

APPENDIX B: HOUSING

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B.1 KEY ISSUES

ISSUES IDENTIFIED IN THIS APPENDIX

- Leavenworth has the land capacity to meet its forecasted 2046 housing needs across all income levels and for their emergency housing target.
- Housing values have gone up 143% and sale prices 132% from 2010 to 2023. This is much faster than the Area Median Income (AMI) for Leavenworth, which only increased 68%.
- Although Leavenworth's zoning provides opportunities for many types and sizes of housing, housing market dynamics are unlikely to build housing that is affordable to lower and middle-income buyers and renters.
- The city should add additional policies in the Housing Element to address affordability for workforce housing and preserving and expanding affordable housing in the city.
- Ensuring that housing is affordable not only requires the zoned opportunities, but also the policies and incentives to achieve affordability. It is important to pursue policies that promote attainable housing affordability.
- While the existing Comprehensive Plan does contain policy provisions for affordability, others are out of date or challenge anti-displacement and anti-exclusion requirements.
- Renters face the greatest housing cost burden, nearly a third spend more than 30% of their respective incomes on housing.
- Most of the Comprehensive Plan goals and policies are supportive of GMA housing objectives but could be revised to better support anti-displacement objectives and requirements.

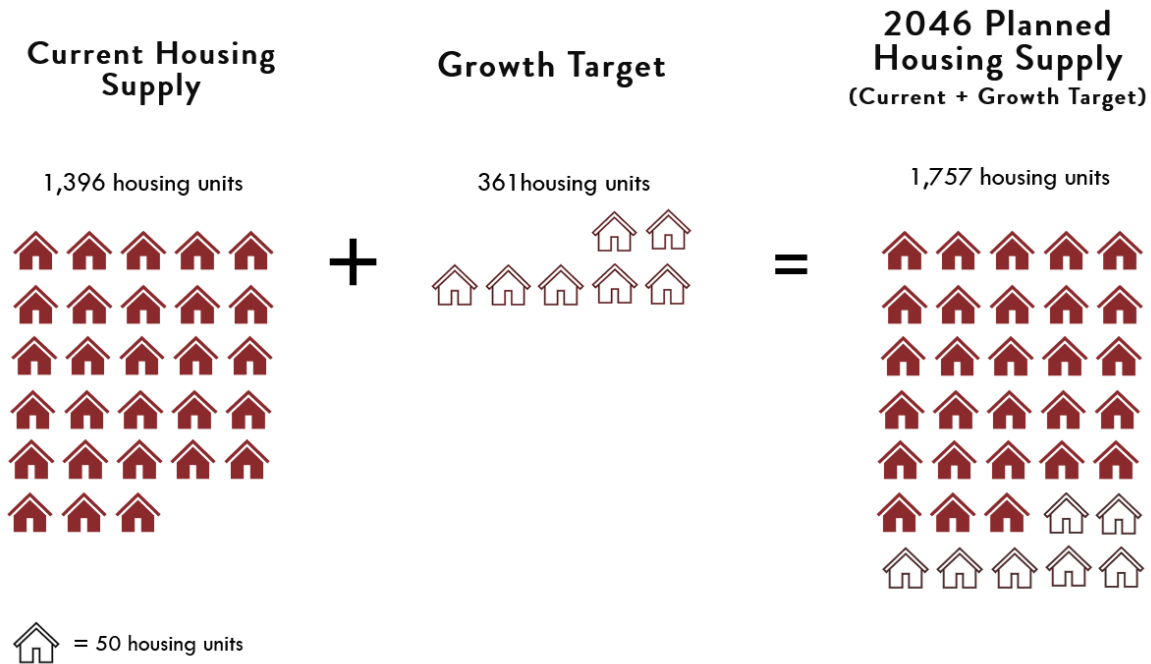
ISSUES IDENTIFIED IN THE 2021 HOUSING ACTION PLAN (HAP)

- There is a disconnect between the increase in new jobs in the city and residential growth, likely due to new housing stock being used for non-residential uses, such as short-term rentals.
- Leavenworth's housing prices have risen significantly higher than the housing price increases seen in Chelan County as a whole.
- Lower wage workers who are renters are likely unable to afford to rent in Leavenworth and are accepting longer commutes.
- There is a need for additional housing suitable for older adults in the city's residential zones.
- Leavenworth will likely meet its 20-year planning target in the near term. With a high number of units in the construction permit timeline, Leavenworth could meet its housing target before the 20-year timeline. However, the city should focus on relieving costs for workforce housing.

B.2 HOUSING SUPPLY AND TARGETS

Chelan County has allocated Leavenworth a growth forecast of 361 additional housing units by 2046 (Chelan County Ordinance 2024-18). This is an average of about 18 units per year. If housing unit growth was consistent with historic estimates and using a linear projection model, Leavenworth would be short 74 units in meeting its production target shown in Exhibit 1. However, due to recent increases in the rate of housing growth, and the number of units in the permit pipeline, Leavenworth will exceed its growth target far before 2046, shown in Exhibit 3 and discussed in the following section.

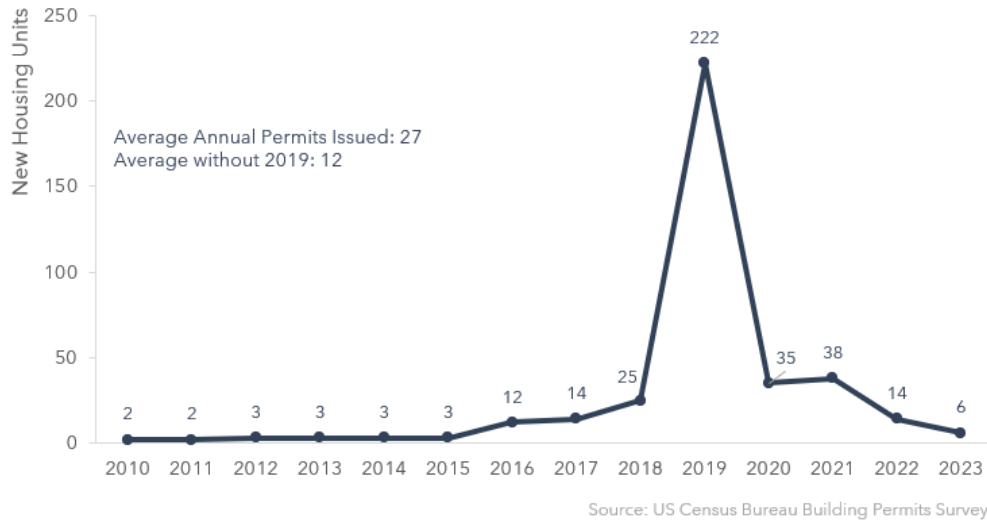
Exhibit 1. Housing Supply and Target



HOUSING PRODUCTION

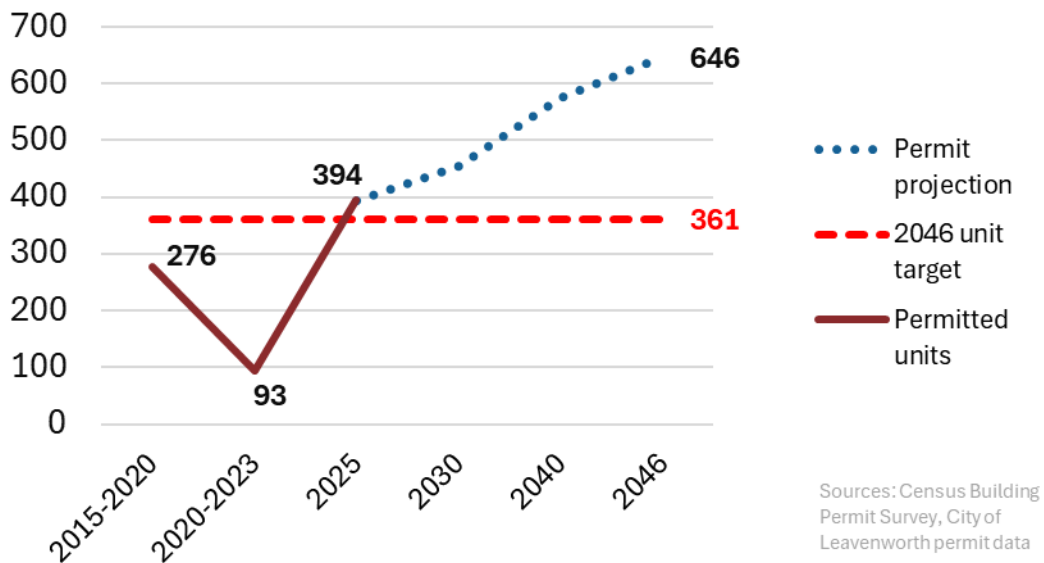
The US Census Bureau’s Building Permits Survey estimates that Leavenworth has, on average, permitted 27 units per year since 2010 (Exhibit 2). However, this estimate includes permits issued in 2019, an outlier compared to other years. When 2019 permits are excluded from the estimate, the average drops to 12 permits per year.

Exhibit 2. Leavenworth has permitted an average of 27 units per year since 2010



However, the average number of permitted units per year does not include those currently in the pipeline. According to the city’s permit tracking data, Leavenworth currently has 394 units in progress. If we include these pipeline units and project forward, assuming an additional 12 units are permitted each year, Exhibit 3 shows that Leavenworth is likely to exceed its 2046 housing target.

Exhibit 3. Permitted housing unit projection



Leavenworth’s Land Capacity Analysis results, including capacity and targets by income bracket, are discussed below in [B.3 Land Capacity Analysis](#).

HOUSING TYPES AND OCCUPANCY

Most of Leavenworth’s housing units were built before 1940 and the early 2000’s (Exhibit 5). Fewer units have been constructed since, likely due to market downturns after the 2008 financial crisis. With increasing populations and constrained supply, Leavenworth will need to encourage housing production to ensure adequate supply for both current and future generations of community members. Additionally, as the existing housing stock ages, the city should consider incentives to ensure existing, older housing units are maintained and not lost due to redevelopment into new, less affordable, market rate housing.

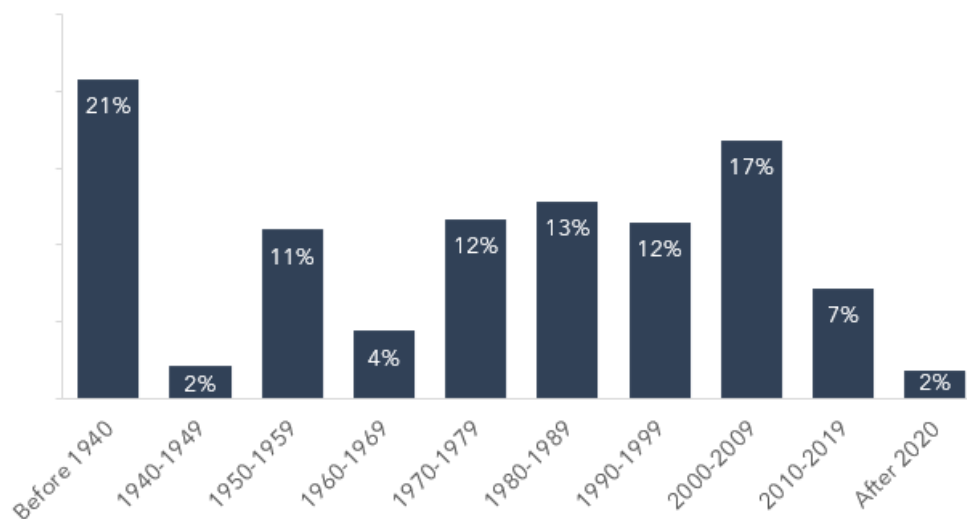
Leavenworth’s overall vacancy rate was an estimated 15% in 2023. This estimate is lower than Chelan County as a whole, which had an estimated 19% vacancy rate.¹

Exhibit 4. Vacancy rates

Jurisdiction	Vacancy Rate
Leavenworth	15%
Chelan County	19%
Wenatchee	3%
Cashmere	10%

Source: 2023 ACS 5-Year Estimates, Table B25002

Exhibit 5. Most of Leavenworth’s housing units were built before 1940 and the early 2000’s



Source: 2023 ACS 5-Year Estimates, Table DP04

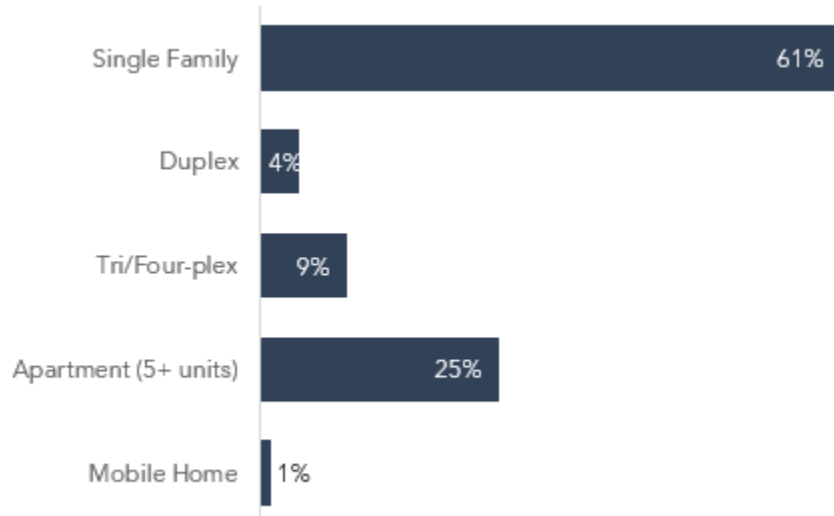
Most of Leavenworth’s housing stock is three-bedroom, single-family structures, as seen in Exhibit 6 and Exhibit 7. Due to its on average larger home size, Leavenworth’s households were not considered severely crowded by U.S. Census standards.² However, larger homes tend to be more expensive to build, maintain, rent, and buy. Many potential buyers or renters may seek

¹ U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2023, Table DP04.

