

Assessing Housing Needs and Affordability Challenges in Leavenworth, Wenatchee, and Ellensburg

Planning Association of Washington (PAW)

Annual Conference - Chelan, WA

May 4, 2017



Presenters

- Kevin Ramsey, Ph.D.
Senior Associate
BERK Consulting
KevinR@berkconsulting.com
- Kirsten Sackett
Community Development Director
City of Ellensburg
- Angela San Fillippo, AICP
Senior Long Range Planner
City of Ellensburg

Session Overview

- What is housing affordability?
- What causes housing affordability challenges?
- What is a housing needs assessment?
- Key findings in recent housing needs assessments:
 - Wenatchee
 - Leavenworth
 - **Ellensburg (deep dive)**
- Q&A and Discussion

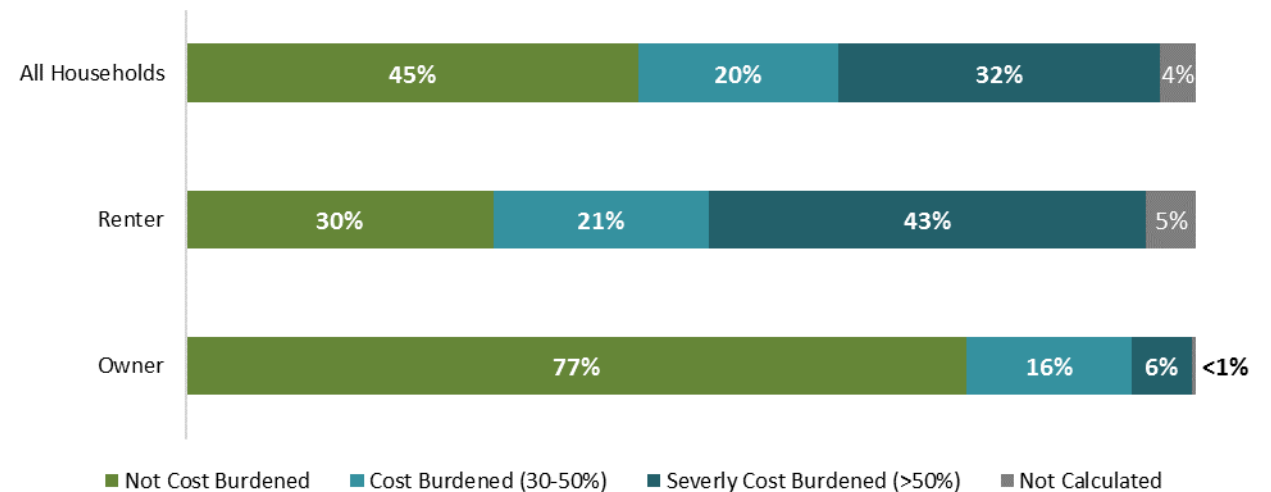
Housing Affordability and Cost Burden

- HUD considers a home to be affordable if housing costs are 30% of household income.
- Households are “cost burdened” if their housing costs exceed 30% of their household income.

Levels of Housing Cost Burden	
Not Cost Burdened	Costs ≤ 30% of income
Cost Burdened	Costs > 30% of income
Severely Cost Burdened	Costs > 50% of income

Source: HUD, 2016; BERK 2017.

Cost Burden by Housing Tenure, City of Ellensburg



Note: * “Not Calculated” refers to households with no or negative income.

Source: U.S. Department of Housing and Urban Development, Consolidated Housing Affordability Strategy (based on U.S. Census American Community Survey 2009–2013 5-Year Estimates); BERK, 2016.

Causes of Housing Affordability Challenges

Housing Shortage

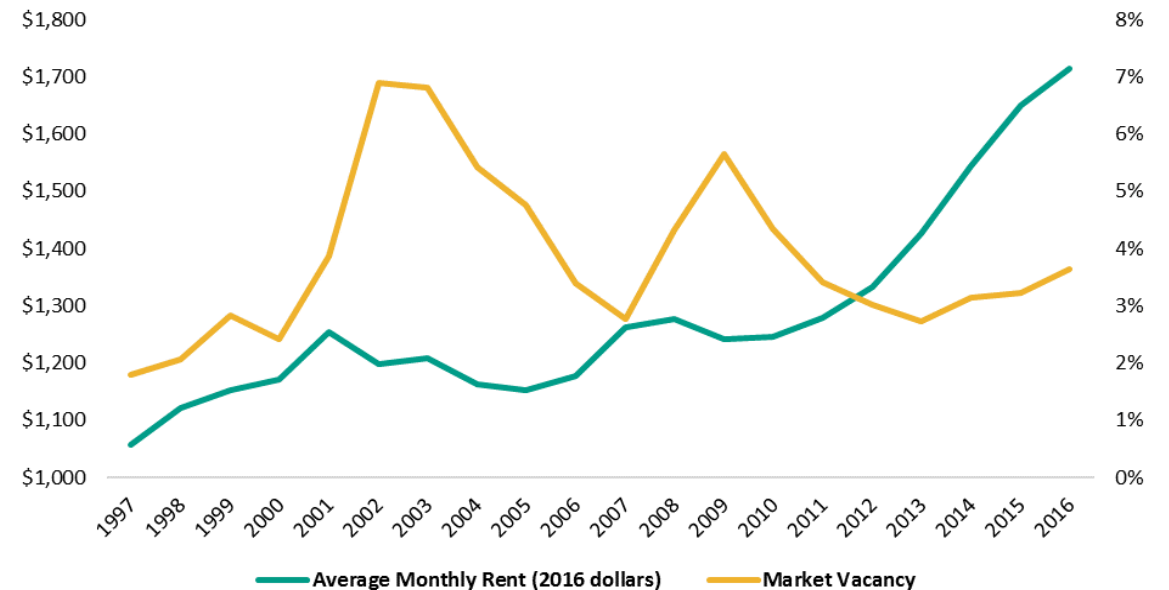
- Increased competition for a limited supply of housing drives up housing prices.

Every day from 2010 to 2015, Seattle grew by...



Data sources: American Community Survey (People), PSRC Quarterly Census of Employment and Wages (Jobs), City of Seattle DPD Permit Data Warehouse (Housing)

Average Monthly Apartment Rent and Vacancy Rate, City of Seattle



Source: Dupre and Scott, 2017; BERK 2017.

Causes of Housing Affordability Challenges

Mismatch between housing stock and housing needs

- Housing stock dominated by larger single family homes.
- Lack of rental housing stock.
- Lack of “missing middle” housing formats (townhomes, ADUs, plex)

Income and Fair Housing

- Unemployment
- Income disparity
- Housing discrimination

Causes of Housing Affordability Challenges

External Pressures on Local Housing Demand

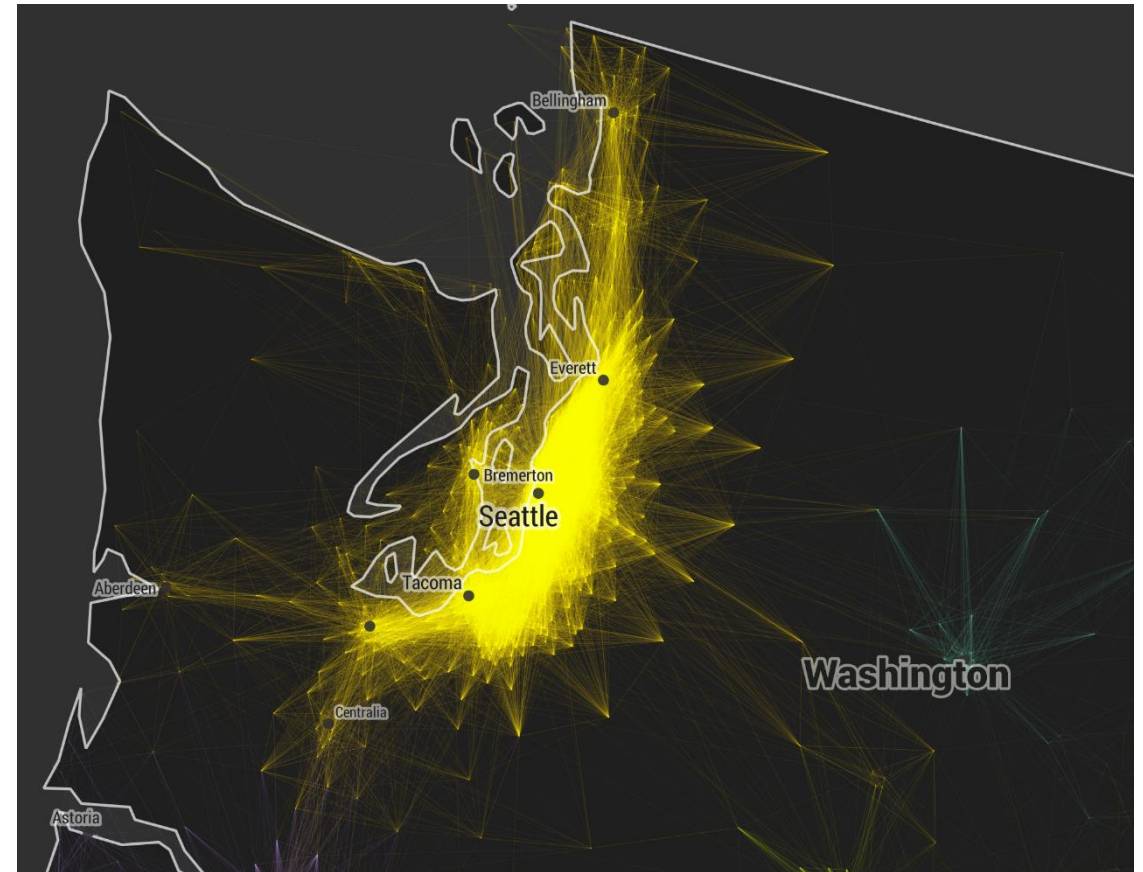
- Vacation home market
- Short-term vacation rentals
- Long-distance “mega-commuters” working in more expensive housing markets



VRBO®
Part of the HomeAway Family



Mega-Commuting in Washington State



Source: Garrett Dash Nelson and Alasdair Rae, 2016.

What is a Housing Needs Assessment?

