HOUSING ELEMENT

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HOUSING ELEMENT INTRODUCTION

Decent and safe housing is a basic human need increasingly unavailable to many Americans, including many Bainbridge Island residents and workers. The Washington State *Growth Management Act (GMA)* provides direction for cities to address these needs in the Housing Element of the Comprehensive Plan. Many of the Plan's Guiding Principles and Policies carry this direction forward to be addressed in various Elements, including Housing.

The City's Housing Needs Assessment (HNA) issued in December of 2015, documents current housing conditions on the Island and identifies trends and specific needs. The HNA is Appendix C to this Plan and adopted as a part of this Element. Many of the statistics below are excerpted from the HNA or the City's Economic Profile (Appendix A).

BAINBRIDGE ISLAND SNAPSHOT: PEOPLE AND HOUSING

Bainbridge Island's 2015 population of 23,390 is predominantly white (91%), well-educated and relatively affluent. The median household income ($92,558) is 1.5 times the Kitsap County average. Almost 60% of residents have occupations with relatively high incomes. For example, the median wage for financial analysts, lawyers and marketing managers ranges between $100,457 and $122,618. Another third of Island residents work in the service sector, such as retail clerks, waiters and bank tellers have median wages between $27,703 and $30,972.

Over the past decade the population has experienced shifts in the age cohorts. Between 2000 and 2010 the Island's senior population (60+ years old) increased from 17% to 26%. The "young adult" cohort (between 18 and 34 years old) has declined from 15% of the Island's population in 1990 to less than 10% in 2016.

Bainbridge Island's housing stock is predominantly detached single-family homes (80% of all units) in a very low-density land use pattern that occupies about 90% of the Island's land area. The average single-family home price is just under $700,000.

Multi-family units that constitute 16% of the housing stock are now concentrated in Winslow and Lynwood Center. While the *designated centers* total about 10% of the Island's land area, a significant portion of that area is occupied by commercial uses with no residential component. Rental apartments make up less than 7% of total housing units on the Island. Very few rental units have been built on the Island in the last decade which partly accounts for a vacancy rate of 1.5%, well below the 5% rate typical of well-functioning rental markets

GMA GOAL AND REQUIREMENTS FOR HOUSING

The *GMA* recognizes the importance of planning for adequate housing by requiring it as an element in Comprehensive Plans. Housing is addressed in one of the 14 major goals:

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

RCW 36.70A.020(4)

The requirements for a housing element mandated by the GMA include:

> "A housing element recognizing the vitality and character of established *neighborhoods* that: a) includes an inventory and analysis of existing and projected housing needs; b) includes a statement of goals, policies, and objectives for the preservation, improvement, and development of housing; c) identifies sufficient land for housing, and group homes and foster care facilities; and d) makes adequate provisions for existing and projected needs of all economic segments of the community."

RCW 36.70A.070(2)

HOUSING NEEDS

The Housing Needs Assessment (2015) for Bainbridge Island includes an inventory of the amount, location and condition of the Island's housing stock and demographic and economic information about its population. It also includes an in-depth analysis of *affordable housing* needs of Bainbridge Island's Housing needs documented in the HNA.

Almost 34% of individuals and families at all income levels who live in owner-occupied housing units are cost burdened meaning they spend over 30% of their income on housing. Almost 40% of individuals and families at all income levels who live in renter-occupied housing units are cost burdened. The majority (around 28%) of these residents have an annual income between zero and $34,999.

This means that as of 2012, 569 renters on the Island that have an income of $34,999 or less are housing cost burdened. This is concerning as lower income cost burdened households are more likely to have to choose between housing costs and other necessities.

The HNA analysis of Workforce Housing Affordability indicates that there is a gap in housing affordable for the Island's workforce in service professions (e.g., restaurant workers, bank tellers, retail clerks, school bus drivers). Many of these workers are obliged therefore to commute from less-expensive off-Island housing, which increases their transportation costs, congestion on SR 305 and greenhouse gas emissions.

Bainbridge Island's jobs/housing balance is 0.59 jobs for every housing unit, making it a "bedroom community." The Puget Sound Regional Council suggests that housing-rich neighborhoods add employment in order to increase economic opportunities for current residents.

