

SECTION 3.

Land Development

Review and Evaluation



Chapter 13. Land Development Review and Evaluation

13.1 Introduction

Each county required to plan under GMA must designate an urban growth area or areas within which urban growth shall occur and outside of which urban growth shall not be allowed. Urban growth areas are to be sized based upon the projected 20-year population growth forecast generated by the Washington State Office of Financial Management. All cities planning under GMA must be included in an urban growth area.

In 1998, Kitsap County allocated a 20-year population forecast of 14,808 total population to the City of Poulsbo. The City prepared a land capacity analysis to estimate how many people could be accommodated within the city limits to meet this growth allocation. This analysis concluded that there was not enough developable land within the city limits to accommodate the projected 20-year growth. In accordance with Kitsap County's 1998 Comprehensive Plan urban growth area policies, the City and County embarked on a joint planning process to determine the size and shape of Poulsbo's unincorporated Urban Growth Area.

The Poulsbo Subarea Plan was developed through a joint City/County process to address and resolve the issues identified in the 1998 Kitsap County Comprehensive Plan related to the designation of a Poulsbo UGA. A land capacity analysis was included in the Poulsbo Subarea Plan to "show the work" in establishing the Poulsbo UGA. The analysis followed the County's adopted land capacity methodology at that time.

In 2002, the Kitsap County Commissioners and Poulsbo City Council adopted the Poulsbo Subarea Plan and the designation of the Poulsbo Urban Growth Area. The Poulsbo UGA is the primary area where the City may provide urban services and property may be annexed into its city limits.

Further, in 2004 when the Kitsap Regional Coordinating Council adopted new population allocations for cities and urban growth areas, Poulsbo's total population of 14,808 was not altered (Kitsap Countywide Planning Policy Appendix B); this was due to the intensive joint planning process and adoption of the Poulsbo Subarea Plan that had recently occurred and to allow the urban planning policies time to be implemented. And in 2016, the total population of 14,808 continues to be the population allocation for Poulsbo and urban growth area.

Key to the success of the GMA is ensuring that the densities planned and assumed in the designation of urban growth areas, are being achieved when residential projects are submitted to and approved by jurisdictions. The state legislature recognized this, and in

1997 adopted an amendment to the Growth Management Act, commonly referred to as the "Buildable Lands" amendment.

The amendment, codified in RCW 36.70A.215, requires certain counties and their cities to monitor development activities periodically and conduct a coordinated housing unit and employment capacity analysis for each jurisdiction.

Much of the emphasis in the Buildable Lands Program focuses on the collection and monitoring of annual development data in order to evaluate whether or not population and employment

allocations are being met. Further, through the Buildable Lands reporting requirements, a substantial amount of data is collected that assists local jurisdictions in evaluating the effectiveness of their adopted comprehensive plans and associated development regulations.

Kitsap County and its cities are required by state law to participate in the Buildable Lands monitoring program. Kitsap County is the lead agency implementing the program.

There have been two Buildable Lands Report (BLR) since the adoption of the Poulsbo Subarea Plan that the City has participated in – the 2007 BLR and the 2014 BLR. These reports meet the official requirements of GMA’s Buildable Lands reporting.

For purposes of Poulsbo’s 2009 Comprehensive Plan update, this chapter was included to provide a detailed analysis of land development in Poulsbo since 2002 when the Poulsbo Subarea Plan was adopted and the Poulsbo UGA was designated. This effort was made to review and evaluate how the City’s growth strategies are working. The conclusion in the 2009 Comprehensive Plan is that the City’s growth strategies worked, and there remained sufficient land for the City’s population forecast.

In 2013-2014, the City participated in Kitsap County’s Buildable Lands Report data collection and reporting; this effort was intended to be in preparation for the 2016 Comprehensive Plan Periodic Update. Chapter 13 is updated to include the buildable lands and land capacity analysis data that is included in Kitsap County 2014 Buildable Lands Report.

The following sections provide the results of three evaluation efforts:

- The first section provides the summary of Poulsbo’s reporting included in the 2014 Kitsap Buildable Lands Report. In addition, the City has updated its land development report of approved residential projects from the 2009 Comprehensive Plan update to September 2016.
- The second section is an updated land capacity analysis for the city limits and unincorporated urban growth area as included in the 2014 Kitsap County Buildable Lands Report.
- Reasonable Measures Evaluation is the third and final section. This section was performed as required by RCW 36.70A.215. Before an adjustment to the Poulsbo UGA can be contemplated, reasonable measures must be identified and implemented.

