CITY OF SEQUIM

EXHIBIT A
Draft 2025 Comprehensive Plan + Appendices
Proposed Revisions Crosswalk

Draft 2025 Comprehensive Plan Proposed Revisions

The proposed revisions reflect an evaluation of the Draft Comprehensive Plan and are intended to clarify or strengthen plan language, address relevant Growth Management Hearings Board decisions, and respond to issues raised during the public review process. Many revisions stem from written public and agency comments; each suggestion was reviewed and evaluated, although recommended revisions may differ from the specific language proposed.

The following table consolidates revisions identified in September 1, 2026 Staff Report Exhibit F and revisions identified in the 2025 Comprehensive Plan Periodic Update Issues and Response Memo, dated September 29, 2026.

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
Acknowledgements			
CoS Staff	Acknowledgements, Page 2	City Council Vicki Lowe, Position 3 City Staff Scott Radden, Senior Planner + GIS Katie Cole, Project Engineer	City Council Pete Tjemsland, Position 3 City Staff Scott Radden, Former Senior Planner + GIS Katie Cole, Former Project Engineer
Chapter 2 Land Use			
Agency Comment #16 DNR	Chapter 2: Land Use	Add to 2.1 Plan Context, second paragraph	The Land Use goals and policies outlined in this chapter will achieve Sequim's vision by providing for planned growth that contributes and enhances Sequim's unique and special character. Further, the policies in this chapter work in tandem with the 2045 Comprehensive Future Land Use Plan Map, Figure LU-1, which illustrates the location of various land use categories. Critical areas protection, climate resilience, and hazard mitigation are integrated

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			land use considerations and are addressed in the Natural Environment and Climate and Resilience Chapters.
Agency Comment #57 WDFW	Chapter 2: Land Use	Add to Policy LU-2.3	**Policy LU-2.3**: Recognize Sequim's attractive natural setting that contributes to the City's "small town" appearance, while maintaining its ability to accommodate population growth. As it is with the City's legal authority, encourage the retention, protection and connection of open areas through critical area protection or other appropriate regulatory authority.
Public Comment #38.A Tierney	Chapter 2: Land Use	Add to Policy LU-4.3	**Policy LU-4.3** Promote a Northwest architectural character and landscaped amenities in commercial development that enhances existing commercial areas, while reinforcing Downtown's pedestrian-friendly design and creating a cohesive, attractive built environment for residents and visitors.
Public Comment #38.A Tierney	Chapter 2: Land Use	Add to 2.2.8 Master Plan Narrative	The Master Plan zoning overlay is intended for property that would benefit from coordination with the City for future development. The Master Plan will be an integrated document that, when adopted, will define the development of the subject property. At a minimum, a Master Plan will identify proposed land uses, densities, public areas, drainage and transportation provisions, environmental and

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			critical areas protection, design guidelines, anticipated phasing plan, appropriate mitigations, and affords the property owner, community, and City predictability for the project's implementation.
Public Comment #38.A Tierney	Chapter 2: Land Use	Add to Policy LU-9.2	**Policy LU-9.2** Annexation of large areas is encouraged, although individual property owners should not be prevented from pursuing annexation. When possible, annexations should consider including both sides of streets and roads, including right-of-way and utility easements to support cohesive service delivery and neighborhood connectivity.
Public Comment #38.A Tierney	Chapter 2: Land Use	Add to Policy LU-11.2	**Policy LU-11.2** Implement regulations that avoid, minimize, and mitigate erosion, sedimentation, and stormwater runoff problems related to land clearing, grading, development, and roads. Encourage on-site infiltration of stormwater.
Public Comment #26 Soule and #38.A Tierney	Chapter 2: Land Use	Add to Policy LU-12.3	**Policy LU-12.3** Develop and implement a proactive water use efficiency and conservation program, based upon the goals and recommendations identified ~~set forth~~ in the City's most current water system plan, City climate and sustainability studies, and other relevant City reports. Support public education

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			and outreach on water-efficient practices and conservation opportunities.
Chapter 3 Community Character			
Public Comment #38.A Tierney	Chapter 3: Community Character	Add to Policy CC-1.4	**Policy CC-1.4** Design and build Sequim's public buildings with quality, sustainable materials and construction techniques to serve as a model to the community, ~~and~~ to enhance their function as community gathering places, and encourage site and building design that enhances Sequim's natural features.
Public Comment #38.A Tierney	Chapter 3: Community Character		**New Policy CC-4.5** Encourage and support volunteer opportunities and programs that improve business frontages, assist with exterior maintenance and enhance the care and maintenance of publicly landscaped areas.
CoS Staff in response to multiple public comments	Chapter 3: Community Character		**New Policy CC-6.8** Recognize the Sequim-Dungeness Valley's agricultural heritage and its continuing contribution to community identity, local food production, education, tourism, and economic vitality. Support opportunities for interpretation, public art, events, wayfinding, and partnerships.
Chapter 4 Housing			
Public Comment #38.A Tierney	Chapter 4: Housing	Define STEP Housing, page 38	**Section 4.1.1, third paragraph**

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			Appendix A to the Comprehensive Plan includes additional documents and analysis that, when combined with this chapter, meet the GMA requirements for Housing Element. Included in Appendix A is a Housing Needs Assessment (A-1), Adequate Provisions (A-2), Land Capacity Analysis (A-3 including capacity by income band and STEP (Shelters, Transitional, Emergency and Permanent Supportive) housing, and Racially Disparate Impacts analysis (A-4). As recommended by Department of Commerce, below is a summary of the documents in Appendix A…
Public Comment #38.A	Chapter 4: Housing	Add verb	**Section 4.2.1, second sentence** As Sequim continues to grow, encourage and provide for ~~providing~~ a range of housing options—such as single-family homes, townhomes, cluster housing, small, mid- and high-rise multiplexes, accessory dwelling units, and mixed-use.
Public Comment #39 J.Tierney	Chapter 4: Housing		**New Policy H-1.5** Monitor and periodically update data on housing types, household characteristics, rental housing, affordability, vacancy rates, and other indicators identified in Appendix A-1 Housing Needs Assessment, to evaluate changing housing needs and inform City policies and regulations.

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
CoS Staff in response to Commissioner Fane comments	Chapter 4: Housing	Add to Policy H-4.4	**Policy H-4.4:** Promote and encourage, and where feasible participate in, partnerships with private developers, property owners, nonprofit organizations and housing authorities, faith-based organizations and other providers to provide housing and home ownership opportunities for low- and moderate-income households, including shared or limited-equity housing, lease-purchase options, co-living, and land trusts and cooperatives.
CoS Staff in response to Commissioner Fane comments	Chapter 4: Housing	Add to Policy H-4.6	**Policy H-4.6:** Continuously evaluate ~~additional~~ local, state, federal, nonprofit and private-sector opportunities ~~options~~ to address affordable housing funding gaps, including as appropriate, ~~such as~~ an affordable housing property tax levy or credit, grants, fee reductions or credits, surplus land donation, multifamily tax exemption, infrastructure assistance and other authorized funding tools ~~as appropriate~~. Support low- and moderate-income housing funding opportunities through available non-profit, state, and federal programs.
CoS Staff in response to Commissioner Fane comments	Chapter 4: Housing	Add to Policy H-4.10	**Policy H-4.10:** Recognize ~~Acknowledge~~ that housing affordable to households ~~residential development that serves households~~ below 50% AMI will likely need assistance beyond market-rate development, such as direct

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			government-assisted housing programs, subsidies or funding mechanisms, partnerships with affordable housing developers, and public or donated land contributions.
CoS Staff in response to Commissioner Fane comments	Chapter 4: Housing	Add to Policy H-6.3	**Policy H-6.3:** Review and update the City's permit procedures to improve permit timelines and minimize additional costs to housing provision. Evaluate the creation of pre-approved or permit-ready building plans and other administrative tools to facilitate lower-cost housing types, ensuring consistency with applicable health, safety, utility, installation and building code requirements. ~~building plans to incentivize desired housing types.~~
Chapter 5 Transportation			
Public Comment #39 Tierney	Chapter 5: Transportation		**New Policy TR-2.6** Encourage the use of drought-tolerant, climate-adapted trees and landscaping within public rights-of-way, where feasible, to conserve water, enhance streetscapes, support urban tree canopy, and reduce long-term maintenance needs.
Public Comment #38.A Tierney	Chapter 5: Transportation	Add to Policy TR-14.5	**Policy TR-14.5** Develop special event ~~festival~~-specific parking and circulation management plans for recurring events that affect public streets, public parking and/or emergency access. ~~plans~~

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			~~to address parking and circulation needs for recurring festivals.~~
Chapter 6 Capital Facilities and Utilities			
CoS Staff in response to multiple public comments; as identified in Issues and Response Memo	Chapter 6: Capital Facilities		**New Policy CF-1.2:** Coordinate with healthcare providers, public-health agencies, emergency medical-service providers, Tribal healthcare providers, and regional partners to support healthcare and medical-service access needs associated with population growth, demographic change, emergency preparedness, and climate-related hazards.
Public Comment #38.A Tierney	Chapter 6: Capital Facilities	Add to Policy CF-3.3	**Policy CF-3.3** Impacts of development on public utilities occur at the same time as occupancy of development authorized by a final development permit. Verification of adequate public utilities will be required at the time of a building permit.
Public Comment #38.A Tierney	Chapter 6: Chapital Facilites	Add to Policy UT-1.11	**Policy UT-1.11** Implement programs, projects, and maintenance measures to ensure compliance with the applicable Washington State Department of Ecology NPDES permit requirements.
Chapter 7 Parks and Open Space			

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
Agency Comment #16 DNR and #57 WDFW	Chapter 7: Parks and Open Space	Add to Policy POS-2.6	**Policy POS-2.6** Designate and retain wetlands, stream corridors, floodplains, and other critical areas that provide essential habitat for priority plant or wildlife species as passive open space, such as the Johnson and Bell Creek corridors, which can contribute to habitat connectivity and reduced fragmentation.
Agency Comment #57 WDFW	Chapter 7: Parks and Open Space	Add to Policy POS-3.4	**Policy POS-3.4** Locate trails in areas that are important to preserve and connect as open spaces, such as wooded areas, drainage corridors, shorelines, scenic vistas, and others. Locate trails along drainage corridors, when possible, to do so without degrading the environmental functions and values of the area.
Public Comment #39 Tierney and Commissioner Fane; as identified in the Issues and Response Memo	Chapter 7: Parks and Open Space	Add to Policy POS-4.8	**Policy POS-4.8:** Limit the use of pesticides for vegetation management in public parks and open spaces as appropriate, encourage integrated pest-management practices, use of the least-toxic effective methods where practicable, and environmentally sensitive application and maintenance practices.
Public Comment #70 Weber	Chapter 7: Parks and Open Space	Add to Policy POS-5.9	**Policy POS-5.9** Explore opportunity ~~revisions to the Sequim Municipal Code (SMC)~~ to replace open space requirements for residential developments

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			with an in-lieu fee. If an in-lieu fee is decided, the funds should be designated for public parks, trails, shoreline access, and open space acquisition and amenities.
Public Comment #39 Tierney	Chapter 7: Parks and Open Space	Add to Policy POS-5.10	**Policy POS-5.10** Consider incentives in development standards to encourage developers to provide pocket parks, plazas, courtyards, raingardens and pedestrian connections.
Chapter 8 Economic Development			
Public Comment #38.A Tierney	Chapter 8: Economic Development	Add to Policy ED-6.3	**Policy ED-6.3** Maintain and implement programs specifically designed to improve Sequim's community appearance, including consideration of ~~(i.e.~~ litter and weed abatement, and property maintenance.~~)~~
Chapter 9 Natural Environment			
Public Comment #25 Corrado	Chapter 9: Natural Environment	Add to Policy NE-1.2	**Policy NE-1.2** Maintain regulations such as the Critical Areas Ordinance (CAO), which provide protection for all regulated critical areas – a) wetlands; b) areas with a critical recharging effect on aquifers (aquifer recharge areas); c) frequently flooded areas; d) fish and wildlife habitat conservation areas; and e) geologically hazardous areas. • The City's CAO development standards shall incorporate and utilize

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			appropriate and applicable Best Available Science (BAS) for purposes of designating and protecting all regulated critical areas and give "special consideration" to conservation and protection measures for anadromous fisheries. • Provide provisions for reasonable use of property according to legal precedent and laws within the CAO. • The City shall utilize qualified third-party environmental consultants and, as appropriate, coordinate with state agency technical resources to support consistent implementation of the Critical Areas Ordinance and application of Best Available Science.
Public Comment #2 Tierney	Chapter 9: Natural Environment	Add to Policy NE-1.5 to add wildlife	**Policy NE-1.5:** Support environmental stewardship on private and public lands through partnerships and voluntary efforts to protect, restore and enhance the quality and functions of the City's critical areas, wildlife and associated buffers.
Public Comment #38.A Tierney	Chapter 9: Natural Environment	Add to Wetland narrative	Wetlands reduce floods, contribute to stream flows, improve water quality, provide fish and wildlife habitat, and offer opportunities for research and scientific study and outdoor education. Each wetland provides various

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			beneficial functions, but not all wetlands perform all functions, nor do they perform all functions equally well. Large wetlands, and those hydrologically associated with lakes, ~~and~~ streams and shorelines, have relatively more important functions in the watershed than small, hydrologically isolated wetlands.
Public Comment #25 Corrado	Chapter 9: Natural Environment	Add to Policy 2.4	**Policy NE-2.4** Promote the public awareness of the role of wetlands in climate adaptation through their function in flood reduction, water storage and groundwater recharge. Provide public education through the City website, printed handouts, links to relevant Washington State Department of Ecology wetland resources, and other outreach methods.
Public Comment #25 Corrado	Chapter 9: Natural Environment	Add to Policy NE-5.1	**Policy NE-5.1** The Critical Areas Ordinance provides standards that assist in protecting human life, property and essential services from potential geologic hazards. Site-specific studies submitted with development proposals in areas mapped as geologically hazardous areas are required to evaluate the risk, potential impacts, and identify necessary mitigations measures, such as setbacks, site design and construction practices identified through the

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			site-specific study to minimize risks. ~~of the proposed development.~~
Agency Comment #57 WDFW Public Comment #38.A Tierney	Chapter 9: Natural Environment	Add to Policy NE-6.1	**Policy NE-6.1** The City's Critical Areas Ordinance requires vegetative buffers along surface waters to protect streams, anadromous fish, bird and wildlife habitat. New development is subject to buffers or resource management areas, as identified in the Critical Areas Ordinance and other applicable development standards.
Public Comment #56 Corrado	Chapter 9: Natural Environment	Add to Policy 6.2	**Policy NE-6.2** Protect the natural habitat functions of listed or candidate Endangered Species. The City's Critical Areas Ordinance establishes appropriate vegetative buffers, protection measures and procedures for habitat conservation.
Public Comment #26 Soule	Chapter 9: Natural Environment	Section 9.2.2 - Aquifer Recharge Areas, bottom of page 92 "ground water" and "digression"	Low vulnerability is indicated by land uses that do not contribute contaminants that degrade groundwater and those conditions that do not facilitate ~~digression~~ degradation.
Public Comment #2 Tierney	Chapter 9: Natural Environment	Add to Policy NE-6.3 support for migratory birds and other wildlife.	**Policy NE-6.3:** Encourage public-private partnerships and voluntary efforts to protect, restore, and enhance fish, migratory birds and wildlife habitat.
Public Comment #70 Weber	Chapter 9: Natural Environment	Add to narrative in Section 9.2.3 second paragraph	The overarching policy is that "the public's opportunity to enjoy the physical and aesthetic qualities of natural shorelines of the state are

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			preserved to the greatest extent feasible, consistent with the overall best interest of the state and the people generally." Coordinated planning is necessary to protect the public interests associated with the shorelines of the state, while, at the same time, recognizing and protecting private property rights. The City's Shoreline Master Program (SMP) implements and supports these state policy objectives through goals, policies and development standards specific to the shoreline. Additionally, the SMP includes public access policies and provisions, which encourage and protect opportunities for physical and visual access to shorelines.
Public Comment #70 Weber	Chapter 9: Natural Environment	Add to Section 9.2.3, third paragraph	The City's shoreline jurisdiction includes all shorelines, which are in the eastern portion of city limits. As required by the SMA, the City has established shoreline environment designations, which serve as an "overlay" to the City's Comprehensive Plan land use designations. These designations are applied to specific shoreline areas to guide the use and development of these areas. There are ~~five~~ six environments applied to the City's shorelines – Urban, Urban Conservancy, Research District, Shoreline Residential, Natural and Aquatic;

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			these environments have been mapped in the City's ~~Shoreline Master Program (~~SMP~~)~~, available on the City of Sequim's website. The goals and policies specific to the ~~City's~~ Shorelines within the city are ~~also~~ included in the SMP and are incorporated into this element by reference.
Agency Comment #16 DNR	Chapter 9: Natural Environment	Add note on Figure NE-2	Add note on Figure NE-2 to state Areas of Geologic Concern are included within Geologic Hazards identified on the figure.
Chapter 10 Climate and Resiliency			
CoS Staff based on Commerce email	Chapter 10: Climate and Resiliency Section 10.1.3 Clallam County's Hazard Vulnerability and Risk Assessment, pages 107-108	Comment was on green color used for Low-Moderate Adaptative Capacity in Exhibit CR-2 and CR-5 and may not accurately illustratively reflect the risk.	Change green to gold, to align closer with Moderate Adaptative Capacity color, in Exhibits CR-2 and CR-5.
Public Comment #26 Soule	Chapter 10: Climate and Resiliency	Add to Section 10.2.1 Water Resources	As regional precipitation patterns shift and mountain snowpack is reduced, the City should plan for more variable and extreme conditions affecting local water supply. A climate-resilient future includes management of water resources through conservation, reuse, stormwater integration, ~~and~~ sustainable landscaping practices, and working cooperatively with water resource partners in

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			the Dungeness Watershed while retaining the City's decision-making authority.
Public Comment #26 Soule	Chapter 10: Climate and Resiliency	Add to Policy CR-1.2	**Policy CR-1.2** Manage water resources sustainably by integrating effective stormwater practices, preventative system maintenance, water conservation measures, increased reclaimed water use, climate-appropriate plant selection, ~~and~~ responsible landscape management, and working cooperatively with water resource partners in the Dungeness Watershed while retaining the City's decision-making authority.
Public Comments #60, 62, 64.A and Commissioner Fane; as identified in the Issues and Response Memo	Chapter 10: Climate and Resiliency	Add to Policy CR-1.3	**Policy CR-1.3**: Support the expanded use of reclaimed water from its water reclamation system as a sustainable and climate-resilient resource. The City will prioritize water reuse for potable and non-potable applications such as irrigation, landscaping, groundwater recharge, and environmental restoration, where technically and economically feasible and consistent with applicable state permits, water quality requirements, and protection of public health and the environment. Promote educational materials that highlight the benefits and safety of reclaimed-water use and help encourage its implementation in private development.

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
Agency Comment #57 WDFW	Chapter 10: Climate and Resiliency	New Policy	**Policy CR-2.4:** Implement as appropriate, actions identified in salmon recovery plans to improve the climate resilience of streams and wetlands.
Public Comment #38.A Tierney	Chapter 10: Climate and Resiliency	Typo in Section 10.2.5 Emergency Management narrative.	The City is part of the emergency responder network that responds to climate-related and other disasters. Utility infrastructure is some of the most at-risk facilities relative to climate threats like wildfires, more volatile storms, and sea level rise. As climate-related disasters increase, the City must also increase coordination with the regional emergency response network including utility providers, prepare to support citizens in the wake of disasters, and inventorying/assessing current weak points in the infrastructure system to be fully prepared for climate-related emergencies.
Public Comment #38.A Tierney	Chapter 10: Climate and Resiliency	Add to Policy CR-5.6	**Policy CR-5.6** Coordinate with utility providers and support efforts to ensure energy infrastructure is capable of withstanding extreme weather events or natural disasters. Vulnerable systems should be replaced and/or retrofitted to increase reliability. Landscaping and trees shall be placed to avoid interference with utility infrastructure.

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
Appendix A-1, A-2, A-3 and A-4			
CoS Staff and as identified in the Issues and Response Memo	Appendix A-1, A-2, A-3 and A-4		Revisions proposed by Leland Consulting Group in Appendices A-1 through A-4, and are found as attachments to this document.
Appendix B-1 Capital Facilities Plan			
Planning Commissioner Mahalick	Section 1: Introduction	N/A	Add an Acronyms and Abbreviations table, after Table of Contents; see below, after crosswalk.
CoS Staff	Section 6. Water System 2045 Projected Water Usage	Last sentence on page 15, "…more conservation than the City's…"	Change conservation to conservative: "…more conservative than the City's…"
CoS Staff	Section 6. Water System	N/A	Add to end of section on page 20, after Water Facilities Funding Strategy, the following paragraph (which is also included in Sanitary Sewer): **"System Expansion Projects Funding** For future proposed residential or commercial developments that currently do not have the City's water system readily available, the City generally requires the developer or landowner to pay all costs associated with designing, engineering, and constructing the extension to City standards. The City also requires the developer/landowner to turn over and dedicate any capital facilities such as main lines

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
			or booster stations to the City, at no cost. The City anticipates this process will be used more often to serve development occurring throughout the underdeveloped areas of the city and the urban growth area."
CoS Staff	Section 7. Sanitary Sewer System	On page 22, sentence before Table CFP-7, "The following project have been identified"	Change to: "The following projects have been identified: "
CoS Staff	Section 8. Stormwater Management System	N/A	Add to the end of the section on page 25 after Stormwater Facilities Funding Strategy: **"System Expansion Projects Funding** For future proposed residential or commercial developments that currently do not have the City's stormwater facilities readily available, the City generally requires the developer or landowner to pay all costs associated with designing, engineering, and constructing the extension to City standards. The City may require the developer/landowner to turn over and dedicate any capital facilities to the City, at no cost. The City anticipates this process will be used more often to serve development occurring throughout the underdeveloped areas of the city and the urban growth area."
Appendix C – Public Participation			

Proposed by or Responsive to Comment #	Chapter/Location	Original	Proposed Revision
CoS Staff	Section 4 – Public Participation Timeline	Phase 4 Draft Plan Review and Adoption July-September 2026 Page 6 July 30 Developers Forum – Future Land Use Map/Zoning Map, Title 18	Change date to: August 13 Developers Forum – Title 18, Zoning Map

Acronyms and Abbreviations to be added at the beginning of Appendix B-1 Capital Facilities Plan.

Acronym	Meaning
AA	Annual Average
AAF	Annual Average Flow
AC	Asbestos Cement
BOD	Biochemical Oxygen Demand
BMPs	Best Management Practices
CIPP	Cured-in-Place Pipe
ECC	Emergency Coordination Center
EMS	Emergency Medical Services
EP&O	Educational Programs and Operations
ERU	Equivalent Residential Unit
GFCs	General Facilities Charges
gpd	Gallons per day
gpm	Gallons per minute
HCM	Highway Capacity Manual
LF	Linear Feet
MG	Million Gallons
MGD / mgd	Million Gallons per Day

MM	Maximum Month
MMF	Maximum Month Flow
NPDES	National Pollutant Discharge Elimination System
ODT	Olympic Discovery Trail
O&M	Operations and Maintenance
Ped	Pedestrian
PHF	Peak Hour Flow
ppd	Pounds per day
PRV / PRVs	Pressure Reducing Valve / Pressure Reducing Valves
PVC	Polyvinyl Chloride
PUD	Public Utility District
RAB	Roundabout
RCW	Revised Code of Washington
REET	Real Estate Excise Tax
RH2	RH2 Engineering, Inc.
RM	River Mile
SEPA	State Environmental Policy Act
SSWMP	Storm and Surface Water Master Plan
TAZs	Transportation Analysis Zones
TMP	Transportation Master Plan
TSS	Total Suspended Solids
WRIA	Water Resource Inventory Area
WSDOT	Washington State Department of Transportation

Attachment A
Revisions to Appendices A as recommended by Leland Consulting Group

Appendix A-1	Housing Needs Assessment
Appendix A-2	Land Capacity Analysis
Appendix A-3	Adequate Provisions Analysis
Appendix A-4	Racially Disparate Impacts Analys

Housing Needs Assessment

Introduction

Washington's Growth Management Act (GMA) requires all cities and counties to conduct a housing needs assessment (HNA) as part of their comprehensive plan update. According to the Washington Department of Commerce, an HNA is an informational document intended to help jurisdictions understand who lives and works in their communities, the number and types of housing units that are available, whether certain groups face specific housing challenges, and whether there is sufficient capacity to meet future needs.

The elements of the HNA are based on requirements by the GMA, the HB1923 Housing Action Plan, and the HUD Consolidated Plan. *Required* elements include:

- Population characteristics: count and forecasts
- Household characteristics: count, income, tenure, and cost burden
- General housing inventory: unit count by type and size
- Special housing inventory: count of subsidized housing units, group homes, and care facilities
- Gap analysis: housing units available to various income brackets and future demand projections
- Land capacity analysis: land available to meet housing unit demand

Optional elements include:

- Special Housing Needs: identification and count of groups with special housing needs, including disabled and homeless residents
- Workforce profile: local workforce characteristics, jobs to housing ratio, and employment trends
- Housing market conditions: development trends, sales prices, rent and vacancy rates, and housing condition, production, and affordability
- Special housing inventory: inventory of housing for homeless individuals, including shelters and transitional housing
- Gap analysis: alignment of household size to housing unit sizes and units needed for special demographic groups
- Land capacity analysis: land available to meet special housing needs

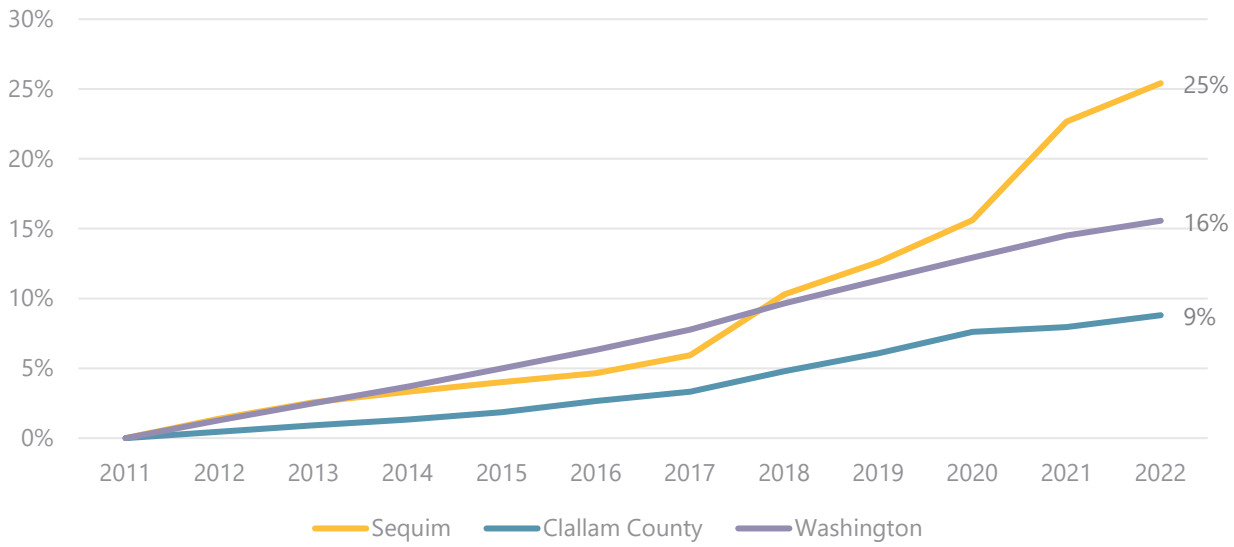
Collecting and analyzing this data will provide context to the City of Sequim as it updates the Housing element of its Comprehensive Plan by providing needed context on the current state of housing in the community as well as projections for future demand. As the City updates its housing goals and policies, it should refer to this document to understand the specific housing needs and challenges within the community.

Community Profile

Population Characteristics

Sequim, Washington, located in Clallam County, has a population of 8,073 residents as of 2022. Since 2011, the population of Sequim has grown by 25 percent while the County grew by nine percent. Since 2017, population growth in Sequim has outpaced statewide growth rates.

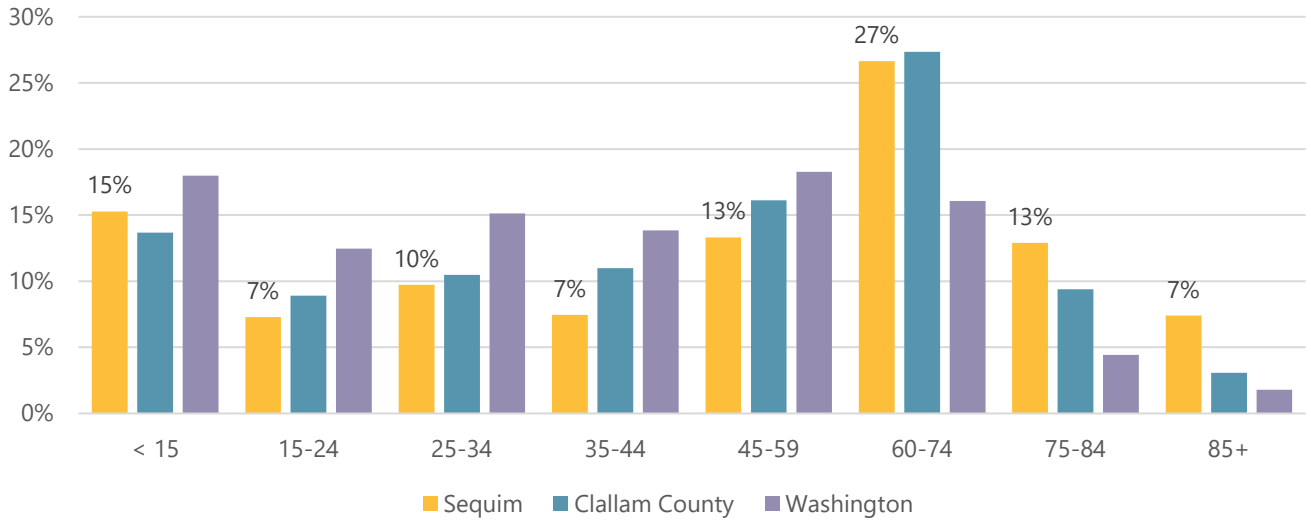
Figure 1. Cumulative Population Growth, 2011-2022



Source: US Census Bureau 5-Year ACS, Table DP05.

The median age in Sequim is 57.1, higher than both the County (51.2) and the state (38). In Sequim, 20 percent of the population is 75 years or older, compared with 12 percent countywide. Over a quarter of Sequim residents are between the ages of 60 and 74 years old. However, Sequim also has a slightly higher share of school-aged children under 15 years old than the County, which has 14 percent.

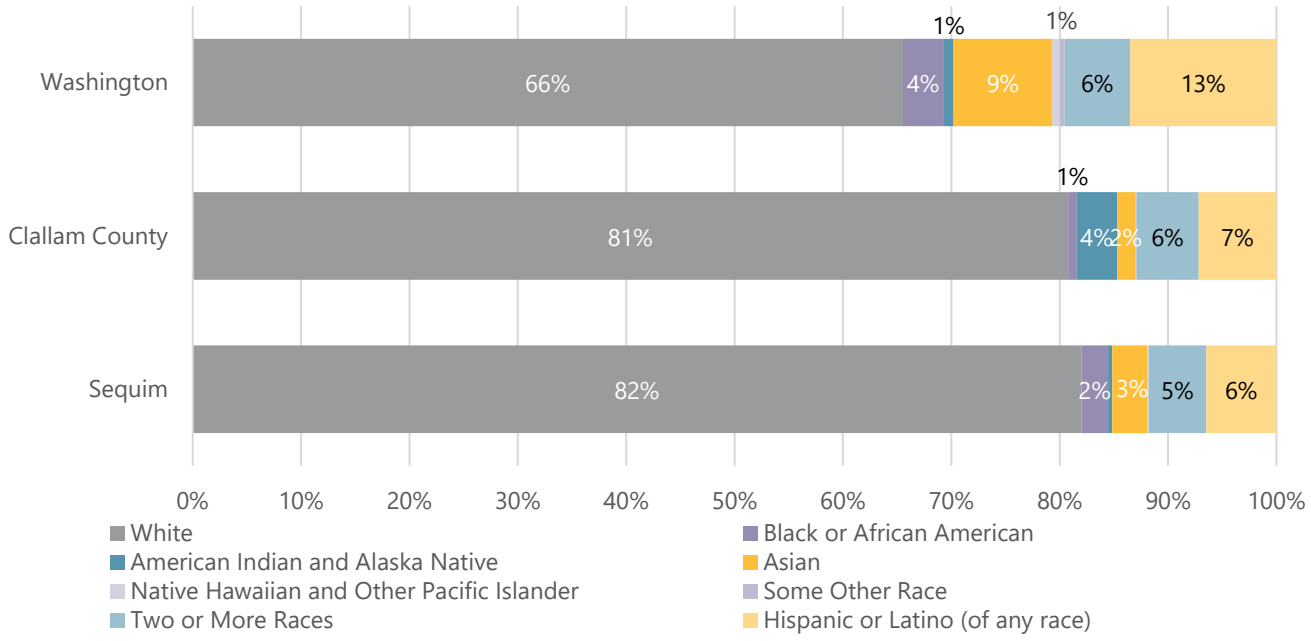
Figure 2. Share of Population by Age Group – Sequim, Clallam County, and Washington



Source: US Census Bureau 2022 5-Year ACS, Table DP05.

In Sequim, 82 percent of residents are white (non-Hispanic), six percent are Hispanic or Latino, three percent are Asian, and two percent are Black.

Figure 3. Race and Ethnicity in Sequim, Clallam County, and Washington

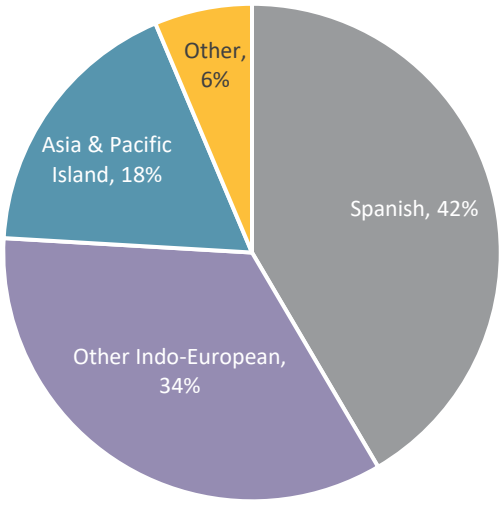


Source: US Census Bureau 2022 5-Year ACS, Table DP05.

In Sequim, just under five percent of the population speaks a language other than English at home, compared with 5.7 percent in Clallam County and over 20 percent statewide. Among those who

speak other languages at home, 42 percent speak Spanish and 34 percent speak an Other Indo-European language.

Figure 4. Non-English Languages Spoken at Home in Sequim

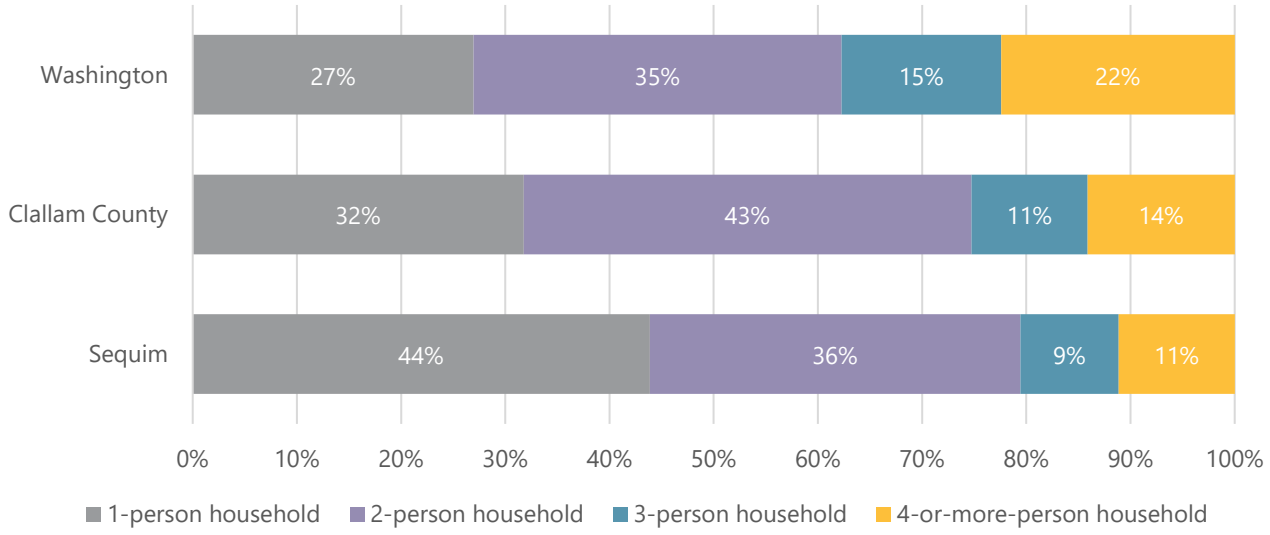


Source: US Census Bureau 2022 5-Year ACS, Table S1601.

Household Characteristics

There are 3,969 households in Sequim as of 2022, including 2,025 family households and 1,944 non-family households. Of the family households, 70 percent are married-couple families. The average number of people per household is 1.92 for owner households and 1.99 for renter households, well below the statewide averages of 2.66 and 2.30, respectively. In Sequim, 44 percent of households have just one person, while an additional 36 percent have two people. The median household in Sequim has 1.93 residents, compared with 2.22 in Clallam County and 2.51 statewide. Sequim's smaller household sizes could indicate potential demand for smaller housing units, including studios and one-bedrooms, especially more accessible units that can help serve seniors who wish to age in their communities.

Figure 5. Share of Households by Number of Residents



Source: US Census Bureau 2022 5-Year ACS, Table S2501.

Sequim's households are split relatively evenly between family and non-family households, largely due to the high share of residents living alone. More than a quarter of households (27 percent) are seniors living alone, while 16 percent of family households include children under 18 years old.

