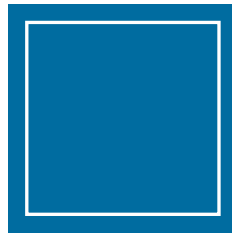
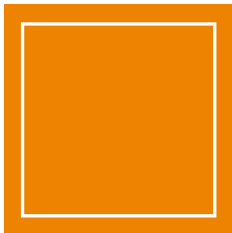
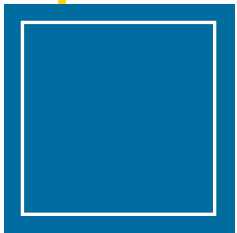




CREATING OUR
FUTURE



September 2021 ▪ **DRAFT**

Prepared by:
BERK Consulting
MAKERS
Pertect



City of Moses Lake, 2020.

Ch. 4 Housing

Introduction

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Moses Lake is a growing community, and demand for housing will continue to increase as the population increases. In the City's vision for the future, all people have access to housing that is safe, clean, and affordable. This element describes Moses Lake's existing housing conditions, projected future trends, and constraints and opportunities to:

- Ensure City plans and regulations offer opportunities for a range of housing styles and prices to fit a range of household needs and incomes.
- Enhance residents' quality of life by investing in existing neighborhoods through improving walkability and access to destinations such as parks and stores.

The Housing Element is supported by the 2020 Housing Needs Analysis adopted by reference as Appendix B and the 2021 Housing Action Plan, adopted by reference as Appendix C. A summary of this information, including a brief inventory of population and household characteristics, existing housing units, affordability, and future trends is included in the following sections. A summary of the City's housing strategy, based on the Housing Action Plan, is shown in Exhibit 4-1.

Exhibit 4-1. Moses Lake Housing Strategy Implementation

City of MOSES LAKE
INCORPORATED 1988

Housing Strategy Implementation

Strategy 1: Reduce Minimum Lot Sizes in Residential Zones
Reducing minimum lot sizes provides flexibility for more housing types and increased density in residential neighborhoods.

Strategy 2: Increase Allowed Housing Types In Existing Zones
Duplexes, triplexes, and fourplexes can be integrated aesthetically within single family neighborhoods while adding density and offering greater affordability.

Strategy 3: Streamline Permitting Process
A clear, consistent, and efficient permitting process can facilitate increased housing production by providing developers with more confidence that conforming development proposals will be approved.

Strategy 4: Added Flexibility for Planned or Clustered Subdivisions into The Zoning Code
These options allow developers to adapt to site conditions and make tradeoffs for common open space accessed by multiple units rather than private yards at each lot.

Strategy 5: Encourage Income Restricted Affordable Housing Development
A coordinated suite of incentives, development regulations, and process improvements would help to reduce the costs and improve the feasibility of new affordable housing developments.

Strategy 6: Facilitate Production of Accessory Dwelling Units
Revisions to ADU regulations or added efficiencies to the permitting process may encourage increased production and integration of this housing type into the Moses Lake neighborhood landscape.

Strategy 7: Strategic Infrastructure Investments
These capacity builders support denser housing developments and population growth. Moses Lake amenities should be well distributed across neighborhoods, addressing current needs and thinking ahead for areas expected to receive future growth.

FOR MORE DETAILS, VISIT
www.cityofml.com

Source: City of Moses Lake, 2021.

Conditions and Trends

Population

Moses Lake’s population is growing and changing, with higher concentrations than county averages for both its youngest and oldest age groups (under 10 years and 70 years or over). Overall rates of growth in the city exceeded Grant County and the State overall across the past decade (2010-2019), particularly over the last five years (Exhibit 4-2).

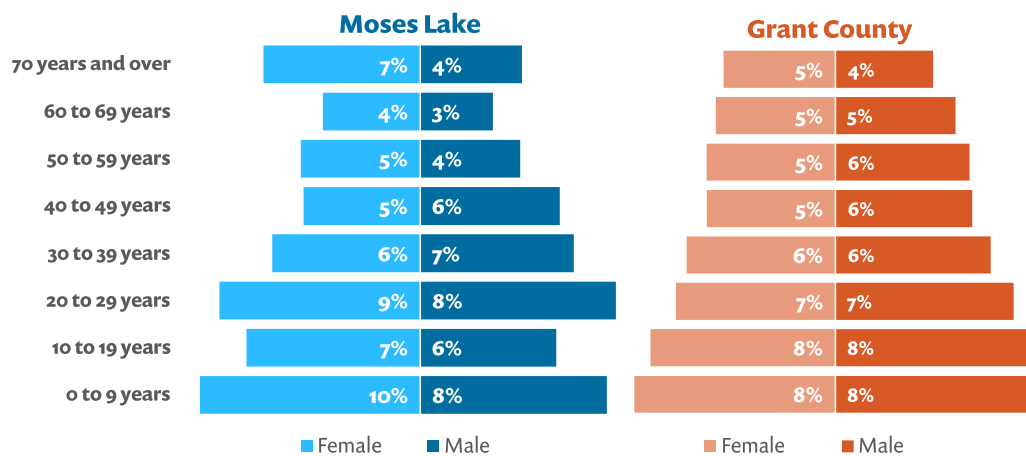
About one-fifth (18%) of the city’s population is currently age 60 or older (Exhibit 4-3), and more than a quarter of the households include an adult age 65 or older (28%). Population projections for Grant County indicate that the older adult population is expected to increase faster than all other age groups between 2020 and 2040 (see the Future Projections section).