- Comprehensive evaluation of a community's:
 - ❑ Demographic composition and trends
 - ❑ Current housing inventory
 - ❑ Housing costs and trends
 - ❑ Housing market production trends
 - ❑ Zoning, regulations, and incentives
 - ❑ Assessment of unmet housing needs by household type
 - ❑ Recommended strategies for addressing unmet housing needs

Leavenworth

Housing Needs Assessment

March, 2017

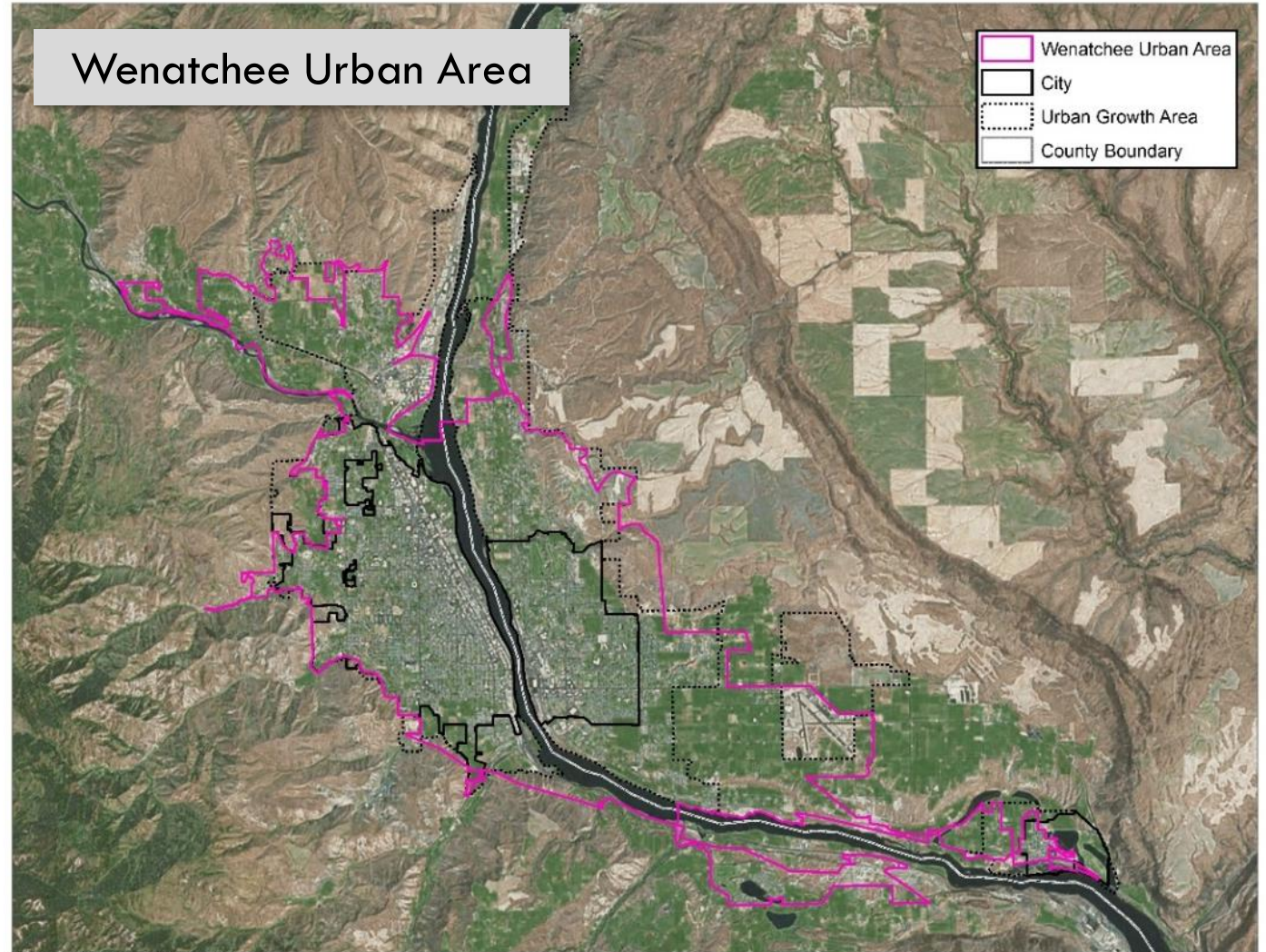


BERK
STRATEGY • ANALYSIS • COMMUNICATIONS

Wenatchee Housing Needs Assessment

Study Goals

- Analyze housing costs and market trends
- Compare housing needs to available housing stock
 - Low income (<50% AMI)
 - Farmworker
 - Senior/Disabled
 - Workforce (80% - 120% AMI)
 - Permanent supportive housing for individuals and families

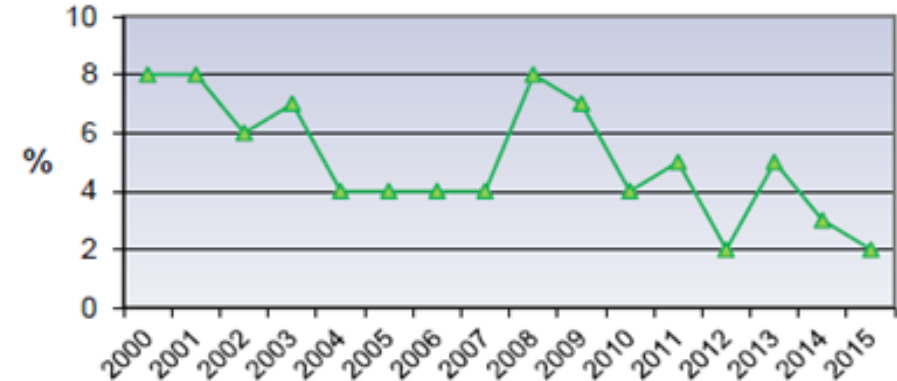


Wenatchee Housing Needs Assessment

Rental Housing Market Findings

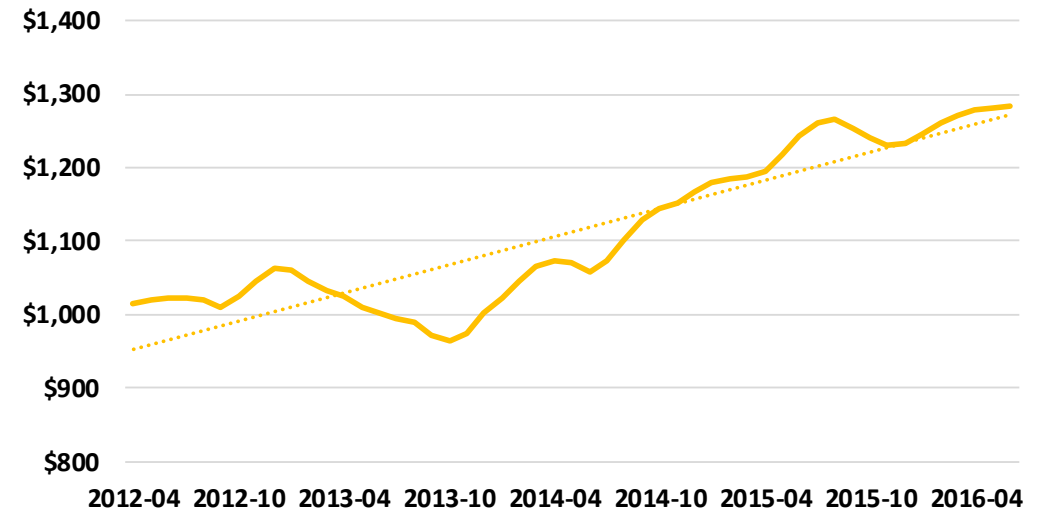
- Renter household characteristics
 - ❑ **10%** are overcrowded
 - ❑ **42%** are cost-burdened
 - ❑ **20%** are severely cost-burdened
 - ❑ Affordable rent for median renter household: **\$909**
- Rental housing market findings
 - ❑ Median monthly rent: **\$1,290**
 - ❑ **1%** vacancy rate in 2016
 - ❑ **252** additional units needed to achieve 5% vacancy

Vacancy Rate, Multi-Family



Source: Pacific Appraisal Associates, 2016.

Median Monthly Rent, Multi-Family

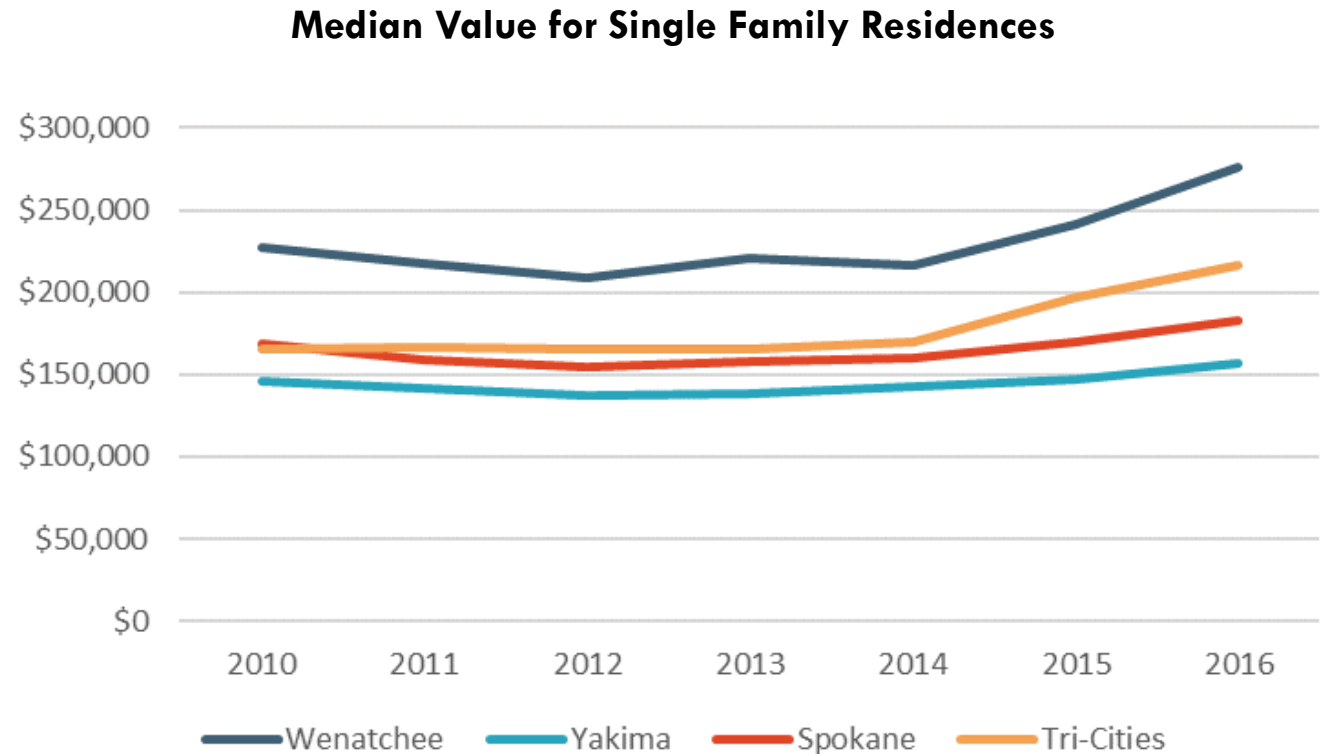


Source: Zillow, Rent Index Data, 2016; BERK, 2016

Wenatchee Housing Needs Assessment

For Sale Housing Market Findings

- **26%** of owner-occupied households are cost-burdened
- **\$264,550** median home value
 - 72% higher than Yakima
 - 49% higher than Tri-Cities
- **1.4%** vacancy rate
- **675** new for-sale units needed to increase vacancy rate to 5%

