

City of Othello

HOUSING ACTION PLAN



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City of Othello, WA



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Summary

This Housing Action Plan (HAP) for the City of Othello is an actionable policy document that outlines concrete steps the City and its partners can take to meet local housing needs. It has been developed as part of a grant administered by the Washington State Department of Commerce under E2SHB 1923, which provides clear direction on increasing production of market-rate and affordable housing, and the need for greater housing diversity, affordability, and access to opportunity for residents of all income levels.

From a review of available information on housing in the City and in the area, a Housing Needs Assessment was developed for Othello as part of the HAP. Major findings from this research included the following:

- **Housing supply is limited, and homeownership is unaffordable for many households.** Although homeownership is an important way of building household wealth, many people cannot access this housing on the market in Othello. From 2010 to 2018, the cost to purchase a median value home in Othello rose by 66% while household income increased by only 8%. This suggests that increases in housing prices may be keeping some potential owners out of the market, potentially due in part to a lack of supply.
- **Rental housing costs are rising and restricting options for low- and moderate-income households.** Rental costs in Othello are rising and housing options are limited for many households with low- and moderate incomes. A three-bedroom apartment is not considered to be affordable for the median household in the city, and a lack of affordable options means that many low-income households are competing for housing that may be too expensive or otherwise not suitable for their needs.
- **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.** The current housing stock in Othello does not completely reflect the needs of the community. While 72% of units have three or more bedrooms, a majority of households only include one to three people, indicating that there are some homes that are larger than what people may need. Conversely, there is also potential overcrowding: while 26% of households have five people or more, only 16% of units have four or more bedrooms. New housing built in the city should provide more diversity to make sure all of these needs can be met adequately.
- **There are limited affordable housing options large enough for families with children.** Othello is a relatively young community, with a median age of about 26 and more than 38% of the population under the age of 18. Solutions for providing housing should reflect the different needs that families with children will have for space, and potential situations with overcrowding with housing today.
- **There is a lack of both permanent and seasonal housing for farmworkers, especially for low-income households.** While just 2% of jobs located in the City of Othello are in agriculture, an estimated 21% of Othello residents work in agriculture. In 2018, there was an estimated gap of nearly 1,300 permanent housing units and 2,400 seasonal beds in Adams County, based on the number of farmworkers and existing dedicated farmworker housing units and beds. Workers who cannot find farmworker-designated housing must find housing on the private market, where they are likely to be cost-burdened based on the average farmworker wage and average rents in the area.

This review suggests that Othello's current and future needs for housing can be supported through addressing four key objectives:

- **Make it easier to build affordable ownership and rental housing.**
- **Increase housing variety and choices.**
- **Ensure opportunities for affordable and properly sized housing for families with children.**
- **Promote housing for seasonal and permanent workers supporting the agriculture-based economy.**

Reaching these four objectives for Othello will require housing strategies that fall into the four following categories:

- 1. Revising Zoning and Building Standards.** These recommendations involve changing the existing development requirements in zoning regulations and building standards to facilitate the type and amount of development needed to meet housing goals.
 - 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
 - 1.4 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
 - 1.7 Continue with long-term planning for annexation and infrastructure extension
- 2. Parking and Transportation Standards.** In addition to the general zoning and building requirements, the provision of parking and rights-of-way can affect the amount of land available for development and the costs of new projects. Adjusting these standards can help to make developments more efficient, reducing costs and improving project feasibility.
 - 2.1 Review off-street parking requirements
 - 2.2 Encourage or require alley-accessed, rear, or shared parking
 - 2.3 Reduce neighborhood street width requirements
- 3. Affordable Housing Incentives.** In cases where the current market would not be able to provide certain types of units, the City can provide some financial support using available instruments to offset the costs for private and non-profit developers to build these units themselves.
 - 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.** The City can also work to improve internal processes, specifically those that may limit or delay needed housing development.
 - 4.1 Streamline permit review

This Plan includes an implementation strategy to provide a prospective rollout of these recommendations over the following timeframes:

- **Short-term actions** over the next 1–2 years include making immediate changes identified for zoning, as well as coordination for implementing broader changes to the Code, such as revisions to the ADU Ordinance, development of a Parking Study, and reviews of broader actions.
- **Moderate-term actions** over the next 3–5 years encompass many of the major initiatives identified in the recommendations of this report. This includes additional changes to zoning, as well as adoption of key ordinances for ADUs, parking, development incentives, and design guidelines.
- **Long-term actions** intended to be implemented after 5 years focus on ongoing monitoring and review of the effectiveness of the recommendations of this report. This oversight may fit with a reassessment of this HAP and revisions as necessary.

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Acronym Guide

- ACS American Community Survey
- ADU Accessory Dwelling Unit
- AMI Area Median Income
- CHAS Comprehensive Housing Affordability Strategy
- DADU Detached Accessory Dwelling Unit
- du Dwelling Unit
- EIS Environmental Impact Statement
- FAR Floor Area Ratio
- GMA Growth Management Act
- HAP Housing Action Plan
- HNA Housing Needs Assessment
- HUD Housing and Urban Development
- MFI Median Family Income
- MRSC Municipal Research and Services Center
- OGA Othello Growth Area
- OMC Othello Municipal Code
- OFM Office of Financial Management
- RCW Revised Code of Washington
- SEPA State Environmental Policy Act
- UGA Urban Growth Area
- WAC Washington Administrative Code

Glossary

Affordable Housing. The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable if a household is spending no more than 30% of its income on housing costs. A healthy housing market includes a variety of housing types that are affordable to a range of different household income levels. However, the term “affordable housing” is often used to describe income-restricted housing available only to qualifying low-income households. Income-restricted housing can be located in public, nonprofit, or for-profit housing developments. It can also include households using vouchers to help pay for market-rate housing.

American Community Survey (ACS). This is an ongoing nationwide survey conducted by the U.S. Census Bureau designed to provide communities with current data about how they are changing. The ACS collects information such as age, race, income, commute time to work, home value, veteran status, and other important data from U.S. households. We use data from the ACS throughout the needs assessment.

Area Median Income (AMI). This is a term that commonly refers to the area-wide median family income calculation provided by HUD for a county or metropolitan region. Income limits to qualify for affordable housing are often set relative to HUD Area Median Family Income (HUD AMI). In this report, unless otherwise indicated, AMI refers to the HUD AMI.

Comprehensive Housing Affordability Strategy (CHAS). Each year, HUD receives custom tabulations of ACS data from the U.S. Census Bureau. These data, known as the “CHAS” data, demonstrate the extent of housing problems and housing needs, particularly for low income households. The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.

Cost Burden. HUD considers housing to be affordable if it costs no more than 30% of a household's gross income. Households paying more than 30% of their gross income for housing (including utilities) are cost-burdened, while households paying more than 50% are severely cost-burdened. Cost-burdened households have limited resources left over to pay for other life necessities such as food, clothing, medical care, transportation, and education. They are also at higher risk of displacement when housing costs rise, or life circumstances change.

Household. A household is a group of people living within the same housing unit. The people can be related, such as a family. A person living alone in a housing unit or a group of unrelated people sharing a housing unit are also counted as a household. Group quarters population, such as those living in a college dormitory, military barrack, or nursing home, are not considered to be living in households.

Household Income. The U.S. Census Bureau defines household income as the sum of the income of all people 15 years and older living together in a household.

Income-Restricted Housing. This term refers to housing units that are only available to households with incomes at or below a set income limit and are offered for rent or sale at a below-market rates. Some income-restricted rental housing is owned by a city or housing authority, while others may be privately owned. In the latter case the owners typically receive a subsidy in the form of a tax credit or property tax exemption. As a condition of their subsidy, these owners must offer a set percentage of all units as income-restricted and affordable to household at a designated income level.

Low-Income. Households that are designated as low-income may qualify for income-subsidized housing units. HUD categorizes families as low-income, very low-income, or extremely low-income relative to HUD AMI with consideration for family size:

- Extremely Low-Income: ≤30% HUD AMI
- Very Low-Income: 30-50% HUD AMI
- Low-Income: 50-80% HUD AMI

Median Family Income (MFI). The median income of all family households in an area. Family households are those that have two or more members who are related. Median income of non-family households is typically lower than for family households, as family households are more likely to have more than one income-earner. Analyses of housing affordability typically group all households by income level relative to HUD AMI, which is calculated for the county or metropolitan region.

Introduction

This Housing Action Plan (HAP) defines strategies and implementation actions to promote greater housing diversity, affordability, and access to opportunity for residents of all income levels in the City of Othello. It has been developed as part of a grant administered by the Washington State Department of Commerce under E2SHB 1923 that is intended to:

- Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households
- Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified above
- Analyze population and employment trends, with documentation of projections
- Consider strategies to minimize displacement of low-income residents resulting from redevelopment
- Review and evaluate the current housing element, including an evaluation of success in attaining planned housing types and units and achievement of goals and policies
- Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups
- Include a schedule of programs and actions to implement the recommendations of the housing action plan

To support development of this Housing Action Plan, the City has conducted public engagement (Appendix A), a housing needs assessment (Appendix B), and a housing policy framework review (Appendix C).

The results of these efforts led to four key housing objectives addressed in this HAP:

1. **Make it easier to build affordable ownership and rental housing.**
2. **Increase housing variety and choices.**
3. **Ensure opportunities for affordable and properly sized housing for families with children.**
4. **Promote housing for seasonal and permanent workers supporting the agriculture-based economy.**

Engaging the Community

The City set out a [Public Engagement Plan](#) to solicit input and feedback during the development of the Housing Action Plan. This effort had the following objectives, guiding principles, and activities:

Objective

Othello's HAP is an actionable policy document that outlines concrete steps the City and its partners can take to meet local housing needs. The HAP takes a comprehensive approach to leverage resources and previous planning efforts and implement cohesive, effective, and feasible housing strategies tailored to the Othello community. Its strategies are based on data and analysis vetted and grounded through an inclusive and robust public conversation.

Guiding Principles

The Public Engagement Plan was developed with the following guiding principles:

1. Public participation will be a meaningful and productive use of the community's time.
2. The City will incorporate ideas generated and opinions provided.
3. Public participation will be conducted in an equitable manner, where residents and workers in Othello have opportunity for their voices to be heard.
4. Public participation will lead to a Housing Action Plan that can be implemented. The plan will be created using input from a broad set of community members, connecting to the needs and lived experiences of residents, and increasing the likelihood of positive support.

Activities

The public participation plan guided a variety of engagement activities:

- Online survey and feedback
- Stakeholder interviews and group discussions
- Legislative meetings with Planning Commission and City Council

This Draft HAP was informed by stakeholders through a meeting and a public survey, followed by legislative meetings. Engagement results to date are included in Appendix A and summarized here.

Online Survey: The City conducted a survey in Fall 2020 in English and Spanish. The link was mailed in a flyer to utility billing customers and posted on the project website. The survey received 202 responses including 14 participants who took the survey in Spanish. Although most survey respondents currently live in single-family housing (over 70%) and express a preference for this housing type (nearly 90%), survey results also indicate that Othello needs more apartments and other smaller rental housing, with over half of survey respondents identifying this need.

Stakeholders: The City coordinated stakeholder meetings to review the policies included in the Housing Action Plan. These sessions were scheduled for Monday, May 10th and Wednesday, May 12th, 2021, and included local developers, community groups, realtors, affordable housing providers, and members of the community. Preliminary policies were reviewed with these groups, and input and feedback were

provided regarding the scope and potential implementation of these policies, as well as other considerations that should be added into the draft Plan.

Legislative Meetings: The following legislative meetings were held to present and discuss the Housing Action Plan:

- An early briefing with the Planning Commission and City Council was held in October 2020 to share the grant agreement scope, preliminary housing needs assessment, and preliminary housing policy framework.
- The draft Housing Action Plan was introduced to City Council at their meeting on May 10th, 2021, and to the Planning Commission at their meeting on May 17th, 2021.
- The policies were presented to a joint meeting of Planning Commission and City Council on May 24th, 2021 for discussion and review.
- The final draft of the Housing Action Plan to the Planning Commission was presented to the Planning Commission on June 21st, 2021, and to City Council on June 28, 2021.

Othello's Current Needs, Gaps, and Policies

BERK prepared a Housing Needs Assessment (HNA) and conducted a policy review for the City of Othello in early fall 2020. Minor revisions were made in December 2020 based on feedback from the City Council and Planning Commission and the Department of Commerce. See **Appendix B** for the HNA and **Appendix C** for the policy review.

Housing Needs and Gaps

The HNA provides five main themes:

1. Housing supply is limited, and homeownership is unaffordable for many households.
2. Rental housing costs are rising and restricting options for low- and moderate-income households.
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.
4. There are limited affordable housing options large enough for families with children.
5. There is a lack of both permanent and seasonal housing for farmworkers, especially for low-income households.

Impacts of COVID-19

The information below is based on information available prior to the COVID-19 pandemic. The full effects of the pandemic are not currently known, in part due to the statewide eviction moratorium. The slowdown in economic activity will undoubtedly affect household income and affordability in the short-term.

Although the short-term effects of the pandemic are expected to be significant and may differ from the trends identified at left, over the long term many trends with affordability and supply are expected to continue, especially with a local economy dependent on agriculture and food processing. Therefore, housing affordability is expected to be an ongoing issue to be addressed with the recommendations in this Plan.

A summary of each is included below, with the full housing needs assessment included as Appendix B.

1. Home Ownership Affordability and Supply

Homeownership is important for many since it is the main way American families accumulate wealth. Homeownership in advantaged neighborhoods also provides access to amenities and resources that can lead to better life opportunities.

Homes in Othello are more affordable relative to the state overall, but home values are growing faster in Othello than they are statewide. From 2010 to 2018, the cost to purchase a median value home in Othello rose by 66% while household income increased by only 8%.¹ This suggests a rise in housing cost burden and decrease in affordability for prospective or first-time home buyers.

¹ The median home value in Othello was \$123,730 in 2010 and \$205,855 in 2018. The HUD area median household income was \$48,600 in 2010 and \$52,400 in 2018. Zillow, February 2020; U.S. Census Bureau, 2006-2010 and 2014-2018 ACS 5-Year Estimates (Table S1901).

Exhibit 1 compares the affordability of homes to homebuyers versus the income brackets for households in the City of Othello. As of February 2020, the average value of a home in Othello is about \$220,000.² For a household to afford a \$220,000 home by spending no more than 30% of their income on housing, they will need an annual household income of a little over \$47,000 (assuming access to a 20% down payment). Based on household income estimates from 2018, slightly under half of all households in Othello had incomes high enough to afford an average home.

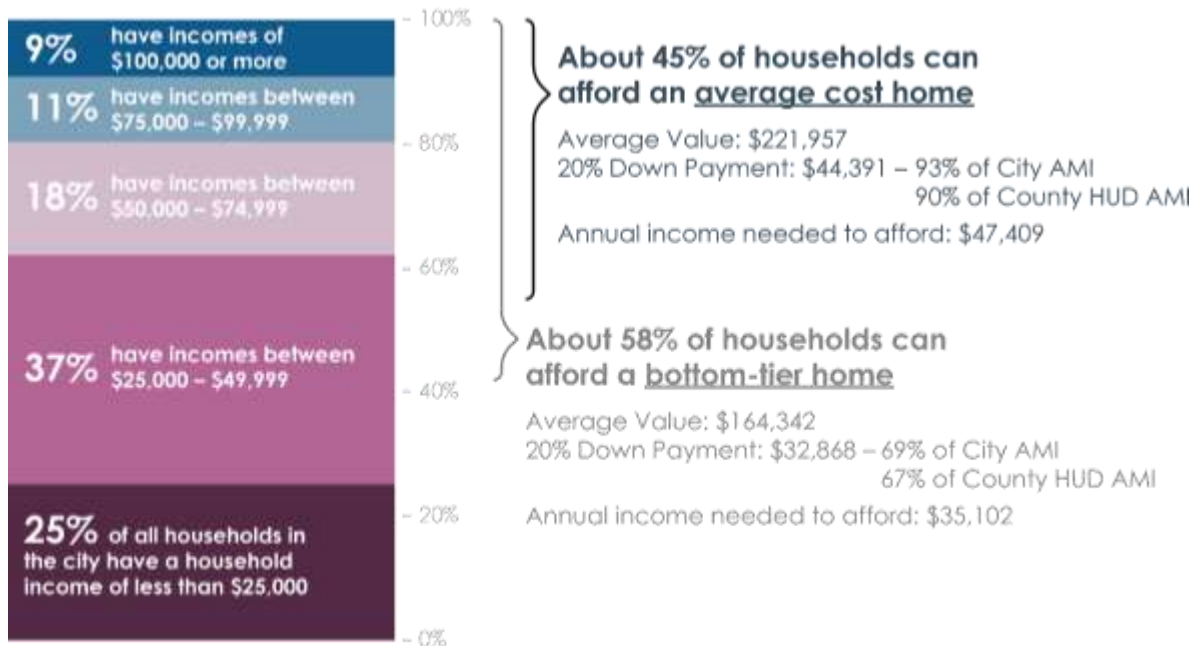
Cost Burden

One of the best indicators of affordable housing needs is the number of households that are "cost-burdened" or spending too much of their income on housing. These households have limited resources left over to pay for other life necessities such as food, clothing, medical care, transportation, and education. They are also at higher risk of displacement when housing costs rise or life circumstances change.

