

HEARTLAND

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FROM: Ben Wharton, Heartland
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DATE: December 8th, 2022

RE: **Heartland South Logan Strategies Memorandum – Housing & Anti-Displacement – South Logan Transit-Oriented Development Study [DRAFT]**

I. Project Background

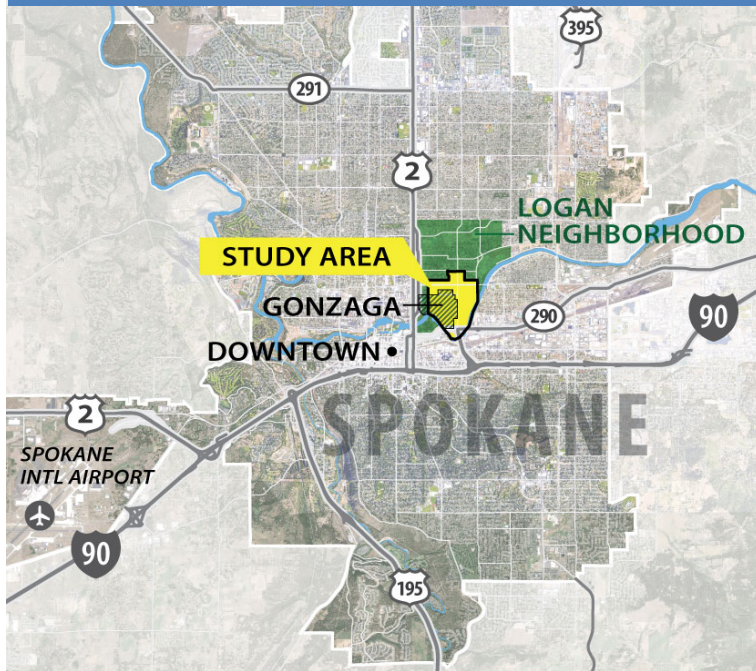
In the summer of 2022, Heartland, as part of a consulting team including Makers Architecture, SCJ Alliance, and Parametrix, supported by a grant from the Department of Commerce, collaborated with the City of Spokane Planning Department in studying the South Logan area (“South Logan”) in Spokane, Washington.

The South Logan study area is primarily part of the Logan Neighborhood and is bounded roughly by Mission Avenue to the north, Lidgerwood Avenue to the west, and the Spokane River to the south and east, as depicted below in “Exhibit 1 – Logan Neighborhood Map.” As part of our scope of work, we have analyzed the real estate context, conducted market research, toured the study area during a site visit, and participated in public engagement sessions in September 2022 as part of this South Logan Transit-Oriented Development (“TOD”) study. The intent of the project is to ensure that future development in South Logan supports the investment by the City of Spokane (the “City”) in the new City Line Bus Rapid Transit (BRT) line which will include three stations in South Logan.

South Logan benefits from multiple unique community assets, including Gonzaga University and Mission Park, as well as from its proximity to the Spokane River and downtown Spokane. Residents of South Logan have access to the connectivity provided by the Centennial Trail multi-use path which threads through the southern terminus of the study area along the Spokane River. The area is well-positioned to capitalize on these assets with thoughtful planning, and we are honored to contribute to its ongoing improvement.

In recent years, the City of Spokane has invested in substantial research related to zoning reform, transit-oriented development, housing policy, and anti-displacement measures which might be adopted either citywide or in particular districts, including research which focused on the South Logan area. The analysis in this memo benefits from and expands upon this past work. In addition, there is substantial literature produced by other cities in the state of Washington and nationally which outline TOD, housing, and anti-displacement strategies and policies which might be applied and tested in the South Logan area. Several of the policies identified and described in this memo have been implemented in other cities and might be assessed more effectively depending upon the availability of measurable outcomes.

Exhibit 1 – South Logan Neighborhood Map



Our recommendations are informed by a guiding philosophy of “pairing” contributions from real estate developers in the form of public benefits – with concessions which can serve to incentivize economic behavior in support of pre-identified policy priorities. One example might be to offer an increase in allowable height for a particular parcel or zone of parcels in return for a developer setting aside a certain percentage of affordable housing in a new housing development.

