

# Liberty Lake Comprehensive Plan Update

## Racially Disparate Impacts Analysis | **DRAFT 2025-02-04**

### Introduction

In 2021, the Washington State Legislature passed House Bill 1220 (HB 1220) as an amendment to the state Growth Management Act (GMA). HB 1220 requires that local governments plan for housing at all income levels and assess the racially disparate impacts (RDI) of existing housing policies. Conditions that indicate that policies have racially disparate impacts can include segregation, cost burden, displacement, educational opportunities, and health disparities.

According to state guidance, there are five steps to understanding and addressing racially disparate impacts:

- Step 1: Engage the Community
- Step 2: Gather & Analyze Data
- Step 3: Evaluate Policies
- Step 4: Revise Policies
- Step 5: Review & Update Regulations

This report accounts for both Step 2 and Step 3 – it includes a summary of findings based on data from the US Census Bureau, US Department of Housing and Urban Development (HUD), and other sources. These findings then inform the policy evaluations and recommendations found at the end of the report.

### Key Findings

- According to current research by the Eastern Washington University, Liberty Lake does not have a history of racially restrictive covenants. However, **Liberty Lake was less diverse in 2023 than in 2018**, indicating that there are likely other barriers keeping residents of color out of the city's housing market.
- Between 2017 and 2021 the share of non-white residents decreased in Liberty Lake while increasing in Spokane County.
- Between 2017 and 2021, Liberty Lake added a significant number of white and Hispanic/Latino residents while losing Asian and other race residents.
- **White households in Liberty Lake are more likely to be cost-burdened** (defined as spending more than 30 percent of their income on housing costs) than other racial and ethnic groups. However, 16 percent of Asian and 17 percent of American Indian/Alaska Native households spend more than 30 percent of their incomes on rent.
- Liberty Lake has **rental housing shortages at the high and low end of the market**. The city needs 55 rental units for households making less than 30 percent AMI and 175 rental units for those making more than 80 percent AMI to meet current demand.
- **Displacement risk is generally low** in Liberty Lake, but as the population continues to grow, the City should ensure that there are protections in place for vulnerable and cost-burdened renter households.
- While white households are the most likely of any racial group to make less than 30 percent of AMI, Asian households have the highest share of households making less than the median income.

### Historical Context

Throughout the history of the United States, a combination of laws and practices have impacted where specific groups of people live, what opportunities they have access to, and their ability to build wealth through stable housing. Unfortunately, many of these policies explicitly or implicitly benefited white residents at the expense of all others. The

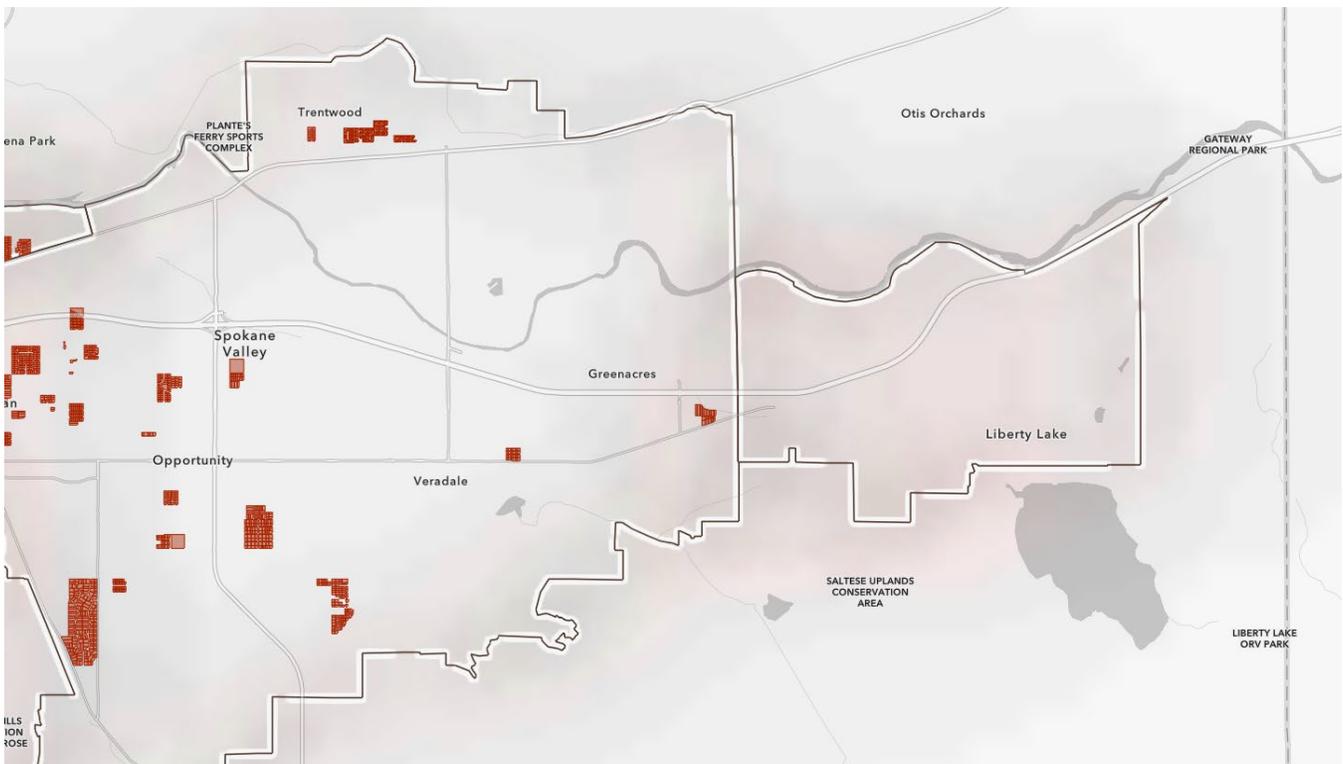
legacy of policies like redlining, which used racial criteria in determining which neighborhoods were suitable for government-backed loans, highway development through predominantly Black neighborhoods, and racial covenants explicitly excluding certain groups from owning specific properties continues to impact non-white communities today.

While many cities have acknowledged the harms of these policies, many of which are no longer legal, there are still policies in effect today that hold cities back from rectifying systemic harms. These can include policies that reference vague concepts like “neighborhood character,” as well as those that permit only the most expensive homes to be built, thus shutting lower-income residents out of high-opportunity areas.

This section contains a historic review of some of the known policies and programs that caused racially disparate impacts in Liberty Lake as a starting point in understanding present-day conditions.

Throughout the United States, racial covenants were used to exclude certain races and religious groups from residing in specific neighborhoods, creating exclusive areas for white, Christian residents. These deed restrictions were legally enforceable from 1927 to 1968. Unlike neighboring Spokane Valley, the Washington State Racial Restrictive Covenants Project does not show any known racially restricted parcels or subdivisions in Liberty Lake. This is largely because most of Liberty Lake’s subdivisions were not built until the 1970s and 1980s, when these covenants were illegal. However, Liberty Lake today lacks the diversity of other parts of the county and state – 93 percent of city residents are white as of 2023.

