Housing Needs Assessment

Introduction

Washington's Growth Management Act (GMA) requires all cities and counties to conduct a housing needs assessment (HNA) as part of their comprehensive plan update. According to the Washington Department of Commerce, an HNA is an informational document intended to help jurisdictions understand who lives and works in their communities, the number and types of housing units that are available, whether certain groups face specific housing challenges, and whether there is sufficient capacity to meet future needs.

The elements of the HNA are based on requirements by the GMA, the HB1923 Housing Action Plan, and the HUD Consolidated Plan. *Required* elements include:

- Population characteristics: count and forecasts
- Household characteristics: count, income, tenure, and cost burden
- General housing inventory: unit count by type and size
- Special housing inventory: count of subsidized housing units, group homes, and care facilities
- Gap analysis: housing units available to various income brackets and future demand projections
- Land capacity analysis: land available to meet housing unit demand

Optional elements include:

- Special Housing Needs: identification and count of groups with special housing needs, including disabled and homeless residents
- Workforce profile: local workforce characteristics, jobs to housing ratio, and employment trends
- Housing market conditions: development trends, sales prices, rent and vacancy rates, and housing condition, production, and affordability
- Special housing inventory: inventory of housing for homeless individuals, including shelters and transitional housing
- Gap analysis: alignment of household size to housing unit sizes and units needed for special demographic groups
- Land capacity analysis: land available to meet special housing needs

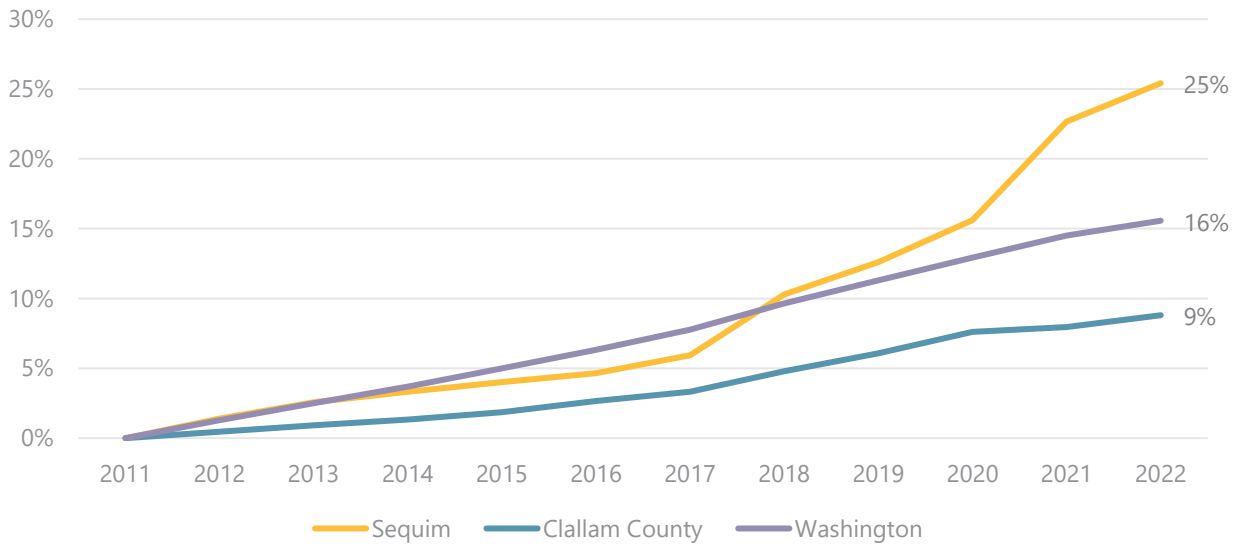
Collecting and analyzing this data will provide context to the City of Sequim as it updates the Housing element of its Comprehensive Plan by providing needed context on the current state of housing in the community as well as projections for future demand. As the City updates its housing goals and policies, it should refer to this document to understand the specific housing needs and challenges within the community.

Community Profile

Population Characteristics

Sequim, Washington, located in Clallam County, has a population of 8,073 residents as of 2022. Since 2011, the population of Sequim has grown by 25 percent while the County grew by nine percent. Since 2017, population growth in Sequim has outpaced statewide growth rates.

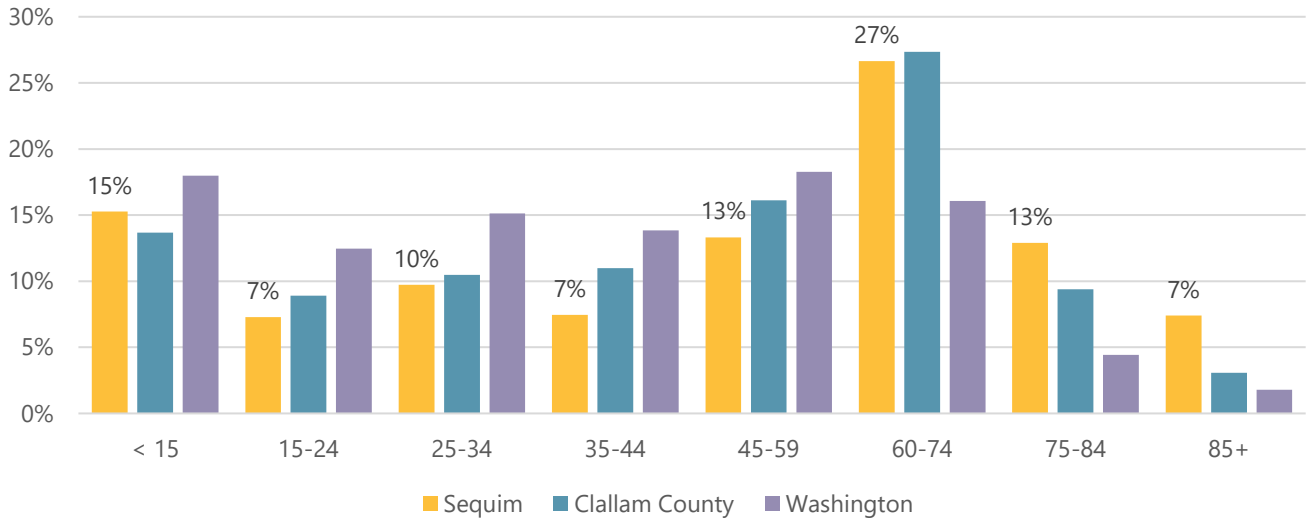
Figure 1. Cumulative Population Growth, 2011-2022



Source: US Census Bureau 5-Year ACS, Table DP05.

The median age in Sequim is 57.1, higher than both the County (51.2) and the state (38). In Sequim, 20 percent of the population is 75 years or older, compared with 12 percent countywide. Over a quarter of Sequim residents are between the ages of 60 and 74 years old. However, Sequim also has a slightly higher share of school-aged children under 15 years old than the County, which has 14 percent.

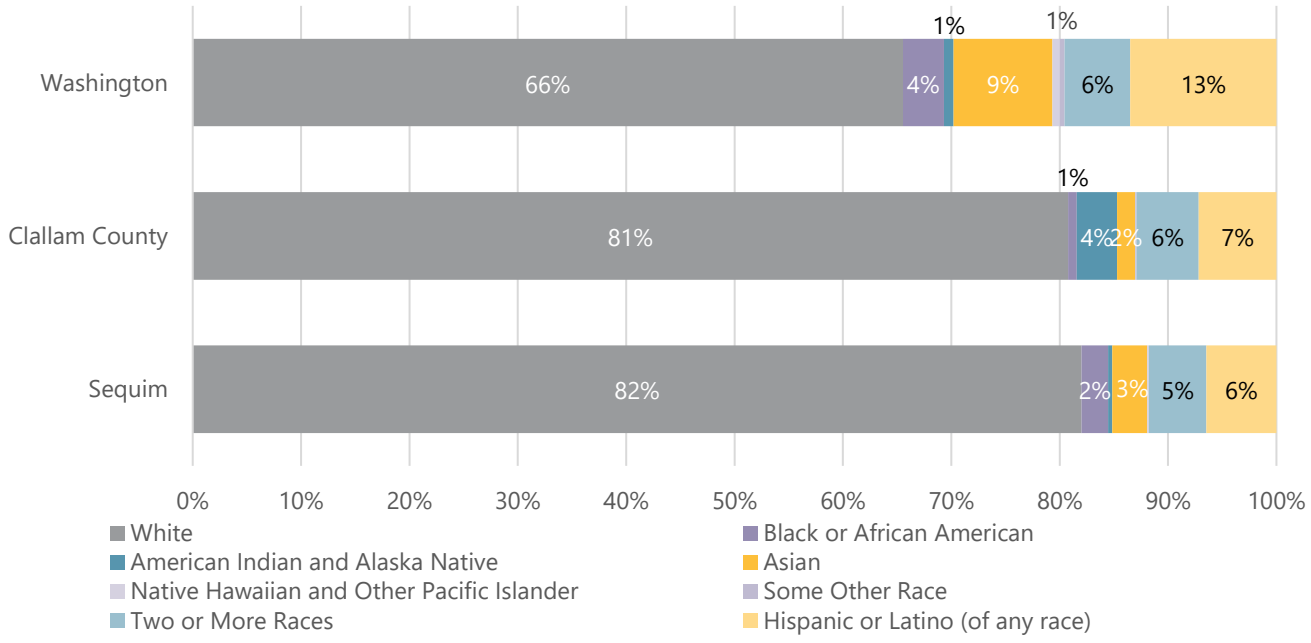
Figure 2. Share of Population by Age Group – Sequim, Clallam County, and Washington



Source: US Census Bureau 2022 5-Year ACS, Table DP05.

In Sequim, 82 percent of residents are white (non-Hispanic), six percent are Hispanic or Latino, three percent are Asian, and two percent are Black.

Figure 3. Race and Ethnicity in Sequim, Clallam County, and Washington

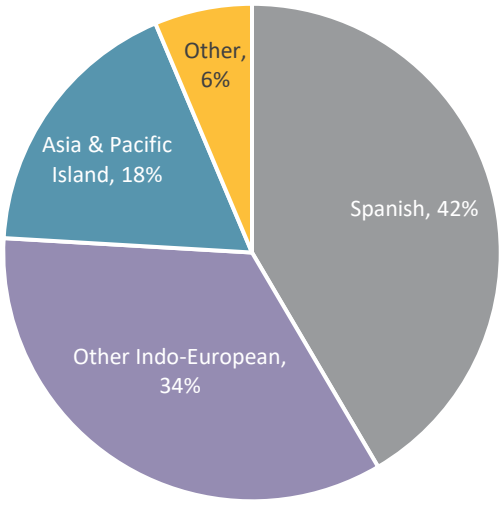


Source: US Census Bureau 2022 5-Year ACS, Table DP05.

In Sequim, just under five percent of the population speaks a language other than English at home, compared with 5.7 percent in Clallam County and over 20 percent statewide. Among those who

speak other languages at home, 42 percent speak Spanish and 34 percent speak an Other Indo-European language.

Figure 4. Non-English Languages Spoken at Home in Sequim

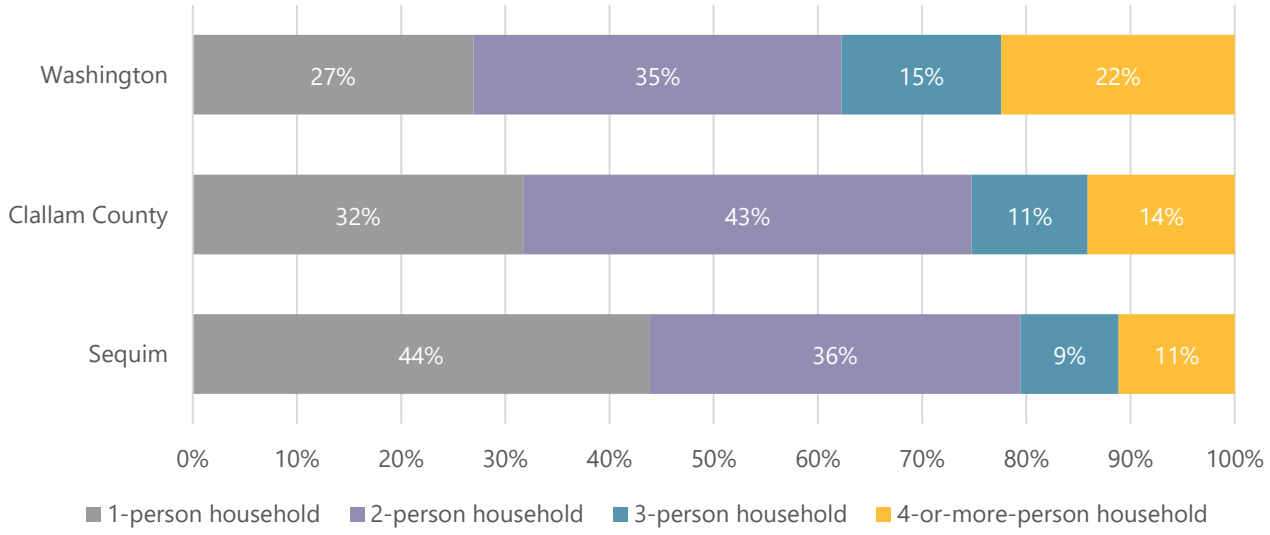


Source: US Census Bureau 2022 5-Year ACS, Table S1601.

