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# Housing Action Plan

City of Othello

Joint Planning Commission / City Council Meeting

May 24, 2021



# Introduction

# Overview

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- Introduction: What is a “Housing Action Plan”?
- Housing Needs Assessment
- Policy Review
- Recommendations for Action
- Implementation

# What is a Housing Action Plan?

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- In 2019, the Washington State Legislature passed HB 1923 to “**increase urban residential capacity**”.
- This was intended to provide ways that communities across the state could deal with **historic shortfalls in housing supply**.
- Cities were encouraged to take actions under HB 1923 to **increase housing supplies**, including the development of housing action plans (HAPs), and funding was provided by the WA Department of Commerce for support.

# What is a Housing Action Plan?

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*“The goal of any such housing plan must be to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market.” (HB 1923)*

# What is a Housing Action Plan?

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- Non-statutory plan (non-binding to local government)
- **Expected contents of a HAP under statute include:**
  - Description of **housing needs** for all income levels
  - Assessment of **population and employment trends**
  - Review of **current housing policies**
  - Strategies to **increase the supply and variety** of housing
  - Strategies to **minimize displacement** of residents
  - **Participation** from stakeholders
  - Schedule for **implementation** of strategies

# Othello's Housing Needs

# What Is a Needs Assessment?

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A report to identify existing and future housing needs to serve **all economic segments** of the community.

## Components of a Housing Needs Assessment

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### Community Profile

Who lives in Othello?

What are their household characteristics?

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### Workforce Profile

Who works in Othello?

What are their incomes?

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### Housing Inventory

What types of housing are available in Othello?

How much does housing cost in Othello?

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### Housing Gaps & Needs

What housing is needed to meet current and future housing needs (types and affordability levels)?

# Housing Needs Identified

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## **Finding #1**

Home ownership is unaffordable for many households and supply is limited.

## **Finding #2**

Rental housing costs are rising, and options are limited for low- and moderate-income households.

## **Finding #3**

There is a lack of diversity in the housing options available to local households and a misalignment between the size of housing units and the size of households.

## **Finding #4**

There are limited affordable housing options large enough for families with children.

