

## Chapter 6 → Housing Element

*The Housing element provides a framework to develop adequate and diverse housing for existing and future residents within the city. This element provides policy guidance on the types and densities of housing that are appropriate to accommodate the city's needs. It addresses issues of affordability, density and how to accommodate the needs of those households that are burdened with housing costs.*

### Housing Development History

Oak Harbor's housing is relatively young. Less than two percent of the city's housing pre-dates 1939. The city's oldest homes are located in and around the Central Business District, and are mainly in the American Craftsman style (circa 1920).

As one would expect to see in a town that "grew up" with the military build-up of the mid to late 1900s, much of the city's housing

(particularly in the city's older east-side neighborhoods) was developed in the "tract" style of the 1950s, 60s and 70s. These tract homes are characteristically small, simple in form, and inexpensively constructed. Consequently, they are relatively affordable. Even though Oak Harbor's population is primarily transitory, the local supply of tract housing has been well maintained, and it is expected that these homes will have a relatively long lifespan.

In recent years local home builders have responded to demand for greater affordability by expanding the local supply of condominium style housing units, by developing single family homes on smaller lots, and by building more multi-family housing to accommodate the needs of more transient military households. Manufactured housing continues to fill a niche in the local housing market, supplying less than 10% of the city's housing stock.



## Demographic and Housing Data

### Population

According to the 2010 U.S. Census, Oak Harbor’s population is 22,075. After growing at a rate of 40% during the 1980s, the city’s population increased at a lower rate of 15% in the ‘90s and 12% between 2000 and 2010. Projected population figures suggest that the rate of growth will decrease to 9% and drop to 5% between 2020 and 2030. Figure 14 illustrates the city’s growth from 1980 to 2000, with projected growth to 2036.

Year	Population	Percent Increase
1980	12,271	--
1990	17,176	40.0%
2000	19,795	15%
2010	22,075	12%
2020	23,937	8%
2030	25,161	5%
2036	25,925	3%

SOURCE: U.S. Census Bureau and projections by Island County and City of Oak Harbor

Figure 14- Population growth, 1980-2036

The state’s Office of Financial Management (OFM) projects population growth on an annual basis. Their data indicates that the city’s population has been slightly decreasing since 2010. This is mainly due to decreases in personnel at NAS Whidbey Island as they transition to acquire new squadrons in the later part of the decade. The new squadrons will cause a minor spike in Oak Harbor’s population, after which the rate of population increase will fall back to historical levels. Failing any more large increases in squadrons in the next decade, the population is expected to have slight increases at an average of approximately 1% a year.

### Housing Units

The 2000 Census indicated that there were a total of 7,772 housing units in Oak Harbor. In 2010 the number of housing units increased by 1,781 units to 9,553. The population during that time frame increased by 2,280 people. In that same time period, vacancy rates increased from 5.6% (439 units) to 9.2% (876 units). Owner-occupied housing units rose by 2.6% from 3,172 to 3,979.

The percentage of owner-occupied housing in Oak Harbor is significantly lower than in Island County, and in the State of Washington. The low occupancy rate likely results from the high incidence of military personnel located at NAS Whidbey Island. The mobile nature of military employment acts to discourage home ownership investment among enlisted personnel. A comparison of home ownership rates is shown below in Figure 15.

Area	% Owner Occupied	% Renter Occupied
Oak Harbor	45.9	54.1
Island County	70.9	29.1
Washington	63.9	36.1

SOURCE: U.S. Census Bureau.

Figure 15- Ratio of owner-occupied versus renter-occupied housing

### Household Size

As the city’s population has increased over time, its average household size has decreased. From nearly 3 persons per household in 1980, the average household size has continued to decline to today’s 2.53 persons per household. The decrease in household size seems to follow the national trend that saw a decline from 2.76 in 1980 to 2.59 in 2010.

Year	Population	# of Households	Avg. Household Size
1980	12,271	4,107	2.99
1990	17,176	5,971	2.88
2000	19,795	7,333	2.70
2010	22,075	8,677	2.53

SOURCE: U.S. Census Bureau.

Figure 16 - Household size

Failing extenuating circumstances, the household size is not expected to continue to decrease at the current rate and will likely stabilize at the current level. This is an important assumption since population projections for 2036 are based on the household size remaining at the current level.

### Housing Density

The city has approximately 1,941 acres of land devoted to Low-Intensity Residential and 275 acres for High-Intensity Residential/Low-Intensity Commercial land uses. In the Low-Intensity Residential land use areas, housing densities are permitted at between 3- and 16-dwelling units per acre. In the High-Intensity Residential areas, densities are permitted at up to 22 units per acre of land.

Historically over the past fifteen years, the overall housing density in the city has averaged approximately 7.47 dwelling units per acre which is up from the 5.7 units per acre noted in the last update in 2005. This may be due to a trend toward smaller households and the popularity of smaller homes. Housing densities from development during the last fifteen years are provided below. It should be noted that in 2016 the land uses were generalized.

Therefore Low-Intensity Residential has densities ranging from 3 to 16 units per acre and High-Intensity Residential/Low-Intensity Commercial can have densities ranging from 12 to 22+ units per acre.

