
Housing Action Plan

City of Othello

Joint Planning Commission / City Council Meeting

May 24, 2021



Introduction

Overview

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

What is a Housing Action Plan?

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

What is a Housing Action Plan?

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

What is a Housing Action Plan?

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

Othello's Housing Needs

What Is a Needs Assessment?

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

Components of a Housing Needs Assessment

Community Profile

Who lives in Othello?

What are their household characteristics?

Workforce Profile

Who works in Othello?

What are their incomes?

Housing Inventory

What types of housing are available in Othello?

How much does housing cost in Othello?

Housing Gaps & Needs

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

Housing Needs Identified

Finding #1

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

Finding #2

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

Finding #3

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

Finding #4

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

Finding #5

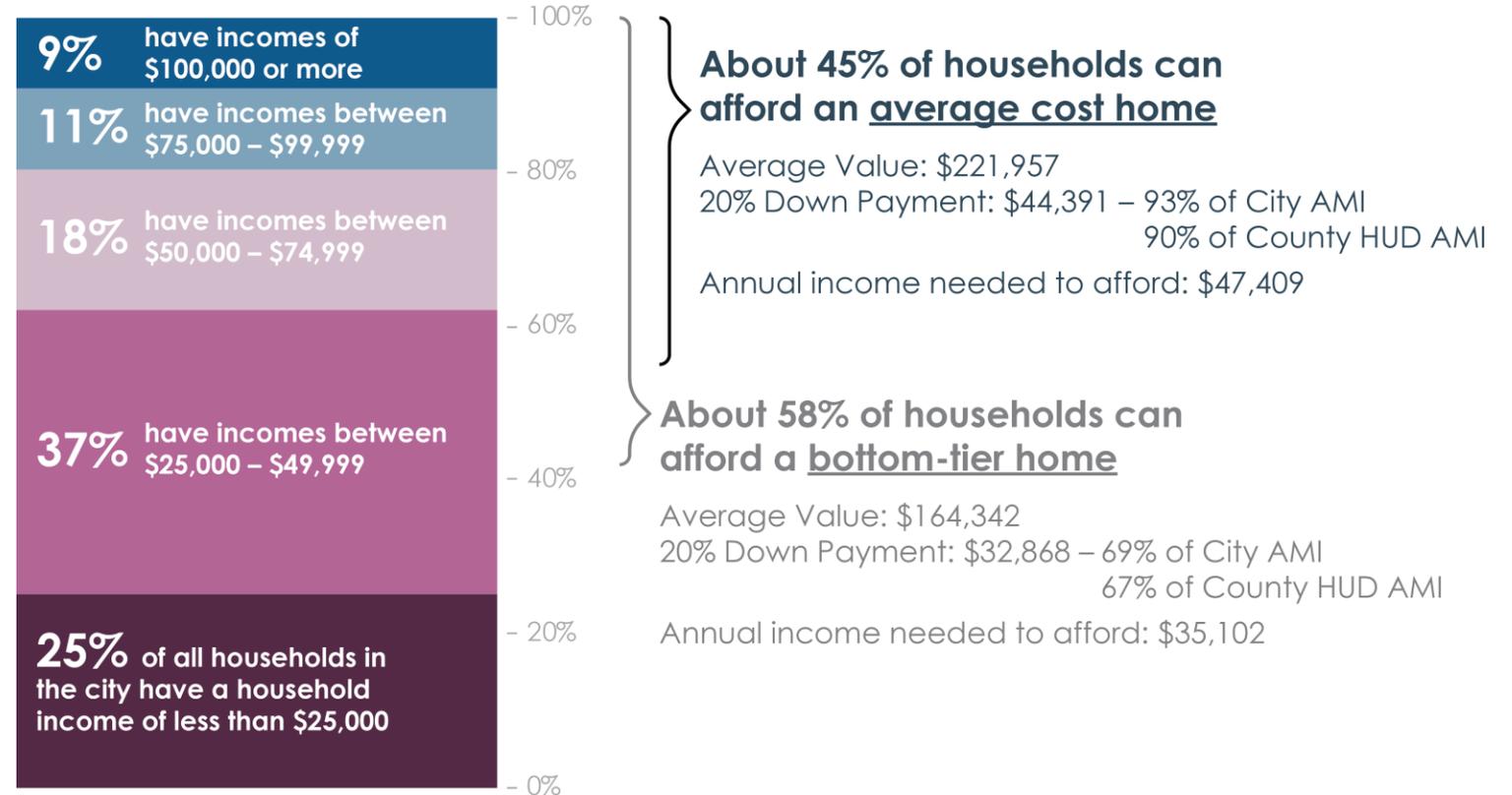
There is a lack of both permanent and seasonal housing for farmworkers, especially for low-income households.

