COFFEE WITH COLLEEN

CITY OF SEQUIM
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

12/10/2025

AGENDA

01 Introductions

02 Recent Permit Activity

03 Housing and Economic Market Analysis

04 Comprehensive Plan Update

05 Final Thoughts

01 INTRODUCTIONS

About Sequim Department of Community Development (DCED):

- **Planning/Land Use**
  - Development Applications
  - Environmental Compliance
  - Long Range Planning
- **Building/Permitting**
  - Construction Permitting
  - Inspections
  - Addressing
- **Economic Development**
  - Support Retention and Expansion
  - Attract New Businesses

About me:

- 30 years of community development experience with small to mid-size cities.
- Dedicated to how thoughtful planning strengthens communities, economic vitality and quality of life for residents.

Joined the team of:

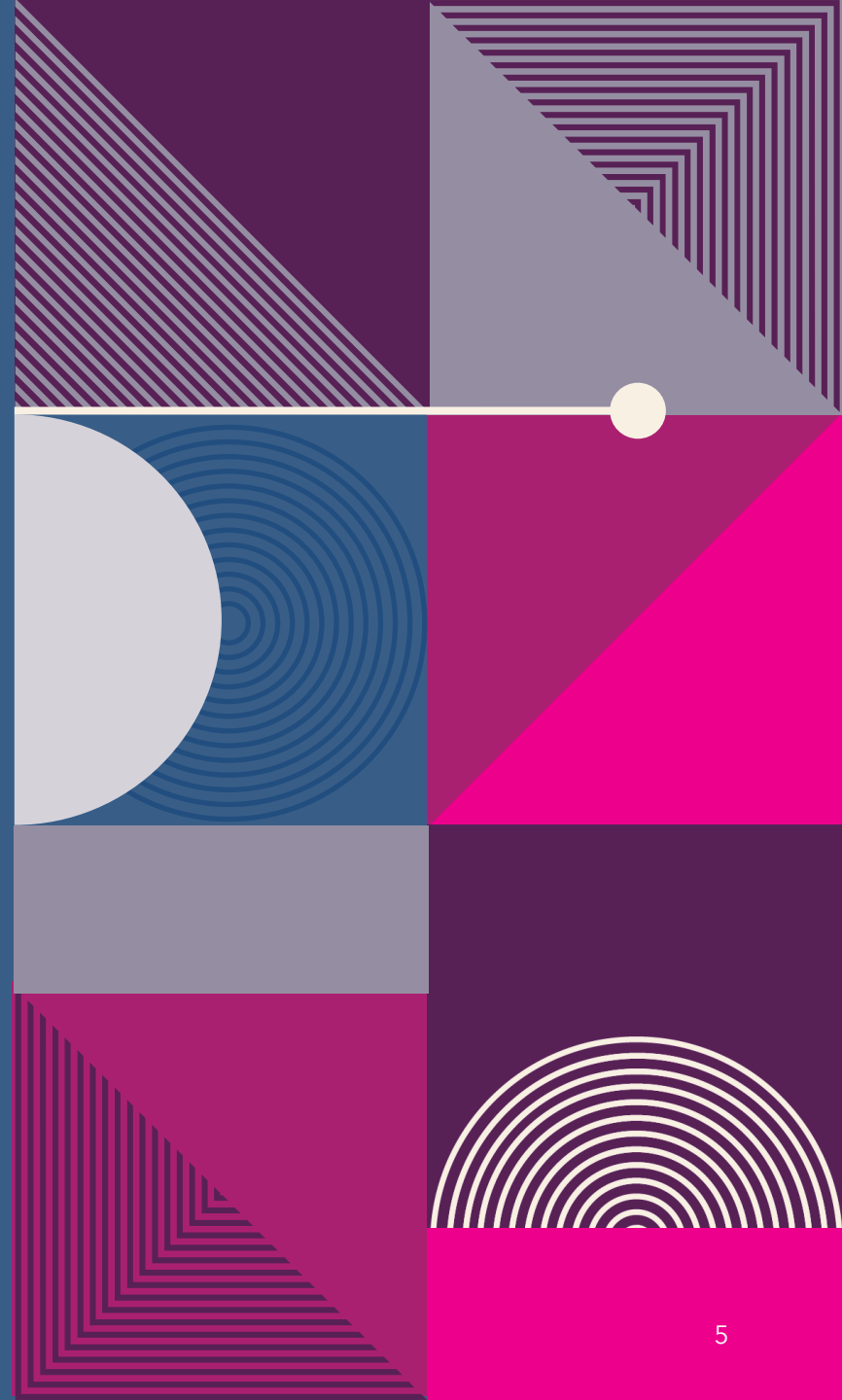
- Joel Dressel – Building Official and Fire Marshal
- Emily Coler – Permit Coordinator
- Travis Simmons – Senior Planner
- Scott Radden – Senior Planner

01 INTRODUCTIONS

DCED 2025 Focused Efforts

- Enhance Access to DCED
  - Online Booking Appointments
  - Text Directly to DCED Permit Coordinator
  - Online Handouts and Checklists
  - Tyler Technologies – online permitting portal
    - Permit Portal Assistance
- Comprehensive Plan Update
  - Working towards a June 30, 2026 adoption.
  - Moved effort in-house with specific consultant support.
  - More details later in presentation.

02 RECENT PERMIT ACTIVITY



02 RECENT PERMIT ACTIVITY

- 2020-2025 Housing Building Permit Activity:
  - 369 total residential building permits issued.
  - 290 Single Family Residences (SFR).
  - 10 Multi-Family (MF) Units.
  - 69 Manufactured Homes (MFH).

Sequim Residential Building Permits Issued 2020-2025

Year	Single Family	Multifamily	MFH	Total
2020	50	0	3	53
2021	68	0	5	73
2022	43	2	28	73
2023	19	0	12	31
2024	14	8	10	32
2025	96	0	11	107
Total	**290**	**10**	**69**	**369**

02 RECENT PERMIT ACTIVITY

2020-2025 Land Use Permit Final Activity

- 483 lots or units were finalized since 2020.
- Of these, 142 permits have been issued, leaving 341 lots/units available for future construction.
- Lavender Meadows – 170 remaining.
- Rolling Hills – 138 remaining.

Final Plats/Final Binding Site Plans Approved 2020-2025

Development	Number of Lots/Units	Issued Permits	Remaining Lots/Units As of 9/24/25	Unit Type
Lavender Meadows	217	47	170	Manufactured
North Olympic Condos	8	8	0	Condo
Rolling Hills	215	77	138	SFR
Willow Creek Phase C	27	3	24	SFR
McCurdy	4	4	0	SFR
Northwest Ventures	4	0	4	SFR
Van Romer	2	1	1	SFR
Goff	2	1	1	SFR
Talon Court	4	1	3	SFR
Total	**483**	**142**	**341**	

02 RECENT PERMIT ACTIVITY

2020-2025 Land Use Entitlement Permit Activity

- Since 2020, 9 preliminary plats or preliminary site plans have been approved by the Hearing Examiner.
- These 9 projects represent 343 approved and potential housing units.

- Combining 341 units that are ready for building permits and 343 units with land use entitlement results in 684 available units.

Approved Preliminary Plat/Binding Site Plans 2020-2025

Development	Number of Lots/Units	Type of Units	Known Status	Plat Expiration
Mariners Outlook III	82	SFR	Site Construction permit approved; project for sale	2027
Home Phase B	33	SFR	No construction permit submittal to date	2027
Effie Estates	15	SFR	No construction permit submittal to date	2027
Bell Creek	104	SFR	No construction permit submittal to date	2030
Bella Vista	24	SFR	No construction permit submittal to date	2030
South Olympic Condos	10	MFR	Site Construction permit submitted	2029
Habitat for Humanity	48	MFR	No construction permit submittal to date	2030
Bradley Ridge Apartments	16	MFR	Withdrawn	2027
Maliandra Alteration	11	SFR or MFR	No construction permit submittal to date	2030
Total	**343**			



03 HOUSING AND ECONOMIC MARKET ANALYSIS

- July-November 2025 lead by Leland Consulting Group.
  - Report available on the City's website.
- Highlight opportunities & strategies to meet City goals around housing and the economy.
- Describe current employment & housing conditions.
- Identify barriers to construction.

03 HOUSING AND ECONOMIC ANALYSIS

- **Housing** – demographic overview, key data, housing policy recommendations.
- **Economic Development** – workforce and industries data, commuting, and potential opportunity sectors.
- **Real Estate Market Trends** – market dynamics data, rent and vacancy rates for housing, retail, office, healthcare, hospitality and industrial.
- **Zoning Analysis** – description and analysis of commercial, employment and residential zones, and identification of potential barriers.
- **Non-Zoning Analysis** – discussion of other potential barriers, such as permitting processes and market trends.

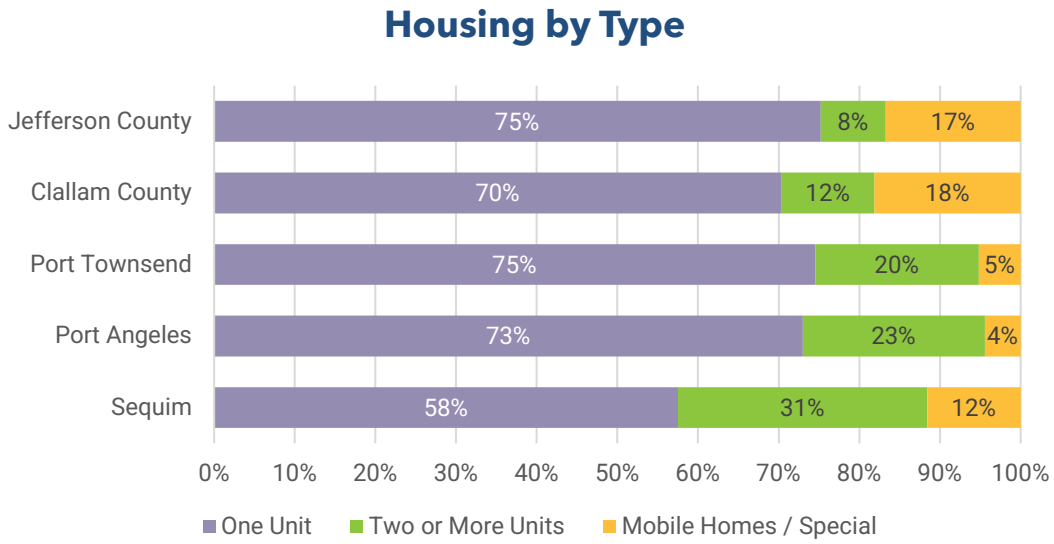
Following slides are select highlights of the report.

