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

To: Sequim City Council
From: Karla Boughton, DCED Director
Travis Simmons, Senior Planner
Date: November 2, 2026
Subject: 2025 Comprehensive Plan Periodic Update Package – City Council Public Hearing Staff Report

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1.0 Introduction

The City of Sequim is proposing updates to its Comprehensive Plan and Development Regulations (SMC Title 18 Zoning), including related goals, policies, maps, implementing measures, and development code amendments associated with the City's periodic update and related legislative actions under the Growth Management Act (GMA).

Updates to the plan include new narrative, goals and policies, maps and growth allocations for projected housing, population and jobs. Updates to development regulations/Title 18 bring regulations into consistency with changes in state law or support proposed changes in the plan, as well as overall formatting, clarifications and consolidation efforts. As part of the periodic update, the City must evaluate and plan for its 20-year growth projections for population, jobs and housing. These projections ae based on guidance from the Washington State Office of Financial Management, Washington State Department of Commerce, and distribution by Clallam County. The growth allocations assigned to the City of Sequim for the 2025-2045 planning period are: 2,950 new people, 909 new jobs and 1,850 new housing units.

2.0 Background

Under Washington's Growth Management Act (GMA, 36.70A RCW), comprehensive plans must be reviewed and, where necessary, revised on a periodic schedule to ensure that local plans and development regulations remain consistent with current state law, updated growth projections, community needs, and local conditions. The GMA mandated periodic update is intended to maintain a coordinated, long-range framework for land use, housing, transportation, capital facilities, economic development, environmental protection, and other public services, while ensuring that development regulations continue to implement the City's adopted policy direction.

Recent legislative changes to the GMA substantially expand the issues that must be addressed through periodic updates, particularly in housing, climate resilience, equity, and implementation. The Legislature increased housing-element requirements to ensure jurisdictions plan for housing affordable to all income levels, identify projected housing needs by income category, address any identified racially disparate impacts and displacement, and support a broader range of housing types and densities. It has also established new requirements for a climate element and has directed local governments to align planning and development regulations with state housing reforms affecting such matters as middle housing, accessory dwelling units, parking, supportive housing, and permit processes.

The City of Sequim is fulfilling its 2025 periodic-update obligation through a multi-year process that includes community outreach, Planning Commission review, preparation of updated Comprehensive Plan policies and maps, associated development-regulation amendments, and environmental review under SEPA. The update plans for Sequim's anticipated population,

housing, and employment needs through 2045 and aligns the City's Comprehensive Plan and Title 18 zoning regulations with applicable GMA requirements and related state legislation.

3.0 Process to Date

The review process for Sequim's 2025 Comprehensive Plan Periodic Update began in March 2024 and has included public outreach, technical analysis, and review by advisory bodies, the Planning Commission, and City Council. The City has provided opportunities for residents, businesses, agencies, property owners, and community organizations to participate through workshops, online engagement, stakeholder meetings, newsletters, and public hearings.

The first phase in 2024 focused on project initiation and community visioning. The City launched the project website, prepared a Public Participation Plan, and conducted over 30 stakeholder interviews with local organizations, nonprofits, agencies, and business representatives. Public activities included visioning sessions, a land use and transportation open house, planning-scenarios workshops, Farmers Market outreach, an online survey, a future land-use alternatives workshop, and a middle-housing focus group. This outreach helped identify community priorities related to growth, transportation, housing, and community character.

During 2025, the work moved into technical analysis and development of Comprehensive Plan policies. The Planning Commission reviewed all plan elements through publicly noticed meetings, while the Parks, Arbor and Recreation Board and Sequim Arts Commission provided input on parks, natural environment, urban forestry, and community character. City Council and Planning Commission also held joint workshops on housing and economic-market analysis. Additional stakeholder interviews, affordable-housing-provider discussions, public presentations, and newsletter updates continued to support public awareness and participation. By the end of 2025, a redlined draft of the Comprehensive Plan policies was available for public review.

