Housing Element

Introduction

The Housing Element addresses the preservation, improvement, and development of housing in Coupeville. It identifies land for a variety of housing types and outlines policies to meet the existing and projected needs of residents across income levels, ages, and abilities. At the same time, it seeks to preserve neighborhood character by ensuring new development remains compatible with its surroundings. This element requires balancing multiple interests, including community character, demographic trends, and affordability.

The Housing Element is supported by a housing needs analysis that quantifies existing and projected housing needs and identifies the number of housing units required to accommodate projected growth. This analysis is contained in Appendix C - Housing.

Residential mailboxes.

Homes in Coupeville.

Green ADU (photo credit: Dave Wechner).

Red ADU (photo credit: Dave Wechner).

Growth Management Act (GMA)

The Housing Element is intended to satisfy GMA requirements for long-range planning, to supplement information, and to implement goals and policies within the Comprehensive Plan. Under the GMA (RCW 36.70A.070), the Housing Element is required to:

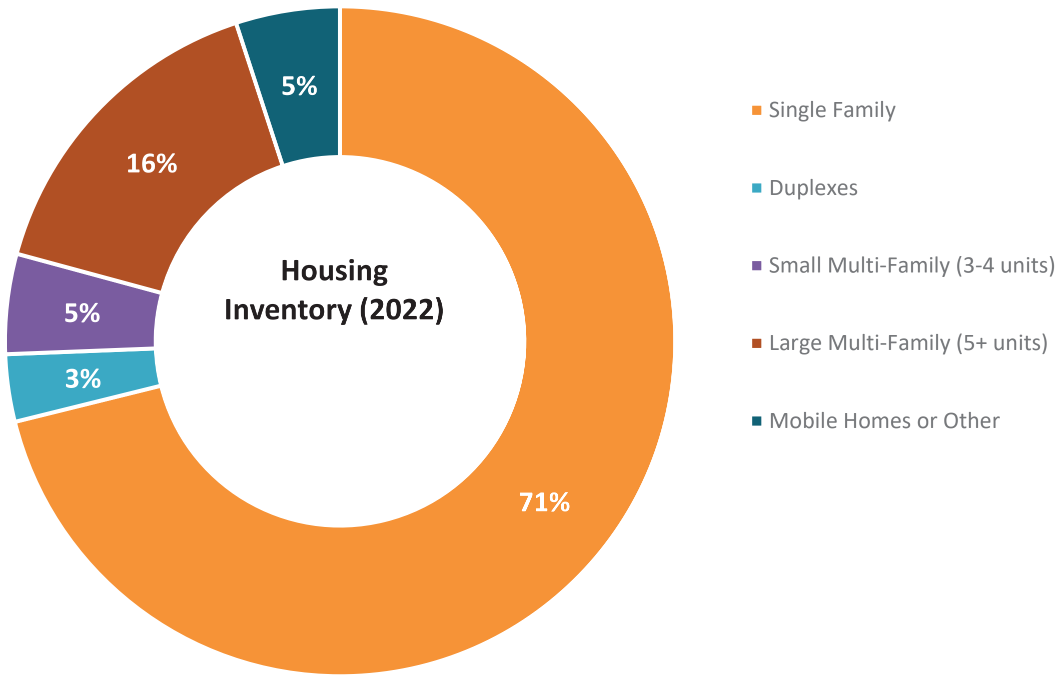
- Include goals and policies that support the preservation, improvement, and development of diverse housing types, including single-household residences and middle housing options such as duplexes, triplexes, and townhomes within urban growth areas.
- Include an inventory and analysis of projected housing needs for all economic segments of the community, including emergency housing and permanent supportive housing.
- Identify sufficient land capacity for projected housing needs.

- Make adequate provisions for existing and projected needs for all economic segments of the community.
- Identify local policies and regulations that contribute to racially disparate impacts, displacement, or exclusion in housing, and develop strategies to address and correct these impacts.
- Identify areas that may be at a higher risk of displacement from market forces.
- Establish policies to prevent displacement and support residents at risk of displacement.

Existing Conditions Summary

According to the 2025 Office of Financial Management (OFM) postcensal estimates, Coupeville has approximately 1,048 housing units, representing an increase of 115 units since 2010.

As of 2022, more than two-thirds of all housing units (about 71 percent) are one-unit detached structures, commonly referred to as single-family homes. Approximately 64 percent of all housing units are owner-occupied. The median value of owner-occupied homes in 2024 was more than $609,000, an increase of 105 percent since 2015. Area median income increased only 38 percent over that same period.