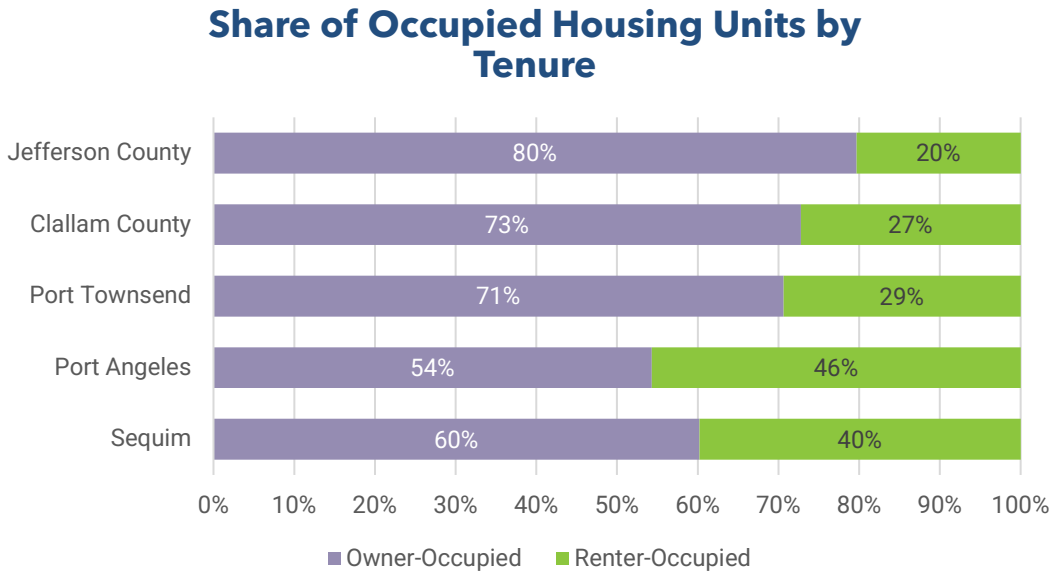


HOUSING

Housing Inventory

- Sequim's housing inventory is 31% multifamily, 12% mobile home/special, and 58% remainder of single-family/one unit.
- Owner-occupied is 60% of housing unit tenure and 40% renter-occupied.

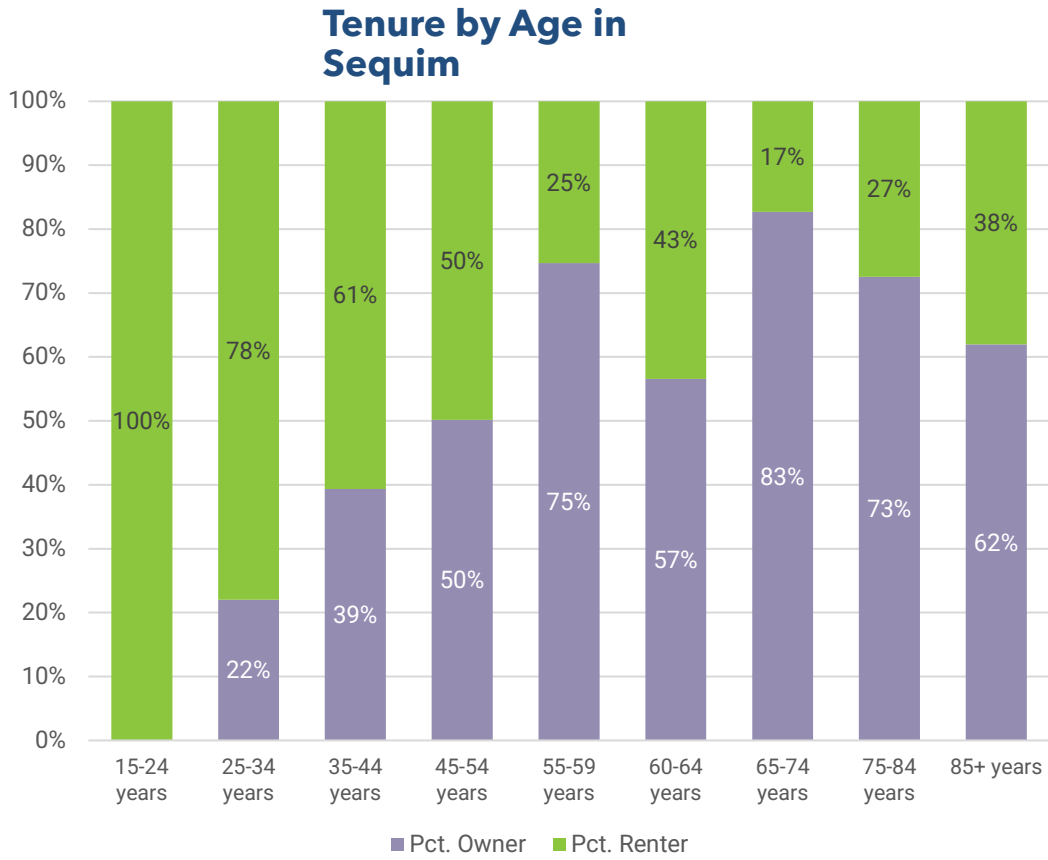




Source: Washington OFM; US Census Bureau Five-Year ACS (Table S2504)

Tenure by Age

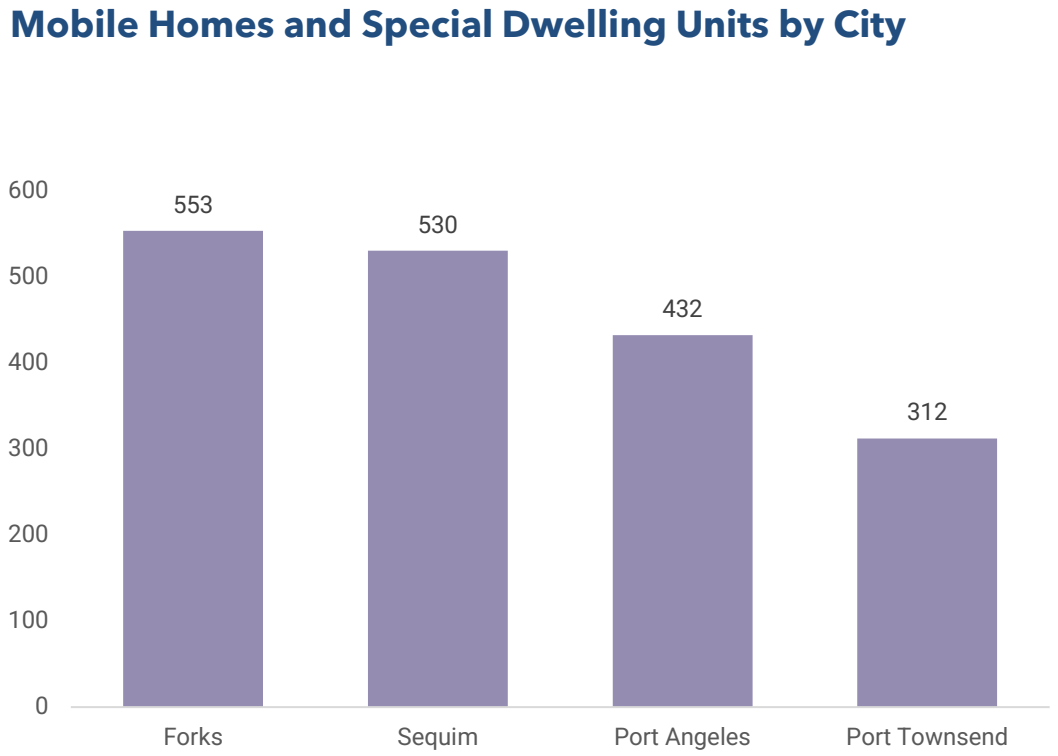
- Households led by someone 65-74 years old have highest rate of homeownership in Sequim.
- Half of households headed by someone 45-54 years old own their homes.



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

Mobile Homes

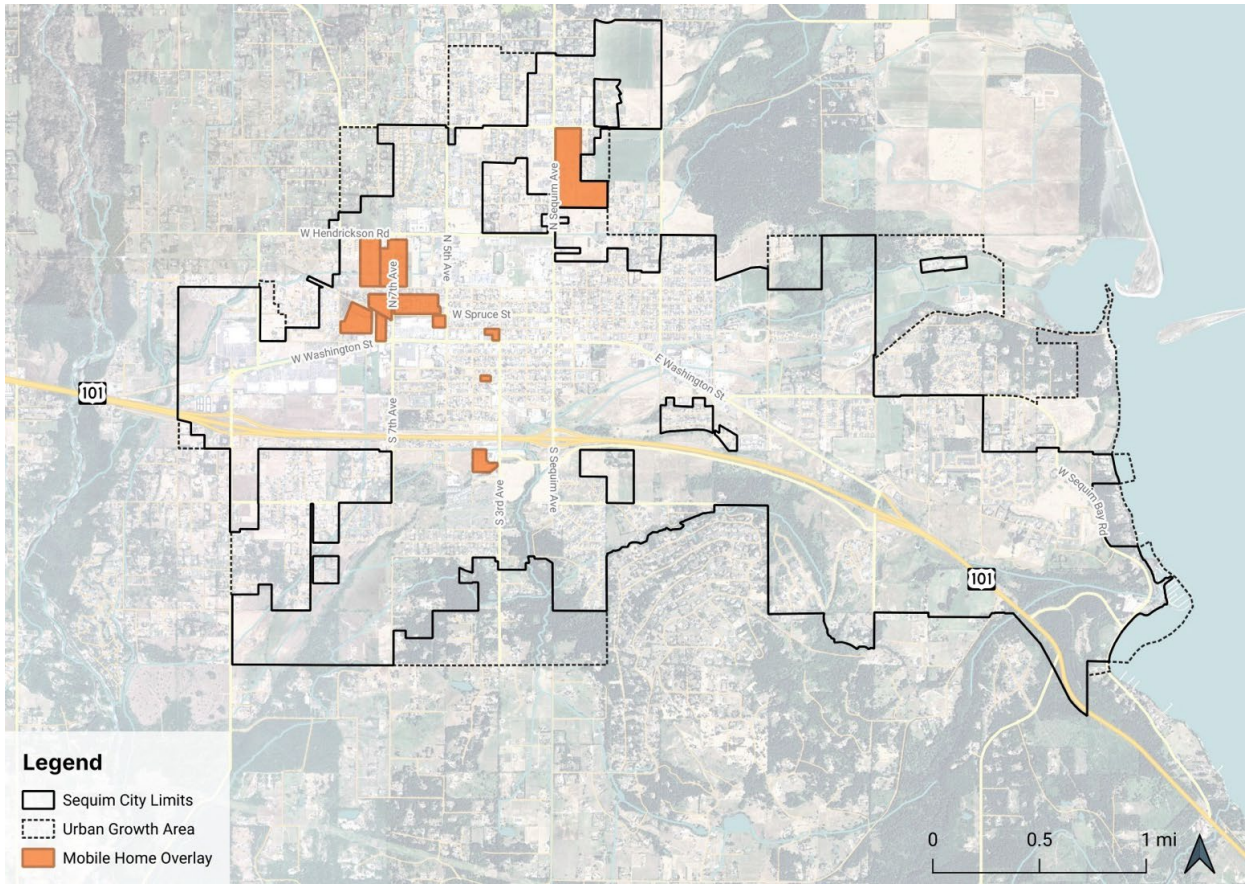
- Sequim has 530 Mobile and Special Dwelling Units, which make up 12% of the City's housing units.
- Special Dwelling Units is defined by OFM as trailers, RVs, boats, boxcars, tents and hotel or motel rooms occupied as permanent living quarters.



