


**CITY OF PROSSER, WASHINGTON
RESOLUTION NO. 23-1743**

**A RESOLUTION ACCPETING THE PROSSER HOUSING ACTION
PLAN.**

BE IT RESOLVED, by the City Council of the City of Prosser that the attached Prosser Housing Action Plan is accepted and incorporated herein by reference; and

ADOPTED by the City Council of the City of Prosser and **APPROVED** by the Mayor of the City of Prosser this 9th day of May, 2023.



RANDY TAYLOR, MAYOR

ATTEST:



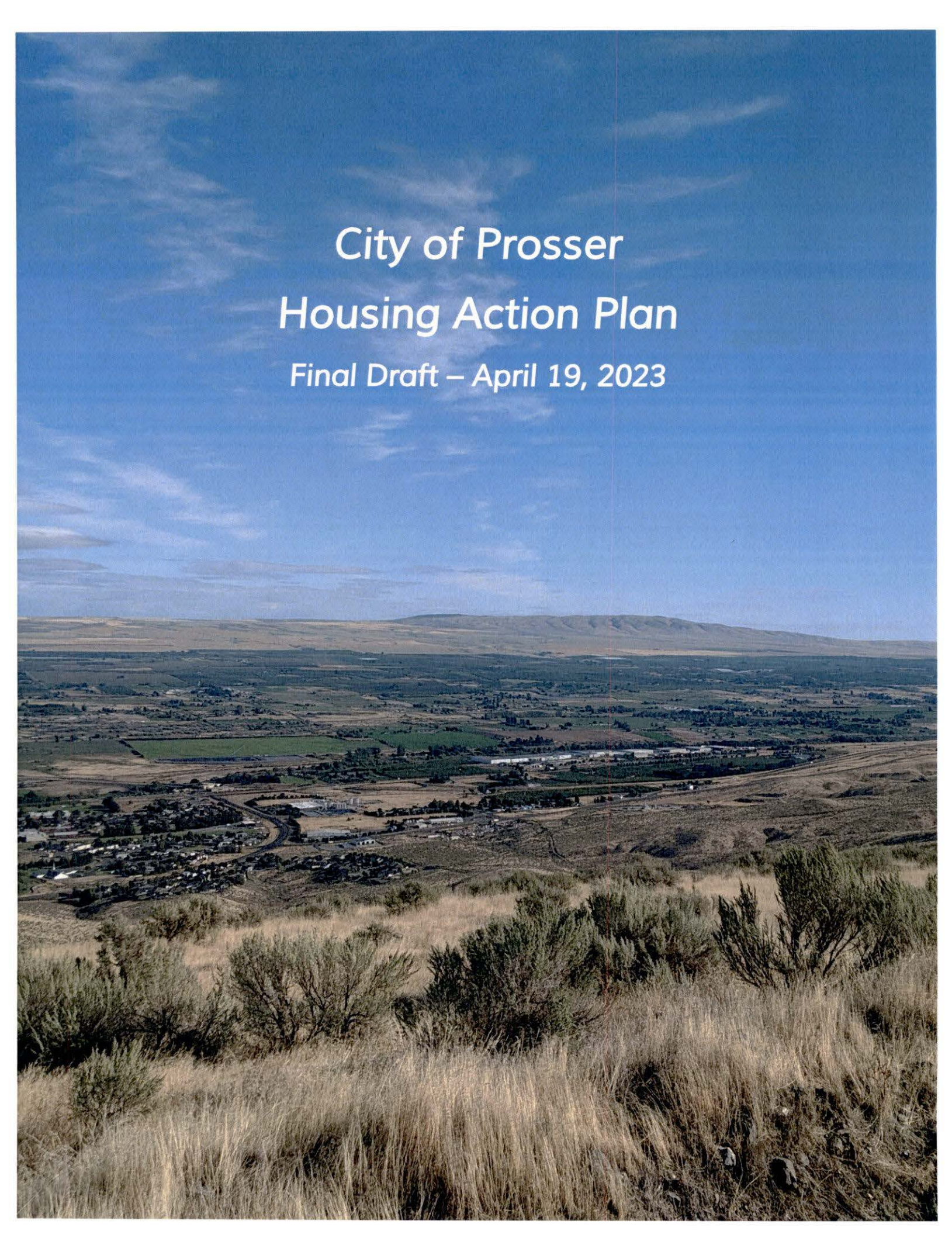
RACHEL SHAW, CITY CLERK

APPROVED AS TO FORM:



HOWARD SAXTON, CITY ATTORNEY





City of Prosser
Housing Action Plan
Final Draft – April 19, 2023

A. TABLE OF CONTENTS

A. Table of Contents.....	2
B. Acknowledgements	3
C. Executive Summary	4
D. Plan Introduction.....	6
E. Housing Needs Assessment.....	12
F. Housing Action Plan.....	18
G. Appendices.....	51
Appendix 1: Final Prosser Housing Needs Assessment.....	52
Appendix 2: Housing Policy Table	85
Appendix 3: City Resolution Adopting Plan	94
Appendix 4: Copy of RCW 36.70A.600.....	95
Appendix 5: Commerce Cross-Walk.....	99
Appendix 6: Glossary of Terms and Funding Sources.....	103
Appendix 7: Project Charter & Public Engagement Plan.....	111

Figures

Figure 1. How a Housing Action Plan (HAP) works	5
Figure 2. Vicinity Map	6
Figure 3. Timeline and Process Graphic	11
Figure 4. Action Schedule and Summary Table	28

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C. EXECUTIVE SUMMARY

Executive Summary

To address the housing affordability crisis, the Washington State Legislature adopted a bill in 2019, codified as RCW 36.70A.600, which allowed the Washington State Department of Commerce (Commerce) \$5 million to provide grant funds to local governments for activities to increase residential building capacity, streamline development, or develop a Housing Action Plan (HAP). Another round of grant funding was made available in 2021 and the City of Prosser was granted \$75,000 to complete a HAP. The goal of this project is to assess current and future housing needs and identify actions and strategies that help the city provide a wider range of housing options to all available incomes.

The Housing Action Plan (HAP) allows Prosser the opportunity to study the existing and future housing needs for the community through the development of a [Housing Needs Assessment](#) (HNA) and the development of strategies to make sure those needs are met through a [HAP](#).

The timing for this project is ideal because of its position to the Growth Management Act (GMA) Comprehensive Plan update (due June 2026). The update requires the city to make a variety of housing types available for all economic segments of the community. The Comprehensive Plan update will also outline how population growth will be

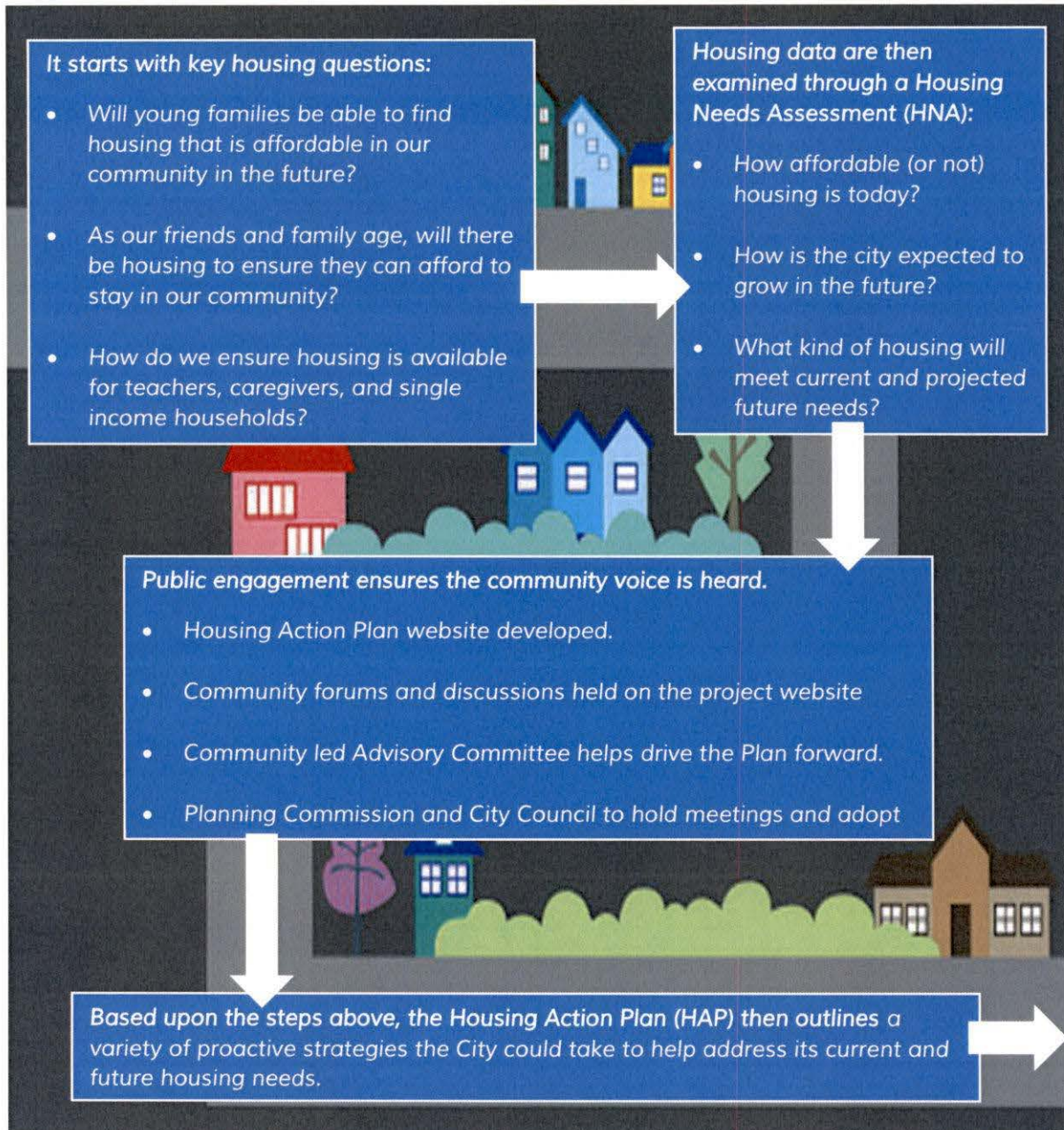
accommodated out to 2045 in terms of housing. Information from the HNA and HAP will help to inform this portion of the update.

In 2021, the Washington Legislature amended the Growth Management Act (GMA) to add additional requirements of local governments when Comprehensive Planning. The amendment strengthened the GMA housing goal from “encourage the availability of affordable housing to all economic segments of the population” to “plan and accommodate housing affordable housing to all economic segments of the population of this state”. This puts greater responsibility on local government to address the housing crisis Washington State is facing. The HNA & HAP will help achieve this new requirement by taking an early look at the existing status of housing in Prosser.

The four elements of HB 1220 are as listed below:

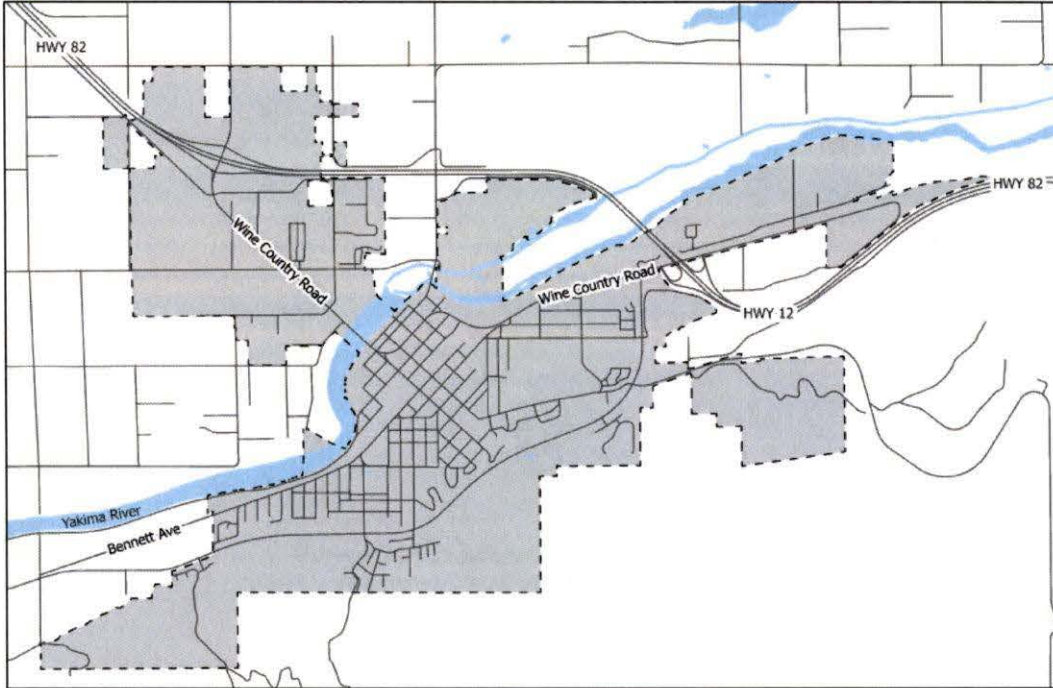
1. Commerce will provide need projects for housing elements.
2. Updated housing element must include moderate density housing.
3. Review of “adequate provisions” for all segments of the community.
4. Communities must examine racially disparate impacts, displacement, and exclusion.

Figure 1. How a Housing Action Plan (HAP) works



D. PLAN INTRODUCTION

Figure 2. Vicinity Map



Community Profile

The City of Prosser is located in south-central Washington in Benton County. Prosser is the County seat and is home to nearly 6,200 people. Situated 50 miles south of Yakima and 35 miles west of the Tri-Cities, the community is perhaps best known regionally for being a regional employment base and also for its location within the Horse Heaven Hills wine country. Prosser is simultaneously home to some large employers while also serving as a bedroom community for the greater Yakima Valley and to an extent for the Tri-Cities, and it has had gradual and steady population growth.

Project Overview

The city of Prosser proudly presents its Housing Action Plan (HAP). The development of this Plan has engaged the community in an important conversation about housing. Key questions or issues raised include:

- There are many entry barriers to the housing market for Prosser residents. Will there be enough housing that is affordable to individuals and families?
- A large imbalance exists in the housing market in terms of housing types. As a result, there are too many single-family homes being built at prices that are not affordable for many residents.

- There will likely continue to be elevated demand for more large single-family homes.
- How will the city meet the housing needs of an aging population?

To begin to answer these questions, housing data were analyzed and developed into a Housing Needs Assessment (HNA). The HNA summary, located in [Chapter E](#) (with full HNA located in [Appendix 1](#)) provides insights on issues like:

- How affordable is housing?
- How is the city expected to grow in the future?
- What kind of housing is necessary to meet current and future needs?

The intersection between housing issues identified by the community and data highlighting current and future housing needs leads to the development of a Housing Action Plan (HAP). The HAP, located in [Chapter F](#), outlines strategies and actions to ensure the city offers the supply and type of housing to meet future demand for all income levels.

Housing strategies are focused on important topics like:

- Provide a wider variety of housing types
- Provide incentives for new housing
- Bring down the cost of development
- Prevent and mitigate displacement

House Bill 1923 Requirements for a Housing Action Plan

- Quantify existing and projected housing needs for all income levels, including extremely low-income households
- Develop strategies to increase the supply of housing, and variety of housing types
- Analyze population and employment trends, with documentation of projections
- Consider strategies to minimize displacement of low-income residents resulting from redevelopment
- Review and evaluate current housing 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

The actions identified within the HAP are regulatory and policy changes focused on implementing the strategies listed above. A variety of options have been identified for the city to consider moving forward. Pros and cons for adopting certain code changes, and the identification of other jurisdictions who have considered similar changes, assist in making this a user-friendly document for Prosser moving forward.

House Bill (HB) 1923

In 2019, the legislature passed [HB 1923](#) to assist cities in developing a HAP that will 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. The City applied during the second round of funding and received a grant to develop an HNA and HAP in accordance with HB 1923.

The Washington State Department of Commerce (“Commerce”) deadline for the adoption of the Housing Action Plan is June 30, 2023. A copy of RCW 36.70A.600, which was the statutory result of HB 1923, is available for reference in [Appendix 4](#).

Plan Impact on Housing Prices

Housing affordability (or lack thereof) is a big issue in the region. There are many reasons why housing has become so expensive, and cities can only address certain aspects of the problem. While the City could reduce fees for certain housing types, consider additional areas to allow for higher density housing, or provide more options for senior housing, they

do not control fluctuating economic costs such as labor shortages or the rising cost of lumber, for example.

This Plan is a piece of a larger puzzle that aims to help address important housing issues in our region. If many communities in our region takes the steps that Prosser is taking as part of this Plan, it will have a positive overall impact on housing affordability issues in the region.

Goals and Objectives

As noted in the HNA, 33% the city’s homeowner and renter households are classified as cost-burdened by rising housing costs, meaning they pay more than 30 percent of their income toward their housing. In an effort to address this issue, to encourage the preservation of existing affordable housing, and to help promote development of new housing, the City is developing a HAP to gain a better understanding of housing issues and challenges the city faces.

GOALS

- Assess the housing needs of Prosser
- Through a comprehensive public engagement process, develop a strategy addressing housing needs for the citizens of Prosser
- Prepare a HAP that is consistent with the housing element of the City’s Comprehensive Plan and addresses goals and policies

OBJECTIVES

- Develop strategies and recommendations to increase

the supply and types of housing needed in Prosser

- Develop zoning, regulatory, and incentive strategies to support housing that meets the needs of Prosser
- Evaluate and refine existing housing policies and actions
- Develop recommendations for improvement based on housing needs assessment data
- Identify a schedule of programs/actions to implement the recommendations of the HAP
- Create a collaborative process that is inclusive and focused on housing solutions

Plan Elements

The goals and visions are implemented through the development of this plan. The two primary pieces of this plan are the Housing Needs Assessment and the Housing Action Plan.

Each element was guided by development and implementation of a **Project Charter and Engagement Plan**. This is included in [Appendix 7](#) of this Plan.

Housing Needs Assessment (HNA) – High Level Findings

Prosser is a small quaint town that straddles the Yakima River and is abundant with beautiful natural surroundings. As the city and county have grown, the demand for a limited supply of housing has also grown.

The following are a few high-level findings.

- The average household income in the City of Prosser is lower than both Benton County and Washington State.
- In 2020, there was an estimated 2,448 households with an average household size of 2.57 people.
- A majority of Prosser residents are employed outside of the City. Most residents are commuting in the east direction – likely to the Tri-Cities area.
- Prosser has experienced a very slow rate of residential construction since the 2008/09 recession, especially multifamily housing. Additionally, vacancy rates remain low for both renter and owners. Both factors place significant pressure on housing availability and affordability.
- In addition to the lack of overall available housing, Prosser’s population is aging. This will create added pressure as well as a need for more accessible housing. Therefore, providing a variety of housing types will ensure there is housing for all.

The need to provide housing that people can afford is real and growing. The Housing Action Plan provides a variety of options to address these issues.

Housing Action Plan (HAP) – High Level Approach

The Housing Action Plan (HAP) pairs the HNA findings with community goals to bring forward an identifiable set of actions the City can consider. The HAP is organized in the following sections:

- Review of Prosser’s existing housing policies
- Development of strategies to address the communities’ housing goals
- Actions to implement each of the housing strategies

The strategies in this Plan are:

- Provide a wider variety of housing types
- Provide incentives for new housing
- Bring down the cost of development
- Prevent and mitigate displacement

Each subsequent action identified includes the following:

- Highlight the strategy this action addresses
- The pros/cons of the action
- Outline areas of code or policy that could be modified.
- Highlight jurisdictions that have already taken this action.

Public Participation

This Housing Action Plan was developed with a range of public engagement. The City relied on close consultation with a Stakeholder Advisory Committee (SAC), who helped to shape the issues, focus, and vision of the Plan and pointed the way to identification of strategies and actions. The SAC is a group of individuals who either live or work in the city of Prosser and were helpful in ground-truthing some of the housing data collected during the HNA. The SAC was able to help inform the project team of what citizens in Prosser are dealing with when it comes to housing availability, affordability, and other topics.

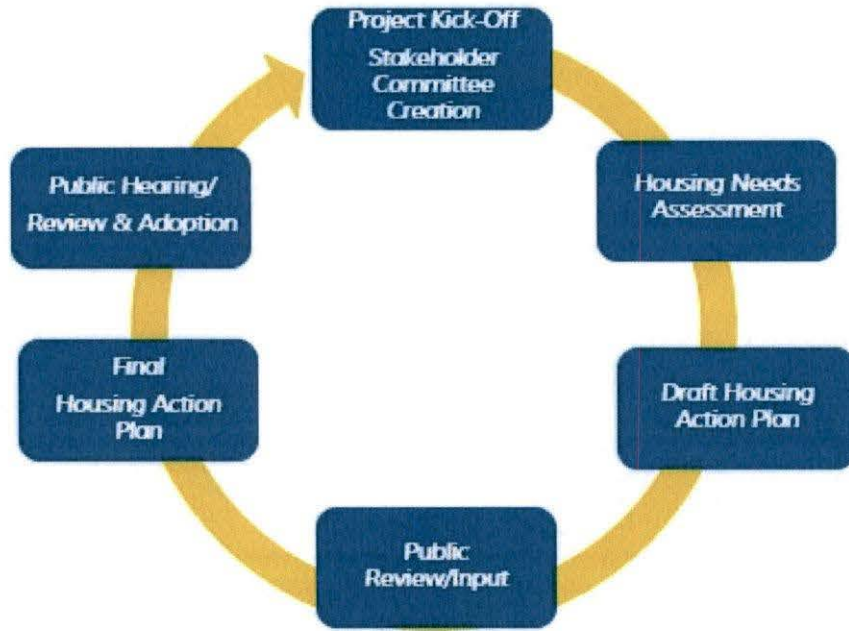
The project team met with the stakeholder advisory committee in-person and also attended a community event in the Summer of 2022. At this event, the project team was able to speak with the public about their experience living and working in Prosser. This was an effort to engage the community and spread the word on the HAP. The advisory committee has also been engaged via electronic communication and the team’s Konveio platform.

Lastly, the project team and the city developed a project webpage for the HAP. The page is hosted on the city website and has information from the HNA and general project information for the public. This webpage has an embedded survey which is available in both English and Spanish. This survey was advertised in flyers that were sent out to the SAC to then be distributed to their affiliates.

Project Timeline

The Commerce deadline for adoption of the HAP is June 30, 2023. The following process and schedule were followed to ensure state requirements and project goals were met.

Figure 3. Timeline and Process Graphic



E. HOUSING NEEDS ASSESSMENT



HOUSING NEEDS ASSESSMENT

This section contains a summary of the Housing Needs Assessment's findings. The full HNA can be found in [Appendix 1](#).

Introduction

The need for housing in Prosser is challenging, and these needs will broaden as the community changes over the next few decades. A key initial step to address housing challenges is to analyze the best available data that help accurately define the range of unmet housing needs and the depth of affordability needs. This analysis should answer questions about the availability of different housing, who lives and works in the community, and what range of housing is needed to address housing needs and demands into the future. Housing analysis is an important exercise because housing needs tend to evolve based on changes in the broader economy, local demographics, and regulatory environment.

Prosser has grown over the years, although not as quickly as other communities in the region. Analyzing housing is complex since it represents a bundle of services that people are willing or able to pay for, including shelter and proximity to daily household needs (job, grocery shopping, healthcare), access to public services (quality of schools, parks, etc.), and lifestyle amenities (type and quality of home fixtures and appliances, landscaping, views).

It is difficult for households to maximize all these services and minimize costs. As a result, many families make tradeoffs and sacrifices between needed services and what they can afford.

Housing markets tend to function at a regional scale, which makes it a challenge for jurisdictions to adequately address issues individually. This also presents a prime opportunity for cities like Prosser to broadly meet their housing needs. The following section helps frame the broader context associated with key housing trends.

Broader Demographic Trends

Several demographic changes have emerged since the mid-20th century that have influenced housing demand. These trends help explain forces shifting the housing landscape that are beyond the local purview.

- Nationally, family households with children and parents/guardians shrank from 40 percent in 1970 to 20 percent in 2018, while the share of single-person households increased from 15 to 28 percent over that time.¹ Persons living alone have become the most prevalent household type, which could result in smaller household sizes and increased housing unit demand.
- Around one-third of Americans between 18 and 34 are now living in their parents' homes,

¹ Sources: AARP (2018) Making Room for a Changing America, U.S. Census Bureau Annual Social and Economic Supplements 1970 and 2015 U.S.

Census ACS, PSRC Draft 2050 Forecast of People and Jobs.

- possibly delaying their household formation.
- The population is aging, and the number of U.S. seniors will continue to grow over the next twenty years as the Baby Boomer generation exits the workforce. National estimates suggest that around 22 percent of Americans will be over 65 years of age by 2050. Seniors are projected to outnumber children for the first time ever by 2035. This is significant considering that currently, the over 65 age group is about 17 percent of the population in Prosser. The aging Baby Boomer generation (born 1946 to 1964) could result in greater demand for smaller housing for those wishing to “downsize” and greater demand for assisted living housing situations².
 - Nationwide, the Hispanic/Latino population is predicted to be the fastest growing racial/ethnic group over the next few decades. The growing diversity of American households will have a large impact on domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for rental housing and small homes.
 - Another factor affecting housing is the COVID-19 pandemic. Since its emergence, the pandemic has slowed the production of housing in many regions and due to growing remote work practices, commuting rates have diminished and housing preferences are shifting. In addition, the pandemic has impacted the ability to pay for housing consistently, which will likely exacerbate housing availability and stability. These types of trends should be monitored as communities adjust.
 - Another factor crucial for estimating housing needs is population growth. The growth in Washington State has been intense, with 1.9 million new people since 2000 and a forecast showing a similar population surge through 2040.³ While population growth has been moderate in Prosser compared to the State and Puget Sound area, regional growth has had an impact at both a local and countywide level by increasing demand and price pressure on an already limited housing supply in and around Prosser.

