# 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 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:

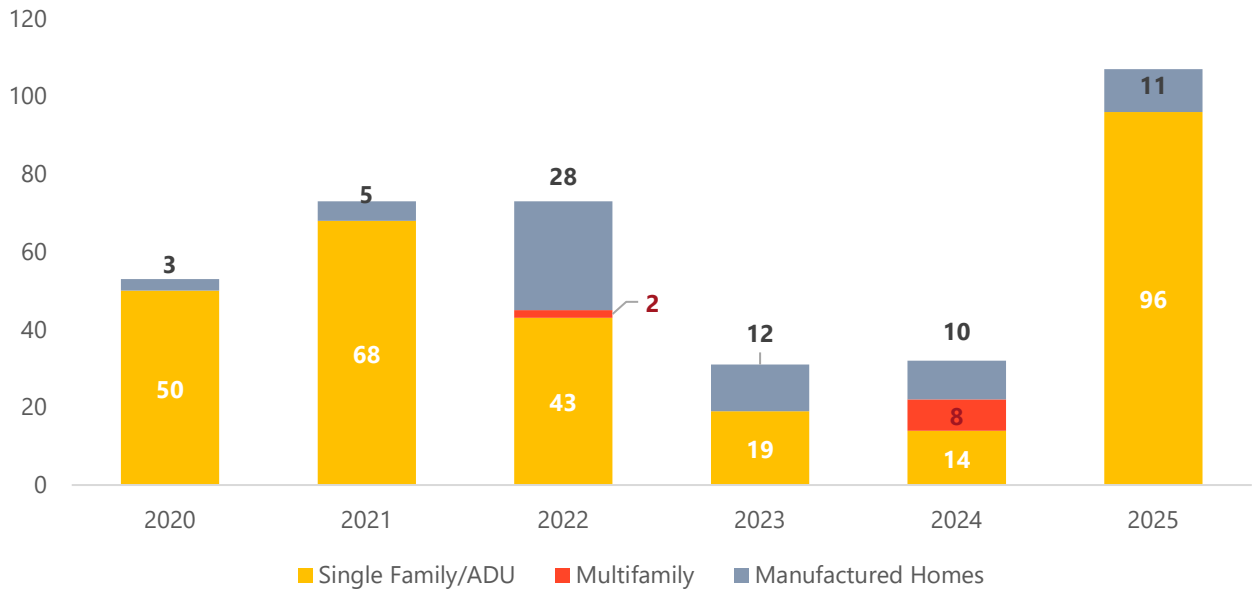
- Department of Commerce 2012 UGA Guidebook
- Department of Commerce 2018 Buildable Lands Guidelines
- Department of Commerce 2023 Commerce Guidance for Updating Your Housing Element v3.4
    - Note: this guidebook also adds a methodology for housing unit capacity analysis by income band to comply with HB 1220
- Recent Land Capacity Analysis methodologies 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 an LCA for Sequim's UGA.

