

Housing Needs Assessment

City of Othello | December 2020

Introduction

This draft housing needs assessment presents an evaluation of current housing supply and housing needs in Othello, across the full spectrum of household types and income levels. This data will be synthesized with information gathered through engagement with residents and stakeholders to create a comprehensive needs assessment. This assessment will help evaluate potential options and guide implementation so that the Housing Action Plan (HAP) plan strategies are based on data and connect to the needs of residents. The assessment helps to answer the following kinds of questions:

- Who lives and works in Othello and what are their socioeconomic characteristics?
- What types of housing are available in Othello?
- Are there any groups of people who are not able to find housing that is safe, affordable, and meets their household needs?
- How much housing, and what types of housing, are needed to meet current and future housing needs of Othello residents?

This housing needs assessment is organized into four main sections: a community profile, a workforce profile, a housing inventory, and a gap analysis.

Community Profile

Note: The information below is based on information available prior to the COVID-19 pandemic which has resulted in a slowing of economic activity at the time of this writing. It is likely there will be an exacerbation of housing affordability barriers for a period of time.

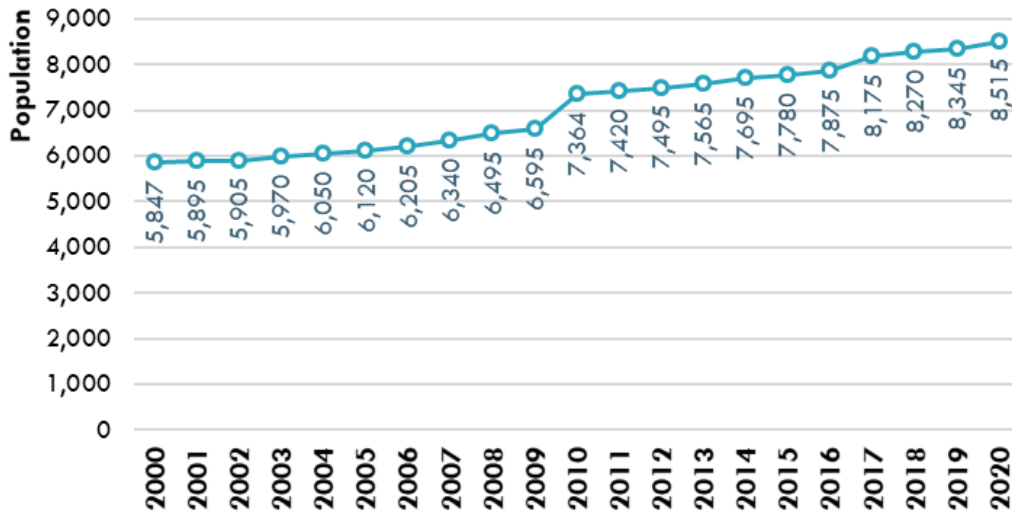
Populations

Population

Othello is the largest city in Adams County and makes up 42% of the countywide population of 20,450. According to the Office of Financial Management (OFM), Othello's permanent city population was about 8,270 in 2018, growing incrementally to 8,515 in 2020.¹ Othello has experienced modest but steady population growth since 2000. Between 2000 and 2018, the city's population grew by a total of 41%, at an average annual rate of 2.0%. Growth has been slower since 2010, at an average annual rate of 1.5%, as compared to 2000-2010, when the average annual growth rate was 2.4% (Exhibit 1).

¹ While the State has estimates of population to 2020, the year 2018 is the base year in this assessment due to the availability of 2018 American Community Survey (ACS) information.

Exhibit 1. Total City of Othello Population, 2000-2020



Note: The OFM population estimates show a relatively large population increase in 2010, reflecting an upward adjustment of the city's population estimate in response to the 2010 U.S. Census.
Sources: OFM, 2020; BERK, 2020.

The City of Othello, like all communities in Adams County, is not planning under the State's Growth Management Act (GMA), and thus does not have a formally designated Urban Growth Area (UGA). This means there are limited data available on the population living in the greater Othello micropolitan area, as well as the number of housing units in that area. The State Office of Financial Management (OFM) and other sources produce data on incorporated communities and UGAs, but data on the population and housing characteristics of the greater Othello area, which is not a formal UGA, are limited.

The City's 2015 Comprehensive Plan identifies the "Othello Growth Area" (OGA), which includes identified commercial, industrial, and residential lands that were outside that city boundaries at the time of the plan, but which the City believed might either request annexation or be annexed into the city between 2015 and 2035 (Exhibit 2).² The Comprehensive Plan estimated that roughly 3,000 individuals lived in the OGA, but outside Othello city limits, in 2015.³

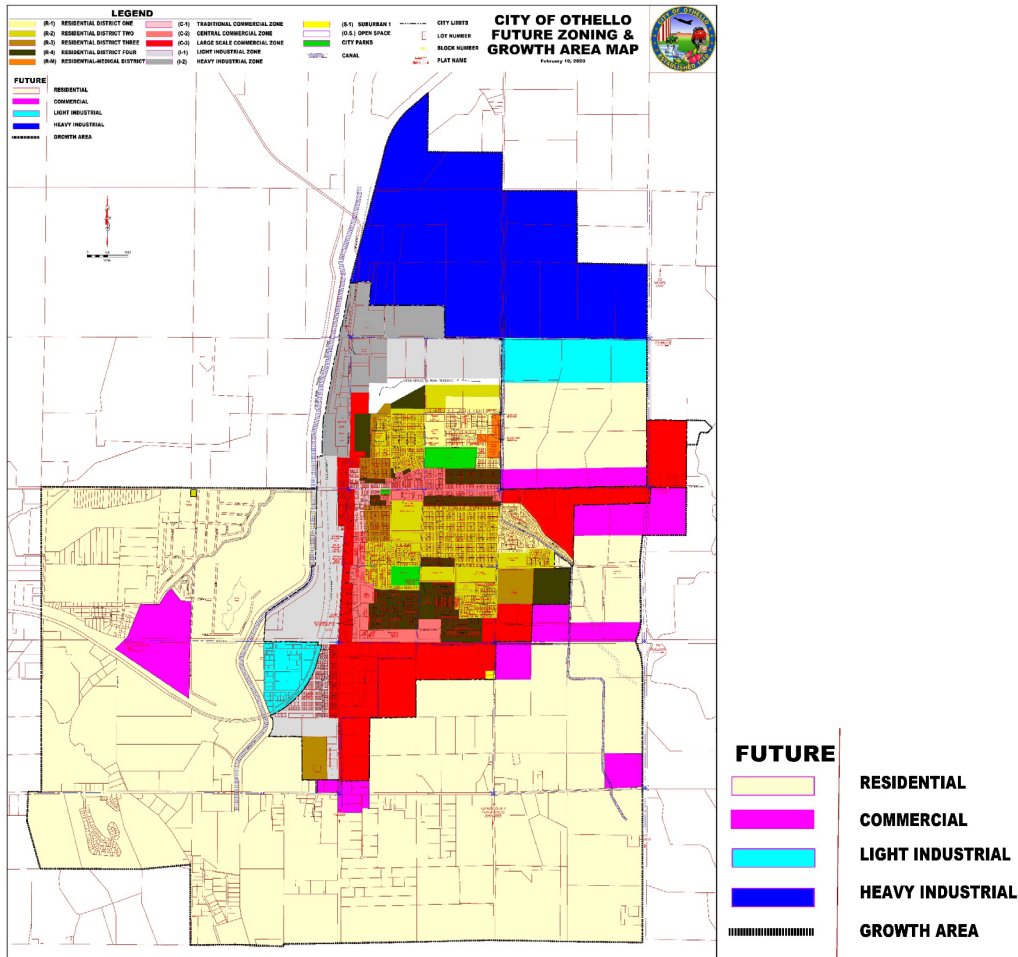
This roughly tracks with the State OFM's population estimate for the Othello Highway Urban Area (HUA). HUAs are areas identified as urban or urbanized by the U.S. Census Bureau with a population of 5,000 or greater. In 2019, OFM estimated the Othello HUA population at 12,380. When subtracting out the 8,345 estimated population for the City of Othello, that leaves an estimated 4,035 people living in the Othello micropolitan area but outside the incorporated area.⁴

² Future land use designations were updated for the Othello Growth Area as part of the 2020 Zoning Code and Map updates.

³ City of Othello. 2015. *Comprehensive Plan*. <https://evogov.s3.amazonaws.com/media/49/media/37803.pdf>

⁴ Washington State Office of Financial management. 2019. "Special area population estimates: Highway urban area population estimates." <https://ofm.wa.gov/washington-data-research/population-demographics/population-estimates/special-area-population-estimates>

Exhibit 2. City of Othello Future Zoning and Growth Area, 2020



Source: City of Othello, 2020.

Age

Othello's population skews slightly younger than Adams County as a whole and substantially younger than Washington State as a whole. According to 2018 data from the American Community Survey (ACS), the median age in Othello is 25.9 years, younger than the county at 28.3 years and the state at 37.6 years. See Exhibit 3.

In 2018, more than one-third (38%) of Othello's population was under age 18—slightly higher than the county as a whole (35%) and substantially higher than the state as a whole (22%). This indicates that housing for larger families with multiple children is a need within the City of Othello. The current proportion of young adults ages 25-34 in the City of Othello (14%) is similar to the state as a whole (15%), but that number could grow in the years ahead if children and youth living in Othello remain as they age into adulthood.

The City of Othello population of older adults is proportionally smaller than both Adams County and Washington State. While 35% of the statewide population and 26% of the countywide population is age 50 or older, just 20% of Othello's population is 50 or older. While providing housing that meets the needs of older adults (e.g., features to accommodate limited mobility) is an important consideration for all communities, this issue is less pressing for the City of Othello than other communities across the state, as

the proportion of the population approaching retirement (those ages 50-64) is smaller in Othello than in both Adams County and Washington State as a whole.

Exhibit 3. Population by Age Range, 2018

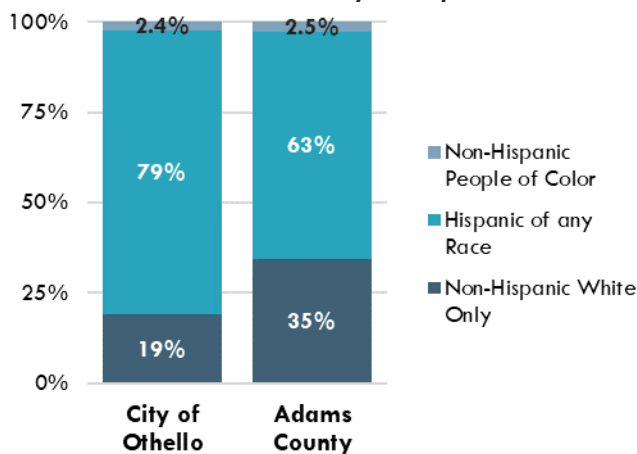
2018	City of Othello		Adams County		Washington State	
Median Age	25.9		28.3		37.6	
75 and over	3%	2%	2%	3%	2%	3%
65 to 74	2%	2%	3%	3%	4%	5%
55 to 64	4%	4%	5%	5%	6%	7%
45 to 54	5%	4%	5%	5%	6%	6%
35 to 44	6%	7%	6%	6%	7%	6%
25 to 34	7%	7%	6%	6%	8%	7%
15 to 24	8%	7%	8%	7%	7%	6%
5 to 14	12%	12%	10%	9%	6%	6%
Under 5	4%	6%	5%	5%	3%	3%
	Female	Male	Female	Male	Female	Male
Totals:	3,961	4,019	9,608	9,844	3,648,671	3,645,665
65 and over	368 (5%)	312 (4%)	1,097 (6%)	1,006 (5%)	584,473 (8%)	489,026 (7%)
50 to 64	458 (6%)	400 (5%)	1,473 (8%)	1,416 (7%)	720,942 (10%)	697,183 (10%)
18 to 49	1,665 (21%)	1,735 (22%)	3,726 (19%)	3,893 (20%)	1,546,123 (21%)	1,623,714 (22%)
Under 18	1,470 (18%)	1,572 (20%)	3,312 (17%)	3,529 (18%)	797,133 (11%)	835,742 (11%)

Source: U.S. Census Bureau, 2014-2018 American Community Survey (ACS) 5-Year Estimates (Table S0101); BERK, 2020.