Finding #1

Finding #1

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

Percentage of All Households by Income Bracket, 2018



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

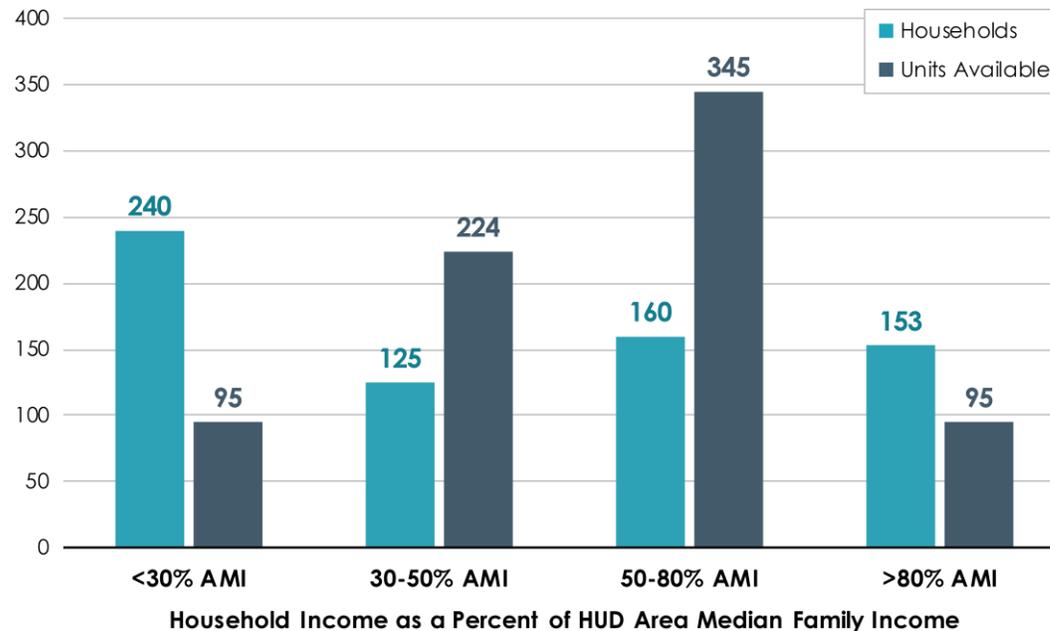
Finding #2

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

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

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

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



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

Rental Rates and Affordability, 2020

2-Bedroom

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

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

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

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

3-Bedroom

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

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

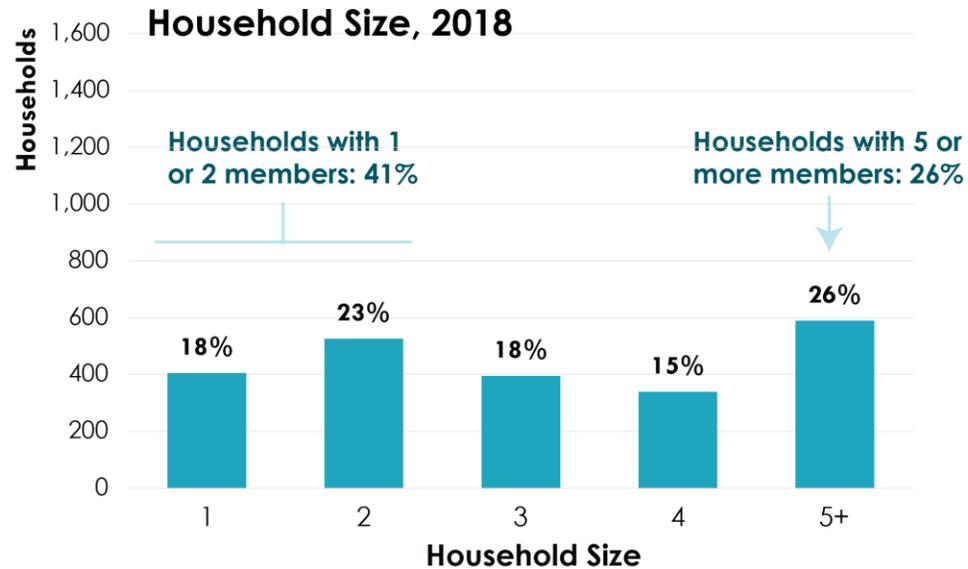
% City of Othello AMI Needed to Afford: **103%**