## 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**

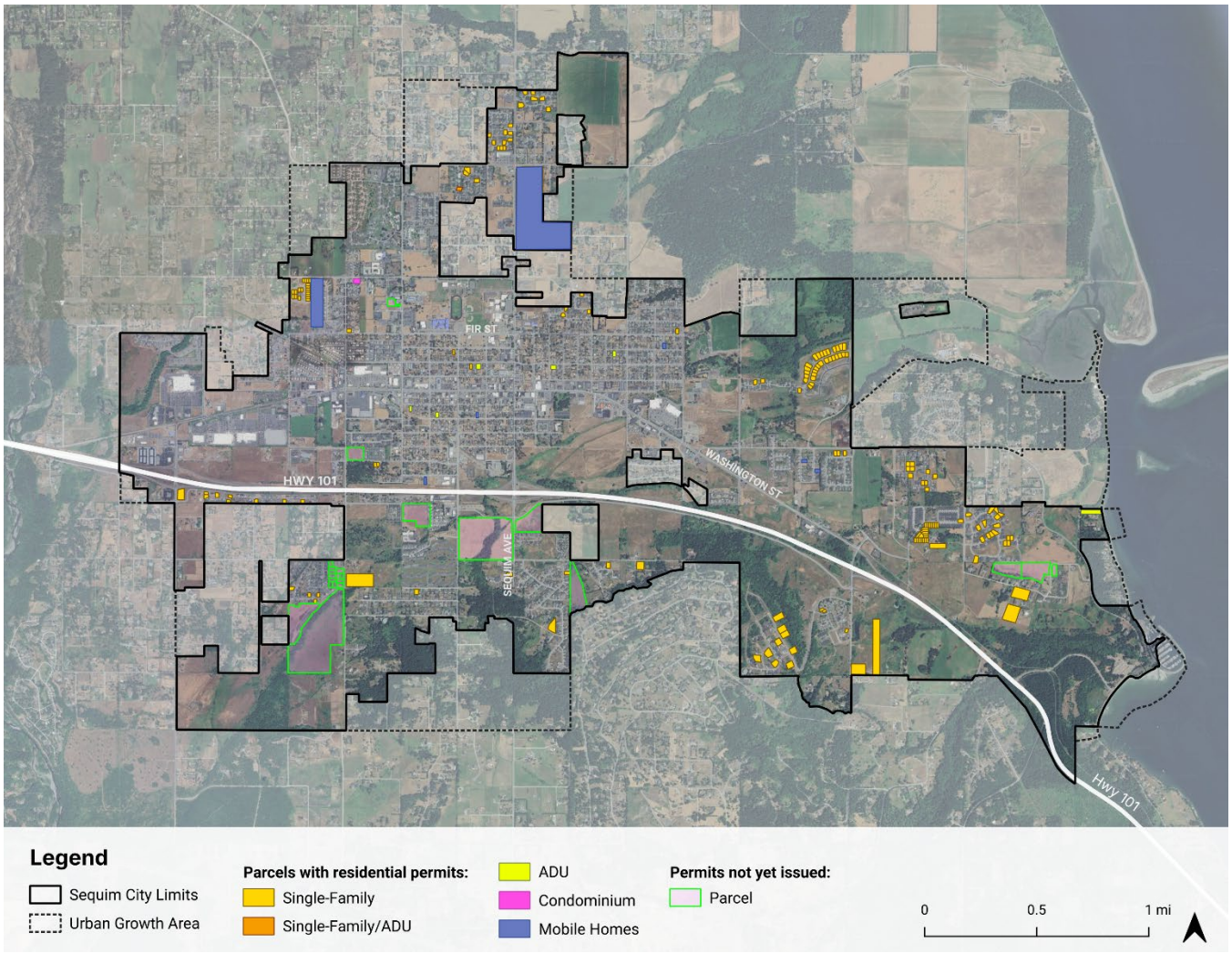



*Source: City of Sequim*

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. 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.

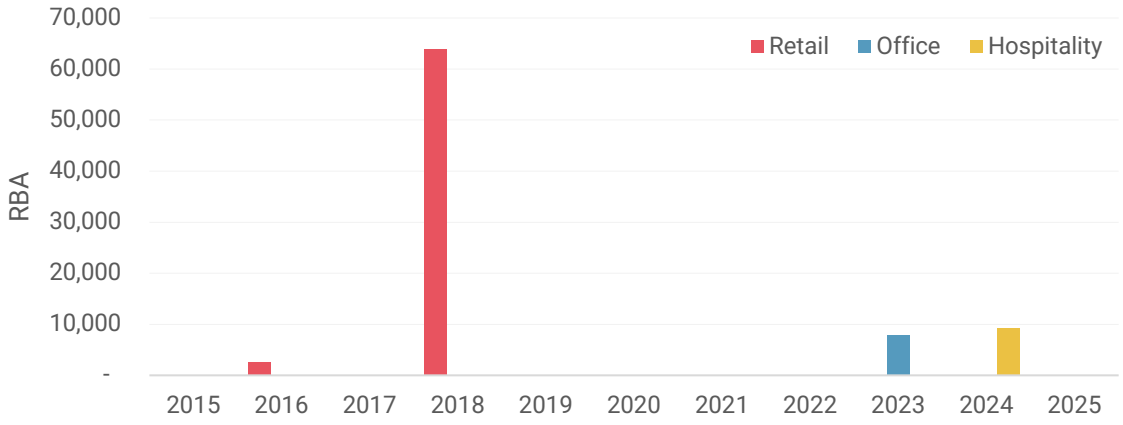
**Figure 2. Residential Permits Location by Housing Type, 2020-2025**




