

Kitsap County Buildable Lands Report

DCD Staff Report

Introduction

The purpose of this report is to briefly provide information to the Board of County Commissioners regarding the 2007 Buildable Lands Report.

RCW 36.70A.215 requires counties, in consultation with their cities, to establish a “review and evaluation” program (commonly referred to as the “buildable lands report” or “BLR”) to determine whether a county and its cities are achieving urban densities within urban growth areas. If “inconsistencies” are found between “actual” and “planned” densities in urban growth areas, the statute requires local jurisdictions to implement “reasonable measures” likely to correct those inconsistencies in the future.

The Buildable Lands Report is a diagnostic tool to help jurisdictions evaluate how effective their comprehensive plans and development regulations are at achieving efficient urban development patterns. The program examines development trends in five-year increments and “looks back” to review development trends during the past five years in order to determine whether any “inconsistencies” exist between *actual* and *planned* densities.

According to RCW 36.70A.215(2)(a), the review process for a BLR must:

“Encompass land uses and activities both within and outside of urban growth areas and provide for annual collection of data on urban and rural land uses, development, critical areas, and capital facilities to the extent necessary to determine the quantity and type of land suitable for development, both for residential and employment-based activities.”

The county and its cities jointly adopted county-wide planning policies to establish and implement the review and evaluation program. Those policies include provisions for using consistent methodologies for evaluating buildable lands among the responsible jurisdictions. The first BLR was prepared by the county in 2002. The statute requires updates every five years. The 2007 BLR Update fulfills that requirement.

The statute requires several evaluation components to the review and evaluation program. The BLR must:

- Determine whether there is sufficient suitable land in urban areas to accommodate the projected twenty-year population forecast allocated to the county and its cities;
- Determine the actual density of housing that has been constructed and the actual amount of land developed for commercial and industrial uses within urban growth areas;

- Review residential, commercial and industrial land use needs by type and density range to determine the amount of land needed in urban areas for these uses for the remaining portion of the twenty-year planning period; and
- Based upon these evaluation components, determine whether an "inconsistency" exists between the *actual* densities and intensities of land use documented by the BLR during the previous five years and the *planned* densities and intensities of use in the adopted comprehensive plans and development regulations of local jurisdictions.

If the BLR identifies any "inconsistencies" from its analysis, the statute requires the affected jurisdiction(s) to separately "*adopt and implement measures that are reasonably likely to increase consistency during the subsequent five-year period.*" The statute also requires annual monitoring of these so-called "reasonable measures" so that affected jurisdictions can determine their effectiveness over time.

Countywide Planning Policies (CPPs) Requirements

Two components of the CPPs in particular directly affect the BLR. First are the policies directing the "Land Capacity Analysis Program" and second are the "20-Year Population Distributions" that allocate future population growth among all the jurisdictions.

Land Capacity Analysis Program

This CPP outlines how the county's various jurisdictions mutually plan to implement the buildable lands program requirements in the county. *CPP Element B. Urban Growth Areas, Policy 1. Land Capacity Analysis Program* indicates that the county and cities shall maintain a land capacity analysis program to monitor land supply and trends for residential, commercial and industrial lands in order to determine the success of their comprehensive planning efforts. It also requires that the county and cities:

- use a consistent methodology for determining land capacity;
- develop strategies to efficiently utilize available development capacity within the urban growth areas; and
- establish procedures to resolve inconsistencies in the collection and analysis of land capacity data.

20-Year Population Distribution

Appendix B of the CPPs indicates the future 20-year population growth distribution amongst the jurisdictions in the county. These are the forecast growth allocations (derived from OFM countywide forecasts) that each jurisdiction uses in developing its own GMA comprehensive plan. The KRCC Board endorsed Appendix B: Population Distribution 2005-2025 on September 14, 2004. Kitsap County adopted the CPPs, including the appendices, on November 22, 2004.

Population distributions are reviewed every five years by the KRCC. That review must include an analysis of the Cities' and the County's progress in achieving the "target" population

distributions. The future growth allocations are based on a “target” of accommodating 76% of new population growth within urban growth areas (UGAs) and 24% of new growth in rural areas. Appendix B notes that if the 76% UGA growth target is met or exceeded, the UGA target for accommodating new growth in the succeeding forecast growth period shall increase to 83% of total forecast countywide growth. It also notes that if the 76% UGA growth target is not met, “*the target may be reaffirmed or otherwise modified*” prior to the succeeding forecast growth period. The next “five year” KRCC review of future population growth distribution should occur prior to 2010.

