

Mason County Comp. Plan: Housing Allocation Update

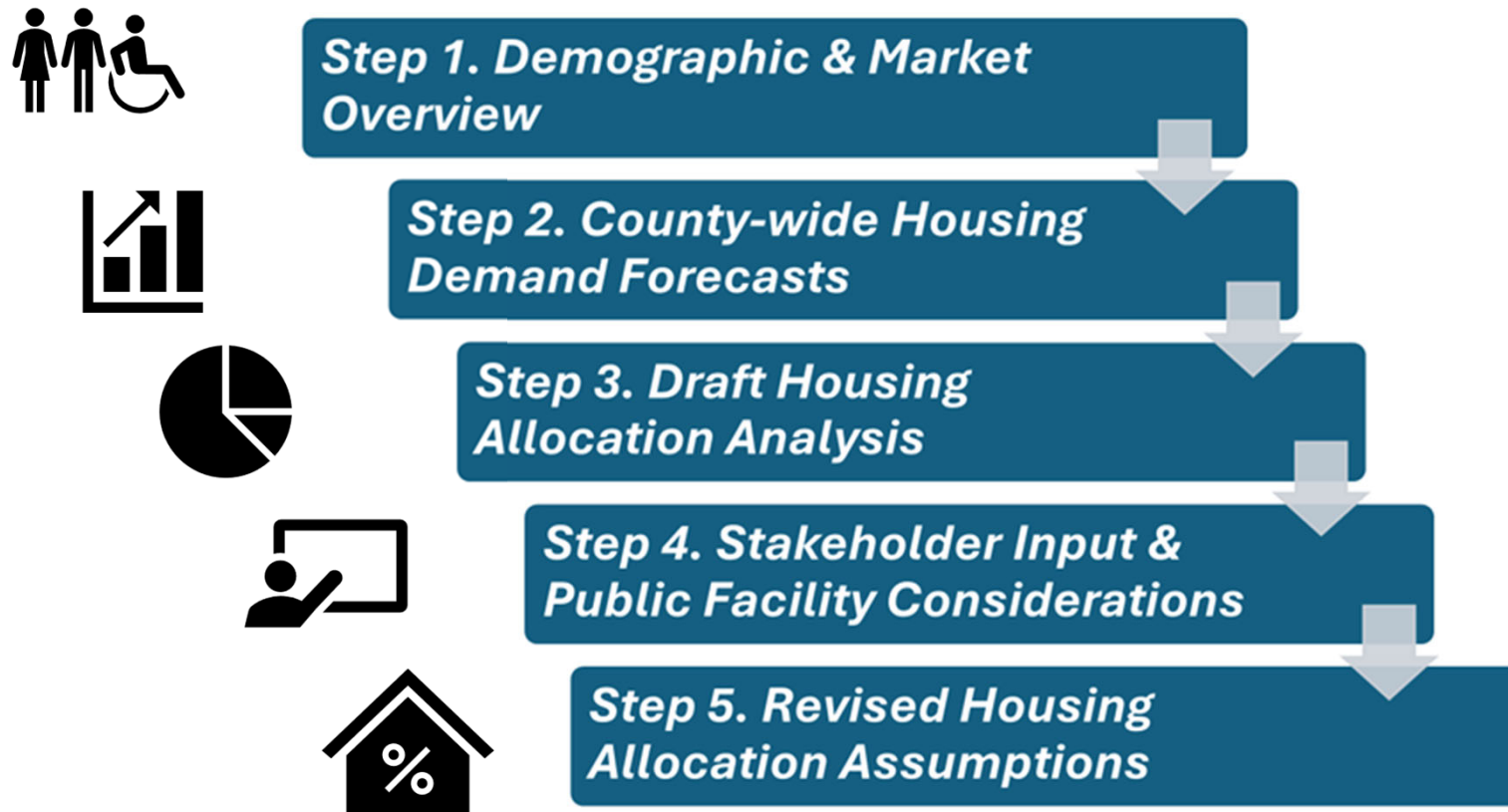
FCS GROUP and SCJ Alliance



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

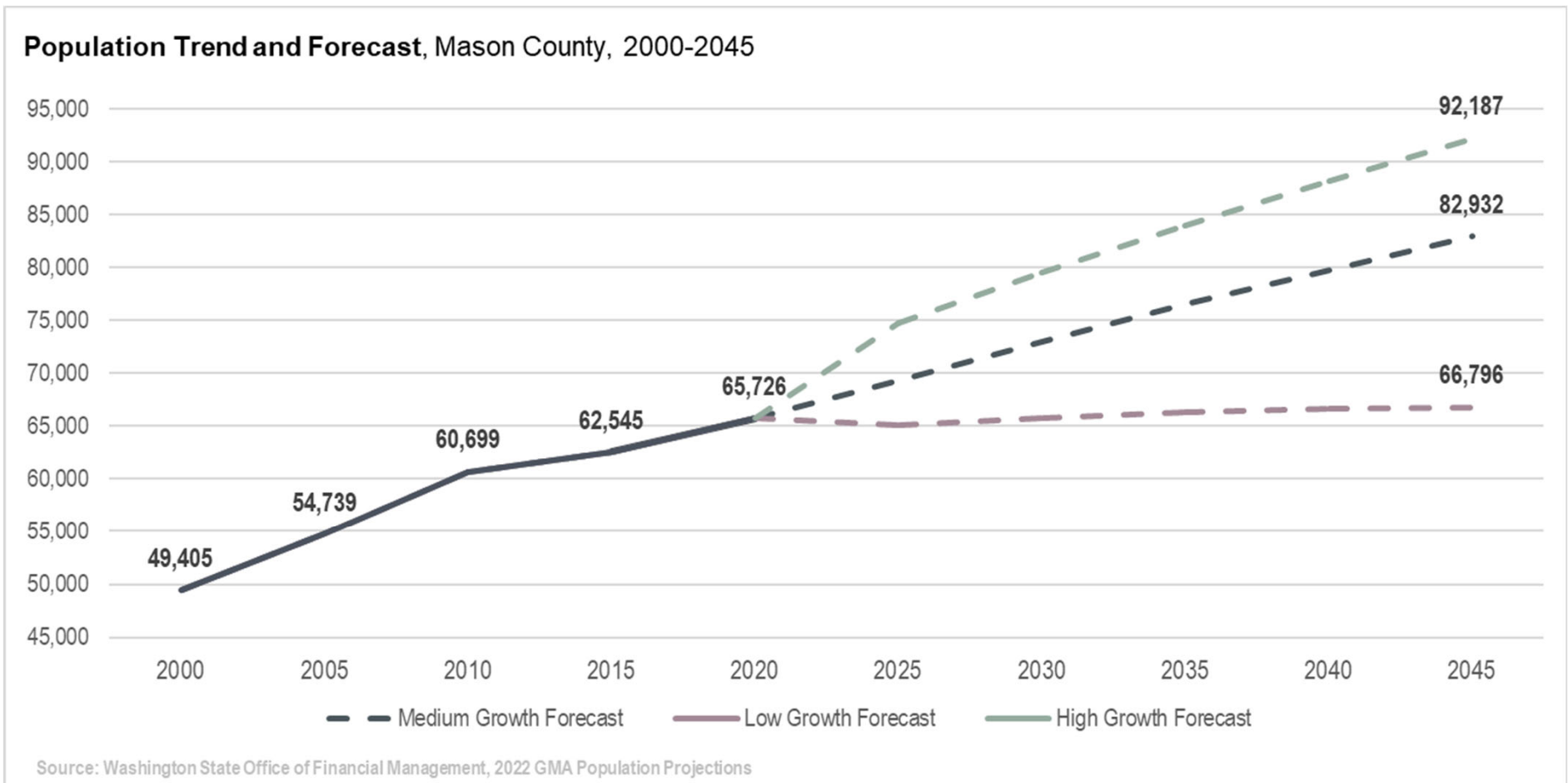
Key Findings

- 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 vary 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 assumes 14,801 new residents
Low forecast assumes 743 new residents