*Source: City of Sequim*

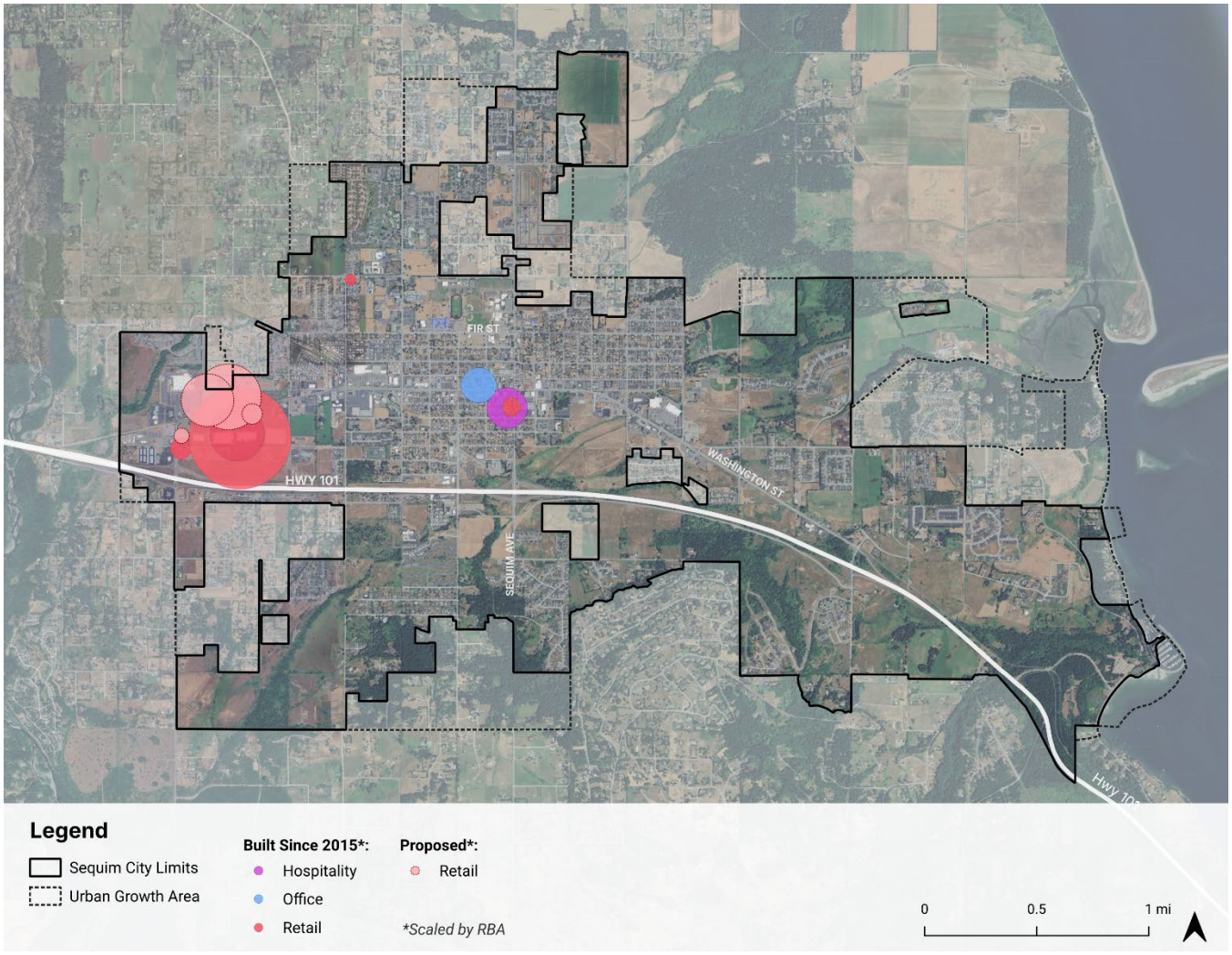
Some commercial development and redevelopment have appeared in the past decade, primarily retail. A total of **83,574 square feet of commercial development** was constructed since 2015. Figure 4 shows the location of these properties. Most of the recent development and redevelopment activity is concentrated 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**. 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 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). 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 used 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 guidebook as "subsidized, leased housing for people who are experiencing homelessness or are at risk of homelessness and living with a disabling condition." 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 emergency housing targets are addressed through a separate capacity analysis found later in this report. Sequim's housing baseline and 2045 projections by income band are shown below.