## **Finding #5**

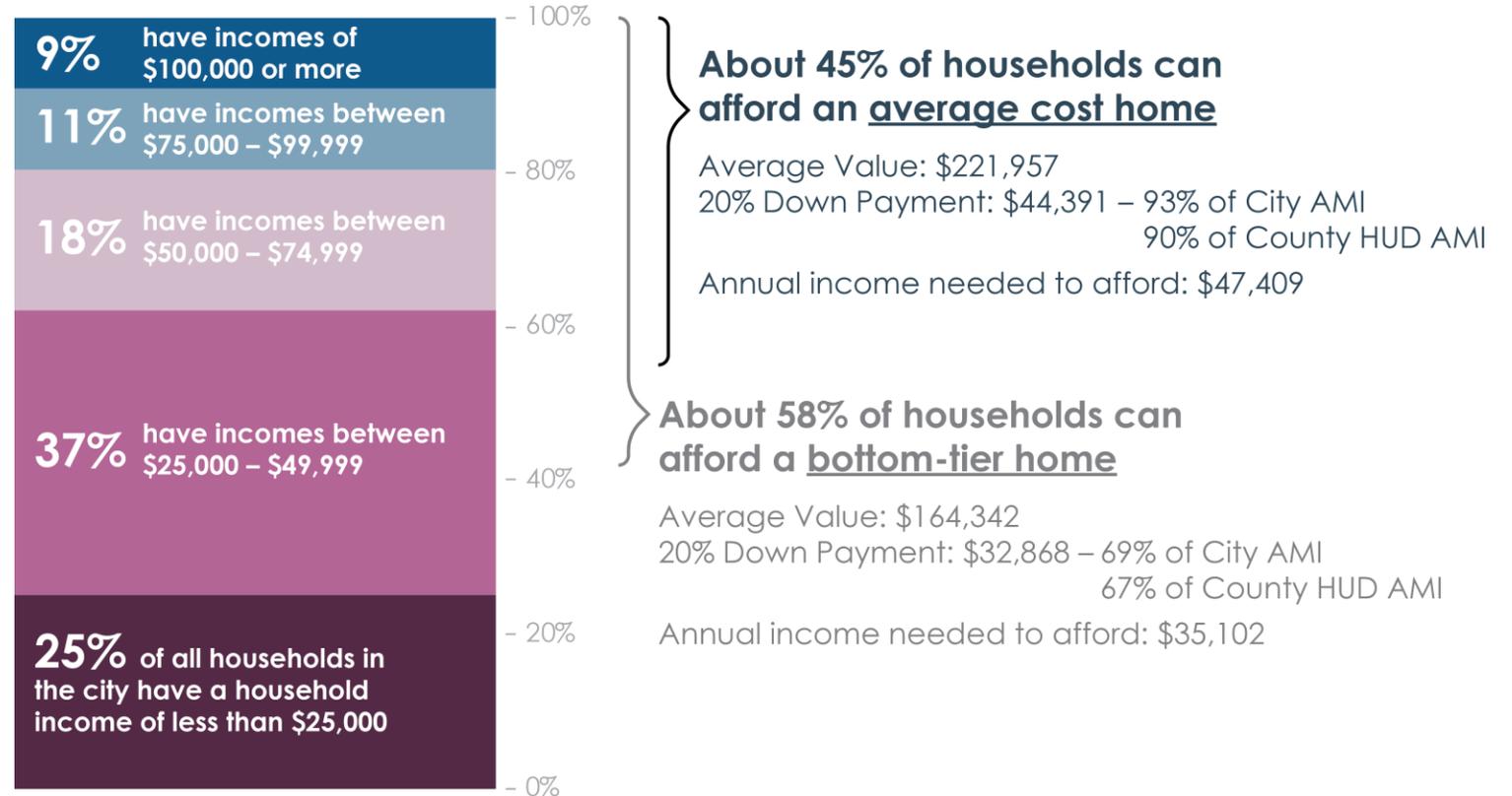
There is a lack of both permanent and seasonal housing for farmworkers, especially for low-income households.

# Finding #1

## Finding #1

Home ownership is unaffordable for many households and supply is limited.

Percentage of All Households by Income Bracket, 2018



Sources: Zillow Data, 2020; US Census, 2014-2018 ACS 5-year Estimates (Table S1901); BERK, 2020.