² AARP (2019) “2018 Home and Community Preferences: A National Survey of Adults Ages 18-Plus

³ Puget Sound Regional Council (PSRC). 2017. Land Use Vision Dataset. Retrieved from: <https://www.psrc.org/projections-cities-and-other-places>.

Prosser Housing Needs Assessment Results Summary

Prosser Housing Gap and Housing Production Target

The results of the Housing Needs Assessment show a total gap of 1,500 housing units. This gap combines the existing underproduction of around 596 housing units affordable to households making less than 80 percent of the median income and the future need of around 904 housing units to accommodate projected growth. This means that to meet the additional housing demand by 2037 and close the current gap, 100 or more units per year, on average, would need to be built in Prosser.

In addition to supporting needed housing growth, Prosser should also develop strategies to more equitably meet diverse housing needs such as planning for housing for a range of income levels. Roughly 65 percent of all housing stock in the city is attached or detached single-family homes. Additionally, of these single-family structures, 69% of them are two- and three-bedroom structures. This leaves fewer options available in the multifamily category or other housing options that tend to lean more affordable.

Several demographic trends, including household size, race/ethnicity, incomes, and tenure, influence housing demand and should be evaluated to identify emerging trends and variations in what people need for their families and households.

Prosser's population has grown gradually between the years 2000 – 2021

The City of Prosser's population has increased by 1,357 people, or 28%, from the year 2000. This compares to a growth rate of 47% in Benton County and 31% rate at the State level. Between the years of 2021 and 2022, the city only grew by 65 people. The City's Comprehensive Plan anticipates a population of 8,407 people by the year 2037.

Findings: Prosser has grown gradually over the decades but more quickly in recent years. A mix of actions designed to be taken immediately and years in the future will help the city adapt and provide enough housing for all.

Prosser Has Become Increasingly Diverse

Consistent with national and county trends, the City of Prosser has become more diverse since 2000. The share of the population identifying as hispanic or latino increased from 37 percent to 46 percent between 2000 and 2020.

Findings: Strategies should focus on providing lower-cost rentals and increased moderate to middle-income priced homes with home ownership opportunities and multigenerational accommodations.

Prosser's Population is Aging

Since housing needs change over a person's lifetime, it is important to track shifts among age cohorts to anticipate expected demand. The largest age group in 2020 is ages 25 – 44; however, Approximately 40

percent of Prosser's population will be of retirement ages (ages 65+) within the next 20 years.

Findings: As noted earlier, the dominant housing available in Prosser is larger single-family structures. This accommodates the existing 25-44 cohort with children. However, the HAP should include strategies to address the increased housing needs for other cohorts.

Homeownership rates tend to increase as age increases, and older people are more likely to live in single-person households that tend to be smaller in size. The aging of the Baby Boomer generation (born 1946 to 1964) could also generate greater demand for housing offering living assistance, multigenerational accommodations, and opportunities for residents to age-in-place or age elsewhere in their community. Overall, these trends indicate high demand for "missing middle" housing (e.g., ADUs, townhomes, triplexes, duplexes, quad homes, and cottages), which allows more seniors and couples to downsize and remain in their community.⁴

Increased Demand, Housing Scarcity, Rising Costs and Lagging Household Incomes

Both median rents and house values have increased at a relatively slow rate between 2010 and 2020. The median rent in Prosser increased from \$743 (2010) to \$872 (2020), while house values increased from \$165,314 (2010) to \$296,856 (2020). These numbers reflect the rising

housing costs and rents that are felt across Benton County and state.

Alongside housing cost increases, the median household income in Prosser was \$53,333 in 2020 – below the Benton County median of \$69,023. In the city, 56 percent of households own rather than rent. Additionally, while house values have increased by 47.4 percent from 2010 to 2020, the average income only increased 31.6 percent during this time.

When household incomes increasingly lag behind rents and home values, this creates cost burden, including for households who may at one time have not faced this burden. And with Prosser's population aging and more of the population nearing retirement, the number of cost burdened households will likely increase.

Findings: Where feasible, additional home ownership opportunities should be provided for households earning less than 80 percent of the area median income. Housing serving this income bracket tends to be rental housing, with some smaller-sized middle density housing (i.e. duplex, triplexes, condos). Demand for middle housing and rentals, especially 1- to 2-person households, is increasing mostly due to aging baby boomers. However, as noted previously, while the community is majority renters, there is little new construction in this segment to meet future demand. As a result, strategies should be developed to support middle housing production, including new rental

⁴ "Missing middle" housing referred generally herein as middle housing primarily includes single-family attached housing with two or more units (duplexes, triplexes, quad

homes, townhomes, courtyard cottages, accessory dwelling units, etc.) or other housing bridging a gap between single family and more intensive multifamily housing.

units. The Prosser renter population tends to include households at the moderate to lower income levels, and the rising cost of housing has disproportionate impacts for units priced at these levels. Consequently, additional production of apartments, multiplexes and middle housing, and subsidized housing should be supported.

Prosser Residents Commute Outside City for Work

Understanding Prosser's workforce profile and commuting trends will help plan for workers' housing needs. Factors such as job sector growth and the city's commuting patterns may have implications for how many people are able to both live and work within the city. If such factors indicate many people are commuting into the city for work, it could be possible that the city does not have enough housing to accommodate its workforce or enough housing that matches their needs and affordability levels.

Within the city, there are just over 3,200 jobs. 61.5 percent of these jobs are in the following NAICS sectors: Public Administration, Health Care & Social Assistance, Educational Services, and Manufacturing. While the number of lower paying jobs (\$1,250/month or less) has increased by less than 5 percent, Prosser's high wage sector has increased by 9 percent which means it is growing faster than the low wage sector. This likely contributes to upward pressure on housing prices.

A majority of employed Prosser residents do not work within city limits, with approximately 78 percent

of employed residents commuting outside the city for work. According to the OnTheMap application made available by the US Census Bureau, most Prosser residents who commute are travelling in the east direction, likely to the Tri-Cities area.

Findings: The high percentage of employed city residents commuting elsewhere is due in large part to the neighboring city of Yakima. 24 percent of jobs in Yakima are in the Health Care and Social Assistance sector, 12 percent in the Retail Trade sector, and 11 percent in the Agriculture, Forestry, Fishing & Hunting sector.

Land Capacity Analysis Summary

This Housing Action Plan also included a Land Capacity Analysis to meet the requirements of RCW 36.70A.600. The Land Capacity Analysis map and results table are shown in Chapter 6 of the Housing Needs Assessment ([Appendix 1](#)).

The following capacities are estimated from the land capacity analysis for residential zones in Prosser:

RL Zone: 156 units total (47 undeveloped, 109 partially utilized)

RM Zone: 702 units total (647 undeveloped, 55 partially utilized)

RH Zone: 55 units total

SSR Zone: 492 units total

With 1,405 units of total estimated capacity, Prosser has a surplus of roughly 500 units beyond its projected growth.

F. HOUSING ACTION PLAN



HOUSING ACTION PLAN INTRODUCTION

Overview

Our region has and will continue to face great challenges as we grow. This includes the ability to provide affordable housing. Housing element requirements under the Growth Management Act (GMA) outline requirements to "...ensure the vitality and character of established residential neighborhoods...". This includes provisions for protections of housing "... for existing and projected needs of all economic segments of the community" ([RCW 36.70A.070\(2\)](#)). At the same time, cities are growing, and redevelopment pressures will continue to occur. As redevelopment occurs, the key is focusing on policies and regulations that minimize displacement and preserve affordable housing options. These are difficult planning challenges, and it takes a proactive approach to meet these challenges head on.

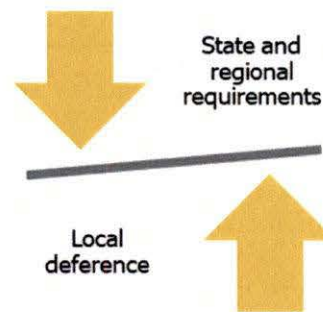
In addition, Prosser faces some unique challenges and opportunities due to its housing types, demographics, policies, location, the makeup of its local economy, and its status as the county seat. This Housing Action Plan presents analysis, strategies, and a range of actions to consider.

Connection to Comprehensive Plan Process

Prosser will update its Comprehensive Plans no later than June of 2026. As part of that process,

they will be planning for growth out to 2045. The amount of growth the City decides to plan for is linked to the types of actions necessary to meet housing goals. The more growth expected, the more creative the City must be in order to accommodate that growth. The elements and objectives of a HAP will help support the implementation of growth and housing strategies as the city moves forward.

Planning is a balance between state and regional requirements and substantial local deference is afforded to the city so it can plan in a way that is best for its community.



While broad housing requirements are outlined within the Growth Management Act ([RCW 36.70A.070\(2\)](#)), policies are also developed at the countywide level. The city's comprehensive plan must comply with state law as well as countywide planning policies. The HAP provides an opportunity to proactively look at housing issues and identify possible solutions that can be implemented as this planning takes place.

Definitions of Income Ranges Used to Define Affordability

Several of the recommended actions and strategies in this HAP address housing affordability. The following definitions of income ranges are based on Benton County's Area Median Income, or AMI (updated annually, used interchangeably here with HUD's definition of Median Family Income). The actual makeup of household incomes in Prosser specifically may differ from that of Benton County more broadly, but AMI is the baseline for measuring affordability using the best available data. The income ranges and their definitions are as follows:

- Extremely Low Income – 30% AMI and below
- Very Low Income – 30-50% AMI
- Low Income – 50-80% AMI
- Benton County's median family income for fiscal year 2022 was \$87,500. This means the definitions for income ranges for this Plan for the City of Prosser are as follows:
 - Extremely Low Income - \$18,350 - \$46,630 per year and below
 - Very Low Income - \$30,600 - \$57,650 per year
 - Low Income - \$48,900 - \$92,250 per year

Affordable housing provided through the Low-Income Housing Tax Credit (LIHTC) program, a major resource for new construction and preservation, is defined as providing housing that is

affordable (no more than 30% of gross income) to those making at or below 60% of the Area Median Income. In Benton County's case, this would be \$52,500 per year and below.

Long-Term Impacts of COVID-19 on Housing

The COVID-19 pandemic and the associated health and economic consequences continue to affect everyone in Washington and around the world. While the full story of the effects of COVID-19 on housing is still being written, several important trends may gain importance in the years to come.

First, for many of those whose employment can occur remotely, physical proximity to the workplace is a less important factor when choosing a place to live. Factors including access to parks, great schools, and being closer to family, may increase in importance. This is of particular relevance to Prosser, as its location, natural amenities, and slower pace of life could make it an increasingly popular relocation option for people from the west side of the mountains and from the Tri-Cities area from those communities whose work can be done remotely.

Second, the demand for new housing is continuing to outstrip supply, leading to continued upward pressure on prices. Labor and material shortages continue to make building housing expensive, and the locational decisions discussed above are leading to many more households with continued employment looking to change their housing situation.

Third, the inflation and subsequent economic pressure emerging from the pandemic and its after-effects continue to influence employment and housing in Prosser. Higher interest rates on mortgages and for commercial loans is likely leading to a slowdown in both home sales and construction, though these trends are not borne out in the data yet. This could constrain housing construction locally and statewide despite the well-documented need.

Housing Policy Analysis and Current Policy Conditions

Prosser’s Comprehensive Plan contains many housing policies in its Housing Element. [Appendix 2](#) contains an analysis of the Comprehensive Plan policies that relate to housing.

The City should consider additions and revisions to its policies that support future actions in line with what is provided in this plan. Such policy additions should strengthen and support the actions recommended here, including (but not limited to) strengthening policy support for more diverse housing options, developing code and policies that mitigate the risk of displacement, and placing equity front and center when crafting future housing code and policy.

Additional analysis on housing policies can be found under the [Key Findings and Recommendations](#) of the HAP and in [Appendix 2](#).

Housing Types Considered
SINGLE-FAMILY HOUSING



HB 1923 specifically calls for the development of policies and strategies to increase the availability of single-family homes that are affordable to a wider range of households. This could include both detached and attached single-family dwellings. The HAP presents strategies and actions that can increase the availability and affordability of single-family homes.

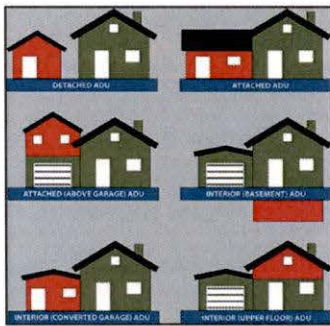
MIDDLE HOUSING



Middle housing refers to a range of housing types including duplexes, triplexes, fourplexes, townhomes, and apartments built with wood frame construction. These offer more affordable options for buyers and renters and more efficiently utilize

land often dedicated to single family homes. "Middle" refers to their position on a spectrum between single-family detached homes and mid- to high-rise apartment buildings. The Housing Action Plan includes actions that address various facets of this form of housing. This includes potential changes to zoning to allow such development in more places.

ACCESSORY DWELLING UNITS



Accessory Dwelling Units, or ADUs, are small housing units attached to or separate from and accessory to a single-family home. These smaller dwellings, sometimes envisioned as homes for older parents or other relatives, hold promise as a way of providing basic, affordable accommodations for households that do not need much space while potentially providing a source of rental income for homeowners. Jurisdictions region-wide have recently pursued changes to their land use regulations to allow or further encourage ADUs as a way of addressing the housing affordability issue. One action writeup includes multiple suggestions on how to better administer and regulate ADUs.

MULTIFAMILY HOUSING

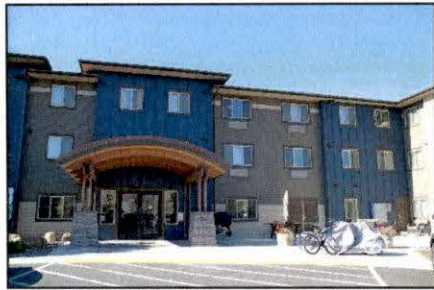


Larger multifamily developments (five-plus units in a structure) make up roughly 20 percent of housing units in Prosser. Some of these developments are a key part of Prosser's inventory of naturally occurring affordable housing. Additionally, because of their construction techniques and economies of scale, new developments with affordable units tend to be this type of housing. Several of the actions in the following plan involving incentivizing new rental housing and mitigating displacement address multifamily housing in some dimension.

EMERGENCY AND PERMANENT SUPPORTIVE HOUSING

Prosser, like all communities, must grapple with the need for emergency housing and permanent supportive housing. Action writeups include discussions on options for warming shelters, safe RV and camping sites, and locations for permanent supportive housing and temporary shelter space.

SENIOR HOUSING

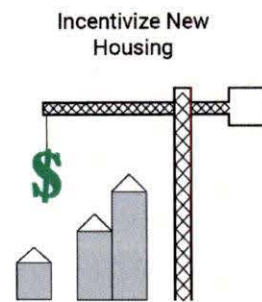


Assisted living facilities, retirement communities, adult family homes, and other forms of senior housing will be increasingly needed as the populations within our region ages. ADUs and missing middle housing can also play an important role in providing housing options for seniors that are affordable. Providing these housing options within the city allows current residents the ability to age in place.

Strategies

All actions proposed in this Housing Action Plan can be categorized by their implementation of one of the strategies as outlined below. Each strategy is assigned its own icon, which are incorporated into the following action writeups according to which strategy or strategies each action addresses.

INCENTIVIZE NEW HOUSING



The City has expressed interest in policy options to increase incentives available for creating new affordable rental and owned

housing units. The Housing Needs Assessment demonstrates that additional rental housing and less expensive single-family housing, particularly for low- to moderate-income households, is needed to reduce the cost burden of their housing expenses.

Incentives for rental housing include the city's existing density and fee incentive program (with proposed changes).

BRING DOWN THE COST OF DEVELOPMENT

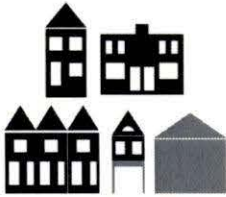


The cost of developing new housing, regardless of type, includes labor and materials, the costs of permitting (including impact and mitigation fees), and

the time and cost of permit processes. Several actions included in this Housing Action Plan address the elements of this calculation most within the City's control, namely fees as well as time and process required to approve development.

PROVIDE WIDER VARIETY OF HOUSING TYPES

Encourage a Wide Variety of Housing Types

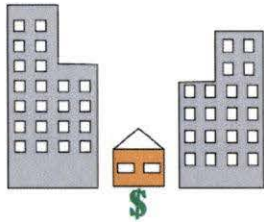


The City can make progress on this strategy through several actions, including changes to zoning code to make various types of housing more widely allowed and

demonstration programs for fee reductions. This includes senior housing, ADUs, and so-called Missing Middle housing.

PREVENT AND MITIGATE DISPLACEMENT

Prevent and Mitigate Displacement



This addresses both rent-restricted and non-rent-restricted rental housing. This can be done through rehabilitation of existing units or a

waiver of certain fees that would allow a new development to offer new units whose rents approximately match housing that was displaced. Actions include public-private partnerships with neighborhood associations and landlords to bring down the cost of upkeep.

HIGH-LEVEL FINDINGS FROM PROSSER HOUSING NEEDS ASSESSMENT

Household Composition – Household size has changed between the years of 2010 and 2021. The number of one-person household has decreased while the number of two-three-and four person households have increased. This points to the need for a targeted approach to bring down costs for single-family detached and attached dwellings while providing more diverse rental options at a wider range of prices for smaller households.

Growing Diversity - Actions should focus on providing lower-cost rentals and increased moderate to middle-income priced homes with home ownership opportunities and multigenerational accommodations.

Families and Seniors - The HAP should include strategies to address the increased housing needs for seniors. Homeownership rates tend to increase as age increases and older people are more likely to live in single-person households which tend to be smaller in size. The aging of the Baby Boomer generation (born 1946 to 1964) could also generate greater demand for housing offering living assistance, multigenerational accommodations, and opportunities for residents to age-in-place or age elsewhere in their communities. Overall, these trends indicate high demand for “missing middle” housing (e.g., ADUs, townhomes, triplexes, duplexes, quad homes, and cottages) which allows more seniors and couples to downsize and remain in their community. The need is particularly acute for older adult households making less than 80 percent of the area median income.

Rising Demand and Supply Scarcity - Where feasible, additional home ownership opportunities should be afforded for households earning between 80 and 120% AMI. Housing serving this income bracket tends to be middle housing. Demand is mounting for middle housing mostly due to aging baby boomers, young households forming, and the growing workforce. As a result, strategies should be developed to support middle housing production in Prosser, particularly given its abundance of renter households. Moreover, the renter population tends to include households at the moderate to lower income level, and the rising costs of housing has disproportionate impacts for homes priced at these levels. Consequently, additional production of apartments, multiplexes and middle housing, and government subsidized housing should be supported.

Existing Single-Family Housing Stock Aging – While the risk of redevelopment pressure akin to what communities in central Puget Sound experience is low in Prosser, the age of existing structures, particular small single-family homes, makes them somewhat vulnerable to replacement by new, larger, much more expensive homes. The low supplies of single-family attached housing such as townhomes, triplexes, duplexes, as well as cottage courtyard apartments and multifamily housing should be addressed to provided broader housing options for the community. In addition, demand is expected to increase for single-family attached housing mostly due to aging baby boomers and continued demand from young families, at least in the next several years.

Cost Burden on Lower Income and Renter Households – Growth in service industry employment and an increase in older-adult households with low and/or fixed incomes mean Prosser will need to continue boosting production of low-income (50% AMI or lower) housing rentals and ownership opportunities to achieve the 2008-2030 target. This is especially true given that the current gap between what is affordable and available at different income levels exceeds the housing needs between now and 2036. The approach for increasing low-income housing likely is more complicated due to the need for some sort of direct assistance.

KEY FINDINGS AND RECOMMENDATIONS

Housing Policy Analysis

The project team completed an analysis of Prosser’s current housing policies. The City’s comprehensive plan includes housing-related policies under the Land Use Element (Chapter 1) and under the Housing Element (Chapter 3). [Appendix 2](#) contains an analysis table of the City’s housing policies.

Lastly, the City will be updating its comprehensive plan by June 2026. Part of this process will include a review to ensure City policies are consistent with changes to state laws governing comprehensive plans.

Housing Strategies and Actions

The following four topical strategies represent collections of actions that address a particular housing issue in a targeted way. The specific actions that fall under each strategy are listed below the strategies.

Strategy 1, Incentivize New Housing

- Update code to match densities allowed in comprehensive plan
- Changes to housing density and fee incentive programs
- Allow detached residential uses in commercial zones in some cases
- Strategic outreach to builders, developers, service providers

Strategy 2, Bring down the cost of development

- Changes to housing density and fee incentive programs
- Changes to Titles 16, 17, and 18 re: SEPA and short subdivisions
- Changes to landscaping requirements
- Outreach and feasibility for builders and service providers
- Codify parks impact fee

Strategy 3, Provide wider variety of housing types

- Update code to match densities allowed in comprehensive plan
- Changes to housing density and fee incentive programs
- Allow detached residential uses in commercial zones in some cases
- Temporary emergency and permanent supportive housing
- Improve regulation of accessory dwelling units
- Codify parks impact fee

Strategy 4, Prevent and Mitigate Displacement

- Changes to housing density and fee incentive programs
- Temporary emergency and permanent supportive housing
- Improve regulation of accessory dwelling units

Figure 4. Action Schedule and Summary Table

Action	Type	Target Group	Area of Applicability	Scale of Potential Impact	Timeline
Update code to match densities allowed in comprehensive plan	Provide wider variety of housing types, incentives for rental housing				
Changes to housing density and fee incentive programs	Incentivize new housing, provide wider variety of housing types, bring down cost of development				
Allow detached residential uses in commercial zones in some cases	Bring down the cost of development, provide wider variety of housing types				
Changes to Titles 16, 17, and 18 re: SEPA and short plats	Bring down the cost of development				
Improve regulation of accessory dwelling units	Provide a wider variety of housing types, prevent and mitigate displacement				
Changes to landscaping requirements	Bring down cost of development				

Action	Type	Target Group	Area of Applicability	Scale of Potential Impact	Timeline
Temporary emergency and permanent supportive housing	Provide a wider variety of housing types, prevent and mitigate displacement				
Codify parks impact fee	Bring down cost of development, provide wider variety of housing types				
Strategic outreach to builders and service providers	Incentivize new housing				

HOUSING ACTIONS

UPDATE CODE TO MATCH DENSITIES ALLOWED IN COMPREHENSIVE PLAN

In the [2018 Comprehensive Plan](#), the City of Prosser eliminated the density categorizations of land use designations, leaving just one comprehensive plan residential land use designation (apart from Steep Slope Residential) with many different zones implementing that designation. Policy H-6.1 (shown below) establishes density levels for the implementing zones.

Policy H-6.1. Establish the following density levels;

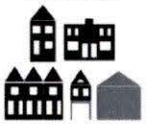
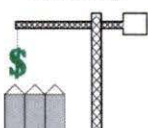
Zone	Density	Dwelling Unit Type
Residential Low Density	1-4 units per acre	Single Family
Residential Medium Density	5-9 units per acre	Single Family Duplex Tri Plex 4 Plex
Residential High Density	10-25 units per acre	Multi-family Condo's
Residential Manufactured Home Subdivision	6-9 units per acre	Manufactured Single Family
Residential Manufactured Home Park (Mobile Home Park)	5-7 units per acre	Manufactured

In Prosser’s zoning code, the RL (or Residential Low) and RMS (Residential, Manufactured Home Subdivision) districts have de facto densities by virtue of minimum lot sizes (10,000 square feet and 5,000 square feet, respectively). RM (Residential Medium Density) and RH (Residential High Density) do not have density ranges in code.

The city could consider codifying these density ranges in the municipal code. This would make the zoning districts in compliance

with the comprehensive plan before the city embarks on its next plan update (due June 30, 2026). This is especially important for the RM and RH districts.

The city could also consider provisions that would enable three or four units per lot on some sites in the RM district. The comprehensive plan supports this (the table above lists tri plex and 4 plex as dwelling unit types for the medium density zone), but current zoning regulations only allow it in clustering for steep slope residential development under Prosser Municipal Code [18.59](#). Given how much of the city’s undeveloped residential land is zoned RM, this could help unlock more middle housing potential.

<p>Impact of action</p>	<p>Could marginally affect the densities of development in the different residential zones, but dimensional standards make a much larger difference in how land is developed. Enabling the higher densities could make a bigger difference in terms of allowing more middle housing.</p>
<p>Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?</p>	<p>Potentially. Having more middle housing options could address income band planning requirements in the Housing Element.</p>
<p>Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?</p>	<p>Not likely. Prosser is not likely to have any problems meeting its projected housing need.</p>
<p>Cities that have taken the same or similar actions</p>	<p>- N/A</p>
<p>Advantages</p>	<ul style="list-style-type: none"> - Reduces confusion and uncertainty of differences between the comp plan and development regulations when it comes to density
<p>Disadvantages</p>	<ul style="list-style-type: none"> - Backward-looking – upcoming comprehensive plan update - Encoding density not always the cleanest approach – dimensional regulations typically serve this purpose while density can be a political lightning rod.
<p>Strategies implemented</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Providing Wider Variety of Housing Types</p>  </div> <div style="text-align: center;"> <p>Incentives for New Rental Housing</p>  </div> </div>

CHANGES TO HOUSING DENSITY AND FEE INCENTIVE PROGRAMS

The City of Prosser is working on changes to [Chapter 18.96](#) of the municipal code, Housing Fee Incentive Program, that would make the incentives apply only if the units are affordable.