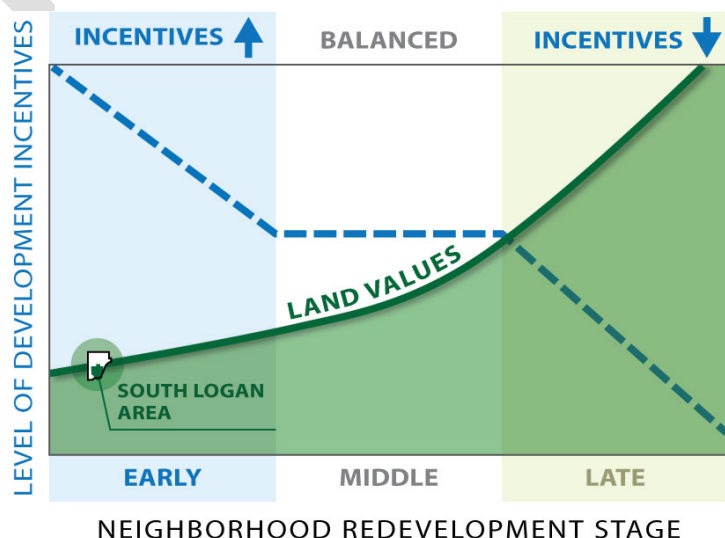
Our bias is towards *optional* or voluntary programs structured as incentives rather than requirements. In the early stages of neighborhood redevelopment, incentives can be a catalyst to guide the path of future development in a way that is aligned towards pre-defined policy goals,

whereas requirements, however thoughtfully conceived, can wind up preventing most or all new development. Exhibit 2 illustrates the stages of neighborhood redevelopment and the way in which government incentives can play a role. There may be a role in later stages of development for thoughtful requirements along with better opportunities to effectively generate revenue through development without stifling it.

To create maximum flexibility, we recommend that the City consider utilizing a “menu” of options for developers to create the possibility for multiple policy goals to be advanced simultaneously.

This work is intended to augment and enhance the work that has already been performed following investment by the Spokane Transit Authority and City of Spokane in the City Line Bus Rapid Transit (BRT) line, which is projected to serve more than one million riders per year when operational in 2023. Transit-oriented development lends itself to more equitable development in that it focuses on directing private investment towards uses which are well-served by transit, and ensuring the benefits of a walkable, vibrant and affordable community is experienced by all. It is important that policies and plans in this area leverage the relationship between transportation and development to prevent displacement and ensure that new investment benefits

Exhibit 2 – Incentives and Neighborhood Redevelopment



existing residents and businesses in addition to accommodating new ones. The South Logan Transit-Oriented Development project, funded by the Department of Commerce, was initiated to study and inform city policies to augment the investment in this new City Line Bus Rapid Transit (BRT) with three stops in the Logan neighborhood.

The goal of this memo is to provide a guiding framework for selecting policies which have been introduced in previous studies, contextualize some of the most appropriate policies to the Logan neighborhood, and finally to introduce new policies which may not yet have been considered. Throughout, we will endeavor to address the following identified planning priorities:

1. **Housing** – Analyze tools and suggest dedicated policies to promote housing at a range of income levels in the area. Identify development incentives which support outcomes that lead to the production of more low- and moderate-income housing. This report outlines strategies which might be implemented following the City Council adoption of the Housing Action Plan in July 2021. The Action Plan laid out four goals which need to be addressed citywide:¹
 - Increase housing supply, options, and affordability for all incomes
 - Preserve housing affordability and quality to help people thrive where they live
 - Enhance equitable access to housing and homeownership
 - Leverage and grow partnerships to support housing initiatives across the region
2. **Anti-Displacement** – Involuntary displacement, both physical and economic, accompanies growth and development in any context. The South Logan area as it continues to grow and change is no exception. The City conducted a displacement risk assessment as part of the Housing Action Plan, and identified that the Logan Neighborhood is at moderate-to-high risk of displacement based on socioeconomic and housing factors.² To the extent any zoning changes or policies are enacted subsequent to the completion of this memorandum which would expand development capacity in South Logan, avoiding or mitigating the impact of displacement on existing residents and businesses will become a priority. We will discuss anti-displacement and “equitable TOD” strategies, which are strategies intended to channel growth and development around a substantial transit investment, in this case the City Line BRT line, such that it benefits everyone in the community irrespective of socioeconomic status. Such policies might be used to preserve and expand affordable housing, protect residents from rising costs, connect people to jobs and economic opportunities, and stabilize and support local businesses.
3. **Equity** – Identify social equity considerations, and the most important benefits and burdens to analyze. Incorporate equity indicators in how data is collected, analyzed, and reported concerning the effect of TOD by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities.

This memorandum (the “Heartland South Logan Strategies Memorandum”), will incorporate use of up-to-date local, regional, state and national data as available. It will culminate in a “Strategies Matrix,” included hereto as Exhibit 5. This matrix will summarize potential community enhancement measures, business and resident anti-displacement, and equitable strategies in TOD for the study area. We will consider and document best practices for the City to integrate into future TOD and other planning efforts. Our overall guiding principles informing these policy recommendations are as follows:

¹ [“Housing Action Plan,”](#) City of Spokane, July 2021.

