

# Chapter V

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## HOUSING

### V.1 INTRODUCTION

#### Relationship to the Growth Management Act

The Growth Management Act requires that comprehensive plans include a housing element. This requirement grew out of concerns over affordability, availability, and housing condition. The public also identified environmental regulations and the infrastructure financing demands imposed by GMA as potentially having negative impacts on housing. As a result, GMA set the following as a statewide goal for housing:

*“Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.”*

GMA also requires that housing elements recognize the “vitality and character of established residential neighborhoods. Further, housing elements must:

1. include an inventory and analysis of existing and projected housing needs;
2. include a statement of goals, policies, and objectives for the preservation, improvement, and development of housing;
3. identify sufficient land for housing, including, but not limited to, government assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes, and foster care facilities; and
4. make adequate provision for existing and projected needs of economic segments of the community.

#### Housing Policies

GMA requires Counties planning under GMA, and the cities within them, to jointly prepare countywide planning policies to guide development of their comprehensive plans. The following policies are excerpts from Mason County's Countywide Planning Policies. They represent policies that both Mason County and the City of Shelton will use to prepare the Housing Elements of their respective Plans.

- 6.1 Encourage the availability of affordable housing to all economic segments of the population, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

- 6.2 Define and establish the need for affordable housing through development of a Housing Plan.
- 6.3 Encourage affordable housing through innovative land use techniques such as clustering, planned unit development, infill housing incentives, density bonuses, etc.
- 6.4 The housing and land use elements of the Comprehensive Plans for Mason County and its Urban Growth Areas will include an assessment of land availability and general criteria for siting special purpose housing within the Urban Growth Areas to ensure that such housing can be accommodated.
- 6.5 Within the Urban Growth Areas, a wide range of housing types, densities, and mixtures will be encouraged.
- 6.6 As part of a comprehensive program to address the affordability issue, examine current local regulations and policies for impacts on housing cost. Prior to adoption of any new ordinance or regulation affecting home building, evaluate the impact on the provision of affordable housing options.
- 6.7 To avoid tightening of the urban land supply and rising housing cost, Growth area boundaries may be drawn to accommodate a county-wide population greater than Office of Financial Management (OFM) projections. It is recognized that growth will occur outside of Growth Areas.
- 6.8 Affordable housing should be convenient to public transportation, major employment centers, and public services.
- 6.9 Affordable housing needs will be examined in both city and rural contexts. Strategies to address housing affordability will reflect local definitions of affordable housing, urban and rural values, cost and availability of land, infrastructure cost, private property rights, and broad-based citizen involvement.

*Mason County Land Use Policies*

The *Mason County Land Use Policies* in Chapter III, Section 8, contain a number of policies that are related to housing and are intended to implement housing goals and address housing needs. These include:

- Encouraging a range of lot sizes, development densities and housing types to meet the needs of a diverse population and provide affordable housing choices for all income levels.
- Establishing an Urban Growth Area large enough to minimize restrictions on the residential land supply that would limit access to affordable housing for numerous economic segments of the County's residents.
- Providing for clustering, planned unit developments, and other innovative techniques which will result in a greater variety of lot sizes and housing types.
- Providing for a new fully contained community, which is required to provide for variety of housing options for households with different incomes.

**V.2 SEPA/GMA COMPLIANCE**

**Overview**

The Mason County comprehensive plan was prepared using an integrated process for complying with the requirements of the Growth Management Act and the State Environmental Policy Act. TABLE V.2-1, *GMA/SEPA Housing Requirements*, identifies the elements addressed in this Housing chapter that satisfy requirements for collection of data, analysis of consistency and impacts, and mitigation in both GMA and SEPA. Under the SEPA/GMA integrated strategy, the analysis of these elements will focus on the requirements of GMA as the means to achieve compliance with both GMA and SEPA.

TABLE V.2-1: GMA/SEPA Housing Requirements		
Element/Requirement	GMA (WAC 365-195)	SEPA (WAC 197-11)
Inventories	310(1), (2)	440(6)(e)
Forecast	310(1), (2) RCW 36.70A.070(2)	444(2)(b)
Analysis	310(1), (2) RCW 36.70A.070(2)	440(6)(e) 444(2)(b)
Strategies	310(1), (2) RCW 36.70A.070(2)	440(6)(e) 444(2)(b)

### **V.3 EXISTING CONDITIONS**

#### **Overview**

Mason County uses four sets of housing data to address housing issues within the County. They include population, affordability, housing type, and housing condition. Together, these data create a picture of existing conditions of housing within Mason County and the County's future housing needs.