**Figure 1. Racially Restricted Parcels in Eastern Spokane County**

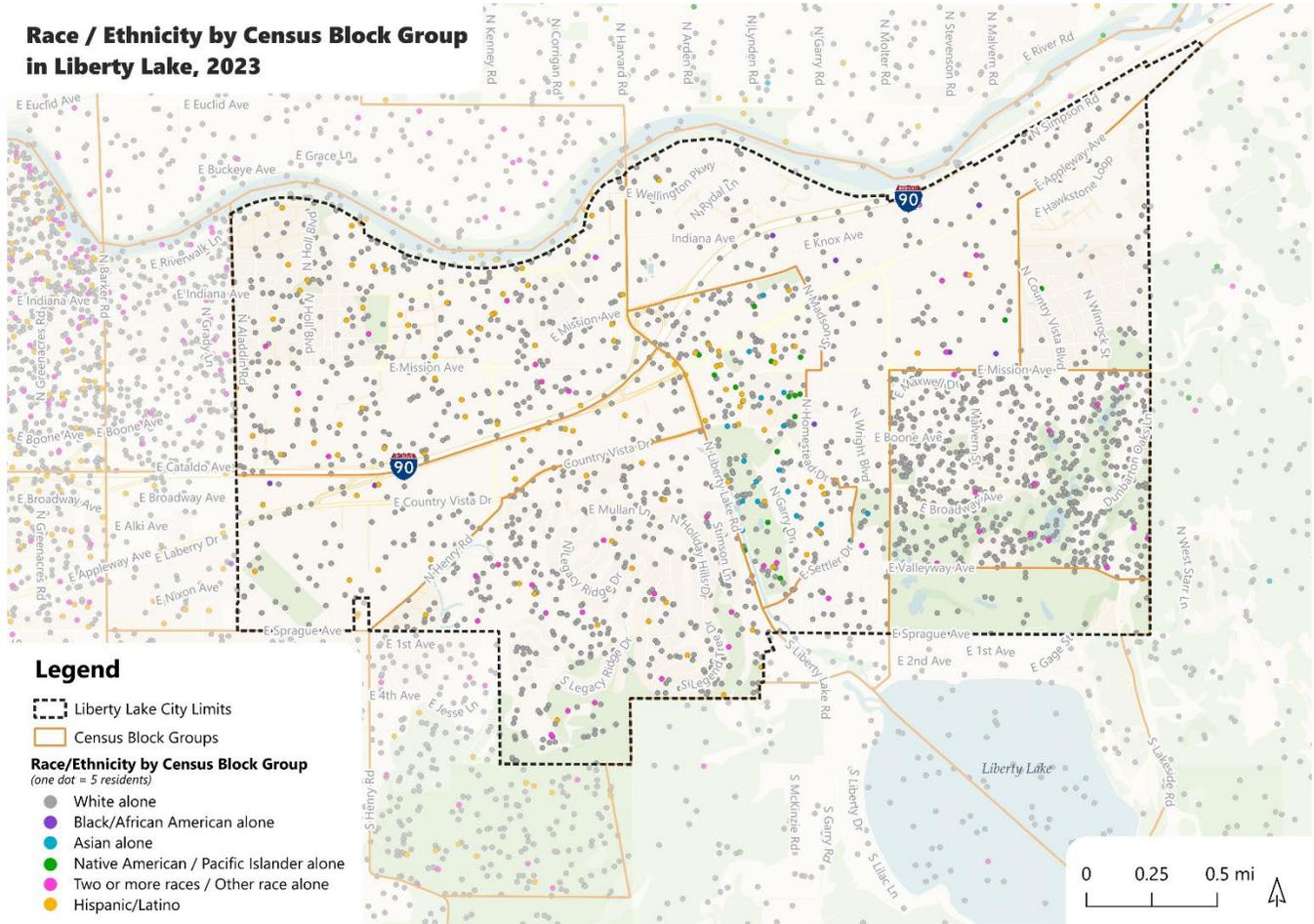


Source: Washington State Racial Restrictive Covenants Project.

The combination of racially restrictive covenants and redlining impacted the ability of Black veterans to fully access homeownership loan benefits through the Servicemen’s Readjustment Act of 1944 (GI Bill), which enabled white veterans to buy housing and build wealth in the suburbs. Racial covenants have since been declared unconstitutional, and Fair Housing laws have been put into effect. However, as of 2023 Liberty Lake is less diverse than Spokane County overall. Liberty Lake is predominantly white, with no significant geographic concentrations of BIPOC households. The

area east of N Liberty Lake Road, which has small clusters of Hispanic/Latino and Native American/Pacific Islander households, has a relatively high concentration of multifamily housing.

Figure 2. Race and Ethnicity in Liberty Lake by Census Block Group (2023)



Source: US Census Bureau 2023 5-Year ACS; LCG.

## Assessing Racially Disparate Impacts

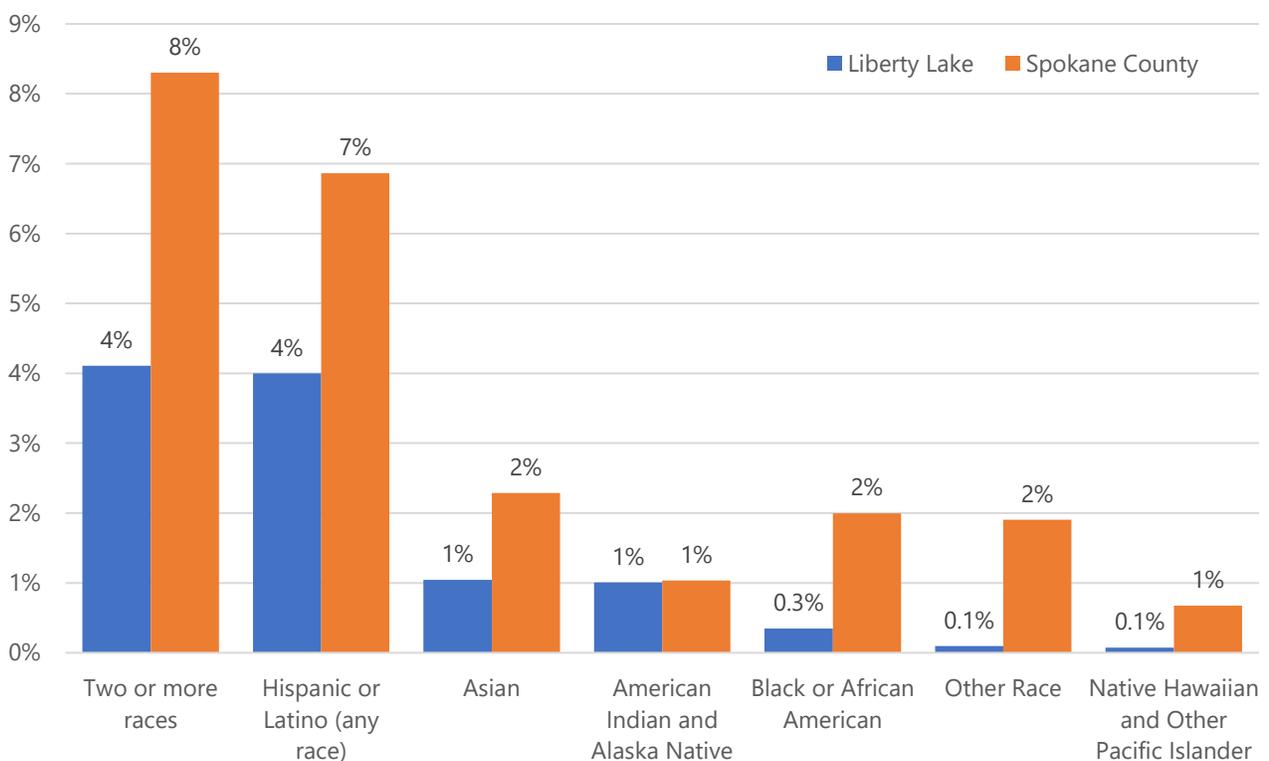
Between 2018 and 2023, Liberty Lake became slightly less diverse. The city grew by more than 3,000 residents over that period, but lost Asian and other race residents. The city went from 90 percent white to 93 percent white over the course of five years. Over the same period, Spokane County's population went from 88 percent white to 84 percent white, with Hispanic or Latino and multiracial residents seeing the biggest countywide gains.

