CITY OF SEQUIM



Sequim Municipal Code – Chapter 18.21 Supplemental Housing Requirements

Agenda

Purpose and overview of Chapter 18.21

We will cover the Full Chapter 18.21 update

- 18.21.010 Purpose
- 18.21.020 Definitions
- 18.21.030 Residential Use Table
- 18.21.040 Residential Parking Requirements
- 18.21.050 Accessory Dwelling Units
- 18.21.060 Affordable Housing Exceptions
- 18.21.070 Temporary Housing on Religious Properties
- 18.21.080 Density Bonus for Housing on Religious Properties



Purpose

- The draft represents a **concentrated effort** to comply with WA's legislative updates that directly relate to housing provision.
- It adds new codes required by state law to address housing.
- The draft also incorporates these updates into existing codes by providing updates to use tables, definitions and repealing existing chapters of the SMC.
- Incorporates feedback from the development community, including our affordable/low-income housing developers and comprehensive plan update process.

Overview

Draft Chapter 18.21:

- Implements mandatory Washington State housing legislation and ensures consistency with RCW requirements, including:
  - Religious property allowances (temporary housing and density increases)
  - Required parking updates – consistent with state requirements for Sequim
  - Existing building conversions/updates for housing.
- Further defines the range of housing types allowed in Sequim, and required by the state, including:
  - Supportive & transitional housing
  - Co-living
  - ADUs
  - Housing in existing buildings
  - Emergency shelters
- Creates clear standards for affordable/low-income housing developers to apply for affordable housing exceptions.
- Establishes a regulated framework for temporary housing on religious properties that balances humanitarian needs and public health and safety.

18.21.010 Purpose

- **Draft:**
- Implements state-mandated housing legislation requiring local code updates.
- Establishes supplemental standards that apply citywide to residential development.
- Focuses on addressing specific housing needs identified by Washington law.
- Provides clear administrative processes for complying with state requirements.
- Supersedes conflicting provisions elsewhere in the SMC where applicable.
- Ensures local regulations remain consistent with Growth Management Act policies.
- **Impact:** This section establishes the policy basis for the city's housing code updates and clarifies that these codified housing requirements supersede conflicting local regulations. The primary impact is increased legal certainty and consistency in housing review by aligning Sequim's development code with mandatory state statutes, reducing the risk of noncompliance and appeal.

18.21.020 Definitions

- **Draft Code Introduces or Clarifies:**
- Defines a broad range of housing types required or protected under state law.
- Clarifies distinctions between supportive, transitional, emergency, and group housing.
- Expands the definition of household to include unrelated persons, per RCW.
- Aligns terminology directly with state statutes and licensing frameworks.
- Establishes income thresholds for affordable and low-income housing.
- Ensures consistent interpretation and application across all housing regulations.
- **Impact:** By aligning local definitions with state law and industry standards, this section reduces ambiguity in permit review and enforcement. The impact is more predictable application of housing regulations, fewer interpretive disputes, and improved consistency across zoning, building, and fire code reviews—particularly for supportive, transitional, and group housing types.

18.21.030 Residential Uses

- **Draft Code:**
- Implements state-authorized housing types across zoning districts via a use matrix.
- Allows co-living, supportive housing, and group housing consistent with RCWs.
- Limits supportive housing density to what the zoning district would otherwise allow.
- Enables new housing within existing buildings with substantial regulatory relief.
- Removes parking, density, design, and concurrency barriers for adaptive reuse projects.
- Protects existing nonconformities from blocking housing creation unless harm is shown.
- **Impact:** This section expands where and how certain residential uses may be established, particularly supportive housing, transitional housing, and adaptive reuse projects.

18.21.040 Residential Parking Requirements

- **Draft Code:**
- Aligns parking standards with state parking reform requirements.
- Allows flexible parking configurations, including tandem and alternative surfaces.
- Permits existing gravel parking to count toward minimums (with limits).
- Caps standard stall sizes to prevent overbuilding of parking.
- Allows grass block pavers to meet parking requirements.
- Eliminates parking requirements for permanent supportive housing.
- **Impact:** The amount of parking required remains unchanged for market-rate development, but this section implements the state's requirements for residential parking applicable to Sequim. In addition, this code removes parking requirements for permanent supportive housing projects.

