

Chapter 3. Housing

3.1 Introduction

The intent of the Housing element is to establish coordinated and comprehensive policies that will help guide decisions on housing issues within and around the City. Provisions that ensure suitable housing opportunities for all socioeconomic levels are a primary consideration in enhancing the quality of life found in Port Orchard. The Housing Element is also intended to be internally consistent with the overarching goals of the entire Comprehensive Plan, as well as the housing goals of Washington's Growth Management Act (GMA).

Housing Vision

Ensure suitable housing opportunities for all socioeconomic levels, including a variety of housing types, in a manner that accommodates anticipated population growth while respecting the character of existing neighborhoods.

As Port Orchard grows, it will be important to provide a variety of housing types in order to suit the needs and preferences of the expanding population. Addressing housing from various perspectives such as availability, choice, quality and neighborhood preservation will be necessary in order to meet the housing needs of all of Port Orchard's residents now and into the future.

Some housing trends within the City are well documented while others are not. Issues influencing housing can be identified through a variety of sources such as building permit information, census data, and related trade information.

3.2 Existing Housing Stock

As of 2010, there were 4,630 housing units in the City, per census data. Single-family detached homes accounted for approximately 62% of these units. Multi-family housing of 10-19 units makes up the next largest category with 13% of the total amount. Based on census data, there was a 46% increase in housing stock from 2000 to 2010, over 60% of which was from annexation. From 2010 through 2015, housing stock increased by 701 units or 15% due to new construction, 246 of which were multi-family units and 455 of which were single-family units. From 2012-2013 there were 240 multi-family building permits issued, which will continue to maintain the current single and multi-family housing distribution. The ratio of single-family to multi-family housing has therefore stayed relatively stable during the past five years. For



additional information regarding building permits issued between 2005 and 2015, see Table 1 below. Figure 1 breaks down housing types within the City.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Mobile Homes	0	1	3	2	0	8	1	0	9	3	0
Single-family detached	28	19	34	31	54	113	57	85	44	52	104
Multi-family	17	32	20	0	8	16	2	102	126	0	0
Total Housing Units	45	52	57	31	59	138	70	200	176	55	104

