



CITY OF
BAINBRIDGE ISLAND

**CITY COUNCIL STUDY SESSION
TUESDAY, OCTOBER 18, 2022**

COUNCIL CHAMBERS
280 MADISON AVENUE NORTH
BAINBRIDGE ISLAND, WA

AND

ZOOM WEBINAR
[HTTPS://BAINBRIDGEWA.ZOOM.US/J/92947338351](https://bainbridgewa.zoom.us/j/92947338351)
OR TELEPHONE: US: +1 253 215 8782
WEBINAR ID: 929 4733 8351

AGENDA

1. **CALL TO ORDER / ROLL CALL - 6:00 PM**
2. **APPROVAL OF AGENDA / CONFLICT OF INTEREST DISCLOSURE - 6:05 PM**
3. **PRESENTATION(S)**
 - 3.A **(6:10 PM) Receive Bainbridge Community Foundation Report "A View of Our Community" - Executive**, 30 Minutes
[State of the Sector Report-2022_WEB.pdf](#)
 - 3.B **(6:40 PM) Receive Presentation on Draft Housing Needs Assessment **2022 Council High Priority Project** - Planning**, 60 Minutes
[Housing Needs Assessment Presentation.pdf](#)
[Draft Bainbridge Island Housing Needs Assessment Report.pdf](#)
4. **COMMITTEE REPORTS - 7:40 PM**
5. **ADJOURNMENT - 7:50 PM**

GUIDING PRINCIPLES

Guiding Principle #1 - Preserve the special character of the Island, which includes downtown Winslow's small town atmosphere and function, historic buildings, extensive forested areas, meadows, farms, marine views and access, and scenic and winding roads supporting all forms of transportation.

Guiding Principle #2 - Manage the water resources of the Island to protect, restore and maintain their ecological and hydrological functions and to ensure clean and sufficient groundwater for future generations.

Guiding Principle #3 - Foster diversity with a holistic approach to meeting the needs of the Island and the human needs of its residents consistent with the stewardship of our finite environmental resources.

Guiding Principle #4 - Consider the costs and benefits to Island residents and property owners in making land use decisions.

Guiding Principle #5 - The use of land on the Island should be based on the principle that the Island's environmental resources are finite and must be maintained at a sustainable level.

Guiding Principle #6 - Nurture Bainbridge Island as a sustainable community by meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Guiding Principle #7 - Reduce greenhouse gas emissions and increase the Island's climate resilience.

Guiding Principle #8 - Support the Island's Guiding Principles and Policies through the City's organizational and operating budget decisions.



City Council meetings are wheelchair accessible. Assisted listening devices are available in Council Chambers. If you require additional ADA accommodations, please contact the City Clerk's Office at 206-780-8604 or cityclerk@bainbridgewa.gov by noon on the day preceding the meeting.



CITY OF
BAINBRIDGE ISLAND

City Council Study Session Agenda Bill

MEETING DATE: October 18, 2022

ESTIMATED TIME: 30 Minutes

AGENDA ITEM: (6:10 PM) Receive Bainbridge Community Foundation Report "A View of Our Community" - Executive,

SUMMARY: Jim Hopper and Dana Binnendijk will provide a presentation from the Bainbridge Community Foundation "2022 – "A View of our Community" – with statistical information, and information on issues of affordability, mental health, and housing. The report is attached.

AGENDA CATEGORY: Presentation

PROPOSED BY: Executive

RECOMMENDED MOTION: Presentation only.

STRATEGIC PRIORITY:

FISCAL IMPACT:

Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	

BACKGROUND:

ATTACHMENTS:

[State of the Sector Report-2022 WEB.pdf](#)

FISCAL DETAILS:

Fund Name(s):

Coding:



BAINBRIDGE
Community Foundation

2022

A VIEW OF OUR
COMMUNITY



ABOUT THE REPORT

The State of the Sector report is an analysis of community needs and opportunities using publicly available data as well as data collected by Bainbridge Community Foundation.

Address:

299 Madison Ave. N, Suite B
Bainbridge Island, WA 98110

206.842.0433

www.BainbridgeCF.org



Excellence. Accountability. Impact.™

State of the Sector 2022

The role of a community foundation is to improve the quality of life within a specific area by harnessing the financial resources of individuals, families, and businesses to support community nonprofits in all sectors. Bainbridge Community Foundation (BCF) aims to make our grants and programs purposeful, impactful, and inclusive.

In order to ensure we are helping meet the needs of the community, we have published a second State of the Sector Report: A View of Our Community to educate ourselves and our neighbors.

This State of the Sector report is intended to provide a perspective on our community using data from local, state, and national resources—but it is not intended to be the only resource. It is a starting point for those who want to engage further with our community. We hope that those who read this report will continue to dig deeper into their areas of interest, and we are happy to answer questions or be a facilitator in helping engage with our nonprofit community.

Methodology

BCF has collected qualitative and quantitative information through its Annual Nonprofit Survey and its Sector Gathering discussions. We collected 57 responses on the 2022 Nonprofit Survey, and a total of 47 nonprofits participated in the Sector Gatherings that followed. Questions ranged from asking about challenges facing our community to asking about reaching more vulnerable populations. Nonprofits could only answer the survey once. In addition, this report pulls data from additional resources found on page 21.



Bainbridge Community Foundation supports our local nonprofits by analyzing community needs, awarding grants to meet those needs, educating donors and nonprofit leaders, and facilitating collaboration. BCF's support of 501(c)3 nonprofits extends to Kitsap County and beyond.

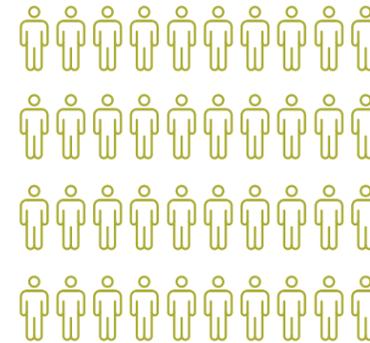


Photo credit: Martha & Mary

People of Bainbridge Island

POPULATION

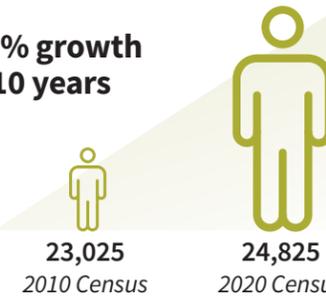
24,825



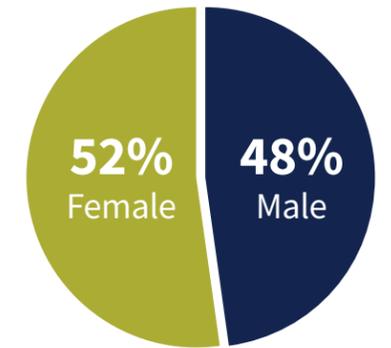
POPULATION GROWTH

Population growth on Bainbridge Island has been slow compared to the rest of Kitsap County (8.8% from 2010-2020), likely because of limited land availability on the Island and rising house prices.

7.8% growth in 10 years

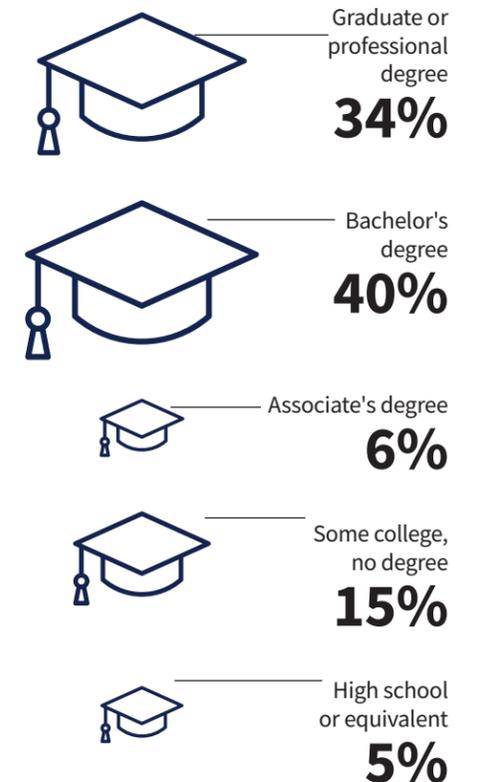


GENDER BALANCE



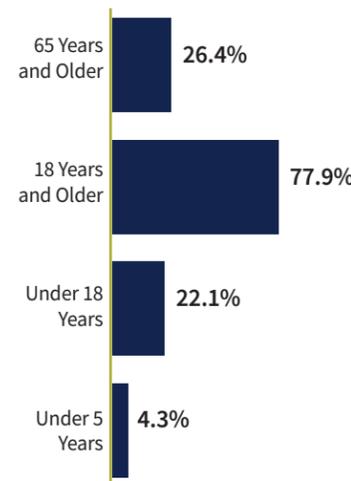
HIGHEST EDUCATIONAL ATTAINMENT (Ages 25+)

Overall, the adult population of Bainbridge Island is highly educated. More than 98% have a high school degree or higher, and 32% have some sort of graduate or professional degree.



AGE

Average age is 50 years old versus 38 years old nationwide.



RACIAL MAKEUP

BCF used the 2019 ACS data in last year's report before the 2020 Census was available. As the 2020 Census shows, the Island has a slightly larger percentage of "Two or more More Races" than in the original report.



2020 Census Data

- White: 85%
- Black/African American: 0.6%
- American Indian/AK Native: 0.5%
- Asian: 3.4%
- Native Hawaiian/Pacific: 0.1%
- Another Race: 1.2%
- Two or more races: 9%

WEALTH

In 2017, BCF, in conjunction with Leave10 Kitsap, commissioned a Transfer of Wealth Survey. It found that there is about **\$89.9 billion** in wealth in Kitsap County and **\$18.9 billion** of that is on Bainbridge Island. That figure was heavily comprised of real estate values, which have increased substantially since 2017 due to price increases in the last five years.



On Bainbridge Island alone, more than **13%** of that wealth (**\$2.5 billion in 2017**) is expected to be transferred to the next generation over the next decade.

Source: 2017 Transfer of Wealth Survey by Leave10 Kitsap

Sources: 2020 Census unless otherwise noted

Vulnerabilities in Our Community

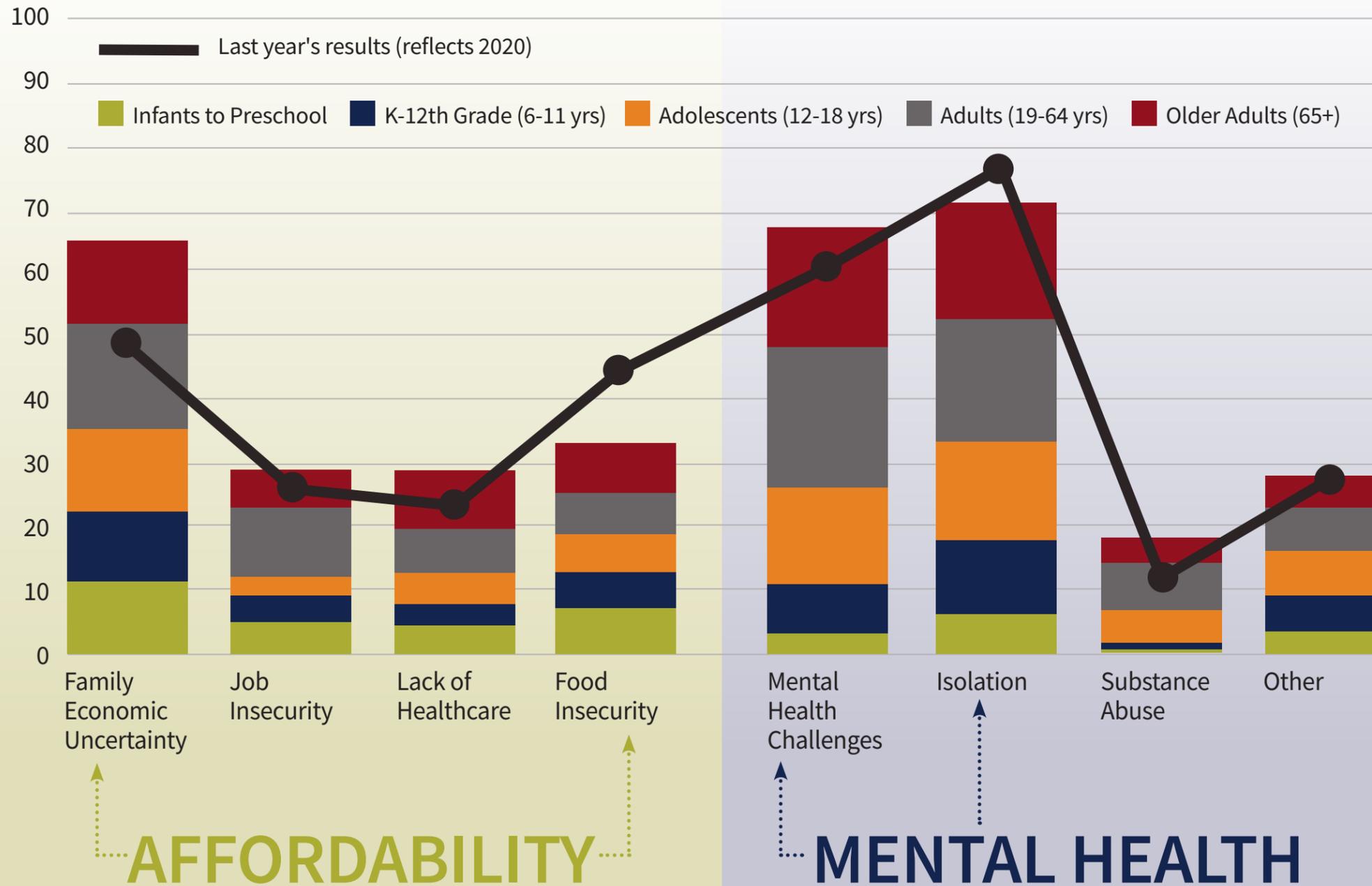
Bainbridge Island has a lot to offer residents, with excellent schools, close proximity to Seattle, and beautiful scenery. The lively culture of the Island is shaped and supported by the creative individuals, families, business owners, and nonprofit employees who all focus on improving our surroundings. Bainbridge has a high level of community engagement, with ample opportunities to give back through volunteering or philanthropy.

Every community faces obstacles. In last year's report, we described some of the challenges of living in such a highly desirable area, including rising housing prices and increases in cost of living. We also covered three particularly vulnerable groups—youth, seniors, and women (particularly single women with children). This year, we will be using the 2022 Nonprofit Survey to explore two pervasive challenges in our community that were identified: (1) affordability and (2) mental health.

According to the nonprofits surveyed, the top four challenges facing our community are isolation, mental health, family economic uncertainty, and food insecurity. Concerns around food insecurity decreased between 2020 and 2021, although health and human services nonprofits have been seeing a rise in food assistance requests since federal support expired.

As seen in the examples below, nonprofits have a profound impact on mitigating the effects of affordability and mental health, which are both directly tied to the top four challenges identified. BCF works to fund their requested programs to help support our community. Last year, overall BCF supported more than 160 nonprofits in our community and nationwide.

CHALLENGES IDENTIFIED BY NONPROFITS THAT IMPACT THEIR PROGRAMS OR SERVICES



Examples of programs supported by BCF's 2021 Community Grants Cycle:

Peacock Family Services: Financial aid to provide childcare for essential workers and other vulnerable families

Helpline House: Housing and utility assistance for low-income individuals and families in our community

Eastside Baby Corner - West Sound: Support for essential items, such as diapers, clothing, or shoes, for children living in poverty or experiencing homelessness

Pacific Model United Nations: Financial aid for student delegates who want to engage in debates about issues such as gender equality, climate action, or global health

Examples of programs supported by BCF's 2021 Community Grants Cycle:

Bainbridge Youth Services: Free and confidential professional mental health counseling for students in need of support

Assistance Dogs Northwest: Community outreach for therapy dogs, educational programs, and workplace readiness programs

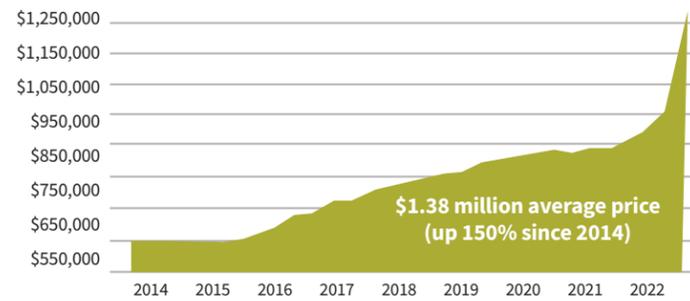
Raising Resilience: Helping families thrive by providing education, resources, and connections for parents to address challenging topics with their children

The Coffee Oasis: Crisis intervention for youth who are feeling alone, helpless, and scared by offering them support, encouragement and empowerment

Affordability

In 2021, we included details on rising unemployment in Kitsap County and a large gap between male and female unemployment. As of April 2022, unemployment in Kitsap County dropped to 4.0%, which is lower than the 4.6% of 2019 and 7.7% in 2020. The gap in gender unemployment also dropped, now 3.8% for men and 3.6% for women. Notably, however, those who have left the labor force are not included in unemployment numbers. Youth, seniors, and single women with children remain the more vulnerable groups in our community. According to Zillow, housing prices have increased more than 27% on Bainbridge Island over the past year, and overall prices have risen 150% since 2014. Cost of living has also made it difficult for some individuals and families to afford life in our community. The graphs on the following pages use a mix of federal, state, and local data that were available to help tell this story.

AVERAGE HOME PRICE BAINBRIDGE ISLAND

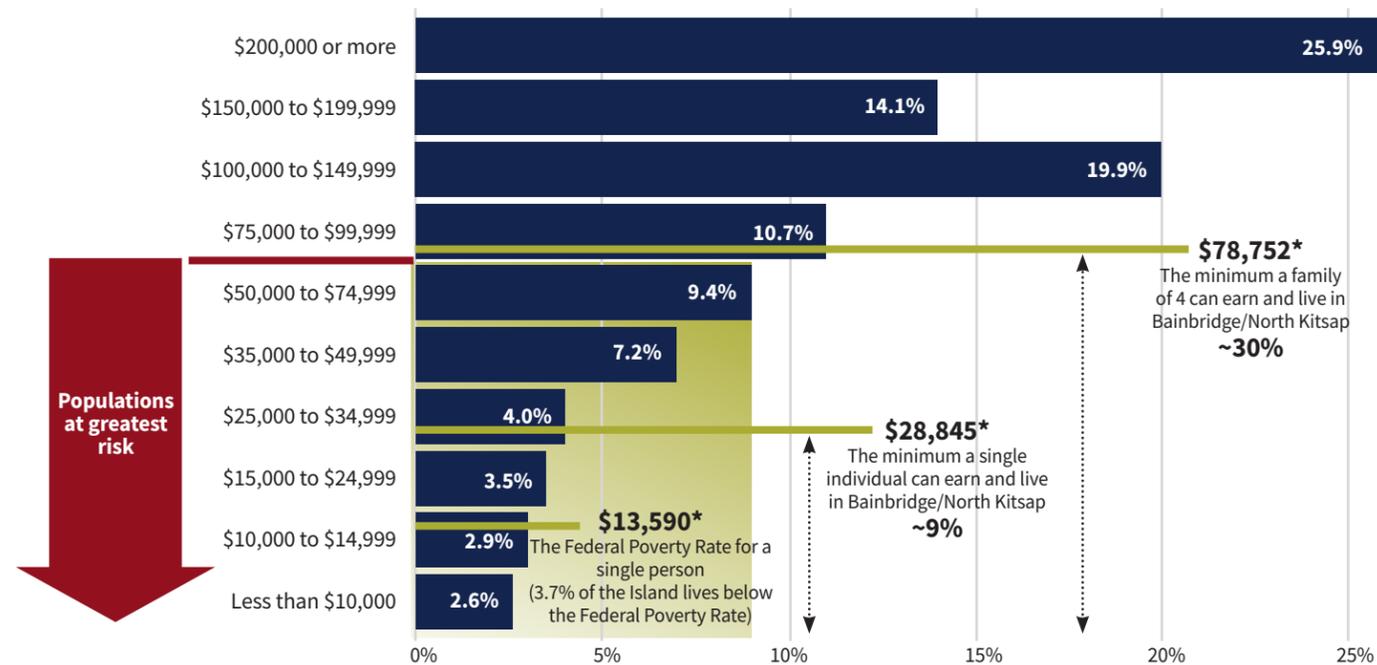


Housing prices have risen 150% since 2014, and as of May 2022 the average price to buy a home was \$1.38 million compared to \$1 million last year. Nationally, home prices have risen 85% during that same period.

Source: Zillow, Bainbridge Island Home Values

About 80% of the population on Bainbridge Island makes a household income of over \$50,000 per year, with the other 20% making less. The ability to live on the island within the range of self-sufficiency is getting harder with cost of living rising rapidly.

HOUSEHOLD INCOME RANGE Median Household Income: \$125,861



*Note, these are numbers from data collected in 2020. COVID-19 has greatly changed affordability in our community in the past two years, so these numbers have likely increased significantly.

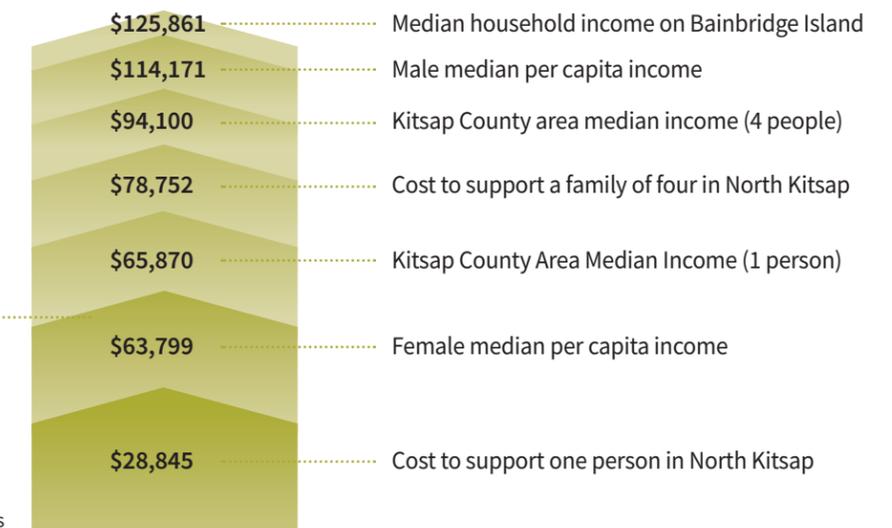
SALARIES IN OUR COMMUNITY

While housing prices and cost of living are rising, salaries are not necessarily keeping up, especially in the nonprofit sector. These data reflect 2020 numbers, due to a lag in data collection, and do not reflect the recent increase in cost of living nor high inflation rates.

78% of nonprofit staff make less than \$64,190*

*\$64,190 was the Kitsap County Area Median Income at the time BCF conducted its Annual Nonprofit Survey in February 2022. When 2020 Census results were released later in the spring of 2022, the number changed to \$65,870.

Results from BCF's 2022 Annual Nonprofit Survey and 2020 Census

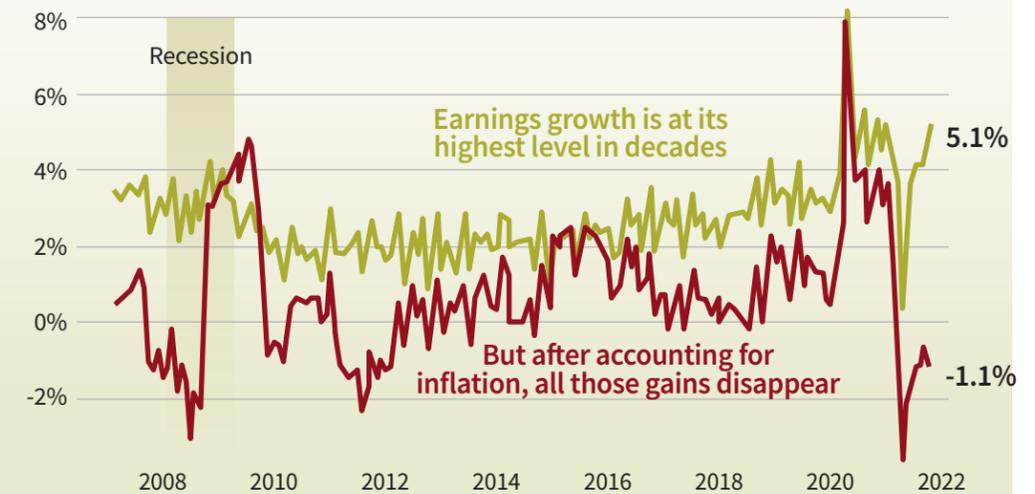


EARNINGS GROWTH IN THE UNITED STATES COMPARED TO INFLATION 2020-2022

Average hourly earnings for private-sector jobs, change from a year earlier

The graph to the right, adapted from a November 2021 Washington Post article, shows that while average hourly wages have increased for lower-income workers, the high level of inflation has essentially wiped out those gains. According to a recent USA Today poll, 36% of registered voters believe our economy is in "stagnation," an increase from last year's poll at 27%. The vast majority of respondents, or 71%, are more worried about inflation than jobs.

Source: Bureau of Labor Statistics

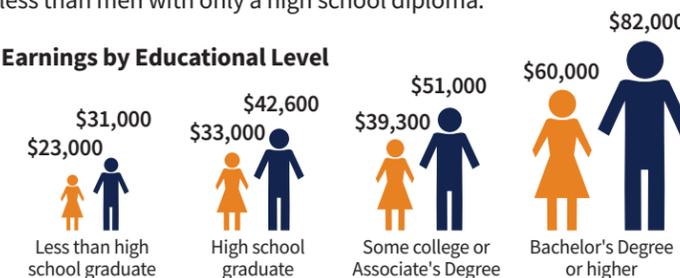


WOMEN

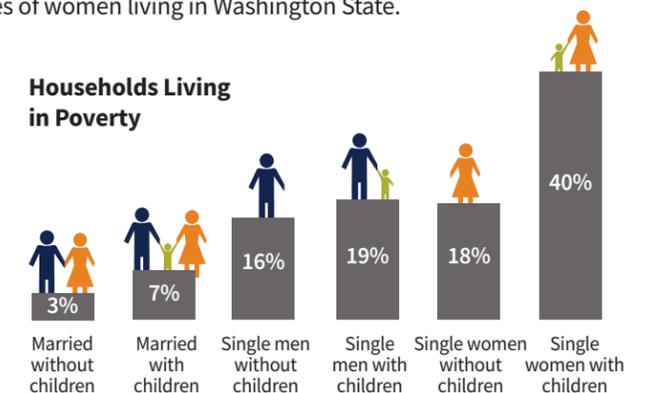
As mentioned in last year's report, women are disproportionately affected by economic strain. See the charts below, provided in a 2018 report by Women's Funding Alliance, which reflect the inequalities of women living in Washington State.

The gender wage gap persists across educational levels. Even women with some college or an associate's degree earn less than men with only a high school diploma.

Earnings by Educational Level



Households Living in Poverty



Mental Health

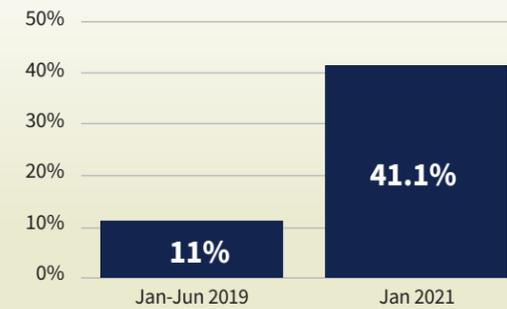
FEDERAL DATA

Due to a variety of causes, such as social isolation, losing a loved one, or fear of getting sick, mental health has been a cause for concern throughout our country. The graph to the right shows how depression and anxiety disorders have been impacted overall by the COVID-19 pandemic, comparing data from 2019 to 2021. The graph below shows data from April 2020 through the beginning of 2022, broken down by mental health concern and gender. According to the data collected, women suffering from anxiety appear to be the greatest cause for concern, followed by women suffering from depression and men suffering from anxiety.

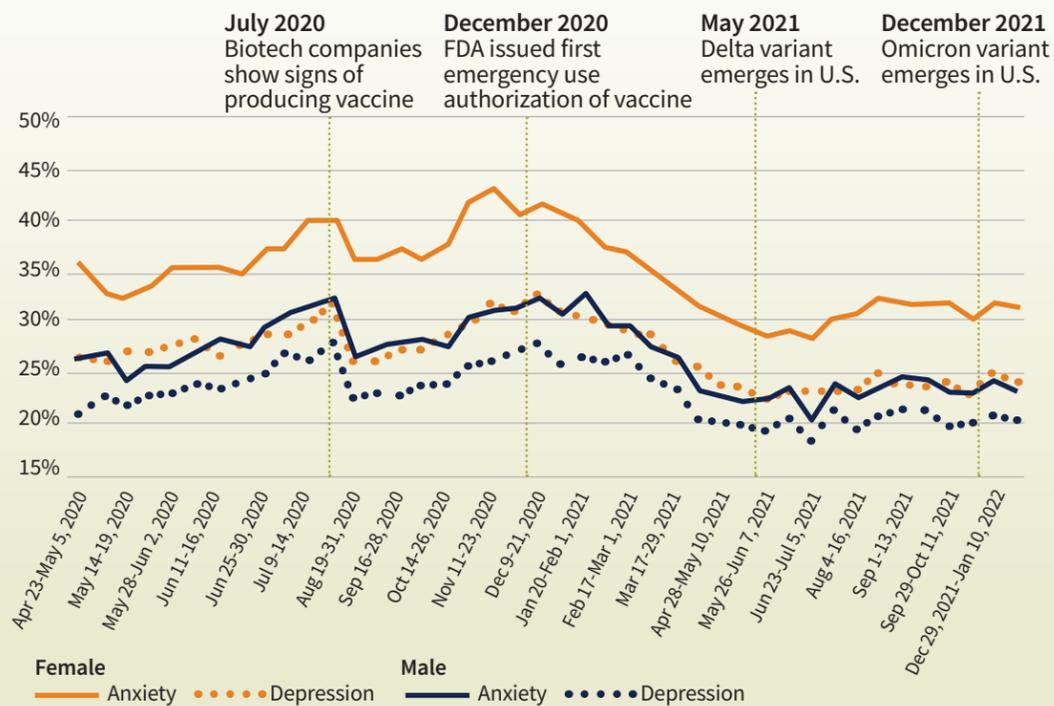
While there is a gradual improvement of mental health over the course of 2021 according to the chart below, many sources indicate that the general mental health of the population could take years to recover.

Some articles mention that mental health recovery could take 7-10 years*, especially for those who have suffered immense losses during the prolonged crisis. According to a USA Today poll conducted in January 2022, 80% of Republicans, 91% of Democrats, and 93% of Independents said that there is a mental health crisis in the United States.

Percentage of adults reporting symptoms of an anxiety or depressive disorder in the U.S. from January to June 2019 versus January 2021



ADULTS REPORTING SYMPTOMS OF DEPRESSION OR ANXIETY DISORDER IN THE PAST WEEK (Ages 18 Years and Older)



BCF modified the above graph based on data compiled by Statista, a global business-data platform. Original survey data collected by the Center for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS). The information was collected via survey with 68,347 respondents. BCF added the timeline of events to the chart.

STATE DATA

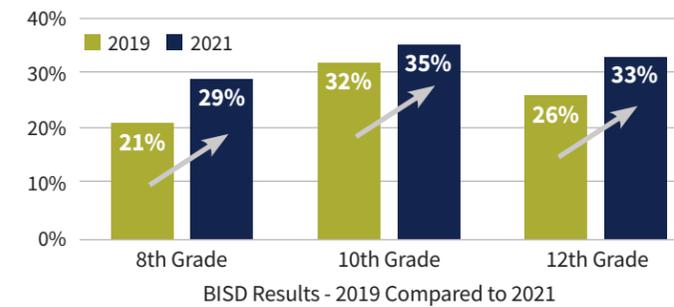
According to Washington State Department of Health, while disasters affect all people, those of lower socioeconomic status are usually much more negatively impacted than other groups. Individuals and families in lower socioeconomic groups are 52% more likely to lose their job, and 26% of individuals with an annual income of less than \$40,000 report experiencing a significant negative mental health impact compared to 17% who have an annual income between \$40,000 and \$89,000. Only 14% of those with an annual income of \$90,000 or more report signs of mental health concerns. Not only does a prolonged crisis affect affordability in unequal ways, but it will also affect mental health unequally.

Mirroring the pattern of mental health concerns in the federal-level graph, hospital rates in Washington State due to mental health emergencies rose in 2020 and went back down in 2021. It is still unclear how the trend looks for 2022, however early indications are showing a steep increase in hospitalizations earlier in the year.

LOCAL DATA

Every two years, Washington State authorities collaborate to create and distribute the Healthy Youth Survey in schools across the state, which provides important results about the physical and mental health of youth. The data below reflects the results of Bainbridge Island School District (BISD) students. According to the results, anxiety and depression increased slightly for youth during the pandemic, and in some cases anxiety even dropped slightly for students. Bainbridge Island students have lower rates of depression but higher rates of anxiety compared to the rest of Washington State, which is a pattern consistent with Healthy Youth Surveys conducted before the pandemic.

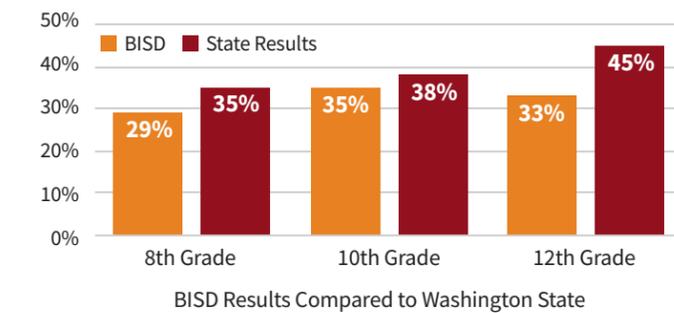
FEELING SAD/HOPELESS



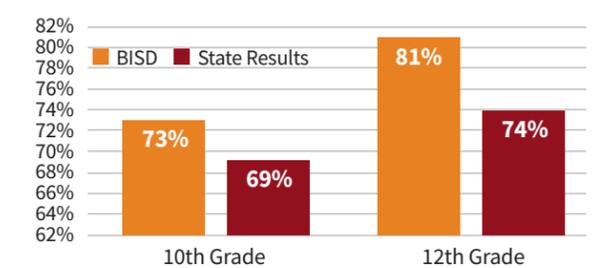
ANXIOUS, NERVOUS, OR "ON EDGE"



FEELING SAD/HOPELESS

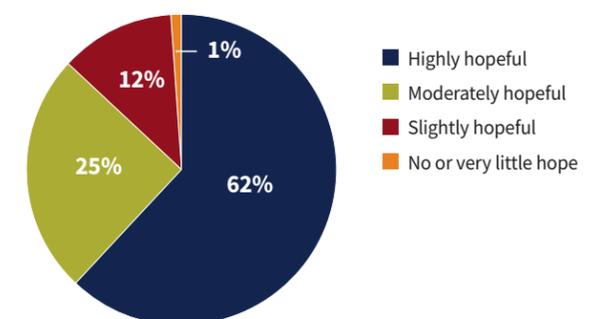


ANXIOUS, NERVOUS, OR "ON EDGE"



HOPE

This pie chart shows how Bainbridge High School students rated their feelings of hope, and their ability to look forward into the future. Over 60% were highly hopeful and 25% were moderately hopeful.



*Source: CBS News, March 2022

The Role of Nonprofits

Bainbridge Community Foundation and local nonprofits are committed to addressing the complex challenges highlighted in previous pages, so that everyone can access a high quality of life in our community. In addition to helping address needs, nonprofits also work in areas that Island residents value.

The data below reflect responses to the City of Bainbridge Island's National Citizen Survey in 2017, where participants were randomly selected to rate characteristics in our community. Some of the key elements are listed below, with high percentages reflecting

WHAT ISLAND RESIDENTS VALUE AND THE NONPROFITS BEHIND IT ALL*

93% K-12 Education

- Bainbridge Schools Foundation
- Boys & Girls Clubs of King County/ Bainbridge Island
- Montessori Country School
- Peacock Family Services**

87% Recreational Opportunities

- Bainbridge Island Historical Museum
- Bainbridge Island Rowing
- Bainbridge Island Senior/Community Center
- Bainbridge Island Special Needs Foundation
- Battle Point Astronomical Association
- Kids Discovery Museum
- Martha & Mary
- Salish Sea Expeditions-Northwest Maritime Center
- Vitalize Kitsap

91% Overall Natural Environment

- Bainbridge Island Land Trust
- Bainbridge Island Metro Park & Recreation District
- Bainbridge Island Parks Foundation
- Bloedel Reserve
- EcoAdapt
- Friends of the Farms
- IslandWood
- Kitsap Humane Society
- Sustainable Bainbridge
- West Sound Wildlife Shelter

62% Emergency Preparedness

- Bainbridge Prepares

84% Cultural/Arts/Music Activities

- Arts & Humanities Bainbridge
- Bainbridge Artisan Resource Network (BARN)
- Bainbridge Arts & Crafts
- Bainbridge Chorale
- Bainbridge Island Downtown Association
- Bainbridge Island Museum of Art
- Bainbridge Performing Arts
- Kids in Concert
- Music Community Resources

12% Affordable Quality Housing

- Housing Resources Bainbridge
- Parkview Services

80% Opportunities to Participate in Community Matters

- Bainbridge Public Library
- Leadership Kitsap
- One Call for All
- West Sound YFC

80% Health and Wellness***

- Bainbridge Youth Services
- Best Dental Help
- Harmony Hill Retreat Center
- Holly Ridge Center
- Island Volunteer Caregivers
- Olive Crest
- PAWS of Bainbridge Island | North Kitsap
- Peninsula Community Health Services
- Raising Resilience
- Scarlet Road

16% Cost of Living

- Central Kitsap Food Bank
- Eastside Baby Corner - West Sound
- Fishline Food Bank
- Helpline House
- Kitsap Homes of Compassion
- Kitsap Immigrant Assistance Center
- Meals on Wheels Kitsap
- Sound Works Job Center

Nonprofits listed below are those that answered BCF's 2022 Nonprofit Survey. There are other nonprofits that contribute to these critical areas in our community.

a positive perception and low percentages reflecting a negative perception. Many nonprofits work to ensure equal access to the highly rated characteristics, by providing free or subsidized access to services or activities, or they directly address concerns in the lower rated characteristics.

The list of organizations following each characteristic represents nonprofits that both work in those areas and answered BCF's 2022 Nonprofit Survey.

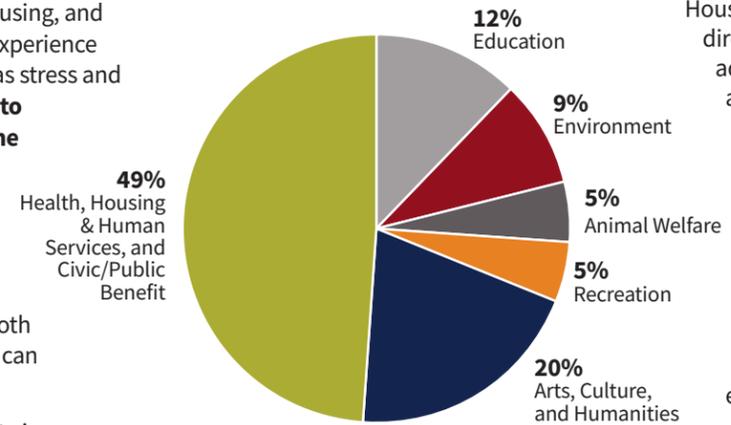
A strong, inclusive community is the foundation for a thriving population. When community members have safe places to gather, access to affordable housing, and a reasonable cost of living, they experience fewer mental health issues such as stress and anxiety. **When households have to commit over 30% of their income for housing costs, families have less money for basic needs like food, clothing, transportation, and medical care.** Affordable housing is also important for age and lifecycle inclusivity, so that both young adults and older residents can enter the housing market.

COVID-19 has affected affordability in our community—as prices rose significantly during the pandemic—as well as mental health. Nonprofits in our community have a profound positive impact on these areas both directly and indirectly.

BCF works with nonprofits in four sectors: (1) Health, Housing, &

Source: Puget Sound Regional Council Affordable Housing Report.

NONPROFITS BY SECTOR THAT ANSWERED SURVEY



Human Services, (2) Arts, Culture, & Humanities, (3) Education, and (4) Environment, Recreation, & Animal Welfare. While Health, Housing, & Human Services nonprofits directly provide social services to address concerns about affordability and mental health, other nonprofits also have a huge impact on these areas by giving free or subsidized access to programs and resources to low-income families. Nonprofits have played a critical role in creating and maintaining a supportive and accessible community in a time of crisis, and will continue to do so as we all emerge from the pandemic.

Nonprofits also hire employees who are engaged members of the community, and many have reported that the rising cost of living here is making it harder to hire and retain quality staff at their organizations. The following pages will provide an analysis of BCF's 2022 Nonprofit Survey by sector.

* The nonprofits listed are only those that responded to BCF's 2022 Nonprofit Survey. There are other nonprofits that contribute to these areas in our community.
** Peacock is a daycare and preschool, but provides quality education to prepare students for K-12 education. They also provide outdoor education for elementary school students.

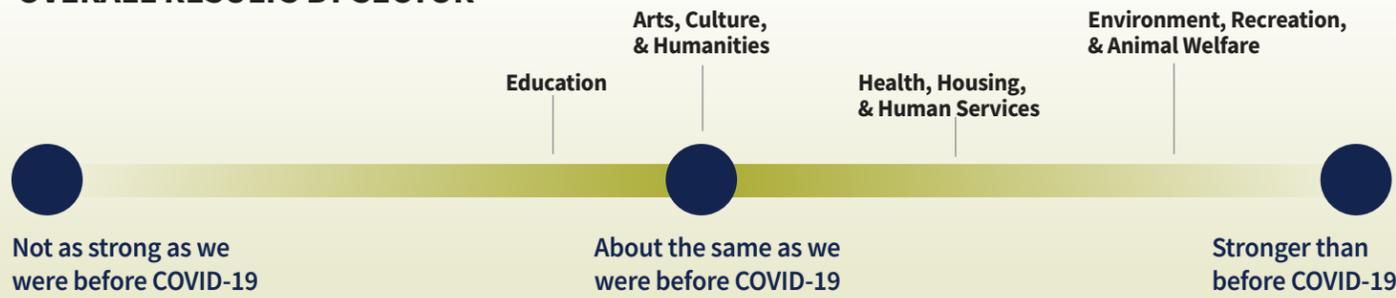
*** NOTE: Some mental health nonprofits are listed under "Health and Wellness," but "Mental Health Care" was only rated well by 41% of the population who took the National Citizen Survey in 2017.

Overall Results of Nonprofit Survey

More than 48% of nonprofits reported that their organizations have gotten stronger since before COVID-19 shut down the community in March 2020, while almost 33% reported they were not as strong and 19% felt they were the same. Many nonprofits felt that the COVID-19 pandemic gave them a chance to reflect on their internal operations while also expand their scope by offering virtual programming, which they considered a strength. On the other hand, others reported challenges with fundraising and a decline in program revenue without in-person events, which significantly weakened their ability to operate.

When broken down by sector, the strength of nonprofits since before the pandemic is more varied. Almost 70% of the Environment, Recreation, and Animal Welfare sector nonprofits reported they are stronger, while 60% of Education sector nonprofits reported they are not as strong as they were before COVID-19. Health, Housing and Human Services nonprofits overall are stronger, and Arts, Culture, and Humanities are tied equally for “not as strong” and “stronger.” The graph below represents the overall results by sector, and whether the sector overall feels stronger or not as strong as they were before COVID-19.

OVERALL RESULTS BY SECTOR



"As the pandemic continues, how would you say your organization is doing since before COVID-19 shut down the community in March 2020?"

“Don't get me wrong, it's been exceptionally difficult and painful, but I think we're a better organization now. We've focused more on our core mission, pulled together better as a team, and better served the community. We're more resilient and we're moving past issues that have held us back in the past.”

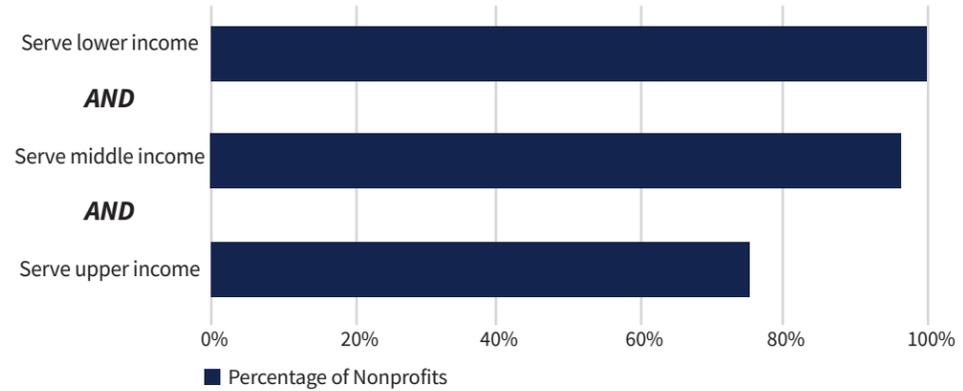
“Innovation and quick pivots have led us to offer more remote services, web-based services, and take a hard look at organizational strengths and weaknesses. We are working toward prioritizing DEIA [Diversity, Equity, Inclusion, and Accessibility] in all aspects of our organization. We will be taking a hard look at language. Our organization is working better together internally by redefining ourselves as one organization.”

“I would say both not as strong and stronger. Our events momentum was curtailed; but then we've rebranded and brought new/additional value to the community – this has brought enthusiasm and a renewed vision for the organization.”

Incomes Served

According to BCF's Annual Nonprofit Survey, local nonprofits serve all income levels. Out of the respondents who answered a question about income levels served, all answered that they serve lower income families in some capacity—whether it's direct assistance for basic needs or providing free or subsidized programs and services to support healthy activities or childcare. In sum, nonprofits ensure their programs and services are accessible to everyone.

INCOME LEVELS SERVED BY NONPROFITS



What changes did you make during the pandemic that you plan to maintain moving forward?

Most common answers:

- Focus on using more technology, such as virtual programming, remote work, online fundraisers, hybrid options
- Look inward at systems, such as wages, flexibility, focus on impact
- Partnerships

Are there populations you aren't reaching that you wish you could?

Most common answers:

- Military families and veterans
- Black, Indigenous, and People of Color (BIPOC) families
- Indigenous families and local tribes



Photo credit: Bloedel Reserve

Health, Housing, and Human Services & Public Benefit

Health, Housing, and Human Services (HHHS)

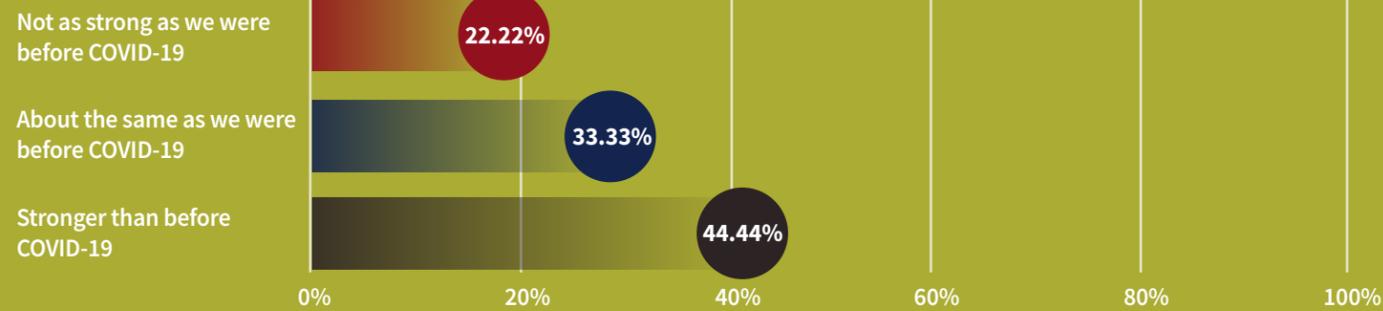
Nonprofits focus on protecting the health and wellbeing of our community members by providing essential human services. Examples of these programs include providing low-income households with housing and utility assistance, supporting increased demand for legal protection for those facing eviction due to the pandemic, social and emotional services for youth, and subsidized childcare tuition for financially vulnerable families. The majority of these grants from BCF averaged just over \$10,000 and were awarded through the Community Grants Cycle.

Overall, HHHS nonprofits reported they are stronger compared to before COVID-19 due to an increase in services and reaching a broader population. Others expressed concern about staff and volunteer burnout.



Helpline House provides a network of critical social services through a number of different programs – including children services, senior services, financial assistance and a food bank. The agency's programs help more than 2,500 people every year.

STRENGTH OF NONPROFITS



This is a reflection of 28 nonprofits that answered the 2022 Nonprofit Survey from this sector. See page 8 and 9 for a full list.

SECTOR PRIORITIES

Top Operational Priorities

1. Quality/Depth of Programs
2. Diversity, Equity, and Inclusion
3. Number of People Served
4. Fundraising Activities

Training Priorities

1. Communications/Marketing
2. Fundraising
3. Diversity, Equity, and Inclusion
4. Board Development/Governance



GRANTEE SPOTLIGHTS

Housing Resources Bainbridge

Financing programs focused on homeownership for low- and moderate-income households

Bainbridge Island Senior/Community Center

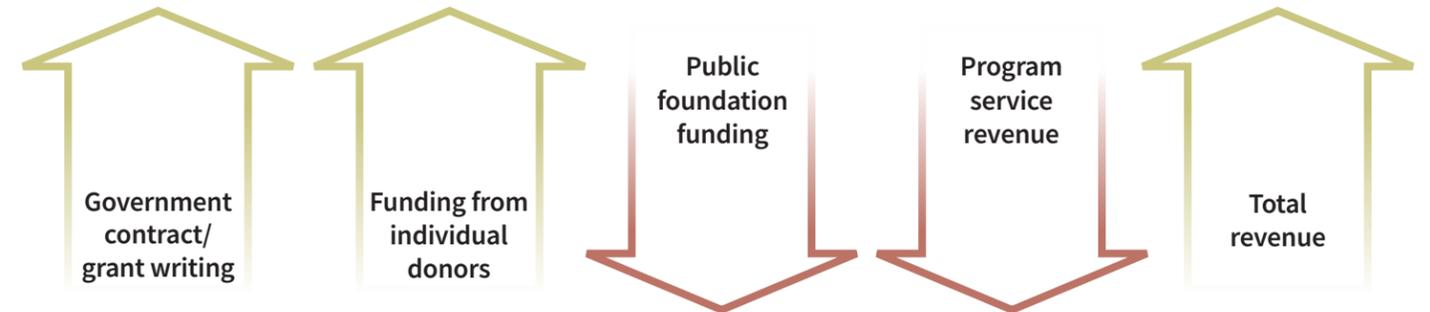
Support to make space accessible for the hearing impaired

Kitsap Legal Services

Helping tenants who face an increased risk of eviction due to pandemic

FUNDING SOURCES (2021 compared to 2020)

While overall revenue was up for Health, Housing, and Human Services nonprofits, both public foundation funding and program service revenue were down in 2021 compared to 2020.