Exhibit 4-2: Population Over Time and Average Annual Growth Rate (AAGR), 2000–2019

	2010	2014	2015	2019	AAGR 2000–2014	AAGR 2015–2019
Moses Lake	20,366	21,600	22,080	24,220	1.5%	2.4%
Grant County	89,120	92,900	93,930	98,740	1.1%	1.3%
State	6,724,540	6,968,170	7,061,410	7,546,410	0.9%	1.4%

Sources: OFM, 2019; BERK, 2020.

Exhibit 4-3: Age and Sex Distribution, Moses Lake and Grant County, 2018



Sources: ACS 5-Yr Estimates, 2014-2018 (Table S0101); BERK, 2020.

Over one-third of residents in Moses Lake identify as Hispanic or Latino and nearly one-quarter (22%) of individuals speak Spanish. One-third of non-English speakers report that they speak

English less than “very well,” making multilingual communication essential. Since 2010, the Hispanic population in Moses Lake has increased as a share from 31% in 2010 to 36% in 2018.

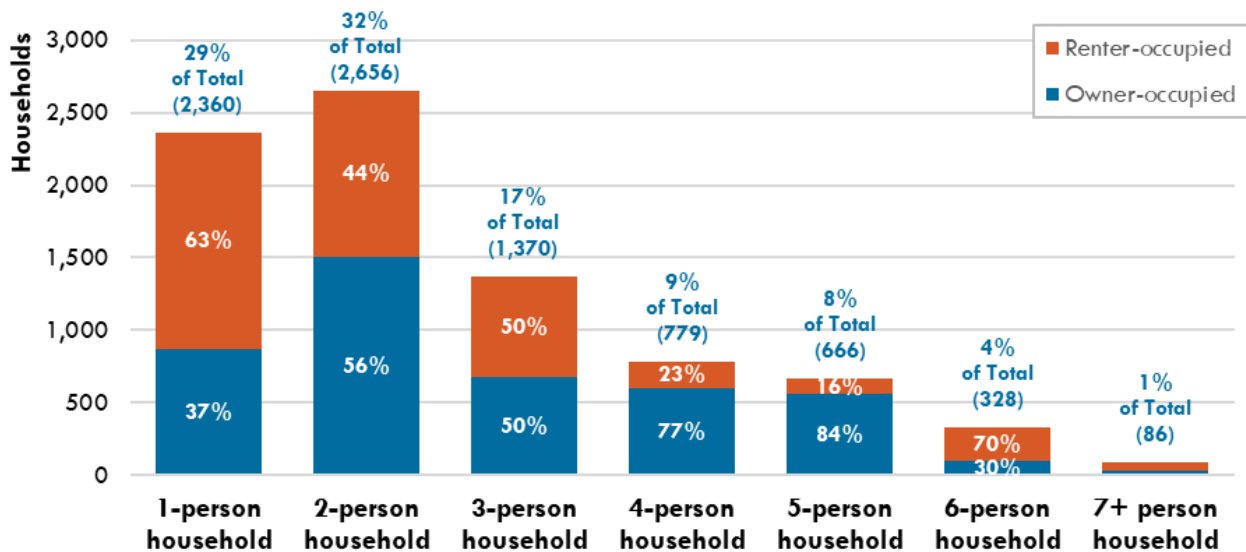
Areas of the city with higher proportions of Hispanic residents are primarily located alongside State Route 17 in the north and central areas of the city. In the southern end of the city, higher concentrations of Hispanic residents live on the eastern side of the Broadway Avenue thoroughfare bounded by I-90 to the south.

Household Characteristics and Income

Households

As of 2018, OFM estimates there are 8,245 households in the City of Moses Lake, with an average household size of 2.61 people per household. About half of all households are owner-occupied (53%) and about half are renter-occupied (47%). Two-person households are the largest market for owner housing and single-person households are the largest market for rental housing. Overall, nearly two-thirds (61%) of households have one or two members (Exhibit 4-4).

Exhibit 4-4: Owner- and Renter-occupied Households by Household Size, 2018



Sources: ACS 5-Yr Estimates, 2014-2018 (Table B25009); BERK, 2020.

More than a quarter of households include an adult age 65 or older (28%), up from 23% in 2010. Non-family households have also become a larger share of the city's population since 2010 (increasing from 33% in 2010 to 36% in 2018). Even as these demographics shift, Moses Lake remains a community of families; households with one or more children have remained a steady 36-37% of total households since 2010.

