

HOUSING
ELEMENT

DRAFT

HOUSING ELEMENT

Introduction

The Housing Element is an inventory and analysis of existing and projected housing needs, identifying the housing units necessary to serve the projected population.

~~This housing element has been updated from 2003 to allow for a bridging of housing data and projections to the mandated Comprehensive plans — Review procedures and schedules — Amendments RCW 36.70a.130. The last update was in 2003 with the data sets from 1993 and critical analysis from 1990 survey. The projected data sets include information from 1987-1994, and total housing projections are to 2012. Due to the outdated information, the Housing Element was placed on the Planning Commission 2012 docket for study and review. One of the fundamental components for the updating of data sets, analysis, and projections was to retain the population allocations within the Urban Growth Area to the year 2025. This is due to the fact that the Residential Land Use Analysis was a joint City and County allocation in 2003 for the UGA. The City of Leavenworth recognizes that it is necessary to update the 2003 Leavenworth Residential Land Use Inventory and Analysis and the Housing Element to understand the present and future patterns of residential development within the City Limits and City's Urban Growth Area (UGA). This information is necessary in order to evaluate the effectiveness of the existing comprehensive plan and evaluate population projections and allocations. To that end, it was decided that the City would conduct a review, update, analysis and evaluation of the data within the Comprehensive Plan and supporting documents. The population allocation information from Chelan County and population and housing information obtained from the 2010 US Census.~~

~~In 2016, pursuant to RCW 36.70a.130 (5), (c) on or before June 30, 2017, and every eight years thereafter, the City of Leavenworth will update this and other elements of the Comprehensive Plan, as necessary. Overall, this Housing Element has been developed in accordance with Section 36.70A.070 and WAC 365-196-410 of the Growth Management Act to address the housing needs of the City of Leavenworth and its urban growth area. It represents the community's policy plan for the next 20 years.~~

~~The housing element has also been developed in accordance with the county wide planning policies and has been integrated with all other planning elements to ensure consistency throughout the comprehensive plan. The housing element considers the provision of a variety of housing types to match the lifestyles and economic needs of the community. This element examines special housing needs, such as low and moderate income family housing, foster care facilities, group homes, manufactured homes, government supported housing, and historically significant housing.~~

~~It is becoming more and more difficult for residents of the City and County to pay for housing. Housing prices in Chelan County have changed dramatically since the 1990 census. In 1988 the median sale price of a home in the Multiple Listing Service Area (including Chelan and Douglas Counties) was \$63,000. In 1993 the median sale price was \$109,100. According to the Multiple Listing Service published by the North Central Washington Association of Realtors: in 2008, there were 35 home sales with the median sale price of \$300,000; in 2009, there were 26 home sales with the median sale price of \$250,000; in 2010, there were 31 home sales with the median sale price of \$240,000; in 2011, there were 22 home sales with the median with the median sale price~~

of \$195,000; in 2012, there were 36 home sales with the median with the median sale price of \$233,750. These dramatic swings from past years are the result of the 2004-05 and 2009 national housing downturn which affected Leavenworth housing market in 2009.

Incomes in Chelan County have not kept pace with rising housing costs. The 2009 median household income for Chelan County was \$49,638.00. For example: if the home costs \$233,750.00 and no money placed for the down payment on a 30-year loan with a 3.900% interest rate, the total payment on the principal and interest will be \$1,102.52. If the annual property taxes are \$3,000.00, and annual insurance is \$1,500.00, the total monthly payment will be \$1,574.92. With a monthly payment of this amount, the total gross monthly income will need to be at least \$5,249.73 (\$62,996.76 annually) in order to qualify for the loan.

2017 Leavenworth Housing Needs Assessment ~~Priorities for Needed Housing Types County-wide~~

To help address the housing needs of the community, the City formed the Housing Affordability Committee. The committee was tasked with 1) evaluating programs and initiatives to produce affordable units and preserve existing ones; 2) making recommendations to the City Council and Planning Commission for initiatives and codes that promote mixed-income development in neighborhoods across the city; and 3) ensuring a vibrant mix of housing options for people of all income levels. The Taskforce and City Council commissioned and completed a “Housing Needs Assessment” by BERK Consulting. The BERK Consulting Team developed information on the household characteristics of the local population and develop information on the current housing inventory. The study area included the Cascade School District boundary; and the “Housing Needs Assessment” by BERK Consulting can be reviewed within **Appendix ??**.

Key findings of the study identified the following:

1. At least 36% of the housing stock is for seasonal, recreational, or occasional use. The Leavenworth area includes a significant share of vacation homes and short-term rentals. This high level of seasonal use reflects Leavenworth’s tourism industry and its popularity as a weekend destination for those in the Puget Sound region and other areas of Washington. A survey of vacation home rental platforms such as Airbnb and HomeAway indicated a minimum of 300 units are currently set aside for the short-term rental market.
2. Very low vacancy in the long-term rental housing market. A review of long-term rental listings revealed that only around 10 units are currently available. This indicates that the vacancy rate could be as low as 1% in the long-term rental market. A healthy housing market should have a 5% vacancy rate to ensure that all households can find a suitable new home when they need one. It appears likely that many would-be landlords can generate more income in the short-term rental market than the long-term rental market.
3. Rents are rising fast. Since 2013, median monthly rents have increased by 13% annually. This is significantly faster than even the hot housing market in Seattle. Low vacancy appears to be putting significant pressure on the long-term rental housing supply and upward pressure on rents.
4. Almost a third of households are cost burdened. Three out of 10 households in the greater Leavenworth area spend more than 30% of their income on housing. One out of four

renter households are severely cost burdened, or spending more than 50% of their income on housing. Furthermore, these findings reflect conditions between 2009 and 2013.