Source: Washington Office of Financial Management

Mobile Homes

- In December 2024, City Council approved a new overlay for mobile home parks intended to protect them from being purchased by developers who plan to evict tenants and redevelop the property. Within the MHP Overlay, mobile home parks are the only permitted use.

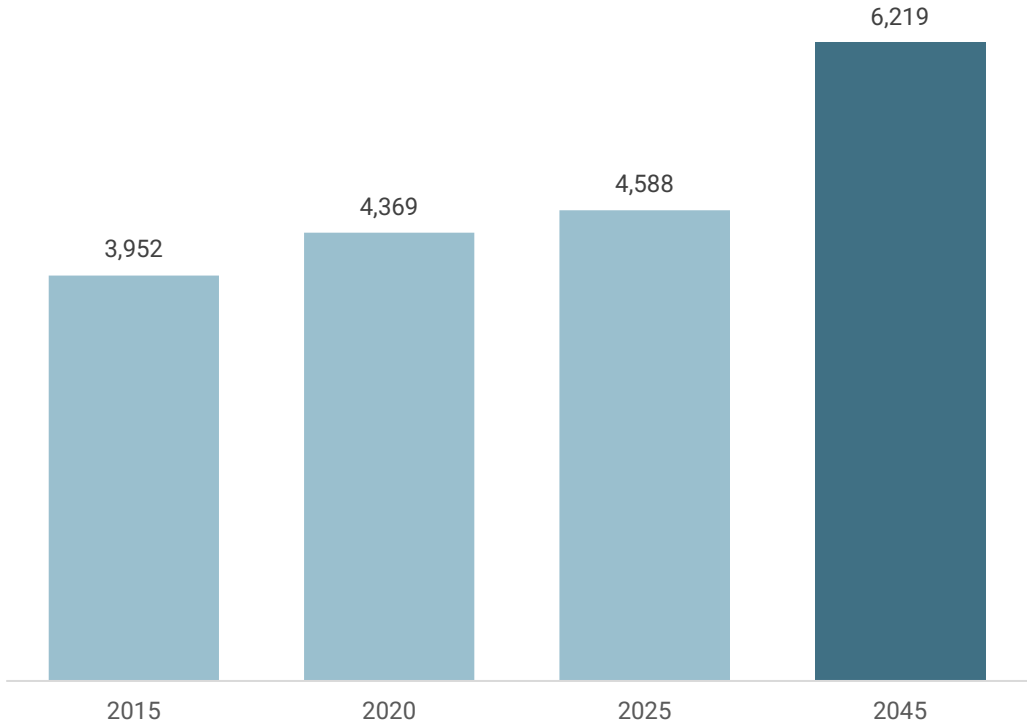


Source: City of Sequim; Leland Consulting Group

Housing Targets

- Sequim needs 1,850 new housing units within City limits between 2020 and 2045 – annual growth rate of 1.53 percent.

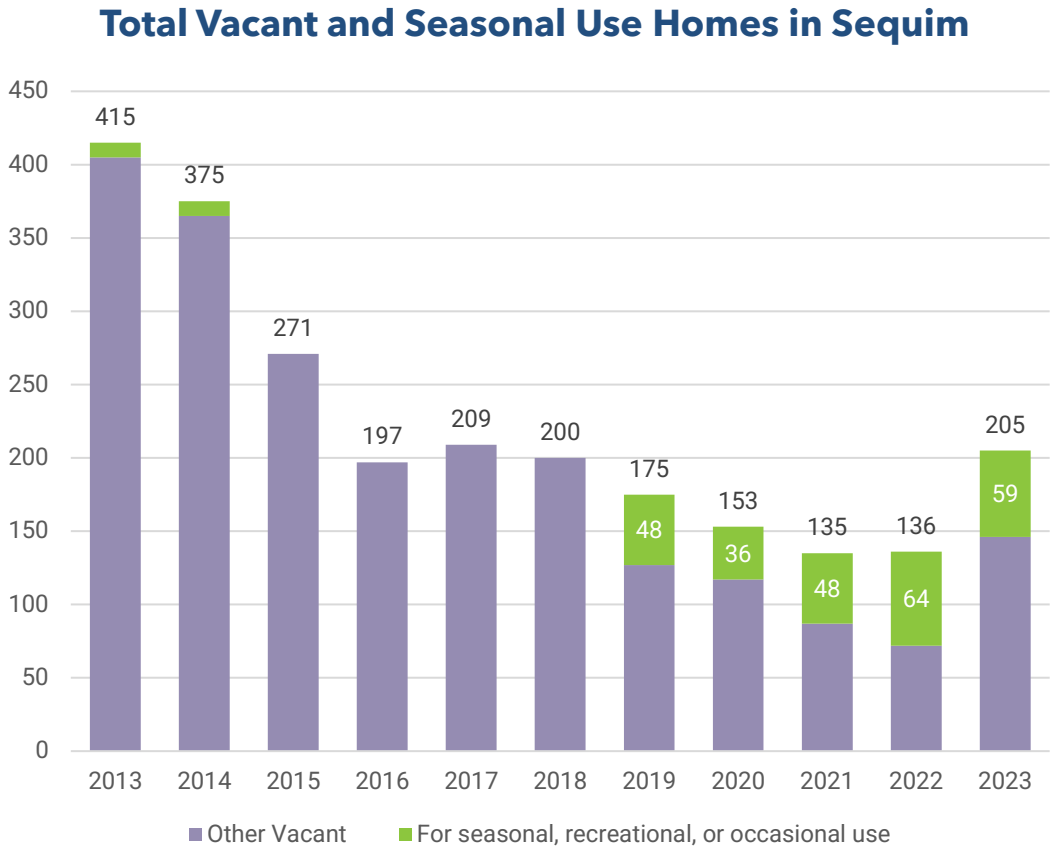
Housing Units in Sequim, 2015-2025 with 2045 Target



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

Vacant & Seasonal Homes

- Sequim has a 4.8% residential vacancy rate.
- 1.4% of homes in Sequim are for seasonal, recreational, or occasional use.
- The number of seasonal homes has increased in Sequim over the past few years, but constrained housing inventory is a bigger challenge.

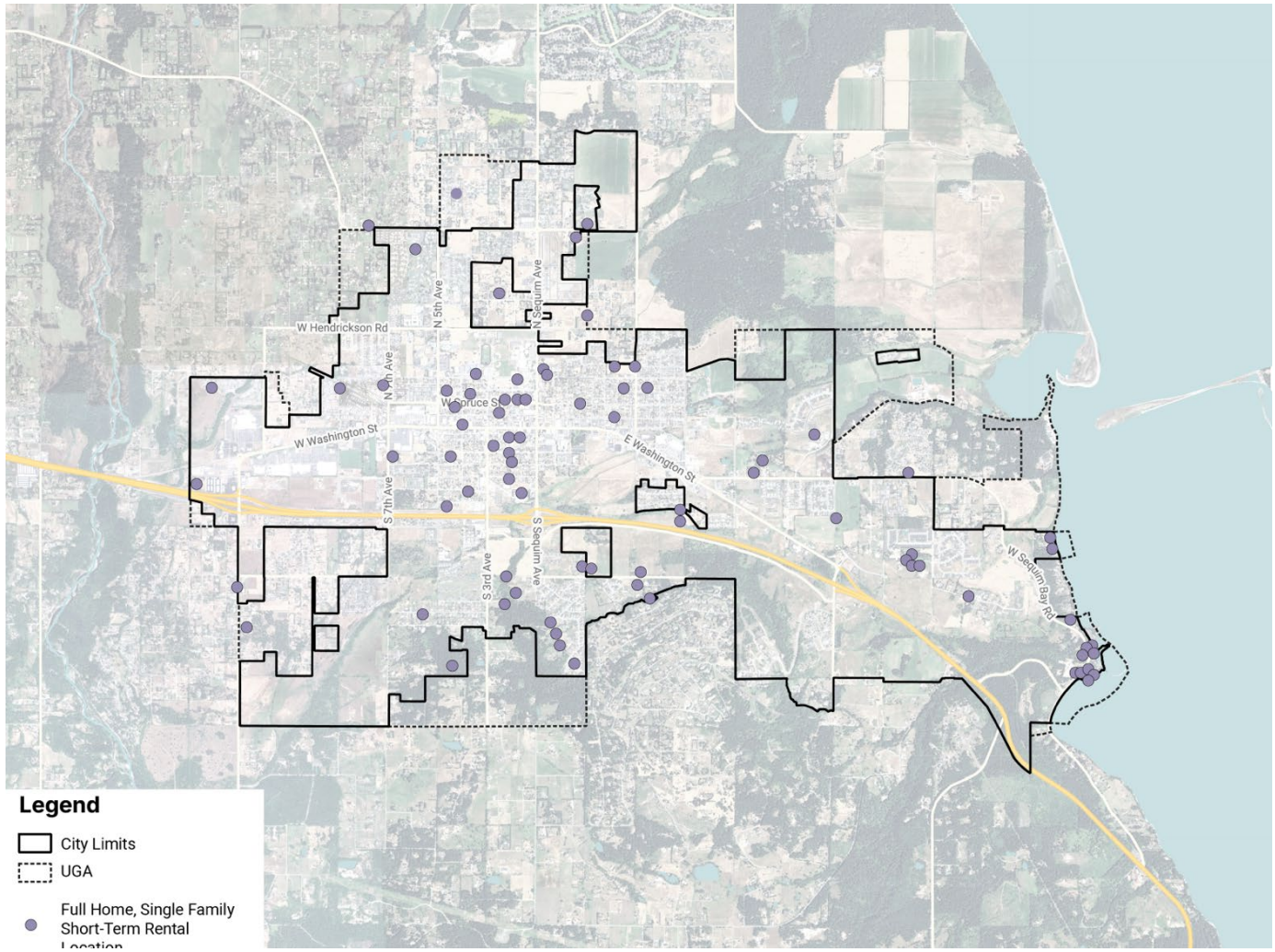


Source: US Census Bureau Five-Year ACS (Table B25004)

Short-Term Rentals (STR)

- Full home listings accounted for 2.7% of all single-family homes in City limits.
- STRs allow for an increase in rooms during peak seasons.

