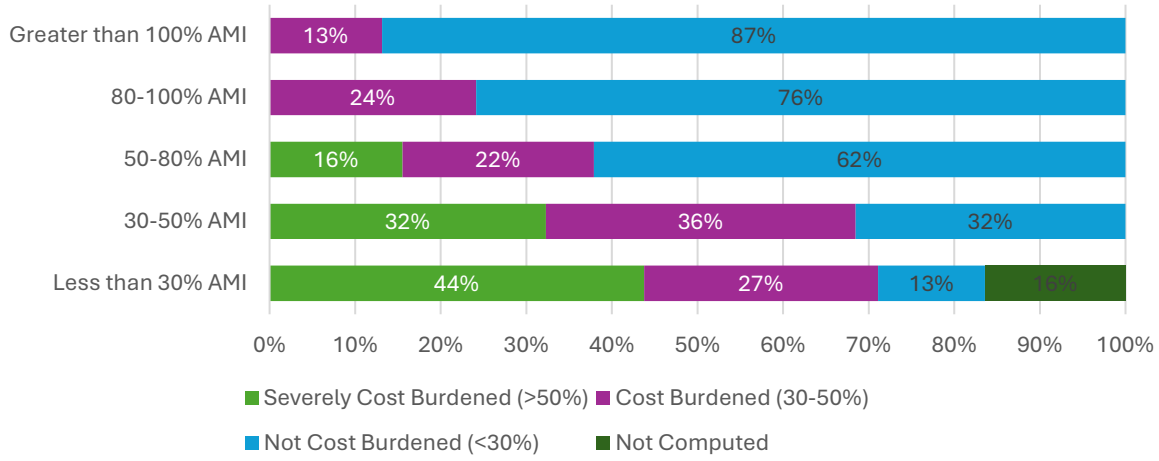
CHAPTER 4 HOUSING

4.1 Plan Context

Housing is the foundation of a thriving community, shaping how people connect with neighbors, engage with services, and participate in civic life. As Sequim grows in population and opportunity, ensuring access to a diverse range of housing options becomes increasingly important. Like many communities across the region, Sequim faces pressure on its housing supply, which has contributed to rising costs and limited availability—particularly for moderate- and lower-income households.

Exhibit H-1 Household Cost Burden by Income Band in Sequim



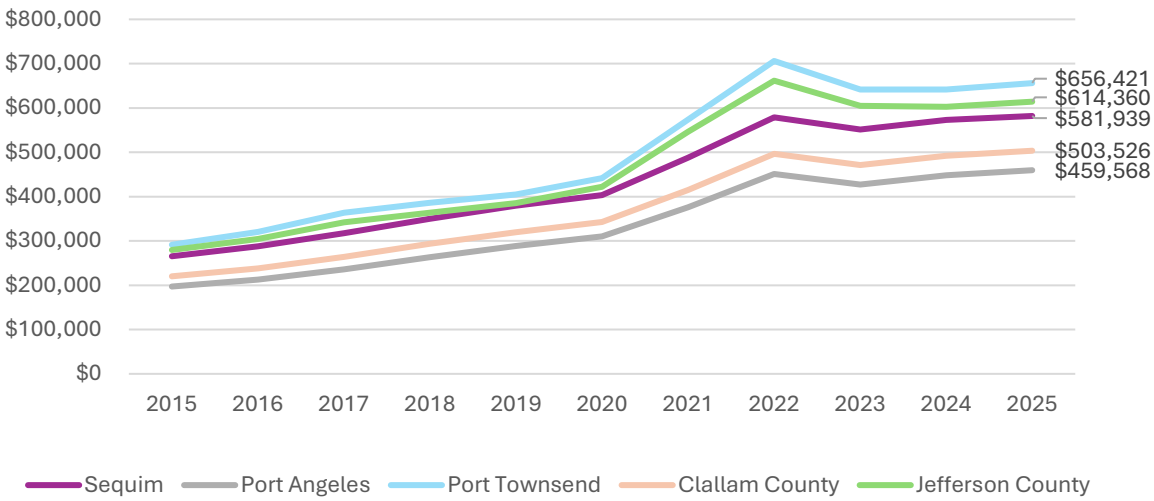
Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS). AMI=Area Median Income; 2024 family AMI for Clallam County is $93,900.