HUMAN RESOURCES

Volunteers

Do you have more or fewer volunteers than you did before the pandemic?

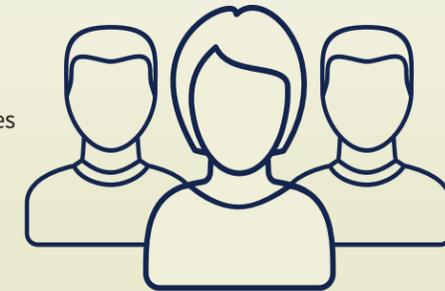


Nonprofit Staff

17% of HHHS and Public Benefit nonprofit employees make the equivalent to a full-time salary of

\$64,190*

or more per year



4% of nonprofits in this sector are able to provide health insurance to all employees.

*\$64,190 was the Kitsap County Area Median Income at the time BCF conducted its Annual Nonprofit Survey in February 2022.



Arts, Culture, and Humanities

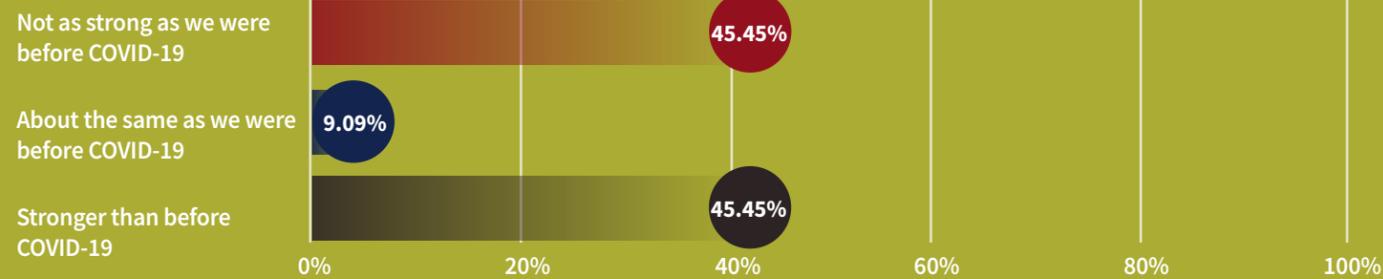
Arts, Culture, and Humanities Nonprofits bring the arts to the public, preserve and commemorate the events, places, and cultures that created and continue to shape our community, and promote the distribution of ideas. Examples of these programs funded through BCF's Community Grants Cycle include promoting the diverse history of our community, providing financial support for families to attend live performances, and creating opportunities for arts education.

Arts, Culture, and Humanities nonprofit professionals reported mixed results on how their sector has been impacted by COVID-19. Many felt that arts nonprofits suffered due to lack of in-person connections, and some reported they moved through their cash reserves because of a decline in funding. Others claimed that their ability to reach more people through virtual programming and finding creative ways to reach people improved their impact. Below are the results from the sector.



Bainbridge Artisan Resource Network (BARN) envisions a world where people recognize and value their own creativity and their capacity to contribute to their communities. BARN's values focus on inclusivity, craft, volunteerism and service, and relationships.

STRENGTH OF NONPROFITS



This is a reflection of 11 nonprofits that answered the 2022 Nonprofit Survey from this sector. See page 8 and 9 for a full list.

SECTOR PRIORITIES

Top Operational Priorities

1. Diversity, Equity, and Inclusion
2. Fundraising Activities
3. Quality/Depth of Programs
4. Staff Size

Training Priorities

1. Diversity, Equity, and Inclusion
2. Fundraising (Advanced)
3. Human Resources
4. Succession Planning



GRANTEE SPOTLIGHTS

Bainbridge Performing Arts

Provide free tickets to BPA events and tuition assistance for theater school for community members in need through enhanced Open Doors Program

Bainbridge Island Historical Museum

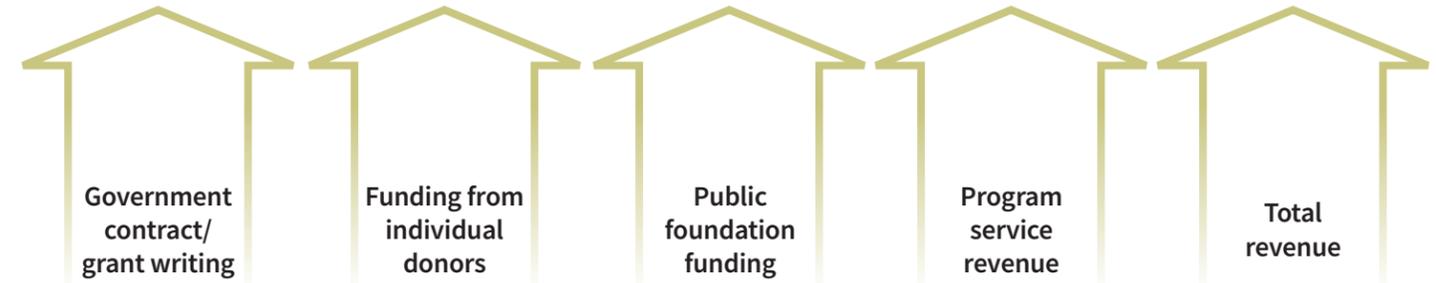
Funding for Our Community: Past to Present, which is a new primary exhibit about the Island's diverse history

WEAVE Presents

Coverage of expenses needed to launch outreach and fundraising campaign that supports social and cultural diversity through the arts

FUNDING SOURCES (2021 compared to 2020)

Increases in funding were up overall, likely because of the significant decline in revenue seen in 2020. Trends are moving in the right direction, but increases in funding were not huge. In the narrative of the survey, many nonprofits still expressed concern about the challenges of raising funds for their organizations.



HUMAN RESOURCES

Volunteers

Do you have more or fewer volunteers than you did before the pandemic?



Nonprofit Staff



*\$64,190 was the Kitsap County Area Median Income at the time BCF conducted its Annual Nonprofit Survey in February 2022.



Photo credit: Bainbridge Performing Arts

Education

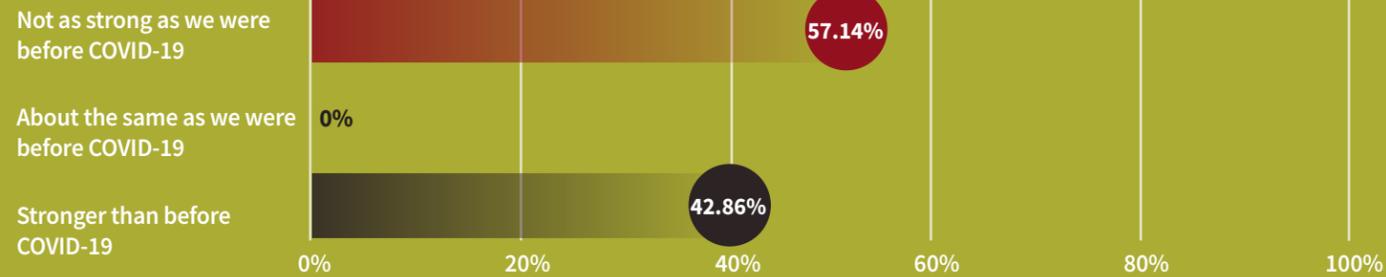
Education Nonprofits promote lifelong learning and intellectual development, from preschools through post-graduate schools and adult learning programs. These nonprofits may also offer vocational and technical training, literacy programs, scholarships, student organizations, and parent-teacher groups. Examples of programs funded through BCF's Community Grants Cycle includes support for academic intervention to assist students who need additional support, financial aid for students to participate in Model United Nations, and fixing structures to ensure buildings are intact for extracurricular activities.

Education nonprofits reported overall they were not as strong as before COVID-19. Consistent funding sources such as program revenue were down for some nonprofits, and many students and school staff were suffering from significant burnout.



Salish Sea Expeditions inspires youth to connect with the marine environment through boat-based scientific inquiry and hands-on learning, instilling curiosity, confidence, and critical thinking.

STRENGTH OF NONPROFITS



This is a reflection of 7 nonprofits that answered the 2022 Nonprofit Survey from this sector. See page 8 and 9 for a full list.

SECTOR PRIORITIES

Top Operational Priorities

1. Number of People Served
2. Diversity, Equity, and Inclusion
3. Quality/Depth of Programs
4. Staff Size

Training Priorities

1. Communications/Marketing
2. Leadership Recruitment and Development
3. Board Development/Governance



GRANTEE SPOTLIGHTS

Bainbridge Artisan Resource Network (BARN)

Expanding access to individuals with learning, physical, emotional, or developmental challenges

Bainbridge Schools Foundation

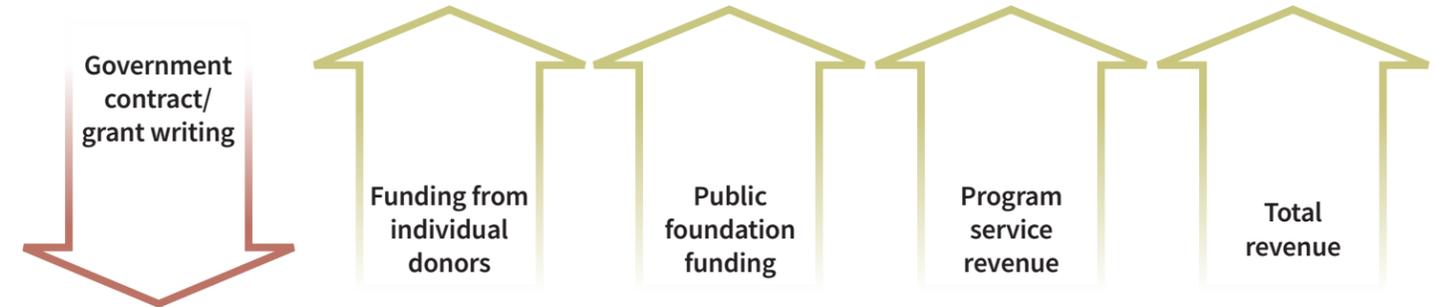
Academic intervention to assist students who need additional support

Leadership Kitsap Foundation

Support for current participants and alumni of 10-month professional development and civic leadership program

FUNDING SOURCES (2021 compared to 2020)

Overall, there was an increase in funding from 2020 to 2021, with a decline in government contract/grant writing as a source of revenue. While funding from individual donors and program service revenue overall was up, the amounts increased were significantly lower than reported by the overall nonprofit sector.



HUMAN RESOURCES

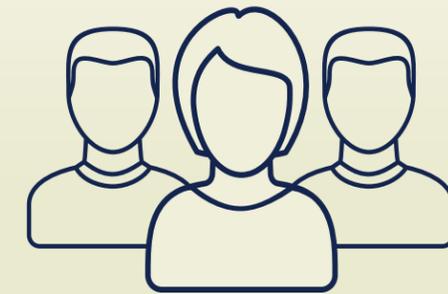
Volunteers

Do you have more or fewer volunteers than you did before the pandemic?



Nonprofit Staff

32% of Education nonprofit employees make the equivalent to a full-time salary of **\$64,190*** or more per year



0% of nonprofits in this sector are able to provide health insurance to all employees.

*\$64,190 was the Kitsap County Area Median Income at the time BCF conducted its Annual Nonprofit Survey in February 2022.



Environment, Recreation, and Animal Welfare

Environment, Recreation, and Animal Welfare

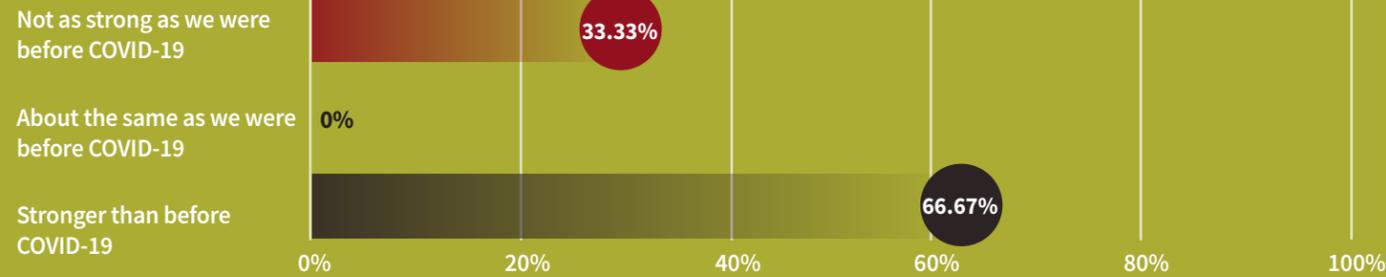
Nonprofits are dedicated to reclaiming and preserving natural resources and land, focused on providing outdoor activities for our community, or committed to protecting animal welfare and providing pets for emotional support. Examples of programs funded through BCF's Community Grants Cycle includes support for therapy dogs and animal education programs, free access to private gardens, and research to conduct a needs assessment to better serve the community.

The majority of Environment, Recreation, and Animal Welfare nonprofits reported that they were stronger than before COVID-19. Some stated that the pandemic reignited a new appreciation for parks and trails, while others claimed they had to find creative ways to make up for what they lost in 2020. Others were still concerned about financial support and funding moving forward.



Assistance Dogs Northwest provides children and adults with disabilities professionally trained dogs that will increase their independence and enhance the quality of their lives.

STRENGTH OF NONPROFITS



This is a reflection of 11 nonprofits that answered the 2022 Nonprofit Survey from this sector. See page 8 and 9 for a full list.

SECTOR PRIORITIES

Top Operational Priorities

1. Number of People Served
2. Diversity, Equity, and Inclusion
3. Quality/Depth of Programs
4. Staff Size

Training Priorities

1. Communications/Marketing
2. Leadership Recruitment and Development
3. Board Development/Governance



GRANTEE SPOTLIGHTS

IslandWood

Outdoor education for youth so they learn about their potential to have a positive impact on the environment

PAWS of Bainbridge Island | North Kitsap

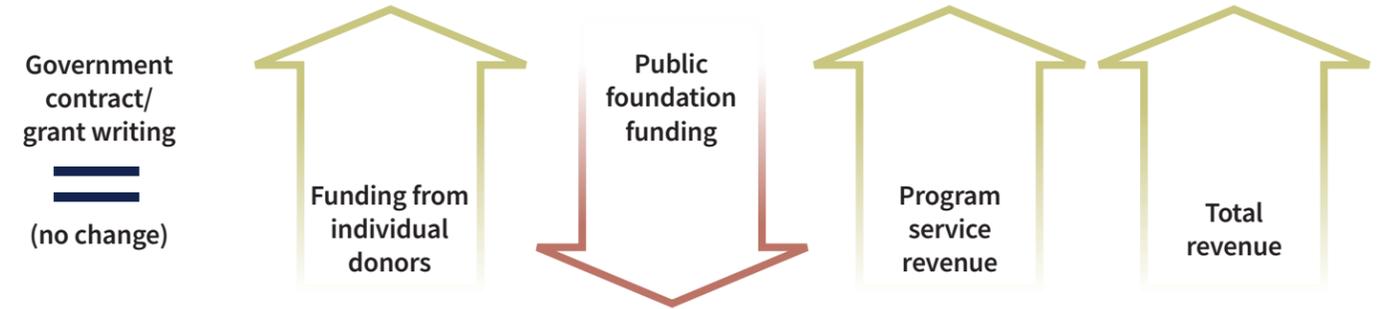
Funding for low-income residents on Bainbridge Island who need veterinary, spay/neuter, or pet care support

Bainbridge Island Parks Foundation

Support for youth to participate in a program focused on constructing and maintaining trails on Bainbridge Island

SOURCES OF FUNDING (2021 compared to 2020)

Overall, there was an increase in funding between 2021 and 2020, with a decline in public foundation funding and no change in government contract/grant writing. While funding from program services were up, the amounts increased were significantly lower than reported by the overall nonprofit sector.



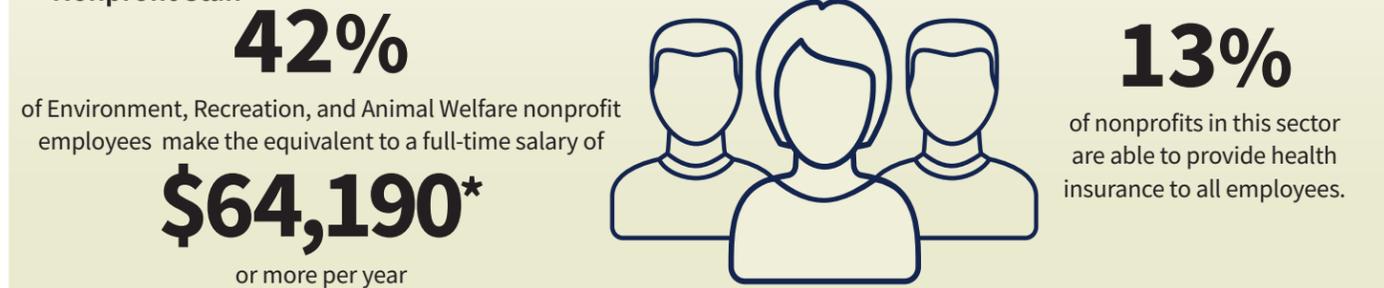
HUMAN RESOURCES

Volunteers

Do you have more or fewer volunteers than you did before the pandemic?



Nonprofit Staff

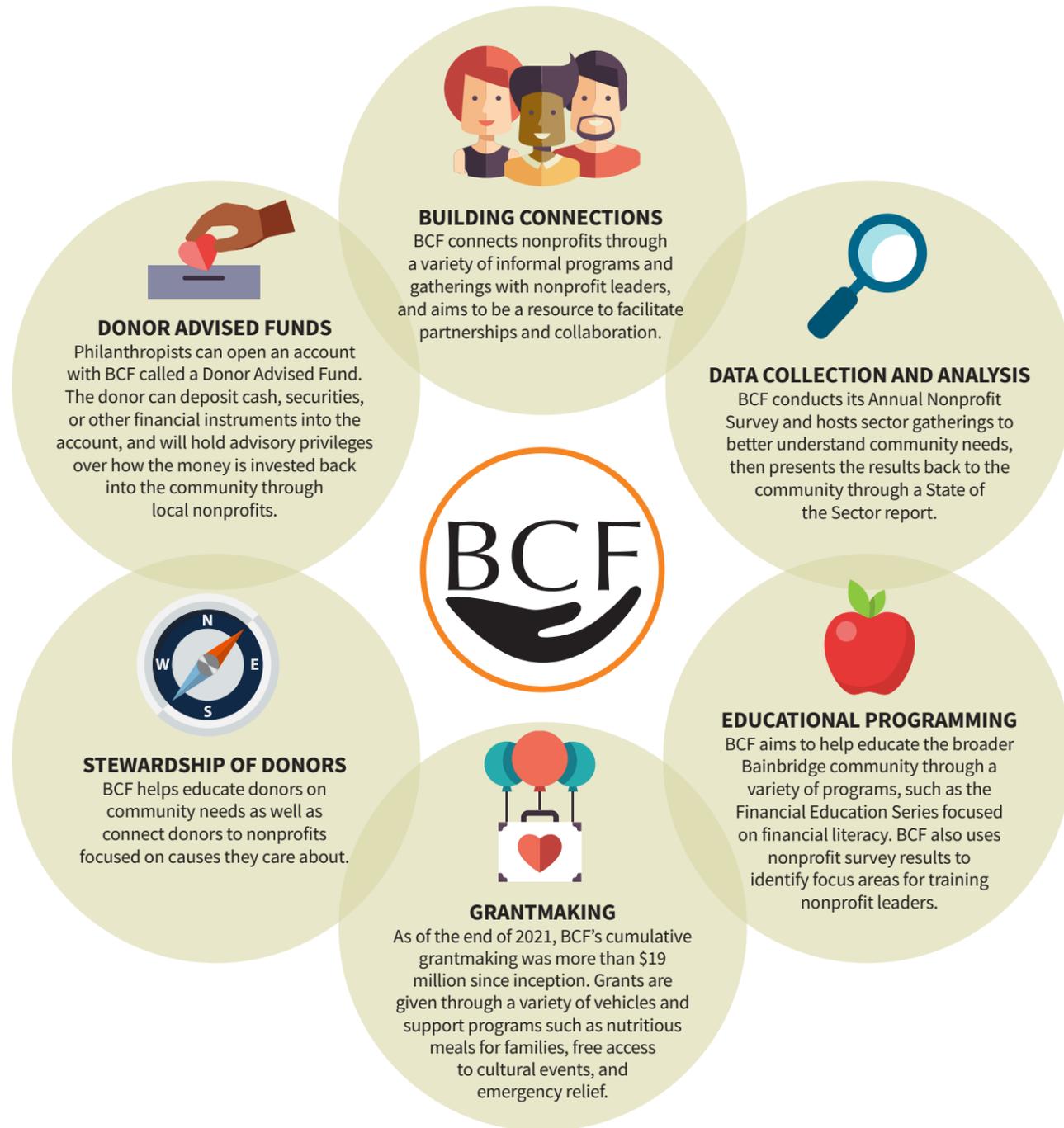


*\$64,190 was the Kitsap County Area Median Income at the time BCF conducted its Annual Nonprofit Survey in February 2022.



How BCF is Responding to Community Needs

BCF and its local nonprofit partners aim to help build and maintain a welcoming community for all. The breadth and depth of nonprofit work covers a wide range of needs and opportunities, and BCF supports them through grantmaking, data collection and analysis, educational programming, stewardship of donors, and building connections for stronger partnerships.



BCF's Community-Centered Grantmaking Programs

Community Grants Cycle

BCF's Community Grants Cycle (CGC) is conducted annually and often receives more than 60 requests from nonprofits to fund specific programs, capital projects, as well as general operations of local nonprofit organizations. This community-based approach to grant-making involves dozens of trained volunteers from the community to evaluate each proposal. BCF's CGC program has awarded more than \$3.36 million to fund 646 local grants from 2005-2021.

Housing Action Fund

The Housing Action Fund was opened to address the critical need for affordable housing on Bainbridge Island. It makes seed money available to nonprofits through revolving loan fund grants so that they can help community members access affordable housing.



Inclusion, Diversity, Equity, Accessibility, and Social Justice (IDEAS) Fund

The IDEAS Fund is based on the principle that everyone should have equitable access to opportunities, programs, resources, and services—regardless of a person's race, age, gender identity, socioeconomic background, (dis)ability, or country of origin. The IDEAS Fund will help support these requests to BCF Grants Cycles as well as specific initiatives and partnerships that promote the IDEAS principles.

Capacity Building Grants Cycle

This program helps nonprofits become more effective by offering grants to fund training programs requested by each nonprofit, making them function as stronger, more efficient organizations.

Youth Experience Support (YES) Fund

BCF has partnered with Bainbridge Schools Foundation, Bainbridge Youth Services, and Helpline House to help create equitable opportunities to participate in school and extracurricular activities. When students need assistance (as identified by them, a parent, or another trusted adult), a quick and confidential application process through the YES Fund gives them access to funds or services that they need.



Scholarship Funds

Every year, BCF awards scholarships to high school seniors in the Bainbridge community to further their education. These promising young members of our community have used this money to pursue dreams in science, music, sports, arts, or education.



Community Response Fund

This fund provides financial resources to nonprofit organizations for urgent health and human service needs in our community, especially during times of economic hardship such as COVID-19. Most nonprofits that receive this funding provide services to more vulnerable populations.

References

Page 1

United States Census Bureau. (2020). *QuickFacts, Bainbridge Island city, Washington*. Retrieved from <https://www.census.gov/quickfacts/bainbridgeislandcitywashington>
LOCUS Philanthropy Tools. (2018). *Unlock the Kitsap Area Transfer of Wealth*. Retrieved from <https://www.leave10.org/wp-content/uploads/2019/03/Kitsap-Region-TOW-Technical-Findings-Report.pdf>

Page 4

Zillow. (2022, May 31). *Bainbridge Island Home Prices*. <https://www.zillow.com/bainbridge-island-wa/home-values/>
Workforce Development Council of Seattle—King County. (2020). *The Self-Sufficiency Standard for Washington State, 2020*. University of Washington. http://www.selfsufficiencystandard.org/sites/default/files/selfsuff/docs/WA2020_SSS.pdf
United States Census Bureau (2020)

Page 5

Ibid.
Rosenberg, Eli. (2021, November 10). *Inflation is wiping out wage increases for many workers*. *The Washington Post*. <https://www.washingtonpost.com/business/2021/11/10/inflation-wages-workers-october/>

Page 5 (continued)

Women's Funding Alliance. (2018). *On Her Way: Pathways to Opportunity So All Washington Women Thrive*. https://wawomensfdn.org/wp-content/uploads/2020/07/WFA_WomenThrive_OnHerWay.pdf

Page 6

Weisfogel, Amiel. (2022, March 20). *Addressing the pandemic's mental health fallout*. *CBS News*. <https://www.cbsnews.com/news/addressing-the-pandemics-mental-health-fallout/>
Paleologos, David. (2022, January 8). *The nation's mental health crisis crosses partisan lines*. *USA TODAY/Suffolk University*. <https://www.usatoday.com/story/news/politics/2022/01/08/paleologos-nations-mental-health-crisis-no-partisan-lines/9129818002/>.

Page 9

Puget Sound Regional Council. (2014). *Planning for Whole Communities Toolkit (Affordable Housing)*. https://www.psrc.org/sites/default/files/compilations_final_final.pdf

Want to get involved? You have options!

- Volunteer your time or donate to one of the local nonprofits
- If you are interested in volunteering with BCF, contact media@bainbridgecf.org
- If you are interested in donating to BCF, contact brigitte@bainbridgecf.org
- To receive BCF newsletters straight to your email, text BCFNEWS to 22828



**Thank you for supporting
our community!**

Photo credit: Bainbridge Island Metro Park & Recreation District



BAINBRIDGE
Community Foundation

Address:

299 Madison Ave. N, Suite B
Bainbridge Island, WA 98110

206.842.0433

www.BainbridgeCF.org



Excellence. Accountability. Impact.™



CITY OF
BAINBRIDGE ISLAND

City Council Study Session Agenda Bill

MEETING DATE: October 18, 2022

ESTIMATED TIME: 60 Minutes

AGENDA ITEM: (6:40 PM) Receive Presentation on Draft Housing Needs Assessment **2022 Council High Priority Project** - Planning,

SUMMARY: The City of Bainbridge Island is undertaking a Housing Action Plan (HAP) to identify ways to meet housing needs now and into the future. The presentation on the Draft Housing Needs Assessment (HNA) will be given by the consulting team led by ECONorthwest, who was selected by the City to complete the HAP project.

Overall findings and key insights associated with this comprehensive analysis of housing needs and existing conditions are described in the Executive Summary, including:

- Bainbridge Island's population growth has slowed down over the last decade.
- Bainbridge Island is aging at a faster pace than Kitsap County and the State of Washington.
- Bainbridge Island is increasingly losing younger persons and families with children.
- Homeownership is increasingly out of reach for younger homeowners.
- Household incomes on the Island are much higher than both the County and State.
- Renting a home is becoming more difficult on Bainbridge Island.
- Housing production slowed over the last decade compared to the previous decade.
- Housing mix has become slightly more diverse over the last decade, particularly in the Winslow area.
- Second homes or non-primary homes comprise around one-third of the total residential parcels on Bainbridge Island.
- Increased demand coupled with housing scarcity have led to rising housing costs.
- Severe housing cost-burden disproportionately impacts renter households.
- Over 100 households are currently waiting for placement in rent-restricted housing.
- Service sector employment has expanded over the last two decades to become the dominant employment sector on Bainbridge Island.
- Bainbridge's workforce increasingly tends not to live on the Island.
- Bainbridge should identify HAP strategies to address current unmet housing needs along with future housing needed for the next two decades.

Another crucial part of the HAP development process is to involve Bainbridge communities and document their experiences and insights on housing needs. Community engagement efforts on the HAP are well underway, and will continue throughout the process of developing the HAP. A presentation to the City Council focused on community engagement efforts and results is scheduled for November.

AGENDA CATEGORY: Presentation

PROPOSED BY: Planning & Community Development

RECOMMENDED MOTION: Receive presentation.

STRATEGIC PRIORITY:	
FISCAL IMPACT:	
Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	Yes

BACKGROUND: On March 8, 2022, the City Council authorized the City Manager to complete a professional services agreement with the firm ECONorthwest for development of a Housing Action Plan (HAP), as authorized by the Council on August 17, 2021. The HAP is described and supported by the state in RCW 36.70A.600.

The work is funded by a grant of \$100,000 from the Washington State Department of Commerce, which the Council accepted on February 8, 2022. The duration of this project is approximately one year beginning in Spring 2022 and extending to June 2023.

A Housing Action Plan should generally identify concrete actions to take to address housing needs, diversify housing options, and increase affordable housing opportunities for diverse people living and working in a community. The main tasks associated with the Housing Action Plan are as follows:

- **Housing Needs Assessment:** Gain a deep understanding of the housing market dynamics, unmet housing needs, and housing projections. Build a multifaceted comprehension of housing market dynamics, existing regulatory influences, and housing needs of today and for the next 20 years.
- **Community Engagement:** Inclusively involve and educate the Bainbridge Island community and stakeholders on housing challenges and decisions. Deepen our understanding by gaining stories and insights on housing experiences and challenges and opportunities.
- **Strategy Development:** Develop and evaluate strategies, informed by data, engagement, and priorities.
- **Housing Action Plan and Implementation Plan:** Refine strategies and deliver a Housing Action Plan designed to meet the housing needs. Identify metrics to monitor the plan.

ATTACHMENTS:

[Housing Needs Assessment Presentation.pdf](#)

[Draft Bainbridge Island Housing Needs Assessment Report.pdf](#)

FISCAL DETAILS: Total budget for this item is \$157,000. As noted above, \$100,000 is funded by a grant.

Fund Name(s): General Fund

Coding: ORG – 64011586, OBJ – 541100, PRJ - 01186



Bainbridge Island Housing Needs Assessment Findings

October 18, 2022 City Council Meeting

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Presentation Outline

- Project Schedule
- Highlights from the Housing Needs Assessment
- Next Steps & Update on Community Engagement

**Purpose of this meeting is to discuss findings, ask questions, and provide update on next steps.*



DRAFT Housing Action Plan Project Schedule

We are here in the schedule



PUBLIC
ENGAGEMENT
PLAN
(COMPLETE)



HOUSING
NEEDS
ASSESSMENT &
EXISTING
CONDITIONS
(FINISH BY EARLY
FALL)



DRAFT
STRATEGIES
IDENTIFIED
(LATE FALL, BY
END OF 2022)



DRAFT
HOUSING
ACTION
PLAN
(EARLY 2023)



COUNCIL
ADOPTS
PLAN
(SPRING 2023)

COMMUNITY ENGAGEMENT PHASE I PHASE II



Community Engagement Update

- **Two Surveys Open from July 29 to October 1, 2022.** Reached out to almost 30 organizations & provided intercept surveys at 3 different community venues (library, farmers market, Helpline House)
 - Employer Survey: Almost 200 participants
 - Community Survey: Almost 800 participants
- **We Go to You Meetings:** Six different meetings (such as childcare directors, Senior Center)
- **Focus Groups:** Held three focus groups (housing developers, business owners/representatives)
- **Key Informant Interviews:** 18 interviews and held pre-engagement planning interviews



Housing Action Plan

What is a Housing Action Plan?
A Housing Action Plan (HAP) identifies actions that can help Bainbridge Island promote more housing, more housing diversity, and affordability. It is supported by data, community engagement, and a review of policies and existing conditions.

What is affordable housing?
Affordable housing is affordable to all economic segments of the population. Housing is considered affordable if it costs less than thirty percent of a household's or family's income.

What is housing diversity?
Housing diversity is a range of housing types able to accommodate people across all income levels, abilities, and phases of life. For example, a mix of single-family homes, duplexes, small and large multifamily

"Housing affordability is crucial both to those who live here and those who cannot."

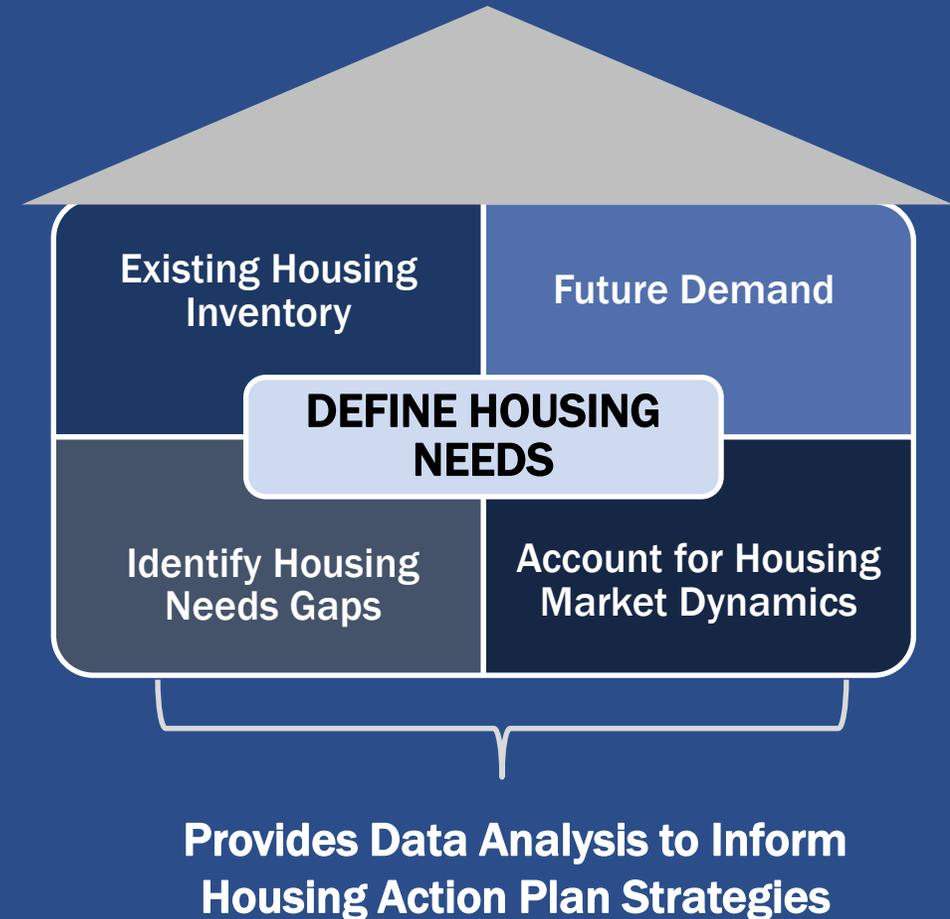


Bainbridge Island
Affordable Housing Task
Force Final Report, 2018

Created New Project Webpage:
<https://cityofbainbridgeisland.civilspace.io/en/projects/housing-action-plan>

Housing Needs Assessment Content

- Existing Housing Conditions:
 - Community Profile
 - Local workforce, Commuting trends
 - Housing Stock, Characteristics, Market trends (Costs)
 - Housing Affordability (Cost Burden)
- Housing Demand/Needs: Estimate housing needs until 2044
- Identify Existing Housing Policies and Planning Influences



1. Community Profile

2. Workforce & Commuting

3. Housing Market

4. Housing Affordability & Demand/Gap

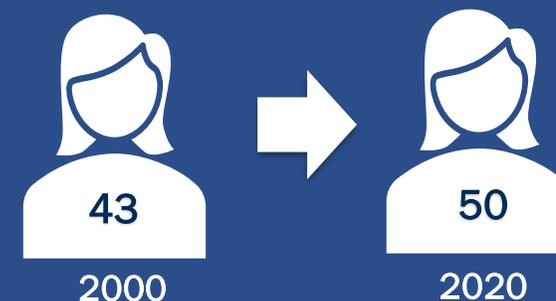
5. Next Steps



Bainbridge is Aging and Losing Young People and Families with Children

- Population growth slowed down over last decade from 23,025 to 24,825 persons after slightly higher growth during previous decade (2000-2010)
- Bainbridge is aging (greater than county & state): 60+ years doubled from 17% to 35% from 2000-20
- Bainbridge is losing families with children & young persons.
 - 2000 to 2020: Family households with children declined from 49% to 35%, share of young persons 19 years & younger decreased by 29% to 24%.
 - Decreased public school enrollment has prevented City from being able to collect school impact fees since 2011.

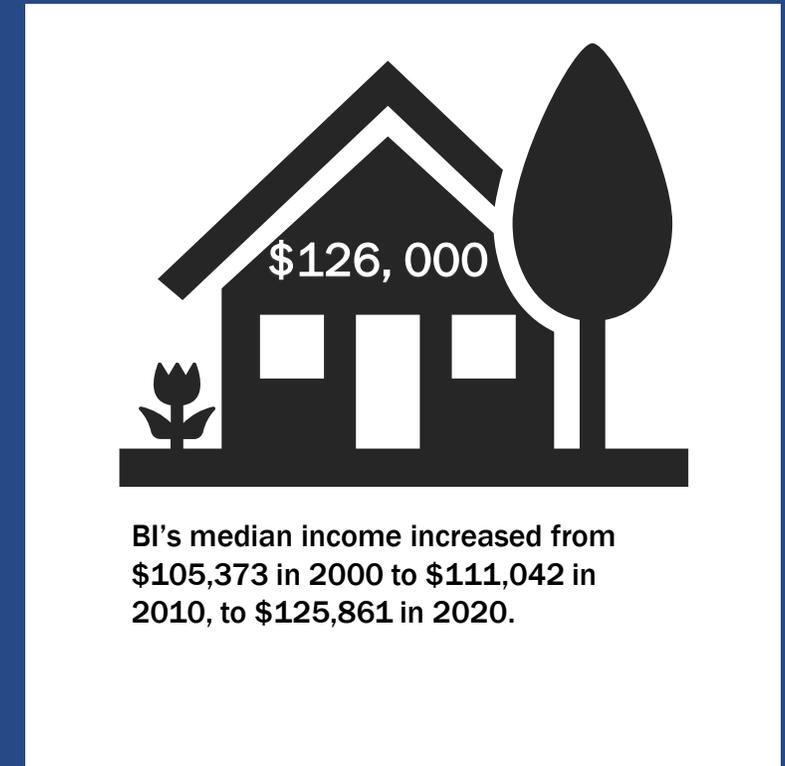
BAINBRIDGE'S MEDIAN AGE INCREASED



Bainbridge Incomes Much Higher than County & State

- In 2020, BI median income at \$126k which is 1.6 times higher than County & state (\$78-77k).
- Despite this, income increases have not kept pace with rising housing costs:
 - Median income increased by 13% while average asking rent grew by 43% and median home sales increased by 83% over last decade.

2020 Median Household Income



1. Community Profile

2. Workforce & Commuting

3. Housing Market

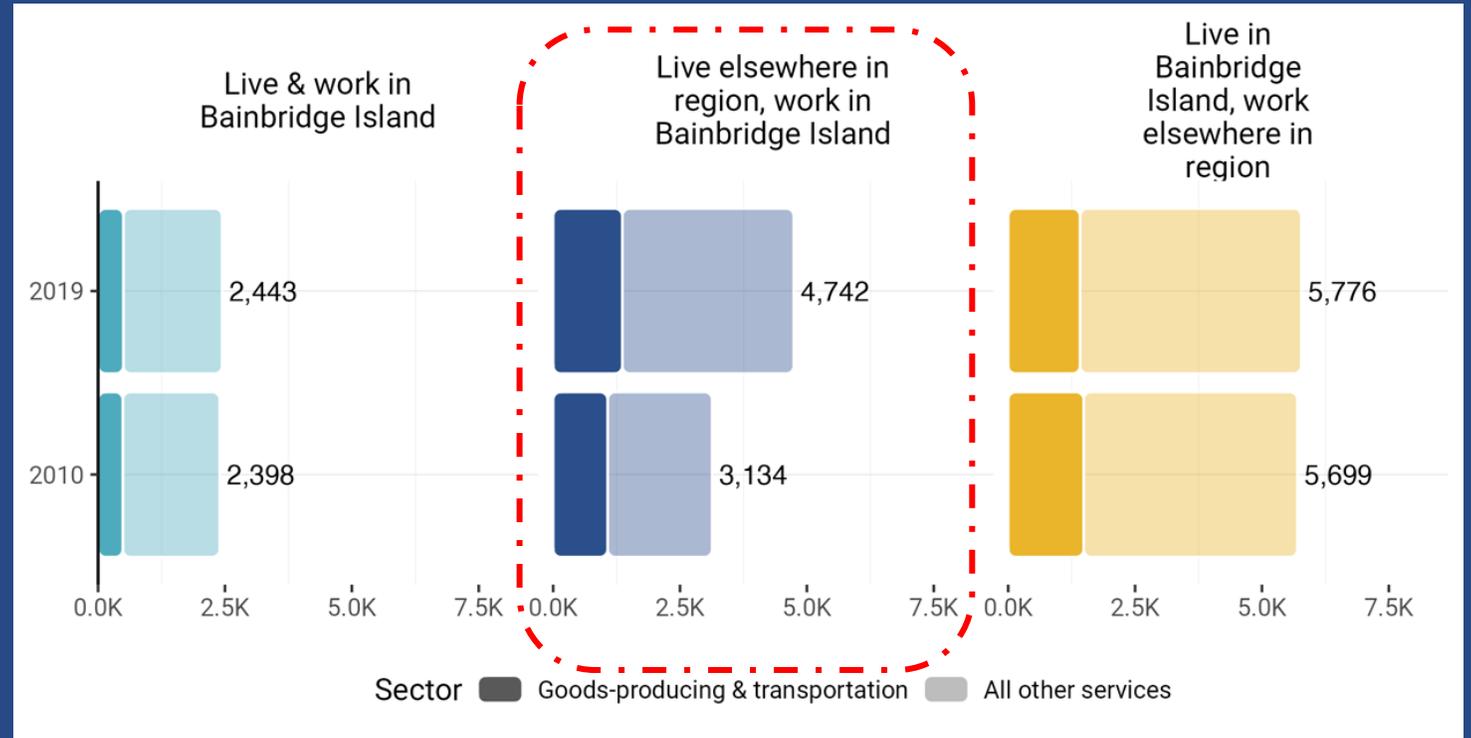
4. Housing Affordability & Demand/Gap

5. Next Steps



Bainbridge's Workforce Increasingly Tends not to Live on the Island

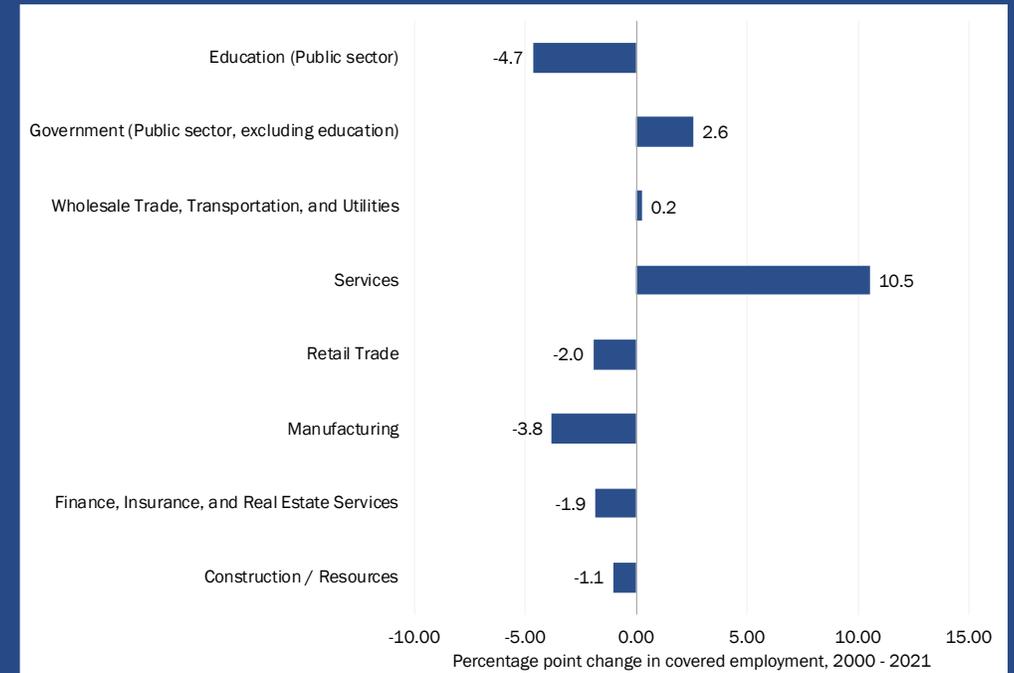
- Commuting from areas outside of Bainbridge to work on the Island increased by 51% from 2010 to 2019.
- How much of this commuting is due to the lack of suitable affordable housing or housing meeting needs?



Service Sector Has Expanded to Become Dominant Sector on BI

- Covered employment on Bainbridge increased from 5,391 jobs in 2000 to nearly 7k jobs in 2021.
- In 2021, half of Bainbridge's covered employment was comprised of service jobs, up from 40% in 2000.
 - *Service Sector: Information; professional, scientific, and technical services; management; administrative and support/waste management; educational services (private); health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services (except public administration).*

Change in Covered Employment on BI, 2000–2021



Covered employment is not full employment; rather, it's a measure of jobs that are covered by the Washington Unemployment Insurance Act. Covered employment estimates include part-time and temporary workers and excludes self-employed workers, proprietors, CEOs, and non-insured workers. According to PSRC, covered employment estimates typically represent about 85 to 90 percent of total employment.

Sources: Puget Sound Regional Council, Covered Employment Estimates, 2000–2021.

1. Community Profile

2. Workforce & Commuting

3. Housing Market

4. Housing Affordability & Demand/Gap

5. Next Steps



Renting a Home is Becoming More Difficult on Bainbridge

- Bainbridge's share of rental households was low in 2000, with 22% renting. This declined further to 19% in 2020 (lower than Kitsap County at 32% & state at 37%).
- Homeownership is increasingly becoming out of reach for younger homeowners.
 - Over the 2000 to 2020 period, share of younger homeowners (55 years or younger) on Bainbridge decreased from 59% in 2000 down to 33% in 2020.

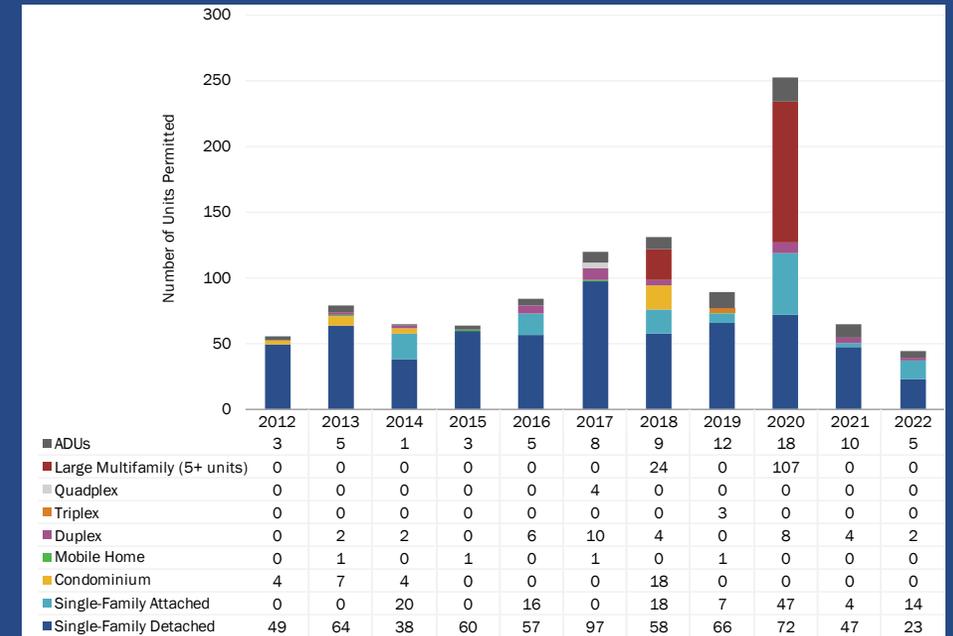


Sources: U.S. Census Bureau

Housing Construction Has Slowed, Mix More Diverse

- Small increase in housing construction from 10,584 to 11,251 houses 2010-2020.
- Housing mix: Single-family detached dominant but housing getting more diverse
 - City permit data over last decade shows slight increase in multifamily housing at 13%; townhomes at 12%, ADUs at 8%, & duplexes/ triplexes/ quadplexes 4%, concentrated in Winslow.

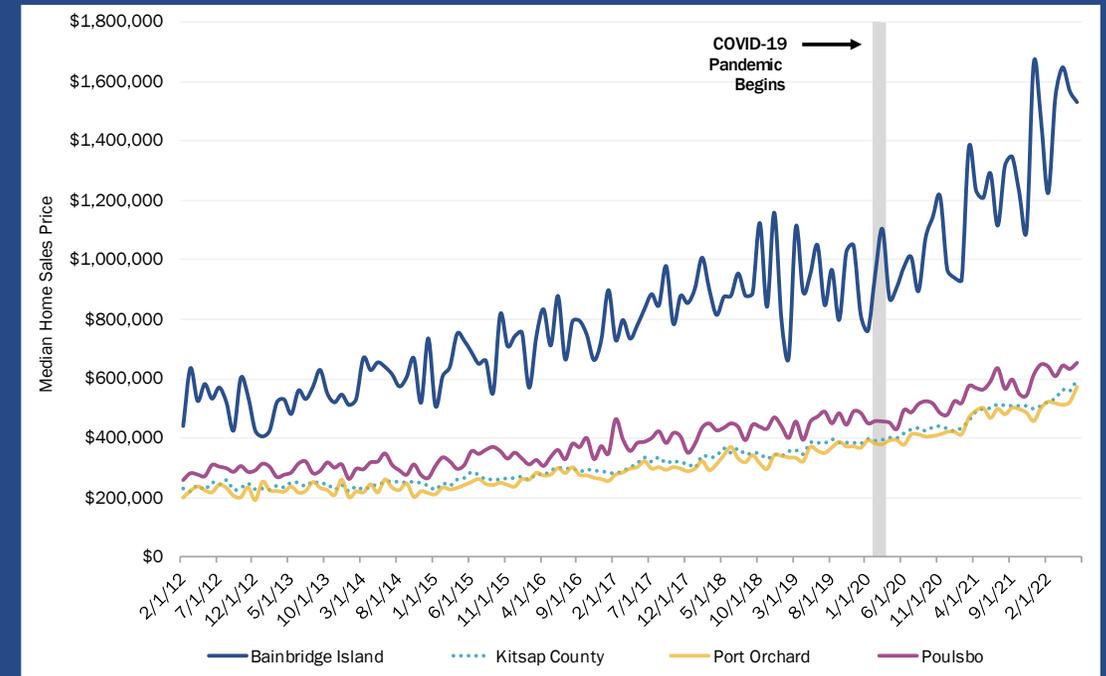
Housing permits issued by housing type on BI, 2012–2022



Bainbridge's Housing Costs have Escalated

- Median sales price of single-family homes on Bainbridge was ~\$1.5 million in mid 2022.
 - Median sales price on Bainbridge reached \$1.2 M in November 2020.
- Rental prices: The average asking rent for a 2-bedroom apartment is estimated at \$2,605 (as of mid-2022) which is much higher than the 2000 average asking rent at \$1,484 (76% increase).

