2025 Land Capacity Analysis

for the City of Spokane, Washington

a requirement of the Growth Management Act (RCW 36.70A.115)

February, 2025

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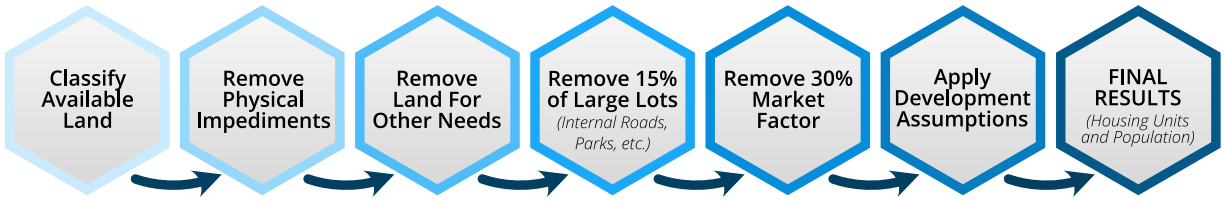
Executive Summary

The Land Capacity Analysis (LCA) is a required part of the periodic update of the City of Spokane Comprehensive Plan. The Growth Management Act (GMA) requires the City to determine if sufficient land exists to accommodate growth early in the overall process. The City of Spokane is expected to grow by more than 23,000 people between 2023 and 2046.

To determine the capacity of the City, the LCA is guided by a regionally adopted methodology. In summary, that method follows the general steps shown in **Figure 1** below:

Figure 1: Schematic Land Capacity Analysis Process



The analysis begins by classifying land as either vacant, partially used, underutilized, or developed. Land is removed that is physically unavailable for development (such as steep slopes, wetlands, etc.), lands needed for other uses (parks, utilities, etc.) are removed, 15 percent of large lots is removed (need for roads, parks, etc.), and 30 percent of the total is removed to account for market forces limiting development. Finally, general development assumptions are applied to the remaining lands (units per acre, people per household, etc.) resulting in a number of dwelling units the City could physically expect to accommodate and the population those units could house.

Assumptions applied by the City in this analysis included:

- Density (units per acre) expected in each zoning group.
- The proportion of expected residential development outside purely residential zones (i.e. Commercial, Office).
- Previously approved and vested land use actions (Planned Unit Developments, Environmental Impact Statements, other reliable sources of data).
- Historic development data and trends.
- Persons per household by housing type.

These factors were applied to lands in the city, resulting in the following capacity results:

Figure 2: Summary Results—City Capacity for Dwellings and Population

Classification	Dwelling Unit Capacity	Population Capacity
Vacant, Outside PUD/Subarea	10,344	22,615
Partially Used, Outside PUD/Subarea	5,270	11,850
Underutilized, Outside PUD/Subarea	6,987	13,220
SUBTOTAL	**22,600**	**47,686**
VESTED/SUBAREAS	**7,517**	**15,615**
GRAND TOTAL	**30,117**	**63,301**

***Source**: City of Spokane, LCA Analysis, 2024.*

***Notes**: This table is a summary of the detailed analysis within this report. Many factors not apparent in this table went into the data presented.*

Ultimately, the City of Spokane has determined that sufficient zoned land exists within City Limits to accommodate expected growth within the planning horizon of 2046. For details of this analysis, including more specifics on the assumptions that were applied to the numbers in Figure 2 above, see the body of this report.

I. Introduction

This report represents the culmination of more than two years of work by City of Spokane staff as they prepared for the 2026 statutorily required Comprehensive Plan Periodic Update. The Land Capacity Analysis (LCA) is a required early step in the update process, during which the region must ask the important question, "is there sufficient capacity to accommodate growth expected in the next 20 years?"

The process by which regional jurisdictions determine their answer to this question is laid out in general in the Countywide Planning Policies (CPPs), adopted by the Spokane County Board of County Commissioners (BOCC) and agreed to by all jurisdictions planning under Revised Code of Washington (RCW) 36.70A. In the case of the Spokane County CPPs, the region undertook a major update of those policies and procedures in 2023 and 2024, culminating in the process described in this report.

The following report is limited to the City of Spokane municipal boundary and will flow through the required steps of the CPPs as they relate to the preparation of LCAs, with certain clarifying changes to organization and order to ensure that the results of this analysis are clear to the reader. The City has not deviated from the general requirements of the CPP methodology to ensure that the results of this analysis can be generally synthesized together with other jurisdictions' results, in order that the County may understand an overall picture of the Urban Growth Area (UGA) in total.

II. Report Preparation

In general, each jurisdiction is responsible for generating its own LCA according to its own internal processes, staff, and expertise. Each jurisdiction has a unique set of land use and zoning regulations. In the case of this LCA for the City of Spokane, several staff members have been involved, including the following:

Project Manager & Chief Analyst:	Kevin Freibott, Senior Planner
Planning Director:	Spencer Gardner, AICP
Deputy Planning Director:	Tirrell Black, AICP
Planner & Analyst:	Brandon Whitmarsh, Planner II
Planner:	Tyler Kimbrell, Planner II
Planner:	KayCee Downey, Planner II
Economic Development:	Teri Stripes, Principal Planner

The results of this report will be presented to both the Spokane Plan Commission and the Spokane City Council in early 2025. Furthermore, the results will inform the ongoing work at the City on the update of its 2026 comprehensive plan.

III. Growth Allocations

Prior to every required comprehensive plan update, the Washington Office of Financial Management (OFM) provides a forecast showing possible population growth for the entire County. In the case of Spokane County, the last round of forecasts was issued

by OFM in 2022, providing a range for countywide growth through 2050. By the requirements of GMA, jurisdictions in Spokane County are required to plan their next update to consider growth from 2026 to 2046 (20-years). As such, the OFM forecast covers more than enough time for any local analysis.

When OFM provides an updated population forecast, they typically offer three levels of growth: high, middle, and low. The middle level represents the forecast statistical mean, while the high and low ranges provide the maximum and minimum growth regional jurisdictions can use if they prefer to adjust the medium upwards or downwards according to local conditions or specific data not generally available to OFM.

In the case of Spokane County, the Steering Committee of Elected Officials (SCEO) recommended (and the BOCC adopted) the middle forecast for overall growth in the County. Accordingly, Spokane County should expect that growth in the County follows the curve shown in **Figure 3** on the following page. According to the adopted forecast, Spokane County must plan for a 2046 population of 654,665. Compared to the 2023 population for the county of 554,600, the County must plan to grow by 100,065 people between 2023 and 2046. The level of growth represents an increase of 18 percent over twenty years, or approximately 0.9 percent per year.

Following adoption of the countywide growth forecast, the SCEO recommended allocating growth among the individual jurisdictions and areas according to a 10-year historic growth trend. Reviewers should note that only four years of data was readily available for areas outside incorporated boundaries (cities and towns) due to the changing size of the UGA.

According to the growth apportionment adopted by BOCC (see **Figure 4**), the City of Spokane must plan to grow by 23,357 between 2023 and 2046, growing approximately 10 percent overall throughout the 23 years. This represents approximately 1,015 people per year, though actual growth is expected to fluctuate up and down from year to year.

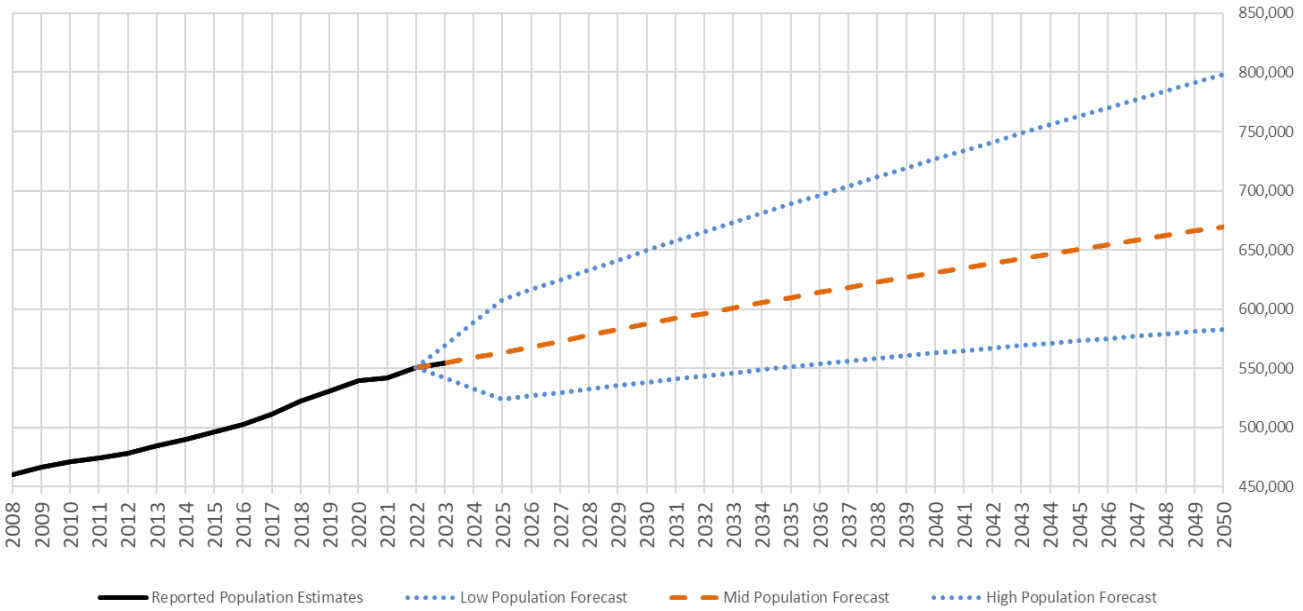
For the purposes of the LCA, the City must determine if there is sufficient land capacity remaining in the city boundaries to accommodate 23,357 more people. To do this, the City has conducted the analysis outlined in this report, consistent with the methodology provided by the CPPs.

IV. Methodology Basic Considerations

The function of the LCA is primarily residential. Commercial and Industrial zoned property is roughly categorized and quantified, but there is no agreed upon regional methodology to determine the amount of commercial and industrial land needed to accommodate growth. Accordingly, this study will not provide information as to whether the City can accommodate expected commercial/industrial growth.

To determine residential capacity, the LCA methodology provides a few basic steps, each with its own assumptions and applications, ultimately seeking to answer the main question of the overall analysis, whether the jurisdiction have sufficient land to

Figure 3: 2022 Spokane County Growth Estimates (Low, Mid, High) by WA Office of Financial Management



***Source**: OFM, December 2022.*

***Notes**: Reported population estimates have been corrected by annual jurisdiction reports through 2023. Middle forecast represents the mathematically calculated growth trend based on historic data and is the most likely scenario for growth in Spokane County. High and low estimates are generated by an average over/under percentage growth rate, representing the maximum and minimum expected growth.*

Figure 4: Adopted Growth Allocation–Spokane County and Incorporated Cities and Towns

Jurisdiction	2023 Population	% of Total in 2023	% of Future Growth	Additional Population by 2046	Total Population in 2046
Spokane County (Whole)[1]	554,600	100.00%	100.00%	100,065	654,665
Unincorporated Outside UGA	93,934	16.94%	4.70%	4,708	98,642
Unincorporated Inside UGA	69,456	12.52%	30.51%	30,528	99,984
Airway Heights	11,280	2.03%	6.66%	6,665	17,945
Cheney	13,160	2.37%	3.37%	3,375	16,535
Deer Park	4,925	0.89%	1.36%	1,365	6,290
Fairfield[2]	600	0.11%	0.00%	0	600
Latah[2]	185	0.03%	0.00%	0	185
Liberty Lake	13,150	2.37%	8.78%	8,784	21,934
Medical Lake	4,915	0.89%	0.24%	244	5,159
Millwood	1,925	0.35%	0.05%	49	1,974
Rockford	570	0.10%	0.07%	66	636
Spangle[2]	280	0.05%	0.00%	0	280
Spokane (City)	**232,700**	**41.96%**	**23.34%**	**23,357**	**256,057**
Spokane Valley	107,400	19.37%	20.90%	20,913	128,313
Waverly	120	0.02%	0.01%	11	131

***Source**: SCEO, May 2024.*

***Notes**: 1. The Spokane County whole population number for 2046 conforms to the middle forecast issued by OFM in 2022.*
2. These three assume zero population growth, though each community is expected to grow very slightly over twenty years. Trend data was not sufficient to determine to what degree this might occur, given the very small geographic area each community represents.

accommodate growth. To this end, the process includes the following general steps:

1. Classify land into three categories, each of which represents at least some amount of capacity, including:
    a. Vacant: Land in a generally undeveloped state, inside which the jurisdiction can expect future development.
    b. Partially Used: Land which contains some development but also sufficient vacant/undeveloped land to allow for future development.
    c. Underutilized: Land which has been designated or zoned for more intense use, but currently contains less intense development (i.e a single-unit house on a parcel zoned for multi-unit development).
2. Subtract from those lands any of the following:
    a. Unbuildable areas such as wetlands, steep slopes, unstable soils, critical areas, etc.
    b. Areas needed for other uses, such as internal roadways/infrastructure, open space, power transmission, transportation uses, etc.
    c. Any other lands that the jurisdiction has information precluding its redevelopment or use as residential capacity (i.e. areas of known subsurface pollution, publicly owned property, future needs of essential public facilities like schools or airports).
3. Subtract a percentage of the total capacity to account for market factors, essentially topics that limit development but are generally unknown or unquantifiable (willingness of individual property owners to redevelop/ develop, sales of property, etc.)
4. Multiply the remaining areas by an assumed density (units/acre), resulting in the capacity in dwelling units available in the jurisdiction.
5. Multiply the number of units by an assumed number of people per unit, resulting in the theoretical population that can be accommodated by those areas.

While the LCA methodology included in the CPPs requires the use of these overall steps, some flexibility exists within the process to allow jurisdictions to use better information when available and to adjust the assumptions to conform to local policy/ vision, understanding, and technical knowledge. The following list represents some of the adjustments and deviations that can be made at the local level when conducting an LCA, as allowed by the regionally adopted methodology:

- If a jurisdiction has conducted a local area study that provides much more specific information on development capacity of a given area, that information can be

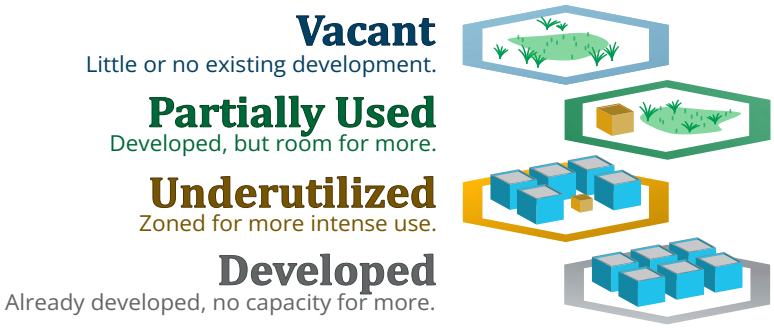
used instead.[1]

- Each jurisdiction can determine the assumed density of their zones/land uses as well as the potential people per dwelling unit of various uses and residential types.
- Guidance in the LCA as to which properties may qualify as "vacant," "partially used," or "underutilized" are basic guidelines, which Cities can augment with their own analysis and understanding.
- The City's current land use map and zoning map inform future development, where it will occur, and to what intensity. The LCA assumes that the local designations continue as they are. In other words, changes that may be introduced during the periodic update to the comprehensive plan but which have not yet been adopted are not included in this analysis.
- Even though most local jurisdictions have not adopted zoning regulations commensurate with the requirements of House Bill 1110 (the "Middle Housing" bill), jurisdictions may assume that local development capacity calculations include increased unit counts/density commensurate with the changes required by HB 1110, as those changes are not optional for most cities even if they have not yet adopted them.

V. LCA Step 1: Land Classification

The first step in the LCA process is to classify the City's land into one of four possible areas: vacant, partially used, underdeveloped, and 'developed.' Developed areas do not provide residential capacity within the 20-year planning horizon and thus are not discussed or categorized here. However, the other three classifications represent specific physical conditions and potential capacity in different ways. The categories are shown in summary in **Figure 5** at left, and described in detail, as follows:

Figure 5: LCA Land Classifications



Vacant Land

Vacant land is that which contains no or virtually no existing development. In general, the methodology states that vacant lands are those with an assessed improvement value of less than $5,000. However, jurisdictions may–and in this case the City of Spokane did–

[1] *For instance, the City of Spokane has recently completed an Environmental Impact Statement (EIS) for the South Logan Transit-Oriented Development Study. This EIS includes exact residential development capacity of the Preferred Alternative, which has thus been adopted by the City and incorporated into the Zoning Code, Zoning Map, and Comprehensive Plan. Accordingly, the City will be using the EIS to inform capacity in that area rather than the overall LCA methodology.*

amend this based on review of the individual parcels themselves or by use of other more detailed studies.

In the case of the City of Spokane, staff used the $5,000 value cap as a method for selecting *possible* vacant parcels. However, this list was then augmented using a number of sources, including:

- **City Permit reporting**, including demolitions and new building permits, which allowed the City to account for conditions that may have changed faster than the County Assessor could update their data.

  Effect on Analysis: Increased capacity.

- **Review of both 2022 and 2024 high-resolution aerial photography**, to identify parcels where assessor data was either in error or physical conditions may preclude a parcel from development.

  Effect on Analysis: Refined classification, both increasing and decreasing capacity by local conditions.

- **Public property lists and rolls**, eliminating not only property owned by the City itself and its various departments and functions, but also quasi-public lands such as those owned by Avista or other NGOs operating in the area.

