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 zoned land 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 *Guidance for Updating Your Housing Element v3.4 (August 2023)*
    - Note: this guidebook also adds a methodology for housing unit capacity analysis by income band to comply with HB 1220
- Recent Land Capacity Analysis methodology used in Port Angeles.

Note that this report includes the LCA for Sequim within the city limits. As part of the Clallam County Comprehensive Plan update, the County has completed an LCA for Sequim's UGA.

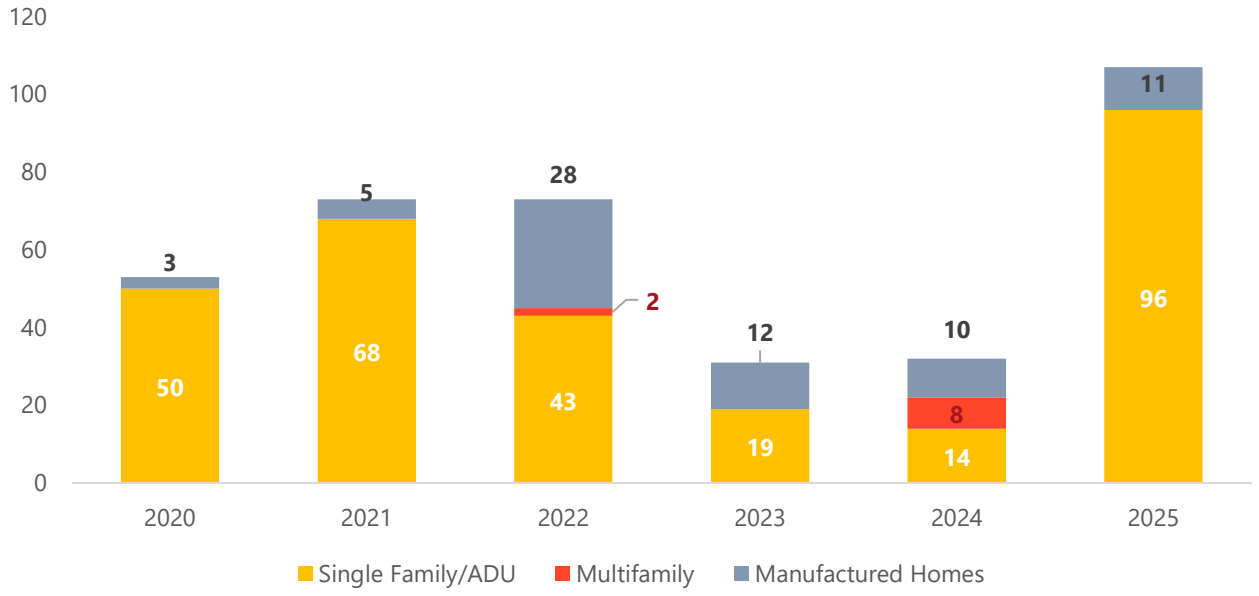
This report analyzes available land capacity by zoning, and associates zoning with various affordability levels based on the methodologies described above and the statewide guidance provided by the Department of Commerce. This analysis represents only one portion of the required Housing Element analysis outlined in the Department of Commerce's Guidance for Updating your Housing Element. The GMA also requires a Housing Needs Analysis, which can be found in Appendix A-1, and a Racially Disparate Impacts Analysis, which considers past and present policies that may contribute to racially disparate impacts in housing access and affordability and requires cities to adopt policies to attempt to undo those impacts. The Racially Disparate Impacts Analysis can be found in Appendix A-4. Additionally, Commerce requires an Adequate Provisions Analysis (found in Appendix A-3), which builds on the results of this LCA and analyzes potential barriers to housing production beyond zoned land capacity.

This LCA lays the foundation for the Adequate Provisions Analysis by ensuring that there is sufficient zoned land for the number and types of housing units that are required to meet statewide targets, but the Adequate Provisions Analysis in Appendix A-3 builds on the LCA and demonstrates measures that Sequim is taking with this Comprehensive Plan and its associated development regulations to remove barriers to production and encourage and ensure that the sufficient quantity of zoned land identified in this report can provide the needed housing units at all income levels over the planning horizon to meet the City's targets as determined by the State and Clallam County.

