
CITY OF POULSBO

Planning for Housing



Planning and Economic Development Department

Updated September 2026



Housing for people is the foundation of any community. Most people identify strongly with the community in which they live. Cities that grow in number of people and jobs are the most vibrant—and the most in need of housing. To serve a variety of household sizes, ages, incomes, and preferences, a variety of housing choices are critical.

Poulsbo is a city with many assets that make it a desirable community of over 13,000 residents. While the city has benefited in years past from relatively lower costs compared to King, Pierce, and Snohomish Counties, rapid population growth coupled with a lack of housing supply has resulted in an increased demand for housing and rising costs. The limited supply of certain housing types and resulting cost pressure is contributing to a displacement of long-term Poulsbo residents, while also presenting a barrier for middle to low-income households to find housing.

Local governments mainly do not provide housing directly. Typically, private developers produce most housing units in a jurisdiction. Local governments set the conditions in place to encourage the market to develop housing affordable to all members of the community. Housing planning and policymaking are integral functions of cities, and essential for supporting inclusive, diverse, and economically vibrant communities. Reviewing, evaluating, and updating housing plans, policies, and associated development regulations can help jurisdictions meet evolving community needs for housing variety and affordability, as well as achieve other planning goals for land use, economic development, transportation, and the environment.



Growth Management Act

The Growth Management Act (GMA), adopted in 1990, provides the statewide framework for Washington state to manage its growth, including planning for future housing needs. In 2021, House Bill 1220 (HB 1220) changed the requirements for those jurisdictions required to fully plan under the GMA.^{6,7} Under this framework, counties and cities planning under the GMA must periodically review and update their comprehensive plans and development regulations to ensure they continue to accommodate projected growth and meet state planning requirements. (see RCW 36.70A.130)

The Growth Management Act (GMA) requires that each county and its cities plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types and encourage preservation of existing housing stock. In Kitsap County, the county and its cities collaboratively decide how to allocate its 20-year housing allocation. For Poulsbo, the 2044 housing allocation is 1,977 permanent housing units, plus capacity for 83 emergency housing beds.



Categories of Housing

Cities need to provide a wide range of housing options to people. Most people either rent or own their home, but cities also need to provide more supportive housing options for people who are experiencing homelessness or in crisis. A renter might be able to afford something at the market rates or need financial support or rent through a non-profit or social housing program. People looking to buy a home might also be able to purchase something at market rates or participate in a program that helps them with a down payment or mortgage.

Housing affordability is a spectrum. Different income levels face different housing barriers and may require different solutions. Deeply affordable housing often requires subsidy or partnership, while workforce and market-rate housing may respond more directly to regulatory flexibility, development costs, and housing supply.

<u>Type of Housing</u>	<u>Housing Category</u>	<u>Type of Structure</u>	<u>Who It Serves</u>	<u>General Income Levels</u>
Income-Restricted Housing	Emergency Shelters	Nightly shelters, extreme weather/ warming shelters	People in crisis, people with insufficient housing resources	0 to 30% AMI
Income-Restricted Housing	Transitional Housing	Temporary Housing (under a year) with supportive services	People moving from homelessness	0 to 30% AMI
Income-Restricted Housing	Supportive Housing	Group homes, assisted living, long term housing with supportive services	People needing assistance to live independently	0 to 80% AMI
Income-Restricted Housing	Income-Restricted Rental Housing	Non-profit and public rental housing	People who can't afford market rate rents	30 to 80% AMI
Market Housing	Rental Housing	Apartment buildings, rented condos, houses, ADU, etc	People who prefer renting or can't afford home ownership	80 to 120% AMI
Market Housing	Home Ownership	Condos, single family homes, duplexes, etc.	People who can afford home ownership	120% AMI and over

Area median income (AMI) is a key measure used in affordable housing. HUD calculates AMI annually based on the median family income for a four-person household in a defined area.

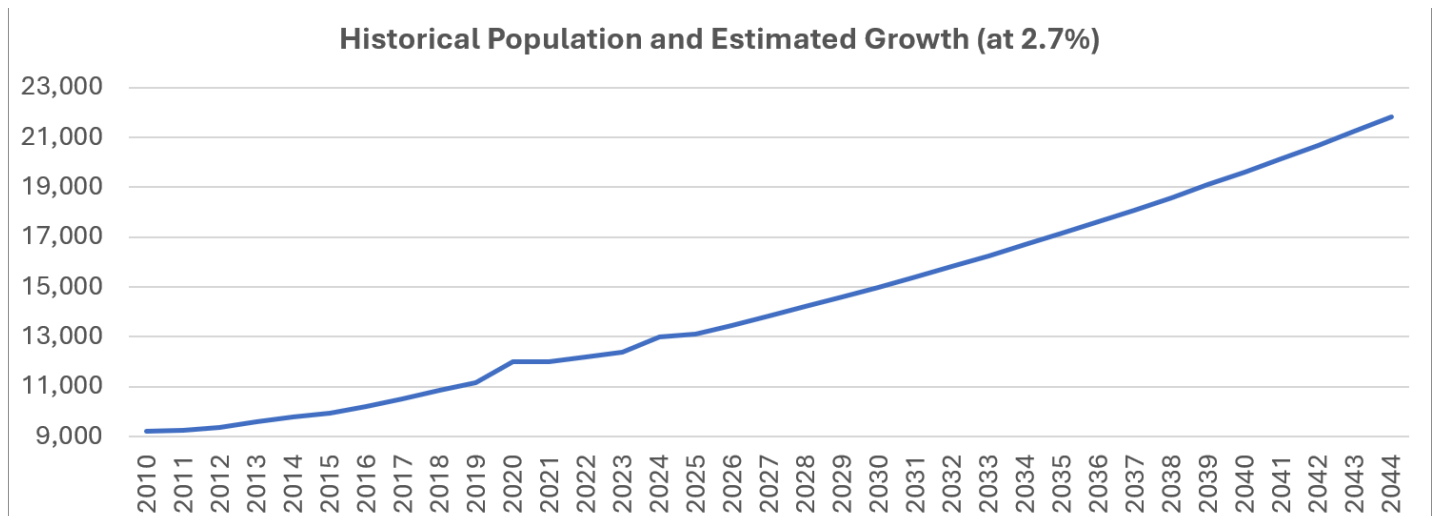


Our Community

People are at the heart of planning. The Comprehensive Plan helps guide future growth and development and ensures the city meets the needs of people for things like housing, transportation options, economic opportunity, access to parks, human services, and more. So, let's take a moment to better understand the people who make up Poulsbo.

Poulsbo continues to be one of Kitsap County's growing communities. Poulsbo's population has grown substantially since 2010, increasing demand for housing, infrastructure, services, and amenities. The City's adopted 2024 Comprehensive Plan plans for 5,646 additional residents through 2044, along with 1,977 additional permanent housing units.

Population growth is only part of Poulsbo's housing story. Changes in household size, age, income, housing costs, and the types of homes available also influence the amount and type of housing the community will need.