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

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 Pop by Generation

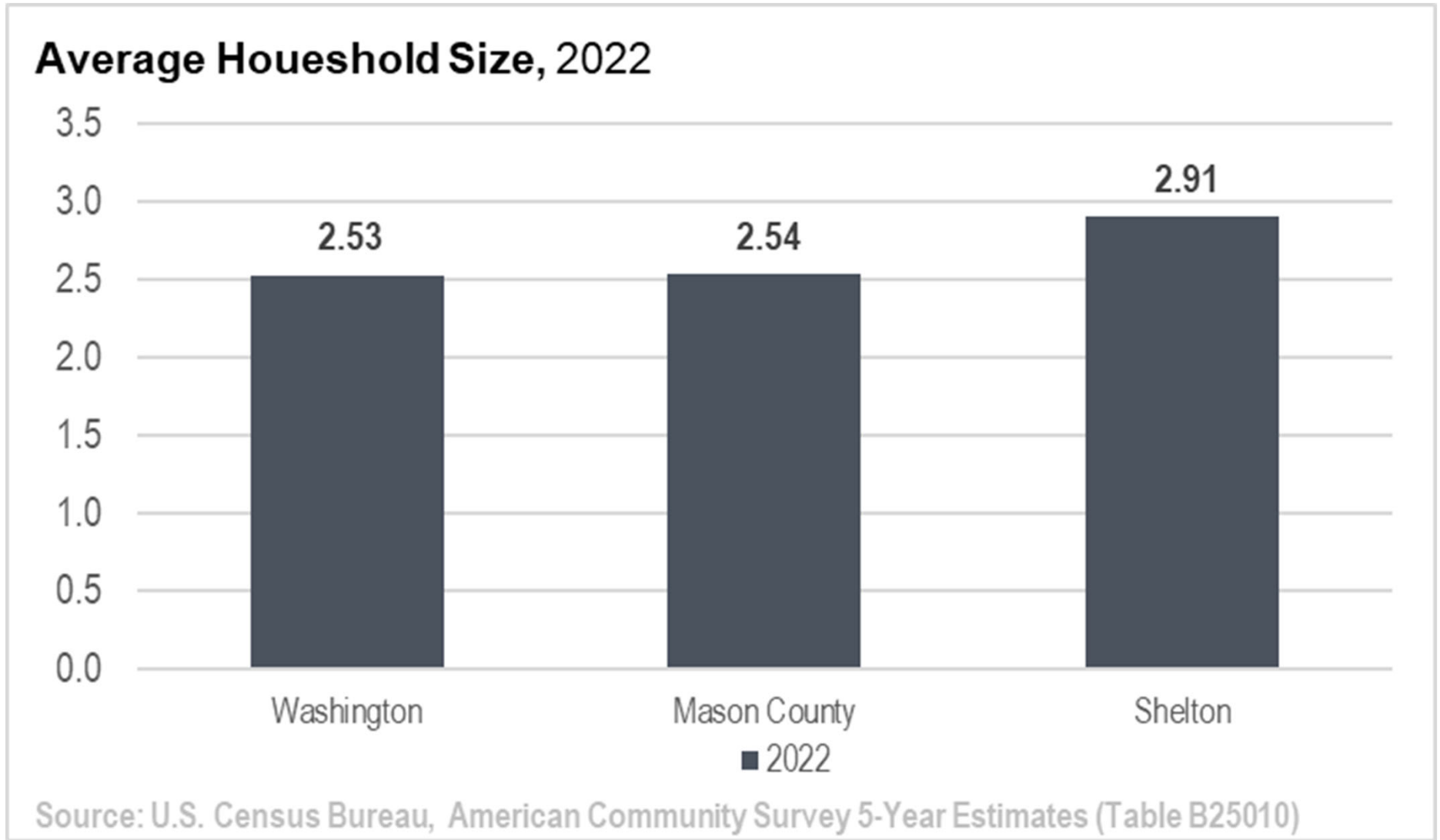
Population by Generation, 2022



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table S0101)



