



# Appendix A.5

## Residential Land Development Review and Evaluation

### 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. The City and County embarked on a joint planning process to determine the size and shape of Poulsbo's unincorporated Urban Growth Area. 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.

In 2004 and 2014 when the Kitsap Regional Coordinating Council (KRCC) adopted new population allocations for cities and urban growth areas, Poulsbo's total population of 14,808 was not altered. However, in 2021, the KRCC adopted new population allocations and Poulsbo's total population forecast is 18,149 for the 2044 planning horizon (Kitsap Countywide Planning Policy Appendix B).

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 three Buildable Lands Reports (BLR) that Poulsbo has participated in – the 2007, 2014 and the 2021 BLRs. These reports meet the official requirements of GMA's Buildable Lands reporting.

During the 2009 Comprehensive Plan update, this appendix was included to provide a detailed analysis of land development in Poulsbo. This effort was made to review and evaluate how the City's growth strategies are working. The conclusion in the 2009 and 2016 Comprehensive Plan updates is that the City's growth strategies worked, and there remained sufficient land for the City's population forecast.

In 2019-2021, the city participated in Kitsap County's BLR data collection and reporting; this effort was intended to be in preparation for the 2024 Comprehensive Plan Periodic Update. This appendix includes the buildable lands and land capacity analysis data that is included in Kitsap County 2021 BLR.

The following sections provide the results of three evaluation efforts:

- The first section provides the summary of Poulsbo's reporting included in the 2021 Kitsap County BLR. In addition, the City has updated its land development report of approved residential projects from January 2020 through December 2024.

- The second section is a land capacity analysis for the city limits and unincorporated urban growth area as included in the 2021 Kitsap County BLR and updated for the period of 2020-2024<sup>1</sup>.
- 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.

## Land Development Monitoring

### Evaluation of Approved Residential Projects 2013-2019

Table Appendix A.5-1 below summarizes all of the residential projects approved by the City from 2013-2019 (the designated BLR reporting period) in total number of lots, gross acres, net acres, gross density and net density. During this time, there was a total of 13 plats, compared to 26 during the previous evaluation period. The total number of platted lots in this evaluation period was slightly lower as well (540 compared to 690). All plats were in the Residential Low zone.

Zoning District	Total Plats	Total Platted Lots	Gross Acres	Net Acres	Gross Density	Net Density
Residential Low (4-5 du/acre)	13	540	83.2	61.6	6.5'	8.8

<sup>1</sup>The gross density calculation for this report utilizes parcel level data that does not include public rights-of-way, which are dedicated to the city at the time of final plat. Poulsbo calculates density at the time of preliminary plat, prior to parcelization and includes public rights-of-way in the calculation. For this reason, the gross density is above the max allowed density for the purposes of this reporting. However, the plats included in this reporting period are within the allowable density range of 4-5 units per acre. Source: Kitsap County Buildable Lands Report 2021.

### Residential Building Permits Issued 2013-2019

Poulsbo permitted a total of 875 housing units between 2013 and 2019, as shown in Table Appendix A.5-2. Roughly one-third (32%) of these units were in multifamily buildings, compared to one multifamily permit in the previous evaluation period of 2006-2012. While most of the permitted multifamily units were apartments, 50 units were in townhomes, duplex, or cottage clusters. The city also permitted 9 Accessory Dwelling Units (ADUs).

The following table identifies residential building permits issued during the reporting period by zoning district in which a certificate of occupancy was also issued.

Land Use Designation/ Zoning District	Single-Family Units Approved	Multi-Family Units Approved	ADUs	Total Units	Total Acres	Achieved Density
Residential Low (4-5 du/acre)	561	32	9	602	79.9	7.5
Residential High (11-14 du/acre)	27	246	0	273	23.8	11.5
<b>Totals</b>	<b>588</b>	<b>278</b>	<b>9</b>	<b>875</b>	<b>103.7</b>	<b>8.4</b>

Source: Kitsap County Buildable Lands Report 2021

The conclusions of the density evaluation of approved residential projects 2013-2019 are:

- Growth and Capacity. Estimated population growth in the City of Poulsbo between 2013 and 2019 was over 500% of the pace needed to achieve the growth target. The City nevertheless has capacity for additional population growth. Therefore, reasonable measures are not necessary.
- Density. Average achieved density in the RL zone for both plats and permits were higher than the maximum allowed density for the zone. Therefore, reasonable measures are not necessary.