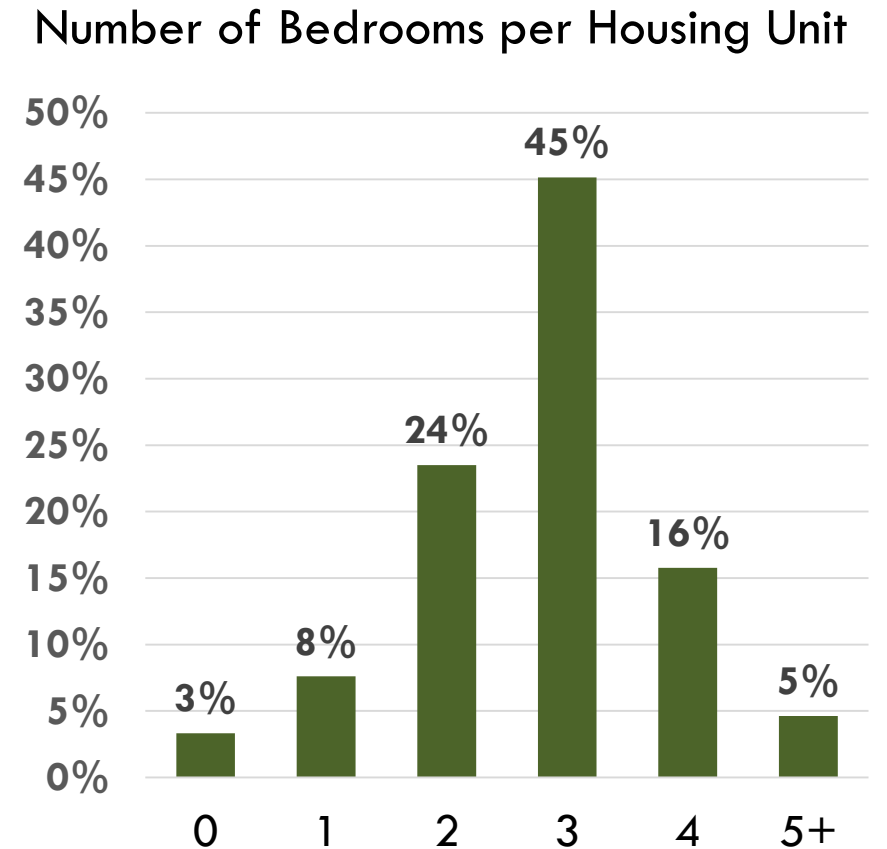
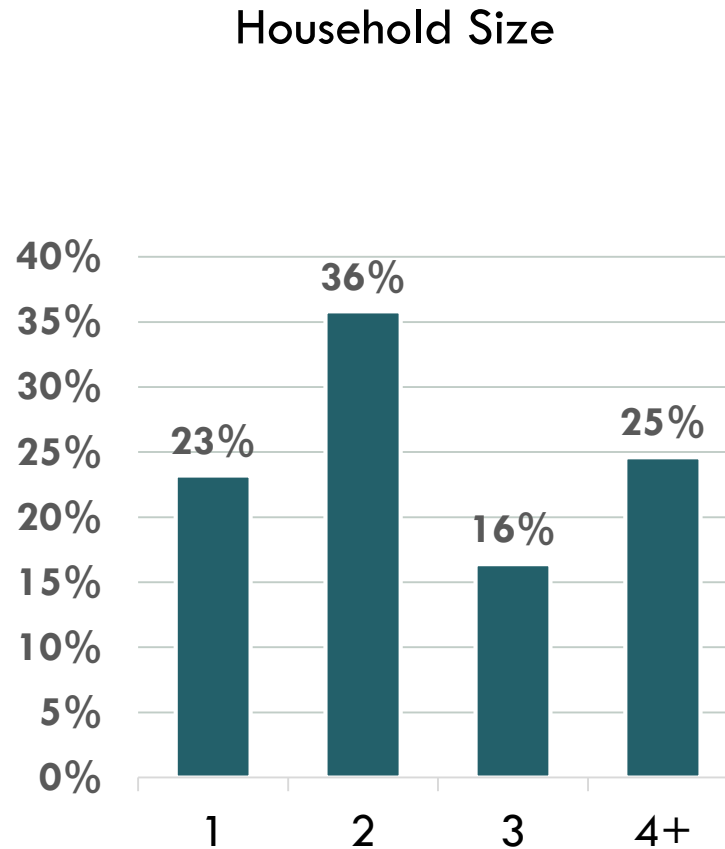


Source: Zillow, 2016; BERK, 2016.

Wenatchee Housing Needs Assessment

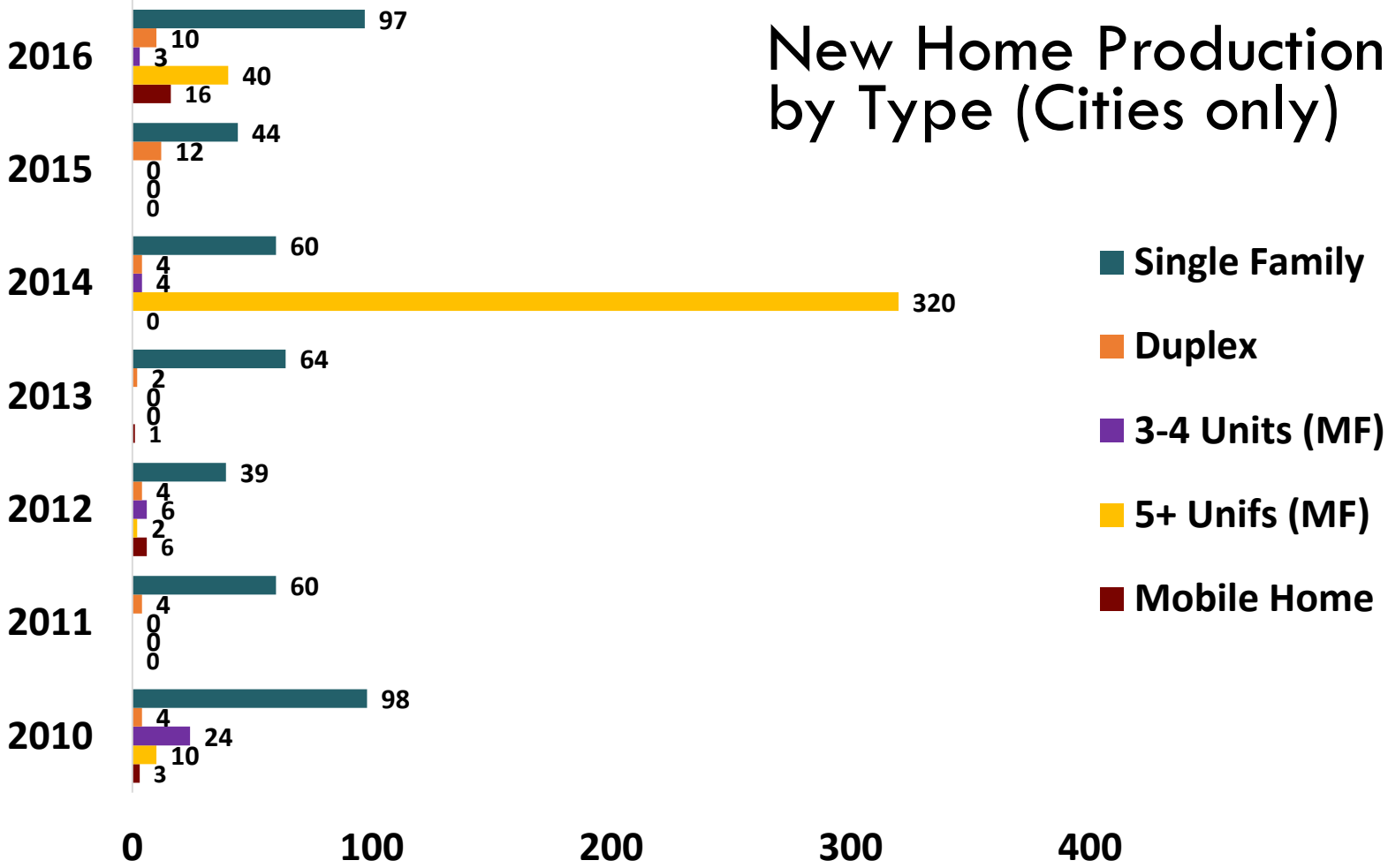
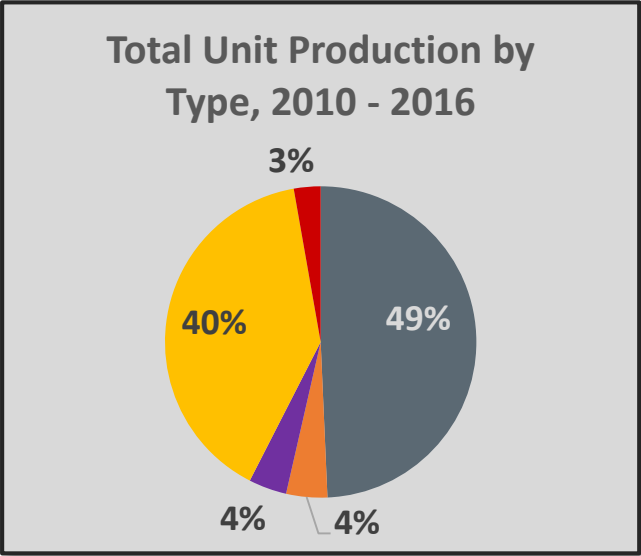
Mismatch between housing supply and housing needs

- **59%** of households have only 1 or 2 members.
- Only **11%** of units have less than 2 bedrooms.
- Only **35%** of units have less than 3 bedrooms.



Wenatchee Housing Needs Assessment

- Almost all of the multi-family production was a single apartment building in 2014.
- Very little development in “missing middle” formats



Source: Washington State Office of Financial Management, 2015 and 2016.

