

WENATCHEE URBAN AREA

HOUSING NEEDS ASSESSMENT & MARKET DEMAND STUDY

September 2016



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EXECUTIVE SUMMARY

Rising housing costs in the Wenatchee region are creating affordability challenges for many households. This housing needs assessment and housing market demand study is intended to shed light on these challenges.

The Wenatchee region is growing. Demographic and employment projections for the area indicate continued growth in years to come.

Housing prices are rising. The Wenatchee area housing market has recovered strongly from the downturn in the housing market during the last economic recession. Since 2012, single family median home sales prices have risen by 5.7% in the cities of Wenatchee and East Wenatchee. The current single family home median sales price of \$264,550 is affordable to approximately 58% of households, provided the household can afford a 20% down payment. While condominiums in the City of Wenatchee are more affordable (median sales price: \$171,450), prices are also rising rapidly and increased 6.6% annually during the same period. One key reason for rising housing prices is a low vacancy rate among for sale housing (1.4%). An additional 675 for sale units are needed to increase the current vacancy rate to a healthy 5% level.

Rents are rising and vacancy rates are low. Zillow estimates median rents have risen by 6.5% annually since 2012. Multifamily survey data indicates rents may be rising as much as 15% annually in recent years. As of June 2016 the median multifamily rent is estimated to be nearly \$1,300. This rent is considered affordable to a household earning approximately 90% of area median income. However multifamily vacancy rates are very low at only 1%. Additionally, 10% of rental units are estimated to be overcrowded. This indicates supply is not keeping up with demand and there may continue to be upward pressure on rents in years to come. Production of 252 additional multi-family units is needed to increase the current vacancy rate to a healthy 5% level. More production will be necessary to accommodate continued population and employment growth.

Many households are cost burdened. 31% of Wenatchee area households spent more than 30% of their income towards housing costs between 2010 and 2014. 12% spent more than 50% of their income on housing. These numbers are considerably higher for renter households and those earning less than area median income.

One explanation for cost burden among low and moderate income rental households is a lack of market rate rental housing affordable to higher income earners. Estimates for 2014 indicate there was a surplus of rental units affordable to households in the 30 – 50%, 50-80%, and 80- 100% of median household income ranges. However, there was also a deficit of units priced for higher income households. This can result in “down renting” whereby higher income households occupy units that are less expensive than they can afford, effectively reducing the supply of units affordable to lower income households.

There is a mismatch between household size and housing stock. Two thirds of housing units in the Wenatchee area have three or more bedrooms, yet nearly 60% of Wenatchee households have only one or two members. One bedroom and studio units are in particularly short supply; they account for only 11% of the current housing supply combined. This finding indicates a significant need for additional smaller housing units.

Subsidized units and vouchers are in high demand. There are currently up to 1,715 households receiving some kind of subsidy in order to keep housing costs affordable. Yet, as of 2014 there were an estimated 2,855 households earning 50% of the median household income or less. According to the Housing Authority of Chelan County and the City of Wenatchee, income-restricted housing and Section 8 housing choice vouchers are both in very high demand with long waitlists.

More senior households are expected. Demographic projections indicate there will be rapid growth in the number of senior households in coming years as baby boomers enter their 60s, 70s, and 80s. Senior households have unique housing needs that will shape market demand in years to come.

Recommendations

The findings of this study indicate there is and will continue to be strong demand for smaller housing units. Encouraging the development of more multifamily and “missing middle” housing types (such as duplexes, triplexes, townhomes, cottages, and accessory dwelling units) will help to meet this demand and also increase the supply of workforce housing. This study recommends exploring a number of strategies including:

- Expand outreach and marketing to housing developers and trades to expand access to builders and subs
- Expand and Leverage the Multifamily Tax Exemption (MFTE) program
- Review parking standards
- Review barriers to developing “missing middle” housing types
- Review the Washington State Housing Finance Commission’s Low Income Housing Tax Credit (4% credit/bond program scoring (Form 10) with local developers to understand how the City could contribute to a competitive project. For example, through a land contribution, designating property at-risk, or financial contribution.
- Consider appropriate opportunities for additional residential density
- Provide new opportunities to add affordable units through land contributions or other incentives
- Maintain awareness of baseline development costs

INTRODUCTION

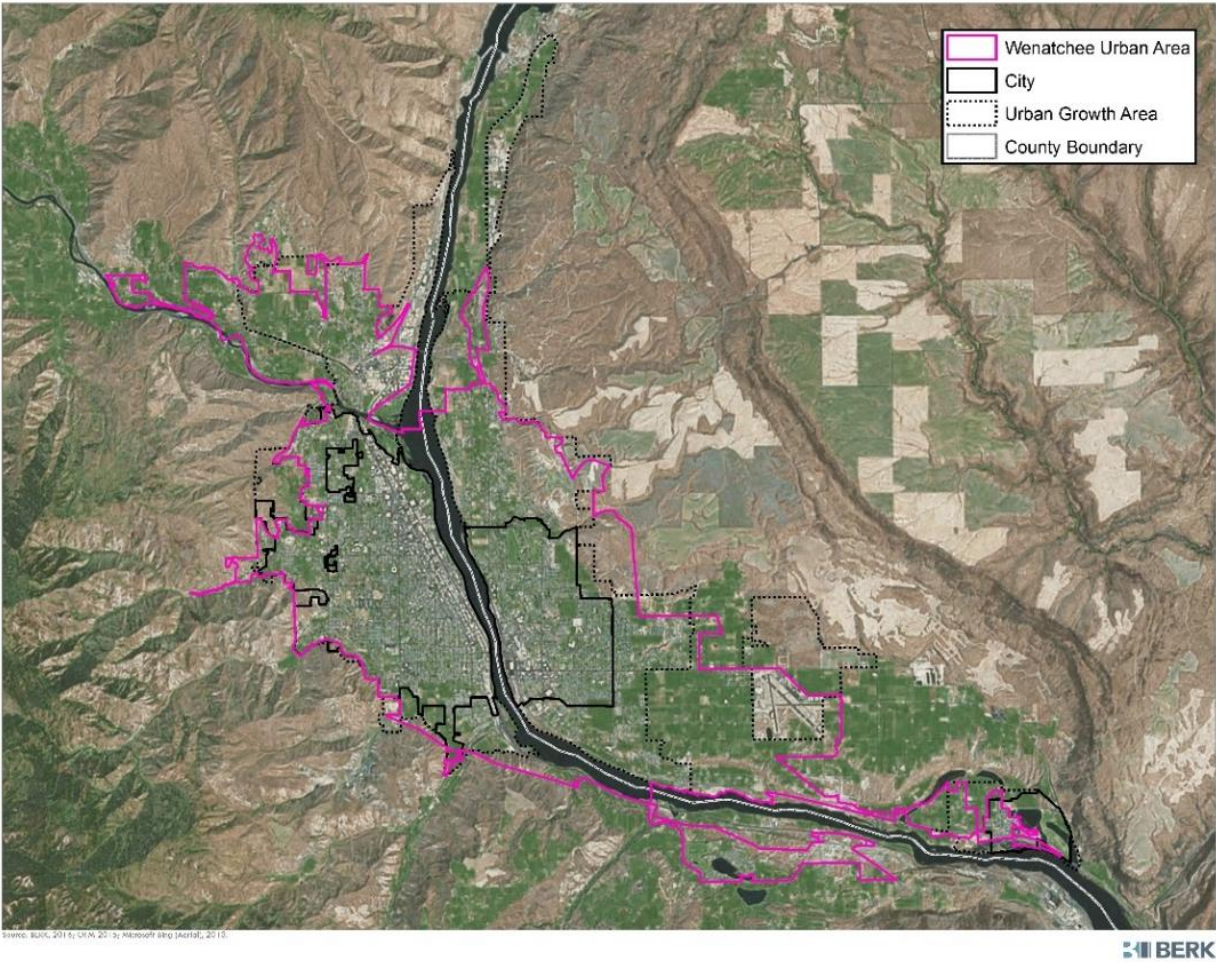
The City of Wenatchee, working in collaboration with the City of East Wenatchee, Housing Authority of Chelan County and the City of Wenatchee (CCWHA), Chelan County, Douglas County, The Women's Resource Center, and Build NCW, has requested an assessment of housing needs and housing market demand. This report presents an analysis of trends with regards to population and household characteristics, employment growth, housing supply and market production, and housing affordability in Wenatchee and surrounding communities. It also assesses the extent to which current housing needs and demands are being met, with an emphasis on four priority household types: Senior/disabled, workforce, farmworker, and those in need of permanent supportive housing. Finally, the report offers recommendations for next steps in developing a strategy to address identified housing challenges.

STUDY AREA

This study assesses housing needs and market demand within the Wenatchee Urban Area, which includes the Cities of Wenatchee and East Wenatchee as well as parts of Rock Island and surrounding unincorporated lands.

Exhibit 1 shows the Wenatchee Urban Area boundary as well as city and urban growth area boundaries. In many cases urban growth areas extend beyond the Wenatchee Urban Area boundary. Household characteristics and growth trends described in this report describe activity inside the Wenatchee Urban Area unless otherwise specified. Likewise, "Wenatchee" refers to the entire urban area unless otherwise specified.

Exhibit 1. Wenatchee Urban Area



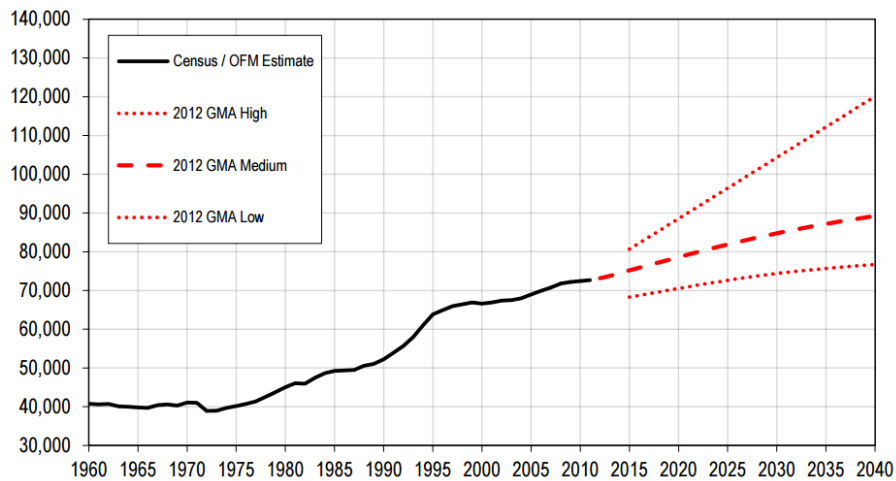
Source: BERK, 2016; Washington State Office of Financial Management, 2015; Microsoft Bing (Aerial), 2013.

POPULATION AND HOUSEHOLD CHARACTERISTICS

As of 2015, 69,448 people live in the Wenatchee urban region. Between 2000 and 2015, the population grew by nearly 12,000 or a rate of 1.3% per year on average. Since 2012, the region has been growing at a rate of 0.8%, or about 560 new residents per year. The Washington State Office of Financial Management (OFM) most likely growth projection for Chelan and Douglas Counties combined assumes 1.1% annual growth rate over the next 10 years. Exhibit 2 and

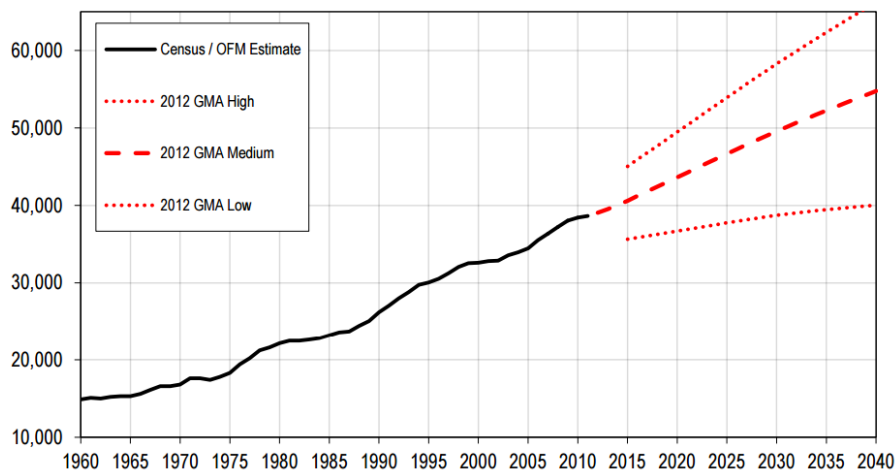
Exhibit 3 show historic population growth and OFM projections for Chelan and Douglas counties. The 2012 GMA Medium projection is considered most likely.

Exhibit 2. OFM Population Growth Projections, Chelan County



Source: Washington State Office of Financial Management, 2012.

Exhibit 3. OFM Population Growth Projections, Douglas County



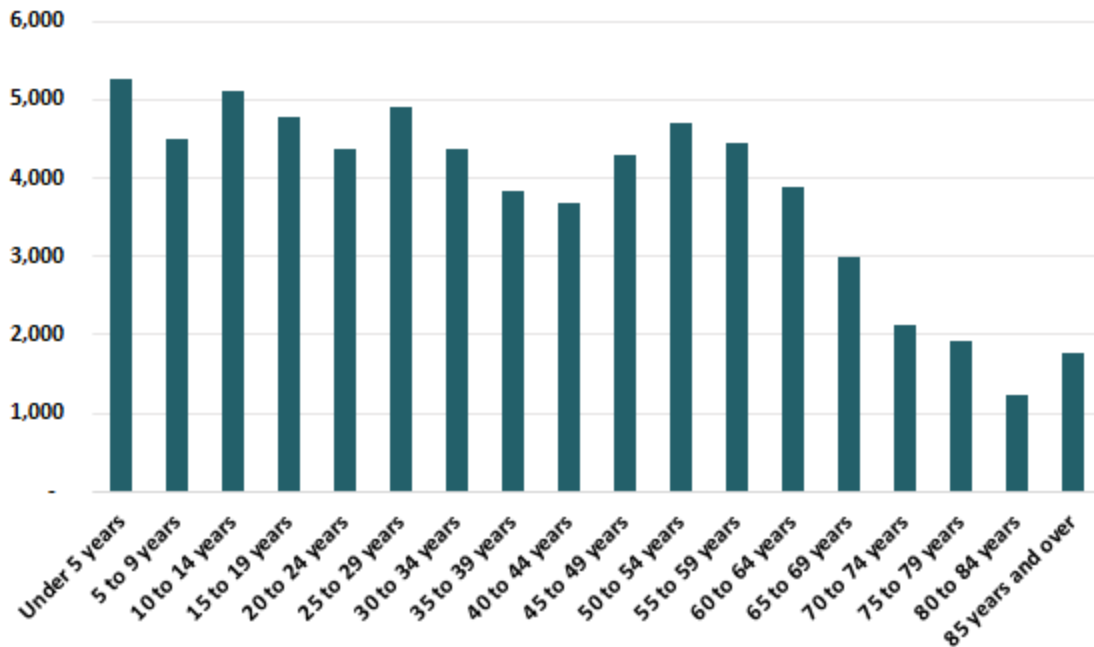
Source: Washington State Office of Financial Management, 2012.

The City of Wenatchee and its surrounding urban growth areas are expected to grow by 6,093 in population (2,497 households) between 2017 and 2037.¹ The City of East Wenatchee and its urban growth areas are expecting population growth of 7,963 between 2015 and 2035.²

Aging Population

Today Wenatchee has a relatively young population with just 14.8% of the population age 65 or older and a median age of 35.9.³ However, the area is expecting rapid growth in its elderly population during the next 10-20 years. Exhibit 4 shows the population distribution by age group, including a large number of people age 50-64 who are approaching retirement age.

Exhibit 4. Age Distribution



Source: U.S. Census, American Community Survey 5-year estimates, 2014.

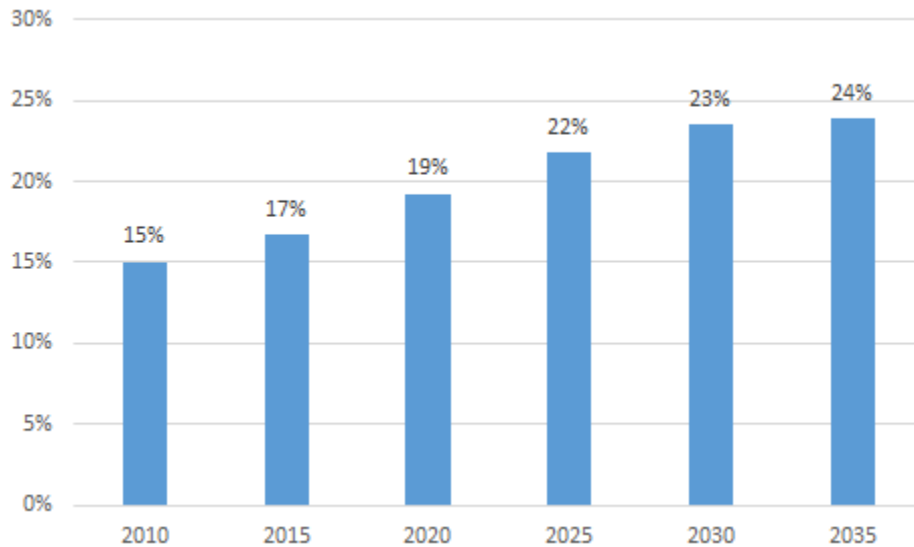
Demographers at the Washington State Office of Financial Management (OFM) develop population projections by age for counties across Washington State. In 2015, 17% of the combined population in Chelan and Douglas counties was estimated to be age 65 or older. This percentage is projected to rise rapidly in coming years, as shown in Exhibit 5.

