CITY OF
BAINBRIDGE ISLAND

Housing Needs Assessment

City of Bainbridge Island

Housing Needs Assessment

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Introduction

The purpose of this Housing Needs Assessment is to present the City of Bainbridge Island's current housing goals and policies, along with the City's current housing supply inventory and demographics, and provide some analysis based on these statistics to determine the current and future housing needs on the Island. Development of the Housing Needs Assessment also fulfills Goal 8 of the Housing Element of the City's Comprehensive Plan, which speaks to the importance of staying abreast of the status of housing, in order to assess the effectiveness of the City's housing policies.

The City is currently engaged in the state-mandated update of its Comprehensive Plan, which is scheduled for completion in 2016. The housing data included in this Housing Needs Assessment will inform the review of and revisions to the current Housing Element contained in the Comprehensive Plan.

The previous Housing Needs Assessment was prepared for the City by Karen Monson of Space-Solutions pllc in September of 2003, in anticipation of the 2004 Comprehensive Plan update. The report provided a baseline for the state of housing on Bainbridge Island and what the City should be aware of as it prepared for future population growth. It specifically discussed the growth strategy in the Comprehensive Plan and Winslow Master Plan of accommodating 50% of projected growth in the downtown Winslow area. The report noted that while the Comprehensive Plan establishes this goal, as of 2003 only one-third of new growth had been directed to this area.

This Housing Needs Assessment picks up the question of housing needs on Bainbridge Island where the last report left off. The structure of this assessment is slightly different from the previous report as direction was taken from the Puget Sound Regional Council's recommendations for how a City should approach the assessment.

Goals and Requirements

<u>Growth Management Act</u>

Revised Code of Washington (RCW)

The Growth Management Act requires that all cities' Comprehensive Plans "include a plan, scheme, or design for" a Housing Element.[1] The purpose of the Housing Element is to ensure the "vitality and character of established residential neighborhoods." Jurisdictions will accomplish this by:

a) Including an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;

[1] RCW 36.70a.070 – Comprehensive plans – Mandatory elements. http://app.leg.wa.gov/rcw/default.aspx?cite=36.70a&full=true#36.70A.070; 23 OCT 2014

b) including a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences;
c) identifying sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and
d) making adequate provisions for existing and projected needs of all economic segments of the community.

The following GMA planning goal guides the development of the City's Housing Element and associated regulations.

- Housing: Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.[2]

Washington Administrative Code (WAC)

Furthermore, the WAC recommends the following to meet the requirements of a Housing Element.[3]

The Housing Element shows how a county or city will accommodate anticipated growth, provide a variety of housing types at a variety of densities, provide opportunities for affordable housing for all economic segments of the community, and ensure the vitality of established residential neighborhoods. The following components should appear in the Housing Element:

1) Housing goals and policies.
2) Housing inventory
3) Housing needs analysis
4) Housing targets or capacity
5) Affordable housing – RCW 36.70A.070 requires counties and cities, in their Housing Element, to make adequate provisions for existing and projected needs for all economic segments of the community.
6) Implementation plan

A detailed list of descriptions and definitions related to the components are included in the appendix.

[2] RCW 36.70a.020 – Planning Goals – http://app.leg.wa.gov/rcw/default.aspx?cite=36.70a.020; 23 OCT 2014
[3] WAC 365-196-410 – Housing Element – http://app.leg.wa.gov/wac/default.aspx?cite=365-196-410; 23 OCT 2014

Kitsap County

Kitsap Regional Coordinating Council – Countywide Planning Policies for Kitsap[4]

As required by the Growth Management Act, Kitsap County adopted County-Wide Planning Policies (CPPs) in 1992 that are intended to establish a countywide framework from which the County and cities' comprehensive plans are developed and adopted. The Kitsap Regional Coordinating Council is required to periodically update the Planning Policies through a multi-jurisdictional collaboration that includes Kitsap County, the Cities of Bremerton, Bainbridge Island, Port Orchard and Poulsbo, the Suquamish and Port Gamble S'kallam Tribes, the Navy, and other agencies. The last update was completed in 2013

Element I. *Housing* of the CPPs provide housing policy guidance on:

- **Jobs-Housing Balance**
- **Best Practices in Housing**
- **Affordable Housing**

as well as specific housing policies that describe a coordinated County-wide effort to address housing needs. (See excerpt below.)

1. Coordinated process among County, Cities, and housing agencies for determining and fulfilling housing needs, and the equitable distribution of affordable housing at all income levels in Kitsap County:

   d. The County and the Cities should each identify specific policies and implementation strategies in their Comprehensive Plans and should enact implementing regulations to provide a mix of housing types and costs to achieve identified goals for housing at all income levels, including easy access to employment centers.

   e. The County and the Cities shall incorporate a regular review of public health, safety, and development regulations pertaining to housing implementation strategies to assure that:

      i. protection of the public health and safety remains the primary purpose for housing standards.

      ii. regulations are streamlined and flexible to minimize additional costs to housing.

2. Recognizing that the market place makes adequate provision for those in the upper economic brackets, each jurisdiction should develop some combination of appropriately zoned land, regulatory incentives, financial subsidies, and/or innovative planning techniques to make adequate provisions for the needs of middle and lower income persons.

3. Recognizing the percentage share of the existing and forecasted countywide population and

[4] Kitsap County Ordinance 509-2013 - Adopted Kitsap Countywide Planning Policies; 25 NOV 2013; http://www.kitsapregionalcouncil.org/library/D%20-%20Countywide%20Policies/CPP%20As%20Adopted%2011%2025%2013.pdf; 23 OCT 2014

housing stock, as well as the distribution of existing housing for those households below 120% countywide median income, the County and the Cities should develop coordinated strategies to disperse projected housing for those below 120% countywide median income throughout Kitsap County, where they are specifically found to be appropriate, in consideration of existing development patterns and densities. These strategies should promote the development of such housing in a dispersed pattern so as not to concentrate or geographically isolate low-income housing in a specific area or community.

4. Provision of affordable housing for households below 120% countywide median income should include:

    a. Housing options located throughout Kitsap County in Urban Growth Areas and Rural Communities, as defined in Element D (2-a),in a manner to provide easy access to transportation, employment, and other services.

        i. Designated Centers should include such housing options.

        ii. Rural self- help housing programs should be encouraged first in UGA's and Rural Communities and then allowed in other appropriate areas as defined by the U.S. Department of Agriculture.

    b. Local comprehensive plan policies and development regulations that encourage and do not exclude such housing.

    c. Housing strategies that include:

        i. preservation, rehabilitation and redevelopment of existing neighborhoods as appropriate, including programs to rehabilitate and/or energy retro-fit substandard housing;

        ii. provision for a range of housing types such as multi-family, single family, accessory dwelling units, cooperative housing, and manufactured housing on individual lots and in manufactured housing parks;

        iii. housing design and siting compatible with surrounding neighborhoods;

        iv. mechanisms to help people purchase their own housing, such as low interest loan programs, "self-help" housing, and consumer education.

        v. innovative regulatory strategies that provide incentives for the development of such housing, such as: reducing housing cost by subsidizing utility hook-up fees and rates, impact fees, and permit processing fees; density incentives; smaller lot sizes; zero lot line designs; inclusionary zoning techniques, such as requiring housing for specified income levels in new residential developments; transfers of development rights and/or a priority permit review and approval process and/or other provisions as appropriate.

d. Housing policies and programs that address the provision of diverse housing opportunities to accommodate the homeless, the elderly, physically or mentally challenged, and other segments of the population that have special needs.

e. Participation with housing authorities to facilitate the production of such housing. The County and the Cities shall also recognize and support other public and private not-for-profit housing agencies. Supporting housing agencies is encouraged through public land donations, guarantees, suitable design standards, tax incentives, fee waivers, providing access to funding sources and support for funding applications, or other provisions as appropriate.

5. The County and the Cities shall collaborate with PSRC to evaluate availability of appropriate housing types to serve future residents and changing demographics.

<u>City of Bainbridge Island</u>

Comprehensive Plan

The City adopted its original Comprehensive Plan in 1994. As required by the GMA, a comprehensive review and update of the Plan was conducted in 2004. In addition, the Plan has also been amended several times in the last twenty years as part of the City's regularly scheduled limited amendment process. The City is currently engaged in another GMA-mandated review and update of its Comprehensive Plan, which is scheduled for completion in 2016.

The current Housing Element incorporates the GMA definition of "affordable housing" and includes goals and policies to:

- Promote and maintain a variety of housing choices to meet the needs of island residents at all economic segments;
- Maintain the stock of existing affordable and rent-assisted housing;
- Increase the supply of affordable multi-family housing;
- Promote and facilitate the provision of diverse affordable housing stock in all geographic areas of the community;
- Promote and facilitate the provision of rental and for-purchase housing that is affordable to households with a variety of income levels;
- Facilitate the siting and development of housing opportunities for special needs populations;
- Utilize the City's bonding capacity to support the creation of affordable housing; and
- Provide a periodic update on the status of housing and the implementation of the Housing Element.

Housing Supply Inventory

The Housing Element should begin with an inventory of the existing housing resources in a community. This information will create a baseline for understanding the current condition of housing on Bainbridge Island and inform how decision makers and the community could proceed with the update of the Housing Element, policies, and programs.

Total Housing Units and Growth

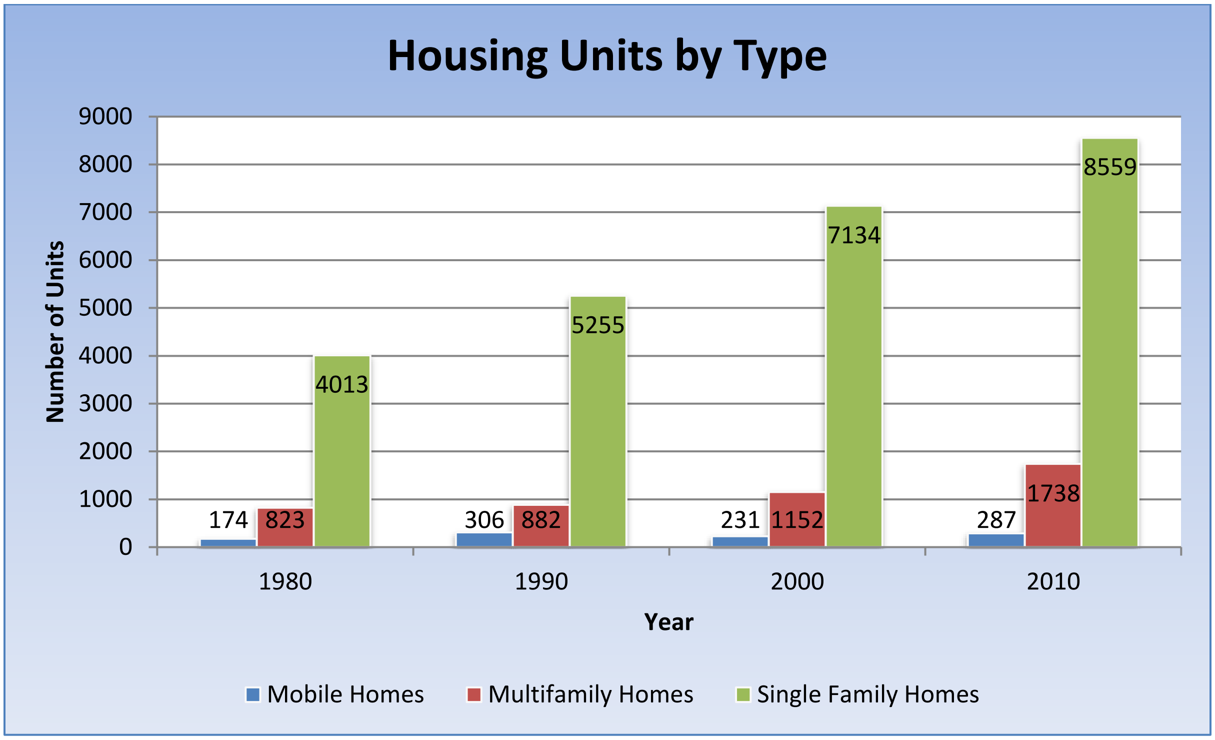
As of 2010 the total housing units on Bainbridge Island reached 10,584, which met the growth requirements set by the Office of Financial Management in the last Comprehensive Plan update. The largest gain in housing unit type in the last thirty years was single-family homes, which saw an overall increase of 113.3%. Multifamily housing kept pace with single-family housing at a total of 111.2%. Mobile homes did increase by 24% between 2000 and 2010, which compensated for the loss of 75 units during the previous decade. (Please see Table 1) Even though every type of housing unit had increases during the last decade, single-family housing makes up 81% of all housing units on Bainbridge Island, far surpassing the number of multifamily and mobile home units. (Please see Chart A)

Table 1 – Housing Units by Type

	Single Family Homes	Percent	Multifamily Homes	Percent	Mobile Homes	Percent	Total
1980	4013	80.1%	823	16.4%	174	3.5%	5010
1990	5255	81.6%	882	13.7%	306	4.7%	6443
Change 1980 - 1990	1242		59		132		1433
Percent Change	30.9%		7.2%		75.9%		28.6%
2000	7134	83.8%	1152	13.5%	231	2.7%	8517
Change 1990 - 2000	1879		270		-75		2074
Percent Change	35.8%		30.6%		-24.5%		32.2%
2010	8559	80.9%	1738	16.4%	287	2.7%	10584
Change 2000 - 2010	1425		586		56		2067
Percent Change	20.0%		50.9%		24.2%		24.3%
Change 1980 - 2010	4546		915		113		5574
Percent Change	113.3%		111.2%		64.9%		111.3%

Source: Decennial United State Census (1980 – 2010)

Chart A – Total Housing Units by Type



Source: Decennial United State Census (1980 – 2010)

New and Demolished Housing Units by Structural Type

Table 2 shows the detailed summaries of new and demolished residential building permits by type on Bainbridge Island from 2002 to 2012. Except for 2005, which saw a net increase of 409 multifamily permits, the number of single-family permits was significantly higher every year. It is also important to note that the Puget Sound Regional Council includes accessory dwellings in their multifamily one and two unit counts. This inflates the number of net multifamily permitted units, which means the difference is even greater between single-family and multifamily permits.

Table 2 – Residential Building Permit Summaries from 2002 – 2012

Year	New Units Total New units permitted	Lost Units Total units lost through demolition	Net Units Lost units subtracted from new units	SF Net Single-Family units	MF Total Net Multifamily units, in any structure	MF1-2 Net Accessory Dwelling & Duplex Units	MF3-4 Net 3- and 4-family units	MF5-9 Net units in 5- to 9-family structure	MF10-19 Net units in 10- to 19-family structure	MF20-49 Net units in 20- to 49-family structure	MF50+ Net units in a 50+ family structure	MH Net Mobile & Modular home units
2012	65	-24	41	32	12	2	0	0	10	0	0	-3
2011	59	-25	34	32	5	5	0	0	0	0	0	-3
2010	34	-10	24	21	5	5	0	0	0	0	0	-2
2009	42	-24	18	14	4	4	0	0	0	0	0	0
2008	70	-18	52	33	23	8	15	0	0	0	0	-4
2007	100	-17	83	67	16	16	0	0	0	0	0	0
2006	120	-15	105	94	9	6	3	0	0	0	0	2
2005	611	-14	597	187	409	2	4	20	23	360	0	1
2004	216	-1	215	127	87	16	3	8	0	0	60	1
2003	223	-5	218	152	63	46	17	0	0	0	0	3
2002	196	-4	192	129	59	13	8	22	16	0	0	4

Source: PSRC Residential Building Permit Summaries (2002 – 2012)