  Effect on Analysis: Reduced capacity.

- **Use of parcel data as well as City records** to eliminate parcels with zero improvement value but actually containing development. This occurs frequently where development spans more than one parcel, but for the purposes of not double taxing the property owner the County Assessor limits improvement value to only one of the parcels. A significant example is Riverpark Square, the mall downtown, which sits on seven parcels, only one of which shows any improvement value in County parcel data.

  Effect on Analysis: Reduced capacity.

- **Planned Unit Development (PUD) data**[2]. The City of Spokane currently contains more than 130 PUD overlays of varying age and size. Because PUDs include a greater level of detail and typically include significant information relating to capacity and future residential development, these areas were handled separately by the City. See later in this report for an accounting of the capacity generated by PUDs in the city.

  Effect on Analysis: Increased capacity as well as better specific information.

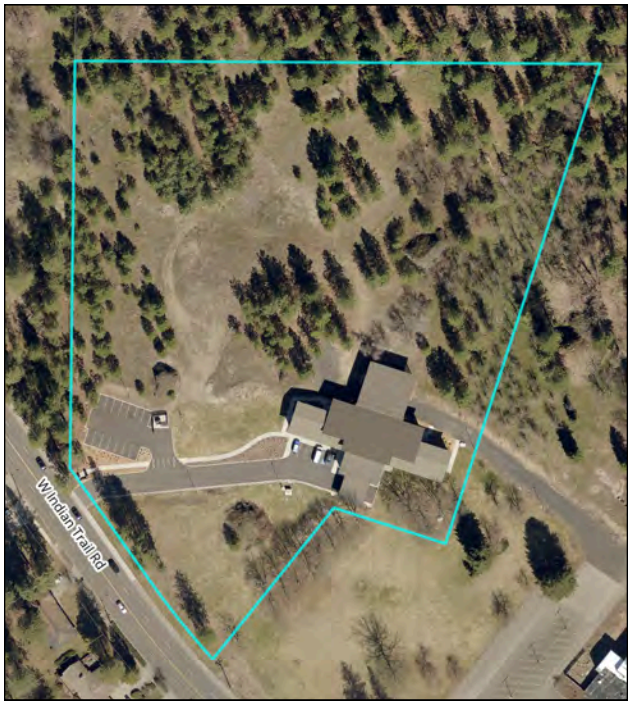
Partially Used Land

According to the adopted methodology, partially used land is that which may contain

[2] In almost all cases, PUD data was gleaned from both plat maps and Hearing Examiner decisions on record with the City.

some development, such as a single house, but the lot size is large enough to either be subdivided and built out at a greater number of units, or simply developed with additional residential units on the same property. A good example of a partially used lot is shown in **Figure 6** at right. This parcel is large (6.9 acres) and contains a small service use with surface parking and a driveway. This parcel is certainly not vacant and it's possible future sale and/or subdivision and development could provide a significant number of units in residential capacity. In fact, the owner of this parcel is currently working on permits to fill the remaining land with homes.

Figure 6: Example of a Partially Used Parcel



The LCA methodology suggests that jurisdictions consider partially used parcels to be those that exceed eight times the minimum lot size for that zone, such that the given parcel could be subdivided into at least eight separate developable lots. The City of Spokane utilized this factor to help select *possible* partially used lots, but augmented the search using locally available data. Most significantly, City staff was able to use existing building footprint data compared to the overall parcel area to determine lots that might not meet the "eight times the minimum lot size" condition but might be found in locations ripe for redevelopment and subdivison. This included areas where the City feels infill development pressure is high enough to impel property owners to consider multi-unit improvements on larger lots where the economy of scale was previously not sufficient to consider such a move.

In addition to the physical properties of the site, it is important to note that changes to the Spokane Municipal Code (SMC) in 2024 allow for multiple units to be built on all R1 and R2 zoned parcels, in line with the requirements of HB 1110, the Middle Housing Bill[3]. Because of this, the "eight times' minimum is not the only factor used by staff when identifying possible 'partially used' sites.

Every parcel identified as partially used in this analysis was considered on a site-by-site basis to winnow out any parcels that might be large enough but for which there are extenuating conditions or situations that preclude development. Parcels eliminated by this additional review reduced capacity somewhat overall. One of these related to the value of the overall improvements on the property, as suggested by the LCA methodology

[3] *Washington State House Bill 1110 (2023)*

itself. In the case where the home and improvements were significantly valuable to prevent likely redevelopment of the site those sites have been discounted from the total capacity.

Just because a parcel is designated partially used does not mean that the City expects it to provide future residential capacity. Adjustments have been made on a parcel-by-parcel basis to ensure that a conservative estimate of units on 'partially used' land was provided.

Underdeveloped Land

Underdeveloped land is far simpler to identify than perhaps the other two categories, in that its definition is the most concise. Underdeveloped land is that which contains an existing developed use but that use is at a lower density or intensity than what has been designated in the City's comprehensive plan or zoning. For example, a single-unit home in a multi-unit zone would be considered underdeveloped. Likewise, a single-unit home in a commercial zone is technically underdeveloped, as the SMC allows for higher intensity residential development in all commercial zones.

Underdeveloped land is common in areas where zoning has changed over the years, or the City has amended its growth strategy significantly in the past. One example exists south of E Sprague Ave, along the Sprague Center[4]. This area is zoned RMF (residential multi-family) but is occupied by predominantly single-unit homes. Accordingly, the area represents additional residential capacity and is thus classified as underdeveloped in the City's analysis.

Multiple Classifications

A vacant parcel naturally contains zero development, preventing that parcel from being classified partially used or underdeveloped. Therefore, being classified vacant is an exclusive condition. However, the same is not true for partially used and underutilized parcels. Because the partially used category concerns the amount of development on a site and underutilized only concerns the type of that development, it's possible for a parcel to be classified as both. Three such parcels in the City of Spokane meet the qualifications for both partially used and underutilized status. Each of the three are currently zoned for Industrial use precluding any residential development[5]. Thus, they do not have any impact on the City's residential capacity or the conclusions of this report.

Secondary Review and Error Checking

There are nearly 81,000 parcels in the City of Spokane, 8,900 of which have been classified as either vacant, partially-used, or underdeveloped. While in limited cases staff has reviewed individual parcels (as described above), the sheer number of parcels is simply too large to allow for a site-by-site analysis of all classified parcels.

Also of note, Staff pulled all parcel data for the City from the County Assessor's parcel

[4] See "Centers and Corridors" as described by the City's Comprehensive Plan, the City's primary growth strategy since 2001.

[5] Per SMC Table 17C.130.100-1

data in March 2024. Some permit data was used to update the parcels since that date, but to avoid conflicts and errors in the data from multiple extractions, staff has not made a full copy of the parcel data to work from since that date. As such, some development or other changes to a few of the classified parcels may have occurred between the time the data was pulled for analysis and the publication of this report.

Furthermore, no data set of this size is perfect. There are errors inherent in any large information system like this. Where errors were identified along the way, such as incorrect improvement values or owner status, staff has made corrections to the data manually. However, while staff has done their best to eliminate any errors as they have been identified, it's possible that a few may have been missed, solely because of the enormous scale of the analysis.

Reviewers are reminded that if an error is identified for a single parcel on a map or other part of this document, that is not indicative of an error in the overall analysis. An LCA is intended to be a city-scale exercise, not a site-by-site consideration. Nor is a site-by-site level of detail necessary to come to a conclusion as to the overall capacity a City contains.

Exception for Planned Unit Developments (PUDs)

Because a PUD includes a greater degree of certainty as to the future build-out of the area, the City has chosen not to utilize the LCA methodology when determining the capacity of these areas. If a PUD is approved and development is vested (usually by the adoption of one or more final plats) then the City will assume the remainder of the PUD will build out as proposed by the developer and approved by the Hearing Examiner (for PUDs) and City Council (for zoning overlays). Accordingly, land within vested PUDs is not generally included in the following land charts and tables. More information on the capacity represented by the City's more than 130 PUDs is included in **Section XIII** of this report.

While Preliminary Plats may provide additional information as to the expected future development capacity of a given area, the analysis presented herein does not utilize preliminary platting. Instead, the assumptions in the overall LCA are utilized in these areas.

Classification Results: Vacant, Partially Used, and Underutilized

Following multiple reviews and error-checking, City staff classified over 8,900 parcels as either vacant, partially used, or underutilized. Those parcels, and their gross area, are outlined in **Figure 7** on the following page.

Note that the areas described in **Figure 7** are indicative of the *entire* parcel area. Not included are existing rights-of-way and other features outside traditional fee-simple parcels. Also, the City has not included public lands such as parks properties, transmission line corridors, transportation parcels (i.e. railroads, airport land, etc.), but features such as steep slopes, wetlands, and unstable soils are still included in the total area listed above. They were subtracted in Step 2, outlined later in this report.

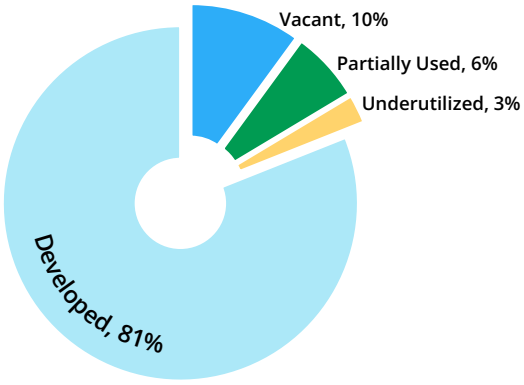
Figure 7: Summary of Classified Parcels in the City of Spokane and their Proportion to the Whole

Classification[1]	Parcels (Count)	Area[2] (Size)
Vacant	3,681	3,521.4
Partially Used	736	2,230.3
Underutilized	4,503	899.5
Developed	72,042	28,429.4

***Source**: City of Spokane, LCA Analysis, 2024*

***Notes**: 1. Some parcels in the vacant, partially used, or underutilized classification may represent zero residential capacity due to site conditions or other limiting factors.*

2. Area denotes the net parcel area, regardless of site conditions or pre-existing development.



Because this analysis must ultimately apply an assumed residential density to these classified parcels to determine the population they might hold, staff has grouped these classified parcels into "density groups." These are groups of various zoning districts that provide similar residential development potential. For reference, those groups are:

- Residential Low: RA, R1, and R2 zones
- Residential High: RMF and RHD zones
- Commercial/Office/CC: CC1, CC2, CC3, CC4, CB, CA1, CA2, CA3, CA4, GC, NR, O, and OR zones
- Downtown: DTC, DTG, DTU, DTS zones
- Industrial: LI & HI

According to the City of Spokane Comprehensive Plan, and the resulting standards of the zoning code (SMC Title 17C), all zones allow for residential development, except for industrial zones. Furthermore, the City's current growth strategy identifies several Centers and Corridors where growth is focused. Accordingly, those groups are enumerated separately.

For a complete summary of the various classifications of lands (outside PUDs) and their zoning groups, see **Figure 8** on the following page.

VI. LCA Step 2: Subtract Physically Unbuildable Lands

The second step in the methodology involves removing from the classified parcels any areas that are "not developable because of physical limitations." These include steep slopes (those over 30 percent grade), unstable soils, wetlands and surface waters, and any other areas precluded from development by local, state, or federal policies or laws. In the case of wetlands and other jurisdictional areas, not only was the surface feature removed from the parcel area but so were the required buffers from those features. The distance those buffers represent was informed directly by the SMC and other applicable regulations.

Figure 8: Classified Parcels by Density Group (Outside PUDs and South Logan)

	Residential Low		Residential High		Comm/Office/CC	
Classification	**Parcels**	**Acres**	**Parcels**	**Acres**	**Parcels**	**Acres**
Vacant	1,738	1,469.2	275	195.3	659	388.9
Partially Used	492	1,204.9	23	164.9	82	398.0
Underutilized	19	59.3	2,266	362.0	1,167	240.1

	Downtown		Industrial	
Classification	**Parcels**	**Acres**	**Parcels**	**Acres**
Vacant	94	28.7	392	732.7
Partially Used	32	49.9	89	316.0
Underutilized	192	44.0	268	86.1

***Source**: City of Spokane, LCA Analysis, 2024*

***Notes**: In the case of split zoned parcels, preference was given to the amount of residential zoned land. Note that industrial areas are included here for informational purposes, but for the LCA these areas are not considered to provide residential capacity.*

The areas removed from the classified parcels included the following:

- Wetlands and their buffers, as provided by U.S. Department of the Interior, Fish and Wildlife Service, Washington.
- Steep slopes and unstable soils, as mapped by the City of Spokane GIS department. Steep slopes were generated by 2015 LIDAR data provided by the U.S. Department of the Interior. Unstable soils generated according to the Soil survey data, also provided by the U.S. Department of the Interior. Known rock outcroppings and site boulders mapped by City GIS staff.
- The Spokane River, Latah Creek, and all other jurisdictional waters up to the ordinary high water mark, as determined by orthographic photography by the City of Spokane, 2022.
- Shoreline Jurisdictional Areas mapped according to SMC 17E.060 that preclude development.
- Other small areas of known natural/cultural resources and other physical impediments to development, manually mapped by City staff during the analysis.

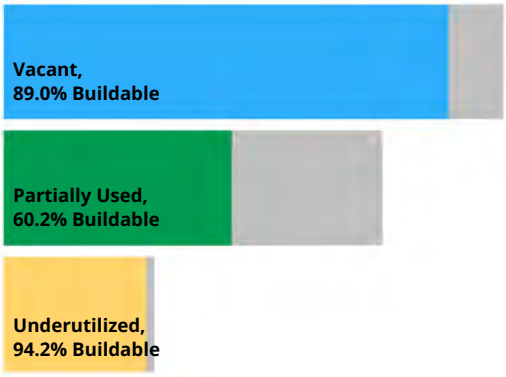
The area of these features within each parcel were quantified by GIS software. Additionally, City staff measured the area of each existing development on partially used parcels. For instance, if a home exists on the parcel City staff measured the footprint of the home, any hardscape or landscape, and outbuildings like garages to build into the assumptions that the existing home/structure would remain.

All of the various areas identified above were quantified for each classified parcel and then added to develop an “unbuildable acres” for each parcel. This was done mathematically and did not require any additional manipulation by City staff. By subtracting the unbuildable acres from the overall size of the parcel, a theoretical

"buildable acres" was calculated for each parcel as well. The results are shown in **Figure 9** below.

Figure 9: Buildable Acres by Classification (Outside PUDs and South Logan)

Classification	Gross Acres	Buildable Acres	Percent Unbuildable
Vacant	2,814.7	2,503.7	11.0%
Partially Used	2,133.8	1,284.7	39.8%
Underutilized	791.6	745.5	5.8%
TOTAL	**5,740.1**	**4,533.8**	**21.0%**



***Source**: City of Spokane, LCA Analysis, 2024*

***Notes**: Buildable acres are those wherein there exist no physical features that would preclude future development, such as steep slopes, unstable soils, wetlands, etc. Some quantification of these features was made manually by City staff according to local conditions.*

In the case of partially used and underutilized parcels, some special considerations are included in the table above and the completion of this step in the process. See the following section for details.

VII. Applied Special Considerations

During regional discussions with decision makers and stakeholders, some concerns were raised that Partially Used and Underutilized lands may experience a greater degree of moderating market forces that will reduce overall capacity. These two areas are handled specially, as described below.

Special Consideration for Partially Used Capacity

Regarding those properties classified as "partially used," a simple accounting of buildable acres multiplied by the assumed density may overstate the capacity represented by the parcel. The simple presence of a pre-existing use on the property may have a moderating effect on future development potential for that parcel. While investigations have been made to find a factor or factors that would indicate the degree to which a partially used parcel might redevelop in the planning horizon, the City was unable to find a conclusive correlation between any of the known parcel data and the likelihood of redevelopment.

With that in mind, selection of partially used parcels in the city and calculation of the resulting buildable area of each parcel factored in the existing use to the maximum extent possible. Where a home exists on a partially used parcel, for example, staff withdrew the area of the home and a reasonable-sized yard from the overall buildable acreage. Accordingly, a 1-acre parcel with a single home and no other impediments to development was reduced in buildable area by as much as 25 percent to account for the existing home and its yard(s). This was possible given both existing parcel data and the City's detailed surveys of building footprints. Ultimately, this is part of why the amount of unbuildable land in Figure 9 is larger for partially used parcels.

Special Consideration for Underutilized Capacity

Underutilized parcels are a special case, in that they not only contain pre-existing development as partially used parcels do, but existing development likely occupies the entire parcel. The factors involved in completely redeveloping an existing, operating parcel are many and complex. To this end, the LCA methodology[6] suggests that jurisdictions should select for those parcels where the improvement value is four times or less the value of the land as having a higher likelihood of redevelopment. For the final capacity count outside of PUDs, City staff has limited the underutilized parcels that provided unit counts to only those whose improvement value is less than or equal to four times the land value.

VIII. LCA Step 3: Subtract Lands Needed for Other Purposes

After removing physical impediments to development, the adopted methodology allows for the removal of any lands "needed for other public purposes." In general, this indicates lands needed for utility corridors, landfills, sewage treatment plants, recreation facilities, schools, and other public uses. These uses need not be existing ones—planned and future facilities should be accommodated as well.

To remove these lands from the capacity calculation, City staff used the City's existing inventory of City property, which included Parks and Recreation lands. To this, staff added facilities owned by the following entities (as determined by parcel data):

- School Districts (all three whose boundaries include the city);
- Avista Corporation;
- Gonzaga University[7];
- Burlington Northern / Santa Fe Railroad (and all derivatives);
- State of Washington;
- Spokane Airports;
- Washington Department of Transportation;
- Washington Department of Natural Resources;
- Washington Department of Fish & Wildlife;
- United States Government (and all departments);
- Other known governmental agencies and non-governmental organizations whose mission does not include the provision of housing.