Market forces alone will not address the urgent housing needs facing Bainbridge Island. In the face of daunting circumstances, the City aspires to an ambitious Vision of its future and commits to an innovative, aggressive and multi-faceted housing strategy. The City's success in achieving the housing Vision will also depend upon achieving the policy objectives identified in the Land Use, Transportation, Economic and Environmental Elements of this Plan.

HOUSING VISION 2036

Bainbridge Island in the year 2036 provides a broad diversity of housing alternatives to equally important goals of environmental stewardship and the population's needs for housing, health and safety and access to employment, goods and services.

The broadest variety of *housing types* including rental homes, exists within the compact, walkable, transit-served, mixed-use *designated centers*. These include small detached homes on small lots, attached and detached *accessory dwelling units*, *cottage housing*, common-wall duplexes, triplexes and row houses, and stacked units on the upper floors of mixed-use, mid-rise buildings.

The residential land use pattern outside of *designated centers* remains at much lower densities and constitutes almost 90% of the Island's area. Houses built in the previous twenty years in the vicinity of designated centers and elsewhere in the Open Space Residential zones are compact, energy-efficient and well-integrated in their landscape. Typical *housing types* in these areas include detached houses on lots of various sizes, attached and detached *accessory dwelling units* and *conservation villages.*

Some combination of appropriately zoned land, regulatory incentives, financial subsidies and innovative planning techniques will be necessary to make adequate provisions for the needs of all segments of the population, but particularly middle and lower income persons.

GOALS & POLICIES

GOAL HO-1

Make steady progress toward the following aspirational targets for increasing the diversity of *housing types* and the supply of *affordable housing*.

Policy HO 1.1

Decrease to 20% or less the number of cost burdened families living in rental housing (down from 40%).

Policy HO 1.2

Decrease to 18% or less the number of cost burdened families owning homes (down from 34%).

Policy HO 1.3

Increase rental housing units to at least 11% of total housing units (up from 7%).

Policy HO 1.4

Increase the Island's percentage of *multifamily* homes to 18% or more of all homes (up from 16%).

Policy HO 1.5

Increase the number of *senior housing units* to 600 or more (up from 344.)

Policy HO 1.6

Change today's 89/11% housing split between the Mixed Use Town Center and Neighborhood Centers to 80/20% by 2036.

Policy HO 1.7

Achieve a jobs-housing balance of .8 (up from 0.59).

GOAL HO-2

Beginning in 2019, prepare biennial reports on the status of housing on Bainbridge Island. The report shall describe progress toward achieving the targets set forth in Policies HO 1.1 through HO 1.7.

Policy HO 2.1

The Housing report shall address the following aspects of housing:

1. Housing trends in general both regionally and on Bainbridge Island.
2. The number and location of *housing types* constructed or active applications in the permit process in the preceding two years.
3. An evaluation of the effectiveness of the City's measures and identification of additional or revised measures or targets.
4. The vacancy rate for rental apartments.
5. The number of cost burdened and extremely cost burdened households.
6. The status of efforts to address housing needs at the regional level.
7. The housing availability for special needs or difficult to serve populations.
8. The condition of the local housing market and the number of new housing units publicly and privately funded.
9. The use of density bonuses and the number of for-purchase housing units provided in new developments.
10. A description of the various initiatives supporting *affordable housing* including activities of community non-profit organizations and local and regional entities.
11. Programs of housing repair and renovation that improve accessibility.
12. If insufficient progress is made toward meeting the targets in Policies HO 1.1 through HO 1.7, determine what actions are not working and make adjustments.

Policy HO 2.2

Make the Biennial Housing Reports available to the public in various ways such as notice in the local newspaper, on the City's web page and on local media outlets. This Biennial Housing Report will be part of a comprehensive update of the Housing Needs Assessment in order to inform the next state-mandated update of the Comprehensive Plan in 2024.

GOAL HO-3

Promote and maintain a variety of *housing types* to meet the needs of present and future Bainbridge Island residents at all economic segments in a way that is compatible with the character of the Island and encourages more socio-economic diversity. Partner with community non-profit organizations and local and regional private and public entities in carrying out the following policies.