¹ City of Wenatchee Residential Land Capacity Analysis, May 31, 2016.

² Greater East Wenatchee Area Comprehensive Plan, 2015.

³ U.S. Census, American Community Survey 2010-2015 5-Year Estimates.

Exhibit 5. Projected Percentage of Population Age 65 or older, Chelan and Douglas Counties



Source: Washington State Office of Financial Management, 2012.

Individuals age 65 and older are more likely to have one or more disabilities than the population at large. Exhibit 6 shows that 36% of all people age 65 and older have one or more disabilities, compared to only 9% of the population under age 65.

Exhibit 6. Population with a Disability by Age Group

	Total Population	Population with Disability	Percentage of Population with Disability
All Age Groups	67,719	8,949	13%
Population under 5 years	5,233	16	0%
Population 5 to 17 years old	12,620	755	6%
Population 18 to 64 years old	39,947	4,565	11%
Population 65 years and older	9,919	3,613	36%

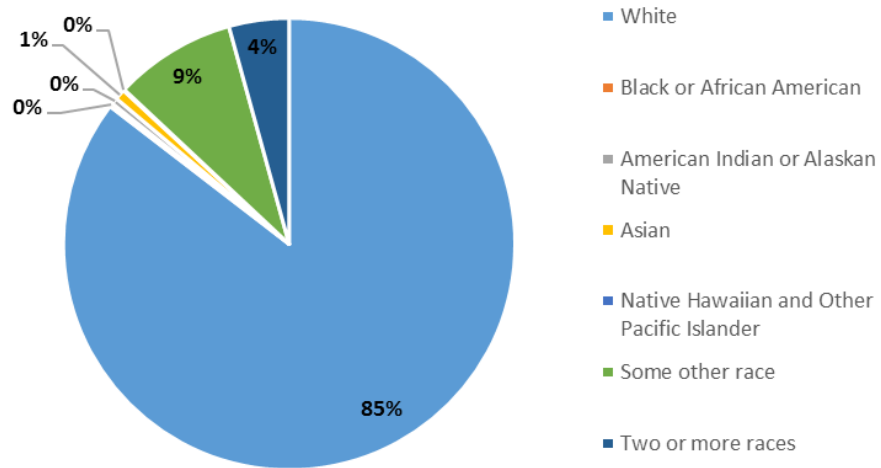
Source: U.S. Census, American Community Survey, 2010-2014 5-Year Estimates; BERK 2016.

Disabilities within each age group are broken down by disability characteristics that include: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent-living difficulty. For the population 65 years and older, the breakdown was as follows: 21.9% are living with an ambulatory difficulty, 17.8% are living with a hearing difficulty, 14.0% are living with a cognitive difficulty, 11.3% are living with an independent living difficulty, 9.8% are living with a vision difficulty, and 9.1% are living with a self-care difficulty.

Population Diversity

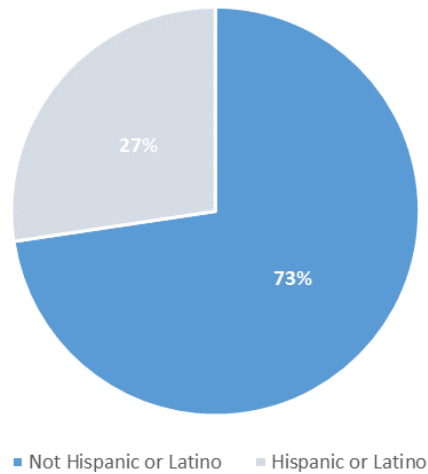
Within the Wenatchee Urbanized Area 85% identifies as White, 9% identifies as some other race, and 4% identifies as two or more races. More than one quarter (27%) of Wenatchee residents are Hispanic or Latino.

Exhibit 7. Racial Composition



Source: U.S. Census, American Community Survey 1-year estimates, 2014.

Exhibit 8. Ethnic Composition

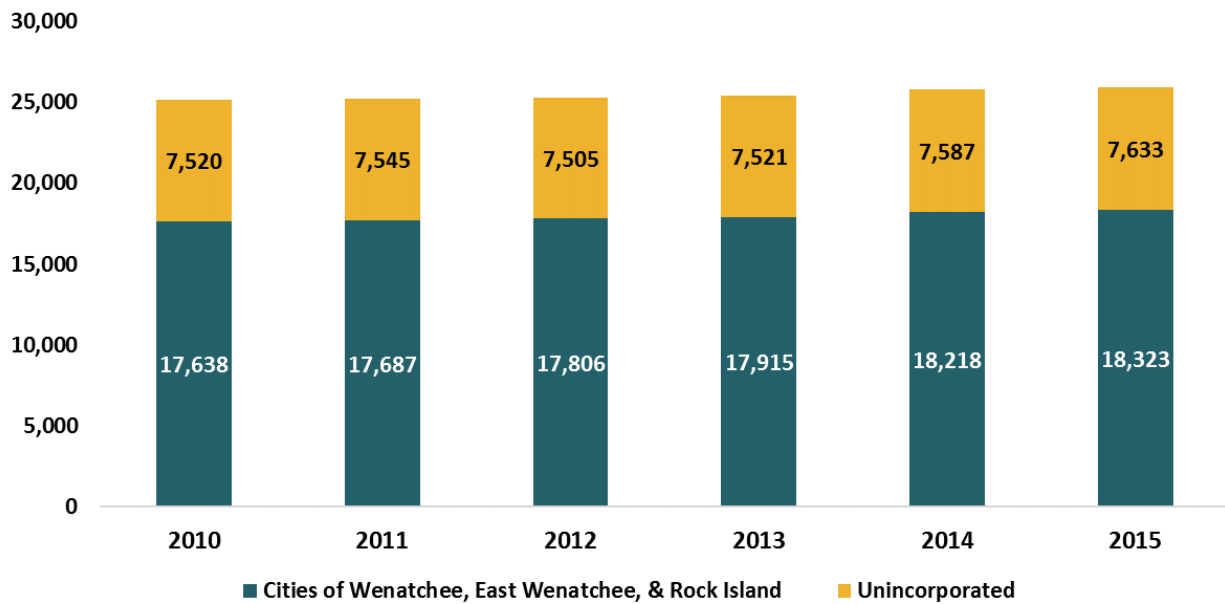


Source: U.S. Census, American Community Survey 1-year estimates, 2014.

Household Formation

The Wenatchee area added 798 households between 2010 and 2015, or about 0.63% per year. The greatest share of household growth has been within cities.⁴ Within the cities of Wenatchee, East Wenatchee, and Rock Island 685 new households were added, or about 0.76% per year. Exhibit 9 shows recent household growth broken down by cities and unincorporated areas.

Exhibit 9. Households Growth, Cities and Unincorporated Areas

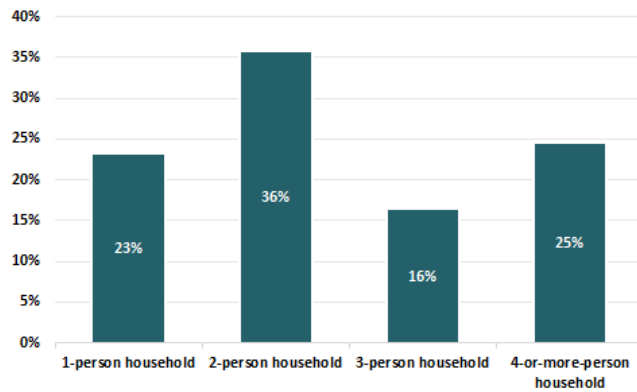


Source: Washington State Office of Financial Management, 2016, BERK 2016.

Nearly 60% of households in Wenatchee have only one or two members. Exhibit 10 shows the percentage share of households by household size.

⁴ Note that this analysis does not consider growth in nearby unincorporated areas outside of the Wenatchee Urban Area boundaries.

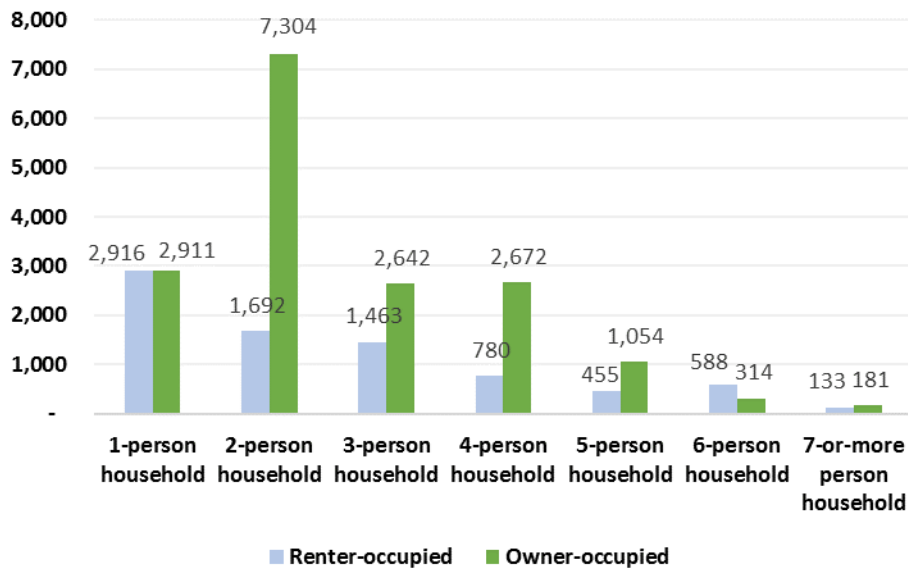
Exhibit 10. Household Size, Percent of Total Households



Source: U.S. Census, American Community Survey 1-year estimates, 2014; BERK 2016.

One third (33%) of all households in Wenatchee are renter-occupied.⁵ Exhibit 11 shows persons per household by tenure. Households with two, three, four, or five members are much more likely to be owner-occupied. 36%, over one-third, of renter households have only one member, 21% of renter households have two members, and 43% have three or more members.

Exhibit 11. Renter and Owner-Occupied Households by Household Size

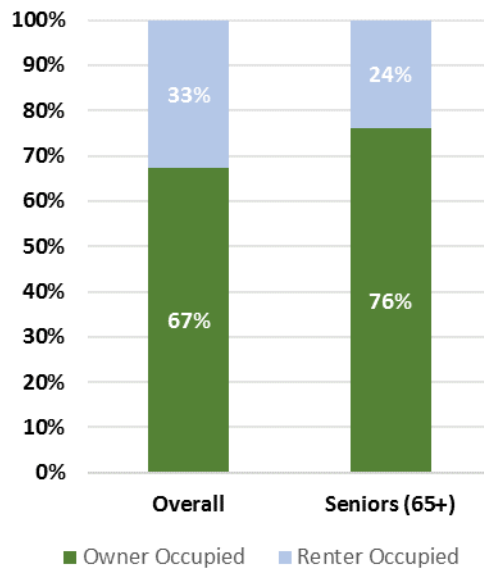


Source: U.S. Census, American Community Survey 1-year estimates, 2014; BERK 2016.

⁵ Source: U.S. Census, American Community Survey 1-year estimates, 2014.

Exhibit 12 compares housing tenure among senior households 65 and older and households under 65. 65% of the population under 65 own their own homes while 76% of the population 65 and older own their own homes.

Exhibit 12. Household Tenure for Overall Population and Seniors



Note: The number of owner-occupied senior householders is 4,984 and renter-occupied senior householders is 1,571. Source: U.S. Census, American Community Survey 1-year estimates, 2014; BERK 2016.

Household Income

In 2016, the median household income for the Wenatchee Urban Area is estimated at \$53,700.⁶ Among renter households,

The U.S. Department of Housing and Urban Development (HUD) defines income categories relative to AMI, or area median income. For the Wenatchee Metropolitan Area (including Chelan and Douglas counties), AMI for a family of four is estimated to be \$63,100. HUD's income categories are as follows:

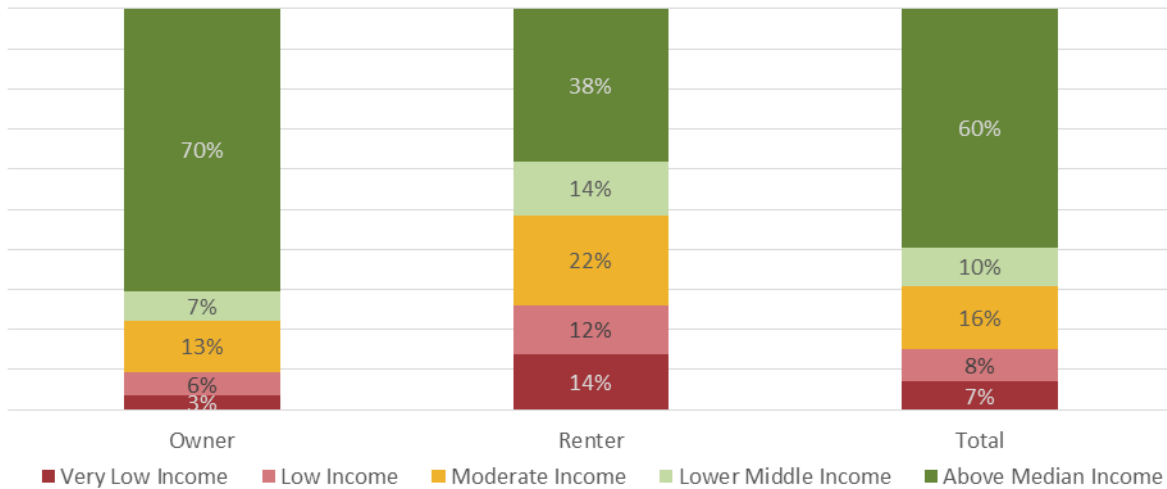
- Very Low Income – Under 30% of AMI
- Low Income – 30-50% of AMI
- Moderate Income – 50-80% of AMI
- Lower Middle Income – 80-100% of AMI
- Above Median Income – Above 100% of AMI

⁶ U.S. Census, American Community Survey 5-year estimates (2010-2014), inflation adjusted for 2016.

Exhibit 13 shows incomes for owner and renter households in the Wenatchee area for the period between 2009 and 2013.⁷ In general, income levels for owner-occupied households are higher -- 29% of owner households had incomes less than the AMI, compared to 62% of renter households during this period. There are significantly more owner households earning above the AMI (70%) than renter households (38%).

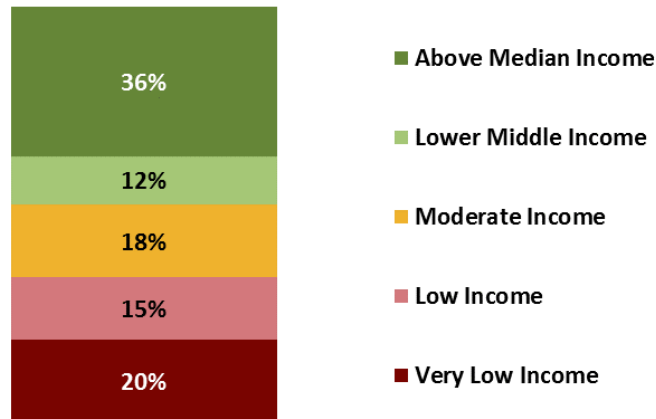
⁷ These income estimates are for the two census defined county subdivisions (CCDs) that encompass the Wenatchee Urban Area. The CCDs include additional rural land outside of the urban area. However, they are not inclusive of the entire two-county metropolitan area.

Exhibit 13. Owner and Renter Households by Income Category



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

Exhibit 14. Households with Senior Householder by Income Category



Source: U.S. Census, American Community Survey 5-year estimates, 2010 - 2014; BERK, 2016.

Households with seniors tend to have lower incomes. Over one third (35%) of seniors are in the low or very low income categories, and only 36% have incomes above median income (see Exhibit 14).

Farmworker Population

As of 2014, there were 9,962 agricultural jobs in Chelan and Douglas counties, a count that includes farmworkers and other agricultural industry jobs combined.⁸ Statewide, about 75% of farmworkers are year-round residents in their communities and 25% are migrant farmworkers, who move away from their primary

⁸ Meseck, D. (2016). Wenatchee MSA (Chelan and Douglas Counties) Labor Area Summary May 2016. Washington State Employment Security Department.

residence to do their jobs.⁹ According to Marty Miller, Executive Director of the Office of Rural & Farmworker Housing (ORFH), the percentage of farmworkers that are year-round residents in their communities is increasing.¹⁰

Based on findings from a 2008 survey, the statewide average household size for farmworkers was 4.3.¹¹ Of those surveyed 77% lived with family.¹² The statewide average annual household income in 2008 was \$17,596 for farmworkers who are year-round residents in their communities and \$14,000 annually for migrant farmworkers.¹³ 2016 farmworker wage estimates for the Wenatchee MSA indicate the average wage is \$13.80 per hour and \$28,713 annually for year-round farmworkers.¹⁴ This is slightly less than 50% of Wenatchee AMI (\$63,100 in 2016). However, the yearly income estimate is likely to be high since farmworkers are typically paid by the hour and are typically not employed for the full year.¹⁵ Therefore, based on the 2008 survey findings it is probably more accurate to assume the typical farmworker household with one worker earns closer to 30% AMI. A typical farmworker household with two wage earners could earn up to 60% AMI.