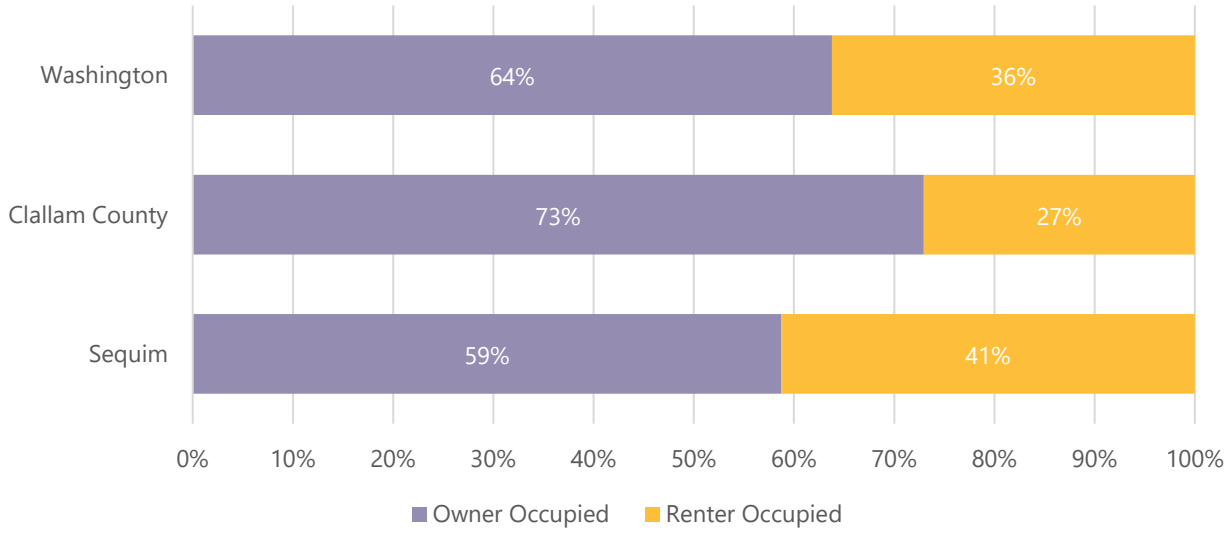
Figure 6. Household Characteristics in Sequim

	Number	% of Total
Family households	**2,025**	**51%**
Married-couple family	1,423	36%
Other family	602	15%
With own children (under 18)	648	16%
Non-family households	**1,944**	**49%**
Householder living alone	1,741	44%
Householder 65+	1,074	27%

Source: US Census Bureau 2022 5-Year ACS, Table S2501.

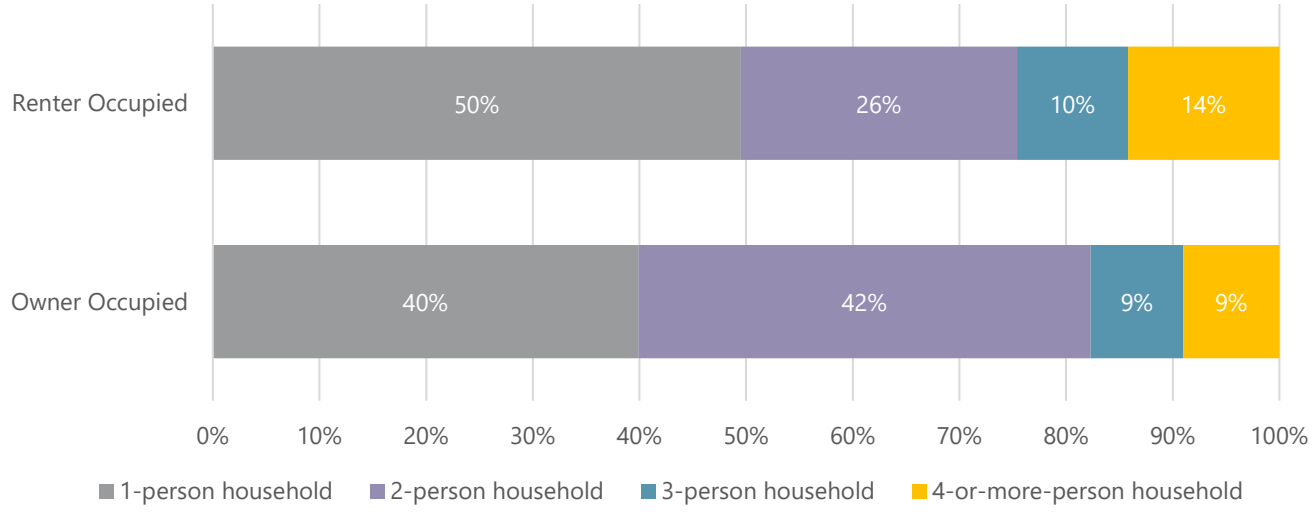
Sequim has 1,638 renter-occupied housing units and 2,331 owner-occupied housing units. The city has a higher share of renter households (41 percent) than the County (27 percent) or the state (36 percent). Half of the city's renter-occupied housing units have one person, compared with 40 percent of owner-occupied units. However, 82 percent of owner-occupied units have one to two residents compared with 76 percent of renter-occupied units. Among seniors living alone in Sequim, 37 percent rent their homes.

Figure 7. Housing Units by Tenure



Source: US Census Bureau 2022 5-Year ACS, Table S2501.

Figure 8. Housing Units by Tenure and Household Size in Sequim



Source: US Census Bureau 2022 5-Year ACS, Table S2501.

The US Department of Housing and Urban Development defines overcrowded households as those with more than 1.5 residents per bedroom. Because Sequim's average household size is relatively small, there is not a high rate of overcrowding. As of 2022 none of the owner-occupied housing units meet this definition of overcrowding, while 29 rooms in renter-occupied units are considered overcrowded. The vast majority of housing units in Sequim do not have more than one occupant per room.

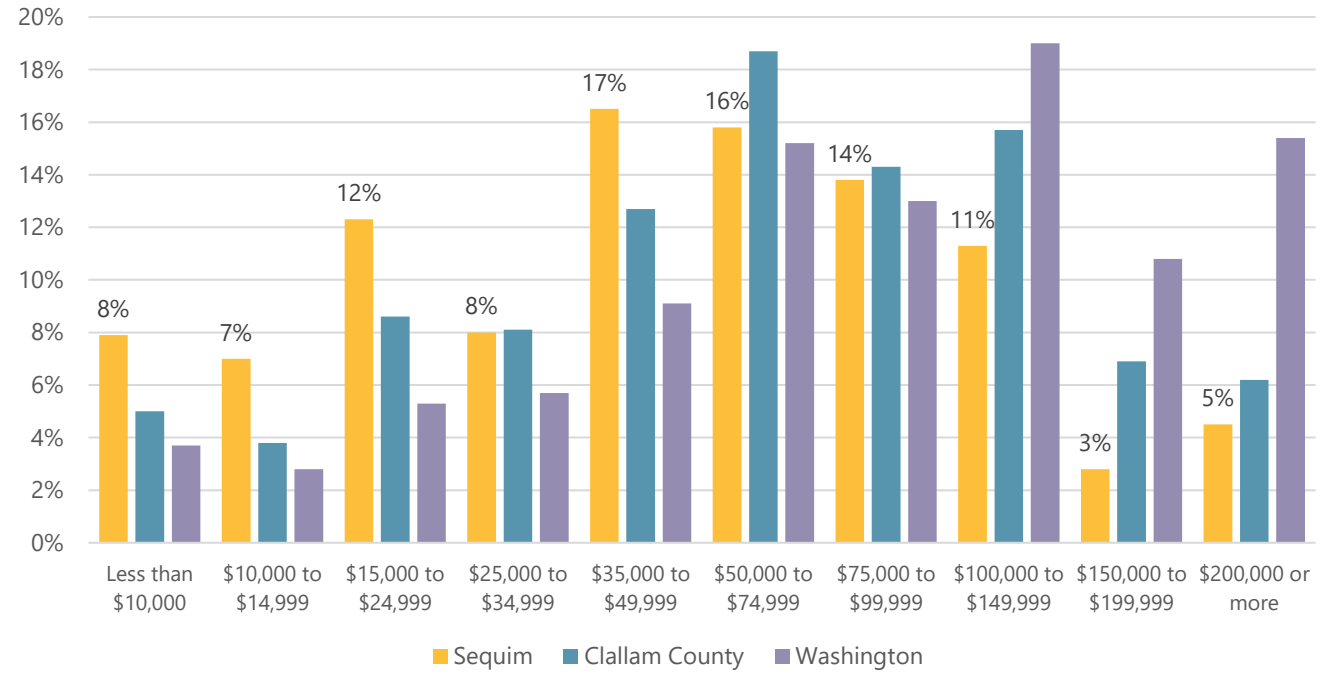
Figure 9. Occupants per Room by Tenure in Sequim

	Owner Occupied	Renter Occupied
1.00 or less occupants per room	2,331	1,558
1.01 to 1.50 occupants per room	0	51
1.51 or more occupants per room	0	29

Source: US Census Bureau 2022 5-Year ACS, Table S2501.

The median household income in Sequim is $48,105, lower than the countywide median of $66,108. Over a third of Sequim's households make below $35,000 annually, compared with 26 percent in Clallam County and 18 percent statewide.

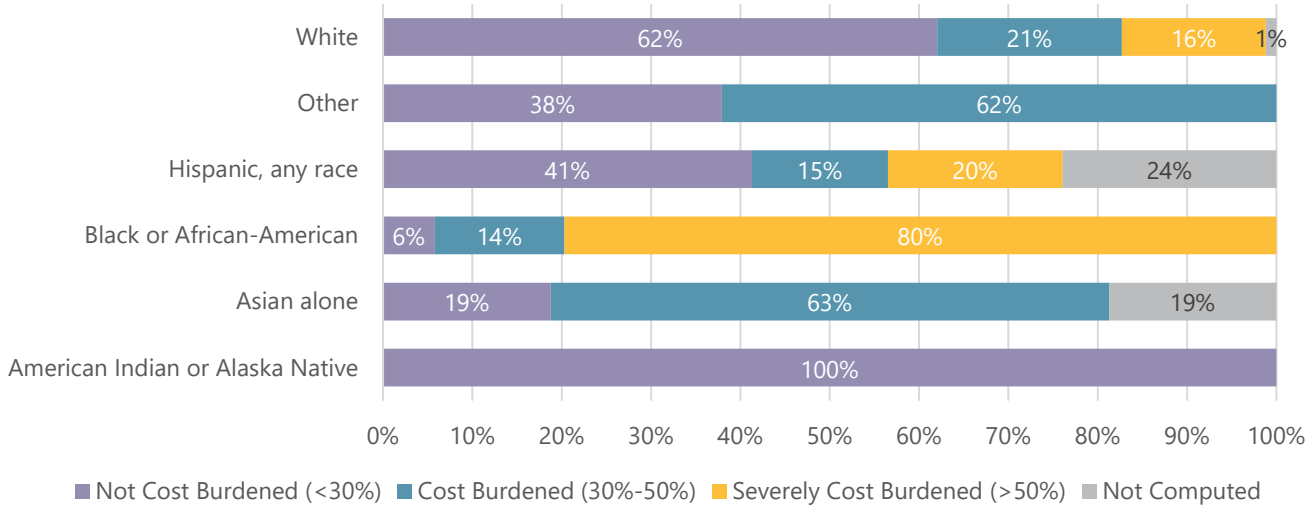
Figure 10. Household Income Distribution in Sequim, Clallam County, and Washington



Source: US Census Bureau 2022 5-Year ACS, Table S1901.

The US Department of Housing and Urban Development defines cost burdened households as those spending more than 30 percent of their income on housing costs. Severely cost burdened households spend more than 50 percent of their income on housing costs. In Sequim, 42 percent of households are cost burdened (spending over 30 percent of their income on housing costs). This includes 29.5 percent of owner households and 59 percent of renter households. While 38 percent of Sequim's 2,950 white households are cost burdened, 94 percent of the city's 69 Black households are cost burdened. Among Hispanic/Latino households of any race, 59 percent (135 households) are cost burdened.

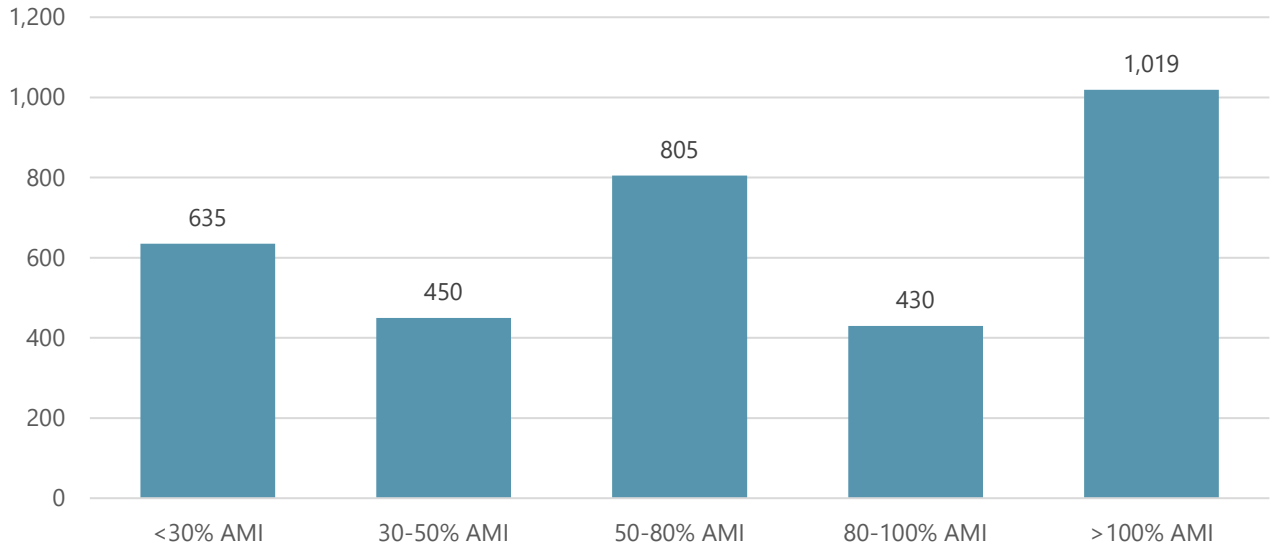
Figure 11. Share of Cost Burdened Households by Race & Ethnicity



Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS).

According to 2020 data from the US Department of Housing and Urban Development, over 1,000 households in Sequim earn more than the Area Median Income (AMI), while 1,890 make less than 80 percent AMI. The AMI for Clallam County as of 2024 is $93,900.

Figure 12. Number of Households by Income Level in Sequim



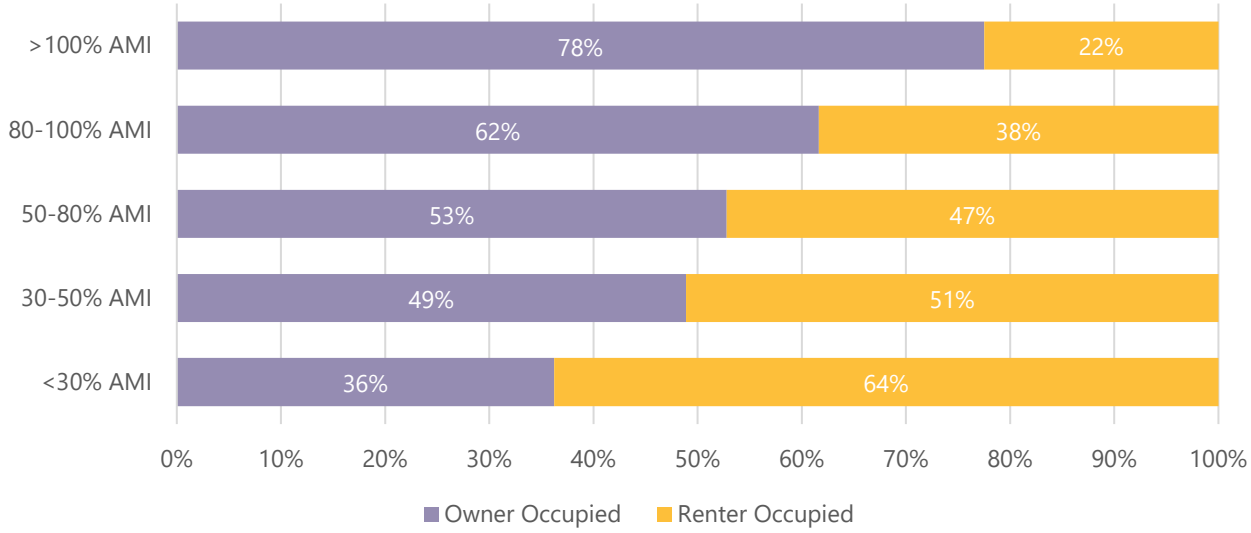
Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS).

In Sequim, home ownership is correlated with household income. While 78 percent of households making above the AMI own their homes, the same is true for 36 percent of households making less than 30 percent AMI.

Seniors make up approximately 42 percent of Sequim's population. Many of these households are retirees, meaning that while their incomes may be lower than a working-age household, they may have assets from investments, retirement accounts, social security benefits, or the sale of a previous home that are not counted as income by the US Census Bureau. As a result, seniors are more likely to own their homes despite having lower reported incomes than households aged 45 to 64 years old.

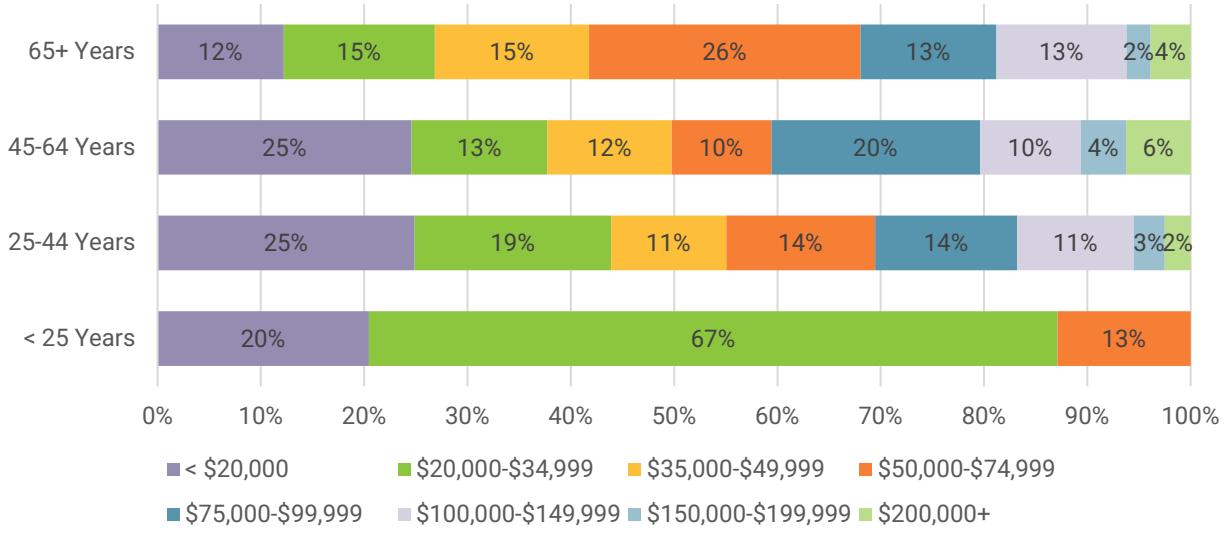
Additionally, a lower median income by seniors does not necessarily indicate reduced spending power or is an accurate indicator of wealth. Washington's median income levels increased by approximately 59.6% between 2013 and 2023, and Sequim's median income levels increased by 29.4% during the same period.

Figure 13. Households by Income Band and Tenure in Sequim



Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS).

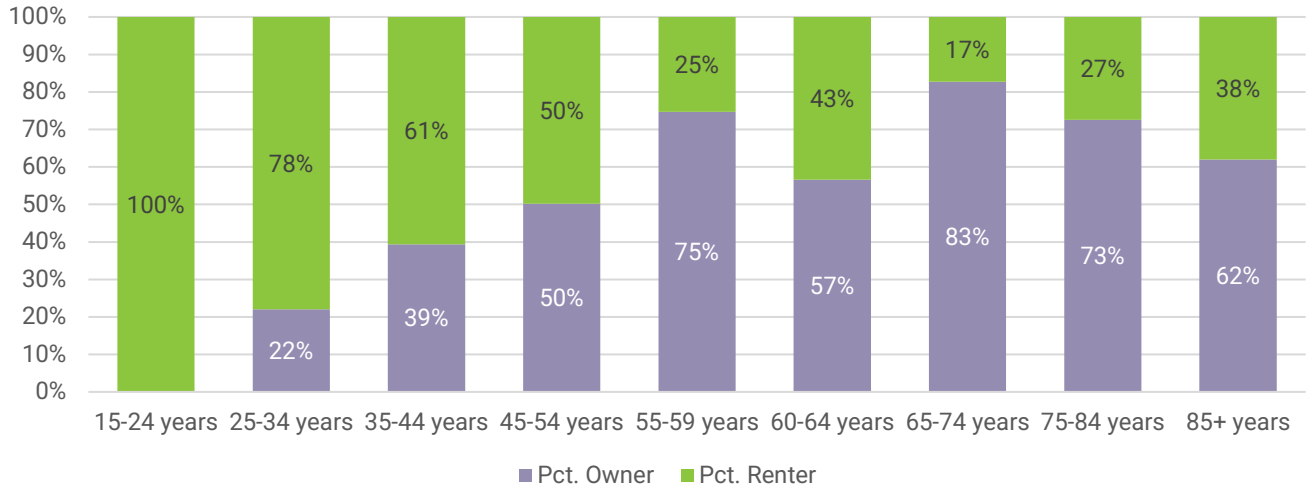
Figure 14. Household Income by Age Group in Sequim



Source: US Census Bureau 2023 Five-Year ACS (Table B19037).

In Sequim, older households are more likely to be homeowners than renters. Among householders who are 65 years or older, 76 percent own their homes. Householders who are between 65 and 74 years old have the highest rate of homeownership at 83 percent.

Figure 15. Tenure by Age Group in Sequim

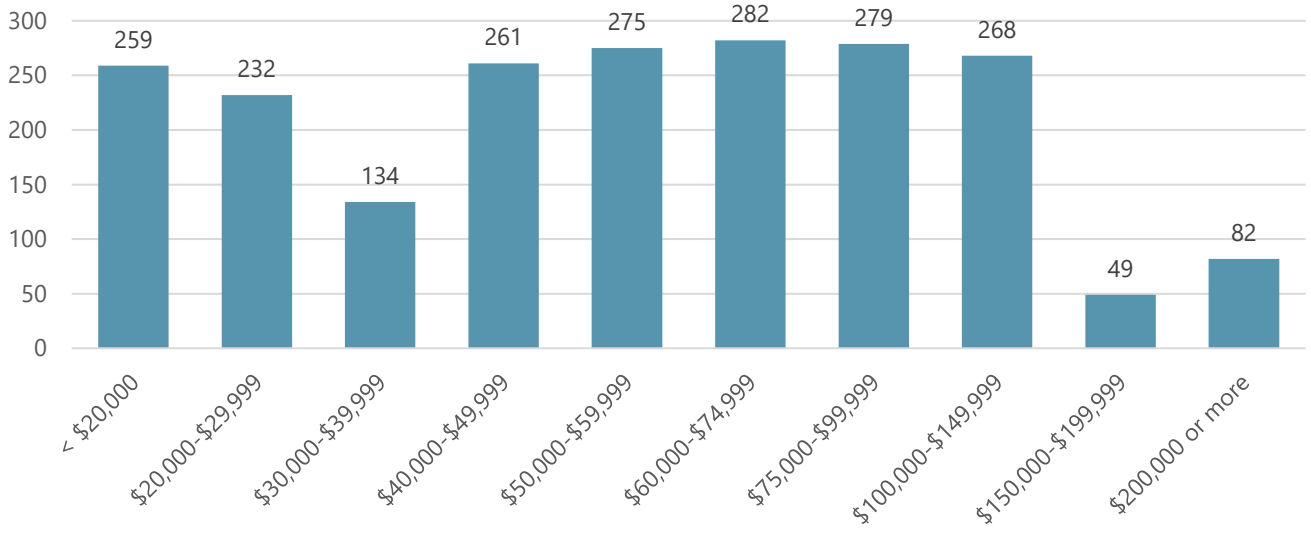


Source: US Census Bureau 2023 Five-Year ACS (Table B25007).

As of 2024, the median family income in Clallam County for a family of four is $93,900. The 80 percent MFI income band ranges from $51,450 for a single person household to $97,000 for an eight-person household. In Sequim, 886 households (42 percent) headed by someone 65 or older

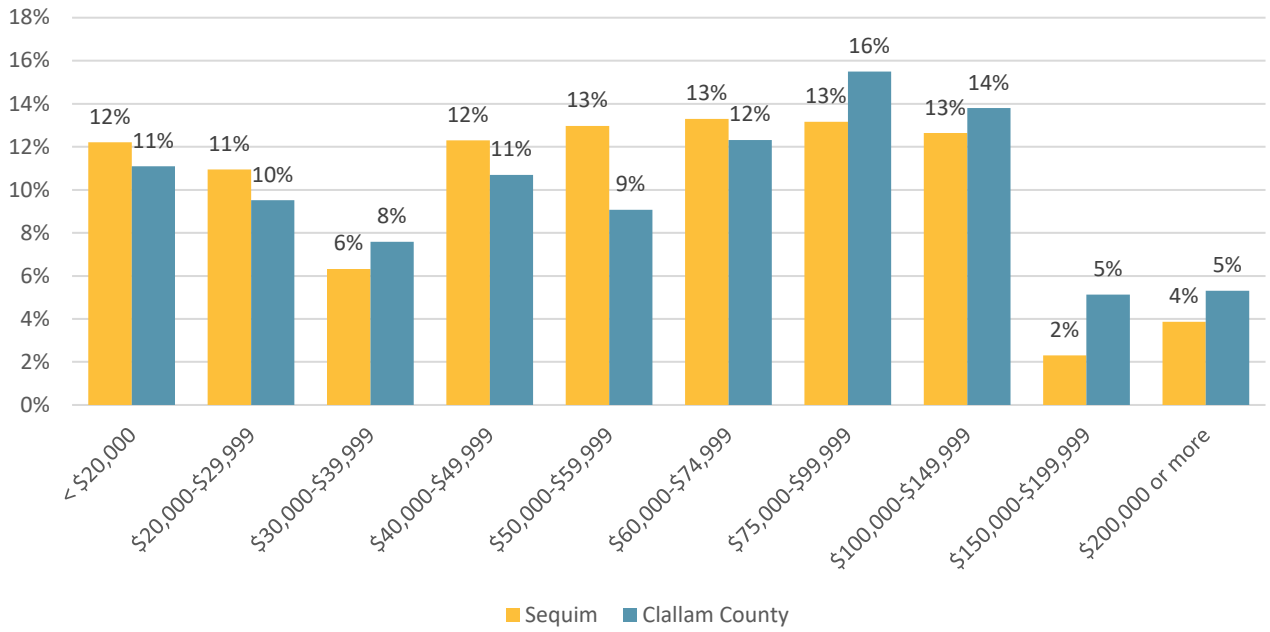
have incomes less than $50,000. Countywide, 39 percent of seniors have household incomes below $50,000.

Figure 16. Number of Sequim Households with Householders over 65 Years Old by Income



Source: US Census Bureau 2023 5-year ACS, Table B19037.

Figure 17. Share of Senior Households by Income in Sequim and Clallam County



Source: US Census Bureau 2023 5-year ACS, Table B19037.

Special Housing Needs

Special housing needs typically include housing types that are not commonly supplied on the open market. This includes housing for the elderly, people with disabilities, and homeless individuals and families.

Figure 18 ~~16~~ below shows the number ~~of~~ and share of households by disability status. Note that one person may have more than one disability, and some households may have more than one disabled resident. In Sequim, 40 percent of households (1,383 total) report at least one disability. There are 820 households where at least one member has a self-care or independent living limitation and 850 where at least one household member has an ambulatory limitation. This indicates that there may be a need for accessible housing units with features that are designed to accommodate a variety of physical disabilities, or there could be demand for programs that help families retrofit their homes to accommodate their changing needs as they age.

Figure 18. Households by Disability Status of Members

	Number	Share
Household member has a cognitive limitation	630	18%
Household member has a hearing or vision impairment	630	18%
Household member has a self-care or independent living limitation	820	24%
Household member has an ambulatory limitation	850	24%
Household member has none of the above limitations	2,075	60%

Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS).

According to the 2023 Clallam County Point in Time Count, there are 214 homeless residents in Clallam County – 75 sheltered and 139 unsheltered. While the number of homeless residents has decreased since 2021, when there were 247 homeless residents countywide, there is still a need for a combination of shelter beds and permanent supportive housing (PSH) to address homelessness in Clallam County.

Workforce Profile

Local workforce characteristics

As of 2022, Sequim is home to 4,628 jobs and 3,007 employed residents. Health Care, Retail, Accommodation and Food Services, and Education are the top job sectors in Sequim. Retail has also seen the biggest increase in jobs, with 165 new jobs created between 2012 and 2022. Along with Retail, there has also been a significant increase in Health Care and Construction jobs.

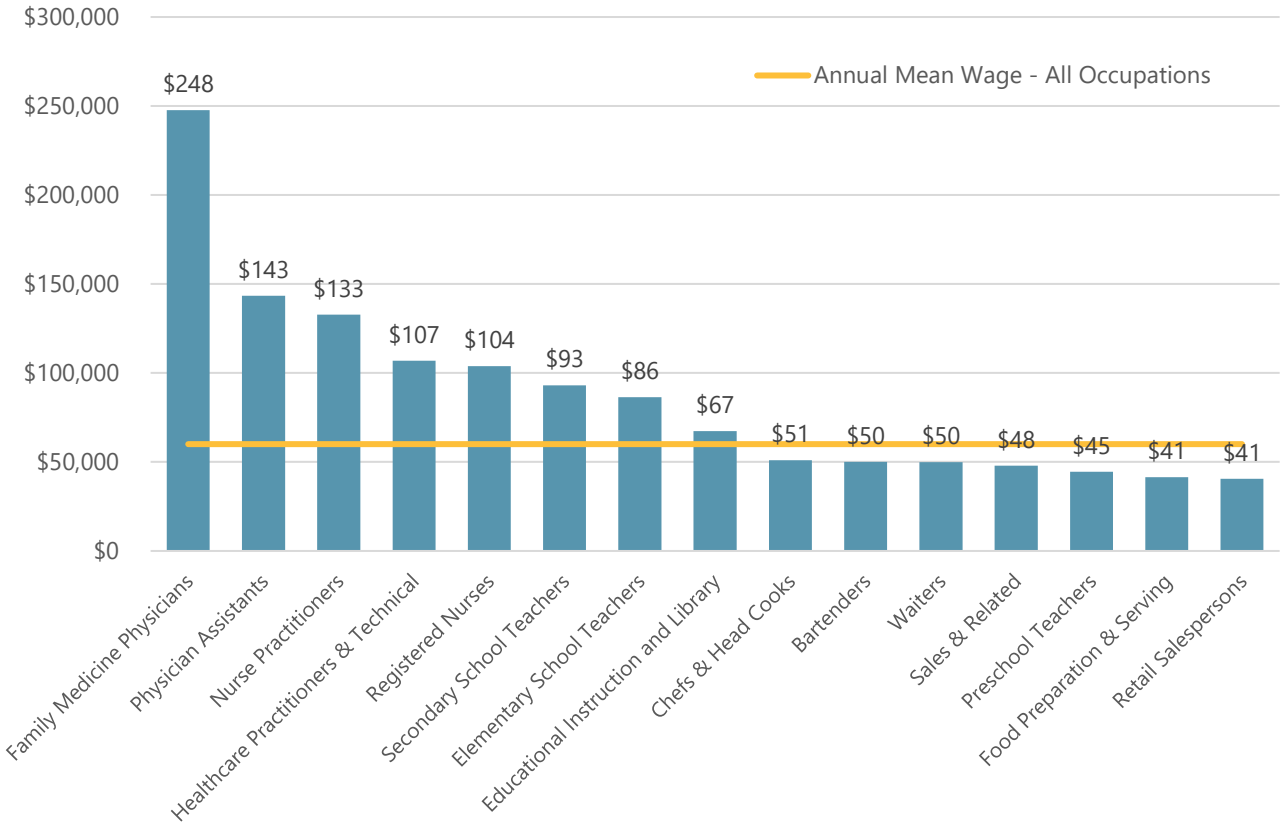
Figure 19. Jobs by Sector in Sequim (2012-2022)

	2012	2022	Change
Health Care and Social Assistance	971	1,101	130
Retail Trade	819	984	165
Accommodation and Food Services	551	652	101
Educational Services	438	507	69
Administration & Support, Waste Management	174	297	123
Construction	103	253	150
Other Services (excluding Public Administration)	222	169	(53)
Professional, Scientific, and Technical Services	133	161	28
Finance and Insurance	134	139	5
Public Administration	131	124	(7)
Real Estate and Rental and Leasing	48	66	18
Arts, Entertainment, and Recreation	80	50	(30)
Manufacturing	44	40	(4)
Transportation and Warehousing	4	36	32
Wholesale Trade	35	31	(4)
Information	24	14	(10)
Agriculture, Forestry, Fishing and Hunting	13	4	(9)
Mining, Quarrying, and Oil and Gas Extraction	0	0	0
Utilities	11	0	(11)
Management of Companies and Enterprises	1	0	(1)
Total	***3,936***	***4,628***	***692***

Source: US Census via LEHD OntheMap.

Figure 20 below shows the annual mean wage for occupations within the top job sectors in Sequim. The data is for the Western Washington Non-Metropolitan Area, which includes Clallam County. Health Care occupations have relatively high annual wages compared with the other top sectors in the region. Preschool teachers, food prep and serving employees, and retail salespersons have the lowest annual wages.

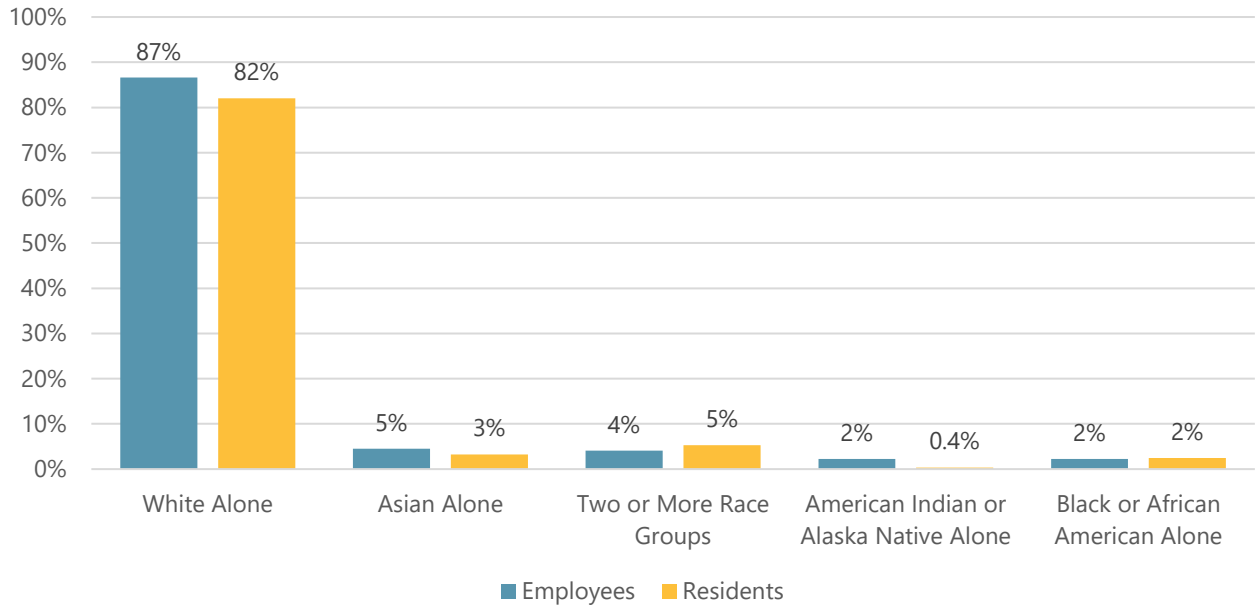
Figure 20. Annual Wages for Select Occupations, Western Washington Non-Metropolitan Area (May 2023)



Source: US Bureau of Labor and Statistics.

Among those who work in Sequim, 87 percent are white – a higher share than the general population. However, the local workforce has become slightly more diverse since 2010, when 92 percent of the local workforce was white.

Figure 21. Sequim Residents and Workforce by Race



Source: US Census Bureau 2022 5-Year ACS, Table DP05; LEHD OnTheMap.

Figure 22 below shows the home locations of Sequim's workforce by zip code. While 14 percent of the workforce in Sequim comes from within city boundaries, 45 percent comes from the 98382 zip code, which includes Sequim and surrounding unincorporated areas. An additional 20 percent come from zip codes that include Port Angeles and its surrounding unincorporated areas. Roughly half of those who work in Sequim commute fewer than ten miles to their jobs. However, 1,350 workers (30 percent) commute more than 25 miles to their jobs in Sequim.

Figure 22. Sequim Workforce by Home Location Zip Code (2022)

Zip Code	City	Share
98382	Sequim	45%
98362	Port Angeles	15%
98363	Port Angeles	5%
98368	Port Townsend	2%
98225	Bellingham	1%
98277	Oak Harbor	1%
98226	Bellingham	1%
98584	Skokomish	1%
98273	Mount Vernon	1%
98229	Bellingham	1%
All Other Locations		*29%*

Source: US Census via LEHD OnTheMap (2022).

As of 2022, over 4,000 of Sequim's 4,628 jobs were filled by people commuting into the city (including those living in unincorporated areas), while 616 workers (13 percent) with jobs in Sequim live within city limits.

Figure 23. Sequim Commuter In- and Out-Flows (2022)



Source: US Census via LEHD OnTheMap (2022).

Even though relatively few residents in Sequim work in the city, there does not appear to be a significant mismatch between jobs and the skills of local residents. Health Care, Retail, Accommodation and Food Services are the top sectors for people who live in Sequim, as well as the top job sectors in the city. However, as shown in Figure 25 below, there are more jobs than workers in these top sectors.

Figure 24. Jobs Worked by Sequim Residents (2012-2022)

	2012	2022	Change
Health Care and Social Assistance	370	608	238
Retail Trade	363	489	126
Accommodation and Food Services	244	281	37
Educational Services	147	188	41
Construction	88	185	97
Professional, Scientific, and Technical Services	91	155	64
Public Administration	93	149	56
Administration & Support, Waste Management	86	147	61
Manufacturing	87	124	37
Other Services (excluding Public Administration)	150	113	(37)
Arts, Entertainment, and Recreation	138	102	(36)
Wholesale Trade	70	91	21
Transportation and Warehousing	52	83	31
Finance and Insurance	62	72	10
Information	28	59	31
Real Estate and Rental and Leasing	34	54	20
Agriculture, Forestry, Fishing and Hunting	39	52	13
Management of Companies and Enterprises	16	39	23
Utilities	14	15	1
Mining, Quarrying, and Oil and Gas Extraction	2	1	(1)
Total	***2,174***	***3,007***	***833***

Source: US Census via LEHD OnTheMap.