**Figure 5. 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*

## 4. LAND CAPACITY ANALYSIS PROCESS

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 LCA, and the detailed methodology and results of this process follow in the subsequent sections of this report.

**Figure 6. 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:

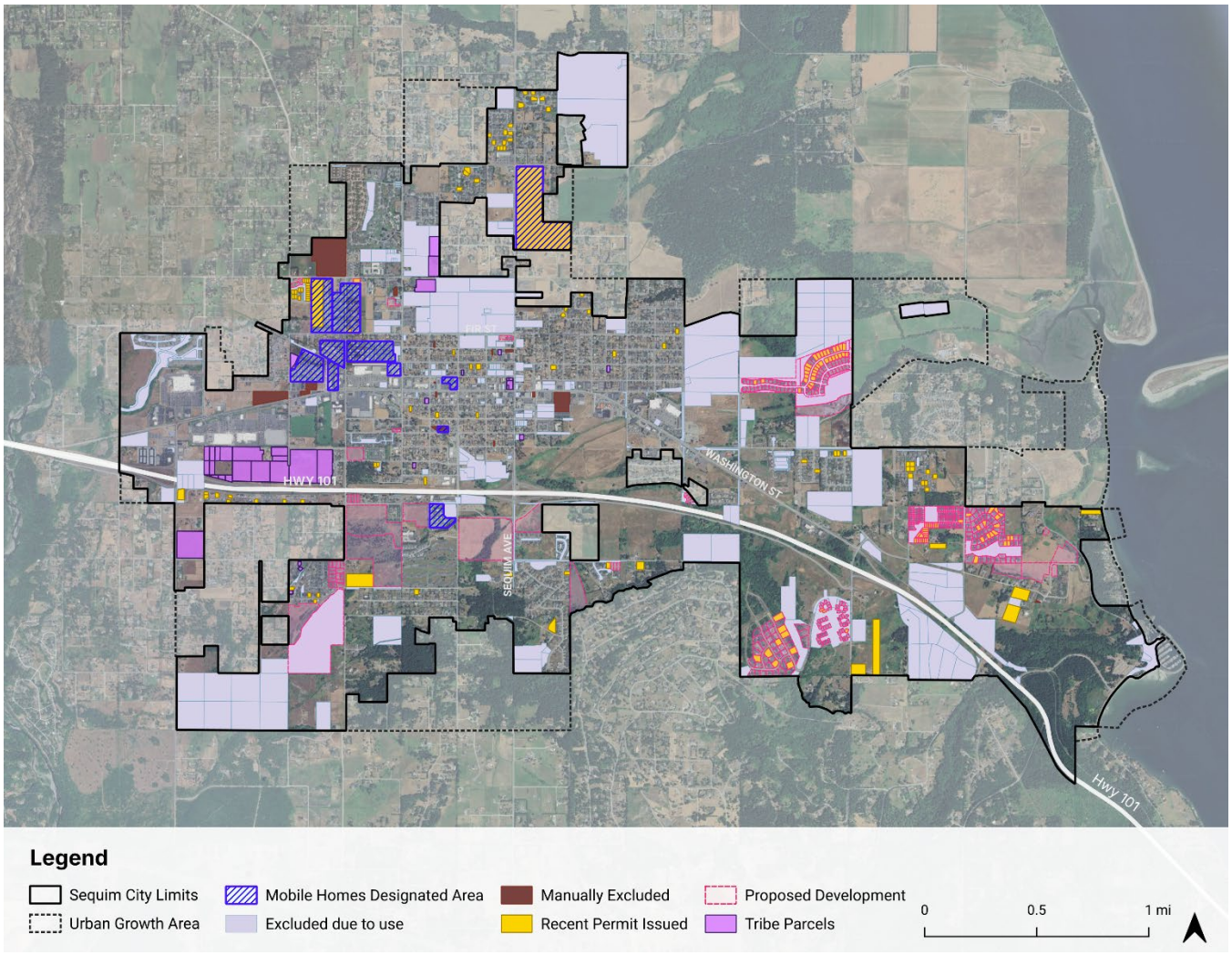
| | |
|---|---|
| 82 | AGRICULTURE RELATED ACTIVITIES |
| 4315 | AIRCRAFT STR |
| 4411 | MARINE TM PS |
| 4500 | HIGHWAY STR |
| 4540 | ARTERIAL ST |
| 4560 | LOCAS AC ST |
| 4570 | ALLEYS |
| 4580 | EASE-R/W |
| 4590 | HWY & ST R/W |
| 4700 | COMMUNI |
| 4730 | RADIO COMM |
| 4740 | TELE COMM |
| 4742 | 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 (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. 20. The map below shows the parcels removed from consideration in this process.