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

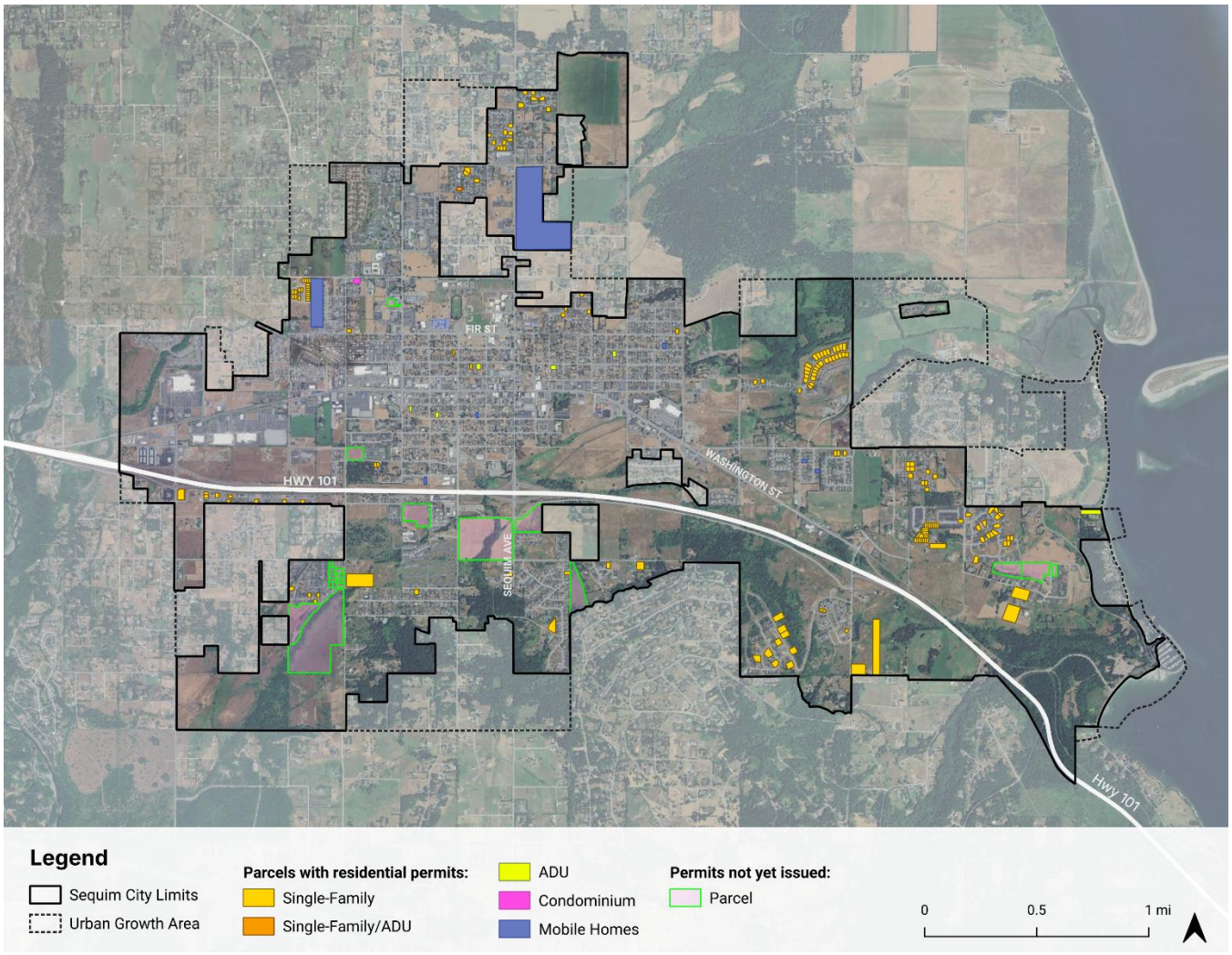


Source: City of Sequim

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. These units do count towards meeting Sequim's housing targets and are added to the total land capacity at the end of the process, as detailed below. 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.

