



POINTS
CONSULTING



Chelan County 2026–2046 Comprehensive Plan Land Capacity Analysis

For: Anchor QEA and Chelan County

From: Points Consulting

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1. Introduction to Chelan County's LCA

The County of Chelan is in the process of updating its Comprehensive Plan to account for the population growth expected between 2027 and 2046. This report details the Land Capacity Analysis (LCA) for the County of Chelan. It's important to note that individual cities and their respective Urban Growth Areas (UGAs) within Chelan County are responsible for conducting their own LCAs. Findings from this study do not include any geographies within UGAs not under County jurisdiction, such as Cashmere, Entiat, Leavenworth, and Wenatchee. The unincorporated UGAs of Manson and Peshastin are included in this analysis, as they fall within County jurisdiction.

This report outlines the first step in the process undertaken by Chelan County to ensure sufficient land is available to meet future housing needs, based on projected population growth and the corresponding housing demand of all income segments through 2046. The contents of this process and report include:

Chapter 2: Executive Summary

- Key highlights from the assessment

Chapter 3: Population Estimates and Projections

- Historical population trends and projections provided by the Washington State Office of Financial Management (OFM) and adopted by Chelan County

Chapter 4: Future Housing Demand

- Projected future housing demand based on population projections, using the Housing for All Planning Tool (HAPT)
- Adjusted housing projections that account for new housing production from 2020 to 2026 to accurately reflect the full planning period

Chapter 5: Residential Land Capacity Analysis

- Assessment of residential land availability, which defines the County's capacity to accommodate future housing

Chapter 6: Housing Demand Vs. Supply

- Comparison of project housing demand with supply to determine whether Chelan County can meet future housing needs

Executive Summary

Chelan County is updating its Comprehensive Plan to accommodate projected population growth between 2027 and 2046 and to ensure an adequate housing supply across all income levels. This Land Capacity Analysis (LCA) focuses on unincorporated areas not managed by cities, such as the Manson and Peshastin Urban Growth Areas (UGAs). Under the Growth Management Act (GMA), counties must establish UGAs to concentrate urban development within designated boundaries and prevent urban-style growth in rural areas.

Manson and Peshastin are unique because neither contains an incorporated city, making Chelan County responsible for managing these areas. In contrast, each incorporated city in Chelan County is responsible for managing its own UGA. For this reason, PC does not include the other UGAs in the County in this analysis.

Population

On March 5, 2024, the Board of Chelan County Commissioners adopted population allocations from the Washington Office of Financial Management (OFM). These allocations forecast how population growth will be distributed across the County over the next 20 years, based on OFM's medium growth model.

Between 2022 and 2046, rural Chelan County is expected to account for approximately 25% of the County's total population growth, reaching a population of 27,198 by the end of the planning period. The Manson UGA is projected to account for approximately 3% of growth, with a population of 2,592 in 2046. The Peshastin UGA is not expected to experience any growth, and its population is projected to remain stable at 655 through 2046.

Future Housing Needs

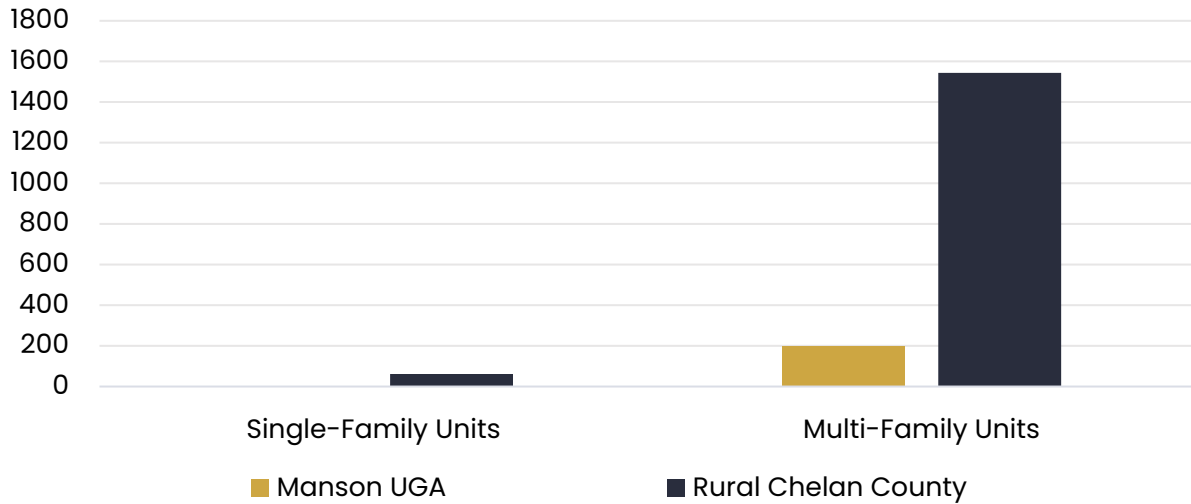
Like the population projections, future housing needs are determined by the population growth allocations adopted by Chelan County. To assess these needs, the Points Consulting (PC) team used a model provided by Chelan County that incorporates the Housing for All Planning Tool (HAPT), developed by the Washington State Department of Commerce. The HAPT model estimates housing needs from 2020 to 2046 by Area Median Income (AMI) level for each jurisdiction in the County based on the adopted population allocations. Chelan County selected a methodology aligned with "Method A" from the HAPT guidance.

The planning period for Chelan County's next Comprehensive Plan spans 2027 to 2046. To align the model's projections with this timeframe, PC adjusted the baseline using housing permit data collected by the University of Washington Center for Real Estate Research (WCRER) from 2021 to 2023, including a forecast through 2026. Following this

adjustment, the County’s HAPT-based projections indicate the number of housing units needed in each jurisdiction by 2046.

It is also important to note that, due to Peshastin’s projected lack of population growth, there are no additional housing needs forecasted for the Peshastin UGA.

Figure 1.1: Housing Needs, 2027–2046



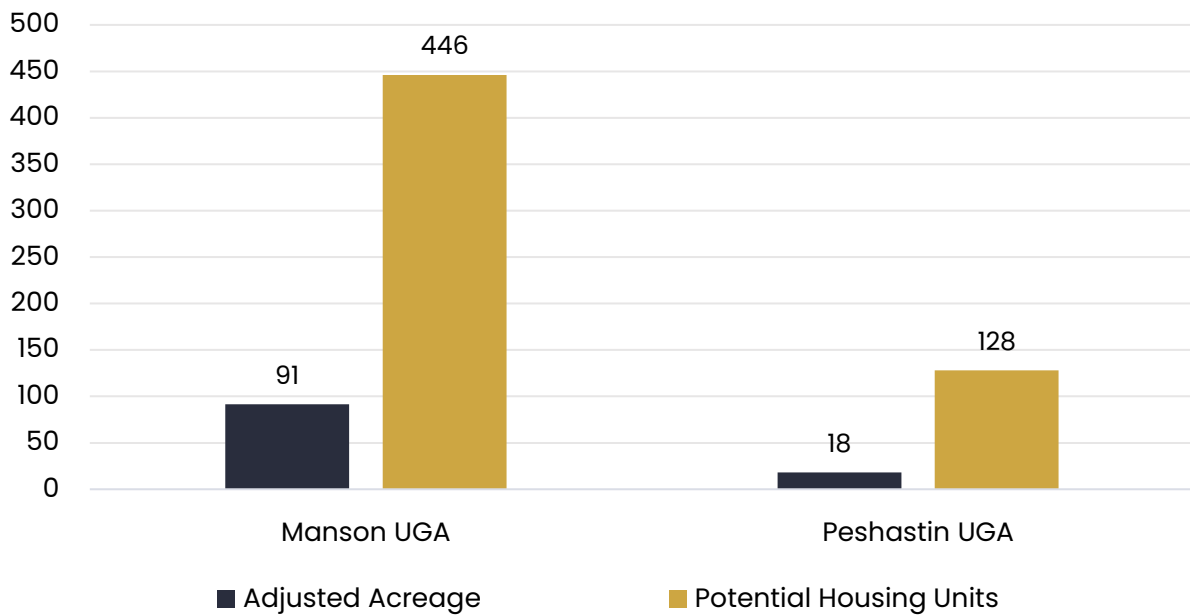
Source: Housing for All Planning Tool, Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents

Residential Land Capacity Analysis

Using parcel data from Chelan County, PC conducted a Residential LCA. Within zones permitting residential development, PC classified parcels as **Vacant, Potentially Redevelopable**, or **Underutilized** based on improvement values, land values, and Department of Revenue (DOR) codes. Following best practices, PC applied a 25% reduction to account for market factors and an additional 25% reduction to account for public use and right-of-way development on Vacant land.

Although findings for the rural county areas are detailed in [Chapter 4](#), key results are summarized here where appropriate. Our analysis of Vacant parcels is shown in Figure 1.2.

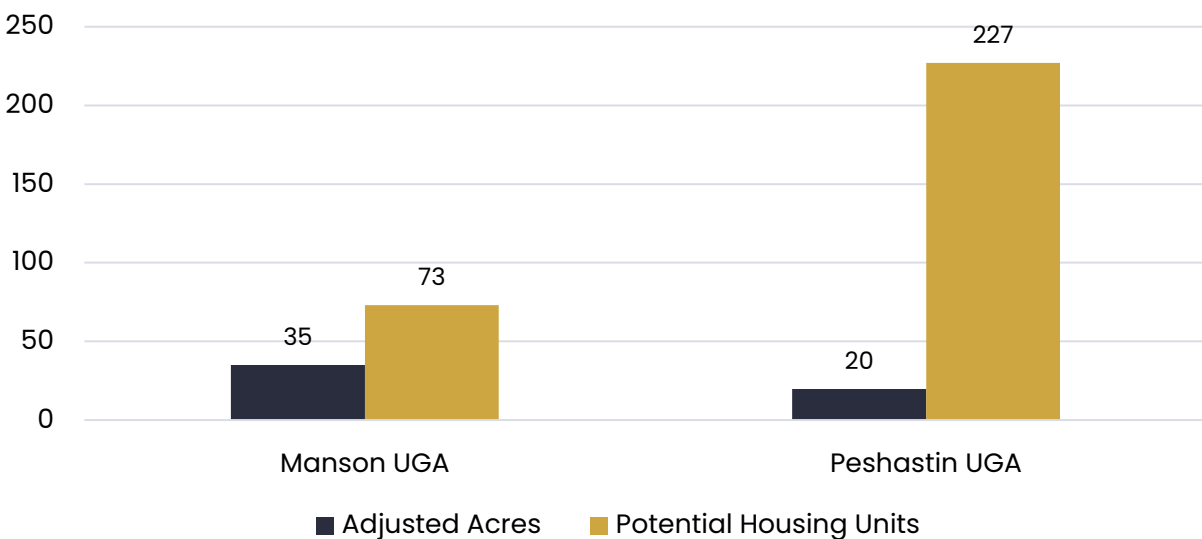
Figure 1.2: Chelan County Unincorporated Urban Growth Area Vacant Residential Land and Potential Units



Source: City and County of Chelan, 2024

PC defines Potentially Redevelopable parcels as those with improvement values lower than land values but exceeding \$10,000. This captures properties with existing improvements that are significant yet still offer substantial land available for further development. Figure 1.3 shows the results of our analysis.

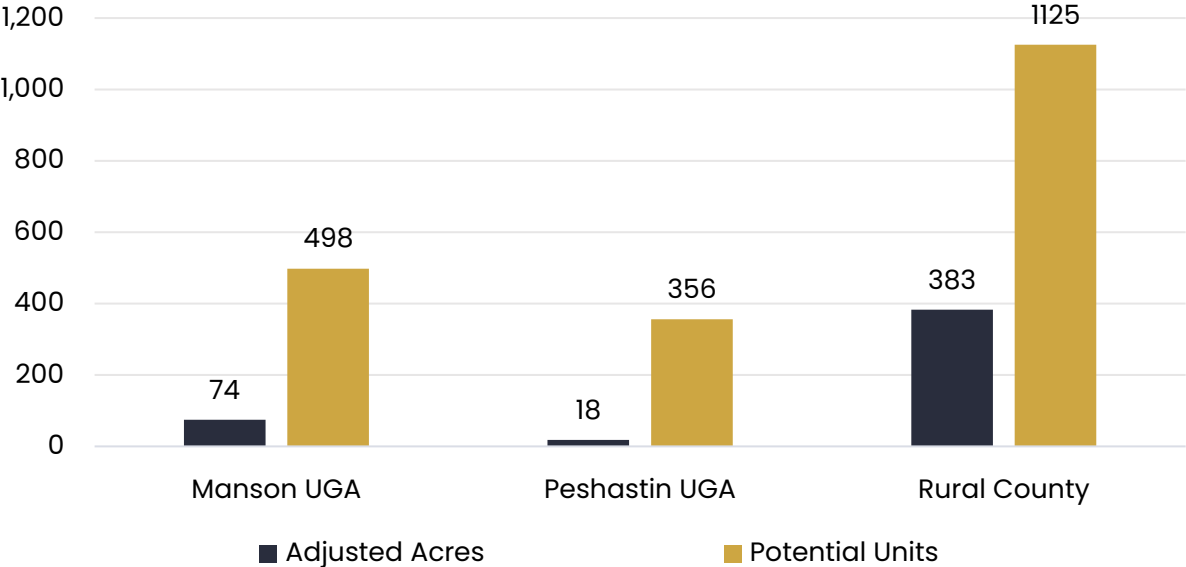
Figure 1.3: Redevelopable Residential Land in Unincorporated UGA Land



Source: City and County of Chelan, 2024

PC identified Underutilized parcels based on current use and zoning standards. Although these properties are already developed and have improvement values high enough to exclude them from the Potentially Redevelopable category, they remain candidates for redevelopment over the next 20 years to help meet housing demand. These properties have improvement values greater than their land values and exceed \$10,000, but their current use reflects a lower density than what is allowed under current zoning. Figure 1.4 shows the results of our analysis.