In 2026, the City completed the Capital Facilities Plan and a full update of the Transportation Master Plan, while continuing work on the development-regulation package and Future Land Use Map. The Planning Commission and City Council considered updates to land-division requirements, supplemental housing regulations, zoning standards, residential and non-residential district requirements, and site-specific map requests. The City also held developer forums and made presentations to the Chamber of Commerce, Coffee with Colleen, and League of Women Voters.

The formal review phase began with the July 13, 2026 release of the Draft 2025 Comprehensive Plan, Appendices, Development Regulations – Title 18 Zoning, and Draft Supplemental Environmental Impact Statement. The review schedule included an online open house from July

13 through August 13, two drop-in community open houses, Planning Commission and City Council review meetings, and a 30-day SEIS comment period. A dedicated City webpage has been maintained since 2024 and throughout the process, to share draft materials, notices, and updates, and community members have been encouraged to sign up for e-notifications to stay informed. Public announcement of the July 13, 2026 release of the 2025 Comprehensive Plan Periodic Update were made in the Peninsula Daily News, and emailed to community e-notice list, Clallam and Jefferson County governments, agencies and districts, Jamestown S'Klallam Tribe and state agencies.

The Planning Commission held a public hearing on the 2025 Comprehensive Plan Periodic Update package on September 1, 2026. The public hearing was continued to October 6, 2026, to allow for additional public testimony, Staff responses, Commission deliberation, and consideration of proposed revisions.

Following the continued public hearing and deliberations on October 6, 2026, the Planning Commission moved to recommend approval of the Comprehensive Plan Periodic Update to the City Council. The Commission's recommendation is supported by its Findings, Conclusions, and Recommendation document and reflects consideration of public comments, technical analyses, proposed revisions to the July 13, 2026 version of the Draft Comprehensive Plan, Appendices, and SMC Title 18. The Commission's public hearing process concluded on October 6, 2026.

The Planning Commission's recommended revisions are documented in the Plan and Title 18 revisions crosswalks. Clean and redlined versions of the Planning Commission-recommended Comprehensive Plan and Title 18 documents will be made available on the City's Comprehensive Plan Update webpage, along with the Planning Commission deliberation materials, Findings, Conclusions, and Recommendation.

The City Council has received status updates, two joint sessions with the Planning Commission on the comprehensive plan in 2025, and held the following study sessions in 2026:

February 9, 2026	Future Land Use Map and Land Use Designations Overview
August 10, 2026	Draft 2025 Comprehensive Plan and Development Regulations Overview
October 26, 2026	Planning Commission Recommended 2026 Comprehensive Plan and Development Regulations, FSEIS Overview

The City Council public hearing is scheduled for November 9, 2026.

4.0 Future Land Use Map, Zoning Map and Site-Specific Redesignation/Rezone Requests

The Future Land Use Map (FLUM) is a central component of the Comprehensive Plan. It shows the City's long-range vision for the type, location, and general intensity of future development

throughout Sequim. The map helps connect Comprehensive Plan policies with decisions about housing capacity, infrastructure investments, annexation planning, and future development patterns.

The zoning map serves a different, more regulatory purpose. The zoning map establishes the parcel-specific development regulations that apply today, including permitted uses, density, dimensional standards, and other development requirements. Zoning must be consistent with the FLUM, but the two maps may have some differences. As part of the periodic update, the City has reviewed both maps together so that future land use designations, zoning districts, and proposed code amendments work together to implement the updated Comprehensive Plan.

During summer 2025, the City invited property owners to submit requests for site-specific Future Land Use Map (FLUM) redesignations and associated zoning changes. Ten applications were received, and one was withdrawn after staff met with the applicant. Staff evaluated the remaining nine requests in the context of the draft Comprehensive Plan, proposed FLUM designations, surrounding development patterns, housing needs and capacity, parcel characteristics, and the potential for targeted zoning-code amendments to achieve an applicant's objective without changing the FLUM. The requests were first presented to the Planning Commission on September 16, 2025, followed by Planning Commission discussion of FLUM designations and staff recommendations on October 7, 2025.

