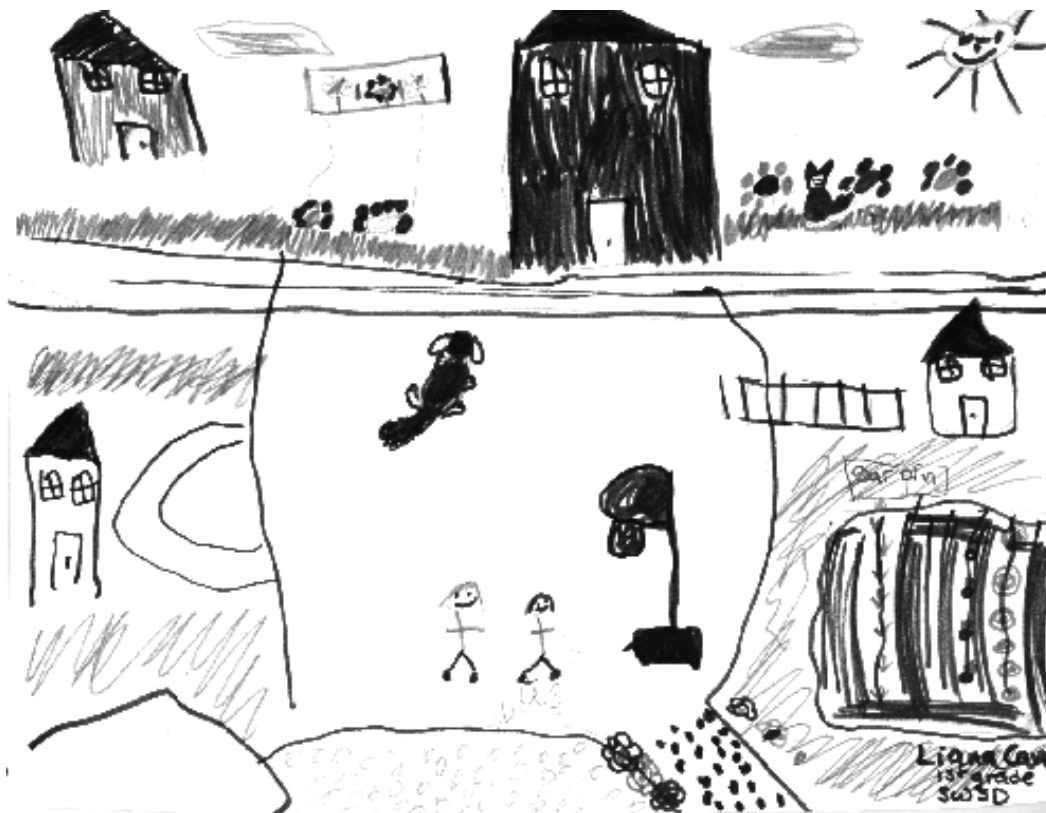


# *Island County Comprehensive Plan*

## **4. Housing Element**



*Liana Cave  
1st Grade  
South Whidbey Primary*

**Adopted  
September 28, 1998**

**TABLE OF CONTENTS**

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**ISLAND COUNTY HOUSING ELEMENT ..... 3**

I. INTRODUCTION..... 3

II. FEATURES OF THE HOUSING ELEMENT ..... 7

A. HOUSING NEEDS ANALYSIS..... 7

*Affordability Relative to Current Sales Prices*..... 8

*Affordability Relative to Current Rents*..... 9

DEMOGRAPHIC TRENDS ..... 12

HOUSEHOLD INCOME DISTRIBUTION IN 1990 ..... 13

HOUSING TRENDS..... 14

*Trends in Housing Construction*..... 14

*Population Forecast and Impact on Housing Needs* ..... 15

B. MEETING PROJECTED HOUSING NEEDS..... 20

C. KEY POINTS ..... 22

D. HOUSING GOAL AND POLICIES ..... 23

*Goal:* ..... 23

*Policies:* ..... 23

E. IMPLEMENTATION STRATEGIES ..... 24

**LIST OF TABLES**

---

*Table 1 Housing Affordability in Island County - Home Ownership* ..... 8

*Table 2 Median Housing Prices, Island County, 1980-1990-1991, 1997* ..... 9

*Table 3 Median Sales Prices, Used Houses, Island County, 1994-1997* ..... 9

*Table 4 Housing Affordability in Island County - Rental*..... 10

*Table 5 Planning Area Rents, Island County, 1997* ..... 10

*Table 6 Percent of Income Spent on Rent or Owner Costs, 1990* ..... 11

*Table 7 Island County Population Age Distribution, 1990-1997*..... 12

*Table 8 Household Income Distribution, Island County and Subdivisions, 1990*..... 14

*Table 9 Year Housing Units Built, Island County*..... 15

*Table 10 Estimated Additional Households by Income Distribution* ..... 17

*Table 11 Population 65+ in Unincorporated Island County* ..... 19

*Table 12 Housing Units: Type, Occupancy, 1990*..... 21

*Table 13 Housing Unit Types 1990-1997, Island County and Unincorporated* ..... 22

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1 ***ISLAND COUNTY HOUSING ELEMENT***

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2 ***I. INTRODUCTION***

3 Affordable Housing is not a new issue in Island County. In May of 1993, the Planning  
4 Commission, with the assistance of Judith Stoloff and Associates, issued a sub-committee report  
5 on Affordable Housing which discusses many of the issues addressed here.<sup>1</sup> The lack of  
comprehensive progress in implementing those recommendations proves the adage that “There is  
something about zoning that brings out the beast in people ...”<sup>2</sup>

6 Increasingly, citizens ask, “Are our land use policies limiting who our neighbors will be?”  
7 Decisions about Island County’s residential development patterns decide who will be able to  
8 afford to live in Island County. Permissible densities in rural areas and issues such as where to  
9 permit single wide trailers and the conditions for issuance of an “Owner Builder” permit  
consumed a significant amount of the Planning Commission’s energy.<sup>3</sup> Not simply because of  
the complexity of the issues, but because of what the issues represent in terms of perceived and  
real limitations on an individual’s struggle to create an affordable home in a rural environment.

10 The “Housing Element” is one of six mandatory elements of the Growth Management Act.<sup>4</sup> As  
11 with the “Land Use Element,” “Rural Element,” “Capital Facilities Element,” “Utilities  
12 Element” or “Transportation Element” the Housing Element is a written record of goals,  
objectives and policies on a specific topic. The public participation in the preparation of the  
Housing Element has been extensive.<sup>5</sup>

13 The effect of the Washington Growth Management Act in Island County and throughout the  
14 State is to limit future residential and commercial urban growth to areas inside designated Urban  
15 Growth Areas (“UGAs”). Land located outside of these areas is essentially reserved for  
16 nonurban (agricultural, forestry and recreational) uses over a future twenty year planning  
horizon. GMA directs the creation of a land supply sufficient to accommodate twenty years of  
future urban growth. Future growth will be at a greater density than past growth and location  
choice will be constrained.

17 Continued economic diversity of its citizens is a core value in Island County. There is a fear  
18 among long time, residents that their children will simply be priced out of living on either Island.  
19 Despite rapid population growth in Island County the continuing challenge to improve our  
20 economic vitality remains. Affordable housing carries a high priority not simply because it  
insures a diversity of people but because without workers the economic vitality we are creating  
is fundamentally compromised. One can not have a grocery store without a checkout clerk or a  
school without teachers. The citizens want our schoolteachers, deputies and enlisted navy  
personnel to be able to afford to live on the Islands. The citizens want to provide “a business  
hanging on by its fingernails” a fighting chance at success. Its owner must have affordable

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22 <sup>1</sup>Affordable Housing Sub-Committee Report, May 25<sup>th</sup> 1993 Draft.

23 <sup>2</sup>The Zoning Game Revisited, Babcock and Siemon.

24 <sup>3</sup>Robert W. McCaughan, Island County Building Official.

<sup>4</sup> The requirements are set forth in RCW 36.70A.070 and WAC 365-195-310.

<sup>5</sup> See Public Involvement Report.

1 housing to succeed. While there are many opportunities to try new ideas of residential  
2 development a recent survey of new homebuyers found by a vote of four to one that homebuyers  
3 still like backyards, cul-de-sacs and setbacks. Those are safer for kids and quieter. Islanders by  
4 and large reject architectural uniformity. The “cookie cutter suburban look” where the only way  
5 to find your house among the look alike is pressing the automatic garage door opener as you  
6 drive by until one opens.<sup>6</sup> This is not the preferred option. Yet testimony from the Island  
County Economic Development Council and Real Estate Developers intensely opposed  
development in an unregulated environment. Interestingly the developers are among the biggest  
proponents of street trees, sidewalks and reasonable design guidelines. Simply put, predictable  
land use and development regulations produce good neighborhoods and good neighborhoods are  
good business.

