

Downtown Spokane Partnership Housing Action Plan

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*Community Attributes Inc. tells data-rich stories about communities
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EXECUTIVE SUMMARY

Background and Purpose

The Downtown Spokane Partnership (DSP) is a nonprofit organization representing over 100 businesses and serving as the leading advocate for a vibrant and livable downtown. DSP is interested in understanding the investments, policy and regulatory changes, and other actions that could lead to residential development that addresses Downtown housing needs while supporting urban revitalization. This report, which is informed by data analysis, best practices, and stakeholder input, **recommends a 10-year housing development target of approximately 3,200 market rate housing units for Downtown Spokane**, and offers recommendations to help DSP and the City of Spokane support a thriving downtown. To the extent that new affordable units may be built in Downtown, additional market rate units above and beyond the target would be required in order to maintain an appropriate balance between market rate and affordable units.

Affordable housing is defined as housing that is rent restricted (available only to those with verified income below 80 percent of AMI), or rent subsidized (by Section 8 or other federal programs).

Housing Demand in Downtown Spokane

Due to limitations in various data, this study uses different housing unit inventory counts in different parts of the report. In 2025 synthesized data from CoStar, DSP, and the City of Spokane. This 2025 inventory indicates that **there are 2,961 total housing units in the study area, with 1,655 market rate units (56%) and 1,306 (44%) affordable housing units.**

Other Considerations for Downtown Housing

In identifying a housing target for Downtown Spokane, there are several important factors.

Comparative Perspectives

While the need for ongoing housing development is clear, a comparison of Downtown Spokane to other thriving downtowns through case studies, indicates that Spokane has the highest proportion of affordable housing to market rate housing amongst comparators. Overall, Spokane's downtown is also denser (in terms of housing units per acre) than some case studies, such as cities like Chattanooga, Tennessee or Boise, Idaho, but not as dense as Des Moines, Iowa or Portland, Maine.

Downtown Amenities Assessment

This assessment compares the population density and characteristics of a prominent trade area within Downtown Spokane to those of case study peers. Compared to its peers, the trade area around *My Fresh Basket* in Downtown Spokane has a lower median income, smaller population, and fewer college-educated residents. These comparisons suggest that **Downtown Spokane’s current residential density and demographics fall below the thresholds observed in comparable cities with thriving urban-serving grocery anchors.**

Further, comparisons on grocery saturation suggest that Spokane’s existing residential base may limit the market potential for additional grocery investment and points to the need for increased population density, across diverse socioeconomic groups to support new retail anchors.

Increasing Downtown residential density would also bring additional disposable income to the Downtown area, supporting other types of retail. An analysis included in this study (**Exhibit 34**) estimates that approximately **an additional 3,200 market rate units in Downtown Spokane could support an estimated 98,300 square feet of additional retail space.**

Other Amenity Considerations

As the population of residents in Downtown Spokane increases, so will the demand for residential amenities like green space. For example, while current green spaces, like Riverfront Park are fantastic assets, thousands of additional Downtown residents may outsize capacity. To the extent that the City of Spokane is interested in increasing Downtown residential density, it should be proactive in planning for other amenities such as parks.

Opportunity Sites for Downtown Development

Analysis of parcels that can accommodate housing growth in Downtown Spokane reveals 70.6 acres across 155 opportunity sites. These have been ranked by redevelopment potential into five tiers. 42 sites in Tier 1 and 2 are identified as having the greatest redevelopment potential. These sites were greater than 0.5 acres and vacant or largely underutilized.

Target for Downtown Housing

Building on these considerations, this Action Plan identifies the following housing target for Downtown Spokane to support a thriving downtown:

A 10-year target of 3,200 net new market rate units will balance the downtown housing mix and increase residential density.

Recommended Actions to Support Downtown Housing

Finally, this housing action plan identifies recommendations for the city of Spokane to accommodate and facilitate housing development in accordance with the housing targets given above. The recommendations are as follows:

Recommendation 1. Utilize Incentives to Target Desired Development

A substantial share of Downtown Spokane’s existing housing units are affordable. While there is ongoing demand for affordable housing, state programs will continue to incentivize and support the development of these projects. Moving forward, Downtown Spokane should also prioritize the development of workforce housing (affordable to households earning 60–120% of AMI) and market-rate housing (above 80% of AMI) to support a balanced and vital housing mix. This may be done through:

- Office Conversion
- Public/Private Partnerships
- Targeted Development

Recommendation 2. Prioritize Catalytic Infrastructure

Transformative infrastructure investments can lay the groundwork for Downtown Spokane’s next generation of growth by creating a safe, connected, and vibrant environment that attracts people, businesses, and new housing. By prioritizing catalytic public improvements, from upgraded streetscapes and better lighting to modern broadband and smart city technology, the City can shape a downtown that supports economic vitality and community well-being. Improvements that enhance connectivity, address public safety, and activate streets and public spaces will not only encourage private development but also strengthen the downtown’s role as the region’s civic and cultural heart. Together, these investments build the conditions for sustained growth and livability. This may be done through:

- Street Design and Activation
- Connectivity Plan
- Public Safety and Perceptions
- Broadband and Smart City Technology Investments

Recommendation 3. Utilize Public Structures to Advance City Goals

To unlock the full potential of Downtown Spokane as a vibrant, inclusive, and economically resilient urban center, the City can leverage a range of public policy tools and programs that align private development with broader community priorities. By pursuing public structures such as zoning overlays, targeted financial incentives, streamlined development services, and

innovative financing mechanisms, Spokane can attract and shape the kind of investment that delivers on its goals for housing affordability, economic diversity, and sustainability. These tools, combined with strong communication and clear partnerships, can help maximize the impact of recent policy reforms, expand housing choices, and ensure that new growth supports a thriving, walkable downtown for all residents. This may be done through:

- Zoning Overlays
- Communicate Reform
- Development Concierge
- Local Tax Increment Financing (LTIF)

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INTRODUCTION

Background and Purpose

The Downtown Spokane Partnership (DSP) serves as the leading advocate for creating a dynamic, vibrant, livable, and sustainable Downtown Spokane. As a not-for-profit organization, DSP's 100+ members represent a range of business sectors, including real estate, banking and finance, law, transportation, insurance, communications, energy, and tourism.

As the second largest city in the State of Washington, Spokane – and in extension its Downtown – serves as a key driver of the region's economic vitality. Downtown Spokane is not only a hub for employment and population growth, but it also plays a key role in addressing the city's broader housing shortages. Further, higher residential densities within the urban core support the mix of retail, commercial, and lifestyle amenities that define a thriving urban environment. This Housing Action Plan lays out recommendations for Downtown Spokane to increase its residential density, attract residential development, and otherwise support the revitalization of Downtown Spokane as a dynamic, livable urban district.

Downtown Spokane's Housing Action Plan draws from the Housing Stock Assessment, completed in 2024. This assessment describes the conditions and character of Downtown Spokane's housing stock, including housing needs and gaps. Specific Development Targets for housing units in the Downtown Study Area over the next 5, 10, and 15 years are informed by past planning efforts, best practices from comparable downtowns, and analysis on the demographic conditions needed to support urban amenities. These targets break out the goal for housing units by affordability level. Finally, building upon these analyses, as well as engagement with stakeholders, the Action Plan provides strategic considerations and recommendations to help DSP and the City of Spokane achieve the given housing development targets.

Methodology

In order to gain a diverse understanding of the housing needs and current conditions in Downtown Spokane, a number of different analysis approaches were used throughout this report utilizing sources including:

- The Downtown Spokane Partnership Study Area housing unit estimates
- CoStar estimates for downtown Spokane planning area
- CoStar
- American Community Survey (ACS)
- Comprehensive Housing Affordability Strategy (CHAS)
- ESRI Business Analyst

Housing Unit Estimates

This study included a review of multiple sources of housing unit data, including from CoStar, the U.S. Census Bureau's American Community Survey (ACS), and a running inventory kept by DSP staff. This study found that the DSP inventory is likely to be the most accurate, although all sources of data converged on similar housing unit counts. While this study prefers the DSP inventory, **housing unit counts from other sources are used throughout this report, based on data availability at different geographic scales.**

Comparative Case Studies

This analysis includes a review of four case study downtown areas, Boise, Idaho, Chattanooga, Tennessee, Des Moines, Iowa, and Portland, Maine. The downtown boundaries utilized were defined by each respective city. The boundary map and source are shown for each case study. Included is a comparative analysis of both their physical geographies, including populations and density, along with their current affordable housing ratios. Affordable housing, as defined by CoStar, consists of units that are rent restricted (available to those earning between 30 and 80 percent of AMI), or rent subsidized (by Section 8 or other federal programs). Cost burden is defined by households who spend 30% or more of their monthly income on housing. Also reviewed are some programs from each city geared towards housing and downtown development, and finally an analysis of their grocery amenities along with their densities and surrounding demographics.

The selection process emphasizes comparability and relevance. The study identified potential peer cities based on factors such as downtown size (in acres), population, housing unit density, and recent trends in housing development, as well as Walk Scores as a proxy for vitality. The initial list of potential peers, provided in Exhibit 43, was refined in collaboration with DSP.

Downtown Amenities Analysis

This assessment focuses on Downtown Spokane and peer downtowns where a grocery store has been successfully established. An approximate one-mile radius around each store, (defined by Census block groups) representing a walkable trade area, was used to evaluate population density and key demographics such as income and educational attainment. These findings offer benchmarks to guide strategies for attracting urban-serving retail and amenities in Downtown Spokane.

- Identify a Primary Downtown Grocery Store in each study area, including Downtown Spokane and the selected case study downtowns.

- Define a 1-Mile Trade Area around each store to simulate a walkable catchment area, especially relevant in urban contexts.
- Assess Population Density, Demographics, and Amenity Mix within each trade area to identify patterns that correlate successful grocery store presence and broader retail vitality.

Pro Forma

The proforma analysis models the feasibility of two commercial multifamily development prototypes created for this study, including a high-rise and mid-rise structure. Both prototypes are assumed to be rental projects. The prototypes include ground-floor retail commercial space, in addition to the residential space. We explored two key return metrics in this feasibility analysis, including Debt Service Coverage Ratio (DSCR) and Cash-on-Cash Return. DSCR is an important metric because it assesses if a property is able to cover its financing costs with forecasted revenues. In a similar manner, Cash-on-Cash Return conveys the projected cash flow after all financing costs have been paid out.

This analysis shows the projected feasibility for the first full year of operations by prototype, with all inputs and assumptions reflecting current market trends and conditions such as construction costs, rental rates, and interest rates. Market rate residential rents are informed by average rents and comparable properties in Downtown Spokane, leveraging market data from CoStar, RedFin, and Zillow. Spokane Municipal Code was referenced to ensure all building specifications were set within allowable levels, and height and density maximums not exceeded. All inputs and assumptions are documented in **Exhibit 38**.

CURRENT HOUSING IN DOWNTOWN SPOKANE

A Housing Stock Assessment, completed in 2024, was the first step in researching and analyzing housing needs and opportunities in Downtown Spokane. Key findings from the Housing Stock Assessment have been integrated into this Downtown Spokane Partnerships Housing Action Plan below.

Housing Inventory

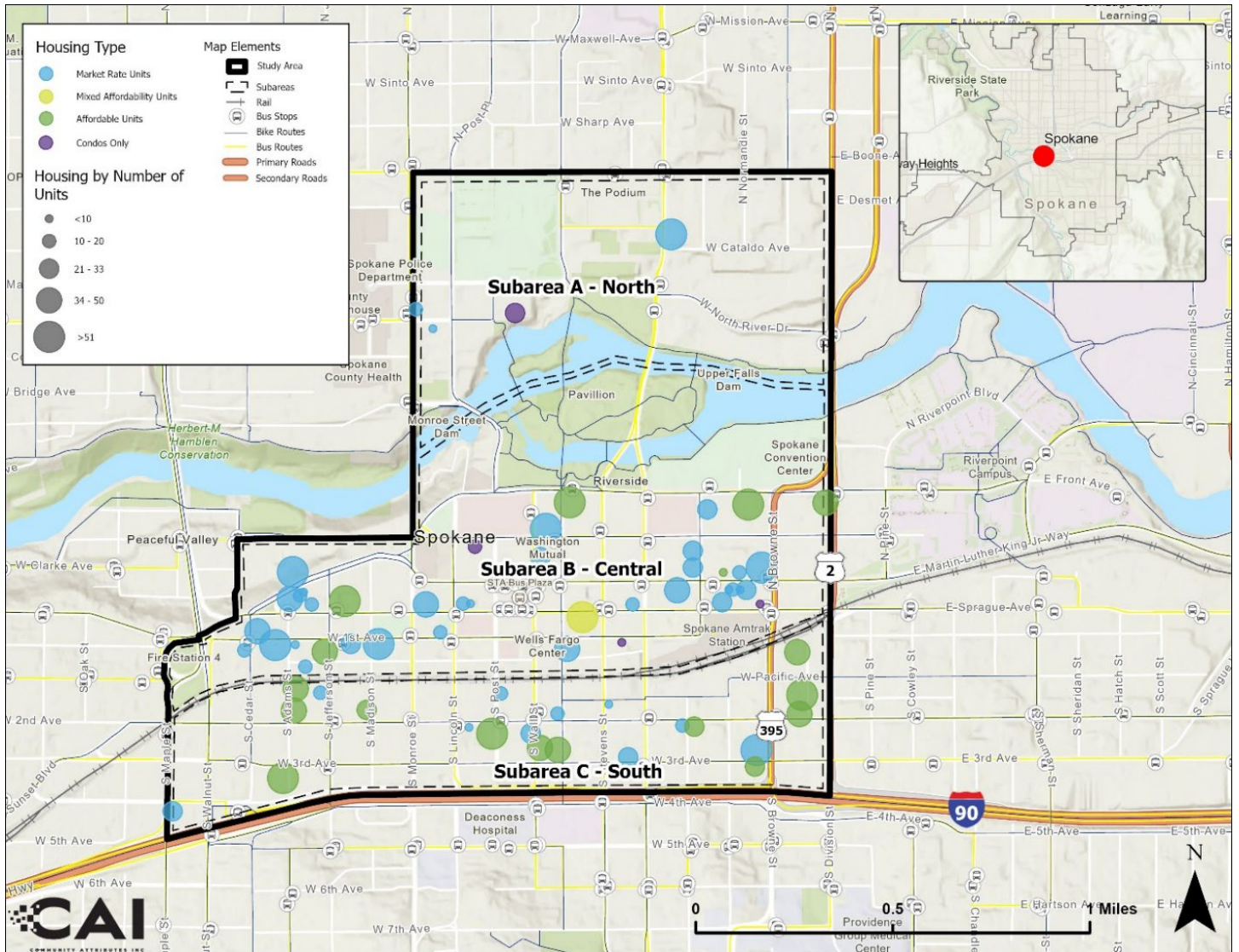
The Downtown Spokane study area includes 2,961 total housing units, with 1,655 market rate units (56%) 1,306 affordable units (44%).

According to DSP’s hybrid inventory of housing units drawing on internal counts, CoStar data, and data from the City of Spokane, the Downtown Spokane study area includes **2,961 total housing units, with 1,655 market rate units (56%) 1,306 affordable units (44%)**. Approximately 170 units are condos. Affordable housing, as defined by CoStar, consists of

units that are rent restricted (available only to those with verified income below 80 percent of AMI), or rent subsidized (by Section 8 or other federal programs) (**Exhibit 44**).

The map below defines the boundaries of the Downtown Spokane study area (**Exhibit 1**). Data collection and analysis on housing within this study area used this given custom boundary and/or a conversion of this boundary into other geographic types, such as block groups or census tracts, as needed.

Exhibit 1. Housing Units by Type, Downtown Spokane Study Area, 2024



Sources: Downtown Spokane Partnership, 2024; CAI, 2024.

The central part of the Downtown Spokane study area, which includes South of the Spokane River and North of the railroad viaduct, hosts the highest concentration of housing units in the study area, with about 2,022 units (**Exhibit 2**).

Exhibit 2. Housing Unit Inventory by Location and Unit Type, Study Area, 2025

Location	Total Units	Market Rate Units (%)	Affordable Units (%)	Condos (%)
North Subarea	167	100%	0%	19%
Central Subarea	2,054	55%	45%	5%
South Subarea	740	49%	51%	4%
Total	2,961	56%	44%	6%

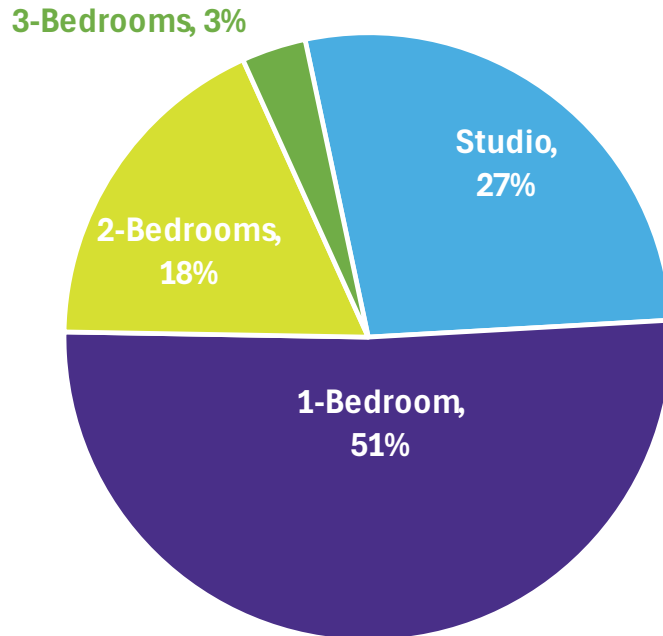
Sources: DSP, 2024; CoStar, 2024; CAI, 2025.

Note: "Condos" category may include both market rate and affordable housing unit types, and some do not report prices. In addition, some buildings not reporting unit counts. Thus, totals may not sum to 100%.