HUD considers housing to be affordable if it costs no more than 30% of a household's income. Households paying more than 30% of their income for housing are cost-burdened, while households paying more than 50% are severely cost-burdened. In 2016, 29% of all households in Othello were cost-burdened. Households with lower incomes are more likely to be cost-burdened.

About two-thirds of households had incomes high enough to afford a bottom-tier home (average value of about \$164,000) which requires an annual household income of about \$35,000 or more and access to a 20% down payment. At current housing prices, a 20% down payment is equivalent to about one full year's income for households at these income thresholds.

Exhibit 1. Home Ownership Affordability and Income Brackets in City of Othello.



Note: ZHVI represents the whole housing stock and not just the homes that list or sell in a given month. Average home value is the median value of all homes (single-family residential and condos) in 2020 as of February 2020. In 2018, HUD AMI for Adams County was \$52,400 and the ACS estimates the City of Othello's AMI was approximately \$51,071 for all households.

² The [Zillow Home Value Index](#) (ZHVI) provides median home values in the City of Othello for all ownership homes as well as averages among "Bottom Tier" homes (those in the 5th to 35th percentile of all units by value) and "Top Tier" (those in the 65th to 95th percentile of all units by value). ZHVI represents the whole housing stock and not just homes that list or sell in a given month. Average home value is the average value of all homes (single-family residential and condos) in 2020 as of February 2020.

Hispanic/Latinx households are also underrepresented among homeowners in the city. Households of color face additional barriers to homeownership such as overt discrimination or more subtle steering from real estate agents, bankers, or others in the housing market. Additionally, there may be potential challenges related to immigration status, employment, credit background, and lack of access to knowledge networks.

Overall, this means households may be less likely to own even if they meet the income thresholds necessary to own a home in Othello. The breakdown of homeowners by race suggests that these barriers are significant: white non-Hispanic households make up just 19% of the city's residents yet account for 33% of all owner-occupied housing units in the city. Non-Hispanic white households in Othello are also most likely to own their own home (87%), as compared with Hispanic or Latinx households of any race (69%), and non-Hispanic people of color (36%).³

2. Rental Housing Costs and Affordability

Rental costs in Othello are rising and housing options are limited for many households with low- and moderate incomes. Exhibit 2 outlines key statistics for rental rates and local affordability. As of summer 2020, the average rent of a 2-bedroom unit in this sample was around \$1,000, and just over \$1,300 for a 3-bedroom unit.⁴ Assuming households spend no more than 30% of their income on rent, the annual household income needed to afford this 2-bedroom apartment is about \$42,000 (or 79% of Adams County HUD AMI) and the income needed to afford a 3-bedroom apartment is about \$53,000 (or just over 100% of Adams County HUD AMI).⁵

Area Median Income (AMI)

Housing affordability is often measured using "Area Median Income" (AMI), also called "HUD Area Median Family Income" (HAMFI), as a metric for comparison. This value helps provide federal and state governments with a consistent way of managing programs for affordable housing across regions with distinctly different housing costs.

AMI is calculated by the federal Department of Housing and Urban Development every year, based on data received from the American Community Survey (ACS). AMI is calculated as the median of the most recent figures on family income (which includes all households with two or more related individuals) and is inflated to current dollars. This value is assumed to be the 100% AMI level for a family of four, and adjustments are made to account for both family size and local housing costs.

Rental affordability is compared to HUD AMI as income limits to qualify for affordable housing are often set relative to HUD AMI. The ACS estimates 2018 AMI for all households in the City of Othello at \$51,071, slightly lower than the 2018 HUD AMI of \$52,400.

The 2020 Adams County HUD AMI is \$58,000, which would mean 2- and 3- bedroom apartments are currently affordable to households with incomes at or above 72% and 91% of HUD AMI, respectively.

³ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table S2502).

⁴ These estimates are based on a small sample of 17 rental units located in the City of Othello and managed by Brian Gentry, a local landlord with RE/MAX Realty. Other data sources typically used to evaluate rental costs (such as the National Center for Real Estate Research) do not provide rental housing cost data for the City of Othello or Adams County specifically.

The 2018 ACS provides rental housing cost estimates for Adams County as a whole—the ACS estimates median rent for a 2-bedroom unit at \$694 and median rent for a 3-bedroom unit at \$858. However, these numbers are based on 5-year averages of data, so they include rents from the period between 2014 and 2018 and represent rents countywide. Given the rapid recent increases in housing costs, which have continued even during the COVID-19 pandemic, these estimates likely do not reflect current costs in Othello.

⁵ HUD Income Limits, 2019; U.S. Census, 2014-2018 ACS 5-year Estimates.

Exhibit 2. City of Othello Rental Rates and Affordability, 2020

	2-bedroom	3-bedroom
Average Rental Rates	\$1,038	\$1,314
Annual Income Needed to Afford	\$41,520	\$52,571
% City of Othello AMI Needed to Afford	81%	103%
% HUD AMI Needed to Afford	79%	100%

Sources: Interview with Brian Gentry, 2020; HUD Income Limits, 2018; U.S. Census, 2014-2018 ACS 5-year Estimates; BERK, 2020.

The rental market in Othello includes units affordable to a variety of income levels, but the availability of affordable units specifically for lower-income households is limited. Available data from HUD suggests a shortage of almost 150 units for households with incomes less than 30% AMI, based on the estimated number of renter households with incomes within these thresholds. There is a relative surplus of units affordable to households with incomes at 30–80% AMI, as many lower-income households are paying more than 30% of their income to secure housing. This process is known as “uprenting”, where lower-income households are forced into higher priced housing because of a lack of units that meet their specific needs.

HUD data on affordability reflects conditions that are several years in the past, so this should be interpreted with caution since housing costs have been rising rapidly and vacancy rates are low. It is likely that the supply of units affordable to lower income households, particularly those below 50% AMI, is even lower today. Furthermore, an undersupply of units at higher affordability levels (>80% AMI) means that some individuals with higher incomes are spending significantly less on housing than what they can afford, or “downrenting”. This can restrict the units available to households with lower incomes and puts further pressure on less-expensive housing options.⁶

3. Housing Choice and Diversity

There is a misalignment between the size of households and the corresponding size of housing available:

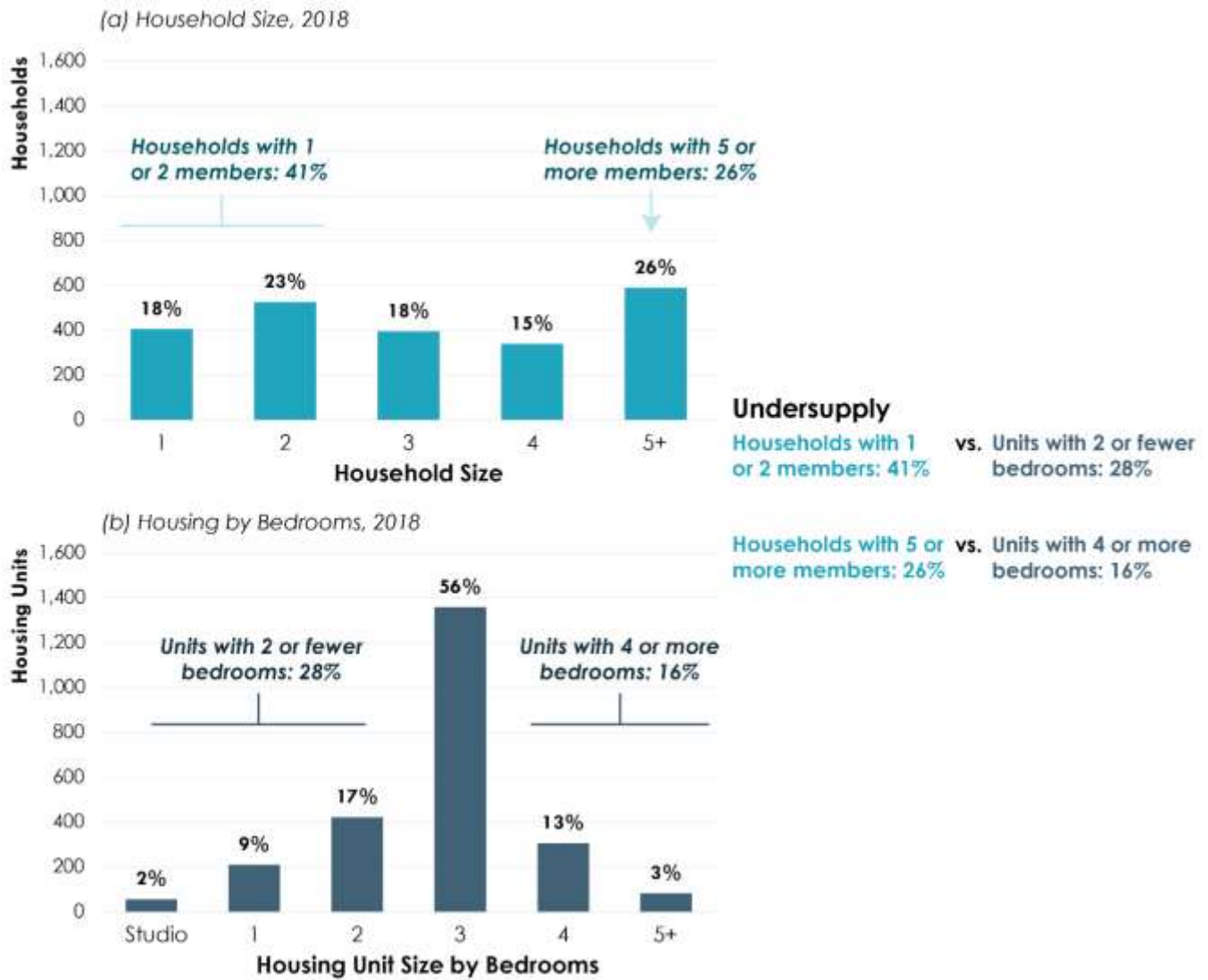
- Housing units in Othello are generally larger, with about 72% of units with three or more bedrooms. While this reflects the popularity of single-family homes in the local market, a majority of households (59%) include one to three people, and only 41% have four or more people.
- Only 11% of housing units have one bedroom and 17% have two bedrooms, yet 41% of households consist of only one or two people.
- Similarly, while 26% of households consist of five or more people, just 16% of units have four or more bedrooms.

Overall, this distribution leaves a relative oversupply of units in the middle of the spectrum, where about two-thirds of units have two or three bedrooms but only one-third of households consist of three or four people. It suggests that there is a problem where some households have unused space and additional capacity in their homes, while others may be overcrowded in housing that is too small for their

⁶ HUD CHAS (based on 2012-2016 ACS 5-year estimates).

households. This misalignment between unit and household sizes can be attributed to a lack of diversity in the housing options that are available to households.

Exhibit 3. Households by Members vs. Housing Units by Bedrooms in the City of Othello, 2018



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

4. Housing for Families

Othello is a relatively young community with larger families and a notable population of school-aged children:

- The median age in Othello is about 26, compared to 38 statewide.
- More than 38% of Othello’s population are children and youth under age 18.
- About 41% of households in the city have four or more members.⁷

⁷ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table S0101 and Table B25009).

This indicates a significant need for housing for families with children, which often require larger housing units with multiple bedrooms. Referring back to Exhibit 3, just 16% of housing units in Othello have four or more bedrooms as compared to 26% of households having five or more members. This indicates a misalignment between household types and sizes and the size of housing units in Othello that would likely have a disproportionate effect on households with children. Additional housing concerns related to children in the community include proximity to schools, childcare facilities, and other amenities.

5. Farmworker Housing

Agricultural jobs are often seasonal in nature and involve packing as well as agricultural production jobs. While just 2% of jobs located in the City of Othello are in agriculture, an estimated 21% of Othello residents work in agriculture, as a number of residents commute to agricultural work outside of the city where a much larger share of jobs are in agriculture (16%). Countywide, about 58% of agricultural jobs are variable, 15% are temporary H-2A Visa requests, and only about 28% are permanent.⁸

Farmworker housing includes both permanent housing units (which can be rented or owned) and seasonal housing (which is typically provided as beds in congregate housing). In 2018, there was an estimated gap of nearly 1,300 permanent housing units and 2,400 seasonal beds in Adams County, based on the number of farmworkers and existing dedicated farmworker housing units and beds (see Exhibit 4). Workers who cannot find farmworker-designated housing must find housing on the private market, where they are likely to be cost-burdened based on the average farmworker wage and average rents in the area. It may be hard for seasonal farmworkers even to find any housing at all, as many private landlords do not rent on a temporary basis.

Exhibit 4. Farmworker Housing Needs and Gaps in Adams County, 2018

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

Sources: Washington Employment Security Department, 2019; Washington State Finance Committee, 2019; Washington State Department of Health, 2019; BERK, 2020.

Existing Housing Policies and Regulations

The Policy Review evaluated several elements of the City's current plans and policies that pertain to housing needs. This focused on their effectiveness in meeting the city's housing goals, attaining the planned housing types and units, or the likelihood they will support the development of housing to meet the needs identified in the Housing Needs Assessment. Additionally, this also included a review to assess alignment with state requirements for partially planning communities to ensure fair housing and to allow manufactured housing, accessory dwelling units (for cities above 20,000 residents), affordable housing on religious organization properties, and associated items.

The following sections provide a high-level overview of the full policy review, which can be found in **Appendix C**.

⁸ Washington Employment Security Department, 2019; ESRI Business Analyst, 2020; U.S. Department of Labor, 2020.

Othello Comprehensive Plan

The introduction to the 2015 Comprehensive Plan expresses the following:

The city is committed to planning its future in a way that provides a steady economy that is attractive to new industries, a cooperative and responsible government organization that supports opportunities for new growth, and a community that provides a great quality of life for its citizens.

While the Comprehensive Plan does not include a defined vision for 2035, the goals and policies throughout the plan provide strong guidance for City permitting, planning, funding, and other decisions. Many of the policies in the Comprehensive Plan already highlight the needs and align with the strategies discussed in this Draft HAP, although some minor adjustments could be provided for greater clarity. The full review notes other policies that should be strengthened to support affordable and accessible housing opportunities, housing development co-located with amenities and infrastructure investments, and efforts to address housing challenges, largely to low-income renters vulnerable to displacement.

Development Regulations

The Othello Municipal Code currently includes residential and commercial zoning designations that allow for a range of housing types and densities. However, some of the existing development regulations can make development to maximum capacities challenging, and the existing code lacks incentives to develop at these higher densities to boost housing production. Examples of this include:

- **Extra Lot Area Requirements in the R-4 Zone.** Maximum residential densities for triplex and fourplex development are currently lower in the R-4 zone than in the R-3 zone. Under the R-4 zone, the current code requires an additional 900 ft² of site area, 300 ft² of landscaping, and 400 ft² of parking (or 1,600 ft² total) per dwelling unit above the minimum 6,000 ft² lot size when developing more than two dwelling units. This means a triplex requires a minimum lot size of 7,600 ft², and 9,200 ft² is necessary for a fourplex. In comparison, the R-3 zone simply requires a minimum lot size of 7,000 ft² for either type of development.
- **Lot Coverage and Density:** The maximum allowed lot area that can be covered by buildings and accessory buildings is currently 35%. This may limit the type of development, unit sizes, and effective densities with new residential projects, especially on smaller or constrained lots. This standard encourages single-family homes with large parking areas and yards, which do not align with the intent of some residential zones.
- **Residential Parking Standards in Residential Zones:** Current off-street parking requirements for mid-density (e.g., triplexes and fourplexes) and higher-density multifamily zones require dedicating a large amount of the site to accommodate on-site parking. This can reduce the amount of land that can be used for a building footprint, which can impact the feasibility of projects.
- **Residential Parking Standards in Commercial Zones:** Residential parking standards that support mixed-use and multifamily development should be established for consistency with commercial zones under the 2020 zoning code updates.
- **Street Widths:** Reducing street width requirements, particularly for neighborhood streets with lower speed limits, could allow more land in a subdivision to be used for housing. This could facilitate the development of additional units on a site and can reduce the costs of development.

Future Growth and Capacity

Remaining vacant residential land will not accommodate anticipated 2035 growth if development continues at existing rates. This is especially true if the community wishes to achieve a household size more consistent with county or statewide averages.

By 2035, the city's population is expected to grow by nearly 2,500 people. Assuming the current average household size of 3.45 and a 5% vacancy rate, the City would need about 760 new dwelling units to accommodate this additional population.