² [“Displacement Risk Assessment,”](#) Housing Action Plan, May 2021.

- * Pair policies which encourage targeted policy outcomes with mitigants for unintended but predictable consequences
- * Create optional inducements instead of fixed requirements
- * Utilize “menu” of options whenever possible to enable maximum flexibility for the community in achieving multiple policy goals

II. South Logan Background

The South Logan area is home to key community assets – including proximity and access to the Spokane River, connection to the Centennial Trail, and Mission Park. To the extent these assets can be highlighted or accentuated by changes made to the planning process in service of the public realm, so much the better for the neighborhood and the potential for future growth and prosperity.

Currently, Hamilton Avenue experiences a high volume of through traffic, at over 30,000 vehicles per day (“VPD”) as described in further detail in the Existing Conditions Report which is in draft form as of the date of this memorandum. Certain freeway enhancements, specifically the US 395 extension, which expands the North Spokane Corridor project, extending south from its current end location at Columbia Avenue through to the Spokane River. This extension, due to be completed in September 2023, should relieve congestion along Hamilton Avenue in the coming years.³ Nevertheless, the presence of continuous, high-speed traffic through the study area has led over time to a challenged pedestrian environment along Hamilton Avenue.

Excluding the Gonzaga University campus, the South Logan area comprises 342 acres and 1,025 existing housing units, representing a density of 3.0 units per gross acre, inclusive in this case of all land in the study area, including, streets, sidewalks, and parks. According to the literature, investment in Bus Rapid Transit (BRT) should be supported by a target of at least 7.0 units per acre of housing. This suggests that the housing density in the South Logan area must more than double relative to today’s levels to leverage the investment in BRT.

South Logan Housing Density

Total Housing Units ⁴	1,025
Total Acres ⁵	342
Housing Units Per Acre	3.0

III. Understanding Displacement

What is displacement? Displacement in its various forms – physical, economic, and cultural – has multiple, often interrelated causes and is an inevitable consequence of growth and development. However, the impacts of displacement can be mitigated. The focus of our analysis is on mitigation measures related to involuntary displacement of the most vulnerable residents and businesses of the South Logan community. Given the South Logan context – certain demographic groups have been identified as most vulnerable to the pressures of displacement (1) non-student, low-income residents, particularly the elderly and/or the disabled, (2) locally owned businesses as most vulnerable to displacement and therefore

³ [“US 395 - NSC Spokane River to Columbia - New Segment,”](#) Washington State Department of Transportation (WSDOT)

⁴ [“Address Count Listing Database”](#), 2020 U.S. Census, U.S. Census Bureau.

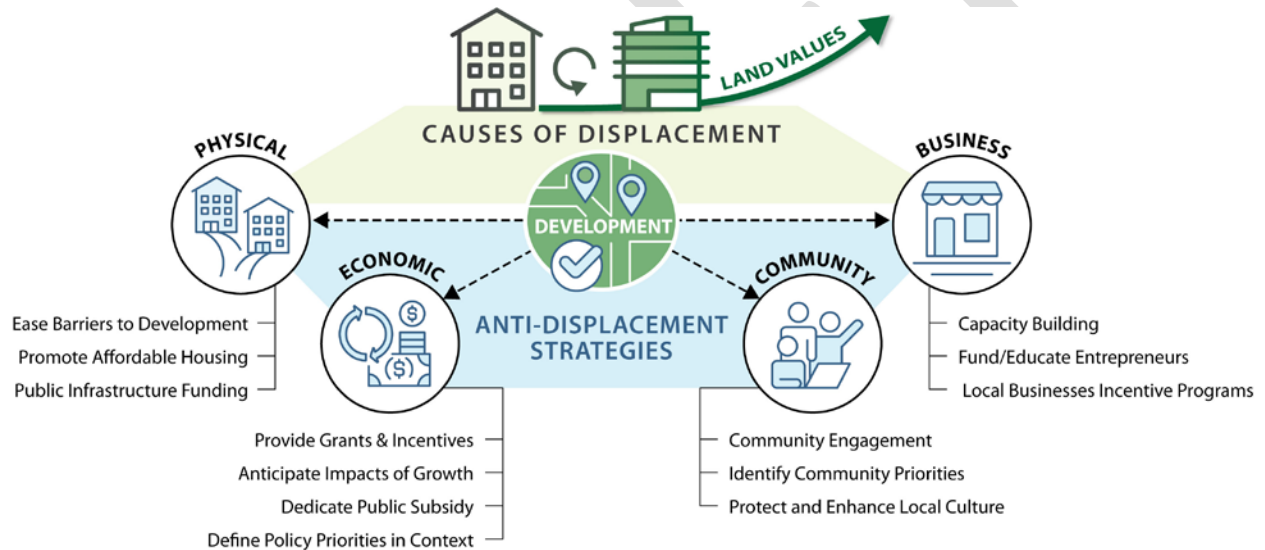
⁵ “South Logan TOD Existing Conditions Report,” MAKERS, et al., November 2022.