Median Monthly Home Sales Price, Bainbridge Island compared to Kitsap County, Port Orchard, and Poulsbo, February 2012 – June 2022



Sources: Redfin, CoStar

1. Community Profile

2. Workforce & Commuting

3. Housing Market

4. Housing Affordability & Demand/Gap

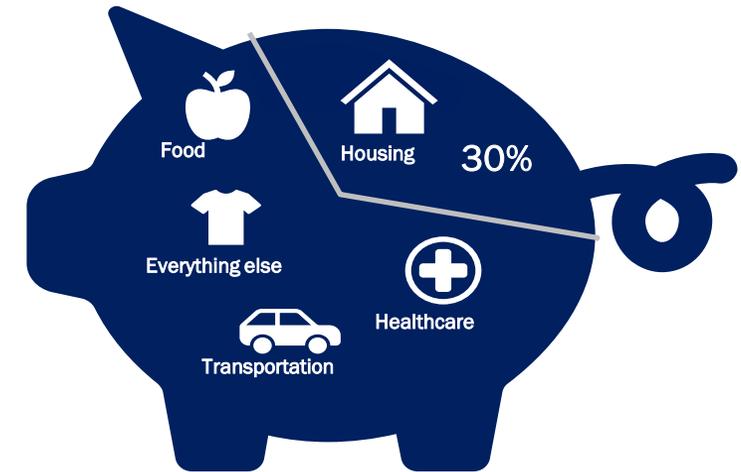
5. Next Steps



What is Affordable Housing?

- The term affordable housing refers to a household's ability to find housing within its financial means. The typical standard used to determine housing affordability is that a household should pay no more than 30% of the gross household income for housing.
- When examining household income levels, the Area Median Income (AMI) is a measure helpful for understanding what different households can afford to pay for housing expenses. AMI rates are adjusted in a few sections to match the housing such as by using the AMI rate for a family of 2 in the apartment rent analysis.

What is Affordable Housing?



A home is **affordable** when the total housing costs (rent or home payment/dues + utilities) do not exceed **30%** of the **gross household income**.

What do we mean by Housing Affordability?

IF YOUR HOUSEHOLD EARNS...

\$51,500 50% of MFI	\$82,300 80% of MFI	\$102,500 100% of MFI	\$123,000 120% of MFI	\$153,800 150% of MFI	\$184,500 180% of MFI	\$205,000 200% of MFI
-------------------------------	-------------------------------	---------------------------------	---------------------------------	---------------------------------	---------------------------------	---------------------------------

THEN YOU CAN GENERALLY AFFORD...

\$1,290 per month	\$2,060 per month	\$2,560 per month	\$3,080 per month	\$3,850 per month	\$4,610 per month	\$5,130 per month
OR						
\$155K- \$180K home sales price	\$288K- \$329K home sales price	\$359K- \$410K home sales price	\$431K- \$492K home sales price	\$538K- \$615K home sales price	\$646K- \$738K home sales price	\$718K- \$820K home sales price

Occupational employment, annual mean wage for Bremerton-Silverdale MSA



Postal Service Clerk
\$52,270



Middle School Teacher
\$82,750



Construction Manager
\$94,190



Software Engineer
\$115,430



Architectural & Engineering Manager
\$143,850



Chief Executive
\$218,670



Physician
\$244,140

If you are a family of two adults working the same occupation identified above, your annual income (before taxes) would be:

\$104,540	\$165,500	\$188,380	\$230,860	\$287,700	\$437,340	\$488,280
-----------	-----------	-----------	-----------	-----------	-----------	-----------

THE MEDIAN HOUSEHOLD INCOME ON BAINBRIDGE ISLAND IN 2020 WAS:

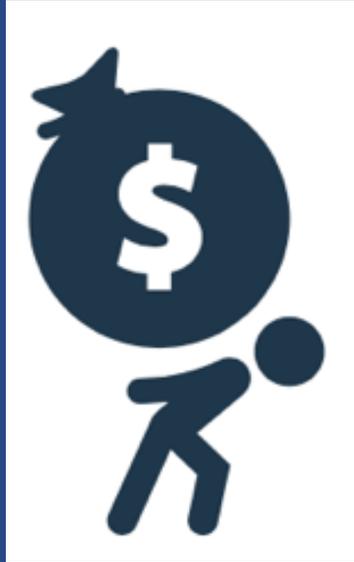
\$125,861
PER YEAR

Sources: HUD Income Limits for Bremerton-Silverdale MSA, FY 2022; U.S. Bureau of Labor Statistics, Occupational Employment Statistics (OES) for the Bremerton-Silverdale MSA, May 2021. Data notes: The occupational annual wage data is not net of taxes or other living expenses. The reported HUD MFI income limits are based on a family of four persons.

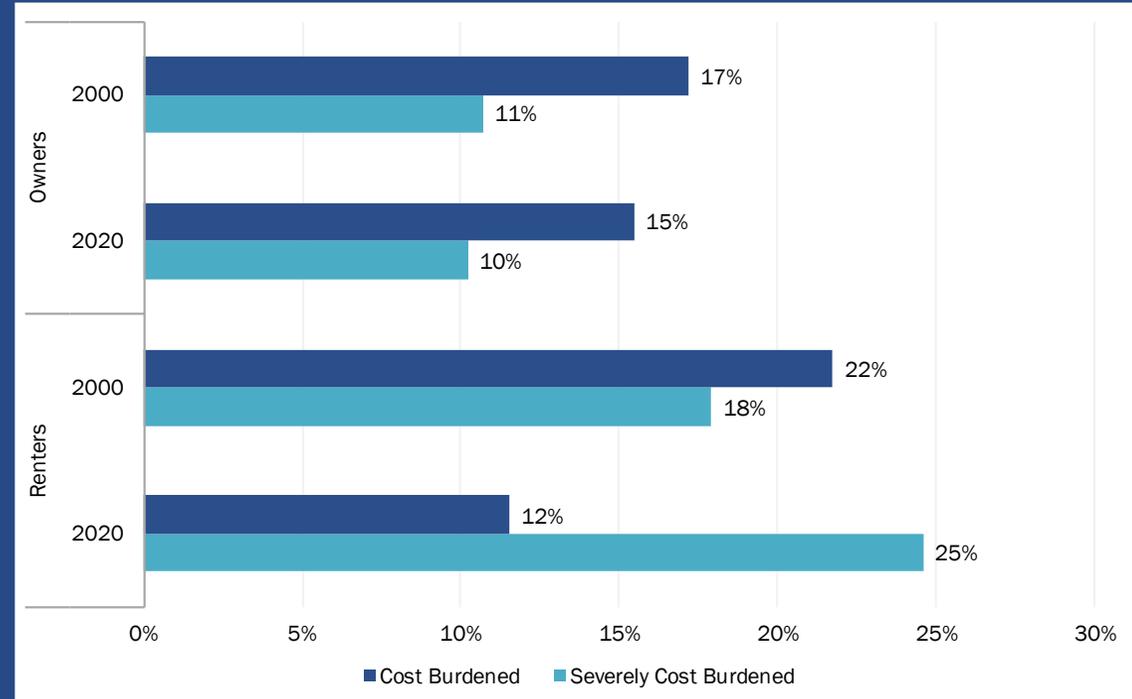
The values for what you can afford are general estimates. The range of home sales prices are based on the 2022 HUD household income limit documentation and general housing affordability guidance. Interest rates and down payment amounts vary, thus these were not included. These are general estimates provided to help compare household incomes with general housing costs.

Severe Housing Cost-Burden Disproportionately Impacts Renter Households

Share of severely cost burdened renters on Bainbridge Island increased from 18% in 2000 to 25% in 2020.



Share of Cost Burden by Tenure on Bainbridge 2000–2020



HUD: Household is cost burdened when they pay more than 30% of their gross household income for housing and severely cost burdened when they pay more than 50% of their gross household income for housing.

Sources: HUD, U.S. Census

Affordable, Rent-Restricted Housing and Wait List

- Bainbridge currently has 167 rent-restricted affordable housing units, with an additional 56 units proposed.
- Demand for rent-restricted housing is high. Housing Resources Bainbridge reported that 111 households are on their waitlist as of August 11, 2022.
 - 30% are households with children,
 - 21% are single parent households,
 - 7% are fleeing domestic violence, and
 - 23% are unhoused.



Source: HRB

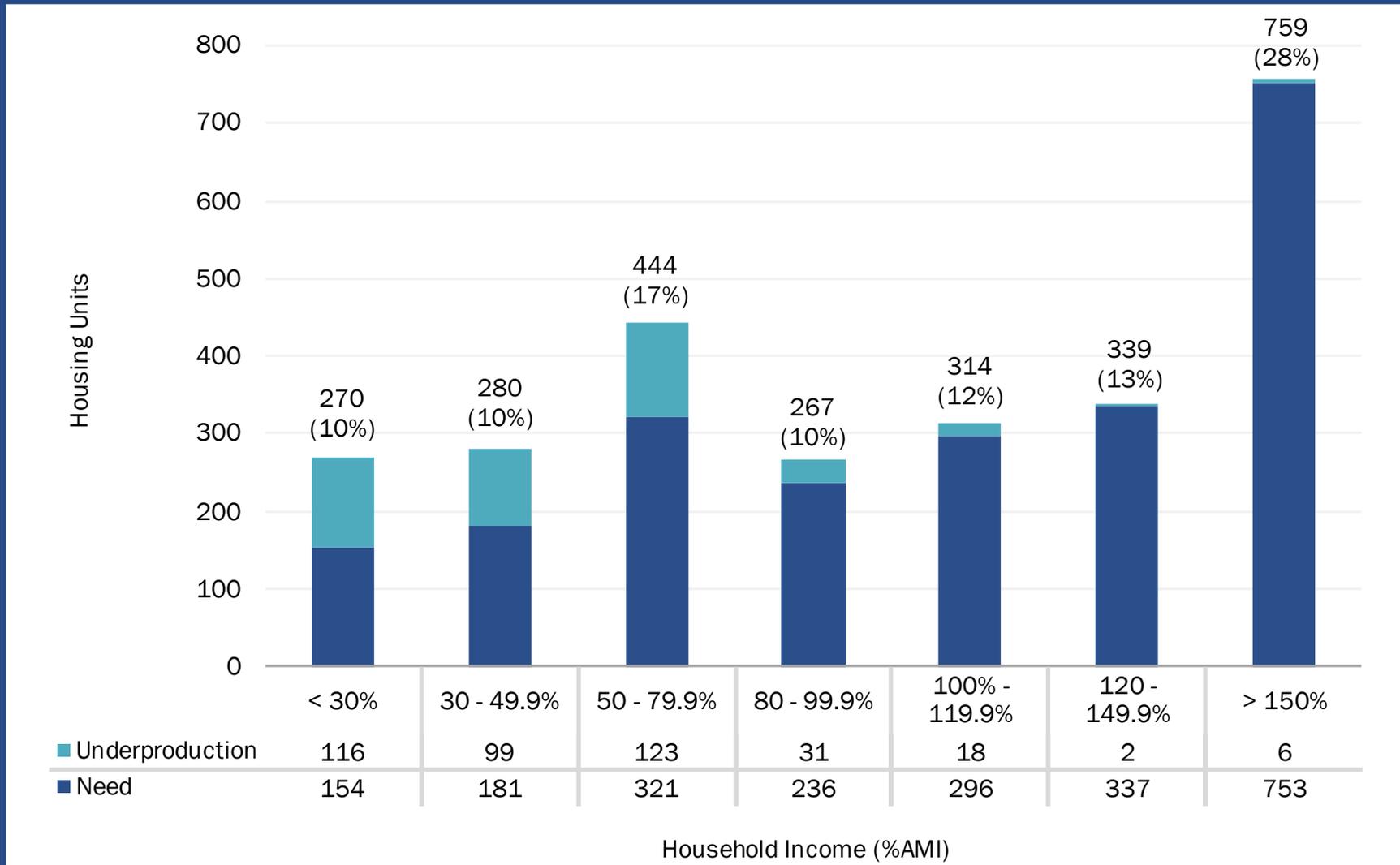
Meeting Housing Demand: 2044 Forecast Year



- 29,349 people by 2044: adding 4,524 new people
- Underproduction: 395 housing units
- Anticipated Growth: 2,277 housing units
- Housing Needs: 2,672 total new homes needed by 2044
- 127 housing units built per year from 2023 – 2044

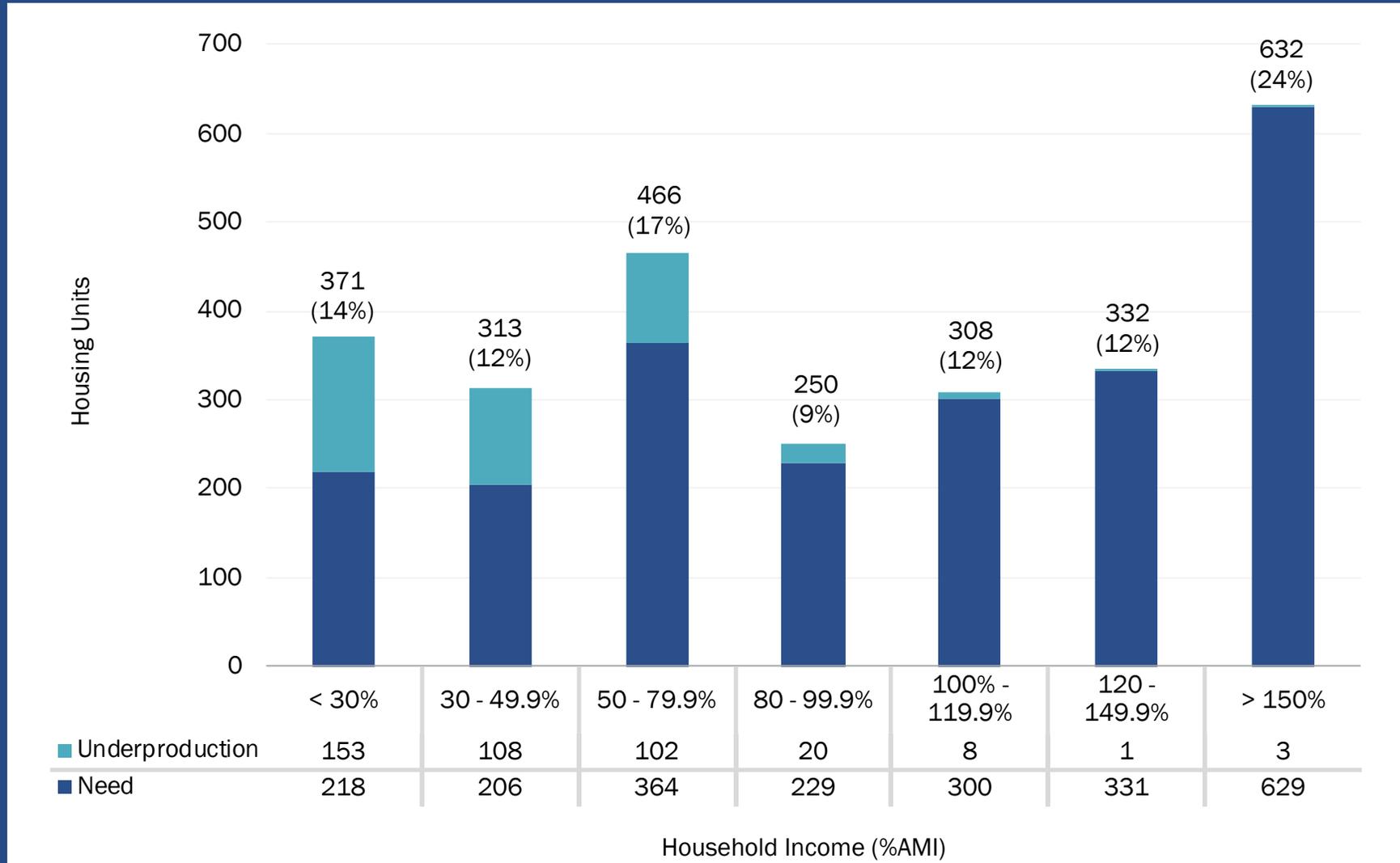
Scenarios for Meeting the Housing Gap

Existing City Income Profile



Scenarios for Meeting the Housing Gap

Existing County Income Profile



Summary of Findings

- Increase Housing Production to meet needs.
- Broaden availability of different housing options.
- Need more long-term rentals.
- Provide housing to meet the rising demand from aging baby boomers.
- Support the production of more affordable housing including low to middle-income options.



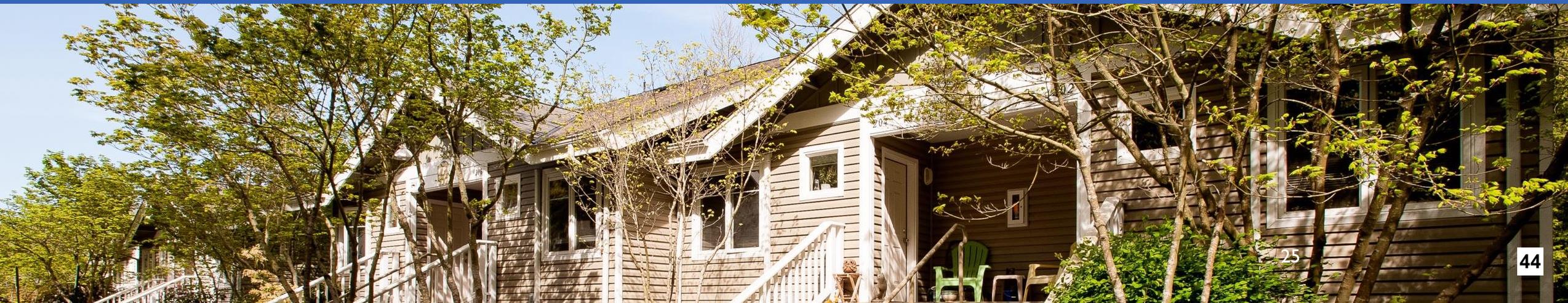
1. Community Profile

2. Workforce & Commuting

3. Housing Market

4. Housing Affordability & Demand/Gap

5. Next Steps



Next Steps

Project Next Steps:

- Public engagement findings presentation
- Strategy Review and Prioritization
- Draft & Final Housing Action Plan

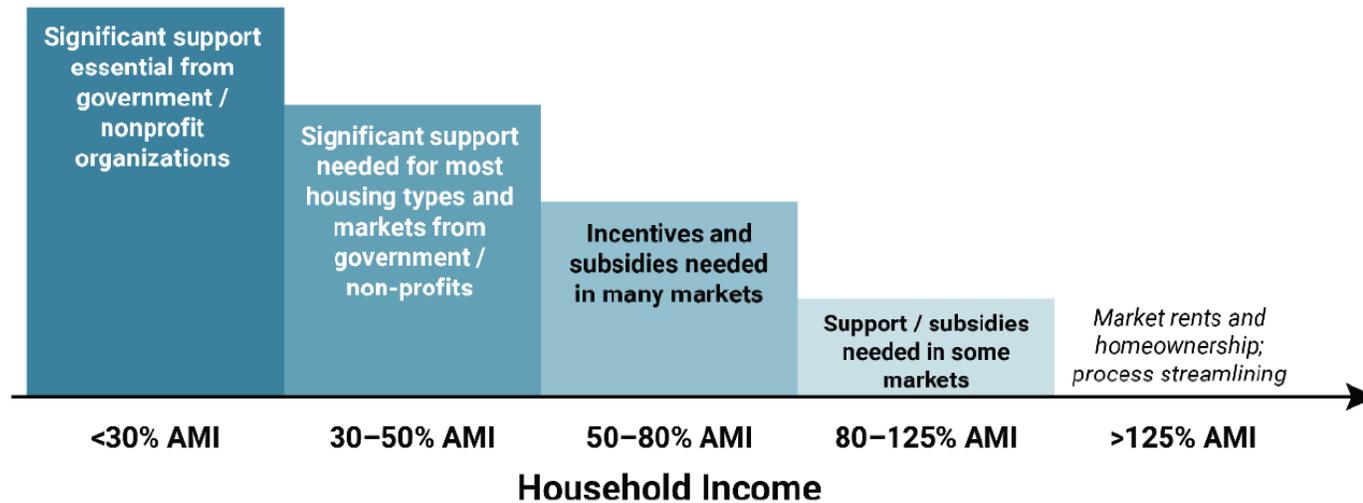
Council Engagement Schedule:

- ✓ Early June: Interviews with City Council
- ✓ June 28th: Overview of Housing Action Plan
- ✓ October 18th: Housing Needs Assessment Results Discussion
- ✓ **November: Public Engagement Results Discussion**
- ✓ *Future engagements for the strategy and HAP development: TBD*

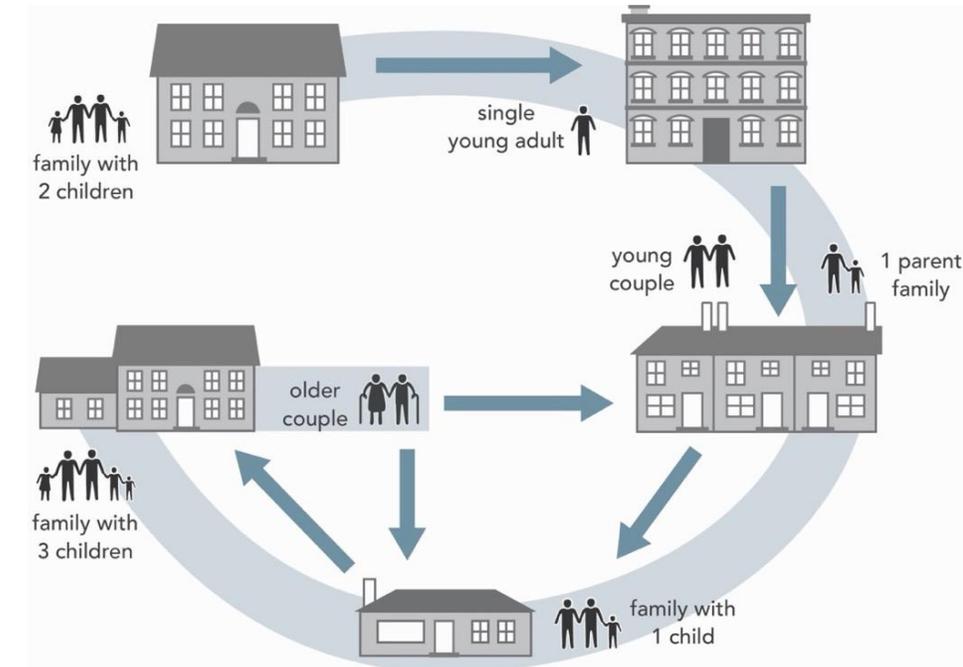


Diverse Strategies for Diverse Housing Needs

Strategies Needed for Different Levels of Affordable Housing



Different Strategies for Different housing that can vary throughout a person's lifetime



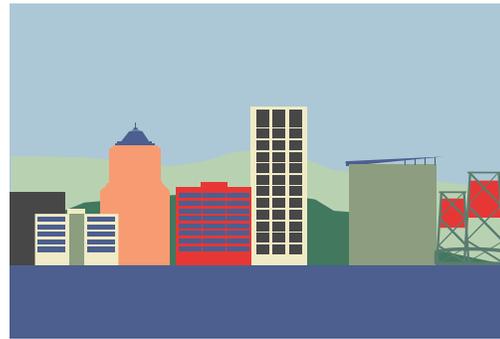
Source: ECONorthwest, adapted from Clark, W. A. V., & Dieleman, F. M. (1996). *Households and housing: Choice and outcomes in the housing market*. New Brunswick, N.J.: Center for Urban Policy Research.

Questions? Comments?
Thank you!

ECONorthwest
ECONOMICS • FINANCE • PLANNING



Eugene



Portland



Seattle



Boise

Housing Needs Assessment

City of Bainbridge Island

October 11, 2022

Prepared for:



Draft Report

ECONorthwest

ECONOMICS • FINANCE • PLANNING

Park Place
1200 Sixth Avenue, Suite 615
Seattle, WA 98101
206-823-3060

Acknowledgments

The ECONorthwest led consultant team, with help from many staff members at the City of Bainbridge Island, prepared this report for the City of Bainbridge Island. ECONorthwest and the City of Bainbridge Island thank the many people who helped develop the Bainbridge Island Housing Needs Analysis.

Bainbridge Island Housing Action Plan Project Webpage:

<https://cityofbainbridgeisland.civilspace.io/en/projects/housing-action-plan>

Key City of Bainbridge Island Staff

- Jennifer Sutton, Senior Planner
- HB Harper, Planning Manager
- Patricia Charnas, Planning Director
- Blair King, City Manager

Consultant Team

- ECONorthwest
- Triangle Associates
- LDC
- Framework
- Wenzlau Architects

The project team sends their gratitude to the Washington State Department of Commerce for the funding provided through House Bill 1923. The City of Bainbridge Island received a grant from the Washington State Department of Commerce through House Bill 1923 to develop a Housing Action Plan. This grant has given the City of Bainbridge Island a rare opportunity to analyze the housing landscape, community needs, and the expected demand for the next two decades to identify ways to strategically plan for housing needs.

Table of Contents

EXECUTIVE SUMMARY	4
HIGHLIGHTED FINDINGS	4
1. INTRODUCTION	9
HOUSING ACTION PLANNING OVERVIEW	9
2. HOUSING INVENTORY	14
2.1. COMMUNITY AND HOUSEHOLD DEMOGRAPHICS	16
2.2 HOUSING MARKET CONDITIONS AND TRENDS.....	28
2.3 LOCAL WORKFORCE AND COMMUTING TRENDS	47
2.4 HOUSING AFFORDABILITY	57
3. HOUSING DEMAND AND NEEDS	69
3.1 HOUSING DEMAND FACTORS	69
3.2 FUTURE HOUSING NEEDS	72
4. SUMMARY OF EXISTING HOUSING POLICIES	80
4.1. SUMMARY OF EXISTING PLANS GUIDING HOUSING	80
4.2. EXISTING HOUSING POLICY/PROGRAM PERFORMANCE EVALUATION.....	90
5. HNA APPENDIX	97
5.1 ADDITIONAL DATA ANALYSIS FINDINGS.....	97
5.2. CONSTRUCTION COST INFLUENCES	102
5.3. MAIN DATA SOURCES USED AND GLOSSARY	105

Executive Summary

The City of Bainbridge Island is undertaking a Housing Action Plan (HAP) to identify ways to meet housing needs now and for the next two decades. An initial step for developing the HAP is to identify and define the range of housing needs by analyzing the best available data describing Bainbridge Island’s housing stock, workforce, household demographics, housing market dynamics, and expected housing demand. The insights from this analysis help to build a factual basis for the HAP strategies. This housing analysis answers questions about the current availability of different housing types, who lives and works on Bainbridge, and what range of housing is needed to meet current and future housing needs. The Housing Action Plan, to be developed in the next stage of this project, will help guide housing policies/program improvements, housing strategies, and related decisions over the 2022- 2044 planning period.

Highlighted Findings

A summary of the overall findings and key insights associated with the comprehensive analysis of housing needs and existing conditions is provided below.¹

Bainbridge Island’s Population Growth Has Slowed Down Over the Last Decade

Bainbridge Island’s population growth has slowed recently, only increasing by approximately 1,800 persons from 23,025 persons to 24,825 persons from 2010 to 2020 after a period of higher growth during the previous decade (from 20,308 persons in 2000 to 23,025 persons in 2010). The average annual growth rate lowered to 0.7 percent for 2010-2022 down from 1.3 percent for 2000-2010.

Bainbridge is Aging at a Faster Pace than Kitsap County and the State of Washington

Bainbridge Island’s population is aging at a faster pace than both Kitsap County and the State of Washington. The Island’s median age increased from 43 years in 2000 up to about 50 years in 2020 while the county only increased from 36 to 39 years. The share of Bainbridge Island residents aged 60 years or older has doubled, increasing from 17 percent in 2000 up to 35 percent in 2020 (much higher than the county’s rate of 25 percent).

Bainbridge Island is Increasingly Losing Younger Persons and Families with Children

Bainbridge is increasingly losing families with children. Over the 2000 to 2020 period, the share of Bainbridge Island family households with children declined from 49 percent in 2000 down to 35 percent in 2020. Bainbridge lost households with children at a greater percent change than both the county and state. Bainbridge is also losing young persons under 19 years of age,

¹ This assessment relied on published data primarily provided by the U.S. Census Bureau, Puget Sound Regional Council, Washington Office of Financial Management, U.S. Department of Housing and Urban Development, Kitsap County, CoStar, City of Bainbridge Island, Bainbridge Island School District, and other sources. More detailed information on the findings described in this executive summary is provided in the later sections of this report.

decreasing from 29 percent in 2000 to 24 percent in 2020. School enrollment data from the Bainbridge Island School District also showed a decrease in younger persons enrolled in the local public school system despite the district's policy allowing students outside of Bainbridge to enroll. From 2011 to 2019, student enrollment decreased by 93 students (or, by about 2.4 percent). During the COVID-19 pandemic, school enrollment decreased by 210 students from October 2019 to October 2020 (or, by about 5.6 percent). With the decline in BISD student enrollment, the City has been unable to collect school impact fees since 2011.

Homeownership is increasingly Out of Reach for Younger Homeowners

Over the 2000-2020 period, the share of younger homeowners (55 years or younger) on Bainbridge decreased by about 26 percentage points, from 59 percent in 2000 down to 33 percent in 2020. At the same time, the share of older homeowners (55 or older) increased by 26 percentage points, with the largest increase for owners aged 65 to 74 years. Homeownership opportunities have become more limited on the Island particularly for younger persons. The escalating cost of housing is a top concern for people finding few options of housing affordable at their income level.

Household Incomes on the Island are Much Higher than both the County and State

Bainbridge Island households have a markedly higher median household income relative to both Kitsap County and statewide estimates. In 2020, the Island's median household income was about \$126,000 per year, approximately 1.6 times higher than households in both Kitsap County and the state. In that same year, 40 percent of Bainbridge Island households earned \$150,000 or more annually which is over double the share in Kitsap County and the state. On Bainbridge, median household incomes have increased from \$105,373 in 2000 to \$125,861 in 2020, which is a 19 percent increase. With 60 percent of households now earning over \$100,000 in 2020 (compared to 37 percent in the county), Bainbridge Island has a much larger high-income population in comparison to the rest of Kitsap County.

Despite these income increases, Bainbridge's median household income has not kept pace with rising housing costs. Over the last decade, Bainbridge's median household income increased by around 13 percent from 2010 to 2020 (U.S. Census data) while the average asking rent grew by approximately 43 percent (from \$1,662 in 2010 to \$2,377 per CoStar data). Also, median home sale prices soared by about 83 percent from 2012 to 2020 (Redfin). Securing new housing under current conditions is increasingly becoming out of reach for many Bainbridge households, possibly including current residents in need of new housing.

Renting a Home is Becoming More Difficult on Bainbridge Island

The share of rental households has diminished on Bainbridge in comparison to the share of owner households, signaling decreased availability of rental housing. In fact, nearly four in five Bainbridge households are owned as of 2020. Bainbridge Island's share of rental households was low to begin with in 2000, with only 22 percent renting, and this declining trend continued to comprise only 19 percent of total households in 2020. This is lower than both Kitsap County (32

percent) and the state (37 percent). The availability of rental housing on Bainbridge has become increasingly scarce.

Housing Production Slowed Over the Last Decade Compared to the Previous Decade

Overall housing availability on Bainbridge Island has become increasingly limited with minor increases over the last ten years from an estimated 10,584 houses in 2010 to 11,251 houses in 2020. Around 667 additional homes were built from 2010 to 2020 which is an increase of around 67 new homes per year on average for the last ten years.

Comparing this with housing changes over a two-decade span of time, shows an increase from 8,517 homes in 2000 to 11,251 homes in 2020 which is an annual average of approximately 137 new homes built per year. The number of housing units built per year over the last two decades (2000 to 2020) was double the number of housing units built on average per year from 2010 to 2020 (137 vs 67 homes per year). This could partially be related to slow recovery from the Great Recession emerging around 2007.

Housing Mix has Become Slightly More Diverse over the Last Decade, Particularly in the Winslow Area

Several datasets describing Bainbridge's housing unit mix indicate that single-family detached housing is the dominant housing type across the Island. However, the share of duplex/triplex/quadplex units and townhomes/row homes gradually increased between 2000-2020 (U.S. Census ACS, 2016-2020). Additional analysis of recent City of Bainbridge permits over the last decade shows a slight increase in the share in housing different than single-family detached units. Following single-family detached housing units, large multifamily housing (five or more units) and townhomes/ rowhomes had the largest share of total units (13 percent, 12 percent) followed by ADUs (8 percent) and duplexes/triplexes/quadplexes (4 percent of total units permitted). The Winslow Area has the highest recent permitting activity between 2012 to 2022 which is not surprising considering the land use regulations allowing higher-density development in this area.

Second Homes or Non-Primary Homes Comprise Around One-Third of the Total Residential Parcels on Bainbridge Island

Using Kitsap County Assessor data, ECONorthwest analyzed the share of parcels on Bainbridge Island that are "primary" use or "non-primary" use since this helps shed light on second home ownership trends. Based on this analysis, nearly one-third of residential parcels on Bainbridge Island, as of 2022, include non-primary homes. The non-primary homes could be short term rentals, vacation homes, rental homes, and various other types of housing where the primary owner has a different home address than the physical address of the home.

Increased Demand Coupled with Housing Scarcity Have Led to Rising Housing Costs

Housing underproduction on Bainbridge Island combined with a low supply of housing affordable to diverse households and high construction costs have been influential drivers leading to rising home costs. The median sales price of homes has increased on Bainbridge and in the region. In mid 2022, the median sales price of single-family homes on Bainbridge was

around \$1.5 million: almost three times greater than the median sales price of the County. During the early years of the COVID-19 pandemic, the median sales price on Bainbridge Island reached a high of \$1.2 million in November 2020 and nearly \$1.7 million in December 2021. In the years prior to the pandemic from 2012 to 2019, the median home sales price changes were smaller.

Rental prices are also increasing. On Bainbridge, the average asking rent for a 2-bedroom apartment is estimated at \$2,605 (as of mid-2022) which is much higher than the average asking rent estimated at \$1,484 in 2000 (about a 76 percent increase). Rental rates for the Island's dwindling supply of rentals continue to surge above the area median income (100 percent AMI). Overall, Bainbridge's housing stock provides limited opportunities for renters indicating a need to increase the availability of affordable rentals matching the needs of Bainbridge workers and communities, seeking rentals.

Severe Housing Cost-Burden Disproportionately Impacts Renter Households

HUD guidelines indicate that a household is cost burdened when they pay more than 30 percent of their gross household income for housing and severely cost burdened when they pay more than 50 percent of their gross household income for housing. Housing cost burden can put households in vulnerable situations and force them to make trade-offs between housing costs and other essentials like food, medicine, or transportation. This unstable condition can also lead to rental evictions, job instability, school instability for children, and homelessness. The share of severely cost burdened renters on Bainbridge Island increased from 18 percent in 2000 to 25 percent in 2020. Renters living on Bainbridge Island, in Kitsap County, and in the State of Washington all tended to be more severely cost burdened in 2020 compared to owner households which is not surprising since renters tend to be lower income, left with a small supply of housing options.

Over 100 Households are Currently Waiting for placement in Affordable Housing on Bainbridge

Although the current affordable housing inventory includes a little over 220 housing units on Bainbridge Island, the demand for rent-restricted low to moderate-income housing is outpacing the supply, as evidenced by the large number of people waiting for housing. The number of people waiting for affordable housing on Bainbridge Island, reported by Housing Resources Bainbridge (the main affordable housing supplier on the Island) as of August 11, 2022, included a total of 111 households on their waitlist. Among the total households on the waiting list, approximately 30 percent are households with children, 21 percent are single parent households, seven percent are fleeing domestic violence, and 23 percent are households unhoused.

Service Sector Employment Has Expanded Over the Last Two Decades to Become the Dominant Employment Sector on Bainbridge Island

The services sector group comprised the largest covered employment share on Bainbridge from 2000 to 2021. In 2021, about half of Bainbridge Island's covered employment was comprised of service jobs, up from 40 percent in 2000. This is based on PSRC's covered employment data

including jobs covered by the Washington Unemployment Insurance Act. PSRC's service sector includes the following types of employment: information; professional, scientific, and technical services; management of companies and enterprises; administrative and support/waste management; educational services (private sector portion); health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services (except public administration).

Bainbridge's Workforce Increasingly Tends not to Live on the Island

Workforce commuting trends help describe the extent to which people live and work on Bainbridge and how this has changed in recent years. Over the last decade, commuting from other areas outside of Bainbridge increased by 51 percent (from approximately 3,134 workers in 2010 to approximately 4,742 workers in 2019). This could indicate decreased availability of housing needed to accommodate Bainbridge's workforce including not enough housing matching commuter needs, affordability levels, or preferences. The current commuting trends of employees working at the City of Bainbridge Island were assessed also to deepen the understanding of commuting trends. Overall, only around one-third of City staff currently reside on Bainbridge Island. About half of the City of Bainbridge Island management-level workers live on Bainbridge while in contrast, only around 24 percent of police officers live on Bainbridge Island.

Bainbridge Should Identify Housing Action Plan Strategies to Address Current Unmet Housing Needs Along with Future Housing Needed for the Next Two Decades

The results of the housing needs analysis show a gap at around 2,672 new housing needed to address current housing underproduction and accommodate future population growth projected to reach approximately 29,349 persons by 2044. On an annual basis this means an average of 127 housing units should be built at a minimum per year from January 1, 2023, to December 31, 2044 (21 total years). This estimate helps to provide a general target for the number of housing units needed to meet existing and future demand for the next two decades.

More detailed and comprehensive information regarding Bainbridge's housing stock and the associated demographic, workforce, and market trends and regulatory influences is provided in the following sections of this report. This assessment helps to provide a factual basis about the range of housing needs and regulatory influences to address in the Housing Action Plan. Another crucial part of the action plan development is to involve Bainbridge communities and learn about their experiences and insights. All of this helps to build a multifaceted comprehension of housing needs of today and for the next 20 years.

1. Introduction

Housing Action Planning Overview

The City of Bainbridge Island is undertaking a Housing Action Plan (HAP) to identify ways to meet housing needs now and into the future. The HAP is made possible due to a Washington State Department of Commerce House Bill 1923 Grant. In general, HAPs should include strategies and actions to encourage greater housing diversity and affordability, access to opportunity for residents of all income levels, and should address both affordable and market-rate housing needs. The HAP will help provide a factual basis for revising policies and implementing strategies for the Comprehensive Plan Housing Element and could inform subarea planning and strategic planning efforts.

What do we Mean by Affordable Housing?

The term “affordable housing” means housing that does not require more than 30% of a household’s gross annual income for housing costs. This is an inclusive definition that encompasses market-rate as well as subsidized housing which often is supported by public subsidies. When we refer to housing that is dedicated to meeting the needs of lower- income residents, we refer to it as “publicly

The HAP project commenced in Spring 2022 and is expected to finish by mid 2023 to meet the current Washington State Department of Commerce House Bill 1923 grant deadline of June 30, 2023. As outlined below, the approach for developing the HAP begins with a Housing Needs Assessment (HNA) which evaluates the current and projected housing needs. Another crucial part of the action plan development process is to involve Bainbridge communities and learn about their experiences and insights on housing needs. Public involvement will be ongoing throughout the process of developing the HAP.

Together the HNA and public involvement will shape the HAP, provide a balance of quantitative and qualitative information, and help the HAP to become more data-driven and community-informed and supported.

Bainbridge Island Housing Action Plan Approach

- **Housing Needs Assessment:** Gain a deep understanding of the housing market dynamics, unmet housing needs, and housing projections. Build a multifaceted comprehension of housing market dynamics, existing regulatory influences, and housing needs of today and for the next 20 years.
- **Community Engagement:** Inclusively involve and educate the Bainbridge Island community and stakeholders on housing challenges and decisions. Deepen our understanding by gaining stories and insights on housing experiences and challenges and opportunities.

- **Strategy Development:** Develop and evaluate strategies, informed by data, engagement, and priorities.
- **Housing Action Plan and Implementation Plan:** Refine strategies and deliver a Housing Action Plan designed to meet the housing needs. Identify metrics to monitor the plan.

An initial step in the HAP process is to define the range of housing needs by analyzing the best available data that describes the area’s housing and associated demographic, workforce, and market trends over the past few decades. This assessment helps answer questions about the availability of different housing types, who lives and works on Bainbridge, and what range of housing is needed for all income levels through 2044.

The graphic below is provided by the Washington State Department of Commerce to help explain how ultimately, the assessment of housing needs helps to set the stage for the Housing Action Plan (along with community engagement findings) and the Housing Action Plan can inform Comprehensive Plan updates and guide interlinked implementation strategies.

Exhibit 1. Relationship of Housing Needs to the Housing Action Plan and Other Plans
 Source: Washington State Department of Commerce.



Housing analysis is an important exercise since a community’s housing needs tend to continually evolve based on changes in the broader economy, local demographics, and the regulatory environment. Bainbridge Island, like other communities in the region, has changed over the years. The diverse housing needs have not always been successfully met, the affordability of

housing has changed, and access to housing has not always been equal, especially for low-income families and communities of color.

Analyzing housing needs is complex because it represents a bundle of services that people are willing or able to pay for, including shelter and proximity to other attractions (e.g., jobs, shopping, recreation); amenities (e.g., type and quality of home fixtures and appliances, landscaping, views); and access to public services (e.g., quality of schools, parks, etc.). Since it is difficult to maximize all these services while minimizing costs, households must make decisions about trade-offs and sacrifices between needed services and what they can afford. Residents contemplate a variety of factors to choose where they live such as the proximity to jobs, childcare, good schools, transportation options, safety, community amenities, and community/neighborhood. In addition, a household's needs are often driven by the affordability level, size, conditions (does it include plumbing?), and other considerations associated with the housing (such as ADA accessibility, lower maintenance costs).

In addition, housing markets function at a regional scale, which makes it challenging for individual jurisdictions to adequately address issues without regional partnerships. Bainbridge Island is directly connected to the Kitsap County region and accessible via Highway 305 and the Agate Pass Bridge. The housing market dynamics in the broader Kitsap County region affect Bainbridge Island thus, the broader county region was analyzed in addition to the localized Bainbridge Island market. Bainbridge is an island completely encircled by the Puget Sound, consequently the connection across the water to the City of Seattle and the King County region is less direct but slightly influential especially due to the car and passenger ferry system. The following assessment offers insights on influential national and regional trends to help build a more comprehensive understanding of the housing landscape.

Broader National Demographic Trends

Nationally, key changes in demographics emerging since the mid-20th Century should be recognized since they have influenced overall national housing demand.²

- Nuclear family households, the predominant type of household of the mid-20th Century, shrunk from 40 percent in 1970 to 20 percent in 2018 while in contrast, the share of single-person households increased from 15 percent in 1970 to 28 percent in 2018. This general trend could lead to fewer persons per household and increased housing demand. Also, around one-third of Americans between 18 to 34 years are now living in their parents' homes. This trend could decrease housing demand for 18-34 aged persons or at least delay it.
- Also, America is aging, and the number of older adults will continue to grow over the next twenty years. National level estimates suggest that around 22 percent of Americans will be over 65 years by 2050. Older adults (65 years or older) are projected to outnumber children for the first time ever by 2035. The aging of the Baby Boomer generation (those born between 1946 to 1964) could result in greater demand for

² Sources: AARP (2018) Making Room for a Changing America, U.S. Census Bureau Annual Social and Economic Supplements 1950 and 1970, 2015 U.S. Census ACS, PSRC Draft 2050 Forecast of People and Jobs.

smaller housing for those wishing to “downsize” and greater demand for special needs housing offering assistance and age-in-place amenities and multigenerational living accommodations.

- The Hispanic/Latino population is predicted to be the fastest growing sector over the next few decades and these households tend to include multiple generations, requiring more housing space. Over the coming decade, minorities will make up a larger share of young households.

These demographic trends generally hold for the Puget Sound region and have influenced housing needs. For example, Puget Sound Regional Council's (PSRC) housing needs assessment (January 2022) found that the region’s household composition and needs have changed with only one-third of households having children while households with older adults 65 years or older have grown. The housing built in the past for previous generations might not serve the changing region.

These trends help to provide broader context. More nuanced analysis of local areas can provide additional insights useful for developing housing strategies suitable for a smaller jurisdiction.

Bainbridge Island Profile

The City of Bainbridge Island is a vibrant place that offers residents access to waterfront beaches, stunning hikes, a bustling downtown, and various natural, cultural, and public art amenities. Bainbridge Island is located west of Seattle in King County, easily accessible from multiple points on the mainland by ferries operated by the state and by the Agate Pass bridge to the Kitsap Peninsula on the North end of Bainbridge Island.

Suquamish tribal members were the primary recorded inhabitants of Bainbridge Island and the surrounding Kitsap Peninsula until colonization began in 1792 with the arrival of George Vancouver. Bainbridge Island was named by Vancouver after War of 1812 commander, Commodore William Bainbridge, and began bringing in non-native settlers in 1853 after the introduction of a lumber mill to present day Port Madison and Port Blakely. The area quickly developed into a mill town that sourced lumber for many large cities on the west coast. The island also hosted the Hall brothers, well-known in the industry for their quality shipbuilding. The growing industries of lumber and shipbuilding in the area brought in immigrants from all around the world, including Japan. Japanese immigrants introduced strawberry farming on the island and commercialized it by cultivating the wasted timberland to grow strawberries during peak seasons. These Japanese families farmed for generations until World War II relocated them to internment camps and stunted the industry.

A portion of Bainbridge Island was incorporated with the town of Winslow in 1947 and the rest of the Island was annexed by the city in 1991 to establish the all-island City of Bainbridge Island. The island is currently serviced by car and passenger ferries to Seattle operated by the Washington State Ferry System, making the commute from Bainbridge Island to Seattle easier. This accessibility from Seattle was a large part of the reason for the influx of residents who moved to Bainbridge Island since the 1960s. What was once a rural area has developed over the

years into a suburban hub, more recently because of the growing technology scene in Seattle. The population of Bainbridge Island was roughly 16,000 in 1990 before the establishment of the city, and as of the 2020 decennial census, is at 24,825 persons (U.S. Census Bureau).

Population growth on Bainbridge Island has slowed in the last ten years, only increasing from 23,025 persons to 24,825 persons from 2010 to 2020 after substantial growth during the previous decade (growing from 13,353 persons in 1991 to 20,308 persons in 2000).

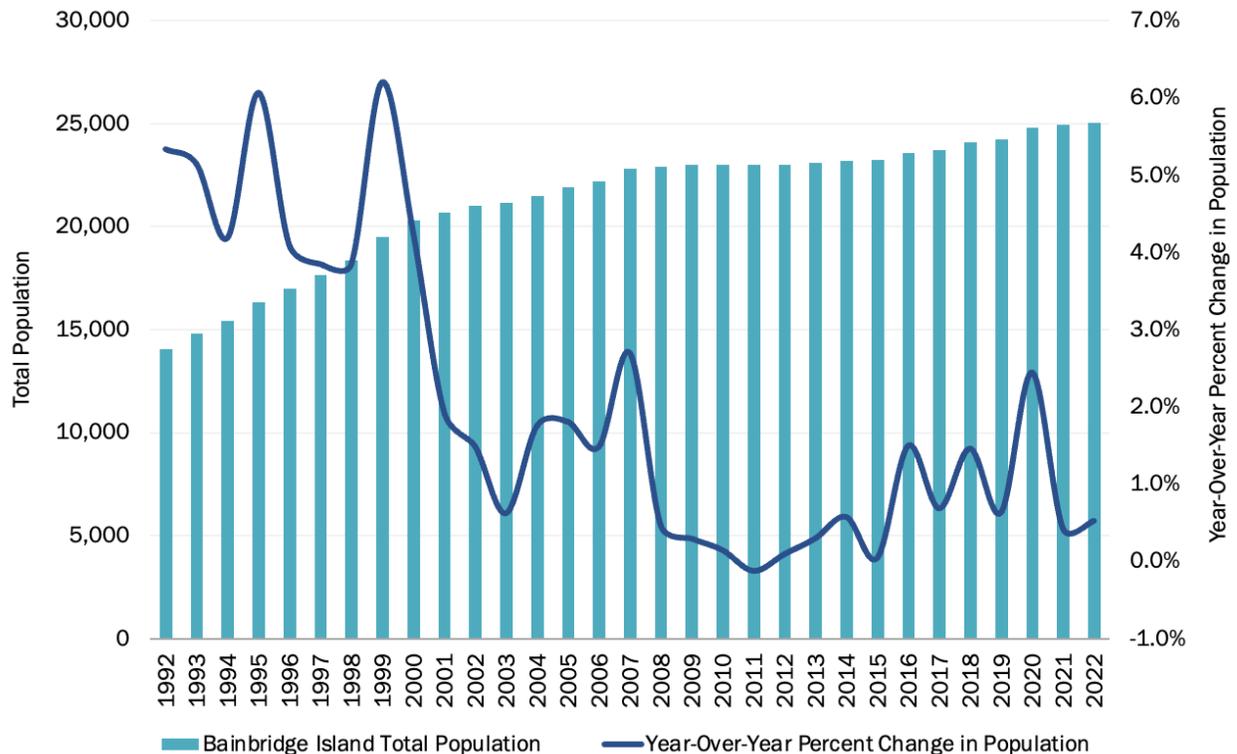
Exhibit 2. Population Change Summary, Bainbridge Island, Kitsap County, Washington, 1991–2022

Source: U.S. Census Bureau, and the Washington Office of Financial Management (OFM). Note: The data reported for years 1990 through 2020 are intercensal estimates; 2021 and 2022 data are postcensal estimates. AAGR = Average Annual Growth Rate, WA = Washington State. OFM provided an estimate of 24,825 persons residing on Bainbridge Island in 2020.

Location	Population Count				Change, 1991 to 2022			Change, 2010 to 2022		
	1991	2000	2010	2022	Difference	% Change	AAGR (%)	Difference	% Change	AAGR (%)
Bainbridge Island	13,353	20,308	23,025	25,060	11,707	88%	2.1	2,035	9%	0.7
Kitsap County	196,926	231,969	251,133	280,900	83,974	43%	1.2	29,767	12%	0.9
WA	5,000,353	5,894,143	6,724,540	7,864,400	2,864,047	57%	1.5	1,139,860	17%	1.3

Exhibit 3. Year over Year Percent Change of Population, Bainbridge Island, 1991–2022

Source: U.S. Census Bureau, and the Washington Office of Financial Management. Note: The data reported for years 1990 through 2020 are intercensal estimates; 2021 and 2022 data are postcensal estimates.