Poulsbo experienced a 32% increase in population from 2015-2025

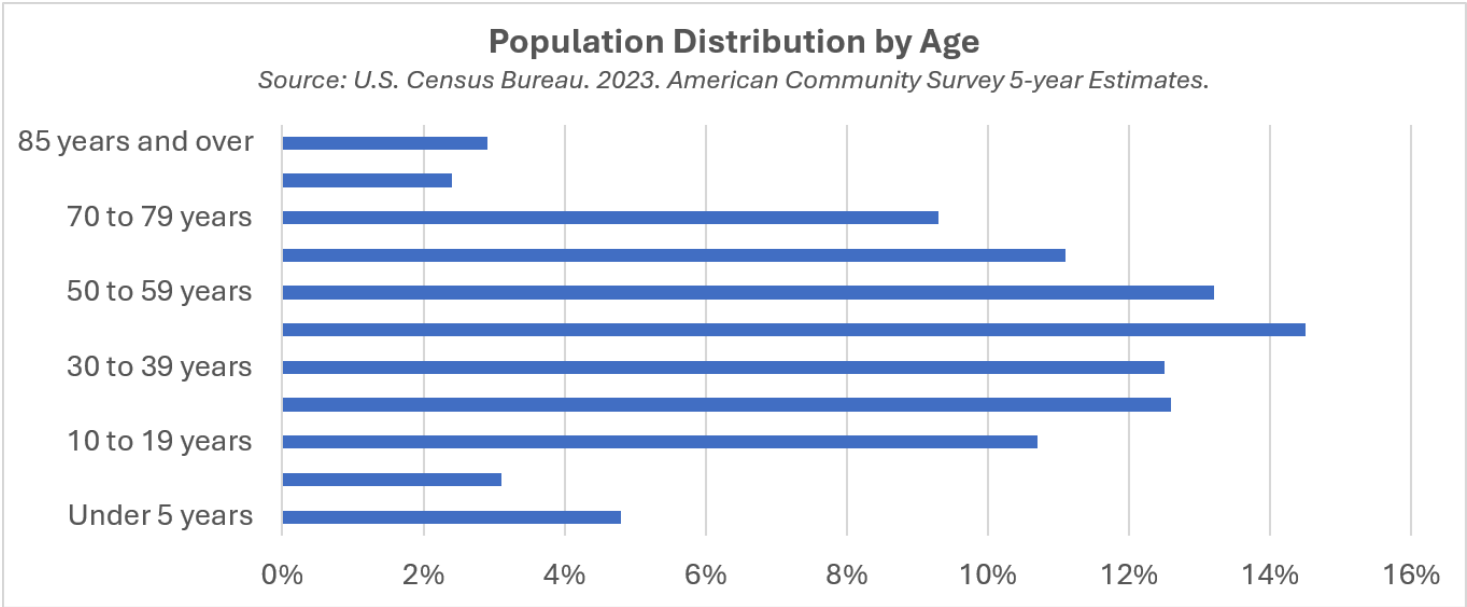


About 20% of Poulsbo's population is age 65 or older, and another 18% is expected to reach age 65 within the next 10–15 years. As the community ages, housing needs will continue to change.

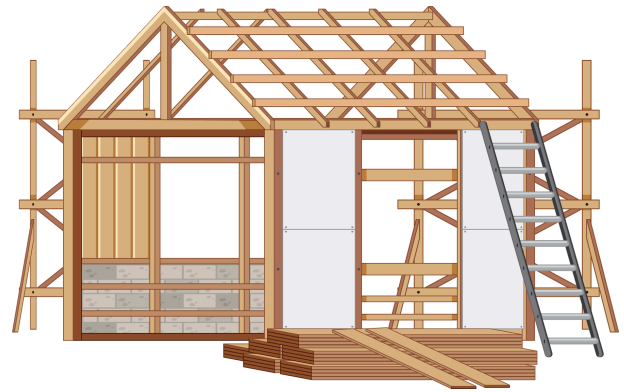
A range of housing choices can help older adults remain in Poulsbo as their needs evolve. While single-family homes may continue to work for some, others may prefer smaller, lower-maintenance homes or need accessible housing that accommodates changes in mobility. Housing located near health care, shopping, transportation, services, and social opportunities can also support aging in place.

Housing affordability is an important consideration as well. While some older households have sufficient resources to meet their housing and service needs, others may face challenges as housing costs increase, particularly those living on fixed incomes.

Median Age in Poulsbo is 43.2



As of 2025, there were an estimated 5,304 housing units in the City of Poulsbo. This represents an increase of 35% since 2015, when the estimated total was 3,922.

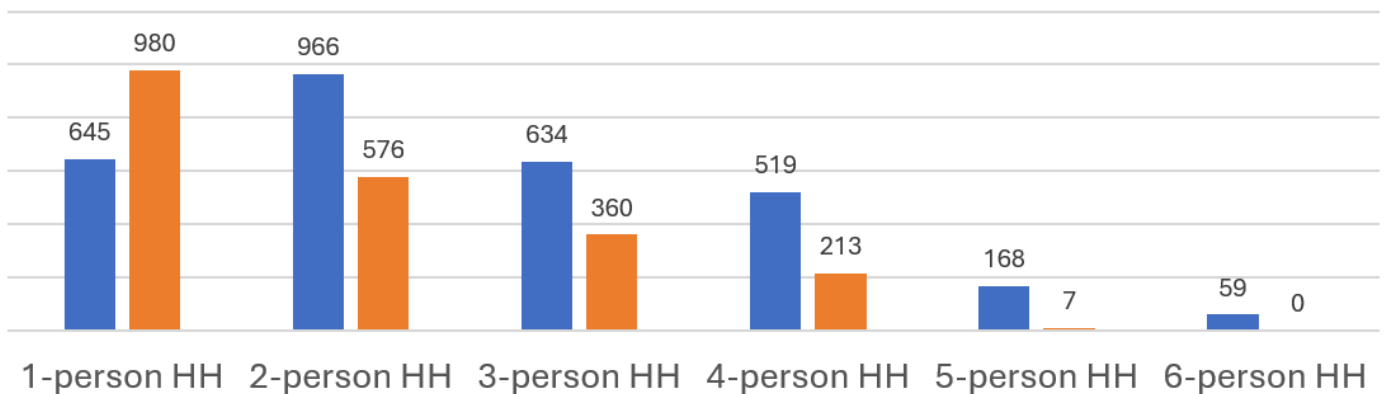


The term "household" refers to a group of people living together in a single housing unit. One- and two-person households are the most common household size overall in Poulsbo. Among owner-occupied households, two-person households are the most common size and among renter households, one-person households are the most common size. While smaller households are more common, there are still a significant number of larger households in Poulsbo. More than 1,960 or 38% of households have three or more members.

Exhibit 10: Household Size by Tenure

Source: U.S. Census Bureau. 2023. American Community Survey 5-year Estimates.

■ Owner Occupied ■ Renter Occupied



Average household size is 2.25 individuals

Smaller households do not always need, or want, smaller homes, but a greater variety of housing sizes gives residents more choices as household needs change.