Full Home, Single Family Short-Term Rentals in Sequim, July 2025



Source: AirDNA, Leland Consulting Group

Recommendations

Topic	Recommendation
Housing Development	Utilize DCED's existing Developer's Forum to strengthen relationships with local developers.
Housing Development	Partner with local economic development agencies and neighboring communities to educate local developers on middle and multifamily housing development.
Housing Development	Find opportunities to streamline and improve the application review process.
Short Term Rentals	Track the increase in STRs on an annual basis, including the increase in full-home STRs as a share of the total housing supply
Affordable Housing	Offer incentives for below-market-rate affordable housing, including density bonuses, impact fees or other fee waivers, and/or application processing priority.



ECONOMIC DEVELOPMENT

Employment

- **Health care** is biggest sector, jobs have been increasing.
- **Tourism** is key sector supporting retail, accommodation & food services.

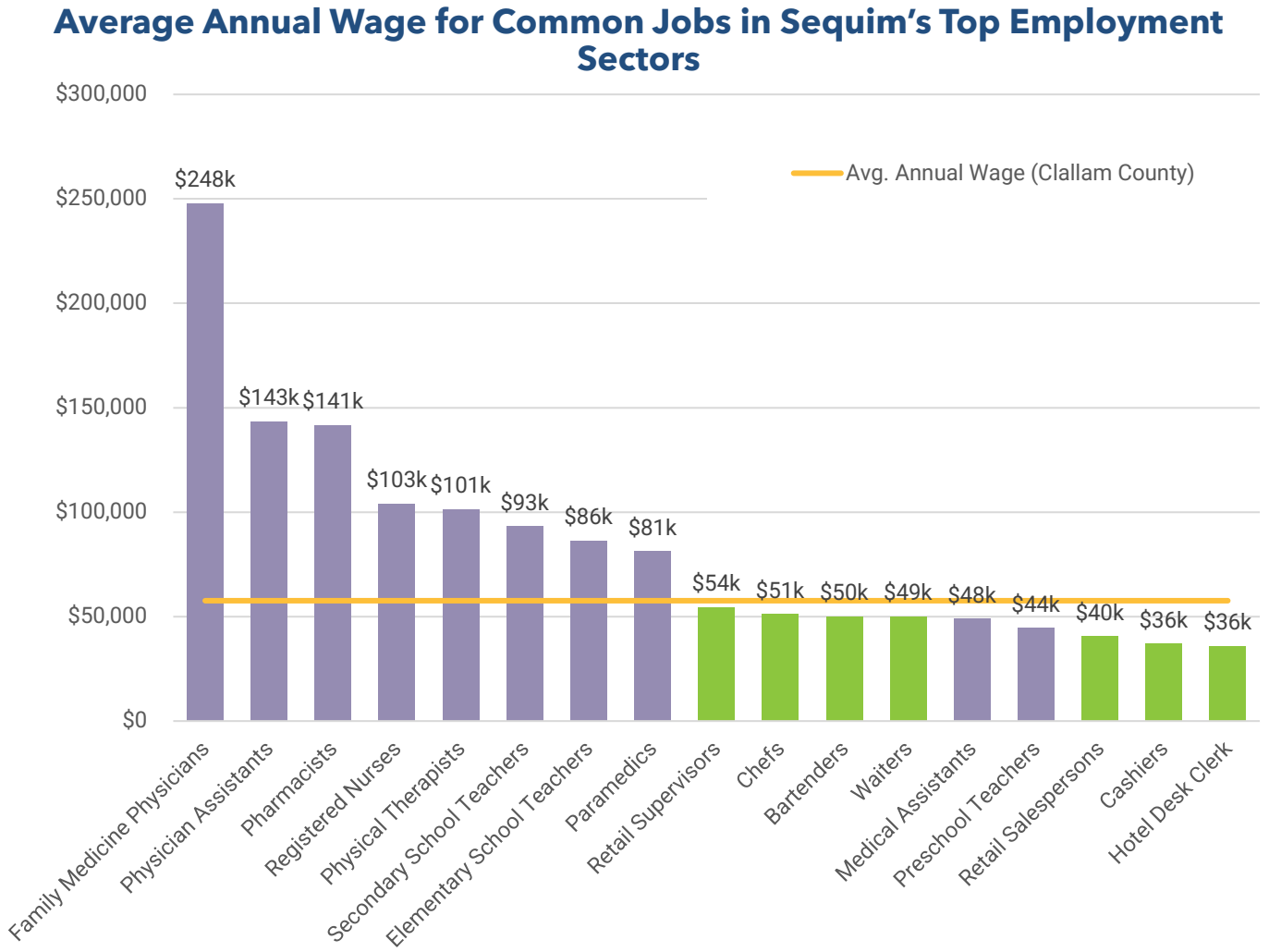
Employment in Sequim, 2012-2022

	2012	2022	Change	Share of Clallam County
Health Care and Social Assistance	971	1,101	130	21%
Retail Trade	819	984	165	33%
Accommodation and Food Services	551	652	101	29%
Educational Services	438	507	69	25%
Administration & Support, Waste Management and Remediation	174	297	123	33%
Construction	103	253	150	19%
Other Services (excluding Public Administration)	222	169	(53)	24%
Professional, Scientific, and Technical Services	133	161	28	23%
Finance and Insurance	134	139	5	39%
Public Administration	131	124	(7)	6%
Real Estate and Rental and Leasing	48	66	18	26%
Arts, Entertainment, and Recreation	80	50	(30)	5%
Manufacturing	44	40	(4)	4%
Transportation and Warehousing	4	36	32	6%
Wholesale Trade	35	31	(4)	10%
Information	24	14	(10)	7%
Agriculture, Forestry, Fishing and Hunting	13	4	(9)	1%
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0%
Utilities	11	0	(11)	0%
Management of Companies and Enterprises	1	0	(1)	0%
Total	***3,936***	***4,628***	***692***	

Source: US Census Bureau via LEHD OntheMap

Wages

- Health care and education jobs generally pay better than jobs related to tourism & service industries.
- Need for housing to support workers at a wide variety of wages.



Source: U.S. Bureau of Labor Statistics (BLS) May 2023 Metropolitan and Non-Metropolitan Area Occupational Employment and Wage Estimates, Western Washington Non-Metropolitan Area.

Employment Projections

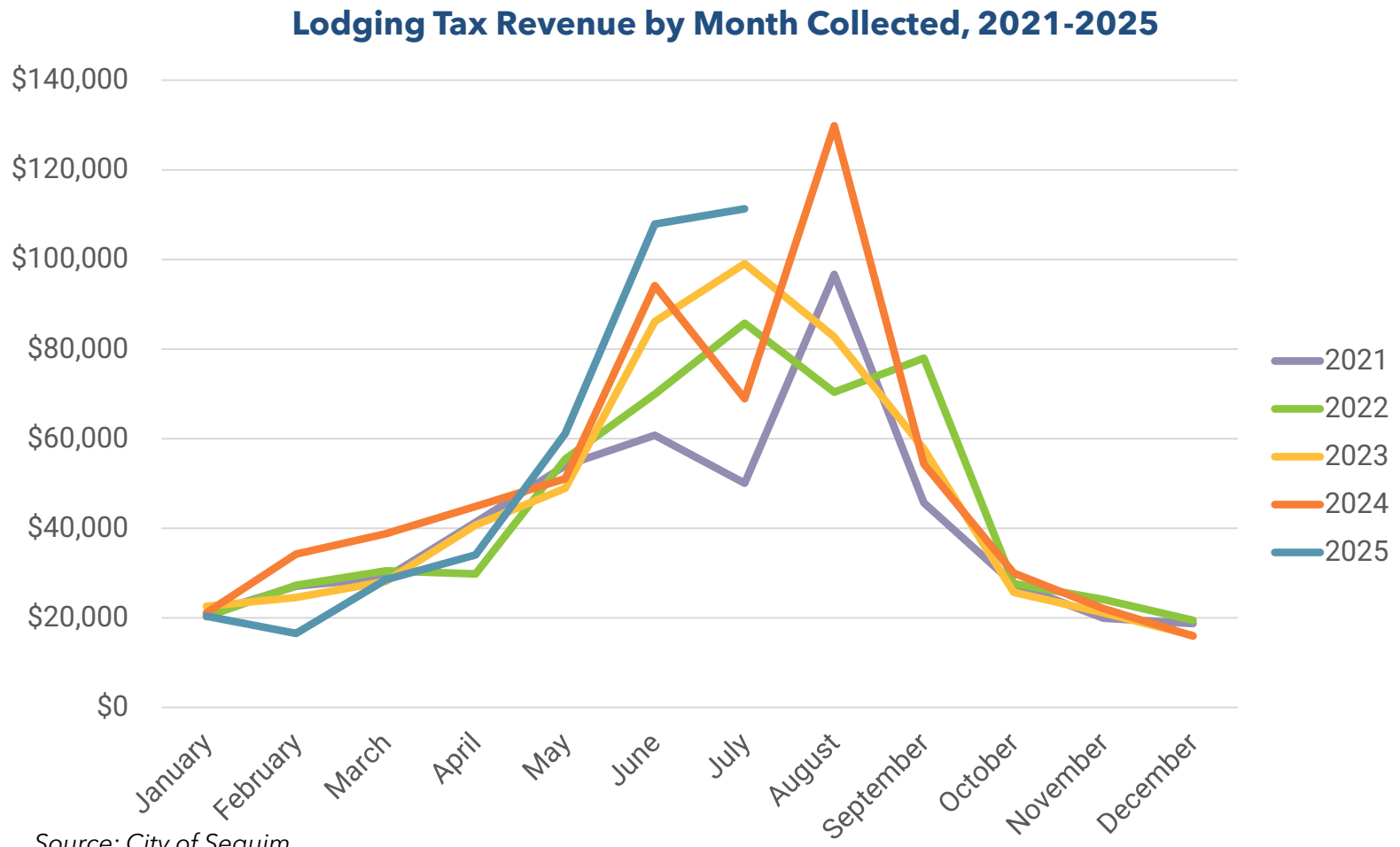
Employment Projections by Industry in the Olympic Region, 2023-2033

					Growth (2023-2033)	
	2023	2026	2028	2033	Jobs	Percent
Government	44,500	46,600	46,700	47,600	3,100	7%
Education and Health Services	17,900	19,200	19,500	20,800	2,900	16%
Leisure and Hospitality	14,100	14,400	14,700	15,600	1,500	11%
Professional and Business Services	12,100	12,400	12,800	13,500	1,400	12%
Other Services	4,900	5,200	5,300	5,600	700	14%
Construction	6,900	7,000	7,200	7,600	700	10%
Retail Trade	15,700	15,500	15,800	16,300	600	4%
Information	1,000	1,100	1,100	1,100	100	10%
Transportation, Warehousing, and Utilities	1,900	1,900	1,900	2,000	100	5%
Financial Activities	4,100	4,000	4,100	4,200	100	2%
Wholesale Trade	2,000	1,900	1,900	2,000	0	0%
Manufacturing	4,600	4,400	4,500	4,500	(100)	-2%
Natural Resources and Mining	600	500	500	500	(100)	-17%
TOTAL NONFARM	**130,300**	**134,100**	**136,000**	**141,300**	**11,000**	**8%**