Figure 1.4: Underutilized Land Inventory in Unincorporated UGAs and Rural County



Source: City and County of Chelan, 2024

Capacity Findings

PC’s analysis of Vacant, Potentially Redevelopable, and Underutilized parcels shows that the total housing supply can meet projected housing demand through 2046. By strategically focusing on underutilized parcels (especially in Rural Village zones) policymakers can help ensure affordability and limit sprawl. Ongoing monitoring of market conditions and infrastructure investments will help keep growth aligned with long-term targets.

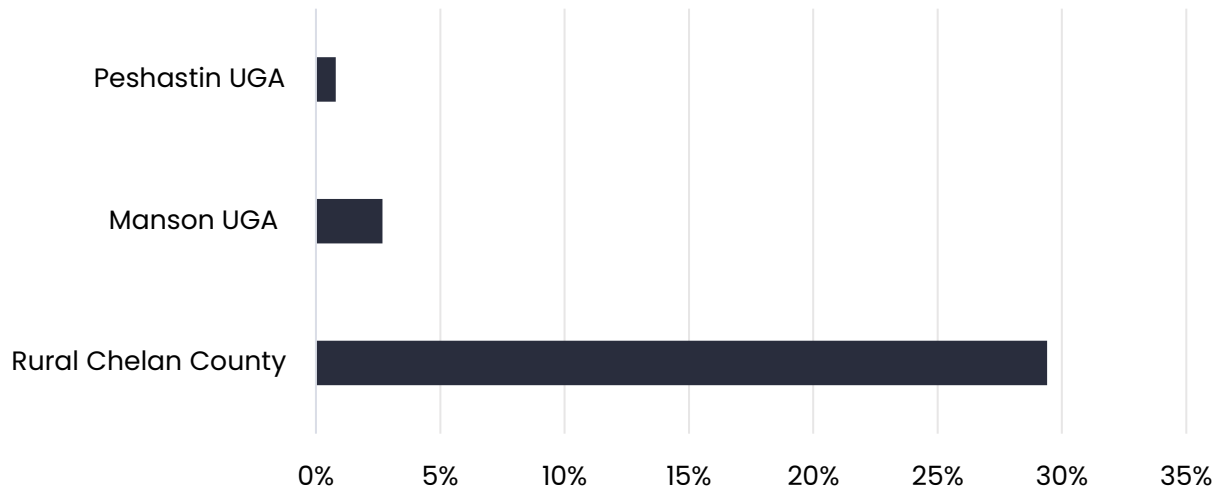
2. Population Estimates, Trends, and Projections

Population Estimates

In 2023, Chelan County’s estimated population was 81,500. Approximately 40.4% of residents lived in unincorporated areas (land located outside city limits but within the Urban Growth Areas (UGAs)) designated for each city. Although not currently part of a city, these areas are eligible for annexation when the need arises.

Chelan County has two UGAs not associated with an incorporated city: Peshastin and Manson. In 2023, Peshastin accounted for 0.8% of the County’s population, while Manson represented 2.7%. Rural Chelan County, located entirely outside both city and UGA boundaries, made up 29.4% of the total population (Figure 2.1).

Figure 2.1: Percent Share of Total County Population by Geographical Areas, 2023



Source: Small Area Estimates Program—Urban Growth Area Population Estimates, Washington State OFM

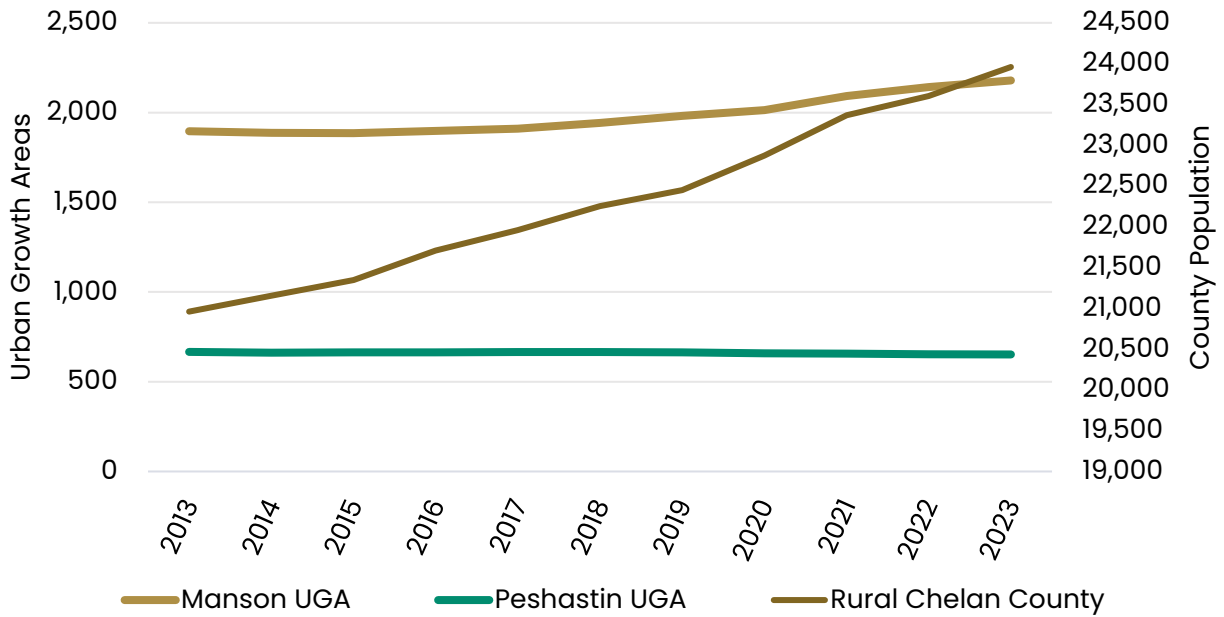
Population Growth Trends

In 2013, Chelan’s County’s population was estimated at 73,391. At that time, 28.6% of residents lived in rural Chelan County. By 2023, this share had grown, indicating an increasing proportion of the population living outside both city and UGA boundaries. In 2013, approximately 2.6% of the population lived in Manson and 0.9% in Peshastin

Overall, the County’s population grew 11.4% between 2013 and 2023. The Chelan UGA and Leavenworth UGA experienced the highest percentage increases (5.8% and 12.3% respectively). However, in terms of total population growth, the Wenatchee UGA saw the largest increase.

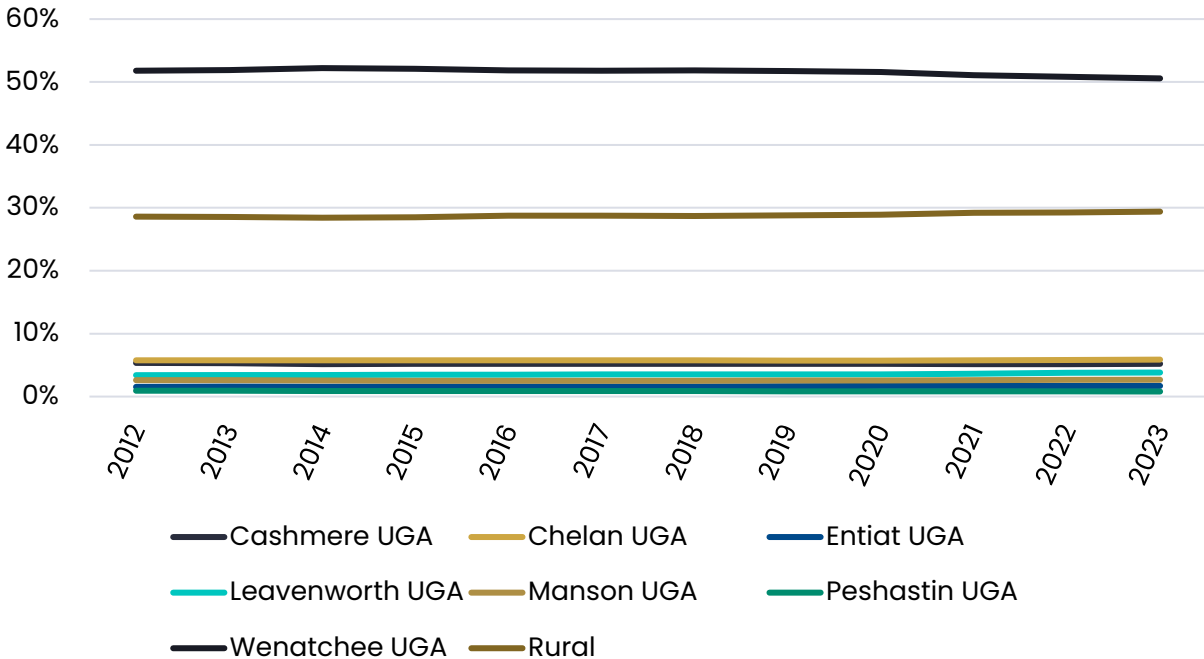
Figure 2.2 illustrates population changes in County-managed jurisdictions during this period. Figure 2.3 presents population trends for each area within Chelan County.

Figure 2.2: Unincorporated Urban Growth Area Populations, 2013–2023



Source: Small Area Estimates Program—Urban Growth Area Population Estimates, Washington State OFM

Figure 2.3: Chelan County Population Percentages



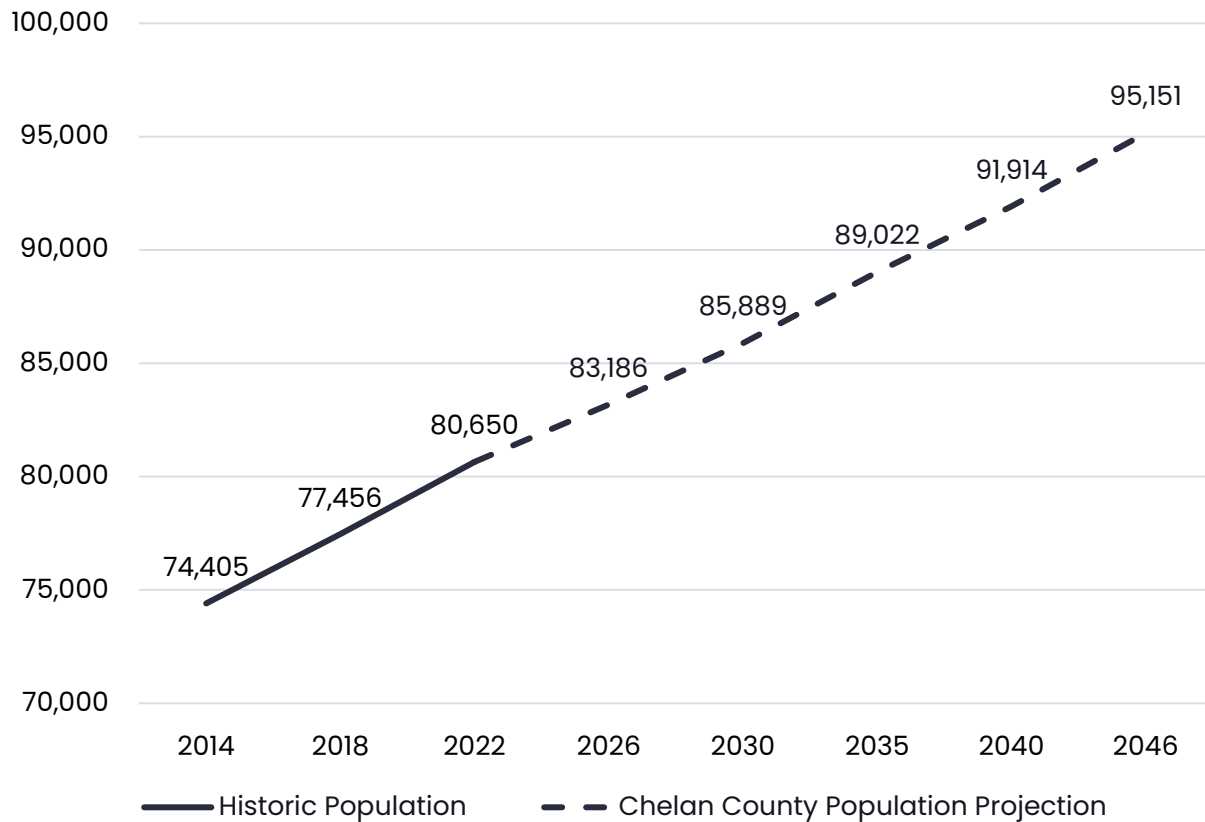
Source: Small Area Estimates Program—Urban Growth Area Population Estimates, Washington State OFM

On March 5, 2024, The Board of Chelan County Commissioners adopted a set of population projections based on the medium targets set by the Washington State

Office of Financial Management (OFM). Figure 2.4 shows the population projections that were chosen by the County, while Figure 2.5 displays the low, medium, and high population projections provided by the OFM. Also shown is the 2017 Chelan County Comprehensive Plan population projection in comparison to the new medium projection.