Homeless Population

Extensive data on homeless individuals and total counts is often difficult to obtain. The City is the lead entity in overseeing the development and administration of the counties' shared homeless plan.¹⁶ Homelessness data for Chelan and Douglas counties comes from the yearly Point-in-Time (PIT) count. According to HUD, this methodology is an annual count of sheltered and unsheltered homeless persons on a single night in January.

Both sheltered and unsheltered homeless individuals and families are considered in need of permanent housing. Exhibit 15 shows trends in the annual PIT count of homeless individuals both sheltered and unsheltered in Chelan and Douglas counties combined.

⁹ Washington State Farmworker Housing Trust, "A Sustainable Bounty: Investing in our Agricultural Future, The Washington State Farmworker Survey," July 2008.

¹⁰ Personal Communication with Marty Miller, Executive Director of Office of Rural & Farmworker Housing, August 9, 2016.

¹¹ Washington State Farmworker Housing Trust, "A Sustainable Bounty: Investing in our Agricultural Future, The Washington State Farmworker Survey," July 2008.

¹² Ibid.

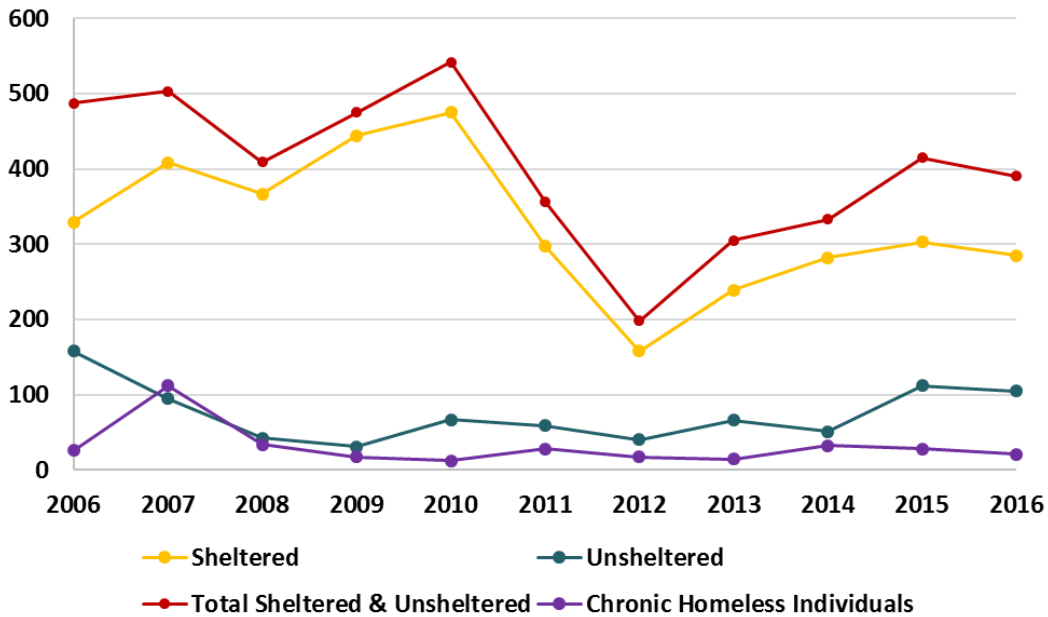
¹³ Ibid.

¹⁴ Washington State Employment Security Department, "2016 Occupational Employment and Wage Estimates."

¹⁵ Personal Communication with Marty Miller, Executive Director of Office of Rural & Farmworker Housing, August 10, 2016.

¹⁶ City of Wenatchee, 2015. *Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties: 2015 Action Plan Update*.

Exhibit 15. Point-in-Time Count, Chelan and Douglas County



Source: 2015 Action Plan Update: Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties, 2015; BERK, 2016.

The total number of homeless individuals and families (sheltered and unsheltered) counted in Chelan and Douglas counties in 2016 was 390. This is a small decrease from the total in 2015, and is also a halfway point between the highest recorded annual count in 2010 at 542, and the lowest annual count recorded in 2012 at 198. The number of chronically homeless individuals, defined as a person or family that has been homeless continually for over a year or at least four times in the past three years with a disabling condition, has remained fairly constant over the past ten years.

The unsheltered homeless population is also of particular concern. Exhibit 16 provides information on the characteristics of unsheltered individuals and households.

Exhibit 16. Unsheltered Homeless Count

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Households without minors	83	60	30	28	59	55	25	62	46	63	74
Households with minors	75	35	12	3	4	4	12	4	5	48	31
Households with minors only	NR	NR	NR	NR	4	0	3	0	0	1	0
Total	158	95	42	31	67	59	40	66	51	112	105

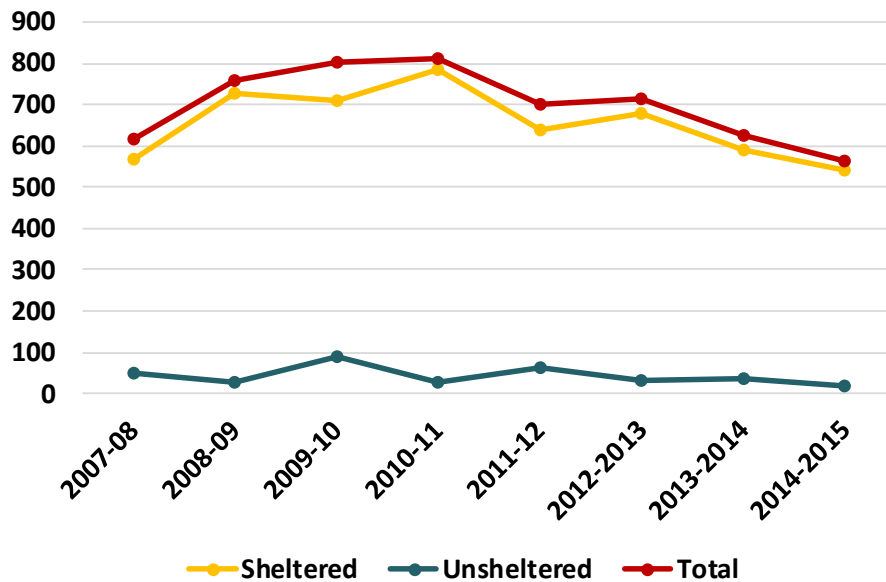
Note: NR indicates Not Reported

Source: 2015 Action Plan Update: Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties, 2015.

The number of unsheltered homeless individuals has increased over the past two years in 2015 and 2016. The unsheltered homeless population more than doubled from 51 individuals in 2014 to 112 unsheltered individuals in 2016. In 2016, approximately two-thirds of unsheltered homeless individuals are in households without minors.

The Washington State Office of the Superintendent of Public Instruction (OSPI) collects annual data on the number of homeless students both sheltered and unsheltered. The table below shows the annual homeless student count for the Wenatchee and Eastmont School Districts combined.

Exhibit 17. Homeless Student Count, Wenatchee and Eastmont School Districts



Source: Washington State Office of the Superintendent.

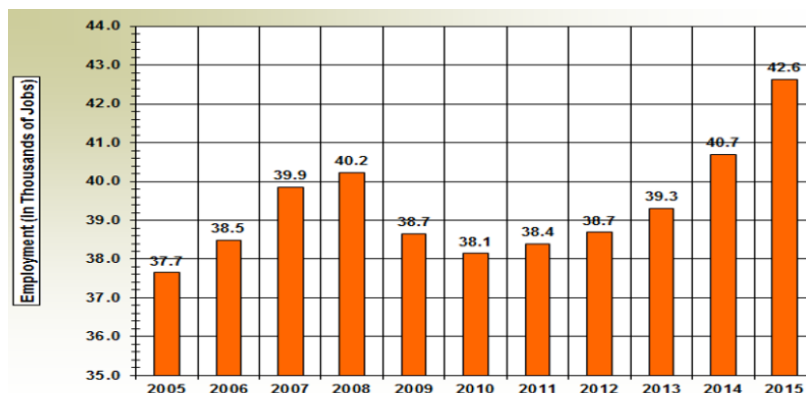
- The number of homeless students in the two school districts has decreased over past years from a high point of 810 in 2010-2011 to its current total of 561 homeless students in 2014-2015.
- The vast majority of homeless students were sheltered (shelters, doubled-up, hotels/motels).
- The number of unsheltered homeless students has remained fairly steady in recent years.

EMPLOYMENT

Employment in the Wenatchee MSA (Chelan and Douglas counties) had been steadily rising between 2010 and 2015, with 4.7% employment growth between 2014 and 2015. In January 2016, the Alcoa aluminum smelter in Malaga closed, resulting in an estimated loss of 400 jobs in the local manufacturing sector. Consequently, May 2016 employment is slightly lower than May 2015.¹⁷

¹⁷ Meseck, D. (2016). Wenatchee MSA (Chelan and Douglas Counties) Labor Area Summary May 2016. Washington State Employment Security Department.

Exhibit 18. Employment, Wenatchee MSA



Source: Washington State Employment Security Department 2016; Current Employment Statistics (CES), Labor Market and Performance Analysis; 2005-2015.

Looking forward, the Washington State Employment Security Department's (ESD) short-term employment projections for North Central region of Washington (including Wenatchee) show 1.1% average annual growth between 2015 and 2017. The long term projections indicate 1.79% annual growth between 2014 and 2019, and 0.87% between 2019 and 2024. These projections indicate the Wenatchee area could benefit from continued job growth in coming years. Appendix A provides additional information about growth projections by wage level.

Agricultural Employment

Until April 2014, ESD conducted a monthly Agricultural Employment and Wage Survey to help estimate agricultural workforce across Washington State. However, this survey has been discontinued. Within the Wenatchee MSA (Chelan and Douglas Counties), between 2004 and 2014 the number of agricultural jobs increased from 8,291 to 9,962. This is an increase of 1,671 jobs and an average annual growth rate of 1.85%.¹⁸ During this period agricultural jobs also increased as a percentage of the total MSA employment. In 2004 agricultural jobs accounted for 22.8%. In 2014, they accounted for 24.1%.¹⁹ Between 2013 and 2014 Chelan and Douglas Counties added nearly 1,000 new agricultural jobs, an 8% increase.

Many agricultural jobs are in rural areas outside of the Wenatchee urban area. However, according to the Census, in 2014 there were 3,667 people working in the Agriculture, Forestry, Fishing, and Hunting industry sector living inside the Wenatchee Urban Area. At the same time there were 3,375 jobs in this sector located inside the urban area. This indicates there are at least 292 workers who live in the urban area and commute to jobs outside of the urban area.²⁰

A significant portion of agricultural jobs in the Wenatchee MSA are seasonal. In 2013, the time of the latest Agricultural Workforce Report from the Washington State Employment Security Department, there were nearly twice as many estimated agricultural workers in the peak summer months compared to the winter

¹⁸ Ibid.

¹⁹ Ibid.

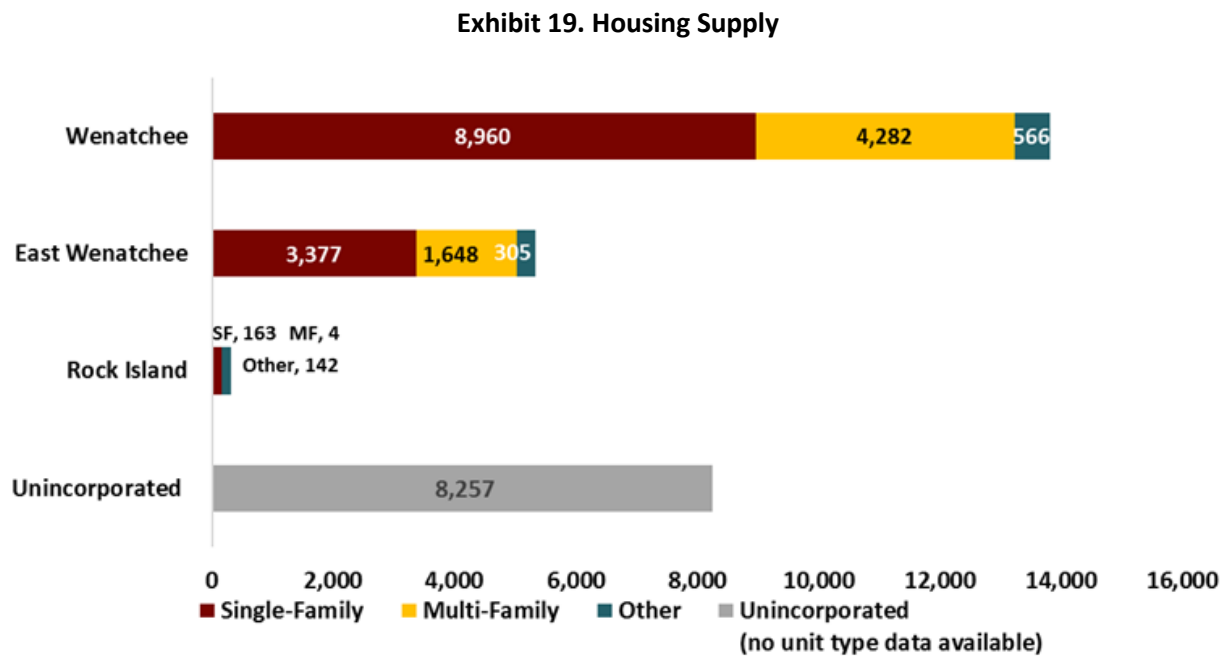
²⁰ U.S. Census Bureau. 2016. LODES Data. Longitudinal-Employer Household Dynamics Program. <http://lehd.ces.census.gov/data/lodes/>

months.²¹ Donald Meseck, Regional Labor Economist at ESD, expects central Washington agricultural job growth to remain high in coming years.²²

HOUSING SUPPLY

As of 2015, OFM estimates there are 27,704 housing units in the Wenatchee Urban Area. Approximately 34% of the units are for rent.²³ The vast majority of all housing units are used for full time occupancy. The Census estimates that only 0.3% of the housing stock is used for “seasonal, recreational, or occasional use.”²⁴ This indicates there is not a large market for vacation homes within the urban area.

Exhibit 19 shows the breakdown of Wenatchee housing units by type in the year 2015. Exhibit 20 shows the breakdown of all housing units by number of bedrooms.



Source: Washington State Office of Financial Management, 2015; Chelan County, 2016; BERK, 2016.

As shown in Exhibit 20, 66% of housing units have three or more bedrooms. Yet nearly 60% of Wenatchee households have only one or two members. This indicates a potential mismatch between the size of homes available in Wenatchee and the size of households in need of housing.

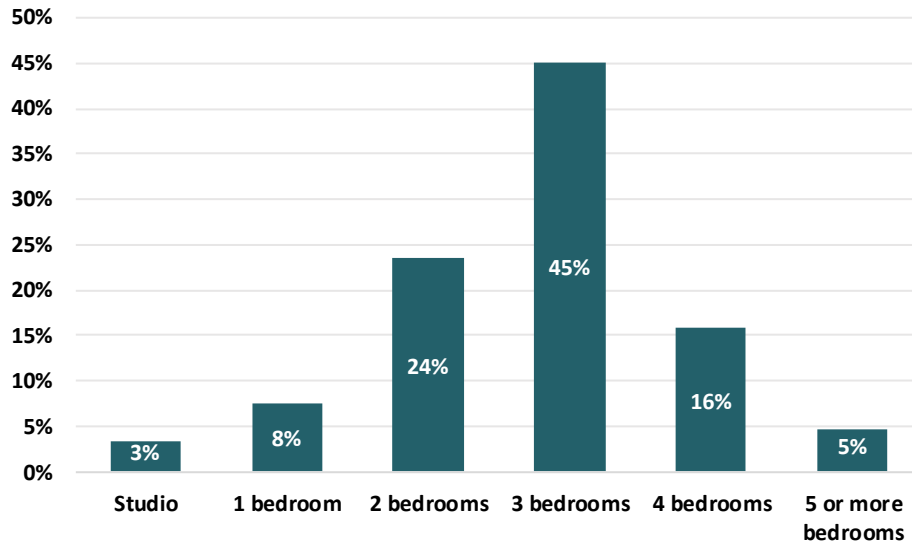
²¹ ESD 2015. 2013 Agricultural Workforce. Washington State Employment Security Department. <https://fortress.wa.gov/esd/employmentdata/docs/industry-reports/agricultural-workforce-report-2013.pdf>

²² Meseck, D. (2016). Central Washington Economic Update. Presentation to Washington State Adult Education Advisory Council (AEAC) June 8, 2016.

²³ BERK analysis of occupied and vacant units by status. U.S. Census, American Community Survey 5-year estimates, 2010 - 2014.

²⁴ U.S. Census, American Community Survey 5-year estimates, 2010 - 2014.

Exhibit 20. Percentage of Total Housing Units by Number of Bedrooms



Source: U.S. Census, American Community Survey 1-year estimates, 2014; BERK, 2016.

While the housing supply overall appears to emphasize housing stock with more bedrooms, overcrowding still exists among some households. Exhibit 21 shows occupancy per room among all Wenatchee households. HUD defines overcrowding as greater than one occupant per room. Based on this definition, 10% of renter occupied households are estimated to be overcrowded, while only 2% of owner-occupied households are overcrowded. Overcrowding can result from a lack of affordable housing in the rental market, leading to situations of “doubling-up” where one or more adults lives together in addition to the head of household and partner.

