



City of Yakima Housing Needs Assessment

DRAFT April 22, 2020

Prepared by BERK Consulting



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Introduction

The City of Yakima is developing a Housing Action Plan. This plan will identify a set of actions the city can take to support and encourage housing production that meets local housing needs. The purpose of this plan is to increase housing choice and affordability for Yakima residents and workers of all income levels.

This Housing Needs Assessment will help inform and guide the selection of actions to include in the Housing Action Plan. It provides an evaluation of current housing supply and housing needs in Yakima, across the full spectrum of household types and income levels, by answering the following kinds of questions:

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

The data in this Needs Assessment will be synthesized with information gathered through engagement with stakeholders and residents during the formation of the Housing Action Plan.

Summary of Key Findings

- **There is a housing shortage in Yakima.** Vacancy rates for both apartments and homes for sale are extremely low – **below 1%**. When vacancy rates are so low, people looking for new homes have fewer options, increasing competition for the limited supply of units available. This drives up both rents and housing prices.
- **Housing prices are rising faster than incomes.** The median home value in Yakima has risen by **38%** between 2010 to 2019. Over the same period, the median family income has only increased by **19%**. This indicates homeownership is getting further and further out of reach for many prospective buyers.
- **Many households in Yakima are cost burdened.** Between 2012 and 2016, **36%** of all households in Yakima were cost burdened. Nearly 50% of renter households were cost-burdened, about a quarter of all homeowners. Cost-burdened households spend a large

portion (over 30%) of their available income on housing costs. This leaves less money available for other vital needs like food, transportation, clothing, and education. With rising housing costs, the number of cost-burdened households has almost certainly increased during the past few years.

- **Needs are greatest among low-income households.** About three fourths of all households with incomes below 50% of the county median family income are cost burdened. Nearly half of these households are severely cost burdened, meaning they spend over 50% of their income on housing costs.

While there are low-income households living in neighborhoods across the city, the greatest concentration of low-income households is in eastern Yakima, and many of these households are of Hispanic/Latino ethnicity.

- **Low-wage workers are traveling long distances to jobs in Yakima.** Over 7,000 low-wage workers commute more than 50 miles from their home to a workplace in Yakima. That is nearly a quarter of all low-wage workers in the city. Many of these workers may be living outside of Yakima due housing affordability, or inability to find suitable housing in the city.
- **There is considerable need among elderly residents.** There are 5,400 elderly persons living alone in Yakima. 42% of these residents are cost burdened and 22% are severely cost burdened. Yet there are only 926 units with federal subsidies set aside for elderly and disabled persons.
- **Yakima needs more housing diversity.** Over 65% of all housing in City of Yakima are single-family homes. Not all households require, or can afford, that much space. For example, about 30% of all households in Yakima are singles living alone. Yet only 5% of housing units in Yakima are studios and only 13% have just one bedroom. Increasing the diversity of housing options available will increase housing supply and provide more choices for residents seeking more affordable housing that meets their current needs.
- **Countywide there is a shortage of seasonal farmworker housing.** There are approximately 4,600 beds of seasonal farmworker housing provided throughout the county, despite over 45,000 seasonal jobs available in the busiest summer months.¹ Identifying safe and sanitary

¹ This number may slightly overestimate the extent of the gap given that workers may hold multiple jobs.

housing facilities for seasonal workers is an important gap to address in Yakima County.

Housing Terminology

This guidebook uses some terminology, acronyms, or data sources that may be unfamiliar. Here are some definitions.

Affordable Housing

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

American Community Survey (ACS)

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

Area Median Income (AMI)

This is a term that commonly refers to the area-wide median family income calculation provided by the federal Department of Housing and Urban Development (HUD) for a county or metropolitan region.² Income limits to qualify for affordable housing are often set relative to AMI. In this report, unless otherwise indicated, AMI refers to the HUD Area Median Family Income (HAMFI).

Cost Burden

When a household pays more than 30 percent of their gross income on housing, including

² Note that HUD sometimes refers to HUD Area Median Family Income as just Median Family Income, or MFI. See <https://www.huduser.gov/portal/datasets/il.html>

utilities, they are “cost-burdened.” When a household pays more than 50 percent of their gross income on housing, including utilities, they are “severely cost-burdened.” Cost-burdened households have less money available for other essentials, like food, clothing, transportation, and medical care.

Household

A household is a group of people living within the same housing unit.³ The people can be related, such as family. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit, is also counted as a household. Group quarters population, such as those living in a college dormitory, military barrack, or nursing home, are not considered to be living in households.

Household Income

The census defines household income as the sum of the income of all people 15 years and older living together in a household.

Income-Restricted Housing

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

Low-Income

Households that are designated as low-income may qualify for income-subsidized housing units. HUD categorizes families as low-income, very low-income, or extremely low-income relative to HUD area median family incomes (HAMFI), with consideration for family size (Error! Reference source not found.Exhibit 1).

³ The census sometimes refers to "occupied housing units" and considers all persons living in an occupied housing unit to be a single household. So, Census estimates of occupied housing units and households should be equivalent.

Exhibit 1. HUD Income Categories Calculated Relative to HUD Area Median Family Income (HAMFI)

| Income Category | Household Income |
|----------------------|----------------------|
| Extremely Low-Income | 30% of HAMFI or less |
| Very Low-Income | 50% of HAMFI or less |
| Low-Income | 80% of HAMFI or less |

Source: HUD, 2020; BERK, 2020.

Median Family Income (MFI)

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

Vouchers (Tenant-based and Project-based)

HUD provides housing vouchers to qualifying low-income households. These are typically distributed by local housing authorities. Vouchers can be “tenant-based”, meaning the household can use the vouchers to help pay for market-rate housing in the location of their choice. Or they can be “project-based”, meaning they are assigned to a specific building.⁴

Universal Design

Universal design is “the design and composition of an environment so that it can be accessed, understood and used to the greatest extent possible by all people regardless of their age, size, or ability”.⁵ When integrated into the built environment, universal design principles ensure that residents who are aging or who have a disability are not blocked from accessing housing and services.

⁴ See https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/tenant and https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project for more details.

⁵ <http://universaldesign.ie/What-is-Universal-Design/>

Community Profile

Located in central Washington, on the banks of the Yakima River, Yakima is the largest city in Yakima County. The cities of Selah and Union Gap lie immediately to the north and south of Yakima. In addition, the unincorporated suburban areas of West Valley and Terrace Heights are considered a part of greater Yakima.

Yakima is comprised of numerous neighborhoods. Older neighborhoods cover the east side of the City, from the Yakima River to approximately 16th Avenue. This area includes the original City and the growth occurring prior to World War II. This area also contains some of the more architecturally-significant, historical neighborhoods in the City, including portions of Northeast and Southeast Yakima. Growth in Yakima has been largely westward from Downtown, despite a limited east-west street network and pedestrian-oriented infrastructure. Newer housing in the west provides residents with fewer opportunities to walk to destinations or amenities. Coupled with the long distance from employment centers in the east, this creates greater dependence on cars to access jobs, services and amenities.

Exhibit 2. 4th Street from a 1940s Postcard



Source: HistoryLink, 2020.

Exhibit 3. East Yakima Avenue from a 1900s Postcard



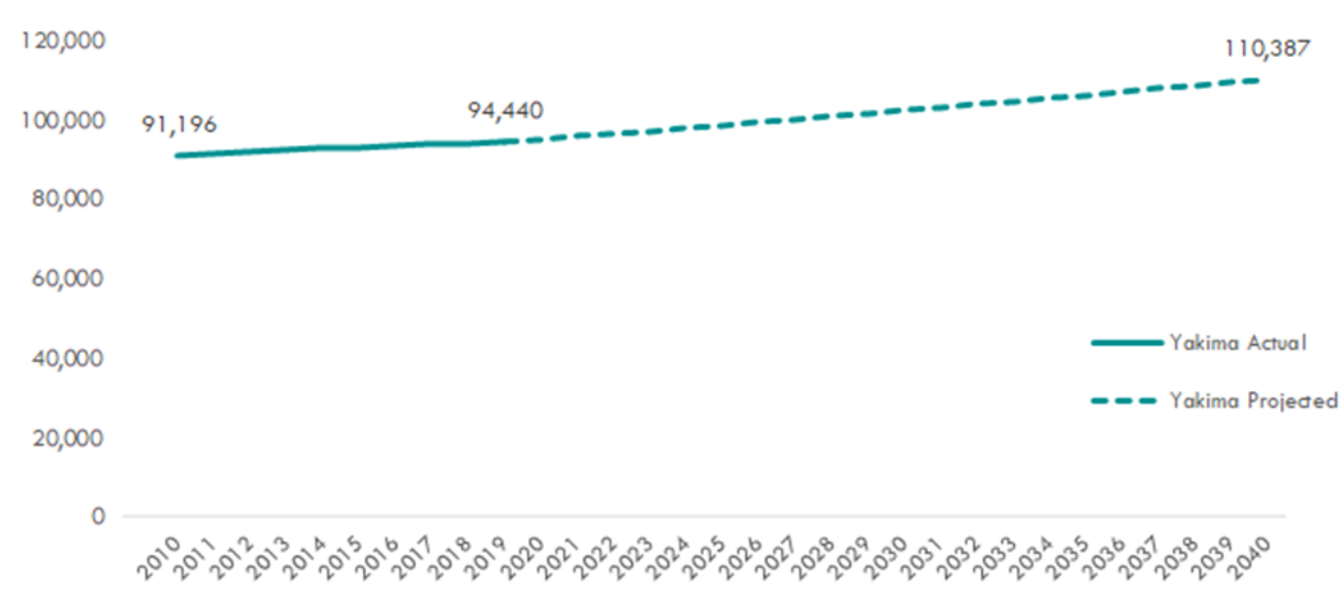
Source: HistoryLink, 2020.

POPULATION

During the last 10 years, Yakima County had an annual average population growth rate of about 0.6%, which was slower than Washington’s 1.2% growth rate. Yakima County’s population was estimated at 251,466 in 2018, up 3.4% from the 243,240 county residents in 2010. During the same period, Washington’s state’s population grew by 12.1%, nearly three times faster.

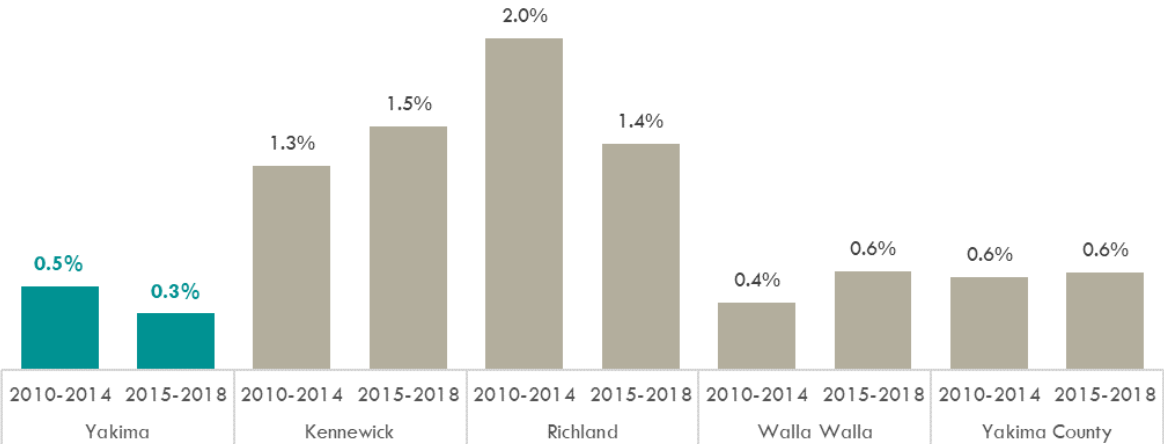
The City of Yakima has grown since 2010, with a current estimated population of 94,440 residents. The city is expected to continue growing and is projected to be home to 110,387 people by 2040, as shown in Exhibit 4. This would add 15,947 new persons between now and 2040, or about 760 new residents per year. The city has grown slower than the county as a whole, especially between 2015 and 2018, as shown in Exhibit 5.

Exhibit 4. Historical and Projected Population in City of Yakima, 2000-2040



Source: WA Office of Financial Management, 2019; Yakima County Planning, 2020; BERK Consulting, 2020.