Household Characteristics

There are 3,969 households in Sequim as of 2022, including 2,025 family households and 1,944 non-family households. Of the family households, 70 percent are married-couple families. The average number of people per household is 1.92 for owner households and 1.99 for renter households, well below the statewide averages of 2.66 and 2.30, respectively. In Sequim, 44 percent of households have just one person, while an additional 36 percent have two people. The median household in Sequim has 1.93 residents, compared with 2.22 in Clallam County and 2.51 statewide. Sequim's smaller household sizes could indicate potential demand for smaller housing units, including studios and one-bedrooms, especially more accessible units that can help serve seniors who wish to age in their communities.

Figure 5. Share of Households by Number of Residents



Source: US Census Bureau 2022 5-Year ACS, Table S2501.

Sequim's households are split relatively evenly between family and non-family households, largely due to the high share of residents living alone. More than a quarter of households (27 percent) are seniors living alone, while 16 percent of family households include children under 18 years old.

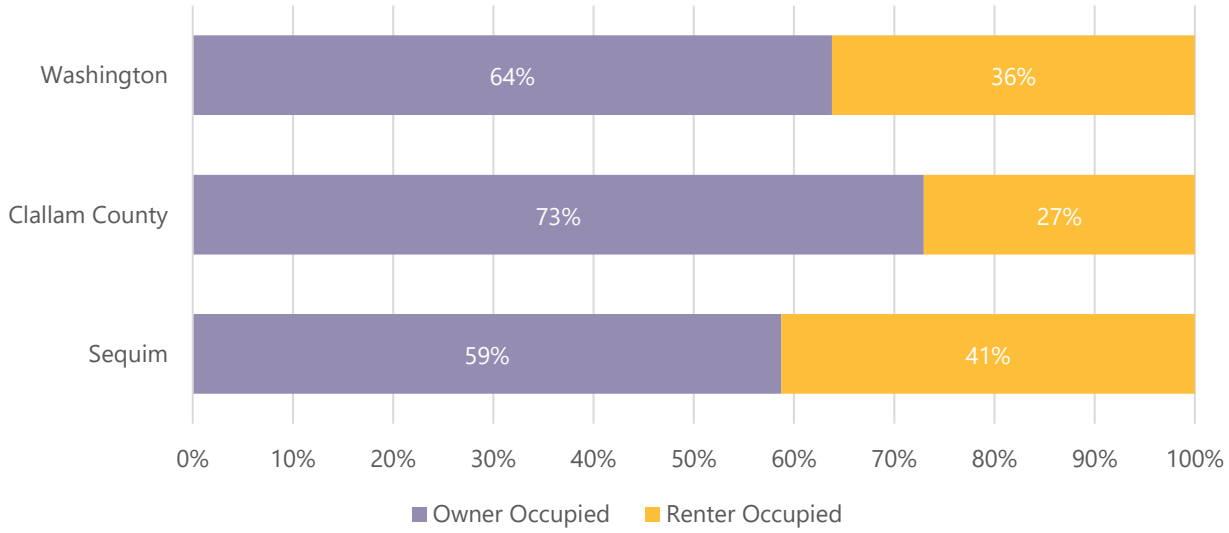
Figure 6. Household Characteristics in Sequim

	Number	% of Total
Family households	**2,025**	**51%**
Married-couple family	1,423	36%
Other family	602	15%
With own children (under 18)	648	16%
Non-family households	**1,944**	**49%**
Householder living alone	1,741	44%
Householder 65+	1,074	27%

Source: US Census Bureau 2022 5-Year ACS, Table S2501.

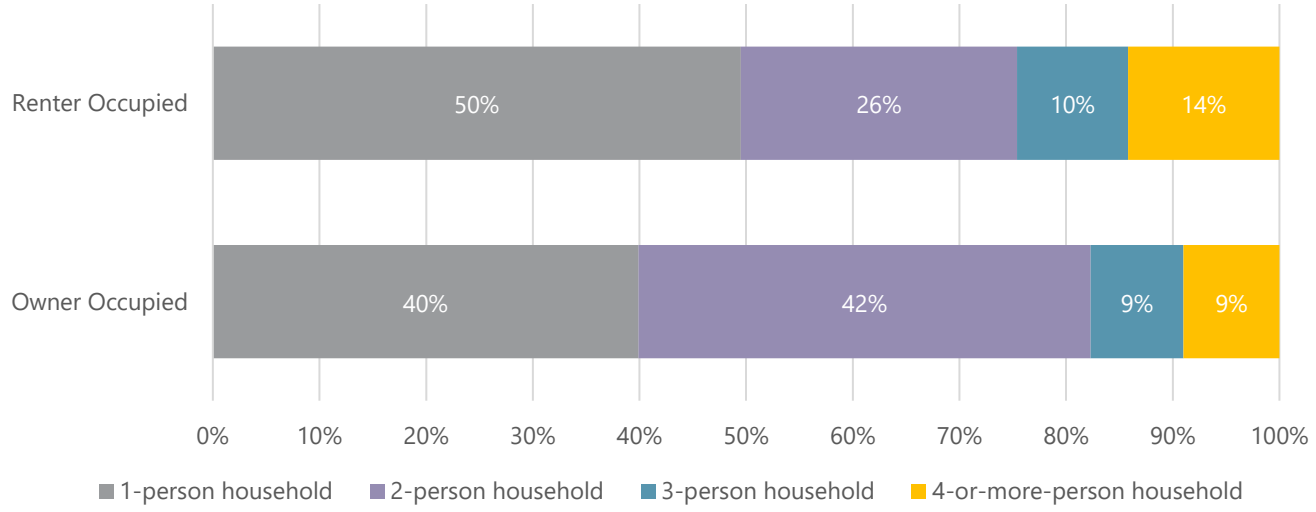
Sequim has 1,638 renter-occupied housing units and 2,331 owner-occupied housing units. The city has a higher share of renter households (41 percent) than the County (27 percent) or the state (36 percent). Half of the city's renter-occupied housing units have one person, compared with 40 percent of owner-occupied units. However, 82 percent of owner-occupied units have one to two residents compared with 76 percent of renter-occupied units. Among seniors living alone in Sequim, 37 percent rent their homes.

Figure 7. Housing Units by Tenure



Source: US Census Bureau 2022 5-Year ACS, Table S2501.

Figure 8. Housing Units by Tenure and Household Size in Sequim



Source: US Census Bureau 2022 5-Year ACS, Table S2501.

The US Department of Housing and Urban Development defines overcrowded households as those with more than 1.5 residents per bedroom. Because Sequim's average household size is relatively small, there is not a high rate of overcrowding. As of 2022 none of the owner-occupied housing units meet this definition of overcrowding, while 29 rooms in renter-occupied units are considered overcrowded. The vast majority of housing units in Sequim do not have more than one occupant per room.

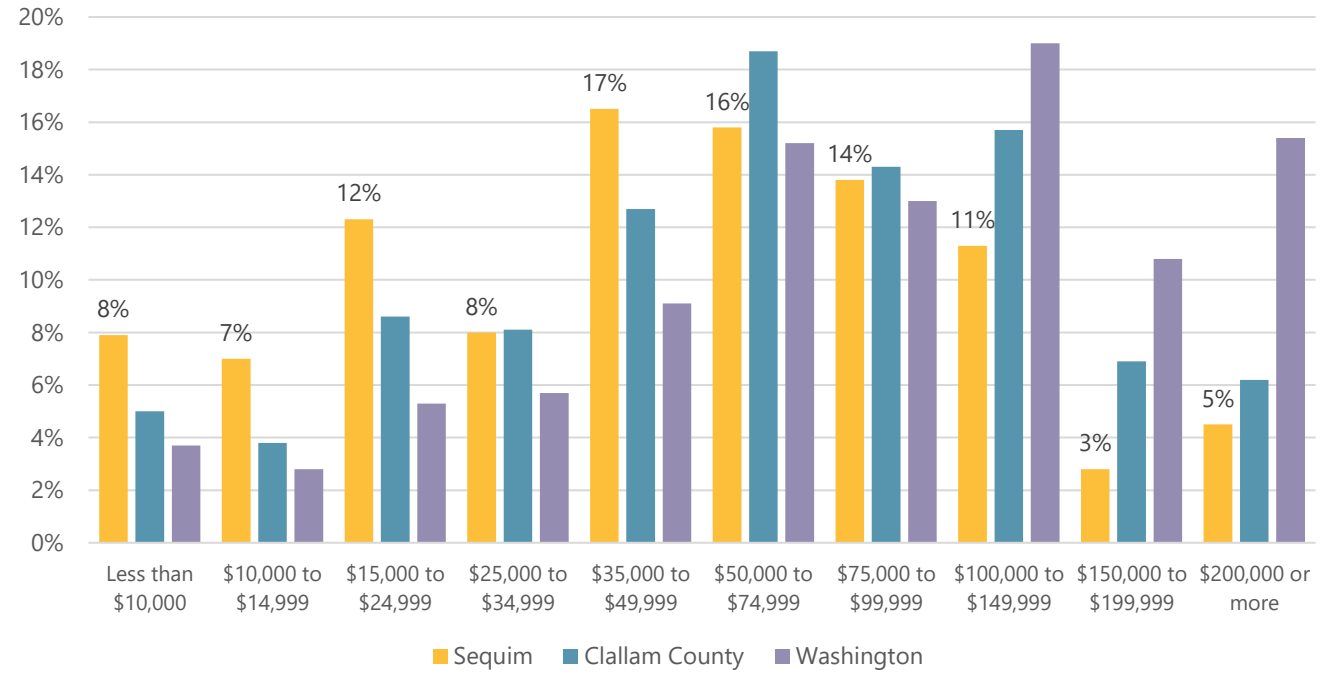
Figure 9. Occupants per Room by Tenure in Sequim

	Owner Occupied	Renter Occupied
1.00 or less occupants per room	2,331	1,558
1.01 to 1.50 occupants per room	0	51
1.51 or more occupants per room	0	29

Source: US Census Bureau 2022 5-Year ACS, Table S2501.

The median household income in Sequim is $48,105, lower than the countywide median of $66,108. Over a third of Sequim's households make below $35,000 annually, compared with 26 percent in Clallam County and 18 percent statewide.

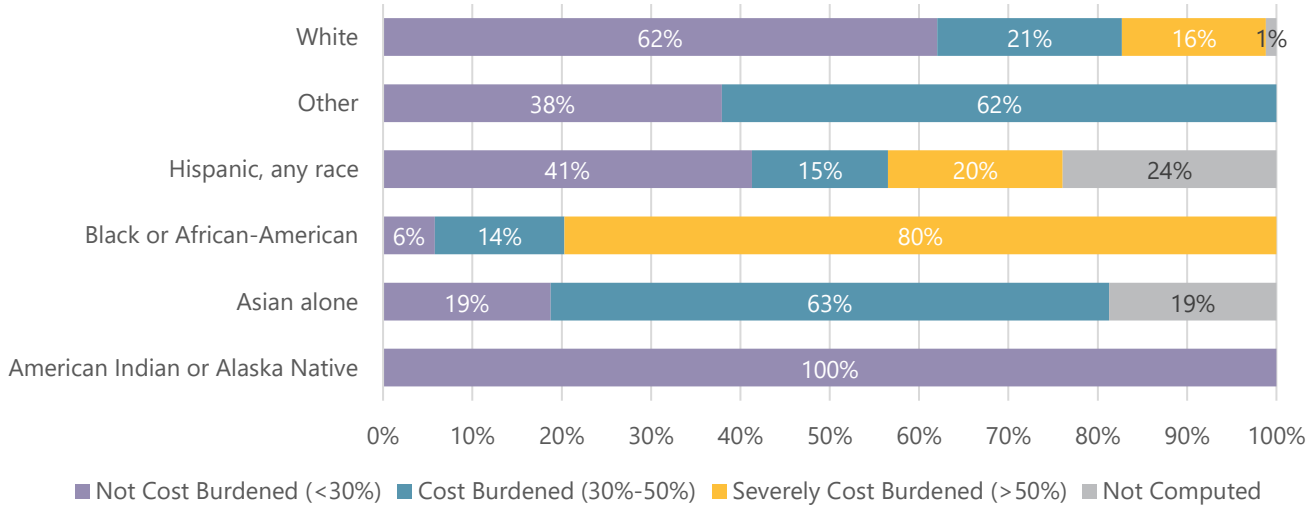
Figure 10. Household Income Distribution in Sequim, Clallam County, and Washington



Source: US Census Bureau 2022 5-Year ACS, Table S1901.