Currently, the housing density incentive program in [Chapter 18.95](#) is limited to projects where at least 10 percent of dwelling units are provided and retained as affordable homes for renters or purchasers of units who make 80 percent or less of the area median income adjusted for household size. The fee incentives, in Chapter 19.86, are currently eligible for any permits related to construction of additional single-family homes, multifamily residential units, or housing for those 55 years of age and older. A proposed amendment to this code would make it so that only projects that would be eligible for the density incentives from an affordability standpoint would be eligible for the fee waiver incentive.




This proposal represents great progress toward closing affordability gaps in the city. However, some additional tweaks may be needed to take full advantage of this change and other potential changes the city may consider as a result of this Housing Action Plan.

For example, currently the fee incentive program sunsets on September 29, 2023. This is only nine months from the drafting of the Housing Action Plan. If a change is being made that would restrict how many projects would be eligible, the city may want to consider extending this sunset date to account for likely a smaller financial short-term financial impact on the city.

When the parks impact fee is codified, the city may wish to also add that fee to the list of fees eligible for waivers under Chapter 18.96.

If the city takes action to improve how Accessory Dwelling Units are regulated per this Housing Action Plan, these can serve as a source of affordable housing as well. The city may wish as part of those changes to also modify Chapter 18.95 to add accessory dwelling units as one of the possible avenues for density incentives. This could allow developers of new plats or short plats to purpose-build accessory structures that can be used as accessory dwelling units and take advantage of the density incentives. Currently, 18.95.B only allows rental units to qualify for the incentive if they are part of a multifamily project. Given that the city allows residential uses in commercial zones, Prosser may want to consider allowing use of either or both incentives in commercial zones where multifamily uses are proposed.

Lastly, since Chapter 18.95 has an annual reporting requirement, it would make sense for the city to also conduct some sort of monitoring and evaluation of projects using the fee incentive. Given the budgetary impact of the fee waivers, there may be additional pieces of information the city would want to track beyond what is reported for the density incentive.

<p>Impact of action</p>	<p>Could potentially have a large impact. The density incentives are available in any applicable residential zone, and if the commercial zones that allow residential uses are included, the geographic scope is large.</p>
<p>Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?</p>	<p>Yes. Although the incentives are codified to target 80 percent and below of the area median income and thus not separated out by income band, reporting can help track how many units have been created in all the applicable income bands in the updated housing element requirements.</p>
<p>Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?</p>	<p>Yes. Density incentives are a key way jurisdictions can demonstrate that they have the capacity to meet projected housing needs.</p>
<p>Cities that have taken the same or similar actions</p>	<ul style="list-style-type: none"> - Redmond - MFTE is similar and used by a wide range of communities in eligible counties (does not include Benton)
<p>Advantages</p>	<ul style="list-style-type: none"> - Opportunities to improve an incentive program that already is the cornerstone of Prosser’s approach to encouraging affordable housing - Opportunities to include housing types focused on in this plan in the incentive program - Focus on affordable home ownership as well as affordable rental units
<p>Disadvantages</p>	<ul style="list-style-type: none"> - Fee waivers and incentives can reduce needed revenue to the city - Expiration of fee waiver program
<p>Strategies implemented</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Reducing Development Costs</p>  </div> <div style="text-align: center;"> <p>Providing Wider Variety of Housing Types</p>  </div> <div style="text-align: center;"> <p>Incentives for New Rental Housing</p>  </div> </div>

ALLOW DETACHED RESIDENTIAL IN COMMERCIAL ZONES IN SOME CASES


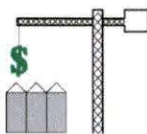
In Prosser’s municipal code, first floor residential is allowed in the [CN](#) (commercial neighborhood), [CD](#) (commercial downtown), [CG](#) (commercial general), and [CT](#) (commercial thoroughfare) zones, but only if it is part of a commercial structure and conforms with the Uniform Building Code. This means they can be either adjacent to or above a commercial use but must be attached.

Development in the CG and CT districts generally speaking must provide one off-street parking space per 400 square feet of gross floor area. Specific uses must provide parking at ratios outlined for each use in [PMC 18.63.040](#), regardless of zone.

In the R zones, two parking spaces are required for each unit. However, the specific use regulations do not specify required parking for residential uses in commercial zones. The city should encode off-street parking requirements for residential uses in commercial zones.

In concert with that, the city should consider allowing first floor residential that is detached from a commercial structure where off-street parking is required for both uses. Care would need to be taken to ensure the residential uses have adequate pedestrian access through the commercial use that occupies the street frontage.

<p>Impact of action</p>	<p>Impact limited to commercial zones where off-street parking is required, but there is a lot of acreage of particularly CG zoned land that could be host to some detached residential behind commercial.</p>
<p>Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?</p>	<p>Possible. There might be less controversy or land use conflicts for residential uses on commercially zoned property surrounded by other commercially zoned property, which could make it easier to build lower-income housing or transitional/permanent supportive housing, for example.</p>
<p>Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?</p>	<p>Not likely. Prosser is not likely to have any problems meeting its projected housing need.</p>

<p>Cities that have taken the same or similar actions</p>	<ul style="list-style-type: none"> - Woodinville (WMC 21.42.040)
<p>Advantages</p>	<ul style="list-style-type: none"> - Provides flexibility to developers on larger sites - Takes advantage of Prosser’s supply of commercially zoned land without removing it from commercial supply - Allows residential with more separation/privacy from commercial uses in situations where building residential above commercial is uneconomical
<p>Disadvantages</p>	<ul style="list-style-type: none"> - Smaller or more constrained sites unlikely to be able to take advantage due to parking requirements - Requires change to parking requirements as well
<p>Strategies implemented</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Providing Wider Variety of Housing Types</p>  </div> <div style="text-align: center;"> <p>Incentives for New Rental Housing</p>  </div> </div>

CHANGES TO TITLES 16, 17, AND 18 RE: SEPA AND SHORT PLATS

The city will be considering several updates in the coming years to Title 17 (Subdivisions) and Title 18 (Zoning) aimed at streamlining the subdivision process and clarifying use and dimensional regulations to match.

One important set of changes the city should consider revolves around adopting higher SEPA exemption thresholds and raising the threshold for what is considered a short plat. These related issues can reduce procedural roadblocks without resulting in degradation of the environment and can help get various forms of housing to market faster while reducing uncertainty.

SEPA

The State Environmental Policy Act, or SEPA, is Washington’s bedrock environmental law. Passed in 1971, it requires lead agencies (often cities or counties) to review environmental information on a wide range of topics, decide if more information or mitigation is needed, and provide for comment and appeal periods on proposals that may impact the environment.

Over the decades since, however, many new laws and codes have been passed and adopted that require cities and counties to adopt local regulations that protect the environment and provide for notice, comment, hearings, and appeals. For example, cities and counties must now adopt critical areas regulations based on best available science as part of planning under the Growth Management Act (passed in 1990). They also must regulate uses and development in shoreline jurisdictions under the Shoreline Management Act (passed in 1973). Public notice, comment, hearings, and appeals are provided for based on requirements in the Growth Management Act and the Local Project Review Act.

Recognizing that many new laws and requirements duplicate what is required under SEPA, the legislature and Department of Ecology have, over the decades, made changes to SEPA that exempt some types and levels of proposals from having to meet the requirements of SEPA. This includes raising the maximum level of minor new construction exemptions local governments can adopt as well as creating pathways within state statute whereby cities and counties can conduct environmental review of cumulative environmental impacts in certain areas through a Planned Action or infill exemption environmental impact statement.

Prosser has adopted the minimum exemptions found in the Department of Ecology’s administrative code, which were adopted in 1984. This is when the city’s ordinance was passed adopting the state code by reference, and it has not been

updated since. Meanwhile, the state has raised the maximum exemption levels several times since then, most recently in 2022, and allows jurisdictions to adopt exemptions within a range (called “flexible thresholds for minor new construction”). The city should consider raising these thresholds within the range below:

	Minimum exemptions (currently adopted by reference in Prosser Municipal Code Title 16)	Maximum exemption levels allowed under WAC 197-11-800(1)
Project types		
Single family residential	4 units	30 units
Single family residential with the total square footage less than 1,500 square feet*	4 units	100 units*
Multifamily residential	4 units	200 units*
Barn, loafing shed, farm equipment storage, produce storage or packing structure	10,000 square feet	40,000 square feet
Office, school, commercial, recreational, service, storage building, parking facilities	4,000 square feet and 20 parking spaces	30,000 square feet and 90 parking spaces
Fill or excavation	100 cubic yards	1,000 cubic yards

* Thresholds modified by Department of Ecology rulemaking in December 2022 to add different (higher) threshold for smaller single-family units in incorporated cities and higher multifamily thresholds.

This is ultimately a policy-level decision but must also be accompanied by technical documentation and analysis demonstrating that city code provides adequate environmental and cultural resource protection and procedural requirements.

As part of the 2026 comprehensive plan periodic update, the city could also consider the merits and potential drawbacks of the Planned Action and Infill Exemption approaches to improving the administration of SEPA. In a Planned Action, the city can conduct an Environmental Impact Statement for a specific geographic area as part of a subarea plan, accounting for the cumulative environmental impact of specific project proposals that might occur within that area. This allows those individual projects to forego SEPA review.

In the infill exemption, a city can exempt projects from SEPA review in areas within the urban growth area where the density and intensity of use does not reach what is described in the comprehensive plan. To do this, the city must have issued an environmental impact statement, or EIS, on the comprehensive plan or has to otherwise conduct an EIS on the area where it wishes to encourage infill exemption.

Conducting an Environmental Impact Statement, whether part of a comprehensive plan or a different planning effort, is a major undertaking that takes staff resources and time. Even raising the minor new construction flexible thresholds requires analysis and procedural steps beyond a simple code amendment. However, the cumulative effect, particularly for a planned action or infill exemption, can be large.


Subdivisions

While Prosser considers updates to the subdivision code, it should also consider raising the threshold for what is considered a short subdivision from four to nine lots. This is important for two reasons. First, while there used to be a meaningful difference between the substantive requirements for full subdivisions and short subdivisions, the standards for short subdivisions and the requirements for review are nearly the same as for full subdivisions in communities across the state. The primary difference is that full subdivisions go to a hearing, while short subdivisions are approved administratively (with a hearing upon appeal). Raising the threshold from four lots to up to nine lots, as allowed under state law, would remove procedural hurdles for subdivisions that are still small.

Second, under the state SEPA rules, short subdivisions are exempt from SEPA (unless they are proposing development on lands covered by water or if they meet a few other carve-outs in the law). Full subdivisions are required to undergo SEPA review. Therefore, if the short subdivision threshold is raised to nine lots, for example, land divisions of 5 to 9 lots would a) not have to go to a hearing, and b) not be required to meet the requirements of SEPA. This would remove redundancy and uncertainty in the permitting process and would enable housing to get to market faster and possibly for less cost.

Summary

These recommendations should be viewed in the context of the broader conversation about changes to Titles 17 and 18 (and Title 16 in this proposed action). In an ideal situation, subdivision requirements, zoning code, and environmental code work well together to produce a streamlined, non-duplicative process for reviewing applications while maintaining environmental protection and mitigating impacts of new development. As the city considers changes already in draft form to Titles 17 and 18, a broader conversation about subdivisions and environmental protection can help further advance this idea.

<p>Impact of action</p>	<p>Potentially large. Minor new construction SEPA exemptions would apply city-wide, and within defined geographic areas, planned action or other pre-project-level environmental study by the city would have an even larger effect. Raising the short plat threshold would have a minor effect on individual proposed projects, but cumulatively, reducing unnecessary procedural requirements for small projects can get more units to market faster. This is especially the case for small single-family projects.</p>
<p>Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?</p>	<p>No, the proposed changes within this action would apply regardless of income band.</p>
<p>Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?</p>	<p>Yes – making infill development or small subdivisions faster and reducing uncertainties while maintaining environmental protection could make it easier for the city to accommodate future population growth.</p>
<p>Cities that have taken the same or similar actions</p>	<p><u>Short plat thresholds</u> – Sumner, Richland, Wenatchee <u>SEPA Planned Action</u> – Everett, Edmonds, Bothell, Spokane Valley, Mason County <u>Raise Minor New Construction Thresholds</u> - Kennewick, Spokane Valley, Wenatchee, Richland</p>
<p>Advantages</p>	<ul style="list-style-type: none"> - Coordinating improvements to Titles 16, 17, and 18 can have positive feedbacks because of how these elements of code are related - Can result in fewer procedural requirements and less uncertainty for applicants without reducing environmental and cultural resource protections
<p>Disadvantages</p>	<ul style="list-style-type: none"> - Analysis required for changes to SEPA code are time and resource intensive - Likely to be pushback to perceived “weakening” of environmental protection and opportunities for mitigation even if analysis demonstrates that code adequately protects the environment
<p>Strategies implemented</p>	 <p>Reducing Development Costs</p>

UPDATE LANDSCAPING REQUIREMENTS

In the arid environment of the Yakima Valley, landscaping is driven by the availability of irrigation. For residential development where irrigation is not available, some builders in the past have installed sod to sell homes, but that sod ends up being ripped out by the homeowner because irrigation is not available to maintain a traditional grass lawn.

While some developers in Prosser are starting to install xeriscaping (dry landscaping) or much smaller grass areas, the city should consider codifying landscaping requirements in Title 18 (Zoning). This new code could require that any residential development outside of the irrigation district boundaries landscape its lots, tracts, and common areas with xeriscaping or other low-water landscaping options. This can decrease costs for new development.

One factor to consider would be potentially needing to tweak what surfaces can be considered a driveway. Xeriscaping might look like (and indeed be regarded in code) as a drivable surface, so the city should ensure that any restrictions on parking in front yards do not conflict with any new potential landscaping requirements.

Impact of action	Relatively low impact, only in areas not covered by irrigation district. Could marginally reduce cost of development by decreasing cost of landscaping improvements.
Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?	No
Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?	No
Cities that have taken the same or similar actions	- None known
Advantages	<ul style="list-style-type: none"> - Easy change that takes advantage of current trends - Reduces burdens placed on home buyers due to lack of irrigation
Disadvantages	- Small impact

<p>Strategies implemented</p>	<p>Reducing Development Costs</p> 
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TEMPORARY EMERGENCY AND PERMANENT SUPPORTIVE HOUSING


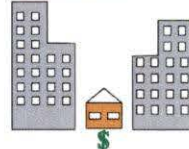
Prosser needs to address regulation of homeless camping as a result of the [Martin v. Boise](#) decision, where the U.S. Supreme Court allowed a ruling by the 9th Circuit Court of Appeals to stand that held that homeless persons cannot be punished for sleeping outside on public property in the absence of adequate alternatives.

The city should consider identifying places like safe RV and car camping sites (churches have offered up their parking lots in other communities) and potential temporary shelter space. Other options include indoor shelters operated by service providers, tiny house villages, sanctioned encampments provided with basic services and utilities by the city, or pallet shelter villages.

An intermediate step would be to expand the city’s offering of cooling centers in summer to offer warming shelters in winter. The city should evaluate whether any of its facilities could be adapted to serve this purpose on occasions when certain weather conditions occur, or if this is not feasible, to consider providing rental assistance, material assistance when possible, or ground lease support to community groups seeking to provide this service.

Longer term, the city should consider discussing appropriate locations and service providers for permanent supportive housing, or PSH. This is a recent emphasis of state law, which now says that cities and counties cannot prohibit permanent supportive housing or transitional housing in any zones that allow residential units or hotels. This should include including definitions of permanent supportive housing and transitional housing in [Chapter 18.06](#), adding permanent supportive housing and transitional housing as permitted uses in the relevant zones (likely most of the zones in the city), and adding specific use regulations as allowed under statute to protect public safety.

Impact of action	Large effect for the portion of Prosser’s households making less than 30 percent of the median income who are cost burdened. This is roughly 350 households as of the latest data.
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<p>Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?</p>	<p>Yes. Adequate emergency housing and permanent supportive housing is crucial to meeting requirements of Housing Element.</p>
<p>Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?</p>	<p>Somewhat. Temporary emergency housing and shelter would not help the city meet its projected housing demand, but permanent supportive housing would.</p>
<p>Cities that have taken the same or similar actions</p>	<ul style="list-style-type: none"> - Everett - Olympia - Molalla, OR (seasonal overnight warming center)
<p>Advantages</p>	<ul style="list-style-type: none"> - State requires cities and counties to address need for emergency housing and permanent supportive housing. Prosser’s code needs to be updated on this. - By far the heaviest cost burden in the city falls on those making under 30 percent of the area median income. They are at highest risk of eviction, of not having enough money for other life needs, and for negative health and economic outcomes as a result of not having enough housing they can afford in the community.
<p>Disadvantages</p>	<ul style="list-style-type: none"> - Many people agree in principle with the need to create more housing for people who struggle to find housing or who have been homeless, but many do not want it near them.
<p>Strategies implemented</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Providing Wider Variety of Housing Types</p>  </div> <div style="text-align: center;"> <p>Prevent and Mitigate Displacement</p>  </div> </div>

IMPROVE REGULATION OF ACCESSORY DWELLING UNITS

Accessory dwelling units, or ADUs, have been a focus of recent state legislation as well as Housing Action Plans undertaken by communities around the state.

Prosser regulates accessory buildings in [Chapter 18.69](#), which contains setbacks and other relevant dimensional information for accessory structures. Changes will be required in this chapter to successfully implement ADUs. For example, [section 18.69.020](#) needs to be modified to include ADUs as permitted accessory structures. The city should also consider modifying [section 18.69.040](#) to allow higher accessory buildings for ADUs built over garages, which can easily exceed 15 feet in height.

[Chapter 18.60.140](#) contains specific regulations for so-called accessory apartments, but this code has limitations. First, it does not allow accessory apartments to be detached from the main living unit. ADUs can be successfully implemented in either attached or detached form. Second, this code also requires that accessory apartments be used for family members only. While ADUs are often referred to as “mother-in-law apartments”, it is difficult if not impossible (not to mention not necessarily desirable) to require them to be used for family members and not rented out to anyone else. This chapter also contains parking requirements for ADUs – the city should consider moving this requirement to [Chapter 18.63](#), off-street parking.


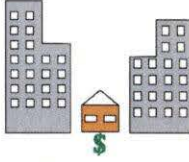
Many cities also set maximum sizes for accessory dwelling units. There is not one number that works best for every city, but other cities have adopted 800 or 1,000 square feet as the maximum size of an ADU with caveats for units that take up an entire basement, for example.

Other issues to consider include the short-term rental issue. Many cities have sought to prohibit or limit the use of ADUs for short-term rentals on platforms like AirBnB and VRBO. Some cities prohibit ADUs outright from being used as short-term rentals, while other communities have taken measures like limiting the number of licenses available, using 3rd party technology companies to monitor and report on properties being used as short-term rentals. This issue also extends to single-family homes, but these are issues the city will want to keep in mind. Feedback during the development of the HAP suggests that Prosser would likely not be interested in banning short-term rentals, as they can be very helpful from a tourism point of view, particularly when it comes to wine tourism.

The city has prepared draft updates to Title 18 to better implement ADUs. Given state law changes that have incorporated limits on when cities can require off-

street parking for ADUs as well as changes to the Housing Element requirements of the Growth Management Act, improving how ADUs are regulated should be a major priority for the city.

Impact of action	Typically the number of ADUs built every year is not huge, but it can add up over time. ADUs have the advantage of being relatively easy to integrate with existing development. They can also represent a funding source for homeowners in a way that can actually fight displacement.
Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?	Yes. Particularly if used in concert with affordable housing fee and density incentives.
Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?	Not likely. Prosser is not likely to have any problems meeting its projected housing need, although ADUs are a good source of “gentle density” along with middle housing types that integrate well with single-family areas while increasing the housing capacity of the city.
Cities that have taken the same or similar actions	<ul style="list-style-type: none"> - Cheney - Enumclaw - Vancouver - Sumner - Poulsbo - Sequim
Advantages	<ul style="list-style-type: none"> - ADUs are a good potential solution to a number of Prosser’s housing issues, including the lack of workforce housing for employers like the hospital - ADUs fit into existing residential areas very well with minimal visual impact.
Disadvantages	<ul style="list-style-type: none"> - Short-term rentals can be difficult to regulate and pose a challenge to administration of ADU regulations

<p><i>Strategies implemented</i></p>	<p>Providing Wider Variety of Housing Types</p>  <p>Prevent and Mitigate Displacement</p> 
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CODIFY PARKS IMPACT FEE


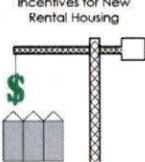
In 2021, Prosser developed a parks impact fee in accordance with [RCW 82.02.090](#), which requires demonstrating that an impact fee is properly designed to get new development to reimburse local governments for the capital cost of public facilities that are needed to serve that new development.

The parks impact fee study employed a robust methodology to document how parks impact fees of \$975.07 for single-family homes, \$553.85 for each multi-family unit, and \$901.94 for manufactured homes are in line with other communities in the broader region and legally defensible for having “growth pay for growth”.

Parks impact fees are a well-studied and equitable way of having new growth pay for the capital facilities needed to support that growth without paying for service to existing homes and businesses. Including mitigation for development impacts in code rather than in SEPA, for example, is all the more important as more and more types and levels of development can be exempted from SEPA threshold determination.

The city should codify the parks impact fee and adjust it yearly as needed using the same methodology as updates to the Capital Facilities Plan reflect completed projects coming off the books and new projects being added. Title 3, Revenue and Finance, is an appropriate place in the municipal code to locate code on parks impact fees, but Titles 18 and 19 will likely need to be updated as well. This includes potentially updating [PMC 18.96](#) on fee waivers for affordable housing so that parks impact fees could be reduced. The city should simply reference the fee schedule created and maintained by the city rather than having to amend the code every year when the fees are adjusted.

Impact of action	Minimal in terms of creating new housing. Improves equity of development impacts mitigation. Does properly account for the difference between multi-family and single-family units in terms of impacts on parks, which could provide a slight incentive to multifamily units. Codifying the parks impact fee and doing due diligence on updating other codes would make affordable housing eligible for parks impact fee waivers under proposed changes to PMC 18.96 .
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<p>Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?</p>	<p>Potentially. While having a defensible parks impact fee is important for city revenues for its capital facilities investments, the city would also have the ability to reduce or waive fees to encourage particular types of development, including affordable housing or Accessory Dwelling Units, for example.</p>
<p>Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?</p>	<ul style="list-style-type: none"> - Not likely. Prosser is not likely to have any problems meeting its projected housing need.
<p>Cities that have taken the same or similar actions</p>	<ul style="list-style-type: none"> - Kennewick – KMC 3.90 - Shoreline – SMC 3.70 - Mount Vernon - Wenatchee – WMC 15.02
<p>Advantages</p>	<ul style="list-style-type: none"> - Clarity of impact fees helps provide certainty for calculating development fees
<p>Disadvantages</p>	<ul style="list-style-type: none"> - Impact fees can actually lead to slightly higher costs cumulatively even if on a per-unit basis the fees are not very high - Providing waivers can deprive city of needed revenue for implementing capital facilities plan
<p>Strategies implemented</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Reducing Development Costs</p>  </div> <div style="text-align: center;"> <p>Incentives for New Rental Housing</p>  </div> </div>

OUTREACH AND FEASIBILITY FOR BUILDERS AND SERVICE PROVIDERS


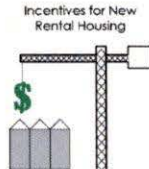
In partnership with Benton County, other cities, and economic development associations, Prosser should consider pursuing several actions that will help attached builders with experience in affordable housing.

This work could occur in several different ways:

- 1) The city should consider potentially working with the Prosser Economic Development Association to conduct a targeted outreach and marketing campaign in the Tri-Cities area advertising Prosser’s available land and different pace of life and development while also touting its successes in getting affordable housing built. The Housing Needs Assessment created as part of this Housing Action Plan can also be of help here.
- 2) The city could consider working with Kennewick and Richland to identify good working relationships those cities may have with builders and service providers for affordable housing.
- 3) The city could consider preparing, compiling, and updating, at regular intervals (perhaps every 6 to 12 months), maps and data that could help identify sites that would be well suited to affordable housing in the short and long term. Factors to consider include zoning, land value, land status (as shown in the Housing Needs Assessment, Prosser has plenty of zoned capacity within city limits so this would not encourage annexation), presence of critical areas or other encumbrances, scheduled expiration or lapsing of any affordability windows through Section 42 or the housing fee and density incentive programs, age of existing structures, and utilities feasibility. The Prosser Economic Development Association could be a key partner in compiling this information and disseminating it to the appropriate potential partners.

The data produced could be offered to experienced affordable housing developers as an incentive to working in Prosser.

