

## IV. HOUSING

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### PURPOSE

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The Housing Element has been integrated with all other plan elements to ensure consistency throughout the Comprehensive Plan. The Housing Element represents the community's policy to address the housing needs of the city over the next twenty years. The housing element describes the housing demographics, conditions, affordability, and projected housing needs for the City of Castle Rock.

The City of Castle Rock provides for a full range of housing opportunities for its citizens. Castle Rock prides itself on being a wonderful place to live. As stated in the comprehensive plan's vision statement; "It's a community where the people are as resilient and vibrant as the natural features that surrounds their home; a place where life-long residents and visitors alike feel they are part of the same tight-knit family".

The emphasis of this chapter is to provide opportunity for new residential development that is consistent with the small town feel, encourage infill development that is compatible with the surroundings, foster maintenance and



improvement of existing housing stock, and provide a wide variety of housing, offering opportunities for affordability and diverse populations.

In order to meet the communities housing needs, the housing element includes: housing demographics, trends, and forecasts, and a set of goals and policies for the preservation, improvement, and development of the city's housing. Nearly all data sources for the housing element are based on the 1990 and 2000 Census report, Washington State Office of Financial Management, and the 1998 Cowlitz County Housing Needs Survey.

### HOUSING DEMOGRAPHICS

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#### *Housing Units*

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The City of Castle Rock's population has decreased since 1980 but is currently rising at a very slow rate compared to Cowlitz County. Between 1980 and 2000 the city's population decreased by - 1.5% from 2,162 people in 1980 to 2,130 people in 2000. The County's

population has increased 14% between 1980 and 2000 with 73,633 people in 1980 and 92,948 in 2000. With the population staying fairly steady within the City, new development has occurred at a slow rate. Since 1980, the housing stock has increased by 2.3% with 864

total structures in 1980 and 885 structures in 2000. The City’s goal is to see that the population growth occurs at a steady rate in the future and with this will also come a need for an increase in housing.

Housing is generally categorized into four “unit types”-single-family, duplex, multifamily, and manufactured homes, with duplexes sometimes put into the multifamily category. Table 4-2 compares the number of housing units by housing type in Castle Rock from 1970-2000. This table shows that the total housing stock in Castle Rock increased by 27% from 1970 to 1980 (from 627 to 864 units) but only 2.4% from 1980 to 2000 (from 864 to 885 units). Looking at Table 4-1, we can see that the population increase is consistent with the housing increase,

**Table 4-1: Population Growth**

Year	Population	Annual Growth
1960	1424	17
1970	1647	22
1980	2162	52
1990	2067	-10
2000	2130	6
2001	2125	-5
2002	2120	-5
2003	2140	20
2004	2150	10

Source: US. Census

with the majority of the activity taking place between 1970 and 1980 and slowly increasing from there.

We can also see from Table 4-2 the percent distribution of single family units is decreasing and the percent distribution of other is increasing. Building permit data shows that the majority of new housing units in Castle Rock have been manufactured homes.

**Table 4-2: Castle Rock Housing Trends by Type (1970-2000)**

Year	Single-Family	Multi-Family	Other (MH, TT, etc	Total
<b># of Units:</b>				
1970	505	98	24	627
1980	657	173	34	864
1990	599	177	66	842
2000	591	198	96	885
<b>% Distribution:</b>				
1970	80.50%	15.60%	3.80%	100.00%
1980	76.00%	20.00%	3.90%	100.00%
1990	71.10%	21.00%	7.80%	100.00%
2000	66.80%	22.40%	10.80%	100.00%

Source: Cowlitz-Wahkiakum Council of Governments and Washington State Office of Financial Management  
 Note: MH=Manufactured Home, TT= Travel Trailer

***Housing Conditions***

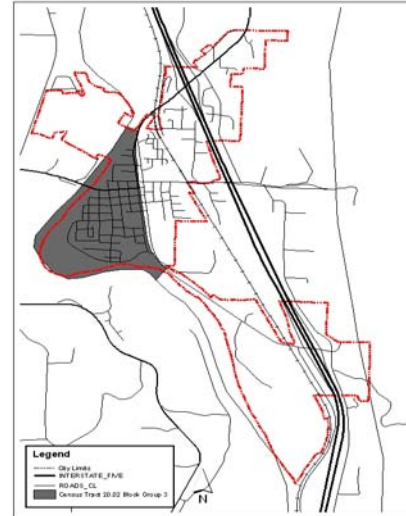
Another factor to be considered is the condition, or state of repair, of the housing stock. The best available

information of this sort is the “Cowlitz County Housing Needs Survey”. The survey was a questionnaire that was delivered by mail in three cycles,

followed with telephone interviews and some on-site interviews. In the questionnaire participants were asked to rate the general physical condition of their house on a scale of excellent, good, fair, and substandard. They were also asked to estimate the age of their house and pick from a list of household problems that better explain the condition of the residence.