Wenatchee Housing Needs Assessment

Recommendations

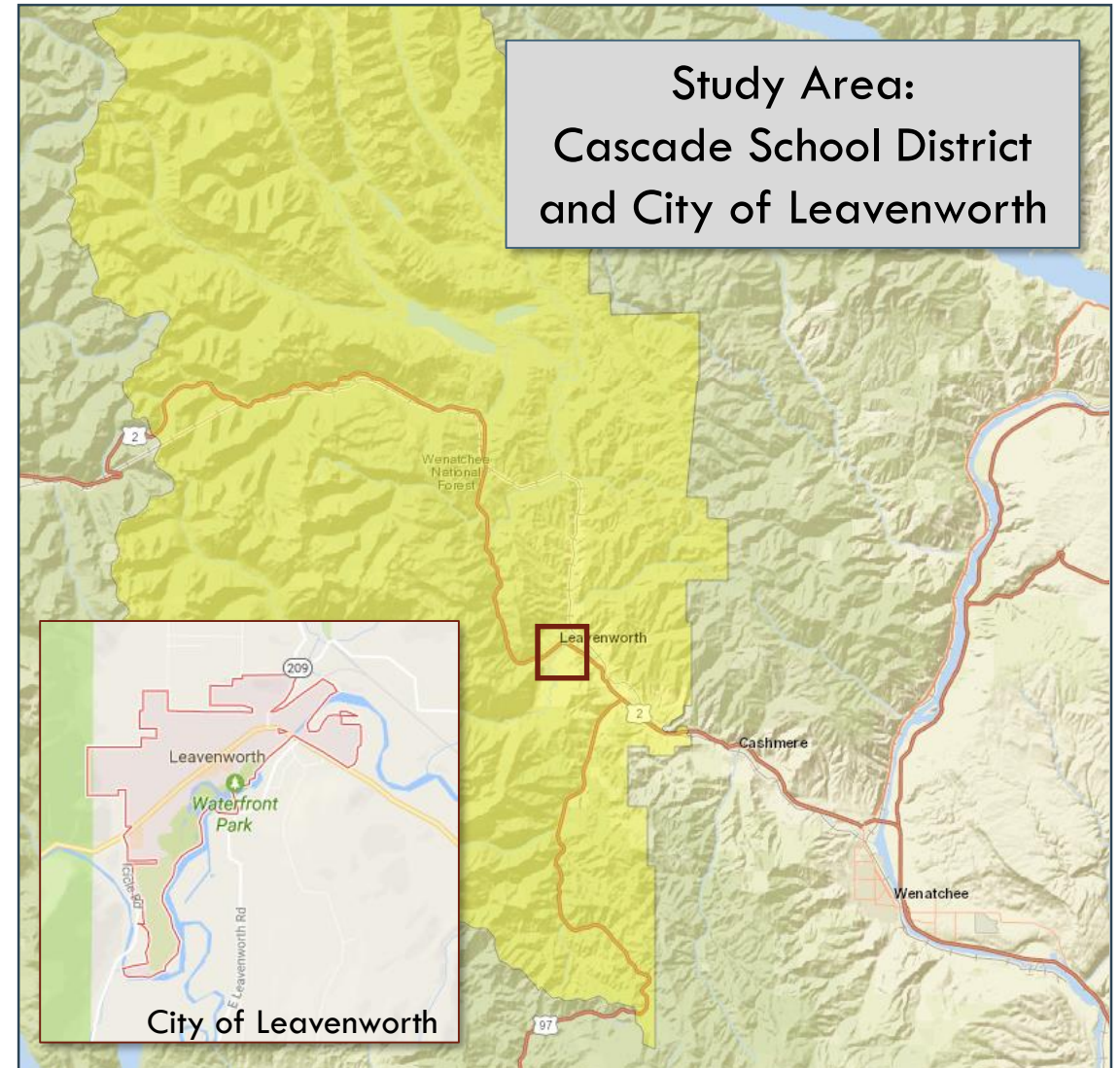
- Leverage and expand the existing MFTE program
- Review parking standards
- Review regulations for barriers to creating “missing middle” housing types
- Consider appropriate opportunities for additional residential density
- Expand outreach and marketing to housing developers
 - Compare developer cost burdens in Wenatchee to other eastern Washington jurisdictions*

* Action currently being pursued by City.

Leavenworth Housing Needs Assessment

Study Goals

- Assess needs of households living and working in the Leavenworth area
- Particular focus on workforce housing
- Summarize findings for consideration by the Leavenworth Housing Affordability Taskforce



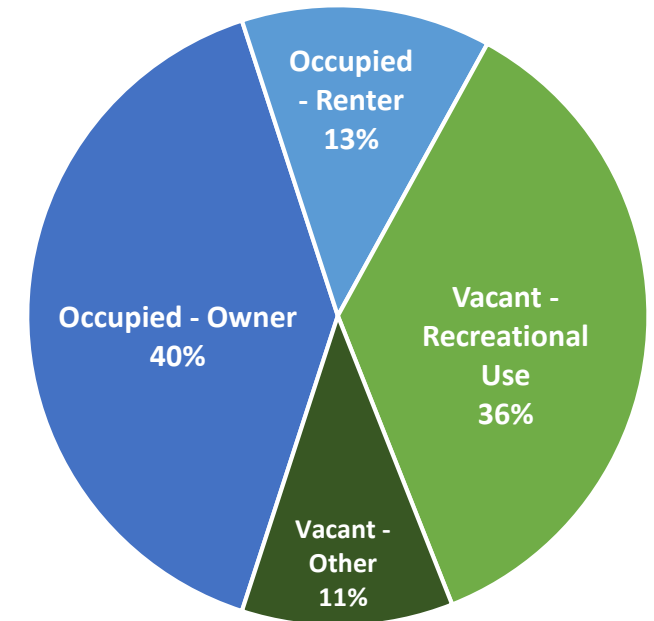
Leavenworth Housing Needs Assessment

External Pressures on Local Housing Demand

- Vacation home market
- Short-term vacation rentals
- Impacts to long-term renter households
 - Estimated vacancy rate: **1%**
 - Rents increased **13% annually** between 2013 and 2016
 - **36%** households are cost burdened
 - **25%** are severely cost burdened
- Growing number of local workers commuting from long distances
 - **755** workers live more than 50 miles away

Share of Housing Supply by Occupancy Status, Cascade School District

Source: U.S. Census, American Community Survey 5-Year Estimates, 2011-2015; BERK 2017.



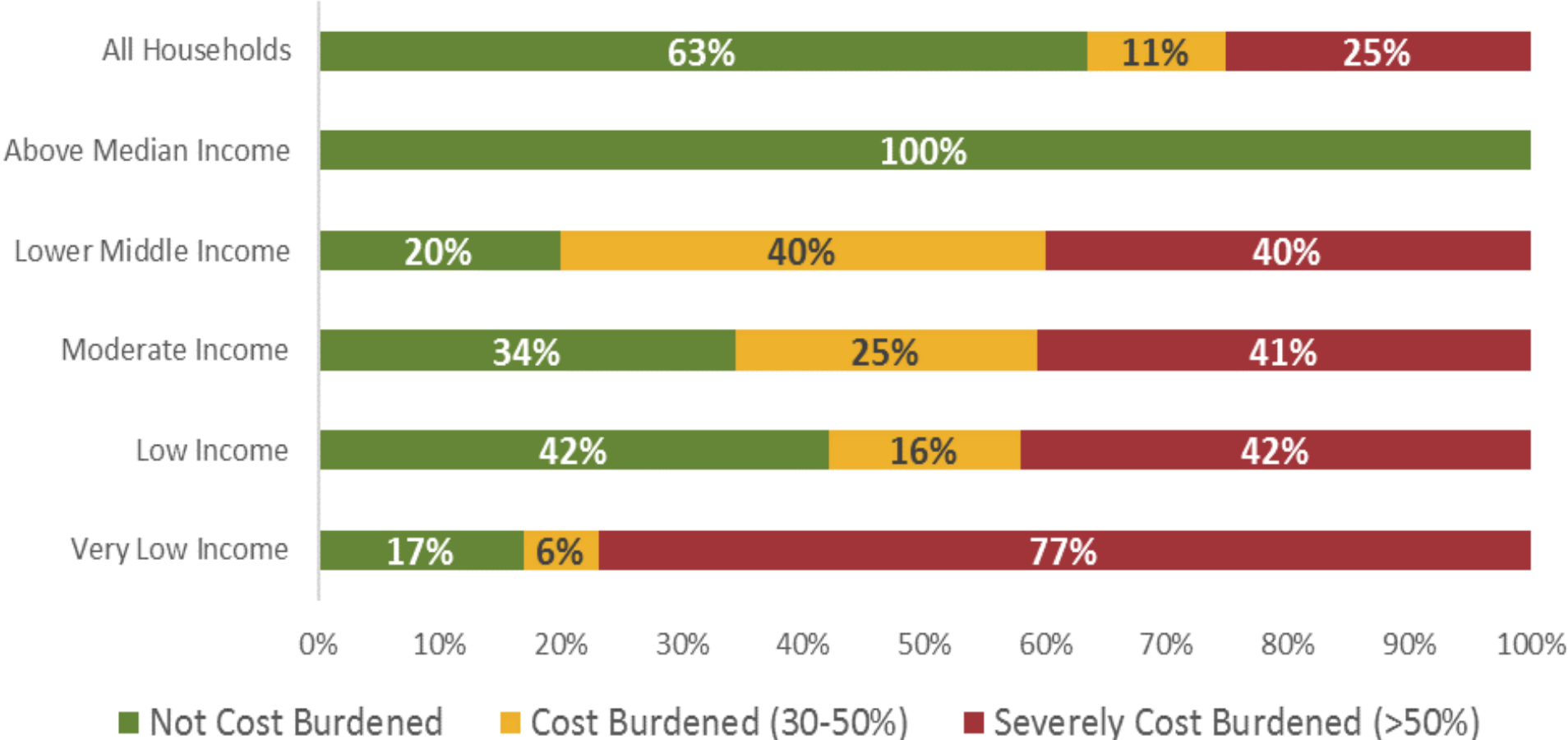
Rental units available in the greater Leavenworth area (January 2017)

Short-term rentals	300+ listings
Long-term rentals	10 listings

Sources: BERK analysis of listings on Airbnb, HomeAway, VRBO, Apartments.com, Craigslist, ClaZ.org, Zillow.com, The Leavenworth Echo classifieds.