Impact of action	The city has had a good partnership with Catholic Charities. Recruiting additional developers could help broaden the expertise and types of units built in the city.
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<p>Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2026 Comprehensive Plan update?</p>	<p>Potentially. Having more affordable options that housing providers could develop and staff could address income band planning requirements in the Housing Element.</p>
<p>Could this action provide an option to assist with meeting any new growth targets associated with the 2026 Comprehensive Plan?</p>	<p>Not likely. Prosser is not likely to have any problems meeting its projected housing need.</p>
<p>Cities that have taken the same or similar actions</p>	<ul style="list-style-type: none"> - Oak Harbor (2020 Housing Action Plan)
<p>Advantages</p>	<ul style="list-style-type: none"> - Attracting experienced developers and service providers relies on existing experience rather than reinventing the wheel - Mapping and inventory efforts likely to yield benefits beyond just outreach to developers
<p>Disadvantages</p>	<ul style="list-style-type: none"> - Staff- and resource-intensive - Risk of other jurisdictions or partners viewing developer partnerships as a zero-sum game
<p>Strategies implemented</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Reducing Development Costs</p>  </div> <div style="text-align: center;"> <p>Incentives for New Rental Housing</p>  </div> </div>

G. APPENDICES



APPENDIX 1: FINAL PROSSER HOUSING NEEDS ASSESSMENT

HOUSING NEEDS ASSESSMENT

CITY OF PROSSER, WASHINGTON



PROJECT OVERVIEW

WHAT IS A HOUSING NEEDS ASSESSMENT, AND WHY IS THE CITY OF PROSSER CREATING ONE?

Washington State House Bill 1923, passed in 2020 and codified as [RCW 36.70A.600](#), granted the Washington State Department of Commerce (Commerce) \$5 million in the 2019 Legislative Session to provide grant funds to local governments for activities to increase residential building capacity, streamline development, or develop a Housing Action Plan (HAP). Another round of grant funding was made available in 2021.

The City of Prosser received an \$75,000 grant from Commerce to develop a HAP, the goal of which will be to assess current and future housing needs and identify actions and strategies to help the city provide a wider range of housing options available to all income levels.

A Housing Needs Assessment (HNA) is a comprehensive study that will be used to inform the HAP. To formulate policy recommendations, the City of Prosser must have access to the most recent population, housing, and workforce data. The HNA is developed to define the housing needs specific to Prosser residents.

ELEMENTS OF A HOUSING NEEDS ASSESSMENT

1. Community Profile
2. Workforce Profile
3. Housing Inventory
4. Gap Analysis
5. Land Capacity Analysis

QUESTIONS THE HOUSING NEEDS ASSESSMENT WILL HELP ANSWER

1. Who lives and works here, and what are their socioeconomic characteristics?
2. What types of housing are available?
3. How much does housing cost, and what types of housing are needed to meet current and future housing needs?



HOUSING NEEDS ASSESSMENT OUTLINE

1. Community Profile

- a. [Population Characteristics](#)
- b. [Household Characteristics](#)
- c. [Special Housing Needs](#)

2. Workforce Profile

- a. [Local Workforce Characteristics](#)
- b. [Jobs to Housing Ratio](#)
- c. [Employment Trends & Projections](#)

3. Housing Market

- a. [General Housing Inventory](#)
- b. [Housing Market Conditions](#)
- c. [Special Housing Inventory](#)

4. Housing Affordability

5. Housing Gap Analysis

6. Land Capacity Analysis

*The datasets explored in each of the five elements are required by Commerce. If not required, the data will be marked with an asterisk to display optional or additional analysis done on behalf of the City and consultant.

Data Sources:

2020 Decennial Census (US Census Bureau)

American Community Survey (ACS)

- Roughly 3.5 million households are surveyed every month, every year
- Explores topics not asked by decennial Census

Washington State Office of Financial Management (OFM)

- Obtains data from state and federal agencies, and private businesses

United States Department of Housing and Urban Development (HUD)

- Special tabulations of ACS data (HUD-CHAS)
- Tax credit affordable housing

OnTheMap (OTM)

- Web Application provided by the U.S. Census Bureau
- Maps jurisdictions based on workforce characteristics

Employment Security Department (ESD)

- Labor Market and Economic Analysis

U.S. Bureau of Labor Statistics

- Quarterly Census of Employment and Wages

City of Prosser

- Building permits
- Comprehensive Plan

Benton County

- GIS Assessor data on tax parcels

Zillow

- Tracks home values, rental units and market changes on a monthly basis

1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. HOUSING AFFORDABILITY

5. HOUSING GAPS

6. LAND CAPACITY



Population and Community Characteristics

Population

The Washington State Office of Financial Management estimates that **in 2022, Prosser has a population of 6,195 people.** (This is a downward revision from the 2021 estimate due to the enumeration from the 2020 Census being completed.) Between 2000 and 2022, Prosser has grown by 1,357 people, an increase of 28 percent. Prosser's Comprehensive Plan projects that the **City's population will grow to 8,407 people by 2037.**

As shown in Figure 2, Prosser's population growth over the past two decades has been relatively gradual and marked by two periods of growth and one of stability. Prosser grew by 18 percent (roughly 88 people per year) between 2000 and 2010. Then between 2010 and 2015, the population grew by only 36 people. After 2015, the population has grown by almost 8 percent, roughly 64 people per year on average.

Figure 1 shows that **Prosser's age makeup is broad.** The largest single age group in Prosser is people ages 25-44 (24 percent), the age range that is associated with people entering their prime working years and who may have young children. Correspondingly, more than a quarter of the city's population (27 percent) is children 17 and under, which indicates that **many of Prosser's households are families with children.** Finally, **approximately 40 percent of Prosser's population is of retirement age (ages 65+) or will be of retirement age within the next 20 years (ages 45-64).**

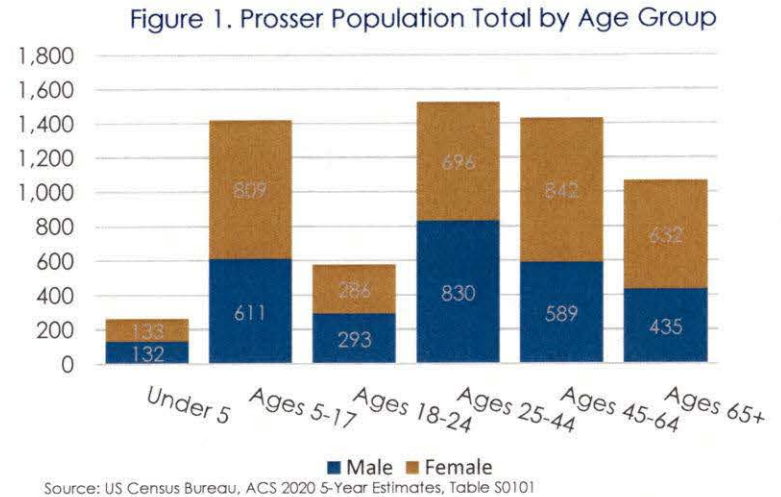
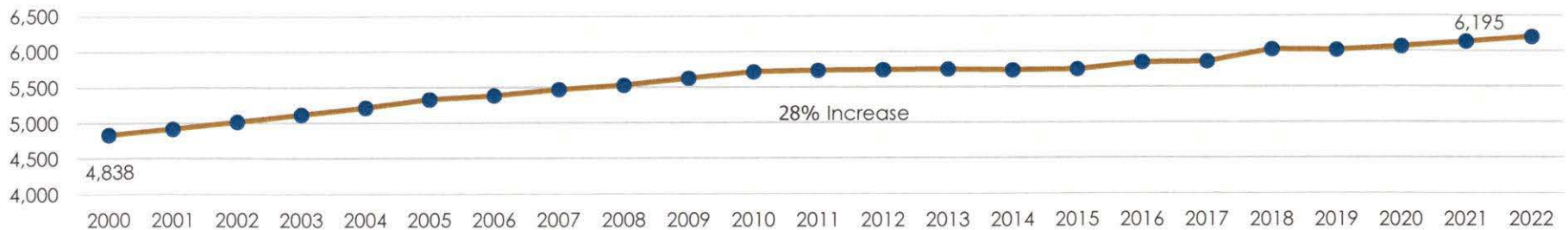


Figure 2. Prosser Population Estimates, 2000 - 2022



Source: OFM, April 1 Population Estimates and Historical Intercensal Estimates of Population and Housing

Population and Community Characteristics

Race and Ethnicity

Prosser's population is composed of many different races and ethnicities. As shown in Figure 3, in 2020, the race of nearly **75 percent of Prosser's population is white, with smaller but significant numbers of other racial groups**. In the year 2000, 83 percent of the city's population was white alone or in combination, indicating that Prosser has slowly diversified over time. The ACS also estimates that the ethnicity of almost **50 percent of Prosser's population is Hispanic or Latino** (Figure 4). This is an increase of nearly 20 percentage points since 2000 and 9 percentage points since 2010.

As identified in Figure 5, the **dōminant language spoken at home by Prosser's residents who are 5 years of age and above is English (67 percent)**. The second most spoken language is Spanish (31 percent). Much smaller percentages of households speak other Indo-European languages and Asian and Pacific Island languages.

Figure 3. Race, 2020

	Population	Percent of Population
White	4,676	74.4%
Black or African American	82	1.3%
American Indian and Alaska Native	144	2.3%
Asian	138	2.2%
Native Hawaiian and Other Pacific Islander	55	0.9%
Some other race	696	11.1%
Two or more races	497	7.9%

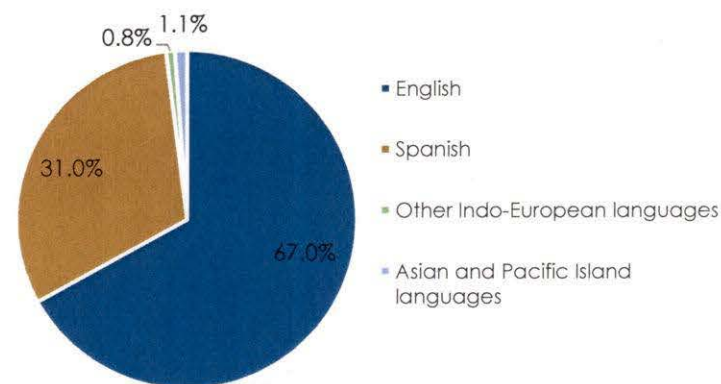
Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S0101

Figure 4. Ethnicity in Prosser, 2010 and 2020

	2010	2020
Hispanic or Latino, any race	37.2%	46%
Not Hispanic or Latino	62.8%	54%

Source: US Census Bureau, Decennial Census, Table P2

Figure 5. Language Spoken at Home, Population 5 years and older



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table DP05

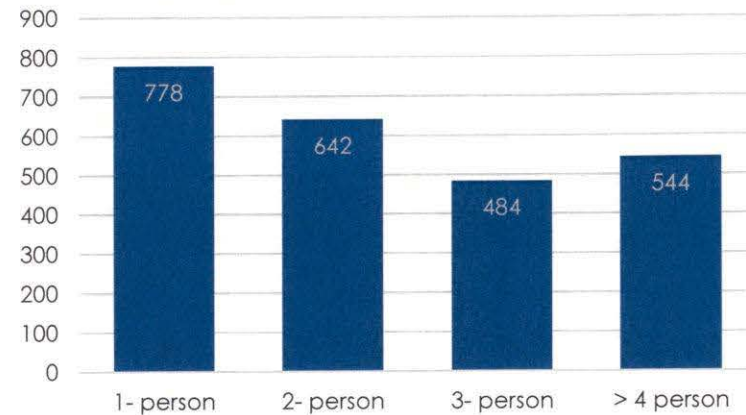
Household Characteristics

Household Size and Tenure

The ACS estimated that **in 2020, there were approximately 2,448 households in Prosser with an average household size of 2.57**. Of those households, as shown in Figure 6, the **most common types of households are 1- and 2-person households**, which combined make up 58 percent of the City's households. Also, as seen in Figure 7, 36 percent of Prosser's households are families that have their own children (ages <18) living with them.

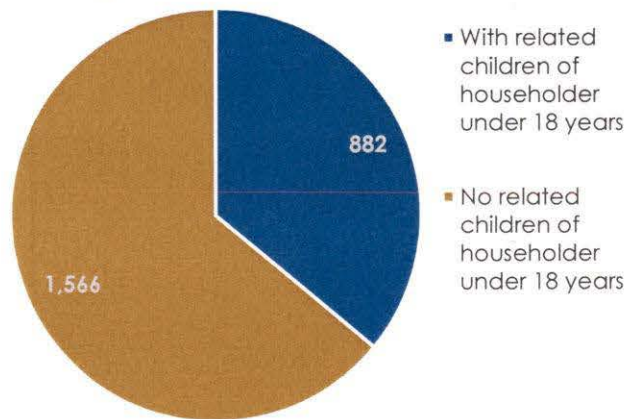
As identified in Figure 8, **the majority of the Prosser's households (59 percent) own the home that they live in**. This is lower than both Benton County (63 percent) and the State of Washington (69 percent).

Figure 6. Persons per Household, 2020



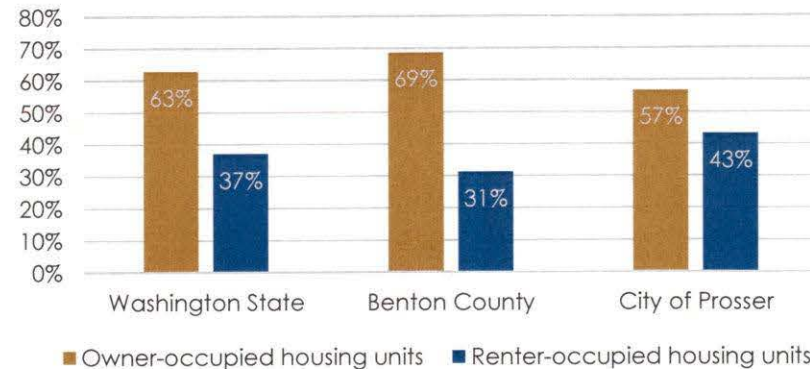
Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S2501

Figure 7. Households with Children



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S2501

Figure 8. Housing Tenure, 2020



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S2501

Household Characteristics

Household Financials

As identified in Figure 9, **Prosser's median household income for 2020 was approximately \$53,333**, which is lower than the median household income for Benton County and Washington State. The households that own their housing units in Prosser, however, made on average \$11,292 more in 2020 than the city's median household income. Roughly 16 percent of Prosser's population met the federal definition of poverty in 2020, which was \$26,200 in annual income for a family of four.

The household income distribution in Prosser reveals that the modal value of income ranges is \$50,000 to \$74,999, which broadly tracks the median household income value. Roughly 48 percent of Prosser's households make under \$50,000 per year (Figure 10). Broken out by households that own compared to those who rent their housing units, over 50 percent of households who own their housing unit make above 100 percent of the median family income (\$87,500 for Benton County for 2022). For renters, however, the situation is reversed – nearly 50 percent of renter households make 50 percent or below of the area's median family income (Figure 11).

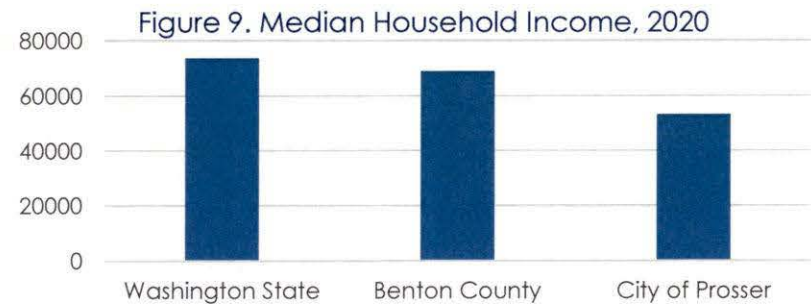


Figure 10. Households by Income, 2020

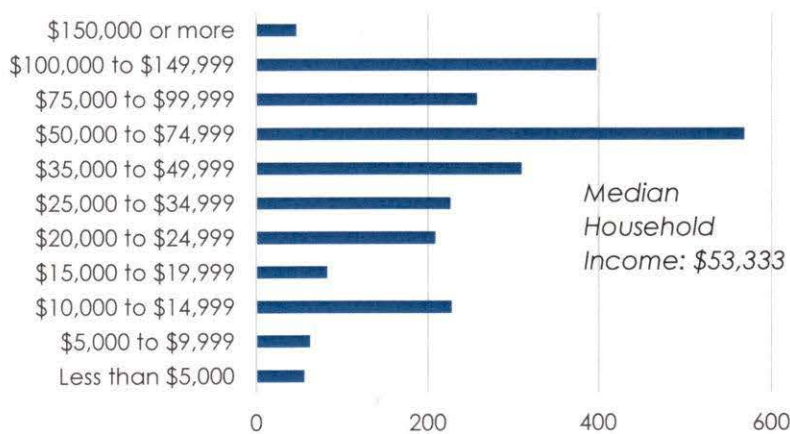
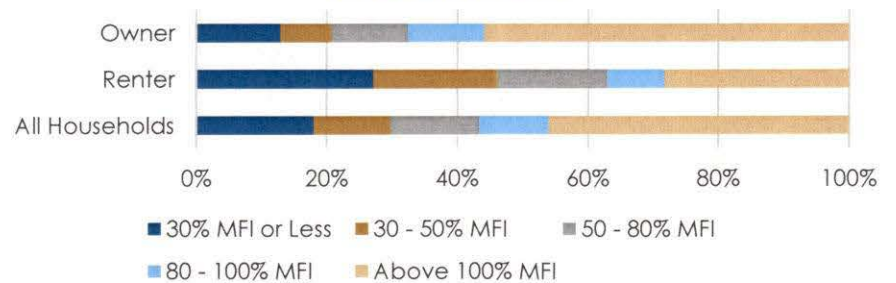


Figure 11. Percentages of Households by Income Level and Tenure



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S2503

Household Characteristics – HUD Income Limits

The US Department of Housing and Urban Development (HUD) publishes Consolidated Planning/CHAS data, which group households by income level relative to MFI. These data include adjustments to account for differences in household size relative to living expenses. The 2022 Income Limits published for the Kennewick-Richland Metropolitan Statistical Area (MSA), shown below, calculate eligibility for housing assistance like Section 8 vouchers. To read this table, a family of four making \$27,750 or less per year would be considered extremely low income and may qualify for Section 8 housing vouchers. An extremely low-income two-person household, meanwhile, makes no more than \$21,000 per year in the Tri-Cities metro area. These data are not available specifically for Prosser. The median family income in Prosser in 2020 was reported at \$59,306 versus \$80,918 for the Kennewick-Richland metro area as a whole, so the income limits outlined below likely would lead to undercounting the populations in those income categories in Prosser.

Figure 12. Housing and Urban Development Income Limits

FY 2022 Income Limit Area	Median Family Income	FY 2022 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Kennewick-Richland, WA MSA	\$87,500+	Very Low (50%) Income Limits (\$)	30,600	34,950	39,300	43,650	47,150	50,650	54,150	57,650
		Extremely Low Income Limits*	18,350	21,000	23,600	27,750	32,470	37,190	41,910	46,630
		Low (80%) Income Limits (\$)	48,900	55,900	62,900	69,850	75,450	81,050	86,650	92,250

Source: HUD FY 2022 Income Limits

* Extremely low income was defined in the 2014 Consolidated Appropriations Act as the greater of 60 percent of the Section 8 very low-income limit or the poverty guideline established by HHS, provided it does not exceed the 50 percent very low-income limit.

+ MFI, or Median Family Income, is a special tabulation of the 2015-2019 5-Year ACS prepared by the Census Bureau for HUD to use as the basis for calculating fair market rents. MFI is reported as being higher than median household income as cited on the previous page because MHI includes all households (including 1-person households), while MFI is family households only.

Household Characteristics – Special Populations

As of the 2020 Census, Prosser is home to 75 persons in skilled nursing facilities. This composes the entirety of the city's group quarters population.

The State's OSPI Report Card for the Prosser School District reports that of the 2021-2022 school year enrollment of 2,497 students, 130 were homeless (5.2 percent of enrolled students). This an increase from a low of 99 students in the 2017-2018 school year but down from a recent high of 168 homeless students in 2014-2015. At the same time, 74.6 percent of enrolled students in the district were from low-income families this past year, and 23.1 percent were from migrant families, so these populations are prevalent in the community and warrant consideration when thinking about housing supply and demand in Prosser.

Figure 13. Elderly Household Cost Burden

	Income relative to HUD Area Median Family Income					Total HH
	<=30%	30-50%	50-80%	80-100%	> 100%	
Owner Occupied Housing Units						
Elderly family subtotal	15	0	35	50	245	345
Elderly family, cost burdened	0	0	0	0	0	0
Elderly family, severely cost burdened	15	0	0	0	0	15
Elderly non-family subtotal	115	20	40	10	35	220
Elderly non-family, cost burdened	0	20	15	0	0	35
Elderly non-family, severely cost-burdened	95	0	0	0	0	95
Total Households Owning Housing Unit	215	130	195	195	930	1665
Renter Occupied Housing Units						Total HH
Elderly family subtotal	0	0	0	0	15	15
Elderly family, cost burdened	0	0	0	0	0	0
Elderly family, severely cost burdened	0	0	0	0	0	0
Elderly non-family subtotal	125	75	0	40	15	255
Elderly non-family, cost burdened	0	60	0	40	0	100
Elderly non-family, severely cost-burdened	60	0	0	0	0	60
Total Renter Households	250	175	155	80	260	920

Prosser is home to 360 "elderly family" households, with 2 household members and at least one of those is aged 62 or older. 15 of these households (all who own their homes) are recorded as severely cost burdened (paying more than 50 percent of their income in housing costs) in the 2018 HUD-CHAS data. 475 households are "elderly non-family" households, which are 1-person households aged 62 and older. There is substantially more cost burden among this population – 135 of these 475 households are cost burdened (pay between 30 and 50 percent of their incomes toward housing) and 155 are severely cost burdened. With the forecast aging of the population by 2040, cost burden among this segment of the population bears special attention.

1. COMMUNITY PROFILE

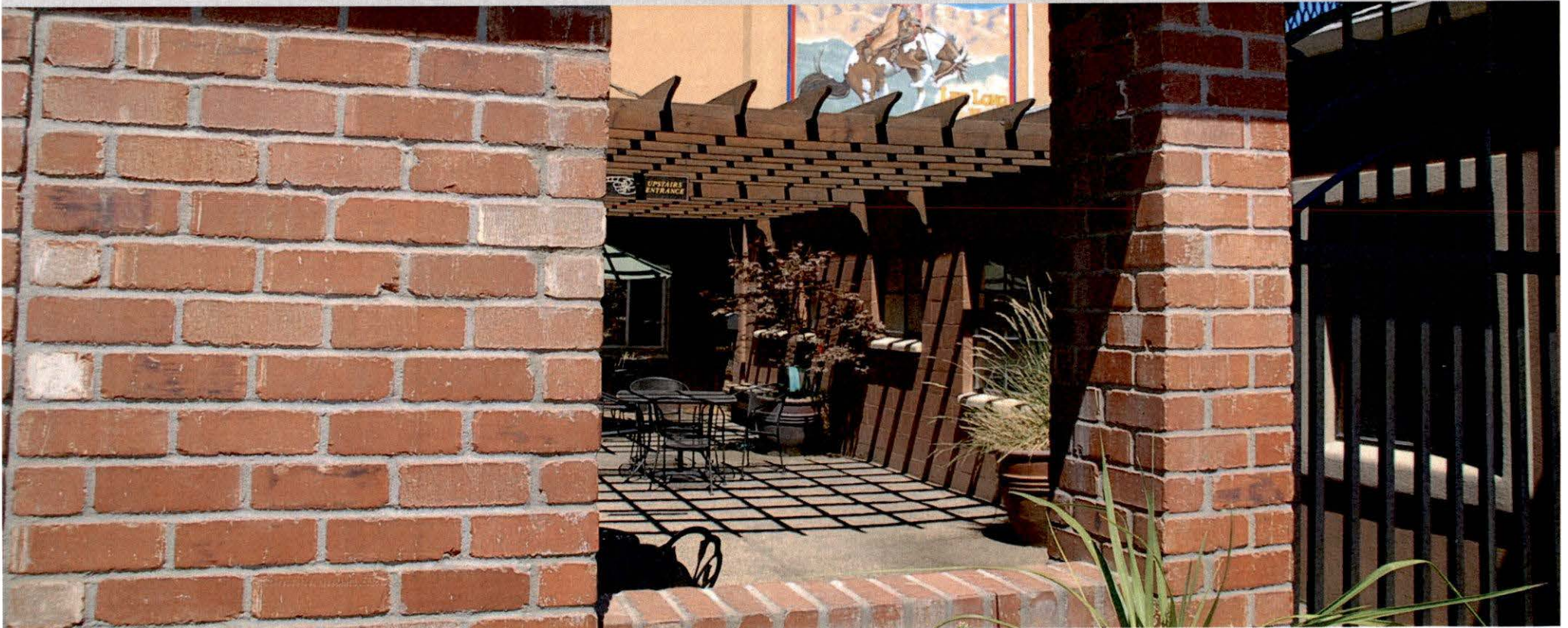
2. WORKFORCE

3. HOUSING MARKET

4. HOUSING AFFORDABILITY

5. HOUSING GAPS

6. LAND CAPACITY



WORKFORCE

Prosser's Jobs

As of 2019, the most recent year for which detailed Census job data are available, **Prosser was home to 2,048 workers and 3,259 jobs**. As shown in Figure 14, These jobs are clustered along Bannett Ave. The **industries that employ the most people in Prosser are Public Administration (20.1 percent), Healthcare and Social Assistance (14.2 percent), and Manufacturing (14 percent)** (Figure 15).