² U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2023, Table B25014.

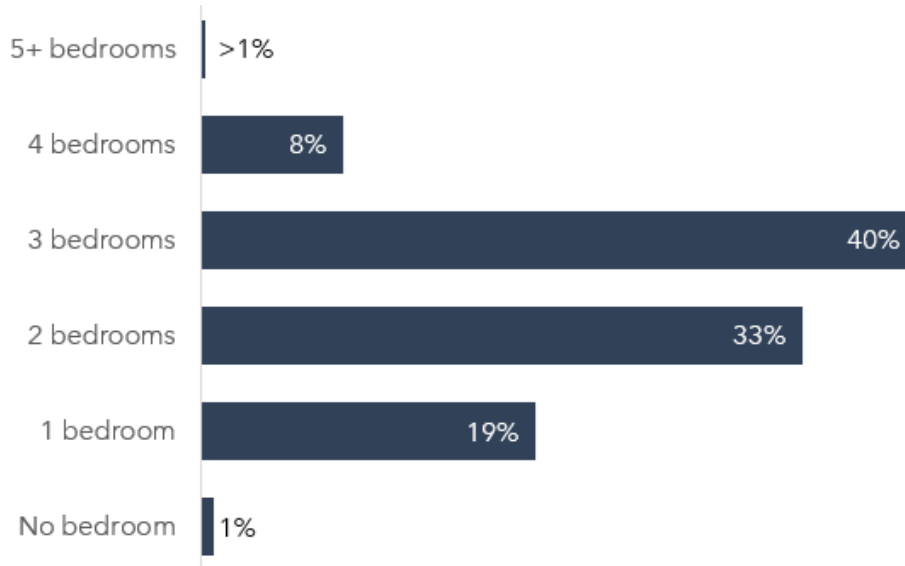
smaller, more affordable units. As housing costs increase, the city should consider goals and policies to allow smaller structures with fewer bedrooms to increase housing affordability of newer units.

Exhibit 6. Most housing units in Leavenworth are single-family



Source: 2023 ACS 5-Year Estimates, Table DP04

Exhibit 7. Most housing units in Leavenworth have two or more bedrooms

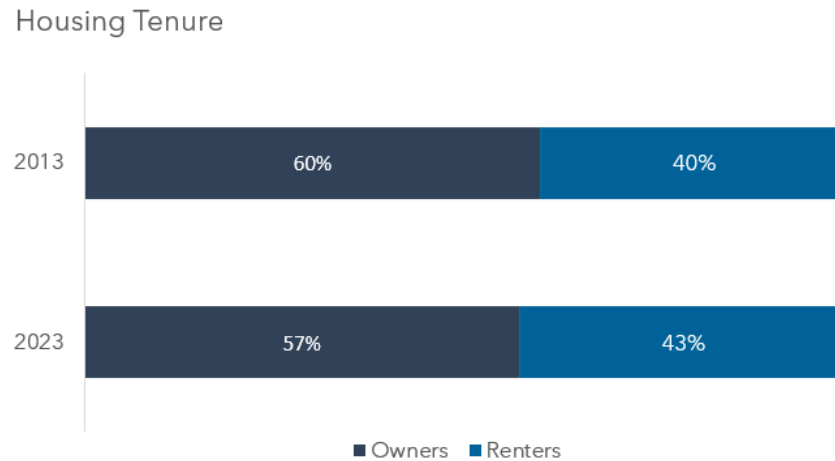


Source: 2023 ACS 5-Year Estimates, Table DP04

HOUSEHOLD CHARACTERISTICS, COST, AND VALUES

Most Leavenworth households remained homeowners between 2013 and 2023 despite declining ownership rates, as seen in Exhibit 8.

Exhibit 8. The percentage of owners versus renters remained relatively similar between 2013 and 2023



Source: 2023 ACS 5-Year Estimates, Table DP04

Home values and sale prices increased dramatically between 2013 and 2023. Based on Chelan County assessor data, Leavenworth median sale prices increased 132% from 2013 to 2023 (Exhibit 9).

Exhibit 9. Home prices increased substantially since 2013

	Chelan County			Leavenworth		
	2013	2023	Change	2013	2023	Change
Home values ¹ (typical home)	\$ 224,182	\$ 494,655	+121%	\$ 288,833	\$ 667,989	+131%
Sale prices ² (median)	\$237,750	\$525,000	+121%	\$289,000	\$669,500	+132%

1. Zillow Home Value Index (ZHVI). Annual average taken from monthly data. Typical values for homes in the 35th to 65th percentiles, smoothed and seasonally adjusted.
 2. Chelan County Assessor. Residential home sales data for Leavenworth market area and Chelan County as a whole.

Chelan County fair market rents in 2023 were estimated to be \$981 for a studio and \$2,325 for four-bedroom units. These rates were, for the most part, attainable for those making the Area Median Income (AMI), shown in Exhibit 10. Leavenworth-specific fair market rent data was unavailable, however, so local rent data may differ.

Exhibit 10. Fair market rents in Chelan County 2023

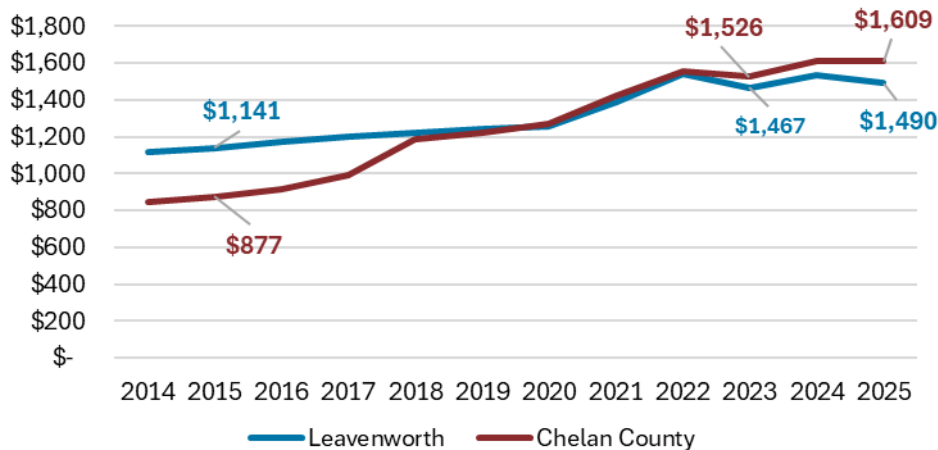
Bedrooms	Fair Market Rent ¹	Percent of AMI ²
Studio	\$981	16%
One-bedroom	\$1,153	19%
Two-bedroom	\$1,448	23%
Three-bedroom	\$2,003	32%
Four-bedroom	\$2,325	37%

1. National Low Income Housing Coalition, Out of Reach (2024)
 2. Based on 2023 5-Year ACS estimate for Chelan County. Median income of \$78,306.

Average rents in Leavenworth have tracked similar to those across the entire county, as seen in Exhibit 11. The average rent for a unit in Leavenworth over the past several years has hovered around \$1,500. At this level, rents are generally affordable for households earning approximately the Area Median Income, representing between 22% of income at the lowest point in 2024 and 27% at the highest point in 2014.

Exhibit 11. Average rents in Leavenworth and Chelan County

Average Rent



Source: University of Washington Center for Real Estate Research.

This update gathered local rental listings to supplement the county rental data. Exhibit 12 shows recent averages of listed rents for apartments from Leavenworth Haus and Autumn Haus. While these rents may not be fully inclusive of all rentals throughout Leavenworth, it does provide a picture of available rentals and how they may compare to rates from the County. These rental rates are higher than those of the county shown in Exhibit 10; however, some of the disparity can be attributed to the smaller sample size of average listings across the two Leavenworth apartments and different years of rental listing data.

Exhibit 12. Average listed rents for Leavenworth apartments, 2025

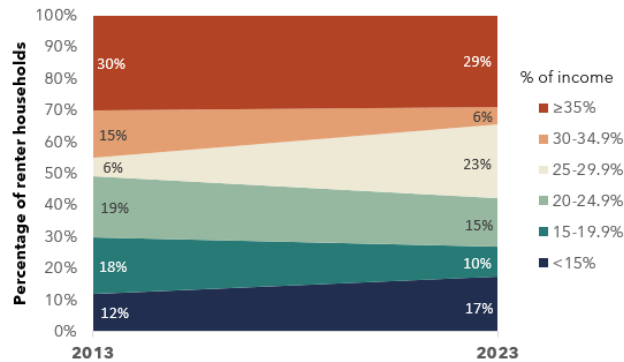
Bedrooms	Average Market Rent Listings ¹
Studio	\$1,373
One-bedroom	\$1,646
Two-bedroom	\$2,025
Three-bedroom Townhouse	\$3,338

1. Averages from apartment listings from Leavenworth Haus and Autumn Haus

Both renters and owners with mortgages in Leavenworth seem to be spending less on their housing costs in 2023 compared to 2013, as seen in Exhibit 13. In 2013, an estimated 39% of mortgaged owners spent more than 35% of their income on housing while in 2023 the estimate decreased to only 21% of mortgaged owners. The downward trend in housing spending as a proportion of income may suggest that the city is attracting higher-income households, who consequently spend a smaller share of their income on housing.

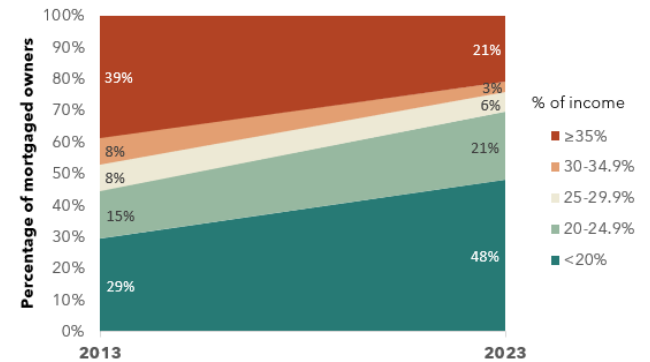
Exhibit 13. Households spent less of their income on housing in 2023 compared to 2013

Rent as a percentage of income



Source: 2023 ACS 5-Year Estimates, Table DP04

Mortgaged owner housing costs as a percentage of income



Source: 2023 ACS 5-Year Estimates, Table DP04

Higher costs of housing impacts renters more. A household is considered cost burdened when it spends more than 30% of household income on housing. Nearly a third of renter-households were considered cost burdened, compared to only 17% of owners (Exhibit 14). When a household is cost burdened, they are more at risk of losing their housing due to economic upsets or life events.

The current Comprehensive Plan Housing Element does not have many policies that emphasize renter households and workforce housing. Leavenworth should consider goals and policies in the Comprehensive Plan update that address affordability for renters.

