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Larry,  

Congratulations on a very well-written and professionally presented Buildable Lands Report. Your staff should be commended for the time, effort and skill that obviously went into producing this draft. And thank you for the early opportunity to review and comment on this draft document before it is finalized.  

My purpose in offering these comments is not to be overly critical, but to assist County staff in the “last mile” to produce a final product that complies with GMA requirements and is the best it can be as a resource for informed policymaking.  

My comments are organized into three sections. First, I address an error in evaluating the sufficiency of land supply against the wrong planning period and thus the wrong growth targets. Second, I address the question of consistency with growth targets and the need for “reasonable measures”. And finally, I include comments on specific sections of the text.  

1. Growth Targets – The Demand Side of the Supply/Demand Analysis  

The GMA requires the Buildable Lands Program to:  

   Based on the actual density of development as determined under (b) of this subsection, review commercial, industrial, and housing needs by type and density range to determine the amount of land needed for commercial, industrial, and housing for the remaining portion of the twenty-year planning period used in the most recently adopted comprehensive plan. 36.70A.215(3)(c)  

The most recently adopted Comprehensive Plan was adopted in 2006 and amended in 2016 in response to a GMHB remand order. The 20-year planning period used in that plan is 2005-2025. The draft BLR, however, evaluates land supply against the 2035 population and employment targets, ten years beyond the current planning period.  

1 See 2012 Comprehensive Plan, Chapter 2 – Land Use, Policy LU-1, page 2-5  
2 Draft BLR page 14 and Chapter 4
I wrote to you in December to point this out, and at the time I thought that correcting this would be mostly a labeling exercise for the residential analysis because the 2035 target is identical to the previous 2025 target. But what I missed on that first read is the fact that the revised targets assume that only part of the 2015-2035 growth will occur by 2025. In other words, the population target of 331,571 persons will not be reached within the 20-year planning period of the current Comprehensive Plan but ten years later in 2035.

Thus the analysis in the draft BLR overstates housing demand by a large factor – ten years’ worth. The commercial and industrial analysis suffers from the same problem in that the draft BLR evaluates the 2025 plan horizon against a 2035 target.

Analysis of land supply against the 2025 portion of the 2035 targets will, of course, demonstrate an oversupply of urban land due to the slower-than-predicted growth rate. This should be documented and acknowledged with relevant conclusions for the upcoming Plan Update such as a need to either adjust UGA size downward or at least not enlarge UGAs.

As I pointed out in December, the 2035 capacity analysis work done is completely transferable to the Land Use Chapter of the Plan Update where the Urban Land Capacity Analysis must evaluate the new 20-year planning period 2015-2035. So the work to date is not wasted, but the BLR must analyze the correct planning period.

2. Reasonable Measures –Actions Required to Increase Consistency

Background

RCW 36.70A.215 requires county Buildable Lands programs to review and evaluate on-the-ground growth and development activity, to determine whether that growth has been occurring consistently with Countywide Planning Policy and Comprehensive Plan targets and policies.

Should the evaluation demonstrate inconsistencies in actual vs planned growth patterns, the report must identify and the County must adopt “reasonable measures” to bring actual growth back in line with those targets.

Kitsap County’s first BLR in 2002 demonstrated three inconsistencies between actual growth patterns and residential targets and policies of the CPPs and Comprehensive Plan:

- The urban share of new growth was 45% compared to a target of 83%;
- Achieved urban densities averaged below planned minimums;
- Achieved rural densities averaged well above planned maximum rural densities.

The implications of this were litigated before the Growth Hearings Board and ultimately decided by the Washington State Court of Appeals. The issues were settled as follows (see GMHB Cases KCRP VI and Bremerton II; Kitsap County v. CENTRAL PUGET SOUND BOARD, 158 P.3d 638 (Wash. Ct. App. 2007)):
a. RCW 36.70A.215 requires analysis of both urban and rural land use trends.
b. Inconsistencies between achieved and planned density of residential growth both in UGAs and rural areas require adoption and implementation of reasonable measures to achieve planned densities.
c. An inconsistency between the planned and achieved urban share of growth requires adoption and implementation of reasonable measures to achieve that target.
d. The existence of a large number of pre-GMA platted lots in the rural area does not excuse missing the urban share and rural density targets as their existence was known to the County when it adopted its CPPs and Plan.
e. The deadline for adopting reasonable measures is the deadline for the next ten year plan update which would be June 30, 2016 for the current planning cycle.
f. A list of policy measures already in effect when the inconsistencies occurred does not qualify as reasonable measures to correct those inconsistencies – new measures must be enacted and implemented.

