



AFFORDABLE HOUSING IN SEQUIM

A HOUSING CRISIS?



HOUSING AFFORDABILITY

HOUSING IS NOT CONSIDERED AFFORDABLE IF THE HOUSING MARKET DOES OR CANNOT PROVIDE HOUSING WITHIN A PRICE RANGE THAT A HOUSEHOLD CAN RENT OR PURCHASE WITH 35% OF THEIR GROSS HOUSEHOLD INCOME AND ESPECIALLY IF A HOUSEHOLD HAS TO OCCUPY HOUSING THAT CONSUMES MORE THAN 35% OF THEIR GROSS HOUSEHOLD INCOME.



STRATEGIES TO IMPLEMENT THE HOUSING ACTION PLAN IN SEQUIM

THE AFFORDABLE HOUSING ACTION PLAN PROVIDES A LIST OF ELEVEN STRATEGIES (TASKS) TO IMPLEMENT A HOUSING ACTION PLAN IN SEQUIM.

TASK 1: ESTABLISH DIFFERENTIAL TAXING RATES FOR AFFORDABLE HOUSING PURPOSES.

- ESTABLISH DIFFERENTIAL PROPERTY TAX RATES.
- PROVIDE PROPERTY TAX.
- APPROVE DIFFERENTIAL PROPERTY TAX RATES AND EXEMPTIONS.

TASK 2: ALLOW AND ENCOURAGE THE USE OF INNOVATIVE HOUSING PRODUCTS AND DESIGNS.

- ALLOW LOT SIZE AVERAGING.
- ESTABLISH SMALL LOT SINGLE-FAMILY HOUSING STANDARDS.
- UPDATE SUBDIVISION, ZONING, AND DEVELOPMENT REGULATIONS.
- UPDATE ZONING AND DEVELOPMENT REGULATIONS.
- ESTABLISH COTTAGE HOUSING STANDARDS.
- EXPAND AND/OR DESIGNATE HIGHER DENSITY HOUSING.

TASK 3: IMPLEMENT ACCESSORY DWELLING UNIT (ADU) PROGRAM.

- Amend existing ADU ordinance 18.66.
- Pre-approve ADU design manual and prototypes.
- Establish an ADU low cost loan program.

TASK 4: IMPLEMENT INCENTIVE ZONING; NONCASH DENSITY OFFSETS

- TASK 4: IMPLEMENT INCENTIVE ZONING.
- PROVIDE INCENTIVE ZONING ALLOWANCE.
- TRANSFER HOUSING CREDITS DEVELOPMENT RIGHTS (TDR).
- ALLOW FEE-IN-LIEU.

TASK 5: IMPLEMENT INCENTIVE ZONING; CASH OFFSETS

- DEFER PERMIT AND PLANNING REVIEW FEES FOR AFFORDABLE UNITS.
- DEFER UTILITY CONNECTION CHARGES FOR AFFORDABLE UNITS.
- DEFER PARK, TRAFFIC, AND SCHOOL IMPACT FEES.

TASK 6: PACKAGE A DEMONSTRATION PROJECT.

- PACKAGE A DEMONSTRATION PROJECT.
- ESTABLISH A LAND TRUST HOLDING.

TASK 7: INITIATE A CATALYTIC MIXED-USE PROJECT WITH AFFORDABLE UNITS.

- BRAINSTORM DEVELOPMENT SOLUTIONS FOR THE PROPERTY.
- ASSESS THE ECONOMIC FEASIBILITY OF THE PREFERRED CONCEPTS.
- ASSESS PARTNERSHIP OPPORTUNITIES.
- ASSESS AND MITIGATE ENVIRONMENTAL IMPACTS.
- DEVELOP A COMPETITIVE PROCESS.
- JUDGE PROPOSALS.
- AWARD PROJECT.

TASK 8: ESTABLISH A HOUSING TRUST FUND (HTF)

- CONDUCT A PUBLIC SURVEY OF VOTER HOUSEHOLDS TO DETERMINE PUBLIC SUPPORT.
- SUBMIT AND APPROVE A FINANCING MECHANISM(S).
- CAPITALIZE THE REVENUES.
- CREATE A MANAGEMENT ENTITY.

TASK 9: REFINANCE OVEREXTENDED HOUSEHOLDS USING THE HOUSING TRUST FUND (HTF).

- IDENTIFY HOMEOWNERS.
- IDENTIFY INCOME AND FINANCIAL CAPABILITY.
- CREATE PERFORMANCE CRITERIA GOVERNING REFINANCING PACKAGES.
- ASSIGN A MANAGEMENT ENTITY.
- CREATE A HOUSING LOAN TRUST.

TASK 10: RENOVATE ELIGIBLE HOUSING WITH SHARED AND LIMITED EQUITY LOAN PROGRAMS USING THE HOUSING TRUST FUND (HTF).

- IDENTIFY HOMEOWNERS.
- CREATE PERFORMANCE CRITERIA GOVERNING CONTRACTOR SELECTION AND OVERSIGHT.
- CREATE A MANAGEMENT ENTITY.

TASK 11: ISSUE ANNUAL AND PERIODIC REPORTS AND UPDATE THE HOUSING ACTION PLAN ON A FREQUENT BASIS.