Exhibit 14. Renters are the most burdened by housing costs

	Owners	Renters	Total
Cost Burdened (30-50%)	9%	17%	12%
Severely Cost Burdened (>50%)	8%	13%	10%
Total Cost Burdened	17%	30%	22%

Source: US HUD, 2017-2021 Comprehensive Housing Affordability Strategy (CHAS) (Table 4)

B.3 LAND CAPACITY ANALYSIS

KEY FINDINGS

- Leavenworth has both residential and employment land capacity to meet its forecasted 2046 housing (Exhibit 23) and employment needs (Exhibit 26).
- While this analysis confirms that there is sufficient capacity under the city’s current zoning, it is increasingly important to pursue policies that promote attainable housing affordability. This is particularly the case given Leavenworth’s tourism industry and economic context. Ensuring that housing is affordable not only requires the zoned capacity for it to occur, but the policies and incentives to realize it.
- The city has sufficient capacity to meet its Emergency Housing target (Exhibit 24).

ALLOCATED TARGETS

Chelan County adopted the following housing allocation targets on March 4, 2024.³ Leavenworth’s allocated population growth is 410 additional people, for a total 2046 population of 3,521 people, as shown below in Exhibit 15. The following Land Capacity bases its analysis on this forecasted growth to ensure adequate land supply is available for housing and jobs.

Exhibit 15. Adopted population targets

Population Allocations										
Urban Growth Area	Share of 2000-2020 Population Growth	Adjusted Population Allocation	2022 OFM Estimate	2026 Projection	2030 Projection	2035 Projection	2040 Projection	2045 Projection	2046 Projection	2026-2046 20 year change
Manson UGA	3.37%	3.37%	2,103	2,189	2,280	2,385	2,483	2,574	2,592	403
Chelan UGA	3.43%	3.43%	4,704	4,791	4,884	4,991	5,090	5,183	5,201	410
Entiat UGA	2.23%	2.23%	1,361	1,418	1,478	1,548	1,612	1,673	1,684	267
Leavenworth UGA	3.43%	3.43%	3,041	3,128	3,221	3,329	3,428	3,521	3,539	410
Peshastin UGA	-0.43%	0.00%	655	655	655	655	655	655	655	-
Cashmere UGA	3.23%	3.23%	4,153	4,235	4,322	4,423	4,517	4,604	4,621	386
Wenatchee UGA	59.59%	59.59%	41,019	42,530	44,141	46,008	47,731	49,347	49,660	7,130
Urban	74.86%	75.28%	57,036	58,945	60,980	63,339	65,516	67,557	67,953	9,007
Rural	25.14%	24.72%	23,614	24,241	24,909	25,683	26,398	27,069	27,198	2,958
Total	100.00%	100.00%	80,650	83,186	85,889	89,022	91,914	94,626	95,151	11,965

The share of population growth represented in the above table was calculated using the same methodology as the population allocations adopted under Chelan County Resolution 2015-112 for the last periodic update cycle.

The UGAs listed above include incorporated areas located within them, if any.

The County defines housing supply growth targets based on number of households, household income level and housing type. The city must plan for emergency and supportive housing types, as well as typical permanent housing types. The city must also ensure it is planning for a range of household incomes. See Exhibit 16. Planning for a variety of income levels requires the city to ensure a variety of housing types are allowed throughout the city’s zones.

³ Chelan County Department of Community Development, 2026 Comprehensive Plan Periodic Update Population Allocations, March 4, 2024.

Exhibit 16. Adopted housing unit targets

Housing Need Allocations by Income Level and Type										
Urban Growth Area	Adjusted Population Allocation	Total	Permanent Housing Needs by Income Level (% of Area Median Income)						Emergency Housing Needs (Temporary)	
			0-30%		>30-50%	>50-80%	>80-100%	>100-120%		>120%
			Non-PSH	PSH						
Manson UGA	3.37%	355	43	31	60	59	29	26	107	10
Chelan UGA	3.43%	361	43	32	61	60	29	27	109	10
Entiat UGA	2.23%	235	28	21	40	39	19	17	71	7
Leavenworth UGA	3.43%	361	43	32	61	60	29	27	109	10
Peshastin UGA	0.00%	-	-	-	-	-	-	-	-	-
Cashmere UGA	3.23%	340	41	30	57	57	28	25	103	10
Wenatchee UGA	59.59%	6,275	752	548	1,057	1,048	509	466	1,895	180
Urban Total	75.28%	7,928	950	693	1,335	1,323	644	589	2,394	227
Rural	24.72%	2,603	312	227	439	435	211	193	786	75
Total	100%	10,531	1,262	920	1,774	1,758	855	782	3,180	302

The table above uses the same calculation method utilized in the "Method A" option provided by the Washington State Department of Commerce in the Housing for All Planning Tool (HAPT). The listed values are for the period 2020-2046. The UGAs listed above include incorporated areas located within them, if any.

Since the County did not establish a specific jobs target for its Urban Growth Areas; however the city must plan for anticipated job growth to support its population. To calculate the required number of jobs needed per new household, we used the American Community Survey figure of 1.17 jobs per household in Leavenworth in 2023. Based on the expected growth of 361 households, Leavenworth will need an additional 422 jobs by 2046.

METHODS

This study analyzed housing and commercial land capacity to estimate whether the City will have the zoned land availability to accommodate future growth. This analysis was completed according to the House Bill 1220 (2021), which updated the Growth Management Act (GMA) RCW 36.70B. Accordingly, Leavenworth must plan for very low-, low-, and moderate-income housing needs when conducting their Comprehensive Plan updates. Leavenworth must demonstrate that land capacity exists in the Urban Growth Area for housing types that meet these income needs. In other words, the analysis asks the question, *do the current zoning and development regulations allow housing types and quantities that meet need by income bracket?*

This analysis used data from the county assessor, local zoning data and shapefiles, and critical area layers to determine the lands able to support development (i.e. buildable lands). Any properties and areas deemed unbuildable due to steep slopes (>40% slope), flooding, wetlands, or public uses, are excluded. To identify buildable lands, we used the four classifications:

- **Pipeline.** Units with active building or land use permits. Rather than acreage, the analysis uses the proposed unit count.
- **Vacant.** Parcels that are either classified as undeveloped land by the county assessor or that have improvement values of less than \$10,000. Parcels that did not meet the minimum zoning requirements for lot size are excluded.

- **Under-utilized.** Parcels where the improvement (i.e. building) value is equal to or less than the land value. Lower value structures suggest the property is not being used to its full potential and could be likely to redevelop or upgrade in the future. To identify these parcels, we first determined a utilization ratio (the improvement value divided by the land value). Using these ratios, we used the following criteria, scaled based on location and use, to classify under-utilized parcels:
 - Low density residential zone parcels in the UGA: $\leq 50\%$
 - Low density residential zone parcels in the city: $\leq 70\%$
 - Multifamily zone parcels: $\leq 100\%$
 - Commercial zone parcels: $\leq 120\%$

- **Partially-used.** Parcels where the lot size is large enough to be further subdivided, based on current zoning, are considered partially-used. However, we recognize that not all large parcels will be subdivided. To control for this, we excluded properties with improvements (buildings) that were the upper quartile, then used the following criteria to identify partially-used parcels:
 - In the UGA: ≥ 3 times the zoned minimum
 - In the city: ≥ 2.5 times the zoned minimum

These classifications were hierarchical. For example, a vacant parcel, by its nature, is also under-utilized. Similarly, if an under-utilized parcel was large enough to be considered partially-used, it was only counted once as under-utilized.

In addition to the deductions made for critical areas, we also made several deductions based on infrastructure, market, and future public use considerations. We used the following percentage deductions.

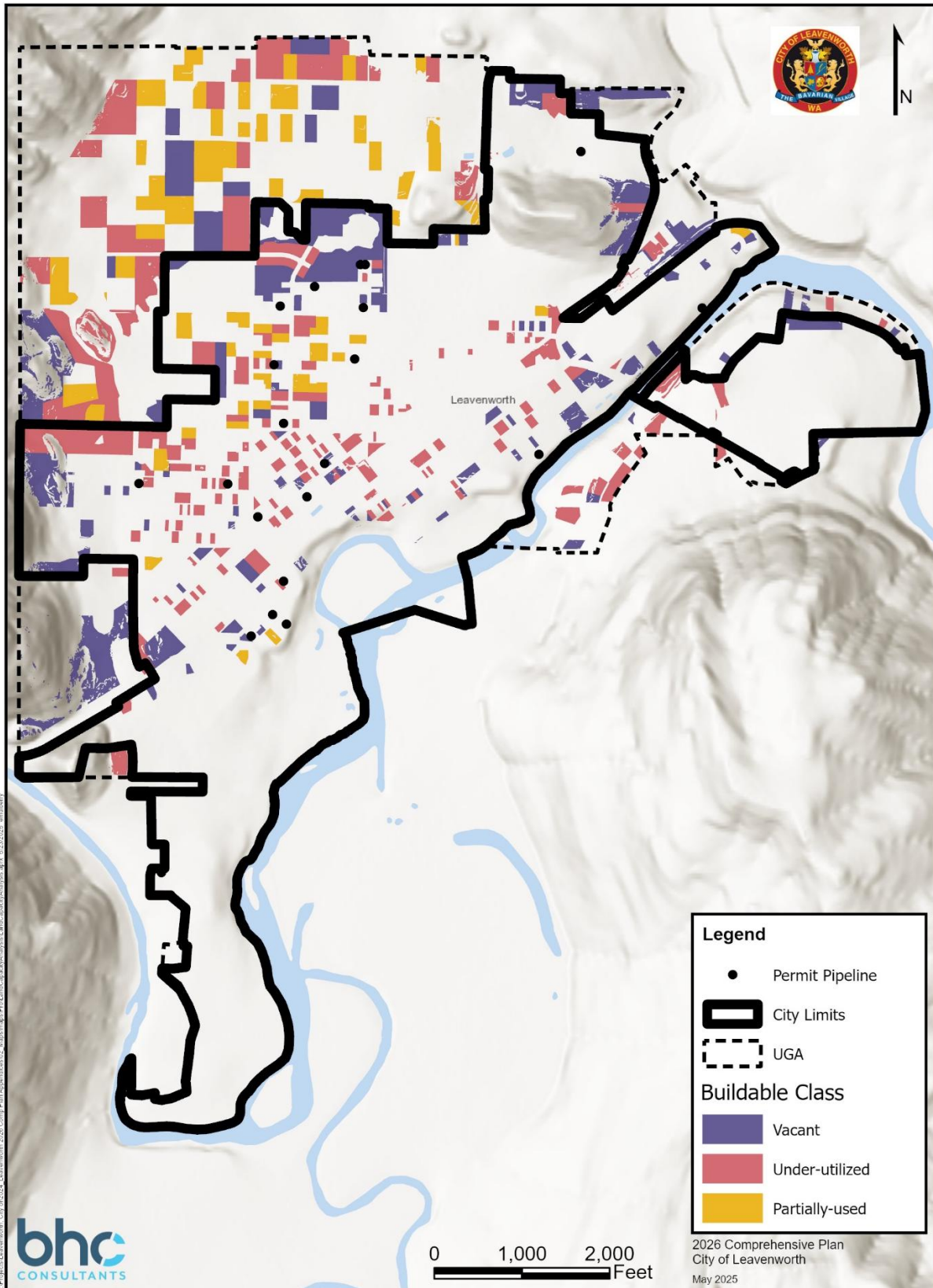
- **Infrastructure deduction** – 25%. This deduction recognizes that a significant portion of land may be unsuitable for immediate or efficient development due to the need for major infrastructure improvements (e.g., roads, utilities, drainage).

- **Future Public Use** – 5%. This small deduction accounts for land reserved or left undeveloped intentionally for public amenities such as parks, recreational spaces, or community facilities.

- **Market Factor** – 15% for vacant and 25% for under-utilized and partially-used parcels. The market factor adjusts for economic realities. It recognizes that not all vacant or under-utilized parcels will be developed due to market conditions, investor confidence, and other economic trends.

The results of this analysis are a map identifying parcel types (Exhibit 17), a tabulation of all buildable lands in acres, and a total number of units in the permit pipeline.

Exhibit 17. Land capacity map



RESIDENTIAL DENSITIES AND INCOME BRACKET ALLOCATION

To convert acres to housing units, this study considered both zoned and achieved densities to establish a reasonable assumed dwelling unit per acre density for each zone. The following exhibit discusses the assumed densities used and reasons for them.