these groups and related policies are the focus of our analysis. Residents over age 65 represent approximately 13% of the population in the study area while 34% of households in the South Logan area are home to at least one disabled person.⁶ This is likely due to the presence of several group homes and assisted living facilities in the study area.

Lack of housing which is affordable to low- and moderate-income residents has been identified as a critical factor driving displacement of people. Similarly, lack of affordable commercial space is a key driver affecting the displacement of businesses.⁷ Displacement has risen to the forefront of the public consciousness in Washington and its impacts are worth understanding more fully in an effort to preserve and enhance communities statewide.

In South Logan, the two demographics which we have been identified as most vulnerable to the pressures of displacement are (1) non-student, low-income residents, particularly the elderly and/or the disabled and (2) locally owned businesses.

Accommodating and encouraging growth and investment while mitigating the impacts of displacement is a worthy goal and one we will endeavor to support with this memorandum. The City of Spokane has begun to study displacement as part of other reports and we will attempt to parse those studies, interpret their findings in the context of South Logan, and hopefully add new concepts to the conversation.^{8 9}



The following is a “menu” of options the City could consider to address housing and anti-displacement in South Logan, with consideration for Citywide implementation.

IV. Housing Strategies

Housing cost and availability was highlighted as the single most important social & political issue facing real estate markets nationally in the Urban Land Institute 2023 Emerging Trends in Real Estate report.¹⁰

⁶ ESRI, 2022.

⁷ [“Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice,”](#) The Brookings Institution.

⁸ [“Understanding Housing Displacement Risk in Spokane,”](#) City of Spokane Planning Department.

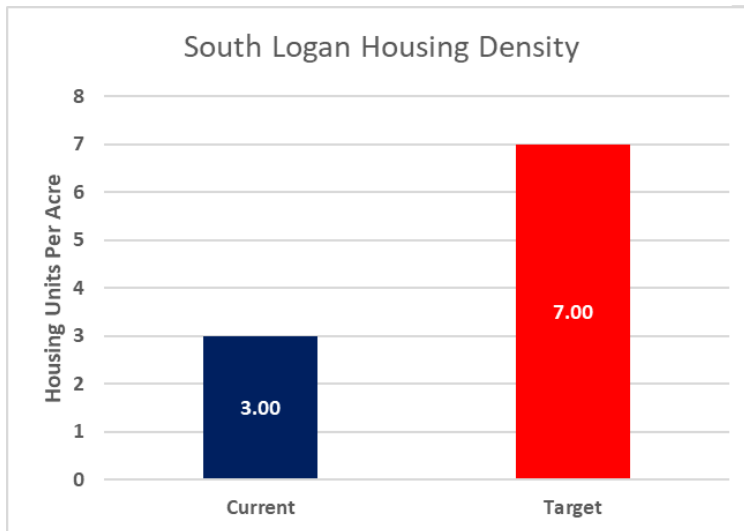
⁹ [“Appendix E – Displacement Risk Assessment,”](#) City of Spokane Housing Action Plan, July 2021.

¹⁰ [“2023 Emerging Trends in Real Estate,”](#) Urban Land Institute.

Increasing density is the key driver in adding housing to support investment in transit, enabling people to live closer to where they work. Research suggests targeting a density of at least 7 units per acre to support investment in Bus Rapid Transit. ¹¹Target density can vary depending on the cost of the transit investment, with larger investments suggesting the need for higher density levels. The South Logan area, per our calculation illustrated below, currently has 1,025 housing units in 342 acres, translating to approximately 3.0 units per acre. This implies that housing density will need to more than double relative to today in order to adequately support investment in the BRT line.

We have identified the following strategies which can directly or indirectly support the creation of new housing and are worthy of consideration for the South Logan context.

Exhibit 3 – South Logan Housing Density



Use of Development Agreements.