Housing Inventory by Type, 2022. Sources: OFM, September 2022; BERK, 2022

Table H-1. Home Ownership Costs for Median and Lower Market Homes in Coupeville, 2024.

	Lower Market Home (2024)	Median Home (2024)
Cost to Purchase		
Value/Purchase price	$461,186	$609,518
Assumed 10% down payment	$46,119	$60,952
Mortgage amount	$415,067	$548,566
Interest rate	6.88%	6.88%
Monthly payments	360	360
Monthly mortgage payment, principal, and interest	$2,728.08	$3,605.52
Annual Housing Expenses		
Mortgage payment, principal, and interest	$32,736.96	$43,266.24
Property tax, annual (0.953%)	$4,395.10	$5,808.71
PMI, annual (1%)	$4,150.67	$5,485.67
Insurance, annual (0.56%)	$2,305.93	$3,047.59
Annual Costs	$43,588.66	$57,608.21
Monthly Costs	$3,632.39	$4,800.68
Affordability		
Monthly Income Needed (3.336 x monthly costs)	$12,117.65	$16,015.07
Annual Income Needed	$ 145,411.80	$192,180.84

Note: Zillow Home Value Index (ZHVI) represents the whole housing stock and not just the homes that list or sell in a given month. Median home value is the median value of all homes (single-family residential and condos) as of July 2024.

Assumptions: Interest rate of 6.88% based on 30-year mortgage and refinance rates as reported by the Wall Street Journal on October 30, 2024. Property tax rate of $9.530435 per $1,000 of assessed value per the Island County 2022 tax levy rates. Private mortgage insurance rate of 1.0% and insurance rate of $5.00 per $1,000 of assessed value. Assessed value is assumed to be the Value/Purchase price.

Sources: ZHVI, July 2024; Island County Tax Levy Rates, 2022.

Approximately 34 percent of units are renter-occupied. In 2024, the average rent in the Oak Harbor metro area, which includes Coupeville, was $1,914 per month. This represents a 91 percent increase in average rent from 2015 to 2024.

Table H-2. Rental Affordability in Coupeville, 2022.

	2015	2021	2022	2024
Average monthly Rent (Oak Harbor metro area)	$1,072	$1,692	$1,858	$1,914
Annual Income Needed to Afford	$42,880	$67,687	$74,310	$76,560
% of Coupeville households that can afford average rent	49%	53%	48%	50%*

*Assumes a 3% annual income increase from the 2021 American Community Survey (ACS) 5-year estimates.

Sources: Zillow Observed Rent Index (ZORI), March 2015 - September 2022; U.S. Census, 2010-2015 and 2016-2020 ACS 5-year Estimates (Table S1901); U.S. Department of Housing and Urban Development (HUD) Income Limits, 2015-2022; BERK Consulting, Inc., 2022; Facet NW, Inc., 2024.

Housing Need Compared to Capacity

Through a process outlined in the Island County Countywide Planning Policies (CPPs) and in collaboration with Island County and other municipalities in the county, the Town of Coupeville established the following housing needs by income level. These represent the number of units by income level that Coupeville must plan for and accommodate within the planning period.

Table H-3. Coupeville Housing Allocations, 2024

	Permanent Housing Needs by Income Level (% of Area Median Income)							
	0-30%		>30-50%	>50-80%	>80-100%	>100-120%	>120%	**Total**
	Non-PSH	PSH*						
Est. Housing Supply (2020)	73	0	191	162	77	118	396	**1,017**
Additional Units Needed (2020-2045)	40	34	71	61	29	27	89	**351**

*The location of 10 existing permanent supportive housing (PSH) units within Island County is unknown and not included in Commerce's estimated supply by jurisdiction within Island County.

Sources: Department of Commerce Housing for All Planning Tool (HAPT), December 2022; Island County Countywide Planning Policies, adopted March 26, 2024; Coupeville Land Capacity Analysis (Facet), 2024.

