

DATE: March 2020
TO: Kitsap County
City of Bremerton
FROM: ECONorthwest
SUBJECT: KITSAP-BREMERTON AFFORDABLE HOUSING INVENTORY AND MARKET ANALYSIS –
APPENDIX B: HOUSING INVENTORY

Background and Purpose

As part of the *Affordable Housing Inventory and Market Analysis* for Kitsap County and the City of Bremerton, this technical memorandum evaluates the current housing inventory, offering a detailed look at the housing in Kitsap County and its jurisdictions, segmented by type, location, price, tenure, and size, among other characteristics. This inventory evaluates the physical characteristics and the financial/economic conditions of housing in the County, and informs a housing needs assessment of the future needs for housing of all types and price points across the County over the next 17 years (Appendix C Housing Needs Assessment). This memorandum is separated into six parts:

- A. Physical Characteristics of Housing
- B. Housing Tenure Characteristics
- C. Housing Costs
- D. Housing Affordability
- E. Access to Transit and Employment Centers
- F. Recent Supply Trends

The findings herein support policy recommendations offered in the *Affordable Housing Inventory and Market Analysis* for the City and County to consider as they continue working to provide housing for all Kitsap residents. This memo is an appendix to the final report.

This assessment uses publicly available data, including from the U.S. Census Bureau, Zillow, CoStar, and the Kitsap County Assessor's data. A seventh section, Methods and Approach, describes the data used and important caveats.

References in this Analysis

Throughout this analysis, we reference and display data for different geographies across Kitsap County. This section steps through the geographic boundaries used, and nomenclature used to address different planning jurisdictions. We also include a few affordable housing terms used herein.

Cities and Census Designated Places vs. Urban Growth Areas

Our analysis uses a variety of data sources. Because the U.S. Census Bureau is the main source of data for this memorandum and Appendix B Housing Inventory, we use its definitions of

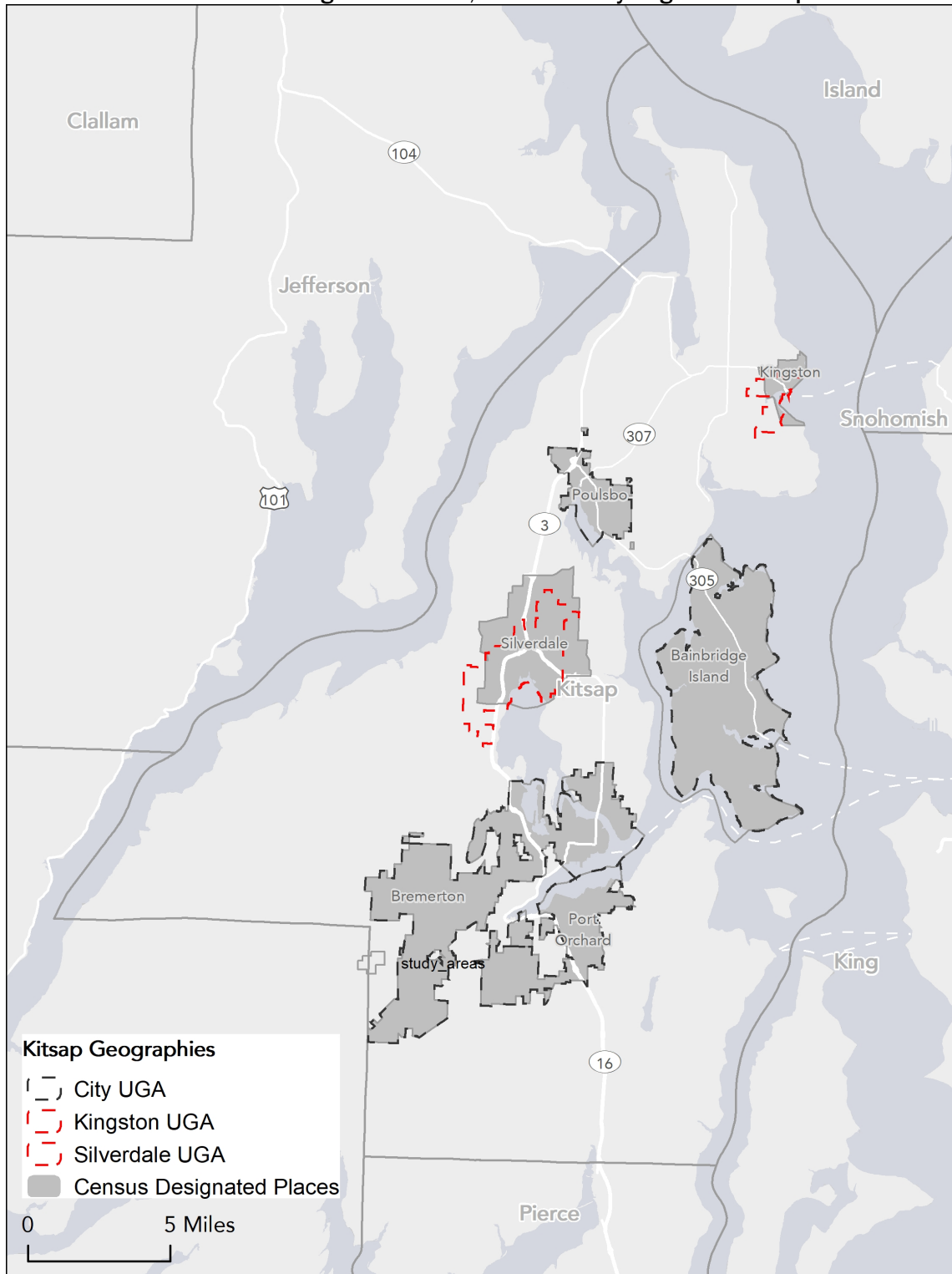
“Places” and “Census Designated Places” (CDPs) to analyze and display the data pertinent to this study. Places typically refer to cities, towns, villages, and boroughs, and are “a concentration of population either legally bounded as an *incorporated* place, or identified as a Census Designated Place.”¹ CDPs differ from places in that CDPs are “statistical geographic entities representing closely settled, *unincorporated* communities that are locally recognized and identified by name.”² CDPs are statistically equivalent to incorporated places and they are the Census Bureau’s best approximation for unincorporated areas across the country.

This analysis uses CDP boundaries instead of Urban Growth Areas (UGAs), which are the County’s urban planning boundaries for Kingston and Silverdale, because the Census provides more data on these area’s population and economic characteristics. The map in Exhibit A below shows the CDP boundaries in grey, the UGA boundaries for Bainbridge Island, Bremerton, Port Orchard, and Poulsbo in black, and the UGA boundaries for Kingston and Silverdale in red. As the map demonstrates, the UGA boundaries for Bainbridge Island, Bremerton, Port Orchard, and Poulsbo are aligned with the CDPs, and the Kingston and Silverdale UGAs have meaningful overlap. As such, they are a good approximation and allow us access to more data.

¹ U.S. Census Bureau, *Place* definition. Retrieved from: <https://factfinder.census.gov/help/en/place.htm>

² U.S. Census Bureau, *Census Designated Place (CDP) Program for the 2010 Census—Proposed Criteria*, 72 Federal Register 17326-17329. April 6, 2007. Retrieved from: <https://www.govinfo.gov/content/pkg/FR-2007-04-06/pdf/E7-6465.pdf>

Exhibit A. We use Census Designated Places, Which Closely Align with Kitsap UGAs



Source: UGA boundaries come from the Kitsap County Department of Community Development. Census boundaries come from Census GIS files.

In this analysis, references to “Kitsap County,” “Kitsap,” or “the County” relate to the county as a whole, inclusive of the other planning areas (cities and urban growth areas). For example, if a

statistic shows the average age for Kitsap County residents alongside the average age for residents of the City of Bremerton, the ages of Bremerton residents would be included in the Kitsap County average.

Recognizing the importance of providing data and analysis for the Kitsap County planning jurisdiction, we reference this geographic area as “Unincorporated Kitsap County.” This excludes the city planning jurisdictions, and includes urban growth areas. Within this Unincorporated Kitsap County jurisdiction, we often show the Kingston and Silverdale CDPs (not UGAs), and then calculate a third boundary called “all other areas.” These are mutually exclusive so the sum of the different CDPs and the “all other areas” will equal the Kitsap County total. The following exhibit demonstrates this math.

Exhibit B. Example Display of Kitsap County Geographies

Year	Kitsap County	Bainbridge Island	Bremerton	Port Orchard	Poulsbo	Unincorporated Kitsap County		
						Kingston	Silverdale	All Other Areas
Total	A	B	C	D	E	F	G	= A – B–C–D– E–F–G

We make every effort to include a note below each table and chart describing the boundaries. Readers should assume that in-text references to “Kitsap County” or “the County” are inclusive of all other jurisdictions within the County. At times, we further clarify this point by referencing residents “across the County” or businesses “throughout the County,” or we discuss “Kitsap County as a whole,” or a statistic for “the entire County.”

Affordable Housing Terms

We refer to “affordable housing” as regulated housing units that have income- or rent-restrictions to ensure the housing is occupied by households earning a certain threshold of Kitsap’s area median family income (MFI). Most rent-restricted affordable housing is restricted to be affordable to households earning under 60% MFI, but these restrictions vary.

The term “workforce housing” is often used to describe housing units that are affordable to households earning more than 60% MFI. These can be regulated or unregulated.

We refer to unregulated housing that is affordable to low income households as “low cost market rentals.” These housing units are often “affordable” by nature of their location, condition, age, or the amenities offered nearby or at the property.

“Housing that is affordable” refers to any type of housing, regulated or not, that costs less than 30% of a household’s pre-tax income. This definition is a generally accepted definition of affordability.

Kitsap County MFI

According to HUD, Kitsap County’s MFI was \$77,119 in 2017.

- 30% of MFI is about \$23,135
- 50% of MFI is about \$38,559
- 60% of MFI is about \$46,271
- 80% of MFI is about \$61,695
- 100% of MFI is \$77,119
- 120% of MIF is about \$92,542

We use the term “cost burdening” to refer to households who pay more than 30 percent of their income on housing costs. We use the term “severe cost burdening” for households paying more than 50 percent of their income on housing. These terms come from HUD, and include mortgage payments and interest, or rent, utilities, and insurance.

Summary Findings

- Fewer than 3,800 housing units have been built in Kitsap County between 2010 and 2017, and when accounting for demolition or obsolescence of units, the net new units is about 3,600. This compares to household growth of 3,264 over that same time period.
- Port Orchard and Poulsbo led in constructing new housing units since 2010. As these areas are not the biggest cities nor the fastest growing (for households), this demonstrates a commitment to development that will bring price benefits if household demand remains strong in the years to come.
- About 40 percent of Bremerton’s housing stock is multifamily. As most of the City’s multifamily housing is rentals, the City also has a lower homeownership rate (43 percent) than the County (67 percent), State (63 percent), and the U.S. as a whole (64 percent).
- Kitsap County has a number of small-unit condominium developments in certain locations. The cities and County could try to encourage these types of developments since they have been proven to work via feasibility at certain points in the past.
- Kitsap County has many mobile homes that are not located in mobile home communities, but are a home located on a unique, often large parcel. The average land value for these mobile homes can be pretty high in some areas, reaching up to \$240,000 on Bainbridge Island. Rising land values can create pressure to redevelop, which puts these residents at risk of displacement.
- Rent restricted affordable housing is scarce in Kitsap County and is concentrated in a few locations around the County. Bremerton has the most affordable housing and also has the most deeply affordable housing: about 66 percent of all units restricted below 30% MFI are located in Bremerton, likely due to the presence of the Bremerton Housing Authority (housing authorities often operate deeply affordable units) and the presence of extremely low income households needing housing.
- As of 2013–2017, Kitsap County had a shortage of 5,782 units of rental housing affordable to its extremely low-income renter households (those earning less than 30 percent of the median family income or about \$23,135 for a family of four). When jurisdictions look at developing the new 25,147 housing units over the next 17 years, it should work to remedy the current deficit available to lower income households.
- Kitsap also has a deficit of rental housing appropriately priced for higher-income households. In this same time period, Kitsap had about 7,000 households earning more than the median family income (\$77,119 for a family of four) but only 1,800 units that are “affordably priced” for those households. This means these higher income renter household are competing for available housing stock with lower-income households, putting further pressure on the availability of appropriately priced housing.
- The majority of homes near transit, ferries, and major employment centers is single-family stock (and predominantly for-sale housing). Because of the prevalence of this

housing type, and because homeownership is out of reach for most low-income, minority, or marginalized households, these communities are also locked out of important access to jobs, opportunity, amenities, and services in the region.

- Kitsap has limited employment options with a high number of residents either entering or leaving the County for employment. With multiple ferry routes to Seattle and other Puget Sound cities, households living near a ferry terminal gain immense access to employment, recreation, and amenities in other areas of the Puget Sound. Approximately 1,550 households on Bainbridge live within one mile of a ferry terminal, about 2,110 households live near a ferry in Bremerton, and so do about 1,180 households in Kingston and Southworth combined. In Bremerton, this figure includes 407 households in multifamily housing.

A. Physical Characteristics of Housing

Total Stock and Change Over Time

There are nearly 111,000 total housing units across the entire County as of the 2013–2017 time period³ (see Exhibit 1 below). Within the Census designated cities, Bremerton has the most housing, followed by Bainbridge Island and then Silverdale. However, the vast majority of the housing units in the County are in unincorporated Kitsap County, which lies outside of the four primary cities.⁴

Exhibit 1. The Total Housing Stock in Kitsap County Has not Grown Much Since 2010

		2000	2010	2013-2017	Difference and (%) 2000 - 2010	Difference and (%) 2010 and 2013-2017	2013-2017 percent of Total Stock
	Kitsap County	92,644	107,367	110,944	14,723 (16%)	3,577 (3%)	100%
Principle Cities	Bainbridge Island	8,517	10,584	10,340	2,067 (24%)	(244) (-2%)	9%
	Bremerton	16,631	17,273	18,541	642 (4%)	1,268 (7%)	17%
	Port Orchard	3,178	4,630	5,460	1,452 (46%)	830 (18%)	5%
	Poulsbo	2,992	4,115	4,312	1,123 (38%)	197 (5%)	4%
Uninc. Kitsap County	Kingston	773	1,092	1,057	319 (41%)	(35) (-3%)	1%
	Silverdale	6,246	8,555	9,051	2,309 (37%)	496 (6%)	8%
	All Other Areas	54,307	61,118	62,183	6,811 (13%)	1,065 (2%)	56%

Source: U.S. Census Bureau, 2000 Census Summary File 1 (100% Data), Table H003; 2010 Decennial Census Summary File 1, Table H3; 2013-2017 ACS 5-Year Estimates, Table DP04.

Notes: Data include vacant housing and show total number of units at points in time. Changes over time will account for demolition. Difference between 2000 and 2010 and 2010-2013-2017 will differ from values in Exhibit 12. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the “All Other Areas” is equal to the Kitsap County total less the six cities shown, and is a rough approximation for the remaining Unincorporated Kitsap County area.

Across the County, net new housing slowed between the 2000–2010 period and the 2010 to 2013–2017 period in every geographic area shown in Exhibit 1. In the lead up to the housing crisis, the County saw about 14,700 net new housing units produced between 2000 and 2010 (16 percent growth), but in the seven years post–2010, net new housing units only grew by 3,600 (about three percent). If the rate of production in these seven years were extrapolated for the full decade (to compare two equal time periods), the growth rate would still only be five percent.

Port Orchard led the way in housing growth in both time periods (46 percent growth in 2000–2010 and 18 percent growth in 2010–2017), but its growth rate fell by more than half. Poulsbo also had strong growth in the 2000–2010 time period, but its growth rate fell even farther.

³ See the G. Methods and Approach section on page 53 for information on the 2013–2017 time period referenced.

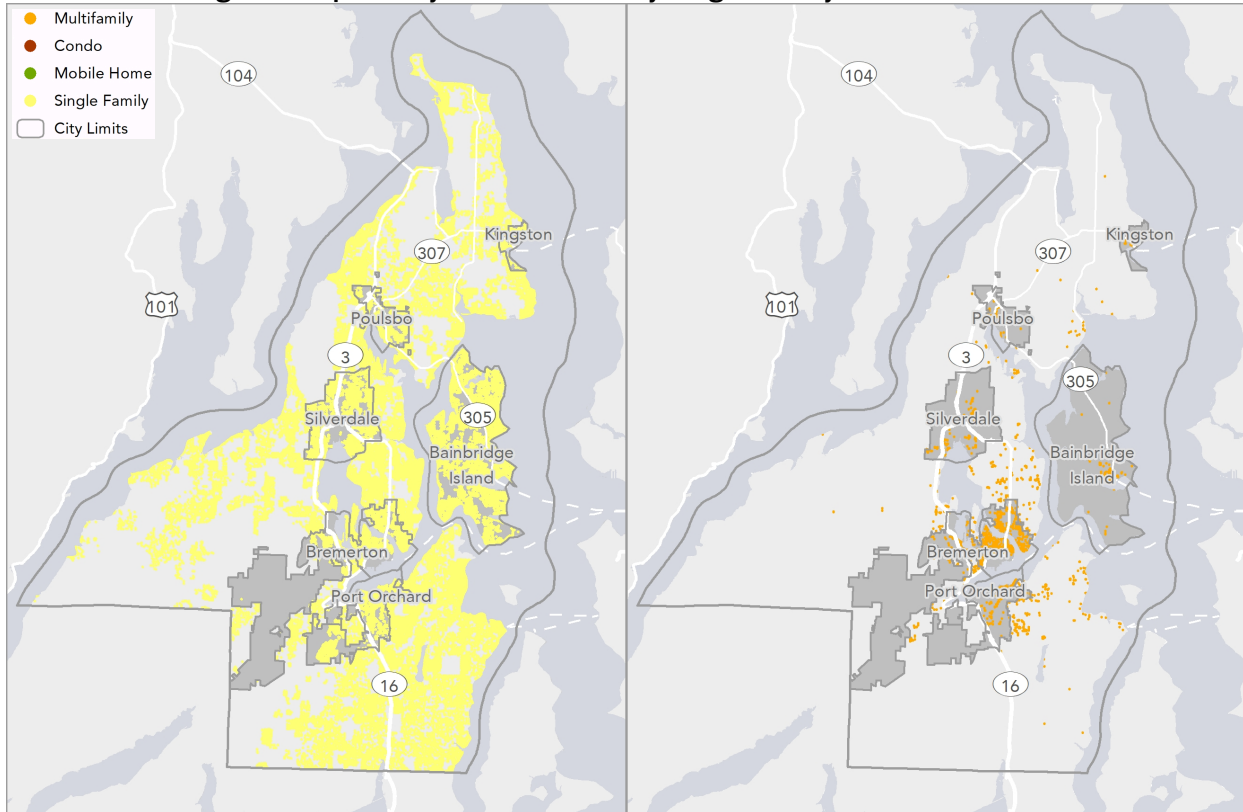
⁴ See nomenclature and geographic references on page 1.

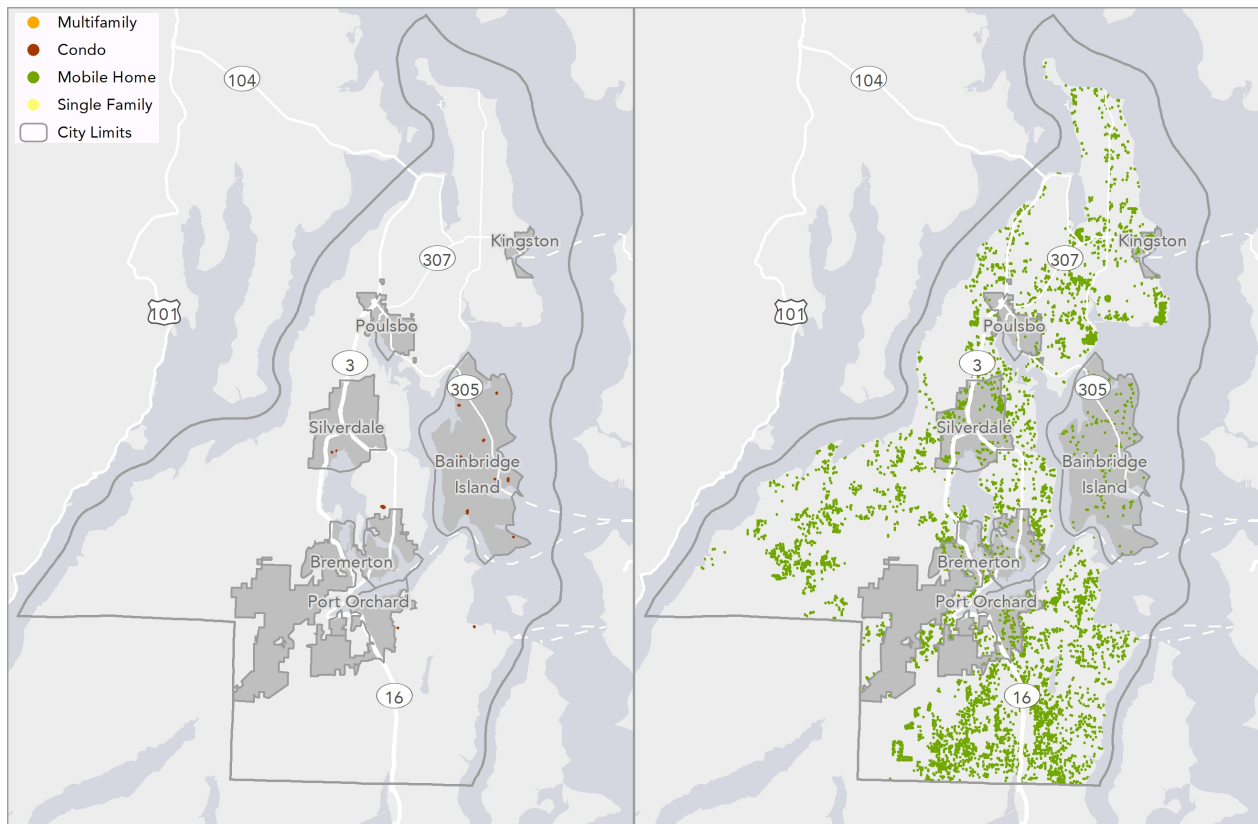
Bainbridge Island saw more demolitions in the 2010–2017 time period than new housing units. All of these declines in production are likely factors in the strong price and rent growth explored in Section C (beginning on page 26).

