Mason County Comp. Plan: Housing Allocation Update

August 13, 2024

FCS GROUP and SCJ Alliance

Housing Allocation Methodology Overview

- Comp. Plan will depict 20-year housing needs based on OFM middle-growth forecast
- Housing demand now accounts for price/rent attainability (based on income)
- Must Apply New "Housing For All" Planning (HAP Tool) from WA Dept. of Commerce
- Future Housing Allocation shall consider road and infrastructure serviceability

HOUSING ALLOCATION METHODOLOGY STEPS

Step 1. Demographic & Market Overview

Step 2. County-wide Housing Demand Forecasts

Step 3. Draft Housing Allocation Analysis

Step 4. Stakeholder Input & Public Facility Considerations

Step 5. Revised Housing Allocation Assumptions
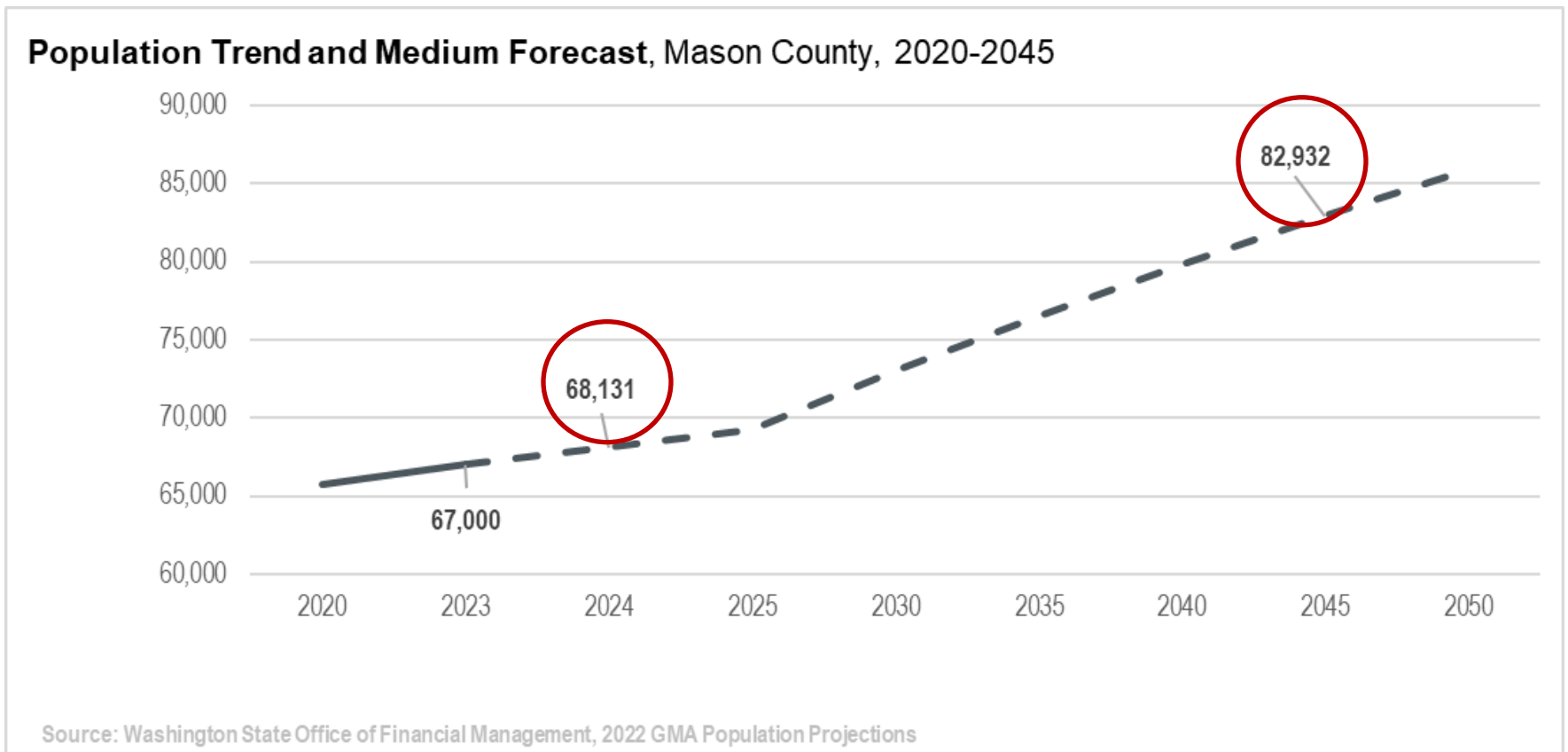
Step 1. Demographic & Market Overview