Figure 3. Change in Population by Race/Ethnicity, Liberty Lake and Spokane County

	Liberty Lake			Spokane County		
	2018	2023	Change	2018	2023	Change
American Indian and Alaska Native	27	125	98	7,248	5,624	(1,624)
Asian	398	130	(268)	11,117	12,438	1,321
Black or African American	0	43	43	8,009	10,866	2,857
Hispanic or Latino (any race)	252	497	245	27,693	37,356	9,663
Native Hawaiian and Other Pacific Islander	0	9	9	2,507	3,673	1,166
Other Race	62	12	(50)	7,063	10,357	3,294
Two or more races	428	511	83	23,093	45,201	22,108
White	8,467	11,605	3,138	438,838	456,164	17,326
<b>Total Population</b>	<b>9,382</b>	<b>12,435</b>	<b>3,053</b>	<b>497,875</b>	<b>544,323</b>	<b>46,448</b>

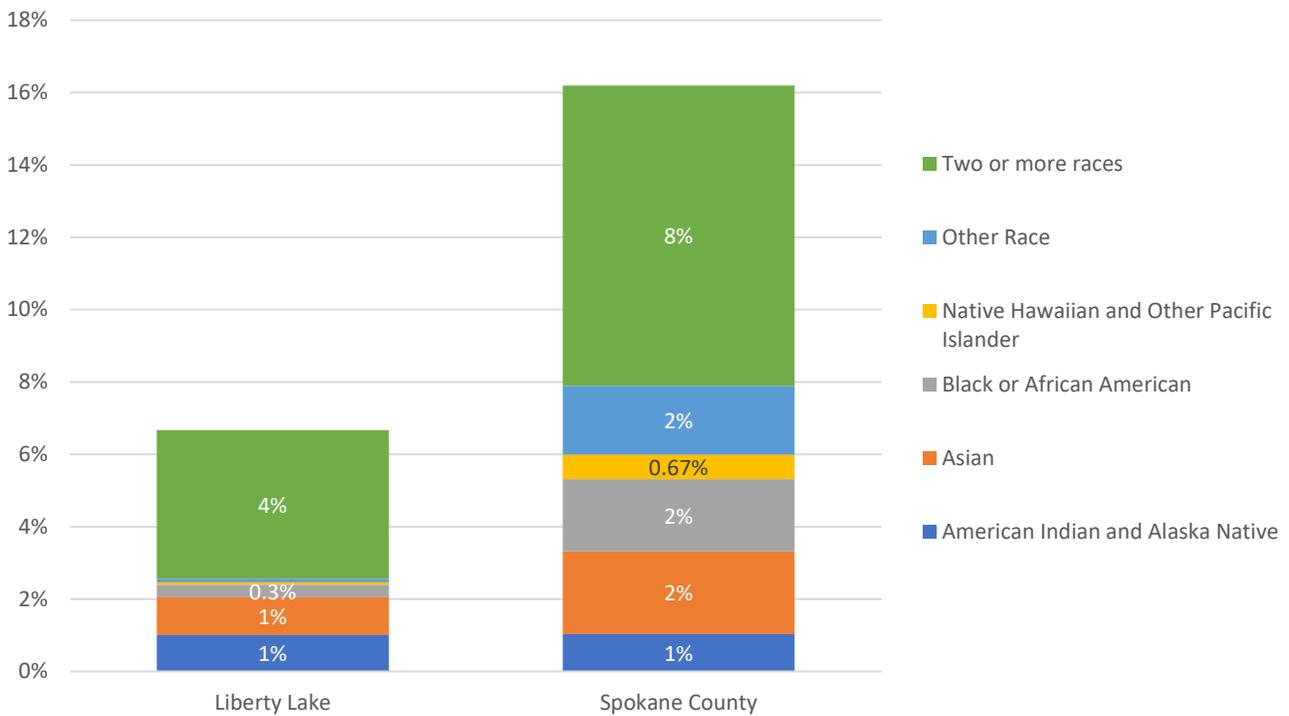
Source: US Census Bureau 2023 5-Year ACS (Table DP05).

Figure 4. Population by Race/Ethnicity in Liberty Lake and Spokane County (2023)



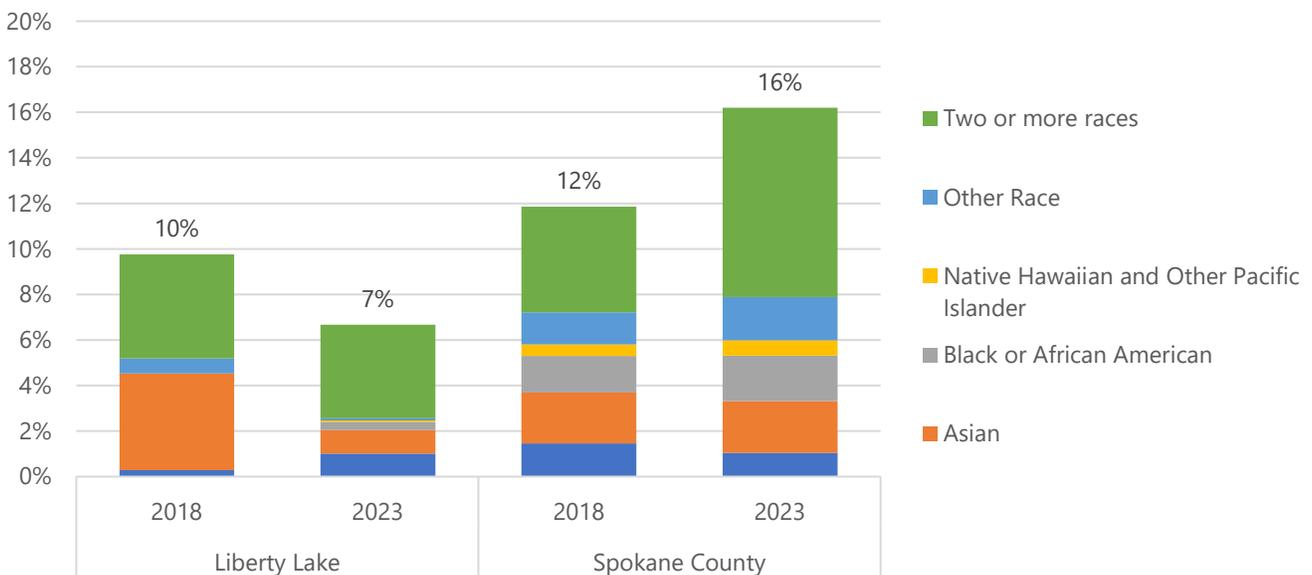
Source: US Census Bureau 5-Year ACS (Table DP05).

**Figure 5. Non-White Population by Race in Liberty Lake and Spokane County (2023)**



Source: US Census Bureau 5-Year ACS (Table DP05).