Every parcel that was identified through this step was manually adjusted to subtract them from the vacant, partially used, or underutilized categories. Accordingly, they have already been discounted from the numbers presented in Figures 4, 5, and 6 above and no adjustment of those numbers is necessary.

[6] *Adopted by the Spokane Board of County Commissioners and appended to the Countywide Planning Policies*.

[7] This was limited to those Gonzaga properties with a Land Use Plan Map designation in the Comprehensive Plan of "institutional," as areas outside this owned by Gonzaga has, in the past, included development of traditional multi-unit apartments.

A Note on Rights-of-Way and Common Lands Within Large Lots

Large lot development is often distinct from smaller developments because a percentage of capacity is lost to the provision of internal roadways, public spaces, sidewalks, trails, and other appurtenances to planned communities. Outside of existing PUDs, this area must be considered because land used for roads and sidewalks naturally cannot be used to construct housing units. To that end, the LCA methodology allows jurisdictions to subtract a percentage of the available land—an amount to be determined by each jurisdiction.

In the case of the City of Spokane, the same assumption used in the prior two LCA analyses (2015 and 2008) was utilized, wherein 15 percent of large lot areas was subtracted from the total. To do this, staff separated out by size those parcels where internal roadways are unlikely. So called 'small lots' were those of no more than two acres, commensurate with SMC development standards wherein parcels of 2 acres or less are not subject to a density limitations (see SMC 17C.111.205). For any parcels greater than 2 acres in size, staff reduced the buildable acres by 15 percent to account for internal losses due to roadways, playgrounds, trash enclosures, etc.

All of the various areas identified above were quantified for each classified parcel and then added to develop an "unbuildable acres" for each parcel. This was done mathematically and did not require any additional manipulation by City staff. By subtracting the unbuildable acres from the overall size of the parcel, a theoretical "buildable acres" was calculated for each parcel as well. The results are shown in **Figure 9** above.

In addition to the parcels removed from capacity consideration in previous steps, after Step 3 was complete about 10 percent of remaining vacant parcels were found to be unbuildable, while nearly 40 percent of partially used parcels were unbuildable. This was due in part to the assumption that the existing development on partially used parcels would remain if development of the undeveloped portion of the parcel were later developed. Lastly, only about 5 percent of underutilized parcels was found to be unbuildable.

IX. LCA Step 4: Market Factor and the Unknown

In any such exercise like the LCA, the scale of analysis is such that it is impossible to know every individual factor that comes into play when determining whether a given parcel will develop and, if so, how much residential capacity it will accommodate. To factor this into the analysis, GMA provides for the use of a market factor, a mathematical reduction in overall capacity intending to quantify all the unknown factors involved. These unknown and unquantified factors include:

- Market conditions over 20 years;
- Willingness and interest of individual property owners to sell/develop/subdivide their property;

- The speed at which development may occur even in cases where it is desired by the property owner;
- The effect of property speculation and long-term holdings;
- The availability of financing/insurance/etc.; and,
- The capacity of the local construction industry to respond to changing demand.

Where, thus far, the methodology has attempted to quantify the physical availability of certain lands for future development, market factor is included to account for the effect of development likelihood and owner/developer willingness. It is an adjustment taken from the total to account for the myriad unknown factors that play on likely development.

Despite much debate at the regional and jurisdictional level, as well as multiple studies by the Washington Department of Commerce and others seeking to determine a market factor to apply, all attempts have generally found that there is no one simple value that is most realistic or effective. To that end, Spokane County and the various jurisdictions returned to the same value within the UGA as the last LCA process, that of a 30 percent reduction overall.

Market factor is, in essence, an attempt to quantify the unknowable. To this end, it cannot be accurately applied on a site-by-site basis. As a result, the regionally adopted methodology envisions this factor being applied at the end of the process, as an off-the-top adjustment of the overall capacity. As a result, the City has reduced the overall unit capacity by 30 percent overall, regardless of location or site condition. See Section XI below for an accounting of the effects of Market Factor on City of Spokane housing capacity.

X. LCA Step 5: Determine Capacity via Assumed Densities

Once it's clear how many acres of buildable land are available, the City must apply a range of density assumptions to that land to calculate a theoretical dwelling unit capacity in the City. The development density (units per acre) is not the same across all zones and locations throughout the City. Thus, a range of density assumptions has been developed that allows the City to make a nuanced, realistic calculation of potential dwelling unit capacity represented by any given parcel in the City.

In summary, the density assumptions listed in **Figure 10** on the following page have been applied to the classified lands to determine the number of units likely to be developed in 20 years. For more details on these assumptions and how they were determined, see Appendix A at the end of this report. Some additional considerations are discussed below as well.

Low Intensity Residential

Unlike the other density groups, assumptions for density in low-intensity zones areas differ depending on location within the City. This is due to existing development features

Figure 10: Density Assumptions for LCA Calculation by Zone Type

Density Group / Class	Assumed Density	Source
Low-Intensity Residential (Zone RA, R1 & R2)	5-9 units/acre depending on location[1]	Interpolated existing density by survey section
High-Intensity Residential (Zone RMF & RHD)	29 units/acre	Analysis of multi-unit permits since 2019
Accessory Dwelling Units (ADU)	600 ADUs over 20 years, regardless of location	Permit history since 2008
Downtown (Zone DTU, DTC, DTG, DTS)	44.4 units/acre, applied to 33% of zone	Analysis of non-residential zone development since 2022
Non-Residential Zones (Zone NR, GC, CB, O, OR)	30.2 units/acre, applied to 33% of zone	Analysis of non-residential zone development since 2022

Source*: City of Spokane (2025) LCA 2025: Proposed Residential Density Assumptions.* **Appendix A** *to this report.*
Notes*: 1. See Figure 9 for the specific locations where different low-intensity residential densities are to be applied.*

within those areas, wherein residential density has historically differed. Generally higher density is found nearer the city's core and density decreases as the distance to the river and downtown grows. Accordingly, the density assumptions applied in this analysis conform to those shown in **Figure 11** on the following page. Note that the only applies to low-intensity residential zones *outside* of PUDs.

Effects of Recent Housing Changes (BOCA/BOH)

As outlined in the density analysis in Appendix A of this report, the City has not assumed any direct impact of the Building Opportunity and Choices for All (BOCA)[8] and Building Opportunity for Housing (BOH)[9] ordinances on low-intensity residential density assumptions. That isn't to say that the BOCA/BOH ordinances have no effect, or that they have "failed" as has been asserted by some. Rather, these changes are simply too recent to have provided sufficient statistical data to project such a long time into the future (20 years). Accordingly, this analysis does not provide for a direct bonus to residential development as a result of BOCA/BOH.

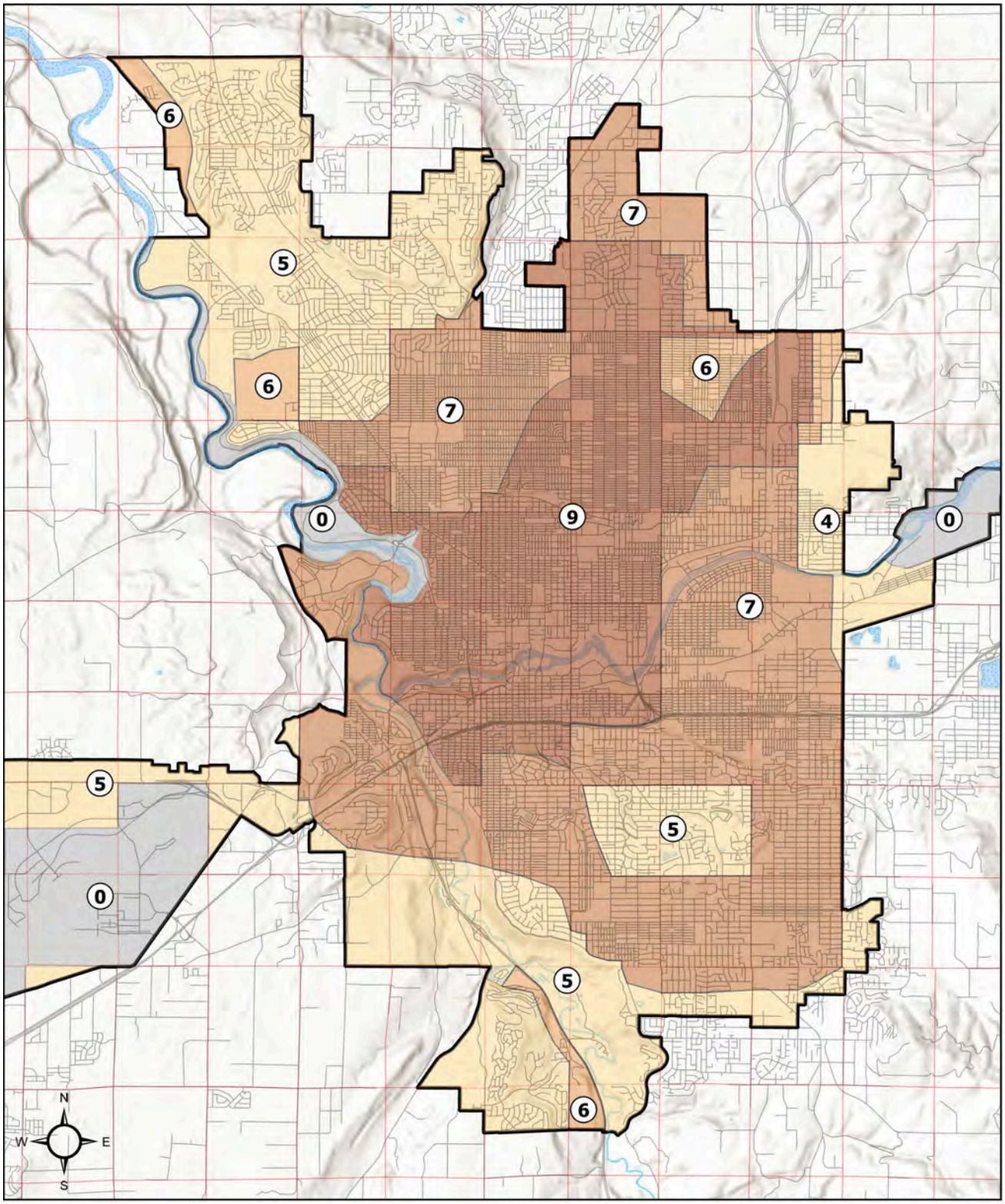
The City will continue to track these ordinances and their effects and consider what data is available at the five-year progress check required by GMA. At that time, it should be clearer what level of impact these (and other) recent ordinances have had on the development environment in Spokane.

A Note on Accessory Dwelling Units

Contrasting BOCA/BOH data, the City has significant data on recent changes to ADU standards and the resulting development demand to apply those data to expected ADU development. However, unlike more traditional housing unit development, ADU potential

[8] Ordinance C36232, Adopted July 18, 2022
[9] Ordinance C36459, Adopted November 20, 2023

Figure 11: Low-Intensity Residential Density Assumptions by Location (Units/Acre)



Source: *City of Spokane (2025) LCA 2025: Proposed Residential Density Assumptions. Appendix A to this report.*

Notes: *The number indicated represents the assumed low-intensity residential density (units/acre) to be applied in that area. These assumptions are applied only to low-intensity residential parcels (zoned R1 or R2) and only outside of Planned Unit Developments.*

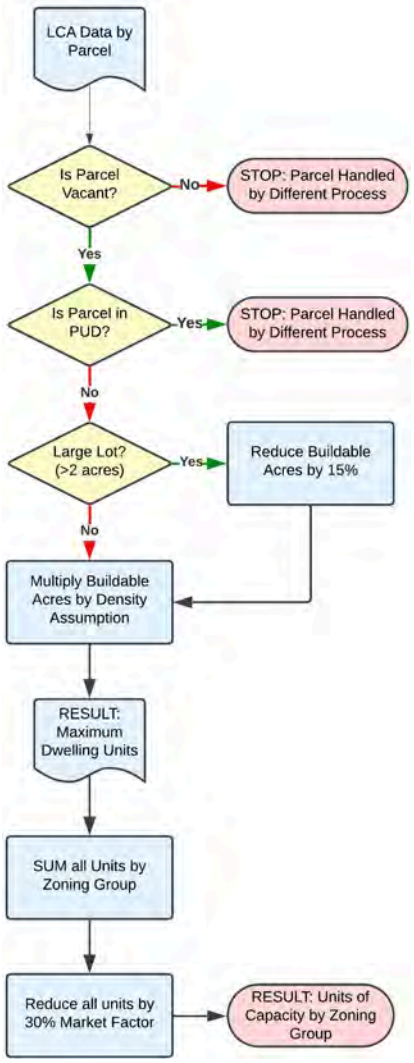
is equally split in the city among new development on vacant parcels and that seen in previously developed areas. In other words, the potential for an ADU to be developed seems to be equal among vacant and developed parcels in the City. To this end, the assumption is that ADU development will follow along recent levels citywide–approximately 30 per year, regardless of location. Accordingly, this LCA assumes 600 ADU units throughout the planning horizon and will not attempt to locate those geographically in the City.

As with BOCA/BOH effects on housing development, staff recommends that ADU development continue to be tracked over time to discern if the amount per year is changing. With more data, the ADU assumptions in the five-year review of development required by GMA may be amended in 2031.

Process for Applying Density to Classified Land

Rather than take the total land in each density group and apply the assumption universally, the City attempted to further refine the results by addressing each parcel individually. The basic process taken with each parcel was applied mathematically and did not require direct attention for each of the classified parcels. GIS tools were used to follow an ordered process that selected for the proper parcels, applied the correct assumptions, and determined the likely unit carrying capacity of each parcel individually. The process followed conforms to flow depicted in **Figure 12** at right.

Figure 12: Unit Calculation Flow–Vacant Parcels Only



Essentially, maximum units were determined for each parcel based on its acres of buildable land (gross acreage minus all factors that affect development from steps 2 and 3 above), multiplied by the appropriate density assumption from **Figure 10**. By doing this, the City informed the units any given parcel could contain by local conditions, but also used globally applied factors to ensure that a conservative assumption of capacity is achieved. Once a potential number of units was determined for each parcel, those units were added together by zoning group and then reduced by the 30 percent market factor. Thus, individual parcel characteristics played a part in capacity up *until* the market factor, which is itself not geographically linked.

By applying the density assumptions in **Figure 10** to the land classifications, the City found a maximum theoretical residential capacity in the city (before market factor is applied) of approximately 36,500 units. Now that a theoretical maximum capacity was calculated, it only remained to remove the 30 percent market factor to find the total capacity for each density group. Once the 30 percent market factor was subtracted, the capacity shown in **Figure 13** on the following page resulted.

Figure 13: Unit Capacity by Classification and Density Group (Outside PUDs and South Logan)

	Low-Intensity Residential			High-Intensity Residential		
Classification	Parcels	Max Units[1]	Units of Capacity[2]	Parcels	Max Units[1]	Units of Capacity[2]
Vacant	1,738	7,038	4,927	275	4,629	3,240
Partially Used	492	4,364	3,055	23	2,239	1,567
Underutilized	19	210	147	2,266	7,234	5,064
	Commercial/Office/CC			**Downtown**		
	Parcels	Max Units[1]	Units of Capacity[2]	Parcels	Max Units[1]	Units of Capacity[2]
Vacant	659	2,758	1,931	94	351	246
Partially Used	82	570	399	32	355	249
Underutilized	1,167	1,890	1,323	192	647	453
	TOTAL[3]					
	Parcels	Max Units[1]	Units of Capacity[2]			
Vacant	**2,766**	**14,777**	**10,344**			
Partially Used	**629**	**7,528**	**5,270**			
Underutilized	**3,644**	**9,981**	**6,987**			

Source: City of Spokane, LCA Analysis, 2024

Notes: High Industrial properties represent zero residential capacity in the city, thus they are not included in this table.

*1. Max Units represent the total buildable area multiplied by the density assumptions for that group, as described in **Figure 9**.*

2. Units of Capacity is equal to Max Units reduced by the 30 percent Market Factor.

3. TOTAL numbers represent the sum of all density groups.

XI. Converting Units to Population

The adopted LCA Methodology is general in describing the method jurisdictions should utilize to convert units to population. There are many factors that can play into such a conversion–some of which vary greatly from jurisdiction to jurisdiction. Additionally, thee factors change over time–necessitating some adjustment for the 20-year time frame of the LCA.

Perhaps the greatest single factor involved in converting housing units to population is average people per household–the average number of people living in a particular unit. Simply put, if households are larger, more people can be expected from a given number of housing units. Conversely, if household sizes are small, fewer people will be housed in the same number of housing units. To that end, staff undertook an exploration of various characteristics of household size as reported by the U.S. Census Bureau as well as the Washington Office of Financial Management (OFM).

The Washington Department Commerce ('Commerce') has contracted with BERK Consulting to prepare various tools and models for forecasting housing need in the state, commensurate with the requirements of HB 1220 (2021). The efforts of Commerce and BERK have indicated that average household size in Spokane County may fall as much as

seven percent by 2046, falling from an average of 2.46 in 2020 to only 2.29 in 2046. Conversely, a linear trend created from American Communities Survey (ACS) 5-year data estimates for the City of Spokane show a *rise* from 2.28 in 2020 to 2.31 in 2046. Finally, OFM provides a year-by-year estimate of persons per household in the City of Spokane. OFM's current data show that people per household in Spokane has grown slightly over time, from 2.28 in 1992 to 2.33 in 2024.