Housing Type

The majority of Kitsap County’s total housing stock consists of single-family homes, as shown in Exhibit 2 and Exhibit 3.

Exhibit 2. Housing in Kitsap County is Predominantly Single Family





Source: Kitsap County Assessor's data, 2019.

This existing supply of housing reflects Kitsap's historic nature as a relatively rural area, past growth and demand for housing near the naval base, and also reflects current regulations governing land use and zoning as the area continues to grow. Exhibit 3 below also demonstrates the following findings about housing across Kitsap County:

- Approximately (74 percent) of the County's approximate 111,000 total housing units are single-family homes.⁵
- Bainbridge Island has the largest share of single-family housing, at about 81 percent of its total inventory.
- Multifamily housing⁶ represents about 18 percent of the County's total housing stock, but it is much higher in cities such as Bremerton (about 40 percent of its respective housing stock), Port Orchard (28 percent), and Poulsbo (27 percent).
- Very little multifamily housing is located in unincorporated Kitsap County, with the exception of Silverdale where 36 percent of its housing stock is multifamily. The share of

⁵ In this memorandum, single-family homes are the sum of single-family detached and single-family attached homes (e.g., townhomes), unless stated otherwise.

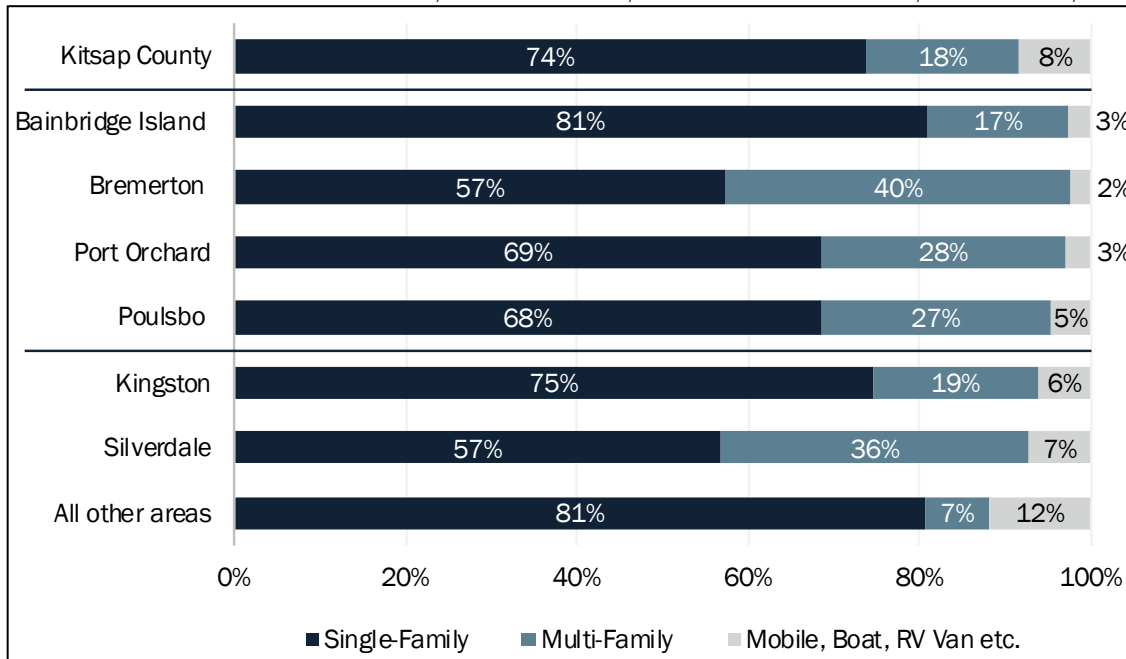
⁶ In this memorandum, multi-family refers to all housing that is two or more units, including duplexes, triplexes on through large multi-unit properties.

multifamily housing in “All Other Areas” is quite low at seven percent, which reflects Kitsap’s semi-rural nature.

- Mobile homes (as defined by the Office of Financial Management and the American Community Survey) account for about eight percent of the County’s total housing stock and they are much more likely to be located outside of principle cities.

Exhibit 3. Housing Units Across Jurisdictions Are Predominantly Single-Family, 2013-2017

	Single-family	Multi-family	Mobile, Boat, RV Van etc.	Total	
Kitsap County	81,736	19,963	9,245	110,944	
Principle Cities	Bainbridge Island	8,355	1,719	266	10,340
	Bremerton	10,633	7,473	435	18,541
	Port Orchard	3,743	1,550	167	5,460
	Poulsbo	2,953	1,152	207	4,312
	Uninc. Kitsap County	Kingston	788	203	66
	Silverdale	5,243	3,313	674	9,230
	All Other Areas	50,021	4,553	7,430	62,004

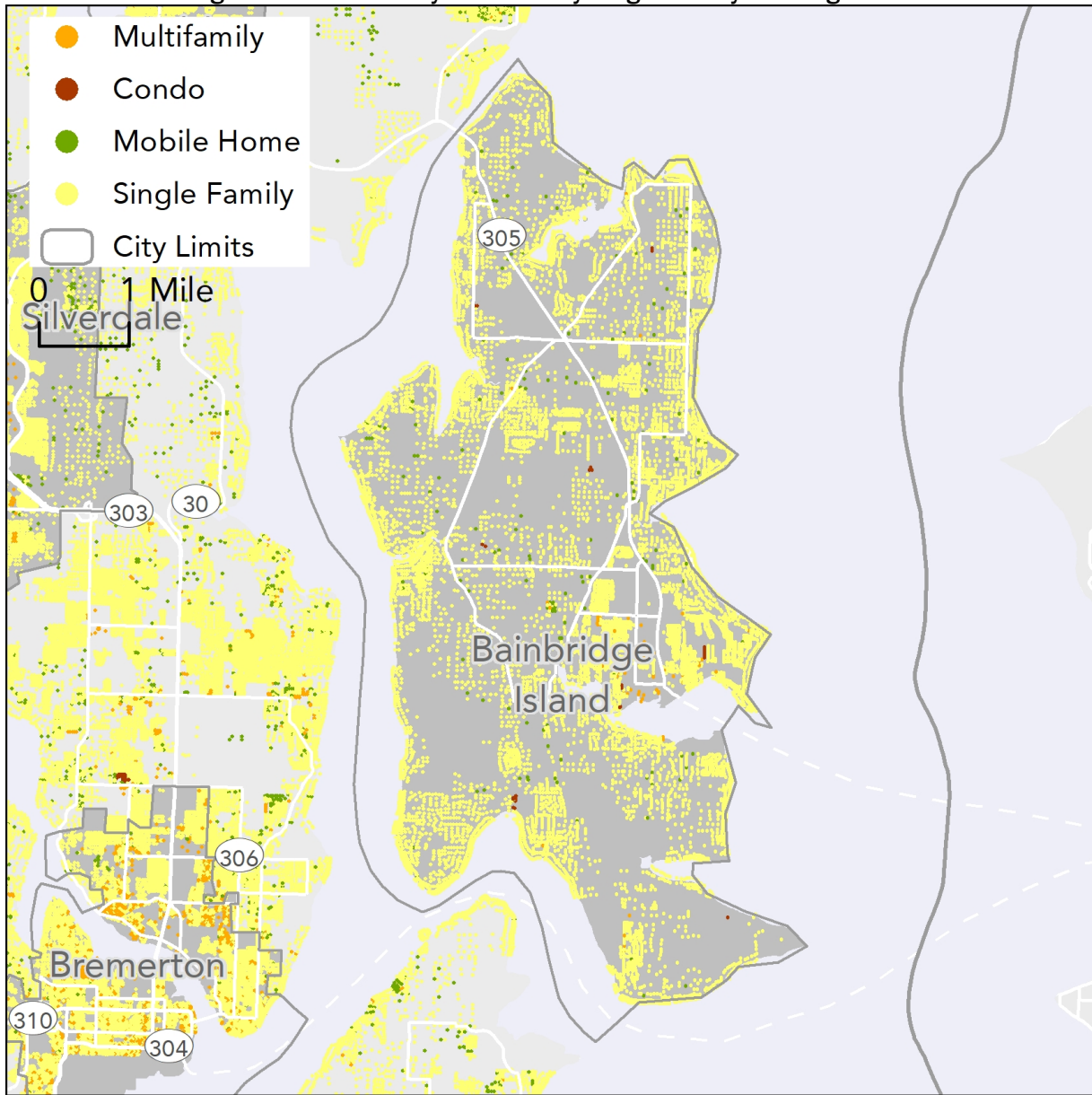


Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates, Table DP04.

Notes: Data includes vacant housing stock. Percent indicates the share of a location’s total housing that is each type. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the “All Other Areas” is equal to the Kitsap County total less the six cities shown, and is a rough approximation for the remaining Unincorporated Kitsap County area.

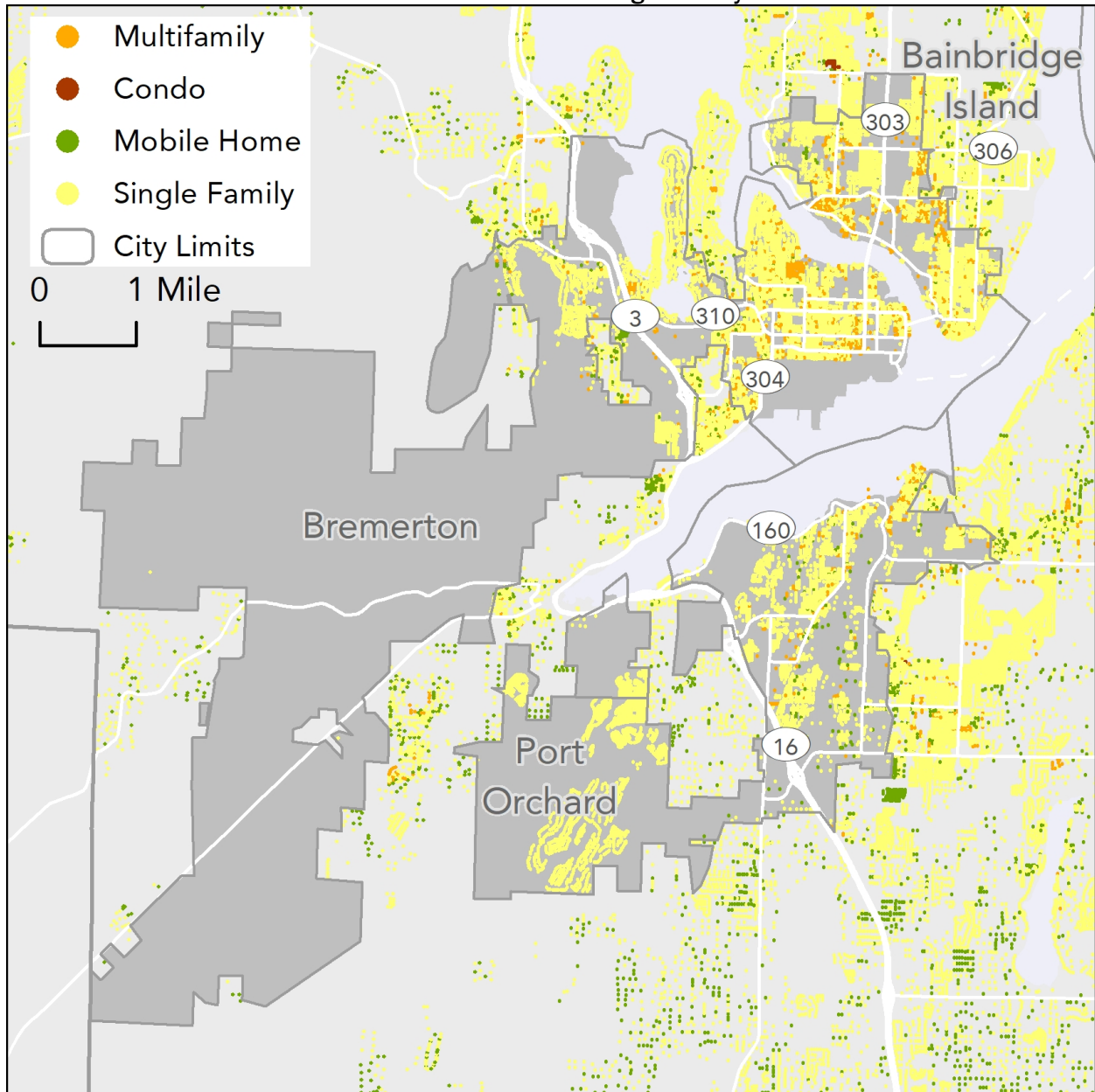
The maps in Exhibit 4 through Exhibit 8 display the predominance of single-family homes on Bainbridge Island, and in Bremerton, Port Orchard, Silverdale, Poulsbo, and Kingston. These maps are also helpful to understand where condos have been found to work with market fundamentals. For the purposes of these maps, “Multifamily” refers to two or more units of rental housing and “Condo” refers to two or more units of ownership housing.

Exhibit 4. Bainbridge Island Has Mostly Low-Density Single Family Housing



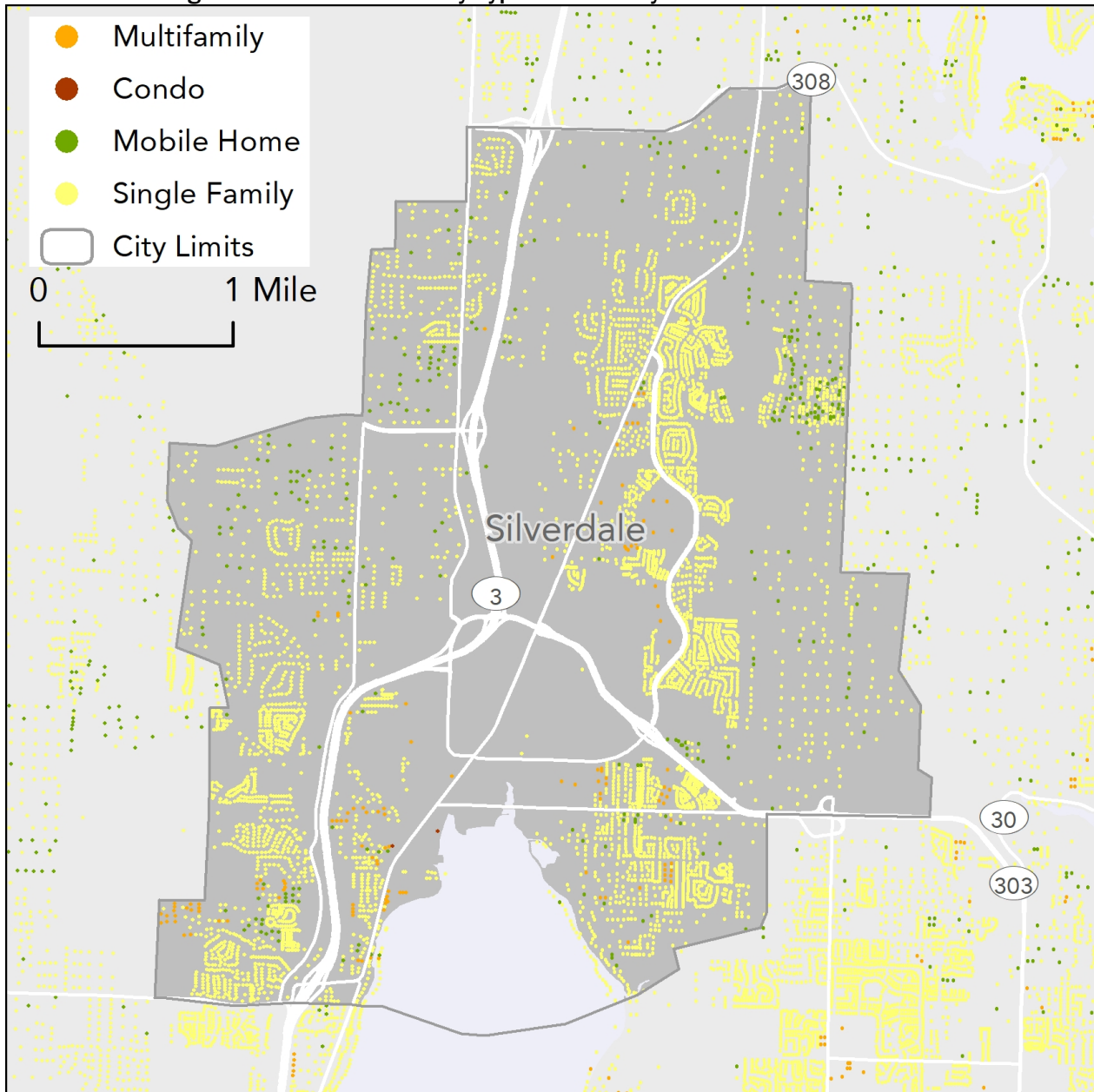
Source: Kitsap County Assessor's data, 2019.

Exhibit 5. Bremerton and Port Orchard Have More Housing Diversity



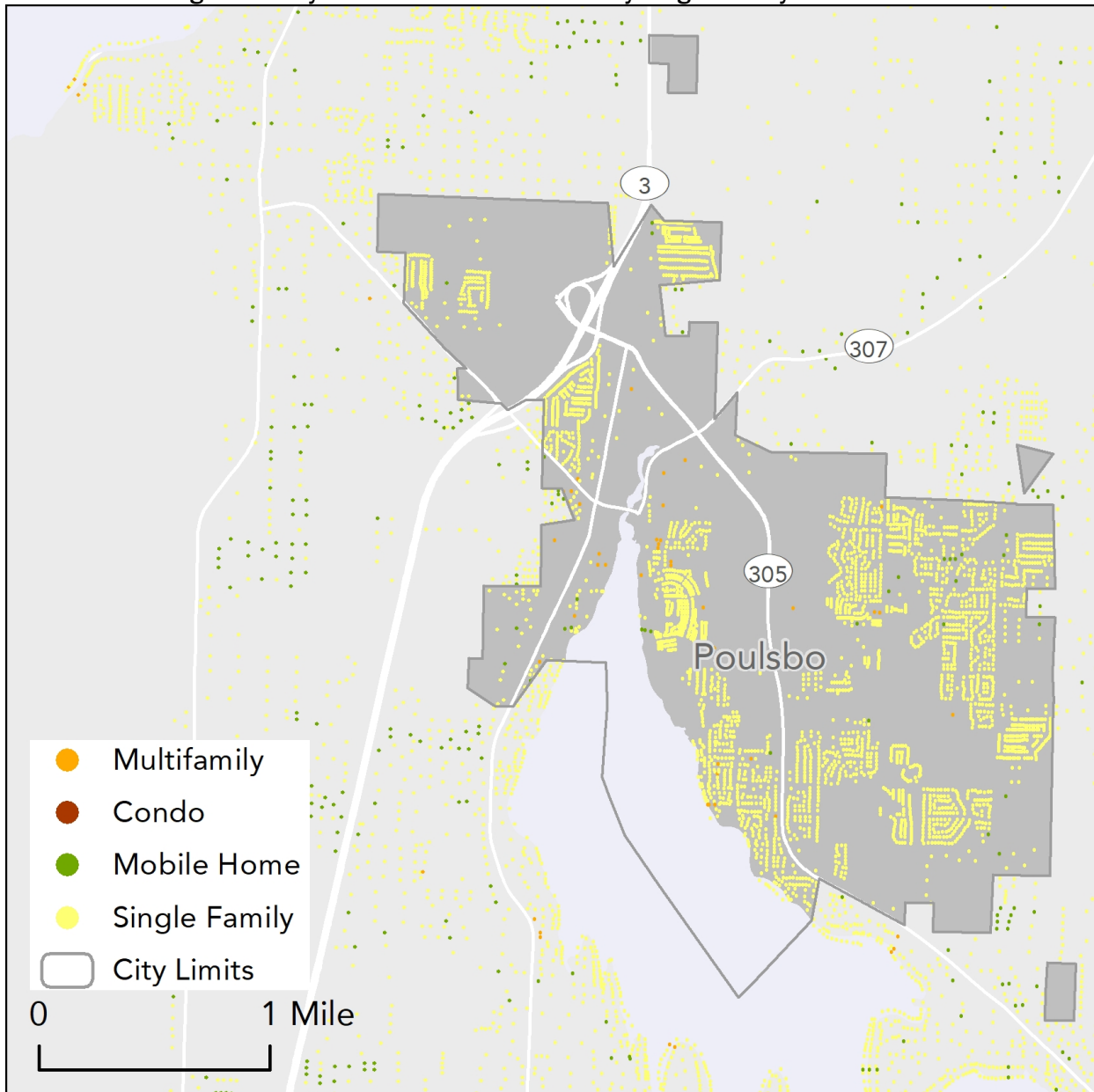
Source: Kitsap County Assessor's data, 2019.