**Figure 6. Non-White Population of Liberty Lake and Spokane County, 2018-2023**



Source: US Census Bureau 5-Year ACS (Table DP05).

Liberty Lake is home to 2,575 homeowner households and 1,375 renter households. Of the homeowner households, just seven percent are cost burdened (spending more than 30 percent of their income on housing costs), compared with 46 percent of renter households. While just four percent of homeowners spend between 30 and 50 percent of their income

on rent, the same is true for 31 percent of renters. In addition, 15 percent of renters are severely cost-burdened, spending more than half of their incomes on rent. This sharp divide in stability between renters and owners can result in racially disparate impacts when renters are more likely to be people of color.

In Liberty Lake, 100 percent of American Indian/Alaska Native households and 42 percent of Asian households rent their homes, compared with 35 percent of white households and 22 percent of Hispanic/Latino households. However, in Liberty Lake the cost barriers impact both white residents and residents of color. Among white households, 23 percent spend at least 30 percent of their incomes on rent, compared with 16 percent of Asian and 17 percent of American Indian/Alaska Native households. All of the Asian households experiencing cost burden spend more than 50 percent of their incomes on housing. None of the city's 90 Hispanic/Latino households are cost burdened.

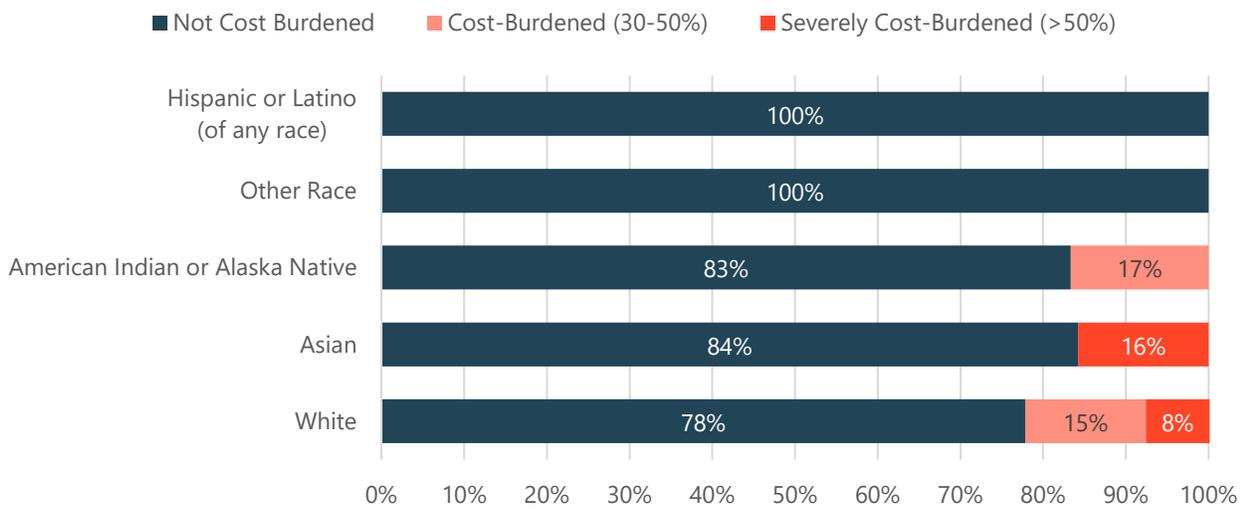
**Figure 7. Number of Households by Cost Burden in Liberty Lake (2021)**

	White	Asian	American Indian or Alaska Native	Other Race	Hispanic or Latino (of any race)	Total
<b>Owner Households</b>						
Not Cost Burdened	2,380	55	-	45	70	2,550
Total Cost-Burdened	200	-	-	-	-	200
Cost-Burdened (30-50%)	105	-	-	-	-	105
Severely Cost-Burdened (>50%)	95	-	-	-	-	95
Not Calculated	-	-	-	-	-	-
<b>Total</b>	<b>2,575</b>	<b>55</b>	<b>-</b>	<b>45</b>	<b>70</b>	<b>2,745</b>
<b>Renter Households</b>						
Not Cost Burdened	695	25	75	20	20	835
Total Cost-Burdened	680	15	15	-	-	710
Cost-Burdened (30-50%)	470	-	15	-	-	485
Severely Cost-Burdened (>50%)	210	15	-	-	-	225
Not Calculated	-	-	-	-	-	-
<b>Total</b>	<b>1,375</b>	<b>40</b>	<b>90</b>	<b>20</b>	<b>20</b>	<b>1,545</b>
<b>Total Households</b>	<b>3,950</b>	<b>95</b>	<b>90</b>	<b>65</b>	<b>90</b>	<b>4,290</b>

Source: US HUD, 2017-2021 Comprehensive Housing Affordability Strategy (CHAS) (Table 9).

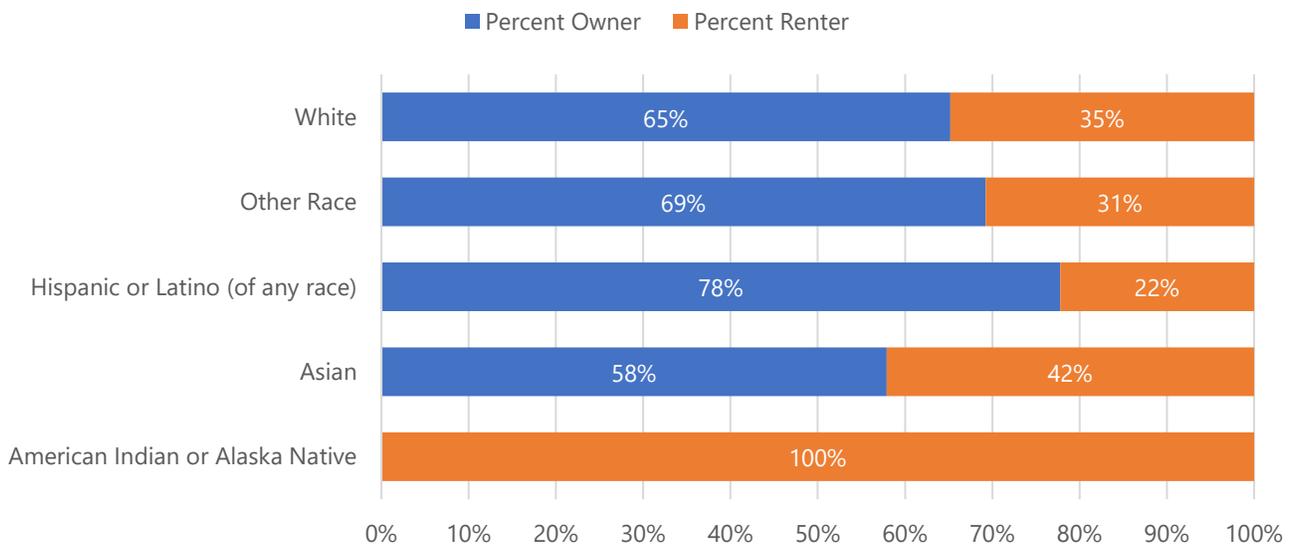
Note: CHAS data for Liberty Lake does not include Black/African American or Pacific Islander households.

**Figure 8. Liberty Lake Percent of All Households Experiencing Housing Cost Burden (2021)**



Source: US HUD, 2017-2021 Comprehensive Housing Affordability Strategy (CHAS) (Table 9).

