



CITY OF
BAINBRIDGE ISLAND

DESIGN REVIEW BOARD
SPECIAL MEETING
MONDAY, FEBRUARY 1, 2021
2:00 – 5:00 PM
ZOOM WEBINAR

THE DESIGN REVIEW BOARD WILL HOLD THIS MEETING USING A VIRTUAL, ZOOM WEBINAR, PER GOVERNOR INSLEE'S "STAY HOME, STAY HEALTHY" ORDERS. MEMBERS OF THE PUBLIC WILL BE ABLE TO CALL IN TO THE ZOOM MEETING.

PLEASE CLICK THE LINK BELOW TO JOIN THE WEBINAR:

<https://bainbridgewa.zoom.us/j/99748603975>

OR IPHONE ONE-TAP:

US: +12532158782,,99748603975# or +16699009128,,99748603975#

OR TELEPHONE:

Dial(for higher quality, dial a number based on your current location):

US: +1 253 215 8782 or +1 669 900 9128 or +1 346 248 7799 or +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799

Webinar ID: 997 4860 3975

INTERNATIONAL NUMBERS AVAILABLE: <https://bainbridgewa.zoom.us/u/aoU1vesyY>

AGENDA

- | | |
|---------|---|
| 2:00 PM | Call to Order (Attendance, Agenda, Ethics) |
| 2:05 PM | Approval of Minutes-January 19, 2021 |
| 2:10 PM | Wintergreen Townhome Subdivision (PLN51836 DRB-DB)
Project Manager: Kelly Tayara
#2 Design Guidance Review Meeting – 2 nd meeting
<i>See digital file for materials</i> |
| 4:10 PM | New/Old Business <ul style="list-style-type: none">• Board Member Issues/Concerns• General Project Update-David Greetham• Revisions to review process update-David Greetham |
| 4:30 PM | Adjourn |

For special accommodations, please contact Planning & Community Development
206-780-3750 or at pcd@bainbridgewa.gov

Our work in the community

Rental Housing:

- **53** owned and managed
- **48** tax credit units at Island Terrace
- **2** rental assistance programs
- **Maintenance & Facilities Management**

Housing Programs:

- **Independent Living**
 - 15 projects per year (avg. \$2380/project)
- **Resources and Referrals**
 - Over 300 requests for assistance per year

Home Ownership:

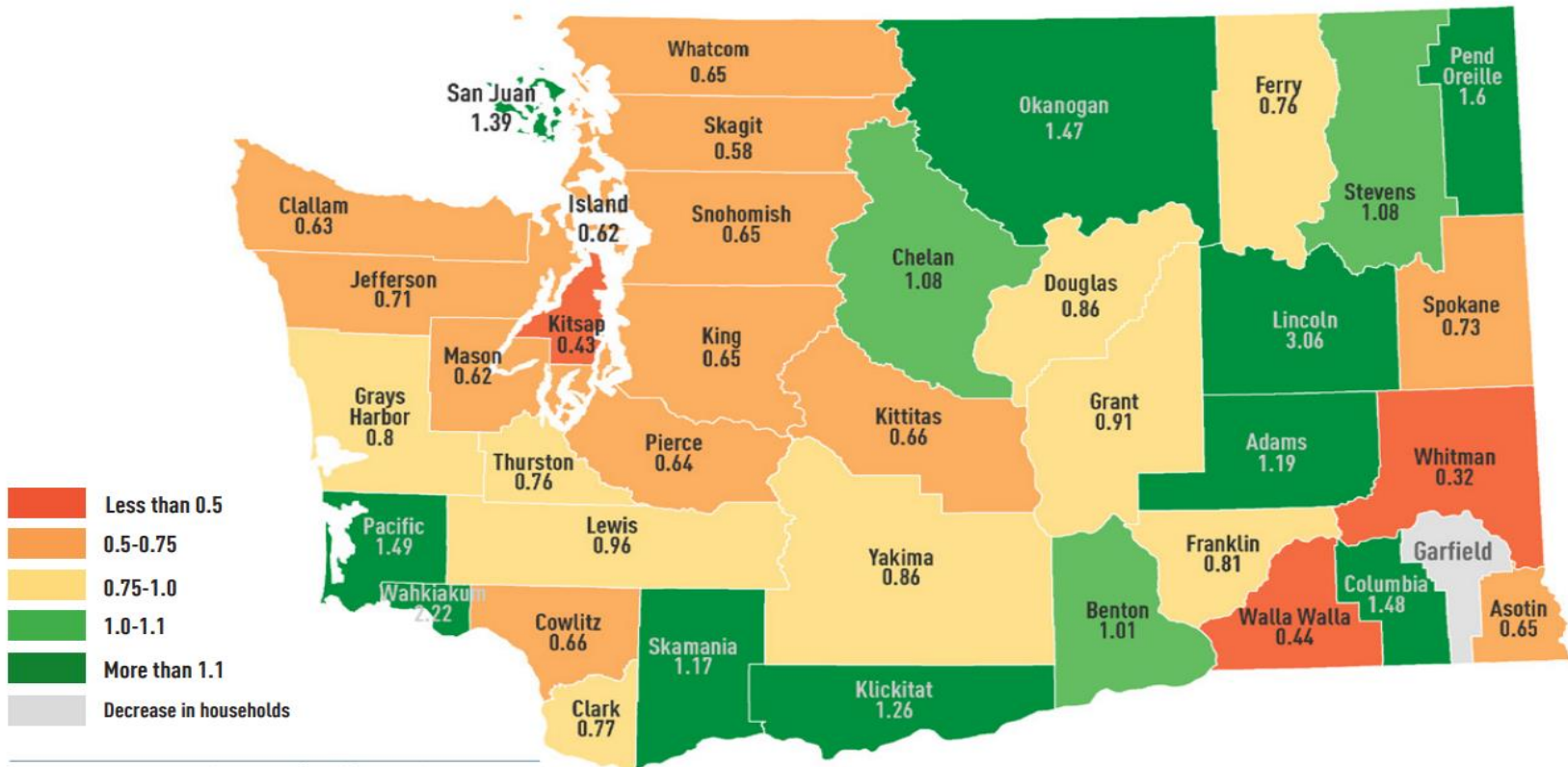
- **42** homes to steward in CLT
- **Assistance to homebuyers**
 - Pre-purchase assistance
 - Sales assistance
- **HOA Support**