2. Housing Inventory

This section evaluates the housing inventory in the City of Bainbridge Island and comparatively to Kitsap County. This inventory provides foundational information integral to assessing the future needs for housing of all types and price points across the Island.

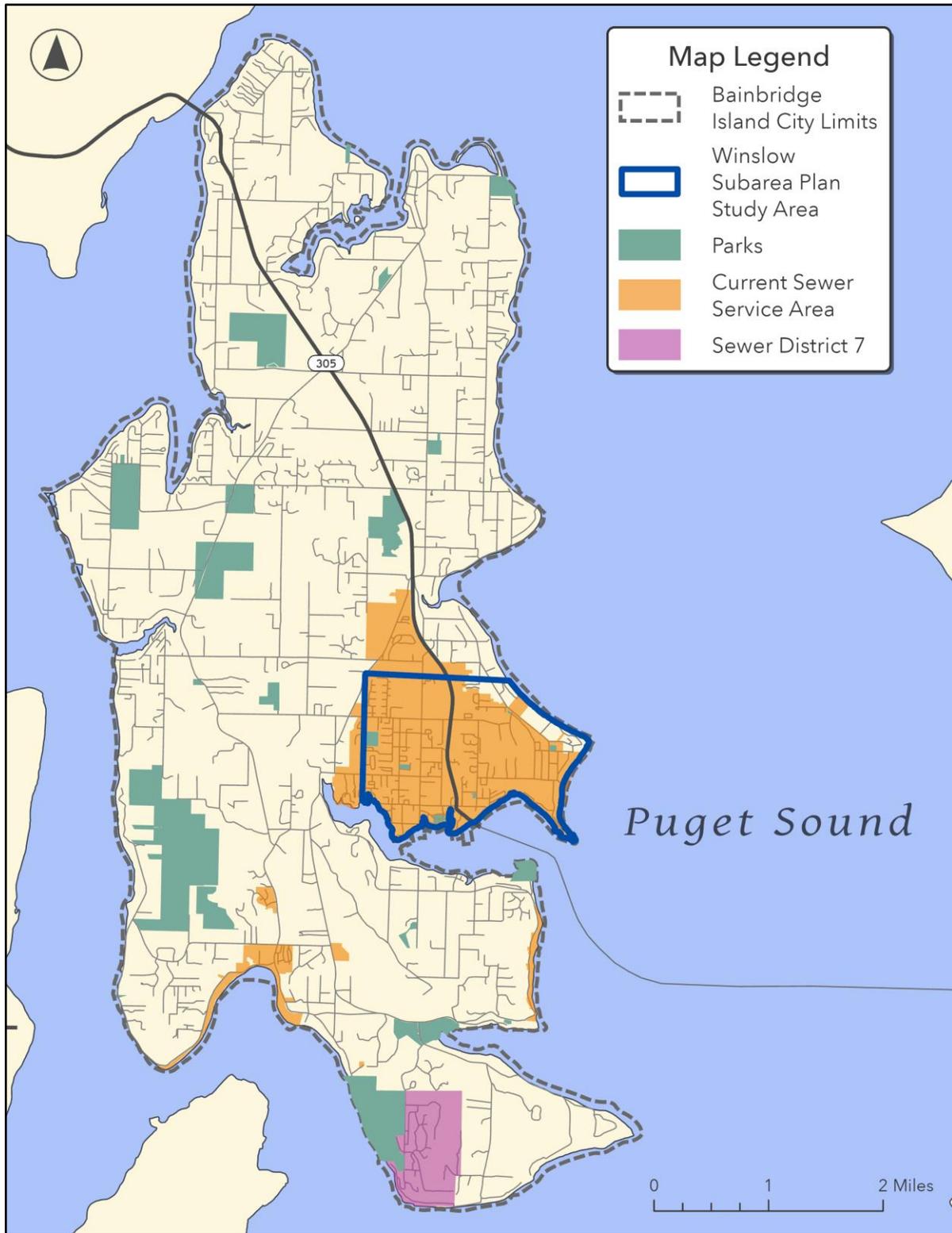
This section is divided into four parts:

- 2.1 Community and Household Demographics
- 2.2 Housing Market Conditions and Trends
- 2.3 Local Workforce and Commuting Trends
- 2.4 Housing Affordability

The findings herein will be used to support policy recommendations in the Housing Action Plan for the city to consider. This assessment relied on published data primarily from the U.S. Census Bureau, CoStar, Puget Sound Regional Council, Washington Office of Financial Management, U.S. Department of Housing and Urban Development, Kitsap County, Bainbridge Island School District, and the City of Bainbridge Island (see the HNA Appendix for more detail on the main data sources used).

Exhibit 4. Site Location Map of Bainbridge Island, 2022

Source: ECONorthwest, with data from the City of Bainbridge Island.



2.1. Community and Household Demographics

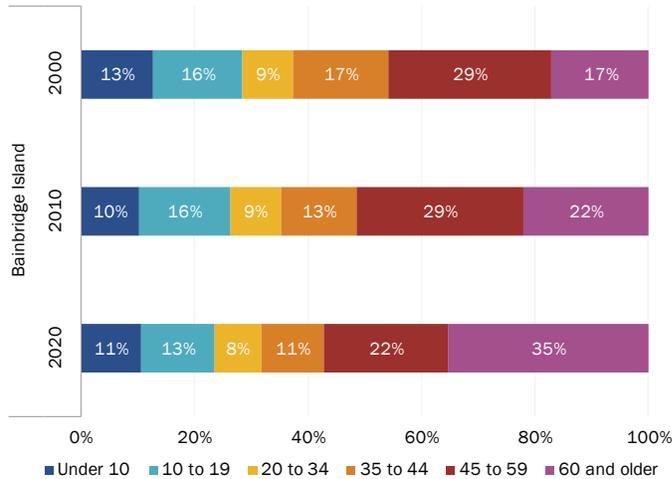
Population and housing characteristics are useful for better understanding of Bainbridge Island and the people who live here. Characteristics such as population growth, age of residents, household size and composition, homeownership, and ethnicity provide useful context about Bainbridge Island households, the trends, and the forces affecting housing demand. In addition, this information helps to account for trends on who Bainbridge Island is serving and not serving with housing.

DRAFT

Population Changes and Household Trends

Exhibit 5. Bainbridge Population Distribution by Age Category, 2000–2020

Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 2 – Table DP1) and ACS 5-year data, 2006-10 and 2016-20 estimates (Table DP05).



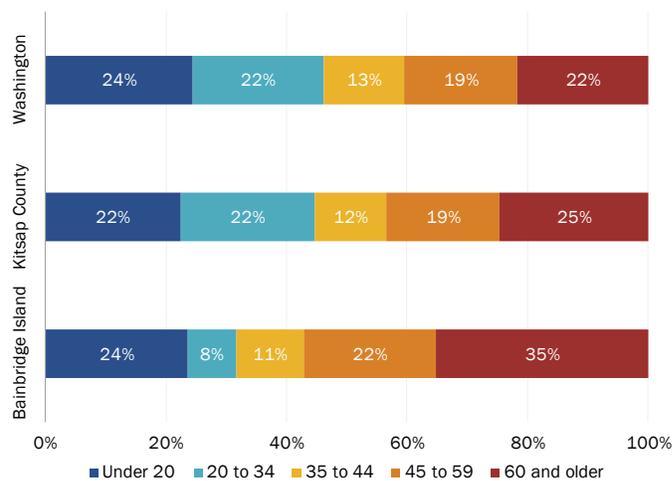
The Bainbridge population is aging faster than Kitsap County and the state. On Bainbridge, the population share aged 60 and older doubled, from 17 percent in 2000 to 35 percent in 2020 while the share aged 44 and younger decreased from 54 to 43 percent.

Bainbridge is also losing young persons under 19 years of age, decreasing from 29 percent in 2000 to 24 percent in 2020.

The median age on Bainbridge increased from 43 years in 2000 to 50 years in 2020, or a growth of about 16 percent. Comparatively, Kitsap County's median age increased by nine percent, from about 36 years in 2000 to 39 years in 2020.

Exhibit 6. Population Distribution of Bainbridge Island, Kitsap County, and Washington by Age Category, 2020

Source: U.S. Census Bureau, ACS 5-year data, 2016-20 estimates (Table DP05).



A little over one-third of Bainbridge Island residents are aged 60 or older, compared to one-quarter of Kitsap County residents and 22 percent of Washington residents.

Bainbridge Island's share of a younger age prime working population (20 to 34 years) is smaller relative to both comparison geographies.

Population Diversity

Bainbridge Island’s population has become slightly more diverse over the past twenty years but remains predominantly non-Hispanic White. During the 2000 to 2020 period, the share of non-Hispanic White residents on Bainbridge Island decreased by about 7.5 percentage points.

The share of persons identifying as multiracial increased the most at about 3.4 percentage points, followed by Hispanic or Latino individuals (about 2.5 percentage points) and Asian individuals (about one percentage point).

Exhibit 7. Population Distribution by Race and Ethnicity in Bainbridge Island, 2000–2020

Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 3 – Table P007) and 2020 Decennial Census Redistricting Data (PL 94-171) estimates (Table P2).

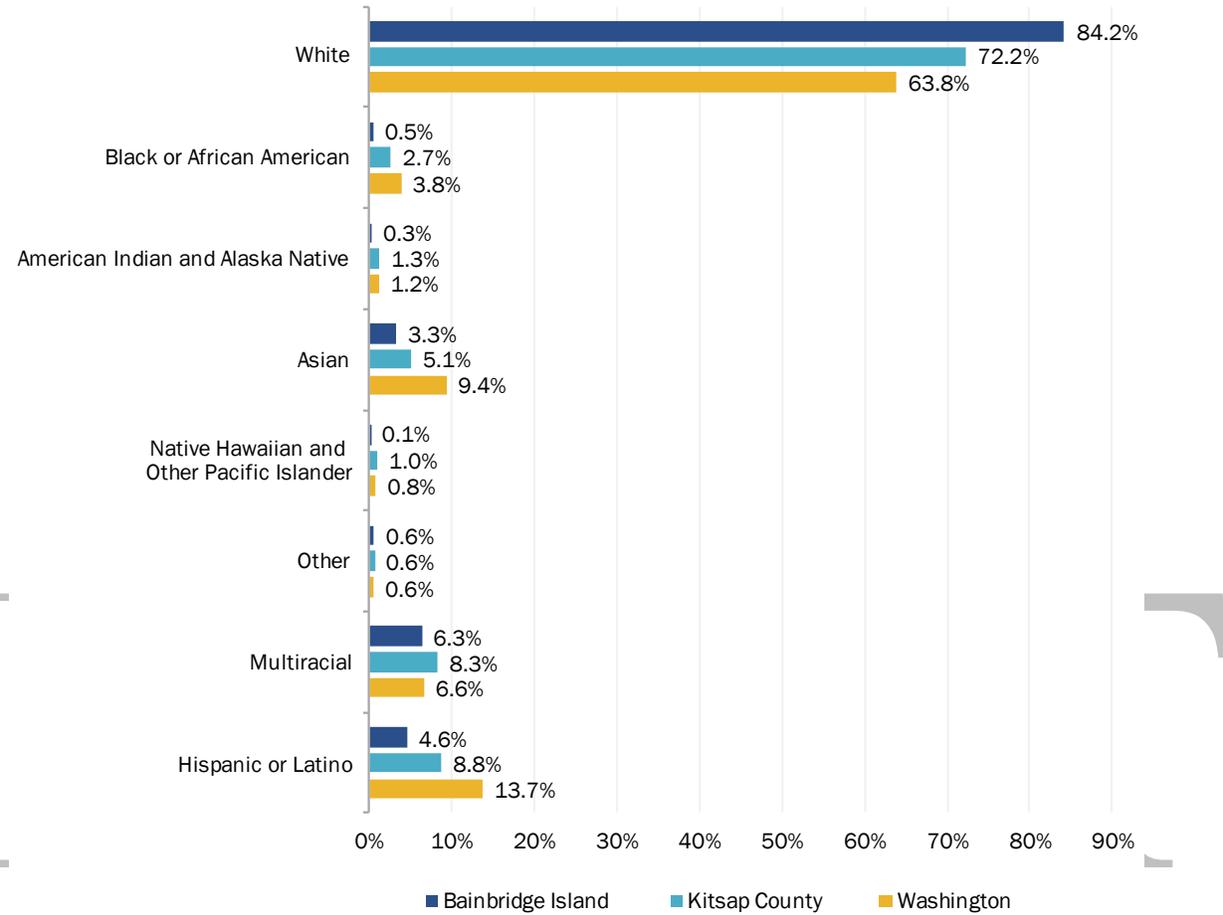
	Population				Population Distribution		
	2000	2020	Diff.	% Change	2000	2020	% Point Change
Not Hispanic or Latino	19,875	23,685	3,810	19	97.9	96.8	(1.06)
White	18,612	20,899	2,287	12	91.6	84.2	(7.46)
Black or African American	70	122	52	74	0.3	0.5	0.15
American Indian and Alaska Native	91	80	(11)	(12)	0.4	0.3	(0.13)
Asian	480	824	344	72	2.4	3.3	0.96
Native Hawaiian/Other Pacific Islander	27	33	6	22	0.1	0.1	0.00
Some other race	0	152	152	NA	0.0	0.6	0.61
Multiracial	595	1,575	980	165	2.9	6.3	3.41
Hispanic or Latino	433	1,140	707	163	2.1	4.6	2.46
Total	20,308	24,825	4,517	22	100.0	100.0	0.00

Relative to Kitsap County and the state, Bainbridge Island is less racially and ethnically diverse. In 2020, about 72 percent of Kitsap County residents and about 64 percent of Washington residents identified as non-Hispanic White, compared to Bainbridge Island’s 84 percent.

Nearly 14 percent of Washington residents identified as Hispanic or Latino in 2020, compared to nine percent for Kitsap County residents and five percent for Bainbridge Island residents. Non-Hispanic Asian residents made up the third largest share of the state’s population at just over nine percent, compared to five percent in Kitsap County and three percent on Bainbridge Island (see Exhibit 8).

Exhibit 8. Distribution of Population by Race and Ethnicity, Bainbridge Island, Kitsap County, and Washington, 2020

Source: U.S. Census Bureau, 2020 Decennial Census Redistricting Data (PL 94-171) estimates (Table P2).

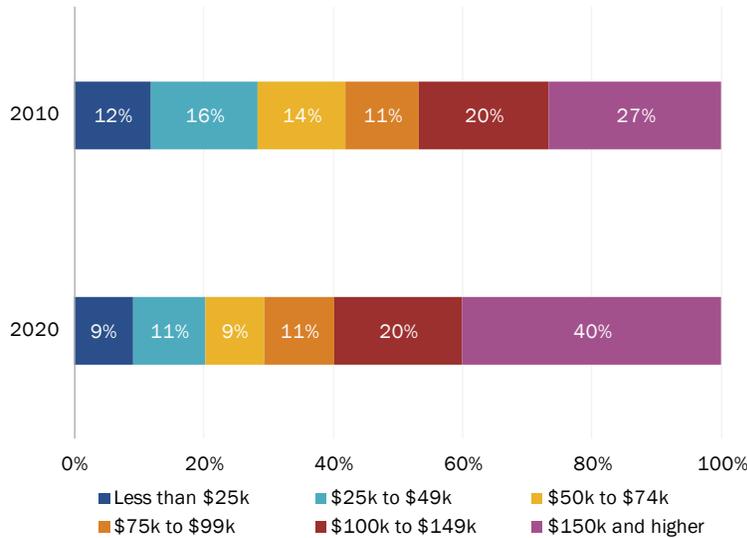


Household Income

High-income households earning \$100,000 or more per year has become the dominant income bracket on Bainbridge Island. Bainbridge Island continues to have a greater share of high-income households compared to Kitsap County and the State of Washington. In 2020, about 60 percent of Bainbridge Island households earned \$100,000 or more per year, compared to 37 percent of Kitsap County and Washington households. On a median household income basis, Bainbridge Island’s increased by about 19 percent when adjusted for inflation, from \$105,373 in 2000 to \$125,861 in 2020. At the same time, the median household income grew by about 12 percent in both Kitsap County (\$70,399 up to \$78,969) and Washington (\$68,800 up to \$77,006).

Exhibit 9. Household Income Distribution of Bainbridge Island, 2010–2020

Source: U.S. Census Bureau, ACS 5-year data, 2006-10 and 2016-20 estimates (Table B19001). Note: This type of data provided the count of households within income bins consisting of a range of income levels; therefore, the income levels could not be adjusted for inflation.



On Bainbridge Island, the share of households earning over \$150,000 increased from 27 percent in 2010 to 40 percent in 2020. During this same period, the share of households earning less than \$50,000 decreased from 28 percent to 20 percent. The Island’s population has changed to be comprised of substantially higher-earning households.

The household income distribution finding in Exhibit 9 is corroborated when examining the changes in median household income from 2000 to 2020 (Exhibit 10). On Bainbridge, median household incomes (on an inflation-adjusted basis) have increased from \$105,373 to \$125,861, which is a 19 percent increase. In comparison, Kitsap County’s household income increased but at a much lower percent change, at 12 percent.

Exhibit 10. Change in Median Household Income in Bainbridge Island, Kitsap County, and Washington, 2020 Inflation-Adjusted Dollars, 2000–2020

Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 3 – Table HCT012) and ACS 5-year data, 2006-10 and 2016-20 estimates (Table B19013). Dollar amounts for 2000 and 2010 were adjusted for inflation using the U.S. Bureau of Labor Statistics’ Consumer Price Index for All Urban Consumers and All Items (annual, not seasonally adjusted values).

Median Household Income (2020 Dollars)	2000	2010	2020	Percent Change, 2000–2020
Bainbridge Island	\$105,373	\$111,042	\$125,861	19.4%
Kitsap County	\$70,399	\$70,679	\$78,969	12.2%
Washington	\$68,800	\$67,943	\$77,006	11.9%

Exhibit 11. Household Income Distribution of Bainbridge Island, Kitsap County, and Washington, 2020

Source: U.S. Census Bureau, ACS 5-year data, 2016-20 estimates (Table B19001).

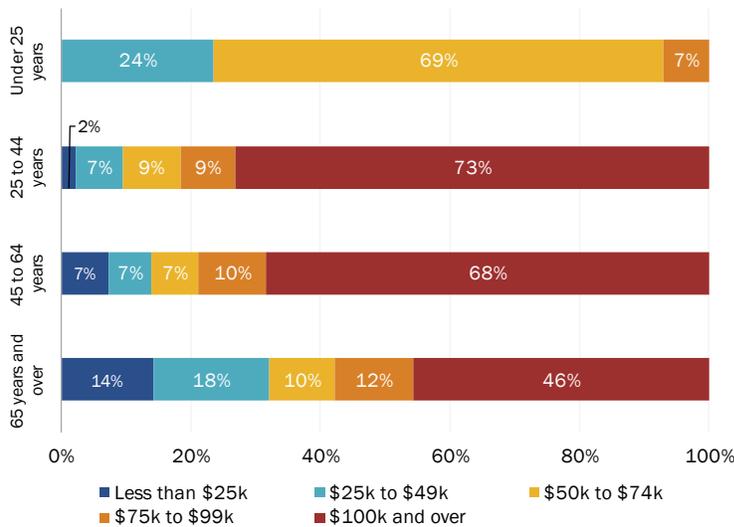


On Bainbridge Island, about 60 percent of households earned over \$100,000 in 2020, compared to 37 percent of households in both Kitsap County and Washington.

Bainbridge Island has a much larger and growing high income population in comparison to the rest of Kitsap County.

Exhibit 12. Household Income Distribution of Bainbridge Island by Age Category, 2020

Source: U.S. Census Bureau, ACS 5-year data, 2016-20 estimates (Table B19037). Note: Under 25 years households most likely include households aged between 18 and 25 years old.



As of 2020, about 73 percent of households with a head of household between the ages of 25 to 44 years earned more than \$100,000 per year, compared to 68 percent for those between the ages of 45 to 64 years, and 46 percent for those 65 and older.

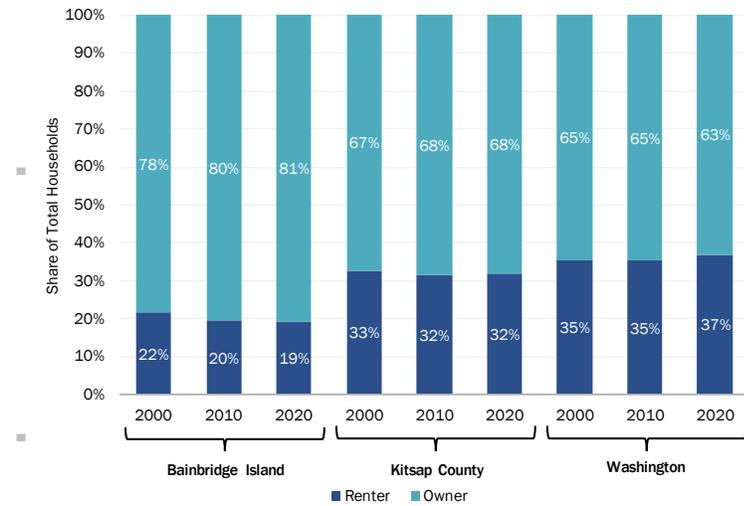
Comparatively, Island households with a head of household 65 years or older tended to have a wider distribution of income levels, likely due to fixed incomes and being able to secure housing on Bainbridge during an earlier era when housing costs were lower and more affordable. Approximately 32 percent of 65 years or older Bainbridge homeowners purchased their home in 1989 or earlier (U.S. Census, ACS 5-year data, 2016-20).

Household Tenure and Composition

The supply of rentals has diminished on Bainbridge in comparison to the share of owner households. Nearly four in five Bainbridge households are owned as of 2020. Over the past twenty years, the share of homeowner households on the Island increased by three percentage points, from 78 percent in 2000 to 81 percent in 2020. At the same time, the share of owner households increased by one percentage point in Kitsap County (67 percent up to 68 percent), and the share of owner households decreased by two percentage points statewide (65 percent down to 63 percent).

Exhibit 13. Household Tenure, Bainbridge Island, 2000–2020

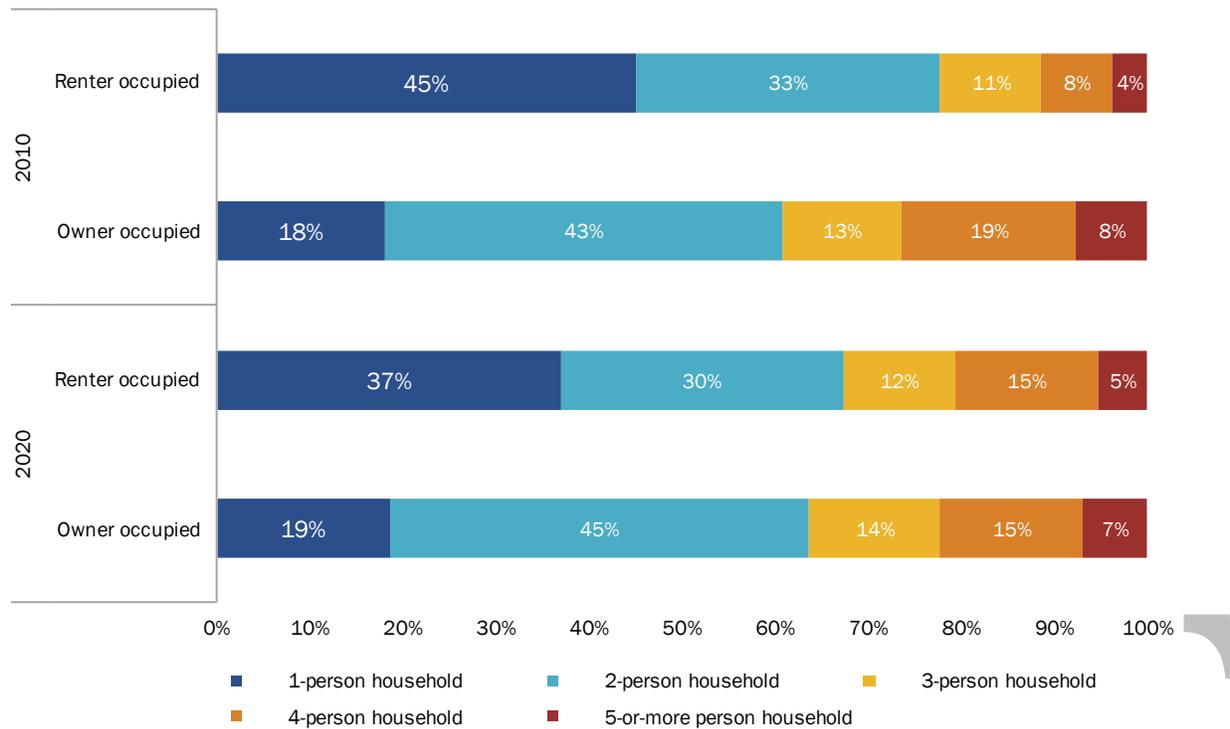
Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 2 – Table DP1) and ACS 5-year data, 2006-10 and 2016-20 estimates (Table DP04).



Bainbridge Island’s share of rental households was low early on in 2000, with only 22 percent renting. This share declined further to comprise only 19 percent of all Bainbridge households in 2020. This is a much lower share of renter households in comparison to Kitsap County’s 32 percent and the state’s 37 percent of renter households.

Exhibit 14. Household Tenure by Household Size, Bainbridge Island, 2010 and 2020

Source: U.S. Census Bureau, ACS 5-year data, 2006-10 and 2016-20 estimates (Table B25009).



Comparing household tenure with household size shows that larger households for two or more persons tends to be owner-occupied housing consistently in 2010 and 2020. In terms of household size, the largest share for renter occupied housing was comprised by one-person households in both 2010 (45 percent) and 2020 (37 percent).

Exhibit 15. Household Ownership by Age of Homeowner, Bainbridge Island, 2000–2020

Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 4 – Table HCT003) and ACS 5-year data, 2016-20 estimates (Table B25007).

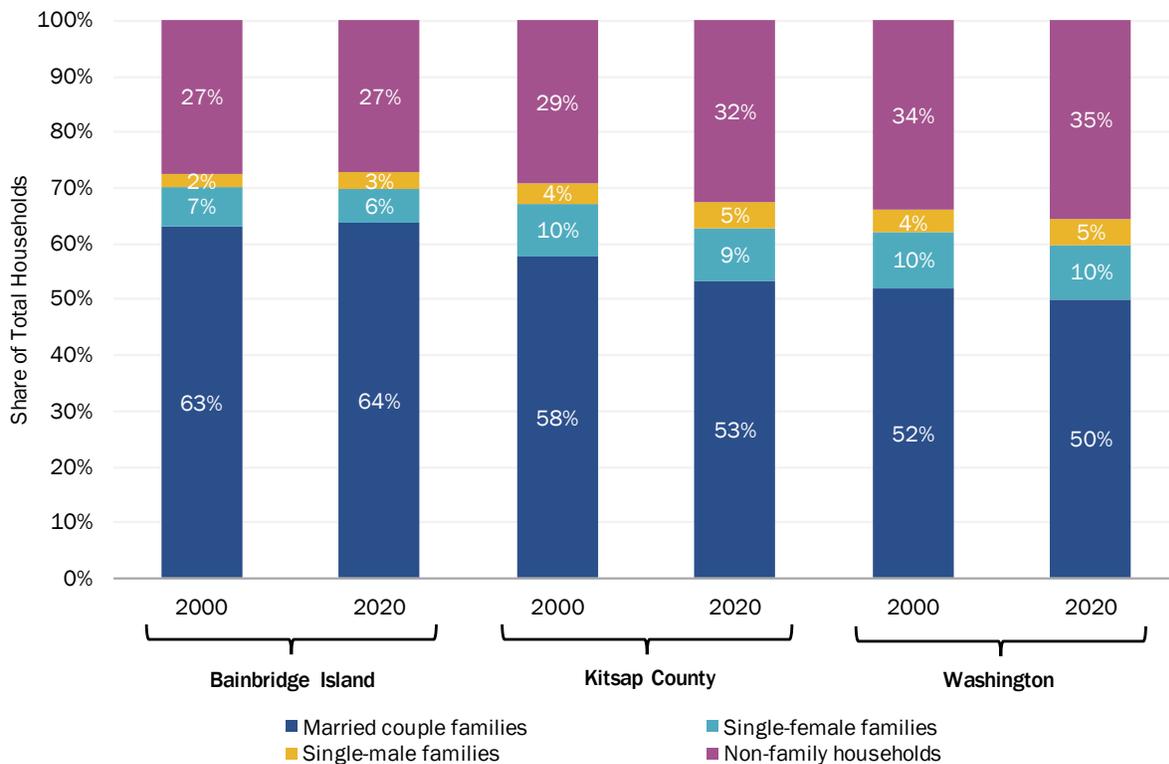
Age of Homeowner	2000	2020	Percentage Point Difference
15 to 24 years	4.4%	3.9%	(0.5)
35 to 44 years	22.1%	11.4%	(10.6)
45 to 54 years	32.6%	17.5%	(15.2)
55 to 64 years	18.5%	26.1%	7.6
65 to 74 years	11.2%	28.9%	17.7
75 and older	11.2%	12.2%	1.0
Total	100.0%	100.0%	0.0

Over the 2000 to 2020 period, the share of younger homeowners (55 years or younger) decreased by about 26 percentage points, from 59 percent in 2000 down to 33 percent in 2020. At the same time, the share of older homeowners (55 or older) increased by 26 percentage points, with the largest increase being amongst owners aged 65 to 74 years.

The composition of Bainbridge households has remained generally stable from 2000 to 2020 with married couple families comprising 61 to 64 percent of total households (see Exhibit 16).³ It is important to note that a married couple household may or may not have children living with them. Non-family households (including single persons living alone or unrelated persons living together) on Bainbridge have remained consistently the second largest household category at 27 percent from 2000-2020. The share of family households has slightly declined in both Kitsap County and Washington from 2000-2020.

Exhibit 16. Household Composition, Bainbridge Island, Kitsap County, Washington, 2000–2020

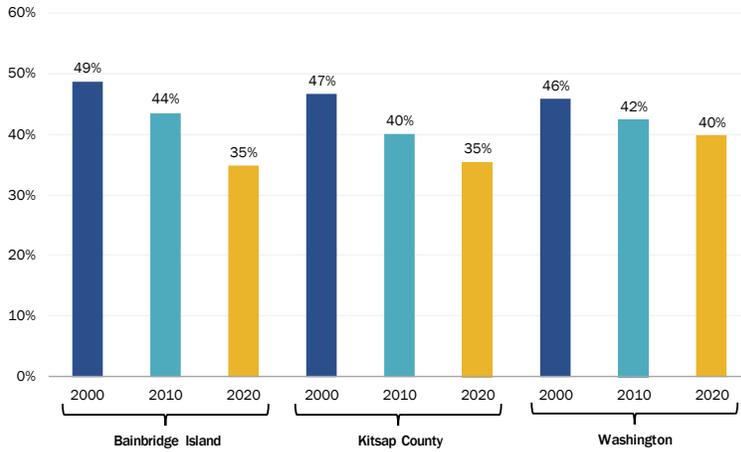
Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 2 – Table DP1) and ACS 5-year data, 2016-20 estimates (Table DP04). Note: Non-family households include single persons living alone along with unrelated persons living together. Single-male families includes families with a male householder with a family but no wife or partner present. Single-female families includes families with a female householder with a family but no husband or partner present. A married couple is a husband and wife enumerated as members of the same household. The married couple may or may not have children living with them.



³ Additional U.S. Census Bureau Definitions: A household includes all the persons who occupy a housing unit as their usual place of residence. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters.

Exhibit 17. Married-Couple Family Households with Children, Bainbridge Island, Kitsap County, and Washington, 2000–2020

Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 2 – Table DP1) and ACS 5-year estimates (Table S1101).



Over the 2000 to 2020 period, the share of family households with children declined by fourteen percentage points, from 49 percent in 2000 down to 35 percent in 2020, on Bainbridge Island. During the same period, the share of family households with children decreased in both Kitsap County (a decline of 12 percentage points) and the state (a decline of six percentage points). This indicates that Bainbridge Island has lost households with children at a greater percent change than both the county and state.

In addition to the household composition information from Census, the project team evaluated data provided by the Bainbridge Island School District (offering publicly available education) to more comprehensively understand whether the number of children on Bainbridge Island is declining or not.

Public School Enrollment

Over the past eleven years school years, school enrollment in the district generally declined, as seen in Exhibit 18. In October 2021, district school enrollment was about 3,607 students, 6.5 percent below its October 2011 enrollment numbers. Using the latest available Growth Management Act (GMA) forecast published by the state in 2017, William Kendrick, Ph.D., of Educational Data Solutions, forecasted student enrollment in the Bainbridge Island School District (BISD) would reach about 3,930 students in the October 2025 school year.

The BISD allows students outside of Bainbridge Island to enroll. According to the October 2021 *Bainbridge Island School District Enrollment Trends and Projections* report by William L. Kendrick, Ph.D., the BISD "sees a net gain of about 90-100 students annually from transfers. The number of students transferring in from other districts exceeds the number transferring out."⁴ In the 2021-22 school year, 131 students enrolled in the district came from off-island areas. Of those 131 off-island students enrolled, about 40 of them (or, 31 percent) were children of BISD employees. Additionally, about 47 percent of the total 131 off-island students were in high school grades (9 through 12).

⁴ William L. Kendrick, Ph.D., *Bainbridge Island School District Enrollment Trends and Projections*, October 2021. Seattle, WA: Educational Data Solutions, LLC. Information retrieved from: www.bisd303.org/cms/lib/WA01001636/Centricity/Domain/1784/BI_Trends_and_Projections_Oct_2021.pdf

Before the COVID-19 pandemic, BISD school enrollment closely followed Kendrick’s forecast, deviating by about 54 students in October 2019. However, with the onset of the pandemic came lower student enrollment. In 2020, school enrollment decreased by 210 students relative to 2019 enrollment, from 3,675 students down to 3,555 students (or a six percent decline). In October 2021, enrollment increased by about 52 students (or a little over one percent) relative to 2020. The enrollment trends could be partially impacted by the effects of the pandemic, thus public school enrollment should be monitored in the future after pandemic effects diminish.⁵

With the decline in BISD student enrollment, the City has been unable to collect school impact fees since 2011. Resolution No. 2011-05 specifies that the “BISD does not currently need to impose a fee on new development on the Island” due to “the anticipated limited growth of the population.”⁶ As of January 1, 2011, the collection of the school impact fee on Bainbridge was suspended. According to an article published on March 24, 2011, by the Bainbridge Review, the City Finance & Administrative Services Director said the school impact fee balance was about \$200,000. These fees, levied on new homes constructed on the Island, were used for capital improvement projects, like for the construction of Sakai Intermediate School and an additional building for Woodward Middle School.⁷

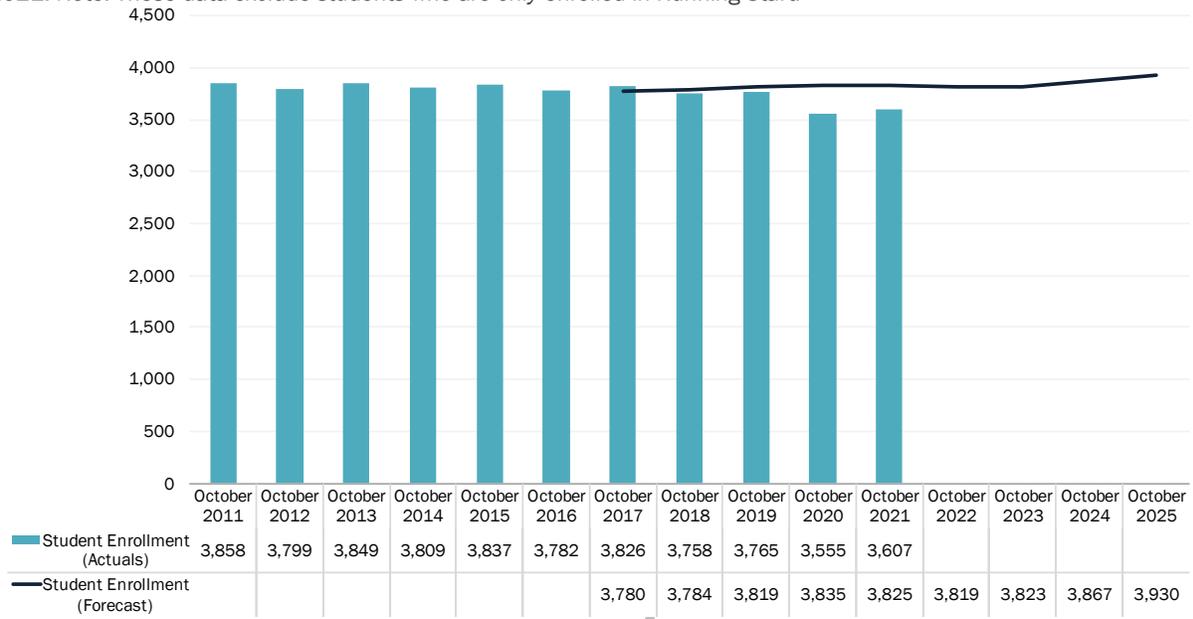
⁵ These school enrollment figures do not include private school enrollment numbers. There are several private schools on Bainbridge Island (such as the Island School, Carden Country School, St. Cecilia Catholic School, Montessori Country School, and Hyla School).

⁶ City of Bainbridge Island, Resolution No. 2011-05. Information retrieved on September 7, 2022, via Bainbridge Island’s Ordinances & Resolutions Public Records search portal. <http://apps.bainbridgewa.gov/WebLink/DocView.aspx?id=32386&dbid=0&repo=Bainbridge&searchid=ae138398-c7e8-4b0c-ae17-fb193cca59c2>.

⁷ “School Impact Fees on Hiatus.” Bainbridge Island Review, March 24, 2011. Information retrieved on September 7, 2022 via: <https://www.citationmachine.net/bibliographies/751249df-07f0-499a-bfa2-8a08d6c0b7f6>.

Exhibit 18. Bainbridge Island School District Enrollment and Enrollment Forecast, 2011 – 2025

Source: Bainbridge Island School District Enrollment Trends and Projections, Summary Forecast and Update, October 2021. Note: These data exclude students who are *only* enrolled in Running Start.



DRAFT

2.2 Housing Market Conditions and Trends

This section will consider Bainbridge Island’s current housing trends to help develop a better understanding of housing market conditions within the City. Among these trends, it is important to look at housing unit production, type of housing available, housing sales prices, and vacancy rates. These indicators are key for comprehending housing needs.

Age of Housing Stock

According to parcel data from the Kitsap County Assessor, about 60 percent of homes constructed on residential parcels on Bainbridge Island were constructed 1981 or later (see Exhibit 19). From 2001 to mid-2022, about 24 percent of the Island’s total residential housing stock was constructed, which means Bainbridge homes are predominantly over 20 years old.

About 22 percent of the residential parcels on Bainbridge Island is over 50 years old (built in 1970 or earlier). The age of housing does not always align with housing conditions but older housing that has not been remodeled or maintained appropriately might need redevelopment, upgrades, and possible additional investment. Also, the cost of maintaining housing can lead to financial burden particularly for those with lower incomes to draw from, and this delayed maintenance may lead to serious problems. The unexpected costs of repairs are often unaffordable sometimes leading to people moving to other housing and/or switching their housing tenure to rent rather than own.

Exhibit 19. Count of parcels by year-built category on Bainbridge Island, 2022 Assessor Data

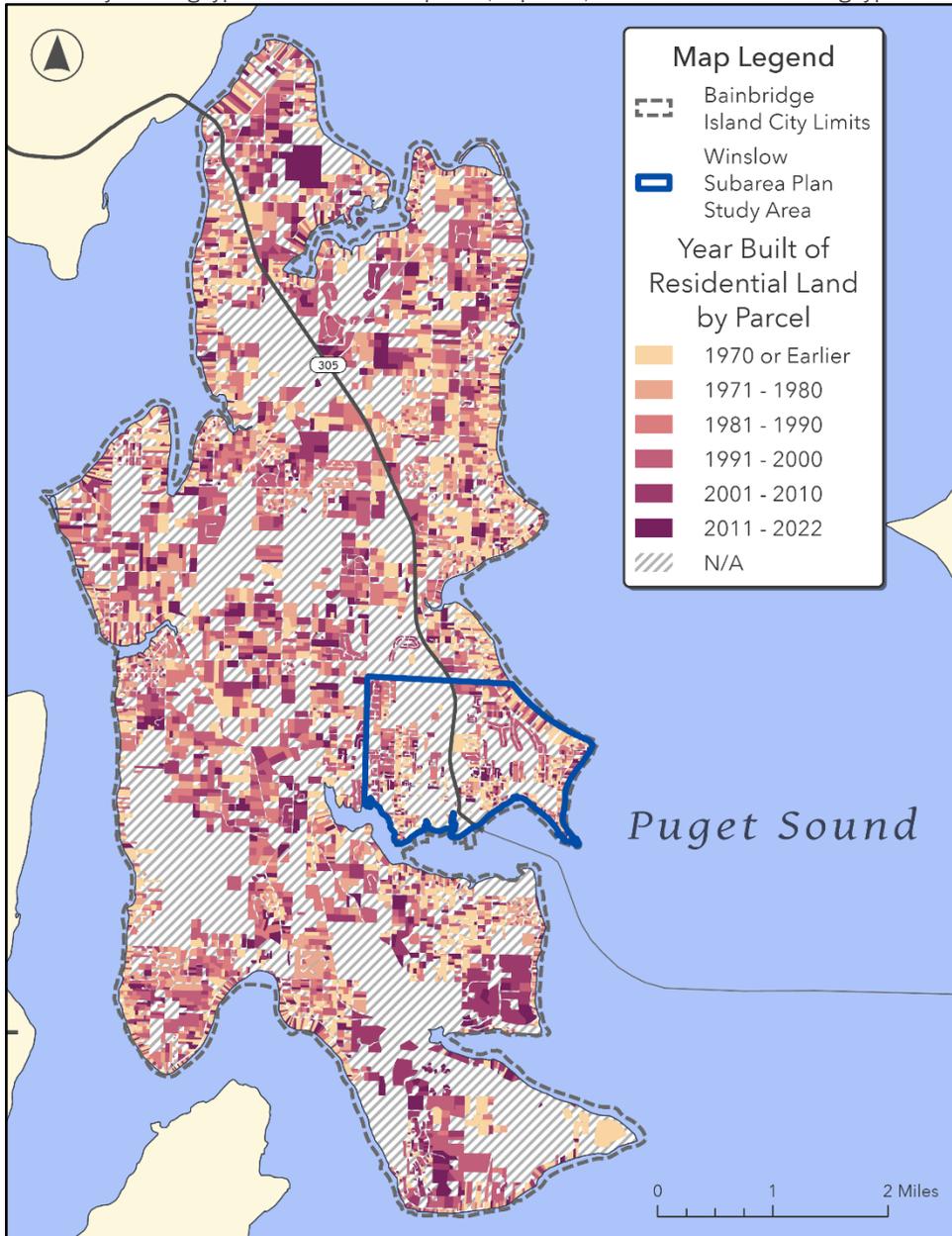
Source: ECONorthwest, with parcel data from the Kitsap County Assessor.

Year Built Category	Parcel Count	Percent Share by Year Built
Unknown	356	3.9%
1970 or Earlier	2,032	22.4%
1971–1980	1,223	13.5%
1981–1990	1,426	15.7%
1991–2000	1,854	20.4%
2001–2010	1,224	13.5%
2011–2022	958	10.6%
Total	9,073	100.0%

Exhibit 20 shows the year when residential parcels were built across Bainbridge Island (pursuant to Kitsap County assessor data). In general, housing construction has been an ongoing activity over the years dispersed throughout many neighborhoods on the Island.

Exhibit 20. Age of housing units, Bainbridge Island, Parcel Analysis

Source: ECONorthwest, with data from the Kitsap County Assessor (June 2022). N/A includes parcels without an available year built date and can include parcels without any development. Note the assessor data did not provide detail on multifamily housing types and included duplexes, triplexes, and other middle housing types in this category.



Housing Stock and Mix

In addition to assessing the age of housing, the project team examined the type of housing built on Bainbridge Island using parcel data provided by the Kitsap County Assessor. As shown in the analysis below, about 93 percent of all residential parcels on Bainbridge Island are single family residences. In most year-built categories, single family residences were the dominant housing type constructed, with the smallest share occurring during 2001 to 2010 at 93 percent when condominium construction increased to five percent of the total.

Single-family homes and their associated accommodations (including yards) tend to take up more land (usually at least one parcel per housing unit) in comparison to other types of housing such as multifamily and condominium residences which tend to include more housing units on each parcel of land. Please note that the assessor data did not provide detail on the number of housing units on each parcel, or detail regarding Accessory Dwelling Units, or more information on the multifamily housing types. This data lumped duplexes, triplexes, and other middle housing types into the multifamily category.

Exhibit 21. Count of parcels by year-built category and housing type on Bainbridge Island, 2022

Source: ECONorthwest, with parcel data from the Kitsap County Assessor. Note: Percent share (labeled “% Share”) indicates the share of a housing type’s parcel count as a percent of all parcels in each year-built category. The row-wise sum of the Percent Share value columns equals 100 percent for every year-built category. Note the assessor data did not provide detail on multifamily housing types and included duplexes, triplexes, and other middle housing types in this category. This data shows the count of parcels with different types of residential units (condominium, mobile home, etc.) and does not show the count of housing units. Common Areas could include open spaces associated with a housing community (often managed by a homeowner’s association), or an apartment complex, or a mixed-use development.

Year Built Category	Condominium Parcels		Mobile Home/Manufactured Parcels		Multifamily Parcels		Common Area Parcels		Single Family Parcels		Total Parcels	
	Count	% Share	Count	% Share	Count	% Share	Count	% Share	Count	% Share	Count	% Share
Unknown	3	1	2	1	0	0	319	92	21	6	345	100
1970 or Earlier	2	0	7	0	20	1	3	0	2,001	98	2,033	100
1971 - 1980	0	0	34	3	16	1	2	0	1,172	96	1,224	100
1981 - 1990	6	0	47	3	11	1	4	0	1,360	95	1,428	100
1991 - 2000	11	1	39	2	5	0	2	0	1,799	97	1,856	100
2001 - 2010	58	5	12	1	6	0	5	0	1,145	93	1,226	100
2011 - 2022	22	2	12	1	5	1	4	0	918	96	961	100
Total	102	1	153	2	63	1	339	4	8,416	93	9,073	100

Exhibit 22. Total parcels with homes, Housing Unit Type, Bainbridge Island, 2022

Source: ECONorthwest, with parcel data from the Kitsap County Assessor. Note the assessor data did not provide detail on multifamily housing types and included duplexes, triplexes, and other middle housing types in this category. This data does not show the count of housing units.

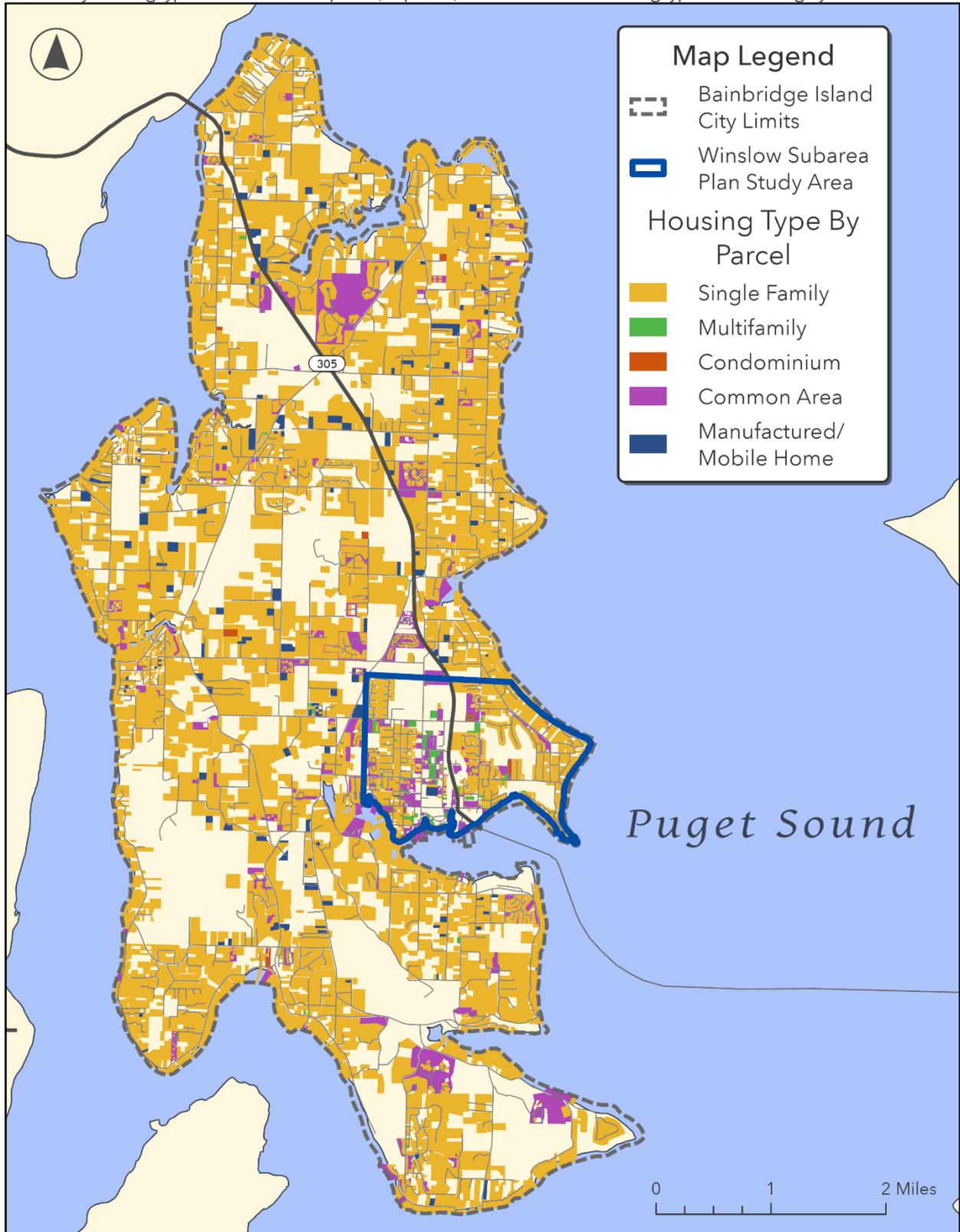
Housing Unit Type	Count of Parcels	Share of Total Parcels with Housing
Condominium	102	1.2%
Manufactured/Mobile Home	153	1.8%
Multifamily	63	0.7%
Single Family Home	8,416	96.4%
Total	8,734	100.0%

Single family residences are spread across Bainbridge Island. Most of the multifamily housing developments have been constructed in the Winslow area, near Highway 305. A handful of condominium parcels exist outside the Winslow area, with several located in the Island’s Lynwood neighborhood.