Following this judicial resolution, Kitsap County reduced the Countywide Planning Policy urban share target of 83% to 76%, enacted additional reasonable measures in the 2006 Plan update and identified more in its 2007 BLR which documented significant improvement but not achievement of planned density and urban share targets.

**Current Period**

The 2014 draft BLR text includes language that concludes there are no inconsistencies between growth patterns over the past seven years and plan targets. The staff presentation at the January 6, 2015 Planning Commission stated this unequivocally, asserting that all targets were met and that the need for reasonable measures has passed. But the data do not support these conclusions.

The 2014 draft BLR documents improvement in the 2006-2012 period over the previous two Buildable Lands review periods toward the 76% urban share target. But the target was met in only two of the seven years evaluated and undershot by 9 percentage points for the period as a whole. This is an inconsistency that will require reasonable measures in the Plan Update next year.

The implied rationale is that trends are improving toward a “20 year goal” of reaching these targets and thus additional reasonable measures are not necessary and existing measures can be repealed. But the targets are for all of the growth that occurs during the entire 20 year planning period, not just the last year or two. In other words, the County cannot point to the 2012 urban share of 76.26% or to one UGA and conclude that the target has been reached while ignoring the cumulative total for the planning period and all urban areas.

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3 BLR Executive Summary page 2
When it comes to density, the conclusion that in all jurisdictions density targets are being met is simply not accurate. A review of the Chapter 4 appendices shows that for all jurisdictions except Bremerton, there are zones in which platted and/or permitted densities averaged below the planned densities.

While the County has little influence over city plans, the unincorporated UGA results (Appendix 4.E) show both platted and permitted densities bellow planned density. In the Urban High (19-30 du/ac) designation, platted density (41 units) averaged a net density of 16.21 du/ac and permitted units (120 units) at a density of 3.91 du/ac. The Urban Low/Urban Cluster/Residential Low (5-9 du/ac) designations, which received 70% of all single family and 62% of all urban units permitted in unincorporated UGAs averaged a density of 3.68 du/ac, well below the minimum planned density.4

The erroneous conclusion that density targets are being met for all permitted units appears to be based on a faulty comparison between platted and permitted densities. The text on pages 43 and 45 assume that because net density in new plats averages roughly double the gross density, that permitted densities can be doubled, thus achieving consistency with planned densities. But this is not how growth plays out on the ground.

The difference between gross and net density in plats does not apply to permitted units. The reason for the difference is that in a new plat the reductions to land area for roads, critical areas, storm ponds, unavailable lands, etc. are separated from the building lots, implementing the reductions to land supply from the capacity analysis. Permits, on the other hand, apply to building lots from which these reductions have already been made when the lots were platted. In other words, building lots that receive permits will not be further reduced in size for these factors because the roads, storm ponds etc. now exist outside of their boundaries. Assuming a theoretical net density for permitted units equivalent to the difference between gross and net density for plats is double-counting those reductions to land supply.

Thus the densities for urban permitted units illustrated in Table 4u-5 are the achieved densities and they are inconsistent with the Comprehensive Plan density targets for the majority of new permits in unincorporated urban areas.

Rural permitted densities do not come close to planned targets. Table 4u-7 on page 47 is a little difficult to interpret. The right-hand column labeled “units per gross acres” actually displays acres per unit and the density column is totaled rather than calculated from the totals of the units and acres column. But either way, units per acre or acres per unit, density in every rural designation is at least double the planned density.

The discussion about pre-GMA platted lots skewing the density figures for urban and rural growth is a rationalization that was rejected by the Growth Management Hearings Board in the past. The Board held that the County knew about the existence of these lots when it developed and adopted its Comprehensive Plan and thus the Plan should have dealt with them.

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4 I derived these figures by adding the unit and acreage totals for each UGA from Table 4u-5 on page 46 of Appendix 4E
Reasonable Measures

The data clearly demonstrate inconsistencies between actual and planned patterns of growth and the stated conclusions need to be revised to reflect this. Also, the discussion of reasonable measures cannot be limited to a commitment to monitor those already in effect in the hope that they will eventually prove successful. As the Hearings Board has found in the past, a list of existing measures will not satisfy the need to adopt additional measures to increase consistency (KCRP VI).

The deadline for adopting additional reasonable measures is the Plan Update deadline, June 30, 2016. But the BLR cannot comply with the GMA if it erroneously concludes that no inconsistencies exist and thus fails to identify the need for additional reasonable measures in the Plan Update.

There is ample time this early in the 2016 Plan Update process to identify and evaluate additional reasonable measures to achieve these targets and to adopt them as part of the plan and development regulations update. The question of whether or not the County must do so was settled by the courts years ago, so the only useful discussion at this point is what additional measures might be successful in closing the gap between planned and actual growth patterns and how to incorporate them into the plan update.