Policy HO 3.1

Encourage innovative zoning regulations that increase the variety of *housing types* and choices suitable to a range of household sizes and incomes in a way that is compatible with the character of existing neighborhoods. Examples of innovative approaches are *cottage housing* development, *conservation villages*, stacked or common-wall housing, *tiny houses* and *accessory dwelling units*.

Housing types are illustrated in: Figs. HO-1 through HO-3 (*detached housing*); Figs. HO-4 through HO-6 (*attached housing*); and Figs. HO-7 through HO-9 (*stacked housing*).

Fig. HO-1 Single-family Home

Fig. HO-2 Cottage Housing

Fig. HO-3 Accessory Dwelling Unit

Fig. HO-4 Duplex

Fig. HO-5 Row House

Fig. HO-6 Zero Lot Line

Fig. HO-7 Garden Apartment

Fig. HO-8 Mixed-use, Mid-rise

Fig. HO-9 Micro Units

Policy HO 3.2

Recognize that the City shares a housing and employment market as well as a transportation network with the larger region. Therefore, the City should work with the *Kitsap Regional Coordinating Council* to develop an equitable and effective county-wide planning policies and other strategies to locate, finance and build *affordable housing*.

Policy HO 3.3

Designate the appropriate staff effort or organizational entity to assist and advise the community, landowners and private and public entities about options for *affordable housing*, financing strategies and funding sources.

Policy HO 3.4

Partner with non-profit housing organizations, churches, the development community, local lending institutions, elected officials and the community at large to assist in meeting *affordable housing goals* and implementing strategies.

Policy HO 3.5

Support the efforts of community non-profit housing organizations and local and regional public and private entities in developing and managing *affordable housing* on Bainbridge Island.

Policy HO 3.6

Develop standards to encourage development of small to mid-size single-family housing units. These provisions may include a framework to permit small-unit housing development such as *tiny houses, micro units* and *cottage housing*.

Policy HO 3.7

Expand opportunities for infill in the residential neighborhoods of the Winslow Master Plan study area and the Neighborhood Centers. Allow the creation of small lots (e.g., in the 3,000 square foot range) as well as smaller footprint homes (e.g., under 1,200 square feet).

GOAL HO-4

Increase the supply of permanently affordable *multifamily* housing each year through the year 2036 with goals based on data provided by the Housing Needs Assessment and the City's housing reports.

Policy HO 4.1

Encourage new *multifamily* housing in a variety of sizes and forms in *designated centers.*

Policy HO 4.2

Increase the efficiency of the review process and revise ~~*building envelope* and other~~ development standards for the High School Road and Ferry Terminal districts and other portions of the Winslow Area Master Plan to encourage the transformation of these areas from auto-oriented, low-rise, homogeneous commercial land use districts into walkable, transit-served, mid-rise, mixed-use areas with *affordable housing.*

Policy HO 4.3

Partner with non-profit or for-profit housing sectors to create new *multifamily* housing in *designated centers* including a significant percentage of *affordable housing* through the joint or exclusive use of surplus publicly owned property or air space.

Policy HO 4.4

Partner with the for-profit sector to create *affordable housing* through the targeted use of the *multifamily* property tax exemptions in *designated centers.*

Policy HO 4.5

Remove barriers to the creation of new *multifamily* housing, particularly *affordable housing* through a variety of actions such as the adoption of regulations that "right-size" parking requirements, reduce certain *impact fees* and encourage the use of parking management programs to enable the more efficient use of parking.

Policy HO 4.6

Allow *accessory dwelling units* in all residential zones, except at Point Monroe, the Sandspit (R-6). Review and revise as appropriate to create reasonable flexibility regarding development standards including lot coverage, setbacks, parking requirements and Health District requirements for water and sewage.

Policy HO 4.7

Encourage agencies whose mission is to develop *affordable housing* to create new subsidized *multifamily* rental housing by aggressively pursuing Kitsap County *Community Development Block Grant Funds*, state funds, donations from private individuals and organizations, public revenue sources and other available funding.

Policy HO 4.8

Evaluate the efficacy of existing regulations in facilitating the provision of assisted and independent living *senior housing* and take action to amend *development regulations* as needed.