Housing Tenure

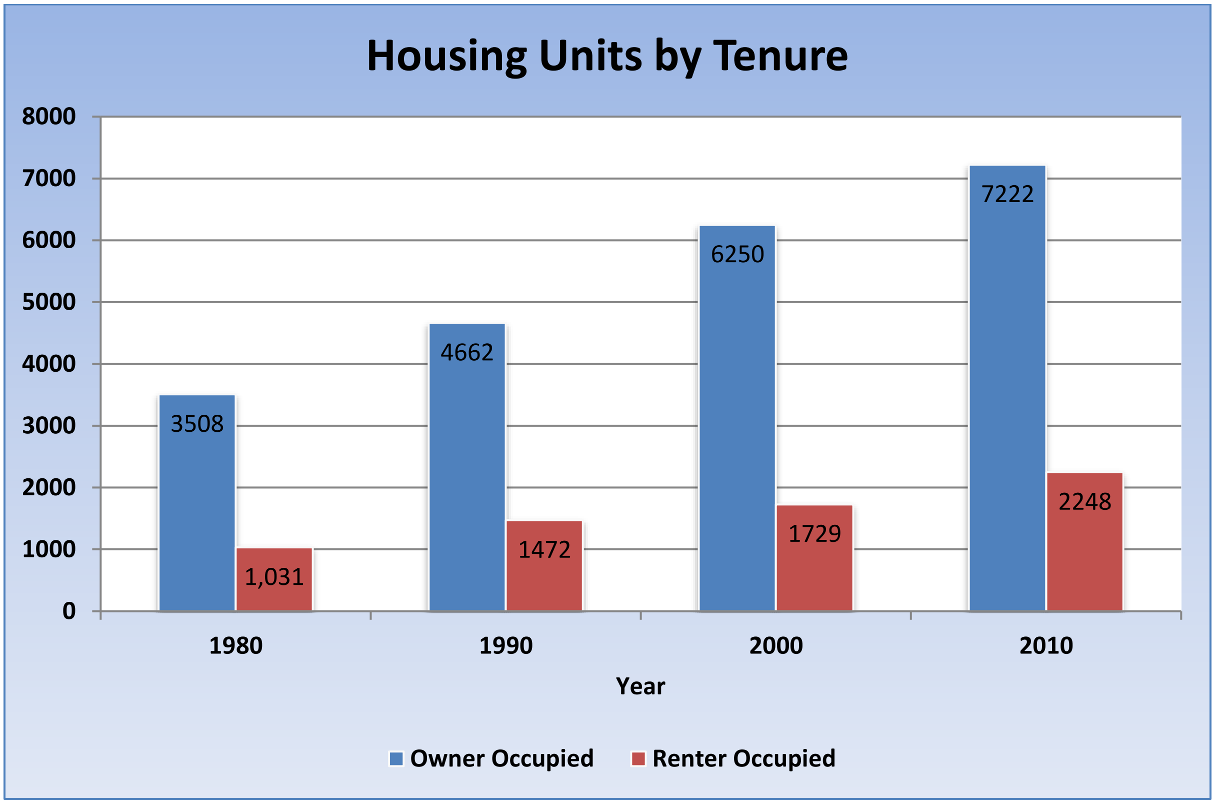
Table 3 tracks the changes in owner and renter-occupied housing units between 1980 and 2010. The ratio of owner-occupied to renter-occupied housing units has remained fairly consistent from 1980 to 2010, with owner-occupied units accounting for just over three-quarters of all housing units in each of these census decades. Owner-occupied units increased slightly from 1990 to 2000, but in 2010, decreased back to the same level as 1990. Chart B provides a graphic comparison of the number of renter-occupied to owner-occupied units for each census decennial from 1980 to 2010.

Table 3 – Housing Units by Tenure

	Owner Occupied Unit	Percent	Renter Occupied Unit	Percent	Total Occupied Housing Units	Change in total units	Percent Change
1980	3508	77.3%	1,031	22.7%	4539		
1990	4662	76.0%	1472	24%	6134	1595	35.1%
2000	6250	78.3%	1729	21.7%	7979	1845	30.1%
Change 1990 - 2000	1588		257		1845	250	
Percent change	34.1%		17.5%		30.1%		
2010	7222	76.3%	2248	23.7%	9470	1491	18.7%
Change 2000 - 2010	972		519		1491	-354	
Percent change	15.6%		30.0%		18.7%	-19.2%	
Change 1990 - 2010	2560		776		3336	-104	
Percent change	54.9%		52.7%		54.4%	-6.5%	

Source: Decennial United State Census (1980 – 2010)

Chart B – Housing Units by Tenure



Source: Decennial United State Census (1980 – 2010)

Housing Cost: Multifamily Rentals

Multifamily rentals are defined by the U.S. Department of Housing and Urban Development as a building or project with five or more units. On October 27, 2014 and October 28, 2014, City staff conducted a phone survey. All multifamily rental units were polled for their number of units, types of units, and rental costs. Rentals in a duplex, triplex, four-plex, and condominiums were not included in the survey. However, the rental townhomes of Camelia on Bainbridge are included because they are part of a project that is managed by one owner. Based on the survey information, each of the following multifamily rental apartment tables were divided into Market Rate Units (Table 4), Market Rate Senior Units (Table 5), and Rent Assisted Units (Table 6).

Table 4 – Market Rate Multifamily Rental Units

	Total Units	Type	Studio	Rent per Month	One BR	Rent per month	Two BR	Rent per month	Three BR	Rent per month	Number Vacant	Vacancy Rate
Eagle's Nest Apts	40	*I&F			25	$850	15	$950			2	1%
Island Homestead Apts	75	*I&F					75	$1,300 - $1,550			0	0%
Lynwood Commons LLC	30	*I&F	8	$825	10	$950	12	$1300 - $1450			0	0%
Quay Bainbridge	72	*I&F			38	$ 895	25	$ 1,000	9	$1,200	0	0%
Camelia on Bainbridge	71	*I&F	4	$1175 - $1190	13	$1,105 - $1,290	36	$1,310 - $1,450	18	$1625 - 1675	0	0%
The Residences at Pleasant Beach	12	*I&F			4	$1730 - $2250	3	$3050 - $3200	5	$2570 - $3550	0	0%
The Cooper - Grow Community	20	*I&F			4	$975	16	$1800 - $1975			0	0%

*I&F – Individuals and Families
Source: Phone Survey Conducted 10/27/2014 – 10/28/2014

Assisted Living Units were by far the most expensive multifamily rentals on Bainbridge Island. Table 5 shows that an independent senior living two bedroom apartment is around the median price for two bedroom apartments. An assisted living two bedroom apartment is three times the price in rent. However, assisted living rental prices cannot be directly compared to the market-rate multifamily rental prices as they provide meals and 24-hour staff with a range of services to the residents. The assisted living apartments were not included in the multifamily summaries other than the following table.

Table 5 - Market Rate Independent Senior and Assisted Living Rental Units

	Total Units	Type	One BR	Rent per month	Two BR	Rent per month	Three BR	Rent per month	Number Vacant	Vacancy Rate
Winslow Manor Apts	39	Independent Senior (adult living - no children)			39	$1325 - $1475			3	1%
Madison Ave Retirement Center	53	Assisted Living	50	$2500 - $4100	3	$3950 - $5800			3	5%
Wyatt House	42	Assisted Living	39	$2900 - $4200	3	$4500 - $5000			4	9%
Madrona House	81	Assisted Living	79	$4000- $4500	2	$5,000			28	36%

Source: Phone Survey Conducted 10/27/2014 – 10/28/2014

Bainbridge Island contains some rent assisted multifamily units. These units are managed by two private rental management companies, an independent non-profit called the Housing Resources Bainbridge (HRB), and a public housing authority called Housing Kitsap. Since the 1980s, both HRB and Housing Kitsap have made it their mission to provide and facilitate affordable housing on Bainbridge Island and Kitsap County respectively.

Table 6 – Rent Assisted Multifamily Units

	Owner	Total Units	Type	Studios	Rent per Month	One BR	Rent per month	Two BR	Rent per month	Three BR	Rent per month	Vacant
Island Home	HRB	10	*I&F					4	$951	6	$1,244	0
Village Home	HRB	11	*I&F			11	$725					0
Western View Terrace	HRB	8	*I&F					8	$851			0
Janet West	HRB	9	*I&F			8	$832	1	$832			0
Island Terrace	Winslow Terrace LLC	48	*I&F			12	$697	36	$818			0
Lynnwood Commons	Lynnwood Commons LLC	4	*I&F	1	$500	3	two for $500 and one for $700					0
Rhododendron	Housing Kitsap	50	*I&F			38	$745	12	$820			0
550 Madison	Housing Kitsap	14	*I&F			11	$631	3	$820			0
Finch Place Apt	Housing Kitsap	29	Senior/ Disabled			29	$630					0
Virginia Villa	Blue Heron Park Apts LP	40	Senior/ Disabled			36	$635	4	$885			0
Winslow Arms	Winslow Arms Associates LLP	60	Senior/ Disabled	1	30% of income	12	30% of income	47	30% of income			0

*I&F – Individuals and Families

Source: Housing Resources Broad provided Rent Assisted data Oct 29, 2014

Currently, Bainbridge Island has a total number of multifamily rental inventory of 642 units. There are eight market-rate, multifamily rental projects with 359 units, comprising 56% of the multifamily apartment inventory. Since 2003, the number of projects has been reduced by four, due to condominium conversions and a demolition, but the amount of units has increased by 42 from new builds. The Park View Apartments, Sea Breeze Apartments, and Victoria Lane were all converted into condominiums. The eleven rent-assisted projects add 283 units, comprising 44% of the multifamily rental inventory. Both the number of rent assisted projects and the number of units have increased since 2003 by three and 26 respectively. The breakdown of rental units and their monthly average rent for each unit type is shown in the following table. One and two-bedroom units make up 92% of the market. Studios and three-bedroom apartment units continue to be in very short supply. A summary of multifamily units and average rentals are included in Table 7.

Table 7 – Summary of Multifamily Units & Average Rents

Multifamily Projects	Total Units	Percent of Total Units	Studio	Average Monthly Rent	One BR	Average Monthly Rent	Two BR	Average Monthly Rent	Three BR	Average Monthly Rent
Market Rate Units	320	50%	12	$ 944	94	$ 980	182	$ 1,380	32	$ 1,744
Senior Market Rate Units (Non-assisted Living)	39	6%	0	$ -	0	$ -	39	$ 1,400	0	$ -
Total Market Rate Units	359	56%	12		94		221		32	
Rent Assisted Units	154	24%	1	$ 500	83	$ 722	64	$ 831	6	$ 1,244
Senior Rent Assisted Units*	129	20%	1	*	77	$ 633	51	$ 885	0	$ -
Total Rent Assisted Units	283	44%	2		160		115		6	
Total all units	642	100%	14		254		336		38	
Percent of total units	100%		2.18%		39.6%		52.3%		5.92%	

* Winslow Arms was excluded from the Average Monthly Rent calculation as their rent is based on 30% of tenants' income. They are still included in the Total Rent Assisted and Total Units.

Table 8 shows significant increases in the average market rate rental prices over the last ten years. The vast majority of apartments, being one and two bedroom, show an average increase in rent of around $270.00 for a one bedroom and $473.00 for a two bedroom. Rent-assisted units also show significant increases over the last ten years, but all units showed a smaller percentage increase than market rate. In addition, a qualified individual or family can rent a two bedroom rent-assisted apartment for $150.00 less per month than a market rate one bedroom apartment.

Table 8 – Summary of Multifamily Rents 2002 and 2014

	Unit Type	FY 2002	FY 2014	Change 2002 - 2014	Percent change
Market Rate	Studios	$ 850	$ 944	$ 94	11.1%
	1 BR	$ 713	$ 981	$ 268	37.6%
	2 BR	$ 911	$ 1,384	$ 473	51.9%
	3 BR	$ 1,042	$ 1,744	$ 702	67.4%
Rent Assisted	Studios	$ 528	*	*	*
	1 BR	$ 563	$ 685	$ 122	21.7%
	2 BR	$ 575	$ 834	$ 259	45.1%
	3 BR	$ 916	$ 1,244	$ 328	35.8%

Source: 2003 City of Bainbridge Island Housing Needs Assessment and Phone Survey Conducted 10/27/2014 – 10/28/2014

The net gain in multifamily rental apartments was relatively low. Based on the survey results, the net gain was 68 units, bringing the total to 642. This was due to a combination of new construction, demolition, and some apartments being converted into condominiums. Over the last ten years, there was a 12% increase in rental apartment units on Bainbridge Island. However, rental apartments (market rate and rent assisted) make up less than 7% of the total housing units. Additionally, rent assisted apartments make up 3% of the total housing units in the City. These numbers show that the vast majority of new construction of multifamily housing units was condominiums in the last ten years.

According to previous survey data and the most recent survey conducted on October 27 and 28, 2014, the vacancy rate in established projects was 1% or less. Property managers consistently attested to the low vacancy rates and high demand they have for apartments. These vacancy rates are well below 5%, the percentage generally assumed to indicate a healthy rental market with a balance in supply and demand. This means that the demand for apartments has continually exceeded the supply on Bainbridge Island.

Housing Cost: Single-Family Residences

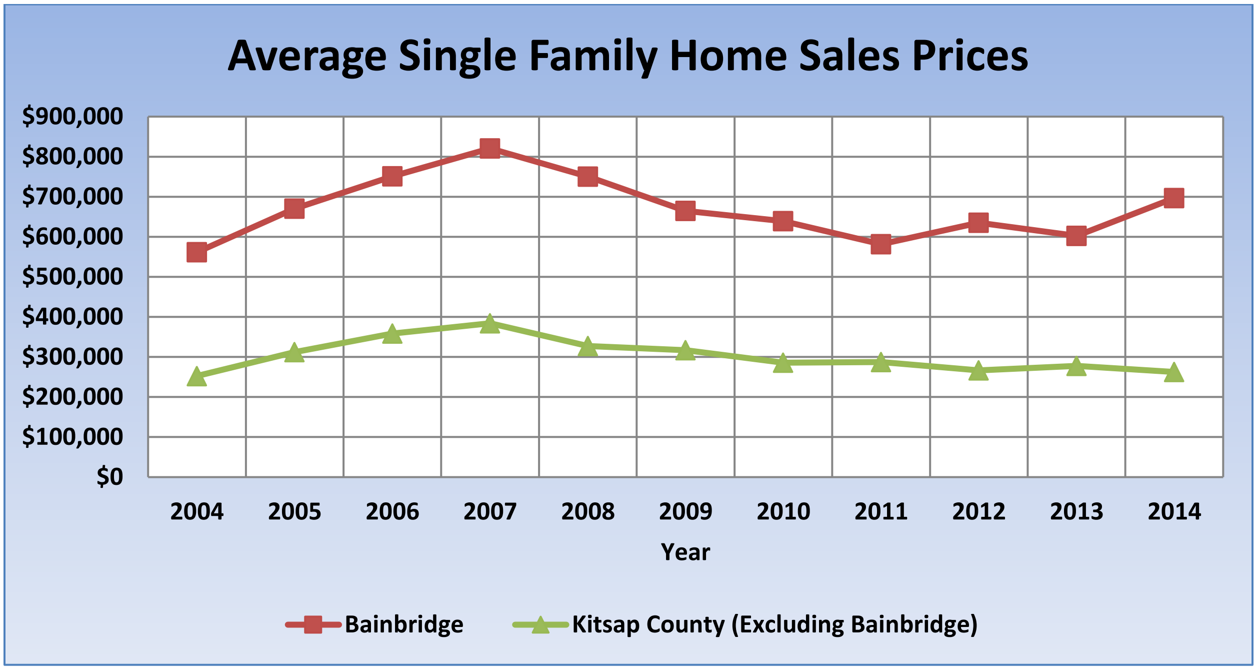
The average single family home sale prices on Bainbridge Island and in the rest of Kitsap County show the same signs of being affected by the national housing bubble and subsequent Great Recession that the rest of the United States experienced during the last decade. Table 9 and Chart C show the average single-family home sale price growing annually to its peak in 2007 of $820,569.00 in Bainbridge Island and $384,119.27 in the rest of Kitsap County. After the bubble burst in 2008, housing prices declined until they were able to stabilize between 2011 and 2012 at average price levels seen in 2004. The number of houses sold also reflects the challenges the housing market and the economy endured, with more sales before and after the recession.

Table 9 – Average Single-Family Home Sales and Prices

Bainbridge			Rest of Kitsap County		
Year	Number Sold	Price	Year	Number Sold	Price
2004	469	$ 561,462.00	**2004**	2652	$ 252,513.20
2005	442	$ 670,004.00	**2005**	2710	$ 311,742.00
2006	350	$ 751,346.00	**2006**	2418	$ 358,785.09
2007	333	$ 820,569.00	**2007**	1957	$ 384,119.27
2008	187	$ 749,862.00	**2008**	1529	$ 327,075.27
2009	215	$ 664,545.00	**2009**	1615	$ 316,873.27
2010	256	$ 639,169.00	**2010**	1389	$ 285,491.00
2011	258	$ 581,855.00	**2011**	1324	$ 286,934.73
2012	386	$ 635,394.00	**2012**	1540	$ 266,436.45
2013	415	$ 602,500.00	**2013**	1942	$ 277,468.00
2014 (as of Oct 28)	327	$ 696,519.80	**2014 (as of Oct 28)**	2617	$ 262,381.15

Source: Northwest Multiple Listing Service

Chart C – Average Single-Family Home Sales Prices



Source: Northwest Multiple Listing Service

The following table shows the average price difference between Bainbridge single-family home sales prices and the rest of Kitsap County single-family home sales prices. Since 2004, Bainbridge Island has maintained a price difference of at least $300,000.00 or higher compared to the rest of homes sold in Kitsap County. This means that homes on Bainbridge Island are consistently worth twice as much as comparable homes throughout the rest of the County. It is interesting to note that after the economic recovery, home sale prices for Bainbridge Island are growing at a faster rate than the rest of Kitsap County, which is holding steady just under an average of $300,000.