- ***Population*** addresses the existing and forecast population of Mason County by watershed and the demand that the forecast population creates for housing countywide and within each watershed.
- ***Affordability*** analyzes the cost to rent or purchase housing in relationship to household income.
- ***Housing Type*** identifies the kind of housing available throughout the County. It describes housing in terms of single family, multifamily, manufactured homes, and group quarters.
- ***Housing Condition*** describes the quality of Mason County's housing stock. In 2002, a housing survey was conducted by a group of college students as part of a Housing Needs Assessment report prepared by Common Ground. The students used five categories to evaluate the condition of the housing stock. They included Category 1 - Sound, Category 2 - Good/Basically Sound, Category 3 - Needing Maintenance/Repair, Category 4 - Deteriorated, and Category 5 - Dilapidated/Uninhabitable.

#### **Population**

Mason County relies on population data provided by the U. S. Bureau of the Census and Washington States Office of Financial Management. The Washington State Office of Financial Management prepares the population forecasts.

Mason County's population reached 49,405 full time residents in 2000 according to the U.S. Census Bureau. This reflects an increase of more than 18,200 since 1980. Only 17% of this growth, however, occurred in the City of Shelton, with the majority being in the unincorporated areas of the County. Further, Mason County grew at a much greater rate (31.7%) than the state of Washington (21.1%) as a whole. A recent housing study<sup>1</sup> shows the geographical location of population and households in Mason County for 2000. According to this study, the highest concentrations of population are in the Shelton and along the Hood Canal and inland waterways. Population increases over the last decade can be attributed mostly to net migration. The Washington State Office of Financial Management (OFM) reports that 93.3% of the total population increase between 1990 and 2000 was the result of people moving into the area. The

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<sup>1</sup> Mason County and City of Shelton Housing Needs Assessment, April 29, 2004

OFM further projects that county's population will increase to 75,088 by 2025, which is an approximate increase of 28.4% over the next two decades. In accordance with GMA, Mason County has considered three different forecast growth rate scenarios through 2025, the County's 20-year planning horizon. The County has selected the intermediate growth scenario for planning purposes, and anticipates that an additional 25,683 people will reside within Mason County by 2025.

### *Affordability*

Federal and state governments define housing as being affordable when the occupants are spending 30% or less of their gross household income on housing costs. For rental housing, housing costs include rent and utilities. For owner-occupied housing, housing costs include mortgage principal and interest, property taxes, property insurance, and utilities.

### *Income Distribution*

The government uses standard categories to classify income levels and determine eligibility for housing programs and resources. Income levels are based on percentages of the median household income within the County. The following list provides definitions for income levels commonly used to characterize housing affordability:

- *Extremely Low Income: Below 30 percent of the median income.*

- *Very Low Income: Between 31 and 50 percent of the median income.*
- *Low Income: Between 51 and 80 percent of the median income.*
- *Moderate Income: Between 81 and 95 percent of the median income.*
- *Middle Income: Between 96 and 120 percent of median income.*
- *High Income: Above 121 percent of median income.*

The 2000 census reports that the median family income in Mason County was \$44,246 in 1999. The Washington State Office of Financial Management (OFM) reports that the Mason County median household income in 2000 was \$41,273. TABLE V.3-2, *Income Distribution and Housing Costs*, illustrates the income ranges of Mason County families. It also identifies the affordable cost of housing for each of income classification.

Just over nine percent of County's residents earn incomes that place them in the extremely low-income category. This means they live on less than \$1,106 per month. Affordable housing for that nine percent of the population would have to cost less than \$331.84.