Exhibit 23 shows, on a parcel basis, the location of residential parcels by type of home on the Island. As shown in the below map, multifamily housing tends to be within the Winslow Area. Please note that the assessor data did not provide unit count detail on large multifamily housing (5 or more units) development types. Only duplexes, triplexes, quadplexes, and other middle housing types had unit count information via the assessor.

Exhibit 23. Map of parcels by housing type on Bainbridge Island, 2022

Source: ECONorthwest, with data from the Kitsap County Assessor. Note the assessor data did not provide detail on multifamily housing types and included duplexes, triplexes, and other middle housing types in this category.



Housing Unit Supply and Production Data Analysis Findings

Several different datasets were examined to help gain insights on the rate of housing being built over time and the type of housing being built on Bainbridge Island (housing stock mix).

According to OFM data, overall housing availability on Bainbridge Island has become increasingly limited with minor increases over the last ten years from an estimated 10,584 houses in 2010 to 11,251 houses in 2020. Around 667 additional homes were built from 2010 to 2020 which is an increase of around 67 new homes per year on average for the last ten years.

Comparing this with housing changes over a two-decade span of time from 2000 to 2020, shows an increase from 8,517 homes in 2000 to 11,251 homes in 2020 which is an addition of 2,734 total new homes and an annual average of approximately 137 new homes built per year from 2000 to 2020. The number of housing units built per year over the last two decades (2000 to 2020) was double the number of housing units built on average per year from 2010 to 2020 (137 vs 67 homes per year). This could partially be related to slow recovery from the Great Recession beginning around 2007.

Exhibit 24. Annual Housing Growth: Total Housing Units on Bainbridge Island and Annual Percent Change Comparison of Bainbridge Island to Kitsap County and Washington State, 1992–2022

Source: Washington Office of Financial Management (OFM).

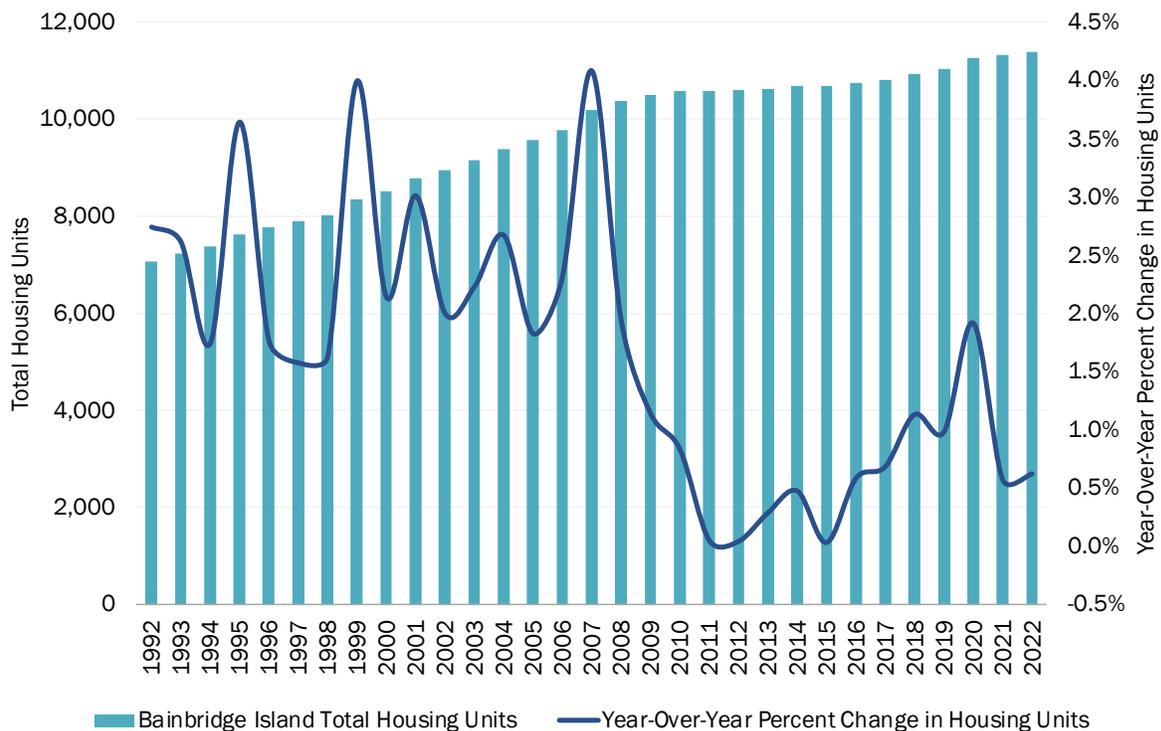
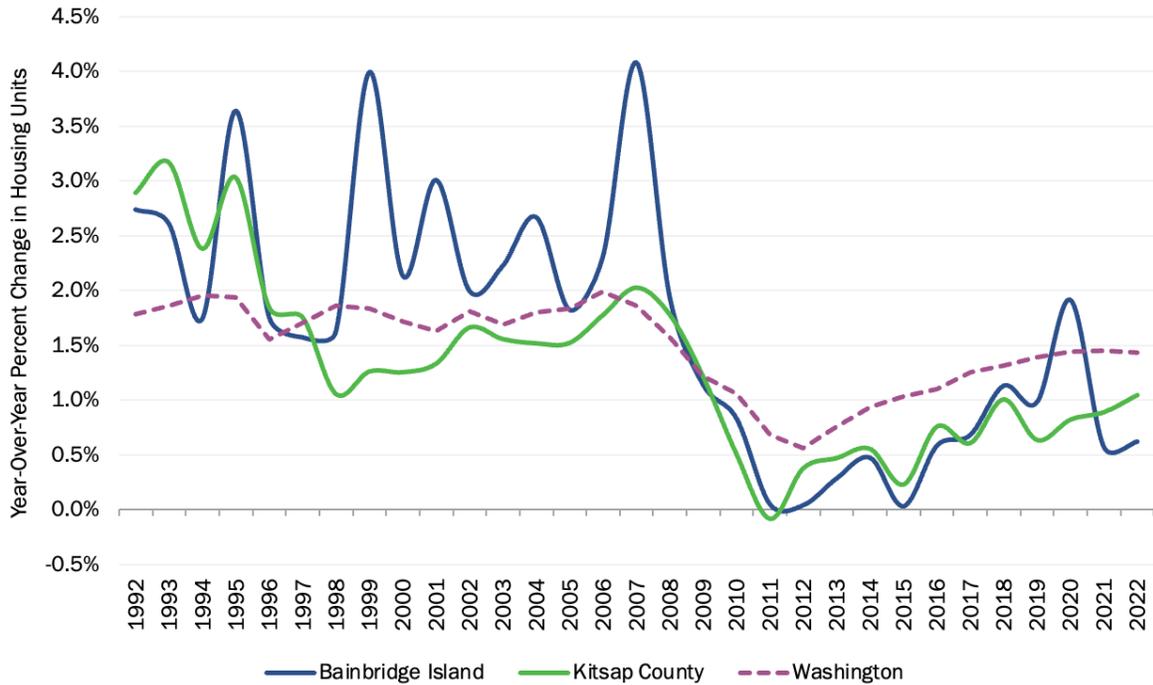


Exhibit 25. Year over Year Percent Change of Housing, Comparison to Bainbridge, 1992–2022

Source: U.S. Census Bureau, and the Washington Office of Financial Management. Note: The data reported for years 1990 through 2020 are intercensal estimates; 2021 and 2022 data are postcensal estimates.



Housing Type Mix Trends

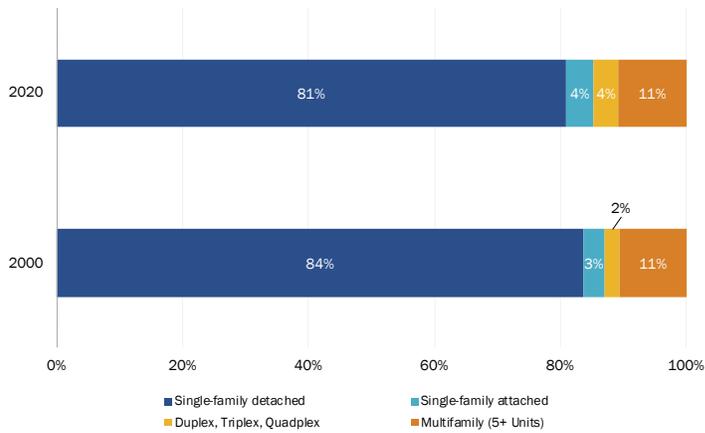
The U.S. Census provides generalized survey-based information describing the main categories of housing units (not the number of parcels) including single-family detached, duplex/triplex/quadplex, single-family attached (includes townhomes and row homes), and multifamily (five or more units).

According to the U.S. Census Bureau, about 81 percent of housing units in Bainbridge Island are single-family detached based on 2016–2020 estimates.⁸ Lastly, around four percent of the Bainbridge housing stock is middle housing (duplex, triplex, or quadplex), and the remaining 11 percent is multifamily units (with five or more units). This general estimate provides the number of housing units, based on information obtained from a five-year survey sample including a subset of residents living on Bainbridge Island during the years of 2016–2020 (as a part of the American Community Survey). In contrast, the previously provided assessment was based on the analysis of Kitsap County parcel data (2021) showing parcel-level housing development trends.

⁸ The U.S. Census only has housing mix data available through the five-year American Community Survey dataset for Bainbridge Island. This means that the data estimates are based on a five-year average of sample data collected during 2016 to 2020. This general estimate provides the number of housing units, based on information obtained from a five-year survey sample including a subset of residents living on Bainbridge Island during the years of 2016–2020 (as a part of the American Community Survey). In contrast, the previously provided assessment was based on the analysis of Kitsap County parcel data (2021). This assessment provides the number of residential parcels with housing (the assessor data did not provide unit count detail for large multifamily housing with 5 or more units).

Exhibit 26. Housing Mix, Bainbridge Island, 2000–2020

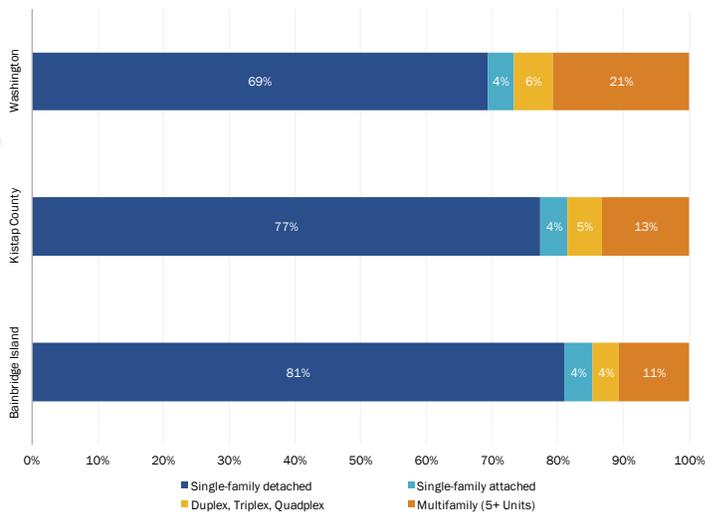
Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 3 – Table DP4) and ACS 5-year data, 2016-20 estimates (Table DP04).
 Note: Single-family attached includes townhomes and row homes.



Over the past twenty years, the share of single-family detached housing on Bainbridge Island has declined by three percentage points, from 84 percent down to 81 percent. During that time, the share of single-family attached units (townhomes/row homes) grew by one percentage point and the share of duplex/triplex/quadplex units increased by two percentage points. The share of multifamily units with five or more units stayed roughly the same at 11 percent in both 2000 and 2020.

Exhibit 27. Housing Unit Mix, Bainbridge Island, Kitsap County, and Washington, 2020

Source: U.S. Census Bureau, 5-year ACS data, 2016-20 estimates (Table DP04).



About 81 percent of Bainbridge Island’s housing stock is single-family detached, compared to 77 percent in Kitsap County and 69 percent in the state (based on 2016–2020 estimates). Bainbridge Island has the smallest share of both middle housing including duplex/triplex/quadplex (four percent) and a much smaller share of multifamily housing (11 percent) relative to the state of Washington (21 percent).

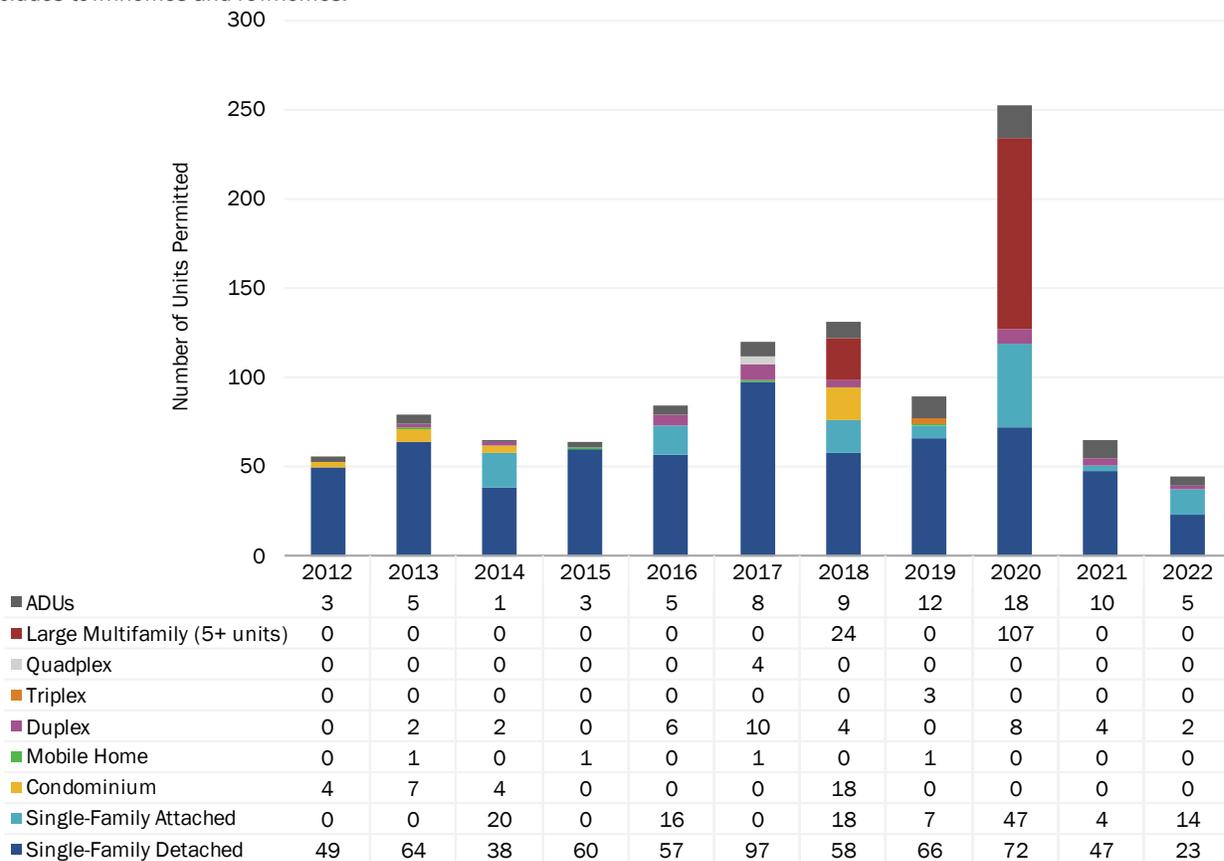
Overall, the U.S. Census data describing housing unit mix largely indicates that the housing on Bainbridge Island is predominantly single-family detached (at least 80 percent) but the share of duplex/triplex/quadplex units and townhomes/row homes has slightly increased between 2000–2020. Additional analysis of recent City of Bainbridge permits (over the last decade) was completed in the following section to provide more details regarding housing diversity trends.

Housing Permits on Bainbridge Island

The project team also analyzed detailed permit data provided by the City of Bainbridge Island (see Exhibit 28 and Exhibit 29). According to Bainbridge Island permit data, most permits issued from 2012 to June 30, 2022, were for single-family detached units (631 total units, or 60 percent of all units permitted at this time). The second largest unit type permitted on Bainbridge were large multifamily (five or more units) units at 13 percent (or, 131 total units), followed by single-family attached units (townhomes and rowhomes) at 12 percent (or, 126 total units). Duplexes, triplexes, and quadplexes comprised about 4 percent of the total units permitted, with a heavier emphasis on duplex construction than tri- or quadplex construction. Additionally, 8 percent of permits finalized during the analysis period were for Accessory Dwelling Units (ADUs), and 3 percent were for condominiums.

Exhibit 28. Total housing permits issued by housing type on Bainbridge Island, 2012–2022

Source: City of Bainbridge Island Permit Report 2012 to June 30, 2022. ECONorthwest analysis. Please note these do not necessarily reflect fully constructed housing units. This is based on finalized permit numbers. Single-family attached includes townhomes and rowhomes.



Below, Exhibit 29 provides the disaggregation of total housing units permitted on Bainbridge Island by housing type from 2012-2022. Overall, this analysis shows a slight increase in the share in housing different than single-family detached units permitted over the last decade.

Large multifamily housing (five or more units) and townhomes/rowhomes had the largest share of total units (13 percent, 12 percent) followed by ADUs (8 percent) and duplexes/triplexes/quadplex (4 percent of total units permitted, with a heavier emphasis on duplex construction). There was a spike in large multifamily units (five or more units) permitted in 2020 (see Exhibit 28), all of which are attributable to the Blis apartment complex located on Hanami Lane NE (also described in more detail in the following section).

DRAFT

Exhibit 29. Building Construction, Bainbridge Island, 2012–2022

Source: City of Bainbridge Permit Report, 2012 to June 30, 2022. Analysis by ECONorthwest and LDC.

Note: The project team examined the development of “tiny homes” based on available permitting data. Bainbridge Island currently allows tiny homes on foundations but does not currently allow tiny homes on wheels to be residences. There were no permits identified for tiny home construction. Eighteen mobile home permits were recorded during this time span, but 14 of those were replacements of previously existing mobile homes and are not counted in this analysis. Furthermore, of the 638 total single-family detached permits detailed in the analysis file, ECONorthwest identified seven duplicate records based on address and parcel data; these records are not included in the data summary.

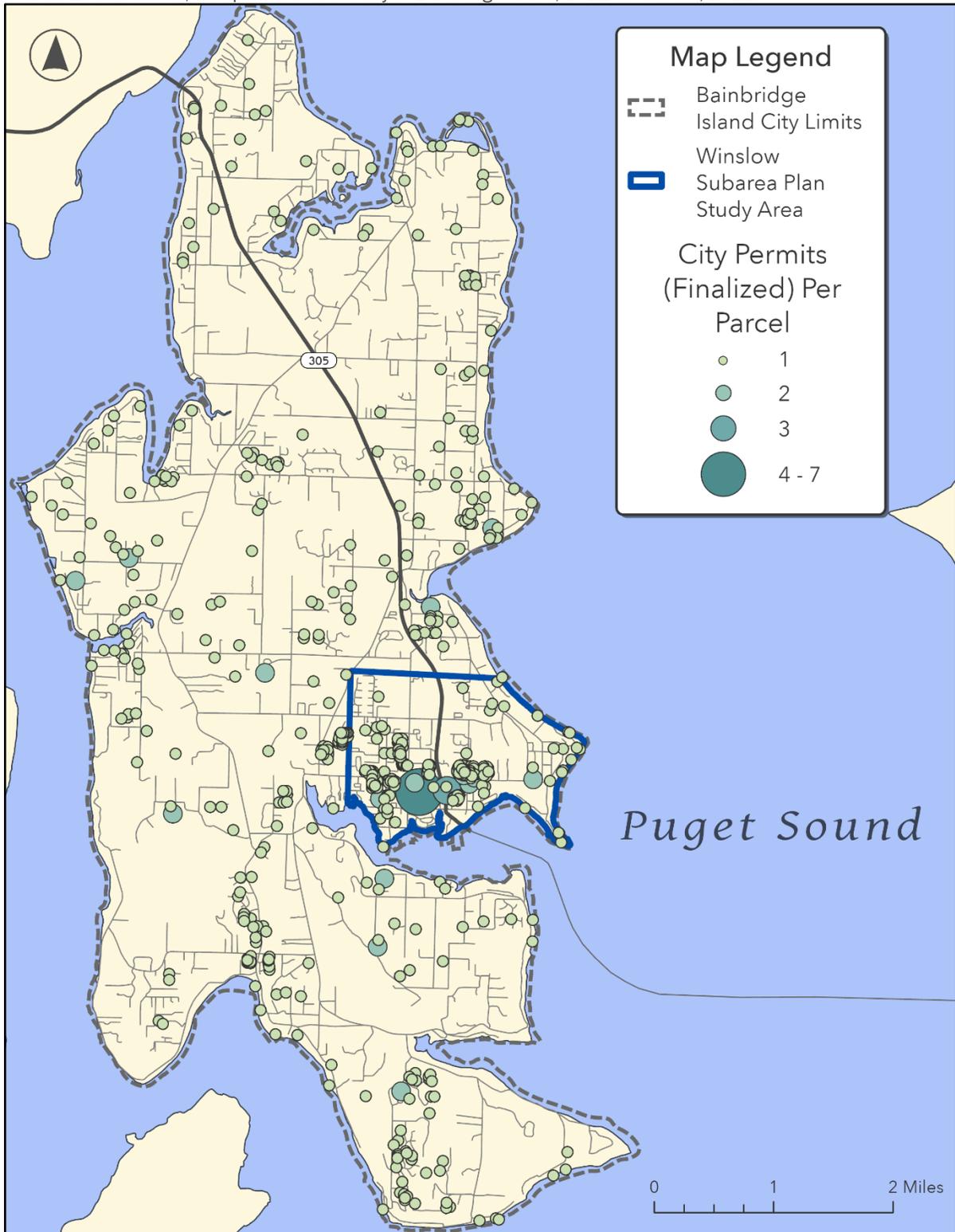
Housing Permit Type	Finalized Permits for New Housing Units, 2012 - 2022	Percent Share of Total New Finalized Units, 2012 - 2022
Single-Family Detached	631	60.2%
Single-Family Attached (Townhomes/Rowhomes)	126	12.0%
Condominium	33	3.1%
Mobile Homes (new homes, not replacement homes)	4	0.4%
Duplex	38	3.6%
Triplex	3	0.3%
Quadplex	4	0.4%
Large Multifamily (5+ Units)	131	12.5%
Accessory Dwelling Units (ADUs)	79	7.5%
Total Finalized Permits	1,049	100.0%

The map exhibit below visualizes the spatial distribution of finalized housing permits across Bainbridge Island from 2012 to 2022 and demonstrates the high permitting activity in the Winslow Area and areas near the ferry terminal (see Exhibit 30).

Over the last decade, the concentration in home development in the Winslow area has intensified which is not surprising considering the land use regulations allowing higher-density development in this area. In addition, the concentration of services, amenities, and multimodal accommodations and provision of utility infrastructure in the Winslow area also supports housing development.

Exhibit 30. Map of finalized housing permits on Bainbridge Island, January 2012 – June 2022

Source: ECONorthwest, with permit data the City of Bainbridge Island, 2012 to June 30, 2022.



Recent Multifamily Housing Developments

Much of Bainbridge Island’s multifamily housing stock is located in the Winslow area. Since 2015, three large market-rate multifamily developments were constructed on Bainbridge Island, all of them located in the Winslow area. Several summary statistics and general construction characteristics are provided below for these three recent developments (data source: CoStar).

The Walk on Bainbridge Island 401 Madrona Way



The Walk on Bainbridge Island Characteristics

Year Built: 2020
 Total Units: 52
 Stories: 2-3
 Vacancy Rate: 0.0%
 Parking: 47 surface spaces + garages
 Parking Ratio: 1.24

Beds	Units	Avg. Sq. Ft	Rent per Sq. Ft.	Avg. Rent
1-Bed	14	714	\$2.51	\$1,772
2-Bed	18	1,100	\$2.97	\$3,262
3-Bed	6	1,630	\$2.44	\$3,942

Blis Characteristics

Year Built: 2019-2020
 Total Units: 107
 Stories: 4
 Vacancy Rate: 5.3%
 Parking: N/A

Beds	Units	Avg. Sq. Ft	Rent per Sq. Ft.	Avg. Rent
Studio	16	509	\$3.60	\$1,830
1-Bed	53	768	\$3.20	\$2,450
2-Bed	38	1,041	\$2.99	\$3,096
3-Bed	7	1,586	\$2.62	\$4,152

Blis – 747 Hanami Lane NE



The Juniper – 211 Wyatt Way NE



Juniper Characteristics

Year Built: 2015
 Total Units: 12
 Stories: 3
 Vacancy Rate: 0.0%
 Parking: N/A

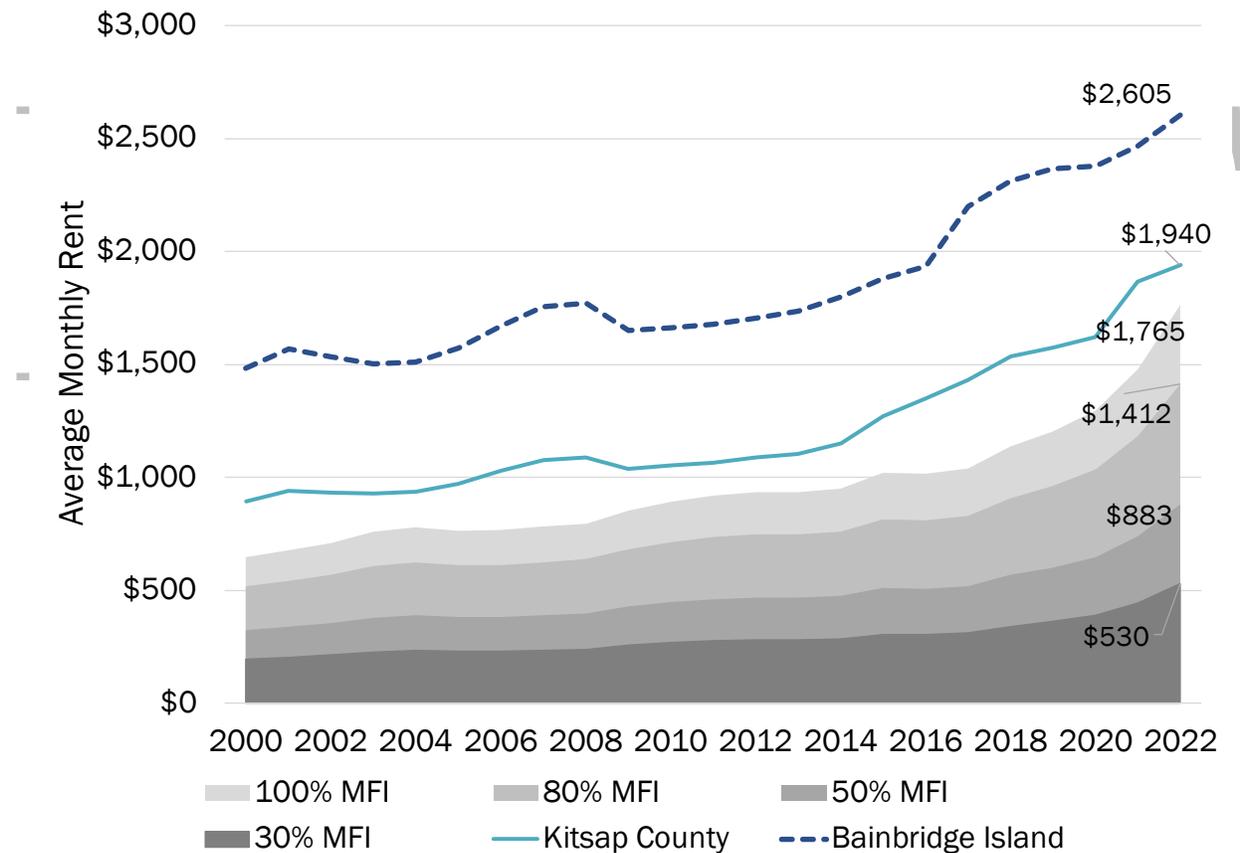
Beds	Units	Avg. Sq. Ft	Rent per Sq. Ft.	Avg. Rent
1-Bed	12	1,380	\$2.56	\$3,520

Rents Compared to Affordability

Rents have increased considerably in Bainbridge Island and across Kitsap County since 2000. As of July 2022, the average asking rent for a two-bedroom apartment on Bainbridge Island was \$2,605, about 76 percent higher than the asking rent for a two-bedroom apartment in 2000. Kitsap County, while generally lower than Bainbridge Island’s asking rent in nominal terms, had an even larger average asking rent price increase for two-bedroom apartments over the 2000 to July 2022 period, escalating by 117 percent.

Exhibit 31. Average Market Rent and Fair Market Rent for a 2-bedroom apartment, 2000–2022

Sources: CoStar (historical rent data) and HUD (MF 2-Bed affordability data). Notes: Two-bedroom affordable rents are fair market rents reported by HUD. These are on a fiscal year basis. The average monthly rent values were not adjusted for inflation since it was not recommended to adjust rent or home sales prices for inflation. For this analysis, 0-30% is very low income, 31-50% is low income, and 51-80% is moderate income. MFI stands for Median Family Income. This mostly follows Bainbridge Island Municipal Code definitions: extremely low income is less than 30% of median household income, very low income is 31% to 50%, and low income is 51% to 80%.



According to CoStar Market data, average rents for a 2-bedroom apartment on Bainbridge reached \$2,644 in July of 2022. In contrast, the regional Fair Market Rent for the HUD Income

Limits for Bremerton-Silverdale MSA was much lower at \$1,765 in 2022 and average rents in Kitsap County were at \$1,940 per month, a value lower than the average rent on Bainbridge.⁹

Exhibit 32. Average Asking 2-bedroom Rent in Bainbridge Island and Kitsap County 2000–2022

Source: CoStar.

Geography	2000	2010	2020	2022	Percent Change 2000–2022	AAGR, 2000–2022
Bainbridge Island	\$1,484	\$1,662	\$2,377	\$2,605	75.5%	2.6%
Kitsap County	\$894	\$1,055	\$1,622	\$1,940	117.0%	3.6%

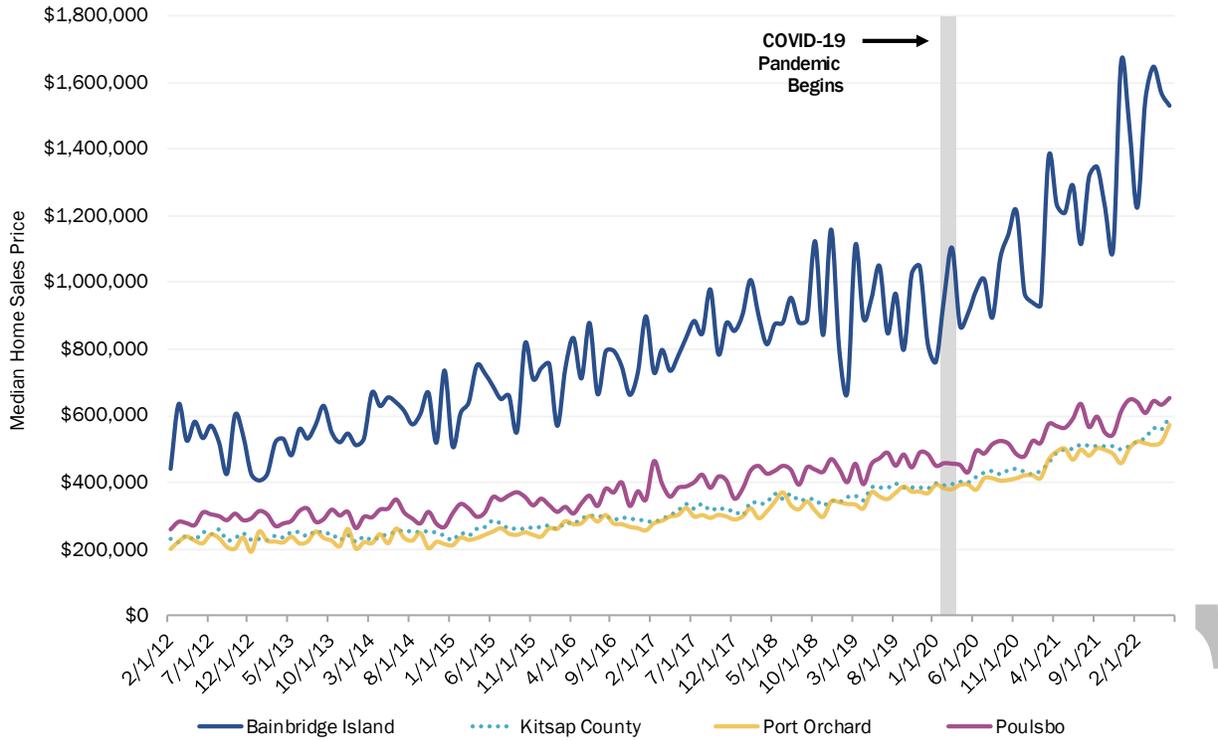
In addition to rent escalation, the median sales price of homes increased significantly across Bainbridge Island and in the broader region (see Exhibit 33). In the month of June 2022, Bainbridge Island’s median sales price of single-family homes reached just over \$1.5 million, 188 percent higher than its median sales price in June 2012. Comparatively, Kitsap County’s median home sale value in June 2022 was \$600,000, about 39 percent the size of Bainbridge Island’s median value.

DRAFT

⁹ Annual HUD Fair Market Rents (FMRs) are an estimate of the amount of money that would cover gross rents (rent and utility expenses). They are calculated as the 40th percentile of gross rents for regular, standard quality units in a local housing market. They act as rent ceilings for housing authorities and are set to help housing authorities cover costs and find qualifying units in the market. Sources: <https://www.hud.loans/hud-loans-blog/what-is-fair-market-rent> and www.hud.gov/program_offices/public_indian_housing/programs/hcv/landlord/fmr

Exhibit 33. Median Monthly Home Sales Price, Bainbridge Island compared to Kitsap County, Port Orchard, and Poulsbo, February 2012 – June 2022

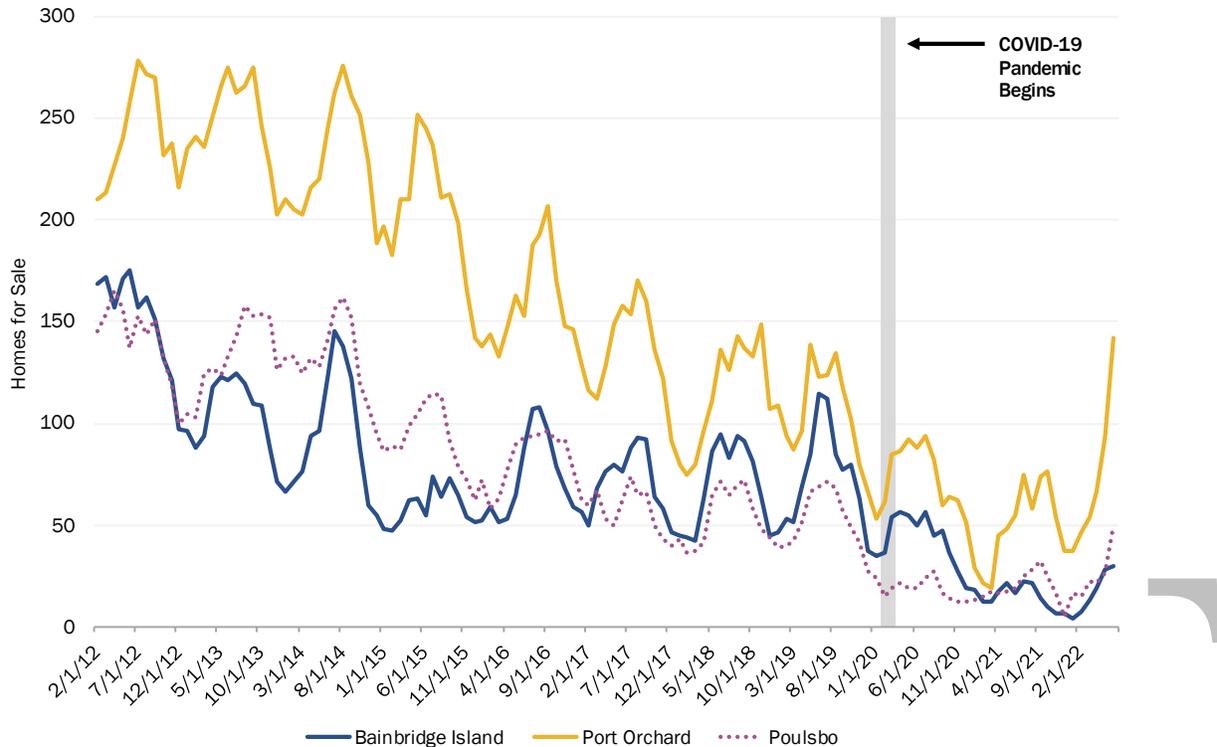
Source: Redfin Data Center.



The sizable growth rate in home sale prices on Bainbridge Island is due, in part, to the high demand for housing coupled with its declining stock of homes available on the market and increasing construction costs (see Exhibit 34 for the monthly change in homes for sale in Bainbridge Island’s real estate market). The supply of homes for sale on Bainbridge Island has been gradually declining especially after 2014.

Exhibit 34. Homes for Sale on Bainbridge Island, Compared to Port Orchard and Poulsbo, February 2012 – June 2022

Source: Redfin Data Center. The City of Port Orchard was included for comparison to Bainbridge Island due to its similar location in Kitsap County and somewhat similar population size.

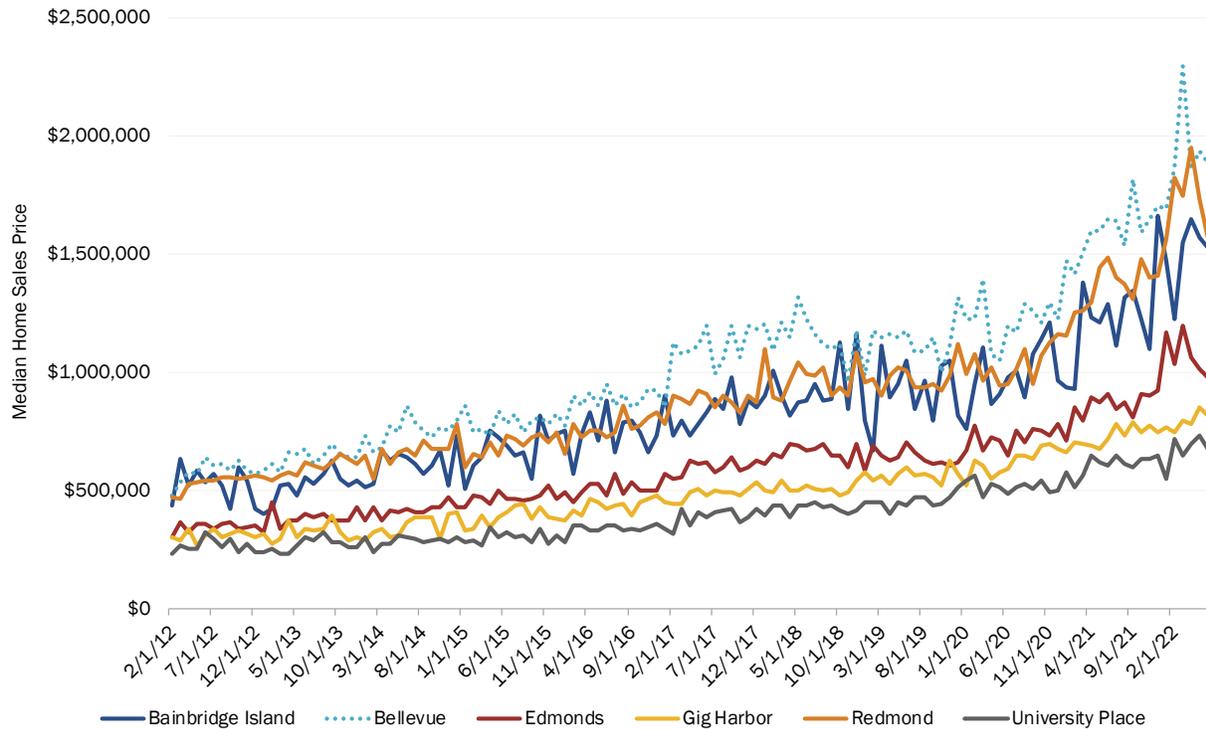


The below exhibit (see Exhibit 35) compares Bainbridge Island’s median home sales value to Kitsap County and the nearby cities of Port Orchard and Poulsbo. These two cities were included for comparison to Bainbridge Island due to their similar location in Kitsap County and population size.

The median sales prices for the cities of Bellevue, Edmonds, Gig Harbor, Redmond, and University Place were analyzed to provide additional comparison cities within the broader Puget Sound region. Among them, Bellevue and Redmond were the only cities with a higher median sales price than Bainbridge Island in June 2022 (see Exhibit 35).

Exhibit 35. Median Monthly Home Sales Price, Bainbridge Island Compared to Bellevue, Edmonds, Gig Harbor, Redmond, and University Place, February 2012 – June 2022

Source: Redfin.



During the early years of the COVID-19 pandemic, the median sales price on Bainbridge Island reached a high of \$1.2 million in November 2020 and nearly \$1.7 million in December 2021. In the years prior to the pandemic from 2012 to 2019, the median home sales price changes were smaller.

The pandemic could influence housing market dynamics and home sale trends due to a decreased supply of housing being built, construction cost changes and building supply limitations, and labor shortages (see the HNA Appendix for more information). Also changes associated with work from home trends should be considered.

Consequently, it would be helpful to reassess in later years to determine how the market adjusts. Overall, Bainbridge Island had a higher median sales price than Kitsap County and the cities of Edmonds, Poulsbo, Gig Harbor, Port Orchard, and University Place from 2012 to 2022.

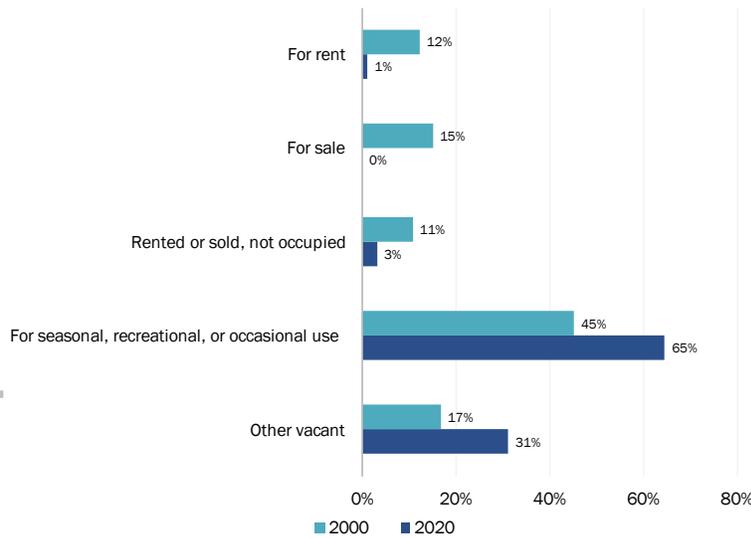
Housing Vacancy Trends

Another useful measure of housing supply and demand are vacancy rates of different housing product types. Low vacancy rates may indicate a limited housing supply and inadequate housing production to satisfy demand while in contrast, high vacancy rates imply an over-supply of housing, reduced desirability of an area, or low demand. Housing market assessments often use

five percent as a standard vacancy rate since it implies a balance between housing supply and demand. Average rental housing vacancy rates tend to be between seven and eight percent in the United States.¹⁰

Exhibit 36. Vacant Units by Vacancy Status in Bainbridge Island, 2000–2020

Source: U.S. Census Bureau, 2000 Decennial Census (Summary File 1 – Table H005) and ACS 5-year data, 2016-20 estimates (Table B25004).



In 2000, there were approximately 538 vacant housing units (about six percent of the City’s total housing stock that year). Most of Bainbridge’s vacant housing units were unoccupied for seasonal, recreational, or occasional uses from 2000 to 2020. The share of housing units vacant for seasonal, recreational, or occasional uses increased from 45 to 65 percent from 2000 to 2020.

Non-Primary Home Ownership Trends

Using Kitsap County Assessor data, ECONorthwest analyzed the share of parcels on Bainbridge Island that are “primary” use or “non-primary” use since this helps shed light on second homeownership trends. Based on this analysis, nearly one-third of residential parcels on Bainbridge Island, as of 2022, include non-primary homes. The non-primary homes could be short term rentals, vacation homes, rental homes, and various other types of housing where the primary owner has a different home address than the physical address of the home. Quantifying the exact number of second homes is challenging due to data limitations.

Exhibit 37. Primary and Non-Primary Residences on Bainbridge Island, 2022

Data source: ECONorthwest analysis, with data from the Kitsap County Assessor. Note: This analysis is based on the evaluation of residential parcel’s situs address compared against its taxpayer address. Parcels with an identical situs address and taxpayer address were categorized as “primary” and parcels with a situs address that differed from its taxpayer address were categorized as “non-primary.”

Parcel Type	Parcel Count	Share of Total Residential Parcels
Primary	5,994	69%
Non-Primary	2,740	31%
Total	8,734	100%

¹⁰ Hagen, Daniel A. and Julia L. Hansen. “Rental Housing and the Natural Vacancy Rate.” Journal of Real Estate Research, April 2010. Pages 413-434.

2.3 Local Workforce and Commuting Trends

Understanding Bainbridge Island’s workforce profile and commuting trends will help provide insights on the housing needs of workers today and into the future. The following section provides key findings regarding covered employment in Kitsap County and then more localized findings on the top employers located on Bainbridge Island and the City of Bainbridge Island workforce trends regarding their place of residence.

Covered Employment

The employment count data detailed in this section are covered employment estimates published by the Puget Sound Regional Council (PSRC). Covered employment is not full employment; rather, it’s a measure of jobs that are covered by the Washington Unemployment Insurance Act.^{11,12} According to the latest covered employment estimates from PSRC, covered employment on Bainbridge Island has grown by about 29 percent between 2000 to 2021. On average, Bainbridge Island, comprised between seven to nine percent of Kitsap County’s total covered employment from 2000-2021.

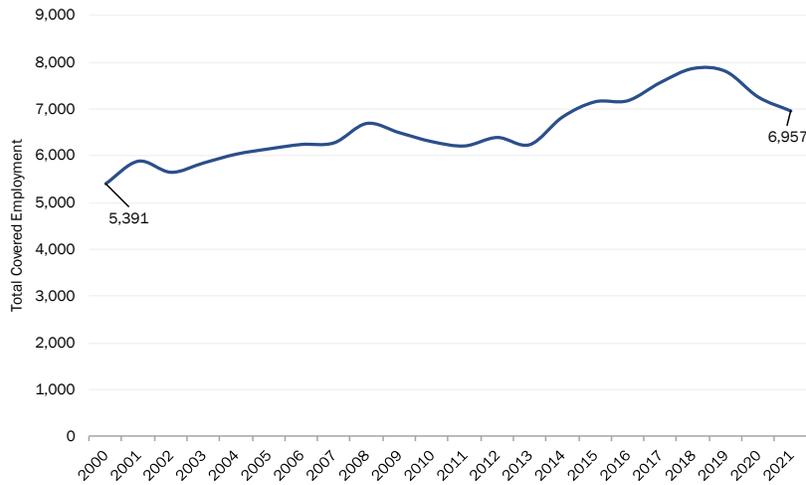
DRAFT

¹¹ Covered employment estimates exclude self-employed workers, proprietors, CEOs, and non-insured workers. According to PSRC, covered employment estimates typically represent about 85 to 90 percent of total employment.

¹² Puget Sound Regional Council, Covered Employment by City – Major Sector. Data retrieved via psrc.org on September 26, 2022.

Exhibit 38. Total Covered Employment on Bainbridge Island, 2000–2021

Source: Puget Sound Regional Council (PSRC), Covered Employment Estimates, 2000-2021. Note: According to PSRC, covered employment estimates represent approximately 85 to 90 percent of total employment. Covered employment estimates include part-time and temporary workers, and exclude self-employed workers, proprietors, and CEOs. If a worker holds more than one job, each job held is counted in the data.



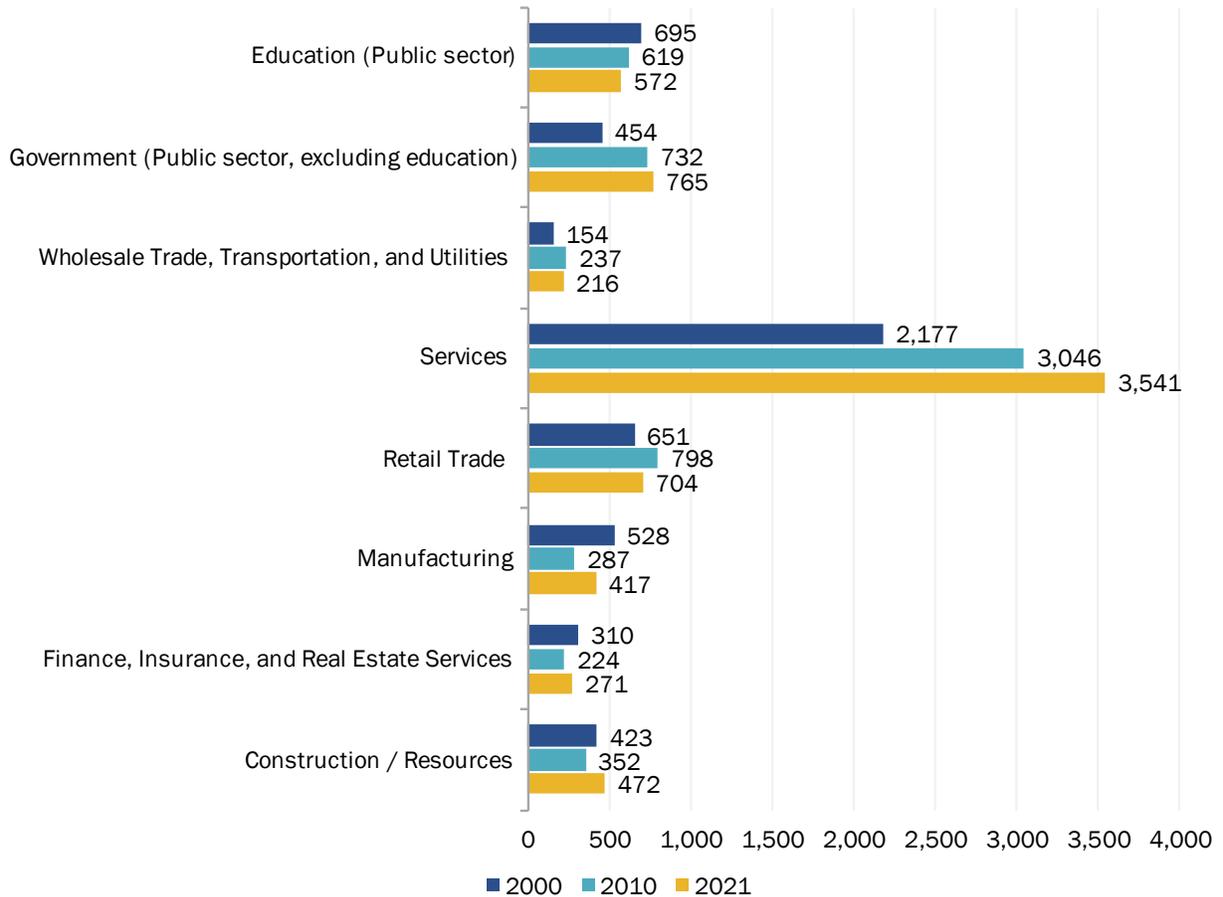
Covered employment on Bainbridge Island has increased by about 1,566 jobs (or, 29 percent) over the 2000 to 2021 period from an estimated 5,391 jobs to 6,957 jobs (PSRC).

