



# CHAPTER 2 HOUSING

## WHAT YOU WILL FIND IN THIS CHAPTER

- Information about the need for housing in the community.
- Policies that seek to protect the quality of Ellensburg's housing inventory.
- Policies that provide a framework for increasing housing supply and diversity while protecting existing neighborhoods.
- Policies that direct the City's efforts to maintain and increase affordable housing.
- Policies that address the needs of members of the community who require housing accommodation or assistance due to disability, health, age, or other circumstance.

## OVERVIEW

The following information creates the overall picture of housing availability and affordability in Ellensburg. Over the past ten years the community has seen a great deal of population growth, and with it escalating prices in both rental costs and home sale prices. Demand for housing has also increased, particularly among those with low to moderate incomes.

This chapter contains information on housing supply, condition, occupancy, and affordability. The City of Ellensburg conducted an Ellensburg Housing Needs Assessment in 2016, and the results from that study supplement the information in this chapter.

The goals, policies, and programs found at the end of this chapter identify the steps the City of Ellensburg can take in response to housing issues found within the community. These steps are intended to ensure the vitality of existing neighborhoods and homes, estimate current and future housing needs, and provide direction to implement programs that satisfy those needs.

## BACKGROUND & CONTEXT

The Kittitas County Conference of Governments (COG) established growth projections for each jurisdiction in the county. This includes Ellensburg, Cle Elum, South Cle Elum, Roslyn, and Kittitas, as well as the unincorporated areas of the County. Each projection is the amount of growth expected to be accommodated during the time period from 2017-2037. Ellensburg's growth projection for this period is 11,757 additional people, or about 4,755 additional households over the next 20 years.

In order to plan for these new households, the City must identify that there is sufficient land and zoning capacity to accommodate this growth. The City must also identify strategies to show that there will be available housing and services for this projected increase in population. New housing could include traditional single-family homes, cottage housing, accessory dwelling units, duplexes, triplexes, townhomes, or apartment buildings. Planning for expected growth requires an understanding of household characteristics, demographic trends, current housing inventory, and housing market conditions.

### Household Characteristics

As of 2016, 21,340 people live in the City of Ellensburg and its surrounding Urban Growth Area (UGA). This equates to 7,823 total households in the City of Ellensburg and 660 additional households in the UGA. According to data from the Washington State Office of Financial Management (OFM), 11% of the population reside in group quarters, such as college residence halls, jails, or nursing facilities, while the remainder reside in households.

*Figure 3* breaks down the households inside the city by type. Family households make up about 41% of the total households in Ellensburg, with the majority (30%) being small families with no elderly members. Nearly a quarter of households are non-elderly residents living alone, and another 24% are other non-family households. It is likely that many of the households in these two categories are Central Washington University (CWU) students living alone or sharing apartments or single family

#### HOUSEHOLD TYPES

**Family** – 2 or more people living together, related by birth, death, marriage, or adoption

**Small Family** – families with 2-4 members (excluding elderly families)

**Large Family** – families with 5 or more members

**Elderly Family** – 2 people, either or both 62 years or over

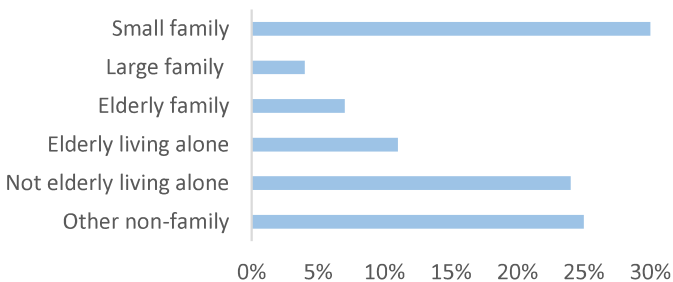
**Elderly Living Alone** – 62 years or over, living alone

**Not Elderly Living Alone** – 62 years or under, living alone

**Other Non-Family** – 2 or more non-elderly and unrelated people living together

homes off campus. Over two-thirds of households in Ellensburg have only one or two members, and just 15% of households have four members or more.