As established in the Land Use Element, Coupeville has capacity (assuming sewer expansion) as follows for residential units in its zones:

- Low-Density Residential (LDR) 91
- Medium-Density Residential (MDR) 90
- High-Density Residential (RH) 4
- Memorandum of Agreement (MOA) 45

Grouping zones and their allowed uses and densities by income category, compared to the aggregated need, is as follows:

Table H-4. Growth-Related Housing Need by Income Level vs. Capacity

Income Level (% AMI)	Projected Housing Need[1]	Zone Categories Serving These Needs	Aggregated Housing Needs	Total Capacity	Capacity Surplus (Deficit)
0-30% Non-PSH	40	Low-Rise Multifamily, Mid-Rise Multifamily, ADUs	**194**	4 + 69 ADU = 73	**(121)**
0-30% Non-PSH	34				
31-50%	71				
51-80%	61 – 10 multifamily – 2 ADU = 49				
81-100%	29	Moderate Density	56	36	**(20)**
101-120%	27				
>120%	89 – 5 = 84	Low Density	84	201	**117**
Total	**351**		**351**	**310**	**(41)**

Source: Facet, 2024.

The exhibit above identifies a projected shortfall of 121 housing units for households earning 80% AMI and below, as well as a gap of 20 units within the moderate-density zoning category. By comparison, there is a surplus of 117 housing units affordable to households earning more than 120% AMI.

As detailed in the Housing Needs Assessment appendix, housing production has not historically occurred at a pace sufficient to meet projected demand for households earning 0% to 80% AMI within the planning period. In contrast, moderate-density and low-density housing have generally been constructed at rates sufficient to meet demand.

[1] From 2020-2044 Housing Allocations

Residential Displacement

Overview

Displacement risk refers to the likelihood that households, businesses, or organizations may be forced to leave a community due to factors beyond their control. Displacement may occur in several forms:

- Physical displacement occurs when households must relocate due to eviction, foreclosure, natural disasters, or unsafe housing conditions.
- Economic displacement occurs when rising housing costs, including rent, property taxes, or utilities, make remaining in the community unaffordable.
- Cultural displacement occurs when the people, institutions, and community features that define an area change or leave, reducing a sense of belonging for existing residents.

Department of Commerce Displacement Risk Mapping

To support new housing element requirements, the Washington State Department of Commerce developed a draft displacement risk map based on a methodology developed by Lisa Bates (2013). The analysis evaluates displacement risk using indicators related to social vulnerability, demographic change, and housing market conditions.

Using U.S. Census tract-level data, each tract is assigned a displacement risk score to identify areas that may be experiencing—or are vulnerable to—displacement pressures.

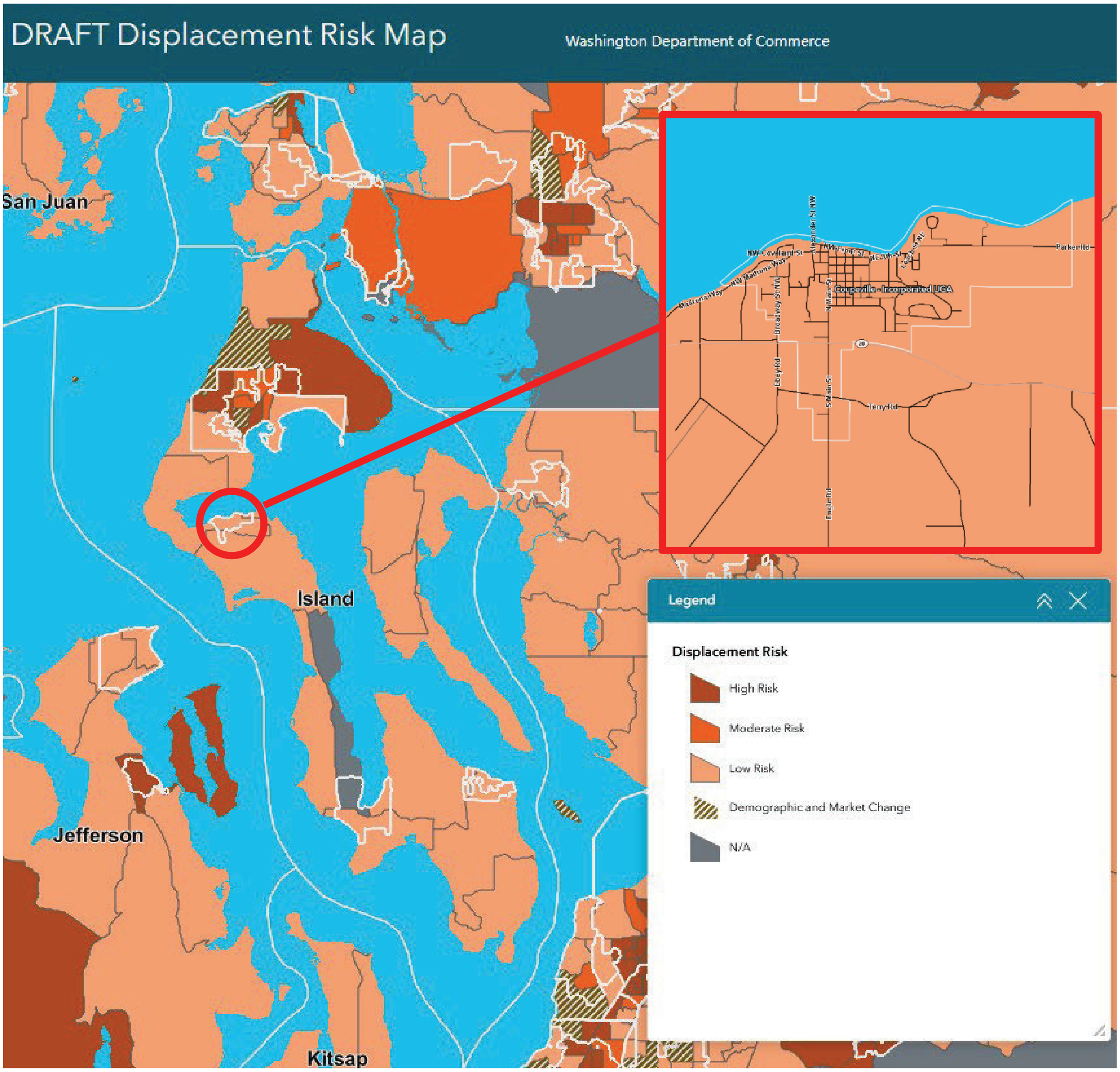
The analysis identifies Coupeville as having a low risk of displacement, based on relatively low levels of social vulnerability, limited demographic change, and stable housing market conditions.