Exhibit 6. Housing in Silverdale is Mixed By Type and Density



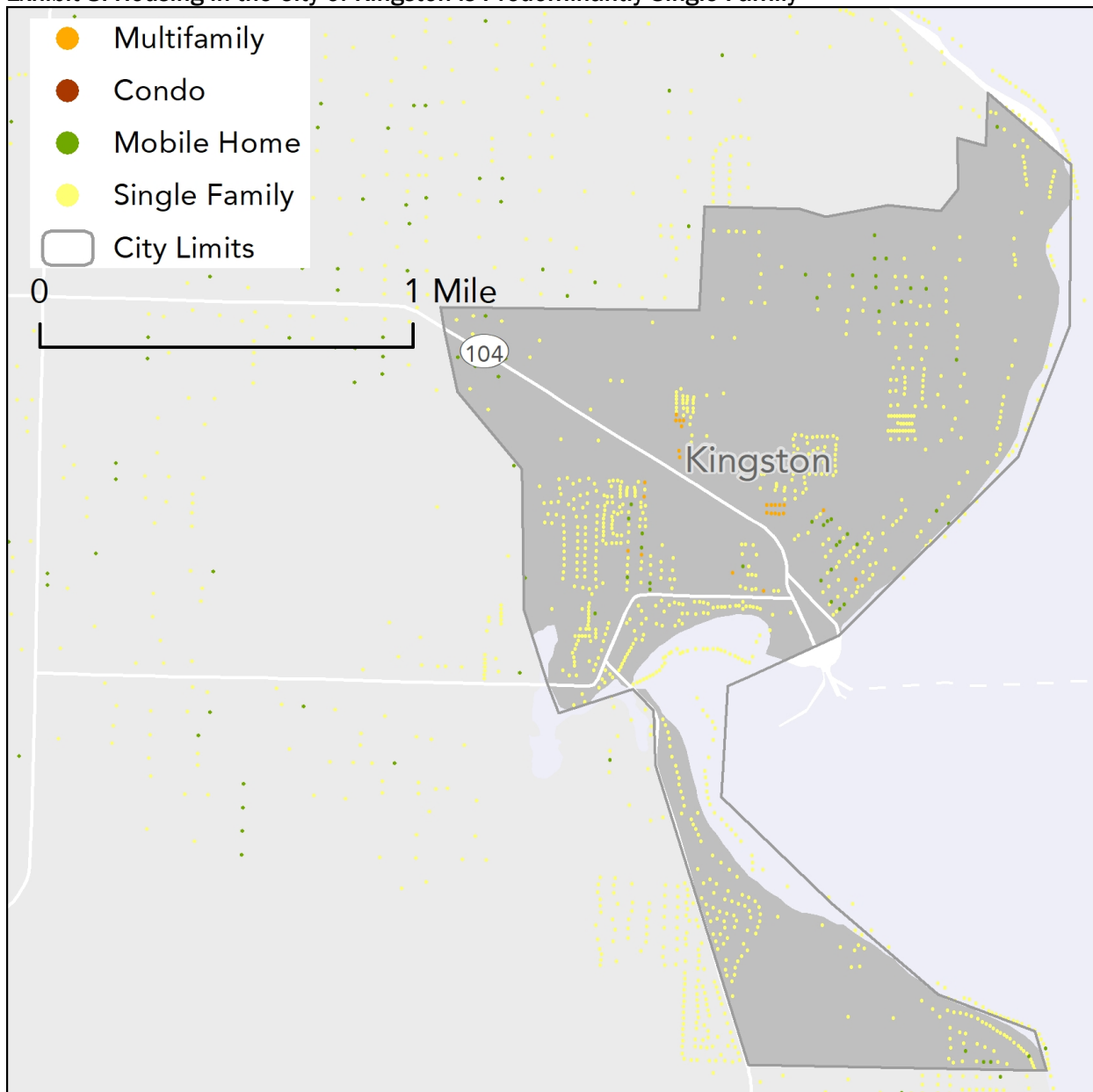
Source: Kitsap County Assessor's data, 2019.

Exhibit 7. Housing in the City of Poulsbo is Predominantly Single Family



Source: Kitsap County Assessor's data, 2019.

Exhibit 8. Housing in the City of Kingston is Predominantly Single Family

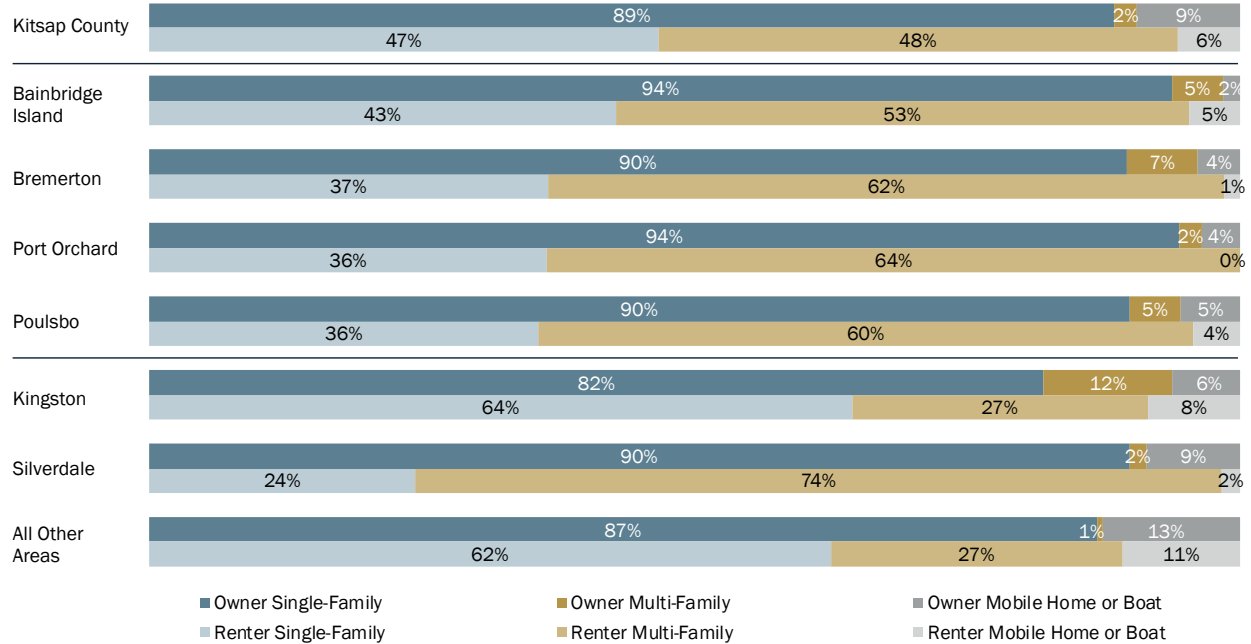


Source: Kitsap County Assessor's data, 2019.

Exhibit 9 below displays the share of each type of housing stock (renter and owner) by size for each city and the entire County. The dark bars (on top of each group) represent ownership housing stock, while the lighter bars (on bottom of each group) represent rental housing stock. In addition, the blue sections of each bar are single-family housing (both attached and detached), the yellow sections are multifamily housing (two or more units), and the grey sections are mobile homes and boats used as housing.

A few examples in reading the chart are as follows: *To compare the composition of all ownership housing, look at the dark bars for each geography. To compare just owned multifamily housing (duplexes, triplexes or condos) look at the dark yellow sections of each group.*

Exhibit 9. Kitsap has Some Single-Family Rental and Some Multifamily Ownership Stock



Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates, Table B25032.

Notes: Data excludes vacant housing units. Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the “All Other Areas” is equal to the Kitsap County total less the six cities shown, and is a rough approximation for the remaining Unincorporated Kitsap County area.

This chart demonstrates a few findings:

- Nearly half (47 percent) of the single-family housing stock is renter-occupied countywide (light blue sections). Across the County’s cities, the percent of single-family homes that are renter-occupied range from 28 percent in Silverdale to 43 percent on Bainbridge Island.
- Further, this chart also demonstrates that Bremerton, Bainbridge Island, Poulsbo, and Kingston have some multifamily housing that is owner-occupied (such as duplexes, triplexes, or condos—see the dark yellow sections). While these are still small shares of the overall housing stock, these condos may offer more affordable homeownership opportunities. Kingston leads with 12 percent of its overall owner-occupied housing stock as ownership multifamily, while Bremerton has seven percent, and Bainbridge Island and Poulsbo have five percent each.
- Interestingly, some areas have mobile homes (and a few boats) that are renter-occupied rather than owner-occupied (light grey bars).

Mobile Homes

Mobile homes are an important part of any county’s housing stock, offering lower cost housing for many households that do not want to live in an apartment building or those that may prefer a more rural, low-density type of housing. The locations of these units are shown in the map in Exhibit 2 on page 9.

Exhibit 10 below shows the number of mobile homes in each principle city that are designated as being on “leased property” in the Assessor’s data. The majority of these homes are in mobile home communities. As the table demonstrates, 893 of the 1,501 homes (about 60 percent) are located outside of principle cities and are dispersed throughout the County. Of those homes located within the major cities, Port Orchard has the lowest average mobile home value (\$18,550). Bremerton has the most homes (155) relative to all other principle cities and it also has the oldest average year built.

Exhibit 10. Mobile Homes In Communities are Lower Value and are Aging

	Location	Total Mobile Homes	Ownership	Average Building Value	Average Year Built
	Kitsap County	2,004	Leased	\$29,208	1983
Principle Cities	Bainbridge Island	49	Leased	\$34,774	1987
	Bremerton	116	Leased	\$27,929	1976
	Port Orchard	5	Kitsap Housing Authorities	-	1968
	Port Orchard	129	Leased	\$17,848	1980
	Poulsbo	120	Leased	\$28,010	1984
	Kingston	0	Leased	-	-
Uninc. Kitsap County	Silverdale	86	Leased	\$30,263	1992
	All Other Areas	1,499	Leased	\$30,235	1983

Source: Kitsap County Assessor’s data, 2019.

Notes: Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the “All Other Areas” is equal to the Kitsap County total less the six cities shown, and is a rough approximation for the remaining Unincorporated Kitsap County area.

The majority of the mobile homes across Kitsap County are not in parks but are mobile units located on their own parcel in rural areas, as demonstrated in Exhibit 11 below. This table displays mobile homes where the Assessor collects taxes for the property as well as the dwelling. Mobile homes on these properties have a much higher value than those that reside in mobile home communities, as they can include manufactured homes (such as doublewide trailers). Many of these properties are rural in nature as well, which is described by the rather large average acreage per unit across the County and in areas like Bainbridge and Port Orchard.

Exhibit 11. Mobile Homes on Unique Parcels Have High Land Values

	Location	Total Mobile Homes	Average Building Value	Average Land Value	Average Year Built	Average Parcel Size
	Kitsap County	7,009	\$91,675	\$164,210	1988	1.67
Principle Cities	Bainbridge Island	180	\$62,589	\$240,376	1987	1.32
	Bremerton	355	\$70,858	\$48,320	1984	0.29
	Port Orchard	100	\$69,831	\$79,725	1988	0.85
	Poulsbo	30	\$81,089	\$124,994	1983	1.10
Uninc. Kitsap County	Kingston	26	\$81,089	\$124,994	1983	0.41
	Silverdale	157	\$94,154	\$87,819	1988	0.52
	All Other Areas	6,676	\$93,940	\$70,262	1988	1.80

Source: Kitsap County Assessor's data, 2019.

Notes: Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the "All Other Areas" is equal to the Kitsap County total less the six cities shown, and is a rough approximation for the remaining Unincorporated Kitsap County area.

Because many of these homes are situated on large parcels, the average land value is quite high in some areas, reaching almost \$167,900 on Bainbridge Island. Because mobile homes are costly and difficult to move—with moving costs often exceeding the market value of the unit—pressure to sell or redevelop may mount as these units continue to age and as the housing market in Kitsap County continues to rise.

Age of Housing Stock

The housing stock across Kitsap County is a mix of ages, as demonstrated by Exhibit 12. Interestingly, more housing was built in Kitsap County in the 1990s than in the run up to the housing bubble in the 2000s. Almost 40 percent of the total housing stock in the County was built in the last three decades (since 1990).

Exhibit 12. Kitsap County has Built Very Little Housing Since 2010

Year	Kitsap County	Bainbridge Island	Bremerton	Port Orchard	Poulsbo	Unincorporated Kitsap County		
						Kingston	Silverdale	All Other Areas
Built 2010 or later	3,791	468	625	680	264	52	128	1,522
Built 2000s	15,382	2,188	1,145	1,073	1,049	197	1,225	8,247
Built 1990s	24,674	2,085	1,452	1,306	1,000	260	3,856	14,087
Built 1980s	18,125	1,398	1,654	460	749	219	1,975	11,185
Built 1970s	20,019	1,660	2,900	569	723	116	944	12,986
Built 1960s	7,643	662	1,862	210	98	66	408	4,144
Built 1950s	5,267	361	1,854	302	166	10	158	2,274
Built 1940s	6,805	495	3,008	351	102	29	123	2,665
Built 1939 or earlier	9,238	1,023	4,041	509	161	108	234	3,151
Total	110,944	10,340	18,541	5,460	4,312	1,057	9,051	60,261

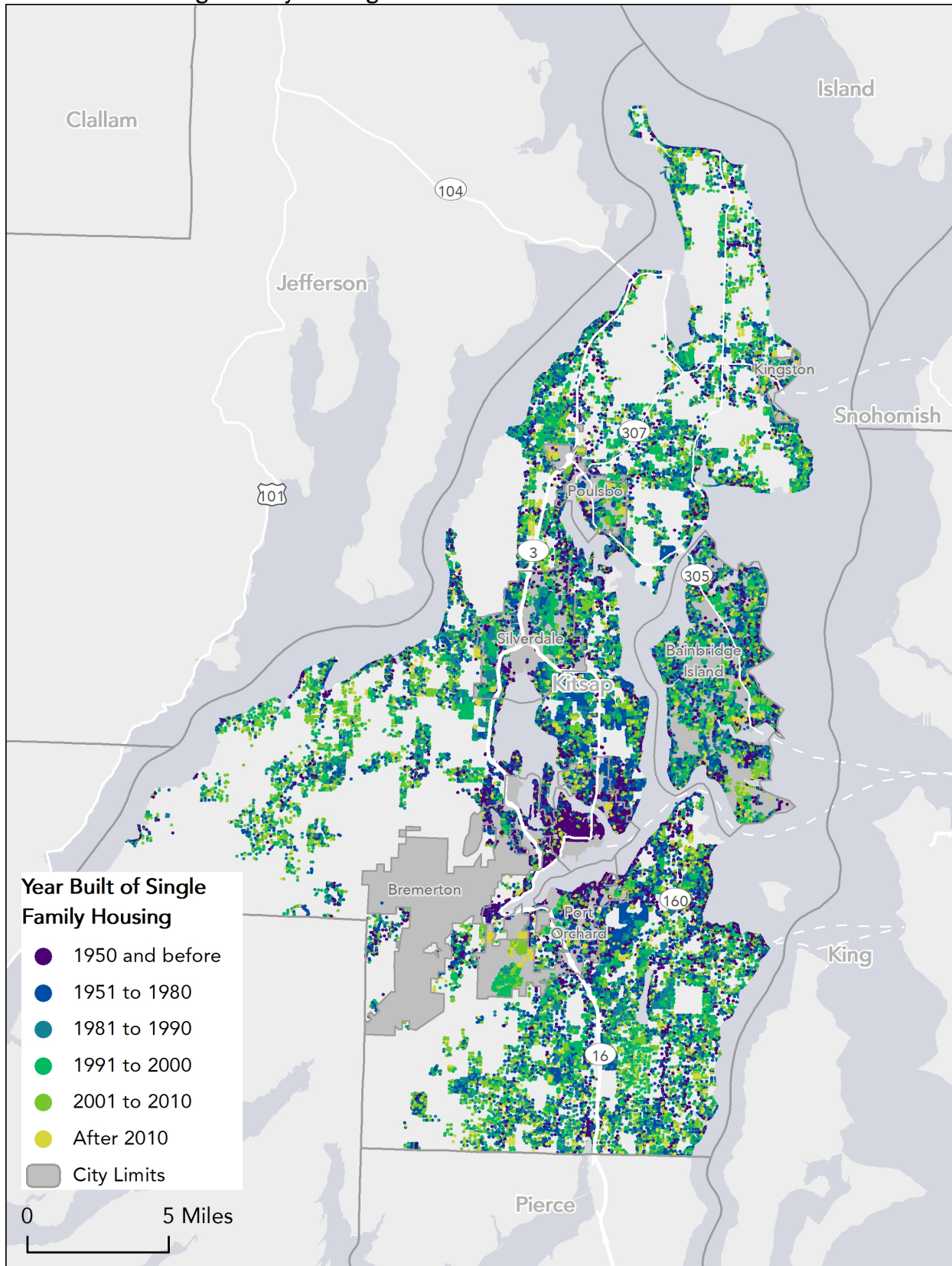
Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates, Table B25034.

Notes: Data show number of units built and do not account for demolition; units built 2000-2010 and post-2010 will differ from values in Exhibit 1. Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the "All Other Areas" is equal to the Kitsap County total less the six cities shown, and is a rough approximation for the remaining Unincorporated Kitsap County area.

In addition, Kitsap County as a whole has not been building much housing this decade, particularly compared to the booming years of the 2000s. From 2010 to 2013–2017, only 3,791 new units have been built across the entire County. While the housing market has been strong since 2017 and any new units built since 2017 are not captured in this data, this is still far below the 15,382 units built in the 2000s. Since 1990, the County has averaged more than 2,000 new units per year. Of all the cities in Kitsap County, Port Orchard has seen the most unit growth since 2010. This is impressive given that it is not the largest city in the County.

Exhibit 13 below shows a map of single-family homes by age using the Kitsap County Assessor's data (the table above uses Census Data). The map clearly demonstrates Port Orchard's recent single-family developments.

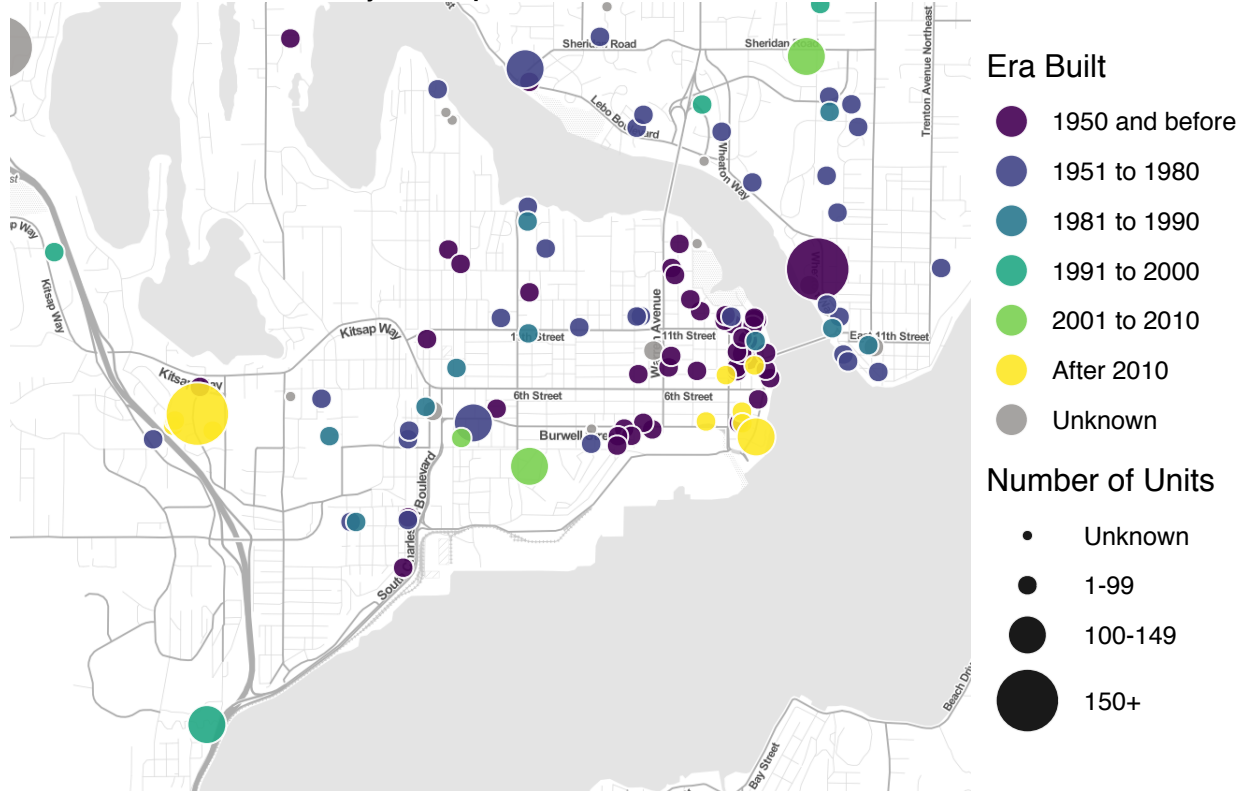
Exhibit 13. Most Single Family Housing was Built Pre-2000



Source: Kitsap County Assessor 2019.

In addition, the map in Exhibit 14 below shows multifamily properties in a portion of the City of Bremerton by era built. The increase in development downtown and the development occurring in the Bay Vista community near Highway 3 are clearly visible in yellow.

Exhibit 14. Recent Multifamily Development in Bremerton is Downtown



Source: ECONorthwest analysis of CoStar data (June 2019).

Vacancy

Overall, about 9.4 percent of the total housing stock in Kitsap County was vacant in 2013–2017. This is similar to the 9.5 percent vacancy rate in 2010, but is higher than that in 2000. The percentage of units that are vacant in Kitsap County is higher relative to Washington State’s 8.9 percent vacancy in the 2013–2017 period. Part of this increased vacancy rates in Kitsap County compared to Washington State as a whole, could be explained by the abundant rural and waterfront properties which can be used as second homes.

Exhibit 15. All Vacancy Across Cities in Kitsap County has Remained Relatively Constant

	2000	2010	2013-2017
Kitsap County	6.7%	9.5%	9.4%
Bainbridge Island	6.3%	10.5%	6.4%
Bremerton	9.2%	13.6%	10.9%
Port Orchard	8.7%	7.6%	12.5%
Poulsbo	4.9%	5.6%	4.3%
Kingston	11.4%	12.4%	13.6%
Silverdale	6.1%	8.5%	6.2%

Source: U.S. Census Bureau, 2000 Decennial Census SF1, Table QT-H1; 2010 Decennial Census SF1, Table QT-H1; 2013-2017 ACS 5-Year Estimates, Table B25002.

Note: Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places.

As Exhibit 16 demonstrates, vacancy rates vary by location and by housing type across the County. Because demand for housing is so high on Bainbridge Island, the vacancy rates are incredibly low: the vacancy rate over the 2013–2017 time period was effectively zero for rental housing and under one percent for ownership housing. Owner vacancy rates are low everywhere except for Port Orchard, which built quite a bit of housing in the past decade as shown in Exhibit 12.

