DEPARTMENT OF COMMUNITY DEVELOPMENT
Sequim Civic Center
152 W. Cedar Street, Sequim, WA 98382

To: Sequim City Council
From: Travis Simmons, Senior Planner
Karla Boughton, DCED Director
Date: March 16, 2026
Subject: Draft Chapter 18.21 Supplemental Housing Requirements – City Council Public Hearing Staff Report

Planning Commission recommends approval of 2026 Development Code Update – SMC Chapter 18.21 Supplemental Housing Requirements as set forth in Exhibit A to this staff report.

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1.0 Background and Proposed Code Amendments

The City of Sequim is proposing updates to Title 17 - Land Divisions and a new zoning chapter, Title 18, Chapter 18.21-Supplemental Housing Requirements, as part of its periodic Growth Management Act (GMA) update. This amendment package is the first phase of a multi-year code update effort, with additional amendments planned for 2026 and 2027.

Draft SMC Chapter 18.21 – Supplemental Housing Requirements
Draft Chapter 18.21 consolidates required state housing law updates into a single zoning chapter and is proposed alongside the Title 17 Land Division update to ensure clear, consistent procedures. The chapter modernizes residential use regulations, treats supportive, transitional, and emergency housing as residential uses, and updates definitions, parking, ADUs, and housing within existing buildings to align with state law. It also includes optional affordable housing exceptions to help reduce barriers to low-income housing and support Sequim's long-term housing needs.

This code amendments are being presented parallel with the City's 2025 Comprehensive Plan Update and reflect a combination of policy implementation, legislative compliance, and code administration objectives. While these amendments are separate from the formal adoption of the Comprehensive Plan, they are a key step in ensuring that the City's development regulations remain aligned with state requirements and best practices in municipal planning.

2.0 Planning Commission Review Process

The Planning Commission, in its role as the City's land use advisory committee, reviewed the initial Draft Chapter 18.21 at the following meetings:

- January 6, 2026 – Draft Title 17 Land Divisions: Sections 17.10 through 17.50
- January 20, 2026 – Draft Title 17 Land Divisions: Sections 17.60-17.110
- February 3, 2026 – Draft Chapter 18.21 Supplemental Housing Requirements
- February 17, 2026 – Planning Commission Public Hearing

At the January-February 3, 2026 meetings, the Planning Commission identified modifications to the draft documents. These modifications were captured in the Planning Commission Redlined Draft Title 17 and Chapter 18.21. Modifications identified by the Planning Commission were shown as orange underline for new language or additions or orange ~~strikeout~~ for deletions. Staff recommended additions or deletions are red underline or ~~strikeout~~, for Planning Commission consideration. These redlined version drafts are available for review at the City of Sequim website, search Development Code Update.

At conclusion of the February 17, 2026 public hearing, the Planning Commission voted to recommend with modifications, the Planning Commission Redlined Version Draft Title 17, as

well as revisions identified in the staff report. These modifications are incorporated as a 'clean' Planning Commission recommended Draft Title 17 Land Divisions.

3.0 Process to Date

Sequim Municipal Code Draft Title 17 Land Division and Draft Chapter 18.21 Supplemental Housing Requirements	
January 2, 2026	Public Release of Draft Title 17 Land Division and Summary Memo posted on website
January 3, 2026	Planning Commission packet posted on website for January 6, 2026 meeting
January 6, 2026	Planning Commission Meeting – Draft Title 17, Sections 17.10-17.50
January 15, 2026	Washington State Department of Commerce notification
January 16, 2026	Planning Commission packet posted on website for January 20, 2026 meeting
January 20, 2026	Planning Commission Meeting – Draft Title 17, Sections 17.60-17.110
January 22, 2026	Developers' Forum held at Sequim Civic Center
January 23, 2026	Public Release Draft Chapter 18.21 Housing Focused posted on website
January 23, 2026	Notice of Code Amendments published in Peninsula Daily News
January 23, 2026	SEPA Threshold Determination published in Peninsula Daily News; submitted to Department of Ecology SEPA Register; Distributed to SEPA list
January 30, 2026	Planning Commission packet posted on website for February 3, 2026 meeting; Planning Commission Redlined Draft Title 17 Land Divisions posted on website
February 3, 2026	Planning Commission Meeting – Chapter 18.21 Supplemental Housing Requirements
February 3, 2026	Planning Commission Public Hearing Notice published in Peninsula Daily News and posted on website
February 5, 2026	Planning Commission Redlined Draft Chapter 18.21 Supplemental Housing Requirements posted on website
February 9, 2026	Planning Commission Public Hearing Staff Report posted on website
February 9, 2026	SEPA Comment Period over
February 12, 2026	Planning Commission packet posted on website for February 17, 2026 meeting
February 17, 2026	Planning Commission Public Hearing – Draft Planning Commission Redlined Title 17 and Chapter 18.21
February 23, 2026	City Council 1st Touch
March 9, 2026	City Council 2nd Touch - Waived

4.0 Public Comment Received to Date

One public comment letter has been received as of date of this staff report (March 15, 2026) and is included as Exhibit D. Summary of comments:

a. Minimum Parking Requirements – A request was made for the City to consider adopting the full parking requirements of RCW 35.21.994 in the downtown and PRC zones.