There are clear variations between different data sets, though they are generally close. However, each data set explored above provides for a single household size, which ignores the fact that household sizes are different for different housing types. Only OFM data sets provided sufficient detail to discern differences in various housing types. OFM data has the added benefit of conforming to data used to form the countywide and various jurisdictions' population growth targets, adopted by BOCC earlier in 2024.

Via OFM's program for estimating population for each jurisdiction annually, OFM provided the number of occupied units and population living in various housing types for the City of Spokane. Housing types matched those reported each year by the City, including 1, 2, 3&4, and 5+ unit buildings. For each, OFM provides the total population in that housing type as well as the number occupied units. OFM reported these data points for each year since 1990.

A further complication occurs because the City provides for multiple housing types in various zones, making it difficult to parse household size to each zoning group. In other words, applying a 1-unit household size to all of a zoning group might under- or overstate the actual capacity that zoning group represents. To account for this, staff has combined the household size for 1, 2, and 3/4 unit buildings into a "middle housing" household size and will use the 5+ unit household size to represent "multi-unit housing" in the City.

Accordingly, the household sizes shown in **Figure 14** below will be used when calculating population capacity from unit capacity, namely 2.63 people per unit for middle housing and 1.60 people per household for middle housing. This is only slightly elevated from the numbers used in the last round of the LCA in 2015, when the City assumed 2.5 people per household in single- and two-family zones and 1.6 in multi-family zones.

Figure 14: Household Size Trend Analysis for Middle Housing and Multi-Unit

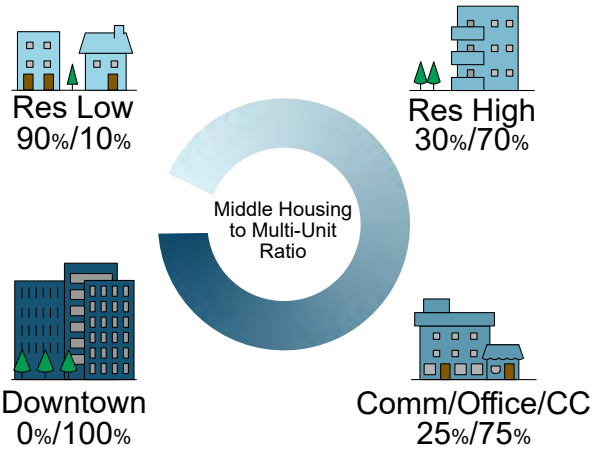
Housing Type	1990	2024	2046
Middle Housing (1-4 units)	2.50	2.59	2.63
Multi-Unit (5+ units)	1.46	1.59	1.60

***Source**: WA Office of Financial Management, POP_HU_PERM_2024 table, Components of Housing Unit Change Extract.*

***Notes**: 2046 assumption represents a linear trend created from 1992 to 2024 data for the City of Spokane.*

Further refinement of the resulting population capacity is possible when considering that not all of a particular zoning group will develop with one type or the other. Middle housing types are often constructed on smaller lots in higher intensity zones like commercial/office or centers and corridors. Middle housing, per the City's comprehensive plan, is appropriate everywhere housing is permitted and can integrate well into all types of neighborhoods. Accordingly, it is accurate to accommodate for some percentage of middle housing in each zoning group, save for perhaps downtown zones where middle housing development is much less likely. Accordingly, the analysis here assumes differing

Figure 15: Assumed Ratio of Middle Housing to Multi-Unit in Each Density Group



***Notes**: Indicated ratio is "middle housing" to "multi-unit". Middle housing denotes 1 to 4 units per structure. Multi-unit denotes 5 or more units per structure.*

proportions of middle housing to multi-unit development in each zoning group, as shown in **Figure 15** at left. This adjustment will be made mathematically rather than geographically, by applying the two household size assumptions to the proper percentage of all vacant/partially used/ underutilized land in those density groups. For instance, the analysis assumes that 90 percent of the vacant land capacity in the residential low zoning group will develop at 2.63 people per unit while 10 percent will develop at 1.60 people per unit.

In essence, for each density group the units of capacity were divided by the ratio in the figure above, multiplied by the persons per household assumption for that housing type, and then added together to find a total number of people each zoning group can accommodate. The results of this analysis are shown in **Figure 16** on the following page, providing the total population capacity for each zoning group, classified by whether that capacity comes from vacant land, partially used land, or underutilized land. As with everything in this section, the following table does not include the capacity represented by the various PUDs in the City. Those will be discussed in a following section.

Figure 16: Unit and Population Capacity by Density Group (Outside PUDs and South Logan)

	Low-Intensity Residential		High-Intensity Residential	
Classification	**Units**	**Population**	**Units**	**Population**
Vacant	4,927	12,450	3,240	6,186
Partially Used	3,055	7,719	1,567	2,992
Underutilized	147	371	5,064	9,667
	Comm/Office/CC		**Downtown**	
	Units	**Population**	**Units**	**Population**
Vacant	1,931	3,587	246	393
Partially Used	399	741	249	398
Underutilized	1,323	2,457	453	725
	TOTAL			
	Units	**Population**		
Vacant	**10,344**	**22,615**		
Partially Used	**5,270**	**11,850**		
Underutilized	**6,987**	**13,220**		

***Source**: City of Spokane, LCA Analysis, 2024*

***Notes**: Market Factor has been applied to these quantities, as well as commonsense, real-world factors that would potentially affect development capacity, as allowed in the adopted LCA Methodology and documented in this report. Interpolation of this data into smaller geographic areas (e.g. neighborhoods) could introduce significant errors into the results.*

As shown in **Figure 16** on the following page, the City currently contains sufficient capacity within lands classified as vacant for nearly 23,000 people. Lands classified as partially used contain sufficient capacity for almost 12,000 more and underutilized lands could accommodate a further 20,000. Most of the city's overall capacity exists in low-intensity and high-intensity residential zones, though capacity exists in some part in all density groups.

It is important to note that while the City has classified lands in all three categories, the available capacity in vacant lands, not counting PUDs, is nearly sufficient to meet the City's 2046 population allocation of 23,357 additional people. Considering all three categories of land, the City contains sufficient land for more than 2.3 times the city's growth allocation.

XII. Capacity in Planned Unit Developments

The calculations provided above do not include the capacity that exists within PUDs in the city. The City has approved more than 100 such PUDs within the City limits, some having been approved quite recently and others have continued to develop since the 1980s. Many of the PUDs approved by the City have completed construction and thus represent no additional residential capacity. However, 17 PUDs contain vacant lands sufficient for additional development.

Residential capacity in PUDs fall into one of two categories:

- Platted Vacant Lots: Many PUDs contain lots that have been fully platted but construction of a home or homes has not begun.
- Tracts and Large Lots: PUDs can also contain large areas that will, according to the preliminary plat or PUD approvals, be platted into individual lots at a later date. Additionally, some PUDs contain large lots that will eventually contain multi-unit developments.

The City has completed a multi-year review of every active PUD in the city in order to determine how much development each was approved for, how much has occurred since, and the remaining development that will occur as the PUD continues to develop. This information was determined by direct review of approval documents–primarily Hearing Examiner decisions–and other sources in the official record. For those PUDs that have changed over time, either through additional approvals or during the final platting process, adjustments in the expected development for each has been made.

Regarding platted vacant lots, these lots are assumed to develop as proposed when platted. Virtually all of these are single-unit lots, thus this analysis assumes a single unit will be placed upon each. In the case of multi-unit tracts, the remaining number of multi-unit dwellings approved by the Hearing Examiner/Planning Director are assumed.

Regarding large lots and tracts, City staff has undertaken a review of each PUD's available documentation to determine how many lots are expected to be platted in these

locations. For single-unit lots, only a single unit is assumed by this analysis (no ADUs, duplexes, etc.). For multi-unit lots, again deference was given to the original Plat or PUD approval. Following this document review and analysis of each individual lot by City staff, the City has determined the capacity represented by the PUDs is as shown in **Figure 17** below.

Figure 17: Planned Unit Development Capacity by Platted and Unplatted Status

Classification	Parcels (Count)	Area (Acres)	Units	Population
Platted Lots	290	90.8	337	843
Unplatted Single-Unit	-	-	1,418	3,545
Unplatted Multi-Unit	-	-	2,808	4,493
TOTAL			**4,563**	**8,880**

***Source**: City of Spokane, LCA Analysis, 2024*

***Notes**: Data in this table is directly sourced from City records and archives for each PUD in the city.*

A significant amount of housing capacity resides within the City's PUDs. However, these areas also tend to represent a limitation on the requirements of House Bill 1110 (2023) and other similar legislation. The state legislature has not passed any regulation that would vacate the numerous covenants and restrictions already placed on properties preventing the development of middle housing like duplexes and ADUs. Because of this, and as a conservative limitation on the capacity of PUDs, the unit counts in **Figure 17** assume that only single-unit homes will be built on single lots.

Multi-unit development is listed in the table, but only in cases where (1) the approval of the PUD specifically lists multi-unit development as a component of the PUD and (2) the remaining undeveloped tracts are sufficient for such development (size, characteristics, etc.). The first condition filters out PUDs where multi-unit development is not specifically approved and the second allows the analysis to weed out PUDs where a multi-unit component was originally approved but subsequent development of the PUD has left the site with little land for such uses. This second situation is common for some long-lasting PUDs, where market forces and the discretion of the property owner/developer has resulted in larger than expected single-unit lots or some areas given over to public use rather than home development. In any case, every attempt has been made to account for real-world limitations on future development.

XIII. Capacity in the South Logan TOD Study

The City of Spokane has been analyzing and considering Transit-Oriented Development (TOD) for several years via multiple avenues. The latest effort on this front included a detailed analysis and various code, zoning, and land use changes around the South Logan Subarea, centered along the Spokane Transit Authority's City Line and encompassing much of the Logan neighborhood around Gonzaga University and the

Hamilton Street corridor. Throughout 2023 the City prepared a major analysis known as the South Logan TOD Study.

As part of the preparation of the South Logan TOD Study, the City prepared and adopted an Environmental Impact Statement (EIS) under the State Environmental Protection Act (SEPA). The Draft EIS considered the impacts of multiple growth alternatives, which included varying recommendations and actions the City might undertake to support TOD within the study area. The Final EIS was based on the Preferred Alternative, a combination of recommendations and actions from the various draft alternatives, around which the South Logan TOD Study was framed. The analysis within the Final EIS determined the expected number of dwelling units and population that would be accommodated by growth within the study area, provided the recommendations of the South Logan TOD Study were adopted by the City.

On January 29, 2024, a City Council Resolution was passed which adopted the South Logan TOD Study and Final EIS[10]. Following this adoption, City Council adopted multiple actions called for in the study, including citywide and area-specific amendments to the SMC, a Planned Action Ordinance of the South Logan Subarea, and a range of zoning and land use changes throughout the study area. The City subsequently adopted the Planned Action Ordinance[11] in August 2024. The land use and zoning changes were adopted by ordinance[12] in December 2024.

Because the Final EIS provided a much higher level of specificity and accuracy as to the growth capacity of the study area, greater than the generalized methodology in the LCA could, and because the recommendations of the South Logan TOD Study have now been adopted by the City, the conclusions of the EIS will be relied on when describing the growth capacity in this area.

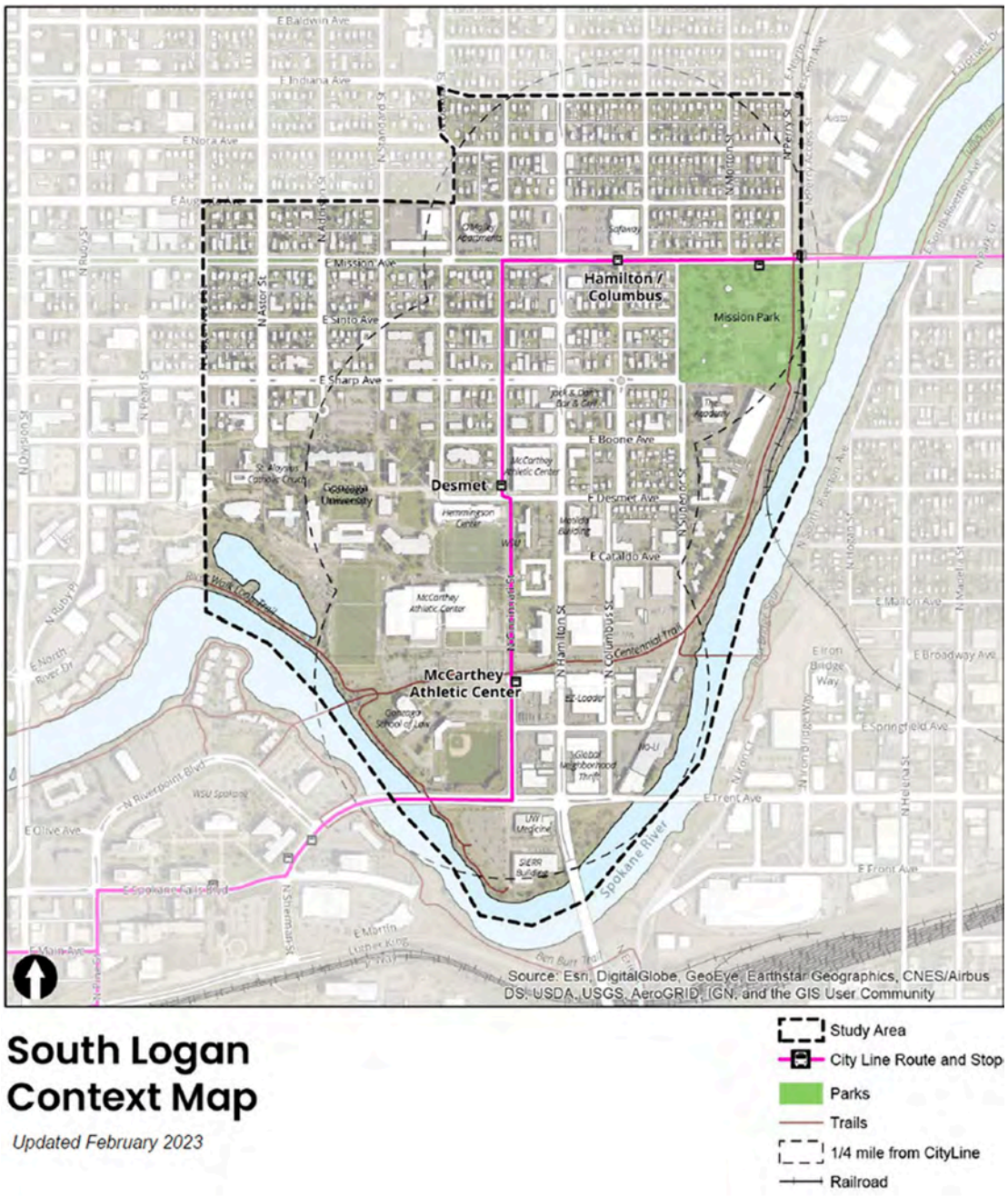
The South Logan TOD Study Area is shown on the following page in **Figure 18**. All parcels within this area have been pulled from the discussion of capacity in the previous sections of this report, thus they are not included in the tables above and are enumerated separately here. When considering the ultimate development capacity of the South Logan TOD Study Area, the EIS identified the dwelling unit and population capacity shown in **Figure 19**, also on the following page.

XIV. Additional Capacity Potential: Downtown Surface Parking

Downtown Spokane serves not only as the center of the City but also of the region. The City's development strategy for many years has been to support and enhance the Downtown development environment. For nearly as long as Spokane has been a city, the downtown has been where development, density, and mixed uses have been focused. Accordingly, the City's current development strategy identifies the downtown as the

[10] *TOD Study and EIS adopted by City Council Resolution RES 2024-0015 on January 29, 2024.*
[11] *Planned Action Ordinance adopted by City Ordinance C36554 on August 12, 2024.*
[12] *Land Use and Zoning changes adopted December 2, 2024 by City Ordinance C36614*

Figure 18: South Logan TOD Study Area and Major Features



Source: City of Spokane (2023, November). South Logan TOD Final Environmental Impact Statement. ***Figure 1****, p. 13.*

Figure 19: South Logan TOD Final EIS Capacity

Classification	New Unit Capacity	New Population Capacity
Adopted Code/Map Amendments	2,954	6,735

Source*: City of Spokane, South Logan TOD Final Environmental Impact Analysis. Retrieved online from https://my.spokanecity.org/projects/south-logan-transit-oriented-development-project/*

Regional Center where development standards allow for the highest structures and the greatest range of potential uses anywhere in the City. Over time, many of the historic downtown structures have been demolished, only to be replaced by surface parking lots. As the City's development strategy calls for the highest densities and most intense residential, commercial, and office uses to be in the City's Regional Center, the presence of numerous surface parking lots points to a potentially untapped opportunity.

The City has adopted three Downtown Plans since the original adoption of the current Comprehensive Plan in 2001. All three Downtown Plans, themselves a part of the overall Comprehensive Plan, have identified surface-level parking lots as a major issue downtown. The City went so far in 2009 as to adopt a new Downtown section in the SMC which, in part, prohibited the placement of any new surface lots in the downtown core[13]. Most recently, the City adopted the "Pavement to People: A Downtown Housing Incentive" Ordinance that seeks to incentivize redevelopment of surface lots downtown into housing[14]. This program waives sales and use tax on new construction on any surface parking lots downtown.