Income Status	Definition	Annual Income Range <sup>3</sup>	Monthly Affordable Housing Costs <sup>4</sup>	Households <sup>2</sup>	
				Number	Percent Total
Extremely Low Income	Below 30% of Median Income	Below \$13,273.8	331.84	2,005	9.36%
Very Low Income	Between 31% and 50% of Median Income	Between \$13,716.26 and \$22,123	\$342.90 to \$553.07	2,666	12.44%
Low Income	Between 51% and 80% of Median Income	Between \$22,565.46 and \$35,396.80	\$564.14 to \$884.92	3,374	15.75%
Moderate Income	Between 81% and 95% of Median Income	Between \$35,839.26 and \$42,033.70	\$895.98 to \$1,050.84	1,662	7.76%
Income above 95% Median Family Income		\$42,476.16 and above	\$1,061.90	11,715	54.67%

Source: U.S. Census 2000

**Housing Needs Assessment**

The U.S. Department of Housing and Urban Development (HUD) calculates housing need for every county in the nation. Households that pay more than 30 percent of their incomes for rent or housing costs are considered in need of housing assistance. Households with incomes under 50 percent of median income are eligible for most assistance programs. This analysis includes households earning between 50 and 80 percent of median income because a significant number of them also pay high proportions of their income for housing. Most households that earn above 80 percent of median income can afford rental housing.

TABLE V.3-3, *Housing Assistance Needs*, shows households in need as analyzed by HUD for Mason County as a whole. In 2000, more than 68 percent of renter and more than 67 percent of owner households in Mason County earned 30 percent or less of the median county income or paid housing costs that exceeded 30 percent of the household's income. Of the households that earned between 31 and 50 percent of median income, more than 73 percent of renter and more than 53 percent of owner households paid more than 30 percent for housing. Just over 30 percent of renter and

2 Source: Mason County and City of Shelton Housing Needs Assessment, April 2004

3 Annual Income Ranges derived from Census 2000 population figures; distribution percentages in "Definition" column applied to Census 2000 Median Family Income for Mason County of \$44,246

4 To calculate Monthly Affordable Housing Costs, it is assumed that 30% of the household income is used for housing costs (mortgage or rent), therefore the annual income was multiplied by 30% and then divided by 12 monthly payments.

42 percent of owner households earned between 51 and 80 percent of median income also paid more than 30 percent of incomes for rent.

Households by Income	Households	Gross Rent (% of Income)		Households	Owner Costs (% of Income)	
	Number of Renters	% with Cost Burden >30%	% with Cost Burden >50%	Number of Owners	% with Cost Burden >30%	% with Cost Burden >50%
< 30% Median Income	774	68.6	58.0	1,054	67.4	54.7
31% to 50% Median Income	705	73.6	27.5	1,066	53.4	34.0
51% to 80% Median Income	749	30.8	2.7	2,430	42.5	14.7
>81% Median Income	1,689	2.1	0.5	10,377	16.2	3.0
<b>Total</b>	<b>3,917</b>	<b>33.6</b>	<b>17.1</b>	<b>14,927</b>	<b>26.8</b>	<b>10.8</b>

Source: CHAS Data Report (<http://socds.huduser.org/scripts/odbic.exe/chas/reports.htm>)

According to the 2000 HUD Comprehensive Housing Affordability Strategy (CHAS), 643 renter households were at risk of homelessness, meaning that they earned less than 50 percent of median income and paid more than 50 percent of their incomes for rent.

Housing affordability is a complex and changing issue. Interest rates tend to fluctuated dramatically affecting the number of people who can afford to buy a home. As the federal government continues to reduce its role in low income housing, a greater burden will fall on local government to assist low income and special needs households.

**Housing Type**

Mason County had 25,515 housing units in 1999 according to the 2000 Census. Of these, approximately 70 percent were single family units. Further, 18,912 or 74 percent of these units, were permanently occupied. The remaining 6,603 units, 26 percent, consisted of seasonal residences or unoccupied units. Mason County Public Utility District No. 3 reports that the number of its seasonal customers within the County has decreased over the past few years, as more and more seasonal residents make Mason County their primary home. TABLE V.3-4, *Number of Units by Structure*, presents the number and types of housing units in Mason County as of the 2000 census. It also identifies owner-occupied and rental housing for the permanently occupied units.