Staff Response:

Comment a.: At this time, Staff does not recommend adopting additional required parking restrictions as vehicular traffic and parking remain a priority for the community. Staff has included the minimum state requirements for residential parking with additional relief for Supportive Housing developments and ADUs.

5.0 Review Criteria and Recommended Findings

Development code amendments to the Sequim Municipal Code are processed according to the provisions of Chapter 18.88.

- Section 18.88.030 classifies code text amendments not in combination with comprehensive plan amendments as Type I Amendment type.

- Section 18.88.040.C Standards for Review for Type I amendments:
  1. The proposed land use designation shall be found to be consistent with the comprehensive plan and the comprehensive plan optimum land use map.

- Section 18.88.060.E requires the Planning Commission to hold a public hearing for Type I amendments, receive comments and testimony, and prepare a recommendation to the city council. The planning commission shall recommend approval if the commission finds the amendments meet the criteria for approval in SMC 18.88.040.C.

- The City Council shall hold a public hearing and take action through an adopting ordinance.

Planning Commission Findings:

1. The Planning Commission, in its role as the City's land use advisory committee, has reviewed draft code amendments to the Sequim Municipal Code: a new chapter in Title 18, Chapter 18.21 – Supplemental Housing Requirements. No amendments to the land use map are included.
2. The Planning Commission held three meetings prior to the public hearing to ensure thorough review. During these meetings, the Planning Commission identified modifications to the initial draft. These modifications are documented in the Planning

Commission Redlined Drafts Title 17 Land Divisions and Chapter 18.21 Supplemental Housing Requirements (dated February 2026).

3. A Planning Commission public hearing to receive comments and testimony was held on February 17, 2026. The Planning Commission forwarded a motion to recommend the draft to City Council for review.
4. The proposed new Chapter 18.21 Supplemental Housing Requirements are consistent with the criteria of SMC 18.88.040.C as consistent with the comprehensive plan housing policies, by:
    a. Ensuring consistency with state housing mandates; and
    b. Supporting variety of housing types and affordability; and
    c. Offering incentives and flexibility for low-income and supportive housing provision and providers; and
    d. Providing updated and modernized code to encourage predictable and clear administration.

6.0 City Council First Touch

The City Council held a first touch meeting on Monday February 23, 2026 and reviewed the Draft Chapter 18.21. The Council made a motion to waive their second touch that was tentatively scheduled for Monday March 9, 2026 and directed Staff to schedule the Public Hearing on Monday March 23, 2026.

7.0 City Council Public Hearing

The City Council Public Hearing is scheduled for Monday, March 23, 2026, starting at 6 p.m. at the Civic Center, 152 W. Cedar Street, Sequim. Interested persons may attend this meeting in person, view it online at https://www.sequimwa.gov/319/Attending-a-Council-Meeting (click on the link Join the meeting now), or by phone by calling (253) 363-9585 and entering Phone conference ID 702 678 272#. Any person may appear and be heard. To provide a remote public comment via Teams or phone, fill out the request form here: https://www.sequimwa.gov/1219/Submit-Public-Comments. Written public comments can be sent to clerk@sequimwa.gov or by regular mail addressed to the Sequim City Clerk, Sequim Civic Center, 152 W. Cedar Street, Sequim, WA 98382, and will be distributed to the Council before the meeting. Any person needing special accommodation to attend should contact the Sequim City Clerk.

8.0 Proposed Motion

MOVE to (approve) OR (approve with modifications) an ordinance adopting Draft Title 18.21 Supplemental Housing Requirements and ancillary updates as identified in agenda packet attachments. (See also Council Agenda cover sheet).

9.0 List of Exhibits

A. PC Redlined Version Draft Chapter 18.21 – Public Hearing Draft February 2026
B.1 Ancillary Code Exhibit 18.08 Definitions

B.2 Ancillary Code Exhibit 18.66 Accessory Dwelling Units
C. Proposed SMC Chapter 18.21 Supplemental Housing Requirements Overview Memo
D.1 Public Comment 1 – Tierney
D.2 Public Comment 2 - Nielson
E. Noticing Documents
E.1 Affidavit of Publishing – Notice of Development Code Amendments
E.2 Commerce Submittal Receipt Email
E.3 Planning Commission Public Hearing Notice Publication Affidavit
E.4 City Council Public Hearing Notice Publication Affidavit
F.1 SEPA Environmental Checklist
F.2 SEPA Threshold Determination
F.3 SEPA Register Posting
F.4 Affidavit of Publishing – SEPA Determination

All Exhibits are available on the City's Development Code Update webpage as well.