The US Department of Housing and Urban Development defines cost burdened households as those spending more than 30 percent of their income on housing costs. Severely cost burdened households spend more than 50 percent of their income on housing costs. In Sequim, 42 percent of households are cost burdened (spending over 30 percent of their income on housing costs). This includes 29.5 percent of owner households and 59 percent of renter households. While 38 percent of Sequim's 2,950 white households are cost burdened, 94 percent of the city's 69 Black households are cost burdened. Among Hispanic/Latino households of any race, 59 percent (135 households) are cost burdened.

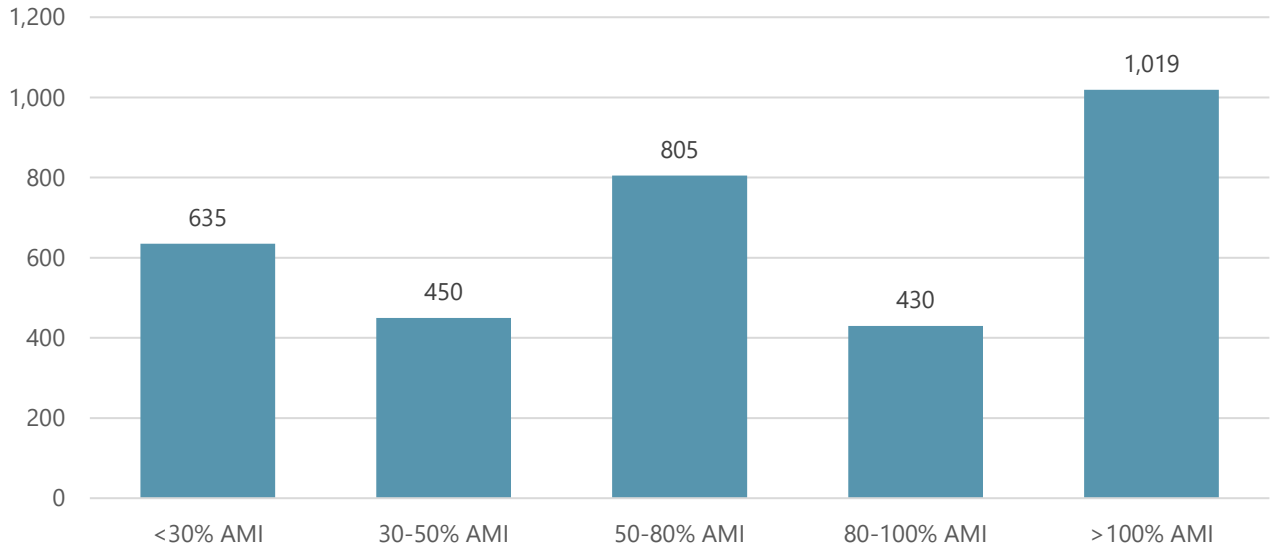
Figure 11. Share of Cost Burdened Households by Race & Ethnicity



Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS).

According to 2020 data from the US Department of Housing and Urban Development, over 1,000 households in Sequim earn more than the Area Median Income (AMI), while 1,890 make less than 80 percent AMI. The AMI for Clallam County as of 2024 is $93,900.

Figure 12. Number of Households by Income Level in Sequim



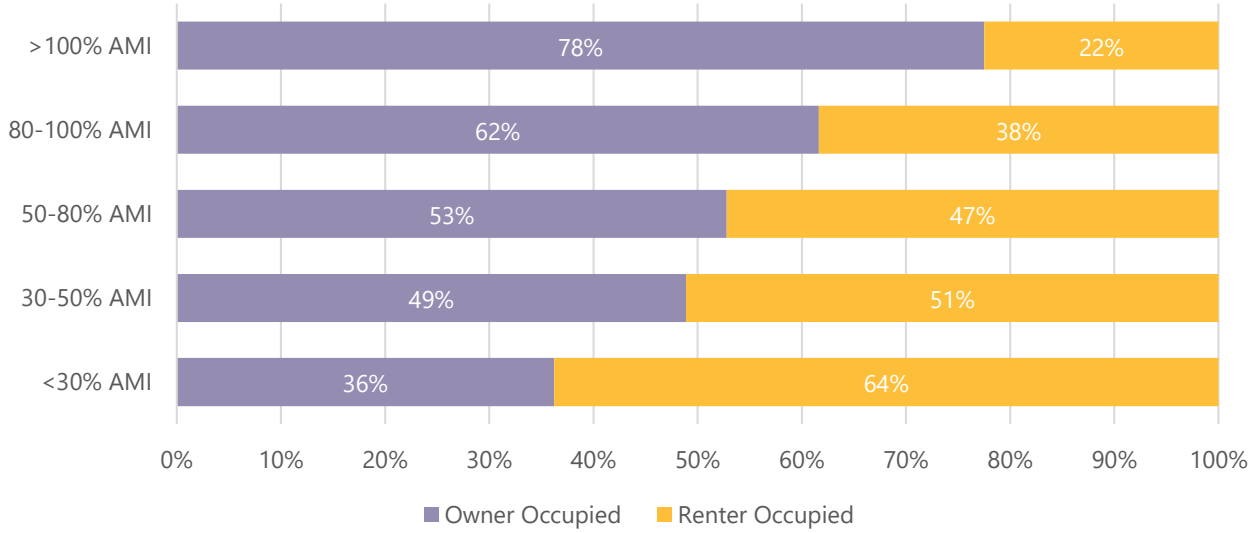
Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS).

In Sequim, home ownership is correlated with household income. While 78 percent of households making above the AMI own their homes, the same is true for 36 percent of households making less than 30 percent AMI.

Seniors make up approximately 42 percent of Sequim's population. Many of these households are retirees, meaning that while their incomes may be lower than a working-age household, they may have assets from investments, retirement accounts, social security benefits, or the sale of a previous home that are not counted as income by the US Census Bureau. As a result, seniors are more likely to own their homes despite having lower reported incomes than households aged 45 to 64 years old.

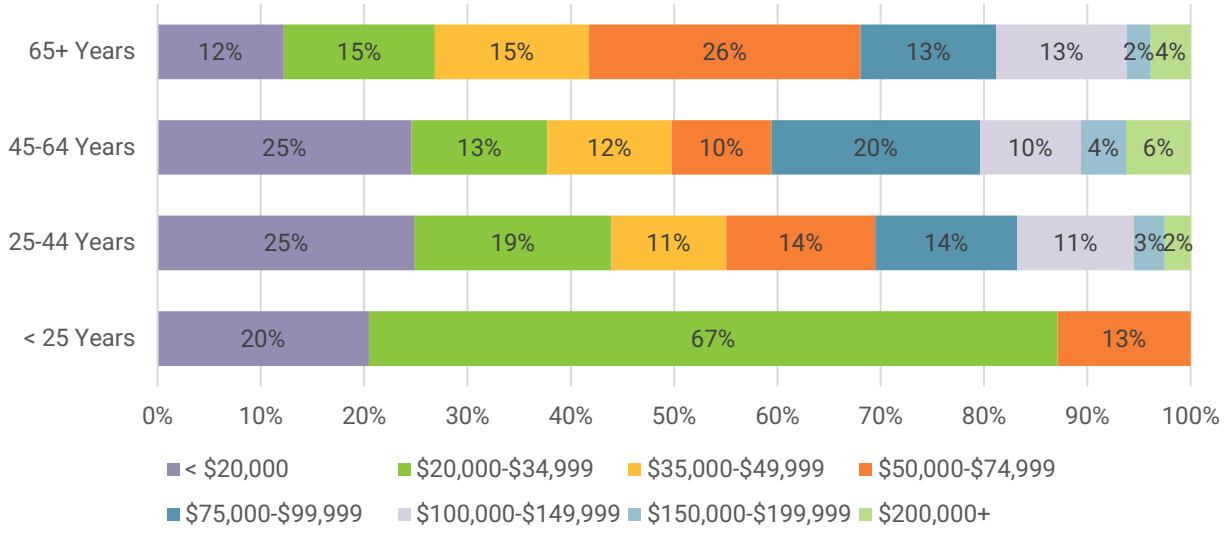
Additionally, a lower median income by seniors does not necessarily indicate reduced spending power or is an accurate indicator of wealth. Washington's median income levels increased by approximately 59.6% between 2013 and 2023, and Sequim's median income levels increased by 29.4% during the same period.

Figure 13. Households by Income Band and Tenure in Sequim



Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS).

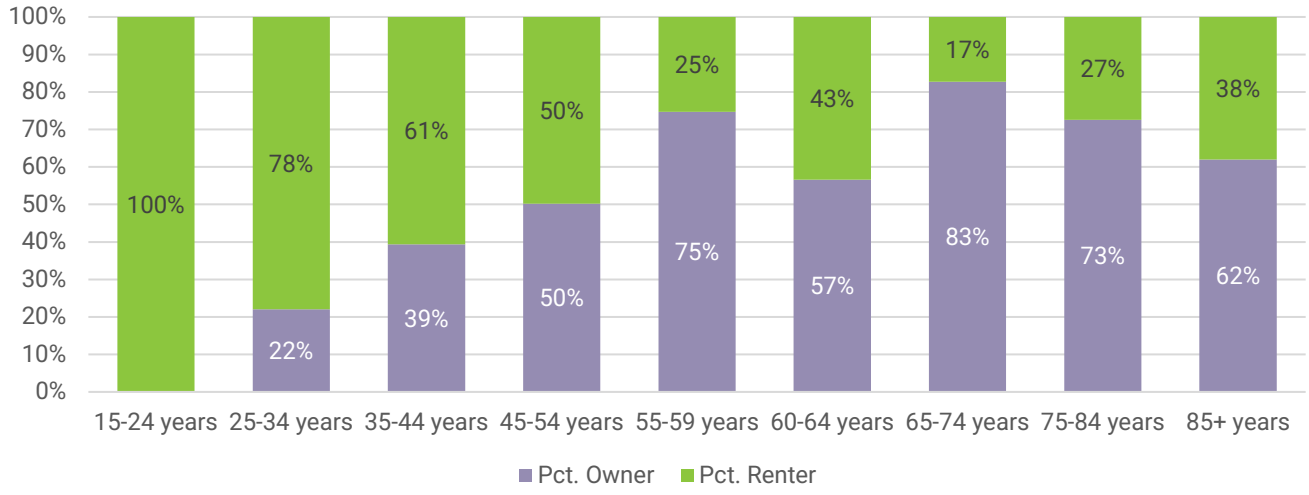
Figure 14. Household Income by Age Group in Sequim



Source: US Census Bureau 2023 Five-Year ACS (Table B19037).

In Sequim, older households are more likely to be homeowners than renters. Among householders who are 65 years or older, 76 percent own their homes. Householders who are between 65 and 74 years old have the highest rate of homeownership at 83 percent.

Figure 15. Tenure by Age Group in Sequim

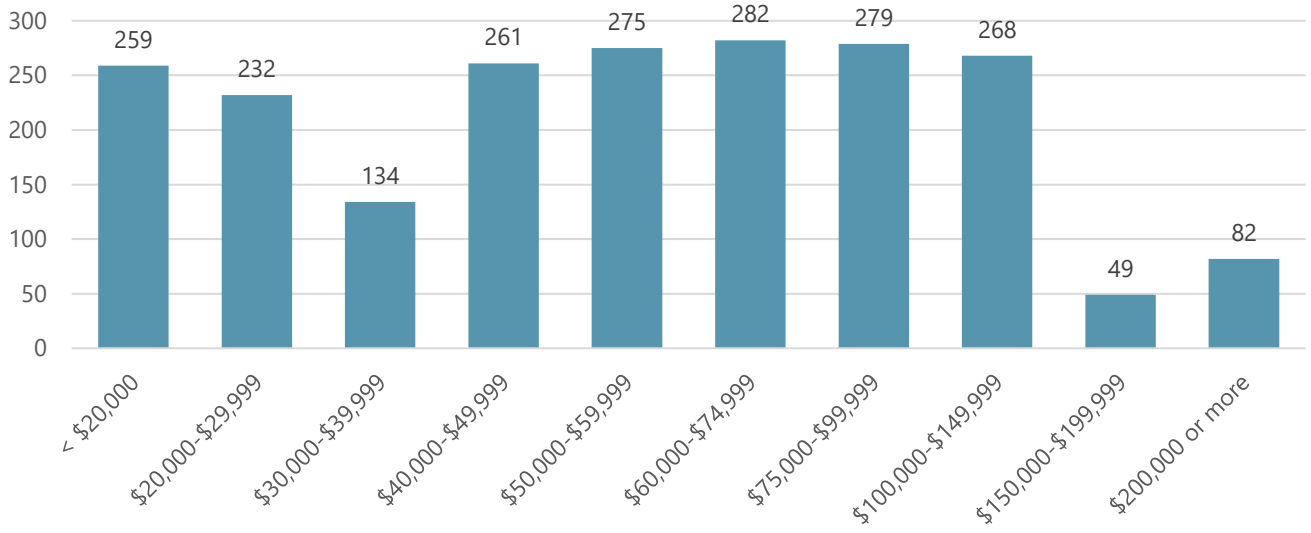


Source: US Census Bureau 2023 Five-Year ACS (Table B25007).