Ethnicity, Race, and Language Spoken at Home

The City of Othello is about 68% white and is majority Hispanic or Latinx (79%). The city is similar to Adams County as a whole in terms of race (the county is 69% white) but has a proportionally larger Hispanic or Latinx population (Exhibit 4). Most of the Hispanic or Latinx population identifies as Mexican (94%).⁵

Exhibit 4. Race and Ethnicity of Population in the City of Othello and Adams County, 2018

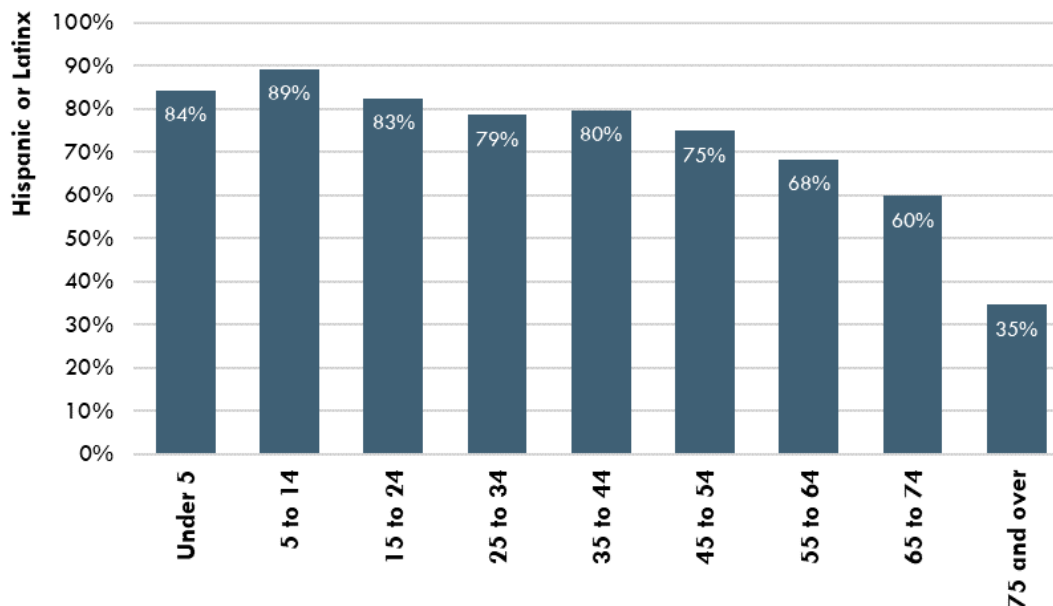


Sources: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table B3002); BERK, 2020.

⁵ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table DP05).

The distribution of ethnicity differs among the older population versus younger population in the city—while the younger segments of the population are majority Hispanic or Latinx, this distribution reverses for those age 75 and older (Exhibit 5).

Exhibit 5. Percent of Population that is Hispanic or Latinx by Age Range in the City of Othello, 2018



Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Tables B01001I and S0101); BERK, 2020.

Reflecting the city's ethnic diversity, about 68% of the population age 5 and over speak a language other than English at home, with 63% speaking Spanish and about 4% speaking other languages (including Slavic languages and Sinitic (Chinese) languages). A little more than half (57%) of those speaking another language at home speak English very well.⁶

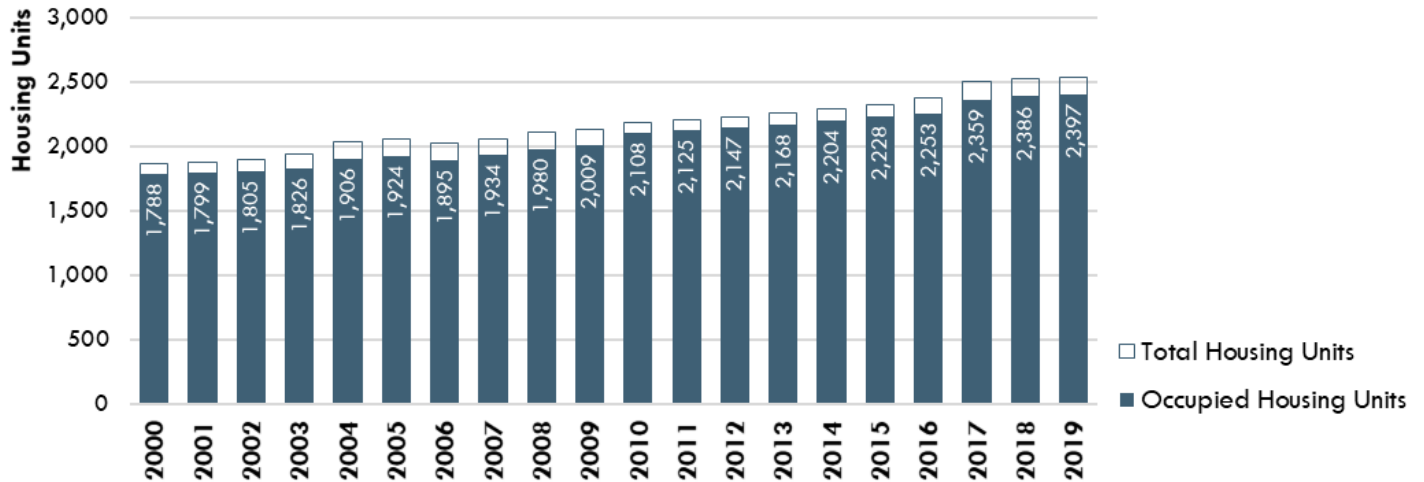
Households

A household is a group of people who live in a single dwelling unit, such as a house or apartment. Households can have only one member or many members. They can be families or unrelated people living together. Understanding the make-up of households in Othello across age, race, and family sizes helps us to better understand and provide affordable housing to a diverse range of household types and sizes.

In 2018, there were 2,386 occupied housing units (households) within city limits, which is a 33% increase from the 1,788 occupied units documented in 2000 (Exhibit 6). The occupancy rate of housing units remained high throughout this period (2000-2018), ranging from 94% to 96%, depending on the year.

⁶ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table S1601).

Exhibit 6. Occupied Housing Units in the City of Othello, 2000-2018



Note: OFM reports 2,386 occupied housing units in 2018 while the 5-year ACS reports 2,254. OFM tracks building permit data and household occupancy annually from city data and may be more accurate regarding the share of occupied and seasonal housing. ACS estimates are based on survey data.
Sources: OFM, 2018; BERK, 2020.

Household Tenure and Size

About 60% of occupied housing units in the City of Othello are owner-occupied and 40% are renter-occupied (Exhibit 7). A larger share of the city’s dwellings are renter-occupied compared to the county as a whole (37%) and statewide (37%).

Exhibit 7. Households by Housing Tenure, 2018

	Othello	Adams County	Washington State
Total Occupied Units	2,254	5,881	2,800,423
Owner-occupied	60.1%	63.4%	62.7%
Renter-occupied	39.9%	36.6%	37.3%

Sources: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table DP04); BERK, 2020.

The city’s average household size increased from 3.24 in 2000 to 3.44 in 2018, though it has remained relatively steady between 3.44 and 3.47 since 2010 (Exhibit 8). The average household size in Othello is larger than the Adams County average of 3.28 and the statewide average of 2.55.⁷ Othello also has a significant number of larger households—more than 40% of the city’s households have four or more members and about 15% of households have six or more members (Exhibit 9). In contrast, 22% of Washington State households have four or more members and 4% have six or more members.⁸ Renter households in Othello are generally larger than owner households (3.76 versus 3.31, respectively) (Exhibit 10).⁹ Approximately 17% of occupied housing units in the city are considered overcrowded compared to 13% countywide and just 3% statewide.¹⁰

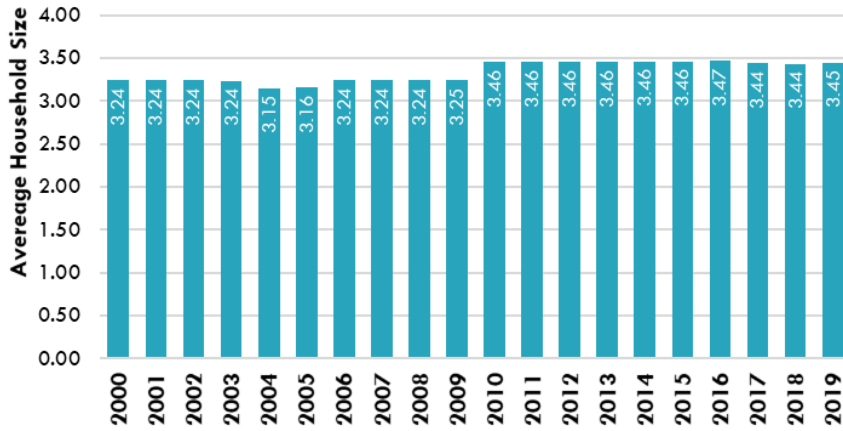
⁷ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates, Quick Facts.

⁸ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table B25009).

⁹ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table DP04).

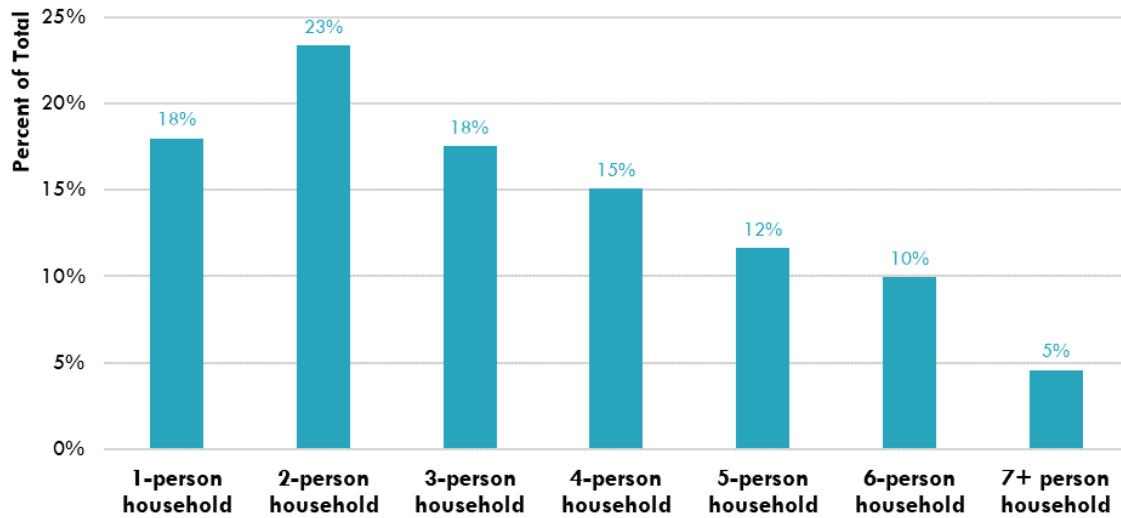
¹⁰ Occupied housing units with more than one person per room are considered crowded. U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table DP04).