Figure 14. Prosser Jobs Distribution

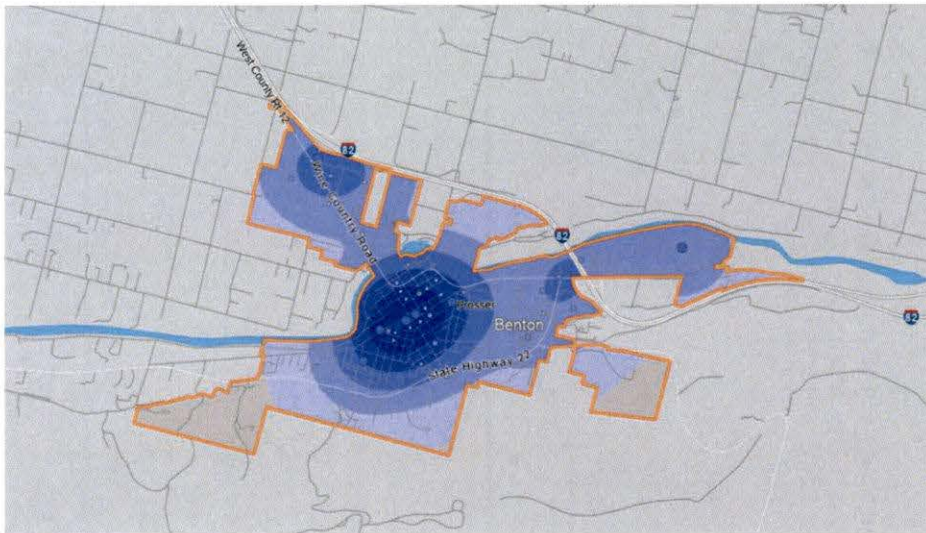


Figure 15. Prosser Jobs by NAICS Industry Sector, 2019

	Jobs	Percent
Agriculture, Forestry, Fishing and Hunting	241	7.4%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%
Utilities	65	2.0%
Construction	32	1.0%
Manufacturing	457	14.0%
Wholesale Trade	10	0.3%
Retail Trade	263	8.1%
Transportation and Warehousing	0	0.0%
Information	10	0.3%
Finance and Insurance	22	0.7%
Real Estate and Rental and Leasing	18	0.6%
Professional, Scientific, and Technical Services	39	1.2%
Management of Companies and Enterprises	0	0.0%
Administration & Support, Waste Management and Remediation	191	5.9%
Educational Services	431	13.2%
Health Care and Social Assistance	463	14.2%
Arts, Entertainment, and Recreation	24	0.7%
Accommodation and Food Services	295	9.1%
Other Services (excluding Public Administration)	42	1.3%
Public Administration	656	20.1%

Source for both Figures 12 and 13: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

WORKFORCE

Job Inflow-Outflow

According to an inflow-outflow analysis from the US Census Bureau from 2019 (the most recent year for which these data are available), Prosser is home to 3,259 jobs and 2,408 employed people. **Approximately 78 percent of the workers (1,882 workers) who live in Prosser are employed outside of the city limits** (Figure 16). The ACS estimates that the majority of people who live in Prosser but work outside of the city limits commute to jobs that are to the east of the City, that closer to the Tri-Cities area (Figure 17). The Census also estimates that **of Prosser's 3,259 jobs, approximately 84 percent (2,733 jobs) are filled by workers who live outside of the city limits.** Many of the worker that commute to Prosser, come from the Northwest, from communities between Prosser and the City of Yakima (Figure 18). This combination of a high percentage of workers who live in Prosser, but work outside of Prosser, and a high percentage of Prosser's jobs being filled by workers who don't live in Prosser, is an important housing-related issue that the Housing Action Plan will help address.

Figure 16. Commuter Map

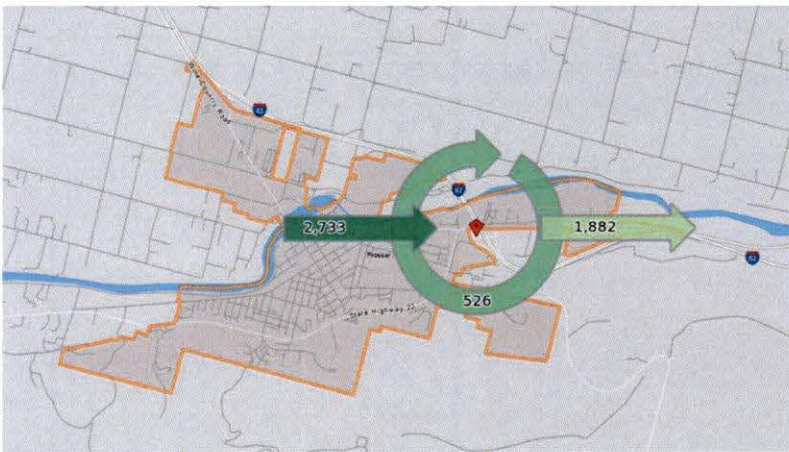


Figure 17. Commute Direction – Workers who live in Prosser

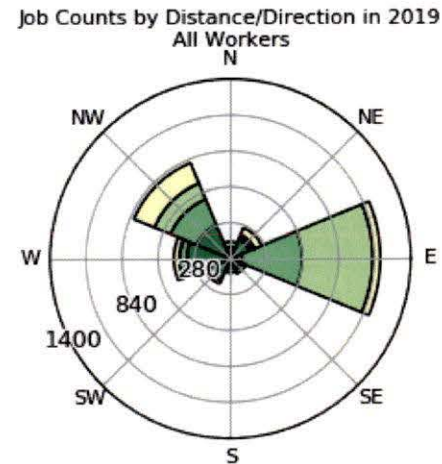
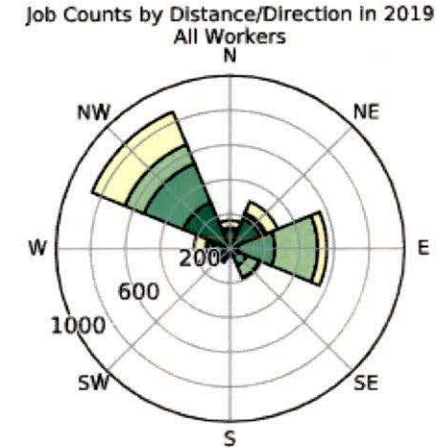


Figure 18. Commute Direction – Workers who live outside Prosser



Source for both Exhibits 14-16: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

WORKFORCE

Earnings

Of the population 16 years and over in Prosser (4,865), 2,602 are in the labor force, for a labor force participation rate of 53.5 percent.

Prosser was home to 2,313 people aged 16 and over employed in civilian jobs. Of these, 1,661 are private wage and salary workers (72 percent), 575 are government workers (25 percent), 35 are self-employed (1.5 percent) and 42 are unpaid family workers (1.8 percent).

The median household income is \$53,333, and the median family income (household of 2 or more related individuals) slightly higher at \$59,306. Of the 2,448 households in the city, 1,731 report earnings through employment (71 percent). 1,278 report Social Security or Supplemental Security income (52 percent), 632 report retirement income (26 percent), 57 report cash public assistance income (2 percent), and 570 report using food stamp/SNAP benefits in the past 12 months (23 percent).

Figure 19. Occupation and Wages, Certain Occupations, Civilian Employed Population 16+

Occupation	Count ¹	Average Annual Wages ²
Management	128	\$61,480
Business and financial operations	135	\$53,494
Educational instruction and library	164	\$63,000
Healthcare support	142	\$16,944
Food preparation and serving	391	\$13,253
Building and grounds clearing and maintenance	211	\$16,557
Sales and related	180	\$21,510
Office and administrative support	202	\$55,618
Farming, fishing, and forestry	114	\$26,759
Production	174	\$63,333

1 – ACS 2020 5-Year Estimates Table S2401
2 – ACS 2020 5-Year Estimates Table B24011

Figure 19 at right shows counts and average (mean) annual individual wages across select occupation categories as defined by the Census Bureau and Bureau of Labor Statistics.



WORKFORCE

Future Job Estimate

According to the Washington State Employment Security Department (ESD) and the US Bureau of Labor Statistics, employment in the Benton-Franklin region of Washington (where Prosser is located) is expected to decrease by 0.74 percent per year between 2020 and 2024. This means that the **number of jobs in Prosser is expected to be reduced to approximately, 3,230 jobs by 2024**. However, between 2024 and 2029, the number of jobs in Prosser are estimated to increase by 1.03 percent per year on average. This results in a net gain of jobs in Prosser between 2020 and 2029, with a total of **3,300 jobs projected in Prosser by 2029**.

2020 Employment Estimate	109,200
2022 Employment Estimate	112,300
2024 Employment Estimate	114,200
2029 Employment Estimate	120,200
Average Annual Growth Rate 2020-2022	
1.41%	
Average Annual Growth Rate 2019-2024	
-0.74%	
Average Annual Growth Rate 2024-2029	
1.03%	

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW)



1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. HOUSING AFFORDABILITY

5. HOUSING GAPS

6. LAND CAPACITY



HOUSING MARKET

Housing Supply

OFM estimates that **Prosser had approximately 2375 housing units in 2020**. As shown in Figure 21, the ACS determined that Prosser's housing stock is made up of a mixture of types of housing unit types, but the strong **majority of the housing units (65 percent) are single-family homes**. Most of Prosser's housing units have 2 or 3 bedrooms (Figure 22). Also, **approximately 56 percent (1,390) of the housing units in Prosser are owner occupied**. As shown in Figure 23, the **majority of Prosser's housing stock was built prior to 1990 and nearly half of the housing stock was constructed prior to 1970**. (Note that this does not account for projects in the permitting pipeline, as these survey data were collected over a 5-year span from 2016 to 2020.)

The 2020 ACS estimates that the **vacancy rate for owner-occupied housing units was 0 percent, and the vacancy rate for rentals was 1.4 percent in 2020**. Vacancy rates are said to represent a healthy balance between supply and demand when rates are 5 to 6 percent. This indicates a potential for upward pressure on prices and therefore new construction. More recent data are needed to fully understand the price pressure on supply, but rising prices and relatively slow new construction indicate that supply may not be keeping pace with demand.

Figure 21. Prosser Housing Types, 2020

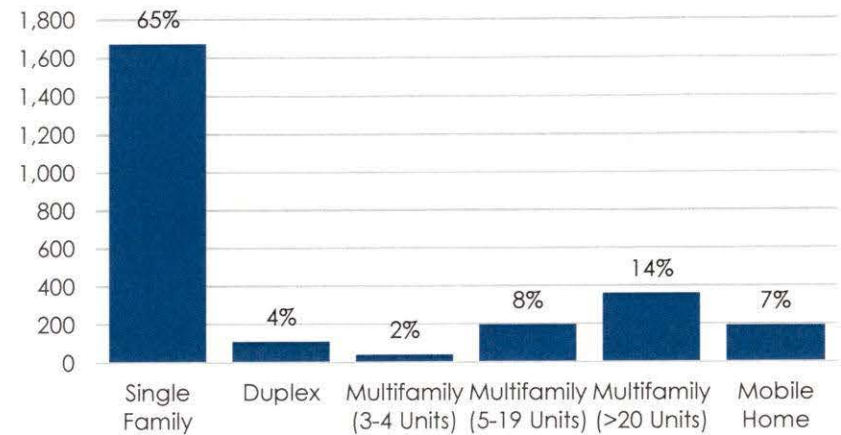
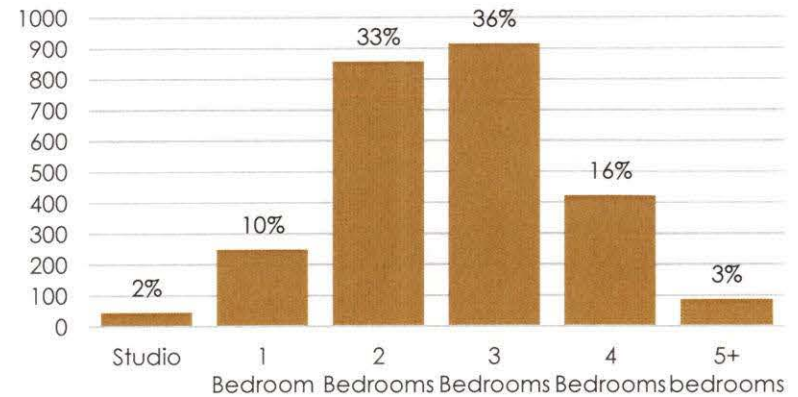
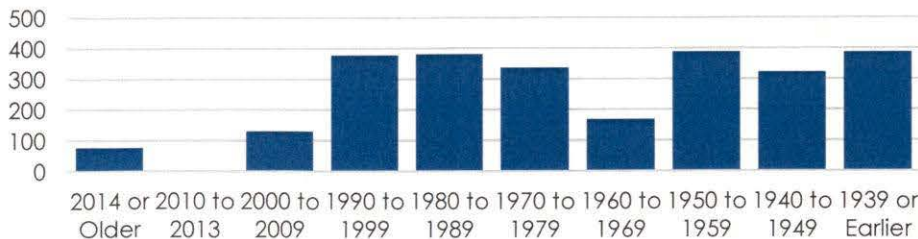


Figure 22. Housing Units by Number of Bedrooms, 2020



Source for Figures 21-23: US Census Bureau, ACS 2020 5-Year Estimates, Table D404

Figure 23. Years Structure Built, 2020



HOUSING MARKET

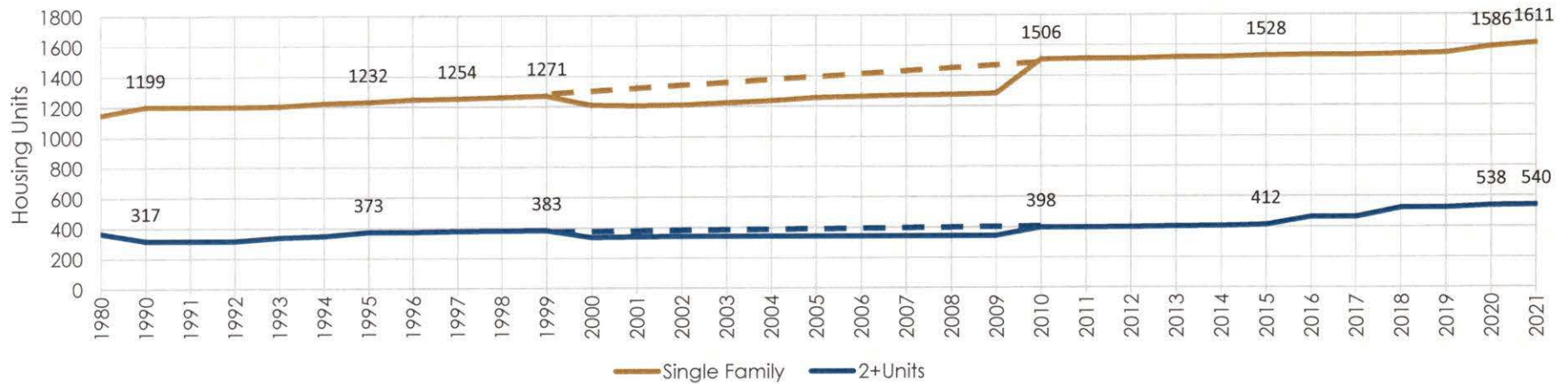
Housing Construction

As shown in Figure 24, **the majority of the housing units constructed in Prosser since 1990 have been single-family homes.** The growth in single-family housing units has been relatively gradual and linear, with **approximately 412 single-family detached units constructed between 1990 and 2021** and 105 units from 2010 through 2021. The number of single-family units is currently on the rise since 2019, with 74 new single-family homes constructed between 2019 and 2022. This accounts for 18 percent of all single-family homes constructed in Prosser since 1990.

There has been less construction of multi-family units than single-family, with only **223 multi-family units being constructed between 1990 and 2021.** Since 2010, there have been 142 multi-family housing units constructed, for an average annual construction rate of about 13 units per year. Since 2010, the rate of multi-family construction has actually outpaced that of single-family units, increasing 36 percent over that span. Overall, 247 housing units have been added from 2010 through 2021 for an annual rate of 22 total units per year.

Data reporting gaps between 2000 and 2010 were corrected by the City and OFM following the 2010 census. It is likely that the construction of units followed previous trends, shown by the dashed lines connecting single- and multi-family units in 1999 to 2010 below.

Figure 24. Single-Family & Multi-family Building Permits Issued, 1980-2021



Source: OFM April 1st Estimates

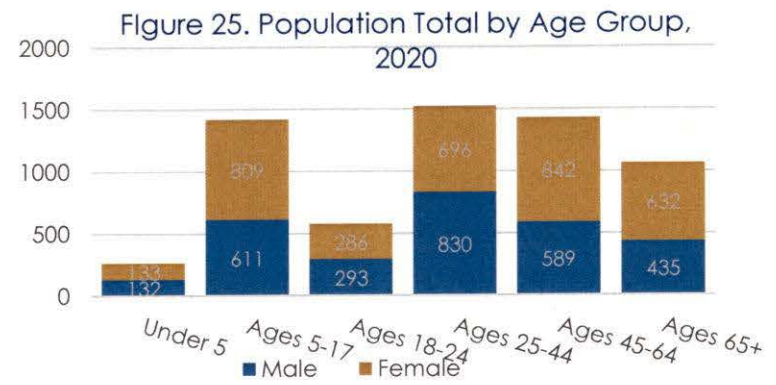
HOUSING MARKET

Housing Demand

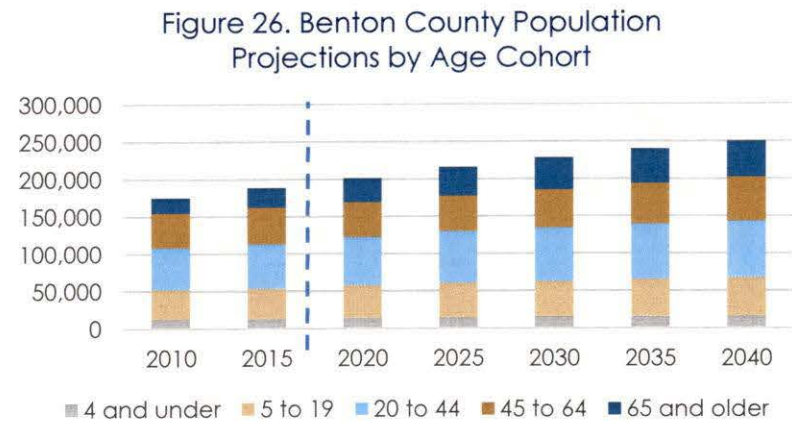
The 2018 Prosser Comprehensive Plan anticipates that **Prosser will grow from 5,940 people in 2016 to 8,407 people in 2037, a growth of 2,467 people (29 percent) over 21 years.** According to OFM, the city has added 370 residents between 2016 and 2021, or around 15 percent of the projected growth over the planning period. This means the city expects to add 2,097 new residents by 2037. With Prosser's very low vacancy rates in owner- and renter-occupied units alike, in combination with the project number of additional people, this will result in the need for additional housing units.

The most recent ACS data (Figure 25) show that in 2020, 17 percent of Prosser's population was of retirement age (>65 years old) and 23 percent of the population was between 45 and 64 years old (meaning they will be 65 and over by 2037). By that same count, 24 percent of Prosser's population was of the age that have children under 18 years old (25-45 years old). As these three groups age, they will place a higher demand on Prosser's housing stock, especially units that are smaller, more accessible, and those with 1 or 2 bedrooms because their housing needs will change as they age and as children age into adulthood and form separate households.

Figure 26 shows the projected age cohort population for Benton County out to 2040. (These projections by OFM pre-date the 2020 census. Updated projections should be issued later in 2022.) Compared to the 2010 baseline, the countywide population is projected to grow by roughly 75,000 – but every age group except those aged 65 and older is expected to decline as a percentage of the total population. The latter group is expected to grow from 11.8 percent of the total in 2010 to 19.3 percent in 2040. While these projections are not available at the city level, given the number city residents currently between the ages of 25 and 44 (Figure 25), a similar trend out to 2040 in Prosser would not be unexpected. This has implications for the types of housing that are needed, from senior and assisted living facilities to downsizing options for older residents.



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S0101



Source: OFM County-Based Population Projections, 2020-2040 (2017)

Housing Demand

One way of examining how well Prosser's housing stock matches with its demand is by comparing the size of units with the number of people in households. While there are certainly many reasons why a household might choose to live in a housing unit with more bedrooms than they might technically need, starting with the largest housing units for the largest families can help determine whether there is a supply and demand mismatch for smaller households.

Figure 27. Housing Units by Number of Bedrooms, 2020

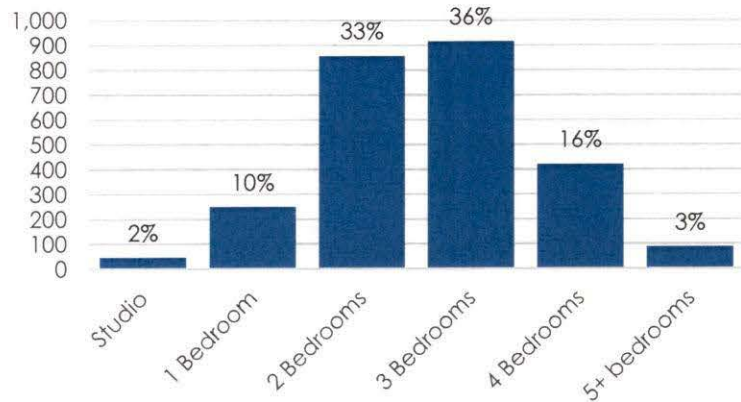
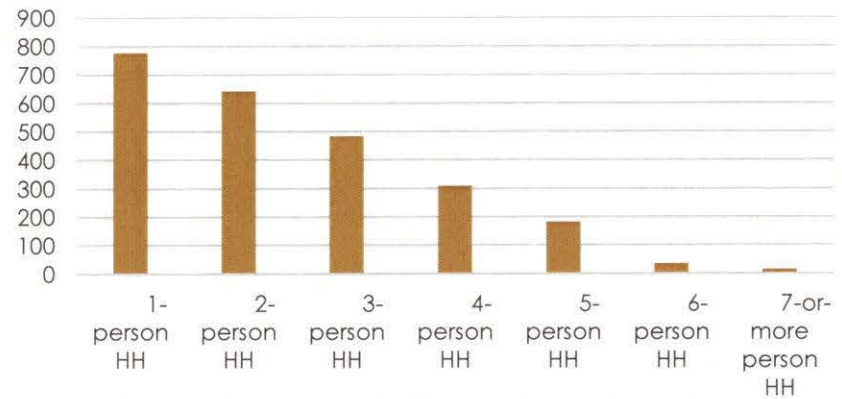


Figure 28. Number of People per Household, 2020



Sources: ACS 2020 5-Year Estimates, Table B25009 (above) and B25042 (left)

Based on these data, and since census data report Prosser as having no overcrowding, we can assign households to their likeliest housing unit size starting with the largest households as seen below. Orange highlight means households that are over-housed (occupy a housing unit with more than one more bedroom than they would need based on household size).

Figure 29. Analysis of Household Size and Housing Unit Size

Bedrooms, Occupied Housing Units	Owner-Occupied	Renter-Occupied	Total	7-person HH	6-person HH	5-person HH	4-person HH	3-person HH	2-person HH	1-person HH
No bedroom (studio)	0	46	46							46
1 bedroom	49	200	249							249
2 bedrooms	257	521	778						295	483
3 bedrooms	716	184	900				69	484	347	
4 bedrooms	296	91	387			146	241			
5 + bedrooms	72	16	88	15	35	38				

Sources: ACS 2020 5-Year Estimates, Tables B25009 and B25042. Analysis by LDC, Inc.

HOUSING MARKET

Special Housing

The City of Prosser is home to 177 units of subsidized housing. Most of these housing units are part of a three-phase project by Catholic Charities with sections devoted to senior housing, apartment housing, and single-family housing. Prosser is also home to 38 units of low-income housing at the Prosser Gardens apartments.

The Rio de Vida project offers 51 rental units, 75 percent of which are targeted at farmworkers and the remaining 25 percent of which are general income-restricted housing units (less than 50 percent of area median income).

Next to the Rio de Vida development, 28 single-family homes for lower income households were constructed as part of the Catholic Charities project. Twenty of these are mutual self-help homes, in which a group of qualified owners are required to spend time to not only build their own home but also participate in building their neighbors' homes. The remaining eight are individual self-help homes, in which a qualified family is required to spend time participating in building their home.

The St. Anthony Terrace development by Catholic Charities features 60 units of housing targeted at low-income seniors over 55, including seniors with disabilities.

Figure 30. Special Housing Inventory in Prosser, 2022

Development	Units
Rio de Vida (farmworker and low-income apartments)	51
St Anthony Terrace (low-income senior)	60
Single-Family	28
Prosser Gardens (low-income apartments)	38
Total Subsidized Housing Units	177

Sources: Catholic Charities, US Department of Housing and Urban Development



1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. HOUSING AFFORDABILITY

5. HOUSING GAPS

6. LAND CAPACITY



4. HOUSING AFFORDABILITY

Rents and housing prices have increased substantially between 2010 and 2020 in Prosser, Benton County, and Washington State as a whole. As shown in Figure 31, median rent prices in Prosser between 2010 and 2020 have risen by approximately 17 percent, which is less than both Benton County and Washington State. Median home prices, on the other hand, have grown faster than median monthly rents at a rate of 80 percent, which is more than both Benton County and Washington State (Figure 32).

As shown in Figure 33 (next page), Zillow estimates that the median home price in Prosser has risen from \$164,404 in 2003 to \$385,924 in 2022 (a 135 percent increase). The most growth in median housing prices has occurred between 2016 and 2022, including a 21 percent increase in just one year, from 2021 to 2022. The vacancy rate for owner-occupied homes is effectively 0 percent, which indicates that demand for owner-occupied homes greatly exceeds supply.