However, this does not account for overcrowding. This is a significant issue in Othello, and is most pronounced with larger renter households.⁹ If Othello were to accommodate expected population growth and achieve an average citywide household size consistent with Adams County or statewide averages, the city would need to add 966–1,956 new units by 2035.

These needs will not be met with current land available within City limits. Under 2020 zoning code updates and considering City staff's current estimate of remaining vacant residential land within city limits, vacant residential land would likely accommodate around 560 units if developed at current densities. If developed at the maximum densities allowed under current zoning, remaining residential land capacity could accommodate between 700–1,400 units, depending on the type of development (see sidebar).¹⁰

Under the new zoning code adopted earlier this year, multifamily or mixed-use development is also allowed in most commercial areas, which could accommodate some of the needed housing. Residential densities in these commercial districts are effectively limited by development standards, primarily height and parking requirements. However, several large vacant commercial areas in the southern and eastern portions of the city zoned C-3 could develop as mixed-use to address housing needs.

⁹ About 17% of occupied housing units in the city have more than one occupant per room compared to 13% in Adams County and 3% statewide. Amongst renter households, nearly one-third of Othello households (31%) have more than one occupant per room compared to 23% in Adams County and 6% statewide. U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table B25014); BERK, 2020.

¹⁰ Most of the remaining vacant residential land within city limits is zoned R-4. However, maximum residential densities for triplex and fourplex development are currently lower in the R-4 zone than the R-3 zone. If developed at the maximum densities currently allowed in the R-3 zone, vacant residential land (including the 70 acres preliminarily platted for 250 single-family homes) could accommodate between 633–1,783 units depending on the type of development.

Remaining Residential Land in Othello

Zoning code and map updates adopted in early 2020 slightly increased citywide residential land capacity, primarily by upzoning vacant parcels and allowing multifamily or mixed-use development in most commercial areas. Per the 2020 zoning code update, allowed residential densities currently range between 3.8 and 17.4 dwelling units per acre in most residential areas.

According to City staff, there are about 158 acres of remaining vacant residential land in city limits. There is already a preliminary plan in place to develop approximately 70 acres for 250 units, mostly single-family homes.

The remaining 88 acres are almost entirely zoned R-4. Maximum residential densities for triplex and fourplex development are currently lower in the R-4 zone than the R-3 zone because of existing development regulations. Under ideal conditions, these remaining areas could accommodate up to about 900 new units as duplexes and about 1,150 new units as fourplexes.

Despite the range of possible residential densities under zoning, the city has largely developed at densities of around 3.5–6.7 dwelling units per acre, with the greatest realized densities in the R-3 zone (see Figure 2-7 in the 2015 Comprehensive Plan). Data from OFM and the City indicate that new permitted units since 2015 are mostly single-family, however, which suggests that recent patterns of development have not accommodated the entire possible range of densities.

Future development on land in the Othello Growth Area (OGA) annexed from Adams County could also help address existing and forecasted housing shortages. Under Land Use Policy 1.5.2 in the Comprehensive Plan, the City is directed to automatically zone any residential areas in the OGA that are annexed as high density (R-4). However, many of the large areas within the OGA that could accommodate new development, particularly to the south of existing city limits, are currently used for agriculture. These lands are important for the local economy and should be protected where possible.

Additionally, any development in these areas would require an extension of current infrastructure and increases in local capacity, primarily with water and wastewater services. After severe limitations have been made apparent with local groundwater wells in a declining aquifer, the City has been pursuing an ambitious multistage project to upgrade its water system with a new reservoir, wastewater recycling, and aquifer storage and recovery.¹¹ However, developers in the community have highlighted potential challenges as well with future extensions of infrastructure, including challenges with bearing upfront costs and the need for latecomer's agreements for privately-funded infrastructure extensions.

¹¹ For more details, see Cityvision (Association of Washington Cities), "[Come Well or High Water](#)".

Strategies for Othello

This Draft Housing Action Plan evaluates a range of strategies in the Washington State Department of Commerce's [Draft Guidance for Developing a Housing Action Plan](#) (Commerce Guidebook) as well as strategies specific to Othello identified during the policy review. The range of potential housing strategies for Othello to consider fall into the four following categories:

1. **Revising Zoning and Building Standards.** These recommendations involve changing the existing development requirements in zoning regulations and building standards to facilitate the type and amount of development needed to meet housing goals.
2. **Parking and Transportation Standards.** In addition to the general zoning and building requirements, the provision of parking and rights-of-way can affect the amount of land available for development and the costs of new projects. Adjusting these standards can help to make developments more efficient, reducing costs and improving project feasibility.
3. **Affordable Housing Incentives.** In cases where the current market would not be able to provide certain types of units, the City can provide some financial support using available instruments to offset the costs for private and non-profit developers to build these units themselves.
4. **Process Improvements.** The City can also work to improve internal processes, specifically those that may limit or delay needed housing development.

Exhibit 5 identifies the strategies and their relationship to key housing objectives in this Draft Housing Action Plan. Each strategy includes a description, evaluation of how the tool relates to housing objectives, example communities implementing the tool, and applicability in Othello including recommendations.

In addition, the summary for each tool describes the ability to increase housing supply and variety, potential for effectiveness (e.g., productive in units), and the potential to preserve existing housing and avoid displacement are characterized, consistent with [RCW 36.70A.600\(2\)](#). Checkmarks are highlighted when the tool most prominently features these aspects.

Exhibit 5. Matrix of Strategies and Relationship to Housing Objectives

Strategy	Housing Action Plan Objectives			
	1. Make it Easier to Build Affordable Ownership and Rental Housing	2. Increase Housing Variety and Choice	3. Ensure Opportunities for Families with Children	4. Promote Housing for Agricultural Workers
1. Revising Zoning and Building Standards				
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	✓		✓	
1.4 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	✓	✓	✓	✓
1.7 Continue with long-term planning for annexation and infrastructure extension	✓	✓	✓	✓
2. Parking and Transportation Standards				
2.1 Review off-street parking requirements	✓	✓		✓
2.2 Encourage or require alley-accessed, rear, or shared parking	✓	✓		
2.3 Reduce neighborhood street width requirements	✓	✓		
3. Affordable Housing Incentives or Investments				
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				
4.1 Streamline permit review	✓	✓	✓	

Summary of Strategies and Recommendations

1. Revised Zoning and Building Standard Strategies

1.1 Coordinate future upzoning in areas likely to experience redevelopment. Over time, there will be pressures on residential areas of the city for new development, infill, and redevelopment. The City should work to ensure that these projects can take advantage of higher densities to allow housing to be created more efficiently with existing supplies of land.

Recommendations

- 1.1.1 Explore rezoning areas currently zoned as R-1 through R-3 to R-4 to ensure that future redevelopment can result in yields of additional housing.
- 1.1.2 Explore changes to minimum lot sizes in R-1 through R-4 zones to allow for additional density for infill projects and in future neighborhoods. Note that this should consider the need for capacity to accommodate density bonuses, such as those discussed in 3.1 below.

1.2 Modify setback, lot coverage, and landscaping standards for site design. Adjusting requirements for the building massing and landscaping for residential development projects can allow for the more efficient and affordable use of developable lands for housing.

Recommendations

- 1.2.1 Explore adjustments to setbacks, primarily front setbacks and exterior side setbacks on corner lots to permit housing closer to the street, provide opportunities for interesting streetscapes, and allow flexible site configurations for more efficient development.
- 1.2.2 Simplify the landscaping points system required under the Code to provide a clearer and more consistent approach. This would include revising the table under [OMC 17.74.100](#) to collapse available categories where possible.
- 1.2.3 Change the requirements for landscaping points under [OMC 17.74.030](#) Table 2 to allow for a gradual increase in points for development between 2,500 and 5,000 ft².
- 1.2.4 Apply single-family and duplex requirements for landscaping under [OMC 17.74.020\(c\)](#) Table 1 to triplex and fourplex development.
- 1.2.5 Explore increases in lot coverage requirements that can allow for additional development on a site while complying with recommendations for stormwater management.
- 1.2.6 Pilot potential changes in development regulations through Planned Development District Overlays under [OMC 17.54](#).
- 1.2.7 Develop neighborhood design guidelines to address concerns about the aesthetics and quality of new single- and multifamily construction with changes to site design requirements. See Strategy 1.5 for more details.

1.3 Require minimum residential densities for development. Providing minimum density requirements can ensure that new development makes efficient use of available land and achieves a minimum yield of new units.

Recommendations

- 1.3.1 Establish minimum net density requirements for R-3 and R-4 zones to promote more efficient development patterns. As single-family housing is an allowed use under [OMC 17.20.030](#), these requirements should be set to ensure that single-family housing can still be accommodated in these

areas: a minimum of 3–4 units per net acre set for R-3 zones and a minimum of 4–5 units per net acre set for R-4 zones.

- 1.3.2 Explore minimum densities in C-2 zones for multifamily development allowed under [OMC 17.30.030](#) when associated development densities can be evaluated.
- 1.3.3 Track ongoing development in the community to determine achieved densities for new development in Othello over time. This information should be used to adjust future changes to minimum densities.
- 1.3.4 Assess the need for design guidelines and comparable tools to mitigate the negative impacts from increases in minimum allowable densities. See Strategy 1.5 for more details.

1.4 Add provisions for ADUs and smaller lot homes in some residential zones. Allowing Accessory Dwelling Units (ADUs) and smaller lot homes to be built in certain residential zones can provide opportunities for new housing on existing and infill lots.

Recommendations

- 1.4.1 Explore an updated ADU ordinance based on previously proposed ADU ordinances and prior objections to the policy. If possible, this should relax off-street parking requirements and owner occupancy requirements to reduce the challenges to building ADUs on existing properties. This may be piloted in specific neighborhoods through a zoning overlay before allowing ADUs in wider areas of the city.
- 1.4.2 Allow for flexibility with meeting minimum lot size requirements and massing through lot size averaging allowances for subdivisions. This would allow for smaller lots to be developed in new subdivisions, both to provide more flexibility with subdivision platting and to encourage a wider range of housing sizes to be developed.
- 1.4.3 Explore the development of small-lot and cottage housing zoning areas which would provide flexibility for smaller housing units to be incorporated into targeted areas in new and existing neighborhoods. This may include revisions to lot and subdivision design requirements, especially with respect to setbacks, lot coverage, and access.
- 1.4.4 Provide clear policies for the registration and permitting of unregulated ADUs. This can ensure that existing ADUs that were developed outside of current regulations can be monitored by the city to ensure that it provides for safe and healthy housing for residents.
- 1.4.5 Provide ongoing monitoring for the permitting and construction of ADUs, cottage housing, and small lot housing in the community to evaluate the effectiveness of the policy and the possible needs for adjustments to these policies over time.

1.5 Adopt residential design standards or guidelines. Presenting consistent design standards or guidelines for residential development in the community can ensure that impacts from more dense development can be mitigated and the character of existing areas can be maintained.

Recommendations

- 1.5.1 Engage with developers, landowners, and members of the community to create a pilot for design guidelines targeted to areas likely to experience new development, redevelopment, or infill over the short term. This should build on the design standards established for commercial development in the city and focus on potential conflicts associated with new infill and subdivision development.
- 1.5.2 Coordinate an “after-action” review of the design guidelines pilot after development has occurred to determine next steps with adjusting these guidelines to make them more effective and provide for their wider use.

1.6 Remove extra lot area requirements in the R-4 zone. The City should adjust the requirements for R-4 zones to allow triplexes and fourplexes to be developed without additional allocations of lot area that would reduce effective density.

Recommendations

- 1.6.1 Remove requirements in [OMC 17.20.060](#) for additional lot area for triplexes and fourplexes in R-4 zones. Lot sizes would be regulated specifically by a single minimum lot size for the entire zone, which would be consistent with the approach used for R-3 zoning.
- 1.6.2 Remove requirements in [OMC 17.20.060](#) for additional parking area for multifamily projects in R-4 zones and rely specifically on [OMC 17.61.020](#) to determine on-site parking needed for a project. Also note adjustments in off-street parking requirements from Strategies 2.1 and 2.2.
- 1.6.3 Adjust the landscaping requirements in R-4 zones under [OMC 17.20.060](#) to align with the general requirements provided in [OMC 17.74](#). Also note that these requirements may be adjusted under Strategy 1.2.
- 1.6.4 Provide suitable maximum densities for the R-4 zones that would be consistent with the desired scale of multifamily housing to be built in these areas. (Also note recommendations for minimum densities with 1.3.1)

1.7 Continue with long-term planning for annexation and infrastructure extension. Ongoing needs for new housing will require more land for development over the long term. The City should continue to coordinate efforts to develop new infrastructure capacity, review potential areas for future annexation, and develop policies to assist with extension of water and wastewater infrastructure into new areas.

Recommendations

- 1.7.1 Coordinate with Adams County and local landowners to determine the feasibility of annexation for unincorporated areas surrounding the city.
- 1.7.2 Integrate ongoing efforts with planning for water and wastewater infrastructure with growth planning for potential annexation areas.
- 1.7.3 Investigate the use of latecomer and development agreements to support growth in annexed areas.

2. Parking and Transportation Standard Strategies

2.1 Review off-street parking requirements. Tailoring off-street parking requirements for new housing to meet actual needs by residents can help to reduce costs of development and allow for more density to be included on multifamily sites.

Recommendations

- 2.1.1 Create parking requirements and standards for multifamily housing in C-2 zones. These requirements should be based on a parking study and reflect actual car ownership and needs for on-site parking.
- 2.1.2 Create options for parking variances for low-income housing and housing for residents that may have lower rates of car ownership (e.g., seniors) or in other cases where the expected parking requirements would be lower. This may require a parking study to achieve the necessary variance to ensure that there are no undue effects with reduced parking requirements.
- 2.1.3 Provide explicit guidance to developers under the provision of joint use of parking facilities for the joint use of parking in mixed-use development projects with residential and commercial uses.

2.2 Encourage alley-accessed, rear, and shared parking. Allowing alley-accessed, rear, or shared parking to fulfill parking requirements can give an opportunity to meet parking requirements while mitigating some of the impacts associated with parking, especially with denser types of housing.

Recommendations

- 2.2.1 Provide design guidelines and flexibility with parking requirements for the development of new subdivisions with alleyways and rear parking. As part of this process, development requirements should be adjusted to support rear parking as required.
- 2.2.2 For existing neighborhoods, explore the use of requirements for garage setbacks, frontages, design elements, and façade transparency to ensure that the effects of off-street parking from new infill development are mitigated.
- 2.2.3 Include provisions for shared parking in the Municipal Code to provide flexibility for meeting residential parking requirements with off-site parking options.

2.3 Reduce neighborhood street width requirements. Reducing neighborhood street width requirements can reduce the amount of land required for rights-of-way in a new subdivision, which can allow for greater housing yields in these projects.

Recommendations

- 2.3.1 Coordinate with the Public Works Department and Adams County Fire District #5 to determine the potential for reductions to neighborhood street rights-of-way widths, including additional designations for streets. This should consider the needs for lower speed limits as well as access requirements for emergency vehicles and other services.,
- 2.3.2 Collaborate with the Public Works Department and landowners to pilot revisions to street and right-of-way widths and related street design considerations using a Planned Development District Overlay. This pilot project should work with the site developer to understand the cost savings, increases in site yields, parking impacts, and effects on feasibility resulting from adjustments to street width requirements.
- 2.3.3 Partner with the Public Works Department to make final revisions to the Public Works Design Standards for all new subdivisions.

3. Affordable Housing Incentives

3.1 Offer development bonuses for affordable housing. Developers can be granted bonuses that will allow for denser development to offset the costs of voluntarily providing affordable housing.

Recommendations

- 3.1.1 Develop policies for development bonuses for affordable rental housing under a proposed model for a Planned Development District overlay system. This would include identifying the threshold for projects that would qualify for additional density (e.g., 20% of units reserved for households making 50% AMI or below), as well as the changes in the required building envelope necessary to achieve these additional densities.
- 3.1.2 Develop provisions for density bonuses for affordable owner-occupied housing across all zones. The considerations of including bonusing for owner-occupied housing would be comparable to rental housing, although the threshold for household income may be higher (e.g., 80–100% of AMI). This would also require the City to set up a monitoring system to ensure that the resale of these units would consider lower sale prices and income restrictions. This would also include evaluating changes to building envelope and parking requirements to allow this density to be accommodated on a site.

- 3.1.3 Coordinate with local religious and non-profit organizations that own property in the city to determine potential applications of density bonusing on vacant or underutilized sites and promote their development.

3.2 Offer alternative development standards for affordable housing. Developers of affordable housing projects can also be provided with flexibility with respect to other development standards to reduce costs.