This survey only represents a portion of Castle Rock, Census Tract 20.02 Block Group 3 as seen on the map. The area surveyed consisted of 67 homeowners and 27 renters who participated in the survey. As recorded from the survey 77.5% of the housing stock was in excellent to good condition, with 18.4% fair, and only 2% in substandard condition. The three top problems identified by participants were: need insulation (weatherization), leaky roof, and heating systems. The top three housing needs or wants of participants were: new house (10%), own their own home, and down payment to buy a home (26% of renters).

In comparing this survey with the “1978 Cowlitz Regional Housing Plan Windshield Survey” referenced in the 1986 Comprehensive Plan, housing conditions are declining. In the “windshield survey,” 86% of Castle Rock’s housing stock was in standard condition (unit has no defects), and 14% were in marginal or substandard condition. Between 1978 and 1998 the percentage of excellent to good housing condition has decreased by 8.5% and fair



to substandard housing conditions has increased by 6.4%. This is due to the aging housing stock; as seen in Table 4-3, 35.1% of Castle Rock’s housing stock was built before 1939, and 88% was built prior to 1979. Only 12% of the City’s housing has been built since 1980 and according to building permit data all new residences have been manufactured homes since 2000.

**Table 4-3: Year Structures Built**

Year Structure Built	Number	%of Units
1999 to March 2000	8	
1995 to 1998	15	0.9%
1990 to 1994	41	1.7%
1980 to 1989	43	4.6%
1970 to 1979	174	4.8%
1960 to 1969	109	19.6%
1940 to 1959	186	12.3%
1939 or earlier	311	21.0%

Source: US Census

**TRENDS IN HOUSING**

A number of trends in housing can be identified to provide perspective on

existing conditions and to predict residential space requirements and types

of housing for the next twenty years. Such trends include household size, tenure, occupancy, vacancy, price,

household income, and the types and locations of housing units being built.

***Household Size and Formation***

Table 4-4 shows that Castle Rock’s household size has slowly declined since 1970, staying consistent with Cowlitz County. Over the 30 year period the household size has changed by 0.9% bringing the average household size down from 2.8 persons in 1970 to 2.53 persons in 2000.



With population on a slow increase and household size on a decrease, the city’s housing needs are affected because it increases the amount of units needed to accommodate the population. The socio-economic factors behind smaller household sizes are an increase in non-family households and an aging population. This is partly due to the increased rate of divorce in our society creating single-person households, and

an increased preference by Americans for smaller families.

With the current trends, we can make the conclusion that the City of Castle Rock can expect substantial housing demand for years to come, particularly of sizes and types suited to smaller households.

**Table 4-4: Average Household Size by Jurisdiction (1970-2000)**

Year	Castle					Cowlitz County	State of Washington	United States
	Rock	Kalama	Kelso	Longview	Woodland			
1970	2.8	3.11	2.8	2.95	2.89	3.07	3.08	3.14
1980	2.65	2.64	2.52	2.49	2.63	2.67	2.61	2.75
1990	2.61	2.54	2.49	2.4	2.59	2.56	2.53	2.63
2000	2.53	2.44	2.52	2.4	2.67	2.55	2.53	2.59
Average	2.65	2.68	2.58	2.56	2.70	2.71	2.69	2.78

Source: Cowlitz-Wahkiakum Council of Governments and U.S. Census Bureau.

***Tenure***

The 2000 census counted 833 occupied housing units in the City of Castle Rock; this does not include those in group quarters. Table 4-5 shows that 36% of the City’s population rent their homes while 64% own the housing unit they occupied during the 2000 U.S Census.

In comparison, 67% of Cowlitz County residences own their homes.

**Table 4-5: Household Pop. By Tenure**

Household Population in	Castle Rock	% Pop.	Cowlitz County	% Pop.
Owner Occupied Units	524	64%	24,250	67%
Renter-occupied units	309	36%	11,600	32%

Source: Census 2000

**Occupancy**

As seen in Table 4-6, there are a total of 890 housing units in the City of Castle Rock, of these 833 or 93.6% are occupied, 6.4% or 57 units are vacant and 4 units are used for seasonal or occasional use. The City is very

comparable to Cowlitz County’s occupancy rates with 38,850 or 92.8% of the housing units occupied with only 2,774 or 7.2% of the units vacant.