As of 2024, the median family income in Clallam County for a family of four is $93,900. The 80 percent MFI income band ranges from $51,450 for a single person household to $97,000 for an eight-person household. In Sequim, 886 households (42 percent) headed by someone 65 or older

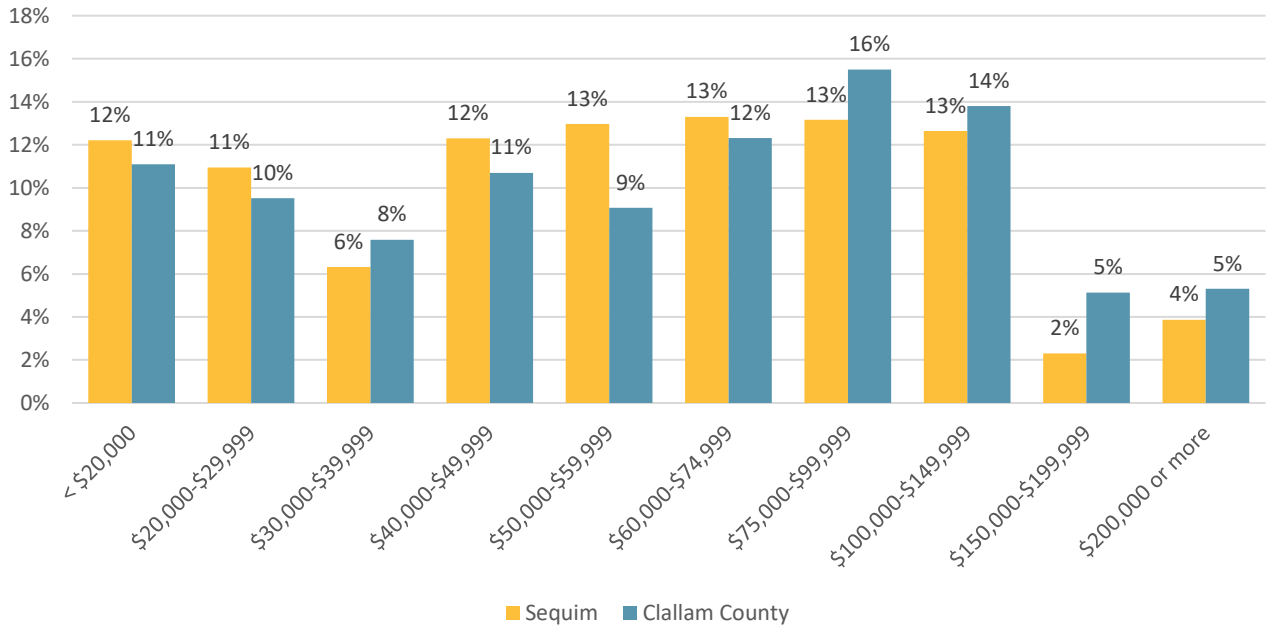
have incomes less than $50,000. Countywide, 39 percent of seniors have household incomes below $50,000.

Figure 16. Number of Sequim Households with Householders over 65 Years Old by Income



Source: US Census Bureau 2023 5-year ACS, Table B19037.

Figure 17. Share of Senior Households by Income in Sequim and Clallam County



Source: US Census Bureau 2023 5-year ACS, Table B19037.

Special Housing Needs

Special housing needs typically include housing types that are not commonly supplied on the open market. This includes housing for the elderly, people with disabilities, and homeless individuals and families.

Figure 18 below shows the number ~~of~~ and share of households by disability status. Note that one person may have more than one disability, and some households may have more than one disabled resident. In Sequim, 40 percent of households (1,383 total) report at least one disability. There are 820 households where at least one member has a self-care or independent living limitation and 850 where at least one household member has an ambulatory limitation. This indicates that there may be a need for accessible housing units with features that are designed to accommodate a variety of physical disabilities, or there could be demand for programs that help families retrofit their homes to accommodate their changing needs as they age.

Figure 18. Households by Disability Status of Members

	Number	Share
Household member has a cognitive limitation	630	18%
Household member has a hearing or vision impairment	630	18%
Household member has a self-care or independent living limitation	820	24%
Household member has an ambulatory limitation	850	24%
Household member has none of the above limitations	2,075	60%

Source: US Department of Housing and Urban Development 2016-2020 Comprehensive Housing Affordability Strategy (CHAS).

According to the 2023 Clallam County Point in Time Count, there are 214 homeless residents in Clallam County – 75 sheltered and 139 unsheltered. While the number of homeless residents has decreased since 2021, when there were 247 homeless residents countywide, there is still a need for a combination of shelter beds and permanent supportive housing (PSH) to address homelessness in Clallam County.

Workforce Profile

Local workforce characteristics

As of 2022, Sequim is home to 4,628 jobs and 3,007 employed residents. Health Care, Retail, Accommodation and Food Services, and Education are the top job sectors in Sequim. Retail has also seen the biggest increase in jobs, with 165 new jobs created between 2012 and 2022. Along with Retail, there has also been a significant increase in Health Care and Construction jobs.

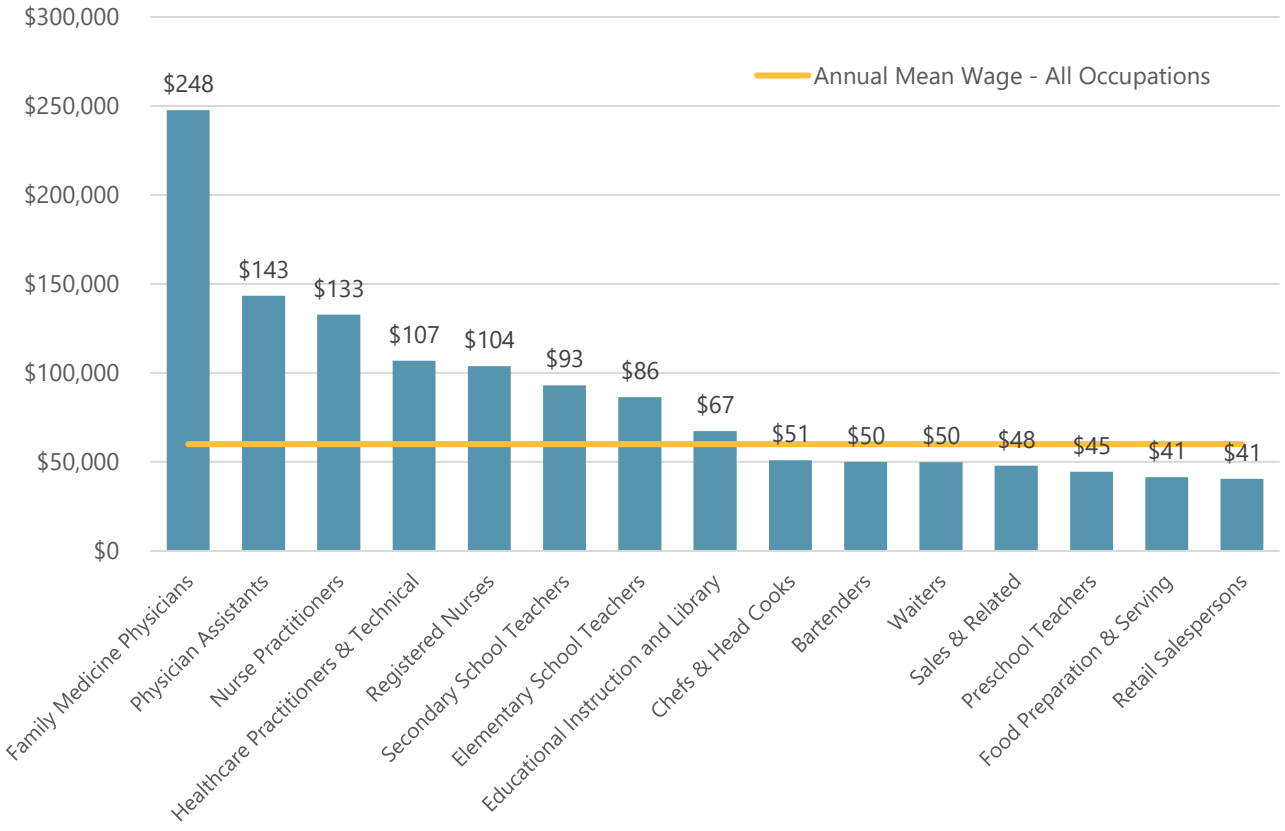
Figure 19. Jobs by Sector in Sequim (2012-2022)

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

Source: US Census via LEHD OntheMap.

Figure 20 below shows the annual mean wage for occupations within the top job sectors in Sequim. The data is for the Western Washington Non-Metropolitan Area, which includes Clallam County. Health Care occupations have relatively high annual wages compared with the other top sectors in the region. Preschool teachers, food prep and serving employees, and retail salespersons have the lowest annual wages.

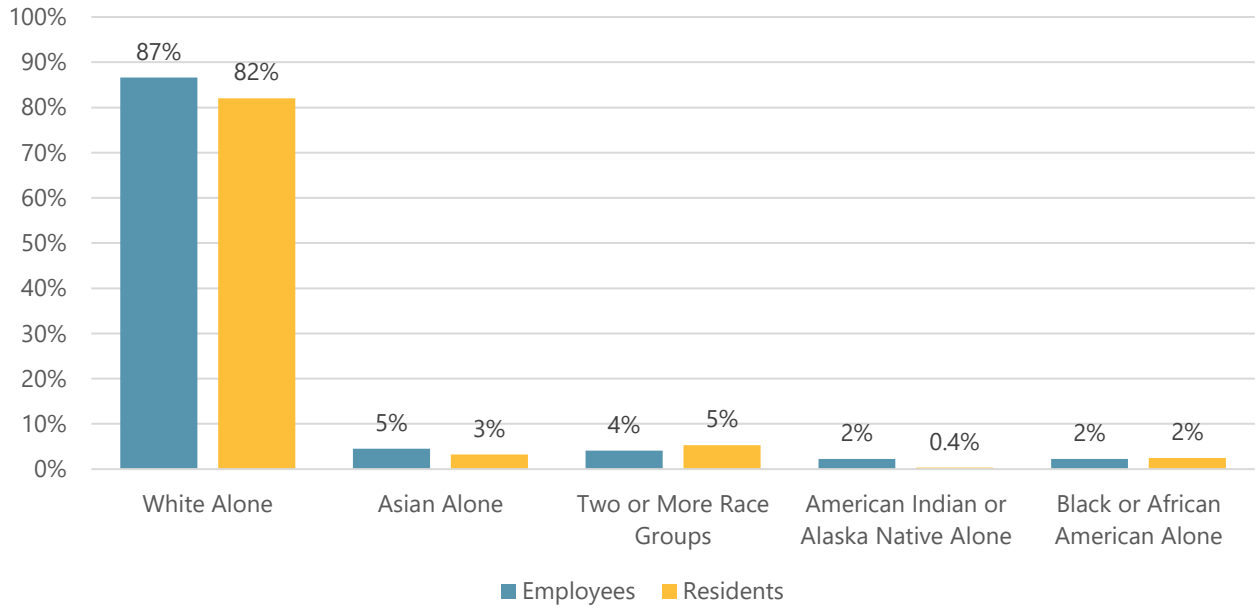
Figure 20. Annual Wages for Select Occupations, Western Washington Non-Metropolitan Area (May 2023)



Source: US Bureau of Labor and Statistics.

Among those who work in Sequim, 87 percent are white – a higher share than the general population. However, the local workforce has become slightly more diverse since 2010, when 92 percent of the local workforce was white.

Figure 21. Sequim Residents and Workforce by Race



Source: US Census Bureau 2022 5-Year ACS, Table DP05; LEHD OnTheMap.

Figure 22 below shows the home locations of Sequim's workforce by zip code. While 14 percent of the workforce in Sequim comes from within city boundaries, 45 percent comes from the 98382 zip code, which includes Sequim and surrounding unincorporated areas. An additional 20 percent come from zip codes that include Port Angeles and its surrounding unincorporated areas. Roughly half of those who work in Sequim commute fewer than ten miles to their jobs. However, 1,350 workers (30 percent) commute more than 25 miles to their jobs in Sequim.

Figure 22. Sequim Workforce by Home Location Zip Code (2022)

Zip Code	City	Share
98382	Sequim	45%
98362	Port Angeles	15%
98363	Port Angeles	5%
98368	Port Townsend	2%
98225	Bellingham	1%
98277	Oak Harbor	1%
98226	Bellingham	1%
98584	Skokomish	1%
98273	Mount Vernon	1%
98229	Bellingham	1%
All Other Locations		*29%*

Source: US Census via LEHD OnTheMap (2022).