- CONDUCT ANNUAL PROGRESS ASSESSMENTS - TO REVIEW ACTION ON PROJECTS AND POLICIES IDENTIFIED IN THIS HOUSING ACTION PLAN AND MEASURE THE FOLLOWING:
 - ACCOMPLISHMENT OF THE STRATEGIES LISTED IN THE ACTION PLAN AND THE IMPACT THE STRATEGIES ARE HAVING ON HOUSING COSTS,
 - NUMBER OF AFFORDABLE UNITS BUILT BY PUBLIC, NON-PROFIT, AND PRIVATE SPONSORS OVER THE MEASURING TIME PERIOD,
 - TURN-OVER RATES REALIZED IN THE HOUSING MARKET FOR ALL VALUE OF HOUSING INCLUDING AFFORDABLE VALUE RANGES DURING THE MEASURING TIME PERIOD.
- CONDUCT PERIODIC PROGRESS ASSESSMENTS - TO REVIEW ACTION ON PROJECTS AND POLICIES IDENTIFIED IN THIS HOUSING ACTION PLAN AND MEASURE THE FOLLOWING:
 - COMPARISON WITH HOUSING CENSUS STATISTICS FOR PERCENT OF INCOME REQUIRED FOR HOUSING COSTS, NUMBER AND PERCENT OF HOUSEHOLDS IN POVERTY AND HOUSING STATUS, AND OTHER FACTORS, AND
 - PUBLIC SATISFACTION WITH HOUSING CONDITIONS IN GENERAL AND PERCEPTION OF THEIR ABILITY TO BUY OR RENT A QUALITY AFFORDABLE HOUSING UNIT.
 - REVIEW HOUSING ACTION PLAN STRATEGIES AND PROGRAM ACCOMPLISHMENTS - AND MAKE REVISIONS OR ADJUSTMENTS NECESSARY TO IMPROVE METHODS, ASSIGN RESPONSIBILITIES, OR TAKE OTHER MEASURES NECESSARY TO BE EFFECTIVE IN THE MARKET.



HOUSING AD HOC COMMITTEE RECOMMENDATIONS

THE PURPOSE OF THE HOUSING AD HOC COMMITTEE WAS TO EVALUATE CERTAIN RECOMMENDED TASKS FROM THE SEQUIM HOUSING ACTION PLAN. OVER THE COURSE OF FIVE MEETINGS, THE HOUSING AD HOC COMMITTEE DEVELOPED A DRAFT LIST OF SHORT TERM MEDIUM TERM, AND LONG TERM RECOMMENDATIONS.

SHORT TERM RECOMMENDATIONS:

- THE CITY OF SEQUIM SHOULD ADVOCATE AT THE STATE LEGISLATURE FOR THE ABILITY TO USE THE MULTI-FAMILY TAX EXEMPTION (TASK 1) – FALL 2019.
- THE CITY OF SEQUIM SHOULD ADDRESS THE DIFFERENTIAL IN DEVELOPMENT FEES BETWEEN SINGLE FAMILY AND MULTI-FAMILY HOUSING TO REDUCE THE RELATIVE COSTS FOR MULTI-FAMILY. VERIFY IN THE RATE STUDY THAT THE MULTI-FAMILY RATES ARE CORRECT. (TASK 5) – BY Q2 2020.
- DEVELOP A BULLET LIST OF DISCUSSION POINTS ABOUT HOUSING. (OTHER) – BY 2020
- ADDING MULTI-FAMILY AS AN ALLOWABLE USE IN THE COMMERCIAL BUSINESS AND HIGH TECH LIGHT INDUSTRIAL ZONES CAME UP IN CONVERSATION. WHILE LAND USE IS NOT THE WITHIN THE SCOPE OF THIS COMMITTEE, THE COMMITTEE RECOMMENDS THAT THE PLANNING COMMISSION STUDY BOTH OF THESE POSSIBILITIES. (OTHER) – THERE IS ALSO A NEED FOR MORE MULTIFAMILY ZONED LAND.
- THE CITY OF SEQUIM SHOULD CONSIDER THE USE OF REET2 FOR HOUSING RELATED EXPENSES (OTHER).

SHORT TERM TO MID TERM RECOMMENDATIONS

- THE CITY OF SEQUIM SHOULD CONSIDER LOBBYING FOR FEDERAL POLICY CHANGES, AS NEEDED. (OTHER).
- THE CITY OF SEQUIM SHOULD HELP PEOPLE KEEP THEIR HOMES THROUGH THE PROVISION OF TECHNICAL ASSISTANCE. (OTHER).

MID TERM RECOMMENDATIONS

- BE CLEAR ON WHAT THE ASSUMPTIONS ARE FOR DEVELOPMENT RELATED FEES CHARGED BY THE CITY OF SEQUIM – BY Q1 2021 (OTHER).
- EXPLORE DEVELOPING A COMMUNITY LAND TRUST. (OTHER) – BY 2021.

MID TERM TO LONG TERM RECOMMENDATIONS

- STARTING WITH COMMUNITY ENGAGEMENT AND POSSIBLY ENDING WITH A SURVEY, THE CITY OF SEQUIM SHOULD CONSIDER A SALES TAX AND/OR PROPERTY TAX (MT/LT) TO SUPPORT A HOUSING TRUST FUND. (TASK 8) – BY 2022
- THE CITY OF SEQUIM SHOULD INITIATE A CATALYTIC MIXED-USE PROJECT WITH AFFORDABLE UNITS AND LEVERAGE THE EMERALD COAST OPPORTUNITY ZONE. (TASK 7) – BY 2022

LONG TERM RECOMMENDATIONS

- IF A HOUSING TRUST FUND (HTF) FORMS, THE CITY OF SEQUIM SHOULD NOT CONSIDER USING FUNDS TO REFINANCE OVEREXTENDED HOUSEHOLDS. (TASK 9)
- IF A HOUSING TRUST FUND (HTF) FORMS, THE CITY OF SEQUIM SHOULD CONSIDER USING FUNDS TO RENOVATE ELIGIBLE HOUSING WITH SHARED AND LIMITED EQUITY LOAN PROGRAMS, WITH REET 2 AS A POSSIBLE FUNDING SOURCE. (TASK 10)



DISCUSSION