7 The Housing Element requires precise and steady steps on the balance beam of the competing  
8 requirements of GMA. The stroll down the balance beam in Island County between preservation  
9 of Rural Character with its implicit, albeit imprecisely defined notions of density, and the  
10 obligation to provide affordable housing - is made more precarious by the historic land  
11 development patterns of the Islands. Homes and small commercial areas developed outside of  
12 cities primarily along the shorelines. Agriculture’s future in Island County is now in small  
farms. Forestry has also become an economically marginal activity. Subdivision Activity in the  
1950s, 60s and 70s 1997 has left very few large undeveloped tracts of land in Island County.<sup>7</sup> If  
too much land is allocated to large lot zoning or land is otherwise made unavailable for  
residential development, the potential to slip from the balance beam and gentrify Island County  
by upward pressure on land costs increases.

13 In Growth Management in Washington State: Impact on Affordable Housing<sup>8</sup> an attempt was  
14 made, in the absence of long term data about the impact of GMA on land costs, to examine  
15 perceptions about that impact:<sup>9</sup>

16 “In terms of housing affordability, particularly for new housing development,  
17 growth control measures such as environmental mitigation and impact fees may  
18 increase the cost of land, and by extension the cost of the, finished housing  
19 squeezing some out of the affordable housing market.”

20 The New York Times recently coined a new phrase, the. “Aspenization” of towns:

21 “It’s easy to lampoon Aspen,” said Myles Rademan, spokesman for Park City,  
22 Utah, another Rocky Mountain resort town struggling with a severe shortage of  
23 affordable housing. “But they are just 10 years ahead of the other towns,” he said,  
referring to Aspen’s efforts. “We have built units, Vail has built units. Steamboat  
is talking about it.” With “Aspenization” a scare word in the region, the saga of

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<sup>6</sup> Property Matters, James V. DeLong.

<sup>7</sup> In fact, since Island County implemented its new land use laws in 1995, the new lots created by subdivision and  
short subdivision have added less than 5% to the parcelization of the County’s land base. Subdivision Activity  
Between 1985 and 1997, Island County Planning Department.

<sup>8</sup> Growth Management in Washington State: Impact on Affordable Housing, Washington Center for Real Estate  
Research College of Business and Economics, June 1995, pg. 91.

<sup>9</sup> See also Urban Growth Boundaries and Lot Prices: Clark County, Washington. Washington Center for Real  
Estate Research College of Business and Economics, March 1997.

1 roaring real estate prices in Rocky Mountain resorts can best be told in this silver  
2 mining town, built over a century ago at the end of a box canyon, at the top of the  
3 Roaring Fork Valley. As in many Western Mountain towns, about 80 percent of  
4 the valley is owned by the Federal Government, held as National Forest Service  
5 land. The remaining 20 percent of privately held land has been subject to strict  
6 growth controls, starting two decades ago. The result has been soaring prices for  
7 real estate. In 1996, a house at the base of Aspen Mountain sold for \$9 million.  
8 Last summer, a house atop Red Mountain sold for \$19.7 million. This spring a  
9 67 acre ranch and house just outside town is on the market for \$24.8 million.  
10 Real estate agents sniff that \$1 million will buy only a “fixer-upper.” With about  
11 80 percent of Aspen homes selling for cash, owners of vacation homes feet no  
12 need to rent to locals to help defray mortgage payments.<sup>10</sup>

13 Growth Management in Washington State: Impact on Affordable Housing continues on to state:

14 The other side of this coin is that in the context of long-term growth controls,  
15 such as developable land restraints due to urban growth areas, housing  
16 affordability may actually stabilize. If the development of affordable housing is  
17 concentrated into urban villages or neighborhood centers, and if economic  
18 development and environmental protection measures produce the desired effect of  
19 a sustainable community, the equalizing factors of increased employment,  
20 increased median income and overall increased stability may offset the initial  
21 investment costs. While long term studies are unavailable to prove or disprove  
22 this theory, experiences in Oregon and in other communities indicate that long  
23 term affordability may be latent in growth management programs.”<sup>11</sup>

24 The citizens have also made it abundantly clear that neglecting protection of Critical Areas,  
25 Resource Lands and the Rural Character of Island County by missing the opportunity to establish  
26 predictable reasonable control in local land use and development regulations, and implementing  
27 strategies for the protection of Critical Areas, Wetlands, Fish and Wildlife habitat and provision  
28 of infrastructure, all of which can, and do, have significant positive impacts on providing  
29 affordable housing, tips the county off the balance beam in the other direction. The risk of  
30 losing irreplaceable Critical Areas and precious Rural Character is as unacceptable as the risk of  
31 the “Aspenization” of Island County.

32 In Affordable Housing Techniques: A Primer for Local Government Officials<sup>12</sup> it was  
33 recognized that:

34 “Local governments have little or no control over many of the factors that affect  
35 housing prices, including national and international economic trends, private  
36 lending practices and interest rates, labor and materials costs, and other factors  
37 that are subject to, and change, along with the cycles of the national and regional

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38 <sup>10</sup> New York Times, May 17, 1998.

39 <sup>11</sup> Growth Management in Washington State: Impact on Affordable Housing, Washington Center for Real Estate  
40 Research College of Business and Economics, June 1995, pg. 91.

41 <sup>12</sup> Affordable Housing Techniques, A Primer for Local Government Officials, Report No. 22, March 1992,  
42 Municipal Research Service.

1 economies. Population growth, migration patterns and shifting demographics can  
2 have dramatic affects on the demand for land and housing, but are also matters  
3 largely out of the realm of local government’s control and influence. Local  
4 governments do, however, exercise clear control in setting local land use and  
development regulations, which can, and do, have significant impacts on housing  
development costs, most notably in the areas of land acquisition, site development  
and construction costs. These costs, in turn, are reflected in local housing prices.

5 Importantly, even if a GMA plan proves to be perfectly adequate- for supplying land for future  
6 growth, the perception that land development will be spatially restricted may be enough to  
7 induce upward price pressure.<sup>13</sup> In mandating planning for affordable housing for all economic  
segments in the County, the Growth Management Act specifically recognizes that the trade off  
between the competing goals of GMA constraining developable land and providing for  
affordable housing-are best fashioned locally.

8 “Because circumstances vary from county to county, in establishing patterns of  
9 rural densities and uses a county may consider local circumstances, but shall  
develop a written record explaining” how the proposed plan of rural densities and  
uses “harmonizes” the goals of GMA “the process should be a “bottom up” effort  
10 involving early and continuous public participation, with the central locus of  
decision-making at the local level.”<sup>14</sup>

11 In creating a “harmonized” approach, the first step is to assess economic realities. For people  
12 earning 80% of County median income or less, the most economically feasible strategy is to  
13 create multi-family housing, mostly rentals, in areas where infrastructure is already available,  
including water, sewer and access to public transportation.

14 Geographic placement speaks to only a part of the problem, however. Alternative housing  
15 construction and financing options are minor factors now, but can and should play a more  
prominent role in helping meet the County’s housing challenge. Such options include, but are  
not limited to:

- 16 • self-help/sweat-equity housing
- 17 • owner-built housing, including that using alternative construction methods and materials
- 18 • publicly owned housing
- 19 • housing using Federal low-income housing credits
- 20 • relaxing restrictions on housing types to permit, for example, singlewide mobile homes.

21 We believe this harmonized approach increases areas of restricted development, increases the  
22 variety and, amount of affordable housing, increases the opportunity for the revitalization of the

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23 <sup>13</sup> Urban Growth Boundaries and Lot Prices: Clark County, Washington. Washington Center for Real Estate  
Research College of Business and Economics, March 1997. Kelly, Eric D., Managing Community Growth:  
Policies, Techniques and Impacts, 1993.

24 <sup>14</sup> RCW 37.70A.070(5)(a).

1 small towns of Clinton and Freeland, which could potentially become Non-Municipal Urban  
2 Growth Areas, and preserves Rural Character in a manner supportive of economic development.

3 It would be disingenuous to say this locally fashioned balance of the competing requirements of  
4 GMA was reached without genuine pain or will be easily implemented. We have discovered that  
5 Environmentalism is not Religion and Private Property Rights is not heresy. Some Private  
6 Property Rights advocates threaten litigation for failure to provide adequate land for affordable  
7 housing and some environmentalists threaten litigation for failure to preserve Rural Character by  
8 protecting Resource Lands and Critical Areas. We believe the Housing Element is a thoughtful  
9 and integrated approach to rural densities and uses. It emerges from unique local circumstances,  
10 meets the requirements of the Growth Management Act and promotes the core values of the  
11 citizens of Island County. We are excited that our long and hard work has produced a well  
12 thought through solution to a complex and ongoing question of balance.