In order to perform detailed analysis for Downtown Spokane’s housing inventory, such as evaluating housing by unit type, structure size and age, Community Attributes utilized several sources to gather data. The total housing unit counts varies between sources due to geographic boundaries and data collection limitations.

Approximately half of the housing units in Downtown Spokane (51%) are one-bedroom housing units (Exhibit 3).

Exhibit 3. Housing Units by Unit Type, Downtown Spokane Study Area, 2023



Sources: ACS, 2023; CAI, 2024.

Note: This data is only available from ACS.

More than three-quarters (or 76%) of housing units in the Downtown study area are hosted within buildings with 20 or more units (**Exhibit 4**).

Exhibit 4. Housing Units by Structure Size

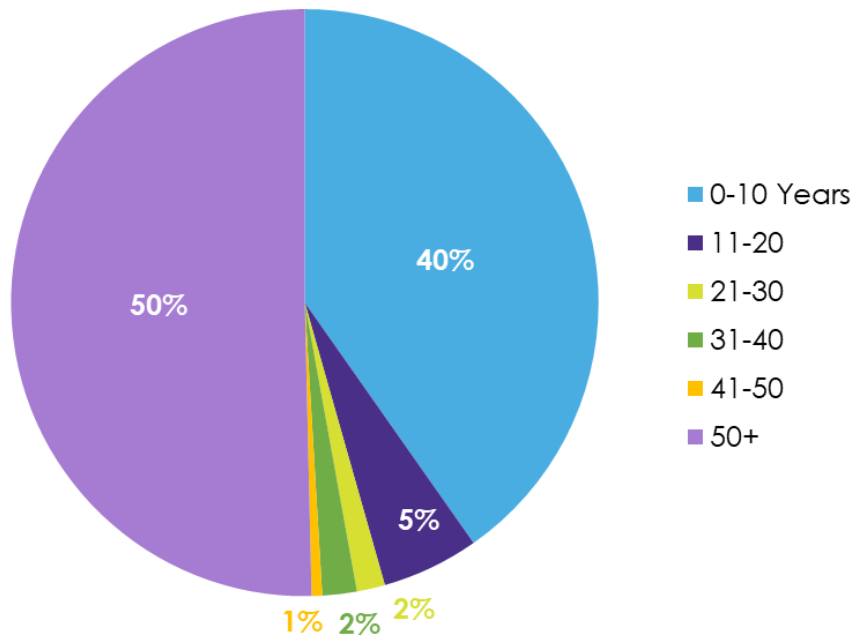
Structure Size / Type	% of Total
1 Detached Unit in Structure	2%
1 Attached Unit in Structure	1%
2 Units in Structure	1%
3 or 4 Units in Structure	3%
5 to 9 Units in Structure	3%
10 to 19 Units in Structure	13%
20 to 49 Units in Structure	26%
50 or More Units in Structure	50%

Sources: ESRI, 2024; ACS 5-Year Estimates, 2022; CAI, 2024.

Note: Not all housing units will be included in the evaluation of housing units by structure size due to limitations in data collection.

The Downtown Spokane study area shows a concentration of older multifamily units, with 50% of units being over 50 years old (**Exhibit 5**). However, the second largest age grouping of housing units were built within the last 10 years, with 40% of housing units in the study area in 2024.

Exhibit 5. Multifamily Units by Age, Downtown Spokane Study Area, 2024



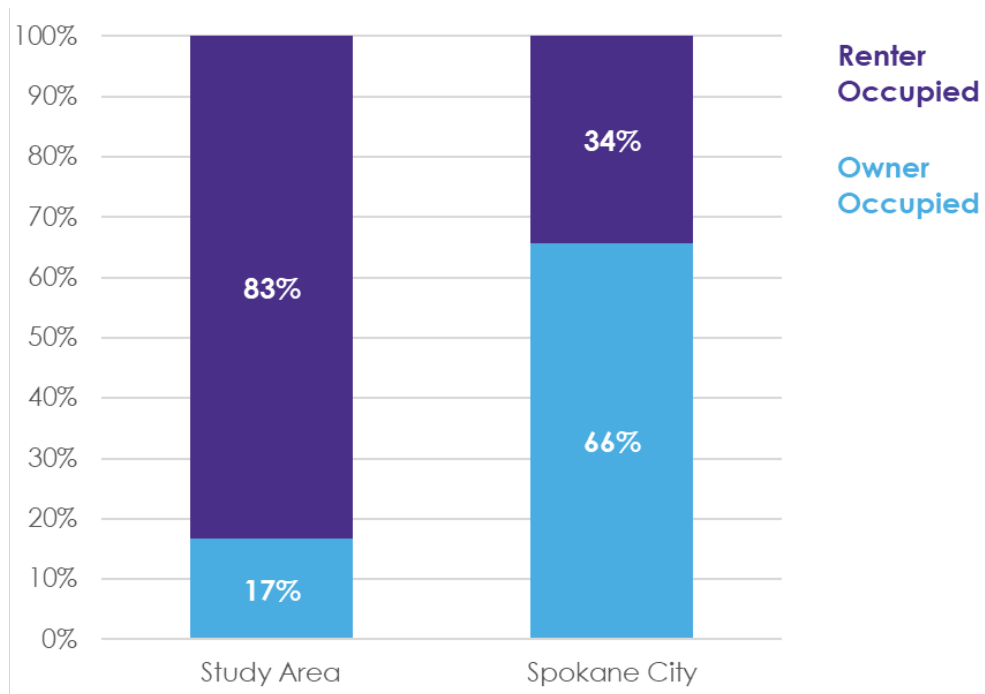
Sources: CoStar, 2024; CAI, 2024.

Household Characteristics

Downtown Spokane is home to a higher concentration of more affordable rental rates and smaller unit types compared to the larger trends of Spokane County, where higher rental brackets and larger units are more prominent.

In Downtown Spokane, the majority (83%) of housing units are occupied by renters. In contrast, 66% of households in the whole City of Spokane are homeowners (**Exhibit 6**).

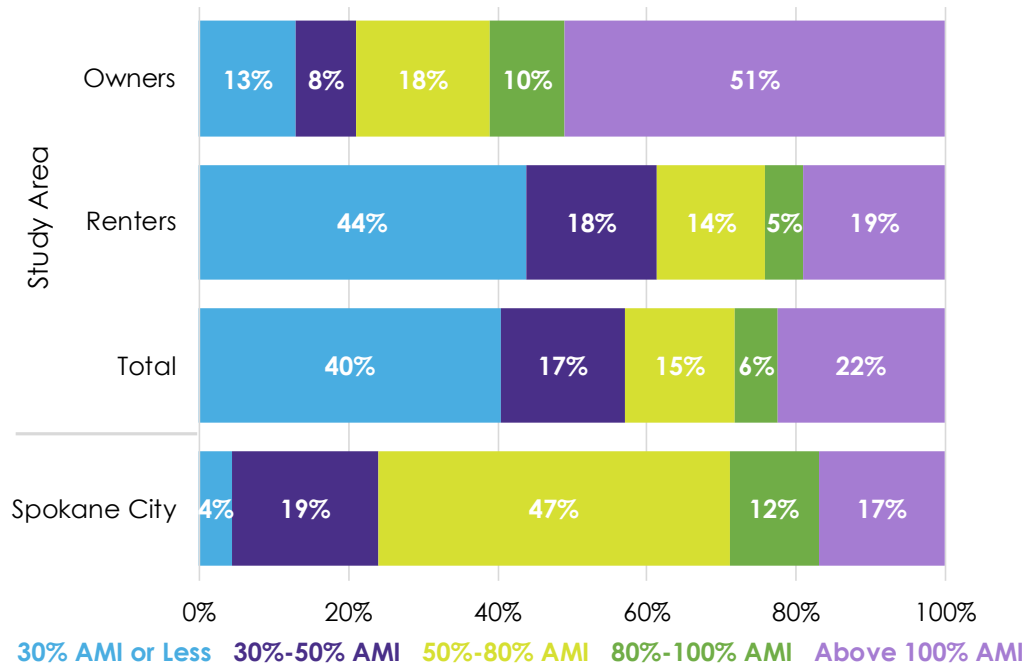
Exhibit 6. Housing Tenure, Downtown Spokane Study Area and the City of Spokane, 2023



Sources: ACS 5-Year Estimates, 2023; CAI, 2024.

In the Downtown study area, more than half (57%) of households earn less than 50% AMI, or Area Median Income, which was \$78,500 in 2020. The largest cohort of residents (40%) make 30% AMI or less (**Exhibit 7**). In contrast, the City of Spokane’s largest cohort of residents (47%) make between 50-80% AMI. In the study area, renter households generally earn less than owner households.

Exhibit 7. Percentage of Households by AMI, Downtown Study Area and City of Spokane, 2020



Sources: CHAS, 2016-2020; CAI, 2025.

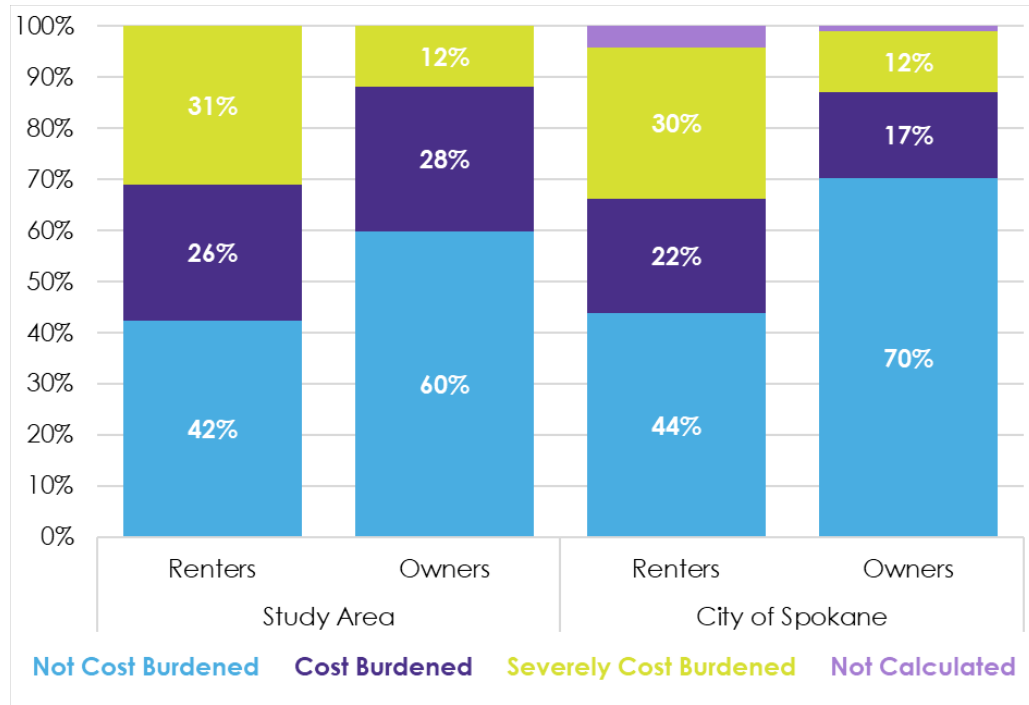
Though the inventory of housing units by affordability status given in **Exhibit 2** identifies 44% of the housing units as being affordable (with rent or home price capped at 80% of AMI or less), **Exhibit 7** indicates that there are significantly more (72%) households within the study area that earn incomes at 80% or less of AMI. This misalignment implies that there are some housing units that are not deemed affordable (i.e., no restrictions on rent or sale price) but are nevertheless rented at rates that are affordable to households earning 80% of AMI or less, and that some households earning 80% of AMI or less are voluntarily leasing or purchasing a housing unit that is rented or sold at a price that the U.S. Department of Housing and Urban Development (HUD) would deem unaffordable (e.g., an individual choosing to spend more than 30% of their income on rent).

According to HUD, households that contribute more than 30% of their gross monthly income towards housing are considering cost burdened, and those spending more than 50% severely cost burdened.¹ Within the Downtown Spokane study area, some renters are either cost burdened (26%) or severely cost burdened (31%). However, 60% of homeowners in the study area do not

¹ [U.S. Department of Housing and Urban Development](#)

experience cost burden due to housing. Cost burden trends within the study area largely mirror those of the City of Spokane as a whole (**Exhibit 8**).

Exhibit 8. Housing Cost Burden, Downtown Spokane Study Area and City of Spokane, 2023



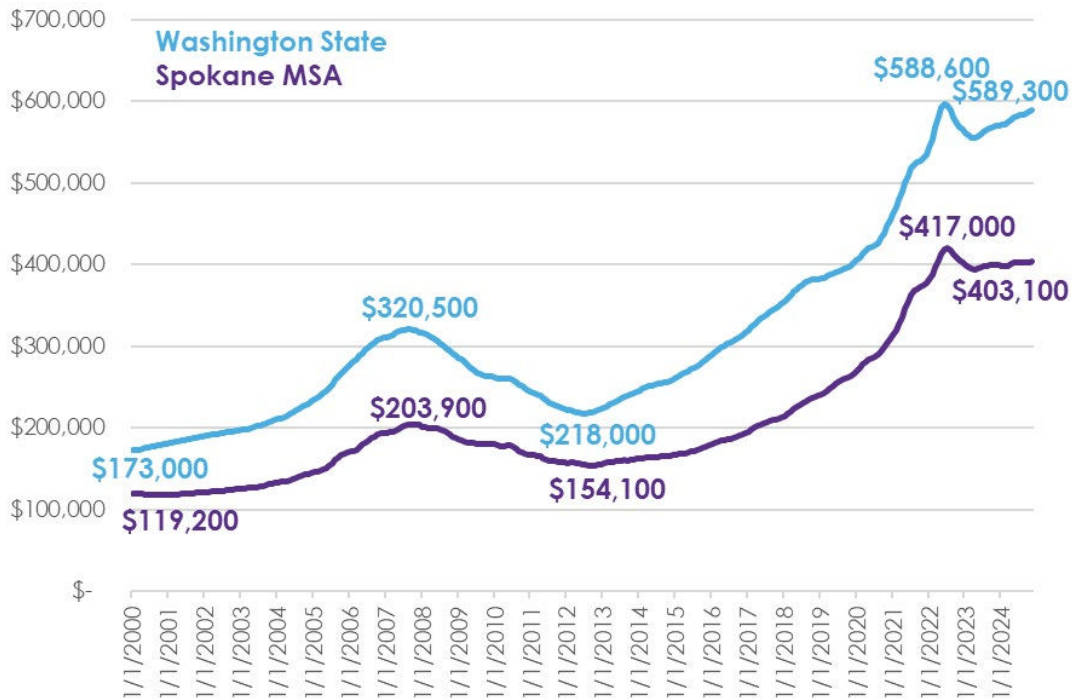
Sources: ACS 5-Year Estimates 2023; CAI, 2024.

Housing Market Trends

As of 2024, multifamily vacancy rates within the Downtown Spokane study area are the lowest since at least Q1 of 2000 at 3.9%.

Housing costs at both the state and city level have increased substantially, especially since 2012, with both areas experiencing a momentary pause in 2022, and continuing on a growth pattern since (**Exhibit 9**, Zillow ZHVI). The post-2020 period highlights a tightening housing market in both the city and the county, reflected by fewer days for residential properties on the market.

Exhibit 9. Typical Home Sale Price, Washington State and Spokane MSA, 2000-2024

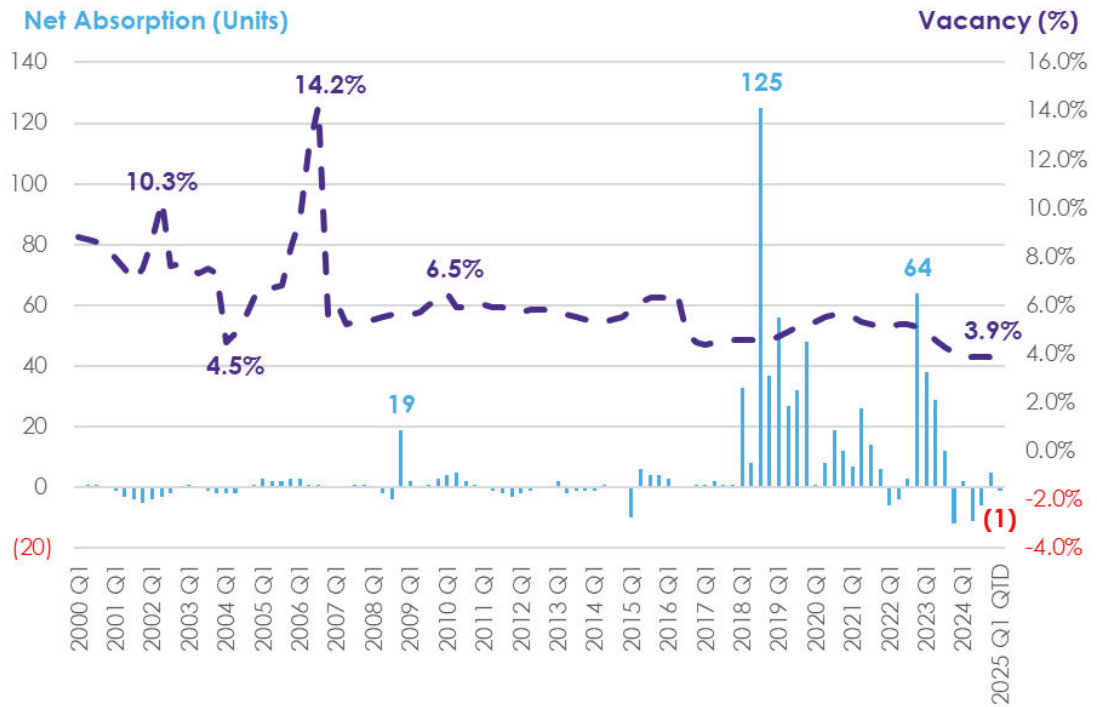


Sources: Zillow ZHVI, 2024; CAI, 2024.

Note: The Zillow Home Value Index (ZHVI) is a measure of the typical home value and market changes across a given region and housing type. It reflects the typical value for homes in the 35th to 65th percentile range, the measure is smoothed and seasonally adjusted.