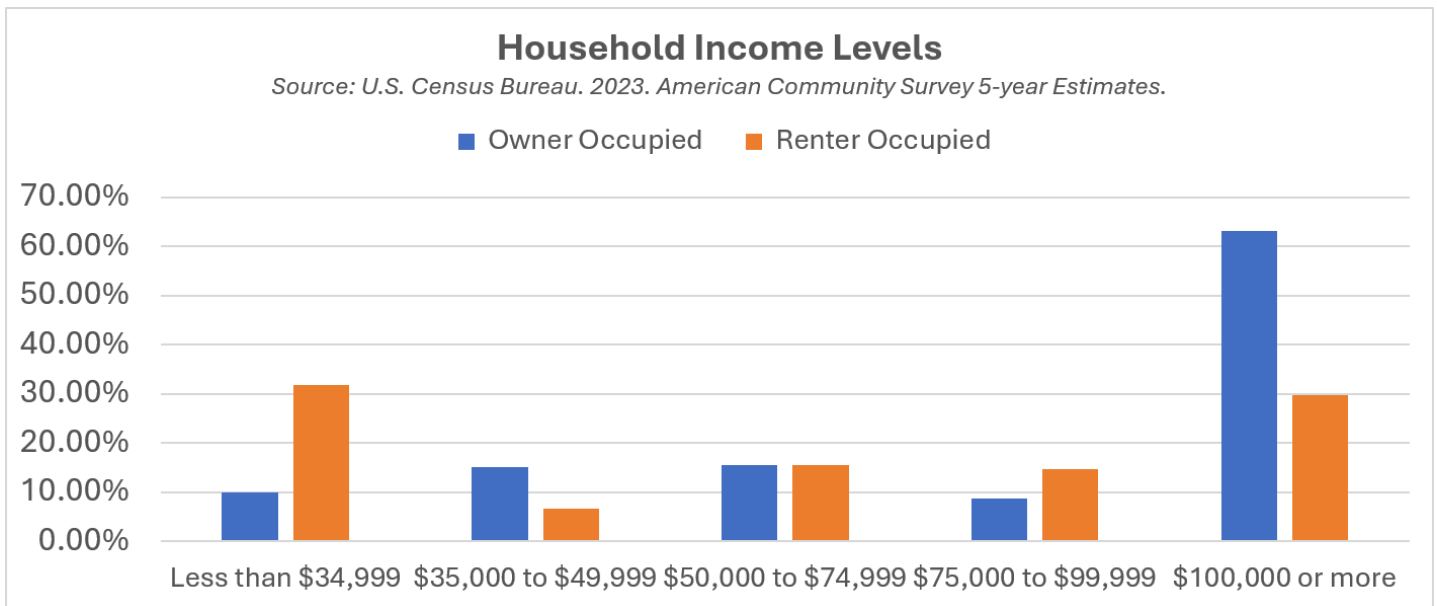


In 2023, the median household income (MHI) in the City of Poulsbo was \$129,904 for owner households and \$52,211 for renter households.

Household income varies significantly between renters and homeowners in Poulsbo. This difference matters when considering housing affordability because households compete within the same regional housing market but have very different resources available to pay for housing.

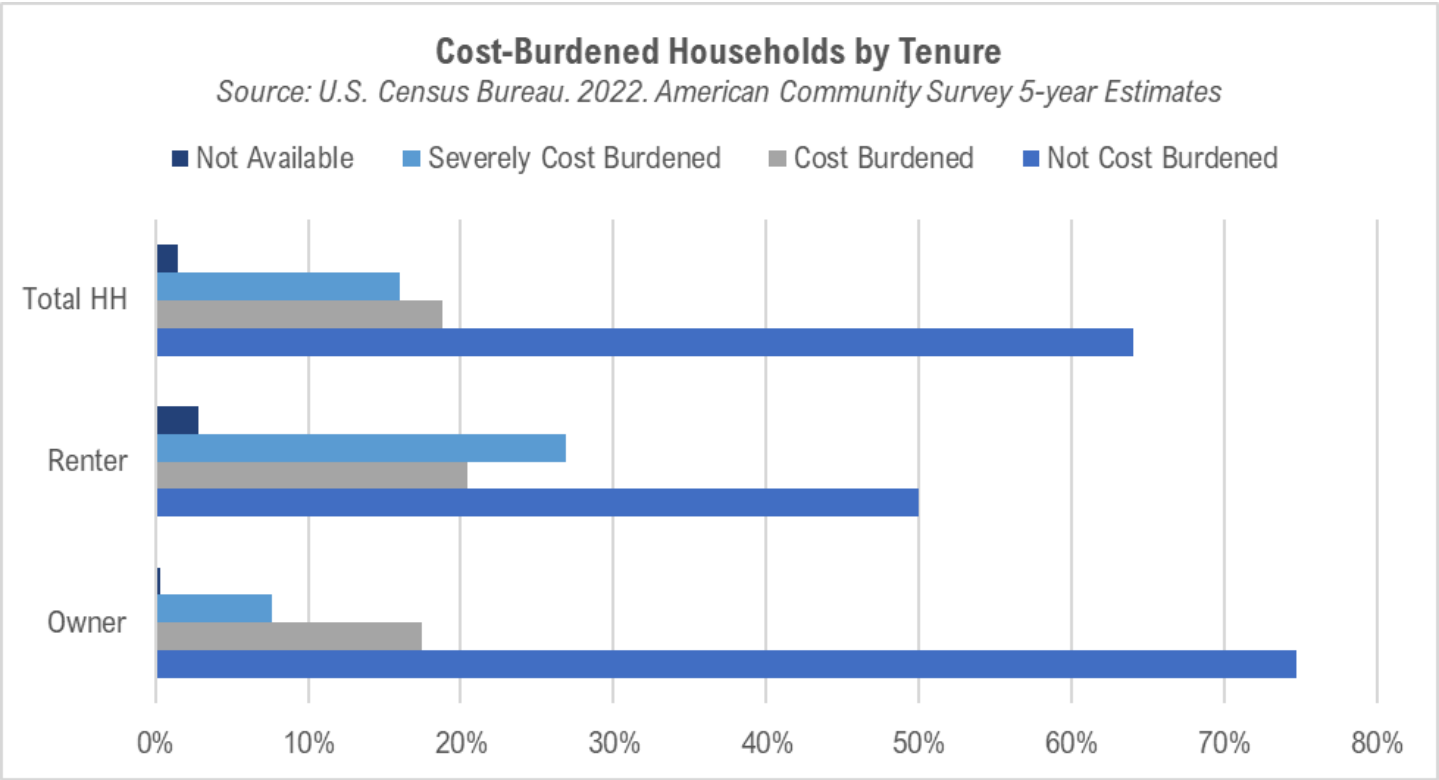
Households that own their homes are more likely to have higher incomes. Relative to Kitsap County, Poulsbo has a higher proportion of residents with annual incomes less than \$35,000 and a higher proportion of residents with annual incomes above \$100,000. In addition, Poulsbo has a lower proportion of residents making between \$35,000 to \$99,999 per year than the county.