13.2 Land Development Monitoring

13.2.1 2014 Kitsap County Buildable Lands Report- Poulsbo

Evaluation of Approved Residential Projects 2006-2012

Table 13-1 below summarizes all of the residential projects approved by the City 2006-2012 (the designated BLR reporting period) in total number of lots, gross acres, net acres, gross density and net density. There were 12 final plats, 14 short plats and 1 testamentary subdivision recorded in the reporting period.

Table 13-1 Summary of City's approved residential projects 2006-2012

Land Use Designation/ Zoning District	Lots Approved	Gross Acres	Net Acres	Avg. Gross Density	Avg. Net Density
Residential Low 4-5 du/acre	555	121.37	76.95	4.57	7.21
Residential Medium 6-10 du/acre	3*	26.17	12.33	0.11	0.24
Residential High 11-14 du/acre	10*	8.13	4.45	1.23	2.24
Redevelopment District (Poulsbo Place)	122	11.59	8.25	10.53	14.78

Source: Poulsbo Planning Department and Kitsap County Buildable Lands Report 2014

* Seven lots were created in the Residential Medium zone during the reporting period; however, 3 lots were for future residential development.

In the Residential High zone, there were a total of four short plats that approved 10 lots during the BLR reporting period. Out of those recorded short plats, 4 lots were approved for single-family units. The other 6 lots are intended for future development.

The Central Puget Sound Growth Management Hearings Board has made a distinction between gross acres and net acres, especially for purposes of calculating density. The CPSGMHB allows for the reduction from gross acres the land needed for rights-of-way, storm water management/treatment facilities, designated open spaces and critical areas.

Therefore, net density is expressed as a number of residential dwelling units per acre of adjusted land in a residential development. It is density based on net acreage that the CPSGMHB has ruled is the appropriate number for determining whether urban densities are being achieved.

Residential Building Permits Issued

During the Buildable Lands reporting period, there were no permits issued for new multi-family development. The following table identifies single-family building permits issued during the reporting period by zoning district in which a certificate of occupancy was also issued.

Table 13-2: 2006-2012 Poulsbo Residential Building Permits

Zoning District	Total Acreage	Number of Units	Achieved Density
Residential Low	75.5	473	6.26
Residential Medium	0	0	N/A
Residential High	0.57	4	7.01
Redevelopment Zone	6.13	84	13.70

Source: Poulsbo Planning Department

These figures indicate that the City did not have many projects in the RM or RH zoning district during the BLR reporting period. The homes approved in the RH zoning district were from one short plat that was recorded prior to the City requiring developments in the RM and RH zoning district meet minimum zoned density. In future BLR reporting, the City anticipates seeing RM and RH projects meet density due to its new code updates that require minimum density to be achieved.

The conclusions of the density evaluation of approved residential projects 2006-2012 are:

The City is meeting its density target identified in the Poulsbo Subarea Plan for the RL designation/zoning district. The Poulsbo Subarea Plan identified a 5 du/net acre density target for the RL district (after consideration of critical areas and other reduction factors). The evaluation of all residential projects concludes that an average density of 7.21 du/net acre was achieved in the RL district. Contributing to this density was the use of the planned unit development bonus density provisions on a number of projects; of the 12 recorded final plats reported, 6 were under the PUD provisions. The City updated its zoning code provisions in 2007, and again in 2013, which will impact future development trends in Poulsbo. The 2007 update removed the Planned Unit Development (PUD) code provisions and replaced them with the Planned Residential Development (PRD) regulations. The PRD standards require a public benefit in exchange for a density bonus and recent submittals have not included requests for bonus density. Projects will still be held to the minimum density of 4 dwelling units per net acre. The maximum density in the RL zone is 5 dwelling units per gross acre.