Source: Washington Employment Security Department

Seasonality: Lodging

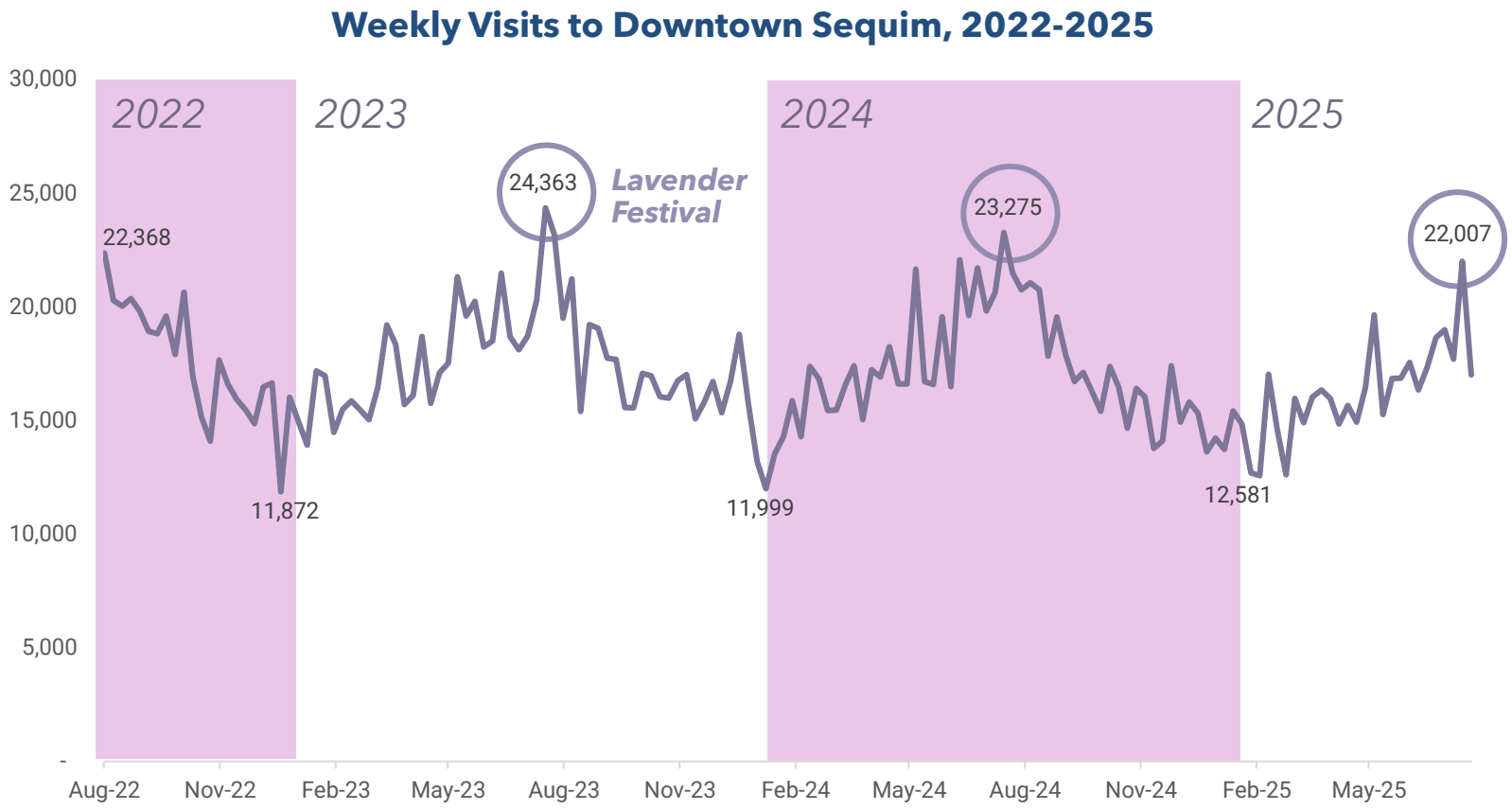
- Overnight visits to Sequim peak in the summer
- **May to September** are the busiest months for tourism



Source: City of Sequim

Seasonality: Downtown Visits

- Typically peak in **mid-July**, coinciding with summer events.
- **December and January** are the least busy months in Downtown Sequim.



Source: Placer.ai

Recommendations

Topic	Recommendation
Tourism	Work to extend the tourism season through holiday specific programming and content, promoting local tourism, identifying strategies for specific groups such as corporate retreats, weddings, etc., and partnering with the Olympic Peninsula Visitor Bureau and Tourism Commission.
	Encourage the development of a sufficient supply of housing affordable to workers in the tourism industry through zoning for a wider variety of housing types, creating incentives for affordable housing development, and engaging with employers around housing needs.
Employment Sectors	Target higher-wage jobs in industries in which Sequim has a regional advantage, including wood product manufacturing and beverage manufacturing, through zoning changes, engagement with industry groups, and marketing.
	Promote Sequim as a location for clean energy research and development with the proximity to the Pacific Northwest National Laboratory (PNNL) and through flexible uses in commercial zones.

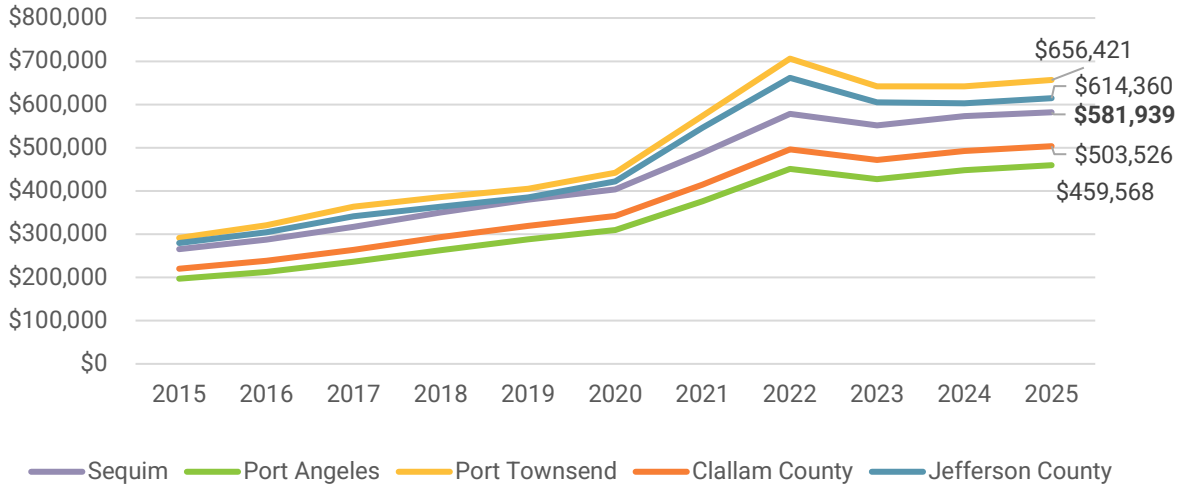


REAL ESTATE MARKET TRENDS

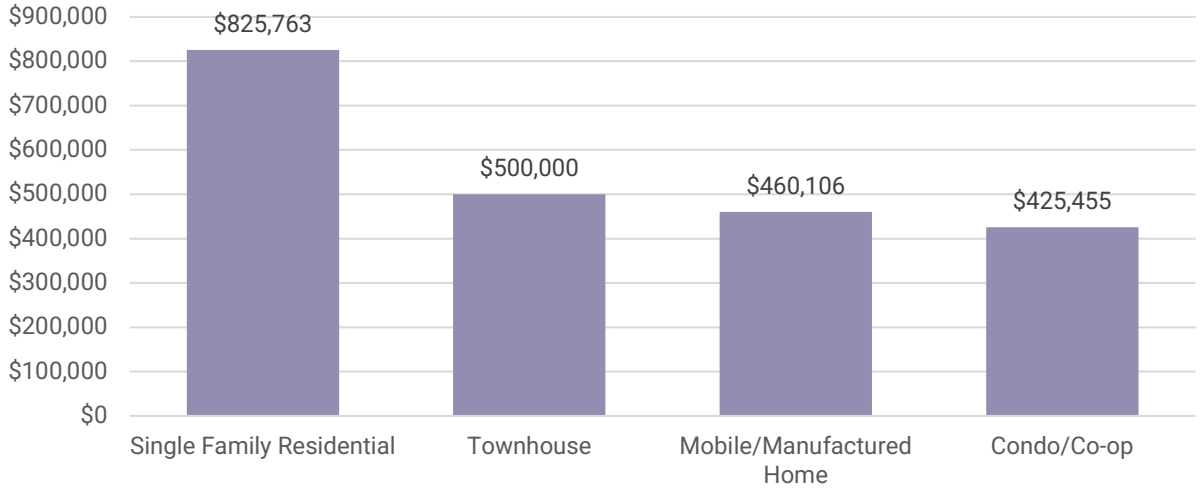
Ownership Housing

- Typical price of a home in Sequim is $582,000 as of 2025.
- New single-family homes tend to be more expensive than other types of housing.