Key Findings

a. Mason County 20-year growth forecast > 14,801 new residents over next 20 years
b. This Pop. Growth excludes seasonal residents (accounts for +/-24% of current home ownership in county)
c. Housing vacancy rates remain very low (especially for rentals)
d. Larger families with younger households concentrated in Shelton
e. Income gains have generally been keeping up with home prices locally
f. Almost half of current households are income constrained
g. County added 382 new housing units per year (avg. over past 5 years); 33% mobile homes; 67% single family
h. Future Housing market demand: detached SF & mobile homes in rural areas; "middle housing" (2+ units per structure) in City and UGAs

County-wide Population Growth Forecast

Comp. Plan based on the OFM middle growth forecast
Forecast assumes 14,801 permanent residents added between 2024-2045

Population Trend and Medium Forecast, Mason County, 2020-2045

Source: Washington State Office of Financial Management, 2022 GMA Population Projections

Historical Pop Growth

- **Mason County has been growing more slowly than WA state as a whole**
- **Most growth has occurred in unincorporated areas and within Shelton UGA**
- **Shelton City + UGA account for 29% of total population within Mason County**

Population Trends	2010	2020	2023	2010-23 Change	2010-23 CAGR
Washington	6,724,540	7,707,047	7,951,150	1,226,610	1.30%
Mason County Total	**60,699**	**65,726**	**67,000**	**6,301**	**0.76%**
City of Shelton	9,834	10,371	10,420	586	0.45%
Shelton UGA	3,717	3,751	3,955	238	0.48%
Allyn UGA	1,972	2,221	2,327	355	1.28%
Belfair UGA	987	1,054	1,028	41	0.31%
Other Unincorp. Mason County	**44,189**	**48,329**	**49,270**	**5,081**	**0.84%**

Source: Washington State Office of Financial Management Intercensal Estimates ; April 1, 2024 (Revised) .
CAGR: Compound Annual Growth Rate

	2010	2020	2023	Change	CAGR
City of Shelton	9,834	10,371	10,420	586	0.45%
Shelton UGA	3,717	3,751	3,955	238	0.48%
Shelton City + UGA	**13,551**	**14,122**	**14,375**	**824**	
Share of Mason County	*31%*	*29%*	*29%*	*16%*	