## 13 **II. FEATURES OF THE HOUSING ELEMENT**

14 The Housing Element contains four features; (1) Housing Needs Analysis (2) Inventory of Land  
15 to meet those Needs (3) Explanation of how the existing and projected housing needs identified  
16 in the Needs Analysis of each economic segment will be met, and a (4) Statement of Goals,  
17 Policies and Objectives for the preservation, improvement and development of housing.

18 The available data for affordable housing is based on 1990 U.S. Census data. The passage of  
19 time creates some inherent limitations which will not be fully resolved until the year 2000  
20 Census data will allow us to provide a much better picture of affordable housing in Island  
21 County. In the interim, we have in each instance, explained the source and use of the data  
22 available. The Housing Element uses, as it is required to, the statistics provided by the Office of  
23 Financial Management. It is worth noting however that the OFM data is remarkably different  
24 from the data used by the Department of Housing and Urban Development in conjunction with  
25 its and the State of Washington's Affordable Housing assistance programs. The 1997 median  
26 family income for Island County is, according to OFM, is \$38,783. The 1997 median family  
27 income for Island County, according to HUD, is \$55,000. This discrepancy is based on the fact  
28 that for purposes of Affordable Housing Assistance Programs, HUD and the State of Washington  
29 "lumps" Island County into the standard metropolitan statistical area for Snohomish and King  
30 County. Throughout this Housing Element the 1997 median OFM income number is used.

### 31 **A. HOUSING NEEDS ANALYSIS**

32 What is Affordable Housing? Housing affordability relates to the ability of a household to afford  
33 available housing. Generally households are expected to be able to pay about one third of their  
34 income for housing costs.

35 Between 1980 and 1989, housing affordability declined in Island County. While income (not  
36 adjusted for inflation) rose 33% from \$29,161 in 1989 to \$38,783 in 1997, the median housing  
37 price rose 42%, from \$103,400 to \$146,500. As shown in Table 1, however, the median income  
38 Island County household in 1997 still had 92% of the money needed to afford the median valued  
39 house. Lower interest rates have improved access to housing purchases, but as Table 1 shows,  
40 there is a gap between the resources of households earning less than the median county income,  
41 and the median house sale price.

To put it in more human terms, teacher salaries range from \$22,000 to \$48,000 in Coupeville, with most teachers in the upper salary ranges. Of the 60 teachers in the district no more than a couple live off island.<sup>15</sup> In the South Whidbey district, salaries average in the low \$30,000s. Some teachers report difficulty finding rental housing they can afford. Perhaps 10% of the 150 teachers live off island.

Another indicator of income is the free/reduced lunch program. South Whidbey has one and approximately 14% of the children participate in the program; participation has been declining slightly. Enrollment increases have been slow or flat in both districts, giving some indicator of population growth in the family age groups.

**Affordability Relative to Current Sales Prices**

Current data from the Island County assessor may be used to determine affordability. For home ownership, the median sales prices was compared with household income at 50%, 80%, 100% and 120% of county median. The assumptions used were a family of four with no significant debt and good credit. The loan is a 30 year fixed loan at 7% interest and conventional underwriting standards were applied.<sup>16</sup> No more than 30% of income would be used for housing costs.

Extrapolating from Table 1 below, there is a gap between what households can afford, in terms of buying a house, and the median house price for households below about 110% of median income. For example, at an income of \$31,026, 80% of county median, a household could afford a house costing \$102,000, but would need an additional \$45,000 to afford the median priced house of roughly \$147,000. The situation for households seeking to rent is discussed in the following section.

Table 1 Housing Affordability in Island County - Home Ownership

| Home Ownership Option  |              |                  |                   |
|--|--------------|------------------|-------------------|
| % Median HH Income   | Income Level | Affordable House | Affordability Gap |
| 120%   | \$46,540     | \$160,800        | (\$13,800)        |
| 100%   | \$38,783     | \$134,000        | \$13,000          |
| 80%  | \$31,026     | \$102,000        | \$45,000          |
| 50%  | \$19,392     | \$54,000         | \$93,000          |
| (Median House Sales Price in 1997 was \$146,500)   |              |                  |                   |
| Source: Office of Financial Management, 1997; Norwest Mortgage; Judith Stoloff Associates, 1997. |              |                  |                   |

**House Sales Prices**

Prices of houses in Island County have risen sharply during the decade. As shown in Table 2 prices in North Whidbey show the highest rate of increase during the 1990s, while South

<sup>15</sup>Interviews with Coupeville District Superintendent Suzanne Bond and South Whidbey assistant superintendent.

<sup>16</sup>For this example, the ratio of income to housing payment was 33%, and housing plus debt, 38%. Information from Norwest Mortgage, 360-679-6684

Whidbey has the lowest gain. Camano prices apparently dropped between 1990 and 1991, but rose by 14% since 1991. South Whidbey prices are highest, and Camano Island second.

Table 2 Median Housing Prices, Island County, 1980-1990-1991, 1997

| Planning Area   | 1980     | 1990      | %Change<br>80-90 | 1991      | %change<br>90-91 | 1997          | %change<br>91-97 |
|-----------------|----------|-----------|------------------|-----------|------------------|---------------|------------------|
| House Price*    |          |           |                  |           |                  | House Price** |                  |
| North Whidbey   | \$74,711 | \$100,624 | 35%              | \$113,288 | 13%              | \$140,000     | 24%              |
| Central Whidbey | \$79,351 | \$113,609 | 43%              | \$115,545 | 2%               | \$133,900     | 16%              |
| South Whidbey   | \$78,833 | \$130,093 | 65%              | \$149,552 | 15%              | \$160,000     | 7%               |
| Camano Island   | \$74,166 | \$137,690 | 86%              | \$131,259 | -5%              | \$149,500     | 14%              |
| Island County   | \$75,952 | \$116,024 | 53%              | \$125,875 | 8%               | \$146,500     | 16%              |

\*Average sales price for used single family on 5 acres or less plus all new.  
 \*\*Sales price on used single family houses on 5 acres or less.  
 Source: The Digest, 1986-1992, 1997

Table 3 shows the change in prices and percentage change over the past several years in different parts of the county. During this time, price increases have been fairly consistent throughout the county; only North Whidbey's cost rise is significantly slower than the rest of the county. This may be accounted for by increased construction providing sufficient volume to satisfy demand and keep prices down. One realtor reports that there is a one year supply of houses available in the Oak Harbor area. The on-base Navy housing must be considered when planning for affordable housing in Island County. Also, since 1990, there has been a 1,600 person decrease in NAS Whidbey, representing \$23 million in annual income.

Table 3 Median Sales Prices, Used Houses, Island County, 1994-1997

| Planning Area   | % change<br>1994-97 | 1997      | 1996      | 1995      | 1994      |
|-----------------|---------------------|-----------|-----------|-----------|-----------|
| North Whidbey   | 8%                  | \$140,000 | \$139,000 | \$134,500 | \$129,900 |
| Central Whidbey | 12%                 | \$133,900 | \$129,900 | \$129,900 | \$120,000 |
| South Whidbey   | 12%                 | \$160,000 | \$149,000 | \$159,000 | \$142,500 |
| Camano Island   | 14%                 | \$149,500 | \$140,000 | \$149,000 | \$131,500 |
| Island County   | 13%                 | \$146,500 | \$139,900 | \$140,000 | \$130,000 |

Source: Real Estate Digest, 1994-97

**Affordability Relative to Current Rents**

The rental option as shown in Table 4 analyzes affordability based on median county income ranges and how well they can afford to rent a one, two or three bedroom apartment, with utilities. For example, a family earning 80% of the median income desiring to rent a 2 bedroom unit would have an affordability gap of \$54 per month in order to afford the typical \$750/month units which are currently available in the County. Further, a family earning 100% of median income wanting to rent the same unit would have \$120 more per month than needed. Extrapolating this

1 data suggests that a family earning about 86% of median income could just afford the \$750 unit  
 2 being used in this study as the standard for an affordable two-bedroom unit.

3 **Table 4 Housing Affordability in Island County - Rental**

| Rental Option      |              | Affordable Unit* |         |         |         |         |         |
|--------------------|--------------|------------------|---------|---------|---------|---------|---------|
| % Median HH Income | Income Level | 1 BR             | Gap**   | 2 BR    | Gap**   | 3 BR    | Gap**   |
| 120%               | \$46,540     | \$876            | (\$201) | \$1,044 | (\$294) | \$1,212 | (\$387) |
| 100%               | \$38,783     | \$730            | (\$55)  | \$870   | (\$120) | \$1,010 | (\$185) |
| 80%                | \$31,026     | \$584            | \$91    | \$696   | \$54    | \$808   | \$17    |
| 50%                | \$19,392     | \$365            | \$310   | \$435   | \$315   | \$505   | \$320   |

\*Based on Washington State Housing Finance Commission Estimates for Affordability.  
 \*\*Based on monthly rent, including utilities, of \$675 for 1 bedroom, \$750 for 2 bedroom, and \$825 for 3 bedroom.  
 Source: OFM 1997; Norwest Mortgage; Windemere; Judith Stoloff Associates, 1997.