Exhibit 21. Percentage of Housing Units that are Overcrowded

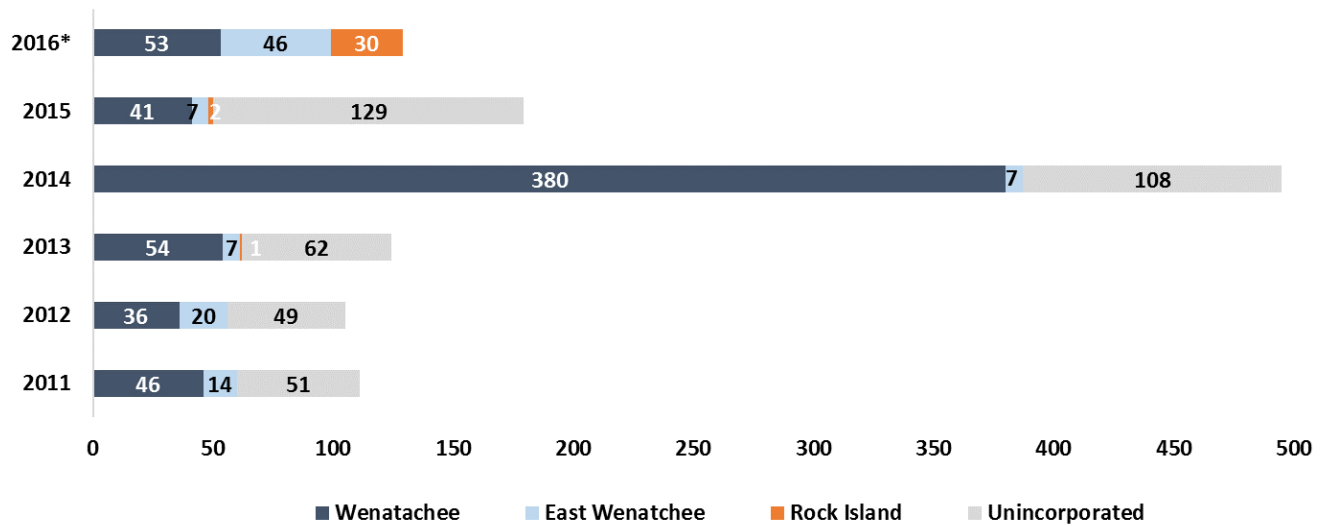
	Renter Occupied	Owner Occupied
Occupants per room		
0.50 or less occupants per room	3,491	13,225
0.51 to 1.00 occupants per room	3,699	3,469
1.01 to 1.50 occupants per room	397	317
1.51 to 2.00 occupants per room	440	0
2.01 or more occupants per room	0	67
Number of Overcrowded Units (>1)	837	384
Percentage of Units that are Overcrowded (>1)	10%	2%

Source: U.S. Census, American Community Survey 1-year estimates, 2014; BERK, 2016.

New Home Production

The rate of new housing production has varied in recent years. Exhibit 22 shows net new housing production by year from 2011 to 2016. During this period, the Wenatchee area added an average of 203 units per year, or about 0.75% percent annual growth in housing units. This is a slightly faster rate of production than the rate of household growth during the same period.

Exhibit 22. Net New Units



Notes: OFM records each year of data from April 2 of the previous year to April 1 of the current year. So, 2016 reflects net new units between April 2, 2015 through April 1, 2016. 2016 data was not available for unincorporated areas.

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

Chelan County planners estimate that the county issues around 23 to 33 residential building permits per year in the unincorporated area of Malaga, which overlays the southern end of the Wenatchee Urban Area.²⁵ The County has also received inquiries from developers about higher density residential development in Monitor, which may result in a request for a zoning change.²⁶

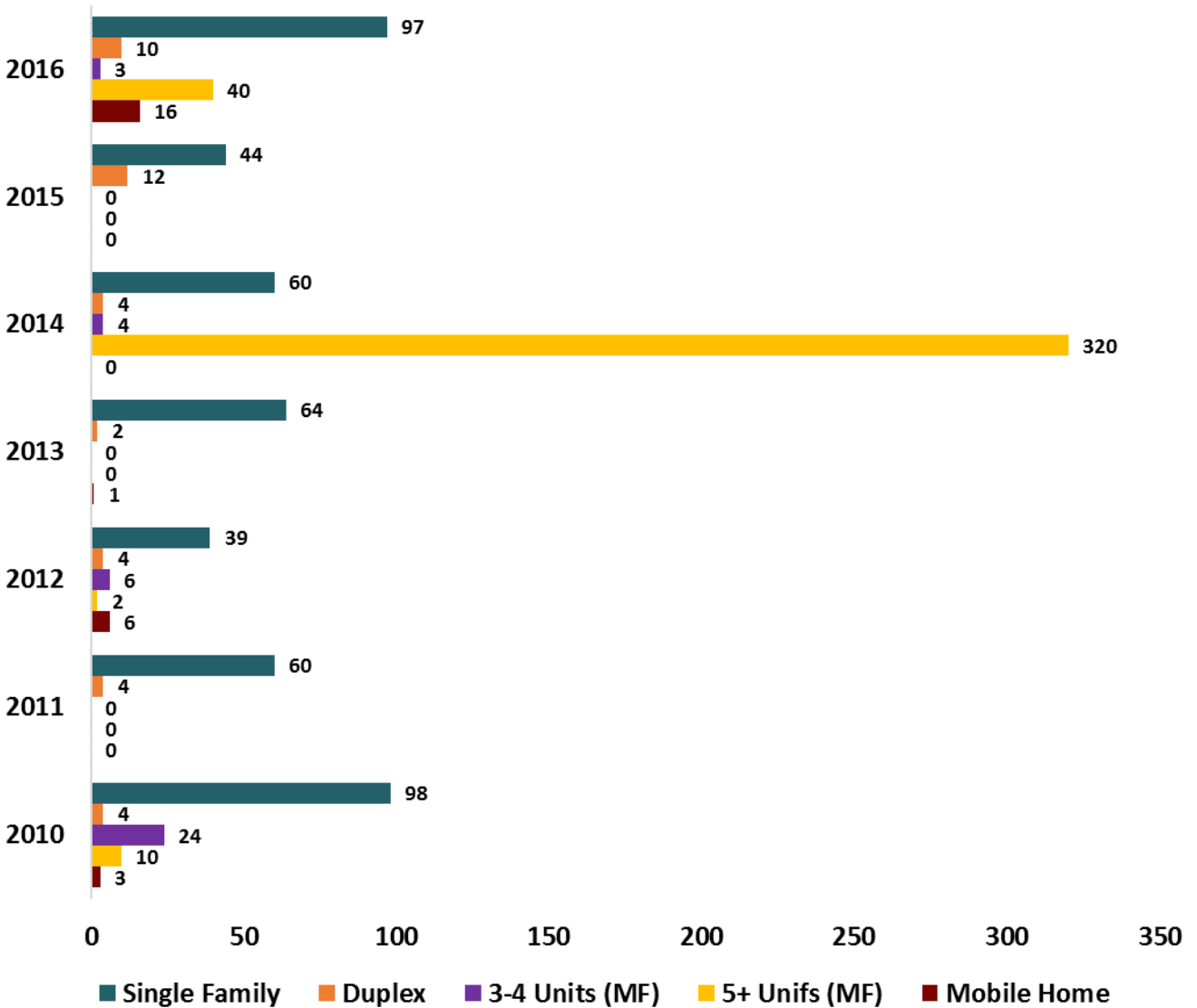
Exhibit 22 shows recent home production by housing type in the cities of Wenatchee, East Wenatchee, and Rock Island. Of new frame units built during this period, 51% were single family homes while 49% were multifamily. A large portion of the multi-family units were in a single project built in 2014, Riverside9 (312 units). This swing towards multi-family housing production in cities was offset by development in unincorporated areas which continues to emphasize single family. From 2010-2016, in unincorporated areas 87% of new housing permits were for single-family units, less than 1% of permits were for multifamily structures, and 13% of new permits were for other housing types (accessory dwelling units or manufactured housing and mobile homes). Across the entire urban area about 34% of new units developed were multifamily during this period.

In 2010, the frame housing stock consisted of 69% single family homes and 31% multifamily homes. So new production has only slightly tilted towards multi-family in recent years. In 2016 68% of all homes in the urban area are single-family housing while 32% are multifamily housing

²⁵ Personal Communication with Lilith Yanagimachi, Planner II of Chelan County, August 3, 2016.

²⁶ Ibid.

Exhibit 23. New Housing Unit Production by Type, Incorporated Areas Only



Note: OFM records each year of data from April 2 of the previous year to April 1 of the current year. So, 2016 reflects production between April 2, 2015 through April 1, 2016.

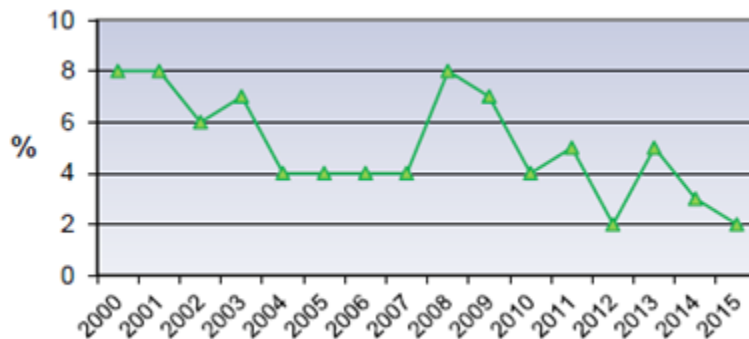
Source: Washington State Office of Financial Management, 2016; BERK, 2016.

Unfortunately, data about unit size (number of bedrooms) is not available for all new home production. However, such data is available for the large Riverside9 apartment complex in Wenatchee. 8% of these units are studios, 52% of units are 1-bedroom, 31% are 2-bedroom, and 10% are live/work. Similar multi-family projects would help increase the supply of smaller units and help address the large mismatch between household sizes and unit sizes found in the current housing stock.

Rental Housing Vacancy Rates

Renters make up 33% of all households in the Wenatchee Urban Area and 44% of households in the City of Wenatchee.²⁷ Exhibit 24 shows the vacancy rate for multifamily housing in the Wenatchee market area. As of 2015, the rate was 2%, down from a rate of 5% in 2013.²⁸ The latest multifamily rental vacancy data available indicates vacancies are continuing to drop and are now close to 1%.²⁹ This declining vacancy rates indicates that supply of multifamily housing is not keeping up with demand and this puts upward pressure on housing costs. A 5% vacancy rate is generally considered to indicate a “healthy” market. There are currently nearly 6,000 multi-family units in the urban area³⁰. In order to achieve a 5% vacancy rate, 252 new multi-family units are needed. Additional units (beyond the 252) will be needed to accommodate expected population growth in coming years as well as expand the range of housing choices available to the current population.

Exhibit 24. Multifamily Vacancy Rate, Wenatchee Market Area



Source: Pacific Appraisal Associates, 2016.

For Sale Housing Vacancy Rates

According to data from the 2010-2014 American Community Survey, only 1.4% of all housing units that were not available for rent were both vacant and for sale. In June 2016, there were 202 active listings of homes for sale, down 8% from the previous year.³¹ In order to achieve a 5% vacancy rate among for sale homes, 675 new units are needed.

Subsidized Housing

There are a total of 549 vouchers and 1,166 subsidized units in Wenatchee and East Wenatchee. Some of the subsidized units prioritize target populations, such as farmworkers and seniors, as shown in Exhibit 25. Also targeted in the general low income populations served are single women, households with children, individuals exiting jail with mental health and chemical dependency issues, and single males. Included in the general low

²⁷ U.S. Census, American Community Survey 5-year estimates, 2010 - 2014.

²⁸ This rate is consistent with findings published in the Spring 2016 Washington Apartment Market Report from Washington Center for Real Estate Research:

<http://realestate.washington.edu/wp-content/uploads/2016/04/spring-2016.pdf>

²⁹ Pacific Appraisals Associates, 2016. Wenatchee Area Real Estate Snapshot: June 2016.

<http://www.pacapp.com/images/Snapshot%20June2016.pdf>. A total of 1,421 multifamily units were surveyed in June 2016.

³⁰ This includes duplexes as well as buildings with 3 or more units.

³¹ Pacific Appraisals Associates, Wenatchee Area Real Estate Snapshot, June 2016.

income housing summary is transitional housing. In general, to be eligible for general low income multifamily housing assistance, a household may only have an income of up to 60% of the AMI, although many households earn far less and some programs have lower AMI cutoffs.

Farmworker housing identifies two priority groups, seasonal and year-round farmworkers. The majority of the seasonal farmworker housing was developed in 2008 and 2009 with the use of state and USDA funding. The continuation of State funding for seasonal farmworker housing is uncertain. According to the Chelan County Housing Authority, demand for housing among farmworkers appears to be well-matched with supply, with waitlists remaining short and USDA subsidies typically refinancing ahead of expiration. However, there is concern that changes in federal priorities could impact future funding for this program. Some year-round farmworkers also benefit from general low income multifamily subsidized housing.³² According to the Chelan County Housing Authority, there is high demand for senior housing and the ability to keep up with this demand is a growing concern.³³

Exhibit 25 shows the number of vouchers and subsidized units provided on the market in Wenatchee and East Wenatchee. A more detailed listing of the subsidized housing inventory for Wenatchee and East Wenatchee is available in Appendix C.

Exhibit 25. Vouchers and Assisted Households and Units, Wenatchee Urban Area

Vouchers and Units	Count
Total Vouchers	549
Section 8 Tenant Based Vouchers	494
HUD - Veterans Affairs Supportive Housing Tenant Based Vouchers	55
Total Assisted Households/Units	1,166
General Low Income Multifamily	829
Seasonal Farmworker	59
Year-Round Farmworker	130
Seniors	123
Permanent Supportive Housing	25

Source: National Housing Preservation Database, 2016; HUD Low Income Tax Credit Database, 2016; Multifamily Assistance and Section 8 Contracts Database, 2016; Chelan-Douglas County Community Action Council, 2016; Housing Authority of Chelan County and the City of Wenatchee, 2016; BERK, 2016.

Exhibit 26 shows the number of units with rental assistance funding and tax credits that are expiring within the next 5 years. In addition, the table shows that all of the 75 Low Income Housing Tax Credit units expiring in the next five years are privately held. While non-profit owners are more likely to assume ownership of LIHTC units after tax credit expiration and manage the units as affordable in perpetuity (as the Housing Authority has identified as a policy), it is less likely that a profit-driven private owner will follow this model. The Chelan County Housing Authority indicated that when tax credits expire on a privately owned property, the Authority generally tries to maintain the affordable stock through evaluating whether it makes sense try and purchase the

³² Personal Communication with Alicia McRae, Housing Authority of Chelan County and the City of Wenatchee (CCWHA), August 3, 2016.

³³ Ibid.

property. The Authority has often been successful in coming up with funding to purchase privately owned tax credit properties whenever there is an opportunity to preserve existing affordable housing.³⁴

Exhibit 26. Number of Subsidized Units Expiring in the Next 5 Years

Tax Credits and Subsidies Category	Expiring in the next 5 years (2021)	Privately-owned* LIHTC units expiring in the next 5 years (2021)
Farmworker Tax Credits	25	
Low Income Housing Tax Credits (LIHTC)	75	75
Low Income Rental Assistance Funding	102	
TOTAL	202	

*Privately held LIHTC units with expirations in the next 5 years include developments owned by Bonaventure Senior Living, Cascadian Apartments LLC, and Vaugh Bay Construction.

Source: National Housing Preservation Database, 2016; HUD Low Income Tax Credit Database, 2016; Multifamily Assistance and Section 8 Contracts Database, 2016; Chelan-Douglas County Community Action Council, 2016; Housing Authority of Chelan County and the City of Wenatchee, 2016

The Chelan County Housing Authority indicated that 549 families are receiving vouchers in 2016 (see Exhibit 25). Demand is very high for vouchers in the Wenatchee/East Wenatchee area. The wait list is open for two weeks, every three years and there are many applications when the wait list opens.³⁵ The majority of vouchers are provided by Section 8 funding. Section 8 is HUD program that provides low income families assistance in the form of vouchers or certificates when they cannot afford market rents or homeownership costs. Depending on family size, HUD sets income limits for Section 8 voucher eligibility.

Eligibility for Section 8 Vouchers is determined by the local public housing agencies based on annual gross income and family size. Generally, household incomes cannot exceed 50% of AMI and 75% of a local public housing agency’s vouchers must go to applicants with incomes below 30% of AMI.

Exhibit 27 lists the 2016 HUD Section 8 Income Limits for the Wenatchee MSA. In 2016, the HUD Section 8 income limits for a low income family of four in the Wenatchee MSA was \$48,550.

³⁴ Ibid.

³⁵ Personal Communication with Alicia McRae, Housing Authority of Chelan County and the City of Wenatchee (CCWHA), August 3, 2016.

Exhibit 27. Section 8 Income Limits, Wenatchee MSA

Family Size	Extremely Low		
	Income	Very Low Income	Low-Income
1 (70% of 4- person)	\$12,750	\$21,250	\$34,000
2 (80% of 4-person)	\$16,020	\$24,300	\$38,850
3 (90% Of 4-person)	\$20,160	\$27,350	\$43,700
4	\$24,300	\$30,350	\$48,550
5 (108% of 4- person)	\$28,440	\$32,800	\$52,450
6 (116% of 4 (person)	\$32,580	\$35,250	\$56,350
7 (124% of 4-person)	\$36,730	\$37,650	\$60,250
8 (132% of 4-person)	\$40,100	\$40,100	\$64,100

Notes: The Very Low Income Limit is established by setting the 4-person family limit at around 50% of AMI. The Low Income Limit is established by setting the 4-person family limit at 1.6 times that of the Very Low Income limit for a 4-person family. The Extremely Low Income Limit for a 4-person family is set at 60% of the 4-person family limit for Very Low Income. The Extremely Low Income Limits for other family sizes are set at a percentage of the 4-person limit. Source: U.S. Department of Housing and Urban Development, Section 8 Income Limits, 2016.