32% of renters in Poulsbo make less than \$35,000 per year, while 63% of owners in Poulsbo make more than \$100,000 per year.



Housing is generally considered affordable when a household spends no more than 30% of its income on housing costs. Households spending more than 30% are considered cost burdened, while households spending more than 50% are considered severely cost burdened. When households face high rates of cost burden, they often must make difficult choices in prioritizing purchases for other necessities such as food, healthcare, and childcare.

About 35% of Poulsbo households are either cost burdened or severely cost-burdened. Overall, renters are substantially more likely to be cost-burdened or severely cost-burdened than owners. 47% of renters are either cost burdened or severely cost-burdened, while 27% of owners are either cost burdened or severely cost burdened.



Housing cost burden reflects the relationship between household income and housing costs. Housing supply is an important factor, but affordability is also influenced by wages, interest rates, construction costs, regional demand, available subsidies, and other market conditions.



As of 2022, there were 6,473 jobs based in Poulsbo, which is an 8% increase from 2010. The largest numbers of jobs in Poulsbo are available in the sectors of retail (1,301), health care and social assistance (1,074), and educational services (1,070).

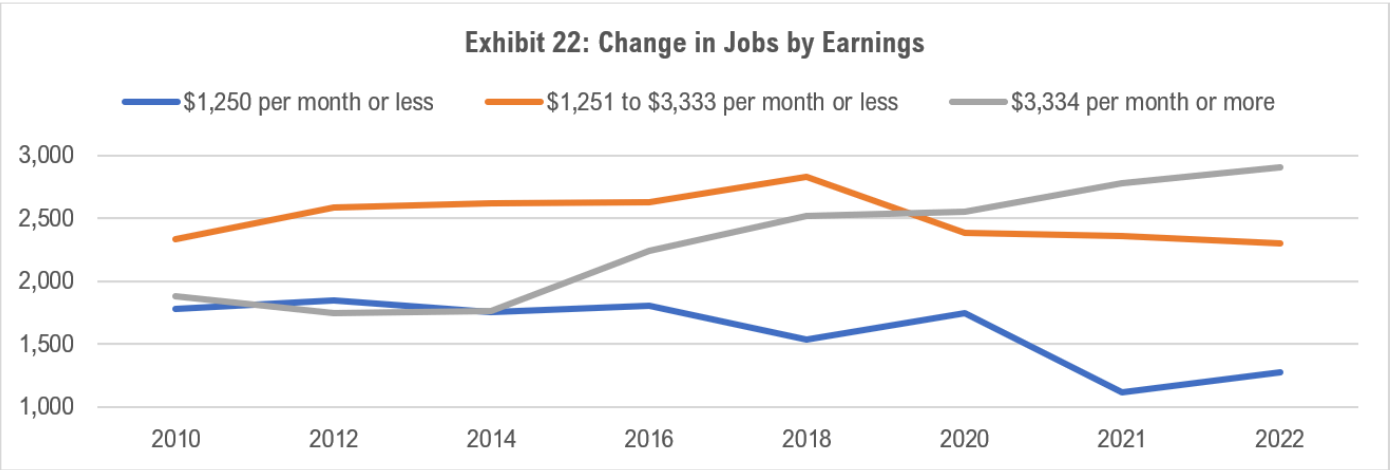
On average, people who work in Poulsbo (but do not live there) earn less than residents of Poulsbo, with 55% of Poulsbo workers earning less than \$40,000 a year, compared to 41% of residents. Many people who work in Poulsbo may face difficulties obtaining affordable nearby housing



Job Counts by Earnings				
	Poulsbo Residents		Poulsbo Workers	
	Count	Share	Count	Share
\$1,250 per month or less	695	15.7%	1,271	19.6%
\$1,251 - \$3,333	1,114	25.1%	2,299	35.5%
More than \$3,333	2,625	59.2%	2,903	44.8%

Source: U.S. Census OnTheMap, 2022

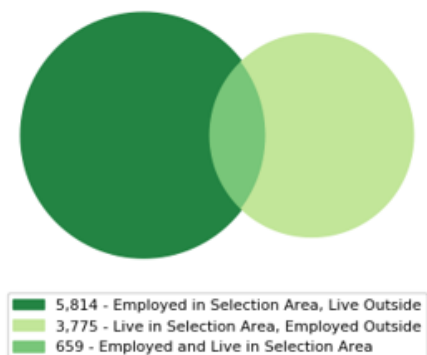
The number of jobs in the city that pay \$1,250 per month or less (roughly \$15,000 per year) has declined by 28% since 2010, while the number of jobs paying more than \$3,333 per month has grown by 54%.