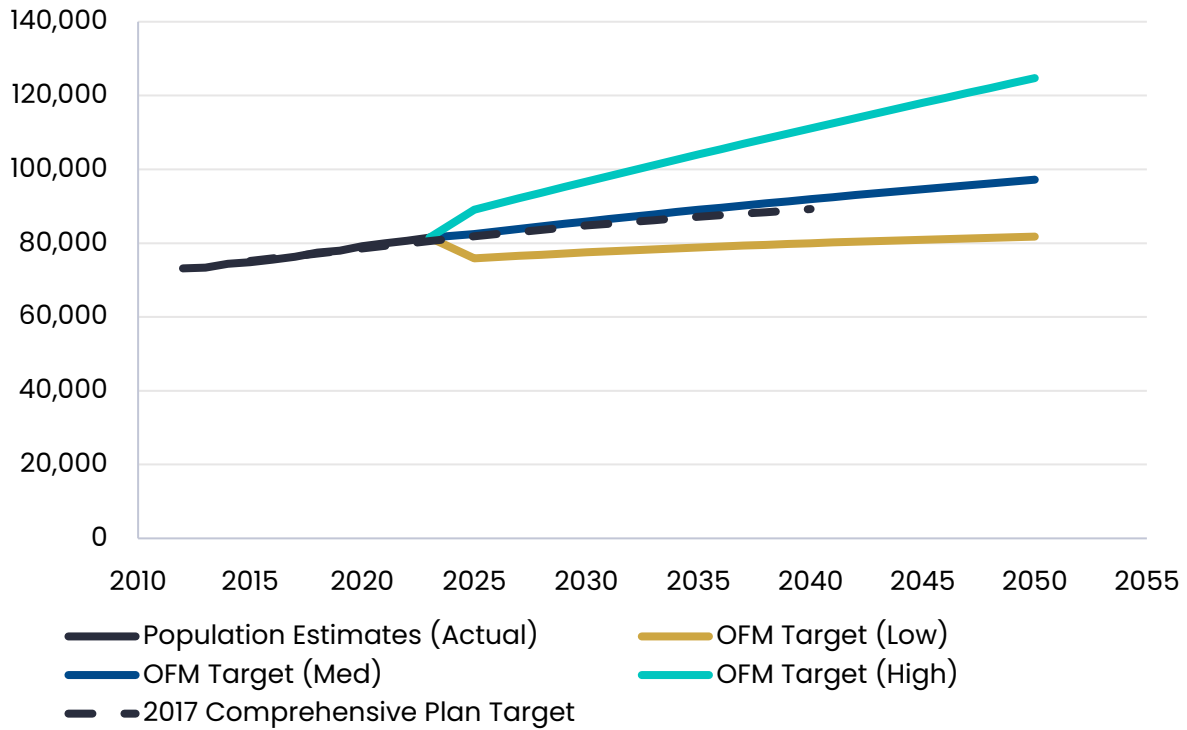
Table 2.1 shows the adopted projections broken down by each Urban Growth Area, as well as incorporated and unincorporated Chelan County.

Figure 2.4: Chelan County Population Projections



Source: Chelan County Population Allocations, 2024

Figure 2.5: Washington OFM Countywide Projections



Source: Points Consulting using Washington State OFM, 2024; Chelan County Comprehensive Plan 2017

Table 2.1: Chelan County Population Projections by Geographic Area

UGA	Population Allocation	2022	2026	2030	2035	2040	2046	2026-2046
Manson	3.4%	2,103	2,189	2,280	2,385	2,483	2,592	403
Chelan	3.4%	4,704	4,791	4,884	4,991	5,090	5,201	410
Entiat	2.2%	1,361	1,418	1,478	1,548	1,612	1,684	267
Leavenworth	3.4%	3,041	3,128	3,221	3,329	3,428	3,539	410
Peshastin	0.0%	655	655	655	655	655	655	--
Cashmere	3.2%	4,153	4,235	4,322	4,423	4,517	4,621	386
Wenatchee	59.6%	41,019	42,530	44,141	46,008	47,731	49,660	7,130
Urban	75.28%	57,036	58,945	60,980	63,339	65,516	67,953	9,007
Rural	24.72%	23,614	24,241	24,909	25,683	26,398	27,198	2,958
Total	100.00%	80,650	83,186	85,889	89,022	91,914	95,151	11,965

Source: Chelan County Population Allocations, 2024

3. Future Housing Demand

The Housing for All Planning Tool (HAPT) is a product of 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. Using population projections for 2046 from the Washington State Office of Financial Management (OFM), the HAPT breaks down housing needs by Area Median Income (AMI) using three allocation methods.

On March 5, 2024, Chelan County selected the medium population projection as the most accurate reflection of expected growth.

In conjunction with this, the County adopted housing need allocations for the planning period from 2020 to 2046. These projections, based on Method A of the Washington State Department of Commerce's HAPT, distribute housing needs to Urban Growth Areas (UGAs) and rural areas.

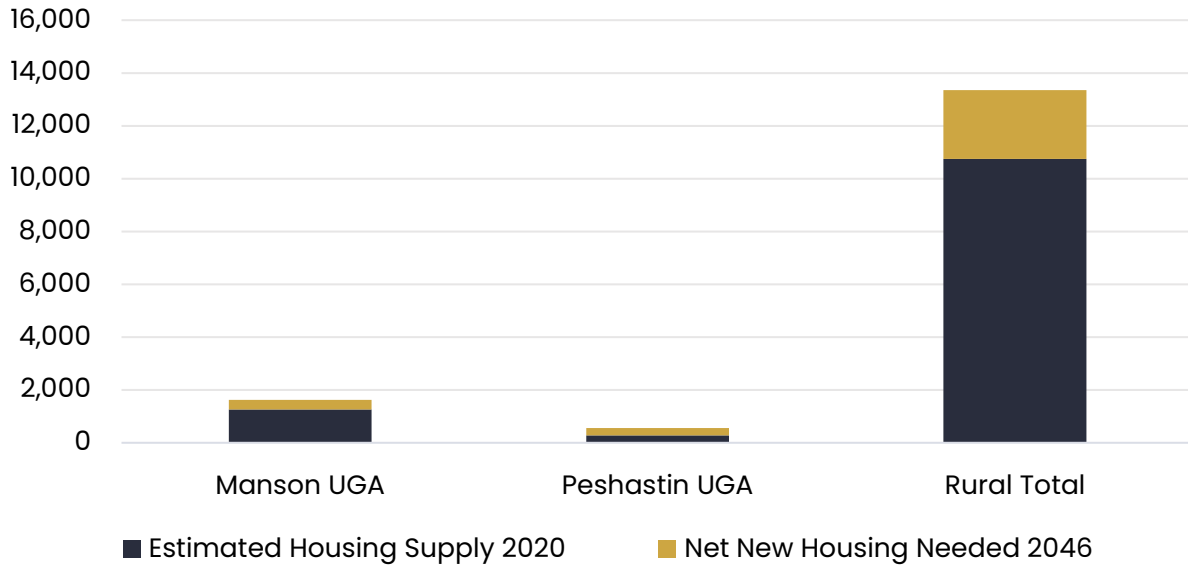
Allocation Method A:

- Assumes all housing needs are met through new housing production
- Applies uniform income-based percentage shares to each jurisdiction's net new housing growth target

To ensure consistency, both the County and its cities must use the same allocation method, so that all housing needed to support projected population growth is properly accounted for.

Figure 3.1 shows the estimated housing needs for Manson, Peshastin, and rural unincorporated areas. A full breakdown of housing needs for the entire County is provided in [Appendix A](#). Notably, Peshastin is projected to need zero new housing units by 2046.

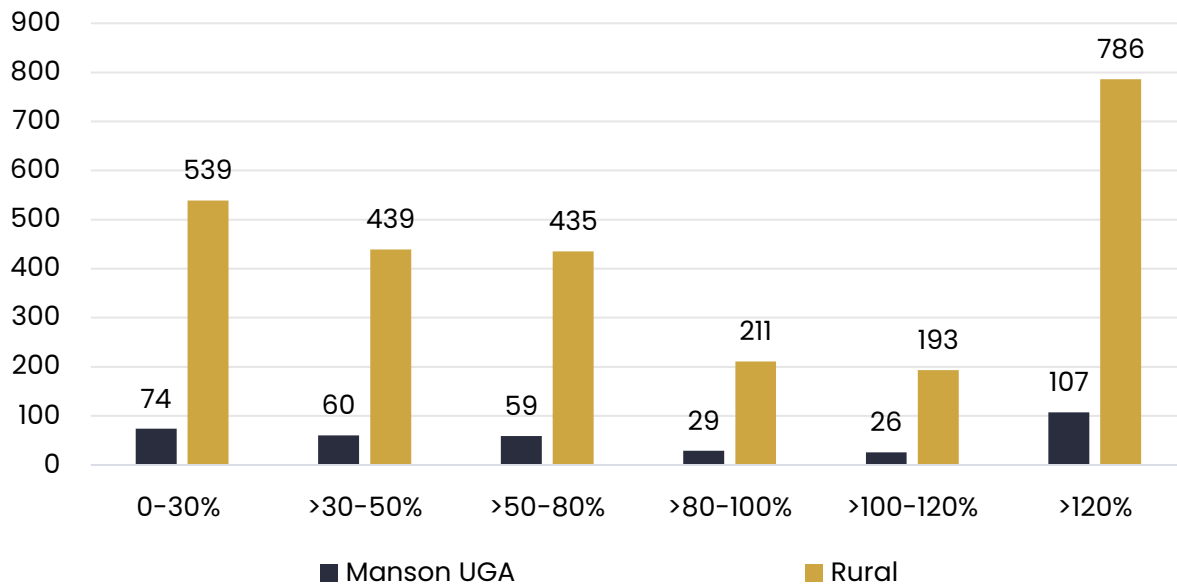
Figure 3.1: Projected Housing Need for Unincorporated County Areas



Source: Chelan County Population and Housing Allocations using the Housing for All Planning Tool, Washington State Department of Commerce

Figure 3.2 shows the demand for housing based on Area Median Income (AMI) level for the same period.

Figure 3.2: Housing Need by AMI Level for Unincorporated County



Source: Chelan County Population and Housing Allocations using the Housing for All Planning Tool, Washington State Department of Commerce

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 the years 2020 to 2046. To align with the 20-year planning horizon, housing supply is first estimated for the period from 2020 to 2026. These estimates are then subtracted from the total housing demand (2020–2026) to determine the remaining housing need for the 20-year period of 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) for number of housing units produced, and residential sales data from Realtors Property Resource (RPR) for the distribution of income levels these properties would fall into.

Residential Permits Issued, 2021–2024

WCRER housing permit data include the number of building permits issued by local jurisdictions for 2021 to 2024. These values were used to estimate the total number of housing units constructed during that period.

RPR residential sales and tax assessment data for the time period was used to assess the value of the single-family homes built from 2021–2024. Since the RPR database does not contain all houses built during this period, the distribution of home values was applied to the number estimated from the WCRER permit count to approximate the number of homes built at each AMI level. Multi-family units’ values were pulled from the WCRER data.

Estimating Housing Supply, 2025–2026

A three-year moving average of the total number of dwelling units built from 2021 to 2024 is used to forecast housing production in subsequent years. This average is applied as follows: the 2022–2024 average is used to estimate 2025 housing production; and the 2023–2025 average is used for the 2026 projection.

Estimated Housing Supply, 2021–2026

Figure 3.3 shows the estimated total housing supply by affordability level for the years 2021 to 2026. The graph indicates that the majority of housing during this period is expected to be built in rural areas of the County.