HOUSING AFFORDABILITY

Affordability Goals and Policies

The City of Wenatchee’s Comprehensive Plan Housing Affordability Goal states:

Encourage the availability of affordable housing to all segments of the population.

The goal is supported by policies, including implementing regulations that encourage a diversity of housing types and choice, incentives, residential development of infill sites, and partnership with private and nonprofit developers to provide new rental and ownership units.³⁶

The City of East Wenatchee’s Comprehensive Plan has a Land Use and Housing goal that states:

To provide for a variety of housing types and densities to ensure a range of affordable housing options for all segments of the community.

This goal is supported by policies, including the promotion of affordable housing that meets the needs of all segments through the use of development incentives.³⁷

³⁶ City of Wenatchee. Planning to Blossom 2025: Wenatchee Urban Area Comprehensive Plan. December 2014.

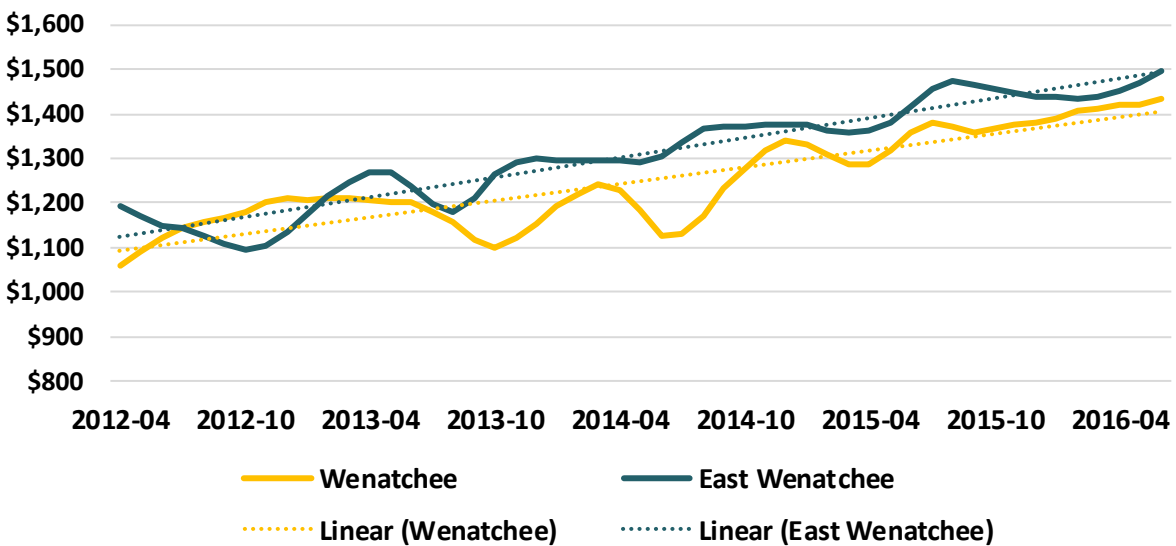
³⁷ City of East Wenatchee. Greater East Wenatchee Area Comprehensive Plan. 2014.

Housing Costs

Rental Housing

Exhibit 28, Exhibit 29, and Exhibit 30 show changes in median rental housing costs between 2012/2013 and 2016. The first two charts are based on data from Zillow.³⁸ The last is based on survey findings from the Washington Center for Real Estate Research (WCRER). While there are some inconsistencies between the Zillow and WCRER data – most notably Zillow showing higher median rents for multifamily—each shows rents rising rapidly in recent years. According to WCRER survey findings, average rents have risen annually by 15.1% while Zillow shows 5.8% growth. Among all unit types, Zillow shows rents rising at a rate of 6.5% annually.

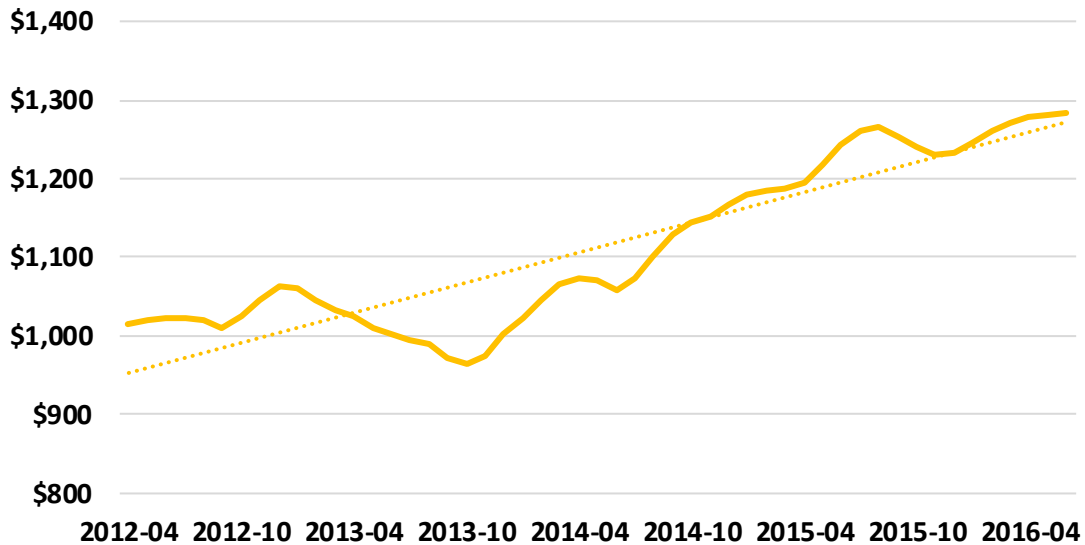
Exhibit 28. Median Monthly Rent, All Unit Types, Zillow Estimates



Source: Zillow, Rent Index data, 2016; BERK, 2016.

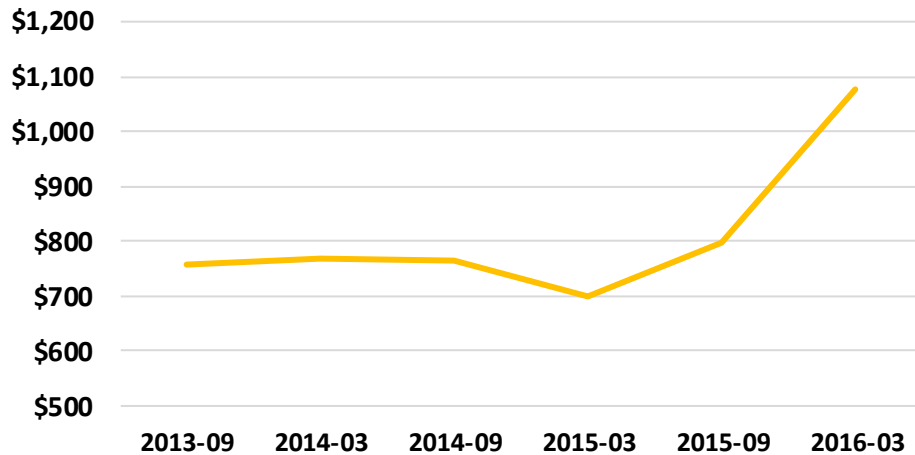
³⁸ Zillow provides accuracy ratings for median rent by county. Both Chelan and Douglas receive the lowest rating of one star, presumably due to a low sample size on which their estimate is based. See <http://www.zillow.com/howto/DataCoverageRentZestimateAccuracyWA.htm>

Exhibit 29. Median Monthly Rent for Multifamily Units, Zillow Estimates, City of Wenatchee



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

Exhibit 30. Median Monthly Rent for Multifamily Units, WCRER Survey, City of Wenatchee



Source: Washington Center for Real Estate Research, 2016; BERK, 2016.

As a point of comparison, BERK analyzed all Wenatchee Urban Area rental listings available on Craigslist on August 9, 2016.³⁹ The results are shown in Exhibit 31. The findings provide a snapshot of how housing prices vary by unit size. The median rent among just apartment listings (regardless of size) is \$1,100. This is just slightly higher than WCRER's survey findings and 17% lower than Zillow's median monthly rent for multifamily units.

³⁹ BERK used some discretion to remove postings that appeared to be scams in order to improve data reliability.

**Exhibit 31. Median Monthly Rent for Units Listed on Craigslist, August 9, 2016
Compared to HUD Fair Market Rents**

	Number of Listings	Median Rent/Month	HUD Fair Market Rent	Median % Above/Below Fair Market Rent	Number of Listed Units Under HUD Fair Market Rent
Studio	1	\$990	\$529	87%	0
1 Bedroom	12	\$1,155	\$591	95%	0
All Housing Types					
2 Bedroom, 1 Bath	9	\$875	\$791	11%	2
2 Bedroom, 1.5 or 2 Bath	11	\$1,250	\$791	58%	0
3 Bedroom	12	\$1,425	\$1,052	35%	0
4+ Bedroom	3	\$2,250	\$1,260	79%	1
Total Listings	48				3
Apartments Only	25	\$1,100			

Source: Craigslist, 2016; U.S. Department of Housing and Urban Development, 2014; BERK, 2016.

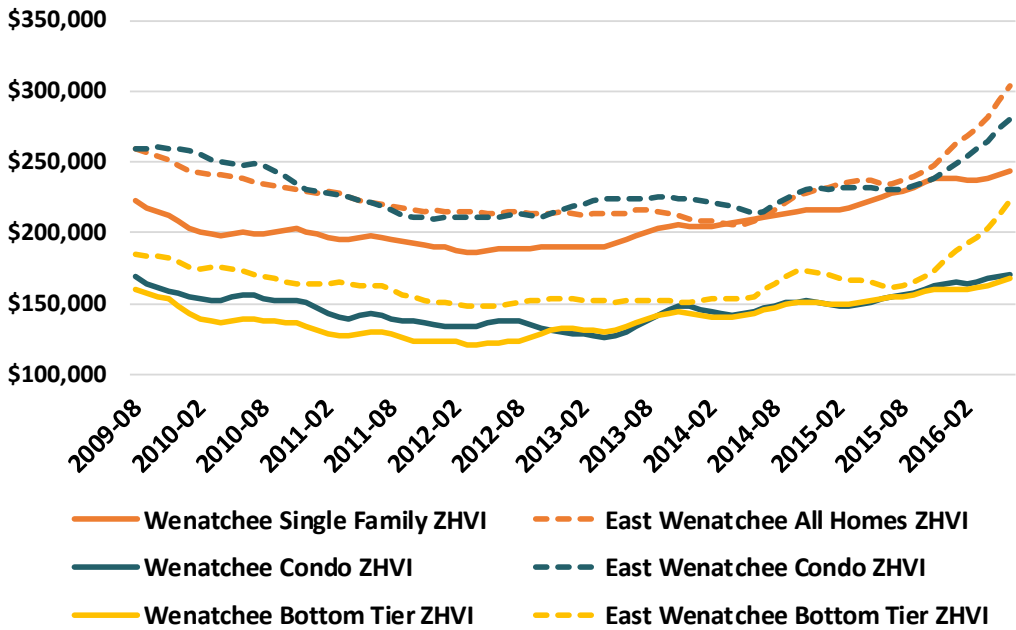
HUD Fair Market Rents for the Wenatchee-East Wenatchee Area are also shown in Exhibit 31. All median rents by unit type are higher than HUD Fair Market Rents. In the case of one bedroom rentals, the median rent is nearly double HUD’s Fair Market rent. Only three units out of 48 listings (6%) were listed at a price below HUD Fair Market Rent.

Ownership Housing

Exhibit 32 shows Zillow’s estimated median home values by housing type for August 2009 through June 2016. Values for all housing types dipped between 2009 and 2013, reflecting the general downturn in the housing market following the economic recession of 2008-2009. Housing prices in all categories have steadily risen since 2013, with the steepest gains shown in East Wenatchee (nearly 21% average annual growth between June 2014 and June 2016). The most affordable category of home is condominium units in the City of Wenatchee, which are roughly on par with Zillow’s estimate for the “Bottom Tier” median home values in City of Wenatchee.⁴⁰ The estimated cost differential between condos and single family homes is much lower in East Wenatchee.

⁴⁰ Zillow defines the “Bottom Tier” as the bottom one third of housing stock in terms of value. Therefore, roughly one sixth of the total housing stock would be expected to be priced lower than the median of the “Bottom Tier.”

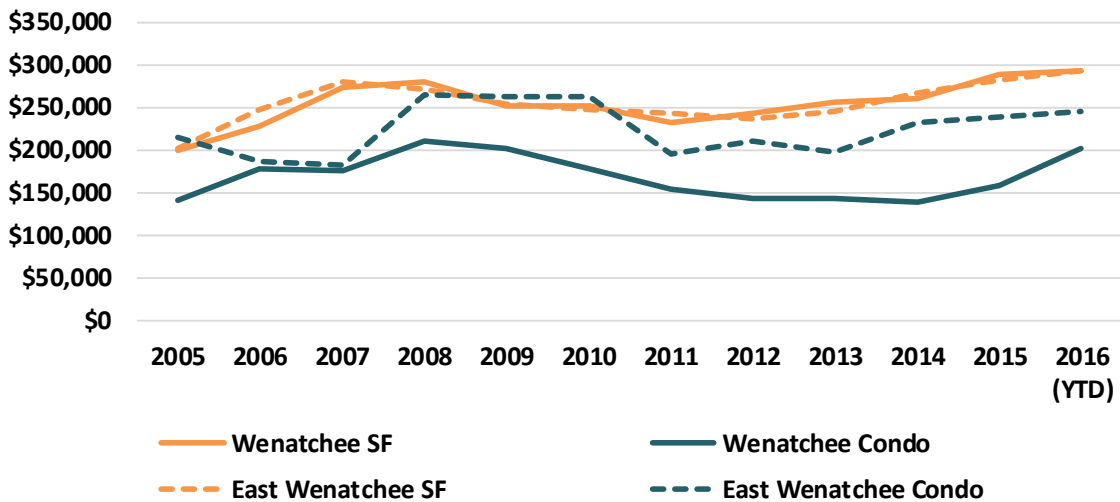
Exhibit 32. Median Home Value, Zillow Estimates



Source: Zillow, Home Value Index Data, 2016; BERK, 2016.

Exhibit 33 shows median home sales prices for City of Wenatchee and East Wenatchee between 2005 and 2016 year to date. The values and trends are similar to those shown in Zillow data, with one main exception. The rapid increase in value that Zillow shows for East Wenatchee during the past year is not evident in home sales prices. Instead single family sales prices have been fairly consistent with those in Wenatchee.

Exhibit 33. Median Home Sales Price



Source: Pacific Appraisal Associates, 2016; BERK, 2016.

Exhibit 34 shows average annual growth rates from 2012 to 2016 year to date.

Exhibit 34. Median Home Value Average Annual Growth Rate, 2012 – 2016 YTD

	Wenatchee	East Wenatchee
Single-Family	5.73%	5.72%
Condo	6.56%	1.63%

Source: Pacific Appraisal Associates, 2016; BERK, 2016.

Exhibit 35 shows the annual income needed to purchase a single family home in Wenatchee. Assuming the household can handle a 20% down payment, a household requires at least \$55,273 in yearly income to afford a home at the 2016 median selling price. This is slightly more than area median income of about \$53,700 (2009-2014 estimated median household income, inflation adjusted for 2016). Approximately 58% of households earn this much income, although it is possible that not all could afford the 20% down payment assumed in this calculation.

Exhibit 35. Annual Income Needed to Purchase a Single Family Home at Median Listing Price

Monthly Mortgage	
Median Selling Price (June 2016 for Wenatchee Area)	\$264,550
Down Payment (20%)	\$52,910
Mortgage Amount	\$211,640
Interest Rate	4%
Payments over 30 years	360
Monthly Mortgage Payment	\$1,007
Annual Housing Expenses	
Mortgage Payments	\$12,085
Taxes (1.2%)	\$3,175
Insurance (\$5.00 per \$1,000)	\$1,323
Total Annual Costs	\$16,582
Total Monthly Costs	\$1,382
Annual Income Needed (30% housing costs)	\$55,273
Monthly Income Needed (30% housing costs)	\$4,606
Households	
Number of households with income > \$55,273	14,751
Total households	25,360
Estimate of households that can afford median home price	58%

Notes: Median selling price is for June of 2016. The median household income used to determine how many households make enough to afford a mortgage was for the Wenatchee Urbanized Area. The 2010 – 2014 ACS 5-year estimate was inflation adjusted to 2016 using the Bureau of Labor Statistics CPI Inflation Calculator.

This homebuyer calculation assumes a 20% down payment, annual property taxes of 1.2% of sales value, and annual insurance of \$5.00 per \$1,000 of sales value.

Source: Pacific Appraisal Associates, 2016; U.S. Census, American Community Survey 5-year estimates, 2014; Bureau of Labor Statistics, CPI Inflation Calculator, 2016; BERK, 2016.