Recommendations

- 3.2.1 Create development incentives under the provisions of RCW 36.70A.540 that allow for more flexible parking requirements for affordable housing, conditional on agreements that the resulting housing units will stay affordable for a 50-year period.
- 3.2.2 Develop consistent guidance for the use of Planned Development District Overlays with affordable housing and provide this as an option for low-income housing development projects.

3.3 Offer fee waivers for affordable housing. The waivers of certain fees typically charged for new development can provide a financial incentive to make the development of affordable housing more feasible, depending on the current fee amounts. If the City were to increase development fees in the future, waivers of some or all of those fees could be one incentive for affordable housing.

Recommendations

- 3.3.1 If the City pursues increases in charges and fees associated with housing development, identify the feasibility of a targeted fee waiver program for affordable housing projects. Total waiver amounts should be limited by funding directed by Council to ensure that fiscal impacts are constrained. These fee waivers should specify qualifying household incomes for covered units to ensure they will help achieve affordable housing goals.
- 3.3.2 After developed, monitor and report on the use of fee waivers in the development of affordable housing in the city and provide regular public reports on the uptake of this incentive.

3.4 Explore the use of a Multifamily Tax Exemption (MFTE) program for affordable housing. Another incentive that can be provided to support affordable housing development is the use of a Multifamily Tax Exemption (MFTE) program. Under this program, cities can forgive the property taxes paid for a residential structure provided the building includes a certain proportion of affordable housing units.

Recommendations

- 3.4.1 Define a designated residential targeted area, affordability requirements, standards and guidelines, and potentially minimum residential densities for applicable areas for an MFTE program in consultation with the Planning Commission and housing providers.
- 3.4.2 Coordinate the adoption of the MFTE program in targeted areas, including requirements for the public hearing.
- 3.4.3 Provide monitoring and review of the effectiveness of the program and ensure that the program considers future updates to State law on MFTE programs.

4. Process Improvement Strategies

4.1 Continue to improve internal processes for permit processing and review. Permit review processes may add time and uncertainty to a development project. Building on current efforts and continuing to improve the efficiency of the review process can improve certainty for developers.

Recommendations

- 4.1.1 Continue to improve the efficiency of the permitting and review process where possible. This could include providing updated guidance to developers and landowners and coordinating a “one-window” approach with respect to approvals.
- 4.1.2 Provide regular reporting and reviews of permitting times for residential development. This should be focused on highlighting improvements in internal processes from changes over time and identifying any other areas where improvements could be made.

1. Revised Zoning and Building Standard Strategies

1.1 Coordinate future upzoning in areas likely to experience redevelopment.

Summary

Over time, there will be pressures on residential areas of the city for new development, infill, and redevelopment. The City should work to ensure that these projects can take advantage of higher densities to allow housing to be created more efficiently with existing supplies of land.

Objectives

✓	Increases housing supply, variety, and affordability
	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
	Avoids displacement, preserves existing housing

Rationale

One approach to encourage the development of additional housing is to provide developers with the ability to build more housing on land. As noted in the assessment of policies, the City's long-term strategy has been to designate new land annexed from the County as under R-4 zoning. As the highest single-use residential zone, this policy should help to ensure higher housing yields from future projects in these areas.

However, while this policy can support future management of growth after new land is annexed, there is already a notable amount of vacant land in the city today. Estimates by staff suggest that there is about 158 acres of residential land available, with a concept plan for an available 70-acre parcel that would provide 250 single-family homes for the site. Under historical development densities, the remaining 88 acres could accommodate about 311 additional housing units.

There are also some areas where redevelopment of existing may occur in the future. Older housing in Othello may be purchased and redeveloped over time, especially if future supplies of housing are tighter and it would be more lucrative to demolish the existing housing to build new units. In these cases, providing for more density can promote additional units as part of redevelopment and infill projects.

The primary approach with this strategy would be to increase allowable densities in targeted areas where additional housing could be accommodated, likely by changing zoning from an R-1 to R-3 designation to R-4. This should be subject to a review by Public Works to confirm that existing and planned infrastructure would be sufficient to accommodate additional densities. Preferred areas for upzoning would include locations that have:

- Vacant lands, especially sites that are close to major streets (e.g., arterials and collectors) and existing R-4 zones.
- Areas in R-1 to R-3 zones with owner-occupied housing that is older, in poor condition, and close to major streets or existing R-4 or commercial zones.

- Areas in R-1 to R-3 zones with owner-occupied housing on sites that could accommodate additional infill development that are close to major streets or existing R-4 or commercial zones.

Another approach would be to provide general increases in the development that could be accommodated in existing residential zones. In lieu of upzoning, this would likely be done by reducing the minimum lot sizes found in [OMC 17.20.060](#), Table 2 (as well as lot setbacks) to allow for houses to be built on smaller lots and for greater yields to result from infill and new development. Although these effects would be distributed throughout the city, it is very likely that the short-term effects would be relatively minor in comparison to targeted upzones. Additionally, this could detract from the use of density bonusing for accommodating

Recommendations

- 1.1.1 Explore rezoning areas currently zoned as R-1 through R-3 to R-4 to ensure that future redevelopment can result in yields of additional housing.
- 1.1.2 Explore changes to minimum lot sizes in R-1 through R-4 zones to allow for additional density for infill projects and in future neighborhoods. Note that this should consider the need for capacity to accommodate density bonuses, such as those discussed in 3.1 below.

Assessment of Effects

Generally, rezoning available land to allow for more dense development will have two main effects:

- Developers interested in maximizing their returns may be more likely to incorporate additional housing units as part of a project. In the case of upzoning, this may also include a more diverse range of housing types.
- For developers looking for feasible projects, especially if they already have access to land, providing additional density may also allow them to get a greater return from a larger project.

By providing for more density and larger projects, the available supply of developable lands within the city can also be extended. This can delay the need for annexing new land to accommodate expected residential growth. However, this additional growth will require supporting infrastructure, and there should be confirmation that local infrastructure can support additional density.

Providing a means to encourage redevelopment of existing housing also poses a risk to low-income renters in affected neighborhoods. Depreciated housing that may provide opportunities for redevelopment may also provide “naturally occurring” low-income housing on the market. Any action to rezone residential areas should be careful to minimize the loss of affordable housing to existing renters, and where relevant, should be paired with efforts to build and maintain affordable housing.

Examples

- [City of Olympia Missing Middle Housing](#) – The City of Olympia recently passed legislation to allow a wider range of housing types in existing single-family zones, providing more options for new and infill development.

1.2 Modify setback, lot coverage, and landscaping standards for site design.

Summary

Adjusting requirements for the building massing and landscaping for residential development projects can allow for the more efficient and affordable use of developable lands for housing.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
	Avoids displacement, preserves existing housing

Rationale

Development regulations such as setbacks, lot coverage,¹² maximum impervious area,¹³ and landscaping standards impact site planning for new housing projects. Although development regulations may provide minimum lot sizes and maximum densities in general, other regulations can change how housing is placed on a site and how much additional space is required, which can impact the type of development, feasible unit size, and effective development densities achievable, especially on smaller or constrained lots.

For Othello, details on the setback requirements by zone are included under [OMC 17.20.060](#), Table 2, with landscaping requirements for most zones provided in [OMC 17.74](#). Within these regulations, there are several changes that may have an impact on the feasibility and cost of housing projects:

- **Front and exterior side setbacks.** Modest reductions in setback standards can help to expand the potential area on lots that can include housing, and in some cases can for new development in a project. At present, residential zones require front setbacks of 20 feet, with interior side setbacks of 5 feet (10–15 feet for corner lots), and rear setbacks of 5–8 feet. Reducing these values can increase flexibility with siting housing on a lot and may even increase yields where there are small or unusually shaped parcels.
- **Lot coverage.** The size of a building footprint is impacted by maximum lot coverage requirements, which will impact how much of the building can take up the lot. A maximum of 35% of the lot area can currently be covered by residential and accessory buildings in all residential zones in Othello (see [OMC 17.20.060](#)). This standard encourages single-family homes with large parking areas and big yards, which does not match the intent of some residential zones and may impact the feasibility of multifamily projects. This may also promote the use of surface parking versus at-grade or underground parking and can impact the ability for some sites to accommodate accessory dwelling units.
- **Landscaping.** In most zones, landscaping is managed by requirements provided for single-family and duplex projects, larger multifamily projects, and residential subdivisions under [OMC 17.74](#). The

¹² Lot coverage is typically the percentage of a lot covered by buildings.

¹³ Impervious areas are the hard-surfaced, man-made areas that do not readily absorb or retain water on a lot.

exception is with the R-4 zones, which require a flat 300 ft² landscaped area per unit. Although these requirements allow for some flexibility, they have significant detail and can be complex to manage. Additionally, there is a breakpoint at 2,500 ft² of developed area on the site when landscaping requirements double, which may be a consideration in the use of a site.

Note that one approach to piloting these requirements may be to coordinate Planned Development District Overlays under [OMC 17.54](#). The discretion available under these provisions to adjust site planning may allow example developments to highlight how projects could be developed under revised requirements.

Recommendations

- 1.2.1 Explore adjustments to setbacks, primarily front setbacks and exterior side setbacks on corner lots to permit housing closer to the street, provide opportunities for interesting streetscapes, and allow flexible site configurations for more efficient development.
- 1.2.2 Simplify the landscaping points system required under the Code to provide a clearer and more consistent approach. This would include revising the table under [OMC 17.74.100](#) to collapse available categories where possible.
- 1.2.3 Change the requirements for landscaping points under [OMC 17.74.030](#) Table 2 to allow for a gradual increase in points for development between 2,500 and 5,000 ft².
- 1.2.4 Apply single-family and duplex requirements for landscaping under [OMC 17.74.020\(c\)](#) Table 1 to triplex and fourplex development.
- 1.2.5 Explore increases in lot coverage requirements that can allow for additional development on a site while complying with recommendations for stormwater management.
- 1.2.6 Pilot potential changes in development regulations through Planned Development District Overlays under [OMC 17.54](#).
- 1.2.7 Develop neighborhood design guidelines to address concerns about the aesthetics and quality of new single- and multifamily construction with changes to site design requirements. See Strategy 1.5 for more details.

Assessment of Effects

Providing more flexibility with respect to site design and geometry for residential projects can be important for efficient development. Buildings can be sited more easily on lots in new subdivisions and infill projects, which can make these developments more efficient and ensure that additional lot area will not be needed to accommodate other site requirements.

Adjusting landscape standards to clarify and simplify the requirements for a site can help to increase certainty for developers interested in projects in Othello. Allowing for a more gradual increase in landscaping requirements can also ensure that developers do not face a significant increase in development costs based on a size threshold for site development.

Expanding the possible building footprint area would allow for more flexibility in how units are organized on the site and the type and size of units developed. It could be easier or more financially feasible to

develop a duplex or triplex, for example, with enough bedrooms to accommodate families or larger households.

One concern with changing setbacks, lot coverage, and landscaping requirements is often with the impacts to the aesthetics of a neighborhood, and there may be concerns with respect to the privacy, comfort, and livability of the adjacent residential units. Providing design guidelines that highlight general expectations and recommendations for new development can help property developers to understand how best to comply with updated requirements while constructing high-quality projects in the community.

1.3 Require minimum residential densities for development.

Summary

Providing minimum density requirements can ensure that new development makes efficient use of available land and achieves a minimum yield of new units.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
	Avoids displacement, preserves existing housing

Rationale

The purpose of establishing minimum densities in zoning is to ensure that a sufficient level of development occurs to support growth targets, desired walkability, infrastructure investments, local retail, and other defined community goals. Higher densities in a neighborhood can also reduce the per-household cost of providing services.

In many cases, the residential development market will try to build out to the maximum capacity of a site. However, there are situations where developers may decide to build at lower densities, such as with higher-end housing where exterior space and separation from neighbors can be valued. While this is not intended to impact choice in the housing market, maintaining a minimum residential density for new development can ensure that development targets are achieved given available land supplies.

Zoning code and map updates adopted in early 2020 slightly increased citywide residential land capacity, which was accomplished primarily by upzoning vacant parcels and allowing multifamily or mixed-use development in most commercial areas. After these updates, allowed residential densities currently range between 3.8 and 17.4 dwelling units per acre in most residential areas.

However, despite the range of residential density options, there are concerns that full development capacities will not be achieved. The city has historically developed at a flat rate of density ranging between approximately 3.5 and 6.7 dwelling units per acre, with the greatest realized density in the R-3 zone and densities of about 3.5 dwelling units per acre in the R-4 zone.¹⁴ New permitted units since 2015 have mostly been single-family and thus continue existing development patterns.

Visualizing Density

Density is a controversial subject in just about every Washington community. Most planners equate “density” to the number of dwelling units per acre. While many cities have recently increased densities in efforts to accommodate growth and help to encourage more affordable housing, such increases can be extremely difficult and divisive. The Municipal Research and Services Center (MRSC) Insight Blog post titled “[Visualizing Compatible Density](#)” is a great resource for planners, public officials, and interested community members to see examples of developments built to densities ranging from 4 to 205 units per acre.

The post ultimately draws some conclusions about what makes particular examples appear more livable and “compatible” than others: (1) good streetscape design with street trees and welcoming sidewalks, (2) design that deemphasizes the automobile, and (3) attractive buildings with human-scale design elements.

Recommendations

- 1.3.1 Establish minimum net density requirements for R-3 and R-4 zones to promote more efficient development patterns. As single-family housing is an allowed use under [OMC 17.20.030](#), these requirements should be set to ensure that single-family housing can still be accommodated in these areas: a minimum of 3–4 units per net acre set for R-3 zones and a minimum of 4–5 units per net acre set for R-4 zones.
- 1.3.2 Explore minimum densities in C-2 zones for multifamily development allowed under [OMC 17.30.030](#) when associated development densities can be evaluated.
- 1.3.3 Track ongoing development in the community to determine achieved densities for new development in Othello over time. This information should be used to adjust future changes to minimum densities.
- 1.3.4 Assess the need for design guidelines and comparable tools to mitigate the negative impacts from increases in minimum allowable densities. See Strategy 1.5 for more details.

Assessment of Effects

Although the 2020 updates to the zoning code allowed for a slight increase in the maximum densities allowed in certain neighborhoods, the lack of minimum densities can mean that developers are under no obligation to provide housing that aligns with the vision under the Comprehensive Plan of the R-3 and R-4 zones as medium- and high-density residential areas of the city, respectively. This can impact

¹⁴ See the Othello Comprehensive Plan, Figure 2-7: <https://evogov.s3.amazonaws.com/media/49/media/37803.pdf>.

ongoing efforts in managing developable land supplies if developers look to site lower-density housing in these locations.

Providing options for minimum densities for multifamily development may also be relevant to maintain development yields and allow for the efficient use of developable land to accommodate future housing. However, as the development regulation changes that have allowed housing to be developed in these areas is relatively recent, this may be best to explore after future multifamily residential development occurs in commercial areas.

Requiring minimum densities in certain locations could potentially have perceived effects on neighborhood quality, especially in cases where infill development might be subject to revised requirements. In these cases, the City should explore whether design guidelines for new and infill development would be necessary to help maintain the quality of new construction in different areas of Othello.

Although minimum density requirements can help to increase housing yields for new projects and support medium- and high-density development in the city, there is a need to ensure that these limitations do not have significant effects on development feasibility and the amount of housing produced over time. Ongoing monitoring of development densities and engagement with developers in the area will be necessary to ensure that these minimum requirements can help to support denser and more efficient patterns of development in the community.

Examples

[Pierce County Code Table 18A.15.020-1](#) – For urban areas in Pierce County, residential densities in urban areas are subject to base density requirements that are allowed as of right, as well as minimum density requirements for development in serviced areas.

[Renton Municipal Code 4-2-110A](#) – Zoning regulations for R-6 zones and higher in the City of Renton have minimum densities that are half of the maximum density allowed on a site.

1.4 Add provisions for ADUs and smaller lot homes in some residential zones.

Summary

Allowing Accessory Dwelling Units (ADUs) and smaller lot homes to be built in certain residential zones can provide opportunities for new housing on existing and infill lots.

Objectives

- ✓ Increases housing supply, variety, and affordability
- ✓ Increases housing for special needs (families, seasonal)
- ✓ Likely to be effective
- ✓ Avoids displacement, preserves existing housing

Rationale

Examining other possible formats for housing units can help to address shortfalls in different housing types:

- **Accessory dwelling units**, or ADUs, are small dwelling units that are either attached to the primary dwelling or in a detached structure typically placed to the side or rear of the primary dwelling. ADUs have long been an important option for communities to add variety and housing choice in single-family neighborhoods. They can provide low-cost infill housing in established neighborhoods, dwelling opportunities for extended family members and small households that prefer a neighborhood setting over apartment living and can offer a critical source of monthly income for homeowners when rented.
- **Smaller lot homes** are housing units that are permitted to be developed on smaller lots than would otherwise be allowed. This may be done through zoning designations or planned development districts and can include housing types such as cottage housing.