Single family detached in the City's Residential Low land use designation/zoning district continues to be the primary housing type, as 56% of the new lots/units approved 2006-2012 are in the RL district. This is to be expected as the RL district encompasses 63% of the entire City's zoned acreage, including non-residentially zoned land. Clearly, the density range of 4-5 dwelling units per gross acre in the RL zoning district, as expressed through single-family detached housing units, is intended to be the primary land use in the City of Poulsbo.

The projects approved in the Residential Medium and Residential High zoning district are of mixed results.

There were a total of four short plats that approved 10 lots during the BLR reporting period in the City's Residential High Zone. Out of all recorded short plats, 4 lots were approved for single-family units. The other 6 lots are intended for future development. The apparent low density reported is not particularly relevant because the larger lots separated out are intended for future development at the density range allowed in the Residential High zoning district (11-14 dwelling units/acre). If all 4.45 acres of net developable acreage is developed at a density of 14 dwelling units/net acre, it is likely that the properties could accommodate approximately 62 new dwellings.

The City did not see many projects proposed in the multi-family zoning districts during the BLR reporting period, but it is likely that future projects will benefit from increased flexibility in housing types and a requirement to meet minimum density standards.

13.2.2 *Residential Development Review 2009-2016*

While GMA requires the official reporting of development permit monitoring be completed through the regional Buildable Lands Reporting (BLR) program, Poulsbo also monitors its approved projects annually, and provides periodic updates to elected officials, businesses, citizens and other interested parties. Permit monitoring provides a snapshot of what has been approved for development and is helpful in capital facility planning and prioritization, it should also be noted that the economic market has influence on whether the approved projects become reality. Some projects which are approved expire before recording or development occurs.

Figure 13-1 depicts the residential projects approved by the City of Poulsbo by year from 2009 through September 2016. Figure 13-2 depicts these same projects and identifies the type of residential permit that was approved.

Figure 13-1 Land Development Review 2009-2016 by year

Figure 13-2 Land Development Review 2009-2016 by type

Table 13-3 provides details on the residential project approvals depicted in Figures 13-1 and 13-2, and provides additional data from the BLR 2006-2012 reporting period, showing an increase in residential projects approved from 2013-2016, including a number of multi-family developments. Project specific data is included in Appendix C-1.

Table 13-3 Residential Projects Approved 2009-2016

Zoning District	Acreage Lots/Units	2009	2010	2011	2012	2013	2014	2015	2016 (Sept)
RL	Gross Acreage	19.89	5.23	17.2	2.14	65.43	2.96	40.81	29.45
	Net Acreage	10.48	5.23	14.8	2.14	41.71	2.24	23.46	21.63
	Lots/Units	85	34	72	10	305	13	213	126
	Gross Density	4	6.5	4	4.7	4.6	4	5	4
	Net Density	8	6.5	5	4.7	7	5.8	9	6
RM	Gross Acreage	1.68	N/A	46	N/A	N/A	N/A	N/A	N/A
	Net Acreage	1.68		33.34					
	Units	18		540*					
	Gross Density	11		12					
	Net Density	11		16					
RH	Gross Acreage	N/A	N/A	N/A	N/A	6.38	N/A	N/A	6.67
	Net Acreage					.79			4.35
	Lots/Units					18			91
	Gross Density					3			14
	Net Density					22			20
RDZ	Gross Acreage	N/A	N/A	4.19	N/A	N/A	N/A	N/A	N/A
	Net Acreage			2.22					
	Lots/Units			32					
	Gross Density			8					
	Net Density			14					
C**	Gross Acreage	N/A	N/A	.87	N/A	N/A	N/A	.74	N/A
	Net Acreage			.87				.74	
	Units			8				58	
	Gross Density			9				78	
	Net Density			9				78	

* Master Plan approval** These projects are mixed use buildings in C zoning district; no minimum or maximum density requirements are established for mixed use buildings.

Source: Poulsbo Planning Department

Table 13-4 summarizes the annual data in Table 13-3, and identifies the total number of residential lots or units approved, and the densities achieved by zoning district. A few trends can be observed after the BLR reporting period, especially in the RM and RH zoning districts, where net densities were easily achieved, and the RL zoning district's net density remained consistent at 7 du/net acre.

Table 13-4 Summary of Residential Projects Approved 2009-2016 (Sept.)