8  
 9 **Rental Prices**

10 There is no countywide rental survey available since the 1990 census. The information provided  
 11 in Table 5 provides an estimate of current rental rates from the U.S. Navy, board of realtors and  
 other rental real estate agents. The estimate includes apartments and rental houses, but excludes  
 units with prime locations and views.

12 The information below suggests significant rent increases since 1990. The changes are  
 13 particularly pronounced in South Whidbey, where rents had been the lowest in the county in  
 1990. When rental information is obtained from the 2000 Census, a detailed analysis will be  
 done for comparison against the 1990 data.

14 **Table 5 Planning Area Rents, Island County, 1997**

| Planning Area        | 1 Bedroom   | 2 Bedroom   | 3 Bedroom     |
|----------------------|-------------|-------------|---------------|
| <b>South Whidbey</b> |             |             |               |
| Houses               | \$650-\$750 | \$500-\$800 | \$650-\$900   |
| Apartments           |             | \$495       |               |
| <b>North Whidbey</b> |             |             |               |
| Houses               |             | \$525-\$775 | \$700-\$1000+ |
| Apartments           | \$395-\$650 | \$400-\$650 | \$625-\$795   |
| <b>Camano Island</b> |             |             |               |
| Houses               | \$500-\$600 | \$600-\$800 | \$800-\$1000  |

Sources: Judith Stoloff Associates, interviews with apartment brokers

20  
 21 **Households in Need**

22 For many government programs, housing is determined affordable if it costs no more than 30%  
 23 of the household's gross income. In owned housing, the monthly cost includes insurance and  
 taxes. In 1990, the U.S. Census analyzed the affordability of rental and owner housing for the

1 county population. As shown in Table 6, for the county as a whole, just over 21% of the owner  
 2 households and nearly 35% of the renters paid more than 30% of their income for housing. The  
 3 percentages are sharply higher for low income owners and renters.

4 **Table 6 Percent of Income Spent on Rent or Owner Costs, 1990**

|                            | Gross Rent  |             |        | Owner Costs |             |       |
|----------------------------|-------------|-------------|--------|-------------|-------------|-------|
|                            | <30% income | >30% income | % >30% | <30% income | >30% income | %>30% |
| <b>Island County Total</b> | 4,187       | 2,242       | 34.9%  | 8,084       | 2,156       | 21.1% |
| Income <\$10,000           | 187         | 673         | 78.3%  | 162         | 383         | 70.3% |
| Income \$10,000-19,999     | 773         | 1,170       | 60.2%  | 890         | 491         | 35.6% |
| <b>Total &lt;\$20,000</b>  | 960         | 1,843       | 65.8%  | 1,052       | 874         | 45.4% |
| <b>Central Whidbey</b>     |             |             |        |             |             |       |
| Income <\$10,000           | 34          | 161         | 82.6%  | 53          | 191         | 78.3% |
| Income \$10,000-19,999     | 17          | 146         | 89.6%  | 102         | 102         | 50.0% |
| <b>Total &lt;\$20,000</b>  | 51          | 307         | 85.8%  | 155         | 293         | 65.4% |
| <b>North Whidbey</b>       |             |             |        |             |             |       |
| Income <\$10,000           | 125         | 450         | 78.3%  | 45          | 188         | 80.7% |
| Income \$10,000-19,999     | 625         | 1,032       | 62.3%  | 135         | 201         | 59.8% |
| <b>Total &lt;\$20,000</b>  | 750         | 1,482       | 66.4%  | 180         | 389         | 68.4% |
| <b>South Whidbey</b>       |             |             |        |             |             |       |
| Income <\$10,000           | 28          | 146         | 83.9%  | 38          | 225         | 85.6% |
| Income \$10,000-19,999     | 82          | 159         | 66.0%  | 131         | 105         | 44.5% |
| <b>Total &lt;\$20,000</b>  | 110         | 305         | 73.5%  | 169         | 330         | 66.1% |

Source: U.S. Census, 1990

15 **HUD Census Analysis**

16 The US. Department of Housing and Urban Development has provided a more precise analysis  
 17 of the 1990 Census and determined the number of renter households eligible for its programs  
 18 because of income below 80% of median income plus one or more of the following conditions:  
 19 paying more than 30% of income for rent; living in substandard and/or overcrowded housing;  
 housing built before 1939. These households are not now participating in any subsidy program.  
 It should also be noted that HUD does not count owners, even if they are low income and  
 experiencing cost burden or other conditions.

20 According to the HUD conditions, 2,618 households met the criteria. Elderly make up 326 of  
 21 these households and non elderly, 2,292. Small families make up the largest percentage of  
 households needing assistance, making up more than half of all eligible households.<sup>17</sup>

22 In 1992 Island County and the cities within the County undertook a regional housing study and  
 planning process. The housing needs analysis based on that study was issued in 1993 and

23 <sup>17</sup>Economic and Market Analysis Staff, Region X, U.S. D. HUD, Special Census Run and analysis “1990  
 Occupancy Potential - Renter Households.”

covered both incorporated and unincorporated portions of the county. This current update has been authorized to focus on unincorporated Island County and to update information as available. 1990 Census data is still used as the base, and trends from the 1980s are referenced. Information in the report covers demographic and economic information as they relate to housing; current housing market conditions; housing resources; Navy housing and current and forecast housing needs. Forecasts of household growth are found at the end of the report.

**DEMOGRAPHIC TRENDS**

Island County population grew very rapidly in the 1980s, at a rate of nearly 37% over the decade. This rate was the second fastest in the state and more than double the state average of 17.8%. Growth brought the population to 60,195 in 1990. Between 1990 and 1997, population grew to 71,600, nearly 19%. About 70% of the growth has been in unincorporated Island County.

The components of growth in Island County are different from the state as a whole. Two thirds of Island County’s growth in the 1980s came from in-migration, compared with less than half for the state as a whole. Age distribution in 1990 and 1997 and the change in each component are shown in Table 7 below.

Table 7 Island County Population Age Distribution, 1990-1997

| Age Segment  | 1990          | 1997          | %Change    |
|--------------|---------------|---------------|------------|
| 0-4          | 5,001         | 5,477         | 10%        |
| 5 to 19      | 12,033        | 14,664        | 22%        |
| 20 to 24     | 5,112         | 5,854         | 15%        |
| 25 to 44     | 19,638        | 21,397        | 9%         |
| 45 to 59     | 7,536         | 11,011        | 46%        |
| 60 to 64     | 2,652         | 2,865         | 8%         |
| 65 to 74     | 5,449         | 5,986         | 10%        |
| 75 to 84     | 2,278         | 3,530         | 55%        |
| 85+          | 496           | 816           | 65%        |
| <b>Total</b> | <b>60,195</b> | <b>71,600</b> | <b>19%</b> |

Sources: 1990 Census, Wa. Office of Financial Management, 1997

The age distribution of county population changed dramatically over the decade of the 1980s. While overall population growth amounted to nearly 37 percent, some age groups gained considerably more. The age group 75-84 had the most dramatic proportional increase — it doubled. The other older segments — 65-74 and 85+ — grew at twice the overall rate.<sup>18</sup>

The trend toward dramatic increase in retirement age population was experienced in nearly all areas of the County. These figures demonstrate the county’s appeal to retirees, since the

<sup>18</sup>Table 1 in the 1993 Housing Background Report prepared by Judith Stoloff shows the increase in population from 1980 to 1990 broken down by age group and area.

1 increases far exceed expected size of this cohort based on survival from the 1980 resident  
2 population.

3 Since 1990 the older segments have continued to grow at a faster rate than the remainder of the  
4 population. Groups older than 75 experienced the highest growth rates in the county between  
5 1990 and 1997.

6 With 13.8 percent of the population in 1990 over 65, the percentage of elderly exceeded the state  
7 average of 11.8 percent. For 1997, Washington State's estimate that 13.5% of Island County  
8 population falls into the over 65 category, places Island County in the top third in terms of senior  
9 population.

10 The age group which experienced slowest growth, or decline, was 18-24 year olds. Overall, the  
11 group grew by only 5 percent during the 1980s.