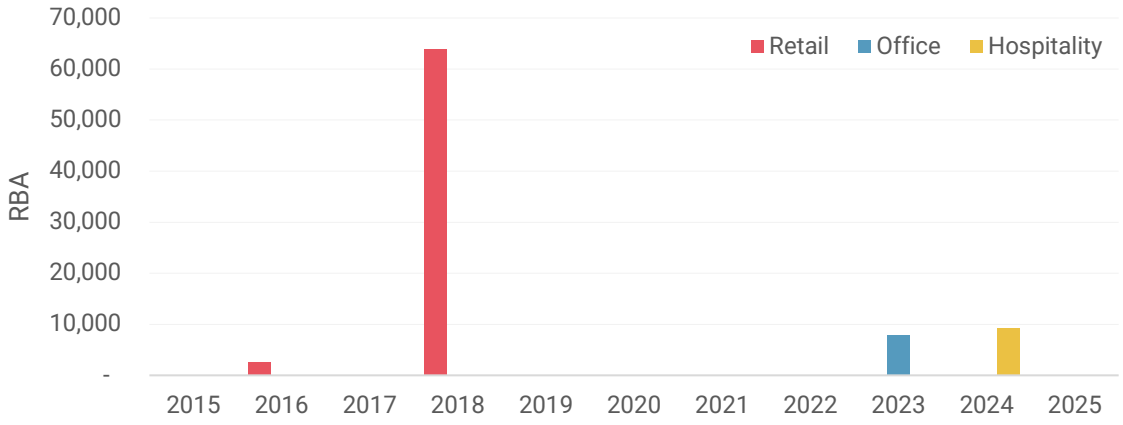
Figure 2. Residential Permits Location by Housing Type, 2020-2025



Source: City of Sequim

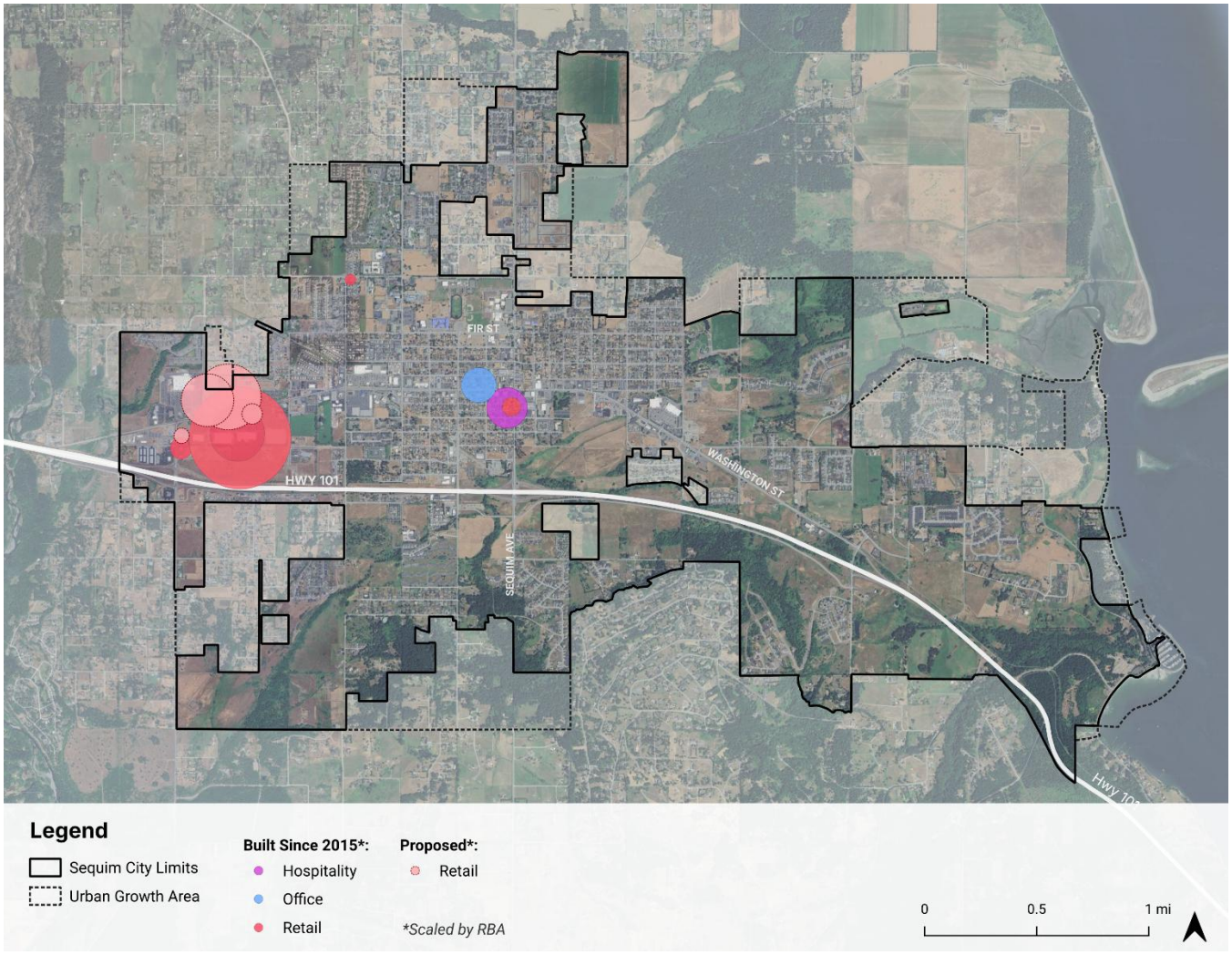
Some commercial development and redevelopment have appeared in the past decade, primarily retail. A total of **83,574 square feet of commercial development** was constructed since 2015. Figure 4 shows the location of these properties. Most of the recent development and redevelopment activity is concentrated 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**. This projection of housing need was determined by the Washington State Office of Financial Management's population forecast for Clallam County and the Washington Department of Commerce's Housing for All Planning Tool (HAPT), as well as regional coordination via the Clallam County Growth Management Act Steering Committee. The target itself is determined at the County level, and the City of Sequim participated in the Steering Committee process which determined the target, but the City does not unilaterally have control over its population or housing target. The HAPT output is shown below.