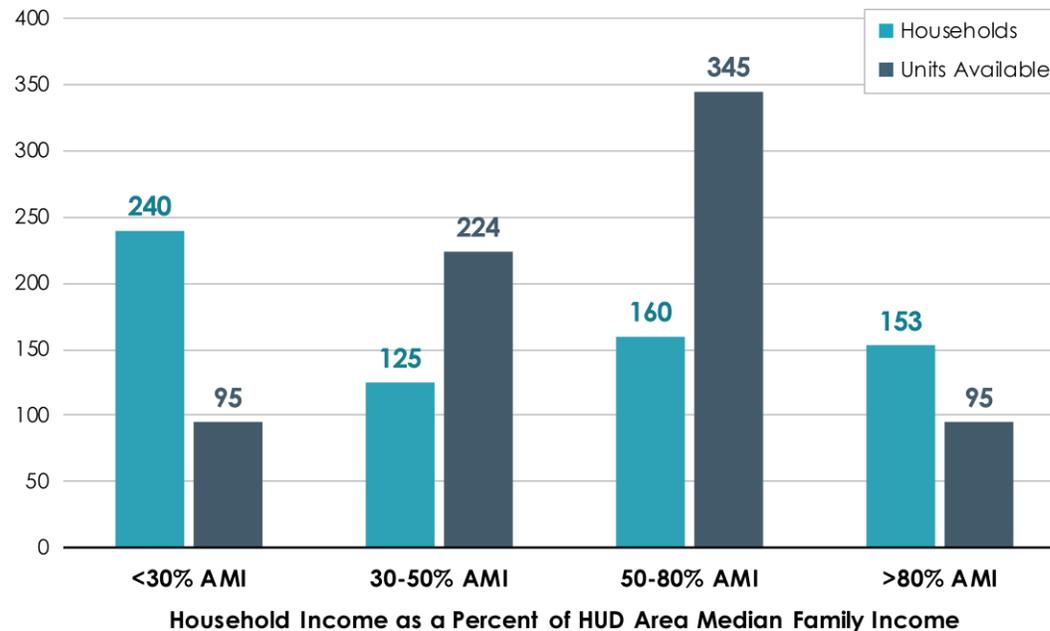
# Finding #2

Rental housing costs are rising, and options are limited for low- and moderate-income households.

**Affordability of Average Cost Rental Units in Othello by Income Level, Summer 2020**

Household Income (% of 2018 Adams County AMI of \$52,400)	Affordability of Avg. Cost Rental Units	
	2-bedroom	3-bedroom
120%	YES	YES
100%	YES	NO
80%	YES	NO
60%	NO	NO
50% or less	NO	NO

**Total Affordable and Available Rental Units in the City of Othello, 2016**



Sources: Interview with Brian Gentry, 2020; HUD CHAS (based on 2012-2016 ACS 5-year estimates); HUD Income Limits, 2018; BERK, 2020.

## Rental Rates and Affordability, 2020

### 2-Bedroom

Average Rent: **\$1,038**

Annual Income Needed to Afford: **\$41,520**

% City of Othello AMI Needed to Afford: **81%**

% HUD AMI Needed to Afford: **79%**

### 3-Bedroom

Avg. Rent: **\$1,314**

Annual Income Needed to Afford: **\$52,571**

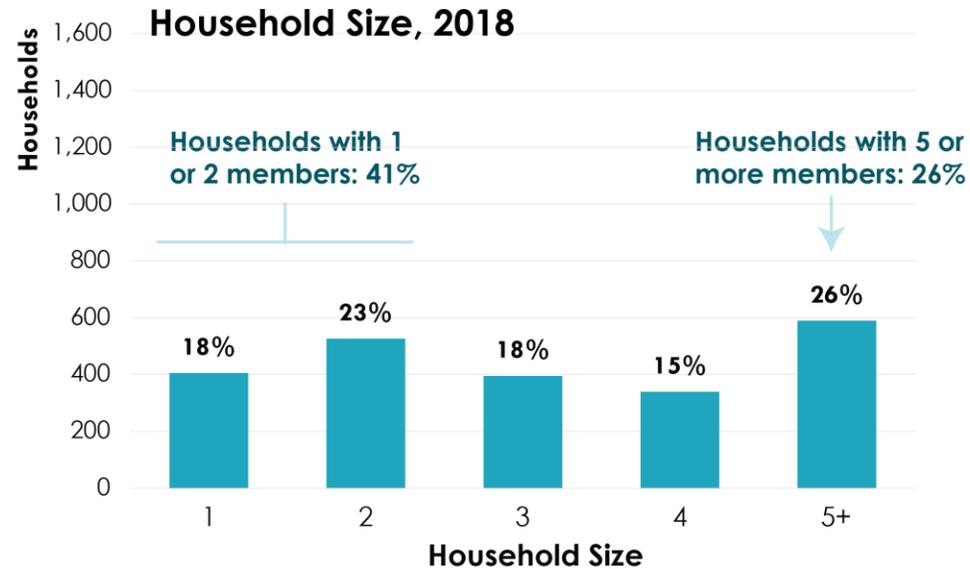
% City of Othello AMI Needed to Afford: **103%**

% HUD AMI Needed to Afford: **100%**

# Finding #3

There is a lack of diversity in the housing options available to local households and a misalignment between the size of housing units and the size of households.

