COMMERCIAL FLEX SPACE AND PERMIT REVIEW TIMELINES CODE AMENDMENTS

Public Participation Plan

BACKGROUND

Commercial Flex Space

The current code section that allows flex use is as follows (PMC 18.80.080.J.3.i):

> *Within the C-1 zoning district, but outside of the shopfront overlay, residential units may be allowed on the first floor; provided, that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.*

Since its adoption in 2019, one project has utilized the flexible space allowance - The Sophie Apartments. Its first floor was constructed to commercial building and fire code standards but is currently occupied by four residential units. Parking is provided at the commercial ratio of 1 space per 300 square feet.

During the City Council review of the Olhava-College MarketPlace Amendments (Ordinance 2024-09) in May 2024, the City Council removed from the ordinance the proposal for flexible space in the C-4 (College MarketPlace) zoning district and requested that staff return with analysis on flexible space in all the commercial districts. Council had expressed concern in the previous year over the use of flexible space in the C-1 zoning district. The Planning Commission was also in the process of reviewing an amendment to allow flexible space in the C-3 (SR 305) zoning district. Following council's decision to remove flexible space from the proposed C-4 amendment, flexible space was removed from the proposed C-3 zoning amendment and was not discussed as part of the amendments for the C-2 (Viking Avenue) zoning district.

Following extensive staff research, a summary was provided to City Council at a September 11 workshop (see full memo here). After discussion, the City Council directed staff to begin the Type IV code amendment process with the Planning Commission with consideration for flex space in all four commercial zones, but outside of the Shopfront Overlay in the C1 zoning district.

Permit Review Timelines

During the 2023 legislative session, the Washington State Legislature passed Senate Bill (SB) 5290, updating portions of the Local Project Review Act, Chapter 36.70B RCW. The intent of the updates was to consolidate, streamline, and improve project review and permitting, with an emphasis on housing development, and to reduce the amount of time it takes for projects complying with local development regulations to receive approval. To accomplish this goal, SB 5290 contained thirteen separate sections including a variety of mandatory and voluntary measures for local government agencies to consider when implementing permit streamlining.

As part of SB 5290, the Legislature amended the required timelines to issue a final decision on an application for land use review within the following time frames:

- 65 Days: For project permits that do not require public notice under RCW 36.70B.110, a local government must issue a final decision within 65 days of the determination of completeness under RCW 36.70B.070.
- 100 Days: For project permits that require public notice under RCW 36.70B.110, a local government must issue a final decision within 100 days of the determination of completeness under RCW 36.70B.070.
- 170 Days: For project permits that require public notice under RCW 36.70B.110 and a public hearing, a local government must issue a final decision within 170 days of the determination of completeness under RCW 36.70B.070.

Title 19 PMC establishes the land use review processing standards in the City of Poulsbo. The standards in this chapter detail how a land use application shall be reviewed for compliance with applicable requirements. This includes the requirements for application classification and procedures, public notices, and the review authority issuing a decision. The review procedures in Title 19 ensure that each application is subject to consistent and predictable processes. SB 5290 requires amendments by January 1, 2025. Included with the SB 5290 required amendments are staff initiated amendments for code consistency.

Housing Action Plan

The 2021 Housing Action Plan (Resolution No. 2021-13) identified the two items above as recommended actions to "…help to improve housing supply and affordability and guide new growth that benefits both new and existing residents." By adopting amendments to flexible use in C zones and permit review timelines, the Housing Action Plan continues to be implemented.

- 2.2 - Evaluate permit processes and identify opportunities to streamline and provide permit efficiencies. Faster permit

reviews, predictable timelines, and an easy-to-understand process and requirements would reduce the administrative and carrying costs for development projects in the community. This may be accomplished in multiple ways, such as by increased department staffing during busy cycles, clear and informative reference materials, and easy access for applicants.

- 9.3 - Consider flexible use on first floors in C zones. The city currently requires retail/commercial/office use in the ground floors of new mixed-use buildings (except in the C-1 zone outside of the shopfront overlay). This requirement may reduce the financial feasibility of projects that would increase multifamily housing units. Consideration of flexible use on first floors may incentivize mixed use developments. The City has preliminarily identified the SR-305 corridor as a location for additional flexible use consideration.

