

1. CALL TO ORDER

2. AGENDA CHANGES

3. MINUTES

I move to approve the June 17, 2026 Minutes of the Planning Commission

A) Approval of June 17, 2026 Minutes of the Planning Commission

Motion: I move to approve the June 17, 2026 Minutes of the Planning Commission

4. PUBLIC HEARINGS

A) City of Chelan Comprehensive Plan 2026: Chapter 3 Subarea Plans, Chapter 4 Housing

5. ADMINISTRATIVE REPORTS

A) Sign Code Update Work Session: Draft Sign Code 7.10.2026

6. CITIZEN COMMENTS

7. COMMISSIONER COMMENTS

8. ADJOURNMENT

Our Vision

Chelan is a rural lakeside community surrounded by pristine natural beauty where generations of visitors and residents enjoy an exceptional quality of life.

Our Guiding Principles & Outcomes

Visionary & Strategic - A city that is forward-thinking, collaborative, and fiscally responsible.

Thriving & Connected - A vibrant, well-planned city where residents have a sense of home.

Healthy & Sustainable - A flourishing city that supports an active community.

Accessible & Welcoming - A safe city where everyone can find community.

The next Planning Commission meeting will be on Wednesday, August 19, 2026, beginning at 5:15 p.m. in Council Chambers, 135 E. Johnson Avenue, Chelan, Washington.



City of Chelan

**Planning Commission Meeting
June 17, 2026**

PLANNING COMMISSIONERS AND ADMINISTRATIVE PERSONNEL PRESENT

Commissioners:

Joe Collins
Vickie Heimark
Gary Myers
Ryan Peterson - Excused
Gaylen Willett

Administrative Personnel:

Community Development Director John Ajax
Senior Planner Monica Libbey

1. CALL TO ORDER

Meeting was called to order at 5:15 p.m.

2. AGENDA CHANGES

NONE

3. MINUTES

A) May 20, 2026 Minutes of the Planning Commission

MOTION:	I move to approve the May 20, 2026 Minutes of the Planning Commission.
MOVER:	Commissioner Gary Myers
SECONDER:	Vice Chair Vickie Heimark
AYES:	Commissioner Gaylen Willett, Chair Joe Collins, Vice-Chair Vickie Heimark, Commissioner Gary Myers
NAYS:	None
RESULT:	Passed

4. PUBLIC HEARINGS

A) City of Chelan Comprehensive Plan 2026: Chapter 1 Overview & Vision, Chapter

2 Land Use

Planning Commission Chair Collins opened the public hearing at 5:25 p.m.

Community Development Director Ajax provided a staff presentation regarding the required update to the City's Comprehensive Plan, focusing on Chapters 1 Overview & Vision and Chapter 2 Land Use.

Public testimony was received by:

- Brian Patterson, Manson resident: intends to engage in commenting process, has assembled a review committee of over a dozen residents to stimulate more community input.
- Lynette Grandy, Chelan resident: made comments in writing for Chapters 1 & 2, wanted clarification of what public comments matrix will look like.
- Tammy Hauge requested that the Comprehensive Plan include graphical summaries illustrating the proportion of the City's land use designations. She also requested recognition of Johnson Place within the Comprehensive Plan and suggested consideration of future restoration opportunities, particularly within Lakeside Park.

Written comments provided by Lynette Grandy were entered into the public hearing record.

No additional testimony was received.
The public hearing was closed at 6:30 p.m.

5. ADMINISTRATIVE REPORTS

A) Sign Code Update Work Session: Draft Sign Code 6.12.2026

Senior Planner, Monica Libbey, presented revisions to the draft Sign Code following Planning Commission discussion at the previous meeting.

6. CITIZEN COMMENTS

Tammy Hauge expressed concerns about parking impacts near Lakeside Park and encouraged the Planning Commission to consider adequate parking and neighborhood impacts when reviewing future development.

7. COMMISSIONER COMMENTS

Commissioners Myer and Willett thanked the people who came and spoke.

8. ADJOURNMENT

**The meeting was adjourned
at 6:57 P.M.**

**Date
Approved:**

**John Ajax
Community Development
Director**

**Joe Collins
Chair**



City of Chelan

PLANNING COMMISSION

July 15, 2026

Subject/Title: City of Chelan Comprehensive Plan 2026: Chapter 3 Subarea Plans, Chapter 4 Housing
Department: Community Development
Staff Contact: John Ajax
Guiding Principles: Visionary & Strategic
Initiatives: Manage Growth
Reviewed By:
Number of Looks:

PREVIOUS ACTION TAKEN

A public hearing was held at the June 17, 2026 Planning Commission meeting. No action was taken.

OVERVIEW

The City of Chelan is updating its Comprehensive Plan as required by the state's Growth Management Act (GMA) to align with regulatory updates and to respond to changes in local land use and population growth. The Comprehensive Plan is Chelan's 20-year guiding document for managing growth and shaping the City's future through 2046. It outlines the vision, goals, and policies that will help us address critical issues, from housing and transportation to economic development and public services.

Over the next several months, the Planning Commission will hold a series of grouped public hearings, the City Council will deliberate on the Commission's recommendation, and the State will conduct its parallel agency review. The plan must be adopted by December 2026 to meet the State-mandated periodic update deadline.

Five grouped public hearings, June – October 2026

All hearings held during regular Planning Commission meetings, 3rd Wednesday of each month, 5:15 p.m., Chelan City Hall

#	DATE	THEME	CHAPTERS & ITEMS UNDER PUBLIC HEARING
01	Jun 17, 2026	Foundation	Ch. 1 Overview & Vision · Ch. 2 Land Use · Critical Areas Ordinance compliance updates
02	Jul 15, 2026	Community & Housing	Ch. 3 Subarea Plans · Ch. 4 Housing · ESHB 2266 STEP housing code amendments
03	Aug 19, 2026	Economy & Climate	Ch. 5 Economic Development · Ch. 10 Climate Change & Resiliency
04	Sep 16, 2026	Infrastructure & Services	Ch. 6 Utilities · Ch. 7 Capital Facilities · Ch. 8 Parks & Recreation
05	Oct 21, 2026	Mobility & Final Comment	Ch. 9 Transportation * · Peterson Place private comp plan proposal · Omnibus public comment on full plan

* Transportation Element is in development with the City's consultant and will be posted prior to its public hearing. · Hearings may be added, reduced, or continued per CMC 19.40. A joint Planning Commission / City Council workshop may also be scheduled.

The chapters under consideration for this public hearing are:

- Chapter 3 Subarea Plans
- Chapter 4 Housing

No action is being requested at this time. An official Planning Commission recommendation is anticipated this fall.

FINANCIAL IMPLICATIONS

ATTACHMENTS

1. Chelan_CompPlan_Schedule_Chart
2. Chelan_PC_Presentation_July15_2026
3. Points Housing Element 2026 Draft Update
4. Chapter 3 - Proposed Sub Area Plans
5. Chapter 4 - Housing

SUGGESTED MOTION

Public Review Process & Hearing Schedule

Early December 2026

A. PLANNING COMMISSION PUBLIC HEARINGS

Five grouped hearings, June – October 2026 · 3rd Wednesday of each month · 5:15 p.m. · Chelan City Hall

#	DATE	THEME	CHAPTERS & ITEMS UNDER PUBLIC HEARING
01	Jun 17, 2026	Foundation	Ch. 1 Overview & Vision · Ch. 2 Land Use · Critical Areas Ordinance compliance updates
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* Transportation Element is in development with the City's consultant and will be posted prior to its public hearing.

B. CITY COUNCIL REVIEW & ADOPTION

November – December 2026 · 2nd & 4th Tuesdays · 5:15 p.m. · Chelan City Hall

Nov 10	Nov 24	Dec 8
Briefing	Public Hearing	Adoption

C. STATE REVIEW (PARALLEL TRACKS)

Both must conclude before Council adoption

Commerce 60-Day	Late Jul → Late Sep 2026	RCW 36.70A.106
SEPA Threshold	Late Jul → Mid-Aug 2026	Ch. 43.21C RCW

D. MASTER TIMELINE · ALL TRACKS AT A GLANCE

	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Planning Commission		Hearings 1-5 (Jun 17 · Jul 15 · Aug 19 · Sep 16 · Oct 21)						
City Council							Council action	
Commerce 60-Day				60-day notice (late Jul → late Sep)				
SEPA Review			DNS					

CITY OF CHELAN

PLANNING COMMISSION PUBLIC HEARING NO. 2: COMMUNITY & HOUSING

Comprehensive Plan Update

2026–2046

A walkthrough of Chapter 3 (Subarea Plans), Chapter 4 (Housing),
and the ESHB 2266 “STEP” housing code amendments — in plain English

July 15, 2026 • 5:15 PM • Council Chambers, Chelan City Hall

What we'll cover

1

Where we are in the process

A quick recap of Hearing 1 and the state reviews running in parallel.

2

Chapter 3 — Subarea Plans (proposed new chapter)

Four parts of town that get their own detailed plans — what that means and why.

3

Chapter 4 — Housing

Chelan's housing conditions and needs, and a full walk through the goals & policies.

4

ESHB 2266 “STEP” housing

What the new state housing law requires — and what it doesn't — in plain English.

Hearing 2 of 5 — and the state reviews ahead

Jun 17 Foundation ✓ Held	Jul 15 Community & Housing TONIGHT	Aug 19 Economy & Climate	Sep 16 Infrastructure & Services	Oct 21 Mobility & Final Comment
---	---	------------------------------------	--	---

RUNNING IN PARALLEL

Commerce 60-day state review — the City submits the full draft to the State at the end of this month; the 60-day state-agency comment window runs through late September. Any state-agency comments come back to staff before adoption.

SEPA environmental review — the state-required environmental review also begins at the end of this month: the City publishes its determination, followed by a 14-day public comment period in August. Both reviews conclude well before Council adoption.

What is a subarea plan?

A subarea plan is a zoom-in. The Comprehensive Plan looks at the whole city; a subarea plan looks closely at one part of town — a corridor, a neighborhood, an activity center — and works out land use, streets, utilities, and design at that finer scale. State law (RCW 36.70A.080) allows them as an optional part of a comprehensive plan. Once a subarea plan is adopted, it becomes part of this Plan.

Why a new chapter?

The 2010 Downtown Master Plan did this kind of fine-grained work for the downtown core. Chapter 3 broadens that approach: the still-relevant goals from that plan are carried forward and distributed across four subareas, so coordinated improvements aren't limited to downtown.

What Chapter 3 does — and doesn't — do

Tonight's chapter establishes the framework: which four areas get plans, what each plan will cover, and the timeline. The detailed plans themselves come later (2027–2030), each with its own public process, technical analysis, and environmental review.

Four parts of town, four future plans

Waterfront Corridor

SR 150 & W. Woodin Ave — the western gateway

How the SR 150 entry into town can welcome people better: streetscapes, gateway features, safer walking and biking, and high-quality development that fits Chelan's character.

Parks to Downtown Corridor

Lakeside parks → downtown core

The busiest walking route in town each summer. Better sidewalks and crossings, seasonal parking management, shoreline access, and public art connecting the parks to Woodin Ave.

Downtown to Apple Blossom Corridor

SR 97A through town

Turning the highway spine into a community street: safer facilities for all travel modes, mixed-use infill, and protecting the historic Woodin Avenue core — in coordination with WSDOT.

Apple Blossom East

Willmorth Drive area — east Chelan

A chance to plan a complete, walkable neighborhood from the start: a mix of housing types, neighborhood shops, connected streets, and utilities phased to match buildout.

All four are at the “preliminary” stage — boundaries and maps will be finalized by City GIS staff as each plan is developed.

Every subarea plan answers the same three questions

How do people get around?

Complete streets, safer crossings, sidewalks and bike routes, transit, and — in the lakeside corridor — managing peak-season parking.

Can the pipes keep up?

Water, sewer, and stormwater capacity checked against growth and peak-season demand, with upgrades timed to street projects so pavement is only torn up once.

Do the zoning rules fit the vision?

Each plan reviews zoning and design standards so new development matches what the community wants for that corridor or neighborhood.

The chapter's ten goals, at a glance

SA-1 / SA-2

Waterfront Corridor: a welcoming western gateway; high-quality development that fits Chelan

SA-6 – SA-8

Downtown to Apple Blossom: a multi-modal SR 97A; quality mixed-use infill; historic core protected

SA-3 – SA-5

Parks to Downtown: stronger walk/bike links; protected open space & shoreline access; public art

SA-9 / SA-10

Apple Blossom East: a complete, walkable neighborhood, compatible with community character

Chelan's housing picture, by the numbers

2,957

housing units in the city — 36% held for seasonal or occasional use

150%

rise in county median home values since 2014 — incomes grew 54%

\$72,000

median household income — over \$20K below the state median

1 in 4

renters are cost-burdened (25.2%); a third of homeowners are too (33%)

28.8%

of residents are 65 or older — well above state & national averages

410

permitted short-term rentals — over 90% in developments purpose-built for STR use

Source: City of Chelan Housing Element Technical Report (Points Consulting, Nov 2025) — proposed for adoption as Appendix H of this Plan.

What state law asks — and what Chelan needs

THE LAW — HB 1220 (2021)

The Housing Element must:

- Count existing and projected housing needs
- Plan for housing at every income level — from extremely low-income to market-rate
- Show enough zoned land for all housing types, including shelters and supportive housing
- Assess racially disparate impacts and exclusion
- Identify displacement risk and adopt anti-displacement policies

THE NEED — THROUGH 2046

≈ **151 more homes**

about 133 inside the city and 18 in the unincorporated UGA

Most of that need is affordable. The majority of needed units serve households earning below 80% of area median income — pointing to multifamily and affordable housing types.

And the land is there. The 2025 Land Capacity Analysis shows every part of the UGA, at every income level, has enough zoned land to meet its share.

The housing plan, in one slide

The vision

A healthy mix of housing types and prices, so the people who work here, grow up here, and retire here can live here — with thriving neighborhoods preserved along the way.

The priority

Grow the stock of homes affordable to households earning 110% of median income or less — while meeting HB 1220 obligations for extremely low, very low, and low-income households.

The City's role

The private market builds the homes; the City clears the path — regulations, incentives, and partnerships with nonprofits like the Chelan Valley Housing Trust and the county Housing Authority.

Already on the books: two ADUs allowed on every lot (HB 1337) • affordable-housing density bonuses • planned development districts that allow micro-units and cottage housing with affordable-housing contributions. Chapter 4 builds on these adopted tools.

Goal H-1: Affordable homes in good condition

The chapter's biggest goal — nine policies focused on residents earning 110% of median income or less.

H-1.1 / 1.2	Promote and keep affordable homes — ownership and well-maintained rentals — for full-time residents	H-1.6	Help nonprofit housing organizations build capacity — through program support, funding, or land
H-1.3	Use incentives so affordable units stay affordable over time	H-1.7	Minimize displacement when low-cost housing is lost — tools like tenant relocation assistance and right-to-return policies
H-1.4	Open the door to lower-cost home types: small lots, ADUs, duplexes, townhouses, multiplexes, manufactured homes, mixed-use housing	H-1.8	No net loss: affordable homes removed by redevelopment get replaced in kind, in a location that serves the same residents
H-1.5	Keep ADU rules current so backyard cottages serve long-term rentals	H-1.9	Encourage both for-profit and nonprofit production of homes affordable to lower-income households

Goals H-2 & H-3: Livable neighborhoods, diverse options

Goal H-2 — Livable neighborhoods

- H-2.1** Use neighborhood planning to build locally-supported action plans, neighborhood by neighborhood
- H-2.2** Allow neighborhood-specific design standards — including height and size limits where needed to protect views
- H-2.3** Where neighborhoods want to keep existing homes, connect owners to rehabilitation programs that help maintain them

Goal H-3 — Diverse housing options

- H-3.1 / 3.2** Encourage variety — cottage housing, ADUs, townhouses, zero-lot-line homes — where they fit neighborhood livability
- H-3.3** Keep a place for mobile home parks, with standards and resident-support programs that keep them in good condition
- H-3.4** Partner on ownership pathways: community land trusts and first-time homebuyer programs
- H-3.5** Keep the housing-needs data current — including gaps in shelter, emergency housing, and permanent supportive housing

Goals H-4 & H-5: Special needs; the City's supporting role

Goal H-4 — Adequate special-needs housing

- H-4.1** Keep enough appropriately-zoned land for special-needs housing — particularly for Chelan's aging population (nearly 29% of residents are 65+)
- H-4.2** Set standards so special-needs housing is well integrated into the community and meets ADA accessibility requirements

Goal H-5 — Private industry builds; the City leads and supports

- H-5.1 / 5.2** Regularly review the zoning map — and the size of the UGA — so there's always enough appropriately-zoned land
- H-5.3** Staff take an active role: outreach, infill and incentive programs, and regulation updates
- H-5.4 / 5.5** Partner with the county Housing Authority and put surplus public land (City, PUD) to work for affordable housing

Goal H-6: Preventing displacement

New with this update, responding to HB 1220 — keeping today's residents housed as the community grows.

- H-6.1** Track where displacement risk is highest and respond — preserving existing affordable homes, targeted investment, and tenant protections
- H-6.2** Check housing policies for racially disparate impacts, and fix disparities in access, cost burden, and displacement risk
- H-6.3** Support the community organizations that provide shelter, transitional housing, and services for neighbors at risk

What the analysis found: displacement risk is lowest in the lakefront northwest and moderate in parts of downtown. And the burden isn't shared evenly — 30.2% of Hispanic renter households are severely cost-burdened, versus 16.5% of White renter households. Goal H-6 exists to close gaps like these.

“STEP” housing, in plain English

A 2026 state law about four kinds of housing that help people move from crisis to stability. “STEP” is the shorthand:

S

indoor emergency Shelter

Overnight indoor shelter — the most immediate safety net

T

Transitional housing

Temporary housing with services while residents work toward a permanent home

E

indoor Emergency housing

Short-term indoor housing for people or families in crisis

P

Permanent supportive housing

Permanent affordable homes paired with voluntary support services

What the law requires

These housing types must be allowed in any zone inside the urban growth area where homes or hotels are already allowed — industrial zones excepted. Chelan's implementing amendments to the zoning code (Title 17) are part of tonight's hearing.

What it doesn't do

It doesn't fund, build, or site any facility — it only says where these homes may locate, the same way the code treats other housing. The City can still apply reasonable health and safety standards, like occupancy and spacing rules.

Where we go from here

1

Tonight — Jul 15

Hearing 2 of 5:
Community & Housing

Ch. 3 Subarea Plans, Ch. 4 Housing,
and the ESHB 2266 STEP code
amendments

2

Next — Aug 19

Hearing 3:
Economy & Climate

Ch. 5 Economic Development and
Ch. 10 Climate Change & Resiliency

3

Sep — Oct

Hearings 4-5

Sep 16: Utilities, Capital Facilities &
Parks. Oct 21: Transportation,
Peterson Place & final omnibus
comment

4

Nov — Dec

City Council

Briefing Nov 10, public hearing Nov
24, adoption Dec 8 — early
December 2026

Comment any time: at any hearing, in writing to Community Development, or online at cityofchelan.gov/compplan. The Commerce 60-day state review begins at the end of July and runs through late September.



Questions & discussion

City of Chelan Comprehensive Plan Update 2026–2046

Public Hearing No. 2 • July 15, 2026 • Council Chambers, Chelan City Hall

Next hearing: August 19, 2026 — Economic Development & Climate Resiliency

Community Development Department • cityofchelan.gov/compplan • (509) 682-8017



POINTS
CONSULTING



City of Chelan Comprehensive Plan– Housing Element

For: Anchor QEA and the City of Chelan

From: *Points Consulting*

November 13, 2025

Points Consulting
PO Box 8487
120 N. Line St., Moscow, Idaho 83843
208-596-5809
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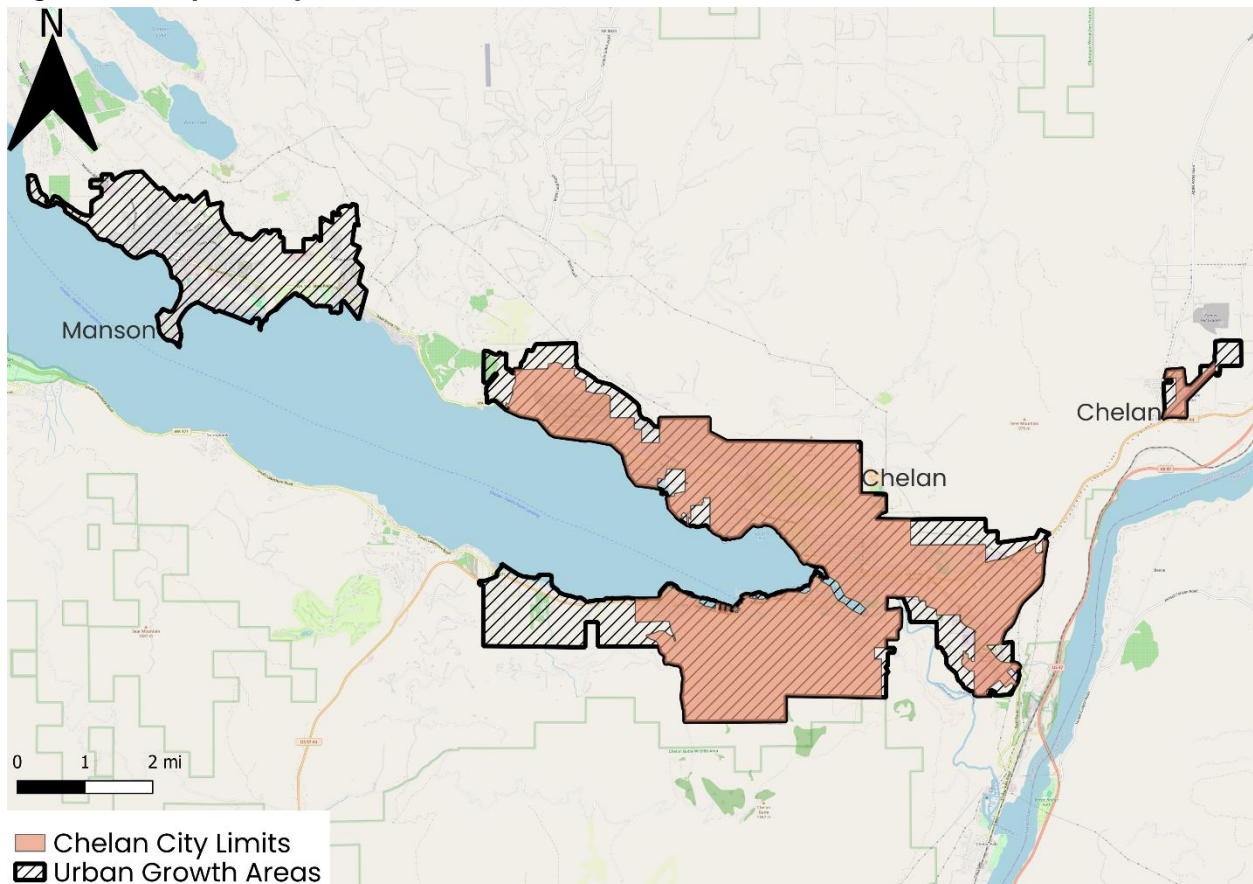
1. Executive Summary & Introduction

Introduction

The Housing Element of this Comprehensive Plan provides a comprehensive analysis of housing conditions, challenges, and opportunities within the City of Chelan and its urban growth area (Chelan UGA). It serves as a guide for future housing development and addresses housing affordability through 2046.

The map below shows the boundaries of the City of Chelan, the Chelan UGA, and the Manson UGA. For clarity, in this report, statistics that are for Chelan, or City of Chelan refer to the area within the city limits, shown in pink on the map; Chelan UGA refers to the city limits plus the UGA surrounding them; Unincorporated Chelan UGA refers to the area inside the UGA but excludes the city limits.

Figure 1.1: Map of City of Chelan and UGA Boundaries



Source: Points Consulting using ArcGIS

A healthy housing ecosystem is characterized by a market in equilibrium, where housing supply meets the community's demand. Key factors in measuring housing

supply and demand include the number of housing units, vacant and developable parcels, employment levels, and income levels.

The following sections analyze data on Chelan's housing market and use population and housing forecasts to assess future demand.

The report is organized as follows:

Chapter 1: Executive Summary & Introduction:

Key highlights from the assessment

Chapter 2: Gaps and Barriers Analysis:

Affordability gaps for renting and homeownership residents

Chapter 3: Recommendations:

Policy recommendations for future housing growth

Chapter 4: Land Capacity Analysis:

Study of land supply and demand for housing development

Chapter 5: Demographics & Socioeconomic Trends:

Overview of underlying socioeconomics affecting housing demand and affordability characteristics

Chapter 6: Housing Trends:

Overview of owner- and renter-occupied housing, including affordability dynamics

Chapter 7: Policies and Programs:

Overview of relevant policies and programs the City has implemented or uses to provide more affordable housing

Executive Summary

Housing Situation

Population growth in the City of Chelan has outpaced national growth over the past decade and is expected to continue at a similar pace. As a result, housing demand will keep rising, and housing affordability will remain a concern. At the time of this assessment, a majority of Chelan's first-time homebuyers (82%) could not afford an average-priced home. Even lowest-tier homes remain unaffordable for more than one-third of first-time buyers in Chelan.

Rental burdens are also present, though they are lower in the City of Chelan than in the County, state, or nation overall. Still, 25% of renting households spend more than 30% of their income on housing and are therefore considered cost-burdened. Among low-income renter households, nearly 60% are cost-burdened.

One unique aspect of Chelan's housing supply is tied to its vibrant tourism industry. Short-term rentals (STRs) have a significant presence in the city. Because of Chelan's tourism attractions, especially in the summer months, a portion of its housing stock has been committed for tourists and seasonal residents. The City has 410 permitted STRs active in Chelan. However, over 90% are in developments that are specifically planned and zoned for STRs and not residential housing. This intentional zoning balances the needs of both visitors and residents.

Chelan contains approximately 2,957 housing units. Over a third of these (36%) are vacant according to census data primarily because they are reserved for seasonal, recreational, or occasional use. Of the occupied units, the majority (67%) are single-family detached homes. This share is slightly above the state (63%) and national (63%) averages. Three- to four-unit buildings are the next most common housing type, accounting for 9% of the stock, followed by buildings with 10 or more apartments at 7%. This mix signals a relatively higher level of housing diversity in Chelan, which supports affordability across multiple income levels.

Over the past decade, housing prices and rents have risen rapidly, especially in the wake of COVID-19 and rising inflation. Since 2014, housing prices have increased by 150%. This is more than double and nearly triple the growth of local incomes, which rose by 54% over the same period. Rents have also climbed sharply and nearly doubled, showing a 92% increase since 2014.

Demographics

Chelan's population has increased about 10% since 2013. The state's forecast predicts continued growth over the next 20 years. While population estimates for small geographic areas like Chelan can fluctuate from year to year, long-term trends become clearer when viewed in the context of broader demographic patterns.

Age plays a key role in housing needs. Older populations typically require more space per person than younger ones. Younger households often compromise on unit size, lot size, or even homeownership due to budget constraints. In Chelan, 27% of the population is under age 25, 32% are prime working-age adults, and 29% are age 65 or older. This reflects both a relatively large share of young residents and a considerable portion of retirement-age residents, alongside fewer working-age adults than the state and U.S. averages.

Income levels in Chelan are slightly lower than the U.S. average, with a median household income of \$72K compared to \$78.5K nationally. This figure is also well below the state median of \$95K and about \$5K lower than the Chelan County median. Despite this lower income, Chelan's poverty rate is 9.5%. This is three percentage points below the national average and half a percentage point below the state average.

Economy

The regional economy of Chelan County has grown over the past decade, with employment up 9% since 2014 and wages up 74%. In contrast, the number of business establishments has declined 6.6%. This seems to be due to a sharp drop between 2021 and 2023. Overall, Chelan County has lagged behind both the state and nation in employment growth, and well behind the nation in establishment growth. Unemployment in the County stands at 4.7%. This is only slightly above the state rate of 4.5%. The City of Chelan's three largest employment sectors are Health Care & Social Assistance, Accommodation & Food Services, and Agriculture, Forestry, & Fishing.

Forecast

Given its current housing supply, the City of Chelan anticipates that about 150 additional units will be needed within Chelan and Chelan's UGA to accommodate projected population growth from 2027 to 2046. The estimated number of housing units needed at each Area Median Income (AMI) level is as follows:

- 0–30% AMI: 75 units
- 30–50% AMI: 36 units
- 50–80% AMI: 22 units
- 80–100% AMI: 7 units
- 100–120% AMI: 2 units
- 120%+ AMI: 9 units

Land Capacity Analysis

Despite challenges related to affordable housing, Chelan has an ample supply of land that the City can leverage for future development. PC's land capacity analysis indicates that the Chelan UGA, including land within city limits, contains enough vacant and underutilized land in appropriately zoned districts to accommodate about 3,374 new housing units which is more than sufficient to accommodate the expected growth.

2. Gaps & Barriers Analysis

There is often an imbalance between supply and demand in the housing market. This imbalance can manifest as either an undersupply of housing or as housing that is unaffordable. For this Gaps and Barriers Analysis, Points Consulting (PC) measured the affordability gaps experienced by both renters and homeowners.

Renter Challenges

Chelan renters are more likely to be severely cost-burdened than other renters in Chelan County, despite lower overall housing cost burden rates. This likely reflects relatively low rents in Chelan combined with a high proportion of low-income renters. The result is fewer moderately burdened households and a higher proportion of

severely burdened households. In Chelan, 19.9% of renting households are severely cost-burdened, meaning they spend 50% or more of their household income on housing. Only 14.9% fall into this category across Chelan County (Table 2.1). By contrast, only 5.3% of Chelan renters are moderately cost-burdened (spending 30–50% of income on housing), compared to 18.7% in the County.¹

Altogether, 25.2% of Chelan renters experience a housing cost burden to some degree. This percentage is just over half the rate observed in the state and nation (43.5% and 43.9%, respectively).

Table 2.1: Renters' Housing Cost Burden by Region

Region	Renting Households	Severely Cost-Burdened	Mod. Cost-Burdened	Total Cost-Burdened	Not Cost-Burdened
Chelan	754	19.9%	5.3%	25.2%	74.8%
Chelan County	10,880	14.9%	18.7%	33.6%	66.4%
Washington	1.1M	20.7%	22.8%	43.5%	56.5%
United States	44.2M	22.2%	21.7%	43.9%	56.1%

Source: HUD Comprehensive Housing Affordability Strategy Data, 2017–2021, Table 7

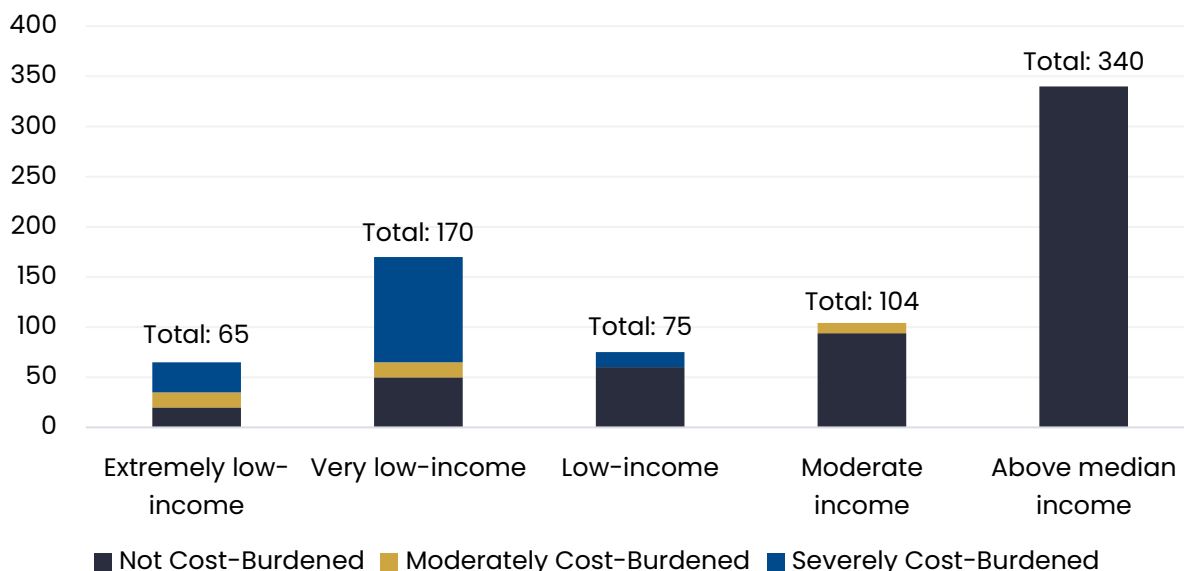
PC also measured affordability issues by various Area Median Income (AMI) levels. Please note these data use 2021 AMI levels. The five AMI categories are:

- **Extremely low-income:** Less than 30% of AMI
- **Very low-income:** 30–50% of AMI
- **Low-income:** 50–80% of AMI
- **Moderate income:** 80–100% of AMI
- **Above median income:** 100%+ of AMI

Figure 2.1 compares levels of cost burden across these income levels. In Chelan, renters in the very low-income category are most likely to be severely cost-burdened, with 61.8% of households falling into this group. Households with above-median incomes have no moderate or severe cost burdens, while moderate- and low-income renter households experience smaller percentages of cost burden. Figure 2.2 presents the same data for Chelan County for comparison.

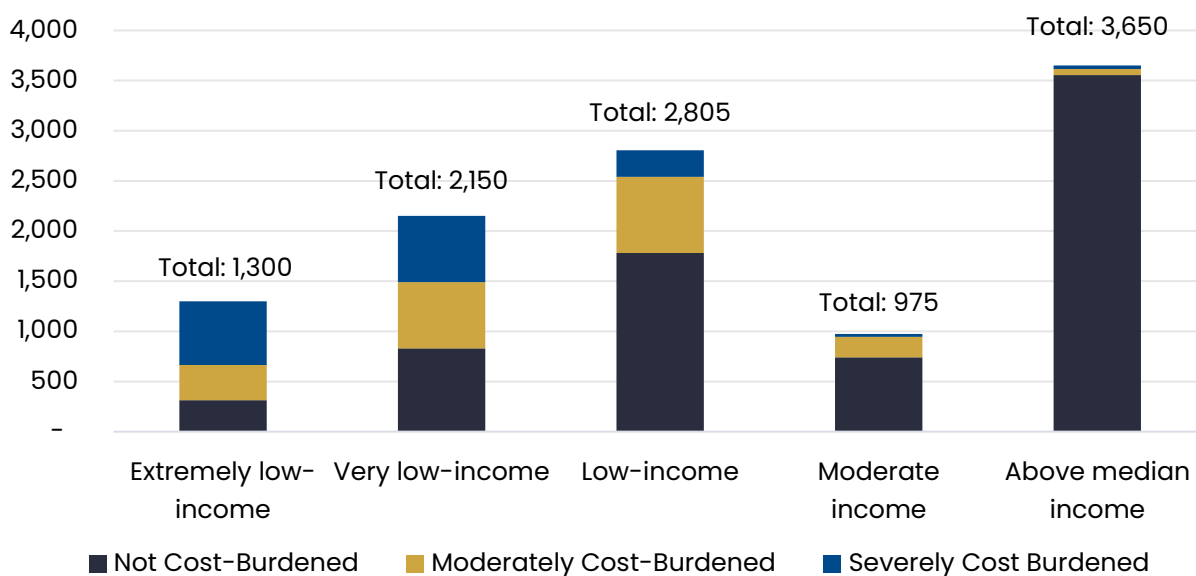
¹ By HUD definitions, “housing costs” include only rent or mortgage payments and generally exclude utilities such as water, sewer, refuse removal, and internet, which are typically not included in most leases. In short, if these additional housing-related costs were included, the reported cost-burdened statistics would be even higher than those presented here.

Figure 2.1: Chelan Renters' Housing Cost Burden by Income Level



Source: HUD Comprehensive Housing Affordability Strategy Data, 2017–2021

Figure 2.2: Chelan County Renters' Housing Cost Burden by Income Level



Source: HUD Comprehensive Housing Affordability Strategy Data, 2017–2021

Homeownership Challenges

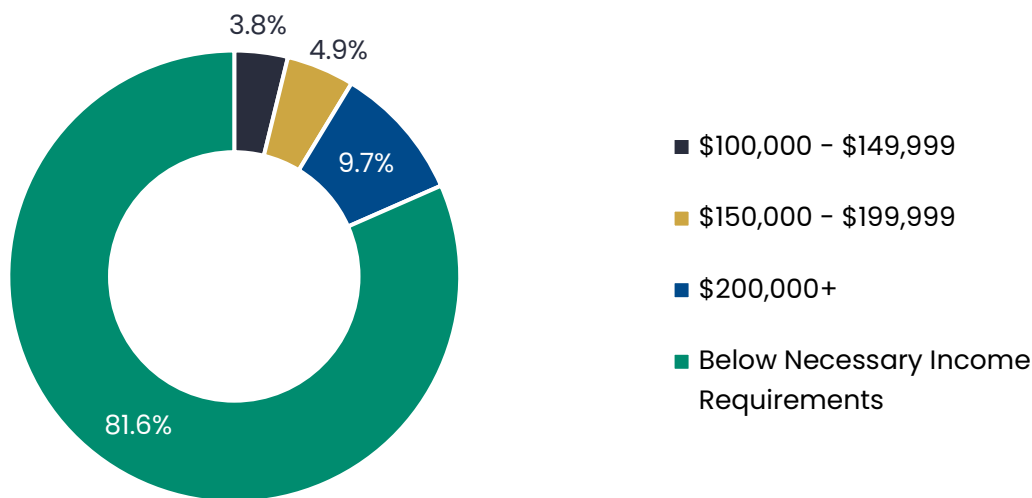
Many homeowners are also cost-burdened and may be at risk of foreclosure. In Chelan, approximately 6.7% of homeowners are moderately cost-burdened, and another 26.3% are severely cost-burdened. In Chelan County, about 11.3% of homeowners are moderately cost-burdened, while 7.1% are severely cost-burdened.

Some of these homeowners were likely able to purchase their homes years ago, when prices were lower. This suggests that new homeowners today face greater cost burdens due to higher home values and mortgage rates. Considering current income levels, regional home prices (as of November 2025), and average current mortgage rates, PC estimated the share of potential, first-time homebuyer households able to afford a home. The model assumes an average credit rating and a conventional 30-year mortgage.

PC's estimates indicate that the majority of potential, first-time homebuyers in the City of Chelan and Chelan County cannot afford an average-priced home. Figure 2.3 and Figure 2.4 show which income cohorts are able to afford an average-priced home and their respective shares of the total households in the City and County.

In Chelan, a household would need an income of approximately \$130,000 to afford the mortgage on an average-priced home. By comparison, the median household income in the City is about \$72,000. Therefore, an average household would need to earn roughly \$58,000 more per year to afford an average-priced home. As a result, 81.6% of potential first-time homebuyers in Chelan cannot afford this purchase today (Figure 2.3).