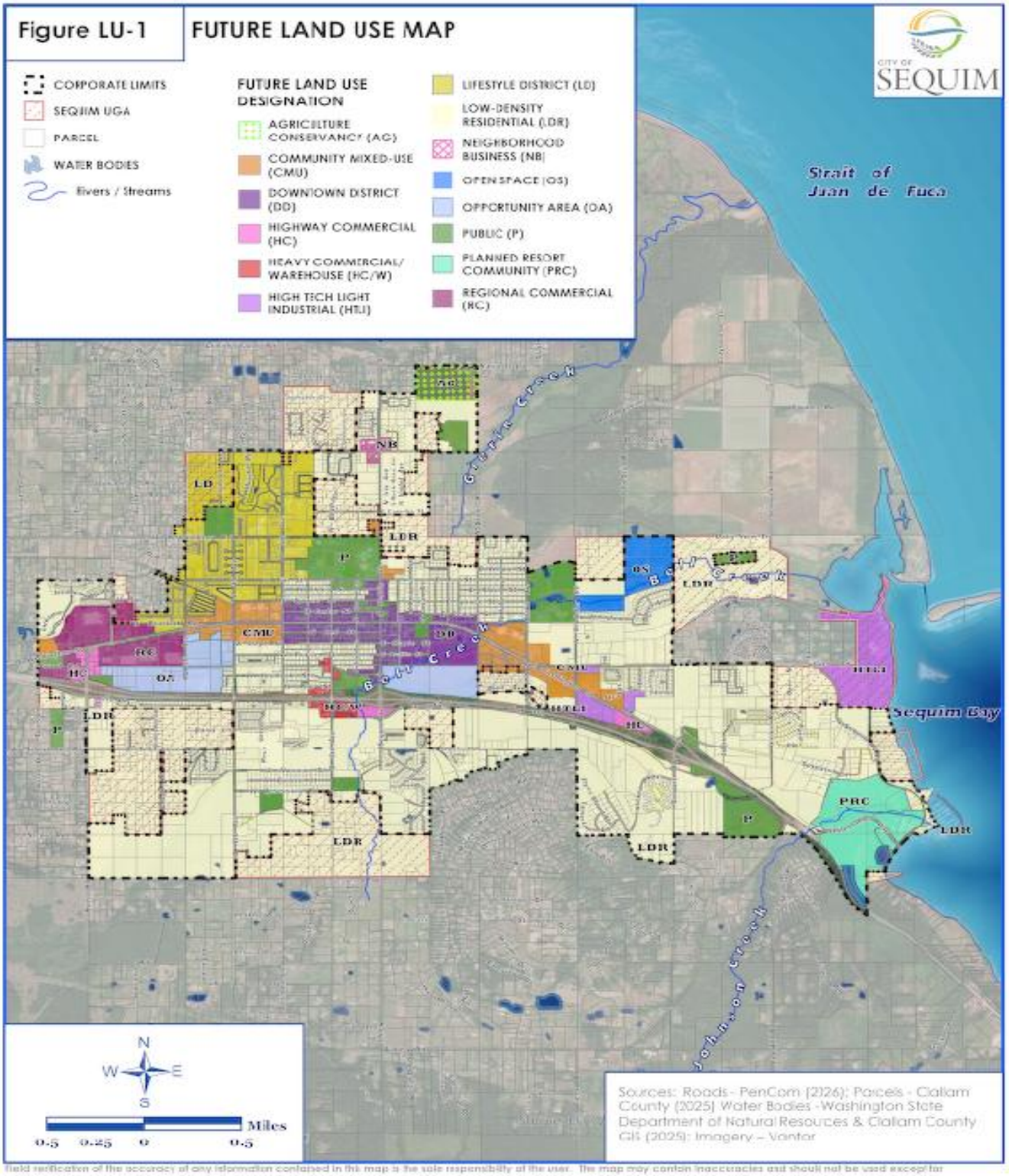
The City Council received an overview of the Planning Commission redlined policy document, proposed FLUM updates, and site-specific redesignation requests at its February 9, 2026 work session. The Planning Commission reviewed and revisited the draft FLUM and redesignation requests on March 3 and June 16, 2026. The recommended FLUM changes, including the five site-specific redesignation requests recommended for approval, were incorporated into the Draft Comprehensive Plan and Draft Future Land Use Map released for public review on July 13, 2026.