PUBLIC AND AGENCY GOALS

To provide the public with timely information, an understanding of the process, and opportunities to review and comment, and to have those comments forwarded to the City's decision makers.

- Ensure that information about the process is provided to the public early in the process and at regular intervals thereafter, to maximize public awareness and participation in the process.
- Actively solicit information from citizens, property owners and stakeholders about their concerns, questions, and priorities for the future of Poulsbo land uses and the City's Comprehensive Plan.
- Encourage the public to informally review and comment on the amendments throughout the process.
- Incorporate public comment into the local government's review process prior to significant milestones or decision making.
- Provide forums for formal public input at milestones prior to decision making by local officials.
- Consult and consider recommendations from neighboring jurisdictions, federal and state agencies, and Native American tribes.

Public participation is an integral part of the planning process. Early and continuous public participation brings diverse viewpoints and values into the decision-making process and enables the city to make more informed decisions. These collaborative efforts build mutual understanding and trust between the city and the public they serve. The goal of this PPP is to provide all residents, property owners, business owners, and other stakeholders, an opportunity to understand and participate in the code amendment process.

COMMUNICATION TOOLS

The following methods may be used as part of the public outreach program to ensure that a broad population is informed and has the opportunity to participate:

- *Website*: The PED Department webpage will house the amendments where interested citizens and community members may visit for status updates, draft documents, official notices, minutes, and project information: https://cityofpoulsbo.com/development-regulation-amendments-2/
- *E-Notice Mailing List*: An e-notice mailing list of interested persons and organizations has been established. Those on the e-notice list will receive periodic notices regarding the amendment progress. Individuals interested in being on the mailing list should email plan&econ@cityofpoulsbo.com and request being placed on the Development Regulations updates e-notice mailing list.
- *Written Comment*: Interested citizens are encouraged to provide comments to the city by letter or email. All comments will be forwarded to the Planning Commission and City Council. Written comments can be submitted by the following methods:

  City of Poulsbo Planning and Economic Development Department
  200 NE Moe Street | Poulsbo, WA 98370
  or plan&econ@cityofpoulsbo.com
- *Attend*: Interested citizens are encouraged to attend and provide verbal comments to the city at the Planning Commission and/or City Council workshops and public hearings.

INFORMATION AVAILABILITY

The proposed amendments are available for public review. The primary repository of all information related to the update is the Planning and Economic Development webpage at https://cityofpoulsbo.com/development-regulation-amendments-2/ – where draft documents, meeting dates, updates on process, and official notices (notice of application, environmental review, public hearing notices, etc.), will be posted.

Documents are also available for review at Poulsbo City Hall 200 NE Moe Street, Poulsbo. Copies will be provided at a reasonable cost. Official notices will be published in the Seattle Times and posted in the Poulsbo Post Office, Poulsbo Library, and Poulsbo City Hall notice boards.

PUBLIC AND AGENCY REVIEW TIMELINE

TASK	DATE
Initial Release of Proposed Amendments	November 5
Planning Commission Workshop 6 p.m. | Council Chambers and via Zoom	November 12
Notice of Application with Optional DNS and Planning Commission Public Hearing Issued	November 18
Planning Commission Public Hearing 6 p.m. | Council Chambers and via Zoom	December 3
City Council Workshop 5 p.m. | Council Chambers	December 11
City Council Public Hearing 5 p.m. | Council Chambers	December 18
All dates and times subject to change, please check the project website for up-to-date information	

PUBLIC HEARINGS

The Planning Commission and City Council will conduct at least one public hearing each to gather and consider public testimony on the amendments. Public notice of all hearings will state explicitly the date/time, review body and location of the public hearing. The public notices will be published in the Seattle Times, posted at the City's public notice locations, sent to the E-notice mailing list and others who request such notice.

RECORDING OF MEETINGS

All public meetings and hearings will be audio recorded. Minutes and/or meeting summaries for all public meetings will be prepared, and hard copies made available upon request.

UPDATES

This Public Participation Plan may be revised as needed during this amendment process and activities not anticipated may occur or be added without revision of this plan. Errors in exact compliance with this specific public participation program shall not constitute grounds for invalidation of legislation adopted under the amendment, so long as the spirit of the procedures are observed, unless otherwise provided by state or federal law.