Figure 2.3: First-Time Home Buyers Who Can Afford to Buy an Average-Priced Home in the City of Chelan

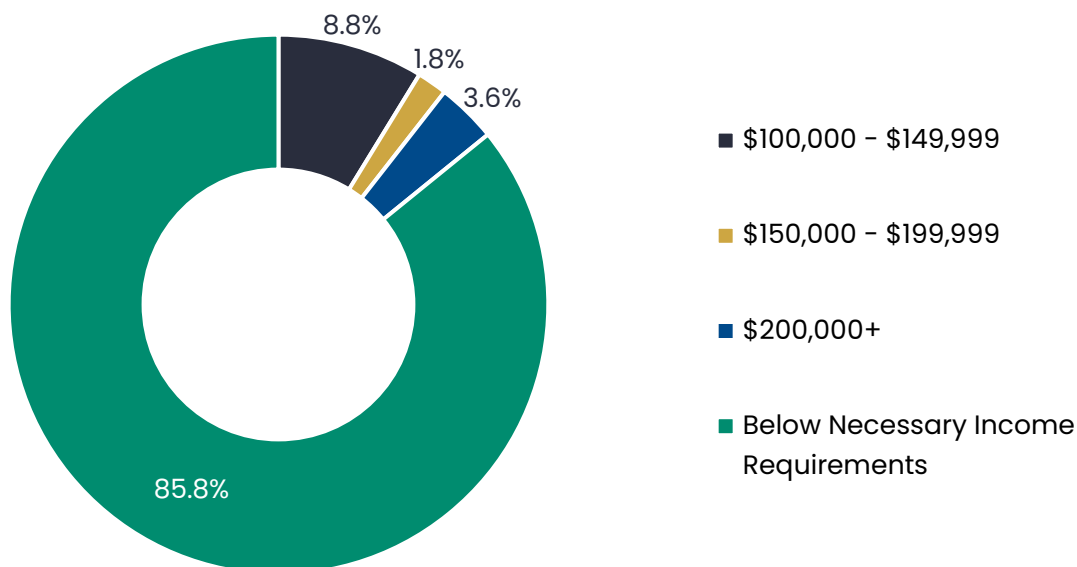


Source: U.S. Census Bureau Table S2503 5-Year Estimates, Realty Property Resources LLC, Realtor.com

Residents in the County are slightly worse off. Under the same conditions, PC's estimates show 85.8% of potential first-time homebuyers in Chelan County cannot afford to purchase an average-priced home today (Figure 2.4). The median household income in the county is only about \$6,000 higher at \$78,000. A household would need to

earn approximately \$114,000 to afford the mortgage on an average-priced home in the County. While MHI is higher, more households in the county that have higher incomes already own a home when compared to higher income households in the City.

Figure 2.4: First-Time Home Buyers Who Can Afford to Buy an Average-Priced Home in Chelan County



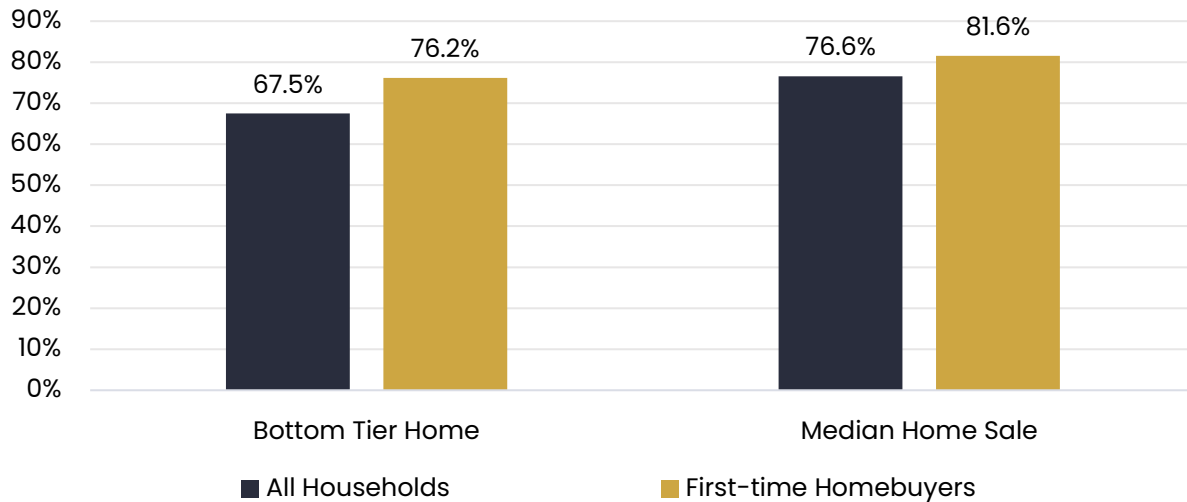
Source: U.S. Census Bureau Table S2503 5-Year Estimates, Northwest MLS, Realtor.com

While PC's estimates focus on households that do not currently own homes, the majority of households in both the City and the County are homeowners. What would affordability look like if these households attempted to purchase a home today? Figure 2.5 compares all households with first-time homebuyers under current market conditions.

Excluding the capital that homeowners could access by selling their current homes, current homeowners would only fare slightly better in the City of Chelan, where 58.9% of all households cannot afford an average-priced home. The impact is greater in the County overall, where 72.6% of all households cannot afford an average-priced home, compared to 89.4% of potential first-time homebuyers.

The average-priced home is not the only option for prospective buyers. Figure 2.5 also shows the percentage of households unable to purchase a bottom-tier home in the City. Both first-time homebuyers and all households fare considerably better if seeking a bottom-tier home. In this scenario, 76.2% of first-time homebuyers in the City would still be unable to afford a purchase. Additionally, households pursuing this option may face a higher risk of ending up in substandard housing.

Figure 2.5: Households that Cannot Afford to Buy an Average-Priced Home Comparison



Source: U.S. Census Bureau Table S2503 5-Year Estimates, Realtors Property Resources LLC, Realtor.com

3. Land Capacity Analysis

Future Housing Demand

The Housing for All Planning Tool (HAPT) was created under House Bill 1220 (HB 1220), a revision to the Growth Management Act (GMA). This tool helps counties plan for population growth by accounting for housing needs across different income levels.

Estimated Housing Supply by Income Level and Region

The Comprehensive Planning Update covers a 20-year growth period. However, the HAPT model produces housing demand estimates for 2020 through 2046. To align with the 20-year planning horizon, housing supply is first estimated for 2020–2026. These estimates are then subtracted from the total housing demand for the same period to determine the remaining housing need for the 20-year period from 2027 to 2046. Housing supply estimates for 2021 to 2026 are based on permit data collected by the University of Washington’s Center for Real Estate Research (WCRER).

Residential Permits Issues, 2021–2023

Housing permit data from WCRER includes the number of housing permits issued by local jurisdictions and their corresponding values for 2021–2023. These values were used to estimate the value of the housing units constructed during that period.

Estimating Housing Supply, 2024–2026

A three-year moving average of dwelling units built from 2021 to 2023 is used to forecast housing production in subsequent years. Specifically, the 2021–2023 average is applied to estimate 2024 production; the 2022–2024 average informs the 2025 estimate; and the 2023–2025 average is used for the 2026 projection.

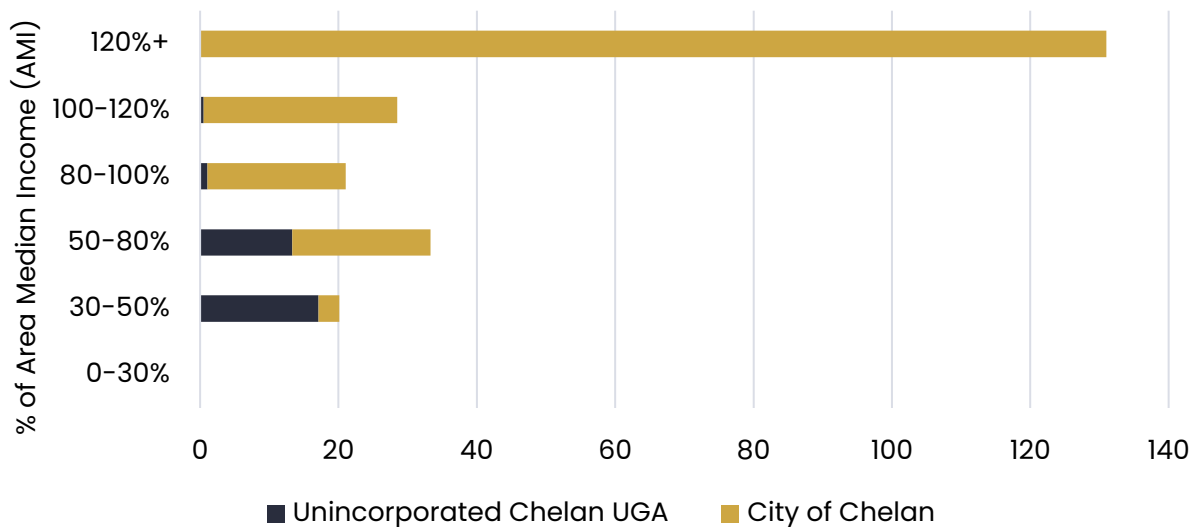
Estimated Housing Supply, 2021–2026

Figure 3.1 shows the estimated total housing supply by affordability level in the Chelan UGA for 2021–2026. The graph indicates that most housing built during this period is likely to be developed within the City of Chelan.

Determining Affordability of the Estimated Housing Supply

To estimate the affordability level of new housing units, the PC project team used different methods depending on housing type. For single-family and two-unit structures, affordability was calculated using mortgage payment estimates. These were then compared against income levels from the U.S. Department of Housing and Urban Development’s (HUD) Median Family Income (MFI) data to determine affordability at various Area Median Income (AMI) levels. For structures with five or more units, the team used HUD’s Fair Market Rents (FMRs) to assess affordability.

Figure 3.1: Estimated Housing Supply by Region and Income Level, 2021–2026, Chelan UGA



Source: Housing for All Planning Tool, Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents

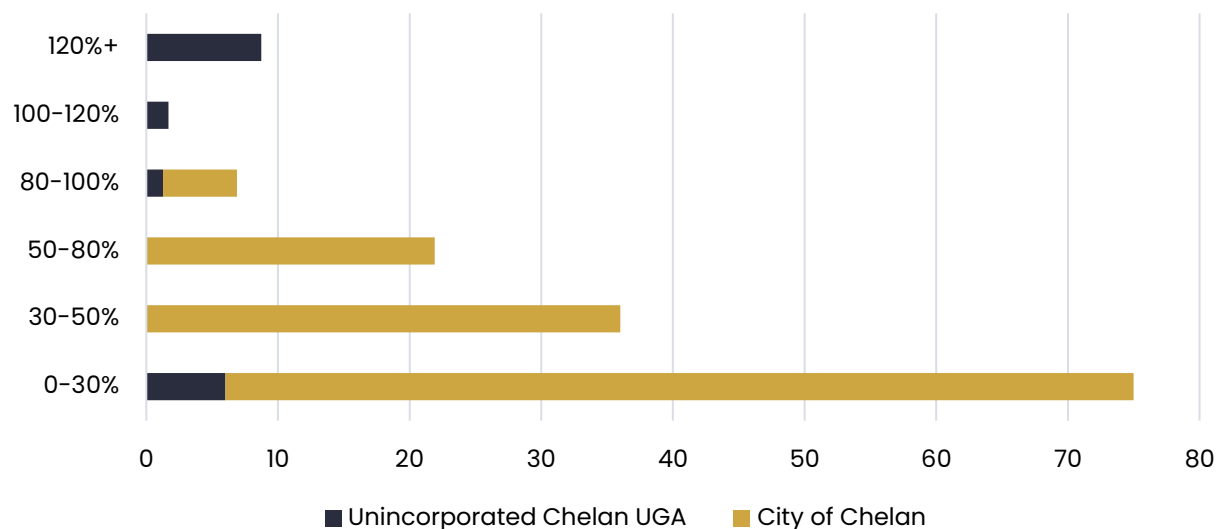
Housing Demand by Income Level 2027–2046

The project team calculated housing demand for 2027–2046 by subtracting the estimated housing supply built between 2020 and 2026 from the total projected

demand for 2020–2046. Between 2021 and 2026, the City of Chelan produced a large share of units in the 120%+ Area Median Income (AMI) range. These units were typically single-family homes. In contrast, the unincorporated area of the UGA primarily delivered housing for low- to moderate-income households.

Given the current housing supply, the City of Chelan anticipates a total demand of 133 additional units to accommodate projected growth during the planning period. None of these units are expected to be needed at or above the 100% AMI level, while 127 units will be required for households earning below 80% of AMI. Many of these are likely to be multifamily units. In the unincorporated portion of the UGA, projected demand includes 11 units above the 100% AMI level. Unlike the City, demand for low-income, multifamily housing in the unincorporated area is limited. Only six units are needed at the 0–30% AMI level (Figure 3.2).

Figure 3.2: Housing Demand by Region and Income Level, 2027–2046



Source: *Housing for All Planning Tool, Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents*

Temporary, Emergency Housing Demand, 2027–2046

The HAPT model also estimated the need for temporary, emergency housing. By 2046, the Chelan UGA is projected to need 10 emergency housing units.

Land Capacity Analysis

The housing market and its outcomes are determined by two factors: supply and demand. A key driver of housing supply is the amount of land available for new development to meet future demand. To measure the true potential for future housing supply, PC conducted a Land Capacity Analysis (LCA) for the City of Chelan and the unincorporated land within the Chelan Urban Growth Area (UGA). Though land within

the Unincorporated Chelan UGA is managed by the City of Chelan, it technically falls under ownership of the County. As a result, each city within Chelan County is responsible for producing its own LCA.

By comparing the estimated housing supply in each zoning district to anticipated demand for 2027–2046, the analysis identifies potential gaps or surpluses in housing availability. This type of assessment is critical for long-term urban planning. It helps ensure that enough land is appropriately zoned (and that sufficient land is available overall) to accommodate population growth and housing needs without overburdening infrastructure or underutilizing space.

Relationship between Zoning Districts and Housing Affordability

For the purposes of this study, we assume that single-family dwellings developed over the next two decades will primarily serve households earning more than 120% of the Area Median Income (AMI). This applies to all county zoning districts permitting only single-family homes. (Areas zoned as RL and DSF are two examples.)

Similarly, we assume duplex and multifamily dwellings constructed during the same period serve households above 120% of AMI. This includes all urban-area zoning districts that allow duplexes and multifamily units, such as RM and DMU (which does not have a zoning density limit).

The Chelan UGA does not include zoning designated exclusively for high-density, potentially low-income housing. However, the RM zone allows the highest residential density (up to 18 dwelling units per acre) and has therefore been designated to support affordable housing for households earning less than 50% of AMI. The Apple Blossom Development is also zoned to accommodate higher density and therefore would also support some affordable housing. We expect other zoning districts permitting duplexes and multifamily units to accommodate households earning between 50% and 120% of AMI.

Table 3.1: Possible Housing Supply by Zone

Zone	Assumed AMI	Possible Housing Units
R-M	0-50%	739
ABMF	0-50%	720
DMR	50-120%	331
DMU	50-120%	20
TMU	50-120%	7
R-L	120%+	1,100
SUD	120%+	174

Source: City and County of Chelan, 2024

Findings

This section compares the total housing demand with the estimated housing supply the region can support under current land zoning. As shown in Table 3.2, Table 3.3, Figure 3.3 and Figure 3.4, every region and income group has sufficient supply to meet future housing needs driven by population growth.

Table 3.2: Housing Demand vs. Supply

Region	Total No. of Dwelling Units Demanded	Total No. of Possible Dwelling Units	Supply Meets Demand?
City of Chelan	133	2,601	Yes
Unincorp. Chelan UGA	18	490	Yes
Chelan UGA Total	150	3,374	Yes

Source: Housing for All Planning Tool Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents

Table 3.3: Housing Demand vs. Supply by AMI Level

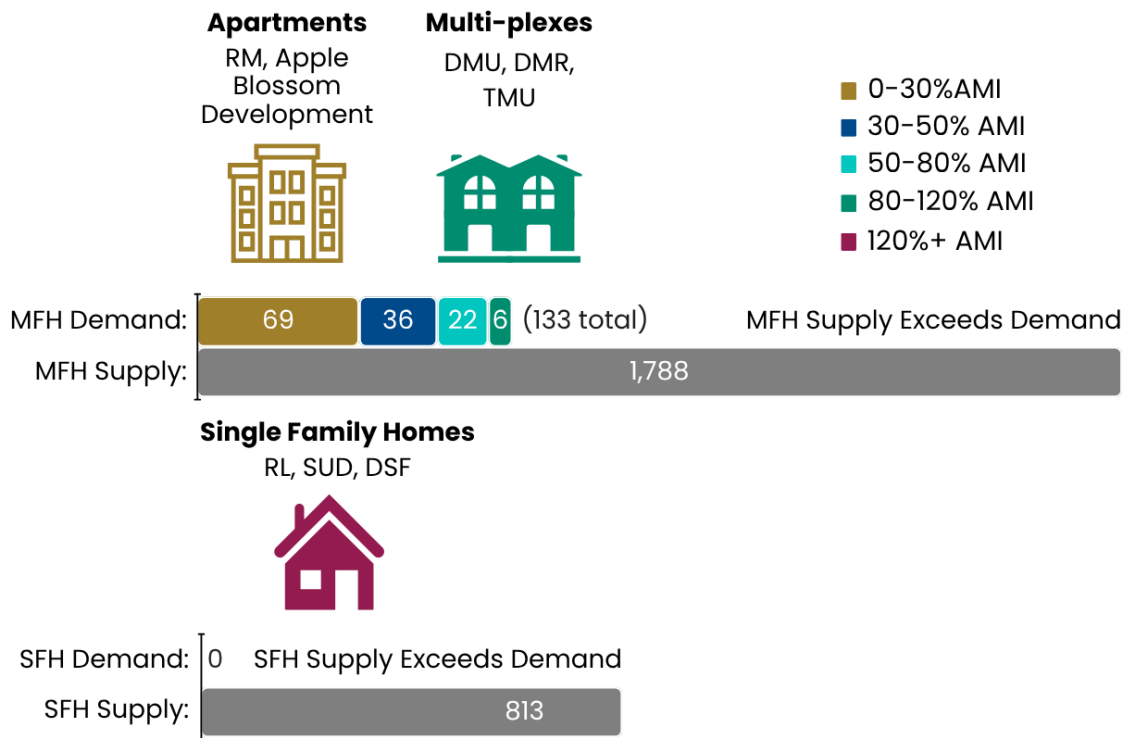
Housing Type	Dwelling Units Demanded	Possible Dwelling Units	Supply Meets Demand?
Emergency Housing	10	1,070	Yes
PSH 0-30% AMI	43		
Non-PSH 0-30% AMI	32		
30-50% AMI	36		
50-80% AMI	22	358	Yes
80-120% AMI	9		
120%+ AMI	9	1,274	Yes

Source: Housing for All Planning Tool Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents

The City of Chelan is well-positioned to meet the housing needs associated with the population projections outlined earlier in this study. A considerable portion of the City's potential multifamily housing supply comes from underutilized single-family parcels in downtown Chelan. Many of these are in zoning districts with no density limits. However, the City's ability to meet multifamily housing demand will ultimately depend on the availability and redevelopment of these underutilized parcels.

Chelan does not require further single-family housing development. The projected need for 100 additional single-family units, as identified by the HAPT model, has already been met through housing production between 2020 and 2026.

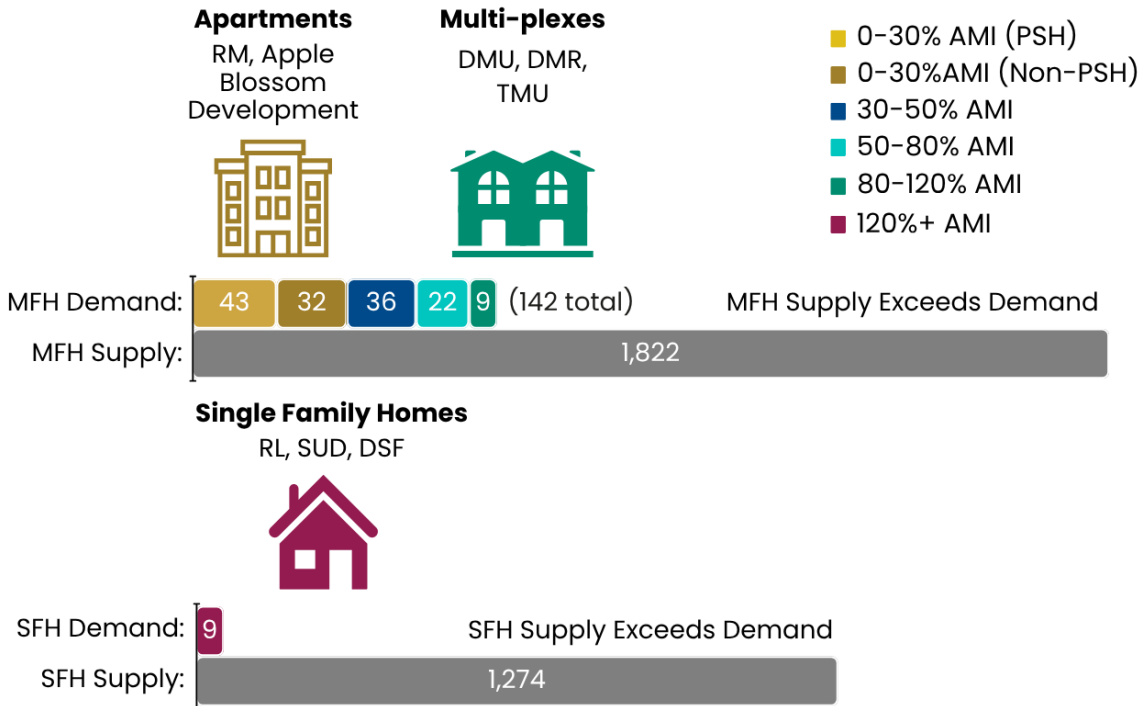
Figure 3.3: City of Chelan Residential Supply and Demand



Source: Washington State Department of Commerce; Housing for All Planning Tool, Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents

The broader Chelan UGA also has sufficient land to accommodate projected housing needs through 2046. Unlike the City, the unincorporated portion of the UGA will require approximately nine additional single-family homes. This need can be met by the substantial supply of RL-zoned land located on the outskirts of the UGA. Figure 3.4 illustrates housing supply and demand for the entire Chelan UGA, including both incorporated and unincorporated areas.

Figure 3.4: Chelan UGA Residential Supply and Demand



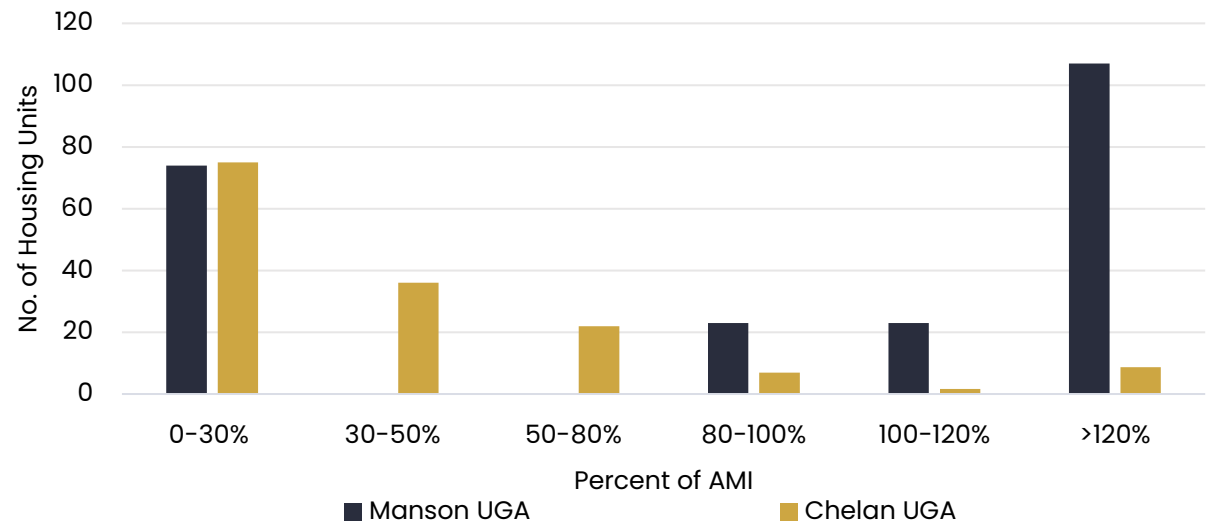
Source: Washington State Department of Commerce; Housing for All Planning Tool, Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents

Manson UGA

The Manson UGA lies just outside of Chelan and therefore changes in housing supply and demand there can impact housing in Chelan. Because of this, it is useful to include a brief piece on housing growth there.

Figure 3.5 illustrates the projected demand in Manson in the next 20 years with the projected demand in the Chelan UGA, including the city limits, for comparison. Overall Manson will need approximately 227 more units primarily at the 120%+ AMI (107 units) and 0-30% (74 units). The LCA revealed that Manson has space and zoning for 1,110 additional units, therefore supply meets demand within the Manson UGA boundaries as well.

Figure 3.5: Housing Demand in Manson & Chelan by Income Level, 2027–2046



Source: Housing for All Planning Tool, Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents

4. Demographic & Socioeconomic Trends

Population

Population growth is generally a signal of increased demand for housing. More homes are required as more people move into the area.

Since 2013, Chelan has experienced 10.1% population growth (Table 4.1). This is notably higher than the United State’s growth rate (6.7%), but lower than the state of Washington’s (13.5%).

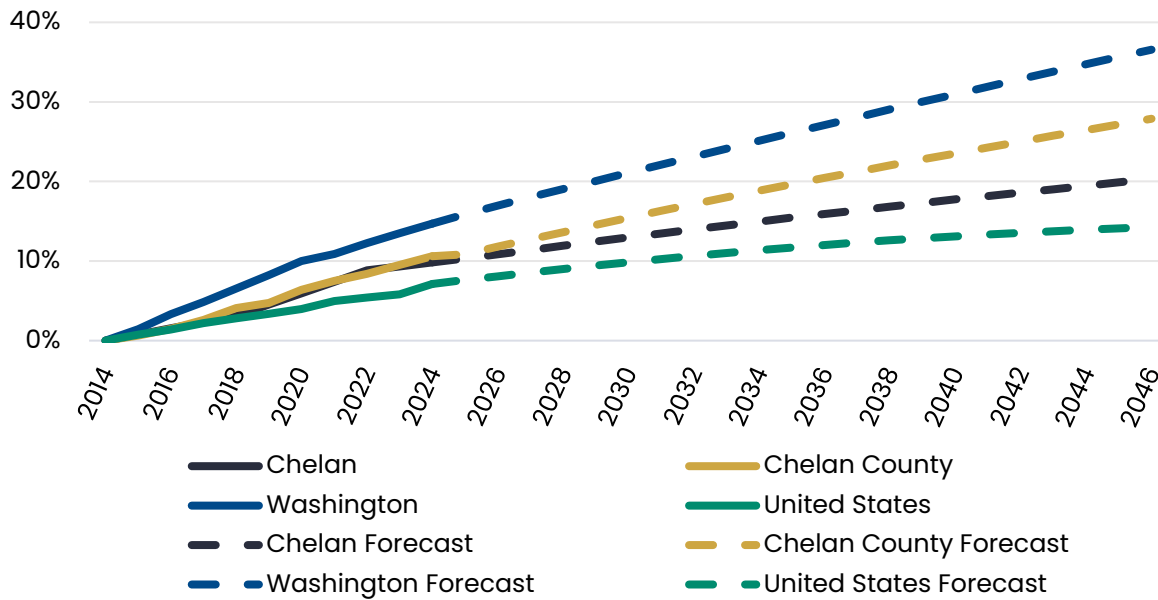
Table 4.1: Population Change, 2013–2023

Region	2013 Population	2023 Population	Numerical Change	% Change
City of Chelan	3,918	4,314	396	10.1%
Chelan County	73,047	79,518	6,471	8.9%
Washington	6.8M	7.7M	0.9M	13.5%
United States	311.5M	332.4M	20.9M	6.7%

Source: U.S. Census Bureau, 2013 and 2023 5-Year Estimates, Table DP05

Figure 4.1 shows the cumulative population change for Chelan compared with the county, state and national rates from 2014 to 2024, with projections extending through 2046. Chelan’s population has been growing—and is expected to continue growing—slower than the state’s rate but faster than the national rate.

Figure 4.1: Population Growth Estimates and Forecast, 2014–2046



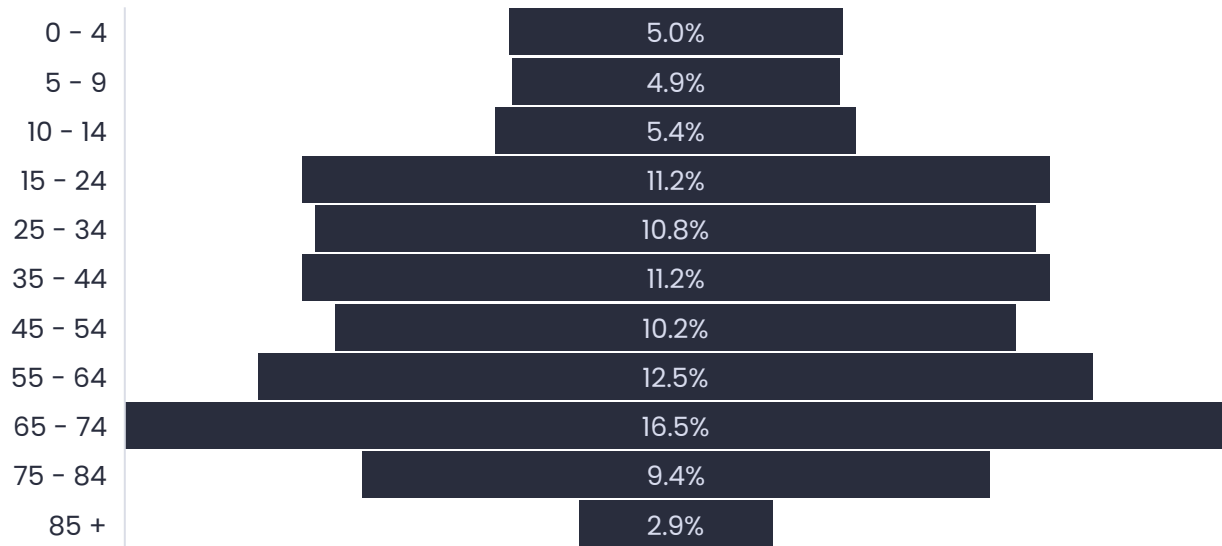
Source: Washington State Office of Financial Management & Chelan County Population Allocations, 2024

Age

Community age distributions impact local housing needs. Younger residents typically have less time to accumulate wealth and therefore require affordable or starter housing options. Older residents, on the other hand, may be looking to downsize, live with younger family members, or access more supportive care.

As shown in Figure 4.2, 26.5% of Chelan’s population is under the age of 25. Prime working-age adults (ages 25 to 54) make up 32.2% of the population, and retirement aged residents (65+) make up another 28.8%.

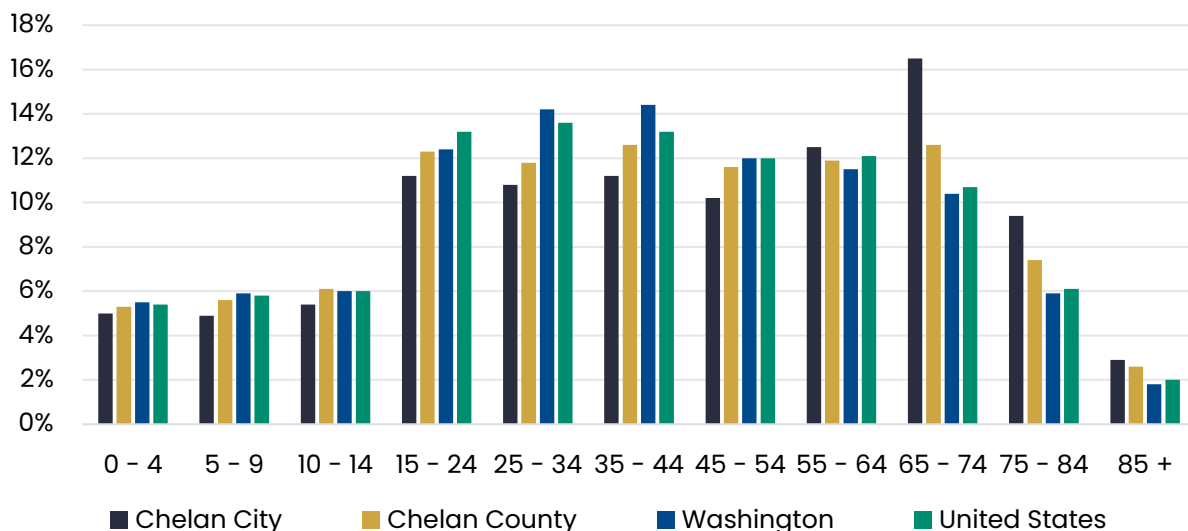
Figure 4.2: Age Distribution, City of Chelan, 2025



Source: Esri Business Analyst, 2025

Figure 4.3 compares the ages of residents in the City of Chelan with those in Chelan County, Washington, and the United States. The City of Chelan has a notably high percentage of residents aged 65–74 and 75–84. Additionally, Chelan has a lower percentage of residents in every age group under 55. The County also follows a similar, though less pronounced, pattern.

Figure 4.3: Population by Age Comparison, 2025



Source: Esri Business Analyst, 2025

Ethnicity

The racial and ethnic composition of a region provides valuable insights into its diversity, which can influence housing needs and market dynamics. Factors such as multigenerational living, income levels, and household size are closely linked to these demographic characteristics. Table 4.2 presents the racial and ethnic compositions of Chelan, Chelan County, Washington, and the United States.

In the City of Chelan, three-quarters of residents identify as White. This is more than 15 percentage points higher than the national average. The second-largest group in Chelan is Hispanic or Latino, comprising 21.1% of the population. This is also higher than the national and state averages. In Chelan County, however, 28.4% of residents identify as Hispanic.

Table 4.2: Race and Ethnicity Comparison, 2025

Race/Ethnicity	City of Chelan	Chelan County	Washington	United States
White	74.9%	66.2%	64.3%	58.2%
Hispanic or Latino	21.1%	28.4%	14.1%	19.0%
Black or African American	0.0%	0.5%	3.8%	12.0%
American Indian & Alaska Native	0.8%	0.7%	0.8%	0.5%
Asian	1.5%	0.8%	9.3%	5.7%
Native Hawaiian & Other Pacific Islander	0.2%	0.1%	0.7%	0.2%
Some Other Race	0.0%	0.4%	0.5%	0.5%
Two or More Races	1.5%	2.9%	6.5%	3.9%

Source: Esri Business Analyst, 2025

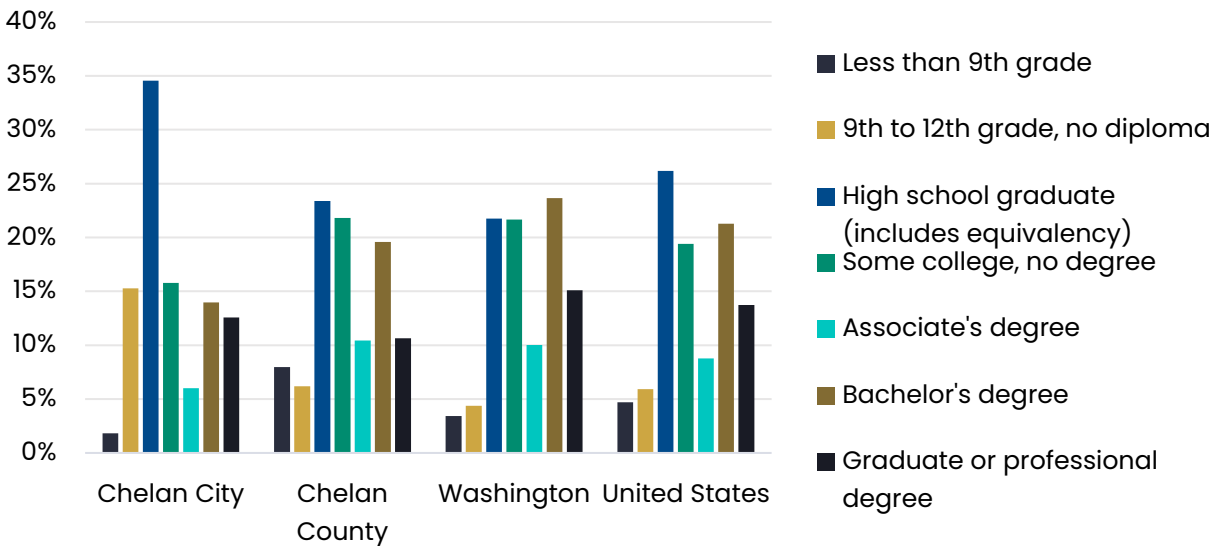
Education

Figure 4.4 shows the distribution of educational attainment in Chelan, Chelan County, Washington, and the United States. Notably, Chelan has a high concentration of residents who graduated from high school and a much lower concentration of those with some college or a bachelor's degree.

Chelan County is home to Wenatchee Valley College, which primarily offers associate and technical degrees, as well as bachelor's degrees in nursing and behavioral health. The Central Washington University Wenatchee Campus, also

located in the area, offers degrees in elementary education and social sciences². Both institutions provide opportunities for residents to pursue higher education.

Figure 4.4: Educational Attainment, Population 25+, 2023



Source: U.S. Census Bureau, 2023 5-Year Estimates, Table S1501

Underserved Populations

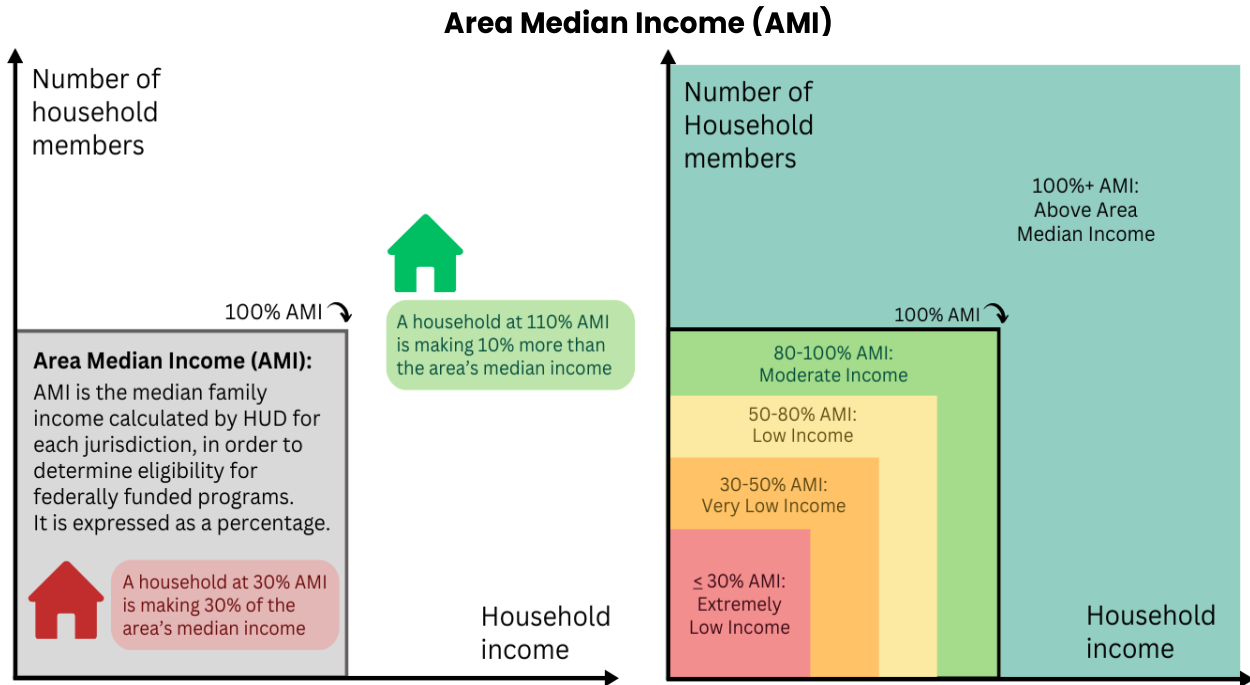
While many population groups can afford their housing needs, more vulnerable populations require special attention, as they often lack the financial or social resources to secure market-rate housing. This section highlights key vulnerable groups in the Chelan region.

Low-Income Population Groups

The U.S. Department of Housing and Urban Development (HUD) defines a household's income level based on the Area Median Income (AMI). AMI helps determine Fair Market Rents (FMRs) and income limits for HUD programs (Figure 4.5).

² "CWU Wenatchee," Central Washington University, accessed September 8, 2025, <https://www.cwu.edu/about/campus-locations/wenatchee/>.