Figure 25. Local Jobs and Workers by Sector in Sequim, 2022

	Jobs	Workforce	Difference
Health Care and Social Assistance	1,101	608	(493)
Retail Trade	984	489	(495)
Accommodation and Food Services	652	281	(371)
Construction	253	185	(68)
Educational Services	507	188	(319)
Public Administration	124	149	25
Professional, Scientific, and Technical Services	161	155	(6)
Administration & Support, Waste Management	297	147	(150)
Manufacturing	40	124	84
Other Services (excluding Public Administration)	169	113	(56)
Arts, Entertainment, and Recreation	50	102	52
Transportation and Warehousing	36	83	47
Agriculture, Forestry, Fishing and Hunting	4	52	48
Wholesale Trade	31	91	60
Finance and Insurance	139	72	(67)
Information	14	59	45
Management of Companies and Enterprises	0	39	39
Real Estate and Rental and Leasing	66	54	(12)
Utilities	0	15	15
Mining, Quarrying, and Oil and Gas Extraction	0	1	1

Source: US Census via LEHD OnTheMap (2022).

Jobs to Housing Ratio

There are 4,105 housing units in Sequim (per 2022 5-year ACS data) and 4,628 jobs (per 2022 data from LEHD OntheMap) – a ratio of 1.13 jobs per housing unit. This is within the recommended range that the Washington Department of Commerce expects cities to meet.

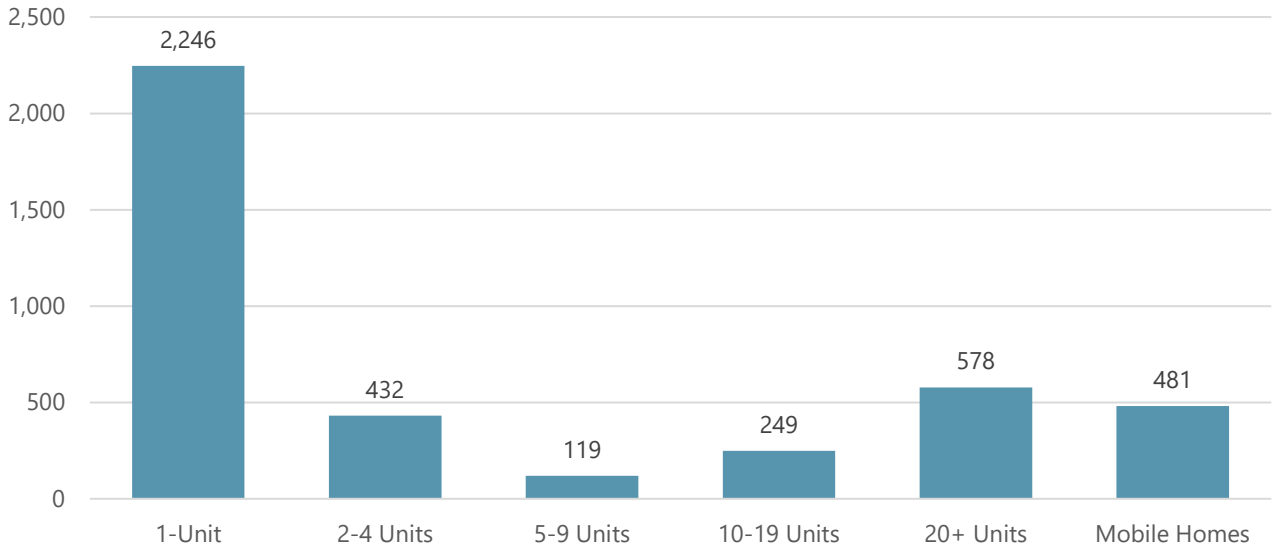
Leland Consulting Group estimates that land in Sequim has a net job capacity of 5,679 jobs.

Housing Supply

General Housing Inventory

Of the 4,105 housing units in Sequim, 55 percent (2,246) are in single unit detached or attached structures. The City is also home to 481 mobile homes.

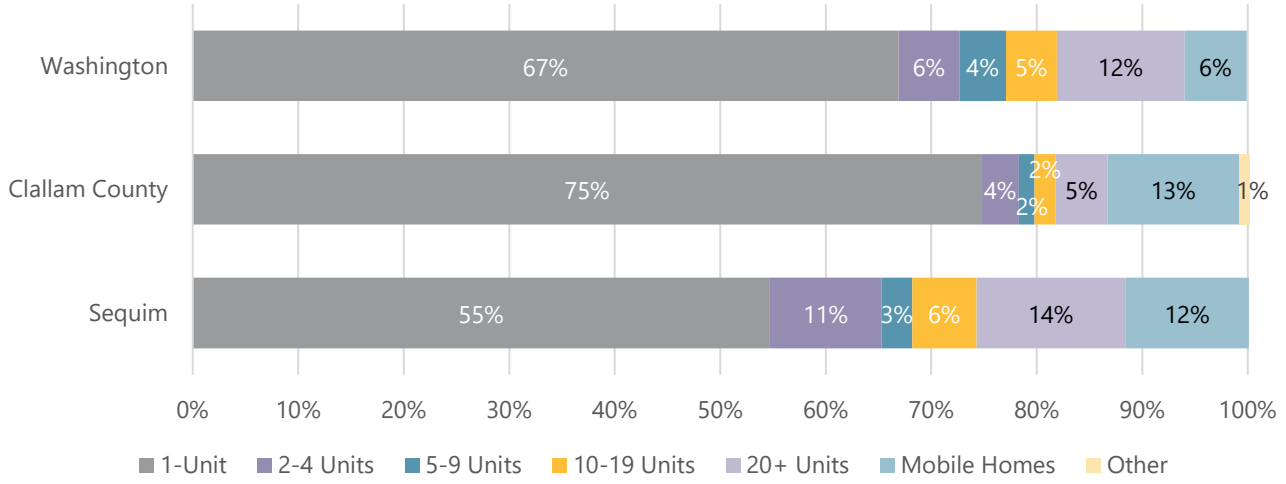
Figure 26. Number of Housing Units by Structure Type in Sequim



Source: US Census Bureau 2022 5-Year ACS, Table DP04.

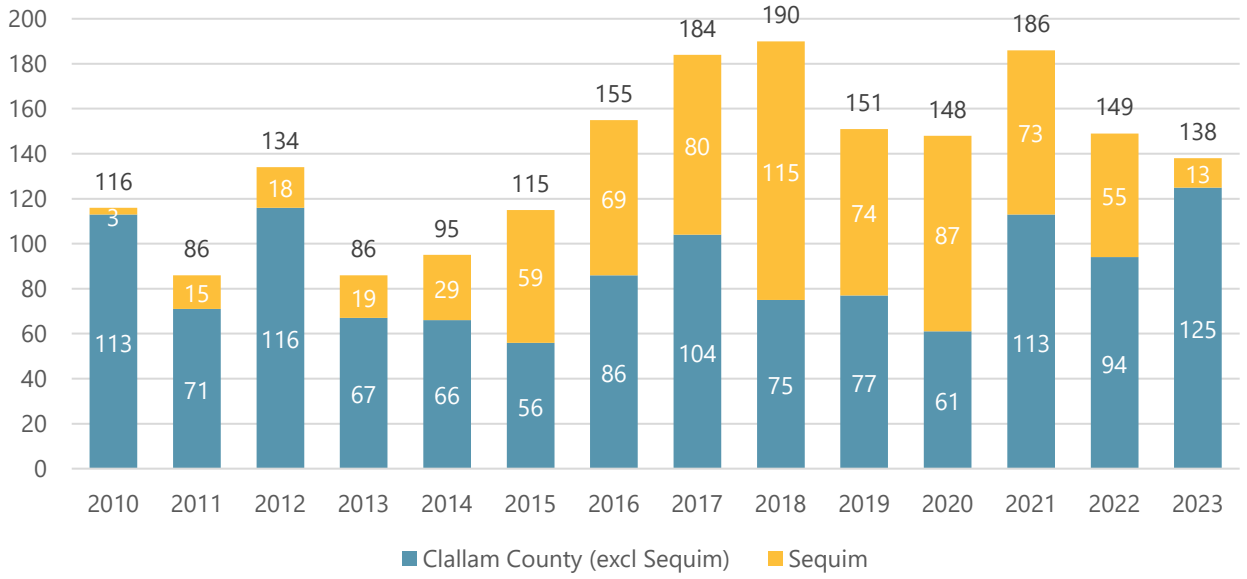
Sequim has a higher share of housing units in multifamily structures than the County or the state. In Sequim, 14 percent of homes are in structures with 20 or more units, compared to five percent countywide. Sequim also has a higher share of middle housing (homes in structures with two to four units) than Clallam County.

Figure 27. Share of Housing Units by Type in Sequim, Clallam County, and Washington



Source: US Census Bureau 2022 5-Year ACS, Table DP04.

Figure 28. Units Permitted by Year in Clallam County and Share of Permitted Units in Sequim, 2010-2023

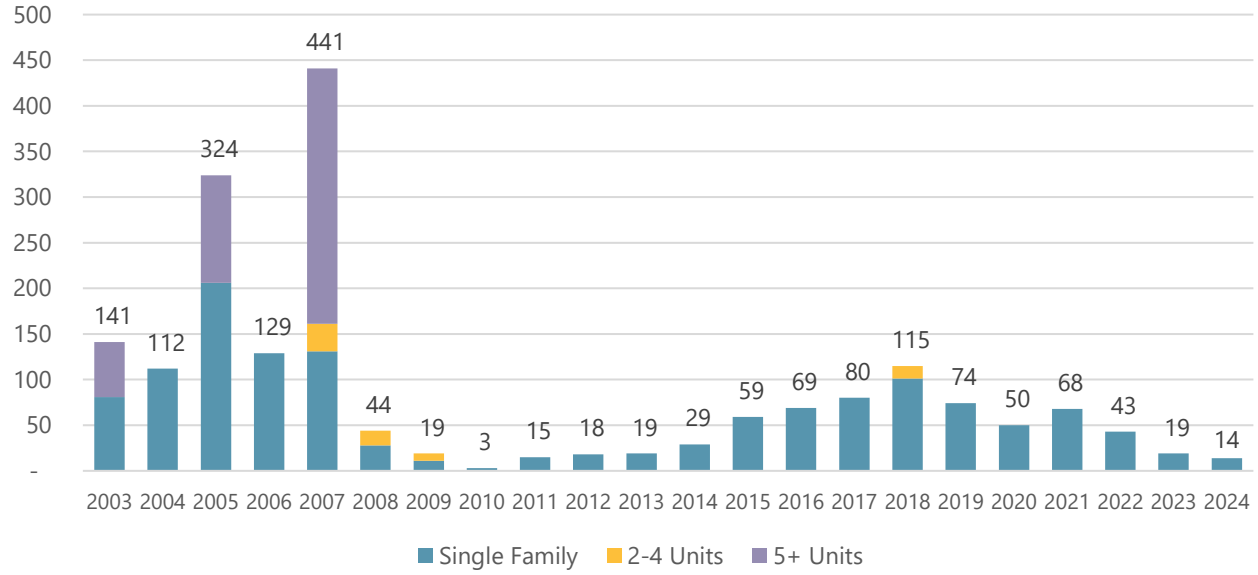


Source: US Census Bureau Building Permit Survey.

Housing Market Conditions

Between 2003 and 2023, 1,919 new housing units were permitted in Sequim. Of these, 458 (24 percent) were in structures with five or more units. In 2018, 14 duplex units were permitted. Between 2019 and 2023, over 250 units were permitted, compared with 1,147 in 2003 to 2007.

Figure 29. Housing Permits in Sequim by Structure Type, 2003-2024



Source: US Census Bureau SOCDS Building Permit Database; City of Sequim (for years 2002-2024).

Since 2014, a net total of 646 units have been added to Sequim's housing unit inventory.

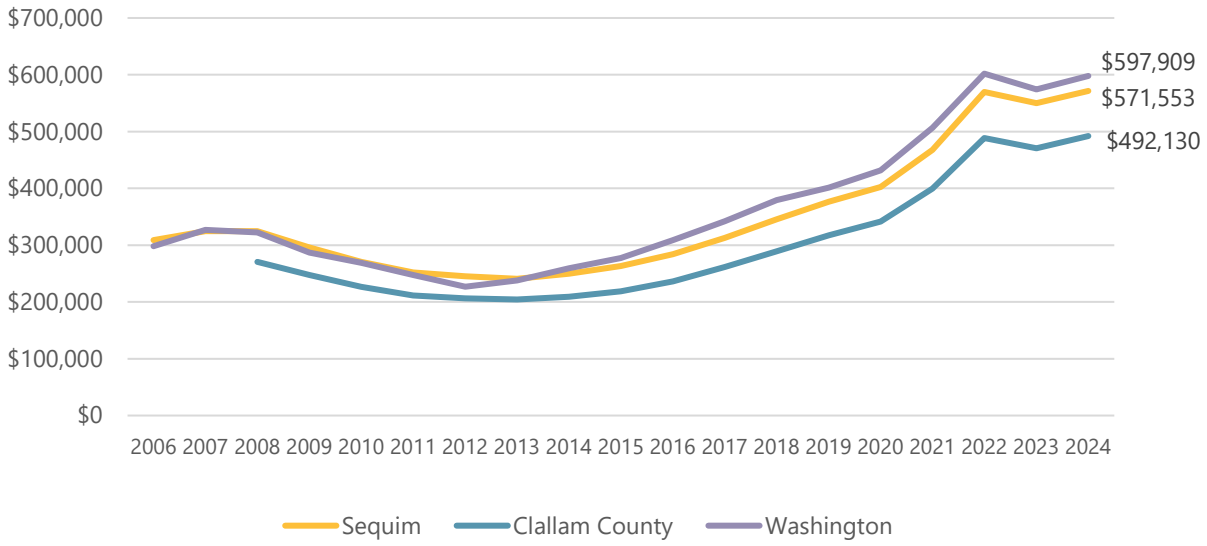
Figure 30. Housing Units in Sequim and Net Annual Change, 2014-2024

	Sequim Housing Units	Net Annual Change
2014	3,932	
2015	3,952	20
2016	4,018	66
2017	4,092	74
2018	4,167	75
2019	4,280	113
2020	4,369	89
2021	4,442	73
2022	4,501	59
2023	4,547	46
2024	4,578	31

Source: Washington Office of Financial Management Population & Housing Estimates.

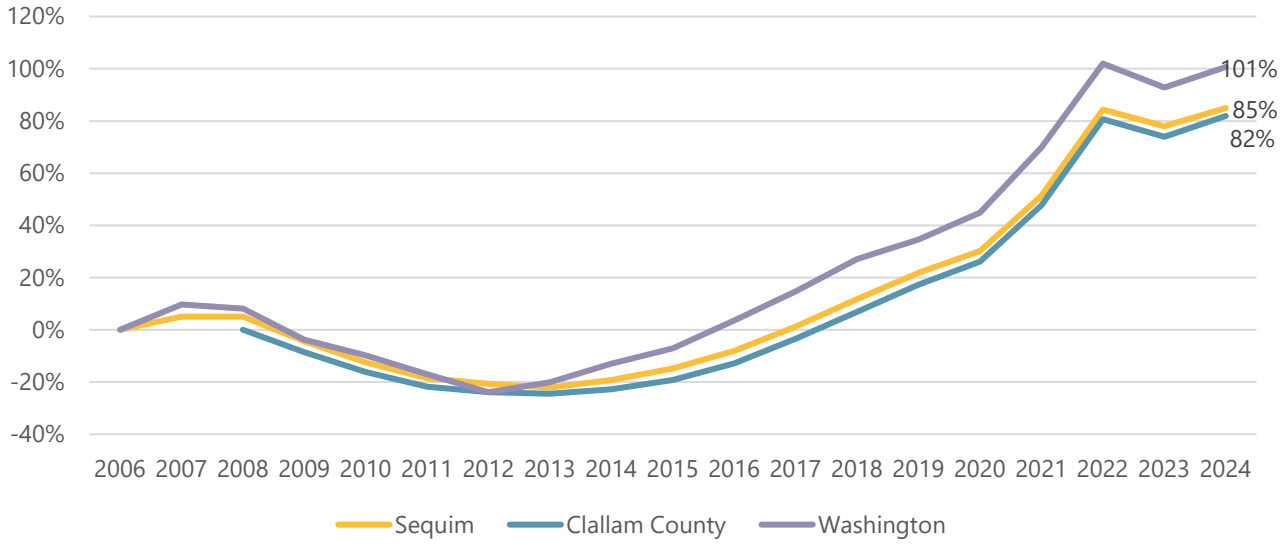
The Zillow Home Value Index (ZHVI) reflects the typical value for homes in the 35th to 65th percentile range. As of April 2024, the typical home value in Sequim is $571,553 – higher than the County overall but lower than statewide home values. The typical home value in Sequim has grown by 85 percent since 2006, when it was $309,045. Although home value increases have slowed since 2021, they are once again on an upward trajectory.

Figure 31. Typical Home Values in Sequim, Clallam County, and Washington (2006-2024)



Source: Zillow Home Value Index (ZHVI). Data as of April of each year.

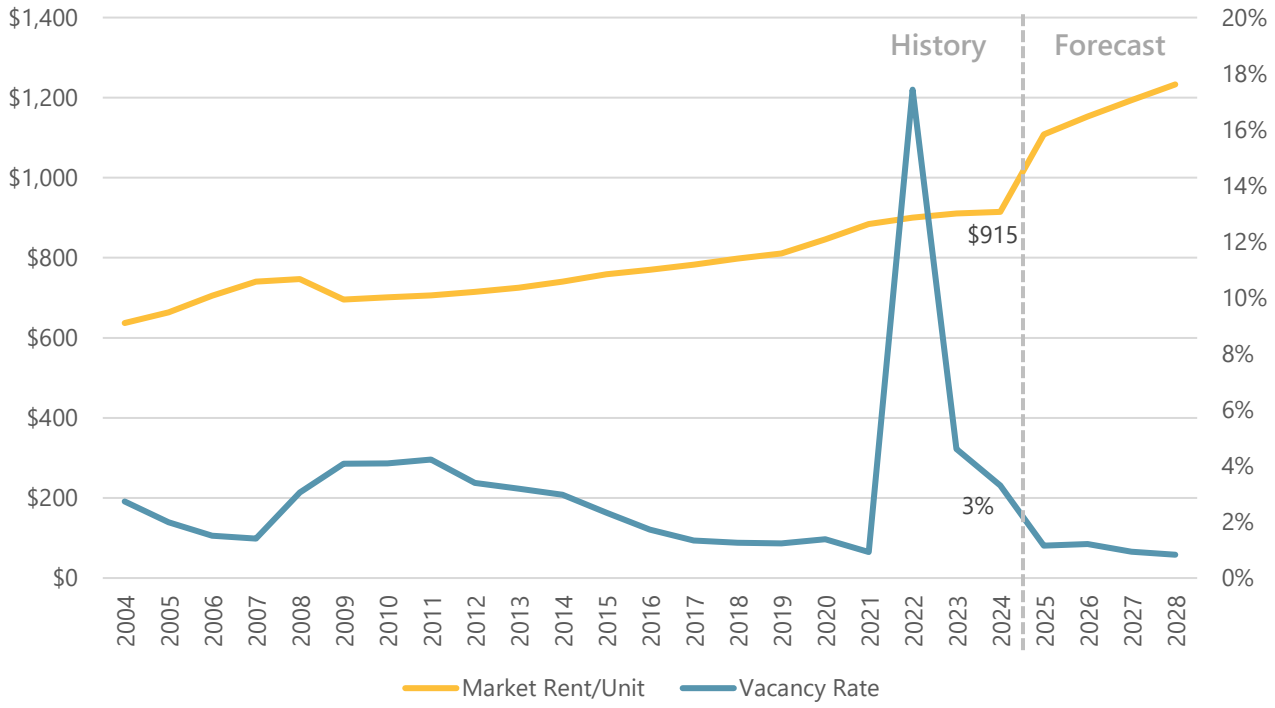
Figure 32. Cumulative Housing Value Growth, Sequim, Callam County, and Washington



Source: Zillow Home Value Index (ZHVI). Data as of April of each year. No information available before 2008 for Clallam County.

According to commercial real estate data aggregator CoStar, Sequim has 23 multifamily properties with a total of 1,192 units. There are no units currently under construction in the city. The vacancy rate as of Q1 2021 is 3.3%, below the five percent threshold typically indicative of a healthy market. Lavender Meadows, a 217-unit mobile home park, is the most recently built multifamily property in Sequim. Prior to that, no multifamily housing had been added to Sequim since 2012, when the 42-unit SeaBreeze Apartments were completed. Because there is no multifamily rental housing in the development pipeline, the vacancy rate is expected to remain extremely low. The spike in vacancies in Figure 33 below correlates to the lease-up period for Lavender Meadows. As of Q1 2024, the market rent per unit is $915. It is expected to rise to $1,058 by the end of the year.

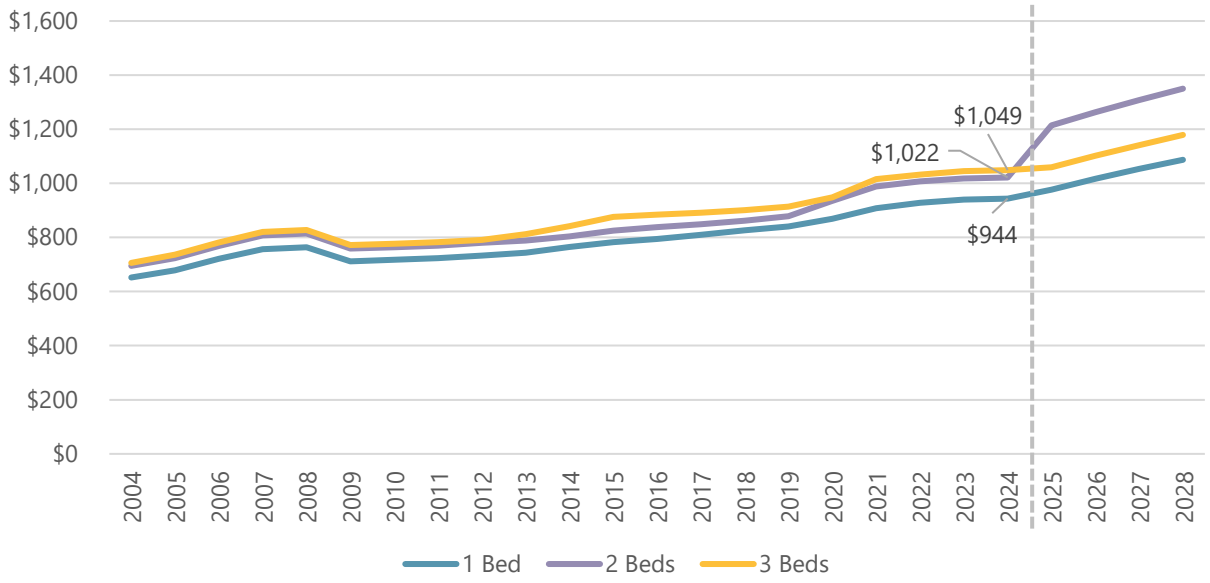
Figure 33. Multifamily Market Rent per Unit and Vacancy



Source: CoStar.

Over the past 20 years, rent in Sequim has increased 45 percent for one-bedroom units, 47 percent for two-bedroom units, and 49 percent for three-bedroom units. As of Q1 2024, the market asking rent per square foot is $1.31, up from $0.90 in 2004 (an increase of 46 percent).

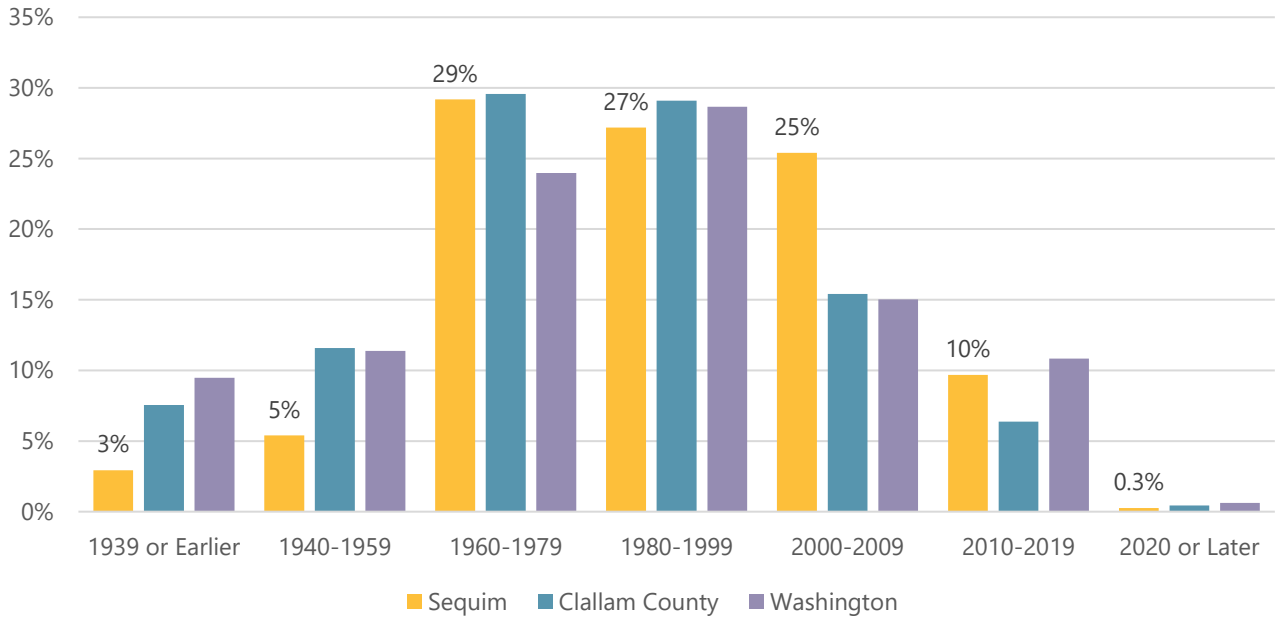
Figure 34. Market Rent per Unit-by-Unit Type in Sequim



Source: CoStar.

Compared with the rest of the county, the housing stock in Sequim is relatively new. In Sequim, 37 percent of housing units were built prior to 1980, compared with 49 percent of Clallam County housing units and 45 percent of housing units statewide. In addition, 35 percent of Sequim's housing units have been built since 2000, compared with 22 percent countywide and 26 percent statewide. The years with the most homebuilding were 1960 to 2009, when 82 percent of Sequim's housing units were completed.

Figure 35. Housing Units by Year Built in Sequim, Clallam County, and Washington



Source: US Census Bureau 2022 5-Year ACS, Table S2504.

The US Department of Housing and Urban Development tracks data relating to housing quality. The four housing problems, referenced in Figure 36 below, include incomplete kitchen facilities; incomplete plumbing facilities; more than one person per room; and cost burden greater than 30 percent. Housing problems are considered severe when residents have cost burdens greater than 50 percent (meaning they spend at least half of their income on housing). Of the households with at least one housing problem, 63 percent are renter households. Of those with at least one severe housing problem, 60 percent are renters.

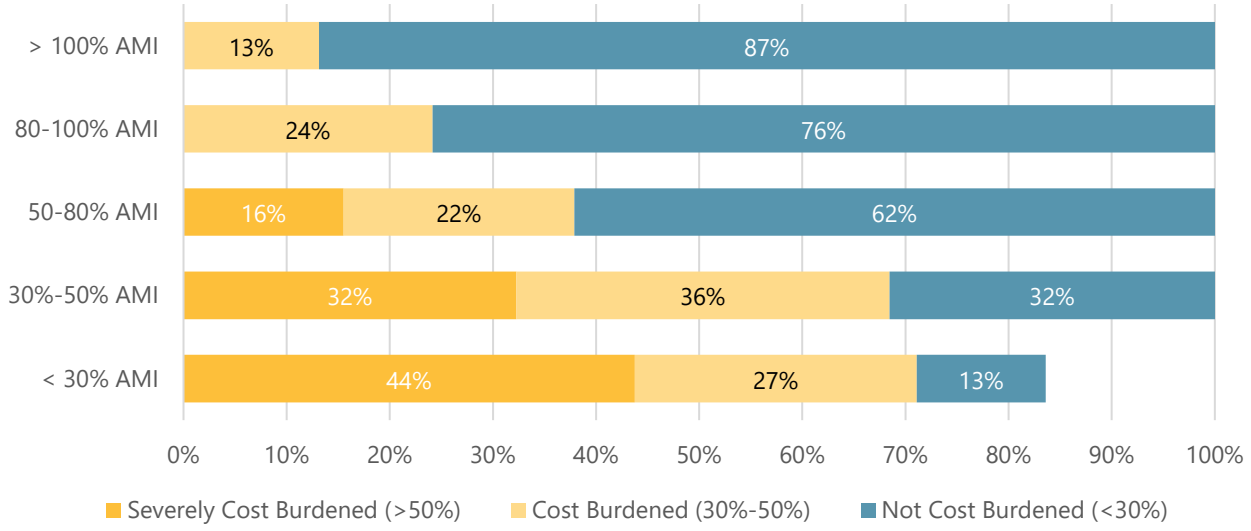
Figure 36. Housing Units by Tenure and Housing Problems

	Owner	Rental	Total
Household has at least 1 of 4 Housing Problems	530	894	***1,424***
Household has none of 4 Housing Problems	1,425	515	***1,940***
Household has at least 1 of 4 Severe Housing Problems	285	425	***710***
Household has none of 4 Severe Housing Problems	1,675	1,090	***2,765***

Source: US Department of Housing and Urban Development 2016-2020 CHAS Data.

Housing cost burden is directly correlated with income. In Sequim, 13 percent of those making over 100 percent AMI are cost burdened, compared with 71 percent of households making less than 30 percent AMI.

Figure 37. Housing Cost Burden by Income Band in Sequim

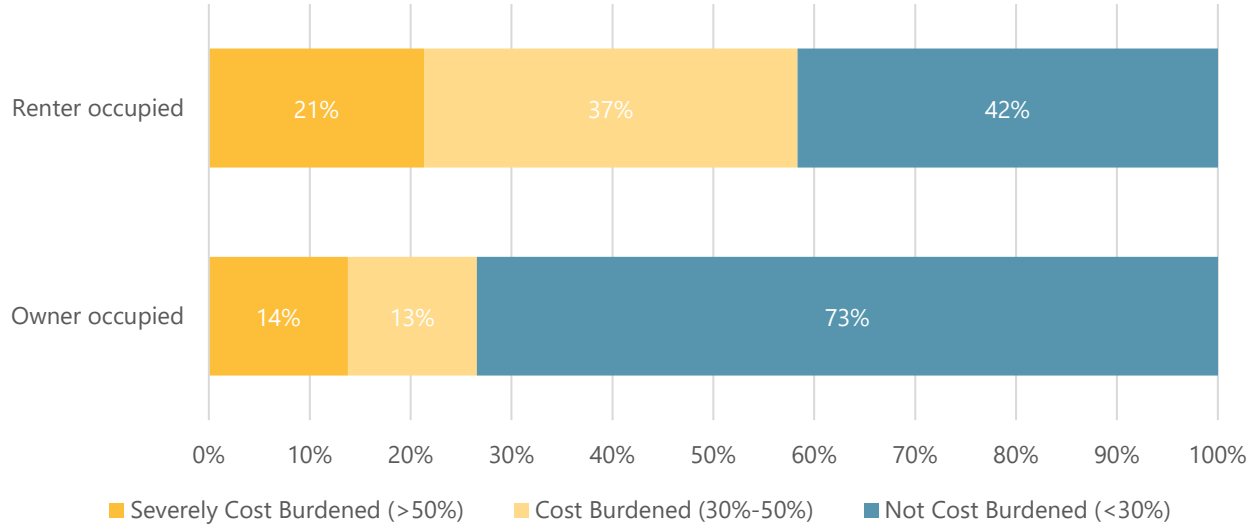


Source: US Department of Housing and Urban Development 2016-2020 CHAS Data.

Note: Total for very low income households (those making below 30 percent AMI) is less than 100 percent because cost burden was not reported for 105 households in this income range (16 percent).

In addition, renter households are more likely to be cost burdened than owner households. In Sequim, 21 percent of renter households spend more than 50 percent of their income on rent, compared with 14 percent of owner households. Although Sequim has a relatively low displacement risk (per the Washington Department of Commerce), renter households that spend more than 30 percent of their incomes on housing costs are at a higher risk of eviction and displacement. The Gap Analysis section of this report includes State estimates for housing needed by income bracket in Sequim.

Figure 38. Cost Burden by Tenure in Sequim



Source: US Department of Housing and Urban Development 2016-2020 CHAS Data.

Special Housing Inventory

According to the Washington Office of Financial Management, as of 2024 Sequim has 527 units categorized as "mobile homes and special housing." This is a 23-unit increase since 2020. As of 2024, 7.6 percent of Clallam County's mobile home and special housing is located in Sequim. The vast majority of these types of units (79 percent) are located in unincorporated areas of the county. ~~Sequim currently has 16 units of permanent supportive housing (PSH), located in the Sunbelt Apartments, and no emergency housing.~~

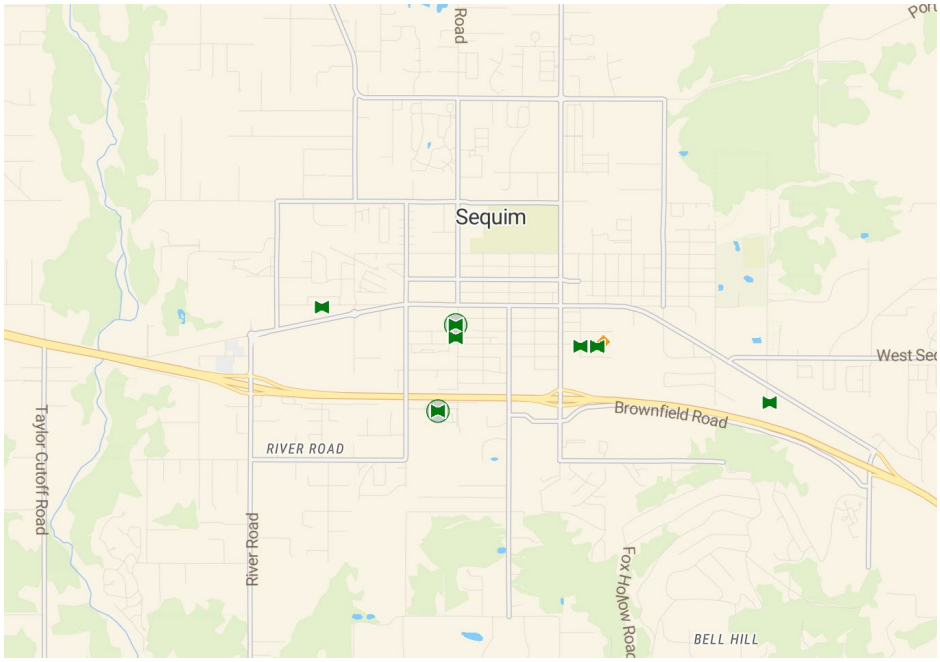
Sequim has 478 units of subsidized housing, mostly serving households earning 60% AMI and below, and all built before 2010. The Pioneer Villa Apartments are a project-based Section 8 project serving a variety of low-income levels. The table and map below show details and the locations of these units.

Figure 39. Subsidized Housing Units in Sequim

Project	Units	AMI	Year Built
Suncrest I	43	60% AMI	2009
Sea Breeze Apartments	41	60% AMI	2009
Mountain View Apartments	72	60% AMI	2009
Suncrest Village	36	60% AMI	1994
Vintage at Sequim	116	60% AMI	2007
Pioneer Villa Apartments	34	Section 8	1980
Elk Creek Apartments	136	60% AMI	2008
Total	478		

Source: PolicyMap

Figure 40. Subsidized Housing Locations in Sequim



Sequim currently has 16 units of permanent supportive housing (PSH), located in the Sunbelt Apartments, and no emergency housing.

Figure 41. The Sunbelt Apartments, Permanent Supportive Housing in Sequim



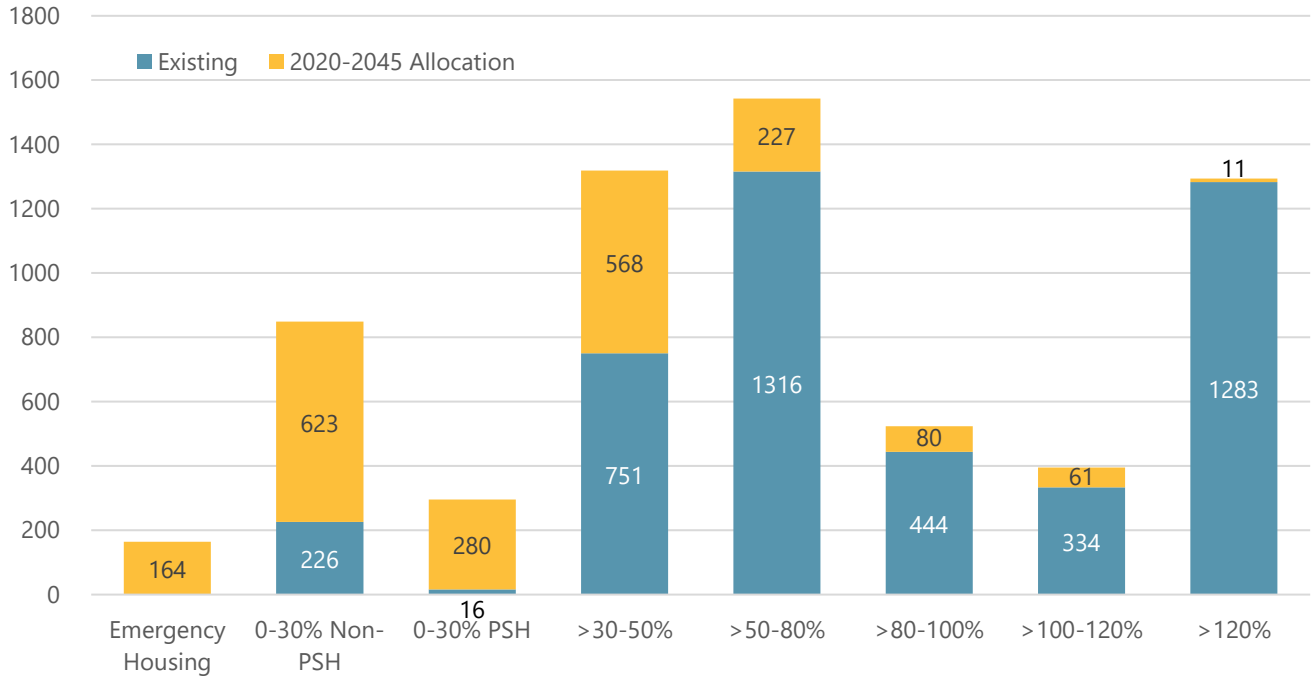
Source: Serenity House Clallam County.