Exhibit 16. Vacancy Rates Are Extremely Low on Bainbridge Island

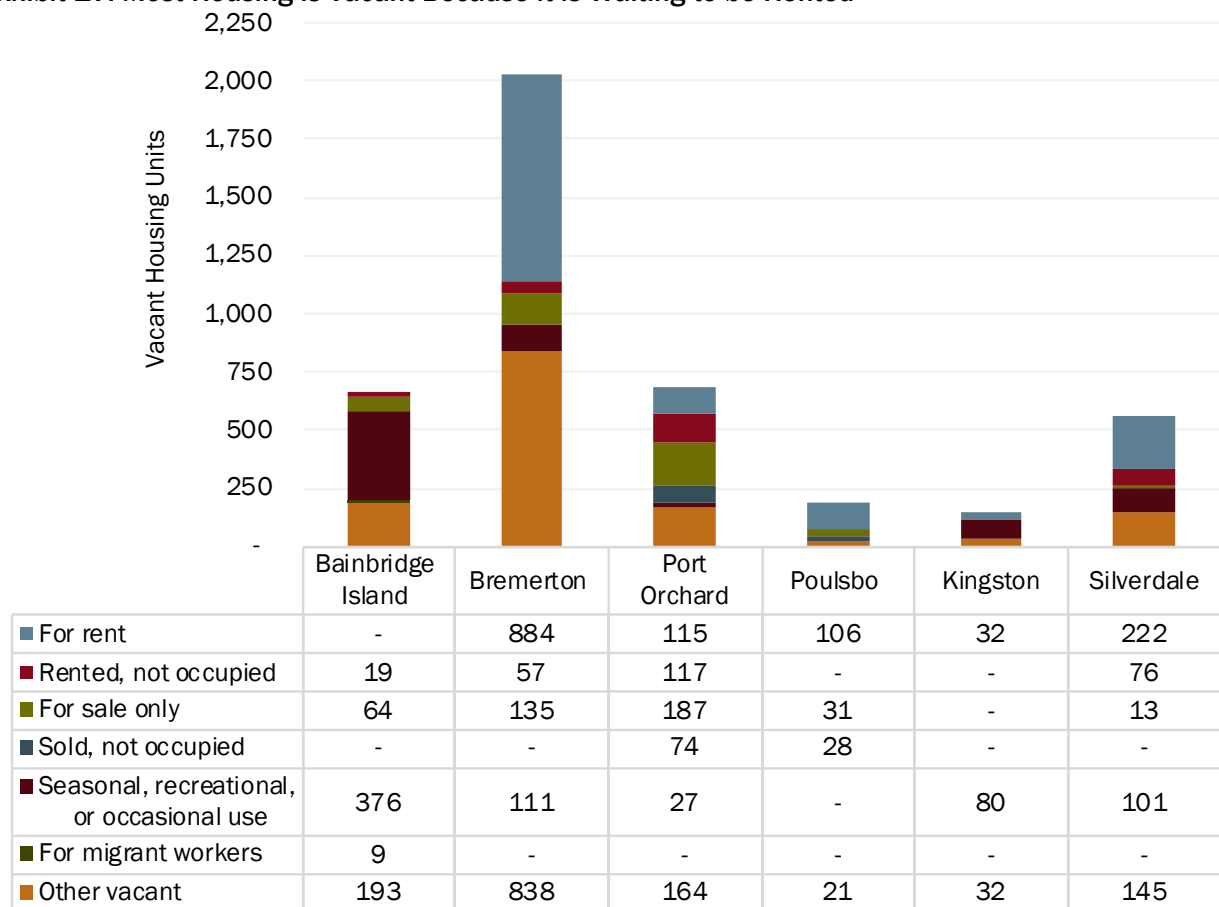
Housing Tenure	Kitsap County	Bainbridge Island	Bremerton	Port Orchard	Poulsbo	Kingston	Silverdale
Owner Vacancy Rate	1.9%	0.9%	1.9%	6.0%	1.2%	0.0%	0.3%
Renter Vacancy Rate	6.0%	0.0%	8.6%	5.3%	6.3%	7.2%	5.3%

Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates, Table DP04.

Notes: In calculating the vacancy rates, the Census only considers those units that are “for rent” or “for sale only.” This differs from the vacancy rates in Exhibit 15 which calculates the share of all unoccupied units. Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places.

Exhibit 17 lists the most common reason for vacancies by location. Across the County, most homes are vacant because they are rentals waiting to be occupied. In Bremerton 44 percent of all vacant housing is waiting to be rented. In Poulsbo, this is 57 percent, and in Silverdale, this is 33 percent. The second most common reason for vacancy is that homes have seasonal, recreational, and occasional uses. This is the case for 27 percent of all vacant units across the County, and 57 percent of all vacant units on Bainbridge Island.

Exhibit 17. Most Housing is Vacant Because it is Waiting to be Rented



Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates, Table B25004.

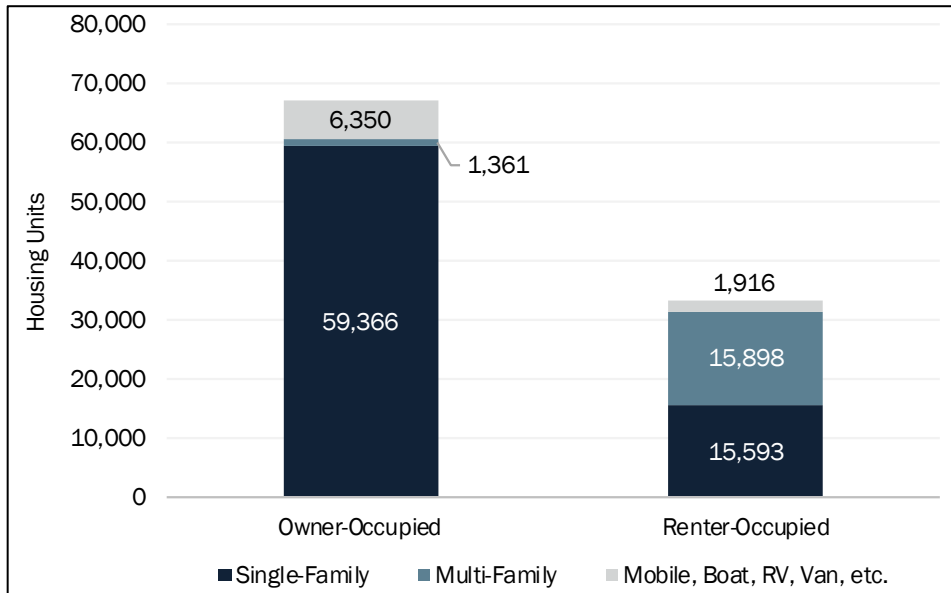
Note: “Rented not occupied” and “sold not occupied” mean the unit has a renter/buyer that has yet to move in. “For sale only” indicates the unit is on the market awaiting a buyer. Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places.

B. Housing Tenure

Exhibit 18 below demonstrates the split between ownership and rental housing, by housing type. This data excludes vacant housing. The majority of ownership housing is single-family (both attached and detached), but about 21 percent of the single-family housing stock in Kitsap County is rented. In addition, most mobile homes and other types of housing are owned—offering a more affordable housing option for some households. Kitsap County does not have many condos—multifamily housing that is owned.

Exhibit 18. Most Single-Family Housing and Mobile Homes are Owner-Occupied (2013-2017)

Kitsap County	Total	Owner-Occupied	Renter-Occupied	% Owner-Occupied
Single-Family (attached and detached)	74,959	59,366	15,593	79%
Multifamily	17,259	1,361	15,898	8%
Mobile, Boat, RV van, etc.	8,266	6,350	1,916	77%
Total Units	100,484	67,077	33,407	67%

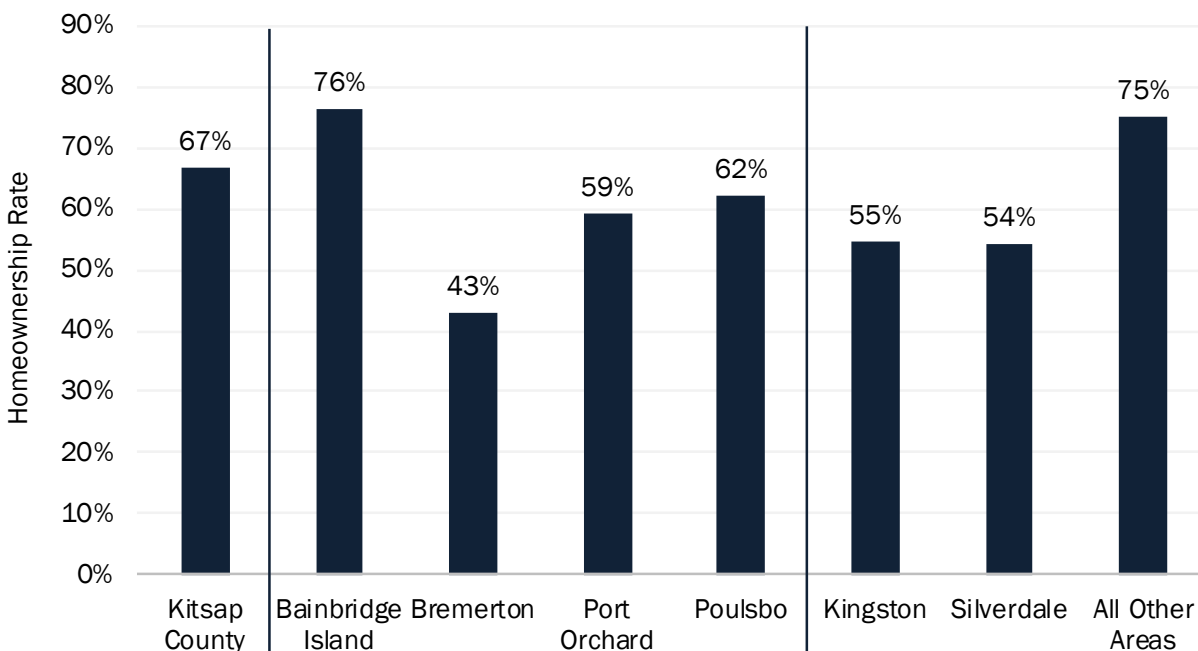


Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates, Table DP04.

Note: Data excludes vacant housing stock.

Exhibit 19 below demonstrates the homeownership rate for all housing types in each city and in Kitsap County as a whole. Across the entire County the homeownership rate is about 67 percent, slightly higher than that of Washington State (63 percent) and the U.S. as a whole (64 percent). However, within the largest cities, the homeownership rate varies dramatically from 76 percent on Bainbridge Island to 43 percent in Bremerton. Bremerton’s lower homeownership rate is in line with the fact that it has a greater proportion of multifamily rental housing—almost 40 percent of its entire housing stock.

Exhibit 19. Homeownership Rates Vary by Location, 2013-2017



Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates, Table DP04.

Notes: Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the “All Other Areas” is equal to the Kitsap County total less the six cities shown and is a rough approximation for the remaining Unincorporated Kitsap County area.

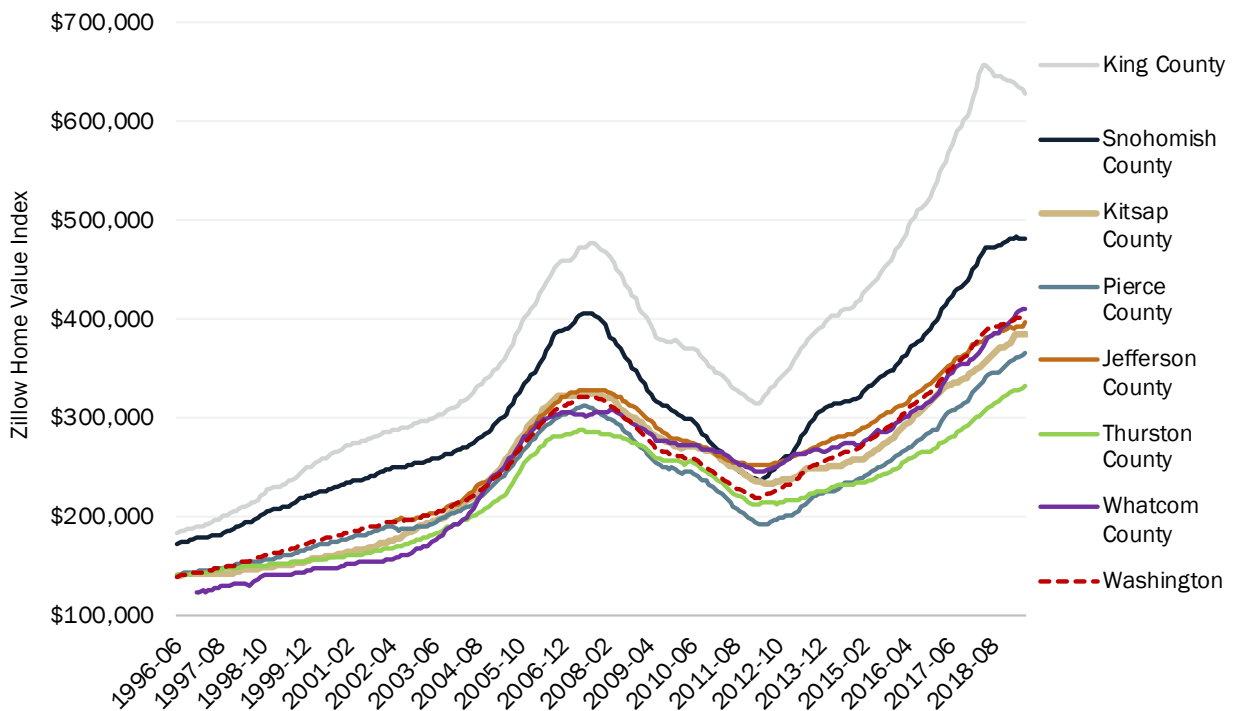
C. Housing Costs

Home Prices

Exhibit 20 below shows the dramatic rise in median home values across select counties, and Washington State over the past 22 years. According to Zillow data, median home values in Kitsap County are higher than in Pierce County and Thurston County, and have been since the run-up to the housing bubble in the early 2000s. Since 2010, the median home values in Jefferson and Whatcom counties have remained above the values in Kitsap County; however, Kitsap County has closely followed the growth trends of these comparison counties.

Housing costs are rising in Kitsap County, largely due to the spillover effects of the strong Puget Sound economy and high housing costs elsewhere, and due to the lack of new housing production.

Exhibit 20. Home Values are Increasing in Numerous Counties⁷



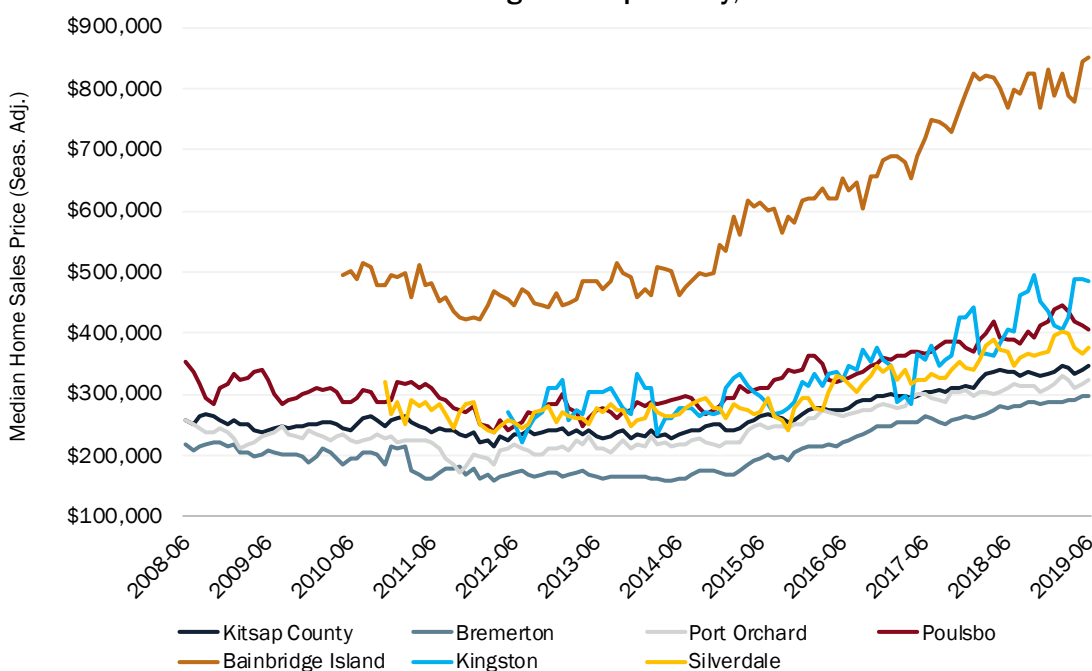
Source: Zillow Home Value Index, June 1996 – June 2019.
 Note: Data includes Multifamily, Single-family, and Condo/Co-op Housing.

Exhibit 21 below displays median *home sales prices* for all home types—single-family, condominiums, and co-operative homes, in comparison to median *home values* in Exhibit 20. Of the principle cities listed, Bainbridge Island’s median home sales price is the highest (as it has been historically). It also grew the most, increasing from \$501,800 in June 2010 to \$853,000 in June 2019, or about 70 percent.⁸ Bremerton had the next largest increase in median home sales price, growing by 35 percent over the June 2008 to June 2019 period. Countywide, median home sales prices were up 34 percent in June 2019 from their June 2008 values.

⁷ Thurston and Whatcom counties are included as comparators to Kitsap County due to their approximately equivalent population sizes. While much less populous than Kitsap County, Jefferson County is included since it neighbors Kitsap and may be experiencing spillover effects from the broader Puget Sound economy.

⁸ Note: Zillow data for Bainbridge Island was only available through February 2019, all other areas had data through June 2019.

Exhibit 21. Home Sales Prices are Growing in Kitsap County, June 2008 —June 2019



Source: Zillow, Median Sale Price Seasonally Adjusted.

Bainbridge Island has historically seen higher home prices than the rest of Kitsap County, and tracks closer to Seattle and King County housing markets than the rest of Kitsap County. Since about 2014 the rate of price growth on Bainbridge Island has exceeded that of other areas. Home sales prices topped out at \$853,100 on Bainbridge Island in June 2019, the highest point over the analysis period.

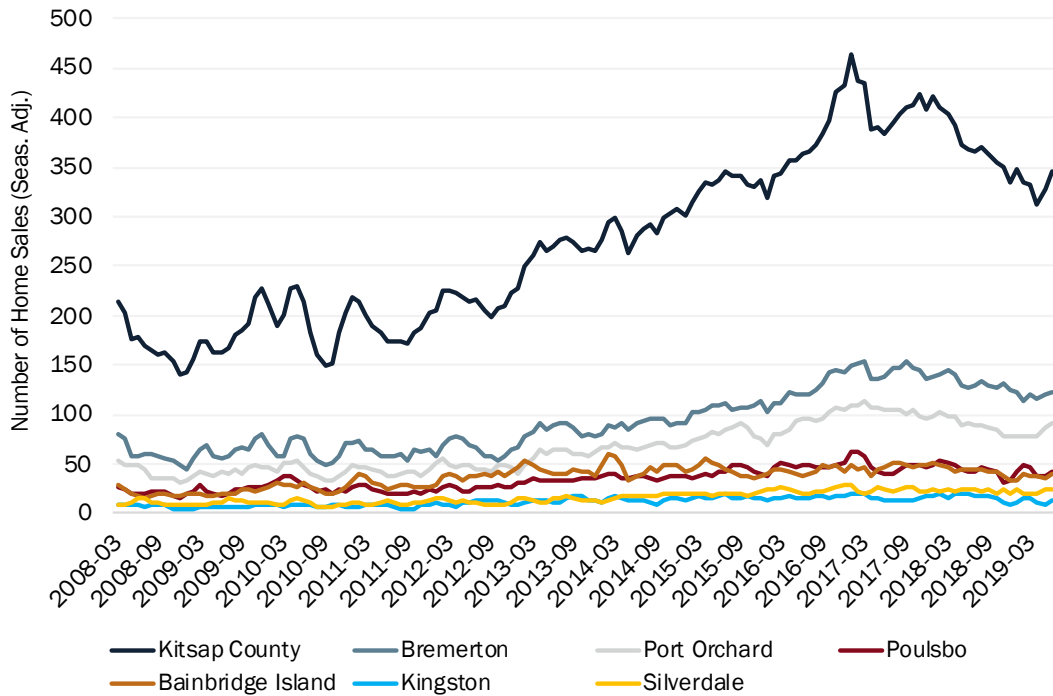
All of the principle cities in Kitsap County have seen significant growth in their home prices. Since June 2008, median home sales prices in Bremerton increased by 35 percent, Port Orchard prices increased by 25 percent, and Poulsbo prices increased by 15 percent. Bainbridge Island’s prices increased by 70 percent over the June 2010 to June 2019 period.⁹

The unincorporated cities in Kitsap County also saw significant growth in their home prices over the last several years. Silverdale’s home prices increased by 36 percent over the June 2011 to June 2019 period and Kingston’s home prices increased by 90 percent over the June 2012 to June 2019 period.

In addition to home prices rising, the number of home sales across Kitsap County has also been rising. Exhibit 22 below displays the seasonally adjusted number of home sales in Kitsap County and several cities over the 2008–2019 time period. The run-up in prices across Kitsap County beginning in about 2012 corresponds with the run-up in home sales county-wide.

⁹ Note: Revised Zillow median home sale price data for Bainbridge Island begin with May 2015. We started our analysis with Bainbridge’s June 2010 datapoint to be consistent with the starting month for the other cities.

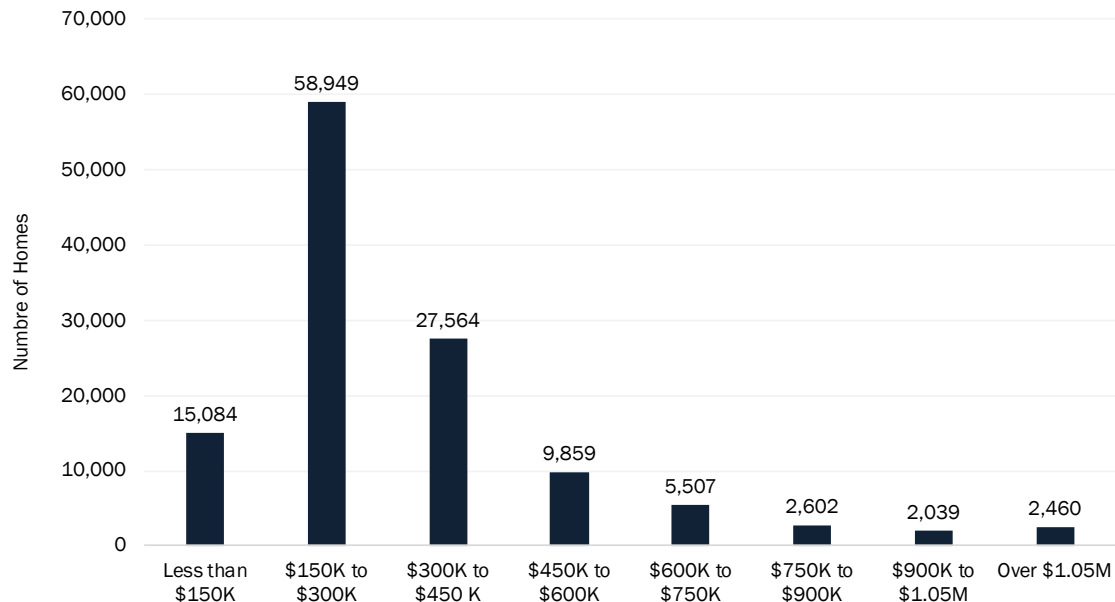
Exhibit 22. Number of Home Sales in Kitsap County, June 2008 – June 2019



Source: Zillow, Number of Sale over Time, Seasonally Adjusted.

