

Housing Affordability

Potential Responses to Comments and Adjustments to Housing Policies & Codes | Draft September 21, 2017

At the August 2017 City Council public hearing, a commenter requested the City require affordable workforce housing with new development. A code requirement would take more research and effort than can be accomplished at this stage of the Comprehensive Plan & Municipal Code Update. City staff anticipates developing a proposed code in 2018. However, recognizing the importance of this topic, we have developed a proposed policy that could be added into the Land Use or Housing Element. It would give the City authority to require a housing mitigation plan.

- The City may condition commercial or industrial developments that significantly increase the demand for housing by future employees to provide a housing mitigation plan. The housing mitigation plan should document the relationship of added employees and the demand for housing, the method by which the housing would be provided (onsite and/or offsite), the number and type of dwellings proposed, the unit value or rent illustrating employees would pay no more than 30% of their income on the future workforce units, proposed deed restrictions to ensure the units will remain available as affordable employee housing units over a long-term period, and fee calculations for in-lieu fees if offsite employee housing is proposed. The City may use State Environmental Policy Act laws and rules and its land use authority to determine whether the increased demand is significant and warrants mitigation or conditions of approval.

The W-I zone amendments would permit accessory workforce housing. There were questions about whether the accessory housing could be open to workers from other businesses not affiliated with the primary industrial use. One option would be to indicate that the housing could be offered to employees of offsite businesses unaffiliated with the primary use if there were a conditional use permit and that no more than 50% of the units would be available to offsite unaffiliated workers. Another option is to retain the language as proposed by the Planning Commission to ensure the units are associated with the primary industrial use, given a potential concern that opening these units to other renters would compete with other rental property in the City and change the nature of the W-I zone making it more likely to convert to residential uses.

17.44.040 Dimensional standards.

D. Standards for accessory workforce housing:

1. Maximum gross density: 8.7 du/acre; and
2. Development Area. Minimum development area shall be at least 10,000 square feet.
3. Development Standards. Building height, coverage, setbacks shall be consistent with R-M zone at CMC 17.24.040.
4. Rents. Rents charged for any on-site residential unit produced to house temporary or permanent workers may not exceed 30% of the employee's gross wages;
5. Maintenance. All employee units shall be regularly maintained, and kept in a safe, sanitary, livable, and rentable condition.

6. Minimum Size. No employee-housing unit shall be less than 300 square feet.
7. The housing shall accommodate employees of the primary industrial use, whether those employees work onsite or offsite.
8. Deed Restrictions. All employee-housing units shall be subject to minimum 50-year deed restrictions to ensure long-term use and affordability to employees. All deed restrictions are subject to review and approval by the Administrator and City Attorney and shall be recorded with the Chelan County Auditor. Such deed restriction shall be recorded prior to issuance of a certificate of occupancy for the subject property. Prior to the end of the 50-year deed restriction period, the City may approve a removal of the deed restriction provided there is a payment in lieu of continuing affordability.

Minor edits are proposed to the Live-Work Overlay to reference R-M standards for height and setbacks – like the accessory workforce housing – see underlined text:

17.44.040 Dimensional standards.

E. Standards for live/work:

3. Development Area and Standards.

a. Minimum development area shall be at least 10,000 square feet. Density shall not exceed 8.7 units per gross acre.

b. Work-Live and Residential Only Development: Building height, coverage, setbacks shall be consistent with R-M zone at CMC 17.24.040.