Typical Home Prices, 2015-2025



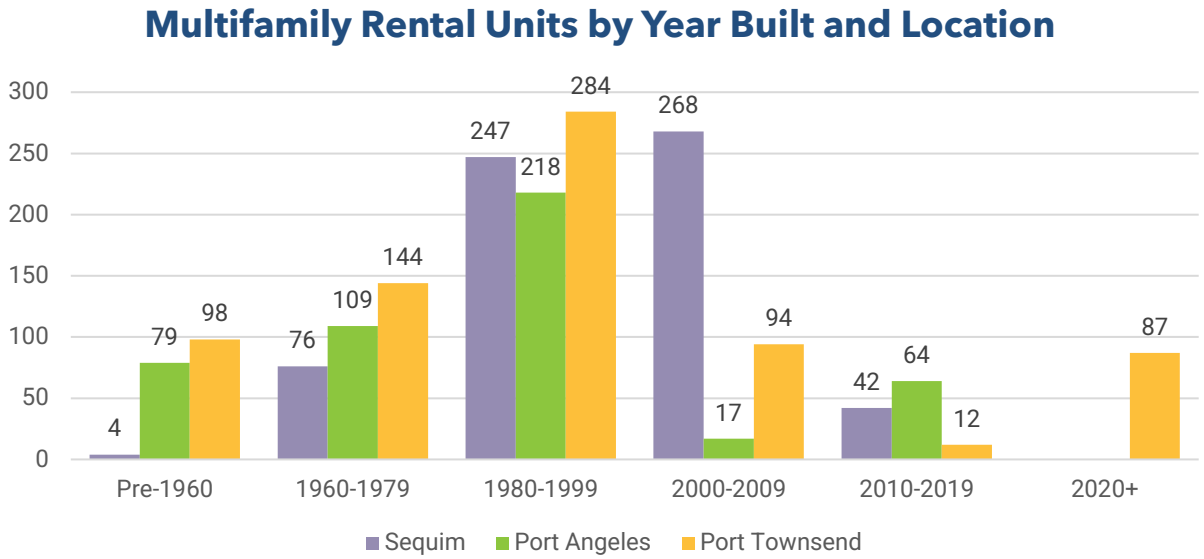
Average Price of On-Market Homes in Sequim Built Since 2015 *(as of August 2025)*

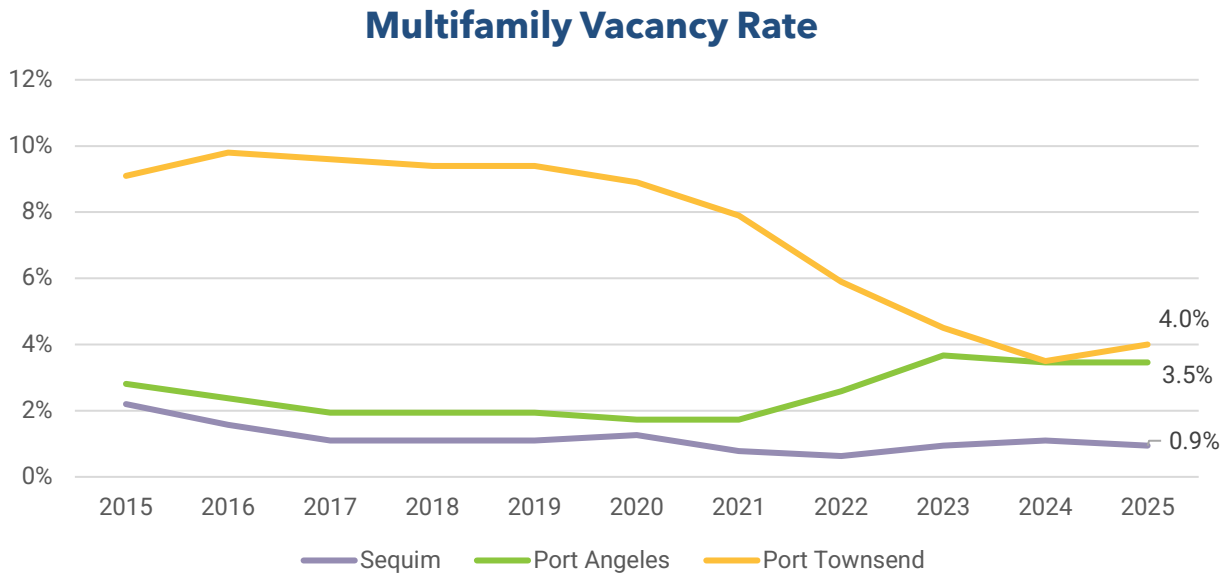


Source: Zillow Home Value Index; Redfin

Multifamily Rental Housing

- Most of Sequim's multifamily rental housing was built between 1980 and 2010.
- Sequim's multifamily vacancy rate is below 1%.
- Port Angeles and Port Townsend also have constrained markets.



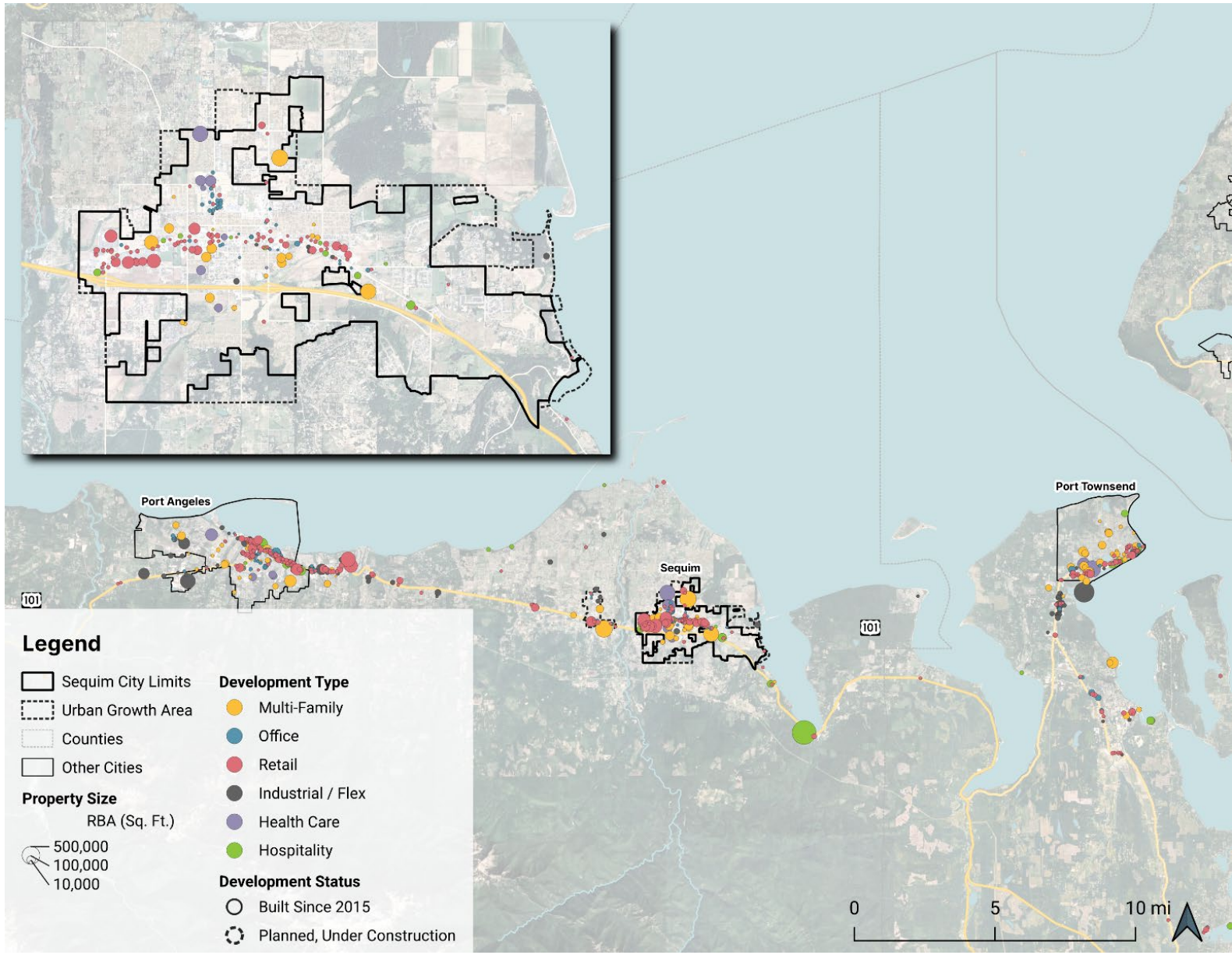


Source: CoStar

Commercial Inventory

- Retail concentrated in Port Angeles and Sequim.
- Industrial space near Sequim located in Carlsborg area.

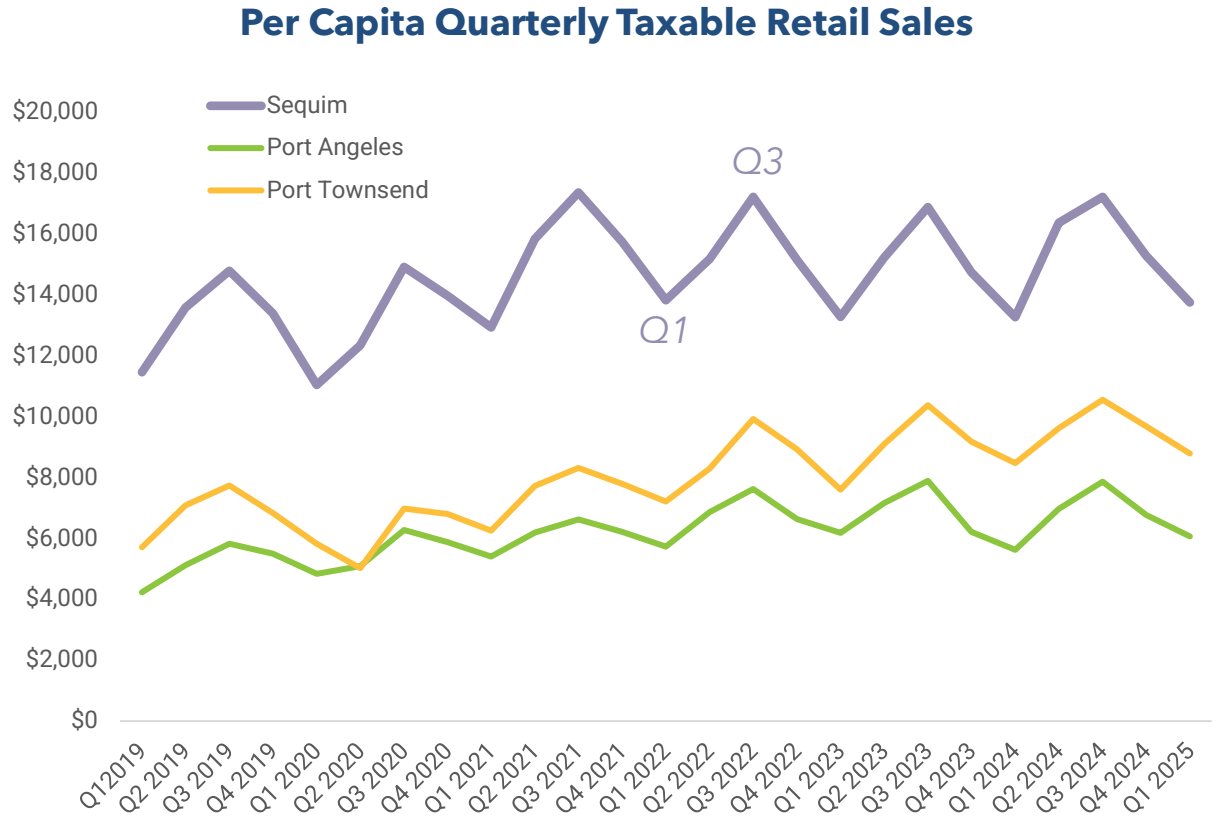
Commercial Space in Sequim & the Olympic Peninsula