Table 10 – Average Single Family Home Sales Price Comparison

	Bainbridge	Kitsap	Price Difference	Bainbridge Price "premium"	Change in Bainbridge Price	Percent Change	Change in Kitsap Price	Percent Change
2004	$ 561,462	$ 252,513	$ 308,948	222.3%				
2005	$ 670,004	$ 311,742	$ 358,262	214.9%	$ 108,542	19.3%	$ 59,228	23.5%
2006	$ 751,346	$ 358,785	$ 392,560	209.4%	$ 81,342	12.1%	$ 47,043	15.1%
2007	$ 820,569	$ 384,119	$ 436,449	213.6%	$ 69,223	9.2%	$ 25,334	7.1%
2008	$ 749,862	$ 327,075	$ 422,786	229.3%	$ (70,707)	-8.6%	$ (57,044)	-14.9%
2009	$ 664,545	$ 316,873	$ 347,671	209.7%	$ (85,317)	-11.4%	$ (10,202)	-3.1%
2010	$ 639,169	$ 285,491	$ 353,678	223.9%	$ (25,376)	-3.8%	$ (31,382)	-9.9%
2011	$ 581,855	$ 286,934	$ 294,920	202.8%	$ (57,314)	-9.0%	$ 1,443	0.5%
2012	$ 635,394	$ 266,436	$ 368,957	238.5%	$ 53,539	9.2%	$ (20,498)	-7.1%
2013	$ 602,500	$ 277,468	$ 325,032	217.1%	$ (32,894)	-5.2%	$ 11,031	4.1%
2014 (as of Oct 28)	$ 696,519				$ 94,019	15.6%		

Source: Northwest Multiple Listing Service

The following table compares single-family home sale prices on Bainbridge Island to other cities and census tract areas in the County as of October 2014. Even with multi-million dollar home sales in other parts of the County, Bainbridge Island has the highest average price of single-family home sales.

Table 11 – Single-Family Home Sales Prices for 2014 (January 1 – October 28)

City	Average Sell Price	Range	Maximum	Minimum
Bainbridge	$ 696,519.80	327	$ 3,300,000.00	$ 180,000.00
Kitsap County (Excluding Bainbridge)	$ 262,381.15	2617*	$ 3,490,004.00	$ 23,000.00
Bremerton	$ 207,272.70	920	$ 1,100,000.00	$ 32,175.00
Hansville	$ 335,354.08	49	$ 995,000.00	$ 137,000.00
Indianola	$ 416,608.33	12	$ 875,000.00	$ 284,900.00
Kingston	$ 311,569.72	124	$ 1,225,000.00	$ 34,000.00
Olalla	$ 289,974.67	45	$ 765,000.00	$ 75,000.00
Port Orchard	$ 253,289.46	753	$ 2,649,000.00	$ 23,000.00
Poulsbo	$ 354,369.95	414	$ 3,490,004.00	$ 24,000.00
Seabeck	$ 308,326.30	57	$ 848,000.00	$ 68,000.00
Silverdale	$ 288,022.74	199	$ 648,000.00	$ 99,900.00
Suquamish	$ 222,763.16	37	$ 795,000.00	$ 43,000.00

***This will not tie with the rest of the Cities and county areas below as Keyport, Manchester, and Southworth did not have enough purchases to provide significant statistics. These seven purchases were included in Countywide Average Sell Price.**

Source: Northwest Multiple Listing Service

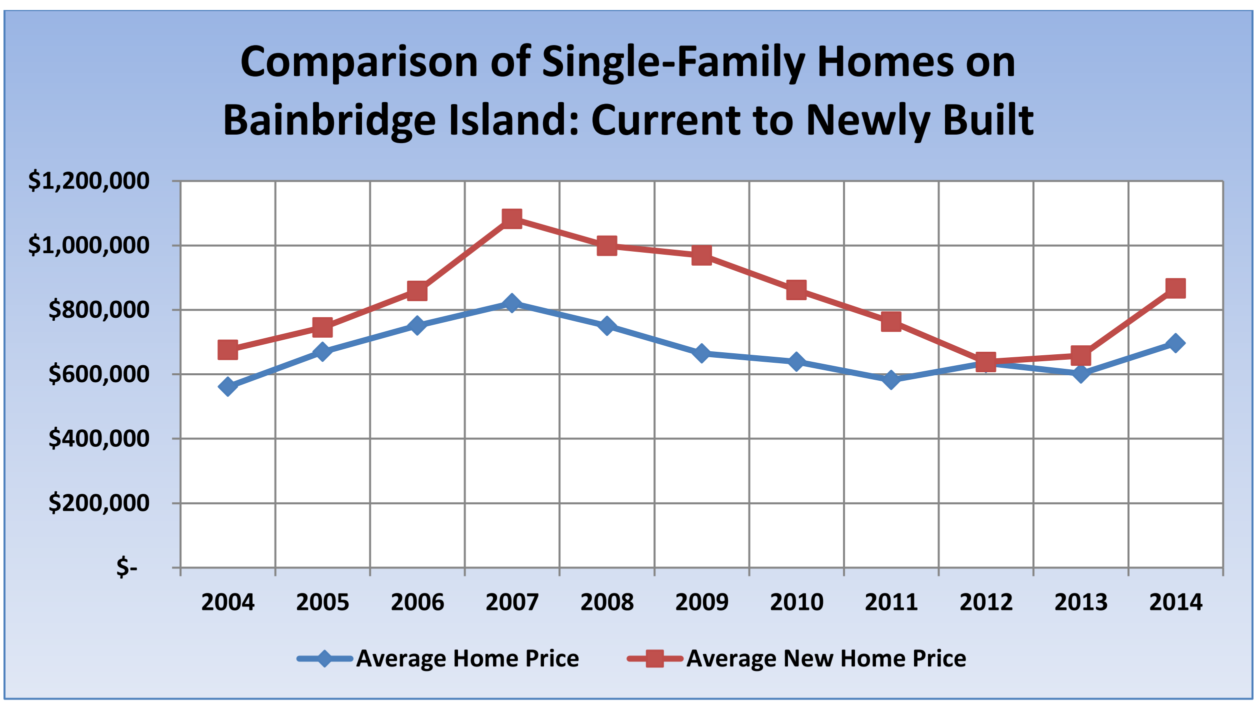
The average new home price on Bainbridge Island followed the same trends as the rest of the U.S. housing market. It continued to increase through 2007 and then decline until 2012. “New” is defined as newly built, either on a new plot of land or after a demolition, with no occupants until after its first sale. Average new single-family home prices sales have consistently stayed above average single-family home prices for the last decade on Bainbridge Island. However, the average sales price of existing homes nearly caught up to the average sales price of a new homes built in 2012. This can be seen in Table 12 and Chart D.

Table 12 – Bainbridge Average Single-Family Home Sales Price: Current Market Vs. New Build

Average Home Price		Average New Home Price	
Year	**Price**	**Year**	**Price**
2004	$ 561,462	**2004**	$ 676,063
2005	$ 670,004	**2005**	$ 745,435
2006	$ 751,346	**2006**	$ 858,720
2007	$ 820,569	**2007**	$ 1,082,562
2008	$ 749,862	**2008**	$ 998,841
2009	$ 664,545	**2009**	$ 968,848
2010	$ 639,169	**2010**	$ 861,939
2011	$ 581,855	**2011**	$ 763,669
2012	$ 635,394	**2012**	$ 638,474
2013	$ 602,500	**2013**	$ 657,640
2014	$ 696,520	**2014**	$ 866,876

Source: Northwest Multiple Listing Service

Chart D - **Bainbridge Average Single-Family Home Sales Price: Current Market Vs. New Build**



Source: Northwest Multiple Listing Service

Rent Assisted Housing

Bainbridge Island has eleven rent assisted projects that received funds in whole or in part from Federal, State, and/or local agencies. In exchange for favorable financing terms, the property owner commits to providing the housing to a targeted population for a specific term. Commitments can run from 20 to 50 years depending upon the funding source. Federal funding sources include the U.S Department of Housing and Urban Development and the U.S. Department of Agriculture (USDA). Local jurisdictions have priority purchase rights for the USDA projects through the Housing Preservation Section of the Federal Housing Act of 1990 before they are offered on the open market. The USDA projects must provide a one-year notice of intent to pre-pay the loan with notices being sent to the City and to Housing Kitsap. Table 13 shows the date each project's current commitment expires.

Table 13 – Duration of Commitment on Rent Assisted Multifamily Projects

	Owner	Total Units	Type	Number of ADA units	Number of units with subsidy	Required Period of Affordability	subsidy type
Island Home	HRB	10	*I&F		0	12/1/2031	HOME funds used to construct units, no ongoing rental subsidy, rent rates below market based on HOME requirements
Village Home	HRB	11	*I&F	1	0	8/9/2048	HOME funds used to construct units, no ongoing rental subsidy, rent rates below market based on HOME requirements
Western View Terrace	HRB	8	*I&F		0		no subsidy - rent, lower than market, HRB rents to those at 80% or below
Janet West	HRB	9	*I&F		0	1/1/2053	HOME funds used to construct units, no ongoing rental subsidy, rent rates below market based on HOME requirements

	Owner	Total Units	Type	Number of ADA units	Number of units with subsidy	Required Period of Affordability	subsidy type
Island Terrace	Winslow Terrace LLC	48	*I&F	4	19		USDA - Rural Development
Lynnwood Commons	Lynnwood Commons LLC	34	*I&F		4		Follows King County Affordable Housing Incentive Program
Rhododendron	Housing Kitsap	50	*I&F		48	1/1/2016; Renewed annually based on tenant needs	USDA - Rural Development
550 Madison	Housing Kitsap	14	*I&F		0		no subsidy - rent lower than market rate
Finch Place Apt	Housing Kitsap	29	Senior/ Disabled		20	Renewed annually based on tenant needs	USDA - Rural Development
Virginia Villa	Blue Heron Park Apts LP	40	Senior/ Disabled		20	Renewed annually based on tenant needs	USDA - Rural Development
Winslow Arms	Winslow Arms Associates LLP	60	Senior/ Disabled		60	Renewed annually based on tenant needs	Project based Section 8

*I&F – Individuals and Families
Source: HRB provided data

The City's local financing source is the Housing Trust Fund. The Trust Fund was established by ordinance in 1999. Funds were distributed to local non-profits to fund affordable housing projects and programs on the Island. Funding was reduced in response to the financial challenges the City faced during the Great Recession, but the Trust was maintained to fund affordable housing programs on the Island. Recently the Council decided to appropriate $200,000.00 to the Housing Trust Fund as part of the 2015-16 biennial budget for future housing projects.

Table 14 tallies the number of individuals and families desiring affordable housing on Bainbridge Island. HRB, Housing Kitsap, and other owners of rent assisted multifamily units maintain a waiting list for individuals and families who contact them for affordable rental housing. The current totals of combined waiting lists contain 149 households (individuals and families).

Table 14 – Demand from Waitlists for Existing Rent Assisted Multifamily Units

HRB Projects	Individuals	Households
Total	24	14
Currently Live on BI	10	4
Currently Work on BI	5	5
Disabled	3	3
Female Head of Household	13	13
Other Housing Assisted Projects		
Finch Place Apt		30
Rhododendron		31
550 Madison		6
Virginia Villa		Unknown
Winslow Arms		36
Island Terrace		8
Total of All Projects	24	125

Source: HRB provided data

In addition to the multifamily units mentioned above, HRB also offers three single-family rental housing units on Bainbridge Island to qualifying individuals and families. They are listed in Table 15.

Table 15 – Single-Family Rental Units

Property	Owner	Total Units	Type	Studio	Rent per Month	Three BR	Rent per Month	Vacant	Number of units with subsidy	Subsidy Type
Forest Home (single family home)	HRB	1	*I&F			1	$1,199	0	0	No subsidy - rent, lower than market, HRB rents to those at 80% or below
Dore Cabin (single family home)	HRB	1	*I&F	1	$725			0	0	No subsidy - rent, lower than market, HRB rents to those at 80% or below
Sadie Woodman (single family home)	HRB	1	*I&F			1	$1,199	0	0	No subsidy - rent, lower than market, HRB rents to those at 80% or below

*I&F – Individuals and Families
Source: HRB provided data

Housing Condition

It is difficult to determine the condition of the housing stock of Bainbridge Island as a whole. No surveys have been done to gauge this on a consistent basis. The Kitsap County Assessor's database assesses the value of homes in Kitsap County every six years on a cyclical basis. The database includes a category to assess the condition of a home, but this field is not maintained in a consistent manner. The following Table shows the percentage of houses built during a specific census decennial. As of 2010, 40% of the Island's housing stock was built before 1980. A trend of concern regarding housing condition is the combination of a larger portion of older residents and the increasing cost of housing. An increased percentage of income needed for housing leaves a reduced portion of that income for repairs.

Table 16 – Housing Condition – Year Structure was Built

YEAR STRUCTURE BUILT	2000		2010	
	Number	Percent	Estimate	Percent
Total housing units			10,402	10,402
Built 2010 or later			23	0.20%
Built 2000 to 2009			2,255	21.70%
Built 1990 to 1999	2453	28.8%	2,218	21.30%
Built 1980 to 1989	1463	17.2%	1,759	16.90%
Built 1970 to 1979	1767	20.7%	1,818	17.50%
Built 1960 to 1969	850	10.0%	864	8.30%
Built 1940 to 1959	880	10.3%	744	7.20%
Built 1939 or earlier	1104	13.0%	721	6.90%

Source: American Community Survey (2008-2012)

Vacancy Rates

Vacancy rates for multifamily rental units and housing unit occupancy have been reviewed in earlier sections of this report. The following table reviews occupancy and vacancy rates as of 2010. Based on the survey and the recent recovery of the economy and the housing market, it is fair to assume that occupancies have increased and vacancies have decreased.

Table 17 – 2010 Housing Occupancy

	Bainbridge		Kitsap	
Total housing units	10,584	100%	107,367	100%
Occupied housing units	9,470	89.5%	97,220	90.5%
Vacant housing units	1,114	10.5%	10,147	9.5%
For rent	154	1.5%	2,897	2.7%
Rented, not occupied	27	0.3%	171	0.2%
For sale only	181	1.7%	1,521	1.4%
Sold, not occupied	50	0.5%	336	0.3%
For seasonal, recreational, or occasional use	514	4.9%	2,781	2.6%
All other vacancies	188	1.8%	2,441	2.3%
Homeowner vacancy rate (percent) [8]	2.4	(X)	2.2	(X)
Rental vacancy rate (percent) [9]	6.3	(X)	8.6	(X)

Source: American Community Survey (2008-2012)

Special Housing: Group Homes and Senior Housing

Bainbridge Island has a handful of group homes. The stock of group homes includes nursing homes, assisted living facilities, and a dormitory. The following tables outline the population and vacancy rates, when applicable, of each group home.

Table 18A – Special Housing: Nursing/Assisted Living/Convalescent Homes

Facility Name	Type	2013 Population	2014 Population	Vacancy Rate
Island Health and Rehabilitation	Nursing Home	49	57	N/A
Messenger House Care Center	Nursing Home	75	77	N/A
Madison Ave Retirement Center	Assisted Living	50	50	5%
Wyatt House	Assisted Living	43	38	9%
Madrona House Assisted Living	Assisted Living, number of units have specific focus for residents with dementia and Alzheimer's	0	52	36%
Subtotal		**217**	**274**	

Source: Phone Survey Conducted 10/27/2014 – 10/28/2014 and COBI's most recent submission of the annual Housing Unit and Population Estimate Report for the Office of Financial Management

Table 18B – College Dormitory, Fraternity, or Sorority

Facility Name	Type	2013 Population	2014 Population
Island Wood	College Dormitory	20	22
Subtotal		20	22

Source: COBI's most recent submission of the annual 'Housing Unit and Population Estimate Report' for the Office of Financial Management

The following graphic tracks the entire senior group/multifamily unit housing on Bainbridge Island as of 2013. Bainbridge currently has a senior housing stock of 344 units. Multifamily senior housing represents around 3% of housing units of the current stock.