Mason County Average HH Size

Average Houeshold Size, 2022

	Washington	Mason County	Shelton
2022	2.53	2.54	2.91

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B25010)
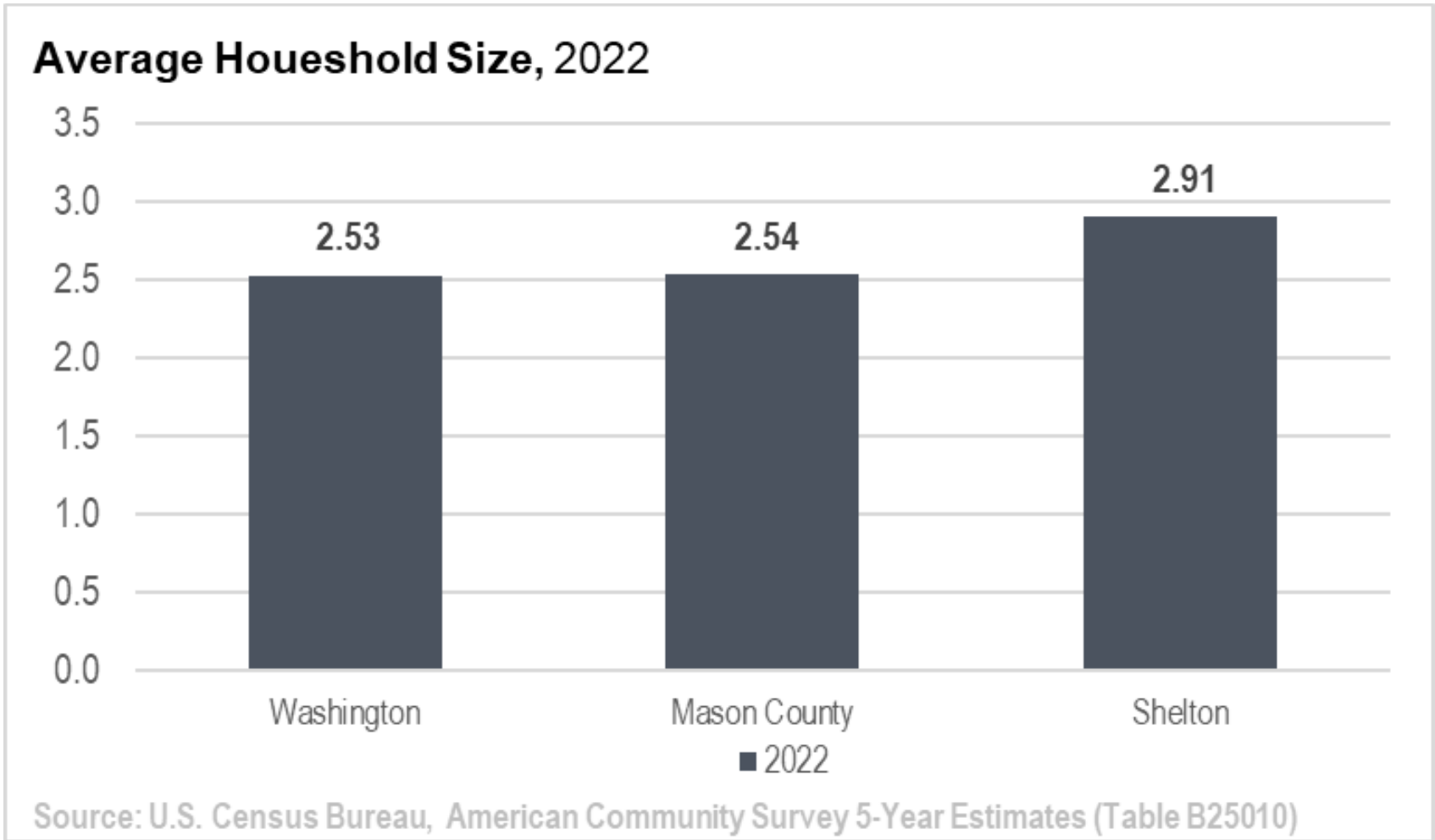
Mason County Housing by Type