Exhibit 18. Assumed residential densities

Zone	Assumed density (du/acre)	Notes
Residential Low 6	8.55	While zoned density with setbacks ranges just above 7 du/acre, considering trends and construction of ADUs and local achieved densities, this was adjusted.
Residential 8	1	While setbacks and coverage limits may allow up to 5, achieved densities have historically been lower due to infrastructure limitations.
Multi-Family Residential	15	This density is based on height, coverage, and siting requirements in the zone.
Residential 8 (UGA)	1	While setbacks and coverage limits may allow up to 5, achieved densities have historically been lower due to infrastructure limitations.
Multi-Family Residential (UGA)	10	This density is based on height, coverage, and siting requirements in the zone. This study discounted the density to be slightly lower in the UGA to be more conservative.

Once acreage is converted to housing units using the assumed densities above, the total unit capacity by zone must then be allocated by income bracket. To do this, we created a set of assumed allocation ratios. These ratios were based on a market review of existing rents and housing costs along with the Washington State Department of Commerce's housing guidance on affordability by housing type for land capacity analyses.⁴ We use the example for higher-cost jurisdictions as a starting point given Leavenworth's housing demand and tourism industry.

⁴ Department of Commerce. "Guidance for Updating Your Housing Element (Book 3)," September 2024. <https://deptofcommerce.app.box.com/s/1d9d517g509r389f0mjpowh8isjpirlh>.

Exhibit 19. Commerce example of relating zone categories to housing and income levels⁵

Zone category	Typical housing types allowed	Lowest potential income level served		Assumed affordability level for capacity analysis
		Market rate	With subsidies and/or incentives	
Low Density	Detached single family homes	Higher income (>120% AMI)	Not feasible at scale*	Higher income (>120% AMI)
Moderate Density	Townhomes, duplex, triplex, quadplex	Higher income (>120% AMI)	Not typically feasible at scale*	Higher income (>120% AMI)
Low-Rise Multifamily	Walk-up apartments, condominiums (2-3-floors)	Moderate income (>80-120% AMI)	Extremely low, Very low, and Low-income (0-80% AMI)	Low income (0-80% AMI) and PSH
Mid-Rise Multifamily	Apartments, condominiums	Moderate income (>80-120% AMI)	Extremely low, Very low, and Low-income (0-80% AMI)	Low income (0-80% AMI) and PSH
High-Rise/Tower	Apartments, condominiums	Higher income (>120% AMI)	Moderate income (>80-120% AMI)	Moderate income (>80-120% AMI)
ADUs (all zones)	ADUs on developed residential lots	Moderate income (>80-120% AMI)	N/A	Moderate income (>80-120% AMI)

In addition to the Department of Commerce guidance, to assess existing rental affordability within the city, we looked at existing contract rent data from the American Community Survey. Exhibit 20. shows that just over half of the observed contract rental amounts are affordable to households in the 0-50% AMI range.

Exhibit 20. Households paying contract rents at each affordability bracket

AMI Bracket	Income Thresholds		Max affordable rent (30% of income)	Number of households meeting threshold (2023 ACS)	
	Minimum	Maximum		Households	Percent
<30%	\$0	\$23,492	\$587	215	43%
30-50%	\$23,492	\$39,153	\$979	79	16%
50-80%	\$39,153	\$62,645	\$1,566	85	17%
80-100%	\$62,645	\$78,306	\$1,958	72	14%
100-120%	\$78,306	\$93,967	\$2,349	44	9%
>120%	\$93,967	N/A	N/A	6	1%

2023 ACS 5-Year Estimates, Contract Rent, Table B25056

The Commerce example of relating zoning categories to income levels (Exhibit 19) and ACS contract rent data (Exhibit 20) were the two key resources that informed the allocation ratios in our land capacity analysis, shown in Exhibit 21. The contract rent data revealed that nearly half (43%) of existing households pay rents that fall into the lowest income brackets, likely because much of the current housing stock is naturally affordable. However, new development

⁵ Department of Commerce. "Guidance for Updating Your Housing Element (Book 3)," September 2024. <https://deptofcommerce.app.box.com/s/1d9d517q509r389f0mjpowh8isjpirlh>. See Exhibit 13 in the guidebook.

is unlikely to achieve the same affordability levels. We therefore adjusted the allocations for the Multi-Family Residential Zone to reflect this by assuming a smaller proportion of future units will meet the lower income brackets compared to those reflected in Exhibit 20.

Exhibit 21. Allocation ratio assumptions

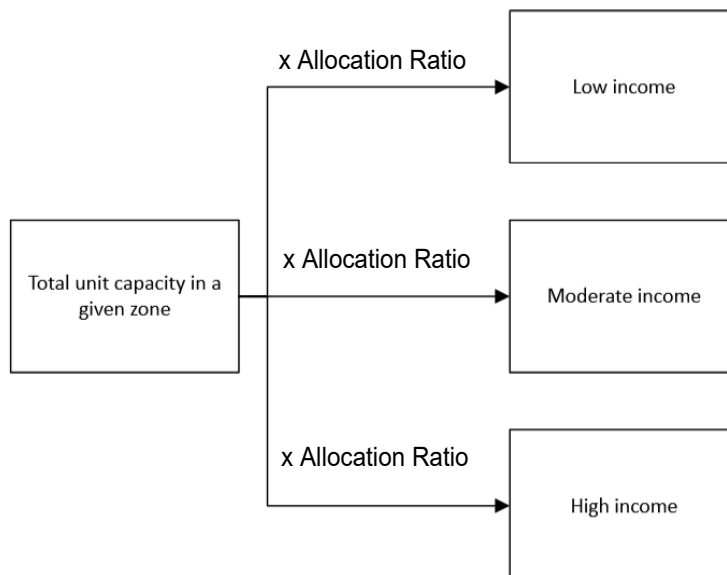
Residential Zones	Area Median Income Bracket (AMI)					
	0-30%	30-50%	50-80%	80-100%	100-120%	>120%
Residential Low 6*	-	-	-	10%	15%	75%
Residential 8	-	-	-	-	-	100%
Multi-Family Residential	15%	20%	30%	25%	10%	-
Residential Low 6 – UGA*	-	-	-	10%	15%	75%
Residential 8 – UGA	-	-	-	-	-	100%
Multi-Family Residential – UGA	15%	20%	30%	25%	10%	-

*Generally, low density is unaffordable for brackets below 120% AMI. However, given recent permitting, we assume 25% of properties in this zone have Accessory Dwelling Units. This is based on several areas of the R-6 zone, where 25% of the lots have ADUs. The allocation ratios for 80-120% therefore reflect this.

Rows add up to 100%.

Finally, we used these allocation ratios to estimate housing unit capacities across various income brackets by multiplying them by the zone’s overall unit capacity (in dwelling units per acre). This process is demonstrated in Exhibit 22. The results of this are discussed in the following section.

Exhibit 22. Unit capacity to income level process

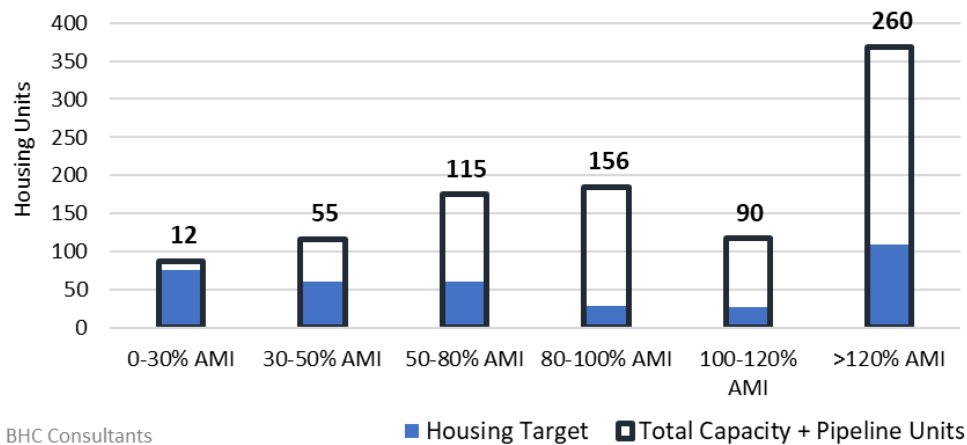


RESIDENTIAL CAPACITY RESULTS

Based on the allocation assumptions and estimated unit capacities, Leavenworth should have sufficient residential capacity to accommodate all income bands, as shown in Exhibit 23. This is largely due to the significant amount of recent permitted units as part of the Meadows apartment project (369 units). Leavenworth’s effectiveness and relatively high participation of property owners constructing ADUs also plays a role in providing capacity among the 80-100% AMI category.

Exhibit 23. Projected residential capacity – Surplus/ deficit

Housing unit capacity surplus/deficit by income level



To see how housing capacity is reflected against the total population target, we can estimate the number of people that the housing unit capacity can accommodate. Assuming an average household size of 2.84 and a vacancy rate of 15% based on 2023 American Community Survey 5-Year Estimates, Leavenworth should have housing capacity for 2,525 people. The allocated target for Leavenworth is an increase of 410 people, resulting in a capacity surplus of 2,115 people.

While the surplus capacity is promising for the city, we should note that Leavenworth faces increasing cost pressures and affordability concerns given its high demand and tourism industry. This is reflected in the fact that in 2022, 2,052 people commuted from outside the city for work in Leavenworth.⁶ Therefore, the estimated capacity surplus does not detract from the city’s need to provide policy and incentives to ensure continued affordable housing for both existing and future households, especially targeting workforce housing.

⁶ US Census Bureau, OnTheMap, 2022.

EMERGENCY HOUSING CAPACITY

Currently, Leavenworth allows emergency shelters by right in the GC, CC, TC, REC, and RP zones. The code is also silent on spacing and buffering requirements for such emergency housing. Leavenworth’s capacity target for emergency housing is 10 beds. To estimate capacity for emergency housing, our analysis used the assumed density method outlined in the Department of Commerce’s housing guidance.⁷ First, we identified parcels that met the following criteria:

- Underutilized parcels in the GC, CC, TC, REC, and RP zones.
- Categorized as hotels/motels by Chelan County Assessor land use codes.

Though we could have included underdeveloped lands as part of this analysis, we opted to limit the study to hotels and motels to be more conservative. Additionally, we assume a density of 5 beds per acre. This is far fewer what is likely possible given zoning and the availability of rooms in such hotels and motels, but we opted for a lower assumed density to be more realistic and conservative given Leavenworth’s context. This analysis estimated that Leavenworth should have sufficient capacity to meet the allocated emergency housing target, as seen in Exhibit 24.

Exhibit 24. Emergency housing capacity – Surplus/ deficit

Zoning	Site ID	Acres	Beds
Central Commercial	1	0.42	2
General Commercial	2	0.96	5
	3	1.22	6
Tourist Commercial	4	0.18	1
Total Capacity			14
<i>Allocated target (beds)</i>			10
Surplus / (Deficit)			4

EMPLOYMENT DENSITIES

To calculate job and employment capacities, unlike housing which uses dwelling units per acre, we used an assumed Floor Area Ratio (FAR) for each zone. These were based on development regulations surrounding, setbacks, heights, coverage, and other achieved FARs within the zones. The assumed FARs are shown below in Exhibit 25. This analysis assumes a vacancy rate of 5% and a needed 1,000 square feet per employee.⁸ While some of the commercial zones allow mixed uses and housing, due to recent development trends, we opted to assume that all capacity in these zones will be non-residential.

⁷ Department of Commerce. “Guidance for Updating Your Housing Element (Book 3),” September 2024. <https://deptofcommerce.app.box.com/s/1d9d517g509r389f0mjpowh8isjpirlh>.

⁸ The assumed 1,000 square feet per employee is likely far greater than the actual needed square foot per employee. However, this study chose to be more conservative.

Exhibit 25. Assumed employment densities

Zone	Assumed density (FAR)
General Commercial	3.75
Central Commercial	5
Tourist Commercial	1.5
Light Industrial	2.93

EMPLOYMENT CAPACITY RESULTS

Based on the assumed densities, Leavenworth has sufficient land capacity to accommodate the number of jobs needed to support its future population growth (Exhibit 26). However, though the projected employment surplus may appear substantial, the job target of 422 is based on housing demand within the city. When accounting for seasonable tourism, employees commuting into Leavenworth, and other non-residential economic activities, the actual surplus of jobs will likely be considerably smaller.