Rental costs have increased significantly since then.

5. A growing number of workers are commuting long distances. Employment has grown by over 800 jobs between 2002 and 2014. However, the number of workers who live closer than 10 miles from their job has not increased. Instead a growing number of workers are traveling long distances to jobs inside the Cascade School District.
6. Wages in the Leavenworth area are significantly lower than needed to afford local housing costs. Only 15% of the jobs in the Leavenworth area pay more than \$40,000 per year. Yet to afford the median apartment rent a household needs an annual income of at least \$59,000. To afford the median single-family home rent a household needs \$67,000. This may explain the growing number of workers commuting into the Leavenworth area from distant locations where housing may be more affordable. Workforce housing will likely be a significant challenge in the years ahead.
7. 4 out of 10 residents are over 60 years old. 40% of the Cascade School District's population is 60 years or older. This has implications for the housing market since senior households have unique housing needs that need to be considered.
8. Student homelessness has increased. Between the 2011 – 2012 school year and the 2014 – 2015 school year, homelessness increased from 5 students to 26 students in the Cascade School District. This likely indicates that more families are struggling to maintain housing in the area.
9. Home production has not matched needs, particularly within the City of Leavenworth. Although new home production has slowed overall for the City and School District over the last ten years, production has begun to pick up in the last five years. Production in Leavenworth was historically around 20% of the district-wide production of units, but has recently slowed considerably. Leavenworth gained seven new single-family homes and six new accessory dwelling units in 2016, a small increase from previous years.
10. Zoning and public land ownership within the school district limits development potential. The potential for new workforce housing in and around Leavenworth hinges on 1) the availability of land for development, redevelopment, and infill and 2) the policies and regulations associated with the land that guide the density and type of development allowed. In the Cascade School District, much of the developable land is in rural areas with low density zoning that does not support workforce housing. Within the City and UGA, the amount of vacant developable land is limited.
11. Housing production in and around Leavenworth is constrained by environmental factors. Developable land in the City of Leavenworth, it's urban growth area, and the areas surrounding the City is constrained by a variety of environmental factors that limit the use of the land. These factors include shoreline management along Icicle Creek and the Wenatchee River, steep slopes, and the presence of critical areas.

12. Providing services to housing in Leavenworth and the surrounding area is challenging. Land in the county is regulated such that clustered housing and smaller units are not easily supported. Low density and rural residential development makes delivering appropriate levels of service for water, sewer, solid waste, and others challenging since these services require a concentration of facilities to be efficient.

Housing affordability in Leavenworth and the surrounding area is shaped by the local tourism economy and the desirability of the area to second home owners as well as the needs of the local residents and workforce. Although the tourism and recreation economy is important to the economic sustainability of the area, the external pressures this economy places on the local housing market results in upward pressure on local rents and housing prices. These pressures are fundamentally caused by a shortage of housing supply to accommodate the combined demands for recreational, seasonal, and workforce housing.

In addition and central to the Taskforce thoughts, it became evident that market factors could not be controlled by the City. The Taskforce further understood that if the City encouraged new affordable housing, that outside purchasers with the resources beyond local families, would continue to consume homes for “second” homes or would be “absentee” owners. With this in mind, the Taskforce believed that the positive merits to create and encourage affordable housing outweighed this fact.

Population and Demographics

The 2010 population was 1,965. This differs from the 2000 projected population of 2,074. The total change in population of -109 (-5.3%) is the result of projections and census surveys.

Leavenworth has 917 males (46.7%) and 1,048 females (53.3%) with a median resident age of 42.4 years (State of Washington median age is 46.6). The County and the Cities of Cashmere, Chelan, Entiat, Leavenworth and Wenatchee agreed on the proposed population projection method and determination; and the medium projections were accepted using the Office of Financial Management population estimates. years The population projections are for the purpose of review and consideration during the mandated 2017 Comprehensive Plan Update; and the County was tasked with using the Office of Financial Management population estimates for the County and providing analysis of the population projections appropriate to each Urban Growth Boundary.