Housing Units by Housing Type, Mason County, 2022

- Single Family Detached
- Townhomes/Plexes
- Multi-Family (5+ Units)
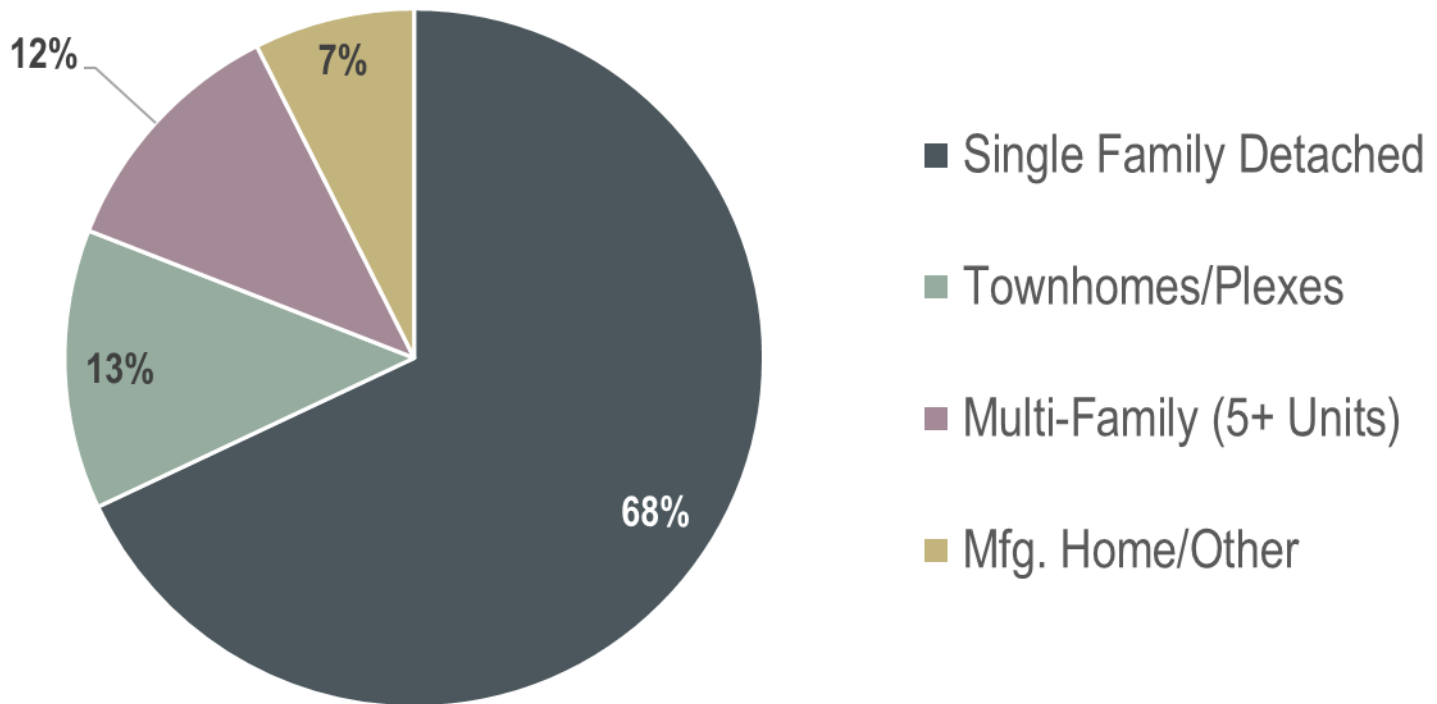- Mfg. Home/Other

77%
18%
3%
2%
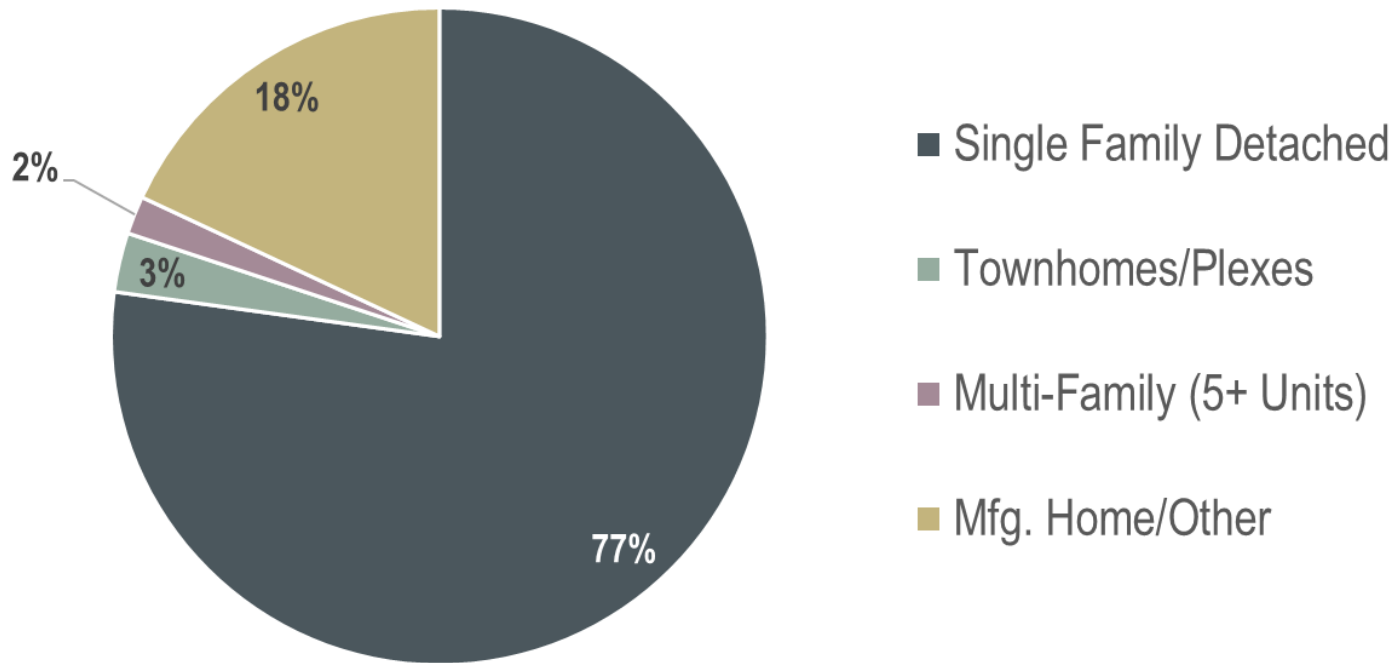
Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B25032)