Gap Analysis

Clallam County is planning for the Washington State Office of Financial Management's GMA population forecast of 86,700 total persons during the 2025-2045 planning period. Through a regional coordination process, Clallam County allocated 31 percent of new population growth to Sequim and five percent to the unincorporated Sequim UGA. Using Washington State Department of Commerce's Housing for All Planning Tool (HAPT), population growth has been translated into 5,968 new housing units for Clallam County during the planning period; 1,850 new units are distributed to City of Sequim and 298 new housing units to the Sequim UGA.

Clallam County, again using the State's HAPT methodology, distributed new housing units by income band for each county jurisdiction. Figures 40, 41 and 42 report the housing unit allocation and distribution by income for Sequim and its UGA.

Figure 42 41. Existing Housing as of 2020 and 2020-2045 Allocations by Income Level in the City of Sequim



Source: Clallam County Resolution 2023-01, Washington State Department of Commerce

Figure 43 ~~42.~~ Existing Housing as of 2020 and 2020-2045 Allocations by Income Level in the City of Sequim

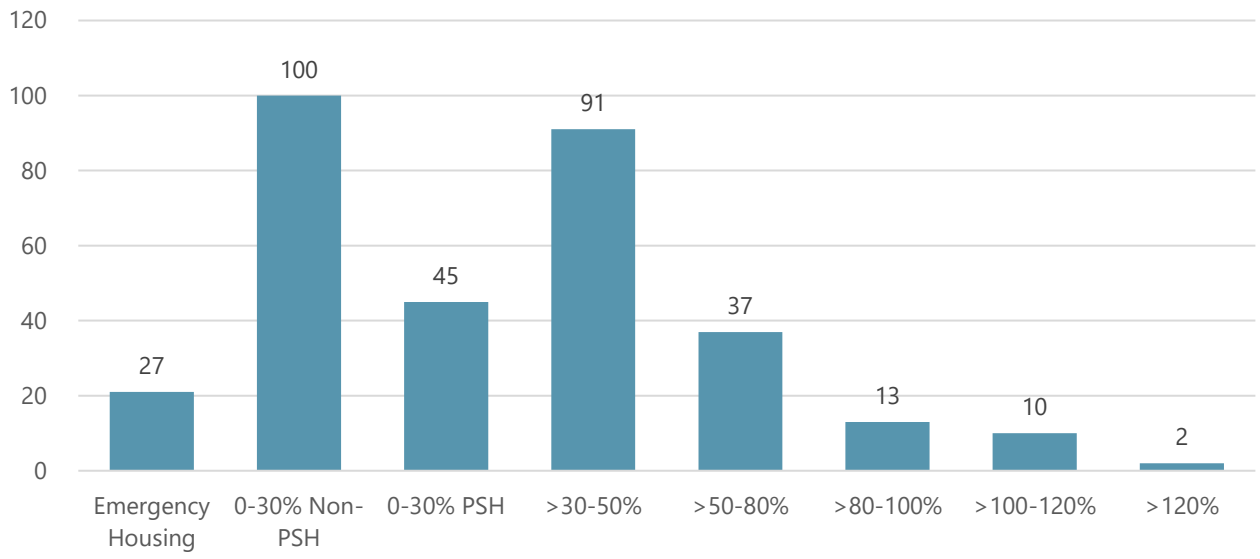
	Existing	2020-2045 Allocation
Emergency Housing	0	191
0-30% Non-PSH	226	623
0-30% PSH	16	280

>30-50%	751	568
>50-80%	1316	227
>80-100%	444	80
>100-120%	334	61
>120%	1283	11

Source: Clallam County.

The income distribution of the 298 new housing (excluding emergency housing) in the Sequim unincorporated UGA is shown below.

Figure 44 ~~43.~~ 2020-2045 Housing Allocations for Unincorporated Areas within the Sequim UGA

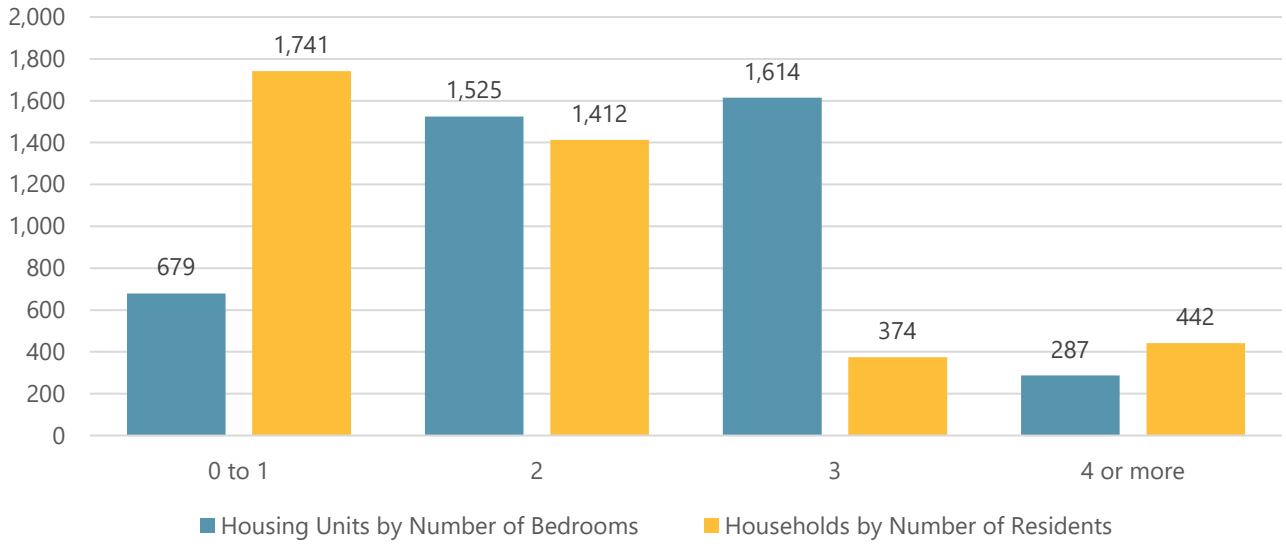


Source: Clallam County.

To meet the 2045 allocation of 191 emergency housing beds and 623 units of permanent supportive housing, 31 of these units per year will need to be added. This is likely to be extremely challenging, as there is a limited amount of funding available for this kind of deeply affordable housing. The Adequate Provisions assessment included as Housing Appendix A-3 ~~A-2~~ explores this challenge further.

In addition, there may be a mismatch between the number of residents per household and the number of bedrooms per housing unit in Sequim. There are 1,741 single-person households in the city, and there are 679 studio or one-bedroom units. In addition, while there are 374 three-person households, there are 1,614 housing units with three bedrooms. As residents age, they may want to downsize to reduce the time and effort needed to maintain a larger home, and this would be a challenge in Sequim due to the lack of smaller housing units.

Figure 45 44. Housing Units by Number of Bedrooms and Households by Number of Residents in Sequim



Source: US Census Bureau 2022 5-Year ACS, Tables S2501 and S2504.

Land Capacity by Income Band

HB 1220 requires jurisdictions to analyze their housing capacity by what household income level the new units can serve. Each county establishes income-based targets as reported in Figure 4145 above, Sequim must then demonstrate sufficient land capacity for the number of units allocated in each income band, as well as capacity for emergency housing units. The full methodology and results of this analysis are found in the Land Capacity Analysis (LCA) in Housing Appendix A-2. ~~A-3.~~

In brief, following the methodology established by the Department of Commerce and supplemented by Leland Consulting Group, the LCA first classified parcels as vacant, partially-used (i.e. able to be subdivided), or redevelopable, and excluding critical areas, recently developed parcels, publicly owned parcels, and other areas expected not to see redevelopment over the planning horizon. Next, the vacant, partially-used, and redevelopable acreage was assigned to residential or commercial uses based on zoning and recent development trends, and multiplied by density assumptions, again based on zoned densities and recent and expected development trends in Sequim. Finally, the resulting housing unit capacity was assigned to income bands that could be served by housing types allowed in each zone, and pending projects (built since 2020, permitted, or in the development pipeline) were also added, since the baseline year of the Commerce housing targets is 2020.

Following Department of Commerce guidance, analyzing land capacity by income band is accomplished by grouping zones into zone categories based on the housing types that are allowed and then grouping those categories by the lowest potential income level that could be served by the housing types in that zone category. This does not imply that the entire zone will be built out with subsidized or deeply subsidized units, but it does indicate that the zone allows housing types that can serve those lower income bands to be built. As discussed in the Land Capacity Analysis in

Appendix A-2, showing capacity for housing types that can serve all identified needs across income bands, through zoning, is the purpose of the income-band LCA, but other analyses and efforts are required by the GMA to ensure that this capacity for lower-income units can be realized. These subsequent analyses, which demonstrate measures that Sequim is taking to remove barriers to production and encourage and ensure that the zoned land identified in the LCA can provide the needed housing units at all income bands to meet Sequim's planning targets, can be found in the Adequate Provisions Analysis in Appendix A-3.

The initial results of ~~this~~ the LCA analysis are shown below, under land use designation and zoning before the adoption of the periodic update. Note that the housing needs are shown in the first column for all income-bands but are aggregated into three larger categories: 0-80% AMI, 80-120% AMI, and 120% AMI and higher, in order to compare the needs to the land capacity by income band, which is only calculated in these three larger groupings of income bands.

Since housing types that can serve households earning under 120% AMI are all served by the same or similar housing types in the same or similar zoning designations (that is, low- to mid-rise multifamily apartments), it is not possible to disaggregate the pure land capacity between these income bands. Note that the purpose of the LCA analysis is to determine if Sequim has sufficient zoned land capacity to accommodate its needed housing at the various income bands. Once this task is complete, the Adequate Provisions analysis in Housing Appendix A-3 discusses at length the various factors, regulations, subsides, and other considerations needed to ensure the housing needs at the disaggregated lower income bands can be developed in the city over the next 20 years. ~~which show that Sequim has sufficient capacity under current zoning at all income bands:~~

Figure 46 ~~45~~. Pending Units and Capacity Allocations by Zone Category

Income Band	Housing Needs	Aggregated Housing Needs	Pipeline Units	Remaining Housing Needs	Total Capacity	Surplus/Deficit
0-30 PSH	280	1,698	70	1,628	1,632	**4**
0-30 Non PSH	623					
30-50	568					
50-80	227					
80-100	80	141	78	63	2,540	2,477
100-120	61					
120+	11	11	679	(668)	1,415	2,083
Total	**1,850**		**827**		**5,587**	**4,564**

This analysis of land capacity under current zoning shows that Sequim has sufficient zoned capacity to meet both its overall housing target as well as its housing targets for all income bands. However, the city's **surplus of 4 units at the 0-80 percent AMI category** – units serving low-income households, is extremely small. As part of the comprehensive planning process, the city has received requests to rezone several parcels from commercial or industrial zones which currently do not allow multifamily to zoning designations that would allow multifamily housing. ~~from commercial or industrial zones which currently do not allow multifamily~~. ~~Staff is recommending several of these~~ The

City is proceeding with several of these rezones for a variety of reasons, including the need for more multifamily housing capacity in Sequim to meet the city's housing needs. Since the surplus of units that can serve lower-income households is marginal, these rezones will provide better opportunities across the city for development of housing that can serve households earning 80 percent AMI or below. After adding these rezoned parcels into the analysis, there is an increased capacity to serve lower income bands as shown below:

Figure 46. Housing Targets and Capacity by Income Band Under Proposed Parcels Zoning Changes

Income Band	Housing Needs	Aggregated Housing Needs	Pipeline Units	Remaining Housing Needs	Total Capacity	Surplus/Deficit
0-30 PSH	280	1,698	70	1,628	1,848	**220**
0-30 Non PSH	623					
30-50	568					
50-80	227					
80-100	80	141	78	63	2,540	2,477
100-120	61					
120+	11	11	679	(668)	1,415	2,083
Total	**1,850**		**827**		**5,802**	**4,779**

~~See also Housing Appendix A-3 for a detailed discussion of the LCA process, methodology, and results.~~

A detailed discussion of the methodology, assumptions, and results of the Land Capacity Analysis can be found in Housing Appendix A-2. A detailed discussion of efforts and measures the City is taking to remove barriers to the construction of units serving lower income bands and the subsidy required for them to be built can be found in Housing Appendix A-3 Adequate Provisions.

Land Capacity Analysis

1. INTRODUCTION

Leland Consulting Group (Leland) was retained by the City of Sequim to assist in completing several required analyses for its 2025 Comprehensive Plan update. As part of this work, Leland conducted a Land Capacity Analysis (LCA) to determine potential development capacity for housing and jobs in the city through 2045, including zoned land capacity for housing units by income band to comply with recent updates to the GMA resulting from the passage of HB 1220. This report details the methodology and results of this analysis, which was based on the methodology in the following documents and guidebooks:

- Department of Commerce 2012 *UGA Guidebook*
- Department of Commerce 2018 *Buildable Lands Guidelines*
- Department of Commerce ~~*2023 Commerce*~~ *Guidance for Updating Your Housing Element v3.4 (August 2023)*
    - Note: this guidebook also adds a methodology for housing unit capacity analysis by income band to comply with HB 1220
- Recent Land Capacity Analysis ~~methodologies~~ methodology used in Port Angeles~~, Clallam County~~.

Note that this report includes the LCA for Sequim within the city limits. As part of the ~~ongoing~~ Clallam County Comprehensive Plan update, the County has ~~drafted~~ completed an LCA for Sequim's UGA.

This report analyzes available land capacity by zoning, and associates zoning with various affordability levels based on the methodologies described above and the statewide guidance provided by the Department of Commerce. This analysis represents only one portion of the required Housing Element analysis outlined in the Department of Commerce's Guidance for Updating your Housing Element. The GMA also requires a Housing Needs Analysis, which can be found in Appendix A-1, and a Racially Disparate Impacts Analysis, which considers past and present policies that may contribute to racially disparate impacts in housing access and affordability and requires cities to adopt policies to attempt to undo those impacts. The Racially Disparate Impacts Analysis can be found in Appendix A-4. Additionally, Commerce requires an Adequate Provisions Analysis (found in Appendix A-3), which builds on the results of this LCA and analyzes potential barriers to housing production beyond zoned land capacity.

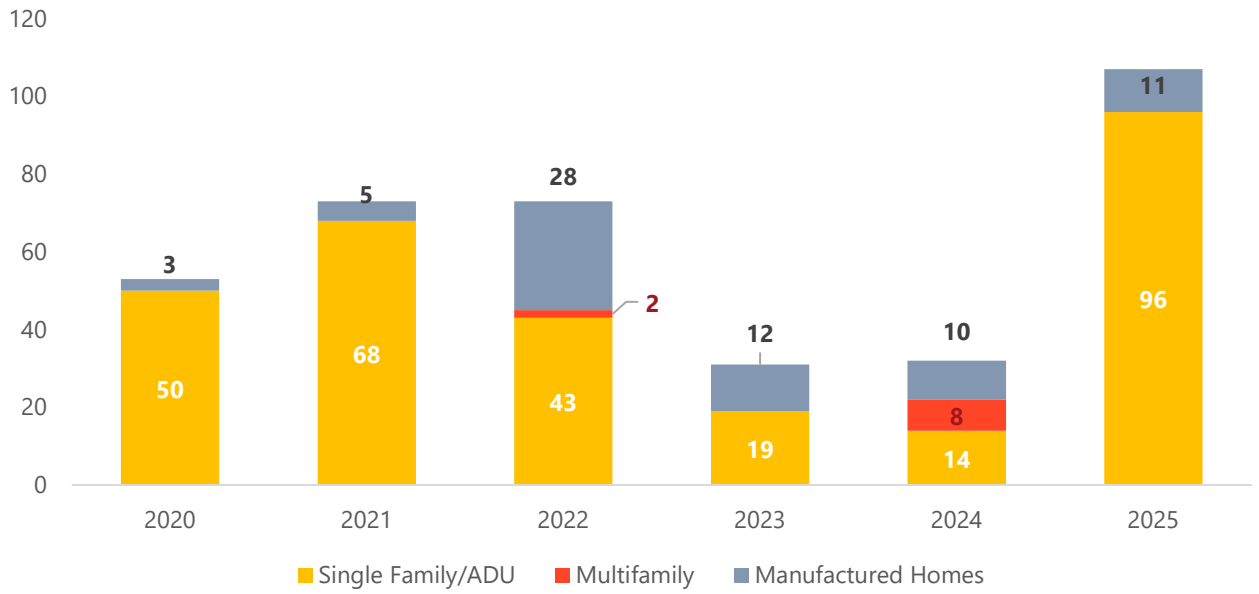
~~2.~~ This LCA lays the foundation for the Adequate Provisions Analysis by ensuring that there is sufficient zoned land for the number and types of housing units that are required to meet statewide targets, but the Adequate Provisions Analysis in Appendix A-3 builds on the LCA and demonstrates measures that Sequim is taking with this Comprehensive Plan and its associated development regulations to remove barriers to production and encourage and ensure that the sufficient quantity

of zoned land identified in this report can provide the needed housing units at all income levels over the planning horizon to meet the City's targets as determined by the State and Clallam County.

2. REVIEW OF RECENT DEVELOPMENT

Residential development in Sequim over the past five years has been analyzed using permit data provided by the City. Overall, **369 housing units have been permitted between January 2020 and September 2025**. As shown below in Figure 1, single-family permits outnumber other types of housing development. There were no duplexes, triplexes, or townhomes built during this period. One condominium building with eight units was issued a permit in 2024. Single-family/ADU units accounted for 78.6 percent of total units permitted (note that almost all units in this category were single-family homes), mobile/manufactured homes accounted for 18.7 percent, and 2.7 percent were multifamily units.

Figure 1. Housing Units Permitted in Sequim Since 2020

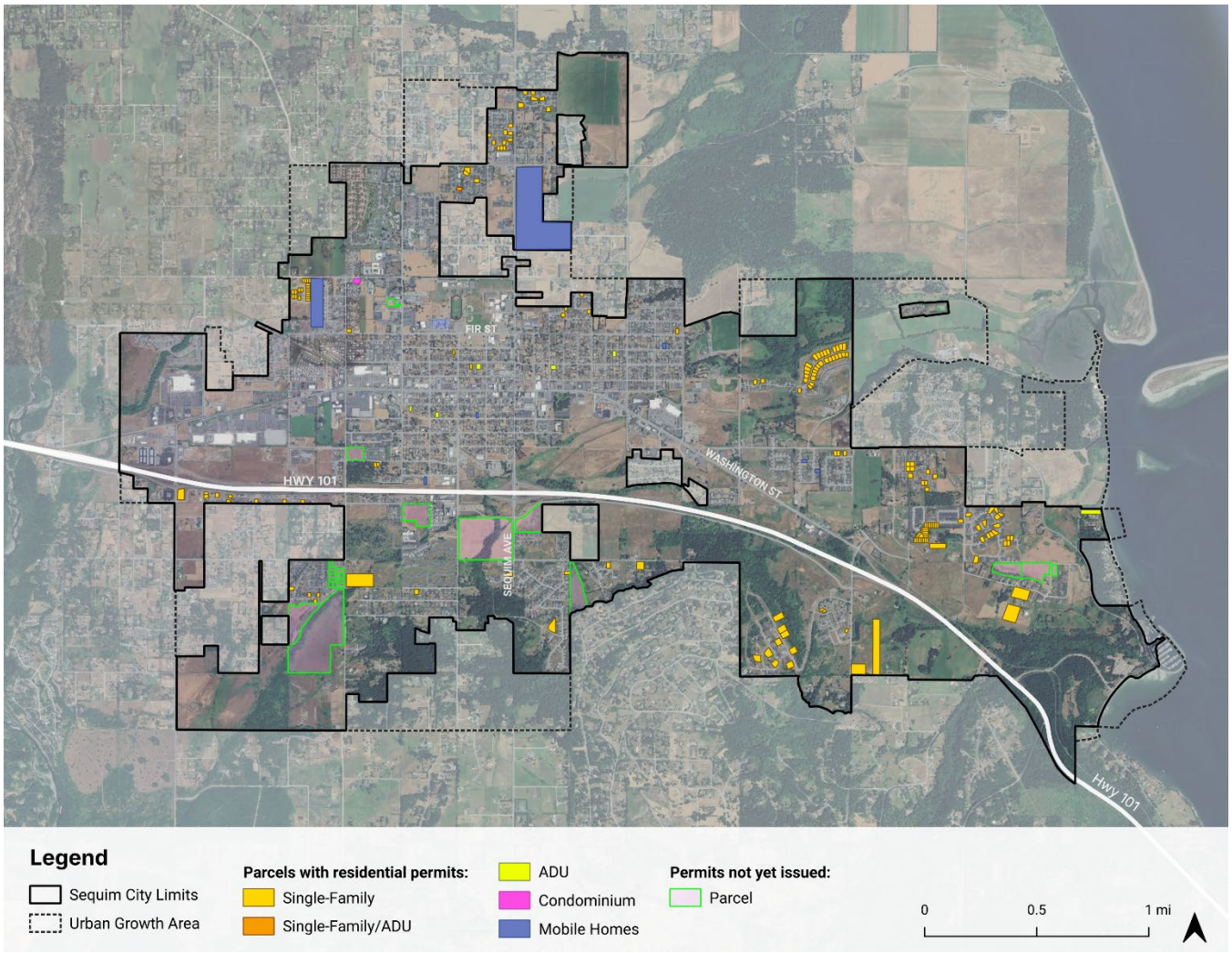


Source: City of Sequim

As of September 2025, in addition to the issued permits shown above, there were 10 proposed developments totaling **458 units that were pending a final permit** or land use decision. Of these units, 85 percent are single-family and the remaining 15 percent, or 69 units, are multifamily homes designed for different income levels.

All parcels with permitted or pending permitted development since 2020 were excluded from this LCA, and the units were counted toward the total pending units since 2020, the baseline year for Sequim's housing targets as developed by the Department of Commerce and Clallam County. These units do count towards meeting Sequim's housing targets and are added to the total land capacity at the end of the process, as detailed below. Pending units by income band included in the totals are detailed below. The map below shows parcels with permitted residential development since 2020 and parcels with pending final land use decision.

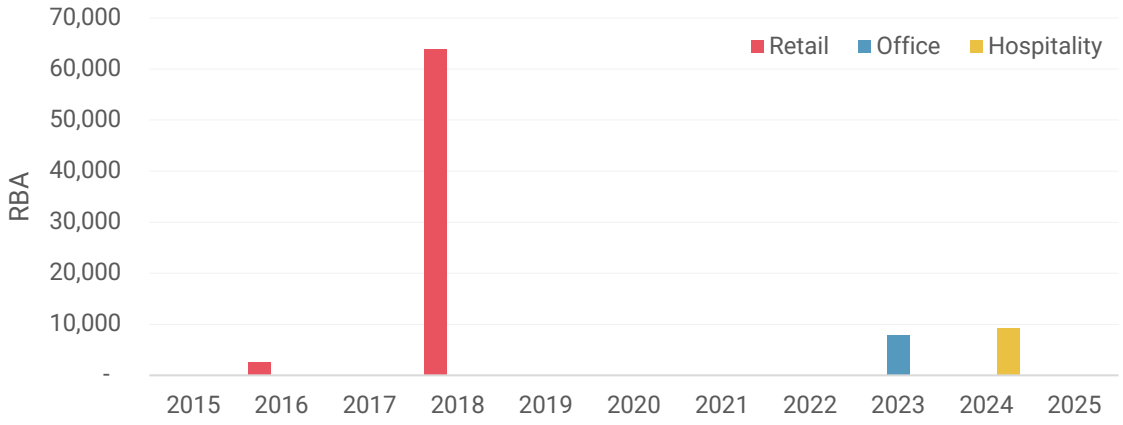
Figure 2. Residential Permits Location by Housing Type, 2020-2025



Source: City of Sequim

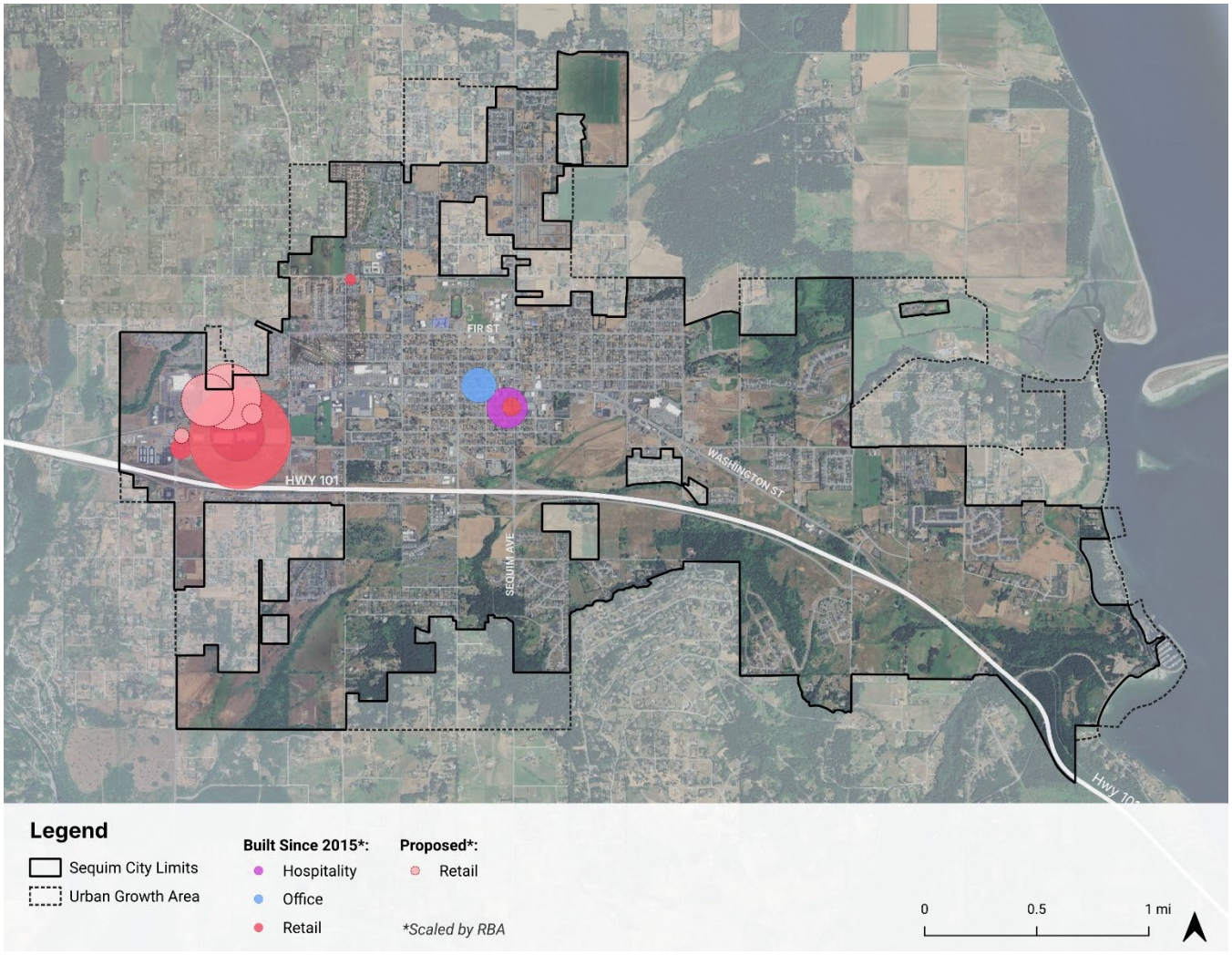
Some commercial development and redevelopment have appeared in the past decade, primarily retail. A total of **83,574 square feet of commercial development** was constructed since 2015. Figure 4 shows the location of these properties. Most of the recent development and redevelopment activity is concentrated in the area of large shopping centers south of Washington Street and between River Road and 9th Avenue on the western edge of the city.

Figure 3. Commercial Development Activity, 2015-2025



Source: CoStar

Figure 4. Commercial Development Location by Type, 2015-2025



Source: CoStar

3. HOUSING NEEDS AND EMPLOYMENT PROJECTIONS 2020-2045

In accordance with the GMA, all Clallam County jurisdictions are required to demonstrate that they have sufficient **land capacity** to accommodate the projected 2045 housing needs and jobs growth based on Washington Office of Financial Management (OFM) countywide forecasts. As detailed in Clallam County Growth Management Act Steering Committee Resolution 2023-01, Sequim's projected **housing need** within the city limits is **1,850 new housing units between 2020 and 2045**. This projection of housing need was determined by the Washington State Office of Financial Management's population forecast for Clallam County and the Washington Department of Commerce's Housing for All Planning Tool (HAPT), as well as regional coordination via the Clallam County Growth Management Act Steering Committee. The target itself is determined at the County level, and the City of Sequim participated in the Steering Committee process which determined the target, but the City does not unilaterally have control over its population or housing target. The HAPT output is shown below.

Figure 5. WA Department of Commerce Housing for All Planning Tool (HAPT) Output Showing Clallam County Housing Targets by Income Band (top) And Allocation By Jurisdiction as Determined by Clallam County Growth Management Act Steering Committee Resolution 2023-01 (bottom)

Clallam County

100.00% Met Target

Sum of user inputs for jurisdiction shares. If below 100%, increase shares. If above 100%, decrease shares.

	Total	Permanent Housing Needs by Income Level (% of Area Median Income) 0-30% Non-PSH	0-30% PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs (Temporary)
Countywide Estimated Housing Supply (2020)	35,748	1,520	50	5,244	8,816	4,559	3,033	12,526	144
Countywide Total Housing Needs (2045)	41,716	3,187	801	6,764	9,549	4,817	3,229	13,369	584
Countywide Additional Units Needed (2020-2045)	5,968	1,667	751	1,520	733	258	196	843	440

82.37% ← *Minimum allocation to urban areas (cumulatively) to accommodate needs at all affordability levels. This varies by county and population target.*

83.00% ← *Urban area combined % allocation from user inputs*

RESULTING HOUSING ALLOCATION FROM SELECTED SHARES

		Allocation - % Share of Future County Net Housing Need: User Input	Actual	Total Units Allocated (2020-2045)	Permanent Housing Needs by Income Level (% of Area Median Income) 0-30% Non-PSH	0-30% PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs (Temporary)
Forks	City	5.00	5.01 %	299	100	45	92	37	13	10	2	27
	Unincorporated UGA	0.50	0.50 %	30	10	5	9	4	1	1	0	3
Port Angeles	City	33.00	33.01 %	1,970	664	299	605	241	85	63	13	173
	Unincorporated UGA	5.00	4.99 %	298	100	45	91	37	13	10	2	27
Sequim	City	31.00	31.00 %	1,850	623	280	568	227	80	61	11	164
	Unincorporated UGA	5.00	4.99 %	298	100	45	91	37	13	10	2	27
Clallam Bay	Unincorporated UGA	0.50	0.50 %	30	10	5	9	4	1	1	0	3
Joyce	Unincorporated UGA	0.00	0.00 %	0	0	0	0	0	0	0	0	0
Carlsborg	Unincorporated UGA	3.00	3.00 %	179	60	27	55	22	8	6	1	16
Unincorporated Rural	Rural	16.99	16.99 %	1,014	0	0	0	124	44	34	812	0

Source: Clallam County

~~The Clallam County Land Capacity Analysis of the Comprehensive Plan draft from March 5, 2025, shows an employment target for Sequim of **909 new jobs** between 2020 and 2045.~~

The total housing unit projections are further broken down by what income band the housing units can serve, expressed as a percentage of the HUD area median income (AMI), as shown above in Figure 5. The **2024 AMI for Clallam County used in this analysis was $93,900**. The AMI is determined by the U.S. Department of Housing and Urban Development (HUD) and is generally higher than the U.S. Census-reported median household income for a given city since it is a countywide metric and based on average family income, which excludes one-person households. The HUD AMI is a **standard metric** used by the federal government and agencies and jurisdictions across the U.S. to determine eligibility and income limits for subsidized affordable housing units.

The projected housing needs for families earning under 30% AMI are broken down into permanent units (i.e. standard housing units) and permanent supportive housing (PSH), defined in the Department of Commerce's *Guidance for Updating Your Housing Element* (v3.4) ~~guidebook~~ as "subsidized, leased housing for people who are experiencing homelessness or are at risk of homelessness and living with a disabling condition." PSH units require additional resident services, but from the quantitative perspective of this land capacity analysis, land that can support non-PSH units at 0-30% AMI can also support PSH units at 0-30% AMI. Recent changes to requirements around STEP (Shelter, Transitional, Emergency, and Permanent Supportive Housing) require cities to allow PSH in all zones where permanent housing is allowed. Sequim's revisions to its zoning code have implemented these changes. Therefore, PSH and non-PSH 0-30% AMI housing is aggregated in this LCA report, since both PSH and non-PSH units can be built on the same zoned acreage, and this LCA report is only one portion of the required housing analysis showing compliance with state targets. Building on the results of this LCA, additional discussion of PSH, supportive services, funding for affordable housing, and measures that Sequim has taken to encourage, support, fund, and demonstrate capacity to meet the City's allocated housing needs at all income bands, including PSH units, can be found in detail in the Adequate Provisions Analysis in Appendix A-3.

Sequim's housing baseline and 2045 projections by income band are shown below.

Figure 6. Sequim Housing Targets by Income Band, 2020-2045

Income Band (% AMI)	0-30 PSH	0-30 Non PSH	30-50	50-80	80-100	100-120	120+	Total
Net New Units 2020-2045	280	623	568	227	80	61	11	**1,850**

Source: Clallam County Growth Management Act Steering Committee Resolution 2023-01

Finally, each jurisdiction received a projection for emergency housing needs, defined as "temporary accommodations for households who are experiencing homelessness or are at imminent risk of becoming homeless." ~~The~~ A Land Capacity Analysis for emergency housing ~~targets are~~ is ~~addressed through a separate capacity analysis~~ found later in this report, and a discussion of regulatory changes, funding, and other efforts to remove barriers to the development of Emergency Housing are found in detail in the Adequate Provisions Analysis in Appendix A-3. ~~Sequim's housing baseline and 2045 projections by income band are shown below.~~

~~Figure 7. Sequim Housing Targets by Income Band, 2020-2045~~

~~Income Band (% AMI)~~	~~0-30 PSH~~	~~0-30 Non PSH~~	~~30-50~~	~~50-80~~	~~80-100~~	~~100-120~~	~~120+~~	~~Total~~
~~Net New Units 2020-2045~~	~~280~~	~~623~~	~~568~~	~~227~~	~~80~~	~~61~~	~~11~~	~~1,850~~

~~Source: Clallam County Housing Needs Allocations~~ Finally, Clallam County determined Sequim's target for new jobs, for which the city must also show capacity. The Clallam County Land Capacity Analysis of the Comprehensive Plan draft from March 5, 2025, shows an employment target for Sequim of **909 new jobs** between 2020 and 2045.

4. LAND CAPACITY ANALYSIS PROCESS

In brief, ~~H~~ having established Sequim's housing targets above, the Land Capacity Analysis (LCA) process aims to determine whether there is enough development capacity to meet those targets under existing zoning. Parcels where development is not going to occur in the foreseeable future, either due to their land use or recently completed development, are excluded from the analysis. The remaining parcels are categorized as vacant, partially used, and redevelopable based on the methodology detailed below, based on Department of Commerce guidance and refined by Leland and Sequim staff input. After parcels are classified in these categories, total buildable land is summarized by zone. Housing type and density level assumptions are then applied to the acreage in each zone to categorize capacity in the zone by potential income levels served based on the allowed housing types in the zone. Identified capacity is then compared to the projected housing needs. If there is a deficit, actions to increase capacity will need to be implemented, and a reassessment of the land capacity conducted. The graphic below summarizes the Commerce methodology for conducting this LCA as outlined in their *Guidance for Updating Your Housing Element*, and the detailed methodology and results of this process follow in the subsequent sections of this report.

Figure 86. Overview of LCA Methodology



Source: Washington Department of Commerce, Guidance for Updating Your Housing Element, 2024

5. PARCEL CLASSIFICATION

To determine developable land capacity in Sequim, a set of assumptions was used to classify parcels as vacant, partially-used, or redevelopable. Critical area acreage was then deducted to arrive at net buildable parcel acreage by zone. The assumptions and methodology for this process are detailed below.