Exhibit 5. Population Growth Rates in City of Yakima and Comparison Geographies, 2010-2018

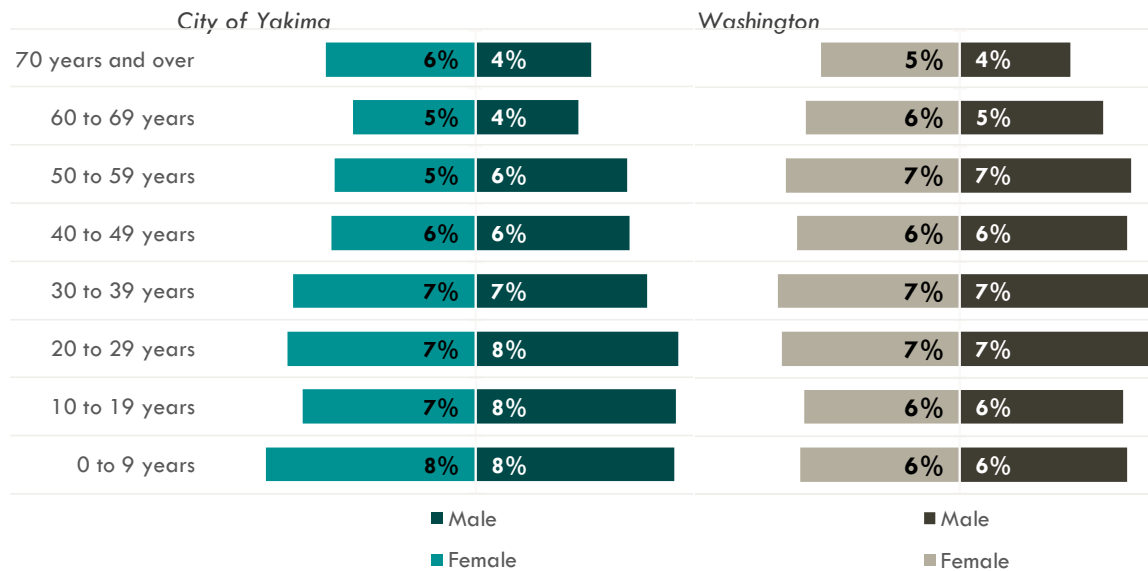


Source: WA Office of Financial Management, 2019; Yakima County Planning, 2020; BERK Consulting, 2020.

Age of Population

Compared to Washington State, the City of Yakima has a slightly larger proportion of younger residents and a slightly smaller proportion of residents between 50 and 69 years of age (22% vs. 25% statewide), as shown in Exhibit 6. Yakima has larger proportions of residents under 5 (8% vs. 6% statewide, and under 18 (28% vs. 22%).

Exhibit 6. Age and Sex Distribution in City of Yakima and Yakima County, 2018

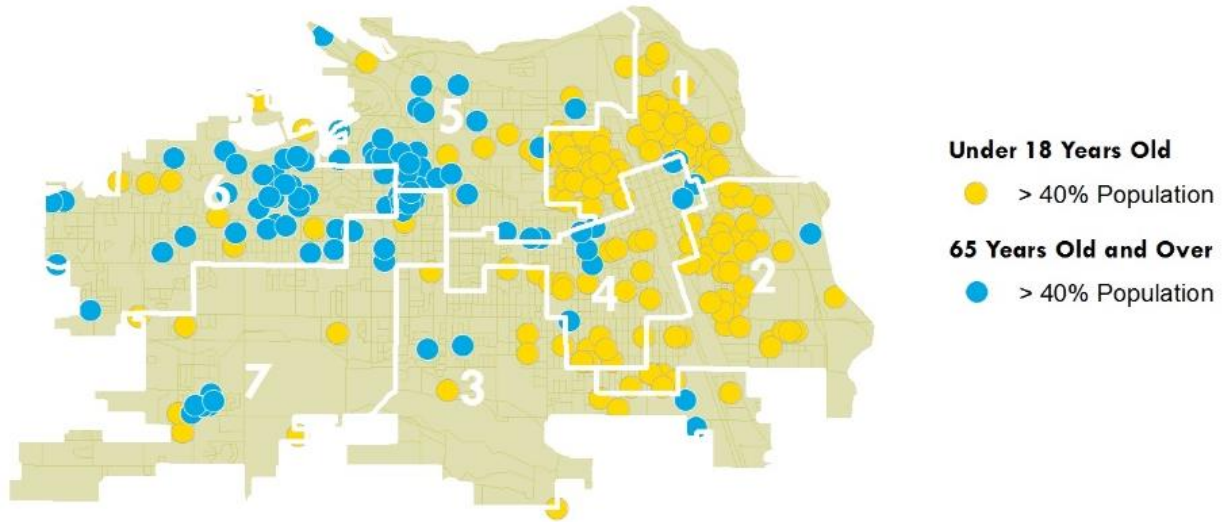


Source: American Community Survey S0101 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

Demographic patterns across Yakima vary by geography, with areas east and west of 16th Avenue showing markedly different patterns shown in Exhibit 7. Key geographic differences in age include:

- The proportion of youth is higher on the east side.
- There are fewer older residents (over 60) on the east side.

Exhibit 7. Population Under 18 Years Old and Over 65 Years Old in City of Yakima, 2010



Source: City of Yakima Comprehensive Plan, 2017.

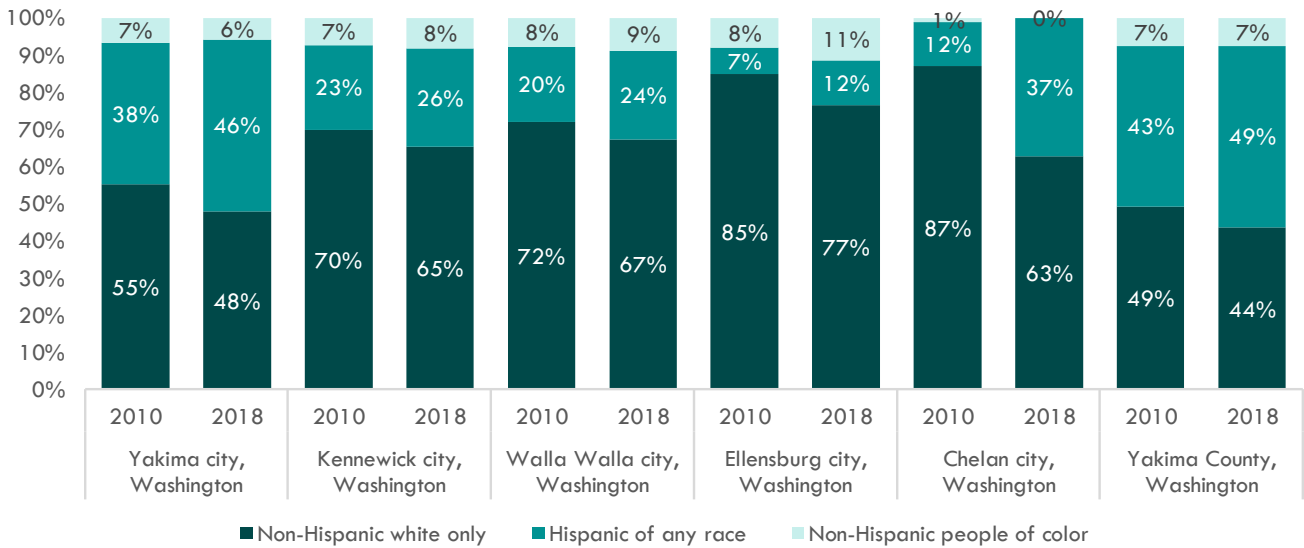
Race and Ethnicity

Yakima is ethnically diverse. The City of Yakima’s Hispanic or Latinx population comprises 46% of its population, compared to 12% statewide. A comparison of Yakima’s Hispanic or Latinx population to comparable communities is shown in Exhibit 8.

The younger population in the City of Yakima is far more ethnically diverse than older age groups. This is particularly apparent in student population. In 2019, 13,069 (80%) of students at Yakima School District identified as Hispanic/Latino.

A relatively small proportion in the City of Yakima identify as American Indian or Alaska Native. The city’s American Indian/Native Alaskan population was 1.2%, smaller than the 3.6% countywide and slightly higher than the 1.1% statewide. These percentages likely reflects the nearby presence of the Yakama Nation in Yakima County.

Exhibit 8. Percentage of Population by Race and Ethnicity in City of Yakima and Comparison Geographies, 2010 and 2018



Source: American Community Survey DP05 5-Yr Estimates, 2010 & 2018; BERK, 2020.

HISTORY OF THE LATINX COMMUNITY IN YAKIMA COUNTY

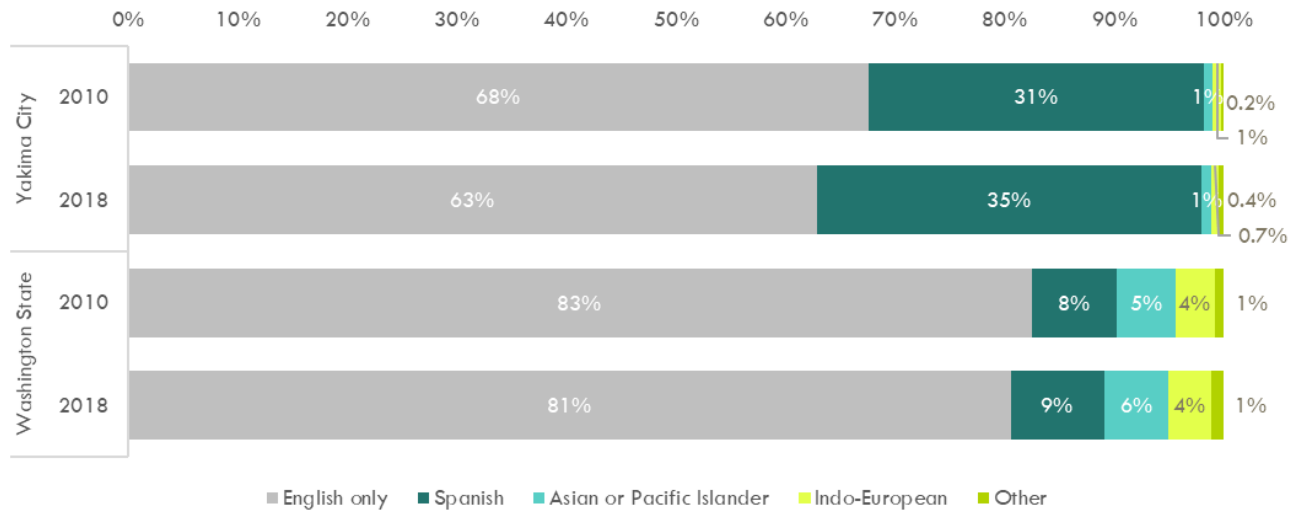
The large number of Latinx and Hispanic residents in the city reflects historical patterns of migration and employment, tied mostly to the local agricultural industry. While the city has been a destination for migrant Hispanic farmworkers over the years, growing numbers of Hispanic farmworkers began permanently settling in the area from the 1930s to 1980s due to changes in the agricultural industry and immigration reforms.

Yakima’s population grew from roughly 3,200 residents in 1900, steadily increasing decade after decade, to 45,500 in 1960. These population increases were in part due to the arrival of Mexican American farmworkers from Texas in the early 1930s. During World War II, the U.S. government established the Bracero program, which allowed Mexican citizens to come to the Yakima Valley to work. While these workers did not settle in the Valley, this established the Yakima Valley as a destination for Latinx farmworkers. By the 1980s many former seasonal workers settled permanently in the Yakima Valley due to changes in immigration policies. By the 1980s, Yakima County’s Hispanic population was 14.8%, and by the 2000 census, 33% of the residents of Yakima County were of Hispanic or Latino origin, compared to 7.5% in the state. Today, 48.4% of Yakima County’s population is Hispanic, nearly four times the statewide percentage of 12.3%

Source: HistoryLink.org Essay 9187 by Jim Kershner

Reflecting its ethnic diversity, Yakima has a high proportion of residents who speak a language other than English at home. 37% of the city’s total population speak a language other than English at home, compared to 19% statewide, shown in **Exhibit 9**. Spanish is the most common language among non-English speakers, with 35% of the city’s total population speaking it.