Figure 4.5: Area Median Income Definitions



Source: Housing and Urban Development (HUD)

Subsidized Housing

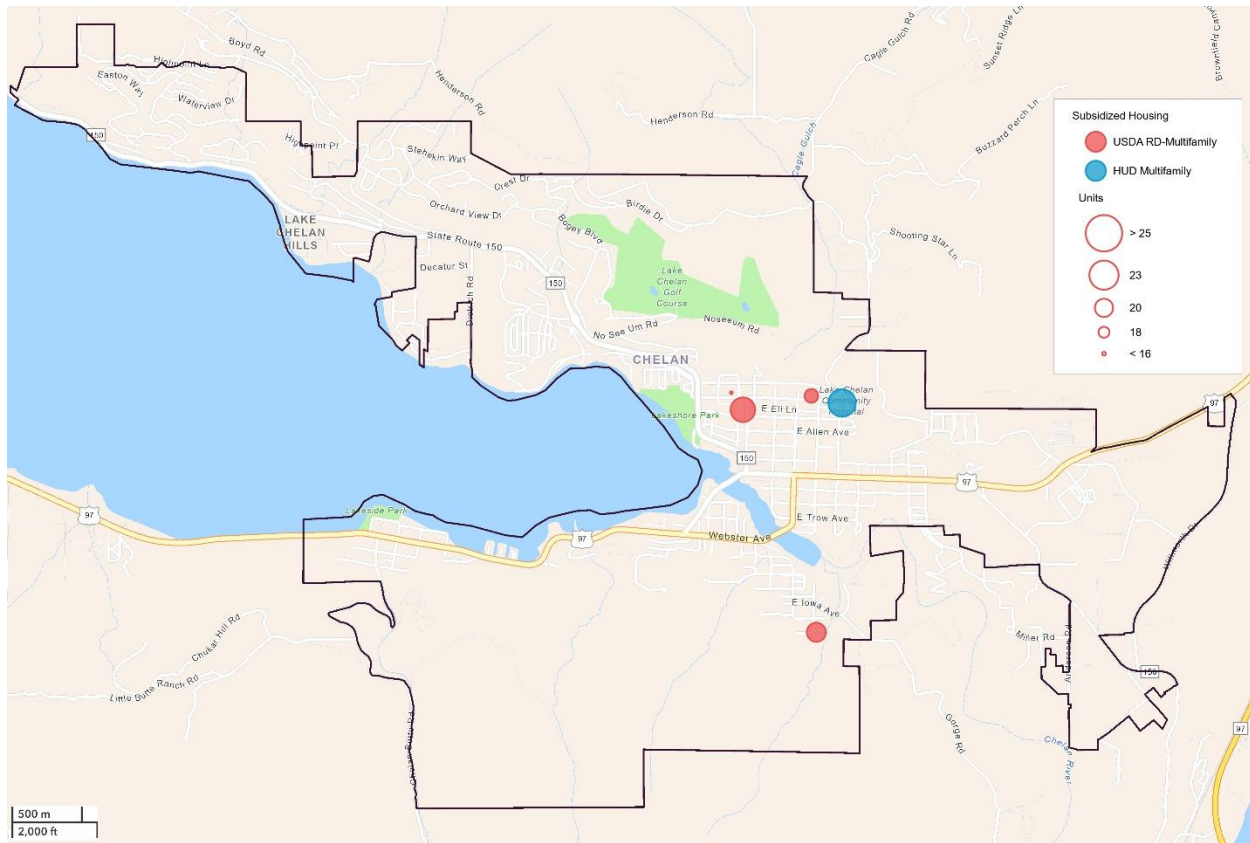
Table 4.3 contains a list of subsidized housing in Chelan by type and number of units, while Figure 4.6 presents the same information in map form. Three out of the five properties are specified for senior low-income housing.

Table 4.3: Subsidized Housing in Chelan

Property Name	Address	Type	Target Population	Units
Lake Chelan Community Apts	509 E Gibson Ave, Chelan, WA 98816	HUD Multifamily	Senior	25
Bayshore Court	510 Cedar St., Chelan, WA 98816	USDA RD-Multifamily	Senior	24
Chelan Bluff	1135 Bradley St., Chelan, WA 98816	USDA RD-Multifamily	Family	22
Gibson Gardens	309 E Gibson Ave, Chelan, WA 98816	USDA RD-Multifamily	Family	20
Chelan Gardens	210 W Gibson Ave, Chelan, WA, 98816	USDA RD-Multifamily	Senior	16

Source: PolicyMap based on HUD data

Figure 4.6: Subsidized Housing in Chelan



Source: Esri Business Analyst, 2025

Population in Poverty

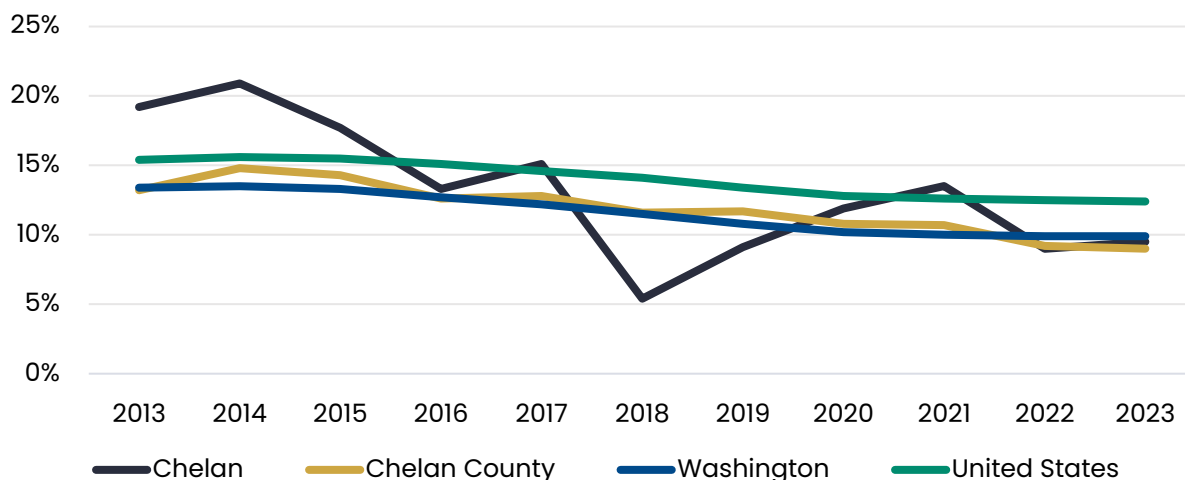
The City of Chelan, Chelan County, and the state of Washington all are within one percentage point of each other in terms of poverty rate. Chelan's poverty rate is 9.5%, nearly three points lower than the U.S. average. As illustrated in Figure 4.7, the poverty rate in Chelan has generally declined, falling from 20.9% in 2013 to 9.5% in 2023. However, in 2018 the rate dropped sharply to 5.4% before rising again through 2021.

Table 4.4: Population in Poverty, 2023

Region	Population in Poverty	Percentage in Poverty
Chelan	405	9.5%
Chelan County	7,085	9.0%
Washington	753,455	9.9%
United States	40.4M	12.4%

Source: U.S. Census Bureau, 2023, 5-Year ACS, Table S1701

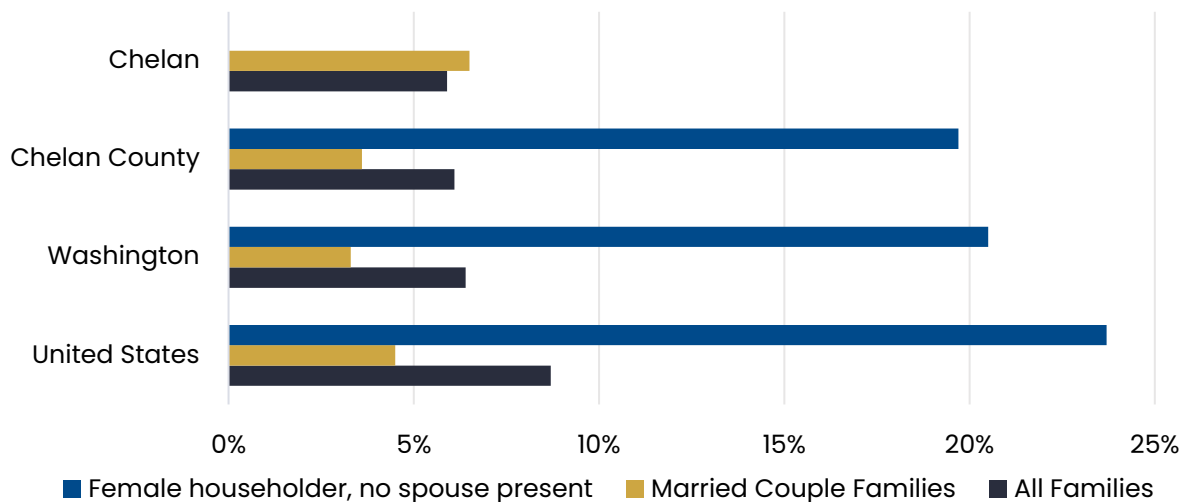
Figure 4.7: Percentage of the Population in Poverty, 2013–2023



Source: U.S. Census Bureau, 2013–2023, 5-Year ACS, Table S1701

Poverty levels often vary across demographic groups, as shown in Figure 4.8. Female householders with no spouse present tend to experience the highest poverty rates. In Chelan, however, the reported poverty rate among female householders is 0%.³ However, in Chelan County (as in Washington and the nation overall) the poverty rate for female householders with no spouse present is more than twice that of married couples.

Figure 4.8: Percentage of Families in Poverty by Composition, 2023

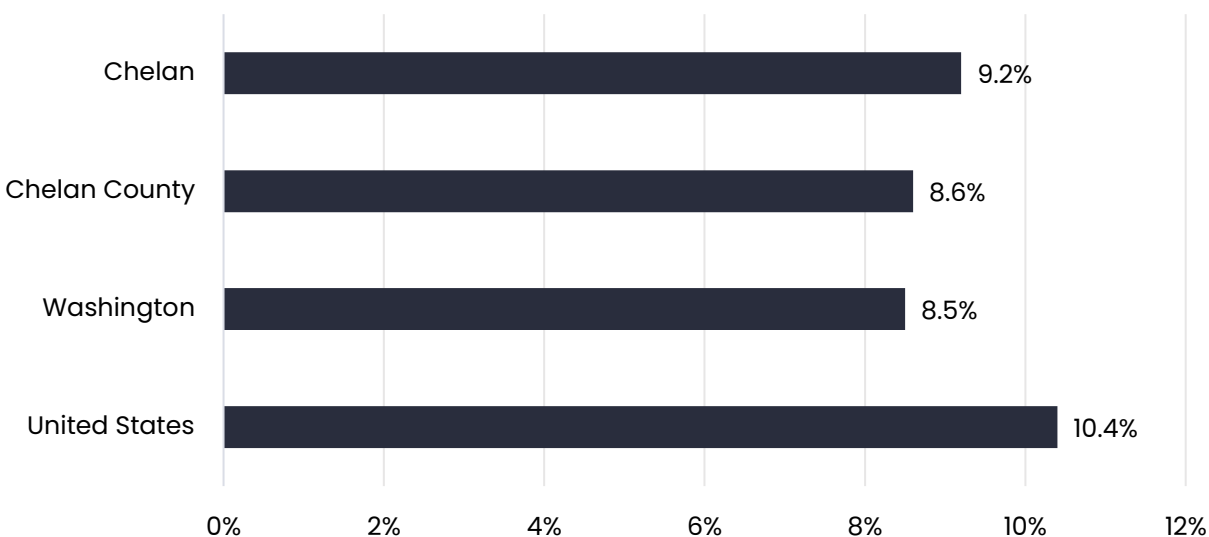


Source: U.S. Census Bureau, 2023, 5-Year ACS, Table S1702

³ Due to large margin of error from a small sample size in the City of Chelan, this metric may not be reliable and may actually be larger than reported by Census.

Seniors in Chelan have a poverty rate of 9.2% (Figure 4.9). This is more than one percentage point lower than the national rate of 10.4%. However, it is slightly higher than the senior poverty rates in Chelan County (8.6%) and Washington (8.5%).

Figure 4.9: Percentage of Seniors (65 years+) in Poverty, 2023



Source: U.S. Census Bureau, 2023, 5-Year ACS, Table S1701

Disabilities

Chelan and Chelan County have higher percentages of residents reporting disabilities (16.2% and 17.8%, respectively) compared to Washington and the United States overall (Table 4.5 and Figure 4.10). Reported disabilities include challenges with hearing, vision, cognition, mobility, self-care, and independent living. Individuals with disabilities are disproportionately represented in low-income populations and are less likely to participate in the labor force.⁴ Nationally, just over one-fifth (21.0%) of disabled individuals report incomes below the poverty level.⁵

A family member's disability can place nontrivial financial and caregiving burdens on an entire household, further impacting economic stability. These challenges are often compounded by a lack of affordable housing, making it even harder for families to find suitable and affordable living arrangements. To better serve this population,

⁴ "Disability and Socioeconomic Status," American Psychological Association, 2010, accessed February 27, 2025, <https://www.apa.org/pi/ses/resources/publications/disability>.

⁵ U.S. Census Bureau, U.S. Department of Commerce, "Age by Disability Status by Poverty Status," American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B18130, accessed on September 17, 2025, <https://data.census.gov/table/ACSDT1Y2023.B18130>.

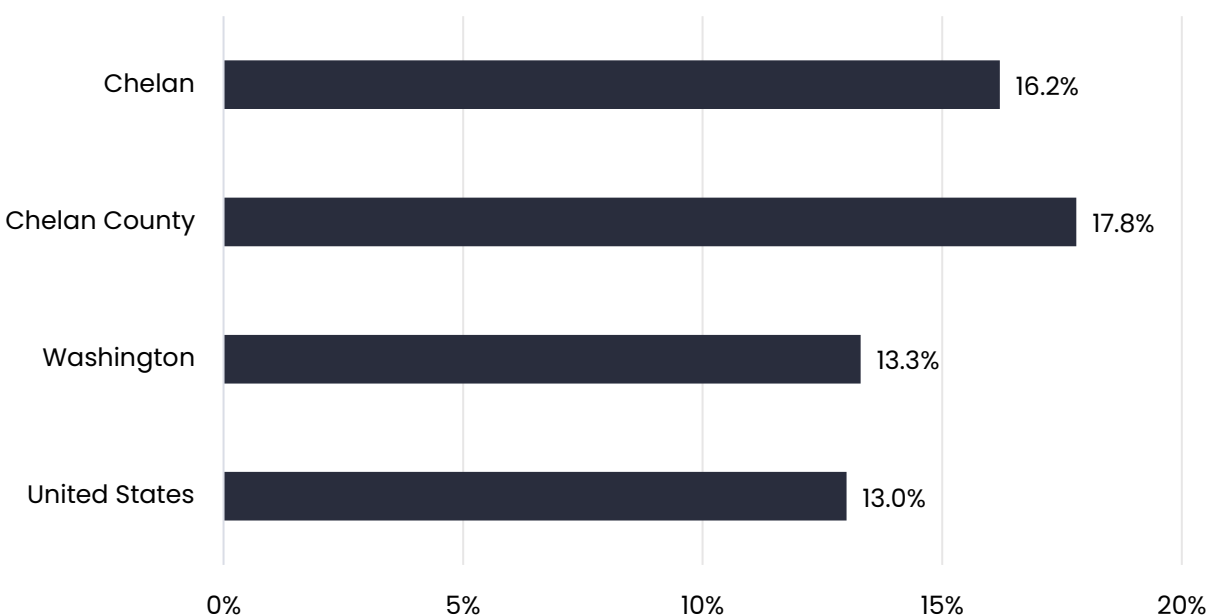
communities may need more accessible housing options, such as single-story homes or residences with ramps and other mobility-friendly features.

Table 4.5: Population with Disabilities, 2023

Region	Estimated No. with a Disability	Percentage with a Disability
Chelan	695	16.2%
Chelan County	14,019	17.8%
Washington	1.0M	13.3%
United States	42.7M	13.0%

Source: U.S. Census Bureau, 5-Year ACS, 2023 Table S1810

Figure 4.10: Percentage of Population with Disabilities, 2023



Source: U.S. Census Bureau, 2023, 5-Year ACS, Table S1810

Veteran Population

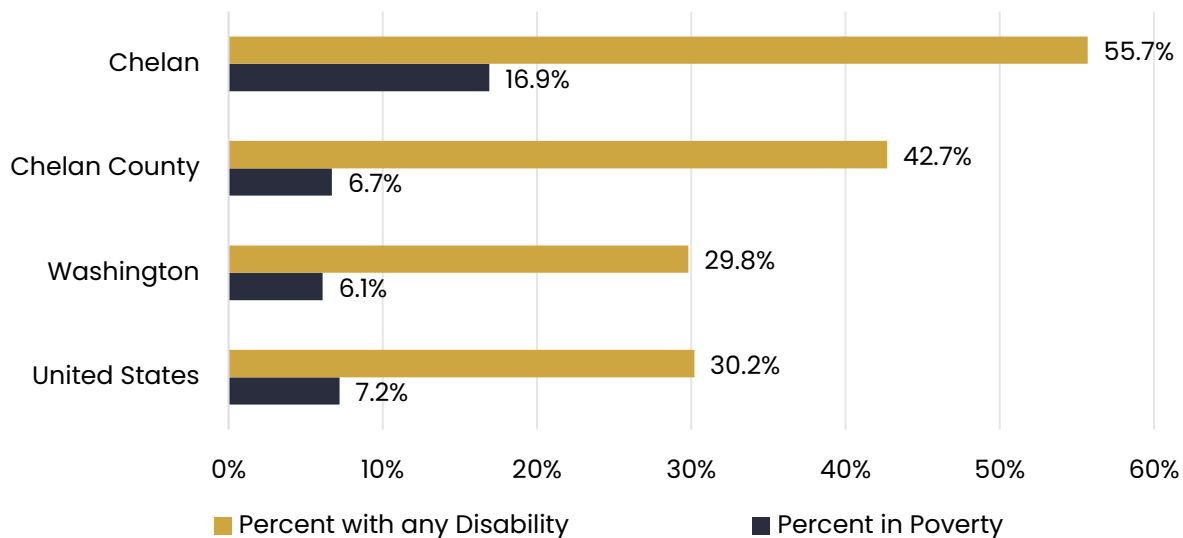
Veterans have faced hardships in the housing market since the First World War. Reintegration into the economy can be challenging for some veterans and often results in higher poverty rates and affordability issues. Many veterans experience health complications after service, which further complicates their economic stability. Given these challenges, ensuring access to affordable housing is essential.

In Chelan, 8.8% of the population are veterans (Table 4.6). This is a slightly higher share compared to the County, state, and nation. Among veterans, Chelan reports the highest percentage with disabilities across comparison regions (55.7%). Additionally, Chelan has the highest percentage of veterans in poverty (16.9%).

Table 4.6: Veteran Population, 2023

Region	Estimated Number of Veterans	Percentage of Veterans
Chelan	317	8.8%
Chelan County	4,397	7.2%
Washington	486,714	8.1%
United States	16.6M	6.4%

Source: U.S. Census Bureau, 2023, 5-Year ACS, Table S2101

Figure 4.11: Percentage of Veterans in Poverty and Percentage with Any Disability, 2023

Source: U.S. Census Bureau, 2023, 5-Year ACS, Table S2101

Homeless

Homelessness is inherently difficult to quantify, particularly in smaller cities or non-metro areas. Additionally, individuals experiencing homelessness are often reluctant to disclose their situation. Therefore, the actual extent of homelessness is likely more widespread than statistical analyses indicate.

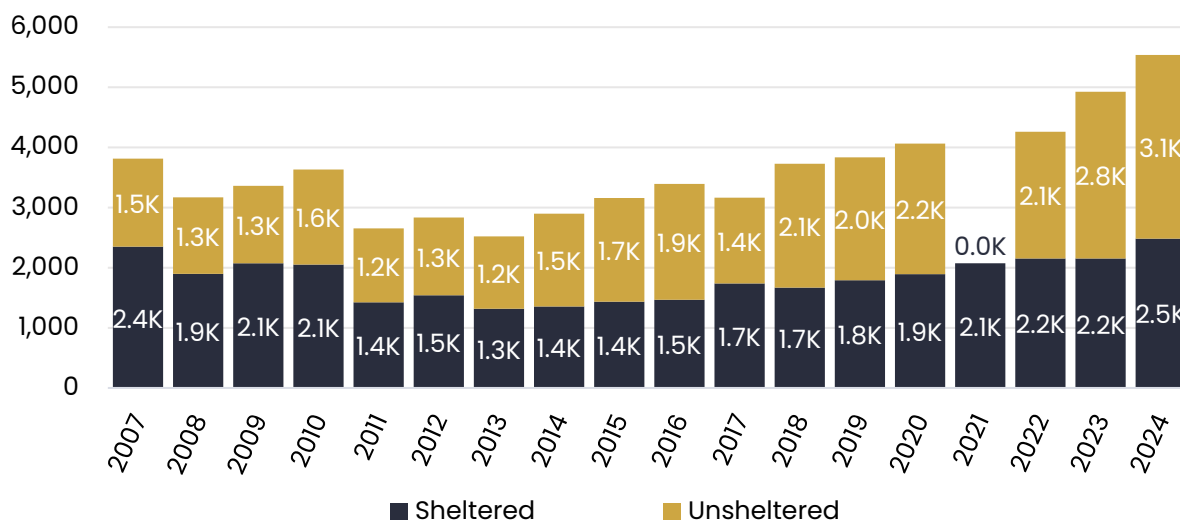
Most efforts to calculate homelessness rely on the annual HUD Point-in-Time (PIT) Count, which records the number of sheltered and unsheltered people experiencing homelessness on a single night in January. This count is conducted for the Washington Balance of State Continuum of Care (Washington BOSCO), which includes all Washington counties except for Spokane, Snohomish, King, Pierce, and Clark. Each of these counties has its own continuum of care. For Chelan, the most detailed HUD PIT data available is at the Balance of State level.

Because the PIT Count reflects only a single day each year, it does not fully capture the number of people experiencing homelessness over time. Additionally, improvements in data collection methods have likely contributed to higher reported numbers. Nevertheless, 2024 recorded the highest total number of homeless individuals in the

Washington BOSCOC in the past two decades, with 5,538 individuals. Of these, 55.1% were unsheltered, while 44.9% were sheltered in emergency or transitional housing programs (Figure 4.12 and Figure 4.13).

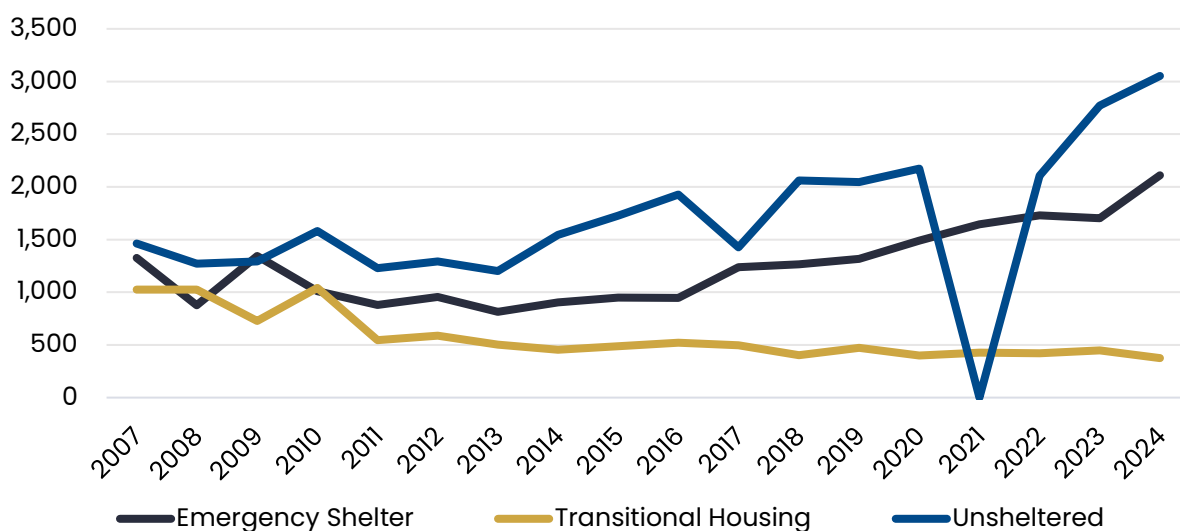
Please note that although January 2020 preceded the full impact of the COVID-19 pandemic, efforts to count homeless populations in January 2021 may have been affected by lockdowns and social distancing measures. This could have resulted in a lower overall count that year.

Figure 4.12: PIT Homeless Count in the Washington BOSCOC 2007–2024



Source: HUD 2007–2024 PIT Estimates by CoC

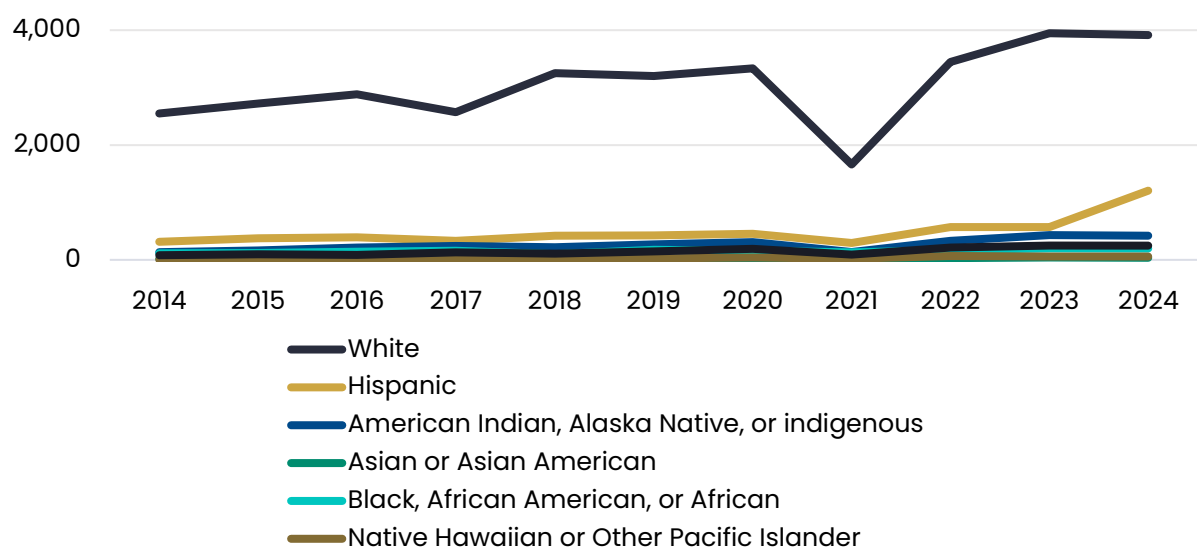
Figure 4.13: Shelter Type of Homeless in the Washington BOSCOC, 2007–2024



Source: HUD 2007–2024 PIT Estimates by CoC

Among homeless individuals counted in the Washington BOSCO, Hispanic persons have consistently been the second most represented group after White individuals in every year of the past decade (Figure 4.14). In 2024, 19.8% of homeless individuals were identified as Hispanic/Latino (Table 4.7). This represents a notable increase compared with previous years since ethnicity data collection began in 2014 (the second-highest share was 12.4% in 2021).

Figure 4.14: Demographics of Homeless in the Washington BOSCO 2014–2024



Source: HUD 2007–2024 PIT Estimates by CoC

Table 4.7: Demographics of Homeless in the Washington BOSCO 2014–2024

Year	White	Hispanic	American Indian, Alaska Native, or Indigenous	Asian or Asian American	Black, African American, or African	Native Hawaiian or Other Pacific Islander	Multiple Races
2014	2,547	316	134	19	115	4	81
2015	2,724	376	164	32	118	28	95
2016	2,882	394	217	33	141	33	86
2017	2,569	331	242	30	160	28	133
2018	3,252	420	221	22	99	30	106
2019	3,201	424	272	14	174	23	150
2020	3,337	455	311	21	160	40	194
2021	1,661	294	138	28	132	19	94
2022	3,445	573	329	32	172	67	214
2023	3,947	569	431	41	200	56	249
2024	3,917	1,205	419	36	196	60	247

Source: HUD 2007–2024 PIT Estimates by CoC

Economic Drivers

This section examines key drivers of local economies. Labor force growth and establishment of new businesses are essential for economic development. Specific industries with higher employment levels and wages often serve as powerful economic drivers. This is partly due to the clustering effect.⁶ Clusters form when businesses in the same industry benefit from proximity, which enhances regional competitiveness.

We find that strong, growing economic drivers also contribute to higher demand for housing. After all, people work and earn a living to afford housing. Overall employment growth creates a demand for more housing, while variations in earnings influence the types of housing that are needed.

Labor Force, Earnings, and Establishments

Chelan County, along with Douglas and Okanogan counties, is part of the North Central Washington Economic Development District (NCWEDD). The organization's mission is to foster an innovative and resilient economy in the region through economic strategy development and planning, as well as by fostering collaboration with private and public entities.⁷

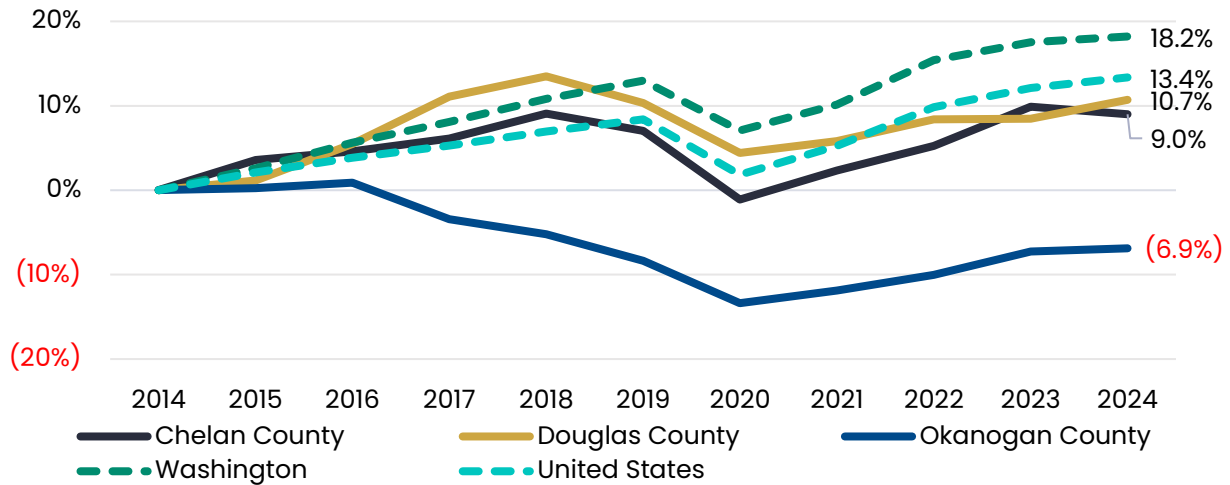
The section below analyzes employment, establishment, and wage growth rates in the NCWEDD counties from 2014 to 2024. For comparison, we also include state and national growth rates.

Overall, all regions have experienced employment growth since 2020, following the steepest declines leading up to the COVID-19 pandemic. Employment in Chelan and Douglas counties grew 9.0% and 10.7%, respectively, over the past decade. Growth in both of these counties was slower than the state and national averages. However, Chelan and Douglas counties grew much faster than Okanogan County during the same period (Figure 4.15).

⁶ Joseph Cortright, "Making Sense of Clusters: Regional Competitiveness and Economic Development," The Brookings Institute, March 1, 2006, <https://www.brookings.edu/articles/making-sense-of-clusters-regional-competitiveness-and-economic-development/>.

⁷ "Who We Are," NCW Economic Development District, April 18, 2023, <https://ncwedd.com/who-we-are/>.

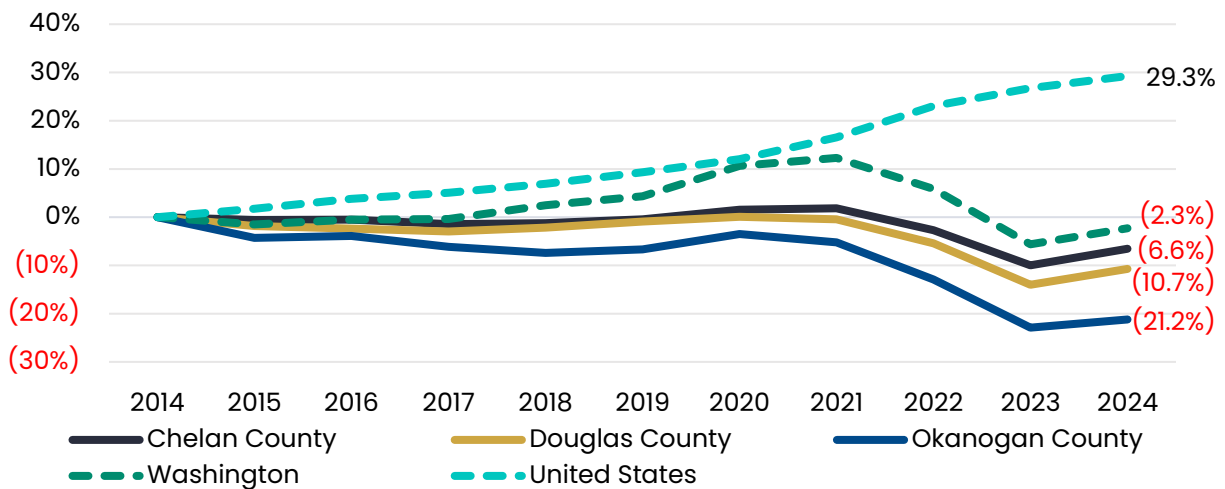
Figure 4.15: Cumulative Annual Employment Growth Rate, 2014–2024



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

In terms of total establishment growth, Washington has decreased overall over the past decade, particularly since 2021. Growth began to rebound in 2023. This trend is also reflected in the NCWEDD counties. Among these counties, Chelan County experienced the smallest decline, decreasing only 6.6% since 2014. By comparison, the United States saw growth of 29.3% over the same period (Figure 4.16).

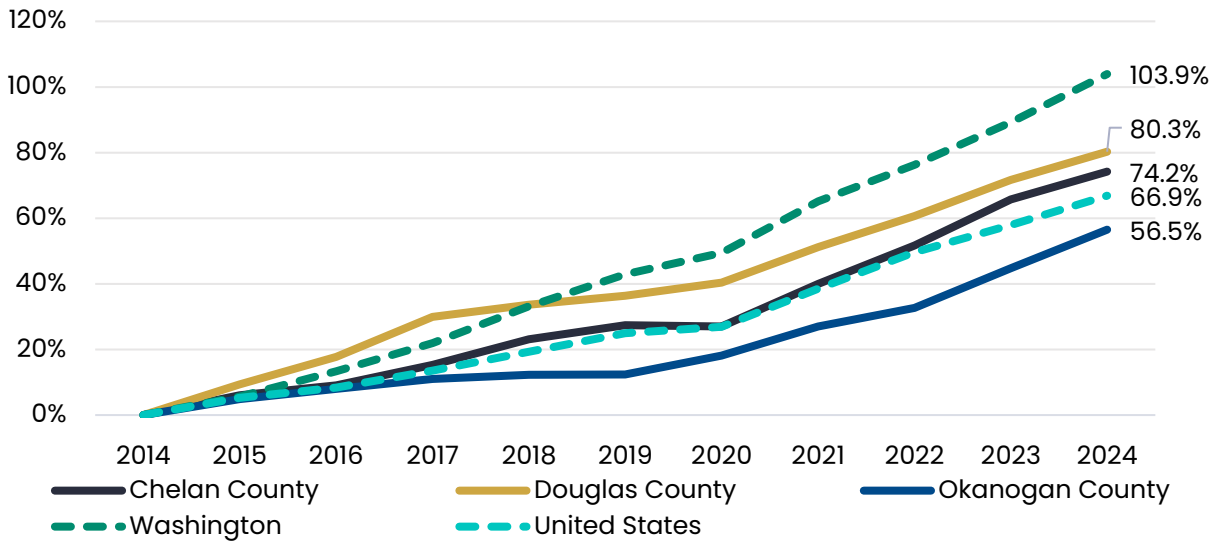
Figure 4.16: Cumulative Annual Establishments Growth Rate, 2014–2024



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

By contrast, total wages in all NCWEDD counties have increased over the past decade. Washington overall has grown even faster, more than doubling during this period. While not quite as rapid as the state, wage growth in both Chelan and Douglas counties has outpaced the national average (Figure 4.17).

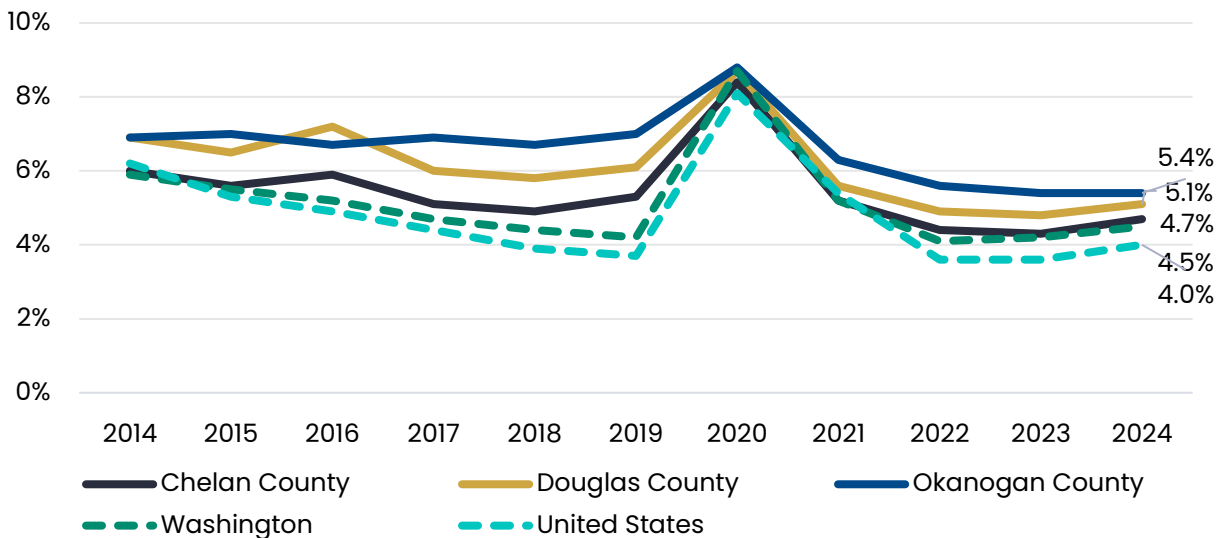
Figure 4.17: Cumulative Annual Total Wages Growth Rates, 2014–2024



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 4.18 illustrates the annual unemployment rate over the same period. All NCWEDD counties followed trends similar to the state and nation, peaking in 2020 and rapidly declining by 2022. Chelan County has the lowest unemployment rate among the three counties and most closely aligns with the state and national levels.

Figure 4.18: Annual Rate of Unemployment, 2014–2024



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics and Current Population Survey

Employment by Industry

Examining employment data by industry helps identify the employment clusters in a region. Clusters often necessitate different types of housing to accommodate workers

in particular industries. For instance, many health care workers follow rotating or traveling schedules, spending only a few weeks or months in one location. They may not need a long-term residence. In contrast, local government employees typically prefer to live near their workplace and require permanent housing. Additionally, different industries offer varying income levels, so workers in some sectors can generally afford more expensive housing than those in others. Overall, employment by industry contributes to housing demand in Chelan.

As shown in Table 4.8, the three largest industries by employment in Chelan are Health Care & Social Assistance (15.1%), Accommodation & Food Services (13.0%), and Agriculture, Forestry & Fishing (9.8%).

Location quotients (LQs) compare the relative concentration of industries in an area to the national average. For example, Educational Services represents about 7.2% of employment in Chelan and has an LQ of 0.77. This means that Chelan's share of Educational Services employment is about three-quarters of the national share, which is roughly 10%. As shown below, Agriculture, Forestry & Fishing has the highest LQ in Chelan at 9.08, followed by Real Estate, Rental & Leasing at 4.42.