Source: U.S. Census OnTheMap, 2010-2022

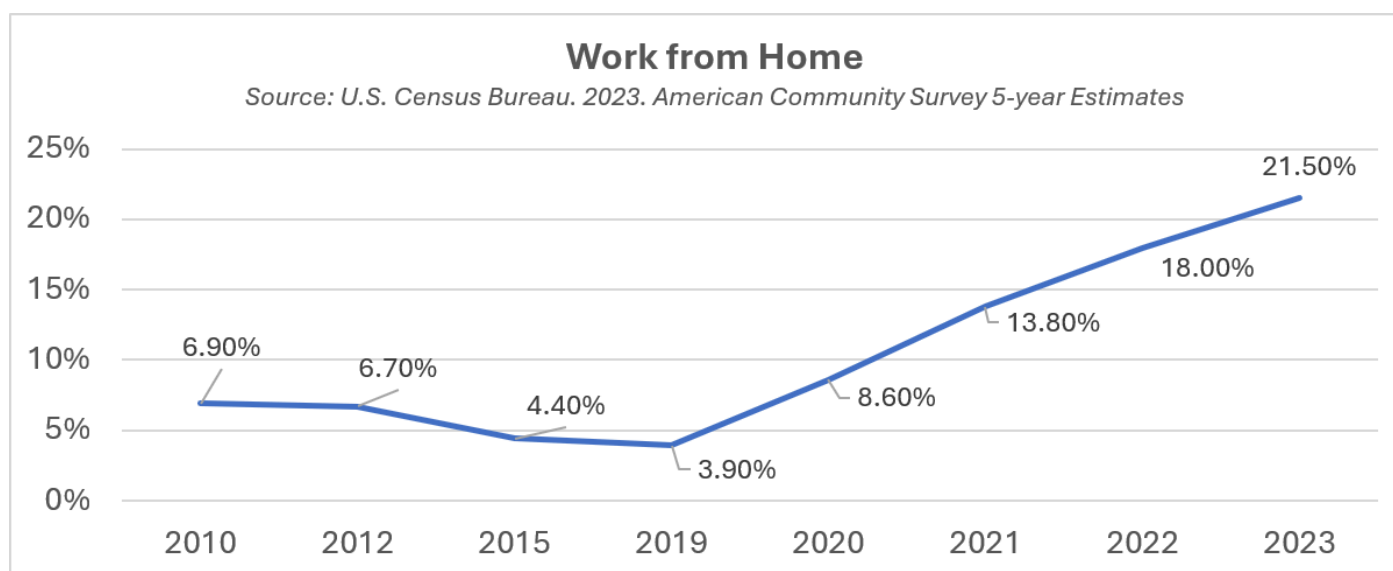


Inflow/Outflow Job Counts in 2022
All Workers

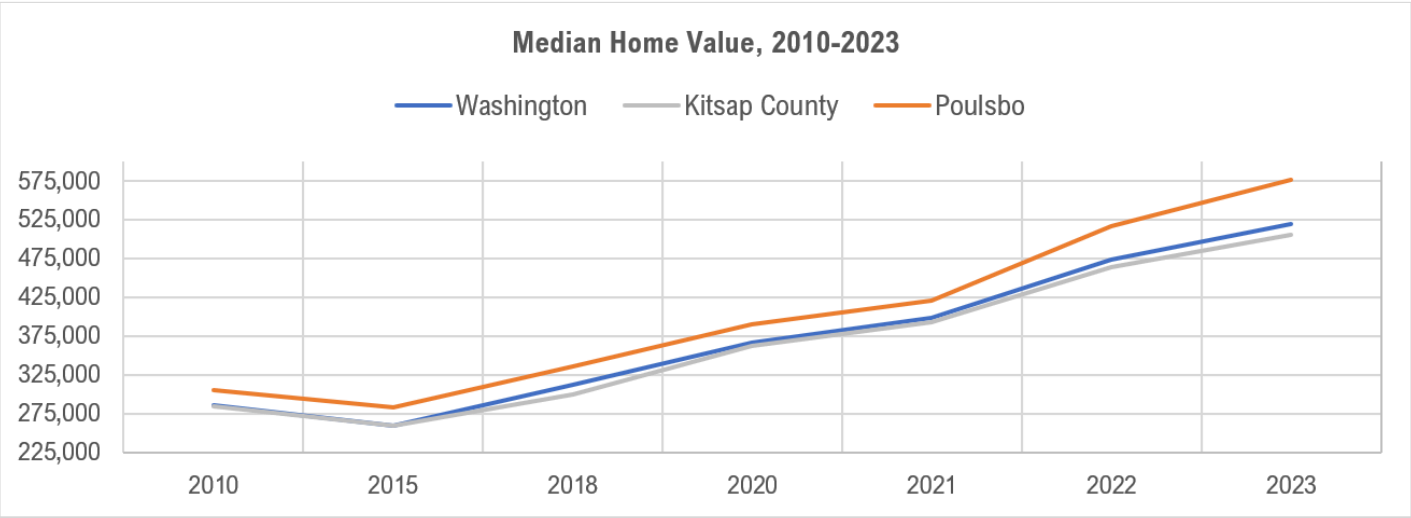


Of the 6,473 jobs located in Poulsbo, only 659 workers live in Poulsbo, or just 10%. Instead, nearly 90% of people working in Poulsbo commute in from home locations outside the city. Out of the 3,775 residents employed outside of the city, 17.3% commute to Seattle, while 9.1% commute to Bainbridge Island.

The COVID-19 pandemic dramatically accelerated the adoption of remote work, as many employers and employees discovered the benefits of more flexible work arrangements. By 2023, 21.5% of Poulsbo residents were working from home, up significantly from 3.9% before the pandemic. The long-term prevalence of remote work will depend on factors such as employer policies, industry, technology, and employee preferences. Hybrid work, which combines in-office and remote work, has also become increasingly common and may continue to provide workers with greater flexibility and work-life balance.

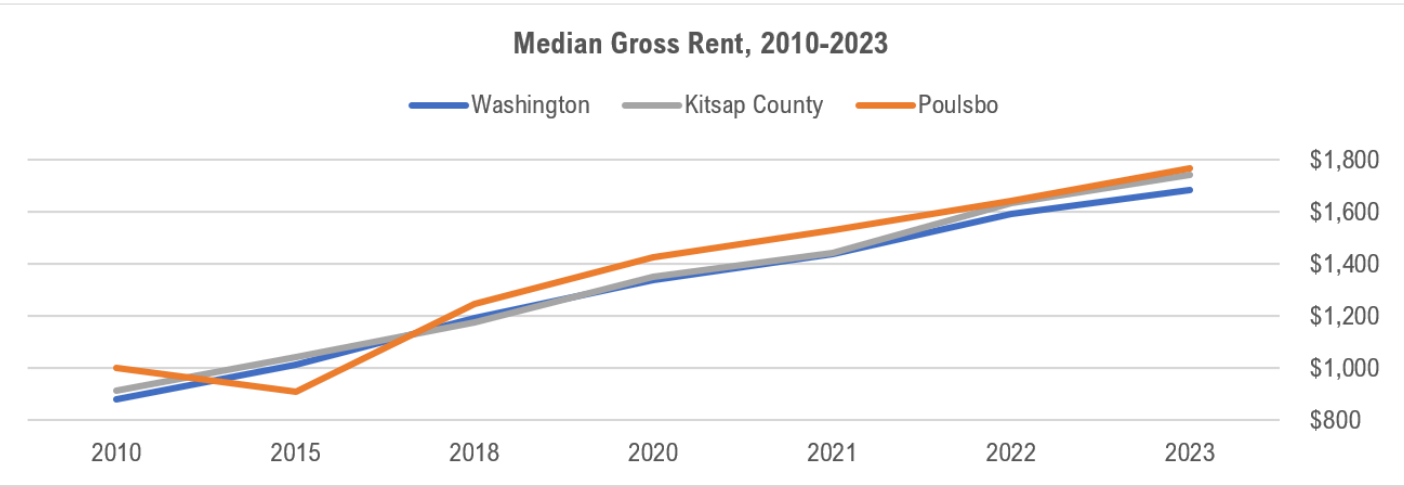


The cost of homeownership has increased substantially in Poulsbo. Between 2015 and 2023, the median home value of occupied housing units in Poulsbo went from \$282,500 to \$575,900, which was a 104% increase.



Source: U.S. Census Bureau, 2023. American Community Survey 5-year Estimates.

From 2015 to 2023, median rent increased by 95% from \$1,000 to \$1,767.



Source: U.S. Census Bureau, 2023. American Community Survey 5-year Estimate.

In 2023, the median rent in Poulsbo was \$1,767 per month. A renter household earning the median income of \$52,211 per year and paying the median rent would spend about 41% of its gross income on housing. After rent, the household would have approximately \$2,580 per month in gross income remaining to cover other expenses, including food, healthcare, transportation, childcare, education, utilities, and discretionary spending.



What We Heard During the Comprehensive Plan Update

Community input was an important part of developing Poulsbo's 2024 Comprehensive Plan. In 2023, the City conducted an online survey and participated in multiple community events to better understand residents' priorities and concerns related to housing and growth.



Do you think there are enough housing choices (e.g., the type of housing that is built) in our community?

62% responded no

General approach to accomodating additional growth that you would prefer the city take.

60% of respondents wanted to see a combination of approaches - higher density within 1/4 mile of SR 305 AND moderate density increases in single family neighborhoods.