Table 19 – Senior Housing Stock

	Type	Units
Madison Ave Retirement Center	Assisted Living	53
Wyatt House	Assisted Living	42
Madrona House Assisted Living	Assisted Living, number of units have specific focus for residents with dementia and Alzheimer's	81
Winslow Manor Apts	Independent Senior Living	39
Finch Place Apartments	Senior/Disabled	29
Virginia Villa	Senior/Disabled	40
Winslow Arms	Senior/Disabled	60
Total Senior Housing		344

Source: Phone Survey Conducted 10/27/2014 – 10/28/2014

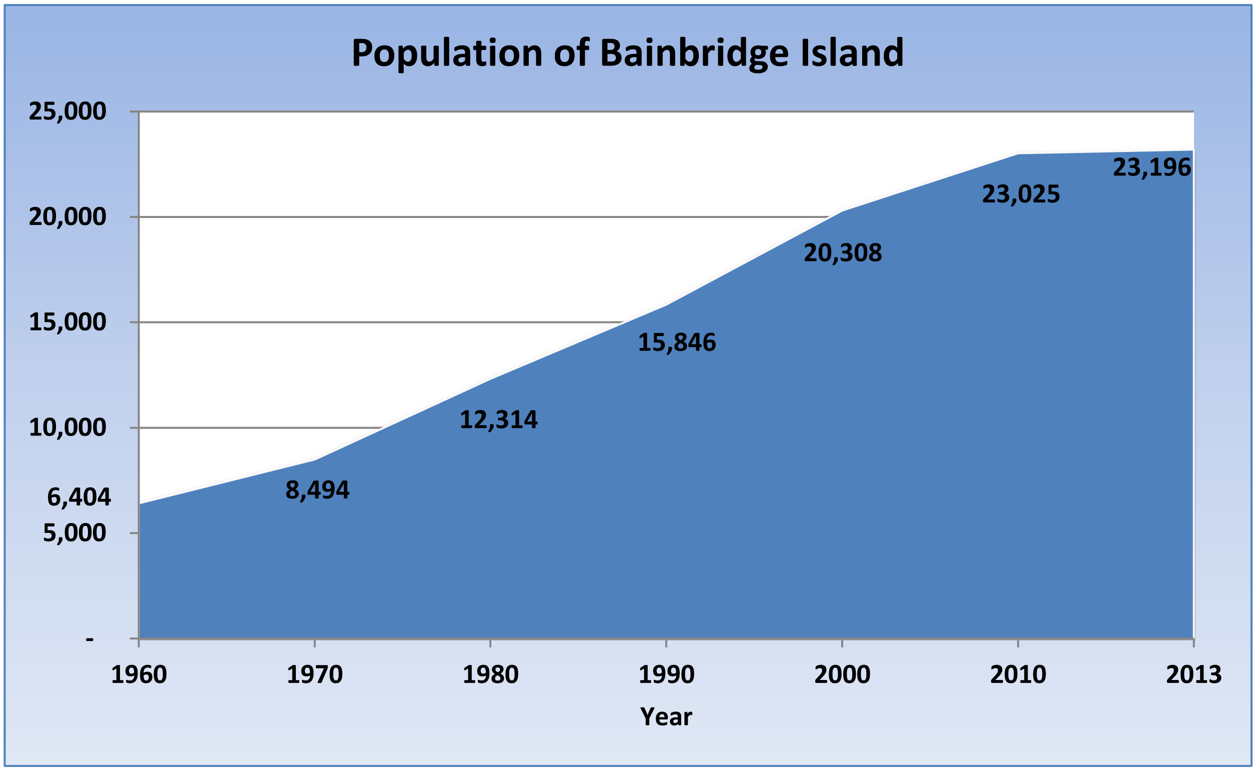
Demographic Profile

The following section provides demographic information about Bainbridge Island over multiple planning periods. The purpose of this information is to provide a cumulative profile of the City's characteristics and to show demographic trends over time. This community profile includes population, race and ethnicity, household size, household type, age, educational attainment, persons in group quarters, household income, wage and employment data, and immigration and migration trends. These characteristics and trends will inform goals and policies during the Comprehensive Plan update process and beyond.

Total Population and Growth

As depicted in Chart E and Table 20, Bainbridge Island saw significant population increases between 1960 and 2000, which then slowed to a relaxed but still positive rate. The Island's population grew rapidly between 1960 and 1980 by 77.6%. The following two decades showed a consistent rate of growth around 28.5% per decade. Between 2000 and 2010, the 3% annual population growth of the previous decades slowed to an approximate 13.5% increase in population for the whole decade. Population growth between 2010 and 2013 has slowed even further to below 1% percent growth (0.72%).

Chart E – Total Population and Growth



Source: Decennial United State Census (1960 – 2010); American Community Survey (2008-2012)

Total Households and Household Size

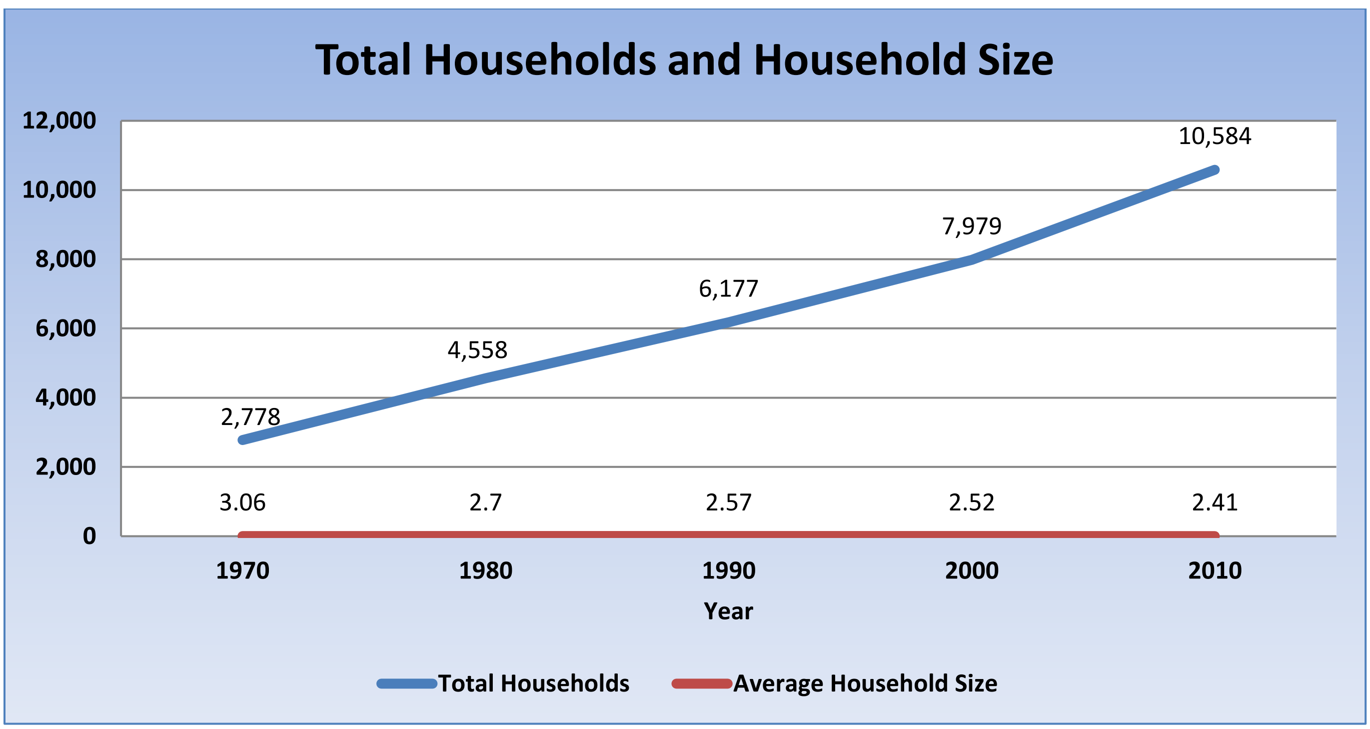
As would be expected, total households increased with population. Table 20 and Chart F show a steady increase in total households on Bainbridge at a rate of around 30% per decade. While the total population and households have increased since 1960, the average household size decreased steadily from 3.06 in 1970 to 2.41 in 2013. Projected household size will likely continue to decrease very slightly based on age demographic movements and current trends. This can be seen in Table 20 and Chart F.

Table 20 – Population, Total Household, and Household Size

Year	1960	1970	1980	1990	2000	2010	2013	Change 1990-2010	Change 2000 - 2013
Population	6,404	8,494	12,314	15,846	20,308	23,025	23,190		
Change		2,090	3,820	3,532	4,462	2,717	165	7,179	2,882
Percent Change		32.64%	44.97%	28.68%	28.16%	13.38%	0.72%	45.3%	14.2%
Total Households		2,778	4,558	6,177	7,979	10,584			
Change			1,780	1,619	1,802	2,605		4,407	
Percent Change			64.07%	35.52%	29.17%	32.65%		71.3%	
Average Household Size		3.06	2.7	2.57	2.52	2.41			
Change			-0.36	-0.13	-0.05	-0.11		-0.16	
Percent Change			-11.77%	-0.05%	-0.02%	-0.04%		-6.2%	

Source: Decennial United State Census (1960 – 2010); American Community Survey (2008-2012)

Chart F – Total Households and Average Household Size



Source: Decennial United State Census (1970 – 2010)

Household Composition (Type)

The following table (Table 21) shows a breakdown of household types including family and non-family households, whether children under eighteen are present, and single parent households. The number of households on Bainbridge Island doubled between 1980 and 2010. In 1980 the number of married couple households without children under eighteen years of age and those with children under eighteen were the same. Since 1980, the number of households without children under eighteen living at home consistently exceeded those with children. In fact, there was a sharp increase of households without children by 2010. Both male and female headed-households with no spouse have continuously increased since 1980, but it is important to note that there were three times as many female headed households to males. Finally, non-family households, composed of unrelated persons, increased by 160% from 1980 to 2010.

Table 21 – Household Composition (Type)

		Family Households						Non-Family Households
		Married Couples		Male Head – No Spouse		Female Head - No Spouse		(Unrelated Persons)
Children under 18	**Total Households**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Total**
1980	4,558	1,509	1,509	53	49	190	147	1,101
1990	6,134	1,905	2,078	81	45	273	122	1,630
1980 - 1990 change	1,576	396	569	28	-4	83	-25	529
Percent change	34.6%	26.2%	37.7%	52.80%	-8.20%	43.70%	-17.0%	-52.0%
2000	7,979	2,391	2,592	114	75	372	225	2,200
1990 - 2000 change	1,845	486	514	33	30	99	103	570
Percent change	40.50%	32.20%	34.10%	62.30%	61.20%	52.10%	70.10%	-48.20%
2010	9,470	2,343	3,355	146	96	442	229	2,858
2000 - 2010 change	1,491	-48	763	32	21	70	4	658
Percent change	18.7%	-2.0%	29.4%	28.1%	28.0%	18.8%	1.8%	29.9%

		Family Households						Non-Family Households
		Married Couples		Male Head – No Spouse		Female Head - No Spouse		(Unrelated Persons)
Children under 18	Total Households	Yes	No	Yes	No	Yes	No	Total
1980 - 2010 change	4,912	834	1,846	93	47	252	82	1,757
Percent change	107.8%	55.3%	122.3%	175.5%	95.9%	132.6%	55.8%	159.6%

Source: Decennial United State Census (1980 – 2010)

Race Representation

According to the U.S. Census Bureau, the information on race in the 2000 Census and beyond cannot be directly compared to the data in earlier censuses because respondents were and are able to select more than one race category. The question sequence was altered and changes were made to the terminology. The category of “some other race” includes responses to the “two or more races” and all other responses not included in those specified in the first four categories. Persons of Hispanic origin are also included in the other race categories.

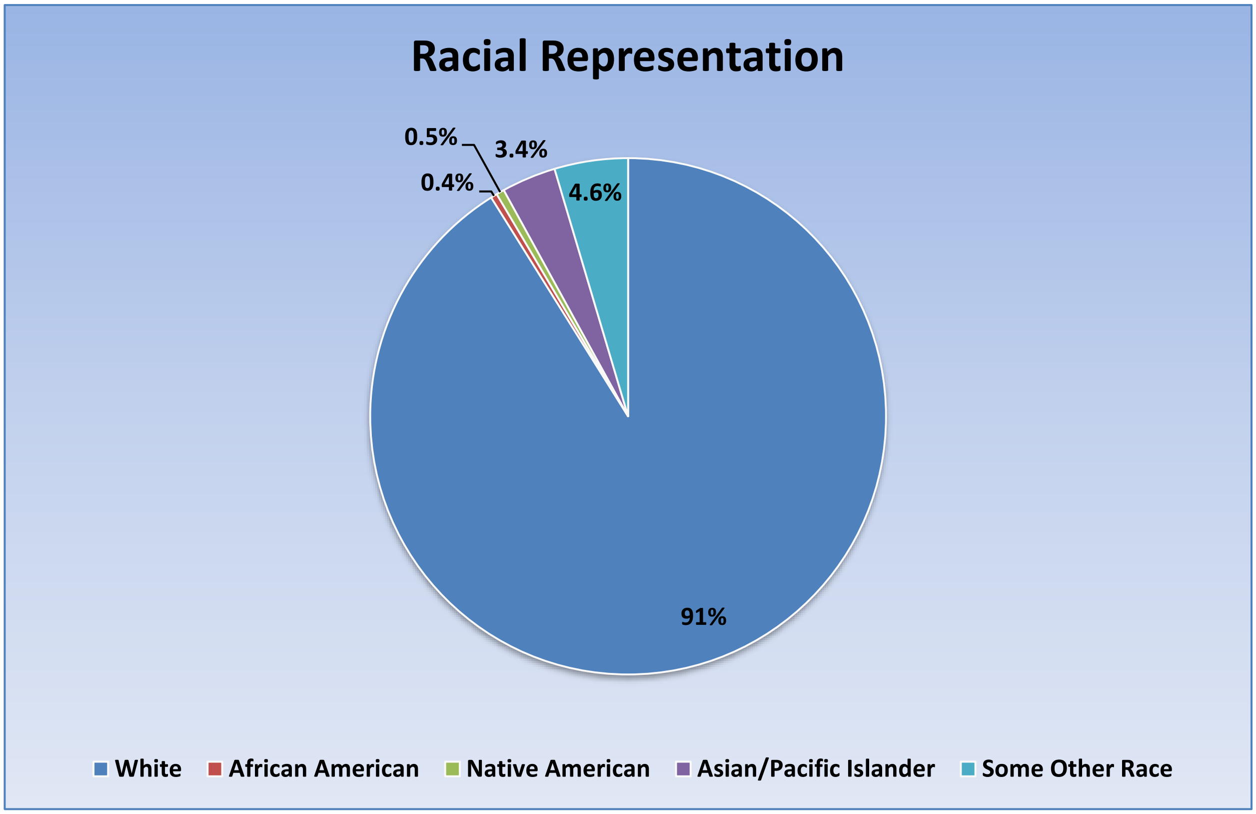
As shown in Table 22, minority racial groups showed some growth in each category between 1980 and 1990. African Americans, Some Other Race, and Hispanic categories showed consistent growth through 2010. The Native American category showed a consistent decline since 1990. The Asian/Pacific Islander category fluctuated slightly, but ultimately showed an increase in the population. As displayed in Table 22, minorities have consistently made up less than 10% of the population of Bainbridge Island since 1980.

Table 22 – Racial Representation

	White	African American	Native American	Asian/Pacific Islander	Some Other Race	Total	Hispanic
1980	11,639	23	70	482	40	12,314	60
Percent of population 1980	95.0%	0.2%	0.6%	3.9%	0.3%	100.0%	0.5%
1990	15,071	43	156	522	54	15,846	237
Percent of population 1990	95.10%	0.30%	1.0%	3.30%	0.30%	100.0%	1.5%
2000	18,863	57	125	509	754	20,308	440
Percent of population 2000	92.9%	0.3%	0.6%	2.5%	3.7%	100.0%	2.2%
2010	20,963	100	111	784	1067	23,025	887
Percent of population 2010	91%	0.4%	0.5%	3.4%	4.6%	100%	3.9%
Change 1980 - 2000	7,224	34	55	27	714	7,994	380
Percent change	62.1%	147.8%	78.8%	5.6%	1785.0%	64.9%	633.3%
Change 2000 - 2010	2,100	43	-14	275	313	2,717	447
Percent change	11.1%	75.4%	-11.2%	54.0%	41.5%	13.4%	101.6%

Source: Decennial United State Census (1980 – 2010)

Chart G – Racial Representation in 2010



Source: Decennial United State Census (2010)

Age Distribution

As can be seen in Table 23 below and Charts H and I that follow, there have been significant changes in age distributions of the Island's population during the thirty-year span from 1980 to 2010. In 1980 Bainbridge Island had a fairly even distribution of age groups. Since that time the population has seen significant increases in the five to seventeen, thirty-five to fifty-nine, and the sixty and over age groups, so much so that these age groups make up 86% of the population. Further analysis of the trend of each age group follows:

- 0 – 4 Age Group: The population of children ages zero to four declined by 10% between 2000 and 2010. This suggests that fewer births are occurring in Bainbridge Island than in previous decades. This age group represents the smallest in size compared to the rest of the age groups.
- 5 – 17 Age Group: The population of children ages five to seventeen increased by 45% between 1990 and 2010. In addition, the representation of this age group stayed around 20% of the population.