Table 1

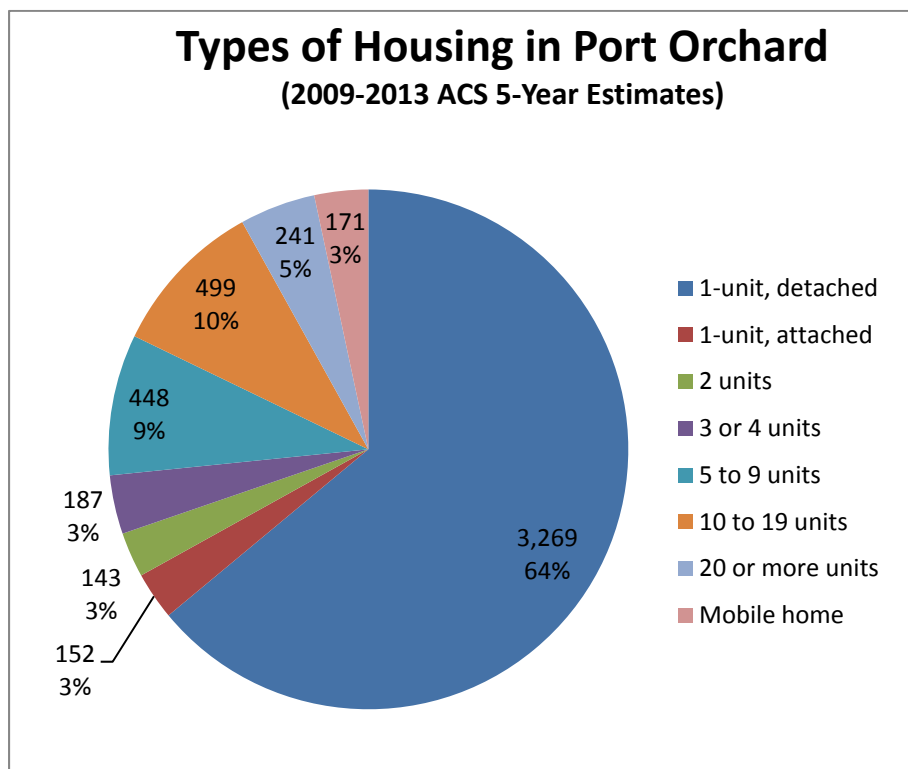


Figure 1

According to the American Community Survey, in 2014 the median value of owner-occupied housing units in Port Orchard was \$246,100. This represents a decrease from the 2010 estimated median value of \$275,200.



The percentage of owner occupied housing has experienced a dramatic shift from 2000 to 2010 according to the US Census. Owner-occupied housing was in the minority in 2000 at only 44.2%, while renter-occupied housing comprised 55.8%. By 2010 this number had completely switched with owner-occupied housing accounting for 55.8% of the housing stock and renter-occupied housing stock at 44.2%. This shift is largely due to the McCormick Woods annexation in 2009. The owner-occupied/rental ratio has remained approximately the same through 2014.

3.3 Demographics

The City's demographic profile is based on the 2010 US Census, supplemented by the 2014 American Community Survey and the 2016 population estimates from the Washington State Office of Financial Management (OFM). OFM estimates the City's population to be 13,510 as of April 2016.

Port Orchard's community has:

- 81% white/Caucasian population, slightly lower than Kitsap County (83%) and slightly higher than Washington state (77%).
- 7% persons of Hispanic/Latino population, slightly higher than Kitsap County (6%), and slightly fewer than Washington state (11%).
- 49% percent males and 51% females.
- The largest population group (42%) are "working age" persons between 25-54 years of age. Children under 5 are 10% of the population and seniors over 75 are 7% of the population.
- A median household income of approximately \$56,000, which is slightly less than the median income for Kitsap County (\$62,000) and Washington state (\$60,000).
- Approximately 17% of the population has an income below the Federal Poverty Level, which is slightly higher than Kitsap County (11%) and Washington state (14%).
- Comparable monthly housing costs (\$1,206/mo) to Kitsap County (\$1,238/mo) and Washington state (\$1,177/mo).
- A comparable percentage of renters (37%) to Kitsap County (33%) and Washington state (37%).

3.4 Population Growth, Allocations, and Capacity

3.2.1 Population Growth Allocation

Port Orchard is designated as a Small City in Vision 2040 (PSRC December 2009). Using the vision 2040 framework, Port Orchard was provided a population growth allocation through the Kitsap Regional Coordinating Committee's (KRCC) adopted Countywide Planning Policies. The allocation that was adopted for Port Orchard for the 2010-2036 planning period was 8,235 additional people for a 2036 population of 20,558. Based on American Community Survey data for 2014, the average number of persons per household is 2.59. This means that 3,180 additional units of housing are needed between 2010 and 2036.

One of the primary goals of the GMA and subsequent plans such as Puget Sound Regional Council (PSRC) Vision 2040, Kitsap County Comprehensive Plan, and this Plan, is to manage growth effectively. To achieve that, a land capacity analysis needed to be performed to determine how many potential housing units could be developed or redeveloped on current land.. The complete countywide population allocations are shown in Table 2 as follows:

Table 2

Jurisdiction	Census 2010 ¹	Population Growth ²	2036 Targets ³
City of Bremerton	37729	14288	52017
Bremerton UGA	9082	4013	13095
Total Bremerton	46811	18301	65112
City of Bainbridge Island	23025	5635	28660
City of Port Orchard	12323	8235	20558
Port Orchard UGA	15044	6235	21279
Total Port Orchard	27367	14470	41837

City of Poulsbo	9222	1330	10552
Poulsbo UGA	478	3778	4256
Total Poulsbo	9700	5108	14808
Central Kitsap UGA	22712	7764	30476
Silverdale UGA	17556	5779	23335
Kingston UGA	2074	2932	5006
UGA (Includes Cities) Total	145434	63800	209234
Rural Non-UGA	105699	16638	122337
Total County	251133	80438	331571

(Taken from Adopted Kitsap Countywide Planning Policies, November 25, 2013 - Appendix B Population Distribution)

1 - 2010 Census data reflects incorporated city and UGA boundaries as of August 31, 2012.