**Figure 7. 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 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.

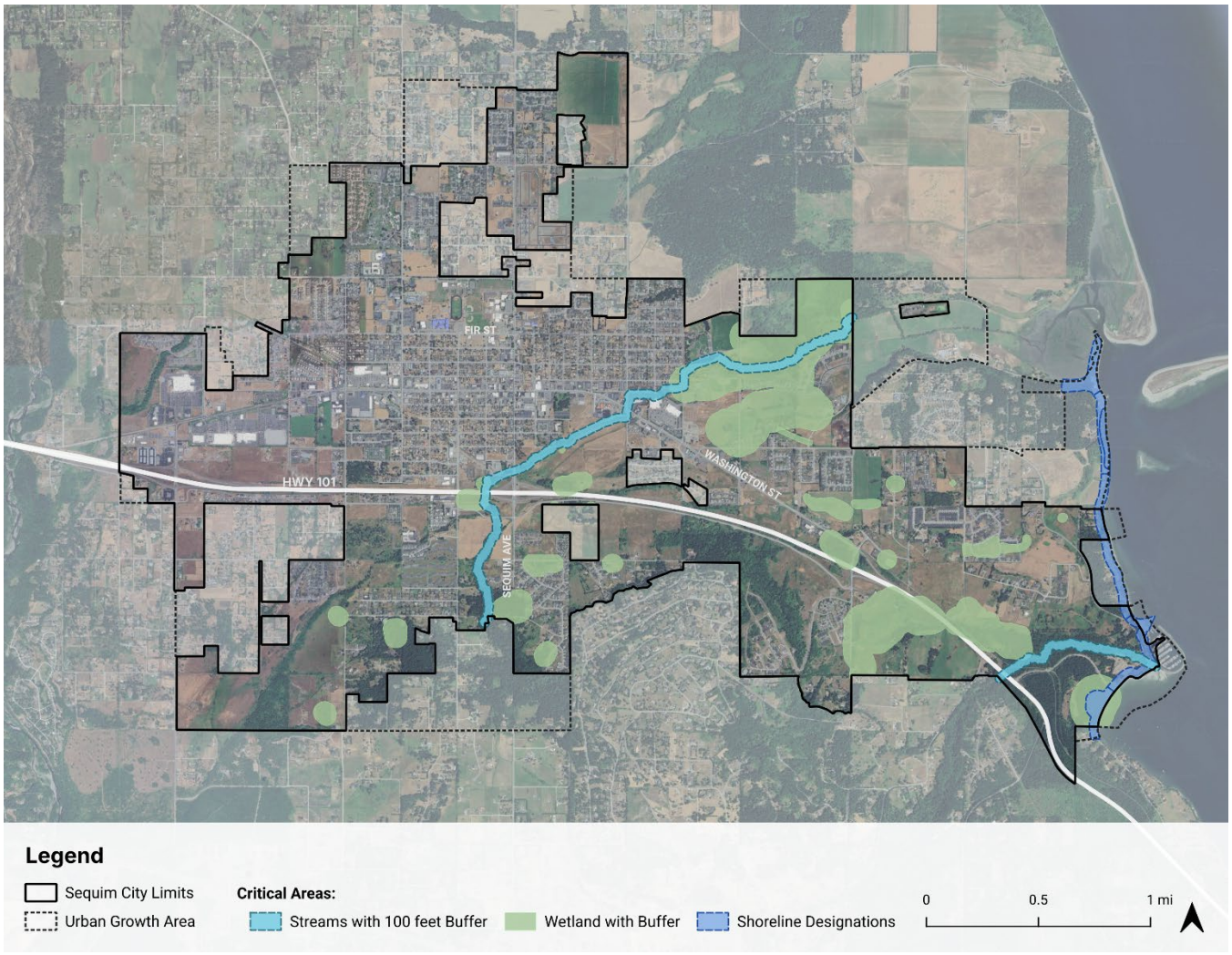
### Critical Areas

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 8. Critical Areas Excluded from Sequim Land Capacity Analysis**