In summary, it is a well-established idea that surface lots in the City's downtown represent significant potential development capacity. As described above, and expanded upon in Appendix A to this report, the City expects up to one-third of development downtown to be residential in nature. Accordingly, if surface lots downtown were to redevelop to some degree, a similar proportion of residential capacity could result. However, surface lots with significant improvements upon them (lighting, paving, curbs, kiosks, etc.) may not have been classified as either vacant, partially-used, or underutilized per the adopted LCA methodology.

In an effort to determine how much capacity may be untapped downtown, City staff undertook a detailed analysis of downtown properties and some areas adjacent to the downtown where it is commonly understood that downtown-like growth might be appropriate (e.g. the north bank and the lower south hill or 'medical district'). Staff took advantage of recently taken aerial photography to determine where surface lots can be found downtown and then augmented that information via recent permit data for demolitions and construction.

Each surface parking lot was identified in the study area following which staff used geo-analysis tools to determine the acres of parking lot on each parcel. In many cases, the entire parcel was taken up by surface parking, but staff also identified and quantified surface lots that took up only a portion of the parcel. The result was a table of surprising scale, encompassing 1,223 parcels downtown that contained at least some surface parking. As there currently exist 2,730 parcels in the study area, more than 44 percent of downtown parcels contain surface parking. Of those, 459 parcels were entirely taken up with surface parking lots, providing no other use or capacity to the city. Accordingly, surface parking lots in downtown Spokane may be taking a significant amount of

[13] *Adoption of SMC 17C.124 Downtown Zones by Spokane Ordinance C34522, adopted December 14, 2009.*

[14] *Adoption of SMC 08.07D by Spokane Ordinance C36357, adopted February 27, 2023.*

residential capacity away from the City.

An important factor, however, is that some of these parcels have already been classified in the LCA process, described earlier in this report, and shouldn't be double counted here. Of the 1,223 parcels identified by this analysis, 434 were already classified as either vacant, partially used, or underutilized in the LCA analysis. Thus, these 434 parcels have already been accounted some amount of residential development capacity and should not be counted here. That leaves 789 parcels, wholly or in part, that could provide additional residential capacity downtown if redeveloped.

For those additional 789 parcels, potential residential capacity can be found in varying amounts, provided those surface lots were to redevelop. **Figure 20** below summarizes the characteristics of those 789 parcels, including their area and whether they contain only surface parking or some other use. To this area, the same assumptions used for downtown parcels within the LCA were applied to determine a theoretical capacity in both units and population for those parcels. These assumptions included the following: (1) only one-third of new downtown projects would be residential in nature, (2) downtown residential development would average 44.4 units per acre, (3) 30 percent of the potential would not be realized because of market factors, and (4) all downtown development would be multi-unit in nature with a population capacity of 1.60 people per unit. As shown in **Figure 20**, there could be an additional 4,488 units of capacity lost in the downtown area to surface parking lots.

Figure 20: Surface Parking Lots in Downtown and Vicinity (Parcels Not Already in LCA Analysis)

Type	Parcels (Count)	Area of Parking (Acres)	Potential Unit Capacity[1]	Potential Population Capacity[2]
Entire Parcel is Surface Parking	140	37.5	388	622
Part of Parcel is Surface Parking	649	233.3	2,417	3,866
TOTAL	**789**	**270.8**	**2,805**	**4,488**

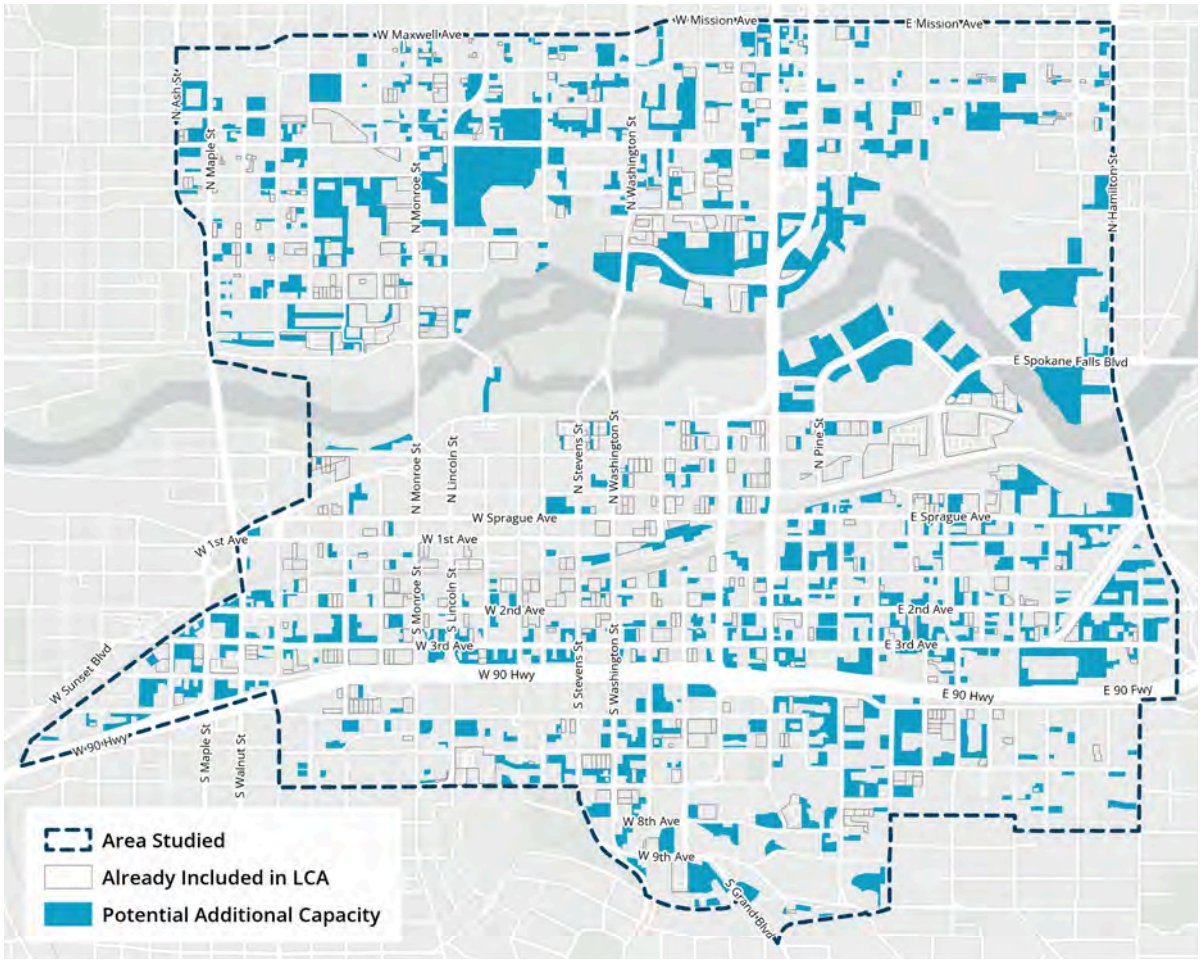
***Source**: City of Spokane, LCA Analysis, 2024.*

***Notes**: 1. Unit capacity is calculated according to LCA assumptions (1/3 is residential, 44.4 units per acres, 30% removed for market factor).*
2. Population capacity is calculated according to LCA assumptions (all development is multi-unit, 1.60 people per unit).

For reference, **Figure 21** on the following page is provided, showing the location of all surface lots identified as part of this study. Those parcels that have already been considered in the normal LCA process are shown in outline. Parcels that were not captured by the LCA analysis are shown filled in, providing a good approximation of downtown surfaces lots that might provide additional capacity above and beyond what is identified in the LCA.

It is not expected that all surface parking could ever be eliminated from downtown Spokane. The reality is that some surface parking is inevitable when parcels are developed and redeveloped. However, it is also important to identify the possible capacity that could be tapped by the City if regulations or incentives were applied to make continued use of surface lots for parking less attractive to property owners and developers.

Figure 21: Surface Parking Lots in the Downtown Area



***Source**: City of Spokane, LCA Analysis, 2024. Surface lots were identified via a survey of Aerial Photography taken in Spring 2024.*

Of course, the need for parking in downtown Spokane is not going away in the foreseeable future. However, parking needs *can* be addressed through structures and other solutions that take up less land and that leave space for other uses like residential units. Additionally, while the analysis here shows almost 4,500 units of possible capacity downtown, redevelopment of parcels where only some of the parcel contains surface parking is considered much less likely. The capacity existing downtown in surface lots is probably closer to the parcels that are entirely occupied with parking, pointing to a capacity closer to 388 units or 622 persons. Still, this number is not insignificant and should inform policy decisions moving forward.

XV. Dissemination and Use of the LCA

All told, the analysis above has taken multiple years and the efforts of numerous City staff, as well as frequent and repeated coordination between all the other regional jurisdictions and agencies. The entire analysis has been conducted as carefully and thoroughly as possible given the time and resources allotted, and the result can be relied upon as the best available estimate of capacity in the City of Spokane. This analysis, along

with many other efforts and studies, will inform the City during the 2026 major update to the City of Spokane Comprehensive Plan.

With the completion of this report, the City of Spokane has met the requirements of RCW 36.70a et seq. as it pertains to determining the City contains sufficient land capacity to accommodate expected growth within the planning horizon. Regional agencies and other jurisdictions may provide comments on this report. However, in accordance with RCW 36.70A.115, this Land Capacity Analysis is a City responsibility.

XVI. Summary Results

The City of Spokane must determine if the City, in its current boundaries and utilizing the current policy and zoning requirements, can accommodate expected growth between now and 2046. As currently allocated, the City should expect to accommodate at least 23,357 more residents between 2023 and 2046.

The end results of the analysis in this report are shown in **Figure 22** below. This table brings together all of the various figures and analyses presented in this report. No modification has been made to the numbers previously presented.

Figure 22: Summary Results - City of Spokane Capacity for Additional Population and Dwelling Units

Classification	Dwelling Unit Capacity	Population Capacity
Vacant, Outside PUD/Subarea	10,344	22,615
Partially Used, Outside PUD/Subarea	5,270	11,850
Underutilized, Outside PUD/Subarea	6,987	13,220
SUBTOTAL - OUTSIDE PUD/SUBAREA	**22,600**	**47,686**
Platted, PUD	337	843
Unplatted, PUD	4,226	8,038
South Logan TOD Subarea	2,954	6,735
SUBTOTAL - PUD & SUBAREA	**7,517**	**15,615**
GRAND TOTAL	**30,117**	**63,301**

***Source**: City of Spokane, LCA Analysis, 2024.*

***Notes**: This table is a summary of the detailed analysis within this report. Many factors not apparent in this table went into the data presented. The potential capacity represented by surface parking lots in the downtown area are not included in this table, thus the overall capacity of the City may be larger than what is presented here.*

The size of the city (more than 69.5 square miles) requires the use of generalized assumptions. A parcel-by-parcel review is not possible, nor can a single graphic depict accurately every portion of the city that provides additional residential capacity. However, the following pages contain maps showing the entirety of the City, as well as the status of various vacant, partially used, and underutilized parcels. Additionally, current PUDs and the South Logan TOD Subarea are depicted. Use or consideration of these maps is for reference only, as they do not tell the whole story of capacity in the city. For example,

some parcels identified as vacant, partially used, or underutilized may still represent zero capacity. Furthermore, the scale of these maps is such that many parcels are too small to appear, where others may exist alongside other parcels where the differentiation between them isn't evident.

With these limitations in mind, the end of this report includes four maps showing the classification of all parcels in the City. Note that some classified parcels contain zero capacity, but are still shown on the map (e.g. underutilized parcels where the improvement value is greater than four times the land value represent zero capacity, but are still shown on the map as underutilized).

XVII. Non-Residential Capacity

The primary function of the LCA is to determine residential capacity (both housing units and population), but this is only part of the story when it comes to development capacity in a city. Non-residential capacity should be considered as well. Unlike population and housing, there are no Spokane County forecasts for commercial or industrial demand between now and 2046. Because of this, it's impossible to determine *how much* capacity is required to accommodate growth. Regardless, this section will attempt to quantify the amount of land available for non-residential development, in hopes that ongoing efforts for updating the City's Comprehensive Plan will help determine the demand for such lands.

Various zones in the city can be handled differently in this analysis, according to the requirements of the SMC (zoning code) and the assumptions in the LCA. Details follow:

Residential Zones

When determining commercial and industrial capacity, all lands zoned exclusively for residential uses can be discounted. While some non-residential uses are allowed in these areas, such as churches or community services, they don't typically occur in sufficient quantities to require direct analysis. Thus, the non-residential lands discussed here will exclude all areas zoned RA, R1, R2, RMF, or RHD.

Commercial, Office, Centers & Corridors, and Downtown Zones

For the purposes of this analysis, some of the assumptions used for residential development in the LCA can be used to determine capacity for non-residential uses in the same zones. In general, the LCA assumes that 1/3 of all future development in commercial, office, centers and corridors, and downtown zones will be residential in nature. Thus, non-residential capacity can assume that 2/3 of future development will be non-residential in nature. To that end, all classified parcels in these non-residential zones will assume that 2/3 of the land is available for non-residential development.

Industrial Zones

The SMC provides for some residential development within Light Industrial zones, provided it is within one quarter mile of the river. However, for the purposes of the LCA

the LCA assumes that 100 percent of development in Industrial Zones is non-residential in nature. Naturally, as Heavy Industrial zones do not allow for residential development, they are assume to provide entirely non-residential capacity.

A Note on Airport Areas

The City of Spokane contains two major airports, managed cooperatively by the Spokane Airport Board whose members include City of Spokane and Spokane County representatives. These facilities are classified as Essential Public Facilities under state law and are thus worthy of protection from encroaching uses that might limit their operation. To this end, the SMC limits residential development within certain impact areas around both airports. Naturally, these areas were included in the LCA but classified properties within these areas were assumed to provide zero capacity for residential development. This same limitation is not true for non-residential development, in that many types of non-residential development can be placed within these airport protection areas without detrimental effects on airport operations. In fact, many different non-residential uses can enhance the operation of airports and help to strengthen their place in the local development environment.

While residential development is not expected in airport overlays in the LCA, these areas *are* included in the non-residential capacity discussion here. Accordingly, classified properties shown next to airports (see maps at the end of this report) might not contribute to residential capacity but these parcels do contribute to non-residential capacity.

Summary of Non-Residential Development Capacity

The summary table (**Figure 23)** on the following page provides an accounting of all vacant, partially-used, and underutilized parcels within the City, according to the assumptions above. This table does not include any development potential (such as square footage of buildings), nor is an overall capacity for non-residential development available for the entire city at this time. Accordingly, only the number of parcels and the acres of each area are included in the table. Additional analysis will be required in other reports and analyses to determine how much land is enough to accommodate future non-residential growth.

XVIII. Final Conclusions

The ultimate results of this analysis are that the City of Spokane currently contains sufficient lands to accommodate residential growth between now and 2046. The City can expect 23,357 additional residents by 2046. Given all the various factors and assumptions in the LCA, the City has current capacity to accommodate 69,484 people, far above expected growth. As for dwelling units, while the region continues to determine the required housing allocation for each jurisdiction, City of Spokane

included, the City has sufficient capacity for 33,388 dwellings. This exceeds the current maximum number of units the City expects to be allocated (approximately 22,359 units)[15]. Accordingly, the City has met the capacity requirements of RCW 36.70a et seq.

Figure 23: Non-Residential Capacity by Density Group (Outside PUDs)

Classification	Parcels (Count)	Total Area (Acres)	Buildable Area (Acres)	Capacity Area[1] (Acres)
		Commercial/Office/CC		
Vacant	665	391.74	378.5	176.6
Partially Used	84	399.3	136.4	63.7
Underutilized	1,212	247.1	237.4	110.8
SubTOTAL	**1,961**	**1,038.1**	**752.2**	**351**
		Downtown		
Vacant	94	28.7	23.1	10.8
Partially Used	32	49.9	40.2	18.8
Underutilized	192	44.0	42.7	19.9
SubTOTAL	**318**	**122.6**	**106.0**	**49.5**
		Industrial		
Vacant	392	732.7	716.9	476.6
Partially Used	89	316.0	178.4	119.1
Underutilized	268	86.1	84.7	55.5
SubTOTAL	**749**	**1,134.8**	**980.0**	**651.2**
		TOTAL		
Vacant	**1,151**	**1,153.0**	**1,118.4**	**664.0**
Partially Used	**205**	**765.3**	**355.0**	**201.5**
Underutilized	**1,672**	**377.2**	**364.8**	**186.2**
TOTAL	**3,028**	**2,295.5**	**1,838.2**	**1,051.7**

***Source**: City of Spokane, LCA Analysis, 2024*

***Notes**: Market Factor has been applied to these quantities, as well as commonsense, real-world factors that would potentially affect development capacity, as allowed in the adopted LCA Methodology and documented in this report. This result is theoretical and at a macro-scale. Interpolation of this data into smaller geographic areas (e.g. neighborhoods) could introduce significant errors into the results.*
1. Capacity Area represents 70 percent of the total buildable area.

[15] The regional process for determining each city's allocation for housing under the requirements of House Bill 1220 and RCW 36.70a.070 is not yet complete. Thus, the analysis in this report does not explore those requirements further. The maximum amount mentioned herein represents the highest total allocation currently under discussion at the regional level.