<u>Share of Population Growth</u>	<u>2020 Projection</u>	<u>2025 Projection</u>	<u>2030 Projection</u>	<u>2035 Projection</u>	<u>2036 Projection</u>	<u>2037 Projection</u>	<u>2017-2037 change</u>

<u>Leavenworth UGA</u>	<u>2,477</u>	<u>2,534</u>	<u>2,583</u>	<u>2,624</u>	<u>2,631</u>	<u>2,638</u>	<u>196</u>
<u>Urban</u>	<u>55,684</u>	<u>57,880</u>	<u>59,806</u>	<u>61,397</u>	<u>61,687</u>	<u>61,969</u>	<u>7,641</u>
<u>Rural</u>	<u>22,902</u>	<u>24,005</u>	<u>24,972</u>	<u>25,771</u>	<u>25,916</u>	<u>26,057</u>	<u>3,835</u>
<u>Total</u>	<u>78,586</u>	<u>81,885</u>	<u>84,778</u>	<u>87,168</u>	<u>87,603</u>	<u>88,026</u>	<u>11,476</u>

Chelan County high projections (population) by year after 2010 census.

2000	2005	2010	2011	2012	2013	2014	2015	2016
66,616	74,443	81,009	82,372	83,763	85,170	86,591	88,027	89,342

Continued from above:

2017	2018	2019	2020	2021	2022	2023	2024	2025
90,736	92,138	93,548	94,966	96,306	97,665	99,044	100,441	101,859

OFM Released January 2002

Percent Change in Population 2010-2012—0.25	1980	1990	2000	2010 Population Census	2011 Population Estimate	2012 Population Estimate
Leavenworth	1,526	1,692	2,074	1,965	1,970	1,970

Washington State Office of Financial Management, Forecasting Division April 1, 2012 Population of Cities, Towns and Counties

For population 25 years and over in the City of Leavenworth:

- High school or higher: 89.2%
- Bachelor's degree or higher: 21.1%
- Graduate or professional degree: 8.3%
- Unemployed: 2.7%
- Mean travel time to work (commute): 20.1 minutes

For population 15 years and over in the City of Leavenworth:

- Never married: 21.3%
- Now married: 54.4%
- Separated: 2.7%

- ~~Widowed: 8.6%~~
- ~~Divorced: 13.0%~~
- ~~White alone 1,692 (86.1%)~~
- ~~Hispanic 213 (10.8%)~~
- ~~Two or more races 27 (1.4%)~~
- ~~Asian alone 11 (0.6%)~~
- ~~American Indian alone 10 (0.5%)~~
- ~~Black alone 7 (0.4%)~~
- ~~Native Hawaiian and Other Pacific Islander alone 4 (0.2%)~~

Definition of Affordable Housing

The Washington State Growth Management Act (GMA) ~~stresses the importance~~ requires the consideration of ~~considering~~ the availability and affordability of housing. Affordability is not specifically defined in the Act. It is the responsibility of the local government to establish the definition of “affordable²².”

The following is a *Growth Management Act* definition of affordable housing:

"Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households~~"Affordable housing" means residential housing that is rented or owned by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income.~~

Along with the issue of “affordability” comes the issue of the availability of housing to “all economic segments” of the population. The ~~GMA stresses that communities should be planning to provide housing that is affordable to persons.~~ Table below shows the income groupings that are commonly used in discussing housing affordability and the income limits. ~~The Procedural Criteria require that for the purpose of planning for affordable housing, jurisdictions should use the income levels prepared annually by the~~ The U.S. Department of Housing and Urban Development (HUD). ~~HUD~~ annually prepares these income levels and adjusts them by household size. ~~The valuable information is for City of Wenatchee and included in the~~ According to WAC 365-196-410, “Low-income refers to a household whose income is between thirty percent and fifty percent of the median income, adjusted for household size, for the county where the housing unit is located.”

2017 HUD Income Limits for Chelan County

<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>	<u>7 Person</u>	<u>8 Person</u>
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<u>Very Low Income</u>	<u>\$22,000</u>	<u>\$25,150</u>	<u>\$28,300</u>	<u>\$31,400</u>	<u>\$33,950</u>	<u>\$36,450</u>	<u>\$38,950</u>	<u>\$41,450</u>
<u>Low Income</u>	<u>\$35,200</u>	<u>\$40,200</u>	<u>\$45,250</u>	<u>\$50,250</u>	<u>\$54,300</u>	<u>\$58,300</u>	<u>\$62,350</u>	<u>\$66,350</u>

Source: U.S. Department of HUD.

NOTE: Chelan County is part of the Wenatchee, WA MSA, so all information presented here applies to all of the Wenatchee, WA MSA. The Wenatchee, WA MSA contains the following areas: Chelan County, WA; and Douglas County, WA

2016 HUD-Adjusted Income Limits as of for Wenatchee 11/16/2011 below.

~~According to WAC 365-196-410, "Low income refers to a household whose income is between thirty percent and fifty percent of the median income, adjusted for household size, for the county where the housing unit is located."~~

	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>	<u>7 Person</u>	<u>8 Person</u>
<u>Low Income</u>	<u>34,000</u>	<u>38,850</u>	<u>43,700</u>	<u>48,550</u>	<u>52,450</u>	<u>56,350</u>	<u>60,250</u>	<u>64,100</u>

The Census Bureau tracks income by family, household, and per capita. A household is an occupied housing unit. Family income includes only those households that are considered families (householder and one or more other persons related to the householder by birth, marriage, or adoption). Since not all households contain families, the household income is more representative of the actual community income. The median household income in Leavenworth was \$43,447 in 2015, which represents a 16.3% growth from the previous year of \$37,348 (Source: Census Bureau - tract). Households in Chelan County have a median income of \$51,837 in 2015. For Leavenworth in 2013, the median household income was \$34,081.