Comparison to Eastern Washington Jurisdictions

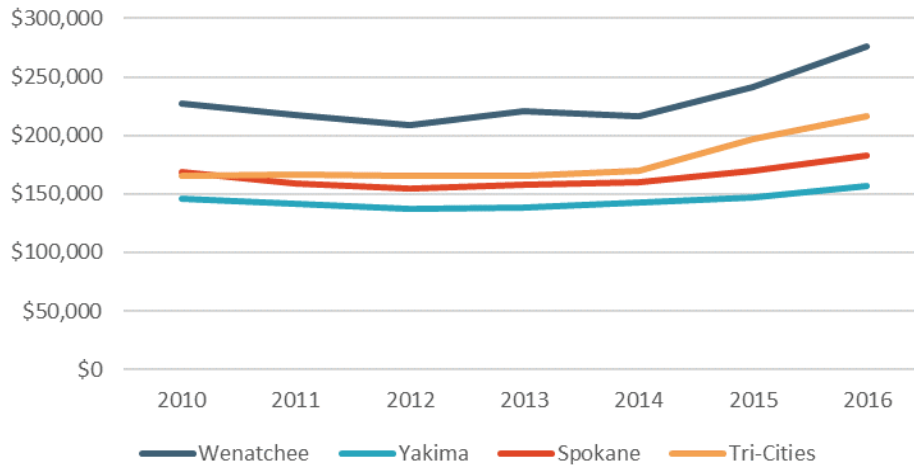
Housing prices in the Wenatchee metropolitan area (Chelan and Douglas Counties combined) are significantly higher than other Eastern Washington metro areas. Exhibit 36 compares home values in Wenatchee MSA to Yakima, Spokane, and the Tri-Cities. Median value per square foot in Wenatchee is 72% higher than Yakima, 49% higher than Spokane, and 39% higher than the Tri-Cities. Exhibit 37 through Exhibit 39 show historic changes in median home values for all single family residences, the bottom third of all homes, and median value per sq ft.

Exhibit 36. Comparison of Median Home Values as of June 2016

Metro Area	Single Family Residences	Bottom Third of Home Values	Median Value per S.F.
Wenatchee	\$275,600	\$181,900	\$196
Yakima	\$156,500	\$100,200	\$114
Spokane	\$183,300	\$119,800	\$132
Tri-Cities	\$216,300	\$144,500	\$141

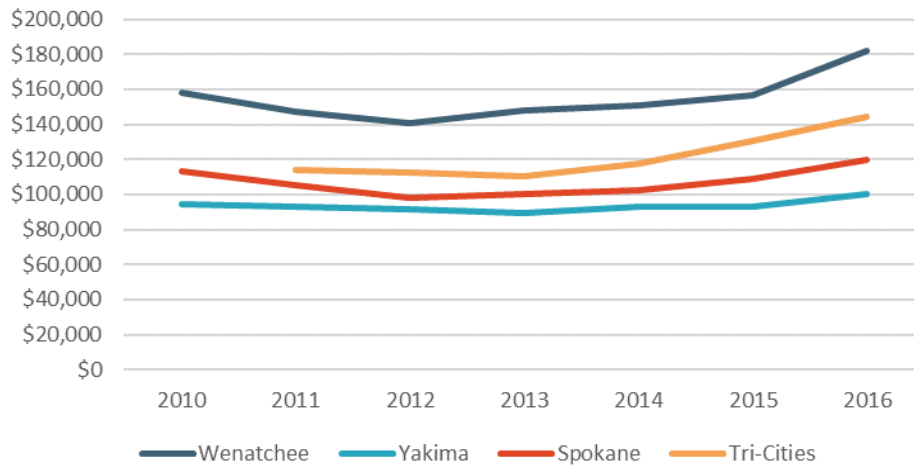
Source: BERK, 2016; Zillow, 2016.

Exhibit 37. Median Home Value for Single Family Residences, 2010-2016



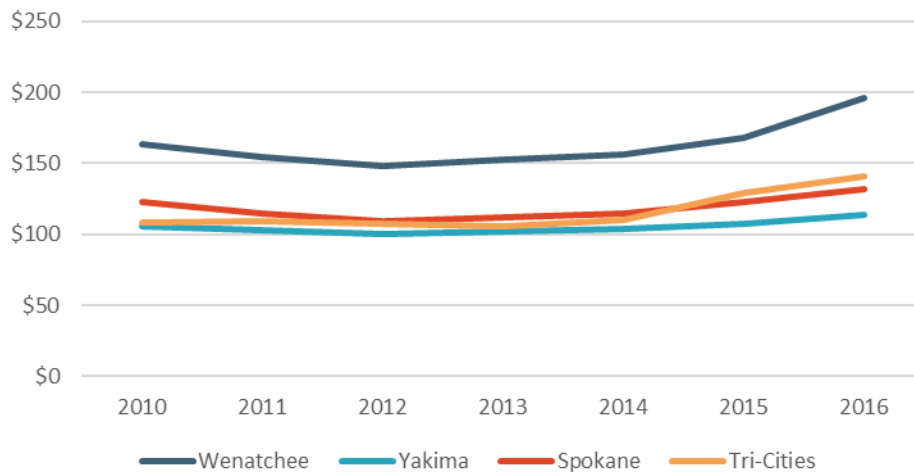
Source: BERK, 2016; Zillow, 2016.

Exhibit 38. Median Home Value Among Bottom Tier of Home Inventory, 2010-2016



Source: BERK, 2016; Zillow, 2016.

Exhibit 39. Median Value per Square Foot, 2010-2016



Source: BERK, 2016; Zillow, 2016.

Cost Burden

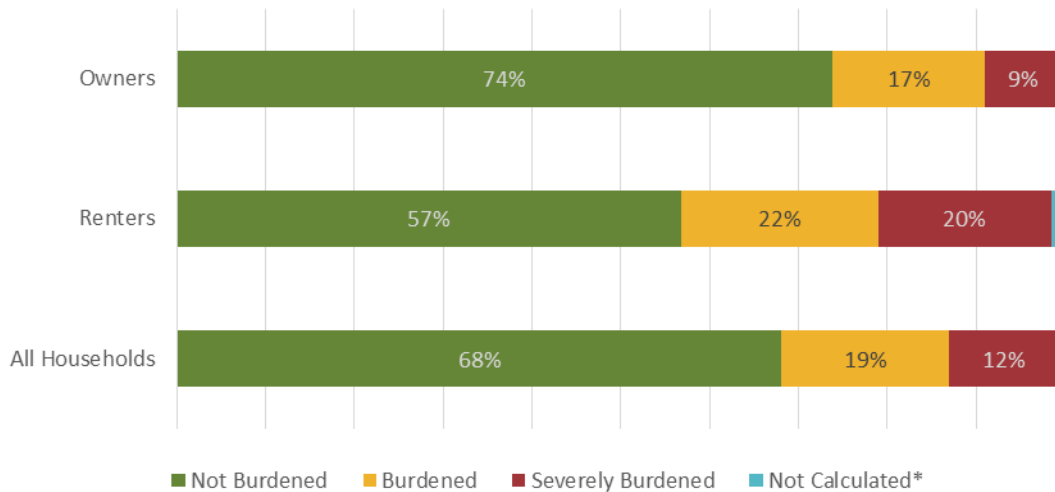
HUD deems housing to be affordable if a household spends no more than 30% of their income on housing costs (rent plus basic utilities or gross monthly owner costs). Households are considered to be cost burdened if they pay more than 30% of their income towards housing costs. Households paying more than 50% of their incomes towards housing costs are considered severely cost burdened.

HUD publishes cost burden estimates based on data from the U.S. Census American Community Survey 5-year estimates. The latest survey period for which data is available is 2009-2013. This means that cost burden estimates reflect income and housing costs as reported by a sample of Wenatchee area residents during a rolling monthly survey between January 2009 and December 2013. This period includes the downturn in the housing

market during and following the last economic recession. As shown above, housing costs have rapidly increased during the past few years, a fact that should be considered when interpreting cost burden data from HUD.

Exhibit 40 shows estimates of cost burden for Wenatchee area renter and owner occupied households for the years 2009 through 2013.⁴¹ Nearly 32% of all households were estimated to be either cost burdened or severely cost burdened during this period of analysis. A greater percentage of renter households were cost burdened (42%) than owner households (26%).

Exhibit 40. Cost Burdens Estimate, Wenatchee and East Wenatchee CCDs



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

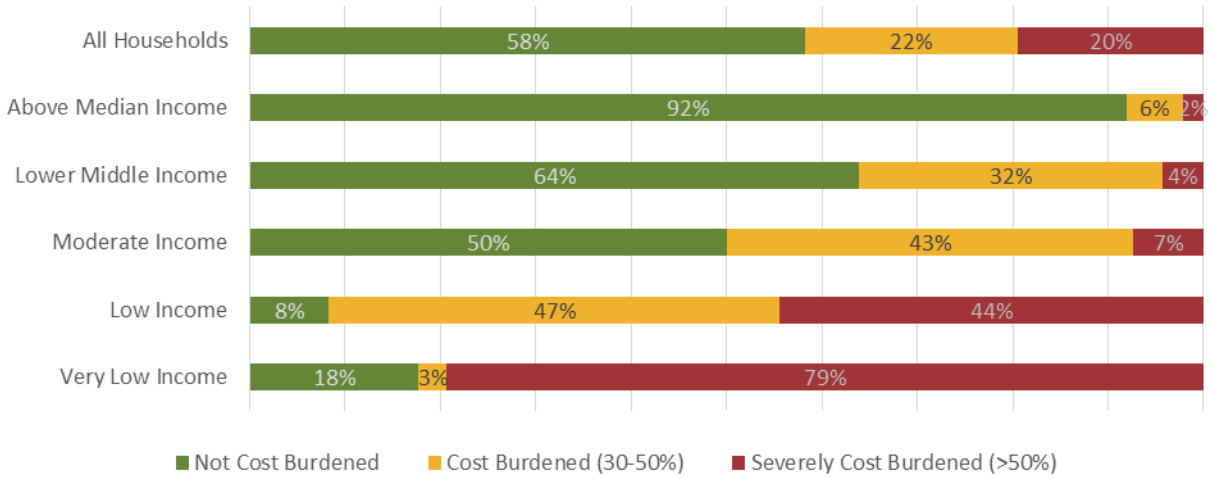
Source: U.S. Department of Housing and Urban Development, Consolidated Housing Affordability Strategy (based on U.S. Census American Community Survey 2009–2013 5-Year Estimates); BERK, 2016.

Renter Cost Burden

Exhibit 41 breaks down renter cost burden by income level. Not surprisingly, the greatest share of severely cost burdened households and burdened households are in the Very Low Income (82%) and Low Income (91%) categories. Only 8% of renter households with incomes above AMI experience a housing burden.

⁴¹ Estimates are for all households in the Wenatchee and East Wenatchee census defined county subdivisions (CCDs), which collectively are larger than the Wenatchee Urban Area.

Exhibit 41. Renter Burdens by Income Category Estimate, Wenatchee and East Wenatchee CCDs




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.

Owner-Occupied Household Cost Burden

Exhibit 42 breaks down all owner-occupied households by income level based on 2014 AMI. The majority of owner-occupied households (61%) have incomes above AMI and there are less owner households in Wenatchee that fall under the low income categories than there are renters.

Exhibit 42. Owner Households by Income Category, Wenatchee and East Wenatchee CCDs

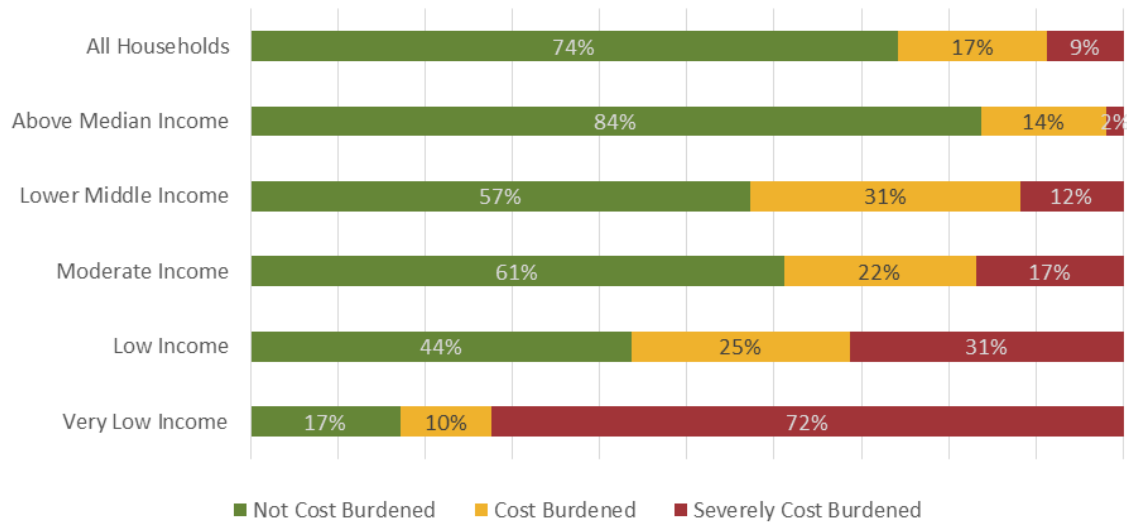
<u>Ratio to 2014 Median Household Income for the Wenatchee Urbanized Area</u>	<u>Rounded (1,000s) Income Ranges</u>		 <u>Estimated Owner HHs</u>	
\$52,824	Low	High	Estimated HHs	Percent
Under 30%	\$0	\$16,000	1,046	6%
30 - 50%	\$16,000	\$26,000	1,441	9%
50 - 80%	\$26,000	\$42,000	2,338	14%
80 - 100%	\$42,000	\$53,000	1,760	11%
100 - 120%	\$53,000	\$63,000	3,510	21%
120% or Over	\$63,000		6,661	40%
Total			16,757	100%

Note: Given the estimates and margins of error associated with the American Community Survey data on owner households by income level, this data is meant to represent an overall picture of conditions in 2014 and not provide a precise count of rental units on the market.

Source: U.S. Census, American Community Survey 2010 - 2014 5-year estimates, 2014; BERK, 2016.

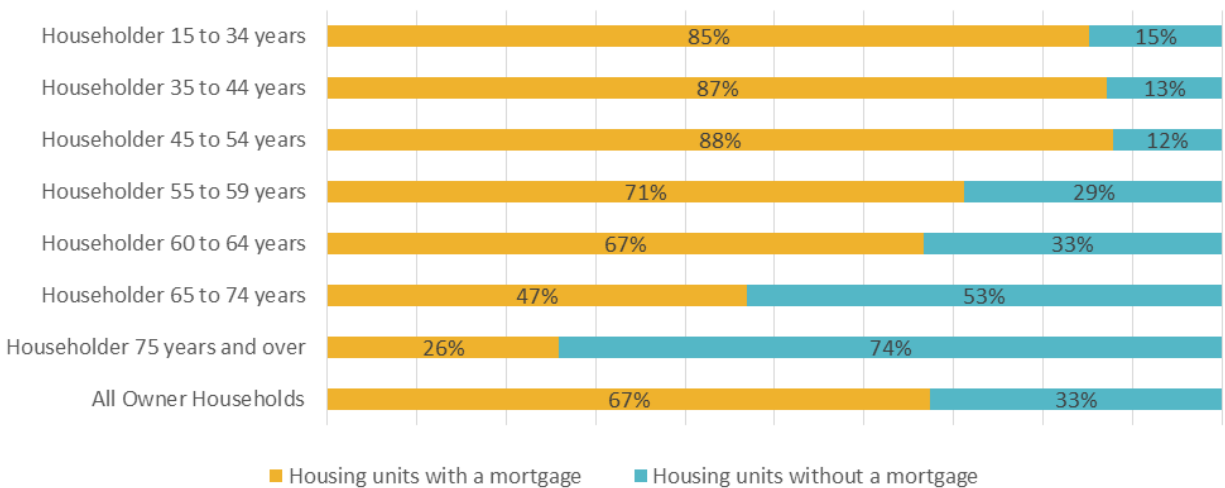
Exhibit 43 breaks down owner-occupied housing cost burden by income level. The majority of owner-occupied households have incomes above AMI, and only 16% of these household experience housing cost burden or severe cost burden. This percentage goes up considerably for households with incomes below AMI. Only 17% of owner households with very low income (<30% AMI) do not have a cost burden, and 72% are severely cost burdened.

**Exhibit 43. Owner-Occupied Household Cost Burden, 2009 - 2013
Wenatchee and East Wenatchee CCDs**



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

**Exhibit 44. Percent of Owner-Occupied Households with a Mortgage by Age Estimate, 2010 - 2014
Wenatchee and East Wenatchee CCDs**



Source: U.S. Census, American Community Survey 5-year estimates, 2014; BERK, 2016.



COMPARISON OF HOUSING AVAILABILITY TO HOUSING NEED

Rental Housing and Low Income Households

Exhibit 45 compares estimated renter household counts by income range to the estimated number of housing units offered on the market at those income levels. As with the cost burden data shown above, this data summarizes conditions during a 5-year period: in this case 2010 to 2014. This period includes the downturn in the housing market following the last economic recession and only partially overlaps the more recent period of rapidly rising housing costs. These facts should be considered when interpreting the findings.

During the period for which data is available (2010-2014), there was a surplus of rental units available to those in the Low (30 – 50% AMI), Moderate (50 – 80% AMI), and Lower Middle (80 – 100% AMI) income categories. There was also a deficit of units available for those in the Very Low (Under 30%) and above median household income categories. Overall, it is estimated that there was a surplus of units available.