Excluded Parcels

The following table outlines land uses from the Clallam County assessor's data excluded from consideration in this LCA. These parcels are generally public uses, restricted or protected areas, or other land uses not expected to redevelop over the planning period:

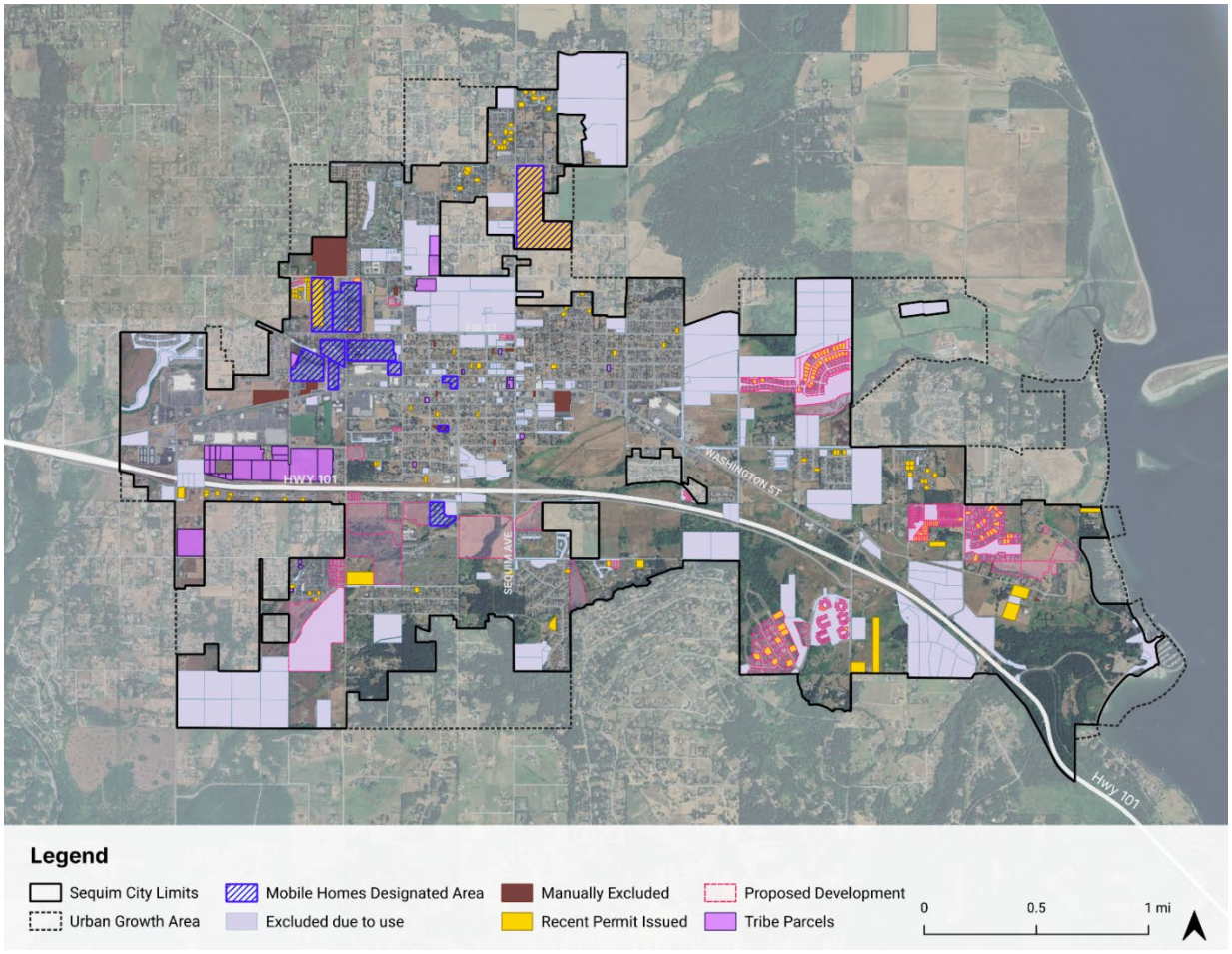
82	AGRICULTURE RELATED ACTIVITIES
4315	AIRCRAFT STR
4411	MARINE TM PS
4500	HIGHWAY STR
4540	ARTERIAL ST
4560	LOCAS AC ST
4570	ALLEYS
4580	EASE-R/W
4590	HWY & ST R/W
4700	COMMUNI
4730	RADIO COMM
4740	TELE COMM
4742	TELE TRANS
4749	OTHER TELE
4800	UTILITIES
4813	ELECT SUB-ST
4823	GAS STR/DIST
4830	WAT UTIL/IRG
4832	WATER TREAT
4833	WATER STOR
4839	OTHER WAT/UT
4840	SEWAGE DISP
4843	SEWAGE DISP
4850	WASTE DISP
4855	REFUSE DISP
5530	GAS STATIONS
5731	RADIOS/TELE
6242	CEMETERIES
6492	RADIO/TV RP
6621	PLUMB/HEAT
6700	GOVERNMENTAL
6722	FIRE PROTECT
6730	POSTAL
6800	EDUCATIONAL
6811	NURSERY SHCL
7400	RECREATIONAL
7600	PARKS
7630	GREEN BELTS
7670	REGIONAL PRK
7700	NON-PROF ORG
7800	INDIAN EXPT
8300	AG (OS)
8800	DESIGNATED
8900	FORESTRY
8912	TMB SAW LOGS
8914	TMB MIXED
8915	TREE PRODUCT
8990	FORESTRY NEC
9300	WATER AREAS
9340	OCEANS/SEAS
9350	SALTWATER TL
9390	OTHER WATER
9400	OPEN SPACE
9500	OS TIMBER
9600	HM OWN EXPT
9700	STATE EXMPT
9730	COUNTY EXEMP
9750	EXEMPT

Some parcels were removed manually based on visual inspection and staff input, including:

- Tribally-owned parcels (with the assessor code of 7850 TRIBAL), and other known parcels owned by Jamestown S'Klallam Tribe.
- Small easements, residual parcels, and sections of Right-Of-Way.
- Existing Mobile Home Park parcels were removed from consideration for redevelopment based on city GIS data due to the overlay district which prohibits redevelopment of these properties.

Parcels with recently completed development (in the past five years) or permitted/proposed development were also removed from consideration for development in this planning horizon. These parcels are mapped in Figure 2 above. As noted previously, units currently in the pipeline and developed since 2020 (the year of Commerce's housing target baseline) do count towards meeting Sequim's growth targets. This is detailed on p. 22. The map below shows the parcels removed from consideration in this process.

Figure 97. Parcels Removed from Consideration in Land Capacity Analysis



Source: City of Sequim, Clallam County Parcel Data

6. PARCEL CLASSIFICATION CATEGORIES

The remaining parcels not shown above in Figure 8~~Figure 7~~ were included in the LCA and were classified as vacant, partially-used, or redevelopable, using the criteria below.

Vacant

Parcels in all zones were identified as "vacant" if one of the following was true:

- Parcels classified as undeveloped or vacant by the Clallam County Assessor, such as 91 UNDEVELOPED LAND, 9900 OTHR UND LND.
- Parcels with a combined improvement (building) and land value of $10,000 or less.

Partially-Used

The partially-used classification refers to parcels in the R 4-8 residential zone which are large enough to be subdivided, defined as 2.5 times the minimum lot size. Parcels where the improvement value was greater than $682,469, the 93rd percentile of improvement values in the city, were excluded based on the assumption that very high-value homes on large lots are less likely to be redeveloped.

Redevelopable

This category applies to parcels in all zones. Parcels were considered redevelopable if the improvement (building) value is less than the land value. In commercial, mixed-use, and industrial zones, if a parcel had a single-family property use, it was also classified as redevelopable.

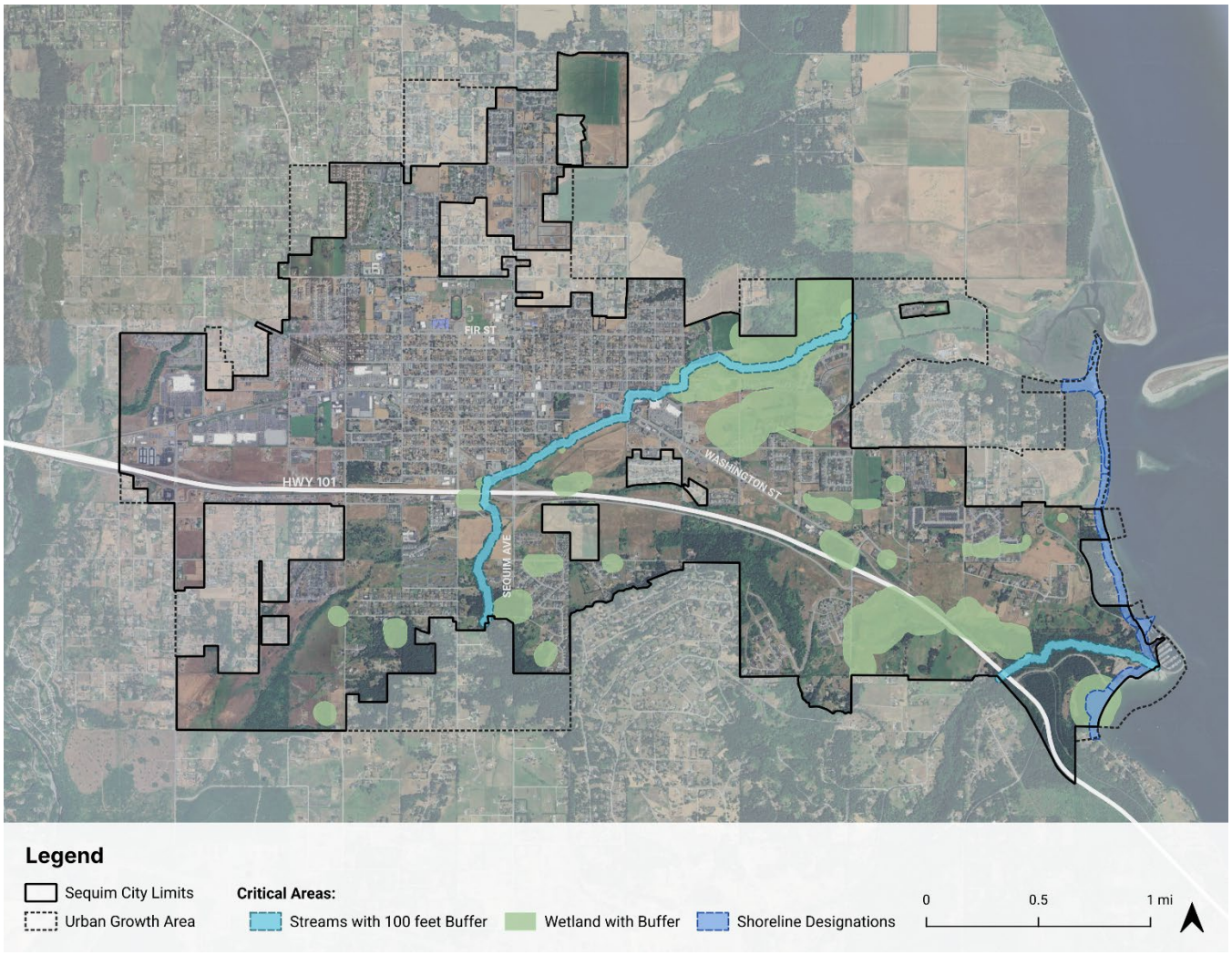
Critical Areas

Critical areas and their associated buffers defined by the Sequim municipal code (Chapter 18.80) were excluded from the developable parcel acreage. The acreage of the following critical areas was calculated and removed from total acreage on a parcel level:

- Streams and wetlands with buffers[1]
- Shoreline area
- Geohazards
- Recently updated FEMA flood hazard areas.

[1] The City is using a 100-foot buffer for streams in this analysis which has not yet been adopted in code but reflects a cautious approach and avoids complexity of buffers related to tree height.

Figure 108. Critical Areas Excluded from Sequim Land Capacity Analysis



Source: City of Sequim

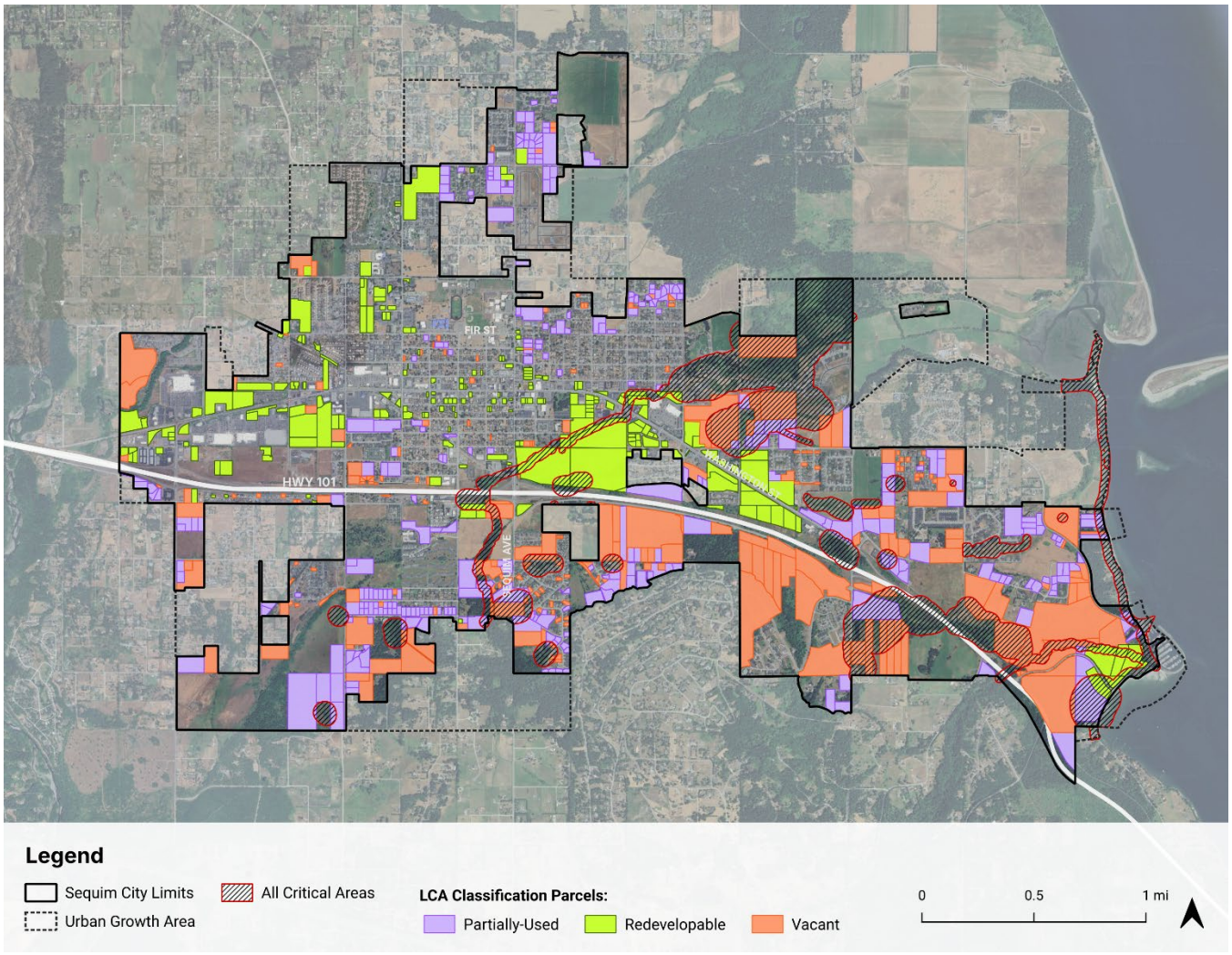
Total Acreage

The table below shows the vacant, partially-used, and redevelopable acreage in each zone after the critical area acreage was removed. The locations of these parcels and of the critical areas are shown on the map below.

Figure 119. Total Gross Unconstrained Acreage of Vacant, Partially-used, and Redevelopable Parcels by Zone

Zone	Zone Name	Gross Vacant Acres (Less Critical Areas)	Gross Partially-Used Acres (Less Critical Areas)	Gross Redevelopable Acres (Less Critical Areas)
AC	Agriculture Conservancy	0.0	0.0	0.0
R4-8	Residential	406.8	357.7	1.7
NB	Neighborhood Business	0.0	0.0	3.9
CMU	Community Mixed Use	4.7	0.0	35.5
RC	Regional Commercial	0.6	0.0	24.5
HC	Highway Commercial	5.2	0.0	7.3
HC/W	Heavy Commercial/Warehouse	0.1	0.0	4.9
HTLI	High Tech Light Industrial	0.0	0.0	36.1
LD	Lifestyle District	6.0	0.0	43.5
EOA	Economic Opportunity Area	2.2	0.0	72.7
PRC	Planned Resort Community	82.9	21.0	15.7
DC	Downtown Core	0.0	0.0	4.7
DMU-I	Downtown Mixed Use - I	2.1	0.0	20.9
DMU-II	Downtown Mixed Use - II	0.0	0.0	12.9
Total		**510.7**	**378.7**	**284.4**

Figure 1210. Land Capacity Analysis Parcel Classification Map



Reduction Factor

Commerce's HB 1220 guidance indicates that jurisdictions should reduce the amount of vacant and redevelopable acreage by a reasonable amount to account for land that may not be available for redevelopment due to the need for new right-of-way, public space, stormwater facilities, or other dedications. The Department of Commerce suggests a minimum reduction of 15 percent for vacant parcels and 25 percent for partially used and redevelopable parcels. Based on the pent-up demand for redevelopment and recent development activity, the market factor for redevelopable parcels was adjusted to 15 percent. Based on these recommendations and the city's assessment of the average reduction of 20 percent for right-of-way, 3.4 percent for drainage, and 15 percent market reduction factors, the assumption of a 38 percent total reduction factor was applied to each zone. Note that this provides a **significant buffer**, demonstrating that the city can meet its housing and employment land capacity targets even without all land being redeveloped over this planning horizon.

Figure 1311. Net Acreage After Reduction Factors Applied for Land Capacity Analysis

Zone	Zone Name	Net Vacant Acres (Less Critical Areas, Reduction Factor Applied)	Net Partially-Used Acres (Less Critical Areas, Reduction Factor Applied)	Net Redevelopable (Less Critical Areas, Reduction Factor Applied)
AC	Agriculture Conservancy	0.0	0.0	0.0
R4-8	Residential	250.6	220.3	1.0
NB	Neighborhood Business	0.0	0.0	2.4
CMU	Community Mixed Use	2.9	0.0	21.9
RC	Regional Commercial	0.3	0.0	15.1
HC	Highway Commercial	3.2	0.0	4.5
HC/W	Heavy Commercial/Warehouse	0.0	0.0	3.0
HTLI	High Tech Light Industrial	0.0	0.0	22.3
LD	Lifestyle District	3.7	0.0	26.8
EOA	Economic Opportunity Area	1.4	0.0	54.5
PRC	Planned Resort Community	51.1	15.8	11.8
DC	Downtown Core	0.0	0.0	2.9
DMU-I	Downtown Mixed Use - I	1.3	0.0	12.9
DMU-II	Downtown Mixed Use - II	0.0	0.0	8.0
Total		**314.6**	**236.1**	**187.1**

7. HOUSING AND JOB DENSITY ASSUMPTIONS

Residential/Commercial Split

Having established the amount of available developable acreage, the next step in the analysis is to determine the share of this acreage which may redevelop as residential and nonresidential uses in each zone. As shown below, residential zone R4-8 is assumed to be redeveloped with 100 percent residential uses. Agriculture, industrial, and regional, highway, and heavy commercial zones are not expected to see any residential development. Planned Resort Community (PRC) zone has the same 100 percent residential assumption, as this zone should follow regulation of the R4-8 zone, according to the Sequim Municipal Code.

For the remaining mixed-use zones, recent development trends were analyzed to develop assumptions for the residential/commercial mix. Although allowed by the use tables, Sequim's commercial zones have not experienced residential development in recent years, the city is actively working to address barriers to development in these zones, including through zoning changes, affordable housing incentives and fee waivers, and outreach to the development community. Further details are found in the "Adequate Provisions" analysis in Appendix A-2A-3. Given these changes as well as the need for more multifamily housing in Sequim and the potential for market changes over the 20-year planning horizon, some residential capacity was assumed in Sequim's commercial zones for the purposes of this LCA

Figure 1412. Assumed Residential/Commercial Share

Zone	Zone Name	% of Parcel Acreage Assumed to Redevelop as Residential
AC	Agriculture Conservancy	0%
R4-8	Residential	100%
NB	Neighborhood Business	20%
CMU	Community Mixed Use	70%
RC	Regional Commercial	0%
HC	Highway Commercial	0%
HC/W	Heavy Commercial/Warehouse	0%
HTLI	High Tech Light Industrial	0%
LD	Lifestyle District	65%
EOA	Economic Opportunity Area	65%
PRC	Planned Resort Community	100%
DC	Downtown Core	50%
DMU-I	Downtown Mixed Use - I	50%
DMU-II	Downtown Mixed Use - II	50%

Residential Density

The next step was to estimate the density at which the identified residential acreage could be redeveloped. Since there are no minimum or maximum densities defined per zone in Sequim, assumed density was based on the minimum number of lots that could be achieved per acre and compared to the density built over the past 10 years.

In the R4-8 zone that allows single-family detached homes and middle housing (such as townhomes, duplexes, triplexes), the minimum lot size requirement differs depending on the type of housing being built. As a result, the zone was split into two different densities: 6.0 dwelling units per acre for single-family, based on the 10-year achieved density, and 8.1 dwelling units per acre for middle housing, based on the minimum lot size. The zone acreage was split evenly between these two density assumptions.

Since there has not been much development in the DC, DMU-I, and DMU-II zones, density assumptions were set at 15.0 dwelling units per acre based on the City's input. Since the EOA zones adjoin the downtown zones and are assumed to be developed at a similar density, it was assigned the same density assumptions. Assumed density in HC zone is based on the minimum lot size.

Figure 1513. Assumed Residential Densities for Land Capacity Analysis

Zone	Minimum Lot Size (sq. ft.)	10 Years Achieved Residential Density (du/ac)	Assumed Density (du/ac)
AC			
R4-8 (SF)	5,400	5.2	6.0
R4-8 (MF)	5,400	5.2	8.1
NB	6,000		7.3
CMU		24.5	24.5
RC			
HC	8,000	1.1	5.4
HC/W			
HTLI			0.0
LD		12.3	25.0
EOA			15.0
PRC	5,400		8.1
DC			15.0
DMU-I		6.3	15.0
DMU-II			15.0

Employment Density

To determine the density of employment capacity on the nonresidential acreage in Sequim, a job density assumption was developed for each zone and measured in jobs per acre. Since there has

been little commercial development in the last 10 years, the achieved jobs density was calculated beyond the 2014-2024 period.

Figure 1614. Assumed Employment Densities for Land Capacity Analysis

Zone	Achieved Jobs/Acre	Assumed Jobs/Acre
AC	0.0	0.0
R4-8	5.3	0.0
NB	4.2	4.2
CMU	6.9	6.9
RC	25.0	25.0
HC	6.0	6.0
HC/W	12.3	12.3
HTLI	0.0	10.8
LD	14.7	14.7
EOA	0.0	6.0
PRC	0.0	0.0
DC	19.8	19.8
DMU-I	21.3	21.3
DMU-II	9.0	9.0

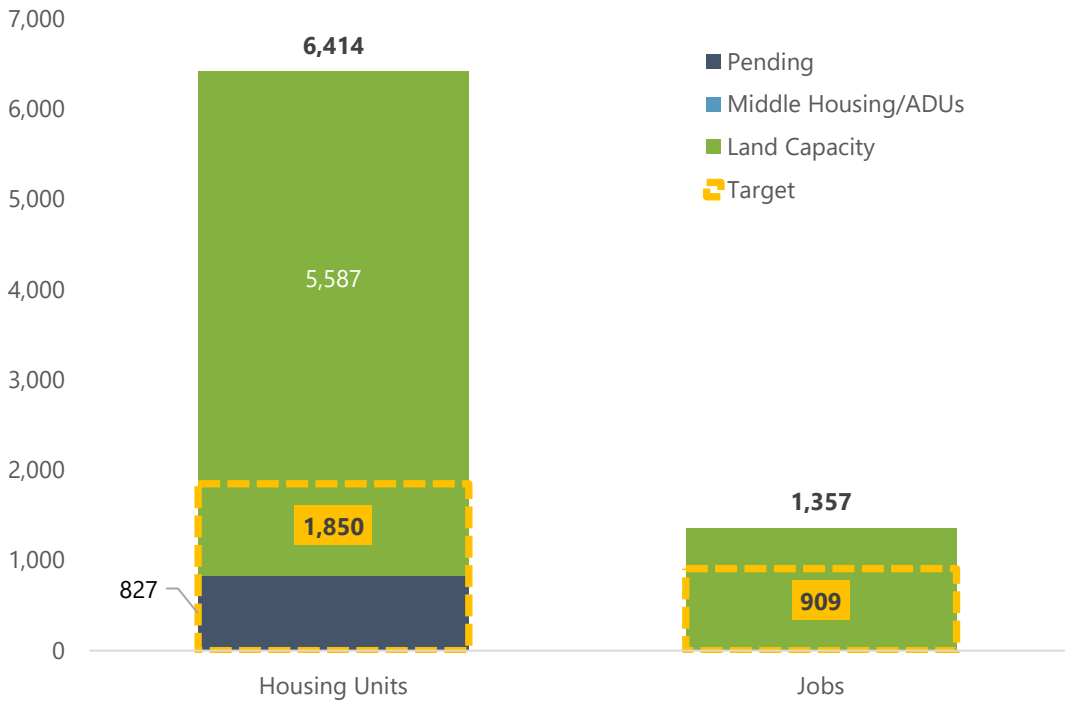
Additional ADU Capacity

ADU capacity was not calculated in this LCA due to the low rates of ADU construction in recent years. However, recent state law now requires cities to allow two ADUs per parcel. This may result in increased ADU construction in the coming years. The City will track ADU development and consider whether additional ADU capacity should be included in the Land Capacity Analysis at the next periodic update in 2035.

8. RESULTS

Figure 16~~Figure 15~~ shows the overall results of the housing and jobs capacity analysis. ~~Units~~ "Pending" units that have been developed since the 2020 baseline or are permitted/pending final land use decision but not yet built, detailed earlier in this report, are indicated in dark blue. The land capacity for housing and jobs, ~~as~~ calculated using the methodology described above, is displayed in green. ~~Under the assumptions described above~~ Based on this analysis, Sequim's total **housing land capacity under current zoning is 5,587 units** and the **employment land capacity under current zoning is 1,357 jobs**. The targets set by the County are highlighted in dashed yellow boxes. Overall, Sequim has sufficient capacity to accommodate its housing and job targets.

Figure 17~~15~~. Sequim Land Capacity Analysis Results for Total Housing Units and Jobs, 2020-2045



Source: Clallam County; Leland Consulting Group

Figure 17~~Figure 16~~ below shows the breakdown of the total unit and job capacity by zone, after applying the densities discussed above to the net acreage (less critical areas and infrastructure deductions) and subtracting units that would be lost to redevelopment.

Figure 1816. Housing Unit and Job Capacity by Zone, 2025-2045

Zone	Zone Name	Net Housing Unit Capacity	Net Job Capacity
AC	Agriculture Conservancy	0	0
R4-8	Residential	3,318	0
NB	Neighborhood Business	3	8
CMU	Community Mixed Use	423	55
RC	Regional Commercial	0	382
HC	Highway Commercial	0	46
HC/W	Heavy Commercial/Warehouse	0	38
HTLI	High Tech Light Industrial	0	240
LD	Lifestyle District	490	177
EOA	Economic Opportunity Area	540	154
PRC	Planned Resort Community	634*	0
DC	Downtown Core	17	32
DMU-I	Downtown Mixed Use - I	103	169
DMU-II	Downtown Mixed Use - II	58	55
Total		**5,587**	**1,357**

**The number of units (634) assumed in the PRC zone is based on the net developable area of 78.6 acres multiplied by the assumed density of 8.1 units per acre, based on the same density assumption used in the R4-8 zone density for the middle housing category. The density and total number of units that are assumed in this zone are used solely for this LCA and may not reflect unit counts of a proposed development in this area.*

9. HOUSING NEEDS BY INCOME BAND

As outlined earlier in this report, amendments to the GMA resulting from HB 1220 requires jurisdictions to analyze their housing capacity by what household income level the new units can serve. Each county establishes income-based projections for each city within the county, and the cities must then demonstrate that they have sufficient land capacity for the number of units allocated in each income band, as well as capacity for emergency housing unit projected needs. Sequim's projected housing unit needs for the 2020-2045 period are shown below.

Figure 1917. Projected Housing Needs by Income Band, 2020-2045

Income Band (% AMI)	0-30 PSH	0-30 Non PSH	30-50	50-80	80-100	100-120	120+	Total
Net New Units 2020-2045	280	623	568	227	80	61	11	1,850

Source: Clallam County

Land Capacity by Income Band

Following Department of Commerce guidance, analyzing land capacity by income band is accomplished by grouping zones into zone categories based on the housing types that are allowed and then grouping those categories by the lowest potential income level that could be served by the housing types in that zone category. The table below in Figure 19 shows the Department of Commerce's guidance on the relationship of housing types to income levels and land capacity. These "moderate-cost" income band classifications are recommended for communities outside the Central Puget Sound region.

Figure 20. Department of Commerce Guidance on Income Band Classification (Moderate-Cost Communities)

Zone category	Typical housing types allowed	Lowest potential income level served		Assumed affordability level for capacity analysis
		Market rate	With subsidies and/or incentives	
Low Density	Detached single family homes	Higher income (>120% AMI)	Not typically feasible at scale*	Higher income (>120% AMI)
Moderate Density	Townhomes, duplex, triplex, quadplex	Moderate income (>80-120% AMI)	Not typically feasible at scale*	Moderate income (>80-120% AMI)
Low-Rise Multifamily	Walk-up apartments, condominiums (2-3-floors)	Low income (>50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and PSH
Mid-Rise Multifamily	Apartments, condominiums	Low income (>50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and PSH
ADUs (all zones)	Accessory Dwelling Units on developed residential lots	Low income (>50-80% AMI)	N/A	Low income (>50-80% AMI) – Group with Low-Rise and/or Mid-Rise Multifamily

Source: Washington Department of Commerce "Guidance for Updating Your Housing Element" (August 2023, Updated September 2024)

Note that the Commerce table shown above in Figure 19 includes columns for both assumed income bands that can be served by **market-rate** development and assumed income bands that can be served by **subsidized** development (i.e. income-restricted low-income housing funded through the Low Income Housing Tax Credit or Multifamily Tax Exemption, etc.). Following Commerce guidance, zones are categorized based on the **lowest potential income** that can be served, including by subsidized development, in the zone. This does not imply that the entire zone will be built out with subsidized or deeply subsidized units, but it does indicate that the zone allows housing types that can serve those lower income bands to be built. As discussed in the introduction to this report, showing capacity for housing types that can serve all identified needs across income bands, through zoning, is the purpose of this income-band LCA, but other analyses and efforts are required by the GMA to ensure that this capacity for lower-income units can be realized. These subsequent analyses, which build on this LCA and demonstrate measures that Sequim is taking to remove barriers to production and encourage and ensure that the zoned land identified in this report can provide the needed housing units at all income bands to meet Sequim's planning targets, can be found in the Adequate Provisions Analysis in Appendix A-3.

To corroborate the income band classifications shown above for market rate units, CoStar data on rents and the Zillow Home Value Index (a national dataset that reflects the typical value for homes in the 35th to 65th percentile range) was analyzed and compared to Clallam County's AMI. Figure 20 shows sales prices for single-family, middle housing, and mobile/manufactured homes in Sequim. **This data corroborates Commerce assumptions for AMI levels served by these housing types**. Single-family homes are selling for prices only affordable to households earning over 120% AMI, and middle-housing types such as condos and townhomes are selling for prices affordable to the 80-120% AMI range. Mobile homes, which are a significant contributor to Sequim's housing stock and are allowed in the R4-8 zone, are serving households in the 80-120% AMI range as well, indicating that there may be opportunities for more moderate-income households even in the low-density zone, which is otherwise assumed to serve only high-income households earning 120% AMI or above per the Commerce table above.

Figure 21. Market Sales Prices of Housing Units by Type in Sequim

	Sale Price	Affordable to AMI %
Single-Family		
Current ZHVI (All Single-Family Homes)	$578,005	147%
Middle Housing		
Current ZHVI (All Condos/Townhomes)	$412,788	105%
Mobile Homes		
Average Price of 162 Homes Sold Since 2025	$309,000	79%
Average Price of 19 Homes Built Since 2020 and Sold Since 2025	$407,500	104%

Source: Redfin, Leland Consulting Group, HUD
Note: Assumes 20% down payment, 6.6% interest rate, 30-year mortgage, 0.9% property tax rate, and $5/$1,000 insurance rate.

Figure 21 shows market rents for market-rate and subsidized affordable apartments in Sequim. It then shows the corresponding percentage of AMI that households of various sizes would need to afford the rent, based on HUD income limits by household size. As shown, **renters earning 80 percent AMI would be able to afford an apartment in the city at an appropriate size for their household.** Even market-rate units are serving households down to around 60% AMI, and subsidized apartments are serving households down to 50% AMI under some scenarios.

Note that this data only captures rents in multifamily buildings reported by CoStar. For comparison, data from the Washington Center for Real Estate Research reports an average rent citywide of $1,154 and the American Community Survey reports an average rent citywide of $1,195, both of which also include rentals of single-family units. These rents would be affordable to all household sizes at 80 percent AMI or below, corroborating the CoStar data.

Figure 22. Market and Subsidized Multifamily Rents in Sequim, September 2025

	Average Monthly Rent	% of AMI Needed for 1-Person Household	% of AMI Needed for 2-Person Household	% of AMI Needed for 3-Person Household
HUD Income Limit		&97.622	&: 8.422	&; 9.297
Average Rent per 1-Bedroom Unit (Affordable)	$978	56%	49%	44%
Average Rent per 1-Bedroom Unit (Market-Rate)	$1,320	76%	67%	59%
Average Rent per 2-Bedroom Unit (Affordable)	$1,162	67%	59%	52%
Average Rent per 2-Bedroom Unit (Market-Rate)	$1,523	88%	77%	68%
Average Rent per 3-Bedroom Unit (Affordable)	$1,229	71%	62%	55%
Average Rent per 4-Bedroom Unit (Affordable)	$977	56%	49%	44%

Source: CoStar, HUD Income Limits, Washington State Housing Finance Commission, Leland Consulting Group
Note: Assumes households can spend 30 percent of their income on rent/housing costs without being cost-burdened.

Overall, this data shows that the large majority of renters in Sequim can afford a unit without being cost-burdened if their incomes are at 80 percent of the AMI, and many households earning down to 60% AMI can also be served by the types of subsidized multifamily development in the city. Importantly, this confirms the methodological assumption that multifamily zones in the city are serving households in the under-80% AMI range in Sequim, and this local and up-to-date data reinforces Commerce's assumptions that land capacity in zones that allow garden-style or mid-rise multifamily housing types can be expected to serve these lower- and moderate-income bands.

As noted above in the discussion of the "lowest potential income" that can be served by a given zone, and discussed extensively in Commerce's guidance, deeply subsidized housing serving the lowest-income households earning under 30% AMI is expensive and challenging to provide. **The Adequate Provisions analysis in Housing Appendix A-3 goes into greater detail** about measures Sequim is taking concurrently with this Comprehensive Plan and during this planning horizon to ensure the capability and feasibility of these deeply subsidized housing types.

Based on this cost analysis and the types of housing allowed in each of Sequim's zoning districts, the table below shows the income-band classifications for each zone in the city. Note that the R4-8 zone was split in half, with 50% of the acreage assigned to the 80-120% income band and 50% to the 120%+ income band, given the wide range of allowed housing types in the zone – attached or detached units, up to a fourplex, as well as mobile/manufactured homes. As shown previously, both condos and townhomes, as well as mobile/manufactured homes, are serving households in the 80-120% AMI range. The other zones are classified based on the affordability levels of the housing types allowed in those zones – mostly "Mid-Rise," which comprises garden-style apartments, in the various commercial and downtown zones where these housing types are allowed, as well as moderate density in PRC, which allows a wide variety of housing types subject to a master plan.

As discussed previously, the table below shows the lowest potential income band that can be served by the zones, per the Commerce methodology. Since this LCA is only one step in this planning process, and its objective is to ensure zoned land capacity for a variety of housing types, **this does not imply that the exact affordability levels shown below will necessarily be constructed in each zone**, **simply that housing types that can serve these levels can be built in the zone**, subject to market forces, feasibility, construction costs, and the regulatory environment. These factors are also crucial to getting the needed housing built over this planning period, and therefore are discussed in detail the Adequate Provisions Analysis in Housing Appendix A-3, per Commerce guidance, which builds on this LCA's baseline capacity analysis.

~~The subsequent step in this analysis involves categorizing the land capacity for future units into income bands that these units could accommodate. Following Department of Commerce guidelines, this is achieved by grouping zones into categories based on the permitted housing types. The classification, along with the net unit capacity per zone, for zones that allow housing, is shown below.~~

Figure 23~~18~~. Zones by Income Band for Sequim Land Capacity Analysis

Zone	HB 1220 Zone Category	Lowest Potential Income Band Served (% AMI)	Net Housing Unit Capacity
R4-8	Low Density	120% +	1,415
R4-8	Moderate Density	80-120%	1,903
NB	Moderate Density	80-120%	3
CMU	Mid-Rise	0-80%	423
LD	Mid-Rise	0-80%	490
EOA	Mid-Rise	0-80%	540
PRC	Moderate Density	80-120%	634
DC	Mid-Rise	0-80%	17
DMU-I	Mid-Rise	0-80%	103
DMU-II	Mid-Rise	0-80%	58

Source: City of Sequim, Clallam County, Washington Department of Commerce, Leland Consulting Group

Note that as part of the zoning code updates that the city is adopting concurrently with the 2025 Comprehensive Plan Update, there is a new Affordable Housing Exception in SMC18.110.030. This allows affordable housing projects to seek exemptions from density limits, minimum lot size, maximum lot coverage, setback requirements, height limits, parking ~~requirments~~ requirements, and allowed uses in the underlying zone. This essentially means that, pending Council approval, affordable housing serving income bands lower than 80% AMI could be built in *any* zone in Sequim. Since it is structured as an exception, rather than by-right, capacity for 0-80% units outside of mid-rise zones was not calculated as part of this LCA, but it is important to note that the new Affordable Housing Exception effectively increases by a significant quantity the available land in Sequim on which an affordable housing developer, working with the City, could build housing serving lower income bands.

Pending Units

As discussed above, parcels with development that has occurred or been permitted since 2020 and/or with pipeline development were excluded from consideration as vacant, partially-used, or redevelopable. However, these parcels count towards meeting Sequim's housing targets, so are added back in at this stage. The table below shows these pending units classified by what affordability level they serve or are expected to serve, based on rent or sales price data.

Figure 2419. Pending Units for Sequim Land Capacity Analysis

Housing Type	Total Pending Units	Assumed Affordability Level for Capacity Analysis	Pending Units	Notes
Detached single-family homes	679	120% AMI	679	
Condominiums	18	80-120% AMI	18	South Olympic Condos on Garry Oak Drive; Condo on 669 W Hendrickson Rd
Apartments/Multiplexes	61	80-120% AMI	13	Maliandra Alteration, and others
		0-80% AMI	48	Proposed units in Habitat for Humanity's project on Brownfield Road
Mobile Homes	69	0-80% AMI	22	
		80-120% AMI	47	Lavender Meadows

Source: City of Sequim

Total Capacity by Income Band

After classification, the zone categories are combined, and future capacity is allocated to different income bands according to the zone category, based on Commerce guidance relating housing types to the income levels that those housing types can serve, assuming the potential for various levels of subsidy for low- and extremely-low-income units. Single-family homes are assumed to serve households at 120% AMI and above. Market-rate apartments and condos are assumed to serve between 80 and 120% AMI. Mobile homes, apartments and condominiums with affordable units or subsidized housing are categorized at an affordability level of 80% AMI and below. Since 2020, no permits have been issued for middle housing, such as townhomes, duplexes, triplexes, and quadruplexes in Sequim, these types of housing are not listed in the table below.