Exhibit 23 below shows the distribution of home prices in Kitsap County. The median home price of \$345,000 means that 50 percent of all housing in the County is below this amount, while 50 percent is above. Though the majority of homes in Kitsap County have lower prices, there are many in excess of \$1 million spread across the County.

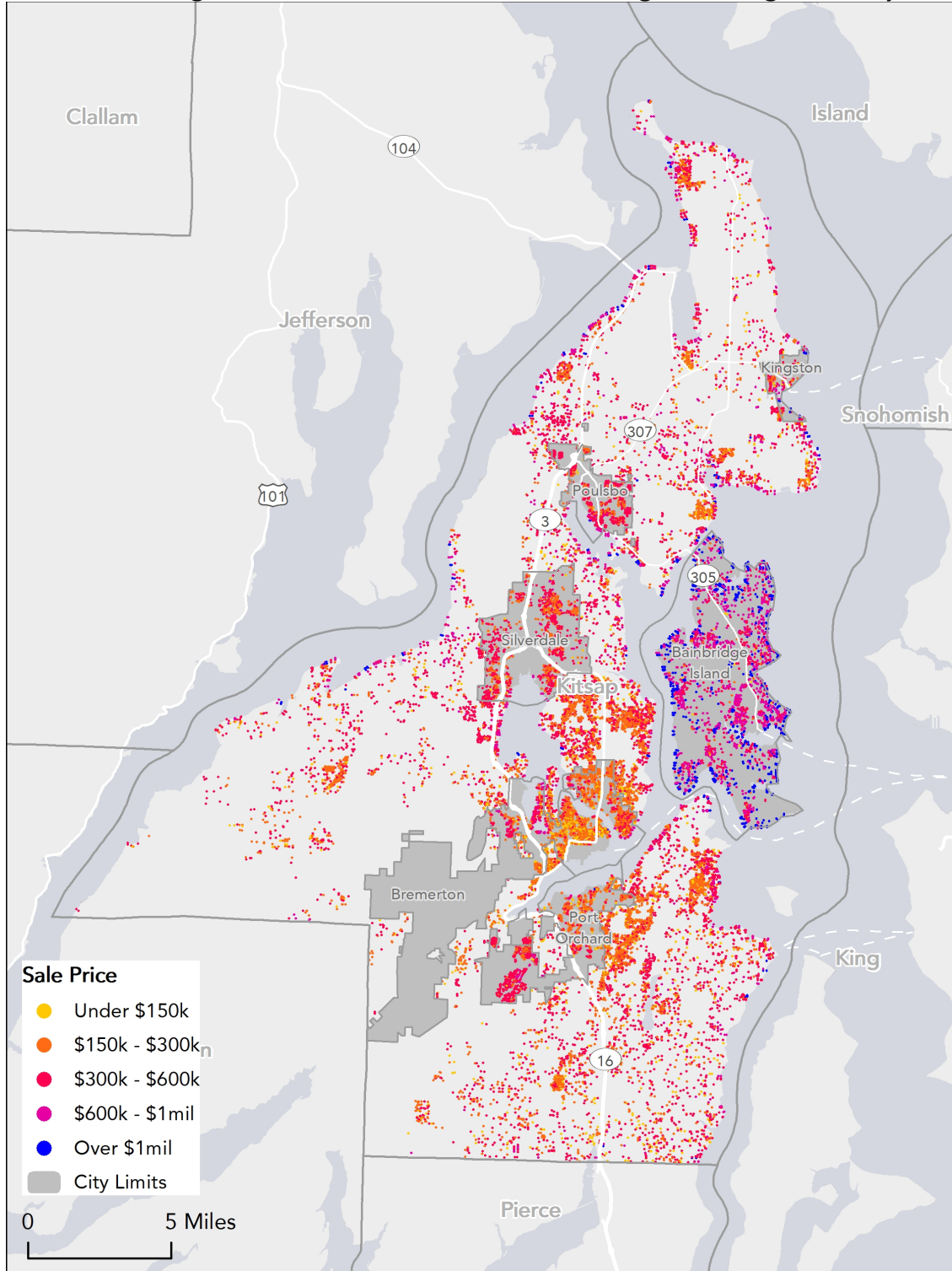
Exhibit 23. Most Home Prices in Kitsap County Are Relatively Affordable, Compared to Other Parts of Puget Sound



Source: Kitsap County Assessor Data, 2019.

Exhibit 24 below displays a map of sales prices from the past five years (2014–2019) demonstrating that the majority of the high-priced housing is located on Bainbridge Island and along the waterfront areas of the County.

Exhibit 24. The Highest Recent Home Prices are on Bainbridge and Along the County Shoreline

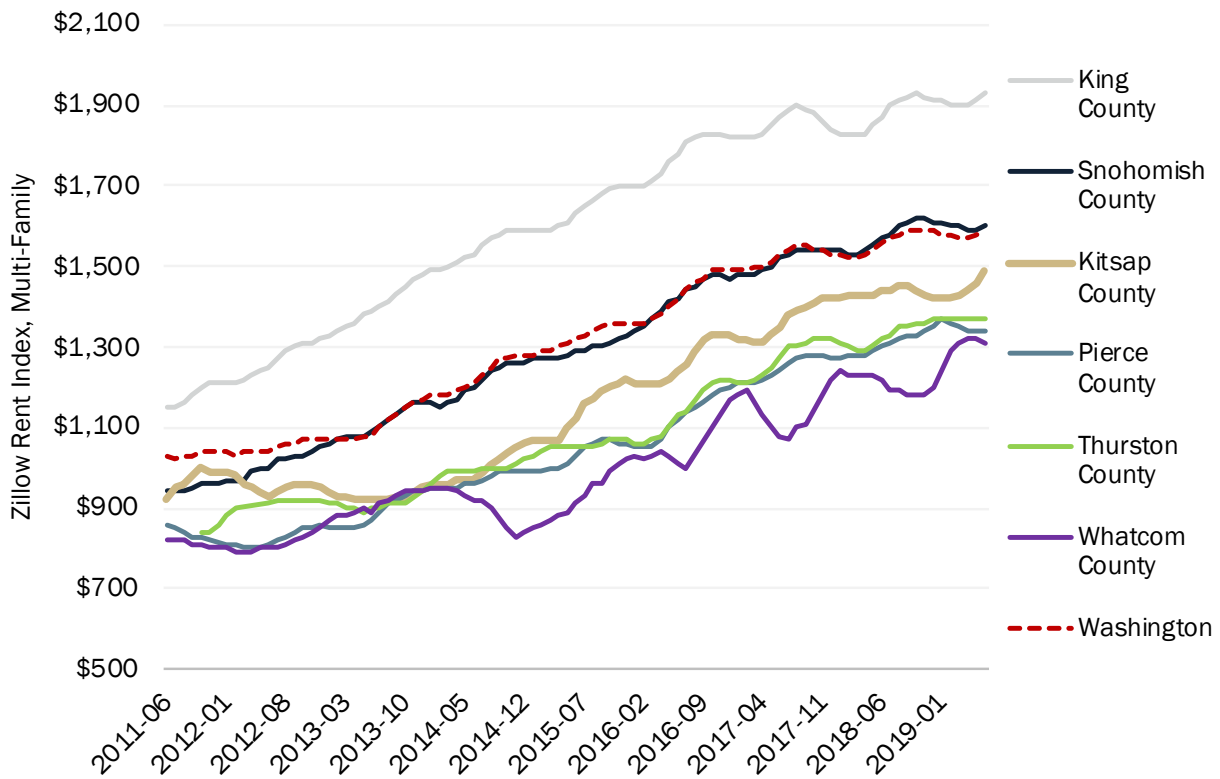


Source: Kitsap County Assessor's Data 2014-2019.

Rents

Median multifamily rents are also rising in Kitsap County and the area’s cities. Again, this is likely due to the prosperous economies in other areas of Puget Sound creating strong demand and due to insufficient multifamily housing production to meet that demand. Exhibit 25 displays the increase in median rents in the same select counties and Washington State. According to Zillow data, median rents in Kitsap County are now on par with Snohomish County and Washington State, at about \$1,500 to \$1,600 per unit (for all unit sizes). Median multifamily rents in Kitsap County have grown approximately 59 percent over the past eight years (June 2011 to June 2019).

Exhibit 25. Multifamily Rents are Increasing in Puget Sound Counties

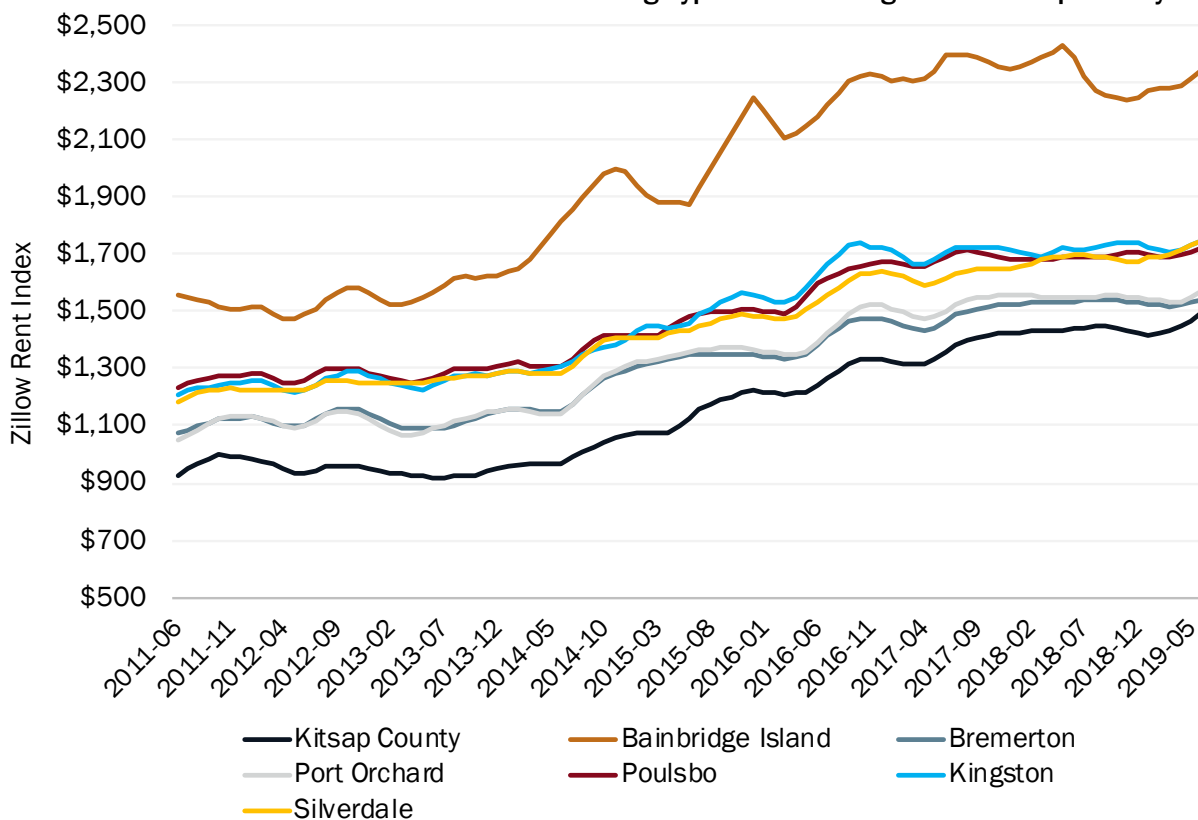


Source: Zillow Rent Index (ZRI) – Multifamily, 2019.

Note: There is a small handful of data points that are not computed for some counties. We joined these small gaps with lines for consistency in presentation of the trends. This does not affect the endpoints of the respective trend lines, nor does it affect general insights about how multifamily rents are changing across the counties shown.

Like housing prices, Bainbridge has historically commanded a premium rent over other cities in Kitsap County. Median rents for all unit types on Bainbridge are over \$2,340 per month, 52 percent higher than the lowest cost city (Bremerton), where median rents are about \$1,543 per month. While this premium has grown over time, it has not grown to the same extent as home prices have. Exhibit 26 below demonstrates that median gross rents in the four principle cities and the two unincorporated areas in Kitsap County have grown a sizable amount since June 2011.

Exhibit 26. Median Gross Rents for all Rental Housing Types are Growing Across Kitsap County



\$2,342	\$1,543	\$1,576	\$1,724	\$1,751	\$1,748	\$1,873	\$1,882
Bainbridge Island	Bremerton	Port Orchard	Poulsbo	Kingston	Silverdale	Kitsap County	Washington State

Source: Zillow Rent Index (ZRI), June 2019.

Median rents on Bainbridge increased more than 50 percent, rising from \$1,553 in June 2011 to \$2,342 in June 2019. Port Orchard rents increased 50 percent over the same period, Poulsbo grew by 40 percent, and Bremerton rents increased 44 percent over the past eight years. For unincorporated Kingston and Silverdale, median rents increased by 45 percent and 48 percent, respectively over the eight year time period.

D. Housing Affordability

Given these rising costs in housing prices and rents, housing has become less affordable to most households in Kitsap County. This often means that households are spending a greater share of their gross incomes on housing, leaving less money available for other necessities such as food, transportation, medical expenses, and childcare.

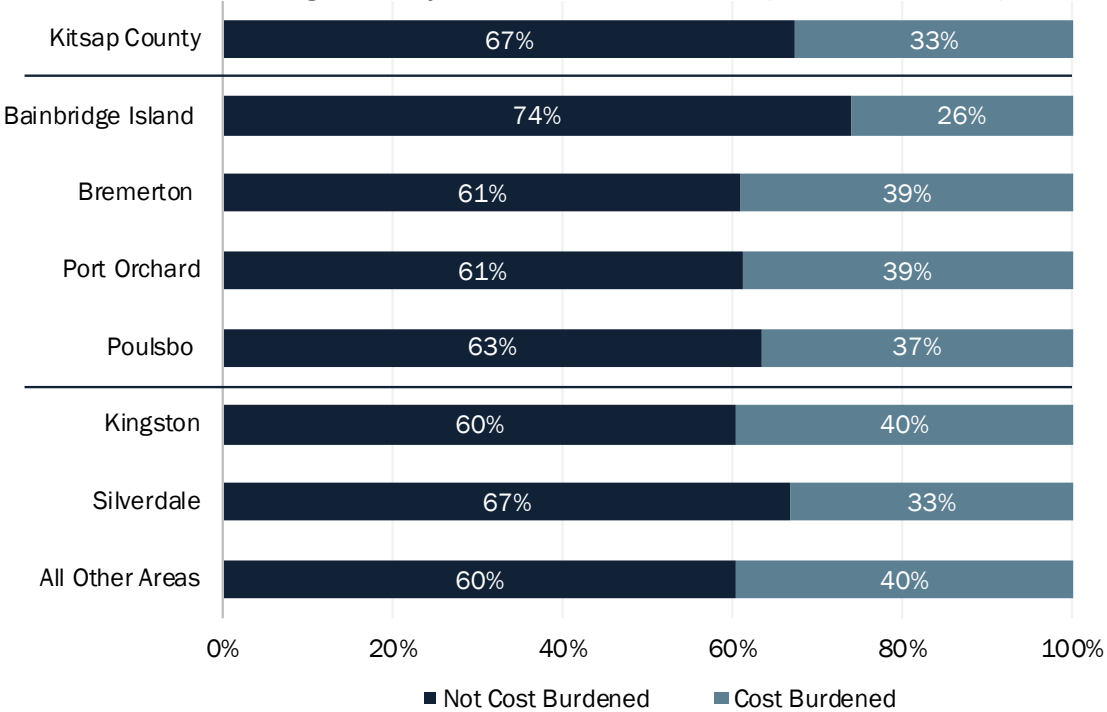
Cost Burdening

When lower-cost housing (such as government subsidized housing) is not available, households can become “cost-burdened” when they pay more than 30 percent of their income on housing costs. This can put low-income households in vulnerable situations and force them to make

trade-offs between housing costs and other essentials like food, medicine, or transportation (see sidebar). This precariousness of being able to afford housing can also lead to rental evictions, job instability, school instability for children, and homelessness.

In the 2013–2017 period, about 33 percent of all Kitsap County households were cost burdened.

Exhibit 27. Cost Burdening Varies by Location, All Households (Renter and Owner)



Source: U.S. Census Bureau, 2013–2017 ACS 5-Year Estimate Table B25095.
 Notes: Chart omits renter households with no recorded housing costs. Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the “All Other Areas” is equal to the Kitsap County total less the six cities shown and is a rough approximation for the remaining Unincorporated Kitsap County area.

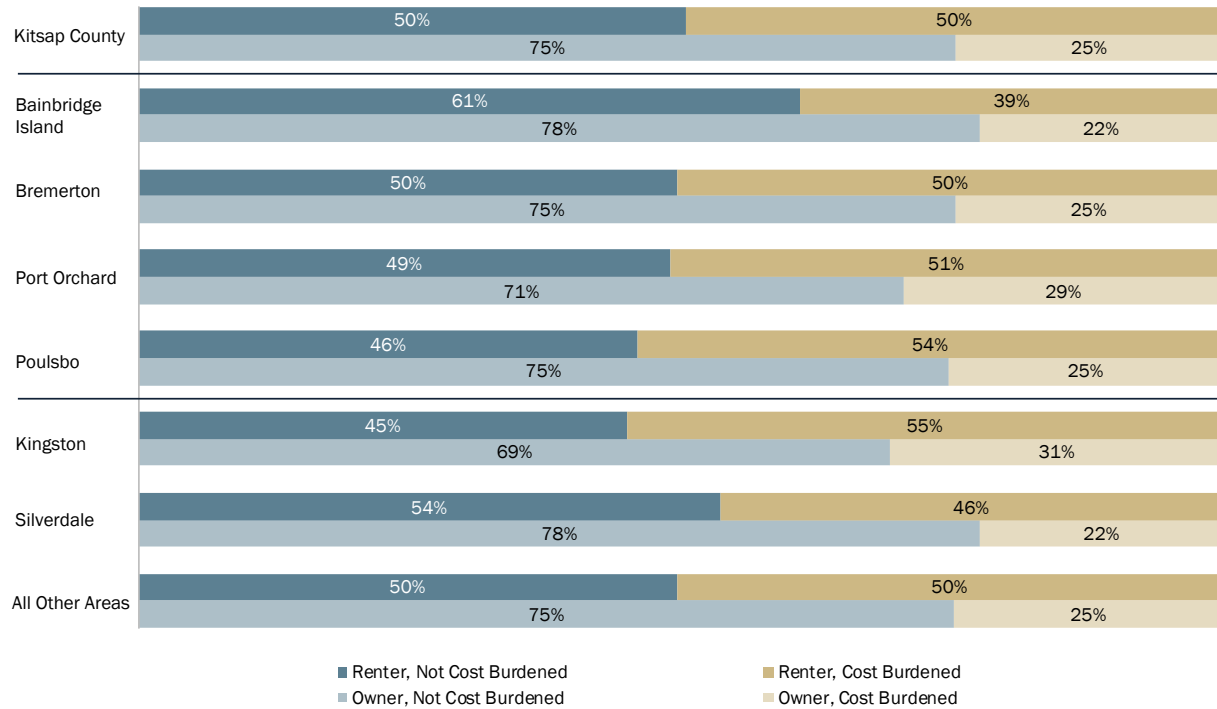
Cost Burdening By Income

A household making **\$120,000 per year** has a gross income of \$10,000 per month. Housing costs over \$3,100 per month would result in cost burdening, but this household would still have \$6,900 per month for all other expenses.

In contrast, a household making **\$24,000 per year** has a gross income of only \$2,000 per month. Housing costs in excess of \$620 per month would result in cost burdening, but this household would only have \$1,380 remaining for all other expenses. Because housing at this cost is rare, most households in this income range have to pay more. In addition, their remaining income may be insufficient for all other expenses, and force the household to make difficult trade-offs.

During the 2013–2017 period, about 50 percent of all Kitsap County renter households were cost burdened and about 25 percent of all owner households were cost burdened.

Exhibit 28. Cost Burdening Varies by Location, and Owner vs Renter Households



Source: U.S. Census Bureau, 2013–2017 ACS 5-Year Estimate Table B25095.

Notes: Chart omits renter households with no recorded housing costs. Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data shown for Kitsap County are the entire county, inclusive of the other areas shown. Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the “All Other Areas” is equal to the Kitsap County total less the six cities shown and is a rough approximation for the remaining Unincorporated Kitsap County area.

About half of all renter-occupied households in Kitsap County’s jurisdictions are cost burdened, with the exception of Bainbridge Island (39 percent) and Silverdale (46 percent). Kingston had the highest share of cost burdened renter households during the 2013–2017 period at 55 percent, followed by Poulsbo (54 percent), and then Port Orchard (51 percent). Cost burdened owner-occupied units are a rather small share of all owner-occupied units, particularly when compared to renter-occupied units. In general, the share of cost burdened owners is about 25 percent, ranging from a low of 22 percent in Silverdale to a high of 31 percent in Kingston.

Owner Cost Burdening

Exhibit 29 below displays the same cost burdening information for owner-occupied households who have housing costs. While households that own their homes are typically higher income compared to renters, there are still about 15,192 households of all income levels in Kitsap County (23 percent of all owner households) who are cost burdened. Of the 5,319 homeowner households earning less than 30 percent of the County MFI, about 80 percent are cost burdened as are 49 percent of owner-occupied households earning between 31 and 60 percent of MFI.

Exhibit 29. Owner Cost Burdening in Kitsap County by Income Level

Cost Burdening		Household Annual Income as a Percent of Kitsap County MFI						Total
		0-30% MFI	31-60% MFI	61-80% MFI	81-100% MFI	100%-120% MFI	>120% MFI	
A	Not Cost Burdened	1,068	4,876	5,832	6,164	6,076	27,200	51,216
B	30% Cost Burdened	1,017	2,628	2,597	1,282	848	800	9,172
C	50% Cost Burdened	3,234	2,083	455	114	47	87	6,020
D	Total Households (A+B+C)	5,319	9,587	8,884	7,560	6,971	28,087	66,408
E	Total Cost Burdened (B+C)	4,251	4,711	3,052	1,396	895	887	15,192
F	Percent Cost Burdened (E/D)	80%	49%	34%	18%	13%	3%	23%

Source: HUD 2017 Median Family Income (MFI) for Kitsap County, 2013-2017 ACS, ECONorthwest

Note: This table excludes households with no reported income and no reported housing costs.