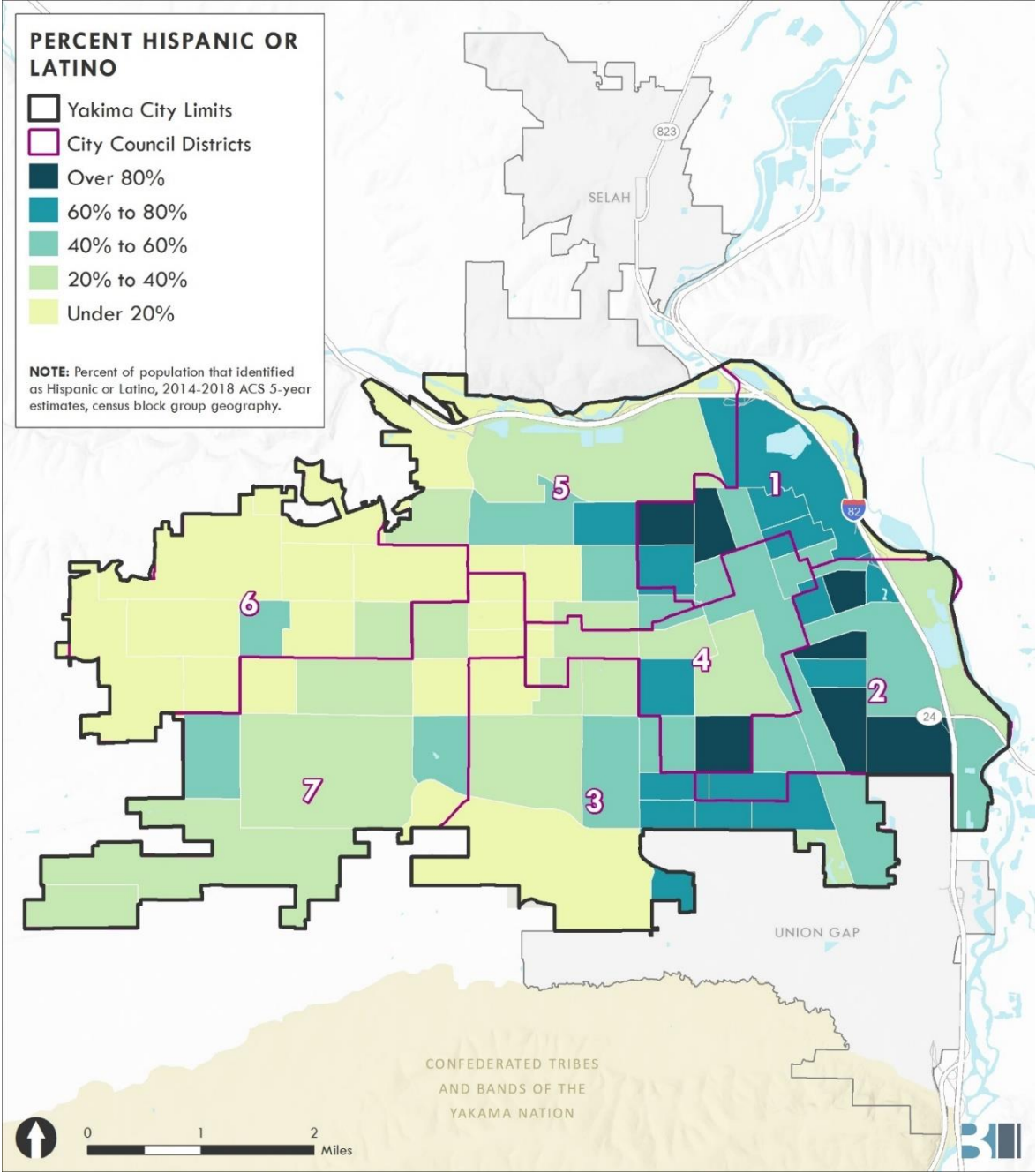
Exhibit 9. Languages Spoken at Home in City of Yakima and Washington State, 2010 and 2018



Source: American Community Survey S1601 5-year Estimates, 2010 & 2018; BERK, 2020.

The distribution of race and ethnicity across Yakima varies by geography, with areas east and west of 16th Avenue showing markedly different patterns. The proportion of residents who are of Hispanic origin is greater on the east side, shown in **Exhibit 10**.

Exhibit 10. Percent of Residents that Identify as Hispanic or Latino in City of Yakima, 2014-2018



Source: American Community Survey, 2014-2018; BERK Consulting, 2020.Households

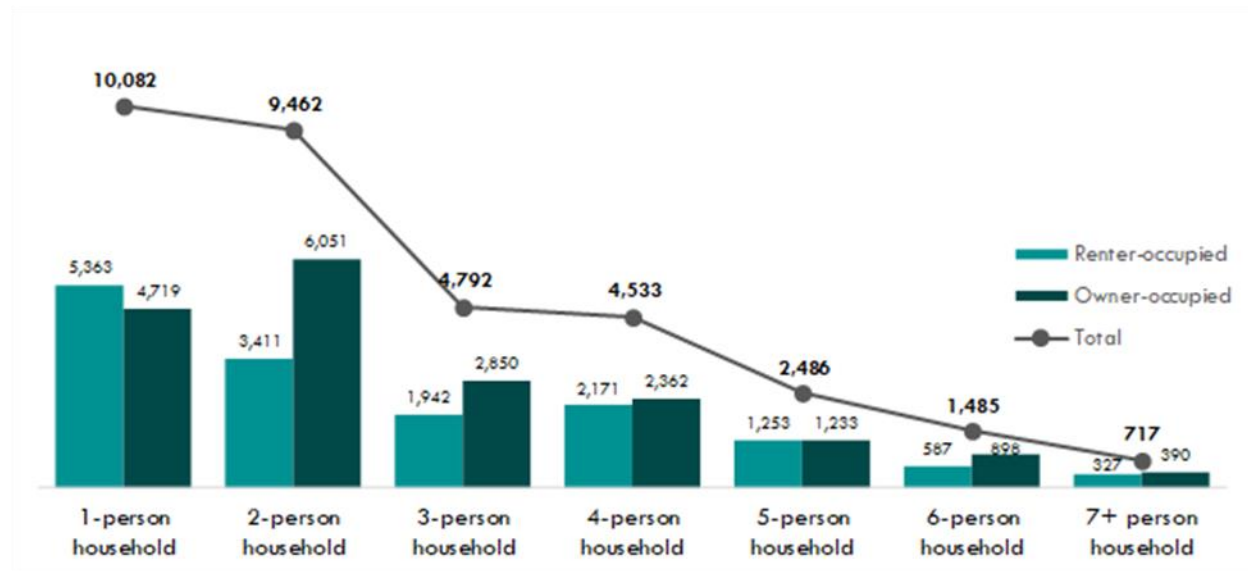
HOUSEHOLDS

A household is a group of people who live in a single dwelling unit, such as a house or apartment. Households can have only one member or many members. They can be families or unrelated people living together. As of 2017, there are an estimated 33,466 households living in the City of Yakima. Understanding the makeup of the households in the city across age, race, and family sizes helps us to better understand and provide affordable housing to a diversity of household types and sizes.

Household Size

The average household size in Yakima is 2.71, slightly larger than the statewide average of 2.55. More than half (58%) of the city’s residents live in single or two-member households. Exhibit 11 shows the breakdown of households by size by tenure.

Exhibit 11. Household Size by Tenure in City of Yakima, 2014-2018



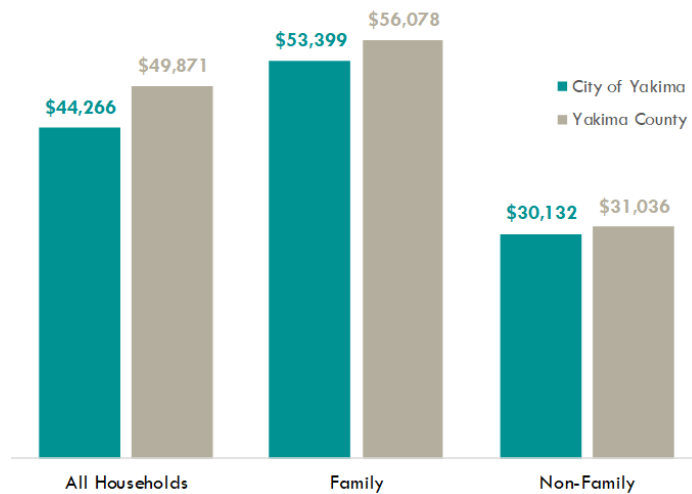
Source: American Community Survey, 2014-2018; BERK Consulting, 2020.

Household Income

When summarizing housing affordability by income level, households are typically grouped relative to the U.S. Department of Housing and Urban Development (HUD) Area Median Family Income (also known as “AMI”). The 2019 AMI for Yakima County is **\$56,078**. Exhibit 12 lists 2018 median income in the city and county for families (households with two or more related persons) and non-families. Family incomes are typically higher than non-family incomes due to the higher earnings from potential dual income households. However, the gap between family

and non-family incomes in Yakima is particularly wide, as the median non-family income in the city is a little over half (53.6%) of AMI. This likely reflects the presence of agricultural workers who may live in non-family arrangements and make relatively lower wages.

Exhibit 12. Median Household Income by Household Type in City of Yakima, 2018

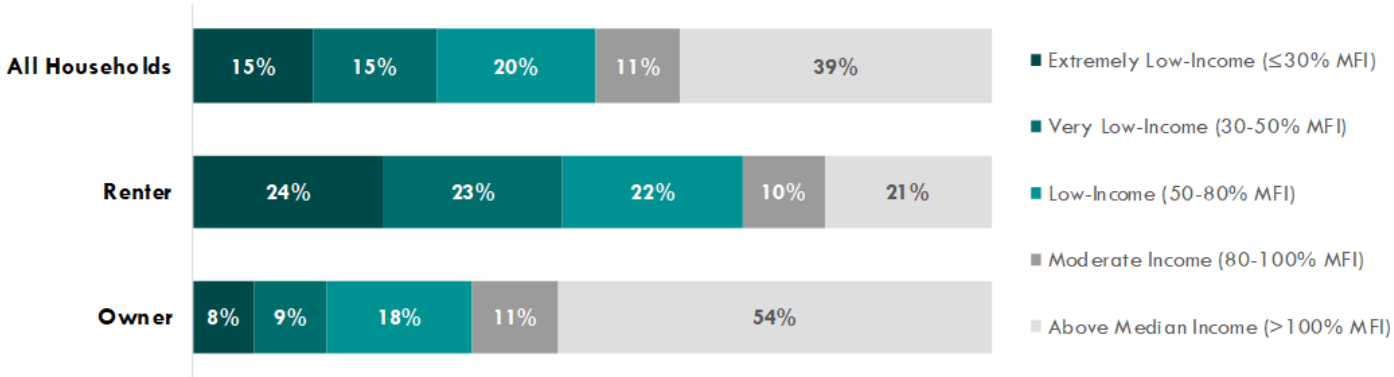


Source: American Community Survey, 2014-2018; BERK Consulting, 2020.

Exhibit 13 breaks down renter- and owner-occupied households in the City of Yakima by income level relative to AMI. It shows a significant difference between owner-occupied and renter-occupied households, with owner households much more likely to have incomes above 100% AMI.⁶ Only 21% of renter households earn at or above AMI, compared to 54% of owner households. Close to a quarter of renter households have extremely low incomes, compared to 8% of owner households.

⁶ Note that when grouping households by income level, HUD adjusts income thresholds based on household size to reflect the fact that the living expenses for a 1-person household are significantly less than those of a family of four. These adjustments are based on HUD's published household [Income Limits](#) needed to qualify for income-restricted affordable housing that is set aside for households at a specified income level or below. [Washington State Housing Finance Commission](#) publishes an expanded version of these income limits for each county in Washington State.