Figure 2520. Pending Units and Capacity Allocations by Zone Category

Housing Types Allowed	Pending Units	Total Additional Land Capacity	Assumed Affordability Level for Capacity Analysis
Detached single-family homes	679	1,415	120% AMI
Apartments and condominiums serving above 80% AMI	78	2,540	80-120% AMI
ADU, Mobile Homes, apartments and condominiums serving low-income households	70	1,632	0-80% AMI

Lastly, the housing targets for each income band are compared with the capacity breakdown by income band ~~as detailed above~~. Figure 25 below shows the results of the LCA under current zoning. **Note that the housing needs in the first column show the identified housing need at each disaggregated income band**, as determined by the WA Office of Financial Management's population forecast and the WA Department of Commerce's HAPT tool (shown previously in Figure 5).

Following Department of Commerce guidance, the housing need is then aggregated into three larger categories: 0-80% AMI, 80-120% AMI, and 120% AMI and higher. This aggregation is conducted in order to be able to compare the identified housing need at the disaggregated income bands, shown in the first column, with the zoned land capacity, which as discussed throughout this report, is calculated only in these three larger categories, since the same housing types and therefore the same zoning designations, can serve all income bands under 80% AMI. Since households earning under 30% AMI, those in Permanent Supportive Housing, households earning 30-50% AMI, and households earning 50-80% AMI are all served by the same or similar housing types in the same or similar zoning designations (that is, low- to mid-rise multifamily apartments), it is not possible to disaggregate the pure land capacity between these income bands. As stated previously, the purpose of this analysis is only to determine if Sequim has sufficient zoned land capacity to accommodate its needed housing at the various income bands. Once this task is complete, the Adequate Provisions analysis in Housing Appendix A-3 discusses the various factors, regulations, subsides, and other considerations needed to ensure the housing needs at the disaggregated lower income bands can be developed in the city over the next 20 years.

Recent decisions by the Growth Management Hearings Board (GMHB) have stated that aggregating income bands as shown in the second column below obscures the disaggregated housing need at each income band. However, this aggregation is necessary in order to be able to compare the housing need, which is provided by Commerce at the disaggregated smaller income-band level, with the zoned land **capacity**, which as discussed above is only possible to calculate in the larger, aggregated bands. However, as shown below**,** this aggregation is not obscuring the need at the disaggregated income bands - which is shown in the first column and discussed throughout this

report, the Housing Needs Assessment in Housing Appendix A-1, and the Adequate Provisions Analysis in Housing Appendix A-3.

~~Per Department of Commerce guidance, income bands are aggregated into three categories: 0-80% AMI, 80-120% AMI, and 120% AMI and higher, to correlate with the affordability levels shown above.~~

Figure 2621. ~~Pending Units and Capacity Allocations by Zone Category~~ Sequim Housing Targets and Capacity by Income Band, 2020-2045

Income Band	Housing Needs	Aggregated Housing Needs	Pipeline Units	Remaining Housing Needs	Total Capacity	Surplus/Deficit
0-30 PSH	280	1,698	70	1,628	1,632	**4**
0-30 Non PSH	623					
30-50	568					
50-80	227					
80-100	80	141	78	63	2,540	2,477
100-120	61					
120+	11	11	679	(668)	1,415	2,083
Total	**1,850**		**827**		**5,587**	**4,564**

This analysis shows that Sequim has sufficient zoned capacity to meet both its overall housing target as well as its housing targets for all income bands. However, the city's **surplus of 4 units at the 0-80 percent AMI category – units serving low-income households, is extremely small**. As part of the comprehensive planning process, the city has received requests to rezone several parcels to zoning designations that would allow multifamily housing from commercial or industrial zones which currently do not allow multifamily. ~~Staff is recommending~~ The city is proceeding with several of these rezones for a variety of reasons, including the need for more multifamily housing capacity in Sequim to meet the city's housing needs. Since the surplus of units that can serve lower-income households is marginal, these rezones will provide better opportunities across the city for development of housing that can serve households earning 80 percent AMI or below. The section below details the land capacity with these ~~proposed~~ rezones included.

10. LCA UNDER ~~PROPOSED~~ ZONING CHANGES

As noted above, the city has received three requests for rezoning of parcels to accommodate multifamily development – two from HTLI to CMU and one from RC to CMU. These parcels are shown in Figure 26~~Figure 22~~.

Figure 2722. Land Capacity Analysis Parcel Classifications and Proposed Parcels with Zone Changes

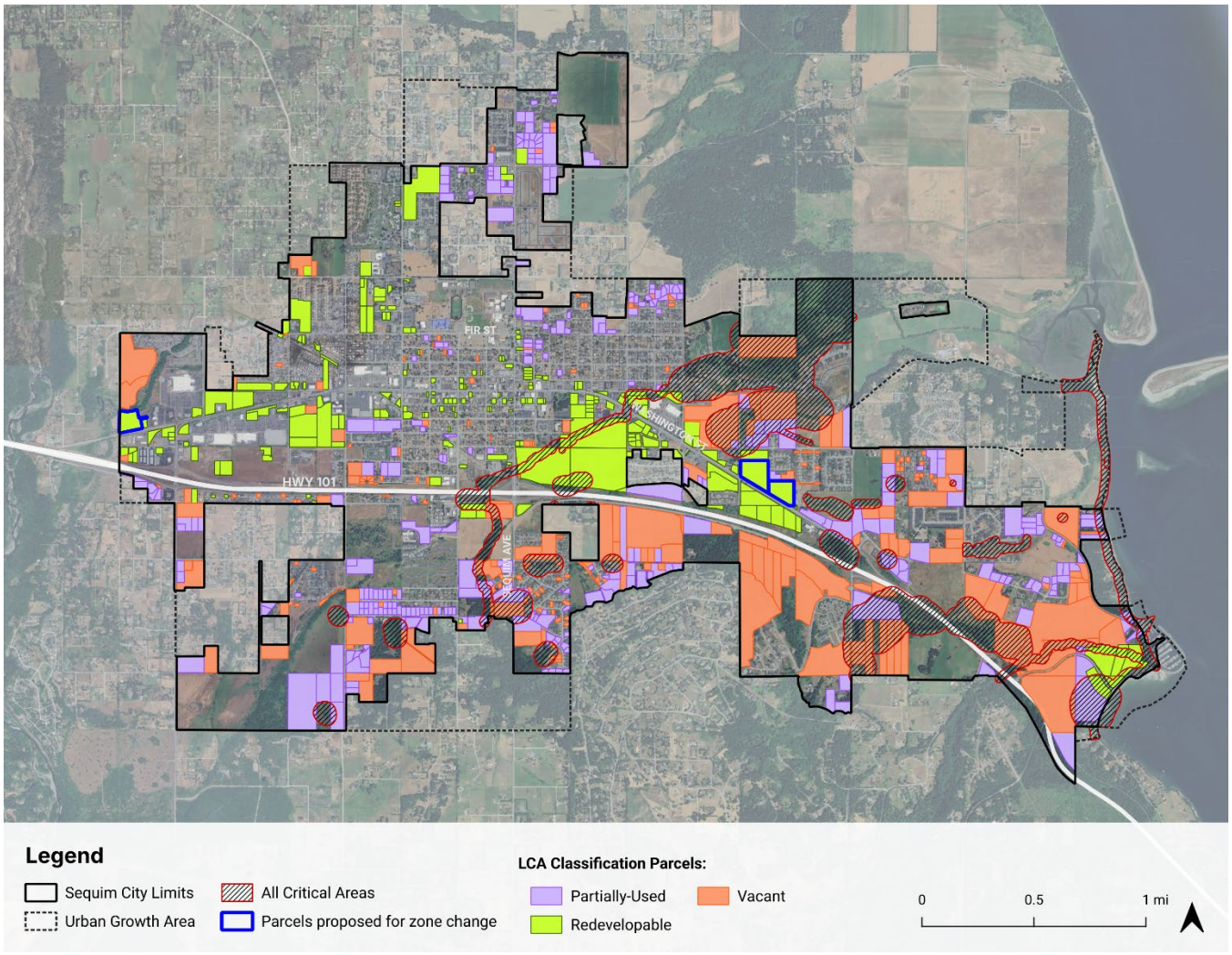


Figure 27Figure 23 summarizes the **total unit capacity ~~if the changes were implemented~~ with these rezones implemented and shows that the surplus of 4 units in low-income households ~~would~~ will be increased to 220 units in this scenario**. Per RCW 36.70A.115, cities planning under the GMA "shall ensure that, taken collectively, adoption of and amendments to their comprehensive plans and/or development regulations provide sufficient capacity of land suitable for development within their jurisdictions to accommodate their allocated housing and employment growth." ~~Since Sequim has the sufficient land capacity to meet its housing targets at all income levels, the proposed zoning changes shown in Figure 23 can be adopted after this Comprehensive Plan Update.~~ These rezones have been incorporated into this Comprehensive Plan's Future Land Use and Zoning Maps and were included in the draft SEIS. The inclusion of these rezones will provide a buffer of land capacity to ensure opportunities for housing serving lower-income bands can be built in Sequim over the next 20 years.

Figure 2823. Housing Targets and Capacity by Income Band Under Proposed Parcels Zoning Changes

Income Band	Housing Needs	Aggregated Housing Needs	Pipeline Units	Remaining Housing Needs	Total Capacity	Surplus/Deficit
0-30 PSH	280	1,698	70	1,628	1,848	**220**
0-30 Non PSH	623					
30-50	568					
50-80	227					
80-100	80	141	78	63	2,540	2,477
100-120	61					
120+	11	11	679	(668)	1,415	2,083
Total	**1,850**		**827**		**5,802**	**4,779**

11. CONCLUSION AND CONSIDERATIONS

Overall, under current zoning, Sequim has sufficient land capacity to accommodate its housing targets by income band. However, the extremely small surplus at 0-80% demonstrates that there are additional capacity needs to better accommodate housing at lower income bands, and to provide a buffer of land capacity to ensure more opportunities for housing that can serve lower-income bands to be developed in Sequim over the next 20 years. As shown above, under ~~proposed~~ the rezoning being adopted concurrently with this Comprehensive Plan, there is additional capacity for multifamily housing that can serve incomes under 80% AMI, creating more opportunities for lower-income housing to be built over the next 20 years. Additionally, as discussed previously, the new Affordable Housing Exceptions in SMC18.110.030 provide the ability for a developer, in coordination with the City, to build **affordable housing of essentially any building typology anywhere in Sequim, regardless of underlying zone**. This significant increase in land capacity for affordable housing is not reflected in the LCA results above, since it is a conditional use process, but should be noted as a potentially significant contribution to the feasibility of units serving lower income bands in the city.

As discussed previously, this analysis represents the first step in planning to accommodate housing at all income bands in Sequim. As recent Growth Management Hearings Board cases have found, there is a need to ensure that the land capacity shown here – at aggregated income bands – can actually produce the housing necessary to meet Sequim's targets at disaggregated income bands. That analysis is found in Housing Appendix A-3, Adequate Provisions, which outlines Sequim's understanding of the potential barriers to production of housing at all income bands as well as adopted regulatory changes, funding opportunities, and market considerations to ensure compliance with GMA mandate to plan for and accommodate households at all income levels and document programs and actions needed to achieve housing affordability and affordable housing needs.

~~Note that, following the Department of Commerce guidance in their *Guidance for Updating Your Housing Element (August 2024)*, this analysis was conducted using the~~ **~~lowest potential income band~~** ~~which can be accommodated under current zoning. This means that in zones that allow multifamily housing, capacity is aggregated in the 0-80% AMI category. Although Sequim has targets for specific income bands under 80% AMI, these various levels of subsidized income bands can all be served by multifamily housing in the same zoning districts. Therefore, it is~~ **~~not possible to show which exact acreage in zones that allow multifamily housing will develop at 0-30% AMI, 30-50% AMI, and 50-80% AMI. However, it is important to consider the factors which may determine the development of subsidized housing on land identified by this analysis as showing zoned capacity for 0-80% AMI housing. This discussion is found in the Adequate Provisions Analysis in Appendix A-2 of this plan.~~**

12. EMERGENCY HOUSING LAND CAPACITY ANALYSIS

RCW 36.70A.070(2)(c) requires that, in addition to land capacity for permanent housing, jurisdictions also show sufficient land capacity for their allocations of emergency housing as part of their comprehensive plan updates. This section outlines the methodology and results of this analysis, which is based on the Emergency Housing Land Capacity Analysis Option B (assumed density method) as outlined on pp. 44-48 of the WA Department of Commerce's "Guidance for Updating Your Housing Element" (August 2023).[2]

Sequim is in the process of updating its zoning ordinance to meet recent requirements to allow emergency housing and emergency shelter in all zones where hotels are allowed – RC, HC, and CMU. Additionally, the city is planning to allow Emergency Housing and Emergency Shelter in the EOA zone. These zoning updates will be adopted concurrently with this Comprehensive Plan update, and therefore this analysis considers capacity in these zones.

Per Commerce guidance, this analysis considers parcels in these zones which were classified as "Vacant," "Partially-Used," or "Underutilized" in the overall land capacity analysis as detailed above. Sequim does not have any intensity or spacing requirements for emergency housing which would limit the number of these potential parcels that could be used. Sequim also does not have any emergency housing development in the pipeline.[3] After removing critical area acreage as detailed previously, the total net area in these zones available for emergency housing is **140.0 acres.**

This acreage is then multiplied by a density assumption for potential emergency shelters, measured in beds per acre. The density assumption is based on a combination of prototypes drawn from the Commerce guidebook which most closely match staff expectations for the types of potential emergency housing that could be developed in Sequim under current zoning. Details and densities on the prototypes used and the percentage of each prototype used in generating the average density assumption of **39 beds per acre** are shown below.

Figure 2924. Density Prototypes for Sequim Emergency Shelter Land Capacity Analysis

Name	Location	Zoning	Details	Beds	Acres	Density (beds/acre)	Percentage
Tri-City Union Gospel Mission	Pasco	Light Industrial	1 story, parking, open space	162	6.30	25	25%
Serenity of House of Clallam County	Port Angeles	Residential Moderate Density	Clustered 2 story buildings, parking, open space	70	1.89	37	70%
Benedict House	Bremerton	R-10	2 story SF home conversion	24	0.21	128	5%
				Average Density for LCA:		**39**	**100%**

[2] https://deptofcommerce.box.com/s/1d9d5l7g509r389f0mjpowh8isjpirlh
[3] Serenity House of Clallam County is currently planning to expand the Sunbelt Apartments in Sequim from 16 to 36 units of Permanent Supportive Housing (PSH). However, PSH is long-term (permanent) housing, not emergency housing, so these units are not counted in this portion of the analysis.

Source: WA Department of Commerce, City of Sequim, Leland Consulting Group

Applying this density assumption to the available acreage by zone results in a capacity for **5,397** beds on vacant and redevelopable parcels in zones where emergency housing will be allowed in Sequim, as broken down below in Figure 29~~Figure 25~~.

Figure 30~~25~~. Emergency Shelter Capacity by Zone in Sequim, 2020-2045

Zone	Net Acres	Beds / Acre	Emergency Shelter Bed Capacity
RC	24.5	39	944
HC	7.3	39	281
CMU	35.5	39	1,369
EOA	72.7	39	2,803
Total	**140.0**		**5,397**

Source: WA Department of Commerce, City of Sequim, Leland Consulting Group

Sequim's target for emergency housing as established by Clallam County is **191 beds**. Therefore, the city has **a surplus capacity of 5,206 shelter beds** for the 2020-2045 planning period, as shown below in Figure 30~~Figure 26~~. Additionally, as shown below, Sequim would need 4.3 acres of land in total among the RC, HC, CMU, and EOA zones to accommodate its target. As shown previously in this report, the city has sufficient capacity to meet its targets for permanent housing within current and proposed future zoning, in addition to the 4.3 acres needed to meet the emergency housing target. Note that the **Adequate Provisions Analysis in Housing Appendix A-3** contains details on potential barriers to the development of Emergency Housing and a discussion of actions to address those barriers.

Figure 31~~26~~. Emergency Shelter Capacity and Target in Sequim, 2020-2045

Total Emergency Shelter Need (Beds)	Total Emergency Shelter Capacity (Beds)	Surplus/ Deficit	Acreage Needed to meet target
191	5,397	**5,206**	4.3

Source: Clallam County, WA

Adequate Provisions Analysis

1. INTRODUCTION

RCW 36.70A.070(2)(d) requires jurisdictions planning under the GMA to include in their comprehensive plan a housing element that "[m]akes adequate provisions for existing and projected needs of all economic segments of the community, including:

> (i) Incorporating consideration for low, very low, extremely low, and moderate-income households;
>
> (ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;
>
> (iii) Consideration of housing locations in relation to employment location; and
>
> (iv) Consideration of the role of accessory dwelling units in meeting housing needs."

This ~~section~~ Appendix builds on the Housing Needs Assessment in Appendix A-1 and the Land Capacity Analysis (LCA) in Appendix A-2. The LCA found sufficient zoned acreage to accommodate Sequim's housing targets at all income bands, as determined by the Department of Commerce and Clallam County. This Appendix begins with Commerce's Adequate Provisions checklists which document potential barriers to housing production on the zoned acreage identified in the LCA, and continues with an analysis of Sequim's existing subsidized housing inventory, a gap analysis of potential funding levels needed to develop the quantity of affordable units needed to meet housing targets, ~~and~~ a list of potential sources of funding for those subsidized units over the planning horizon, information on the process of affordable housing funding at the local and statewide level, and feedback from Sequim's development community to identify specific issues facing local developers ~~regardiong~~ regarding the feasibility and development of subsidized units in the city.

2. BARRIER REVIEW CHECKLISTS

In their August 2024 *Guidance for Updating Your Housing Element* (also known as "Book 2"), the Department of Commerce developed checklists for jurisdictions to evaluate regulatory, process, financial, and land constraints to the development of affordable housing. These checklists for moderate-density housing, low- and mid-rise housing, PSH and emergency housing, and ADUs follow. Concurrently with this Comprehensive Plan update, the City is adopting revisions to Title 18, Sequim's zoning code, in response to the identified challenges and barriers in this analysis. The rightmost column documents these updates and zoning changes intended to remove the identified barriers to the development of housing at all income bands.

Exhibit B1: Moderate Density housing barrier review checklist

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
DEVELOPMENT REGULATIONS				
Unclear development regulations	No	Development regulations are clear and publicly available, though it is slightly confusing that standards are located in the "Purposes of Districts" section of the code.	If code is ever reorganized, consider making it clear where use and standard tables can be found.	Title-wide updates for consistency and clarity to make a more uniform zoning ordinance.
Prohibiting some moderate density housing types, such as: ○ Duplexes ○ Triplexes ○ Four/five/six-plexes ○ Townhomes ○ Cottage housing ○ Live-work units	No	Multifamily structures up to four units are allowed in the R4-8 zone. Manufactured homes and manufactured home parks are allowed in this zone as well.	While not required, staff have included updates in a draft Title 18 to remove potential barriers based on feedback from developers wanting to	Updated R4-8 to R4-9 to allow slight increase to residential densities. Also recalibrated how maximum density is calculated, switching from net density to gross density. This will allow attached housing to

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
○ Manufactured home parks			build these types of units in the current R4-8 zone.	potentially achieve full max density more effectively than traditional detached housing – which creates more of an incentive for these types of units. The City has also included a new "Cluster Housing" development type modeled after cottage housing to ensure max density can be reached when building smaller detached housing. Updates to Planned Residential Development section will provide another path to more efficiently realize maximum density.
High minimum lot sizes	Possibly	The minimum lot sizes in the ~~R4-8~~DMU zone range from 5,400 SF for a single family home to 12,000 SF for a fourplex. ~~This results in a density of 14.5 du/acre for fourplexes, slightly under the 16 du/acre standard for this type of~~	Consider allowing fourplexes on 10,500 SF lots (the minimum lot size for a triplex).	In the R4-9 (formerly R4-8) zone, density is capped at 9 du/acre (gross). Lot sizes are proposed to drop to 4,840 SF for detached and 3,630 SF for fee simple attached

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
		~~development.~~ In the R4-8 zone, administratively density is capped at 6 du/acre (gross).		housing in standard developments. Cluster Housing will allow this to further drop to 3,000 SF. PRD lots could go as low as 2,500 SF and allow a density of 10 du/acre. The density cap in the DMU zone was removed.
Low maximum densities or low maximum FAR	No	Density is governed by minimum lot size rather than density or FAR. See above for additional comments.		Density calculations have been refined for clarity.
Low maximum building heights	~~Yes~~ Possibly	The maximum building height for multifamily in the R4-8 zone is 25 feet (two stories). This could negatively impact the feasibility of three- and four-unit buildings.	Consider increasing the height limit to 35 feet (three stories).	No proposal to increase the height within the R4-9 zone. However, other measures have been taken to increase unit potential on lots, including decreasing setbacks, increasing lot coverage maximums, and decreasing open space requirements.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
Large setback requirements	No	The required setbacks are not overly large.		Rear setbacks have been reduced to 10 feet, and side yard setbacks have been reduced to 5 feet.
High off-street parking requirements	Yes	Two parking spaces are required for each dwelling unit in the R4-8 zone, regardless of size.	Consider tying the required parking to the number of bedrooms per unit, with fewer required spaces for a studio or one-bedroom than for a larger, family-sized unit.	Single family detached will still require 2 spaces per unit. Multifamily is proposed to be 1.5 spaces per unit. Studio units are proposed to be 1 space per unit. Permanent supportive housing and emergency housing have no parking requirements. Parking studies can be provided to request reduced parking requirements for all development types.
High impervious coverage limits	Yes	The maximum lot coverage in the R4-8 zone is 40 percent. This significantly limits what can be built on site, and is likely to be a barrier for three- and four-unit buildings.	Consider removing the maximum lot coverage and regulating coverage on site through a combination of existing	Standard development lots in the R4-9 (formerly R4-8) will be allowed 60% lot coverage. Cluster and PRD lots will allow 65%.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
			setbacks and open space requirements.	
Lack of alignment between building codes and development codes	No	There does not appear to be a lack of alignment between building and development codes.		
Other (for example: complex design standards, tree retention regulations, historic preservation requirements)	Yes	Multifamily properties with two or more buildings are required to include play spaces with play equipment that are not within required landscaped areas or setbacks.	Consider changing this requirement to only apply to properties where there is not a park within a half mile, and allow play spaces within landscaped/open space areas.	Open space and playground requirements have been significantly updated. Playgrounds are no longer required, and open space on multifamily developments (not including fee simple lots) have been reduced.
PROCESS OBSTACLES				
Conditional use permit process	No	An administrative conditional use permit is ~~not~~ required for moderate density housing in the R4-8 zone. This is a lower bar than a typical conditional use permit.		
Design review	Possibly	Design review is required for all new commercial, industrial, mixed	Consider removing the design review requirement	The City has revised design standards to be

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
		use, and residential structures with more than four dwelling units.	in zones where five- and six-unit multifamily buildings are allowed.	clearer, in alignment with state law.
Lack of clear and accessible information about process and fees[1]	No	Information about process and fees is easily accessible		
Permit fees, impact fees and utility connection fees	No	Fees are based on the size and intensity of the structure.		
Processing times and staffing challenges	Yes	Over the last several years, there has been high turnover at the City's planning department. This has the potential to slow processing, especially during periods of transition.	Ensure that the permit processing system is set up so that the departure of one staff member does not have a significant negative impact on processing times. Consider utilizing an on-call planner for emergencies.	A permanent Community and Economic Development Director has been hired and department staffing has been stabilized. This has increased consistency for permitting and other inquiries.
SEPA process	No	The SEPA process in Sequim does not appear to be more onerous than in other communities.		

[1] For example: guidance resources are unclear or difficult to find, no digital permit tracking system, staff do not provide fee estimates or permitting time estimates are unavailable or inaccurate.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
LIMITED LAND AVAILABILITY AND ENVIRONMENTAL CONSTRAINTS				
Lack of large parcels for infill development	No	There are large parcels throughout the city suitable for infill development.		
Environmental constraints	No	There are no significant environmental constraints impacting land availability.		

Exhibit B2: Low-Rise or Mid-Rise housing barrier review checklist

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
DEVELOPMENT REGULATIONS				
Unclear development regulations	Possibly	Generally, development regulations are clear. However, development standards for some zones (i.e., EOA) are difficult to find in the code	Improve code organization to make development regulations easier to find	Title-wide updates for consistency and clarity to make a more uniform zoning ordinance.
High minimum lot sizes	No	There are no minimum lot sizes in the applicable zones.		
Low maximum densities or low maximum FAR	No	The DMU I zone has a maximum FAR of 1.0 while DMU II has a maximum FAR of 0.7 (before bonuses). The average lot size in these zones is around 0.3 acres, allowing for a building of up to 13,000 SF per current regulations. However, the amenities that confer bonuses are not likely to be direct threats to feasibility.		FAR is no longer being utilized. Development intensity will be entirely determined by bulk and dimensional standards.
Low maximum building heights	Only in DMU zone	The height limits in the CMU and EOA zones allow for four-five story buildings. However, the DMU zone has upper floor step-backs and	Ensure that articulation and step-back requirements for upper floors in the DMU zone do	Step back requirements have been removed entirely.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
		articulation requirements that make development more challenging, and could impact the actual achievable FAR.	not limit the allowed density in these zones.	
Large setback requirements	Only in CMU zone when adjacent to single family	The CMU zone requires a 0' side and 10' rear setback on most lots, but requires a 20' setback when adjacent to R zones.	Consider reducing the required setback for parcels adjacent to R zones in the CMU zone to 10".	
High off-street parking requirements	Yes	The CMU and EOA zones require 1.5 spaces per unit, regardless of unit size. The CMU zone also requires an additional guest parking space for every ten units.	The parking requirements should be tied to the unit size, as in the DMU zones, which require 0.5 spaces for studios and 1 space for larger units.	Multifamily units must provide 1.5 spaces per unit. Studios 1 space per unit. The Downtown has more on-street parking opportunities which allows for a slight decrease.
High impervious coverage limits	No	Limits are based on stormwater, parking, and landscaping requirements		

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
Lack of alignment between building and development codes	No	There is no lack of alignment between building and development codes		
Other (for example: ground floor retail requirements, open space requirements, complex design standards, tree retention regulations, historic preservation requirements)	Possibly	In the DMU zones, there are some requirements for ground floor transparency. Depending on the feasibility of commercial space in these areas, this could create a barrier to development.	Ensure that ground floor transparency / active use requirements are flexible enough to encourage development even when the retail environment is challenging.	Transparency requirements will only apply to nonresidential buildings.
PROCESS OBSTACLES				
Conditional use permit process	No	Conditional uses are not required for housing in these zones.		
Design review	No	Allowed uses go through A-1 or A-2 reviews, which are administrative.		
Lack of clear and accessible information about process and fees	No	Information about process and fees is easily accessible		
Permit fees, impact fees and utility connection fees	No	Fees are based on the size and intensity of the structure.		

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
Process times and staffing challenges	Yes	Over the last several years, there has been high turnover at the City's planning department. This has the potential to slow processing, especially during periods of transition.	Ensure that the permit processing system is set up so that the departure of one staff member does not have a significant negative impact on processing times. Consider utilizing an on-call planner for emergencies.	Updates to City's permit processing code (SMC 20.01) was updated in 2026. On-call planning consultant was established in Fall 2025.
SEPA process	No	City SEPA fees scale with the value of a project, directions are clear and not out of line with typical requirements.		
LIMITED LAND AVAILABILITY AND ENVIRONMENTAL CONSTRAINTS	No	There is adequate land capacity to meet city housing needs		
Lack of large parcels for infill development	No	There are large parcels throughout the city suitable for infill development.		
Environmental constraints	No	There are no significant environmental constraints impacting land availability.		

Exhibit B3: Supplementary barrier review checklist for PSH and emergency housing

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
DEVELOPMENT REGULATIONS				
Spacing requirements (for example, minimum distance from parks, schools or other emergency/PSH housing facilities)[2]	Possibly	Per 18.56.60, " The hearing examiner must find that the essential public facility and/or special use will be located, planned, and developed in such a manner that the essential public facility and/or special use is not inconsistent with the health, safety, convenience, or general welfare of persons residing or working in the city"	Ensure that there are clear and objective standards that do not include excessive spacing requirements.	There are no spacing requirements.
Parking requirements	Possibly	There are no specified parking requirements for emergency shelters or PSH.	The City should not require parking for emergency shelters, and requirements should be very low (lower than multifamily) for permanent supportive housing, as	No parking is required for emergency housing or PSH. Parking studies can be utilized to determine parking needs on other projects.

[2] Note that RCW 35A.21.430 expressly states requirements on occupancy, spacing, and intensity of use may not prevent the siting of a sufficient number of permanent supportive housing, transitional housing, indoor emergency housing or indoor emergency shelters necessary to accommodate each code city's projected need for such housing and shelter under RCW 36.70A.070(2)(a)(ii). The restrictions on these uses must be to protect public health and safety.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
			PSH residents are typically less likely to own a vehicle.	
On-site recreation and open space requirements				
Restrictions on support spaces, such as office space, within a transitional or PSH building in a residential zone	No	Most multifamily zones allow offices, service providers, etc. Public services and facilities are allowed in R4-8 zones.		
Arbitrary limits on number of occupants (in conflict with RCW 35A.21.314)	No	There do not appear to be limits on the number of occupants in conflict with RCW 35A.21.314		
Requirements for PSH or emergency housing that are different than the requirements imposed on housing developments generally (in conflict with RCW 36.130.020)	Yes	There are no references to PSH in the code. Emergency housing requires a special use permit. These permits have additional requirements beyond typical uses, such as multifamily housing.	Allow PSH and emergency housing in all areas where multifamily housing is allowed. Explicitly refer to these uses within the code and ensure that they are subject to the same regulations as housing.	PSH, emergency housing and transitional housing are all now included and incorporated into the zoning code.
Other restrictions specific to emergency shelters, emergency housing, transitional housing and	No			

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
permanent supportive housing				

Exhibit B4: Accessory dwelling unit barrier review checklist

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
DEVELOPMENT REGULATIONS				
Consistent with HB 1337 (2023) ○ Must allow two ADUs on each lot in urban growth areas; ○ May not require the owner to occupy the property, and may not prohibit sale as independent units, but may restrict the use of ADUs as short term rentals; ○ Must allow an ADU of at least 1,000 square feet; ○ Must set parking requirements based on distance from transit and lot size;	Yes	Just one ADU is currently allowed; ADUs are capped at 850 square feet or 60% of primary unit size (whichever is smaller); one paved parking spot is required; owner is required to occupy the property.	Ensure that ADU code is aligned with the requirements in HB 1337	ADU consistent with HB 1337 codes have been adopted in current code SMC 18.21 as part of a Supplemental Housing chapter adopted in early 2026 and will be incorporated into updated code as a standalone chapter in Draft Title 18.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
○ May not charge more than 50% of the impact fees charged for the principal unit; ○ Must permit ADUs in structures detached from the principal unit; ○ May not restrict roof heights of ADUs to less than 24 feet, unless that limitation applies to the principal unit; ○ May not impose setback requirements, yard coverage limits, tree retention mandates, restrictions on entry door locations, aesthetic requirements, or requirements for design review for ADUs that are more restrictive than those for principal units; ○ Must allow an ADUs on any lot that meets the minimum lot size required for the principal unit; ○ Must allow detached ADUs to be sited at a lot line if the lot line abuts a public alley, unless the city or county routinely plows snow on the public alley; ○ Must allow conversions from existing structures, even if they violate current code requirements for setbacks or lot coverage; and ○ May not require public street improvements as a condition of permitting ADUs.				

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
Unclear development regulations	No	Development regulations are clear and publicly accessible.		
Large setback requirements	No	The setback requirements for the principal unit apply to ADUs - the setback requirements in the R4-8 zone are not overly restrictive.		
Off-street parking requirements	Yes	Per HB 1337, parking requirements should account for lot size and distance from transit. Sequim requires one off-street space per ADU, in addition to the required parking for the primary structure.	Revise parking requirements to meet the standards of HB 1337.	One space is still required; however, no parking is now required within a half mile of the City's downtown transit facility. This facility does not meet the definition considered under HB 1337 for a major transit facility but are adopting the standard for the facility that Sequim does have.

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
Other (for example: burdensome design standards, tree retention regulations, historic preservation requirements, open space requirements, etc.)	No	There are no additional requirements for ADUs that would have a significant impact on feasibility.		
PROCESS OBSTACLES				
Lack of clear and accessible information about process and fees	No	Information about process and fees is clear and publicly available.		
Permit fees, impact fees and utility connection fees that are not proportionate to impact	Yes	Transportation impact fee for ADUs are 54 percent of the fee for a single family residence (HB 1337 includes a 50 percent cap).	Ensure that permit and impact fees for ADUs are no more than half of fees for a single family residence.	ADU permits are being evaluated project-by-project, with City staff ensuring that fees are capped at no more than 50 percent of the fee for a single-family residence. This review will continue until the City has officially updated its fee schedule.
Processing times and staffing challenges	Yes	Over the last several years, there has been	Ensure that the permit processing	Updates to City's permit processing code (SMC

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.	Zoning Updates to be Adopted Concurrently with Comprehensive Plan
		high turnover at the City's planning department. This has the potential to slow processing, especially during periods of transition.	system is set up so that the departure of one staff member does not have a significant negative impact on processing times. Consider utilizing an on-call planner for emergencies.	20.01) was updated in 2026. On-call planning consultant was established in Fall 2025.

3. SUBSIDIZED HOUSING INVENTORY

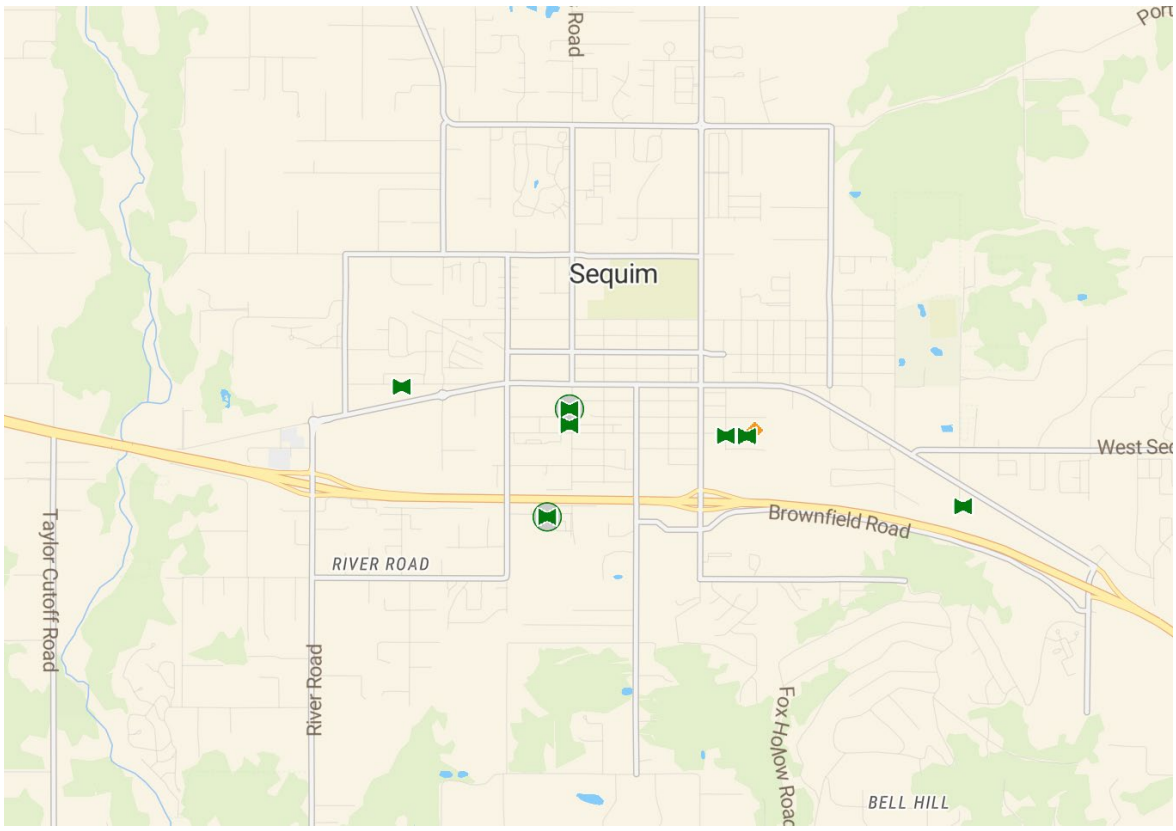
Sequim has 478 units of subsidized housing, mostly serving households earning 60% AMI and below, and all built before 2010. The Pioneer Villa Apartments are a project-based Section 8 project serving a variety of low-income levels. The table and map below show details and the locations of these units.