*Source: City of Sequim*

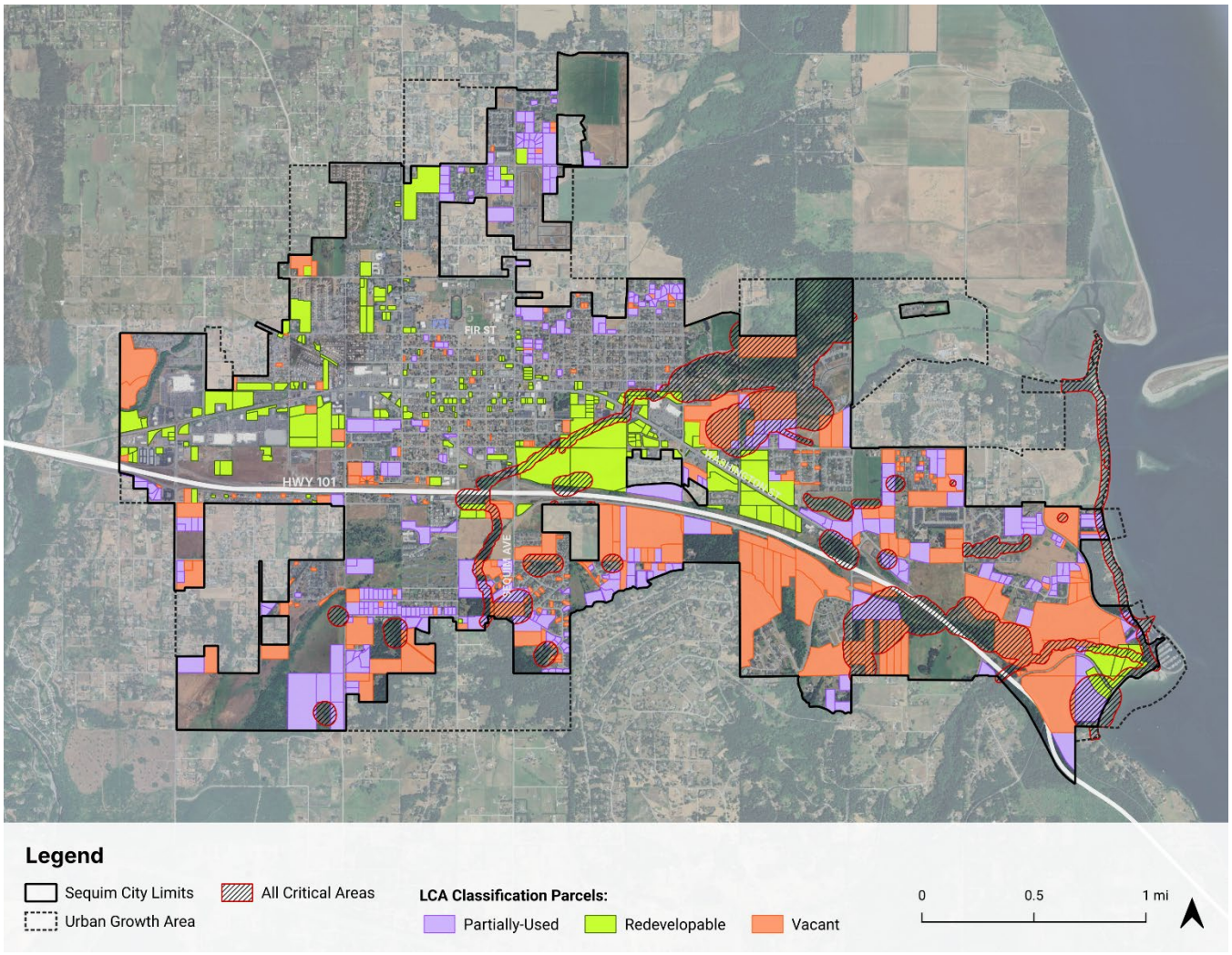
## Total Acreage

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 9. 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 10. 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 38 percent total reduction factor was applied to each zone.