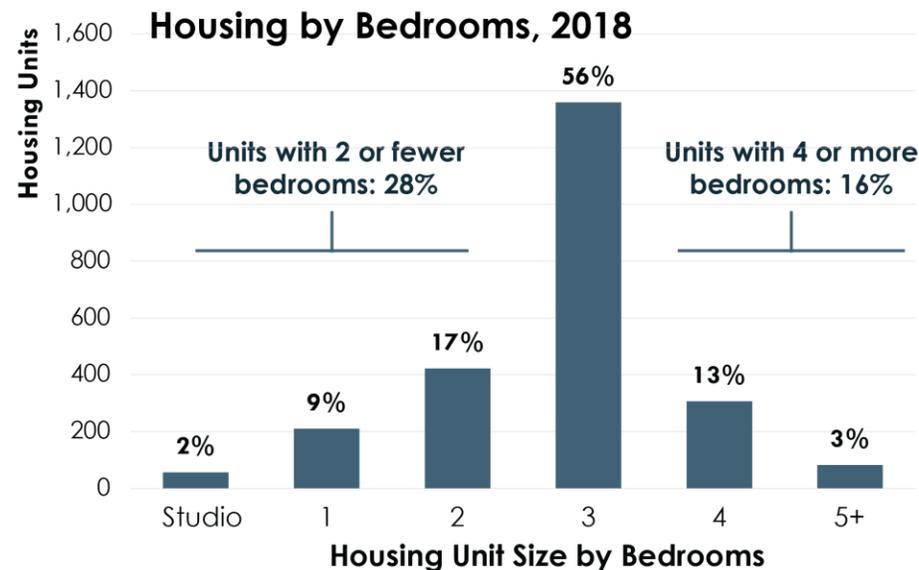
Sources: U.S. Census Bureau, 2014-2018 ACS 5-year estimates (Tables B25041 and B2500); OFM, 2018; BERK, 2020.