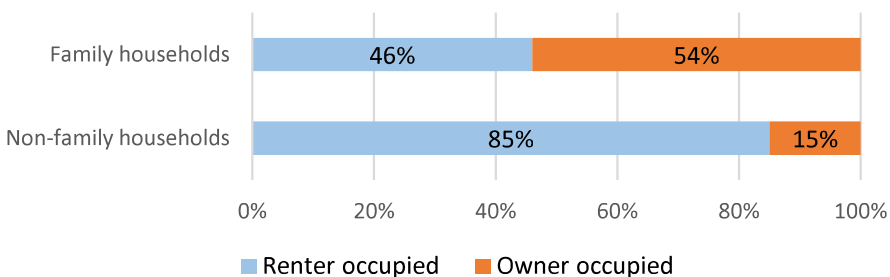
**Figure 3. Households by Household Type**



Source: U.S. Census, American Community Survey 5-Year Estimates, 2010-2014; BERK, 2017

About 70% of households in Ellensburg are renter-occupied. As shown in *Figure 4*, non-family households are much more likely to be renters than family households are. This is expected given that many non-family households in Ellensburg consist of students living off campus.

**Figure 4. Household Tenure by Household Type**



Source: U.S. Census, American Community Survey 5-Year Estimates, 2010-2014; BERK, 2017

### **Demographic trends**

Central Washington University is a major presence in Ellensburg. There are over 9,600 full time students attending university on-campus. Approximately one third of the population of Ellensburg consists of students living off campus. The University is projecting that within the next 5 to 10 years enrollment will be capped at about 12,000 full time students attending university on-campus. The presence of CWU within the city limits significantly affects, and will continue to affect, housing types and distribution.

There are over 1,000 households in Ellensburg with a senior householder, about 43% of which are renters (*Table 7*). According to the 2012 OFM projections, approximately 14% of Kittitas County's population is 65 years and older. This population share is projected to rise to 20% by 2030 as today's baby boomers enter their 70s and 80s. As the urban center of the county, Ellensburg could expect similar increases in the population of people 65 years and older.

**Table 7. Households with a Senior Householder**

	Households
Total households with a senior householder	1,023
Renter-occupied	438
Owner-occupied	585

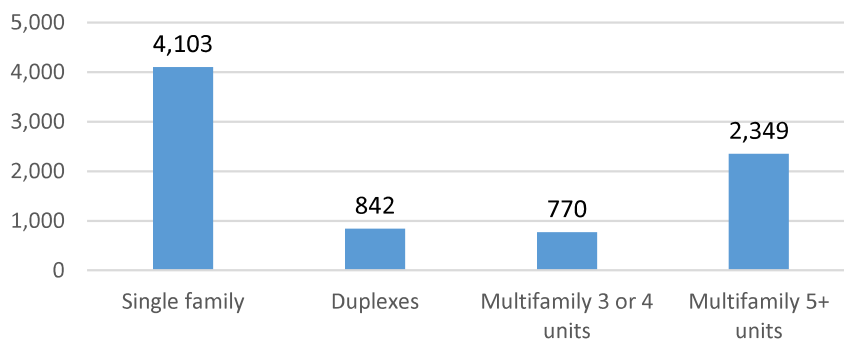
Source: U.S. Census, American Community Survey 5-Year Estimates, 2010-2014; BERK, 2017

### **Homelessness and unhoused population**

Data on homeless and unhoused population in Ellensburg is limited and sometimes inconsistent because different institutions define and count homeless populations differently. One method of tracking homelessness is through census data. At the time of the 2010 census, there were 30 homeless individuals, including 11 in emergency and transitional shelters, and 19 who were most likely unsheltered or living in vehicles. Another method of tracking is through the annual point in time (PIT) county of the homeless population, conducted every January. The 2017 PIT count identified a total of 37 homeless people, 29 sheltered (including both emergency and transitional) and 8 unsheltered. Ten of the sheltered households included minors.