Table 4.8: Employment by Industry, City of Chelan, 2025

Industry	% Employment	Location Quotient (LQ)
Agriculture, Forestry & Fishing	9.8%	9.08
Mining, Quarrying, Oil & Gas	0.0%	0
Construction	7.1%	1.01
Manufacturing	2.7%	0.29
Wholesale Trade	9.0%	4.61
Retail Trade	6.6%	0.64
Transportation & Warehousing	3.2%	0.65
Utilities	0.4%	0.5
Information	0.0%	0
Finance & Insurance	0.4%	0.09
Real Estate, Rental & Leasing	7.4%	4.42
Professional, Scientific & Tech	5.2%	0.62
Management of Companies	0.0%	0
Admin & Support & Waste Management	1.8%	0.4
Educational Services	7.2%	0.77
Health Care & Social Assistance	15.1%	1.05
Arts, Entertainment & Recreation	3.1%	1.41
Accommodation & Food Services	13.0%	1.97
Other Services (Excluding Public)	3.9%	0.82
Public Administration	4.0%	0.8

Source: Esri Business Analyst, 2025

Table 4.9 compares Chelan’s employment by industry to that of Chelan County and Washington. Notably, Chelan County also has a high concentration of employment in the Health Care & Social Assistance sector (16.3%), similar to the City of Chelan. However, the City of Chelan has a considerably higher share of employment in Accommodation & Food Services (13.0%) compared to both the County and Washington (8.4% and 6.3%, respectively) and a lower share in Retail Trade (6.6% compared to 10.8% and 11.0%).

Table 4.9: Employment by Industry Comparison, 2025

Industry	Chelan	Chelan County	Washington
Agriculture, Forestry & Fishing	9.8%	8.6%	2.1%
Mining, Quarrying, Oil & Gas	0.0%	0.2%	0.1%
Construction	7.1%	6.8%	7.1%
Manufacturing	2.7%	4.2%	8.8%
Wholesale Trade	9.0%	3.7%	1.9%
Retail Trade	6.6%	10.8%	11.0%
Transportation & Warehousing	3.2%	4.3%	4.8%
Utilities	0.4%	1.9%	0.9%
Information	0.0%	1.0%	2.6%
Finance & Insurance	0.4%	2.5%	3.2%
Real Estate, Rental & Leasing	7.4%	2.2%	1.8%
Professional, Scientific & Tech	5.2%	6.0%	10.9%
Management of Companies	0.0%	0.0%	0.2%
Admin & Support & Waste Management	1.8%	3.2%	4.2%
Educational Services	7.2%	7.3%	8.3%
Health Care & Social Assistance	15.1%	16.3%	13.7%
Arts, Entertainment & Recreation	3.1%	2.4%	2.2%
Accommodation & Food Services	13.0%	8.4%	6.3%
Other Services (Excluding Public)	3.9%	5.5%	4.4%
Public Administration	4.0%	4.7%	5.5%

Source: Esri Business Analyst, 2025

Table 4.10 presents employment by occupation, showing what types of roles workers hold within industries, such as management or sales positions. The largest occupational group in Chelan is Installation, Maintenance & Repair (12.4%), followed by Sales & Sales Related (10.6%).

Table 4.10: Employment by Occupation Comparison, 2025

Occupation	Chelan	Chelan County	Washington
Management	9.8%	10.9%	12.7%
Business & Financial	2.5%	5.1%	6.2%

Computer & Mathematical	1.4%	1.8%	7.0%
Architecture & Engineering	0.0%	1.5%	3.2%
Life, Physical & Social Sciences	0.4%	2.0%	1.6%
Community & Social Service	2.5%	1.7%	1.9%
Legal	0.0%	0.8%	1.0%
Education, Training & Library	8.5%	5.2%	5.9%
Arts, Design & Entertainment	0.0%	1.1%	2.3%
Health care Practitioner	4.8%	7.5%	5.9%
Sales and Sales Related	10.6%	8.0%	7.4%
Office & Administrative Support	6.7%	8.8%	8.9%
Farming, Fishing & Forestry	6.8%	4.8%	1.2%
Construction & Extraction	4.6%	4.6%	4.8%
Installation, Maintenance & Repair	12.4%	4.2%	2.9%
Production	1.6%	3.7%	4.0%
Transportation & Material Moving	10.4%	8.4%	7.2%
Health care Support	0.2%	5.1%	3.9%
Protective Service	1.2%	2.2%	1.8%
Food Preparation & Serving	6.4%	6.0%	5.0%
Building Maintenance	7.3%	4.4%	3.0%
Personal Care & Service	1.9%	2.2%	2.2%

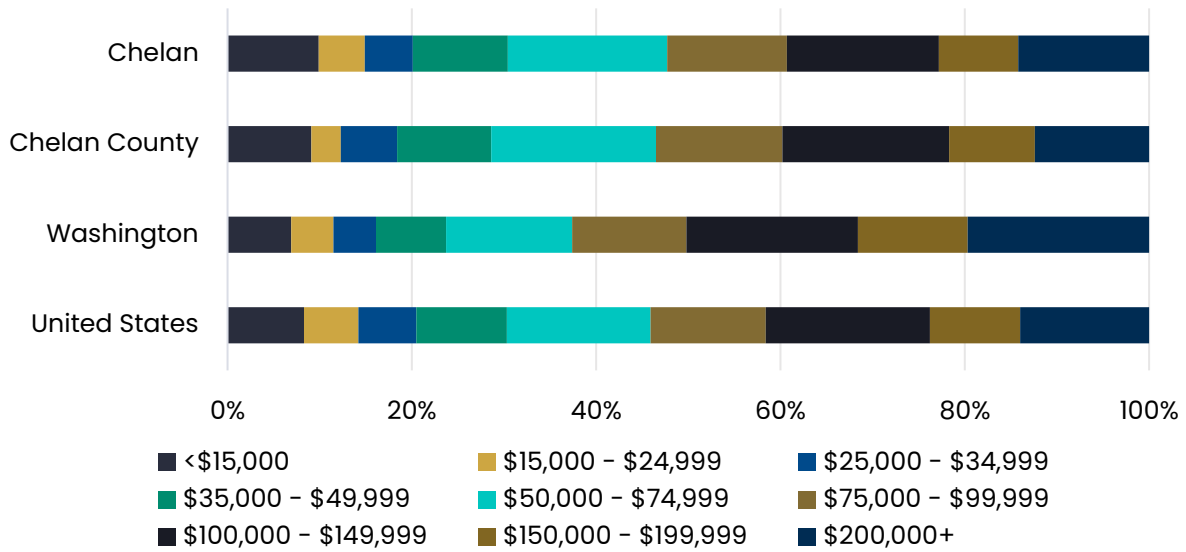
Source: Esri Business Analyst, 2025

Household Income

Household income is a critical factor in housing demand and plays a major role in affordability. Lower-income households struggle to afford today's high housing costs, while higher-income households have greater financial flexibility. As a result, regions with higher income levels tend to experience higher housing costs, and vice versa.

Figure 4.19 shows the distribution of household incomes in Chelan and Chelan County, compared to Washington and the United States. Both Chelan and Chelan County have a higher concentration of households earning less than \$50,000 and a much smaller share earning over \$200,000 compared to Washington. However, their income distributions are generally similar to the national average.

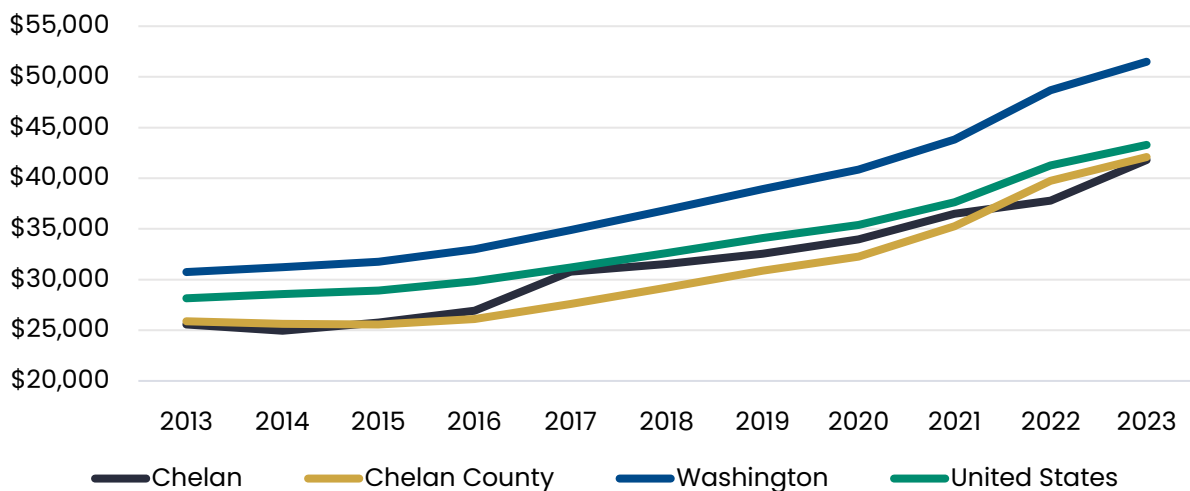
Figure 4.19: Distribution of Household Income, 2025



Source: Esri Business Analyst, 2025

Per capita income measures the average income per person within a given region. This metric is useful for comparing wealth and assessing economic well-being. Figure 4.20 shows per capita income trends from 2013 to 2023. Since 2014, all regions have experienced growth. This indicates overall economic expansion and suggests that the upward trend may continue in the near future.

Figure 4.20: Per Capita Income, 2013–2023



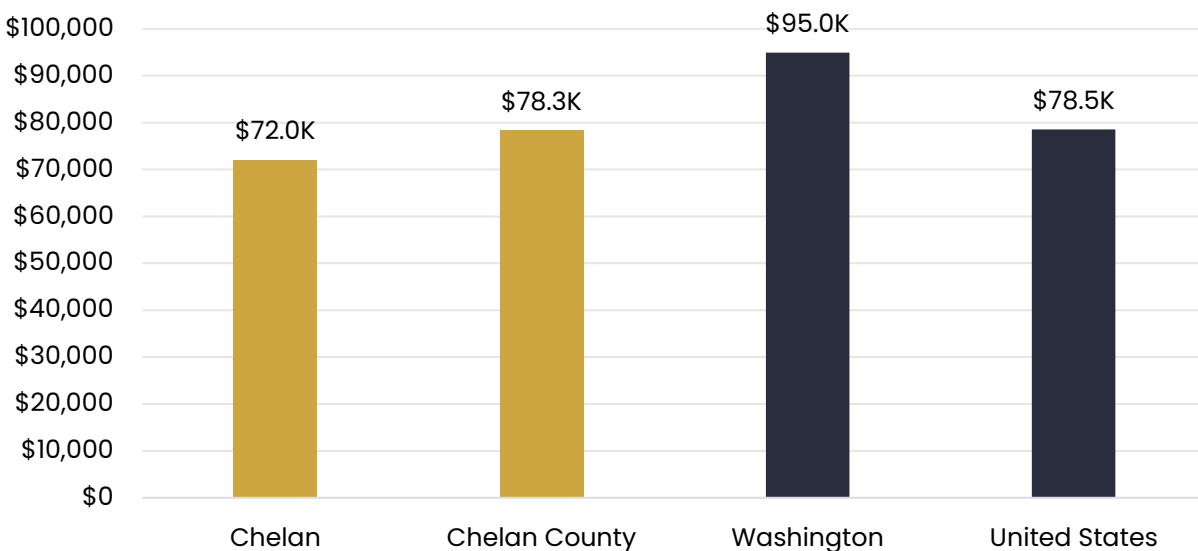
Source: U.S. Census Bureau, 2013–2023 5-Year Estimates, Table B19301

While a region's income distribution shows the full range of income levels and per capita income reflects overall economic growth or decline, median household income

offers a snapshot of how the typical household compares to those in other regions (Figure 4.21).

In the City of Chelan, the median household income is \$72,000. This is just over \$5,000 below the national average and more than \$20,000 lower than Washington's median. Lower household incomes generally indicate lower overall housing demand in a region.

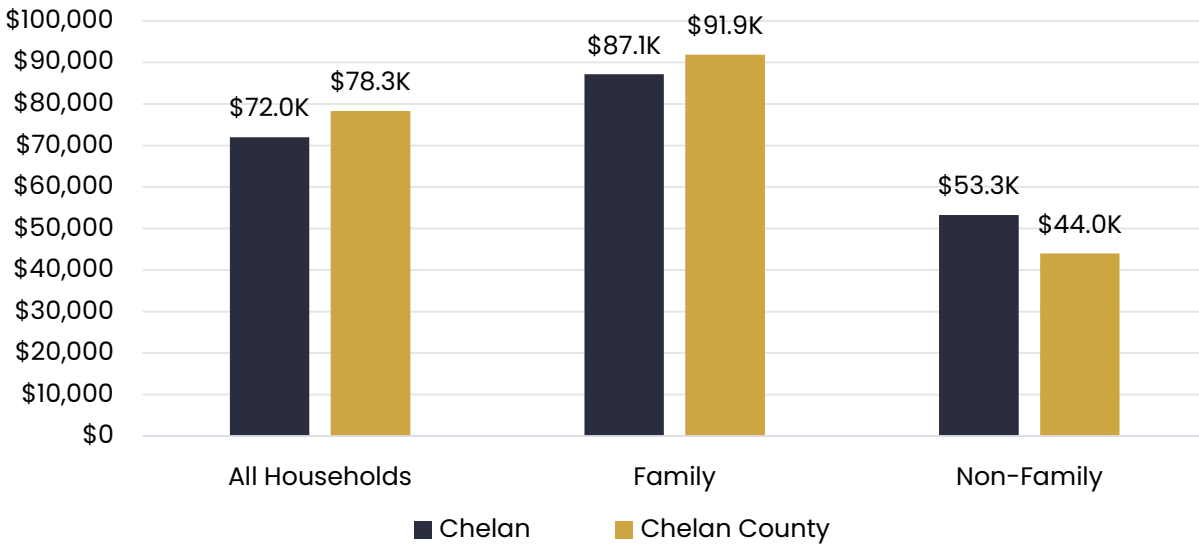
Figure 4.21: Median Household Income, 2023



Source: U.S. Census Bureau, ACS 5-Year Estimates, Table S1901

Figure 4.22 highlights the difference between family and non-family households. On average, family households have higher incomes than non-family households because they are more likely to have dual earners. In Chelan County, family households earn more than twice the income of non-family households. In the City of Chelan, the gap is smaller but remains considerable.

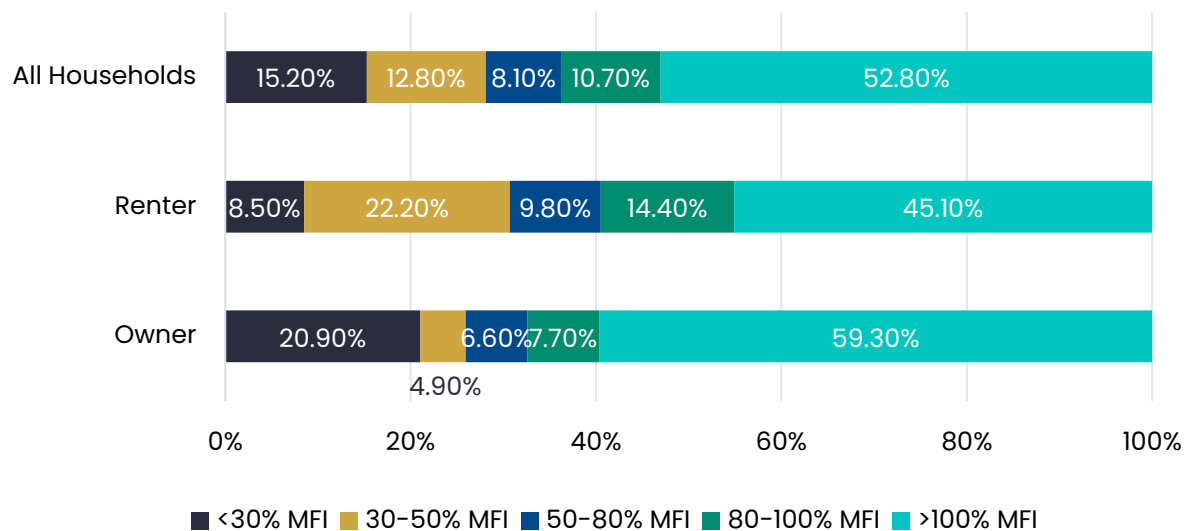
Figure 4.22: Median Household Income by Household Type, 2023



Source: U.S. Census Bureau, ACS 5-Year Estimates, Table S1901

The U.S. Department of Housing and Urban Development (HUD) calculates the Area Median Family Income (MFI) as a benchmark for comparing different levels of income within a region. Figure 4.23 illustrates the breakdown of renter- and owner-occupied households by income level using this metric. Overall, 15.2% of households in Chelan are classified as Extremely Low-Income (<30% MFI), and 12.8% as Very Low-Income (30-50% MFI). Renters are less likely to fall into the Extremely Low-Income category (8.5%) compared to owners (20.9%), but they are much more likely to be classified as Very Low-Income (22.2% versus 4.9%). At the higher end of the scale, 52.8% of all households are above the median income, including 59.3% of owner households and 45.1% of renter households.

Figure 4.23: Percentage of Households by Tenure and Income Level, City of Chelan, 2021

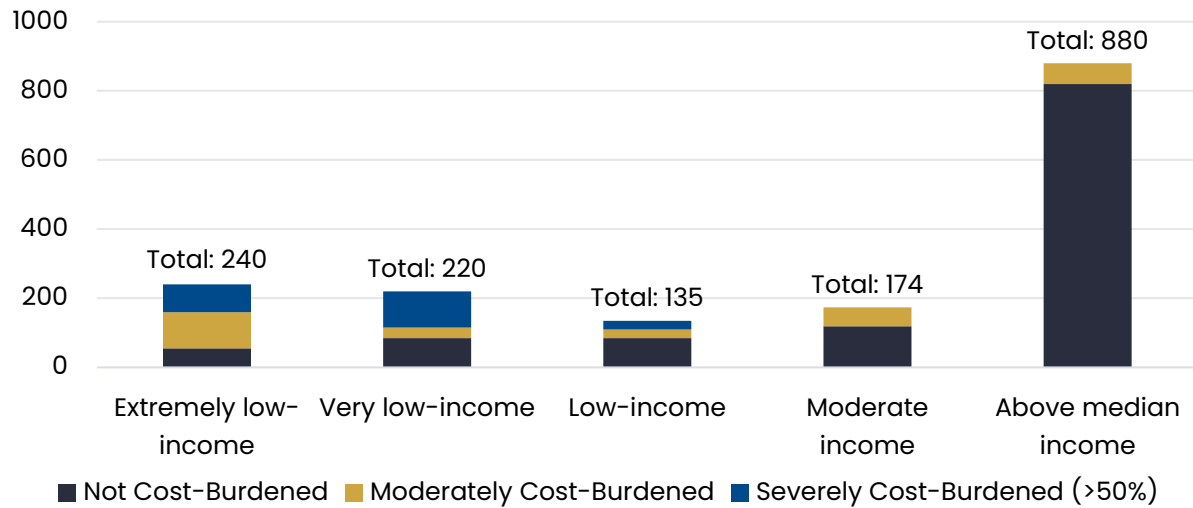


Source: HUD Comprehensive Housing Affordability Strategy Data, 2017-2021

Cost-Burdened Households

Housing cost burden is an important indicator of affordability in a community. A household is considered cost-burdened if it spends more than 30% of its income on housing. This leaves less for necessities such as food, health care and education. Cost-burdened households also face a greater risk of displacement if their circumstances change. Figure 4.24 shows cost burden by income level. Severely cost-burdened households are most common among those earning 30-50% of AMI, while households earning less than 30% AMI account for the largest share of all cost-burdened households. Although cost-burdened households exist at every income level, those earning below the AMI are far more likely to experience this challenge.

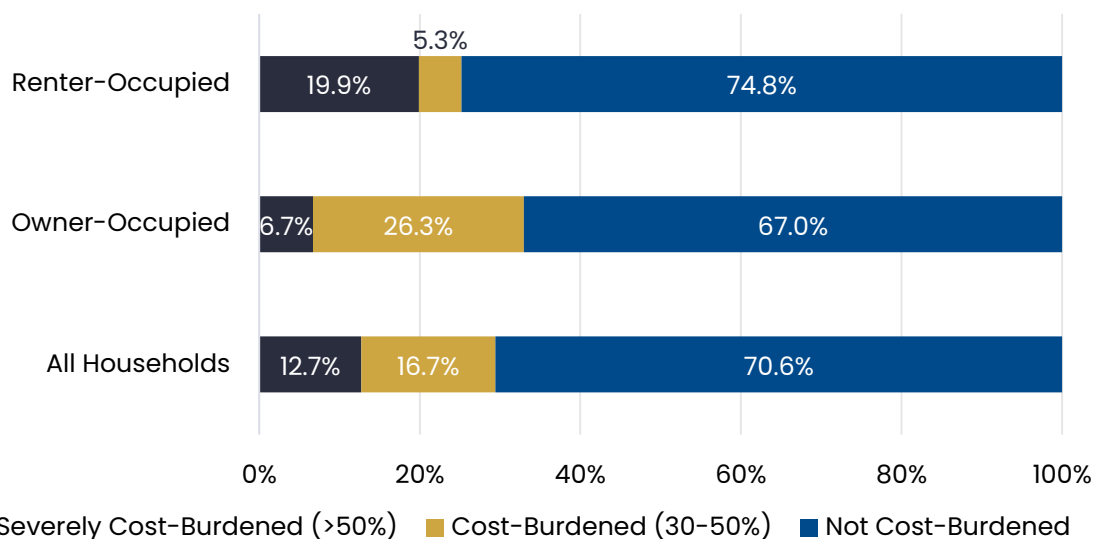
Figure 4.24: Cost Burden Status of Households by AMI, Chelan, 2021



Source: HUD Comprehensive Housing Affordability Strategy Data, 2017-2021

Figure 4.25 compares renter- and owner-occupied households. Owners have a higher overall rate of cost burden (33.0% versus 25.2%), but renters are more likely to be severely cost-burdened (19.9% versus 6.7%).

Figure 4.25: Percentage of Cost-Burdened Households by Tenure, Chelan, 2021



Source: HUD Comprehensive Housing Affordability Strategy Data, 2017-2021

While cost-burdened households exist at every AMI level, the majority earn less than 50% of AMI. Seniors living alone are the most at risk, followed by large families (Table 4.11).

Table 4.11: Cost-Burdened Households by Household Type and AMI, Chelan, 2021

Household Type	<30% AMI	30–50% AMI	50–80%AMI	80–100% AMI	>100% AMI	All Income Levels
Senior Family	0	15	25	10	15	65
Small Family	35	40	0	0	0	75
Large Family	30	65	0	0	0	95
Seniors Living Alone	105	15	0	0	45	165
Other	15	0	25	45	0	85
Total	185	135	50	55	60	485

Source: HUD Comprehensive Housing Affordability Strategy Data, 2017–2021

Displacement Risks

Displacement risks highlight which communities are more vulnerable to being forced out due to factors such as rising housing costs, uneven wealth distribution, and racial and ethnic inequities. These disparities disproportionately affect minority groups (largely due to a history of discrimination and systemic oppression in the United States). Risks become especially pronounced when communities face natural disasters, such as wildfire or flooding.⁸ Overall, identifying which areas are at a higher risk of displacement helps policymakers and planners proactively design strategies that protect communities and ensure growth benefits existing residents.

To assess displacement risks for homeowners in the City of Chelan, the PC team compiled statistics for local census tracts and compared them to state and national averages. We then applied a percentile-based scoring methodology and ranked each tract by percentile for each variable. This allowed for direct comparisons across tracts. We then averaged these percentiles (ranging from 0 to 100) to generate a composite risk score for each tract. A score of 100 indicates that a tract ranks highest across all displacement-related factors compared to other tracts.

Three census tracts cover the entirety of Chelan’s city limits. To provide a larger basis for comparison, we analyzed these tracts against the rest of Chelan County, the County as a whole, the state of Washington, and the United States. We then developed the displacement risk model using the following statistics:

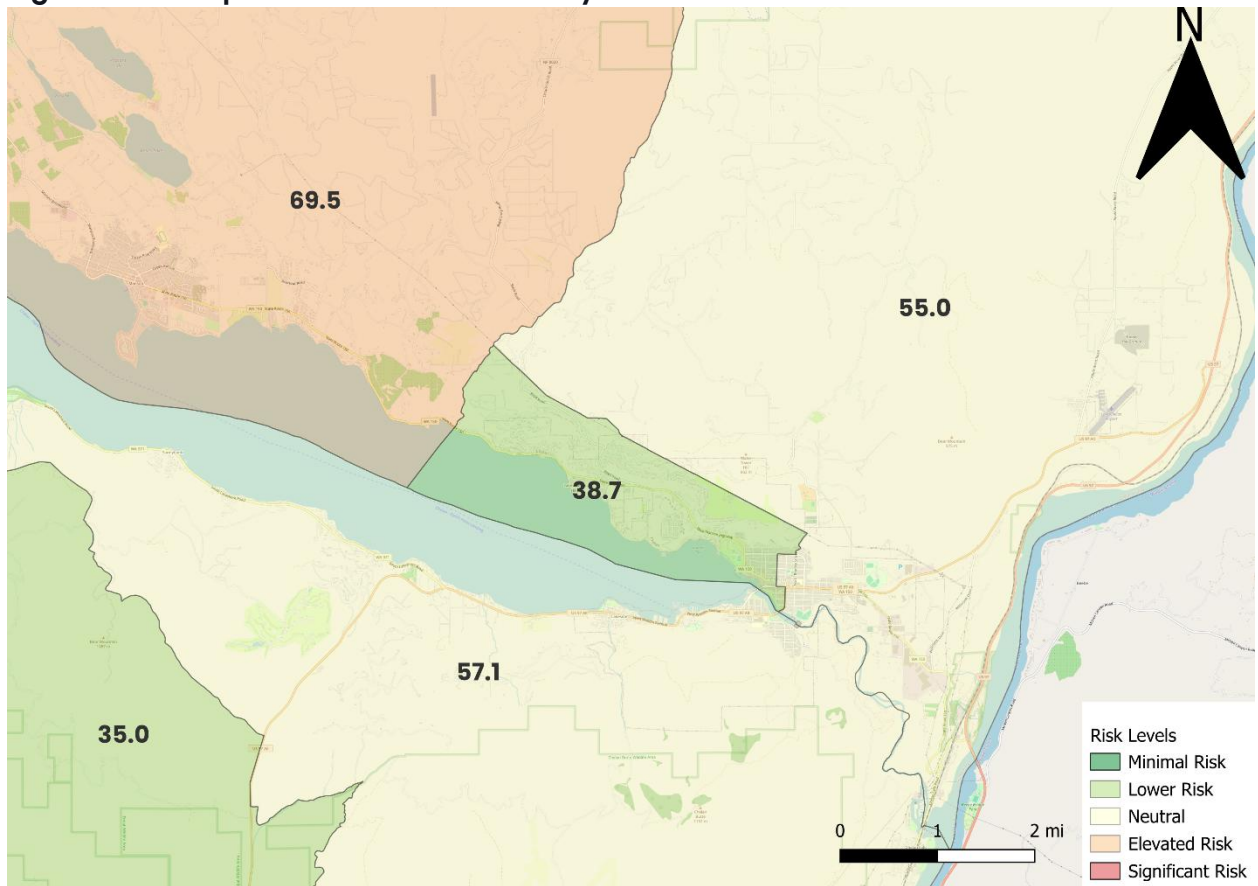
- Population 25+ with no diploma
- Population with disabilities
- Single parents

⁸ Ther W. Aung and Ashwini R. Sehgal, “Prevalence, Correlates, and Impacts of Displacement Because of Natural Disasters in the United States from 2022 to 2023,” *American Journal of Public Health* 115 (2025): 55–65, <https://doi.org/10.2105/AJPH.2024.307854>.

- Age 5+ with limited English
- Racial/Ethnic status
- Occupied units with more people than rooms (overcrowding)
- Housing cost-burdened units occupied by households with an annual income less than \$75K
- Persons below 150% poverty estimate
- % renter-occupied households
- % of housing stock built prior to 1970

Figure 4.26 and Figure 4.27 show the findings of the displacement risk study for both the City and the County. In the City of Chelan, the risk of displacement is lowest in the northwest region, which includes many lakefront neighborhoods and the west side of the downtown core. A large portion of Chelan's population lives in this area. The other two tracts, which also cover parts of the downtown area, have similar displacement scores (55.0 and 57.1). Their scores reflect the rural characteristics captured within their boundaries compared to the smaller, more concentrated northwest tract. The northeastern tract (score 55.0) reports higher rates of overcrowding (more than one person per room) and a greater share of renter households relative to owners than the County overall. The southern tract (score 57.1) has the highest rate of cost-burdened households in Chelan County, along with the largest share of residents below 150% of the poverty line. Both tracts also have high proportions of limited English speakers and residents without a high school diploma or equivalent.

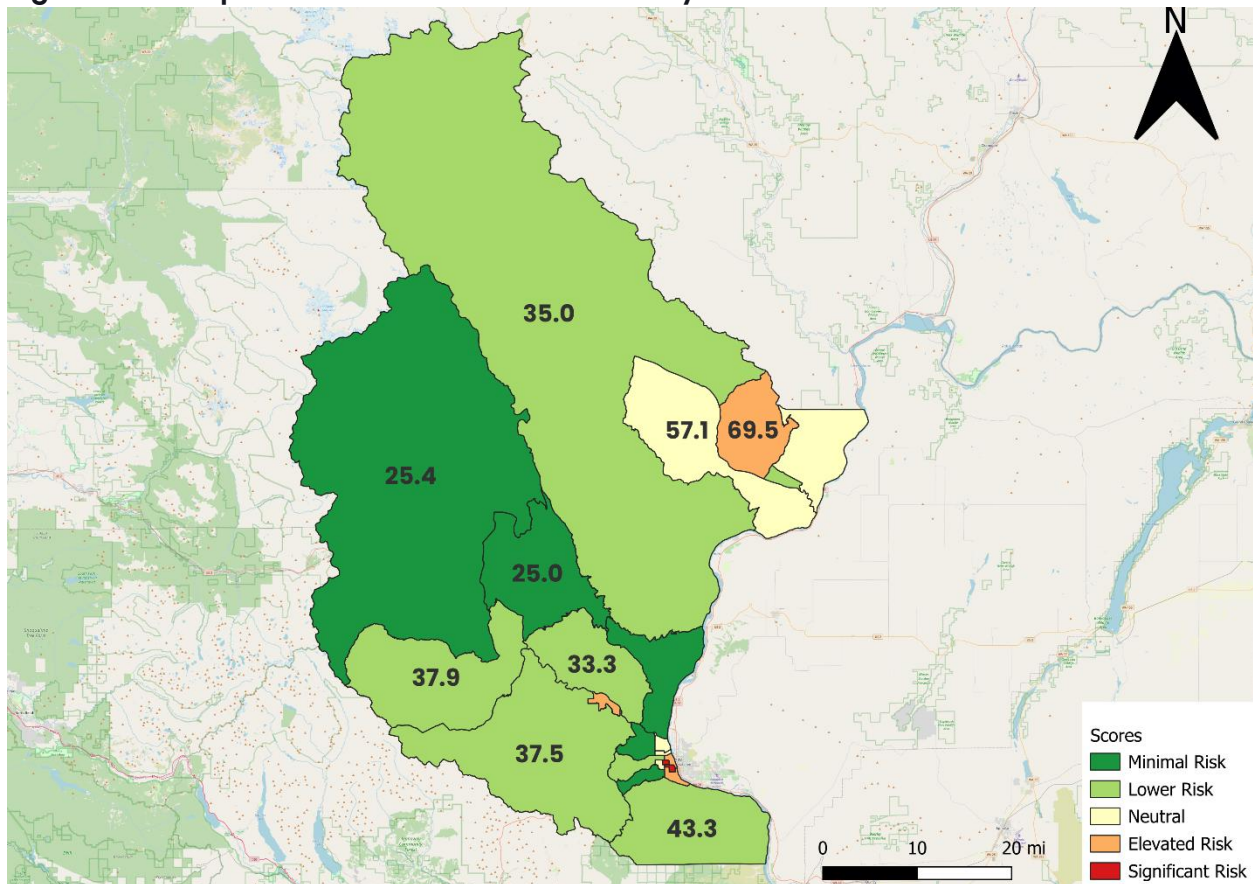
Figure 4.26: Displacement Risk in the City of Chelan



Source: Points Consulting, 2025

Figure 4.27 helps contextualize the City's displacement scores with the rest of Chelan County. Most rural areas in Chelan County fare well, with relatively low displacement risk scores. The only cities containing tracts with elevated risks are Cashmere, Chelan, and Wenatchee. Wenatchee contains the highest-risk tracts in the County. Manson, an unincorporated UGA, also records higher-than-average displacement risks.

Figure 4.27: Displacement Risk in Chelan County



Source: Points Consulting, 2025

There are currently resources in Chelan to help those at risk of displacement. One specific non-profit that serves the area is Chelan Valley Hope which provides assistance to families and individuals with less resources through access to basic needs, rent assistance, food and transportation vouchers, etc. as well as programs to empower individuals to improve their own lives for the future. There are also opportunities for Chelan Valley Hope and other non-profits to partner with local philanthropists through land donation or help financing multi-family housing for emergency and transitional housing.

Assessing Racially Disparate Impacts

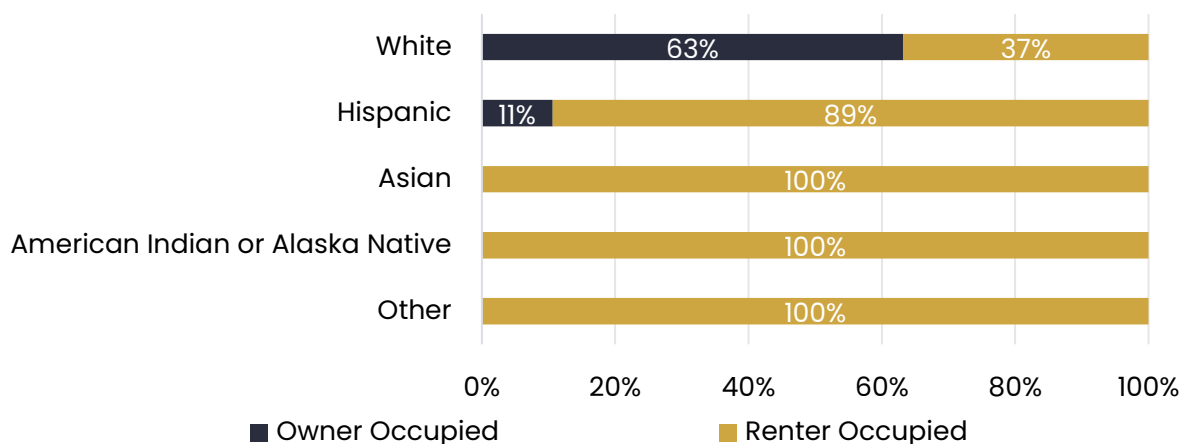
The diversity of Chelan changed between 2018 to 2023. Overall, the concentration of white residents grew by 12 percentage points while Hispanic residents decreased by 16 percentage points. However, in the same period, American Indian/Alaska Native residents, Asian residents, Pacific Islander residents, all increased from zero to a non-zero percentage. Meanwhile Chelan County experienced much less change in diversity (Table 4.12). This indicates that there may be hidden barriers keeping residents of color out of the Chelan housing market.

Table 4.12: Change in Race/Ethnicity Concentration, City of Chelan and Chelan County

Race/Ethnicity	Chelan City			Chelan County		
	2023	2018	Change	2023	2018	Change
White	74.9%	62.9%	12.0%	66.2%	68.1%	-1.9%
Hispanic or Latino	21.1%	37.1%	-16.0%	28.4%	27.8%	0.6%
Black or African American	0.0%	0.0%	0.0%	0.5%	0.4%	0.1%
American Indian and Alaska Native	0.8%	0.0%	0.8%	0.7%	0.6%	0.1%
Asian	1.5%	0.0%	1.5%	0.8%	1.0%	-0.2%
Native Hawaiian and Other Pacific Islander	0.2%	0.0%	0.2%	0.1%	0.1%	0.0%
Some Other Race	0.0%	0.0%	0.0%	0.4%	0.0%	0.4%
Two or More Races	1.5%	0.0%	1.5%	2.9%	1.9%	1.0%

Source: U.S. Census Bureau, ACS 5-Year, 2018 & 2023

Of the 910 owner-occupied households and 764 renter-occupied households in Chelan, only residents that identified as white or Hispanic own a home. Out of all the white residents, 63% own while only 11% of Hispanic residents own their own home (Figure 4.28). Table 4.13 displays the breakdown of cost-burden by race and by tenure. Where overall, 67.0% of owner-occupied households are not cost-burdened, 67.2% of white households are not cost-burdened, while all Hispanic home owners are moderately cost-burdened. The renter-occupied households paint a similar picture. White households are 75.7% not cost-burdened while only 69.8% of Hispanic households are not cost-burdened and the other 30.2% of Hispanic households are severely cost-burdened. All other races have no cost-burden reported.

Figure 4.28: Tenure by Race/Ethnicity, City of Chelan

Source: HUD Comprehensive Housing Affordability Survey, 2017-2021, Table 9

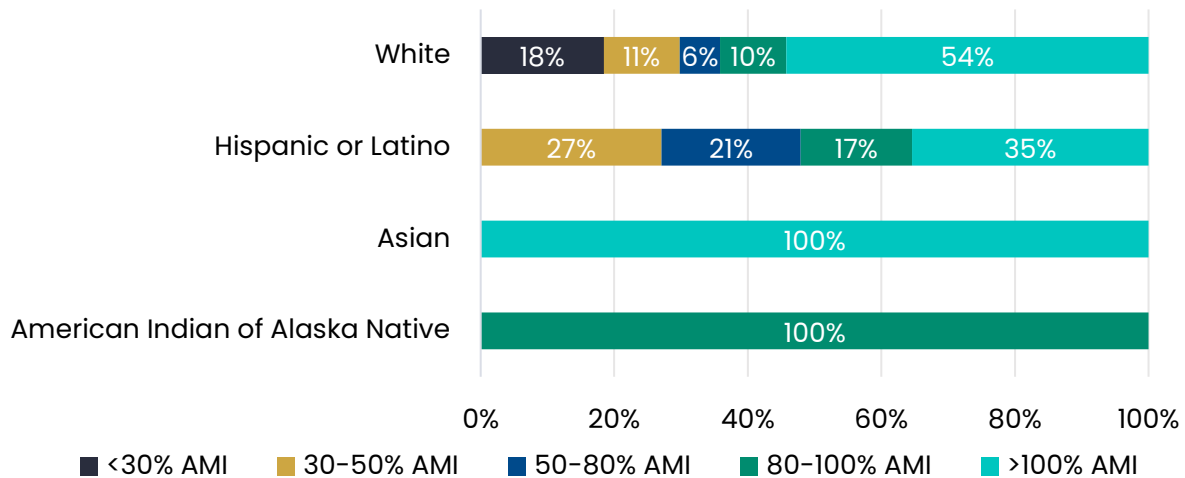
Table 4.13: Cost-Burden by Race/ Ethnicity, City of Chelan

	White	Asian	American Indian or Alaska Native	Hispanic or Latino	Other Race
Owner-Occupied Households					
Not Cost-Burdened	67.2%	-	-	0.0%	-
Moderately Cost-Burdened	23.7%	-	-	100.0%	-
Severely Cost-Burdened	7.3%	-	-	0.0%	-
Not Computed	1.7%	-	-	0.0%	-
Total	885	0	0	25	0
Renter-Occupied Households					
Not Cost-Burdened	75.7%	100.0%	100.0%	69.8%	100.0%
Moderately Cost-Burdened	7.8%	0.0%	0.0%	0.0%	0.0%
Severely Cost-Burdened	16.5%	0.0%	0.0%	30.2%	0.0%
Not Computed	0.0%	0.0%	0.0%	0.0%	0.0%
Total	515	10	4	215	20

Source: HUD Comprehensive Housing Affordability Survey, 2017-2021, Table 9

Income distribution is also an important aspect of this to look at. White households are the only group that has any households earning less than 30% of AMI, but they also have the second largest concentration earning over 100% AMI. Hispanic households tend to be more evenly distributed over the income brackets but only 35% of households make over 100% of the AMI.