Leavenworth Housing Needs Assessment

Renter Household Cost Burden By Level of Income



Leavenworth Housing Needs Assessment

Recommendations

- Consider regulations to the short-term rental market to avoid loss of rental housing stock*
- Consider incentive zoning or MFTE to provide for affordable housing
- Examine and address barriers to infill and redevelopment
- Consider appropriate opportunities for additional residential density

* Action implemented by City.

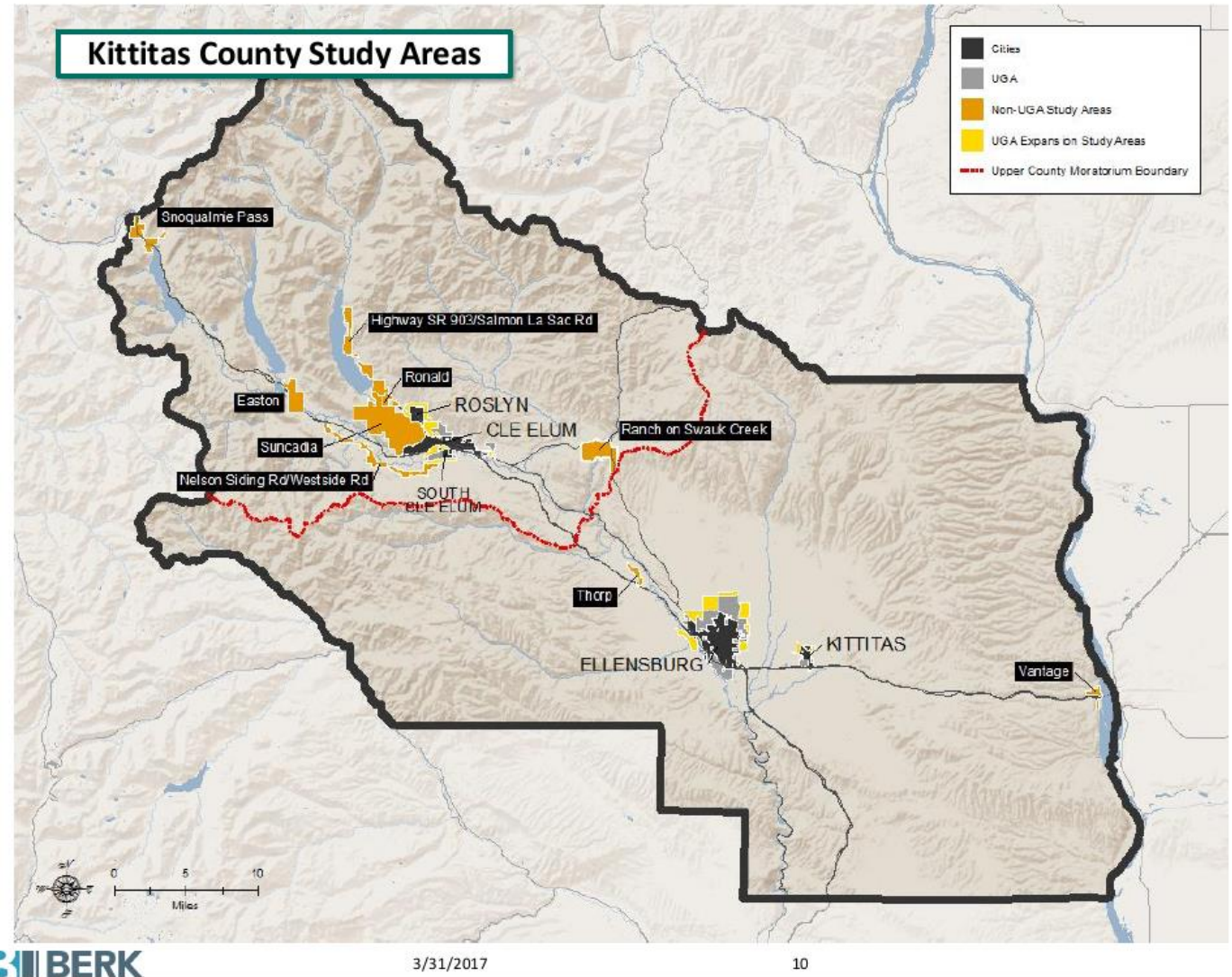
Ellensburg



Ellensburg

Current planning efforts

- Comprehensive Plan update cycle
- Countywide land capacity analysis



Ellensburg

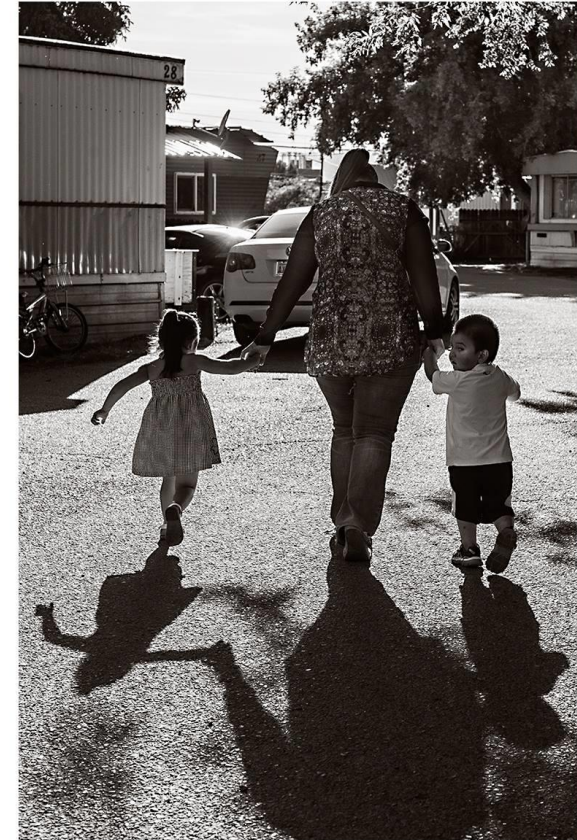
Community Action - Shady Acres Mobile Home Park



Seattle Times



Ellensburg Daily Record



www.robfraser.com

Ellensburg

Land Development Code – density bonus incentives

- Purpose

- To promote a variety of housing types
- To promote green building policies and practices
- To promote compact development patterns
- To promote the integration of trails into the design of new developments
- To promote the preservation of historic resources
- To promote the integration of affordable housing into new development

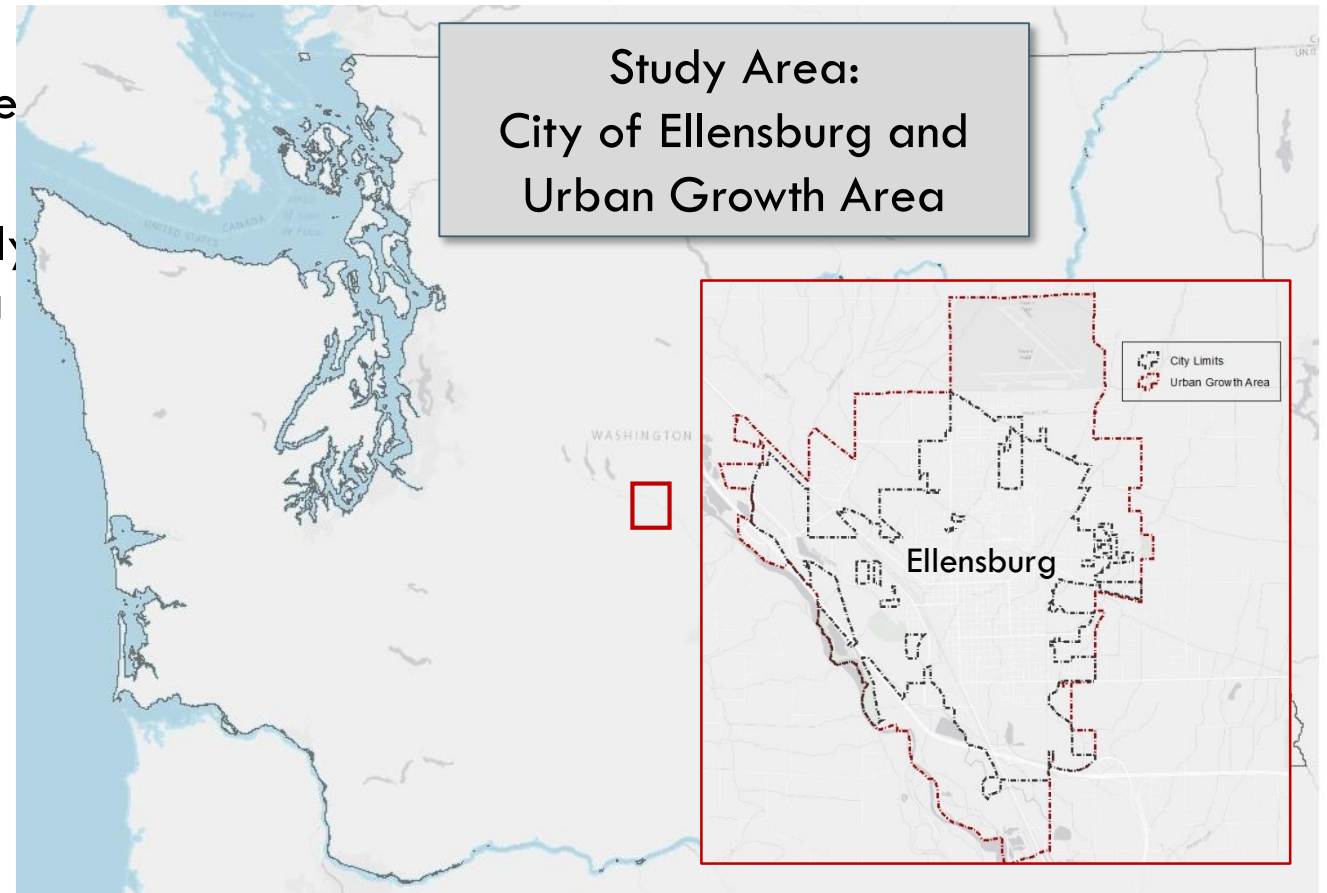
- Density bonus system

- Energy efficient construction
- Greater mix of housing types
- Off-street trails
- Historic preservation
- Affordable housing
- Publicly accessible art

Ellensburg Housing Needs Assessment

Study goals

- Assess alignment of housing needs with current housing stock and housing market trends
- Particular focus on student, low income family, senior and disabled, and workforce housing
- Develop policy recommendations



Ellensburg Housing Needs Assessment

Student housing needs result in unique market characteristics

- **50%** of Ellensburg population are students
- **33%** of Ellensburg population are students living off campus
- Median household income - **\$28,341**
- Median family household income - **\$60,650**