City of Shelton Housing by Type

Housing Units by Housing Type, Shelton, 2022

- Single Family Detached
- Townhomes/Plexes
- Multi-Family (5+ Units)
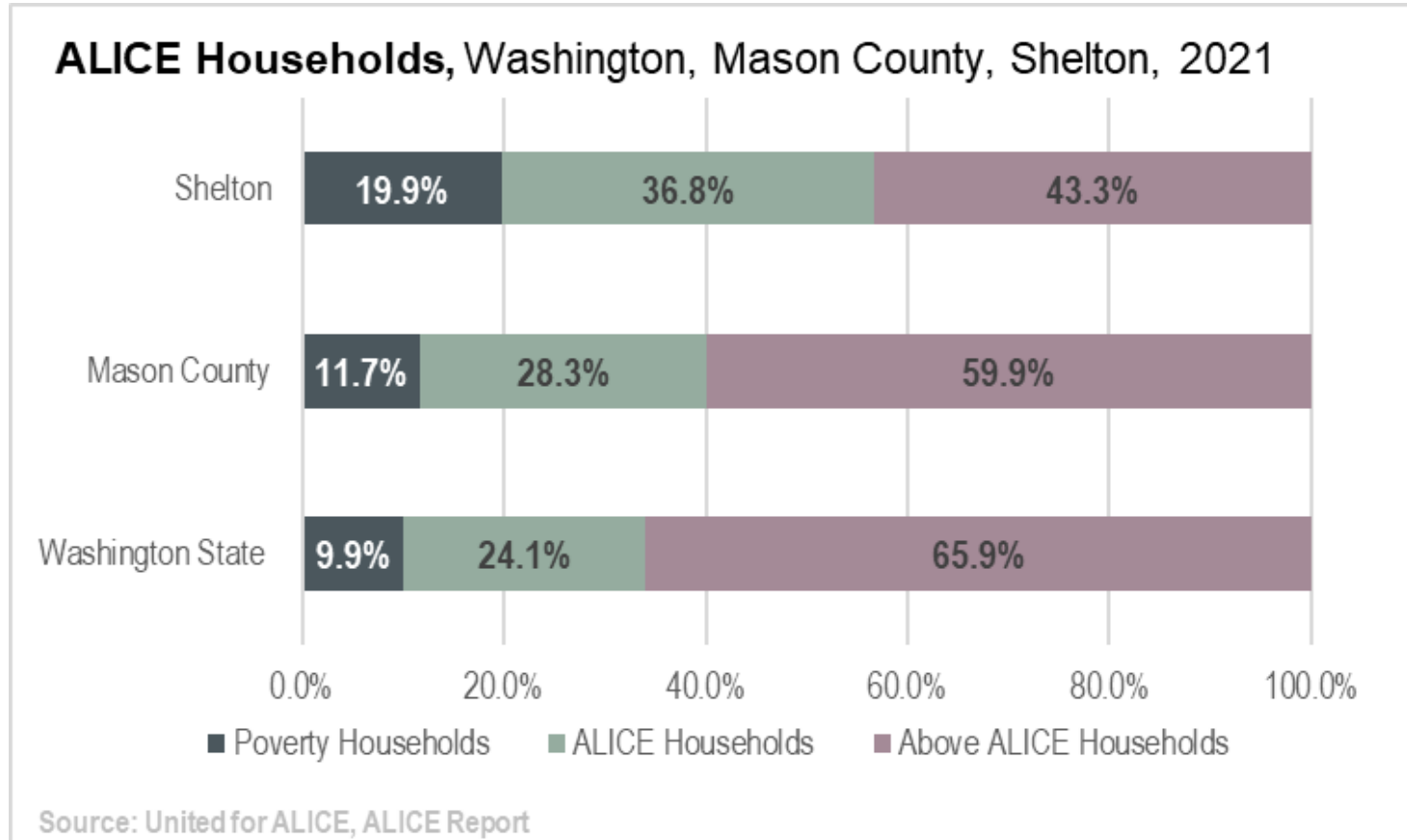- Mfg. Home/Other