Bainbridge Island affordable rentals, at a glance

	Total Units	Units with Subsidy
Island Terrace	48	19
Lynwood Common	4	0
Rhododendron	50	48
HRB Properties	40	0
Finch Place	29	20
Virginia Villa	40	20
Winslow Arms	60	60
TOTAL	271	167

Housing construction is not keeping pace with growth

Kitsap County is falling significantly behind the rest of the State in the construction of new housing units as the population continues to grow and new households are created. **For each new household in Kitsap County only 0.43 units of housing is built – among the lowest in the entire State.**



Source: *Housing Underproduction in Washington State*. Up for Growth (2020).

Other factors are also contributing to the housing crisis

- **Housing policy** (both federal and state) continues to preference home ownership over rental living
- The construction of affordable housing suffers from **“NIMBYism” nationwide**
- **Policy barriers** at the local or municipal level create additional obstacles (e.g., restrictive zoning, parking requirements, and height limit restrictions)
- **A generational shift** in home buying interest and abilities has shifted buying and selling patterns
- The **cost of labor and materials** continues to rise – raw materials are up 20.2% since 2008
- **Real wages** have not kept up with housing costs

Rentals in Kitsap are out of reach for many families

Real wages in Kitsap County – and across the State – have not kept up with the rising cost of living in the Puget Sound Region.

Minimum Wage: **\$13.69**

2 bed FMR: **\$1,296**

Jobs needed: **1.8**

Kitsap County Housing Wage **\$24.92**

Average Rent on Bainbridge Island (2021): **\$2,226**

Average Rent on Bainbridge Island (2020): **\$2,136**

0% of units rent for \$1500 or less

Homeownership on Bainbridge Island and beyond . . .

Ferncliff Village is the only affordable homeownership development remaining on **Bainbridge Island**. All other previous projects that were initially affordable have since sold out of affordability.

Ferncliff Village Facts

- **42** homes to steward in CLT
- **33** households on the wait list
- **Housing Kitsap Wait List**
 - **126** households (prequalified)
 - **1400+** households (working on eligibility)



Ferncliff Village is a model for permanent affordability

Community land trust homes are affordable *in perpetuity*, and the benefits of affordability continue to accrue to the community and new owners long after the original homeowner has sold their home.

	Original Sale Date	Resale Date	Original Price	Resale Price	Market Appraisal	Owner Return
Resale #1	May 2012	Mar 2017	\$222,000	\$236,549	\$457,000	7.5%
Resale #2	July 2012	Mar 2017	\$154,000	\$163,636	\$412,000	6.25%
Resale #3	Dec 2016	Nov 2019	\$206,000	\$215,735	\$515,000	4.7%



However, CLT homeownership has many layers

Community land trust homes (for example those proposed at Wintergreen) require various sources of funding to create long-term affordability for buyers. In addition, external funders often have varying degrees of scrutiny over prospective homebuyers finances and different requirements that must be reconciled prior to purchase.