As of 2024, multifamily vacancy rates within the Downtown Spokane study area are the lowest since at least Q1 of 2000 at 3.9% (**Exhibit 10**). There has also been an increase in the size of multifamily deliveries in the Downtown Spokane study area since 2018, with absorption largely keeping up.

Exhibit 10. Multifamily Net Absorption and Vacancy, Downtown Spokane Study Area, 2024



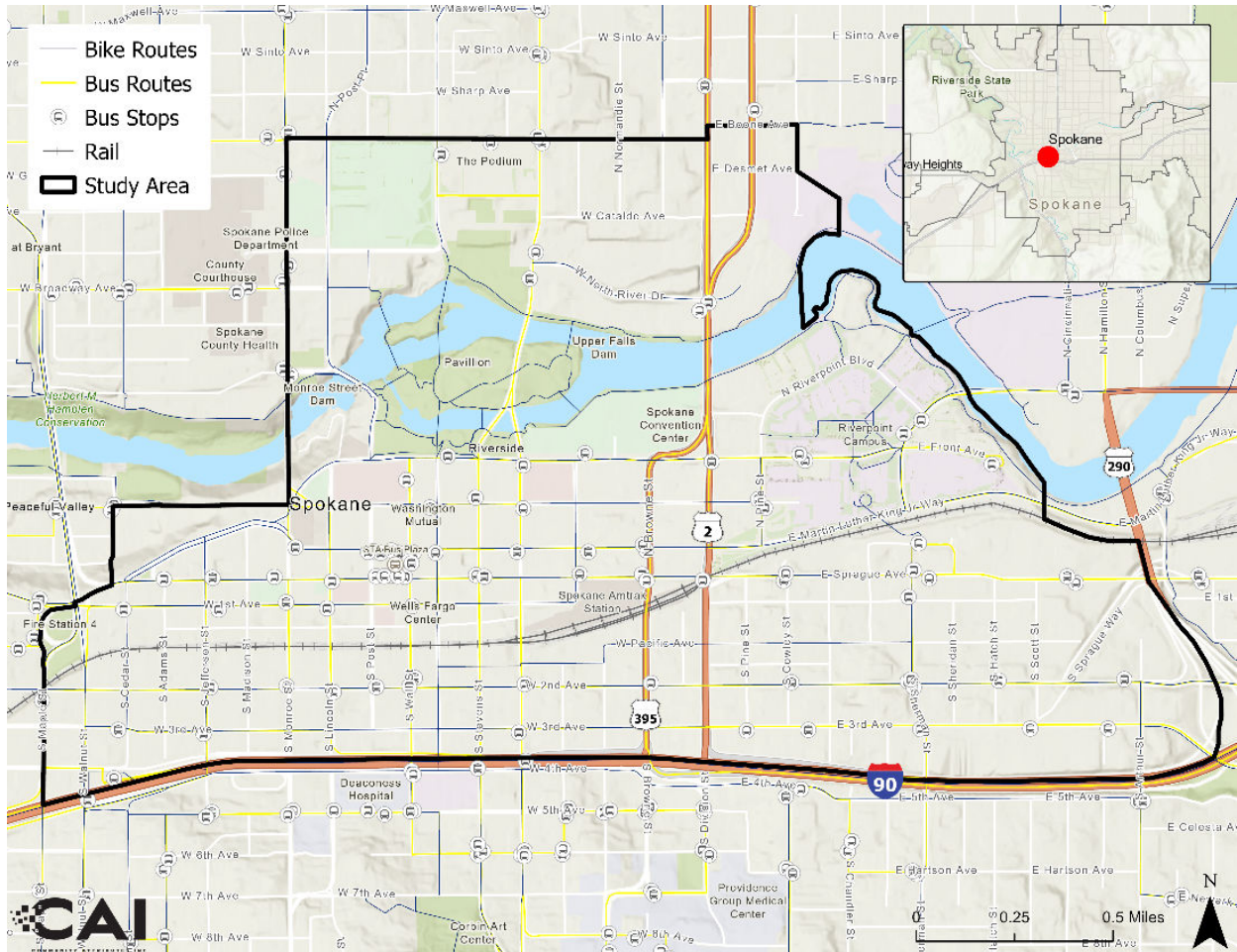
Sources: Costar, 2024; CAI, 2024.

THRIVING RESIDENTIAL DOWNTOWNS

Comparative Perspectives

To inform future strategies for downtown housing development, CAI prepared four case studies of comparable downtown districts that have demonstrated measurable progress in growing their housing stock. These case studies will serve as critical reference points to help identify the conditions, approaches, and investments that have enabled these districts to attract residential development and, in turn, support a broader ecosystem of amenities and retailers. Note that this section utilizes the Downtown Planning Area boundary as defined by the City of Spokane in 2008 and utilized in the 2021 Downtown Plan (**Exhibit 11**). This section sources housing unit counts from CoStar rather than the DSP inventory as it is not inclusive of the entire Planning Area boundary.

Exhibit 11. Downtown Planning Area Boundary



Source: Spokane Downtown Plan, 2021; CAI, 2025.

The primary goal of these case studies is to understand how peer downtown districts, particularly those in mid-sized cities, have successfully navigated housing development challenges. By evaluating both quantitative data and qualitative insights, the aim is to:

- Identify industry standards and best practices that support downtown housing growth.
- Understand the policy frameworks, public-private partnerships, and infrastructure investments that have facilitated development.
- Determine thresholds of housing density, population, and urban character necessary to support a thriving mix of retail, services, and amenities.
- Assess the replicability of these strategies for Spokane’s downtown context.

Methodology

The downtown boundaries utilized in this section were defined by each respective city. The boundary map and source are shown for each case study. Included is a comparative analysis of both their physical geographies, including populations and density, housing cost burden and the ratio of affordable to market rate housing in each area.

Affordable housing, as defined by CoStar in **Exhibit 44**, consists of units that are rent restricted (available to those earning between 30 and 80 percent of AMI), or rent subsidized (by Section 8 or other federal programs). The rate of cost-burdened² households portrayed in this analysis, according to The U.S. Department of Housing and Urban Development, are households that contribute more than 30% of their gross monthly income towards housing are considering cost burdened, and those spending more than 50% severely cost burdened.³ Also reviewed are programs from each city geared towards housing, downtown development and urban vitality.

Case Study 1: Boise, Idaho



Source: Visit Idaho, 2024

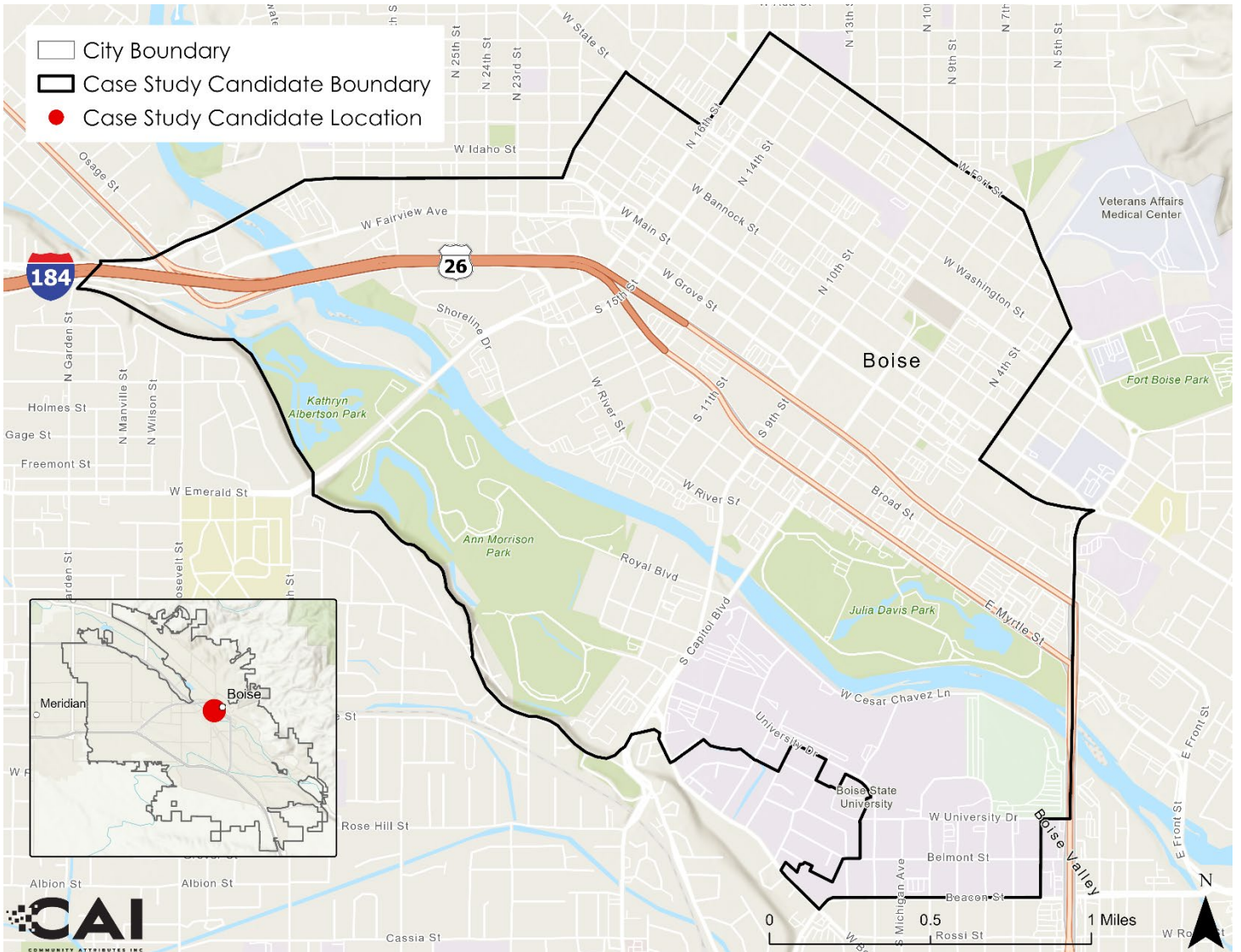
Downtown Boise serves as a cultural and economic heart of the city, characterized by a mix of local businesses, restaurants, and vibrant arts and culture venues. It is a pedestrian friendly neighborhood with active

² [U.S. Department of Housing and Urban Development](#)

³ [U.S. Department of Housing and Urban Development](#)

community events that contribute to an atmosphere that attracts both residents and visitors. As the focal point of Boise's urban landscape, downtown functions as a central gathering place that reflects the city's growth and development. It supports a diverse economy, fosters community engagement, and enhances the overall quality of life for Boise's residents. The vibrancy of downtown has a ripple effect, influencing surrounding neighborhoods and contributing to the city's appeal as a desirable place to live and work.⁴

Exhibit 12. Downtown Boise, 2025



Source: City of Boise Open Data Portal, 2025; CAI, 2025.

⁴ The boundary used to define Downtown Boise is based on the city's comprehensive plan and includes part of Boise State University.

Exhibit 13 shows the overall density of Boise’s downtown area, compared to the total housing units per acre. Boise’s downtown area is the largest at 1,529 acres, supporting 10,740 people and 5,882 housing units. Boise has a moderate population density (4,490 per sq mi) and the second lowest number of housing units per acre, after downtown Spokane, at 3.85 units/ acre.

Exhibit 13. Downtown Density, Downtown Boise, 2024

Downtown City Area	Downtown Area (Acres)	Population	Housing Units	Population/ Sq Mile	Housing Units/Acre
Boise, ID	1,529	10,740	5,882	4,490	3.85

Source: Esri, 2024; CoStar, 2025; ACS, 2023; CAI, 2025.

Exhibit 14 provides demographic data related to downtown Boise’s population, population growth and housing cost. Downtown Boise has the largest population at 10,740, compared to the other case study cities as well as the highest compound annual growth rate (CAGR) which is utilized to portray the population growth rate from year to year. Median age and median income are the lowest in Boise compared to other case studies. Similarly, the percentage of residents considered housing cost burdened is fairly low, at 18%.

Exhibit 14. Downtown Demographics, Downtown Boise, 2024

Downtown City Area	Total Population 2020	Total Population 2024	CAGR 2020-2024	Median Age	Downtown Median Income	City Median Income	% Cost Burdened
Boise, ID	9,300	10,740	3.7%	27	\$32,200	\$80,000	18%

Sources: Esri, 2024; ACS, 2023; CAI, 2025.

Downtown Boise has a total of 5,882 housing units, the most out of the downtown case study areas. 1,023 (17%) of those units designated as affordable, the smallest ratio (**Exhibit 15**). Overall affordable housing makes up a small mix of the overall housing units downtown, with market rate units making up 83% of the units available.

Exhibit 15. Available Affordable and Market Rate Units, Downtown Boise, 2025

Downtown City Area	Affordable Units	% Affordable	Market Rate Units	% Market Rate	Total Units
Boise, ID	1,023	17%	4,859	83%	5,882

Source: CoStar, 2025; CAI, 2025.

Boise Planning Efforts:

Boise's planning initiatives prioritize community well-being, sustainability, and equity. Through programs that activate public spaces, improve transportation infrastructure, and support affordable housing, the city aims to create a more inclusive, livable, and environmentally conscious urban environment. These efforts reflect a holistic approach to growth that centers on accessibility, social connection, and long-term resilience. Below are some programs implemented in Boise.

Public Space Activation Programs: The city has launched initiatives such as Park(ing) Day and Open Streets to temporarily transform streets into car-free spaces for public enjoyment. These events encourage community interaction and showcase the potential of public spaces for recreation and socialization. Funding for Boise's Public Space Activation Programs, such as Park(ing) Day and Open Streets Boise, is derived from a combination of public and private sources. The City of Boise plays a pivotal role by providing logistical support, including road closures, signage, and permits, to facilitate these events. Additionally, the city allocates funds for specific neighborhood enhancements, like the Winstead Park Open Streets event, which received part of a \$364,504 investment in 2024. Nonprofit organizations, such as the Boise Bicycle Project, contribute through event coordination and community engagement efforts. Corporate sponsorships and in-kind donations further bolster these initiatives, with local businesses supporting events like Open Streets Boise through financial contributions and product donations. This collaborative funding model ensures the sustainability and success of Boise's public space activation programs.

State Street Project: Adopted in 2024 by the Capital City Development Corporation, this project aims to transform State Street into a people-friendly corridor with shared-use paths that separate pedestrians and cyclists from vehicular traffic. Scheduled for construction in 2026, the project anticipates future growth and promotes sustainable, multi-modal transportation options. This project is funded through a combination of Tax Increment Financing (TIF) and Urban Renewal Agency resources.

Housing Investment Program (HIP): The City of Boise allocates funds from its general revenue and has also secured federal grants, such as a \$6.5 million application to HUD's Pathways Removing Obstacles (PRO) Housing program, to support affordable housing development. Additionally, the city launched the Supportive Housing Investment Fund with an initial \$7.5 million in seed funding, which has attracted further commitments from private sector and philanthropic partners. Boise also collaborates closely with Ada County, combining resources such as a \$5 million pledge from the city and a \$4.5 million grant from the county to finance affordable housing projects. HIP provides financial support for construction and preservation of

affordable housing units. It aims to create multifamily rental housing affordable to households earning 60% of the Area Median Income (AMI) and below. Given Boise's high population growth rate (Exhibit 14), a higher proportion of resources, like the HIP program, are likely to be dedicated to affordable housing than in Spokane.

Zoning Code Incentives: Boise's zoning code includes provisions to encourage affordable and sustainable housing development alongside market rate housing development. For example, in Mixed Use Active (MX-3) zones, developers can receive a 50% reduction in minimum parking requirements if 25% of the units are income-restricted to households earning no more than 60% AMI and meet specific sustainability criteria.

Downtown Events: Boise hosts several annual festivals and large-scale events throughout the year. Some notable events include the Treefort Music Fest, Race to Robie Creek and the Spirit of Boise. Events include a mix of athletic events, street fairs, and music events. Monthly First Thursday events encourage locals and visitors to explore downtown galleries, shops, and eateries, fostering their vibrant arts scene. Like Spokane's Hoopfest, Lilac Bloomsday Run, and First Friday Art Walks, Boise's event programming strengthens community identity and supports local businesses by drawing residents and tourists into the heart of downtown.

Case Study 2: Chattanooga, Tennessee



Source: Chattanooga Area Convention & Visitors Bureau

Downtown Chattanooga blends historical charm and modern development. Notable landmarks include the Tennessee Aquarium and the Walnut Street

Bridge. These landmarks and numerous events and festivals contribute to the area’s appeal, attracting both residents and visitors into the downtown spaces. The revitalized riverfront and public spaces host numerous events and festivals every year, fostering a strong sense of community and engagement. The downtown plays a crucial role in Chattanooga’s identity, driving its tourism industry and a place to support local businesses.

Exhibit 16. Downtown Chattanooga, 2025



Source: City of Chattanooga Open Data Portal, 2025; CAI, 2025.

Chattanooga spans 1,303 acres and is home to 4,640 residents and 7,267 housing units (**Exhibit 17**). It has a population density of 4,410 per sq mi and 5.58 housing units per acre, similar to that of downtown Des Moines.

Exhibit 17. Downtown Density, Chattanooga, 2024

Downtown City Area	Downtown Area (Acres)	Population	Housing Units	Population/Sq Mile	Housing Units/Acre
Chattanooga, TN	1,303	4,640	7,267	4,410	5.58

Sources: Esri, 2024; CoStar, 2025; ACS, 2023; CAI, 2025.

Chattanooga’s population has seen little fluctuation between 2020 and 2024 (**Exhibit 18**). It had a population density of 4,560 residents in 2020 and 4,640 residents in 2024, with an estimated 0.4% annual growth rate. It has a moderate median income compared to other case study downtowns at \$40,200 and the lowest percentage of cost-burdened residents at 18%. This, combined with the low annual growth rate, may suggest a more stable downtown landscape in terms of development patterns and affordability for residents.