TABLE V.3-4: Number of Units by Structure Type - 2000						
Type of Housing Structure	Total	Percent of Total	Vacant Units	Occupied		
				Total	Owner	Renter
<b>Single Family</b>						
Detached	17854	69.97%	4824	13030	10979	2051
Attached	247	0.94%	77	170	78	92
<b>Total Single Family</b>	<b>18101</b>	<b>70.94%</b>	<b>4901</b>	<b>13200</b>	<b>11057</b>	<b>2143</b>
<b>Multi-Family</b>						
2 Units	328	1.28%	102	226	49	177
3 - 4 Units	205	0.80%	23	182	4	178
5 - 9 Units	241	0.94%	0	241	8	233
10 - 19 Units	93	0.36%	9	84	5	79
20 - 49 Units	226	0.89%	12	214	0	214
50 or more	58	0.23%	0	58	7	51
Mobile Home	5447	21.35%	977	4470	3616	854
Boat, RV, Van, etc.	816	3.20%	579	237	201	36
<b>County Total</b>	<b>25515</b>	<b>100.00%</b>	<b>6603</b>	<b>18912</b>	<b>14947</b>	<b>3965</b>

Source: United States Bureau of the Census, 2000

**Housing Stock**

According to the 2000 census data, owner-occupied housing accounted for 79 percent (14,947 units) of the County's occupied units. This is significantly higher than the statewide average of 65 percent. Single-family units represent the vast majority (70.94 %) of the County's 2000 housing stock. Mobile homes and trailers account for 21.35% of the housing units in the County. Multi-family units comprise approximately 4.5% of the County's housing stock. Most of the multi-family housing is located in the City of Shelton.

The total housing stock grew just over 12 percent from 1990 through 2000. TABLE V.3-5, *Existing Housing Stock*, illustrates the composition and size of Mason County's housing stock as of 2000. It shows the percent increase in numbers of units by housing type since the 1990 Census. Single-family units saw the largest percent increase, followed by mobile homes (including RV's, boats, and vans) and multi-family units. The ratio of housing types remained constant however, with single family units accounting for 71 percent, multi-family units equaling just over 4 percent, and mobile homes representing nearly 25 percent of the total units.

TABLE V.3-5: Existing Housing Stock - 2000			
Type of Housing Unit	Number of Units	Percent of Total	Percent Change 1990-2000
Single-Family	18,101	71%	13.5%
Multi-Family	1,151	4.5%	9.1%
Mobile Homes	6,263	24.5%	10.6%
Total Number of Units	25,515	100%	12.6%

Source: Washington State Office of Financial Management; U.S. Census 2000

Home Ownership

TABLE V.3-7, *Housing Units - Mason County and Surrounding Counties*, presents the rate of home ownership in Mason County as of the 2000 Census. It demonstrates that the County has a lower rate of home ownership than generally occurs in its neighboring counties and Washington State as a whole. Further, the percentage of the County's housing stock made up of mobile homes and trailers is among the highest compared with other counties and the state.

Approximately one quarter of the existing housing units in Mason County are mobile homes and trailers. These units tend to be more affordable but have a higher rate of dilapidation than other types of housing within the County. Therefore, while many of the residents of Mason County are homeowners, it should not be assumed that they are not in need of housing assistance programs. TABLE V.3-4 also identifies Mason County's relatively low concentration of multi-family units. According to 2000 Census information, the percentage of multi-family units in several surrounding counties, as well as the state, is more than double that of Mason County.

**TABLE V.3-7: Housing Units - Mason County and Surrounding Counties, 2000 Census**

Jurisdiction	Total Housing Units	Percent Owner Occupied	Percent Single Family	Percent Multi-Family	Percent Mobile Homes‡
Mason	25,515	59%	71%	4%	21%
Clallam	30,683	64%	71%	11%	18%
Grays	32,489	57%	70%	14%	15%
Jefferson	14,144	76%	74%	8%	18%
Lewis	29,585	71%	68%	11%	20%
Pacific	13,991	75%	68%	7%	24%
Thurston	86,652	67%	66%	20%	14%
Washington State	2,451,075	65%	65%	26%	9%

‡Including RVs, Boats, Vans, etc.  
 Source: U.S. Census, 2000

**Housing Quality**

*Overview*

The age of a structure can indicate the amount of repair or maintenance that may be needed to maintain the safety and habitability of the structure. As a structure ages, it requires more maintenance, without which it may fall into disrepair. TABLE V.3-8, *Year Structure Built*, chronicles the age of Mason County's housing stock, the number of homes that are either renter or owner occupied, and the number of vacant units. It shows that the greatest percentages of homes in the County were built in the 1970s. Nearly 60 percent of the occupied housing units in the County are owner occupied.