13.3 Poulsbo Land Capacity Analysis

2014 Poulsbo Land Capacity Analysis

GMA requires as a component of the Buildable Lands Reporting, a determination that there is sufficient suitable land to accommodate the countywide population projection. For the 2014 Kitsap Buildable Lands Report, a land capacity analysis of each of the city limits and unincorporated urban growth area was completed. Poulsbo's land capacity analysis evaluated whether sufficient land remained available to accommodate is 2036 population allocation of 14,808. The completed Poulsbo 2014 Kitsap Buildable Lands Report Land Capacity Analysis tables are included in Appendix C-2.

Table 13-5 2014 Poulsbo Land Capacity Analysis City Limits

Poulsbo City Limits							
Zoning District	Approved Lots/Units	Residential Low (5 du/Ac) Total Gross Acreage	Residential Medium (10 du/Ac) Overall Residential Density per Gross Acre	Residential High (14 du/Ac) Total Net Acreage	Overall Residential Density per Net Acre	Total	
Net Developable Acres		273	54	37	364		
Dwelling Unit Capacity		1292	572	510	1328		
Population Capacity	858	18273	5	1209	122	1174	5356
RM	558	47.68	12	35.02	16		
RH	109	13.05	8	5.14	21		
RDZ	32	4.19	8	2.22	14		
C	66	1.61	41	1.61	41		

Source: City of Poulsbo Planning and Economic Development Department

Table 13-6 2014 Poulsbo Land Capacity Urban Growth Area

Poulsbo Urban Growth Area		
	Residential Low (5 du/Ac)	Total
Net Developable Acres	119	119
Dwelling Unit Capacity	540	540
Population Capacity	1242	124

Source: City of Poulsbo Planning and Economic Development Department

Comparison of population capacity to 2036 population allocation

Poulsbo has been allocated through Appendix B-1 of the Kitsap Countywide Planning Policy, a total 2036 population of 14,808. This population is for both the city limits and urban growth area. To determine the amount of new growth remaining, the 2016 population in the city limits and urban growth area has been subtracted from the 14,808.

Table 13-7 Poulsbo 2036 Projected New Growth

Population Distribution	2036 Total Population	2016 Population	= New persons expected by 2036
Poulsbo City	10,552	10,210	342
Poulsbo UGA	4,256	416	3,840
TOTAL	14,808	10,626	4,182

Source: Appendix B-1 Population Distribution Through 2036 Kitsap Countywide Planning Policy; 2015 OFM population estimate; and Kitsap Assessor Data for 2016 Poulsbo UGA population.

Comparison of net growth remaining to population capacity

To determine whether the City and its urban growth area can accommodate its 2036 population allocation, a comparison between the results of the land capacity analysis and the new growth remaining is made. Table 13-8 depicts this comparison:

Table 13-8 Comparison of new growth remaining to population capacity

Poulsbo City Limits and UGA	Population Capacity and Demand
2036 Population Capacity City limits + urban growth area (Tables 13-5 and 13-6)	6,598
2036 Population Target (Table 13-7)	4,182
Net 20-year population capacity	2,416

Source: City of Poulsbo Planning and Economic Development Department

Therefore, based on the 2014 Buildable Lands Report land capacity analyses methodology that calculates the available land's ability to accommodate future housing units - compared to the remaining net growth the City must accommodate - there appears to be sufficient capacity within the city limits and urban growth area to accommodate the adopted population target.

The population capacity for the city limits and urban growth area has increased since the 2007 Buildable Lands Report and the 2009 Comprehensive Plan updated land capacity analysis. This increase can be explained primarily by changes in the land capacity methodology; and particularly, the density assumptions per zoning district now utilizes the maximum density per zone when calculating population, whereas past land capacity methodology utilized the minimum density per zoning district. If minimum densities were utilized for the land capacity analysis, the population capacity would decrease by 1,100 persons. However, the 2014 BLR methodology utilized the maximum density per zoning district due to a remand order from the Central Puget Sound Growth Management Hearings Board, and Poulsbo's land use capacity followed the remand methodology. Additionally, while there is no way to guarantee that projects will develop at maximum density, the net densities approved residential development projects have achieved also supports utilizing the maximum density assumption.

Regardless of whether the minimum or maximum density per zoning district is utilized, it is clear that the existing available land within the city limits and urban growth area remains adequate for Poulsbo's 2036 14,808 population target.