Figure 31. Median Monthly Rent, 2010 & 2020

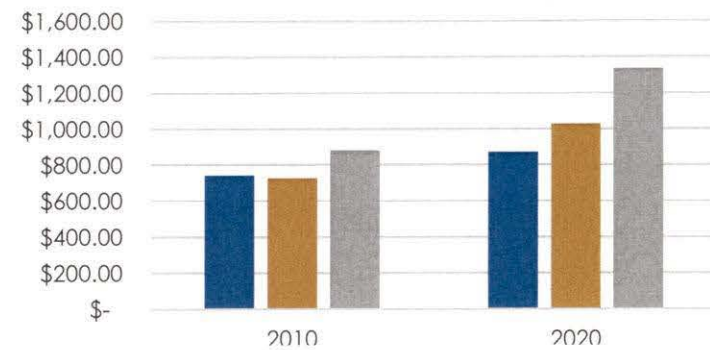
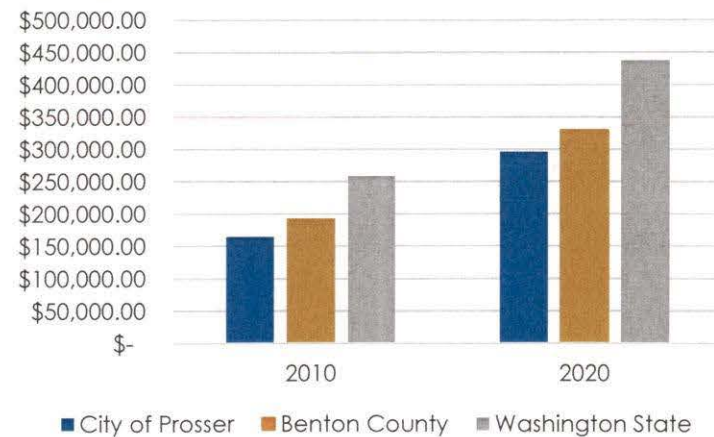


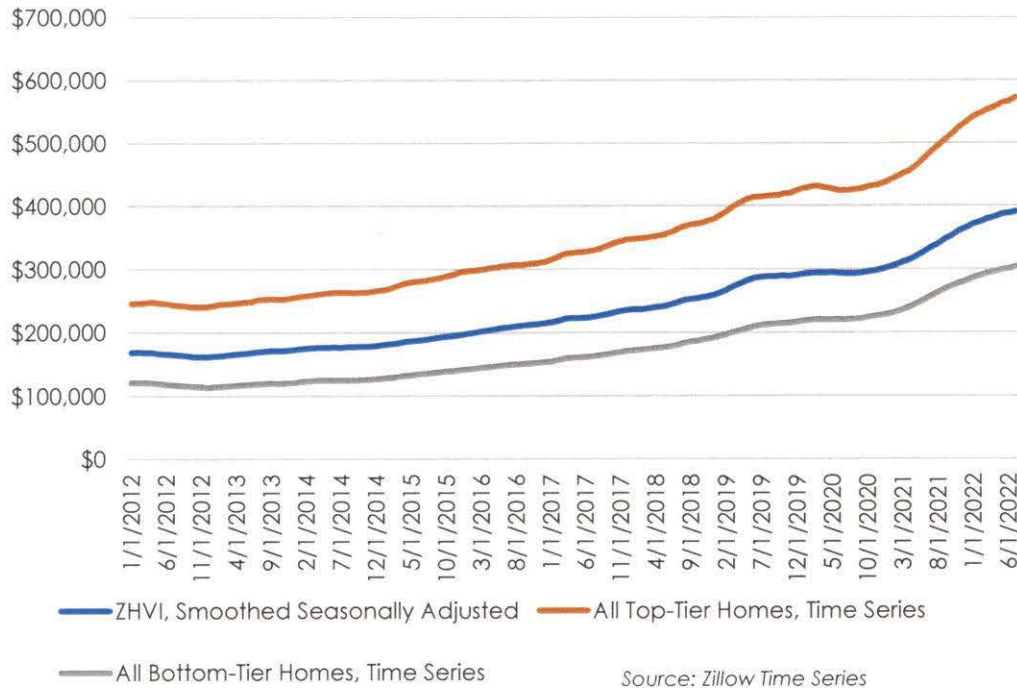
Figure 32. Median Home Price, 2010 & 2020



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table D404

Housing Affordability

Figure 33. Home Value Estimates, 2012-2022



The price of single-family homes has risen extremely quickly since 2020. The median home value is estimated at \$390,907 as of July 2022, up 33 percent from two years ago. However, the top and bottom ends of the home valuation spectrum show even greater growth. So-called top-tier homes, those in the top 35 percent of estimated value, have grown in value by 35 percent since September 2020. The least expensive homes, roughly the bottom 35 percent of home values, have growth in value by 38 percent.

What does this mean for those households in the market for a single-family home? Assuming the average first-time homebuyer down payment of 7 percent and that homes were listed for their estimated value, a “starter home” (bottom 35 percent of home values) would require a mortgage of roughly \$282,500. To qualify for this mortgage, a household would need to earn \$94,172 per year, which is 1.77 times the median household income in 2020, which was \$53,333.

Housing Affordability

Many of Prosser's households are burdened by the cost of their housing and pay more than a third of their annual income towards the cost of their housing. For instance, as of 2018 (the latest year for which detailed estimates are available), approximately 33 percent (865 households) of Prosser's 2,585 households were cost burdened. Of these cost burdened households, renter households are much more likely to pay more than a third of their income toward housing, with 70 percent of renter households being cost burdened, compared to 37 percent of households who live in owner-occupied units.

Figure 34. Cost Burdened Households, 2014-2018

Cost Burden	Renter Households		Owner Households		Total Households	
	> 30%	> 50%	> 30%	> 50%	> 30%	> 50%
Household Income ≤ 30% HAMFI	170	170	180	180	350	350
Household Income >30% to ≤50% HAMFI	160	0	65	45	225	45
Household Income >50% to ≤80% HAMFI	65	0	95	0	160	0
Household Income >80% to ≤100% HAMFI	80	0	0	0	80	0
Household Income >100% HAMFI	0	0	50	0	50	0
Total	475	170	390	225	865	395

Source: HUD-CHAS Tabulations of 2014-2018 ACS 5-Year Estimates

Using the more stringent "severe cost burden" threshold (households paying more than 50 percent of their income in rent or housing costs, 170 renter households (all making 30 percent or less of the median family income) and 225 owner households (all making 50 percent or less of the median family income) are severely cost burdened. This is a total of 395 households, or more than 15 percent of the city's households.

Housing Affordability

RACIAL AND ETHNIC DISPARITIES MERIT A TARGETED APPROACH TO RELIEVING COST BURDEN

Among households who own their housing units, more than 48 percent of both Hispanic households pay more than 30 percent of their incomes toward housing, with 30 percent of white, non-Hispanic households doing so. While rates of severe cost burden are mostly low in owner households, 19 percent of Hispanic or Latino households and 15 percent of white, non-Hispanic households who own their units are severely cost burdened.

Figure 35. Cost Burdened Households by Race

	Owner Occupied				Renter Occupied			
	Not Cost Burdened	Cost Burdened	Severalty Cost Burdened	Not Computed (No/Negative income)	Not Cost Burdened	Cost Burdened	Severalty Cost Burdened	Not Computed (No/Negative income)
White, Non-Hispanic	925	150	150	0	275	90	100	20
Black or African-American, Non-Hispanic	0	0	0	0	30	0	0	0
Asian, Non-Hispanic	15	0	0	0	0	0	0	0
American Indian or Alaska Native, Non-Hispanic	55	0	0	0	0	0	0	0
Pacific Islander, Non-Hispanic	0	0	0	0	0	0	0	0
Hispanic, Any Race	285	15	75	0	120	215	70	0
other (Including Multiple Races), Non-Hispanic	0	0	0	0	0	0	0	0

Source: HUD-CHAS Tabulations of 2014-2018 ACS 5-Year Estimates; Table 9

1. COMMUNITY PROFILE
2. WORKFORCE
3. HOUSING MARKET
4. HOUSING AFFORDABILITY
- 5. HOUSING GAPS**
6. LAND CAPACITY



5. HOUSING GAPS

There are two primary components to the analysis of housing gaps: the current gap between the supply and demand of housing units that are affordable to Prosser's current households, and an estimate of how many more units (and what kinds of units) are needed to accommodate the projected growth over the planning horizon.

CURRENT GAP

Using the 2014-2018 HUD-CHAS data on cost burden, Prosser was during that period home to 395 households who rent their housing unit making less than 80 percent of the area median family income (\$53,333 per year) who are cost burdened (paying more than 30 percent of their incomes in rent). There are also 340 households who own their unit making less than 80 percent of the median family income who are cost burdened. There are 139 units of affordable housing aimed at low-income households that did not exist during the survey period, which includes 51 rental units, 28 single-family homes, and 60 low-income senior units. After accounting for these units and assuming none of those residents are cost burdened, the current gap between what is affordable and available for households making under 80 percent of the median income and the current demand is **596 units**. If a more restrictive threshold of paying more than 50 percent of income toward housing is used, there are 170 renting households making 80 percent or less of the median income who are paying at least 50 percent of their incomes toward rent and 225 owning households making less than the median paying that much, for a total gap (after deducting subsidized units) of **256 units**. These cost burden figures are illustrated in Figure 38 below.

Another way of examining the current housing gap can be illustrated by comparing the size of current housing units and the sizes of households. As shown in Figure 29 on page 20, Prosser has 483 1-person households likely living in 2-bedroom housing units and 347 2-person households likely living in 3-bedroom housing units (most likely to be

Figure 38. Cost Burdened Households by Income

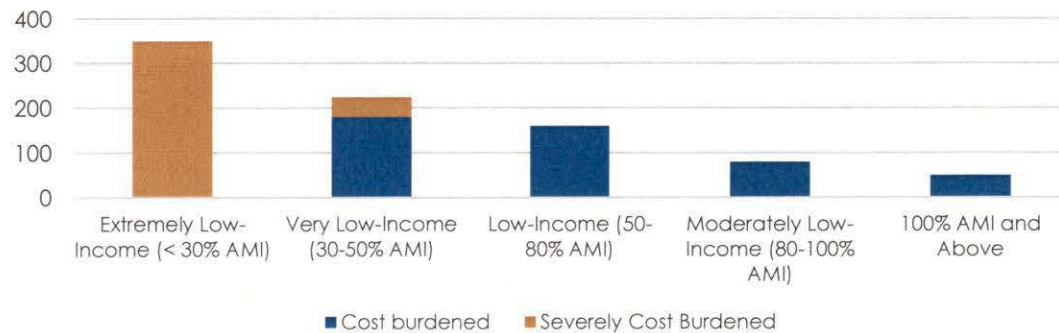


Figure 37. Income Ranges for Affordability Calculations

Income Grouping for Cost Burden Analysis	Income Range
Less than 30% Area Median Family Income	Less than \$21,465
30 - 50% Area Median Income	\$21,465 - \$35,774
50 - 80% Area Median Income	\$35,775 - \$57,238
80 - 100% Area Median Income	\$57,239 - \$71,548
100% Area Median Income and Above	\$71,549 and above

Source: ACS 2019 1-Year Estimates for Benton County, Adopted by HUD as Area Median Income for FY 2022

Housing Gaps

older parents whose children have moved out). Another way of describing the current housing gap, therefore, might be that **830 households** in Prosser are living in dwelling units that are too large for their needs because not enough smaller units are available. While this figure cannot be directly compared to the gaps identified above based on cost burden, it provides a useful window into the types of housing that the city currently lacks in sufficient numbers.

PROJECTED GAP

The 2018 Prosser Comprehensive Plan adopted Benton County growth allocations, which anticipate an increase of 2,467 residents in Prosser between 2016 and 2037 for a total population of 8,407. As noted, considering the growth between 2016 and 2021, the remaining growth target to account for is 2,097 additional residents. To accommodate this growth based on current average household sizes and assuming a 5 percent vacancy rate, the City would need at least **904 more housing units** by 2037, an average of **65 units per year** for the next 16 years. The city has added 22 new housing units per year on average since 2010, according to city building permit data reported to OFM.

TOTAL GAP

The city currently is short about 596 housing units that are affordable to current households making less than 80 percent of the area median income. 904 housing units are likely needed over the next 16 years to accommodate projected growth. This means **the total gap is 1,500 units, or 100 units per year through 2037**. Assuming a continuation of current income distributions, this would mean at least 270 new units affordable to extremely low-income households, 177 affordable to very low-income households, 203 affordable to moderately low-income households, and 160 affordable to those making at least 80 percent of the area median income (Figure 39).

PROSSER HOUSING GAP CALCULATIONS

Projected population growth, 2017-2037 (Using updated intercensal figures from OFM): 2,560

Population growth, 2017-2022: 348

Remaining growth: $2,560 - 348 = 2,212$

Projected household growth, 2022-2037: 861 (average household size of 2.57)

Number of housing units needed to meet projected growth in households, 2023-2037: **904 units** (5 percent vacancy rate)

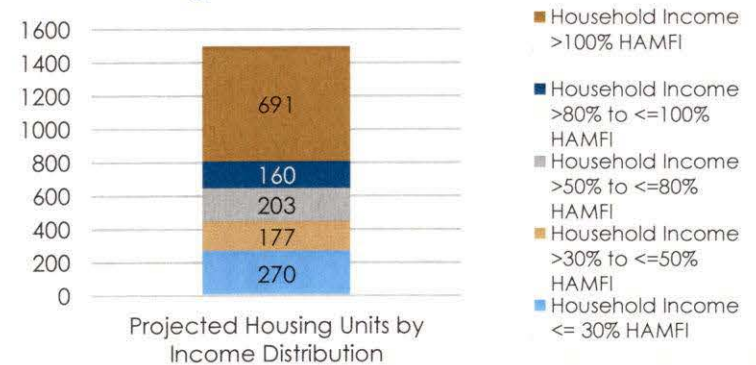
Current gap: 596 units

Projected Gap: 904 units

Total Gap: $596 + 904 = 1,500$ units

Number of new housing units needed per year, on average, 2023 -2037: **100 units (1,500 / 15)**

Figure 39. Allocation of Projected New Housing Needed between 2022 and 2037



6. LAND CAPACITY

Prosser's [2018 Comprehensive Plan](#) adopted a growth projection of 2,467 residents from 2016 through 2037. Given the growth that has occurred since, Prosser is planning for an additional **2,097 residents** from 2023 to 2037. Given the current average household size and assuming a 5 percent housing unit vacancy rate, **904 new housing units** will be needed to accommodate projected growth.

The Housing Element of the Comprehensive Plan contains an analysis of housing capacity on pages 51 and 52. The plan identifies future growth as requiring 473 acres of land compared to 884 acres of residential land available for development, a 411-acre surplus.

A Land Capacity Analysis was performed as part of the final Housing Needs Assessment. Building permit data for new housing units were analyzed and mapped to calculate and show a more precise estimate of achieved density where new development has occurred since 2018. This also includes removing land that has been developed into residential uses between 2019 and March 2023 from the inventory of available land.

Steep Slope Residential	Total Acres with Capacity	356.28 ac
	Planned Density	1 du/ac
	Planned Capacity	none
	Achieved Density	1.38 du/ac
	Capacity – based on achieved density	492 units

The tables on this page show the calculations for each residential zone.

Residential High Density (RH) Zone	Acres – Undeveloped or No Residential Units	5.29 ac
	Total Market Available Acres with Capacity	4.50 ac
	Planned Density	10-25 du/ac
	Planned Capacity	53-132 units
	Achieved Density	12.2 du/ac
	Capacity – based on achieved density	55 units

Residential Medium Density (RM) Zone	Acres – Undeveloped or vacant	181.64 ac
	Market Available Acres – Undeveloped	154.39 ac
	Acres – Partially Utilized	25.74 ac
	Market Available Acres – Partially Utilized	18.02 ac
	Total Market Available Acres with Capacity	172.41 ac
	Planned Density	5-9 du/ac
	Planned Capacity	908-1635 units
	Achieved Density	12.2 du/ac
	Capacity – based on achieved density	702 units

Residential Low Density (RL) Zone	Acres – Undeveloped or vacant	76.94 ac
	Market Available Acres – Undeveloped	65.4 ac
	Acres – Partially Utilized	85.07 ac
	Market Available Acres – Partially Utilized	59.55 ac
	Total Market Available Acres with Capacity	124.95 ac
	Planned Density	1-4 du/ac
	Planned Capacity	77 – 308 units
	Achieved Density	0.71 du/ac
	Capacity – based on achieved density	156 units

Housing Gaps

Undeveloped and partially utilized parcels in the Residential Low Density, Residential Medium Density, Residential High Density, and Steep Slope Residential zones were identified using GIS data from Benton County. City building permit data for new residential units built between 2019 and March 2023 were analyzed to calculate gross density for projects developed in these zones in this time period.

Market factor reductions of 15 percent and 30 percent were used for vacant and partially utilized land in the RL, RM, and RH zones to account for land that, for one reason or another, is unlikely to develop over the planning period despite having capacity. The SSR zone did not receive a market factor adjustment due to the limited development potential without the SSR zoning and the limited number of large parcels in the zone.







Using this methodology, the RL, RM, RH, and SSR zones together have a capacity for 1,405 housing units and 3,610 people, as shown in the summary table at right. This is a surplus of roughly 500 housing units of capacity relative to projected population growth from 2023 through 2037.

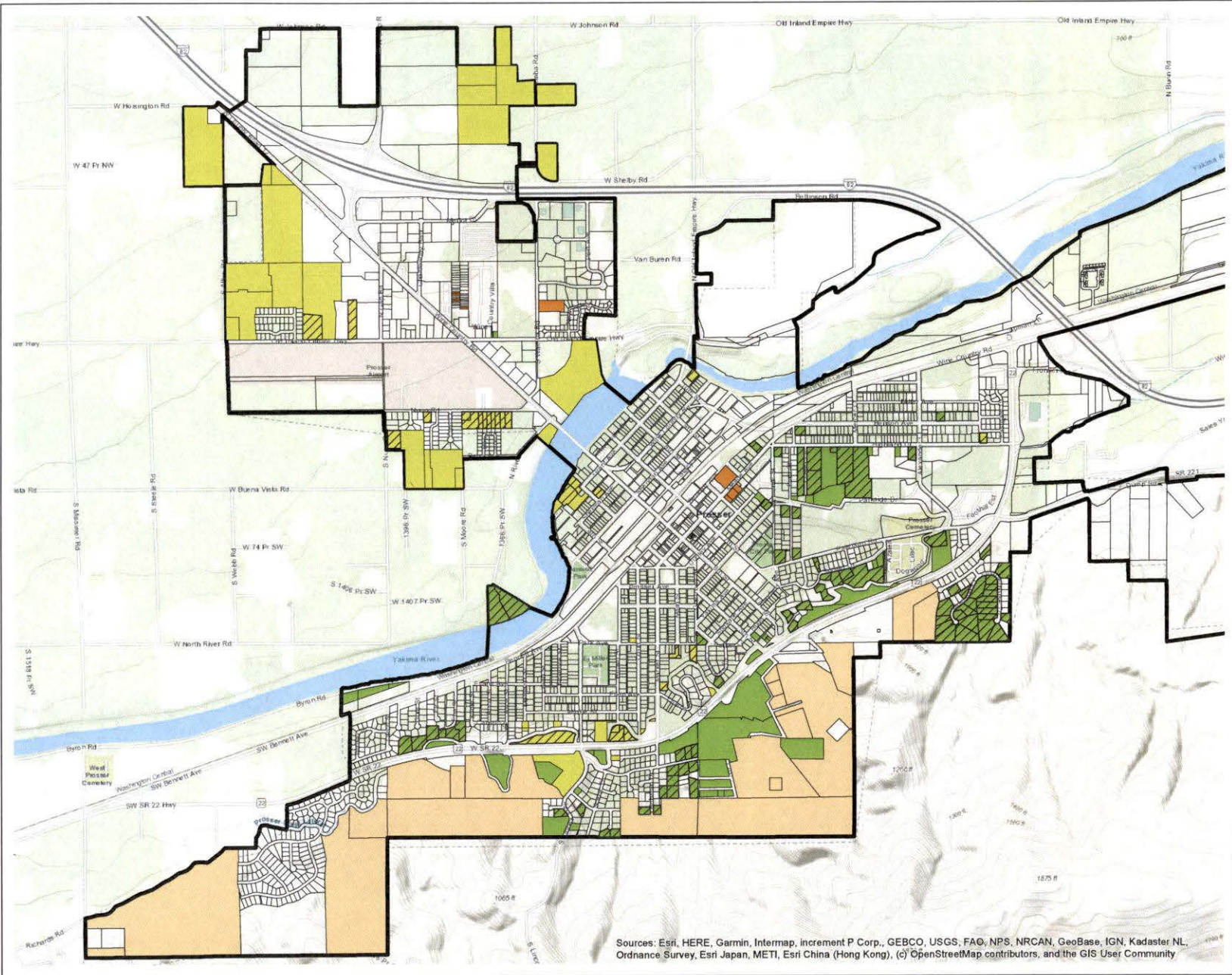
These data are shown on the Land Capacity Map on the following page.

Summary Table	
Zone	Units
RL	156
RM	702
RH	55
SSR	492
Total	1,405
Population Capacity (2.57 persons/unit)	3,610

City of Prosser - Land Capacity Map

Parcels with Residential Capacity by Zone - RL, RM, RH, SSR Zones

- Legend**
-  Parcels Zoned RL with Housing Unit Capacity (47 units estimated)
 -  Partially Used Parcels Zoned RL (109 units possible)
 -  Parcels Zoned RM with Housing Unit Capacity (646 units estimated)
 -  Partially Used Parcels Zoned RM (55 units possible)
 -  Parcels Zoned RH with Housing Unit Capacity (55 units estimated)
 -  Parcels Zoned SSR with Housing Unit Capacity (492 units estimated)
 -  Prosser City Limits



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

CITY OF PROSSER



Washington



Data Sources:
 Benton County GIS
 Prosser Zoning Data
 Prosser Building Permit Data
 Analysis by LDC, Inc.