Figure 1. Subsidized Housing Units in Sequim

Project	Units	AMI	Year Built
Suncrest I	43	60% AMI	2009
Sea Breeze Apartments	41	60% AMI	2009
Mountain View Apartments	72	60% AMI	2009
Suncrest Village	36	60% AMI	1994
Vintage at Sequim	116	60% AMI	2007
Pioneer Villa Apartments	34	Section 8	1980
Elk Creek Apartments	136	60% AMI	2008
Total	478		

Source: PolicyMap

Figure 2. Subsidized Housing Locations in Sequim



Source: PolicyMap

4. AFFORDABLE HOUSING FUNDING GAP

Although the Land Capacity Analysis in Housing Appendix A-2 shows land capacity at an aggregated 0-80% AMI income band, units at various disaggregated income bands below 80% AMI will require different amounts and sources of subsidy in order to be built on the acreage where the LCA found there to be sufficient zoned capacity for the housing types needed to serve these households. The Department of Commerce ~~suggests analyzing the potential funding gap that would be needed to fund the quantity of subsidized housing needed to meet a jurisdiction's targets at lower income bands. Commerce~~ estimates that, as of 2023, the cost of developing a subsidized unit in Clallam County would be $359,266. Applying this to Sequim's housing targets would show a need for **$152.5 million** in subsidy over the planning horizon, or **$30.5 million** per year. However, it is particularly likely that the lower-income units will need to be subsidized, and it is possible that some smaller market-rate units could meet the need in the 50-80% category. Therefore, the subsidy is shown for each income band below ~~for illustration~~:

Figure 3. Subsidy Gap Analysis for Sequim

	0-30% PSH	0-30% Non PSH	30-50%	50-80%
Units	280	623	568	227
per Unit Cost	$ 359,266	$ 359,266	$ 359,266	$ 359,266
Total Subsidy Needed	$ 100,594,480	$ 223,822,718	$ 204,063,088	$ 81,553,382
Yearly Subsidy Needed	$ 5,029,724	$ 11,191,136	$ 10,203,154	$ 4,077,669

5. SOURCES OF AFFORDABLE HOUSING FUNDING

The Washington Department of Commerce requires that cities ensure that there is adequate land capacity for housing across income levels, as ~~shown above~~ discussed in the LCA in Housing Appendix A-2. However, subsidies are also needed to ensure and assist that there is adequate housing to support households at income levels below 80 percent AMI. The following sections discuss the potential funding sources for the subsidy shown above which will be needed in order to cover the significant funding gaps for housing at all of the disaggregated income bands, starting with Commerce's checklist of local option tools for affordable housing, followed by a discussion of other funding sources. **It is outside the purview of a comprehensive plan to identify exactly which sources of funds will be used to build exactly which units**, since development costs, developer's sources of funds, and interest rates will fluctuate over the next 20 years in ways that are impossible to predict at present. However, this analysis outlines a variety of potential funding sources that the city has implemented or is considering in order to fill these funding gaps. Significant contributions from other entities, such as the state and the Low Income Housing Tax Credit will also be needed.

Exhibit B5: Checklist for local option tools for addressing affordable housing funding gaps

Local option tools for addressing affordable housing funding gaps*	Implementation status	Plans for implementation
Housing and related services sales tax (RCW 82.14.530)	Clallam County implementation.	
Affordable housing property tax levy (RCW 84.52.105)	No implementation by City.	Unsure at this time.
REET 2 (RCW 82.46.035) – GMA jurisdictions only and only available through 2025	No.	Not applicable after 2025.
Affordable Housing Sales Tax Credit (RCW 82.14.540) – was only available to jurisdictions through July 2020	Yes, the City has implemented this tax credit.	Will continue. Sequim City Council is working to understand where these funds could be best utilized. Based on conversations with affordable housing developers, it is likely that a program covering fees for affordable housing developments is likely a high-priority use.
Lodging Tax (RCW 67.28.150 and RCW 67.28.160) to repay general obligation bonds or revenue bonds	Yes, the City has a lodging tax.	Will continue
Mental Illness and Drug Dependency Tax (RCW 82.14.460) – jurisdictions with a population over 30,000	Clallam County implementation.	
Donating surplus public lands for affordable housing projects (RCW 39.33.015)	No surplus public lands are available at this time.	Can consider if/when the City has surplus lands.
Impact fee waivers for affordable housing projects (RCW 82.02.060)	SMC 22.12.040 for Park Impact Fees.	Will likely continue and will consider adding transportation impact fees.
Application fee waivers or other benefits for affordable housing projects (RCW 36.70A.540)	Has partnered with affordable housing providers on CHIP grant.	Will continue as opportunities are available.

Local option tools for addressing affordable housing funding gaps*	Implementation status	Plans for implementation
Multifamily Tax Exemption (MFTE) with affordable housing requirement (RCW 84.14)	Not at this time.	May be considered by City Council after comprehensive plan process.
General funds (including levy lid lifts to increase funds available)	Yes.	Will continue.

* Some tools may be unavailable for certain jurisdictions. For example, only GMA jurisdictions can use REET 2, or the surrounding county may have already implemented the housing and related services sales tax. See MRSC's summary of Affordable Housing Funding Sources for more details and the Association of Washington Cities (AWC)/MRSC booklet on Homelessness & housing toolkit for cities (2022).

Inclusionary Zoning

Another potential strategy to address housing needs across income bands is **inclusionary zoning (IZ)**, which is when a jurisdiction requires that all or some subset of new housing developments include some share of below market rate units. Often IZ programs require that 10 percent or more of units in apartment buildings over a certain size are affordable to households making no more than 60 or 80 percent of area median income.

The operational mechanism behind IZ is that the rent from the market rate units in the development will subsidize the feasibility gap created by requiring below market rate units. While there are some markets where the market rent is high enough to subsidize the affordable units these market conditions are typically limited to the highest-cost cities and are generally temporary. If market rents plateau, the gap between affordable and market rents decreases, and/or the cost of development increases, market rents are no longer high enough to sufficiently subsidize the affordable units. In other words, even a well-crafted IZ program will have the effect of discouraging new development under most market conditions. Often, recalibrating IZ programs is necessary on a regular basis, but typically this happens after the market has already changed, meaning that there is a significant opportunity cost to implementing IZ of homes not built when the market would have otherwise supported them.

The effectiveness of IZ has been studied by a number of researchers in recent years. Although a large number of affordable units have been created nationwide through these programs, the effects on property markets are not always positive. Several studies in California found that cities with IZ requirements have higher market-rate housing prices and did not appreciably increase housing production.[3] Another recent study found similar results in the Washington D.C. area as well as finding that optional bonus programs provided for developers under IZ programs were often ineffective and underutilized.[4]

Recent decisions from the Growth Management Hearings Board (GMHB) cite language stating that "jurisdictions must use the tools at their disposal to create the conditions that make it feasible for developers to build the kinds of housing needed at all income levels." **The implementation of IZ in Sequim would run counter to this objective**. In Sequim, the main challenge impacting the availability of homes across income bands is the overall lack of new construction of apartments and middle housing. This is largely because of high construction costs, a limited pool of developers who know how to build apartments, and a construction labor shortage on the peninsula. The feasibility challenges caused by these conditions would be exacerbated by requiring below-market rate units

[3] Ramakrishnana, Kriti, Mark Treskon and Solomon Greene. "Inclusionary Zoning: What Does the Research Tell Us about the Effectiveness of Local Action?" Urban Institute, January 2019.
[4] Hamilton, Emily. "Inclusionary Zoning and Housing Market Outcomes." Cityscape, Vol. 23, No. 1, Regulatory Reform and Affordable Housing (2021).

in new apartment developments, resulting in fewer new housing units across income bands. Because of this, Sequim is not pursuing an IZ program at this time.

Additional information about barriers to housing development in Sequim can be found in Section 6 below and the *Housing and Economic Analysis* prepared by Leland Consulting Group in 2025.

Additional Affordable Housing Tools

RCW 36.70A.070(2)(d) states that cities must make adequate provisions for existing and projected housing needs of all economic segments of the community, including "Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations." By referencing **gaps in local funding**, the State Legislature acknowledges that cities are not on their own required to provide the resources to ensure that all needed affordable housing units are feasible.

Per Commerce's *Guidance for Updating Your Housing Element v3.4 (January 2026)*, "typically, most affordable housing funding comes from state and federal sources. However, local funding can also play an important role." The most common tool used to subsidize affordable housing is the Low Income Housing Tax Credit (LIHTC) program. This is a federal program through which corporations purchase credits to offset their tax burdens. The price of credits is determined by demand – when corporate tax rates are relatively low, as is the case in 2026, the demand for credits decreases and the amount of money available for low income housing subsidies decreases. The money generated from these purchases is then allocated to state agencies that award them to projects through two programs, one that funds a smaller share of the gap and one that funds a larger share. In the past, the program that funds the smaller share was not subject to a competitive awards process, but as demand has increased both programs are now competitive in Washington.

Each state has its own criteria for how these funds are allocated. In Washington, LIHTC funds are competitive, with jurisdictions grouped into geographic funding pools. Developers in Washington apply for funding for specific projects through the Department of Commerce, which has a scoring rubric it uses to determine funding allocations. While this rubric prioritizes projects that include housing units affordable to the lowest-income households (those making less than 30 percent AMI), there is no guarantee that in a given funding cycle developers will apply for units affordable to income levels that directly align with the needs or state-mandated targets of a given jurisdiction. In addition, even though this is by far the largest pool of money for affordable housing subsidies, there is not enough funding through this program to subsidize all of the affordable housing units jurisdictions need to meet their targets.

While cities like Sequim can help reduce the feasibility gap through the programs and funding sources listed in the table above, ultimately **the LIHTC program is a much more significant determinant of what affordable housing gets built where**. As described above, Sequim has little control over this program. The City cannot set federal corporate tax rates, does not have control over HUD allocations, does not have the power to design the rubric the Department of Commerce uses to score projects, and cannot force developers to target specific AMIs in their applications.

~~In addition to local tools,~~ Book two of Commerce's guidance on HB 1220 requirements includes a detailed list of potential non-local funding sources to support the development of new housing for low-income households from various state and federal agencies. Relevant potential sources of affordable housing funds for new development include:

- The Washington Housing Trust Fund
- Connecting Housing to Infrastructure Program (CHIP)
- Low-Income Housing Tax Credit Program (LIHTC)
- WSHFC Multifamily Bond Programs
- WSHFC Bond Financing for Non-Profit Facilities
- WSHFC Land Acquisition Program
- HUD Section 811 Project Rental Assistance (PRA) demonstration
- New Market Tax Credit Program
- Rural Community Assistance Cooperation (RCAC)

6. SEQUIM LOW-INCOME/AFFORDABLE HOUSING DEVELOPERS/PROVIDERS INTERVIEW SUMMARY

As part of this Comprehensive Plan update, the Leland Consulting Group team conducted two focus groups with low-income housing developers and providers from Sequim and the greater Northern Olympic Peninsula on December 16 and 19, 2025. This section summarizes the conversations and takeaways from these sessions. The focus group participants were:

- Timothy Dalton – Clallam County
- Sharon Maggard – Serenity House of Clallam County
- Colleen Robinson – Habitat for Humanity
- Wendy Sisk – Peninsula Behavioral Health
- Annie O'Rourke – Peninsula Housing Authority

Past and Current Projects

Participants described a variety of low-income housing projects that they have been involved with or are currently working on in Sequim and/or Clallam County, including:

- Managing rental assistance programs in Sequim.
- Replacing the Sunbelt Apartments with 36 units of housing for chronically homeless residents with disabilities earning under 30 percent AMI.
- Developing a 45-unit multifamily project in Sequim serving families at 80 percent or below AMI, permanently affordable through a land trust model, as well as a 45-home detached

single-family community within Clallam County/Carlsborg serving up to 120 percent AMI for up to 25 percent of the homes, and the remainder affordable at 80 percent AMI or below.
- Completing a previous market-rate project that was underway, now converted into an affordable homeownership project.
- Managing a five-bedroom transitional living home.

Barriers to Below Market-Rate Development

Participants noted that Sequim has significantly less low-income housing than Port Angeles. To some degree, this reflects the presence of more services for low-income residents in Port Angeles, as well as a larger population of lower-income residents there. However, participants did note other Sequim-specific barriers to affordable housing development in the city, including:

- *High costs of construction in Sequim*. Developers estimated the cost of developing in Sequim at around $360,000 per unit for market-rate apartments, and up to as much as $400,000-450,000 per unit to build fully subsidized affordable housing.
- *Expensive connection fees and building fees* in Sequim compared to Port Angeles, especially considering Port Angeles' new fee waivers. Per unit fees are between $25-30,000 per unit in Sequim, and about half that much in Port Angeles.
- *Challenging design standards* that dictate color, landscaping, roof structure, and other elements that greatly increase project costs.
- *Lack of available land* for multifamily housing in Sequim, particularly compared to Port Angeles where there is more space for tax-credit funded projects which need to be at least 70 or so units to be feasible.
- *Prevailing wage requirements* for publicly funded projects. This is a challenge for all projects that receive federal funding and is not specific to Sequim.
- *Lack of local experts in multifamily development*. Participants described challenges in hiring commercial electricians, carpenters, and other labor, as well as a lack of local builders with multifamily experience due to the city's remote location, which also dissuades out-of-town developers from building in Sequim.
- *Process challenges*, including instability in city staff, delays in permitting, a laborious process getting approval from the city, and a lack of flexibility for affordable developers.
- *A lack of education and clear, accessible guidance from the city* for nonprofits, first-time developers, or others without extensive development experience.
- *State-level challenges,* particularly new energy requirements and electric vehicle charging requirements which add to construction costs.
- *Community sentiment against* subsidized housing, large families, and multifamily housing in general.

Incentives

Participants were asked about incentives that would improve feasibility or ease of low-income housing development in Sequim. In general, they agreed that increased density, potentially up to at least 10 units per acre, would be key to unlocking more development. They also expressed interest in flexibility around setbacks, lot coverage, and particularly parking requirements, as well as impact fee reductions such as those offered in Port Angeles.

Housing Market and Needs

Several conversations included discussion of the housing needs on the Peninsula in general, and the relationship between housing needs and HUD-determined income levels (typically expressed as a percentage of County Area Median Income (AMI)). Overall, there is a great need for low-income housing in the County that can serve households earning 80 percent of the AMI or lower, with nearly 3,000 applicants on the Peninsula Housing Authority wait list, the majority of whom earn 60 percent AMI or below (note that waitlists are generated by *property* and not by *individual*, therefore this number is likely an overcount of individuals who likely place themselves on waitlists for more than one property). Participants described an inability for people to move up the "housing ladder" from renting an apartment to eventually owning a home, due to the lack of affordable starter homes in the area (i.e. smaller or lower-cost opportunities for first-time homebuyers transitioning from renting to owning a home). Additionally, the income range of subsidized housing at or around 80 percent AMI at which many providers, particularly Habitat for Humanity, operate, is a narrow window that does not capture a lot of the need in Clallam County, and also presents challenges for residents when their income rises and exceeds that threshold, since there is still a lack of housing in the 80-120 percent AMI range as well.

Design Standards

Design standards were a topic of much discussion. Participants questioned the true goal of the standards, and noted that transparency, modulation, color, and particularly articulation add significant costs to affordable housing in Sequim. Participants emphasized that every "turn" in a foundation (such as those required for façade articulation) add significant cost to a project. With costs already extremely high for building affordable housing on the peninsula, this poses a significant barrier. When asked about relaxed design standards or exemptions for affordable housing, participants voiced concerns about stigmatizing low-income residents as well as the potential for increased administrative burden for staff and developers, instead advocating a relaxation of design standards overall in the city.

Takeaways/Suggestions

- *Provide educational opportunities* and clear guidelines (i.e., a "development cheat sheet") for nonprofits or other entities with limited experience to learn about the entitlement and

permitting process as well as assistance in applying for applicable state or other funding sources that are administered through the city.

- *Reduce permitting times* which can cause rapid increases in costs, and provide timely responses to communications.
- *Consider a Multifamily Tax Exemption program for affordable apartments*. MFTE programs are used across the state to help reduce the costs of subsidized multifamily development.
- *Provide utility and/or parks fee waivers* for multifamily housing.
- *Reduce parking requirements* for subsidized units, particularly considering reduced vehicle ownership among lower-income populations and those in supportive housing.
- *Reduce stringency of multifamily design standards* in the city.
- *Provide permit-ready plans* for small multifamily buildings, such as those provided in Port Angeles.
- *Provide incentives or exceptions to development standards* as authorized by state law, for developers of long-term low-income housing.

Barriers to Multifamily Development

In addition to conversations with affordable housing providers, Leland also interviewed market-rate housing and commercial developers as part of the *Housing and Economic Analysis* completed for the City of Sequim in 2025. The goal of these interviews was to understand barriers to market-rate development in Sequim. The major barriers identified were related to regulations (including land use and zoning), fees, permitting, and infrastructure. For multifamily housing, the major barriers described by these developers included:

- Fire safety standards
- Design review requirements
- Impact fees
- Lack of clarity during the permitting process
- Zoning limitations such as height restrictions or prohibitions on multifamily development in the EOA, RC, and HTLI zones

While the City does not have the ability to change fire safety standards, zoning and design review requirements are already being addressed through the comprehensive planning process, and impact fees will be revised subject to new state requirements.

Implementation and City Actions Based on Housing Developer Feedback

In response to the feedback received from developers and interviews (both affordable and market rate housing), the City has identified actions that can help address some of the barriers discussed above, through forthcoming changes to the zoning code which will be adopted concurrently with this Comprehensive Plan Update. These actions are detailed below, and represent additional work

the City is undertaking to reduce barriers to development in Sequim specifically, based on local feedback:

Barrier Identified by Stakeholders	City Action
Challenging Design Standards	Have included exceptions to design standards for affordable housing projects, mainly for wall plane articulation and lengths of roof spans. These are physical building requirements that we heard cause the greatest increase in building costs. Simplified building, site design standards and amenity requirements for multifamily market developments.
Lack of Available Land for Multifamily Housing	As part of the zoning code updates that the city is adopting concurrently with this Comprehensive Plan Update, there is a new Affordable Housing Exception in SMC18.110.030. This allows affordable housing projects to seek exemptions from density limits, minimum lot size, maximum lot coverage, setback requirements, height limits, parking requirements, and allowed uses in the underlying zone. This essentially means that pending Council approval, affordable housing serving income bands lower than 80% AMI could be built in any zone in Sequim. This new Affordable Housing Exception effectively increases by a significant quantity the available land in Sequim on which a developer, working with the City Council, could build housing serving lower income bands.
Low Density in the R4-8 Zone	In addition to increases in density, that could allow projects to reach 10 du/acre in the R4-9 (formerly R4-8) zone (no other zone has a density limit), affordable housing providers can request exceptions to density requirements as part of their proposal.
Design Standards	Building design is still an important part of development in Sequim, but have included exceptions specifically for some of the items

	discussed - such as modulation in wall planes and roof lengths.
High Parking Requirements	Applicants can submit a parking study requesting fewer parking stalls. PSH and Emergency housing does not require parking.
Need for Incentives to Fund Affordable Housing	The Affordable Housing Exceptions section of code in SMC 18.21, and will include it as a standalone chapter in 18.110 of the draft update. The authorities we used for the Affordable Housing Exceptions are RCW 35.83.030, RCW 36.70A.540, and the city's housing goals by authorizing exceptions from some development standards for qualifying low-income and affordable housing units. Exceptions authorized by this section apply only to qualifying affordable units and do not apply to market-rate units.

Racially Disparate Impacts Analysis

Introduction

In 2021, the Washington State Legislature passed House Bill 1220 (HB 1220) as an amendment to the state Growth Management Act (GMA). HB 1220 requires that local governments plan for housing at all income levels and assess the racially disparate impacts (RDI) of existing housing policies. Conditions that indicate that policies have racially disparate impacts can include segregation, cost burden, displacement, educational opportunities, and health disparities.

Key Findings

- Sequim is similar as Clallam County, with both jurisdictions are approximately 80 percent white.
- All households, no matter their racial composition, are about equally as likely to experience cost burden, although households of color are slightly more likely to be cost burdened. Black and Asian households are more likely to be cost burdened than white and Hispanic households.
- According to data from the US Department of Housing and Urban Development (HUD), home ownership is most common among Hispanic and white households in Sequim (82 and 60 percent of their total respective households), and much less common among Black or Asian households (0 and 37 percent of their total respective households). However, data for households of color can be impacted by margins of error (given their smaller residential numbers in Sequim).
- There is a shortage of rental housing available in Sequim for those making less than 30 percent of the Area Median Income (AMI) and those making greater than 80 percent AMI.
- In terms of income and race, 33 percent of Hispanic households make above the median income – the highest share among all racial and ethnic groups. Roughly a third of White households and 26 percent of Asian households make above 100 percent AMI. However, 33 percent of Hispanic households are also considered extremely low-income (making 30 percent of AMI or less), compared to 18 percent of White households.

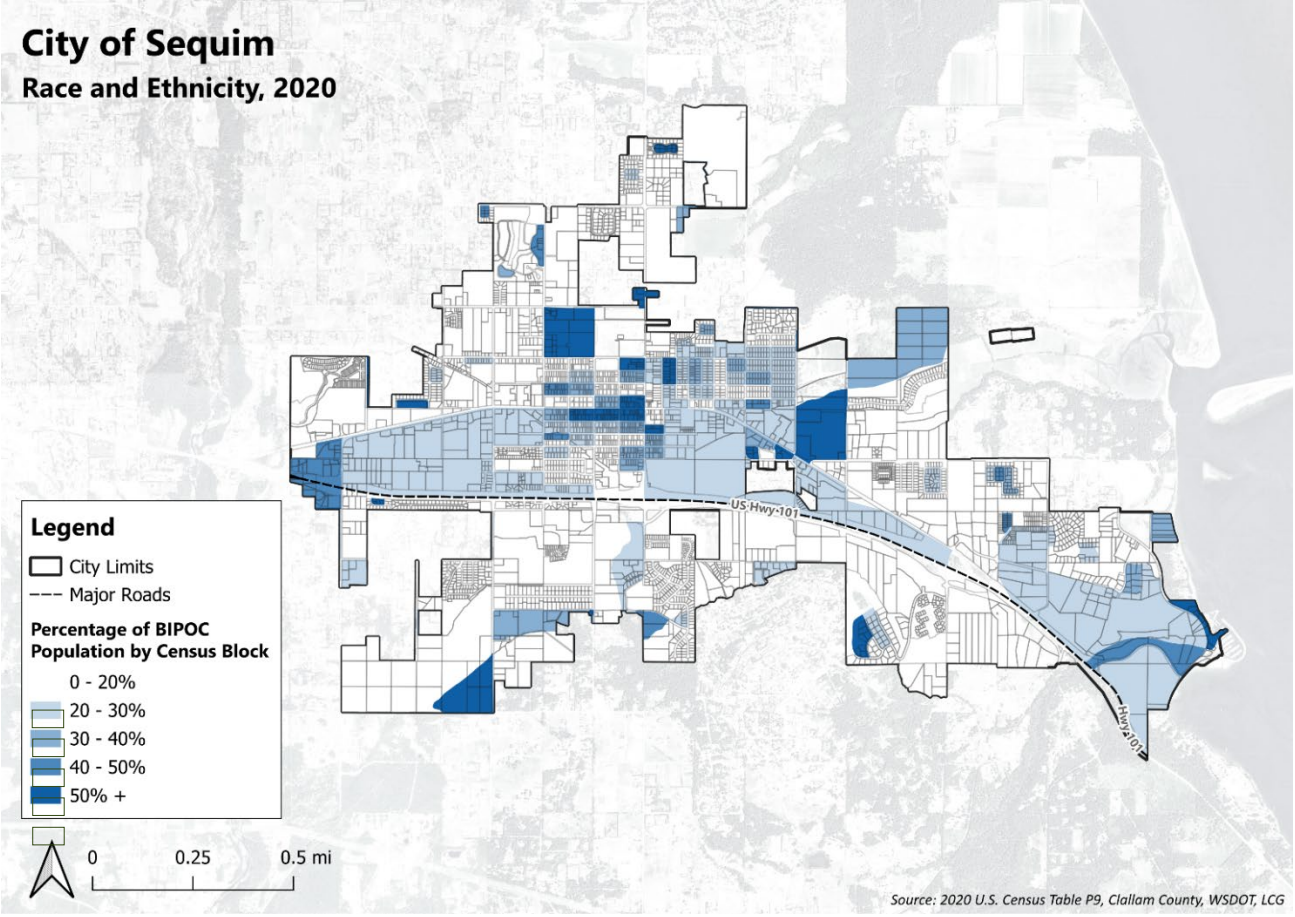
Historical Context

Throughout the history of the United States, a combination of laws and practices have impacted where specific groups of people live, what opportunities they have access to, and their ability to build wealth through stable housing. Unfortunately, many of these policies explicitly or implicitly benefited white residents at the expense of all others. The legacy of policies like redlining, which used racial criteria in determining which neighborhoods were suitable for government-backed loans, highway development through predominantly-Black neighborhoods, and racial covenants explicitly excluding certain groups from owning specific properties continues to impact non-white communities today.

While many cities have acknowledged the harms of these policies, many of which are no longer legal, there are still policies in effect today that hold cities back from rectifying systemic harms. These can include policies that reference vague concepts like "neighborhood character," as well as those that permit only the most expensive homes to be built, thus shutting lower-income residents out of high-opportunity areas.

Figure 1 below shows race and ethnicity in Sequim by Census block. Households of color are more likely to live along Highway 101, while the Census blocks around the perimeter of the city limit tend to be majority white. However, many of the areas on the map that show significant concentrations of BIPOC households are sparsely populated, such as the area around Carrie Blake Park.

Figure 1. Race and Ethnicity in Sequim by Census Block (2020)



Assessing Racially Disparate Impacts

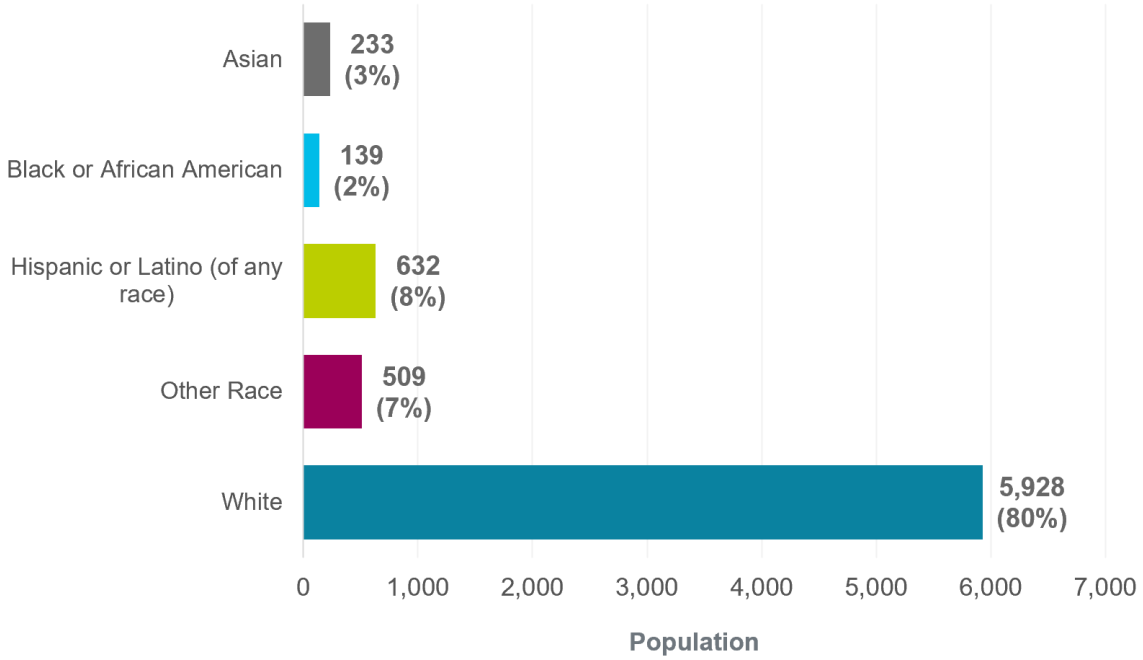
Between 2015 and 2020, Sequim became slightly less diverse, as the population went from 76 to 80 percent white over the course of five years. Over the same period, Clallam County's population went from 84 to 82 percent white, with Hispanic/Latino, Black, American Indian, and multi-racial residents being the only groups to see an increase in their share of the total population.

Figure 2. Change in Population by Race/Ethnicity, Sequim and Clallam County

	Sequim			Clallam County		
Race or Ethnic Category	2015	2020	Change	2015	2020	Change
American Indian and Alaska Native	66	67	1	3,198	3,580	382
Asian	171	233	62	1,046	1,065	19
Black or African American	131	139	8	612	708	96
Hispanic or Latino (of any race)	842	632	-210	4,119	5,147	1,028
Native Hawaiian and Other Pacific Islander	0	0	0	43	26	-17
Other Race	136	0	-136	154	114	-40
Two or more races	288	442	154	2,564	3,003	439
White	5,061	5,928	867	60,661	62,839	2,178
Total	**6,695**	**7,441**	**746**	**72,397**	**76,482**	**4,085**

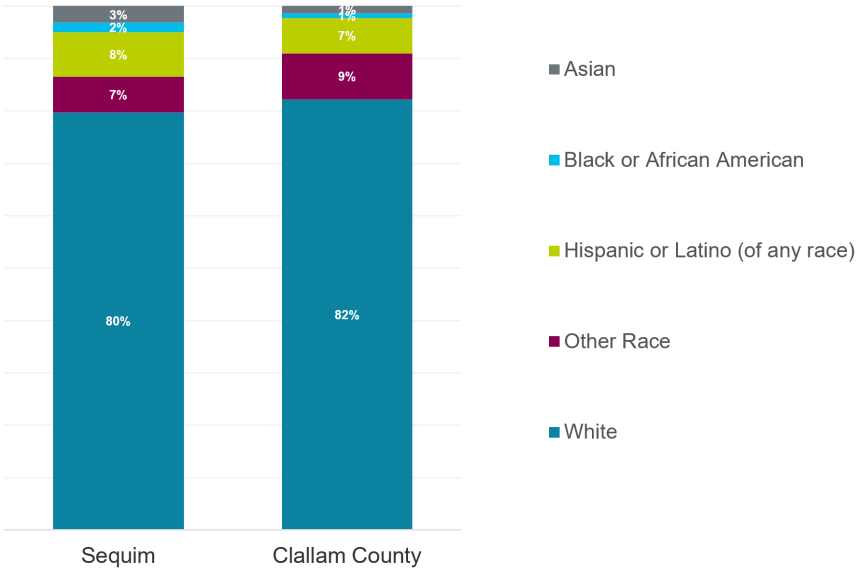
Source: US Census Bureau, 2011-2015 and 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023.

Figure 3. Population by Race/Ethnicity in Sequim (2020)



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023.

Figure 4. Racial Composition of Sequim and Clallam County (2020)



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023.

Sequim is a relatively middle-income community with moderate housing costs. The city includes 2,040 owner households and 1,465 rental households. Of the owner households, 27 percent are cost burdened, with 14.7 percent spending between 30 percent and 50 percent on housing costs and 12.3 percent spending more than 50 percent on housing costs. By contrast, 55.3 percent of renter households in Sequim are cost burdened, with 27.3 percent spending between 30 and 50 percent on housing costs and 28 percent spending more than 50 percent on housing costs.

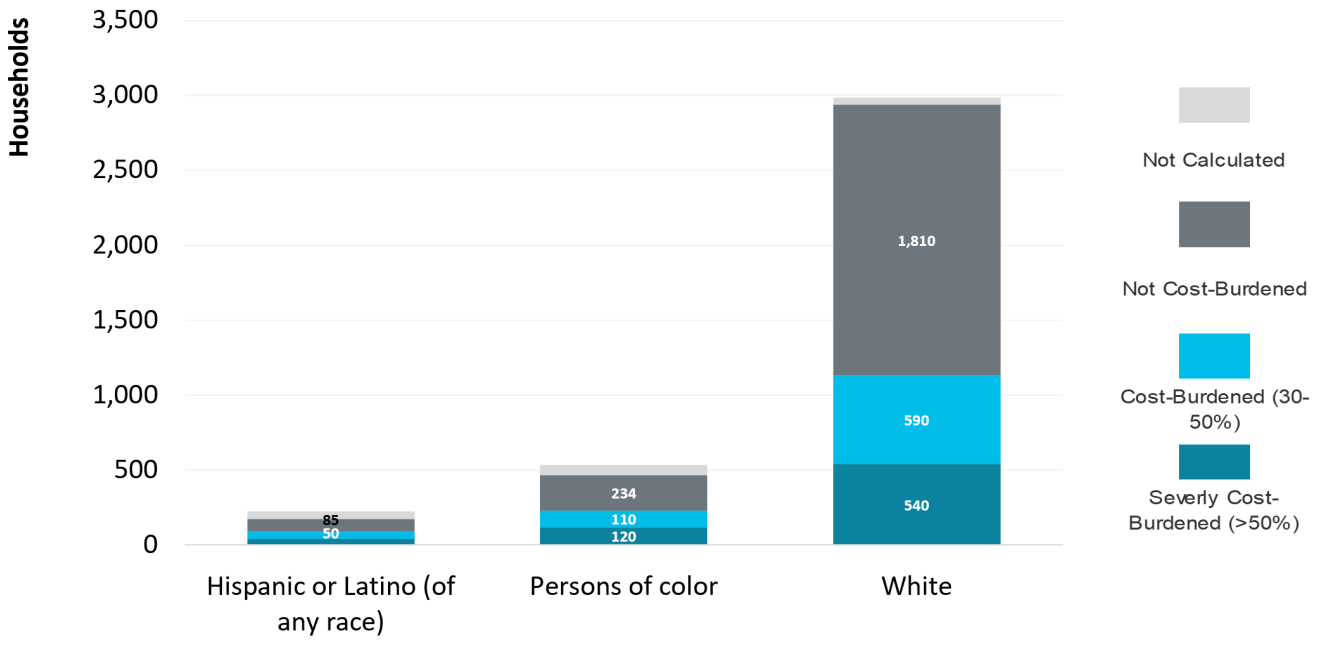
This sharp divide in stability between renters and owners can result in racially disparate impacts when renters are more likely to be people of color. In Sequim, about 40 percent of White households rent their homes, compared to 100 percent of Black/African American and American Indian households. 82 percent of Hispanic/Latino households own their homes. While 85 percent of Black/African American households are severely cost burdened, 38 percent of white households and 40 percent of Hispanic households are cost burdened.

Figure 5. Number of Households by Cost Burden in Sequim (2019)

	White	Black or African American	Asian	American Indian or Alaska Native	Pacific Islander	Other Race	Hispanic or Latino (of any race)	Total
Owner Households								
Not Cost Burdened	1,285	0	25	0	0	30	65	1,405
Total Cost-Burdened	470	0	10	0	0	0	70	550
Cost-Burdened (30-50%)	*260*	*0*	*10*	*0*	*0*	*0*	*30*	*300*
Severely Cost-Burdened (>50%)	*210*	*0*	*0*	*0*	*0*	*0*	*40*	*250*
Not Calculated	35	0	0	0	0	0	50	85
Total	**1,790**	**0**	**35**	**0**	**0**	**30**	**185**	**2,040**
Renter Households								
Not Cost Burdened	525	15	0	4	0	75	20	639
Total Cost-Burdened	660	55	40	25	0	10	20	810
Cost-Burdened (30-50%)	*330*	*0*	*40*	*0*	*0*	*10*	*20*	400
Severely Cost-Burdened (>50%)	*330*	*55*	*0*	*25*	*0*	*0*	*0*	410
Not Calculated	10	0	20	0	0	0	0	30
Total	**1,190**	**65**	**60**	**30**	**0**	**80**	**40**	**1,465**
Total Households	**2,980**	**65**	**95**	**30**	**0**	**110**	**225**	**3,505**

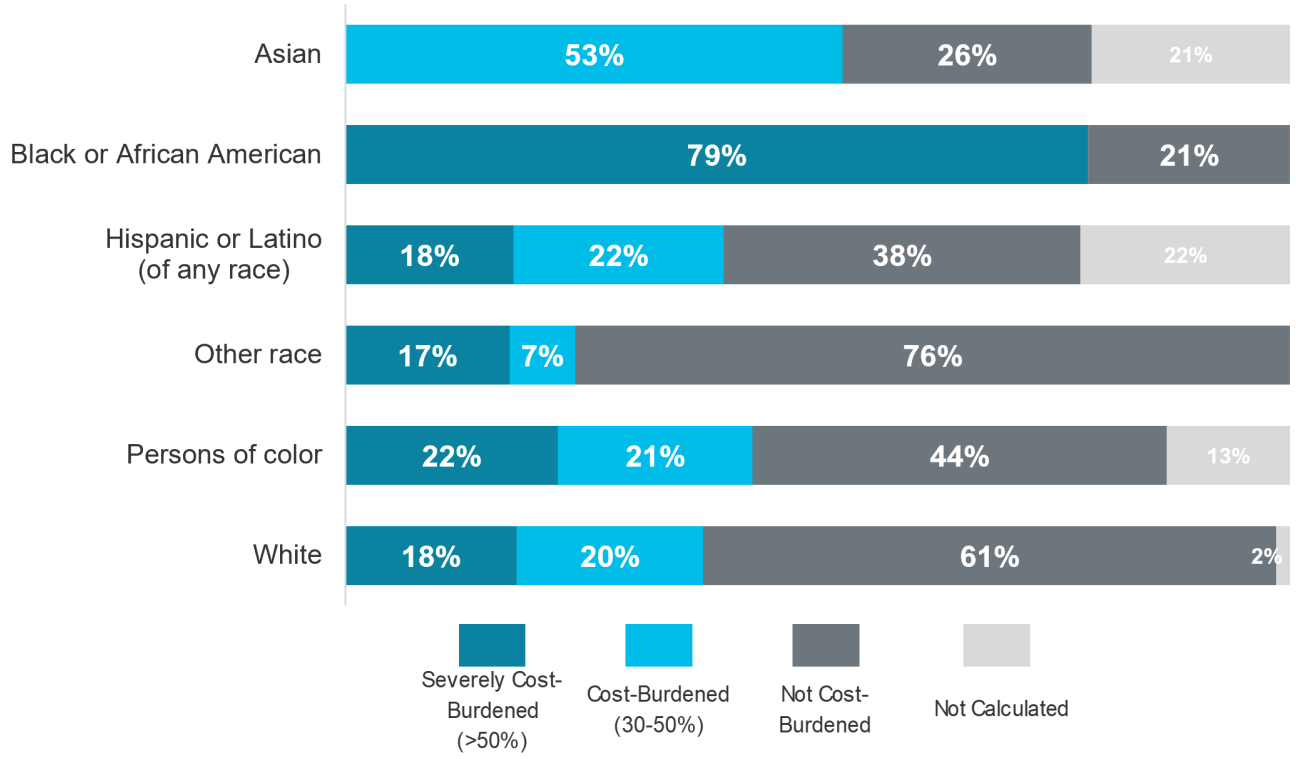
Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023.