Figure 5. WA Department of Commerce Housing for All Planning Tool (HAPT) Output Showing Clallam County Housing Targets by Income Band (top) And Allocation By Jurisdiction as Determined by Clallam County Growth Management Act Steering Committee Resolution 2023-01 (bottom)

Clallam County

100.00% Met Target

Sum of user inputs for jurisdiction shares. If below 100%, increase shares. If above 100%, decrease shares.

	Total	Permanent Housing Needs by Income Level (% of Area Median Income) 0-30% Non-PSH	0-30% PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs (Temporary)
Countywide Estimated Housing Supply (2020)	35,748	1,520	50	5,244	8,816	4,559	3,033	12,526	144
Countywide Total Housing Needs (2045)	41,716	3,187	801	6,764	9,549	4,817	3,229	13,369	584
Countywide Additional Units Needed (2020-2045)	5,968	1,667	751	1,520	733	258	196	843	440

82.37% ← *Minimum allocation to urban areas (cumulatively) to accommodate needs at all affordability levels. This varies by county and population target.*

83.00% ← *Urban area combined % allocation from user inputs*

RESULTING HOUSING ALLOCATION FROM SELECTED SHARES

		Allocation - % Share of Future County Net Housing Need: User Input	Actual	Total Units Allocated (2020-2045)	Permanent Housing Needs by Income Level (% of Area Median Income) 0-30% Non-PSH	0-30% PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs (Temporary)
Forks	City	5.00	5.01 %	299	100	45	92	37	13	10	2	27
	Unincorporated UGA	0.50	0.50 %	30	10	5	9	4	1	1	0	3
Port Angeles	City	33.00	33.01 %	1,970	664	299	605	241	85	63	13	173
	Unincorporated UGA	5.00	4.99 %	298	100	45	91	37	13	10	2	27
Sequim	City	31.00	31.00 %	1,850	623	280	568	227	80	61	11	164
	Unincorporated UGA	5.00	4.99 %	298	100	45	91	37	13	10	2	27
Clallam Bay	Unincorporated UGA	0.50	0.50 %	30	10	5	9	4	1	1	0	3
Joyce	Unincorporated UGA	0.00	0.00 %	0	0	0	0	0	0	0	0	0
Carlsborg	Unincorporated UGA	3.00	3.00 %	179	60	27	55	22	8	6	1	16
Unincorporated Rural	Rural	[illegible]	16.99 %	1,014	0	0	0	124	44	34	812	0