Household Type	Household Income Level					All Households
	Verly Low (<30%)	Low (30-50%)	Moderate (50-80%)	Lower Middle (80-100%)	Above AMI	
Elderly Family	20	35	100	34	330	519
Elderly Non-Family	195	275	60	35	210	775
Large Family	0	55	60	4	150	269
Small Family	364	240	270	90	1,160	2,124
Other	1,755	620	534	200	354	3,463
Total	2,334	1,225	1,024	363	2,204	7,150

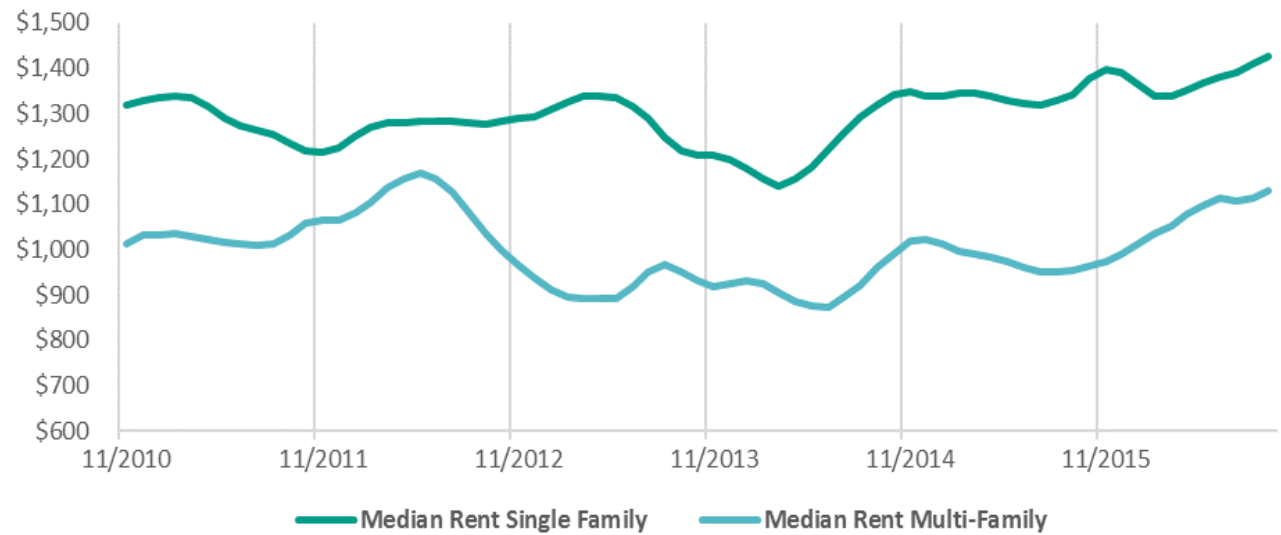
Household Type Description (types are mutually exclusive)	
Elderly Family	2 persons, either or both age 62 or over
Elderly Non-Family	Age 62+, living alone
Large Family	Families with 5 or more members
Small Family	Families with 2-4 members (excluding elderly families)
Other	Non-family, non-elderly households (Many likely to be students)

Ellensburg Housing Needs Assessment

Rental housing market findings

- **0.8%** apartment vacancy rate in 2016
- Almost **70%** households are cost burdened
- **43%** are severely cost burdened
- Median multifamily rent is **\$1,129**
- Median single family rent is **\$1,426**

Household Type (Renters only)	Household Income Level					Total
	Verly Low (<30%)	Low (30-50%)	Moderate (50-80%)	Lower Middle (80-100%)	Above AMI	
Elderly Family	20	0	0	0	20	40
Elderly Non-Family	185	130	0	15	0	330
Large Family	0	10	0	0	0	10
Small Family	274	220	85	10	0	589
Other	1,625	545	245	35	30	2,480

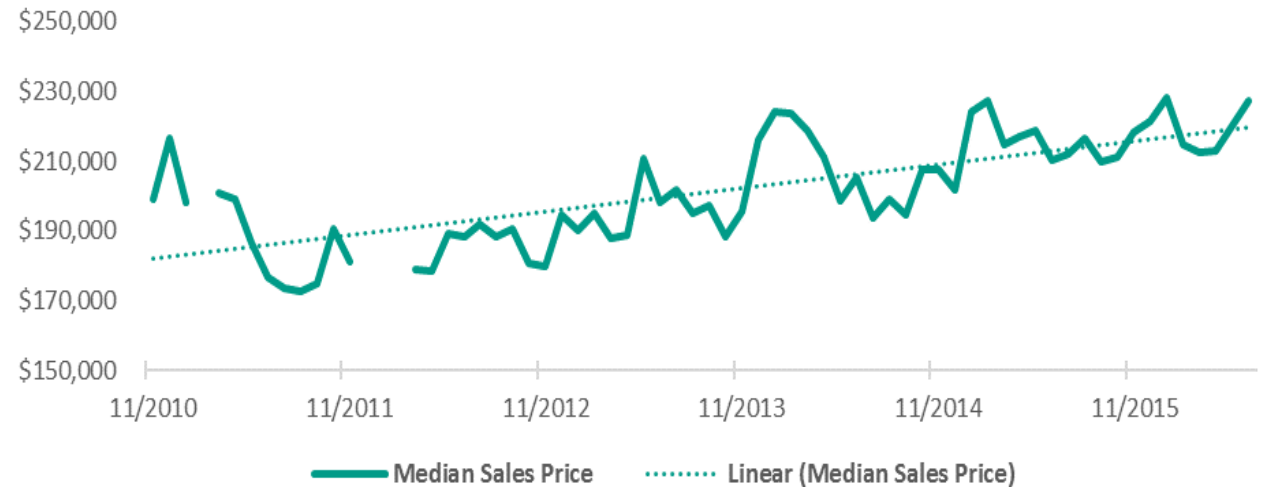


Ellensburg Housing Needs Assessment

For sale housing market findings

- **21%** of owner-occupied households are cost burdened
- **\$227,250** median home sale price
- Household income of **\$47,480** to afford 2016 median selling price

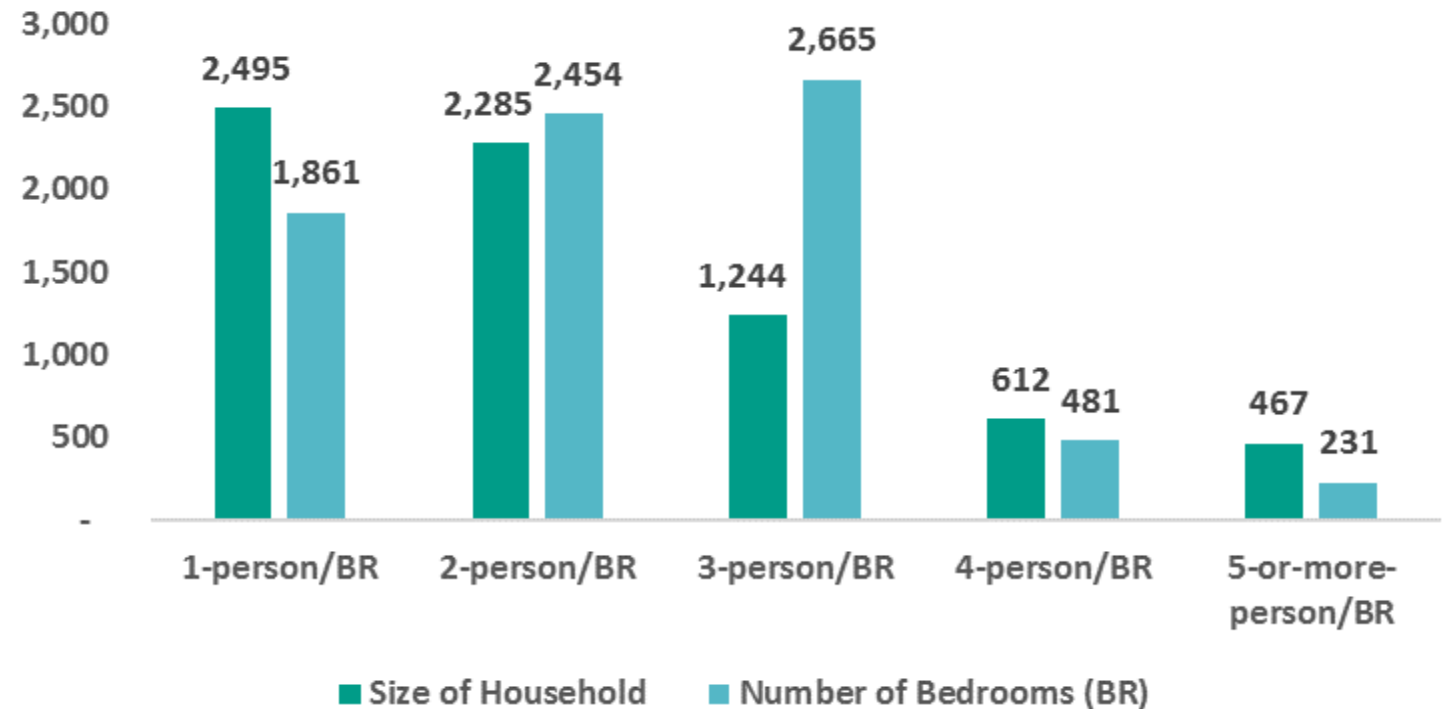
Household Type	Household Income Level					Total
	Verly Low (<30%)	Low (30-50%)	Moderate (50-80%)	Lower Middle (80-100%)	Above AMI	
Elderly Family	0	15	30	4	0	49
Elderly Non-Family	10	45	20	0	0	75
Large Family	0	0	20	0	15	35
Small Family	20	0	45	40	90	195
Other	40	0	39	40	29	148
Total	70	60	154	84	134	502