A development agreement is a contract between a city and a property owner which summarizes responsibilities associated with redevelopment of land. Development agreements are highly customized and specific to a particular site and with that come advantages and disadvantages as described below. To address the primary disadvantage, which is administrative burden and complexity, we suggest creating and using a template agreement, perhaps borrowed from a previous transaction in the City of Spokane, and adding as an

exhibit a checklist of priorities specific to the South Logan neighborhood which might be addressed during negotiation of a development agreement. This checklist document could be revisited as needed from time to time but would be of great benefit to City staff in focusing negotiations with developers related to a particular site. A checklist of this kind would also be appreciated by the development community in offering some predictability to the negotiation. The counties of King, Snohomish, Clark, and Pierce, in the state of Washington have codified a process for using development agreements.¹² Clark county has published a sample application form and standard form development agreement which may be useful to the Spokane planning and development community.

One example of how a development agreement might be used in the South Logan context is to offer (a) a relaxation of the requirement for ground-floor retail in zones which require it in exchange for (b) incentives offered by developers in support of local businesses, whether that be below-market rent, tenant improvement contributions, or use of non-standard lease structures (ex: rent calculated as percentage of sales for the first X years of the lease term).

Not all sites in South Logan would need to be governed by a development agreement. We suggest encouraging development only for sites which meet certain thresholds, for example size (ex: ½ acre

¹¹ [“Transit-Supportive Densities and Land Uses,”](#) Puget Sound Regional Council, February 2015.

¹² [“Development Agreements in Clark County,”](#) Clark County, February 2019.

minimum) or density (ex: 100 units or more) or are of strategic importance to the neighborhood due to location or visibility or some other metric as determined by the Planning Department.

Use of Development Agreements	
Opportunities	<i>High degree of control, ability to tailor policies to time and context</i>
Challenges	<i>Increased administrative burden</i>
Risks	<i>Cost and time associated with negotiation acts as a deterrent to new development</i>

Public-Private Partnerships (“PPP”).

Cultivate partnerships with institutional stakeholders, most notably Gonzaga University and the University District Partnership, but also Eastern Washington University and the University of Washington, along with key private sector stakeholders, in support of business and economic development in South Logan. The development of structured parking, which could be shared by commercial and residential visitors to South Logan, is one example of an initiative which might benefit from PPP.

Explore partnerships with Community Development Financial Institutions (CDFIs), for example, Local Initiatives Support Corporation, Impact Capital, or Enterprise Community Development Fund. These organizations provide capital in support of affordable housing. They tend to be focused on large cities and rural areas and may need proactive outreach in order to be encouraged to venture into a smaller city like Spokane.

Explore private sector partnerships with dominant employers in the area, for example – Avista or Providence Health. One recent example of a successful partnership between an employer and the community in support of affordable housing was Orenda, where Seattle Children’s Hospital invested equity to double the number of units from 20% to 40% of the total project available to residents earning less than 80% of AMI.

Facilitate Public-Private Partnerships (“PPP”)	
Opportunities	<i>South Logan benefits from concentrated ownership of land, particularly by Gonzaga University, who is a motivated constituent. Strengthening ties between the University, businesses, and families who have significant presence in South Logan is more easily coordinated when there are fewer decisionmakers.</i>
Challenges	<i>How to bring the community in to the conversation?</i>
Risks	<i>Siloed efforts result in inward-facing projects which serve a small number of constituents rather than the community more broadly. The City can play a key role as facilitator and connector.</i>

Dedicate subsidy to less-common home ownership models.

Uncommon forms of real estate ownership including Community Land Trusts (“CLTs”) and co-operatives suffer from lack of capital and would benefit from dedicated efforts from the community towards capacity-building, in order to generate the legal and structural knowledge required to make these forms of ownership more common, as well as education and outreach to local lenders, investors, and community members. A land bank, like the one recently created by the Spokane Low Income Housing

Consortium, is a powerful way for the City to participate directly in facilitating these less common ownership models.¹³

Dedicate subsidy to uncommon ownership models.	
Opportunities	<i>Land trusts, limited-equity cooperatives, and co-housing are relatively rare in the United States, but can be powerful models for long-term affordability and might be implemented in South Logan as powerful anti-displacement strategies.</i>
Challenges	<i>Lack of technical expertise among lenders, attorneys, and developers limits widespread adoption.</i>
Risks	<i>Funds are set aside which might have been better dedicated to other uses if there is not a meaningful amount of new development which is spurred by the public commitment. They may be too “niche” and unfamiliar to real estate developers and land use professionals to practically be adopted on even a reasonably broad scale.</i>

Credit support.