**Table 4-6: Housing Occupancy**

Housing Occupancy	Castle Rock	% units	Cowlitz County	% Units
Housing units	890	100%	38,624	100%
Occupied units	833	93.6%	35,850	92.8%
Vacant units	57	6.4%	2,774	7.2%
For seasonal, or occasional use	4	0.4%	373	1.0%

Homeowner Vacancy Rate = 1.5%

Rental Vacancy Rate = 7.2%

Source: US Census 2000

**Vacancy**

The City of Castle Rock has slightly lower vacancy rates than Cowlitz County. The City averages a 1.5% vacancy rate for owned residences and 7.2% vacancy rate for rental units. During the 2000 census, the city had 57 total vacant units. Of the total vacant units 24 (42.1%) were for rent, 8 (14%) were for sale, and 11 (19.3%) were rented or sold but not occupied. Four of the vacant units were for seasonal, recreational or occasional use, and 10

(17.5%) of the units are vacant for other purposes. Cowlitz County has a 2.2% vacancy rate for owned housing units and 9.2% vacancy rate for rental units. In comparison to Washington State, Cowlitz County and Castle Rock’s vacancy rates are higher. The State of Washington homeowner vacancy rate is 1.8% and the rental vacancy rate is 5.9%. This is a reflection of the economic downturn in Cowlitz County over the past five years.

***Housing Prices***

Household prices have steadily risen in both Cowlitz County and the City of Castle Rock over the last decade. According to the U.S Census Bureau, from 1990 to 2000 the median value of owner-occupied units went from \$48,400 to \$98,100, an increase of 51%. In Cowlitz County, the median value of owner-occupied units also increased by 51% going from \$61,300 in 1990 to \$129,900 in 2000. Both the City and the County have a lower median value than the State of Washington at \$168,300. During the same time period Castle Rock’s median household income rose 31% from \$29,745 to \$41,497 (Office of Financial Management). Income levels are rising along with property values but not at comparable rates, with income increase equaling 31% and median value increase equaling 51%.

since 1990. However, 33% of all renters pay over 35% of their income for housing costs, compared with 14.6% of homeowners paying over 35%. The majority of homeowners (37.6%) pay less than 15% of their household income on housing costs. These figures indicate there is a need for affordable rental housing within the City of Castle Rock.

To get a picture of the more current sales trends for housing in Castle Rock, see Table 4-7; Residential Sales in Castle Rock. The median sale price of homes between 2001-2002 jumped by 14.3% and then decreased from 2002-2004 by 4%. Cowlitz County as whole was on a steady increase during the years of 2001-2004. This is another reflection of the aging housing stock within the city, and the continued state of the economy.

**Table 4-7: Residential Sales**

Year	Average Sale Price	Median Sale Price
2001	\$79,732	\$84,000
2002	\$124,682	\$98,000
2003	\$95,781	\$94,800
2004	\$97,679	\$94,000

*Source: Northwest Properties local real estate data*

The median value for contract rent in the City of Castle Rock has also been on the rise from \$270 in 1990 to \$521 in 2000, increasing by 48%. Cowlitz County’s median rent value has increased by 43%

The increase median value on property and income over the last 20 years and the recent decrease in median sale price is noteworthy. With values and income on a consistent climb within Cowlitz County and the city, we should see an increase in home sale prices as well. The rest of Cowlitz County is seeing slight increases as the city is seeing a decrease on the median sale price. This is a good indication that the City is prime for growth, and development within the near future.

***Affordable Housing***

According to federal guidelines, housing is affordable only when it is 30% or less of a household’s gross income. As stated above 33% of all renters in Castle



Rock pay over 35% of their income for housing costs, indicating that housing isn't considered affordable for many. This in conjunction with rising housing costs is an indicator that Castle Rock citizens face a challenge of finding affordable housing.

As seen in Table 4-8, the median household income for the City of Castle Rock is \$37,212 and the median household income for Cowlitz County is \$39,797. Castle Rock and Cowlitz County both fall below the state median income level, which is \$45,776. Again, this shows that the City of Castle Rock is suffering economic hardship and has a need for affordable housing.