Figure 4.29: Distribution of Households by Income and Race/Ethnicity, City of Chelan



Source: HUD Comprehensive Housing Affordability Survey, 2017–2021, Table 1

Commuter & Transportation Data

Data on commuters and transportation help us understand housing demand patterns across different regions. When local workers struggle to find affordable housing, they may choose to live in nearby towns and commute to work instead.

Commuting patterns are shown in Table 4.14 and Figure 4.30. According to the Census Bureau’s OnTheMap database, 82.8% of Chelan workers live outside the City. Additionally, only 33.3% of Chelan residents work within the City, while 7.2% work in Wenatchee and 4.8% in Seattle.

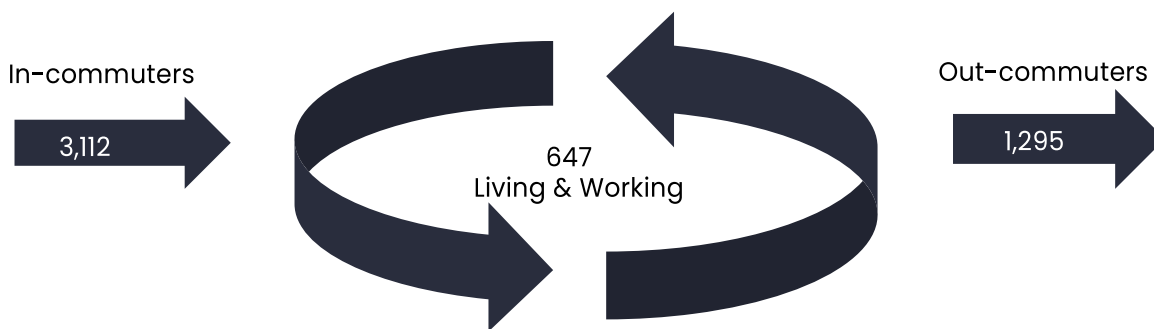
Table 4.14: Commuting Patterns, 2022

Where Chelan Residents Work		Where Chelan Workers Live	
Location	Percentage	Location	Percentage
Chelan	33.3%	Chelan	17.2%
Wenatchee	7.2%	Wenatchee	4.4%
Seattle	4.8%	Manson CDP	3.6%
Manson CDP	3.5%	East Wenatchee	2.2%
Yakima	2.3%	Entiat	1.6%
Bellevue	1.8%	Chelan Falls CDP	1.2%
East Wenatchee	1.3%	Seattle	1.1%
Spokane	1.2%	Yakima	0.9%
Brewster	1.1%	Moses Lake	0.8%
Kirkland	1.1%	Spokane	0.8%
All Other Locations	42.4%	All Other Locations	66.3%

Source: U.S. Census Bureau, OnTheMap, 2022

Overall, approximately 3,759 workers are employed in Chelan. The majority (3,112) commute into the City and represent potential opportunities for Chelan to capture more of its workforce within the local housing market (Figure 4.30). In contrast, 1,295 residents commute to jobs outside the City, indicating employment leakage. An additional 647 workers live and work within Chelan.

Figure 4.30: Commuter Inflow and Outflow from City of Chelan, 2022

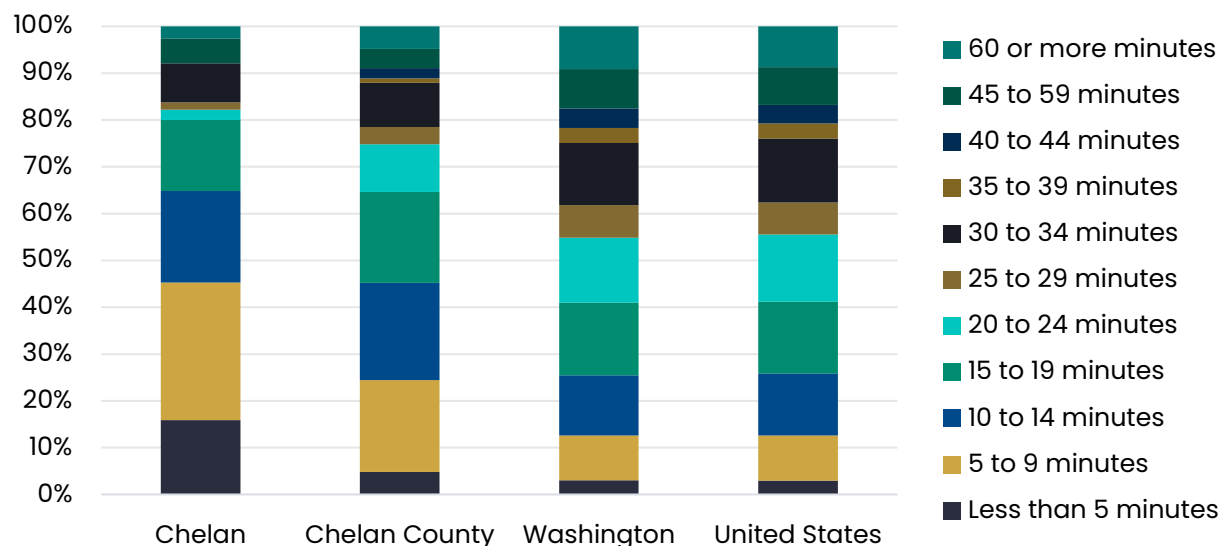


Source: U.S. Census Bureau, OnTheMap, 2022

Figure 4.31 compares Chelan's travel times to work with those of Chelan County, Washington, and the nation. As shown, Chelan residents report shorter commute times than all three comparison regions. The average travel time to work for Chelan residents is 13.6 minutes. This is about six minutes shorter than the Chelan County average (19.5 minutes) and more than 13 minutes shorter than both the state (27 minutes) and national (26.6 minutes) averages.⁹ These shorter commute times reflect low traffic volumes and shorter commuting distances in Chelan, which are generally considered contributors to residents' overall quality of life.

⁹ U.S. Census Bureau, U.S. Department of Commerce, "Commuting Characteristics by Sex," *American Community Survey, ACS 5-Year Estimates Subject Tables, Table S0801*, accessed on September 18, 2025, <https://data.census.gov/table/ACSST5Y2023.S0801?g=160XX00US1622960>.

Figure 4.31: Travel Time to Work by Region, 2023



Source: U.S. Census Bureau, 2023 5-Year Estimates, Table B08012

A different commuting trend has emerged over the past five years: not commuting at all. Working from home (WFH) became a popular option in 2020 due to COVID lockdowns, as companies sought to maintain productivity. Table 4.15 illustrates this trend from 2019 through 2023. In both Washington and the United States, the share of WFH workers has more than doubled (nearly tripled) since 2019. In Chelan, however, the share has grown by a comparatively smaller 81.3%. Notably, this still represents a much greater increase than that of Chelan County overall, where WFH workers grew by only 30.3% over the same period.

Table 4.15: Work From Home Trends, 2019–2023

Region	Percent of Workers WFH, 2019	Percent of Workers WFH, 2023	Percent Change
Chelan	8.0%	14.5%	81.3%
Chelan County	6.6%	8.6%	30.3%
Washington	6.1%	17.7%	190.2%
United States	5.2%	13.5%	159.6%

Source: U.S. Census Bureau, 2019 and 2023 5-Year Estimates, Table S0801

5. Housing Trends

Building Types & Tenures

This chapter centers around trends in housing. Table 5.1 and Figure 5.1 provide an overview of Chelan’s housing stock, with comparative statistics for Chelan County, Washington, and the nation. Detached single-family homes dominate the housing stock across all observed geographies, comprising 67.3% of Chelan’s total housing.

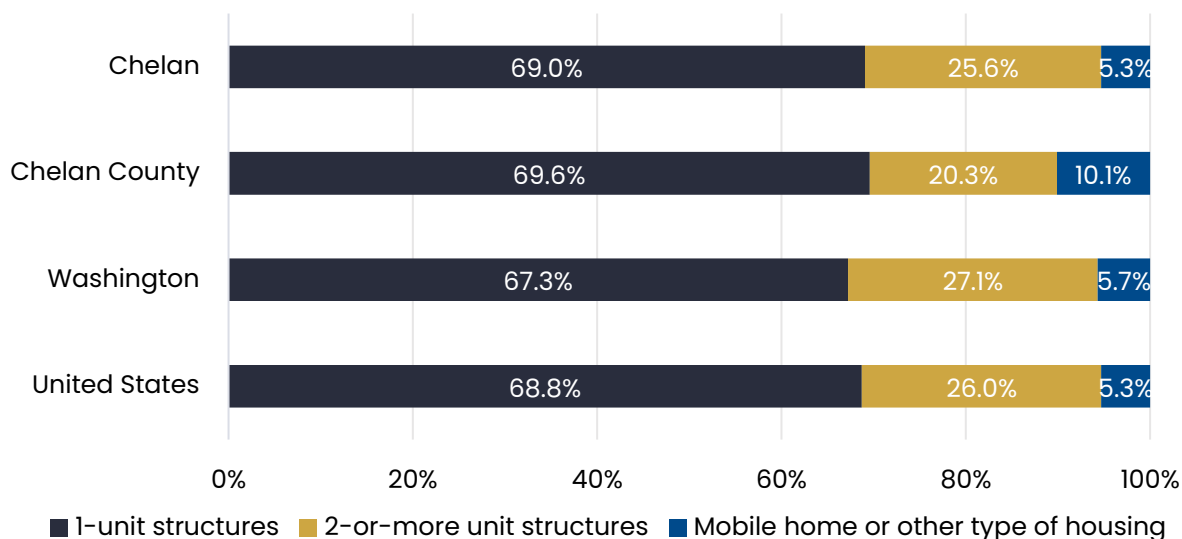
Notably, Chelan has 10 percentage points fewer buildings with 10 or more units than the state average and three percentage points fewer than the county average. This makes sense, as Chelan has emphasized preserving views of the region’s natural beauty. High restrictions in certain areas incentivize shorter buildings.

Table 5.1: Housing Stock by Type

Housing Type	Chelan		Chelan County		Washington	U.S.
	#	%	#	%	%	%
Occupied housing units	1,893	--	30,825	--	3.0M	127.5M
1, detached	1,274	67.3%	20,670	67.1%	62.8%	62.5%
1, attached	33	1.7%	763	2.5%	4.5%	6.3%
2 apartments	93	4.9%	1,062	3.4%	2.2%	3.3%
3 or 4 apartments	165	8.7%	1,473	4.8%	3.5%	4.2%
5 to 9 apartments	95	5.0%	624	2.0%	4.4%	4.5%
10 or more apartments	132	7.0%	3,116	10.1%	17.0%	14.0%
Mobile home or other type	101	5.3%	3,117	10.1%	5.7%	5.3%

Source: U.S. Census Bureau, 2023 5-Year Estimates, Table S2504

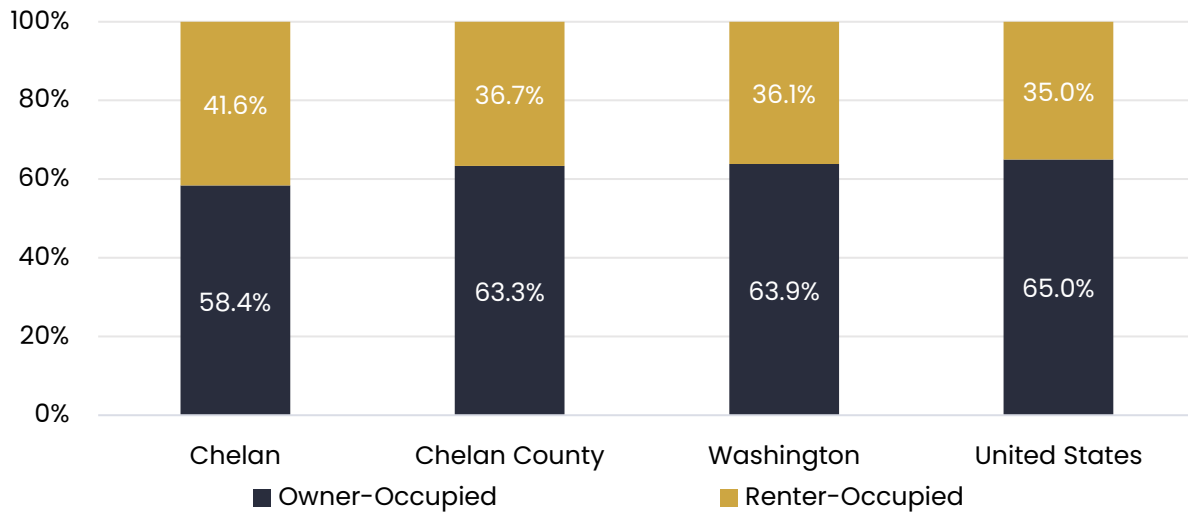
Figure 5.1: Percent Housing by Type



Source: U.S. Census Bureau, 2023 5-Year Estimates, Table S2504

Another way to analyze the housing supply is by examining owner- versus renter-occupied units. Nationally, homeownership follows roughly a 65% to 35% split, Washington and Chelan County largely mirror this pattern. The City of Chelan has a slightly higher proportion of renter-occupied homes (41.6%). This greater share of renters reflects the City’s more diverse housing types, which can support more affordable options for households across multiple income levels.

Figure 5.2: Owner-Occupied and Renter-Occupied Homes

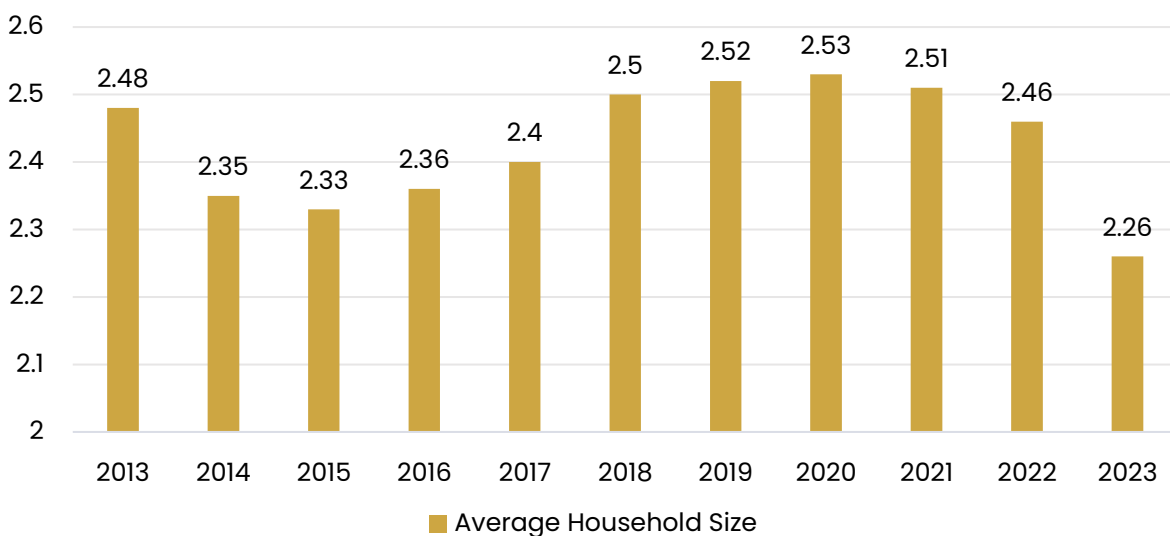


Source: U.S. Census Bureau, 2023 5-Year Estimates, Table S2504

Household Tenure and Size

Household size often influences decisions about whether to buy or rent housing. Figure 5.3 shows the average household size in Chelan over time, while Figure 5.4 presents the distribution of household sizes within the City. Between 2013 and 2023, household size has generally fluctuated between 2.3 and 2.5 people per household. In 2023, however, household size dropped to 2.26. By comparison, the average household size in the United States was 2.54 in 2023 (0.18 higher than Chelan). In Washington, it was similar to the national average at 2.51.

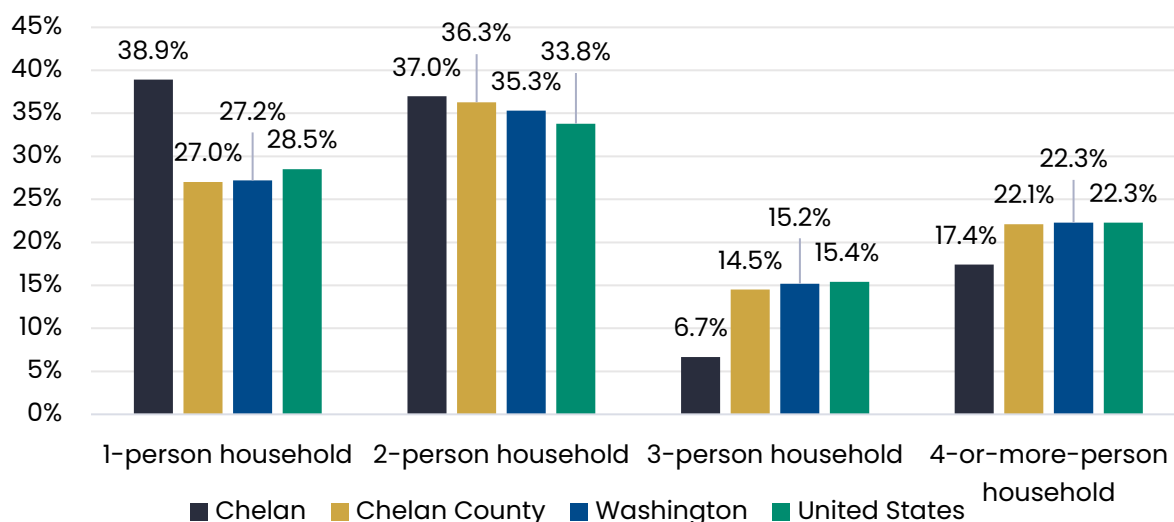
Figure 5.3: Average Household Size in City of Chelan, 2013–2023



Source: U.S. Census Bureau, American Community Survey, B25010 5-year estimates, 2013–2023

The largest share of Chelan residents (39%) live in one-person households. This is a higher proportion than we observe in Chelan County (27%), Washington (27%), or the nation (29%). In contrast, only 7% of Chelan residents live in three-person households (compared with 15% in the comparison regions). This distribution contributes substantially to Chelan's lower average household size.

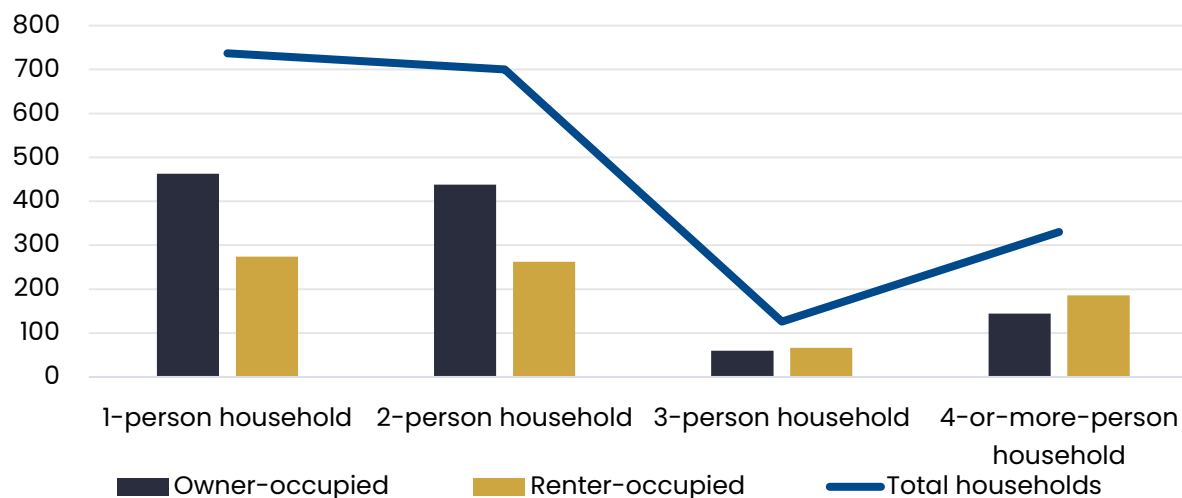
Figure 5.4: Household by Size in City of Chelan, 2023



Source: U.S. Census Bureau, American Community Survey, S2501, 5-year estimates, 2023

Figure 5.5 illustrates owner- versus renter-occupancy by household size. Interestingly, one- and two-person households are predominately owner-occupied, while larger households (those with three or four people), are mostly renter-occupied.

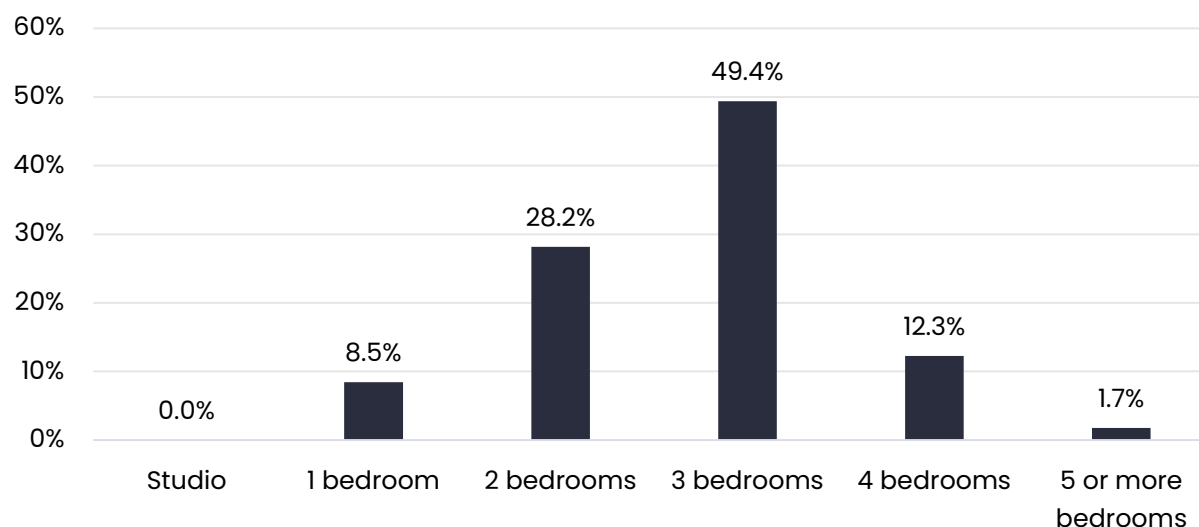
Figure 5.5: Household Size by Tenure in City of Chelan, 2023



Source: U.S. Census Bureau, American Community Survey, S2501, 5-year estimates, 2023

While 75.9% of households in Chelan consist of one or two people (Figure 5.4), only 8.5% of housing units have one bedroom and 28.2% have two bedrooms (Figure 5.6). The most common unit size is three bedrooms, comprising nearly half of the housing stock (49.4%). However, only 24.1% of households have three or more people.

Figure 5.6: Housing Units by Number of Bedrooms in City of Chelan, 2023



Source: U.S. Census Bureau, 2023 5-Year Estimates, Table B25042

Group Housing

In the United States overall, 2.5% of the population resides in group housing (Table 5.2). This includes institutionalized populations, such as those in correctional facilities or nursing homes, as well as noninstitutionalized populations, such as those living in college dorms or military quarters. In Chelan the percentage is much smaller (0.5% of the population). The only group housing type contributing to this statistic is nursing facilities.

Table 5.2: Group Housing and Care Facilities Population, 2020

Category	Chelan	Chelan County	Washington	U.S.
% of Population in Group Housing	0.5%	2.1%	2.1%	2.5%
Institutionalized population	23	825	55,485	3.8M
Correctional facilities for adults	0	247	26,677	2.0M
Juvenile facilities	0	15	1,532	88,115
Nursing/Skilled-nursing Facilities	23	563	25,856	1.6M
Other institutional facilities	0	0	1,420	70,943
Noninstitutionalized population	0	829	104,722	4.5M
College/University student housing	0	0	41,091	2.8M
Military quarters	0	0	16,811	328,372
Other noninstitutional facilities	0	829	46,820	1.4M

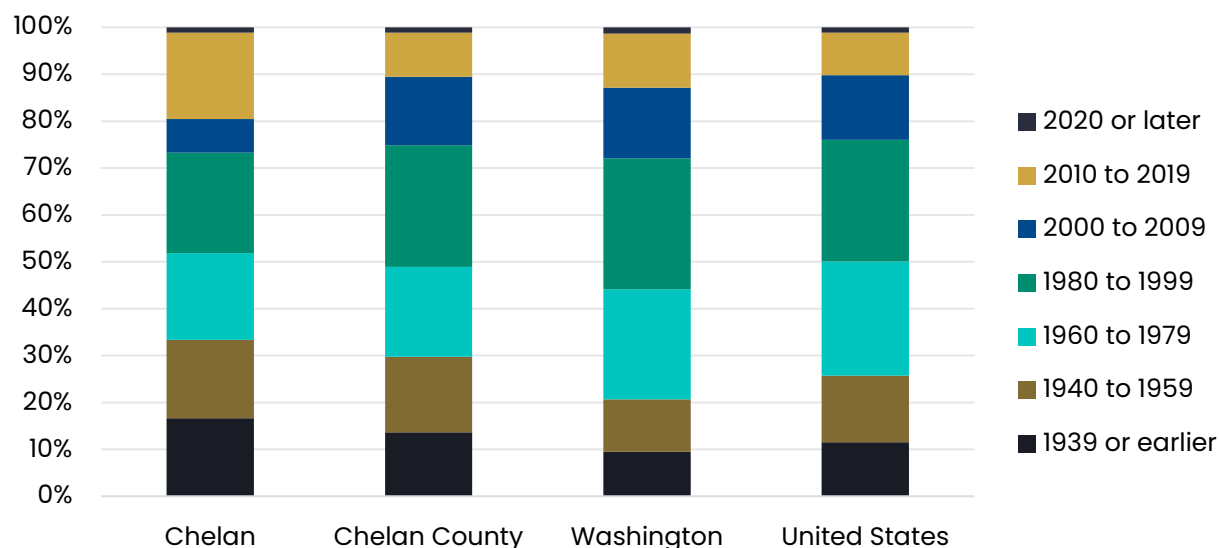
Source: U.S. Census Bureau, 2020 Decennial Census, Table P5

Housing Stock & Occupancy Rates

The age of a region's housing stock reveals both the physical condition of homes and their maintenance needs. Older homes require more upkeep, which makes housing age a key factor in long-term sustainability.

Nationally, about half of all homes (49.9%) were built after 1980. This trend is reflected in Chelan, where just under half (48.2%) of homes were built after 1980. Notably, Chelan has a much higher concentration of houses built before 1960 and after 2010 than the state and national figures, but a lower concentration of homes built between 1960 and 2010 (Figure 5.7). These data tell a broader story of past economic and development cycles.

Figure 5.7: Age of Housing Stock, 2023



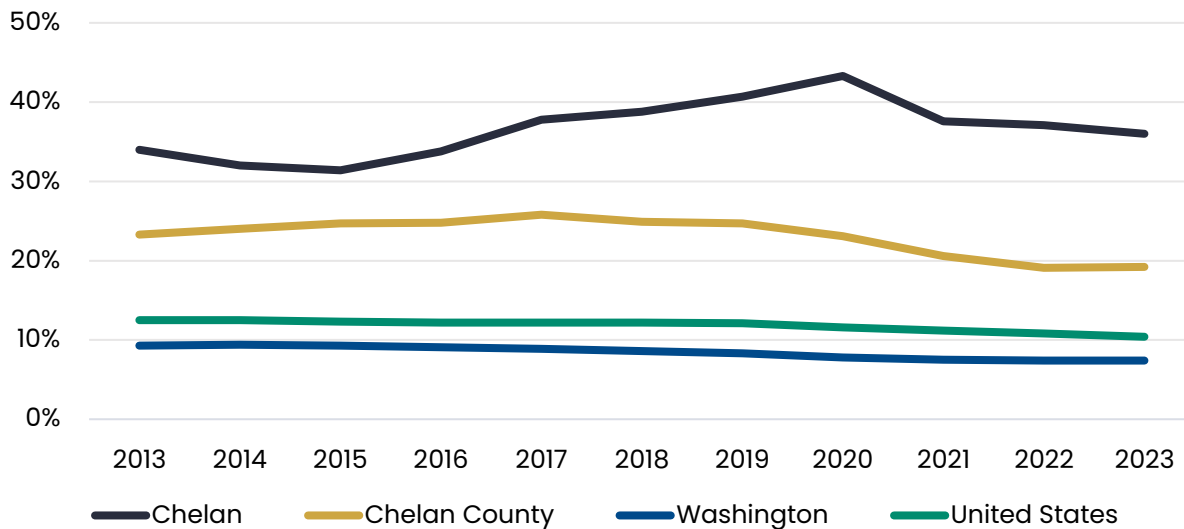
Source: U.S. Census Bureau, 2023 5-Year Estimates, Table S2504

Vacancy rates indicate the balance of supply and demand in a real estate market. For the American Community Survey, the Census Bureau defines a vacant household as a household which has no current residents. Current residents are defined as someone who is living at the household on the day the census interview is conducted and have lived, or have intentions to live at that residence for two months or more. The census

reference day is April 1st, therefore most of the responses took place in April or May of the census year.¹⁰

Figure 5.8 illustrates how vacancy rates in Chelan have fluctuated over time with the County, state, and nation shown for comparison. Vacancy rates have consistently remained much higher in Chelan than in Washington or the United States as a whole. In 2023, Chelan had a vacancy rate of 36.0% (down from 43.3% in 2020). This is almost seven times higher than the state vacancy rate of 7.4%. Figure 5.9 provides additional context on the types of vacancies in Chelan compared to other regions. Chelan and Chelan County have very large concentrations of vacancies due to seasonal, recreational, or occasional use. Given Chelan's large tourist population, this is unsurprising.

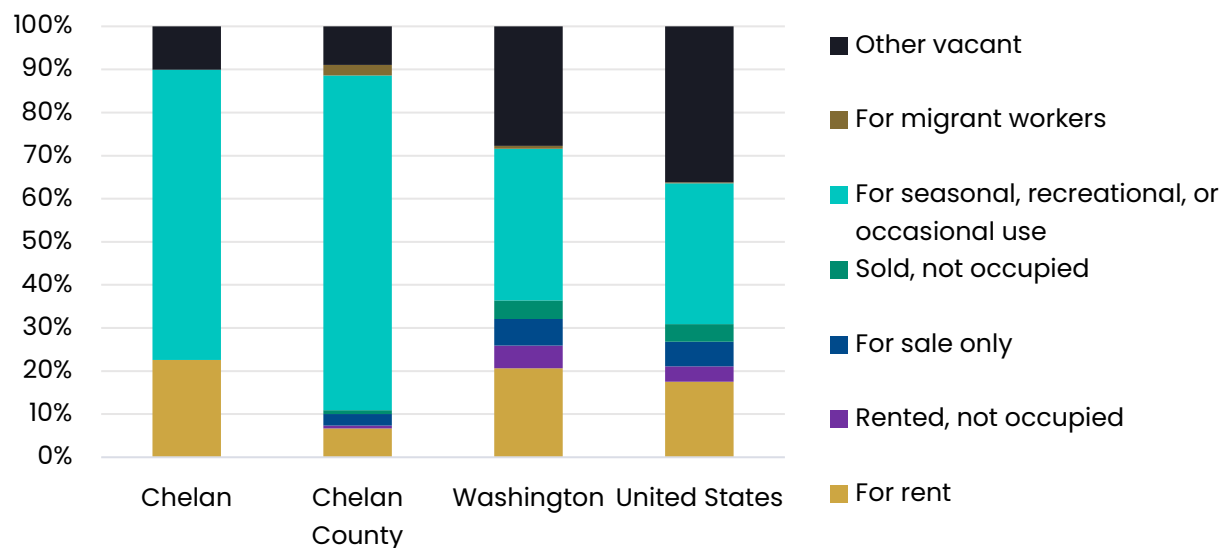
Figure 5.8: Vacancy Rates Over Time, 2013–2023



Source: U.S. Census Bureau, 2013–2023 5-Year Estimates, Table DP04

¹⁰ U.S. Census Bureau, “American Community Survey and Puerto Rico Community Survey Design and Methodology,” Washington, DC, 2024, https://www2.census.gov/programs-surveys/acs/methodology/design_and_methodology/2024/acs_design_methodology_report_2024.pdf.

Figure 5.9: Vacancy Status



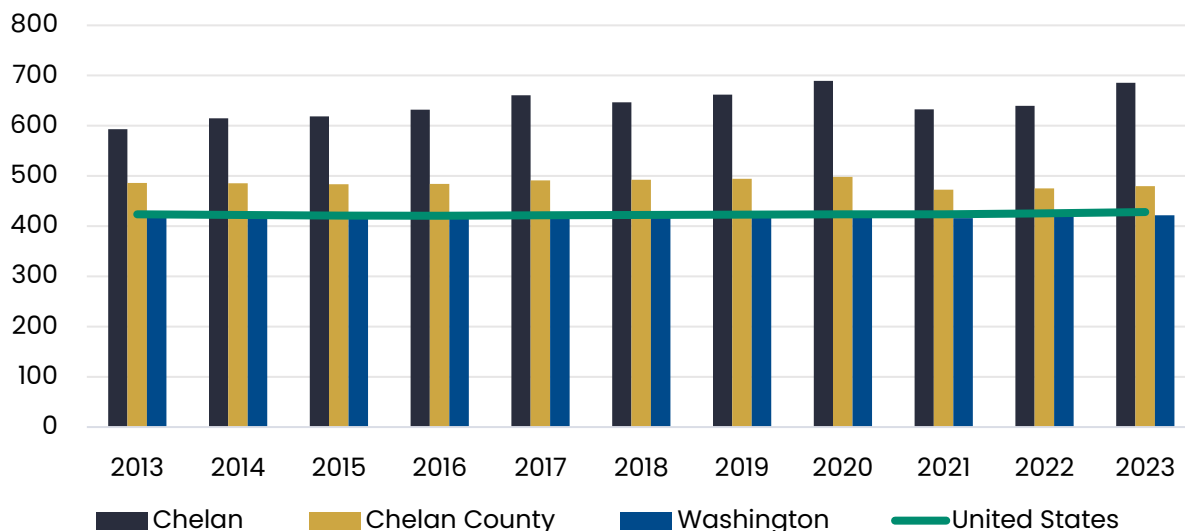
Source: U.S. Census Bureau, 2023 5-Year Estimates, B25004

Residences to Employment Metrics

Like vacancy rates, statistics such as housing units per 1,000 residents can indicate housing supply and availability. Chelan saw an overall increase in this metric from 2013 to 2020, with a slight dip in 2018, followed by a decrease in 2021. By 2023, the metric had risen to approximately 685 housing units per 1,000 residents. This figure remained notably higher in Chelan than in other comparison regions throughout the period. Chelan County followed a similar trend, while Washington and the United States stayed fairly constant at around 420 units per 1,000 residents.

This trend in Chelan (characterized by high housing-to-population ratios) aligns with vacancy rates. The metric includes all housing units, not only those that are occupied. Because many homes in Chelan are not occupied year-round, the ratio of housing to population tends to be higher.

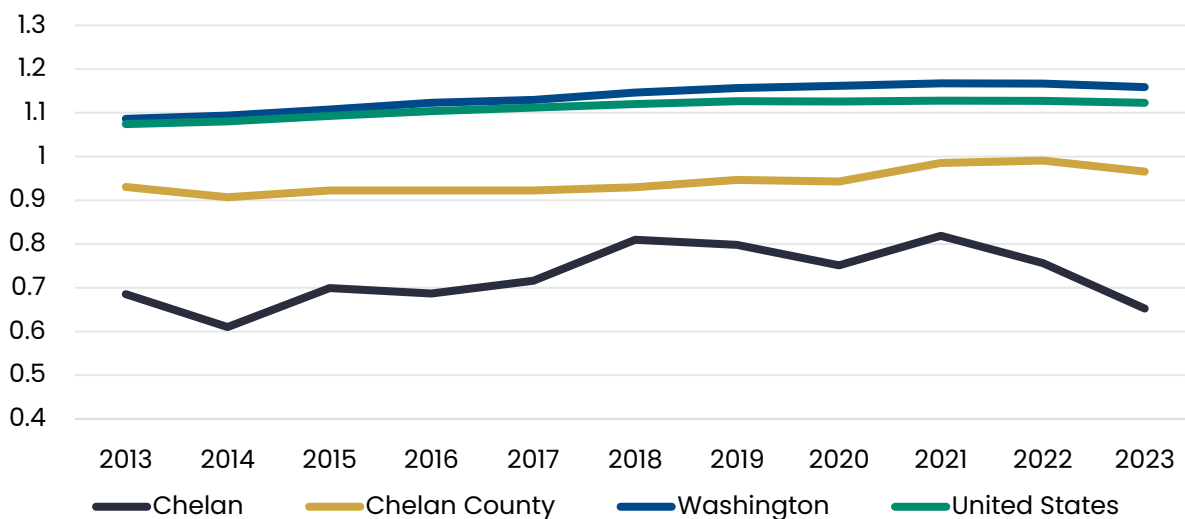
Figure 5.10: Housing Units per 1,000 Residents, 2013–2023



Source: U.S. Census Bureau, 2013–2023 5-Year Estimates, Tables B25001 and DP05

The jobs-to-housing ratio is another important metric for assessing housing availability. Chelan consistently reported a lower ratio over the period, at only 0.65 in 2023 compared to 1.16 in Washington. This is likely due to both the large share of seasonal homes and the smaller workforce in Chelan.

Figure 5.11: Jobs-to-Housing Ratio



Source: U.S. Census Bureau, 2013–2023 5-Year Estimates, Tables B25001 and DP03

Residential Density and Overcrowding

Table 5.3 shows the average occupancy per room in Chelan and comparison regions. Among renters in Chelan, the average number of occupants per room is 0.52. This is

comparable to state and national averages. For owners, the density is slightly lower, with an average of 0.35 occupants per room in Chelan and 0.4 in other regions.

Table 5.3: Weighted Average Occupants Per Room, 2023

Region	Average Occupants Per Room 2023	% Change 2022–2023
Renter-Occupied Units		
Chelan	0.52	(1.1%)
Chelan County	0.56	0.5%
Washington	0.54	(0.3%)
United States	0.53	(0.2%)
Owner-Occupied Units		
Chelan	0.35	0.1%
Chelan County	0.40	(2.0%)
Washington	0.42	0.4%
United States	0.41	0.2%
All Units		
Chelan	0.42	(2.8%)
Chelan County	0.46	(0.9%)
Washington	0.46	0.1%
United States	0.45	0.0%

Source: U.S. Census Bureau, 2022 and 2023 5-Year Estimates, Table B25014

HUD generally considers a persons-per-room count of more than one to be overcrowded. We use that benchmark in Table 5.4 and Table 5.5 to compare the percentage of overcrowded units (Table 5.4 compares owner- and renter-occupied units in Chelan). Renter households have an overcrowding rate of 1.5%, compared to 0.7% for owner households.

Table 5.4: Overcrowded Units in Chelan

Type	2023	Percent of Units
Owner-Occupied	8	0.7%
Renter-Occupied	12	1.5%
Total	20	1.1%

Source: U.S. Census Bureau, 2022 and 2023 5-Year Estimates, Table B25014

Table 5.5 compares the concentration of overcrowded units in Chelan to the County, state, and nation. Chelan has a much lower overcrowding rate (1.1%) than all comparison regions, all of which have rates above 3.0%.