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.

Renter Cost Burdening

Renters are more likely to be cost burdened than homeowners because most renters are lower income. Exhibit 30 below demonstrates renter cost burdening according to different MFI levels in Kitsap County. As the table demonstrates, just under 50 percent of all Kitsap renter households (with housing costs) are cost burdened—paying 30 percent or more of their gross income on housing. When looking at severe cost burdening approximately 23 percent of all Kitsap renter households face this cost issue (not shown in the table).

Exhibit 30. Renter Cost Burden in Kitsap County by Income Level, 2013-2017

Cost Burdening		Household Annual Income as a Percent of Kitsap County MFI						Total
		0-30% MFI	31-60% MFI	61-80% MFI	81-100% MFI	100%-120% MFI	>120% MFI	
A	Not Cost Burdened	944	2,684	2,794	3,005	2,197	4,721	16,345
B	30% Cost Burdened	1,861	4,554	1,306	318	94	23	8,156
C	50% Cost Burdened	5,465	1,782	123	10	-	-	7,380
D	Total Households (A+B+C)	8,270	9,020	4,223	3,333	2,291	4,744	31,881
E	Total Cost Burdened (B+C)	7,326	6,336	1,429	328	94	23	15,536
F	Percent Cost Burdened (E/D)	89%	70%	34%	10%	4%	0%	49%

Source: HUD 2017 Median Family Income (MFI) for Kitsap County; U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates.

Note: This table excludes households with no reported income and no reported housing costs.

As one would expect, rates of housing cost burdening decline as incomes increase—meaning lower income households are more likely to face cost burdening. In the 2013–2017 time period, almost 90 percent of renters earning less than 30 percent of Kitsap’s MFI were cost burdened. Households at this income would need a rent less than \$578 per month to avoid cost burdening, but with the median rent around \$1,570 (in 2017, according to Zillow’s Rent Index data) there are very few rentals in the housing stock at that price.

Kitsap County MFI

According to HUD, Kitsap County’s MFI was \$77,119 in 2017.

- 30% of MFI is about \$23,135
 - 50% of MFI is about \$38,559
 - 60% of MFI is about \$46,271
 - 80% of MFI is about \$61,695
 - 100% of MFI is \$77,119
 - 120% of MFI is about \$92,542
-

Exhibit 30 also demonstrates that about 70 percent of renter households earning between 30 and 60 percent of the median family income are cost burdened. These households can afford a monthly rent between about \$578 and \$1,157 to avoid cost burdening—units between these rent prices are also somewhat scarce in Kitsap County.

The rate of cost burdening declines for higher-income renter households. Further, because there are not many luxury rental apartments in Kitsap County, no high-income renter households were severely cost burdened in the 2013–2017 time period.

Housing Stock and Affordability Mismatch

To take renter cost burdening one step further, we explore the current mismatch in the incomes of renters occupying different priced housing units. Exhibit 31 below displays this mismatch, showing renter households by MFI level across the top, and rental units priced by MFI level down the rows.

The green areas show where renter households are occupying a unit that is priced “affordably” for that income level (using HUD’s 30 percent of income threshold). Areas in red indicate that the household is cost burdened (paying more than 30 percent of income on housing). And areas in yellow indicate that the household is “renting down” or paying less than 30 percent of its income on housing. The total column at the right (Column 8) sums all the occupied rental units in each MFI level, while the total row at the bottom (Row H) sums all the renter households in each MFI level.

Exhibit 31. Mismatch in Rental Housing by Affordability Level, Kitsap County, 2013–2017¹⁰

		1	2	3	4	5	6	7	8
		Unit Occupied by Household Earning...						Total Occupied Units	
A	Unit Rents "Affordably" at...	0-30% MFI	31-60% MFI	61-80% MFI	81-100% MFI	101-120% MFI	>120% MFI		
B	0-30% MFI	1,845	503	45	50	0	45	2,488	
C	31-60% MFI	4,449	4,171	1,537	1,216	475	934	12,782	
D	61-80% MFI	1,388	3,136	1,838	1,240	1,215	1,586	10,403	
E	81-100% MFI	320	902	553	669	481	1,468	4,393	
F	100-120% MFI	134	177	85	107	83	483	1,069	
G	>120% MFI	134	131	165	51	37	228	746	
H	Total Households	8,270	9,020	4,223	3,333	2,291	4,744	31,881	

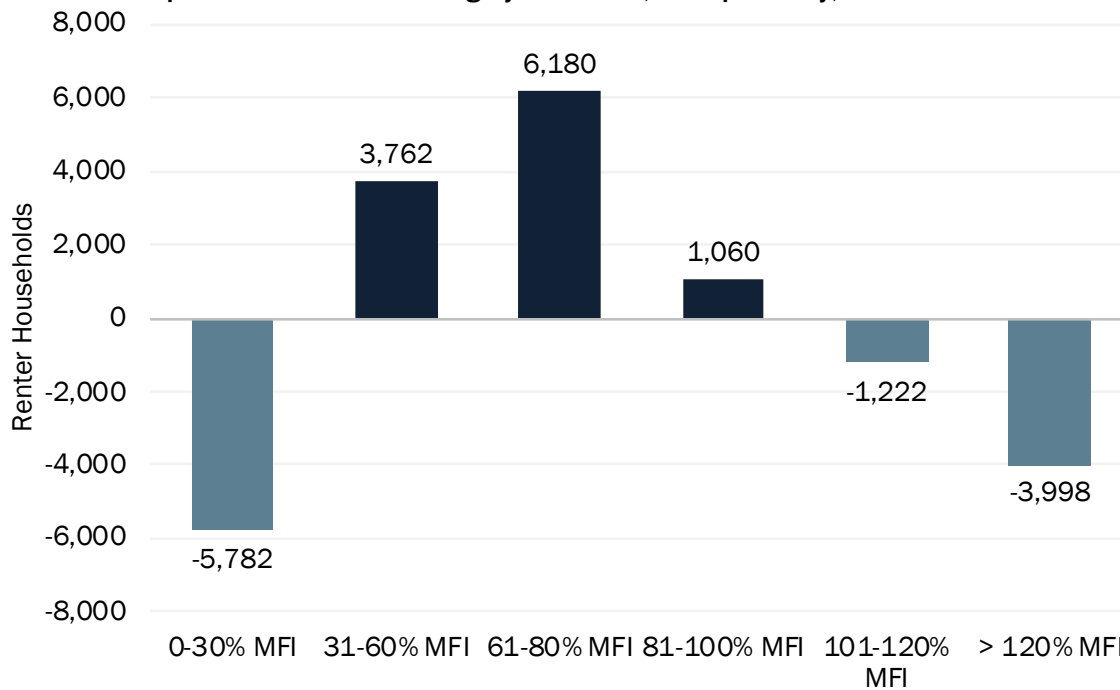
Source: ECONorthwest analysis of 2013-2017 ACS PUMS, HUD 2017 Median Family Income for Kitsap County for a family of four.
 Note: Unit affordability by MFI level is calculated assuming 30% of household income goes toward housing. This table excludes households with no reported income and households with no reported housing costs.

As the exhibit demonstrates, there are 8,270 renter households in Kitsap County with incomes under 30 percent of MFI (cell H2), but there are only 2,488 occupied units with rents that would be considered affordable to those households (cell B8). Of these 2,488 affordable units, 1,845 are occupied by renters in this income range (cell B2). The rest of these units are occupied by renter households of higher incomes.

The difference in total units available at the less than 30 percent of MFI income level, 2,488 (cell B8), and the number of households at this income level 8,270 (cell H2), results in a mismatch and deficit of 5,782 units needed affordable to this income level. This mismatch continues across the MFI spectrum, as shown in Exhibit 32 below. This chart demonstrates that some MFI levels have a surplus of housing compared to the numbers of renter households with incomes in that range. We calculate the surplus/deficit as the number of renter households in an income level less the units affordable to that income level.

¹⁰ The estimate of households in each of the renter and income bins is calculated using 2017 Census Public Use MicroSample (PUMS) data and the Department of Housing and Urban Development's 2017 median family income definition for Kitsap County. The PUMS data provide an estimate for the number of households in a geography with certain characteristics, including gross rent, household income, and the number of bedrooms in the housing unit. Using this data, we are able to crosswalk these estimates to the county level and calculate the number of households in each rental affordability bin and income bin. We used the HUD definition of affordability and adjusted median family income to account for the differences in housing units. These data exclude vacant units and exclude renter households where rent is zero or where the household has no recorded housing costs.

Exhibit 32. Surplus or Deficit of Housing by MFI Level, Kitsap County, 2013–2017¹¹



Source: ECONorthwest analysis of 2013-2017 ACS PUMS, HUD 2017 Median Family Income for Kitsap County for a family of four.
Note: Unit affordability by MFI level is calculated assuming 30% of household income goes toward housing.

Kitsap County does not have many luxury rental units. This means that higher income households must “rent down,” and compete with lower-income households for available rental stock. Landlords may choose higher-income applicants over lower-income applicants since they have a higher rent-to-income ratio and more cushion to pay the rent. Thus, the lack of higher-cost housing for higher-income households can put pressure on lower-income households too. As these exhibits demonstrate, Kitsap County’s current housing inventory has:

- A deficit of 5,782 rental units affordable to households earning less than 30 percent of MFI (under \$23,135 per year).
- A surplus of 3,762 rental units affordable to households earning between 31 and 60 percent of MFI (between \$23,136 and \$46,271 per year).
- A surplus of 6,180 rental units affordable to households earning between 61 and 80 percent of MFI (between \$46,272 and \$61,695 per year).
- A surplus of 1,060 rental units affordable to households earning between 81 and 100 percent of MFI (between \$61,696 and \$77,119 per year).
- A deficit of 1,222 rental units affordable to households earning between 101 and 120 percent of MFI (between \$77,120 and \$92,542 per year).
- A deficit of 3,998 rental units affordable to households earning more than 120 percent of MFI (greater than \$92,543).

¹¹ See footnote 10.

Regulated Affordable Housing

A critically important component of any housing stock is the regulated affordable housing that serves the County's lowest income households. This type of housing is rent- or income-restricted so that it is affordable to households making below a certain income level, depending on the type of program. Incomes are generally restricted to 30, 50, 60, or 80 percent of the area median family income (between \$23,135 and \$65,540 in Kitsap County). There are many types of regulated affordable housing properties and units. However, most areas do not have enough regulated affordable housing to meet all the needs of low-income households; nationally, only one of every four eligible households receives public housing assistance.¹²

Affordable Rental Housing

Nationally, the largest source of affordable housing funding is the Low-Income Housing Tax Credit (LIHTC) program, which is run through the U.S. Internal Revenue Service. 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 insurance companies. It is a strong public-private-partnership program responsible for creating millions of affordable housing units across the country. In Washington, the housing agency that distributes tax credits is the Washington State Housing Finance Commission (WSHFC).

We combined data received through a public information request from the WSHFC's multifamily housing database with information on the regulated housing stock from the Puget Sound Regional Council (received in November 2019), Kitsap County (updated in March 2018) and the Bremerton Housing Authority (updated in October 2018). We did our best to un-duplicate properties by looking at names, numbers of units, and addresses, and omitted market-rate units to focus solely on regulated affordable units. While we cannot guarantee that the data is complete, it likely captures a robust share of the total rent-restricted affordable housing across Kitsap County. It should be noted that these units are captured in the rest of the inventory describing the housing stock by size, rent price, age, tenure, and vacancy status.

According to this data, there are about 100 regulated affordable housing properties across the County.¹³ These 100 properties contain 4,205 units, and range from scattered site homes and duplexes, to large multifamily complexes containing hundreds of units.

¹² National Low Income Housing Coalition (NLIHC). 2019. "HUD Reports that 8.3 Million Very Low Income Households Have Worst Case Housing Needs." Available from: <https://nlihc.org/resource/hud-reports-83-million-very-low-income-households-have-worst-case-housing-needs>

¹³ Two of these properties with 24 units may have had an affordability restriction expire. Data is insufficient to determine whether there are multiple affordability restrictions and whether any still remain.

Exhibit 33. Regulated Affordable Housing Is Largely Found in Bremerton

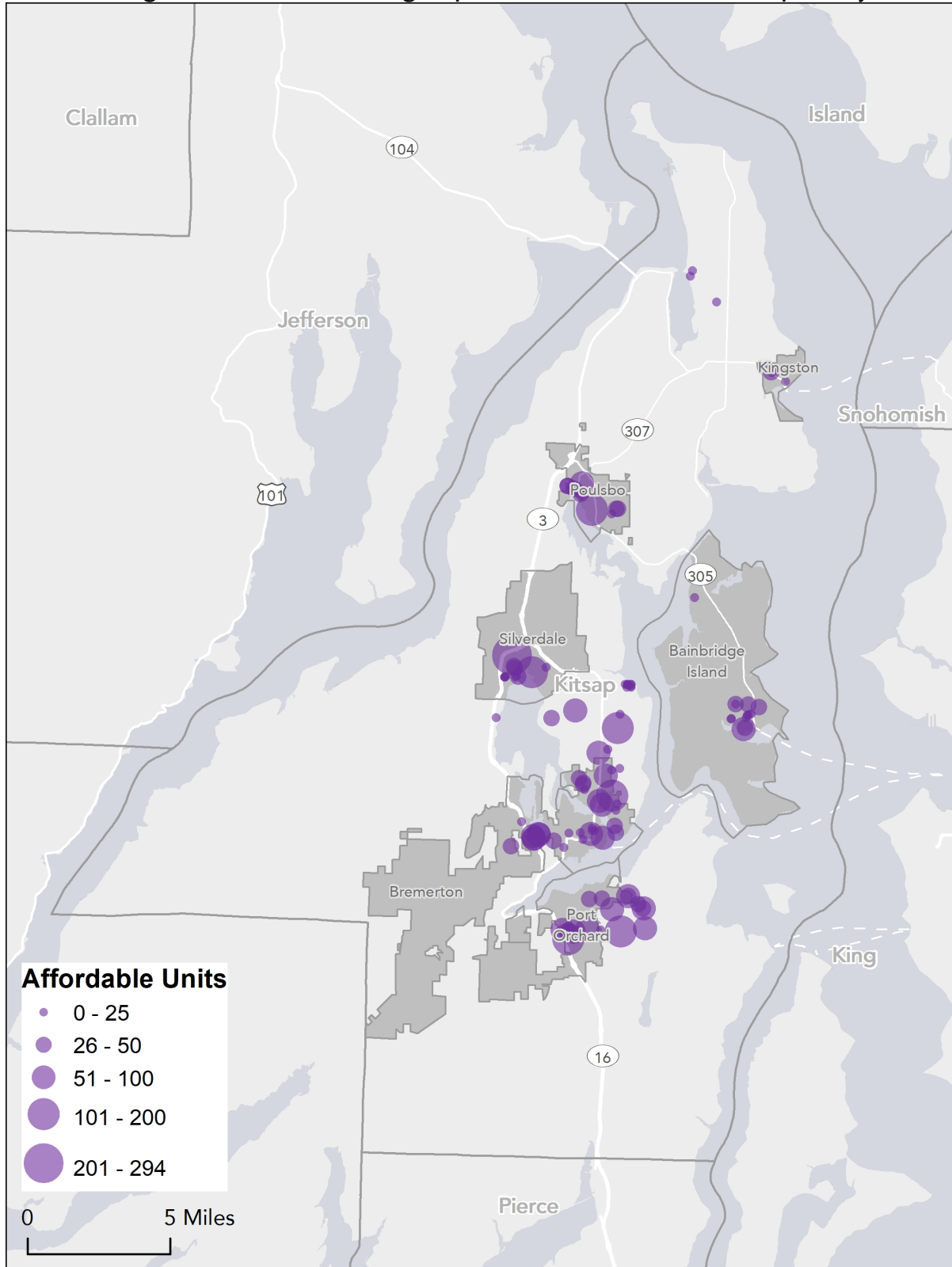
	Location	Number of Properties	Percent of Total	Number of Units	Percent of Total
	County	1	1%	15	~0%
Principle Cities	Bainbridge Island	14	14%	287	7%
	Bremerton	39	39%	1856	44%
	Port Orchard	18	18%	798	19%
	Poulsbo	12	12%	462	11%
Uninc. Kitsap County	Kingston	7	7%	109	3%
	Silverdale	9	9%	678	16%
	Grand Total	100	100%	4,205	100%

Source: ECONorthwest analysis of WSHFC, PSRC, Kitsap County, and Bremerton Housing Authority data.

Exhibit 33 above lists these properties and units by location in Kitsap County and Exhibit 34 displays these properties on a map. Location data was available for all but two properties and 15 affordable homes that are scattered across the county.

The City of Bremerton accounts for about 39 percent of all properties and 44 percent of all units and Silverdale accounts for about nine percent of all units and 16 percent of all units. This means these cities have larger properties than other areas. Bainbridge Island accounts for 14 percent of all properties but only seven percent of all units, and Kingston is seven percent of properties but only three percent of units, meaning properties in these locations are smaller on average. Port Orchard and Poulsbo are nearly equally distributed.

Exhibit 34. Regulated Affordable Housing Properties are Concentrated in Kitsap County

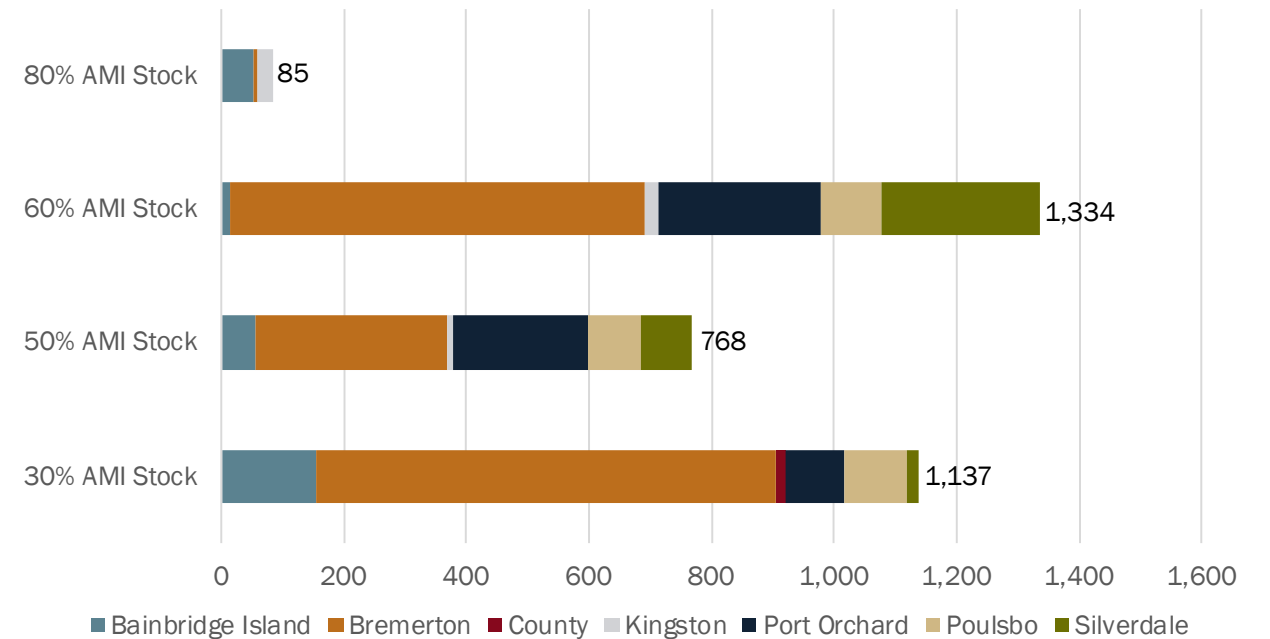


Source: ECONorthwest analysis of WSHFC, PSRC, Kitsap County, and Bremerton Housing Authority data.

Notes: Map does not show properties lacking location data. Data are based on WSHFC, PSRC, Kitsap County, and Bremerton Housing Authority's locations and may not align with the Census Designated Place boundaries used in other exhibits.

As the map above and the data in Exhibit 35 demonstrate, the distribution of affordable housing is not even across the county. The City of Bremerton has the largest share of deeply affordable rental housing stock—that which is restricted to be affordable for households earning 0–30% of MFI, and the largest share of units affordable to 50–60% MFI (the two largest income groups). In contrast, Bainbridge Island has the largest share of housing for households earning 60–80% of MFI, which is the smallest income group. Silverdale and Port Orchard have very little housing at either end of the income spectrum; most of their housing is restricted to be affordable to households earning between 30% and 80% of MFI.