### **Existing Housing Stock**

As of 2016, there were 8,363 housing units in the City of Ellensburg. *Figure 5* breaks down all units in the City by unit type. Single family homes make up 49% of the housing stock, 47% are in multifamily structures, and less than 4% are mobile homes. Among the multifamily units, the majority are in larger buildings with five or more units.

**Figure 5. Housing Units by Housing Stock**

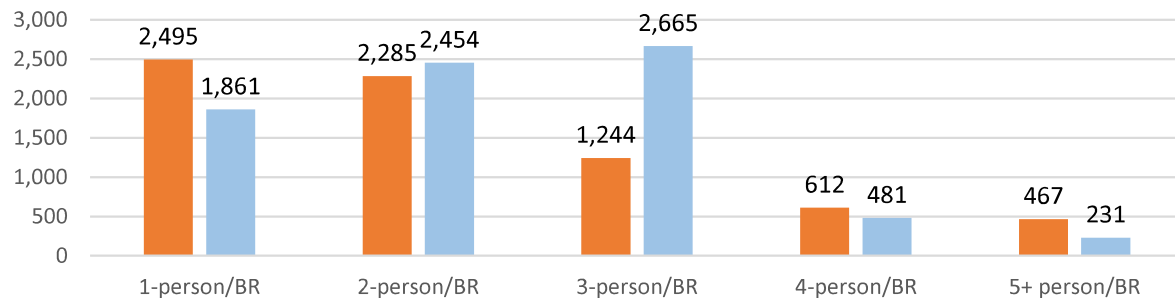
Source: OFM, 2016; BERK, 2017

*Figure 6* breaks down the housing stock by the number of bedrooms and compares it to the size of households in Ellensburg. There are nearly 2,500 households with only one member, yet there are less than 1,900 studio and one-bedroom housing units combined, and much of the current supply of smaller unit apartment homes are marketed exclusively to students. While not all one person households are looking for a studio or one bedroom unit, it is likely that there are people living in larger shared houses that would prefer to live in a studio or one bedroom unit if they are available. Sharing of larger houses indicates the demand for studio and one bedroom units potentially exceeds what is indicated by looking at census data about

household sizes. Smaller units may also be suitable for residents without families or small families seeking an affordable housing option.

Housing units with three or more bedrooms make up 44% of the existing housing stock while only 33% of households have three or more members. Assuming that people seeking small apartment units are instead sharing larger units due to lack of appropriate supply in the apartment market, there is potential that the number of households with three or more members is higher than actual demand.

**Figure 6. Alignment between Household Sizes and Size of Units in Housing Stock**



Source: U.S. Census, American Community Survey 5-Year Estimates, 2010-2014; BERK, 2017

Between 2010 and 2016 570 new housing units were built or placed in Ellensburg; 56% of the units produced were single family homes. Less than a quarter of the production during this period were multifamily residences. With nearly two thirds of the households in Ellensburg having one or two members, and 70% of households being renters, there may be greater demand for multifamily housing and smaller unit sizes than the market is currently providing.

A 2016 Washington Center for Real Estate Studies survey of apartment buildings in Kittitas County provides a snapshot of vacancy rates and rents, broken down by unit type. The most notable finding from this survey is the very low vacancy rates. For studio, one bedroom, and three bedroom apartments, apartment managers reported 0% vacancy, and overall the apartment vacancy rate was 0.8%. These low vacancy rates are far below the 5% vacancy rate which is considered to be a healthy balance between supply and demand.

#### HOUSING VACANCY RATE

Without housing vacancies, to change houses you would need to find someone who has the house you want and wants the house you have, and then trade.

Very low vacancy rates cause housing prices to increase as demand surpasses supply.

Very high vacancy rates may lead to decreases in civic activity, safety, and property values.

### ***CWU student housing***

Table 8 shows current operating capacity within student housing provided by CWU. Most of the capacity is in the residence halls. However not all of the current capacity is in use because many rooms originally designed as doubles have been renovated and converted to single person rooms.