Exhibit 8. Average Household Size in the City of Othello, 2000-2018



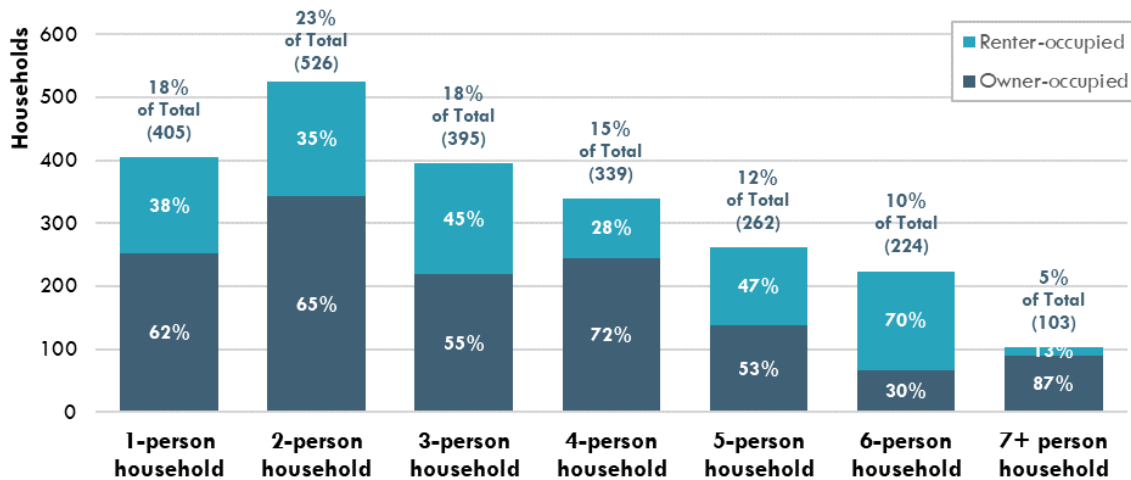
Source: OFM, 2018; BERK, 2020.

Exhibit 9. Households by Size in the City of Othello, 2018



Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table B25009); BERK, 2020.

Exhibit 10. Household Size by Tenure in City of Othello, 2018



Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table B25009); BERK, 2020.

Household Income

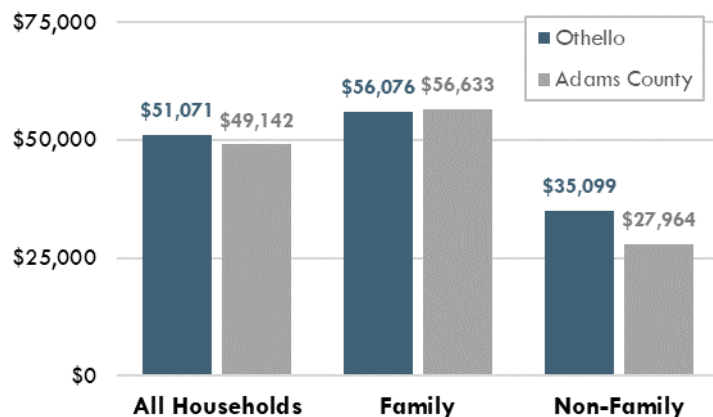
Understanding the relationship and distribution of household income and housing prices is vital to Othello's efforts to plan for its housing needs. A household's income dictates its housing decisions and opportunities. When summarizing housing affordability by income level, households are typically grouped relative to the U.S. Department of Housing and Urban Development (HUD) Area Median Family Income (AMI). Income groups are typically defined as follows:

- Extremely Low Income: ≤30% AMI
- Very Low Income: 30-50% AMI
- Low Income: 50-80% AMI
- Moderate Income: 80-100% AMI
- Above Median Income: >100% AMI

HUD AMI for Adams County was \$52,400 in 2018.¹¹ HUD also publishes Consolidated Planning/Comprehensive Housing Affordability Strategy (CHAS) data which groups households by income level relative to AMI. These data include adjustments to account for differences in household size to reflect the fact that the living expenses for a 1-person household are significantly less than those of a family of four. Income limits to qualify for affordable housing are often set relative to HUD AMI.

The ACS estimates median income specific to the City of Othello and Adams County, but does not present household counts by income level relative to HUD AMI. Instead, the ACS provides income based on bins by dollar amounts without adjustment for household size. Exhibit 11 shows 2018 ACS median income in the city and county for families (households with two or more related persons) and non-families.¹²

Exhibit 11. Median Household Income by Household Type, 2018



Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table S1901); BERK, 2020.

In 2018, median household income in Othello was approximately \$51,071 for all households, slightly higher than the countywide median income of \$49,142. Family incomes in Othello were slightly lower

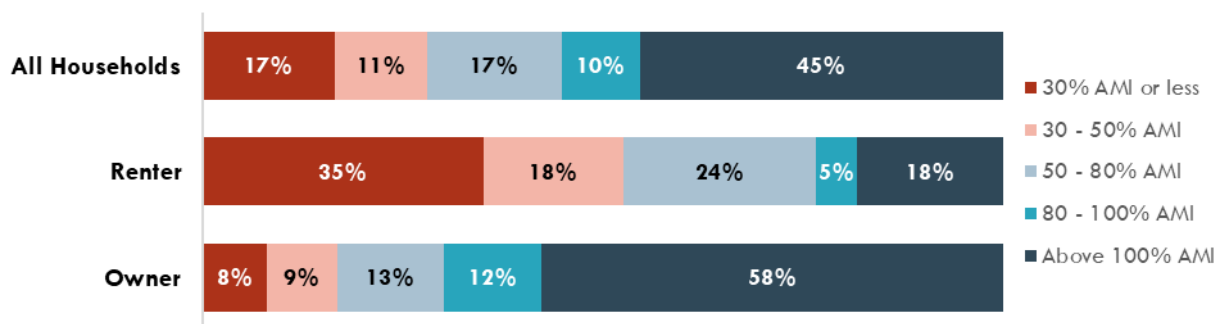
¹¹ HUD Income Limits, 2018 (<https://www.huduser.gov/portal/datasets/il.html#2018>).

¹² Family households consist of two or more individuals residing together who are related by birth, marriage, or adoption, and includes any unrelated people (unrelated subfamily members and/or secondary individuals) who may be residing there. Non-family households consist of people who live alone or who share their residence with only unrelated individuals. U.S. Census Bureau, Subject Definitions (<https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html#familyhousehold>).

than in the county overall at \$56,076 versus \$56,633, respectively, while non-family incomes in Othello were higher than in the county at \$35,099 versus \$27,964. Family incomes, however, are typically higher than non-family incomes due to the higher earnings from potential multi-income households. The gap in the city is not as wide as it is in the county, where non-family households make less than half of that of family households.

Exhibit 12 breaks down renter- and owner-occupied households in the City of Othello by income level relative to HUD AMI. As of 2016, 17% of all households in Othello were considered “extremely low income,” 11% were considered “very low income,” and 17% were considered “low income.” Renter households are substantially more likely to be extremely low income or very low income than owner households (53% versus 17%, respectively).¹³ Only 18% of renter households are at or above AMI, compared to 58% of owner households.

Exhibit 12. Percentage of Households by Income Level and Tenure in City of Othello, 2012-2016



Note: Income categories (Extremely Low, Very Low, etc.) are based on Adams County 2016 HUD AMI of \$49,400. Households include only those in the City of Othello.
 Source: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK, 2020.

Cost-Burdened Households

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.

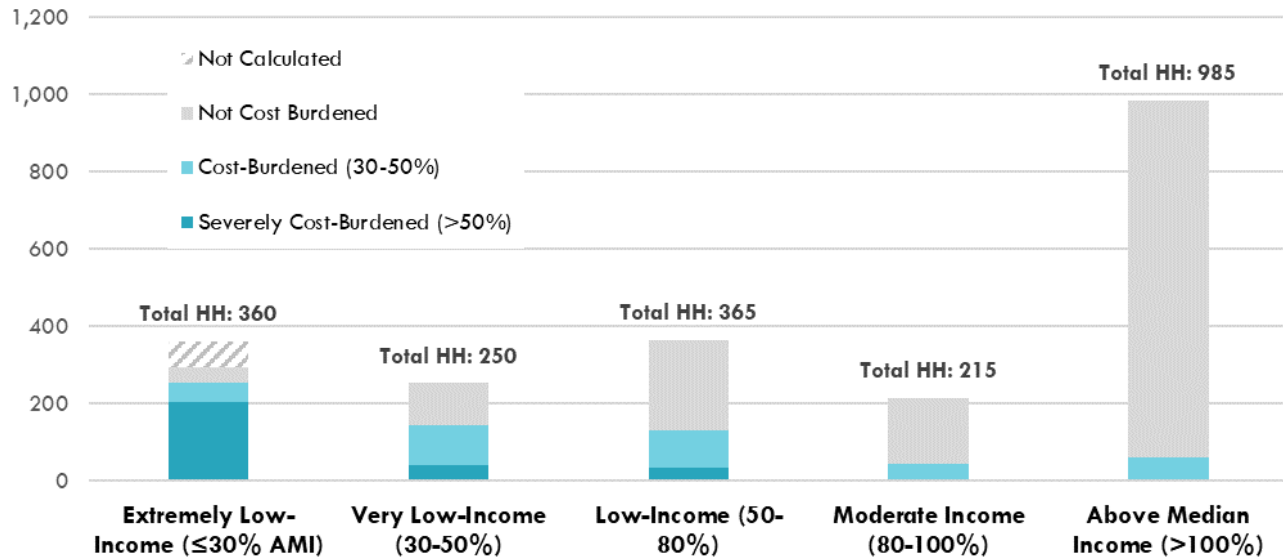
In 2016, 29% of all households in Othello were cost-burdened. Households with lower incomes are more likely to be cost-burdened.

Exhibit 13 presents estimates of total households by income level and cost burden status in the City of Othello. While there are cost-burdened households across the income spectrum, cost burden is most

¹³ Note that when grouping households by income level, HUD adjusts income thresholds based on household size to reflect the fact that the living expenses for a 1-person household are significantly less than those of a family of four. These adjustments are based on HUD's published household [Income Limits](#) needed to qualify for income-restricted affordable housing that is set aside for households at a specified income level or below. [Washington State Housing Finance Commission](#) publishes an expanded version of these income limits for each county in Washington State.

prevalent amongst those households with less than HUD AMI. About 255 households (71%) with extremely low incomes, 145 households (58%) with very low incomes, and 130 households (36%) with low incomes are cost-burdened.

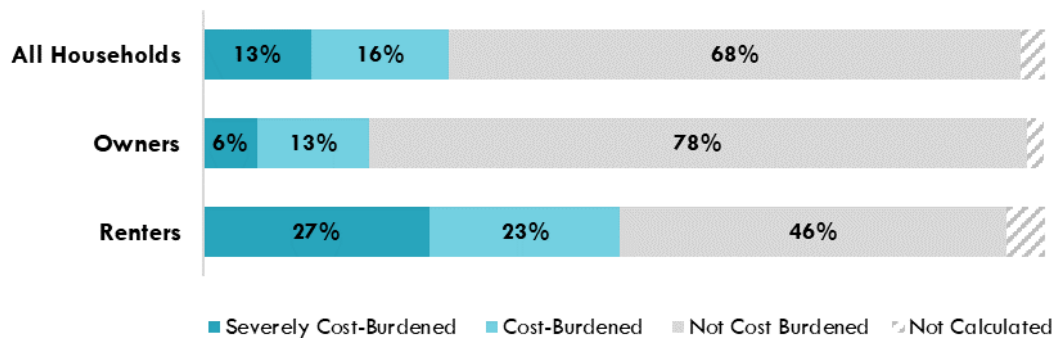
Exhibit 13. Households by Income Level and Cost-Burden Status in City of Othello, 2016



Note: Income categories (Extremely Low, Very Low, etc.) are based on Adams County 2016 HUD AMI of \$49,400. Households include only those in the City of Othello.
 Source: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK, 2020.