Accommodating Poulsbo's population allocation

The 2014 Poulsbo Land Capacity Analysis demonstrates that Poulsbo has sufficient capacity within its city limits and urban growth area to accommodate its 2036 population allocation of 14,808.

Additionally, the City has adopted in its zoning ordinance density maximization techniques that should result in efficient land use. Reduction factor assumptions applied in the land capacity methodology, such as critical areas, roads, and public facilities may not be as high as assumed in the 2014 BLR land capacity analysis; and lands not even considered in the land capacity analysis (i.e. current use exempt land), may exit out of the program and be available for development. Many factors are unknown - this land capacity analysis is a temporary snapshot.

The City must maintain thorough monitoring of its approved residential project densities, final plats and certificates of occupancy. Appropriate annual monitoring by the City Planning Department will ensure the City's population capacity remains on course.

- The City shall build on the data bases created in conjunction with the development of this comprehensive plan, and keep them current.
- The City shall review annually:
 - Net growth adjusted each year by new population estimate by OFM;
 - Residential project densities approved to determine trends; and
 - Identify if any significant variation from density assumptions has occurred.

Further, the GMA has built into its requirements certain check-ins over time to ensure that implementation of comprehensive plans is consistent with the requirements of growth management. There are three identified check-in points: 1) the seven-year Buildable Lands Reporting; 2) the eight-year comprehensive plan review and update if necessary; and 3) the urban growth area review in conjunction with the comprehensive plan review and update if necessary.

Of these, the Buildable Lands Reporting (BLR) provides the City critical evaluation of its density trends and updates its land and population capacity at each interval. The BLR is completed in coordination with Kitsap County, ensuring the Kitsap Countywide Planning Policies on BLR are implemented.

Further, the Central Puget Sound Growth Management Hearings Board has stated:

There is a sound and logical link between the BLR's assessment of past activities and the land capacity analysis' evaluation of accommodating future growth. The information derived from the BLR should provide data better than theoretical densities and serve as a basis for modifying planning assumptions, policies and designations and testing them with a future land capacity analysis to determine whether jurisdictions have planned for the capacity to accommodate newly assigned growth. [Pilchuck VI, 06315c, FDO, at 17.]

Therefore, the City will continue to coordinate with Kitsap County in its Buildable Lands Reporting. The City shall utilize the data collected and analyzed to monitor and scrutinize development trends to ensure adequate densities are being achieved to accommodate the City's population allocation. The City should also discuss with Kitsap County if land capacity methodology assumptions for Poulsbo should be refined based on the BLR evaluation results.

13.4 Reasonable Measures Evaluation

The GMA requires that a jurisdiction must consider reasonable measures before enlarging an urban growth area to accommodate population growth: RCW 36.70A.215(1)(b) “Identify reasonable measures, other than adjusting urban growth areas, that will be taken to comply with the requirements of this chapter.”

Further, the Kitsap Countywide Planning Policies includes the following in its Urban Growth Area Policies:

“2. Each jurisdiction is responsible for implementing appropriate reasonable measures within its jurisdictional boundaries. If the Buildable Lands Analysis shows that a jurisdiction’s Comprehensive Plan growth goals are not being met, that jurisdiction shall consider implementing additional reasonable measures in order to use its designated urban land more efficiently.”

To assist in the identification of appropriate reasonable measures, in 2005 the Kitsap Regional Coordinating Council has prepared a list of numerous reasonable measures to encourage urban densities and increase residential development capacity in existing urban growth areas for jurisdictions to consider during their comprehensive plan updates.

The following reasonable measures were included in the 2005 KRCC’s list to maximize density:

- Increase building height to allow for higher densities
- Allow accessory dwelling units
- Clustering
- Duplexes, town homes, and condominiums
- Density bonuses
- Higher allowable densities
- Minimum density requirements
- Mixed use
- Small lot/Cottage housing
- Transit-oriented development
- Urban centers and Urban villages
- Lot size averaging
- Allow co-housing
- Encourage infill and redevelopment
- Mandate maximum lot sizes
- Enact inclusionary zoning ordinance for new housing developments
- Zone areas by performance, not by use