Exhibit 45. Rental Unit Income and Gap, 2010 – 2014, Wenatchee CCD and East Wenatchee CCD

<u>Ratio to 2014 Median Household Income for the Wenatchee Urbanized Area</u>	<u>Rounded (1,000s) Income Ranges* (ACS)</u>		<u>Monthly Housing Budget*</u>		 <u>Estimated Renter HHS* (ACS)</u>		 <u>Estimated Gap</u>	
	Low	High	Low	High	Count	Percent	Units Offered	over/(under)
\$52,824								
Under 30%	\$0	\$16,000	\$0	\$400	1,589	19%	501	(1,088)
30 - 50%	\$16,000	\$26,000	\$400	\$650	1,266	15%	1,834	567
50 - 80%	\$26,000	\$42,000	\$650	\$1,050	1,847	22%	4,915	3,067
80 - 100%	\$42,000	\$53,000	\$1,050	\$1,325	997	12%	1,061	64
100 - 120%	\$53,000	\$63,000	\$1,325	\$1,575	572	7%	383	(189)
120% or Over	\$63,000		\$1,575		2,052	25%	452	(1,601)
Total					8,324	100%	9,145	821

*Based on 30% of income.

Note: Rental rates reflect estimated conditions from 2010 – 2014 by the American Community Survey. Rents have been increasing rapidly since this period and the current situation may reflect greater gaps in housing available to lower and moderate income households. In addition, American Community Survey data represent estimates of renter household counts by income level and units available at specific rent levels. Each estimate is associated with a margin of error. So this data is meant to represent an overall picture of conditions during the 2010 - 2014 period and is not meant to provide a precise count of current rental units on the market.

Source: U.S. Census, American Community Survey, 2010 - 2014 5-Year Estimates; BERK, 2016.

There is an apparent inconsistency between these findings and the high levels of cost burden experienced by renters in the Low, Moderate, and Lower Middle Income categories. However, there are a number of possible explanations. First, since there is a deficit of units priced for those with incomes above the AMI, these middle- and higher income households are likely occupying some share of the units that would otherwise be affordable to those with lower incomes. Often referred to as “down renting,” this can reduce the supply of units affordable to those with lower incomes. These findings also do not consider the alignment between household size and affordable units at an appropriate size. While there may be affordable one bedroom units available, those units would likely not meet the needs of a 5-person family earning 50% AMI. Finally, the cost of utilities is not

considered in the count of units offered by affordability level. The vast majority (85%) of renter households are estimated to pay the cost of utilities and fuel separately from rent.⁴²

As housing costs continue to rise, it is likely that the housing stock will become less affordable to lower and moderate income households. To get a snapshot of the affordability of units currently available for rent, BERK analyzed Wenatchee area listings on Craigslist on August 9, 2016. Exhibit 46 shows these units by affordability to different income levels based on 2016 median household income. The majority of units fall into the 50% - 80% and 80% - 100% income levels. While this analysis only includes 48 units posted on Craigslist on a single day, the findings are roughly consistent with the rental housing gap analysis showed in Exhibit 45 except for the lack of units available to incomes below 50% median household income.

Exhibit 46. Rental Units Listed on Craigslist by Affordability Level and Unit Size

Income Group (% Median Household Income)	Rounded (1,000s) Income Ranges (ACS)		Monthly Housing Budget		Units Listed Affordable to Budget	Units Listed By Type (number of bedrooms)				
	Low	High	Low	High		Studio	1	2	3	4+
	Under 30%	\$0	\$16,100	\$0		\$403	0	0	0	0
30 - 50%	\$16,100	\$26,900	\$403	\$673	0	0	0	0	0	0
50 - 80%	\$26,900	\$43,000	\$673	\$1,075	15	1	3	10	0	1
80 - 100%	\$43,000	\$53,700	\$1,075	\$1,343	20	0	9	6	5	0
100 - 120 %	\$53,700	\$64,400	\$1,343	\$1,610	7	0	0	3	4	0
120% or Over	\$64,400		\$1,610		6	0	0	1	3	2
Total					48	1	12	20	12	3

Notes: *Based on 30% of income.

Source: Craigslist, 2016; U.S. Department of Housing and Urban Development, 2014; BERK, 2016

If rents continue to rise, lower-income households will require subsidies to keep housing costs affordable. There are currently 1,715 households or units receiving some kind of subsidy in order to keep housing costs affordable. Yet, as of 2014, an estimated 2,855 households had incomes of 50% AMI or less. So the current subsidized housing programs can serve the needs of approximately half of the households with incomes less than 50% AMI. This helps to explain why subsidized housing is in such high demand.

Workforce Housing

Workforce housing can be defined as housing affordable to households with incomes between 80% and 120% of AMI (Lower Middle and Above Median income categories). As shown in Exhibit 45, between 2010 and 2014 there had been sufficient rental units on the market affordable to households in this group due to the large number of units affordable to lower income levels. Yet as shown in Exhibit 41, nearly one third (32%) of renters in the Lower Middle income group are cost burdened and 4% were severely cost burdened during this period. Among owner-occupied housing, an even larger percentage of Lower Middle income households experience cost burden (31%) or severe cost burden (12%). These percentages are likely to rise due to the recent increases in housing costs.

One explanation for this cost burden is a lack of market rate rental housing affordable to higher income earners. Exhibit 45 shows a significant deficit of units priced for higher income households. This can result in “down renting” whereby higher income households occupy units that are less expensive than they can afford, effectively reducing the supply of units affordable to middle and lower income households. Therefore increase supply of market rate units would likely help reduce cost pressures among middle-income households.

⁴² U.S. Census Bureau American Community Survey 2010-2014 5-Year Estimates.

Senior and Disabled Housing

Exhibit 47 shows the number of households with a senior householder (age 65+) by income category. There are an estimated 2,636 households with a member age 65 or older with annual household earnings less than 50% median household income. About 24% of all senior households (1,571) are renters. Among seniors who own their homes, only 37% have a mortgage, as shown in Exhibit 48.

Not all of these households consist entirely of senior residents. The formation of multi-generational households is a strategy commonly used by families to manage housing affordability challenges as well as the care of elderly family members. However, according to the Housing Authority of Chelan County and the City of Wenatchee, the 123 subsidized units set aside exclusively for senior households are in very high demand and insufficient to meet the needs of senior households seeking affordable housing.⁴³


As noted above, Washington State demographers project rapid growth in senior population in Chelan and Douglas counties as today's baby boomers enter their 60s, 70s, and 80s. This will further increase demand for affordable housing solutions for senior households.

The types of housing needed by seniors vary: 36% of people age 65 or older in Wenatchee report having one or more disability;⁴⁴ 22% have an ambulatory disability that impacts mobility; and 9% have a self-care disability, indicating the need for some kind of assistance with daily care needs. While some elderly residents may seek out senior housing or assisted living facilities, others seeking to live independently may choose to downsize their homes rather than modify an existing residence. This could have an impact on demand for smaller housing options in walkable areas closer to services and medical facilities.

⁴³ Personal communication, Alicia McRae, Housing Authority of Chelan County and the City of Wenatchee (CCWHA) 8/3/2016.

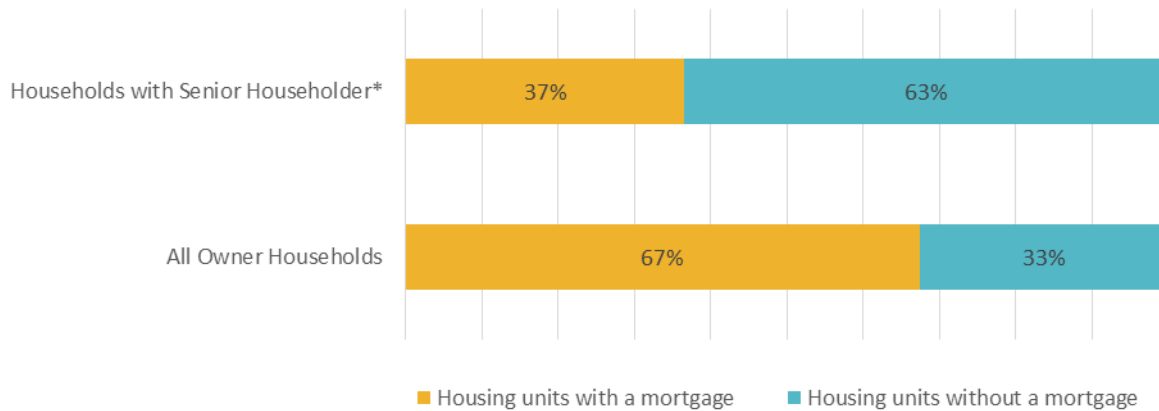
⁴⁴ Note, self-reported disabilities to the American Community Survey may underrepresent actual disability among the population.

**Exhibit 47. Households with Senior Householder by Income Category
(Wenatchee and East Wenatchee CCDs)**

<u>Ratio to 2014 Median Household Income for the Wenatchee Urbanized Area</u>	<u>Rounded (1,000s) Income Ranges</u>		 <u>Estimated HHs with Householder 65 or Over</u>	
	Low	High	Estimated HHs	Percent
\$52,824				
Under 30%	\$0	\$16,000	1,385	20%
30 - 50%	\$16,000	\$26,000	1,030	15%
50 - 80%	\$26,000	\$42,000	1,225	18%
80 - 100%	\$42,000	\$53,000	804	12%
100 - 120%	\$53,000	\$63,000	544	8%
120% or Over	\$63,000		1,954	28%
Total			6,941	100%

Note: Given the estimates and high margins of error associated with the American Community Survey data on households with senior householders by income level, this data is meant to represent an overall picture of conditions in 2014 and not provide a precise count of rental units on the market.
Source: U.S. Census, American Community Survey 5-year estimates, 2014; BERK, 2016.

**Exhibit 48. Percent of Owner-Occupied Households with a Senior Householder that have a Mortgage,
(Wenatchee and E. Wenatchee CCDs)**



Note: Senior is defined as 65 years of age and older.
Source: U.S. Census, American Community Survey, 2010 - 2014 5-Year Estimates; BERK, 2016.

Farmworker Housing

According to the Housing Authority of Chelan County and the City of Wenatchee, farmworker housing demand is mostly met by existing supply based on their understanding of housing demand.⁴⁵ The Wenatchee area

⁴⁵ Personal communication, Alicia McRae, Housing Authority of Chelan County and the City of Wenatchee (CCWHA) 8/3/2016.

currently provides 130 units of year-round subsidized farmworker housing and 59 seasonal housing units. Farmworkers may also reside in other subsidized units available to low income households.

Permanent Supportive Housing for Individuals and Families

The needs of the chronically homeless population are also a top priority in the 2015 Action Plan Update to the *Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties*. The Action Plan uses a “Housing First” approach that sees stable, permanent housing as the first and primary goal of a homeless individual. It defines permanent supportive housing as “housing that offers long-term rental assistance and case management services to provide housing stability while progress is made towards health and life goals”.⁴⁶ According to the 2015 Action Plan Update, progress has been made in recent years in developing permanent supportive housing within the region. However, there is still insufficient capacity to serve all the chronically homeless individuals who need it. As result, the region currently does not have adequate Housing First units need to meet the needs of the chronically homeless in the community.

The latest point in time count identified 28 chronically homeless people in Chelan and Douglas Counties combined. This count has remained fairly stable in recent years, despite the opening of a 16-bed permanent supportive housing facility by the Woman’s Resource Center in 2014. The inventory of subsidized housing units developed for this report includes only 25 permanent supportive units. While comprehensive data about unit types is not yet available, the continued presence of chronically homes population indicates an insufficiency of permanent supportive housing. 28 additional units may be required to address current needs. The City of Wenatchee is currently analyzing data in its coordinated entry system to produce a more reliable estimate of permanent supportive housing needs.

⁴⁶ City of Wenatchee, 2015. *Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties: 2015 Action Plan Update*.

HOUSING MARKET DEMAND

Wenatchee has all the fundamentals for a strong housing market: low vacancy rates, population and employment growth, rising rents, and rising home prices. While there has been steady new home production, as much as two thirds of the new homes built in the urban area since 2010 are single family residences ⁴⁷. Furthermore, most of the multifamily development during this period came in a single project: Riverside9. While rising single family housing prices indicates continued strong demand for single family homes, this housing needs assessment finds the potential for strong demand among other housing types as well. Nearly 60% of all households in the Wenatchee urban area have only 1 or 2 members. Yet 34% of housing units have less than three bedrooms and only 11% have 1 or less bedrooms. This helps explain the steady rise in multifamily housing rents during recent years (between 5.8% and 15.1% growth annually).

The anticipated growth in elderly households as baby boomer enter their later years of life will also shape housing demand in years to come. Older residents seeking to downsize their homes or live closer to medical services could increase demand for smaller housing units closer to city centers where it is easier to live independently with less reliance on personal vehicles for access to daily needs.

While multifamily home development can play a strong role in meeting these demands, smaller housing units can also be provided through “missing middle” home production, such as duplexes, triplexes, cottage housing, accessory dwelling units, and townhomes. Encouraging more infill housing development in these mid-density housing formats can help to bring more activity to existing urban neighborhoods as well provide sufficient density to support more walkable neighborhood-scale commercial development.

RECOMMENDATIONS

Given low vacancy rates and rising housing costs, one key to addressing Wenatchee’s housing challenges is increasing the production of market rate housing, including single family as well as multifamily and “missing middle” housing formats that can expand the variety of housing options available to meet the needs of different household sizes and types.

Expand Outreach and Marketing to Housing Developers

This study finds that homes in Wenatchee are selling for considerably more than other Eastern Washington areas. According to City of Wenatchee staff, few, if any, developers from outside of the local area are building in Wenatchee. This indicates that developers from other areas of the state and country may not have awareness of the potential profitability of building in the Wenatchee area. The region may consider strategies to raise awareness among both local and non-local builders of opportunities for residential development as well as available incentives such as MFTE.

Leverage the Multifamily Tax Exemption (MFTE) Program

The City of Wenatchee offers an MFTE program⁴⁸ in the Urban Center, an area bounded by Seventh Street on the north; Emerson, Delaware, Idaho, Kittitas and Okanogan Streets on the west; Peachey Street on the south; and Wenatchee Avenue and Columbia Street on the east. The program offers an 8-year property tax exemption

⁴⁷ Data for new home production by housing type for unincorporated areas was not available. This calculation assumes that all new homes in unincorporated areas are single family, which is likely to be an exaggeration.

⁴⁸ Details can be found in the City’s code. Available at:
<http://www.codepublishing.com/WA/Wenatchee/html/Wenatchee05/Wenatchee0588.html#5.88.040>

to new multifamily projects with no affordability level requirements. It also offers a 12-year property tax exemption for projects that provide 20% of the units at a level that is affordable to those with incomes of 115% of AMI or less, or those earning less than \$72,565. According to the City planning division, only two apartment projects have used MFTE: Deaconness and Uptowner.

Builders who participated in a kick-off meeting for this study had limited knowledge of this program or its requirements. They indicated increased marketing to the developer community could be beneficial. Furthermore, the 2010 City of Wenatchee Affordable Housing Task Force recommended expanding the program target area to include the Waterfront and the entire city if feasible. They also recommended limiting the eligibility of the program to only include projects with an affordable housing component. Both of these recommendations have promise for expanding housing choice and affordability within the city and should be investigated further.

Review Parking Standards

Parking can add considerable costs to new multifamily developments, raising the cost of housing for new tenants. For instance, below grade structured parking costs a minimum of \$30,000 per stall. On the other hand, setting aside surface parking lots reduces the amount of units that can fit in key development sites and, if designed poorly, can undermine neighborhood walkability. While parking was not explicitly called out by the Task Force, their recommendations included allowing multifamily housing projects in commercial zoning districts to vary from typical parking standards. Preliminary findings from a downtown Wenatchee Parking Study indicates that this strategy may be worth examining in more detail.

The City's multifamily parking requirement of 1.5 stalls per unit may be higher than actual demand, particularly for smaller studio and one-bedroom units. However, there is currently limited data to verify actual multifamily parking demand. The City of Wenatchee conducted a parking count at the Riverside9 multifamily site in April of 2016. The Riverside9 site consists of 312 residential units with ground floor retail. Observed parking demand was 1.23 vehicles per occupied dwelling unit, which is 0.27 stalls per unit lesser than the minimum city requirement. For a site with 312 units the existing parking requirement would result in 84 parking stalls above observed demand at the Riverside9 site. Due to the increased development costs of providing additional parking that may not be necessary the existing requirements may be a barrier to multifamily housing production. Additional residential parking data collection should be considered to confirm actual residential parking demand at multifamily sites.

Review Regulations for Barriers to Creating “Missing Middle” Housing Types

The Task Force recommendations suggest that existing codes and building regulations may prevent barriers to the development of more “missing middle” housing types, including cottages, accessory dwelling units, single room occupancy units, rooming houses, and zero lot line townhouse style development. Outreach to the building community may help to identify where increased flexibility could incentivize more production of these unit types.

Apply for Low Income Housing Tax Credits

The Wenatchee area already has several affordable housing projects that were financed using the Low Income Housing Tax Credit (LIHTC) program.⁴⁹ These federal tax credits are allocated by the Washington State Housing

⁴⁹ Recent investor trends are discussed here: http://www.multifamilyexecutive.com/design-development/google-is-still-clicking-on-affordable-housing_o

Finance Commission through an annual competitive process that scores proposed projects on a number of dimensions. Of note, one census tract in East Wenatchee (9507) is listed as a Qualified Census Tract, which makes it eligible for additional tax credit equity.⁵⁰ The City could review the Finance Commission's LIHTC (4% Credit/Bond Program Scoring) Form 10 with local developers to understand how the City could help contribute to a competitive project. Contributions could include land, designating property at-risk, or a financial contribution.