Exhibit 26. Projected employment capacity – Surplus/ deficit

Zone	Total Sq. Ft Capacity	Total Job Capacity
General Commercial	528,866	529
Central Commercial	642,387	642
Tourist Commercial	247,836	248
Light Industrial	294,617	295
General Commercial - UGA	161,470	161
Tourist Commercial - UGA	234,228	234
Light Industrial - UGA	155,146	155
Total incorporated	1,713,705	1,714
Total unincorporated	550,844	551
Total estimated job demand		422
Surplus / (Deficit)*		1,291
*Only uses incorporated capacity		

RESIDENTIAL LAND CAPACITY DETAILED TABLES

Zone	Gross Developable Land (acres)			Future Public Use Deduction			Infrastructure Deduction			Market Factor Deductions			Net Developable Land (acres)				Assumed density (du/acre)	Residential capacity (dwelling units)	Pipeline/ Recently Built	Total Units (Capacity + Pipeline)
	Vacant	Partially-utilized	Under-utilized	Vacant	Partially-utilized	Under-utilized	Vacant	Partially-utilized	Under-utilized	Vacant	Partially-utilized	Under-utilized	Vacant	Partially-utilized	Under-utilized	Total (acres)				
Residential Low 6	28.31	12.48	35.44	5%	5%	5%	25%	25%	25%	15%	25%	25%	17.1	6.7	18.9	42.8	9	366	25	391
Residential 8	10.76	1.21	1.91	5%	5%	5%	25%	25%	25%	15%	25%	25%	6.5	0.6	1.0	8.2	1	8	0	8
Multi-Family Residential	12.1	0.00	5.75	5%	5%	5%	25%	25%	25%	15%	25%	25%	7.3	0.0	3.1	10.4	15	156	369	525
Residential Low 6 - UGA	0.00	0.00	0.00	5%	5%	5%	25%	25%	25%	15%	25%	25%	0.0	0.0	0.0	0.0	0	0	0	0
Residential 8 - UGA	25.91	41.08	56.60	5%	5%	5%	25%	25%	25%	15%	25%	25%	15.7	22.0	30.2	67.9	1	68	0	68
Multi-Family Residential - UGA	8.99	0.00	0.48	5%	5%	5%	25%	25%	25%	15%	25%	25%	5.4	0.0	0.3	5.7	10	57	0	57

Area Median Income (AMI) Level	Income Bracket	Zones Included	Housing Types Included	Projected Housing Need	Total Capacity+ Pipeline Allocated	Surplus/ (Deficit)
0-30% AMI	\$0 - \$23,492	Multi-Family Residential, Multi-Family Residential - UGA	Low- and mid-rise apartments	75	87	12
30-50% AMI	\$23,492 - \$39,153	Multi-Family Residential, Multi-Family Residential - UGA	Low- and mid-rise apartments	61	116	55
50-80% AMI	\$39,153 - \$62,645	Multi-Family Residential, Multi-Family Residential - UGA	Low- and mid-rise apartments	60	175	115
80-100% AMI	\$62,645 - \$78,306	Residential Low 6, Multi-Family Residential, Residential Low 6 - UGA, Multi-Family Residential - UGA	Low- and mid-rise apartments, detached single-family with ADUs.	29	185	156
100-120% AMI	\$78,306 - \$93,967	Residential Low 6, Multi-Family Residential, Residential Low 6 - UGA, Multi-Family Residential - UGA	Detached single-family with ADUs.	27	117	90
>120% AMI	\$93,967+	Residential Low 6, Residential 8, Residential Low 6 - UGA, Residential 8 - UGA	Detached single-family with ADUs.	109	369	260
Net				361	1,049	688

EMPLOYMENT LAND CAPACITY DETAILED TABLES

Zone	Gross Developable Land (acres)			Future Public Use Deduction			Infrastructure Deduction			Market Factor Deductions			Net Developable Land (acres)				Assumed density (FAR)	Total Sq. Foot Capacity	Total Occupied Sq. Foot Capacity	Pipeline/ Recently Built (sq. ft.)	Total Job Capacity (sq. ft.)
	Vacant	Partially Utilized	Under-Utilized	Vacant	Partially Utilized	Under-Utilized	Vacant	Partially Utilized	Under-Utilized	Vacant	Partially Utilized	Under-Utilized	Vacant	Partially Utilized	Under-Utilized	Total (acres)					
General Commercial	1.70	0.00	4.45	5%	5%	5%	25%	25%	25%	15%	25%	25%	1.0	0.0	2.4	3.4	3.8	556,701	528,866	-	528,866
Central Commercial	2.14	0.00	3.38	5%	5%	5%	25%	25%	25%	15%	25%	25%	1.3	0.0	1.8	3.1	5.0	676,196	642,387	-	642,387
Tourist Commercial	3.91	0.00	3.05	5%	5%	5%	25%	25%	25%	15%	25%	25%	2.4	0.0	1.6	4.0	1.5	260,880	247,836	-	247,836
Light Industrial	4.01	0.00	0.00	5%	5%	5%	25%	25%	25%	15%	25%	25%	2.4	0.0	0.0	2.4	2.9	310,124	294,617	-	294,617
General Commercial - UGA	0.47	0.00	1.41	5%	5%	5%	25%	25%	25%	15%	25%	25%	0.3	0.0	0.8	1.0	3.8	169,969	161,470	-	161,470
Tourist Commercial - UGA	5.08	0.00	1.30	5%	5%	5%	25%	25%	25%	15%	25%	25%	3.1	0.0	0.7	3.8	1.5	246,556	234,228	-	234,228
Light Industrial - UGA	1.12	0.00	1.13	5%	5%	5%	25%	25%	25%	15%	25%	25%	0.7	0.0	0.6	1.3	2.9	163,312	155,146	-	155,146

B.4 ADEQUATE PROVISIONS CHECKLIST

Exhibit 27. Moderate density housing barrier review checklist

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.
DEVELOPMENT REGULATIONS			
Unclear development regulations	No	Not an observed barrier	
Prohibiting some moderate density housing types, such as: <ul style="list-style-type: none"> • Duplexes • Triplexes • Four/five/six-plexes • Townhomes • Cottage housing • Live-work units • Manufactured home parks 	Yes	Only duplexes and cottage housing are allowed land uses. Live-work units are allowed in Commercial districts.	Allow triplexes, and four/five/six-plexes in residential districts
High minimum lot sizes	No	Minimum lot size is 6,000 sf (LMC 18.30.020).	
Low maximum densities or low maximum FAR	No	Max lot coverage is 35% (LMC 18.30.020). No minimum FAR.	
Low maximum building heights	Yes	Max building height is 30 ft (LMC 18.30.020)	Consider allowing 35ft as building maximum. If architectural scale and compatibility are concerns, the city could consider form-based approaches to ensure adequate setbacks and daylight for neighboring properties.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.
Large setback requirements	No	Front yard setback is 25 ft, street side yard is 15 ft (LMC 18.30.020)	
High off-street parking requirements	No	One stall required up to 1,500 sf, 2 stalls afterwards (LMC 14.12.150.A.1)	
High impervious coverage limits	Yes	Impervious coverage limits are not included in the development regulations section, only maximum lot coverage (LMC 18.30.020)	Clarify regulations or establish impervious coverage area requirements
Lack of alignment between building codes and development codes	Yes	The lowest maximum height allowed for residential is 40 ft (Table 504.3 of 2021 IBC)	Consider allowing 35ft or 40ft as building maximums
Other (for example: complex design standards, tree retention regulations, historic preservation requirements)	No	Not an observed barrier	
PROCESS OBSTACLES			
Conditional use permit process	No	Permit forms are posted on the city's website. Municipal code defines and lists conditional uses.	
Design review	No	Design review only applies to commercial zone districts	
Lack of clear and accessible information about process and fees ⁹	No	Permit forms are clearly posted on the city's website and LMC 21.09	
Permit fees, impact fees and utility connection fees	Yes	2025 fee schedule webpage and file appear broken	Update link on webpage

⁹ For example: guidance resources are unclear or difficult to find, no digital permit tracking system, staff do not provide fee estimates or permitting time estimates are unavailable or inaccurate.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.
Processing times and staffing challenges	No	While having limited staff, the city has consultant contract agreements to support as needed	
SEPA process	Yes	SEPA link on website appears broken	Update link on webpage
LIMITED LAND AVAILABILITY AND ENVIRONMENTAL CONSTRAINTS			
Lack of large parcels for infill development	No	The Land Capacity Analysis estimates sufficient capacity for infill to meet demand.	
Environmental constraints	Yes	There are several steep slopes in Multi-Family zones that inhibit the ability to build the zoned densities.	While this is a barrier, it would not likely impair the city's ability to meet supply targets.

Exhibit 28. Low-rise or mid-rise housing barrier review checklist

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.
DEVELOPMENT REGULATIONS			
Unclear development regulations	No	Not an observed barrier	
High minimum lot sizes	No	Minimum lot size is 6,000 sf (LMC 18.30.020). For new land divisions of more than 3 units 2,000 sf of additional area on the lot is required for each dwelling unit.	
Low maximum densities or low maximum FAR	No	Maximum lot coverage is 40% (LMC 18.30.020). No minimum FAR.	
Low maximum building heights	No	Maximum building height is 35 ft (LMC 18.30.020)	
Large setback requirements	No	Front yard setback is 25 ft (LMC 18.30.020)	
High off-street parking requirements	No	One stall required up to 1,500 sf, 2 stalls afterwards; reduced limits if more than 20 units and near public transit (LMC 14.12.150.A.1)	
High impervious coverage limits	Yes	Impervious coverage limits are not included in the development regulations section, only maximum lot coverage (LMC 18.30.020)	Clarify regulations or establish impervious coverage area requirements
Lack of alignment between building and development codes	Yes	The lowest maximum height allowed for residential is 40 ft (Table 504.3 of 2021 IBC)	Consider allowing 35ft or 40ft as building maximums
Other (for example: ground floor retail requirements, open space requirements, complex design standards, tree retention regulations, historic preservation requirements)	No	Not an observed barrier	

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.
PROCESS OBSTACLES			
Conditional use permit process	No	Permit forms are posted on the city's website. Municipal code defines and lists conditional uses.	
Design review	No	Design review only applies to commercial zone districts	
Lack of clear and accessible information about process and fees	No	Permit forms are clearly posted on the city's website and LMC 21.09	
Permit fees, impact fees and utility connection fees	Yes	2025 fee schedule webpage and file appear broken	
Process times and staffing challenges	No	While having limited staff, the city has consultant contract agreements to support as needed	
SEPA process	Yes	SEPA link on website appears broken	Update link on webpage
LIMITED LAND AVAILABILITY AND ENVIRONMENTAL CONSTRAINTS			
Lack of large parcels for infill development	No	The Land Capacity Analysis estimates sufficient capacity for infill to meet demand.	
Environmental constraints	Yes	There are several steep slopes in Multi-Family zones that inhibit the ability to build the zoned densities.	While this is a barrier, it would not likely impair the city's ability to meet supply targets.

Exhibit 29. Supplementary barrier review checklist for PSH and emergency housing

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.
DEVELOPMENT REGULATIONS			
Spacing requirements (for example, minimum distance from parks, schools or other emergency/PSH housing facilities) ¹⁰	No	Emergency shelters allowed in commercial districts (LMC 18.25.030)	
Parking requirements	NA	Code is silent on PSH/Emergency Housing parking requirements	
On-site recreation and open space requirements	NA	Code is silent on PSH/Emergency Housing requirements	
Restrictions on support spaces, such as office space, within a transitional or PSH building in a residential zone	NA	Code is silent on PSH/Emergency Housing requirements	
Arbitrary limits on number of occupants (in conflict with RCW 35A.21.314)	Yes	Definition of Family, under LMC 21.90.030, is non-compliant with RCW. Limits a family to no more than five unrelated persons.	Update to be in compliance with state law.
Requirements for PSH or emergency housing that are different than the requirements imposed on housing developments generally (in conflict with RCW 36.130.020)	No	Not an observed barrier	
Other restrictions specific to emergency shelters, emergency housing, transitional housing and permanent supportive housing	NA	Code is silent on PSH/Emergency Housing requirements	

¹⁰ Note that RCW 35A.21.430 expressly states requirements on occupancy, spacing, and intensity of use may not prevent the siting of a sufficient number of permanent supportive housing, transitional housing, indoor emergency housing or indoor emergency shelters necessary to accommodate each code city's projected need for such housing and shelter under RCW 36.70A.070(2)(a)(ii). The restrictions on these uses must be to protect public health and safety.