18.21.050 Accessory Dwelling Units

- **Draft Code:**
- Allows up to two ADUs per lot wherever single-family housing is permitted.
- Removes deed restrictions, owner-occupancy rules, and long-term rental mandates.
- Prohibits frontage and street improvements as a condition of ADU approval.
- Eliminates parking requirements near major transit stops.
- Allows ADUs to be sold separately through condominiums (subject to state condominium laws or city's Binding Site Plan standards) or unit lot subdivisions (subject to ULS standards).
- Prohibits new Common Interest Communities from restricting ADU creation or sale.
- **Impact:** This section significantly lowers procedural and physical barriers to ADU construction by allowing multiple ADUs per lot, eliminating discretionary review, and removing off-site improvement requirements. The impact is increased production of small-scale housing units within existing neighborhoods while maintaining compatibility through existing development standards.

18.21.060 Affordable Housing Exceptions

- **Draft Code:**
- Authorizes types of development standard exceptions for qualifying affordable housing.
- Applies only to projects by public agencies, nonprofits, or subsidized housing providers.
- Allows relief from density, setbacks, height, parking, and use limitations.
- Requires City Council approval with detailed findings.
- Ensures affordability through recorded covenants lasting at least 50 years.
- Designed to complement—not replace—other housing incentives in the SMC.
- **Impact:** This section authorizes targeted relief from development standards when necessary to facilitate affordable housing projects. The impact is increased feasibility of subsidized and nonprofit housing developments by allowing flexibility in density, setbacks, parking, and design standards, while retaining protections for critical areas, shorelines, and public health and safety.

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18.21.070 Temporary Housing on Religious Properties

- **Draft Code:**
- Implements RCW 35A.21.360 allowing religious organizations to host temporary housing.
- Requires a temporary use permit and neighborhood engagement.
- Establishes detailed health, safety, fire, and sanitation standards.
- Allows outdoor encampments, safe parking, small houses, and indoor shelters.
- Requires memorandums of understanding with managing agencies and the City.
- Limits permits to one year, with extensions and revocation authority.
- **Impact:** This section implements state law allowing religious organizations to host temporary housing while establishing clear operational and site standards. Creates a predictable and regulated pathway for temporary housing.

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18.21.080 Density Bonus for Housing on Religious Properties

- **Draft Code:**
- Implements state law allowing density bonuses for affordable/low-income housing on religious land.
- Caps bonuses at 25 percent above base zoning density.
  - State does not set an amount, and just states, “consistent with local needs”.
- Applies only to affordable/low-income housing projects.
- Allows projects needing greater relief to use the Affordable Housing Exception process.
- Integrates with broader housing incentive framework in the SMC.
- **Impact:** This section incentivizes affordable housing development on religious property by allowing modest density increases. The impact is a potential increased housing capacity without rezoning, while ensuring that affordability commitments are maintained and infrastructure impacts remain manageable.

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New Chapter 18.21 – Key Takeaways Summary

Topic	January 2026 Draft Title 17
Purpose	Implements state housing laws and supersedes conflicting local regulations.
Definitions	Establishes state-aligned definitions for diverse residential and supportive housing types.
Residential Uses	Authorizes new housing types and removes barriers for adaptive reuse.
Residential Parking Requirements	Reduces parking requirements to support housing feasibility and affordability.
Accessory Dwelling Units	Allows up to two ADUs per lot with minimal regulatory barriers.
Affordable Housing Exceptions	Permits targeted development standard exceptions for qualifying affordable housing.
Temporary Housing on Religious Properties	Allows regulated temporary housing on religious property with health safeguards.
Density Bonus for Religious Property Housing	Grants density bonuses for affordable housing on religious property.

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Schedule

Dev Regulations Update

- Feb. 3: Chapter 18.21 Special Housing Requirements
- Feb. 10: Chapter 18.21 if needed
- Feb. 17: PC Public Hearing