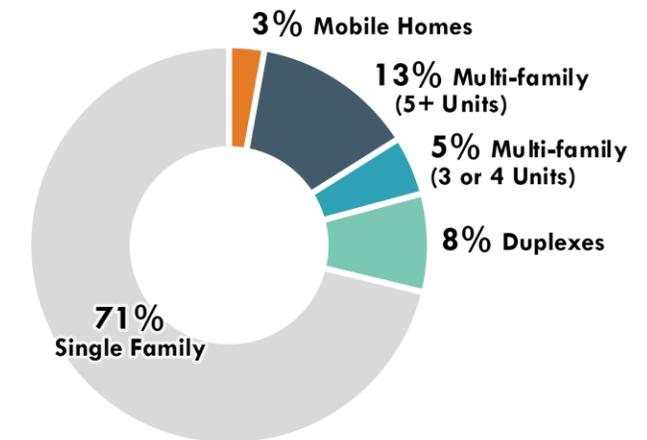
### Undersupply

Households with 1 or 2 members: 41% vs. Units with 2 or fewer bedrooms: 28%

Households with 5 or more members: 26% vs. Units with 4 or more bedrooms: 16%

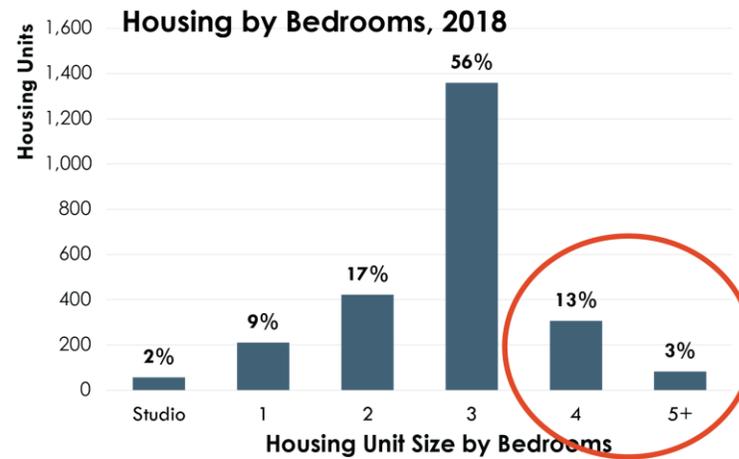
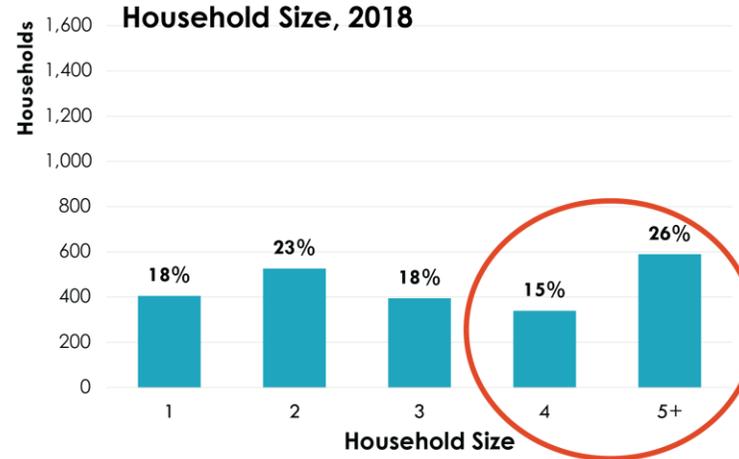


### Housing Inventory by Type, 2019



# Finding #4

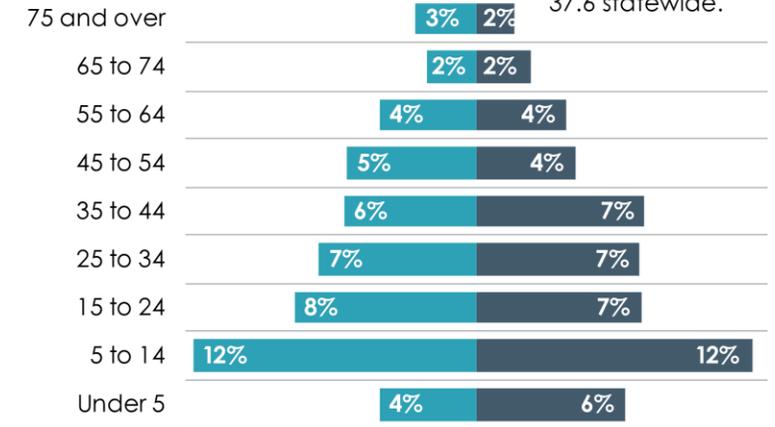
There are limited affordable housing options large enough for families with children.



**About 38% of the population is under 18 & 41% of households have 4 or more members.**

## Population by Age Range, 2018

Median Age 25.9 ← The median age in Othello is 25.9 vs. 37.6 statewide.



	Female	Male
<b>Totals:</b>	<b>3,961</b>	<b>4,019</b>
65 and over	368 (5%)	312 (4%)
50 to 64	458 (6%)	400 (5%)
18 to 49	1,665 (21%)	1,735 (22%)
<b>Under 18</b>	<b>1,470 (18%)</b>	<b>1,572 (20%)</b>