If higher density were focused with a 1/4 mile of SR-305, what type (scale) of buildings would you prefer to see?

38% want to see a mix of all - mixed-use building and site, apartments, townhomes

If moderate density were spread out over existing residential zones, what type (scale) of buildings would you prefer to see?

52% want to see a mix of single-family residences, accessory dwelling units, duplex on corner lots, and townhouses.

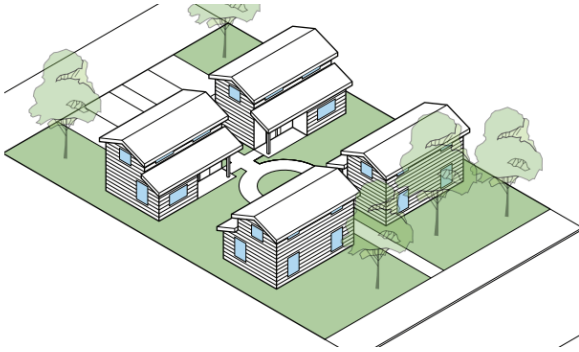
What measures can the city take to make growth more welcome?

*56% responded greater pedestrian connectivity.
50% responded maintaining the tree canopy.
45% responded more amenities to serve new development.*

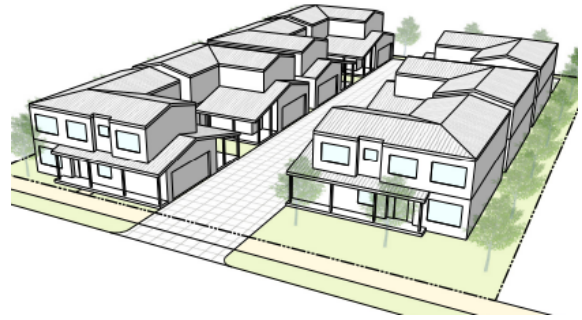


The Planning and Economic Development Department spent summer 2023 attending community events, including the Farmers Market and Summer Nights at the Bay, to gather input on preferred residential housing types.

46% of respondents preferred courtyard/cottage housing type



20% preferred a detached cluster housing type



Staff also asked: What should be prioritized in the design of new Planned Residential Developments (PRDs)? PRDs permit greater flexibility in building siting, lot size, setbacks, mixture of housing types, usable open space and preservation of significant natural features than otherwise allowed or required in the underlying zone and are the most common type of residential development in Poulsbo.

22% of respondents said Off-Street Pathways AND Neighborhood Commercial, 20% said Tree Retention and Open Space.



Planning for Growth

According to the 2021 Kitsap County Buildable Lands Report, Poulsbo experienced substantial residential growth during the previous evaluation period, with 1,424 new housing units permitted between 2013 and 2020. This represented a significant increase in multifamily development compared with the prior evaluation period.

Residential development has continued at a strong pace. City tracking through June 2026 identifies approximately 1,850 housing units built, under construction, approved, or under review since 2019. Of these, 798 are single-family detached homes, while the remaining 1,052 units include apartments, condominiums, townhomes, and other attached housing. Approximately 569 units have been completed, 829 are under construction, 124 are approved, and 328 are currently under review. This development activity demonstrates an ongoing shift toward a broader mix of housing types, with attached and multifamily housing accounting for more than half of the City's recent and planned residential development.

Buildable land capacity estimates how much future development can be accommodated under existing zoning, development standards, and environmental constraints. It considers both vacant and underutilized land and the amount of residential or employment growth that could reasonably occur on that land.



Poulsbo's 2024 Comprehensive Plan plans for its share of the population, housing, and employment growth forecast for the Central Puget Sound region. Regional growth is coordinated through the Puget Sound Regional Council (PSRC) and Kitsap Regional Coordinating Council (KRCC), with Poulsbo participating in both processes. Kitsap County and its jurisdictions established 2044 growth targets that formed the basis for Poulsbo's adopted Comprehensive Plan Update. The table below compares these targets with the City's updated land capacity, building from the 2021 Buildable Lands Report to determine whether sufficient capacity exists to accommodate projected growth through 2044.

2044 Growth Targets and Capacity			
	Current	Allocation for 2044 ³	Capacity ⁴
Population	12,000 ¹	5,646	7,961
Housing Units	5,116 ²	1,977	3,491
Jobs	6,691 ²	4,000	4,099
¹ Washington State OFM 2023 Projections ² Source: Census (2020) ³ Per Kitsap County Countywide Planning Policies ⁴ Poulsbo BLR Land Capacity Analysis (2023 Update)			



In 2021, the Washington Legislature changed the way communities are required to plan for housing. House Bill 1220 amended the Growth Management Act to require local governments to ‘plan for and accommodate housing affordable to all economic segments of the population of the state.’ These requirements include an inventory and analysis of existing and projected housing needs, including “units for moderate, low, very low and extremely low-income households” as well as “emergency housing, emergency shelters and permanent supportive housing (PSH).

The Washington State Department of Commerce provided countywide projections of housing needs for all counties in Washington State. Kitsap County, working in collaboration with the cities, allocated these projected countywide housing needs down to local jurisdictions.

The purpose of these housing allocations is to ensure jurisdictions provide sufficient capacity for housing and to remove barriers to developing housing.

The table to the right lists the housing units needed for each income level, as defined by the percentage of Area Median Income.



Planning for capacity does not guarantee production. The City must provide sufficient land and regulatory capacity for housing at each income level, but the actual production of housing, particularly housing serving lower-income households, may require funding, subsidy, partnerships, or other targeted strategies.

Income Level	Housing Unit Allocation
0-30% AMI Non PSH	377
0-30% AMI PSH	166
>30-50% AMI	324
>50-80% AMI	272
>80-100% AMI	140
>100-120% AMI	138
>120% AMI	560
Total	1,977
Emergency Housing	83



Managing Growth

Since the adoption of Poulsbo's first Comprehensive Plan in 1994, the continued welfare of current and future residents has been the paramount goal of the City of Poulsbo leaders. In the face of continued growth, the city seeks to shape its future in ways that will maintain the quality of life that makes Poulsbo a special place to live, work, shop, and recreate. Adopting a forward-thinking growth strategy is how Poulsbo has approached growth management since 1994.

Poulsbo's adopted 2044 growth targets include 5,646 new residents and 1,977 additional permanent housing units.

Why Does Poulsbo Plan for More Capacity Than Its Required Target?

Having capacity beyond the minimum growth target provides flexibility for future development and recognizes that not every property with development capacity will redevelop during the planning period. Additional capacity also provides more opportunities for housing development across different sites and housing types.. Poulsbo is also being forward thinking by planning for the gap between our growth targets and the growth rate we have seen over the last 10 years.



Functional Plans

As part of the City's broader planning for future growth, Poulsbo also completed major updates to several functional plans in 2025. These include the Water System Plan, General Sewer Plan, Stormwater Management Plan, and Transportation Comprehensive Plan. The Parks, Recreation and Open Space Plan was updated in 2021. Each plan identifies current system capacities, future needs based on growth projections, and prioritized projects to support the city's long-term goals. Together, they ensure that as Poulsbo grows, we have the right infrastructure in place, clean water, efficient sewer and stormwater systems, safe streets, and accessible parks and trails.