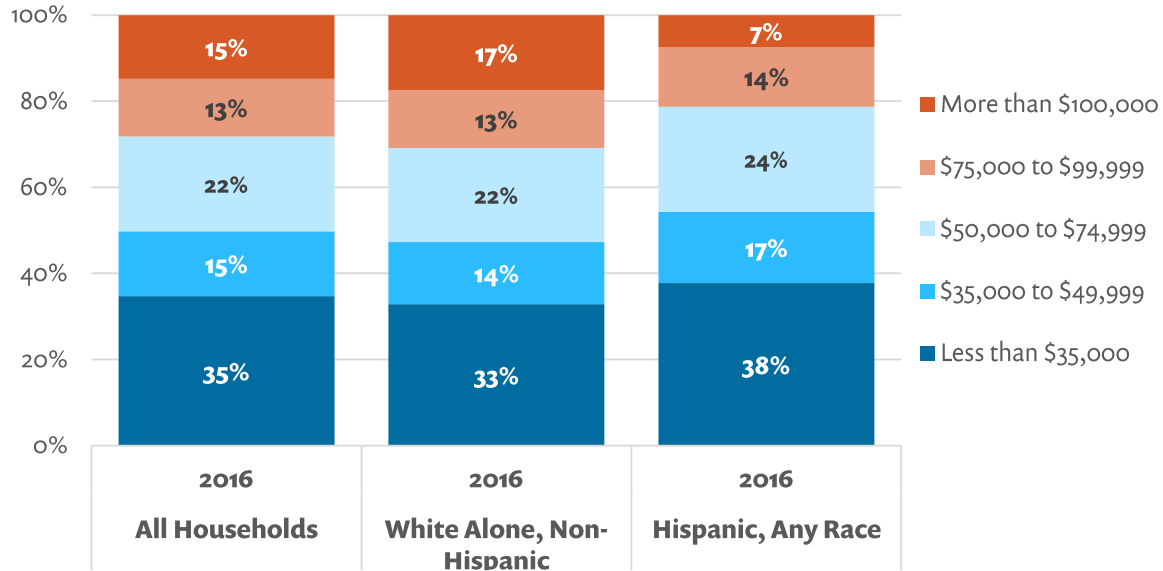
Household Income

The American Community Survey (ACS) lists 2018 median household income for households residing inside the City of Moses Lake as \$51,800, compared with a slightly higher median household income of \$54,982 in Grant County and \$70,116 statewide. Relative to Grant County, a higher proportion of residents in Moses Lake have annual incomes less than \$35,000 and a lower proportion of residents have annual incomes above \$100,000. However, between 2010 and 2018, Moses Lake saw an increase in the share of residents making above \$100,000 per year and a decrease in the share of residents making less than \$35,000 per year, reflecting similar trends in Grant County.

Household incomes vary by race and ethnicity within Grant County. A higher proportion of Hispanic households make less than \$35,000 a year and a significantly lower proportion make more than \$100,000 a year relative to Grant County overall. Households who identify as non-Hispanic White reflect overall county trends, with roughly one-third of the population earning less than \$35,000 per year, one-third earning \$35,000- \$74,999, and one-third earning \$75,000 or more per year. See Exhibit 4-5.

Lower income households are generally located in south and central areas of the city alongside the Broadway Ave thoroughfare and bounded to the south by I-90 – these areas typically overlap those with a higher proportion of Hispanic residents. Wealthier communities are most commonly located northwest and west of Parker Horn as well as east of SR 17. These areas have higher proportions of White residents compared to lower income parts of the city.

Exhibit 4-5: Household Income by Race and Ethnicity in Grant County, 2016

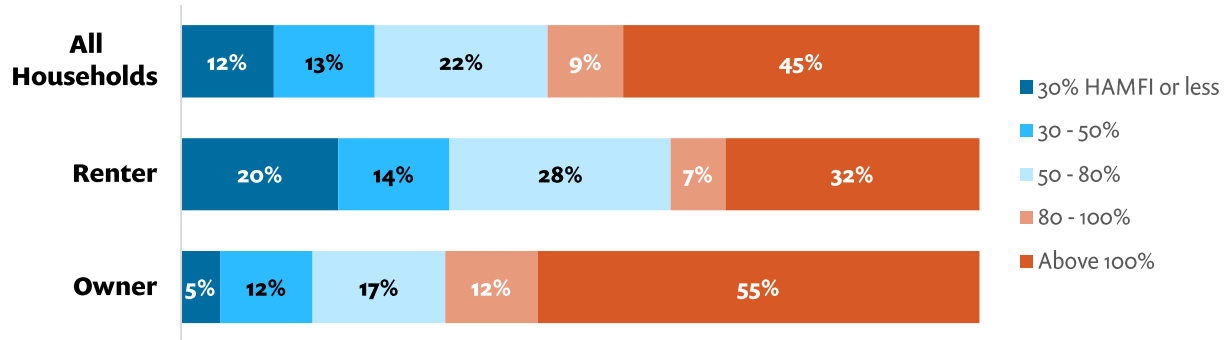


Sources: ACS 5-Yr Estimates, 2012-2016; BERK, 2020

The US Department of Housing and Urban Development (HUD) provides data on household income breakdowns relative to Grant County area median income (AMI). HUD calculations and groupings are based on HUD Area Median Family Income (HAMFI), a calculation that takes into account household size while AMI is based on the median income for a four-person family household. The 2018 HAMFI for Grant County was \$60,100.

Renter households are more likely to be low-, very low-, or extremely low-income than owner households in Moses Lake, where 45% of total households are above HAMFI. Low-income households are likely to struggle with housing affordability and may qualify for income-subsidized rental units that cap monthly payments at 30% of income. See Exhibit 4-6.