Ellensburg Housing Needs Assessment

Mismatch between housing supply and housing needs

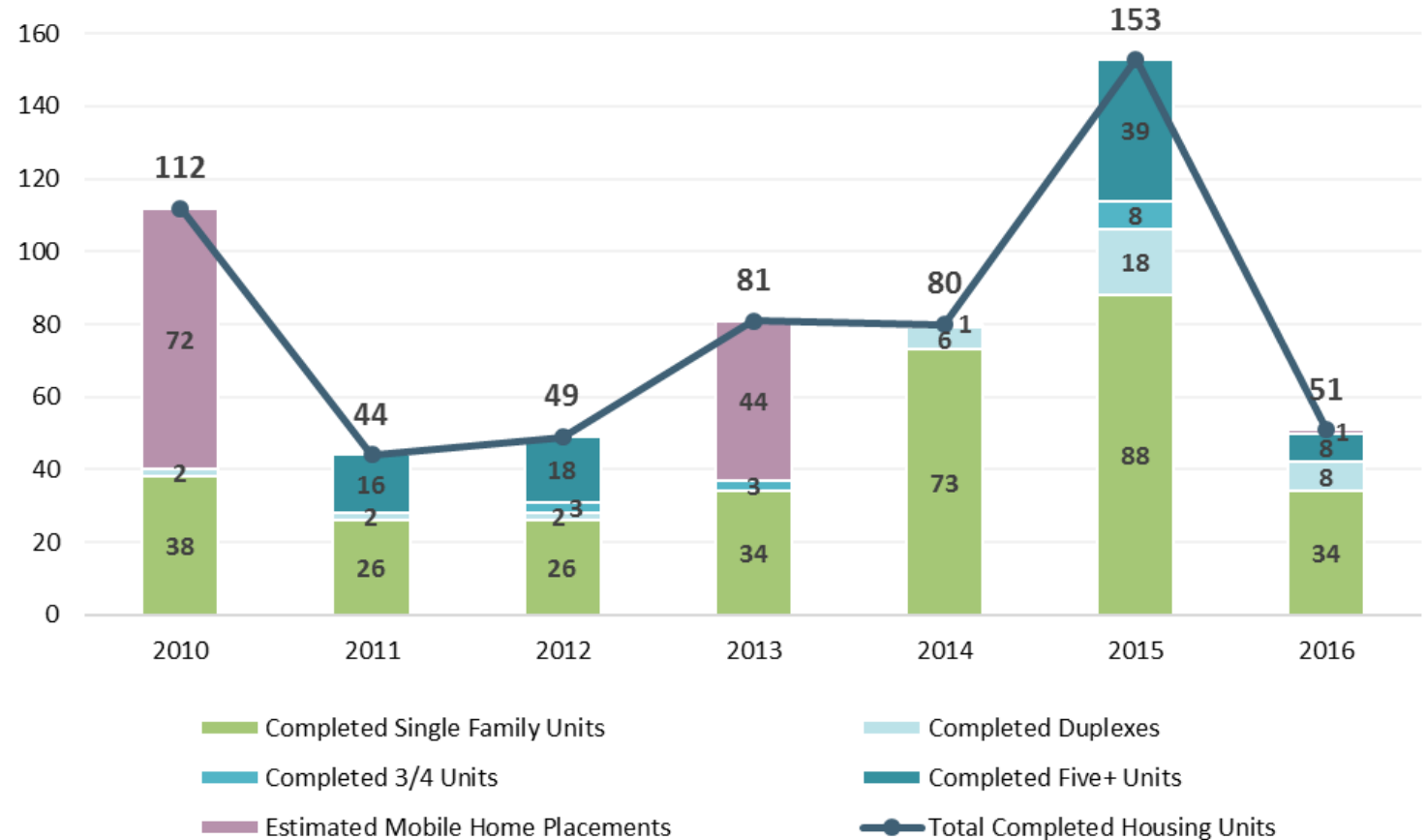
- **67%** of households have 1-2 members
- Only **24%** of units have less than 2 bedrooms
- Only **56%** of units have less than 3 bedrooms



Ellensburg Housing Needs Assessment

Housing production

- **56%** of units produced were single family homes
- Less than **25%** of units produced were multifamily
- Very little development in “missing middle” formats
- Mobile home placements were all in one development



Ellensburg Housing Needs Assessment

Getting the word out

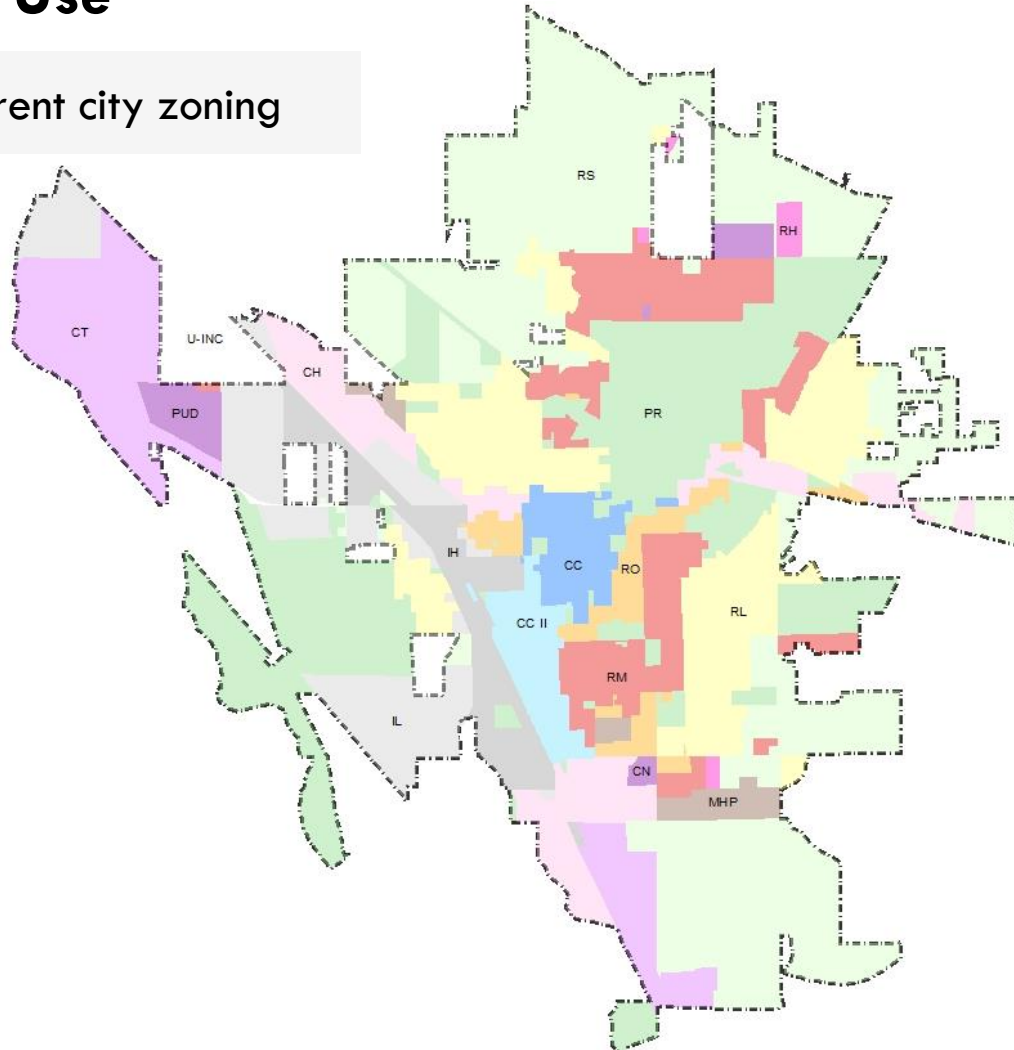
- CWU – Capital Facilities Planning Committee
- City of Ellensburg Planning Commission
- Daily Record Editorial Board
- Kittitas County Chamber of Commerce Board
- Kittitas County Democrats
- Kittitas Valley Hospital Board
- Kittitas County Homelessness and Affordable Housing Committee
- Kittitas County League of Women Voters
- Open public meeting
- Rotary Club



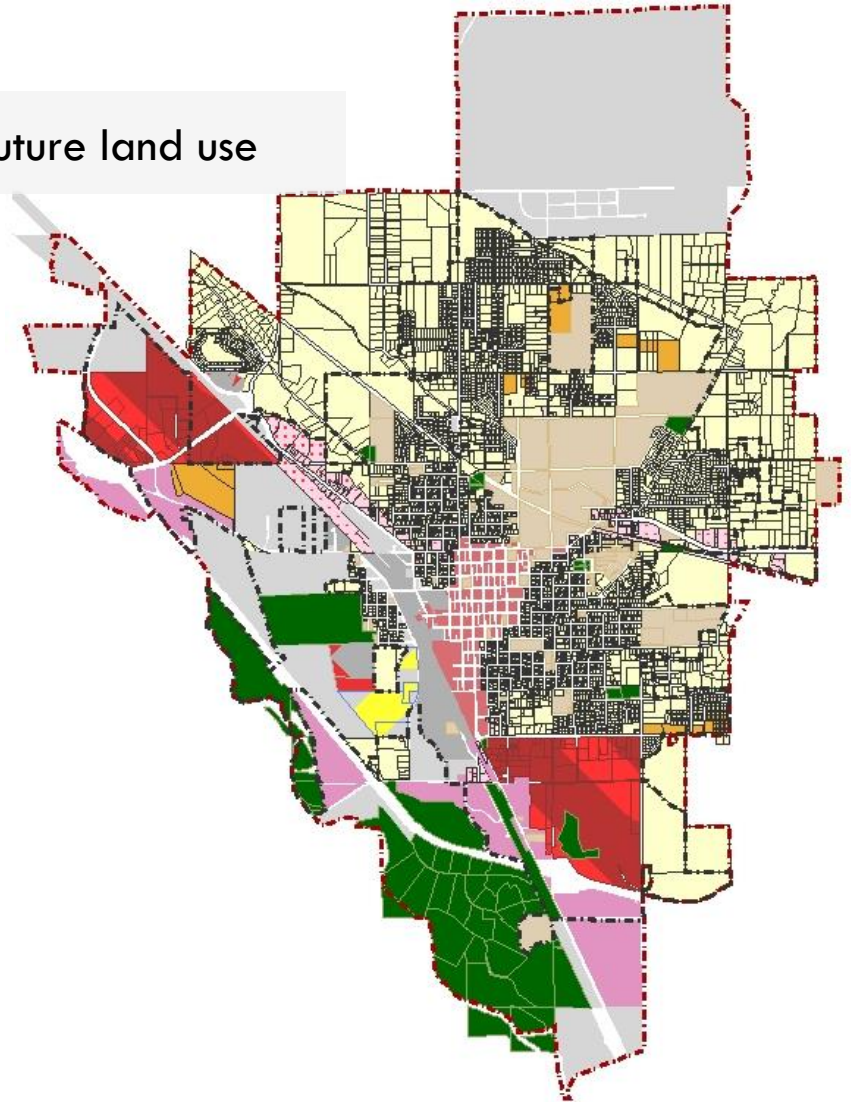
Ellensburg – moving forward

Land Use

Current city zoning



Future land use



Ellensburg - moving forward

Land Use

■ Goals

- Increase flexibility
- Increase opportunities for multifamily development
- Do not tie implementation to existing zoning districts

Comprehensive Plan Designation	Implementing Zone
Mixed Residential	R-S, R-L, R-M, R-O, MHP, MHS
High Density Residential	R-H, R-O
Central Commercial	C-C, C-C II
Corridor, Neighborhood Commercial	C-N, C-H
Tourist Commercial	T-C, C-H
Business Office Park	R-O
Industrial Residential	R-S, R-O
Light Industrial	I-L
Heavy Industrial	I-H, C-C II
Open Space	P-R, or per zoning code
Public Institutional	P-R, or per zoning code
General Commercial	C-T, C-H

Ellensburg – moving forward

Land Use

- Planning Commission work sessions
- Online engagement
- Community workshop





[PRIVATE] Ellensburg is projected to grow by **11,757** people over the next 20 years. We need your help to plan for where residents will be living and working.