Exhibit 30. Accessory Dwelling Unit (ADU) barrier review checklist

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.
DEVELOPMENT REGULATIONS			
<p>Consistent with HB 1337 (2023)</p> <ul style="list-style-type: none"> • Must allow two ADUs on each lot in urban growth areas; • May not require the owner to occupy the property, and may not prohibit sale as independent units, but may restrict the use of ADUs as short term rentals; • Must allow an ADU of at least 1,000 square feet; • Must set parking requirements based on distance from transit and lot size; • May not charge more than 50% of the impact fees charged for the principal unit; • Must permit ADUs in structures detached from the principal unit; • May not restrict roof heights of ADUs to less than 24 feet, unless that limitation applies to the principal unit; • May not impose setback requirements, yard coverage limits, tree retention mandates, restrictions on entry door locations, aesthetic requirements, or requirements for design review for ADUs that are more restrictive than those for principal units; • Must allow an ADUs on any lot that meets the minimum lot size required for the principal unit; • Must allow detached ADUs to be sited at a lot line if the lot line abuts a public alley, unless the city or county routinely plows snow on the public alley; • Must allow conversions from existing structures, even if they violate current code requirements for setbacks or lot coverage; and • May not require public street improvements as a condition of permitting ADUs. 	No	Code up to date with the latest requirements of HB 1337	
Unclear development regulations	NA	Not an observed barrier	

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.
Large setback requirements	No	ADU may encroach 20% into the setback (LMC 18.36.035.E)	
Off-street parking requirements	No	One off-street parking space required (LMC 18.36.035.C)	
Other (for example: burdensome design standards, tree retention regulations, historic preservation requirements, open space requirements, etc.)	No	Not an observed barrier	
PROCESS OBSTACLES			
Lack of clear and accessible information about process and fees	No	The city website has a process page and pre-approved plans	
Permit fees, impact fees and utility connection fees that are not proportionate to impact	No	Fee for ADUs review is listed separately	
Processing times and staffing challenges	No	While having limited staff, the city has consultant contract agreements to support as needed	

Exhibit 31. Checklist for local option tools for addressing affordable housing funding gaps

Local option tools for addressing affordable housing funding gaps*	Implementation status	Plans for implementation
Housing and related services sales tax (RCW 82.14.530)	Yes	
Affordable housing property tax levy (RCW 84.52.105)	No	
REET 2 (RCW 82.46.035) – GMA jurisdictions only and only available through 2025	N/A (available through Chelan County)	
Affordable Housing Sales Tax Credit (RCW 82.14.540) – was only available to jurisdictions through July 2020	No	
Lodging Tax (RCW 67.28.150 and RCW 67.28.160) to repay general obligation bonds or revenue bonds	Implemented	
Mental Illness and Drug Dependency Tax (RCW 82.14.460) – jurisdictions with a population over 30,000	NA	NA
Donating surplus public lands for affordable housing projects (RCW 39.33.015)	N/A no surplus lands	
Impact fee waivers for affordable housing projects (RCW 82.02.060)	No	Possible
Application fee waivers or other benefits for affordable housing projects (RCW 36.70A.540)	No	Possible
Multifamily Tax Exemption (MFTE) with affordable housing requirement (RCW 84.14)	Yes	NA
General funds (including levy lid lifts to increase funds available)	Yes	

* Some tools may be unavailable for certain jurisdictions. For example, only GMA jurisdictions can use REET 2, or the surrounding county may have already implemented the housing and related services sales tax. See MRSC’s summary of [Affordable Housing Funding Sources](#) for more details and the Association of Washington Cities (AWC)/MRSC booklet on [Homelessness & housing toolkit for cities \(2022\)](#)

B.5 RACE AND DISPARATE IMPACTS (RDI) ASSESSMENT

This section provides analysis and data to meet the requirements of [RCW 36.70A.070\(2\)\(e-h\)](#).

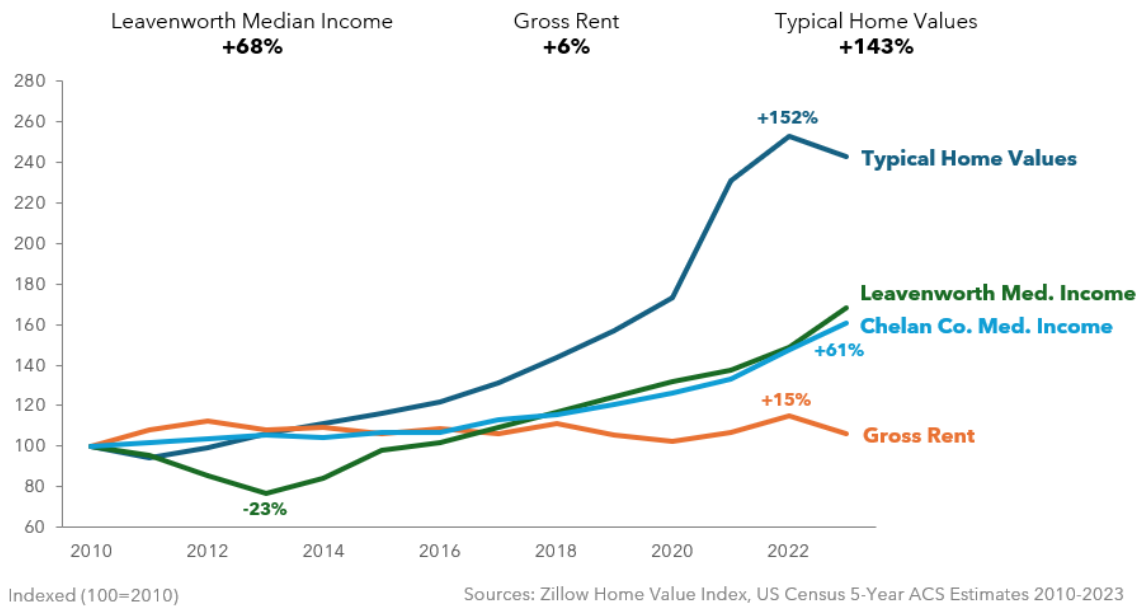
KEY FINDINGS

- Rents in Leavenworth have not increased at the same pace as home values.
- Renters face the greatest housing cost burden, nearly a third spend more than 30% of their respective incomes on housing.
- Leavenworth is mostly white racially, and non-Hispanic or Latino ethnically. This results in insufficient population data to determine income, cost burden, and tenure disparities by race. However, given the city’s demographics, the Comprehensive Plan goals and policies should be updated to ensure the city’s policies do not establish a pattern of institutionalized exclusion.
- Most of the Comprehensive Plan goals and policies are supportive of GMA housing objectives but could be revised to better support anti-displacement objectives and requirements.

AFFORDABILITY

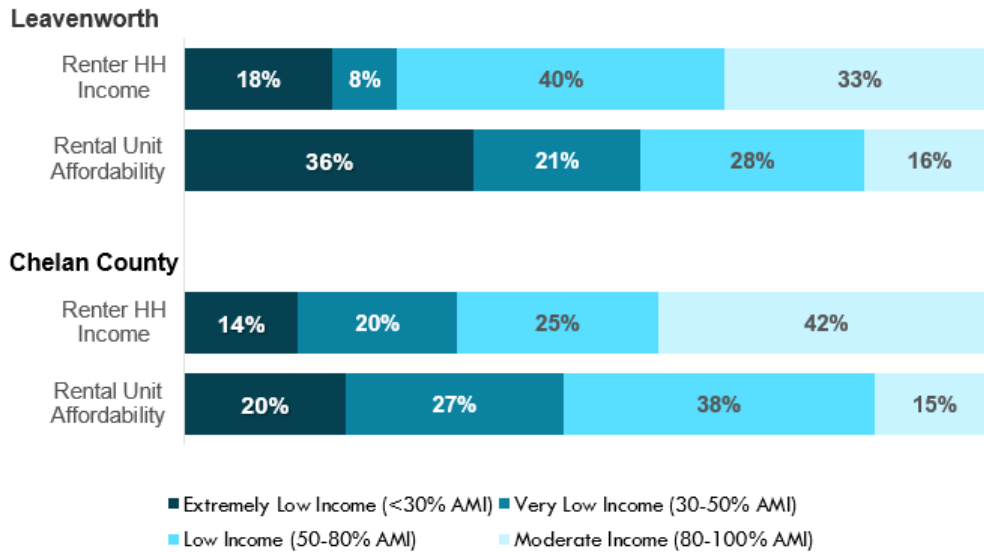
Like the rest of the state, housing costs have continued to increase in Leavenworth, outpacing incomes. Typical home values have increased 143% from 2010 to 2023. Median incomes for the city have only increased 68% in this same timeframe (see Exhibit 32). Gross rents have also increased but only slightly at 6% and with variations throughout the 2010-2023 period.

Exhibit 32. Leavenworth home values have far outpaced incomes



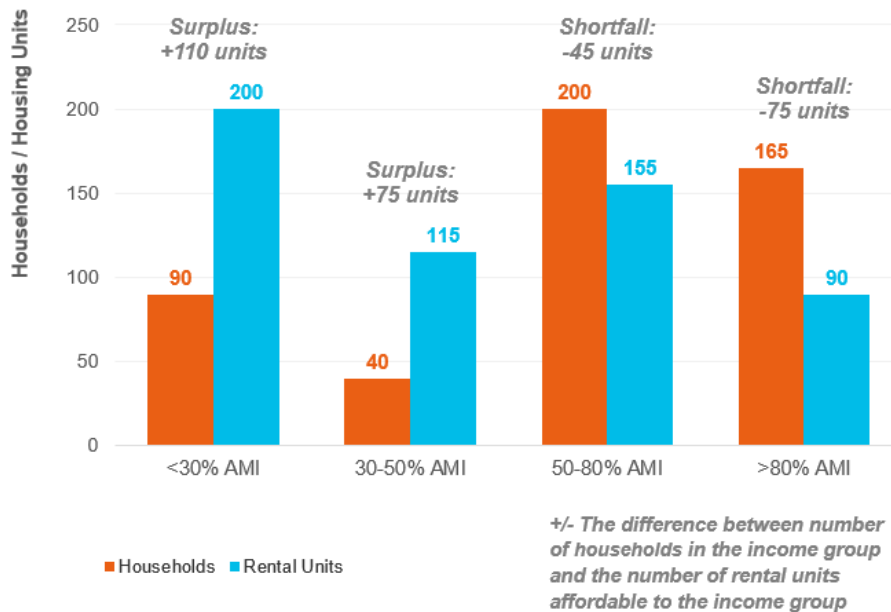
Leavenworth’s rental units largely remain affordable to community members, especially for those making less than 30% of the Area Median Income (AMI) as seen in Exhibit 33 and Exhibit 34. There is a shortage of units affordable to low income (50-80% Area Median Income) and moderate-income households (>80% Area Median Income).