However, **just 16% of housing units have 4 or more bedrooms.**

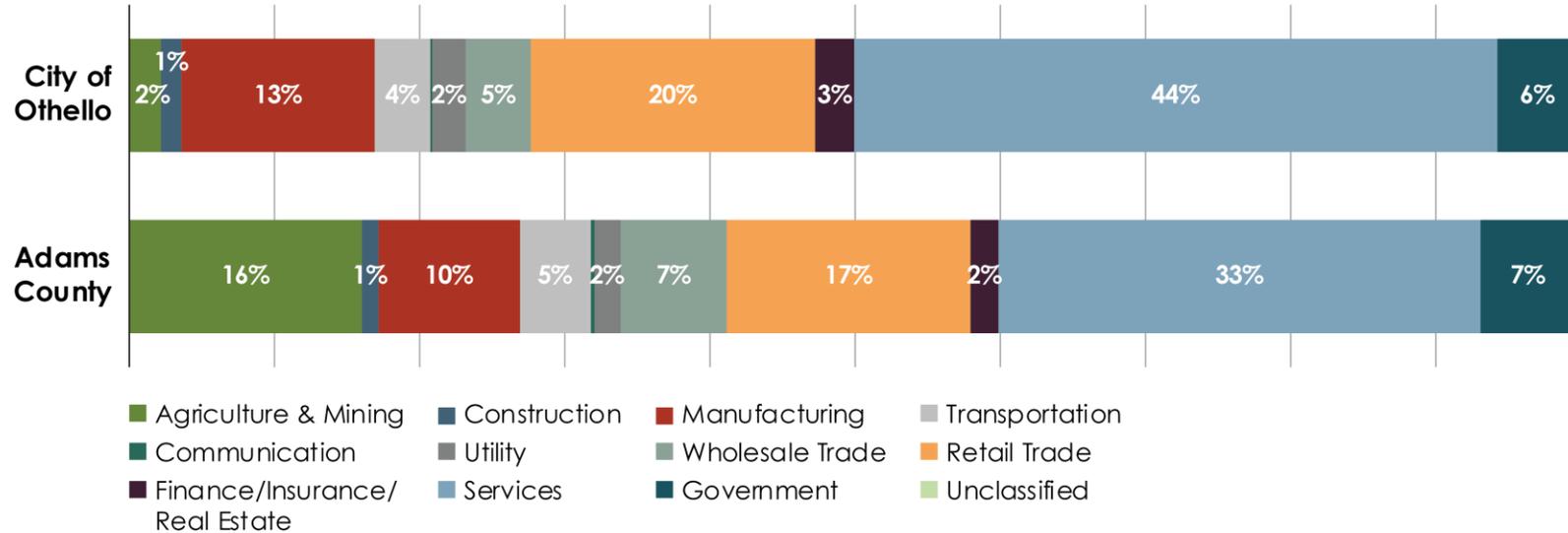
Sources: U.S. Census Bureau, 2014-2018 ACS 5-year estimates (Tables B25041, B2500, and S0101); BERK, 2020.

# Finding #5

There is a lack of both permanent and seasonal housing for farmworkers, especially for low-income households.

Sources: ESRI Business Analyst, 2020; Washington State ESD, 2019; U.S. Department of Labor, 2020; Washington State Finance Committee, 2019; Washington State Department of Health, 2019; BERK, 2020.

Employment by Industry in the City of Othello and Adams County, 2020



Agricultural Employment (Covered) in Adams County, 2018

2018 Agricultural Job Types	Number	Share
Permanent	1,353	28%
Variable (Highest month)	2,808	58%
H2A Visa Requests	707	15%
<b>TOTAL</b>	<b>4,869</b>	<b>100%</b>

Farmworker Housing Needs and Gaps in Adams County, 2018

Housing Type	Provided	Est. Need	Est. Gap
Permanent Housing (Units)	84	1,353	1,269
Seasonal Housing (Beds)	1,134	3,515	2,381

# Policy Analysis and Gaps

# Housing Policy Review

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- We conducted a review of the City's **current policies and regulations** regarding housing:
  - 2015 Comprehensive Plan
  - Zoning regulations
  - Other relevant sections of the Othello Municipal Code
  - Other City documents
- Intended to highlight how the City's housing needs compare with policies, and what gaps should be addressed