Before the COVID-19 pandemic in 2020, covered employment on Bainbridge Island reached a peak of 7,870 covered jobs in 2018, about 46 percent above 2000 levels. In 2020, Bainbridge Island’s covered employment fell to a total of 7,257 jobs, or seven percent below 2019 levels. In the following year (2021), covered employment decreased by another 300 jobs (or a contraction of four percent relative to 2020 estimates) to provide an estimated total of 6,957 jobs.

The Puget Sound Regional Council also provides employment estimates by major employment sector groupings¹³ and two-digit NAICS sector classifications. The data shown in Exhibit 39 describe Bainbridge Island’s covered employment composition by the major employment sector groups.¹⁴

Exhibit 39. Covered Employment on Bainbridge Island, by Major Sector, 2000–2021

Source: Puget Sound Regional Council, Covered Employment Estimates, 2000–2021.



The services sector group comprised the largest covered employment share on Bainbridge Island from 2000 to 2021. In 2021, a little over half or approximately 51 percent of Bainbridge Island’s covered employment was comprised of service jobs (see Exhibit 40), up nearly 11 percentage points relative to the service sector’s share in 2000 (40 percent of total covered employment). PSRC’s service sector includes the following types of employment: information;

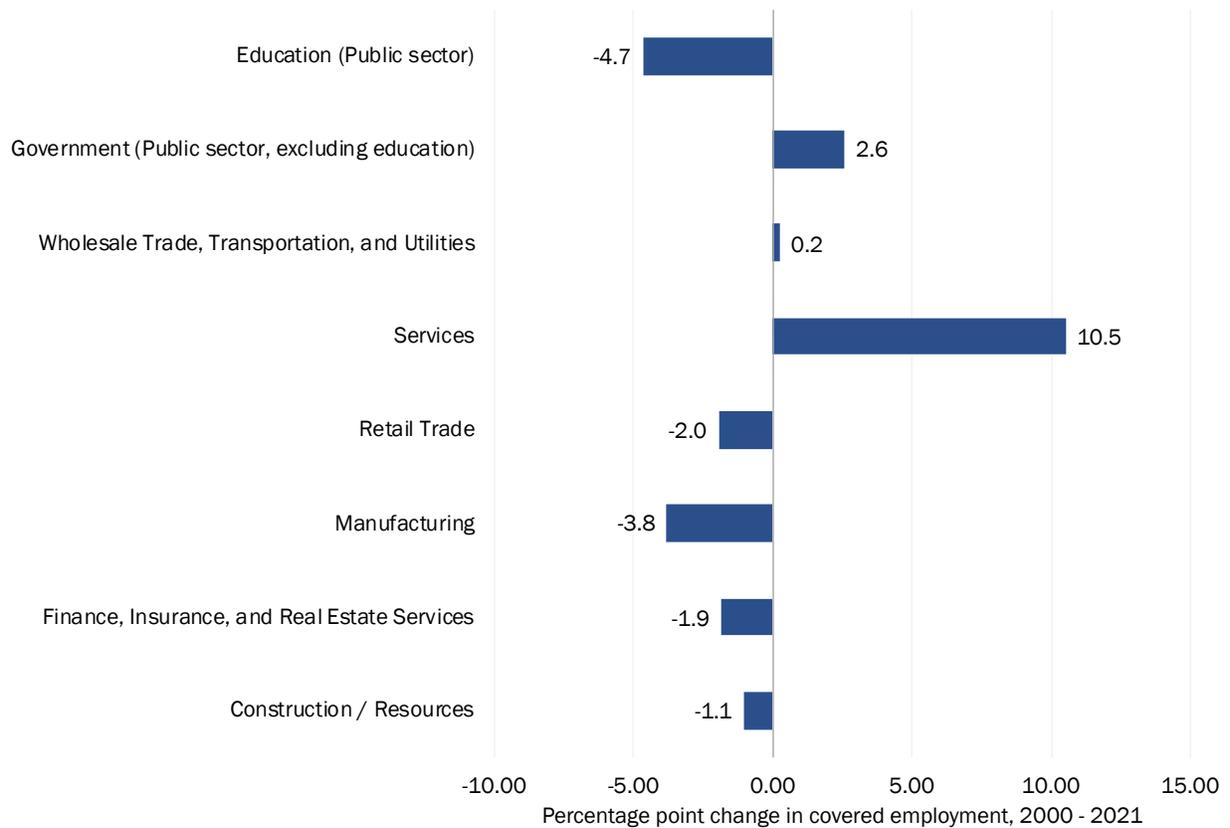
¹³ The construction and resources sector contains NAICS codes 11, 21, and 23; finance, insurance, and real estate services include NAICS codes 52 and 53; manufacturing include NAICS codes 31 to 33; retail trade include NAICS codes 44 and 45; services include NAICS codes 51, 54-56, 61 (private sector education), 62, 81, 72, and 81; wholesale trade, transportation, and utilities includes NAICS codes 22, 42, 48, and 49; government includes NAICS code 92; and education (public sector) includes NAICS code 61 (public sector education). Source: PSRC.org.

¹⁴ NAICS two-digit sector data were available for Bainbridge Island. However, due to data confidentiality restraints, several sectors in Bainbridge Island have a “suppressed” value reported for their employment count estimates. Thus, we analyzed the major NAICS sector groupings, as none of these categories have suppressed employment estimates.

professional, scientific, and technical services; management of companies and enterprises; administrative and support/waste management; educational services (private sector portion); health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services (except public administration). Over the same period, the share of government sector employment, as a total of Bainbridge Island’s covered employment, increased by about three percentage points from 2000 to 2021. All other major sector groupings either stagnated or declined in terms of their share of employment relative to the city-wide total in 2000, 2010, and 2021.

Exhibit 40. Change in Covered Employment on Bainbridge Island, 2000–2021

Source: Puget Sound Regional Council, Covered Employment Estimates, 2000–2021.



Top Employers Located on Bainbridge Island

The following table provides the top employers on Bainbridge Island as of 2021 compared to 2012. The top employer consistently for 2012 and 2021 is the Bainbridge Island School District. Other top employers in 2021 besides the school district are the Washington State Ferries, Sage/Redington Inc./Farbank (fly fishing manufacturing of specialty sporting equipment), grocery stores (Town & Country Market and Safeway), the City, Messenger House Care Center (now known as Fieldstone Memory Care), Storyville Coffee, Fairbank Construction, and Islandwood (offering environmental science education services and rental spaces).

In 2012, the top ten employers on Bainbridge Island comprised 23.6 percent of Bainbridge’s overall employment, compared to 18.7 in 2021, a 4.9 percentage point decrease. Over the analysis period, the Bainbridge Island School District was the largest employer in both 2012 and 2021 at 6.6 percent of citywide employment (370 employees) in 2012 and 7.8 percent of employment (712 employees) in 2021.¹⁵

DRAFT

¹⁵ Avalara relocated to Seattle after 2012. American Marine Bank closed their business after 2012. Messenger House Care Center closed a few years ago to undergo a major remodel and will reopen in the future.

Exhibit 41. Top Employers on Bainbridge Island, 2012–2021

Source: Washington State Employment Security Department, Kitsap Economic Development Agency, and Washington State Department of Revenue, Business Licensing Service.

Employer Name	2012			2021		
	Number of Employees	Employment Rank	Percent of Total Employment	Number of Employees	Employment Rank	Percent of Total Employment
Bainbridge Island School District	370	1	6.6	712	1	7.8
Washington State Ferries	NA	NA	NA	165	2	1.8
Town & Country Market	135	3	2.4	140	3	1.5
Sage / Redington Inc. / Farbank	160	2	2.8	136	4	1.5
City of Bainbridge Island	120	5	2.1	130	5	1.4
Safeway	115	6	2.0	115	6	1.3
Messenger House Care Center	96	7	1.7	100	7	1.0
Storyville	NA	NA	NA	90	9	1.0
Fairbank Construction	NA	NA	NA	70	9	0.8
Islandwood	60	10	1.0	60	10	0.7
Avalara	135	4	2.4	NA	NA	NA
American Marine Bank	74	8	1.3	NA	NA	NA
Island Fitness	70	9	1.2	NA	NA	NA
Subtotal of ten largest employers	1,335	–	23.6	1,718	–	18.7
All other employers	4,314	–	76.4	7,456	–	81.3
Total City of Bainbridge Island employment	5,649	–	100.0	9,174	–	100.0

Commuting Trends

Workforce commuting trends over the last decade can help describe the extent to which people live and work on Bainbridge. This analysis focuses on examining where Bainbridge workers originate from and how that has changed over the last decade. The exhibits in this section show increases in workforce commuting from other areas outside of Bainbridge. As shown in Exhibit

42, the estimated number of Bainbridge workers commuting from elsewhere increased from 3,134 workers in 2010 to 4,742 workers in 2019, or by about 51 percent.

Exhibit 42. Origin of Bainbridge Workers and Commuting Shifts, 2010 to 2019

Source: U.S. Census Bureau, Center for Economic Studies, 2010 and 2019 LEHD data.

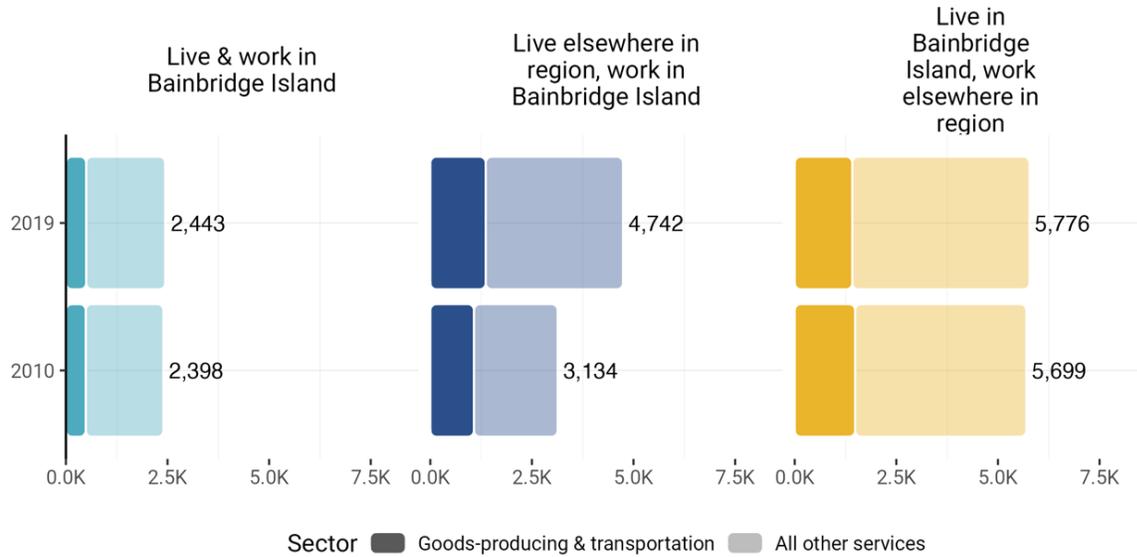
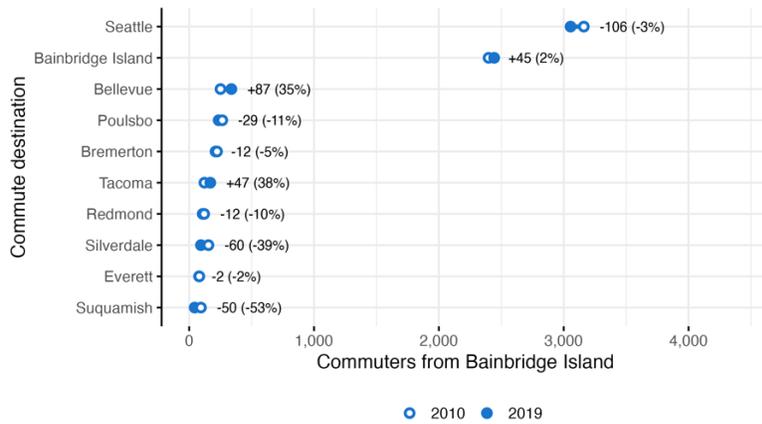


Exhibit 43 shows the top ten urban places or cities where workers who live on Bainbridge Island commute to for their jobs (as estimated by the U.S. Census Bureau in their LEHD data). In both 2010 and 2019, the largest commuting destination was Seattle. While the count of Bainbridge Island workers commuting to Seattle slightly decreased over the analysis period, a little more than one-third (34 percent) of workers who live on Bainbridge Island commuted to Seattle in 2019. The third largest commuting destination was Bellevue, with approximately four percent of all Bainbridge workers commuting to Bellevue for work in 2019. Other top commute destinations for workers who live on Bainbridge include Poulsbo (three percent of total workers), Bremerton (two percent), Tacoma (two percent), and Redmond (one percent). Comparatively, about 27 percent of workers (approximately 2,443 persons) who lived on Bainbridge Island also worked on Bainbridge in 2019.

We also analyzed where workers not living on Bainbridge Island, originate to commute to their jobs on Bainbridge Island. Recent trends show substantially increased commuting from other areas outside of Bainbridge by 51 percent from 3,134 workers in 2010 to 4,742 workers in 2019. This likely indicates decreased availability of housing needed to accommodate Bainbridge’s workforce including not enough housing matching their needs, affordability levels, or preferences.

Exhibit 43. Top 10 Commuting Destinations for Bainbridge Island Workers, Measured by Worker Change, from 2010 to 2019

Source: U.S. Census Bureau, Center for Economic Studies, 2010 and 2019 LEHD data. All jobs



The top commuting destinations with the most change in terms of Bainbridge Island workers between 2010 and 2019 is described in Exhibit 43. Bainbridge Island workers commuting to Seattle shrank by 106 persons from 2010 to 2019.

In 2019, about 34 percent of workers who lived on Bainbridge Island commuted to Seattle (the dominant city destination).

Exhibit 44. Top 10 Commuting Originations for People Working on Bainbridge Island, Measured by Worker Change, from 2010 to 2019

Source: U.S. Census Bureau, Center for Economic Studies, 2010 and 2019 LEHD data. Note: This shows an estimate of primary employment. All jobs

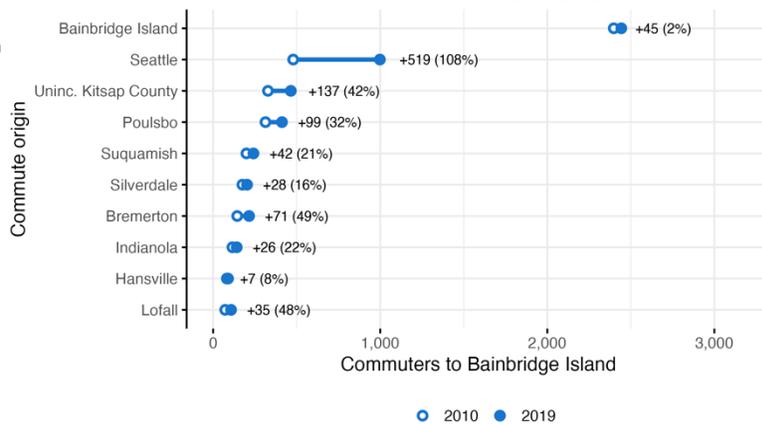


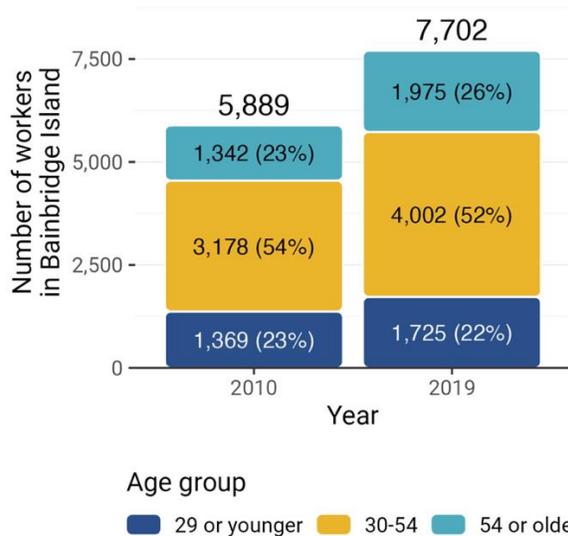
Exhibit 44 primarily shows the commuting origin changes of those working on Bainbridge Island from 2010 to 2019. Among workers not living on Bainbridge, those commuting from the City of Seattle increased the most from 2010 to 2019 (increased by 519 jobs). Among the top city originations for workers on Bainbridge, all increased (on a percent share basis) at a higher rate than workers who both live and work on Bainbridge.

Several of the main origination places with commuting growth are in Kitsap County including Poulsbo, Suquamish, Silverdale, Bremerton, Indianola, Hansville, and Lofall. As of 2019, the main location where Bainbridge Island workers originate is Kitsap County with approximately 62 percent originating from Kitsap County (roughly another 22 percent originated from King County, another 4 percent originates from Snohomish County). Exhibit 45 shows the age

composition of Bainbridge Island workers. The total number of persons working on Bainbridge Island has increased by about 1,813 persons (or, 31 percent) from 2010 to 2019 to include a total of 7,702 workers in 2019. While the total number of workers has increased across all age groups, in relative terms, both the share of workers 29 and younger and workers between the ages of 30 to 54 decreased. Workers that are 54 years or older increased by approximately three percentage points.

Exhibit 45. Age Composition of Bainbridge Island Workers, 2010–2019

Source: U.S. Census Bureau, Center for Economic Studies, 2010 and 2019 LEHD data.

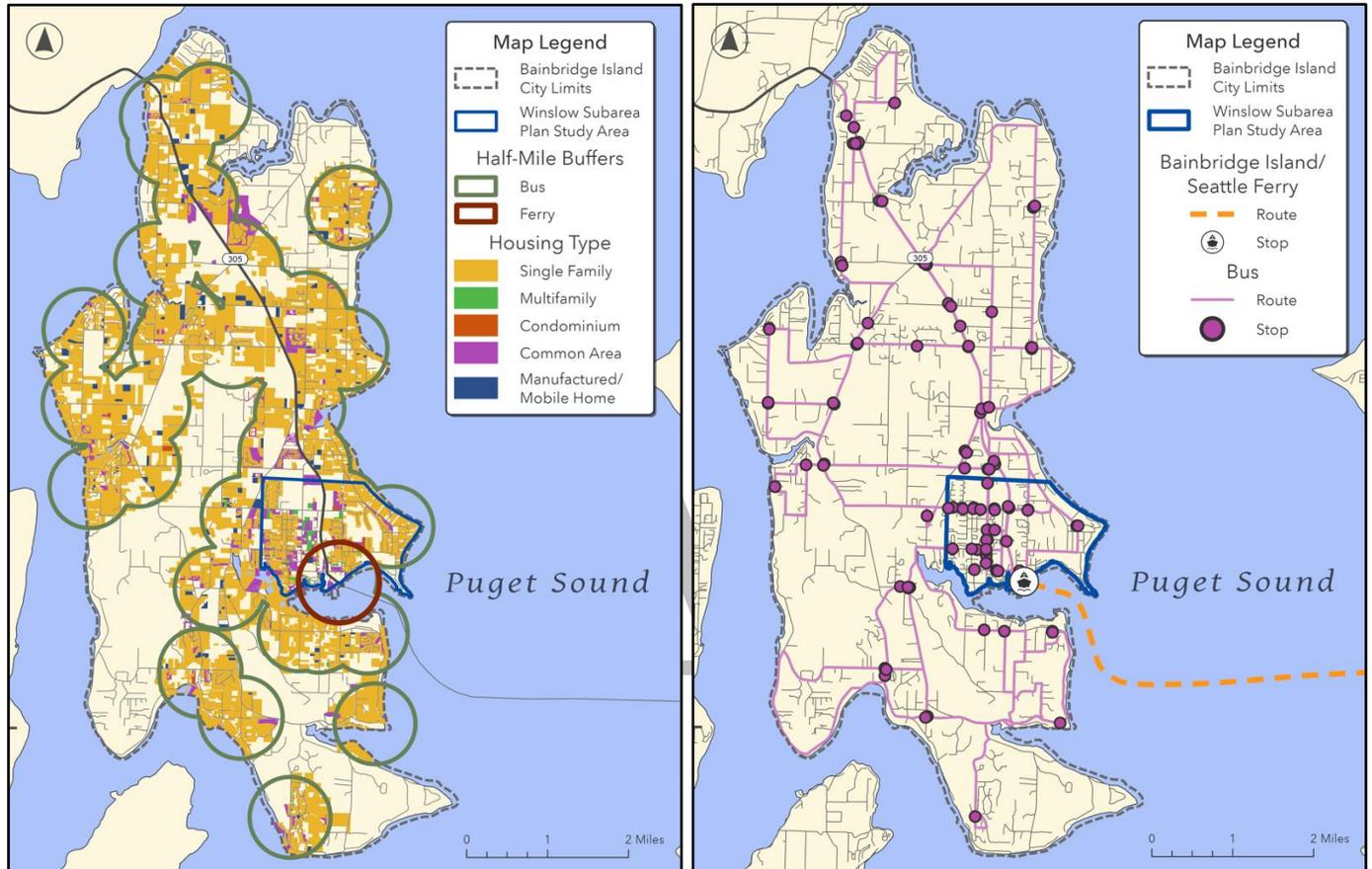


The overall number of Bainbridge Island workers increased by approximately 1,183 persons (or, by 31 percent) from 2010 to 2019. Prime working age is generally defined as workers aged between 25 to 54 years. Among the three age groups analyzed, the share of workers 54 years and older increased slightly, while the share of the population most closely aligned with the prime working age (between 30 to 54 years) decreased slightly. The gain in the share of workers that could soon retire (54 or older) could indicate increased demand for housing suited for adults 65 years or older.

The location of public transit infrastructure and networks was compared to the location of the range of housing types on Bainbridge. This information is helpful for comprehending whether housing development is concentrated near public transit infrastructure such as the ferry terminal (ferry-oriented development) or nearby areas with bus service. Bainbridge Island bus service running along defined routes generally only runs Monday-Friday during morning and afternoon commuting times. However, it should be noted that Kitsap Transit will generally pick up people anywhere along their bus route.

Exhibit 46. Transit Infrastructure and Housing Mix on Bainbridge Island

Source: ECONorthwest analysis with data from the Kitsap County Assessor (parcel data), the City of Bainbridge Island (bus lines and bus stop data), and the Washington State Department of Transportation (ferry line data). Note: The half-mile buffer for buses focused on Bus transit stops (not bus routes). However, it should be noted that Kitsap Transit will generally pick up people anywhere along their bus route.

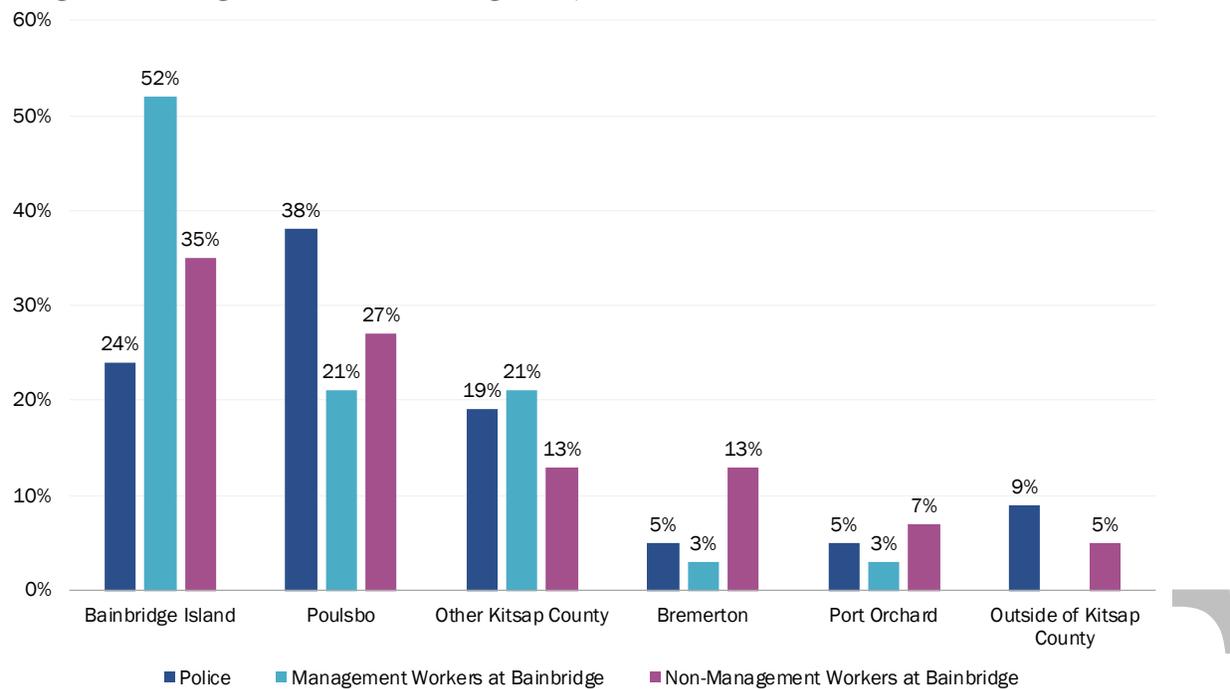


Locations of City of Bainbridge Island Workers

The following data analysis shows additional information regarding commuting trends focused on where the City of Bainbridge Island workers live. Overall, this shows that approximately 37 percent of total employees live on Bainbridge Island or in other words, a little over one-third live on Bainbridge Island. As of September 6, 2022, about half of the City of Bainbridge Island management-level workers lived on Bainbridge Island, compared to 35 percent of non-management-level workers. About 24 percent of City of Bainbridge Island police officers lived on Bainbridge Island as of September 6, 2022. The second most populous area City workers lived was in the City of Poulsbo, followed by other areas in Kitsap County, which excludes Bremerton and Port Orchard.

Exhibit 47. Locations of Where City of Bainbridge Island Workers Live, as of September 6, 2022

Source: Data from the City of Bainbridge Island. The total number of employees as of September 6, 2022, is 136 employees (please note this number of total employees is updated from the previous exhibit describing top employers and this figure could change as additional vacancies get filled).



2.4 Housing Affordability

This section provides information useful for comprehending housing affordability and how it impacts or burdens households and the broader community. This section includes data findings regarding cost burdening, financially attainable housing compared to area median income, an inventory of subsidized affordable housing and housing for adults 65 years or older along with wait list information associated with affordable housing.

Housing costs are typically the largest portion of a household budget. "Housing costs" typically include mortgage or rent payment, utilities, interest, and insurance. The term affordable housing refers to a household's ability to find housing within its financial means. The typical standard used to determine housing affordability is that a household should pay no more than 30 percent of household income for housing, including payments and interest or rent, utilities, and insurance. This household affordability assumption is often used to help estimate whether a household is paying more than what they can afford for housing.

Cost Burden

The U.S. Department of Housing and Urban Development (HUD) guidelines indicate that a household is cost burdened when they pay more than 30 percent of their gross household income for housing and severely cost burdened when they pay more than 50 percent of their gross household income for housing.

Housing cost burden can put households in vulnerable situations and force them to make trade-offs between housing costs and other essentials like food, medicine, or transportation. This unstable condition can also lead to rental evictions, job instability, school instability for children, and homelessness. Since housing at the low-income cost range is rare, most households in this income range have to pay more than 30% of their income for their housing. Low-income households who are severely cost burdened are at high risk of homelessness if a household crisis emerges.

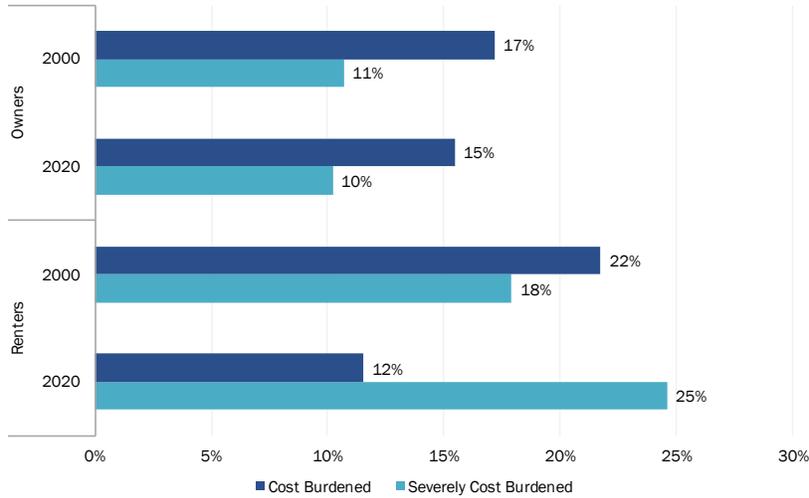
Cost burdening for owner-occupied households is not terribly common because mortgage lenders typically ensure that a household can pay its debt obligations before signing off on a loan. However, cost burdening can occur when a household secures a mortgage and then sees its income decline. In addition, retired persons subsisting on a fixed income can experience cost burden associated with increased property taxes rising above their financial limitations.¹⁶

On Bainbridge Island, renter households tend to be more cost burdened than owner households. As of 2020, 36 percent of renter households were cost burdened, compared to 25 percent of owner households. Renters are more likely to be cost burdened than homeowners because most renters tend to be lower income, left with a small supply of housing options.

¹⁶ Also, it is important to note that households with incomes over 100 percent of the AMI are less burdened overall since their larger income, minus housing costs, will go farther to cover non-housing expenses such as transportation, childcare, and food. While cost burden is a common measure of housing affordability, it does have limitations. The measure does not consider the actual income and the possibility of higher incomes being able to easily pay for necessary nondiscretionary expenses with the remaining income and it does not account for accumulated wealth and assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost-burden indicator.

Exhibit 48. Share of Cost Burden by Tenure in Bainbridge Island, 2000–2020

Source: U.S. Census Bureau, 2000 Decennial Census (Summary File X – Tables H069 and H090) and ACS 5-year data, 2006-10 and 2016-20 estimates (Tables B25070 and B25091).

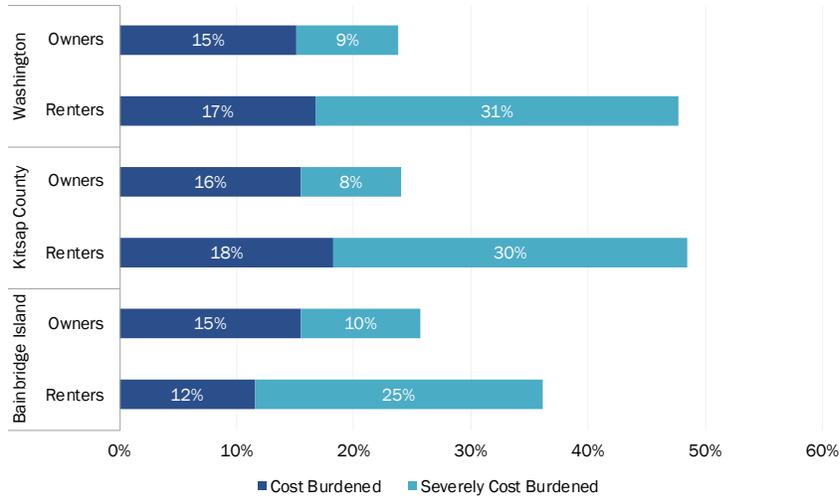


The overall share of cost burdened renter households (cost burdened plus severely cost burdened) on Bainbridge Island has slightly fallen over the 2000 to 2020 period, from a total of 40 percent down to 36 percent. However, the share of severely cost burdened renters has increased by about seven percentage points increasing from 18 percent in 2000 to 25 percent in 2020. Renters living on Bainbridge Island, in Kitsap County, and in the State of Washington all tended to be more severely cost burdened in 2020 compared to owner households.

DRAFT

Exhibit 49. Cost Burdened Comparison by Tenure, Bainbridge Island, Kitsap County, and Washington, 2020

Source: U.S. Census Bureau, ACS 5-year data, 2016-20 estimates (Tables B25070 and B25091).

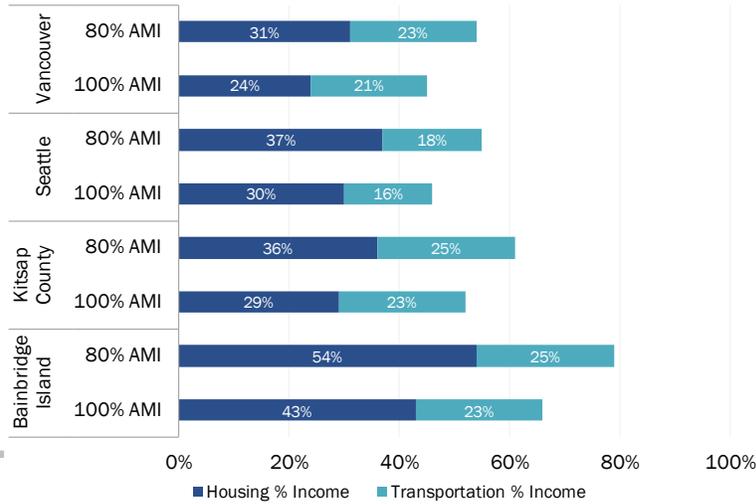


Kitsap County and Washington State (48 percent for both) have a larger share of cost burdened and severely cost burdened renter households overall in comparison to Bainbridge Island in 2020. Although the total share of rental household on Bainbridge Island (19 percent) has declined and is lower than the county's (32 percent) and state's (37 percent) share of rental households. Bainbridge's rental housing supply has dwindled.

DRAFT

Exhibit 50. Share of income spent on housing & transportation, 2015

Source: CNT H+T Index Data, 2015. Note: According to the Bainbridge Island Municipal Code, low income is 51% to 80% AMI and moderate income is 81% to 95% AMI. Estimates for the City of Vancouver, WA are provided below.



While the most currently available Housing and Transportation (H+T) Affordability Index data is relatively old at the time of this report’s writing, its usefulness is in its ability to account for transportation costs as an additive measure to the housing cost burdening calculation.

In 2015, Bainbridge Island residents earning 80 percent AMI spent 54 percent of their annual income on housing costs, with an additional 25 percent spent on transportation, for a total household income burden of 79 percent.

Bainbridge residents earning 80 percent AMI and 100 percent AMI tend to spend a greater share of their household income on housing and transportation costs in 2015 than the comparison areas provided above. For example, residents earning 80 percent AMI in Kitsap County spent an estimated 61 percent of their annual income on housing and transportation costs which is lower than Bainbridge’s 79 percent. Bainbridge Island’s transportation costs are similar to Kitsap County and the City of Vancouver, but the housing cost burden shares were larger than all the comparison areas provided above.

Income Levels Compared to Housing Cost

The current housing stock on Bainbridge Island by affordability category is summarized in Exhibit 51. This information is based on 2015-2019 data estimates provided by the latest Comprehensive Housing Affordability Strategy (CHAS) data from the U.S. Department of Housing and Urban Development for Bainbridge Island. In the matrix below, the y-axis represents the housing costs/rents as a percent of Area Median Income (AMI), and the x-axis represents household income (percent AMI).

Where incomes match costs, we term these households as “matched” (shown in green), meaning that the cost of the housing unit is affordable to the income level of the household. When a higher-income household pays below their income bracket for rental or ownership costs, this is defined as “renting down” or “buying down” (shown in light blue). There can be a tendency for people to rent or buy down (purchasing a housing unit priced below their income) and this is important to evaluate since it can decrease access to more affordable housing units for households with lower incomes. Some higher-income households choose housing that costs less than they can afford due to the household’s preference, or it may be the result of a lack of higher-end housing that would better suit their preferences. Approximately seven percent of households earning over 80 percent AMI (the highest household income available in the data) are renting down/buying down.

This exhibit also shows “cost-burdened” (shown in red) estimates by household income, and this means that these households are paying above their income bracket towards rental or ownership costs. Approximately nine percent of Bainbridge Island residents earning less than 50 percent AMI are cost burdened, as they live in housing units affordable to residents’ earning incomes of 80 percent of AMI or greater (see Exhibit 51). Approximately six percent of Bainbridge residents earning 50 to 80 percent of AMI are cost burdened, as they are living in units affordable to residents earning incomes 80 percent of AMI or higher. This indicates that low-income households earning less than 80 percent AMI tend to be more cost burdened on Bainbridge Island. Overall, this illustrates that Bainbridge Island has a need for more affordable housing for households earning 80 percent or less of the area median income (AMI).

Exhibit 51. Affordability of Housing Stock in Bainbridge Island

Source: Calculations by ECONorthwest, using data from the U.S. Department of Housing and Urban Development CHAS data (2015-19 estimates).

Housing Cost (%AMI)	+80%	9%	6%	70%
	50-80%	2%	2%	5%
	0-50%	3%	1%	2%
		0-50%	50-80%	+80%

Household Income (%AMI)



Financially Attainable Housing

Another way to comprehend housing affordability is to look at how much each income level can afford in housing costs (such as in rent and home sales price). Each year, the U.S. Department of Housing and Urban Development (HUD) uses data from the US Census to define an area’s Median Family Income (MFI) based on family size (2022 values are provided below).¹⁷ The MFI benchmark helps determine eligibility for HUD housing programs (often including rent-restricted housing) and supports the tracking of different housing needs for a range of household incomes. Bainbridge Island falls within the Bremerton-Silverdale Metropolitan Statistical Area (MSA) which has a 100% MFI of \$102,500 per year for a family of four in 2022. Based on this, a household on Bainbridge earning 100% of the MFI would be able to afford rent at an estimated \$2,560 per month and a housing that costs from \$359,000 to \$410,000 to purchase (see the exhibit below).¹⁸

¹⁷ Area Median Income is the term used more generally in the industry than MFI. If the term Area Median Income (AMI) is used in an unqualified manor, this reference is synonymous with HUD’s MFI.

¹⁸ In the case of a two-person household, with both persons working full-time, year-round minimum wage jobs (assuming an hourly wage of \$15), would place them at about 60% of the current MFI (2022). This is calculated by assuming they are paid for a standard 2,080 hours worked per year (52 weeks per year multiplied by 40 hours worked per week).

Exhibit 52. Household affordability by income compared to monthly housing costs, 2022

Sources: ECONorthwest Analysis, HUD Income Limits for Bremerton-Silverdale MSA (same value for Kitsap County), FY 2022; U.S. Bureau of Labor Statistics, Occupational Employment Statistics (OES) for the Bremerton-Silverdale MSA, May 2021. Data notes: The occupational annual wage data is not net of taxes or other living expenses. The reported HUD MFI income limits are based on a family of four persons. The values for what you can afford are general estimates. The range of home sales prices are based on the 2022 HUD household income limit documentation and general housing affordability guidance. Interest rates and down payment amounts vary, thus these were not included. These are general estimates provided to help compare household incomes with general housing costs.

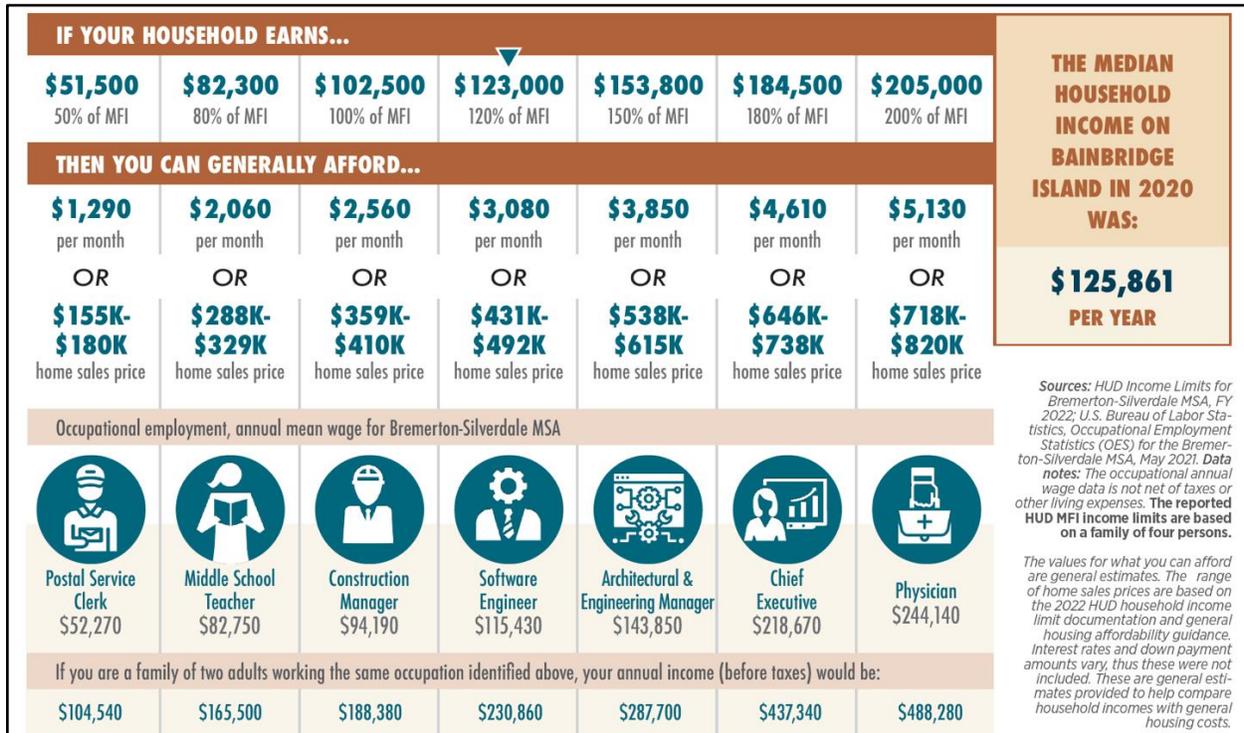


Exhibit 53. HUD Household Income limits by family size, 2022

Sources: HUD Income Limits for Bremerton-Silverdale MSA, FY 2022. According to the Bainbridge Island Municipal Code, Median Family Income (MFI) should be calculated for the Bremerton-Silverdale MSA and extremely low income is less than 30% of median household income, very low income is 31% to 50%, low income is 51% to 80%, moderate income is 81% to 95%, and middle income is from 96% to 120% of median household income.

Persons in Family	Area Median Income Limits, Fiscal Year 2022						
	50% of MFI	80% of MFI	100% of MFI	120% of MFI	150% of MFI	180% of MFI	200% of MFI
1	\$36,050	\$57,650	\$72,060	\$86,470	\$108,090	\$129,710	\$144,120
2	\$41,200	\$65,850	\$82,130	\$98,770	\$123,470	\$148,160	\$164,620
3	\$46,350	\$74,100	\$92,630	\$111,160	\$138,950	\$166,730	\$185,260
4	\$51,450	\$82,300	\$102,500	\$123,000	\$153,750	\$184,500	\$205,000
5	\$55,600	\$88,900	\$111,130	\$133,360	\$166,700	\$200,030	\$222,260
6	\$59,700	\$95,500	\$119,380	\$143,260	\$179,070	\$214,880	\$238,760
7	\$63,800	\$102,100	\$127,630	\$153,160	\$191,450	\$229,730	\$255,260
8	\$67,950	\$109,650	\$137,060	\$164,470	\$205,590	\$246,710	\$274,120

Senior Housing, Assisted Living Housing Inventory

The following exhibit provides an inventory of housing for adults 65 years or older located on Bainbridge Island that either provides assisted living services, housing to accommodate persons with disabilities, or independent living services (this accounting does not include age in place or multigenerational housing units). In total, 344 Senior focused living units are located on Bainbridge Island as of June 1, 2022. Among this total, 51 percent or 176 living units provide assisted living services. Fieldstone Memory Care (also known as Manor House) has rooms for up to 39 residents (30 currently). This assisted living facility is currently under construction but when finished, it would be able to accommodate 56 residents.

Exhibit 54. Specialized Housing for Older Adults (65 years or older) on Bainbridge Island, as of June 1, 2022

Source: City of Bainbridge Island, Washington State Housing Finance Commission (WSHFC), HRB, and Kitsap County. Note: HRB is Housing Resources Bainbridge. Note: An assisted living facility usually provides room and board and help with activities of daily living. Some ALFs provide limited nursing services; others may specialize in serving people with mental health problems, developmental disabilities, or dementia and Alzheimer's disease.

Name	Type	Beds or Living Units
Madison House	Assisted Living	53
Wyatt House	Assisted Living	42
Madrona House	Assisted Living and Memory Care	81
Winslow Manor	Independent Senior Living	39
*Finch Place Apartments	Senior/Disabled	29
*Virginia Villa	Senior/Disabled	40
*Winslow Arms	Senior/Disabled	60
Total		344

Addressing housing needs for those aged above 60 will require a range of housing opportunities. For example, "the 82-to-86-year-old cohort dominates the assisted living and more intensive care sector" while new or near-retirees may prefer aging in place or active, age-

targeted communities.¹⁹ Characteristics like immigration and ethnicity play a role too as “older Asians and Hispanics are more likely than whites or blacks to live in multigenerational households.”²⁰ Households for adults 65 years or older earn different incomes, thus they have to make distinctive housing choices. For instance, low-income households may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Others living nearby relatives may also choose to live in multigenerational households. The aging of the Baby Boomer generation could increase the demand for smaller “downsized” housing and greater demand for housing with assistance and age-in-place amenities.

Affordable Housing Production

A key factor for understanding housing needs is the rate of production of housing affordable to different income levels. This section offers a current snapshot of Bainbridge Island’s affordable housing landscape including analysis on the rates of affordable homes owned and rented and being produced.²¹

Below, Exhibit 55 provides a summary of the total rent-restricted affordable housing including the existing units and a few proposed affordable housing units further along in the development process (Wintergreen and Ericksen). Most of this housing is owned by Housing Resources Bainbridge (HRB), with approximately 321 housing units or 63 percent of the total housing. HRB is a nonprofit located on Bainbridge Island providing affordable housing and, in some cases, acting as a community land trust to develop land for permanently affordable housing. HRB supports the creation of a more equitable, inclusive, and healthy community supporting people of diverse backgrounds and incomes.

There is little if no housing located on Bainbridge Island that provides emergency housing and currently no shelters for those without homes available. Regarding permanent supportive housing, HRB does provide nine units that receive operations and maintenance funding from the state housing trust fund under a permanent supportive housing grant. Some of the tenants receive case management assistance from Helpline House but it is uncertain whether full services associated with permanent supportive housing are provided.

Low-Income Housing Tax Credits

Nationally, the largest source of affordable housing construction funding is the Low-Income Housing Tax Credit (LIHTC) program, which is run through the U.S. Internal Revenue Service (IRS). Each year, states receive an allocation of tax credits from the IRS and distribute these credits to affordable housing properties through annual applications for funding. These properties then sell the tax credits to entities looking to reduce their tax burdens, like banks or

¹⁹ Source: Urban Land Institute (2018). Emerging Trends in Real Estate, United States and Canada.

²⁰ Source: Herbert, Christopher and Hrabchak Molinsky (2015). Meeting the Housing Needs of an Aging Population. https://shelterforce.org/2015/05/30/meeting_the_housing_needs_of_an_aging_population/

²¹ This analysis only accounts for renter and owner-occupied units for which there is some type of payment (i.e., rent or mortgage) for housing since determining affordability requires that we quantify housing costs.

insurance companies. It is a strong public-private-partnership program responsible for creating millions of affordable housing units across the country. In Washington, the agency that distributes tax credits is the Washington State Housing Finance Commission (WSHFC) through a competitive application process.

Exhibit 55. Affordable Housing Units Built or Proposed, Bainbridge Island, as of Mid-2022

Source: City of Bainbridge Island, Washington State Housing Finance Commission (WSHFC), HRB, and Kitsap County. Note: HRB is Housing Resources Bainbridge.

Name	Owner	Housing Type	Number of Total Housing Units	Number of units with rental subsidy
Island Home	HRB	Individuals & Families	10	0
Village Home	HRB	Individuals & Families	12	0
Western View Terrace	HRB	Individuals & Families	8	0
Janet West	HRB	Individuals & Families	9	0
Island Terrace	Winslow Terrace LLC (Privately Owned, HRB managed)	Individuals & Families	48	19
Rhododendron	Housing Kitsap	Individuals & Families	50	48
Sparrows	HRB	Individuals & Families	2	0
Wallace Cottages	Private	Individuals & Families	2	0
Finch Place Apts.	Housing Kitsap	Senior/Disabled	29	20
Virginia Villa	Virginia Villa Apt. (Privately Owned)	Senior/Disabled	40	20
Winslow Arms	Edgewood Villa Associates (Privately Owned)	Individuals & Families	60	60
HRB Homeownership Program: Ferncliff Village (40) & Sparrows (2)	HRB	Individuals & Families	42	0
The Walk	Paditu LLC (Privately Owned, 1 homeownership, 4 rentals)	Individuals & Families	5	0
Forest Home Sadie Woodman House, Dore Cabin	HRB		3	
Wallace Cottages	Private	Individuals & Families, Under Construction	2	0
Madison & Wyatt	HRB and Madison Avenue Development	Proposed Income Restricted Housing		13
Wintergreen Townhomes	HRB	Proposed Income Restricted Housing		31
Ericksen Community	HRB	Proposed Income Restricted Housing	22	TBD
Housing Resources Bainbridge	HRB	Permanent Supportive Housing	12	12
Total			356	223

Another important metric useful for understanding the unmet affordable housing need exceeding the current supply available is data describing the number of people waiting for

affordable housing on Bainbridge Island. As of August 11, 2022, HRB reported a total of 111 households on their waitlist including a total of 186 individuals waiting to be housed.²²

Among the total households on the waiting list:

- Approximately 30 percent are households with children,
- Around 21 percent are single parent households,
- Approximately 7 percent of the households are fleeing domestic violence, and
- Around 23 percent are households unhoused.

Among the total individuals on the waiting list, 28 percent are minors, 19 percent are adults over 65 years, and 16 percent are individuals receiving disability benefits.

DRAFT

²² These numbers only include information from HRB. There are other providers that have their own waiting lists such as Housing Kitsap, Virginia Villa, and Winslow Arms. Race/ethnicity information for individuals waiting for housing was limited since due to individuals declining to provide race/ethnicity information and persons responding to multiple race/ethnicity options. However, based on the information available, the top non-white individuals on the waiting list were Black/African American, Hispanic, Asian, or American Indian/Alaskan Native.

3. Housing Demand and Needs

This section describes population projections and housing gap analysis results. The housing needs results provides an overall assessment of the existing housing inventory and the future needs for housing for all income levels across the city over the next few decades.