68%
13%
12%
7%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B25032)

Poverty and ALICE Households*

State GMA now requires housing needs based on income levels

ALICE Households, Washington, Mason County, Shelton, 2021

	Poverty Households	ALICE Households	Above ALICE Households
Shelton	19.9%	36.8%	43.3%
Mason County	11.7%	28.3%	59.9%
Washington State	9.9%	24.1%	65.9%

- Poverty Households
- ALICE Households
- Above ALICE Households

Source: United for ALICE, ALICE Report

Asset Limited Income Constrained Employed (ALICE) households

Step 2. County-wide Housing Forecast Scenarios

Key Findings

a. Three Housing Forecast Scenarios: WA Dept. of Commerce (HAP Tool Scenarios A and B) and Hybrid (Scenario C)

b. HAP Scenarios A and B both assume 7,037 housing units of demand by 2045

c. Scenario C assumes 7,645 units of housing demand by 2045

d. More Attainable Housing Types: denotes market trend towards smaller home sizes and more "middle housing" with 2 or more units per structure in all scenarios

Population Forecast Allocation

HAP Middle-Growth Forecast Allocation

- Provides guidance for City of Shelton and Mason County
- Projected City of Shelton Housing "capture rate" of pop growth = 30%
- Projected Rest of County/UGAs "capture rate" = 70% of net new housing

HAP Forecast Model: Medium Growth Scenario

	2020	2023	2045 Proj.	2023-45 Change	Allocation
Mason County Population	65,726	67,000	82,932	15,932	*100%*
City of Shelton Pop.	10,371	10,420	15,200	4,780	30%
Unicorp. Mason County Pop.	55,355	56,580	67,732	11,152	70%

Source: Washington State Department of Commerce Growth Management Services Housing for All Planning Tool

	2020	2023	2045 Proj.	2023-45 Change	Allocation
Implied City of Shelton Capture Rate	16%	16%	18%	30%	*City limits*

- HAP tool based on 2020 to 2045 forecast

HAP Forecast Scenario A

Middle Growth Forecast by household Income cohort

- *Assumes "equal allocation" of housing demand by income cohort to City and County*
- *Results in **7,037 net new housing units** for Mason County*
  - ***2,113 housing units needed for City of Shelton***
  - ***4,926 housing units needed for rest of Mason County***