APPENDIX 2: HOUSING POLICY TABLE

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with to HB 1220?
Housing	Goal H-1: Promote access to safe, high-quality affordable housing that accommodates citizen's needs, preferences, and financial capabilities in terms of different types, tenures, density, sizes, costs, and locations.	H-1.1.	Minimize adverse environmental impacts by buffering residential areas from conflicting uses.	X	X	X	X	X	X	X	X	
		H-1.2.	Promote neighborhood quality and security by protecting residential areas from undesirable activities through enforcement of adopted City codes.	X	X	X	X	X	X	X	X	
		H-1.3.	Residential development, including mobile home parks, should follow the principles and standards of the City's Zoning Ordinance and the Shoreline Master Program.	X	X	X	X	X	X	X	X	X

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with to HB 1220?
	Goal H-2: Promote reinvestment in existing neighborhoods	H-2.1	Promote investments in infrastructure to achieve neighborhood improvement through City-initiated neighborhood enhancement activities.	X	X	X	X	X	X	X	X	
		H-2.2	Promote the maintenance, repair, and rehabilitation of the City's existing housing stock. Pursue financial incentives and funding for housing improvement programs, especially for low-income households.	X	X	X	X	X	X	X	X	
	Goal H-3: Ensure that housing is compatible in quality, design, and intensity with surrounding land uses, traffic patterns, public facilities and environmentally sensitive features.	H-3.1	Identify, reinforce, and protect the character of existing residential neighborhoods.	X	X	X	X	X	X	X	X	
		H-3.2	Locate High Density Residential within a reasonable			X	X					

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with to HB 1220?
			distance of schools, employment centers, and transportation systems, and provide urban services, including water, sewer, utilities, drainage, emergency services, and garbage disposal deemed necessary to high-density residential development.									
		H-3.3.	Require Multi-family development to direct access to adequate streets.				X					
		H-3.4.	Encourage active transportation in residential areas through the development of pathways, sidewalks, and high-quality onsite amenities such as secure bicycle parking.	X	X	X	X	X	X	X	X	

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with to HB 1220?
		H-3.5.	Use flexible design standards in multi-family development to mitigate impacts on less intense adjoining land uses.				X					
		H-3.6.	Require that multi-family residential development bear the burden of mitigating impacts to existing residential neighborhoods.				X					
		H-3.7.	Require residential developers to provide adequate buffering from adjoining agricultural, commercial, or industrial uses.	X	X	X	X	X	X	X	X	
	Goal H-4: Ensure that there is an adequate supply of affordable housing for all segments of the population.	H-4.1.	Explore all available federal, state, and local programs and private options for financing affordable and special needs housing.								X	

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with to HB 1220?
		H-4.2.	Allocate land for residential development reasonably scaled to reflect projected demand.			X	X	X			X	
		H-4.3.	Evaluate the effect of impact fees on the affordability of housing before establishing such impact fees.	X	X	X	X	X	X	X	X	
		H-4.4.	Allow for a variety of housing types to facilitate home ownership.	X	X	X	X	X	X	X	X	
		H-4.5.	Encourage residential uses that support increased densities, while maintaining the single-family character of existing neighborhoods, such as duplexes, multi-generational housing, and cottage housing.		X	X		X			X	

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with HB 1220?
		H-4.6.	Encourage higher density single-family neighborhoods near commercial centers and other facilities/services to encourage pedestrian, rather than vehicular circulation.				X					
		H-4.7.	Adopt an affordable housing incentive program in compliance with State of Washington's RCW 36.70A.540						X			
		H-5.1.	Encourage housing opportunities for people with special housing needs. These are homes best located in residential areas that are near supportive community services, recreational and commercial facilities.						X	X		
	Goal H-5: Encourage a variety of residential densities located in areas that maximize connectivity to jobs, goods and services, and recreation.	H-5.2.	Enhance the appearance of and maintain public spaces in residential areas.	X	X	X	X	X	X	X	X	

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with to HB 1220?
		H-5.3.	Provide incentives and employ strategies that protect critical areas from residential development.	X	X	X	X	X	X	X	X	
		H-5.4.	Apply zoning in and around economic corridors that blend housing and commercial development.	X	X	X	X	X	X	X	X	
		H-5.5.	Create opportunities for housing developments to be easily accessible from both vehicle and bike/ped transportation corridors.	X	X	X	X	X	X	X	X	

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with to HB 1220?
		H-5.6.	Create a new Mixed Residential (MXR) Zone that will allow for a variety of housing types within the same zone. Mixes should include Single Family and Multi-Family dwelling units.	X	X	X	X					
	Goal H-6: Establish density levels and the ability to up-zone in areas that provide adequate connectivity and services to accommodate the increase in density.	H-6.1.	Establish the density levels showing on page 12 of the 2018 Comprehensive Plan.									
		H-6.2.	Ensure compatibility with existing neighborhoods through the use of setbacks and landscaping buffers.	X	X	X	X	X	X	X	X	

Comprehensive Plan Policy Summary – City of Prosser												
Policy Info				Policy Categories								
Element	Goal	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny Houses	Update for compliance with to HB 1220?
		H-6.3.	Housing Incentive Programs may increase density in order to address housing needs and incentivize inclusionary housing.							X		

APPENDIX 3: CITY RESOLUTION ADOPTING PLAN

*Placeholder for when city
council adopts the plan*

APPENDIX 4: COPY OF RCW 36.70A.600

PDF

RCW 36.70A.600**Cities planning under RCW 36.70A.040—Increasing residential building capacity—Housing action plan authorized—Grant assistance.**

(1) A city planning pursuant to RCW **36.70A.040** is encouraged to take the following actions in order to increase its residential building capacity:

(a) Authorize development in one or more areas of not fewer than five hundred acres that include at least one train station served by commuter rail or light rail with an average of at least fifty residential units per acre that require no more than an average of one on-site parking space per two bedrooms in the portions of multifamily zones that are located within the areas;

(b) Authorize development in one or more areas of not fewer than two hundred acres in cities with a population greater than forty thousand or not fewer than one hundred acres in cities with a population less than forty thousand that include at least one bus stop served by scheduled bus service of at least four times per hour for twelve or more hours per day with an average of at least twenty-five residential units per acre that require no more than an average of one on-site parking space per two bedrooms in portions of the multifamily zones that are located within the areas;

(c) Authorize at least one duplex, triplex, quadplex, sixplex, stacked flat, townhouse, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences unless a city documents a specific infrastructure of physical constraint that would make this requirement unfeasible for a particular parcel;

(d) Authorize a duplex, triplex, quadplex, sixplex, stacked flat, townhouse, or courtyard apartment on one or more parcels for which they are not currently authorized;

(e) Authorize cluster zoning or lot size averaging in all zoning districts that permit single-family residences;

(f) Adopt a subarea plan pursuant to RCW **43.21C.420**;

(g) Adopt a planned action pursuant to RCW **43.21C.440(1)(b)(ii)**, except that an environmental impact statement pursuant to RCW **43.21C.030** is not required for such an action;

(h) Adopt increases in categorical exemptions pursuant to RCW **43.21C.229** for residential or mixed-use development;

(i) Adopt a form-based code in one or more zoning districts that permit residential uses. "Form-based code" means a land development regulation that uses physical form, rather than separation of use, as the organizing principle for the code;

(j) Authorize a duplex on each corner lot within all zoning districts that permit single-family residences;

(k) Allow for the division or redivision of land into the maximum number of lots through the short subdivision process provided in chapter **58.17** RCW;

(l) Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the city. For purposes of this subsection, the calculation of net density does not include the square footage of areas that are otherwise prohibited from development, such as critical areas, the area of buffers around critical areas, and the area of roads and similar features;

(m) Create one or more zoning districts of medium density in which individual lots may be no larger than three thousand five hundred square feet and single-family residences may be no larger than one thousand two hundred square feet;

(n) Authorize accessory dwelling units in one or more zoning districts in which they are currently prohibited;

(o) Remove minimum residential parking requirements related to accessory dwelling units;

(p) Remove owner occupancy requirements related to accessory dwelling units;

(q) Adopt new square footage requirements related to accessory dwelling units that are less restrictive than existing square footage requirements related to accessory dwelling units;

(r) Adopt maximum allowable exemption levels in WAC 197-11-800(1) as it existed on June 11, 2020, or such subsequent date as may be provided by the department of ecology by rule, consistent with the purposes of this section;

(s) Adopt standards for administrative approval of final plats pursuant to RCW **58.17.100**;

(t) Adopt ordinances authorizing administrative review of preliminary plats pursuant to RCW **58.17.095**;

(u) Adopt other permit process improvements where it is demonstrated that the code, development regulation, or ordinance changes will result in a more efficient permit process for customers;

(v) Update use matrices and allowable use tables that eliminate conditional use permits and administrative conditional use permits for all housing types, including single-family homes, townhomes, multifamily housing, low-income housing, and senior housing, but excluding essential public facilities;

(w) Allow off-street parking to compensate for lack of on-street parking when private roads are utilized or a parking demand study shows that less parking is required for the project;

(x) Develop a local program that offers homeowners a combination of financing, design, permitting, or construction support to build accessory dwelling units. A city may condition this program on a requirement to provide the unit for affordable home ownership or rent the accessory dwelling unit for a defined period of time to either tenants in a housing subsidy program as defined in RCW **43.31.605(14)** or to tenants whose income is less than eighty percent of the city or county median family income. If the city includes an affordability requirement under the program, it must provide additional incentives, such as:

(i) Density bonuses;

(ii) Height and bulk bonuses;

(iii) Fee waivers or exemptions;

(iv) Parking reductions; or

(v) Expedited permitting; and

(y) Develop a local program that offers homeowners a combination of financing, design, permitting, or construction support to convert a single-family home into a duplex, triplex, or quadplex where those housing types are authorized. A local government may condition this program on a requirement to provide a certain number of units for affordable home ownership or to rent a certain number of the newly created units for a defined period of time to either tenants in a housing subsidy program as defined in RCW **43.31.605(14)** or to tenants whose income is less than eighty percent of the city or county median family income. If the city includes an affordability requirement, it must provide additional incentives, such as:

(i) Density bonuses;

(ii) Height and bulk bonuses;

(iii) Fee waivers or exemptions;

(iv) Parking reductions; or

(v) Expedited permitting.

(2) A city planning pursuant to RCW **36.70A.040** may adopt a housing action plan as described in this subsection. 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. A housing action plan may utilize data compiled pursuant to RCW **36.70A.610**. The housing action plan should:

(a) 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;

(b) Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;

(c) Analyze population and employment trends, with documentation of projections;

(d) Consider strategies to minimize displacement of low-income residents resulting from redevelopment;

(e) Review and evaluate the current housing element adopted pursuant to RCW **36.70A.070**, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;

(f) Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and

(g) Include a schedule of programs and actions to implement the recommendations of the housing action plan.

(3) The adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city to implement the actions specified in subsection (1) of this section, with the exception of the action specified in subsection (1)(f) of this section, are not subject to administrative or judicial appeal under chapter **43.21C** RCW.

(4) Any action taken by a city prior to April 1, 2023, to amend its comprehensive plan or adopt or amend ordinances or development regulations, solely to enact provisions under subsection (1) of this section is not subject to legal challenge under this chapter.

(5) In taking action under subsection (1) of this section, cities are encouraged to utilize strategies that increase residential building capacity in areas with frequent transit service and with the transportation and utility infrastructure that supports the additional residential building capacity.

(6) A city that is planning to take at least two actions under subsection (1) of this section, and that action will occur between July 28, 2019, and April 1, 2021, is eligible to apply to the department for planning grant assistance of up to one hundred thousand dollars, subject to the availability of funds appropriated for that purpose. The department shall develop grant criteria to ensure that grant funds awarded are proportionate to the level of effort proposed by a city, and the potential increase in housing supply or regulatory streamlining that could be achieved. Funding may be provided in advance of, and to support, adoption of policies or ordinances consistent with this section. A city can request, and the department may award, more than one hundred thousand dollars for applications that demonstrate extraordinary potential to increase housing supply or regulatory streamlining.

(7) A city seeking to develop a housing action plan under subsection (2) of this section is eligible to apply to the department for up to one hundred thousand dollars.

(8) The department shall establish grant award amounts under subsections (6) and (7) of this section based on the expected number of cities that will seek grant assistance, to ensure that all cities can receive some level of grant support. If funding capacity allows, the department may consider accepting and funding applications from cities with a population of less than twenty thousand if the actions proposed in the application will create a significant amount of housing capacity or regulatory streamlining and are consistent with the actions in this section.

(9) In implementing chapter 348, Laws of 2019, cities are encouraged to prioritize the creation of affordable, inclusive neighborhoods and to consider the risk of residential displacement, particularly in neighborhoods with communities at high risk of displacement.

[**2022 c 246 § 1; 2020 c 173 § 1; 2019 c 348 § 1.**]

APPENDIX 5: COMMERCE CROSS-WALK

The following table illustrates how the Housing Action Plan complies with the requirements under HB 1923 and codified in RCW 36.70A.200(2) as implemented by the Washington Department of Commerce.

HB 1923 Requirement	Compliance
<p>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;</p>	<p>The Housing Needs Assessment presented herein quantifies existing and projected housing needs for all income levels, including extremely low-income households. Section 5. Housing Gaps, beginning on page 28 of Appendix 1, discusses the current and projected housing gap for all income levels.</p>
<p>Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;</p>	<p>The strategies to increase supply and variety of housing begin on Page 31. These strategies have been created by working in coordination with City staff, through a thorough code audit, and through conversations held with the Advisory Committee. These strategies aim to address the areas of improvement identified in the Housing Needs Assessment. These strategies aim to do the following: incentivize new rental housing, bring down the cost of development, provide a wide variety of housing types, and to mitigate and prevent displacement.</p>
<p>Analyze population and employment trends, with documentation of projections;</p>	<p>The Housing Needs Assessment presented herein analyzes population and employment trends and projections. These data were collected from the Office of Financial Management and the Washington State Employment Security Department. Population count and projection is described on Page 5 and employment count and projection is described on Page 15 of Appendix 1. These projections, particularly</p>

	<p>population, are used as the basis for calculating future housing needs over the planning period.</p>
<p>Consider strategies to minimize displacement of low-income residents resulting from redevelopment;</p>	<p>The Housing Action Plan contemplates a number of strategies explicitly designed to minimize displacement of low-income residents resulting from redevelopment. The risk of displacement in the City of Prosser is relatively low because they do have land capacity to absorb the projected housing needs. Regardless, it is important to ensure existing housing stock is protected from the pressure that new development brings to the area. For Prosser, the most important strategy for minimizing displacement is to preserve the existing housing stock and ensure that remains affordable for residents.</p>
<p>Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;</p>	<p>The Housing Policy Analysis table in this Plan contains an analysis of housing policies in terms of planned-for housing types and units. The schedule of programs and actions in Chapter F will, when complete upon adoption, satisfy this requirement.</p>
<p>Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and</p>	<p>The Housing Action Plan prioritized public and Advisory Committee engagement from the beginning of the project. The Project Charter and Engagement Plan in Appendix 8. outlines the approach taken. The Advisory Committee met three times and provided valuable input on the direction of the Housing Needs Assessment and possible strategies to consider as well as review of the draft actions. Project engagement also included tabling at a Wine Walk event in 2022, development of a project web</p>

	page on the City’s website, and an online survey.
<i>Include a schedule of programs and actions to implement the recommendations of the housing action plan.</i>	<i>The Housing Action Plan includes an implementation strategy for its policies. This action implementation table was developed by staff in consultation with city officials and the Advisory Committee.</i>

APPENDIX 6: GLOSSARY OF TERMS AND FUNDING SOURCES

Affordable Housing Development Information

This section describes the affordable housing development and finance process and how it differs from market rate development, lists common state and local funding sources for housing, and includes a description of geographies associated with affordable housing benefits.

Typical Affordable Housing Development Process

The development of new, multifamily regulated affordable housing is a long and complex process. It is subject to many of the same development conditions as market-rate development, with added complexity due to lower rents requiring additional, lower-cost funding. The development process begins in predevelopment (design and feasibility, land entitlements, and funding applications) then enters construction, before beginning operations. The following are typical development phases for regulated affordable housing projects.

Design and Feasibility

Affordable housing developers start with an understanding of the need for less expensive housing in an area.

How many units are needed at what rent level?

What income levels have the biggest gaps in housing supply?

What populations are struggling with housing costs the most?

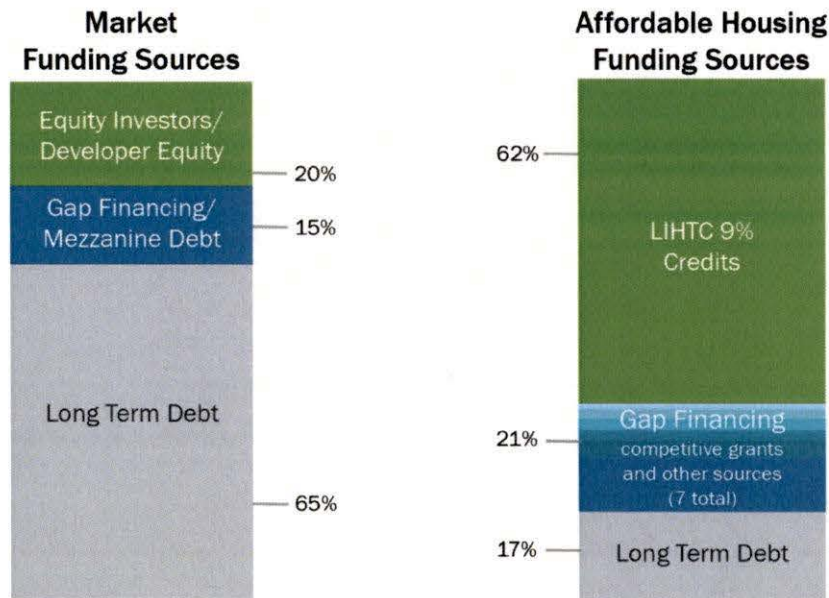
Just like market rate developers, affordable housing developers test the financial feasibility of what they hope to build against the local political and economic conditions. They must estimate what it will cost to build, what affordability levels the region needs, and the amount of funding available to build the project. If the project is not financially or politically feasible (i.e., cannot find adequate funding sources or does not meet a neighborhood’s goals), building the housing will be immensely challenging. Key challenges that are considered: cost of land, development allowed on the land (zoning), costs of construction, rents or prices, costs of operations (for multifamily), or local opposition to the project.

How does affordable housing differ?

Both affordable housing development and market-rate development need to go through design and feasibility. Affordable housing development differs from market-rate development in this stage due to limited funding. With the goal of providing below-market rents, the financing structure (often called the “capital stack”) of an affordable housing development needs to fill a gap (often called a “funding gap”) between what it costs to build the property and what the property’s operations can support. A market rate development will typically have investor equity and one or two types of debt financing, but an affordable housing development may also need to secure public funding, grants, operating subsidies, and low-cost or forgivable debt on top of competitive investor equity sources (see the figure on the following page). Some affordable housing developers need to

secure predevelopment loans or grants as they work out the logistics of project feasibility. Sometimes, affordable housing developments are given free or reduced cost land, which aids feasibility and reduces the amount of debt needed.

Typical Capital Stacks in a Market Rate and a 9% LIHTC Affordable Housing Development



Source: ECONorthwest

Land Use Entitlements

This is the process of getting control of the site (buying land or assembling parcels) and getting the legal authority to develop (zoning and permitting, design review, neighborhood opposition, etc.). This can take months or years depending on the type of project, the required level of public review, the time it takes to obtain permits, the amount of neighborhood opposition, and many other factors. Developers typically take out pre-development loans to cover these costs, meaning that delays incur “carrying costs” (the interest that accrues on the loan each month of the process). This loan may be wrapped into or repaid by the construction loan.

How does affordable housing differ?

Both affordable housing developments and market-rate developments need to secure land use entitlements. One major way that affordable housing development differs from market-rate development in this stage, is due to neighborhood opposition. It is common for neighborhoods to object to a new affordable housing development, and some may use the slow land use

entitlements process to delay or “kill” a project. Some market-rate developments may face opposition in this process, but they may also be in a better financial position to weather delays (e.g., if a market rate developer does not need a pre-development loan, delays do not incur carrying costs).

Public Funding Applications

This is a unique step required of affordable housing development that does not apply to market-rate development. Often, affordable housing developments receive public funding in exchange for renting to low-income households. With rents set below market, the property will have insufficient rent revenue to cover its operating costs and support the loans needed to pay for development. Thus, the property must apply for a range of low-cost funding, project equity, or grants to reach feasibility and begin construction. This step adds cost, time, complexity, and uncertainty to the development process. Because public funding is limited, these application cycles are very competitive and not all projects will receive the funding to move forward. The policy goals attached to each funding amount can influence the type of housing built (e.g., housing for families or seniors) as well as the income levels served. Most often, a project needs to have site control before it can receive funding.

How does affordable housing differ?

Market-rate developments do not typically need to secure public funding for development.

Construction

Once a property has site control, entitlements, and a confirmed design concept, it can begin construction. This stage depends on the availability of labor, materials, and equipment, as well as the complexity and size of the development. The project will take out a construction loan to cover these costs, which means that delays in construction incur additional “carrying costs.” The construction loan is repaid by the permanent loan, which is sized based on the net operating income of the project (rent revenues minus operating expenses).

How does affordable housing differ?

Affordable housing projects do not meaningfully differ from market-rate projects in the construction process. However, they may have simpler designs and prioritize faster construction timelines.

Operations

Once the project is built and leased, it begins operations. Rents are determined at the project feasibility stage and are very important in the project’s operating phase. Feasibility and funding applications can occur several years prior to the project operating. The revenues from property rents need to be high enough to cover the cost of operating the property (including maintenance and repairs, landscaping, taxes, and numerous other fees and costs). The project’s net operating income must also service the monthly debt payments on the permanent

loan. Banks generally require an income “cushion” to assure that the property has enough operating income to pay its debts. This means that net operating income must be 15 percent to 20 percent higher than the debt payment. Any change in rent revenues (market softening, competition, vacancies, etc.), costs of operations (higher taxes, maintenance costs, capital repairs, etc.) can meaningfully disrupt a property’s operations.

How does affordable housing differ?

Affordable housing properties operate under affordability restrictions for a specified period of time (e.g., 15-99 years), and are typically managed by mission-driven developers or non-profit organizations. In contrast, many market rate properties will sell to an institutional investor after the property stabilizes (after 5 or 8 years of operations). Another difference in affordable housing operations is that typically, affordable housing properties are required to put a portion of operating funds into reserves (both capital reserves and or operating reserves) which serve as a cushion for unexpected vacancies, disruptions to operations, or major capital repairs. These reserves help prevent most affordable housing properties from defaulting on debt service requirements (LIHTC properties, in particular, have very low default rates). Market rate properties are not required to keep reserves. Lastly, another difference in affordable housing operations, is that often the properties may have insufficient cash flow (funds left over after paying for operating expenses and debt) to pay for any cash-flow dependent line items (e.g., the developer fee, cash-flow dependent loans, etc.) In contrast, market rate properties seek financial returns from the property, to provide steady cash flow to the owner or investor. While cash flow is not always available due to market rent fluctuations and or vacancies, the deals are structured to seek financial returns.

Local Affordable Housing Funding Sources

This section describes the state and local affordable housing funding sources available to developers looking to construct affordable housing properties in Prosser. This section focuses solely on funding sources, not indirect financing sources that provide financial benefits to properties via reduced costs. The local funding sources do not include non-financial funding sources, like density bonuses or impact fee waivers, that indirectly provide funding by reducing costs.

Washington State Funding Sources

The Washington State Housing Finance Commission offers several funding programs to build multifamily affordable housing. Additionally, properties utilizing some of these funding sources can receive funding “boosts” if they are located in one of the geographic areas described below.

The Low-Income Housing Tax Credit (LIHTC) program is the largest source of funding. It has two types: the 9% tax credit program is more valuable, but limited, and is awarded competitively through annual funding applications. The 4% bond tax credit program is less valuable for project financing, but the program is not competitive. Any project that is able to make the funding program work can

access the tax credits up to a certain bond cap across the state. These programs typically fund housing units that are affordable to households earning below 60% of AMI.

The 80/20 Private Activity Bond program can fund construction and development costs for affordable housing projects. The interest on the funding is tax exempt, thereby reducing total development costs and increasing project feasibility. This program typically funds housing units that are affordable to households earning below 60% of AMI.⁵

Non-Profit Housing Bonds can assist 501(c)(3) nonprofits in financing numerous housing developments. These funds are more flexible than other types of financing programs.

The Land Acquisition Program assists qualified nonprofits with purchasing land for affordable housing development.

The Washington State Department of Commerce offers three additional funding programs for developing affordable housing.

The Washington State Housing Trust Fund provides loans and grants to affordable housing projects through annual competitive applications. This program typically funds housing units that are affordable to households earning below 80% of AMI.

The Housing Preservation Program provides funding for affordable housing rehabilitation, preservation, and capital improvement needs. It is only available for projects that have previously received Housing Trust Funds.

The HOME Program is a federal block grant program funded through the US Department of Housing and Urban Development (HUD). This program offers funding for the preservation and development of affordable rental housing to non-profit organizations, public housing authorities, and local and tribal governments. HOME Funds typically build units that are affordable to households earning below 50% of AMI.

Local Funding Sources

A property tax levy (RCW 84.52.105) – allows jurisdictions to place an additional tax up to \$0.50 per thousand dollars assessed for up to ten years. Funds must go toward financing affordable housing for households earning below 50% MFI.

A sales tax levy (RCW 82.14.530) – allows jurisdictions to place a sales tax up to 0.1 percent. At least 60 percent of funds must go toward constructing affordable housing, mental/behavioral health-related facilities, or funding the operations and maintenance costs of affordable housing and facilities where housing-related programs are provided. At least 40 percent of funds must go toward mental /

⁵ Washington State Housing Finance Commission. 2020. Multifamily Housing 80/20 Bond Program: <https://www.wshfc.org/mhcf/BondsOnly8020/index.htm>

behavioral health treatment programs and services or housing-related services. The City of Prosser may enter into an interlocal agreement with Benton County to distribute these funds in a program run by the County.

A real estate excise tax (REET) (RCW 82.46.035) – allows a portion of City REET funds to be used for affordable housing projects and the planning, acquisition, rehabilitation, repair, replacement, construction, or improvement of facilities for people experiencing homelessness. These projects must be listed in the City’s the capital facilities plan. Prosser currently uses this.

Benton County Community Development Block Grants (CDBG) – Benton County receives CDBG funding from the U.S. Department of Housing and Urban Development (HUD). CDBG funds can be used in a variety of ways, including the funding of low-income housing development and social services to improve the living conditions of homes within the county. CDBG public facilities Notice of Funding Availability typically is published in the fall for contracts that commence during the following summer.⁶

Federal Government Designated Geographic Areas for Affordable Housing Support

Developing a regulated affordable housing property can be a complex and difficult process. Different funding sources may have different priorities, and the costs of land and development can be prohibitive. To help alleviate some of these difficulties, the federal government has designated certain geographic areas to receive higher priority or more funding for regulated affordable housing development. These include Qualified Census Tracts, Difficult to Develop Areas, and Opportunity Zones, each described below.

Qualified Census Tracts

HUD defines a Qualified Census Tract (QCT) as a Census Tract with “50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI)” or one where the poverty rate exceeds 25 percent.⁷ Affordable housing developments in QCTs that apply for LIHTC funding receive a boost in the amount of tax credits they can receive. Prosser does not have any QCTs.

Difficult Development Areas

HUD defines a Difficult Development Areas (DDA) as “areas with high land, construction and utility costs relative to the area median income” and uses HUD Fair Market Rents, income limits, 2010 census, and 5-year American Community Survey (ACS) data as determinants. All of Benton County is considered a DDA. DDA properties using the Low-Income Housing Tax Credit (LIHTC) program can

⁶ Pierce County Community Development Block Grant Program. 2020.
<https://www.co.pierce.wa.us/4853/Community-Development-Block-Grant-Progra>

⁷ HUD. 2020. “Qualified Census Tracts and Difficult Development Areas.”
www.huduser.gov/portal/datasets/qct.html

receive a 30 percent basis boost in qualified costs, increasing tax credits and resulting in greater investment equity in a project.

Opportunity Zones

In addition, the 2017 federal Tax Cuts and Jobs Act created the Opportunity Zone program which is designed to incentivize investment in low-income communities by providing tax benefits. Opportunity Zones are Census Tracts where the poverty rate exceeds 20 percent. ⁸ While there are no specific funding boosts for affordable housing projects developed in Opportunity Zones, the tax incentives make other types of multifamily development more feasible. A large portion of central Prosser is considered an Opportunity Zone.