Because Coupeville is not assigned its own census tract, the Town is grouped with adjacent unincorporated areas of Island County (see Table H-5). As a result, the analysis does not reflect neighborhood-level conditions within Town limits and may not capture localized displacement pressures. Local knowledge and community input remain important in identifying areas of concern.

Table H-5. Displacement Risk Score

Displacement Rist	Social Vulnerability	Demographic Change	Market Trend	Population	Census Tract
Low	No	Disinvestment	Stable	5158	9710

Source: Washington Department of Commerce, 2026.



Coupeville Displacement Map. Source: Washington Department of Commerce, 2026.

Local Considerations

Some areas of Coupeville may experience increased displacement pressure associated with zoning changes and infrastructure investments that expand redevelopment potential.

Historically, properties along Parker Road lacked access to municipal sewer service, limiting opportunities for redevelopment and subdivision. As sewer infrastructure is extended, these properties may gain additional development potential, including opportunities for subdivision and a wider range of housing types, such as accessory dwelling units (ADUs). Consistent with the Comprehensive Sewer Plan and Town Code, subdivision proposals in these areas may require installation of sewer collection infrastructure.

While expanded infrastructure and housing opportunities may provide community benefits, they may also contribute to increased housing costs, property values, taxes, and utility expenses. These changes may place added financial pressure on some households and contribute to displacement concerns.

Strategies to reduce displacement risk are identified in the goals and policies of this Housing Element.

Adequate Provisions

The Town of Coupeville faces significant constraints to providing adequate housing for existing and projected needs across all economic segments, as required by RCW 36.70A.070(2). As a small, geographically isolated community on Whidbey Island, Coupeville operates within a limited and atypical housing market characterized by high development costs, limited land availability, infrastructure constraints, and modest development activity. These conditions affect both housing affordability and the feasibility of new housing construction.

Housing barriers in Coupeville fall into two closely related categories. The first includes barriers that limit access to affordable and income-restricted housing. The second includes barriers that limit overall housing production. Because the limited housing supply places upward pressure on housing costs, these barriers are interdependent. Addressing housing affordability, therefore, requires actions that both increase housing production and support housing that requires subsidies or incentives to be feasible.

Coupeville has historically experienced low levels of housing development due to its remote location, limited local employment base, and lack of recent comparable projects. These conditions increase perceived financial risk and create challenges related to construction costs, access to labor and materials, and project financing. Existing development standards related to density, building height, and lot coverage have further constrained development feasibility. The Town's adoption of middle housing regulations in 2025 was an important step toward reducing these constraints and expanding housing capacity.