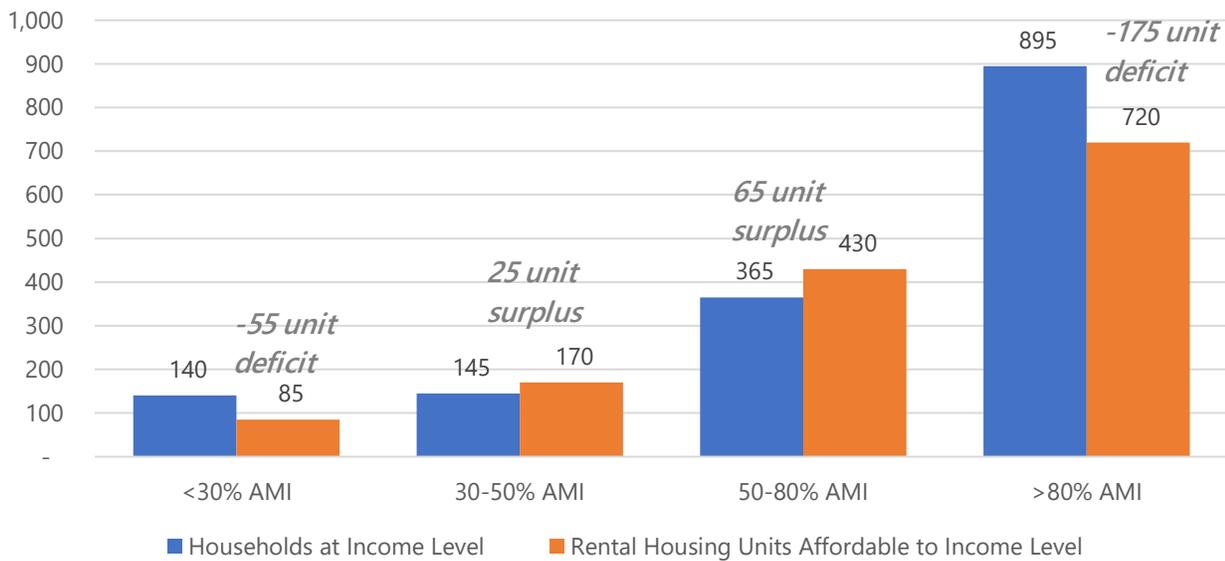
**Figure 9. Liberty Lake Owner and Renter Households by Race & Ethnicity (2021)**



Source: US HUD, 2017-2021 Comprehensive Housing Affordability Strategy (CHAS) (Table 9).

The renter cost burden in Liberty Lake is driven by a shortage of rental units at the high and low ends of the market (greater than 80 percent AMI and less than 30 percent AMI). Figure 10 below shows the current number of renter households compared with the number of rental units affordable to households in each income level. When there are shortages of units corresponding to a given income level, those households will rent units affordable to a different income level. For instance, the lack of housing at greater than 80 percent AMI indicates that there are likely renters at that income level renting units in the 50 to 80 percent range, making it harder for households in that income range to find housing. Alternatively, the shortage of housing units at the less than 30 percent AMI range indicates that households at that income level are likely cost burdened.

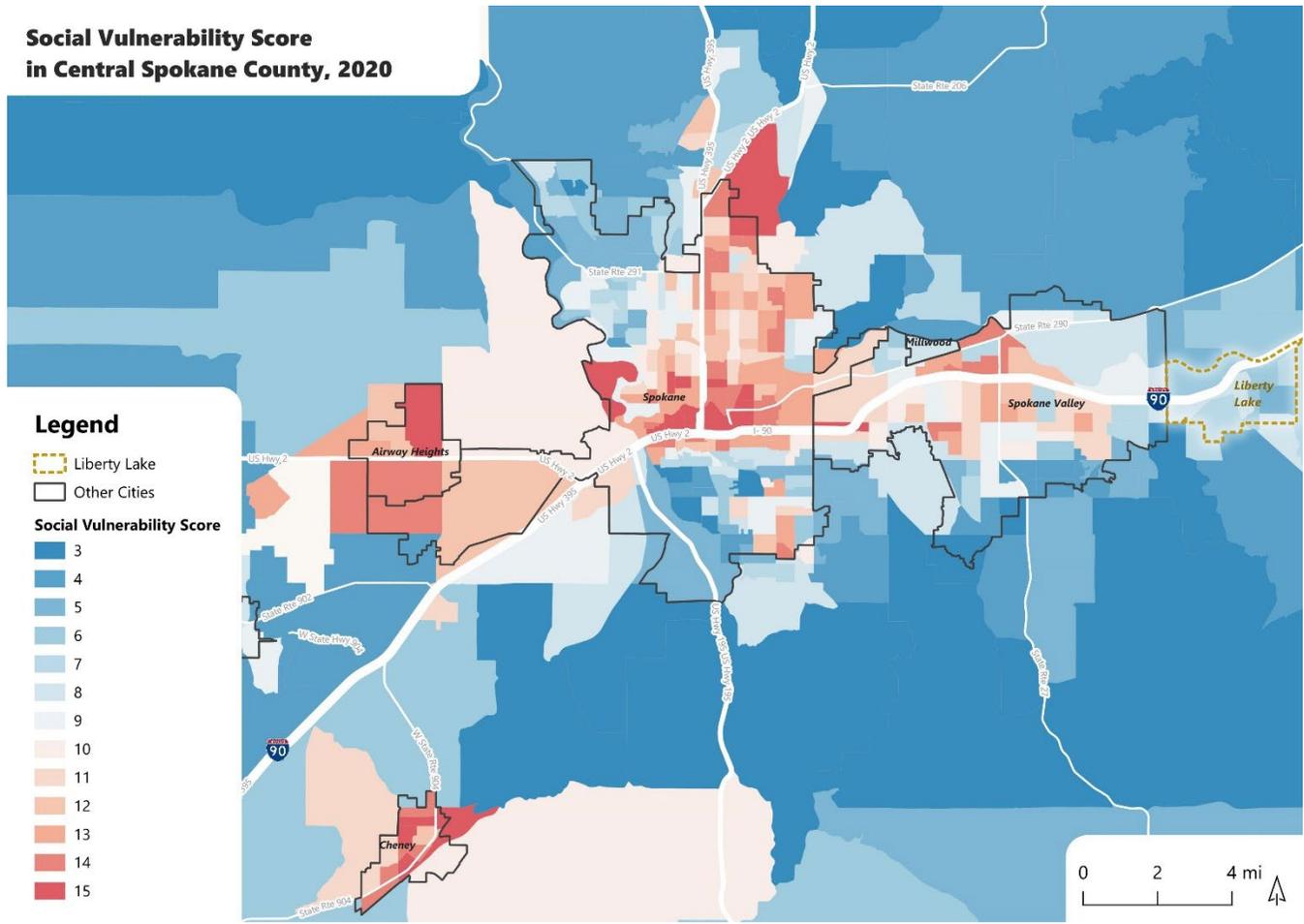
**Figure 10. Liberty Lake Renter Households by Income Compared to Rental Units by Affordability, 2021**



Sources: US HUD, 2017-2021 Comprehensive Housing Affordability Strategy (CHAS) (Table 15C & Table 14B).