Table 5.5: Regional Overcrowded Units Comparison, 2023

Region	2023	Percent of Units
Chelan	20	1.1%
Chelan County	991	3.2%
Washington	105,859	3.5%
United States	4.3M	3.4%

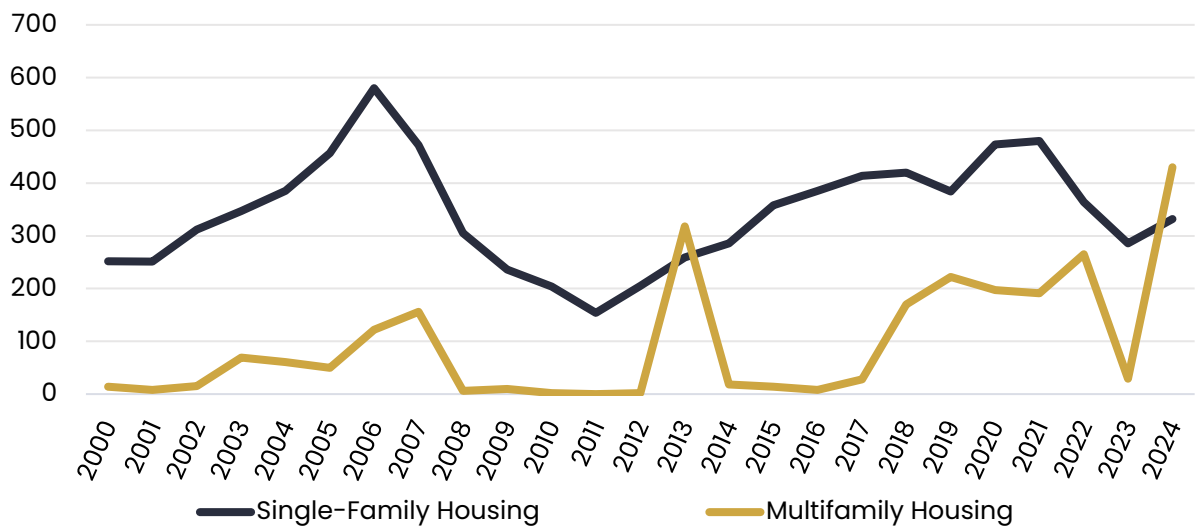
Source: U.S. Census Bureau, 2022 and 2023 5-Year Estimates, Table B25014

New Housing Production

Housing market outcomes depend on the interaction between housing supply and demand, with building trends and production serving as key drivers of supply. When supply fails to keep pace with growing demand, housing prices inevitably rise. Housing production in both Chelan County and the surrounding region influences affordability within the City of Chelan.

Looking first at regional trends, Figure 5.12 shows housing permits issued in Chelan County from 2000 to 2024. Single-family home (SFH) permits increased steadily from 2000 to 2006, peaking at 580 permits. Multifamily housing (MFH) also rose overall during this period, peaking at 156 permits in 2007. From 2007 to 2011, SFH permits declined sharply before rebounding through 2021. MFH permits exceeded SFH permits in 2013 and again in 2023, when they rose to higher levels than SFH permits.

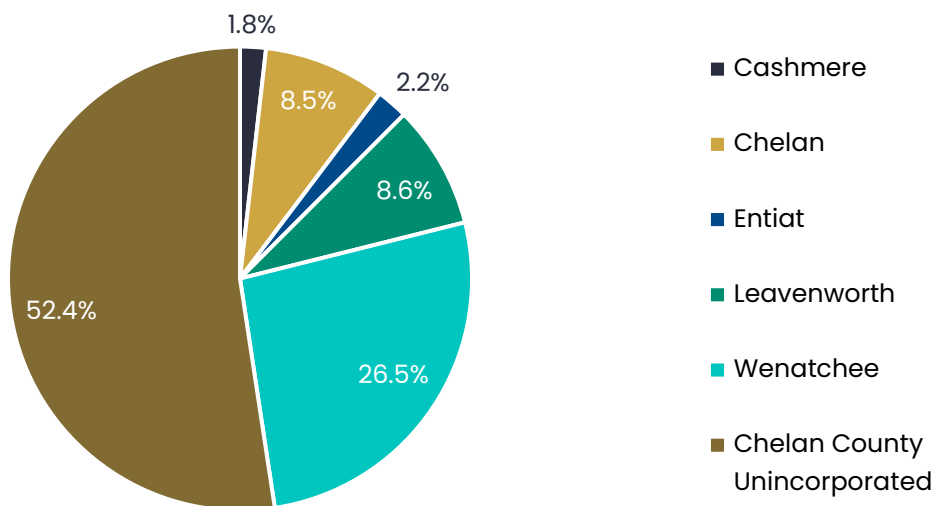
Figure 5.12: Single-Family and Multifamily Housing Permits in Chelan County, 2000–2024



Source: U.S. Department of Housing and Urban Development, State of the Cities Data Systems

In terms of location, 52.4% of permits issued during this period were in the unincorporated areas of the County, followed by 26.5% in Wenatchee (Figure 5.13). Since 2020, the City of Chelan has accounted for 8.5% of all development within the County.

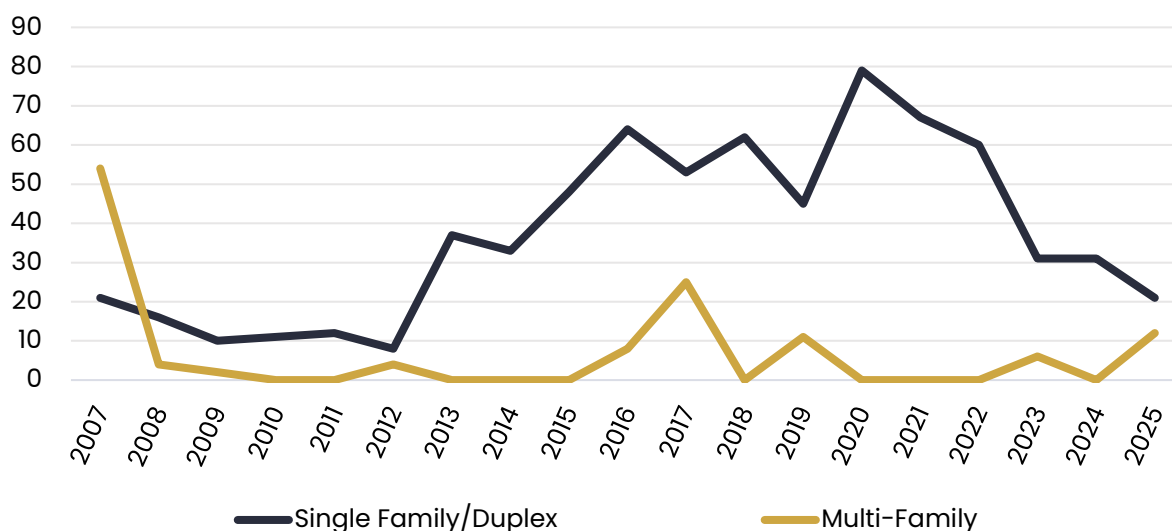
Figure 5.13: Share of Total Housing Permits Issued in Chelan County, 2000–2024



Source: U.S. Department of Housing and Urban Development, State of the Cities Data Systems

The City of Chelan has followed a similar pattern to the County in terms of permits issued since 2000. A much larger number of SFH permits have been issued annually since 2011 compared to the period before 2011 (Figure 5.14). In contrast, the largest peak in MFH permits occurred in 2007, with other years seeing comparatively minimal activity.

Figure 5.14: Single-Family and Multifamily Housing Permits in Chelan, 2007–2025

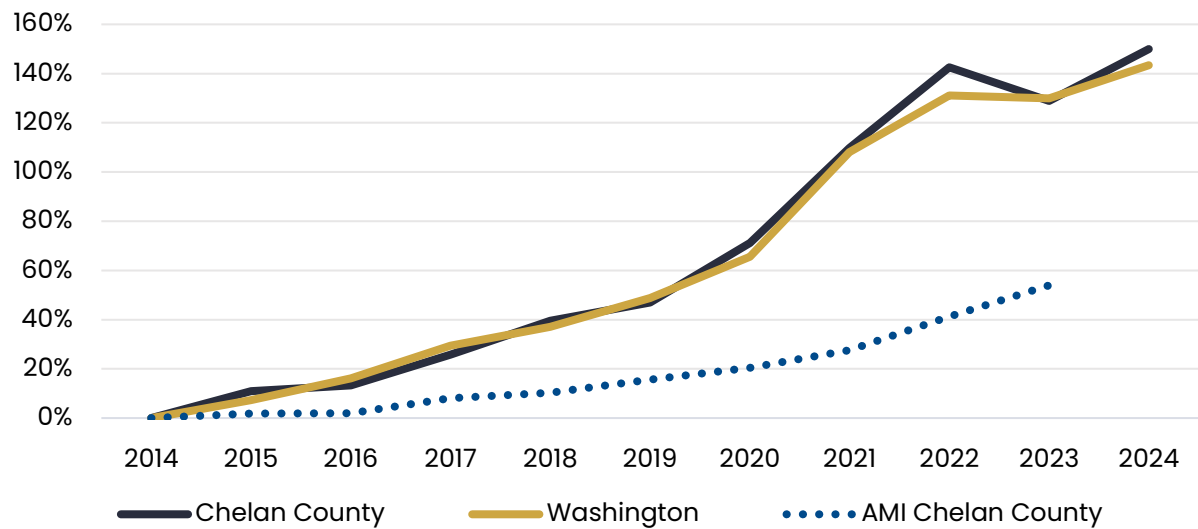


Source: City of Chelan, Issued Permits History

Home Value Trends

Since 2014, the median value of homes sold in Chelan County has increased 150.0%, more than doubling. In 2014, the median home value was \$241,025, compared to \$602,450 in 2024 (Figure 5.15). This growth slightly exceeds overall state growth, which increased 143.4% over the same period. Area Median Income (AMI) in Chelan County grew 53.9% from 2014 to 2023, roughly one-third the rate of housing value growth.

Figure 5.15: Median Home Value and AMI Cumulative Annual Growth, 2014–2024



Source: University of Washington, State’s Housing Market 2025 Q1 & U.S. Census Bureau, ACS Table S1901

Table 5.6 shows the yearly change from 2023 to 2024 for similar metrics. The median home sale price increased 10.1% in just the past year, while home sales rose only 7.3%.

Table 5.6: Residential Home Sales in Chelan County

Metric	2023	2024	Change	% Change
Median Home Sale Price	\$550,000	\$605,400	\$55,400	10.1%
Home Sales	710	762	52	7.3%
Active Listings	149	155	6	4.0%
Months of Supply	2.8	3.1	0.3	10.7%

Source: University of Washington, State’s Housing Market 2025 Q1

The Washington Center for Real Estate Research (WCRER) produces a Home Affordability Index (HAI) for both average buyers and renters, as well as for first-time buyers and low-income renters. Table 5.7 displays HAI for Chelan County and nearby counties for comparison. Higher values indicate greater affordability, with a score of 100 indicating a middle-income family can just qualify for a median-priced home.

As of Q2 2025, both First-Time and Median Buyer HAI values are the lowest in Chelan compared to the state and surrounding counties. For renters, both Median and Low-

Income HAI values are still slightly lower than the state, but higher than in neighboring Douglas County. The Median Renter HAI value in Chelan is 125.4, well above the 100 benchmark.

Table 5.7: Home Affordability Index (HAI), Home Buyers and Renters, 2025 Q2

Region	Median Buyer	First-Time Buyer	Median Renter	Low-Income Renter
Chelan County	56.0	40.0	125.4	87.8
Douglas County	59.2	42.2	110.0	77.0
Okanogan County	66.2	47.2	189.2	132.4
Grant County	83.9	59.8	161.6	113.1
Statewide	60.7	43.3	136.0	95.2

Source: University of Washington, WCRER County Dashboard 2025 Q2

Planned and Recent Developments

Chelan River Heights (Chelan Valley Housing Trust)

At the time of this analysis, this development is in the process of a Planned Development District Application with the city. This 9.15 acre property has 66 planned homes to be sold to local workers in the Chelan Valley and most of these are expected to be attainable to residents making around 100% AMI or less.¹¹ The City plans to extend water, sewer, and other infrastructure to serve the needs of this development with funds from the Washington State Department of Commerce's 2025-2027 Connecting Housing to Infrastructure Program (CHIP) Grant.¹²

Apple Blossom Center Development (WA Chelan Apartments)

WA Chelan Apartments LLC, a subsidiary of Weidner Apartments, owns 17 acres of land in the center and has plans to construct over 400 units in two different phases. The project is expected to begin in early 2026.¹³ Up to 80 micro-units (<450 sqft) could be included in this development. Based on rental rates from similar Weidner developments in Leavenworth and Wenatchee, other micro-units (283 sqft) rent for about \$1,000.¹⁴ This

¹¹ "Developments." Chelan Valley Housing Trust, November 8, 2024.

<https://chelanvalleyhousing.org/developments/>.

¹² "Chelan Valley Housing Trust Memorandum of Understanding for the Connecting Housing to Infrastructure Program (CHIP) Grant ." City of Chelan, August 12, 2025.

<https://cityofchelan.civicweb.net/document/173340/Chelan%20Valley%20Housing%20Trust%20Memorandum%20of%20Under.pdf?handle=A7F5EDDF9B1E41619A7B9FCD3C5D30DD>.

¹³ Maltais, Mike. "Hearings Propose Small Housing for Chelan Code, Apple Blossom Center." *Lake Chelan Mirror*, July 13, 2025. <https://www.lakechelanmirror.com/stories/hearings-propose-small-housing-for-chelan-code-apple-blossom-center,131300>.

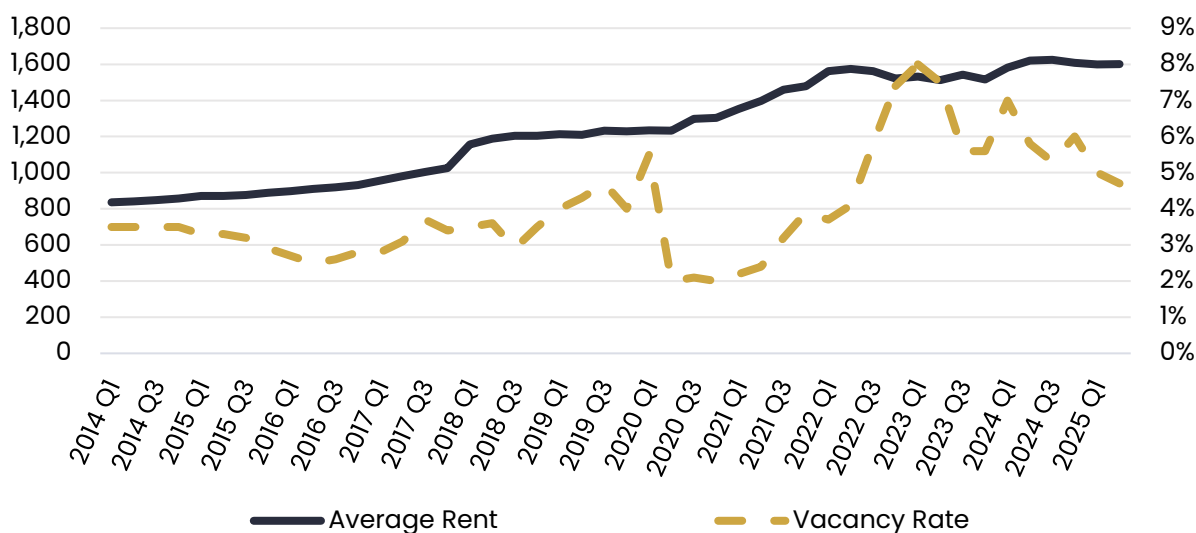
¹⁴ Apartments for rent in Leavenworth washington | weidner apartment homes. Accessed October 17, 2025. <https://washington.weidner.com/wa/leavenworth/apartments>.

puts these types of units in the 30–50% AMI range for affordability. Additionally, if the micro-units are built, Weidner will either need to deed restrict five percent of the total units at 80% AMI or pay a one-time fee per unit of around \$3,700 per unit built to the city’s affordable housing fund.¹⁵

Rent Trends

Similar to housing prices, rent has also increased rapidly over the past decade. (Figure 5.16). The average rent in Chelan County rose from \$836 in 2014 to \$1,600 in 2025. This was an overall increase of 91.5%, nearly doubling in 10 years. This growth is also almost twice the rate at which AMI increased over the same period (Figure 5.15).

Figure 5.16: Average Rent and Vacancy Rates, Chelan County, 2014–2025



Source: University of Washington, Apartment Market Report 2025 Q1

In Chelan County, households need to earn a higher percentage of Area Median Income (AMI) to afford average rents than in the state overall. Table 5.8 displays the average rent and income needed to afford one-bedroom and two-bedroom apartments, as well as the overall average for all apartments (we provide statewide averages for comparison). The average rent for a one-bedroom apartment in Chelan County is \$1,483. Assuming that an affordable unit is one where a household spends less than 30% of their income on rent, households would need to earn just under \$60,000 annually, or

¹⁵ Rodriguez, Oscar. “Weidner Developing 400-plus Apartment Complex and Retail District in Chelan.” *Wenatchee World*, August 22, 2025.

https://www.wenatcheeworld.com/news/local/weidner-developing-400-plus-apartment-complex-and-retail-district-in-chelan/article_ee0d1691-5fc3-4d49-aadb-345e3bdcd8c1.html.

83.4% of AMI, to afford the average one-bedroom apartment. To afford an average two-bedroom apartment, a household would need to earn nearly 100% of AMI (99.3%).

Statewide, average rent for apartments of all sizes is higher; however, AMI is also higher. This means that while the income needed to afford an apartment is greater, the percentage of AMI required is actually lower in the state than in Chelan County.

Table 5.8: Apartment Rent Metrics, Chelan County, Q1 2025

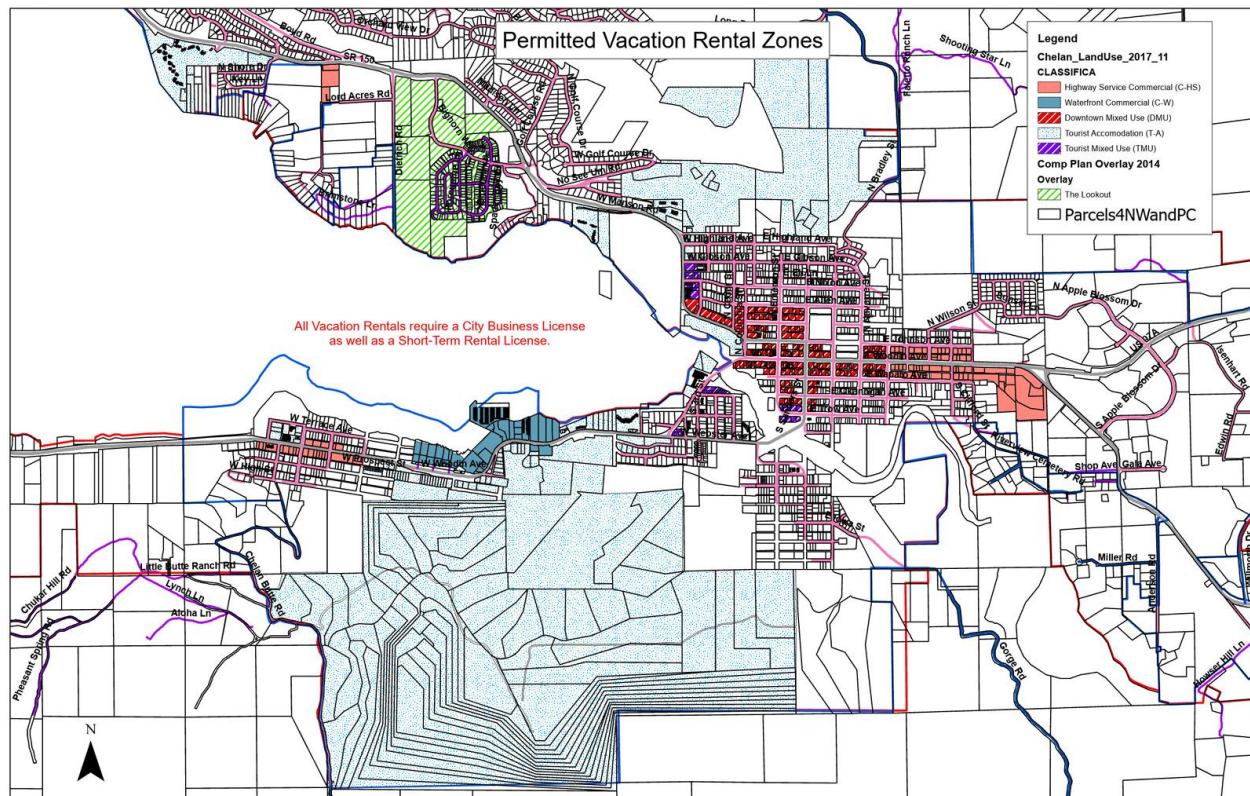
	Average Sq. Ft.	Average Rent	Cost per Sq. Ft.	Income Needed To Afford	% AMI Needed to Afford
One -Bedroom					
Chelan County	691	\$1,483	\$2.14	\$59,320	82.4%
Statewide	679	\$1,746	\$2.58	\$69,840	73.6%
Two-Bedroom					
Chelan County	945	\$1,788	\$1.89	\$71,520	99.3%
Statewide	966	\$1,981	\$2.05	\$79,240	83.5%
All Units					
Chelan County	792	\$1,600	\$2.00	\$64,000	88.9%
Statewide	824	\$1,853	\$2.28	\$74,120	78.1%

Source: University of Washington, Apartment Market Report 2025 Q1

Short-Term Rentals & Seasonal Populations

The short-term rental (STR) industry (e.g., Airbnb) increasingly influences local housing markets. This model is a double-edged sword; on one hand, it provides a potential source of “side-hustle” revenue for existing residents. On the other hand, it can inflate home prices, as single-family homes may be valued at the same level as commercial real estate in the area. Chelan’s many tourist attractions make tourism a large part of the local economy and STRs contribute to that. While STRs generally can take away from the housing supply, the City of Chelan has taken steps to ensure the balance is maintained to support this piece of the economy while mitigating potential downsides for long-term residents. In the city there are special developments designated for STRs and vacation homes. Figure 5.17 below illustrates the zones where STRs are permitted throughout the city. Of the 410 licenses that were renewed for 2026, over 90% are listed as part of a development that is meant specifically for STRs and not in places meant for residential development.

Figure 5.17: Permitted STR Areas, City of Chelan



Source: City of Chelan

Data from the City of Chelan is used in this section for the current number of STRs in the city and where they are located. AirDNA is used for supplemental data on rates, revenue, and occupancy, as well as data for peer comparisons. AirDNA is a valuable resource for understanding overall STR concentration in an area and for comparing trends across regions. However, it is not compliance software and therefore may not provide completely accurate counts of STRs.

Table 5.9 compares the patterns of STRs in Chelan with other communities in the county. In terms of the percentage of housing stock that consists of STRs, the City of Chelan ranks second at 13.7%, lower only than Leavenworth at 14.3%.

Table 5.9: STR Pattern in Chelan and Peer Communities

Area	Total Housing Units	Active Short-Term Rentals	Percentage STR Stock	Median Occupancy Rate	Average Daily Rate
Leavenworth UGA	1,736	248	14.3%	58%	\$326.58
Chelan UGA	2,997	410	13.7%	48%	\$465.70
Manson UGA	1,392	180	12.9%	54%	\$455.50
Peshastin UGA	282	4	1.4%	52%	\$412.75
Entiat UGA	602	4	0.7%	66%	\$241.80
Cashmere UGA	1,616	10	0.6%	51%	\$244.61
Wenatchee UGA	16,904	63	0.4%	54%	\$220.07

Source: City of Chelan, AirDNA 2025, Washington State OFM 2025

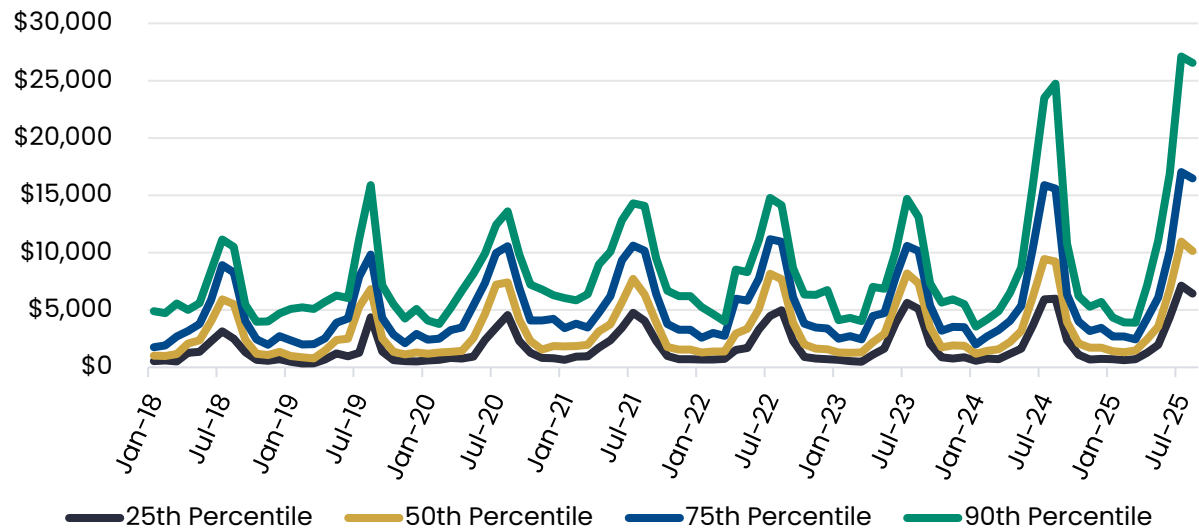
Figure 5.18 shows AirDNA data on the number of STR listings in Chelan between July 2017 and August 2025. Overall, the number of listings has risen noticeably, from 294 in July 2017 to 531 in July 2025. There was a notable peak of 609 listings in September 2023. STR listings generally follow a seasonal trend, as they do in Chelan, with more listings in the summer and fewer during the winter months.

Figure 5.18: Total STR Listings, 2017–2025

Source: AirDNA, 2025

Figure 5.19 shows the monthly revenue of STR operators across various percentiles. Most operators are represented at the 50th percentile, above-average performers at the 75th percentile, and top performers at the 90th percentile. Revenue for all percentiles follows a cyclical, seasonal pattern but has increased overall over the time period. For most operators, peak-month revenue rose from just under \$6,000 in 2018 up to just over \$10,000 in 2025.

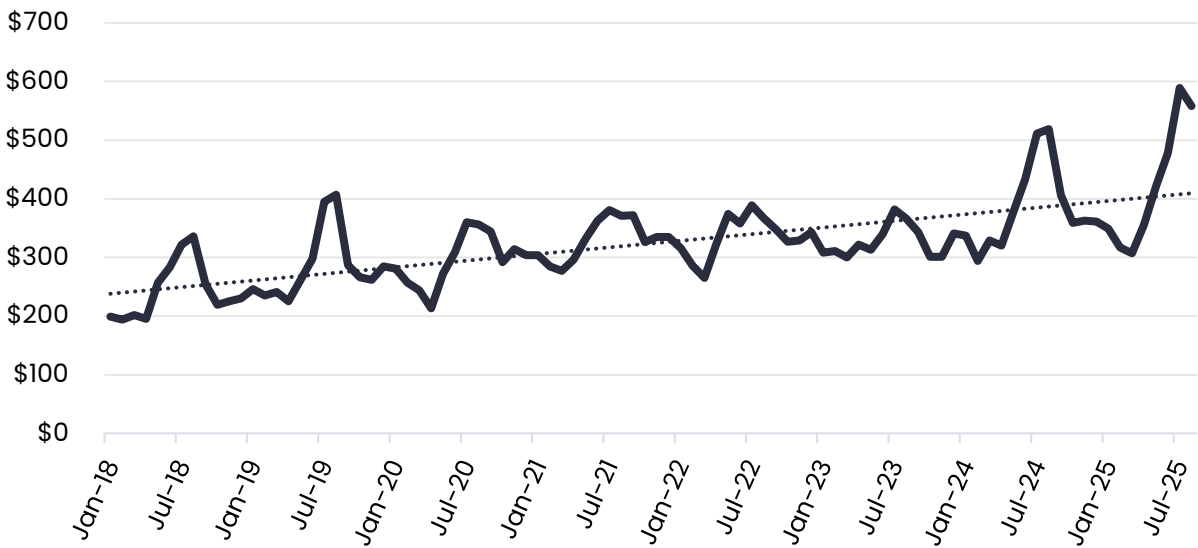
Figure 5.19: STR Monthly Revenue by Percentile



Source: AirDNA, 2025

The average daily rate (ADR) of STRs in Chelan is shown in Figure 5.20. The ADR has trended upward since 2018, following a seasonal cyclical pattern while growing at a fairly steady rate over most of the period.

Figure 5.20: STR Average Daily Rate

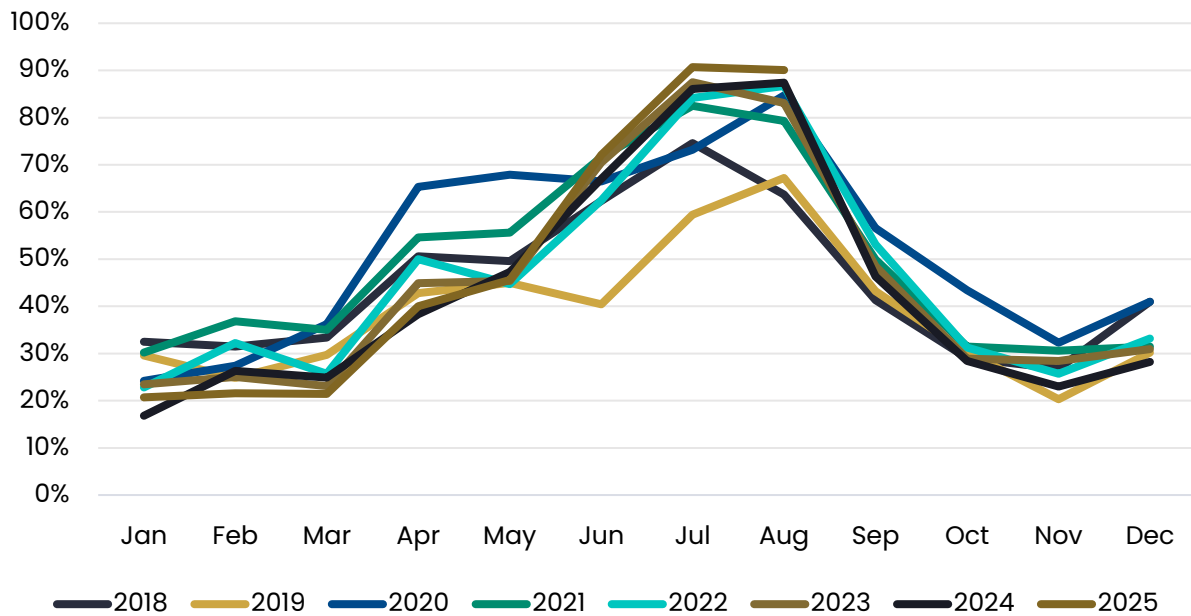


Source: AirDNA 2025

The occupancy rate of a short-term rental (STR) indicates how often it is booked each month. Occupancy rates can help determine whether an STR operator should adjust the rental price. For example, a property booked at 90% for \$100 per night could generate more revenue if rented at a lower occupancy rate for \$300 per night. Figure 5.21 shows

the monthly occupancy rate of Chelan STRs from 2018 to 2025. In 2025 STR occupancy mirrors trends from previous years, with the highest rates occurring in mid- to late summer.

Figure 5.21: STR Occupancy Rate



Source: AirDNA 2025

6. Policy Considerations

Statewide Planning Context

The Growth Management Act (GMA) has been updated significantly regarding the housing element of the comprehensive plan in recent years. The biggest update came in 2021 with HB 1220. This bill updated the housing goal of the GMA to be “*Plan for and accommodate* housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock” (RCW 36.70A.020 (4)).

HB 1220 also made it so jurisdictions are required to address moderate, low, very low, and extremely low-income housing in their housing elements and to address racially disparate impacts and displacement.

SB 5148 added the provision that jurisdictions can apply for Commerce to review their housing elements to ensure that they meet all requirements. Additionally, some state funding is conditional on a jurisdiction updating their housing element to meet GMA standards.

Awareness of Racially Disparate Impacts

The Growth Management Act (amended by HB 1220) now requires that local governments assess the racially disparate impacts (RDI) of existing housing policies. The city’s current code has no explicit references that discriminate against populations according to race or national origin. However, other less explicit forms of bias could be present in the wording of housing goals and policies. The previous housing policies have been reviewed following the framework provided by the Washington State Department of Commerce and policies for this housing element have been updated to reflect this guidance. The review framework of the policies can be found in [Appendix A](#).

Current Policies

The City of Chelan understands the need to address housing affordability and has begun implementing programs and policies to diversify housing options, making Chelan a “place where people of all incomes and ages can live”.¹⁶ Some of these initiatives include:

¹⁶ “Housing the People Who Keep Chelan Strong,” City of Chelan, Washington, Accessed September 9, 2025, <https://cityofchelan.us/394/3216/Housing-the-People-Who-Keep-Chelan-Strong>.

Expanding housing options

In accordance with HB 1337, the City of Chelan has updated their municipal code to allow two ADUs per lot.¹⁷ This change increases the variety of housing types allowed in residential areas, including duplexes, triplexes, and cottage housing. Additionally, individual ownership of ADUs is allowed through unit lot subdivision. ADUs can be built and sold as separate units on separate lots as long as zoning standards are met on the parent lot.

Encouraging smaller homes

Zoning in planned development districts, such as Apple Blossom Center, allow for micro-units and cottage housing, with requirements for contributions to affordable housing. These smaller units can be sold or rented at lower price points, creating more housing options for the community.

Streamlining permitting process

The City of Chelan is exploring pre-approved ADU designs to streamline the permitting process. This has been done in other municipalities in the County, specifically Wenatchee and Leavenworth, and would reduce both permit wait times and associated costs.

Partnerships with local entities

By supporting the Chelan Valley Housing Trust and Habitat for Humanity, the City of Chelan is facilitating affordable housing for residents earning up to 120% of AMI. The City often is able to help secure funds for affordable housing through grants as a part of these partnerships. This helps ensure that essential workers (such as teachers, health care providers and other critical staff) can afford to live in the community where they work.

Reducing utility costs

The City offers utility connection fee reductions for developments that include affordable housing units.

Infrastructure investments

Supporting future housing means investing in water, sewer, electricity, roads, and other infrastructure. This paves the way for more affordable housing in the future by removing

¹⁷ "Additional Dwelling Unit (ADU) Chelan Municipal Code (CMC) Update." City of Chelan, September 9, 2025. <https://mrsc.org/getmedia/54c058a5-4d57-4192-a214-15f2fa5ac123/Accessory-Dwelling-Units.pdf?ext=.pdf>.

barriers to development. The City has applied for the Connecting Housing to Infrastructure Program (CHIP) Grant to assist in this infrastructure development.

Goals and Policies

Goal HO-1. Affordable housing in good condition for moderate and middle income residents.

Policy HO I-1. Promote and retain affordable housing and focus on the needs of full-time residents earning 110% of median income or less.

Policy HO I-2. Encourage development and retention of affordable, well-maintained rental housing.

Policy HO I-3. Where appropriate, use incentives and other means to make sure that affordable housing units stay affordable.

Policy HO I-4. The City shall facilitate affordable home ownership and rental opportunities by promoting an increasing supply of safe and healthy lower-cost housing types, including housing on small lots, accessory dwelling units (ADUs), duplexes, townhouses, multiplexes, manufactured housing, mobile homes, and mixed-use housing.

Policy HO I-5. Adopt ordinances, development regulations, and zoning regulations for the construction and use of ADUs for long-term rental housing within the City.

Policy HO I-6. The City shall encourage the capacity of nonprofit housing and community development organizations to develop and manage extremely low, very low, low, and moderate-income housing through program supports, funding, or land.

Policy HO I-7. The City shall pursue techniques to minimize the displacement of extremely low, very low, low, and moderate-income households resulting from losses in the county's existing stock of low-cost housing. Examples of techniques could include strategic acquisition and financing of existing multi-unit development, tenant relocation assistance, right-to-return policies, and policies requiring displacement and mitigation plans during the permitting process.

Policy HO I-8. The City shall ensure that redevelopment will not result in a net loss of affordable housing; (i.e. every unit of affordable housing lost to redevelopment is replaced with like, affordable housing, suitable for and in a location beneficial to the same demographics as those displaced by redevelopment). To this end, the county shall establish requirements for the inclusion of low-income housing or fees in lieu of providing low-income housing.

Policy HO I-9. The City shall encourage for-profit and non-profit sector production of new housing units that are affordable to and occupied by extremely low, very low, low, and moderate-income households.

a) The City shall implement various fiscal and regulatory tools and funding resources and strategies to encourage housing providers to increase the supply of affordable housing units generally, and particularly within mixed-income developments and communities.

b) The City shall provide incentives that encourage for-profit and non-profit residential developers to address extremely low, very low, low, and moderate-income housing needs, such as priority permit processing and exemptions or reductions in impact fee mitigation payments for low-income projects with long-term affordability commitments.

c) Evaluate the feasibility of reducing minimum permitted lot sizes in non-planned residential developments (PRD).

d) Encourage through incentives and other techniques a balance of affordable and market-rate housing within urban centers and along transit emphasis corridors, including establishing an incentive program for affordable housing in multi-unit developments with access to transit.

Goal HO-II. Livable neighborhoods

Policy HO II-1. Use neighborhood planning to develop locally-supported action plans for existing neighborhoods.

Policy HO II-2. Include the option of neighborhood-specific design standards, including standards that limit building height and size when necessary to protect views, in neighborhood planning processes.

Policy HO II-3. Where neighborhood planning supports retention of existing housing stock, support maintenance and upkeep of that stock by sponsoring housing rehabilitation programs offered by state and federal governments and nonprofit agencies.

Goal HO-III. Diverse housing options

Policy HO III-1. Encourage diversity in single-unit housing types throughout the City.

Policy HO III-2. Encourage special housing types (such as cottage housing, ADUs accessory dwelling units, townhouses, and zero-lot-line development) in developing areas and in existing neighborhoods where such housing can be developed while retaining or enhancing neighborhood livability.

Policy HO III-3. Allow mobile home parks in one or more zoning districts and adopt and enforce development and maintenance standards to keep housing condition and livability high in the parks and the neighborhoods in which they are located. Pair standards with programs to help current residents ensure they can meet the requirements.

Policy HO III-4. The City shall cooperate with public, private, and non-profit providers in applying techniques for increasing the supply of owner-occupied homes, including affordable home ownership opportunities, facilitating community land trusts, and first-time homebuyer programs.

Policy HO III-5. The City shall cooperate with public, private, and non-profit providers in applying techniques for increasing the supply of owner-occupied homes, including affordable home ownership opportunities, facilitating community land trusts, and first-time homebuyer programs.

Policy HO III-6. The City shall update the demographic changes and housing needs of city residents to identify the gaps in housing availability for low, very low, extremely low, and moderate-income households, special needs populations, emergency housing, emergency shelters, and permanent supportive housing for the homeless.

Goal HO-IV. Adequate special needs housing

Policy HO IV-1. Ensure the City's Urban Growth Area provides adequate, appropriately zoned land for special needs housing, including housing that will meet the needs of the City's aging population.

Policy HO IV-2. Establish standards for special needs housing, including housing that will meet the needs of the City's aging population, to ensure that such housing is well integrated in the community and complies with Americans with Disabilities Act standards.

Goal HO-V. Private industry meets housing needs; the City provides leadership and support.

Policy HO V-1. Regularly review the City zoning map and zoning districts and make any changes needed to encourage a mix of housing types that will meet identified housing needs, provide quality housing, and support the City's overall land use plan.

Policy HO V-2. Regularly assess the size of the Chelan Urban Growth Area and increase the size as needed to maintain an adequate supply of appropriately zoned land.

Policy HO V-3. Encourage City staff to take an active role in promoting the City's housing goals, including outreach, coordination, and initiating programs (such as an infill development program or incentive programs), changes in development regulations, and other actions.

Policy HO V-4. Actively participate in the Housing Authority of Chelan County and the City of Wenatchee.

Policy HO V-5. Where appropriate, work in partnership with other public entities to facilitate use of surplus public land (including land owned by the City and by other entities, such as the Chelan County PUD) for affordable housing development.

Goal HO-VI. Strive to prevent the displacement of historically and currently marginalized communities as well as extremely low, very low, low, and moderate-income households from existing neighborhoods.

Policy HO VI-1. Evaluate plans, investments, new infrastructure, and new development for the potential to increase housing costs for, or to cause displacement of, historically and currently marginalized communities, as well as extremely low, very low, low, and moderate-income households. Identify and implement strategies to mitigate anticipated impacts.