Housing Allocation Method A

HH Income Dist:	<30%	30-50%	50-80%	80-100%	100-120%	>120%	Emer. Shelters	Total	
Unincorp. County									
PSH Housing Needs	631	-	-	-	-	-	-	**631**	
Non-PSH Housing Needs	623	919	621	278	345	1,455	55	**4,295**	
Total	**1,253**	**919**	**621**	**278**	**345**	**1,455**	**55**	**4,926**	**70%**
City of Shelton									
PSH Housing Needs	270	-	-	-	-	-	-	**270**	
Non-PSH Housing Needs	267	394	267	120	148	624	23	**1,842**	
Total	**537**	**394**	**267**	**120**	**148**	**624**	**23**	**2,112**	**30%**
Mason County Total									
PSH Housing Needs	901							**901**	
Non-PSH Housing Needs	889	1,313	888	397	493	2,078	78	**6,137**	
Total	**1,790**	**1,313**	**888**	**397**	**493**	**2,078**	**78**	**7,037**	

Source: *Washington State Department of Commerce Growth Management Services Housing for All Planning Tool.*

PSH = public supportive housing, such as deed-restricted or government assisted.

HAP Forecast Scenario B

Middle Growth Forecast by household Income cohort

- *Assumes "adjusted allocation" of housing demand based on current inventory*
- *Attempts to equalize future allocation of housing demand by income level*
- *Results in **7,037 net new housing units** for Mason County*
  - ***1,949 housing units needed for City of Shelton***
  - ***5,088 housing units needed for rest of Mason County***

Housing Allocation Method B

HH Income Dist:	<30%	30-50%	50-80%	80-100%	100-120%	>120%	Emer. Shelters	Total	
Unincorp. County									
PSH Housing Needs	740	-	-	-	-	-	-	**740**	
Non-PSH Housing Needs	782	1,079	1,307	159	96	709	217	**4,348**	
Total	**1,522**	**1,079**	**1,307**	**159**	**96**	**709**	**217**	**5,088**	**72%**
City of Shelton									
PSH Housing Needs	161	-	-	-	-	-	-	**161**	
Non-PSH Housing Needs	108	234	(419)	238	397	1,369	(138)	**1,788**	
Total	**268**	**234**	**(419)**	**238**	**397**	**1,369**	**(138)**	**1,949**	**28%**
Mason County Total									
PSH Housing Needs	901							**901**	
Non-PSH Housing Needs	889	1,313	888	397	493	2,078	78	**6,137**	
Total	**1,790**	**1,313**	**888**	**397**	**493**	**2,078**	**78**	**7,037**	

Source: *Washington State Department of Commerce Growth Management Services Housing for All Planning Tool.*

PSH = public supportive housing, such as deed-restricted or government assisted.

HAP Scenarios by Housing Type

Implied Housing Demand by Type based on HAP Forecasts

	Housing Demand by Household Income Level						
Housing Type	**<30%**	**30-50%**	**50-80%**	**80-100%**	**100-120%**	**>120%**	**Emer. Shelters**
Single Family Detached			5%	10%	50%	95%	
Multi-family (2+ units)	90%	70%	60%	50%	20%	5%	50%
Mfg. home/other	10%	30%	35%	40%	30%	0%	50%
Total	100%	100%	100%	100%	100%	100%	100%

Mason County Housing demand by HH income is expected to result in the need to plan for a mix of housing types as shown:

Housing Type	Method A	Dist
Single Family Detached	**2,305**	33%
Multi-family (2+ units)	**3,503**	50%
Mfg. home/other	**1,230**	17%
Total	**7,037**	**100%**

Housing Type	Method B	Dist
Single Family Detached	**2,221**	32%
Multi-family (2+ units)	**3,587**	51%
Mfg. home/other	**1,230**	17%
Total	**7,037**	**100%**

Mason County Housing Forecast Scenario C
(Hybrid Scenario)

- Scenario C based on OFM medium population growth forecast with adjustments for group quarters, household size and seasonal housing demand
- Results in net new demand for 7,645 additional housing units
- Includes 7,504 housing units plus 142 "rooms for people living in group quarters"

Based on OFM Medium Growth Forecast

Mason County			
	2024 Est.	**2045 Proj.**	**Change**
Mason County Population	68,131	82,932	**14,801**
Less Group Quarters (1.9%)	1,304	1,587	283
Pop in Households	66,827	81,345	14,518
Avg. Household Size	2.54	2.54	
Households (year round)	26,310	32,025	5,716
Vacancy and Seasonal Housing Assumption	23.8%	23.8%	1,788
Growth-related Housing Demand (dwelling units)	34,540	42,044	**7,504**
Plus Group Quarters (Inc. Emergency Shelters)			142
Total Net New Housing Demand			**7,645**