Exhibit 33. Units remain affordable for very low- and extremely low incomes



Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 8)

Exhibit 34. There is a shortage of affordable units at the low- and moderate-income levels

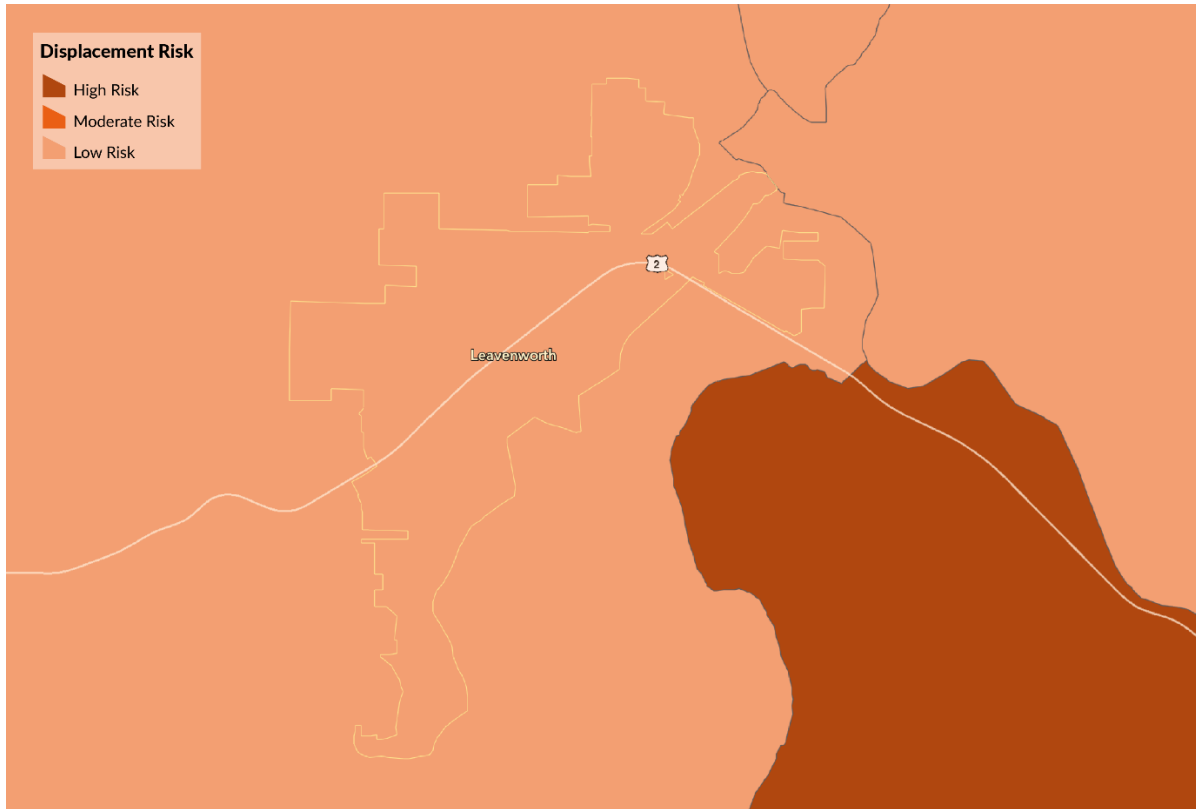


Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 15C) & US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 14B)

DISPLACEMENT RISK AND TRENDS

The Washington State Department of Commerce provides a draft Displacement Risk mapping tool where each census tract is assigned a Displacement Risk Score (Exhibit 35). The Leavenworth census tract is categorized as having low displacement risk. The census tract Southwest of Leavenworth, outside of the city limits, is considered at High Risk of displacement due to gentrification.

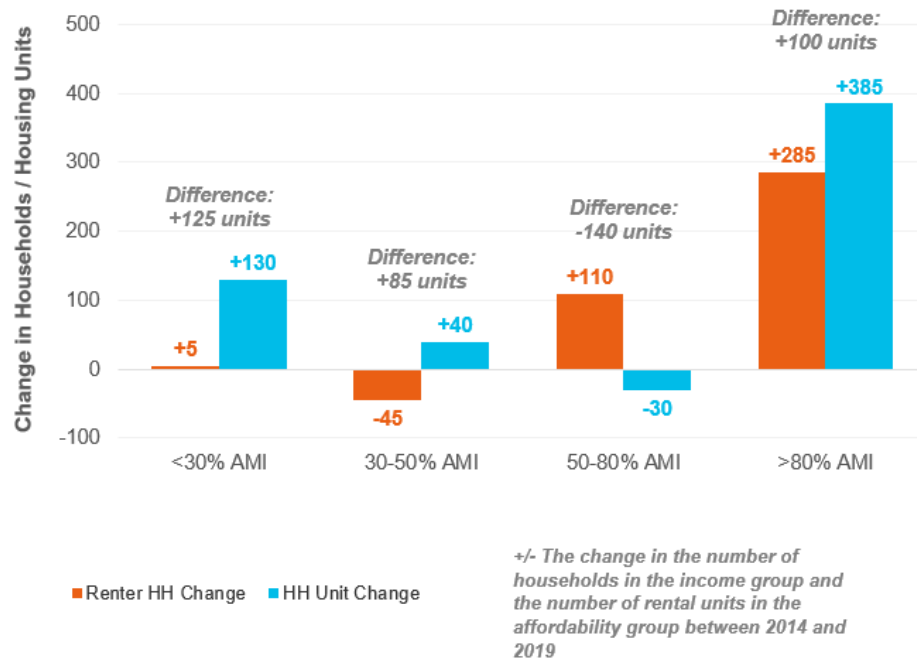
Exhibit 35. Leavenworth is at a low risk of displacement



The number of lower income households has decreased in the city, compared to an increase in moderate- and higher-income households, as seen below in

Exhibit 36. At the same time, we see an increase in the number of housing rental units at the lower income levels. Such a trend may be indicative of lower income households being priced out of the city before newer affordable units became available recently.

Exhibit 36. The number of units affordable to the lowest incomes increased from 2014 to 2019

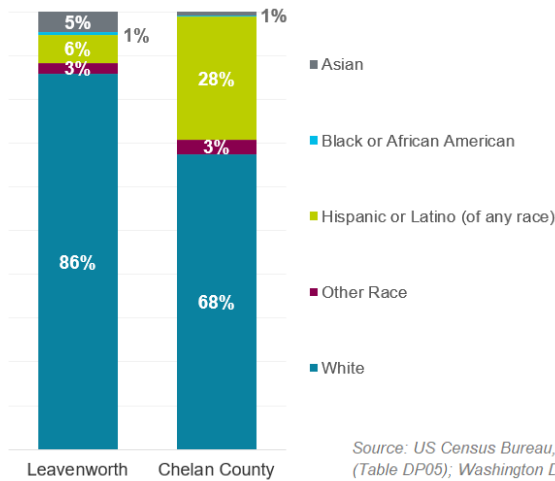


Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 15C) & US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 14B) & US HUD, 2010-2014 Comprehensive Housing Affordability Strategy (CHAS) (Table 15C) & US HUD, 2010-2014 Comprehensive Housing Affordability Strategy (CHAS) (Table 14B)

HOUSEHOLD DEMOGRAPHICS

Leavenworth is predominantly white racially (Exhibit 37). The city has more individuals identifying as white than the county, 86% compared to 68% for Chelan County.

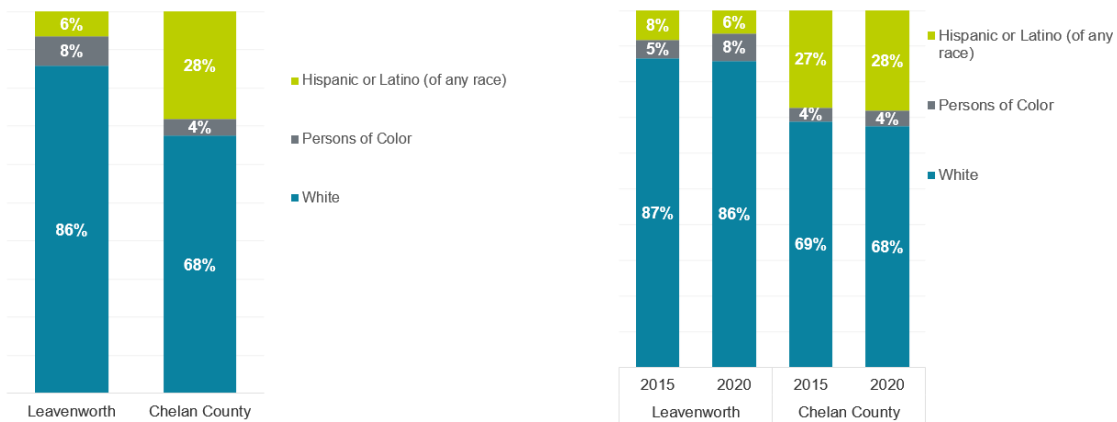
Exhibit 37. Leavenworth and Chelan County have slight differences in race and ethnicity makeups, 2020



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

The city has fewer individuals of any race, identifying as Hispanic or Latino, 6% compared to 28% for the county. However, the city saw a slight increase in individuals identifying as a Person of Color from 2015 to 2020, though only by three percentage points, as show in Exhibit 38.

Exhibit 38. Leavenworth and Chelan County remain majorly white



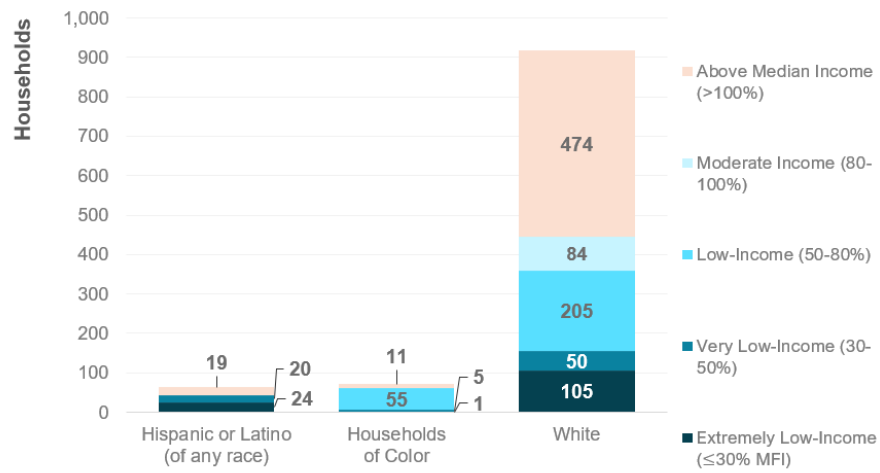
Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

Source: US Census Bureau, 2011-2015 and 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

HOUSEHOLD INCOMES BY RACE

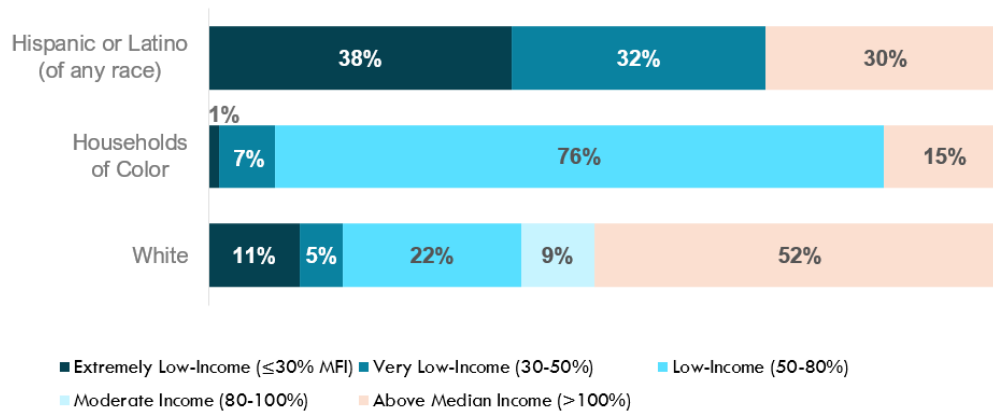
Since there are so few households that identify as a race other than White and Leavenworth’s population is comparatively small, this assessment cannot assess whether there are disparities across race or ethnicity, as exemplified in both Exhibit 39 and Exhibit 40. However, one concern is the number of households that are considered Extremely Low Income. These households are at greater risk of displacement, as housing costs have increased faster than incomes.

Exhibit 39. Household incomes by race, count



Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 1)

Exhibit 40. Household incomes by race, percentage

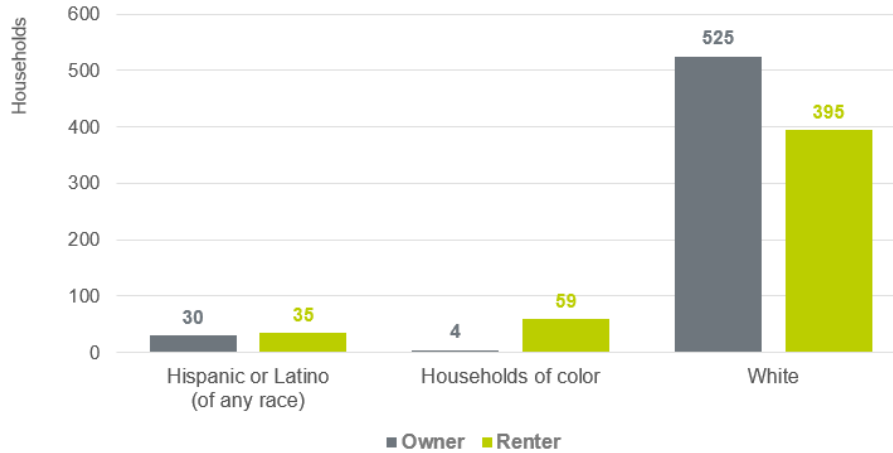


Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 1)

TENURE AND COST BURDEN BY RACE

For housing tenure, households of color and Hispanic or Latino households are more likely to be renters than White households (Exhibit 41).