The Comparison of Median Household Income by Region table is the Office of Financial Management (OFM); and provides a comparison over time and area.

through time Median Household Income Estimates: 1989 to 2010 and Projection for 2011

-	1989	1990	1991	1992	1993	1994	1995	1996
Washington	31,183	33,417	34,379	35,882	36,679	37,895	38,997	40,568
Chelan	24,312	25,833	27,592	28,746	30,148	31,547	32,164	33,918

Continued from above:

	1997	1998	1999	2000	2001	2002	2003	2004
Washington	42,399	44,514	45,776	44,120	45,761	46,039	46,967	49,585
Chelan	35,662	37,175	37,316	39,439	41,653	41,731	42,918	43,696

Continued from above:

	2005	2006	2007	2008	2009	2010*	2011**
Washington	50,004	53,522	56,141	57,858	55,458	54,888	55,500
Chelan	44,422	46,522	44,964	44,013	46,780	45,478	46,275

Source:

Office of Financial Management



Comparison of Median Household Income by Region

	2010	2015
<u>Chelan</u>	<u>\$45,478</u>	<u>\$52,780</u>
<u>Douglas</u>	<u>\$46,159</u>	<u>\$52,355</u>
<u>Okanogan</u>	<u>\$34,915</u>	<u>\$34,808</u>
<u>King</u>	<u>\$65,383</u>	<u>\$78,657</u>
<u>Washington State</u>	<u>\$54,888</u>	<u>\$62,108</u>

Office of Financial Management

According to data from the Census Bureau, 14.4% of the population (2016 Population Estimates - 1,994 - Source: Vintage 2016 Population Estimates: Population Estimates) within the City limits of Leavenworth live below the poverty line, which is lower than the national average of 14.7%. The largest group living in poverty is Male 55-64, followed by Female 18-24 and then Female 55-

64. According to the Census Bureau, 14.3% of the population in Chelan County (73,389 people) live below the poverty line, which is lower than the national average of 14.7%. The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. According to the Census Bureau, the Median Household Income is \$ 43,447 within the City limits of Leavenworth (Source: 2011-2015 American Community Survey 5-Year Estimates). This data differs slightly from that “individual worker income” review. In comparison, the median household income in the United States in 2015 was \$56,516, an increase in real terms of 5.2 percent from the 2014 median income of \$53,718. This is the first annual increase in median household income since 2007, the year before the most recent recession. The nation’s official poverty rate in 2015 was 13.5 percent, with 43.1 million people in poverty, 3.5 million fewer than in 2014. The 1.2 percentage point decrease in the poverty rate from 2014 to 2015 represents the largest annual percentage point drop in poverty since 1999. In addition and on a national level, real median incomes in 2015 for family households (\$72,165) and nonfamily households (\$33,805) increased 5.3 percent and 5.4 percent, respectively, from their 2014 medians. This is the first annual increase in median household income for family households since 2007. The most recent increase for nonfamily households was in 2009. The increases of 5.3 percent and 5.4 percent for family and nonfamily households were not statistically different. Real median household income in 2015 was 1.6 percent lower than in 2007, the year before the most recent recession, and 2.4 percent lower than the median household income peak that occurred in 1999. The difference between the 1.6 percent change and the 2.4 percent change was not statistically significant (Census Bureau). Furthermore, the poverty rate for families and the number of families in poverty were 10.4 percent and 8.6 million in 2015, a decrease from 11.6 percent and 9.5 million families in 2014. In 2015, 5.4 percent of married-couple families, 28.2 percent of families with a female householder, and 14.9 percent of families with a male householder lived in poverty. For married-couple families and families with a female householder, both the poverty rate and the number in poverty decreased. For families with a male householder, neither the poverty rates nor the number in poverty showed any statistically significant change between 2014 and 2015. As defined by the Office of Management and Budget and updated for inflation using the Consumer Price Index, the weighted average poverty threshold for a family of four in 2015 was \$24,257. (See <www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html> for the complete set of dollar value thresholds that vary by family size and composition.)

Leavenworth Median Individual Worker Income (2015)

The median individual worker income is \$27,720. This is lower than the national average \$29,701.

<u>Worker Type</u>	<u>Leavenworth</u>	<u>Washington</u>	<u>USA (National Average)</u>
<u>Male</u>	<u>\$37,964</u>	<u>\$39,886</u>	<u>\$35,201</u>
<u>Female</u>	<u>\$20,804</u>	<u>\$25,223</u>	<u>\$24,139</u>
<u>Median Household Income</u>	<u>\$44,426</u>	<u>\$57,244</u>	<u>\$51,914</u>

2010 U.S. Census.

Estimated median household income in 2009: (\$35,692 in 2000)

Leavenworth: \$49,805

Chelan County: \$49,638

Washington: \$56,548

Estimated per capita income in 2009: \$24,530

Median household income in 2009 for:

White non-Hispanic householders: \$44,218

American Indian and Alaska Native householders: \$122,170

Some other race householders: \$28,489

Two or more races householders: \$18,892

Hispanic or Latino race householders: \$27,388

Percentage of residents living in poverty in 2009: 6.8% (4.2% for White Non-Hispanic residents, 8.9% for Hispanic or Latino residents, 21.9% for American Indian residents, 60.9% for other race residents, 0.0% for two or more races residents)

HUD Adjusted Income Limits as of 11/16/2011

Wenatchee – East Wenatchee, WA MSA (data available for close jurisdiction)

Number of Persons in Household

	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
VERY LOW INCOME	\$20,550	\$23,500	\$26,450	\$29,350	\$31,700	\$34,050	\$36,400	\$38,750
LOW INCOME	\$32,900	\$37,600	\$42,300	\$46,950	\$50,750	\$54,500	\$58,250	\$62,000

Source: U.S. Department of HUD.

Housing Inventory and Future Needs

Housing units in the City of Leavenworth were inventoried in 1990 at 845 units. During the years 1990 to 1994, the number of housing units grew at .9% (8 units), 2.6% (22 units), 4.5% (39 units), and 11.9% (109 units) respectively.

Total housing units in Chelan County in 1990 were inventoried at 25,046 (13,240 in the

incorporated areas and 11,806 in the unincorporated areas).

In 1994 the number of housing units had risen to 27,708 (14,367 in the incorporated areas and 13,341 in the unincorporated areas), an increase of 10.6%.

~~Chelan County Single-family new house construction building permits:~~

1939 or earlier: 4,747	1980 to 1989: 5,290
1940 to 1949: 1,663	1990 to 1999: 6,019
1950 to 1959: 3,724	2000 to 2004: 1,910
1960 to 1969: 2,885	2005 or later: 688
1970 to 1979: 6,015	

~~Leavenworth Single-family new house construction building permits:~~

1996: 12 buildings, average cost: \$106,800	2005: 7 buildings, average cost: \$187,500
1997: 10 buildings, average cost: \$105,300	2006: 5 buildings, average cost: \$172,800
1998: 7 buildings, average cost: \$93,700	2007: 13 buildings, average cost: \$166,600
1999: 8 buildings, average cost: \$108,600	2008: 4 buildings, average cost: \$222,100
2000: 5 buildings, average cost: \$111,500	2009: 1 building, average cost: \$190,000
2001: 14 buildings, average cost: \$82,600	2010: 0 buildings, average cost: 0
2002: 10 buildings, average cost: \$77,700	2011: 1 building (conversion of church to SFR), average cost: \$9,500
2003: 11 buildings, average cost: \$103,500	2012: 3 buildings, average cost: \$150,667
2004: 11 buildings, average cost: \$113,000	

Housing Unit Type

The Postcensal Estimated housing units are detailed below.

2012 Postcensal Estimates of Total Housing Units	2012 Postcensal Estimates of One Unit Housing Units	2012 Postcensal Estimates of Two or More Unit Housing Units	2012 Postcensal Estimates of Mobile Homes and Specials
1,268 1,242	782 764	485 478	0 1

Source: Washington State Office of Financial Management – [~~housing units 2010-12~~2017](#).

*Note: ~~the total housing units differs from the below~~

~~As of 2012, Leavenworth's population is 1,965 people (Office of Financial Management~~

Official). Since 2000, Leavenworth has had a population growth of 6.71 percent.

ACS * 2006-2010 data

-	Leavenworth, WA	%	Washington	U.S.
Total Housing Units	1,413 **	100%	2,829,352	130,038,080
1-unit, Detached	926	65.53%	63.19%	61.62%
1-unit, Attached	100	7.08%	3.49%	5.74%
2 Units	16	1.13%	2.67%	3.88%
3 or 4 Units	44	3.11%	3.77%	4.47%
5 to 9 Units	66	4.67%	4.82%	4.84%
10 or More Units	261	18.47%	14.59%	12.68%
Mobile Home, Boat, RV, Van, etc.				

* ACS stands for U.S. Census American Community Survey

** Washington Total Housing Units City Rank -- Based on US Census 2010 data. This total was used for the comparison and breakdown of housing types. The accepted total of 1,242 as derived from the Washington State Office of Financial Management.

US Census 2000 data

-	Leavenworth, WA	%	Washington	U.S.
Total Housing Units	1,069 *	100%	2,451,075	115,904,641
1-unit, Detached	627	58.65%	62.33%	60.28%
1-unit, Attached	46	4.30%	3.09%	5.56%
2 Units	47	4.40%	2.81%	4.31%
3 or 4 Units	169	15.81%	3.76%	4.74%
5 to 9 Units	36	3.37%	4.57%	4.67%
10 or More Units	144	13.47%	14.43%	12.64%
Mobile Home, Boat, RV, Van, etc.	0	0.00%	9.00%	7.80%

* Source: US Census 2000 data. This 2000 total was used for the comparison and breakdown of housing types over time. The 2012 accepted total of 1,242 as derived from the Washington State Office of Financial Management.

Occupancy and Structural Characteristics

The overall rental vacancy in the City of Leavenworth in 2012 is 5.5%. Due to the tourist nature of the City, the “for seasonal, recreational, or occasional use” is not calculated in the overall rental vacancy.