Land availability is also constrained by Coupeville's role as the Island County seat and the location of WhidbeyHealth. A substantial portion of land within Town limits is publicly or institutionally owned and not reasonably expected to contribute to residential housing supply. Appropriate zoning of these properties is necessary to clearly document land capacity assumptions and to distinguish between theoretical and realistic housing capacity.

This section identifies key barriers to housing development and affordability and outlines actions the Town is taking, or may pursue, to address those barriers. The analysis includes capacity for moderate-density and low-rise multifamily housing, low-rise multifamily housing, and accessory dwelling units.

BARRIERS

The following barriers affect the Town's ability to provide adequate housing capacity and affordable housing options.

Limited Supply of Subsidized and Income-Restricted Housing

Subsidized and income-restricted housing is present in Coupeville but remains limited in quantity. A portion of existing and projected housing needs, particularly for lower-income households and workforce residents, will require subsidies or incentives to be built. Market conditions alone are unlikely to support these housing types without external funding or regulatory support.

Land Values and Redevelopment Feasibility

Housing development in Coupeville must typically absorb land acquisition costs and, in many cases, the cost of removing existing development. Given current land values, redevelopment of improved parcels is often not financially feasible, even for market-rate housing. As a result, new housing development is most feasible on vacant parcels, which are limited in number.

Limited Vacant Land Supply

Vacant land within the Town proper is scarce. This significantly constrains opportunities for new housing development and limits the Town's ability to rely solely on market-driven production to meet housing needs. Increasing allowable housing types, expanding capacity within existing zones, and applying incentives that help overcome land cost barriers are critical strategies in a community with limited vacant land.

Infrastructure Availability and Cost

The availability and capacity of infrastructure, including water, sewer, stormwater, and transportation facilities, directly affect development feasibility. Sites without adequate infrastructure require significant upfront investment, which can make housing projects financially infeasible. While the Town continues to expand and maintain infrastructure systems, gaps remain in areas where housing development is otherwise feasible.

Limited Flexibility for Moderate Density and Attached Housing

More attainable housing types, including small lot single-family homes, cottage housing, modular housing, and attached units such as duplexes, triplexes, townhouses, and apartments, are sensitive to regulatory constraints. Existing standards related to density, lot coverage, and building form can limit project feasibility. Community engagement has consistently indicated support for increasing housing supply and expanding housing choice to help moderate rising housing costs.

ACTIONS

To address identified barriers and provide adequate housing for existing and projected needs, the Town will continue to pursue the following actions. These actions are intended to improve development feasibility, support housing that requires subsidies or incentives, and expand housing choice.

Policy and Regulatory Actions

The Town will continue to evaluate and update development regulations and permitting processes to increase flexibility, reduce unnecessary constraints, and support moderate-density, multifamily, and middle housing development in appropriate areas.

Development Incentives

The Town will review and refine available incentives, including density bonuses, lot coverage adjustments, and other regulatory tools, to encourage production of housing types that address identified needs and help offset development costs.

Technical Assistance

The Town will provide technical assistance to housing developers, nonprofit organizations, and public partners to support project development, identify funding opportunities, and navigate local regulations.

Financial Tools and Funding

The Town will identify and pursue opportunities to leverage local, regional, state, and federal funding sources to support housing that requires subsidies or incentives. While local funding capacity is limited, strategic use of available tools and partnerships is necessary to help address the gap between housing need and market feasibility.

Partnerships and Coordination

The Town will continue to coordinate with Island County, public agencies, housing providers, and service organizations to advance shared housing goals and maximize available resources.

Additional detail regarding housing needs, capacity assumptions, funding considerations, and implementation strategies is provided in Appendix C – Housing.

Goals and Policies

Goal H-1. Housing Supply. Provide a sufficient supply, diversity, and affordability of housing to meet community needs.

H-1.1 Provide an adequate supply of appropriately zoned land to accommodate Coupeville's housing allocations by income bracket.

H-1.2 Promote a variety of housing types and densities across all price ranges to meet current and future housing needs and preferences.

H-1.3 Encourage integration of smaller housing and "middle" housing types, such as cottages, duplexes, townhouses, and accessory dwelling units.