An underappreciated factor which constrains significantly the production of housing is the requirement for unlimited personal guaranties for loans from most bank lenders. For those relying on financing from the private sector, the requirement for an unlimited personal guaranty represents a substantial hurdle to developing a new real estate project. To the extent that the City of Spokane could either (a) set aside a loan guaranty fund dedicated to projects which pursue targeted levels of affordability or (b) support the creation of a Community Development Financial Institution (CDFI), new housing dedicated to below-market rates could see more volume. The Bay Area Transit-Oriented Affordable Housing program came into being with \$10 million in first-loss seed capital which led to an additional \$40 million in private investment into the program.¹⁴ The CDFI Bond Guarantee program is one of the more well-known programs of this kind nationally.¹⁵ In Washington, see also the Affordable Housing Land Acquisition Revolving Loan Fund Program.¹⁶ C-PACER is a new financing tool which can support investment in green retro-fits which is also worth considering.¹⁷

Provide credit support to small-scale housing developers.	
Opportunities	<i>Lack of sufficient financial capacity is typically the primary barrier to financing of small projects and stands in the way of a citizen-developer corps who can do the hard but valuable work of locally-led, tactical, small-scale development.</i>
Challenges	<i>Education and capacity-building – for those interested in building a small project but who are not professional real estate developers, they may face too steep a learning curve in what is a complex and risky process. The cost-benefit analysis of such a program would be worthwhile to study on a small scale.</i>
Risks	<i>Lower average creditworthiness of small-scale developers may shift too much risk and potential for loss onto the taxpayer to be worth</i>

¹³ [“Innovative ‘Land Bank’ Could Bring More Affordable Housing to WA”](#), Public News Service, August 10th, 2022.

¹⁴ [“TOAH,”](#) Bay Area Transit-Oriented Affordable Housing.

¹⁵ [“CDFI Bond Guarantee Program – A Gateway to Capital,”](#) CDFI Fund.

¹⁶ [“RCW 43.185A.110,”](#) Washington State Legislature.

¹⁷ [“Spokane County’s C-PACER Program,”](#) City of Spokane Economic Development.

the benefit of the incremental amount of development such a policy would encourage.

Building Heights.

Support increasing allowable building heights along transit corridors, in South Logan particularly along Hamilton Avenue and Mission Avenue. Consider pairing with neighborhood Design Standards, especially in critical, high visibility areas.

Building Opportunities and Choices for All (“BOCA”).

The Building Opportunities and Choices for All (“BOCA”) pilot zoning program, passed in July 2021, allows for construction of townhomes, duplexes, triplexes, and quadplexes in single family zones citywide, and is one of the most broad-based zoning reform measures we have observed nationally. The state of Oregon passed a similar measure in 2019, HB 2001, to address housing choice and affordability in the state of Oregon but it allows for some discretion in how it is administered city by city. At the city level, Spokane should be recognized as a leader in liberalizing its code with respect to single family zoning and sets an admirable example for others to follow. We hope and believe that BOCA will be a success, recognizing that it is a bold step towards reversing historical inequities inherent to single family zoning while encouraging development of more diverse housing types. Change will likely be fairly slow and incremental under BOCA but we support a patient, committed, long-term approach to evaluating this bold zoning reform measure.

V. Anti-Displacement Strategies

The following strategies address anti-displacement in a direct way and are relatively low-cost to implement. We evaluated anti-displacement strategies which address both (a) resident and (b) business displacement with priority for those which directly target equitable outcomes.

a. Equity

Evaluate the potential for a “Community Preference” program.

Consider a “community preference” policy which establishes preference for existing residents of the community in applications for affordable housing units.¹⁸ Community preference provides a mechanism for disadvantaged residents of high displacement areas to access priority to new affordable housing units which could directly address displacement. The intent of a community preference policy is to address displacement and ensure new development is inclusive of those who, without such a policy, may be at high risk of displacement.

Create a Rental Assistance Fund.

A Rental Assistance Fund is a relatively low-cost way to minimize the impacts of displacement on the most economically vulnerable populations. The Fund could be capitalized through development-related fees or through government or grant subsidy. The Fund would be available to those residents needing relocation cost assistance or to cover security deposit requirements or moving expenses.

Community Engagement

¹⁸ [“Community Preference,”](#) Seattle Office of Housing.

Engage early and often with neighborhood stakeholders to ensure all voices are heard. Maintain multiple formats for communication (ex: website, mail, periodic community meetings) to ensure the broadest possible participation. Engaging with a broad swath of the South Logan community will be essential in working towards a goal of equitable transit-oriented development.

b. Business Displacement

Business Improvement District (BID).