Exhibit 4-6: Income Level Relative to HAMFI in Moses Lake, 2016



Sources: HUD CHAS (based on ACS 5-Yr Estimates, 2012-2016); BERK, 2020

Homelessness

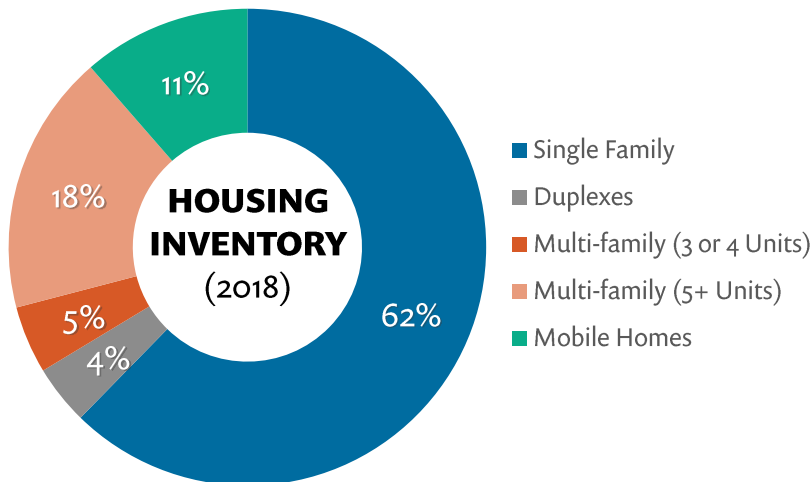
In 2019, counts of homelessness in Grant County were reported to be 148 persons, with 66 sheltered individuals and 82 unsheltered individuals. An increasing number of local K-12 students in the Moses Lake School District are also reporting they are homeless or in insecure housing situations. During the 2018-19 school year, 287 students reported homelessness compared with just 68 students in 2007-08 (an increase of 313%). Most of these students report living in doubled-up homes, reflective of the high rates of cost burden experienced among Moses Lake households. This may indicate a growing number of families on the brink of homelessness who need support to access local affordable housing options.

Housing Inventory

In 2018, there were 9,882 housing units in Moses Lake. The housing stock in the city has increased by a little over 1,500 units since 2010.

Type, Age of Housing Stock, and Production

Moses Lake has almost twice as many single-family units as multi-family, though both types of residences have grown over time. As of 2018, about two-thirds of housing units are single family and just over one-quarter are duplexes or multi-family units. About 11% of all units are mobile homes. See Exhibit 4-7.

Exhibit 4-7: Housing Inventory by Type, 2018

Sources: OFM, 2018; BERK, 2020.

About 25% of existing units in Moses Lake were built since 2000 while 30% were built prior to 1960. Older housing stock can be a source of naturally occurring affordable housing if it is well-maintained but requires on-going investment that may be affected by the degree of cost-burden experienced by property owners. The need to rehabilitate structures will continue to increase in coming years given the significant amount of older housing stock.

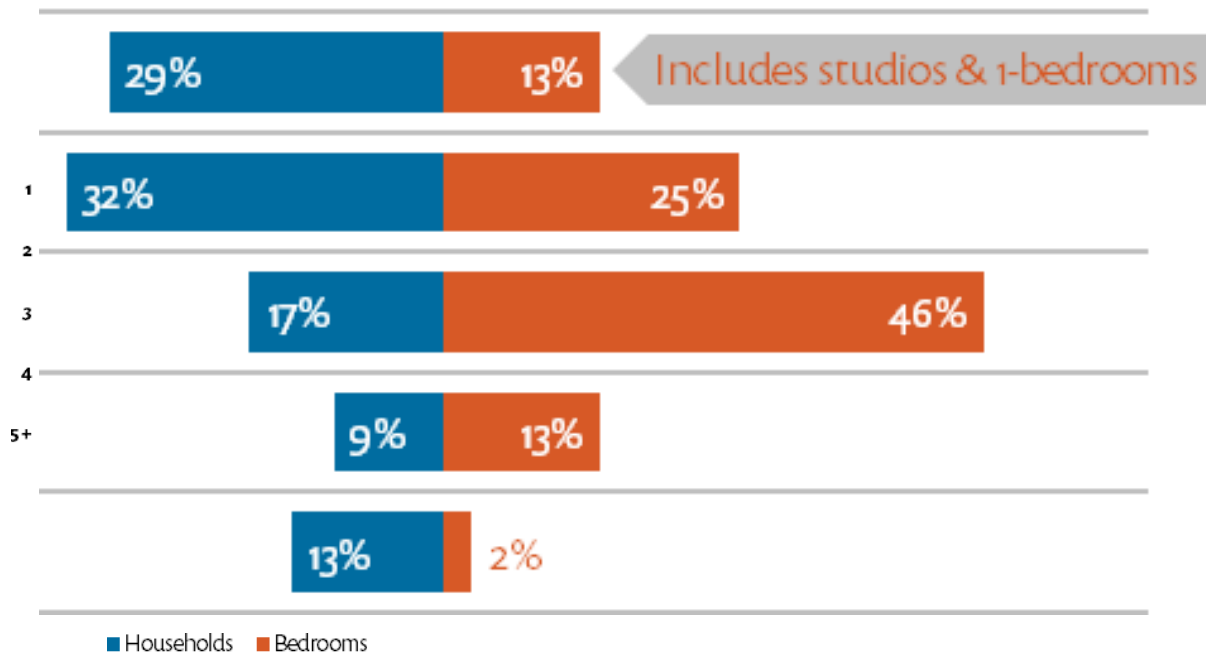
An average of 197 housing units were constructed each year between 2010-2018. Housing production has shown a diversification of housing types in recent years with an increased number of multifamily units and mobile homes coming to market. As discussed in the 2020 Housing Needs Assessment (e), home builders and developers report that Moses Lake is considered a “price conscious market,” meaning that relatively small changes in home costs, interest rates, or other factors can strongly influence new home sales. While Moses Lake remains a good market for single-family home production, builders need space to produce standardized housing at volumes that the market can absorb.