12 The high growth rates in the 25-44 age group in the 1980s did not continue into the 1990s.  
13 Between 1990 and 1997 this group experienced a 9% increase, lowest of any age group. High  
14 housing costs may have contributed to this lower rate, but changes in population at NAS  
15 Whidbey may also have contributed. In contrast, the growth rate in the 45-59 age groups was  
16 considerably higher between 1990 and 1997 than in the 1980s. This pattern is accounted for  
17 largely by the size of the 40+ Baby Boom cohort nationally. But growth in these age groups also  
18 demonstrates Island county's appeal to people in high income life stages.

19 The county experienced growth in school age population at comparable rates during the 1980s  
20 and 1990s.

21 Just under 90% of the population was white, non-Hispanic in 1990, about two percentage points  
22 below the 1980 figure of 91.9 percent. Racial groups which grew by more than 100 percent in  
23 the 1980s were Blacks, 2.4%, and Asian/Pacific Islanders, 4% of the population in 1990. People  
24 of Hispanic origin increased by nearly 60%, and comprised the second largest ethnic group, with  
25 4% of the population in 1990.

26 The latest estimate from the State of Washington for 1996 indicates that 90.1% of the population  
27 identified themselves as Caucasian. Black/African Americans now compose 3% of the  
28 population; Native Americans 0.8%; Asian/Pacific Islanders 6%; and Hispanic origin 4.1%. In  
29 terms of self identification, Asian/Pacific Islanders are now the second largest ethnic group.

30 Resident armed forces have been a significant component of county population for several  
31 decades. They made up 12.5% in 1980, and 11.1% in 1990. The number of resident armed  
32 forces declined to 6,601, or 9.2% of state population as of 1997. While Island County makes up  
33 a little over 1% of the state's population, it has accounted for around 10% of the state's military  
34 population since the early 1970s.

### 35 ***HOUSEHOLD INCOME DISTRIBUTION IN 1990***

36 For the housing element, income of households who may experience difficulty in affording  
37 housing is of interest. The U.S. Census provides the best available information as to the income  
38 distribution for the County's four planning areas. In 1990 income distribution among low and  
39 moderate households in various parts of Island County differs considerably. As shown in Table  
40

8 below, North Whidbey has the smallest percentage of population in the below 50% of median income--16%, while South Whidbey has the highest at 22%. North Whidbey has the highest proportion in the 80 to 100%, moderate income category; Camano has the lowest proportion in this group. All areas are compared with Island County's median household income. Median income of the subdivisions is given for information. When the population is forecast to the year 2020, the distributions shown in this table will be applied to the rural areas of Island County.

Table 8 Household Income Distribution, Island County and Subdivisions, 1990

| Households             |          |         |                 |         |               |         |               |         |               |         |
|------------------------|----------|---------|-----------------|---------|---------------|---------|---------------|---------|---------------|---------|
| %Median Income         | Camano   |         | Central Whidbey |         | North Whidbey |         | South Whidbey |         | Island County |         |
|                        | Number   | %/Total | Number          | %/Total | Number        | %/Total | Number        | %/Total | Number        | %/Total |
| <50%                   | 558      | 18%     | 738             | 21%     | 1,771         | 16%     | 889           | 22%     | 3,751         | 17%     |
| >50<80%                | 660      | 21%     | 649             | 19%     | 2,957         | 26%     | 654           | 16%     | 4,759         | 22%     |
| >80<100%               | 242      | 8%      | 344             | 10%     | 1,520         | 14%     | 360           | 9%      | 2,450         | 11%     |
| >100<120%              | 256      | 8%      | 333             | 10%     | 1,010         | 9%      | 391           | 10%     | 2,372         | 11%     |
| Total # HH             | 3,133    |         | 3,434           |         | 11,160        |         | 4,060         |         | 21,787        |         |
| Median income          | \$32,404 |         | \$29,883        |         | \$27,836      |         | \$31,771      |         | \$29,161      |         |
| 50%median              |          |         |                 |         |               |         |               |         | \$14,581      |         |
| 80%median              |          |         |                 |         |               |         |               |         | \$23,329      |         |
| 100%median             |          |         |                 |         |               |         |               |         | \$29,161      |         |
| 120% median            |          |         |                 |         |               |         |               |         | \$34,993      |         |
| Source: US Census 1990 |          |         |                 |         |               |         |               |         |               |         |

**HOUSING TRENDS**

**Trends in Housing Construction**

Housing construction during the 1990s has kept pace with the previous two decades. As of the middle of 1997, 6,168 net new units had been built since 1990. At this rate, around 7,500 new units will be added to the county's housing stock. As shown in Table 9, the quantity of housing construction has been fairly constant since 1970. The two decades between 1950 and 1970 produced about the same quantity of housing as each of the 1970s and 1980s. Only 10% of the county's housing was built before 1950.

Table 9 Year Housing Units Built, Island County

| Planning Area  | 1990-1997 |       | 1980-1989 |       | 1970-1979 |       | 1950-1969 |       | Before 1949 |       | Total  |
|--|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-------------|-------|--------|
|  | Number    | %     | Number    | %     | Number    | %     | Number    | %     | Number      | %     |        |
| Camano Island  |           |       | 1,323     | 28.6% | 1,484     | 32.1% | 1,125     | 24.3% | 697         | 15.1% | 4,629  |
| North Whidbey  |           |       | 3,397     | 29.2% | 3,449     | 29.6% | 3,627     | 31.1% | 1,176       | 10.1% | 11,649 |
| Central Whidbey  |           |       | 1,370     | 32.1% | 1,298     | 30.4% | 1,051     | 24.6% | 545         | 12.8% | 4,264  |
| South Whidbey  |           |       | 1,532     | 28.8% | 1,598     | 30.0% | 1,314     | 24.7% | 874         | 16.4% | 5,318  |
| County Total   | 6,168     | 19.3% | 7,622     | 23.8% | 7,829     | 24.4% | 7,117     | 22.2% | 3,292       | 10.3% | 32,028 |
| Source: U.S. Census, 1990; Washington State Office of Financial Management, 1997 |           |       |           |       |           |       |           |       |             |       |        |

The distribution of housing construction has varied among different parts of the county in different time periods. For example, North Whidbey had a larger share of construction during the 1950s and 1960s. Central Whidbey had more building during the 1980s than in the 1970s in contrast with other parts of the county.

In 1980 the Census reported the vacancy rates as 2.6 percent for sale housing (269 units), and 8.5 percent for rental housing,(491 rental units).

With a growth in households greater than the increase in housing units, it is easy to understand why the vacancy rate in the county is extremely low. The 1990 Census lists the rental vacancy rate at 3.7 percent, although local sources reported that actual vacancy in the early 1990s was even lower. The market for rental units is reported to be very tight in South Whidbey. Rental housing is available on North Whidbey, but it is hard to find good quality apartments. There are virtually no multifamily units and few rental houses available on Camano Island.

Nearly 12 percent of housing units were vacant, being held for seasonal, recreational, or occasional use according to the 1990 Census. These units are not available for sale or rent.<sup>19</sup> Until the next census count, there will not be an official figure. Since the trend in seasonal housing is down significantly since 1980, the county surmises that it will be a negligible influence on the housing market.

**Population Forecast and Impact on Housing Needs**

Current population in Island County on April 1, 1997 is estimated to be 74,900. This is an increase of at least 19 percent from the 1990 Census.<sup>20</sup> The majority of the increase came in unincorporated Island County, 7,913 or 69.4 percent. In total, a slightly higher percentage of population live in the unincorporated areas in 1997 than in 1990. In 1990 the percent was 67.8; in 1997, 68 percent.

<sup>19</sup>Focus Group and Regional Workshops held as part of state CHAS; U.S. Census, 1990.

<sup>20</sup>OFM, 1997 Population Trends, Table 4, State of Washington, Office of Financial Management, Olympia, WA 1997.

1 The County has adopted the high series for its forecasts and estimates there will be a population  
2 of 118,779 in 2020. At a household size of 2.5, that would show a need for 12,200 additional  
3 units. Adding 25% for market factors, there is a need for 15,250 units. This estimate assumes  
4 that the proportion of houses held off the market remains the same or continues to decline.

5 **Forecast of Low and Moderate Household Income for Rural Island County, 2000, 2010 and**  
6 **2020**

7 Total county population growth is discussed in the Land Use Element of the Comprehensive  
8 Plan. This report provides information and analysis of households earning less than 120% of  
9 median county income.

10 As show below in Table 10, the numbers of low and moderate income households in  
11 unincorporated Island County are projected to grow between the present and the year 2020. The  
12 unincorporated area of the County is projected to grow by 12,200 households through the year  
13 2020. The unincorporated portion of the County is projected to need approximately 4,800  
14 additional households through the year 2020 for the sector of population below the 80% median  
15 income level. The remaining need of 7,400 additional households is projected to be for the  
16 greater than 80% median income sector of the population growth.