Buildable Lands Report Public Process

Kitsap County established a Citizen Advisory Group (or CAG) in 2004 comprised of interested citizens, developers, builders, realtors, local residents and growth management advocates to help develop the Updated Land Capacity Analysis (ULCA). The purpose of the ULCA is to establish an objective approach by which to determine the current supply of buildable land and how much population and development Kitsap County can expect to accommodate under current zoning and development regulations in the existing rural lands and urban growth areas (UGAs). The CAG also included staff from the county and local municipalities who provided technical advice and expertise in the development of the ULCA. The CAG met intensely over a period of 7 months to develop and evaluate alternative approaches. The final CAG recommendations—with a focus on incorporating a heightened sense of “reality” to the land capacity analysis—were made to staff in early 2005.

The staff then prepared a draft recommended ULCA framework that incorporated many of the CAG recommendations. The draft ULCA framework was presented to the Kitsap County Planning Commission in early 2005. The Planning Commission reviewed the ULCA alternative approaches and recommended selection of a preferred ULCA framework that was presented to the Kitsap Board of County Commissioners (Board) and the Kitsap Regional Coordinating Council (KRCC). After significant review and evaluation by the Board and the KRCC and subsequent public input, the Board of County Commissioners (Board) recommended a preferred ULCA methodology on April 25, 2005. The ULCA is used as the basis for the land capacity analysis portion of the 2007 Buildable Lands Report¹.

Kitsap County established a BLR Technical Advisory Committee (TAC) in 2006 to help in the preparation of the 2007 BLR Update. The Technical Advisory Committee (TAC) is comprised of city, county and tribal staff as well as other parties interested in and/or responsible for preparation of the 2007 BLR Update. The TAC met from 2006-2007 to coordinate and ensure consistency in the BLR data gathering, formatting, evaluation and reporting amongst all the responsible jurisdictions in the county. The cities also prepared their land capacity analyses and permit data reports during 2006-2007 in coordination with the TAC.

¹ See Appendix A. Based upon a decision of the Central Puget Sound Growth Management Hearings Board, the ULCA is slightly modified from that recommended by the Board in 2005 in that the “sewer reduction factor” was removed.

Findings

What was the Amount of Growth from 2000-2005?

- According to the Washington Office of Financial Management (OFM), the total Kitsap County resident population grew by 8,431² persons. The majority of this growth occurred in unincorporated Kitsap County.
- Countywide population growth grew slower than anticipated. The Countywide Planning Policies (CPPs) predicted an average annual growth rate of 1.44% over the course of the 20-year planning period. Countywide, actual average annual population growth during the past five years was 0.72%. Though most jurisdictions grew faster than the countywide average.
- Kitsap County and the cities cumulatively permitted 9,945 new housing units from 2000-2005³. The majority of these new units were permitted in unincorporated Kitsap County.
- Countywide, new single family units accounted for 80% and multi-family units 20% of all new units permitted.
- Countywide, 57% of all new permitted housing units were in cities and UGAs and 43% were in unincorporated rural areas. The 2000-2005 urban share of new permitted housing units increased significantly from the previous five year period—from 43% (1995-1999) to 57% (2000-2005). The 57% total countywide share of new urban *housing unit* growth, however, still appears short of the adopted 76% CPP urban *population* growth target. Nevertheless, the data show that there has been significant progress toward this twenty-year goal since the 2002 BLR.
- Approximately 84% of all new permitted housing units in rural areas were located on pre-existing lots.
- Almost 90% of the approximately 2,800 new lots created countywide through the final long plat process were in cities and UGAs⁴.
- Kitsap County and the cities cumulatively permitted almost 18 million square feet of new commercial/industrial building space. The majority of this new space was permitted in unincorporated UGAs.

² Total Kitsap County population in 2000 (based on US Census) was 231,969 and 2005 OFM estimated population was 240,400. All jurisdictions experienced population gains, according to OFM estimates, except for Bremerton which lost 2,679 in population from 2000-2005, according to OFM.

³ This compares with 8,271 new residential units permitted countywide from 1995-1999 according to the initial 2002 Kitsap County Buildable Lands Analysis report.

⁴ Long plats are a type of land subdivision, subject to RCW 58.17, where a parcel is subdivided into more than four lots for purposes of subsequent development.

Has Development Occurred at Densities Consistent with Planning Assumptions and Targets?