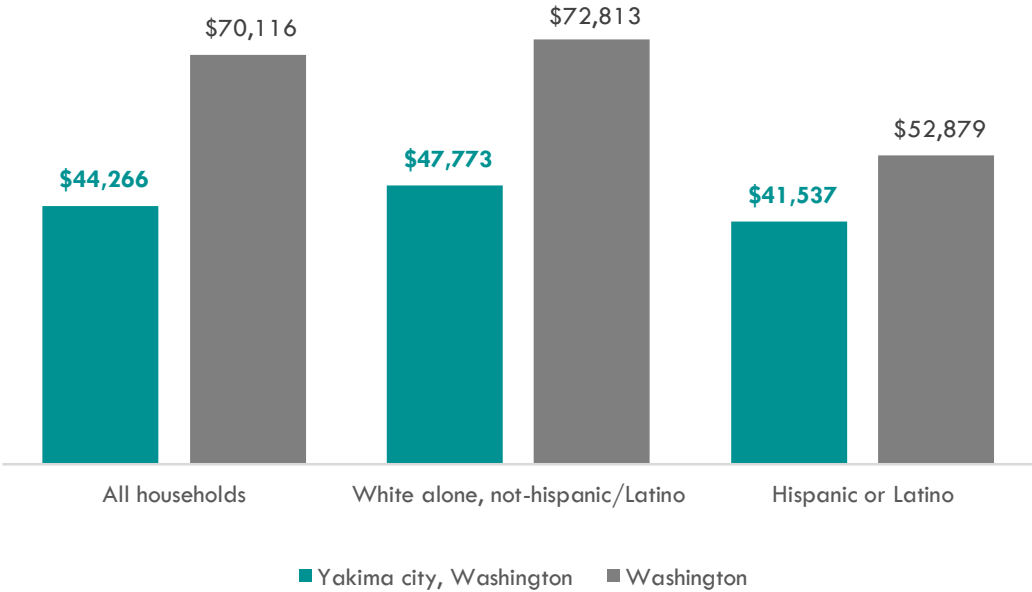
Exhibit 13. Percentage of Households by Income Level in City of Yakima, 2012-2016



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

Median household incomes vary by ethnicity as well, as shown in Exhibit 14. The median Hispanic or Latino household has an income about 15% lower than median white alone (not Hispanic/Latino) households.

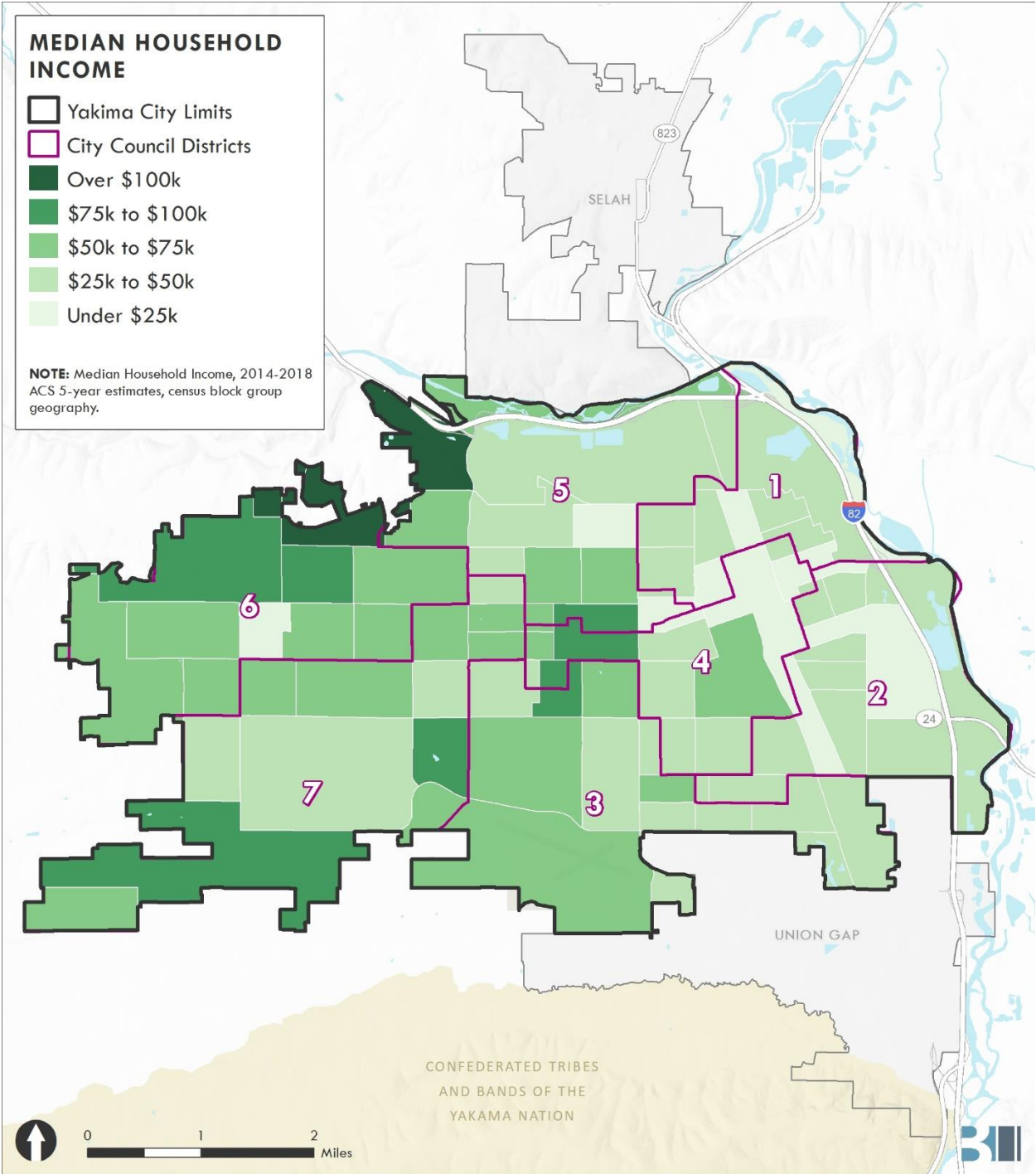
Exhibit 14. Median Household Income by Ethnicity in City of Yakima, 2018



Source: American Community Survey 5-Yr Estimates, 2014-2018; BERK Consulting, 2020.

A map showing strong disparities in income by neighborhood is provided in Exhibit 15.

Exhibit 15. Median Household Income by Census Tract in City of Yakima, 2014-2018



Source: American Community Survey, 2014-2018; BERK Consulting, 2020.

Cost-Burdened Households

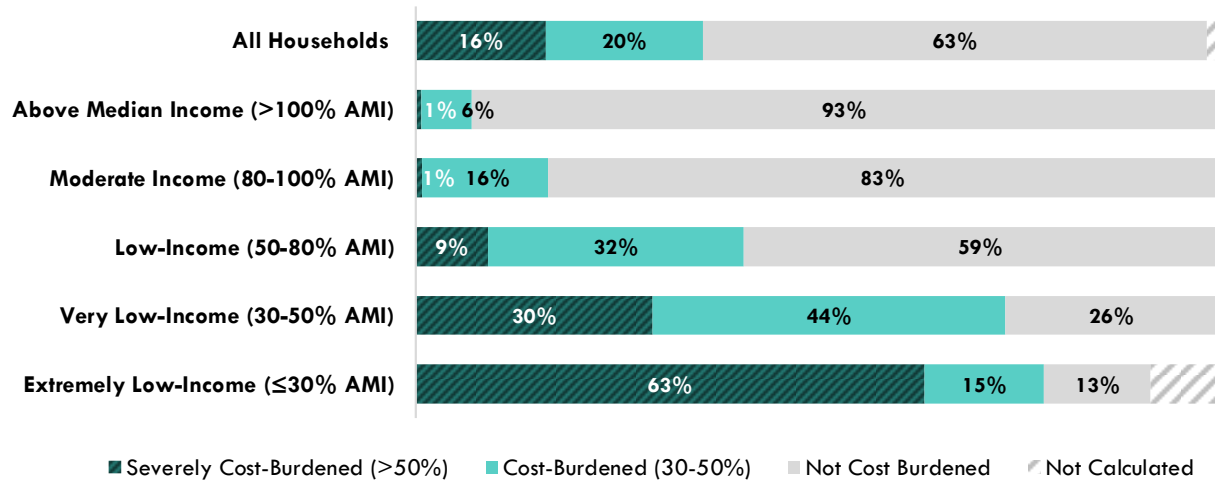
One of the best indicators of affordable housing needs is the number of households that are "cost-burdened" or spending too much of their income on housing. These households have limited resources left over to pay for other life necessities such as food, clothing, medical care, transportation, and education.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

The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable if it costs no more than 30% of a household's income. Households paying more than 30% of their income for housing are cost-burdened, and households paying more than 50% are severely cost-burdened.

Between 2012 and 2016, 36% of all households in Yakima were cost burdened, as shown in Exhibit 16. Households with lower incomes are more likely to be cost-burdened. *Source: HUD CHAS (based on ACS 5-year estimates), 2012-2016; BERK Consulting, 2020.*

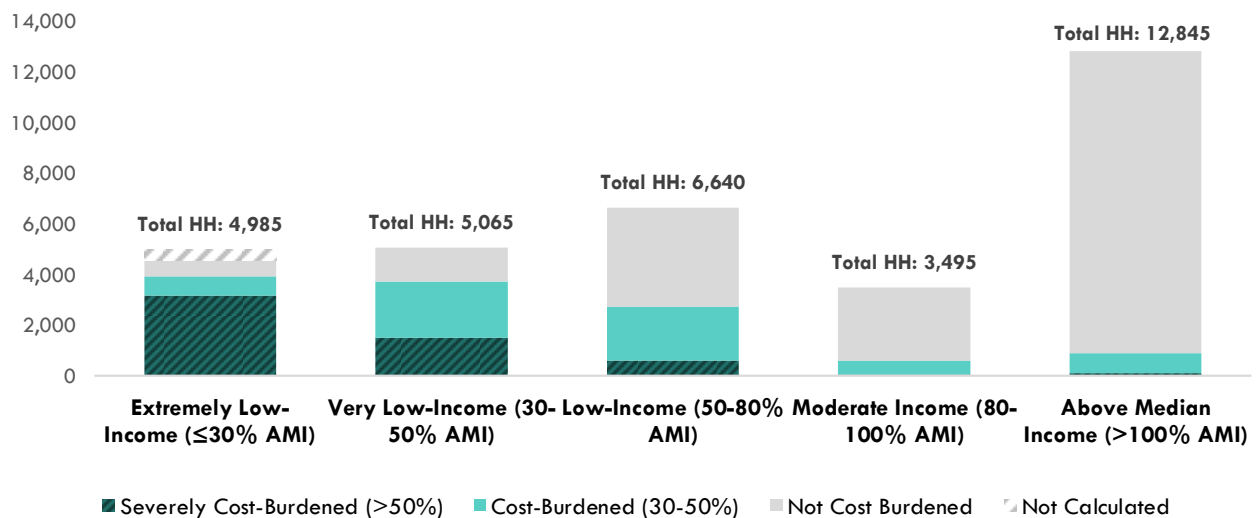
Exhibit 17 presents estimates of total households by income level and cost burden status. While there are cost burdened households across the income spectrum, severe cost burden is most prevalent among the lowest income groups. Slightly more than 3,000 households (63%) with extremely low incomes, roughly 1,500 (30%) households with very low incomes, and 600 (9%) households with low incomes are severely cost-burdened.

Exhibit 16. Cost Burden Status by Income Level of Households in City of Yakima, 2012-2016



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

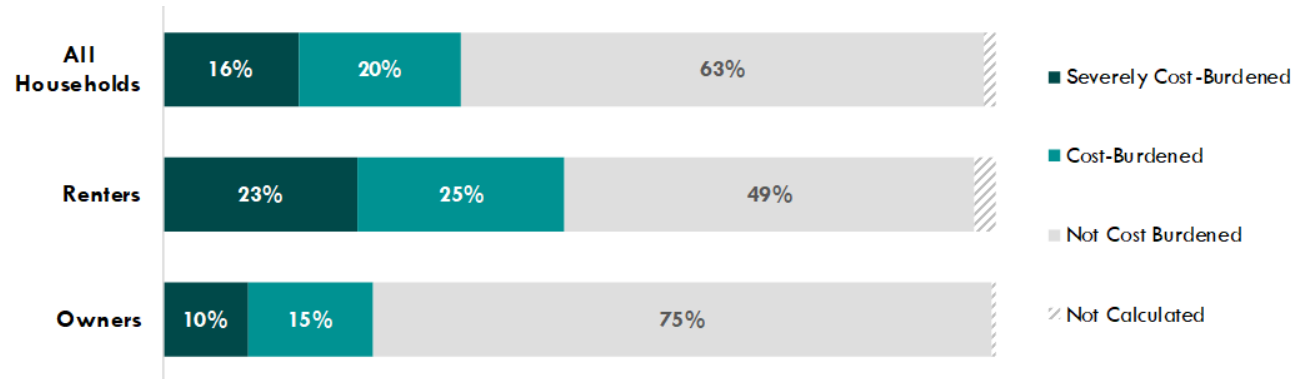
Exhibit 17. Total Cost-Burdened Households by Income Level in City of Yakima, 2012-2016



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

As shown in Exhibit 18, renters are more likely to be cost-burdened than owners, with nearly half of renter households (48%) cost-burdened, compared to a quarter (25%) among owner households. Renters are also more severely cost-burdened than owners, with 23% of renter households severely cost-burdened compared to 10% of owner households.