Overall, renters are substantially more likely to be cost-burdened or severely cost-burdened than owners (50% versus 19%, respectively) (Exhibit 14).

Exhibit 14. Cost-Burdened Households by Housing Tenure in City of Othello, 2016



Source: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK, 2020.

While there are households struggling with housing costs across the entire income spectrum, the greatest number are among households with incomes below 30% of HUD AMI. The greatest need is among small families and among non-family households, which are typically people living alone or with unrelated housemates (Exhibit 15). Of the population under age 65 that live in non-family households in Othello, 81% live alone and 19% live with roommates, housemates, or other nonrelatives.¹⁴

¹⁴ U.S. Census Bureau, 2011-2016 ACS 5-Year Estimates (Table B09019).

Exhibit 15. Cost-Burdened Households by Household Type and Income Level in City of Othello, 2016

Household Type	Extremely Low Income (≤30% AMI)	Very Low Income (30-50% AMI)	Low Income (50-80% AMI)	Moderate Income (80-100% AMI)	Above Median Income (>100% AMI)	All Cost-Burdened Households
Older Adult Family	0	24	10	10	25	69
Older Adults Living Alone	0	45	0	0	0	45
Large Family	49	35	10	4	4	102
Small Family	135	35	55	30	0	255
Other	70	4	55	0	30	159
Total	254	143	130	44	59	630

Older adult family: Two persons, either or both age 62 or older
 Older adults living alone: A person age 62+ living alone
 Large family: Families with 5 or more members
 Small family: Families with 2-4 members (excluding older adult families)
 Other: Non-family, non-older adult households (includes those living alone or with housemates)
 Note: Income categories (Extremely Low, Very Low, etc.) are based on Adams County 2016 HUD AMI of \$49,400. Households include only those in the City of Othello.
 Source: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK, 2020.

Affordability is a complex issue influenced by many factors and this share of income approach to measuring affordability is not a perfect metric. While the approach highlights the problem of affordability, it may inadequately describe problems faced by households with lower incomes. For example, households with higher incomes could pay 30% or more of their income on housing and have enough money left over to avoid difficult budget tradeoffs that a lower income family would encounter. Higher income households would also be able to afford considerably more and have far more options than households whose incomes are at or below the city median of \$51,071 per year (whose affordability index places them with a total monthly housing cost not to exceed \$15,321 per year or \$1,277 a month). Another concern is that measuring just the share of income spent on housing does not adequately capture the cost of tradeoffs often made to reduce housing costs.

Residents with Special Housing Needs

Families with Children

More than 38% of Othello's population are children and youth under age 18 (Exhibit 3) and 41% of households in the city have four or more members (Exhibit 9). This reveals a significant need for housing for families with children, particularly those with multiple children. Housing concerns for families with children include sufficiently large housing units and proximity to schools, childcare facilities, and other amenities.

As of 2016, more than 100 large families in Othello were cost-burdened, with the highest need concentrated among families with household incomes at 30% or less of AMI (Exhibit 15). Given the large numbers of families with children and cost-burdened families with children in Othello, the availability and affordability of larger housing units is a major consideration for the City of Othello.

Farmworkers

Adams County has a significant number of farmworkers who support the county's agricultural production. As of 2018, there were an estimated 1,353 year-round and 3,515 seasonal agricultural jobs in the county, with the number of farmworkers equal to about 17% of the county's total population. The regional average annual salary for farmworkers was \$29,861 in 2018, equal to 57% of the Adams County AMI.¹⁵ Given the large number of seasonal agricultural jobs and the comparatively low wages in agriculture, the farmworker housing types that require the most attention are housing affordable to low income households and temporary, seasonal housing.

Older Residents

Approximately 9% of residents in Othello are age 65 or older and a little over 600 residents age 55–64 will become older residents within the next 10 years.¹⁶ While older residents are diverse and have a range of housing preferences, many need affordable, accessible housing in age-friendly neighborhoods with close links to health and other supports. While some of these households in Othello have the financial means to afford appropriate housing and services, others will not.

Exhibit 15 above shows the prevalence of cost-burden among older adult households across income ranges. The greatest need among older adults is among households with incomes below 50% of AMI. Most of these older adults own their homes—119 of the 174 older adult households (68%) with incomes below 50% AMI own their home.¹⁷

Workforce Profile

Countywide Workforce and Employment Trends

Note: The information below is based on information available prior to the COVID-19 pandemic which has resulted in a substantial reduction in economic activity.

In 2018, total covered employment in Adams County was 8,361 and average annual wage was \$39,412 (59.5% of the state average of \$66,195). Agriculture was the largest provider of covered jobs in the county and accounted for 32% of all covered jobs (2,767 jobs). While agricultural work accounts for 32% of jobs in the county, it accounts for 26% of wage income, reflecting the seasonal nature of its jobs. Government was the second-largest provider of wages in the county, accounting for 22% of total covered wage income, followed closely by manufacturing (18%) – these industries account for 20% and 13% of jobs in the county, respectively.¹⁸

¹⁵ OFM, 2019; Washington State ESD, 2019; U.S. Department of Labor, 2020; BERK, 2020.

¹⁶ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates

¹⁷ HUD CHAS (based on 2012-2016 ACS 5-year estimates).

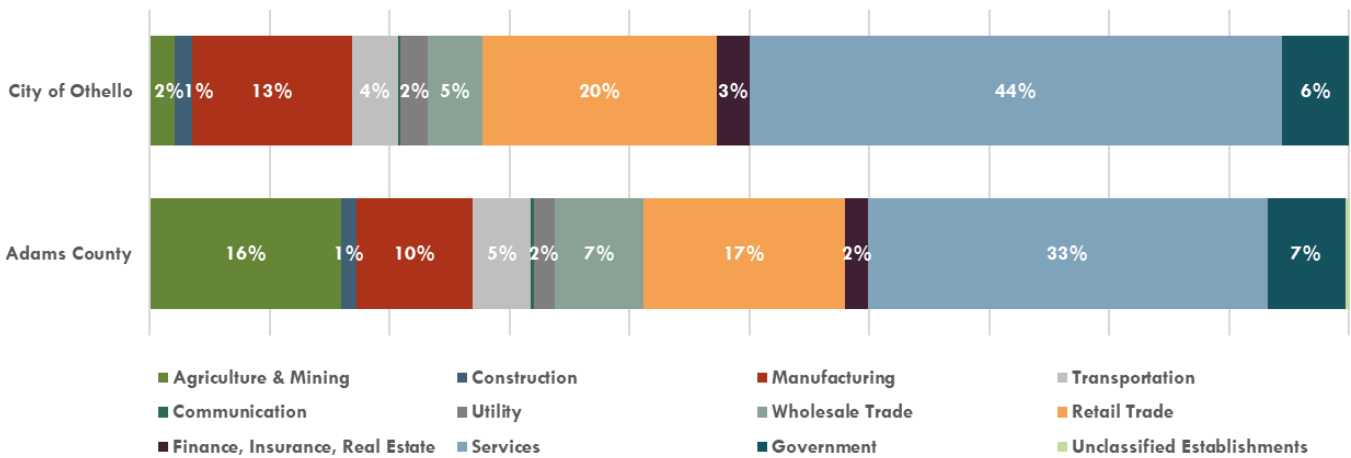
¹⁸ Washington State Employment Security Department (ESD), Annual Averages, 2018 (available at <https://esd.wa.gov/labormarketinfo/covered-employment>).

Citywide Employment

Job estimates vary depending on the source and year. ACS and Census OnTheMap indicate 4,432 jobs as of 2017. As of 2020, the total daytime population in the City of Othello included 3,849 workers according to ESRI Business Analyst, which uses U.S. Census-based information and estimates jobs for the current year.¹⁹

Regardless of the estimate, all source information illustrates that the city is a services, retail, and manufacturing based economy. About 77% of individuals employed in the City of Othello work in one of these three industries. The top employment sectors in Adams County include these same three industries, with the addition of agriculture, which employs 16% of all workers (Exhibit 16). Jobs in the City of Othello are concentrated near E Main St between Broadway Ave and 7th Ave, with a secondary cluster of manufacturing plants in northwest Othello (e.g., McCain Foods, J.R. Simplot, SVZ), along N Broadway Ave and the railroad (Exhibit 17).

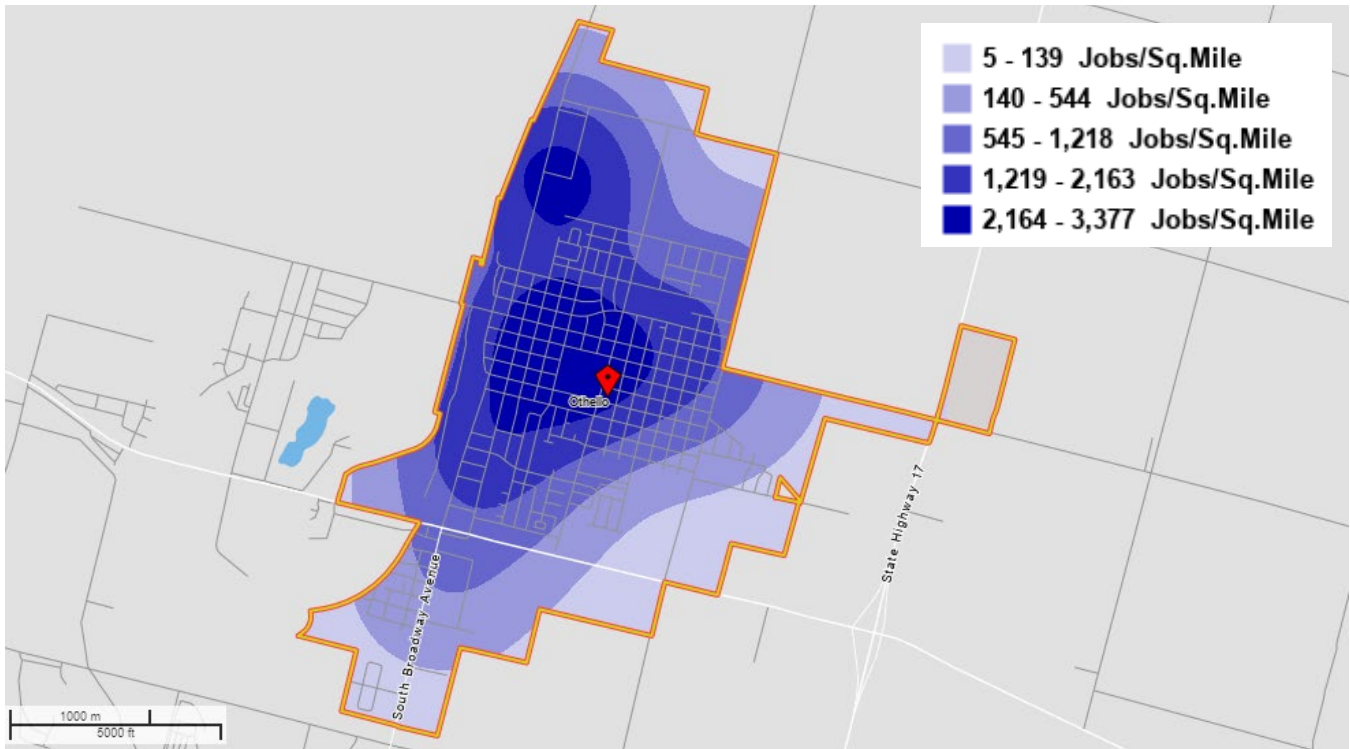
Exhibit 16. Employment by Industry in the City of Othello and Adams County, 2020



Source: ESRI Business Analyst, 2020; BERK, 2020.