2 - Population growth reflects new residents through the 2036 planning horizon.

3 - Changes in city or UGA boundaries during the planning horizon may affect the population distributions. This table may be updated periodically to reflect such changes. These updates do not constitute policy changes to the CPP's and will not require adoption and ratification by member agencies.

3.2.2 Buildable Lands Capacity

The Kitsap County 2014 Buildable Lands Report found that the City of Port Orchard has room to develop, through vacant or underutilized lands, a total of 5,285 dwelling units, or enough space for 13,688 residents using a variety of housing types, assuming 2.59 people per housing unit. This means that the city has sufficient capacity to accommodate its growth allocation developed under the Vision 2040 framework, but also that it has surplus capacity which could potentially allow the city to exceed its growth allocation. The City's Population Capacity is shown in Table 3:

<u>City of Port Orchard</u>	<u>Population Capacity and Demand</u>
<u>2025/2036 Population Capacity</u>	<u>13,688</u>
<u>2010-2036 Allocated Population Growth</u>	<u>8,235</u>
<u>Net 20-Year Population Capacity (+ or -)</u>	<u>5,453</u>
<u>UGA Pop. Capacity/Demand Ratio</u>	<u>1.66</u>

Table 3

3.2.3 Current and Projected Growth and Performance

The growth allocation described in section 3.2.1 provided a target of 8,235 people that need to be accommodated between 2010 and 2036. As part of the City’s 2016 Periodic Update, the city has the benefit of reviewing the 2010-2015 population growth data to evaluate its performance in accommodating its population allocation. At a PSRC presentation to the PSRC Regional Staff Committee on February 18, 2016, PSRC indicated that Port Orchard had grown, excluding annexation, at a total rate of 12.6% for the 5 year period as shown in Figure 2 below.