Figure 24: LCA Classification Maps - Northwest Quadrant

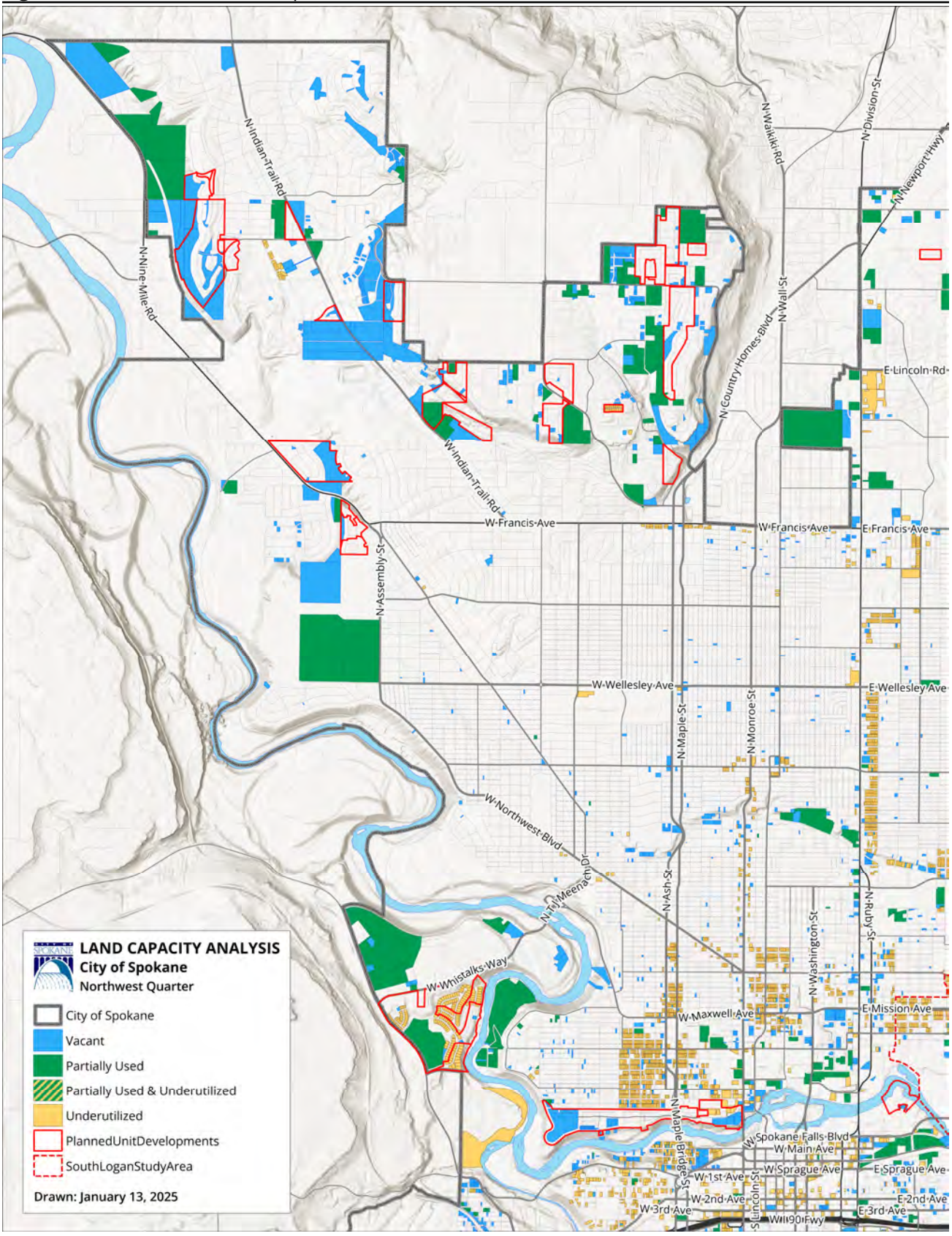


Figure 25: LCA Classification Maps - Northeast Quadrant

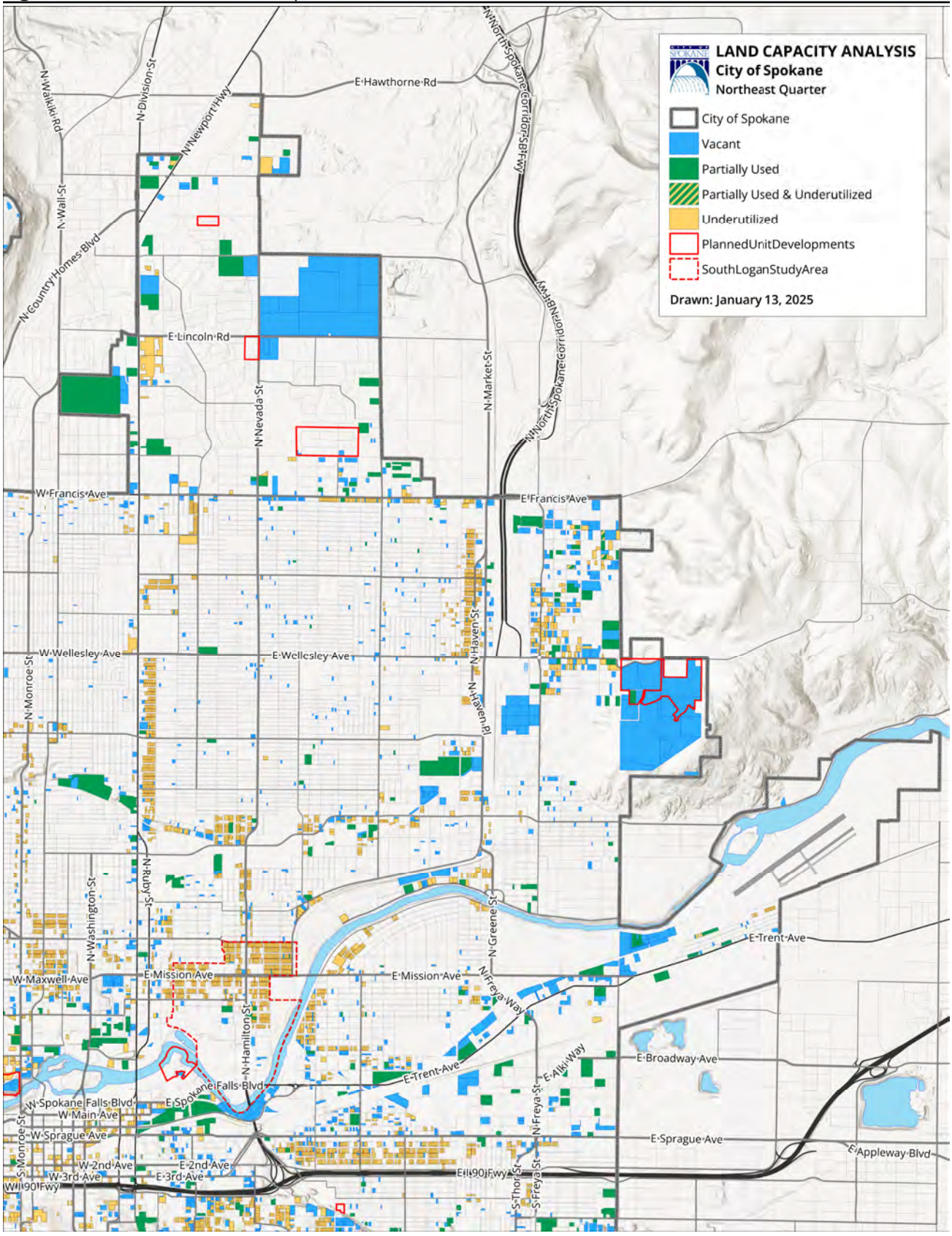


Figure 26: LCA Classification Maps - Southwest Quadrant

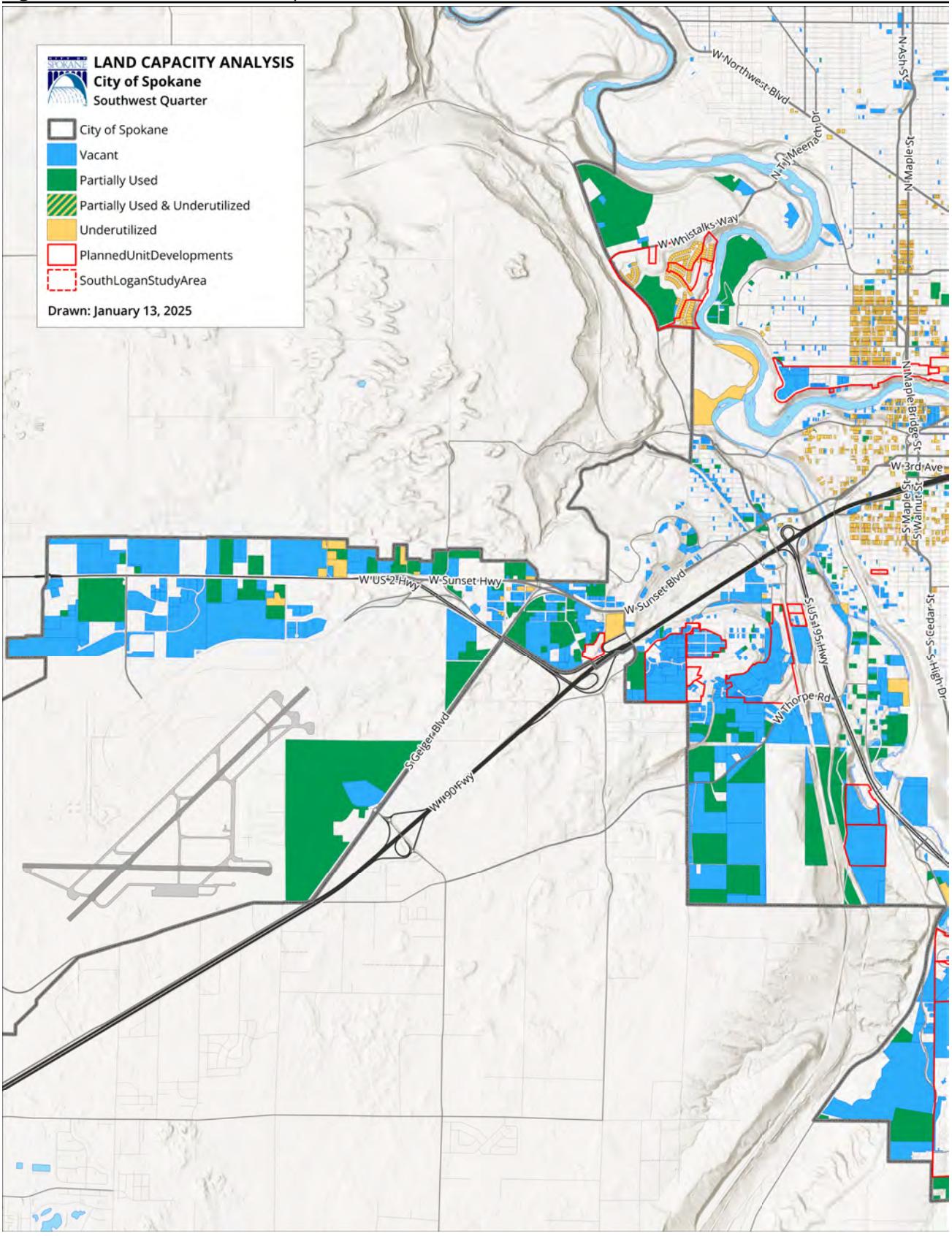
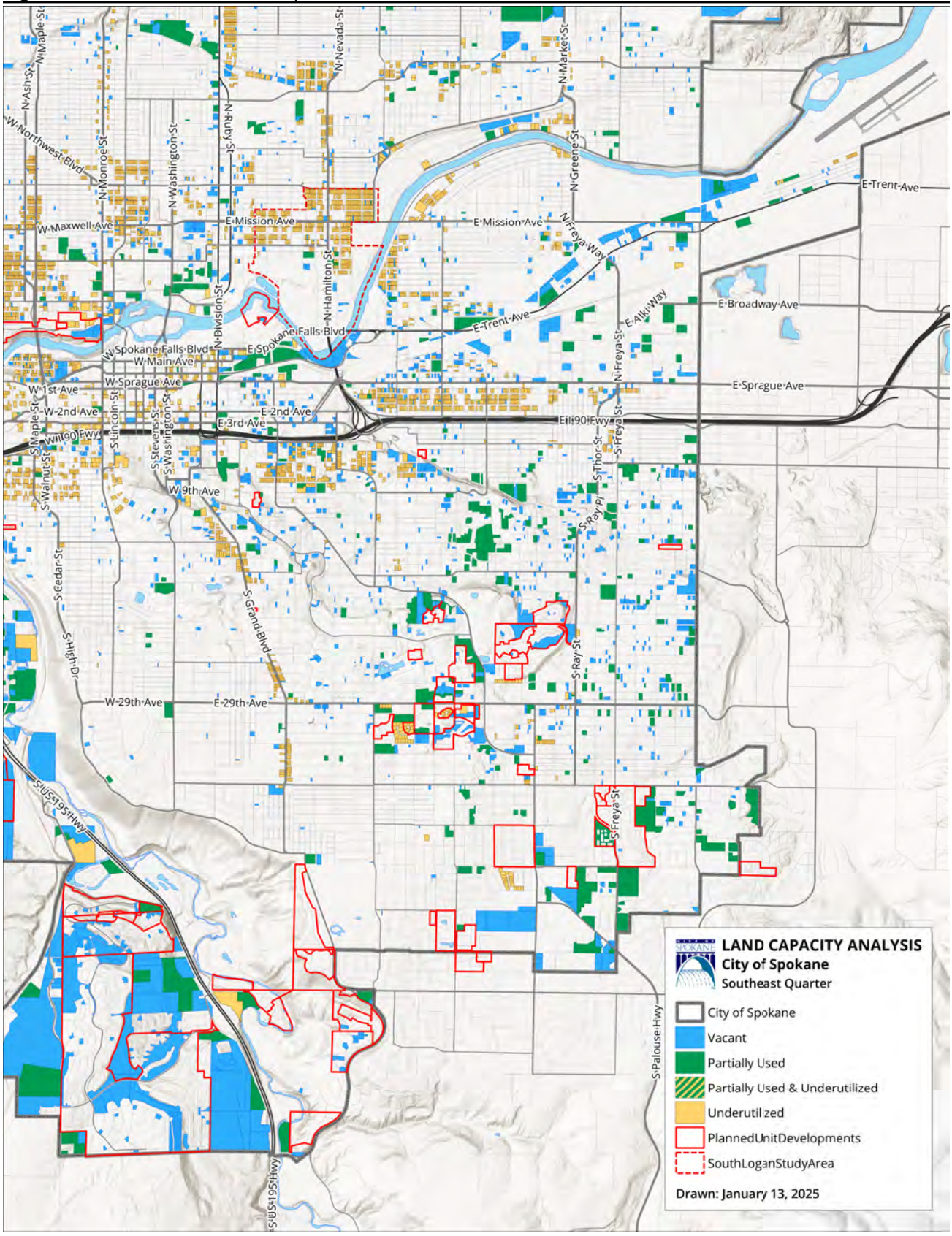


Figure 27: LCA Classification Maps - Southeast Quadrant



Appendix A: Residential Density Assumptions

Briefing Paper

LCA 2025: Proposed Residential Density Assumptions

Department of Planning & Economic Development

Overview

The Land Capacity Analysis (LCA) seeks to answer a relatively easy question, "Does the city contain sufficient land capacity to accommodate expected growth in the city within 20 years?" To answer the question, the LCA will apply a series of common-sense and (when possible) data-informed assumptions to determine how many additional people the city can accommodate in that time, essentially by determining how many dwelling units could be developed given the existing inventory of vacant, partially used, and underutilized land in the city. The population allocation for the City of Spokane is 23,357 additional residents by 2046.

This paper summarizes the residential development environment in the City of Spokane and proposes some assumptions that might be applied to vacant, partially used, and underutilized lands in the city.

Residential Lands in Spokane

Lands identified by the LCA include three categories, distinct from unbuildable areas like steep slopes and water as well as public lands and areas earmarked for other purposes. These categories are:

Vacant—generally undeveloped land with limited improvements on site.

Partially Used—Large occupied/developed lots with sufficient undeveloped portions to be further subdivided, if the owner desires it.

Underutilized—Developed properties where the existing use is less intense/dense than for what the property is zoned, such as a single-unit house zoned for multi-unit residential development.

Low Intensity Residential Density

The primary focus of the LCA is residential, thus the assumptions used to determine development capacity are more detailed when it comes to Residential than may be assumed for commercial or industrial development. According to the City's current zoning schema, residential capacity analysis should consider at least two levels—lower intensity residential (one-unit structures and middle housing) and higher intensity residential (5+ units per structure).

When it comes to low intensity residential uses, it is helpful to first understand that most of the existing development in the city is comprised of single-unit residential structures. The largest land

use in the city by land area is single-unit residential homes, occupying more than 11,600 acres of the city (60,356 parcels). The following table (**Table 1**) provides some general information on the net density citywide for these single-unit parcels. See **Figure 1** at the end of this briefing paper for a general depiction of where those single-unit residential uses are located.

Table 1: Net Density Summary: Existing Single-Unit Residential

Total Acres	Parcels	MAXIMUM Density[1] (du/ac)	AVERAGE Density[1] (du/ac)	MEDIAN Density[1] (du/ac)	MINIMUM Density[1] (du/ac)
11,648	60,356	35.6	6.1	6.2	0.1

***Source**: City of Spokane, Planning & Economic Development, Geographic Information Systems, 2024.*
***Note**: [1.] All densities are "net," calculated according only to the individual parcel area. Rights-of-way, street frontage, and other "non parcel" areas are not included in the calculation.*

As shown in **Table 1**, single-unit residential density varies widely throughout the city. Highest density parcels are generally the oldest, being located nearest the river, while the lowest density parcels are found in relatively "rural" areas in Grandview Thorpe and Latah, where the character remains largely what it was then those areas were annexed decades ago.