Policy HO VI-2. The City shall consider equitable development initiatives, inclusionary zoning, and other strategies to counter displacement. The city shall engage those communities most at risk of displacement, including those affected by poverty, communities of color, and other historically and currently marginalized communities while developing anti-displacement policies.

Policy HO VI-3. Explore racial equity assessment tools (e.g., Racial Equity Impact Assessment Toolkit from Race Forward) to evaluate development regulation update proposals.

Policy HO VI-4. Expand community outreach strategies to vulnerable populations in the development of regulation updates.

Appendix A: Racially Disparate Impacts Analysis

The following evaluation criteria were provided by the Washington State Department of Commerce for evaluation of housing policies. Table A.2 contains a review of the housing policies from the 2017 Comprehensive Plan following this framework.

Table A.1: Evaluation Criteria for Racially Disparate Impacts

Criteria	Evaluation
The policy is valid and supports meeting the identified housing needs. The policy is needed and addresses identified racially disparate impacts, displacement and exclusion in housing.	Supportive
The policy can support meeting the identified housing needs but may be insufficient or does not address racially disparate impacts, displacement and exclusion in housing.	Approaching
The policy may challenge the jurisdiction's ability to meet the identified housing needs. The policy's benefits and burdens should be reviewed to optimize the ability to meet the policy's objectives while improving the equitable distribution of benefits and burdens imposed by the policy.	Challenging
The policy does not impact the jurisdiction's ability to meet the identified housing needs and has no influence or impact on racially disparate impacts, displacement, or exclusion.	N/A

Source: Washington State Department of Commerce

Table A.2: Evaluation of 2017 Comprehensive Plan Housing Policies

Existing Goal/Policy #	Existing Goal/Policy	Equity Assessment	Why
Goal HO-I	Affordable housing in good condition for moderate and middle income residents	Supportive	Preserving and creating quality affordable housing inventory ensures all residents can live in housing they can afford and that suits their needs.
Policy HO I-1	Promote and retain affordable housing and focus on the needs of full-time residents earning 110% of median income or less	Supportive	An emphasis on retaining affordable housing will ensure that residents at higher risk will not be displaced.
Policy HO I-2	Encourage development and retention of affordable, well-maintained rental housing	Supportive	An emphasis on retaining affordable housing will ensure that residents at higher risk will not be displaced.

Policy HO I-3	Where appropriate, use incentives and other means to make sure that affordable housing units stay affordable	Supportive	Incentivizing the affordability of housing that is at risk of becoming unaffordable allows those at risk of being displaced to maintain their housing.
Goal HO-II	Livable neighborhoods	N/A	
Policy HO II-1	Use neighborhood planning to develop locally supported action plans for existing neighborhoods	Supportive	Locally supported action plans by neighborhood ensure local needs are being addressed specifically.
Policy HO II-2	Include the option of neighborhood-specific design standards, including standards that limit building height and size, in neighborhood planning processes	Challenging	Limiting the height and size could restrict housing diversity and affordability. Some research has linked such policies to downstream racial segregation. Specify the reasons for when these restrictions should be used.
Policy HO II-3	Where neighborhood planning supports retention of existing housing stock, support maintenance and upkeep of that stock by sponsoring housing rehabilitation programs offered by state and federal governments and nonprofit agencies	Supportive	Maintaining existing housing stock allows for better options for all income levels.
Goal HO-III	Diverse housing options	Supportive	Diversity of housing levels provides more affordable options for all income levels.
Policy HO III-1	Encourage diversity in single-family housing types throughout the City	Challenging	"Single-family" language describes the people not the housing type. Use terms such as "low-density housing" or "single-unit housing" instead.
Policy HO III-2	Encourage special housing types (such as cottage housing, accessory dwelling units, townhouses, and zero-lot-line development) in developing areas and in existing neighborhoods	Challenging	Based on guidance from Commerce, references to squishy concepts such as "neighborhood character" should be avoided. Take out or replace with specific

	where such housing can be developed while retaining or enhancing neighborhood character and livability		aspects of what is important to the neighborhood.
Policy HO III-3	Allow mobile home parks in one or more zoning districts and adopt and enforce development and maintenance standards to keep housing condition and livability high in the parks and the neighborhoods in which they are located	Challenging	Code enforcement policies have the potential to cause families with lower incomes to be fined disproportionately and increase risk of displacement. Add clear guidelines as to what would be enforced to ensure equal opportunity for compliance.
Goal HO-IV	Adequate special needs housing	Supportive	Special needs housing can ensure options for all incomes and circumstances.
Policy HO IV-1	Ensure the City's Urban Growth Area provides adequate, appropriately-zoned land for special needs housing, including housing that will meet the needs of the City's aging population	Supportive	Ensuring zoning is appropriate for special needs-populations allows for appropriate housing to be built.
Policy HO IV-2	Establish standards for special needs housing, including housing that will meet the needs of the City's aging population, to ensure that such housing is well integrated in the community and complies with Americans with Disabilities Act standards	Supportive	Ensuring quality housing allows for more permanent housing opportunities for those with special housing needs.
Goal HO-V	Private industry meets housing needs; the City provides leadership and support	N/A	
Policy HO V-1	Regularly review the City zoning map and zoning districts and make any changes needed to encourage a mix of housing types that will retain the character of existing	Challenging	Use of "retain the character of existing neighborhoods" is to be avoided per commerce guidance.

	neighborhoods, advance the City's housing goals, and support the City's overall land use plan		
Policy HO V-2	Regularly assess the size of the Chelan Urban Growth Area and increase the size as needed to maintain an adequate supply of appropriately zoned land	Supportive	Ensuring the UGA can accommodate the type of growth that is needed will accommodate the needs of all populations in Chelan.
Policy HO V-3	Encourage City staff to take an active role in promoting the City's housing goals, including outreach, coordination, and initiating programs (such as an infill development program or incentive programs), changes in development regulations, and other actions	Supportive	Increased outreach and awareness of the City's housing goals will help public sentiment towards building more housing for all.
Policy HO V-4	Actively participate in the Housing Authority of Chelan County and the City of Wenatchee	Supportive	The Housing Authority is a key player in ensuring housing affordability and availability for all. Supporting them supports all residents of the city.
Policy HO V-5	Where appropriate, work in partnership with other public entities to facilitate use of surplus public land (including land owned by the City and by other entities, such as the Chelan County PUD) for affordable housing development	Supportive	More affordable housing development can ensure opportunities for all income levels to have necessary housing.

Source: 2017 City of Chelan Comprehensive Plan

CHAPTER 3

PROPOSED SUBAREA PLANS

From the Downtown Master Plan to the Next Generation of Subarea Planning

2026–2046

Adopted: [Date]

Ordinance No. [####]

DRAFT

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PROPOSED SUBAREA PLANS

Chapter 3 closes the loop on the 2010 Downtown Master Plan and opens a new chapter of place-based planning. The Downtown Master Plan has been implemented through the City's zoning code — its form-based design standards and district regulations are now embedded in Chapter 17.14 CMC. With that work largely complete, this chapter identifies four new areas for focused subarea planning during the 2026–2046 horizon, as funding and staff capacity allow. No rezones or specific plans are proposed at this time; each future subarea plan will be developed through its own public process and adopted by reference.

1. Waterfront Corridor	2. Parks to Downtown Corridor
SR 97A between Chelan Bay (Three Fingers) and entrance to Downtown — potential for a welcoming western gateway, public lake access, and improved public and private parking. Builds upon the recently completed lakeside trail.	Northside of Old Bridge to Don Morse — improved pedestrian circulation (including crossing the highway), design standards, and business and parking lot access.
3. Downtown to Apple Blossom	4. Apple Blossom East
SR 97A through town — potential transformation from an auto-oriented corridor into a multi-modal community spine supporting mixed-use infill.	East Chelan near Willmorth Drive — potential walkable neighborhood with coordinated utility extensions and design standards. An age-in-place senior living concept should be explored given the high share of Chelan residents aged 65+.

Subarea plans will be initiated in priority order as funding and staff capacity allow.

3.1 Background: From the Downtown Master Plan to Subarea Planning

Chapter 3 of the City's 2017 Comprehensive Plan was the Downtown Master Plan, prepared in 2010 with the Downtown Advisory Committee and a broad community process. Its twelve downtown goals (DT-I through DT-XII), form-based districts concept, and detailed action plan have been implemented through Chapter 17.14 of the Chelan Municipal Code — the Chelan Downtown Land Use and Development Code — which the code itself identifies as “a major implementation tool of Chelan’s downtown master plan.” The five downtown districts (DMU, TMU, DMR, DSF, and SUD), the form-based regulating map, and the site-planning and building-design standards are now in regulation rather than aspiration. Streetscape, gateway, and pedestrian improvements continue through the Capital Facilities Program.

Because the Downtown Master Plan is now embedded in code, Chapter 3 no longer needs to carry a stand-alone downtown chapter. Legacy downtown goals and policies continue to apply through Chapter 17.14 CMC and, where appropriate, through the Land Use Element (Chapter 2) and the Economic Development Element (Chapter 5). In the event of conflict between legacy downtown policy language and this 2026–2046 Comprehensive Plan, the updated Comprehensive Plan prevails. This chapter now looks forward to the next places that need that kind of focused, place-based attention.

Why These Four Areas, Why Now

Three factors drove the selection of the four subareas identified in this chapter:

1. Community input from the 2024 Lake Chelan Vision Project (LCVP) pointed at specific places — the waterfront and public lake access, the corridor between downtown and the parks people actually use, the auto-oriented stretch of SR 97A through town, and an east-side area with concentrated senior population and limited walkability.
2. Growth pressure is real and uneven. The City is planning for a 20-year permanent population of 5,201, while peak summer population climbs to an estimated 25,000+. The places under the most visible pressure are not distributed evenly; they are concentrated in a handful of identifiable corridors.
3. Climate conditions are changing. Retrofitting one corridor or neighborhood at a time through a subarea plan is often more feasible than citywide retrofits for smoke, heat, and wildfire exposure.

Subarea planning is resource-intensive. The City will initiate each plan in priority order as funding and staff capacity allow, and will actively pursue grant funding.

3.2 Proposed Subarea Planning Areas

The four areas below are where the City proposes to focus subarea planning during the 2026–2046 period. Each description sets a starting point — location, context, and potential scope — for a future public process. None constitutes an adopted plan, a rezone, or a commitment to a specific outcome.

3.2.1 Waterfront Corridor

Location: SR 97A between Chelan Bay (Three Fingers) and the entrance to Downtown.

Potential scope: A welcoming western gateway that improves public lake access, organizes public and private parking, enhances landscaping and the pedestrian environment, and builds on the recently completed lakeside trail. This corridor is the first impression many visitors have of Chelan, a daily route for residents, and a direct interface between the built environment and Lake Chelan.

Lake Chelan transportation hub and visitor center: Implementation of the City's existing goals and policies to establish a transportation hub for Lake Chelan should be a priority in this subarea, pursued in partnership with regional partners. The hub would consolidate the boat/ferry landing, multi-modal connections, visitor parking, and wayfinding into a coordinated facility at the south (lower) end of Lake Chelan, and would include a visitor center complementing the National Park Service's Golden West Visitor Center in Stehekin at the head of the lake. Together, a south-end facility in Chelan and the north-end Golden West Visitor Center in Stehekin would frame the full 50.5-mile Lake Chelan experience, give visitors a clear introduction to the region's natural, cultural, and recreational resources, and support coordinated tourism management that protects both shoreline environments.

Partners to engage on the transportation hub and visitor center:

- National Park Service (North Cascades National Park Service Complex / Lake Chelan National Recreation Area) — operator of the Golden West Visitor Center in Stehekin.

- Lake Chelan Boat Company — operator of the Lady of the Lake passenger ferry service connecting Chelan and Stehekin.
- Chelan County and the Chelan Douglas Regional Port Authority (CDRPA).
- Washington State Department of Transportation (WSDOT), Chelan-Douglas Transportation Council (CDTC), and Link Transit.
- Lake Chelan Chamber of Commerce and the Historic Downtown Chelan Association.
- U.S. Forest Service (Okanogan-Wenatchee National Forest) and Washington State Parks.

Key considerations:

- Lake water quality, shoreline function, and scenic views are primary design constraints — low-impact development (LID) and shoreline buffer design should be central to the plan.
- Parking should serve both visitors and residents, with explicit attention to resident access during peak season.
- Gateway aesthetics should reflect Chelan's small-town, lake-community character rather than an imported resort-district look.
- Shade, seating, and air-quality provisions matter on an exposed lakefront during hot summers and smoke events.
- Any residential intensification must be reconciled against Water System Plan ERUs and evaluated for peak-season traffic and shoreline impacts.

3.2.2 Parks to Downtown Corridor

Location: North side of the Old Bridge to Don Morse Park.

Potential scope: Improved pedestrian circulation between Don Morse Park and Downtown, including safer crossings of SR 97A, consistent streetscape and design standards, and better organization of business access and parking. This corridor knits together two of the City's most heavily used public spaces and effectively extends the work of the Downtown Master Plan northward.

Key considerations:

- Safe pedestrian and bicycle crossings of SR 97A are a high priority for families, seniors, and the pedestrian-dependent workforce living in the corridor.
- Peak-season traffic volumes, not shoulder-season volumes, must drive the design.

- Don Morse Park is a regional amenity; the plan should manage peak demand while preserving resident access.
- Design standards should reinforce small-town character — modest building scale, generous sidewalks, mature trees — consistent with the downtown approach established through Chapter 17.14 CMC.
- Stormwater improvements should be integrated with any streetscape or parking reconfiguration to protect the Chelan River and Lake Chelan.

3.2.3 Downtown to Apple Blossom

Location: SR 97A through town, between Downtown and the Apple Blossom area.

Potential scope: A potential long-term transformation from an auto-oriented highway corridor into a multi-modal community spine that supports mixed-use infill, safe pedestrian and bicycle travel, and a distinct sense of place. This corridor carries both local and regional traffic, and any design reinvestment will have outsized effects on daily life in Chelan.

Key considerations:

- This corridor has the largest opportunity for meaningful mixed-use infill — and therefore the largest potential impact on water, sewer, and transportation capacity. ERU and peak-hour trip analysis is essential.
- Multi-modal design must work for year-round residents (school children, seniors, workers), not only weekend visitors.
- Locally-owned businesses and non-chain commercial character should be actively supported through scale, design, and tenanting considerations.
- SR 97A is a state highway; any design changes require WSDOT coordination and consistency with state highway functional standards.
- SR 97A is a critical wildfire evacuation route — improvements must preserve or enhance evacuation capacity, not reduce it.

3.2.4 Apple Blossom East

Location: East Chelan, near Willmorth Drive.

Potential scope: A potentially walkable residential neighborhood with coordinated utility extensions and design standards. An age-in-place senior-living component should be explored given the high share of Chelan residents aged 65+ and the interest expressed by the seniors’

listening session in the 2024 LCVP. This area represents an opportunity to plan a neighborhood that serves permanent residents first.

Key considerations:

- Utility extensions should be sized for permanent-occupancy demand rather than peak tourism loads; oversizing would be fiscally inefficient for a year-round-resident neighborhood.
- Age-in-place design — level walking surfaces, shorter blocks, access to daily services, single-level housing options, visitability — should be a core planning principle.
- Housing should serve the permanent local community, including workforce households identified by LCVP as under housed in Chelan.
- Pedestrian connectivity within the neighborhood and out to existing services is a first-order design concern.
- Wildfire exposure, defensible-space standards, and emergency access must be addressed given proximity to wildland vegetation; Firewise principles should inform site and building design.
- Prior LCA-based density figures for Apple Blossom East remain under staff and consultant review and will be confirmed through the subarea planning process before any density or capacity is established.

3.3 Subarea Planning Process and Funding

Each subarea plan will follow a consistent, community-driven process before the City Council considers adoption — rigorous enough to satisfy GMA and SEPA requirements, and open enough to reflect the inclusive engagement model demonstrated by the 2024 LCVP. The steps below are a framework; the Community Development Department may tailor timelines and engagement techniques to the specific subarea.

Step 1 — Scoping and Pre-Planning

Define the study area boundary in coordination with Planning Commission, identify stakeholders, review existing conditions and prior planning, confirm infrastructure capacity from the Water System Plan and Capital Facilities Element, and establish a budget and schedule. Engage a consultant team if budget permits.

Step 2 — Community Engagement

Build on the LCVF model: bilingual (English and Spanish) outreach; meetings at accessible locations and varied times; intentional outreach to seniors, young adults, the Latino community, families with young children, renters, and long-time residents. Use multiple formats — listening sessions, workshops, open houses, online surveys, walking tours.

Step 3 — Plan Development

Prepare the draft subarea plan. The draft must address the subarea's land use, urban design, public improvements, and implementation — and demonstrate how it responds to the citywide considerations that apply to every place in Chelan: seasonal population and infrastructure capacity reconciled against the Water System Plan and Capital Facilities Element; balanced growth that protects local identity and small-town character; environmental stewardship and Lake Chelan protection consistent with the Shoreline Master Program; climate resilience including preparation for smoke events driven by fires well outside city, county, and state borders, consistent with Chapter 10 and the 2025 Chelan County CWPP; and compliance with the applicable provisions of the Growth Management Act.

Step 4 — SEPA Review and Public Hearing

Conduct environmental review under SEPA, typically as a non-project action. The Planning Commission holds a public hearing, receives comment, deliberates, and forwards a recommendation to Council. Agency comments — from Chelan County, Chelan County PUD, WSDOT where applicable, the Department of Commerce, and the Department of Ecology — are part of this step.

Step 5 — Adoption by Reference and Code Implementation

Council adopts the subarea plan by ordinance following the Planning Commission recommendation and any additional public hearing required. The plan is incorporated by reference as an element of this Comprehensive Plan. Zoning, development standards, and capital improvements required to implement the plan follow through subsequent Title 17 or capital-program amendments — the same pattern used to implement the 2010 Downtown Master Plan through Chapter 17.14 CMC.

Why “As Funding Allows” Matters

A well-run subarea planning process typically costs from tens of thousands to several hundred thousand dollars in consultant, staff, and engagement costs, depending on complexity and technical analysis. Four plans cannot all begin in the same fiscal year.

The City will initiate each plan in priority order as funding is identified. Funding sources the City will pursue include Washington State Department of Commerce planning grants, Transportation Improvement Board and WSDOT grants for corridor studies involving state highways, Department of Ecology grants for shoreline and stormwater components, and federal resilience and hazard-mitigation funding. General fund contributions and developer-initiated subarea plans are also possible.

In plain language: we would rather do one subarea plan well than four plans poorly.

3.4 Relationship to Other Plan Elements and Regional Documents

Subarea plans implement the goals and policies of the other Comprehensive Plan elements and must be consistent with adopted regional plans. They are ultimately carried into effect through the zoning code and the Capital Facilities Program — the same pattern that implemented the 2010 Downtown Master Plan through Chapter 17.14 CMC.

Comprehensive Plan elements most directly implicated:

- **Chapter 2 — Land Use:** citywide land use designations, zoning framework, and policies. Legacy downtown goals continue to apply through Chapter 2 and Chapter 17.14 CMC.
- **Chapter 4 — Housing:** housing targets, affordability, workforce housing.
- **Chapter 5 — Economic Development:** balanced economy serving year-round residents and the tourism sector.
- **Chapter 6 — Utilities** (with the Water System Plan and General Sewer Plan): infrastructure capacity and ERU inventory.
- **Chapter 7 — Capital Facilities:** six-year and 20-year CIP and level-of-service standards.
- **Chapter 8 — Parks and Recreation:** citywide parks and open-space commitments implemented at the subarea scale.

- **Chapter 9 — Transportation:** street network, concurrency, multi-modal commitments; SR 97A work requires WSDOT coordination.
- **Chapter 10 — Climate Change and Resiliency:** citywide basis for climate-resilience, smoke, heat, and wildfire-preparedness provisions.

Code and regional documents subarea plans must be consistent with:

- **Chapter 17.14 CMC — Chelan Downtown Land Use and Development Code:** the form-based code that implemented the 2010 Downtown Master Plan and the model for code-level implementation of future subarea plans.
- **City of Chelan Shoreline Master Program (SMP):** governs development within 200 feet of the ordinary high-water mark.
- **2025 Chelan County Community Wildfire Protection Plan (CWPP):** regional wildfire preparedness and coordination framework.
- **Chelan County Countywide Planning Policies:** required consistency under RCW 36.70A.210.
- **Title 17, Chelan Municipal Code:** the development regulations that ultimately implement each subarea plan.
- **Applicable state and federal environmental laws:** SEPA, SMA, Clean Water Act, Endangered Species Act, among others.

CITY OF CHELAN
COMPREHENSIVE PLAN

CHAPTER 4

HOUSING ELEMENT

20172026-2046

Adopted: November 2017 (Ord. 2017-1533)Adopted: [Date]

Ordinance No. [####]

Community Development Department
135 E. Johnson Avenue • Chelan, WA 98816

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IN THIS CHAPTER

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HOUSING ELEMENT

What You Will Find in This Chapter

- Characteristics of Chelan’s population demographics, housing stock, and affordability.
- Conditions and trends in housing variety.
- Goals and policy to meet Chelan’s current and future housing needs.
- [How this element fits within the Growth Management Act \(GMA\) framework and the most recent State housing legislation, including HB 1220, HB 1337, HB 1181, SB 5148, and ESHB 2266.](#)
- [Community values identified in the 2024 Lake Chelan Vision Project \(LCVP\) and how they shape housing policy.](#)
- [Recognition of Chelan’s seasonal and semi-permanent population — second homes, vacation homes, and short-term rentals — and the implications for water and sewer Equivalent Residential Unit \(ERU\) planning.](#)
- [Goals and policies addressing emergency, transitional, and permanent supportive housing \(STEP housing\), anti-displacement and equity, and housing resilience to wildfire smoke, drought, and extreme heat.](#)
- [An Implementation Action Plan with timeframes, responsible parties, and priorities through 2046.](#)
- [Direction to the Housing Element Technical Report, adopted as an Appendix to this Comprehensive Plan, for the detailed housing inventory, demographic analysis, Land Capacity Analysis, affordability-gap analysis, and racially disparate impacts assessment.](#)

PURPOSE4.1 Purpose

The purpose of the Housing Element is to make sure that every Chelan resident has access to quality housing now and in the future. While access to housing is one of our most basic needs, the City of Chelan values access to safe, affordable, and attractive housing that ~~meet~~[meets](#) the diverse needs of the local community. To make sure Chelan’s housing stock embodies these

qualities, this element describes the community's housing needs and characteristics, key issues and trends, and housing goals and policies that support Chelan's values and the Growth Management Act (GMA) goal for housing: as updated in 2021 by HB 1220:

Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock. (RCW 36.70A.020 (4)) Plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock. (RCW 36.70A.020(4))

The detailed technical analysis supporting this element — the 2046 housing demand forecast, gaps and barriers analysis, Land Capacity Analysis, demographic and socioeconomic trends, short-term rental and seasonal housing analysis, and racially disparate impacts assessment — is contained in the Housing Element Technical Report (Points Consulting, November 13, 2025), prepared for Anchor QEA and the City of Chelan. That report is adopted as an Appendix to this Comprehensive Plan and incorporated by reference. Throughout this chapter, references to “the Appendix” mean the Housing Element Technical Report.

This chapter presents the Housing Element at an adoption-ready level of detail, consistent with the other elements of the Comprehensive Plan. Readers seeking the supporting data, tables, figures, and methodology should consult the Appendix.

4.2 Community Vision for Housing

Chelan is a place where people of all ages and incomes should be able to live, work, and raise a family. Affordable housing is not just a housing issue — it is the foundation of the local workforce, the school district, the small-business economy, and the community's continued ability to feel like a real town rather than a resort destination. The City intends to protect that small-town identity and the values unique to Chelan as growth occurs.

4.2.1 The 2024 Lake Chelan Vision Project

The 2024 Lake Chelan Vision Project (LCVP) was the most significant community outreach effort in the valley in a generation. It gathered 555 survey responses, eight listening sessions, and more than twenty stakeholder interviews from Chelan, Manson, South Shore, Union Valley, Twenty-Five Mile Creek, and Chelan Falls. Although the LCVP was a valley-wide effort and not a

City-specific process, its findings are directly relevant to how the City frames housing policy, because Chelan’s housing market functions as the regional workforce housing market.

What Chelan Valley Residents Said About Housing (LCVP 2024)

Affordable housing was cited by 36.0% of valley-wide respondents as the single biggest challenge facing the future of the Lake Chelan Valley — the #1 issue overall, ahead of growth management (29.3%) and infrastructure (28.9%).

Housing was also the most frequently named change residents have seen during their time in the valley (47.7% of respondents).

13.9% of respondents specifically cited workforce retention through housing as a distinct challenge. The Latino community listening session — the largest single session, with 54 participants — described how rising housing costs have forced families into multigenerational arrangements or out of the valley entirely.

Residents consistently identified small-town feel (47.7% Chelan-area), natural beauty (30.2%), and the Lake itself (31.2%) as the valley’s most important community values. Housing growth must be planned in a way that protects these values.

These findings reinforce a core principle of this Housing Element: housing growth is essential — but the way it happens matters. New housing must advance affordability for year-round residents and workers, protect the character of established neighborhoods, coordinate with infrastructure, and protect the natural environment and Lake Chelan itself.

4.2.2 Chelan’s Regional Role

Although this Comprehensive Plan governs only land within the City and the Chelan UGA, the City recognizes that its housing market serves a regional function. Workers employed in Manson, at valley wineries and orchards, in tourism-sector businesses across the valley, and at the Lake Chelan Community Hospital often seek housing in the City of Chelan because it is the valley’s services and population hub. The City’s housing decisions therefore influence workforce availability across the entire valley economy. This element is written with that reality in mind, while keeping jurisdictional boundaries clear — the City can only adopt policy and regulation inside its own borders.

~~HOUSING ISSUES AND TRENDS~~

4.3 Housing Issues and Trends

~~What does it mean?~~

~~Chelan is a community that prides itself on its small-town feel within a stunning natural setting. These characteristics are valued not just by the permanent year-round population, but also by the thousands of visitors who come to enjoy Chelan's beauty and charm. The City predominantly contains single-family homes, with a smaller household size, and a higher percentage of seniors than Chelan County as a whole. Chelan's senior population is expected to grow over the years, which may present special housing needs to accommodate senior needs and support persons with disabilities.~~

~~Chelan has a lower median income than the County and the state. This is a likely reflection of the greater share of retirees the city has who are on fixed incomes. The City also faces affordability challenges since almost one-quarter of homeowners and renters are considered housing cost burdened, spending more than 30% of their income on housing.~~

~~Today, Chelan's housing pattern is largely single-family. Additionally, the City has a large percentage of seasonal and second homes that has continually increased over the past decades. This has put strain on the existing housing stock to meet the needs of the year-round population while also accommodating the market demand for second homes. More rental housing and a variety of housing types are needed to address affordability issues and the needs of its residents.~~

~~This section summarizes the principal housing findings supporting this element. The full data, figures, and methodology — including U.S. Census Bureau American Community Survey data, HUD Comprehensive Housing Affordability Strategy (CHAS) data, Washington State Office of Financial Management (OFM) figures, and Washington Center for Real Estate Research (WCRER) permit data — are presented in the Appendix.~~

4.3.1 Housing Stock and Population

- **Housing units:** ~~The City contains approximately 2,957 housing units. About 36% of these units are vacant under Census definitions, primarily because they are reserved for seasonal, recreational, or occasional use. Single-family detached homes make up about 67% of occupied units, with three- to four-unit buildings (9%) and ten-or-more-unit apartments (7%) providing housing diversity.~~

- **Population growth:** The City's population has grown approximately 10% since 2013 and is forecast to continue growing through 2046. The Chelan County-adopted OFM medium-series allocation translates to approximately 150 additional housing units across the Chelan UGA over the 20-year planning horizon based on the 2025 Housing for All Planning Tool (HAPT) analysis.
- **Income and affordability:** Chelan's median household income (about \$72,000) is below the state median (\$95,000) and the Chelan County median. At the time of the assessment, 82% of Chelan's first-time homebuyers could not afford an average-priced home, and more than one-third could not afford even the lowest-tier home. Approximately 25% of renting households are cost-burdened; nearly 60% of low-income renter households are cost-burdened.
- **Land capacity:** The 2025 Land Capacity Analysis confirms approximately 3,374 dwelling units of capacity in the Chelan UGA — far above the 150 units of projected permanent-resident demand — with capacity across every income level, including 1,459 units serving the lowest-income households in the RM zone and Apple Blossom Center East.

4.3.2 Short-Term Rentals and Seasonal Housing

Short-term rentals (STRs) and seasonally occupied housing are defining features of Chelan's housing market. The City has taken deliberate steps to keep STR growth concentrated in zones specifically planned for visitor accommodation, so that STR demand does not draw from the year-round housing stock. Of the 410 STR licenses renewed for 2026, more than 90% are located in developments specifically planned and zoned for short-term rental use rather than in areas intended for year-round residential occupancy.

4.4 Seasonal and Semi-Permanent Population

Chelan's actual day-to-day housing demand — and the resulting demand on water, sewer, and other City infrastructure — is substantially larger than the permanent-resident population alone. Chelan is a destination community. Second homes, vacation homes, and short-term rentals are occupied intermittently but continuously across the year, with peak occupancy during the summer tourist season.

What Does This Mean in Plain Language?

Every house connected to water and sewer counts as one “ERU” — an Equivalent Residential Unit. The City’s water and sewer systems are sized around the total number of ERUs connected, not just the number of full-time residents.

A second home that is only used in July and August still counts as a full ERU, because the pipes, treatment capacity, and fire-flow demand have to be there whenever the home is used. A short-term rental that hosts a different family every weekend counts the same way.

This means Chelan has to plan water and sewer capacity for a much larger population than the State of Washington’s 20-year GMA permanent-resident allocation would suggest — and the Housing Element, Utilities Element, and Capital Facilities Element must all use the same total ERU figures so that housing, infrastructure, and finance decisions stay aligned.

This framing is coordinated across the Utilities Element, Capital Facilities Element, and Economic Development Element, each of which recognizes that utility capacity planning, levels of service, and rate structures must reflect the total ERUs served — not just the permanent-population allocation used for GMA compliance. The Housing Element does not set utility capacity targets; those belong in the Utilities and Capital Facilities Elements. This element’s role is to ensure that housing policy decisions — particularly those affecting unit counts, unit mix, and the balance between year-round and seasonal housing — are made with full awareness of the ERU implications, coordinated with the utility planning in those chapters.

4.5 Planning Context and GMA Compliance

Washington’s Growth Management Act has been substantially updated in recent years. The following summary identifies the major State housing legislation that affects Chelan’s Housing Element and indicates how each applies to a city of Chelan’s size. Chelan’s permanent population is below 10,000, which means some requirements designed for larger cities do not apply directly — a fact expressly recognized in the statutes themselves.

Table HO-1: Recent State Housing Legislation and Applicability to the City of Chelan

<u>Legislation</u>	<u>Topic</u>	<u>What It Requires</u>	<u>Application to Chelan</u>
<u>HB 1220 (2021)</u>	<u>Housing affordability for all income</u>	<u>Plan for and accommodate housing at every income level (0–30% AMI through above 120% AMI); assess and address racially</u>	<u>Applies. Addressed in Goals HO-I, HO-VI, HO-VII, and in the Appendix, which contains the required</u>

	<u>levels; displacement</u>	<u>disparate impacts and displacement risk; provide for permanent supportive, emergency, and transitional housing needs.</u>	<u>Racially Disparate Impacts Analysis.</u>
<u>HB 1337 (2023)</u>	<u>Accessory Dwelling Units (ADUs)</u>	<u>Allow two ADUs per lot where single-family housing is allowed; no owner-occupancy requirement; permissive development standards.</u>	<u>Applies. Already implemented through Title 17 updates (Ord. 2025-1646). Reinforced by Policies HO I-4, HO I-5, and HO III-2.</u>
<u>HB 1110 (2023)</u>	<u>Middle housing</u>	<u>Cities with populations of 25,000+ must allow duplexes, triplexes, and other middle-housing types in most residential zones.</u>	<u>Does not apply by statute — Chelan's population is well below the 25,000 threshold. Chelan voluntarily allows many of these housing types through CMC Title 17 (duplexes, townhouses, cottage housing, co-living under RCW 36.70A.535).</u>
<u>HB 1181 (2023)</u>	<u>Climate resilience; environmental justice</u>	<u>Add climate resilience and environmental justice considerations to comprehensive plans; integrate across elements where applicable.</u>	<u>Applies, scoped to city size. Addressed primarily in the Climate Change and Resiliency Element and reflected here in Goal HO-VIII (housing and climate resilience, including wildfire-smoke events).</u>
<u>SB 5148 (2024)</u>	<u>Commerce review and approval of housing elements</u>	<u>Allows jurisdictions to request Commerce review of the housing element; some State funding is conditional on a compliant element.</u>	<u>Applies. Chelan may request Commerce review of this element following adoption.</u>
<u>ESHB 2266 (2026)</u>	<u>Permanent supportive, transitional, indoor emergency</u>	<u>Cities within UGAs must allow permanent supportive housing and transitional housing in all zones that allow residential dwelling units or hotels. Indoor</u>	<u>Applies, scoped to city size. Chelan's permanent population is under 10,000, which activates the small-city provisions.</u>

	<u>housing, and indoor emergency shelters ("STEP housing")</u>	<u>emergency shelters and indoor emergency housing must be allowed in zones that allow hotels. STEP housing may not be located in industrial zones. Implementation required within 2 years of effective date or at next comprehensive plan update, whichever is sooner. Cities under 10,000 population retain existing requirements for permanent supportive/transitional housing and must allow indoor emergency shelters/housing in zones where hotels are allowed.</u>	<u>Addressed in Goal HO-VI and in Implementation Action HO-6 (Title 17 zoning-code amendment).</u>
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Source: Washington State Legislature bill reports; Washington State Department of Commerce guidance; CMC Title 17

GOALS & POLICIES4.6 Goals and Policies

The following goals and policies guide the City's housing decisions through 2046. Goals HO-I through HO-V are carried forward from the 2017 Comprehensive Plan with updates that reflect current State law and Commerce guidance. Goals HO-VI through HO-VIII are new additions addressing State housing legislation adopted since 2017.

Goal HO-I. Affordable housing in good condition for moderate and middle income residents.

Policy HO I-1. Promote and retain affordable housing and focus on the needs of full-time residents earning 110% of median income or less.

Policy HO I-2. Encourage development and retention of affordable, well-maintained rental housing.

Policy HO I-3. Where appropriate, use incentives and other means to make sure that affordable housing units stay affordable.

Policy HO I-4. Facilitate affordable home-ownership and rental opportunities by supporting a broad range of housing types, including housing on small lots, accessory dwelling units (ADUs), duplexes, townhouses, multiplexes, cottage housing, co-living housing (RCW 36.70A.535), manufactured housing, and mixed-use housing consistent with CMC Title 17.

Policy HO I-5. Adopt and maintain ordinances, development regulations, and zoning regulations for the construction and use of ADUs for long-term rental housing within the City, consistent with HB 1337 (2023).

Policy HO I-6. Support nonprofit and community-based housing organizations, including community land trusts and first-time homebuyer programs, through partnerships, grant support, and access to City-owned or publicly-owned surplus land where appropriate.

Policy HO I-7. Pursue infrastructure funding (such as CHIP Grants, CDBG, and State housing-related funding sources) to remove cost barriers to affordable housing development.

Policy HO I-8. Recognize that Chelan's housing policy serves a regional function. Housing developed within the City and UGA provides homes for workers employed throughout the Lake Chelan Valley. Consider regional workforce needs when evaluating housing programs and development proposals.

Goal HO-II. Livable neighborhoods

Policy HO II-1. Use neighborhood planning to develop locally supported action plans for existing neighborhoods.

Policy HO II-2. Include the option of neighborhood-specific design standards, including standards that limit building height and size, — such as standards protecting public views of the Lake and Chelan Butte, managing building-to-street relationships, and ensuring pedestrian orientation — in neighborhood planning processes, rather than blanket height or size limits that would unduly restrict housing diversity.

Policy HO II-3. Where neighborhood planning supports retention of existing housing stock, support maintenance and upkeep of that stock by sponsoring housing rehabilitation programs offered by state and federal governments and nonprofit agencies.

Policy HO II-4. Ensure that housing design, street connectivity, and site layout support walking, biking, and access to parks, schools, and daily services, consistent with the Transportation Element and the Parks and Recreation Element.

Goal HO-III. Diverse housing options

Policy HO III-1. Encourage diversity in single-family, low-density, single-unit housing types throughout the City.

Policy HO III-2. Encourage special housing types (such as cottage housing, accessory dwelling units, townhouses, and zero-lot-line development) in developing areas and in existing neighborhoods where such housing can be developed while retaining or enhancing neighborhood character and livability consistent with CMC Title 17 and State housing law (including HB 1337 and RCW 36.70A.535).

Policy HO III-3. Allow mobile and manufactured home parks in one or more zoning districts and adopt and enforce development and maintenance standards to keep housing condition and livability high in the parks and the neighborhoods in which they are located. Pair these standards with programs that help current residents remain in place.

Policy HO III-4. Cooperate with public, private, and nonprofit providers to increase the supply of owner-occupied homes, including affordable home-ownership opportunities, community land trusts, and first-time homebuyer programs.

Policy HO III-5. Regularly update the demographic and housing-needs information for Chelan to identify housing gaps for low, very low, extremely low, and moderate-income households; special-needs populations; emergency housing; emergency shelters; and permanent supportive housing.

Policy HO III-6. Manage short-term rentals through licensing, zoning, and development regulations that protect Chelan's long-term housing stock and the quality of life for permanent residents while recognizing the legitimate role of visitor accommodations in the local economy.

Goal HO-IV. Adequate special needs housing

Policy HO IV-1. Ensure the City's Urban Growth Area provides adequate, appropriately-zoned land for special needs housing, including housing that will meet the needs of the City's aging population.

Policy HO IV-2. Establish standards for special needs housing, including housing that will meet the needs of the City's aging population, to ensure that such housing is well integrated in the community and complies with Americans with Disabilities Act standards.

Policy HO IV-3. Support development of accessible housing features — single-story layouts, no-step entries, grab-bar backing, and similar design elements — particularly given that approximately 16.2% of Chelan residents report a disability (see the Appendix).

Goal HO-V. Private industry meets housing needs; the City provides leadership and support.

Policy HO V-1. Regularly review the City zoning map and zoning districts and make any changes needed to encourage a mix of housing types that will retain the character of existing neighborhoods, advance the meet identified housing needs, provide quality housing, and support the City's housing goals, and support the City's overall land use plan.

Policy HO V-2. Regularly assess the size of the Chelan Urban Growth Area and increase the size as needed to maintain an adequate supply of appropriately zoned land, adjust boundaries as needed to maintain an adequate supply of appropriately zoned land, coordinated with Chelan County and consistent with the Land Use Element.

Policy HO V-3. Encourage City staff to take an active role in promoting the City's housing goals, including outreach, coordination, and initiating programs (such as an infill development program or incentive programs), changes in development regulations, and other actions.

Policy HO V-4. Actively participate in the Housing Authority of Chelan County and the City of Wenatchee.

Policy HO V-5. Where appropriate, work in partnership with other public entities to facilitate use of surplus public land (including land owned by the City and by other entities, such as the Chelan County PUD) for affordable housing development.

Goal HO-VI. Emergency, transitional, and permanent supportive housing options.

Chelan will ensure that permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters (collectively, "STEP housing") are available to meet the needs identified in the Chelan County allocation and consistent with HB 1220 (2021) and ESHB 2266 (2026).

Policy HO VI-1. Allow permanent supportive housing and transitional housing in all zones within the UGA where residential dwelling units or hotels are allowed, consistent with ESHB 2266 (2026).

Policy HO VI-2. Allow indoor emergency shelters and indoor emergency housing in all zones within the UGA where hotels are allowed, consistent with the ESHB 2266 small-city (under 10,000 population) provisions.

Policy HO VI-3. Apply development and operational standards to STEP housing only to the extent necessary to protect public health and safety, consistent with ESHB 2266's prohibition on requirements that would prevent siting a sufficient amount of STEP housing to meet projected needs.