- 18 – 34 Age Group: The population of adults ages eighteen to thirty-four continuously declined between 1980 and 2000. However, this age group increased by 100 individuals between 2000 and 2010. This age group represents the second smallest in size compared to the rest of the age groups.

- 35 – 59 Age Group: The population of adults between the ages of thirty-five and fifty-nine has nearly tripled between 1980 and 2010. This age group has consistently represented the largest in size compared to the other age groups.

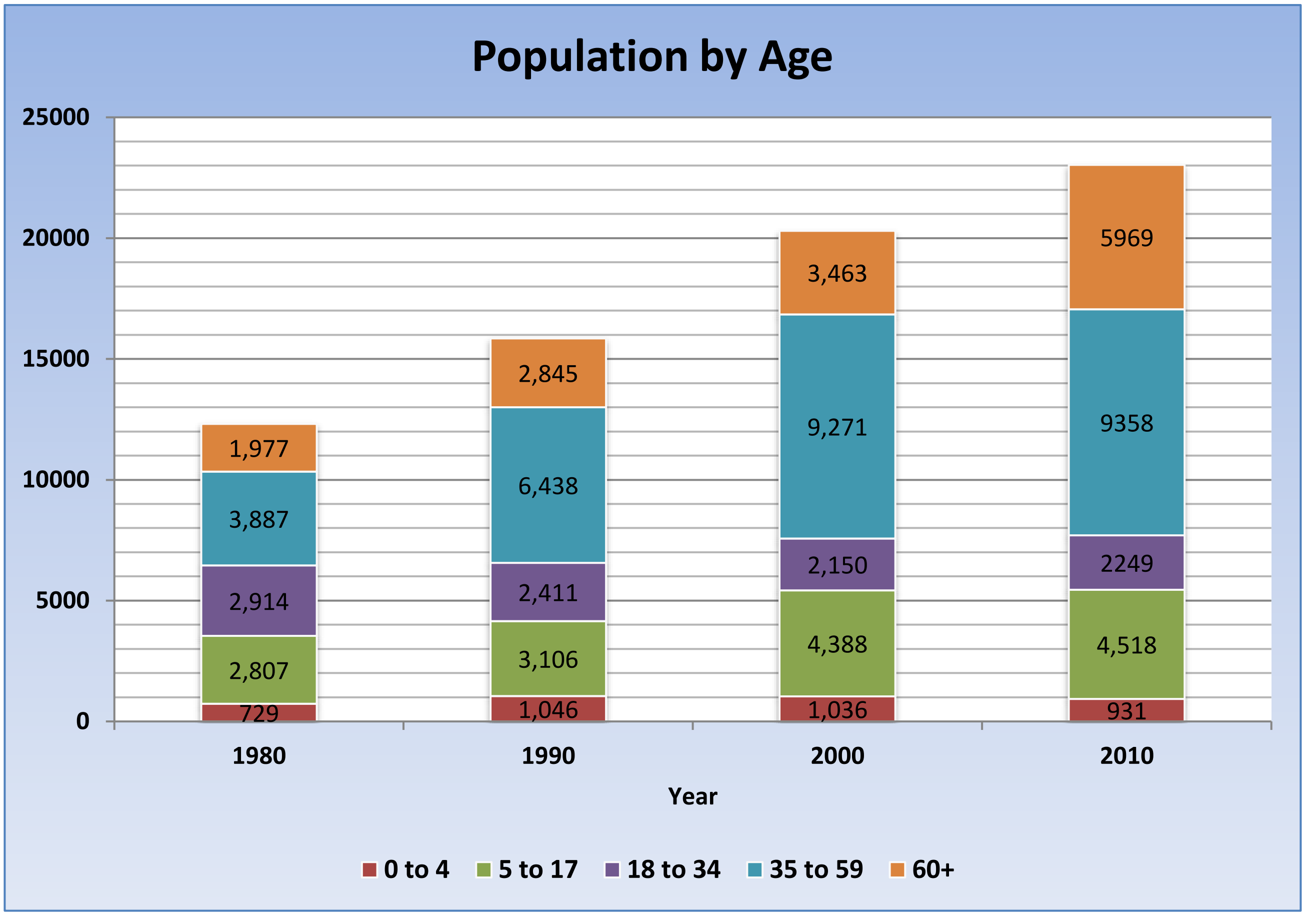
- 60 and Over Age Group: The population of adults sixty years and older has increased by 72% between 2000 and 2010. It surpassed the five to seventeen year old age group during this time, making it the second largest age group compared to the other age groups.

Table 23 – Population by Age

Age Group	0 to 4	5 to 17	18 to 34	35 to 59	60+	Total
1980	729	2,807	2,914	3,887	1,977	12,314
Percent of Total	5.90%	22.80%	23.70%	31.60%	16.10%	100%
1990	1,046	3,106	2,411	6,438	2,845	15,846
Percent of Total	6.60%	19.60%	15.20%	40.60%	18.00%	100%
2000	1,036	4,388	2,150	9,271	3,463	20,308
Percent of Total	5.10%	21.60%	10.60%	45.70%	17.10%	100%
2010	931	4,518	2,249	9,358	5,969	23,025
Percent of Total	4.0%	19.6%	9.8%	40.6%	26.0%	100%
Change 1990 - 2010	-115	1,412	-162	2,920	3,124	7,179
Percent Change 1990 - 2010	-11.00%	45.46%	-6.72%	45.36%	109.81%	45.30%
Change 2000 - 2010	-105	130	99	87	2,506	2,717
Percent Change 2000 - 2010	-10.13%	2.96%	4.60%	0.94%	72.37%	13.38%

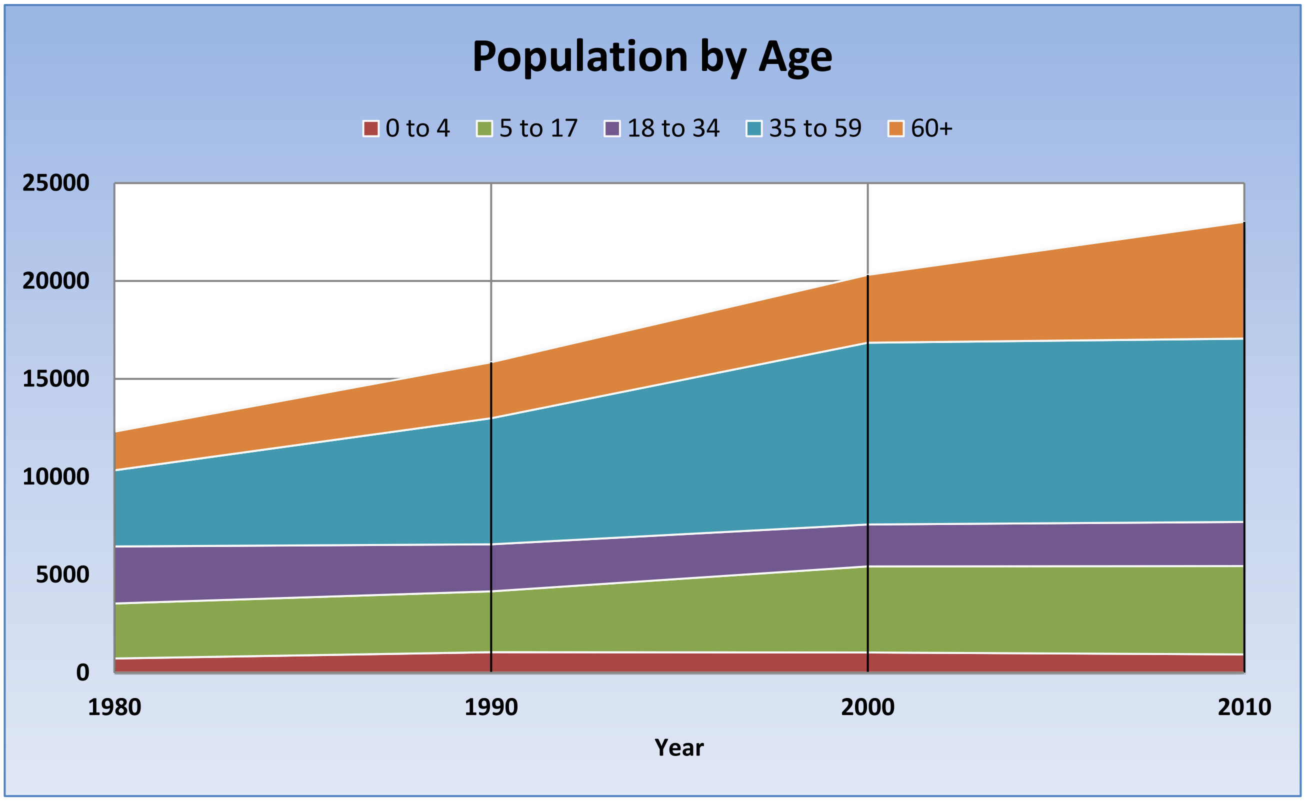
Source: Decennial United State Census (1980 – 2010)

Chart H – Population by Age (Bar Chart)



Source: Decennial United State Census (1980 – 2010)

Chart I – Population by Age (Trend Chart)

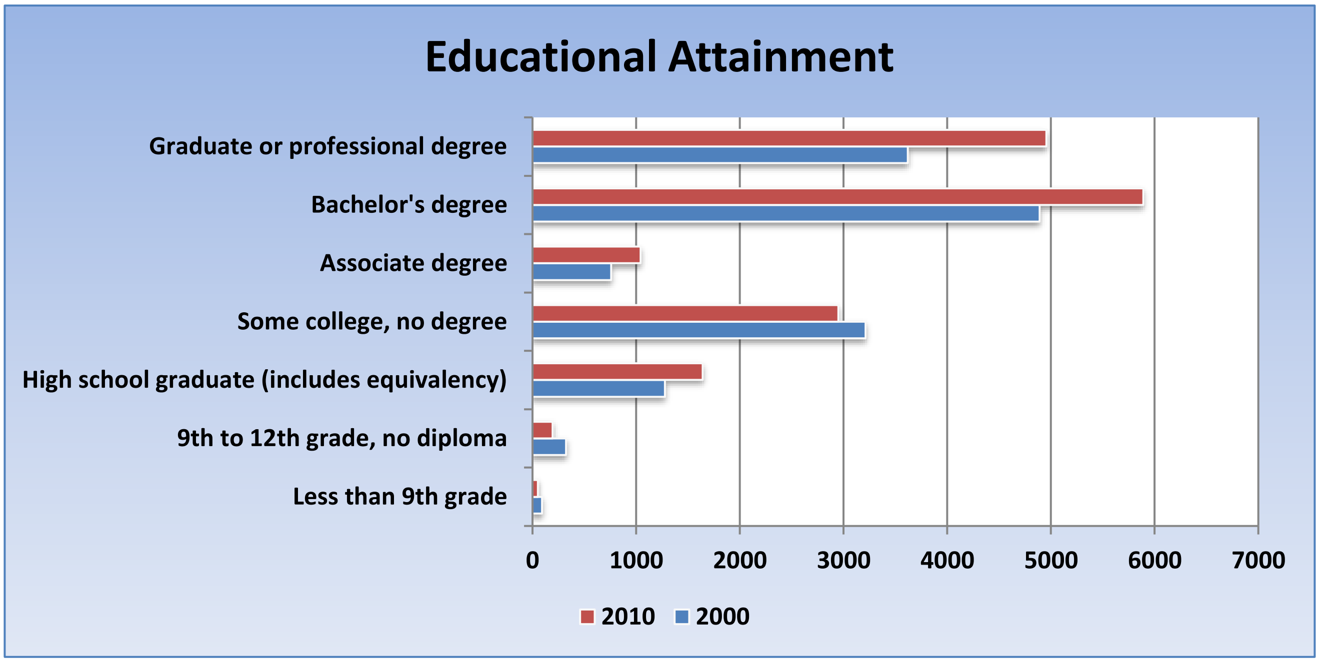


Source: Decennial United State Census (1980 – 2010)

Educational Attainment

Bainbridge Island has a relatively high educational attainment rate. As of 2010, around 98% of the population 25 years old and over had obtained a high school degree or higher and almost 65% of 25 year olds and older obtained a bachelor's degree. In addition, both statistics increased between 2000 and 2010. A detailed breakdown of educational obtainment comparing 2000 to 2010 can be seen below in the Chart J.

Chart J – Educational Attainment



Source: Decennial United State Census (1980 – 2010)

Household Income

The Bainbridge Island Median Household Income, according to the 2010 Census, was $92,558.00 compared to the Kitsap County Median Household Income of $61,776.00. Between 2000 and 2010, the Bainbridge Median Income jumped $22,447 compared to Kitsap's increase of $14,802. However, the percentage increase in Median Income was consistent between Bainbridge Island and the rest of Kitsap County.

Table 24 – Bainbridge Island & Kitsap County Income Figures

	1990	2000	Percent change 1990 and 2000	2010	Percent change 2000 and 2010	Percent change 1990 and 2010
Median Household Income						
Bainbridge	$ 42,135.00	$ 70,110.00	66.40%	$ 92,558.00	32.0%	119.7%
Kitsap	$ 32,038.00	$ 46,840.00	46.20%	$ 61,776.00	31.9%	92.8%
Median Family Household Income						
Bainbridge	$ 51,971.00	$ 83,415.00	60.50%	$ 120,200.00	44.1%	131.3%
Kitsap	$ 36,942.00	$ 53,878.00	45.80%	$ 73,731.00	36.8%	99.6%
Average Household Income						
Bainbridge	$ 57,751.00	$ 93,078.00	61.20%	$ 130,379.00	40.1%	125.8%
Kitsap	$ 38,095.00	$ 58,299.00	53.0%	$ 77,782.00	33.4%	104.2%
Per Capita Income						
Bainbridge	$ 22,437.00	$ 37,482.00	67.10%	$ 53,589.00	43.0%	138.8%
Kitsap	$ 14,282.00	$ 22,317.00	56.30%	$ 31,287.00	40.2%	119.1%

Source: Decennial United State Census (1990 – 2010)

Wage and Employment Data

Employment Status

Table 25 shows the trends of employment status on Bainbridge Island. The combination of an increase in population of 60 years and older age group, who typically are retired or working less, and the Great Recession are likely factors in the increases in the categories “Population Not in the Labor Force” and “Unemployment.”

Table 25 – Employment Status

	2000		2010	
	Number	Percent	Number	Percent
Population 16 years and over	15,626	100%	18,627	100%
In labor force	10,026	64.2%	11,196	60.1%
Civilian labor force	9,929	63.5%	11,125	59.7%
Employed	9,670	61.9%	10,284	55.2%
Unemployed	259	1.7%	841	4.5%
Armed Forces	97	0.6%	71	0.4%
Not in labor force	5,600	35.8%	7,431	39.9%
Own children under 6 years	1,198	100%	1,147	
All parents in family in labor force	513	42.8%	660	57.5%
Own children 6 to 17 years			3,959	3,959
All parents in family in labor force			2,332	58.9%

Source: Decennial United State Census (2000 – 2010)

Table 26 shows the percentages of families and individuals whose incomes in the last year were below the poverty line in the years 2000 and 2010. Almost every category within the Poverty Status Table was higher in the 2010 census verses the 2000 census, but this seems expected at the height of the recession in 2010.