- In cities and UGAs achieved net platted densities from 2000-2005 met or exceeded the planned densities indicated in the various jurisdiction's comprehensive plan's and implementing regulations in almost all applicable urban zones. In some very limited exceptions, net platted densities fell short of the target plan density. However, these circumstances were characterized by a very small number of plats that did not represent a large enough sample size to effectively assess average achieved densities across the entire applicable zone.
- In unincorporated rural areas, average achieved net platted and permitted densities were generally higher than planned rural densities in the applicable zones. This is attributed to both to pre-GMA vested subdivisions that did not receive final plat approval until 2000-2005 and the fact that the majority of new permitted rural units were on pre-existing small non-conforming lots approved under old pre-GMA density standards.
- Appendix B of the Countywide Planning Policies (CPPs) allocated 2000-2025 forecast growth among the cities, UGAs and unincorporated rural areas based on a 76% urban/24% rural share *target* for new *population* growth. Official published OFM population estimates for the county unfortunately do not estimate population by GMA class of lands (i.e., urban and rural). So we cannot plainly compare OFM estimated population growth within the UGAs to their forecast CPP target share of new population growth⁵. However, new *housing unit* growth is a significant component of population growth and often serves as a proxy to population growth. Given that approximately 55% of all new *housing units* permitted countywide from 2000-2005 were in cities and UGAs, the data suggest that the urban share of new population growth during the first five years of the planning forecast period is still short of meeting its planned CPP target. Appendix B of the CPPs specifically indicates that should this goal not be met, "*the target may be reaffirmed or explicitly modified*" through the KRCC process during the next five year population distribution review. The next five year KRCC population review will occur prior to 2010.

Are Urban Densities Being Achieved within the Urban Growth Areas?

- In all jurisdictions, the average net platted densities of all final approved urban residential plats and condominiums met or exceeded four units per acre.

Is the Capacity of the Land Supply Adequate to Accommodate Forecast Growth?

- Countywide, the existing 2005 residential buildable land supply of all jurisdictions can accommodate a total of approximately 117,387 persons. The planned 2000-2025 countywide population growth forecast is 99,602 persons.

⁵ OFM calculates total incorporated and unincorporated county populations only in their published annual county and city population estimates. OFM calculates annual incorporated city population estimates, but not the unincorporated urban (i.e.,UGA) portion of the unincorporated population.

- Cities and UGAs have a combined residential buildable land capacity sufficient to accommodate approximately 79,884 persons. The planned 2000-2025 incorporated city and UGA share of the forecast population growth is 75,697 persons.
- Unincorporated rural lands, including Limited Areas of More Intensive Rural Development (LAMIRDs), have a combined residential buildable land capacity sufficient to accommodate approximately 37,503 persons. The planned 2000-2025 non-UGA share of the population growth forecast is 23,905 persons.
- Cities and UGAs have a combined commercial/industrial buildable land supply that exceeds the forecast demand from 2005-2025.

Reasonable Measures

RCW 36.70A.215(4) requires that: *“If the evaluation required by [the buildable lands statutes] demonstrates an inconsistency between what has occurred since the adoption of the county-wide planning policies and the county and city comprehensive plans and development regulations and what was envisioned in those policies and plans as the inconsistency relates to the evaluation factors specified [in RCW 36.70A.215(3)], the county and its cities shall adopt and implement measures that are reasonably likely to increase consistency during the subsequent five-year period. If necessary, a county, in consultation with its cities...shall adopt amendments to county-wide planning policies to increase consistency. The county and its cities shall annually monitor the measures adopted...to determine their net effect and may revise or rescind them as appropriate.”*

The initial 2002 Buildable Lands Analysis Report (2002 BLR) indicated that in some cases, urban densities (defined as 5 du/acre in the 1998 Kitsap County Comprehensive Plan) were not being achieved within certain UGAs. However, the report noted that since the Growth Management Act (GMA) compliant Kitsap County Comprehensive Plan (Plan) was adopted in 1998 and the 2002 BLR used a 1995-1999 analysis period, *“...only one year of data reflects the current GMA-compliant [Plan]. Therefore, comparing zoning from 1995-1999 is problematic. A more meaningful analysis will be available for the next 5-year analysis period.”*⁶ The 2002 BLR reported plat densities were also influenced by “pre-GMA” low-density vested plats recorded from 1995-1999.

The 2002 BLR also identified an issue between “planned” and “actual” development patterns in that more growth was occurring in rural areas than was targeted in the Countywide Planning Policies (CPP). The 2002 BLR reported that from 1995-1999, the rural areas of the county including LAMIRDs⁷ accounted for 57% of total new permitted residential units. The cities and unincorporated UGAs accounted for the remaining 43% of all new permitted dwelling units⁸. At that time, the CPP target share of new growth was 83% urban and 17% rural.