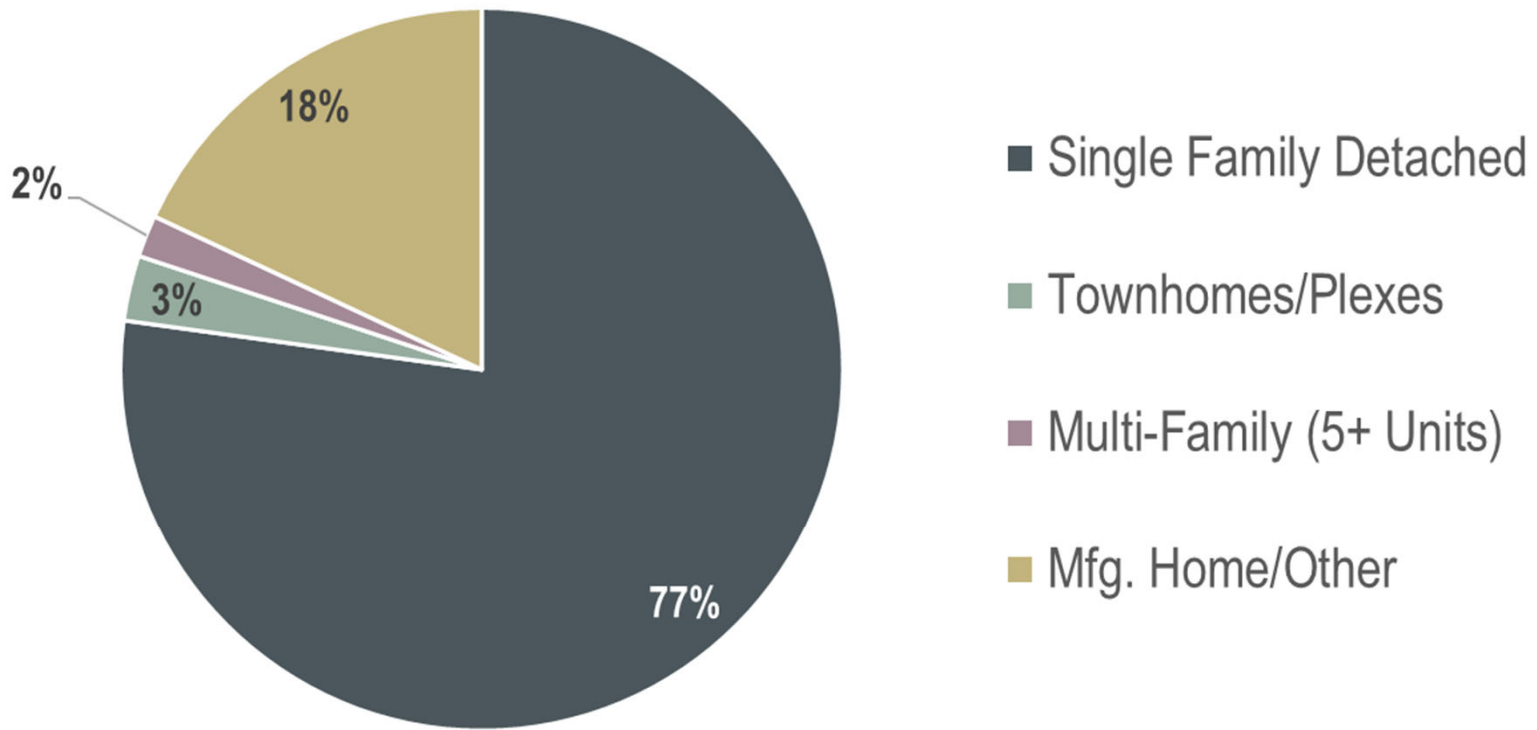
Mason County Average HH Size





Mason County Housing by Type

Housing Units by Housing