Sequim's small-town charm and natural beauty continue to draw new residents, and thoughtful planning is necessary to balance growth with the preservation of community character. In alignment with the Growth Management Act (GMA), Sequim aims to accommodate future population growth by expanding its housing choices and stock. The Housing Chapter reflects the diverse needs of the community while endeavoring to ensure that development remains welcoming, sustainable, and reflective of Sequim's small-town identity.

As mandated by the GMA, comprehensive plans must include a housing element that analyzes existing and projected housing needs, identifies sufficient land capacity for future development, and establishes policies to ensure the availability of affordable housing for all economic segments of the community.

Sequim faces multiple interrelated challenges in meeting these requirements. The rising construction and borrowing costs and limited local construction labor, coupled with an aging population and increasing demand, has placed significant pressure on the existing housing stock. As housing costs rise, it becomes increasingly difficult for low- and moderate-income households—including young families and service workers—to find suitable and affordable housing within the city.

Exhibit H-2 Typical Home Price in Sequim and Olympic Peninsula Jurisdictions



Source: Zillow Home Value Index (ZHVI).

4.1.1 Future Housing Projections

The Washington State Department of Commerce provided countywide projections of housing needs for all counties in Washington State. In Clallam County, the County and its cities collaboratively decide how to allocate its 20-year housing allocation. For Sequim, the 2045 housing allocation that it must plan for and accommodate is 1,850 housing units in city limits.

In 2021, the Washington Legislature changed the way communities are required to plan for new housing. House Bill 1220 amended the Growth Management Act to instruct local governments to "plan for and accommodate housing affordable to all economic segments of the population of the state." These requirements include an inventory and analysis of existing and projected housing needs, including "units for moderate, low, very low and extremely low-income households", as well as "emergency housing, emergency shelters and permanent supportive housing (PSH)."

Exhibit H-3 2020-2045 County Allocations by Income Level for the City of Sequim and Urban Growth Area

	Allocation by Income Level							
	0-30% Non-PSH	0-30% PSH	>30-50% AMI	>50-80% AMI	>80-100% AMI	>100-120% AMI	>120% AMI	Emergency Housing/Beds
City Limits	623	280	568	227	80	61	11	191
UGA	100	45	91	37	13	10	2	0
Total	723	325	659	264	93	71	13	191

Source: Clallam County Resolution 101, 2024, Resolution 94, 2025, and Sequim Housing Needs Assessment (Appendix A-1)
PSH=Permanent Supportive Housing
AMI=Area Median Income; 2024 family AMI for Clallam County is $93,900.

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 housing), and Racially Disparate Impacts analysis (A-4). As recommended by Department of Commerce, below is a summary of the documents in Appendix A:

- The **Housing Needs Assessment** provides a comprehensive evaluation of Sequim's existing and future housing needs to support the 2025 Comprehensive Plan update and comply with GMA. The assessment examines population and household characteristics, housing inventory, affordability, special housing needs, workforce trends, housing market conditions, and projected housing demand through 2045.

- The **Adequate Provisions** checklists are a tool for analyzing current residential zoning to determine regulatory and other barriers to middle housing, accessory dwelling units, low- to mid-rise apartments, and permanent supportive housing. Development code updates are included with the 2025 Comprehensive Plan update that implements recommendations included in these checklists.

- The **Land Capacity Analysis** found that under existing zones, Sequim has sufficient land capacity to accommodate its 2045 housing targets at all income bands. There was a small surplus of land capacity from what would be needed to serve households earning under 80% of AMI for the 2045 planning horizon. Several land use redesignations to mixed-use zoning are included on the Future Land Use Map (Figure LU-1), increasing the capacity for multifamily housing and ensuring a buffer of available capacity. The land capacity analysis results by income band under existing and redesignations/rezoning as part of the 2025 Comprehensive Plan update are shown in Exhibit H-4 below.