TABLE V.3-8, *Year Structure Built*, also demonstrates that, with the exception of homes built prior to 1969, ownership rates are greatest for structures built in the 1970's. Ownership rates decrease consistently from 1970 to 2000. Renter rates also show a pattern of higher renter occupancy for units built in the 1970s. Both observations could be attributed to the largest number of units in the county being built between 1970 and 1979, meaning that there are more of them to own and rent.

Year Built	Total Units	Percent of Total	Vacant Units	Occupied		
				Total	Owner	Renter
1995 to 2000	3,767	14.8%	920	2,847	2,388	459
1990 to 1994	3,456	13.5%	655	2,801	2,501	300
1980 to 1989	4,857	19%	1,294	3,563	2,834	729
1970 to 1979	6,214	24.4%	1,740	4,474	3,475	999
1960 to 1969	2,984	11.7%	1,126	1,858	1,411	447
1950 to 1959	1,655	6.5%	415	1,240	875	365
1940 to 1949	1,247	4.9%	258	989	688	301
Before 1940	1,335	5.2%	195	1,140	775	365
<b>Total</b>	<b>25,515</b>	<b>100.00%</b>	<b>6,603</b>	<b>18,912</b>	<b>14,947</b>	<b>3,965</b>

Source: United States Bureau of the Census, 2000 Census

Housing Condition Survey

In 2002, a housing survey was conducted by a group of college students as part of a Housing Needs Assessment report prepared by Common Ground. The survey obtained a visual assessment of the overall exterior of the single-family house in Mason County. The students used five categories to evaluate the condition of the housing stock. They included Category 1 - Sound, Category 2 - Good/Basically Sound, Category 3 - Needing Maintenance/Repair, Category 4 - Deteriorated, and Category 5 - Dilapidated/Uninhabitable.

TABLE V.3-9, *Mason County Housing Condition Survey*, presents the findings of the survey. Out of the 191 housing units surveyed in Mason County, excluding Shelton, 71.2% of the County's housing stock fell within categories 1 and 2. Twenty five percent of the houses sampled fell within either category 3 or 4. Housing in category 5 was just over 4 percent.

Number of Housing Units by Rating						
Survey Areas	Rating	Rating	Rating	Rating	Rating	Total Units Surveyed
	1	2	3	4	5	
North	24	22	6	5	1	58
	41.1%	37.9%	10.3%	8.6%	1.7%	100.0%
South	26	24	4	5	3	62
	41.9%	38.7%	6.5%	8.1%	4.8%	100.0%
East & Central	11	19	22	4	0	56
	19.6%	33.9%	39.3%	7.1%	0.0%	100.0%

West	10	0	2	0	3	15
	66.7%	0.0%	13.3%	0.0%	20.0%	100.0%
Shelton	69	100	58	26	8	262
	26.3%	38.2%	22.5%	9.9%	3.1%	100.0%
Total Units by Rating	140	165.0	93.0	40.0	15.0	453.0
	30.9%	36.4%	20.5%	8.8%	3.3%	100.0%

Source: Mason County and City of Shelton Housing Needs Assessment, April 29, 2004

**V.4 HOUSING NEEDS**

**Housing Demand**

The population in Mason County is expected to increase from 53,789 in 2005 to 85,088 in 2025, (an increase of 31,299). Using 2005 figures, a population of 53,789 in a county with 25,515 housing units, approximately 1 housing unit is needed for every 2.5 people<sup>5</sup>. This represents a demand for approximately 12,520 additional housing units. Using the Housing Stock percentage rates from page V-3.6, single family units would increase by 8,760, multi-family units would increase by 563 units, and mobile homes and trailers would increase by 2,673<sup>6</sup>.

**Housing Affordability**

Approximately 37.55% of the housing demand (5,165 units) is a combination of purchase and rental housing that is affordable to households earning less than 80% of the County' median income. This includes 9.36% (1,287 units) for *Extremely Low-Income* households, 12.44% (1,711 units) for *Very Low-Income* households, and 15.75% (2,166 units) for *Low-Income* households. The affordability of the single-family housing is based on at least 20% of that housing being manufactured housing. This compares with the actual rate of manufactured housing at 21.35% in 2000.

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<sup>5</sup> 31299 ÷ 2.5 = 12,520

<sup>6</sup> Housing unit projection calculations: 12,520 x 69.97% = 8,760; 12,520 x 4.5% = 563; 12,520 x 21.35% = 2,673