Land Use Category	Units	Acres	Avg. Density
Low-Intensity Residential	1280	292.3	4.38
High-Res/Low-Com	134	8.56	15.65

Figure 17 - Density by Land Use Category

Developments	Land Use	Units	Total Acreage	Density
Cherry Hills	Low-Intensity Residential	151	29.5	5.12
Spring Hollow	Low-Intensity Residential	32	4.03	7.94
Whidbey Links	Low-Intensity Residential	28	7.93	3.53
Woodbury Park	Low-Intensity Residential	37	6.06	6.11
Island Place	Low-Intensity Residential	105	19.45	5.40
Crosby Commons	Low-Intensity Residential	74	19.4	3.81
Whidbey Greens	Low-Intensity Residential	90	16.04	5.61
Harbor Place	Low-Intensity Residential	56	6.3	8.89
Rose Hill	Low-Intensity Residential	38	4.01	9.48
Fairway Point	Low-Intensity Residential	140	36	3.89
Highland Park	Low-Intensity Residential	25	4.75	5.26
Summer Wind	High-Res/Low-Com	48	2.42	19.83
Scenic View	High-Res/Low-Com	24	1.24	19.35
Foxwood Condos	High-Res/Low-Com	48	4.1	11.71
Kettle Cove	High-Res/Low-Com	14	0.8	17.50
East Park	Low-Intensity Residential	38	9.13	4.16
Redwing	Low-Intensity Residential	111	28.86	3.85
Barrington Heights	Low-Intensity Residential	23	7.6	3.03
Frostad Pond	Low-Intensity Residential	45	8.74	5.15
West Meadows	Low-Intensity Residential	61	15.4	3.96
Fireside	Low-Intensity Residential	226	69.1	3.27
			Total Average	7.47

Figure 18 - Multi-family complexes

## Housing Trends and Conditions

As the table below indicates, Oak Harbor experienced significant growth between 1981 and 1990. This growth prompted the 1993 study, *Housing Needs Assessment; Island County, Coupeville, Langleys, Oak Harbor*.<sup>16</sup> This study documented housing shortages and affordability concerns primarily affecting low-income households throughout Island County. After the release of this study the county's rate of growth slowed significantly, for a variety of reasons.

In the area surrounding Oak Harbor, growth has historically been linked to the fortunes of NAS Whidbey Island. While the military base faced great uncertainty during much of the mid-1990s, existing conditions appear to be more stable. In 2012, NAS Whidbey announced the arrival of new squadrons by the end of the decade. Since the old squadrons will be transitioning out, the increase in population is expected to be small. Moderate or normal growth patterns are expected to continue.

While it is certain that housing affordability remains a significant issue for low- and moderate-income persons, the decline in the area's rate of growth suggests that housing pressures may have eased somewhat.

Year	Population Increase	Building Permits	Census Household size	# of Households	Population
1973-1980	1971	1223	2.99	4107	12,317
1981-1990	4859	1800	2.88	5971	17,176
1991-2000	2619	1154	2.70	7333	19,795
2001-2010	2280	1433	2.53	8677	22,075

*Figure 19 - Increases by decade*

<sup>16</sup> Judith Stoloff Associates.

### Housing Availability

Between 1980 and 1990, the number of housing units in Oak Harbor increased from 4,407 to 6,173, a jump of 40%. By 2000, that number increased to 7,772 units, representing a more modest increase of 21% during the '90s. By 2010, the Census indicates that the number of housing units grew to 9,553, which is an increase of approximately 22%. If the rate of growth in the last two decades is a sign of stability, it can be expected that the growth between 2010 and 2020 will also be approximately 22% which is approximately 2,054 units (approximately 205 units per year). However, the American Factfinder estimates that in 2014, housing units totaled 9,944, which indicates a slower rate of growth (less than 100 units per year). With the squadron increase at NAS Whidbey anticipated in 2017, the rate of growth in the latter part of the decade can be expected to increase.

In 2000, according to the U.S. Census, the city's vacancy rate for housing was 5.6%. The 2010 Census indicates that the vacancy rate has increased to 9.6. This may be due to a slight decrease in population that Oak Harbor has been experiencing since 2012. The decrease is primarily due to the Navy preparing for the transition in squadrons.

### Housing Affordability

In January 2015, the State released a report titled *Housing Needs Assessment for Washington*. It was commissioned by a diverse, governor-appointed membership of the Washington State Affordable Housing Advisory Board to create an unbiased accounting of housing affordability in Washington State. The assessment considered housing to be affordable when a household pays no more than 30% of its income for all housing costs. When a household pays more than 30% of its income for housing costs it is considered "cost-burdened" and when it pays more than 50% it was considered "severely cost-burdened." American Factfinder for 2014 (Figure 20) indicates that 46.8% of home owners and 48.7% of renters in Oak Harbor are considered cost-burdened.