Exhibit H-4 Land Capacity for Housing by Income Band under existing and planned zoning, 2020-2045

Income Band as a % of AMI	Aggregated Housing Needs	Total Capacity	Surplus/Deficit	Total Capacity	Surplus/Deficit
		Existing Zoning		Proposed Zoning w/Comprehensive Plan Update	
0-80%	1,698	1,702	4	1,918	220
80-120%	141	2,628	2,477	2,618	2,477
120%+	11	2,094	2,083	2,094	2,083
Total	**1,850**	**6,414**	**4,564**	**6,629**	**4,779**

Source: Appendix A-3 Land Capacity Analysis

The Emergency Housing Land Capacity Analysis found adequate capacity for Sequim's target of 191 emergency shelter beds within the Regional Commercial, Highway Commercial, Community Mixed Use, and Opportunity Area districts.

- The **Racially Disparate Impacts** analysis found that Sequim's demographics reflect those of Clallam County and are less diverse than the state overall. Black and Asian households

are less likely to be homeowners than white and Hispanic households. According to the Department of Commerce's displacement risk map, Sequim has a lower displacement risk than other County cities like Port Angeles and Forks.

4.2 Goals and Policies

The Housing Chapter is divided into the following sections:

- Accommodate Growth and Housing Provision
- Existing Housing and Neighborhoods
- Affordable and Subsidized Housing
- Design and Development Standards

4.2.1 Accommodating Growth and Housing Provision

Encouraging a diverse mix of housing types is essential to meeting the needs of a growing and changing community. As Sequim continues to grow, 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. This variety will accommodate different lifestyles and incomes and contribute to meeting Sequim's future housing allocation of 1,850 new units by 2045.

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.

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 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 the creation of a pre-approved ADU permit program.

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.

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, townhomes, multiplexes, stacked flats and cluster housing.

Policy H-2.2
Allow for infill through unit lot subdivisions, short subdivisions, 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.

4.2.2 Existing Housing and Neighborhoods

Preserving existing housing allows residents to stay in their homes, fostering a sense of community continuity. This social cohesion can be vital for the well-being of residents and neighborhood stability. Older homes can be more affordable than new construction. Preserving existing housing stock can help maintain a mix of housing options, including affordable ones.

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 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.

Policy H-3.3
Program regular infrastructure planning and maintenance in residential neighborhoods to ensure their ability to support existing housing.

Policy H-3.4
Coordinate with local organizations and agencies to provide sufficient and affordable home maintenance and support services.

Policy H-3.5
Encourage infill that also respects the existing built characteristics of the surrounding neighborhood.

4.2.3 Affordable and Subsidized Housing

An increasing challenge is affordable housing opportunities for all economic segments of the population. A primary concern is the growing disparity between household income and the rising cost of housing. In recent years, housing prices have increased at a pace that exceeds wage growth, resulting in a widening affordability gap. This trend challenges the economic diversity and long-term stability of the community. The state legislature responded to this challenge by requiring GMA jurisdictions to identify housing units needed by income band, ensure sufficient land capacity, and identify and remove barriers to housing provision. Sequim's analysis of these requirements is found in Appendix A.

The City carries out its affordable housing goals and policies through ensuring adequate zoned land, removing barriers, providing regulatory incentives, and supporting housing providers and programs.

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.

Policy H-4.2
Provide higher densities housing within mixed-use zones to support workforce needs that can promote equitable access to jobs and services.

Policy H-4.3
Support and participate in Clallam County's regionally coordinated housing strategy through its Housing Solutions Committee.

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, 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 them into development regulations as appropriate.

Policy H-4.6
Evaluate additional local options to address affordable housing funding gaps, such as an affordable housing property tax levy or credit, 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.

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.

Policy H-4.8
Disperse housing for low- and moderate-income households throughout the city near transportation hubs and services and discourage the disproportionate concentration of such housing in any one geographical area.

Policy H-4.9
Allow affordable housing development on faith-based organizations properties consistent with the requirements of RCW 36.70A.545.

Policy H-4.10
Acknowledge that residential development that serves 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.

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 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.

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.

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 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.

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.

4.2.4 Design and Development Standards

Development and design standards play a crucial role in shaping the character, functionality, and attractiveness of Sequim's neighborhoods. To support housing variety, these standards must be flexible, clear, and supportive of a wide range of housing types while maintaining quality, compatibility, and livability.

GOAL H-6
Include clear, objective and appropriate zoning, building and site design standards that support quality, attractiveness, 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.

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.

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 building plans to incentivize desired housing types.

Policy H-6.4
Promote aging in place by encouraging or incentivizing universal design standards, accessible housing features, and home retrofitting.