Exhibit 18. Downtown Demographics, Chattanooga, 2024

Downtown City Area	Total Population 2020	Total Population 2024	CAGR 2020-2024	Median Age	Downtown Median Income	City Median Income	% Cost Burdened
Chattanooga, TN	4,560	4,640	0.4%	34	\$40,200	\$62,500	18%

Source: Esri, 2024; CoStar, 2025; ACS, 2023; CAI, 2025.

Chattanooga has the highest total units out of the study areas, (7,267). Of these, 1,613 units, or 22% are affordable units (**Exhibit 19**). While it has the highest number of affordable units by count, the city's affordable percentage ranks third amongst the case studies, indicating a relatively modest focus on affordability compared to its scale.

Exhibit 19. Available Housing by Affordability Level, Chattanooga, 2025

Downtown City Area	Affordable Units	% Affordable	Market Rate Units	% Market Rate	Total Units
Chattanooga, TN	1,613	22%	5,654	78%	7,267

Source: CoStar, 2025; CAI, 2025.

Chattanooga Planning Efforts:

Chattanooga’s recent and ongoing initiatives emphasize revitalization, affordability, and preserving local character. Through riverfront redevelopment, historic preservation, and comprehensive planning, the city is investing in vibrant, inclusive spaces that support economic growth and cultural identity. Efforts also highlight a strong focus on expanding affordable housing and improving infrastructure, reinforcing a broader vision of equitable and sustainable urban development. Some of the programs include:

Riverfront Redevelopment: In the 1980's and 1990's, significant investments were made to redevelop the riverfront. This included the construction of the Tennessee Aquarium and enhanced public spaces. Public investments came from local and state government sources, including bonds, grants, and dedicated taxes, while private investors and philanthropic organizations contributed significant capital. This collaborative funding approach helped transform the riverfront area, attracting over \$1 billion in additional public and private investments in subsequent decades, fueling ongoing revitalization and growth.

Historic Preservation and Reuse: Organizations such as Preserve Chattanooga have successfully advocated for the preservation and adaptive reuse of historic buildings, contributing to the unique character and vibrancy of downtown. The organization has received grants from foundations such as the Lyndhurst Foundation, which awarded \$116,000 in 2024 for the development of a Chattanooga Preservation Plan and staff expansion. Additionally, Preserve Chattanooga has been supported by the 1772 Foundation, which funded a feasibility study for establishing a local revolving fund to assist with preserving endangered properties. Their work includes the redevelopment of the Standard Coosa Mill currently under development to become a multifamily mixed-use community, and the Tomorrow Building, the first co-living residence in the southeast. Although Washington's Clean Buildings Act creates significant financial barriers to pursuing similar programs, the implementation of a localized incentive program and tax incentives that align historical preservation with energy efficiency goals can help Spokane continue to develop their historic core while preserving the local character.

Invest Chattanooga Housing Production Fund: Announced in December 2024, this \$20 million fund from the city of Chattanooga provides low-interest loans covering up to 25% of a project's construction costs. In return, developers must dedicate 30% of the units to affordable housing, aiming to reduce reliance on expensive private equity and encourage affordable housing development. In addition to this city-funded initiative, Chattanooga leverages federal resources such as the HOME Investment Partnerships Program to further promote affordable housing development and preservation.

One Westside Plan: Unveiled in May 2023, this comprehensive plan aims to revitalize 300 acres of downtown riverfront adjacent to Chattanooga's core. It includes expanding educational opportunities, creating affordable housing for over 2,000 residents, and enhancing public infrastructure along the Tennessee River. The plan envisions over 1 million square feet of commercial space, thousands of new homes, and 14 acres of new green space.

Broadband and Smart City Investments: In 2008, Chattanooga invested in a 9,000-mile fiber network for the city. It was the first city in the Western Hemisphere to offer 1 gigabit-per-second fiber internet service to all of its residents and businesses. A federal smart-grid grant accelerated the timeline for completion of the fiber optic network from 10 years to 2 years, fiber optics were installed the same as powerlines, overhead where the lines already existed, or underground. A 2021 research study found that this \$280 million dollar investment resulted in \$2.69 billion in economic benefit in its first ten years. Continuing with its investments in technology, Chattanooga received \$2 million Strengthening Mobility and Revolutionizing Transportation (SMART) grant from the U.S. Department of Transportation. In Chattanooga, the grant will fund the deployment of Cellular Vehicle-to-Everything (C-V2X) and Intelligent Transportation Systems (ITS) technologies at high-risk, mid-block crossings along two major corridors near downtown. The initiative aims to create a safer, more efficient urban environment for all Chattanooga residents and visitors.

Downtown Events: Chattanooga’s hosts many music-based events, including a Friday-night music series, Nightfall. Like Spokane’s concert venues and festival events such as Hoopfest and Lilac Festival, Chattanooga’s music programming helps activate downtown and build a lively community atmosphere.

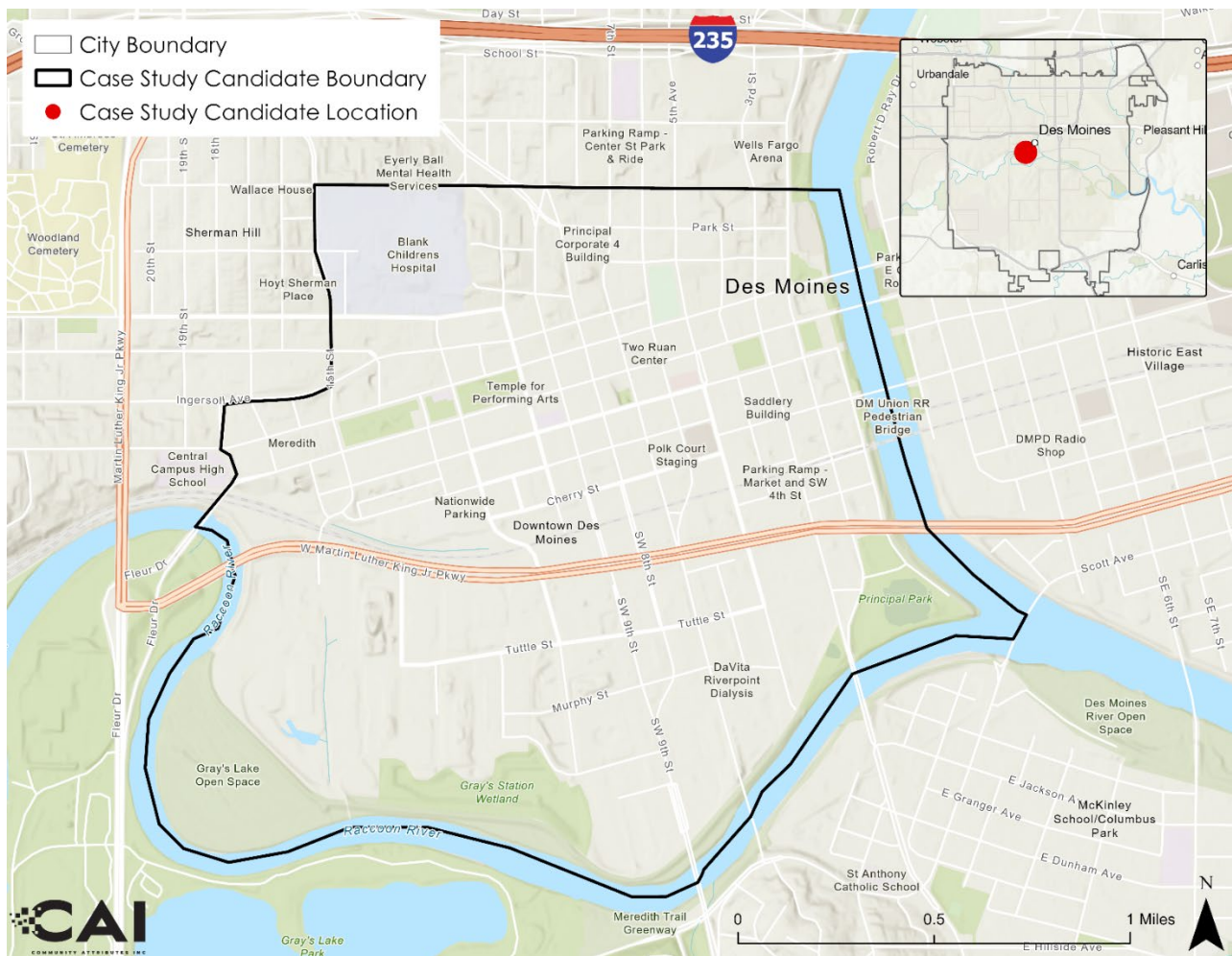
Case Study 3: Des Moines, Iowa



Source: Catch Des Moines

As a cultural hub of the State, Downtown Des Moines features a skyline of contemporary high-rises, historic buildings, and green spaces along the Des Moines River. The downtown neighborhood offers a variety of attractions, including the Court Avenue District, the Iowa Event Center, and public art installation. The historic downtown fosters a strong sense of community and drives economic growth throughout the rest of the metro area. Des Moines also hosts numerous events and festivals throughout the year, including the Iowa State Fair, the Des Moines Farmers’ Market, and the World Food & Music Festival. With an extensive skywalk system, riverfront trails, and parks, the district is both pedestrian- and bike-friendly, making it an inviting place to explore.

Exhibit 20. Downtown Des Moines, 2025



Source: City of Des Moines Open Data Portal, 2025; CAI, 2025.

Des Moines’ downtown comprises 988 acres, with 6,460 people living in 5,914 housing units (**Exhibit 21**). It has a population density of 4,180 per sq mi, and its housing density is the highest outside of Portland at 5.98 units per

acre, suggesting a relatively housing-rich downtown environment. This may point to a significant presence of multifamily housing or recent residential development.

Exhibit 21. Downtown Density, Des Moines, 2024

Downtown City Area	Downtown Area (Acres)	Population	Housing Units	Population/Sq Mile	Housing Units/Acre
Des Moines, IA	988	6,460	5,914	4,180	5.98

Sources: Esri, 2024; CoStar, 2025; ACS, 2023; CAI, 2025.

Des Moines’ downtown population has seen a relatively low increase from 2020 to 2024 (**Exhibit 22**). It has a median age of 31, and median income of \$55,900, the highest of the case studies. This is similar to Chattanooga’s citywide median income of \$60,800. 22% of downtown residents are considered housing cost burdened, which is comparable to the case study locations.

Exhibit 22. Downtown Demographics, Des Moines, 2024

Downtown City Area	Total Population 2020	Total Population 2024	CAGR 2020-2024	Median Age	Median Income	City Median Income	% Cost Burdened
Des Moines, IA	6,210	6,460	1.0%	31	\$55,900	\$60,900	22%

Source: Esri, 2024; ACS, 2022; CAI, 2025.

According to CoStar’s inventory, Downtown Des Moines has 5,914 housing units. Of these, 1,001 units are affordable, which accounts for only 17% of the total (**Exhibit 23**). Like Boise, Des Moines displays a heavy market rate orientation, with affordable housing making up a relatively small proportion of its overall offerings.

Exhibit 23. Available Housing by Affordability Level, Des Moines, 2025

Downtown City Area	Affordable Units	% Affordable	Market Rate Units	% Market Rate	Total Units
Des Moines, IA	1,001	17%	4,913	83%	5,914

Source: CoStar, 2025; CAI, 2025.

Des Moines Planning Efforts:

Des Moines’ recent housing initiatives reflect a strong commitment to affordability, neighborhood stability, and equitable development. By supporting affordable rental projects, assisting with home repairs in aging neighborhoods, and investing in the redevelopment of underutilized sites like Plaza Lanes, the city is working to preserve housing quality, expand access

for lower-income families, and promote long-term community resilience. Some programs include:

Plaza Lanes Redevelopment: In September 2024, The City of Des Moines has committed to a \$400,000 loan through the U.S. Department of Housing and Urban Development's (HUD) Home Investment Partnerships Program (HOME) to transform the former Plaza Lanes site into an affordable housing project. It aims to provide 40 apartments for lower-income families at below market rents.

Rental Programs: The city of Des Moines provides funding to developers to construct affordable rental units or acquiring and rehabilitating existing units. This gap subsidy aims to mitigate financial risks of development and encourage rental constructions. Similar affordable housing programs are most appropriate in jurisdictions with a high market rate to affordable housing ratio.

Improving Our Neighborhoods (ION) Program: This initiative provides city-funded assistance for exterior home and property repairs, focusing on homes built before 1960. The ION Program is primarily funded through allocations from the City of Des Moines' budget. The program aims to help homeowners maintain their properties and prevent deterioration. Applications are accepted from October 1 to March 31 each year. This program could be applied to multi-family units if utilized in downtown Spokane, along with commercial and mixed use, in order to maintain character and create desirability for the downtown core.

Downtown Events: The Iowa State Fair is known as the largest state fairs in the country, attracting over one million visitors annually. Downtown Des Moines hosts a complementary parade and several notable food festivals throughout the year. Downtown Des Moines boasts a robust lineup of festivals that celebrate its diverse culture and artistic flair. The Des Moines Arts Festival, held annually in Western Gateway Park, the 80/35 Music Festival, World Food & Music Festival, and Latino Heritage Festival, each draw significant crowds and contribute to the city's vibrant atmosphere. Like Spokane's Lilac Festival, Hoopfest, and Pig Out in the Park, Des Moines' array of cultural and arts festivals helps foster community pride and energize its downtown core.

Case Study 4, Portland, Maine

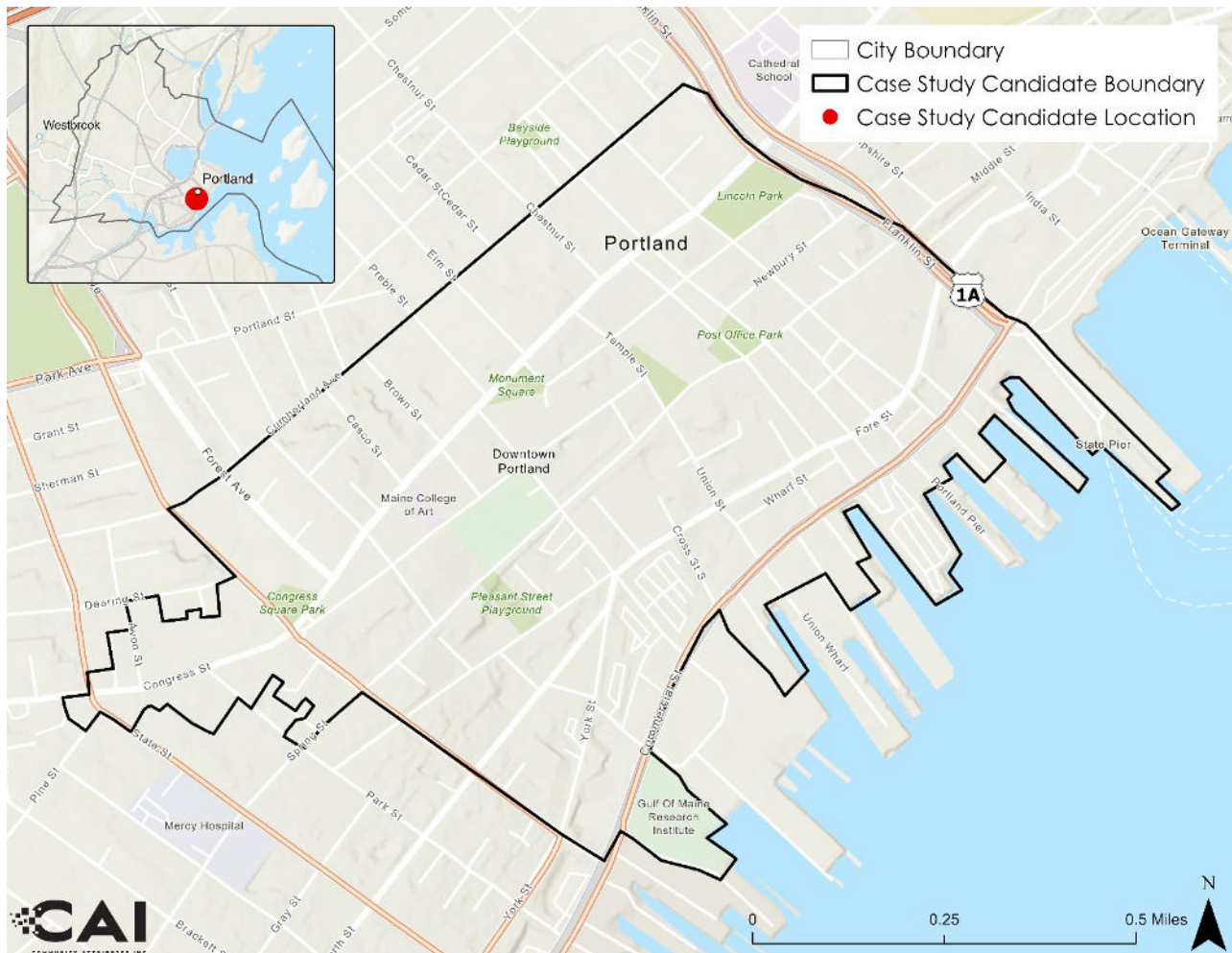


Source: Visit Portland, 2020

Downtown Portland, Maine is a historic waterfront district known for its charming blend of New England character and modern amenities. Situated along Casco Bay, it features cobblestone streets, 19th century brick buildings, and a busy waterfront. In the heart of downtown is the Old Port District, filled with small business, restaurants, craft breweries, and art galleries. Cultural attractions include the Portland Museum of Art, the Merrill Auditorium, and the historic Victoria Mansion.

Portland has the smallest downtown area at just 213 acres, but it contains 2,260 residents and 2,117 housing units (**Exhibit 25**). That results in a population density of 6,800 per sq mi and a housing unit density of 9.94 units per acre—the highest in both categories. Portland stands out as the most compact and densely developed downtown among the cities compared.

Exhibit 24. Downtown Portland, 2025



Source: City of Portland Open Data Portal, 2025; CAI, 2025.