Sources of Funding

- **Private funding:** HRB funding or dollars from a private third-party. Often fewer restrictions and more leniency when reviewing applications.
- **Self-Help Homeownership Opportunity Program (SHOP):** Awards grant funds to eligible nonprofit organizations to purchase home sites and develop or improve the infrastructure needed to set the state for sweat equity and volunteer homeownership programs. Limited dollars are available each year for HRB to award.
- **USDA Home Loans and Down Payment Assistance:** Awarded by USDA Rural Development. Down payment assistance dollars are limited and primary mortgage amounts are capped based on applicants' income.

Household Annual Income: \$35,000



Representative profession/position: paraeducator, grocery store clerk

- Private contributions and SHOP funds reduce sale price to buyer to **\$249,500**
- Scenario assumes DPA and mortgage qualification at reduced cost
- At this income level, **the house remains unaffordable without additional private or philanthropic subsidies** (total housing costs exceed 35% of monthly income)
- Affordable price (w/conv. Mortgage) -\$145K
- USDA Home Loans are capped at \$212,000 for buyers at this income level
- Down Payment Assistance is not guaranteed

Market Sale Price: \$349,500

CHI Contribution (\$30,000)

Reduced Sale Price: \$319,500

SHOP Program Funds (\$15,000) *limited

Reduced Sale Price: \$304,500

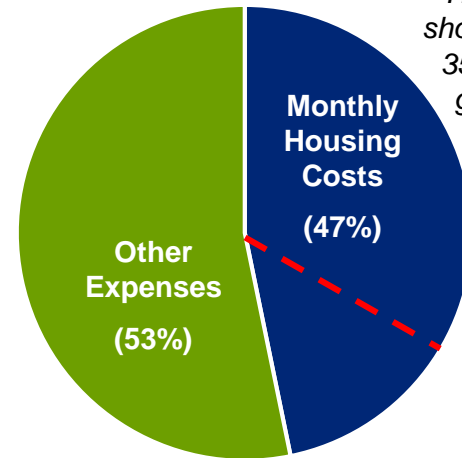
HRB Scattered Site Funds (\$10,000)

Reduced Sale Price: \$294,500

Down Payment Assistance (\$58,900) *limited

Primary Mortgage (\$235,600)

Remaining Cost to Buyer

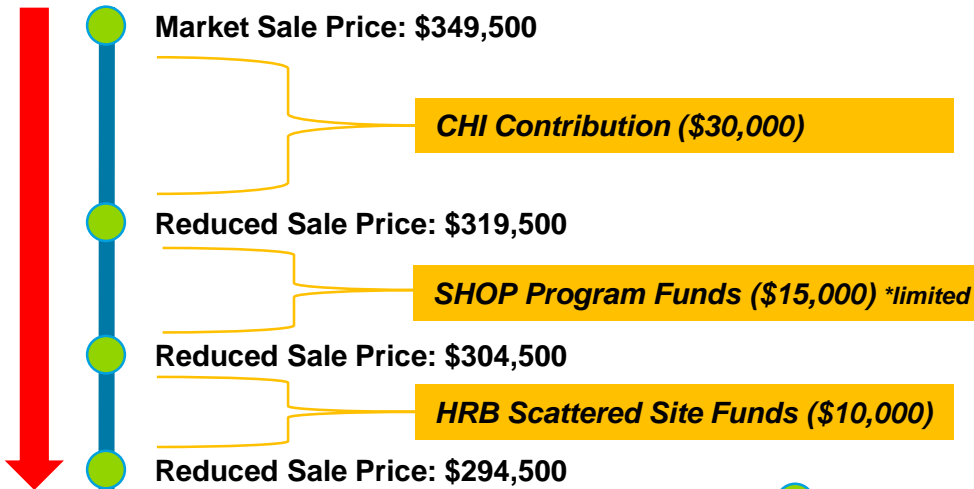


Housing Costs should not exceed 35% of monthly gross income

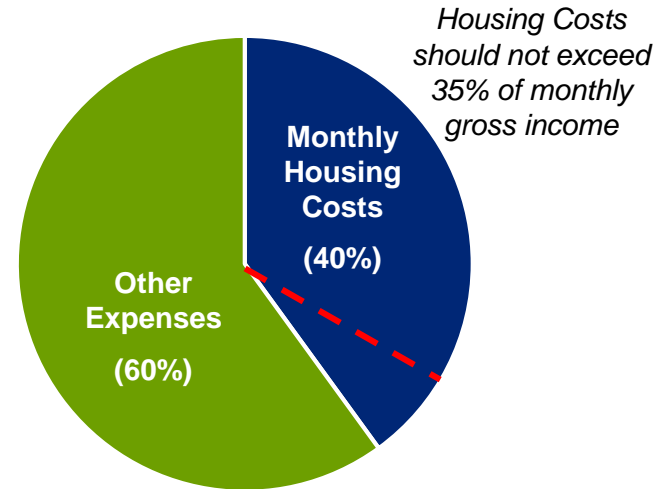
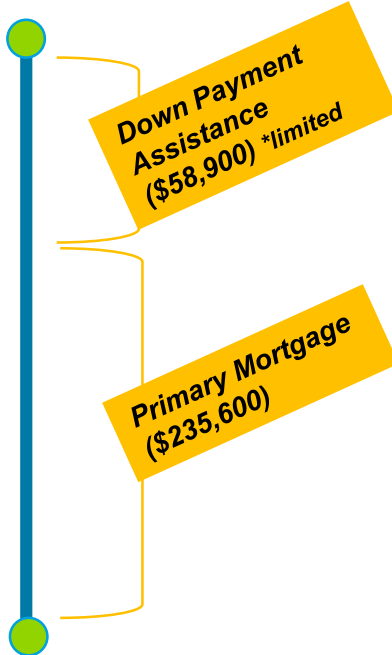
Household Annual Income: \$40,000