In conjunction with the subsidized and assisted living facilities, Castle Rock is home to 28 multi-family units, totally

108 dwellings. These are a combination of multi-family dwellings including apartment buildings, triplexes, and four plexus. Duplexes account for 13 of the 28 multi-family units. The majority of these units are occupied, again showing the need for more multi-family and affordable housing.

Currently within the city, there is one apartment complex providing subsidized housing, The Riverview, with 35 dwelling units. The Riverview is being occupied by the lower income elderly population, with a waiting list for occupants. The City has one assisted living facility, The Villager, with 22 units for the elderly and disabled population. The Villager also has a waiting list for occupancy.

**Table 4-8: Income by Household in 1999**

	Castle Rock	% of pop.	Cowlitz County	% of pop.
Household	818	100.0%	35,883	100.0%
Less than \$10,000	89	10.9%	3,442	9.6%
\$10,000 to \$14,999	64	7.8%	2,843	7.9%
\$15,000 to \$24,999	138	16.9%	4,868	13.6%
\$25,000 to \$34,999	95	11.6%	4,630	12.9%
\$35,000 to \$49,999	178	21.8%	6,669	18.6%
\$50,000 to \$74,999	176	21.5%	7,535	21.0%
\$75,000 to \$99,999	48	5.9%	3,289	9.2%
\$100,000 to \$149,999	23	2.8%	1,894	5.3%
\$150,000 to #199,999	4	0.5%	410	1.1%
\$200,000 or more	3	0.4%	303	0.8%
Medium household income (dollars)	37,212		39,797	

Source: US Census 2000

**HOUSING FORECASTS**

***Residential Forecast***

Housing growth forecasts and projections have been developed based

on the housing trends described in this section and on the population forecasts of the Land use element.

**Table 4-9: Projected Housing Needs**

2025 Total Population	2665
Average household size	2.53
2025 total Households	1049
6.4% Vacancy Rate	67
<b>Total Housing Units</b>	<b>1116</b>
Existing Units	-890
<b>Houses needed by 2025</b>	<b>226</b>

With Castle Rock’s annual population growth set at 1.3%, the estimated 2025 population is 2,665 people. With an average household size of 2.53 persons, the total number of housing units needed for the next twenty years is 1,049 as seen in Table 4-9. The City has a total of 890 existing housing units meaning 226 units are needed to accommodate growth for the next 20 years.

Based on the projected need for 226 new housing units for the City of Castle Rock by 2025, the city will need at least 68 acres devoted to residential development, assuming an average of four dwellings units per acre. This figure also includes a 20% market factor to promote housing affordability and limit housing scarcity. Based on critical areas and desirability of the existing vacant land, the city will need approximately 88 acres zoned residential for anticipated growth (30% of 68 acres is undevelopable or undesirable). Presently, as seen in Table 4-10, the city has just over 100 acres residentially zoned that are vacant. The City is capable of meeting the housing projection for the next 20 years with its current supply of residentially zoned land.

**Table 4-10: Existing Land by Zone**

<b>Existing Zoning Classification</b>	<b>Total Acres</b>	<b>Distribution</b>	<b>Vacant Acres</b>	<b>Percent Vacant By Zone</b>
Low Density Residential (R-1)	459	50%	67	14%
High Density Residential (R-2)	106	12%	35	33%
Retail Business (C-1)	24	3%	0	0%
Highway Business (C-2)	172	19%	52	30%
Industrial (I)	141	16%	118	84%
<b>Total</b>	<b>902</b>		<b>272</b>	

***Multi-Family Forecast***

The City of Castle Rock divides residential zoning into two categories; low density residential and high density residential. The high density residential zone is meant for multi-family housing or small lots for single-family housing. There is currently 35 vacant acres in the city zoned for high-density residential development.

Figures from the 2000 Census indicate that housing units within the city are split 77% single family and 22% multifamily. Assuming the city seeks to achieve a 3:1 ratio between single family and multifamily residences, it will need to accommodate an estimated 79 multifamily units by 2025.



**Table 4-11: Projected Multi-family Housing Needs**

Vacant High Density Land	35
Projected Housing Units 2025	51
Acres Needed @ 4 du/ac	13
Market Factor @ 20%	2.6 acres
Non-Developable @ 30%	3.9 acres
<b>Total Acres Needed</b>	<b>19.5</b>

As shown in Table 4-11, the city requires a supply of approximately 20 acres of high density residential land to meet future housing needs. Based on current zoning provisions, the city does have an adequate supply of vacant land designated to high density residential

use. It is noteworthy that multifamily residential zones also allow for single family residential development. Thus, it is very probable that not all of the land zoned for multifamily development will be built to the maximum density permitted. This will be largely dependant on the market, for example, as interest rates grow there will be an increased interest in multifamily housing, as more people are priced out of single family residences. As a result, the city will need to review its land base consistent with future updates to the comprehensive plan.