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

Finding #3

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

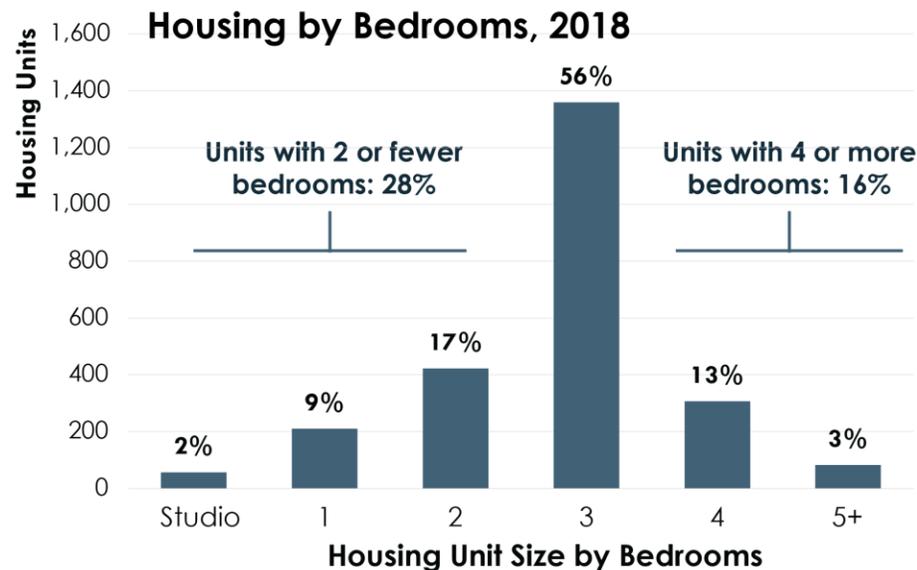
Sources: U.S. Census Bureau, 2014-2018 ACS 5-year estimates (Tables B25041 and B2500); OFM, 2018; BERK, 2020.