¹⁹ ESRI Business Analyst, 2020.

Exhibit 17. City of Othello Job Density, 2017 – Census OnTheMap



Source: U.S. Census, OnTheMap, 2017.

Exhibit 18 compares the share of 2017 employment by NAICS industry sector for residents in the City of Othello to the share of employment by sector for Adams County residents. Reflecting countywide patterns, the top five sectors in which Othello residents were employed include agriculture, manufacturing, health care, education, and retail. While just 2% of jobs located in the City of Othello are in agriculture (Exhibit 16), an estimated 21% of Othello residents work in agriculture, indicating that a number of residents commute to agricultural work outside of the city.

Exhibit 18. Jobs Held by Othello Residents vs. Adams County Residents by NAICS Industry Sector, 2017

NAICS Industry Sector	City of Othello		Adams County
	Count	Percent	
Agriculture, Forestry, Fishing and Hunting	604	20.5%	19.9%
Manufacturing	467	15.9%	12.7%
Health Care and Social Assistance	385	13.1%	11.7%
Educational Services	359	12.2%	11.4%
Retail Trade	256	8.7%	9.0%
Accommodation and Food Services	166	5.6%	6.0%
Transportation and Warehousing	124	4.2%	4.2%
Administration & Support, Waste Management and Remediation	109	3.7%	3.6%
Wholesale Trade	93	3.2%	4.6%
Public Administration	87	3.0%	5.4%
Construction	67	2.3%	2.5%
Professional, Scientific, and Technical Services	48	1.6%	1.7%

NAICS Industry Sector	City of Othello		Adams County
	Count	Percent	
Finance and Insurance	40	1.4%	1.4%
Other Services (excluding Public Administration)	40	1.4%	1.9%
Real Estate and Rental and Leasing	32	1.1%	1.0%
Information	24	0.8%	0.8%
Arts, Entertainment, and Recreation	20	0.7%	0.9%
Utilities	15	0.5%	0.9%
Management of Companies and Enterprises	7	0.2%	0.2%
Mining, Quarrying, and Oil and Gas Extraction	2	0.1%	0.1%

Source: U.S. Census, OnTheMap, 2017; BERK, 2020.

Many workers in the City of Othello face difficulties obtaining affordable housing. According to 2020 estimates from a small sample, the average rent for a 2-bedroom rental unit is as much as \$1,038 in the city.²⁰ Data from the Bureau of Labor Statistics indicate that average workers in several of the city's major employment sectors, including agriculture, food processing, and retail, would be unable to afford this current average rent assuming they should spend no more than 30% of their income on housing.

Other occupations where annual wages were not high enough for households to afford current average apartment rents include, but are not limited to, childcare workers, production occupations (bakers, butchers, laundry/dry-clean workers, etc.), janitors and maids, security guards, food preparation workers, administrative support workers, and some healthcare workers (nursing assistants, dental assistants, etc.). All these jobs are key parts of the local economy and support a variety of businesses and services required for the community.²¹ To balance their household budgets, many lower-wage workers may move to areas farther away or move in with family or friends. Investments in affordable housing can ensure that the local workforce, especially lower-wage workers, can live within easy reach of employment centers and in the communities they serve.

Seasonal Employment – Agriculture: In Adams County about 58% of agricultural jobs are variable, and 15% are temporary H2A Visa requests – only about 28% are permanent (Exhibit 19). As indicated in Exhibit 18, nearly 21% of city residents are employed in agriculture, which is seasonal in nature and involves packing as well as agricultural production jobs.

Exhibit 19. Agricultural Employment in Adams County, 2018

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

Sources: Washington State ESD, 2019; U.S. Department of Labor, 2020; BERK, 2020

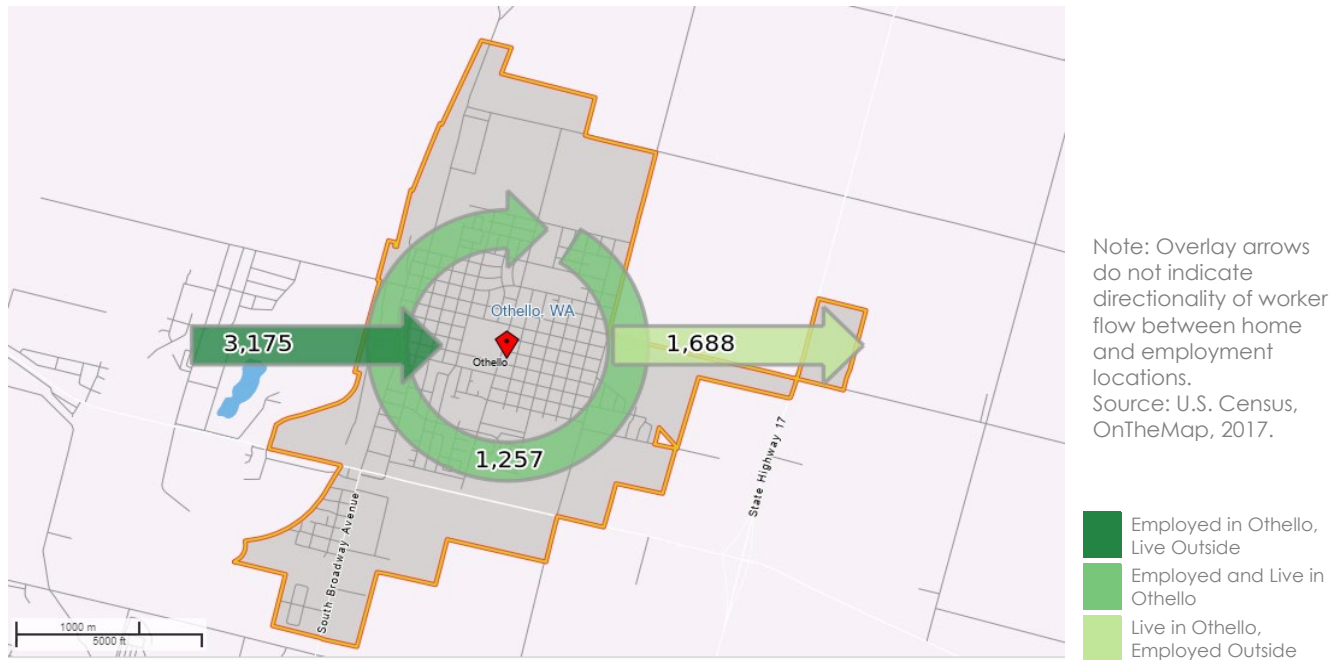
²⁰ Interview with Brian Gentry, Local Landlord (RE/MAX Realty) and Planning Commissioner, 9 September 2020.

²¹ Annual average wages are based on the US Bureau of Labor Statistics May 2019 Occupational Employment Statistics for Eastern Washington nonmetropolitan areas, which includes Adams County. (https://www.bls.gov/oes/current/oes_5300007.htm#00-0000 and <https://esd.wa.gov/labormarketinfo/occupations>).

Travel to Work

Exhibit 20 shows the amount of inflow and outflow for all jobs in the City of Othello in 2017. A larger number of people commute into the city for work than leave the city to work in another location – most of the city's 4,432 workers live elsewhere and are travelling into the city for work (3,175 of the 4,432 total). Some of these workers may desire to live in Othello but currently live in surrounding areas. It is likely that some of these households living outside of Othello are doing so to access more affordable housing or because of the limited overall housing stock in Othello. Approximately 1,688 people that live in the city travel outside the city for work while 1,257 people both live and work in the city.²²

Exhibit 20. Inflow/Outflow Counts of all Jobs for City of Othello, 2017



Employment Projections

The Washington State Employment Security Department (ESD) summarizes Occupations in Demand (OID) by region for the state. The North Central Region includes Adams, Chelan, Douglas, Grant, and Okanogan counties. The City of Othello is part of the North Central: Grant, Adams counties region. In the next five years, many lower-paying occupations – such as healthcare support occupations, food preparation workers, and cleaners – and some middle-income occupations – such as registered nurses, teachers, and sales representatives – are expected to be in demand in the region based on occupational projections and current supply-demand data summarized in the OID list.²³

²² U.S. Census, OnTheMap, 2017.

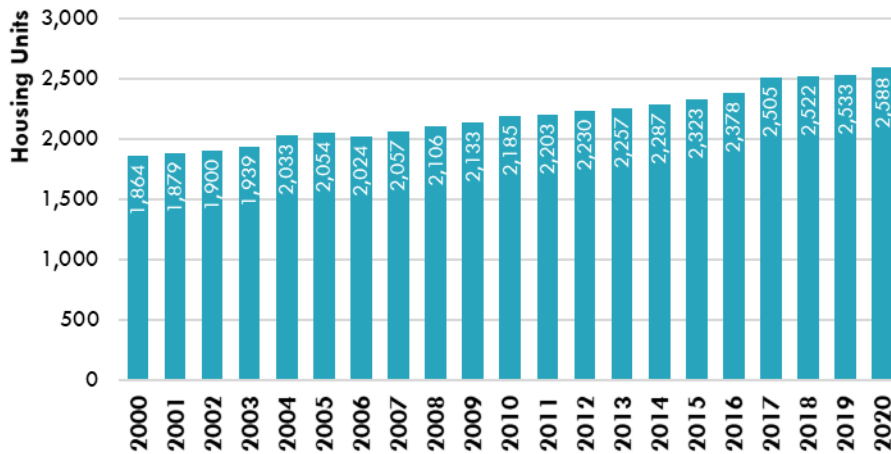
²³ Washington State ESD, OID List for North Central WDA: Grant, Adams counties, 2019.

Housing Inventory

Housing Units by Type and Size

In 2018, there were 2,522 housing units in the City of Othello (Exhibit 21).

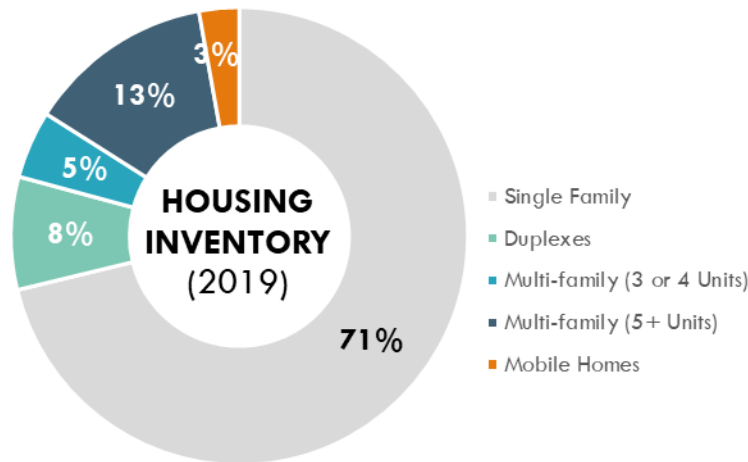
Exhibit 21. Housing Units in the City of Othello, 2000-2020



Source: OFM, 2020; BERK, 2020.

More than two thirds (71%) of these units are single-family homes (Exhibit 22). The second-largest category of housing units are those in multi-family buildings of 5+ units (13%).