**Table 8. CWU Student Housing: Current Operating Capacity**

<b>Beds</b>		<b>Apartment units</b>	
Residence halls	2,761	Studios	20
Apartments	892	1 bedroom	97
<b>Total</b>	<b>3,653</b>	2 bedroom	281
		3 bedroom	71
		<b>Total</b>	<b>469</b>

Source: CWU, 2016; BERK, 2017

### ***Subsidized housing***

Subsidized housing is publicly assisted housing for eligible low-income families, the elderly, and persons with disabilities when available (see definitions for more information). There are a total of 804 subsidized housing units in Ellensburg. The income eligibility requirements for these units vary by building, but range between 30% of Area Median Income to 95% of Area of Median Income. With the Area Median Income for Kittitas County calculated at \$65,600 in 2016, this means 30% of AMI is \$19,680.

In addition to the subsidized housing units that are available in Ellensburg, an additional 30 households receive housing choice vouchers (see definition) to subsidize rental units available on the private market.

**Table 9. Subsidized Housing Units by Population Served and income Eligibility**

<b>Population Served</b>	<b>Unit County by Eligibility</b>				<b>Unit Count</b>
	<b>Below 30% AMI</b>	<b>Below 50% or 60% AMI</b>	<b>Below 80% AMI</b>	<b>Below 95% AMI</b>	
Senior/Disabled	120	174	30	0	324
Families	95	0	44	0	139
Mixed (individuals and families)	168	122	0	51	341
<b>Total</b>	<b>383</b>	<b>296</b>	<b>74</b>	<b>51</b>	<b>804</b>

Source: National Housing Preservation Database, 2016; HUD Low Income Tax Credit Database, 2016; Multifamily Assistance and Section 8 Contracts Database, 2016; Kittitas County Housing Authority, 2016; HopeSource, 2016; AptFinder.org, 2016; BERK, 2017

None of the units have subsidies that are expected to expire within the next six years. However, 599 units are in buildings with subsidies that will expire within the next 20 years. Of these, 224 units have private owners that may not maintain the property permanently as affordable housing.



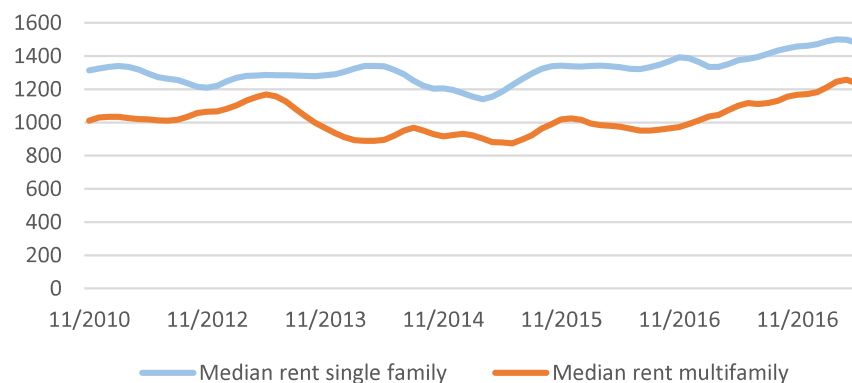
According to the Kittitas County Housing Authority, wait times for qualified applicants seeking units in their buildings is typically twelve to eighteen months. Wait times for three bedroom units have a shorter wait time (three to six months) and wait times for four bedroom units can be up to three years. The eligibility and demand for all unit types significantly exceed the number of units available. The vast majority of the subsidized housing stock in Ellensburg is available to renter households.

Kittitas County Habitat for Humanity runs an affordable home ownership program. This program provides homes to families earning 30% to 60% of Area Median Income based on need and ability to contribute sweat equity. Since 1994, 11 units have been built in the City of Ellensburg.

### Housing market trends and housing affordability

Rental costs for apartments and single family homes have increased between November 2010 and September 2016. Between 2011 and 2016, single-family rents rose at an annual rate of 2.9% (18% for the 5-year period). During that same period multifamily rents rose by 1.8% annually (12% for the period). The rate of increase has been higher in recent years; between 2013 and 2016 single-family rents rose at an annual rate of 5.4% and multifamily rents rose by 5.9% annually.