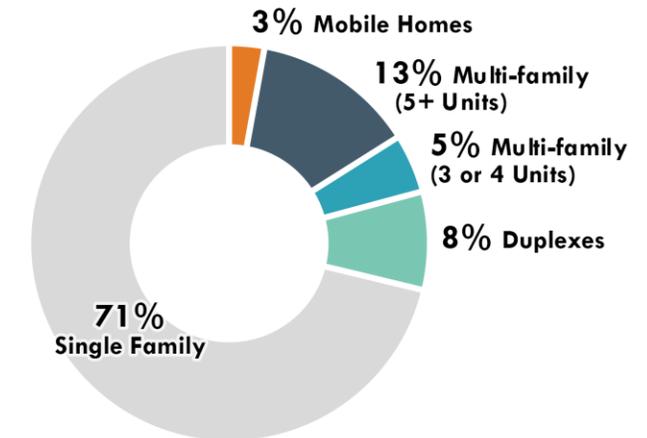
Undersupply

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

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

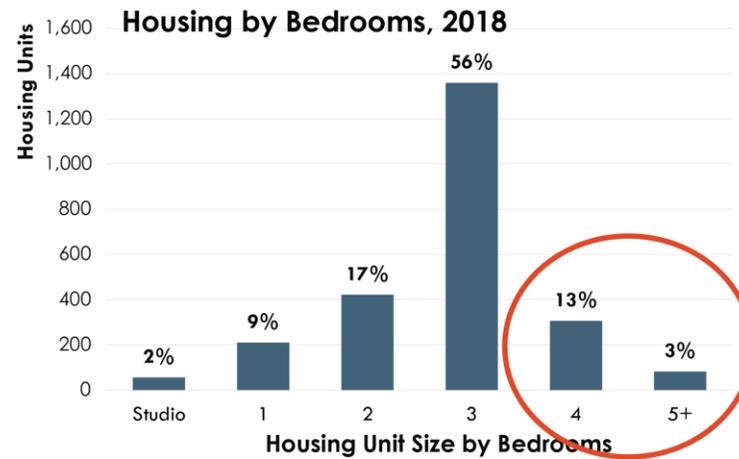
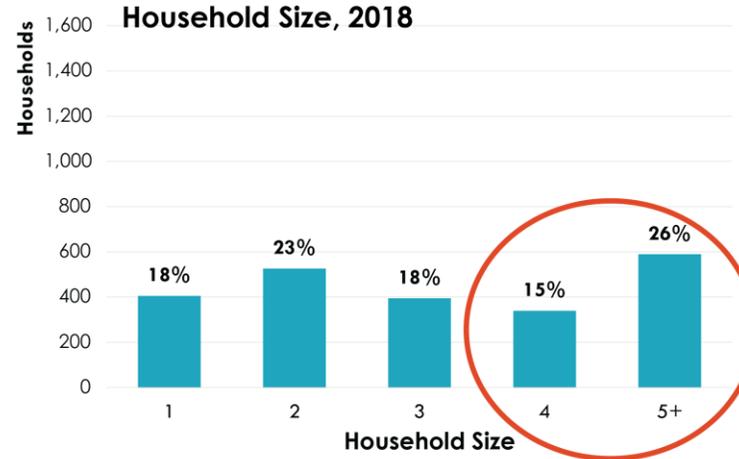


Housing Inventory by Type, 2019



Finding #4

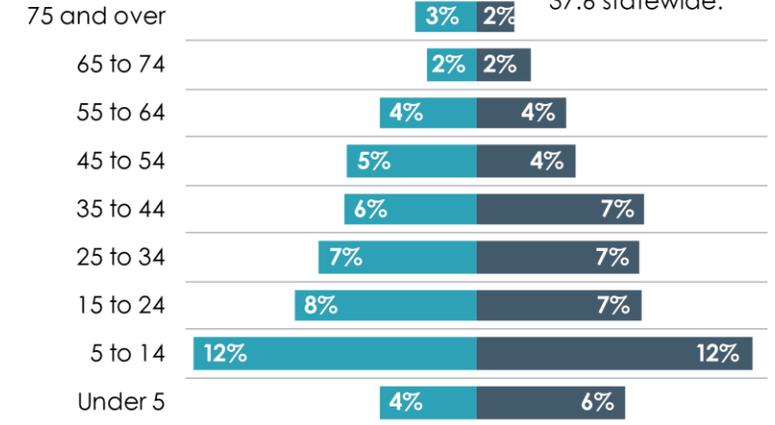
There are limited affordable housing options large enough for families with children.



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

Population by Age Range, 2018

Median Age **25.9** ← Othello is 25.9 vs. 37.6 statewide.