2012 Housing Occupancy*

	<u>Leavenworth UGA</u>	<u>Washington</u>	<u>U.S.</u>
-			
<u>Total Housing Units</u>	<u>1,418 -100%</u>	<u>2,921,364</u>	<u>132,741,033</u>
<u>Occupied Housing Units</u>	<u>1,107 -78.07%</u>	<u>90.55%</u>	<u>87.55%</u>
<u>Owner Occupied</u>	<u>639 -45.06%</u>	<u>56.77%</u>	<u>56.34%</u>
<u>Renter Occupied</u>	<u>468 -33.00%</u>	<u>33.78%</u>	<u>31.21%</u>
<u>Vacant Housing Units</u>	<u>311 -21.93%</u>	<u>9.45%</u>	<u>12.45%</u>
<u>For Rent</u>	<u>68 -4.80%</u>	<u>1.80%</u>	<u>2.34%</u>
<u>For Sale Only</u>	<u>23 -1.62%</u>	<u>1.09%</u>	<u>1.20%</u>
<u>Rented or Sold, Not Occupied</u>	<u>3 -0.21%</u>	<u>0.74%</u>	<u>0.92%</u>
<u>For Seasonal, Recreational, or Occasional Use</u>	<u>169 -11.92%</u>	<u>3.19%</u>	<u>3.97%</u>
<u>For Migrant Workers</u>	<u>0 -0.00%</u>	<u>0.03%</u>	<u>0.03%</u>
<u>Other Vacant</u>	<u>48 -3.39%</u>	<u>2.59%</u>	<u>4.00%</u>

*Based on 2010-2014 data (Census) for the UGA. The accepted total of 1,268, as derived from the Washington State Office of Financial Management, is used for analysis.

<u>Total housing units</u>	<u>1,241</u>	<u>100.0%</u>
<u>Occupied housing units</u>	<u>908</u>	<u>73.2%</u>
<u>Vacant housing units</u>	<u>333</u>	<u>26.8%</u>
<u>For rent</u>	<u>23</u>	<u>1.9%</u>
<u>Rented, not occupied</u>	<u>5</u>	<u>0.4%</u>
<u>For sale only</u>	<u>30</u>	<u>2.4%</u>
<u>Sold, not occupied</u>	<u>2</u>	<u>0.2%</u>

For seasonal, recreational, or occasional use	248	20.0%
All other vacants	25	2.0%

Source: U.S. Census Bureau, 2010 Census.

In 2009 the total houses of 1,069 (886 occupied: 554 owner occupied, 332 renter occupied) with 37% of renters in Leavenworth. This rate of rentals is similar to that of the State Washington with 39% of renters and renters make up 28.60% of the Chelan County population.

Condition of Housing

Condition of Single Unit Housing Units

% of Total Housing Units

Condition	Leavenworth zip code	County
Lacking Complete Plumbing Facilities	4.5% %	3%

Housing Affordability and Future Needs

According to the “Housing Needs Assessment” by BERK Consulting, Leavenworth has a significant workforce housing shortage. Solutions to many of Leavenworth’s housing challenges may need to be focused within city boundaries. The City’s control over zoning, building codes, and development incentives provide it with the most effective policy levers for encouraging the production of units to serve the local workforce. Actions such as restricting the usage of homes as short-term rentals and incentives to provide affordable multifamily homes in exchange for increased density or property tax exemption could help channel market demand towards meeting the most pressing housing needs. The City should also consider examining and addressing barriers to infill and redevelopment within city limits, including allowable density and City requirements and processes.

The “Housing Needs Assessment” by BERK Consulting findings indicate that the most urgent housing need is among the lowest income households earning 30% AMI or less. 90% of households at this income level report being cost burdened. There are 155 more households at this income level than there are units available affordable to that income. Providing affordable housing for these households would require additional public subsidies.

While the market cannot provide housing at a cost level affordable to the lowest income earners, increasing production of market-rate rental housing would greatly help to stabilize or even reduce rents. The “Housing Needs Assessment” by BERK Consulting estimates there is a 1% vacancy rate for long-term rental housing. Increasing the supply of rental housing stock would help reduce competition for available units and therefore decrease pressure on rents. A healthy rental housing market should have a 5% vacancy rate to ensure that all households can find a suitable new home when they need one. To reach this short-term goal, an additional 41 rental housing units would be needed. However, these 41 units would help to serve the needs of the

current population of Cascade School District. As discussed within the complete report, there are an increasing number of workers who commute long distance to Leavenworth. In 2014, 944 workers in the Cascade School District area lived 25 miles away from their job and 755 lived 50 miles away or more. Presumably at least a portion of these workers would prefer to live closer to their workplace if they could find affordable housing. This finding indicates that the total demand for rental housing in Leavenworth may far exceed estimates based on current resident population.

According to the “Housing Needs Assessment” by BERK Consulting, most renter households living in the district have only 1 or 2 members. This indicates that the most effective way to meet current demand for affordable rental housing would be through encouraging the development of smaller units in multi-family buildings, perhaps through infill development closer to the city center. The City should consider examining current zoning, density incentives, and barriers to infill and redevelopment, such as City processes, codes, or requirements within city limits. Taskforce provided recommendations to the Planning Commission, and as applicable, this element was updated to support those recommendations.