Exhibit 25. Downtown Density, Portland, 2024

Downtown City Area	Downtown Area (Acres)	Population	Housing Units	Population/Sq Mile	Housing Units/Acre
Portland, ME	213	2,260	2,117	6,800	9.94

Sources: Esri, 2024; CoStar, 2025; ACS, 2023; CAI, 2025.

Downtown Portland also has the smallest overall population and lowest population growth compared to the other case studies, with a population of 2,260 in 2024. Median income is relatively low, at \$31,850, but the percentage of cost-burdened residents is the highest at 35%. This may be due in part to the relatively high median income for the city of Portland, which is \$83,400, in comparison with the low median income in the downtown area. While the number of affordable units (**Exhibit 27**) are relatively high, the

proportion of cost-burdened residents (**Exhibit 26**) suggests an overall higher cost of living.

Exhibit 26. Downtown Demographics, Portland, 2024

Downtown City Area	Total Population 2020	Total Population 2024	CAGR 2020-2024	Median Age	Downtown Median Income	City Median Income	% Cost Burdened
Portland, ME	2,240	2,260	0.2%	34	\$31,800	\$83,400	35%

Sources: Esri 2024; ACS 2023; CAI, 2025.

Portland features 2,117 total units, with 652 categorized as affordable, or 31% of the housing stock (**Exhibit 27**). Although the city has the second-lowest total unit count on this list, it ranks second in percentage of affordable housing, behind Spokane. This suggests a greater effort to maintain a more balanced housing landscape despite its smaller scale and higher cost of living.

Exhibit 27. Available Housing by Affordability Level, Portland, 2025

Downtown City Area	Affordable Units	% Affordable	Market Rate Units	% Market Rate	Total Units
Portland, ME	652	31%	1,465	69%	2,117

Source: CoStar, 2025; CAI, 2025.

Portland Planning Efforts:

Portland’s housing efforts center on expanding affordability, supporting mixed-income communities, and leveraging partnerships for long-term impact. Through tools like workforce housing initiatives, inclusionary zoning, and tax increment financing, the city encourages inclusive development that serves a range of income levels. Nonprofits like Avesta Housing further strengthen this approach by advocating for and delivering affordable housing across the region, reflecting a coordinated and sustainable strategy to meet diverse housing needs. The programs reviewed include:

Workforce Housing Initiatives: These programs are aimed at developing workforce housing, defined as rental units affordable to households earning up to 80% or 100% of Area Median Income (AMI). While focused on affordability, these initiatives encourage development of housing that appeals to broader demographics. Funding for Workforce Housing Initiatives comes from a combination of federal, state, local, and private sources. Key federal programs include grants and loans from the Department of Housing and Urban Development, as well as Low-Income Housing Tax Credits that incentivize developers to build affordable units. State and local governments contribute through housing finance agencies, housing trust funds, and other

grant programs. Additionally, private developers, nonprofit organizations, and philanthropic groups often provide crucial investment and support. This diverse funding structure helps ensure that workforce housing projects can be developed sustainably to meet the needs of moderate-income households.

Affordable Housing Tax Increment Financing (AHTIF): This program allows the city to provide financial assistance for local economic development projects, including those in the downtown area, by capturing and utilizing the increased property tax revenues generated by new developments. Based on interviews with city staff this TIF program may not be replicable in downtown Spokane.

Downtown Events: Notable events include the Portland Rose Festival, Pedalpalooza and Portland Beer Week. The city hosts a variety of festivals, including the Old Port Festival, Harvest on the Harbor, and the Back Cove Music & Arts Festival, each offering unique experiences that highlight local music, food, and culture. Regular events like art walks and live concerts further enrich the downtown experience. Similar to Spokane's Lilac Festival, Hoopfest, and First Friday Art Walks, Portland's festivals and regular cultural events play a key role in activating downtown and celebrating local community identity on a frequent schedule.

Downtown Spokane's Position

Spokane's downtown reflects a balanced but moderately dense urban character, more residentially concentrated than sprawling cities like Chattanooga or Boise, but not as tightly packed as Portland, ME.

Spokane, WA, has seen modest growth in its downtown population, increasing by 2.2% annually from 2020 to 2024. (**Exhibit 28**). With a median age of 43 and a median income of \$20,600 for downtown residents, Spokane's residents tend to be older and earn less than those in other cities on the list. Boise, ID in comparison boasts a higher growth rate (3.7%), younger population (27), and a higher median income (\$32,200). It has a moderate cost-burdened rate of 21%, which is lower than cities like Portland, ME (35%) and Des Moines, IA (22%), and higher than both Boise, ID and Chattanooga, TN, who are both at 18% cost burdened.

Exhibit 28. Downtown Demographics, Spokane and Cast Study Areas, 2025

Downtown City Area	Total Population 2020	Total Population 2024	CAGR 2020-2024	Median Age	Downtown Median Income	City Median Income	% Cost Burdened
Spokane, WA	5,640	6,150	2.2%	43	\$20,600	\$65,000	21%
Boise, ID	9,300	10,740	3.7%	27	\$32,200	\$80,000	18%
Chattanooga, TN	4,560	4,640	0.4%	34	\$40,200	\$62,500	18%
Des Moines, IA	6,210	6,460	1.0%	31	\$55,900	\$60,900	22%
Portland, ME	2,240	2,260	0.2%	34	\$31,800	\$83,400	35%

Sources: Esri, 2024; ACS, 2022; CAI, 2025.

Among the cities analyzed, Portland, ME, stands out as the most densely developed downtown area, leading in both population per square mile (6,800) and housing units per acre (9.94)—suggesting a highly compact, urbanized core (**Exhibit 29**). Spokane, by contrast, has a modest downtown density: third in population size, but fifth in population density and housing density (3.41 units/acre). Des Moines is notable for its relatively high housing unit density (5.31 units/acre), even though its population density lags slightly behind Spokane. Overall, Spokane’s downtown reflects a balanced but moderately dense urban character, more residentially concentrated than sprawling cities like Chattanooga or Boise, but not as tightly packed as Portland, ME.

Exhibit 29. Housing Density, Downtown Spokane, Case Study Areas, 2025

Downtown City Area	Downtown Area (Acres)	Population	Housing Units	Population/Sq Mile	Housing Units/Acre
Spokane, WA	1,097	6,150	3,742	3,580	3.41
Boise, ID	1,529	10,740	5,882	4,490	3.85
Chattanooga, TN	1,303	4,640	7,267	4,410	5.58
Des Moines, IA	988	6,460	5,914	4,180	5.98
Portland, ME	213	2,260	2,117	6,800	9.94

Source: Esri, 2024; CoStar, 2025; CAI, 2025.

Exhibit 30 demonstrates Spokane’s affordable housing relative to market rate housing. When compared with the case study cities (**Exhibit 31**), Spokane is tied with Portland for the highest percentage of affordable housing at 31%, or 1,172 units of 3,742 total units. However, the relative proportion of Portland residents facing housing cost burdens is much higher, at 35% compared to Spokane’s 21% (**Exhibit 28**), which indicates a less affordable market overall. While other cities like Boise and Des Moines exceed Spokane in raw numbers of affordable units, their larger total inventories result in significantly lower affordability ratios (17%). Chattanooga, though the leader in total and affordable unit counts, has a

more diluted affordability impact at 22%. Compared to the case studies, Downtown Spokane has led in providing opportunities for residents to find affordable housing. However, in order for Downtown Spokane to thrive, a better balance of affordable and market rate units may be necessary, as indicated in the near-term development target given in a subsequent section of this report.

Case study comparisons cite programs and policies dedicated to creating additional affordable housing and workforce housing and tax incentives. These programs are executed in parallel with private market rate housing development and will not necessarily shift housing mix ratios. Similarly, while recommendations for Downtown Spokane emphasize the development of more market rate housing, affordable housing remains an important consideration.

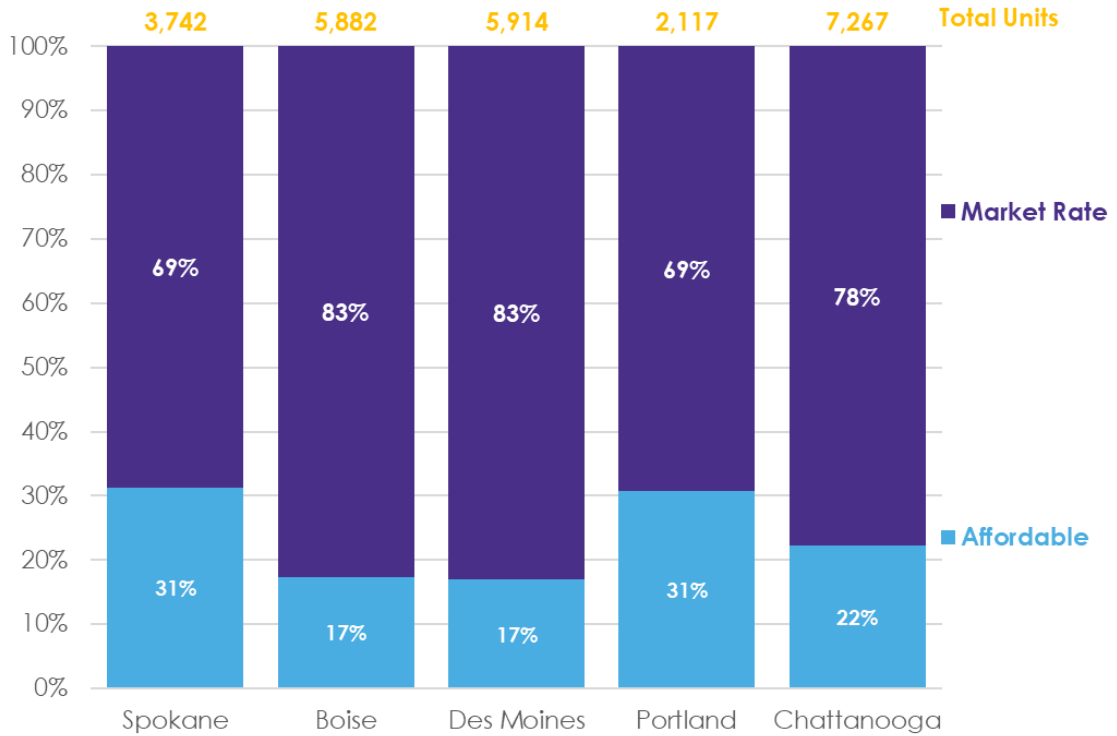
Exhibit 30. Affordable and Market Rate Units, Downtown Spokane Planning Area, 2025

Downtown City Area	Affordable Units	% Affordable	Market Rate Units	% Market Rate	Total Units
Spokane, WA	1,172	31%	2,570	69%	3,742

Source: CoStar, 2025; CAI, 2025.

Note: This data corresponds to the 2021 Spokane Downtown Plan boundary. This does not align with the current housing unit estimate provided by DSP.

Exhibit 31. Affordable and Market Rate Units, Downtown Spokane, Case Study Areas, 2025



Source: CoStar, 2025; CAI, 2025.

Note: We have the 2,961 figure from Spokane, which we believe is accurate. However, we don't have similarly curated data from other cities, so to make a true comparison, we'll need to pull CoStar data that pulls from the Downtown Plan Area.

STRATEGIC CONSIDERATIONS FOR HOUSING DEVELOPMENT IN DOWNTOWN SPOKANE

Growth Allocations

The Spokane Housing Action Plan anticipates a population growth of about 20,000 new residents by 2037. In response to this growth, the city will need to accommodate at least 6,800 new housing units. These projections are based on data from the Washington Office of Financial Management and Spokane County's region growth strategy, to align with HB 1220 allocations. To meet these housing demands, Spokane plans to update zoning regulations and streamline the permitting process to encourage the development of middle housing types such as duplexes, triplexes, and small apartment buildings. The City also aims to provide incentives for developers to continue to build affordable housing alongside market rate units and to implement policies that prevent the displacement of low-income residents.

Spokane's ability to meet these projections will depend on several factors. One key challenge is the availability of land for development, particularly in areas close to existing infrastructure like transportation and employment centers. Though Spokane has identified areas for increased density, including additional rezoning to allow for middle housing types, some neighborhoods may face resistance to these changes. The city's efforts to incentivize housing development will require partnerships with private developers, nonprofit organizations, and state and federal agencies to secure funding and resources.

It is important to acknowledge that while HB 1220 results in an allocation of affordable housing units to Spokane, such units are currently concentrated in Downtown. There are potential benefits to distributing affordable housing throughout Spokane, such that all neighborhoods offer access to affordable units, even if the highest concentration remains in Downtown.

Past Planning Efforts

Spokane's past housing and planning initiatives reflect a comprehensive strategy focused on increasing housing supply, enhancing urban livability, and promoting equitable access. Efforts like the Housing Action Plan, downtown revitalization, and zoning reforms aim to support a diverse range of housing types while improving development efficiency and public space. Programs offering financial support for affordable housing and home rehabilitation further emphasize the city's commitment to housing affordability, preservation, and neighborhood stability, ensuring inclusive growth across income levels and communities.

Looking to other cities, there are additional strategies Spokane could adopt to strengthen its approach. Cities like Boise and Chattanooga have successfully activated public spaces and redeveloped their riverfronts to foster community engagement and economic growth—an opportunity Spokane could build on with further placemaking efforts along the Spokane River. Portland and Des Moines offer innovative financial tools such as tax increment financing and low-interest loans to support affordable and workforce housing—mechanisms Spokane could explore to diversify its housing finance strategies. Chattanooga's focus on adaptive reuse of historic buildings and Portland's strong partnerships with nonprofit housing developers also present replicable models for preserving character while expanding housing access. By integrating these practices, Spokane can further its goals of creating a vibrant, inclusive, and resilient urban environment.

The Spokane Housing Action Plan (HAP): adopted in 2021, outlines strategies to increase housing supply, preserve existing homes, and promote equitable access to affordable housing. It emphasizes streamlining the

development process, updating zoning regulations, and implementing anti-displacement policies.

Spokane Downtown Plan: Adopted in August 2021, this plan builds upon previous efforts from 1999 and 2008. It serves as a comprehensive guide for development, design, and regulatory recommendations in Spokane's downtown area, aiming to enhance the urban core, support the largest employment sectors, and improve public spaces like Riverfront Park.

Building Opportunity for Housing: Following the interim "Building Opportunity and Choices for All" ordinance, this program introduced permanent amendments to the Comprehensive Plan and Municipal Code. Effective January 1, 2024, these changes facilitate the development of middle housing types (e.g. duplexes, triplexes, fourplexes) by implementing design standards, reducing parking requirements near transit stops, and adjusting lot size minimums.

HOME Investment Partnerships Program: This program provides loans for the creation of affordable rental housing within Spokane. Utilizing funds from the U.S. Department of Housing and Urban Development (HUD), the city awards low-interest loans to various project sponsors to assist in the acquisition, construction, and rehabilitation of low-income rental housing. In exchange for funding, projects commit to maintaining affordability for a designated period.

Downtown Spokane Events: Like the other downtown areas, Spokane already hosts a number of events that activate the city. This includes the annual Lilac Bloomsday Run, Hoopfest, Labor Day Weekend and Fourth of July Events. The upcoming Spokane Skylines zip line is expected to promote tourism and growth in downtown Spokane. Downtown already has several monthly events as well, including First Friday Art Walks and Riverfront Park events, while major venues like the Fox Theater, Knitting Factory, and Spokane Arena attract concerts and touring performances that contribute to the local economy.

Downtown Amenities Assessment

Amenities such as retail stores, restaurants, entertainment, and cultural institutions are essential to a vibrant downtown and help support a strong residential base. The ability to attract and sustain these amenities depends on population density and, in part, on demographic factors such as age distribution, income, education, and racial and ethnic composition. **As Downtown Spokane continues to pursue a more vibrant and thriving urban environment, it is important to understand the population density and demographic composition needed to attract and sustain**

desirable urban amenities and services to serve and support population growth.

This assessment examines case study downtowns that have successfully supported retail anchors, using grocery stores as a representative example, and analyzes the characteristics of those areas to **identify benchmarks relevant for Downtown Spokane**. Grocery stores, in particular, can serve as anchors for neighborhood retail investment due to the synergy they create with surrounding businesses. The “Trader Joe’s Effect” describes how the opening of a grocer is often catalytic, coinciding with increased economic activity, new business openings, and greater visitation from surrounding neighborhoods. As such, trade areas that can support a grocery store are often well-positioned to attract a broader mix of amenities and initiate a cycle of ongoing investment.

Methodology

This assessment focuses on Downtown Spokane and peer downtowns where a grocery store has been successfully established. An approximate one-mile radius around each store, (defined by Census block groups) representing a walkable trade area, was used to evaluate population density and key demographics such as income and educational attainment.

Grocery Findings

Exhibit 32 summarizes the demographic and density characteristics within a one-mile trade area surrounding a grocery store in Downtown Spokane and four peer downtowns: Boise, Chattanooga, Des Moines, and Portland, Maine. These trade areas illustrate the types of environments where grocery stores have successfully located and continue to operate.

Compared to its peers, the trade area around *My Fresh Basket* in Downtown Spokane has a lower median income (\$29,700), smaller population (4,840), and fewer college-educated residents (33%). By contrast, the trade area surrounding Portland’s *Trader Joe’s* has more than triple the population density (17,730 people per sq mile), a higher share of college-educated residents (56%), and a higher median income (\$54,700). Chattanooga’s *Food City* also serves a larger, more affluent population than Spokane.

These comparisons suggest that Downtown Spokane’s current residential density and demographics fall below the thresholds observed in comparable cities with thriving urban-serving grocery anchors.

Exhibit 32. Grocery Trade Area Density and Demographics, Downtown Spokane and Case Study Areas, 2024

Grocery Store	Trade Area Median Income	City Median Household Income	% Bachelor's Degree or Above	Population/Sq Mile	Housing Units/Acre
Spokane My Fresh Basket	\$29,700	\$65,000	33%	4,840	5.8
Boise Trader Joe's	\$31,400	\$80,000	52%	3,560	4.0
Chattanooga Food City	\$30,900	\$62,500	40%	8,780	9.5
Des Moines Hyvee Grocery Store	\$58,600	\$60,900	67%	5,870	8.1
Portland Trader Joe's	\$49,100	\$83,400	56%	17,730	17.8

ESRI Business Analyst, 2024; ACS, 2023; ACS, 2023; CAI, 2025.