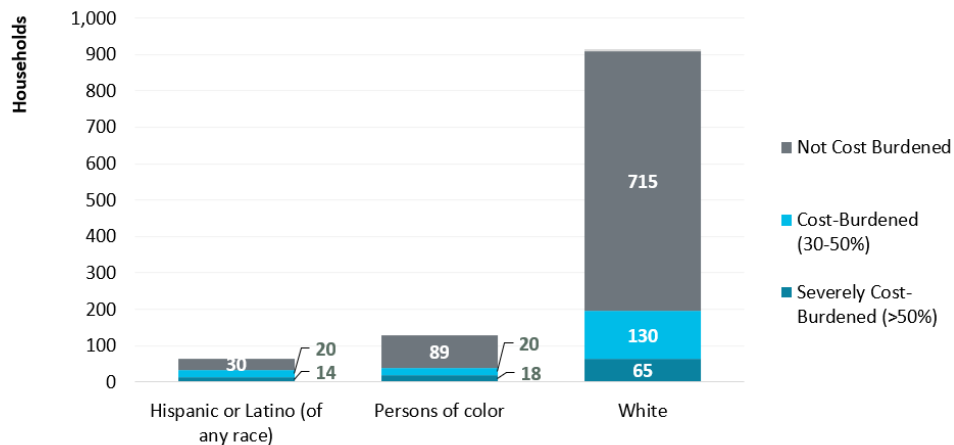
Exhibit 41. Housing tenure by race and ethnicity



Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9)

The greatest observed disparity is that many of Leavenworth’s renters are cost burdened, 34%, compared to homeowners, only 11%¹¹. Due to the small number of households identifying as non-white or Hispanic or Latino, this RDI assessment did not observe any notable differences in cost burden across racial or ethnic identities (see Exhibit 42 and Exhibit 43).

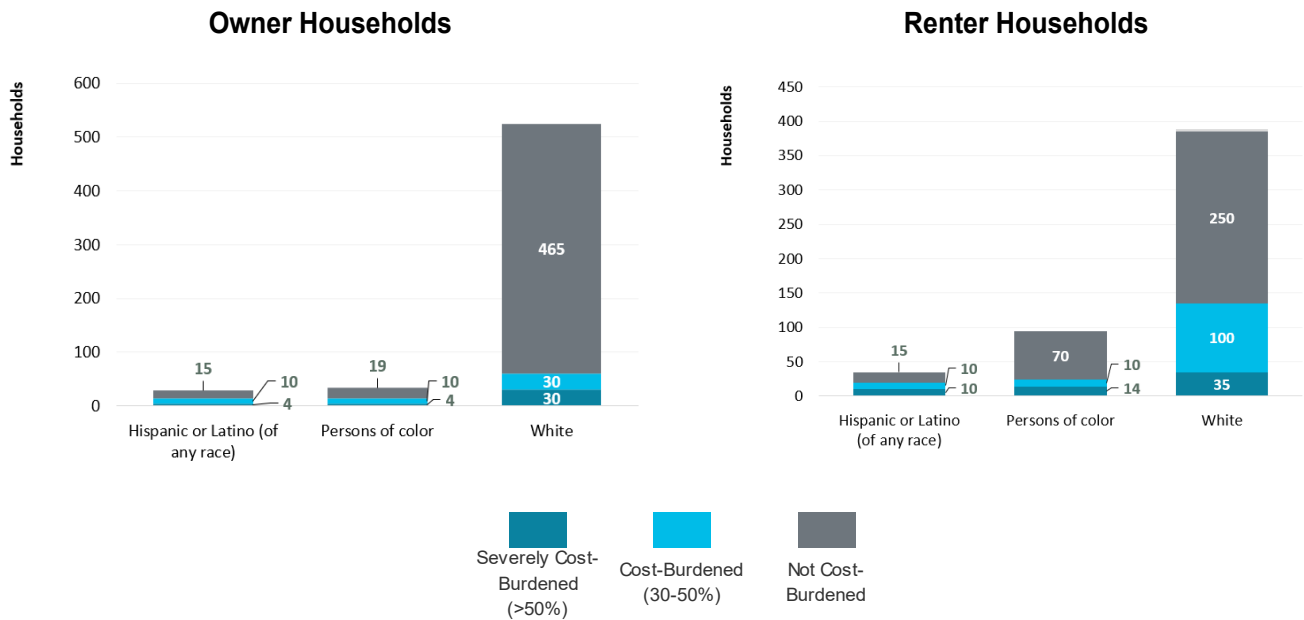
Exhibit 42. Housing cost burden by race and ethnicity



Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

¹¹ A household is considered cost burdened if housing costs exceed 30% of the household’s income.

Exhibit 43. Housing burden by race, ethnicity and tenure



Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

POLICY EVALUATION

Given the fact that there are so few households that identify as a race other than white or Hispanic or Latino, it is important to ensure housing policies do not encourage institutionalized, or pattern of, exclusion. To achieve this, this assessment evaluated the existing Comprehensive Plan’s goals and policies, shown in the matrix in Exhibit 44, considering displacement pressures and risks. The goals and policies were evaluated with the following criteria, based on guidance from the Washington State Department of Commerce:

- **Supportive.** The policy is valid and supports achieving the GMA goal for housing. There is a need for the policy and/or it addresses identified racially disparate impacts, displacement, and exclusion in housing.
- **Approaching.** The policy can help achieve the GMA goal for housing but may be insufficient or does not specifically address racially disparate impacts, displacement, and exclusion in housing.
- **Challenging.** The policy may challenge the jurisdiction’s ability to achieve the GMA goal for housing. The policy’s benefits and burdens should be reviewed to optimize the ability to meet the policy’s objectives while improving the equitable distribution of benefits and burdens imposed by the policy.
- **NA (Not Applicable).** The policy does not affect the jurisdiction’s ability to achieve GMA goal housing and has no influence or impact on racially disparate impacts, displacement, or exclusion.

Exhibit 44. Goals and Policies evaluation matrix

Goal/Policy	Evaluation	Reason
Housing Element (pp.17)		
Goal 1: Encourage the availability of affordable housing for all economic segments of the population.	Supportive	This goal supports the intent of the GMA’s housing objectives. The language could be enhanced to address racially disparate impacts, displacement and exclusion.
Policy 1.1: Support regeneration/preservation/rehabilitation of existing housing by <ul style="list-style-type: none"> • Considering permitting the division of existing structures in designated single-family neighborhoods • Considering removal of barriers to siting manufactured homes. • Considering expansion of rehabilitation programs • Encouraging use of Leavenworth’s existing grant/loan options for low-income housing, using planned developments which include a full range of housing to all economic segments, using housing rehabilitation options for low-income residents. 	Supportive	This policy supports the intent of the GMA’s housing objectives.

Goal/Policy	Evaluation	Reason
<p>Policy 1.2: Promote affordable housing, particularly for low- (1-80% Average Median Income) and moderate-income (workforce – 80%-120% AMI) residents by exploring all available options, including but not limited to:</p> <ul style="list-style-type: none"> • Innovative zoning techniques • Pursuing grant and loan programs • Coordinating housing development options with private and public agencies 	<p>Supportive</p>	<p>This policy supports the intent of the GMA’s housing objectives by addressing local regulations, funding and development. It could be enhanced by including language addressing racially disparate impacts, displacement, and exclusion.</p>
<p>Goal 2: Promote diversity of residential densities and housing types, being mindful for racial disparities and accommodating a range of housing needs, including elderly, physically challenged, mentally impaired, special needs segments of the population, low-income, workforce and emergency housing needs by:</p> <ul style="list-style-type: none"> • Supporting affordable housing needs for low-income residents. • Encouraging cluster subdivision, planned developments and other zoning techniques that allow for density bonuses or other mechanisms for higher density and greater utilization of land. • Supporting moderate density housing types, including accessory dwelling units, duplexes, triplexes and townhomes within all residential zones. 	<p>Supportive</p>	<p>This goal supports the intent of the GMA’s housing objectives.</p>
<p>Policy 2.1: Evaluate existing land uses by housing type and densities, and regulations, which may be presenting barriers to the development, to proactively address changes in housing needs for all economic segments of the population.</p>	<p>Approaching</p>	<p>This policy helps achieve GMA goals</p>
<p>Policy 2.2: Promote transitions between multifamily residential development, commercial districts and low-density residential districts to provide an evolution between high intensity and low intensity uses.</p>	<p>Challenging</p>	<p>If implemented without regard to other housing needs, this policy may serve as a barrier. Some types of zoning establish limits on the height of buildings and restrict the types of homes that can be built</p>
<p>Land Use Element: Residential Use Policies (pp. 9-12)</p>		
<p>Goal 1: Provide sufficient land area and densities to meet Leavenworth’s projected</p>	<p>Supportive</p>	<p>Providing land area and densities to meet projected housing needs supports GMA goals</p>

Goal/Policy	Evaluation	Reason
needs for housing, employment and public facilities		
Policy 1.1: Permit new development where adequate public facilities and services can be provided	Approaching	Using existing infrastructure supports the goals of GMA and results in lower building costs and lower rent and prices. At the same time new or upgraded infrastructure should be considered for areas that have been historically disinvested in, especially areas where communities of color live
Policy 1.6: Promote attractive, friendly, safe, quiet and diverse residential neighborhoods throughout the city, including low- and moderate-density single-family to high-density residential neighborhoods.	Challenging	Update the language to use “low-density housing” “neighborhood residential” or another descriptor instead of single-family, so that it does not describe the occupants. Depending on how it is implemented this policy has the potential to challenge the city’s anti-displacement efforts. Code enforcement often causes households with lower incomes to be disproportionately fined and possibly displaced.
Policy 1.7: When establishing residential densities, limitations imposed by the environment, availability of infrastructure, and consistency with the comprehensive plan and the GMA shall be considered.	Supportive	This policy supports GMA goals. When establishing densities and limitations include clear descriptions, references or the criteria used for these decisions.
Policy 2.2: Encourage infill development on suitable vacant parcels and redevelopment of underutilized parcels.	Approaching	This policy supports the GMA goal of increasing housing supply. It could be enhanced by including language that addresses redevelopment in historically disinvested areas, promoting housing type diversity and disparate impacts or exclusion.
Policy 2.4: Acknowledge nonresidential uses in Residential zones, such as schools, religious facilities, home occupations, parks, open spaces, senior centers and day care centers. Maintain development standards which respect the character and scale of the neighborhood.	Challenging	Community character is not a specific term. Policies that seek to preserve neighborhoods from any new forms of development can contribute to housing supply shortages, exclusion and the displacement of long-term residents when housing costs escalate.

Goal/Policy	Evaluation	Reason
Policy 2.5: Encourage the development of commercial and multifamily land in a manner which is complementary and compatible with adjacent land uses and the surrounding environment by providing well designed transition or buffer areas.	Challenging	Adding additional development regulations on multifamily uses may increase costs and barriers to providing more rental stock and supply in the city.
Policy 2.6: Support the continued use of nonconforming uses, particularly single-family residences.	NA	
Policy 3.1: New residential developments should include provisions for paved streets, curbs, and gutters at the time of development and be consistent with City development standards	NA	This policy pertains to building and public works standards. The city should be careful on how it is implemented so it does not become a barrier for development due to elevated construction costs.
Policy 3.3: Encourage cluster developments with a mix of density and incentives, such as residential density bonuses, variations in allowed housing type, and/or flexibility in regulations through the Planned Development process, if a proposal meets community goals for affordable, senior, size-limited or other types of innovative housing.	Supportive	This policy supports the GMA goal of promoting a variety of residential densities to accommodate affordable housing.
Policy 4.3: Encourage a pattern of mixed-use development in the commercial areas with residential uses as supportive to the primary commercial uses.	Supportive	This policy supports the GMA goal of promoting a variety of housing types to provide more housing options. The language could be enhanced by including housing types at all affordability levels.
Policy 4.7: Encourage mixed-use ("live /work") developments, such as the Commercial District Mixed Use Incentives, in all Commercial and Light Industrial designations. Recognize that the mixed-use ("live / work") overlay is intended primarily to foster light manufacturing, allow living in close proximity to the place of work, and related components with residential uses.	Supportive	This policy supports the GMA goal of promoting a variety of housing types to provide more housing options. The language could be enhanced by including housing types at all affordability levels.