# Housing Policy Review

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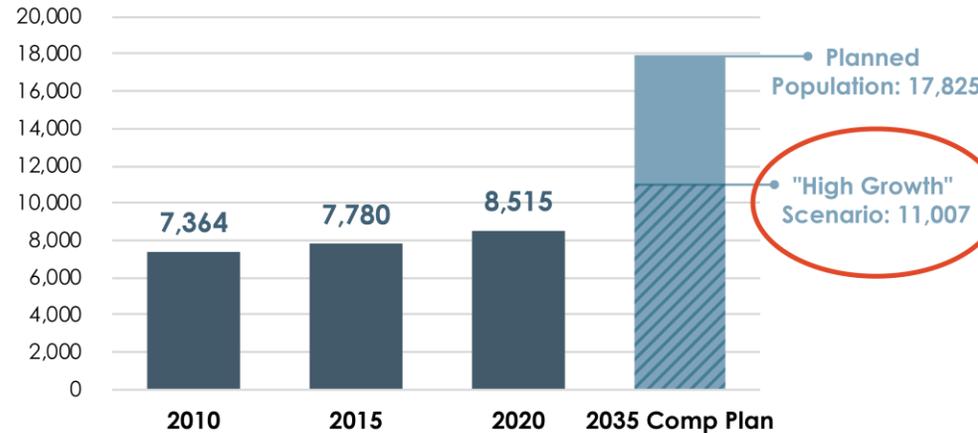
- **Two major findings:**

- Land available for development will not accommodate anticipated growth if development continues at existing rates.
- Some of Othello's development regulations make it hard to achieve the maximum densities allowed, and the existing code lacks incentives to develop at the higher densities.

# Finding #1

Vacant residential land will not accommodate anticipated growth if development continues at existing rates.

Historical and Projected Population Change, 2010-2035



**Need about 805–1,029 new units by 2035** to achieve an average household size consistent with Adams County (3.26) or the state (2.55).

Capacity of Remaining Vacant Residential Land in City Limits (~88 Acres Zoned R-4), 2020

Type of Development	Max Density of Development	New Units
<b>Existing Rate</b>	<b>3.5 du/ac</b>	<b>311</b>
Single Family	5.1 du/ac	447
Duplex	10.2 du/ac	894
4-Plex	13.3 du/ac	1,167

**Additional ~70 acre parcel has preliminary plan for 250 single family homes.**

**At the existing rate of development, vacant residential land could supply 561 new units** (includes the planned 250 single family homes).

- Vacant commercial areas could accommodate some of the needed housing per the 2020 zoning code updates.
- Simply accommodating projected growth will not address existing issues of affordability and overcrowding.

Sources: City of Othello, 2015, 2020; OFM, 2020; BERK, 2020.

## Finding #2

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Some development regulations make it hard to achieve the implied maximum densities, and the existing code lacks incentives to develop at the higher densities.

Sources: City of Othello, 2020; BERK, 2020.

**Maximum allowed residential densities for tri-plex and quad-plex development are currently lower in the R-4 zone than the R-3 zone.**

**Maximum allowed lot area covered by buildings/accessory buildings (35%).**

- Limits the type of development and unit sizes.
- Limits effective densities.

**Off-street parking requirements for mid- and high-density housing.**

- Require large amounts of land and increase development costs.
- Currently no residential parking standards for commercial zones.
- Related: current street width requirements, particularly for neighborhood streets with lower speed limits, restrict the amount of land available for housing.

