3.1 Plan Context

Port Orchard has experienced a steady growth in population over the past 25 years. The population growth is largely attributable to Port Orchard’s geographic proximity to the largest population and employment centers in the state. Port Orchard also has the third greatest population in Kitsap County. This increase in population has created a corresponding increase in housing demand in Port Orchard.

The intent of the Housing Element is to establish coordinated and comprehensive policy that will help guide decisions on housing issues within and around the City. Provisions for suitable housing opportunities meeting all socioeconomic levels are a primary consideration that plays an integral role in enhancing the quality of life found in Port Orchard.

To date, the City has adopted various programs and ordinances thereby implementing numerous housing policy issues. Specific examples include, but are not limited to:

- The appointment of the Mayor of Port Orchard to sit on the Kitsap County Consolidated Housing Authority to help ensure that equal housing opportunities exist for all residents; and
- Adoption of various building industry codes to help ensure that the housing stock is safe, sanitary and energy efficient.

As the City grows, greater diversity in the composition and socioeconomic characteristics of families will exist, placing a greater demand for a variety of suitable housing. Therefore, addressing housing from various perspectives such as availability, choice, quality, and neighborhood preservation will be necessary in order to meet the housing needs of all Port Orchard residents now and in the future.

Some housing trends within Port Orchard are well documented while others are not. By a variety of sources such as building permit information, census data, and related trade information, issues influencing housing can be examined.

Based on census data, the City’s housing stock has steadily increased from 1990 to present. Much of the increase is a direct result of the population change during that same period and the corresponding housing demand this population placed on the market. Statistically, there was a 35% increase in housing stock from 1990 to 2000.
From 2000 through 2008, housing stock increased by 390 units or 11%. For additional housing information, please refer to Table 3.1.

In terms of housing type, a clear majority of housing stock created during the stated periods are single-family detached units. During the past decade (1998-2008), single-family detached units represent on average, approximately 80% of all housing constructed within the City. The remainder consists of multi-family construction types. Based on past trends, the availability of land and the desirability of single-family detached housing construction, trends similar to what has occurred are likely to continue.

<table>
<thead>
<tr>
<th>Year/Number of Building Permits Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Homes</td>
</tr>
<tr>
<td>49</td>
</tr>
<tr>
<td>Single-family detached</td>
</tr>
<tr>
<td>39</td>
</tr>
<tr>
<td>Multi-Family</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>Total Housing Units</td>
</tr>
<tr>
<td>49</td>
</tr>
</tbody>
</table>

Table 3.1: Number of Building Permits Issued Annually. Source: City of Port Orchard Permit Records

More than half of Port Orchard’s housing stock is single-family detached units, while approximately one-third are in structures containing five or more units. Figure 3.2 shows the percent of housing types in Port Orchard.

Figure 3.2: Percentage of Housing Types in 2000

1 Building permits issued by the City of Port Orchard through January 1, 2008 and July 15, 2008.
Neighborhoods in Port Orchard provide a mix of housing opportunities that is diverse in type, size, style, history and affordability.

Of the housing that exists within Port Orchard, a clear majority of dwelling units were renter occupied. As reflected 1990 and 2000 census reports, owner/renter occupancy percentage distributions have averaged 51% and 78% respectively.

Based on census information, median owner occupied housing values significantly increased from 1990 to 2000 by 45%. This increase may be one factor that restricts the number of families who can afford site-built homes thereby, requiring these families to seek alternative housing options. Median contract rents for all types of housing units have also increased considerably. From 1990 to 2000, subject rents have increased by 46%. U.S. Census and ongoing real estate research efforts show that the price of owning a home is rapidly increasing. The recent boom in real estate prices is imposing even more of a strain on affordable housing and home ownership opportunities within Port Orchard. Affordable housing for first time homebuyers, in particular, is declining in Port Orchard. Low-income households especially find it difficult to locate affordable housing. In 2004, the average selling price for a home in South Kitsap was $211,108; for new homes the average price was $260,651. Rents in Port Orchard averaged $684 per unit during the same period.

The Office of Financial Management (OFM) and the Kitsap Regional Coordinating Council (KRCC) have provided estimates for the amount of growth expected within the Port Orchard UGA over the next two decades. KRCC distributes the county-level forecasts among jurisdictions in the region through a deliberative process. The KRCC – comprised of elected officials of the region’s governmental entities – is the body charged with making recommendations for such allocations. In previous years, Kitsap County’s growth has out-paced the OFM projections. KRRC, as required by the GMA, has agreed to a distribution of these projections throughout the County and has allocated a portion to the Port Orchard UGA. While these numbers are useful for gaining a broad perspective for the region and use throughout the Countywide Planning Policies, neither of those figures specifically address Port Orchard’s population. At best, these numbers estimate the amount of new population expected within the Urban Growth Boundary of Port Orchard.