Table 26 – Poverty Status

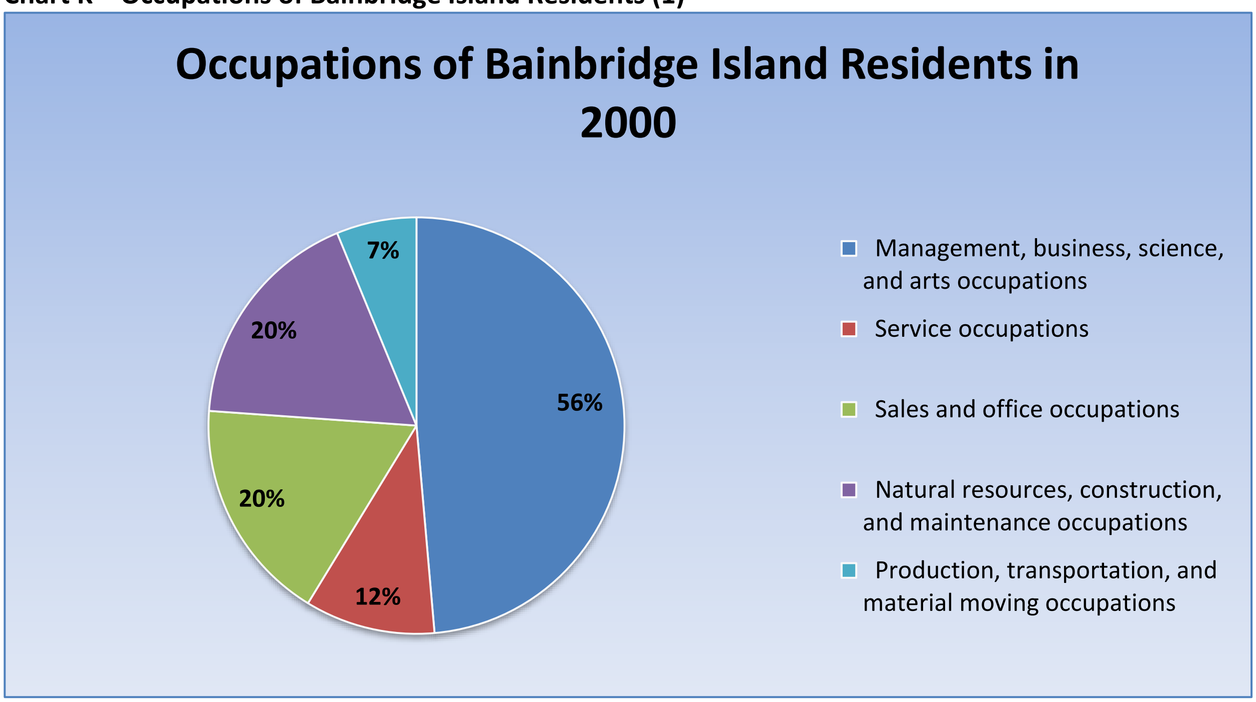
	2000		2010	
	Number	Percent	Number	Percent
All families	171	3%		3.3%
With related children under 18 years	115	3.9%		4.5%
With related children under 5 years only	36	4.1%		10.9%
Married couple families				2.0%
With related children under 18 years				2.6%
With related children under 5 years only				7.5%
Families with female householder, no husband present	72	12.1%		12.9%
With related children under 18 years	55	14%		12.2%
With related children under 5 years only	18	31%		22.9%

	2000		2010	
	Number	Percent	Number	Percent
All people	896	4.4%		5.4%
Under 18 years				5.9%
Related children under 18 years	206	3.8%		5.4%
Related children under 5 years				14.1%
Related children 5 to 17 years	168	3.9%		3.5%
18 years and over	686	4.7%		5.3%
18 to 64 years				6.2%
65 years and over	81	3.3%		2.1%
People in families				3.4%
Unrelated individuals 15 years and over	362	12.8%		16.5%

Source: Decennial United State Census (2000 – 2010)

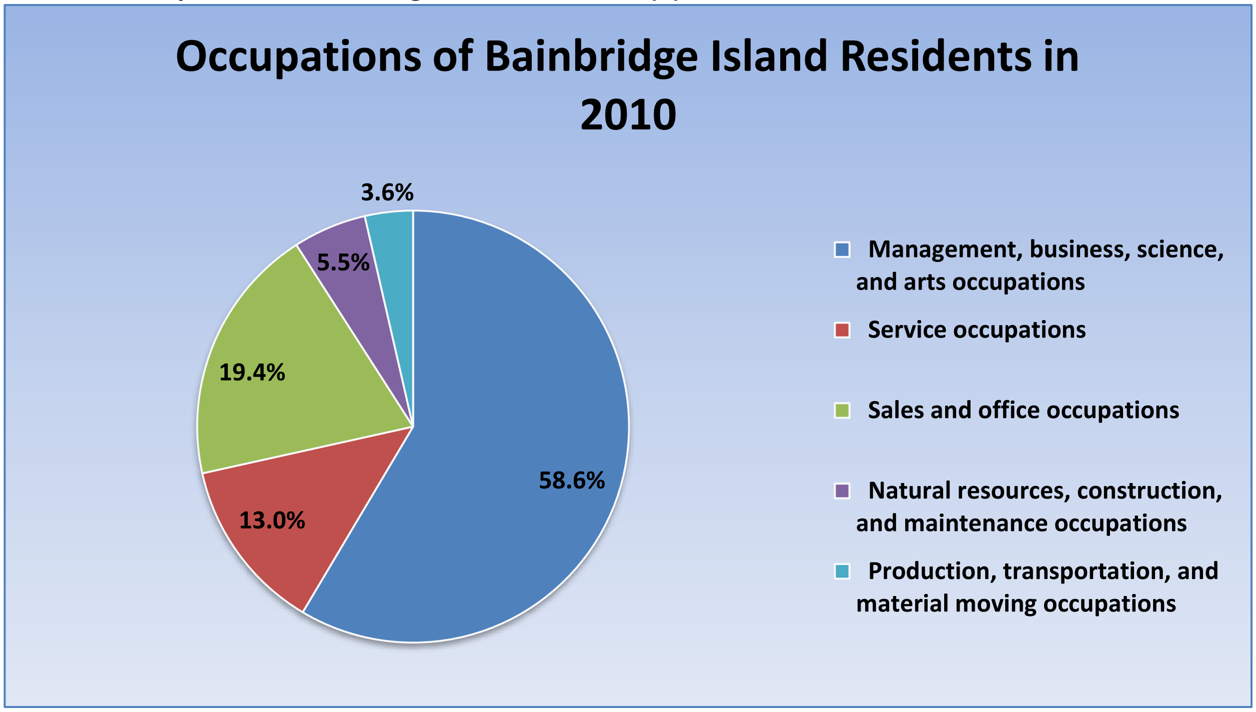
The number of employed residents who are sixteen years and over increased from 9,670 in 2000 to 10,284 in 2010. While the majority of occupational categories were consistent, "Natural Resources, Construction, and Maintenance" occupations decreased by a three-fourths and "Production, Transportation, and Material Moving" occupations decreased by nearly half over the decade. This can be seen in the two occupation charts that follow (Chart K and Chart L).

Chart K – Occupations of Bainbridge Island Residents (1)



Source: Decennial United State Census (2000)

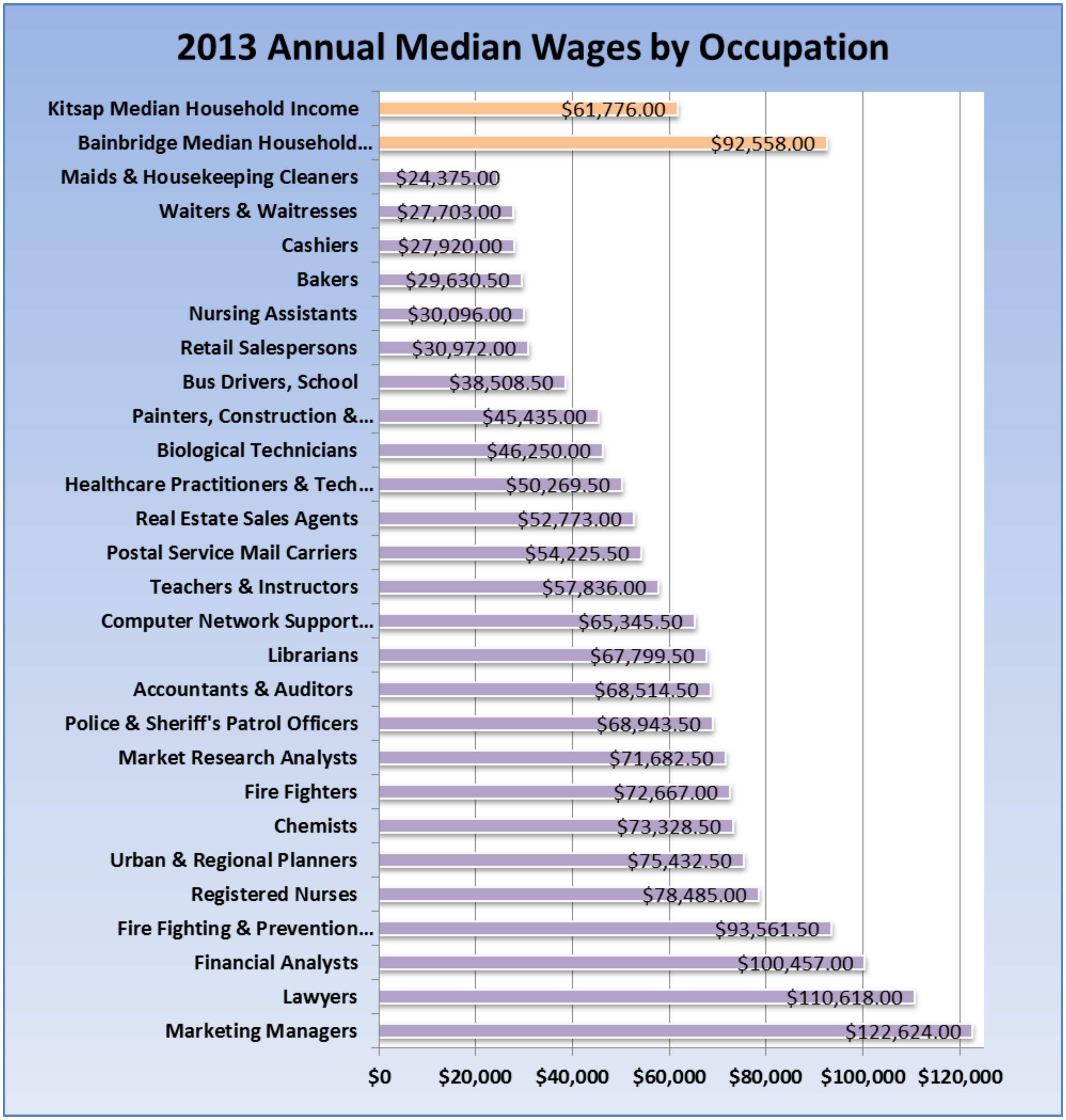
Chart L – Occupations of Bainbridge Island Residents (2)



Source: Decennial United State Census (2010)

Chart M compares the Median Household Income of Bainbridge Island and Kitsap County to the Annual Median Wages for a selected range of occupations found on Bainbridge Island. The occupational wages of the Bremerton-Silverdale area and the Seattle-Bellevue-Everett area were averaged per position to better represent the possible wages of individuals on Bainbridge as surveyed by the Washington State Employment Security Department.

Chart M - Median Income in 2010 verses Median Wages in 2013



Source: 2013 Occupational Employment and Wages Estimates – Labor Market and Economic Analysis, June 2013, Washington State Employment Security Department

Immigration and Migration

As of 2012, almost 90% of householders on Bainbridge Island had moved into their current residence before 2009. Only 38% of Bainbridge Island householders moved into their current residence before 1999. These trends mimic the trends in population growth as well as the economically-charged housing market through the early 2000 before the recession. These numbers are displayed in Chart 27.

Chart 27 – Year Householder Moved into Unit

	Number	Percent
Occupied housing units	9,325	100%
Moved in 2010 or later	964	10.30%
Moved in 2000 to 2009	4,827	51.80%
Moved in 1990 to 1999	2,004	21.50%
Moved in 1980 to 1989	873	9.40%
Moved in 1970 to 1979	376	4.00%
Moved in 1969 or earlier	281	3.00%

Source: American Community Survey 2008-2012

Determining Existing and Future Housing Needs

The Housing Element should include an inventory and analysis of existing and projected housing needs. The element should identify the number of housing units necessary to accommodate projected growth, including government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities.

Determining the existing need for housing at all income levels is an important step for jurisdictions in evaluating current policies and provides the basis for determining future housing needs of projected housing growth.

WAC rules identify topics to consider when looking at housing needs, including:

- Workforce housing
- Jobs-to-housing-balance
- Reasonable measure to address inconsistencies found in the Buildable Lands Report
- Affordable housing

Methods to Assess Housing Needs

Cost Burden Analysis

The US Department of Housing and Urban Development (HUD) defines any household spending more than 30% of household income on housing as "cost burdened." Extremely cost burdened households are defined as households that pay more than 50 percent of income on housing. Households that pay more than 30 percent of their income for housing may face additional financial challenges for purchasing food, education, transportation, and medical care. Extremely cost-burdened low-income households are at risk of becoming homeless. The percentage of households that are cost burdened, in addition to the percentage that is extremely cost burdened, is an indicator of an existing unmet need for affordable housing.

A cost burden analysis is applied both to renter and owner households. The WAC requires jurisdictions to make adequate housing provisions for all economic segments of the community; a cost burden analysis will help determine the existing and projected housing need. Table 29 displays household income, monthly housing costs, and monthly housing costs as a percent of household income for Bainbridge Island in 2012. Each set is divided into total occupied housing units, owner-occupied housing units, and renter-occupied housing units.

The last set in Table 29 shows the percent of residents whose monthly housing costs make up more than 30% of their income, which is Bainbridge Island's cost burden analysis. However, there are some important points to make from the other two table sections. As displayed in Table 29A, median household income for owner-occupied housing units ($110,670) was more than double the median household income of renter-occupied units ($46,905). The number of owner-occupied housing units (7,329) is over three-and-a-half times the number of renter-occupied units (1,996). The significant difference in income levels between the overall median household income of $92,558, which is still almost double to the $46,905 of median income for individuals and families in renter-occupied units, is tied to the types of housing units available.

Table 29A – Cost Burden Analysis: Household Income in 2012

	Total Occupied Housing Units		Owner-Occupied Housing Units		Renter-Occupied Housing Units	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Occupied Housing Units	9,325	+/-256	7,329	+/-323	1,996	+/-254
Household Income in the Past Twelve Months (in 2012 Inflation-Adjusted Dollars)						
Less than $5,000	1.6%	+/-0.8	1.5%	+/-0.9	1.7%	+/-1.6
$5,000 to $9,999	1.8%	+/-1.0	0.7%	+/-0.6	5.9%	+/-4.1
$10,000 to $14,999	1.2%	+/-0.8	1.3%	+/-0.9	0.7%	+/-1.1
$15,000 to $19,999	3.2%	+/-1.2	1.7%	+/-0.9	8.7%	+/-4.4
$20,000 to $24,999	3.3%	+/-1.3	3.6%	+/-1.4	2.3%	+/-2.1
$25,000 to $34,999	6.0%	+/-2.0	3.5%	+/-1.2	15.1%	+/-7.6
$35,000 to $49,999	11.1%	+/-2.3	9.6%	+/-2.6	16.4%	+/-6.7
$50,000 to $74,999	13.1%	+/-2.4	11.6%	+/-2.3	18.2%	+/-6.8
$75,000 to $99,999	12.2%	+/-2.1	11.4%	+/-2.2	15.4%	+/-5.1
$100,000 to $149,999	19.1%	+/-2.5	21.5%	+/-2.9	10.4%	+/-5.8
$150,000 or more	27.4%	+/-2.9	33.5%	+/-3.3	5.2%	+/-2.8
Median Household Income	$92,558	+/-9,860	$110,670	+/-7,103	$46,905	+/-10,469

Source: American Community Survey (2008 – 2012)

Table 29B displays Bainbridge Island's monthly housing costs in 2012. Over 43% of individuals and families pay more than $2,000 a month in housing costs. Furthermore, 52% of individuals and families that own their housing unit pay more than $2,000. The majority (31.5%) of renter-occupied housing units pay between $1,000 and $1,499 a month. However, 23% of renters pay $1,500 or more a month for housing. Monthly housing costs will also be useful in the Workforce Housing Analysis.

Table 29B – Cost Burden Analysis: Monthly Housing Costs in 2012

	Occupied housing units		Owner-Occupied Housing Units		Renter-Occupied Housing Units	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Less than $100	0.2%	+/-0.3	0.2%	+/-0.4	0.0%	+/-1.6
$100 to $199	0.7%	+/-0.6	0.8%	+/-0.7	0.7%	+/-1.1
$200 to $299	1.9%	+/-1.1	0.6%	+/-0.5	6.6%	+/-4.8
$300 to $399	0.8%	+/-0.8	1.1%	+/-1.1	0.0%	+/-1.6
$400 to $499	1.7%	+/-0.9	1.6%	+/-0.8	2.4%	+/-2.2
$500 to $599	3.2%	+/-1.3	3.2%	+/-1.2	3.4%	+/-3.7
$600 to $699	2.9%	+/-1.0	2.7%	+/-1.1	3.7%	+/-2.7
$700 to $799	5.2%	+/-1.3	4.8%	+/-1.2	6.8%	+/-3.9
$800 to $899	5.2%	+/-2.0	2.8%	+/-1.1	14.0%	+/-7.0
$900 to $999	3.7%	+/-1.3	3.4%	+/-1.5	4.8%	+/-2.9
$1,000 to $1,499	17.1%	+/-2.4	13.2%	+/-2.3	31.5%	+/-6.8
$1,500 to $1,999	13.3%	+/-2.2	13.7%	+/-2.5	11.7%	+/-4.6
$2,000 or more	43.4%	+/-2.9	52.0%	+/-3.0	11.9%	+/-5.7
No cash rent	0.6%	+/-0.5	(X)	(X)	2.7%	+/-2.1
Median (dollars)	1,800	+/-87	2,079	+/-120	1,089	+/-105

Source: American Community Survey (2008 – 2012)

Table 29C shows the calculation of five different income groups' cost burden. Based on 2012 data, over 35% of all residents at all income levels experience housing cost burden on Bainbridge Island. Almost 34% of individuals and families at all income levels who live in owner-occupied housing units are cost burdened. The majority (around 14%) of these residents have an income of $75,000 or more a year. 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.