⁶ The 2000-2005 buildable lands analysis indicates that urban densities have been achieved in the UGAs—resolving the 1995-1999 inconsistency.

⁷ Limited Areas of More Intensive Rural Development

⁸ The 2000-2005 buildable lands analysis in indicates that the urban/rural share of new permitted housing units increased significantly from the previous five year period—from 43%/57% (1995-1999) to 57%/43% (2000-2005).

Subsequently, Appendix B of the Countywide Planning Policies (CPPs) was amended in 2004, which adopted a new 20-year population growth allocation and identified a new target population growth share for urban and rural areas. The new target indicates that 76% of the 2005-2025 forecasted population growth in the county should be accommodated within urban growth areas (including cities and unincorporated UGAs). The remaining 24% future growth should occur in rural areas outside of UGAs. The 2002 BLR noted that “...*a central issue concerning rural development is that much of it occurs on [already platted] parcels that are smaller than the prescribed density standard...Until these...“legacy lots” are fully absorbed, the County may face some obstacles in its efforts to direct most of the new growth towards urban areas*”.

In 2004, the County amended the 2002 BLR Report to adopt a set of “reasonable measures” meant to help increase consistency between actual development and that envisioned in the countywide planning policies and the county’s comprehensive plan. The County recognized eighteen (18) reasonable measures already in existing in Kitsap County Code and existing sub-area planning documents, in Resolution No. 158-2004.

The County committed to adopting and implementing adequate reasonable measures to help meet the urban/rural population growth target identified in Appendix B of the CPPs in Kitsap County Resolution No. 158-2004 which stated, in part, “...2. *In addition to those reasonable measures that the County has already adopted and implemented,...Kitsap County staff should begin the process of identifying additional reasonable measures the Board of County Commissioners should consider adopting and implementing.*”

In 2005, the Kitsap Regional Coordinating Council (KRCC) identified a “menu” of forty-six (46) “Reasonable Measures” to encourage urban growth and increase residential development capacity in existing UGAs (i.e., to promote “infill” development) for jurisdictions to consider during their comprehensive plan updates, in compliance with RCW 26.70A.215.

Subsequently, in 2006, the County augmented existing measures and adopted an additional fourteen (14) new reasonable measures intended to attract and accommodate a greater share of future urban growth as part of the Kitsap County Comprehensive Plan 10-Year Update. These measures are specifically intended to increase consistency with the urban and rural population growth target identified in Appendix B of the Countywide Planning Policies.

The measures focus on several objectives: to make development more feasible in UGAs; to increase the efficient utilization of urban land and improve permitting efficiency; and craft development regulations more responsive to current housing and land market conditions. The reasonable measures address a number of issues related to each of those objectives. Some may address multiple objectives. A more detailed discussion of the new 2006 adopted reasonable measures and an assessment of all reasonable measures adopted by Kitsap County was conducted to the extent practical as part of the Comprehensive Plan 10-Year Update (2006)⁹.

But the share of new urban/rural housing unit growth still appears short of the adopted 76%/24% CPP population growth target.

⁹ See Appendix C: Reasonable Measures

The County's continuing growth monitoring will address the RCW 36.70A.215(4) reasonable measure monitoring requirements. The monitoring program will seek to further examine and assess the effectiveness of these adopted reasonable measures at accommodating a greater share of urban growth in future years. The growth monitoring program may also consider further actions that the county or cities could take to increase the share of future urban growth countywide and explore some of the situational factors that influence urban growth rates such as the supply of non-conforming rural lots and local real estate market conditions.

2007 Buildable Lands Report Recommendations

- Kitsap County should request the Washington Office of Financial Management (OFM) to conduct a special small area population estimate for the unincorporated UGAs using OFM's Small Area Estimates Program (SAEP) methodology. Such a project would more accurately identify existing and future population estimates for the unincorporated urban share of the total county population (UGAs) and be a more reliable method of determining the net UGA share of new population growth in future years. It can also provide better information for KRCC to utilize during its next five year population distribution review cycle prior to 2010.
- Kitsap County should continue to monitor its adopted reasonable measures to encourage more urban growth as required by RCW 36.70A.215(4).
- In spite of clear identification of what the data needs were for the buildable lands program, there were challenges in data collection during development of the 2007 Buildable Lands Report. These included the fact that every jurisdiction in the county, at some point in time over the past five years, changed its land development permitting system. The county and the cities should work together to better coordinate buildable lands data collection and reporting on a consistent annual basis. The jurisdictions should consider a standardized approach to permit data entry protocols and reporting formats.

Staff Recommendation

Approve and adopt the 2007 Kitsap County Buildable Lands Report.