Source: CoStar, Leland Consulting Group

Retail: Revenue

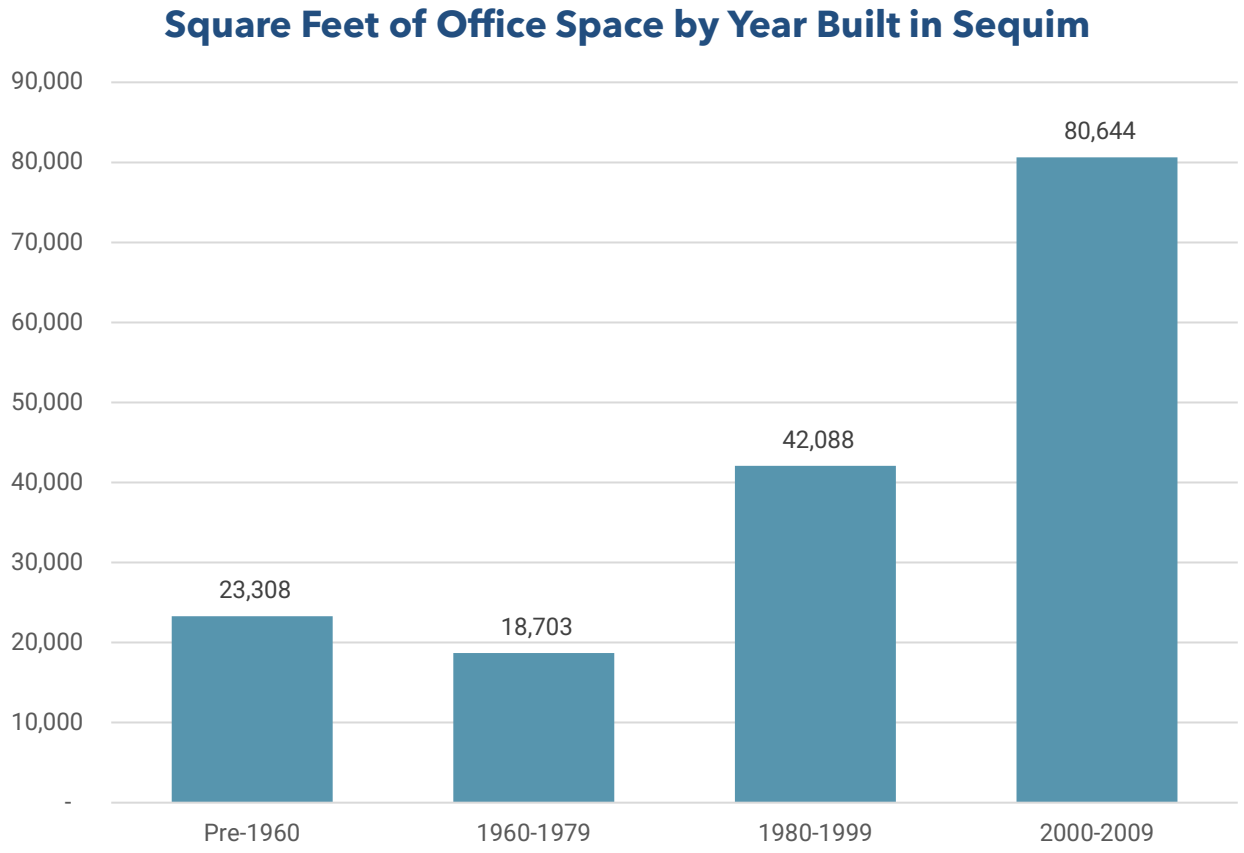
- The Regional Commercial (RC) zone continues to attract interest from developers and large national retailers.



Source: Washington Department of Revenue

Office

- No new office space built in Sequim since 2009.
- Speculative office space unlikely in the near term.
- Opportunities to support remote workers living in Sequim.

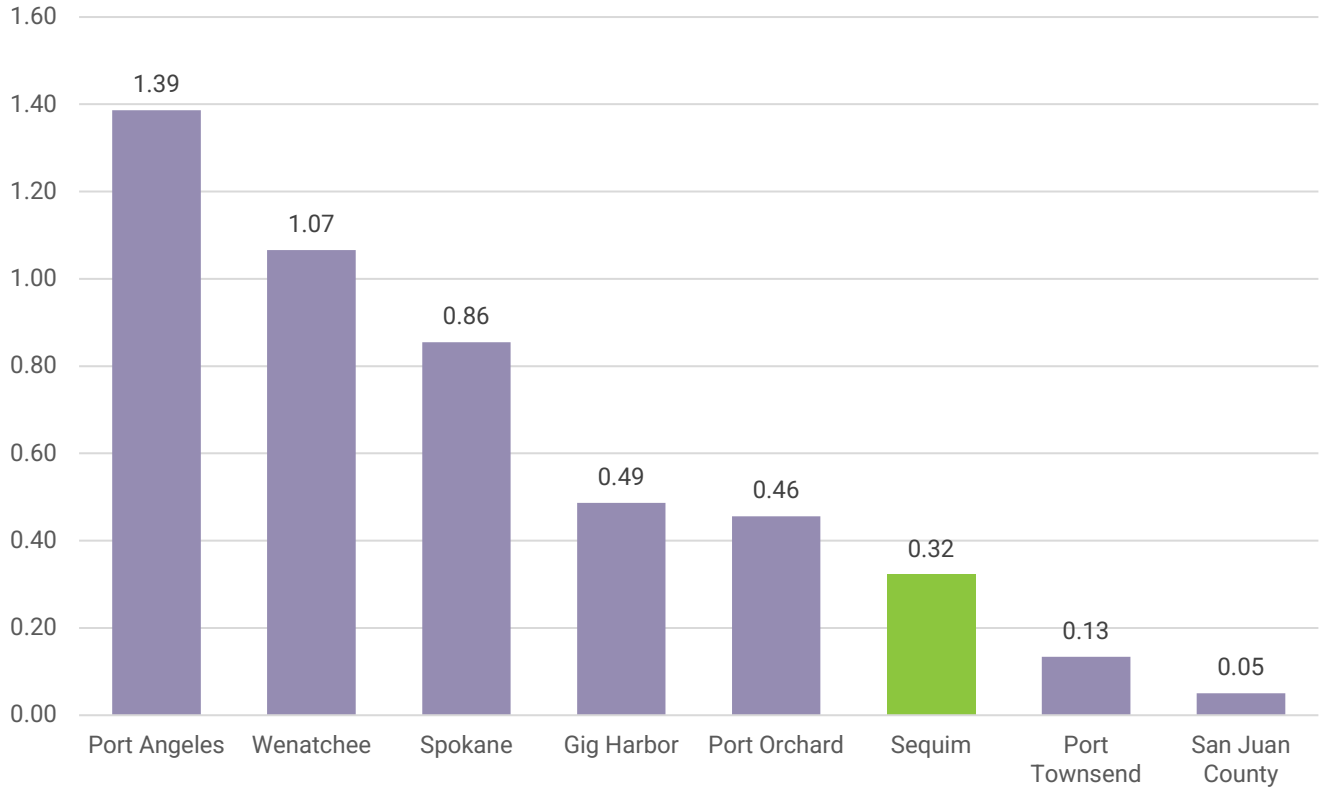


Source: CoStar

Health Care

- Sequim has a high share of older residents but a limited number of health care jobs to serve them.
- Many residents travel to Port Angeles, Bremerton, or Port Orchard for care.

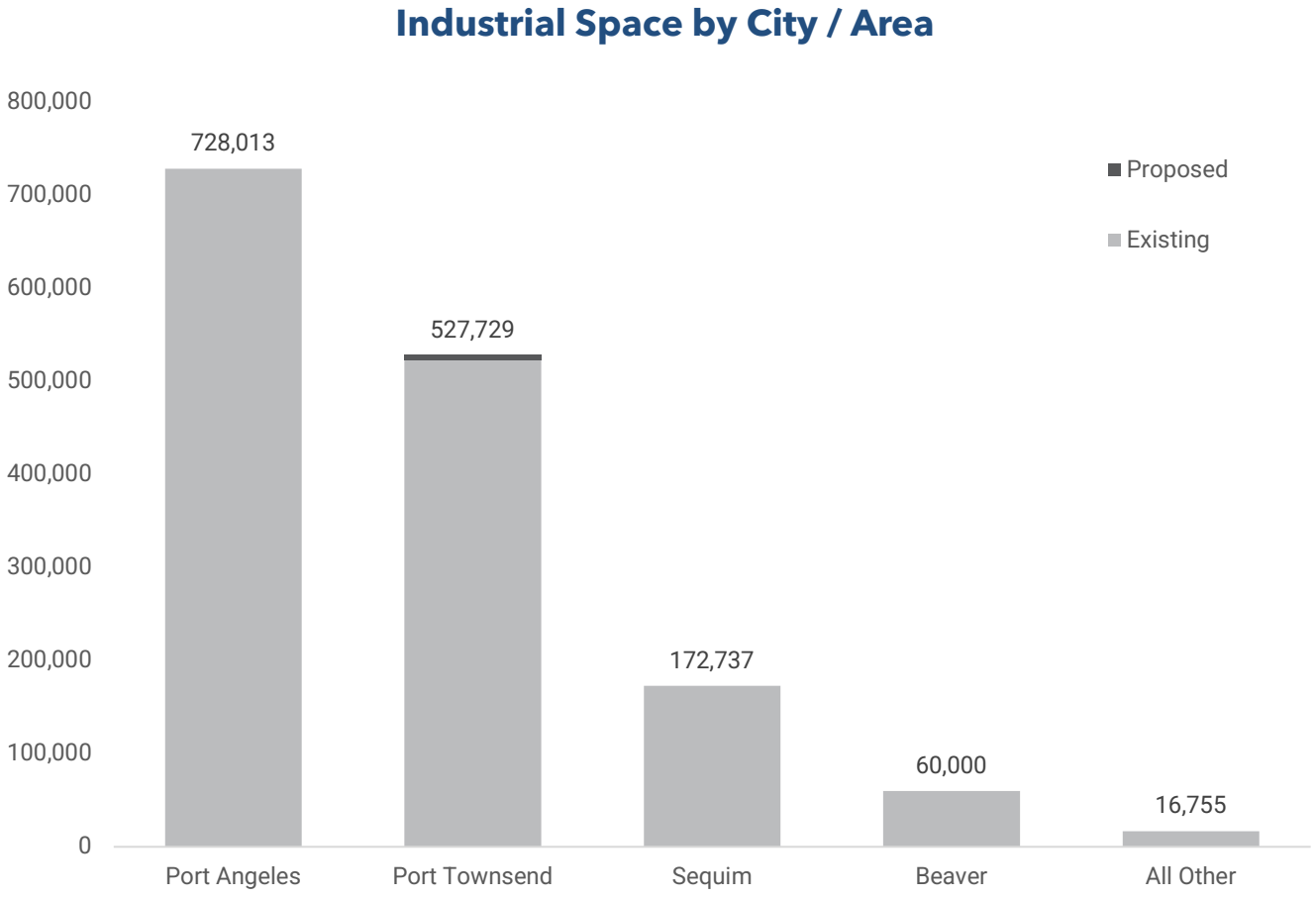
Ratio of Health Care and Social Assistance Jobs to Residents 65 or Older in Neighboring Cities and Other Popular Washington Retirement Destinations