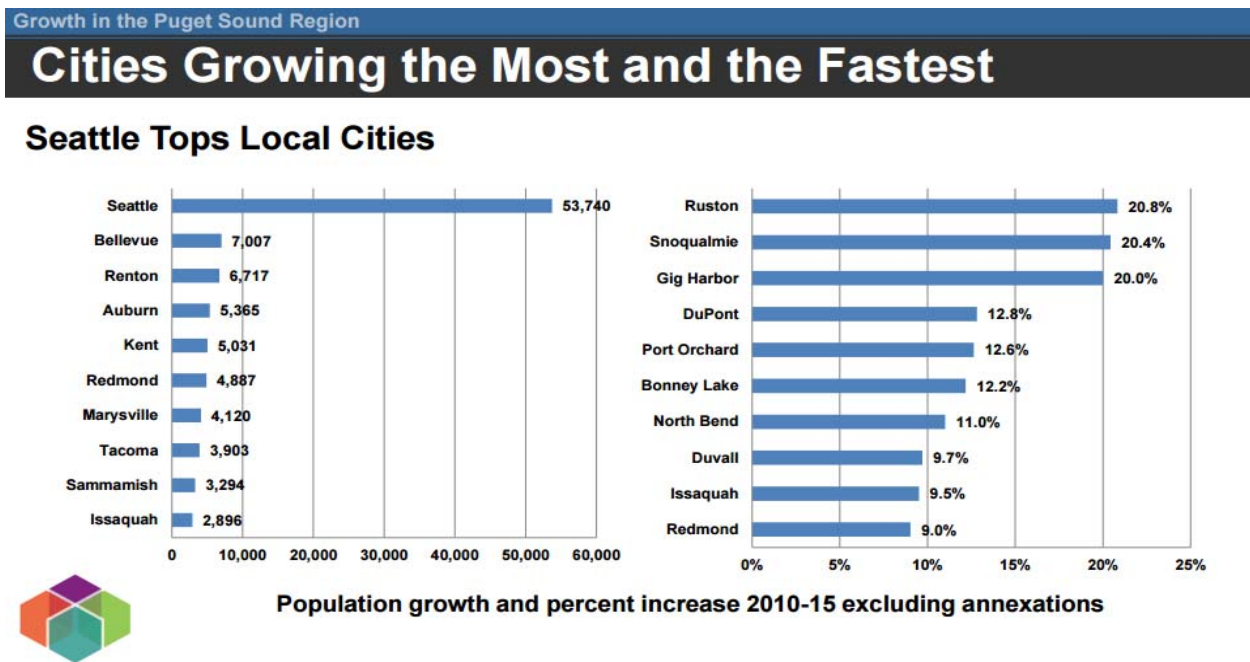


Figure 2

Since the City’s most recent annexation in 2012, the City grew at a rate of 2.5% per year as shown in Table 4 below. Given the characteristics of the areas annexed by the city, including numerous entitled projects, the growth rate for the city after its most recent annexation is the best available data for projecting the city’s future growth rate.

Population	Dates
12,870	1/1/2013
13,150	1/1/2014
13,510	1/1/2015
Growth Rate	Description (Result)
2.5%	Compound average annual growth rate since 2013. Last annexation 7/12.

Table 4

Using the assumption that the current 2.5% growth rate will remain steady, the City is able to project that its 2036 population would be 22,138 people. This projection is 1,580 people above the city's growth allocation. If the City were to hit its growth target, it would need to grow at 2.1% annually through 2016.

The City is unable to project whether its 2010-2015 growth rate will accelerate or decelerate, but it is able to monitor its performance towards meeting its allocation targets and can take reasonable measures to bend the trend if necessary. In 2015, the City took some steps which may have an effect on its growth rate. It adopted traffic impact fees for the first time as well as a robust concurrency management system to replace its previously very limited concurrency management system. The ordinances serve to ensure that growth pays for expanded transportation, water, and sewer system capacity need to serve that growth, or, that in the absence of adequate facilities, project permits be denied. As the City monitors its rate of growth, it could take other reasonable measures to bend the trend including but not limited to lowering transportation level of service LOS standards to accelerate growth, or, postponing capital projects in the City's CIP to slow growth rates.

3.3 Goals and Policies

The ability of the region to provide various housing opportunities for residents in and around Port Orchard is very important. Limited housing opportunities adversely impact housing choice, economic development, neighborhood/community image and pride. Creating policy language that champions housing availability and affordability across all income levels serves to foster these concepts. This section seeks to establish basic policy principles related to housing availability and affordability.

Port Orchard strives to:

Goal 1. Ensure that the City’s housing stock responds to changes in desired housing types based on demographic trends and population growth.

- Policy HS-1 Identify a sufficient amount of land for housing, including but not limited to government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes, and foster care facilities.
- Policy HS-2 Support the development of a variety of housing types, including apartments, townhomes, mixed-use (residential and other uses) and live-work development, small-lot and zero lot line single-family homes, and manufactured homes, as well as traditional single-family homes, through innovative planning, efficient and effective administration of land and building codes, and, where available, applicable financial assistance.
- Policy HS-3 Monitor official and estimated population and housing data to ensure zoning and development regulations reflect market demands.

Goal 2. Ensure that housing is affordable and available to all socioeconomic levels of Port Orchard residents.

- Policy HS-4 Adopt zoning and development regulations that will have the effect of minimizing housing costs and maximizing housing options.
- Policy HS-5 Support the development of housing and related services that are provided by regional housing programs and agencies for special needs populations, especially the homeless, children, the elderly, and people with mental or physical disabilities.
- Policy HS-6 Consider reducing permitting fees for development which provide affordable housing as defined by the Washington Administrative Code (WAC) section 200-120-020.
- Policy HS-7 Consider the creation of zoning and other land use incentives for the private construction of affordable and special needs housing as a percentage of units in multi-family development.
- Policy HS-8 Consider adopting incentives for development of affordable multi-family homes through property tax abatement in accordance with 84.14 RCW, focusing on designated mixed-use local centers with identified needs for residential infill and redevelopment.