17 Table 10 uses the most current U.S. Census income distribution from Table 8 to calculate the  
18 number of people in each income segment in the year 2020. When additional income estimates  
19 are available based on economic growth, a refinement of Table 10 may be done.

20 While density alone does not guarantee low cost housing, it provides the opportunity for lower  
21 costs. Density bonuses can help deal with the problem. Other opportunities for affordable  
22 housing, such as those suggested in Section E., Implementation Strategies, should be considered.  
23 Low income households are likely to need multifamily housing, since lower land cost is  
24 generally associated with lower cost or rent. As shown in Table 13, only 749 multifamily units  
25 existed in unincorporated Island County in 1997, just over 3% of total housing stock. In 1990  
26 there were 738, not nearly enough to house the unincorporated county's approximately 2,500  
27 low income households at that time.

28 It is unlikely that new households under 50% of median income will find housing they can afford  
29 in Island County unless incentives are offered to their development. Rental opportunities need to  
30 be widened for all income groups, especially in multifamily housing or moderate to medium  
31 density single family areas in already built-up areas where infrastructure is in place and there is  
32 access to public transportation.

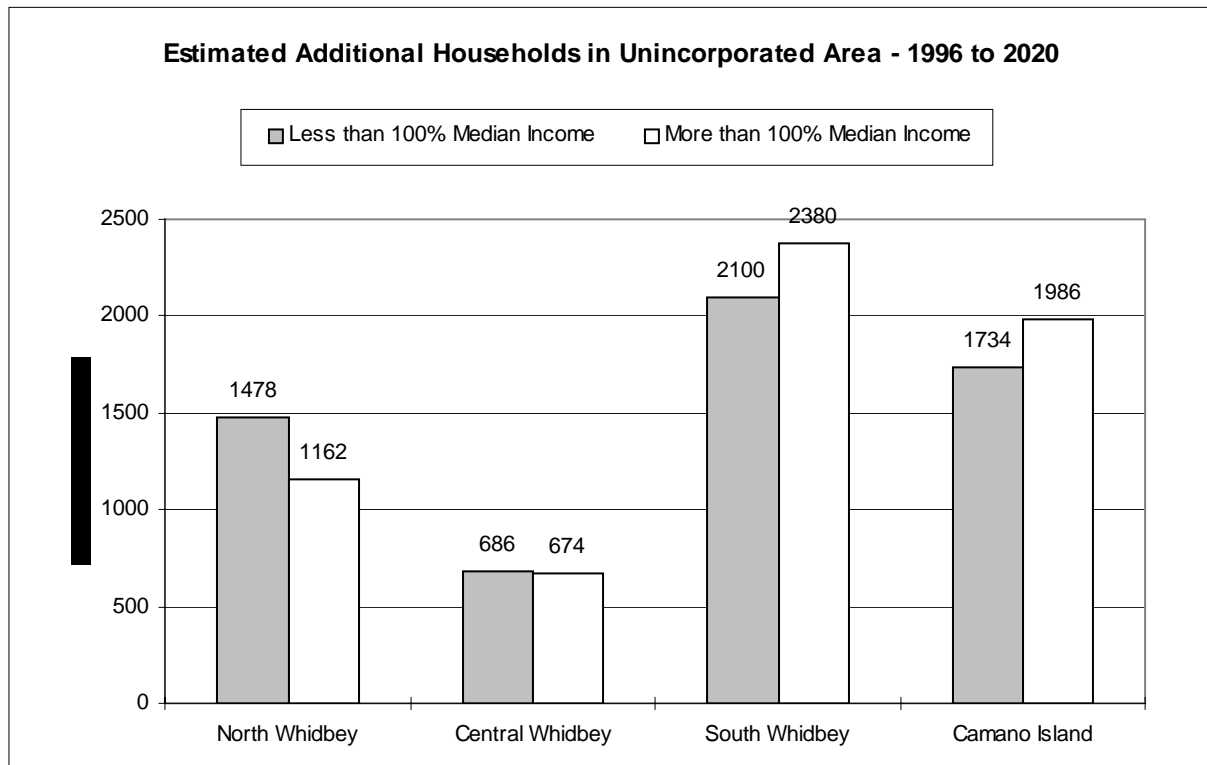
33 Similar growth is expected in households between 50% and 80% of median income--1,000  
34 additional households in 2010 and more than 1,300 in 2020. At least half of these households  
35 could be expected to live in multifamily housing or rental single family housing. Again, the lack  
36 of moderate density land in the rural area restricts the potential affordability and range of choice  
37 of housing for this group. People in the lower middle income group might be able to afford  
38 housing at or below median price.

Table 10 Estimated Additional Households by Income Distribution

| Planning Area          |                       | 1996          | 2000          | 2010          | 2020          | 24-year<br>Pop. Growth | Additional<br>Households |
|------------------------|-----------------------|---------------|---------------|---------------|---------------|------------------------|--------------------------|
| <b>North Whidbey</b>   | <b>Census Est. of</b> |               |               |               |               |                        |                          |
| <b>Unincorporated</b>  | <b>Income Dist.</b>   | <b>19,900</b> | <b>20,100</b> | <b>23,000</b> | <b>26,500</b> | <b>6,600</b>           |                          |
| Less than 50%          | 16%                   | 3,158         | 3,190         | 3,650         | 4,205         | 1,047                  | 419                      |
| 50-80%                 | 26%                   | 5,273         | 5,326         | 6,094         | 7,022         | 1,749                  | 700                      |
| 80-100%                | 14%                   | 2,710         | 2,738         | 3,133         | 3,609         | 899                    | 360                      |
| 100-120%               | 9%                    | 1,801         | 1,819         | 2,082         | 2,398         | 597                    | 239                      |
| More than 120%         | 35%                   | 6,958         | 7,028         | 8,042         | 9,266         | 2,308                  | 923                      |
|                        |                       |               |               |               |               |                        | <b>2,640</b>             |
| <b>Central Whidbey</b> |                       |               |               |               |               |                        |                          |
| <b>Unincorporated</b>  |                       | <b>8,600</b>  | <b>9,300</b>  | <b>10,200</b> | <b>12,000</b> | <b>3,400</b>           |                          |
| Less than 50%          | 21%                   | 1,848         | 1,999         | 2,192         | 2,579         | 731                    | 292                      |
| 50-80%                 | 19%                   | 1,625         | 1,758         | 1,928         | 2,268         | 643                    | 257                      |
| 80-100%                | 10%                   | 862           | 932           | 1,022         | 1,202         | 341                    | 136                      |
| 100-120%               | 10%                   | 834           | 902           | 989           | 1,164         | 330                    | 132                      |
| More than 120%         | 40%                   | 3,431         | 3,710         | 4,069         | 4,787         | 1,356                  | 543                      |
|                        |                       |               |               |               |               |                        | <b>1,360</b>             |
| <b>South Whidbey</b>   |                       |               |               |               |               |                        |                          |
| <b>Unincorporated</b>  |                       | <b>12,600</b> | <b>14,600</b> | <b>18,100</b> | <b>23,800</b> | <b>11,200</b>          |                          |
| Less than 50%          | 22%                   | 2,759         | 3,197         | 3,963         | 5,211         | 2,452                  | 981                      |
| 50-80%                 | 16%                   | 2,030         | 2,352         | 2,916         | 3,834         | 1,804                  | 722                      |
| 80-100%                | 9%                    | 1,117         | 1,295         | 1,605         | 2,110         | 993                    | 397                      |
| 100-120%               | 10%                   | 1,213         | 1,406         | 1,743         | 2,292         | 1,079                  | 431                      |
| More than 120%         | 43%                   | 5,481         | 6,351         | 7,873         | 10,352        | 4,872                  | 1,949                    |
|                        |                       |               |               |               |               |                        | <b>4,480</b>             |
| <b>Camano Island</b>   |                       | <b>12,000</b> | <b>13,300</b> | <b>18,000</b> | <b>21,300</b> | <b>9,300</b>           |                          |
| Less than 50%          | 18%                   | 2,137         | 2,369         | 3,206         | 3,794         | 1,656                  | 663                      |
| 50-80%                 | 21%                   | 2,528         | 2,802         | 3,792         | 4,487         | 1,959                  | 784                      |
| 80-100%                | 8%                    | 927           | 1,027         | 1,390         | 1,645         | 718                    | 287                      |
| 100-120%               | 8%                    | 981           | 1,087         | 1,471         | 1,740         | 760                    | 304                      |
| More than 120%         | 45%                   | 5,427         | 6,015         | 8,141         | 9,634         | 4,206                  | 1,682                    |
|                        |                       |               |               |               |               |                        | <b>3,720</b>             |
| <b>Island County</b>   |                       |               |               |               |               |                        |                          |
| <b>Unincorporated</b>  |                       | <b>53,100</b> | <b>57,300</b> | <b>69,300</b> | <b>83,600</b> | <b>30,500</b>          |                          |
| Less than 50%          |                       | 9,902         | 10,754        | 13,011        | 15,789        | 5,887                  | 2,355                    |
| 50-80%                 |                       | 11,456        | 12,237        | 14,729        | 17,610        | 6,155                  | 2,462                    |
| 80-100%                |                       | 5,616         | 5,991         | 7,150         | 8,567         | 2,951                  | 1,180                    |
| 100-120%               |                       | 4,829         | 5,214         | 6,285         | 7,594         | 2,766                  | 1,106                    |
| More than 120%         |                       | 21,297        | 23,104        | 28,125        | 34,039        | 12,742                 | 5,097                    |
|                        |                       |               |               |               |               |                        | <b>12,200</b>            |