Adding policies for ADUs and/or smaller lot homes can help to put smaller housing types on the market that can help to meet specific needs for households. Depending on their characteristics, this can increase housing supply and diversity, encourage affordable homeownership and middle-income rental housing opportunities, and increase the supply of rental housing for smaller or seasonal households.

Policies for allowing ADUs typically require these units to be placed within or to the rear of a home or minimize the visual impacts of such units on the streetscape. ADUs are more likely to be built if:

- Parking requirements are minimized
- Occupancy by the owner on the property is not required
- Detached units are allowed adequate height and floor area for design flexibility
- The ADU and main house share a utility connection and no additional connection fees are required

The City of Othello has reviewed the potential for ADU regulations to permit this development in the city.¹⁵ Under those requirements, these units were to be allowed in the R-2, R-3, and R-4 residential zones, and were subject to the following:

- Only one ADU was allowed per site, specifically as an accessory to a single-family residence.
- Maximum lot coverage requirements were maintained.
- Two off-street requirements were required for the ADU, with two spaces required for the main house. Under an alternate proposal, two off-street parking spaces were required for the first bedroom of the ADU, with one additional off-street parking space provided for each additional bedroom.
- The ADU were not allowed to be sold separately from the primary residence without subdivision.
- The owner of the property was required to reside on the property for ADUs in R-2 and R-3 zones, either in the main house or the accessory unit.

Providing the flexibility necessary to provide houses on smaller lots can also help with encouraging feasible development that may be more affordable for households. Aside from potentially allowing additional density and more efficient development patterns, smaller houses can be less expensive, allowing access to the owner-occupied housing market for moderate-income households that may not

¹⁵ See <https://www.codepublishing.com/WA/Othello/html/ords/1553.pdf>.

be able to purchase other available housing. Flexibility with site configuration and other massing requirements can help to provide access to shared amenities and protection of natural features.

Recommendations

- 1.4.1 Explore an updated ADU ordinance based on previously proposed ADU ordinances and prior objections to the policy. If possible, this should relax off-street parking requirements and owner occupancy requirements to reduce the challenges to building ADUs on existing properties. This may be piloted in specific neighborhoods through a zoning overlay before allowing ADUs in wider areas of the city.
- 1.4.2 Allow for flexibility with meeting minimum lot size requirements and massing through lot size averaging allowances for subdivisions. This would allow for smaller lots to be developed in new subdivisions, both to provide more flexibility with subdivision platting and to encourage a wider range of housing sizes to be developed.
- 1.4.3 Explore the development of small-lot and cottage housing zoning areas which would provide flexibility for smaller housing units to be incorporated into targeted areas in new and existing neighborhoods. This may include revisions to lot and subdivision design requirements, especially with respect to setbacks, lot coverage, and access.
- 1.4.4 Provide clear policies for the registration and permitting of unregulated ADUs. This can ensure that existing ADUs that were developed outside of current regulations can be monitored by the city to ensure that it provides for safe and healthy housing for residents.
- 1.4.5 Provide ongoing monitoring for the permitting and construction of ADUs, cottage housing, and small lot housing in the community to evaluate the effectiveness of the policy and the possible needs for adjustments to these policies over time.

Assessment of Effects

Overall, providing for the development of smaller homes for both owners and renters can provide benefits in the local housing market. In both cases, they can provide certain options that may not be found in the current market.

For smaller homes, these units will be available at a lower cost due to their smaller size and be more affordable for potential homebuyers in the community. This can help with encouraging homeownership in the community at prices that are more accessible than in current single-family neighborhoods. Additionally, smaller lot sizes can potentially improve the flexibility and total development yields in new neighborhoods. Note that in existing neighborhoods small lot development may be limited except for targeted infill projects.

Accessory dwelling units present a more effective approach when trying to build additional housing in neighborhoods that have already been built up. Homeowners that are motivated to build an ADU on their property can use this new unit as a source of rental income, or even as a home for family members such as seniors or young adults. New homes could also be built to include ADUs; while this would increase the prices of these homes to homebuyers, it would also allow for these units to be integrated with the development of the home as well.

Achieving significant yields of housing from these programs will require adjustments to certain development regulations. Requirements for parking, density, and site configurations may need to be adjusted to ensure that these units can be built and would provide a net benefit to owners and developers.

Providing opportunities for existing ADUs that have not been approved by the City can help to manage these units to ensure that they are compliant with local building codes and other provisions for occupancy. Paired with inspections and a robust process for receiving and processing housing complaints, this can help to ensure that rental units are safe and healthy for all residents of the city.

Examples

- [Bellingham Municipal Code 20.28.060](#) – Includes provisions for smaller homes on lots of 1,800 ft² and up to 3,000 ft².
- [Olympia Municipal Code 18.04.060](#) – allows ADUs to be built in all residential areas of the city subject to specific requirements and limitations, such as the size and configuration of these units.
- [Kirkland Municipal Code 22.28.040](#) – provides requirements for lot size averaging for the purpose of providing flexibility with subdivision design.

1.5 Adopt residential design standards or guidelines

Summary

Presenting consistent design standards or guidelines for residential development in the community can ensure that impacts from more dense development can be mitigated and the character of existing areas can be maintained.

Objectives

- | | |
|---|--|
| ✓ | Increases housing supply, variety, and affordability |
| | Increases housing for special needs (families, seasonal) |
| ✓ | Likely to be effective |
| | Avoids displacement, preserves existing housing |

Rationale

One of the typical challenges with encouraging additional housing in certain areas, especially existing neighborhoods, is the conflicts perceived by residents between new housing and an existing neighborhood. Variations in site configurations, heights, building footprints, access, parking, and even building materials can provide a source of conflict with existing residents interested in maintaining the current character of an area. Even if these residents do not have a problem specifically with new density or housing, these incompatibilities can often be a source of friction.

One solution to mitigate these conflicts is to develop a series of design principles to be incorporated into the development of new housing. These can take the form of *design standards*, which are specific requirements necessary for approval of a project, or *design guidelines*, which would be principles strongly recommended by the city and potentially involved in discretionary approval decisions. While

these design standards or guidelines themselves would not create additional housing, they can be helpful to assist new forms or higher-density housing fit in communities.

Design standards or guidelines can include a range of topics, such as the following:

- Choices of vegetation and protection of trees and habitat
- Design of natural areas and open space on a site
- Design of streets, sidewalks, and driveways
- Access to the site and individual units
- Building massing and placement on a site
- Architectural design elements such as lighting, facades, and roofs
- Wayfinding elements
- Consideration of surrounding buildings

Well-crafted design standards or guidelines should be directed at mitigating the effects of density in a community by addressing these and other topics. Standards may be specific to single-family, multifamily, commercial, and/or mixed-use zones.

They should also promote good design without imposing prohibitively costly standards on new developments. Standards should be crafted to offer choices in how to conform to design provisions, such as techniques to articulate a façade or how to add desired design details to storefronts. Such provisions allow greater flexibility in design and help developers better control construction costs.

Considerable expertise and experience are essential to successfully integrate best practice design into the code, ensure internal consistency, avoid overly costly regulations, and avoid unintended consequences. Plenty of photos and graphics should be used to clearly communicate the standards, including both good examples (so applicants understand there are a number of ways to meet the standard) and bad examples (an effective way to communicate “what not to do”). The City may need to hire a consultant to help develop appropriate design standards.

Recommendations

- 1.5.1 Engage with developers, landowners, and members of the community to create a pilot for design guidelines targeted to areas likely to experience new development, redevelopment, or infill over the short term. This should build on the design standards established for commercial development in the city,¹⁶ and focus on potential conflicts associated with new infill and subdivision development.
- 1.5.2 Coordinate an “after-action” review of the design guidelines pilot after development has occurred to determine next steps with adjusting these guidelines to make them more effective and provide for their wider use.

¹⁶ See [OCC 17.30.070](#) and [OCC 17.30.080](#).

Assessment of Effects

Design standards expand housing choices by promoting compatible “infill” development in neighborhoods that minimize impacts to adjacent uses and reinforce the character of the area. This can reduce conflicts with existing residents impacted by new development.

In considering this, well-tailored design standards can be critical in facilitating community acceptance of affordable housing projects or increased densities. A thorough community engagement process that can help clarify the community's vision and identify critical community design issues, including what types of developments are desired and undesired, can improve “buy-in” and ownership of standards, and reduce the likelihood of community opposition.

One primary challenge with design guidelines and standards is that they may reduce the design flexibility of new developments and increase costs. The City should consider an approach that uses clear minimum standards but offers strategic flexibility with clear guidance in how alternative designs are evaluated and review the experiences that neighborhoods and developers have had with these guidelines over time.

Examples

- [Westport Design Standards and Guidelines \(2007\)](#) – A small community example that combines mandatory standards and voluntary guidelines for non-single-family development utilized by City staff when reviewing permits. The guidelines supplement the City's codified development standards.¹⁷
- [Sumner Single Family/Duplex Design and Development Guidelines \(2013\)](#) – Detailed mandatory and voluntary guidelines address a range of topics including roof design and garage setbacks for single-family and duplex development.
- [Kennewick Municipal Code Chapter 18.75](#) – The City of Kennewick has required design standards for [single-family](#) and [multi-family](#) development. Mixed-use design standards are included elsewhere in the Code ([KMC 18.80](#)).

¹⁷ See WMC 17.20A.060: <https://www.codepublishing.com/WA/Westport/html/Westport17/Westport1720A.html#17.20A.060>.

1.6 Remove extra lot area requirements in the R-4 zone.

Summary

The City should adjust the requirements for R-4 zones to allow triplexes and fourplexes to be developed without additional allocations of lot area that would reduce effective density.

Objectives

- | | |
|---|--|
| ✓ | Increases housing supply, variety, and affordability |
| ✓ | Increases housing for special needs (families, seasonal) |
| ✓ | Likely to be effective |
| | Avoids displacement, preserves existing housing |

Rationale

The City of Othello currently offers residential and commercial zoning designations that allow a range of housing types and densities, including four primary residential zones. Per the Othello Municipal Code [Section 17.20.010](#), the intended purposes of the R-3 and R-4 districts are as follows:

*(d) **R-3 Residential District.** The R-3 zone is intended as a medium-density zone which allows a mix of home types, including triplex and fourplex dwellings.*

*(e) **R-4 Residential District.** The R-4 zone is intended as the highest-density residential zone, allowing larger multifamily dwellings in addition to one-, two-, three-, and four-family dwellings.*

Zoning densities in most residential areas of the city currently range between 3.8 and 17.4 dwelling units per acre. Maximum residential densities for plex developments, however, may be lower in some cases for the R-4 zone than the R-3 zone under existing development standards. In the R-4 zone, the current code requires that for every additional unit beyond two, an additional 900 ft² is required for the minimum lot size, and an additional 400 ft² of on-site parking is required (in addition to the requirements in [OMC 17.61](#)). Additionally, as opposed to the landscaping requirements included in [OMC 17.74](#), a flat 300 ft² of landscaped area is required.¹⁸

Because of these requirements, R-4 zoning breaks with the format provided for other residential zoning and presents issues of consistency and a lack of flexibility as compared to other zoning designations, especially existing R-3 and C-2 zones:

- **Lower effective densities.** Assuming the additional 900 ft² of site area per unit can accommodate the higher parking and landscaping area requirements, the maximum net density in R-4 zones is 10% lower than the density in R-3 zones for fourplexes. Additionally, multifamily development in R-4 zones will be subject to much more onerous lot size requirements than comparable multifamily developments in C-2 zones. Overall, this will lower the effective yield of new housing units in these zones.

¹⁸ See OMC 17.20.060: <https://www.codepublishing.com/WA/Othello/html/Othello17/Othello1720.html#17.20.060>

- **Less flexibility with accommodating parking.** Mandating an additional 400 ft² of on-site parking supplementing the requirement in [OMC 17.61.020](#) reduces the flexibility for builders when devising approaches to fulfill parking requirements. It is also not clear why a fixed requirement for area would be necessary here when this is not applied to R-3 and C-2 zones.
- **Less flexibility with landscaping requirements.** A flat 300 ft² per unit requirement for landscaping eliminates other options for fulfilling these requirements with site design under [OMC 17.74.100](#), such as preserving mature trees or providing alternative plantings. Depending on the size of the building and number of units, this may also require a greater amount of landscaping, especially for multifamily properties with a larger number of units.

Recommendations

- 1.6.1 Remove requirements in [OMC 17.20.060](#) for additional lot area for triplexes and fourplexes in R-4 zones. Lot sizes would be regulated specifically by a single minimum lot size for the entire zone, which would be consistent with the approach used for R-3 zoning.
- 1.6.2 Remove requirements in [OMC 17.20.060](#) for additional parking area for multifamily projects in R-4 zones and rely specifically on [OMC 17.61.020](#) to determine on-site parking needed for a project. Also note adjustments in off-street parking requirements from Strategies 2.1 and 2.2.
- 1.6.3 Adjust the landscaping requirements in R-4 zones under [OMC 17.20.060](#) to align with the general requirements provided in [OMC 17.74](#). Also note that these requirements may be adjusted under Strategy 1.2.
- 1.6.4 Provide suitable maximum densities for the R-4 zones that would be consistent with the desired scale of multifamily housing to be built in these areas. (Also note recommendations for minimum densities with 1.3.1)

Assessment of Effects

Addressing the inconsistencies in R-4 zones may allow for a somewhat greater use of existing developable lands for fourplex development. If minimum lot sizes are fixed, maximum possible densities could increase by up to 15%. Although this may be mitigated by the need to accommodate additional parking and landscaping area, this can be one way to extend future land supplies and provide for more efficient development patterns.

Additionally, while the uptake of available sites in the city for triplexes/fourplexes and multifamily development would not be assured by this change alone, it would provide one avenue to make these development projects more feasible in R-4 zones. This can help to increase the production of housing units over time.

1.7 Continue with long-term planning for annexation and infrastructure extension

Summary

Ongoing needs for new housing will require more land for development over the long term. The City should continue to coordinate efforts to develop new infrastructure capacity, review potential areas for

future annexation, and develop policies to assist with extension of water and wastewater infrastructure into new areas.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
✓	Avoids displacement, preserves existing housing

Rationale

While the City of Othello should work to accommodate growth where possible on existing lands, there may be a need to expand developable lands to meet future needs. As noted previously in the policy analysis of this work, the city has approximately 158 acres of land that is vacant and available for development. Based on preliminary site plans and densities used in the land capacity study for the 2015 Comprehensive Plan, a total of 561 units could be developed across all available properties.

Future growth is expected to eclipse this capacity. Lower-end estimates of future growth based on Washington State Office of Financial Management projections for Adams County suggest that even without addressing overcrowding and low vacancies in the existing housing stock, about 760 additional housing units would be needed by 2035. Furthermore, a reduction in overcrowding consistent with changing household sizes to state averages would require up to 1,956 units over this same period. Although the exact nature of this growth will change based on area business expansion plans, homebuyer preferences, and housing availability in Adams County, there are strong risks that available land in the city will not be sufficient to meet housing needs over time.

Because of this, the City should work to achieve a clear vision and planning for future annexation and associated extensions of infrastructure. Although the recommendations in this section should be pursued to extend available supplies as much as possible, the City should consider that future demand may also require additional land to address. Many of the elements of this work are already being pursued by the City and its partners, but they should be coordinated with other efforts with local planning for housing and infrastructure.

Although additional land may be required, measures should be taken by the City to minimize the land required for new development where possible. This can in part be accomplished through the recommendations highlighted in this Plan for increasing density of new and existing development. New areas incorporated into the City should be zoned at R-4 to be consistent with City policy, and where possible, future planning for infrastructure extension should be coordinated with potential developers and with ongoing efforts to enhance existing water and wastewater capacity.

Recommendations

- 1.7.1 Coordinate with Adams County and local landowners to determine the feasibility of annexation for unincorporated areas surrounding the city.

- 1.7.2 Integrate ongoing efforts with planning for water and wastewater infrastructure with growth planning for potential annexation areas.
- 1.7.3 Investigate the use of latecomer and development agreements to support growth in annexed areas.

Assessment of Effects

Acknowledging the need for new land for housing should be a last resort for any efforts at meeting housing demand. Providing extensions of services into new areas will require short- and long-term investment in new infrastructure, and losses of surrounding agricultural land should be avoided where possible. Challenges with extending infrastructure past irrigation canals may also provide a distinct obstacle for annexation, and there may also be some concerns about conflicts with commercial and industrial uses.

However, while these concerns exist, annexation should be encouraged as a means of accommodating regional growth over additional housing being developed in surrounding Adams County, or in other communities further away such as Moses Lake. Developing new housing in the unincorporated areas surrounding Othello may pose more difficult challenges with respect to on- and off-site servicing, compatibility with agricultural uses, and efficiency of development. Relying on surrounding urban communities to meet housing needs can result in longer commute times, less connection between local employers and the community, and a dependence on other jurisdictions to properly address Othello's future needs.