These functional plans are critical because they turn policy into action. They help the City secure funding, design capital improvements, and coordinate public and private development in a smart, sustainable way. By aligning these plans with the Comprehensive Plan's growth targets and policy goals, Poulsbo is laying the groundwork for well-served neighborhoods, resilient infrastructure, and a high quality of life for current and future residents.

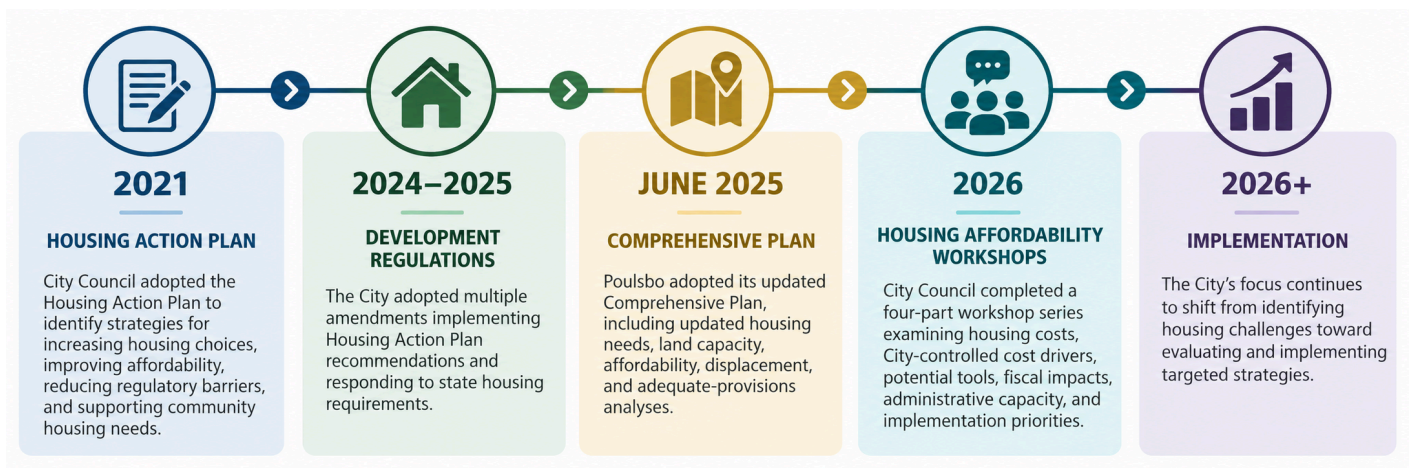
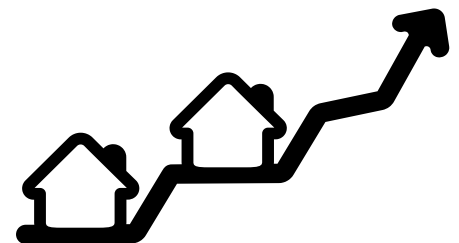
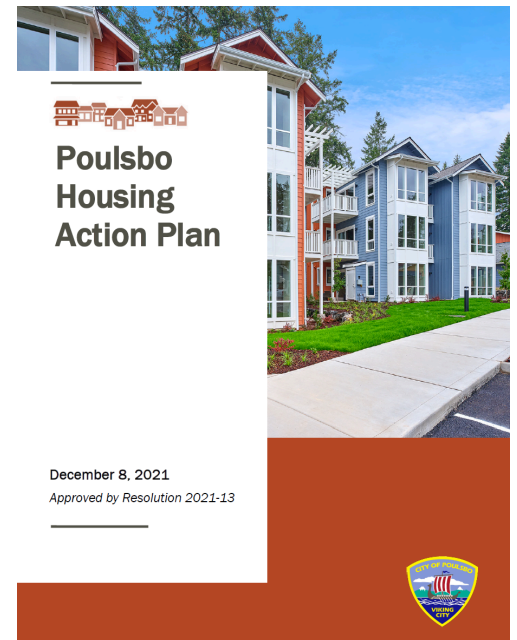
Maintaining adequate infrastructure while supporting housing affordability requires balancing development feasibility with the City's responsibility to fund the facilities and services needed to accommodate growth.



From Housing Action Plan to Action

Poulsbo's housing work has evolved from identifying community needs and potential strategies to implementing regulatory changes and evaluating targeted affordability tools. The 2021 Housing Action Plan established a foundation for this work, helping guide subsequent development regulation amendments and the housing policies included in the 2024 Comprehensive Plan.

With the Comprehensive Plan adopted in June 2025, the City's focus has increasingly shifted toward implementation. In 2026, the Housing Affordability Workshop Series built on this work by examining local housing costs, development challenges, and the tools available to the City. Together, these efforts reflect an ongoing approach to expanding housing choices while responding to changing community needs and affordability challenges.



What Poulsbo Has Done

Over the past several years, Poulsbo has updated its development regulations to expand housing choices, remove regulatory barriers, and provide greater flexibility for residential development. Many of these changes implement recommendations from the 2021 Housing Action Plan, while others respond to state housing requirements and the community's changing housing needs.

These actions do not determine what will be built or guarantee housing affordability, but they create more opportunities for a variety of housing types and help ensure the City's regulations support the housing capacity identified in the Comprehensive Plan.

Expanding Housing Choice



Accessory Dwelling Units

Expanded opportunities for ADUs.



Duplexes

Allowed duplexes on qualifying residential corner lots.



Unit Lot Subdivisions

Enabled fee-simple ownership of individual attached housing units.



Planned Residential Developments

Reduced minimum project size and increased flexibility.



Multifamily Housing

Provided additional flexibility for multifamily and attached housing.



Commercial + Mixed-Use Areas

Expanded opportunities for residential development, flexible first-floor uses, and increased building heights in applicable zones.



Parking + Permitting

Updated parking requirements, review thresholds, and permit procedures.



Housing for People with Special Needs

Updated regulations for emergency housing, transitional housing, permanent supportive housing, and other state-required housing types.

Housing regulations continue to evolve. The City periodically evaluates its development regulations to respond to state requirements, Comprehensive Plan policies, changing housing needs, and implementation experience.



2026 Housing Affordability Workshop Series

Understanding the Challenge. Exploring the Tools. In early 2026, the Poulsbo City Council completed a four-part Housing Affordability Workshop Series. Building on the adopted Comprehensive Plan, the series examined current housing conditions, development costs, potential affordability tools, and the fiscal and administrative trade-offs associated with different strategies.



A key takeaway: No single policy tool can address every housing need. Different income levels and housing types require different approaches, and potential strategies must also consider infrastructure funding, fiscal impacts, and City administrative capacity.



Where Can the City Have an Impact?

Housing affordability is shaped by many factors, including land and construction costs, interest rates, household incomes, regional demand, and broader market conditions. While many of these factors are outside the City's control, local decisions can influence the cost, timing, feasibility, and types of housing that can be built.