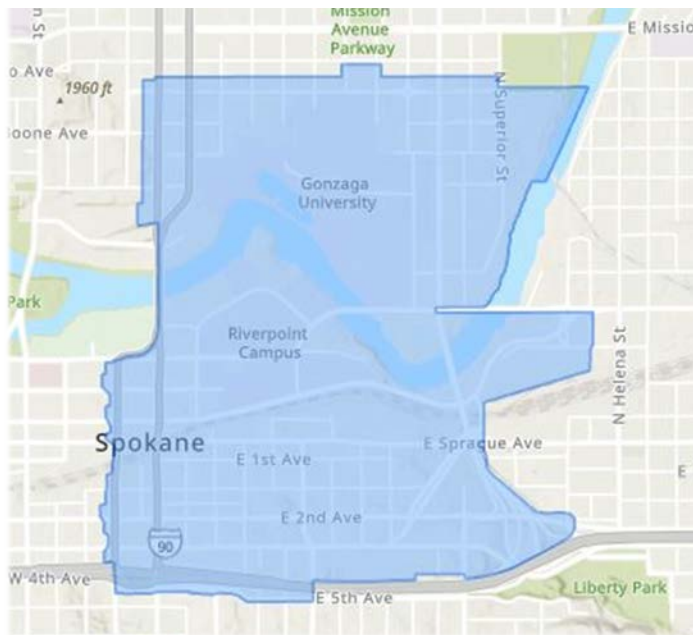
Explore the possibility of forming a South Logan Business Improvement District (BID), which would be a governmental agency which has the power to collect revenues which could directly support initiatives which might address displacement of local businesses. Such a district would have as a guiding philosophy the support of new and preservation of existing local businesses, along with provision of funding programs, advisory services, and political advocacy. Business Improvement Districts do not impact other property tax-based funding programs and can be layered with TIF and Revenue Districts. All new organizations which have the ability to generate revenue in service of pre-defined policy goals must be coordinated carefully – lest they cannibalize one another to the extent they draw from the same revenue sources.

c. Resident Displacement

Public Development Authority (PDA).

Ensure South Logan is in continuous dialogue with the University District Partnership (“UDPDA”) and is engaged on any significant new development projects. Since the UDPDA already encompasses most of

Exhibit 4 – University District Partnership Area Boundary



the South Logan area, perhaps all that is needed is renewed engagement with leadership to focus on the South Logan area and work to identify near-, mid-, and long-term initiatives which might be done collaboratively which are specific to South Logan.

Tax Increment Financing (TIF).

In 2021, the Washington State Legislature passed RCW 39.114, authorizing tax increment financing (TIF), a public financing tool enabling municipalities to sell bonds to finance broadly defined “public improvements” in targeted areas to catalyze and influence future development.¹⁹ “Public improvements” as a definition includes many kinds of public infrastructure as well as “Purchasing, rehabilitating, retrofitting for energy efficiency, and constructing housing for the purpose of creating or

preserving long-term affordable housing.”

¹⁹ Washington State Legislature, [RCW 39.114](#)

Utilize recently reinstated Tax Increment Financing (TIF) public financing tool to unlock development sites constrained by upfront infrastructure costs by facilitating this mechanism which can be used to amortize the cost of upfront infrastructure over the long-term. Given the broad definition of “public improvements,” including contributions in support of the creation or preservation of affordable housing, the power of this mechanism cannot be understated.

Tax Increment Financing (TIF) can be used for the “purchasing, rehabilitating, retrofitting for energy efficiency, and constructing housing for the purpose of creating or preserving long-term affordable housing,” RCW.39.114.

Why dedicate TIF funds to South Logan? The rationale for TIF in South Logan is due to the outsized investment, over \$175 million, the area has received in recent years – but which has not yet translated into substantial property redevelopment. To the extent TIF can serve as a tool to unlock key sites which might be constrained by upfront infrastructure costs or other factors but which can follow upon and amplify these substantial investments outlined below, so much the better. South Logan is an employment hub, particularly to a valuable concentration of locally owned businesses, so to the extent that TIF can be used in exchange for developer-led commitments to preserving high-quality, affordable space for South Logan businesses, the investments outlined below will prove to have been well-considered and worthwhile.

- City Line – \$92 million
- UW/GU Regional Health Partnership Building – \$60 million
- WSDOT Trent Bridge – \$25 million

Reducing or Eliminating Minimum Parking Requirements.

Consider offering an incentive to developers, perhaps additional height allowance on a case-by-case basis, which enables developers to reduce or eliminate parking requirements, in exchange for a fee, or a contribution in lieu which furthers the public benefit, as determined by the Planning Department, through, for example, the provision of affordable housing or the provision of below-market rate commercial space. One example currently in use in Spokane in the Centers and Corridors zone is actually part of MFTE code language – it allows developers in the Centers and Corridors zone to eliminate parking requirements provided they opt in to the MFTE program.