Exhibit 18. Household Tenure by Cost Burden in City of Yakima, 2012-2016



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

Renter households are most vulnerable to the impacts of rising housing cost. Exhibit 19 shows estimated counts of cost-burdened renter-occupied households by household type and income level. While there are households struggling with housing costs across the entire income spectrum, the greatest number are among household types with incomes below 50% of AMI. The greatest need is among small families (2–4 members) and non-family households, which are typically people living alone or with unrelated housemates.

Exhibit 19. Cost-Burdened Renter Households by Household Type and Income Level in City of Yakima, 2012-2016

| Household Type | Extremely Low-Income ($\leq 30\%$ AMI) | Very Low-Income (30-50% AMI) | Low-Income (50-80% AMI) | Moderate Income (80-100% AMI) | Above Median Income ($>100\%$ AMI) | All Cost-Burdened Renter Households |
|---------------------|---|------------------------------|-------------------------|-------------------------------|-------------------------------------|-------------------------------------|
| Senior Family | 25 | 85 | 65 | 25 | 65 | 265 |
| Senior Living Alone | 365 | 430 | 335 | 35 | 95 | 1,260 |
| Large Family | 535 | 350 | 180 | 4 | 0 | 1,069 |
| Small Family | 970 | 1,155 | 470 | 55 | 30 | 2,680 |
| Other | 880 | 820 | 320 | 49 | 0 | 2,069 |
| Total | 2,775 | 2,840 | 1,370 | 168 | 190 | 7,343 |

| Household Type | Description |
|----------------------|--|
| Elderly living alone | A person age 62+ living alone |
| Elderly family | Two persons, either or both age 62 or older |
| Small family | Families with 2-4 members (excluding elderly families) |

| | |
|--------------|---|
| Large family | Families with 5 or more members |
| Other | Non-family, non-elderly households (includes those living alone or with housemates) |

AMI = HUD Area Median Family Income

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

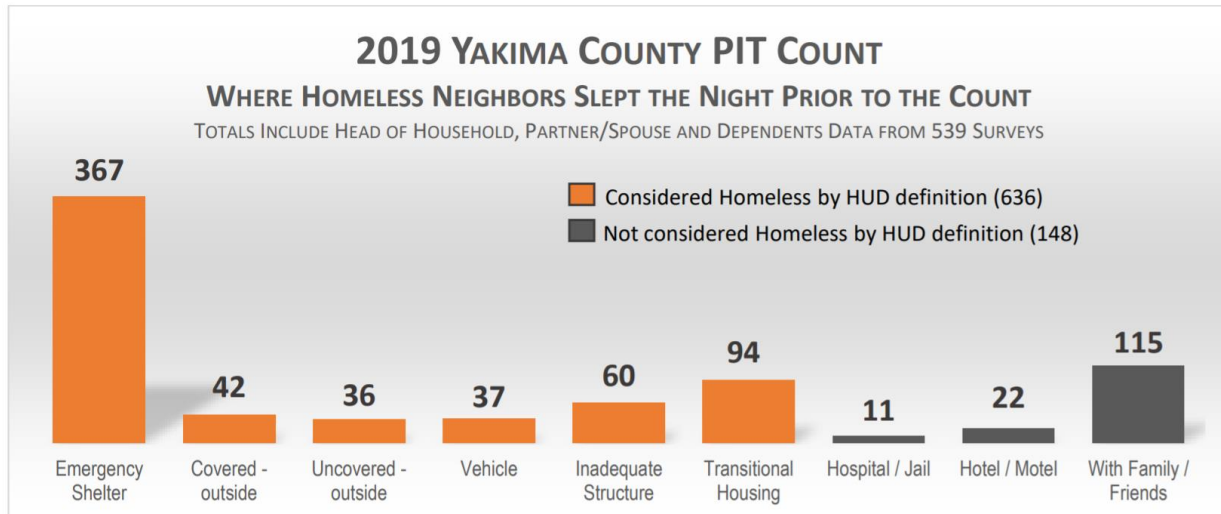
RESIDENTS WITH SPECIAL HOUSING NEEDS

Several groups may have special housing needs or supportive services, such as residents experiencing homelessness, residents with disabilities, and older residents. Given the city's proximity to a large seasonal agricultural workforce, farmworkers can also have special housing needs that differ from the general population.

Residents Experiencing Homelessness

According to the 2019 Yakima County Point-in-Time (PIT) Count, 636 individuals were experiencing homelessness countywide, with over half reporting having slept in an emergency shelter the prior night. A summary of the count results is shown in Exhibit 20. Most households surveyed in the 2019 PIT Count were actively seeking housing and 7 in ten households reported needing assistance to find housing. The top reasons cited as the cause of homelessness included economic, job loss, alcohol/substance use, and family crisis. However, there are often a combination of factors that contribute to housing insecurity and homelessness. Exhibit 21 ranks the reasons cited by survey respondents.

Exhibit 20. Yakima County Homeless Point-in-Time Count Summary, 2019



Source: ACR Business Consulting, 2019

Exhibit 21. Top Reasons Cited as Cause of Homelessness, 2019 Yakima County PIT Count

(Participants could select more than one reason)

| | Number of Responses |
|------------------------------------|---------------------|
| 1. Economic | 178 |
| 2. Job Loss | 177 |
| 3. Alcohol / Substance Use | 174 |
| 4. Family Crisis | 171 |
| 5. Lost Temporary Living Situation | 134 |
| 6. Kicked Out / Left Home | 108 |
| 7. Eviction | 102 |
| 8. Domestic Violence | 99 |
| 9. Physical / Mental Disability | 97 |
| 10. Mental Illness | 97 |
| 11. Illness / Health Related | 92 |
| 12. Released from Jail | 77 |
| 13. Personal Choice | 68 |
| 14. Lacking Job Skills | 63 |
| 15. Medical Costs | 34 |
| 16. Lack of Childcare | 15 |
| 17. Language Barrier | 13 |
| 18. Aged out of Foster Care | 12 |

Source: ACR Business Consulting, 2019

Another source of information about families experiencing homelessness and housing insecurity is available from the Yakima School District. Each year the district surveys the families of all students regarding their housing situation. During the 2017-2018 school year the district found that at least 621 students experienced housing instability. However, not all of these students meet the strict standards of homelessness in a PIT count. A summary of the living situation of these students is shown in Exhibit 22. The term “doubled-up” refers to students who are sleeping in a friend or family member’s home temporarily.

Exhibit 22. Students Experiencing Housing Instability in Yakima School District, 2017-18 School Year

At least 621 students in Yakima experienced housing instability

- 448 were doubled-up
- 53 stayed in hotels/motels
- 101 stayed in shelters
- 19 were unsheltered

Source: WA Office of Superintendent of Public Instruction, 2019; BERK Consulting, 2020.

Yakima County’s Five-Year Plan to End Homelessness (2018) identified the following population as needing specific attention with regards to homelessness are:

- Individuals experiencing chronic homelessness;
- Unaccompanied youth;
- Veterans;
- Families with children (including victims of domestic violence); and
- Individuals over the age of 62.

Households with Disabilities

Exhibit 23 shows households in Yakima by disability status and income. While there are households with disabilities across the entire income spectrum, the proportions decrease across income categories. The percentage of households with one or more members with any disability among households with extremely low incomes is close to double the percentage among households with extremely high incomes. This is higher for ambulatory limitations, with 37% of total households with this disability belonging to the extremely low-income category compared to 17% in the moderate income or higher income category.

Exhibit 23. Households by Disability Status and Income Level in City of Yakima, 2012-2016

| Disability Status (any household member) | Extremely Low-Income (≤30% AMI) | Very Low-Income (30-50% AMI) | Low-Income (50-80% AMI) | Moderate Income or Higher (>80% AMI) | Total Households with 1 or more housing problems |
|---|---------------------------------------|------------------------------------|----------------------------|---|--|
| Hearing or vision impairment | 725 | 640 | 565 | 395 | 2,325 |
| Ambulatory limitation | 1,080 | 815 | 640 | 370 | 2,905 |
| Cognitive limitation | 675 | 850 | 305 | 340 | 2,170 |
| Self-care or ind. living limitation | 730 | 640 | 620 | 385 | 2,375 |
| None of the above | 2,370 | 2,450 | 2,130 | 1,480 | 8,430 |

AMI = HUD Area Median Family Income

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

Older Residents

13,432 residents in Yakima are age 65 or older, or about 14% of the population. Another 9,000 residents are age 55–64, indicating that the elderly population will likely grow significantly over the next 10 years. While older residents have a range of housing preferences, many need affordable, accessible housing in age-friendly neighborhoods with close links to healthcare and other supports. Some of these households in Yakima have the financial means to afford appropriate housing and services. Many others do not.

Exhibit 24 shows the prevalence of cost burden among elderly households across income ranges. The greatest need is among elderly residents living alone with incomes below 30% AMI.

Exhibit 24. Cost-Burdened Households by Household Type Income Level (Elderly households) in City of Yakima, 2020-2016

| Household Type | Extremely Low-Income (≤30% AMI) | Very Low-Income (30-50% AMI) | Low-Income (50-80% AMI) | Moderate Income (80-100% AMI) | Above Median Income (>100% AMI) | All Cost-Burdened Households |
|-----------------------------|---------------------------------------|------------------------------------|----------------------------|-------------------------------------|---------------------------------------|---------------------------------|
| Elderly Family | 105 | 170 | 140 | 110 | 140 | 665 |
| Elderly Living Alone | 815 | 620 | 625 | 60 | 155 | 2,275 |

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

Farmworkers

Yakima County is the biggest county in Washington for agriculture, measured both by number of employees and by number of farms.⁷ **As of 2018, Yakima County is home to approximately 20,630 year-round agricultural jobs, and this number more than doubles during the peak months for seasonal employment,** as shown in Exhibit 25.

Agricultural workers have unique housing needs: year-round agricultural employees in this region are estimated to earn less than the median household income, \$31,719 annually in wages, and will likely be looking for bottom-tier homes or rental units for their households. Seasonal workers who come from outside areas will need housing for shorter time periods, and may desire lower-cost, temporary options such as single-occupancy rooms or barracks-style accommodations. Because of these needs, seasonal worker housing is typically measured in beds, rather than housing units.

Exhibit 25. Farmworker Jobs and Housing in Yakima County, 2018 Estimate

| Employment Type | Annual Estimate, Jobs | Farmworker Housing Stock |
|---------------------------|--|--------------------------|
| Permanent, Covered | 20,630 | 948 units |
| Seasonal, Covered and H2A | Lowest Month: 2,434 Highest Month: 45,337 | 4,637 beds |
| Total (Annual Range) | 23,064 – 65,967 | 5,585 units or beds |

Source: Washington State Employment Security Department, 2019; Washington State Finance Committee, 2019; US Department of Labor, 2020; BERK, 2020.

⁷ ESD 2017 Agricultural Workforce Report, Labor Market and Economic Analysis

Workforce Profile

COUNTYWIDE EMPLOYMENT

Yakima County had a total covered employment of 116,332 and average annual wage was \$39,893 or 60.3% of the state average of \$66,195. Agriculture was the largest provider of jobs and wages in the county in 2018, accounting for 28% of all jobs (32,320 jobs) and 22% of total covered wage income. While agriculture accounts for 28% of jobs in the county, it accounts for only 22% of wage income, reflecting the seasonal nature of its jobs.

CITYWIDE EMPLOYMENT TRENDS

According to the Census, as of 2017 there were 40,482 jobs in the City of Yakima. During the past 15 years the city has gained about 8,370 jobs averaging about 1.7% growth, or about 558 jobs per year.⁸ Reflecting countywide employment, top sectors in the city include agriculture, health care, retail, and manufacturing. The City of Yakima's agricultural and manufacturing employers are diverse and include fruit packers, beef processors, and canneries. The City's jobs in the health sector reflects its role as a regional medical center, with a hospital and the nearby Pacific Northwest University of Health Sciences (in Terrace Heights). City jobs are concentrated in the Downtown in the eastern part of the city and near US-12 in the north.