Exhibit 35. Bremerton has the Highest Share of 0–30% MFI Affordable Housing



Location	Affordable Units*	Restrict < 30% MFI	Share of 30% stock	Restrict 31-50% MFI	Share of 31-50% stock	Restrict 51-60% MFI	Share of 51-60% stock	Restrict 61-80% MFI	Share of 61-80% stock
Bainbridge Island	273	153	13%	55	7%	14	1%	51	60%
Bremerton	1,750	752	66%	314	41%	676	51%	8	9%
Kitsap County	15	15	1%	0	0%	0	0%	0	0%
Kingston	58	0	0%	10	1%	22	2%	26	31%
Port Orchard	581	97	9%	218	28%	266	20%	0	0%
Poulsbo	288	102	9%	86	11%	100	7%	0	0%
Silverdale	359	18	2%	85	11%	256	19%	0	0%
Grand Total	3,324	1,137	100%	768	100%	1,334	100%	85	100%

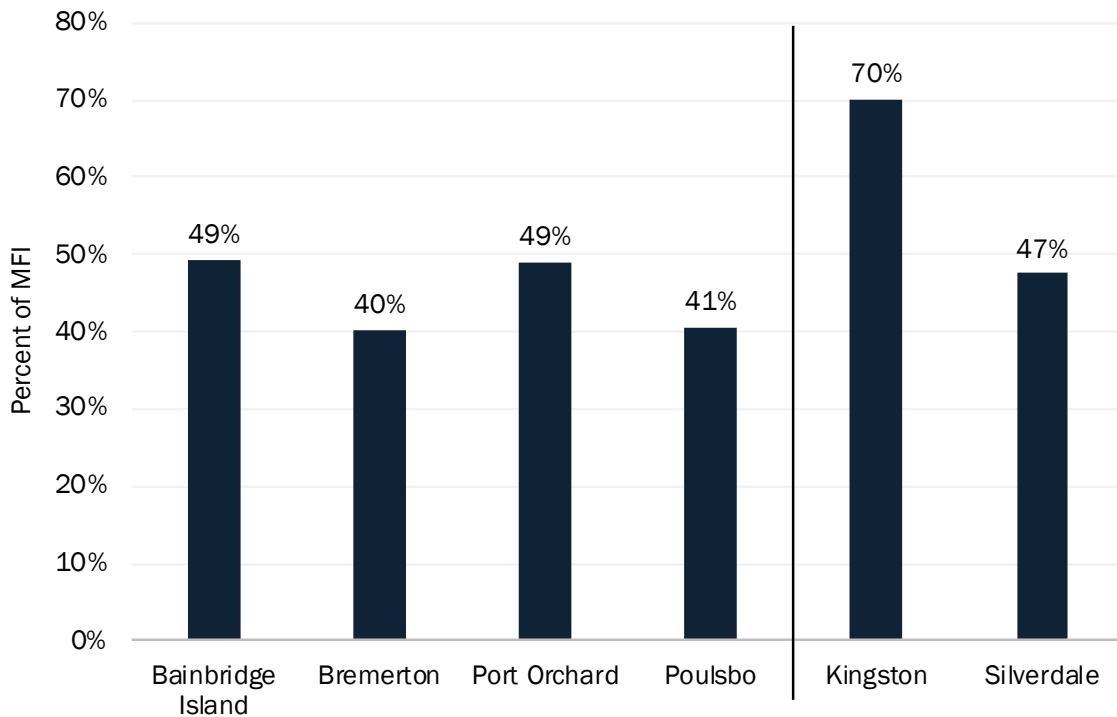
Source: ECONorthwest analysis of WSHFC, PSRC, Kitsap County, and Bremerton Housing Authority data.

Note: *This is the total number of units for which income data was available – total differs from that of Exhibit 33. Percent show each location’s share of the total rental housing stock affordable to each income level. Data are based on WSHFC, PSRC, Kitsap County, and Bremerton Housing Authority’s locations and may not align with the Census Designated Place boundaries used in other exhibits.

Exhibit 36 below displays this information another way, by calculating the weighted average rent restriction for all the properties in each location. Again, it is clear that Bremerton has the

most deeply affordable rent-restricted housing, in addition to having the most rent-restricted units. For all the properties located in Bremerton, their weighted average rent restrictions average to only 40% of MFI. Most of the affordable housing stock across Kitsap County is restricted to very low incomes, with Kingston as the exception. There are only 58 units of rent restricted affordable housing in Kingston: 26 units are available to 80% MFI, 22 units to 60% MFI, and 10 units to 50% MFI, which skews its average upward.¹⁴

Exhibit 36. Weighted Average Rent Restrictions are Lowest in Bremerton



Source: ECONorthwest analysis of WSHFC, PSRC, Kitsap County and Bremerton Housing Authority data.
 Notes: Data only captures properties for which income data was available. Values shown are location averages of property weighted average rent restriction. Data are based on WSHFC, PSRC, Kitsap County, and Bremerton Housing Authority's locations and may not align with the Census Designated Place boundaries used in other exhibits.

Exhibit 37 below displays the data available by owner/operator. Data on owner/operator was unavailable for about eight percent of the properties in the combined dataset. Housing Kitsap is the largest provider of affordable housing in the County, operating 29 percent of all properties (26 percent of all units), followed by the Bremerton Housing Authority with 12 percent of all properties (13 percent of all units).

¹⁴ Weighted average rent restriction calculation is: $[(\# \text{ of } 30\% \text{ units} * 0.3) + (\# \text{ of } 50\% \text{ units} * 0.5) + (\# \text{ of } 60\% \text{ units} * 0.6) + (\# \text{ of } 80\% \text{ units} * 0.8)] / [\text{total restricted units}]$

Exhibit 37. Housing Kitsap is the Largest Provider of Regulated Affordable Housing in Kitsap County

Organization	Number of Properties	Number of Units	Average Weighted Average Restriction
Housing Kitsap (KCCHA)	29	1,091	43%
Bremerton Housing Authority	12	544	36%
Housing Resources Bainbridge	10	189	55%
Kitsap Community Resources	6	36	33%
Hearthstone Housing Foundation	3	555	59%
Port Gamble S'Klallam Housing Authority	3	18	70%
Paul Garcia Investments	2	77	57%
Low Income Housing Institute	2	108	46%
Shelter Resources	2	72	56%
Olympic Management Company	2	160	43%
Bonaventure Senior Living	1	28	50%
Episcopal Retirement Communities	1	16	63%
Kitsap Mental Health Services	1	16	34%
Village Green Kingston Assoc	1	35	N/A
Inland Empire Residential Resources	1	8	50%
Viewcrest Alliance Apartments	1	300	57%
Agape Unlimited	1	24	50%
Mercy Housing Northwest	1	42	N/A
Gilbarg & Oschin (Ogo Associates)	1	51	30%
Catholic Housing	1	78	37%
Marion Court Associates	1	35	N/A
Northwest Association for Housing Affordability	1	40	55%
Assisted Living Concepts	1	8	50%
Kitsap Commercial Group	1	24	59%
Catholic Community Services of Western Wa.	1	25	30%
Waterside Properties	1	50	30%
West Sound Treatment Center	1	8	50%
Ron Montplaisir	1	29	30%
Foundation Property Management	1	38	30%
Group Action for Peninsula People	1	6	30%
Community Housing Assistance Program	1	120	56%
<i>None Listed</i>	8	399	55%
Grand Total	100	4,205	45%

Source: ECONorthwest analysis of WSHFC, PSRC, Kitsap County and Bremerton Housing Authority data.

Note: Data only captures properties for which income data was available. Values shown are owner/operator averages of property weighted average rent restriction.

The table in Exhibit 37 also shows the weighted-average rent restriction, averaged for each owner/operator. As can be seen, Kitsap Community Resources and Bremerton Housing Authority have very deeply affordable properties with weighted average rent restrictions of 33% of MFI and 36% of MFI, respectively. As the table shows, there are also a number of

providers with just one rent-restricted property in the county that is deeply affordable (weighted average rents affordable to 30% MFI). These include Catholic Community Services of Western Washington, Kitsap Mental Health Services, Group Action for Peninsula People, Waterside Properties, Foundation Property Management, Waterside Properties, and sponsors Ron Montplaisir and Ogo Associates.

We also used data from the U.S. Department of Housing and Urban Development (HUD) which evaluates HUD programs across all these housing providers and locations in the County. According to HUD, there are 342 units of public housing serving approximately 763 people in Kitsap County. HUD programs serve some of the lowest income households in the country and are structured so tenants pay very little of their incomes on housing, as shown in Exhibit 38.

Exhibit 38. HUD-Funded Programs Serve Extremely Low Incomes

Program	Average Annual Income	Average Monthly HUD Expenditure	Average Monthly Tenant Expenditure
Public Housing	\$16,500	\$686	\$369
Housing Choice Vouchers	\$13,530	\$718	\$352
Project-Based Section 8	\$12,790	\$600	\$290

Source: U.S. Department of Housing and Urban Development (HUD), 2019.

Affordable Homeownership Housing

In addition to rental housing, lower-income households in Kitsap County have some opportunities for homeownership. Homeownership opportunities for lower income households can be limited. This is because, depending on the type of assistance, households may need incomes high enough to qualify for a traditional mortgage from a private bank, but low enough to qualify for assistance, which may exclude a large share of would-be homeowners.

According to data provided by the County and service providers, affordable homeownership programs are offered by Housing Kitsap, the Bremerton Housing Authority, the Housing Resources Board, Habitat for Humanity, and Community Frameworks. These programs can help lower-income households access the wealth building opportunities traditionally offered via homeownership. Exhibit 39 below offers details of a few of these programs.

Exhibit 39. Affordable Homeownership Programs in Kitsap County

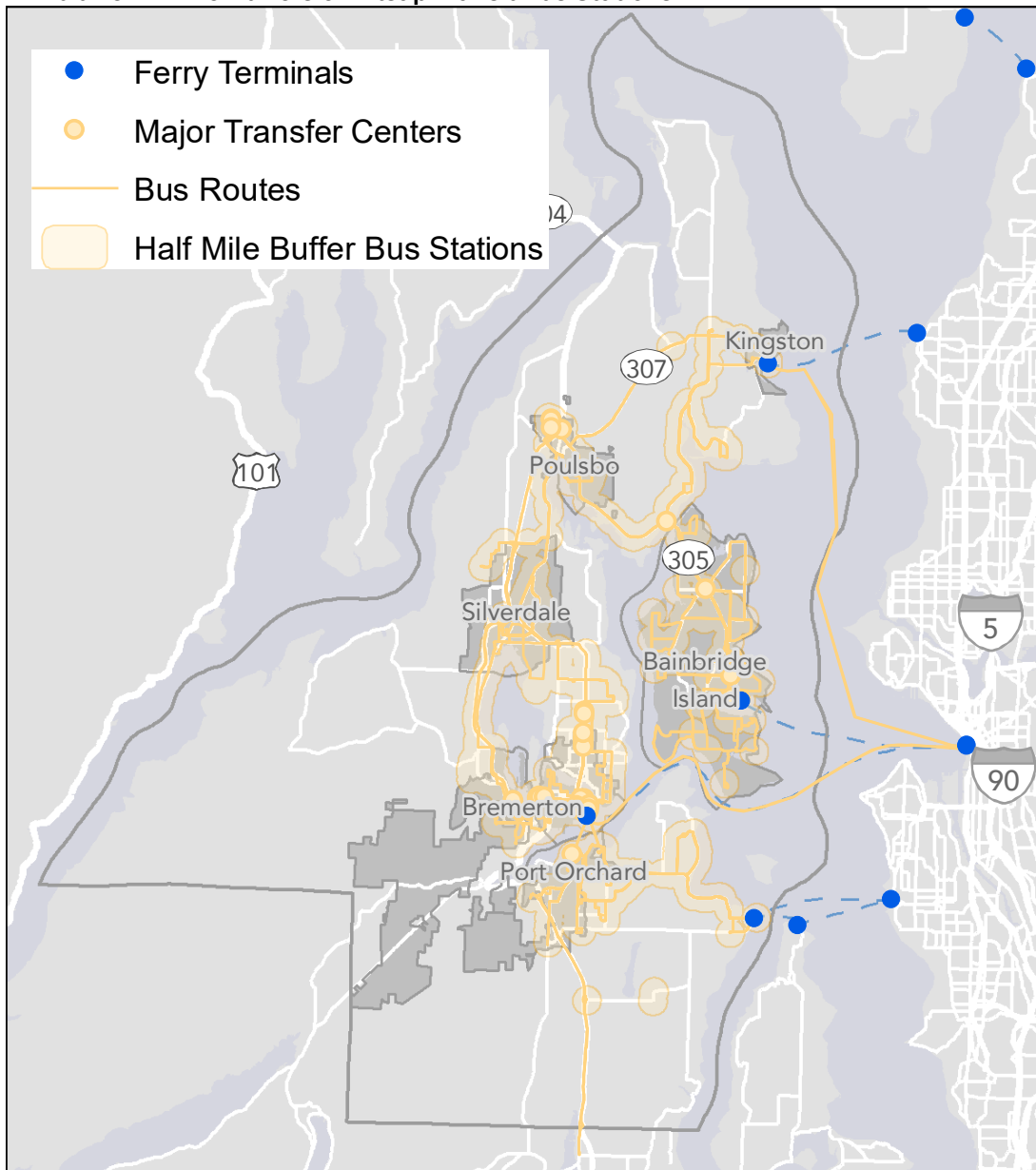
Organization	Types of Assistance	Participant Details
Housing Kitsap	In conjunction with USDA mortgage assistance via low-interest loans, Housing Kitsap provides Technical Assistance for Construction and down payment assistance.	<ul style="list-style-type: none"> ▪ Serves 22 households per year ▪ Must earn below 80% of MFI ▪ Loans are about \$225,000 with some down payment assistance (max 20% of the loan amount)
Bremerton Housing Authority	Mortgage payment assistance for voucher holders for up to 15 years, participants must be enrolled in the Family Self Sufficiency Program.	<ul style="list-style-type: none"> ▪ 8 households in the past four years ▪ Most earn below 30% of MFI ▪ Average home sale was \$180,000
Community Frameworks	Down payment assistance for five years and deferred, low-interest loans for the duration of the mortgage. Payments are deferred until the loan sale. Also offer sweat equity for rehabilitated housing programs.	<ul style="list-style-type: none"> ▪ 26 households since 2013 ▪ Most earn below 80% of MFI ▪ Assistance totaling over \$952,000 since 2013; average of \$36,600 per household

Sources: Staff commentary from each organization

E. Access to Transit and Employment Centers

Kitsap County is auto-centric. Kitsap Transit operates countywide bus service and ferry service to Seattle and Port Orchard. There are a few other private transit shuttles focused on shipyard and navy workers. However, the public transit system, particularly buses, is highly geared toward commuters and has long headways outside of peak commuting hours. Buses do not run on Sundays, and many routes do not run on Saturdays either. Furthermore, as seen in Exhibit 40 Kitsap Transit essentially serves the urban population centers in Kitsap County with essentially no service provided to Eastern Kitsap.

Exhibit 40. ½ Mile Buffers of Kitsap Transit Bus Stations



Source: Kitsap Transit 2019, Washington State Department of Transportation.

Exhibit 41 demonstrates there are 48,574 housing units across Kitsap County located within a half mile of a Kitsap Transit bus stop.

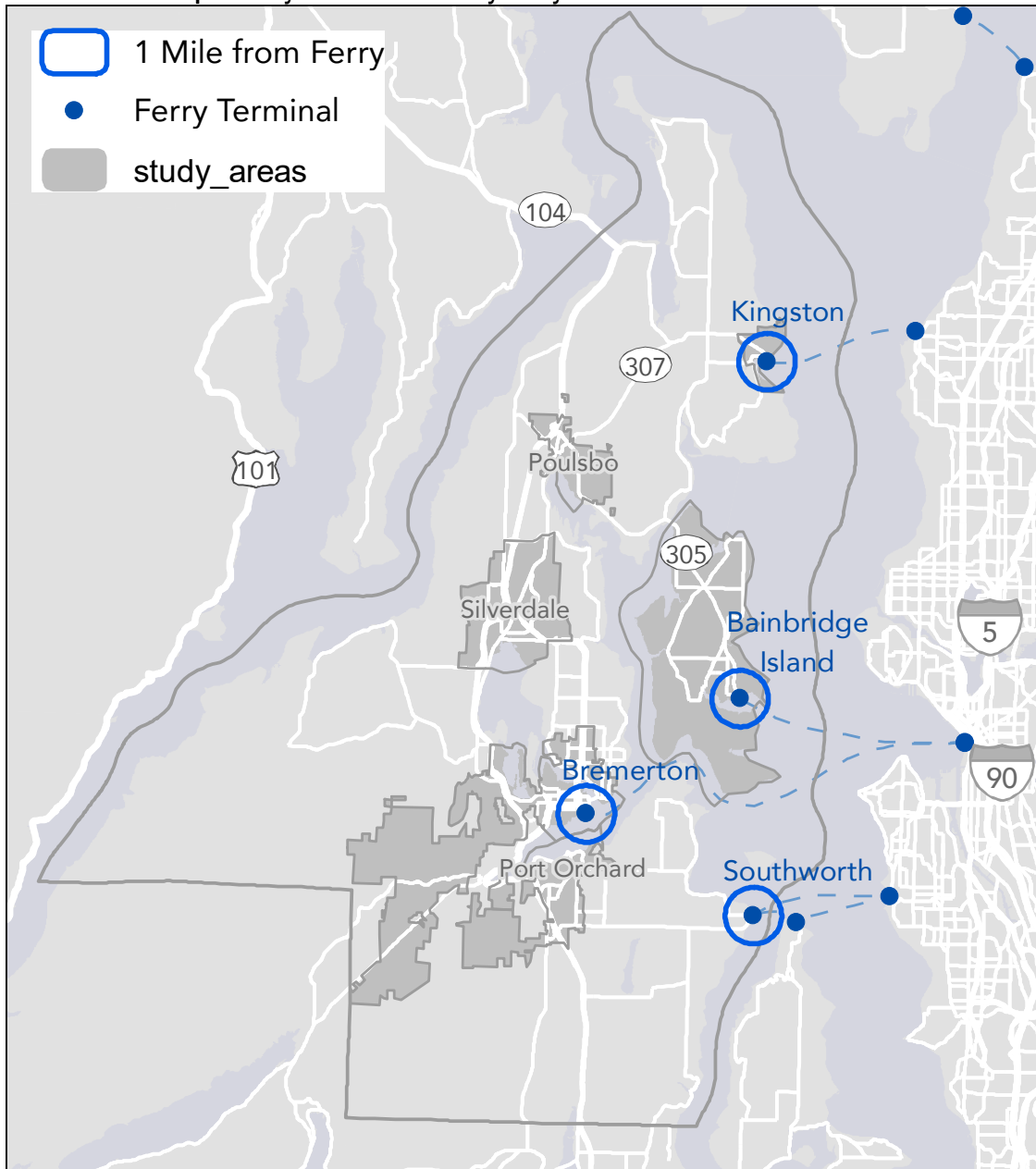
Exhibit 41. Most Housing Within 1/2 Mile buffer of Transit is Single Family

	Location	Unit Type	Number of Units Near Transit
	Kitsap County Total		48,574
Kitsap County	Bainbridge Island	Mobile Home	137
		Multifamily	119
		Single-Family	6,420
	Bremerton	Mobile Home	131
		Multifamily	1339
		Single-Family	8,151
	Port Orchard	Mobile Home	120
		Multifamily	142
		Single-Family	2,336
	Poulsbo	Mobile Home	32
Multifamily		32	
Single-Family		2,789	
Unincorporated Kitsap County	Silverdale CDP	Mobile Home	99
		Multifamily	86
		Single-Family	3,603
	Kingston	Mobile Home	30
		Multifamily	27
	Other Areas	Single-Family	479
		Mobile Home	1,707
	Multi-Family	520	
	Single-Family	20,523	

Source: Washington State Department of Transportation, Kitsap County Assessor 2019.
 Note: Data are shown for the city boundaries of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo, as well as the boundaries of the Kingston and Silverdale Census Designated Places. Data for the “All Other Areas” is equal to the Kitsap County total less the six cities shown, and is a rough approximation for the remaining Unincorporated Kitsap County area.

As Exhibit 42 demonstrates, Kitsap Transit operates foot ferries across Sinclair Inlet (between Bremerton and Port Orchard), and “fast ferries” to Seattle from Kingston and from Bremerton. The Washington State Department of Transportation operates commuter ferries to Seattle from Bainbridge Island and from Bremerton, and from Kingston to Edmonds. Households near these ferry terminals have greater access to jobs, amenities, and retail and commercial services throughout Puget Sound.

Exhibit 42. Kitsap County is Well-Served by Ferry Service



Source: Washington State Department of Transportation, 2019.

Exhibit 43 below demonstrates that there are 4,837 housing units across Kitsap County located within one mile from a ferry terminal. The recent expansion of the “fast ferry” service by Kitsap Transit has increased the development of multifamily residences, especially considering the current development happening in Downtown Bremerton as discussed in Exhibit 13 and Exhibit 14. The immense access that living near a ferry creates is benefiting 1,547 households on Bainbridge, 2,113 households in Bremerton, and 1,177 in Kingston and Southworth combined. Bremerton sees the most benefit to households living in multifamily housing.

Exhibit 43. Most Housing Within One Mile of Ferry Terminals is Single-Family

Location	Unit Type	Number of Units Near Ferries
Bainbridge Island	Mobile Home	9
	Multifamily	111
	Single-Family	1,427
Bremerton	Mobile Home	6
	Multifamily	407
	Single-Family	1,700
Other Areas	Mobile Home	57
	Multifamily	32
	Single-Family	1,088
Kitsap County Total		4,837



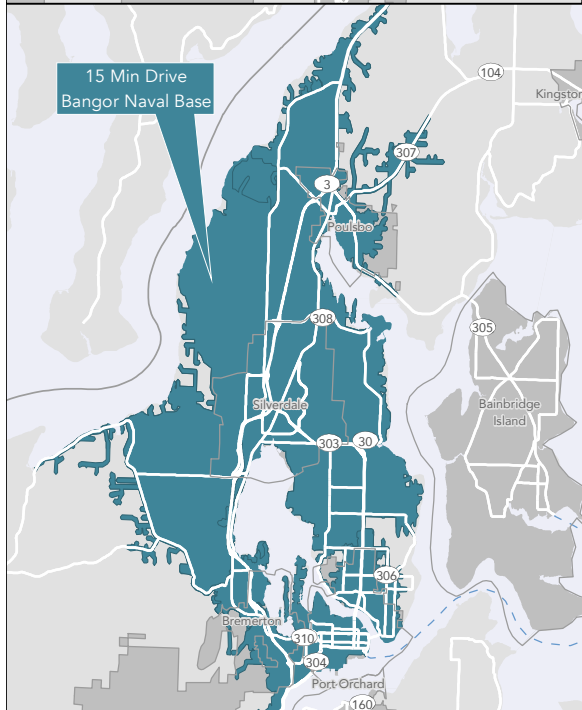
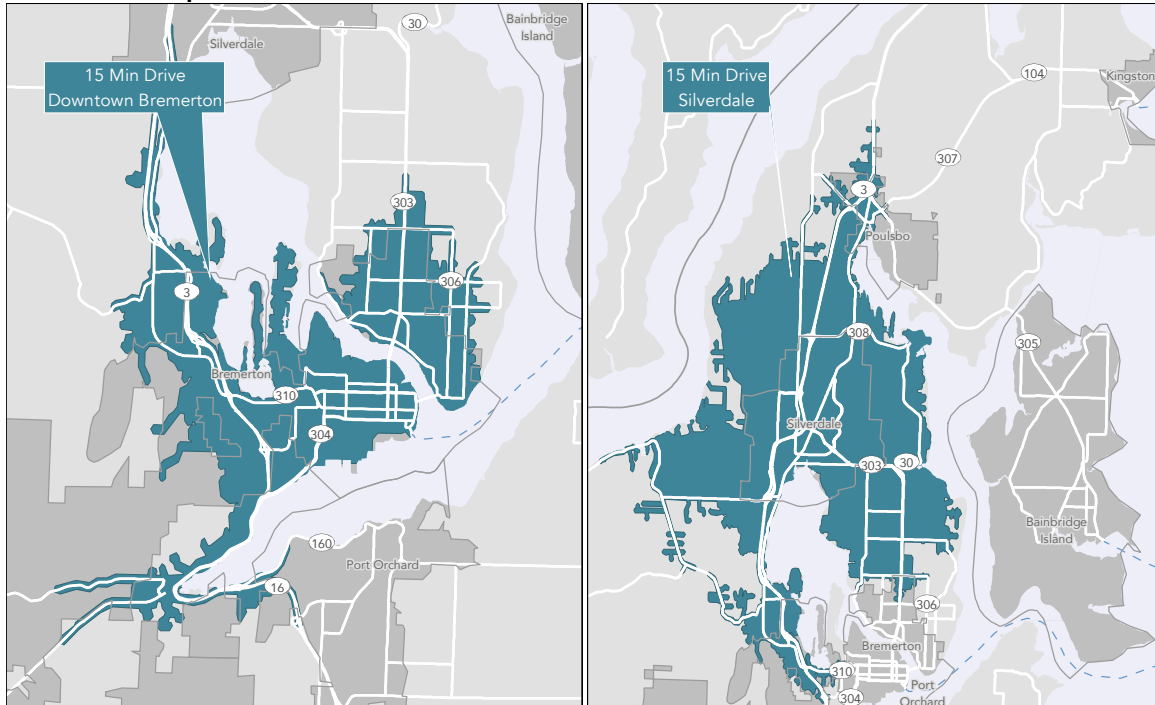
Source: Washington State Department of Transportation 2019; Kitsap County Assessor, 2019.