GOAL HO-5

Maintain the existing stock of affordable and rent-assisted housing, in partnership with community non-profit organizations and local and regional public and private entities.

Policy HO 5.1

Develop a continuing strategy to maintain the Rural Development Agency and HUD subsidies on existing rent-assisted housing. The primary strategy shall be to support Housing Kitsap and non-profit organizations such as Housing Resources Bainbridge to purchase the units through the provisions of the 1990 Housing Act.

Policy HO 5.2

In the event of the potential loss of privately-owned subsidized housing, work with the appropriate public agencies and local non-profits to pursue the preservation of the subsidized units or relocation assistance for the residents.

Policy HO 5.3

Water-based (live-aboard) housing provides a viable component of the present and future housing stock of Bainbridge Island and shall be subject to applicable environmental protection, seaworthiness, sanitation and safety standards, and authorized moorage.

GOAL HO-6

Facilitate the provision of a diverse *affordable housing* stock in all geographic areas of the community.

Policy HO 6.1

Encourage housing created by agencies such as a community land trust.

Policy HO 6.2

In order to provide for permanently *affordable housing* pursue effective strategies to reduce the land cost component of ~~for-purchase~~ *affordable housing* which may include alternative land use zoning, *density bonuses* and other incentives.

Policy HO 6.3

Maintain an innovative housing program and clarify or adopt new flexible permit processes in all *designated centers* to promote an increase in the supply, diversity and access to housing including *affordable housing.*

Policy HO 6.4

Create new *conservation villages* permit process to apply outside of *designated centers* to increase housing choices including *affordable housing* and requiring *green building* practices while better conserving *open space*.

Policy HO 6.5

Develop regulations and p~~P~~rovide incentives to construct *affordable housing* for farm workers on or near farmlands.

Policy HO 6.6

Consider the merits of programs and regulations pioneered by other communities to discourage the land, energy and natural resource consumptive pattern of large single-family homes. Adopt amendments to City programs and *development regulations* as appropriate.

GOAL HO-7

Promote and facilitate the provision of rental and for-purchase housing that is affordable to *income-qualified* households with a variety of income levels.

Policy HO 7.1

Exempt from City *impact fees* and other administrative development fees housing developments where all units are limited to residents in specified income groups.

Policy HO 7.2

All income-qualified rental housing units created as a result of the policies of this Housing Element shall remain affordable to *income-qualified households* for a period of not less than 50 years from the time of first occupancy and shall be secured by recorded agreement and deed running with the title of the land, binding all the assigns, heirs and successors of the applicant. This policy does not preclude the use of the Multi-Family Property Tax Exemption.

Policy HO 7.3
Prohibit source-of-income discrimination.

GOAL HO-8

Facilitate the siting and development of housing opportunities for *special needs populations*.

Policy HO 8.1

Support the services of community non-profit organizations and local and regional public or private entities in providing shelter for temporarily homeless singles and families with children, adolescents and victims of domestic violence on Bainbridge Island.

Policy HO 8.2

Support the development of programs to meet the housing needs of the developmentally, physically and emotionally disabled within the community.

Policy HO 8.3

Support programs that provide assistance to low-income, elderly and disabled persons to repair, rehabilitate or retrofit homes to be more accessible and safe.

GOAL HO-9

Explore the use of the City's bonding capacity and other resources to support the creation of *affordable housing*.

Policy HO 9.1

The City recognizes the need to provide financing assistance for *affordable housing*. Accordingly, the City will actively pursue public and private funds that may include but are not limited to, real estate excise tax, grants and other available resources.

Policy HO 9.2

The City in partnership with local agencies producing *affordable housing*, may issue a General Obligation Bond to increase the production of housing affordable to *households* at or below 80% of median income for Kitsap County.

Policy HO 9.3

Consider the issuance of Limited Tax General Obligation Bonds (also called councilmanic bonds or non-voted debt) to support the development of housing affordable to *households* at or below 80% of median income for Kitsap County.

Policy HO 9.4

Increase City support of the Housing Trust Fund and explore new sources of funding for the development and preservation of *affordable housing*.