Housing Unit Size

There is a mismatch between household size and existing housing unit sizes. About 61% of households have one or two members, whereas only 39% of housing units have two or fewer bedrooms. This misalignment is particularly pronounced for one-person households; nearly 30% of households are one-person households yet only 17% of housing units have one bedroom or less. Conversely, 61% of housing units have three or more bedrooms, while only 39% of households

have three or more members (Exhibit 4-8). This kind of misalignment can result in higher housing cost burdens among smaller households who cannot find available housing that meets their needs.

Exhibit 4-8: Household Size vs. Housing Unit Size in Moses Lake, 2018



Sources: ACS 5-Yr Estimates, 2014-2018 (Tables DP04 & B25009); BERK, 2020.

Community and stakeholder interviews conducted as part of the 2020 Housing Needs Assessment (Appendix B) identified several areas of mismatch between housing supply and demand. Providers of affordable and subsidized housing reported the greatest demand and longest waiting lists for one bedroom units. Smaller unit types are difficult to find for couples and small families, particularly for those just entering the housing market or older adults looking to downsize. A few smaller units exist in the community, but there are almost no available ownership units (e.g., condos, townhouses, or cottages). Additionally, there are few single-family housing options for people looking to move beyond their first home into a larger unit or into a unit that offer more amenities. This mismatch reduces market fluidity – people stay in the same housing because they lack the ability to upsize, downsize, or otherwise change housing units according to need.

Vacancy Rates

Vacancy rates in Moses Lake are slightly higher than the state average (11% versus 9%). The ACS estimates that of the total vacant units in the city, about 35% of those are for rent, 9% are for

seasonal, recreational, or occasional use, and 30% are simply listed as other vacant.

Affordability

Cost-burdened Households

Cost-burdened households spend more than 30% of their monthly income toward housing costs, and severely cost-burdened households spend more than 50%. High rates of cost-burdened households signal a lack of affordability in the housing market. These households must make difficult choices in prioritizing purchases for other necessities such as food, healthcare, and childcare to make ends meet. Cost-burdened households are also at higher risk of displacement and housing instability with rising rents, property tax increases, or other life circumstance changes.

Cost burden in Moses Lake is most common among low-income, renter, and older adult households, as well as among households with disabled members:

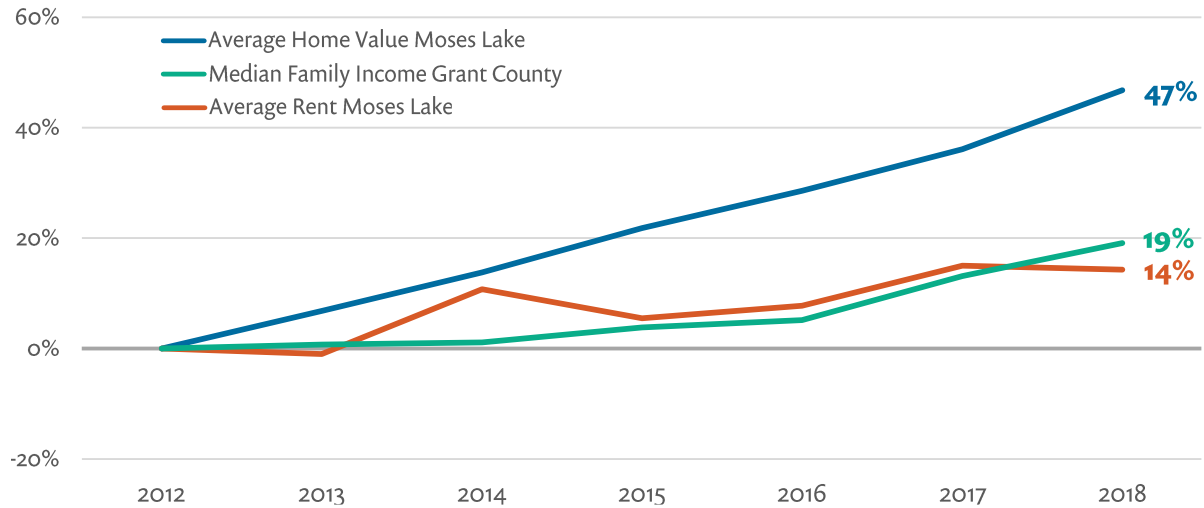
- About 80% of extremely low-income and 65% of very low-income households experience either moderate or severe cost-burden, compared with 38% of those with a moderate income.
- Nearly 40% of Moses Lake renter households experience moderate or severe cost-burden, compared with 26% of homeowner households.
- Over 500 older adult (62+) households in Moses Lake are both cost-burdened and low-income, and older adult households account for 38% of all extremely low-income households in Moses Lake.
- Rates of cost burden are particularly high among Moses Lake's older adult households, especially those who live alone; 40% of older adult households (age 62+) who live alone are cost-burdened.
- Many older adults who live alone may develop disabilities or other medical issues, and households with members living with a disability in Moses Lake are at high risk for cost-burden. This is a countywide issue, and studies have shown that shortages of accessible housing and limited access to transit combine to create housing challenges for older and disabled adults.