While the Comprehensive Plan does not mandate a density range for areas of "Residential Low" land uses, a range of assumed densities is described for planning purposes. Those densities range from 4 to 10 dwellings per acre[1]. Past residential development, with an average existing development density of 6.1 (see **Table 1**), appears to conform on average with the expectations of the Comprehensive Plan.

Because single-unit residential density varies so widely in the City however, utilizing the average density is an insufficient indicator of future capacity throughout *all* parts of the City. To explore possible adjustments to residential density to account for the location in the City, and in consideration of the fact that new development in one area tends to conform to the existing pattern of past development, staff summarized net single-unit residential density in each surveyed Section of the city, and found the average single-unit net density in each Section.

Because some Sections do not contain *any* existing single-unit residential while other Sections include only a tiny portion of the city, the resulting average density can be missing or unduly skewed in some Section. Interpolation is necessary to mitigate this. To interpolate these Section-by-Section densities to cover the entire City, an areal interpolation was creating using ArcGIS Pro software. An areal interpolation takes limited geographic data and applies mathematical methods to interpolate values for areas with no data (Sections with no single-unit residential development) and to even out the effect of Sections with limited City land within them. The result of this interpolation is shown in **Figure 2** at the end of this document.

As **Figure 2** indicates, the highest single-unit densities are found in the city's core, namely in the Emerson/Garfield, West Central, Peaceful Valley, and Browne's Addition neighborhoods. Secondary nodes of higher average density (10 units/acre) can be found in the Shiloh Hills and Hillyard neighborhoods. The lowest densities are found in the West Hills, Grandview Thorpe, and Latah/Hangman neighborhoods as well as in parts of North Indian Trail and Five Mile. A notable

[1] *Comprehensive Plan, Chapter 3, Land Use, p. 3-45*

exception is the portion of Latah/Hangman containing the Eagle Ridge and Qualchan developments, where single-unit residential density rises to 7 units/acre. Considering the wide range of densities existing throughout different parts of the city, it seems reasonable to apply a factor to any assumptions for future development that will account for this. In general, the City should assume that low intensity housing near the core will be at a slightly higher density than it will be at the edges.

The interpolation shown in **Figure 2** was generated mathematically, thus that map is ignorant of on-the-ground conditions such as topography, water, and known situations where standards are actively changing (e.g. the South Logan TOD Study Area). Accordingly, **Figure 2** was adjusted by staff to create a proposed "Assumed Residential Density" that would apply to low-intensity residential areas in the LCA, resulting in the proposed assumed densities shown in **Figure 3**. Any vacant low-intensity residential lands—those not inside a valid Planned Unit Development (PUD)—would be assumed to develop at a range of densities depending on location, from as low as four units per acre to as high as eight.

In the case of PUDs, the amount of land remaining to be platted coupled with the original number of units approved for the PUD will be used instead. In other words, the analysis will assume the PUD builds out as it was approved.

Effect of BOCA/BOH on Residential Density

The City has recently adopted significant changes to its density and residential standards through two projects, the Building Opportunity and Choices for All (BOCA) interim ordinance and the permanent Building Opportunity for Housing (BOH) ordinance. While these have changed the way the City's Comprehensive Plan and Municipal Code handle low intensity residential development in the city, it would be inaccurate to say that the density of development has risen precipitously in the short time since those ordinances were passed. Only two and a half years have passed since these ordinances were adopted. In that time, fewer than 40 projects have been permitted that were directly related to, or enabled by, BOCA and BOH. For example, in 2022 only 3.4 percent of all middle housing permits (4-unit developments and below) were flagged as being related to the BOCA/BOH changes. In 2023, 7.4 percent of middle housing permits were flagged as such.

That isn't to say that BOCA and BOH had no effect, nor is it evidence that those ordinances have "failed," as is sometimes asserted by others. Rather, there are mitigating factors that result in modest changes in these first few years, such as:

- Time is required for developers, owners, financial institutions, and others to become comfortable with the changes.
- Projects permitted today have often been planned and designed years before, leading to a multi-year lag projects as change to meet new expectations.
- A majority of the city is already developed, limiting the immediate effects of BOCA/BOH to mostly small infill projects.

It will be some time before enough infill occurs in the City to generate sufficient data on the effectiveness of BOCA/BOH. Accordingly, staff feels it is premature to rely on the effects of BOCA/BOH when determining residential capacity in the City of Spokane, *for now*. Staff recommends that the LCA not rely on any "bonus" capacity that would result from BOCA/BOH at this time. However, when the City revisits residential capacity in five years, as required by the

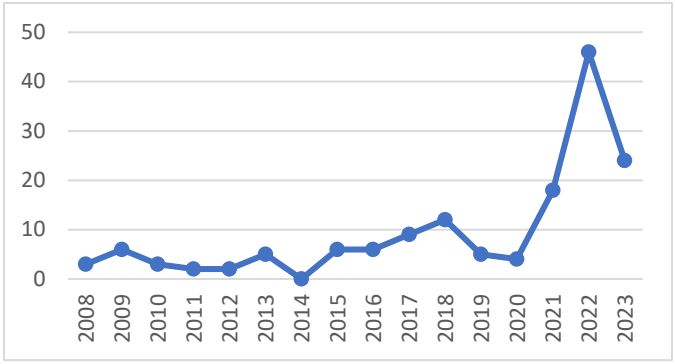
Growth Management Act, staff *strongly* recommends that the City analyze and consider how BOCA/BOH has affected the density and capacity for residential projects in the city and adjust their calculations accordingly at that time.

Effect of ADU Code Changes

Accessory Dwelling Units (ADUs) cannot be ignored when considering future residential densities versus those seen historically in the City of Spokane. Numerous recent legislative changes at the State level, as well as multiple efforts by the City of Spokane, have changed the ADU development environment significantly, making ADUs much easier to permit and much more likely to be built.

As seen on the chart at right, the number of ADUs permitted each year has risen steeply in recent years. While 2024 is not yet over, the City has already permitted more than the average number of ADUs. Additionally, recent elimination of parking minimums in the city and other corrections and adjustments to the Residential section of the Spokane Municipal Code (SMC 17C.111) are expected to make ADU development more common.

Chart 1: ADUs Permitted by Year



For the purposes of the Land Capacity Analysis, however, there are a few moderating factors to keep in mind. Firstly, while ADU permits have risen significantly, the overall number of permits issued each year has also risen. Accordingly, while ADUs made up approximately 0.8 percent of City permits in 2014, the percentage rose only slightly to 2.0 percent in 2022 and 2023. Development of ADUs as a percent of overall residential permits has risen, but not enormously. Additionally, when considering residential capacity, the City must accept that much of the remaining low-intensity residential capacity is tied up in PUDs with covenants and other restrictions that prevent the development of ADUs. Until the State acts to make such restrictions illegal, much of the city's remaining vacant land cannot accommodate ADUs, no matter whether they are allowed by the SMC or not.

Further complicating matters, ADUs are not restricted to new development on vacant parcels. Many ADU units are constructed on parcels with existing homes or other residential development. As such, the LCA cannot assume that development on vacant parcels represents an accurate estimate of future ADU permits and capacity. With this in mind, rather than attempt to assign a percentage of vacant parcels expected to develop with ADUs, the City should instead consider the current trend of ADU permits and conservatively assume that this trend continues. Assuming that the City can expect approximately 30 ADU permits per year, over the 20 year horizon the City should expect 600 ADUs within that time period.

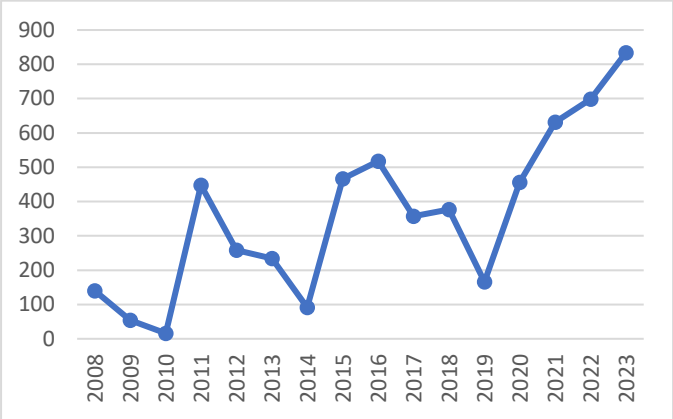
As with the effect of BOCA/BOH discussed earlier, staff strongly recommends that the City continue to track and analyze ADU permits. This analysis should be conducted with an eye towards refining the City's assumptions at the five-year growth check required by GMA.

Higher Intensity Residential Development in Residential Zones

In prior rounds of the LCA, the City utilized historic multi-unit permitting to inform what densities the City might see in the next 20 years in higher intensity residential areas. Staff recommends the same approach this time, especially as the number of multi-unit structures permitted in the City continues to rise.

Strictly in terms of units permitted, the chart at right shows the number of units in 5+ Unit structures permitted each year since 2008. While high intensity residential development is naturally cyclical, having years of high activity followed by one or more years of lower numbers, the multi-year average number of units is rising. In 2017 the five-year average for high-intensity permitting was 183 total units. In 2023 the five-year average had risen to more than 550 total units.

Chart 2: Units in 5+ Unit Structures Permitted by Year



To apply permitting data to the LCA, however, the amount of land occupied by those developments must be considered as well. To determine this, staff ran a report of all residential permits issued and/or completed prior to April 1, 2024 and geolocated them using ArcGIS Pro. Then the area of the parcel(s) occupied by the development was measured and a net density calculated for each one. Some hand adjustment to the density calculated for each project was required to account for pre-existing development as well as known areas that were undevelopable to begin with, such as steep slopes and wetlands on individual sites.

Multi-unit (5+ unit) development in the past five years totaled 3,102 new units, 1,605 of which have been completed as of September 10, 2024. **Table 2** below provides summary data only for units completed in the past five years.

Table 2: Net Density Summary: Five Year Completions, Multi-Unit Residential (5+ Units per Project)

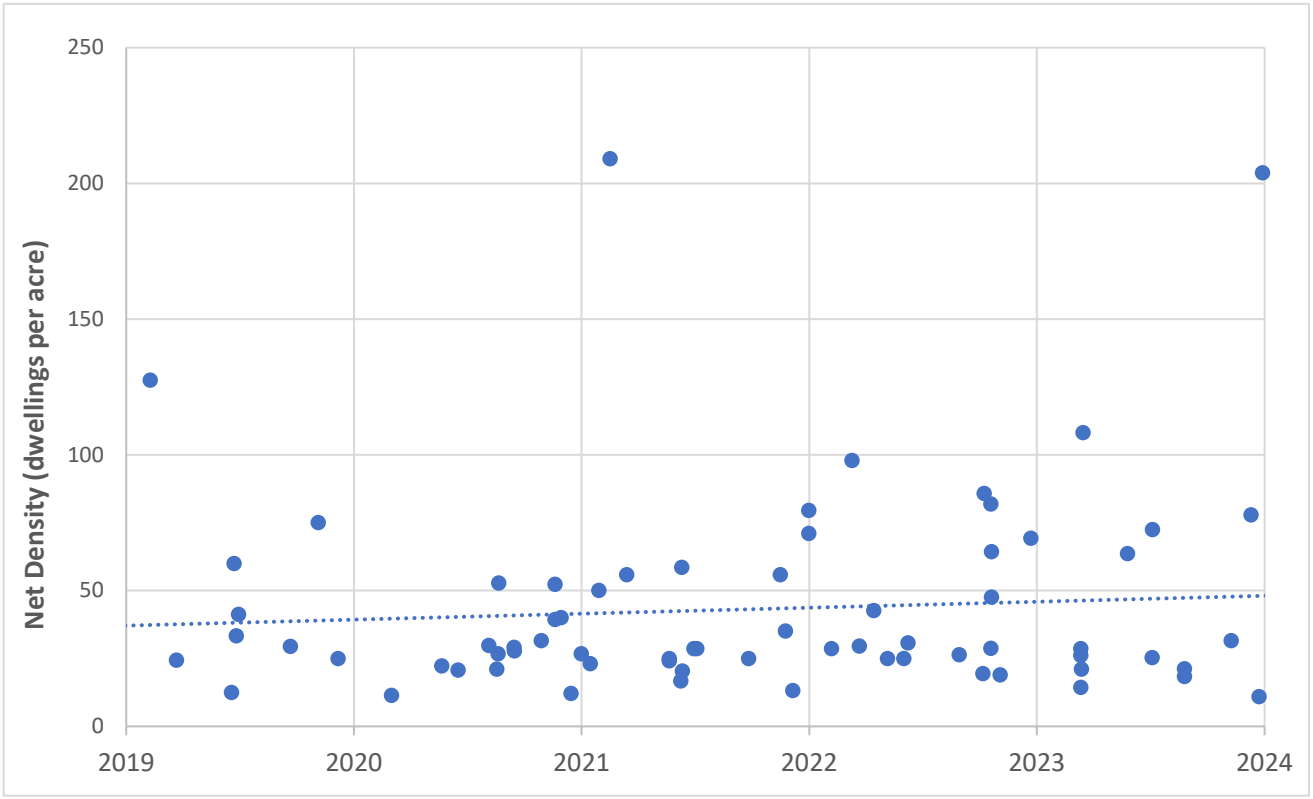
Total Acres	Parcels	MAXIMUM Density[1] (du/ac)	AVERAGE Density[1] (du/ac)	MEDIAN Density[1] (du/ac)	MINIMUM Density[1] (du/ac)
105	82	209.1	43.7	29.0	10.7

***Source**: City of Spokane, Planning & Economic Development, Permitting Data.*
***Note**: [1.] All densities are "net," calculated according to only the parcel area. Rights-of-way, street frontage, and other "non parcel" areas are not included in the calculation. Additionally, some parcel areas have been adjusted manually to account for known unbuildable areas and other factors such as multiple phased development on a single parcel.*

While the *number* of units overall has increased in the past five years, the LCA should consider whether the density is growing or shrinking over time as well. To this end, the following chart (**Chart 3**) provides a scatter graph of the density of each of the projects in **Table 2** (charted over time) and a linear trend line. The density shown in **Chart 3** represents net density by not accounting for streets, utility corridors, and frontages in the Right-Of-Way.

The slope of the resulting trend for density over time indicates that density per project may rise, but only slightly through the planning horizon of twenty years. To provide a conservative analysis in the LCA, however, staff recommends using a flat average density with no increase over time.

Chart 3: Density of Multi-Unit (5+ Unit) Residential Development 2019-204



***Source**: City of Spokane, Planning & Economic Development, Permitting Data.*
***Note**: Each dot represents a single project from Table 2 above. The dashed line represents a linear trend line.*

Because multi-unit development during the previous five years in higher intensity zones in the city has been well distributed geographically, staff does not recommend any change to that average density based on location (unlike low-intensity residential density discussed earlier in this report). However, the question remains as to which density value to assume for multi-unit development.

The median density value for multi-unit development (29 du/ac) is significantly lower than the average (43.7 du/ac). In essence, this is due to a few very dense projects pushing the average higher. The very nature of a median means that an equal proportion of units have been developed above that point than below, providing an effective middle ground between very very dense projects and those that provide for lower overall densities. Accordingly, and to ensure a conservative estimate, we recommend the use of the median density for all higher intensity residential zones (RMF and RHD).

Residential Development in Non-Residential Zones

In addition to higher intensity residential areas of the City (discussed above), residential capacity exists in many other non-residential zones in Spokane. All zones in the City of Spokane allow residential development, save for Heavy Industrial and Light Industrial (outside ¼ mile of the river). Accordingly, not only must the LCA consider the overall multi-unit density in Residential High

Density and Residential Multi-Family zones, but also possible residential development in all commercial, office, and downtown designations.

To that end, staff pulled a list of all building permits for properties within commercial, office, centers & corridors, and downtown zones from September 2021 through September 2024. A longer series of data would be ideal. However, this data is not readily available from the City's permitting database at this time. It is recommended that future analyses, such as the required 5-year check of growth in the City in 2031, consider updated data and possible adjustment of this assumption.

Permits for non-residential zones between September 2021 and September 2024 were then sorted into the following categories:

Minor: Small renovations, equipment installs, repairs, etc. that do not affect residential capacity.

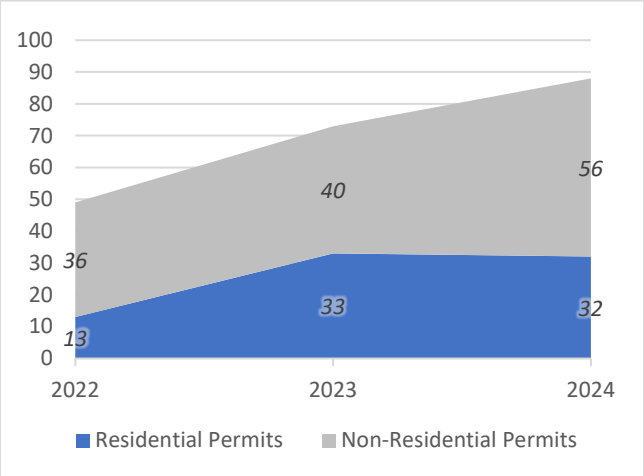
Tenant Improvements: Small interior changes and rebuilds that do not affect residential capacity.

Non-Residential: New buildings and significant changes to existing buildings for projects that do not currently contain a residential component.

Residential: New buildings and significant changes to existing building that increase the amount of residential development in the city.

Any "minor" permits or "tenant improvements" were ignored because they could not affect residential capacity in the city. For the remaining permits, 79 were classified as "residential" and a further 134 classified as "non-residential." Next, those two classifications of permits were summarized by year, shown in **Chart 4** below.