Note: The Housing Units/Acre are based on ACS data pulled through ESRI within the 1-mile Trade Area.

Exhibit 33 compares population density and grocery store saturation across Downtown Spokane and peer cities. Grocery saturation is calculated as the number of residents per grocery store within a one-mile radius—representing walkable access to food retail.

Despite having three grocery stores within a one-mile radius, Downtown Spokane’s population density (4,840 residents per square mile) is lower than in most peer trade areas, resulting in a grocery saturation rate of 1,610 residents per store. This is significantly below the saturation levels seen in Portland (4,430 residents per store) and Chattanooga (2,930), where higher densities allow each grocery store to serve more people.

Boise’s and Des Moines’ trade areas demonstrate that a lower population density does not preclude a strong grocery presence, but they also reflect markets with either more dispersed populations or unique consumer demand dynamics.

Overall, the data suggests that Spokane’s existing residential base may limit the market potential for additional grocery investment and points to the need for increased population density to support new retail anchors.

Exhibit 33. Downtown Grocery Saturation, 2025

Name	Population/Sq Mile	Groceries within 1 Mile	Grocery Saturation
Spokane My Fresh Basket	4,840	3	1,610
Boise Trader Joe's	3,560	4	890
Chattanooga Food City	8,780	3	2,930
Des Moines Hyvee Grocery Store	5,870	3	1,960
Portland Trader Joe's	17,730	4	4,430

Source: ACS, 2024; CAI, 2025.

Other Retail

An influx of new residents in Downtown Spokane would theoretically support additional retail space. The following analysis estimates additional retail square footage that could potentially be supported by the development and occupancy of approximately 3,200 new market rate housing units, which is the 10-year housing unit target proposed for Downtown Spokane in a subsequent section of this report.

Methods

To estimate the potential demand for additional retail space generated by the introduction of 3,200 new market-rate housing units in Downtown Spokane, demographic and economic assumptions, as well as assumptions for retail spending patterns and urban-specific retail capture rates are necessary.

First, the analysis estimates the new downtown population that would result from these units. Based on the current number of Downtown housing units and the current Downtown population (see: **Exhibit 28**), the analysis assumes an average household size of 1.74 persons per unit, resulting in the addition of 5,598 new residents to the Downtown area.

Spending at local retail establishments is based on discretionary spending, which is typically higher in households earning more income. This analysis uses the median Spokane County per capita income of \$58,630, per the St. Louis Federal Reserve Bank⁵. Based on this per capita income, the total annual income of this population cohort is estimated at roughly \$328 million. Not all of that income will be spent on retail; this analysis assumes that about 30% of personal income is allocated to retail purchases. This yields an estimated \$98.4 million in total retail spending annually by these residents.

However, not all of this spending will take place within the Downtown area. Many residents will shop online, travel to other parts of the city, or spend in retail categories not well-represented in the downtown core—such as warehouse clubs or large-format furniture stores. To account for this, the analysis applies a 50% local capture rate, estimating that about half of residents' retail spending will occur in Downtown establishments. This results in approximately \$49.2 million in annual local retail spending.

To determine how much physical retail space this spending could support, the analysis uses a benchmark retail sales productivity rate of \$500 per square foot per year. Dividing the locally captured spending by this rate yields an estimated 98,300 square feet of supportable new retail space.

⁵ <https://fred.stlouisfed.org/series/PCPI53063>

Exhibit 34. Estimated Supportable Retail Square Footage Based on Downtown Housing Target

Assumption	Value	Source
New Housing Units	3,218	Housing Units Target
Population per Unit	1.74	Current Downtown Spokane population / housing units (Exhibit 27)
New Downtown Population	5,598	<i>Calculated</i>
Median Per Capita Income	\$58,630	Spokane County, St. Louis Federal Reserve Bank, 2023
Retail Spending as % of Income	30%	Assumption; informed by U.S. BLS Consumer Expenditure Survey
Total Retail Spending	\$98,350,000	<i>Calculated</i>
Downtown Capture Rate	50%	Assumption; informed by various sources
Downtown Retail Spending	\$49,170,000	<i>Calculated</i>
Retail Sales per Sq. Ft. (Annual)	\$500	Assumption; informed by various sources
Supportable Retail Space	98,300	<i>Calculated (rounded)</i>

Source(s): CAI, 2025; various.

Breakdown of Retail Demand by Category

The increase in Downtown retail spending is expected to be distributed across various categories reflecting urban retail demand patterns. Based on assumptions informed by the Bureau of Labor Statistics Consumer Expenditure Survey, the distribution in **Exhibit 35** estimates supportable retail square footage by category. Dining establishments, including food away from home, represent the largest category at 25% of spending, supporting about 24,600 square feet of retail space. Grocery and food at home constitute 20%, followed by apparel and accessories at 15%. Other significant categories include personal care and services, entertainment and recreation, and general merchandise, each representing 10% of the retail spend. Smaller categories such as electronics and miscellaneous goods, and small-scale home goods each represent 5%. The total supported retail space across all categories sums to approximately 98,300 square feet.

Exhibit 35. Estimated Supportable Retail Square Footage by Category

Retail Type	Share of Spend	Annual Spend	Supportable Square Feet
Dining (Food Away from Home)	25%	\$12,290,000	24,600
Grocery / Food at Home	20%	\$9,830,000	19,700
Apparel & Accessories	15%	\$7,380,000	14,800
Personal Care & Services	10%	\$4,920,000	9,800
Entertainment & Recreation	10%	\$4,920,000	9,800
General Merchandise (Urban)	10%	\$4,920,000	9,800
Electronics & Misc. Goods	5%	\$2,460,000	4,900
Small-Scale Home Goods	5%	\$2,460,000	4,900
Total	100%	\$49,170,000	98,300

Source(s): CAI, 2025; various.

Other Amenities

With an increase in people living Downtown, other amenities will also become necessary. For example, while Riverfront Park is a fantastic asset, thousands of additional Downtown residents may overwhelm the park, creating demand for new green or open spaces. To the extent that the City of Spokane is interested in increasing Downtown residential density, it should be proactive in planning for other amenities such as parks.

Opportunity Sites for Downtown Development

Exhibit 36 illustrates the City of Spokane’s identified opportunity sites, categorized into five tiers based on site size, ownership consistency, and utilization status. These tiers establish a ranking system to identify sites with the greatest redevelopment potential. Critically, the tiers are not meant to convey priority for redevelopment from DSP’s perspective; to the extent that DSP and the City of Spokane wish to see additional Downtown residential development, they should facilitate the development of housing units on any appropriate properties, regardless of tier.

Tier 1: Sites greater than or equal to 0.5 acre (single parcel or contiguous parcels) with consistent ownership that are vacant. Additionally, known parcels of interest will be identified separately.

Tier 2: Sites greater than or equal to 0.5 acre (single parcel or contiguous parcels) with consistent ownership that are underutilized or partially used.

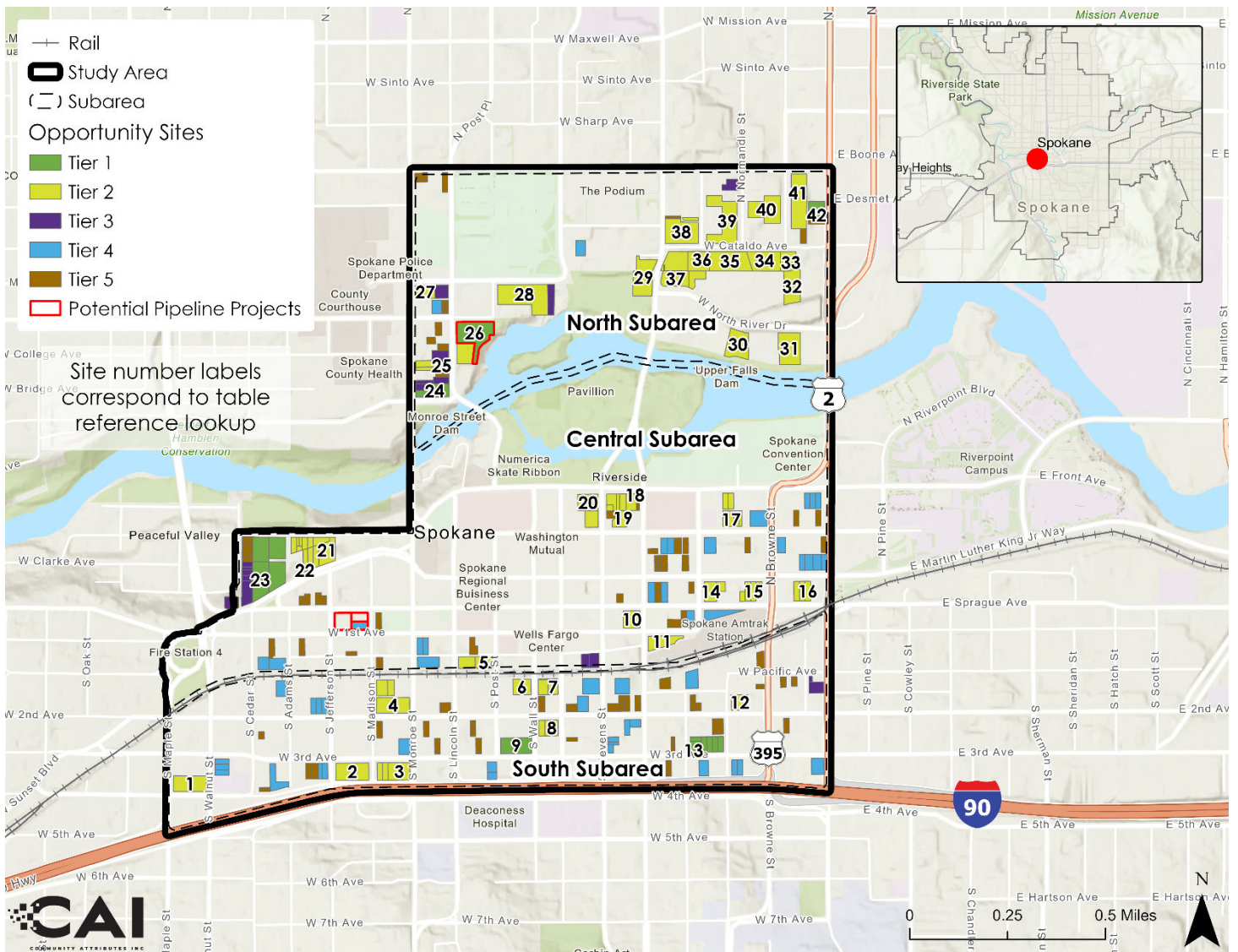
Tier 3: Sites less than 0.5 acre but greater than or equal to 0.25 acre (single parcel or contiguous parcels) with consistent ownership that are vacant.

Tier 4: Sites less than 0.5 acre but greater than or equal to 0.25 acre (single parcel or contiguous parcels) with consistent ownership that are underutilized or partially used.

Tier 5: Any sites less than 0.25 acre remaining in the city’s inventory.

Any potential pipeline sites, or sites where—through news, stakeholder interviews, or other means—potential projects are known to be in planning or construction, are indicated with a red outline, regardless of whether or not they were identified in the city’s inventory.

Exhibit 36. Opportunity Sites, Downtown Spokane Study Area, 2025



Source: City of Spokane Land Capacity Analysis, 2025; CAI, 2025.

The number of sites by tier and subarea, along with the total site acreage, is given in **Exhibit 37**, below.

Exhibit 37. Opportunity Sites Inventory, Downtown Spokane Study Area, 2025

Subarea	TIER 1		TIER 2		TIER 3		TIER 4		TIER 5		TOTAL	
	Sites	Acre	Sites	Acre	Sites	Acre	Sites	Acre	Sites	Acre	Sites	Acre
North	3	2.8	17	20.9	5	1.8	2	0.5	10	1.6	37	27.6
Central	1	3.4	12	9.1	4	1.6	16	4.9	30	4.7	63	23.8
South	2	1.9	7	6.8	1	0.3	16	5.8	29	4.4	55	19.3
Total	6	8.1	36	36.9	10	3.7	34	11.3	69	10.6	155	70.6

Source: City of Spokane Land Capacity Analysis, 2025; CAI, 2025.

Pro Forma Feasibility Analysis

Key Findings

Given current market conditions, both prototypes would have an estimated negative cash flow in the first full year of stabilized operations. The high-rise prototype would only be able to cover around 71% of their annual debt obligations, assuming forecasted rental revenues, while the mid-rise would perform slightly better by having a debt service coverage ratio of around 73%. Feasibility projections for the second return metric, cash-on-cash return, reflect a similar range of performance, estimating -9.3% for the first full year of operations for a high-rise residential prototype, and -8.7% for the mid-rise building. Given ongoing volatility in the commercial real estate sector and greater economy, exact market conditions are difficult to reflect accurately. However, there seems to be a commonly shared trepidation and uncertainty about anticipated market conditions, particularly in the real estate development market, that may lead to continued curtailed development of commercial projects, including commercial residential developments.

**Exhibit 38. Pro Forma Feasibility Analysis, Commercial Multifamily Prototypes,
Downtown Spokane, 2025**

	High-Rise Residential	Mid-Rise Residential
Prototype Specifications		
Gross Square Feet	150,823	136,312
Net Rentable SF	105,576	95,419
Ground Floor SF	10,055	19,473
Leasable Ground Floor Retail SF	6,033	11,684
Building Height (Stories)	15	7
Number of Units	155	141
Average Unit Size (Gross SF)	974	965
Average Unit Size (Net SF)	682	675
Other Inputs		
Average Multifamily Rental Rate/SF		\$2.73
Downtown Vacancy Rate (Multifamily)		6.00%
Average Retail Rental Rate/SF		\$16.60
Assumed Retail Vacancy %		20%
Operating Expenses (OpEx)		35%
Other Income		10%
Loan Financing & Construction Costs		
Permanent Loan Interest Rate		7.0%
Down Payment/Equity		20%
Amortization Period (Years)		30
Estimated Construction Hard Costs/sf		\$275
Estimated Soft Costs		25%
Estimated Construction Costs	\$41,476,431	\$37,485,867
Estimated Soft Costs	\$10,369,108	\$9,371,467
Total Development Costs	\$51,845,538	\$46,857,334
Estimated Total Loan Amount	\$41,476,431	\$37,485,867
Prototype Financials		
Residential Rent Revenue	\$3,252,281	\$2,939,370
Retail Rent Revenue	\$80,117	\$155,162
Other Income	\$325,228	\$293,937
Effective Gross Income	\$3,657,626	\$3,388,469
Total Operating Expenses	\$1,280,169	\$1,185,964
Net Operating Income (NOI)	\$2,377,457	\$2,202,505
Annual Debt Service	(\$3,342,436)	(\$3,020,851)
Cash Flow	(\$964,979)	(\$818,347)
Output Metrics		
Debt Service Coverage Ratio	71%	73%
Cash-on-Cash Return	-9.3%	-8.7%

Source: Market Report, Greater Spokane and Kootenai County, NAI Black Realty Management Inc, 2024; CoStar; RedFin; Spokane Municipal Code; CAI, 2025.

Note: These scenarios do not assume any incentives to improve feasibility. Site sizes were based on comparable projects, and ranged from 0.27 acres to 0.87 acres. Many of the Opportunity Sites identified above fall into or exceed this range, including all Tier 1 and 2 sites.

A TARGET FOR DOWNTOWN HOUSING

The target proposed in this study reflects a primary desire to better balance the market rate and affordable housing unit supply, while remaining within a housing unit density supported by the case study literature.

There are several inputs into this housing unit target for Downtown Spokane. Among these considerations are the capacity of Downtown to provide housing, the density of housing units needed to create a vibrant downtown area, and the balance of market rate and affordable units necessary to support desired downtown amenities. The target proposed in this study reflects a primary desire to better balance the market rate and affordable housing unit supply, while remaining within a housing unit density supported by the case study literature. The 10-year housing unit target of 3,218 (or about 3,200, as referenced elsewhere in this report), is given in **Exhibit 39**.

Exhibit 39. Housing Unit Target for Downtown Spokane, 2025

	Downtown Acres	Affordable Units	Market Rate Units	Total Units	% Affordable	Units per Acre
Current City Boundary	1,097	1,172	2,570	3,742	31%	3.41
Case Study Weighted Average	1,008	1,072	4,223	5,295	20%	5.25
Target	1,097	1,172	5,788	6,960	20%	6.34
Net New Target	71	0	3,218	3,218	0%	45.57

Source: ESRI Business Analyst, 2025; CoStar, 2025; ACS, 2022; CAI, 2025.

Note: for the purposes of this analysis, the Downtown acres deemed development to accommodate a future housing units target is the number of acres identified in the Downtown Opportunity Sites analysis presented previously. The housing density (units per acre) given for the “net new target” is the average density of housing units that would need to be developed if only the acres in the Downtown Opportunity Sites analysis were developed.

Given several factors, including feasibility challenges in the current development cycle, this target should be interpreted as a medium-term (10-year) target. A five-year target would be confounded by current macroeconomic challenges for new development projects, however, several hundred housing units are currently in the pipeline for Downtown. For a longer-term (15-20-year) target, Spokane could aspire to reach residential densities observed in the case studies. To reach the residential density of downtown Portland, Maine, Spokane would need to add approximately 7,200 housing units which is inclusive of the previously recommended 3,200 target housing units built in the first 10 years. **To provide for the balance of market rate and affordable units demonstrated by the case studies, somewhere between 85%-90% of the new units would need to be market rate, with the precise calculation dependent on the data source used to estimate current market rate and affordable units.**

Other Considerations

Market Demand

Market demand for specifications of future housing units, such as unit type or number of bedrooms, varies over time and thus cannot be prescribed. Developers frequently evaluate market factors such as vacancy rates, lease rates, and site design suitability to understand housing demand. This often includes evaluations at the neighborhood, city and regional level. **Exhibit 40** demonstrates the number and percentage of housing units by structure size for the City of Spokane as a whole, which in combination with Downtown’s inventory and other mentioned demand factors, will be evaluated frequently to determine the appropriate unit type mix.