In addition, CPA 26-06 A-D are staff-proposed redesignations identified through evaluation of the Future Land Use Map (FLUM) and land-use designations as part of the City's periodic update. The proposals include: (A) designating public properties as Public, based on agency input and recognition that other zoning districts may not appropriately accommodate public facilities; (B) renaming Economic Opportunity Areas as Opportunity Areas to reflect the sunset of the federal economic component and the inclusion of mixed-use development; (C) redesignating a Sequim School District parcel adjacent to Helen Haller Elementary, currently operated by the Boys & Girls Club, from Low Density Residential/R4-8 to Lifestyle District for consistency with adjacent zoning and the existing use; and (D) pre-designating five parcels on North Priest Road within the City UGA from Low Density Residential to Regional Commercial.

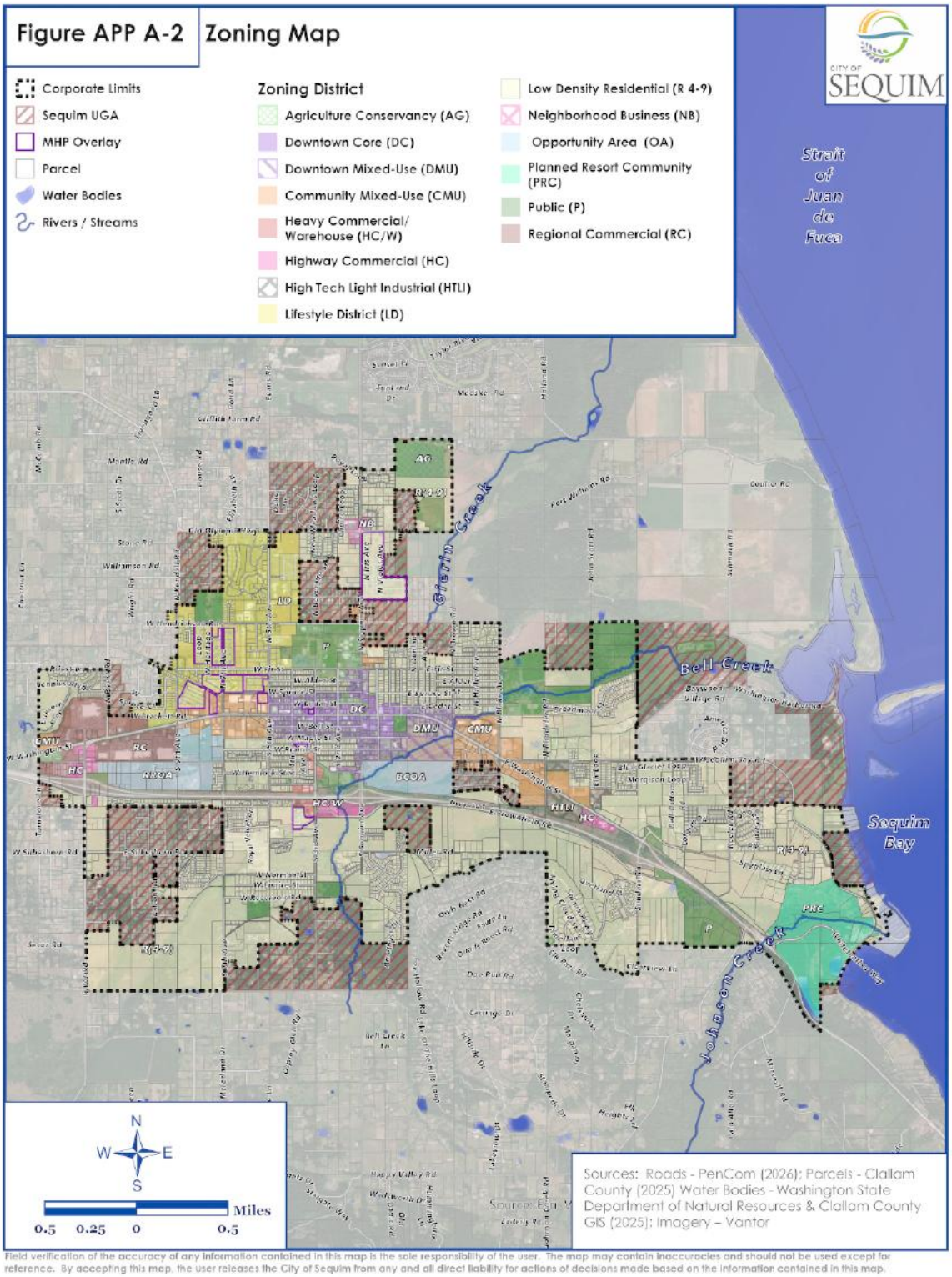
Written and verbal comments regarding CPA 2026-06D are addressed in Issues and Response Memo No. 2, Exhibit G-2.