Source: Clallam County

The total 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), as shown above in Figure 5. 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 a **standard metric** used by the federal government and agencies and jurisdictions across the U.S. 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's *Guidance for Updating Your Housing Element* (v3.4) as "subsidized, leased housing for people who are experiencing homelessness or are at risk of homelessness and living with a disabling condition." PSH units require additional resident services, but from the quantitative perspective of this land capacity analysis, land that can support non-PSH units at 0-30% AMI can also support PSH units at 0-30% AMI. Recent changes to requirements around STEP (Shelter, Transitional, Emergency, and Permanent Supportive Housing) require cities to allow PSH in all zones where permanent housing is allowed. Sequim's revisions to its zoning code have implemented these changes. Therefore, PSH and non-PSH 0-30% AMI housing is aggregated in this LCA report, since both PSH and non-PSH units can be built on the same zoned acreage, and this LCA report is only one portion of the required housing analysis showing compliance with state targets. Building on the results of this LCA, additional discussion of PSH, supportive services, funding for affordable housing, and measures that Sequim has taken to encourage, support, fund, and demonstrate capacity to meet the City's allocated housing needs at all income bands, including PSH units, can be found in detail in the Adequate Provisions Analysis in Appendix A-3.

Sequim's housing baseline and 2045 projections by income band are shown below.

Figure 6. 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 Growth Management Act Steering Committee Resolution 2023-01

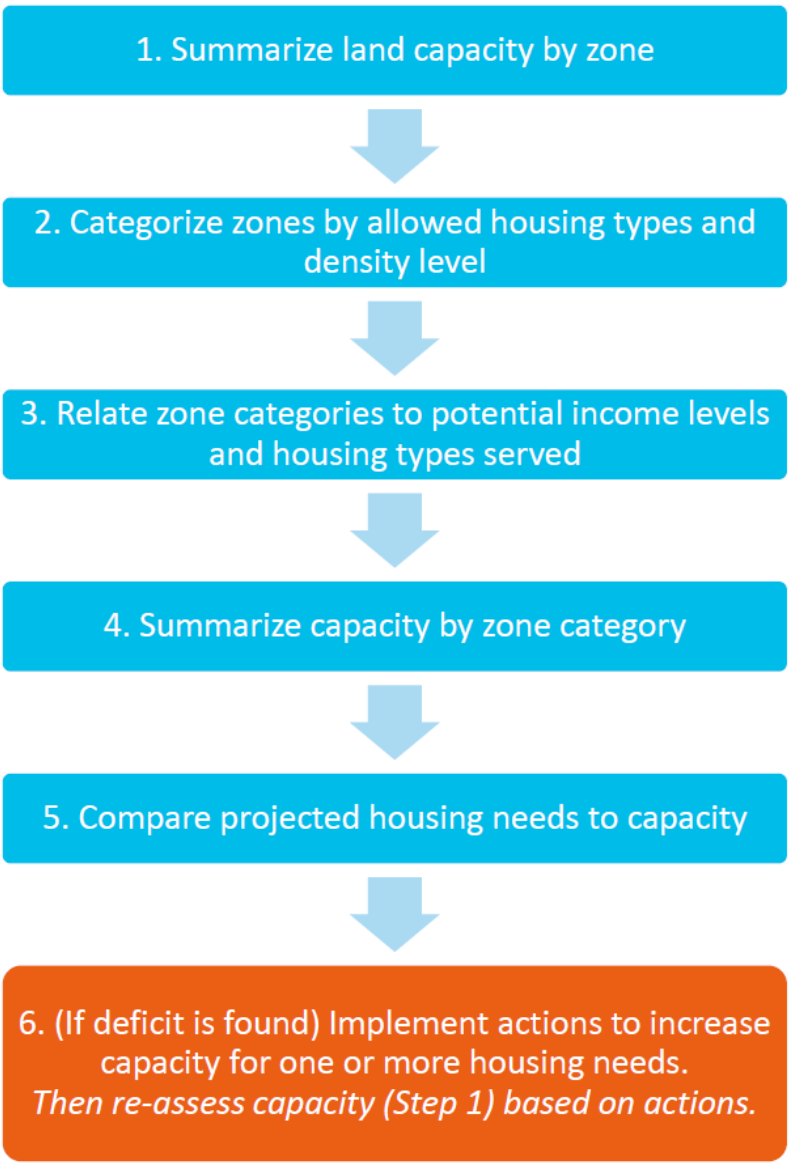
Finally, each jurisdiction received a projection for emergency housing needs, defined as "temporary accommodations for households who are experiencing homelessness or are at imminent risk of becoming homeless." A Land Capacity Analysis for emergency found later in this report, and a discussion of regulatory changes, funding, and other efforts to remove barriers to the development of Emergency Housing are found in detail in the Adequate Provisions Analysis in Appendix A-3. Finally, Clallam County determined Sequim's target for new jobs, for which the city must also show capacity. 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.