Note: Bainbridge Island Ferry Terminal, top-left; Kingston Ferry Terminal, top-right; Bremerton Ferry Terminal, bottom-left; Southworth Ferry Terminal, bottom-right. "All other areas" is the difference between the County total and the five primary cities.

Exhibit 44 display maps and lists the number of housing units within the 15-minute network drive time from the three major employment centers: Downtown Bremerton (including the Naval Shipyard), Downtown Silverdale, and Bangor Naval Station. This analysis takes into consideration the road networks leading to major employment and activity hubs as if travel was occurring on a Friday evening commute. However, drive times are known to have seasonal fluctuations and Kitsap County also experiences increased stress on road networks when Naval

ships come to port. Housing units located within this network have increased access to the jobs and retail amenities in Kitsap’s economic centers.

Exhibit 44. Map of 15 Minute Drivetime Network from Downtown Bremerton and Silverdale



Source: ArcGIS, ECONorthwest.

Exhibit 45. Most Housing Within the 15 Minute Drive Network is Single Family

Location	Unit Type	Number of Units in 15-minute Network
Bangor Naval Base	Mobile Home	1,506
	Multi-Family	595
	Single-Family	23,315
Bremerton	Mobile Home	483
	Multi-Family	583
	Single-Family	13,330
Silverdale	Mobile Home	1,136
	Multi-Family	406
	Single-Family	18,037

Kitsap County Assessor 2019, ArcGIS, ECONorthwest

As demonstrated in Exhibit 45, the vast majority of housing surrounding these major employment centers is single-family stock. Due to its rural nature, the Bangor Naval Base has

the largest footprint of the drivetime basins and as a result has the most units. Furthermore, the characteristics of the units in the basin fit the distribution of unit types throughout the County since largely, the Eastern portion of Kitsap County is more rural single-family residences. These areas are also not as easily serviced by Kitsap Transit as explained in Exhibit 40. As such, a reliance on single occupant travel in automobiles is much more likely here. These travel costs can often reflect a ‘hidden cost’ of housing.

Because the majority of homes near transit, ferries, and major employment centers is single-family stock (and predominantly for sale), and because homeownership remains out of reach for most low-income households and marginalized communities, these households are also locked out of important access to jobs, opportunity, amenities, and services in the region.

F. Recent Supply Trends

Data from PSRC demonstrates that Kitsap County and its jurisdictions are seeing new housing development, albeit slowly. PSRC collects residential building permit records that authorize new construction and demolition. As demonstrated in Exhibit 46 below, in the year 2017, a total of 1,008 *net new units* were added across the entire County.

Exhibit 46. Net New Housing Units by Location and Type, 2017

	Kitsap County	Bainbridge Island	Bremerton	Port Orchard	Poulsbo
Total New units permitted	1,165	124	143	78	195
Total units lost through demolition	-157	-22	-6	-16	0
Net New Units	1,008	102	137	62	195
Permits by Type					
Net Single-Family units	753	44	103	60	102
Net Accessory Dwelling Units and Duplex Units	46	14	6	0	2
Net 3- and 4-family units	3	3	0	0	0
Net units in 5- to 9-family structure	14	14	0	0	0
Net units in 10- to 19-family structure	59	18	0	0	0
Net units in 20- to 49- family structure	118	0	27	0	91
Net units in a 50+ family structure	0	0	0	0	0
Net Mobile and Modular home units	15	9	1	2	0

Source: Puget Sound Regional Council, 2017.

Unsurprisingly, the majority of this newly built housing is single-family. Across the whole County, around 74 percent of net new units built are single-family units. In Port Orchard, about 97 percent of net new units are single-family units. This percentage is lower on Bainbridge Island, and Poulsbo, but single-family units still made up 43 percent and 53 percent of net new units, respectively.

Single Family Development

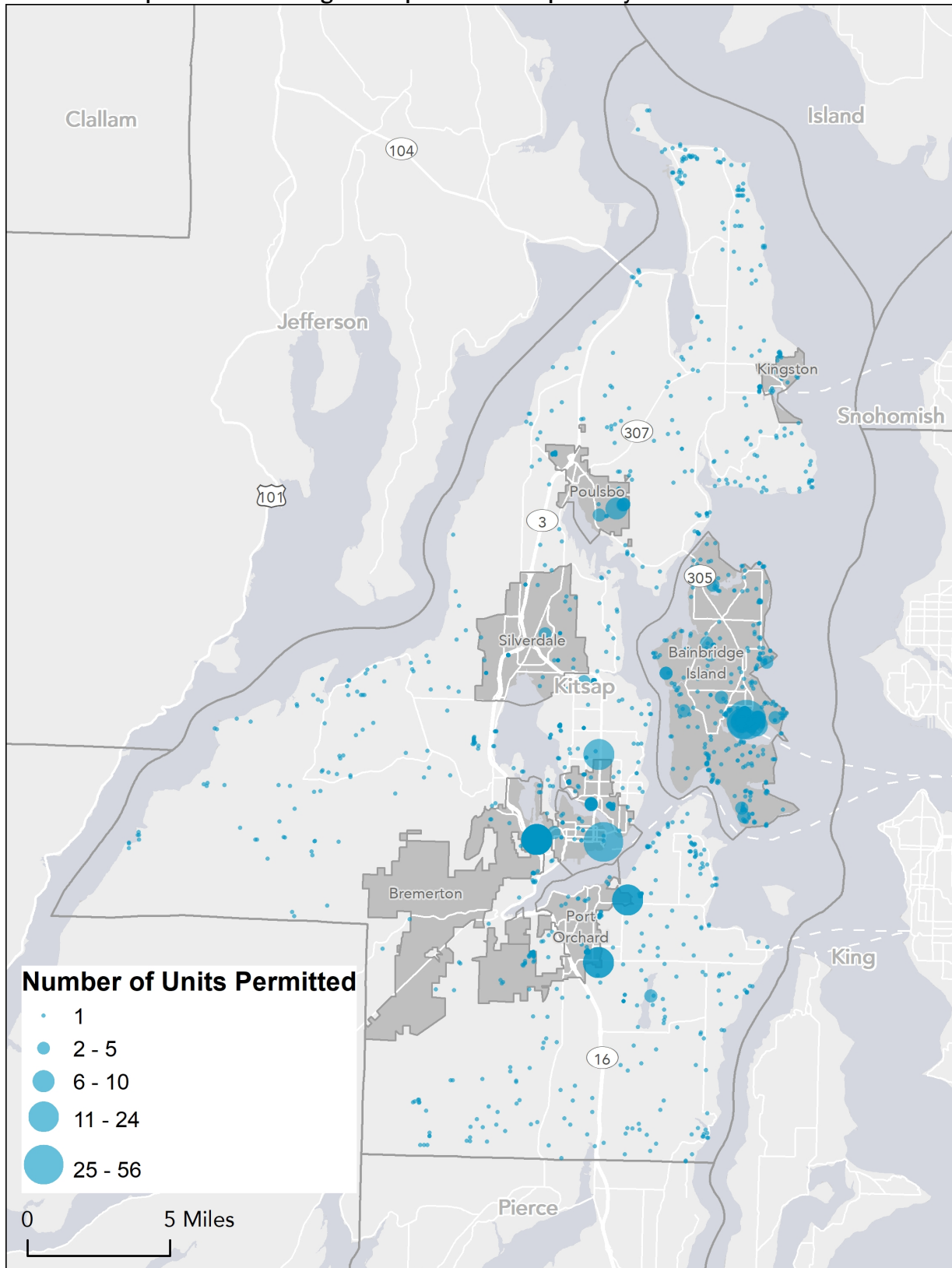
As for current housing construction, Exhibit 47 shows that active construction as of 2019 is still lower than the pace of the 2000s. An expected 1,345 units should be completed in the near future with about 56 percent as single-family residences. Multifamily residences are largely being constructed in Bremerton, which accounts for over 90 percent of all the units being constructed within the city. The map in Exhibit 48 displays where multifamily units are planned or under construction.

Exhibit 47. Active Permits by Type and Location

Location	Unit Type	Number of Permits	Number of Units
Bainbridge Island	Mobile Home	9	9
	Multifamily	18	223
	Single-Family	401	423
	TOTAL	428	655
Bremerton	Mobile Home	0	0
	Multifamily	11	273
	Single-Family	114	119
	TOTAL	125	392
Port Orchard	Mobile Home	0	0
	Multifamily	4	79
	Single-Family	78	78
	TOTAL	82	157
Poulsbo	Mobile Home	0	0
	Multifamily	1	6
	Single-Family	33	37
	TOTAL	34	43
Kingston	Mobile Home	0	0
	Multifamily	0	0
	Single-Family	15	15
	TOTAL	15	15
Silverdale	Mobile Home	4	5
	Multifamily	0	0
	Single-Family	77	78
	TOTAL	81	83
KITSAP COUNTY TOTAL	Mobile Home	13	14
	Multifamily	34	581
	Single-Family	718	750
	TOTAL	765	1,345

Source: Kitsap County Department of Community Development; Bainbridge Island Building Department; Bremerton Department of Community Development; Poulsbo Building Department; Port Orchard Department of Community Development.
 Note: "All other areas" is the difference between the County total and the five primary cities.

Exhibit 48. Map of Active Housing Development in Kitsap County



Source: Kitsap County Department of Community Development; Bainbridge Island Building Department; Bremerton Department of Community Development; Poulsbo Building Department; Port Orchard Department of Community Development.

Multifamily Development

In the last five and a half years, fourteen multifamily developments were built in Kitsap County. Thirteen of these developments were built in the primary cities. Bremerton had the most developments with five, followed by Bainbridge Island with four, Port Orchard with three, and Poulsbo with one. The remaining multifamily development was built in the City of Kingston, in north Kitsap County. No new developments have been built in Silverdale in the past five and a half years. Exhibit 49 provides details on the newer multifamily developments that have data available from CoStar as of October 2019.¹⁵

Exhibit 49. Newer Multifamily Developments in Kitsap County

Bainbridge Island

Blis – 747 Hanami Ln. NE – Wing Point Submarket



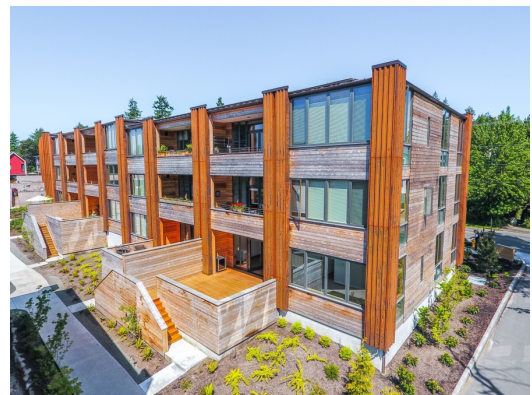
Year built: June 2019
 Total units: 114
 Vacancy rate: 68.4%
 Parking spaces: Unknown

Beds	Units	Avg. Sq. Ft.	Rent per Sq. Ft.	Average Rent
Studio	13	517	\$3.28	\$1,700
1-Bed	65	770	\$3.06	\$2,350
2-Bed	24	991	\$2.73	\$2,700
3-Bed	12	1,601	\$2.56	\$4,100

The Juniper – 221 Wyatt Way NE – Winslow Submarket

Year built: 2015
 Total units: 12
 Vacancy rate: 8.3%
 Parking spaces: Unknown

Beds	Units	Avg. Sq. Ft.	Rent per Sq. Ft.	Average Rent
1-Bed	12	1,380	\$2.50	\$3,450



¹⁵ CoStar is a provider of commercial real estate information.

Bremerton

606 Apartments – 606 Burwell St. – Downtown Bremerton

Year built: 2016
Total units: 71
Vacancy rate: 2.8%
Parking spaces: Unknown

Beds	Units	Avg. Sq. Ft.	Rent/Sq. Ft.	Avg. Rent
Studio	4	369	\$3.39	\$1,250
1-Bed	56	600	\$2.42	\$1,450
2-Bed	11	769	\$2.41	\$1,850



Spyglass Hill Apartments – 646 Highland Ave. – Downtown Bremerton

Year built: 2017
Total units: 87
Vacancy rate: 4.6%
Parking spaces: 48 covered spaces

Beds	Units	Avg. Sq. Ft.	Rent/Sq. Ft.	Avg. Rent
Studio	5	512	\$2.52	\$1,290
1-Bed	65	652	\$2.46	\$1,604
2-Bed	17	1,367	\$1.77	\$2,420



Insignia Apartment Homes – 1060 Insignia Loop – Northeast Bremerton

Year built: 2017
Total units: 162
Vacancy rate: 1.2%
Parking spaces: Unknown

Beds	Units	Avg. Sq. Ft.	Rent/Sq. Ft.	Avg. Rent
1-Bed	78	707	\$2.08	\$1,470
2-Bed	84	907	\$1.83	\$1,660



Port Orchard**The Sinclair – 414 SW Hayworth Dr. – South Sidney Plaza**

Year built: November 2014
Total units: 126
Vacancy rate: 7.1%
Parking spaces: 220 surface spaces
Parking ratio: 1.75

Beds	Units	Avg. Sq. Ft.	Rent/Sq. Ft.	Avg. Rent
1-Bed	54	667	\$1.89	\$1,260
2-Bed	54	933	\$1.53	\$1,430
3-Bed	18	1,101	\$1.41	\$1,560

The Sidney – 487 Mansfield Ct. SW – Sidney Plaza

Year built: April 2014
Total units: 105
Vacancy rate: 1.0%
Parking spaces: Unknown



Beds	Units	Avg. Sq. Ft.	Rent/Sq. Ft.	Avg. Rent
1-Bed	36	728	\$1.70	\$1,240
2-Bed	63	977	\$1.44	\$1,400
3-Bed	6	1,288	\$1.11	\$1,430

Poulsbo and Kingston**Arendal Apartments – 21044 Viking Way NW, Poulsbo**

Year built: October 2018
Total units: 91
Vacancy rate: 3.3%
Parking spaces: 174 surface spaces
Parking ratio: 1.91

Beds	Units	Avg. Sq. Ft.	Rent/Sq. Ft.	Avg. Rent
1-Bed	28	770	\$2.11	\$1,625
2-Bed	55	1,015	\$1.78	\$1,800
3-Bed	8	1,375	\$1.54	\$2,100

Village Green Senior Apartments – 26150 Dulay Rd. NE, Kingston

Year built: 2015
Total units: 34
Vacancy rate: 5.9%
Parking spaces: Unknown



Beds	Units	Avg. Sq. Ft.	Rent per Sq. Ft.
1-Bed	17	546	\$1.31
2-Bed	17	761	\$1.11

Source: CoStar.

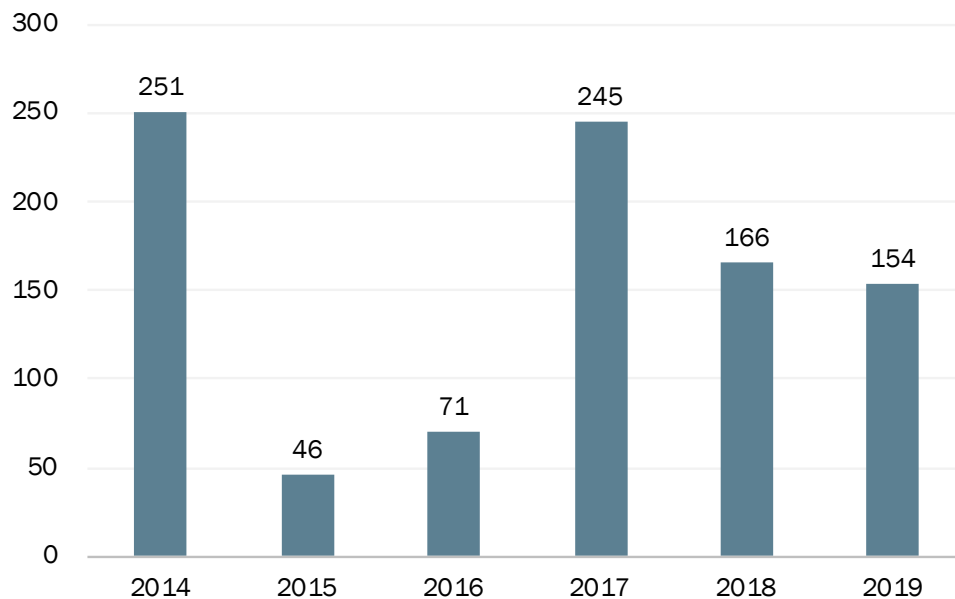
Additional properties that have been constructed lately but lacked full details in CoStar include the following:

- **Grow Community** on Bainbridge Island. Twelve units were completed in 2018 with another 18 units proposed at a date to be determined.
- **Apartments** at 390 Root Path on Bainbridge Island. Twenty units completed in 2014.
- **B Flat Apartments** in Downtown Bremerton. Twenty-five units delivered in July 2018.
- **Griffin Glen II** in Bremerton. Forty 1-bed affordable apartments have been built but the property is still under construction.
- **Olympic View Apartment Homes** in Port Orchard. Thirty-eight units built in October of 2018.

In total, over the past five years about 933 units were delivered in multifamily housing developments across Kitsap County.

Exhibit 50 below shows new multifamily units that have been delivered to the market in the past five years in Kitsap County through October 2019. The year 2019 was a slowdown from a big increase in deliveries in 2017.

Exhibit 50. Multifamily Unit Deliveries, Kitsap County, 2014–2019



Source: CoStar.

Exhibit 51 lists multifamily buildings with anticipated delivery in late 2019, 2020, or 2021. In the last three months of 2019, it is expected that 272 multifamily units will be delivered in Bremerton. There are several developments proposed across Kitsap County, on Bainbridge Island and in Poulsbo, but their delivery dates are not known. Among all anticipated deliveries, the majority are 4-star apartments of varying types such as low-rise, mid-rise, and garden.

Exhibit 51. Multifamily Unit Delivery by Anticipated Delivery Date, Late 2019, 2020, and 2021

City	Address	Units	Anticipated Delivery	Type
Bainbridge Island	304-306 Shepard Way NW	10	Proposed	4-Star Low-Rise Apts.
Bainbridge Island	428 Grow Ave. NE	18	Proposed—Phase 2	4-Star Low-Rise Apts.
Bremerton	4520-4568 Bay Vista Blvd.	216	October 2019	4-Star Garden Apts.
Bremerton	242 Burwell St.	56	October 2019	4-Star Mid-Rise Apts.
Bremerton	280 Washington Ave.	120	February 2021	4-Star Mid-Rise Apts.
Poulsbo	2068 NE Hostmark St.	69	October 2020	3-Star Garden Apts.
Poulsbo	367 NE Hostmark St.	25	Proposed	4-Star Low-Rise Apts.

Source: CoStar.

Note: CoStar provides star-rankings of commercial residential real estate on a 1-5 scale, generally based on amenities and quality of finishes.

G. Methods and Approach

Data Used in this Analysis

This analysis uses data from multiple sources, focusing on those that are well-recognized and reliable. One of the key sources for housing and household data is the U.S. Census. This memorandum primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and 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)**, which is completed every year and is a *sample* of households in the U.S. From 2013 to 2017, the ACS sampled an average of 3.5 million households per year, or about 2.9% 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.
- **Kitsap County Assessor**, which provides descriptive data on the housing stock in the County as well as recent sales data.
- **CoStar**, which provides data on multifamily units development over years.
- **PSRC**, which provided data for 1) Affordable Housing Units managed in the Puget Sound Metro and 2) completed building permits up to 2017.
- **Permits**, provide the active building permits within the last 5 years for each jurisdiction in Kitsap County including: Kitsap County Department of Community Development; Bainbridge Island Building Department; Bremerton Department of Community Development; Poulsbo Building Department; Port Orchard Department of Community Development.
- **Housing Kitsap and the Bremerton Housing Authority**, which provides data on the housing stock and rental prices for publicly subsidized housing in the County.
- **Washington State Housing Finance Commission**, which 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.

This memorandum uses data from the 2013–2017 ACS for Kitsap County. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this memorandum includes population, income, and housing price data from the Washington Office of Financial Management, the United States Department of Housing and Urban Development, the U.S. Bureau of Labor Statistics, and Zillow.

It is worth commenting on the methods used for the American Community Survey.¹⁶ The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as “sampling error” and is expressed as a band or “margin of error” (MOE) around the estimate.

This memorandum uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

¹⁶ A thorough description of the ACS can be found in the Census Bureau’s publication “What Local Governments Need to Know.” <https://www.census.gov/library/publications/2009/acs/state-and-local.html>