Almost a quarter (23%) of the jobs in Yakima pay less than \$1,250 per month. A worker earning that wage alone would be severely cost burdened by the average one-bedroom rental cost of \$666 per month. About one half (48%) of the jobs pay between \$1,250 and \$3,333 per month. Maybe of the workers in this wage category would also have trouble afford average cost rental units without working multiple jobs.

To balance their household budgets, many lower-wage workers may move to areas farther away from the city in search of more affordable housing options. Exhibit 26 shows the home location of workers who are employed inside the City of Yakima. Some of these workers may desire to live in Yakima but currently live in surrounding areas. It is likely that some of these households living outside of Yakima are doing so to access more affordable housing or due to a lack of housing options that meet their needs.

Investments in affordable and workforce housing within the city can ensure that the local

⁸ Source: U.S. Census Bureau, Center for Economic Studies, 2020; BERK, 2020.

workforce, especially lower-wage workers, can live within easy reach of employment centers and in the communities they serve.

EMPLOYMENT PROJECTIONS

There is a great deal of uncertainty about future employment growth in Yakima due to the current⁹ stay-at-home order in Washington State that has resulted in widespread layoffs and unemployment. However, employment growth in recent history has been healthy: an average of 1.7% growth per year between 2002 and 2017.¹⁰ According to the 2017 City of Yakima Comprehensive Plan, the city's growth target is to add 8,556 jobs between 2017 and 2040, or about 372 jobs per year (about 0.9% annual growth). This would represent a slowdown compared to recent years.

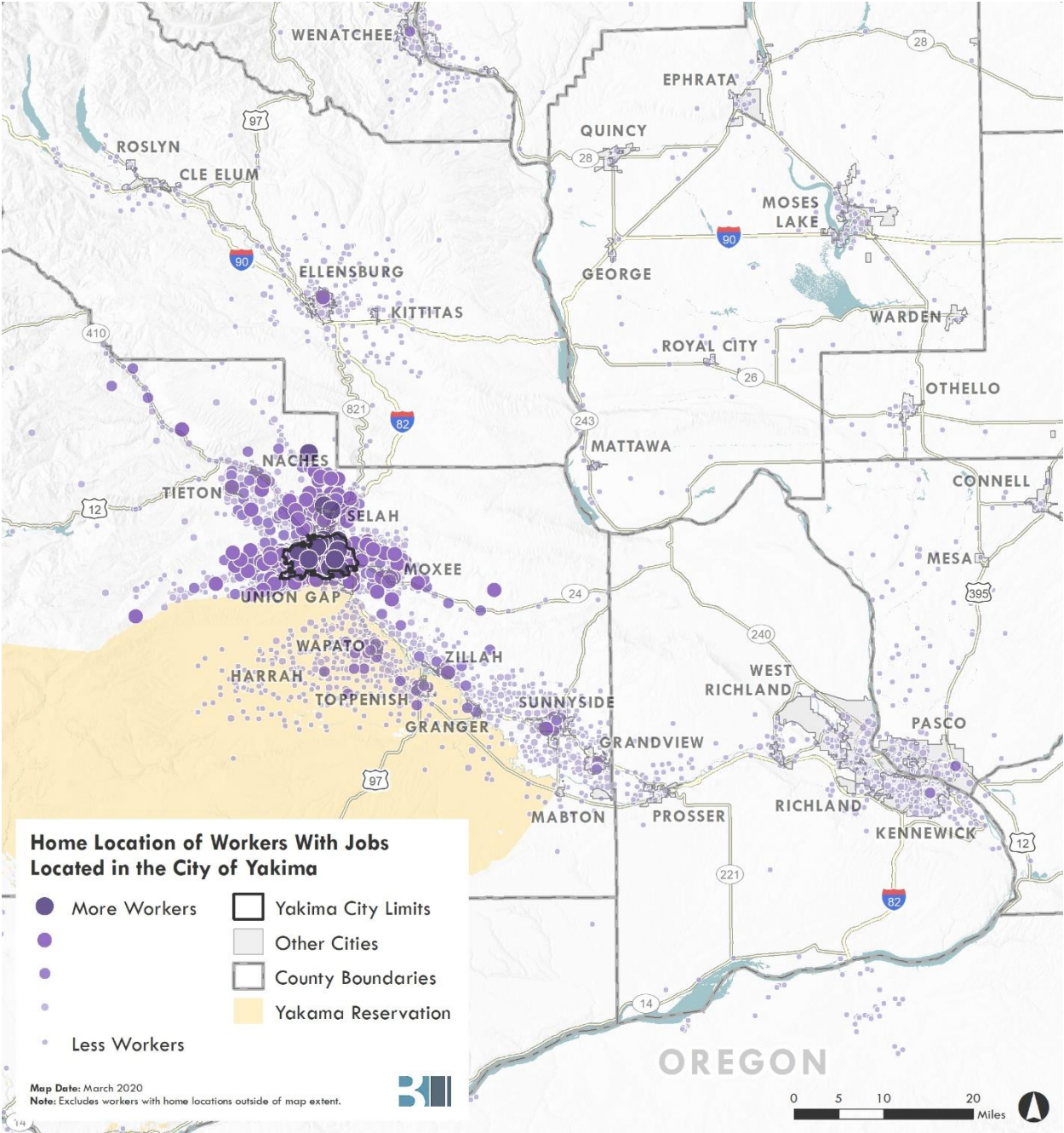
Many lower-paying occupations, such as healthcare support (nursing/medical assistants or home health aides), retail, and sales, are expected to be in demand in the region in the next five years based on occupational projections and current supply-demand data provided by the Washington State Employment Security Department (ESD).¹¹ ESD also projects the fastest growth in Construction, Transportation Warehousing and Utilities, Education and Health Services, and Leisure and Hospitality.

⁹ This needs assessment was drafted in April 2020.

¹⁰ Source: U.S. Census Bureau, Center for Economic Studies, 2020; BERK, 2020.

¹¹ Source: ESD, 2019. See the Occupations in Demand (OID) list at <https://www.esd.wa.gov/labormarketinfo/learn-about-an-occupation>.

Exhibit 26. Place of Residence for Workers in City of Yakima, 2017



Source: U.S. Census Bureau Center for Economic Studies, 2020; BERK Consulting, 2020.

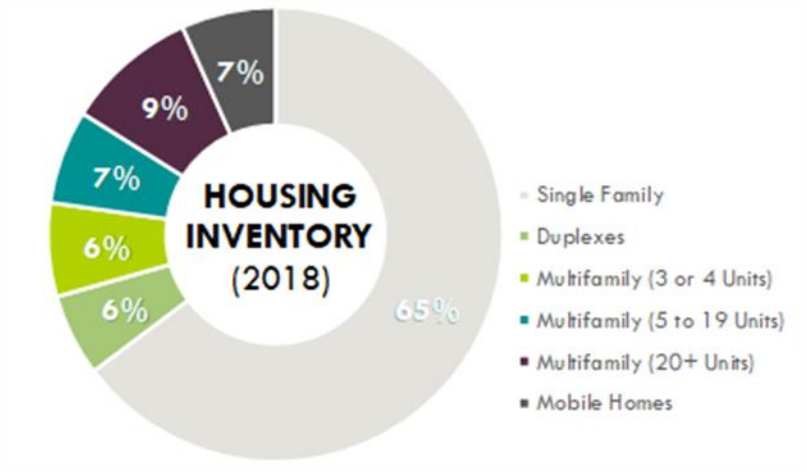
Housing Inventory

HOUSING SUPPLY CHARACTERISTICS

Housing Units by Type

There is a total of 36,120 housing units in Yakima, shown in Exhibit 27. Nearly two thirds (65%) of these units are single family homes and 15% are multifamily buildings of 5+ units. Another 12% of units are smaller multifamily structures such as duplex, triplex, and quadplex buildings. Close to 7% of the housing stock is in mobile homes, which likely reflects the supply for local seasonal housing for farmworkers.

Exhibit 27. Housing Inventory by Type in City of Yakima, 2018

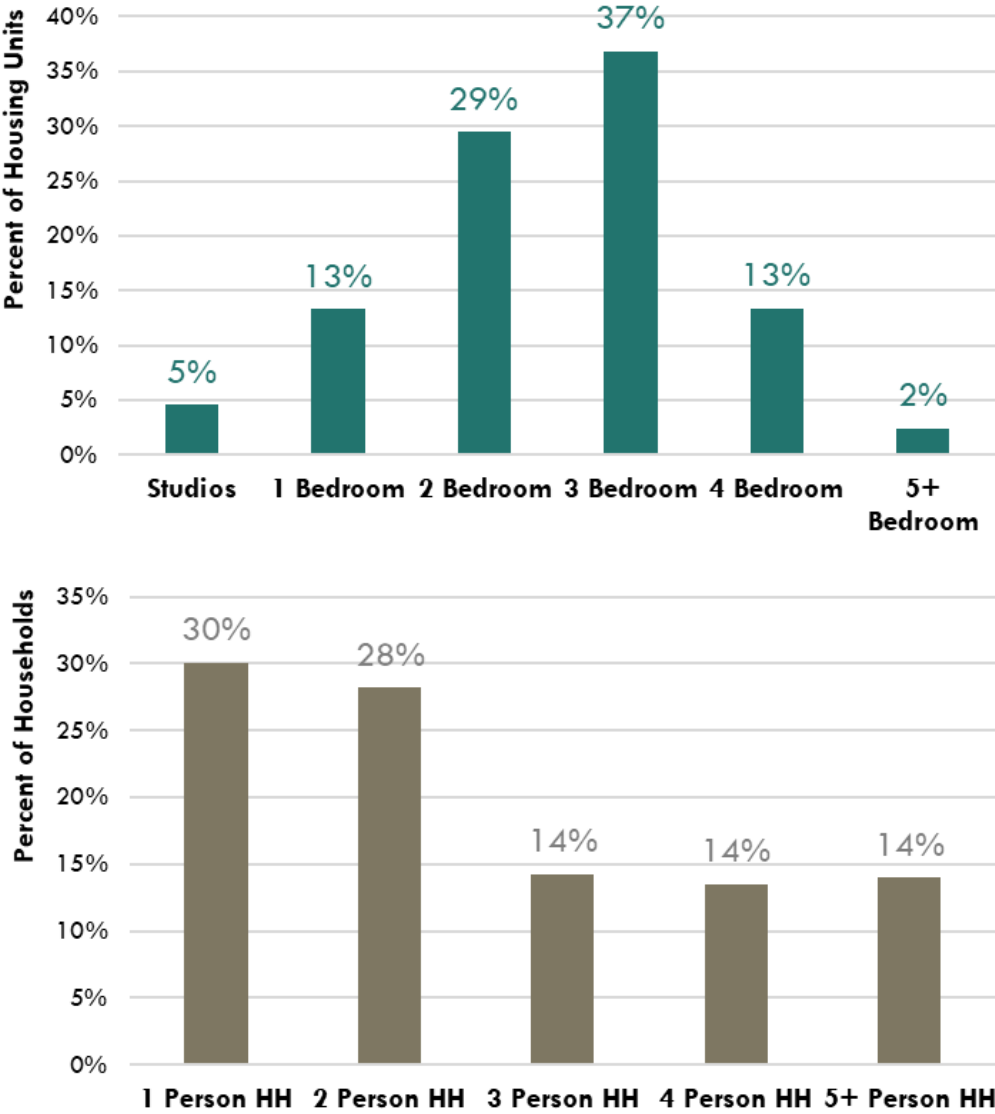


Source: American Community Survey DP04, 2014-2018; BERK Consulting, 2020.

Unit Size

Exhibit 28 shows Yakima housing stock by number of bedrooms and households by household size. It indicates a potential undersupply of both smaller units. 30% of households in Yakima have only one or two members, but only 18% of housing units are studios or 1-bedroom units.

Exhibit 28. Percentage of Housing Unit Sizes Compared to Household (HH) Sizes in City of Yakima, 2012-2016



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

Housing Condition

According to the Yakima Comprehensive Plan, in 2014 only 10% of the city’s residential structures had been built since 2000, and roughly half (50.1%) of units were built 40 or more years ago. These older units may represent lower quality housing stock that may require

additional investments for upkeep. Older housing may also need modifications for access to ensure their suitability for older residents, differently-abled residents, and families. While some housing units may need upkeep or accessibility improvement, older housing stock may also represent much of the more affordable housing available in the city. Exhibit 29 compares images of housing in southeast and northeast Yakima.