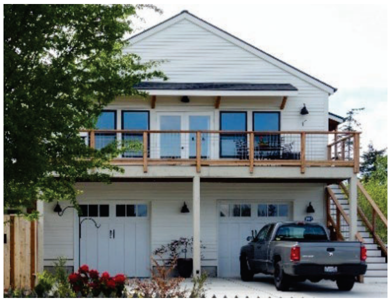
H-1.4 Encourage infill development on vacant or under-utilized land.

H-1.5 Evaluate local development standards and regulations for effects on housing costs and barriers to achieving desired housing types.

H-1.6 Allow for the development of multifamily housing in areas close to shopping, employment, services, and public transportation.

H-1.7 Update the Housing Needs Assessment data regularly to monitor the progress of implementing the Comprehensive Plan and to explore ways to incentivize and require affordable units in new residential developments. At a minimum, consider:

- Density and/or height bonuses in designated zones in exchange for affordable housing with rent or other similar restrictions, including provisions for long-term affordable housing.
- Zoning incentives for small homes (e.g., under 1,400 square feet).
- Tax and utility fee exemptions for affordable housing.
- Development of single-room occupancy housing.
- Partnering with religious organizations, Island County, land trusts, and other non-profits to build affordable housing.
- Identification of publicly-owned properties that could serve as sites for the development of affordable housing.
- Cooperate in the establishment of a public/private housing trust fund to provide loans and grants for affordable and supportive housing.
- Expanded tenant protections.



ADU (photo credit: Dave Wechner).

Incentivizing small homes. The average size of new single-family homes in the United States has been growing for decades, peaking at 2,653 square feet in 2016, according to the US Census Bureau. In desirable communities, such as Coupeville, with relatively low density, developers tend to build large, two-story homes to maximize values on increasingly costly land.

One direct solution is to allow developers to build more homes if they are smaller - perhaps no more than 1,000 to 1,400 square feet. This is enough space for two or three bedrooms.

- Adjustments to minimize lot sizes for one or more zones
- Additional future land use map changes.

H-1.8 Establish a new zoning designation or overlay for existing mobile home parks to protect affordable housing stock. Enact regulations that provide protections against the displacement of mobile home parks while exploring partnership opportunities.

Examples of middle housing.

Middle housing (or the "missing middle") refers to housing choices like duplexes, triplexes, townhomes, accessory dwelling units (ADUs), and cottage housing that fit between the scale of apartment buildings and traditionally "single-family" homes. Although historically common, this type of housing has been prohibited or difficult to build in many cities and towns since the mid-20th century. Middle housing has regained appeal because it can be economical to build and thus has lower costs, providing more affordable housing options.

Goal H-2. Neighborhoods. Promote the vitality of residential neighborhoods.

H-2.1 Prioritize the protection and preservation of historically significant sites and structures, especially structures that are notable examples of the architectural design prior to 1945.

H-2.2 Continue to administer the process and standards to permit home occupations in residential areas. Home occupations should be limited to those that are incidental to the primary residential use and do not change the residential character of the structure.

Goal H-3. Supportive Housing. Provide a sufficient supply of housing for populations with unique needs, including independent living for seniors, assisted living, memory care, rehabilitation facilities, and transitional housing.

H-3.1 Support the ability for Coupeville residents to age in place. Consider the location of accessible housing, proximity to services, housing design, and the overall cost of housing for people on fixed incomes.

H-3.2 Promote supportive housing near services and transit access to accommodate people with disabilities, people experiencing housing insecurity and homelessness, to assist with the transition to more stable and secure housing.

H-3.3 Encourage private sector efforts to secure federal and/or state funding to provide housing for elderly and disabled residents.

H-3.4 Enact and maintain reasonable development regulations that encourage development of permanent supportive housing where appropriate to meet Coupeville's housing allocations.

Does new housing development affect adjacent property values?

Research shows that the market value of properties near new housing development generally changes in at least a neutral or a slightly positive direction in the long term, but property tax bills may decrease because new housing adds shared value to an entire community.

Older adults and people with disabilities on limited incomes are eligible for an exemption from paying some property taxes, depending on their income levels. More information is available from the Island County Assessor's Department:

islandcountywa.gov/269/Exemptions

Goal H-4. High-Quality Housing. Encourage the design, construction, and maintenance of housing to keep homes in good condition.

H-4.1 Encourage preservation and maintenance of existing housing. Conserve the Town's existing housing stock through continued investment in adequate public services, appropriate zoning, design standards that buffer residential areas from conflicting uses, and rehabilitation programs.