Source: US Census Bureau Five-Year ACS (Table S0101); LEHD OntheMap

Industrial

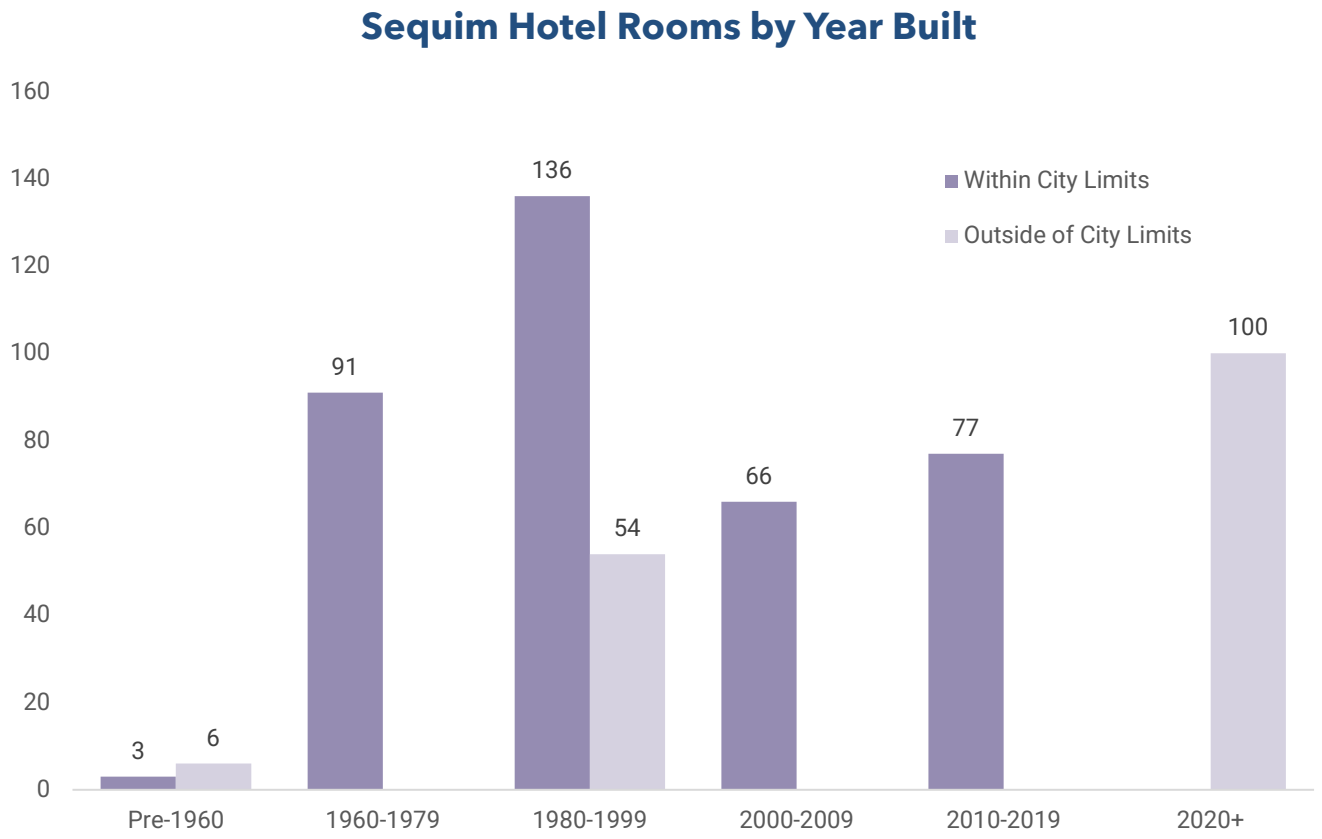
- Port Angeles and Port Townsend are the major industrial hubs on the Peninsula in part because of their ports.
- Most of Sequim vicinity industrial space is in Carlsborg.
- Transportation issues impact the viability of warehouses.



Source: CoStar

Hospitality

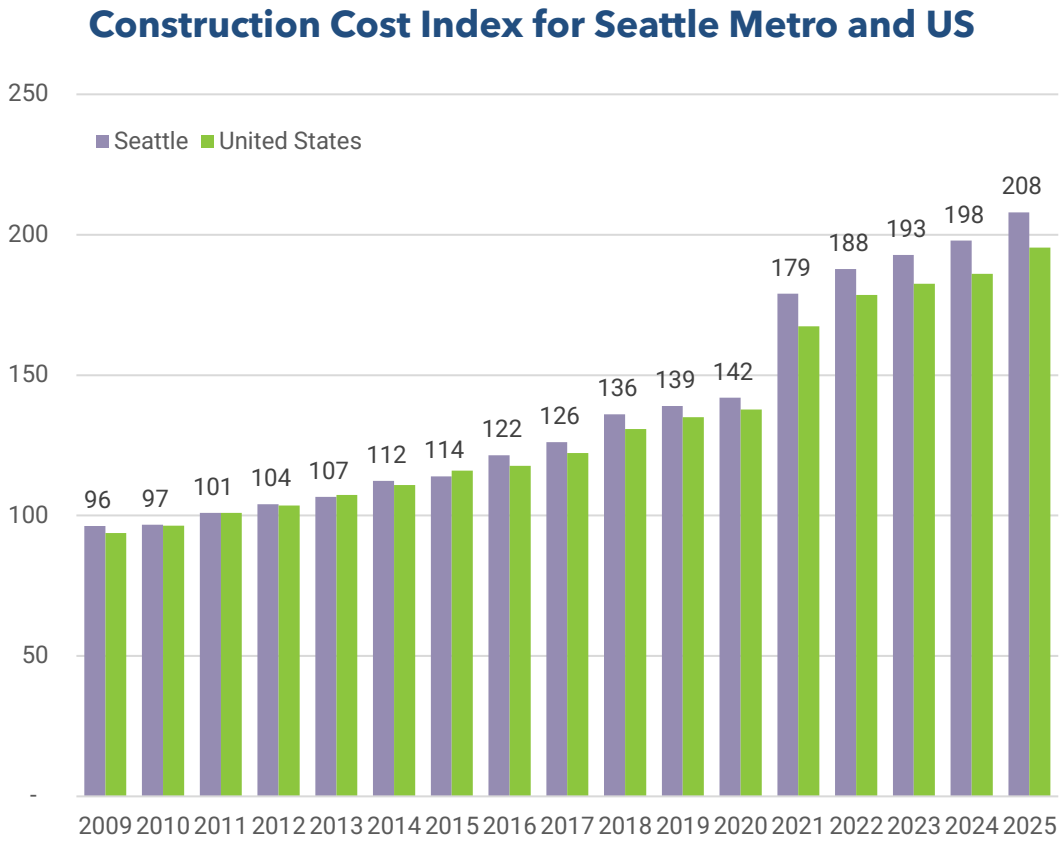
- Most of the newer hotel rooms have been built outside of city limits (7 Cedars).
- The most recent hotels built in the city are the Quality Inn & Suites and Holiday Inn Express.
- Seasonality is a major challenge for hotels.



Source: CoStar

Real Estate & Development Market

- The current market is challenging due to high labor and material costs and interest rates.
- Construction costs have more than doubled in the Seattle area since 2009.
- Higher rents or incentives are needed to encourage new development.



Source: Mortenson Construction Cost Index



BARRIERS TO DEVELOPMENT

BARRIERS TO DEVELOPMENT

Development Challenges

- Staff turnover has impacted relationships between City and developers.
- Permitting process can be long and expensive.
- Developers & staff aligning on desire to “get to yes.”
- Increasing clarity around zoning and processes.
- Ongoing relationship building, developer education.
- Impact fees are relatively high.



Recommendations

Topic	Recommendation
Processes and Relationships	Work with local and regional partners on educational outreach for developers.
Processes and Relationships	Increase clarity in the zoning code to reduce uncertainty and limit discretionary decision-making.
Processes and Relationships	Create opportunities for open communication between local developers and City staff to improve interpersonal and professional relationships.
Impact Fees	Update impact fees to comply with new state regulations by creating a tiered system based on unit size or number of bedrooms.
Impact Fees	Consider implementing a parks fee waiver for multifamily developments that meet a certain threshold for open space, or developments located within walking distance of an existing park.

04 COMPREHENSIVE PLAN UPDATE

Enhancing your presentation

04 COMPREHENSIVE PLAN UPDATE

A Comprehensive Plan is at its core:

- A Policy Document
    - Goals and Policies on nine subjects
- A Land Use Map
- A Capital Facilities Plan

Comprehensive Plan Update

The periodic update must plan to accommodate a portion of the overall growth (population, employment, and housing) that is forecast for the City of Sequim. Growth allocations are determined through a regional process coordinated by Clallam County.

Sequim is to plan for the following 2045 targets:
Population: 2,959 new residents
Employment: 909 new jobs
Housing: 1,850 new housing units

04 COMPREHENSIVE PLAN UPDATE

Planning Commission serves in a primary review and advisory role

- Reviewing each chapter of the Policy Document.
- Considering needed or desired changes to the Land Use Map.
- Wrapping up their review of draft Policy Document in 2025.

Comprehensive Plan Update 2026

- Next up:
  - Capital Facilities Plan underway.
  - Turning attention now to revisions and updates to the City's development regulations – land division, zoning and procedural ordinances.
- April 2026 public release of plan.
- Public Hearings May and June 2026.

05 FINAL THOUGHTS

- **Sequim is poised to grow** – permit activity show steady, and potential significant growth could occur in near future.
- **Housing and Economic Market Analysis and Recommendations reaffirm key community demographics and needs** – supporting attainable housing, strengthening local employment, and maintaining quality of life.
- **The Comprehensive Plan update positions Sequim for the future** – aligning policies, land use, and capital facilities/infrastructure planning.
- **Together, we are shaping Sequim's path forward** – grounded in data, guided by community values, and ensuring Sequim grows gracefully.

THANK YOU

How to Contact Sequim DCED

Phone: 360-683-4908

Text: 360-912-4432

Email: dced@sequimwa.gov

Web: www.sequimwa.gov/1066/Community-Development

Book an Appointment: www.sequimwa.gov/1328/Book-a-meeting-with-DCED-Staff