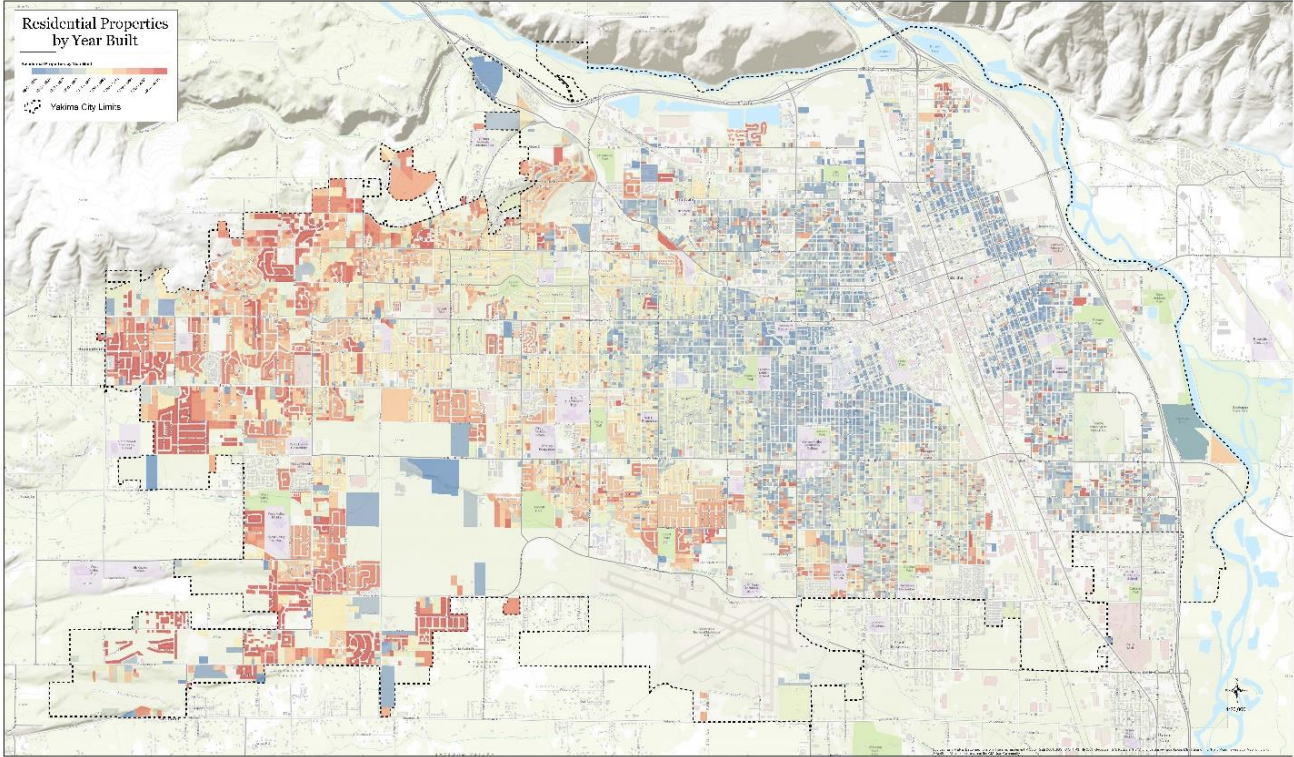
Exhibit 29. Images of Housing in Southeast (left) and Northeast (right) Yakima



Source: Yakima Comprehensive Plan, 2017.

Exhibit 30 maps the geographical distribution of residential structure by year built. It shows that much of the older housing stock in the city is located in eastern Yakima, in areas that are typically close to amenities, services, and jobs. Preservation and support for home maintenance can be important elements of housing affordability.

Exhibit 30. Residential Properties by Year Built in City of Yakima

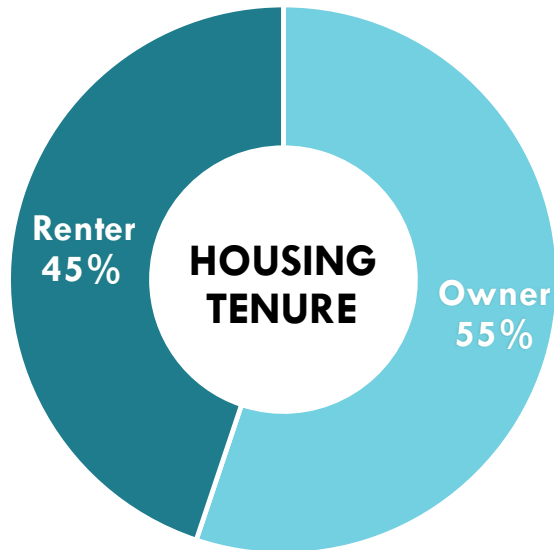


Source: City of Yakima Comprehensive Plan, 2017.

Housing Tenure

In Yakima, just over half of housing units are owner-occupied (55%) while 45% are renter-occupied, as shown in Exhibit 31.

Exhibit 31. Household Tenure in City of Yakima, 2018



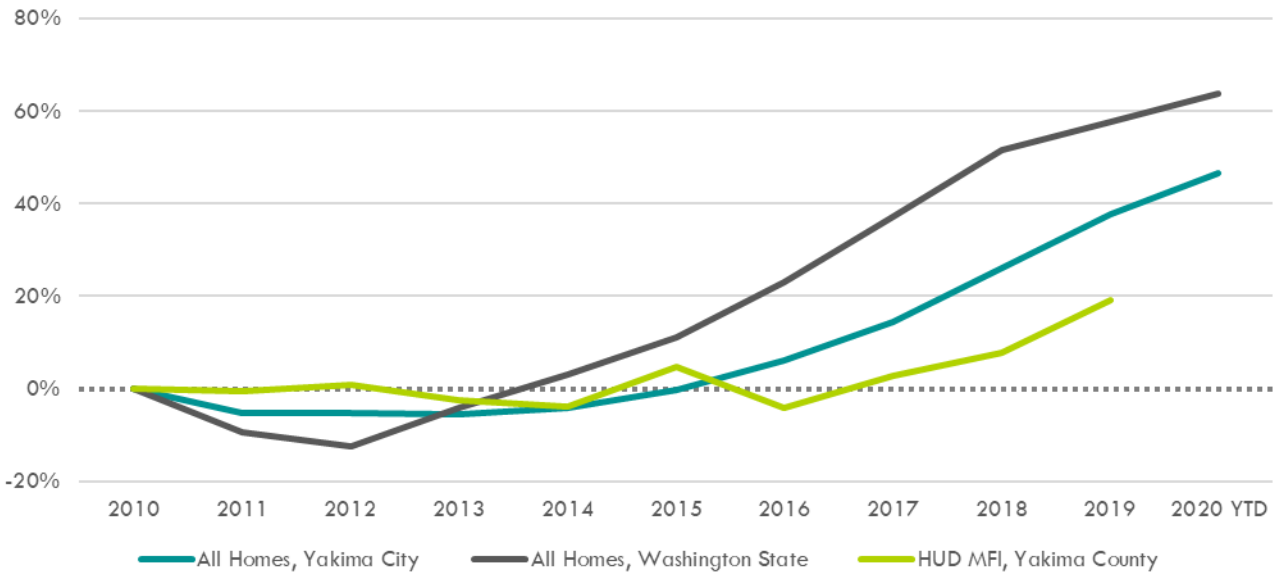
Source: American Community Survey, 2014-2018; BERK, 2020.

HOME OWNERSHIP

Homeownership is an important topic to consider since it is the main way most American families accumulate wealth. Homeownership in advantaged neighborhoods also provides access to higher performing school districts, amenities, and social capital that lead to better opportunities. There are a total of 18,081 owner-occupied housing units in Yakima. In terms of race, 85% of these units are occupied by whites, and in terms of ethnicity, 70% of these units are occupied by non-Hispanic white residents. Only 44% of Hispanic or Latino households own their homes.

Exhibit 32 shows change in housing values over time in Yakima and Washington State. Homes in Yakima are relatively more affordable and housing costs in the city are not rising as rapidly as they are statewide. However, **the median home value in Yakima has risen by 38% from 2010 to 2019. Over the same period, the median family income has only increased by 19%.** This indicates homeownership is getting further and further out of reach for many prospective home buyers.

Exhibit 32. Percent Change since 2010 in Average Home Values and HUD Median Family Income in City of Yakima, Yakima County, and Washington state, 2010-2020



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

Homeownership Affordability

Exhibit 33 estimates the income needed to afford an Average and “Bottom Tier”¹² cost home in the City of Yakima, assuming the household has 20% down payment in savings available for the purchase. It also shows the percentage of all households at or above these income thresholds. **Based on household income estimates from 2018, just under half of all households in Yakima have incomes high enough to afford an average cost home, and 62% had incomes high enough to afford a Bottom Tier home**, as shown in Exhibit 34. Unfortunately, data about household savings is not available, so it is impossible to estimate how many of these households have the means to become homeowners. At current housing prices, a 20% down payment is equivalent to approximately one full year’s income for households at these income thresholds, as shown in Exhibit 35.

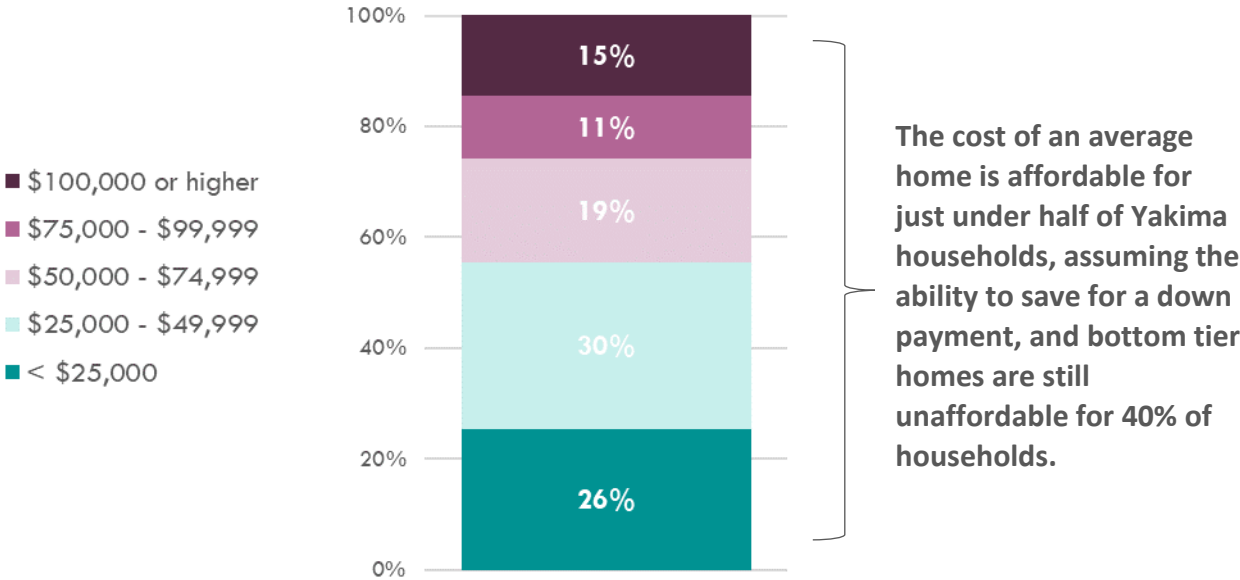
¹² Zillow data on housing values for the City of Yakima provide average for all ownership homes as well as averages among “Bottom Tier” homes (those in the bottom third of all units by cost) and “Top Tier” (those in the top third of all units by cost).

Exhibit 33. Home Ownership Affordability in City of Yakima, 2018-2020

| | Average Home Price | 20% Down Payment | Annual Income Needed to Afford (Assuming access to 20% Down Payment) | Percentage of Households at or Above this Income Threshold (as of 2018) |
|------------------|--------------------|------------------|--|---|
| Average Home | \$244,763 | \$48,953 | \$52,027 (about 86% of AMI) | 45% |
| Bottom-Tier Home | \$161,586 | \$32,317 | \$34,347 (about 57% of AMI) | 62% |

Source: Zillow Data, 2020; ACS 5-year Estimates, 2014-2018; BERK, 2020.

Exhibit 34. Percentage of All Households by Income Bracket in City of Yakima, 2014-2018



Source: ACS S1901 5-year Estimates, 2014-2018; BERK, 2020.