Type, Mason County, 2022

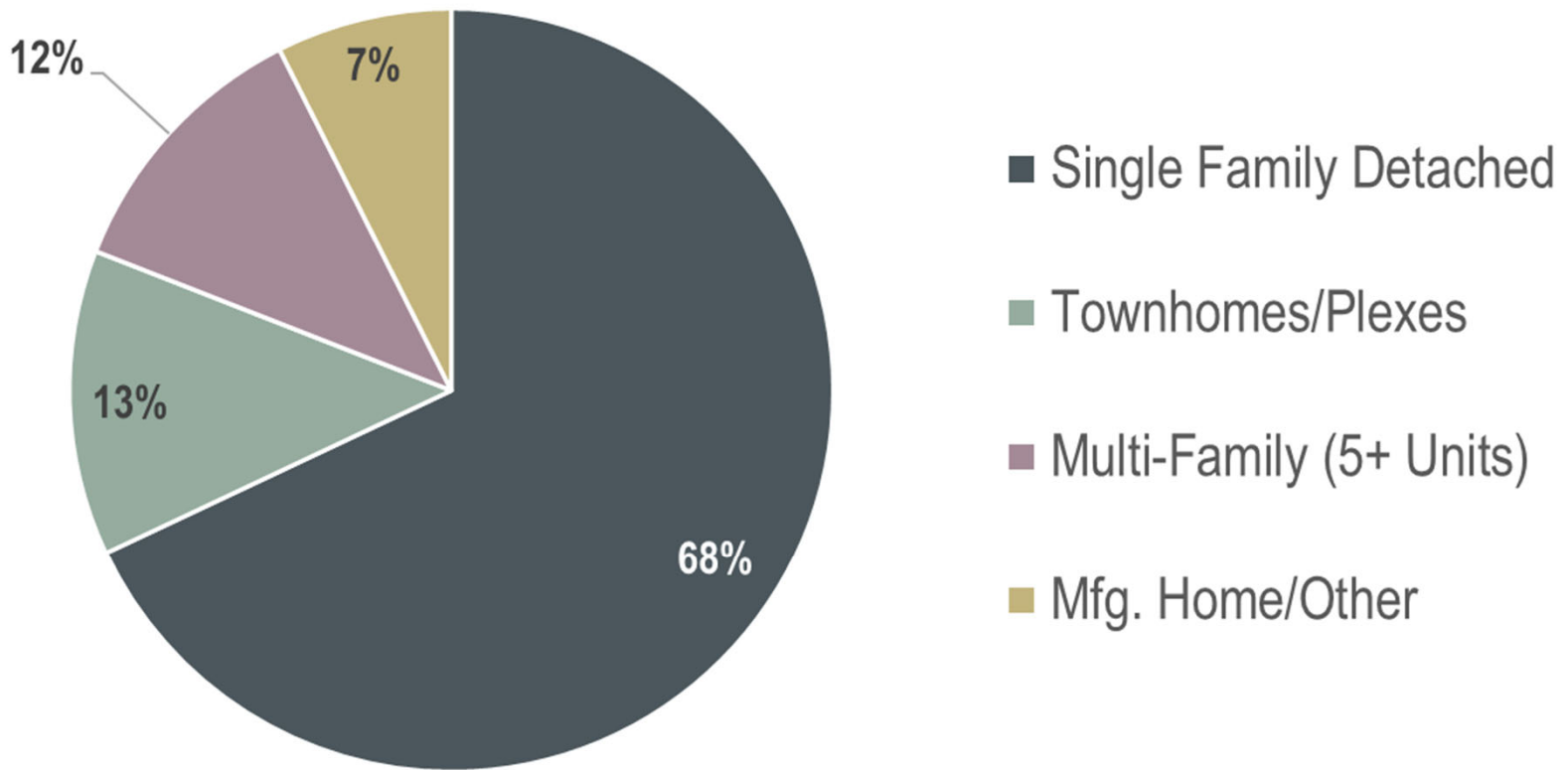


Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B25032)



