

HOUSING ELEMENT

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Introduction

This housing element was 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. . Due to the outdated information, the Housing Element was placed on the Planning Commission 2012 docket for study and review.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..

In 2017, pursuant to RCW 36.70a.130 (5), (c) on or before June 30, 2017, and every eight years thereafter, the City of Leavenworth completed 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.

2017 Leavenworth Housing Needs Assessment

In April 2016, Mayor Cheri Farivar brought forward an initiated to form an ad hoc Housing Affordability Committee. This new ad hoc committee to be charged with the research of the housing market and to come up with potential regulations for implementation to consider what needs are found from the data collected by the committee. The need to explore housing incentives for development that could help stimulate more affordable housing was one aspect. Workforce housing will be a broader term to address those that currently work in Leavenworth and not just be focused on affordable or low income housing definitions. This committee was also charged with coming up with code language needed to assist developers to create more options for housing development that will address many different income levels. Even though the buildable land (approximately 1.4 square miles) is a small footprint for Leavenworth, this review is critical to start looking at for future generations. Creating supply through code language is one of the main focuses that the committee worked on. The members included: ??

A housing needs assessment is a comprehensive evaluation of a community's demographic characteristics and trends, current housing inventory, housing market production trends, and zoning, policies, and incentives that define allowable and preferred forms of new housing development. Needs assessments can also evaluate the adequacy of available community services, particularly with regards to special needs populations such as seniors, disabled persons, and the homeless. The goal is to develop common understandings about the most pressing challenges, underlying economic forces that shape the current housing market, and recommended policy responses that communities can take to address their unique housing needs.

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.

The report (Appendix ??) evaluates housing needs and housing market demands in Leavenworth and the surrounding Cascade School District. Furthermore, it identifies challenges to addressing housing needs that will need to be navigated by the City of Leavenworth, Chelan County, and Housing Affordability Taskforce members

Population and Demographics

Chelan County medium projections (population) by year.

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

Definition of Affordable Housing

The Washington State Growth Management Act (GMA) stresses the importance 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 “affordable”.

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.

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 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 HUD Adjusted Income Limits as of 04/13/2016 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.”

Wenatchee, WA

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

Median household income in Leavenworth in 2015: \$47,682

Median family income in Leavenworth in 2015: \$61,292

Regional Median Household Income

	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

	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

	2005	2006	2007	2008	2009	2010	2011	2012
Washington	50,004	53,522	56,141	57,858	55,458	54,888	55,500	56,444
Chelan	44,422	46,522	44,964	44,013	46,780	45,478	46,275	47,265

	2013	2014	2015
Washington	57,284	60,153	62,108
Chelan	51,713	50,825	52,780

Source:

Office of Financial Management

Leavenworth Median Worker Income (2013)

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

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

The median income, by age, is shown in the table below. Workers aged 45 – 64 make the most in Leavenworth, WA.

Age	Leavenworth	Washington	USA (National Average)
< 25	\$??	\$30,652	\$26,465
25 - 44	\$55,000	\$62,137	\$57,132
45 - 64	\$67,917	\$69,546	\$63,398
> 64	\$20,500	\$38,523	\$33,906

Source

Comparison of Median Household Income by region:

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

Source: (Office of Financial Management Forecasting, State of Washington)

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%.

US Census 2000 and 2017 UGA 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.

Housing Affordability

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)

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 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 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.

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.

Rationale: The housing needs should allow for diversity.

Policy 4: Encourage areas within the City of Leavenworth and urban growth area to allow 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 availability, 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 5: 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 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 6: Chelan County and 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 7: Encourage the creation of cluster subdivision and/or planned development district density bonus of 50% or greater.

Rationale: Allowing higher densities promote a variety of housing types; encourage 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..

Policy 8: 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 9: 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: 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.