Growth in residential units accommodates future population growth. As part of this Plan, Kitsap County conducted a land capacity analysis determining the capacity for new residences and the associated population. The Plan includes land use capacity for approximately 3,437 new residential units in the Port Orchard Urban Growth Area. Based on an average household size of 2.5 for single-family units and 1.8 for multifamily units, Port Orchard population growth associated with these new units would be 8,210 persons within the Port Orchard UGA.²

On December 7, 2004, the KRCC allocated 76 percent of the County’s projected population growth to UGAs and the remaining 24% to other parts of the County. The UGAs in South Kitsap were allocated a total population of 21,333, including 9,709 allocated to Port Orchard’s UGA. The other 11,624 was allocated to the City of Port Orchard (3,600) and the McCormick Woods ULID #6 (8,024).³

The Goals and Policies of the Housing Element should support the Housing Goal of the City of Port Orchard Plan: “Promote a balance of housing types for our City.” Housing Goals and Policies are not rigid rules designed to be enforced in all circumstances. As Port Orchard continues to grow, the needs of its residents will also grow. Therefore, creating policies that accommodate current and future housing needs allows the document to adapt to change.

### 3.2 Housing Goals and Policies

The ability of the region to provide various housing opportunities for residents in and around Port Orchard is perhaps the single most important issue related to housing. Limited housing opportunities directly impacts many issues, particularly those related to housing choice, economic development, and neighborhood/community image and pride. Creating policy language that champions housing availability and affordability across all income levels, serves to foster these concepts. Successful policy creation and implementation increases housing opportunities for all residents, allowing families and/or individuals to fulfill one of three basic human needs, shelter, and encouraging many others to reach the “American dream” of home ownership. This section of the element seeks to establish basic policy principles related to housing availability and affordability.

**Goal 1. Port Orchard will strive to provide opportunities for housing that is within the financial means of its citizens, which includes meeting social service needs and providing a reasonable opportunity to live and work in their community.**

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³ Port Orchard/South Kitsap Sub-Area Plan Environmental Impact Statement, December 21, 2005. Kitsap County Department of Community Development
Figure 3.3 Quick Reference Guide to Different Housing Types
Policy HS-1  Ensure that all residents of Port Orchard have an equal and fair opportunity to obtain adequate, safe and sanitary housing suitable to their needs and financial resources regardless of race, religion, gender, sexual orientation, age, national origin, family status, income or disability.

Policy HS-2  Actively pursue job creation and economic diversification strategies that provide better-paying, secure jobs capable of creating new employment opportunities so that housing becomes affordable and available to increased numbers of city residents.

Policy HS-3  Support a continuum of housing and related services for homeless people and forestall growth in homelessness through prevention activities.

Policy HS-4  Promote a continuum of housing and related services for people with special needs, such as frail elderly, mentally and physically disabled persons, people living with AIDS and recovering substance abusers.

Policy HS-5  Fully utilize federal and state housing programs to meet the needs of low- and moderate-income households, and the special needs population that cannot be served by the private sector.

Policy HS-6  The City shall allow for and encourage housing projects with units for mixed income levels.

**Goal 2. Utilize city resources to formulate and implement strategic policies that improve the affordability and availability of housing for all of its residents.**

Policy HS-7  Ensure that broad ranges of housing types are available through innovative planning, efficient and effective administration of land and building codes and financial assistance.

Policy HS-8  Develop and administer land use plans and policies that will effectively ensure sufficient land is available for housing development including government-assisted housing, housing for low-income families, multi-family housing, group homes, and foster care facilities.

Policy HS-9  Encourage and facilitate development of a variety of housing types, including single-family residential, multi-family and manufactured homes. Manufactured homes should be considered a single-family dwelling.

Policy HS-10  Encourage innovative land use practices and development standards that will have the effect of minimizing housing costs.
Policy HS-11 The City shall identify and implement feasible and innovative development standards to encourage infill housing.

Policy HS-12 Consider ordinance provisions that would encourage a percentage of low- or moderate-income housing units in all future housing developments.

Policy HS-13 Permit and encourage the development of residential accessory dwelling units (mother-in-law apartments) in all residential zones with sufficient public facilities to support such development. Subject accessory dwelling units to development standards and design guidance that facilitates their compatibility with existing neighborhood character.

Policy HS-14 The City shall encourage the development of empty lots.

Policy HS-15 The City shall increase housing densities in appropriate zones.

**Goal 3.** Formulate and implement innovative development regulations and design standards which promote and encourage a sense of neighborhood and community.