### Residential Building Permits Issued 2020-2024

Poulsbo permitted a total of 669 housing units between 2020 and 2024, as shown in Table Appendix A.5-3. Roughly 41% of these units were in multifamily buildings, compared to 32% from 2013-2019. The city also permitted 6 Accessory Dwelling Units (ADUs).

<sup>1</sup> A Land Capacity Analysis (LCA) was completed in 2019 for the 2021 BLR. The LCA was then updated in 2022 with consideration for pipeline projects and residential capacity in commercial zones. These updated numbers were provided to Engineering staff to support updates to the functional plans and outlined in the Draft EIS. The LCA was lastly updated in January 2025 for this appendix to recognize the increased capacity for residential units from municipal code amendments processed in 2024 and capacity building built into the 2024 Comprehensive Plan Update (i.e. increase in density for the RM and RH zoning districts).

The following table identifies residential building permits issued by zoning district.

<b>Table Appendix A.5-3: Poulsbo Residential Building Permits 2020-2024</b>				
<b>Land Use Designation/ Zoning District</b>	<b>Single-Family Units Approved</b>	<b>Multi-Family Units Approved</b>	<b>ADUs</b>	<b>Total Units</b>
Residential Low	391	8	6	405
Residential Medium	--	184	0	184
C1/Downtown		80	0	80
<b>Totals</b>	<b>391</b>	<b>272</b>	<b>6</b>	<b>669</b>

*Source: City of Poulsbo Building Department.*

### **Evaluation of Approved Residential Projects 2020-2024**

While GMA requires the official reporting of development permit monitoring to 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.

Table Appendix A.5-4 summarizes the total number of residential lots or units approved, and the densities achieved by zoning district. A few trends can be observed from 2020-2024:

- There was a total of 11 plats, all within the Residential Low zone.
- 60% of approved residential units have been multifamily units.
- Nearly 69% of all approved multifamily units are located within the Residential Medium zone.

<b>Table Appendix A.5-4: Summary of Residential Projects Approved 2020-2024</b>			
<b>Zoning District</b>	<b>Approved Lots/Units</b>	<b>Total Gross Acreage</b>	<b>Average Gross Density</b>
Residential Low	488	133.57	3.7
Residential Medium	720	73.71	9.8 <sup>1</sup>
Residential High	156	19.59	8
C-1/Downtown	129	3.83	33.7 <sup>2</sup>
C-3/SR 305	34	.51	66.7 <sup>2</sup>
<b>Total</b>	<b>1,527</b>	<b>231.21</b>	<b>6.6</b>

<sup>1</sup> Two projects approved in the RM zone are located within the Olhava Master Plan Overlay, which approved a higher density than permitted in the RM zone. Without those two properties, the average gross density is 8. <sup>2</sup> No minimum or maximum density is established for mixed use buildings in commercial zones.  
*Source: City of Poulsbo Planning and Economic Development Department*

### **Residential 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 2021 Kitsap Buildable Lands Report (BLR), 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 2044 population allocation of 18,149.

<b>Table Appendix A.5-5: 2021 Poulsbo Land Capacity Analysis City Limits and Urban Growth Area</b>			
	<b>Single Family Unit Capacity</b>	<b>Multifamily Unit Capacity</b>	<b>Population Capacity</b>
Residential Low	1,180		2,963
Residential Medium		482	998
Residential High		300	620
Urban Growth Areas	384	--	965
<b>Total</b>	<b>1,564</b>	<b>782</b>	<b>5,546</b>

*Source: Kitsap County Buildable Lands Report 2021*

When adjusting capacity building through planned updates to the Comprehensive Plan and Development Regulations, including density increases in the RM and RH zones, movement of property from within the Urban Growth Area to inside

city limits, and updates to pipeline projects, Table Appendix A.5-6 shows an increase in capacity for residential units in the residential zones in 2024.