Consider Appropriate Opportunities for Additional Residential Density

One way to create opportunities for production of multifamily housing is to consider areas that may be appropriate for added residential density. Strategies also supported by the Task Force recommendations include upzoning in residential zones or allowing housing in commercial zones (either through the adaptive reuse of existing buildings or through changing regulations within these zones to allow for more residential uses and mixed uses as appropriate). Given the rising cost of housing in Wenatchee, it is likely that there will be a growing demand for housing that is denser and more affordable than the traditional single family developments.

Provide New Opportunities for Adding Affordable Units

Awarding density bonuses and height increases to developers in exchange for providing affordable units in their multifamily or mixed use development can help incentivize investment. The Task Force recommendations made in 2010 indicate that the building height increase incentive could be expanded to additional zoning districts and transitional areas that border high density zones. In addition, prioritizing and streamlining the application process or waiving permit fees for certain project types that provide affordable housing was recommended. Also supported by the Task Force was the idea of increasing flexibility for developing infill lots for affordable housing projects. Data shows that Wenatchee has more households with a need for housing assistance than are receiving it and new affordable units could help close this gap.

Maintain Awareness of Baseline Development Costs

When incentives for development are implemented, they should target the specific burdens to development that are hindering production of new units. One way to ensure that incentives are in line with development barriers is to maintain an economic analysis of development costs to determine baseline development costs and financial returns for various housing types. As the Task Force recommends, through developing a baseline of development costs and returns and working with developers who have local experience to understand their challenges, the City can make informed decisions about regulatory and policy changes.

⁵⁰ Note that projects located outside this census tract are eligible for LIHTC. They just wouldn't benefit from the equity boost.

APPENDIX A. EMPLOYMENT PROJECTIONS BY WAGE LEVEL

Washington State Employment Security Department provides short-term (2 year) and long-term (5 and 10 year) employment projections by occupation category for the North Central region of Washington⁵¹. They also provide average annual wage by occupation title for the Wenatchee MSA area (Chelan and Douglas counties). It should be noted that annual wage calculations appear to be extrapolated from hourly wage estimates for at least some job categories, assuming 40 hours or work per week and 52 paid weeks per year. This may not be a safe assumption for all employment categories. For instance, this point is discussed in relation to farmworker household earnings earlier in the report.

For occupational titles with available wage data, BERK summarized projected job growth by annual income range and calculated average annual growth rates. The results are shown below. When interpreting these data, it should also be kept in mind that wage estimates are not available for all occupation titles. So not all job categories are reflected in the average annual growth projections. See the Employment section in the main report for total employment growth projections. Furthermore, occupation titles are grouped in relation to area median income (AMI), which HUD estimates to be \$63,100 for 2016.

Annual Growth Projections in North Central Washington State for Occupation Types with Wenatchee MSA Annual Wage Data Available

Income Category	Income Range	Average Annual Growth Projections		
		2015-2017	2014-2019	2019-2024
Very Low Income	Less than 30% AMI	0.00%	0.00%	0.00%
Low Income	30% to 50% AMI	0.92%	1.95%	0.75%
Moderate Income	50% to 80% AMI	1.45%	1.80%	0.90%
Lower Middle Income	80% to 100% AMI	1.07%	1.71%	1.00%
Above Median Income	Greater than 100% AMI	1.39%	1.68%	1.15%

Source: BERK 2016; Washington State Employment Security Department, 2016.

⁵¹ North Central region includes Chelan, Douglas, and Okanogan Counties.

APPENDIX B. ESTIMATED SALES TAX GENERATED FROM A MULTI-FAMILY PROJECT

The City of Wenatchee requested an estimate of direct and indirect sales tax generated by a single 140-unit multi-family project within the city limits. Direct sales tax revenues are those associated with construction costs. Indirect sales tax revenues are those generated by 1-year of taxable household expenditures from the new residents of the completed building. Both portions use the same basic approach – apply the retail sales tax rates to the total expected retail sales – but finding the total expected retail sales for each required differing methods, described separately below.

Direct: Retail sales tax revenue will be generated by the sale of materials and services used to construct the building; these sales are construction costs from the developer’s perspective. To find the total sales associated with constructing the building, three scenarios were considered based on different construction cost rates. The construction cost rates ranged from a low of \$125 per square foot to a high of \$175 per square foot. Each cost rate was multiplied by the total building square footage to produce three estimates for the total costs.

Indirect: Using annual household budget expenditure estimates from ESRI, BERK identified those spending categories applicable for retail sales tax, using the Washington Department of Revenue’s Tax Manual for reference.

Assumptions

All numbers in are in 2016 dollars, and no inflation was applied.

The direct sales tax revenue estimates are based on an assumed average unit size of 800 square feet and 140 units, or a total building size of 112,000 square feet.⁵² A range of average construction costs per square foot were used in this analysis. These costs include all the materials, goods, and services necessary to build a finished living unit.

For the indirect sales tax revenue estimate, BERK estimated the average residential household spending over a year period. This assumes that the average vacancy rate would be 5% (or, 95% of units would be occupied) for the first year of occupancy.

Findings

The results from these two estimates are included in Exhibit 49 below. The direct revenue from construction costs represent approximately 90% of the total sales tax revenues compared to the annual indirect retail sales tax. However, the direct revenue represents a one-time revenue, versus the on-going revenue stream provided from the indirect retail sales tax revenue. Without accounting for inflation, the indirect benefits will outweigh the direct tax revenue within 7-10 years of occupancy.

⁵² The 800 sq. ft. per unit estimate is assumed to be inclusive of shared and operational space in the building.

Exhibit 49. Estimated Retail Sales Tax Revenues

Direct: Expected Construction Retail Sales Tax Revenue

	Construction Cost	Total Sales Tax	State	City
Low Estimate	\$ 14,000,000	\$ 1,176,000	\$ 910,000	\$ 266,000
Mid Estimate	\$ 16,800,000	\$ 1,411,200	\$ 1,092,000	\$ 319,200
High Estimate	\$ 19,600,000	\$ 1,646,400	\$ 1,274,000	\$ 372,400

Indirect: Expected Resident Retail Sales Tax Revenue

	Total Expenditures		State	City
	Subject to Retail	Total Sales Tax		
	Sales Tax			
Expected Sales Tax	\$ 1,568,669	\$ 131,768	\$ 101,963	\$ 29,805

Total Expected Retail Sales Tax Revenue

	Total Sales Tax	State	City	Percent from Construction Costs
Low Estimate	\$ 1,307,768	\$ 1,011,963	\$ 295,805	90%
Mid Estimate	\$ 1,542,968	\$ 1,193,963	\$ 349,005	91%
High Estimate	\$ 1,778,168	\$ 1,375,963	\$ 402,205	93%

Source: BERK, 2016; ESRI, 2016; U.S. Census, American Community Survey, 2010 - 2014 5-Year Estimates

APPENDIX C. INVENTORY OF SUBSIDIZED HOUSING

An inventory of all subsidized housing in the Wenatchee urban area was developed from multiple sources based on best available information. Sources include National Housing Preservation Database; HUD Low Income Tax Credit Database; Multifamily Assistance and Section 8 Contracts Database; Chelan-Douglas County Community Action Council; and Housing Authority of Chelan County and the City of Wenatchee. Not all sources for the inventory provided complete information for characteristics such as housing types, population served, and total number of assisted units. This inventory should undergo additional review to ensure accuracy.

Subsidized Housing Definitions

The following definitions provide context behind the subsidized housing projects listed in the tables below.

HOME (Home Investment Partnership Program). Provides grants to states and localities to fund activities that build, buy, or rehabilitate affordable housing for rent or ownership, or to provide direct rental assistance to low income individuals.

LIHTC (Low Income Housing Tax Credit). A tax incentive meant to increase the low income housing stock through providing a tax credit to owners of newly constructed or substantially rehabilitated low income rental units.

MFTE (Multifamily Property Tax Exemption). Provides a tax exemption on new multifamily buildings in exchange for setting aside a percentage of units as income and rent restricted.

Section 8 Assistance. Provides low income families assistance in the form of vouchers or certificates when they cannot afford market rents or homeownership costs under a mortgage.

Low Income Housing

Project/ Program Name	Agency/Owner	Street	City	Housing Type*	Population Served	Total Assisted HHs/ Units	Subsidy/ Funding Type	Expiration**
Hospitality Heights	Hospitality House	1415-1439 S. Mission	Wenatchee	Transitional Housing	HH with children	4	County Homeless	
Transitional Housing	YWCA Wenatchee Valley	212 First Street	Wenatchee	Transitional Housing	HH with children	7	County Homeless	

Project/ Program Name	Agency/Owner	Street	City	Housing Type*	Population Served	Total Assisted HHs/ Units	Subsidy/ Funding Type	Expiration**
Crescent Village	Community Action Council	1345 Crescent St	Wenatchee	Transitional Housing	Individuals & HH with children	18	HOME	5/13/2017
Sunset Ridge	Community Action Council	1800 N Aurora Ave	East Wenatchee	Transitional Housing	Individuals & HH with children	32	LIHTC	12/31/2012
Bruce Housing	Women's Resource Center	206 Palouse St.	Wenatchee	Transitional Housing	Individuals & HH with children	44	County Homeless	
Community Recovery Program	Chelan County Regional Justice Center	401 Washington Street	Wenatchee	Transitional Housing	Individuals exiting jail with mental health/chemical dependency issues	7	CHG, County Homeless	
Haven of Hope	Hospitality House	202 S. Franklin	Wenatchee	Transitional Housing	Single females & HH with children	5	County Homeless	
Grace House	Lighthouse Christian Ministries	291 2nd St.	East Wenatchee	Transitional Housing	Single females & HH with children	6	Private donations	
Mission House	Lighthouse Christian Ministries	2415 #2 Canyon Road	Wenatchee	Transitional Housing	Single males	8	Private donations	

Project/ Program Name	Agency/Owner	Street	City	Housing Type*	Population Served	Total Assisted HHs/ Units	Subsidy/ Funding Type	Expiration**
HEN	Community Action Council	620 Lewis	Wenatchee	Rent Assistance (Temporary)	Individuals	85	HEN	
Porch Home TBRA	Community Action Council	620 Lewis	Wenatchee	Rent Assistance (Temporary)	Individuals	17	HOME	
ESG	Chelan-Douglas Community Action Council	620 Lewis St	Wenatchee	Rent Assistance (Temporary)	Individuals & HH with children	30	ESG	
CHG - Rent	Community Action Council	620 Lewis	Wenatchee	Rent Assistance (Temporary)	Individuals & HH with children	29	CHG, County Homeless	
C-Home	Community Action Council	620 Lewis St	Wenatchee	Rent Assistance (Temporary)	Individuals & HH with children	50	County Homeless	
Home TBRA	Community Action Council	620 Lewis	Wenatchee	Rent Assistance (Temporary)	Individuals & HH with children	19	HOME	
HPCSSVF HP	HopeSource	700 E Mountain View Ave, Suite 501	Ellensburg	Rent Assistance (Temporary)	Individuals & HH with children	5	SSVF	
HPCSSVF RRH	HopeSource	701 E Mountain View Ave, Suite 501	Ellensburg	Rent Assistance (Temporary)	Individuals & HH with children	3	SSVF	

Project/ Program Name	Agency/Owner	Street	City	Housing Type*	Population Served	Total Assisted HHs/ Units	Subsidy/ Funding Type	Expiration**
Discipleship House	Lighthouse Christian Ministries	2121 Valleyview Blvd.	East Wenatchee	Rent Assistance (Temporary)	Single males	6	Private donations	
Wenatchee House	Chelan County Housing Authority	22 S Buchanan Ave	Wenatchee		Up to 50% AMI	50	Section 8	4/30/2035
Cascadian Apartments	Cascadian Apartments, LLC	102 N Wenatchee Ave	Wenatchee		Up to 50% AMI	84	Section 8	12/31/2020
Emerson Manor Apartments	Chelan County Housing Authority	702 N Emerson Ave	Wenatchee		Up to 50% AMI	35	Section 8	1/25/2024
Garden Terrace West (2)	Wenatchee Brethren-Baptist Homes Inc.	500 N Emerson Ave	Wenatchee		Up to 50% AMI	70	Section 8	9/30/2033
Garden Terrace West (3)	Wenatchee Brethren-Baptist Homes Inc.	500 N Emerson Ave	Wenatchee		Up to 50% AMI	16	Section 8	9/30/2033
Valley Manor Apartments	Investor Capital Group	815 N Baker Ave	East Wenatchee			49	LIHTC	12/31/2025
Terrace Manor	Opportunity Council	657 N Baker Ave	East Wenatchee			50	LIHTC	12/31/2028
North River Apartments	Vaugh Bay Construction Inc.	245 5th St NE	East Wenatchee			25	LIHTC	12/31/2028

Project/ Program Name	Agency/Owner	Street	City	Housing Type*	Population Served	Total Assisted HHs/ Units	Subsidy/ Funding Type	Expiration**
Hilltop Apartments	Vaugh Bay Construction Inc.	1511 S Mission St	Wenatchee		All family types and disabled	25	LIHTC	12/31/2021
Maple Street Apartments	Vaugh Bay Construction Inc.	1325 Maple St	Wenatchee		All family types and disabled	50	LIHTC	12/31/2017
TOTAL						829		

*Comprehensive data for all housing developments is not included. Information is included where available.

**Expiration date for LIHTC units is the expiration date of the tax exemption. For rental assistance funding, the expiration date means the expiration of the rental assistance funding.

Source: National Housing Preservation Database, 2016; HUD Low Income Tax Credit Database, 2016; Multifamily Assistance and Section 8 Contracts Database, 2016; Chelan-Douglas County Community Action Council, 2016; Housing Authority of Chelan County and the City of Wenatchee, 2016.

Permanent Supportive Housing

Project/ Program Name	Agency/ Owner	Street	City	Housing Type	Population Served	Total Assisted HHs/ Units*	Subsidy/ Funding Type
Sunset Ridge House	Community Action Council	1800 N. Aurora Ave	East Wenatchee	Permanent Affordable	HH with children	1	
Strong Families Peachey St	Women's Resource Center	210 & 212 Peachey	Wenatchee	Permanent Supportive Housing	HH with children	2	
HomeSafe Supportive Housing	Women's Resource Center	206 Palouse St.	Wenatchee	Permanent Supportive Housing	Individuals		McKinney-Vento
Parkside Supportive Housing	Women's Resource Center	1207 Cashmere Ave.	Wenatchee	Permanent Supportive Housing	Individuals	15	County Homeless
Bridges Permanent Supportive Housing	YWCA Wenatchee Valley	212 First Street	Wenatchee	Permanent Supportive Housing	Individuals & HH with children	7	County Homeless
TOTAL						25	

*Comprehensive data for all housing developments is not included. Information is included where available.

Source: National Housing Preservation Database, 2016; HUD Low Income Tax Credit Database, 2016; Multifamily Assistance and Section 8 Contracts Database, 2016; Chelan-Douglas County Community Action Council, 2016; Housing Authority of Chelan County and the City of Wenatchee, 2016

Farmworker Housing

Project	Agency/Owner	Street	City	Population Served	Total Assisted HHs/ Units	Subsidy/ Funding Type*	Expiration**
Belle Rio	Chelan County Housing Authority	2017 NW Cascade Ave	East Wenatchee	Farmworkers (year-round) earning up to 50% AMI	25	LIHTC	12/31/2021
Heritage Glen	Chelan County Housing Authority	665 3rd St NE	East Wenatchee	Farmworkers (seasonal)	35		
Vista Del Rio	Chelan County Housing Authority	2014 NW Cascade St	East Wenatchee	Farmworkers (seasonal) earning up to 50% AMI	24	USDA Rural Rental Housing Program; Rural Development Rental Assistance	
Washington Square	Chelan County Housing Authority	125 South Western St	Wenatchee	Farmworker (year-round) earning up to 50% AMI	36	USDA Rural Rental Housing Program; Rural Development Rental Assistance	
Wenatchee II	Chelan County Housing Authority	1120 9th St	Wenatchee	Farmworker (year-round) earning up to 50% AMI	34	USDA Rural Rental Housing Program; Rural Development Rental Assistance	
Applewood	Chelan County Housing Authority	1209 S Methow St	Wenatchee	Farmworker (year-round)	35		
TOTAL					189		

*Comprehensive data for all housing developments is not included. Information is included where available.
 **Expiration for LIHTC is the expiration date of the tax exemption.
 Source: National Housing Preservation Database, 2016; HUD Low Income Tax Credit Database, 2016; Multifamily Assistance and Section 8 Contracts Database, 2016; Chelan-Douglas County Community Action Council, 2016; Housing Authority of Chelan County and the City of Wenatchee, 2016

Senior Housing

Project/ Program Name	Agency/Owner	Street	City	Housing Type*	Population Served	Total Assisted HHs/ Units	Subsidy/ Funding Type	Expiration*
Columbia Heights Retirement	Bonaventure Senior Living	1550 Cherry St	Wenatchee		Seniors earning up to 50% AMI	28	LIHTC	
Garden Terrace West	Wenatchee Brethren-Baptist Homes Inc.	500 N Emerson Ave	Wenatchee		Seniors earning up to 50% AMI	70	Section 8	10/1/2048
Deaconess Apartments	Deaconess Apartments, LLC	300 Okanogan Ave	Wenatchee		Seniors earning up to 50% AMI	25	LIHTC	12/31/2030
TOTAL						123		

*Comprehensive data for all housing developments is not included. Information is included where available.

**Expiration for LIHTC is the expiration date of the tax exemption. Expiration date for Section 8 is the expiration date of the rental assistance funding.

Source: National Housing Preservation Database, 2016.