	Owner	Renter
Less than 20 percent	19%	16.80%
20 to 24.9 percent	17.70%	16.70%
25 to 29.9 percent	16.50%	17.80%
30 to 34.9 percent	7.60%	10.10%
35 percent or more	39.20%	38.60%

Figure 20 - Housing cost as a percentage of income

## Housing Needs

The Buildable Lands Analysis (BLA) conducted in 2016 by Island County indicates that there is adequate capacity within the UGA to accommodate the 20-year population projection. The BLA estimates that Oak Harbor has an average<sup>17</sup> capacity for 1,985 units and that 1,629 units are needed to accommodate the 20-year population projections.

As part of the 2016 Update, Island County is considering policies to encourage more of the projected growth to occur within the UGA. To determine the impacts of such policy shifts, Island County calculated development capacities under 10%- and 20%-shift scenarios. The tables below indicate the capacities under these scenarios. The County eventually chose to not consider policies for an increased shift with the 2016 update, however this may be an option that will continue to be considered and discussed after the update cycle. The City will continue to work in collaboration with the County to ensure that services can be provided to support any increase in population shifts.

2010	2036		
	Baseline	10%	20%
22,075	25,822	26,447	27,071

Figure 21 - Projected Oak Harbor population, with allocations

	Baseline		10% shift		20% shift	
	Allocation	Growth	Allocation	Growth	Allocation	Growth
North Whidbey						
Oak Harbor	60%	3,747	70%	4,372	80%	4,996
Rural	40%	2,498	30%	1,874	20%	1,249
Regional Allocation	100%	6,245	100%	6,245	100%	6,245

Figure 22 - Population growth allocation and shift

<sup>17</sup> The density for the various zoning districts in Oak Harbor accommodates a range from low to high. Therefore the BLA uses the average of these densities to determine capacity.

	Housing Capacity (Housing Units)	Baseline		10%		20%	
		Additional Housing Units Need*	Excess Housing Units	Additional Housing Units Need*	Excess Housing Units	Additional Housing Units Need*	Excess Housing Units
Low	1,016	1,629	(613)	1,901	(885)	2,172	(1,156)
Average	1,985	1,629	356	1,901	84	2,172	(187)
High	2,490	1,629	861	1,901	590	2,172	318

Figure 23 - Land Capacity, 2036

## Summary

The local housing market is driven primarily by conditions at NAS Whidbey Island. While the area is undertaking efforts to diversify its economy, it is expected that changes in base population will continue to dominate local housing issues.

The census data for the last two decades and population projections suggest that area growth will continue at moderate levels in the foreseeable future. As growth continues, the city will need to remain diligent in implementing strategies that will continue to provide housing that is affordable to all economic segments within the community.

## Goals and Policies

### Goal 1 - Ensure that adequate opportunities exist for low and moderate-income families to obtain affordable housing.

#### Policies:

- I.a. Provide land use policies and development regulations that allow for a variety of housing types and residential life styles, to accommodate households in varying income ranges.
- I.b. Encourage alternative housing types from the standard single-family residences by using contemporary building and planning concepts, including apartments, condominiums, small lot, zero lot line, attached patio, townhouse, and manufactured housing.
- I.c. Promote the inclusion of affordable housing developments through incentives, density bonuses, and flexible development regulations.
- I.d. Promote the inclusion of subsidized units throughout the community to diversify neighborhoods.
- I.e. Promote the location of affordable housing in proximity to transit routes to ensure the most efficient and cost-effective use of public transportation.
- I.f. Support efforts to develop self-help housing programs.
- I.g. Allow provisions in development regulations for inclusionary affordable housing and density bonus performance standards.
- I.h. Allow for the development and preservation of manufactured home

communities, using design guidelines that ensure that such communities are compatible with existing neighborhoods.

- I.i. Support and monitor mediation services for tenant/landlord dispute issues.
- I.j. Encourage the development and implementation of affordable housing as part of the City's annexation program.
- I.k. Monitor affordable housing availability for low and moderate-income populations.
- I.l. Encourage the development of accessory units to address housing needs and increase capacity.

**Goal 2 - Promote housing opportunities for special needs population.**

Policies:

- 2.a. Accommodate land uses and housing that provides for the needs of the elderly, disabled, and infirm.
- 2.b. Support the Island County Housing Authority and Opportunity Council to address siting and development of housing for special needs populations.
- 2.c. Work cooperatively with social service providers, local churches, other organizations and individuals, to address the needs of homeless persons by establishing options for short-term homeless shelters and encampments.
- 2.d. Allow for the development of assisted housing in appropriate locations.
- 2.e. Ensure compliance with State and National Standards for group homes and family day care facilities.

**Goal 3 - Identify and provide sufficient and appropriate land for housing.**

Policies:

- 3.a. Monitor inventory of developable land, to ensure adequate land is available for projected housing needs.
- 3.b. Allow for a range of densities to ensure maximum choice in housing options.
- 3.c. Consider incentives and flexibility in development standards to promote mixed uses that include housing in commercial development .

**Goal 4 - Preserve, maintain and improve the value of existing neighborhoods.**

Policies:

- 4.a. Enforce existing housing codes and maintain code enforcement efforts in residential areas.
- 4.b. Invest in existing infrastructure as a means to encourage private reinvestments.
- 4.c. Encourage redevelopment and infill of underdeveloped residential properties.