Goal 3. Encourage the clustering of new housing developments in designated mixed-use Centers where residential uses are co-located with commercial uses.

- Policy HS-9 Implement minimum residential density requirements in centers of local importance in order to increase land and infrastructure efficiency.
- Policy HS-10 Encourage the development of vertical multi-family housing above ground floor commercial uses within centers of local importance.
- Policy HS-11 Encourage the development of a mix of housing types within walking and bicycling distance of public schools, parks, transit service, and commercial centers.

Goal 4. Promote the efficient provision of municipal infrastructure and services to new housing developments.

- Policy HS-12 Require that new housing developments occur concurrently with necessary infrastructure investments.
- Policy HS-13 Establish an orderly process of annexation informed by the need for infrastructure investments that will ensure levels of service to new residential areas are not diminished.

Goal 5. Promote the efficient use of residential land in order to maximize development potential.

- Policy HS-14 Implement zoning and development regulations which encourage infill housing on empty and redevelopable parcels.
- Policy HS-15 Allow the development of residential accessory dwelling units (ADUs) and detached accessory dwelling units (DADUs) in appropriate residential areas with sufficient public facilities to adequately serve additional residents.
- Policy HS-16 Consider increasing maximum housing densities and implementing minimum housing densities in appropriate areas.

Goal 6. Formulate and implement innovative development regulations and design standards that maintain and strengthen neighborhood character.

- Policy HS-17 The City shall identify formal neighborhoods throughout Port Orchard, with boundaries based on building types and styles, history, topography, school locations, commercial development, and other relevant features of the environment.

- Policy HS-18 Consider programs to preserve or rehabilitate neighborhoods and areas that are showing signs of deterioration due to lack of maintenance or abandonment.
- Policy HS-19 Consider commercial building design standards that establish and protect neighborhood character.
- Policy HS-20 Seek federal, state, and other funding for the renovation and maintenance of existing housing stock.
- Policy HS-21 Provide information and assistance to property owners of historically significant housing to encourage preservation of these cultural resources.

Goal 7. Improve the time associated with processing and approving proposed development while ensuring housing and design standards are suitable for maintaining an efficient, attractive and safe housing supply.

- Policy HS-22 Streamlining the permitting process for development by implementing policies and procedures that reduce the length of time involved in plan approval.

Goal 8. Provide on-going support to homeowners to preserve, maintain and improve their properties in order to enhance the quality and character of neighborhoods and the overall City.

- Policy HS-23 Consider developing programs that encourage and assist property owners to improve the quality and aesthetics of their housing units.

Goal 9. Ensure that future residential development protects and maintains natural ecosystems and critical areas, including wetlands, streams, and wildlife habitats.

- Policy HS-24 Consider developing and implementing flexible development standards for housing being proposed in the vicinity of critical areas to meet both the goals of housing targets and environmental protection.
- Policy HS-25 Encourage energy efficient housing types that conserve non-renewable energy and help minimize impact on air quality and climate.
- Policy HS-26 Prioritize residential growth in centers of local importance.

Goal 10. Monitor population growth rates to ensure that the City is accommodating its share of regional growth as allocated in the Countywide Planning Policies.

Policy HS-27 If the City's growth rate falls below 2.1% annual growth, the rate at which the City would need to grow at in order to hit its 2036 growth target, the city should consider adopting reasonable measures such as reducing adopted transportation levels of service, impact fees, or accelerating growth related projects within the City's Capital Improvement Program.

Policy HS-28 If the City's growth rate increases from the 2.5% growth rate experienced from 2013-2015, the City should consider adopting reasonable measures including increasing transportation level of service standards, impact fees, or delaying projects within the City's Capital Improvement Program.