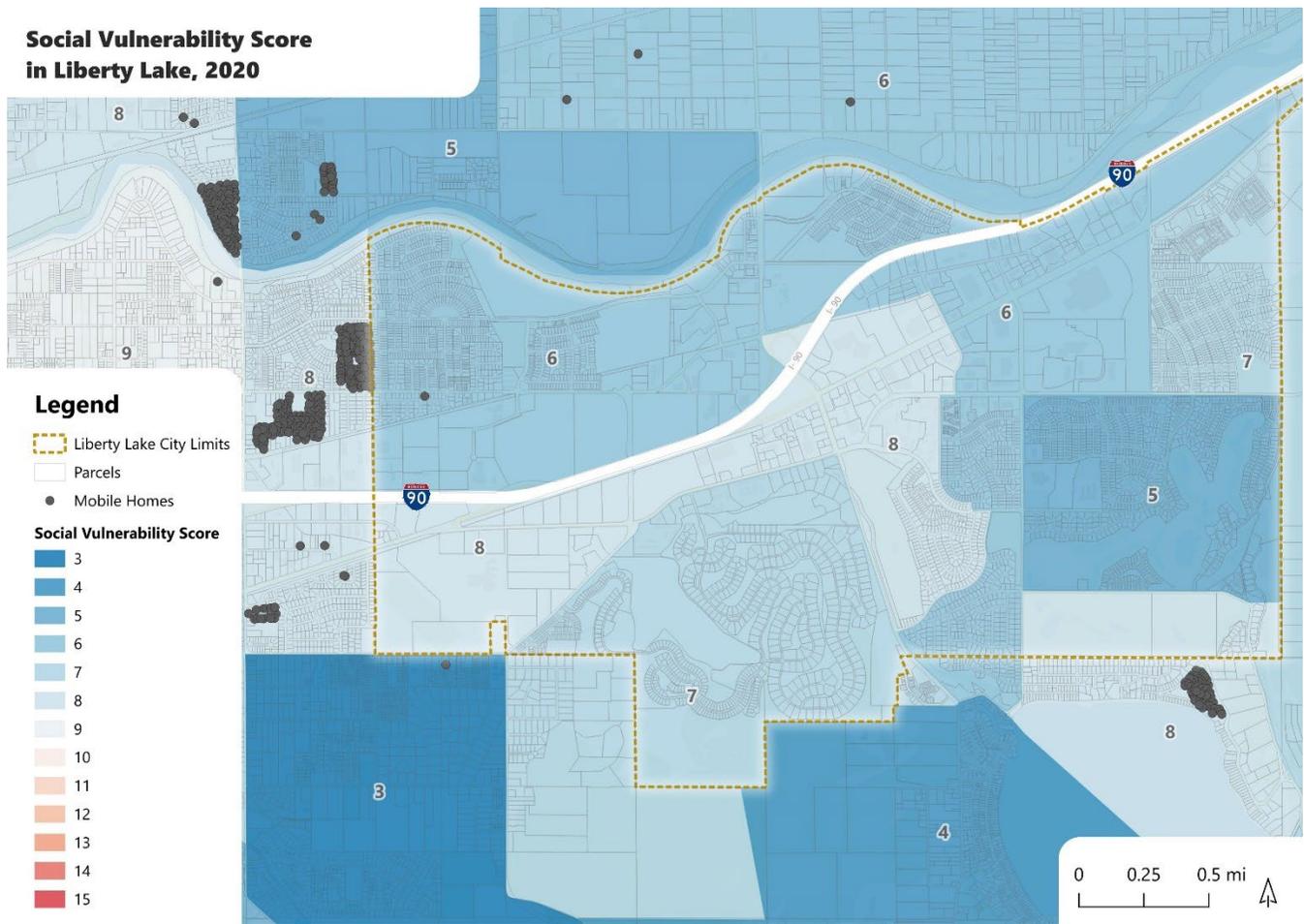
The Washington Department of Commerce has created displacement risk maps for communities based on Census tracts. However, because Liberty Lake is such a small community the tract-level map does not provide the nuance needed to assess displacement risk within the community. The maps below utilize similar methodology to the Department of Commerce maps using data at the Census block group level. Figure 11 and Figure 12 below show the social vulnerability score by Census block group for the county and city. Overall, Liberty Lake has a lower social vulnerability score than many of the neighborhoods in Spokane and Spokane Valley. However, the Census block that contains most of the City’s multifamily housing east of N Liberty Lake Road has a higher social vulnerability score than other parts of the city. The adjacent block group to the west also has a relatively high social vulnerability score, but most of the housing in that block group is located outside of Liberty Lake in Spokane Valley.

Figure 11. Social Vulnerability Score for Central Spokane County (2020)



Source: US Census Bureau 5-year ACS 2013 & 2023 (Table B19013); 2020 Decennial Census (Table DP01); 2010 Decennial Census (Table H11); Washington Department of Commerce.

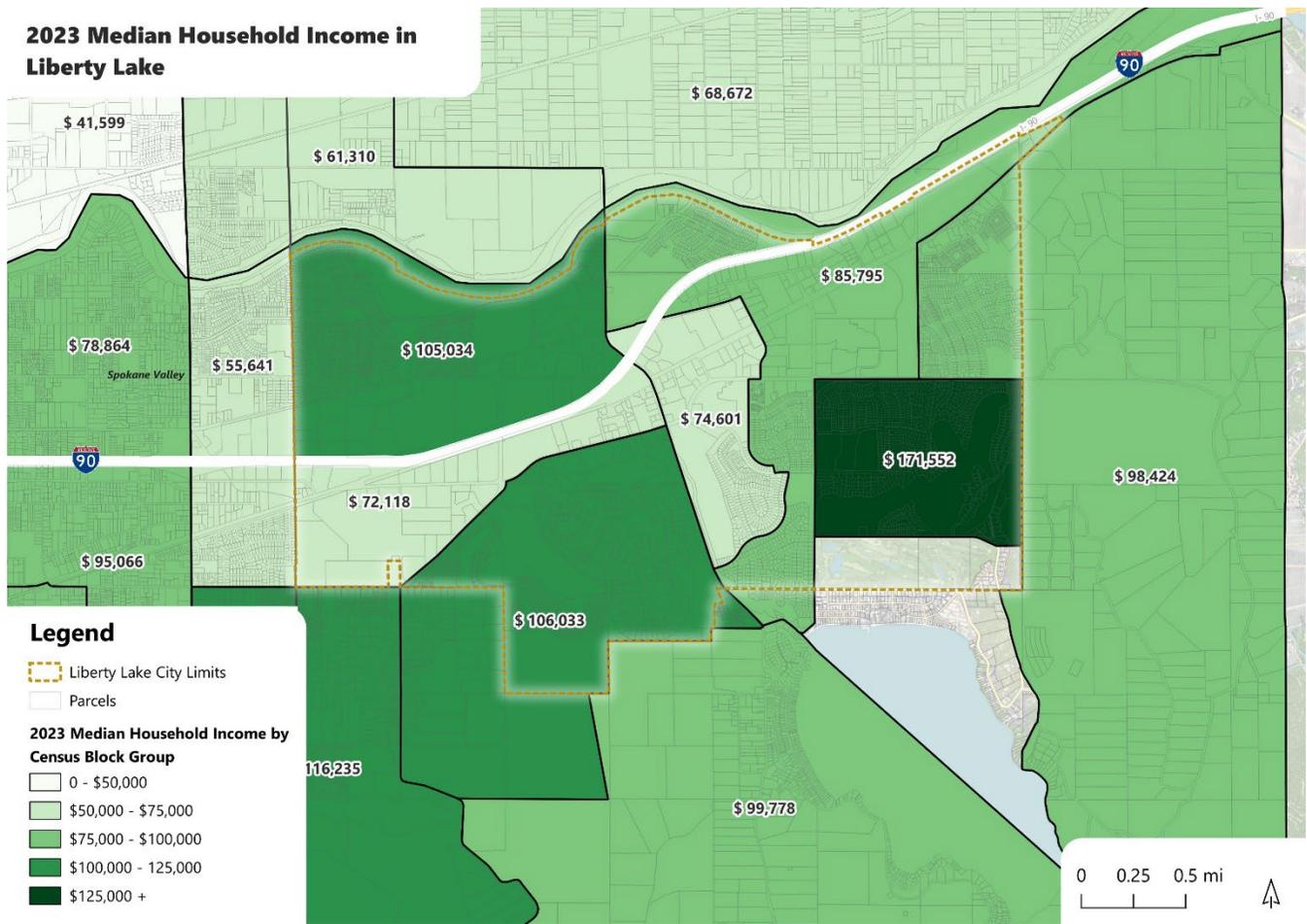
Figure 12. Social Vulnerability Score for Liberty Lake Census Block Groups (2020)