Determining Affordability of the Estimated Housing Supply

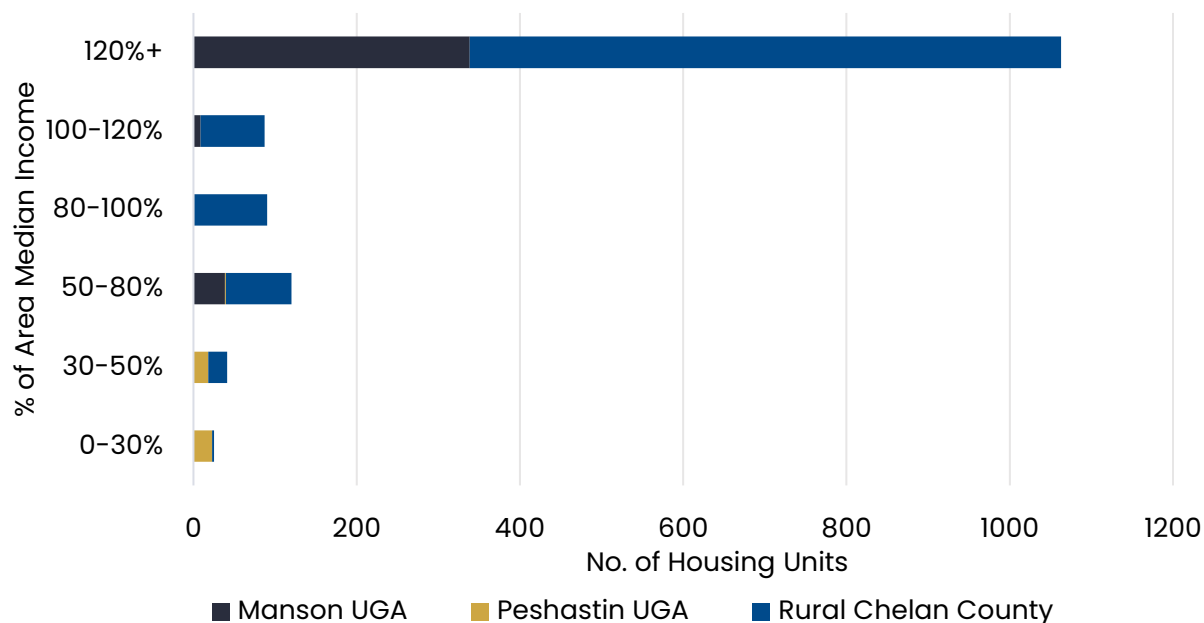
To estimate the affordability level of new housing units, the project team used different methods based on housing type. For single-family and two-unit structures, affordability was calculated using mortgage payment estimates. These were compared against income levels derived from the U.S. Department 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.

A detailed breakdown by unit count can be found in [Appendix A](#).

Figure 3.3: Estimated Housing Supply by Region and Income Level, 2021–2026



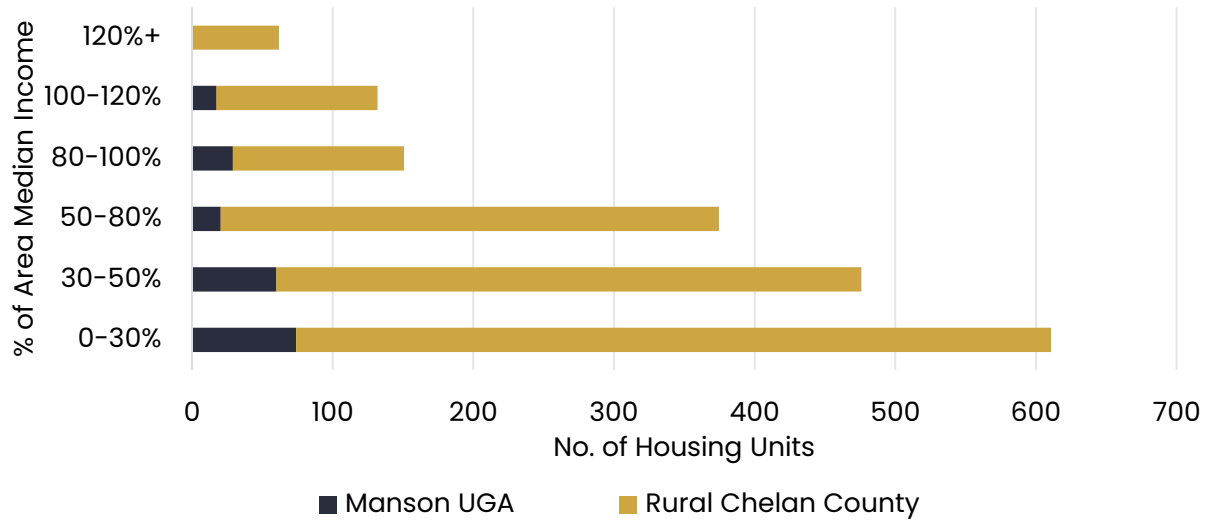
Source: *Housing for All Planning Tool, Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents*

Housing Demand by Income Level 2027–2046

The project team calculated housing demand for the planning period of 2027 to 2046 by subtracting the estimated housing supply built between 2020 and 2026 from the total projected housing demand for 2020 to 2046. The substantial number of units built in Manson in the 120% AMI range during 2021–2026 suggests that this need has been met, and therefore, no additional units are required in this category over the next 20 years.

Based on the current housing supply, Manson will need approximately 134 low-income multifamily units (0–50% AMI) and no single-family units (120%+ AMI) between 2027 and 2046. The remainder of rural Chelan County will require 953 low-income multifamily units and 62 single-family units during the same period (Figure 3.4).

Figure 3.4: 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

The HAPT model produced housing unit needs for temporary, emergency housing. According to the model, the County will need 302 additional units by 2046. Approximately 10 of these will be located in the Manson UGA, and 75 will be located in the rural county.

4. Residential Land Capacity Analysis

Purpose

The Residential Land Capacity Analysis (LCA) identifies Vacant, Potentially Redevelopable, and Underutilized residential land in unincorporated Chelan County, which includes all rural areas of Chelan, as well as the Manson and Peshastin Urban Growth Areas (UGAs). The analysis identifies areas that have the potential to be developed with new or additional residential development to accommodate housing needs for the next twenty years (2027–2046).

An additional evaluation was conducted for the Malaga Limited Area of More Intense Rural Development (LAMIRD), which is recognized by the State of Washington as an area intended for:

- Intense rural development and the containment of low-density sprawl
- Small-scale commercial uses that rely on a rural location
- Small-scale economic development and employment consistent with rural character
- Redevelopment of existing industrial areas within rural areas

Findings from this analysis are shown in [Appendix C](#).

This chapter outlines the key assumptions and the methodology the Points Consulting (PC) project team used to create an inventory of Vacant, Potentially Redevelopable, and Underutilized parcels. The geographic scope of the residential LCA includes all unincorporated land in Chelan County.

Assumptions

The study is based on the following assumptions:

1. The project team acquired the following densities from local zoning codes and the Comprehensive Plan. They serve as the baseline density assumptions for the LCA:
 - PC assumed that land in each zoning district will be developed to the highest allowable density. For example, a zone designated for multifamily housing is not assumed to develop single-family housing.
 - Each residential density has been adjusted downward to create an “assumed density,” as it is unlikely that development will occur at the maximum allowed density in every zone. Many zones also include a range of densities, requiring reasonable assumptions.
 - Only one rural zone (rural village, RV) permits multifamily dwellings. While the density standards do not explicitly state that RV has the highest

residential density, PC assumed that the RV zone will develop at the highest density.

- See the Zoning Dictionary in [Appendix A](#) for detailed descriptions of each zone.

Table 4.1: Zoning Densities and Assumptions

Zone	Density	Density Assumption
Manson UGA		
UR1	4	3
UR2	8	6
UR3	12	9
Peshastin UGA		
R-1	10	6
R-2	6 SFH–37 MFH	20
R-3	7 SFH–37 MFH	20
Rural County		
RR2	0.4	0.4
RR5	0.2	0.2
RR10	0.1	0.1
RR20	0.05	0.05
RW	0.5–3.5	1.5
RRR	0.5–3.5	1
RV	0.4+	3
RC	No Limit	0.5

Source: Chelan County Zoning Code

2. PC assumed that land under certain types of ownership or existing uses will not be converted to residential use, even if it is zoned for residential development. when zoned for residential purposes. These ownership types or uses include the following:
 - Government-owned parcels
 - School District-owned parcels
 - Tribal-owned parcels
 - Fire District-owned parcels
 - Public/Quasi-Public land, Recreational land (parks, golf courses, etc.)
 - Cemeteries
 - Churches
 - Condominiums and Condo Public Spaces
3. **Market Factors:** PC assumed approximately 25% of the land will not develop due to market constraints such as unwilling sellers or buyers, lack of developer

interest, or landowners choosing to conserve property through land trusts. Therefore, PC made this reduction from the land inventory.

- **Potentially Redevelopable:** PC assigned these parcels an assumed market factor of 35%. They are less likely to be developed with additional housing compared to Vacant land due to the presence of existing residential structures.
 - **Underutilized:** PC assigned these a higher market factor of 50%, as they are the least likely property classification to redevelop. While not used to their full potential, these parcels are already fully developed for residential purposes, making redevelopment less probable than for Potentially Redevelopable properties.
 - **City of Chelan Adjustment:** PC made an additional, community-specific adjustment for the City of Chelan to account for a planned development at the Apple Blossom Center. This multifamily development allows a maximum density of 24 dwelling units per acre, with a total cap of 720 units. This special district is reflected in the City of Chelan's figures and tables as "ABMF."
4. **Public Infrastructure and Roads:** PC assumed that as development occurs, nearly 25% of the land in the inventory will be used to accommodate public infrastructure and public rights-of-way necessary to support future development.
 5. **Vacant:** PC classified parcels with an improvement value of \$10,000 or less as Vacant.
 6. **Potentially Redevelopable:** PC classified residential parcels as Potentially Redevelopable if they are not considered Vacant (i.e., they have an improvement value greater than \$10,000) and have an improvement-to-land value ratio of less than 1.0. This classification assumes that such parcels could be redeveloped to accommodate additional housing. The improvement-to-land ratio is equivalent to a 33% improvement-to-total assessed value ratio.
 - For instance, if the total assessed value of a parcel is \$200,000, and the improvement value is \$50,000, the land value would be \$150,000. PC would classify this parcel as Potentially Redevelopable. It is not considered Vacant because the improvement value exceeds \$10,000, but it qualifies as Potentially Redevelopable because the improvement value is less than the land value.
 7. **Underutilized:** This category of land inventory includes residential parcels assumed to be underutilized (those that do not fall in either the Vacant or Potentially Redevelopable categories). Underutilized parcels are developed at a lower density than what is permitted by the zoning district in which they are located.

- For example, parcels that are assigned a Department of Revenue (DOR) Code of 11 (Residential Single Family) but located in a zone with higher maximum density (such as RM in Wenatchee) are considered Underutilized.
- In another case, both Wenatchee and Peshastin have parcels located in high-density zones (such as RH) that are designated as DOR Code 12 (2–4 unit) parcels. PC also considers these parcels Underutilized, as the existing 2–4 unit structures do not maximize the development potential allowed by zoning.

Methodology to Create Land Inventory

PC began this analysis with a comprehensive evaluation of all parcels in unincorporated Chelan County, as well as the City of Chelan. Using the above noted assumptions, PC took the following steps to create the land inventory.

1. PC used local zoning codes to identify and extract all parcels zoned for residential development in all the Urban Growth Areas and rural areas of the County.
2. Subsequently, PC segregated the residential parcels by zoning districts to identify land that could be developed with single-family dwellings and multifamily residential development.
3. PC removed the following from the inventory: parcels that are government-owned; owned by school districts, tribes, fire districts, or homeowner associations; designated as public or quasi-public land; used for recreation (e.g., parks, golf courses); reserved for cemeteries; or developed with churches.
4. PC removed parcels from the land inventory containing steep slopes of over 15% grade and those located within FEMA Special Flood Hazard Area Zones A, AE and AO.
5. PC deducted 25% of the remaining land area from the inventory to accommodate market factors.
6. We deducted 25% of the remaining land area from the inventory to accommodate development of public infrastructure and roads to support future development.
7. PC separated the remaining inventory into three different categories using improvement values, land values and Department of Revenue (DOR) tax codes based on the assumptions noted above. The three categories of land inventory are:
 - a. Vacant
 - b. Potentially Redevelopable
 - c. Underutilized

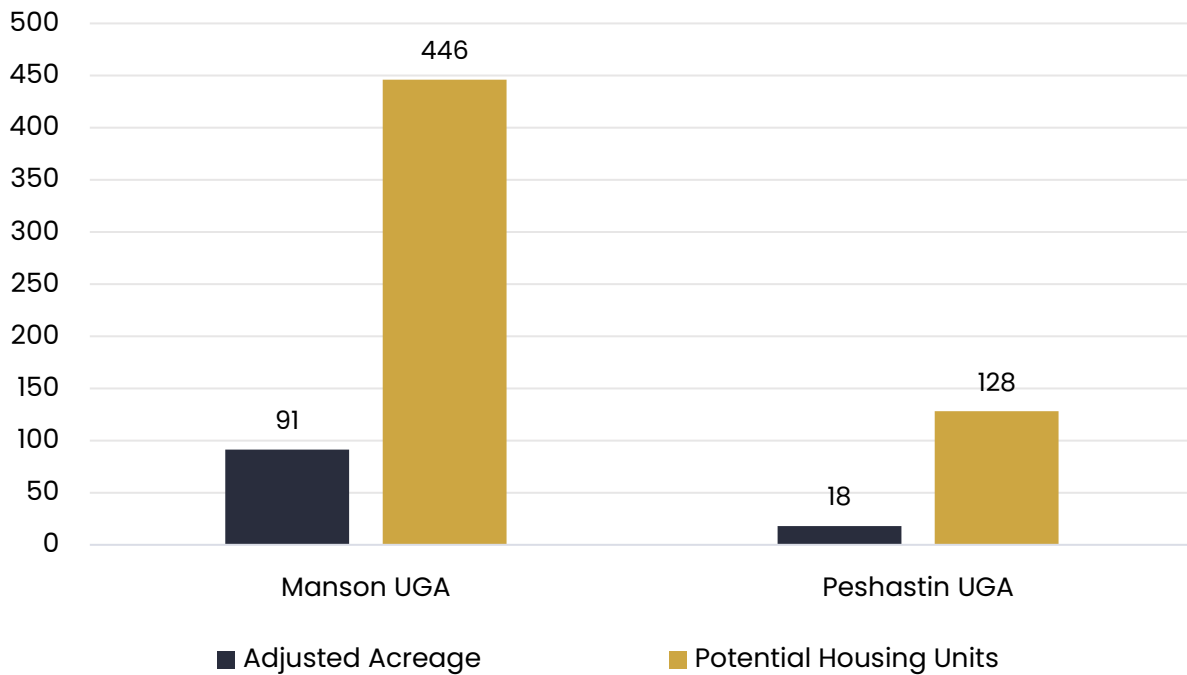
8. PC multiplied the area of land (in acres) from the land inventory by the assumed residential densities for each zoning district (as noted in the assumptions above) to estimate the potential number of housing units that could be accommodated on that land.