This section is separated into two parts:

- 3.1 Housing Demand Factors
- 3.2 Housing Needs Gap

3.1 Housing Demand Factors

Population Growth Target

The currently available 2044 Bainbridge Island population projection is 29,349 persons in total which is around 4,524 persons over 2020 Census numbers. Bainbridge Island City staff presented this preliminary 2044 population and employment growth target information at the City Council meeting held on February 25, 2022. The target setting process was coordinated by the Kitsap Regional Coordinating Council and their Land Use Planning Policy Committee, using OFM and PSRC data, and informed by past annual growth. This growth is based on a method estimating the current Bainbridge Island annual growth from 2013-2020 which had an annual growth of 1.007 percent.

Factors Affecting Housing Demand

Housing demand is determined by the preferences for different types of housing (e.g., single-family detached or apartment), and the ability to pay for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing). Preferences for housing are related to demographic characteristics and changes, in addition to personal preferences. The ability to pay for housing is based on income and housing costs. The following section analyzes and discusses these factors.

This section focuses on demographic factors to assess how changes and recent trends may affect the housing need in Bainbridge Island into the next couple of decades. Many demographic and socioeconomic variables affect housing choice. However, studies about housing markets indicate that the age of the householder, size of the household, and income are most strongly correlated with housing choice.²³

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. Generational trends, such as housing preferences of Baby Boomers (people born from

²³ Source: 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.

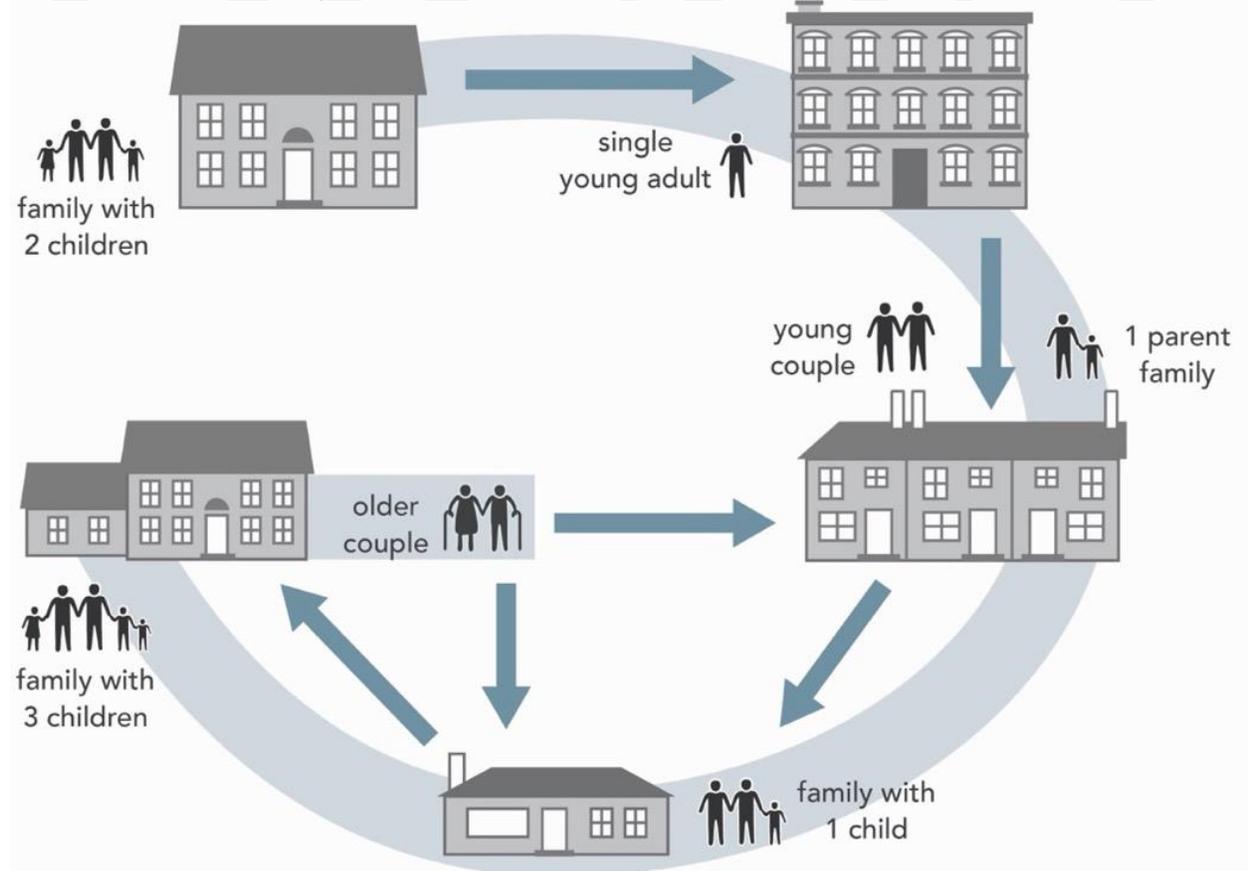
about 1946 to 1964) and Millennials (people born from about 1980 to 2000) are discussed below but in general, homeownership rates increase as age increases.

- **Size of household (or the number of people living in the household).** Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multiple person households (often with children).
- **Household income.** Income is probably the most important determinant of housing choice for all age categories. Income is strongly related to the type of housing a household chooses (e.g., townhome, stand-alone single-family home, or apartment complex) as well as household tenure (e.g., rent or own). Homeownership rates increase as income increases and renters (particularly with smaller households) are more likely to live in multifamily housing.

An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a twenty-year-old college student differs from the needs of a forty-year-old parent with children, or an eighty-year-old single adult. As Bainbridge Island's population ages, different types of housing will be needed to accommodate older residents. This cycle of changing housing needs by age is depicted in the illustration below.

Exhibit 56. Illustration of Household Variations by Housing Types

Sources: ECONorthwest, adapted from Clark, William A. V. and Frans M. Dieleman. 1996.



For example, Bainbridge Island's population is growing older. The median age in Bainbridge Island has increased from 43 years in 2000 to just under 50 in 2020. Bainbridge's share of population age 60 or older doubled from 17% to 35% of the total from 2000 to 2020. Likely trends for the Baby Boomer generation are decreased household size (greater 1-person households), and a decline in household income.

DRAFT

3.2 Future Housing Needs

A key part of this housing needs assessment is to gain an improved understanding about the extent of total housing needed on Bainbridge Island and the quantity of new housing needed for different income levels. A significant challenge facing Bainbridge Island is to produce enough new housing units to accommodate population growth and to provide more affordable housing that matches the needs of current residents and the Bainbridge workforce. ECONorthwest developed a method to help quantify existing and future housing needs for the next two decades that relies on the best available data provided by the Washington State Office of Financial Management (OFM), Puget Sound Regional Planning Council (PSRC), U.S. Department of Housing and Urban Development (HUD), and the U.S. Census Bureau (including PUMS data).

This method focuses on estimating housing needs based on current housing underproduction and future housing needed by 2044.²⁴ The inclusion of current housing underproduction helps to ensure housing needs targets address current unmet housing needs not provided for in the existing housing inventory. Washington State does not currently have a regional approach for quantifying housing production needs over time. However, the Washington State Department of Commerce (via HB 1220) is currently developing method guidance for estimating housing needs in total and by income level for counties to be released around 2023.

Total Housing Needed by 2044

The following analysis estimates how much housing is needed based on a method combining current housing underproduction analysis with future housing needs analysis.

The first step for this assessment determines the extent of current housing underproduction. Underproduction was quantified based on the difference between the existing housing stock, minus existing second/vacation homes (U.S. Census ACS data) and 1.1 times the current number of households. This method uses a ratio of 1.1 housing units per one household since healthy housing markets allow for a reasonable level of housing vacancy and absorption and second/vacation homes. Based on ECONorthwest's method, Bainbridge Island would need approximately 395 additional new housing units to address current housing underproduction.

Secondly, the number of future housing needed by 2044 was quantified. This estimate relies on the City's 2044 population projection of 29,349, adding approximately 4,524 new people to Bainbridge Island by 2044. The quantity of future housing needed was estimated based on the following parameters:

- Total added population: 4,524 new people (based on the population projection for 2044).

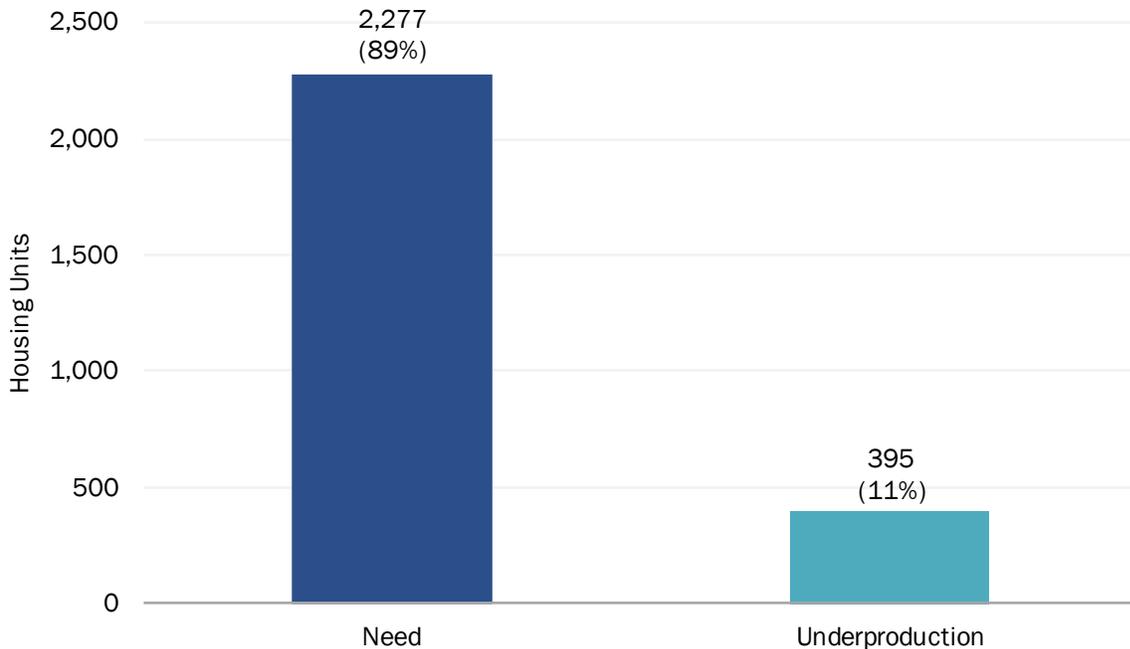
²⁴ The year 2044 was used for this assessment to correspond with the HAP planning period.

- The current average household size at around 2.4 persons per house (using the latest ACS 2016-2020 U.S. Census Bureau average household size estimate), translates into approximately 1,862 additional housing units needed.
- This total was multiplied by a factor of 1.1 to bring the estimate of total housing needed by 2044 to 2,048 housing units. As noted above, this method uses a ratio of 1.1 housing units per one household since healthy housing markets allow for a reasonable level of housing vacancy and absorption and second/vacation homes.
- The ratio of vacation homes was added to bring the total to 2,277 new homes needed by 2044.

Combining the current housing underproduction (395 housing units) with the future housing units needed (2,277 housing units) brings the total to 2,672 new housing units needed by 2044 (see Exhibit 57 for more detail). As a whole, this estimate indicates that approximately 2,672 additional housing units are needed on Bainbridge Island by 2044 to meet expected housing needs. On an annual basis this means an average of 127 housing units should be built at a minimum per year from January 1, 2023, to December 31, 2044 (21 total years).

Exhibit 57. Total Combined Housing Unit Gap on Bainbridge Island, by Housing Unit Need to 2044 and Housing Unit Underproduction

Source: Calculations by ECONorthwest, using data from the Washington Office of Financial Management (April 1, 2020 population estimates for Bainbridge Island), and the U.S. Department of Housing and Urban Development CHAS data (2015-19 estimates). AMI – Area Median Income.



All together approximately 2,277 new housing units are needed on Bainbridge Island by 2044. This comprehensively represents the amount of new housing needed to meet the future demand associated with projected population growth by 2044 (2,277 housing units) along with providing sufficient housing needed to accommodate existing unmet needs associated with the

underproduction of housing units (395 housing units). This estimate helps to provide a general benchmark or target for the number of housing units needed to meet existing and future demand for the next two decades.

Housing Needed by Household Income Level

Based on the total housing units quantified above, the amount of housing needed for different household income levels was quantified for both the current housing underproduction and future housing needed by 2044. This part of the analysis is important since it supports the comprehension of how much new housing is needed for the diverse range of different income levels associated with Bainbridge Island.

The estimated current underproduction of 395 housing units on Bainbridge Island was analyzed to determine the quantity of housing needed for the range of income groups. Income levels were split into the following categories to generally match different income levels defined in the Bainbridge Island Municipal Code: 0-30% AMI (extremely low income), 31-50% AMI (very low income), 51 to 79.9%AMI (low income), 80- 99.9% AMI (moderate income), 100-119.9% AMI (middle income), 120-149.9% AMI (high income), and 150% AMI or more (high income).

A method was developed to account for the current rate of cost burdening on Bainbridge Island by household income level. The assumption underlying this unit distribution is that households burdened by their current housing costs would prefer to pay for housing that is more affordable to their income level.

Two different scenarios were provided using existing AMI household income level shares for Bainbridge Island (Exhibit 58) and Kitsap County (Exhibit 59) to inform discussions on possible options for setting affordable housing targets.

As shown in both exhibits below, more housing is currently needed that would be affordable to lower income households earning 80 percent of the AMI or less. Lower income households tend to be more cost burdened than higher income households due to the scarcity of available affordable housing being produced. Since housing at the low-income cost range is rare, most households in this income range tend to pay more than 30 percent of their income for housing.

Exhibit 58. Scenario 1, Underproduction of Housing Units on Bainbridge Island, Using Bainbridge Island AMI Affordability Shares

Source: Calculations by ECONorthwest, using data from the Washington Office of Financial Management (April 1, 2020, population estimates for Bainbridge Island), the U.S. Department of Housing and Urban Development 2019 income limits, and the U.S. Census Bureau, American Community Service data, 2015-2019 PUMS estimates. AMI = Area Median Income. These housing unit numbers were calculated based off the cost burdened rates for renters during the 2015-2019 PUMS data period. According to the Bainbridge Island Municipal Code, extremely low income is less than 30% of median household income, very low income is 31% to 50%, low income is 51% to 80%, moderate income is 81% to 95%, and middle income is from 96% to 120% of median household income.

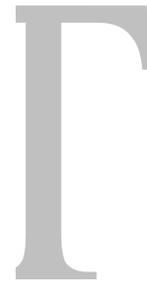
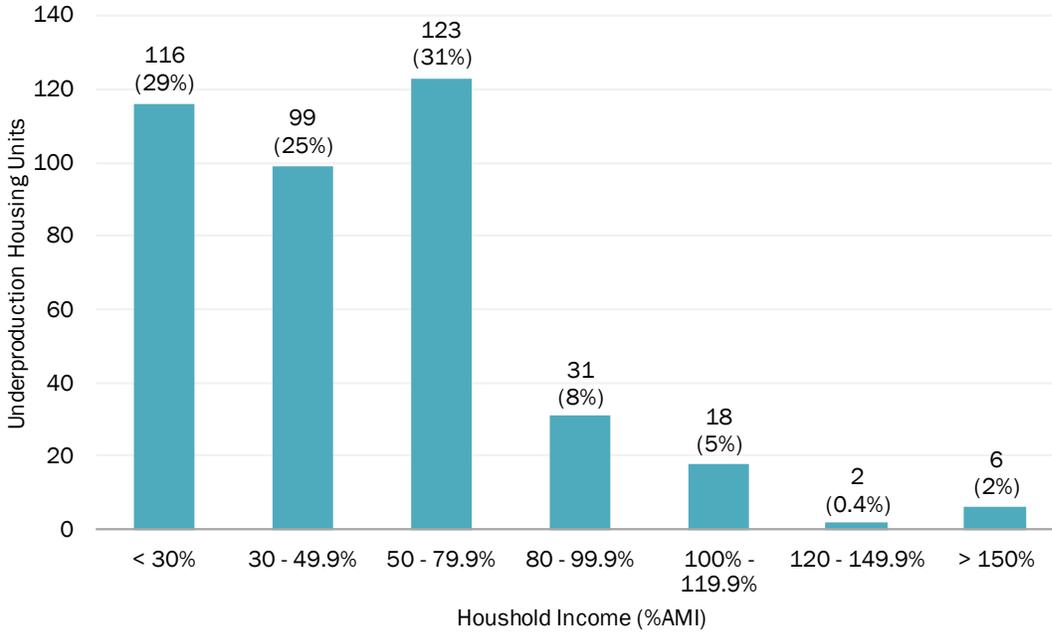
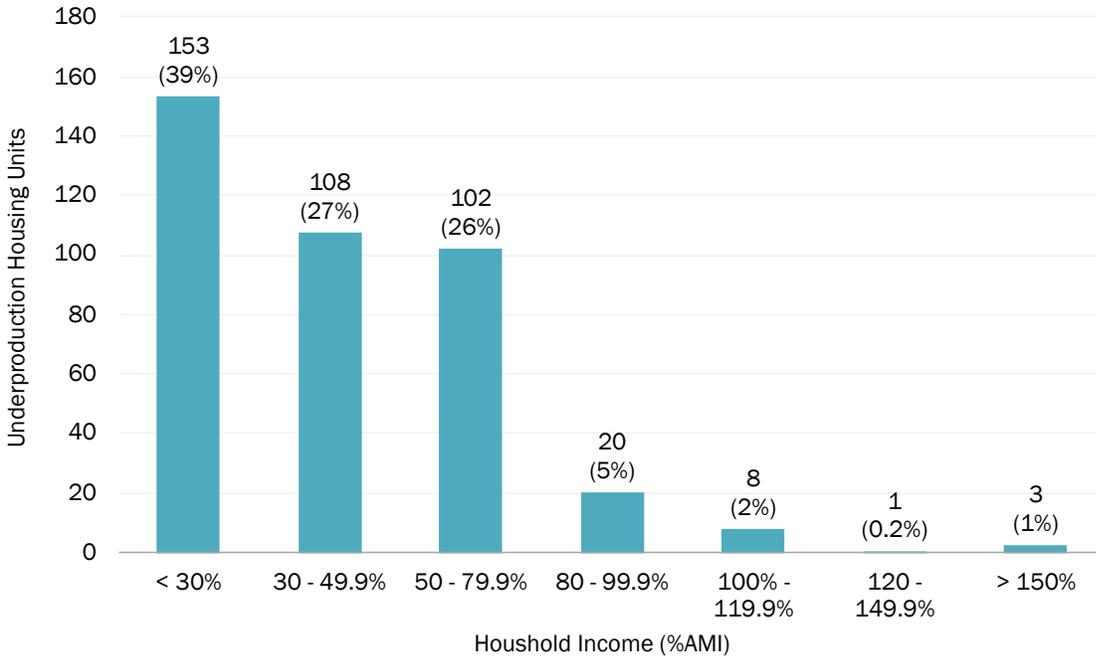


Exhibit 59. Scenario 2, Underproduction of Housing Units on Bainbridge Island, Using Kitsap County AMI Affordability Shares

Source: Source: Calculations by ECONorthwest, using data from the Washington Office of Financial Management (April 1, 2020, population estimates for Bainbridge Island), the U.S. Department of Housing and Urban Development 2019 income limits, and the U.S. Census Bureau, American Community Service data, 2015-2019 PUMS estimates. AMI = Area Median Income. These housing unit numbers were calculated based off the cost burden rates for renters during the 2015-2019 PUMS data period. According to the Bainbridge Island Municipal Code, extremely low income is less than 30% of median household income, very low income is 31% to 50%, low income is 51% to 80%, moderate income is 81% to 95%, and middle income is from 96% to 120% of median household income.



The estimated future housing needed by 2044 was also analyzed to determine the breakdown of housing needed by different income levels. This analysis is challenging due to limitations with being able to accurately predict future household incomes; however, it is most plausible that household incomes are likely to be somewhat similar to current conditions.

Two different scenarios were developed described below through Exhibit 60 (scenario 1) and Exhibit 61 (scenario 2). Scenario 1 focuses on the existing income group shares for Bainbridge Island and Scenario 2 focuses on the existing income group shares for Kitsap County. These scenarios show the amount of total housing needed by income group to accommodate future population growth and account for current housing underproduction. Combining income categories below the 100 percent area median income threshold yields a total of 47 percent (Exhibit 60) and a total of (Exhibit 61) 52 percent of the total units needed for low to moderate income populations below the median income.²⁵

Comparing the ECONorthwest estimates with PSRC's VISION 2050 regional housing needs assessment provides a useful reference.²⁶ PSRC provided estimated housing units needed by 2050 by income group for Kitsap County and the resultant shares allocated to each income group is provided below.

- PSRC found that 9 percent of the new housing units should be affordable to those earning 0-30% AMI.
- PSRC also found that 8 percent of the new housing units should be affordable to those earning between 31-50% AMI.
- PSRC determined that approximately 16 percent of new housing units should be affordable to those earning between 51-80% AMI.
- PSRC's found that 9 percent of the new housing units should be affordable to those earning 81-100% AMI.
- PSRC determined that 12 percent of the new housing units should be affordable to those earning 101-120% AMI.

²⁵ This 38 percent estimate calculated by ECONorthwest is similar to PSRC's results showing over one-third of new units in the region needing to be affordable to households earning less than the median income in order to meet affordability needs. In addition, PSRC determined that 42 percent of new units in Kitsap County should be affordable to households earning less than 100 percent of the area median income.

²⁶ PSRC's Regional Housing Needs Assessment method for quantifying housing needs is described generally. PSRC's analysis includes a method to quantify current underproduction or the backlog over the last decade in needed housing production to keep pace with population growth. Their analysis shows a great decline in the number of housing units constructed following the Great Recession from 2011 to 2016 while the region added more new households. Similar to the ECONorthwest method, they account for average household size and vacancy rate considerations. They assume future housing demand by lower income households is anticipated to be similar to current levels, with 11 percent of households at the extremely low-income level (0-30 percent AMI) and 27 percent at low to moderate income levels (31-80 percent AMI).

- Lastly, PSRC determined that 45 percent of new units should be affordable to those earning above 120% AMI.

This comparison largely shows many similarities between the PSRC calculations and the ECONorthwest calculations.

Exhibit 60. Scenario 1, Combined Housing Unit Gap on Bainbridge Island, Using Bainbridge Island AMI Affordability Shares

Source: Calculations by ECONorthwest, using data from the Washington Office of Financial Management (April 1, 2020, population estimates for Bainbridge Island), the U.S. Department of Housing and Urban Development 2019 income limits, and the U.S. Census Bureau, American Community Service data, 2015-2019 PUMS estimates. AMI – Area Median Income. According to the Bainbridge Island Municipal Code, extremely low income is less than 30% of median household income, very low income is 31% to 50%, low income is 51% to 80%, moderate income is 81% to 95%, and middle income is from 96% to 120% of median household income.

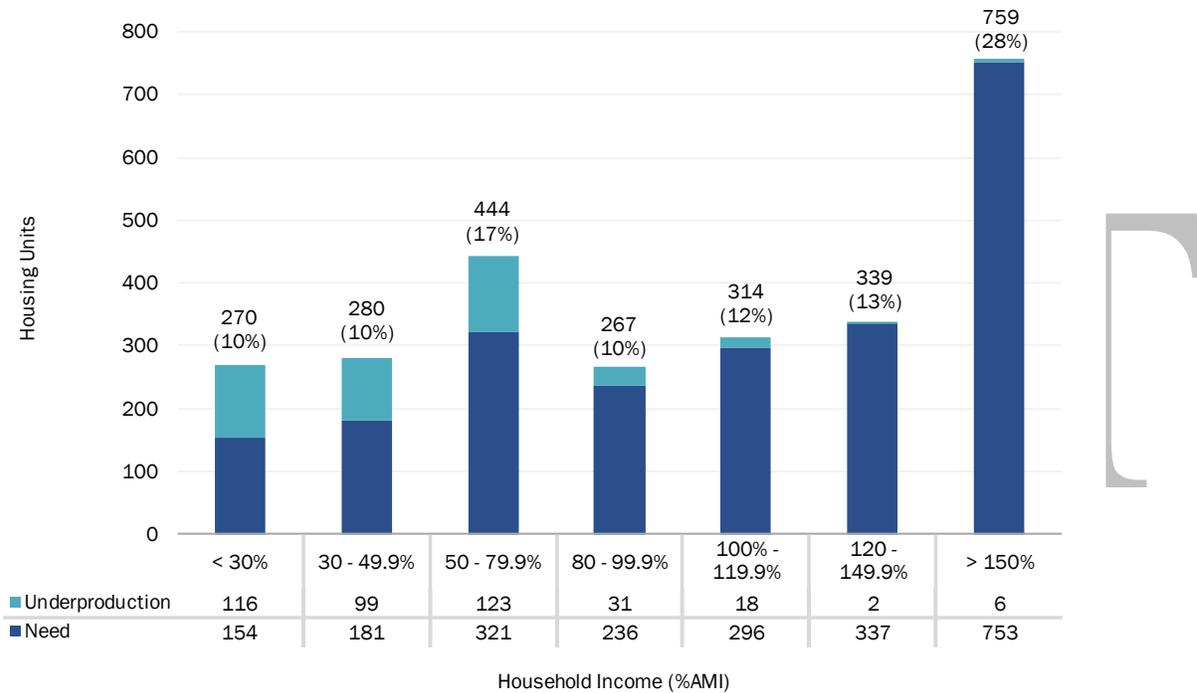
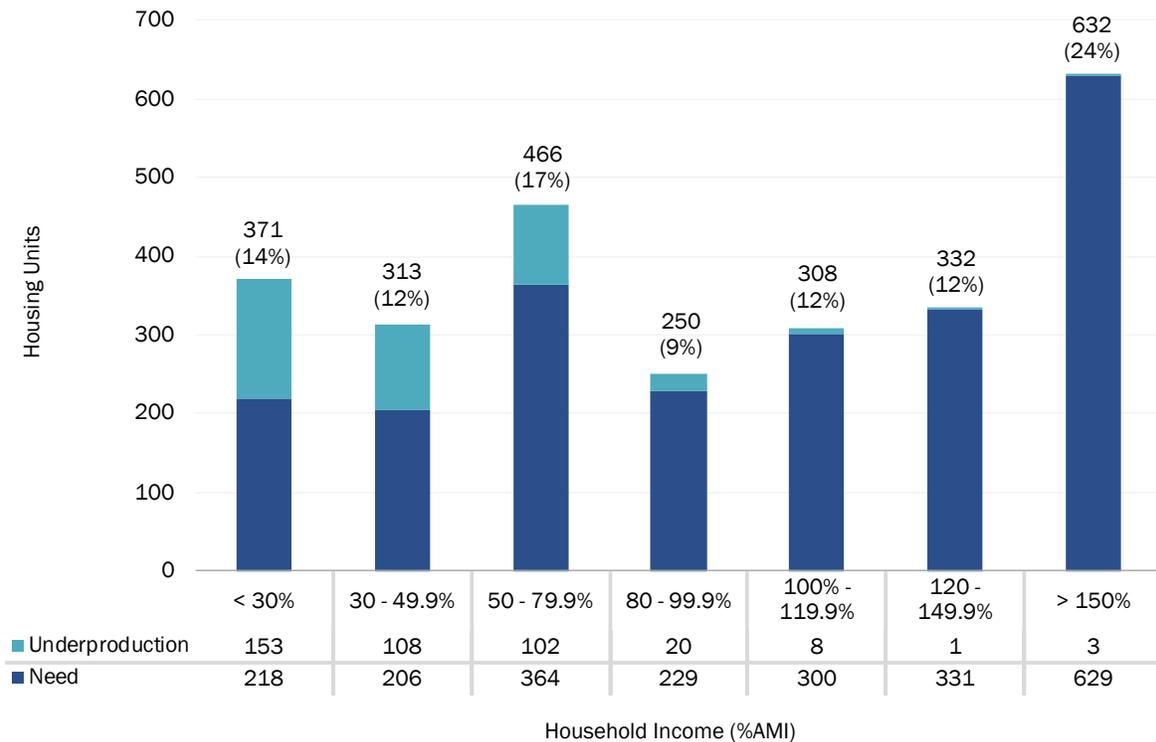


Exhibit 61. Scenario 2, Combined Housing Unit Gap on Bainbridge Island, Using Kitsap County AMI Affordability Shares

Source: Calculations by ECONorthwest, using data from the Washington Office of Financial Management (April 1, 2020, population estimates for Bainbridge Island), the U.S. Department of Housing and Urban Development 2019 income limits, and the U.S. Census Bureau, American Community Service data, 2015-2019 PUMS estimates. AMI – Area Median Income. According to the Bainbridge Island Municipal Code, extremely low income is less than 30% of median household income, very low income is 31% to 50%, low income is 51% to 80%, moderate income is 81% to 95%, and middle income is from 96% to 120% of median household income.



Overall, this housing gap analysis should be considered a general estimate quantifying the range of new housing needed by different household income levels. These values could shift through different scenarios to accommodate emerging housing goals or planning priorities. For example, the City could prioritize strategies supporting the production of new housing for low to moderate income households due to the need to address the lack of housing available for the Bainbridge workforce wanting to live where they work but unable to find housing suited for their income level. Consequently, in this example, the City could increase the share of new housing needed for low to moderate household incomes. Addressing the affordable housing needs of the lowest income households has the added benefit of helping to free up more moderately priced housing units, particularly for people stuck in cost burdened situations.

Future updates to the housing needs assessment could be needed to adhere to the forthcoming Washington State Department of Commerce (via HB 1220) method guidance for quantifying housing needs (expected to be available in 2023).²⁷

²⁷ HB 1220 draft guidance should provide housing unit targets and income level allocation method guidance by 2023.

4. Summary of Existing Housing Policies

This section provides a summary of the existing policies and programs affecting housing. This section is separated into four parts:

- 4.1. Summary of Existing Plans Guiding Housing
- 4.2. Existing Housing Policy/Program Performance Evaluation

4.1. Summary of Existing Plans Guiding Housing

Recognizing the guidance offered by relevant state, regional, county and city plans within Bainbridge Island’s planning context helps to set the stage for housing actions and policy development. A summary of the Growth Management Act, Puget Sound Regional Council (PSRC) Vision, Kitsap County Countywide Policies, Bainbridge Island’s Comprehensive Plan, and existing housing programs and policies is provided in this section.

This summary is divided into two sections: the first describes the “planning pyramid” and the associated roles of the Growth Management Act, PSRC, and Kitsap Countywide Policies as it relates to comprehensive planning at the local level. The next section provides a summary of Bainbridge Island’s existing Comprehensive Plan goals and policies and regulations/programs key to promoting housing goals. The below “planning pyramid” figure illustrates how the planning scale is broader and less detailed at the top tier of the plans while at the bottom of the pyramid of plans, the scale tends to be more finite and the regulatory detail more extensive and specific.

In 1990, the Washington State Legislature adopted *Washington State Growth Management Act (GMA)* to proactively plan for population and employment growth by designating urban growth areas and recognizing critical areas and natural resource lands to avoid impacting. The GMA requires cities and counties to develop a Comprehensive Plan to coordinate urban growth and this plan should include a local Housing Element (RCW 36.70A.070(2)). Essentially, a housing element provides goals and policies for promoting the preservation, improvement, and development of housing and the identification of adequate land for all housing needs. The Housing element must include adequate provisions for existing and projected housing needs of all the economic segments of the community and these needs should be identified through an inventory and analysis of existing and projected housing needs. The housing element furthers the housing goal of the GMA to “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.” (RCW 36.70A.020(4)). Since housing needs shift over time, estimating housing needs likely will be an ongoing exercise. Strategies should be developed to address housing needs and their performance in attaining goals should be measured to inform strategy adjustments that should be made.

Planning Pyramid

Exhibit 62. Land Planning Pyramid

Source: ECONorthwest.



At the regional level, PSRC has established multi-county housing policies in *VISION 2050* and transit community recommendations in the *Growing Transit Communities Strategy, 2013*. The cities and unincorporated areas within King, Kitsap, Pierce, and Snohomish Counties are part of the Puget Sound region. PSRC's *VISION 2050* encourages local jurisdictions to adopt best housing practices and innovative techniques to advance the provision of affordable, healthy, and safe housing for all the region's residents and includes guidance on population and employment growth. Updates to Puget Sound region local comprehensive plans must be reviewed for consistency with PSRC policies as a part of the plan certification process. PSRC suggests that this review occurs early in the planning process. This review also helps to determine conformity with transportation planning requirements in the Washington State mandated Growth Management Act.

PSRC also recently release a housing needs assessment and housing strategy for the region in January 2022. The strategy essentially offers a "play book" of regional and local actions to help preserve, improve, and expand the regional housing stock to support the delivery of a range of affordable, accessible, healthy, and safe housing options inclusively for all people, promoting fair and equal access. The region is expected to grow to include a total of 5.8 million people by 2050 which is an increase from the 4.3 million estimated for 2020.

Overall, the assessment found that the region is 2 years behind in housing production lagging by 40,000 to 50,000 housing units and it will need a total of 810,000 new additional housing units by 2050. Among the total new additional housing needed for the region by 2050, PSRC estimates that 43,000 units are needed for Kitsap County (around 14,200 of these total units should be allocated to the Metropolitan Area and 6,700 should be provided for the Core Area of Kitsap County).

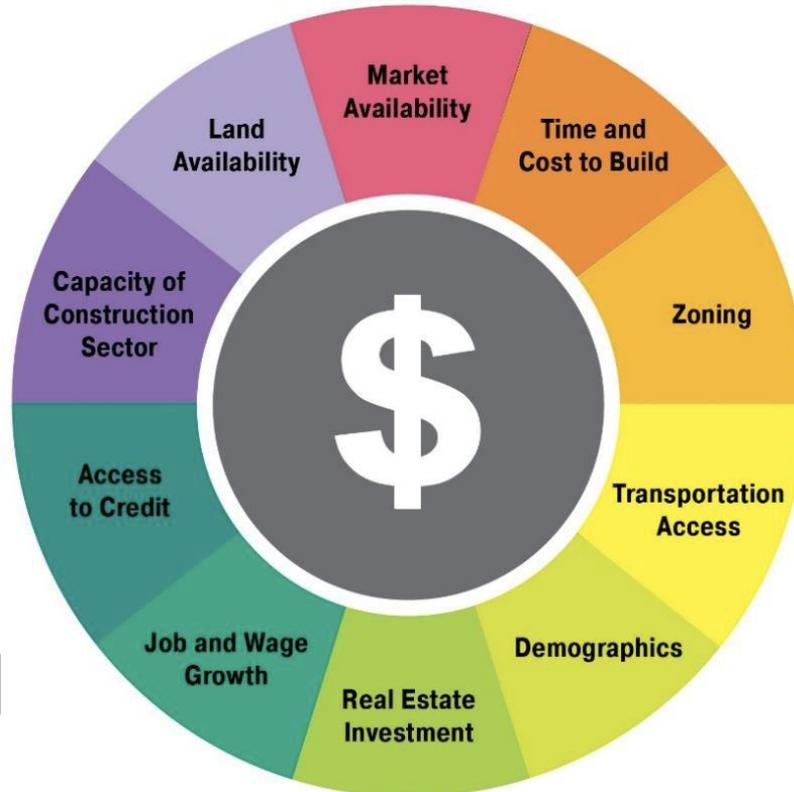
PSRC provides an assessment of housing unit needs for the region and by income group to be provided by 2050. The breakdown is as follows for the region: 11 percent for 0-30 percent AMI, 9 percent for the 31-50 percent AMI, 14 percent for 51-80 percent AMI, 23 percent for the 81-120 percent AMI, and 43 percent for above 120 percent AMI. Essentially, this indicates that the region needs housing affordable to moderate and low-income households now and addressing these affordability needs will most likely require some level of public incentive for at least 34 percent of new housing to ensure new units are affordable to households earning less than the median income.

PSRC also provided Kitsap County specific estimates of housing units needed by income level up to 2050 and these included: 9 percent of new units at 0-30% AMI, 8 percent of units at 31-50% AMI, 16 percent of units at 51-80% AMI, 9 percent of units at 81-100% AMI, 12 percent of units at 101-120% AMI, and 45 percent of units for units above 120% AMI. In addition, they estimate housing needs by different types of housing including single family, moderate density housing (2-19 units) and high-density housing (20+ units) for each county.

The region's current housing stock provides limited middle-density ownership options which are often more affordable than traditional single-family detached homes and needs to provide more options for renters, particularly larger families. A more diverse housing stock is needed to provide accessible and affordable housing for residents in all phases of life. The region has become much more diverse with People of Color or Hispanic/Latinx almost reaching 40 percent of the total population in 2018. Housing prices have outpaced income levels and the housing stock provides limited middle-density housing options.

The regional strategy emphasizes planning for diverse housing types and densities to accommodate new growth while minimizing displacement of existing residents. A healthy housing stock should provide options at different price values for owners and renters. The overarching regional strategy goal "is to ensure that all people have a range of safe and affordable housing choices in order to create a healthy and prosperous future for the region, including eliminating racial disparities in the access to housing". Lastly, PSRC emphasizes the importance of local plans addressing regional VISION 2050 housing objectives especially addressing the long-term housing supply needs, promoting affordable housing development especially in centers and near transit; and the need to mitigate residential displacement.

PSRC notes various factors influencing housing costs (as shown below).



Kitsap County Planning (Countywide Planning Policies)

The Kitsap Countywide Planning Policies (CPPs) were amended in October 2021. The newly revised policies implement Growth Management Act (GMA) requirements for CPPs and are consistent with regional policies contained within the Puget Sound Regional Councils (PSRC) Vision 2050. Affordable housing policies are contained within the Housing Element of the CPPs. Policies AH-1 through AH-6 outline several strategies and actions which may be utilized to address affordable housing needs within the county and the cities within the county. Some of the policies are focused on regional coordination efforts while others provide ideas which can be implemented by individual jurisdictions. All policies are intended to be balanced with siting and design that are compatible with existing neighborhoods.

Relevant Policies and Strategies:

- *Providing a flexible 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.*
- *Expanding areas zoned for moderate density (“missing middle”) housing to bridge the gap between single-family and more intensive multifamily development.*
- *Incentivizing housing types, including transitional housing and supportive housing.*
- *Providing a range of housing types such as multi-family, single family, duplexes, accessory dwelling units, and manufactured housing on individual lots and in manufactured housing parks.*

- *Innovative regulatory strategies that provide incentives for the development of such housing, such as: reducing housing costs 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.*
- *Policies and programs that address the provision of diverse housing opportunities to accommodate people experiencing homelessness, older people, people who need physical or behavioral health supports, and other segments of the population that have special needs*
- *Physical, economic, and cultural displacement of low-income households that can result from planning, public investments, private redevelopment, and market pressure. Focusing on a range of strategies to mitigate displacement impacts as planning for future growth occurs.*

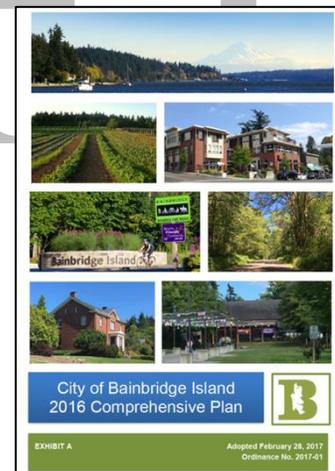
Local (City Level) Planning Documents

At the bottom of the “planning pyramid” sits local planning documents and policies, but their location at the bottom belies their importance. Local comprehensive plans help to establish the overall vision for community development and help to set the framework for future land use and zoning which is further articulated in local level land development codes. This section steps through the most relevant housing focused planning documents and highlights the goals and policies that are most important to the Bainbridge Island *Housing Action Plan*.

City of Bainbridge Island Comprehensive Plan

Housing action plan guidance is also provided by the city’s Comprehensive Plan (last adopted/updated in 2017, Ordinance No. 2017-01). The plan outlines the City’s vision, guiding principles, and associated goals and policies to help meet GMA requirements related to land capacity, urban services, and capital facilities. Guided by the project, “Navigate Bainbridge”, the development of the plan involved extensive public outreach that engaged the community through several events.

The Comp Plan recognizes the following 8 guiding principles to help provide policy direction needed to navigate toward the desired future Vision:



- *Guiding Principle #1: Preserve the special character of the Island, which includes downtown Winslow’s small town atmosphere and function, historic buildings, extensive forested areas, meadows, farms, marine views and access, and scenic and winding roads supporting all forms of transportation.*
- *Guiding Principle #2: Manage the water resources of the Island to protect, restore and maintain their ecological and hydrological functions and to ensure clean and sufficient groundwater for future generations.*
- *Guiding Principle #3: Foster diversity with a holistic approach to meeting the needs of the Island and the human needs of its residents consistent with the stewardship of our finite environmental resources.*

- *Guiding Principle #4: Consider the costs and benefits to Island residents and property owners in making land use decisions.*
- *Guiding Principle #5: The use of land on the Island should be based on the principle that the Island's environmental resources are finite and must be maintained at a sustainable level.*
- *Guiding Principle #6: Nurture Bainbridge Island as a sustainable community by meeting the needs of the present without compromising the ability of future generations to meet their own needs.*
- *Guiding Principle #7: Reduce greenhouse gas emissions and increase the Island's climate resilience.*
- *Guiding Principle #8: Support the Island's Guiding Principles and Policies through the City's organizational and operating budget decisions.*

The most relevant sections for this analysis were the *Housing Element* and the *Land Use Element*. The Housing Element describes the City's vision for Bainbridge Island in the year 2036 as one in which the island provides a broad diversity of housing, where residential land use outside of designated centers is at low densities and constitutes 90% of the Island's area. The Land Use Element identifies four Designated Centers (Island Center, Lynwood Center, Rolling Bay, Winslow) meant to provide cultural amenities, employment and housing opportunities, and efficient public services, utilities, and infrastructure with a focus on creating residential, commercial, and industrial growth.

The following Housing and Land Use Element policies provided key insights for what to aim for with housing actions/strategies.

Housing Element:

- *Goal HO-1: Make steady progress toward several aspirational targets for increasing the diversity of housing types and the supply of affordable housing.*
- *Goal HO-2: Beginning in 2019, prepare biennial reports on the status of housing on Bainbridge Island.*
- *Goal HO-3: Promote and maintain a variety of housing types that meet the needs of present and future Bainbridge Island residents at all economic segments and encourage more socio-economic diversity.*
- *Goal HO-4: Increase the supply of permanently affordable multifamily housing each year through the year 2036.*
- *Goal HO-5: Maintain the existing stock of affordable and rent-assisted housing, in partnership with community non-profit organizations and local and regional public and private entities.*
- *Goal HO-6: Facilitate the provision of diverse affordable housing stock in all geographic areas of the community.*
- *Goal HO-7: Promote and facilitate the provision of rental and for-purchase housing that is affordable to income-qualified households with a variety of income levels.*
- *Goal HO-8: Facilitate the siting and development of housing opportunities for special needs populations.*
- *Goal HO-9: Explore the usage of the City's bonding capacity and pursue other resources to support the creation of affordable housing.*

Land Use Element:

- *Goal LU-5: Focus urban development in designated Centers—residential, commercial, and industrial growth*
- *Goal LU-9: Encourage the development of the Neighborhood Centers at Rolling Bay, Lynwood Center, and Island Center as areas with small-scale commercial, mixed use and residential development outside Winslow.*

- *Goal LU-14: Develop context-sensitive regulations for residential development in areas designated R-2, R-1 or R-4, in order to limit clearing, soil disturbance, promote low impact development and reconcile development and conservation.*

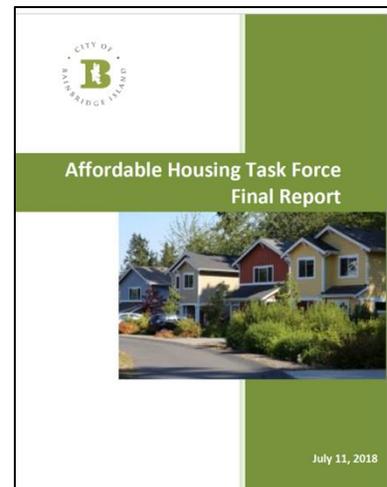
The Comprehensive Plan references a housing needs assessment previously completed in 2014 ([Appendix B Housing Needs Assessment](#)). The next update of the City’s Comprehensive Plan is due in December of 2024 (this is for the next 20 years of population growth through the year 2044). The plan also establishes a framework from which to identify specific programmatic actions for affordable housing and housing diversity and availability needs. This plan provides a policy foundation for supporting housing affordability and increasing housing choices. In response to Goal HO-2 (shown above) a biennial report was released in 2020. Utilizing City permitting data and the 2015–2019 U.S. Census Bureau American Community Survey data, the report concludes with the findings that of the seven policies of Housing Goal HO-1, the City is on track for four policies, not on track for two policies and one policy requires additional analysis. A summary table and findings are provided below.

On Track		Not on Track	
Policy HO 1.1: Decrease to 20% or less the number of cost burdened families living in rental housing (down from 40%).	To be on track, the number of cost burdened renter households would decrease by 1% year. The number of cost burdened renter households is lower- 36% of total renter households. However, the majority of those renter households (29%) are severely cost burdened.	Policy HO 1.4: Increase the Island’s percentage of multifamily homes to 18% or more of all homes (up from 16%).	On track. The percentage of multifamily homes has increased to 17.6%.
Policy HO 1.2: Decrease to 18% or less the number of cost burdened families owning homes (down from 34%).	To be on track, the number of cost burdened ownership households would decrease the amount by 0.8% per year, we should be down from 34% to 30%. The number of cost burdened ownership households is lower- 25%, a 9% reduction.	Policy HO 1.5: Increase the number of senior housing units to 600 or more (up from 344).	Zero new senior housing units have been constructed. In order to be on track, 12.8 units should be added each year, or 64 new units added to be on track to meet this goal.
Policy HO 1.3: Increase rental housing units to at least 11% of total housing units (up from 7%).	On track. 2019 ACS data indicates that households that rental households made up 19% of Bainbridge Island households, or 1945 households, exceeding the goal by 8%, 15 years ahead of schedule. This includes those renting single-family homes, not just multifamily housing such as apartments or condominiums. However, when reviewing types of units completed/built between 2017-2020, only 116 multifamily rental units and 48 accessory dwelling units were constructed out of a total of 607 total units, meaning that homeownership units are still the majority of units constructed on Bainbridge Island.	Policy HO 1.6: Change today’s 89/11% housing split between the Mixed Use Town Center and Neighborhood Centers to 80/20% by 2036	This goal promotes adding units in Neighborhood Centers (NC) at a faster rate than in the Mixed Use Town Center (MUTC) area. Between 2017-2020, more units were completed/finished in the MUTC area than in the Lynwood Center NC area (see Appendix B). No units were added in the Island Center or Rolling Bay NC areas during this time.
		Ongoing Analysis	
		Policy HO 1.7: Achieve a jobs-housing balance of .8 (up from 0.59)	This goal promotes adding additional commercial space (jobs) to improve the jobs/housing balance to 0.8 jobs per dwelling unit. This analysis of added commercial development is currently being analyzed through the Kitsap County Residential and Commercial/Industrial Land Capacity Analysis. The City is coordinating with Kitsap County and other cities on this work, which will be completed in 2021.

City of Bainbridge Island Affordable Housing Task Force Report (2018)

The City of Bainbridge Island created its Affordable Housing Task Force (AHTF) by City Council resolution in 2017. This Task Force focused on the Housing Element of the Comprehensive Plan and considered other elements of the plan. The AHTF aimed to identify conflicts between goals and policies related to affordable housing. It also created working groups that met independently to study tools and strategies related to specific policies in the Housing Element. Lastly, the AHTF served as a forum for information, feedback, and public comment on affordable housing issues.

The recommendations of the AHTF are grouped into three categories: priority recommendations, quick wins, and additional strategies to be explored. Those recommendations are as



follows, with notations added in ***bold italics*** indicating if the recommendations have been followed since the issuance of the AHTF report in 2018.

Priority Recommendations

1. Draft and adopt code changes to encourage infill in the Designated Centers, with the assistance and advice of ECONorthwest.
 - a. Adapt a Mandatory Inclusionary Zoning Ordinance. *Status Update: ECONorthwest and Forterra recommend voluntary program per TDR and IZ Assessment Feb 2019.*
 - b. Enact changes in FAR to encourage affordable housing. *Status Update: City Council has put further work on recommendations 1.a & 1.b on hold until completion of a Housing Action Plan.*
 - c. Adopt a Multi-Family Property Tax Exemption. *Status Update: Completed via Ord. 2021-23 covering Winslow Master Plan Study Area and Winslow Sewer System Service Area as well as the NC, NC/R-12 and R-5 zones in the Lynwood Center Area.*
2. Pursue opportunities to partner with the private and nonprofit sectors to build affordable housing on public lands. *Status Update: The City had been working with the private sector and HRB to develop a mixed-income project.*
3. Adopt procedures to encourage Accessory Dwelling Units. *Status Update: City Council has put further work on this recommendation on hold until the completion of a Housing Action Plan.*
4. Adopt an “innovations program” that allows staff to permit experimental affordable housing projects, on a limited basis, that are not currently allowed by code. *Status Update: The City Council is currently considering proposed Ord. 2022-02 that would allow pilot project of affordable housing development on properties owned or controlled by religious organizations. Ord. 2022-01 extended the Housing Design Demonstration Projects (HDDP) program until such time that the City’s other affordable housing provisions are improved (estimated as part of the HAP implementation). The HDDP program applies in the greater Winslow area and provides a density bonus for projects that provide at least 50% affordable housing.*
5. Create a permanent affordable housing committee and designate a City employee who will spend at least half-time on affordable housing strategies. *Status Update: An additional affordable housing committee has not been convened, but the City is planning on hiring Housing Specialist.*

Quick Wins

1. Adopt more generous policies to allow the maximum number of liveaboards in the Dave Ullin Open Water Marina in Eagle Harbor. *Status Update: This topic will be considered during the upcoming periodic update to the City’s Shoreline Management Plan.*
2. Adopt vacation rental ordinance. *Status Update: City Council has put further work on this recommendation on hold until the completion of a Housing Action Plan.*
3. Institute permit processing fast-track and reduced permit fees for all affordable housing applications. *Status Update: Permitting and fees for affordable housing projects do not appear to have substantively changed since this report was published.*
4. Review and improve the Housing Trust Fund process, and award Housing Trust Fund grants at least annually. *Status Update: HTF code has not been updated since 2010.*
5. Adopt cottage housing ordinance. *Status Update: City Council has put further work on this recommendation on hold until the completion of a Housing Action Plan.*

Additional Strategies to be Explored

- *Work with Forterra to adopt a more effective Transfer of Development Rights program (see TDR and IZ Assessment)*
- *Community partnerships*
- *Conversion of single-family homes to duplexes/triplexes*
- *Programs to preserve existing housing*
- *Affordable senior housing/accessible housing*
- *Addressing limitations due to sewer and septic*
- *Homelessness and housing insecurity*
- *Tiny houses/micro housing*
- *Transportation alternatives: Car2Go, Smart Cars, Public Transit*
- *Advocacy for county, state, and national affordable housing policies*

City of Bainbridge Island Climate Action Plan (November 2020)

The City Council established the Climate Change Advisory Committee (CCAC) in 2017. In 2019, the council tasked the CCAC with developing a climate action plan for the City. This plan, from November 2020, includes an emissions inventory and the development of goals, policies, and recommended actions in the areas of energy, transportation, buildings, the natural environment, waste, community engagement, implementation, and individual actions.