Source: US Census Bureau 5-year ACS 2013 & 2023 (Table B19013); 2020 Decennial Census (Table DP01); 2010 Decennial Census (Table H11); Washington Department of Commerce.

The median income varies considerably by block group in Liberty Lake, with the lowest-income block groups corresponding to those with the highest social vulnerability scores. This indicates that these block groups have the highest risk of displacement. Because the block group east of N Liberty Lake Road also has a higher concentration of multifamily housing as well as concentrations of Hispanic/Latino and Native households, the City should consider implementing policies to mitigate displacement risks for renter households.

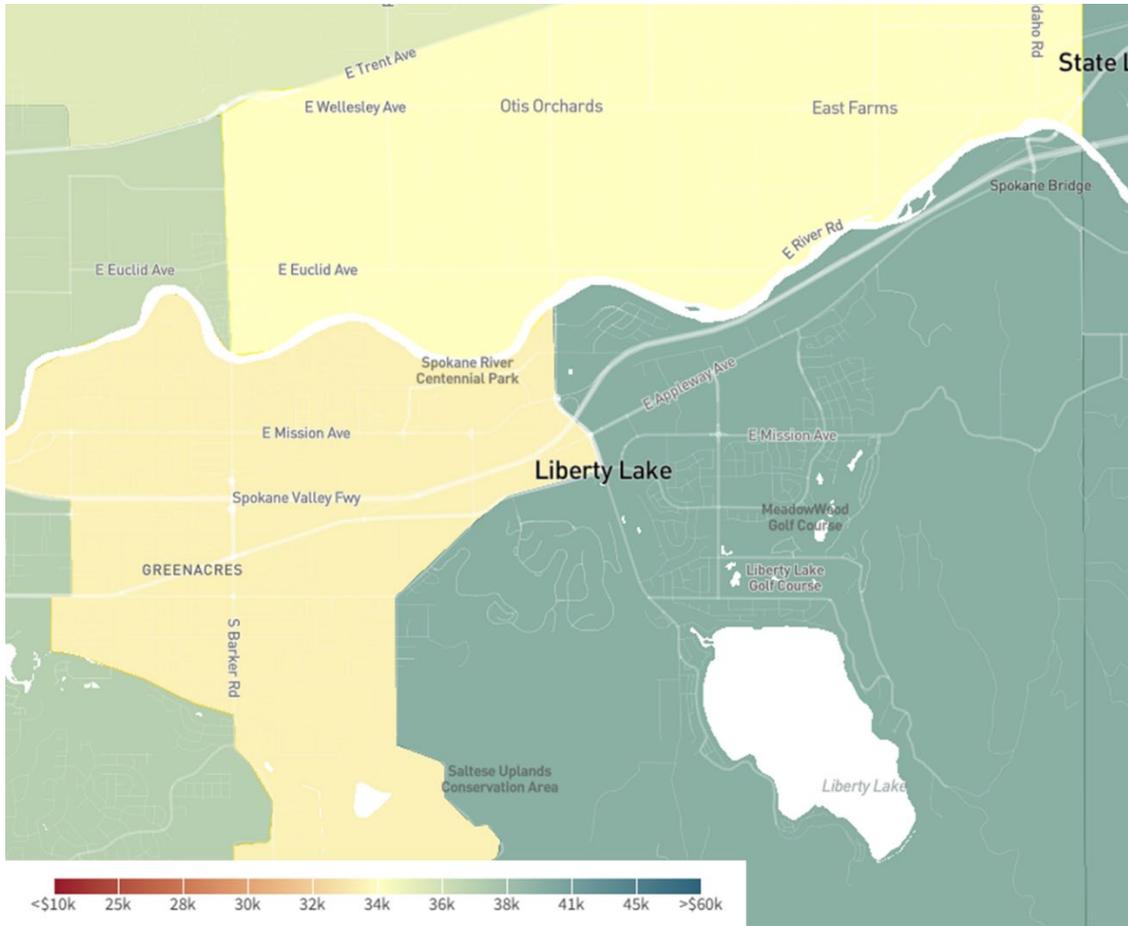
Figure 13. Median Household Income in Liberty Lake Block Groups (2023)



Source: US Census Bureau 2023 5-year ACS (Table B19013).

The Opportunity Atlas is a tool that quantifies opportunity by looking at the potential earnings of low-income children born in each Census tract. Figure 12 below shows that children born to families in the bottom quartile of the income spectrum in most of Liberty Lake can expect to have incomes around \$39,000 in adulthood. However, in the western part of the city children born to low-income families can expect to earn slightly less (roughly \$33,000).

Figure 14. Opportunity Atlas Map for Liberty Lake



Source: Opportunity Atlas.