Forecast Scenario C: Shelton City + UGA
(Hybrid Scenario)

- Housing forecast focused on combined Shelton City/UGA market area
- Results in demand for 3,321 total housing units (43% of county-wide demand)
- Includes 2,949 housing units plus 71 rooms for people living in group quarters

Shelton City/UGA			
DRAFT Allocation based on capacity est.	**2023 Est.**	**2045 Proj.**	**Change**
Shelton City/UGA Population	14,375	21,776	7,401
Less Group Quarters (1.9%)	275	417	142
Pop in Households	14,100	21,359	7,259
Avg. Household Size (weighted)	2.81	2.81	
Households (year round)	4,845	7,606	2,761
Vacancy and Seasonal Housing Assumption	6.4%	6.4%	189
Growth-related Housing Demand (dwelling units)	5,177	8,126	**2,949**
Plus Group Quarters Demand	275	346	71
Total Net New Housing Demand			**3,321 +**

Step 3. Draft Housing Allocation Assumptions

Key Findings

a. Future housing allocation assumptions take into account prior adopted plans and input received so far regarding public facility and infrastructure serviceability

b. Housing "capture rate" for City of Shelton and Shelton UGA combined is expected be +/- 41% of County-wide demand

c. Future housing "capture rate" for Allyn and Belfair UGAs (combined) expected to be +/- 33% of County-wide housing demand

d. Remaining rural portions of county expected to account for at least 26% of total housing demand

Future Housing Allocation Assumptions

Attention placed on prior adopted planning assumptions by Mason County, Belfair UGA Planned Action EIS, and input from City of Shelton and local developers/builders

Results in housing demand based on potential transportation and infrastructure capacity as shown below:

Allocation Adjusted based on Planned Capacity

Housing Type	Shelton City & UGA	UGAs (Allyn, Belfair)	Other Rural County	Total
Single Family Detached	50%	35%	15%	100%
Multi-family (5+ units per structure)*	52%	43%	5%	100%
Mfg. homes, cottages & ADUs	10%	15%	75%	100%
Total	**41%**	**33%**	**26%**	**100%**

Source: allocation derived from Washington OFM, City of Shelton, and Belfair UGA Planned Action EIS.   * includes group quarters units.

Comparison of Housing Allocation Scenarios

- Hybrid Scenario C intended to be more market responsive and detailed than HAP tool
- Recognizes demand for permanent residents, second homes and group quarters
- Assumes 7,645 net new dwellings (608 more DUs compared with HAP scenarios)

Mason County Housing Needs by Type & Location: 2023-2045 forecast (Medium Growth Forecast)

Housing Type	Shelton City & UGA	UGAs (Allyn, Belfair)	Other Rural County	Total Housing Method C	Housing Dist.	Housing Need: HAP Method A	Housing Need: HAP Method B
Single Family Detached	1,259	883	380	2,523	33%	2,305	2,221
Multi-family (2+ units per structure)*	1,670	1,381	161	3,211	42%	3,503	3,587
Mfg. homes, cottages & ADUs	191	287	1,433	1,911	25%	1,230	1,230
Total Housing Units	**3,120**	**2,550**	**1,974**	**7,645**	**100%**	**7,037**	**7,037**
Estimated Capture of Housing Need	41%	33%	26%	*100%*		100%	100%
Projected Population Increase	**7,401**	**6,064**	**1,337**	**14,801**		14,801	14,801

*Source: derived from Washington OFM Medium Growth Forecast, City of Shelton, and Belfair UGA Planned Action EIS; includes part-time seasonal resident demand. * includes group quarters and emergency shelters.*

Hybrid Scenario C

HAP Scenarios A & B

Next Steps for Housing Allocation

- **City/County & community input (Step 4)**
- **Refine Assumptions based on feedback (Step 5)**
- **Prepare Draft Housing Chapter & GMA Checklist**