~~According to the Multiple Listing Service published by the North Central Washington Association of Realtors: in 2008, there were 35 home sales with the median sale price of \$300,000; in 2009, there were 26 home sales with the median sale price of \$250,000; in 2010, there were 31 home sales with the median sale price of \$240,000; in 2011, there were 22 home sales with the median with the median sale price of \$195,000; in 2012, there were 36 home sales with the median with the median sale price of \$233,750. These dramatic swings from past years are the result of the 2004-05 and 2009 national housing downturn which affected Leavenworth housing market in 2009.~~

~~The estimated median house or condo value in 2009 for Washington State was \$287,200, and in 2010, the median value of housing units with mortgages in Washington was \$296,600~~

~~Compared to the rest of the country, Leavenworth's cost of living is 16.40% Higher than the U.S. average. (Sperling's)~~

~~Estimate home value of owner-occupied houses in 2009 in Leavenworth:~~

Less than \$10,000: 0	\$70,000 to \$79,999: 0
\$10,000 to \$14,999: 0	\$80,000 to \$89,999: 0
\$15,000 to \$19,999: 0	\$90,000 to \$99,999: 1
\$20,000 to \$24,999: 0	\$100,000 to \$124,999: 7
\$25,000 to \$29,999: 0	\$125,000 to \$149,999: 10
\$30,000 to \$34,999: 0	\$150,000 to \$174,999: 41
\$35,000 to \$39,999: 0	\$175,000 to \$199,999: 71
\$40,000 to \$49,999: 0	\$200,000 to \$249,999: 163
\$50,000 to \$59,999: 0	\$250,000 to \$299,999: 169
\$60,000 to \$69,999: 0	\$300,000 to \$399,999: 120

\$400,000 to \$499,999: 18 \$750,000 to \$999,999: 9
 \$500,000 to \$749,999: 18 \$1,000,000 or more: 0

Rent paid by renters in 2009 in Leavenworth (Median gross rent in 2009: \$818):

Less than \$100: 9 people \$600 to \$649: 16
 \$100 to \$149: 0 \$650 to \$699: 34
 \$150 to \$199: 0 \$700 to \$749: 32
 \$200 to \$249: 0 \$750 to \$799: 6
 \$250 to \$299: 35 \$800 to \$899: 60
 \$300 to \$349: 0 \$900 to \$999: 20
 \$350 to \$399: 12 \$1,000 to \$1,249: 72
 \$400 to \$449: 18 \$1,250 to \$1,499: 41
 \$450 to \$499: 9 \$1,500 to \$1,999: 0
 \$500 to \$549: 0 \$2,000 or more: 0
 \$550 to \$599: 0 No cash rent: 10

General Housing Needs

Projected Housing Units to 2012

The following table demonstrates the projected need for housing units for the planning area.

Past Housing Unit Projections for Comprehensive Planning Areas

Comprehensive Planning Area	1990	2000	2010	2012
Upper Wenatchee River Valley Planning Area	2810	3901	4794	4972

Above, is based on the 1990 percent share of housing units within each Census County Division that falls within the comprehensive planning area. The Upper Wenatchee River Valley Comprehensive Planning Area had 27% of the Cashmere CCD housing units and 53% of the Leavenworth/Lake Wenatchee CCD units.

In late 1993, a county wide survey was conducted to determine citizen concerns and preferences. Respondents were asked to list the housing types they thought there was an additional need for in Chelan County. They were also asked to pick a housing type that they believed was in the greatest need. The responses are ranked below:

Additional Need		Responding
Housing Type	Percent	Rented Single Family
		91%

Elderly	90%
Low Income	90%
Special Needs	83%
Single Family	79%
Migrant Worker	72%
Duplexes	68%
Apartments	67%
Mobile Homes	57%
Condominiums	30%

	Responding
Low Income	33%
Single Family	20%
Rented Single Family	12%
Elderly	11%
Apartments	9%
Migrant Worker	7%
Special Needs	4%
Mobile Homes	2%
Duplexes	2%
Condominiums	0%

Greatest Need	
Housing Type	Percent

The majority of respondents believed that there was additional need for rented single family homes; however, the greatest need, as expressed by respondents, was for additional low income housing.

Goals and Policies

Goal 1: Encourage the availability of affordable housing to all economic segments of the population, promote a variety of residential densities, and housing types, and encourage preservation of existing housing stock.

~~Goal~~ Rationale: This goal will help to ensure that affordable housing is available to all economic segments of the population.

Policy 1: Encourage regeneration of existing housing inventories with methods such as:

- *Permitting accessory housing or the division of existing structures in designated single-family neighborhoods.*
- *Consider implementing methods of ~~protecting the inventory of manufactured home parks and the provision of~~ siting of manufactured homes.*
- *Participating in or sponsoring housing rehabilitation programs offered by state and federal governments.*

Rationale: This would encourage a more efficient use of existing housing inventories in order to assist in providing affordable housing.