City of Shelton Housing by Type

Housing Units by Housing Type, Shelton, 2022

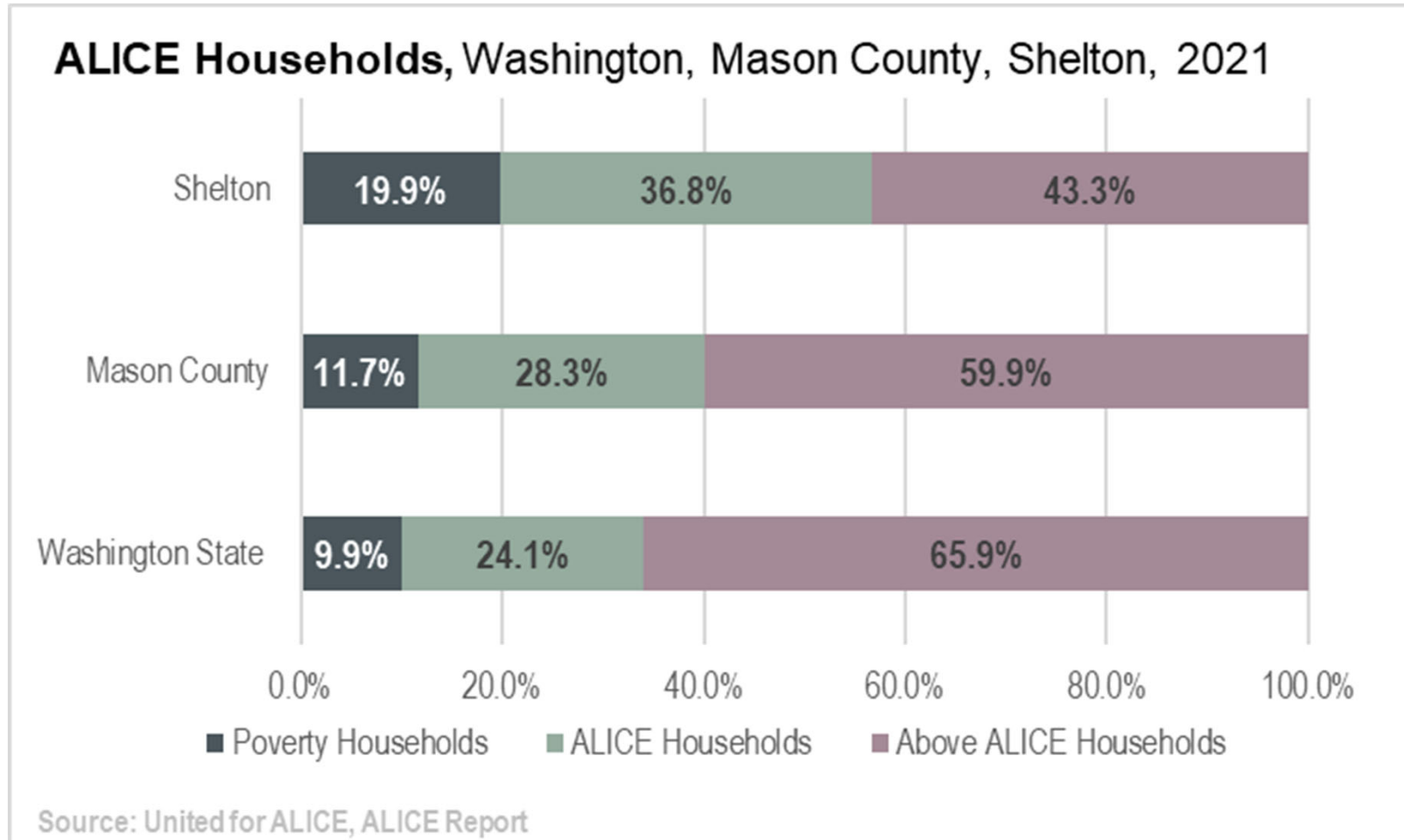


Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B25032)



Poverty and ALICE Households*

State GMA now requires housing needs based on income levels



* *Asset Limited Income Constrained Employed (ALICE) households*



Step 2. County-wide Housing Forecast Scenarios

Key Findings

- a. Four Housing Forecast Scenarios: WA Dept. of Commerce (HAP Tool Scenarios A and B) and Hybrid (Scenarios C and D)**
- 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. Scenario D also assumes 7,037 new units with market-driven unit composition, covered in Step 2.**
- e. 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

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

Implied City of Shelton Capture Rate	16%	16%	18%	30%	City limits
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- 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.



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



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 to 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
<i>Estimated Capture of Housing Need</i>	41%	33%	26%	100%		100%	100%
<i>Projected Population Increase</i>	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



Comparison of Housing Allocation Scenarios

- Scenario D intended to be more market responsive and detailed than HAP tool
- Assumes 7,037 net new dwellings (same as HAP scenarios)

Housing Type	UGAs			Total Housing Method D	Housing Dist.	Housing Need: HAP	
	Shelton City & UGA	(Allyn, Belfair)	Other Rural County			Method A	Method B
Single Family Detached	1,161	813	348	2,322	33%	2,305	2,221
Multi-family (2+ units per structure)*	1,537	1,271	148	2,956	42%	3,503	3,587
Mfg. homes, cottages & ADUs	176	264	1,320	1,759	25%	1,230	1,230
Total Housing Units	2,872	2,348	1,818	7,037	100%	7,037	7,037
<i>Estimated Capture of Housing Need</i>	41%	33%	26%	100%		100%	100%
<i>Projected Population Increase</i>	7,401	5,582	1,819	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.

Scenario D

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**