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

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

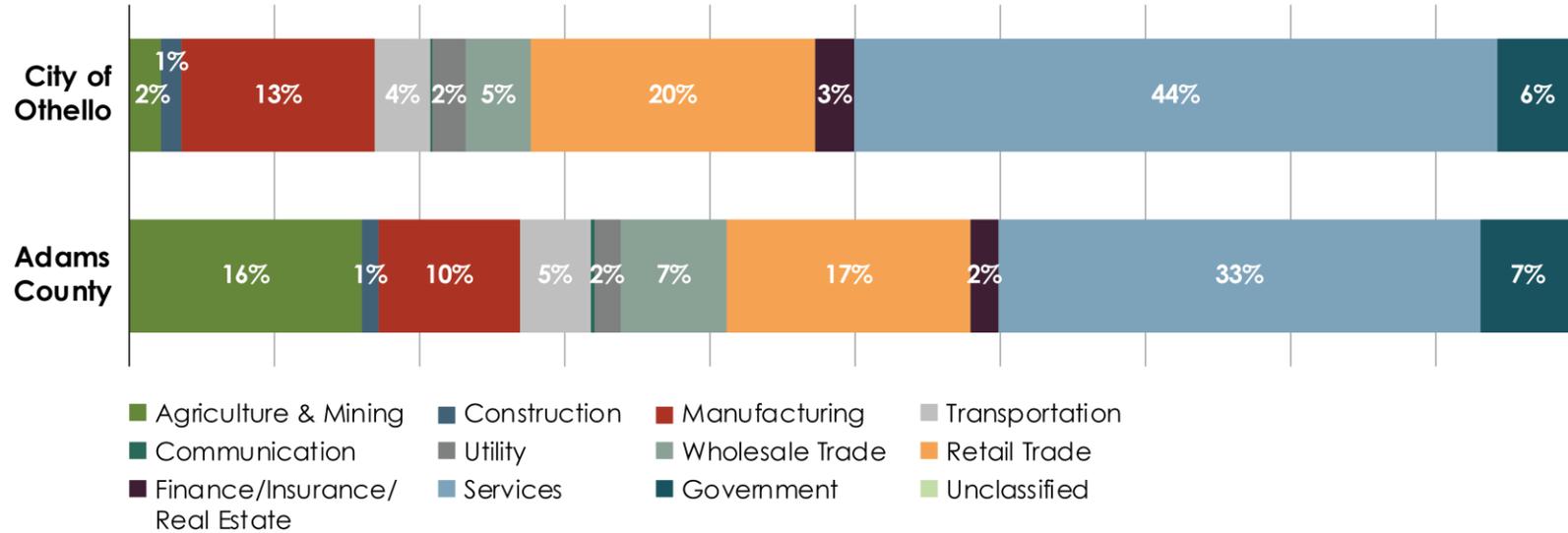
Sources: U.S. Census Bureau, 2014-2018 ACS 5-year estimates (Tables B25041, B2500, and S0101); BERK, 2020.

Finding #5

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

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

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



Agricultural Employment (Covered) in Adams County, 2018

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

Farmworker Housing Needs and Gaps in Adams County, 2018

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

Policy Analysis and Gaps

Housing Policy Review

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

Housing Policy Review

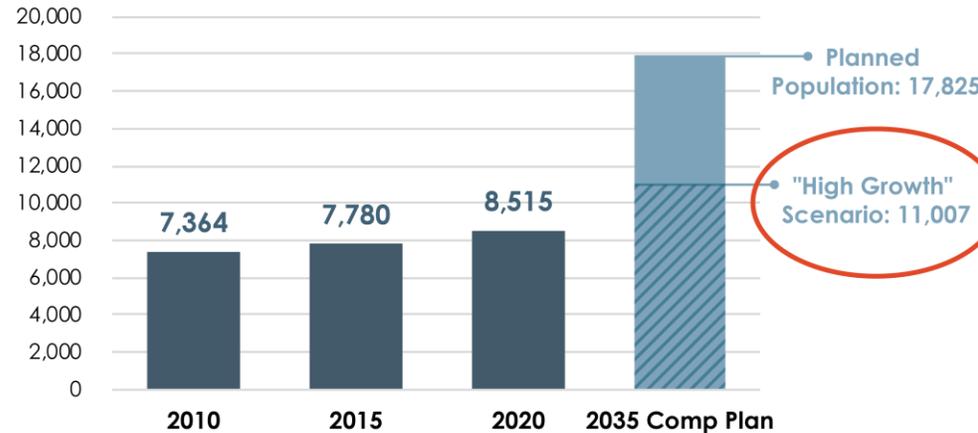
- **Two major findings:**

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

Finding #1

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

Historical and Projected Population Change, 2010-2035



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

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

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

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

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

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

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

Finding #2

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

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

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

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

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

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

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

Housing Policy Gaps

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

Recommendations

Recommendations

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

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

1. Zoning and Building Standards

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

1. Zoning and Building Standards

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

1. Zoning and Building Standards

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

1. Zoning and Building Standards

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

2. Parking and Transportation

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

2. Parking and Transportation

2.1 Modify off-street parking requirements

- Informed by a parking study – required before any changes are made

2.2 Encourage or require alley-accessed, rear, or shared parking

2.3 Reduce neighborhood street width requirements

3. Affordable Housing Incentives

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

3. Affordable Housing Incentives

- 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

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

4. Process Improvements

4.1 Streamline permit review

Implementation

Overview

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

- **Short-term actions (1–2 years):**

What are we ready to do now?

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

What actions need more coordination before we can implement them?

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

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

Short-term Actions (1–2 years)

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

Medium-term Actions (3–5 years)

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

Long-term Actions (5+ years)

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

Discussion