As of 2022, over 4,000 of Sequim's 4,628 jobs were filled by people commuting into the city (including those living in unincorporated areas), while 616 workers (13 percent) with jobs in Sequim live within city limits.

Figure 23. Sequim Commuter In- and Out-Flows (2022)



Source: US Census via LEHD OnTheMap (2022).

Even though relatively few residents in Sequim work in the city, there does not appear to be a significant mismatch between jobs and the skills of local residents. Health Care, Retail, Accommodation and Food Services are the top sectors for people who live in Sequim, as well as the top job sectors in the city. However, as shown in Figure 25 below, there are more jobs than workers in these top sectors.

Figure 24. Jobs Worked by Sequim Residents (2012-2022)

	2012	2022	Change
Health Care and Social Assistance	370	608	238
Retail Trade	363	489	126
Accommodation and Food Services	244	281	37
Educational Services	147	188	41
Construction	88	185	97
Professional, Scientific, and Technical Services	91	155	64
Public Administration	93	149	56
Administration & Support, Waste Management	86	147	61
Manufacturing	87	124	37
Other Services (excluding Public Administration)	150	113	(37)
Arts, Entertainment, and Recreation	138	102	(36)
Wholesale Trade	70	91	21
Transportation and Warehousing	52	83	31
Finance and Insurance	62	72	10
Information	28	59	31
Real Estate and Rental and Leasing	34	54	20
Agriculture, Forestry, Fishing and Hunting	39	52	13
Management of Companies and Enterprises	16	39	23
Utilities	14	15	1
Mining, Quarrying, and Oil and Gas Extraction	2	1	(1)
Total	***2,174***	***3,007***	***833***

Source: US Census via LEHD OnTheMap.

Figure 25. Local Jobs and Workers by Sector in Sequim, 2022

	Jobs	Workforce	Difference
Health Care and Social Assistance	1,101	608	(493)
Retail Trade	984	489	(495)
Accommodation and Food Services	652	281	(371)
Construction	253	185	(68)
Educational Services	507	188	(319)
Public Administration	124	149	25
Professional, Scientific, and Technical Services	161	155	(6)
Administration & Support, Waste Management	297	147	(150)
Manufacturing	40	124	84
Other Services (excluding Public Administration)	169	113	(56)
Arts, Entertainment, and Recreation	50	102	52
Transportation and Warehousing	36	83	47
Agriculture, Forestry, Fishing and Hunting	4	52	48
Wholesale Trade	31	91	60
Finance and Insurance	139	72	(67)
Information	14	59	45
Management of Companies and Enterprises	0	39	39
Real Estate and Rental and Leasing	66	54	(12)
Utilities	0	15	15
Mining, Quarrying, and Oil and Gas Extraction	0	1	1

Source: US Census via LEHD OnTheMap (2022).

Jobs to Housing Ratio

There are 4,105 housing units in Sequim (per 2022 5-year ACS data) and 4,628 jobs (per 2022 data from LEHD OntheMap) – a ratio of 1.13 jobs per housing unit. This is within the recommended range that the Washington Department of Commerce expects cities to meet.

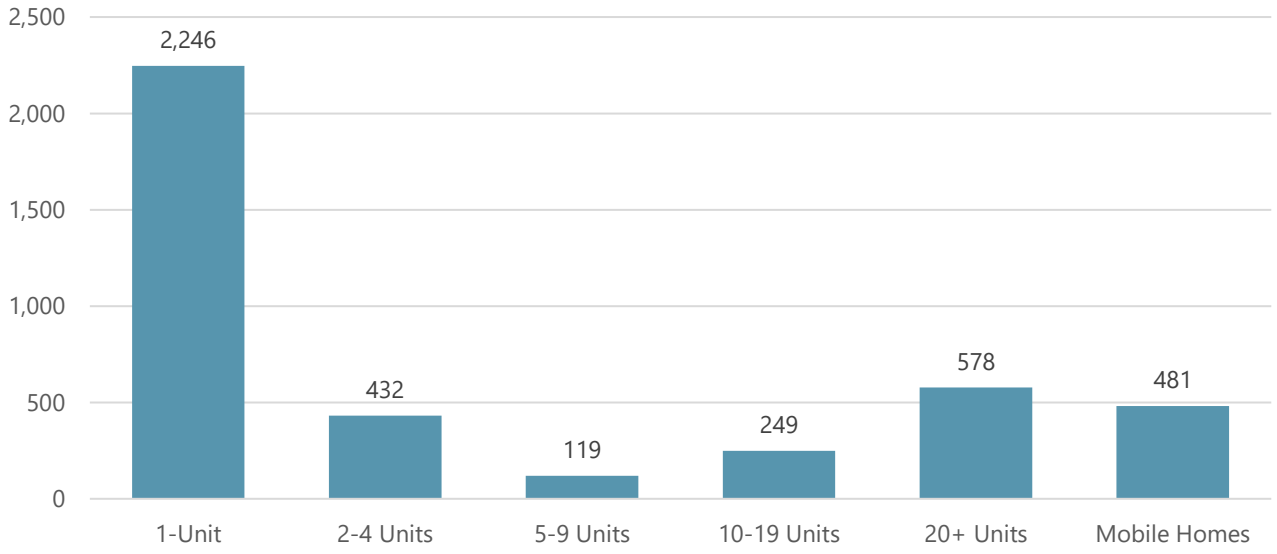
Leland Consulting Group estimates that land in Sequim has a net job capacity of 5,679 jobs.

Housing Supply

General Housing Inventory

Of the 4,105 housing units in Sequim, 55 percent (2,246) are in single unit detached or attached structures. The City is also home to 481 mobile homes.

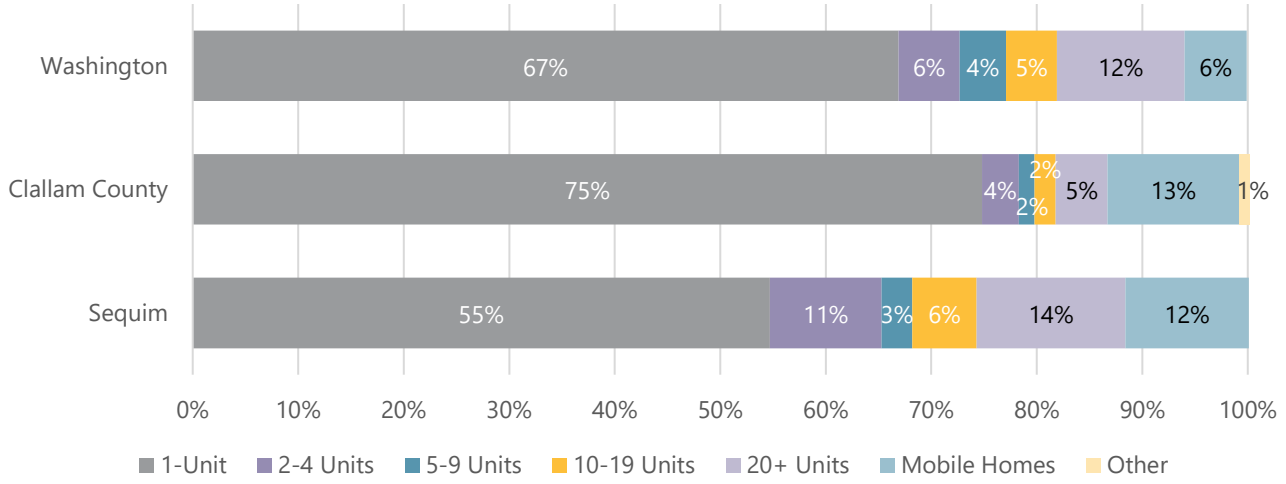
Figure 26. Number of Housing Units by Structure Type in Sequim



Source: US Census Bureau 2022 5-Year ACS, Table DP04.

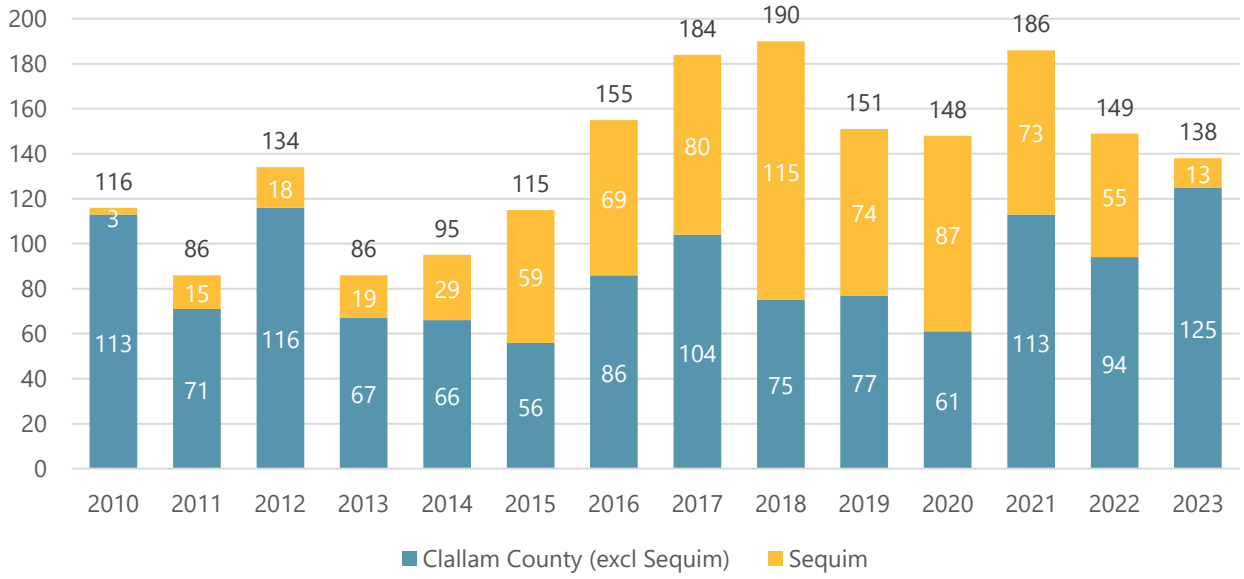
Sequim has a higher share of housing units in multifamily structures than the County or the state. In Sequim, 14 percent of homes are in structures with 20 or more units, compared to five percent countywide. Sequim also has a higher share of middle housing (homes in structures with two to four units) than Clallam County.

Figure 27. Share of Housing Units by Type in Sequim, Clallam County, and Washington



Source: US Census Bureau 2022 5-Year ACS, Table DP04.

Figure 28. Units Permitted by Year in Clallam County and Share of Permitted Units in Sequim, 2010-2023

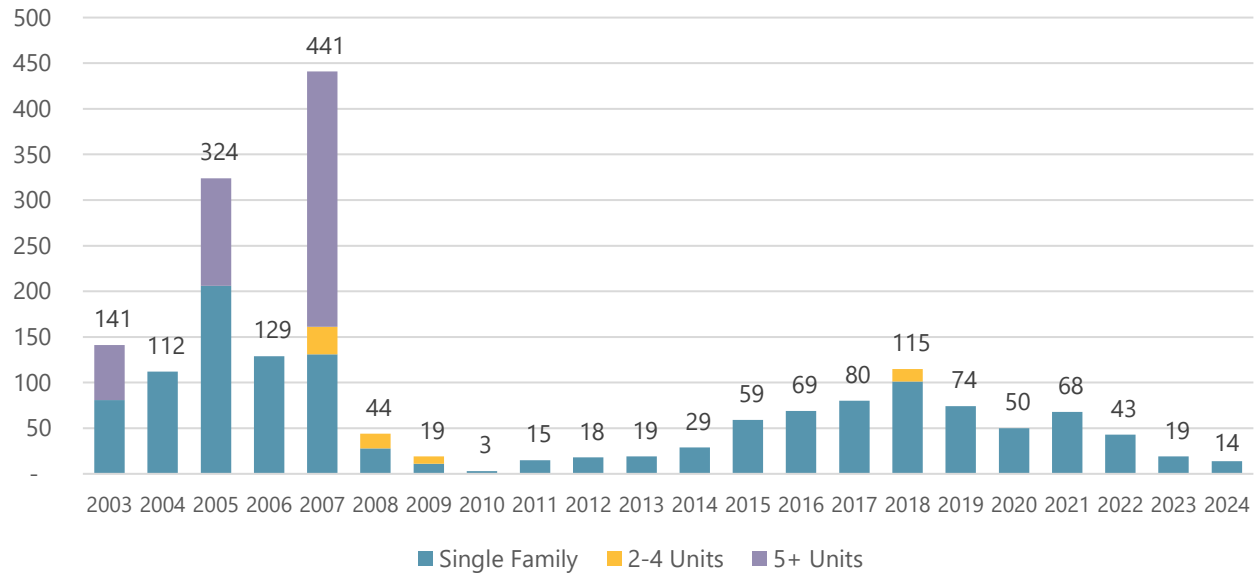


Source: US Census Bureau Building Permit Survey.