Exhibit 35. Home Ownership Costs for Average and Bottom-tier Homes in City of Yakima, February 2020

| | Average home | Bottom tier home |
|--------------------------------------|------------------|------------------|
| Monthly Mortgage | | |
| Sales Price (\$) | \$ 244,763 | \$ 161,586 |
| Assumed 20% down payment (\$) | \$ 48,953 | \$ 32,317 |
| Mortgage amount (\$) | \$ 195,810 | \$ 129,269 |
| Interest rate | 4% | 4% |
| Monthly payments over course of loan | 360 | 360 |
| Monthly mortgage payment (\$) | \$ 935 | \$ 617 |
| Annual Housing Expenses | | |
| Mortgage payments (\$) | \$ 11,218 | \$ 7,406 |
| Property tax (\$) | \$ 3,182 | \$ 2,101 |
| Insurance (\$) | \$ 1,224 | \$ 808 |
| Annual costs (\$) | \$ 15,624 | \$ 10,314 |
| Monthly costs (\$) | \$ 1,302 | \$ 860 |
| Monthly Income Needed | \$ 4,336 | \$ 2,862 |
| Annual Income Needed | \$ 52,027 | \$ 34,347 |

Source: Zillow, February 2020; BERK, 2020.

RENTAL HOUSING

There are a total of 15,385 rental housing units in Yakima. In terms of race, 77% of these units are occupied by whites, and in terms of ethnicity, 54% of these units are occupied by non-Hispanic white residents. A larger proportion of Hispanic households are renters than owners.

Rental Housing Costs and Vacancy

Exhibit 36 shows average apartment rents as of 2019 as well as the household income level needed to afford the unit as a percentage of AMI. Households with incomes at 60% of AMI can still afford average market rents for 1- and 2-bedroom apartments. Those with lower incomes cannot. This helps to explain the fact that so many lower-income households in Yakima are cost-burdened.

Exhibit 36. Yakima County* Rental Rates and Affordability, 2019

| | 1-bedroom | 2-bedroom |
|------------------------|-----------|-----------|
| Average Rental Rates | \$666 | \$818 |
| % AMI Needed to Afford | 60% | 60% |

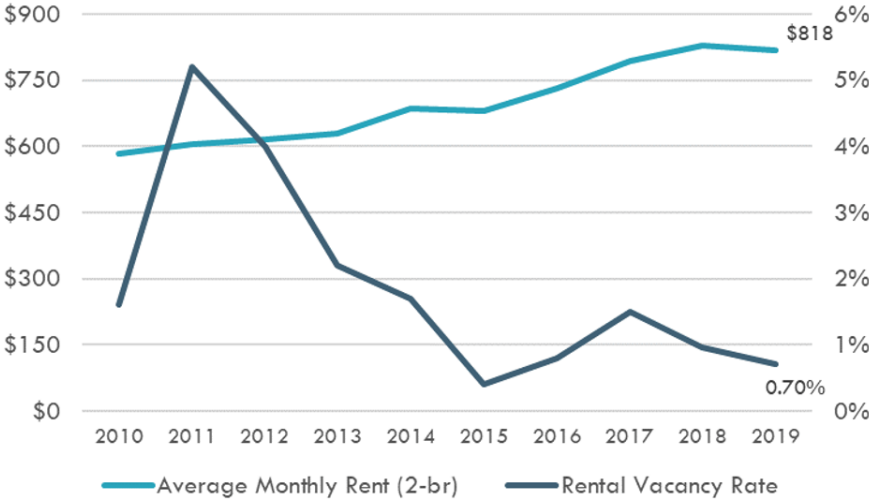
**Most apartment buildings surveyed for these county-wide estimates are assumed to be in the City of Yakima.*

Source: Washington Center for Real Estate Research, 2019; WSHFC, 2019; BERK, 2020.

Rents in Yakima are also rising at a faster rate than incomes. Between 2010 and 2019 average rents in multifamily buildings such as apartments have risen by about 40%. During the same period median family income increased by only 19%.

One likely reason for the continued increase in rent is extremely low vacancy rates, as shown in Exhibit 37. Since 2015 the vacancy rate in multifamily buildings has stayed very low since 2015, while rents have continued to increase. The latest data shows Yakima’s vacancy rate at less than 1%, whereas a healthy housing market has a vacancy rate of around 5%. When vacancy rates sink much below 5% there are fewer options on the market for households seeking to move. This increases competition for the limited supply of available units and results in upward pressure on market rents.

Exhibit 37. Yakima County Multifamily Rents and Vacancy, 2010-2019

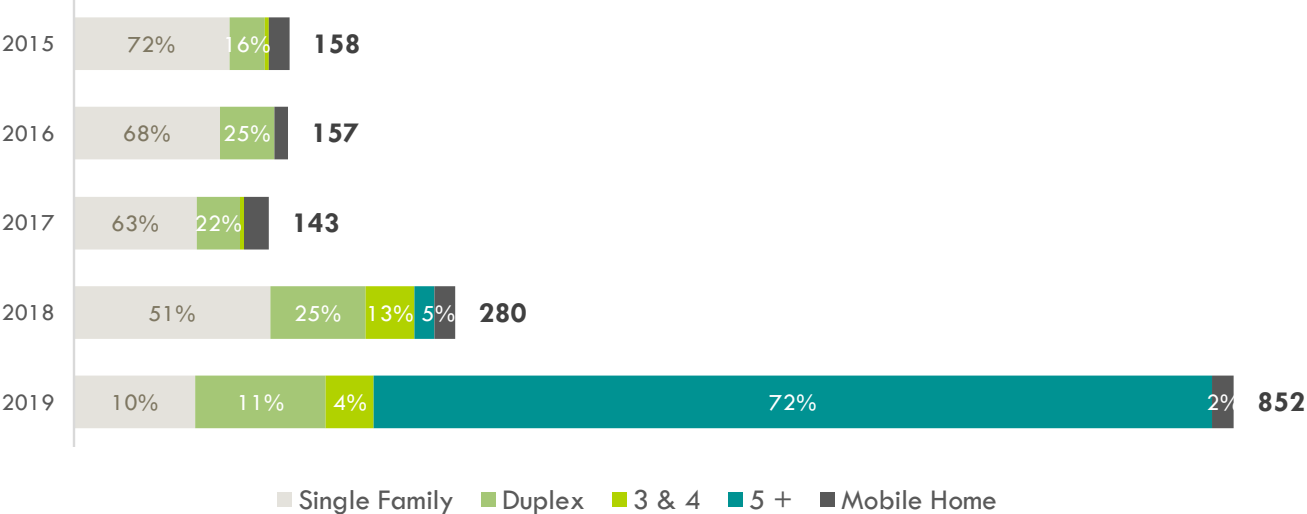


Source: Washington Center for Real Estate Research, 2010-2019; ACS DP04 5-Year Estimates, 2014-2018; BERK, 2019.

HOUSING PRODUCTION

Single-family has been developed at a fairly steady pace over the past several years in Yakima, as shown in Exhibit 38. However, 2018 and 2019 have shown a sharp increase in the number of multifamily housing units permitted for development. Overall, 1,590 units of new housing have been added in Yakima since 2015. Mobile home production has maintained steady throughout this period, likely reflective of the housing needs of farmworkers population who often need more flexible and temporary housing solutions (see discussion on page 25).

Exhibit 38. Count of Permitted Dwelling Units by Project Type in City of Yakima, 2015-2019



Source: City of Yakima, 2020; BERK, 2020.

SUBSIDIZED HOUSING

Yakima has 686 units with federal subsidies. These units may be funded by one of several programs at HUD or the United States Department of Agriculture (USDA). These units typically have sub-market rents and are set aside for low- or moderate-income households and specific target populations. The breakdown of federally-subsidized units by target population is shown in Exhibit 39.

Exhibit 39. Housing Units with Federal Subsidies in City of Yakima, 2020

| Target Population | Units Available |
|-------------------------------|-----------------|
| Family | 220 |
| Elderly | 446 |
| Target population unspecified | 20 |
| Total | 686 |

Source: National Housing Preservation Database, 2020; BERK, 2020.

The Yakima Housing Authority also provides rental assistance to low-income families in the private rental market through the HUD Housing Choice Voucher Program.¹³

Gap Analysis

Housing Needed to Accommodate Future Growth

The projected population growth for the city is 15,947 new persons by 2040, or an average annual population growth of 760 people.¹⁴ Using a consistent household size of 2.7, this translates to an annual increase of 281 households. Assuming a healthy vacancy rate of 5%, this indicates the need for **295 housing units annually** or 6,196 units by 2040.

Between 2015 and 2018 the city permitted an average of 185 units per year, or only about 63% of the rate needed to keep up with growth projections. In 2019, the city permitted 852 units. While this recent boost in production is encouraging, it is unclear whether this is a trend that will continue in years to come, particularly given the threat of an economic recession associated with the 2020 Coronavirus pandemic. Additionally, it is not yet clear if these units will be provided at price points, sizes, and locations that directly address the greatest housing needs.

Rental Market Affordability Gaps

Current average market rents for apartments in Yakima are affordable to households with

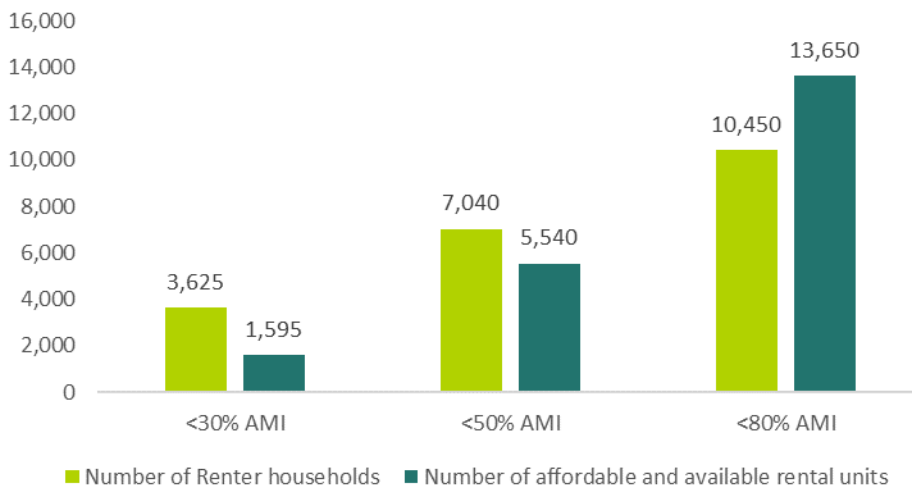
¹³ Statistics on voucher users is forthcoming.

¹⁴ Population projects based on 2040 target in the Yakima Comprehensive Plan.

incomes at 60% of AMI or above. Residents in households at lower income levels will have difficulty finding affordable housing under current market conditions, and rents are increasing faster than incomes.

Using older data available from HUD, Exhibit 40 presents estimates for the number of renter households with incomes below three different thresholds, as well as the number of rental housing units in Yakima that would be affordable to them. It shows a clear gap in the number of affordable units available for those with incomes below 30% AMI or 50% AMI. However, there is a surplus of units affordable at the 80% AMI level. Significantly, this data reflects conditions from several years ago. Since then, it is likely there has been a reduction in the number of units affordable to the lower-income categories.

Exhibit 40. Total Affordable and Available Rental Units in City of Yakima, 2012-2016



AMI = HUD Area Median Family Income

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

Home Ownership Affordability

Median value homes in Yakima are potentially affordable to households around 86% of AMI, assuming that a given household has access to a 20% down payment. Nearly half of the households in Yakima do not have incomes high enough to afford a home at this price, and many of these households likely do not have savings available for a 20% down payment (\$52,027 for a median value home). Homes in the “Bottom Tier” (lower third) in terms of value are, on average, potentially affordable to households at 57% of AMI. However, many of these homes may be small or in poor conditions.

As noted earlier, Hispanic and nonwhite households are underrepresented among

homeowners. In many communities, nonwhite households often face additional barriers to homeownership such as overt discrimination or steering from real estate agents, bankers, or others in the housing market; challenges related to immigration status, employment, or credit background; or lack of access to knowledge networks. This means that these households may be less likely to own, even if they meet the income thresholds necessary to own a home in Yakima.

Farmworkers

There are approximately 4,600 beds of seasonal farmworker housing provided throughout the county, despite over 45,000 seasonal jobs available in the busiest summer months.¹⁵ Identifying safe and sanitary housing facilities for seasonal workers is an important gap to address in Yakima County.

¹⁵ This number may slightly overestimate the extent of the gap given that workers may hold multiple jobs.

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