions to promote affordable housing throughout Clark county <p>Task Force comments: Particular interest in working with the County to increase areas zoned for multi-family development within the Urban Growth Area.</p>	Low
Explore possibility of change to prevailing wage requirements for affordable housing projects	<ul style="list-style-type: none"> Advocacy effort Will involve changes at state and/or federal level 	Ongoing	\$	NA	Medium	<p>Details:</p> <ul style="list-style-type: none"> Federal regulations require Davis Bacon when 8 units or more State considers publicly funded housing as “Public Works” projects Limited ability to influence state and federal policies <p>Questions:</p> <ul style="list-style-type: none"> Need to work with Department of Labor to determine if low-income housing construction can be exempt from prevailing wage law <p>Task Force comments: Prevailing wage requirements significantly increase the cost of developing affordable housing using public funds, resulting in fewer units.</p>	Low

Option for Council Consideration	•Description	Estimated Time for Staff to Develop and Present to Council	City Direct Costs/ Staff Time	Cost to Property Owner/ Developer	Potential to Increase Affordable Units	Considerations and Details Additional information to follow based on Council guidance and staff analysis.	Task Force Priority
PROTECT VULNERABLE RENTERS							
Increase notice period for mass vacation/eviction notices	<ul style="list-style-type: none"> Require longer notice to vacate period (currently 20 days) when multiple tenants will be displaced from the same apartment complex due to renovation, demolition, etc. 	Short (90 days)	\$	\$	NA	<p>Details:</p> <ul style="list-style-type: none"> Notice is given by landlord Tenant is responsible for seeking legal action Minimal staff time to create <p>Questions:</p> <ul style="list-style-type: none"> Need to determine length of notice period and number of displaced households that would trigger requirement <p>Task Force comments: With the low vacancy rate, the 20-day notice period is too short for the community to re-house a large number of tenants who are displaced at the same time.</p>	Low
Require a just-cause notice to vacate	<ul style="list-style-type: none"> Eliminate “no cause” notices and require landlords to provide only an allowed reason when issuing a written notice to vacate to month-to-month tenants 	Short	\$	\$	NA	<p>Details:</p> <ul style="list-style-type: none"> Notice is given by landlord Tenant is responsible for seeking legal action Minimal staff time to create <p>Questions:</p> <ul style="list-style-type: none"> Work with property owners and advocacy groups to define allowed causes <p>Task Force comments: Policy could have an adverse effect on low-income renters because many landlords will increase security deposits if they lose the ability to serve a no-cause notice. This option is not currently a priority.</p>	Low
Provide relocation assistance	<ul style="list-style-type: none"> Implement a relocation assistance policy consistent with State regulations under RCW 59.18.440 Property owners and the City would share responsibility for providing financial assistance to displaced renter households earning at or below 50% AMI 	Long	\$\$\$	\$\$\$	NA	<p>Details:</p> <ul style="list-style-type: none"> Cost of providing relocation assistance shared by City and property owner Staff will be tasked with oversight of rental properties, verification of income level, and release of funds New program, requires additional staff for development and management <p>Questions:</p> <ul style="list-style-type: none"> New program, requires additional staff for development and management <p>Task Force comments: Most members not in favor because policy would create a disincentive for making needed improvements by increasing property owner costs. This option is not currently a priority.</p>	Low

Option Currently Under Consideration	Description	Estimated Time for Staff to Develop and Present to Council	City Direct Costs/ Staff Time	Cost to Property Owner/ Developer	Potential to Increase Affordable Units	Considerations and Details
Refine ordinance to allow fee waivers for nonprofit housing developers	<ul style="list-style-type: none"> Currently being presented to planning commission 	Currently in process	\$	NA	Medium	Details: <ul style="list-style-type: none"> Applies only to nonprofit low-income housing developers City currently has nonprofit fee waiver, but these changes will increase ease of use

City Fact Sheet



VANCOUVER
CITY HALL

Appendix B: City of Vancouver Ordinances to Protect Vulnerable Renters

Effective October 21, 2015

- **45 Day Notice of Rent Increase**
 - **60 Day Notice to Vacate**
 - **Source of Income Protection**

Recent changes in the Vancouver housing market have resulted in unusually low vacancy rates and a dramatic increase in rental costs. From July 2014 to July 2015, the cost of rents increased by 9.8 percent. The current vacancy rate is approximately two percent. Incomes have not kept pace with rent increases. To address these concerns, the City of Vancouver has enacted three ordinances designed to provide some protection for vulnerable renters. The ordinances take effect on October 21, 2015 for properties located in the City of Vancouver.