**Figure 7. Median Monthly Rent**



Source: Zillow Rent Index 2017; BERK 2017

These increased rental prices, combined with wages that have not kept pace with inflation, and a shortage of housing units, have culminated in a shortage of affordable housing for many Ellensburg residents. The U.S. Department of Housing and Urban Development deems housing to be affordable if a household spends no more than 30% of their gross income on housing costs. Gross housing costs

#### AREA MEDIAN INCOME

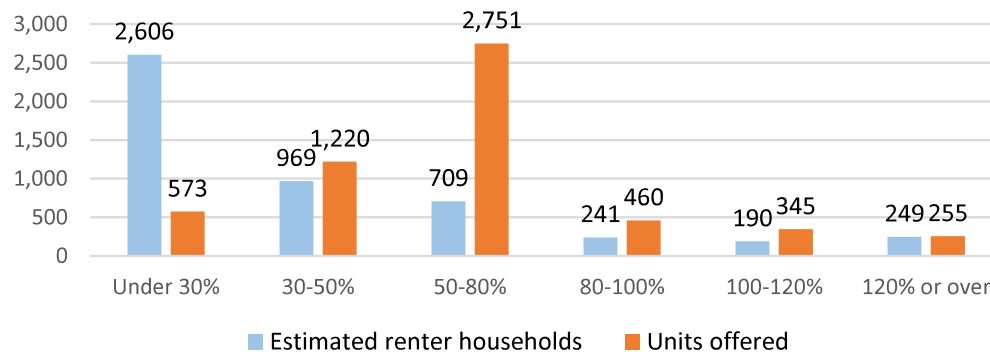
is determined by the U.S. Department of Housing and Urban Development (HUD) using American Community Survey five-year estimates of median household income for a family of four.

Kittitas County Area Median Income: \$65,600

A household is considered **COST BURDENED** if they spend more than 30% of their gross income on housing costs; more than 50% on housing cost is considered **SEVERE COST BURDEN**.

consist of rent or gross monthly owner costs plus basic utilities. During the 2010 to 2014 period, the United States Census estimates indicate there were 2,606 Ellensburg households earning below 30% area median income while only 573 units were offered at a rent affordable to these households. This means that there were 2,033 households that were unable to find rental units at prices that would be considered affordable. However, U.S. Census also estimates that there was a surplus of units affordable to all other income levels. The largest surplus was in units affordable to moderate income households (those earning 50%-80% of Area Median Income). *Figure 8* visually compares household income level to units offered at that affordability level to highlight the areas of greatest shortage and surplus.

**Figure 8. Renter Households by Income Level Compared to Units Offered by Affordability Level**



Source: Zillow Rent Index 2017; BERK 2017

In order to better understand where the needs are in Ellensburg *Table 10* shows cost burdened households by household type. The household type 'Other' includes non-family households with no members 62 years and older. It is likely that a great number of these households include CWU students, and it is the best proxy for student households for which cost burden data is available. The largest number of cost burdened renter households are in this category. The other household types in *Table 10* are useful for understanding needs among households that are not likely occupied by university students. Among these household types, the greatest need is affordable housing for small families and elderly people living alone.