The redesignations/rezoning are summarized below; additional details included in Exhibit I.

CPA 26-01: redesignation of the Alward property, along with adjacent developed residential properties on Marlow Drive, from Highway Commercial to Low Density Residential. One property in this area remains Highway Commercial.
CPA 26-02: Frykholm I property north of East Washington Street from High Tech Light Industrial to Community Mixed Use.
CPA 26-03: Frykholm II property south of East Washington Street from High Tech Light Industrial to Highway Commercial.
CPA 260-04: Reidt property north of East Washington Street from High Tech Light Industrial to Community Mixed Use.
CPA 26-05: Schaafsma property near West Washington Street from Regional Commercial to Community Mixed Use.
CPA 26-06A: Staff recommended publicly owned properties to a new land use designation/zoning of Public.
CPA 26-06B: Staff recommended name change from Economic Opportunities Areas to Opportunity Areas; no change in parcels.
CPA 26-06C: Staff recommended change for one parcel adjacent to Sequim School District Helen Haller Elementary School, operated by the Boys and Girls Club, from Low Density Residential/R4-8 to Lifestyle District.
CPA 26-06D: Staff recommended FLUM pre-designation for parcels on Priest Road within the City UGA, from Low Density Residential to Regional Commercial.



Field verification of the accuracy of any information contained in this map is the sole responsibility of the user. The map may contain inaccuracies and should not be used except for reference. By accepting this map, the user releases the City of Sequim from any and all direct liability for actions of decisions made based on the information contained in this map.



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5.0 State Environmental Policy Act (SEPA) Review

The City issued a Draft Supplemental Environmental Impact Statement (DSEIS) for the 2025 Comprehensive Plan Periodic Update and associated development regulations amendments on July 13, 2026. Consistent with WAC 197-11-440, the DSEIS evaluated the natural and built environmental impacts of the Action Alternative (the proposed 2025 Comprehensive Plan Periodic Update and Development Regulations Draft Title 18 Zoning), as compared with the No Action Alternative, (2015 Comprehensive Plan and current Title 18 Zoning).

