

THE #1 AFFORDABLE HOUSING WHISTLE

by Rhona Baron

Over the next month, The Whistle will offer a three part series on the challenges of affordable housing. This week, we'll provide context. Next, we'll review the city's initiatives and analyze effectiveness. In the final column, we'll peer into the future with a quiver of options and practical solutions. We're ready to run the numbers, discuss the marketplace and provide thinking tools to foster good judgment in these confounding times.

Speaking of the marketplace, as the train leaves the station a sweeping view of the big picture emerges. Our nation operates under what is called a "mixed economy," meaning we use an economic system that features characteristics of both free market capitalism and government intervention. Your private property is to be protected, and you have a high level of economic freedom to use your capital/money as you choose. At the same time, city, state and national governments intervene in economic activities to achieve "social aims for the public good."

Some people think government interventions have gone too far. Others say not far enough as America struggles to balance competing interests. But when it comes to housing in Leavenworth, perhaps we can all agree on one thing: "the law of supply and demand."

When the price of an item (say a toaster or a house we've been interested in) increases, our desire or demand for that item diminishes. Fewer people buy something if it gets too expensive, therefore, the "supply" of an item often goes up. Conversely, when the price drops, more toasters or houses become affordable. They are purchased, making less of them available. As we know, dwelling units in Leavenworth are in demand. And their supply is scarce.

But here's where it gets trickier when it comes to "affordable" housing. If we view dwelling units through the lens of supply and demand, we find that the price range of an "affordable" Leavenworth home or rental varies greatly between potential buyers. What is affordable for a retiree from Seattle who sells their million-plus dollar house after leaving a good paying job is hardly the same as what's affordable for pretty much anyone currently working in Leavenworth who doesn't yet own a home. This fact is one reason we've begun to hear the term "workforce housing" coming from City Hall. In our mixed economy the idea of affordability varies greatly.

We should note that being retired and having money to afford a place in Leavenworth is also used to ostracize people with silver streaks in their hair, along with folks who have lived here happily for many decades. However this ageist swipe smells like stereotyping mashed up with red herring. So please plug your nose.

Leavenworth's housing situation is complicated by key factors that have nothing to do with age. Any hike to Colchuck Lake reveals how the COVID pandemic has accelerated

trends for people in their 20's, 30's and 40's to experience nature. Many also wish to relocate in rural settings. Indeed, since COVID, the dream of living in Leavenworth has become a possibility for a growing number of highly paid, remote workers and their families.

Another wealthy group chasing and cashing in on Leavenworth's limited housing inventory are vacationers buying second homes, a common trend in mountain gateway towns. Leavenworth is now experiencing FORTY PERCENT ownership of non-primary residences. That's up from 30 percent from several years ago.

Add to that geography. The village nestles against publicly owned mountains that rise straight up from town limits. Even though countless cities choose to grow as Wenatchee and East Wenatchee have done by pushing city limits outward onto buildable lands, we can't readily follow suit. And even if we could, the Leavenworth valley is so desirable that's it's virtually impossible to force prices to drop without resorting to massive high-rises. On any given day, how many people dream of moving here? Thus, Leavenworth's median prices will remain at a regional high, (\$675,000 this summer). Sadly, for most people, purchasing or even living in our community is no longer an option.

The final blow to using density for the creation of diverse, affordable housing options comes from Leavenworth's limited infrastructure (sewer and water) and projected challenges to meet population growth. Unlike many other areas, we have additional traffic constraints. US2 is one lane in each direction with a turn lane in the middle. We already experience traffic jams when local rigs mingle onto the major vehicle corridor between the west and east sides of the Cascades.

Since we can't overturn American capitalism or the law of supply and demand, the real question now involves the other side of the economic equation. Can government intervene to address housing issues for the public good? The Whistle continues to assert that what has occurred so far as a result of the mayor, council and planning commission's initiatives and code changes has not resulted in more affordability. Instead, density has increased while quality of life in our neighborhoods for people, plants and wildlife is decreasing. To quote Jane Austen, "badly done!"

We'll pick this up next time in The #2 Affordable Housing Whistle. In the meantime, we welcome all comments through our website at LWhistle.com. Keep whistling. We hear you!