Key Features

45 Day Notice of Rent Increase: VMC 8.46 was developed to allow some protection for vulnerable renters by providing for a forty-five (45) day notice of rent increase.

- Landlords who wish to raise a tenant's rent by ten (10) percent or more must give a forty-five (45) day written notice of rent increase.
- This applies to any increase of ten (10) percent or more than the rent charged during the past twelve (12) months of the tenancy.
- Any rent increase that does not comply with this ordinance is unenforceable.
- Landlords should include this provision in each rental agreement and lease.
- Landlord must provide the notice of rent increase 45 days before the end of the rental term unless mutually agreed upon that it may be effective sooner.

60 Day Notice to Vacate: VMC 8.47 was developed to allow some protection for vulnerable residential month-to-month renters by providing an affirmative defense to tenants who are not provided a sixty (60) day notice to vacate from landlords who own five (5) or more rental units.

- VMC 8.47 creates a sixty (60) day notice “Affirmative Defense”, which residential month-to-month tenants can assert in an eviction action against a landlord who owns five or more rental units and who failed to provide a 60 day no-cause notice to terminate tenancy.
- In the case of eviction, the 60 day notice Affirmative Defense may be asserted by a residential month-to-month tenant who receives a no-cause termination notice regardless of what the rental agreement states.
- This ordinance applies only to landlords who own five (5) or more rental units, regardless of whether the units are located on the same property.
- All notices contained in the Residential Landlord Tenant Act remain available to landlords.

Source of Income Protection: VMC 8.45 was developed to allow some protection for vulnerable renters by preventing landlords from denying an application for rent based on a renter’s source of income or participation in a rental assistance program.

- A landlord may not refuse to rent to a tenant based on a tenant’s source of income, which includes:
 - Federal and state public benefits, such as (but not limited to) Social Security, Veteran’s benefits, retirement, Temporary Assistance to Needy Families (TANF) or Aged, Blind and Disabled (ABD) benefits;
 - Rent subsidies from federal, state or local housing programs, such as (but not limited to) the Section 8 voucher program, Share Aspire, or the Housing and Essential Needs (HEN) program.
- A landlord may still use screening criteria to determine whether or not to rent to a prospective tenant.
- If a landlord reviews the amount of income as part of the screening process, the landlord may count only the portion of rent the tenant is responsible for paying in determining whether a tenant’s income is enough.
 - Example: A tenant applies for a unit that costs \$1000 per month. The tenant has a Section 8 Voucher that will cover \$600 of the rent. The landlord requires all tenants to have a monthly income that is two times the rent amount. Before the new ordinance, the tenant’s income would have to be \$2000 to qualify for the apartment. Now, the landlord must subtract the Voucher amount (\$600) from the total rent (\$1000) before calculating whether the tenant’s income is enough. After subtracting the Voucher amount, the tenant’s portion of the rent is \$400, and 2x the tenant’s portion of rent = \$800. Thus, the tenant’s monthly income now only needs to be \$800 to qualify.

Applicability

- These ordinances apply to all residential rental agreements entered into after October 21, 2015 and to all existing residential rental agreements that are renewed after October 21, 2015. Landlords should include these provisions in each rental agreement.
- Religious organizations that rent to tenants may still give a preference to, or limit occupancy of units to, individuals from the same religion, unless membership in that religion discriminates against individuals based on race, color, ethnicity, national origin, gender, sexual orientation, disability or military status.
- The ordinance creating a 60 day notice Affirmative Defense does not prevent landlords from issuing other notices to terminate a tenancy for cause, for example:
 - 3 day notice to pay rent or vacate
 - 3 day notice to vacate for waste or nuisance
 - 10 day notice to comply with a rental agreement or vacate

Disputes

Tenants who wish to seek legal assistance to find out whether the property owner has complied with these ordinances may call the Northwest Justice Project (CLEAR) at 1-888-201-1014.

This Ordinance becomes effective October 21, 2015.

City of Vancouver Contact

Peggy Sheehan
Community & Economic Development Programs Manager
(360) 487-7952
peggy.sheehan@cityofvancouver.us