The Action Alternative (Draft 2025 Comprehensive Plan Periodic Update) provides the updated planning framework necessary to accommodate the allocated growth projection, respond to Growth Management Act requirements, and legislative changes since the City's last periodic update. As evaluated in the DSEIS, the Action Alternative incorporates updated comprehensive plan goals and policies, updated technical analyses for housing and land capacity, an updated Capital Facilities Plan and transportation plan, and updated implementing development regulations (SMC Title 18).

WAC 197-11-442 establishes the requirements for environmental impact statements addressing nonproject proposals, including comprehensive plans. Under this rule, environmental impacts and alternatives are to be discussed at a level of detail appropriate to the scope of the nonproject proposal and level of planning. WAC 197-11-442(3) provides that for a nonproject proposal, site specific analyses are not required. Consistent with these provisions, the DSEIS evaluates the anticipated environmental impacts of the Draft 2025 Comprehensive Plan Periodic Update, including projected population, housing and employment growth, future land use and related capital facilities. The analysis does not attempt to evaluate the design, intensity or characteristics of site-specific development projects that have not been proposed.

The DSEIS 30-day comment period closed on August 13, 2026. Two comments were received via the DSEIS online comment form during the comment period. Staff have reviewed the comments and determined they do not identify deficiencies in the scope or environmental analysis in the DSEIS. These comments will be included and responded to in the Final Supplemental Environmental Impact Statement (FSEIS).

Based upon the environmental analysis contained in the DSEIS and comments received during the environmental review process, staff recommend proceeding with the *Action Alternative*. Following the Planning Commission motion at the conclusion of the September 1, 2026 public hearing process, staff completed a FSEIS consistent with WAC 197-11-560 and issued the FSEIS consistent with WAC 197-11-460 on October 12, 2026.

6.0 Revisions Crosswalks Reviewed by Planning Commission

Since release of the 2026 Draft Comprehensive Plan and Draft Title 18 Zoning Code on July 13, 2026, DCED staff identified proposed revisions, corrections, clarifications for consideration, or responses to submitted public comments. Staff prepared revisions crosswalks for both the Draft Comprehensive Plan and Appendices, and Draft Title 18 Zoning. The crosswalks identify the applicable section or page number and describe each proposed revision. The Planning Commission reviewed these crosswalks at its August 18, 2026 meeting, September 1 and October 6, 2026 public hearing dates. As part of its motion on October 6, 2026, the Planning Commission accepted the revisions proposed in both crosswalks. Therefore, these revisions have been incorporated into Planning Commission Recommended Comprehensive Plan Periodic Update package. Two versions are available at the project website: *Redline Version* which identifies additions, deletions and modifications from the revisions crosswalks as underline and ~~strikethrough~~ within the July 13, 2026 draft; and *Clean Version* which presents the complete Planning Commission Periodic Update Package with revisions integrated.

7.0 Public Comment Received as of 11/2/2026

Exhibit F-1 includes a cover Public and Agency Comments Matrix which organizes and summarizes public comments received for Draft Comprehensive Plan and Draft Title 18 Zoning. Exhibit F-2 is the compilation of all comments, with a number identified at the top of the first page of the comment corresponding to the comment number in the log.

The City received substantial public and agency comments on the Draft Comprehensive Plan and Draft Title 18. Because many comments address recurring or overlapping issues—and several commenters submitted multiple comments on related topics—staff prepared consolidated Issues and Response Memos to reduce repetition, identify the principal policy and regulatory issues, and support the Planning Commission's continued public hearing and deliberations.

Issues and Response Memo No. 1(Exhibit G-1), issued September 29, 2026, organized and responded, as appropriate, to written comments received through Comment Letter No. 70. It addressed four issue areas: (1) Infrastructure; (2) Housing and Growth; (3) Critical Areas, Natural Resources, and Climate Resilience; and (4) specific proposed amendments to Comprehensive Plan policies and Title 18 development regulations. Issues and Response Memo No. 2 (Exhibit G-2) supplements Memo No. 1 by addressing public comment letters received through November 2, 2026.