Poulsbo's primary tools fall into three areas: regulatory changes that affect how housing can be developed; financial tools that may reduce or defer certain costs or provide funding; and partnerships that bring together land, funding, expertise, or development capacity. The effectiveness of each tool depends on the housing need it is intended to address.



REGULATORY

Creating opportunities

- Zoning + Land Use
- Density + Housing Types
- Dimensional Standards
- Parking Requirements
- Design Flexibility
- Permit Processes



FINANCIAL

Supporting feasibility

- Fee Timing
- Local Housing Funding
- Development Incentives
- Grants
- Land Contributions



PARTNERSHIPS

Combining resources

- Nonprofit Housing Providers
- Housing Authorities
- Private Developers
- Faith-Based Organizations
- Regional + State Partners

Different tools address different needs. Increasing housing capacity is not the same as producing income-restricted housing.



Areas for Continued Evaluation

The Housing Affordability Workshop Series helped narrow a broad range of potential strategies to those most appropriate for continued evaluation in Poulsbo. Council considered each tool in the context of the housing need it could address, its potential effectiveness, fiscal impacts, infrastructure needs, administrative capacity, and the City's role in implementation.

The following areas received the strongest support for continued work. Their inclusion does not mean that a program or policy has been adopted; each will require additional analysis and, where appropriate, future City Council action.



CONTINUED EVALUATION ≠ ADOPTION

Each strategy requires additional analysis before implementation.



Additional Tools + How They Work Together

In addition to the primary areas identified for continued evaluation, the workshop series identified several supporting strategies that may be useful when paired with other housing tools. These approaches can improve development feasibility, leverage outside resources, or help tailor projects to specific housing needs.

No single strategy is expected to address Poulsbo's full range of housing needs. Regulatory flexibility, funding, land, incentives, and partnerships can often be most effective when combined around a specific project or housing objective.



Start with the housing need. Then select the tools.

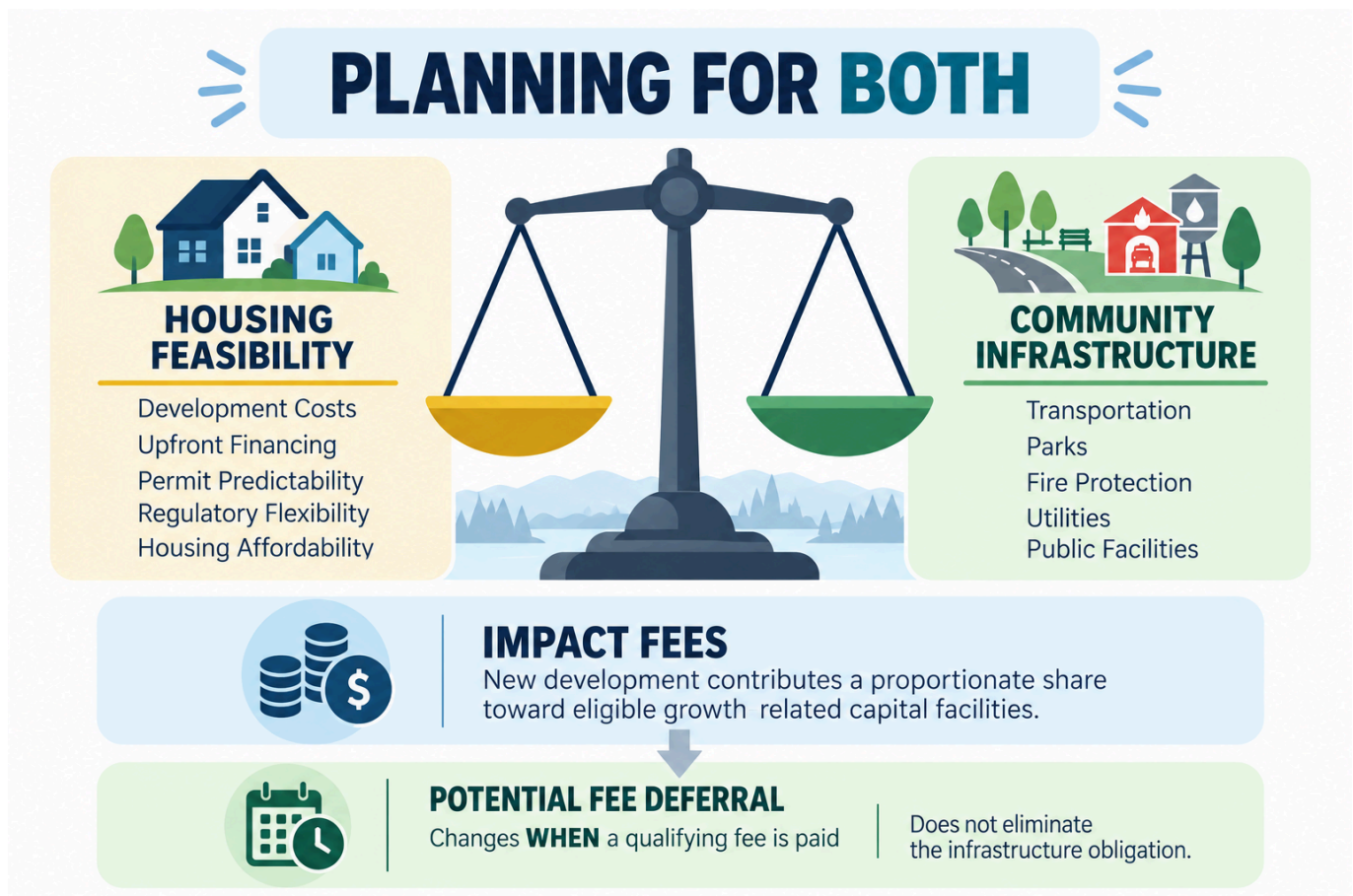


Housing + Infrastructure

Housing growth and infrastructure planning go hand in hand. New development creates demand for transportation, parks, fire protection, utilities, and other public facilities and services. The City must ensure that infrastructure keeps pace with growth while also considering how local requirements and development costs affect housing feasibility.

In 2026, Poulsbo updated its Transportation and Park Impact Fee programs and established a Fire Impact Fee to better align development contributions with planned capital needs. At the same time, the Housing Affordability Workshop Series considered whether tools such as targeted fee deferrals could reduce upfront costs for qualifying housing without eliminating the revenue needed to serve growth.

Finding this balance is an important part of planning for a growing community: supporting housing opportunities while maintaining the infrastructure and services needed by both current and future residents.



PLANNING FOR HOUSING

Housing needs and policies continue to evolve. Learn more about Poulsbo's housing planning, current development regulations, and ongoing housing affordability work.

Housing Affordability
Workshop materials + housing resources

<https://poulsbo.gov/affordable-housing/>



2024 Comprehensive Plan
Housing Element + supporting analyses

<https://poulsbo.gov/comprehensive-plan-2/>



Planning & Economic Development
Current projects + development regulations

<https://poulsbo.gov/planning-economic-development/>