Chart 4: "Non-Residential" and "Residential" Permits in Non-Residential Zones by Year



***Source**: City of Spokane, Planning & Economic Development, Permitting Data, September 2022 to September 2024.*

As shown, the ratio of residential to non-residential permits in non-residential zones varies widely from year to year—from 26.5% to 45.2%. To provide a conservative but realistic assumption for residential development in non-residential zones, staff recommends assuming that one third, or 33.3 percent, of all future development in non-residential zones (excluding industrial zones) will be residential in nature.

For the LCA summary of available capacity, every acre of vacant non-residential land (excluding Heavy Industrial and portions of Light Industrial that lie more than ¼ mile from the river) should be assumed to provide 1/3 residential capacity and 2/3 non-residential capacity. Stated another way, if 100 acres of non-residential zones are vacant, 33 acres would represent available multi-unit residential capacity and 67 acres would represent non-residential capacity.

While approximately one third of all non-residential zones are expected to represent residential capacity in the city, that is only half the picture. Expected density of development in those areas is important as well. To that end, staff geolocated each of the residential permits since September 2021 to determine where they were located and, ultimately, the new density of each development. Significant hand adjustment was necessary to avoid repletion and double counting due to the functional needs of the City's permit database.

For example, in the case of large apartment complexes with multiple buildings each separate building is required to obtain a building permit while simultaneously each building occupies only a portion of the overall land. Thus, staff identified those special cases by hand and aggregated development to be sure that units and land were not double counted. Other permits were adjusted due to pre-existing development on the site, such as in the case of a building where half the interior had been completed in prior years, but the remaining half has just recently been completed.

Once the data was corrected and geolocation was checked for accuracy, staff compiled all residential development in non-residential zone and conducted one additional summarization, grouping all "downtown" development. Considering the resulting data, the conclusions presented in **Table 3** below were evident.

Table 3: Density Summary: Residential Uses in Non-Residential Zones and Downtown

Area	TOTAL Units	TOTAL Acres	PERCENT of Selected Projects	Gross[1] Density (du/ac)	AVERAGE Net Density[1] (du/ac)	MEDIAN Net Density[1] (du/ac)
Downtown	248	4.36	17%	56.85	54.64	44.35
Outside Downtown	1,982	91.20	83%	21.73	34.96	30.16

***Source**: City of Spokane, Planning & Economic Development, Permitting Data.*
***Note**: Some manual adjustment and aggregation of data was conducted to avoid double counting and other effects of multiple permits/development on a single parcel or for developments with pre-existing structures/improvements that remain.*
[1]. Gross density was calculated by adding up all the acres of permits in the area and dividing by the total units.
[2]. Amounts indicated as "net" were calculated only according to the individual parcel area. Rights-of-way, street frontage, and other "non parcel" areas are not included in the calculation. Additionally, some parcel areas have been adjusted manually to account for known unbuildable areas and other factors such as multiple phased development on a single parcel.

While the majority of projects have occurred outside the downtown area, **Table 3** makes it clear that density downtown is much higher than in other non-residential zones throughout the City. This conforms with the expectations of the Comprehensive Plan, which calls for Downtown to serve as the regional center with higher intensity development than all other areas.

As with higher-intensity residential development assumptions discussed previously, staff recommends that the City assume the median net density when calculating the capacity of projects in non-residential zones, differentiated between downtown (44.4 units/acre) and outside the downtown (30.2 units/acre).

A Note on Downtown Residential Capacity

A study is currently underway by the Downtown Spokane Partnership (DSP) to determine the residential capacity of the downtown core, considering multiple factors that affect density and overall unit capacity. Unfortunately, that report will not be complete in time for the first-round

LCA analysis. As such, staff recommends that the required analysis of the City's progress towards growth allocations in five years include a consideration of the results of this (and any other acceptable reports of that nature) at that time.

Concluding Summary

According to the above analysis, staff feels the following assumptions should be applied to the LCA for the City of Spokane:

Table 4: Proposed Summary Assumptions for the Land Capacity Analysis

Assumption	Value	Source
Low-Intensity Residential (R1 and R2 zones)	5-9 units/acre, depending on location	Interpolated existing density by geographic section.
BOCA/BOH	No adjustment at this time.	n/a
Accessory Dwelling Units	600 ADUs over the planning timeline.	Permit history since 2008.
Higher-Intensity Residential (RMF & RHD zones)	29.0 units/acre regardless of location.	Analysis of multi-unit permits since 2019.
Non-Residential Zones, Downtown	44.4 units/acre, limited to 33.3% of all available downtown lands.	Analysis of non-residential zone development since 2022.
Non-Residential Zones, Outside Downtown	30.2 units/acre, limited to 33.3% of all available non-residential lands.	Analysis of non-residential zone development since 2022.

Future Considerations

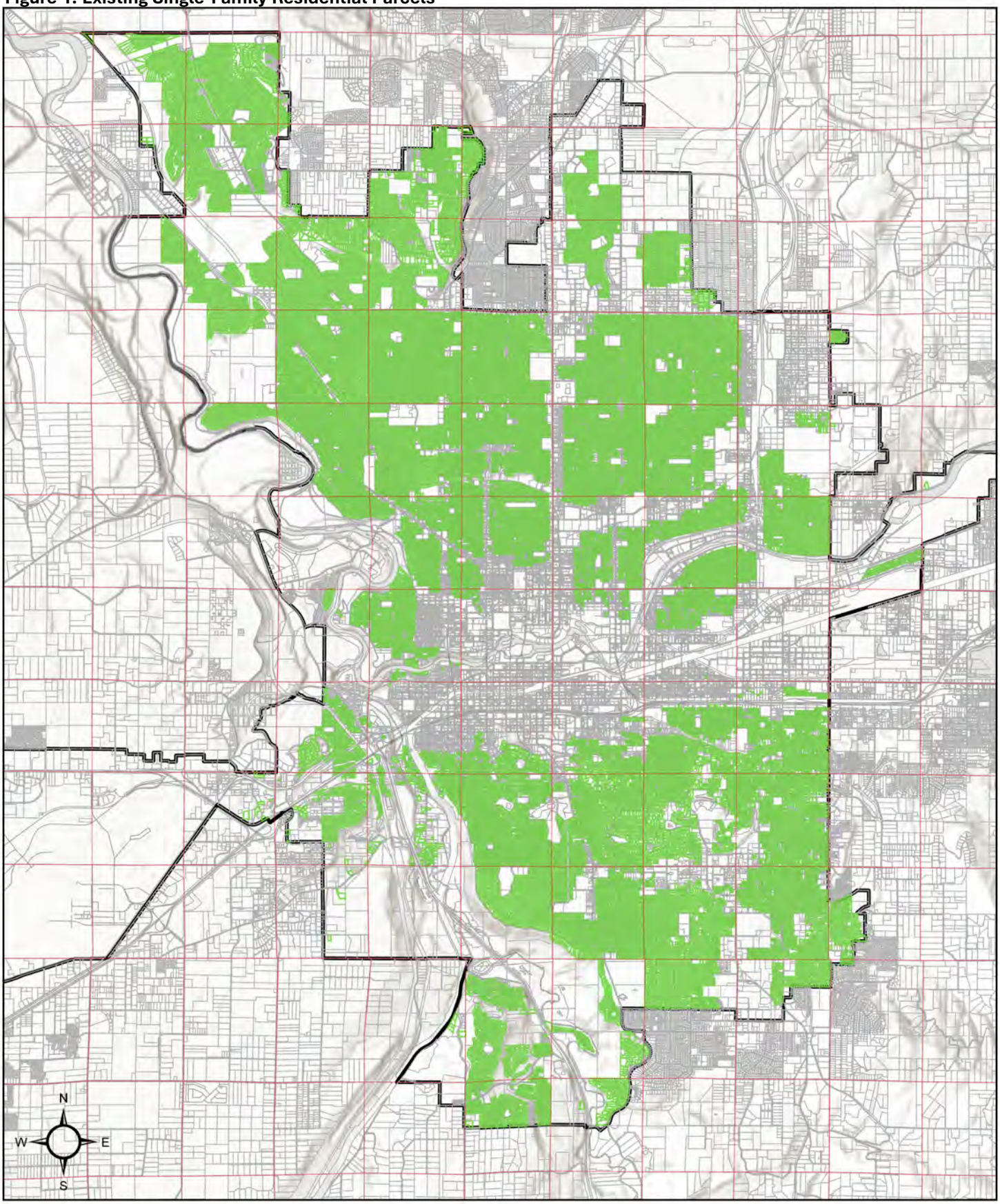
As discussed above, staff recommends the following considerations be included in future analyses (such as during required analyses in 2031 per GMA):

- Updated consideration of BOCA/BOH effects on density and capacity.
- Updated statistics and impacts of accessory dwelling units.
- Analyze residential development in non-residential zones over a longer timeline (i.e. 5 years rather than 2.5).

Report Preparation

This report was prepared by Kevin Freibott, Senior Planner, Planning & Economic Development department as a necessary step towards the completion of the City of Spokane 2025 Land Capacity Analysis.

Figure 1: Existing Single-Family Residential Parcels



Existing Single-Family Residential Parcels
Existing Development Only

Planning & Economic Development Department
Draw Date: 7/2/2024

Existing Single-Family Residential
Parcel

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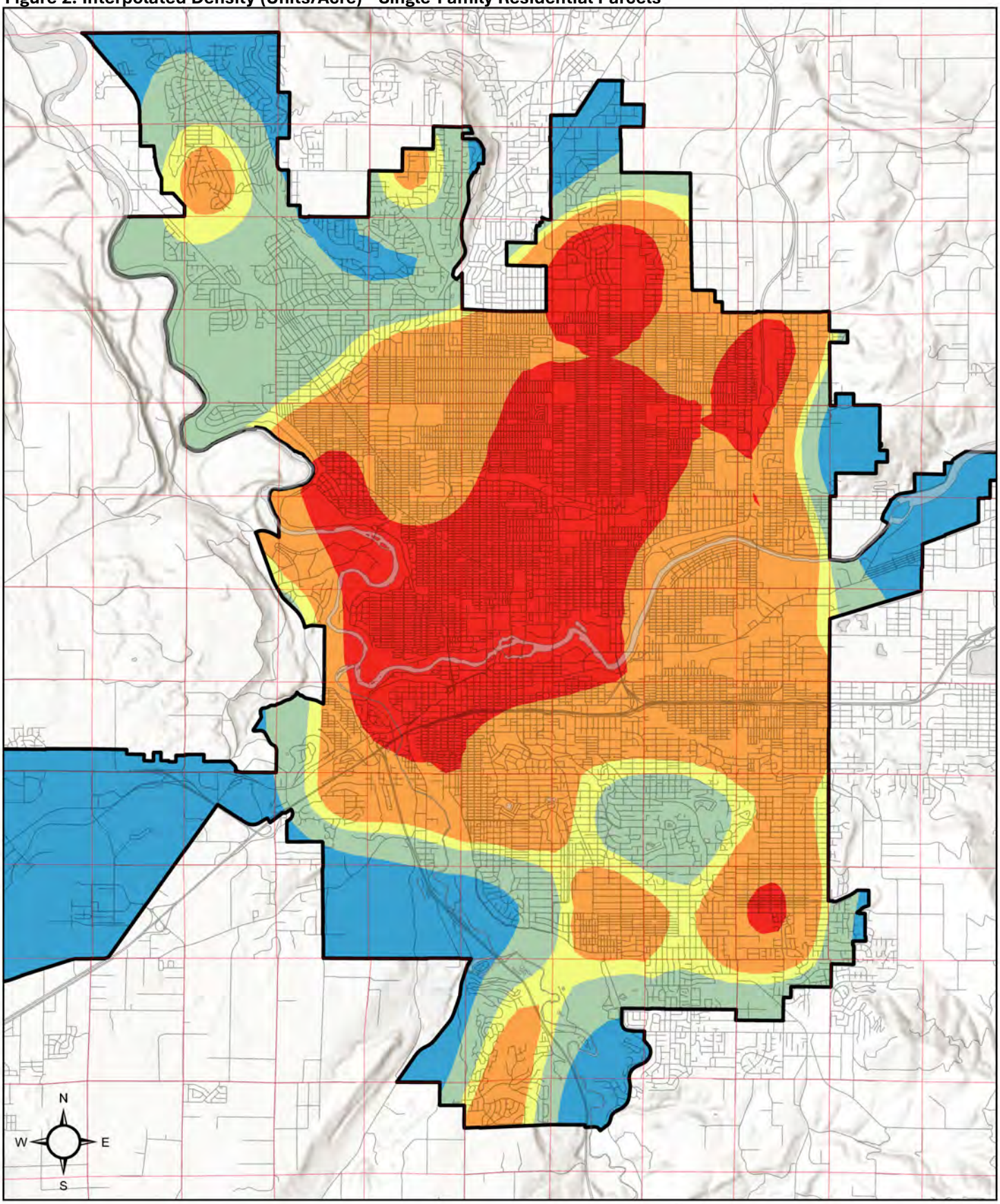
Figure 2: Interpolated Density (Units/Acre) - Single-Family Residential Parcels



CITY OF SPOKANE

Interpolated Density (Units/Acre)

Single Family Residences Only

Planning & Economic Development Department

Draw Date: 7/2/2024

4 5 6 7 10 NoData

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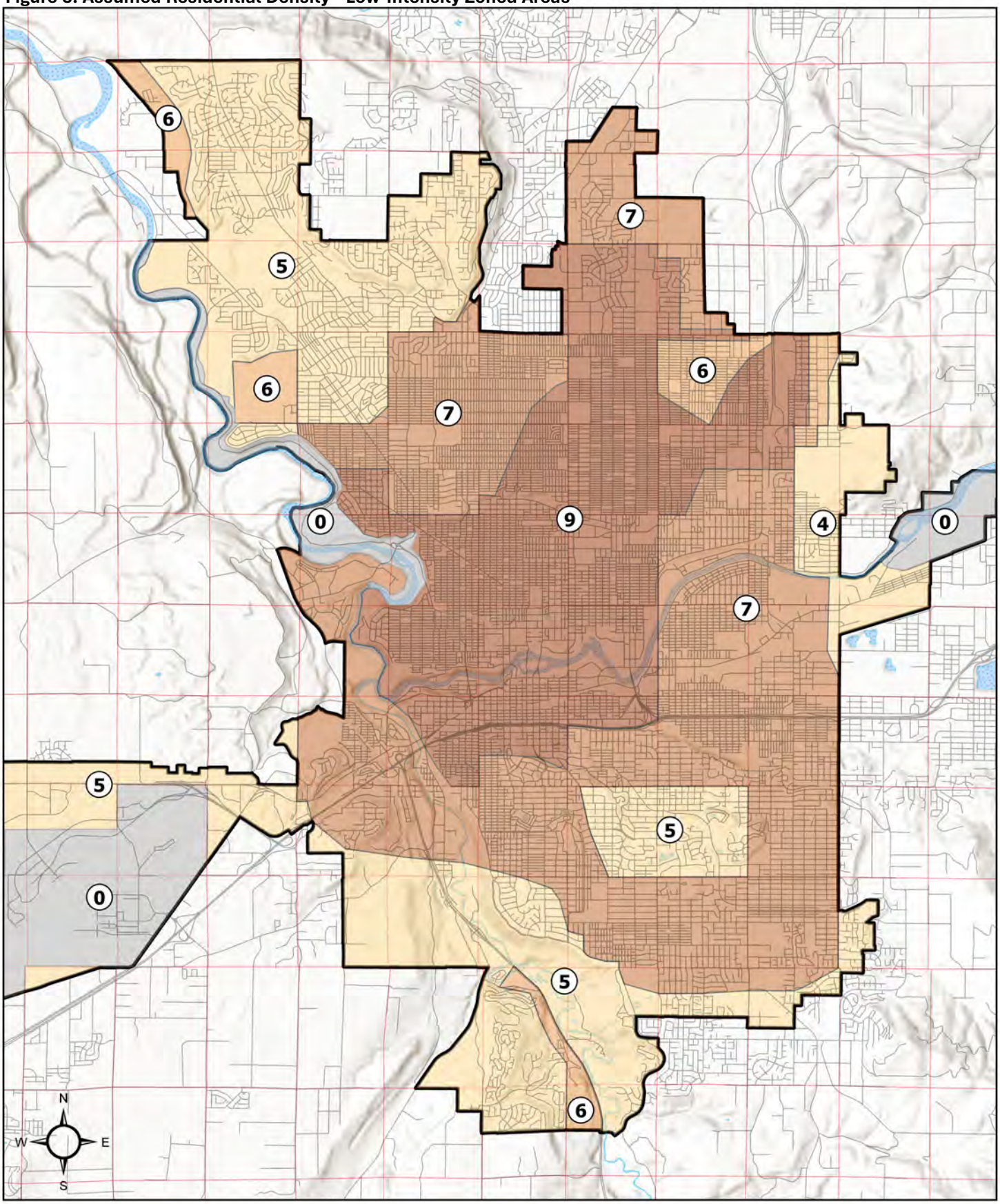
Figure 3: Assumed Residential Density - Low-Intensity Zoned Areas



Assumed Residential Density (Units/Acre)

To be Applied to Low-Intensity Residential ONLY

Planning & Economic Development Department
Draw Date: 11/12/2024

The values above were determined via an Areal Interpolation of existing low-intensity residential development, corrected by physical limitations and other known factors applied by Planning staff. These values would be applied to the Land Capacity Analysis assumptions only for low-intensity zones and only in locations where a Planned Unit Development DOES NOT exist.

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