**Figure 11. 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-2. 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 12. 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 13. 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 14. 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 |

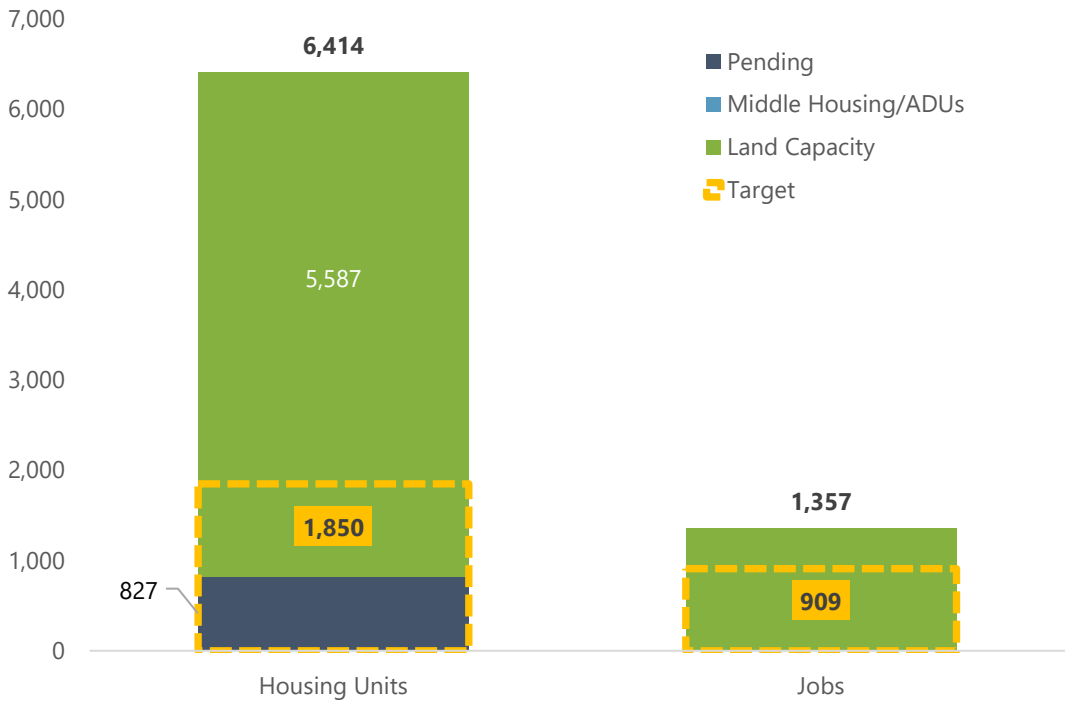
## Additional ADU Capacity

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 15 shows the overall results of the housing and jobs capacity analysis. Units that have been developed since the 2020 baseline or are permitted/pending final land use decision but not yet built are indicated in dark blue. The capacity for housing and jobs, as calculated above, is displayed in green. Under the assumptions described above, Sequim's total **housing capacity is 5,587 units** and the **employment capacity 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 15. Sequim Land Capacity Analysis Results for Total Housing Units and Jobs, 2020-2045**




*Source: Clallam County; Leland Consulting Group*

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 16. 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

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 17. 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

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 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*

## 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 19. 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 20. 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. 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 21. 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 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 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 22.