Policy HO 9.5

Consider the options for making City-owned land or air-space available through long-term leases or other mechanisms for the purpose of creating income-qualified housing and support other public entities that wish to use publicly-owned land for this purpose. Take into consideration however, the full range of uses that City-owned properties may serve over the long-term.

HOUSING IMPLEMENTATION

To implement the goals and policies in this Element, the City must take a number of actions, including adopting or amending regulations, creating partnerships and educational programs, and staffing or other budgetary decisions. Listed following each action are several of the plan's goals and policies that support that action.

HIGH PRIORITY ACTIONS

HO Action #1 Set targets for increasing the supply of moderately priced and *affordable housing*, measure progress, and if insufficient progress is being made toward meeting the housing targets, determine what actions are not working and make appropriate adjustments.

GOAL HO-1

Make steady progress toward the following aspirational targets for increasing the diversity of *housing types* and the supply of *affordable housing*.

GOAL HO-2

Beginning in 2019, prepare biennial reports on the status of housing on Bainbridge Island. The report shall describe progress toward achieving the targets set forth in Policies HO 1.1 through HO 1.7.

HO Action #2 Amend the City's development code to facilitate an increase in the diversity of housing types and supply of affordable housing.

Policy HO 3.6

Develop standards to encourage development of small to mid-size single-family housing units. These provisions may include a framework to permit small-unit housing development such as *tiny houses, micro units and cottage housing*.

Policy HO 4.2

Increase the efficiency of the review process and revise ~~*building envelope* and other~~ development standards for the High School Road and Ferry Terminal districts and other portions of the Winslow Area Master Plan to encourage the transformation of these areas from auto-oriented, low-rise, homogeneous commercial land use districts into walkable, transit-served, mid-rise, mixed-use neighborhood with *affordable housing.*

Policy HO 6.3

Maintain an innovative housing program and clarify or adopt new flexible permit processes in all *designated centers* to promote an increase in the supply, diversity, and access to housing, including *affordable housing.*

Policy HO 6.4

Create new *conservation villages* permit processes to apply outside of *designated centers* to increase housing choices, including *affordable housing* and requiring *green building* practices, while better conserving *open space*.

HO Action #3 Partner with other jurisdictions, the development community, and non-profit organizations to increase the diversity of housing types and supply of affordable housing.

Policy HO 3.4

Partner with non-profit housing organizations, churches, the development community, local lending institutions, elected officials and the community at large to assist in meeting *affordable housing goals* and implementing strategies.

Policy HO 4.3

Partner with non-profit or for-profit housing sector to create new *multifamily* housing in *designated centers* including a percentage of *affordable housing*, through the joint or exclusive use of surplus publicly owned property or air space.

Policy HO 4.4

Partner with the for-profit sector to create *affordable housing* through the targeted use of the multifamily property tax exemptions in *designated centers.*

Policy HO 9.5

Consider the options for making City- owned land or air-space available through long-term leases or other mechanisms for the purpose of creating income-qualified housing and support other public entities that wish to use publicly-owned land for this purpose. Take into consideration however, the full range of uses that City-owned properties may serve over the long-term.

MEDIUM PRIORITY ACTIONS

HO Action #4 Focus additional city and other financial resources to help increase the supply of affordable housing.

Policy HO 9.4

Increase City support of the Housing Trust Fund and explore new sources of funding for the development and preservation of *affordable housing.*

Policy HO 7.1

Exempt from City *impact fees* and other administrative development fees housing developments where all units are limited to applicants of specified income groups.

HO Action #5 Look for ways to reduce the cost of multifamily housing, particularly affordable housing.

Policy HO 4.5

Remove barriers to the creation of new *multi-family housing*, particularly *affordable housing* through a variety of actions such as the adoption of regulations that "right-size" parking requirements, reduce certain impact fees, and the encourage the use of parking management programs to enable the more efficient use of parking.

OTHER PRIORITY ACTIONS

HO Action #6 Identify ways to achieve local results with and through regional actions.

Policy HO 3.2

Recognize that the City shares a housing and employment market, as well as a transportation network, with the larger region. Therefore, the City should work with the Kitsap Regional Coordinating Council to develop equitable and effective county-wide planning policies and other strategies to locate, finance and build *affordable housing.*