Examples

[Bonney Lake Ordinance 1408](#) – The City of Bonney Lake established pre-annexation zoning for areas identified for annexation under [RCW 35A.14.330](#). Although this land use regulation is not in force until after the annexation is complete, this can provide an opportunity to give guidance to landowners and developers about the future intent for planning in these areas.

[Redmond Resolution 1195](#) – The City of Redmond entered into a development agreement with the owner of a property to be annexed to provide for the development of a community center. Pre-annexation agreements such as this can provide terms of development for areas upon annexation, which can streamline the process for development of annexed lands and can even be a requirement for a city to annex a particular area.

2. Parking and Transportation Standard Strategies

2.1 Review off-street parking requirements.

Summary

Tailoring off-street parking requirements for new housing to meet actual needs by residents can help to reduce costs of development and allow for more density to be included on multifamily sites.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
*	Avoids displacement, preserves existing housing

Rationale

Parking can be one of the biggest drivers of costs and limitations on the design of new development. Accommodating surface parking to meet off-street parking requirements can prevent these areas from being used for other purposes. For larger developments, the limitations of space available on the site and the loss of internal space to garages and structure parking can serve as possible constraint on the housing that can be put on a site.

Current requirements for residential parking under the Othello Municipal Code include the following:¹⁹

- **Single-family dwellings** (R-1, R-2, R-3, or R-4 zones): Two garage spaces plus two concrete parking spaces, with no more than four vehicles parked in improved spaces in the front yard
- **Two-family dwellings** (R-2, R-3, or R-4 zones): Two spaces for each dwelling unit, with no more than three vehicles per unit parked off-street outside a garage.
- **Multiple-family dwellings** (R-3 or R-4 zones): Two spaces for each dwelling unit, with no more than two vehicles per unit parked off-street outside a garage.
- **Residential hotels, fraternity houses, rooming houses, or boardinghouses**: One space for each two guest accommodations or four beds, whichever is greater.

While right-sizing parking can help to reduce development costs, there are some challenges in changing these requirements. If insufficient parking is provided for new development, additional vehicles may be parked on the road, impacting the use of the street and the aesthetics of the neighborhood.

However, parking requirements may not be consistent across different types of housing. For smaller units catering to smaller households and singles, providing significant parking may not be required. There may also be the potential for providing parking reductions for affordable housing as well as for housing for seniors and other households that may have lower rates of car ownership. Exploring reductions for these types of uses can help to target adjustments to serve lower-income households.

¹⁹ See OMC 17.61.020: <https://www.codepublishing.com/WA/Othello/#!/Othello17/Othello1761.html#17.61.020>

However, note that any changes to parking requirements should be supported by a more detailed parking study, specifically directed to consider the challenges faced with parking in neighborhoods. This parking study should also be used to inform other recommendations in this section, including potential street width changes and alternate parking formats.

Recommendations

- 2.1.1 Create parking requirements and standards under [OMC 17.61.020](#) for multifamily housing in C-2 zones. These requirements should be based on a parking study and reflect actual car ownership and needs for on-site parking.
- 2.1.2 Create options for parking variances for low-income housing and housing for residents that may have lower rates of car ownership (e.g., seniors) or in other cases where the expected parking requirements would be lower. This may require a parking study to achieve the necessary variance to ensure that there are no undue effects with reduced parking requirements.
- 2.1.3 Provide explicit guidance to developers under the provision of joint use of parking facilities²⁰ for the joint use of parking in mixed-use development projects with residential and commercial uses.

Assessment of Effects

Given that the residents of Othello rely heavily on personal vehicles for transportation, it can be a challenge to reduce parking requirements further below what is currently listed in the Municipal Code. In many neighborhoods with higher rates of car ownership and larger households, this may push personal vehicles to park on streets, which may have separate impacts on the community.

However, targeted reductions in parking requirements, especially for smaller multifamily units and housing for low-income households, seniors, and other households with lower rates of car ownership may help to reduce costs with specific households where housing costs may be a concern. While care should be taken that these requirements do not impact the neighborhood, they can help to support the development of more affordable housing.

Examples

- [Ellensburg Municipal Code 15.550](#) – Senior assisted housing requires less off-street parking than senior housing, single-family homes, duplexes, or townhomes. The City also allows on-street parking adjacent to the site to count towards parking requirements for non-residential uses, which could benefit mixed-use but not solely residential development.
- [Prosser Municipal Code 18.95](#) – Allows on-site parking variances for projects applying for earned increased density by providing affordable housing.

²⁰ See OMC 17.61.050: <https://www.codepublishing.com/WA/Othello/#!/Othello17/Othello1761.html#17.61.050>

2.2 Encourage alley-accessed, rear, and shared parking.

Summary

Allowing alley-accessed, rear, or shared parking to fulfill parking requirements can give an opportunity to meet parking requirements while mitigating some of the impacts associated with parking, especially with denser types of housing.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
*	Avoids displacement, preserves existing housing

Rationale

One of the challenges with parking that is explicit in [OMC 17.61.020](#) is the desire to keep surface parking of vehicles from having significant impacts to the neighborhood. Requirements about the maximum number of vehicles parked in off-street spaces in particular highlight that parked cars can have significant aesthetic impacts.

There may also be impacts to the streetscape and neighborhood character associated with providing surface parking in the front yard of the house. Wide driveways and garages fronting the street can result in a lack of façade transparency and corresponding “eyes on the street.” As densities of development increase, frontages may also become dominated by driveways and garages, with a more hostile streetscapes in the front of homes that do not provide opportunities for building neighborhood connections. These impacts relate to the considerations of development guidelines discussed in Strategy 1.5, above.

Therefore, as development regulations change there may be a need to manage these aesthetic impacts further. One approach to address this would be to move on-site parking to the rear of a lot, to be accessible either via a driveway on site or a shared alleyway on a block. This may often depend on whether this is a new subdivision or an infill project in an existing neighborhood.

In addition, there may also be the potential for shared parking, especially between smaller units in a larger subdivision. Providing a single location for parking for multiple units can help to provide flexibility with neighborhood design and mitigation of the impacts of parking (e.g., screening, vegetation, etc.). In some cases, such as with visitor parking, this may also provide some support for other commercial or institutional uses located within a neighborhood.

Overall, potential approaches to avoid parking impacts on streetscapes in neighborhoods include the following:

- Allow tandem garages
- Provide requirements for maximum driveway widths
- Implement garage setback minimums
- Regulate the maximum width of garages on a lot (e.g., occupying no more than 50% of a façade).

- Requiring covered porches or entries visible from the street
- Adopting minimum façade transparency standards
- Providing shared parking options

Recommendations

- 2.2.1 Provide design guidelines and flexibility with parking requirements for the development of new subdivisions with alleyways and rear parking. As part of this process, development requirements should be adjusted to support rear parking as required.
- 2.2.2 For existing neighborhoods, explore the use of requirements for garage setbacks, frontages, design elements, and façade transparency to ensure that the effects of off-street parking from new infill development are mitigated.
- 2.2.3 Include provisions for shared parking in the Municipal Code to provide flexibility for meeting residential parking requirements with off-site parking options.

Assessment of Effects

As with design standards and guidelines highlighted in Recommendation 1.5, these steps will not directly impact the yields of housing in new development. Instead, these steps are intended to mitigate the effects of other steps to increase densities and housing yields and reducing the potential for conflicts with existing residents.

Targeting these requirements to new subdivisions and infill projects are the most likely to receive results. Piloting these requirements with a new subdivision through development guidelines may be the most effective way of demonstrating their use in practice, especially as alleyways could be incorporated into the street grid. Collaborating with local developers to determine best practices for the community is likely the best approach for long-term implementation.

With respect to changing requirements in existing areas, this may provide opportunities to mitigate the effects of parking from infill development. However, one major concern will be whether these requirements would make it more challenging to develop infill sites, especially in cases where these sites would have geometry limitations that would make rear parking impractical. The initial deployment of these policies should provide some level of flexibility to ensure that development is not constrained by these new requirements.

Note that shared parking as an approach may have more limited application in Othello, especially in existing areas. This may be explored if alternate housing types such as cottage housing are used, however, as shared parking may present the best ways of fulfilling off-street parking requirements.

Examples

- [Spokane Municipal Code 17C.110.360](#) – Spokane's Pocket Residential Development Standards provides additional flexibility for the provision of parking for compact infill development projects.

2.3 Reduce neighborhood street width requirements.

Summary

Reducing neighborhood street width requirements can reduce the amount of land required for rights-of-way in a new subdivision, which can allow for greater housing yields in these projects.

Objectives

✓	Increases housing supply, variety, and affordability
	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
*	Avoids displacement, preserves existing housing

Rationale

One consideration in the layout of a new subdivision is allocating space for rights-of-way for streets, sidewalks, utility access, and other uses. Many of these standards may be relatively inflexible; for example, sidewalks and utility access typically must be of a minimum width to be usable. However, narrowing the widths of streets within subdivisions may be one way of increasing the net land available for development and the yield of housing that may come from new development projects.

Under the 2018 version of the City's Public Works Design Standards,²¹ curb-to-curb street widths are as follows:

- 42 feet for Neighborhood Streets
- 48 feet for Collectors
- 58 feet for Arterials

Even for designated Neighborhood Streets, this presents a significant curb-to-curb width. Assuming two-way traffic, individual lane widths of 10 feet are appropriate for residential neighborhoods without significant impacts to traffic. Narrower widths can also encourage lower speeds, which improve safety. With parking lane widths of 7–9 feet, the road cross-section could be reduced by at least 6–10 feet, or more if parking were not allowed on one side of the street.²²

Note that this approach would only apply to new housing subdivisions. Additionally, the concept of minimizing street rights-of-way should be an ongoing discussion by the City and includes other considerations such as public safety and parking. While there are benefits to the cost and feasibility of subdivision development, this recommendation should be subject to these broader debates, as well as the expressed priorities of the Commission and Council.

²¹ See Standard Details: Minimum Street Standards, Figure S1-Sheet 1 in Section 5: <https://www.othellowa.gov/media/Public%20Works/2018%20Design%20Standards.pdf>

²² National Associated of City Transportation Officials, 2013, *Urban Street Design Guide*. <https://islandpress.org/books/urban-street-design-guide>

Recommendations

- 2.3.1 Coordinate with the Public Works Department and Adams County Fire District #5 to determine the potential for reductions to neighborhood street rights-of-way widths, including additional designations for streets. This should consider the needs for lower speed limits as well as access requirements for emergency vehicles and other services.
- 2.3.2 Collaborate with the Public Works Department and landowners to pilot revisions to street and right-of-way widths and related street design considerations using a Planned Development District Overlay. This pilot project should work with the site developer to understand the cost savings, increases in site yields, parking impacts, and effects on feasibility resulting from adjustments to street width requirements.
- 2.3.3 Partner with the Public Works Department to make final revisions to the Public Works Design Standards for all new subdivisions.

Assessment of Effects

With respect to site development, reducing the amount of land devoted to rights-of-way such as streets can have significant impacts on the total yields of lots from subdividing tracts of land. With lower costs associated with the development of streets internal to a subdivision, as well as an increase in development yields on the same parcel of land, this can increase the feasibility of a subdivision project by reducing associated costs.

There are impacts to safety resulting from these revisions to street designs. Most significantly, narrower street widths in neighborhoods encourage lower speeds through neighborhoods, which can increase local traffic safety. Additionally, the costs of maintenance and preservation of the roadway will be lower to the City with less roadway surface to manage.

The primary downsides to reducing street widths involve providing services to these subdivisions. Fire protection requires consideration of the width and turning radius of emergency vehicles, which may constrain the possible reductions in street width. These considerations may also impact other services, such as garbage collection or delivery vans, and there may be a need to limit on-street parking.

Examples

- [Olympia Engineering Design and Development Standards \(EDDS\)](#) – For the City of Olympia, Section 4B.020 of the EDDS manages the design standards for transportation with projects in the city, including street widths. These standards were reviewed in 2006 with a committee involving city departments and other key agencies. Street widths were reduced by 2–5 feet, identified as the minimum allowable to maintain street function and safety. In addition to reducing costs, this change was a way of reducing impervious surfaces and managing stormwater flows.

3. Affordable Housing Incentives

3.1 Offer development bonuses for affordable housing.

Summary

Developers can be granted bonuses that will allow for denser development to offset the costs of voluntarily providing affordable housing.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
✓	Avoids displacement, preserves existing housing

Rationale

Density bonuses are a particular type of zoning incentive that permit developers to build at densities higher than allowed under as-of-right development in exchange for provision of a defined public benefit, such as a specified number or percentage of affordable units included in the development.²³ For example, the City may permit a residential developer greater building height and/or densities in certain areas of the city or for certain types of development in exchange for a percentage of the units allocated to affordable housing for a specified period, typically executed through a covenant on the land.

As Othello is not required to plan under the *Growth Management Act*, the primary statute typically used for accommodating density bonuses in Washington is not applicable for the City.²⁴ However, provisions under the City's existing Planned Development District Overlay under [OMC 17.54](#) may be adapted to permit additional development in exchange for affordable housing or other public benefits. The process necessary for approval under [OMC 17.54.030](#) is more involved, however, and requires review and approval by the Hearing Examiner.

For larger projects where this additional process may not be a significant limitation, these incentives may present opportunities for achieving affordable housing goals. These projects do not require direct public investment or diversion of revenue from the City as the bonus provides incentives through increased entitlements for development on a site.

Although the provisions under [OMC 17.54](#) are broad and are intended to provide flexibility with development, the City should provide guidelines for the use of the Planned Development District Overlay in providing density bonuses for affordable housing. While flexibility should be maintained for special cases, these policies can help to provide guidance to developers about how these density bonuses can be obtained.

²³ Puget Sound Regional Council, HIP Tool: Density Bonuses. <https://www.psrc.org/density-bonuses>.

²⁴ See RCW 36.70A.540(2)(e): <https://app.leg.wa.gov/rcw/default.aspx?cite=36.70A.540>

Recommendations

- 3.1.1 Develop policies for development bonuses for affordable rental housing under a proposed model for a Planned Development District overlay system. This would include identifying the threshold for projects that would qualify for additional density (e.g., 20% of units reserved for households making 50% AMI or below), as well as the changes in the required building envelope necessary to achieve these additional densities.
- 3.1.2 Develop provisions for density bonuses for affordable owner-occupied housing across all zones. The considerations of including bonusing for owner-occupied housing would be comparable to rental housing, although the threshold for household income may be higher (e.g., 80–100% of AMI). This would also require the City to set up a monitoring system to ensure that the resale of these units would consider lower sale prices and income restrictions. This would also include evaluating changes to building envelope and parking requirements to allow this density to be accommodated on a site.
- 3.1.3 Coordinate with local religious and non-profit organizations that own property in the city to determine potential applications of density bonusing on vacant or underutilized sites and promote their development.

Assessment of Effects

As noted above, the primary advantage of density bonusing is that external developers are subsidized to create long-term affordable housing through increases in maximum allowed development. While there may be some changes to servicing requirements that could impact City finances, this relies on incentives that do not require an outlay of public funds (unlike, for example, fee waivers covered in Strategy 3.3 below).

Density bonus programs tends to work well in communities where market rents or home prices are high relative to income, land is scarce, and there is a shortage of housing affordable to low- and moderate-income households. The program would make it easier for developers to build affordable ownership or rental housing for specific income groups. Density bonuses can also entice development to specific neighborhoods or zones to reduce segregation of affordable- and market-rate housing. The additional time and effort necessary to work through the approval process suggests that this may only be used by larger projects, however.

However, density bonus programs can be less effective at creating housing for very-low income households since they reduce the economic feasibility and therefore lower the likelihood that a developer would choose to participate in the program. The feasibility requirements must be carefully designed so that the value of the bonus is proportionate to the cost to the developer and provides enough incentive to make development feasible.

There are also potential impacts to adjoining single-family neighborhoods due to bulk and shading from larger buildings or more buildings. This can be mitigated using a transition zone or design standards and by tailoring the requirements to various zones.

The City should consider whether a pending development proposing use of density bonuses will displace existing residents of affordable housing. Requiring replacement of existing units in new developments and limiting the units from use as short-term rentals could help limit displacement.

Examples

- [Prosser Municipal Code 18.95](#) – An earned increased density of up to 20% is available in residential, downtown, or agritourism zones if 10% of dwelling units are affordable for households with incomes up to 80% AMI for at least 20 years. Projects receiving earned increased density must comply with a design review process.
- [Poulsbo Municipal Code 18.70.070](#) – Any development in residential zoning districts with 5 or more units can receive a density bonus of 20% if 10% of the pre-density bonus units are affordable to households with incomes up to 80% AMI (25% if 15% of the units are affordable). Units are required to be affordable for at least 20 years through a covenant on the land.
- [Marysville Municipal Code 22C.090](#) – Residential density bonus incentives are available for permanently restricted, low-income rental units and low-income senior rental units (no greater than 30% of gross income for household at or below 50% of Snohomish County HUD AMI). A covenant on the site specifies the income level being served. Bonus units are also available for mobile home space for mobile homes displaced from closed parks.