Vacant Land Inventory and Potential Housing Units Supply

As noted in the assumptions, parcels with an improvement value of less than \$10,000 are classified as Vacant. Figure 4.1 below and Tables 4.2–4.4 show Vacant land inventory derived using the assumptions and methodology noted in the previous section.

Figure 4.1 depicts the Vacant land available in unincorporated Chelan County. These areas include the two unincorporated towns of Manson and Peshastin, which are recognized as UGAs. The figure shows the potential number of housing units that could be developed on the available, adjusted acreage.

Figure 4.1: Chelan County Unincorporated Urban Growth Area Vacant Residential Land and Potential Units



Source: City and County of Chelan, 2024

Tables 4.2–4.4 detail the amount of land classified as Vacant and the resulting potential housing units within each unincorporated UGA, broken down by zoning. Table 4.4 also includes all Vacant land in rural Chelan County.

Table 4.2: Manson UGA Unincorporated UGA Vacant Residential Land

Zone	Adjusted Acres	Housing Unit Potential
UR1	43	129
UR2	40	238
UR3	9	79
Total	91	446

Source: City and County of Chelan, 2024

Table 4.3: Peshastin UGA Unincorporated Vacant Residential Land

Zone	Adjusted Acres	Housing Unit Potential
R-1	17	100
R-2	1	24
R-3	0.21	4
Total	18	128

Source: City and County of Chelan, 2024

Table 4.4: Rural Chelan County Vacant Residential Land

Zone	Adjusted Acres	Housing Unit Potential
RC	22	11
RR10	6,126	613
RR2	888	355
RR20	24,588	1,229
RR5	3,768	754
RRR	200	200
RV	132	395
RW	211	316
Total	35,933	3,873

Source: City and County of Chelan, 2024

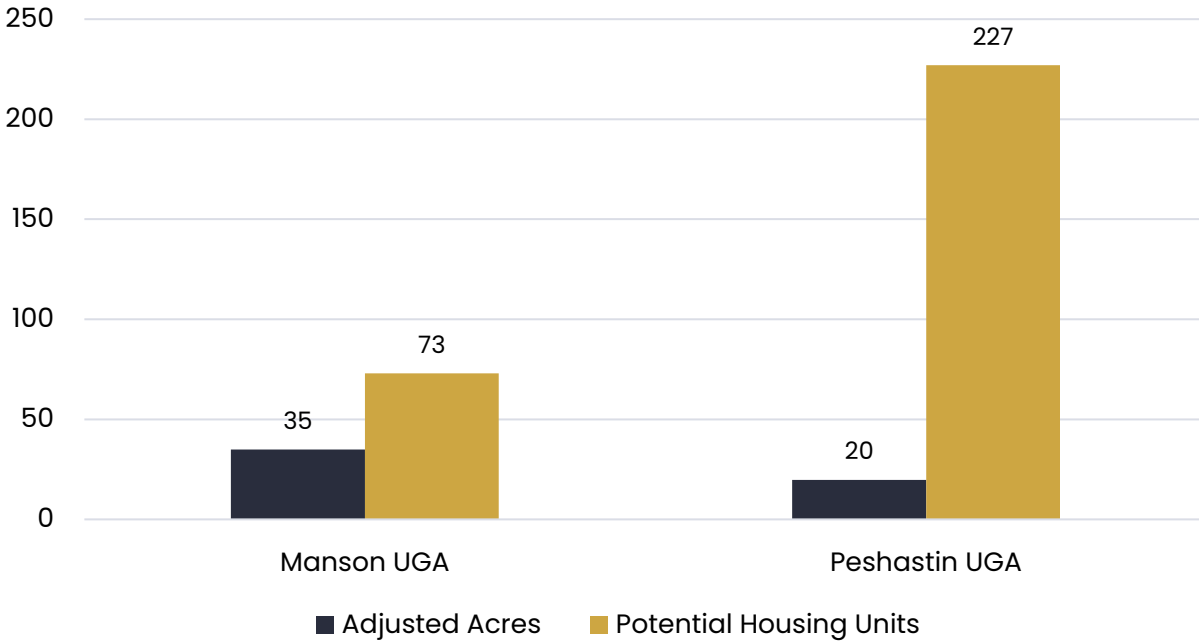
Potentially Redevelopable Land Inventory

As defined in this study's assumptions, residential parcels not classified as Vacant (specifically, those with an improvement value over \$10,000 and an improvement-to-total taxable value ratio of less than 0.33) are considered Potentially Redevelopable. This threshold is more conservative than those used in some other residential land capacity analyses, due to the undervaluation of highly sought-after parcels and structures in Chelan County, where scenic views drive high demand.

These parcels have improvement values lower than their land values, indicating potential for redevelopment to accommodate more housing. However, recognizing that not all parcels will be redeveloped, PC applied a 35% market factor to the estimates. This effectively eliminates 65% of the acreage.

Figure 4.2 shows all Potentially Redevelopable land available within the unincorporated UGA boundary.

Figure 4.2: Potentially Redevelopable Residential Land in Unincorporated UGA Land



Source: City and County of Chelan, 2024

Tables 4.5–4.7 display a detailed breakdown and total of Potentially Redevelopable land by zone.

Table 4.5: Manson UGA Potentially Redevelopable Land

Zone	Number of Parcels	Adjusted Acres	Housing Unit Potential
UR1	37	17	51
UR2	65	16	93
UR3	29	2	22
Total	131	35	166

Source: City and County of Chelan, 2024

Table 4.6: Peshastin UGA Potentially Redevelopable Land

Zone	Number of Parcels	Adjusted Acres	Housing Unit Potential
R-1	8	12	72
R-2	8	7	148
R-3	6	0.3	7
Total	22	19	227

Source: City and County of Chelan, 2024

Table 4.7: Rural Chelan County Potentially Redevelopable Land

Zone	Number of Parcels	Adjusted Acres	Housing Unit Potential
RC	4	1	1
RR10	125	493	49
RR2	241	198	79
RR20	167	1,096	55
RR5	350	797	159
RRR	37	12	12
RV	68	38	115
RW	507	2,635	470
Total	1,499	5,270	940

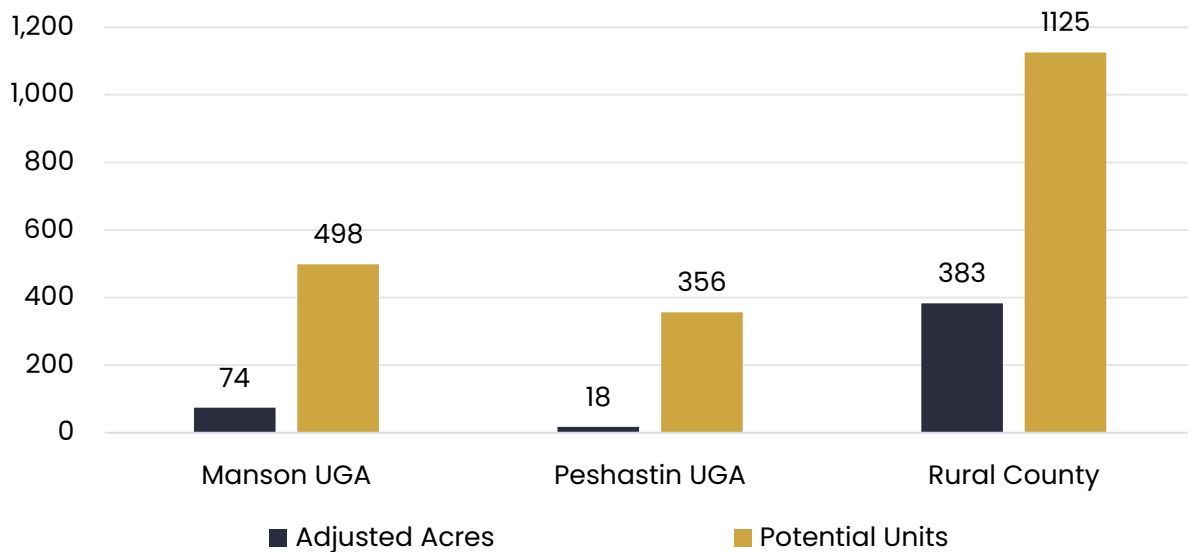
Source: City and County of Chelan, 2024

Underutilized Land Inventory

As noted in the study assumptions, Underutilized land refers to residential parcels that are not classified as Vacant or Potentially Redevelopable but are assumed to be developed at a lower density than allowed by their zoning. These parcels do not meet the criteria for the other categories but still represent opportunities for additional housing development. The assumptions section of this chapter provides examples to illustrate how PC identified these parcels.

Figure 4.3 shows the amount of land classified as Underutilized in the unincorporated UGAs of Chelan County, along with the potential number of housing units that could be accommodated if the land were developed to its maximum zoning capacity.

Figure 4.3: Underutilized Land Inventory in Unincorporated UGAs



Source: City and County of Chelan, 2024

Tables 4.8–4.10 provide a breakdown of each zone by number of parcels, total acreage, and potential housing units.

Table 4.8: Manson UGA Underutilized Residential Land

Zone	Number of Parcels	Adjusted Acres	Housing Unit Potential
UR2	320	57	341
UR3	207	17	157
Total	527	74	498

Source: City and County of Chelan, 2024

Table 4.9: Peshastin UGA Underutilized Residential Land

Zone	Number of Parcels	Adjusted Acres	Housing Unit Potential
R-2	20	15	309
R-3	25	2	47
Total	45	18	188

Source: City and County of Chelan, 2024

A cluster of parcels located within the City of Wenatchee’s boundaries are zoned under county designations, despite being situated in high- and medium-density areas. Technically, these parcels are not part of the City of Wenatchee. Many are currently underutilized and are included in this portion of the analysis.

Table 4.10: Rural Underutilized Residential Land

Zone	Number of Parcels	Adjusted Acres	Housing Unit Potential
RC	26	10	5
RV	1,098	373	1,120
Total	1,124	383	1,125

Source: City and County of Chelan, 2024

5. Housing Demand vs. Supply

The previous chapters in this study have laid the groundwork for evaluating whether current zoning regulations and the available land inventory can meet the projected housing demand in Chelan County over the next two decades. By comparing the estimated housing supply in each zoning district to the anticipated demand from 2027 to 2046, the analysis identifies potential gaps or surpluses in housing availability. This type of assessment is critical for long-term urban planning, helping ensure that enough land is appropriately zoned (and that sufficient land exists overall) to accommodate population growth and housing needs without overburdening infrastructure or underutilizing available space.

Relationship between Zoning Districts and Housing Affordability

For the purposes of this study, it is assumed that single-family dwellings developed over the next two decades will provide housing opportunities primarily for earners making more than 120% of the Area Median Income (AMI). This applies to all zoning districts in the County where only single-family dwellings are permitted, such as UR1 in Manson, R-1 in Peshastin, and RR 2-20 in rural Chelan County.

Similarly, PC assumes duplex and multifamily dwellings developed during the same period will serve earners above 120% of AMI. This includes all zoning districts in the County's urban areas that allow duplexes and multifamily units, such as UR2 in Manson, R-2 in Peshastin, and RV in rural Chelan County.