<b>Table Appendix A.5-6: 2024 Residential Land Capacity Analysis, Residential Zones</b>			
	<b>Single Family Unit Capacity</b>	<b>Multifamily Unit Capacity</b>	<b>Population Capacity</b>
Residential Low	1,188		2,964
Residential Medium		579	1,199
Residential High		589	1,220
Urban Growth Areas	251	--	631
<b>Total</b>	<b>1,375</b>	<b>1,168</b>	<b>6,014</b>

*Source: Poulsbo Planning and Economic Development Department*

The 2021 Buildable Land Report did not consider residential capacity in commercially zoned properties for Poulsbo due to a lack of proposals for residential in commercially zoned properties between 2013 and 2019 outside of C-1/ Downtown/Front Street. However, staff commissioned a SR-305 Market Analysis and Feasibility Study (Leland, June 2023) to examine development potential along the SR-305 corridor. The report concluded there was a strong demand for housing but limited interest in new commercial or office space within the SR-305 corridor (also known in the C-3 commercial zone). The report also concluded that given the small size of Poulsbo, these conclusions could also be applied to the C-2/Viking Avenue and C-4/College Marketplace zones.

In an effort to open up residential capacity in the commercial zones, amendments to the Poulsbo Municipal Code were processed in 2024 (Ordinances 2024-09, 2024-10, 2024-13, and 2024-18), including increase in height and lot coverage, minor amendments to parking requirements, and allowance for flex space on the ground floor (meaning the ground floor is required to be constructed and parked to commercial standards, but can be occupied by residential uses) in all four commercial zones, but outside of the Shopfront Overlay in the C-1 zoning district. Table Appendix A.5-7 shows capacity for residential units in the commercial zones in 2024.

<b>Table Appendix A.5-7: 2024 Residential Land Capacity Analysis, Commercial Zones</b>		
	<b>Residential Unit Capacity</b>	<b>Population Capacity</b>
C-1/Downtown/Front Street	84	186
C-2/Viking Avenue	279	623
C-3/SR 305	635	1416
C-4/College Marketplace	131	293
<b>Total</b>	<b>1,129</b>	<b>2,518</b>

*Source: Poulsbo Planning and Economic Development Department*

**Comparison of Capacity to 2044 Allocation**

Poulsbo has been allocated through Appendix B-1 of the Kitsap Countywide Planning Policy, a total 2044 population of 18,149. This population is for both the city limits and urban growth area. To determine the amount of new growth remaining, the 2024 population in the city limits and urban growth area has been subtracted from the 18,149 in Table Appendix A.5-8.

<b>Table Appendix A.5-8: Poulsbo 2044 Projected New Growth</b>			
<b>Population Distribution</b>	<b>2044 Total Population</b>	<b>2024 Population</b>	<b>= New Persons Expected by 2044</b>
Poulsbo City	16,556	13,010	3,546
Poulsbo UGA	1,593	592	1,001
<b>TOTAL</b>	<b>18,149</b>	<b>13,602</b>	<b>4,547</b>

*Source: Appendix B-1 Population Distribution 2044 Kitsap Countywide Planning Policy; 2024 OFM population estimate; and assumption of 2.3% growth rate in 2024 Poulsbo UGA population.*

**Comparison of Net Growth Remaining to Population Capacity**

To determine whether the City and its urban growth area can accommodate its 2044 population allocation, a comparison between the results of the land capacity analysis is and the new growth remaining is made. Table Appendix A.5-9 depicts this comparison:

**Table Appendix A.5-9: Comparison of new growth remaining to population capacity (city limits + urban growth area)**

<b>Poulsbo City Limits and UGA</b>	<b>Population Capacity and Demand</b>
2044 Population Capacity	8,532 <sup>1</sup>
2044 Population Target	4,547
Net 20-year population capacity	3,985

<sup>1</sup> Combined Totals from Tables Appendix A.5-6 and A.5-7; Source: City of Poulsbo Planning and Economic Development Department

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

### **Accommodating Poulsbo's Population Allocation**

The Poulsbo Land Capacity Analysis demonstrates that Poulsbo has sufficient capacity within its city limits and urban growth area to accommodate its 2044 population allocation of 18,149.

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 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 will ensure the City's population capacity remains on course. 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 ten-year Buildable Lands Reporting; 2) the ten-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 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.

### **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 include the following in its Urban Growth Area Policies:

UGA-2 “If the Buildable Lands analysis shows that a jurisdiction’s Comprehensive Plan growth goals are not being met, that jurisdiction shall implement reasonable measures to reduce the differences between growth and development assumptions and targets and actual development patterns. Each jurisdiction is responsible for implementing appropriate reasonable measures within its jurisdictional boundaries.”

***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.