⁸ Washington State Department of Commerce. 2020. "Opportunity Zones-An Incentive to Invest in Lower-Income Areas." <https://www.commerce.wa.gov/growing-the-economy/opportunity-zones/>

APPENDIX 7: PROJECT CHARTER & PUBLIC ENGAGEMENT PLAN

**CITY OF PROSSER
HOUSING ACTION PLAN**

**PROJECT CHARTER AND
ENGAGEMENT PLAN**



Date: June 13, 2022



Source: Joe Lane Photography, [Creative Commons License 2.0](#)

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Charter Purpose

The purpose of the Project Charter is to:

- ✓ Provide a background and framework for the project
- ✓ Outline high-level, introductory goals and objectives for the city
- ✓ Provide a detailed project schedule
- ✓ Establish communication protocols between the Consultant and City
- ✓ Identify potential project risks upfront and strategies to address risk

Project Background and Framework

The Washington State Department of Commerce ("Commerce") received \$5 million in the 2019 Legislative Session to provide grant funds to local governments for activities to increase residential building capacity, streamline development, or develop a Housing Action Plan (HAP). Commerce opened another round of grant funding for development of Housing Action Plans. The City of Prosser ("City") applied for and received a grant for \$75,000 from Commerce to conduct a Housing Action Plan.

The Commerce guidelines for completing a Housing Action Plan, listed at right, form the basis for the Prosser Housing Action Plan.

State guidelines for a complete Housing Action Plan

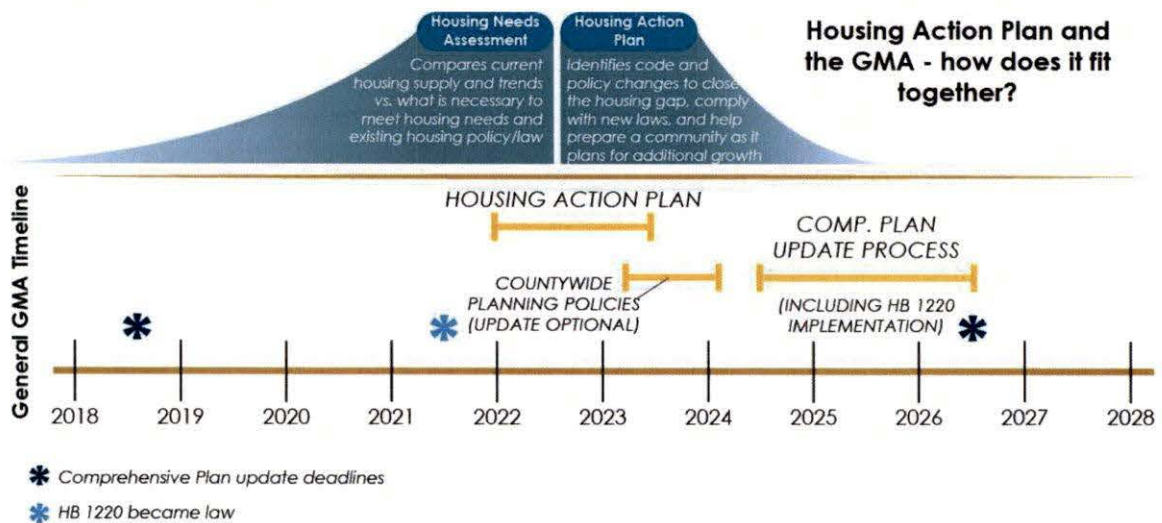
- ✓ Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households
- ✓ Develop strategies to increase the supply of housing, and variety of housing types
- ✓ Analyze population and employment trends
- ✓ Consider strategies to minimize displacement of low-income residents resulting from redevelopment
- ✓ Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions
- ✓ 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

Housing Action Plan - Relationship to the Growth Management Act

A comprehensive plan update for the City of Prosser is due no later than June of 2026. The city will be planning for growth out to 2046 as part of that process. The elements and objectives of a Housing Action Plan (HAP) are directly linked to and will help support the implementation of growth and housing strategies and requirements under the Growth Management Act (GMA). The development of a HAP should be a helpful tool as the city embarks on planning for the next 20 years of growth.

The City of Prosser participates, along with the county and the other cities in the county, in the development of Countywide Planning Policies (CPPs) for Benton County. The CPPs outline a framework for coordination between jurisdictions on important growth issues as outlined in [RCW 36.70A.210](#). The policies contained in the CPPs provide a strong framework which are then further refined as the City updates its Comprehensive Plan.

Housing Element requirements have substantially changed since the city last updated its comprehensive plan. The language in the table on the following page reflects new requirements that were included in [HB 1220](#). This project can also be a tool to help identify gaps between the city's current comprehensive plan and regulations and new requirements that will be addressed during the 2026 Comprehensive Plan update.



Growth Management Act

(Housing requirements)

Countywide Planning Policy requirements - RCW 36.70A.210

Policies that consider the need for affordable housing, such as housing for all economic segments of the population and parameters for its distribution



Comprehensive Plan Housing Element requirements - RCW 36.70A.070(2)

(2) A housing element ensuring the vitality and character of established residential neighborhoods that:

- (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as provided by the department of commerce, including:
 - i. Units for moderate, low, very low, and extremely low-income households; and
 - ii. Emergency housing, emergency shelters, and permanent supportive housing;
- (b) Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and within an urban growth area boundary, moderate density housing options including but not limited to, duplexes, triplexes, and townhomes;
- (c) Identifies sufficient capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes;
- (d) Makes adequate provisions for existing and projected needs of all economic segments of the community, including:
 - i. Incorporating consideration for low, very low, extremely low, and moderate-income households;
 - ii. Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;
 - iii. Consideration of housing locations in relation to employment location; and
 - iv. Consideration of the role of accessory dwelling units in meeting housing needs;
- (e) Identifies local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:
 - i. Zoning that may have a discriminatory effect;
 - ii. Disinvestment; and
 - iii. Infrastructure availability;
- (f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;
- (g) Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
- (h) Establishes antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

City of Prosser Goals, Objectives, Deliverables

The basic project schedule, taken from the proposal and Commerce grant, is as follows. A detailed schedule with project sub-tasks and duration identified can be found on the following page.

Tasks	General Timeframe	Deliverables from Scope of Work
Task 1: Project Kick-Off and Project Charter	April-May 2022	<ul style="list-style-type: none"> • Project Kick-off Workshop/meeting notes • Project Charter Development • Project Schedule • Existing Document Analysis
Task 2: Public Engagement Plan	May 2022	<ul style="list-style-type: none"> • Develop Public Participation Plan • Public Engagement • Housing Dashboard
Task 3: Housing Needs Assessment	May-July 2022	<ul style="list-style-type: none"> • Preparation of Housing Needs Assessment • Prepare briefing materials for Council and Commissions • Hold one (1) stakeholder advisory committee meeting
Task 4: Draft Housing Action Plan	August-November 2022	<ul style="list-style-type: none"> • Prepare Draft Housing Action Plan • Hold stakeholder advisory committee meetings (2) • Prepare briefing materials for Council and Commissions
Task 5: Final Draft Housing Action Plan	December 2022-February 2023	<ul style="list-style-type: none"> • Prepare Final Housing Action Plan • Prepare briefing materials for Council and Commissions • Prepare Final Housing Action Plan with edits from City

Detailed Schedule

Task Name	Duration	Start	Finish
Task 1: Project Kick-Off and Project Charter	43 days	Thu 4/7/22	Mon 6/6/22
Project kick-off meeting	1 day	Thu 4/7/22	Thu 4/7/22
Develop project charter and schedule for city review	21 days	Fri 4/8/22	Fri 5/6/22
Charter comments received from city	1 day	Fri 5/13/22	Fri 5/13/22
Existing document analysis for city review	15 days	Mon 5/2/22	Fri 5/20/22
Final charter and schedule to city	1 day	Fri 5/20/22	Fri 5/20/22
Existing document analysis comments received from city	1 day	Fri 5/27/22	Fri 5/27/22
Final existing document analysis to city	1 day	Mon 6/6/22	Mon 6/6/22
Task 2: Public Participation Plan	41 days	Mon 4/11/22	Mon 6/6/22
Draft public participation plan for city review	25 days	Mon 4/11/22	Fri 5/13/22
PPP comments received from city	5 days	Mon 5/16/22	Fri 5/20/22
Final PPP to city	5 days	Mon 5/23/22	Fri 5/27/22
Develop project website material	22 days	Mon 5/2/22	Tue 5/31/22
Project website goes live	1 day	Mon 6/6/22	Mon 6/6/22
Task 3: Housing Needs Assessment	76 days	Fri 4/8/22	Fri 7/22/22
Prepare HNA data and exhibits	39 days	Fri 4/8/22	Wed 6/1/22
Draft HNA for city review	24 days	Fri 4/29/22	Wed 6/1/22
Advisory committee meeting #1 (date TBD)	5 days	Mon 6/13/22	Fri 6/17/22
Planning commission meeting - HNA (date TBD)	5 days	Mon 6/20/22	Fri 6/24/22
City Council study session - HNA (date TBD)	5 days	Mon 6/27/22	Fri 7/1/22
Revise and update HNA	14 days	Tue 7/5/22	Fri 7/22/22
Final HNA to city	1 day	Fri 7/22/22	Fri 7/22/22
Task 4: Draft Housing Action Plan	85 days	Mon 8/1/22	Fri 11/25/22
Prepare draft HAP for city review	31 days	Mon 8/1/22	Mon 9/12/22
Draft HAP comments received from city	1 day	Fri 9/30/22	Fri 9/30/22
Prepare revised draft HAP for city review	15 days	Mon 10/3/22	Fri 10/21/22
Advisory committee meeting #2 (date TBD)	5 days	Mon 10/31/22	Fri 11/4/22
Planning Commission meeting (date TBD)	5 days	Mon 11/14/22	Fri 11/18/22
City Council study session (date TBD)	5 days	Mon 11/21/22	Fri 11/25/22
Task 5: Final Housing Action Plan	61 days	Mon 11/28/22	Mon 2/20/23
Prepare final Housing Action Plan	26 days	Mon 11/28/22	Mon 1/2/23
Prepare briefing materials for Council and Commissions	5 days	Mon 1/2/23	Fri 1/6/23
Planning Commission hearing	5 days	Mon 1/16/23	Fri 1/20/23
City Council hearing and adoption	5 days	Mon 2/6/23	Fri 2/10/23
Submit final HAP with edits from City	1 day	Mon 2/13/23	Mon 2/13/23
Send adopted documents to Commerce (city)	6 days	Mon 2/13/23	Mon 2/20/23

Internal Communication

The success of a project is often built on a strong communication plan. The table provides contact information for the full project team. To maintain internal controls, however, it is important to identify the primary contacts for the City and consultant group involved with the project.

The following is a full contact list of individuals working on the project.

Name	City/Company	Title	Contact information
Steve Zetz+	City of Prosser	Community Development Director	szetz@ci.prosser.wa.us
Howard Saxon	City of Prosser	City Attorney	
Toni Yost	City of Prosser	Finance Director	tyost@ci.prosser.wa.us
Nick Alsbury	City of Prosser	Building and Fire Inspector	nalsbury@ci.prosser.wa.us
Kendall Murphey	City of Prosser	Sr. Administrative Assistant	kmurphey@cityofprosser.com
Rachel Shaw	City of Prosser	City Clerk and Public Records	rshaw@ci.prosser.wa.us
Clay White	LDC, Inc.	Director of Planning	cwhite@ldccorp.com
Matt Covert*+	LDC, Inc.	Senior Planner	mcovert@ldccorp.com
Isaac Anzlovar	LDC, Inc.	Associate Planner	ianzlovar@ldccorp.com

*Internal Team Lead

+Primary Project Contact

The City and Consultant plan to hold regular check-in meetings every two weeks on Thursdays at 10am. Steve Zetz, Community Development Director for the City of Prosser, is the primary project contact on the City side, while Matt Covert with LDC is the internal project team lead and primary project contact on the Consultant side. Clay White, Director of Planning at LDC, is the secondary internal team lead.

Public Participation Plan

Since the development of the HAP will require public input, and to ensure residents and stakeholders are given opportunity to remain engaged during the development of the HAP, the City has created this Public Participation Plan (PPP) that identifies effective strategies and various methods for public engagement. The overarching goal of the PPP is to provide a guide to proactively encourage public participation during the Housing Action Plan project.

Public Involvement Goals

Goal 1: Engage the key audiences required by the Commerce grant throughout the lifetime of the project to ensure the project team has a full picture of the housing issues facing the City of Prosser.

Goal 2: Build public awareness of housing issues and support for what the City can do to ensure there is a range of housing options to meet current and future needs.

COVID-19 Considerations

The COVID-19 public health crisis poses a challenge to the practice of public participation. It also provides a unique opportunity to develop innovative public participation techniques, strengthen online engagement practices, and increase digital engagement between the City and their residents. The project team needs to be nimble as they navigate COVID-19, any restrictions to community gathering, and disruptions to City Council processes. To accommodate this, the team will work from the assumption of a hybrid model of engagement with some in-person and some remote engagement and build additional time into the schedule in case of changes to the public health environment.

Key Audiences

- Community organizations and nonprofits
- Developers, including those who provide senior housing, workforce housing, market rate housing, and subsidized housing
- Elected officials
- Employers and potential employers
- Residents, including homeowners and renters
- Senior housing administrators
- Support services providers

Key Stakeholders

Advisory Committee Members

Sector / Area of Interest	Organization	Representative
Nonprofit	Catholic Charities	Bryan Ketcham
Nonprofit	Benton-Franklin Community Action Committee	Diana Young
Elected Officials	City of Prosser	Randy Taylor - Mayor
Employers	Prosser Health	
Planning Commission	Prosser Planning Commission	Ashley Swinehart
Economic Development	Prosser Economic Development Assoc.	Neal Ripplinger
Realtors	John L. Scott	Juan Zuniga
Church	Bethel Church	(Matt to contact)
City	City Attorney	(Steve to contact)
Senior Housing	Office of Rural and Farmworker Housing	

Key Messages

- Affordability and multifamily are the key messages for the Council
- Where housing development should be focused in relation to jobs
- Multigenerational housing, detached ADUs, and tiny homes

Public Involvement Schedule

COVID-19 will likely pose unexpected scheduling challenges, which will require flexibility and continued adjustments. The following are the high-level assumptions as the project moves forward:

- Meetings will be held with the Advisory Committee to review the draft Housing Needs Assessment, the draft Housing Action Plan, and the final Housing Action Plan before it is forwarded to the council.
- At least one of those meetings will be in person.
- The City and Consultant will attend at least one large-scale community event in person during summer 2022.
- The draft Housing Action Plan will be finished in December, with an opportunity for engagement on the draft through January.

Public Meetings

Stakeholder Advisory Committee: We propose three meetings with an Advisory Committee composed of representatives of several of the required audiences. The first advisory committee meeting should be conducted in person if possible for introduction and building relationships, while the following meetings can be held remotely.

City Council: The strategy for public meetings will be to review and vet the Housing Needs Assessment data and analysis and the draft and final Housing Action Plan at the Advisory Committee level and then take the HAP and HNA to council for review and adoption. Official public meetings will be held via one or more council meetings. The Planning Commission will focus on the implementation strategy for the housing actions identified in the plan after it is adopted.

Public Events: The Consultant will attend at least one summer event to engage in direct engagement with members of the public at a large community event that draws a diverse range of attendees from across the city.

Online Media

A dedicated page (Housing Dashboard) on Prosser's website is likely to drive the most web engagement. The Consultant will develop questions and project materials to be displayed on the website and will coordinate with City staff. The City has social media accounts, and the Consultant will send meeting dates, infographics, and deliverables to City staff to be cross-posted on social media accounts.

Mailing Lists

A newsletter goes out with all utility billings. The Consultant and City will develop materials announcing Council meetings and online engagement opportunities to be sent out in the utility bills.



Expectations and Keys to Success

The City's vision for success for the Housing Action Plan involves the following:

- The City Council reads and understands the HAP
- The HAP is useful for the planning department in communicating potential changes to development regulations and incentives to the development community
- The HAP connects strategies and actions to what is working well in code and what could be improved

Project Risks and Mitigation

The following is a list of potential risks that have been identified for this project:

- Meeting grant deliverables and deadlines. To mitigate this risk, a project charter has been developed to enumerate project goals and required deliverable. A detailed project schedule has also been developed which will provide guidance throughout the project. This will help ensure deliverables are produced on time and that the project will meet all deliverable requirements.
- Lack of community engagement on important housing issues. This project will identify important housing issues and ways the city can tackle them in the future. It is vital that the community is part of this early conversation. To mitigate this risk, we have developed a robust engagement strategy which will focus on
 - Creation of an advisory committee to help inform project goals and outcomes;
 - Development of a project website where people can learn about the project and provide feedback;
 - Direct engagement at important events in the city; and
 - Continuous work with the Planning Commission and City Council

Appendix A – Scope of Work

SCOPE OF WORK AND DELIVERABLES

The Consultant shall perform the following scope of work as directed by the City consisting of five main tasks: (1) Project Kick-off/ Charter Development; (2) Public Engagement Plan; (3) Housing Inventory, Forecast and Capacity Analysis (Housing Needs Assessment); (4) Draft Housing Action Plan; and (5) Final Draft Housing Action Plan.

Steps/ Deliverables	Description	Start Date	End Date
Action 1	PROJECT KICK-OFF/CHARTER DEVELOPMENT	February 2022	March 2022
Step 1.1	Kick-Off Meeting (Remote) – In conjunction with a consultant team, hold a project kick-off videoconference with project staff, discuss project objectives, goals, expectations, guiding principles, and values/needs/issues. Discuss project schedule, deliverables, communication protocols, public outreach methods, and check-in meeting schedule.	February 2022	February 2022
Step 1.2	Project Charter – Develop a project charter outlining the roles and responsibilities of the City and consultant team. The Charter will also include project schedule, tasks, key objectives, goals, project expectations, and guiding principles.	March 2022	March 2022
Deliverable 1	Kick-Off Meeting & Project Charter		February 2022
Action 2	PUBLIC ENGAGEMENT PLAN	April 2022	May 2023

Step 2.1	Public and Stakeholder Engagement – In collaboration with City staff, consultant team will establish a public engagement plan that includes strategies to engage multiple stakeholders, including City departments, residents, community groups, builders, realtors, nonprofits/housing advocates, and local religious groups. A Stakeholder Advisory Committee will be formed that includes individuals from the groups listed above. An engagement plan for the Planning Commission and City Council will also be developed.	April 2022	April 2023
Step 2.2	The consultant team will assist the City with the creation of a project ‘dashboard’ or ‘landing page’, which will include ongoing project information, meeting information, draft documents, and other relevant project information.	April 2022	May 2023
Deliverable 2	Public Engagement Plan & Project Dashboard		May 2022
Action 3	HOUSING NEEDS ASSESSMENT	March 2022	July 2022

Step 3.1	<p>Housing Gap Analysis</p> <ul style="list-style-type: none"> a. Quantify existing and projected housing needs for all income levels in Prosser, including extremely low-income householders, documentation of housing and household characteristics and cost burdened households. b. Document type and age of housing. Identify how many households in each income range are cost burdened. c. Identify housing and household characteristics, and various levels of cost burdened households. d. Project housing needs based on anticipated population forecast/all income levels. e. Analyze population trends/forecasts. f. Develop a plan for maintaining existing housing stock within the city. 	April 2022	August 2022
Step 3.2	<p>Land Use Code Audit –</p> <ul style="list-style-type: none"> a. Review and evaluate effectiveness of current code provisions related to housing. b. Identify barriers to the production of housing. c. Consider strategies to minimize displacement of low-income residents resulting from redevelopment 	April 2022	August 2022
Step 3.3	Review Housing Needs Assessment with Stakeholder Advisory Committee, Planning Commission and City Council	August 2022	August 2022
Deliverable 3	Housing Needs Assessment		August 2022

Action 4	DRAFT HOUSING ACTION PLAN	September 2022	January 2023
Step 4.1	<p>Housing Strategy Development</p> <p>A list of recommended strategies and implementing actions that will help increase housing supply and minimize displacement will be prepared. Proposed recommendations will be organized into four areas of consideration:</p> <ol style="list-style-type: none"> 1. Current City Housing Actions – current housing policies and actions. 2. Data- and Community-Driven Actions – coming from work completed in Action 3, suggest areas of improvement based on research and analysis as well as community input. 3. Good Housing Practices and Equitable Housing – list of strategies and actions including tools and policies that help frame a city’s role in supporting both market-rate and affordable housing. 4. Other “stretch goals” that can be considered under special circumstances and areas of special needs. 	September 2022	January 2023
Step 4.2	<p>Implementation Schedule – Working with City staff, consultant team will develop an implementation schedule that provides cohesive, effective, and feasible housing policies, programs and strategies that are tailored for the housing needs of Prosser.</p>	September 2022	January 2023

Step 4.3	Stakeholder Committee, Planning Commission, City Council, Public Review a. Meeting with SAC to review Draft HAP. b. Work session with Planning Commission and City Council. c. Public engagement through project dashboard.	September 2022	January 2023
Deliverable 4	Draft Housing Action Plan		January 2023
Action 5	FINAL HOUSING ACTION PLAN/ADOPTION	February 2023	May 2023
Step 5.1	Refine and finalize Housing Action Plan – Planning Commission and City Council, refine the HAP.	February 2023	April 2023
Step 5.2	Additional Revisions – Based on feedback from study sessions, revise HAP and create final document for public hearings.	April 2023	April 2023
Step 5.3	Public Hearings/Adoption – Planning Commission and City Council Meetings for review & adoption of HAP.	May 2023	May 2023
Step 5.4	Final transmittal of HNA and HAP to Commerce.	May 2023	May 2023
Deliverable 5	Final Housing Action Plan		May 2023

Appendix B – Kickoff Meeting Notes (April 19, 2022)

PROSSER HOUSING ACTION PLAN

(Project Kickoff)

Agenda - NOTES

Date: Tuesday, April 19, 2022

Locations: Microsoft Teams

Time: 10:00 a.m. – 11:00 a.m.

Meeting Objectives

- Gather information for project charter, including:
 - City goals, potential risks for project, and strategies for engagement
 - City staff roles and potential Advisory Committee memberships
- Initial conversation about schedule and deliverables

TIME	ITEM	LEAD
10:00 a.m.	Welcome and introductions <ul style="list-style-type: none"> • City and project team introductions and roles • Review agenda goals 	Clay
10:15 a.m.	City shares: <ul style="list-style-type: none"> • Their vision for success for this project: imagine it is the day after the City Council approves the HAP. How will success be defined? <ul style="list-style-type: none"> ○ Getting City Council to read and understand the plan – affordability and multifamily will be key to piquing their interest ○ If the document is useful for planning department and getting any changes out to the development community ○ Connect what’s in the plan to what is working well in code and what can be improved (process or outcome) ○ Interested in seeing more tiny homes and ADUs ○ Also interested in multigenerational housing (including detached ADUs) • Their biggest fear: what is the most likely obstacle or wrench in this project? <ul style="list-style-type: none"> ○ Differing views on Planning Commission re: where housing should be focused (downtown vs. citywide) ○ North Prosser is growing and that’s where jobs are occurring and new utilities are being built • Strategies for engagement – what has worked well? (online surveys, in-person PC and council meetings) <ul style="list-style-type: none"> ○ Dedicating page on Prosser website to project is probably most interest we will get ○ Some people may want one in-person meeting to discuss draft 	Steve

- Summertime events – we could attend one event and discuss with people (more local events with downtown closures)
- Aquatic center – potentially talk to people who use the facility
- Short surveys – link on website
- Who from the city will be involved, and what will their roles be?

**10:30
a.m.**

Review project actions/questions

Clay

- Advisory Committee membership – who sends out invites, who is on the list (including any electeds that would want to be part of the group)
 - One in-person meeting to introduce everybody for advisory committee, should be after 5:30pm (we have often done 6 to 8pm), future ones can be done remotely
 - Commerce wants a council resolution
 - Advisory committee and then straight to council (planning commission will focus on implementation)
 - Real estate, planning commissioner, hospital, ag processing employer(s), downtown main street
 - Catholic Charities – Brian Ketchen (Steve will send info)
 - Churches
- Website development (Konveio is an option)
 - Kendall or Rachel with the city (LDC to get contact info on other city staff, LDC will send what we want on the website and Steve will send to them)
 - City has social media accounts and will do the sharing
 - Newsletter goes out with all the utility billings – good place to advertise!
- Housing Needs Assessment
 - Chapters 17 and 18 – Steve has drafts of changes he'd like to see; work has been put on hold due to remote meeting challenges
 - Tiny homes
 - ADUs
 - Multi-generational housing – coverage, setback, other issues
- Housing Action Plan
 - Could use this plan to support code changes – strategy focused on current code update
 - Could also include review of draft code changes for potential pitfalls and implementation challenges
 - Strategy for implementation

**10:50
a.m.**

Review project schedule

Matt

- Set up regular meetings as desired by city

- Meet regularly every 2 weeks – Thursdays at 10am (starting 5/5 through June of next year) – Matt to send invite
- Grant deadlines and when HNA and HAP will need to be reviewed and/or approved by Council

<p>10:55 a.m.</p>	<p>Next steps and action items</p> <ul style="list-style-type: none"> • Steve will send Ch. 17 and 18 edits 4/19 • Matt will send regular check-in invite 4/19 • LDC to finalize project charter and public engagement plan by 5/3 • Steve put together names and orgs they belong to for stakeholder committee by next week (week of 4/25) • Next 2 weeks – put together intro for advisory committee members (LDC has examples from prior projects) • LDC to begin collecting data for housing needs assessment – by 5/3 	<p>Clay</p>
<p>11:00 a.m.</p>	<p>Adjourn</p>	