More specifically, PC expects only two zoning districts in rural areas, - UR3 (high-density Manson) and R-3 (upper-medium and high-density Peshastin) - to provide affordable housing opportunities for earners below 50% of AMI. PC expects all other zoning districts permitting duplexes and multifamily dwellings to serve earners with incomes ranging from 50% to 120% of AMI.

Findings

This section compares the total housing demand with the estimated housing supply the region can support based on current land zoning. As shown in Table 5.1 and Figures 5.1 and 5.2, every region has sufficient supply to meet future housing needs driven by population growth. Please note that Peshastin has zero projected housing demand by 2046 and is therefore excluded from these findings.

Table 5.1: Housing Demand vs. Supply

Region	Total No. of Dwelling Units Demanded	Total No. of Possible Dwelling Units	Supply Meets Demand?
Manson UGA	201	1,110	Yes
Rural Chelan County	1,605	5,559	Yes

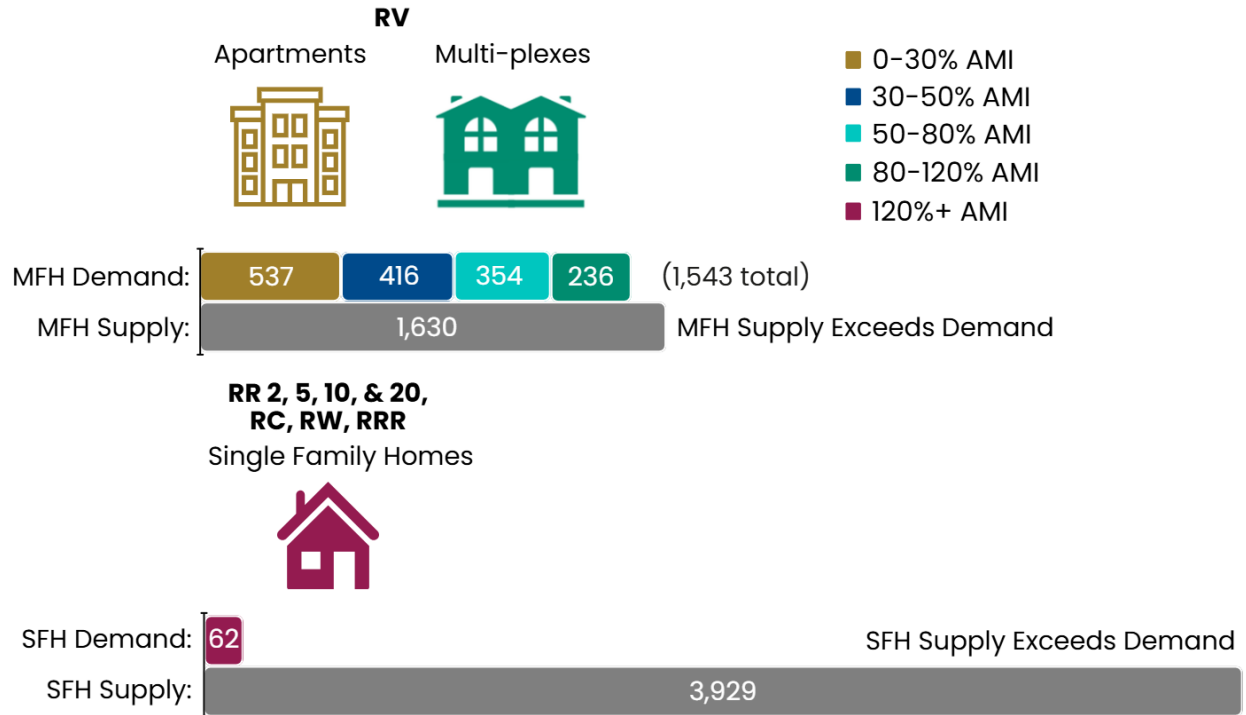
Source: Housing for All Planning Tool Method A; WCRER Housing Permit Data; HUD Area Median Incomes; HUD Fair Market Rents

Residential areas in rural Chelan County generally favor single-family, sprawling developments on large lots. However, the Rural Village (RV) zone permits multiplex and apartment-style dwellings. This zone is part of a Limited Area of More Intensive Rural Development (LAMIRD), along with Rural Commercial (RC), Rural Waterfront (RW) and Rural Recreational/Residential (RRR) zones. Outside of RV, the other zones are intended primarily for single-family use, though some allow for higher densities than others.

Given the amount of underutilized space in Rural Village areas, there is sufficient land available to meet future housing demand. However, if this underutilized space were unavailable, the demand for multifamily dwellings would not be fully met.

It should be noted that RC is considered single-family in this portion of the analysis since the RC land will primarily be developed for commercial purposes, not for residential purposes.

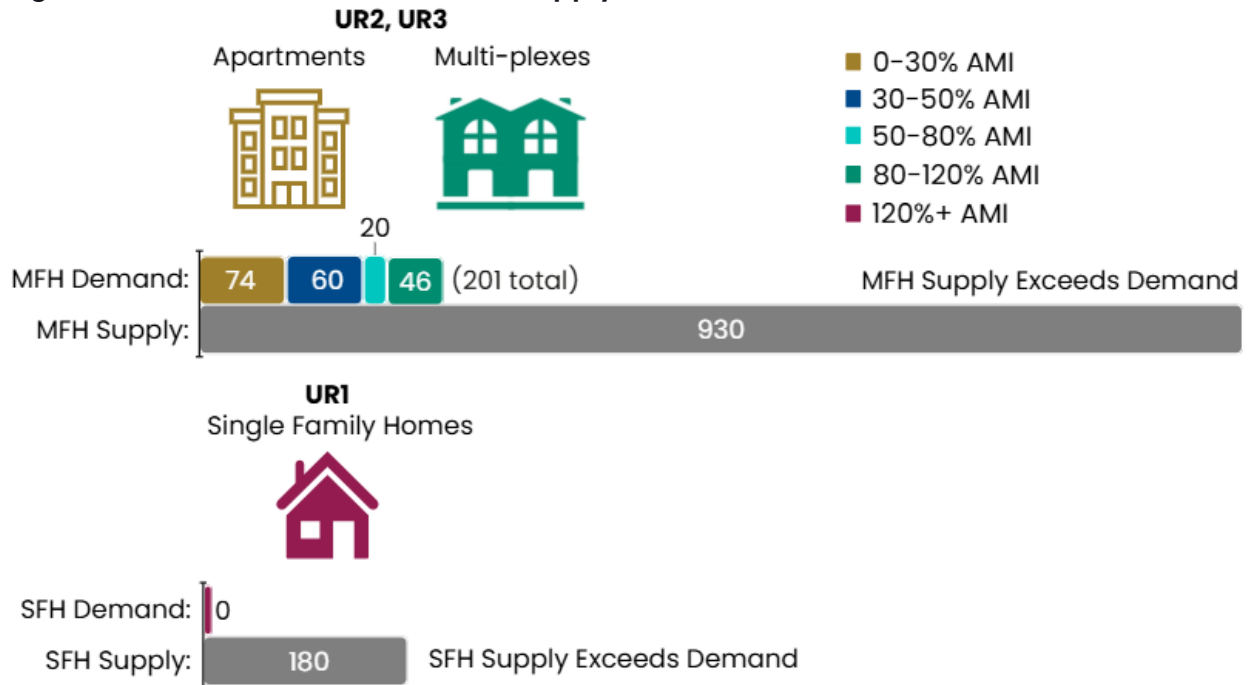
Figure 5.1: Rural Chelan County Residential Supply and Demand



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 Manson UGA area, shown in Figure 5.2, meets both single-family and multifamily housing needs. Similar to rural Chelan County, much of the multifamily demand is accommodated by underutilized parcels in the UR2 and UR3 multifamily districts. Additionally, the remaining Vacant and Potentially Redevelopable land in the UR1 zones satisfies the demand for single-family housing.

Figure 5.2: Manson 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

Potentially Redevelopable and Underutilized Market Factor Sensitivity Analysis

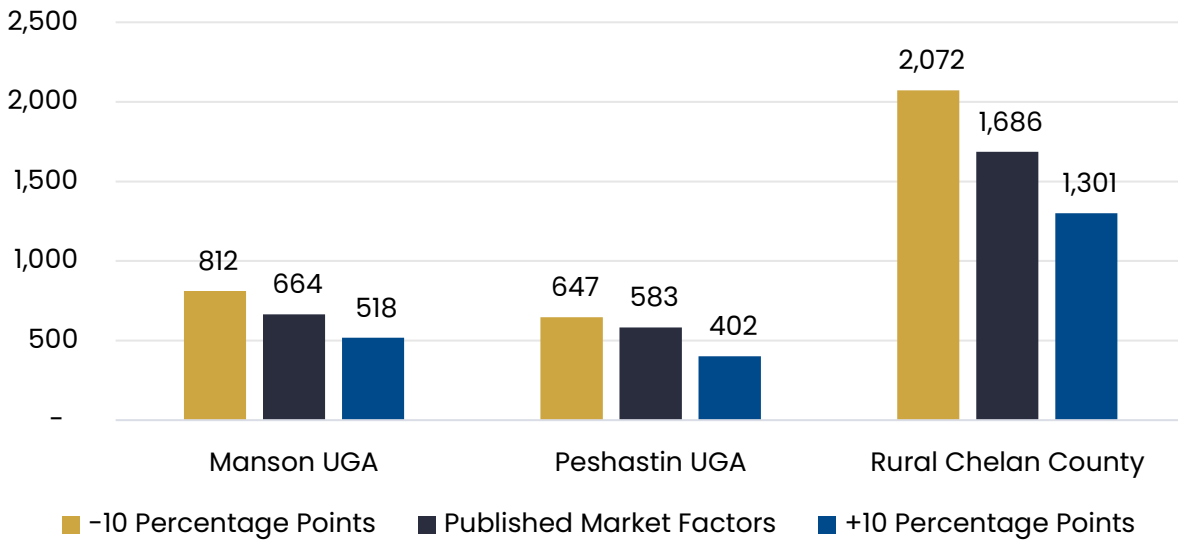
PC performed a sensitivity analysis to ensure final capacity findings were not adversely impacted by Potentially Redevelopable and Underutilized housing unit potential estimates.¹ A sensitivity analysis adjusts a factor of interest (in this case, the market factor) by 10 percentage points in either direction to assess how the outcome would change if the actual value differs from the predicted one. The baseline market factors used in the initial study were as follows:

- Potentially Redevelopable: 35%
- Underutilized: 50%

Figure 5.3 illustrates the market factor sensitivity analysis, presenting high, medium, and low estimates of housing unit potential. For rural Chelan County, Potentially Redevelopable and Underutilized properties could accommodate between 1,301 and 2,072 housing units.

¹ For the capacity findings presented earlier in this chapter, PC used the housing unit potential based on the “Published Market Factors.”

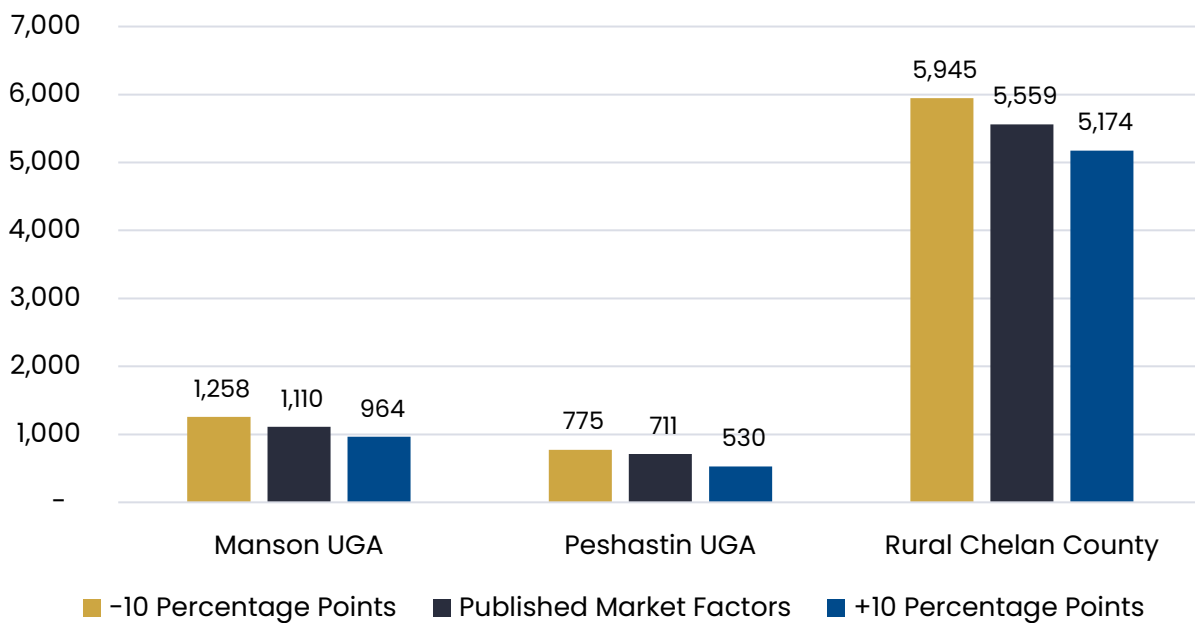
Figure 5.3: Sensitivity Analysis for Potentially Redevelopable and Underutilized Parcels



Source: City and County of Chelan

Figure 5.4 shows the total housing supply for each region over the next 20 years. For each jurisdiction, PC found that the supply for the next 20 years will meet the total housing demand based on the population allocations adopted by the County. This holds true even when using the lower market factors to estimate housing potential from Potentially Redevelopable and Underutilized properties.