Housing Market Conditions

Between 2003 and 2023, 1,919 new housing units were permitted in Sequim. Of these, 458 (24 percent) were in structures with five or more units. In 2018, 14 duplex units were permitted. Between 2019 and 2023, over 250 units were permitted, compared with 1,147 in 2003 to 2007.

Figure 29. Housing Permits in Sequim by Structure Type, 2003-2024



Source: US Census Bureau SOCDS Building Permit Database; City of Sequim (for years 2002-2024).

Since 2014, a net total of 646 units have been added to Sequim's housing unit inventory.

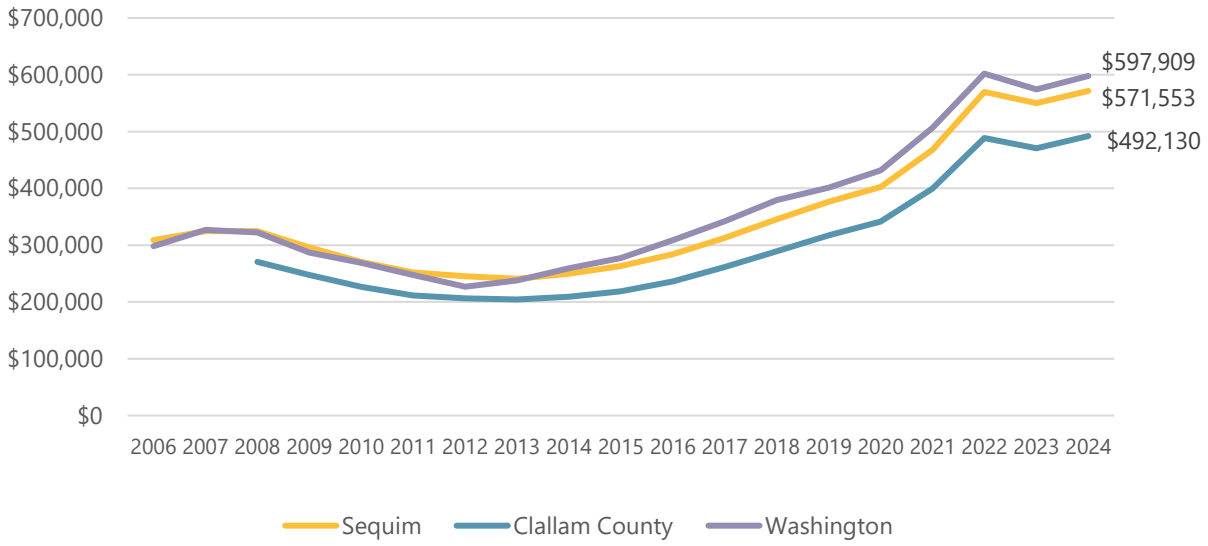
Figure 30. Housing Units in Sequim and Net Annual Change, 2014-2024

	Sequim Housing Units	Net Annual Change
2014	3,932	
2015	3,952	20
2016	4,018	66
2017	4,092	74
2018	4,167	75
2019	4,280	113
2020	4,369	89
2021	4,442	73
2022	4,501	59
2023	4,547	46
2024	4,578	31

Source: Washington Office of Financial Management Population & Housing Estimates.

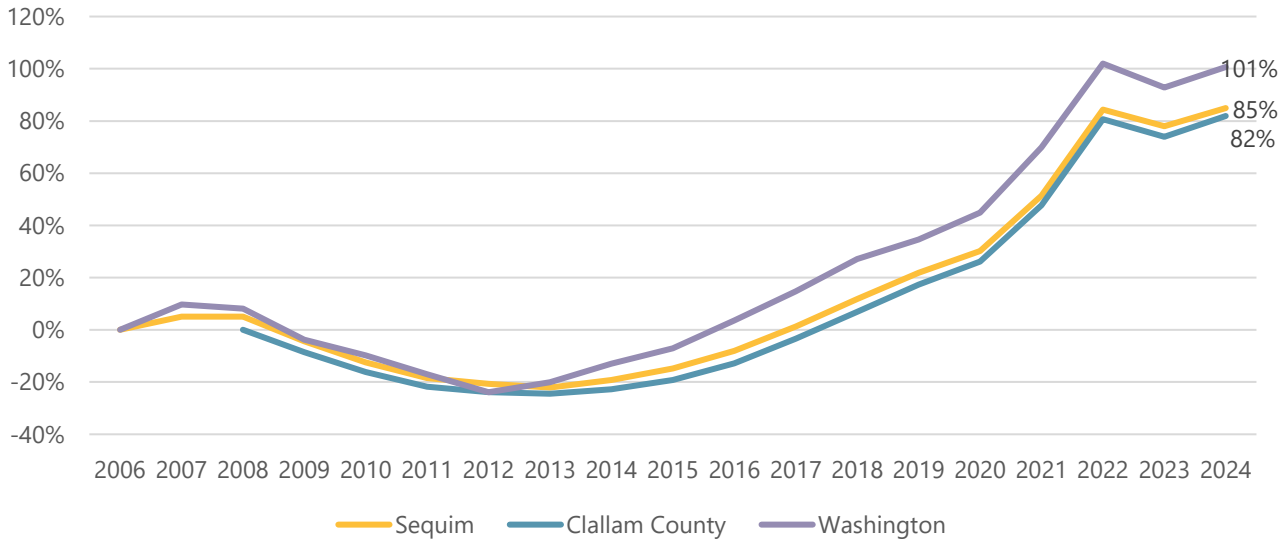
The Zillow Home Value Index (ZHVI) reflects the typical value for homes in the 35th to 65th percentile range. As of April 2024, the typical home value in Sequim is $571,553 – higher than the County overall but lower than statewide home values. The typical home value in Sequim has grown by 85 percent since 2006, when it was $309,045. Although home value increases have slowed since 2021, they are once again on an upward trajectory.

Figure 31. Typical Home Values in Sequim, Clallam County, and Washington (2006-2024)



Source: Zillow Home Value Index (ZHVI). Data as of April of each year.

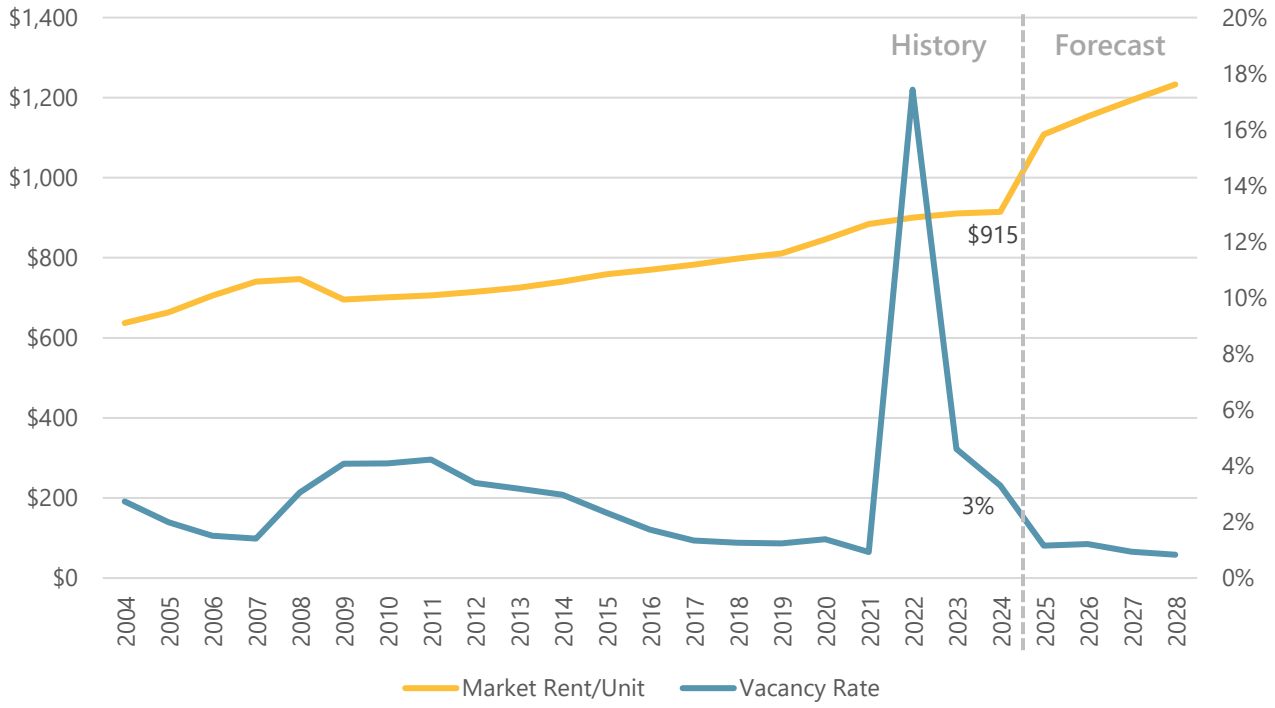
Figure 32. Cumulative Housing Value Growth, Sequim, Callam County, and Washington



Source: Zillow Home Value Index (ZHVI). Data as of April of each year. No information available before 2008 for Clallam County.

According to commercial real estate data aggregator CoStar, Sequim has 23 multifamily properties with a total of 1,192 units. There are no units currently under construction in the city. The vacancy rate as of Q1 2021 is 3.3%, below the five percent threshold typically indicative of a healthy market. Lavender Meadows, a 217-unit mobile home park, is the most recently built multifamily property in Sequim. Prior to that, no multifamily housing had been added to Sequim since 2012, when the 42-unit SeaBreeze Apartments were completed. Because there is no multifamily rental housing in the development pipeline, the vacancy rate is expected to remain extremely low. The spike in vacancies in Figure 33 below correlates to the lease-up period for Lavender Meadows. As of Q1 2024, the market rent per unit is $915. It is expected to rise to $1,058 by the end of the year.

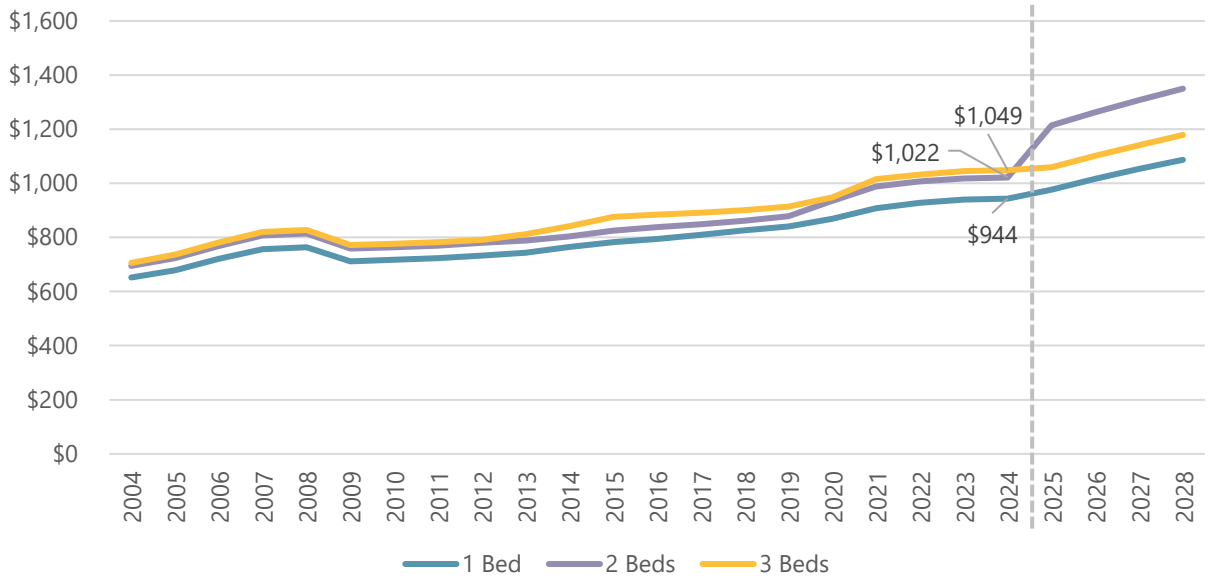
Figure 33. Multifamily Market Rent per Unit and Vacancy



Source: CoStar.

Over the past 20 years, rent in Sequim has increased 45 percent for one-bedroom units, 47 percent for two-bedroom units, and 49 percent for three-bedroom units. As of Q1 2024, the market asking rent per square foot is $1.31, up from $0.90 in 2004 (an increase of 46 percent).