3.2 Offer alternative development standards for affordable housing.

Summary

Developers of affordable housing projects can also be provided with flexibility with respect to other development standards to reduce costs.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
✓	Avoids displacement, preserves existing housing

Strategy Description

In addition to density bonuses as covered under Strategy 3.1, Planned Development District Overlays can also potentially accommodate other relaxations of development standards in exchange for developers providing affordable housing in projects. This can provide some flexibility with development that can make these projects more feasible to development.

One typical strategy is to provide flexibility with parking requirements for projects that include affordable housing. Guidelines for these changes should be developed in coordination with changing off-street parking requirements under Strategy 2.1, and potentially be supported by an assessment of parking needs. It would be implemented by reducing or eliminating the required number of parking stalls per unit specifically for the income-restricted affordable units in a new development. These benefits are

typically the most applicable for multifamily development, although it may apply to smaller-scale development as well.

Another approach is to provide for adjustments to minimum lot sizes, minimum setbacks, maximum building coverage, and minimum lot widths as defined by [OMC 17.20.060](#) and [OMC 17.30.050](#). These should be folded into broader discussions of density bonuses noted in Strategy 3.1, as these may be related more to allowing for greater densities to be included as part of density bonuses for affordable housing.

As with provisions for additional density, the City should provide guidelines for the use of the Planned Development District Overlay in providing other relaxations in development requirements in exchange for affordable housing. This can help to provide guidance to developers about what benefits can be obtained by providing affordable housing.

Recommendations

- 3.2.1 Create development incentives under the provisions of RCW 36.70A.540 that allow for more flexible parking requirements for affordable housing, conditional on agreements that the resulting housing units will stay affordable for a 50-year period.
- 3.2.2 Develop consistent guidance for the use of Planned Development District Overlays with affordable housing and provide this as an option for low-income housing development projects.

Assessment of Effects

Alternative development standards for affordable housing often work most effectively as part of a broader package of incentives to encourage affordable housing production. Depending on the range of options offered, alternative standards can help encourage housing diversity and affordable homeownership, middle-income rental housing, and very-low-income housing opportunities. For low-income projects, these are best used in conjunction with the recommendations listed under Strategy 3.1.

Reduced parking minimums are most useful to encourage affordable multifamily housing, especially with higher-density projects where more expensive structure parking would otherwise be needed. As development densities are relatively low under current zoning regulations, this may not have an effect alone, but may be required if additional density is proposed under Strategy 3.1.

Examples

- [Prosser Municipal Code 18.95](#) – The City of Prosser allows modifications to frontage, setback, parking, and usable open space requirements as part of its Housing Density Incentive Program.

3.3 Offer fee waivers for affordable housing.

Summary

The waivers of certain fees typically charged for new development can provide a financial incentive to make the development of affordable housing more feasible, depending on the current fee amounts. If the City were to increase development fees in the future, waivers of some or all of those fees could be

one incentive for affordable housing.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
*	Likely to be effective
✓	Avoids displacement, preserves existing housing

Strategy Description

At present, development fees charged by the City of Othello are relatively small. Water and sewer connection fees have not been updated since 1996, and other charges associated with plan review are relatively small. As such, waivers of these fees will provide little benefit to developers, as these costs will not be a substantial portion of the total development cost of a site.

Updating these fees and charges is outside of the scope of this analysis, as these charges should be linked to the costs to the City in supporting new development with infrastructure. However, given the lack of updates, there may be a need to update this if significant additional growth will place additional burdens on these infrastructure systems.

If fees were increased, waivers would provide a significant and direct fiscal benefit to developers of affordable housing. To ensure that these waivers would be allocated to affordable housing, they may be restricted to non-profit organizations, either as long-term owners of rental housing, or providers of owner-occupied low-income housing (e.g., Habitat for Humanity). This can provide one source of support for affordable housing, especially if revised fees will present a notable increase in costs.

Note that one approach to monitoring the number and amount of fee waivers available is to make these waivers contingent on funding from the General Fund as an offset for lost revenue from the waived charges. This can limit the total incentives available, which can be extremely important if there could be significant impacts from lost revenue.

Recommendations

- 3.3.1 If the City pursues increases in charges and fees associated with housing development, identify the feasibility of a targeted fee waiver program for affordable housing projects. Total waiver amounts should be limited by funding directed by Council to ensure that fiscal impacts are constrained. These fee waivers should specify qualifying household incomes for covered units to ensure they will help achieve affordable housing goals.
- 3.3.2 After developed, monitor and report on the use of fee waivers in the development of affordable housing in the city and provide regular public reports on the uptake of this incentive.

Assessment of Effects

Fee waivers are likely to influence the feasibility of an affordable housing project and may be an important component in an overall package of incentives encouraging the development of affordable

units. The magnitude of these effects will be dependent on the full schedule of fees included, and for some projects may present a significant financial incentive for development.

However, unlike the other incentives included in this section which are derived from providing flexibility with zoning and development requirements, fee waivers will have direct fiscal impacts on the City. As such, there may be some limitations related to budget concerns, especially for larger affordable projects. Determining appropriate funding levels may require coordination with partners about the needs for support.

Examples

- [Ephrata Municipal Code Chapter 13](#) – Allows connection fee waivers for water and sewer for low-income housing for households with incomes less than 80% of the median income for working families in Grant County. See EMC 13.04.112(g) for water connection fee waivers and EMC 13.08.050(f) for sewer connection fee waivers.
- [Puyallup Municipal Code 17.04.080\(2\)](#) – Building permit fees for the construction, alteration, or repair of single-family or duplex dwellings may be waived when the structure is for low-income families, involves some volunteer labor, and is being constructed by a 501(c) nonprofit organization.

3.4 Explore the use of a Multifamily Tax Exemption (MFTE) program for affordable housing

Summary

Another incentive that can be provided to support affordable housing development is the use of a Multifamily Tax Exemption (MFTE) program. Under this program, cities can forgive the property taxes paid for a residential structure provided the building includes a certain proportion of affordable housing units.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
*	Avoids displacement, preserves existing housing

Rationale

Multifamily Tax Exemption (MFTE) programs in Washington State are local programs that have allowed cities in larger areas of the state to target specific locations in the community for property tax exemptions. These exemptions, which cover the residential portion of the improvements on the site for up to 12 years, are intended to provide a financial incentive for the development of new and rehabilitated multifamily housing options.

Under [RCW 84.14](#), the City of Othello does not qualify, as this program is limited to cities of 15,000 people, or cities of 5,000 people in counties subject to the *Growth Management Act*.²⁵ However, recent changes to the law under [SB 5287](#) have allowed all cities in the state to provide MFTEs specifically for

²⁵ See [RCW 84.14.010](#) for more information about eligibility of cities.

affordable housing.²⁶ For cities that are not otherwise permitted to provide an MFTE program, this program is limited to issuing tax exemptions until December 31, 2026.

Under the current statute, cities that develop an AMFTE program must designate a “residential targeted area”. This is defined under [RCW 84.14.040](#) as an area within an urban center that lacks “sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center....” The process of designating an area as a residential targeted area must include a public hearing, and must include standards and guidelines for the process.

Based on the revisions provided by SB 5287, the City has two options for providing tax exemptions:

- A 12-year exemption if a portion of the units are affordable for the 12-year period.
- A 20-year exemption if this set-aside of units is permanently affordable and minimum residential densities are at least 15 units per acre.

The requirements under [RCW 84.14.020](#) stipulate that for this set-aside, at least 20% of units need to be affordable either for rent or for sale to low- and moderate-income households, which can include households up to 115% of AMI. Typically, cities will set the affordability levels lower to account for the needs of the community and may include other requirements to ensure that the resulting affordable units meet local needs.

Recommendations

- 3.4.1 Define a designated residential targeted area, affordability requirements, standards and guidelines, and potentially minimum residential densities for applicable areas for an MFTE program in consultation with the Planning Commission and housing providers.
- 3.4.2 Coordinate the adoption of the MFTE program in targeted areas, including requirements for the public hearing.
- 3.4.3 Provide monitoring and review of the effectiveness of the program and ensure that the program considers future updates to State law on MFTE programs.

Assessment of Effects

The primary challenge with this program is with the time available for implementation by the City of Othello. While the State Legislature expanded the MFTE program to allow all cities to pursue it as an option, this provision sunsets after 2026. Unless extended (which is possible), this provides a very short window where this program can be coordinated and can have a meaningful influence on yields of affordable housing in Othello.

There are also often strong concerns that for-profit residential developers have with respect to MFTE programs. The incentives provided for affordable housing may not be enough for some developers to find it attractive to forego a part of revenue from rents for up to 12 years. The level of affordability will need to be carefully balanced with the likely incentive provided.

²⁶ For a summary of the bill, please see the [Final Bill Report for E2SSB 5287](#) from the Washington State Legislature.

Note that the 20-year MFTE will only be able to be applied to areas of the city with minimum densities of at least 15 units per acre. Unless the zoning designations are changed, this would likely require specifying these minimum densities for C-2 zones.

Given the timeframe and the option for a 20-year MFTE, the most likely target for this program over the short-term may be with affordable housing providers that would easily meet these requirements. It is essential for the City to coordinate with these agencies and organizations to determine how best to adjust the terms of the contract to fit their needs, including likely areas to target.

Monitoring and review of MFTE units over time will be an important consideration, not just in terms to evaluating the effectiveness of these programs, but also with respect to the time and resources required of landlords and City staff. This would be especially true of landlords that are typically involved with market-rate housing, as MFTE programs will require additional paperwork. Requirements for reporting should be simple and straightforward where possible to minimize effort while providing effective modeling.

Examples

[Shoreline MFTE Program](#) – The City of Shoreline has had an MFTE program for almost 20 years, and consolidated their program into a single 12-year exemption for affordable housing in 2015 under [SMC 3.27](#). Under this program, 20% of units in a building must be rented at affordable rates: 70% AMI for studio and 1-bedroom units, and 80% AMI for units with 2 bedrooms or more.²⁷

[Moses Lake Municipal Code 18.23](#) – The City of Moses Lake provides an MFTE program for both market-rate and affordable housing units in the downtown. By 2019, this program has been associated with the development of 96 affordable units.²⁸

²⁷ For more information, see: <https://www.shorelinewa.gov/business/property-tax-exemption-pte-program>.

²⁸ See the Joint Legislative Action Review Committee Report, "[Property Tax Exemption for Multifamily Housing in Urban Areas](#)" for more details on the program in general and statewide statistics on housing yields.

4. Process Improvement Strategies

4.1 Continue to improve internal processes for permit processing and review.

Summary

Permit review processes may add time and uncertainty to a development project. Building on current efforts and continuing to improve the efficiency of the review process can improve certainty for developers.

Objectives

✓	Increases housing supply, variety, and affordability
✓	Increases housing for special needs (families, seasonal)
✓	Likely to be effective
*	Avoids displacement, preserves existing housing

Rationale

Providing an efficient, predictable, and user-friendly permitting process can encourage new housing construction by reducing potential confusion or perception of risk among developers about requirements. Additionally, faster processes can lower the administrative costs associated with carrying land during the permitting stage of a project.²⁹

Currently, the permitting system in Othello is being updated. The deployment of the new Permit Trax system will allow for some streamlining of the process, as it will present options for online submittal, payment, inspection scheduling and permit results. This system can also allow for tracking of the permit process to provide a better understanding of overall review times and possible needs for additional changes.

Given the City staff necessary for permit review and the expected volume of permits, a comprehensive overhaul of permit review processes would not likely be needed to provide substantially faster permit review times. However, a review of the results from the permit tracking software will be able to highlight potential changes to improve processing times. Other steps may help with reducing processing times, including revisions to application materials and guides, maintaining on-call consultant support for reviewing major development projects, and focusing on a “one window” system where requirements from all departments can be fulfilled at the same point of contact.

Recommendations

- 4.1.1 Continue to improve the efficiency of the permitting and review process where possible. This could include providing updated guidance to developers and landowners and coordinating a “one-window” approach with respect to approvals.

²⁹ Schuetz, Jenny, Brookings, “Who’s to blame for high housing costs? It’s more complicated than you think,” (January 17, 2020), <https://www.brookings.edu/research/whos-to-blame-for-high-housing-costs-its-more-complicated-than-you-think/>.

- 4.1.2 Provide regular reporting and reviews of permitting times for residential development. This should be focused on highlighting improvements in internal processes from changes over time and identifying any other areas where improvements could be made.

Assessment of Effects

Overall, the direct fiscal impacts of streamlining the permitting process can often be relatively minor. While the carrying costs of some projects can be significant, there are cases where only nominal reductions will be possible, and the cost effects of those reductions may be relatively low.

However, although the direct benefits may be lower, improving the process for developers to facilitate residential development can often be a strong benefit as well with making the community an attractive partner for new projects. Providing a level of certainty about the process and outcomes can help to assuage any concerns about project delays or additional requests.

Examples

- [Sammamish Over the Counter \(OTC\) Permit Application Process](#). The City of Sammamish has developed a simplified process for certain permits that are limited in scope and impact. These can include additions of less than 500 square feet, demolition permits for residential structures, new single-family housing on an existing plat with a registered plan. Permits for sensitive areas, such as shoreline properties or sites with steep slopes, are not eligible.
- [Marysville One-Stop Permit Center](#). The City of Marysville has developed a One-Stop Permit Center to incorporate a single-window approach to permitting. This Center provides comprehensive services to streamline the process and ensure that applicants can acquire multiple permits at the same point of access. For simple projects such as home additions or reuse of existing buildings, building permits can potentially be turned around in a day.

Implementation and Monitoring

Although the recommendations included in this report include actions that can be taken by the City to address current and future housing needs, there is additional work that will need to be done to implement these recommendations over time. This not only includes additional research and development by City staff, the Planning Commission, and external consultants, but also ongoing work to coordinate with partners regarding their efforts with housing development.

Because of the need for this additional effort, a prospective rollout of these recommendations may be implemented over the following timeframes:

- **Short-term actions** over the next 1–2 years include making immediate changes identified for zoning, as well as coordination for implementing broader changes to the Code, such as revisions to the ADU Ordinance, development of a Parking Study, and reviews of broader actions.
- **Moderate-term actions** over the next 3–5 years encompass many of the major initiatives identified in the recommendations of this report. This includes additional changes to zoning, as well as adoption of key ordinances for ADUs, parking, development incentives, and design guidelines.
- **Long-term actions** intended to be implemented after 5 years focus on ongoing monitoring and review of the effectiveness of the recommendations of this report. This oversight may fit with a reassessment of this HAP and revisions as necessary.

Future efforts with updating and revising these policies may be combined with major revisions for the Comprehensive Plan in future. These policies may also need to be revised based on future actions by the State to address housing issues through new laws, as well as actions in housing policy by Adams County and nearby communities.

Short-Term Actions (1–2 years)

Major short-term actions over the next 1–2 years will include the following:

- Create a package of **immediate changes to development regulations**, including changes to the noted requirements in the R-4 zone.
- Revise the previous **Accessory Dwelling Unit ordinance** and coordinate engagement with stakeholders to review these changes.
- Develop a **Parking Study** to provide guidance on adjustments to minimum parking requirements.
- Review the potential for a **Multifamily Tax Exemption program** over the short-term.
- Research **changes to the Planned Development District Overlay** to provide additional development flexibility for affordable projects.
- Research and review **design guidelines/standards**
- Research **additional changes to zoning and development requirements**, including the potential for upzoning in targeted areas.
- Provide **initial exploration of future annexation** with Adams County and potentially impacted stakeholders.