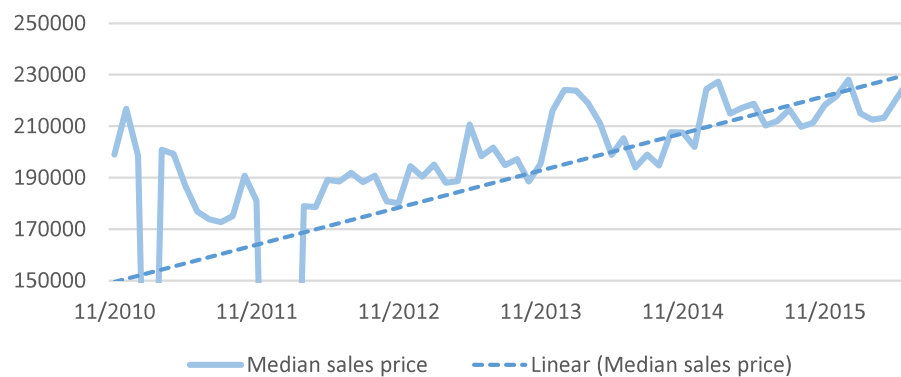


**Table 10. Cost Burdened Renter Households by Household Type**

Household type (renters only)	Household Income Level					Total
	Very Low (<30% AMI)	Low (30-50% AMI)	Moderate (50-80% AMI)	Lower Middle (80-100% AMI)	Above AMI	
Elderly Family	20	0	0	0	20	40
Elderly Non-Family	185	130	0	15	0	330
Large Family	0	10	0	0	0	10
Small Family	274	220	85	10	0	589
Other	1,625	545	245	35	30	2,480
<b>Total cost burdened households</b>	2,104	905	330	60	50	3,449
<b>% of households</b>	93%	87%	44%	25%	7%	70%

Source: U.S. Department of Housing and Urban Development, Consolidated Housing Affordability Strategy (based on U.S. Census American Community Survey 5-Year Estimates, 2009-2013); BERK 2017

Figure 9 shows changes in median home sale prices between November 2010 and June 2016. Between June 2011 and June 2016, the median home sales price rose by 5.2% annually. Assuming a household can afford a 20% down payment, a household requires at least \$47,480 in yearly income to afford a mortgage for a home at the 2016 median selling price of \$227,250. Real estate professionals reported there is significantly less housing stock on the market than ever before. Prior to 2016, the lower Kittitas County market (which includes Ellensburg) maintained listings of about 200 units at any given time. Throughout 2016, listings were consistently about half that number.

**Figure 9. Median Home Sale Price**

Source: Zillow, 2017; BERK 2017

Table 11 shows cost burden for all owner-occupied households by income level. About 25% of these households which are owner-occupied are cost burdened.

**Table 11. Cost Burdened Owner-Occupied Household by Household Type**

Household type	Household Income Level					Total
	Very Low (<30% AMI)	Low (30-50% AMI)	Moderate (50-80% AMI)	Lower Middle (80-100% AMI)	Above AMI	
Elderly Family	0	15	30	4	0	49
Elderly Non-Family	10	45	20	0	0	75
Large Family	0	0	20	0	15	35
Small Family	20	0	45	40	90	195
Other	40	0	39	40	29	148
<b>Total cost burdened households</b>	70	60	154	84	134	502
<b>% of households</b>	93%	32%	66%	63%	9%	25%

Source: U.S. Department of Housing and Urban Development, Consolidated Housing Affordability Strategy (based on U.S. Census American Community Survey 5-Year Estimates, 2009-2013); BERK 2017

Table 10 and Table 11 estimate there are about 1,323 non-student cost burdened households in Ellensburg. The majority of these households are small families (59%) and elderly people living alone (31%).

The culmination of this data indicates that there is not enough housing stock to meet the needs of the existing population in 2016. At the current rate of production, the housing stock will not meet the demand of the expected growth of 11,757 more people over the next twenty years. Furthermore, the pressures between supply and demand have exacerbated the affordable housing challenges for Ellensburg residents. With these factors in mind, the City is committed to turning the tide and supporting innovative methods to meet the needs of its residents. The City recognizes the need to encourage and promote a higher rate of housing production, and the need to successfully implement important housings goals which will aid all economic segments of the community.

The following sections will describe opportunities identified for providing new housing, as well as a description of what success would look like for Ellensburg. This is followed by goals, policies and programs intended to guide future policy decisions, as well as a section pertaining to Action Items that can be pursued in the more immediate future.

## Housing Opportunities

This Housing Chapter supports innovative methods to achieve important housing goals while maintaining flexibility to fulfill different priorities in different neighborhoods. This section describes some of the innovative housing types in Ellensburg and the context in which they may work well.