Policy HS-16 This issue champions efforts toward the enhancement of various existing neighborhoods that by their history and/or unique characteristics, may offer a distinct, socially engaging environment for its residents. In addition, similar support is provided for the creation of new neighborhoods that through their design, land use distribution and treatment of related development issues, offer similar opportunities. Identify and implement programs to preserve or rehabilitate neighborhoods and areas that are showing signs of deterioration.

Policy HS-17 Pedestrian pathways should be provided that link residential areas with schools, recreational, shopping and employment areas in urban areas.

Policy HS-18 The City shall allow for and encourage creative housing proposals.

**Goal 4.** Shorten the time and costs associated with processing and approving proposed development while ensuring housing and design standards suitable for maintaining an efficient, attractive and safe housing supply.

Policy HS-19 Identify and study the cost-effectiveness of incentives that are reasonably likely to result in an increased supply of housing suitable to the needs and income of all city residents.
Policy HS-20  Develop and implement available options that would permit increased density for developments that include set-asides for multi-purpose housing or low-cost, subsidized housing and that encourage densities supportive of cost-effective public facilities.

Policy HS-21  Encourage integrating State Environmental Policy Act (SEPA) review and permitting requirements into citywide land use planning and permitting procedures to improve efficiency of development review.

Policy HS-22  Streamline the permitting system by implementing policies and procedures that reduce the length of time involved in plan approval.

Policy HS-23  Implement flexible planning standards that encourage alternative waste treatment plans and other innovative technologies.

Policy HS-24  Reduce fees for developments that are providing affordable housing.

Policy HS-25  Promote incentives for construction of affordable and special needs housing in Port Orchard development regulations. Consider incentives suggested in RCW 36.70A.540, such as:

- Bonus densities within the Regional Urban Growth Center.
- Height and bulk bonuses.
- Fee waivers or exemptions.
- Parking requirement reductions.
- Expedited permitting conditioned on provision of low-income housing.
- Mixed use projects.

Consider additional incentives such as:

- Lower utility hook-up fees and rates.
- Smaller lot sizes.
- Zero lot line design.

Goal 5.  Cooperate with other jurisdictions and entities to plan and develop low- and moderate-income housing.

Policy HS-26  Support and assist existing programs that provide and develop low- and moderate-income housing.

Policy HS-27  Actively participate in identifying, evaluating and adopting regional fair share housing goals.
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Policy HS-28  Encourage and support efforts of nonprofit organizations and “self help” housing groups (e.g., Habitat for Humanity) to develop housing for low- and moderate-income households.

Policy HS-29  The City shall identify and seek alternative financing for affordable housing such as state or private grants and loans for rehabilitation or new construction.

Policy HS-30  Develop a set of priority housing measures to monitor citywide, on an annual basis, as a means of evaluating effectiveness of housing goals, policies, and implementation measures (see Implementation Chapter).

**Goal 6. Assist first-time homebuyers to become homeowners.**

Policy HS-31  Study the feasibility of establishing a low-interest loan program or other financial assistance programs conducive to providing first-time homebuyers an opportunity to achieve home ownership.

Policy HS-32  Study the feasibility and cost-effectiveness of providing housing subsidies to targeted groups of first-time homeowners, such as public safety workers (police, fire and medical) and teachers, whose presence in the local community serves a vital public purpose.

**Goal 7. Provide on-going information and assistance to existing homeowners so that housing properties are well maintained and enhance the neighborhood in which they are located.**

Policy HS-33  Housing and neighborhood preservation are important aspects of housing which are related and often addressed together. Through the successful maintenance and preservation of housing stock whether old or new, projects a positive image within the neighborhood. The image often expresses the residents’ pride and community values as they relate toward maintaining a pleasing, functional and safe environment where families can live, work and play. Support a “self help” housing maintenance and rehabilitation program for existing low- to moderate-income homeowners.

Policy HS-34  The City shall develop programs that encourage property owners to improve the quality and attractiveness of their housing unit(s).
Policy HS-35  The City shall encourage owner-occupied housing.

Policy HS-36  The City shall seek available federal, state and private funds for renovation of run-down housing (particularly low income units).

Policy HS-37  Provide policy guidance and assistance to property owners of historical and culturally significant housing to encourage preservation of those resources within the city.

Goal 8.  Ensure that future residential development carefully considers and protects natural ecosystems including inter-connected wetlands, streams, wildlife habitat, and water quality that have been rehabilitated, protected and enhanced.

Policy HS-38  Develop and implement flexible development standards for housing being proposed in the vicinity of critical areas to meet both goals of housing targets and environmental protection.

Policy HS-39  Encourage a diversity of housing stock capable of providing energy efficient housing types that conserve non-renewable energy and help minimize impact on air quality and climate.