Chelan-Douglas Housing Solutions Group Report

15 WAYS TO INCREASE OUR HOUSING INVENTORY

October 2023

THERE ARE NO QUICK FIXES, BUT HERE ARE STEPS THAT CAN HELP

There are no quick fixes to undoing two decades of under building in Chelan and Douglas counties. But there are steps to take to get back to a place where everyone, no matter their income level, can call home.

The following are recommendations from the Chelan-Douglas Housing Solutions Group. These aren't one-size-fits-all solutions. They might work for some cities and rural areas in the region but not all.

They also are meant in part to broaden the discussion and kick start other ideas and innovative solutions.

HOUSING TRUSTS

Encourage local governments, the private sector and nonprofit organizations to help fund and support community housing trust organizations that are designed to provide homes affordable to low- and moderate-income earners.

INFRASTRUCTURE

Encourage jurisdictions to add more infrastructure (roads, water, sewer, electricity, broadband) so there is more buildable land for housing, including affordable housing, and to coordinate and leverage their resources in doing so.

DIVERSE HOUSING

Inform the community about alternative building materials, diverse housing types and innovative designs. Encourage jurisdictions to change building and zoning codes to allow alternative home construction.

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HIGHER DENSITY

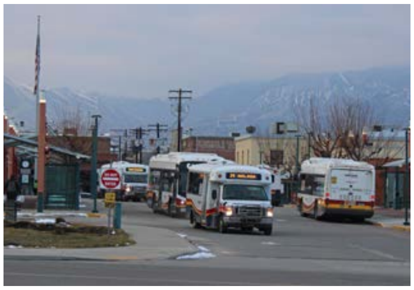
Continue to forge public-private partnerships that lead to higher-density housing in places like downtown Wenatchee, East Wenatchee and in other cities and towns in Chelan and Douglas counties where density is desired and practical.

URBAN GROWTH

Encourage the cities of Wenatchee and East Wenatchee to explore ways to work on a regional basis to combine population projections for use in determining Urban Growth Areas. Now, the two cities map out their own UGAs based on their own forecasts.

MULTIFAMILY TAX EXEMPTIONS

Amend state law to allow cities to provide Multifamily Tax Exemptions for housing that is affordable to households making up to 120 percent of the area median income.



TRANSIT-ORIENTED DEVELOPMENT

Encourage jurisdictions to make it easier for housing to be built near transit centers. Consider such steps as adding infrastructure, rezoning land, offering incentives to developers, and reducing parking requirements.

WALKABLE COMMUNITIES

Encourage cities to make walkability a priority in housing, commercial and mixed-use developments. Encourage cities to build safe and convenient bikeways, trails and sidewalks so people can make short trips without use of a car, thus saving money for housing.

DESIGN TEMPLATES

Encourage jurisdictions to offer free, pre-approved construction plans for Accessory Dwelling Units (ADUs), cottage housing, and other types of more affordable housing to property owners, developers and builders, reducing the time and money spent on permitting.

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TRADES PROGRAM

Improve training, technical assistance and learning opportunities for people interested in pursuing a construction trades career. Encourage Wenatchee Valley College, high schools, organizations and private entities to evaluate whether a new trades program is needed.

SURPLUS LAND FOR HOUSING

Amend state law to allow jurisdictions to transfer surplus lands to nonprofit organizations for construction of housing affordable to households making up to 120 percent of the area median income.

GOVERNMENT-SPONSORED TOOLS

Encourage jurisdictions to better align government-sponsored tools with housing affordability.

COLLABORATIVE WORKSHOPS

Hold workshops for local government officials so jurisdictions can better align to generate affordable housing, including creating consistency with code, while also respecting individual jurisdictions' own visions and strategic goals.

'HOUSING OUR VALLEY'

Conduct a community awareness campaign, 'Housing Our Valley,' that educates residents about the region's housing challenges and potential solutions.

IN CHELAN AND DOUGLAS COUNTIES

The housing market in Chelan and Douglas counties was mixed in 2019. Construction picked up, particularly of apartments, leading to an **increase in the rental vacancy rate** for the first time in several years. On the other hand, **home sales remained flat and the median sales price rose to its highest recorded level** and one of the highest in all of Eastern Washington.

Several key issues continue to impact housing availability and affordability. Home construction activity, while picking up, is still at the level it was prior to the Great Recession. Many new single-family homes have 3 or 4 bedrooms, a mismatch for the increasingly typical 1- or 2-person households of today. And for several years now, **the multifamily market has been characterized by not only low vacancy rates, but also down-renting**, in which households are occupying units that would normally be available to lower income households. The purchase of second homes – either as vacation homes or a rental investment – have **driven up housing prices and, in some cases, removed homes from the market for full-time residents**.

As a result, many **people struggle to not only afford housing** today but just to **find housing**. Employers report they can't fill jobs because housing is not available. Some residents are **spending 70 percent or more of their household income on housing**.

The issues are not just a Greater Wenatchee Area problem. Housing supply is generally deficient throughout the country and especially in the West and in growing metropolitan areas. This trend is having a significant impact in states, such as Washington state, that are growing in population. The state Office of Financial Management is estimating this **state's population will grow from about 7 million to 9 million by 2040**.

28.57% Population Growth in Washington State by 2040

For this report, the Housing Solutions Group relied on information provided by *Pacific Appraisal Associates*, the

ANNUAL REPORT

Compile and publish an annual housing report for Chelan County, Douglas County, and the cities in the two counties. Include such information as building permit applied for and issued; number of dwelling units built; land capacity analysis; and a list of limiting factors faced by jurisdictions and communities.

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OURVALLEYYOURFUTURE.ORG/HOUSING-OUR-VALLEY/

17,000 NEW HOMES NEEDED

It's an American problem. All across the country, people are straining under the pressure of an increasingly unaffordable housing market.

Low-income households are among the hardest hit but so, too, increasingly are middle-income households. Many of these households don’t have any disposable income left after paying for housing and for food, child care, and transportation.

As housing has become increasingly unaffordable, some people have been pushed into living in their vehicles or in shelters.

According to the state Department of Commerce, there has been an underproduction of homes in Chelan and Douglas counties dating back to the 1990s. It is not to say homes haven't been built. But the ones that have gone up haven't been for everyone. And there haven’t been enough.

Why hasn't the housing market kept up with demand? The issue is complex. Some point to the state's land-use laws, the permitting process, or single-family zoning policies. Others cite a shortage of builders and the cost of materials. Still, others say developers have mostly been building large single-family homes and not affordable types of housing, such as apartments, duplexes, or cottages.

Another factor, often overlooked, at least in Chelan County: The vast majority of land is publicly owned, and what remains in private hands is being farmed, doesn't have infrastructure (roads, water, sewer, electricity, broadband), or is located in canyons and steep hillsides.

What is clear is that Chelan-Douglas region has reached the point where the state is requiring it to accommodate 17,000 new homes over the next 20 years in order to just catch up. About 55 percent of those homes need to be for households earning 80 percent or less of the area median income. That estimate is based on medium population growth. As one local government planner recently told the Chelan-Douglas Housing Solutions Group: "The numbers are sobering."

MEET THE HOUSING SOLUTIONS GROUP

The recommendations contained in this report were developed by the Chelan-Douglas Housing Solutions Group, a coalition of housing, business, government and community representatives who have been guiding the ‘Regional Housing Approach’ initiative in the Our Valley Our Future (OVOF) Action Plan for the past few years. OVOF has been helping facilitate monthly meetings for this working group. Members of the working group include:

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