3. Text-Specific Comments

Executive Summary

Page 1

The statement of GMA purpose omits the requirements to compare actual growth and development trends with adopted targets and policies and, if there are inconsistencies adopt reasonable measures to correct them (see RCW 36.70A.215(4)). The “Overview” at the beginning of Chapter 1 – Introduction does a much better job of summarizing the requirements of RCW 36.70A.215. Perhaps some of that language could be used here.

Pages 1-2

Previous buildable lands reports were issued in 2002 and 2007, not 2000 as stated.

The bullet beginning at the bottom of Page 1 states that the urban share of new permitted housing units of 67% “still appears short of the adopted 76% CPP urban population growth target” (italics in original). The euphemism “appears” is inappropriate and the sentence should be restated without the equivocation. The question that must be answered to satisfy the statutory language of RCW 36.70A.215 is whether or not the evaluation “demonstrates an inconsistency between what has occurred” and planning targets. The 2014 BLR clearly demonstrates such an inconsistency when it finds that the urban share of growth of 67% falls short of the target of 76% by nine percentage points. The numbers are unambiguous and the summary text should be also.
It is certainly appropriate to note that the gap between the actual and targeted urban share of growth has narrowed, but the fact that it still exists should not be obscured with vague or subjective language. This is especially important as this demonstrated inconsistency has statutory consequences for the Plan Update, i.e. additional measures reasonably likely to increase consistency.

Kitsap Cities and UGAs achieved net platted densities from 2006-2012 that met or exceeded the planned densities indicated in the various jurisdictions’ comprehensive plans. With some very limited exceptions, net platted densities fell short of the target plan density.

These two sentences directly contradict one another and both are unsupported by the detailed data. Appendices for all jurisdictions except Bremerton show at least one residential plan designation in which average platted and/or permitted densities fell below minimums for the designation. For example, 17% of platted and 72% of permitted growth (by units) in the City of Bainbridge Island (Appendix 4A) occurred at densities below the planned density for their designations. The year-by-year format of the tables makes it necessary to do a fair amount of arithmetic to arrive at densities for zones across all seven years, but my tallies show significant proportions of growth, especially permits, occurring below planned densities.

Given the above, the “Urban Density Conclusions” (sic) that “In all jurisdictions, the average net platted densities of all final approved urban residential plats and condominiums met or exceeded adopted density targets” is simply not supported by the data. For example, the County’s Urban High designation has a planned density range of 19-30 du/acre but platted density of 16.21 du/acre.

The text does not include a corresponding conclusion about permitted growth which represents actual housing units built during the evaluation period, but the appendices document significant growth which averaged below minimum planned densities.

The data, if not the stated conclusions, demonstrate that the three inconsistencies between patterns of actual vs planned growth found in 2002 and 2007 are still occurring. This makes the conclusory statement about reasonable measures at the bottom of page 3 inadequate. The County is required to do more than monitor these inconsistencies, but must adopt additional measures with the 2016 Plan Update that are reasonably likely to increase consistency. Likewise, the significant surpluses of buildable urban residential land over and above forecast needs will require adjustment to urban boundaries - see RCW 36.70A.215(2)(d).

Chapter 1 - Introduction

Page 4
This is an excellent summary of the purpose and statutory requirements of the BLR, but with one omission: The report also must evaluate the urban/rural residential target - see RCW 36.70A.215(2)(a) and (b) and Kitsap County v. CENTRAL PUGET SOUND BOARD, 158 P.3d 638 (Wash. Ct. App. 2007).

Chapter 2 – Data Collection and Land Capacity Methods

This chapter provides an excellent readable overview of the methodology which should be comprehensible not only to technically savvy planners and GIS practitioners but to novices as well.

Kitsap County has, since at least 2006, taken the commendable action of adopting and applying a single land capacity analysis methodology for both the backward-looking BLR required by RCW 36.70A.215 and the forward-looking UGA sizing capacity analysis required by RCW 36.70A.110(2). This ensures consistency between what is planned and review of what actually takes place as plan updates and BLRs alternate over time. However, because the terminology is so similar, it is easy for even experienced readers to lose track of which evaluation purpose is being discussed. In their review of the 2006 plan update, even Hearings Board members found this difficult to follow.

A brief discussion of how the backward-looking application of the methodology for the BLR evolves into the forward-looking application to UGA-sizing decisions – from one 20-year planning period to the next - might be helpful, both here in the BLR and later in the land use chapter of the draft plan.