Source: U.S. Census 1990; Island County Draft Comprehensive Plan

The graphic below shows the estimated additional households projected for the unincorporated area of Island County as derived from Table 10. Two interesting features are that North Whidbey is the only planning area with a greater number of “less than 100% median income households” than “greater than 100% median income households”, and South Whidbey and Camano Island have far more “greater than 100% median income” households than “less than 100% median income” households. Finally, to put the analysis in perspective, the graphic below shows that, from 1996-2020, an estimated 6,000 new units will be needed to accommodate the expected new population earning 100% or less of median income.



This graphic is derived from the table on the previous page, based on U.S Census and OFM data.

### Older Population Forecast and Needs

The population forecast done by the State Office of Financial Management shows that the proportion of elderly will be larger in 2020 than currently. As shown in Figure 3.3 of the Land Use Element, persons 65 and older will account for 22% of the population in 2020. At present they comprise 15%; in 2010 the forecast is for 17%.

Table 11 Population 65+ in Unincorporated Island County

| Age Segment | 2000  | assisted | 2010  | assisted | 2020   | assisted |
|-------------|-------|----------|-------|----------|--------|----------|
| 65-74       | 4,521 |          | 6,421 |          | 10,666 |          |
| 75-84       | 3,207 | 802      | 3,569 | 892      | 5,255  | 1,314    |
| 85+         | 861   | 327      | 1,634 | 621      | 2,153  | 818      |

The large number of older persons will have changing housing needs to be accommodated if they are to be able to remain in Island County. The older population will be looking for special amenities that are very different from those desired by younger individuals and families. Older persons normally do not want the responsibility and maintenance that comes with living on large properties. The desire is to have a small unit with relatively easy up-keep. There is a desire for connectivity with other seniors. The connectivity can come from such things as club houses and restaurants, to actually being in multi-family or tightly clustered housing which provides a sense of security.

Estimates by the National Council of Senior Housing indicate that 25% of persons aged 75 to 84 and 38% of persons 85 and older will need assisted living. As shown in Table 11, more than 1,100 senior residents could need assisted living in the year 2000; 1,500 in 2010 and more than 2,100 in 2020. The provision of a density bonus for elderly housing would provide one way to assist elderly households.

**Impact of Employment Forecasts on Housing Needs**

Economic conditions and forecasts are treated more thoroughly in the Land Use Element of the Comprehensive Plan. This discussion reflects on housing needs only.

Between 1998 and 2020 Island County expects significant increases in seven of nine major employment sectors. The total number of net new jobs is anticipated to be 5,639. Many of the jobs are expected in the service and retail categories, but others are in higher paying sectors. These jobs may make paying for housing easier for some households which are able to add a second or third wage to household income; some may provide enough income to purchase housing. Most are unlikely to provide enough income to encourage people to move to Island County for work.

**Forecasts of Households in Need**

The efforts of the Housing Authority, the U.S. Navy, and Self Help Housing have added several hundred assisted units to the housing stock of Island County. In addition, human service agencies have added group homes for special needs populations. There have also been housing units lost to fire and demolition and at least one special needs housing project has been closed. About 200 persons identified as eligible for HUD assistance have found housing in Island County during the decade of the 1990s.

If we project the number of needy households based on the assumption that they will maintain their share of the population, and subtract 200 units each decade to account for subsidized

1 housing there would be 3,300 households in 2000; over 4,000 in 2010; and nearly 5,000 in 2020.

2 If rises in housing costs continue to exceed income increases, the housing situation will either  
3 get worse for lower income households or some of them will move to lower cost areas.

4 ***B. MEETING PROJECTED HOUSING NEEDS***

5 The current provision of services to low and moderate households is discussed in the Island  
6 County Continuum of Care Plan. The Continuum of Care Plan designs a system to deliver  
7 services to prevent homelessness and assist homeless persons as they move into independent  
8 living. The Plan was prepared by the Island County Health Department, Opportunity Council,  
9 Housing Authority and mental health providers and advocates. The Continuum of Care Plan is  
10 the main document addressing the needs of extremely low and very low income households.  
11 Several of the elements of the Plan have been adopted as policies in this Housing Element.

12 While the available land may be able to meet the total need for housing units, nearly all the  
13 potential in the Rural, Rural Agriculture, Rural Forest and Commercial Agriculture zones is in  
14 very low, low, or moderate density single family housing, even using the density bonuses for  
15 clustered development in PRDs. In the Rural Residential zone as defined by logical outer  
16 boundaries of areas of more intensive rural development, housing units would be at the  
17 prevailing density of the area, with the more densely currently developed areas providing up to  
18 three units per acre. However, most of the Rural Residential lots are in shoreline areas of more  
19 intensive development, where housing and land prices tend to be very high.

20 The Rural Centers of Island County, and especially Freeland and Clinton, provide the  
21 opportunity for the level of density to house those earning below 50% of the median income.  
22 Densities outside of Rural Centers are unlikely to be able to serve households below 50% of  
23 median income. Housing specialists acknowledge that per unit cost based on land acquisition,  
24 permitting and construction is the most important factor for affordable housing development, and  
25 recommend as a general rule of thumb that enough land be provided at densities of 12 units per  
26 acre or higher to house all people at 50% of median income or lower. Until densities in the 12  
27 units per acre and up, there is little likelihood of government assisted multifamily housing which  
28 would serve households at 50% of median income and below.

29 In 1990 most housing in Island County was single family. Countywide the figure was nearly  
30 three quarters, but it varied from over 80% in South Whidbey and Camano to 64% in North  
31 Whidbey. As shown in Table 12 below, manufactured housing accounted for nearly 15% of  
32 housing countywide, and accounted for more housing than multifamily in all areas except North  
33 Whidbey.

34 Nearly two thirds of housing in Island County was owner occupied in 1990. The range is from  
35 ownership above 80% in Camano to the high 70s in Central and South Whidbey. In North  
36 Whidbey owner occupancy is 52%.

Table 12 Housing Units: Type, Occupancy, 1990

| PLANING AREA    | Type                  | Number        | Percent     |
|-----------------|-----------------------|---------------|-------------|
| CAMANO ISLAND   | Single-Family         | 3,878         | 84%         |
|                 | Multi-Family          | 66            | 1%          |
|                 | Manufactured+         | 685           | 15%         |
|                 | <b>Total Units</b>    | <b>4,629</b>  | <b>100%</b> |
|                 | TENURE                |               |             |
|                 | Owner-Occupied        | 2,619         | 84%         |
|                 | Rental                | 514           | 16%         |
|                 | <b>Total Occupied</b> | <b>3,133</b>  | <b>100%</b> |
| CENTRAL WHIDBEY | Single-Family         | 3,348         | 79%         |
|                 | Multi-Family          | 173           | 4%          |
|                 | Manufactured+         | 743           | 17%         |
|                 | <b>Total Units</b>    | <b>4,264</b>  | <b>100%</b> |
|                 | TENURE                |               |             |
|                 | Owner-Occupied        | 2,664         | 78%         |
|                 | Rental                | 770           | 22%         |
|                 | <b>Total Occupied</b> | <b>3,434</b>  | <b>100%</b> |
| NORTH WHIDBEY   | Single-Family         | 7,450         | 64%         |
|                 | Multi-Family          | 2,651         | 23%         |
|                 | Manufactured+         | 1,548         | 13%         |
|                 | <b>Total Units</b>    | <b>11,649</b> | <b>100%</b> |
|                 | TENURE                |               |             |
|                 | Owner-Occupied        | 5,821         | 52%         |
|                 | Rental                | 5,339         | 48%         |
|                 | <b>Total Occupied</b> | <b>11,160</b> | <b>100%</b> |
| SOUTH WHIDBEY   | Single-Family         | 4,328         | 81%         |
|                 | Multi-Family          | 226           | 4%          |
|                 | Manufactured+         | 764           | 14%         |
|                 | <b>Total Units</b>    | <b>5,318</b>  | <b>100%</b> |
|                 | TENURE                |               |             |
|                 | Owner-Occupied        | 3,179         | 78%         |
|                 | Rental                | 881           | 22%         |
|                 | <b>Total Occupied</b> | <b>4,060</b>  | <b>100%</b> |
| ISLAND COUNTY   | Single-Family         | 19,004        | 73%         |
|                 | Multi-Family          | 3,116         | 12%         |
|                 | Manufactured+         | 3,740         | 14%         |
|                 | <b>Total Units</b>    | <b>25,860</b> | <b>100%</b> |
|                 | TENURE                |               |             |
|                 | Owner-Occupied        | 14,283        | 66%         |
|                 | Rental                | 7,504         | 34%         |
|                 | <b>Total Occupied</b> | <b>21,787</b> | <b>100%</b> |

Source: US Census, 1990.

