EXHIBIT 14.c: Lockhart Administrative Determination 3 (P-07-27-26-01)

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PLANNING AND ECONOMIC DEVELOPMENT

Administrative Interpretation

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To: Planning and Economic Development Department
From: Heather Wright, AICP
Subject: Administrative Interpretation No. 3 – Lockhart | P-07-27-26-01
Date: September 16, 2026

Question:

The City received a request for an Administrative Determination regarding the interpretation and application of provisions of the Poulsbo Municipal Code (PMC) Chapter 18.260 – Planned Residential Development (PRD).

The request seeks clarification regarding:

1. Whether PMC 18.260.070(A) expressly limits the location within a PRD or the characteristics of design measures that an applicant may propose to satisfy the required consistency with the single-family residential environment at the adjacent perimeter.
2. Whether design measures proposed for portions of a PRD that are not adjacent to the neighboring subdivision may be considered by the review authority when evaluating compliance with PMC 18.260.070(A).

This interpretation provides clarification on the application of these provisions of the PMC.

The request includes a number of specific questions regarding the interpretation and application of PMC 18.260.070(A). This administrative interpretation addresses the provisions of the PMC necessary to clarify how the code is applied. It does not determine whether any specific development proposal or design measure satisfies the applicable design criteria.

Background:

On March 30, 2026, the Planning Director issued Administrative Interpretation (P-03-02-26-01) addressing various provisions of PMC Chapter 18.260, including interpretation of *PMC 18.260.070(A)*. That interpretation concluded that when a PRD is proposed next to an existing qualifying single-family neighborhood, it must be designed to be compatible with that neighborhood along the shared perimeter. It also clarified that this requirement applies where the two developments are adjacent and does not mean every lot within the PRD must be consistent with the adjacent single-family detached environment.

On June 22, 2026, a second Administrative Interpretation (P-06-01-26-01) clarified that PMC 18.260.070(A) establishes a single consistency standard, that subsection (B) establishes separate screening requirements, and that compliance with subsection (B) does not replace or satisfy the requirements of subsection (A).

Additional clarification has been requested regarding whether PMC 18.260.070(A) limits the location or characteristics of design measures an applicant may propose to satisfy the required consistency with the single-family residential environment.

Interpretation:

1. *Interpretation of PMC 18.260.070(A) – Location of Design Measures*

   PMC 18.260.070(A) requires that when a PRD is proposed adjacent to an existing single-family residential zone developed utilizing traditional subdivision standards and lot sizes of 7,500 square feet or greater, the PRD **shall** be designed and developed so as to be consistent with the single-family residential environment **at its adjacent perimeter**.

   The first sentence establishes the required design standard. It specifies the required outcome, that consistency be achieved at the adjacent perimeter, but does not prescribe the specific design techniques by which that outcome must be accomplished.

   The second sentence provides that the review authority **may** require matching lot sizes, lot widths, house height and scale, or other provisions deemed appropriate for those lots located adjacent to the existing subdivision.

   The use of the word “may” provides the review authority discretion to require such design provisions where appropriate. The listed provisions are illustrative rather than mandatory and do not establish an exclusive list of design measures that may be considered.

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Accordingly, PMC 18.260.070(A) does not expressly prohibit an applicant from proposing design measures elsewhere within a PRD as part of the overall development proposal. Such measures may be considered during project review, but their location elsewhere within the PRD does not alter the location at which the ordinance requires consistency to be achieved. The ordinance expressly identifies that location as the PRD's adjacent perimeter and identifies the lots subject to the review authority's discretionary requirements as those lots adjacent to the existing subdivision.

2. *Evaluation of Design Measures During Project Review*

   Neither PMC 18.260.070(A) nor the prior administrative interpretations establish a formula by which individual design measures are evaluated.

   The ordinance establishes a design standard requiring consistency with the single-family residential environment at the adjacent perimeter while providing the review authority discretion to evaluate the proposed development through the City's Type III review process.

   Design measures located elsewhere within a PRD may be presented by an applicant and considered during project review. However, the presence of such measures does not independently establish compliance with PMC 18.260.070(A).

   As with the prior administrative interpretations, this interpretation does not determine whether any particular design measure or combination of design measures satisfies PMC 18.260.070(A). Whether a particular design measure or combination of measures satisfies PMC 18.260.070(A) is determined during review of a specific application by the Hearing Examiner based upon the complete record.

Conclusion:

PMC 18.260.070(A) establishes a mandatory design standard requiring that a PRD be designed and developed so as to be consistent with the single-family residential environment at its adjacent perimeter.

The ordinance does not expressly limit an applicant to proposing design measures only on lots adjacent to the neighboring subdivision, nor does it establish an exclusive list of design measures that may be considered. Design measures elsewhere within the PRD may therefore be considered as part of the overall development proposal. However, such measures do not alter the location at which the ordinance requires consistency to be achieved: the adjacent perimeter.

Whether a particular proposal satisfies that standard is a project-specific determination made by the review authority based upon the complete record.

Authority:

PMC 18.300.020 authorizes the Planning Director to make administrative determinations and interpretations regarding the application of provisions of Title 18. Such determinations must be consistent with the spirit and intent of the Poulsbo Municipal Code and the Comprehensive Plan.

Formal interpretations issued by the Planning Director are maintained by the Planning and Economic Development Department and serve as guidance for the consistent administration of the City's development regulations.

Appeal:

The decision is final. This decision may be appealed to the Hearing Examiner within 14 days. The written appeal, appeal fee, and deposit must be received by the PED department no later than 4:30 p.m. on Wednesday, September 30, 2026.

Signed by:
Heather Wright
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Heather Wright, AICP, Planning and Economic Development Director — 9/16/2026 Date