8.0 Review Criteria

SMC 18.88.070 (L) and (M) identifies considerations and criteria for approval of comprehensive plan, development regulations, future land use and zoning map amendments (Type III Amendments).

- SMC 18.88.070(L): Considerations for Approval – Type III Amendments. Applications for Type III amendments shall be recommended and approved after consideration of the following items:
    1. Whether circumstances related to the proposed amendment and/or the area in which it is located have substantially changed since the adoption of the Sequim comprehensive plan; and
    2. Whether the assumptions upon which the Sequim comprehensive plan is based are no longer valid, or whether new information is available which was not considered during the adoption process or during previous annual amendments.

  Staff Response: The 2025 Comprehensive Plan Periodic Update is required pursuant to RCW 36.70A.130 to ensure that comprehensive plans and development regulations remain relevant and compliant with the requirements of GMA. Since the adoption of the 2015 Comprehensive Plan and related development regulations, State legislation and GMA requirements have changed, including new and expanded housing-planning requirements and periodic-update obligations (Exhibit K). In addition, the City has received updated growth allocation for population, jobs and housing from Washington State Department of Commerce and Clallam County, requiring the City to reassess its land use capacity, housing by income band, and update capital facilities and infrastructure plans appropriately. Therefore, circumstances have substantially changed, and there is significant new information available that necessitates the 2015 Comprehensive Plan and current development regulations to be updated.

- SMC 18.88.070(M): Criteria for Approval – Type III Amendments. In addition to the consideration of the conditions set forth in subsection (L) above, subsection (M) identifies criteria for site-specific requests. While this section references criteria for site-specific requests during an annual amendment process, the criteria was evaluated for the 2025 Periodic Update nonetheless:
    1. The proposed amendment meets concurrency requirements for transportation, sewer, water and parks, and does not adversely affect adopted levels of service standards for other public facilities and services such as police, fire, emergency medical services and governmental services;
    2. The proposed amendment is consistent with the goals, policies and objectives of the Sequim comprehensive plan;
    3. The proposed amendment will not result in probable significant adverse impacts to the planning area's transportation network, capital facilities, utilities, parks, and environmental features which cannot be mitigated and will not place uncompensated burdens upon existing or planned services;

4. In the case of an amendment to the comprehensive plan optimum land use map and official zoning map, that the subject parcels being redesignated are physically suitable for the allowed land uses in the designation being requested, including compatibility with existing and planned surrounding land uses and the zoning district locational criteria contained within the comprehensive plan;
5. The proposed amendment will not create a demand to change other land use designations of adjacent or surrounding properties, unless the change in land use designation for other properties is in the long-term interest of the community in general;
6. The proposed amendment is consistent with the Growth Management Act, the Clallam County county-wide planning policies and other applicable interjurisdictional policies and agreements, and/or other state or local laws;
7. The proposed amendment does not erode the purpose, goals and policies of the comprehensive plan; and
8. The proposed effect of approval of any individual amendment will not have a cumulative adverse effect on the planning area.

Staff Response: A key component of the 2025 Comprehensive Plan Periodic Update was a review of the Future Land Use Map (FLUM), Zoning Map and corresponding policies in the Land Use Chapter. Each land use designation and zoning district was evaluated and reviewed at multiple meetings with the Planning Commission. In 2025, the City invited property owners to submit requests for site-specific Future Land Use Map (FLUM) redesignations and associated zoning changes. Ten applications were received, and one was withdrawn after staff met with the applicant. Staff evaluated the remaining nine requests in the context of the draft Comprehensive Plan, proposed FLUM designations, surrounding development patterns, housing needs and capacity, parcel characteristics, and the potential for targeted zoning-code amendments to achieve an applicant's objective without changing the FLUM. Of the nine active requests, five were recommended for approval and are reflected in the 2025 Draft Comprehensive Plan Future Land Use Map. Staff also recommended four site-specific redesignations on the FLUM as a result of the periodic update process and land use evaluation (see also Section 4.0 of this staff report for additional discussion and Exhibit I).