- **Mixed use housing.** Ellensburg encourages creative and innovative uses on commercial and mixed use land to increase housing supply. Mixing housing and commercial uses can enhance the vitality of commercial areas by encouraging foot traffic to support neighborhood shops, and to provide eyes on the street. Over time, areas of downtown and areas near the south and west freeway interchanges could become distinct mixed use neighborhoods.
- **Downtown housing.** Second and third story residential and mixed used buildings will provide housing for people who want to live in an urban setting where there is a higher concentration of jobs and services and a variety of transportation options.
- **Accessory dwelling units.** New housing opportunities may also be provided in well-established neighborhoods. City policies currently allow for a single-family property to be designed to include an independent residence, or accessory dwelling unit, which is either attached or detached to the existing home. Accessory dwelling units are subject to specific guidelines to protect the character of the single family neighborhood. Accessory dwelling units may provide affordable housing opportunities, help those with limited income keep their homes, and extend opportunities for aging in place.
- **Universal design and aging in place.** Housing opportunities are created when housing design and choice accommodates the ordinary changes that people experience over their lives due to aging and life circumstances. Ellensburg encourages housing options, programs, and services, that support independence and choices for those who want to remain in their homes or neighborhoods regardless of age or ability.
- **Planned unit development.** Utilization of Planned Unit Developments allows for variations in site design and density from the requirements of the Land Development Code in exchange for public review and design review to ensure compatibility with the setting. Clustering of housing within the planned unit developments may be encouraged to protect critical areas.

### What does success look like?

Ellensburg maintains the vitality of existing neighborhoods and employs an array of housing tools to increase housing opportunities across the city. A broader range of housing choices serve residents at various income levels and help address emerging market demand, including housing for a varied workforce, for young adult workers and students, for seniors aging in place, and for those who desire to live in walkable neighborhoods. For a housing strategy to be considered successful, the following outcomes will be visible:

- All residents have fair and equal access to healthy and safe housing choices.
- Housing production is occurring in a manner consistent with housing targets.
- All households have access to affordable housing and diverse housing options that are equitably and rationally distributed.

## GOALS, POLICIES, & PROGRAMS

These housing goals, policies, and programs contain steps that the City of Ellensburg can take in response to housing issues found within the community. These steps are intended to ensure the vitality of the existing residential stock, estimate current and future housing needs, and provide direction to implement programs that satisfy those needs.

**Goal H-1: Preserve, protect, and strengthen the vitality and stability of existing neighborhoods.**

**Policy A Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations.**

*Program 1* Integrate new development, with consideration to design and scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.

*Program 2* Encourage infill development on vacant and underused sites.

**Policy B Establish additional logical access routes outside of the existing street system for bicycle and pedestrian traffic.**

*Program 1* Identify trail easements and develop an effective maintenance strategy.

**Policy C Protect and connect residential neighborhoods so they retain identity and character and provide amenities that enhance quality of life.**

*Program 1* Encourage housing opportunities in mixed residential/commercial settings throughout the city.

*Program 2* Provide increased residential density and improve infrastructure along arterials and transit routes through redevelopment and retrofitting, such as sidewalks and stormwater treatment.

*Program 3* Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.

**Policy D Promote sense of place in neighborhoods.**

*Program 1* Promote high quality design that is compatible with the overall style and character of established neighborhoods.

*Program 2* Support the preservation of Ellensburg's historically-significant housing through the City's historic preservation program, which maintains a list of historic properties and districts, and provides education and incentives.

*Program 3* Encourage the use of long-lived, low-maintenance building materials; high-efficiency energy systems; and low impact development techniques that reduce housing life-cycle costs and provide better environmental performance.

*Program 4* Foster innovative housing and mixtures of housing types that preserve natural resources and consolidate open space.

**Goal H-2 Allow and encourage and accommodate a variety of housing types and densities to meet housing needs of all economic segments of the community.**

**Policy A Review the Land Development Code to allow for a wider variety of housing types.**

*Program 1* Review barriers to the development of denser housing types such as duplexes, townhomes, and accessory dwelling units.