Home Ownership

Since 2012, housing costs have risen at a faster pace than incomes in Moses Lake – home prices increased by 47% from 2012 to 2018, while median family income in Grant County has increased by 19% (Exhibit 4-9). This trend puts a squeeze on household finances and limits access to home ownership for first time home buyers. Home prices in Moses Lake are also higher than in Grant County, despite higher median household income in the County, with the gap widening in recent

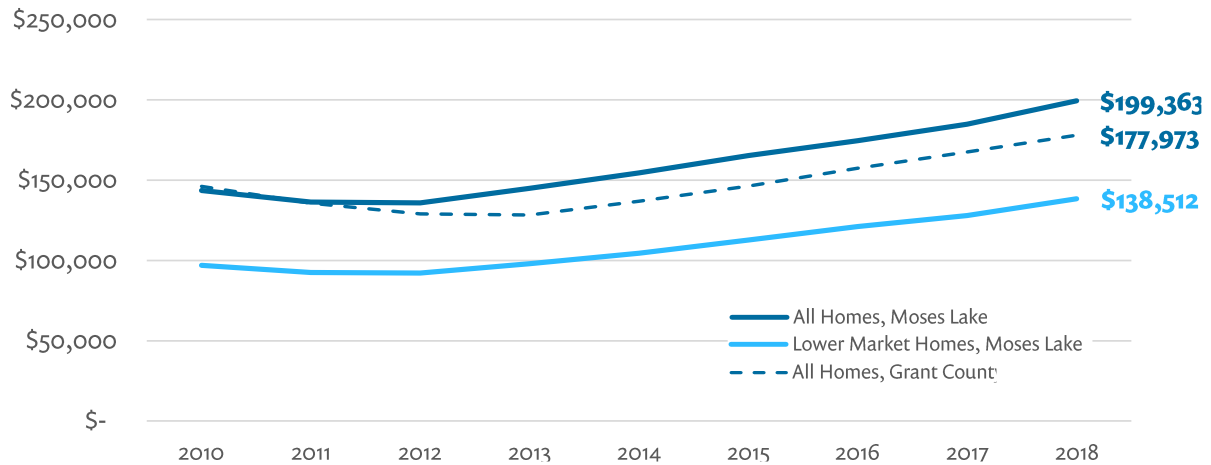
years (Exhibit 4-10). Prices are impacted by limited supply and the lack of fluidity in the housing market. Real estate professionals report that choices are limited for those looking to buy a home in Moses Lake.

Exhibit 4-9: Percent Change Since 2010 in Average Home Value, HAMFI, and Average Rental Rates



Sources: Zillow, 2020; ACS 5-Yr Estimates, 2014-2018; BERK, 2020.

Exhibit 4-10: Average Home Price in Moses Lake and Grant County, 2010-2018



Sources: Zillow, 2020; BERK, 2020.

While homeowners are generally less cost burdened than renters, low-income households are more likely to be cost-burdened than those with moderate or above median income. Monthly payments for an average priced home in Moses Lake are considered affordable to households earning about \$56,000 or more annually (a little under half of households). Lower market homes, identified as those within the 5th-35th percentile of values, are affordable to households earning more than about \$39,000 annually (about two-thirds of households). Both scenarios assume households have access to a 10% down payment.

Rental Housing

Average rental rates have tracked consistently with growth in median family income for the County (Exhibit 4-9). However, many renters are cost-burdened and average rent is unaffordable for a little over half of Moses Lake renter households. As of 2018, the average rent in Moses Lake was \$1,061 which required a household income of about \$42,500 to be considered affordable.

Renter households are also more likely to be low-income compared with owner households – 62% of renter households are low-income by HUD standards compared with 34% of owner households. Hispanic residents are also more likely to be in low-income and/or renter households, both strong indicators of being cost-burdened, relative to all households.

Subsidized Housing

HUD evaluates household income eligibility for housing assistance programs at the regional level. Based on regional thresholds, 2,184 low-income renter households in Moses Lake could potentially qualify for income-subsidized housing, either through income-restricted affordable units or market-rate rental housing vouchers (more than 60% of renter households; Exhibit 4-6). There are a variety of programs that support subsidized housing, including the Section 8 Housing Choice Voucher, Low-Income Housing Tax Credit, and HUD Section 2020 programs.

Subsidized housing in Moses Lake is available but limited. The city currently has a total of 184 units of income-restricted subsidized housing units and 206 vouchers for subsidized units. Vouchers can be used in subsidized units or in market rate housing, so estimating the total number of subsidized units in Moses Lake is challenging. Given these numbers and the limited amount of subsidized housing available, many qualified households still cannot receive housing.