**Figure 22. Land Capacity Analysis Parcel Classifications and Proposed Parcels with Zone Changes**

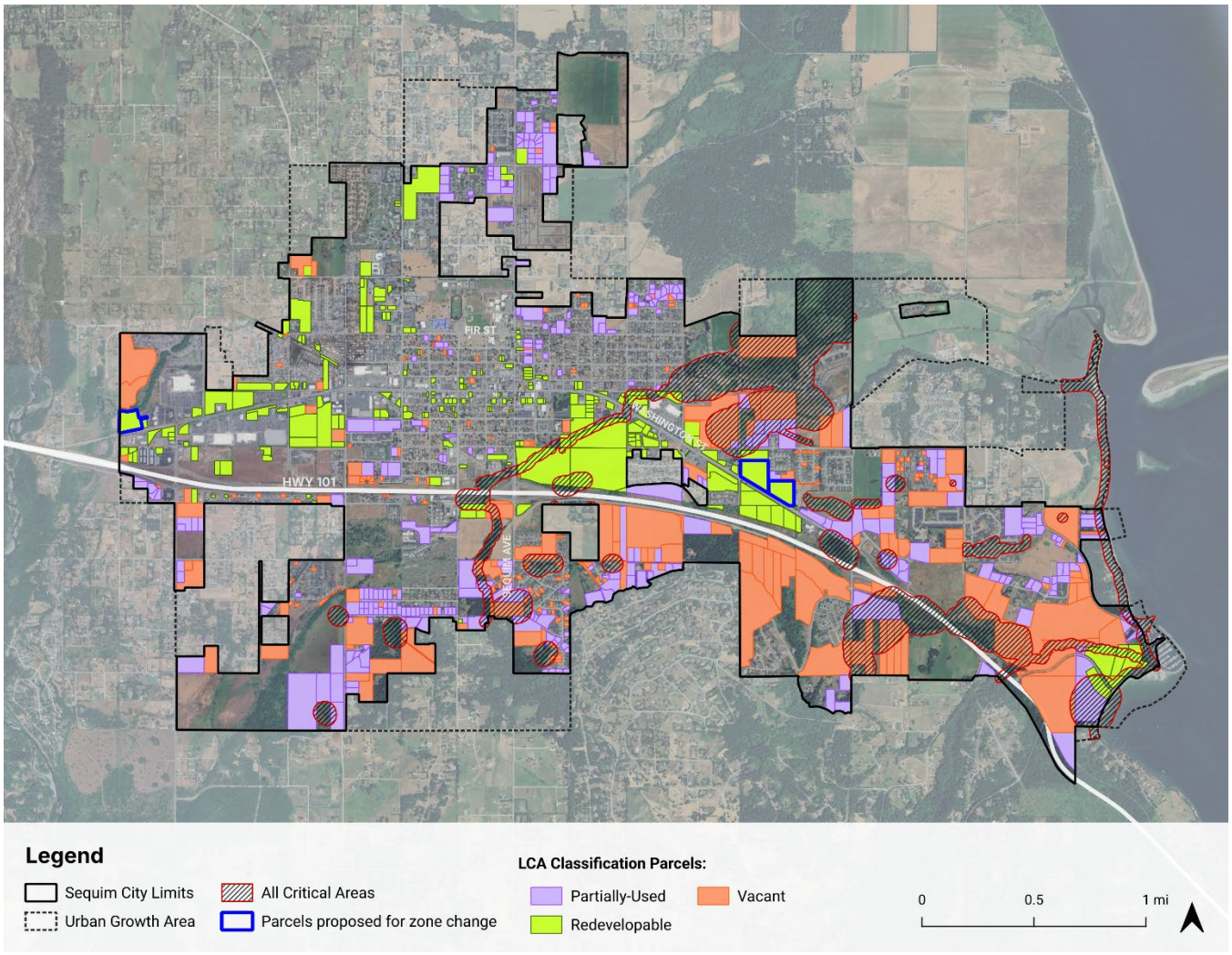



Figure 23 summarizes the total unit capacity if the changes were implemented and shows that the surplus of 4 units in low-income households would be increased to 220 units in this scenario**.** Per RCW 36.70A.115, cities planning under the GMA "shall ensure that, taken collectively, adoption of and amendments 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.

**Figure 23. 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 accommodate housing at lower income bands. As shown above, under proposed rezoning, there is additional capacity for multifamily housing that can serve incomes under 80% AMI.

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 24. 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% |

[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 housing, not emergency housing, so these units are not counted in this portion of the analysis.

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | **Average Density for LCA:** | **39** | **100%** |

*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 25.

**Figure 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 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.

**Figure 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*