An online survey and two community meetings gathered input from at least 600 community members. The Climate Action Plan recommends 180 separate actions, with 75 of those being so-called “priority actions.”

The following goals, policies, and actions relate to housing:

Energy Goals A and B (p. 49)

- A. Increase energy conservation and efficiency throughout the planned and existing built environment, including customer-owned generation.*
 - *By 2022, COBI will have established a Green Energy and Building Fund to assist with conversions and efficiency upgrades for homes, with a focus on low-income housing.*
- B. Eliminate carbon-based energy sources from all energy sectors.*
 - *By 2022, COBI adopts policies that prohibit propane, fuel oil, and wood stoves as the primary source of heating in all new residential, commercial, industrial, and municipal buildings.*

Energy Strategies/Actions (p. 51-53)

- *3.A.2.a. Establish and use the Green Energy and Building Fund to provide incentives to building owners and residents to increase electrification conversions and battery storage and to assist in energy audits for residential home projects, including affordable housing (e.g., install energy conservation measures, provide financial incentives for existing building owners to transition from propane, fuel oil, and wood stoves to all electric buildings). Possible funding sources are included in end note 60.*
- *3.A.2.b. Identify and apply for grants and subsidies for energy efficiency improvements for low-income residents to address equity concerns.*
- *3.B.1.c. Adopt a policy that prohibits propane, fuel oil, and wood stoves as the primary energy source for all new municipal, commercial, industrial, and residential buildings and in renovations and additions over a certain size.*

- 3.B.1.d *Develop incentives for existing commercial, industrial, and residential buildings to replace propane, fuel oil, and wood stoves as their primary heating sources.*

Transportation Strategies/Actions (p. 58-61)

- *Strategy A.2: Promote mixed use development and multi-family housing in core areas that enables greater use of non-motorized transportation options and prioritize transit-oriented new development.*
- *4.A.2.c. Require land use planning that explicitly incorporates walking and bicycling networks, promotes greater density, and optimizes space to minimize the distance people have to travel by car.*
- *4.A.2.d. Evaluate increasing Transportation Impact Fees, and possible other fees, to generate revenue to expand non-motorized transportation on the Island.*

Buildings Goal A (p.63)

- A. *Reduce GHG emissions from all municipal, commercial, industrial and residential buildings.*
 - *By 2021, COBI has adopted green building standards and practices for all new municipal, residential, commercial, and industrial buildings, including affordable housing and all renovations and additions of a certain size.*

Buildings Strategies/Actions (p. 64-66)

- *Goal A: Reduce GHG emissions from all municipal, commercial, industrial and residential buildings.*
- *Strategy A.1: Adopt green building practices and standards for all new municipal, commercial, industrial and residential buildings and all renovations or additions of a certain size.*
- *5.A.1.a. Adopt Green Building Task Force recommendations on green building practices and standards for all new municipal, commercial, industrial and residential building and all renovations and additions over a certain size.*
- *5.A.1.b. Require all new and renovated buildings to apply the EcoAdapt Climate Change Adaptation Certification Tool, or similar tool, to identify and avoid climate risks as part of the permitting process.*
- *5.A.1.d. Establish a Green Building team within the City that consists of staff from planning and community development and public works that would be responsible for overseeing the implementation of any green building code.*
- *5.A.1.e. Join the Regional Code Collaborative to leverage economies of scale in developing and updating green codes.*
- *5.A.1.f. Work with the Green Building Task Force to develop guidelines for green affordable housing and provide green design assistance for affordable housing projects.*
- *5.A.1.g. Explore using Washington State’s Evergreen Sustainable Development Program for the development of green affordable housing.*

Bainbridge Island Sustainable Transportation Plan (February 2022)

Bainbridge Island began developing its Sustainable Transportation Plan (STP) in 2019. The process was guided by the Sustainable Transportation Task Force and a technical advisory team. In the summary of why the STP is needed, the Plan identifies the fact that “Our island’s population is growing. With more residents come increasing pressures on Island traffic as well as on housing affordability, equity, and accessibility. Providing low-cost sustainable transportation options can help us move more people, address systemic inequities, and keep Bainbridge affordable for families and for people who work on the Island.” (p. 5)

The STP identifies long commutes as a major gap in Bainbridge Island’s transportation system, noting that the very high cost of housing on the island, coupled with the limited number of high-wage jobs, leaves many people who work on Bainbridge Island living off-island and dealing with long commutes. It identifies several land use code updates that will advance the sustainable transportation vision: “Land use is a key lever to help shift trips from single-occupancy vehicles to other options. This program would embed the priorities and outcomes of the STP in upcoming land-use updates, such as the Winslow Master Plan, neighborhood center plans, and the Housing Action Plan” (p. 35).

Plans, Goals, Policies, and Recommendations Summary

Bainbridge Island has undertaken a number of initiatives that could influence the development of strategies and actions in the Housing Action Plan process. While many of the recommendations of the Affordable Housing Task Force have been acted on since the report was released in 2018, many others remain unaddressed or partially addressed. Of particular interest are the status and potential adoption of ordinances related to inclusionary zoning, accessory dwelling units, cottage housing, the Housing Design Demonstrations Program, and the Transfer of Development Rights program. The recommendation from the AHTF to reduce permit fees and fast-track permit processes for affordable housing remains unresolved, as city staff have permit process improvements that must necessarily come first to enable any kind of priority processing. It is important to note that some of the recommended actions in the Climate Action Plan could potentially work at cross-purposes with the AHTF recommendation. For example, increasing transportation impact fees and other fees to fund non-motorized transportation on the island (action 4.A.2.d) and adopting green building codes by 2021 and a green energy building fund by 2022 (status of this is uncertain) could possibly deter new housing unit development in general. Consequently, these trade-offs should be considered and evaluated to identify ways to meet goals comprehensively.

The scenarios for sustainable transportation investment outlined in the Sustainable Transportation Plan could impact which area(s) in the city would be the most equitable locations for provision of diverse housing types. The specific locations and types of investment, which will be encoded into the Capital Facilities Plan, could impact which areas would be best suited for which types of housing types. Ongoing coordination between the City Council, Planning Commission, city staff, and the project team will help ensure that the Housing Action Plan reinforces rather than conflicts with the Sustainable Transportation Plan.

4.2. Existing Housing Policy/Program Performance Evaluation

The lack of affordable housing is a common problem for many cities across the US with no one-size-fits-all solution. Each policy, strategy and tool are unique in its support and delivery of different levels of housing affordability; consequently, communities benefit from developing a toolkit of different solutions designed to meet citizens’ varied housing needs. The implications of different tools should be evaluated, and alternatives, benefits and trade-offs should be discussed periodically since the effectiveness or performance of different tools varies.

A few programs and policies have been enacted in Bainbridge Island to provide opportunities for people to live and invest in the community where they work. This section synthesizes the existing programs and policies already addressing housing in the City of Bainbridge Island. The purpose of this assessment is to offer an idea of what has already been done in Bainbridge Island since this will help build a foundation for what should be considered. This assessment focuses on what is under the purview of city control; consequently, it discusses local land use regulation addressing housing, resources and partnerships supporting housing, permitting, and housing related services.

The lack of housing tends to be particularly pronounced for households earning less than 80 percent of the AMI, a category including low-wage workers in services and other industries; persons on fixed incomes including many disabled and elderly residents; and homeless individuals and families. This type of housing is nearly impossible to build through the private market without public agency support and assistance programs (such as provided by Kitsap County, HUD, the state, cities, nonprofits), particularly in areas with high construction costs and regulations heavily limited affordable housing development.

Bainbridge has implemented a variety of policies, programs, incentives, and tools subsidizing housing and aiming to support increased production of affordable housing. A strategic way to evaluate their performance and level of impact is to evaluate whether they resulted in increased affordable housing production.

The tables below provide a summary of existing affordable housing programs and housing policies along the household income levels served and public funding generated, if applicable and available. The list primarily includes policies, actions and strategies implemented partially or fully by a public entity such as the City of Bainbridge Island or Kitsap County (where relevant) or other affordable housing organizations such as Housing Resources Bainbridge (HRB). An evaluation of different programs was completed to determine how well the existing policies and programs are supporting housing needs and augmenting the availability of needed housing (see the Households Served/Funding column).

Support for Affordable Housing (Subsidized Housing or Land)

Name	Action/ Description	Households Served/Funding
Surplus Land Donations (City)	The City has not yet donated surplus land for affordable housing or housing needs. The City considered doing this with the Suzuki Property but abandoned this work during the COVID-19 pandemic. Approximately 13.6 acres at the intersection of New Brooklyn and Sportsman Club Roads was being planned for around 100 housing units (mixed affordable incomes up to 140%).	No households served.
Cohousing, Housing Cooperative	The City has no policies specifically supporting cooperatives, but they have one co-housing development referred to as “Winslow Cohousing” on Wallace Way in Winslow that was constructed in 1992 (https://winslowcohousing.org/faqs/).	Winslow Cohousing has 30 homes (10 duplex buildings with 20 two-to-four-bedroom homes, one apartment-style building with six flats, and 4 town homes (4-plex).

Name	Action/ Description	Households Served/Funding
Real Estate Excise Taxes (REET)	Bainbridge Island (<u>BIMC 3.56</u>) currently imposes a tax of one-quarter of one percent of the selling price of real property within the City. The proceeds from the tax imposed under this section shall be placed by the city treasurer in a separate account entitled “capital facilities fund,” and shall be used by the city solely for financing capital projects specified in the capital facilities plan element of the city’s comprehensive plan. Cities can use up to \$100,000 or 25% of available REET revenues—whichever is greater, but to not exceed \$1 million per year for each revenue stream (<u>RCW 82.46.037</u>). <u>RCW 82.46.035</u> – allows a portion of city REET funds to be used for affordable housing projects and the planning, acquisition, rehabilitation, repair, replacement, construction, or improvement of facilities for people experiencing homelessness. There are several competing priorities for REET funds including debt service, capital projects, and the maintenance of streets.	There is currently no programmed REET budget for affordable housing in the proposed 2023-24 budget. The City currently has REET funds designated for debt service, capital projects, and the maintenance of streets.
American Rescue Plan Act (ARPA) Funds	The American Rescue Plan Act was signed into law on March 11, 2021 to provide direct relief to cities, towns and villages in the US. The City of Bainbridge Island may use the funds to cover eligible costs incurred from March 3, 2021 to December 31, 2024 (final spending occurring by the end of 2026). The City of Bainbridge Island Council provided principles for how to allocate funds such as to use the funds to achieve long-lasting benefits and results, avoid reoccurring expenses, and promote fiscal and environmental sustainability. ²⁸	Approximately \$2 million of ARPA funds are committed to HRB for the Madison project. Another \$1.75 million of ARPA funds are “set aside” without a specific plan of use at this time.
HB 1406 Sales and Use Tax for Affordable and Supportive Housing, Sales Tax Credit authorized by RCW 82.14.540	The City gained the HB 1406 sales tax in late September 2021 (codified in <u>BIMC 3.62</u>). The rate of the tax is one-tenth of one percent of the selling price. Funding collected from the tax shall be used solely for those housing and related services authorized by <u>RCW 82.14.530</u> . This sales tax option is essentially a credit against the state sales tax rate.	The affordable sales tax equal to 1/10 of 1 percent (Ordinance No. 2021-05) brings in around \$485k per year subject to restrictions by HB 1590 and RCW 82.14.530. In addition, the sales tax credit authorized by RCW 82.14.540 (not an increase in sales tax) provides another \$3k per year (Ordinance 2019-37).
City Housing Trust Fund	<u>BIMC 3.38</u> provides guidance on the City’s Housing Policies. The City’s treasury has a fund designated as the “affordable housing fund” which has been established to support the development and preservation of affordable housing and to provide segregated accounting and control for expenditure of moneys. Funding sources includes donations from public and private sources, and any other revenues specifically dedicated to the city of Bainbridge Island housing trust fund, the city council, affordable housing loan repayments or other appropriate sources. Revenues used for persons with incomes higher than 80 percent of the median household income as defined in <u>BIMC 18.36.030</u> shall be funded solely from private donations. <i>The Bainbridge Island housing trust</i>	Primarily for low to moderate income households (95% of the AMI or lower, BIMC). The current balance of the affordable housing fund as of September 30, 2022 is \$1,164,448. Any spending out of this fund would need to adhere to the limitations in Ordinance No. 2021-05 and 2019-37.

²⁸ Source: <https://www.bainbridgewa.gov/1317/American-Rescue-Plan-Act#:~:text=The%20City%20of%20Bainbridge%20will,occur%20by%20December%2031%2C%202026.>

Name	Action/ Description	Households Served/Funding
	<p><i>fund is intended to: support the repair and rehabilitation of housing serving senior and disabled residents; provide direct financial and technical assistance to qualified housing projects; provide financial assistance to public and private nonprofit organizations supporting housing activities consistent with city policy; provide financial assistance to pay for utility connections for qualified housing activities; and fund approved, eligible operating expenditures related to the provision of assistance covered by this chapter. (Ord. 99-45 § 1, 1999)</i></p>	
<p>Section 8 Housing Vouchers (Kitsap County)</p>	<p>Section 8 vouchers help people with low incomes rent homes on the private market. With a voucher, you pay at least 28 percent, but not more than 40 percent (in the first year), of your household income for rent and utilities. This voucher pays the difference between your portion of the rent and the amount your landlord requests. If you qualify for a voucher, you can use it to rent in Kitsap County. Once you have had your voucher for at least a year, you may use it to rent anywhere in the United States.</p>	<p>Very low income</p>
<p>Community Development Block Grants (HUD) *More below</p>	<p>The CDBG program improves the economic, social and physical environment of eligible, rural cities and counties to enhance the quality of life for low- and moderate-income residents. The CDBG Program offers General Purpose and Specialty grants. This does not provide funding for housing but rather provides funding support for communities with low to moderate income residents. The funding is allocated through a competitive application process requiring applicants meet all criteria. For 2023, the minimum grant request is \$10,000 and the maximum grant request for public services is \$30,000 and has no limit for capital projects (but a 5% match is required). Guidance is provided by the 2023 Kitsap County CDBG HOME policy plan and guidebook. Eligible applicants are city/county governments, public housing authorities, public or private nonprofit organizations, Section 301(d) small business investment companies, local development corporations, faith-based organizations, and private project organizations implementing certain economic development and microenterprise activities. More information: https://www.kitsapgov.com/hs/Pages/HH-Coordinated-Grant-Application-Process.aspx</p>	<p>Funding levels are determined by HUD after the federal budget is finalized. The estimated funding for the 2023 application schedule for Kitsap County is \$675,597 for the capital and microenterprise funding source and \$155,907 for the public service funding source. In 2022, Housing Resources Bainbridge was awarded \$245,968 (capital funds) and Helpline House BI was awarded \$30,000 (public service funds).</p>
<p>Housing Resources Bainbridge (HRB) Projects</p>	<p>HRB is involved with various ongoing housing efforts focused on preserving or upgrading affordable housing and bringing needed affordable housing to Bainbridge Island. The Wyatt & Madison project will provide 13 apartment rental units constructed as part of a larger mixed-income, multi-family housing development on Bainbridge Island. The site is part of the former 550 Madison Avenue complex.</p> <p>HRB is helping to provide 73 units through the Wintergreen townhome project with approximately 31 units being sold to 80% AMI and below (including 2 bedrooms). HRB will own the land through a Community Land Trust arrangement. The first homes are slated to be complete in summer 2023 with the rest completing in 2024.</p>	<p>At Wyatt & Madison, 13 units are expected to be provided by spring/summer 2024. This 1-bedroom housing will serve at least 60% AMI and below and likely mainly 50% and below (HRB). HRB is helping to provide 73 units through the Wintergreen townhome project with approximately 31 units being sold to 80% AMI and below by around 2023-2024.</p>

Name	Action/ Description	Households Served/Funding
	<p>The Western View Terrace Rehab project will help provide health and safety upgrades at a multi-family apartment complex serving low-income households on Bainbridge Island. The property was constructed in 1978 and has eight two-bedroom units.</p> <p>HRB is in the beginning stages of providing around 20 housing units in a multifamily project on Ericksen Avenue by around 2025 (unit mix is to be determined).</p>	
Mission-Based Developers Projects	As of this summer, the City is considering a pilot project that would allow the construction of potentially 23 affordable housing units on property owned by Bethany Lutheran Church located at the southwest intersection of NE High School Road and Sportsman Club Road NE. (At this time, the church plans include a maximum of 23 total units on site.)	Under enabling state law, units would seed households at or below low-income (80% AMI)

Regulations and Incentives

Name	Description	Households Served
Multifamily Housing Property Tax Exemption - MFTE	<p>Bainbridge Island recently approved the MFTE program in late 2021 (November). This provision is codified under Bainbridge Island Municipal Code (BIMC) section 3.63. For approval under the 12-year option, the minimum number of affordable housing units is 20% of total housing units rented to low-income households (defined as at or below 80% MFI). For ownership projects, 100% of the housing units need to be sold as affordable housing to low-income households. For approval under the 20-year option, at least 25% of the total housing units must be built by or sold to a qualified nonprofit or local government that will assure permanent affordable homeownership or housing.</p> <p>The targeted areas include the Winslow Subarea Plan Study Area, Winslow Sewer Service Area, and Lynwood Center Neighborhood Center- NC/R-12, and R-5 zones.</p> <p><i>State policies, under RCW chapter 84.14, allows eligible cities and counties (Bainbridge Island and Kitsap County are eligible) to establish a MFTE program to stimulate the construction of new, rehabilitated, or converted multi-family housing within designated areas, including affordable housing. The state law policy intent covers topics such as the need to help address the insufficient available of desirable and convenient residential units, including affordable housing units; support mixed income residential development; promote redevelopment of urban centers; and increase market rate workforce housing and affordable housing opportunities. Washington State Department of Commerce provides MFTE program background. This program exempts eligible new construction or rehabilitated housing from paying property taxes for an 8-year, or 12-year, or 20-year period. By waiving taxes, housing developments have lower operating costs, which affects the project's overall feasibility, making it easier to build new units.</i></p>	Too soon to determine (less than one year since adoption). The City has not yet received any MFTE applications (as of August 16, 2022) but the City heard that the townhome project referred to as Wintergreen is considering using this program.

Name	Description	Households Served
<p>Housing Design Demonstration Project (HDDP, BIMC 2.16.020.S)</p>	<p>On August 9th, 2022, Bainbridge City Council approved Ordinance 2022-01 to revise the HDDP and extend until it is replaced by improvements in new affordable housing code provisions. The changes were spurred by the City's Affordable Housing Task Force (2018) recommendation to increase housing affordability and diversity. Ordinance 2019-32 narrowed the program to only apply to projects that provided at least 50% of housing units as affordable housing (defined at low-income households earning at or below 80% AMI). HDDP is an optional development process created to increase the variety of housing choices available to residents across underserved portions of the socioeconomic spectrum, promote compact low-impact development where suitable, and encourage high quality and innovative building design, site development, and "green" building practices. Projects can receive a density bonus of up to 2.5 times the base density or the maximum Floor Area Ratio allowed. Single-family subdivisions and multifamily developments (including mixed use buildings) within the Winslow Subarea Plan Study Area or the Winslow Sanitary Sewer System Service Area are eligible to participate in the program.</p>	<p>Most of the recent affordable housing units planned and constructed are through the HDDP program (47 total affordable housing units with two still under construction).</p> <p>Ferncliff Village– 24 single dwelling homes and 16 townhomes (HRB community land trust model);</p> <p>The Walk –5 townhomes designated as affordable housing;</p> <p>Wallace Cottages- 2 affordable homes in a detached single-family and duplex development (under construction).</p> <p>HRB Ericksen Multifamily: Early development phase for approximately 20 apartments.</p> <p>New Brooklyn Glen: (City Suzuki Property) with 100 homes in a mixed income development had been being planned as a HDDP project. The City has suspended work on this effort.</p>
<p>Inclusionary Zoning and Bonuses</p>	<p>The City has voluntary Inclusionary Zoning in place that does offer a density bonus (BIMC 18.21 Residential areas, BIMC 18.12.030.D Neighborhood Center Areas, and BIMC 18.12.030.E mixed use town center and High School Road districts). This program was analyzed by ECONorthwest in 2019. This program has not been used because it has too many requirements for too little density (also the existing base density is too low). The HDDP provides a higher bonus density. BIMC 18.12.030-A and B provide density, lot coverage, and height bonuses in the R-8 and R-14 districts if the affordable housing requirements of 18.21BIMC are met. BIMC 18.12.030-D provides options for density bonuses in the NC zone. BIMC 18.12.030-E provides bonus density in the form of floor area ratio (FAR) based on affordable housing provision by development size and income groups targeted in the Winslow Mixed Use and High School Road districts.</p>	<p>No participation or households served to date as of September 1, 2022. The Wintergreen development, in the HS-2 zone, is utilizing the voluntary inclusionary zoning provisions of BIMC 18.12.030-E. This project has yet to be constructed.</p>
<p>Accessory Dwelling Units</p>	<p>Accessory dwelling units (ADUs) provide an additional dwelling unit— typically with its own sleeping, bathing, and cooking facilities—on properties allowing a primary home. ADU policies attempt to increase housing density in ways that do not change the character, look, and feel of existing neighborhoods, and put more housing in areas with access to amenities such as jobs, schools, and retail centers. In theory, because they are smaller than single-family homes, ADUs can be cheaper housing options – but this is not always the case.</p>	<p>Based on City permit data, 79 permits were finalized for ADUs from January 1, 2012, to June 30, 2022.</p>
<p>Cottage Housing</p>	<p>The City does not have formal "cottage housing" code established but does have underlying development standards that would allow a typical cottage-style development. The City has a housing design demonstration project program (BIMC 2.16.020.S) and includes cottage housing in the type of housing choices. The City generally defines cottage housing as a dwelling unit no larger than 1,200 square feet, with a maximum building height of 20 feet.</p>	<p>The <u>Ericksen Cottages</u> provides 11 small footprint housing units (~1,100 sf) with 2-3 bedrooms.</p>
<p>Short Term Rentals (STRs)</p>	<p>STRs are also a subject of interest when it comes to housing policy and regulations. The City of Bainbridge Island does not restrict STRs, but it does require a business license. The</p>	<p>City data unavailable on the number of STRs. This type of housing tends</p>

Name	Description	Households Served
	city's finance department switched over to using the State Business License system several years, which does not allow for easy tracking of such licenses.	to be rented for a short duration, less than 30 days.
Tiny Homes	The City of Bainbridge Island allows tiny homes on foundations but not on wheels. No permits have been finalized for tiny homes, and no tiny home villages have been constructed in the city. A tiny home could count as an ADU on a property with a single-family home but would otherwise count towards a property's base density in the same way a single-family home would.	No registered tiny homes have been built.
Affordable Housing Fee Waivers such as Impact Fee Exemptions for Affordable Housing	The list of potential fees when entitling a new building often includes, but is not limited to, zoning application fees, mitigation fees, building permit fees, plan check review fees, utility connection charges, building inspection fees, and impact fees. While these fees are important funding sources for their respective municipal departments and special districts, they can add up and effectively discourage new housing development—particularly at lower price points. The City has a transportation impact fee (BIMC Chapter 15.30), and has designated affordable housing units as being exempt from paying the fee.	Designated affordable housing units as defined by BIMC 18.21.020 (up to middle income includes households earning 1200% AMI or lower) and 18.36.030 or their successors. 18.36.030: <i>"Affordable housing" or "affordable dwelling unit" means a dwelling unit for use as a primary residence, which may be rented or purchased (including utilities other than telephone and cable TV) without spending more than 30 percent of monthly household income. Income level eligibility threshold levels shall be set using HUD levels for the Bremerton-Silverdale metropolitan statistical area.</i>

5. HNA Appendix

5.1. Additional Data Analysis Findings

The following section includes data analysis findings not included in the above report.

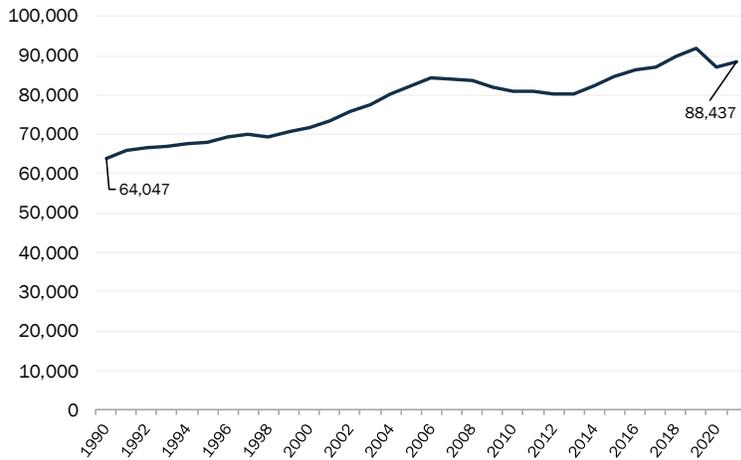
Exhibit 63 (below) shows the change in total covered employment from 1990 to 2021 in Kitsap County, according to the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) data. Both full-time and part-time workers are included in covered employment estimates. It covers more than 95 percent of jobs available in the United States; however, it excludes workers like proprietors, the unincorporated self-employed, and certain agricultural workers from reporting employment information.²⁹

DRAFT

²⁹ U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages Overview. Information retrieved on September 7, 2022, via <https://www.bls.gov/cew/overview.htm>.

Exhibit 63. Total Covered Employment in Kitsap County, 1990–2021

Source: B.L.S. Quarterly Census of Employment and Wages (QCEW) Annual Average, 1990-2021. Note: Covered employment is employment and wages in industries covered by state Unemployment Insurance legislation and federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program.



DRAFT

Covered employment in Kitsap County has increased by about 24,390 jobs (or, 38 percent) over the 1990 to 2021 period.

During the Great Recession, employment declined from 2007 to 2008 and then remained stagnant until 2012.

Employment resumed its growth in 2013.

In 2019, Kitsap County attained its highest level of covered employment at about 91,884 covered jobs. However, because of the COVID-19 pandemic and statewide stay-at-home orders, covered employment contracted by about 4,660 jobs (or, by five percent) to 87,225 total covered jobs in 2020.

As of 2021, covered employment (88,437 jobs) has partially recovered relative to the County's 2019 peak, but remains about four percent below.

During the 2010 to 2021 period, covered employment in Kitsap County increased by 7,421 jobs, or a growth of nine percent. In 2021, the three largest sectors of employment were government (36.6 percent of total covered employment), followed by healthcare and social assistance (13.6 percent), and retail trade (12.1 percent).

Among the 22 major employment sectors in Kitsap County, six had at least a 25 percent increase in covered employment. Additional detail regarding growth for different job sectors are described below.

Exhibit 64. Change in Kitsap County Covered Employment, by Major NAICS Employment Sector, 2010–2021

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW) Annual Averages, 2010 and 2021.

NAICS Employment Sector	Covered Employment Count				Distribution		
	2010	2021	Differ - ence	% Change	2010	2021	% Point Change
Utilities	120	152	32	27	0.1	0.2	0.02
Construction	3,320	4,712	1,392	42	4.1	5.3	1.23
Manufacturing	1,807	2,578	771	43	2.2	2.9	0.68
Wholesale Trade	1,111	1,309	198	18	1.4	1.5	0.11
Retail Trade	10,516	10,721	205	2	13.0	12.1	(0.86)
Transportation and Warehousing	801	888	87	11	1.0	1.0	0.02
Information	1,352	656	(696)	(51)	1.7	0.7	(0.93)
Finance and Insurance	1,717	1,866	149	9	2.1	2.1	(0.01)
Real estate and Rental and Leasing	945	1,051	106	11	1.2	1.2	0.02
Professional and Technical Services	3,959	5,084	1,125	28	4.9	5.7	0.86
Management of Companies and Enterprises	138	304	166	120	0.2	0.3	0.17
Administrative and Waste Management Services	2,952	3,108	156	5	3.6	3.5	(0.13)
Educational Services	667	608	(59)	(9)	0.8	0.7	(0.14)
Healthcare and Social Assistance	11,407	12,066	659	6	14.1	13.6	(0.44)
Arts, Entertainment, and Recreation	1,296	1,037	(259)	(20)	1.6	1.2	(0.43)
Accommodation and Food Services	6,410	7,439	1,029	16	7.9	8.4	0.50
Other Services (except Public Admin)	3,373	2,111	(1,262)	(37)	4.2	2.4	(1.78)
All Government	28,901	32,410	3,509	12	35.7	36.6	0.97
Federal Government	16,015	20,189	4,174	26	19.8	22.8	3.06
State Government	1,980	1,637	(343)	(17)	2.4	1.9	(0.59)
Local Government	10,906	10,584	(322)	(3)	13.5	12.0	(1.49)
Total (All Industries)	81,016	88,437	7,421	9	100.0	100.0	0.00

Changes in Annual Wages for Kitsap County

Annual wage data was currently only available for Kitsap County via the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) data series. On an inflation-adjusted basis, annual wages for covered employment jobs in Kitsap County increased by

approximately \$7,820, or by about 14.5 percent (see Exhibit 65 below for more detail). The employment sectors with the largest wage growth over the 2010 to 2021 include finance and insurance (\$28,402, or 46.6 percent), information (\$23,933, or 36 percent), professional and technical services (\$16,489, or 23 percent), other services (\$14,692, or 62 percent), and real estate and rental and leasing (\$13,979, or 41 percent).

Exhibit 65. Change in Kitsap County's Average Annual Wages, by NAICS Employment Sector, in 2021 Inflation-Adjusted Dollars 2010–2021

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW) Annual Averages, 2010 and 2021. Note: The following NAICS Employment sectors, Agriculture, forestry, fishing, and hunting and Mining, quarrying, and oil and gas extracting, were not included due to the lack of data availability. **NAICS** = The North American Industry Classification System is the federal standard for classifying business establishments related to the U.S. business economy.

NAICS Employment Sector	Kitsap County Annual Wages			Change, 2010 (Adjusted) – 2021	
	2010 (Unadjusted)	2010 (Inflation-Adjusted)	2021	Diff.	Percent Change
Utilities	\$76,728	\$95,347	\$104,572	\$9,225	9.7
Construction	\$46,728	\$58,067	\$63,398	\$5,331	9.2
Manufacturing	\$42,296	\$52,560	\$62,414	\$9,854	18.7
Wholesale Trade	\$48,983	\$60,869	\$73,556	\$12,687	20.8
Retail Trade	\$26,910	\$33,440	\$38,491	\$5,051	15.1
Transportation and Warehousing	\$31,784	\$39,497	\$50,243	\$10,746	27.2
Information	\$53,117	\$66,007	\$89,940	\$23,933	36.3
Finance and Insurance	\$49,051	\$60,954	\$89,940	\$28,402	46.6
Real estate and Rental and Leasing	\$27,296	\$33,920	\$47,899	\$13,979	41.2
Professional and Technical Services	\$57,506	\$71,461	\$87,950	\$16,489	23.1
Management of Companies and Enterprises	\$79,214	\$98,436	\$85,761	(\$12,675)	(12.9)
Administrative and Waste Management Services	\$33,205	\$41,263	\$47,274	\$6,011	14.6
Educational Services	\$29,020	\$36,062	\$36,534	\$472	1.3
Healthcare and Social Assistance	\$38,150	\$47,408	\$52,550	\$5,142	10.8
Arts, Entertainment, and Recreation	\$15,854	\$19,701	\$25,831	\$6,130	31.1
Accommodation and Food Services	\$15,069	\$18,726	\$24,463	\$5,737	30.6
Other Services (except Public Admin)	\$18,950	\$23,548	\$38,240	\$14,692	62.4
All Government	\$53,036	\$65,906	\$72,596	\$6,690	10.2

NAICS Employment Sector	Kitsap County Annual Wages			Change, 2010 (Adjusted) – 2021	
	2010 (Unadjusted)	2010 (Inflation-Adjusted)	2021	Diff.	Percent Change
Federal Government	\$74,880	\$93,051	\$87,750	(\$5,301)	(5.7)
State Government	\$40,882	\$50,803	\$63,676	\$12,873	25.3
Local Government	\$43,346	\$49,494	\$66,362	\$12,498	23.2
Total (All Industries)	\$43,439	\$52,980	\$61,799	\$7,819	14.5

Exhibit 66. Single family home sales on Bainbridge Island by price and year, 2010 – June 2022

Source: ECONorthwest, with parcel data from the Kitsap County Assessor. Note: Single family homes includes single-family detached and attached (e.g., townhomes, duplexes, etc.). The term “% Share” indicates the share of a home sale value category as a percent of all home sales each year. The row-wise sum of the Pct Share value columns equals 100 percent for every year. This does not include information regarding the square feet of the home or the size of the property; generally larger homes with greater property can cost more than smaller homes and homes with less property.

Year	\$250,000 or less		\$250,000 to \$500,000		\$500,000 to \$1 Million		\$1 mil. to \$2 Million		\$2 Million or more		Total
	Sale Count	% Share	Sale Count	% Share	Sale Count	% Share	Sale Count	% Share	Sale Count	% Share	Sale Count
2010	12	11	40	35	53	47	5	4	3	3	113
2011	12	9	65	49	41	31	13	10	1	1	132
2012	31	16	66	34	82	42	16	8	2	1	197
2013	25	11	93	39	101	43	15	6	2	1	236
2014	8	3	96	37	129	49	25	10	5	2	263
2015	15	5	59	21	155	56	40	14	7	3	276
2016	25	8	38	13	163	55	57	19	14	5	297
2017	17	5	18	5	220	59	86	23	29	8	370
2018	22	6	18	5	181	52	119	34	11	3	351
2019	20	6	15	4	189	52	106	29	31	9	361
2020	43	9	14	3	213	43	189	39	31	6	490
2021	20	4	9	2	132	28	205	43	106	22	472
June 2022	11	5	3	1	38	18	111	52	49	23	212
Total	261	7	534	14	1,697	45	987	26	291	8	3,770

5.2. Construction Cost Influences

The Puget Sound regional economy has grown at an astounding rate in the past decade, influenced by strong population growth as new residents move to the area seeking economic and educational opportunities, and the area's natural beauty. According to the Bureau of Labor Statistics, total employment in the four-county region (King, Kitsap, Snohomish and Pierce Counties) grew 23 percent from 2010 to 2018, while total population in these four counties grew approximately 12 percent.³⁰

Hampered by the housing market crash and economic recession, however, the regional housing market did not produce enough new housing in response to this growing demand, particularly at prices affordable to the majority of incomes. The Puget Sound Regional Council (PSRC) estimates that housing units in the four-county region only grew by 6.7 percent over the same period of strong economic growth.³¹

Housing markets operate regionally: housing prices and availability in one location may influence housing demand in another area, as households seek affordable options. Seattle's strong economic growth and own housing underproduction has led to rising prices there, forcing many households to decide whether to stay put and face increasing cost burdens, or try to find lower cost housing in other parts of the region and beyond. These regional trends have strong implications for cities in Kitsap County which sits close to the economic engine of Seattle.

Construction and Labor Costs

Another key driver of the housing supply and production of housing is the cost of construction. The costs of construction materials can limit supply and affordability. In the two years since the onset of the pandemic, construction costs have grown faster than at any point since 2009, according to the Engineering News-Record Construction Cost Index (CCI).³² Construction costs in Seattle have drastically outpaced the national average post-pandemic. In 2020 Q1 (around the time the pandemic began), Seattle's CCI sat at 138, about four percent higher than the national average CCI of 133. As of 2022 Q2, Seattle's CPI is about 10 percent higher than the national average. Exhibit 67 shows the change in CCI for both the nation and Seattle since 2009 Q1.

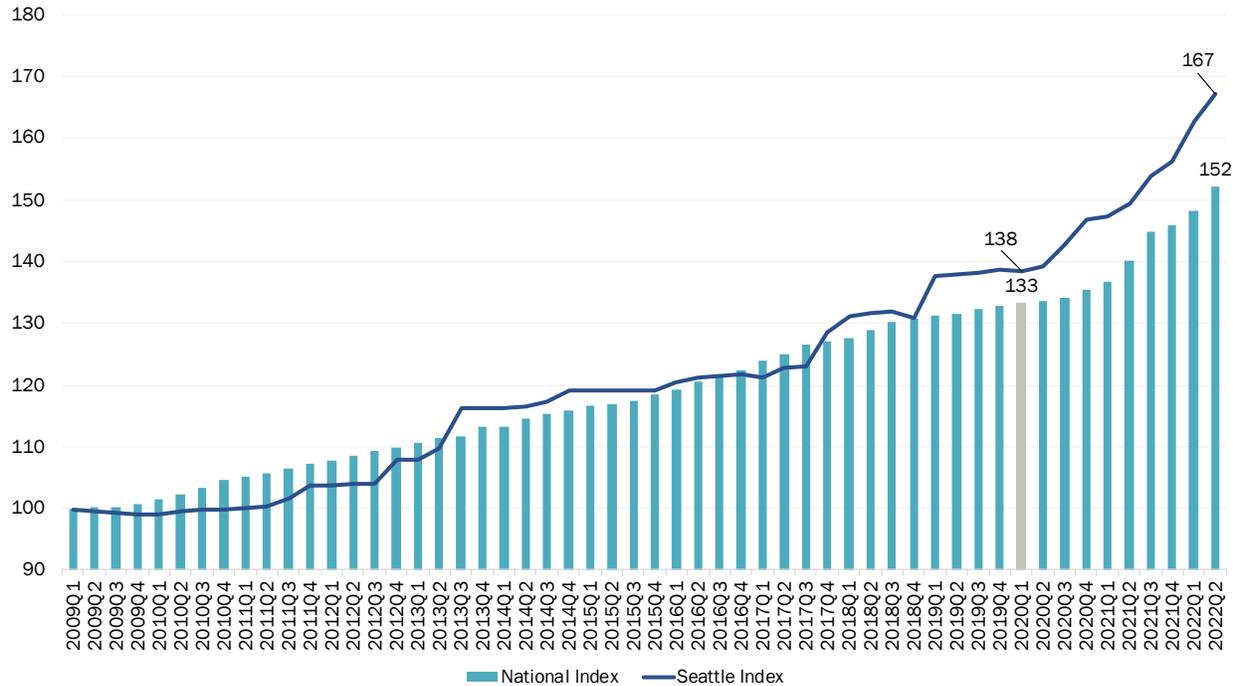
³⁰ Bureau of Labor Statistics. 2018 Quarterly Census of Employment and Wages for the four-county region (King, Kitsap, Snohomish and Pierce Counties). Available from: <https://www.bls.gov/cew/downloadable-data-files>

³¹ Current Population: Region. Estimates from U.S. Census Bureau and the Washington State Office of Financial Management. Available from: <https://www.psrc.org/rdp-population>

³² Engineering News-Record, Construction Cost Index data, national and City of Seattle estimates, January 2009 – June 2022.

Exhibit 67. Seattle and National Construction Cost Index, 2009Q1 – 2022Q2

Source: Engineering News-Record Construction Cost Index, 2009-2022 (January 2009 is indexed to 100).



In the aftermath of the housing market crash of 2008, many firms in the development and construction sector faced layoffs. As a result, architects, contractors, and laborers retired or found new professions. The construction sector was hit particularly hard and saw nationwide employment declines of 19 percent from a peak in 2007 to 2015.³³ Despite some recovery post-recession, a lack of available trained construction and trade workers and subcontractors continues to be a drag on the housing market. Limited labor availability increases competition, bids up prices, increases time to completion, and consequently limits overall housing production. Each of these factors hurts housing affordability.

³³ Alana Semuels. 2015. "Where have all the Construction Workers Gone?" The Atlantic Magazine. www.theatlantic.com/business/archive/2015/02/where-have-all-the-construction-workers-gone/385417/ Data reported by the Bureau of Labor Statistics.

Primary Drivers of Housing Supply, Puget Sound Region, 2020

Jan 2020

HOUSING AFFORDABILITY IN THE CENTRAL PUGET SOUND REGION

What Factors Impact Affordability?

A number of factors affect the cost of renting or purchasing a home. In the central Puget Sound region, economic, demographic, and land use factors have led to an increasingly competitive housing market.

Land Availability

Just over **3** new homes were added to the housing supply every hour in 2019.

Source: OFM, 2019

Market Availability

Nearly **2/3** of housing units are zoned detached single-family, often the most expensive home ownership option.

Source: PSRC

Time and Cost to Build

1 in **5** of the region's residents live in walking distance to current or future high-capacity transit.

Source: Center for Neighborhood Technology, 2017

Capacity of Construction Sector

The region added more than **6** jobs every hour in 2018.

Source: PSRC

Zoning

Household size is expected to decrease from **2.50** to **2.38** people by 2050.

Source: PSRC

Access to Credit

1 in **5** renters pay more than 50% of their income on housing.

3 in **5** low-income renters pay more than 50% of their income on housing.

Source: CHAS, 2014

What are the Impacts of Rising Housing Costs?

Growth in the region has contributed to increased housing costs, but these increases are not uniform throughout the region. Low-income households in particular are most affected by rising housing costs.

Metro Area Home Prices and Rents

A household needs to earn **\$150,000** to afford a median-priced home. That is equivalent to six full time jobs at minimum wage.

White households are four times more likely to own a home than a household of color.

Want to learn more about PSRC's housing work?
Please visit www.psrc.org/housing or scan the QR code to learn more about regional housing efforts.

Puget Sound Regional Council

5.3. Main Data Sources Used and Glossary

This analysis uses data from multiple sources, focusing on those that are well-recognized, reliable, verifiable, and of higher accuracy.

National Data

One of the key sources for housing and household data is the U.S. Census Bureau. This report primarily uses data from the following Census sources:

- The **Decennial Census**, completed every ten years, is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)** is an ongoing nationwide survey completed every year or every five years by the U.S. Census Bureau. This data surveyed a sample of households in the U.S. The ACS sampled an average of 3.5 million households per year, or about 2.9 percent of the households in the nation. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics. The survey is designed to provide communities with current data about how they are changing.
 - The ACS 5-year sample is available for smaller towns/cities with fewer than 65,000 residents. The ACS 5-year estimate includes data collected over a 60-month period or 5 calendar years (e.g., 2011-2015 ACS estimates). The ACS 5-Year data is offered at different scales/geographies including Census Tract and Census Place. The main advantage for the 5-year estimates is the increased statistical reliability for smaller geographic areas and small population groups. It is not recommended to compare two 5-year estimates over two time periods back-to-back since it is difficult to determine whether the values are applicable for the beginning or the end of the time frame.
- **Comprehensive Housing Affordability Strategy (CHAS)**. The U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey data annually which provides surveyed information collected over a five-year period which is averaged (such as 2012 to 2016). The CHAS data are used by local governments to plan how to spend HUD funds and may also be used by HUD to distribute grant funds. Another purpose is to estimate housing assistance by estimating the number of households that have certain housing problems and have income low

enough to qualify for HUD's programs (primarily 30, 50, and 80 percent of the median income). The [CHAS data](#) provide counts of the numbers of households that fit these HUD-specified characteristics in HUD-specified geographic areas. The HUD CHAS data is a common source of data for describing cost-burdened households.

- The **Longitudinal Employer-Household Dynamics (LEHD)** program is part of the [Center for Economic Studies](#) at the US Census Bureau. This program provides publicly available data including federal, state and Census Bureau data on employers and employees. The LEHD program combines Unemployment Insurance earnings data and the Quarterly Census of Employment and Wages (QCEW) data from the states with other administrative data, and information derived from censuses and surveys. This data includes statistics on employment, earnings, and job flows. LEHD Origin-Destination Employment Statistics (LODES) provides GIS/map information on commuting trends at the census block scale. Data files are organized into three types: Origin-Destination, Residence Area Characteristics, and Workplace Area Characteristics, all at census block geographic detail. Source: <https://lehd.ces.census.gov/data/#lodes>.

State/Regional Data

- The **Puget Sound Regional Council (PSRC)** often provides population and employment projections. The Puget Sound region includes all the areas within King, Kitsap, Pierce, and Snohomish Counties. Source: <https://www.psrc.org/data-and-resources/data-psrc>.
- The **Washington State Housing Finance Commission** is the state agency responsible for funding and monitoring Washington's regulated affordable housing stock. The Commission provided data through a public information request, detailing past and current regulated affordable housing properties that had received low-income housing tax credit financing from the Commission. They provide income and rent limit information for all tax credit and bond financed properties.
- The **Washington State Office of Finance and Management (OFM)**. OFM researches a variety of issues related to the state budget, public policy, and demographics and releases the official state and local population estimates and projections for use in the allocation of certain state revenues, growth management, and other planning functions. They provide mostly tabular data describing current demographics, housing (median home prices), and population densities and population forecasts and projections. As the official partner of the U. S. Census Bureau for Washington state, the Population unit helps disseminate information about the characteristics of Washington's population, housing, and economy and provide guidance to a variety of stakeholders in accessing and using demographic information. <https://www.ofm.wa.gov/washington-data-research/population-demographics>

Local Data

- **Kitsap County Assessor Data.** Each county typically tracks land and improvement values by parcel. This includes parcel (housing lot) level information which is very fine-grained and detailed. This dataset shows parcel specific information on the home type, home sales, home value, and use. This data is provided in a GIS (map friendly) format. Constraints: Data cleansing to gain more accurate accounting of the amount of housing by type was required. The data did not provide accurate figures for non single-family detached housing.
- The **City of Bainbridge Island** provided the project team with many different datasets including but not limited to current data associated with housing development permitting, employment at the City, impact fees, policies, and programs.
- **CoStar** provides data on multi-family pricing and vacancy rates over time. Market data comes from CoStar, a proprietary data source commonly used for market analysis in the real estate industry. While CoStar is one of the best available sources of rent and vacancy data overall, the data has gaps and limitations that make it less reliable in areas with few existing buildings. Newer buildings and those that are professionally managed are more likely to have reliable rent and vacancy information, while smaller, older buildings may have incomplete data or be missing from the system entirely.

Glossary

Accessory dwelling unit. Accessory dwelling units (ADU), which are sometimes called “mother-in-law units,” are extra living units created on the property of a single-family home. An ADU has a kitchen, bathroom and sleeping facilities. Subject to local regulations, ADUs may be located either inside, attached to, or detached from the primary home.

Affordable housing. The U.S. Department of Housing & Urban Development (HUD) defines housing as affordable if its occupants pay no more than 30 percent of their income for rent and utilities or for mortgage, taxes, and insurance. Generally, the term “affordable housing” is used to describe regulated housing units that have income- or rent-restrictions to ensure the housing is occupied by households earning a certain threshold of the area median family income (MFI). The definition of affordability must be based on Area Median Income (AMI) data that is published annually by the US Department of Housing and Urban Development (HUD).

Area Median Income/Median Family Income. Another way to comprehend housing affordability is to look at how much each income level can afford in housing costs. Each year, the U.S. Department of Housing and Urban Development (HUD) uses data from the US Census to define an area’s Median Family Income (MFI) based on family size (2022 values are provided below). The MFI benchmark helps determine eligibility for HUD housing programs (often including rent-restricted housing) and supports the tracking of different housing needs for a range of household incomes. Bainbridge Island falls within the Bremerton-Silverdale Metropolitan Statistical Area (MSA) which has a 100% MFI of \$102,500 per year for a family of four in 2022.

The term Area Median Income tends to be used more generally in the industry than MFI. If the term Area Median Income (AMI) is used in an unqualified manor, this reference is synonymous with HUD's MFI. HUD Income Limits for Bremerton-Silverdale MSA (same value for Kitsap County), FY 2022. According to the Bainbridge Island Municipal Code, MFI should be calculated for the Bremerton-Silverdale MSA (HUD) and extremely low income is less than 30% of median household income, very low income is 31% to 50%, low income is 51% to 80%, moderate income is 81% to 95%, and middle income is from 96% to 120% of median household income.

Cost-burdened. According to the U.S. Department of Housing & Urban Development (HUD, 2007), households who pay more than 30% of their income for housing are considered cost-burdened. Households who pay more than 50% of their income for housing are considered severely cost-burdened and may have trouble affording necessities such as food, clothing, transportation, and medical care.

Household. All the people living in one housing unit whether or not related as a family.

Income Breakdown. According to the Bainbridge Island Municipal Code, MFI should be calculated for the Bremerton-Silverdale MSA (HUD) and extremely low income is less than 30% of median household income, very low income is 31% to 50%, low income is 51% to 80%, moderate income is 81% to 95%, and middle income is from 96% to 120% of median household income.

Inclusionary zoning. Inclusionary zoning is a regulatory tool that incentivizes or mandates affordable housing in exchange for additional residential development capacity, generally height, floor area ratio or other benefits to the development. Under an incentive approach, additional development capacity is provided only if the developer elects to provide a certain amount of affordable housing. Under the mandatory approach, the developer is required to provide affordable housing in exchange for changes to regulations or other benefits already applied to the development.

"Missing-Middle" Housing. Missing middle housing is a term coined by Opticos Design to refer to housing types that fall between single-family detached homes and multifamily housing on a continuum of housing scale and density.³⁴ Basically middle housing could be considered "house-scale buildings with multiple units in walkable neighborhoods."³⁵ Examples of middle housing include: duplexes, triplexes, townhouses, small courtyard style apartments, cottage clusters, or accessory dwelling units, though not all places consider all of these housing types as middle housing. This type of housing has been missing from many neighborhoods outside of urban cores largely due to zoning/development regulations limiting where and how it can be built.

³⁴ Urban Land Institute, Terwilliger Center for Housing. (2019). *Attainable Housing: Challenges, Perceptions, and Solutions.*

³⁵ Parolek, D., Opticos. (2019). *Middle Housing: Thinking Big and Building Small to Respond to the Housing Crisis.* Opticos Design. 2019. "Missing-Middle Housing." Available from: opticosdesign.com/missing-middle-housing/

Recent efforts call for relegalizing missing middle housing to increase affordability in highly walkable, opportunistic neighborhoods.

Mission-Based Developers. Refers to public or non-profit organizations working to provide affordable housing and services. These developers may sacrifice financial return for the positive social impact of providing affordable housing.

Multifamily Tax Exemption (MFTE). A state law (RCW 84.14) allows cities to enact a voluntary housing incentive program exempting multifamily housing or a housing development with more than four units from property taxes for a period of eight to 20 years in exchange for affordability restrictions on some of the units. This exemption reduces the costs of operating (and therefore developing) housing and helps to increase the supply of market rate and affordable housing.

Transit Oriented Development (TOD). A mixed use residential or commercial area designed to maximize access to public transport and encourage transit ridership. ETOD stands for equitable TOD, which approaches TOD with an equity lens to ensure that all communities, particularly minority, low-income or historically marginalized communities, benefit from transit investments and transit-related development.

Transitional Housing. Programs which provide housing and support services to move individuals and families from homelessness to self-reliance and permanent housing.

DRAFT