**HISTORIC PRESERVATION**

With platting of Castle Rock dating back to the 1880’s, there are a lot of structures and other objects of historical significance. Recognition, preservation and restoration of its many historic resources may assist the city in terms of economic development (tourism) and in strengthening its clearly definable sense of place. Destruction and insensitive alteration of historically significant buildings has been a common tendency across the country in the process of growth and progress. The problem with this tendency is that it leads to a cultural amnesia. When landmarks are removed or unrecognizably altered, a community or nation loses tangible reminders of what it was, and thereby loses a sense of what it is, wants to be, and can be.

The Washington State Office of Archaeology and Historic Preservation (OAHP) administer two registers that formally recognize a range of historic and cultural resources. The *Washington Heritage Register* is a state-based program, while the *National Register of Historic Places* is a federal program



created after the passage of the National Historic Preservation Act in 1966. Eligible properties include historic buildings, structures, sites, archeological sites and cultural landscapes.

Owners of properties listed in the National Register may be eligible to take advantage of federal tax incentives for rehabilitation of certain properties. One particularly popular program is known as the Historic Investment Tax Credit, which provides a 20 percent credit for National Register properties that are income-producing. The register also provides incentives for registered historic resources from destruction in federally funded or licensed projects.

In 1980, the Cowlitz-Wahkiakum Council of Governments completed a *Historic Structures inventory* for Cowlitz

County. This inventory lists 11 properties as being historically significant (Table 4-12).

**Table 4-12: Historic Site Inventory**

Site	Address	Year
Russell Residence	112 Shintaffer	1900
Jail	100 Jackson Street	1906
Pacific National Bank of Washington	12 West Cowlitz	1904
Pioneer Real Estate	Corner of First and "A"	1900
First Methodist Church	715 First Street	1884
Moody Residence	308 "B" Street	1895
Moody Residence 2	500 Warren	1900
Baugh Residence	1008 Third	1900
Bolar Residence	1102 Second	1900
Turnbough Residence	1211 Front Street	1900

*Source: Historic Site Inventory (CWCOG 1980)*

**HOUSING GOALS**

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**Goal 1:** Ensure the provision of a decent, safe, and sanitary home and living environment for all residents of the city.

**Goal 2:** Provide for a wide range of housing types and densities to meet the housing needs of a diverse population and provide affordable housing choices for all incomes.

**Goal 3:** Provide an adequate supply of land in order to promote housing costs that are affordable.

**Goal 4:** Foster the maintenance and improvement of the physical condition of the existing housing stock and neighborhoods in the city.

**Goal 5:** First promote infill development of residential land, and then encourage annexation of residential property to provide adequate land supply for future housing needs.

**HOUSING POLICIES**

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**Policy 1:** The city should continue to further the neighborhood renewal efforts through community clean ups, public facility improvements, and continuing the housing rehabilitation program.

**Policy 2:** It is recommended that the city consider contracting with an area housing authority or with the state for operation of an existing housing rent

subsidy program for lower income households, contingent upon availability of funds.

**Policy 3:** The preferred location for any newly constructed subsidized housing project is the downtown vicinity, for the reasons of easy accessibility of shopping, other commercial and medical services needed by occupants, and

development of the Downtown area customer/activity base.

**Policy 4:** Due to minimal land supply, the City should discourage the conversion of residential areas to non-residential uses.

**Policy 5:** Ensure that City policies, codes, and regulations do not restrict, prohibit or substantially increase the cost of establishing a variety of housing types or impede the goals, and policies of this housing element.

**Policy 6:** Provide incentives and guidelines for efficient development patterns that preserve and enhance

scenic open space, reduce urban sprawl and encourage development in activity centers through innovative site planning techniques which minimize road, sewer, water, and other infrastructure costs (provide standards for cluster developments, small lot districts, manufactured housing, and planned unit development).

**Policy 7:** Support annexation of residential property within the urban growth boundary to stay consistent with projected housing needs. Make sure the Urban Growth Boundary is of sufficient size to accommodate population growth that is 20% greater than projected.