Figure 5.4: Total Housing Supply Sensitivity Analysis



Source: City and County of Chelan

Appendix A. Detailed Tables

Figure A.1: Malaga LAMIRD Land Uses and Acreages

DOR Code Description	Zone	Parcels	Acres
AGRIC IN OPEN SPACE RCW 84.34	RI	5	305
--	RR5	7	77
--	RRR	1	5
--	RV	8	98
AGRICULTURE RELATED ACTIVITIES	RI	2	1
AGRICULTURE-NOT IN OPEN SPACE	RI	3	89
--	RRR	1	103
ALL OTHER RESIDENTIAL	RRR	58	33
BUSINESS SERVICES	RI	7	2
FABRICATED METAL PRODUCTS	RI	3	3
GOVERNMENTAL SERVICES	RI	1	2
HOUSEHOLD 2-4 UNITS	RV	6	2
LUMBER/WOOD PROD EXC FURNITURE	RI	2	15
MISCELLANEOUS MANUFACTURING	RI	7	20
MISCELLANEOUS SERVICES	RI	3	2
MOTOR VEHICLE TRANSPORTATION	RI	1	11
OPEN SPACE RCW 84.34	RRR	1	0
OTHER RESOURCE PRODUCTION	RRR	2	6
--	RV	1	3
OTHER UNDEVELOPED LAND	RI	11	467
--	RV	1	3
PRIMARY METAL INDUSTRIES	RI	3	337
PUBLIC ASSEMBLY	RV	2	3
RECREATIONAL ACTIVITIES	RRR	1	3
RETAIL TRADE-FOOD	RC	1	6
--	RV	1	3
SINGLE-FAMILY UNITS	RI	8	45
--	RR5	12	46
--	RRR	358	182
--	RV	383	397
STONE, CLAY & GLASS PRODUCTS	RI	1	1
UNDEVELOPED LAND	RI	16	209
--	RR5	3	4
--	RRR	2	14
--	RV	2	7
UTILITIES	RI	1	8
VACATION AND CABIN	RV	1	6

Source: City and County of Chelan, 2024

Figure A.2: County Zoning Definitions

Location	Zone	Zone Description
Unincorporated UGA's/County Code	RR20	Rural Residential/Resource
Unincorporated UGA's/County Code	RR10	Rural Residential/Resources 10
Unincorporated UGA's/County Code	RR5	Rural Residential/Resource 5
Unincorporated UGA's/County Code	RR 2.5	Rural Residential
Unincorporated UGA's/County Code	RW	Rural Waterfront
Unincorporated UGA's/County Code	RRR	Rural Recreational/Residential
Unincorporated UGA's/County Code	RV	Rural Village
Unincorporated UGA's/County Code	RC	Rural Commercial
Peshastin UGA	R-1	Low Density
Peshastin UGA	R-2	Medium Density
Peshastin UGA	R-3	High Density
Manson UGA	UR1	Urban Residential 1
Manson UGA	UR2	Urban Residential 2
Manson UGA	UR3	Urban Residential 3

Source: Chelan County Zoning Code

Figure A.3: Housing Allocations by AMI, 2020–2046

Urban Growth Area	Permanent Housing Needs by Income Level (% of Area Median Income)						
	0–30%		>30–50%	>50–80%	>80–100%	>100–120%	>120%
	Non-PSH	PSH					
Manson UGA	43	31	60	59	29	26	107
Chelan UGA	43	32	61	60	29	27	109
Entiat UGA	28	21	40	39	19	17	71
Leavenworth UGA	43	32	61	60	29	27	109
Peshastin UGA	--	--	--	--	--	--	--
Cashmere UGA	41	30	57	57	28	25	103
Wenatchee UGA	752	548	1,057	1,048	509	466	1,895
Urban Total	950	693	1,335	1,323	644	589	2,394
Rural	312	227	439	435	211	193	786
Total	1,262	920	1,774	1,758	855	782	3,180

Source: Chelan County Population and Housing Allocations using the Housing for All Planning Tool, Washington State Department of Commerce

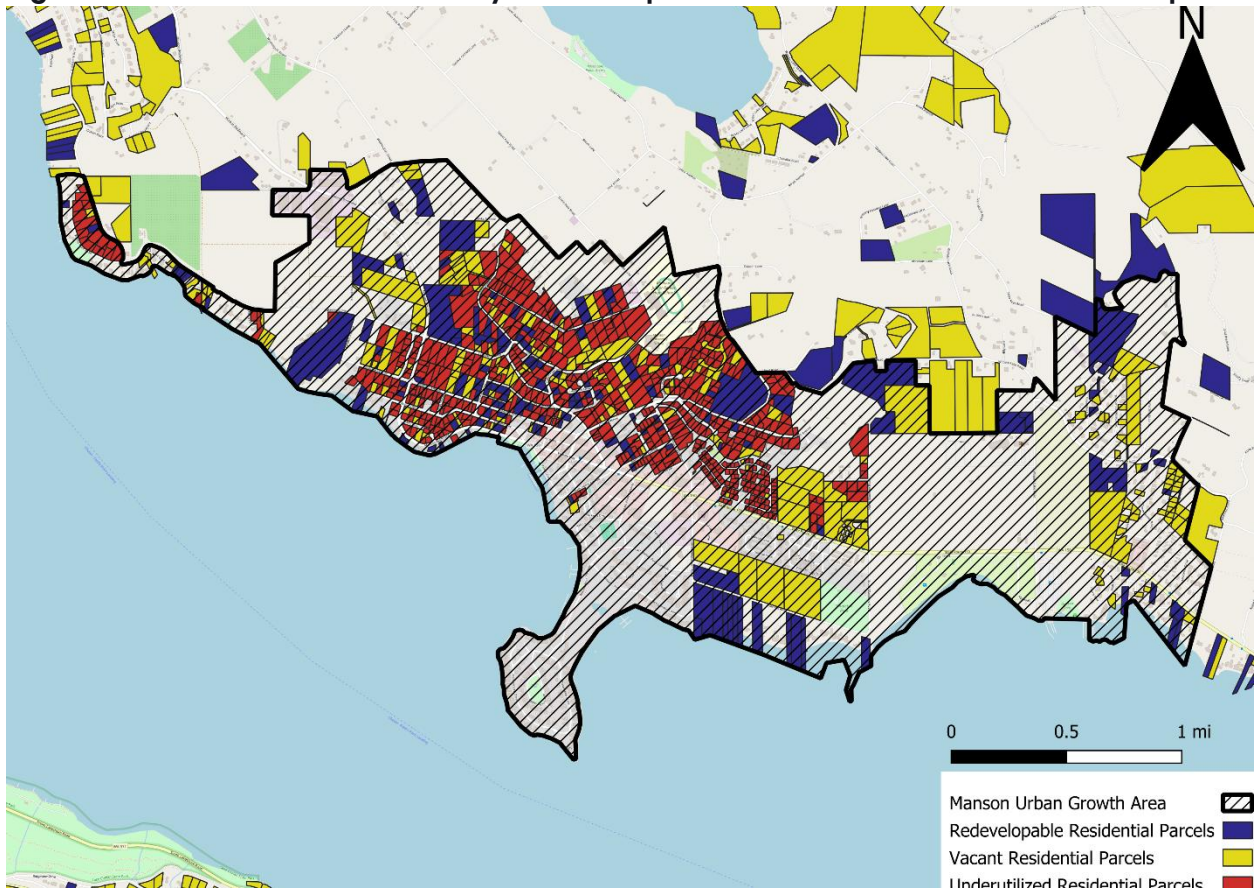
Figure A.4: County Housing Allocations by AMI Level, 2027–2046

Area	0–30%	>30–50%	>50–80%	>80–100%	>100–120%	>120%
Manson UGA	74	60	20	29	17	0
Rural	537	416	354	122	114	62