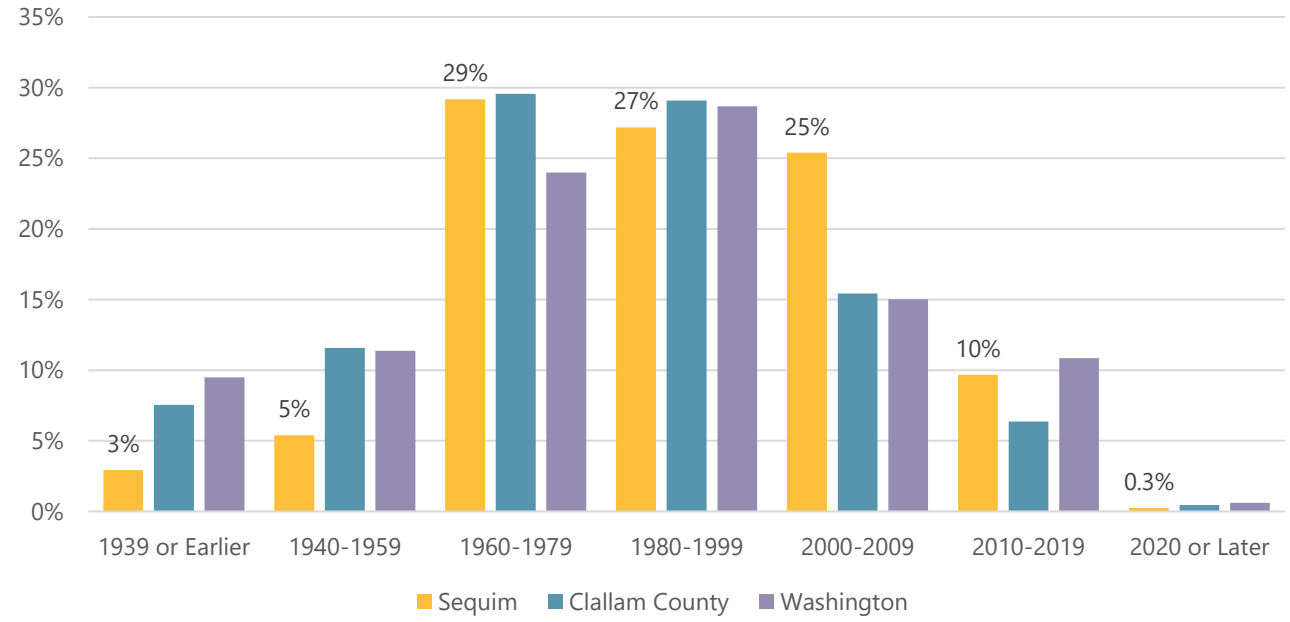
Figure 34. Market Rent per Unit-by-Unit Type in Sequim



Source: CoStar.

Compared with the rest of the county, the housing stock in Sequim is relatively new. In Sequim, 37 percent of housing units were built prior to 1980, compared with 49 percent of Clallam County housing units and 45 percent of housing units statewide. In addition, 35 percent of Sequim's housing units have been built since 2000, compared with 22 percent countywide and 26 percent statewide. The years with the most homebuilding were 1960 to 2009, when 82 percent of Sequim's housing units were completed.

Figure 35. Housing Units by Year Built in Sequim, Clallam County, and Washington



Source: US Census Bureau 2022 5-Year ACS, Table S2504.

The US Department of Housing and Urban Development tracks data relating to housing quality. The four housing problems, referenced in Figure 36 below, include incomplete kitchen facilities; incomplete plumbing facilities; more than one person per room; and cost burden greater than 30 percent. Housing problems are considered severe when residents have cost burdens greater than 50 percent (meaning they spend at least half of their income on housing). Of the households with at least one housing problem, 63 percent are renter households. Of those with at least one severe housing problem, 60 percent are renters.

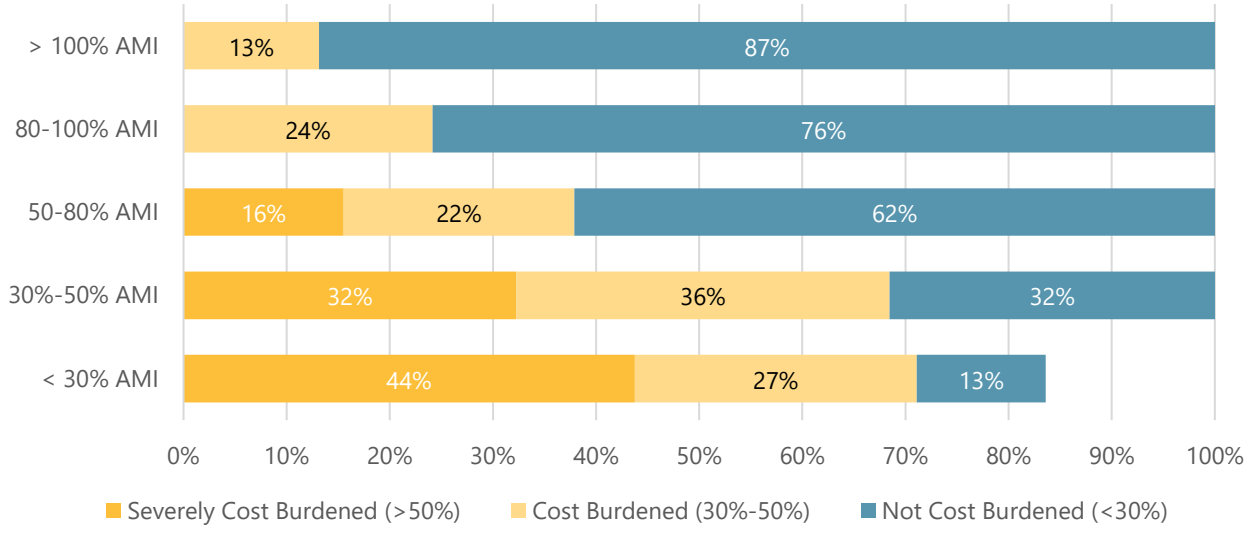
Figure 36. Housing Units by Tenure and Housing Problems

	Owner	Rental	Total
Household has at least 1 of 4 Housing Problems	530	894	***1,424***
Household has none of 4 Housing Problems	1,425	515	***1,940***
Household has at least 1 of 4 Severe Housing Problems	285	425	***710***
Household has none of 4 Severe Housing Problems	1,675	1,090	***2,765***

Source: US Department of Housing and Urban Development 2016-2020 CHAS Data.

Housing cost burden is directly correlated with income. In Sequim, 13 percent of those making over 100 percent AMI are cost burdened, compared with 71 percent of households making less than 30 percent AMI.

Figure 37. Housing Cost Burden by Income Band in Sequim



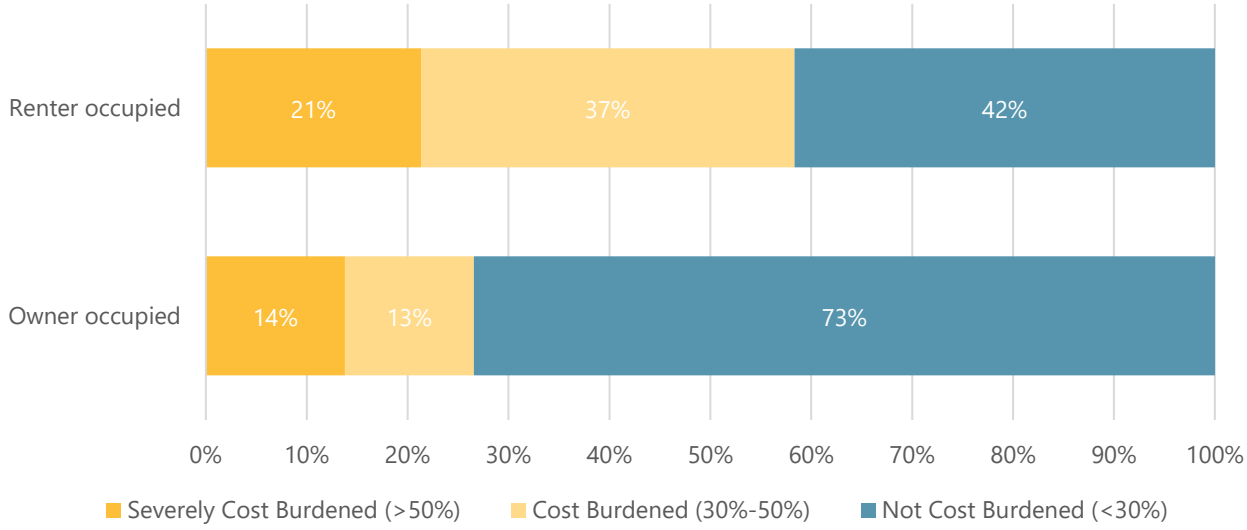
Source: US Department of Housing and Urban Development 2016-2020 CHAS Data.

Note: Total for very low income households (those making below 30 percent AMI) is less than 100 percent because cost burden was not reported for 105 households in this income range (16 percent).

In addition, renter households are more likely to be cost burdened than owner households. In Sequim, 21 percent of renter households spend more than 50 percent of their income on rent, compared with 14 percent of owner households. Although Sequim has a relatively low displacement risk (per the Washington Department of Commerce), renter households that spend more than 30 percent of their incomes on housing costs are at a higher risk of eviction and displacement. The

Gap **Analysis** section of this report includes State estimates for housing needed by income bracket in Sequim.

Figure 38. Cost Burden by Tenure in Sequim



Source: US Department of Housing and Urban Development 2016-2020 CHAS Data.

Special Housing Inventory

According to the Washington Office of Financial Management, as of 2024 Sequim has 527 units categorized as "mobile homes and special housing." This is a 23-unit increase since 2020. As of 2024, 7.6 percent of Clallam County's mobile home and special housing is located in Sequim. The vast majority of these types of units (79 percent) are located in unincorporated areas of the county. ~~Sequim currently has 16 units of permanent supportive housing (PSH), located in the Sunbelt Apartments, and no emergency housing.~~

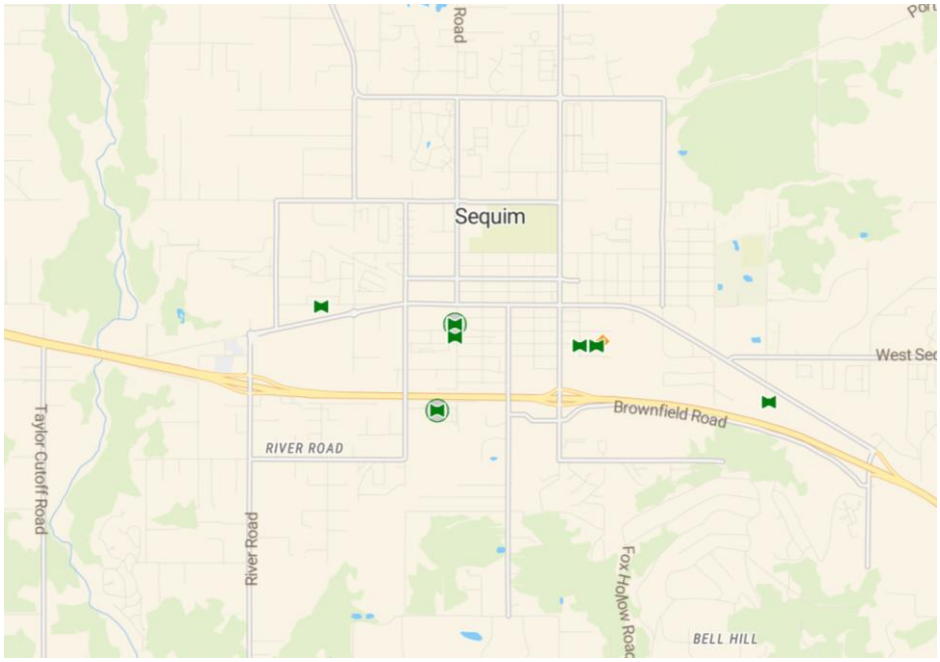
Sequim has 478 units of subsidized housing, mostly serving households earning 60% AMI and below, and all built before 2010. The Pioneer Villa Apartments are a project-based Section 8 project serving a variety of low-income levels. The table and map below show details and the locations of these units.

Figure 39. Subsidized Housing Units in Sequim

Project	Units	AMI	Year Built
Suncrest I	43	60% AMI	2009
Sea Breeze Apartments	41	60% AMI	2009
Mountain View Apartments	72	60% AMI	2009
Suncrest Village	36	60% AMI	1994
Vintage at Sequim	116	60% AMI	2007
Pioneer Villa Apartments	34	Section 8	1980
Elk Creek Apartments	136	60% AMI	2008
Total	478		

Source: PolicyMap

Figure 40. Subsidized Housing Locations in Sequim



Sequim currently has 16 units of permanent supportive housing (PSH), located in the Sunbelt Apartments, and no emergency housing.