Exhibit 40. City of Spokane Housing Units by Structure Size, City of Spokane

Unit Type	Count	Percentage
Studios	3,070	3%
1 Bedroom	13,466	14%
2 Bedrooms	24,573	26%
3 or more Bedrooms	53,952	57%
Total	95,061	

Source: ACS, 2023; CAI, 2025.

Capacity

The current land capacity analysis from the City of Spokane currently identifies lower housing unit capacity than this target calls for. Meeting this target would require that lands not otherwise identified as redevelopable by the city actually redevelop, and/or that lands that do redevelop do so at higher housing unit densities than otherwise assumed.

Density

This analysis calculates an average housing unit density for new housing units of about 46 units per acre. While this is higher than the existing housing unit density across greater Downtown Spokane, the total resulting housing unit density would be approximately 6.3 units per acre, which is lower than one of the case studies (Portland, ME, at 8.6 units per acre).

Workforce and Employment Trends

Employment Forecast for Spokane County, demonstrated in **Exhibit 41**, reflects the overall employment trends in the area, with a total job growth of 33,800 projected by 2032, with a compound annual growth rate (CAGR) of 1.3%. The largest and fastest growing sectors include Leisure and Hospitality

(1.8%), Professional and Business Services (1.8%), and Education and Health Services (1.6%).

Exhibit 41. Employment Forecasts, Spokane County, 2023

Industry Sector						CAGR
	2022	2023	2025	2027	2032	2022-2032
Leisure and Hospitality	24,100	25,000	25,900	26,700	28,900	1.8%
Professional and Business Services	28,500	29,200	30,300	31,100	34,000	1.8%
Education and Health Services	52,800	54,200	56,100	57,900	61,700	1.6%
Transportation, Warehousing and Utilities	11,000	10,600	11,000	11,600	12,800	1.5%
Other Services	9,200	9,300	9,600	10,100	10,600	1.4%
Construction	15,400	16,000	16,400	16,700	17,600	1.3%
Information	2,900	2,900	3,000	3,100	3,300	1.3%
Government	36,000	37,700	39,000	38,900	40,400	1.2%
Wholesale Trade	10,900	11,100	11,200	11,600	11,900	0.9%
Financial Activities	14,400	14,500	14,700	14,900	15,400	0.7%
Retail Trade	27,100	26,900	27,300	28,000	28,900	0.6%
Manufacturing	16,400	17,100	17,000	16,900	17,000	0.4%
Natural Resources and Mining	200	300	300	200	200	0.0%
Total	248,900	254,800	261,800	267,700	282,700	1.3%

Source: Washington Employment Security, 2025; CAI, 2025.

The Downtown study area has similar major industries to the County as a whole, including Professional and Business Services, which make up 27% of jobs in the area, Leisure and Hospitality (16%) and Financial Activities (20%).

Exhibit 42. Employment by Sector, Workers and Residents, Downtown Spokane Study Area, 2022

Industry Sector	Downtown Workers				Downtown Residents			
	2012	Share	2022	Share	2012	Share	2022	Share
Education and Health Services	1,801	9.0%	2,441	12.1%	158	24.2%	283	22.9%
Professional and Business Services	5,822	29.0%	5,410	26.9%	135	20.7%	194	15.7%
Leisure and Hospitality	3,756	18.7%	3,159	15.7%	109	16.7%	167	13.5%
Retail Trade	1,457	7.2%	1,376	6.8%	58	8.9%	130	10.5%
Financial Activities	3,528	17.6%	4,016	20.0%	49	7.5%	101	8.2%
Transportation, Warehousing and Utilities	16	0.1%	110	0.5%	11	1.7%	67	5.4%
Manufacturing	280	1.4%	789	3.9%	46	7.0%	63	5.1%
Construction	110	0.5%	435	2.2%	13	2.0%	58	4.7%
Wholesale Trade	984	4.9%	478	2.4%	18	2.8%	53	4.3%
Other Services	991	4.9%	663	3.3%	29	4.4%	44	3.6%
Government	391	1.9%	497	2.5%	11	1.7%	37	3.0%
Information	938	4.7%	746	3.7%	16	2.5%	25	2.0%
Natural Resources and Mining	25	0.1%	14	0.1%	0	0.0%	13	1.1%
Total	20,099		20,134		653		1,235	

Development Feasibility

Macroeconomic challenges persist for new development and may for some time. As such, this development cycle may not provide many new residential uses are economic uncertainty, relatively high financing costs, limited availability of capital, relatively high construction costs, and other factors have had a negative effect on the feasibility of real estate development projects. The 10-year target should occasionally be reevaluated based on broader economic considerations and their impacts on project feasibility. Policy at the State level, such as the Clean Building bill that was initially passed in 2019 and which was subsequently augmented, also add costs to new development projects.

RECOMMENDED ACTIONS TO SUPPORT DOWNTOWN HOUSING

Recommendation 1. Utilize Incentives to Target Desired Development

A substantial share of Downtown Spokane’s existing housing units are affordable. While there is ongoing demand for affordable housing, state programs will continue to incentivize and support the development of these projects. Moving forward, Downtown Spokane should also prioritize the development of workforce housing (affordable to households earning 60–120% of AMI) and market-rate housing (above 80% of AMI) to support a balanced and vital housing mix.

Office Conversion: Post-pandemic trends have reduced demand for traditional office space, leaving portions of Downtown Spokane underutilized. Incentives for converting office buildings into residential or mixed-use developments work to not only increase Downtown Spokane’s housing offerings but also revitalize the downtown landscape. This process has already seen success through the Commercial Conversion Incentive, which takes advantage of the construction sales tax exemption in RCW 82.59. Local officials and/or DSP staff should monitor the rate of program utilization and the pace of unit delivery under the conversion program as currently constructed and consider strengthening incentives (or lobbying the legislature for a broader array of incentives available) under the program as utilization lags or the velocity of unit delivery slows.

Public/Private Partnerships: With support from local employers, especially in education, healthcare, and government, the city can work to launch workforce housing initiatives in partnership with nonprofits or mission-driven developers.

Targeted Development: The city should designate and support strategic redevelopment zones within Downtown Spokane. Incentives that target development to specific areas may include layering zoning overlays, preferable lending structures, and business development grants. Zones could be based on placemaking potential, need for investment, availability of land, or other factors.

Recommendation 2: Prioritize Catalytic Infrastructure

Transformative infrastructure investments can lay the groundwork for Downtown Spokane's next generation of growth by creating a safe, connected, and vibrant environment that attracts people, businesses, and new housing. By prioritizing catalytic public improvements, from upgraded streetscapes and better lighting to modern broadband and smart city technology, the City can shape a downtown that supports economic vitality and community well-being. Improvements that enhance connectivity, address public safety, and activate streets and public spaces will not only encourage private development but also strengthen the downtown's role as the region's civic and cultural heart. Together, these investments build the conditions for sustained growth and livability.

Street Design and Activation: Continued investment in public spaces through streetscaping, lighting consistency, wayfinding and programming advances economic and social goals for downtown Spokane. Improvements done outside of redevelopment can spur additional development and encourage continuous growth. Key areas include Wall Street, Post Street, Riverfront Park connector, Main Avenue and River Park Square.

Connectivity Plan: Spokane should prioritize downtown connections that link existing assets such as employment nodes and tourist hubs. Prioritizing transit functions and walkable, safe corridors can reinforce downtown's unique assets.

Public Safety and Perceptions: Solutions are needed to address public safety challenges in the downtown Spokane area, particularly for areas of concern like STA Plaza. Policies aimed at improving public safety include increased visibility of foot patrol officers, public communications strategies, and addressing chronic nuisance properties and behaviors with consistent enforcement and targeted fines. Models that allocate police force resources based on real-time population and activity, rather than per-capita models, which are static, could be employed to account for additional police resources. Additional programs dedicated to maintaining cleanliness, such as expansion of the Clean Team, can enforce standards for public spaces and improve regional perceptions.

Broadband and Smart City Technology Investments: Investing in broadband infrastructure and smart city technologies can significantly enhance housing development by making communities more connected, efficient, and attractive to both residents and developers. High-speed internet access is now considered essential infrastructure, especially for remote work, education, healthcare, and digital inclusion—making broadband a key factor in housing desirability and value. Smart city technologies, such as smart lighting, traffic management, energy-efficient building systems, and data-driven public services, can improve quality of life and lower long-term operational costs for both cities and residents. For housing developments, especially in urban areas like downtown Spokane, this kind of infrastructure can differentiate projects in the market, attract tech-savvy residents, and support sustainability goals. Funding sources for these investments include federal programs like the Broadband Equity, Access, and Deployment (BEAD) Program, NTIA grants, USDA Rural Development Broadband ReConnect Program, and Infrastructure Investment and Jobs Act (IIJA) funds. Additionally, Local Tax Increment Financing (LTIF) and public-private partnerships can help finance smart infrastructure in targeted development zones.

Recommendation 3. Utilize Public Structures to Advance City Goals

To unlock the full potential of Downtown Spokane as a vibrant, inclusive, and economically resilient urban center, the City can leverage a range of public policy tools and programs that align private development with broader community priorities. By pursuing public structures such as zoning overlays, targeted financial incentives, streamlined development services, and innovative financing mechanisms, Spokane can attract and shape the kind of investment that delivers on its goals for housing affordability, economic diversity, and sustainability. These tools, combined with strong communication and clear partnerships, can help maximize the impact of recent policy reforms, expand housing choices, and ensure that new growth supports a thriving, walkable downtown for all residents.

Zoning Overlays: Spokane already has zoning districts such as Downtown (DT), Downtown Core (DTC), and Center and Corridor (CC) zones that encourage mixed-use and higher-density development. These zones could adopt similar incentive overlays to those in Boise in exchange for affordability and sustainability commitments. This aligns with local affordability goals and makes development more financially viable, especially on constrained or infill sites and when combined with MFTE.

Communicate Reform: The City of Spokane has made many recent improvements to local policies to promote development, allow density and alternative housing types. Notable reforms include the Building Opportunity

for Housing program, 2023 Comprehensive Plan Amendments (both of which allowed for greater density and middle housing types) and the recent removal of height and FAR limits downtown. However, these reforms need to be widely promoted so that Downtown Spokane can capture development that may otherwise build in nearby jurisdictions.

Development Concierge: Several US cities offer development concierge programs to help developers navigate the review process and serve as a single point of contact for multi-departmental review. Services also often include pre-application meetings, expedited review process, and policy and regulatory guidance. The City of San Diego's Project Management Service within the Development Services Department may serve as a model for creating a pilot program in Downtown Spokane.

Local Tax Increment Financing (LTIF): Tax Increment Financing can significantly benefit housing development in downtown Spokane by providing a mechanism to reinvest future tax revenues from increased property values back into the area. This funding can support critical infrastructure upgrades, site preparation, and environmental remediation—key steps in making sites ready for housing. LTIF also enables the city to partner with private developers by reducing upfront costs and enhancing public amenities, which increases the attractiveness and feasibility of residential projects. Additionally, it can be leveraged to support housing initiatives and encourage mixed-use development that aligns with Spokane's vision for a vibrant, walkable downtown. By driving new housing and revitalization, LTIF strengthens the local economy, creates jobs, and expands the city's long-term tax base without raising existing tax rates programs. While Washington State does provide for some limits on how LTIF funds can be used, a surgical approach to creating a district with consistent public realm improvements around known redevelopable sites could merit further investigation.

Given some local skepticism about the benefits of TIF to Downtown Spokane, an alternative would be to study the feasibility of the creation of a port district. Port districts in Washington State have broader licenses to invest in economic development initiatives and can even participate in public-private partnerships to develop land. While potentially impactful, this would require a ballot measure and would create a new taxing district, so the benefits would need to be studied and clearly communicated to the community.

APPENDIX

Exhibit 43. Cities Identified for Consideration as Case Studies

City	State	2020 City Pop	Walk Score		AMI
			City	Dwntrn	
Albuquerque	NM	564,559	43	85	\$65,600
Asheville	NC	94,589	37	94	\$67,200
Athens	GA	96,124	45	48	\$49,700
Bend	OR	99,178	32	94	\$88,800
Boise	ID	235,684	39	92	\$81,300
Chattanooga	TN	181,099	29	85	\$61,000
Colorado Springs	CO	478,961	36	81	\$83,200
Columbus	GA	206,922	25	70	\$56,600
Des Moines	IA	214,133	45	90	\$64,000
Durham	NC	283,506	30	92	\$79,200
Fort Wayne	IN	263,886	31	74	\$60,300
Greenville	SC	70,720	43	90	\$68,500
Little Rock	AR	202,591	33	47	\$60,600
Madison	WI	269,840	50	91	\$77,000
Nashville	TN	689,447	29	98	\$75,200
Ogden	UT	87,321	44	82	\$70,100
Omaha	NE	486,051	48	84	\$72,700
Portland	ME	68,408	62	100	\$76,200
Reno	NV	264,165	40	96	\$78,400
Sacramento	CA	524,943	49	98	\$83,800
Santa Barbara	CA	88,665	61	99	\$101,700
Spokane	WA	228,989	49	95	\$65,700
St. George	UT	95,342	70	98	\$72,900

Sources: Walk Score, 2025; ACS, 2023; CAI, 2025.

Note: ACS 5 Year estimates (above) may vary slightly from ACS 1 Year estimates utilized for case study AMI.

Exhibit 44. Affordable Subtypes Definitions, CoStar, 2025

Rent Restricted (Multi-Family): Properties classified as Rent Restricted most commonly have rental rates based on Area Median Income (AMI). These properties typically receive tax-advantaged equity and/or debt financing, including Low-Income Housing Tax Credits (LIHTC). Low-income renters at these communities typically have an annual household income that is less than 80% of AMI but greater than 30% of AMI. This is the most common type of Affordable Subtype classification.

Rent Subsidized (Multi-Family): Rents are subsidized by the Department of Housing and Urban Development (HUD) Section 8 or other federal programs. Low-income renters at these properties typically earn less than what is needed to qualify for Rent Restricted housing and pay rent and other housing costs at a rate equal to a specific percentage of their annual household income.

Exhibit 42. Opportunity Sites Reference Lookup, Downtown Spokane Study Area, 2025

Reference Table Number	Parcel ID	Site Address	Land Capacity Analysis Classification	Subarea	Property Use	Tier
9	35192.2208	222 S WALL ST	Vacant	South	Utilities	1
13	35191.1108	202 W 3RD AVE	Vacant	South	Retail - Eating	1
	35191.1109	210 W 3RD AVE	Vacant	South	Retail - Eating	1
	35191.1111	222 W 3RD AVE	Vacant	South	Retail - Eating	1
	35191.1112	217 S BERNARD ST	Vacant	South	Retail - Eating	1
	35191.1113	224 W 3RD AVE	Vacant	South	Retail - Eating	1
	35191.1114	218 W 3RD AVE	Vacant	South	Retail - Eating	1
	35191.1115	214 W 3RD AVE	Vacant	South	Retail - Eating	1
23	35183.224	1323 W MAIN AVE	Vacant	Central	Vacant Land	1
	35183.2241	124 N WRIGHT ST	Vacant	Central	Vacant Land	1
	35183.2242	1323 W MAIN AVE	Vacant	Central	Vacant Land	1
	35183.2243	1322 W RIVERSIDE AVE	Vacant	Central	Vacant Land	1
24	35183.1434	517 N LINCOLN ST	Vacant	North	Trans - Parking	1
26	35183.0034	829 W BROADWAY AVE	Vacant	North	Five-Plus Unit	1
42	35181.1404	1029 N DIVISION ST	Vacant	North	Vacant Land	1
	35181.1405	1023 N DIVISION ST	Vacant	North	Vacant Land	1
1	25241.2812	1500 W 4TH AVE	Partially Used	South	Service - Finance	2
2	35192.3107	1125 W 3RD AVE	Underutilized	South	Vacant Land	2
3	35192.3201	1027 W 3RD AVE	Underutilized	South	Vacant Land	2
	35192.3202	1023 W 3RD AVE	Underutilized	South	Vacant Land	2
	35192.3206	1005 W 3RD AVE	Underutilized	South	Vacant Land	2
4	35192.1818	151 S MADISON ST	Underutilized	South	Retail - Auto	2
	35192.1819	1017 W RAILROAD AVE	Underutilized	South	Retail - Auto	2
	35192.1817	1002 W 2ND AVE	Partially Used	South	Retail - Auto	2
5	35192.533	121 S LINCOLN ST	Underutilized	Central	Trans - Parking	2
	35192.5331	126 S POST ST	Underutilized	Central	Trans - Parking	2
6	35192.2103	160 S WALL ST	Underutilized	South	Trans - Parking	2
7	35191.261	153 S WALL ST	Underutilized	South	Trans - Parking	2
	35191.2611	1555 N WALL ST	Underutilized	South	Trans - Parking	2
8	35191.3101	619 W 2ND AVE	Underutilized	South	Trans - Parking	2
	35191.3109	611 W 2ND AVE	Underutilized	South	Trans - Parking	2
10	35191.2104	401 W SPRAGUE AVE	Underutilized	Central	Trans - Parking	2
11	35191.0012	331 W 1ST AVE	Underutilized	Central	Trans - Parking	2
12	35191.0715	118 W 2ND AVE	Underutilized	South	Trans - Parking	2
14	35184.1213	239 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2
	35184.1214	8 N BERNARD ST	Underutilized	Central	Trans - Parking	2
15	35184.1202	203 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2
	35184.1204	209 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2
	35184.1205	211 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2
	35184.1206	215 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2
	35184.1208	224 W SPRAGUE AVE	Underutilized	Central	Trans - Parking	2
16	35184.1108	15 W RIVERSIDE AVE	Underutilized	Central	Vacant Land	2
	35184.1109	22 W SPRAGUE AVE	Underutilized	Central	Vacant Land	2
	35184.111	28 W SPRAGUE AVE	Underutilized	Central	Vacant Land	2
17	35184.0606	231 W SPOKANE FALLS BLVD	Underutilized	Central	Trans - Parking	2
	35184.0615	241 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35184.0616	236 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35184.0617	232 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35184.0618	228 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35184.062	224 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35184.0624	237 W SPOKANE FALLS BLVD	Underutilized	Central	Trans - Parking	2
18	35184.2002	405 W SPOKANE FALLS BLVD	Underutilized	Central	Trans - Parking	2
	35184.2003	413 W SPOKANE FALLS BLVD	Underutilized	Central	Trans - Parking	2
19	35184.2006	218 N STEVENS ST	Underutilized	Central	Trans - Parking	2
	35184.2009	426 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35184.201	420 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35184.2004	419 W SPOKANE FALLS BLVD	Underutilized	Central	Trans - Parking	2
	35184.2005	423 W SPOKANE FALLS BLVD	Underutilized	Central	Trans - Parking	2
	35184.2012	418 W MAIN AVE	Underutilized	Central	Trans - Parking	2
20	35184.1907	508 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35184.1908	503 W SPOKANE FALLS BLVD	Underutilized	Central	Trans - Parking	2
21	35183.2236	1204 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2