Exhibit 22. Housing Inventory by Type in the City of Othello, 2018

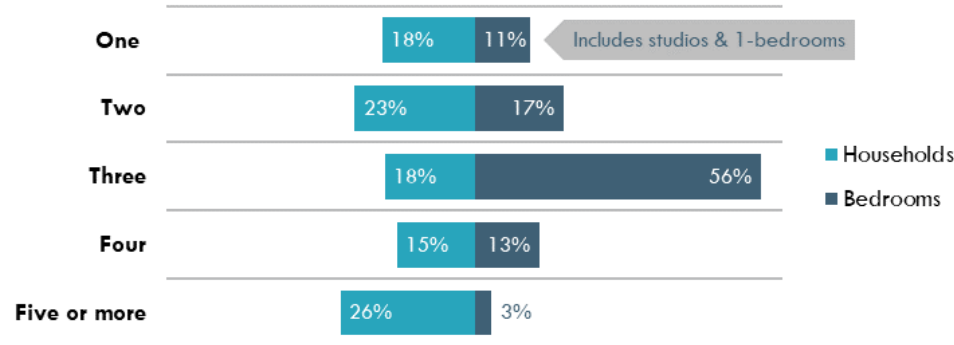


Source: OFM, 2018; BERK, 2020.

The distribution of housing stock reflects 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. This misalignment is present at both the smaller and larger ends of the housing stock distribution. While 41% of households in Othello have only one or two members, just 11% of housing units have one or fewer bedrooms and only 28% have two or fewer bedrooms (Exhibit 23). While 26% of households have five or

more members, just 16% of housing units have four or more bedrooms. This leaves a relative oversupply of units at the middle end of the spectrum—nearly three-quarters of housing units have two or three bedrooms (73%), while about one-third of households have three or four members (33%).

Exhibit 23. Households by Members vs. Housing Units by Bedrooms in the City of Othello, 2018



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

Housing Age and Production

Exhibit 24 lists the age of the housing stock in the City of Othello.²⁴ More than half the units in the city (52%) were constructed before 1980. The most significant decade of residential construction activity in Othello occurred between 1970 and 1979 when 580 new housing units were constructed, followed by 559 units constructed in the 1950s. As this housing stock continues to age, the need will increase for rehabilitation of many structures.

Exhibit 24. Age of Housing Stock in the City of Othello, 2018

Year Structure Built	Number of Units	Percent of Housing
Built 2014 or later	66	2.7%
Built 2010 to 2013	110	4.5%
Built 2000 to 2009	351	14.4%
Built 1990 to 1999	287	11.8%
Built 1980 to 1989	147	6.0%
Built 1970 to 1979	580	23.8%
Built 1960 to 1969	226	9.3%
Built 1950 to 1959	559	22.9%
Built 1940 to 1949	50	2.1%
Built 1939 or earlier	60	2.5%

Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table DP04); BERK, 2020.

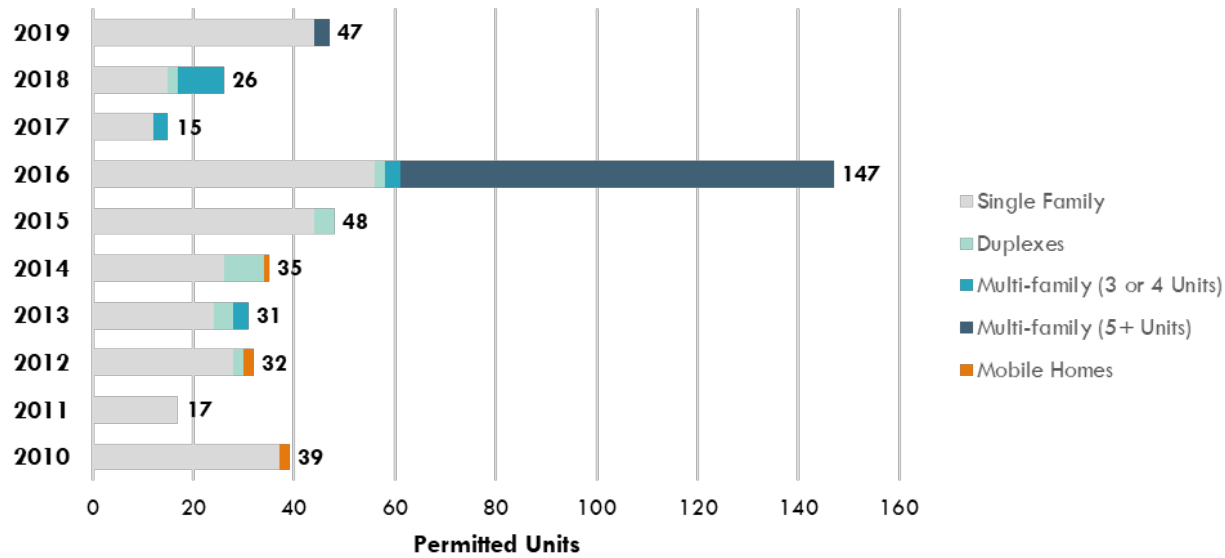
Since 2010, the City of Othello has issued permits for an average of 44 new housing units per year, with a major spike of 147 permits issued in 2016, including a large number of multi-family units in buildings with 5 or

²⁴ Note that these estimates are based on survey data from the Census American Community Survey. There is a large margin of error and potential for inconsistencies with other data sources such as OFM or City of Othello building permits.

more units (Exhibit 25). However, just 176 new units were constructed between 2010 and 2018. In contrast, there are currently 580 housing units in the city that were built between 1970 and 1979 (Exhibit 24).

City permit records vary slightly from OFM and OFM data appears to lag the City data by one year, but the patterns are similar (Exhibit 26).²⁵ Both data sources show a steady number of new permits for single-family units each year (an annual average of 34 in the City data and 33 in the OFM data). However, they show a very limited number of new permitted units in duplexes and multi-family units, with the exception of one large multi-family project in 2015-2016.

Exhibit 25. Permitted Units in the City of Othello (OFM), 2010-2019



Source: OFM, 2019; BERK, 2020.

Exhibit 26. Permitted Units, OFM vs. City of Othello Data, 2010-2019

Year	OFM				City of Othello			
	Single Family	Duplexes	Multi-family	Total Permitted Units	Single Family	Duplexes	Multi-family	Total Permitted Units
2010	39	0	0	39	Not Available			
2011	17	0	0	17	Not Available			
2012	32	2	0	32	20	0	3	23
2013	28	4	3	31	24	12	0	36
2014	35	8	0	35	35	4	0	39
2015	48	4	0	48	71	0	50	121
2016	58	2	89	147	22	0	3	25
2017	12	0	3	15	17	2	6	25
2018	17	2	9	26	35	0	3	38
2019	44	0	3	47	45	2	0	47

Sources: City of Othello, 2020; OFM, 2019; BERK, 2020.

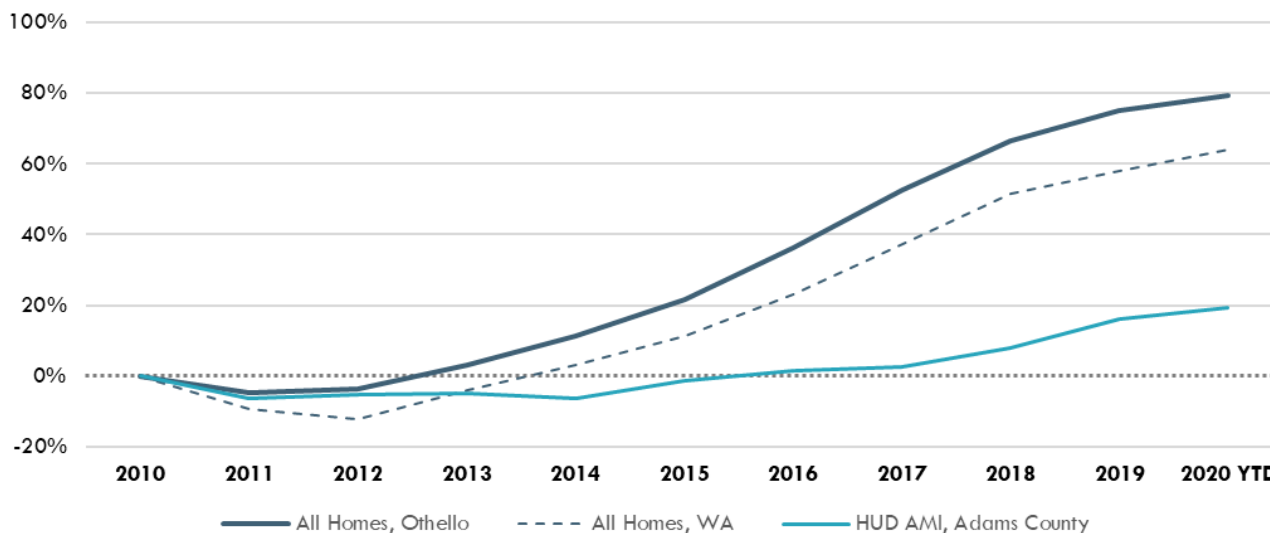
²⁵ The City's permit data is organized by calendar year while the OFM data follows an April-to-April year format. This is partially responsible for the apparent one-year lag in reported permitted units in the OFM data. Differences in the way OFM reports and collects numbers of permitted units can also result in discrepancies in unit counts from City data.

Home Ownership

Homeownership is an important topic to consider since it is the main way American families accumulate wealth. Homeownership in advantaged neighborhoods also provide access to amenities and social capital that can lead to better life opportunities. As of 2019, there were 1,354 owner-occupied housing units in the City of Othello. While non-Hispanic whites make up 19% of the city's residents, white households occupy 33% of all owner-occupied housing units in the city. Non-Hispanic white households in Othello are 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%).²⁶

Exhibit 27 shows change in housing values over time in the City of Othello and Washington State. Homes in Othello are relatively more affordable, but home values are rising more year-over-year than they are statewide. **The cost to purchase a median home in Othello rose by 66% from 2010 to 2018. Over the same period, the median household income only increased by 8%.**²⁷ This indicates homeownership is getting further and further out of reach for many prospective home buyers.

Exhibit 27. Percent Change Since 2010 in Median Home Values and HUD Area Median Income



Source: Zillow, February 2020; HUD Income Limits, 2010-2019; BERK, 2020.

Homeownership Affordability

Exhibit 28 estimates the income needed to afford a median home and a “Bottom Tier”²⁸ home in the City of Othello, assuming the household has 20% down payment in savings available for the purchase. It also shows the percentage of all households in the City of Othello at or above these income thresholds.

Based on household income estimates from 2018, a little under half of all households in Othello had incomes high enough to afford a median home, and 58% had incomes high enough to afford a Bottom

²⁶ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table S2502).

²⁷ 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).

²⁸ 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.

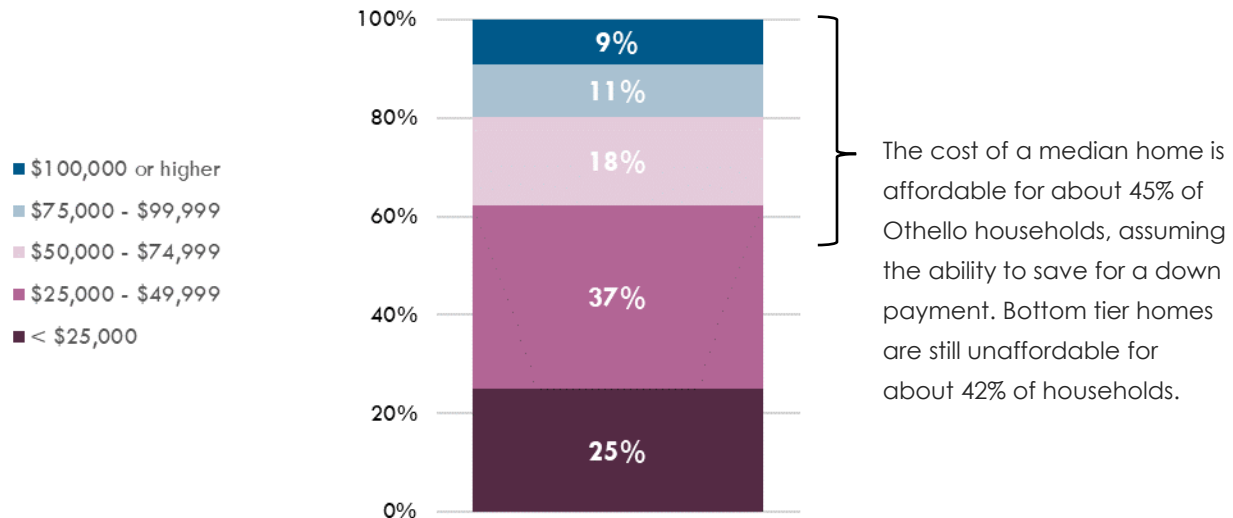
Tier home (Exhibit 29). Unfortunately, data about household savings is not available, so it is impossible to estimate how many of these households actually do have the means to become homeowners. At current housing prices, a 20% down payment is equivalent to approximately one full year's income for households at these income thresholds.