Figure 41. The Sunbelt Apartments, Permanent Supportive Housing in Sequim



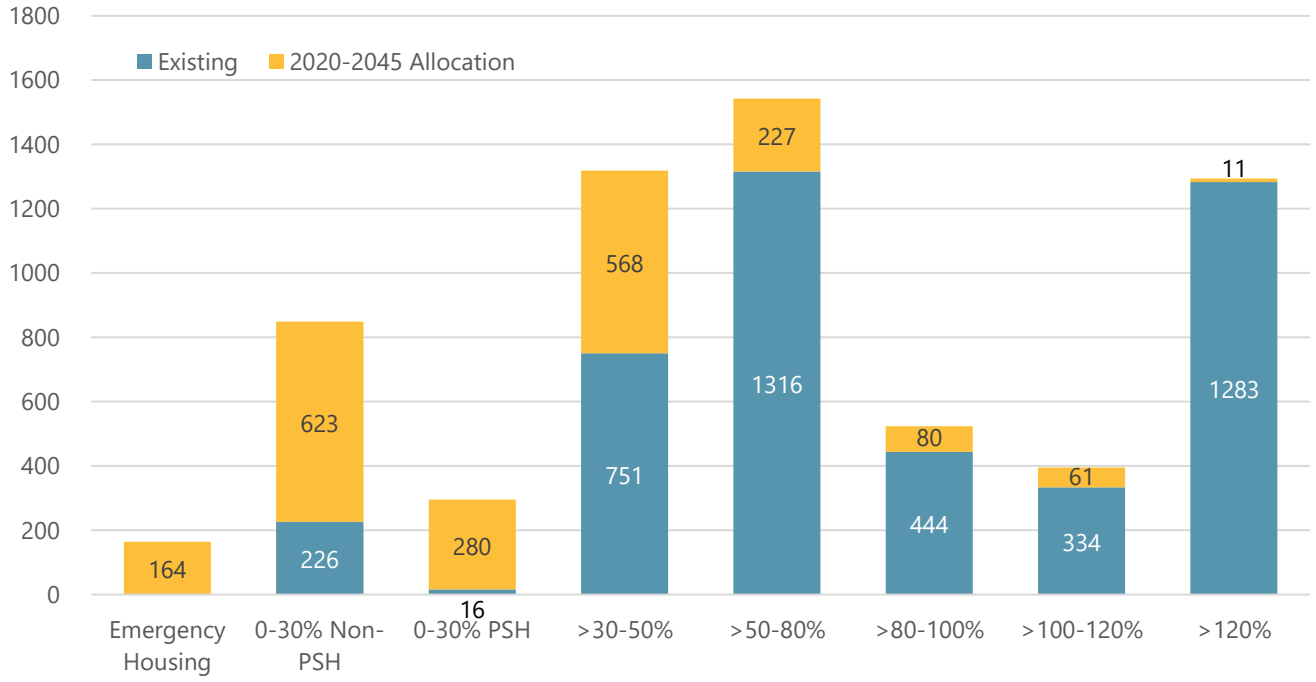
Source: Serenity House Clallam County.

Gap Analysis

Clallam County is planning for the Washington State Office of Financial Management's GMA population forecast of 86,700 total persons during the 2025-2045 planning period. Through a regional coordination process, Clallam County allocated 31 percent of new population growth to Sequim and five percent to the unincorporated Sequim UGA. Using Washington State Department of Commerce's Housing for All Planning Tool (HAPT), population growth has been translated into 5,968 new housing units for Clallam County during the planning period; 1,850 new units are distributed to City of Sequim and 298 new housing units to the Sequim UGA.

Clallam County, again using the State's HAPT methodology, distributed new housing units by income band for each county jurisdiction. Figures 40, 41 and 42 report the housing unit allocation and distribution by income for Sequim and its UGA.

Figure 42 41. Existing Housing as of 2020 and 2020-2045 Allocations by Income Level in the City of Sequim



Source: Clallam County Resolution 2023-01, Washington State Department of Commerce

Figure 43 ~~42.~~ Existing Housing as of 2020 and 2020-2045 Allocations by Income Level in the City of Sequim

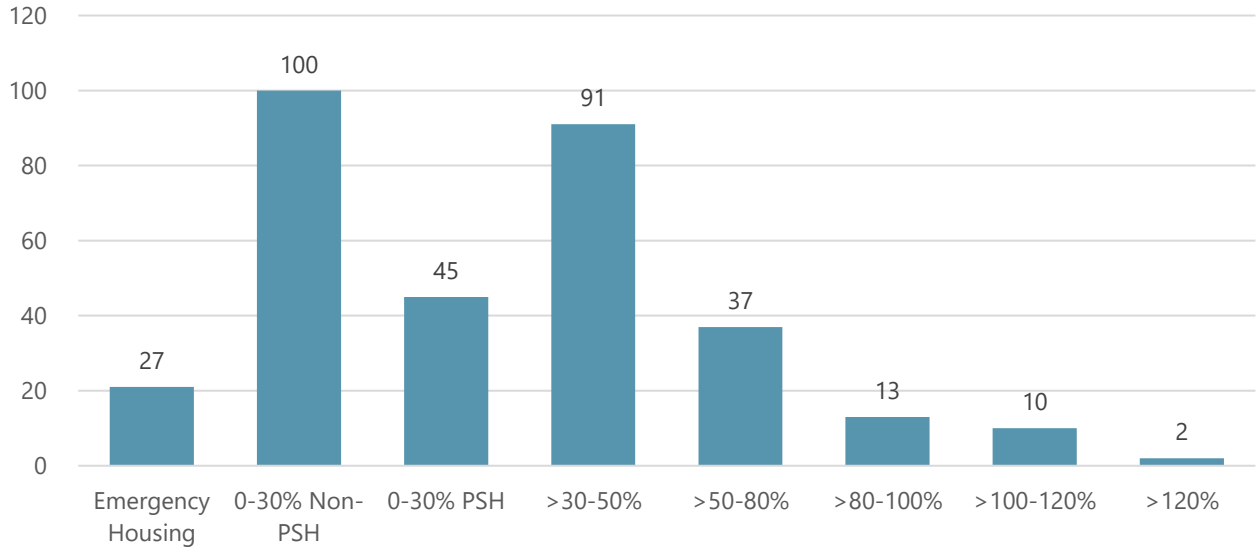
	Existing	2020-2045 Allocation
Emergency Housing	0	191
0-30% Non-PSH	226	623
0-30% PSH	16	280

>30-50%	751	568
>50-80%	1316	227
>80-100%	444	80
>100-120%	334	61
>120%	1283	11

Source: Clallam County.

The income distribution of the 298 new housing (excluding emergency housing) in the Sequim unincorporated UGA is shown below.

Figure 44 ~~43.~~ 2020-2045 Housing Allocations for Unincorporated Areas within the Sequim UGA

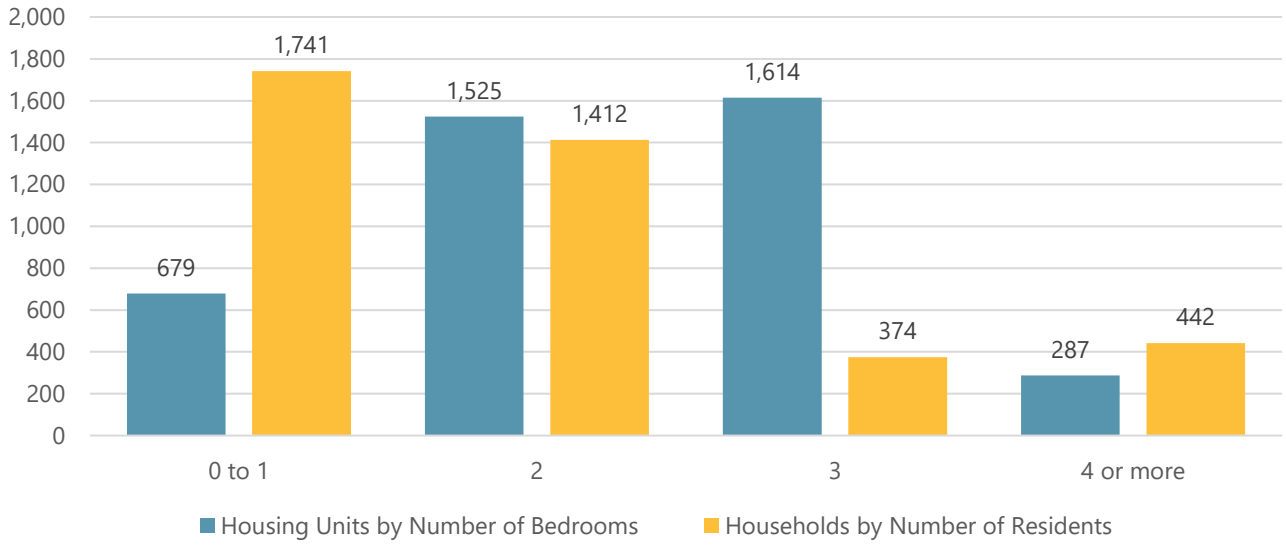


Source: Clallam County.

To meet the 2045 allocation of 191 emergency housing beds and 623 units of permanent supportive housing, 31 of these units per year will need to be added. This is likely to be extremely challenging, as there is a limited amount of funding available for this kind of deeply affordable housing. The Adequate Provisions assessment included as Housing Appendix A-3 ~~A-2~~ explores this challenge further.

In addition, there may be a mismatch between the number of residents per household and the number of bedrooms per housing unit in Sequim. There are 1,741 single-person households in the city, and there are 679 studio or one-bedroom units. In addition, while there are 374 three-person households, there are 1,614 housing units with three bedrooms. As residents age, they may want to downsize to reduce the time and effort needed to maintain a larger home, and this would be a challenge in Sequim due to the lack of smaller housing units.

Figure 45 44. Housing Units by Number of Bedrooms and Households by Number of Residents in Sequim



Source: US Census Bureau 2022 5-Year ACS, Tables S2501 and S2504.

Land Capacity 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 targets as reported in Figure 4145 above, Sequim must then demonstrate sufficient land capacity for the number of units allocated in each income band, as well as capacity for emergency housing units. The full methodology and results of this analysis are found in the Land Capacity Analysis (LCA) in Housing Appendix A-2. ~~A-3.~~

In brief, following the methodology established by the Department of Commerce and supplemented by Leland Consulting Group, the LCA first classified parcels as vacant, partially-used (i.e. able to be subdivided), or redevelopable, and excluding critical areas, recently developed parcels, publicly owned parcels, and other areas expected not to see redevelopment over the planning horizon. Next, the vacant, partially-used, and redevelopable acreage was assigned to residential or commercial uses based on zoning and recent development trends, and multiplied by density assumptions, again based on zoned densities and recent and expected development trends in Sequim. Finally, the resulting housing unit capacity was assigned to income bands that could be served by housing types allowed in each zone, and pending projects (built since 2020, permitted, or in the development pipeline) were also added, since the baseline year of the Commerce housing targets is 2020.

Following Department of Commerce guidance, analyzing land capacity by income band is accomplished by grouping zones into zone categories based on the housing types that are allowed and then grouping those categories by the lowest potential income level that could be served by the housing types in that zone category. This does not imply that the entire zone will be built out with subsidized or deeply subsidized units, but it does indicate that the zone allows housing types that can serve those lower income bands to be built. As discussed in the Land Capacity Analysis in

Appendix A-2, showing capacity for housing types that can serve all identified needs across income bands, through zoning, is the purpose of the income-band LCA, but other analyses and efforts are required by the GMA to ensure that this capacity for lower-income units can be realized. These subsequent analyses, which demonstrate measures that Sequim is taking to remove barriers to production and encourage and ensure that the zoned land identified in the LCA can provide the needed housing units at all income bands to meet Sequim's planning targets, can be found in the Adequate Provisions Analysis in Appendix A-3.

The initial results of ~~this~~ the LCA analysis are shown below, under land use designation and zoning before the adoption of the periodic update. Note that the housing needs are shown in the first column for all income-bands but are aggregated into three larger categories: 0-80% AMI, 80-120% AMI, and 120% AMI and higher, in order to compare the needs to the land capacity by income band, which is only calculated in these three larger groupings of income bands.

Since housing types that can serve households earning under 120% AMI are all served by the same or similar housing types in the same or similar zoning designations (that is, low- to mid-rise multifamily apartments), it is not possible to disaggregate the pure land capacity between these income bands. Note that the purpose of the LCA analysis is to determine if Sequim has sufficient zoned land capacity to accommodate its needed housing at the various income bands. Once this task is complete, the Adequate Provisions analysis in Housing Appendix A-3 discusses at length the various factors, regulations, subsides, and other considerations needed to ensure the housing needs at the disaggregated lower income bands can be developed in the city over the next 20 years. ~~which show that Sequim has sufficient capacity under current zoning at all income bands:~~

Figure 46 ~~45.~~ 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 of land capacity under current zoning 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 from commercial or industrial zones which currently do not allow multifamily 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~~ The

City is proceeding with 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. After adding these rezoned parcels into the analysis, there is an increased capacity to serve lower income bands as shown below:

Figure 46. 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**

~~See also Housing Appendix A-3 for a detailed discussion of the LCA process, methodology, and results.~~

A detailed discussion of the methodology, assumptions, and results of the Land Capacity Analysis can be found in Housing Appendix A-2. A detailed discussion of efforts and measures the City is taking to remove barriers to the construction of units serving lower income bands and the subsidy required for them to be built can be found in Housing Appendix A-3 Adequate Provisions.