Policy 2: Promote the construction of affordable housing, particularly for low and moderate income moderate-income segments of the population, by exploring all available options, including but not limited to innovative zoning techniques, pursuing grants, and modification of city fee schedule to accommodate affordable housing construction, and initiating an in-depth study of the affordable housing issue.

Rationale: The low and moderate-income segments of the population need additional help in acquiring affordable housing.

Policy 3: Consideration should be given to the provision of diversity in housing types to accommodate elderly, physically challenged, mentally impaired, and special needs segments of the population, i.e. congregate care facilities.

Rationale: The Housing types should allow for diversity.

~~*Policy 4: Consider provisions for allowing an average size single family residence on existing smaller lots of record by creating new setback standards and/or site development standards for areas of town that have smaller parcels of record.*~~

~~*Policy 45: Identify Encourage areas within the City of Leavenworth and urban growth area where increased densities will be allowed increased densities. Develop regulations which allow for density bonuses or other mechanisms for higher density and greater utilization of land for housing.*~~

Rationale: The city has numerous lots of record that are around 2,000 to 4,000 square feet. Lots that are smaller increase available, and may be more affordable and reduce the overall housing cost. Increased densities within the City and the urban growth area, where all urban services are available, can reduce the cost of housing.

~~*Policy 56: Consideration should be given to implementing innovative strategies, which provide incentives for developers to provide housing affordable to low and moderate income households. Encourage incentives for developers to construct affordable housing. Encourage the development of consistent, streamlined regulations and procedures which maintain environmental quality, public health, and safety standards without posing an unnecessary financial impact on the development of housing.*~~

Rationale: Incentives which do not compromise public safety will help to convince developers that construction of low and ~~moderate-income~~moderate-income housing should be considered. Such incentives may include, but are not limited to, reduced standards for roads, curbs, gutters, reduced lot sizes, density bonus of 50%, system development charges fee waiver, zero lot line setbacks, consideration of alternative materials for utilities (e.g. ductile iron pipe vs. PVC), review of energy regulations in Chelan County, administrative review of lot combinations without the need for plat alterations, etc. These incentives will be considered in the development regulations subsequent to this comprehensive plan.

~~Policy 7: To provide incentives to developers to construct affordable housing, Chelan County and local jurisdictions should develop consistent, streamlined regulations and procedures which maintain environmental quality, public health, and safety standards without posing an unnecessary financial impact on the development of housing.~~

Policy ~~6~~8: Chelan County and ~~local jurisdictions~~the City should encourage increased density in communities with existing infrastructure.

Rationale: The intent of the GMA is to encourage population growth in urban areas, reduce urban sprawl and thereby lessen the burden on counties to provide urban type infrastructure and services to large population centers.

~~Policy 79: Encourage the creation of cluster subdivision and/or planned development district density bonus of 50% or greater. Evaluate existing land use designations and regulations which may be presenting barriers to the development of an adequate supply of affordable housing for all economic segments of the population.~~

Rationale: Allowing higher densities promotes a variety of housing types; encourages green building policies and practices; promotes compact development patterns that encourage the use of nonmotorized forms of transportation; supports the integration of trails into the design of new developments; helps to preserve historic and valuable resource lands outside of the city; and promotes the integration of affordable housing into new development.~~Existing site improvement standards as well as permitting requirements for higher density and multifamily development may be unnecessarily increasing the costs of new housing construction. Cost savings related to these items allow direct reductions in the cost of new housing.~~

Policy ~~8~~10: Reassess and amend as necessary the locations, densities and ratio of distribution of the residential land use designations to more proactively promote the development of affordable housing within the City and the UGA.

Rationale: The amount of land available for development, its proximity to urban services and the allowed densities have a direct relationship to land values. Reducing land costs is generally the largest single factor in achieving affordability.

Policy 9H: Consider standards which incorporate inclusionary zoning concepts, on either a mandatory or voluntary basis, which will set aside a certain portion of the total units being constructed for low- and moderate-income residents.

Rationale: Inclusionary zoning promotes flexibility, does not require local tax dollars to fund construction, and can help avoid problems of over-concentration, isolation and stigmatization of affordable housing by integrating them throughout the community.

Policy 10: Encourage the increase of the multifamily residential district in area and location.

Rationale: Higher density zoning in proximity to the commercial areas will allow for workforce housing within walking distance of employment, helps to address the housing needs of the community, allows for additional housing stock and types, encourages affordable housing.

Policy 11: Promote appropriately buffered multifamily residential development between existing commercial districts and low density residential districts to provide a transition between high intensity and low intensity uses.

Rationale: Buffering provides transition areas between low intensity and high intensity uses, and helps achieve compatibility.

Policy 12: Evaluate existing land use designations and regulations which may be presenting barriers to the development of an adequate supply of affordable housing for all economic segments of the population.

Rationale: ~~Chelan County~~The City and local jurisdictions should evaluate the impact of land use regulations on construction cost to identify methods to reduce regulatory complexity and application processing time to improve service to citizens, expedite development application processing and reduce development costs. ~~For instance, OSHA and WSHA are adding to construction costs without reducing job site accident rates.~~