Strategy	Action	Priority	Involved Parties	Resources
1.1 Coordinate future upzoning in areas likely to experience redevelopment.	<ul style="list-style-type: none"> ▪ Review available sites zoned R-1 to R-4 to identify areas where upzoning and changes to minimum lot sizes could result in additional housing. (1.1.1–1.1.2) NOTE: This may be accelerated depending on local development activity and demand for developable lands. 	Very High	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission 	<ul style="list-style-type: none"> ▪ Staff time required for research and analysis
1.2 Modify setback, lot coverage, and landscaping standards for site design	<ul style="list-style-type: none"> ▪ Create and implement a proposed package of short-term changes to development requirements based on the recommendations in this section (1.2.1–1.2.7) 	High	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission 	<ul style="list-style-type: none"> ▪ Staff time required for ordinance development ▪ Stakeholder outreach
1.3 Require minimum residential densities for development	<ul style="list-style-type: none"> ▪ Review recent development to determine how maximum lot sizes would have resulted in more efficient development patterns (1.3.1–1.3.2) ▪ Review potential design guidelines to determine options for mitigating impacts of higher-density development (1.3.4) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission 	<ul style="list-style-type: none"> ▪ Staff time required for research and analysis ▪ Stakeholder outreach
1.4 Add provisions for ADUs or smaller lot homes in some residential zones	<ul style="list-style-type: none"> ▪ Revise the previous ADU ordinance and review the provisions with major stakeholders. (1.4.1) ▪ Review the potential for minimum lot size requirements and massing through lot size averaging. (1.4.2) 	High	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission ▪ External consultant 	<ul style="list-style-type: none"> ▪ External consultant time for developing revised ADU ordinance
	<ul style="list-style-type: none"> ▪ Review the potential for minimum lot size requirements and massing through lot size averaging. (1.4.2) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission 	<ul style="list-style-type: none"> ▪ Staff time required for research and analysis

Strategy	Action	Priority	Involved Parties	Resources
	<ul style="list-style-type: none"> Explore the feasibility of small-lot and cottage housing zoning through additional analysis and research. (1.4.3) 	Low	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for research and analysis
1.5 Adopt design standards or guidelines	<ul style="list-style-type: none"> Review options for design guidelines and engage with developers, landowners, and members of the community for review. (1.5.1) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for research and analysis Stakeholder outreach
1.6 Remove extra lot area requirements in the R-4 zone	<ul style="list-style-type: none"> Develop and implement revisions to the R-4 zone to include as part of short-term changes in development regulations. (1.6.1–1.6.4) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for ordinance development
1.7 Continue with long-term planning for annexation and infrastructure extension	<ul style="list-style-type: none"> Coordinate with Adams County and local landowners regarding future annexation, including identification of future areas for annexation. (1.7.1) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission Adams County County landowners Local stakeholders 	<ul style="list-style-type: none"> Staff time required for coordination
	<ul style="list-style-type: none"> Incorporate planning for future growth areas into infrastructure planning. (1.7.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff City Public Works staff External consultant 	<ul style="list-style-type: none"> Staff time required for consultation with other City departments Potential external consultant time
2.1 Review off-street parking requirements	<ul style="list-style-type: none"> Coordinate a parking study to support adjustments to City parking requirements. (2.1.1–2.1.2) 	High	<ul style="list-style-type: none"> City Planning staff External consultant 	<ul style="list-style-type: none"> External consultant time for developing parking study
2.2 Encourage or require alley-accessed, rear, or shared parking	<ul style="list-style-type: none"> Review options for design guidelines and engage with developers, landowners, and members of the community for review. (2.2.1–2.2.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for research and analysis Stakeholder outreach
	<ul style="list-style-type: none"> Review changes to development requirements that would mitigate impacts of off-street parking with infill development. (2.2.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for research and analysis
	<ul style="list-style-type: none"> Coordinate a parking study to support adjustments to City parking requirements to allow for shared parking. (2.2.3) 	High	<ul style="list-style-type: none"> City Planning staff External consultant 	<ul style="list-style-type: none"> External consultant time for developing parking study
2.3 Reduce neighborhood street width requirements	<ul style="list-style-type: none"> Contribute to ongoing discussions with Public Works and other departments and stakeholders on reducing minimum street widths in residential neighborhoods. (2.3.1–2.3.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff City Public Works staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for consultation with other City departments

Strategy	Action	Priority	Involved Parties	Resources
3.1 Offer density bonuses for affordable housing	<ul style="list-style-type: none"> Explore the development of provisions to the Planned Development District Overlay that will provide density bonuses for affordable housing projects, both rental and owner-occupied. (3.1.1–3.1.2) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for research and analysis
	<ul style="list-style-type: none"> Engage with local religious and non-profit organizations to determine the additional density that can support the feasibility of their projects. (3.1.3) 	Moderate	<ul style="list-style-type: none"> City Planning staff Stakeholders 	<ul style="list-style-type: none"> Stakeholder outreach
3.2 Offer alternative development standards for affordable housing	<ul style="list-style-type: none"> Explore the development of provisions to the Planned Development District Overlay that will provide other development incentives for affordable housing projects, both rental and owner-occupied. (3.2.1) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for research and analysis
3.3 Offer fee waivers for affordable housing	<ul style="list-style-type: none"> Coordinate on updates to development fees (if relevant) to include waivers for affordable housing projects. (3.3.1) 	Low	<ul style="list-style-type: none"> City Planning staff City Public Works staff City Finance staff Planning Commission 	<ul style="list-style-type: none"> Staff time required, dependent on potential increases in development fees
3.4 Explore the use of a Multifamily Tax Exemption (MFTE) program for affordable housing	<ul style="list-style-type: none"> Coordinate with affordable housing providers to determine the potential parameters for an MFTE program for affordable housing (3.4.1) Develop the characteristics of an MFTE program including potential changes to zoning needed for the program to be implemented. (3.4.1) 	Very High	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for consultation and development of policies
4.1 Streamline permit review	<ul style="list-style-type: none"> Continue with the process to integrate the Permit Trax system with regular operations. (4.1.1) 	Moderate	<ul style="list-style-type: none"> City Planning staff 	<ul style="list-style-type: none"> Ongoing staff time for deployment of Permit Trax system

Moderate-Term Actions

Major moderate-term actions over the next 3–5 years will include the following:

- Implement **ordinances for upzoning and changes to development requirements** in residential areas to increase development density.
- Pilot and implement **design guidelines/standards** for use in minimizing impacts of infill and denser new development in the city.
- Implement an **Accessory Dwelling Unit ordinance** to enable development of accessory units in the city.
- Implement **changes to parking requirements** recommended by the Parking Study.
- Implement an **MFTE program** for affordable housing.
- Coordinate **changes to the Planned Development District Overlay** to provide incentives for affordable housing.
- Continue **coordination for future annexation** with Adams County and potentially impacted stakeholders.
- Provide for **ongoing monitoring** of previous actions.

Strategy	Action	Priority	Involved Parties	Resources
1.1 Coordinate future upzoning in areas likely to experience redevelopment.	<ul style="list-style-type: none"> ▪ Develop proposed ordinances for rezoning that would transition R-1 through R-3 areas to R-4 zoning, and/or allow additional density in R-1 through R-4 areas (1.1.1– 1.1.2) 	Very High	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission 	<ul style="list-style-type: none"> ▪ Staff time required for ordinance development ▪ Engagement with stakeholders
1.2 Modify setback, lot coverage, and landscaping standards for site design	<ul style="list-style-type: none"> ▪ Review and monitor effects of changes in standards (1.2.1–1.2.7) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission 	<ul style="list-style-type: none"> ▪ Staff time required for review
1.3 Require minimum residential densities for development	<ul style="list-style-type: none"> ▪ Develop proposed ordinances to implement changes to maximum lot sizes and minimum densities for residential and mixed-use areas (1.3.1–1.3.2) 	Very High	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission 	<ul style="list-style-type: none"> ▪ Staff time required for ordinance development ▪ Engagement with stakeholders
	<ul style="list-style-type: none"> ▪ Implement design guidelines to mitigate negative impacts from density increases (1.3.4) 	Very High	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission ▪ External consultant 	<ul style="list-style-type: none"> ▪ Staff time required for ordinance development ▪ External consultant time for developing design guidelines ▪ Engagement with stakeholders

Strategy	Action	Priority	Involved Parties	Resources
1.4 Add provisions for ADUs or smaller lot homes in some residential zones	<ul style="list-style-type: none"> Implement proposed ordinance for ADUs (1.4.1) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for ordinance development Engagement with stakeholders
	<ul style="list-style-type: none"> Develop proposed ordinances to implement changes to minimum lot size requirements and massing through lot size averaging. (1.4.2) 	Very High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for ordinance development Engagement with stakeholders
	<ul style="list-style-type: none"> Develop proposed ordinances for small-lot and cottage housing zoning. (1.4.3) 	Very High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for ordinance development Engagement with stakeholders
	<ul style="list-style-type: none"> Develop policies for unregulated ADUs, to be coordinated with the implementation of the proposed ADU ordinance. (1.4.4) 	High	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
1.5 Adopt design standards or guidelines	<ul style="list-style-type: none"> Pilot options for design guidelines and engage with developers, landowners, and members of the community for review. (1.5.1) 	Very High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for ordinance development External consultant time for developing design guidelines Engagement with stakeholders
1.6 Remove extra lot area requirements in the R-4 zone	<ul style="list-style-type: none"> Review and monitor effects of changes in R-4 zoning (1.2.1–1.2.7) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for review
1.7 Continue with long-term planning for annexation and infrastructure extension	<ul style="list-style-type: none"> Continue efforts to develop long-term planning and coordination for future growth areas to be annexed, and potentially coordinate annexation. (1.7.1–1.7.2) 	High	<ul style="list-style-type: none"> City Planning staff City Public Works staff External consultant Adams County County landowners Local stakeholders 	<ul style="list-style-type: none"> Staff time required for coordination Staff time required for consultation with other City departments Potential external consultant time
	<ul style="list-style-type: none"> Explore the use of developer and latecomer agreements to facilitate extension of infrastructure 	High	<ul style="list-style-type: none"> City Planning staff City Public Works staff County landowners Local developers 	<ul style="list-style-type: none"> Staff time for coordination and discussion with developers

Strategy	Action	Priority	Involved Parties	Resources
2.1 Review off-street parking requirements	<ul style="list-style-type: none"> Implement changes to off-street parking requirements based on outcomes from the parking study. This includes potential parking variances for low-income housing, and provisions for joint use of parking. (2.1.1–2.1.3) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for ordinance development Engagement with stakeholders
2.2 Encourage or require alley-accessed, rear, or shared parking	<ul style="list-style-type: none"> Implement changes to off-street parking requirements based on outcomes from the parking study. This includes alleyways, rear parking, shared parking, and site development requirements. (2.2.1–2.2.3) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for ordinance development Engagement with stakeholders
2.3 Reduce neighborhood street width requirements	<ul style="list-style-type: none"> Work with Public Works and other City departments to pilot revisions to minimum street and right-of-way widths (2.3.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff City Public Works staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for consultation with other City departments Engagement with stakeholders
3.1 Offer density bonuses for affordable housing	<ul style="list-style-type: none"> Develop policies and provisions to be used with the Planned Development District Overlay that will provide density bonuses for affordable housing projects, both rental and owner-occupied. (3.1.1–3.1.2) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for ordinance development Engagement with stakeholders
3.2 Offer alternative development standards for affordable housing	<ul style="list-style-type: none"> Develop policies and provisions to be used with the Planned Development District Overlay that will provide other development incentives for affordable housing projects, both rental and owner-occupied. (3.2.1) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for ordinance development Engagement with stakeholders
3.3 Offer fee waivers for affordable housing	<ul style="list-style-type: none"> Coordinate on updates to development fees (if relevant) to include waivers for affordable housing projects. (3.3.1) 	Low	<ul style="list-style-type: none"> City Planning staff City Public Works staff City Finance staff Planning Commission 	<ul style="list-style-type: none"> Staff time required, dependent on potential increases in development fees
3.4 Explore the use of a Multifamily Tax Exemption (MFTE) program for affordable housing	<ul style="list-style-type: none"> Implement the MFTE program in coordination with the Planning Commission and affordable housing providers (3.4.2) Provide processes for regular review and monitoring of the MFTE program (3.4.3) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for implementation and ongoing monitoring
4.1 Streamline permit review	<ul style="list-style-type: none"> Rely on updated tracking from Permit Trax to evaluate permit processing times and determine areas for improvement. (4.1.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for review of outcomes

Long-Term Actions

Long-term actions to be implemented after the next five years will focus on ongoing monitoring and review of programs implemented within the first five years. This will include oversight of the following changes:

- Upzoning and changes to development requirements
- Development guidelines/standards
- Off-street parking requirements
- Affordable housing incentives
- MFTE program for affordable housing
- Permit review

Additionally, at this stage the Housing Action Plan may be reviewed and revised to provide information about the success of these initiatives, adjustments required to meet additional housing goals, and new programs which may be implemented to meet future needs.

Strategy	Action	Priority	Involved Parties	Resources
1.1 Coordinate future upzoning in areas likely to experience redevelopment.	<ul style="list-style-type: none"> ▪ Review and monitor the effects of changes in zoning to new development in the city. (1.1.1– 1.1.2) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission ▪ Stakeholders 	<ul style="list-style-type: none"> ▪ Staff time required for review of outcomes
1.2 Modify setback, lot coverage, and landscaping standards for site design	<ul style="list-style-type: none"> ▪ Review and monitor effects of changes in standards (1.2.1–1.2.7) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission ▪ Stakeholders 	<ul style="list-style-type: none"> ▪ Staff time required for review
1.3 Require minimum residential densities for development	<ul style="list-style-type: none"> ▪ Review and monitor the effects of changes to maximum lot sizes and minimum densities for residential and mixed-use areas (1.3.3) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission ▪ Stakeholders 	<ul style="list-style-type: none"> ▪ Staff time required for review
	<ul style="list-style-type: none"> ▪ Review and monitor the effects of design guidelines on the negative impacts from density increases and adjust the program as necessary. (1.3.4) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission ▪ Stakeholders 	<ul style="list-style-type: none"> ▪ Staff time required for review
1.4 Add provisions for ADUs or smaller lot homes in some residential zones	<ul style="list-style-type: none"> ▪ Provide ongoing monitoring for the permitting and construction of ADUs, cottage housing, and small lot housing in the community and adjust these programs as necessary (1.4.5) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission ▪ Stakeholders 	<ul style="list-style-type: none"> ▪ Staff time required for review
1.5 Adopt design standards or guidelines	<ul style="list-style-type: none"> ▪ Coordinate an “after-action” review of the design guidelines pilot and adjust the guidelines as needed. (1.5.2) 	High	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission ▪ Stakeholders 	<ul style="list-style-type: none"> ▪ Staff time required for review

Strategy	Action	Priority	Involved Parties	Resources
1.6 Remove extra lot area requirements in the R-4 zone	<ul style="list-style-type: none"> Review and monitor effects of changes in R-4 zoning (1.2.1–1.2.7) 	Low	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for review
1.7 Continue with long-term planning for annexation and infrastructure extension	<ul style="list-style-type: none"> Based on planning work to date, coordinate annexation of future growth areas, if not completed to date. (1.7.1–1.7.2) 	High	<ul style="list-style-type: none"> City Planning staff Planning Commission External consultant Adams County County landowners 	<ul style="list-style-type: none"> Staff time for coordination of process Supporting time from external consultation
2.1 Review off-street parking requirements	<ul style="list-style-type: none"> Provide ongoing monitoring of changes to off-street parking requirements. (2.1.1–2.1.3) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for review
2.2 Encourage or require alley-accessed, rear, or shared parking	<ul style="list-style-type: none"> Provide ongoing monitoring of changes to off-street parking requirements. (2.1.1–2.1.3) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for review
2.3 Reduce neighborhood street width requirements	<ul style="list-style-type: none"> Work with Public Works and other City departments to review and monitor the effects of revisions to minimum street and right-of-way widths (2.3.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff City Public Works staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for review
3.1 Offer density bonuses for affordable housing	<ul style="list-style-type: none"> Provide ongoing monitoring and review of the use of incentives through the Planned Development District overlay for affordable housing. (3.1.1–3.1.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for review
	<ul style="list-style-type: none"> Continue to coordinate with local religious and non-profit organizations to utilize these benefits for affordable housing. (3.1.3) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for review
3.2 Offer alternative development standards for affordable housing	<ul style="list-style-type: none"> Provide ongoing monitoring and review of the use of incentives through the Planned Development District overlay for affordable housing. (3.2.1–3.2.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for review
3.3 Offer fee waivers for affordable housing	<ul style="list-style-type: none"> If developed, monitor and report on the use of fee waivers with affordable housing projects. (3.3.2) 	Moderate	<ul style="list-style-type: none"> City Planning staff City Public Works staff Planning Commission Stakeholders 	<ul style="list-style-type: none"> Staff time required for review
3.4 Explore the use of a Multifamily Tax Exemption (MFTE) program for affordable housing	<ul style="list-style-type: none"> Coordinate final review and monitoring of the MFTE program (3.4.3) Determine if changes in State law may allow for extensions of the program (3.4.3) 	Medium	<ul style="list-style-type: none"> City Planning staff Planning Commission 	<ul style="list-style-type: none"> Staff time required for ongoing monitoring

Strategy	Action	Priority	Involved Parties	Resources
4.1 Streamline permit review	<ul style="list-style-type: none"> ▪ Rely on updated tracking from Permit Trax to evaluate permit processing times and determine areas for improvement. (4.1.2) 	Moderate	<ul style="list-style-type: none"> ▪ City Planning staff ▪ Planning Commission 	<ul style="list-style-type: none"> ▪ Staff time required for review of outcomes

List of Appendices

- **Appendix A:** What We Heard Report
- **Appendix B:** Housing Needs Assessment
- **Appendix C:** Housing Policy Review