Reduce or eliminate minimum parking requirements.	
Opportunities	<i>Reducing or eliminating parking significantly reduces the cost of development and should encourage construction of additional housing. In South Logan, developers would likely continue to provide parking for the foreseeable future, given prevailing dependence upon cars. Eliminating the requirement allows developers discretion to reduce or eliminate parking for sites which are especially well-served by transit or for smaller projects which may not have as great a need or for projects where the primary tenant demographic may use transit or walk to work or school.</i>
Challenges	
Risks	<i>Projects delivered with parking counts which with the benefit of hindsight turn out to be too low can increase congestion.</i>

Minimum Density Requirements.

As suggested in a previous study, the City may wish to consider requiring a minimum residential density, at least for identified key parcels in South Logan, particularly those which are in close proximity to the BRT line.²⁰ We suggest structuring this as an incentive rather than a requirement. If the density requirement is set at too high a level, a level which is not yet realistic given the prevailing economic environment, development could be discouraged in the near- and medium-term, a counterproductive and unintended consequence. If the requirement is too low, opportunities to add density in strategic locations could be squandered. Setting a right-sized minimum density requirement is a challenging exercise which would require further study.

Ground Floor Retail Requirements

Ground floor retail requirements challenge developers in all markets. E-commerce has challenged traditional “bricks and mortar” retailers and while there are many examples of successful retailers who have adapted to and are thriving in the current environment, demand for retail space is difficult to predict and highly dependent upon context. South Logan is particularly challenged as it relates to retail as it relies heavily upon a transient student population, a significant segment of which leaves the area for part of the year. Developers today do not typically attribute much if any value to ground-floor retail and must budget for periods of sustained vacancy, particularly in situations where retail is required but where market demand for retail space is minimal. For example, consider a large site which is located in the middle of a block without pedestrian-friendly streetscape improvements, but which has a requirement for retail on the entire ground floor. Flexible ground floor standards that permit but do not require retail, or require a smaller portion of the ground floor (e.g. corner space of buildings at intersections), would allow opportunities for retail to flourish in the right locations without also creating an impediment to new housing construction. Certain ground floor design or construction standards such as minimum floor heights can be employed to ensure flexibility to convert residential spaces to retail over time should demand for retail space increase in a particular location.

Expand upon anti-displacement research.

Continue to build a body of work speaking directly to Spokane neighborhoods while monitoring progress in other cities in Washington and across the country. While displacement has been occurring since time immemorial, anti-displacement has only recently been identified as a policy priority in many cities. The thinking is evolving quickly and practical strategies should continue to be identified and refined so regular updates may be prudent. A displacement risk mapping tool, similar to the one created by the Puget Sound Regional Council, specific to Spokane, could be a valuable tool for the City to fund and develop, and will help identify and monitor the highest-risk areas in Spokane.²¹

Address displacement in Comprehensive Plan update.

In the upcoming periodic comprehensive plan update in 2026, consider identifying anti-displacement research and policymaking as a priority for the next planning cycle.

²⁰ “TOD Framework Study, [Appendix A-1: Code Evaluation](#),” Angelo Planning Group, March 8th, 2022.

²¹ [Displacement Risk Mapping Tool](#), Puget Sound Regional Council.

H E A R T L A N D

Exhibit 5 – Housing & Anti-Displacement Strategies Matrix

#	Policy Strategy	Policy Category	Implementation	Priority Level
1	Expand upon anti-displacement research	AD	Easy	High
2	Address displacement in Comprehensive Plan	AD	Easy	High
3	Community Engagement	AD	Easy	High
4	Public Development Authority (“PDA”)	H, AD	Easy	High
5	Flexibility for Ground Floor Retail Requirement	H	Medium	High
6	Tax Increment Financing (“TIF”)	H, AD	Medium	High
7	Reduce or Eliminate Minimum Parking Requirements	H, AD	Medium	High
8	Facilitate Public-Private Partnerships (“PPP”)	H, AD	Hard	High
9	Building Heights	H	Easy	Medium
10	Community Preference	AD	Easy	Medium
11	Rental Assistance Fund	AD	Medium	Medium
12	Business Improvement District (“BID”)	AD	Medium	Medium
13	Development Agreements	H, AD	Hard	Medium
14	Minimum Density Requirements	H, AD	Hard	Medium
15	Credit support for small-scale developers.	H, AD	Hard	Medium
16	Subsidy for less common ownership models	H, AD	Easy	Low
17	Building Opportunities and Choices for All (“BOCA”)	H, AD	N/A*	N/A*

AD = Anti-Displacement

H = Housing

*Not applicable, implemented in July 2021.