About 28% of Coupeville dwelling units rely primarily on wood or fossil fuel for heating, according to 2020 Census data.

H-4.2 Permit and encourage the development of manufactured, prefabricated, and modular housing as an affordable housing option, so long as such housing has a similar character and appearance as traditional site-built housing in Coupeville and complies with Ebey's Landing National Historical Reserve Design Guidelines.

H-4.3 Encourage the construction and upgrade of housing with increased standards for soundproofing and weatherproofing to mitigate jet aircraft noise, adapt to the effects of climate change, and improve energy efficiency.

H-4.4 Provide resources to help older residential buildings convert from wood and fossil fuel heating sources to electric heating and heat pumps.

Goal H-5. Collaboration to Provide Affordable Housing. Actively participate and coordinate with other agencies in efforts to meet regional housing needs.

H-5.1 Continue to participate in local and regional affiliations and alliances to provide affordable housing in Coupeville and across Whidbey Island.

H-5.2 Seek and advocate for regional, state, federal, and philanthropic funding options to support development of housing for low- and moderate- income households.

H-5.3 Work with local governments, healthcare providers, and social service organizations to develop and implement a coordinated regional approach to homelessness.

Goal H-6. Caring Community. Foster a caring and welcoming community that supports individuals, children, and families in meeting their housing needs.

H-6.1 Enhance the accessibility of Coupeville's housing and connections to other land uses, especially for the elderly, people with disabilities, and people using mobility support devices. Specifically:

A. Encourage housing choices with single-level units on the ground floor or elevator-accessed multifamily housing.

B. Locate age-friendly housing near commercial and civic amenities like shopping destinations and parks.

C. Provide safe and accessible connections between housing, commercial areas, and civic amenities through features like paved walkways, curb ramps, and traffic calming.

D. Support continuation and expansion of transit services that help seniors living in Coupeville travel around Whidbey Island without a car, especially those who cannot physically drive or cannot afford to drive.

Evening on Front Street (photo credit: Dave Wechner).

Island transit (photo credit: IslandBruce).

H-6.2 Promote housing location and design that encourage healthy living, active lifestyles, and aging in place. For example, locate senior-accessible housing near medical services, transit stops, and grocery stores.

H-6.3 Make human services more available, inclusive, and accessible to the Coupeville community. Opportunities and strategies to address a spectrum of community needs include seeking outside funding, establishing service provider partnerships, and evaluating zoning for standards on human service facilities.

H-6.4 Support Island County Health and Human Services in maintaining up-to-date counts of people experiencing homelessness and people with special needs in Coupeville to understand the scope and scale of need.

H-6.5 Consider human services objectives when developing Town regulations and codes. For example, code enforcement actions may cause the displacement of residents. Provide referrals to critical community resources to assist residents at risk of displacement.

H-6.6 Educate the community about accessible, supportive housing and promote such housing along with human service facilities and programs. During project review and development, conduct early and ongoing public outreach to incorporate community-wide concerns, including changes in traffic patterns, availability of public services, and potential environmental impacts.

H-6.7 Enact development regulations that create opportunities to construct sufficient emergency shelters and emergency housing facilities to meet Coupeville's housing requirements while also reducing negative impacts on the community.

Goal H-7. Mitigating Displacement. Promote housing stability through the preservation of existing affordable housing and implementation of strategies to reduce displacement.

H-7.1 Identify and monitor areas at elevated risk of displacement associated with changes to zoning, development regulations, infrastructure investments, and housing market conditions.

H-7.2 Partner with nonprofit organizations, housing advocates, and other stakeholders to increase awareness of fair housing laws and promote equitable access to housing opportunities through education and outreach.

H-7.3 Encourage the preservation, maintenance, and long-term affordability of existing housing through incentives, education, and partnerships, including opportunities for deed restrictions and community land trusts.

H-7.4 Track the supply of regulated affordable housing and coordinate with housing providers to preserve long-term affordability.

H-7.5 Support strategies that reduce displacement during redevelopment and encourage retention of existing residents whenever feasible.

H-7.6 Prioritize relocation of existing homes over demolition when feasible through education, incentives, and supportive policies.

H-7.7 Monitor the impacts of vacant second homes on housing availability and evaluate strategies to encourage long-term occupancy.

H-7.8 Prioritize public investment in existing neighborhoods where infrastructure deficiencies are unlikely to be addressed through private development.