Exhibit 28. Home Ownership Affordability in the City of Othello

	Median Home Value	20% Down Payment	Annual Income Needed to Afford (Assuming access to 20% Down Payment)	Percentage of All Households at or Above this Income Threshold (as of 2018)
Median Home	\$221,957	\$44,391	\$47,409 (about 90% of Adams County HUD AMI or 93% of City of Othello AMI)	45%
Bottom Tier Home	\$164,342	\$32,868	\$35,102 (about 67% of Adams County HUD AMI or 69% of City of Othello AMI)	58%

Note: ZHVI represents the whole housing stock and not just the homes that list or sell in a given month. Median 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. Sources: Zillow Home Value Index (ZHVI), February 2020; HUD Income Limits, 2018; U.S. Census, 2014-2018 ACS 5-year Estimates (Table S1901); BERK, 2020.

Exhibit 29. Percentage of All Households by Income Bracket in City of Othello, 2018



Sources: U.S. Census, 2014-2018 ACS 5-year Estimates (Table S1901); BERK, 2020.

Exhibit 30. Cost of Home Ownership for Median and Bottom Tier Homes in Othello, February 2020

	Median Home	Bottom Tier Home
<i>Monthly Mortgage</i>		
Value (\$)	\$ 221,957	\$ 164,342
Assumed 20% down payment (\$)	\$ 44,391	\$ 32,868
Mortgage amount (\$)	\$ 177,566	\$ 131,474
Interest rate	4%	4%
Monthly payments over course of loan	360	360
Monthly mortgage payment (\$)	\$ 848	\$ 628
<i>Annual Housing Expenses</i>		
Mortgage payments (\$)	\$ 10,173	\$ 7,532
Property tax (\$)	\$ 2,940	\$ 2,177
Insurance (\$)	\$ 1,110	\$ 822
Annual costs (\$)	\$ 14,223	\$ 10,531
Monthly costs (\$)	\$ 1,185	\$ 878
Monthly Income Needed	\$ 3,951	\$ 2,925
Annual Income Needed	\$ 47,409	\$ 35,102

Sources: Zillow, February 2020; Adams County Assessor's Office, 2020; BERK, 2020.

Rental Housing

There were a total of 900 renter-occupied housing units in Othello in 2018. Of these units, 11% were occupied by non-Hispanic white households and 87% by Hispanic or Latinx households of any race. A minority of both non-Hispanic white households and Hispanic or Latinx households of any race are renters, though the rate of renting is higher for Hispanic/Latinx households (37% versus 13% for non-Hispanic white households). A majority of non-Hispanic households of color (64%) are renters.²⁹

Rental Housing Costs and Vacancy

In summer 2020, the average estimated rent was \$1,038 for a 2-bedroom apartment and \$1,314 for a 3-bedroom apartment in the City of Othello.³⁰ It should be noted that these numbers are based on a small sample of 17 rental units, as other data sources (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 does provide 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.

²⁹ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table S2502).

³⁰ These estimates are based on a small sample of 17 rental units located in the City of Othello, managed by Brian Gentry, a local landlord with RE/MAX Realty.

Assuming households spend no more than 30% of their income on rent, the annual household income needed to afford a 2-bedroom apartment was \$41,520, with an annual household income of \$52,571 needed to afford a 3-bedroom apartment. A household's annual income would need to be at least 79% of the 2018 Adams County HUD AMI or 81% of the 2018 City of Othello AMI to afford a 2-bedroom apartment, and 100% of HUD AMI or 103% of City of Othello AMI to afford a 3-bedroom apartment in the city (Exhibit 31).

Exhibit 31. 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
% HUD AMI Needed to Afford	79%	100%
% City of Othello AMI Needed to Afford	81%	103%

Sources: Interview with Brian Gentry, 2020; HUD Income Limits, 2018; BERK, 2020.

One local landlord shared that vacancy rates are very low in Othello, as a result of the limited supply of rental properties as compared to demand. They shared that they receive multiple rental applications for most units on the market and that units are rented quickly.³¹ Low vacancy rates and low supply of rental units are likely driving rents upwards, restricting the ability of low income households to secure housing in Othello.

Subsidized Housing

Ten public, non-profit, and private housing properties in Othello offer subsidized, affordable rentals to households with incomes less than 80% of AMI (specific income levels for eligibility vary by property and, in some cases, by unit). Six of these properties are owned by the Housing Authority of the City of Othello. One property offers units targeted for older adults (age 62 and older), six are targeted for family households, and two are targeted for farmworker households. These properties provide 338 units in total, the largest portion of which (about 50%) are 2-bedroom units. See Exhibit 32.

Exhibit 32. Public and Subsidized Housing Properties in the City of Othello, Spring 2020

Property	Managed By	Type	Subsidized Units
Cedar Park	Housing Authority of the City of Othello	Older Adult, Section 515 Rural Rental Housing	26 Units: (22) 1-bedroom, (4) 2-bedroom
Desert Haven	Catholic Housing Services of Eastern Washington	Farmworker, Low Income Housing Tax Credit	25 Units: (8) 2-bedroom, (17) 3-bedroom
Guadalupe Haven	Catholic Housing Services of Eastern Washington	Farmworker, Low Income Housing Tax Credit	25 Units: 2-, 3-, and 4-bedroom units
Harvest Manor Apartments	Housing Authority of the City of Othello	Family, Low Income Housing Tax Credit	42 Units: (6) 1-bedroom, (13) 2-bedroom, (23) 3-bedroom
Lions Park	Housing Authority of the City of Othello	Family, Section 515 Rural Rental Housing	52 Units: (52) 2-bedroom

³¹ Interview with Brian Gentry, Planning Commissioner and Local Landlord with RE/MAX Realty, 9 September 2020.

Property	Managed By	Type	Subsidized Units
Oasis Apartments	Housing Authority of the City of Othello	Family, Low Income Housing Tax Credit	31 Units: (4) 1-bedroom, (19) 2-bedroom, (8) 3-bedroom
Othello Housing Authority	Housing Authority of the City of Othello	Public housing	55 Units: (5) 1-bedroom, (10) 2-bedroom, (40) 3-bedroom
Parkview Apartments	Housing Authority of the City of Othello	Family, Section 8	22 Units: (12) 2-bedroom, (10) 3-bedroom
Pheasant Run	Gene Bouma Development	Family, Low Income Housing Tax Credit, Section 515 Rural Rental Housing	30 units: (6) 1-bedroom, (18) 2-bedroom, (6) 3-bedroom
Washington Square Apartments	Mercy Housing	Family, Section 515 Rural Rental Housing, Section 8	30 Units: (6) 1-bedroom, (20) 2-bedroom, (4) 3-bedroom

Sources: National Housing Preservation Database 2020; PolicyMap, 2020; Catholic Housing Services of Eastern Washington, 2020; BERK, 2020.

Gap Analysis

Housing Production, Development Trends, and Overcrowding

The City's Comprehensive Plan plans for a population of 17,825 by 2035, including an estimated 3,000 current county residents who may potentially request annexation or who are living on land that will likely be annexed into the city by 2035. This is substantially higher than the 2035 "High Growth" scenario of 11,007 based on OFM's statewide growth rates.³² Given the city's estimated population of 8,515 in 2020, the city would need to add an average of 421 people per year over the next 15 years, assuming 3,000 people are added through annexation, to reach the planned population. Using the city's 2019 average household size of 3.45 and assuming a vacancy rate of 5%, this indicates a need for about 128 additional housing units annually (1,925 by 2035) if all anticipated annexation occurs (Exhibit 33). This is significantly more units than have been built under recent trends – between 2015 and 2020, the city added 266 new housing units or an average of 53 units per year.³³ Recent permit data indicates a similar pattern as building trends, with between 256-283 permits issued from 2015 to 2019 (between 170-190 of these were single family permits), or an average of 51-57 permits per year.³⁴

Under the "High Growth" scenario, the city would expect to add an average of 166 people and 48 new households per year, with an additional 51 new housing units needed per year and 760 total additional units needed by 2035 (Exhibit 33). This is more consistent with building and permit trends over the last five years but does not address existing housing shortages or overcrowding.

³² Othello's Comprehensive Plan applied the OFM Forecasting Division's 2035 statewide high (1.75%), medium (1.21%), and low (0.5%) growth rates to Othello's 2015 population estimate of 7,780, resulting in a 2035 population estimate of 11,007 under high growth, 9,896 under medium growth, and 8,596 under low growth. Out of concern that these numbers did not reflect the true potential for the city, the Comprehensive Plan relied on historical population trends combined with building activity data to provide a hybrid number that reflected a more substantial population number for planning purposes. See pages 9-11 and Table I-2 in the 2015 Comprehensive Plan.

³³ OFM, 2020.

³⁴ City permit records vary slightly from OFM and OFM data appears to lag the City data by one year, but the patterns are similar (Exhibit 27). According to City records, 256 permits were issued from 2015 to 2019 compared to the 283 units reported by OFM. Note that the number of issued permits will not necessarily match the number of new housing units built as only one permit is issued for multi-family development (e.g., a triplex would require one building permit but add three dwelling units). OFM, 2019; City of Othello, 2020.

Exhibit 33. Population and Household Growth Needed to Accommodate Comprehensive Plan Planned Population vs. “High Growth” Population, 2020-2035

Growth Scenario	New Population (2020-2035)	People Per Year	Households/Year at Average Household Size of 3.45	Households/Year Assuming 5% Vacancy Buffer	Total New Housing Units Needed by 2035
Comprehensive Plan Scenario (2035 population of 17,825)					
No Annexation Occurs	9,310	621	180	189	2,841
3,000 Residents Added Through Annexation	6,310	421	122	128	1,925
“High Growth” Scenario (2035 population of 11,007)					
No Annexation Occurs	2,492	166	48	51	760

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

Overcrowding is a significant issue in Othello where it is quite common for multiple related families or a group of farm workers to share a house to make it more affordable. 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 – this is even more of a concern amongst renter households where nearly one-third of Othello households (31%) have more than one occupant per room compared to 23% in Adams County and 6% statewide.³⁵ OFM estimates there are 2,588 housing units in the City of Othello as of 2020. Based on this and the planned 2035 population of 17,825, 3,168 housing units would need to be added by 2035 (211 units annually) to achieve an average citywide household size in line with Adams County (3.26) and retain about 5% vacancy assuming no annexation occurs (Exhibit 34). This jumps ever higher to 4,770 needed housing units (318 units annually) if the city were to aim for an average household size similar to the state overall (2.55). **Under the “High Growth” scenario, between 966-1,956 dwelling units would be needed by 2035 if applying the average household size for Adams County or the state, respectively.**³⁶

Exhibit 34. Housing Units Needed to Accommodate Comprehensive Plan Planned Population vs. “High Growth” Population and Address Overcrowding, 2020-2035

Growth Scenario	Household Size: 3.45 (Othello)	Household Size: 3.26 (Adams County)	Household Size: 2.55 (State)
Comprehensive Plan Scenario (2035 population of 17,825)			
Total Dwelling Units Needed	5,439	5,756	7,358
New (Net) Dwelling Units Needed	2,851	3,168	4,770
“High Growth” Scenario (2035 population of 11,007)			
Total Dwelling Units Needed	3,358	3,554	4,544
New (Net) Dwelling Units Needed	770	966	1,956

Notes: Needed dwelling units assumes a healthy vacancy rate of 5% and that no annexations including population or housing occur between 2020-2035 (none of the seven annexations that have occurred since 2008 included new population or housing). OFM estimates there are 2,588 housing units in the City of Othello as of 2020.