Table 29: C - Monthly Housing Costs as a Percentage of Household Income in 2012

	Occupied housing units		Owner-Occupied Housing Units		Renter-Occupied Housing Units	
Monthly Housing Costs	**Estimate**	**Margin of Error**	**Estimate**	**Margin of Error**	**Estimate**	**Margin of Error**
Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months						
Less than $20,000	6.8%	+/-1.8	4.6%	+/-1.6	15.0%	+/-6.0
Less than 20 percent	0.8%	+/-0.6	0.6%	+/-0.6	1.3%	+/-1.1
20 to 29 percent	0.3%	+/-0.3	0.3%	+/-0.4	0.0%	+/-1.6
30 percent or more	5.8%	+/-1.8	3.6%	+/-1.5	13.8%	+/-5.9
$20,000 to $34,999	9.3%	+/-2.2	7.1%	+/-1.7	17.4%	+/-7.6
Less than 20 percent	1.1%	+/-0.9	0.8%	+/-0.6	2.3%	+/-3.6
20 to 29 percent	0.7%	+/-0.5	0.8%	+/-0.6	0.5%	+/-0.7
30 percent or more	7.5%	+/-2.0	5.5%	+/-1.7	14.7%	+/-7.1
$35,000 to $49,999	10.9%	+/-2.3	9.6%	+/-2.6	15.8%	+/-6.7
Less than 20 percent	2.5%	+/-1.0	2.3%	+/-1.0	3.1%	+/-3.7
20 to 29 percent	2.6%	+/-1.3	1.2%	+/-1.1	7.5%	+/-4.8
30 percent or more	5.9%	+/-1.7	6.1%	+/-2.0	5.2%	+/-2.9
$50,000 to $74,999	12.9%	+/-2.4	11.6%	+/-2.3	17.6%	+/-6.9
Less than 20 percent	4.2%	+/-1.3	3.9%	+/-1.4	5.5%	+/-3.6
20 to 29 percent	4.1%	+/-1.3	2.9%	+/-1.1	8.5%	+/-5.4
30 percent or more	4.6%	+/-1.3	4.9%	+/-1.5	3.6%	+/-2.2
$75,000 or more	58.8%	+/-3.2	66.3%	+/-3.2	31.0%	+/-8.1
Less than 20 percent	31.5%	+/-3.0	35.1%	+/-3.5	18.3%	+/-6.2
20 to 29 percent	16.0%	+/-2.3	17.5%	+/-2.5	10.7%	+/-5.8
30 percent or more	11.3%	+/-2.2	13.8%	+/-2.6	2.1%	+/-2.0
Zero or negative income	0.7%	+/-0.5	0.7%	+/-0.5	0.5%	+/-0.8
No cash rent	0.6%	+/-0.5	(X)	(X)	2.7%	+/-2.1

Source: American Community Survey (2008 – 2012)

Housing cost burden is one important measure of how well the existing housing market is meeting actual needs of residents. Policy implications could include measures to stimulate housing production and a variety of housing types. Previous indicators and this analysis suggest that an increased production in apartments, both market-rate and rent-assisted, would benefit the City of Bainbridge. However, there are limits to meeting affordability needs through new housing production alone and a full range of other tools targeted specifically to affordable, below market rate housing preservation and production are necessary as well.

Affordability by Income Level Analysis

Affordability of housing is considered in relation to the amount of income available to households. PSRC suggests Area Median Income (AMI) as a benchmark of the median income assessed by HUD at the

Metropolitan Statistical Area or the Fair Market Rent Area, which is used to determine eligibility for subsidized housing. To determine the AMI associated with our jurisdiction, household incomes were divided into the categories below representing different levels of affordability based on the Median Family Income of Bainbridge Island in 2012.

This method of analysis complements and builds upon the employment and household growth targets set by each county and meets GMA and VISION 2040 requirements to plan for a range of housing options and affordability at all income levels. When applied to the existing housing stock, this analysis provides a measure of existing need. With a few simple assumptions, future need can be described based on the percent of households in each income category.

Table 30 – Area Median Income Categories (Comparing Regional and Jurisdictional Shares)

Income Category	Percent Area Median Income (AMI)	Regional Share	Jurisdictional Share	Household Income Ranges
Upper-income households	Earning more than 120% of AMI	35% of households	46% of households	$111,070 and Above
Middle-income households	Earning 80% to 120% of AMI	22% of households	13% of households	$74,047 - $111,070
Moderate-income households	Earning 50% to 80% of AMI	18% of households	13% of households	$74,047 - $46,279
Low-income households	Earning 30% to 50% of AMI	12% of households	17% of households	$46,279 - $27,767
Very low-income households	Earning less than 30% of AMI	13% of households	11% of households	$27,767 - $0.00

Source: PSRC Housing Element Guide 2014 and American Community Survey (2008-2012)

The above table shows that Bainbridge Island's jurisdictional share deviates from the proscribed regional share. The number of upper-income households is 10% higher than suggested, while the middle-income and moderate-income are 9% and 5% lower respectively. This first step in the affordability by income analysis suggests that Bainbridge Island could increase its stock of middle- and moderate-income households.

Table 31 gives the number of housing units per price range on Bainbridge Island based on 2013 data from Kitsap County's Assessor's Office. The data removed all assessed land that did not have any additional value added and rolled up housing number values into set price ranges to see how many housing units were in a specific price range. This can be an indicator of how many units are in each income price range and how many units at specific price ranges the City could encourage to promote affordable housing at all income levels.

The data gives some insight to the current housing stock on Bainbridge Island. Based on the number of assessed value units, over half of the housing units on the Island are condominiums, mobile homes, or homes between the $100,000 to $299,999 price ranges. The number of condominiums on the Island has increased over the last decade with a number of developments in the Winslow area including Harbor Square and some of the Grow properties. Condominiums are an effective approach to housing an aging population, which is consistent with the demographic information on Bainbridge. However, this housing does not support young families who want to raise a family in a house on the Island. As shared earlier, the average single family home value is nearly $700,000 this year. The number of housing units in the market value ranges compared to the number of income households is another indicator that more affordable housing is needed in the middle, moderate and lower income ranges.

Table 31 – Number of Housing Units per Price Range

Market Value Range	Count in Range	Percentage
$0.00 - $49,999	37	0.66%
$50,000 - $99,999	244	4.36%
$100,000 - $199,999	1350	24.15%
$200,000 - $299,999	1588	28.41%
$300,000 - $399,999	909	16.26%
$400,000 - $499,999	479	8.57%
$500,000 - $599,999	301	5.38%
$600,000 - $699,999	168	3.01%
$700,000 - $799,999	107	1.91%
$800,000 - $899,999	64	1.14%
$900,000 - $999,999	77	1.38%
$1,000,000 - $1,999,999	186	3.33%
$2,000,000 - $2,999,999	41	0.73%
$3,000,000 - $3,999,999	10	0.18%
$4,000,000 - $4,999,999	8	0.14%
$5,000,000 - $5,999,999	7	0.13%
$6,000,000 - $6,999,999	3	0.05%
$7,000,000 - $7,999,999	3	0.05%
$8,000,000 - $8,999,999	1	0.02%
$9,000,000 - $9,999,999	7	0.13%
Total	5590	100.00%

Source: Kitsap County Assessor’s Office – 2013 Assessed Value Data

Table 32 compares rent limits based on 2013 Income Limits for Seattle-Bellevue HUD Metro Fair Market Rent Area to current market rental prices on Bainbridge Island. The purpose of this analysis is to show the range of rental amounts that would be affordable for different sizes of housing units and households. Based on the AMI categories above, the average rental prices are affordable at the top of the income ranges while 43% of households in the community are cost burdened and qualify for assistance or more opportunities for affordable housing. It is important to reiterate that 28% of residents on the Island are very-low or low income and only around 6% of housing units are dedicated to affordable housing on Bainbridge Island (including rental and Ferncliff Village houses).

Table 32 – Affordable Rents by Bedroom Size

Unit Type	2014 Average Rental Price	Very low-income households (< 30% MFI)	Low-income households (30% - 50% AMI)	Moderate-income households (50% - 80% AMI)
Studios	$ 944.00	$ 455.00	$ 758.00	$ 1,127.00
1 BR	$ 981.00	$ 487.00	$ 813.00	$ 1,208.00
2 BR	$ 1,384.00	$ 585.00	$ 976.00	$ 1,450.00
3 BR	$ 1,744.00	$ 676.00	$ 1,127.00	$ 1,675.00

Source: 2013 Income Limits for Seattle-Bellevue HMFA and Phone Survey Conducted 10/27/2014 – 10/28/2014

Ideally, the existing stock of housing will be affordable to meet the needs of households at all income levels. A shortfall of housing affordable at any income level, particularly levels below 80% of AMI, indicates an existing need that should be addressed through new policies in the Housing Element. Based on the above data, there are shortfalls for middle- and moderate-income households in general and the number of rental units for very low- and low-income households. As a related issue, vacancy rates across segments or the entirety of the housing market are also a major factor in housing availability and price. Low vacancy rates can exert upward pressure on rents and low vacancy rates themselves mean that relatively few units are available to meet households that need housing at any one time. As displayed earlier in this report and previous reports, Bainbridge Island has had and continues to have historically low vacancy rates.

Workforce Housing

Workforce housing refers to housing that is affordable to individuals employed in the community, especially housing at affordability levels that are not provided for adequately by the private market. The WAC requires jurisdictions to address the housing needs of the local workforce in Comprehensive Planning. If there is no housing that is affordable to employees at local public and private employers, workers may have longer commutes, undermining goals for transportation and the environment.

Table 33 displays selected professions common to citizens of Bainbridge Island and whether they work on the Island or in Seattle. Each position can be compared to the top two measures at the top of the table ('Household Income Needed to Purchase Average Priced Home in 2013: $602,500' and 'Median Income') to see if the income the profession provides meets median affordability.

It is important to point out that the calculation for 'Affordable Home Prices' is actually lower because this calculation does not include the costs of a mortgage, insurance, or repairs and upkeep. The assumptions needed for this calculation vary too much in reality to the fluctuations of the housing market in the last decade. Assessed value has increased with the housing bubble, significantly decreased with the housing market crash, and increased with the recovery over this period of time. Those fluctuations in assessed value have a significant impact on taxes, interest rates, and ultimately house insurance. In addition, a home owner may increase the value of their home through renovation or decrease the value of their home by not keeping up with maintenance and repairs. All of these factors influence affordability.

Table 33 – Workforce Housing Affordability

	Affordable Home Price (30 yr fixed mortgage)	Interest Rate	Max. Monthly Mortgage Payment (Principal & Interest)	Estimate of Monthly Real Estate Taxes/ Insurance	Other Fees (e.g. Ground Lease, HOA)	Available for Annual Mortgage Payment below cost burdened benchmark (30% Monthly Income)	Annual Income
Average Bainbridge Island Single-Family Home Sales Price in 2013: $602,500							
Median Income	***$320,357***	***5.50%***	***$1,818.95***	***$375.00***	***$120.00***	***$2,314***	***$92,558***
Marketing Managers	*$430,723*	*5.50%*	*$2,445.60*	$500.00	$120.00	*$3,066*	$122,624
Lawyers	*$386,667*	*5.50%*	*$2,195.45*	$450.00	$120.00	*$2,765*	$110,618
Financial Analysts	*$350,733*	*5.50%*	*$1,991.43*	$400.00	$120.00	*$2,511*	$100,457
Fire Fighting & Prevention Supervisors	*$324,777*	*5.50%*	*$1,844.05*	$375.00	$120.00	*$2,339*	$93,562
Registered Nurses	*$262,796*	*5.50%*	*$1,492.13*	$350.00	$120.00	*$1,962*	$78,485
Urban & Regional Planners	*$249,358*	*5.50%*	*$1,415.83*	$350.00	$120.00	*$1,886*	$75,433
Chemists	*$240,094*	*5.50%*	*$1,363.23*	$350.00	$120.00	*$1,833*	$73,329
Fire Fighters	*$245,985*	*5.50%*	*$1,396.68*	$300.00	$120.00	*$1,817*	$72,667
Market Research Analysts	*$241,652*	*5.50%*	*$1,372.08*	$300.00	$120.00	*$1,792*	$71,683
Police & Sheriff's Patrol Officers	*$229,592*	*5.50%*	*$1,303.60*	$300.00	$120.00	*$1,724*	$68,944
Accountants & Auditors	*$227,703*	*5.50%*	*$1,292.88*	$300.00	$120.00	*$1,713*	$68,515

	Affordable Home Price (30 yr fixed mortgage)	Interest Rate	Max. Monthly Mortgage Payment (Principal & Interest)	Estimate of Monthly Real Estate Taxes/ Insurance	Other Fees (e.g. Ground Lease, HOA)	Available for Annual Mortgage Payment below cost burdened benchmark (30% Monthly Income)	Annual Income
Librarians	*$224,555*	*5.50%*	*$1,275.00*	$300.00	$120.00	*$1,695*	$67,800
Computer Network Support Specialists	*$213,750*	*5.50%*	*$1,213.65*	$300.00	$120.00	*$1,634*	$65,346
Teachers & Instructors	*$189,489*	*5.50%*	*$1,075.90*	$250.00	$120.00	*$1,446*	$57,836
Postal Service Mail Carriers	*$173,594*	*5.50%*	*$985.65*	$250.00	$120.00	*$1,356*	$54,226
Real Estate Sales Agents	*$167,197*	*5.50%*	*$949.33*	$250.00	$120.00	*$1,319*	$52,773
Healthcare Practitioner & Tech Workers	*$156,176*	*5.50%*	*$886.75*	$250.00	$120.00	*$1,257*	$50,270
Biological Technicians	*$147,282*	*5.50%*	*$836.25*	$200.00	$120.00	*$1,156*	$46,250
Painters, Construction & Maintenance	*$143,693*	*5.50%*	*$815.88*	$200.00	$120.00	*$1,136*	$45,435
Bus Drivers, School	*$122,004*	*5.50%*	*$692.73*	$150.00	$120.00	*$963*	$38,509
Retail Salesperson	*$88,818*	*5.50%*	*$504.30*	$150.00	$120.00	*$774*	$30,972
Nursing Assistants	*$84,961*	*5.50%*	*$482.40*	$150.00	$120.00	*$752*	$30,096
Bakers	*$82,914*	*5.50%*	*$470.78*	$150.00	$120.00	*$741*	$29,631

	Affordable Home Price (30 yr fixed mortgage)	Interest Rate	Max. Monthly Mortgage Payment (Principal & Interest)	Estimate of Monthly Real Estate Taxes/ Insurance	Other Fees (e.g. Ground Lease, HOA)	Available for Annual Mortgage Payment below cost burdened benchmark (30% Monthly Income)	Annual Income
Cashiers	*$75,380*	*5.50%*	*$428.00*	$150.00	$120.00	*$698*	$27,920
Waiters & Waitresses	*$74,425*	*5.50%*	*$422.58*	$150.00	$120.00	*$693*	$27,703
Maids & House Cleaners	*$59,771*	*5.50%*	*$339.38*	$150.00	$120.00	*$609*	$24,375

Source: 2013 Occupational Employment and Wage Estimates Washington State Employment Security Department Labor Market and Economic Analysis, June 2013

An analysis of housing needs for the local workforce will strengthen planning efforts to ensure housing affordability for the individuals who work within the jurisdiction. Based on the above numbers, a gap in housing affordable for the workforce has been identified. Workers in service professions may be challenged to find affordable housing near their employment. This can cause workers to have to travel longer distances to work. This increase in transportation costs increases their cost burden as well as adding demands to the transportation system and the environment. Programs and regulations may be needed to create opportunities for more affordable ownership or rental housing. Development incentives tied to affordability have proven successful for providing housing that meets the needs of the workforce.