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

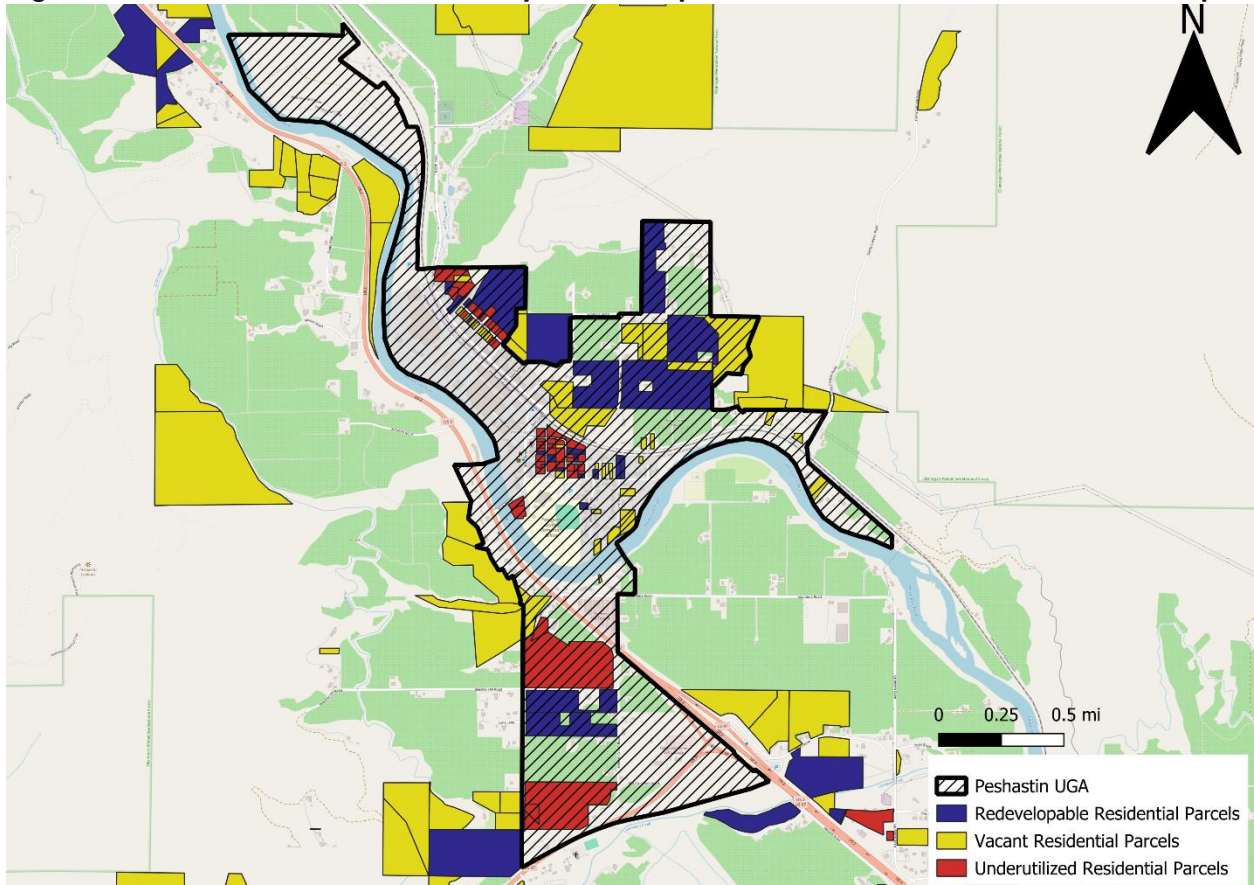
Appendix B. Maps

Figure B-1: Manson UGA Potentially Redevelopable, Vacant, and Underutilized Map



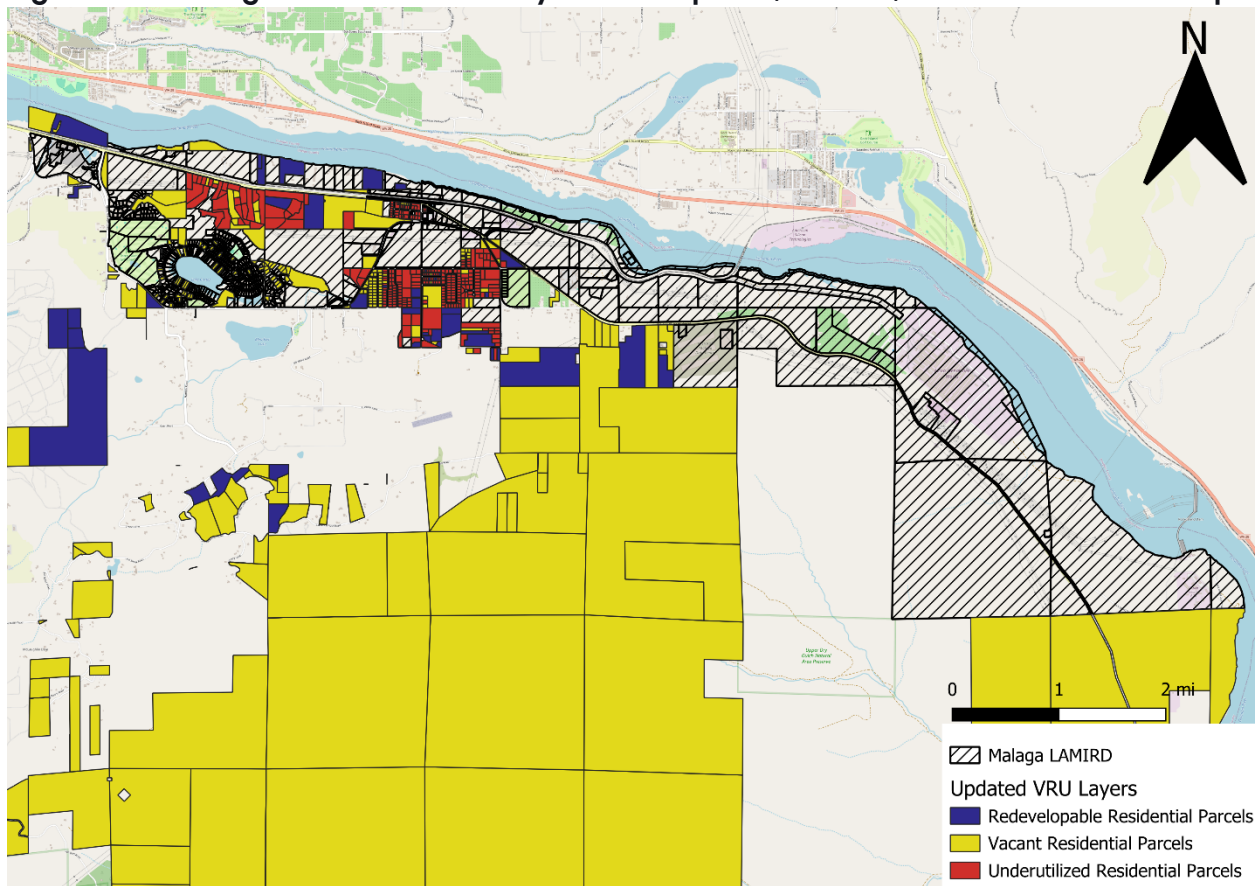
Source: Points Consulting using Data from the City and County of Chelan

Figure B-2: Peshastin UGA Potentially Redevelopable, Vacant, and Underutilized Map



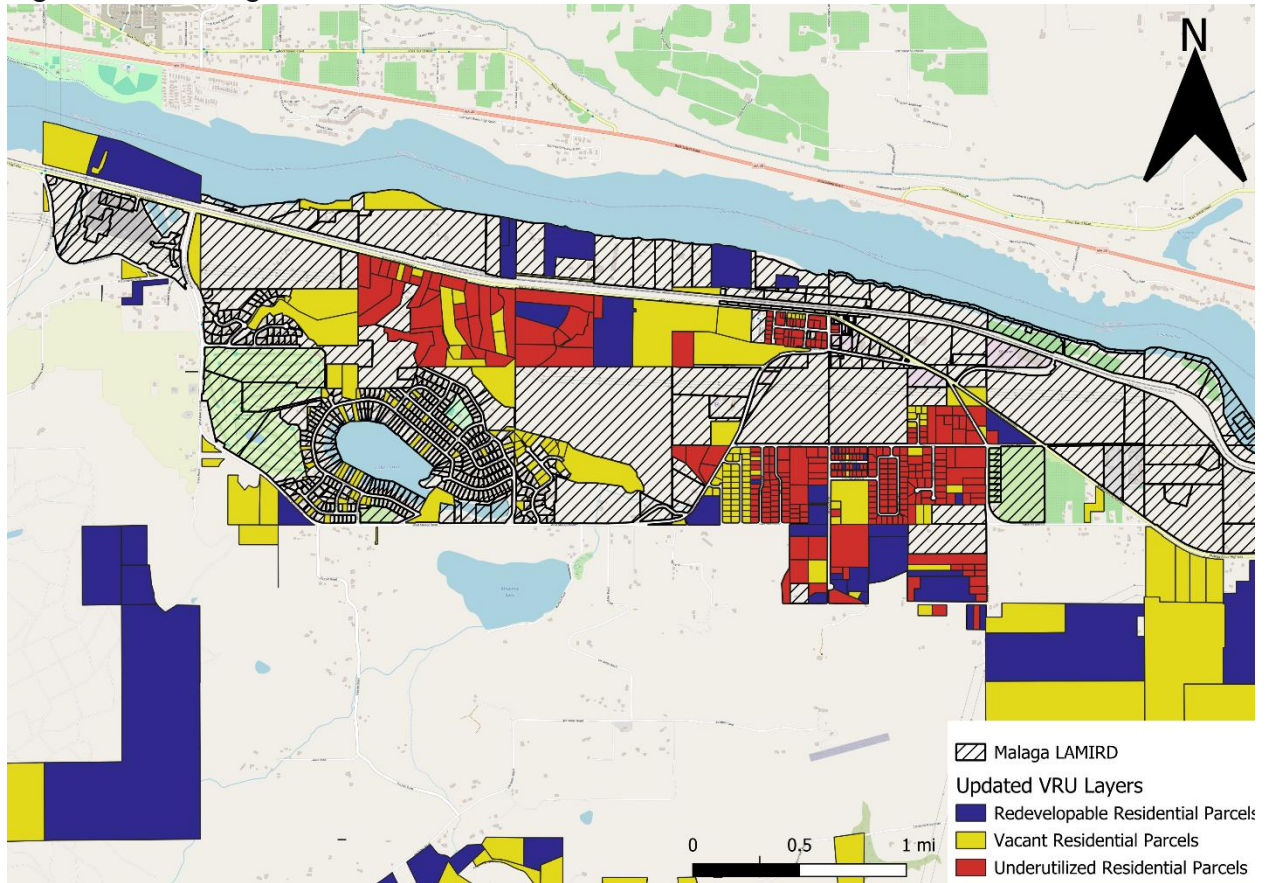
Source: Points Consulting using Data from the City and County of Chelan

Figure B-3: Malaga LAMIRD Potentially Redevelopable, Vacant, and Underutilized Map



Source: Points Consulting using Data from the City and County of Chelan

Figure B-4: Malaga LAMIRD Zoomed In



Source: Points Consulting using Data from the City and County of Chelan

Appendix C. Malaga LCA

At the request of the County, PC conducted an LCA on residential land in the Malaga LAMIRD. The Malaga LAMIRD currently follows Chelan County's zoning code and has multiple areas of residential development. A detailed map of the Malaga LAMIRD can be found in [Appendix B](#).

In addition to the LCA conducted for the Malaga LAMIRD area, our team attempted to identify the changes that would occur to the County's supply and demand of residential land if the Malaga LAMIRD were to become an Urban Growth Area. This process followed the methodology from Chapters 2 through 4 as close as possible. However, the lack of data in Malaga was a limiting factor. Malaga is currently considered a part of the unincorporated county, and as such has no distinction as a city or UGA in datasets, either within the State of Washington or federally. Consequently, the project team decided to estimate supply and demand without AMI levels, or an estimate on current housing production from 2021 – 2026, instead opting to build upon the previous steps taken earlier in this report and the parcel data available.

Malaga Population and Housing Estimates

The project team estimated the population and housing supply in the Malaga LAMIRD using a combination of sources, including the County's population and housing allocations, current vacancy and occupancy rates, and average people per household (PPHH). This approach provided the information needed to assess the existing housing stock and project future demand based on expected population growth of the rural county areas. Although the State does not provide or endorse these estimates, the methodology offers a useful snapshot of current conditions in Malaga.

The Malaga LAMIRD area currently has a large portion of single-family units, which are mostly found in Rural Recreational/Residential (RRR) or Rural Village (RV) zones. These two zoning types make up more than 85% of the Malaga LAMIRD's housing units. The Rural Village zone also holds an estimated 6 multi-family housing units, which range from duplexes to quadplexes. Assuming an average of 3 housing units per multi-family parcel, these lots provide 18 additional housing units to the current supply in the Malaga LAMIRD.

Using the estimated number of housing units in Malaga from parcel data, the population of the area can be derived using the surveyed occupancy rate of those units, and the PPHH in the area. Unincorporated Chelan County was found to have a PPHH of 1.75, and the Malaga Census County Division vacancy rate was approximately 12.3%. Knowing this, the 699 housing units likely hold a population around 1,073 in the Malaga LAMIRD.

Table C.1: Malaga LAMIRD Current Housing and Population Estimates

Zone	Unit type	Count	Unit Estimate
RI	Single-Family Units	6	6
RR5	Single-Family Units	12	12
RRR	All Other Residential	50	50
	Single-Family Units	305	305
RV	Household 2-4 Units	6	18
	Single-Family Units	308	308
Subtotal	--	687	699
Occupancy Rate	--	--	87.7%
Estimated Occupied Households	--	--	613
PPHH in rural county	--	--	1.75
Estimated Population	--	--	1,073

Source: Washington Office of Financial Management, Chelan County, US Census Bureau ACS 5-year Estimates

Table C.2 shows the Malaga LAMIRD population projection. This estimate was derived from the County estimate found in [Chapter 2](#), which utilized the Washington Office of Financial Management’s projections and were adopted March 5, 2024. The Malaga LAMIRD area accounts for approximately 4.4% of the rural Chelan County’s population. If this share remains constant over time, the population is projected to grow by 168 people. The area will need an estimated 109 additional housing units to accommodate this growth.

Table C.2: Malaga LAMIRD Population and Housing Projections, 2024 - 2046

	2024	2026	2030	2035	2040	2046	Change
Malaga Population Estimate	1,073	1,085	1,120	1,161	1,198	1,241	168
Estimated Malaga Housing Demand	699	707	729	756	781	808	109

Source: Washington Office of Financial Management, Chelan County, US Census Bureau ACS 5-year Estimates

Residential Land Capacity Analysis

Tables C.3 through C.5 show the results of the Land Capacity Analysis, which was conducted using the methodology found in [Chapter 4](#). Using the same density assumptions, the RV zones have the most housing unit potential in the LAMIRD area. There are also 42 acres of vacant RR land available, which provides space for single-family housing at a low density. RV can also be utilized for single-family housing if needed. Overall, the Malaga LAMIRD area has an additional capacity for approximately 549 housing units if it is built to a higher density in the RV zoned areas.

Table C.3: Malaga LAMIRD Vacant Land

Zone	Adjusted Acreage	Housing Unit Potential
RC	4	2
RR5	5	1
RRR	42	42
RV	56	169
Total	107	214

Source: City and County of Chelan, 2024

Table C.4: Malaga LAMIRD Potentially Redevelopable Land

Zone	Adjusted Acreage	Housing Unit Potential
RR5	6	1
RV	19	57
Total	25	58

Source: City and County of Chelan, 2024

Table C.5: Malaga LAMIRD Underutilized Residential Land

Zone	Adjusted Acreage	Housing Unit Potential
RV	92	277

Source: City and County of Chelan, 2024

Tables C.6 and C.7 show the new relationship between a possible future Malaga UGA and the updated rural Chelan County totals without Malaga’s contributions. With these changes, rural Chelan County has an updated demand of 1,595 units, which is lower than the initial 1,704 units found in the County’s LCA.

The Malaga LAMIRD area currently holds around 31% of the rural County’s multi-family (RV) land supply, meaning that if the County lost this land to the Malaga UGA, it would be important to build at higher densities for the remaining RV zones in the rural areas to meet the projected demand. Single-family housing remains a non-issue for both the Malaga LAMIRD and rural county areas.

It is important to remember that these changes reflect a constant rate of growth from Malaga, assuming that its share of the population within Chelan County remains stable. Given the Malaga LAMIRD is a place of more intense development and focus, it is possible that there is a higher demand for housing in the area than presented in this sub study. However, an increase in demand by even hundreds of housing units would not change the outlook for rural Chelan County over the next 20 years. The County should still have a large enough supply of land to account for future demand. The only possible situation in which the County comes short of demand needs is if the Rural Village areas are not built to accommodate multi-family housing. If the supply of RV land is shifted to single-family housing, the County could then run short of lower-income housing opportunities for the population.

Table C.6: Malaga UGA Supply and Demand

Place	Multi-family Supply	Single-family Supply	Total No. of Units Demanded	Total No. of Units Supplied
Malaga LAMIRD	503	46	109	549

Source: City and County of Chelan, 2024, Washington OFM, US Census Bureau ACS 5-year Estimates

Table C.7: Rural Chelan County without Malaga UGA

Place	Total No. of Units Demanded	Multi-family Supply	Single-family Supply
Rural Chelan County	1,595	1,127	3,883

Source: City and County of Chelan, 2024, Washington OFM, US Census Bureau ACS 5-year Estimates