4. LAND CAPACITY ANALYSIS PROCESS

In brief, 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 this LCA as outlined in their *Guidance for Updating Your Housing Element*, and the detailed methodology and results of this process follow in the subsequent sections of this report.

Figure 76. 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:

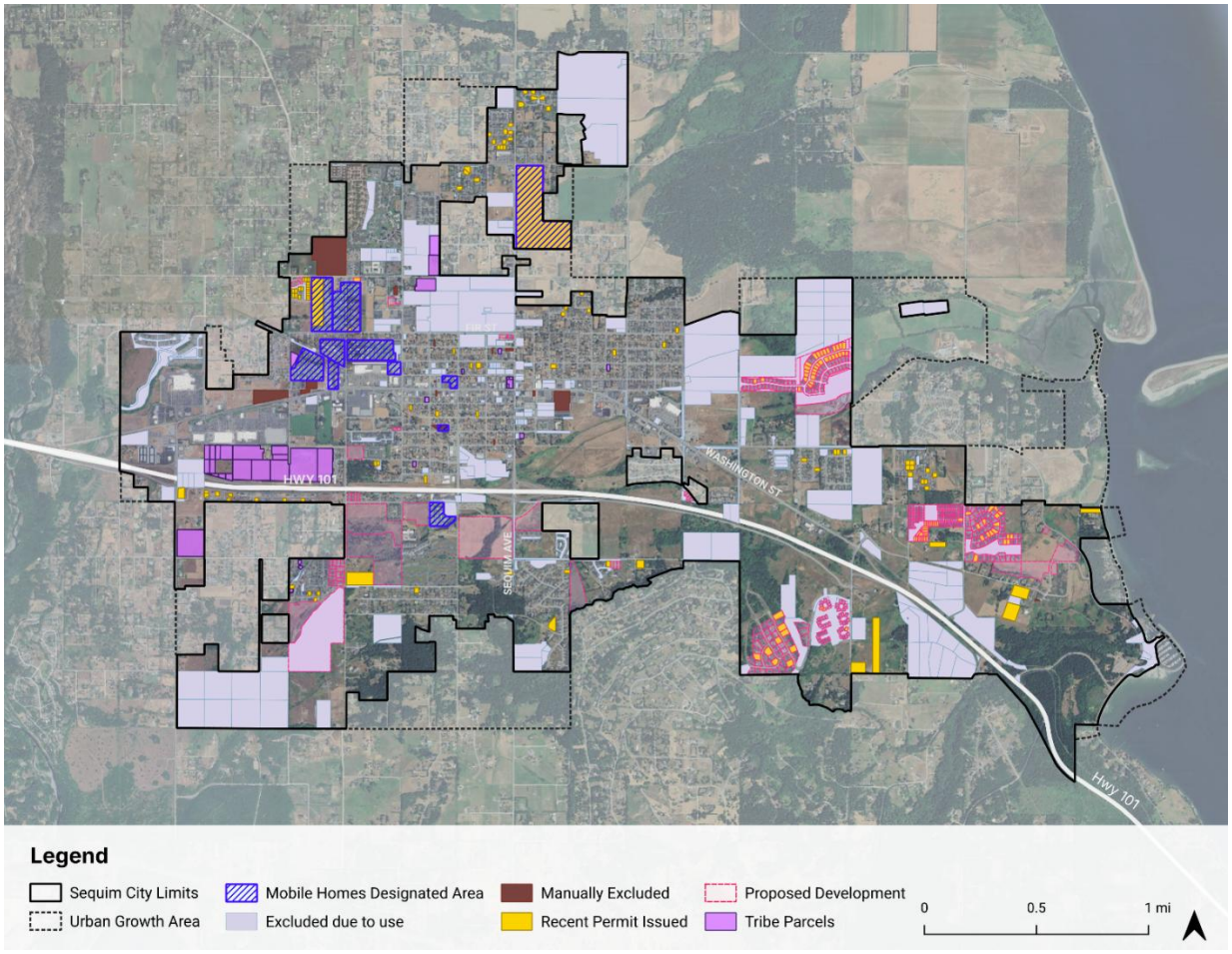
82	AGRICULTURE RELATED ACTIVITIES
4315	AIRCRAFT STR
4411	MARINE TM PS
4500	HIGHWAY STR
4540	ARTERIAL ST
4560	LOCAS AC ST
4570	ALLEYS
4580	EASE-R/W
4590	HWY & ST R/W
4700	COMMUNI
4730	RADIO COMM
4740	TELE COMM
4742	TELE TRANS
4749	OTHER TELE
4800	UTILITIES
4813	ELECT SUB-ST
4823	GAS STR/DIST
4830	WAT 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 (with the assessor code of_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 ~~8~~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 8 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.