Jobs/Housing Balance

Jobs/housing balance is a measure that compares the amount of employment vs. the amount of housing in a specific geographic area. Typically, a jobs/housing balance is calculated by dividing jobs within in geography by the number of housing units in that geography. There are approximately 1.15 jobs for every housing unit in the 4-county central Puget Sound region as a whole. This is a ratio that is close to representing jobs/housing balance across the entire regional commute-shed. The range included in the average includes jurisdictions with jobs centers with jobs/housing balance as high as 3 jobs per housing unit to more residential communities with less than .5 jobs per housing units. A low jobs/housing ratio indicates a housing-rich "bedroom community," while a high jobs/housing ratio indicates an employment center.

Providing an appropriate balance between jobs and housing ensures that workers have access to housing near their work. Measuring jobs/housing balance around major employment centers and within individual communities provides jurisdictions an opportunity to work with neighboring cities and towns to reconcile the geographic distribution of housing and employment opportunities. It is important to note that a jobs/ housing balance is already reflected in each jurisdiction's housing targets developed at the countywide level. Jurisdictions should not modify their housing target based on a jobs/housing analysis, but may use this analysis at a neighborhood level to plan effectively for projected household and employment growth.

Bainbridge Islands jobs/housing balance is .59 jobs for every housing unit in the City, making it a "bedroom community." PSRC suggests that housing-rich neighborhoods can add employment to provide more access for current residents to economic opportunities. Planning to move toward a more balanced distribution of housing and jobs within a jurisdiction can help to achieve a number of transportation and environmental goals as the need to commute long distances by private auto declines.

Housing + Transportation Costs Index

A Housing + Transportation Costs Index represents the percentage of household income spent on housing and transportation. This tool expands on the cost burden analysis to account for transportation costs. Housing costs may be lower in more suburban areas for modest and low-income households, but the Housing + Transportation analysis incorporates the resulting increase in transportation for a more comprehensive definition of affordability.

This approach addresses the location of housing within a community and the provision of transportation infrastructure and services as components of the total affordability picture. Increasingly, affordability is defined by the confluence of housing and transportation costs. After the cost of housing, the largest expense for most households is transportation. The location cost of transportation is largely determined by the range of transportation options available in a given location in addition to the average length of the trips for work, education, and other daily needs. Locations with better access to transit and other alternative transportation modes generally result in lower transportation costs. Bainbridge Island residents show a significant increase in their housing + transportation cost burden as a number of residents commute to Seattle, other sections of King County and Kitsap County. Transportation costs can range from the costs of bus passes, ferry passes, and gasoline/maintenance for cars.

The Housing +Transportation analysis may be used to develop affordable housing policies that focus the development of housing, and specifically affordable housing, in areas with lower transportation costs. A Housing +Transportation analysis provides the basis for developing policies and investing financial resources to support equitable transit oriented development (TOD). A recent Sustainable Communities Grant, awarded by HUD to the PSRC, funded the Growing Transit Communities Partnership and Strategy, which outlines strategies to leverage transit investment through equitable TOD. Strategies outlined through the Growing Transit Communities Partnership aim to mitigate and reverse the negative community, environmental, and economic impacts of a high housing and transportation costs by developing policies that facilitate the concentration of affordable housing, employment, and services near transit.

Special Needs Housing

Special needs housing refers broadly to housing accommodations for individuals with physical and mental disabilities, seniors, veterans, individuals with mental illness, individuals with chronic and acute medical conditions, individuals with chemical dependency, survivors of domestic violence, and adult, youth, and families who are homeless. Planning for special needs populations is integral to the success of an economically and socially vibrant Puget Sound Region. Both GMA and the WAC specifically require jurisdictions to “address how the county or city will provide for group homes, foster care facilities, and facilities for other populations with special needs” (WAC 365-196-410)

As displayed above in the Special Needs Housing on page 32, there was an increase in units for assisted living in the last decade. However, with the significant increase in seniors and an aging population, more planning for senior housing could be important to a successful plan for future housing on Bainbridge Island.

Appendix

Washington Administrative Code (WAC)

Furthermore, the WAC recommends the following to meet the requirements of the Housing Element.[5]

The Housing Element shows how a county or city will accommodate anticipated growth, provide a variety of housing types at a variety of densities, provide opportunities for affordable housing for all economic segments of the community, and ensure the vitality of established residential neighborhoods. The following components should appear in the housing element:

7) Housing goals and policies.
    a) The goals and policies serve as a guide to the creation and adoption of development regulations and may also guide the exercise of discretion in the permitting process.
    b) The housing goals and policies of counties and cities should be consistent with county-wide planning policies and, where applicable, multicounty planning policies.
    c) Housing goals and policies should address at least the following:
        i) Affordable housing;
        ii) Preservation of neighborhood character; and
        iii) Provision of a variety of housing types along with a variety of densities.
    d) Housing goals and policies should be written to allow the evaluation of progress toward achieving the housing element's goals and policies.
8) Housing inventory
    a) The purpose of the required inventory is to gauge the availability of existing housing for all economic segments of the community.
    b) The inventory should identify the amount of various types of housing that exist in a community. The act does not require that a housing inventory be in a specific form. Counties and cities should consider WAC 365-196-050 (3) and (4) when determining how to meet the housing inventory requirement and may rely on existing data.
    c) The housing inventory may show the affordability of different types of housing. It may provide data about the median sales prices of homes and average rental prices.
    d) The housing inventory may include information about other types of housing available within the jurisdiction such as:
        i) The number of beds available in group homes, nursing homes and/or assisted living facilities;
        ii) The number of dwelling units available specifically for senior citizens;
        iii) The number of government-assisted housing units for lower-income households.
9) Housing needs analysis
    a) The purpose of the needs analysis is to estimate the type and densities of future housing needed to serve all economic segments of the community. The housing needs analysis should

[5] WAC 365-196-410 – Housing Element – http://app.leg.wa.gov/wac/default.aspx?cite=365-196-410; 23 OCT 2014

compare the number of housing units identified in the housing inventory to the projected growth or other locally identified housing needs.

b) The definition of housing needs should be addressed in a regional context and may use existing data.
c) The analysis should be based on the most recent twenty-year population allocation.
d) The analysis should analyze consistency with county-wide planning policies, and where applicable, multicounty planning policies, related to housing for all economic segments of the population.

10) Housing targets or capacity
    a) The housing needs analysis should identify the number and types of new housing units needed to serve the projected growth and the income ranges within it. This should be used to designate sufficient land capacity suitable for development in the land use element.
    b) Counties and cities may also use other considerations to identify housing needs, which may include:
        i) Workforce housing which is often defined as housing affordable to households earning between eighty to one hundred twenty percent of the median household income.
        ii) Jobs-to-housing balance, which is the number of jobs in a city or county relative to the number of housing units.
        iii) Reasonable measures to address inconsistencies found in buildable lands reports prepared under RCW 36.70A.215.
        iv) Housing needed to address an observed pattern of a larger quantity of second homes in destination communities.
    c) The targets established in the housing element will serve as benchmarks to evaluate progress and guide decisions regarding development regulations.

11) Affordable housing – RCW 36.70A.070 requires counties and cities, in their housing element, to make adequate provisions for existing and projected needs for all economic segments of the community.
    a) Determining what housing units are affordable.
        i) In the case of dwelling units for sale, affordable housing has mortgages, amortization, taxes, insurance and condominium or association fees, if any, that consume no more than thirty percent of the owner's gross annual household income.
        ii) In the case of dwelling units for rent, affordable housing has rent and utility costs, as defined by the county or city that cost no more than thirty percent of the tenant's gross annual household income.
        iii) Income ranges used when considering affordability. When planning for affordable housing, counties or cities should use income ranges consistent with the applicable county-wide or multicounty planning policies. If no such terms exist, counties or cities should consider using the United States Department of Housing and Urban Development (HUD) definitions found in 24 C.F.R. 91.5, which are used to draft consolidated planning documents required by HUD. The following definitions are from 24 C.F.R. 91.5:
            (1) Median income refers to median household income.

(2) Extremely low-income refers to a household whose income is at or below thirty percent of the median income, adjusted for household size, for the county where the housing unit is located.
(3) Low-income refers to a household whose income is between thirty percent and fifty percent of the median income, adjusted for household size, for the county where the housing unit is located.
(4) Moderate-income refers to a household whose income is between fifty percent and eighty percent of the median income where the housing unit is located.
(5) Middle-income refers to a household whose income is between eighty percent and ninety-five percent of the median income for the area where the housing unit is located.

b) Affordable housing requires planning from a regional perspective. County-wide planning policies must address affordable housing and its distribution among counties and cities. A county's or city's obligation to plan for affordable housing within a regional context is determined by the applicable county-wide planning policies. Counties and cities should review county-wide affordable housing policies when developing the housing element to maintain consistency.

c) Counties and cities should consider the ability of the market to address housing needs for all economic segments of the population. Counties and cities may help to address affordable housing by identifying and removing any regulatory barriers limiting the availability of affordable housing.

d) Counties and cities may help to address affordable housing needs by increasing development capacity. In such an event, a county or city affordable housing section should:
   i) Identify certain land use designations within a geographic area where increased residential development may help achieve affordable housing policies and targets;
   ii) As needed, identify policies and subsequent development regulations that may increase residential development capacity;
   iii) Determine the number of additional housing units these policies and development regulations may generate; and
   iv) Establish a target that represents the minimum amount of affordable housing units that it seeks to generate.

12) Implementation plan

a) The housing element should identify strategies designed to help meet the needs identified for all economic segments of the population within the planning area. It should include, but not be limited to, the following:
   i) Consideration of the range of housing choices to be encouraged including, but not limited to, multifamily housing, mixed uses, manufactured houses, accessory dwelling units, and detached houses;
   ii) Consideration of various lot sizes and densities, and of clustering and other design configurations;
   iii) Identification of a sufficient amount of appropriately zoned land to accommodate the identified housing needs over the planning period; and

   iv) Evaluation of the capacity of local public and private entities and the availability of financing to produce housing to meet the identified need.

b) The housing element should also address how the county or city will provide for group homes, foster care facilities, and facilities for other populations with special needs. The housing element should provide for an equitable distribution of these facilities among neighborhoods within the county or city.

c) The housing element should identify strategies designed to ensure the vitality and character of existing neighborhoods. It should show how growth and change will preserve or improve existing residential qualities. The housing element may not focus on one requirement (e.g., preserving existing housing) to the exclusion of the other requirements (e.g., affordable housing) in RCW36.70A.070(2). It should explain how various needs are reconciled.

d) The housing element should include provisions to monitor the performance of its housing strategy. A monitoring program may include the following:
   i) The collection and analysis of information about the housing market;
   ii) Data about the supply of developable residential building lots at various land-use densities and the supply of rental and for-sale housing at various price levels;
   iii) A comparison of actual housing development to the targets, policies and goals contained in the housing element;
   iv) Identification of thresholds at which steps should be taken to adjust and revise goals and policies; and
   v) A description of the types of adjustments and revisions that the county or city may consider.

Kitsap County

Kitsap Regional Coordinating Council – Countywide Planning Policies for Kitsap[6]

Jobs-Housing Balance:

Jobs-housing balance refers to relationship of housing supply and the job base. There are transportation implications in terms of improving accessibility between where jobs are located and where people live, as well as access to goods, services and other amenities.

Best Practices in Housing:

The County and the Cities recognize the value of housing practices that preserve existing neighborhoods and communities, use land more efficiently, make services more economical, and meet the diverse needs of our county's changing demographics. The Community Design and Development Policies in

[6] Kitsap County Ordinance 509-2013 - Adopted Kitsap Countywide Planning Policies; 25 NOV 2013; http://www.kitsapregionalcouncil.org/library/D%20-%20Countywide%20Policies/CPP%20As%20Adopted%2011%2025%2013.pdf; 23 OCT 2014

Element F: Contiguous, Compatible and Orderly Development address key innovative practices and design principles for development and housing.

Affordable Housing:

Housing affordability refers to the balance (or imbalance) between household income and housing costs. Affordable housing is a major challenge in Kitsap County.

The following definitions relate to the Countywide Planning Policies: Housing shall mean housing intended for a full range of household incomes. These income levels are defined as follows (WAC 365.196.410 [2]-e-i-C):

- Extremely low-income shall mean those households that have incomes that are at or below 30% of the countywide median.
- Very low-income shall mean those households that have incomes that are within the range of 31 - 50% of the countywide median.
- Low-income shall mean those households that have incomes that are within the range of 51 - 80% of the countywide median.
- Moderate-income shall mean those households that have incomes that are within the range 81-95% of the countywide median.
- Middle-income shall mean those households that have incomes that are within the range of 96-120% of the countywide median.
- Upper-income shall mean those households that have incomes above 120% of the countywide median.

Policies for Affordable Housing (AH):

a) Coordinated process among County, Cities, and housing agencies for determining and fulfilling housing needs, and the equitable distribution of affordable housing at all income levels in Kitsap County:
    i) The County and the Cities should inventory the existing housing stock consistent with the Growth Management Act synchronized with County and Cities' respective Comprehensive Plan updates, and correlate with current population and economic conditions, past trends, and ten year population and employment forecasts, to determine short and long range housing needs, including rental and home ownership. Navy personnel housing policy should also be considered.
    ii) Local housing inventories, projections, and equitable distribution strategies should be compiled, updated, and monitored under the coordination of the Kitsap Regional Coordinating Council to identify countywide conditions and projected needs.
    iii) Sufficient land supply for housing including various housing types shall be identified and monitored through regular updates to the countywide Buildable Lands Analysis [see Element B-1 Land Utilization and Monitoring Programs].

- iv) The County and the Cities should each identify specific policies and implementation strategies in their Comprehensive Plans and should enact implementing regulations to provide a mix of housing types and costs to achieve identified goals for housing at all income levels, including easy access to employment centers.
- v) The County and the Cities shall incorporate a regular review of public health, safety, and development regulations pertaining to housing implementation strategies to assure that:
  - (1) protection of the public health and safety remains the primary purpose for housing standards
  - (2) regulations are streamlined and flexible to minimize additional costs to housing.

b) Recognizing that the market place makes adequate provision for those in the upper economic brackets, each jurisdiction should develop some combination of appropriately zoned land, regulatory incentives, financial subsidies, and/or innovative planning techniques to make adequate provisions for the needs of middle and lower income persons.

c) Recognizing the percentage share of the existing and forecasted countywide population and housing stock, as well as the distribution of existing housing for those households below 120% countywide median income, the County and the Cities should develop coordinated strategies to disperse projected housing for those below 120% countywide median income throughout Kitsap County, where they are specifically found to be appropriate, in consideration of existing development patterns and densities. These strategies should promote the development of such housing in a dispersed pattern so as not to concentrate or geographically isolate low-income housing in a specific area or community.

d) Provision of affordable housing for households below 120% countywide median income should include:
- i) Housing options located throughout Kitsap County in Urban Growth Areas and Rural Communities, as defined in Element D (2-a),in a manner to provide easy access to transportation, employment, and other services.
  - (1) Designated Centers should include such housing options.
  - (2) Rural self- help housing programs should be encouraged first in UGA’s and Rural Communities and then allowed in other appropriate areas as defined by the U.S. Department of Agriculture.
- ii) Local Comprehensive Plan policies and development regulations that encourage and do not exclude such housing.
- iii) Housing strategies that include:
  - (1) preservation, rehabilitation and redevelopment of existing neighborhoods as appropriate, including programs to rehabilitate and/or energy retro-fit substandard housing;
  - (2) provision for a range of housing types such as multi-family, single family, accessory dwelling units, cooperative housing, and manufactured housing on individual lots and in manufactured housing parks;
  - (3) housing design and citing compatible with surrounding neighborhoods;

(4) mechanisms to help people purchase their own housing, such as low interest loan programs, "self-help" housing, and consumer education.

(5) innovative regulatory strategies that provide incentives for the development of such housing, such as: reducing housing cost by subsidizing utility hook-up fees and rates, impact fees, and permit processing fees; density incentives; smaller lot sizes; zero lot line designs; inclusionary zoning techniques, such as requiring housing for specified income levels in new residential developments; transfers of development rights and/or a priority permit review and approval process and/or other provisions as appropriate.

iv) Housing policies and programs that address the provision of diverse housing opportunities to accommodate the homeless, the elderly, physically or mentally challenged, and other segments of the population that have special needs.

v) Participation with housing authorities to facilitate the production of such housing. The County and the Cities shall also recognize and support other public and private not-for-profit housing agencies. Supporting housing agencies is encouraged through public land donations, guarantees, suitable design standards, tax incentives, fee waivers, providing access to funding sources and support for funding applications, or other provisions as appropriate.

The County and the Cities shall collaborate with PSRC to evaluate availability of appropriate housing types to serve future residents and changing demographics.