Chapter 3 – Countywide Population and Housing Growth

Page 13

The Washington State Growth Management Act (GMA) requires Kitsap County to plan for at least 20-years of population growth in its Comprehensive Plan. (bold emphasis added)

This statement is somewhat misleading. While the County may and probably should plan for a longer period than 20 years for some purposes, UGAs may only be sized for twenty years – see RCW 36.70A.110(2). The Hearings Boards have invalidated plans in the past that included UGAs sized for more than 20 years of growth.

Footnote #4 on Page 13

“2012 populations are based on OFM population projections.” Should this read “estimates” rather than “projections”?

Page 14

The 2035 growth target data on page 14 should be interpolated to the 2006-2025 planning period which forms the basis of the current plan. See discussion of growth targets above.

Pages 14-15

This is an excellent explanation of the complex housing-to-population methodology used by OFM. But I see one typo. The word “immigration” near the bottom of page 15 should read “in-migration”. The
difference is that the former denotes cross-border migration from one nation to another and the latter denotes migration (from whatever geography) into the county.

Figure 2 is labeled “Percentage of Urban Housing Units Compared to Rural” but the vertical axis is labeled with quantity rather than percentage and the bars themselves are not labeled with values as are the other bar charts on this page.

Chapter 4 – Population and Housing Analysis by Jurisdiction

These subchapters are well laid out and the data clearly presented. But they evaluate capacity to accommodate growth for the wrong planning period. Also, the data contained in these appendices do not support the conclusions that growth has occurred consistent with plan targets.

Of particular concern is the unfounded and erroneous assumption that the low permitted densities which occurred in the unincorporated urban areas represent gross density and that a theoretical net density of twice that observed should be used to assess consistency with plan targets.

Chapter 5 – Commercial and Industrial Analysis

Again, this chapter is well written and presented, though I doubt that many economists would agree that “US economic growth rebounded in the summer of 2009” or that the lag in job growth was “local” to Kitsap County. By most accounts the recovery has been sluggish and largely “jobless” across the nation with the exception of the shale oil boom in the upper Midwest. But regardless of the characterization of the national economy, history has shown that population growth and decline follow employment growth and decline so a slow job market in Kitsap County means slow population growth even if this is a national rather than solely local trend.

As in Chapter 4 above, this chapter evaluates capacity to accommodate the wrong planning period. See discussion of growth targets above. The current tables and text should be suitable for transplant to the Land Use Element of the 2016 plan.

Appendix A – Land Capacity Analysis Methodology

This is far and away the best exposition of a County’s BLR/LCA methodology (and the Cities’ reasoned variations to it based on specific local circumstances) that I have seen. Inclusion of the specific syntax for each GIS query documents a repeatable methodology that sets a new bar for “showing your work”. County and city staff should be commended.

As to the substance of the methodology, the errors so hard fought over in years past are gone and the result is a reasonable and well-supported methodology.

Appendix B – Land Capacity Analysis by Jurisdiction
These are well presented and clear, presenting both detail and summary data upon which sound policy decisions may and hopefully will be made. Consistency with the format of the 2007 BLR will facilitate comparison. The demand analysis in this appendix should be transplanted to the Land Use Element of the 2016 plan and supply/demand analysis added for the 2006-2025 planning period.

Appendix C – Countywide Employment Capacity and Demand

Like Appendix B, the capacity data are well presented in sufficient detail for reasoned policy development. However, like Chapters 3-5 above, the demand projections are for the wrong planning period. The demand analysis in this appendix should be transplanted to the Land Use Element of the 2016 plan and supply/demand analysis added for the 2006-2025 planning period.

Appendix D: Procedures for Collecting Data

The procedures are reasonable and well presented. I would recommend two minor edits. First, the document should be edited to change from future to past tense to reflect how the data were collected rather than how future data collection was planned before the BLR was assembled. Second, data sources for plats, permits, etc. should be identified. Were plats obtained from the Auditor’s records or reported by each jurisdiction? Likewise, were permits tabulated by jurisdictions or obtained from the Assessor’s records? These may sound like arcane questions, but having done this research myself, I know that the currency and quality of the data are greatly influenced by their sources.

4. Conclusions:

The draft 2014 Buildable Land Report represents a significant improvement, both in substance and in professional presentation from its two predecessors. The final version will be something in which the County can take pride.

The two critical flaws I have identified above, evaluating demand from the wrong planning period and erroneously concluding that growth occurred consistent with plan targets (and thus omitting discussion of reasonable measures) can be corrected prior to release of the final document. I am confident that the DCD staff has the skill and professionalism to accomplish both.

Respectfully,

[Signature]

Jerry Harless

Cc: Katrina Knutson, DCD staff
    Kitsap County Planning Commission
    Kitsap County Board of Commissioners