Representative profession/position: medical assistant, line cook, office mgr



- Private contributions and SHOP funds reduce sale price to buyer to **\$294,500**
- Scenario assumes DPA and mortgage qualification at reduced cost
- At this income level, **the house remains unaffordable without additional private or philanthropic subsidies** (total housing costs exceed 35% of monthly income)
- Affordable price (w/conv. Mortgage) -\$185K
- USDA Home Loans are capped at \$260,000 for buyers at this income level. Buyer could afford with USDA Loan
- Down Payment Assistance is not guaranteed



Household Annual Income: \$47,000



Representative profession/position: office staff, receptionist

Market Sale Price: \$349,500

CHI Contribution (\$30,000)

Reduced Sale Price: \$319,500

SHOP Program Funds (\$15,000) *limited

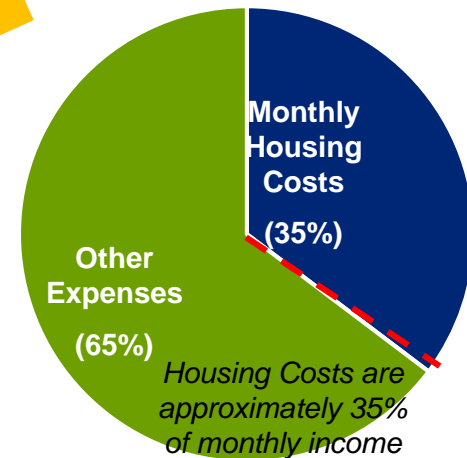
Reduced Sale Price: \$304,500

Remaining Cost to Buyer

Down Payment Assistance (if using conventional loan) (\$58,900) *limited

Primary Mortgage (\$304,500)

- Private contributions and SHOP funds reduce sale price to buyer to **\$304,500**
- Scenario assumes mortgage qualification at reduced cost
- At this income level, **the house is affordable** (total housing costs are approximately 35% of monthly income)
- Affordable price (w/conv. Mortgage) -\$245K
- USDA Home Loans are capped at \$336,000 for buyers at this income level, which covers the reduced sale price (including SHOP and CHI funds) without down payment assistance



Household Annual Income: \$55,000



Representative profession/position: architectural apprentice/designer, custodian

Market Sale Price: \$349,500

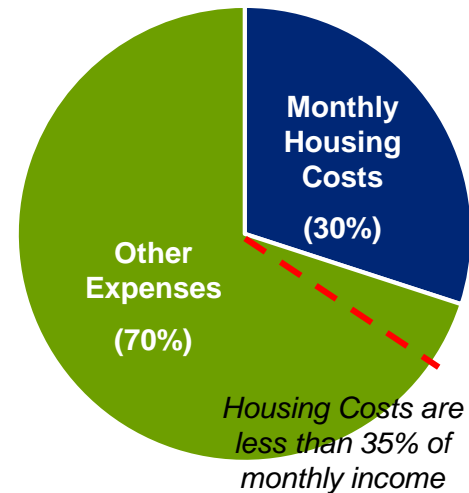
CHI Contribution (\$30,000)

Reduced Sale Price: \$319,500

Remaining Cost to Buyer

Primary Mortgage (\$319,500)

- Private contribution from CHI reduces sale price to buyer to **\$319,500**
- Scenario assumes mortgage qualification at reduced cost
- At this income level, **the house is affordable w/ USDA** (total housing costs are less than 35% of monthly income)
- Affordable price (w/conv. Mortgage) - \$289K
- USDA Home Loans are capped at \$336,000 for buyers at this income level, which covers the reduced sale price (including SHOP and CHI funds) without down payment assistance



Healthy housing is critical to well-being

Research shows that affordable, healthy homes are positively correlated to physical and psychological well-being.



- **Poor housing quality is the most consistent and strongest predictor of emotional and behavioral problems in children and youth.**



- **Households that spend less on housing are less likely to experience residential instability, which is associated with reduced mental and physical health outcomes.**



- **Residential exposures are major contributing factors to serious illness.**

Questions?