Many of these identified reasonable measures are currently implemented and codified in the Poulsbo Zoning Ordinance (such as accessory dwelling units, clustering, attached housing units, mixed use, small lot/cottage housing, and infill and redevelopment). Of those reasonable measures either not currently implemented or not fully implemented, the following may be applicable to Poulsbo’s need to increase capacity:

1. Increase building height to allow for higher densities
2. Duplexes, town homes, and condominiums
3. Density Bonuses

4. Higher Allowable Densities
5. Urban Centers and Urban Villages
6. Lot Size Averaging
7. Infill and Redevelopment

Poulsbo's Reasonable Measures Evaluation

1. Increase building height to allow for higher densities

Currently, Poulsbo's height limit is 35' (from average finish grade to peak of roof) for all zoning districts. Practically, this limits the height of structures to no more than three-stories. An increase of height in the multi-family zones (RM and RH) would allow for higher densities to be achieved in the same footprint as currently allowed. Further, allowing an increase in height in the Commercial zone when mixed use is proposed – when residential units are to be located above the street/first floor – could also help maximize residential unit capacity.

2. Duplexes, town homes, and condominiums

Duplexes, town homes and condominiums, as well other types of attached developments, are all appropriate for the City's RM and RH zoning districts. In 2007 and 2013, the City amended its zoning development regulations for the RM and RH zones to facilitate increased efficiency in these zones. The new standards identify duplexes, triplexes, apartments, town homes, detached cottage and attached or detached condominiums as permitted, and provide standards to encourage development of these types of housing units over the traditional single-family detached subdivision. The City should monitor how these amendments are implemented and if the desired results occur.

3. Density Bonuses

Density bonuses are currently provided for in Poulsbo's Planned Residential Development provisions. These density bonuses are tied to specific public benefit provision and therefore, may not be widely utilized by developers. Monitoring of the use of density bonuses should be made to evaluate whether the public benefit requirement for density bonuses should be refined.

4. Higher Allowable Densities

Of all the proposed reasonable measures, this measure is the most quantifiable. Since Poulsbo has minimum density requirements, increasing the City's minimum densities even by one dwelling unit in each of the three residential zones, would provide for additional residential unit and population capacity. Increasing densities not only is more quantifiable, it also provides the highest level of predictability. It is possible, of course, for residential projects to develop to the maximum density allowed per zoning district or utilize the density bonus provision of the planned residential development – but this is less predictable as it is largely dependent on economic market factors and developer preferences.

5. Urban Centers and Urban Villages

Urban Centers or Urban Villages can provide creative mixing of uses and residential densities, while facilitating walkability and inter-connected neighborhoods. Poulsbo has two centers designated by the KRCC – College Market Place and Town Center. The City is planning to initiate a Viking Avenue Mixed Use Corridor Plan and Town Center Neighborhood Plan to

define its planning boundary, identify mixed use, commercial uses, residential density opportunities, and enhance neighborhood connectivity and pedestrian amenities. This plan will likely result in recommendations to increase and enhance mixed use developments, identify methods to provide a variety of housing types and densities, design guidelines, and streetscape amenities.

6. *Lot Size Averaging*

For residential development projects not utilizing the City's PRD provisions, a lot size averaging provision could help maximize the development's ability to reach maximize zoned density. While not exceeding the underlying maximum zoned density, a project may be able to utilize a variety of lot sizes to achieve the zoned density, where otherwise constraints such as critical areas, storm water management facilities and roads may result in a lower overall density. The 2013 zoning code update included provisions for lot size averaging in the RL zoning district. The City should monitor how these amendments are implemented and if the desired results occur.

7. *Encourage infill and redevelopment*

The 2013 zoning code update introduced additional flexibility to achieve density. New zoning provisions included expanded sections on infill residential development in residential zoning districts, and incentives in for residential units within commercial zoning districts. The City should monitor how these amendments are implemented and if the desired results occur.

Future Reasonable Measure Implementation

Additional population allocations to Poulsbo will be distributed by the KRCC in the future; this is the nature of growth management planning - it is ongoing and continuous. The City will need to evaluate and implement additional reasonable measures in the future to increase population capacity for any new population distribution made by the KRCC. A full palette of reasonable measures options will be evaluated, with additional reasonable measures identified either from the KRCC List or from other appropriate planning resources.