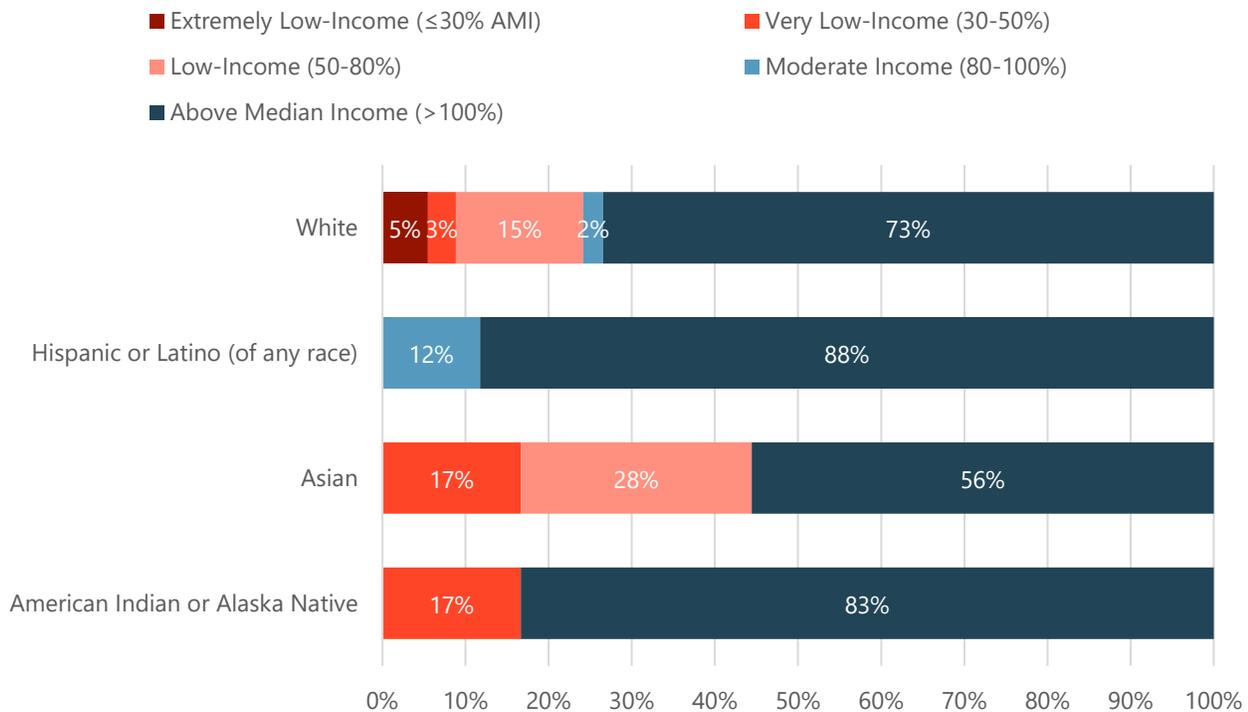
Citywide, 84 percent of households make above 100 percent AMI – this includes 88 percent of Hispanic/Latino households, 83 percent of American Indian/Alaska Native households, 73 percent of white households, and 56 percent of Asian households. According to HUD data, all of the households making less than 30 percent of AMI are white.

Figure 15. Liberty Lake Count of Households by Income and Race, 2021

	American Indian or Alaska Native	Asian	Hispanic or Latino (of any race)	White	Not Reported*	All
<b>Income Category (% of AMI)</b>						
<b>Number</b>						
Extremely Low-Income ( $\leq 30\%$ AMI)	-	-	-	215	-	215
Very Low-Income (30-50%)	15	15	-	135	-	165
Low-Income (50-80%)	-	25	-	605	-	630
Moderate Income (80-100%)	-	-	10	95	25	130
Above Median Income ( $> 100\%$ )	75	50	75	2,905	45	3,150
Total for published estimates	90	90	85	3,955	70	4,290
<b>Percentage</b>						
Extremely Low-Income ( $\leq 30\%$ AMI)	0%	0%	0%	5%	0%	
Very Low-Income (30-50%)	17%	17%	0%	3%	0%	
Low-Income (50-80%)	0%	28%	0%	15%	0%	
Moderate Income (80-100%)	0%	0%	12%	2%	36%	
Above Median Income ( $> 100\%$ )	83%	56%	88%	73%	64%	

Source: US HUD, 2017-2021 Comprehensive Housing Affordability Strategy (CHAS) (Table 1).

Figure 16. Liberty Lake Distribution of Households by Income and Race or Ethnicity, 2021



Sources: US HUD, 2017-2021 Comprehensive Housing Affordability Strategy (CHAS) (Table 1).

## Policy Evaluation

Based on the above analysis, there is room for improvements to policies in Liberty Lake to reduce racially disparate impacts, and the data was used to inform the next steps of the racially disparate impacts assessment process – evaluating and revising policies that reinforce historical patterns of segregation, displacement, and inequitable outcomes. Taking a proactive approach in shaping policy to address these challenges will benefit all Liberty Lake households as the city seeks to build a more equitable future.

Based on guidance provided by the Washington State Department of Commerce, the following policy evaluation framework was used to evaluate Liberty Lake’s existing Housing Element policies:

Criteria	Evaluation
The policy is valid and supports meeting the identified housing needs. The policy is needed and addresses identified racially disparate impacts, displacement and exclusion in housing.	<b>S</b> Supportive
The policy can support meeting the identified housing needs but may be insufficient or does not address racially disparate impacts, displacement and exclusion in housing.	<b>A</b> Approaching
The policy may challenge the jurisdiction’s ability to meet the identified housing needs. The policy’s benefits and burdens should be reviewed to optimize the ability to meet the policy’s objectives while improving the equitable distribution of benefits and burdens imposed by the policy.	<b>C</b> Challenging
The policy does not impact the jurisdiction’s ability to meet the identified housing needs and has no influence or impact on racially disparate impacts, displacement or exclusion.	<b>NA</b> Not applicable

## Goal & Policy Review

Existing Goal / Policy #	Existing Goal/Policy	Equity Assessment	Why	Notes
Goal 1	Preserve the character of existing neighborhoods and support high-quality new development.	Challenging	Department of Commerce guidelines recommend avoiding references to “neighborhood character,” which has a history of enshrining exclusive single-family neighborhoods to the detriment of lower-income households.	Specify what about these neighborhoods is worth preserving, i.e.: Maintain safe, healthy, walkable communities and support high-quality new development.

Existing Goal / Policy #	Existing Goal/Policy	Equity Assessment	Why	Notes
Goal 2	Encourage the availability of affordable housing to all economic segments, promote a variety of densities and housing types, and encourage the preservation of existing housing stock.	Supportive	Promoting a variety of densities and housing types aimed at all economic segments will help increase diversity and stabilize existing households.	
Policy 1	Encourage integrated neighborhood developments that protect the environment, provide usable open space, and exhibit exceptional quality and design.	Supportive	Integrating new developments into existing neighborhoods will help maintain existing open space and natural features while providing housing opportunities for households previously shut out of these communities.	
Policy 2	Periodically assess the effects of policies and regulations on the affordability of housing, fair housing choice, and reducing regulatory barriers, where necessary.	Supportive	Ongoing assessments of policies will help ensure that a diversity of housing types at a variety of price levels can be built in Liberty Lake, thus making the city accessible to more types of households.	
Policy 3	Balance housing affordability with environmental integrity, neighborhood character, and public resources in housing regulation.	Challenging	As stated above, references to neighborhood character should be avoided and replaced with more concrete goals.	Remove reference to neighborhood character: Balance housing affordability with environmental integrity, City goals, and public resources in housing regulation.
Policy 4	Periodically review and update standards for accessory dwelling units (ADUs).	N/A		Ensure that ADU standards comply with HB 1337 requirements.

Existing Goal / Policy #	Existing Goal/Policy	Equity Assessment	Why	Notes
Policy 5	Support initiatives by low-income housing advocacy organizations.	Approaching	Supporting initiatives low-income housing advocacy groups is an important policy, as more affordable housing is needed to address racially disparate impacts in Liberty Lake. However, the policy should clearly state how the City plans to support these organizations.	Specify how the City intends to support these organizations, whether through funding for affordable housing, changes to the zoning code or permitting process, or working with them to advocate for city- or state-level changes.
Policy 6	Maintain incentives to encourage cluster development, while preserving open space and protecting critical areas.	N/A		
Policy 7	Ensure a continuum of allowable housing options for special-needs populations through periodic policy reviews.	Supportive	Allowing a wider variety of housing options will help ensure that the needs of all households are met.	
Policy 8	Promote housing development accessible to public transportation for individuals with mobility challenges.	Supportive	Transit-adjacent housing can help households save money by reducing the need for a private vehicle, and can help support those who are unable to drive.	