22	35183.2207	1225 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35183.2208	1229 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35183.2209	1227 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35183.221	1213 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35183.2211	1223 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35183.2212	1209 W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35183.2222	1212 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2
	35183.2223	1208 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2
	35183.2224	W MAIN AVE	Underutilized	Central	Trans - Parking	2
	35183.2233	1220 W RIVERSIDE AVE	Underutilized	Central	Trans - Parking	2
25	35183.1418	610 N MONROE ST	Underutilized	North	Trans - Parking	2
	35183.1414	605 N LINCOLN ST	Underutilized	North	Trans - Parking	2
	35183.1428	610 N MONROE ST	Underutilized	North	Trans - Parking	2
26	35183.0033	630 N LINCOLN ST	Underutilized	North	Five-Plus Unit	2
27	35182.441	824 N MONROE ST	Partially Used	North	Service - Governmental	2
28	35185.4922	621 W MALLON AVE	Partially Used	North	Vacant Land	2
29	35181.441	411 W CATALDO AVE	Partially Used	North	Service - Finance	2
30	35184.0025	201 W NORTH RIVER DR	Underutilized	North	Vacant Land	2
31	35184.0092	115 W NORTH RIVER DR	Partially Used	North	Hotel/Motel	2
32	35181.0041	819 N DIVISION ST	Underutilized	North	Vacant Land	2
33	35181.1607	101 W CATALDO AVE	Partially Used	North	Service - Finance	2
34	35181.1606	111 W CATALDO AVE	Partially Used	North	Service - Finance	2
35	35181.1701	217 W CATALDO AVE	Partially Used	North	Service - Professional	2
36	35181.1714	910 N WASHINGTON ST	Partially Used	North	Service - Finance	2
	35181.4306	920 N WASHINGTON ST	Partially Used	North	Service - Finance	2
37	35181.0043	802 N WASHINGTON ST	Partially Used	North	Service - Finance	2
	35181.0044	322 W NORTH RIVER DR	Partially Used	North	Vacant Land	2
38	35181.1108	930 N WASHINGTON ST	Partially Used	North	Five-Plus Unit	2
39	35181.1219	210 W CATALDO AVE	Partially Used	North	Service - Finance	2
40	35181.1323	1010 N NORMANDIE ST	Partially Used	North	Service - Finance	2
41	35181.1442	25 W BOONE AVE	Partially Used	North	Retail - General Mrchds	2

Source: City of Spokane Land Capacity Analysis, 2025; CAI, 2025.

Exhibit 43. Multifamily Building Inventory, Downtown Spokane, 2025

Property Address	Property Name	Building Class	Building Status	Number Of Units	Number of Affordable Units	RBA	Year Built	Vacancy %	Avg Unit SF	Avg Asking/Unit	Avg Asking/SF	Rent Type
111 N Bernard St.	Metro Apartments		Existing	31								Market
225 N Division St	Bel Franklin Apartments	C	Existing	36	36	14,400	1912	11.6	397	\$708	\$1.78	Affordable
220 N Howard St	Union Block Apartments	C	Existing	8		5,130	2024	4.3	1,340	\$2,033	\$1.52	Market
228 N Howard St	Coeur d'Alene Plaza Apartme	B	Existing	64	64	56,215	1890	4.6				Affordable
707 N Monroe St.	Dresden Apartments		Existing	28								Market
806 N Monroe St.	Jenkins Building		Existing	18								Market
820 N Post St.	Upper Falls Condominiums		Existing	31								Market
120 N Wall St	The Roxy on Wall	B	Existing	21		22,000	2021	5.5	484	\$1,243	\$2.57	Market
930 N Washington St	Altura	C	Existing	85		120,195	1972	13.4	843	\$1,322	\$1.57	Market
151 S Adams St	Cornerstone Courtyard	C	Existing	50	50	37,000	2008	2.9	748	\$541	\$0.72	Affordable
173 S Adams Ave	The Pearl on Adams	C	Existing	35	35	20,520	1911	5.6	456	\$503	\$1.10	Affordable
318 S Adams St.	Hope House (VOA)		Existing	60	60							Affordable
106 S Cedar St	Grand Coulee	B	Existing	49		43,891	1910	5.6				Market
211 S Cedar St		C	Unoccupied	10		8,766		5.6				Market
511 S Cedar St	Buena Vista Apartments	C	Existing	41		36,440		12.5	547	\$827	\$1.51	Market
107 S Howard St	The Marjorie	B	Existing	50		61,230	1907	2.2	495	\$1,130	\$2.28	Market
174 S Howard St	Aerie No. 2 Building	B	Existing	20		20,810		5.6				Market
178.5 S Howard St.	Metropole Apartments		Existing	16								Market
218-224 S Howard St	Pioneer Pathway House	C	Existing	39	39	17,040	1908	5.4				Market/Affordable
108 S Jefferson St	The Parsons Apartments	B	Existing	50	50	68,130	1910	4.6				Affordable
115 S Jefferson St	The Jefferson Centre	C	Unoccupied	8		61,022	1909	5.6	1,500			Market
152 S Jefferson St.	Jefferson Street AutoLoft		Existing	18	18							
405 S Maple St.	Maplehurst Apartment Buildin	C	Existing	24		12,177	1908	4.4	460			Market
411 S Maple St	Maplehurst Apartment Duplex	C	Existing	2		1,974	1904	5.6		\$513		Market
165 S Post St.	Lofts at Joel Condos		Existing	15								Market
206 S Post St	Carlyle Care Center	C	Existing	74	74	56,800	1890	4.6	1,092			Affordable
108 S State St.	Valor Haven		Existing	50	50							Affordable
164 S State St.	Fr Bach Housing		Existing	51	51							Affordable
101 S Stevens St			Completed	3								
204 S Wall St	Collins Apartments	C	Unoccupied	22	22	22,074	1910	5.6	204			Market
225 S Wall St.	Wall Street Apartments		Unoccupied / Under Renovation	35	35							Affordable
401 W 1st Ave	First @ Washington Condos		Existing	9								Market
417 W 1st Ave.	Oakley Building		Existing	8								Market
423 W 1st Ave	Minnesota Building		Existing	4								
514 W 1st Ave	Avenue 1	B	Existing	19		7,000		5.6				Market
908 W 1st Ave	Metropolitan	C	Existing	18		15,881	1938	5.6	417			Market
1011 W 1st Ave	Music City		Completed	14								
1115 W 1st Ave.	Commercial Building		Existing	24								Market
1229 W 1st Ave	Lolo Lofts	A	Existing	11		15,570	1926		725	\$2,145	\$2.96	Market

Property Address	Property Name	Building Class	Building Status	Number Of Units	Number of Affordable Units	RBA	Year Built	Vacancy %	Avg Unit SF	Avg Asking/Unit	Avg Asking/SF	Rent Type
1309 W 1st Ave	Parkview West	B	Existing	50		55,173	2019	5.6	783	\$1,617	\$2.06	Market
1021-1031 W 1st Ave	The New Madison	B	Existing	68	68	68,000	1905	12.6	798	\$1,418	\$1.90	Market/Affordable
301 W 2nd Ave.	n/a		Existing	18								Market
327 W 2nd Ave	New Washington Apartments		Existing	58								Market
821 W 2nd Ave.	Hoadley House Apartment		Existing	1								Market
24 W 2nd Ave	Donna Hanson Haven	C	Existing	51	51	51,000	2018	4.6	374			Affordable
229 W 2nd Ave	Avondale Court	B	Existing	26	26	12,420	1905	4.6	300			Affordable
111 W 3rd Ave.	Old Hope House (VOA)		Existing	20	20							Affordable
120 W 3rd Ave	The Imperial	C	Existing	92		140,000	2021	55.6	270	\$850	\$3.15	Market
410 W 3rd Ave	Sodo Commons	C	Existing	32		17,112	1907	10.8	380	\$978	\$2.57	Market
915 W Broadway Ave	Broadway Plaza Apartments	C	Existing	5		9,900	1909	5.6		\$1,002		Market
25 W Main Ave	Saranac Building Renovation	B	Existing	17		28,736	1907	5.6				Market
245 W Main Ave	J & K on Main	B	Existing	12		12,000	2023					Market
301 W Main Ave	Sherwood Apartments	C	Existing	33		28,000	1990	8.0	425	\$902	\$2.12	Market/Affordable
612 W Main Ave	The M	A	Existing	114		166,925	2018	8.3	1,060	\$2,133	\$2.00	Market
809 W Main Ave.	809 Condos		Existing	20								Market
1012 W Railroad Ave	Railside Apartments	C	Existing	8		4,000	1904	25.2	700	\$1,018	\$1.45	Market
1221 W Railroad Alley	Blue Chip Lofts		Existing	11								Market
206 W Riverside Ave	The Warren	B	Existing	139		127,210	2022	19.0	627	\$1,541	\$2.46	Market/Affordable
225 W Riverside Ave.	Bickett Apartments		Existing	8								Market
227 W Riverside Ave	Hale	C	Existing	12		12,000	2024	5.6	494	\$982	\$1.99	Market
228 W Riverside Ave	The Li Apartments	C	Existing	18		19,261	1996	5.6	600			Market
237 W Riverside Ave	The Albert Building	C	Existing	8		7,650	1896	5.6	1,100	\$1,554	\$1.41	Market
242 W Riverside Ave	Delaney Apartments	B	Existing	83	10	78,381	1912	16.1	396	\$618	\$1.56	Affordable
315 W Riverside Ave.	Morgan Building		Existing	35								Market
821 W Riverside Ave	The Genesee Luxury Apartments	B	Existing	4		10,000	1892	5.6	925	\$1,725	\$1.87	Market
1224 W Riverside Ave	Riverfalls Tower Apartments	B	Existing	100		110,154	1973	3.4	1,170	\$2,349	\$2.01	Market
1225 W Riverside Ave	The Edwidge Apartments	B	Existing	15		10,020	1998	5.6				Market
221-223 W Riverside Ave	Studio 24 Apartments	C	Existing	24		16,000	1896	25.6	400	\$875	\$2.19	Market
217 W Spokane Falls Blvd	Park Tower	B	Existing	185	185	245,420	1971	1.0	545	\$618	\$1.13	Affordable
210 W Sprague Ave.	Lutheran Community Services		Existing	5								Market
240 W Sprague Ave	Wolfe Apartments	C	Existing	22	22	28,305	1896	4.6	333	\$326	\$0.98	Affordable
406.5 W Sprague Ave.	Armstrong Condos		Existing	18								Market
515 W Sprague Ave	Ridpath Club Apartments	B	Existing	223	184	193,500	2018	3.3	356	\$1,240	\$3.48	Market/Affordable
820 W Sprague Ave	Mystery Lofts	B	Existing	4		5,000		2.3	1,280	\$1,915	\$1.50	Market
826 W Sprague Ave	The Michael Building Downtown Luxury Apts	B	Existing	18		20,000	1893	12.9	1,043	\$1,809	\$1.73	Market
926 W Sprague Ave	The Chronicle	A	Existing	40		35,000	1928	0.2	831	\$1,508	\$1.81	Market
1120 W Sprague Ave	Cathedral Plaza	B	Existing	149	149	143,332	1970	0.0	630	\$1,032	\$1.64	Affordable
1214 W Sprague Ave	Myrtle Apartments	B	Existing	21		24,663	1906	7.4	624	\$1,137	\$1.82	Market
1230 W Sprague Ave	The San Marco Apartments	B	Existing	40		80,820	1904	12.7	791	\$1,065	\$1.34	Market

Source: CoStar, 2025; Downtown Spokane Partnership, 2025; CAI, 2025.



Mayor Lisa Brown

October 21, 2025

Emilie Cameron
Downtown Spokane Partnership
10 N. Post Street, Ste 400

RE: Downtown Spokane Partnership Housing Report and Action Plan

Dear Emilie,

As Mayor, I want to express my support for the key goals outlined in the Downtown Spokane Partnership (DSP) *Housing Report and Action Plan*. I am also pleased that the City was able to contribute \$50,000 from our ARPA award to help fund this important work.

Across the country, changing office market dynamics are reshaping downtowns and reinforcing the need for significant new market-rate and workforce housing to sustain vibrant, economically resilient urban centers. The DSP's 10-year target of 3,200 net new housing units, both market-rate (above 120% AMI) and moderate-income "workforce" units (80–120% AMI), is an ambitious and appropriate goal that will help balance Spokane's downtown housing mix, increase residential density, and create the activity necessary to support additional retail, services, and cultural amenities.

To put this in context, between 2020 and mid-2025, the City's Development Services Department issued Certificates of Occupancy for more than 4,550 housing units citywide, an average of approximately 827 units per year. Achieving the DSP's target of 320 new downtown units annually is a reasonable objective, assuming improvements in interest rates and lending conditions.

As part of our state-mandated Comprehensive Plan update, Spokane's new housing allocation, based on Washington Office of Financial Management (OFM) projections and the countywide process, calls for 22,000 new housing units between 2020 and 2046. This total is distributed by affordability level as follows: 0–80% AMI: 68%; 80–120% AMI: 12%; and 120%+ AMI: 20%.

A Better Way Starts Here

808 W. Spokane Falls Blvd. • Spokane, Washington 99201-3335
Phone: 509.625.6250 FAX: 509.625.6563

We recognize that decades of development patterns have resulted in a concentration of low- and very low-income housing within the downtown core. Increasing the share of market-rate and workforce housing downtown will help achieve a more balanced income mix and attract the kinds of amenities that make Spokane's urban center more vibrant, sustainable, and resilient.

The report also highlights several other recommendations that present strong opportunities for collaboration between the City and DSP, including communicating available development incentives and reforms, leveraging the City's fiber and conduit infrastructure to attract investment, and partnering to recruit key projects identified in the plan.

It is my understanding that City staff and representatives from the Downtown Spokane Partnership met on October 6 to discuss recommended edits to the report. A summary of that discussion is attached for your reference.

Thank you for your partnership and commitment. I look forward to continuing our work together to help downtown Spokane reach its full potential.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Brown". The signature is fluid and cursive, with the first name "Lisa" and last name "Brown" clearly distinguishable.

Lisa Brown

Mayor, City of Spokane

Attachment for DSP Housing Report and Action Plan

Edits and Issues Discussed – October 6, 2025

- **Align terminology for Area Median Income (AMI):**
Ensure that the report's AMI categories align with the official City and State definitions for consistency and clarity. For reference: market-rate housing is above 120% AMI; moderate-income (or "workforce") housing is 80–120% AMI; low-income is below 80% AMI; and very low-income is typically 60–80% AMI.
- **Clarify recommendations related to financing programs:**
Some recommendations in the study fall outside the City's current authority or available funding sources. For example, the suggestion for the City to provide preferential loan terms for certain developments is not feasible under existing legal mandates, as current City-administered housing loan programs are limited by law to supporting low- and very low-income housing.

That said, the City would be pleased to participate if the Downtown Spokane Partnership chooses to convene a discussion with local financial institutions to explore potential tools, partnerships, or private-sector solutions that could help advance the report's objectives.

- **Highlight and promote existing housing incentives:**
For clarity and marketing purposes, the report should clearly list and describe key housing development incentives available in Downtown Spokane, including:
 - **Multi-Family Tax Exemption (MFTE)** program;
 - **Sales tax waivers** for both (1) residential development on surface parking lots ("Parking to People") and (2) conversion of underutilized commercial buildings;
 - **No minimum parking requirements or height restrictions** in the downtown core.

The report should also note that the downtown census tract qualifies for several advantageous federal financing programs, including:

- **New Markets Tax Credit (NMTC)** eligibility for projects that create jobs or provide essential goods and services (e.g., grocery, medical, or community-serving uses);
- **Opportunity Zone (OZ)** designation, offering favorable tax treatment to OZ Fund investors. Several recent multifamily projects in or near downtown—including *Ironside* and *Koz*—have successfully utilized OZ funding.

Additionally, unlike greenfield or outlying development areas, downtown water and sewer infrastructure is typically sufficient to support infill and adaptive reuse projects, often reducing or eliminating General Facilities Charges (GFCs) for conversions or rehabilitations of existing buildings with adequately sized connections.

- **Clarify zoning and overlay recommendations:**
The report should provide more detail on any proposed zoning overlays or incentive districts and explain how they would complement existing tools such as MFTE, sales tax incentives, removal of parking and height limits, NMTC and OZ financing, and the infrastructure advantages noted above. As the City undertakes a comprehensive development code

update, this is an ideal time to identify any specific downtown needs without creating additional special overlay zones. The City welcomes collaboration with DSP to ensure these needs are addressed through the broader code modernization effort.