Figure 6. Sequim Total Housing Cost Burden by Racial & Ethnic Group, 2019



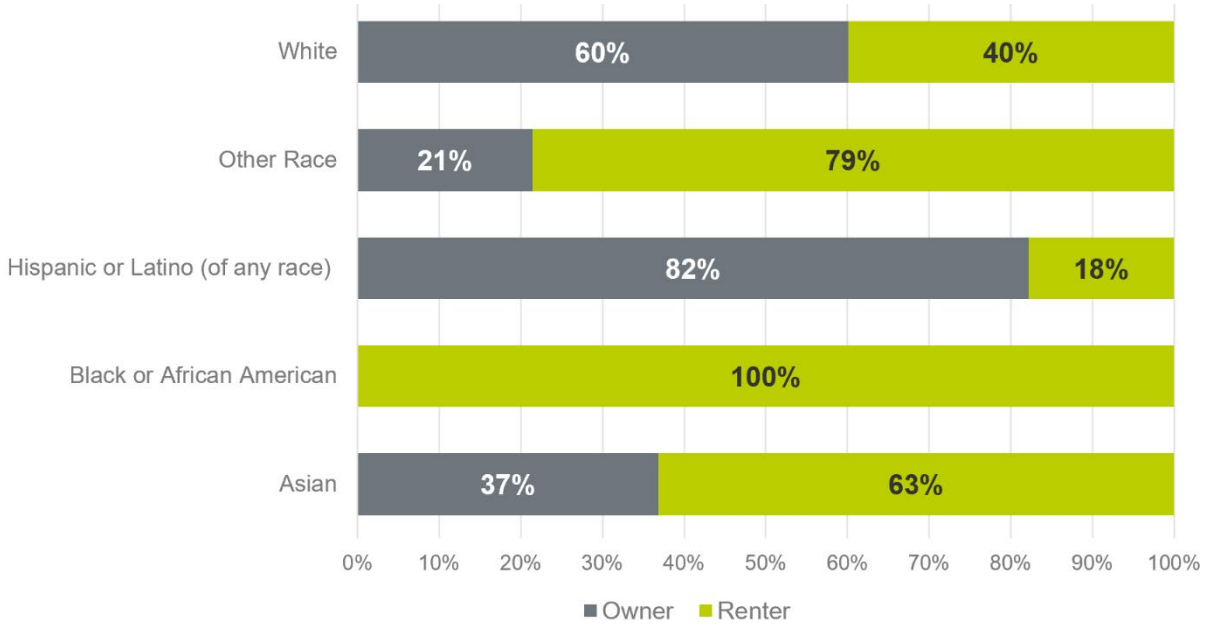
Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023.

Figure 7. Sequim Percent of All Households Experiencing Housing Cost Burden, 2019



Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

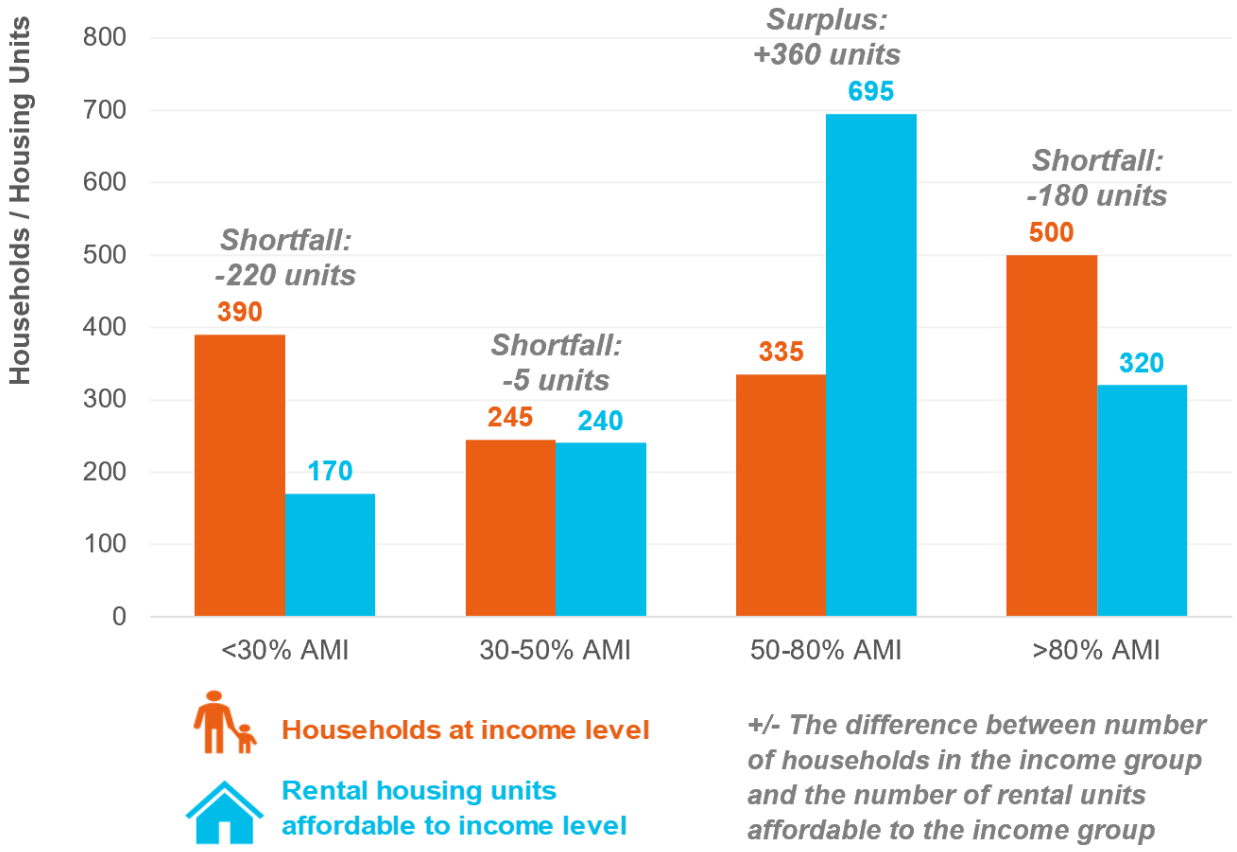
Figure 8. Sequim Owner and Renter Households by Race & Ethnicity (2019)



Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9).

The renter cost burden in Sequim is driven by a 220-unit shortfall of units affordable for households making less than 30 percent of area median income (AMI) and a 180-unit shortfall of units affordable for households making greater than 80 percent AMI. When there is a shortfall of units at the upper end of the income scale, higher income households compete with lower income households for limited units. In Sequim, adding rental housing units at the upper and lower ends of the income scale could help improve stability for households across the income spectrum.

Figure 9. Sequim Renter Households by Income Compared to Rental Units by Affordability, 2019



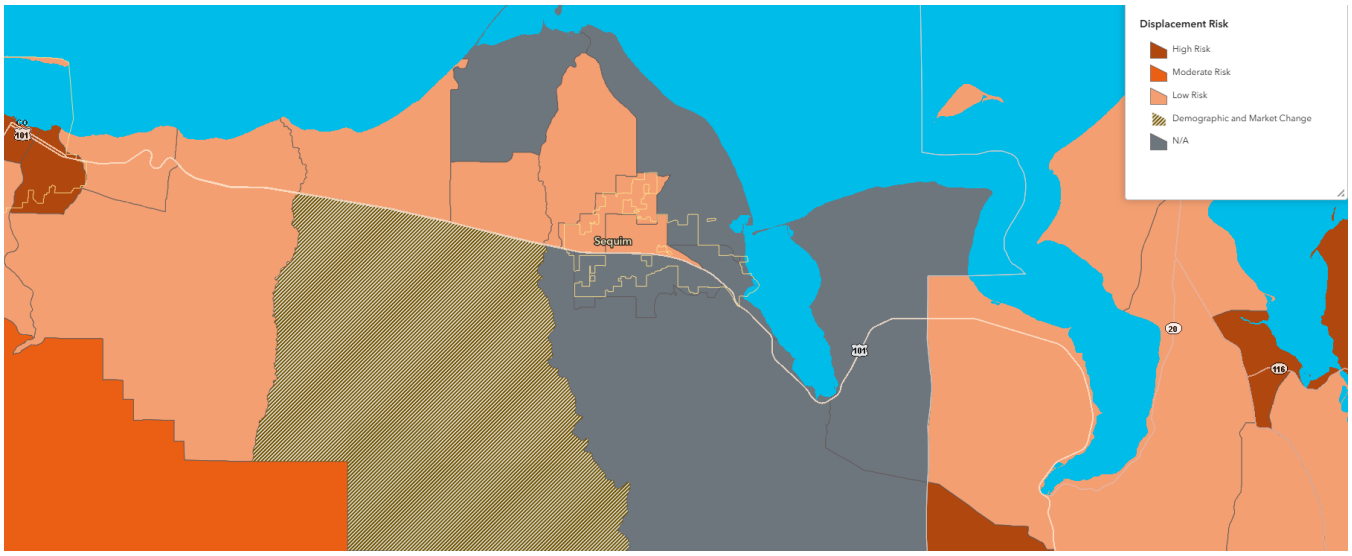
Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 15C) & US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 14B).

Despite housing unit shortfalls in the lower- and upper-income categories, Sequim has a relatively low displacement risk compared with nearby communities. Figure 10 below shows Washington Department of Commerce's Draft Displacement Risk Map – most of Sequim is considered "lower risk" compared with Port Angeles and Forks, where the risk rises to "Moderate" and "High."

Commerce's displacement risk map is calculated using data at the Census Tract level, which provides limited geographic specificity regarding potential areas of displacement risk in the city. However, an initial analysis of American Community Survey data at the Census Block Group level revealed Margins of Error (MOE) that were too high to be useable.

Despite a lower displacement risk than Forks and Port Angeles, Sequim has implemented strategies to address displacement throughout the city. Mobile home parks are a significant source of naturally occurring affordable housing in Sequim. This type of housing can also be targeted for redevelopment because the underlying zoning frequently allows higher-density housing and mobile homes are less expensive to remove or demolish than other building types. To prevent the loss of mobile home parks and displacement of their residents, Sequim established a mobile home park overlay in 2024. Within the mobile home park overlay, mobile home parks are the only permitted use, meaning that a rezoning process would be necessary for any redevelopment.

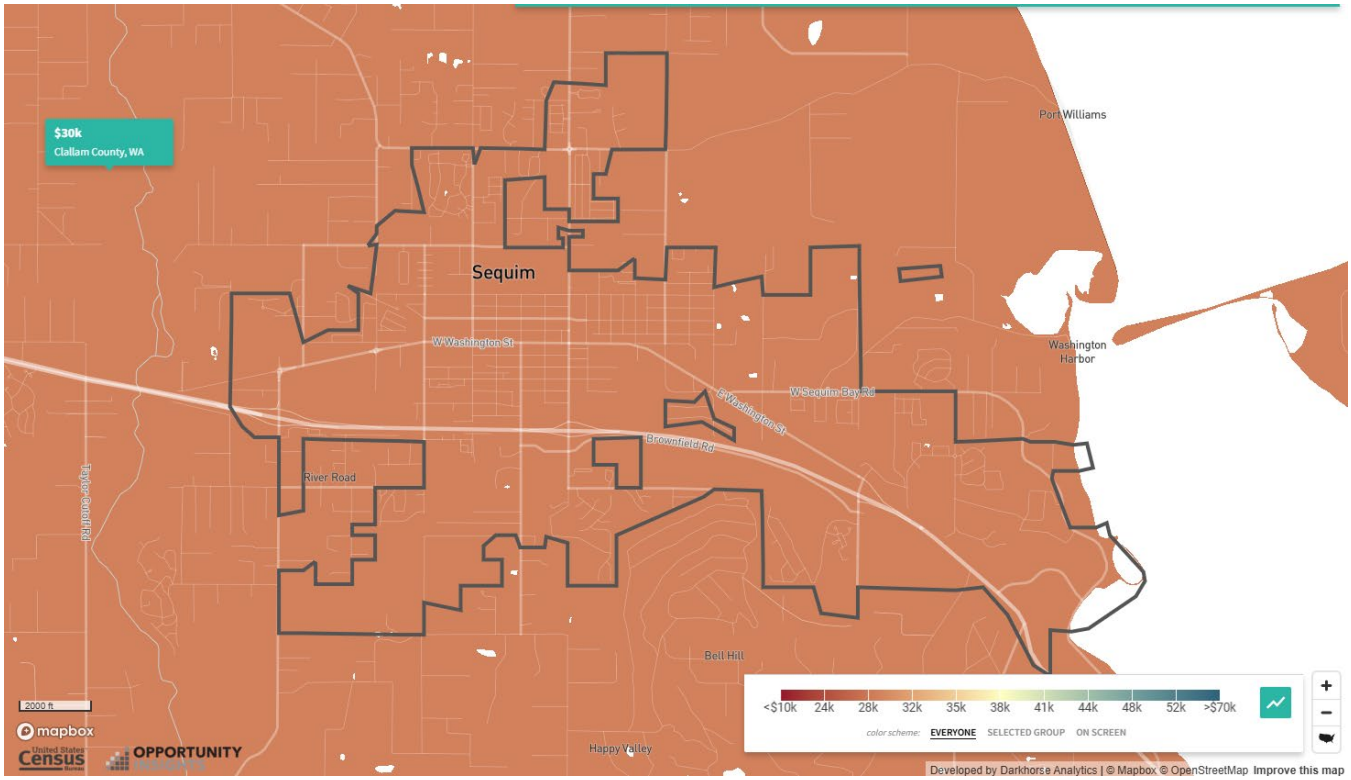
Figure 10. Washington Department of Commerce Draft Displacement Risk Map for Sequim



Sources: Washington Department of Commerce Draft Displacement Risk Map Tool.

The Opportunity Atlas measures Clallam County's household income for children born in 1978 and 1992 to low-income parents, regardless of race or gender. The tool shows that household income for children born in 1978 was $3,000 higher than household income for children born in 1992, demonstrating that opportunity for children born to low-income families has declined in Clallam County.

Figure 11. Household Income for Children Born in 1992 to Low Income Parents in Sequim and Surrounding Communities



Sources: Opportunity Atlas County & Metro Mobility Trends Map Tool.

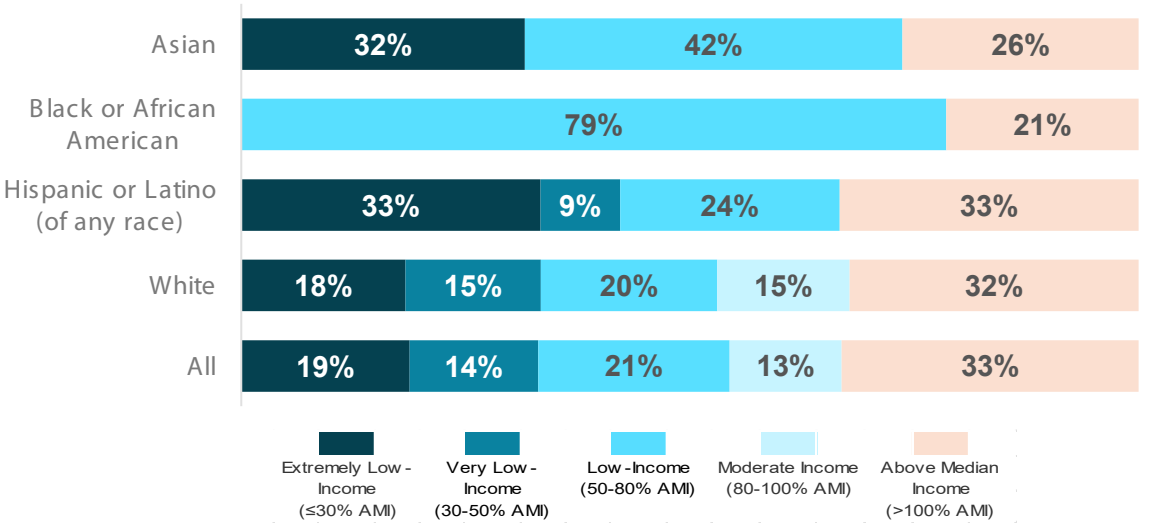
In Sequim, 33 percent of Hispanic households make above the median income – the highest share among all racial and ethnic groups. 32 percent of White households and 26 percent of Asian households make above 100 percent AMI. However, 33 percent of Hispanic households are also considered extremely low-income (making 30 percent of AMI or less), while only 18 percent of White households are considered extremely low-income.

Figure 12. Sequim Count of Households by Income and Race, 2019

Income Category (% of AMI)	American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino (of any race)	Pacific Islander	White	Not Reported*	All
Number								
Extremely Low-Income (≤30% AMI)	-	30	-	75	-	545	*10*	660
Very Low-Income (30-50%)	25	-	-	20	-	450	*10*	505
Low-Income (50-80%)	4	40	55	55	-	585	*11*	750
Moderate Income (80-100%)	-	-	-	-	-	440	-	440
Above Median Income (>100%)	-	25	15	75	-	960	*90*	1,165
Total for published estimates	29	95	70	225	-	2,980	*121*	3,515
Percentage							***Not Reported***	
Extremely Low-Income (≤30% AMI)	0%	5%	0%	11%	0%	83%	2%	
Very Low-Income (30-50%)	5%	0%	0%	4%	0%	89%	2%	
Low-Income (50-80%)	1%	5%	7%	7%	0%	78%	1%	
Moderate Income (80-100%)	0%	0%	0%	0%	0%	100%	0%	
Above Median Income (>100%)	0%	2%	1%	6%	0%	82%	8%	

** The category "Other (including multiple races, non-Hispanic)" is supporessed in source data(CHAS 2015-2019 Table 1)*
Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 1) & US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 8)

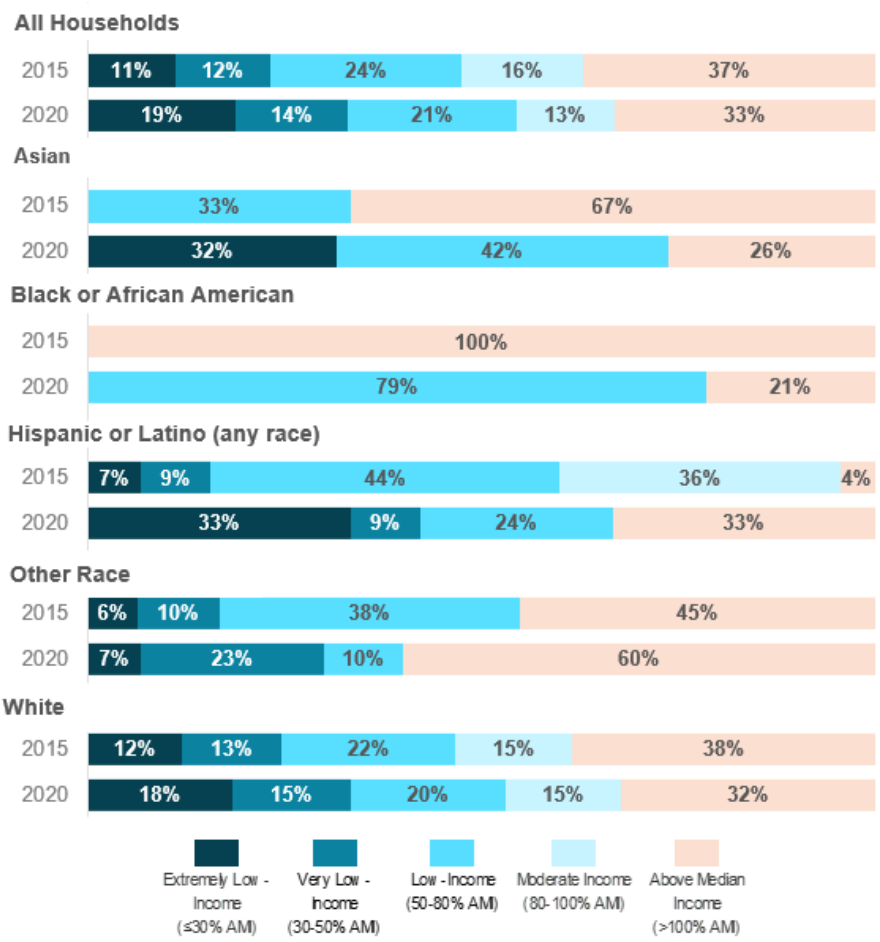
Figure 13. Sequim Distribution of Households by Income and Race or Ethnicity, 2019



Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 1).

Between 2015 and 2020, the percentage of households making above the median income decreased from 37 percent to 33 percent. However, over that same period the percentage of Hispanic/Latino households making above the median income increased significantly – from 4 percent in 2015 to 33 percent in 2020.

Figure 14. Sequim Percentage of All Households by Income Category and Race (2010-2014 vs. 2015-2019)



Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 1).

Policy Evaluation

Based on the above analysis, there is room for improvements to policies in Sequim to reduce racially disparate impacts, and the data was used to inform the next steps of the racially disparate impacts assessment process – evaluating and revising policies that reinforce historical patterns of segregation, displacement, and inequitable outcomes. Taking a proactive approach in shaping policy to address these challenges will benefit all Sequim households as the City seeks to build a more equitable future.

Based on guidance provided by the Washington State Department of Commerce, the following policy evaluation framework was used to evaluate Sequim's existing Housing Element policies:

Criteria	Evaluation
The policy is valid and supports meeting the identified housing needs. The policy is needed and addresses identified racially disparate impacts, displacement and exclusion in housing.	**S** Supportive
The policy can support meeting the identified housing needs but may be insufficient or does not address racially disparate impacts, displacement and exclusion in housing.	**A** Approaching
The policy may challenge the jurisdiction's ability to meet the identified housing needs. The policy's benefits and burdens should be reviewed to optimize the ability to meet the policy's objectives while improving the equitable distribution of benefits and burdens imposed by the policy.	**C** Challenging
The policy does not impact the jurisdiction's ability to meet the identified housing needs and has no influence or impact on racially disparate impacts, displacement or exclusion.	**NA** Not applicable

Note that there are two tables below showing a review of Sequim's housing goals and policies. The first evaluates the goals and policies from the 2015 Comprehensive Plan while the second includes the goals and policies from the 2025 Comprehensive Plan, which incorporate the recommendations from the previous table. The goals and policies for the 2025 Comprehensive Plan address racially disparate impacts, displacement, and exclusion in housing.

2015 Sequim Comprehensive Plan Housing Chapter - Policy Evaluation

Existing Goal / Policy #	Existing Goal / Policy	Equity Assessment	Why	Notes
Goal H-1: Housing for a Diverse Community. Increase the number of housing options and opportunities to meet the needs of a diverse, growing community.				
Policy H-1.1	Promote a variety of housing types affordable to all segments of the population.	**Supportive**	The RDI found disparities in housing tenure and cost burden between racial groups in Sequim. Promoting fair and equitable housing policies should help bridge the affordability gap for marginalized groups.	As written, this policy does a fine job of outlining types of new housing options and styles that promote affordability but could include more specific and active language about how these changes could be implemented at the municipal level and support racial equity.
Policy H-1.2	Allow one accessory dwelling unit as a supplementary use to single-family homes in all designated residential areas.	**Approaching**	Sequim has a shortage of affordable rental units for both the lowest-earning (<30 percent AMI) and highest-earning (>80 percent AMI) households. ADUs are one tool that can help ease housing	ADUs can increase local housing stock, yet the lowest-earning households may experience obstacles in single-family neighborhoods without transit access or budget-friendly shopping. ADU expansion is a good

			shortages in general, especially for renters.	start, but should be accompanied by other forms of affordable housing development and permission.
Policy H-1.3	Introduce "cottage housing" to Sequim as a new life-style option that offers greater social interaction with neighbors and fewer demands on property maintenance while retaining the independence and privacy of single-family, detached housing.	**Approaching**	Sequim is already majority single-family, detached housing. Most White and Hispanic households are owners, while Black, Asian, and other minority groups lag well behind in this metric. Expanding the housing stock of single-family homes could, in theory, increase affordability for these latter groups.	Cottages, while denser and more affordable, are still single-family housing developments, and could demand rents or mortgages on the open market that are still unaffordable for lower-income groups. Cottage housing built in already-segregated areas could run the risk of perpetuating the same patterns of development that have excluded households of color from home ownership.
Policy H-1.4	Endorse housing for affordable, single-room occupancy (SRO) housing in the Downtown District where services and transportation choices are most available to low-income residents without a car.	**Supportive**	Single-room occupancy housing is an effective strategy for increasing affordability for lower-income or single households, especially located near hubs for transit, services, and employment.	This style of housing is not as suitable for families with children and adults as it is for singles or couples. The style is effective here as one component of a broader campaign that also includes multi-family and single family-style affordable housing.
Policy H-1.5	Allow live-work units in Downtown to accommodate home ownership and commercial viability for shop owners and artists.	**Approaching**	While live-work units might theoretically help lower-income business owners of color save on rent and commuting costs, this policy does not directly address racially disparate impacts.	This policy does not directly connect to the housing affordability challenges facing residents of color. Business needs are not the focal point of the RDI analysis.
Policy H-1.6	Encourage townhomes in the Downtown District, the Lifestyle District and in other areas near Sequim's Downtown such as the downtown mixed-use districts	**Approaching**	Encouraging dense housing development is a positive step toward increasing local housing supply, but may lead to gentrification, especially since communities of color are concentrated in and	This policy could take a step toward achieving RDI objectives by ensuring that a certain percentage of the townhomes are designated as affordable units.

	and the community mixed use district.		around Sequim's Downtown.	
Policy H-1.7	Promote low-rise apartments in the Downtown District the Lifestyle District and the Community Commercial District to provide access to services, shopping, and transit.	**Approaching**	Similar to H-1.6, encouraging dense housing development is a positive step toward local affordability, but may lead to gentrification.	Similar to H-1.6, this policy could take a step toward achieving RDI objectives by ensuring that a certain percentage of the townhomes are designated as affordable units.
Policy H-1.8	Include opportunities for housing for special needs, group homes and assisted living in all residential zones in settings close to services and transportation	**Supportive**	Housing designated for vulnerable groups like those with special needs or the elderly is supportive of equity planning in general.	Specialized housing may be even better positioned to achieve RDI goals by incorporating culturally relevant programming for ethnic or racial groups.
Goal H-2: AFFORDABLE HOUSING. Allow for affordable, safe and appropriate housing options in all residential zoning districts, for all ages and income levels to serve the needs and preferences of a diverse population.				
Policy H-2.1	Endorse affordable housing efforts with other jurisdictions, public and private organizations to address needs.	**Approaching**	Cities can effectively achieve affordable and equitable housing goals in concert with the public or private sector. City planners or development officials should make sure that partner entities are aligned with city priorities vis a vis racial equity at every step of the process.	This policy could be revised to include language about acting mindfully and intentionally in its collaboration, so that public and private partners share the city's institutional duty for racial equity. Explicitly commit to centering racial equity needs with all partners.

Policy H-2.2	Allow new manufactured homes, under the same regulation applied to site built housing, on lots in residential zoning districts.	**Approaching**	New housing increases supply and lowers costs of ownership. Manufactured homes can serve as cheaper alternatives to site built homes for low-income buyers.	Municipal Code standards which permit only manufactured homes that "compliment neighborhood character" are somewhat vague, and should articulate what neighborhood character means so as not to encode exclusionary zoning. The city should also consult with local homebuyers of color to better understand if and how manufactured homes can serve their unique community needs.
Policy H-2.3	In new major housing developments, promote partnerships with affordable housing providers to include affordable housing within the project.	**Approaching**	Depending on the location, new major housing developments could gentrify and displace residents of color. Withholding a segment of new housing from market rate rent is an effective step in promoting affordability.	An even more aggressive step toward fulfilling RDI goals would be to make it mandatory to reserve a percentage of units for affordable housing, as part of large housing developments.
Policy H-2.4	Establish, define and follow criteria for siting housing for low income and special needs populations to minimize the concentration of projects in one neighborhood or area of the City.	**Supportive**	Distributing public and supportive housing—as well as permitting conditional uses in every district—helps to incorporate residents from these marginalized backgrounds into the wider community.	Consider adjusting language like "projects" to remove stigma related to race, poverty or ineffectual government, and replace with "public housing."
Goal H-3: HOUSING FOR SENIORS. Meet the housing related needs of the aging population in Sequim.				
Policy H-3.1	In development codes, provide a variety of housing options for senior citizens to age in	**Approaching**	Aging in place is a goal shared by seniors from all walks of life. Planning policies that seek to reduce	The future senior living developments the policy references in the Comprehensive Plan may not be affordable for all seniors.

	place or remain in their neighborhood.		displacement are inherently equity-oriented.	Similar to H-2.3 above, mandating that a percentage of beds in new facilities are cost-inclusive could help seniors from diverse backgrounds afford to age in their communities.
Goal H-4: ADEQUATE SHELTER FOR ALL CITIZENS. Ensure adequate land and opportunity to meet the shelter needs of all citizens in housing that is safe, affordable, and accessible.		**Approaching**	The term "Citizens" excludes residents who are not citizens, but are members of the community deserving of shelter.	
Policy H-4.1	Promote community pride by monitoring public and private property maintenance and maintaining a pro-gram to attain compliance with property maintenance codes.	**Challenging**	Initiatives that monitor the community—by means of either civic or criminal enforcement—have the potential to reinforce historic patterns of discrimination against residents of color.	Stakeholders within communities of color should be part of community-wide consultation on how property maintenance code is enforced to best uphold property standards without threatening personal dignity and safety.
Policy H-4.2	Evaluate Sequim's housing stock and preserve viable housing and historic homes for the economic value they represent in lieu of new construction.	**Approaching**	Historic homes may represent either tangible or intangible value in a city; however, preservation for its own sake, and to "maintain the character" of a neighborhood, should not supersede the potential benefits of redevelopment. For example, presumably single-family, large-lot homes should not be preserved as a pretext to prevent new, multi-family development.	Quantify the value of preserving an historic home and its unused land (e.g., tax revenue, tourism, maintenance costs) compared to a good-faith appraisal of a new, multi-family apartment building that could provide housing for many more people.
Policy H-4.3	Ensure availability of lands for residential development, including facilities to meet special housing needs throughout the City.	**Supportive**	Making sure that land is available to meet the growing population, as well as any additional special low-income housing needs, is equitable by nature.	

Policy H-4.4	Promote the use of Universal Design elements in the development of new homes and in remodel projects that are usable by all people without adaptation or specialization.	**N/A**		

2025 Draft Comprehensive Plan Housing Chapter - Policy Evaluation

Existing Goal / Policy #	Existing Goal / Policy	Equity Assessment	Why	Notes
Goal H-1: Plan for sufficient housing and ensure a variety of housing types and densities at all income levels to meet the needs of a growing and diverse community				
Policy H-1.1	Zone land and establish densities sufficient for the City's projected population and housing growth allocations by income level.	**Supportive**	Ensuring there is adequate land available for a variety of housing types throughout the city will help address racially disparate impacts.	
Policy H-1.2	Expand housing capacity and unit provision by updating City's development regulations to remove barriers and expand residential options within the residential and mixed-use zoning districts. Consider a variety of techniques and seek to pair higher	**Supportive**	Allowing a wider variety of housing types in residential neighborhoods as well as mixed-use districts will help address any historical patterns of segregation.	

	densities near services and transportation facilities.			
Policy H-1.3	Allow the development of accessory dwelling units (ADUs) consistent with the requirements of RCW 36.70A.681. Streamline permitting, offer education and resources, and consider creation of pre-approved ADU permit program.	**N/A**		
Policy H-1.4	In future updates, consider creating a new medium-density zoning district that allows a variety of housing types and higher densities than the Low Density Residential land use category.	**N/A**		
Goal H-2: Expand "middle housing" unit types where residential uses are allowed.				
Policy H-2.1	Reduce barriers and expand the variety of housing types known as "middle housing" within the City's development regulations wherever residential is allowed. Examples of middle housing types include duplexes, triplexes, fourplexes,	**Supportive**	Allowing a wider variety of housing types in residential neighborhoods will help address any historical patterns of segregation.	

	townhomes, multiplexes, stacked flats and cluster housing.			
Policy H-2.2	Allow for infill through unit lot subdivisions, short plats, and binding site plans of smaller housing types, such as cluster housing, multiplexes, townhouses, and accessory dwelling units, into the R4-9 residential zoning district and within established residential neighborhoods, ensuring maximum density is maintained and using objective design standards to ensure fit and quality.	**Supportive**	Allowing a wider variety of housing types in residential neighborhoods will help address any historical patterns of segregation.	
Goal H-3: Strengthen and preserve the City's existing neighborhoods and housing stock				
Policy H-3.1	Recognize mobile and manufactured home parks as an important source of Naturally Occurring Affordable Housing (NOAH) and community stability through zoning map overlay. Support other efforts such as relocation assistance, and partnerships with residents, nonprofits, or	**Supportive**	Protecting existing mobile and manufactured home parks and supporting policies that help to mitigate displacement will help vulnerable residents stay housed.	

	housing authorities to facilitate long-term preservation or cooperative ownership where feasible.			
Policy H-3.2	Support private efforts to preserve the existing quality housing stock by maintaining sound units, rehabilitating substandard units, and replacing severely deteriorated units.	**N/A**		
Policy H-3.3	Program regular infrastructure planning and maintenance in residential neighborhoods to ensure their ability to support existing housing.	**Supportive**	This will help keep residents in existing homes housed. Given the other policies regarding diversifying types of housing within residential zones, this will serve a variety of households.	
Policy H-3.4	Coordinate with local organizations and agencies to provide sufficient and affordable home maintenance and support services.	**N/A**		
Policy H-3.5	Encourage infill that also respects the existing built characteristics of the surrounding neighborhood.	**N/A**		
Goal H-4: Promote and facilitate the provision of affordable, safe and suitable housing for people of all ages and income levels.				

Policy H-4.1	Identify alternative development standards, density bonuses, fee reduction or waivers, and other incentives intended to support and increase low- to moderate-income housing. Include provisions within development regulations for these provisions, considering those specifically authorized by RCWs 36.70A.540 and 35.83.	**Supportive**	Reducing barriers to development for affordable housing can help increase the supply of housing across income bands.	
Policy H-4.2	Provide for higher densities housing within mixed-use zones to support workforce needs that can promote equitable access to jobs and services.	**Supportive**	Enabling a variety of housing opportunities near employment centers can help increase access to opportunities for a wide variety of households.	
Policy H-4.3	Support and participate in Clallam County's regionally coordinated housing strategy through its Housing Solutions Committee.	**N/A**		
Policy H-4.4	Promote and encourage private developers, property owners, nonprofit organizations and housing authorities to provide housing and home ownership opportunities for low- and moderate-income households,	**Supportive**	Working with developers to provide a wide range of housing options, including creative models for homeownership, can help provide stable housing opportunities for households across income bands.	

	shared or limited-equity housing, lease-purchase options, co-living, and land trusts and cooperatives.			
Policy H-4.5	Keep informed of emerging housing options or incentives that may increase affordable housing stock and incorporate into development regulations as appropriate.	**Supportive**	Incorporating new and innovative models for affordable housing in the development code will help Sequim continue to support households with diverse housing needs and preferences.	
Policy H-4.6	Evaluate additional local options to address affordable housing funding gaps, such as an affordable housing property tax levy, surplus land donation, multifamily tax exemption, and other funding tools as appropriate. Support low- and moderate- income housing funding opportunities through available non-profit, state and federal programs.	**Supportive**	Increasing funding options for affordable housing will help improve the feasibility of new affordable apartments in Sequim, which will help the City meet its housing targets and support a diverse workforce.	
Policy H-4.7	Encourage rooms for rent as affordable housing which benefit those on a fixed income with those of low income, thereby strengthening their social safety net and increased sense of community.	**Supportive**	Encouraging existing residents rent rooms within their homes can help increase affordable housing options in challenging market conditions and can help address patterns of segregation.	

Policy H-4.8	Disperse housing for low- and moderate-income households throughout the city and discourage the disproportionate concentration of such housing in any one geographical area.	**Supportive**	Increasing options for housing at a variety of price levels throughout City neighborhoods will help address any historical patterns of segregation and increase neighborhood diversity.	
Policy H-4.9	Allow affordable housing development on faith-based organizations properties consistent with the requirements of RCW 36.70A.545.	**N/A**		
Policy H-4.10	Acknowledge that residential development that serve households below 50% AMI, will likely need assistance such as direct government-assisted housing programs, subsidies or funding mechanisms, partnerships with affordable housing developers, and public land contributions.	**N/A**		
Goal H-5: Ensure vulnerable and underserved populations, have access to safe, stable, and supportive housing.				
Policy H-5.1	Increase access to Shelters, Transitional, Emergency, and Permanent Supportive (STEP) Housing, by	**Supportive**	Adopting new state requirements for STEP housing will help increase opportunities for deeply affordable and emergency housing that will serve residents and households	

	supporting safe, stable, and affordable housing options that provide individuals and families experiencing homelessness with resources and services needed to achieve long-term housing stability. Ensure development regulation updates are consistent with relevant laws for siting and permitting STEP housing.		who would otherwise not be able to live in Sequim.	
Policy H-5.2	Monitor potential risks of physical, economic, or cultural displacement associated with public investments and private development. When potential impacts are identified, consider appropriate measures to promote housing stability and equitable outcomes for all community members.	**Supportive**	Monitoring displacement and adopting policies that mitigate displacement risk will help vulnerable community residents stay housed.	
Policy H-5.3	Support equitable access to housing opportunities by identifying and addressing any identified displacement risks and exclusion in housing caused by policies, plans, and programs, and ensure housing	**Supportive**	Evaluating City policies to ensure they are not exacerbating displacement risks or exclusion will help address racially disparate impacts.	

	policies and regulations further fair housing choice.			
Policy H-5.4	Partner with service providers who offer rental assistance, job training, mental health support, and other essential services to mitigate homelessness and support vulnerable populations.	**Supportive**	These programs will help vulnerable residents stay housed in their communities.	
Policy H-5.5	Allow indoor emergency shelters and emergency housing as permitted uses in all zoning districts where hotels are allowed, consistent with RCW 35.21.683.	**Supportive**	Adopting new state requirements for emergency housing will help increase opportunities for housing that will serve residents and households who would otherwise not be able to live in Sequim.	
Goal H-6: Include clear, objective and appropriate zoning, building and site design standards that support quality, attractive, and character in the City's development regulations				
Policy H-6.1	Update the City's Development Regulations to include and revise as appropriate, objective building design, landscaping, parking and other site elements for multifamily housing, multiplexes, and mixed-use structures.	**N/A**		

Policy H-6.2	Promote higher densities within the Downtown District, Lifestyle District and Mixed-use Districts to provide convenient access to services, shopping, jobs, and transit.	**Supportive**	Increasing the allowed density of housing in mixed-use districts will help increase opportunities for housing near services and employment.	
Policy H-6.3	Review and update the City's permit procedures to improve permit timelines and minimize additional costs to housing provision. Evaluate creation of pre-approved building plans to incentivize desired housing types.	**N/A**		
Policy H-6.4	Promote aging in place by encouraging or incentivizing universal design standards, accessible housing features, and home retrofitting.	**Supportive**	Increasing accessibility in a variety of housing types will help elderly and disabled residents find adequate housing and stay housed in their communities.	