Comparing construction between 1990 and 1997 in Island County and the unincorporated area, the following trends emerge. As shown in Table 13, in 1990 nearly 80% of all housing in unincorporated Island County comprised single family houses, compared with less than three quarters in the county as a whole. Only 4% of the housing in unincorporated areas was duplex or other multifamily, compared with 12% for the County. The remaining 17% were manufactured houses, trailers and other; slightly higher than in the County as a whole. Between 1990 and 1997, there was a 25% increase in all units, but only 1% increase in multifamily in the unincorporated area. Manufactured housing increased at a slightly faster rate than single family housing.

Table 13 Housing Unit Types 1990-1997, Island County and Unincorporated

| TYPE           | 1990                |               | 1997        |               |            |
|----------------|---------------------|---------------|-------------|---------------|------------|
|                | Number              | %             | Number      | Change 90-97  |            |
| Island County  | Single-Family       | 19,005        | 73%         | 23,375        | 23%        |
|                | Multi-Family        | 3,046         | 12%         | 3,742         | 23%        |
|                | Manufactured+       | 3,809         | 15%         | 4,911         | 29%        |
|                | <b>Total Units*</b> | <b>25,860</b> | <b>100%</b> | <b>32,028</b> | <b>24%</b> |
| Unincorporated | Single Family       | 14,711        | 79%         | 18,522        | 26%        |
|                | Multifamily         | 738           | 4%          | 749           | 1%         |
|                | Manufactured +      | 3,179         | 17%         | 4,065         | 28%        |
|                | <b>Total Units</b>  | <b>18,628</b> | <b>100%</b> | <b>23,336</b> | <b>25%</b> |

**C. KEY POINTS**

The following key points provide the basis for the County’s housing goals and policies:

1. Using standard criteria, the cutoff for who qualifies as needing “affordable housing” in Island County is households making 80% or less of median County income. The most crucial need is for those families making 50% of median income or less.
2. Rents and home sales prices have risen more quickly than median incomes in the County. However, by 1997 the median income Island County household still had 92 percent of the money needed to afford the median valued house and more than enough money needed to live in a typical Island County rental, with utilities. (see Tables 1 and 4)
3. The County needs additional housing to meet its employment goals. In particular, it needs to construct an average of 200 units per year affordable by households making 80% of median income or less.
4. New technologies will allow for more tighter clustering while effectively dealing with sewage disposal.
5. The most appropriate mechanism in the County for the development of affordable housing appears to be construction of multifamily units, primarily rentals, in UGAs and Rural Centers.
6. Affordable housing density bonuses may be an appropriate incentive for clustered development in Rural Area PRDs to help provide for those earning less than, but close to 110% of the median income.

**Rental Situation**

7. The data that is available for an in-depth analysis is somewhat lacking. The only highly accurate data is for subsidized housing in the County.
8. There has been a decrease over the past decade of the number of Naval officers stationed at NAS Whidbey. In addition, enlisted families often have a difficult time finding adequate housing, unless both persons are employed.

- 1 9. Retirees often sell their existing housing and look for smaller rental housing, while still  
staying close to family and friends.
- 2 10. Seasonal housing has been the historical source of the rental housing supply. As more  
3 seasonal houses are converted to full-time residences, the rental housing supply may be  
diminished.
- 4 11. For many people below the County's 80% median income level, and for virtually  
5 everybody below the 50% level, home ownership by traditional means is simply not a  
realistic option. Creating multi-family rentals, not single-family homes for sale, should  
6 be the focus of the County's efforts and resources.
- 7 12. For people near or below the poverty threshold, renting may not be feasible either,  
without some kind of assistance.
- 8 13. For the purposes of federal housing programs, such as low income tax credits or Section  
9 8 rents, the federal government uses the median income for Snohomish and King County  
(\$55,000) for Island County despite the fact that Island County's actual median income,  
10 as estimated by the Office of Financial Management is \$37,800. The effect of this  
federal policy is that the actual low and very low income people of Island County are  
11 significantly underserved. The discrepancy between the assumed median income and the  
"real" - OFM median incomes has the effect of providing housing for Island County  
12 residents in the 50 to 60% median income level, when the target level is 30% of median  
income.

12 **Ownership Situation**

- 13 14. The County has been using its existing supply of lots over the past 14 years. Platting  
14 since 1984 accounts for only 5% of the County's unincorporated parcelization.
- 15 15. There is currently not much housing supply on the market which falls within the  
affordable housing ranges for those earning below the County's median income.
- 16 16. A 50% open space requirement for Planned Residential Developments will allow for  
either attached or detached units while preserving rural character.

17 **D. HOUSING GOAL AND POLICIES**

18 **Goal:**

19 Encourage the availability of affordable housing for all economic segments of the population,  
20 promote a variety of residential densities and housing types, and encourage preservation of  
existing housing stock.

21 **Policies:**

- 22 A. Promote fair and equal access to housing for all persons.
- 23
- 24

- 1 B. Encourage a broad range of housing types, densities and programs including attached  
2 housing, housing appropriate to seniors, co-housing, self-help housing for low-income  
households and residential care housing.
- 3 C. Promote, as the most appropriate mechanism in the County for the development of  
4 affordable housing, the construction of multifamily units, primarily rentals, in areas  
where higher densities are permitted and where infrastructure, including public  
5 transportation, is already available.
- 6 D. Consider density incentives to encourage affordable housing development for county  
7 residents.
- 8 E. Provide for duplexes, triplexes and fourplexes in the Rural Residential district which is  
9 delineated by defined logical outer boundaries of areas of more intensive rural  
10 development.
- 11 F. Provide for PRDs to include either attached or detached housing units, while preserving  
12 rural character.
- 13 G. Ensure residential developments are planned to minimize public expenditures for public  
14 facilities and services.
- 15 H. Encourage emergency shelter for special needs populations such as youth, domestic  
16 violence and chronically mentally ill.
- 17 I. Encourage transitional housing for youth, adults and families coordinated with critical  
18 support services.
- 19 J. Encourage a range of permanent housing options through small project-based structures  
and scattered site rental assistance coordinated with appropriate services as necessary.  
Housing to be dispersed throughout the community, developed through collaboration  
with private developers, public agencies and non-profit organizations.
- 20 K. Decrease barriers to successful implementation of homeless programs by developing  
local community support and encouraging legislation which both supports the  
community's ability to provide services and protects the rights of the individual.
- 21 L. Ensure Comprehensive Plan and Land Use Plans incentives and appropriate language to  
22 facilitate low income housing and services for the homeless and contain the Continuum  
of Care priorities and vision statement.
- 23 M. Housing will be provided in accordance with the County-wide Planning Policies.

## ***E. IMPLEMENTATION STRATEGIES***

24 A variety of implementation strategies are being considered by Island County, including means  
to encourage the provision of special needs and low income housing, regulatory changes,  
accessory structures; construction of multi-family units; density bonuses and variations on  
development standards. In addition, the County should review alternative means of construction  
and financing, including:

- 1 1. Preserving the existing housing stock through liberal permitting of upgrades/remodels and  
use of accessory housing, with controls.
- 2 2. Lowering labor and materials costs by supporting and encouraging alternative housing  
3 designs, financing, materials and construction, such as self-help/sweat-equity housing and  
owner-built housing, including that using alternative construction methods and materials.
- 4 3. Relaxing restrictions on housing types to permit, for example, manufactured homes, and  
HUD-approved mobile homes in single width and larger.
- 5 4. Relaxing restrictions on minimum dwelling unit size, minimum number of rooms and house  
6 shape.
- 7 5. Supporting publicly owned housing.
- 8 6. Using Federal low-income housing credits.
- 9 7. Developing density and other incentives to provide for affordable housing in the rural area.

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