Policy HO VI-4. Not permit STEP housing in zones designated for industrial use, consistent with ESHB 2266.

Policy HO VI-5. Use only administrative design review for STEP housing applications where design review is applied.

Policy HO VI-6. Coordinate with Chelan County, regional service providers, and faith-based and nonprofit partners on emergency shelter and permanent supportive housing capacity and funding.

Goal HO-VII. Equitable housing opportunities and prevention of displacement.

Chelan's housing policies, investments, and development regulations will be assessed for their effects on historically and currently marginalized communities and on low-income households, with an explicit goal of reducing displacement risk and expanding housing access consistent with HB 1220 (2021).

Policy HO VII-1. Evaluate plans, public investments, infrastructure projects, and new development proposals for potential to increase housing costs or cause displacement, and identify mitigation strategies before such actions are approved.

Policy HO VII-2. Engage communities most at risk of displacement — including those affected by poverty, communities of color, and other historically and currently marginalized communities — meaningfully in the development of anti-displacement strategies, housing programs, and zoning updates.

Policy HO VII-3. Explore racial-equity assessment tools (such as the Racial Equity Impact Assessment Toolkit) as part of the City's review of major development-regulation updates.

Policy HO VII-4. Expand community-outreach strategies to vulnerable populations, including multilingual outreach, during regulation updates and major project reviews.

Policy HO VII-5. Avoid policy and regulatory language that relies on vague aesthetic concepts that Commerce guidance identifies as challenging under HB 1220, and replace such language with specific, measurable standards where needed.

Goal HO-VIII. Housing that is resilient to wildfire smoke, drought, and extreme heat.

Chelan’s housing stock will be increasingly resilient to the climate-related hazards that affect the Lake Chelan Valley — particularly wildfire smoke (whether from fires originating inside City limits, elsewhere in the County, in the State, or beyond the State), drought, and extreme heat — consistent with HB 1181 (2023) and the Climate Change and Resiliency Element.

Policy HO VIII-1. Encourage incorporation of effective indoor air-filtration systems (such as MERV-13-capable or higher HVAC and portable air cleaners) into new residential construction, particularly for households with vulnerable occupants, to provide protection during wildfire-smoke events originating inside or outside the City, County, or State.

Policy HO VIII-2. Support weatherization, heat-pump conversion, and air-filtration retrofit programs for existing housing, with priority for low-income households, older adults, people with disabilities, and others most vulnerable to extreme heat and smoke exposure.

Policy HO VIII-3. Coordinate with the Parks and Recreation Element and Climate Change and Resiliency Element on the network of cooling and clean-air shelters, so that residents whose homes cannot provide adequate protection have access to public facilities during smoke or heat events.

Policy HO VIII-4. Support wildfire-adapted site design and defensible space in new housing developments located in or adjacent to the wildland-urban interface (WUI), consistent with the 2019/2025 Community Wildfire Protection Plan (CWPP).

Policy HO VIII-5. Protect Lake Chelan and the surrounding environment through housing-development standards that manage stormwater, limit impervious surface, and minimize habitat disturbance, recognizing that the health of the Lake is both a defining community value and a regional responsibility shared with Chelan County and neighboring jurisdictions.

4.7 Alignment with Other Comprehensive Plan Elements

Housing production, affordability, and resilience depend on decisions made in every other element of this Comprehensive Plan. The table below summarizes the principal points of coordination.

Table HO-2: Housing Element Coordination with Other Elements

Element	Coordination Focus
Land Use Element	Zoning designations and density; UGA boundary decisions; Apple Blossom Center East capacity; downtown mixed-use housing; Live-Work Overlay; consistency with the 2025 Land Capacity Analysis.
Subarea Plans (proposed)	Housing capacity within the proposed Waterfront Corridor, Parks-to-Downtown Corridor, Downtown-to-Apple Blossom Corridor, and Apple Blossom East subareas.
Economic Development Element	Workforce housing for year-round jobs; age-in-place housing at Apple Blossom Center East; short-term-rental balance; displacement prevention alongside economic growth.
Utilities Element	Water and sewer Equivalent Residential Units (ERUs) for both permanent and seasonal housing; capacity planning that reflects total ERUs served, not just permanent-resident population; broadband access that enables work-from-home and affordability.
Capital Facilities Element	Concurrency for housing development; level-of-service standards; capital investments that support affordable-housing production; CIP funding coordination.
Parks and Recreation Element	Parks access within walking distance of new housing; shared-use cooling and clean-air shelter facilities; equitable park access during peak visitor seasons.
Transportation Element	Housing sited to support walking, biking, and Link Transit service; Lakeside Trail and pedestrian connections to new housing; South Shore/Manson secondary-access coordination.
Climate Change and Resiliency Element	Wildfire-smoke resilience for housing (including smoke originating outside the City, County, or State); drought-tolerant landscaping; heat-pump and filtration retrofits; defensible space in WUI areas.

4.8 Implementation Actions

The following action items support implementation of this Housing Element. Each action identifies a timeframe, responsible party, and priority. Timeframes are Short-term (0–2 years after adoption), Mid-term (2–5 years), Long-term (5–10 years), or Ongoing.

Table HO-3: Housing Element Implementation Actions

#	Action	Timeframe	Responsible	Priority
HO-1	Maintain and update CMC Title 17 provisions for ADUs, unit-lot subdivision, cottage housing, co-living housing, and duplexes/triplexes consistent with HB 1337, RCW 36.70A.535, and other State housing law.	Ongoing	Planning Dept.	High
HO-2	Evaluate minimum lot sizes and density standards in non-PRD residential developments and recommend amendments that improve affordability without compromising public services.	Short-term	Planning Dept.	High
HO-3	Establish an incentive program for affordable housing in multi-unit developments served by Link Transit.	Mid-term	Planning Dept.	High
HO-4	Pursue CHIP Grant, CDBG, and other infrastructure funding to remove cost barriers to affordable housing.	Ongoing	City Administration	High
HO-5	Update the demographic and housing-needs assessment (the Appendix) on a five-year cycle or as new OFM and Census data warrant.	Every 5 years	Planning Dept.	Medium
HO-6	Adopt Title 17 zoning-code amendments to implement ESHB 2266 (2026) for permanent supportive, transitional, indoor emergency housing, and indoor emergency shelters (STEP housing), consistent with the small-city (under 10,000 population) provisions. Complete within two years of the effective	Short-term	Planning Dept.	High

	<u>date of the act or at the next Comprehensive Plan update, whichever is sooner.</u>			
<u>HO-7</u>	<u>Implement anti-displacement strategies identified through the HB 1220 Racially Disparate Impacts Analysis in the Appendix, including revised regulatory language and community-based engagement.</u>	<u>Short- to Mid-term</u>	<u>Planning Dept.</u>	<u>High</u>
<u>HO-8</u>	<u>Explore use of a racial-equity impact assessment tool when reviewing major development-regulation amendments.</u>	<u>Short-term</u>	<u>Planning Dept.</u>	<u>Medium</u>
<u>HO-9</u>	<u>Continue active participation in the Housing Authority of Chelan County and the City of Wenatchee, and coordinate regional funding applications.</u>	<u>Ongoing</u>	<u>City Administration</u>	<u>High</u>
<u>HO-10</u>	<u>Maintain a surplus-public-land inventory and a standing protocol for using appropriate surplus parcels for affordable housing, in partnership with the Chelan County PUD, the Port, and Chelan County.</u>	<u>Ongoing</u>	<u>City Administration</u>	<u>Medium</u>
<u>HO-11</u>	<u>Expand multilingual outreach strategies to vulnerable populations during Title 17 updates and major project reviews.</u>	<u>Ongoing</u>	<u>Planning Dept.</u>	<u>Medium</u>
<u>HO-12</u>	<u>Monitor and report annually on Apple Blossom Center progress toward the capacity identified in the 2025 LCA and the Development Agreement Second Amendment (Ord. 2025-1640).</u>	<u>Annually</u>	<u>Planning Dept.</u>	<u>Medium</u>
<u>HO-13</u>	<u>Coordinate with the Utilities Element and Capital Facilities Element to ensure water and sewer ERU planning reflects both permanent and seasonal housing demand.</u>	<u>Ongoing</u>	<u>Planning / Public Works</u>	<u>High</u>
<u>HO-14</u>	<u>Support weatherization, heat-pump conversion, and HVAC-filtration programs for low-income and vulnerable households, with an emphasis on wildfire-smoke resilience per HB 1181.</u>	<u>Ongoing</u>	<u>City / Partners</u>	<u>Medium</u>

HO-15	Consider requesting Commerce review of this Housing Element under SB 5148 following City Council adoption.	Short-term	Planning Dept.	Medium
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4.9 Housing Element Technical Report (Appendix)

The City of Chelan Housing Element Technical Report (Points Consulting, November 13, 2025), prepared for Anchor QEA and the City of Chelan, is adopted as an Appendix to this Comprehensive Plan and incorporated by reference. The specific appendix letter will be assigned based on the final appendix ordering at adoption.

What the Appendix Contains

[Chapter 1 — Executive Summary and Introduction: key highlights of the assessment, overview of the City of Chelan and the Chelan UGA boundaries, and a plain-language summary of conditions.](#)

[Chapter 2 — Gaps and Barriers Analysis: detailed affordability gap analysis for renters and homeowners across all income levels.](#)

[Chapter 3 — Recommendations: policy recommendations for future housing growth.](#)

[Chapter 4 — Land Capacity Analysis: vacant-land inventory, re-developable and underutilized land inventory, housing-unit supply, and supply-versus-demand comparison by zoning district.](#)

[Chapter 5 — Demographics and Socioeconomic Trends: population, age structure, income distribution, race and ethnicity, disability, veteran status, and Limited English Proficiency.](#)

[Chapter 6 — Housing Trends: building types, tenure, occupancy, vacancy, home values, rents, new housing production, and short-term rentals.](#)

[Chapter 7 — Policies and Programs: existing City policies and programs, with a full review of 2017 housing goals and policies against current Commerce guidance.](#)

[Appendix A of the Technical Report — Racially Disparate Impacts Analysis required by HB 1220.](#)

[Appendix B of the Technical Report — Detailed tables, allocations, and maps.](#)

Where this chapter and the Appendix speak to the same subject, the Appendix provides the detail and this chapter establishes the adopted policy. Where conflicts appear, the goals and policies in this chapter control, as they are the text adopted by City Council ordinance. The Appendix will be updated on a five-year cycle, or sooner as new OFM, Census, or Commerce data warrant, through an administrative update process that does not require amending the adopted goals and policies of this chapter.

End of Chapter 4 — Housing Element

DRAFT



City of Chelan

PLANNING COMMISSION

July 15, 2026

Subject/Title: Sign Code Update Work Session: Draft Sign Code 7.10.2026

Department: Community Development

Staff Contact:

Guiding Principles:

Initiatives:

Reviewed By:

Number of Looks:

PREVIOUS ACTION TAKEN

Work sessions held at the February, March, April, May, & June meetings.

OVERVIEW

Planning Commission and staff have been working to update the City's Sign Code, Chapter 17.58. Based on input from the last meeting, staff updated the draft code with proposed changes tracked from the initial draft. Staff is seeking Planning Commission feedback on the proposed Signs Chapter to identify any areas for further refinement before considering an official draft at a public hearing.

FINANCIAL IMPLICATIONS

ATTACHMENTS

1. SignCode.Draft.7.10.26

SUGGESTED MOTION

CITY OF CHELAN

CHELAN MUNICIPAL CODE Chapter 17.58

SIGNS

DRAFT FOR REVIEW

Amendments for Compliance with:

Reed v. Town of Gilbert, 576 U.S. 155 (2015)

City of Austin v. Reagan National Advertising, 596 U.S. 61 (2022)

Prepared by:

Community Development Department

[Updated: July 10, 2026](#)

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Chapter 17.58

SIGNS

17.58.010 Short title.

This chapter shall be known as the "sign code" of the City of Chelan.

17.58.020 Statement of purpose.

[NOTE: Purpose statement revised to articulate compelling governmental interests supporting content-neutral regulation per Reed v. Gilbert. Added dark sky/light pollution purpose.]

The purpose of this chapter is to establish reasonable, content-neutral time, place, and manner regulations for signs. These regulations are intended to:

- A. Protect the public health, safety, and welfare;
- B. Reduce traffic hazards caused by signs that distract motorists or obstruct driver vision;
- C. Maintain and enhance the aesthetic character, scenic beauty, and visual quality of the community;
- D. Protect property values by ensuring compatibility between signs and surrounding land uses;
- E. Enable the effective identification of businesses, services, and activities;
- F. Prevent visual clutter that may be harmful to traffic safety, property values, business opportunities, and community appearance;
- G. Minimize light pollution and protect the community's dark sky environment; and
- H. Regulate signs in a content-neutral manner that is consistent with constitutional free speech protections.

17.58.025 Content neutrality and message substitution.

[NOTE: New section. Required by Reed v. Town of Gilbert to ensure the code is content-neutral. The substitution clause ensures noncommercial speech (opinions, political messages, etc.) is never treated less favorably than commercial speech (advertising). This is a standard best practice in post-Reed sign codes nationwide.]

- A. **Content neutrality.** The regulations in this chapter are content-neutral and shall be interpreted and applied without regard to the content of the sign message. No sign permit application shall be approved or denied based on the communicative content, viewpoint, or subject matter of the proposed sign message.
- B. **Message substitution.** Any sign allowed under this chapter to display a commercial message may instead display a noncommercial message, subject to the same size, height, location, lighting, and structural standards that apply to the sign. This provision does not authorize increasing the size or changing the structural type of a sign; it simply ensures that the communicative content of a sign does not determine whether the sign is allowed.

- C. **Severability of content-based provisions.** If any provision of this chapter is found by a court of competent jurisdiction to be an unconstitutional content-based regulation of speech, such provision shall be severed from the remainder of this chapter, which shall continue in full force and effect.

17.58.030 Interpretation.

[NOTE: Added content-neutrality interpretation clause per Reed v. Gilbert.]

If any sections of the sign code conflict, the most restrictive shall govern. If there is a conflict between a general requirement and a specific requirement, the specific requirement shall govern.

All sign regulations in this chapter shall be interpreted and applied in a content-neutral manner consistent with the requirements of CMC 17.58.025. No city official shall consider the message, viewpoint, or subject matter of a sign when determining the applicable regulations, except as may be necessary to distinguish between commercial and noncommercial speech for the limited purpose of applying different regulations to commercial advertising where constitutionally permissible.

17.58.040 Definitions.

For purposes of this chapter, the following terms, phrases, words and their derivatives shall be construed as specified in this section:

[NOTE: Definitions streamlined to necessary definitions only, and revised throughout to remove content-based sign categories and replace with content-neutral structural definitions. Under Reed, a sign type defined by its message (e.g., “political sign,” “real estate sign”) is content-based because an enforcement officer must read the sign to classify it. Sign types must be defined by physical characteristics.]

- A. **Abandoned sign** is a sign that is located on a premises that has been vacant or unoccupied for a continuous period of more than six months, or a sign for which no valid business license or sign permit is in effect.
[NOTE: Revised to focus on property use rather than sign content.]
- B. **Alteration of sign** is any construction material, size, or location change except for normal maintenance to an existing sign.
- C. **Area** or **sign area** is the total area of a sign excluding the sign support structure. The area is calculated by measuring from the outside edge of the frame. (For calculating the area of a double-faced sign, only one side of the sign is to be used.) Architectural embellishments and decorative features which contain no written or advertising copy, which are not illuminated and which contain no logos or trademarks shall not be included in the sign area. Signs painted on or attached to a wall or awning are calculated by imaginary straight lines around the entire copy or grouping of letters, words, or symbols, using a maximum of eight lines.
- D. **Commercial** is any activity carried on for financial gain.
- E. **Highway frontage** is property located outside the downtown planning area, as shown in Figure 1 of CMC 17.14.010(B.), that abuts SR 150 or Highway 97A, as designated by the Washington State Department of Transportation.

- F. **Illuminated sign** is any sign that is lit by an artificial light source, whether internal or external. Illuminated signs are further classified as:
1. **Internally illuminated sign:** A sign where the light source is contained within the sign structure and light is transmitted through a translucent sign face or individual letters/elements.
 2. **Externally illuminated sign:** A sign lit by an external light source directed at the sign face, including spotlights, gooseneck lamps, and similar fixtures.
 3. **Halo-lit sign (reverse channel):** A sign where opaque letters or elements are mounted away from a wall surface, with lighting projected behind to create a halo or silhouette effect.
 4. **Neon sign:** A sign using glass tubes filled with neon or other inert gases that glow when electrified.
- [NOTE: Expanded definitions to support new lighting standards in Section 17.58.065.]
- G. **Nonconforming sign** is a sign located within the city limits of Chelan that was in existence prior to the effective date of the ordinance codifying this chapter which does not conform with the provisions of this chapter. Abandoned signs shall not be considered a nonconforming sign.
- H. **Normal maintenance** is an act of repair or other acts to prevent decline, lapse or cessation from original state or condition.
- I. **Off-premises sign** is a sign that is not located on the same premises as the activity, business, or use to which it relates.
- [NOTE: Revised to be a simple location-based definition consistent with Austin v. Reagan.]
- J. **On-premises sign** is a sign that is located on the same premises as the activity, business, or use to which it relates.
- K. **Sign** in the singular or plural, means any communication device, structure, inflatable, or fixture using letters, symbols, trademarks, logos, artwork, or written copy intended to express commercial or non-commercial information, draw attention, or advertise.
- L. **Sign height** is the vertical distance measured from the grade below the sign to the highest point of the sign.
- M. **Wall plane** is that portion of a building face which is contained on one general plane. If there is a shift in the facade forward or back, a new plane is created. A single wall plane may contain windows and doors.

17.58.045 Sign types.

The term “sign” includes, without limitation, the following types of devices:

- A. **Banner sign** is a sign constructed of cloth, fabric or other nonrigid material hanging from a staff, pole or frame or wall mounted. A banner sign shall be regulated based on its physical characteristics and location.
- B. **Electronically changeable message sign** is a sign upon which graphics, symbols or words can be varied upon the face or faces of the sign.

- C. **Freestanding sign** is a sign permanently supported from the ground in a fixed location by a structure of poles, uprights, braces or monumental base and not supported by nor attached to a building.
- D. **Monument sign** is a type of freestanding sign supported by an internal structural framework or integrated into the landscaping or other solid structural features other than support poles.
- E. **Portable sign** is a sign that is capable of being moved easily and not permanently affixed to the ground, a structure, or a building.
- F. **Projecting sign** is a sign other than a wall sign that extends horizontally from and is supported by a wall of a building or structure.
- G. **Sandwich-board sign** is a sign no more than 42 inches in height and 30 inches in width and weighted to prevent it from tipping over.
- H. **Suspended sign** is a sign which hangs below the permanent overhang, marquee or canopy extending over public or private sidewalks or rights-of-way.
- I. **Temporary sign** is a sign, banner, pennant, valance, or advertising display constructed of cloth, paper, canvas, cardboard, or other light nondurable materials intended to be displayed for a limited duration of time.
- J. **Wall sign** is a sign painted, attached to or erected against and parallel to the wall plane of a building or structure. A wall sign shall be confined within the limits of said wall and shall not extend more than 12 inches from the face of the wall. Awning signs shall be considered wall signs for the purposes of this code.

17.58.050 Sign classification.

[NOTE: The exempt sign list has been restructured from content-based categories to content-neutral categories.]

A. Exempt signs. The following types of signs and devices shall be exempt from the permit requirements of this chapter; provided, that all applicable standards or conditions specified are met:

1. Accessory Signs. Small supplemental signs that provide incidental information and are located on the premises. Accessory signs shall not exceed two square feet per sign and four square feet total per business or use.
2. Address signs, nameplates, and property identification signs not exceeding two square feet;
3. Exterior holiday or festive decoration lights;
4. Flags poles and noncommercial flags and/or insignia of any nation, state, or political subdivision;
5. Signs directing and guiding traffic and parking on private property; provided, that such signs shall not exceed six square feet in area per sign;
6. Sandwich-board signs, subject to the following:
 - a. Limited to one per use or establishment;
 - b. May be placed in front of a use or establishment during operating hours only;
 - c. Shall be placed adjacent to the curb; provided, that such sign shall not be placed in any location which obstructs pedestrian or vehicular travel or visibility, or create blind spots

- at intersections. In areas with sidewalk business activities, signs shall be attached to sidewalk barriers or within the designated sidewalk business area;
- d. Shall not exceed forty-two inches in height and thirty inches in width;
 - e. Shall be weighted to prevent it from tipping over;
 - f. Shall be painted or finished with a sealer, and
 - g. Shall be nonilluminated.
7. Temporary signs, subject to the following:
- a. In residential zones: maximum six square feet per sign, maximum 42 inches in height, limited to three signs per property;
 - b. In nonresidential zones: maximum 32 square feet per sign, maximum six feet in height, limited to one sign per street frontage. Where a street frontage exceeds 200 feet in length, a maximum of three signs may be permitted on that street frontage;
 - c. Signs shall be securely affixed to a building face / structure or placed in the ground using stakes, posts, or similar supports;
 - d. Signs shall not be placed where they obstruct vehicle driver visibility at intersections, alleys, or driveways;
 - e. A temporary sign that does not pertain to a specific event, occurrence, or transaction may be displayed without durational limit, provided it is maintained in good repair.
 - e-f. A temporary sign that pertains to a specific event, occurrence, or transaction capable of being identified by date or completion, including but not limited to an election, a sale or lease of property, or a scheduled gathering, may be displayed no earlier than sixty (60) days prior to at any time before the event and shall be removed no later than fifteen (15) days after the event, occurrence, or transaction has concluded. Each temporary sign shall not remain for more than 60 consecutive days;
 - f.g. This category includes signs commonly known as political signs, garage sale signs, real estate signs, banner signs, and similar temporary signs regardless of message content;
 - g. ~~A sign displayed continuously for more than 60 days shall be considered a permanent sign subject to permit requirements;~~
8. Customer information signs at service windows and entrances, not exceeding four square feet;
- [NOTE: Menu signs replaced with 'customer information signs' based on physical location rather than content.]*
9. Enclosed display cases permanently attached to a building wall, limited to two per building face, not exceeding 24 square feet each;
10. Wall plaques and integral signs, with engraved or cast lettering, cut into a masonry surface or constructed of bronze or other incombustible material, not exceeding four square feet, and permanently affixed flat to a building wall or structure;
- [NOTE: Changed from 'commemorative plaque' (content-based) to 'wall plaque' (physical description).]*
11. Integral decorative or architectural features of buildings, except when such features include moving parts or moving lights;

12. Locally significant vintage signs that are over fifty years old and have been determined by the city council as worthy of preservation based on their contribution to community character. Approved vintage signs shall be restored and maintained in good condition;
13. Signs at properties listed on a federal, state, or local historic register, not exceeding 12 square feet, nonilluminated;
[NOTE: Removed content restriction on what the sign may say.]
14. Murals, paintings applied directly to a wall or building, except any portion of a mural that meets the definition of a "sign" in section 17.58.040(K);
15. Signs located at publicly-owned recreational facilities, including athletic field fences, where authorized by the City;
16. Signs of a public entity, including, without limitation, regulatory, wayfinding, and traffic control signs erected by a public entity in the performance of a public duty;
17. Wall graphic, except that portion which contains letters, symbols, trademarks, logos, written copy, moving parts or moving lights;
18. Window signs located on the interior of a window within one foot of the glass or located on the exterior of a window.

B. Prohibited signs. It is unlawful to erect or maintain:

1. Abandoned signs located on a premises that has been vacant or unoccupied for a continuous period of more than six months, or a sign for which no valid business license or sign permit is in effect;
2. Animated signs which include the optical illusion of action or motion or color changes of all or any part of the sign facing to show or give the appearance of video or television-type pictures that required electrical energy;
3. Bench signs located on any part of the surface of a bench or seat;
4. Portable signs that are capable of being moved easily and not permanently affixed to the ground, a structure, or a building, excluding sandwich board signs in accordance with Section 17.58.050(A)(6) and temporary signs in accordance with Section 17.58.050(A)(7);
5. Off-premises signs that are not located on the same premises as the activity, business, or use to which it relates;
[NOTE: Removed CUP pathway for off-premises signs. These are now fully prohibited.]
6. Roof signs or marquee signs which are located on, project or extend above the eave or parapet line of any portion of the building;
7. Signs in a dilapidated or hazardous condition;
8. Signs on doors, windows or fire escapes that restrict free ingress or egress;
9. Flashing signs having lights or illuminations that flash, move, rotate, scintillate, blink, flicker, vary in intensity or color, or use intermittent electrical pulsations. Displays that cycle at intervals of ~~four~~six seconds or more are not considered flashing signs;
10. Moving signs having visible moving, revolving or rotating parts or visible mechanical movement of any kind or other apparent visible movement achieved by electrical, electronics or mechanical means;

11. Signs which purport to be, are an imitation of, or resemble an official traffic sign or signal or which could cause confusion with any official sign, or which obstruct the visibility of any traffic/street sign, signal, or obstruct a vehicle driver's visibility at, including, but not limited to, intersections, alleys, and driveways;
12. Signs of a private entity attached to utility, street light and traffic control standard poles;
13. Signs on any vehicle or trailer parked as a stationary display for advertising purposes on public or private property which are visible from public rights-of-way. This provision shall not prohibit signs which are painted on or magnetically attached to any vehicle operating in the normal course of business;
14. Electronically changeable message signs, except as allowed in section 17.58.060(B)(6);
15. Signs with unshielded external lighting that allows light to project above the horizontal plane;
16. Signs with lighting that exceeds the luminance standards in Section 17.58.065;
[NOTE: NEW: Prohibited sign types related to light pollution prevention.]
17. Inflatable signs, figures, or characters (such as Tube men) intended to advertise or attract attention to a business or activity.

C. Permitted signs. Except as otherwise provided in this title, signs shall be permitted provided they meet all conditions and requirements established in this chapter, including the illumination standards in Section 17.58.065. No sign permit shall be approved or denied based upon the content of the sign message, consistent with Section 17.58.025.

17.58.060 Construction and design standards.

A. General requirements. All signs must conform with the following requirements, unless otherwise provided for in this chapter:

1. Building coverage. Except as provided herein, signs attached to a building face including, but not limited to, wall and projecting signs shall not be located on more than two sides of any building. Exception: If the building contains an individual business or businesses with separate entrances on more than two sides of the building, signs may be located on three sides of the building. Businesses with the main entrance fronting on an alley may use the exception stated above.

2. Clearance. Clearance under the lowest point of any sign which projects out over a public walkway shall not be less than eight feet.

3. Lighting. All illuminated signs shall comply with the illumination standards in Section 17.58.065.

[NOTE: Lighting requirements moved to new comprehensive Section 17.58.065.]

4. Multiple tenant buildings. In buildings with multiple tenants, it shall be the building owner's responsibility to assign the allowed sign size and location between tenants to comply with the sign code.

5. Signs with opposing faces. Signs with opposing faces 135 degrees or less shall be considered a two-sided sign and only one side of the sign shall be used in calculating sign size. If the opposing faces of a sign are more than 135 degrees, both opposing faces shall be used in calculating sign size.

6. Uniform Sign Code. All signs shall be constructed and erected in conformance with the current edition of the Uniform Sign Code, as the same now exists or as may be hereafter amended, which is hereby adopted and incorporated herein by this reference as if fully set forth.

7. Nonconforming uses. For those zoning districts in which nonconforming uses have been permitted, there shall be no signage except one nonilluminated sign not exceeding four square feet in area or six feet in height and such sign shall be located within the property boundaries.

B. Design requirements. The signs specified below shall comply with the requirements set forth herein.

1. Wall signs. The maximum area for the total of all permitted wall signs for any single wall plane shall not exceed ten percent or 50 square feet whichever is less. This shall include all window and door areas and shall be measured from the sidewalk or ground line to the building eave line or parapet. Wall signs may not extend above the building parapet, soffit, the eave line or the roof of the building. A sign applied to or on the covering of an awning shall be considered a wall sign. Signs shall not cover over windows or other significant architectural features, as determined by the director. Where there is more than one tenant on the facade, signs should be centered above the storefront space, where architectural features allow.

2. Freestanding signs. Freestanding or monument signs shall be permitted in accordance with the table below, subject to the following:

- a. The parcel shall have a minimum of fifty (50) feet of street frontage.
- b. The principal building shall be set back a minimum of ten (10) feet from the front property line.
- c. The sign shall be located entirely within the property boundaries and set back a minimum of two (2) feet from any existing or planned sidewalk.
- d. The sign shall not obstruct public walkways or vehicle driver visibility, including but not limited to intersections, alleys, and driveways.
- e. Signs shall be constructed of wood, metal, or other similar durable materials for framing and support or an internal structural framework integrated into landscaping or other solid structural features.
- f. Buildings on corner lots may have one sign per street frontage provided the signs are separated by at least 150 feet (measured in a straight line). Corner lots may use different street frontages separately in terms of calculating maximum sign area.
- g. Properties with more than 200 feet of street frontage may have more than one freestanding sign, such signs shall be spaced a minimum of 100 feet apart.

Freestanding Sign Requirements			
	DMR, DMU, SUD, T-A, PLF Zoning Districts	A, C-HS, C-W, W-I Zoning Districts	Highway frontage
Height Limit	6'	16' or height of structure	25' or height of structure
Maximum Sign Area	20 sf	25 sf	50 sf
Large Parcels	40 sf ₁	50 sf ₁	75 sf ₂
Landscaping ₃	1 sf landscaping per 1 sf of sign face	NA	

Notes:

1. Parcels with more than 50 feet of frontage on any one street may increase the maximum size of the sign located on that street frontage by one square foot for each ten lineal feet of street frontage in excess of 50 feet up to the maximum size area.
2. Parcels with more than 100 feet of frontage on any one street may increase the maximum size of the sign located on that street frontage by one square foot for each ten lineal feet of street frontage in excess of 100 feet up to the maximum size area.
3. Landscaping includes a decorative combination of ground cover and shrubs to provide seasonal interest in the area surrounding the sign. Landscaping shall be well maintained at all times of the year. The administrator may reduce the landscaping requirement where the signage incorporates stone, brick, or other decorative materials.



Figure 3. Acceptable Examples of Monument and Freestanding Signs

3. Projecting signs. The total area of all projecting signs shall not exceed 15 square feet or project more than five feet from the building face per business property. Projecting signs shall not cover or conflict with windows or other substantial architectural features of a building, as determined by the director. The structure around or supporting the sign, such as wrought iron work, shall not be included in the total sign area.

4. Suspended signs. One suspended sign is permitted for each business in a storefront building provided it does not exceed six square feet, 12 inches in height or six feet in length. Suspended signs shall maintain a minimum clearance of eight feet between the walkway and the bottom of the sign.

5. Directory signs. In addition to all other signs allowed in this chapter, each tenant or occupant shall be permitted one directory sign not to exceed four square feet attached flush with the wall. Individual signs within an approved directory sign may be added, moved or

substituted with signs for new businesses or uses without going through the design review process; provided, that the design is consistent and the provisions of the original permit are met.

6. Electronically changeable message (ECM) signs. Any permitted ECM sign shall be subject to the sign size and location restrictions applicable to the sign type and shall comply with applicable Illumination Standards under Section 17.58.065.

- a. **Public Uses:** ECM signs are permitted exclusively for public uses on properties zoned DP or PLF. The message transition interval for electronically changeable message signs shall be no less than four-six seconds. Brightness levels shall not exceed 0.3 foot-candles above ambient light, as measured at a distance of 150 feet from the sign face.

~~b. **Fuel Pricing:** ECM signs may be permitted on nonresidential properties that include on-site vehicle fueling infrastructure solely for the purpose of displaying current fuel prices. Messages shall be limited to fuel prices displayed as a single continuous static image and shall not scroll, flash, fade, animate, move, or transition.~~

7. Canopy signs. Canopy signs are allowed a maximum area of 50 square feet per side on any two sides of a canopy structure, and a business symbol, not to exceed 12 square feet, may be allowed on a third side.

8. Lake frontage. For buildings with frontage on Lake Chelan, an additional freestanding or projecting sign shall be allowed on the lake frontage; provided, that the total area of all freestanding and projecting signs shall not exceed 50 square feet per business property. The sign shall also comply with applicable provisions of the City of Chelan Shoreline Master Program.

9. Residential development identification signs. Residential development identification signs shall be placed at the entrance to the development or subdivision and shall not obstruct visibility, create blind spots or obstruct pedestrian travel. Signs shall be a maximum of 50 square feet and shall not exceed six feet in height. Signs shall be limited in number to one per development or subdivision entrance. If lighting is installed, said lighting shall be shielded and directional and comply with applicable illumination standards under 17.58.065. The term residential development shall include residential subdivisions, planned developments, condominium developments, and mobile home parks.

10. Non-residential uses in Residential districts. For those residential zoning districts within this title wherein the following non-residential uses are developed, the following requirements shall be met:

- a. **Private commercial uses.** This includes uses such as bed and breakfasts, child day cares, and agriculture. Signs in residential districts shall not exceed 12 square feet in area. Freestanding signs shall not exceed ten feet in height and shall be located within the property boundaries. Only one sign shall be allowed on any site or structure.
- b. **Non-commercial uses.** This includes uses such as churches, schools, and public and community facilities. Signs in residential districts shall not exceed a total of 18 square feet in area. Freestanding signs shall not exceed ten feet in height and shall be located within the property boundaries. Only one sign shall be allowed on any site or structure.

c. Home occupations. Home occupation signs shall not exceed four square feet in area. Freestanding signs shall not exceed six feet in height and shall be located within the property boundaries. Only one sign shall be allowed and said sign shall be nonilluminated.

17.58.065 Illumination standards.

[NOTE: NEW SECTION: Comprehensive illumination standards designed to prevent light pollution while allowing effective signage. Standards based on International Dark-Sky Association recommendations and best practices from communities with dark sky ordinances.]

A. Purpose. The purpose of this section is to establish standards for sign illumination that:

1. Minimize light pollution and preserve the community's dark sky environment;
2. Prevent glare and light trespass onto adjacent properties;
3. Protect traffic safety by preventing driver distraction;
4. Reduce energy consumption; and
5. Maintain the aesthetic character of the community.

B. General illumination requirements. All illuminated signs shall comply with the following:

1. No sign illumination shall cause direct glare into any residential zoning district or dwelling unit.
2. No sign illumination shall cause direct glare that impairs driver vision on any public street or highway.
3. All sign illumination shall be designed, located, and maintained to prevent light from projecting above the horizontal plane of the top of the sign.
4. Sign illumination shall be reduced to 50 percent of daytime levels, or turned off entirely, between 11:00 p.m. and 6:00 a.m., unless the business is open to the public during those hours.
5. All wiring for illuminated signs shall be installed in accordance with the current edition of the National Electrical Code.

C. Externally illuminated signs. Signs illuminated by external light sources shall comply with the following:

1. Light fixtures shall be fully shielded and aimed downward at the sign face at an angle not exceeding 45 degrees from vertical.
2. Light fixtures shall be located above the sign and directed downward, except where physical constraints require fixtures below the sign, in which case fixtures shall be shielded to prevent upward light projection.
3. Light shall not project beyond the edges of the sign face.
4. Fixtures shall use warm-white light sources with a correlated color temperature (CCT) not exceeding 3000 Kelvin.
5. Total illumination on the sign face shall not exceed 100 foot-candles when measured perpendicular to the sign surface.

D. Internally illuminated signs. Signs illuminated by internal light sources shall comply with the following:

1. Cabinet signs (box signs). Internally illuminated cabinet signs are permitted only outside the downtown planning area and if the background is opaque and illumination is limited to translucent letters, logos, or graphic elements ("push-through" or "routed" letters).
2. Channel letters. Internally illuminated channel letters are permitted and shall have:

- a. Opaque returns (sides); and
- b. Translucent faces that are not white; or
- c. Open faces with exposed neon or LED light sources.

3. Luminance limits. Internally illuminated signs shall not exceed the following luminance levels measured at the sign face:

Time Period	Maximum Luminance
Daytime (sunrise to sunset)	5,000 nits (cd/m ²)
Nighttime (sunset to 11:00 p.m.)	500 nits (cd/m ²)
Late night (11:00 p.m. to sunrise)	100 nits (cd/m ²)

4. Halo-lit signs (reverse channel). Halo-lit signs, where letters or elements are silhouetted against a lighted background on the building wall, are encouraged as a low-impact illumination method and shall comply with the following:

- a. Letters or elements shall be opaque.
- b. Light sources shall not be directly visible.
- c. Luminance of the halo effect on the wall shall not exceed 200 nits (cd/m²).

5. Neon signs. Neon signs, and signs using similar gas-discharge tubes or neon-like LED illumination, are permitted and shall comply with the following:

- a. Neon signs are encouraged in the Downtown Planning Area as consistent with historic character.
- b. Exposed neon tubing shall not exceed 800 nits (cd/m²) luminance.
- c. Neon signs shall not flash, blink, or vary in intensity.

E. Prohibited illumination. The following types of sign illumination are prohibited:

1. Unshielded external lighting that allows light to project above the horizontal plane;
2. Searchlights, laser lights, or similar high-intensity light sources;
3. Signs with light sources that blink, flash, rotate, or vary in intensity, except for time and temperature displays;
4. Signs illuminated by exposed incandescent bulbs ("marquee" style), except for designated vintage signs;
5. Signs with lighting that exceeds the luminance standards in this section;
6. Internally illuminated awning signs; and
7. Illuminated signs on residential properties, except address signs not exceeding 0.5 square feet that are indirectly illuminated.

F. Measurement and enforcement. The administrator may require the sign owner to provide certification from a qualified professional that the sign complies with the luminance standards in this section. The city may measure sign luminance at any time using a luminance meter aimed perpendicular to the sign face from a distance of 100 feet or the nearest public right-of-way, whichever is closer.

17.58.080 Nonconforming signs.

A legal nonconforming sign shall not be enlarged, extended, relocated, replaced, or structurally altered in any manner that increases its nonconformity or creates a new nonconformity.

Normal maintenance of a legal nonconforming sign is permitted, provided such work does not increase the sign's size, height, area, illumination, or degree of nonconformity.

Loss of nonconforming status. A nonconforming sign shall immediately lose its nonconforming designation if:

1. The sign is structurally altered in any way, physically enlarged, or moved;
2. The sign structure is replaced; or
3. A new sign is erected on the same premises that, together with the nonconforming sign, exceeds the total signage allowance for the premises under this chapter.

On the happening of any one of the above, the sign shall no longer be designated a nonconforming sign and the sign shall immediately be brought into compliance with this chapter and a new sign permit secured therefor, or the sign shall be removed.

17.58.090 Administration.

A. Permit requirement. No sign governed by the provisions of this chapter shall be erected, altered or relocated without first obtaining a sign permit issued by the city, unless expressly exempt under this chapter.

B. Administration and enforcement. This chapter shall be administered and enforced by the planning and community development director or designee in accordance with Chapter 17.12.

C. Review standards. Sign permits shall be reviewed for compliance with the objective standards of this chapter, including size, height, location, structural type, and illumination requirements. If the proposed sign meets all applicable objective standards, the administrator shall approve the permit. The administrator shall not consider the communicative content of the sign in reviewing the application. A permit shall not be denied based upon subjective aesthetic judgments.

17.58.100 Severability and substitution.

[NOTE: NEW SECTION: Severability and substitution clause to protect code from invalidation if one provision fails.]

A. Severability. If any section, subsection, sentence, clause, phrase, or word of this chapter is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The City Council hereby declares that it would have adopted this chapter and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or words may be declared invalid or unconstitutional.

B. Substitution. If any sign that would otherwise be prohibited or more stringently regulated under this chapter is determined by a court of competent jurisdiction to constitute protected noncommercial speech under the First Amendment to the United States Constitution or Article I, Section 5 of the Washington State Constitution, then to the extent necessary to avoid an unconstitutional application, such sign shall be subject to the same regulations as the most permissive category of temporary signs in this chapter.

C. Content neutrality. If any provision of this chapter is found by a court of competent jurisdiction to be content-based and not narrowly tailored to serve a compelling governmental interest, then such provision shall be severed and the remaining provisions shall continue in full force and effect.