**Policy B Encourage residential development in commercial and mixed use zones, especially those within proximity to transit.**

*Program 1* Expand the Multifamily Tax Exemption program beyond the downtown area to encourage multifamily housing in other areas where it is needed.

*Program 2* Evaluate, review, revise, and publicize the density bonus incentive program.

*Program 3* Work with Central Washington University and private developers to support on-campus housing for students and in transit-served mixed residential/commercial settings throughout the city.

**Policy C Consider housing cost and supply implications of proposed regulations and procedures.**

*Program 1* Consider reducing parking requirements for mixed-use housing developments and affordable housing developments in close proximity to jobs and transit.

**Policy D Create and preserve ADA accessible and affordable housing opportunities locally and with a regional perspective.**

*Program 1* Promote working partnerships with public, private, non-profit groups, and developers to plan and develop a range of housing choices.

*Program 2* Evaluate other housing affordability programs utilized in other communities that could be incorporated into the Land Development Code.

*Program 3* Support the preservation, maintenance, and improvements of older/historic housing and assistance to low income households who want to stay in their homes.

**Policy E**      **Identify potential properties to allow for emergency housing, emergency shelters, and permanent supportive housing.**

*Program 1*      Develop a conditional use provision in the permitted use table in the land development code allowing for emergency housing, shelters, and permanent supportive housing in appropriate zones.

**Goal H-3**      **Encourage and support a variety of housing opportunities for older adults and people with disabilities.**

**Policy A**      **Collaborate with other jurisdictions, organizations, and private developers to meet special housing needs that address a broad spectrum of solutions.**

*Program 1*      Promote accessible and affordable housing in areas that are close to services and the rest of the community.

*Program 2*      Coordinate with local organizations and agencies to provide sufficient and affordable home maintenance and support services.

*Program 3*      Promote the use of universal design principles for new development or redevelopment housing projects.

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## ACTION ITEMS

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### ***Allow for Planned Unit Developments***

Incorporate planned unit developments as an allowable use as appropriate into the City's land development code.

### ***Evaluate, review and revise density bonus program***

The existing density bonus program provides density bonus incentives between 5 and 150% greater density for developments that incorporate a greater variety of housing types, affordable housing, green building, trails, and historic preservation. Since to date, none of these density bonuses have been taken advantage of, it is the City's goal to create a program that provides relevant incentives and an administration and implementation plan. This will include an evaluation of other jurisdictions' incentive programs including affordable housing mandates that have achieved the sought after results as well as outreach and engagement with the local development community.

### ***Expand the Multifamily Tax Exemption Program***

Expand the Multifamily Tax Exemption program into areas outside the Central Business District that have been prioritized for increased multifamily housing.

### ***Review and revise land development code***

Review and revise the land development code as necessary to allow for a wider variety of housing types; specifically review and identify potential barriers to small-scale multifamily developments, duplex, townhome, and accessory dwelling units.

### ***Review barriers to missing middle housing types***

Ellensburg needs increased housing production, particularly among missing middle formats such as duplexes, townhomes, tiny homes, and accessory dwelling units. Outreach to housing developers and to real estate professionals indicated there is a need for this housing, but that it may be difficult to produce under current conditions.

### ***Review parking standards***

Consider reducing parking requirements for new student-oriented housing or affordable housing near jobs and transit. Parking was identified as a significant cost barrier for building new multifamily housing, and as such additional residential parking and transit data should be collected and evaluated.



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## POLICY CONNECTIONS

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The **Land Use** chapter includes policies and land use designations that support the development of many types of housing to ensure that people who live and work in Ellensburg have adequate housing choices.

The **Transportation** chapter includes goals and policies for establishing consistency and coordination between transit service and future housing and mixed use developments.

The **Economic Development** chapter includes goals and policies to encourage mixed-use areas and residential areas in close proximity to job opportunities and amenities.