Future Projections

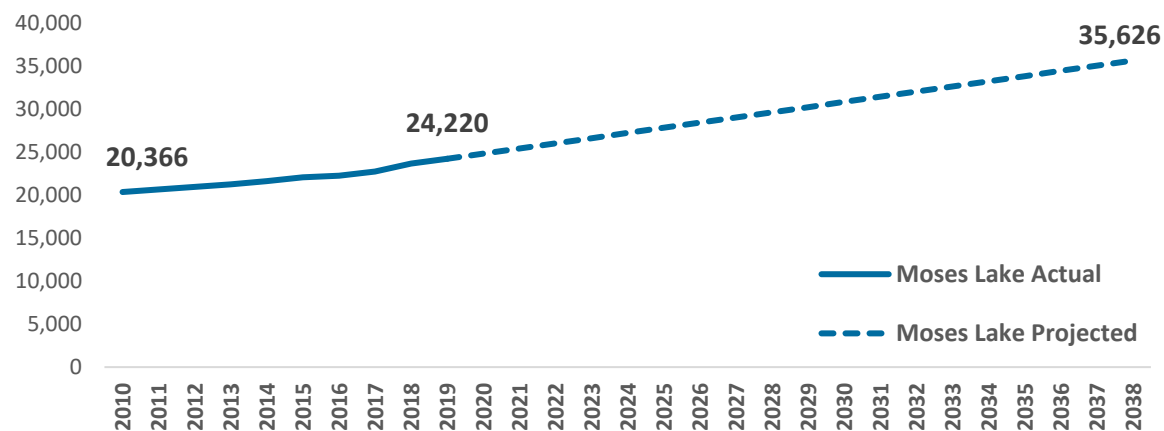
Population Growth

Consistent with growth trends and Grant County’s adoption of OFM population projections, the City of Moses Lake is planning for a projected population of 35,626 by 2038, an increase of 11,406 people (Exhibit 4-11).

Regionally, the following changes in population composition by age are projected for the 2020-2040 timeframe:

- The share of older adults (65+) is expected to increase from 15% to 19% of the population. This is likely due to the Baby Boomer generation aging into retirement. As Grant County’s largest city, Moses Lake may also attract aging adults who want to live closer to health care and other services and amenities.
- The older segment of the working aged population (45-64 years) is projected to remain constant (about 22% of the population). This is likely due to aging of the large Millennial generation (despite the Baby Boomer generation aging into retirement).
- The younger segment of the working aged population (20-44 years) is projected to decrease from 33% to 30% of the population. This is likely due to the large Millennial generation aging into the older working aged population segment.
- The share of school-aged children (19 and under) is projected to decrease from 32% in 2020 to 29% in 2040.

Exhibit 4-11: Historic and Projected Population in Moses Lake, 2000-2038



Sources: WA Office of Financial Management, 2019; BERK, 2021.

Housing Capacity

The City of Moses Lake performed a buildable lands analysis to determine housing capacity both within city limits as well as in the UGA. According to this analysis, there are 787 acres of residential land available for developing with a capacity to accommodate an additional 3,939 housing units (Exhibit 4-12). This developable land can accommodate approximately 10,275 new residents within city limits and an additional 24,140 residents in the unincorporated UGA. This is more than sufficient to accommodate the city's remaining growth target of 6,957 residents within existing City boundaries, and a remaining target of 7,711 residents in the unincorporated UGA. Most of this capacity exists in areas zoned for multifamily residential development, but some capacity is still available in lower-density areas zoned for single-family and low-density attached development.

As shown in Exhibit 4-11, residential population in Moses Lake is anticipated to increase beyond the City's adopted growth targets during the planning period, reaching 35,626 by 2038 (net growth of 10,819 residents). This projected residential growth slightly exceeds the available capacity within city limits, but the unincorporated UGA also contains substantial developable lands that could potentially be tapped in the future to meet housing needs.

Exhibit 4-12. Residential Unit Capacity in Moses Lake and Unincorporated UGA, 2020

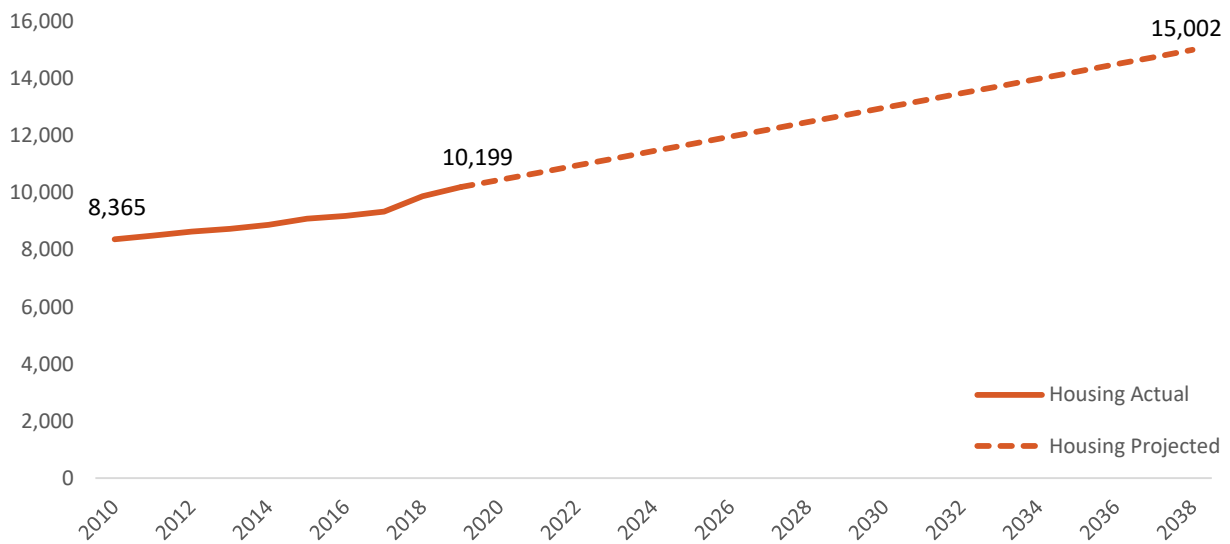
Zone	Net Housing Capacity – Vacant and Agricultural Land	Net Housing Capacity – Redevelopable Land	Total Net Housing Capacity	Total Net Population Capacity
<i>City Limits</i>				
R-1 Single Family Residential	259	678	937	2,613
R-2 Single/Two-Family Residential	116	921	1,037	2,891
R-3 Multifamily Residential	402	1,406	1,808	5,042
C-2 General Commercial	10	147	157	437
Total City	787	3,152	3,939	10,983
<i>Unincorporated UGA</i>				
Urban Reserve/Rural Residential 1	148	1	149	414
Urban Residential 2	7,027	1,428	8,455	23,589
Urban Residential 3	361	526	887	2,473
Urban Residential 4	605	430	1,035	2,895
Total UGA	8,141	2,384	10,525	29,369

Source: Grant County Assessor, 2020; City of Moses Lake GIS, 2021; BERK, 2021.

