



SOLID FOUNDATIONS CAPITAL CAMPAIGN FAQ

This is a list of some commonly asked questions about the Solid Foundations Campaign. We would be glad to speak with you about any additional questions you might have. Please reach out to Hillary Clark, Development Director (Hillary@uvmend.org).

Why do we need more affordable housing in Leavenworth?

- Businesses of all sizes and at both the high and low end of the wage scale struggle to find and retain employees because of the lack of affordable housing.
- While Leavenworth has added over 500 jobs in the past seven years, the amount of affordable housing has declined over the same period.
- Leavenworth's tourism boom as well as its attractiveness to vacation home buyers and remote workers has increased the demand for homes in our community in the last decade, which has driven up prices on both rentals and homes for sale.
- The community's setting among the mountains means the amount of buildable land is constrained.
- Trusted employees, friends and neighbors move away because they can't afford to live here.
- When people live close to where they work, our community sees surprising benefits like more family participation in schools, less need for parking downtown, and lower traffic.

Why is Upper Valley Mend pursuing this opportunity for affordable housing over and above other priorities it might have?

Where we live affects our lives and our health. When community members spend a disproportionate amount of their income on rent, their need for help with food, medical expenses, and other emergency assistance increases. Because of this, Upper Valley MEND considers housing an important part of its work, and has been a long-time provider of affordable homeownership through its land trust model.

In its most recent strategic plan, the board set a goal of adding a minimum of 15 additional units of housing over the next five years. Afterward, Upper Valley MEND was approached by the Marson family with the offer to sell us 31 apartments to keep them affordable. The board determined that this was an excellent opportunity to more than double its goal of new affordable rentals for the community and voted to pursue this option.

Another strategic goal was to create a sustainable staffing and management plan for the affordable housing program. Currently, Upper Valley MEND's housing portfolio includes 20



homes managed in its affordable homeownership program. Adding 31 rental units to the portfolio means the portfolio is large enough to require a full-time staff member and rental income covers the cost of this property manager position. These rental units make the entire housing program more sustainable.

Where are the apartments located?

These apartments are in duplexes, triplexes and fourplexes located in four residential areas of Leavenworth: Pine Street – 19 apartments, West Whitman Street – 8 apartments, Prospect Street – 2 apartments; Joseph Street – 2 apartments

What are the criteria for choosing renters?

All the apartments are currently rented. When MEND takes ownership, current renters will be able to stay in their homes. Rents will be based on income for current renters. There will be an income cap for new renters of 80% of Area Median Income. Upper Valley MEND will maintain a waitlist for future openings and will have a page on our website dedicated to helping prospective renters go through the application process.

How will rental income be used?

Rents in these 1 and 2 bedroom homes in 2023 will be between \$700-1,500 (based on income) per month, including utilities, snow plowing and lawn maintenance. This will bring in approximately \$336,000 per year in income. (On the open market, rents in these units would be approximately \$2,000-\$2,200). These funds will be used to fund a property manager for the affordable housing program. It will also cover upkeep, maintenance, and repair of the apartments and buildings, including snow plowing and yard maintenance. With Upper Valley MEND owning the properties outright through the campaign, there will be no mortgage payments, and any rental income after expenses will be reinvested in the affordable housing program to grow the number of affordable homes and rentals available to the local community.

How will the cost of rents be determined?

A committee made up of MEND staff and Board members and affordable housing experts has determined how to best set rental rates moving forward. We want to support our community and honor our community's need for affordable rentals for our local workforce. Our final model has rents at an affordable level for people who earn roughly \$20/hour, with variations based on household size. Rent levels and income levels are based on metrics set by the Department of Housing and Urban Development for affordable housing based on income and household size.



This is a new program and continual evaluation will be needed to make sure the program is meeting its goals. Each year we will evaluate the rents based on data collected from current renters and applicants on our waitlist to ensure that the program is meeting the workforce housing needs of the community.

Is this program related to affordable housing initiatives that the City of Leavenworth, Chelan County, or Washington State are pursuing?

Across the state and nation, many communities are grappling with the same problem: their communities don't have enough housing that is affordable to lower income community members. As such, it's hard to find a jurisdiction that isn't working to address the housing crisis in some way. In our case, the City of Leavenworth, Chelan County, and Washington State all provided funding towards this project for a total of \$2.46 million. These jurisdictions are not otherwise involved in MEND's affordable housing work, and any initiatives or bills they are working on are unrelated to this project.