Introduction

Feedback

Your Response

Outcome

Edit

Introduction

This activity is meant to get you thinking about where and how our community should grow over the next 20 years.

Community input from this activity and a **Community Open House** on **May 24 from 3:00pm - 7:00pm** at Hal Holmes Center will be incorporated in the update of Ellensburg's Comprehensive Plan, our 20-year plan for future growth and development. Different types of land use can impact the environment, the economy, and quality of life. This activity includes 6 mapping questions to get your suggestions for the locations of different types of **Housing, Mixed Use, Commercial,** and **Industrial** activities and your suggestions for locating future **neighborhood parks** and a potential **community center**.

Get started!

Provide your suggestions for community land uses

Ellensburg is projected to grow by 11,757 people over the next 20 years and we need your help to shape the future of Ellensburg's **Housing, Mixed use, Commercial, and Industrial** land uses. Each of the four land use types is broken into more descriptive categories. Please read through the descriptions and use the maps to identify areas in Ellensburg that you think make sense for each use. The last two mapping questions address your suggestions for locating future **neighborhood parks** and a **community center**.

On each of the maps you can zoom in and out using the (+) and (-) buttons on the right side of the map. Schools, grocery stores, parks, and other amenities and landmarks you may find helpful for informing your land use suggestions will come into view as you zoom in on each map.



Urban Single Family Housing

This residential type would include single family homes that share a common wall - such as townhomes, single family attached homes, duplexes, and condominiums.

Housing

Diversity in housing is essential to meet the needs of different household sizes and types based on personal preferences and a range of household incomes. We have split the Housing into four different broad categories that represent different housing types - **Single Family Housing, Urban Single Family Housing, Mixed Housing, and Multifamily Housing**. See the descriptions for each type below.



Mixed Housing

This type of land use designation would accommodate for a range of housing types that include single family homes on small urban lots up to smaller multifamily units.



Multifamily Housing

This residential housing type would accommodate for a wide range of housing types up to large scale multistory, multi-dwelling developments.

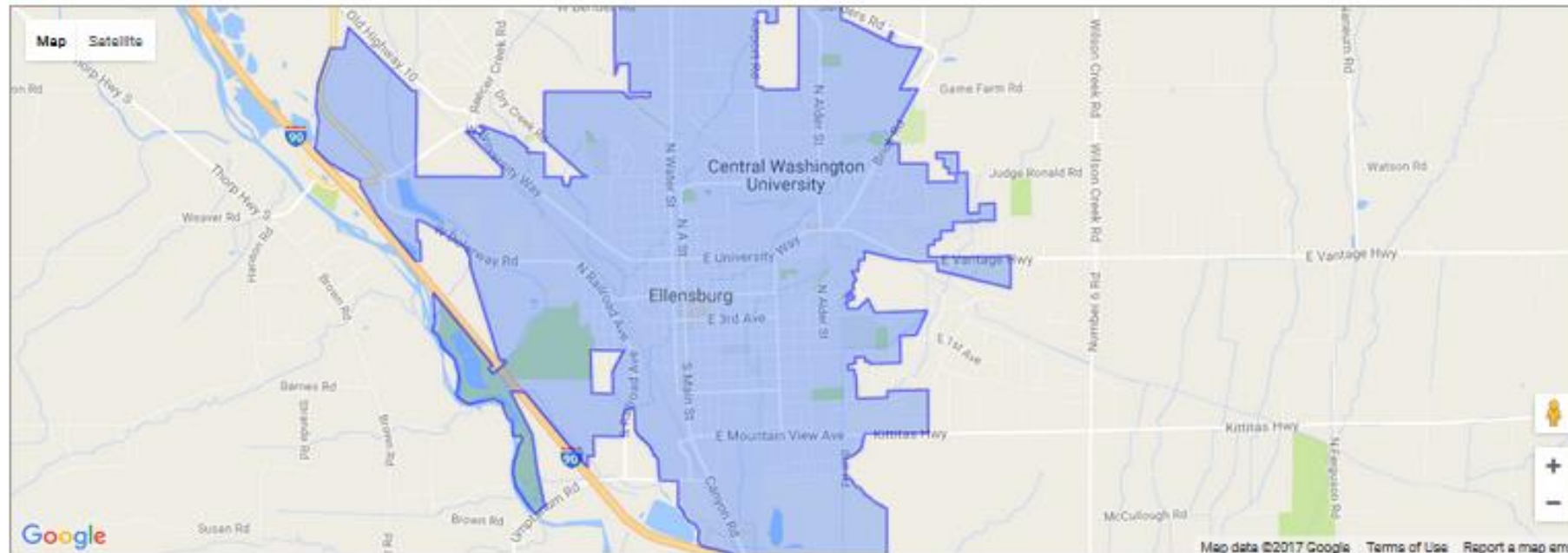
Use the housing descriptions to indicate on the map where and what kind of housing you think we need in Ellensburg. A blank map indicates housing uses should stay the same. Not including a particular use will indicate you do not recommend this use for Ellensburg's future.

Mark a map in 3 steps

1 Select a place type

<input checked="" type="radio"/> SFH - Single family housing	<input type="radio"/> USF - Urban single family housing	<input type="radio"/> MH - Mixed housing
		<input checked="" type="radio"/> MFH - Multifamily housing

2 Click where you want it to be

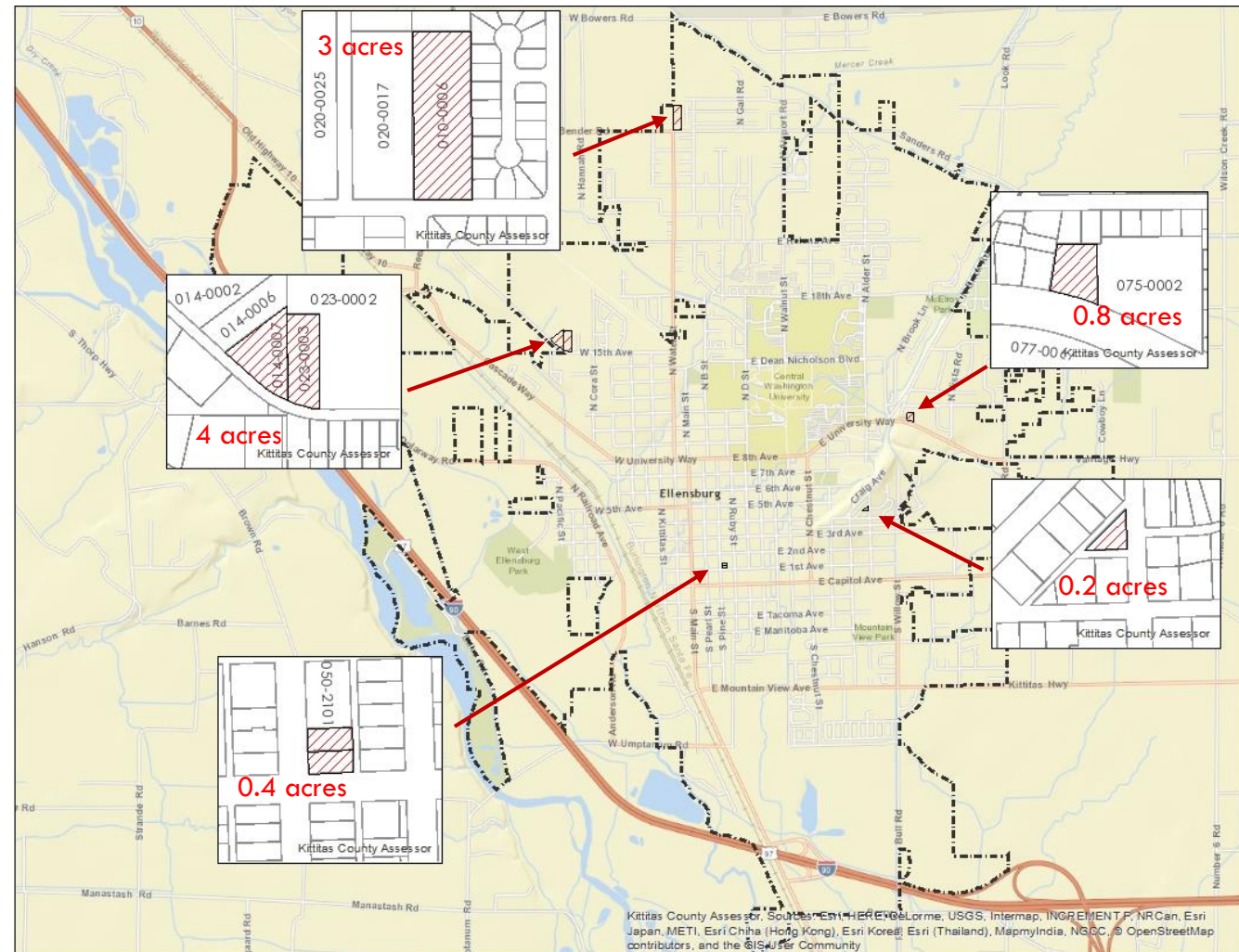


3 Repeat steps 1 and 2 as many times as you want.

Ellensburg – moving forward

City facilitated affordable housing development

- 5 City owned parcels
 - Project Nominations – April 17
 - Ranking – coming soon!



Ellensburg – moving forward

Next steps

- Outreach and review development incentives
- Expand Multifamily tax exemption program
- Review regulations
 - Barriers to “missing middle” formats
 - Parking standards



Questions



Presenters Contact Information

- Kevin Ramsey, Ph.D.
Senior Associate
BERK Consulting
www.BerkConsulting.com
Kevinr@berkconsulting.com

- Kirsten Sackett
Community Development Director
City of Ellensburg
sackettk@ci.ellensburg.wa.us
- Angela San Fillippo, AICP
Senior Long Range Planner
City of Ellensburg
sanfilippoa@ci.ellensburg.wa.us