The proposed FLUM and site-specific redesignations are being considered concurrently with the 2025 Comprehensive Plan Periodic Update and have been evaluated within the overall Comprehensive Plan framework, including the land capacity analysis, housing income-band analysis, capital facilities and transportation planning, and SEPA analysis. This coordinated review ensures that the proposed designations are consistent with the Draft Comprehensive Plan, applicable chapters' goals and policies, relationship to

entirety of the FLUM and respective land use designations and the cumulative effects of planned growth. (Responsive to Criteria 2, 5, 6, 7 and 8).

Because no specific development proposal is associated with the FLUM or site-specific redesignation/rezoning, project-specific impacts such as concurrency, utility capacity, emergency response, site suitability, environmental impacts, and infrastructure needs cannot be determined at this stage. These issues will be evaluated, and any applicable mitigation required, through the development and environmental review process when a specific project is proposed; approval of a FLUM or zoning designation does not authorize development itself. (Responsive to Criteria 1, 3, and 4).

9.0 Planning Commission Motion and Findings, Conclusions and Recommendation

At the close of the Planning Commission public hearing and deliberations on October 6, 2026, the Planning Commission's motion was to:

- Recommend approval to the Sequim City Council the 2025 Comprehensive Plan Periodic Update as presented in the September 1, 2026 Planning Commission public hearing staff report, including the Draft 2025 Comprehensive Plan and Appendices, Draft SMC Title 18 Zoning, and the Action Alternative evaluated in the Draft Supplemental Environmental Impact State
- Recommends the revisions to the Draft Comprehensive Plan and Draft Title 18 as identified in the Revisions Crosswalks (as included in exhibits of the "Planning Commission Deliberations and Motion Document").
- Directed staff to draft the Final Supplemental Environmental Impact Statement.
- And adopt Findings, Conclusions and Recommendation to be forwarded to the City Council.

The Planning Commission Recommendation, therefore, is included in this staff report as
Exhibit A – Planning Commission Recommended 2025 Comprehensive Plan Periodic Update and Appendices
Exhibit B - Planning Commission Recommended Sequim Municipal Code Title 18
Exhibit C - Updated Draft Supplemental Environmental Impact Statement and Final Supplemental Environment Impact Statement
Exhibit D – Planning Commission Findings, Conclusions and Recommendation

10.0 City Council Public Hearing

The Sequim City Council public hearing is scheduled for Monday, November 9, 2026 at 6:00 p.m. or soon thereafter. Public Hearings are being held as a hybrid virtual/in-person at Sequim Civic Center, Council Chambers 152 W. Cedar Street, Sequim, Washington or join by phone or online via Teams. Additional details are found in the City Council Public Hearing Notice.

11.0 List of Exhibits

A. Planning Commission Recommended 2025 Comprehensive Plan Periodic Update and Appendices
B. Planning Commission Recommended Sequim Municipal Code Title 18
C. Updated Draft Supplemental Environmental Impact Statement and Final Supplemental Environmental Impact Statement
D. Planning Commission Findings, Conclusions and Recommendation
E. Planning Commission Public Hearing Meeting Minutes, 9-1-2026 and 10-6-2026
F-1. Public and Agency Comment Matrix
F-2. Public Comments received, up to 11-2-2026
G-1. Issues and Response Memo #1 – through #70 comment letters
G-2. Issues and Response Memo #2 – #71-81 comment letters
H. Public Noticing Documents for City Council Public Hearing
Incorporate by reference Planning Commission Staff Report Exhibit I Public Noticing Documents
I. Site Specific Redesignation/Rezone Matrix
J. Summary of SMC Title 18 Changes
K. Summary of GMA Changes relevant to 2025 Periodic Update