# Housing Policy Gaps

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- Costs of renting and homeownership
- Need for diverse housing types for different household sizes
- Housing options for families with children
- Lack of housing for seasonal workers

# Recommendations

# Recommendations

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Four topic areas for recommendations that the City of Othello can make to promote market-rate and affordable housing development:

- 1. Zoning and Building Standards**
- 2. Parking and Transportation Standards**
- 3. Affordable Housing Incentives**
- 4. Process Improvements**

# 1. Zoning and Building Standards

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- These recommendations are intended to make it easier to build housing overall by:
  - Increasing the density and types of housing that can be built
  - Providing more flexibility with site design
  - Adopting guidance for design to reduce impacts to existing neighborhoods

# 1. Zoning and Building Standards

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- 1.1 Coordinate future upzoning in areas likely to experience redevelopment
- 1.2 Modify setback, lot coverage, and landscaping standards for site design
- 1.3 Require minimum residential densities for development

# 1. Zoning and Building Standards

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- 1.4 Add provisions for ADUs or smaller lot homes in some residential zones
- 1.5 Adopt design standards or guidelines
- 1.6 Remove extra lot area requirements in the R-4 zone
  - Administrative change to address inconsistencies in the existing Code

# 1. Zoning and Building Standards

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- ADD:** Coordinate a future vision and long-term strategy for annexation and development.
- ADD:** Plan for future infrastructure extension to support long-term development.

## 2. Parking and Transportation

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- Providing excessive parking, roads, and access can affect the feasibility of some developments:
  - Reduces land available for housing
  - Increases costs to developers
  - Other concerns (e.g., safety, aesthetics)
- These recommendations **will require a further study** of parking requirements in Othello neighborhoods

# 2. Parking and Transportation

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- 2.1 Modify off-street parking requirements
  - Informed by a parking study – required before any changes are made
- 2.2 Encourage or require alley-accessed, rear, or shared parking
- 2.3 Reduce neighborhood street width requirements

# 3. Affordable Housing Incentives

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- The City has opportunities to support affordable housing development using available tools
- These recommendations are not direct financial support, but instead include:
  - Flexibility in development requirements for affordable housing
  - Potential waivers of future development fees
  - Property tax exemptions

# 3. Affordable Housing Incentives

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- 3.1 Offer density bonuses for affordable housing
- 3.2 Offer alternative development standards for affordable housing
- 3.3 Offer fee waivers for affordable housing
- 3.4 Explore the use of a Multifamily Tax Exemption (MFTE) program for affordable housing

# 4. Process Improvements

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- One way the City can help to support development is to make the permitting process easier and more efficient:
  - Reduces costs associated with holding a property during planning and permitting
  - Increases certainty about timing and requirements
- The City is currently switching to a new permit tracking and management system (Permit Trax); these recommendations are intended to support that effort

# 4. Process Improvements

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## 4.1 Streamline permit review

# Implementation

# Overview

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Implementation of the Othello Housing Action Plan will be managed over three general time periods:

- **Short-term actions (1–2 years):**

What are we ready to do now?

- **Medium-term actions (3–5 years):**

What actions need more coordination before we can implement them?

- **Long-term actions (5 or more years):**

What will we need to think about over the longer term?

# Short-term Actions (1–2 years)

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- Immediate identified actions on zoning changes (administrative change to R-4 zoning)
- Discussion of ADU ordinance
- Review and implementation of MFTE program
- **Research on areas for action:**
  - Parking Study
  - Use of development incentives for affordable housing
  - Design guidelines/standards
  - Additional zoning/development changes

# Medium-term Actions (3–5 years)

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- **Implementation of key actions:**
  - Upzoning and changes to development requirements
  - ADU ordinance
  - Potential changes to parking requirements
  - Changes to the PDD overlay requirements to allow affordable housing development incentives
- Piloting of design guidelines/standards
- Ongoing monitoring of previous actions

# Long-term Actions (5+ years)

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- **Oversight and review of major changes:**
  - Upzoning and changes to development requirements
  - Development guidelines/standards
  - Off-street parking requirements
  - Affordable housing incentives
  - MFTE program for affordable housing
  - Permit review
- Overall review of the HAP and adjustments as necessary

# Discussion