Housing Production

Moses Lake needs an average of 253 units per year to meet estimated household growth by 2035 (Exhibit 4-13). The rate of housing unit production has increased in recent years (averaging 197 units per year from 2010-2018) but falls short of the needed rate to meet this estimated growth. Even in years with large multifamily housing projects, such as from 2015 to 2017, the city has fallen short of the annual production rate needed to achieve growth targets. Higher rates of production across a range of housing types are needed to meet estimated household growth by 2035.

Exhibit 4-13. Housing Units Needed by 2038, Moses Lake



Sources: Moses Lake Comprehensive Plan, 2015; BERK, 2020.

Production in recent years has shown both an increase in housing units as well as diversification of housing types with an increased number of multifamily units and mobile homes coming to market. However, even in years with large multifamily housing projects, such as from 2015 to 2017, the City has fallen short of the annual production rate needed to achieve growth targets. Higher rates of production across a range of housing types are needed to meet estimated household growth by 2038.

Goals and Policies

Goal 4.1 Provide a variety of housing types and densities to meet the needs of all members of the community.

Policy 4.1.1 Maintain an adequate supply of single family and multi-family housing for all economic segments of the population.

Policy 4.1.2 Support equal access to housing throughout the City for all people regardless of race, color, sex, marital status, religion, national origin, physical or mental handicap. Encourage the responsible state and federal agencies to enforce federal and state civil rights and fair housing laws.

Policy 4.1.3 Use innovative land use regulations to enable construction of affordable and attractive housing which include attached single-family units, modular or manufactured housing, duplexes, townhouses, clustered housing, mixed-use developments, group homes, assisted living facilities, self-help housing, cooperatives, etc.

Policy 4.1.4 Allow geographically distributed housing opportunities for special needs populations that accommodate a continuum of care levels – such as emergency housing, transitional housing, extensive support, minimal support, independent living, family-based living or institutions –in locations adequately served by public services.

Policy 4.1.5 Support the development of accessory dwelling units and other types of housing that accommodate an aging population.

Policy 4.1.6 Allow development, rehabilitation, and adaptation of housing that responds to the changing physical needs of residents (e.g. lower parking requirements and smaller lot sizes for senior housing).

Policy 4.1.7 Preserve the character, stability, and integrity of existing neighborhoods by designing infill development to be compatible with surrounding residential densities, housing types, and other characteristics. See related policies under Goal 3.3 in the Land Use Element.

Goal 4.2 Encourage affordable housing.

Policy 4.2.1 Integrate affordable housing units that are compatible in design and quality with other units within market rate developments.

Policy 4.2.2 Use available federal and state aid to support and assist in planning for subsidized housing opportunities for households that cannot compete in the market.

Policy 4.2.3 Review existing and proposed regulations to ensure that they do not unnecessarily restrict the supply or variety of housing or increase its cost.

Policy 4.2.4 Consider incentives – such as fee waivers, expedited permits, density

bonuses, and innovative land use regulations – to build more below-market rate units for renters and first-time home buyers. See related Policy 3.3.9 in the Land Use Element.

Goal 4.3 Maintain existing housing stock in a safe and sanitary condition.

Policy 4.3.1 Continue to work with non-profit agencies to maximize the receipt of Federal and State housing resources used to provide low and moderate-income residents with housing assistance to maintain or improve owner- and renter-occupied housing units.

Policy 4.3.2 Consider applying for Community Development Block Grants to increase the quality of affordable ownership housing.

Policy 4.3.3 Expand housing inspection and code enforcement programs to ensure adequate maintenance of the housing stock and compliance with all applicable codes concerning junk and debris, noxious weeds, and other unsafe or unsanitary conditions.

Policy 4.3.4 Encourage voluntary housing rehabilitation and preventative maintenance programs.

Policy 4.3.5 Coordinate public infrastructure investments in areas where such improvements will support and encourage rehabilitation of substandard housing and other neighborhood improvements.

Policy 4.3.6 Prioritize rehabilitation or replacement of substandard mobile and site-built owner-occupied housing units.

Policy 4.3.7 Target the rehabilitation of low or very low income dwelling units if federal, state, or private funds are made available for rehabilitation purposes.

Policy 4.3.8 Demolish substantially dilapidated structures that are beyond rehabilitation or reuse in compliance with state and local laws.

Policy 4.3.9 Provide relocation assistance to any dislocated household.

References

- American Community Survey 5-Year Estimates (2014-2018)
- Appendix B - City of Moses Lake Housing Needs Assessment (2020)
- Appendix C - City of Moses Lake Draft Housing Action Plan (2021)
- Grant County Assessor parcel database (2020)
- Grant County Plan to End Homelessness (2017)
- Washington State Office of Financial Management GMA Population Projections (2019)
- Zillow Home Price Index Database (2020)