Source: City of Othello, 2015; US Census Bureau, 2014-2018 ACS 5-Year Estimates (Table B25014); OFM, 2020; BERK, 2020.

³⁵ Persons per room (PPR) is calculated by dividing the number of people living in a housing unit by the number of rooms in a housing unit. Rooms must “be separated by built-in archways or walls that extend out at least 6 inches and go from floor to ceiling” and include bedrooms, kitchens, living rooms, and offices. Rooms do not include bathrooms, foyers, halls, or unfinished basements. Per HUD, a housing unit is considered overcrowded if it has a PPR of greater than 1.0. Above this threshold, the risk for certain health complications, mental health symptoms, accidents, and other negative outcomes increases. (U.S. HUD. 2007. *Measuring Overcrowding in Housing*. Office of Policy Development and Research. https://www.huduser.gov/publications/pdf/Measuring_Overcrowding_in_Hsg.pdf)

³⁶ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table B25014); OFM, 2020; BERK, 2020.

Exhibit 35 lists the estimated new housing units needed by 2035 by income level relative to HUD AMI to accommodate the “High Growth” scenario. Estimates are based on the current distribution of households by income level relative to HUD AMI (see Exhibit 12) and assume a citywide target household size consistent with either Adams County or the state. Amongst households with incomes below HUD AMI, households with extremely low income ($\leq 30\%$ AMI) and low income (50-80% AMI) are expected to need the largest share of new housing units.

Exhibit 35. Housing Units Needed by Income Level to Accommodate 2035 “High Growth” Population and Address Overcrowding

	Extremely Low Income ($\leq 30\%$ AMI)	Very Low Income (30-50% AMI)	Low Income (50-80% AMI)	Moderate Income (80-100% AMI)	Above Median Income ($> 100\%$ AMI)	Total New Housing Units Needed by 2035
% of All Existing Households	17%	11%	17%	10%	45%	
New Units Needed Under Future “High Growth” Scenario (2035 population of 11,007)						
Household Size: 3.26 (Adams County)	160	111	162	95	438	966
Household Size: 2.55 (State)	324	225	328	193	886	1,956

Note: Income categories (Extremely Low, Very Low, etc.) are based on Adams County 2016 HUD AMI of \$49,400. Source: HUD CHAS (based on ACS 2012-2016 5-year estimates); OFM, 2020; BERK, 2020.

Strategies needed to address this future housing gap will depend partially on a household’s income, but constructing new units is not the only way to meet the housing needs identified in Exhibit 35. Additional factors should be considered when planning for new affordable housing – particularly at the lower income thresholds – such as the cost of transportation and proximity to social and medical services.

Home Ownership

Home values in Othello rose by 66% from 2010 to 2018. Over the same period, the median HUD area household income only increased by 8%. This indicates a rise in housing cost burden for home ownership households and a decrease in affordability for prospective or first-time home buyers.

In 2018, the City of Othello’s median household income was \$51,071. This is just above the estimated income required to afford monthly payments on a median home in Othello by about \$3,660. Since lower income families may choose homes at a lower price point, we also evaluated the cost of homes rated “Bottom Tier” by Zillow. Though the annual income required to afford one of these homes in Othello is lower by about \$12,000, about 40% of the population still does not meet the income threshold to afford bottom tier homes without being cost-burdened.

As noted earlier, Hispanic or Latinx households are under-represented among homeowners. Minority households face additional barriers to homeownership such as overt discrimination or steering from real estate agents, bankers, or others in the housing market, as well as challenges related to immigration status, employment, credit background, or lack of access to knowledge networks. This means these households may be less likely to own even if they meet the income thresholds necessary to own a home in Othello.

Rental Housing

Rental costs in Othello are rising, and options are limited for low and moderate incomes households. As shown in Exhibit 36, 2-bedroom rental units in Othello are affordable to households with incomes at 80% of Adams County HUD AMI or above and 3-bedroom units are only affordable to households with incomes at 120% of HUD AMI or above. Households with incomes less than 80% of HUD AMI cannot afford average rents for either unit size. Based on 2018 ACS estimates, the City of Othello has a lower AMI than the Adams County HUD AMI – when compared to the city’s AMI, households with incomes less than 80% of AMI cannot afford average rents for 2-bedroom units and households with incomes less than 100% of AMI cannot afford average rents for 3-bedroom units.

Exhibit 36. Affordability of Average Cost Rental Units in Othello by Income Level, Summer 2020

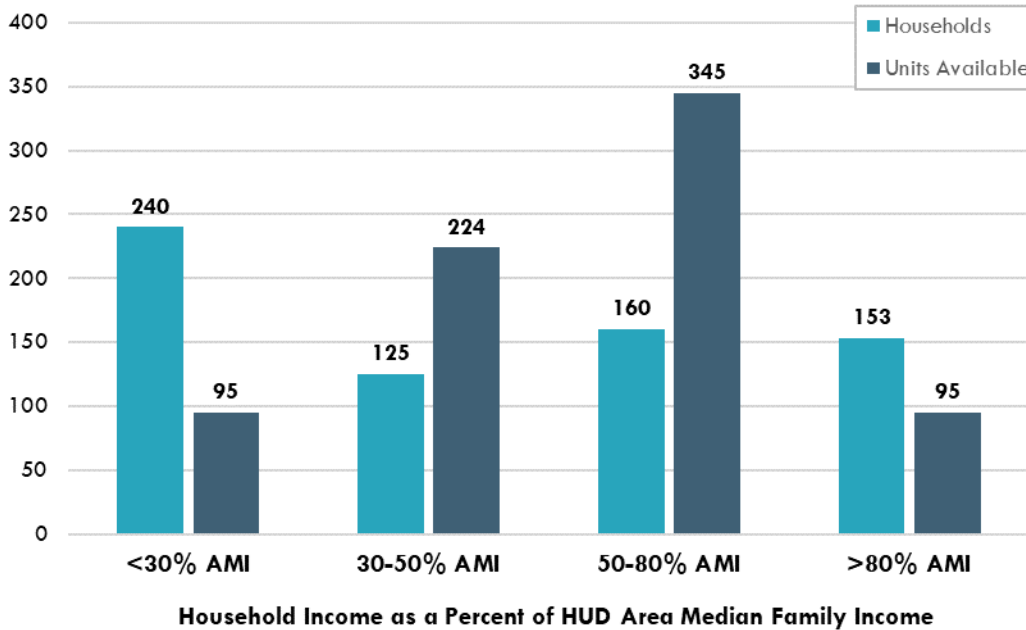
Household Income (% of 2018 Adams County AMI of \$52,400)	Affordability of Average Cost Rental Units	
	2-bedroom	3-bedroom
120%	YES	YES
100%	YES	NO
80%	YES	NO
60%	NO	NO
50% or less	NO	NO

Note: Affordability is considered compared to Adams County 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 – lower than the 2018 HUD AMI of \$52,400.

Sources: Interview with Brian Gentry, 2020; HUD Income Limits, 2018; BERK, 2020.

The rental market in Othello includes units available at a variety of affordability levels. Exhibit 37 shows the estimated number of renter households with incomes below three different thresholds, as well as the number of rental housing units in Othello that would be affordable to them. The largest shortage of units is those affordable to households with incomes less than 30% of AMI—the number of households with incomes at this level exceeds the affordable and available housing units by 145. While there is a surplus of affordable and available units at the 30-50% and 50-80% AMI levels, there is a shortage at the greater than 80% AMI level, which means that some individuals with higher incomes are spending significantly less on housing than what they can afford. This, in turn, restricts the number of units available to households with incomes less than 80% of AMI, putting further pressure on the less-expensive end of the market.

Exhibit 37. Total Affordable and Available Rental Units in the City of Othello, 2016



Source: HUD CHAS (based on 2012-2016 ACS 5-year estimates); BERK, 2020.

Housing Choice and Diversity

Nearly three-quarters (71%) of housing units in Othello are single-family homes and around 13% are in multifamily buildings of 5+ units. While 41% of households in Othello have only one or two members, just 11% of housing units have one or fewer bedrooms and only 28% have two or fewer bedrooms. While 26% of households have five or more members, just 16% of housing units have four or more bedrooms. This leaves a relative oversupply of units at the middle end of the spectrum—nearly three-quarters of housing units have two or three bedrooms (73%), while about one-third of households have three or four members (33%). **This reflects 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.**

Special Needs Populations

Families with Children

Othello is a relatively young community with 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, and 41% of households in the city have four or more members.³⁷ This reveals a significant need for housing for families with children, particularly those with multiple children. Families with children often require larger housing units with multiple bedrooms. However, just 16% of housing units in Othello have four or more bedrooms, indicating a misalignment between household types and sizes and the size of housing units in Othello. Additional housing concerns for families with children include proximity to schools, childcare facilities, and other amenities.

³⁷ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table S0101 and Table B25009).

Othello is home to large families (5 or more family members) and families with children across the income spectrum. As of 2016, more than 100 large families in Othello were cost-burdened, with the highest need concentrated among families with household incomes at 30% or less of AMI (Exhibit 15).³⁸ This reflects a need for affordable larger housing units in Othello. While the city is home to more than 300 subsidized housing units,³⁹ the majority of these units are 1- or 2-bedroom units, revealing a gap between the demand for and the supply of larger, affordable units.

Farmworker Housing

Farmworker housing includes both permanent housing units (rented or owned) and seasonal housing, typically provided as beds in congregate housing settings. 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 (Exhibit 38). Farmworkers who are unable to secure farmworker-designated housing must seek out housing on the private market, where they are likely to be cost-burdened or severely cost-burdened based on the average farmworker wage and average rents in the area. Seasonal farmworkers may be unable to find any housing at all, as many private landlords do not rent accommodations on a temporary basis.

Exhibit 38. 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.

Older Residents

About one in ten residents in Othello is 65 or older and nearly 270 residents (11%) age 55–64 will become seniors within the next 10 years.⁴⁰ This is similar to trends in Adams County overall and notably less than the state, where 15% of the population is 65 or over and 20% is between the ages of 50-64. Older adults are at greater risk of chronic disease, disability, and mobility challenges. As a result, many older adults have special housing needs that differ from the population at large. Older adults choosing to age in place may require additional support services such as home modification, transportation, recreation and socialization, yard care, or care management and counseling. While many older adult households in Othello have the financial means to afford appropriate housing and services, many others will not.

As of 2016, there were more than 100 cost-burdened older adult households in Othello, the majority of whom (69 households) have household incomes less than 50% of AMI. One public housing property in the city currently offers older adult-specific housing for those households with incomes at 50% AMI or less through Section 515 housing. However, most cost-burdened older adult households (74 households) own their homes.⁴¹

³⁸ HUD CHAS, based on ACS 2012-2016 5-year estimates.

³⁹ National Housing Preservation Database 2020; PolicyMap, 2020; Catholic Housing Services of Eastern Washington, 2020.

⁴⁰ U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates (Table S0101).

⁴¹ HUD CHAS (based on ACS 2012-2016 5-year estimates).