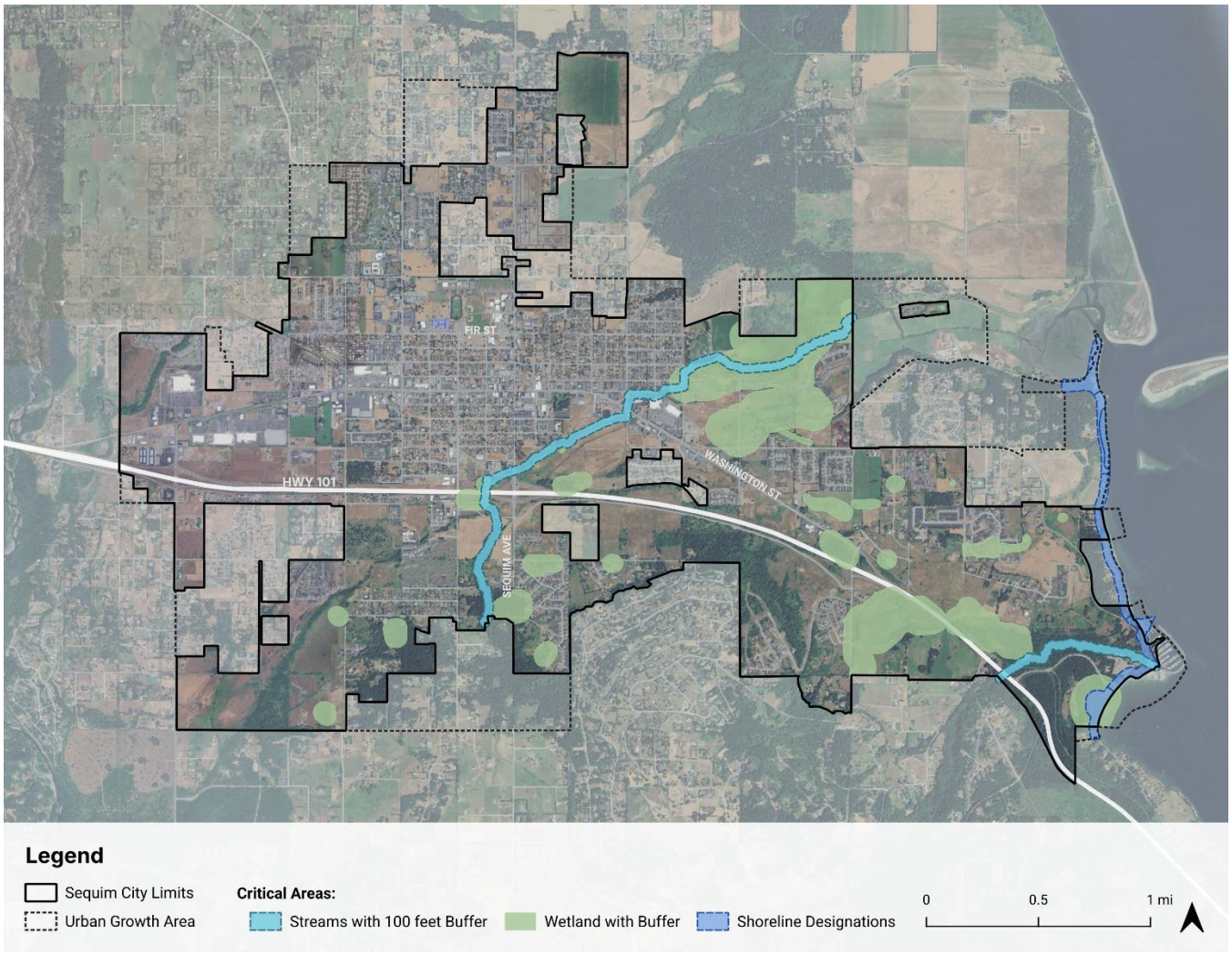
Critical Areas

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 98. Critical Areas Excluded from Sequim Land Capacity Analysis



Source: City of Sequim

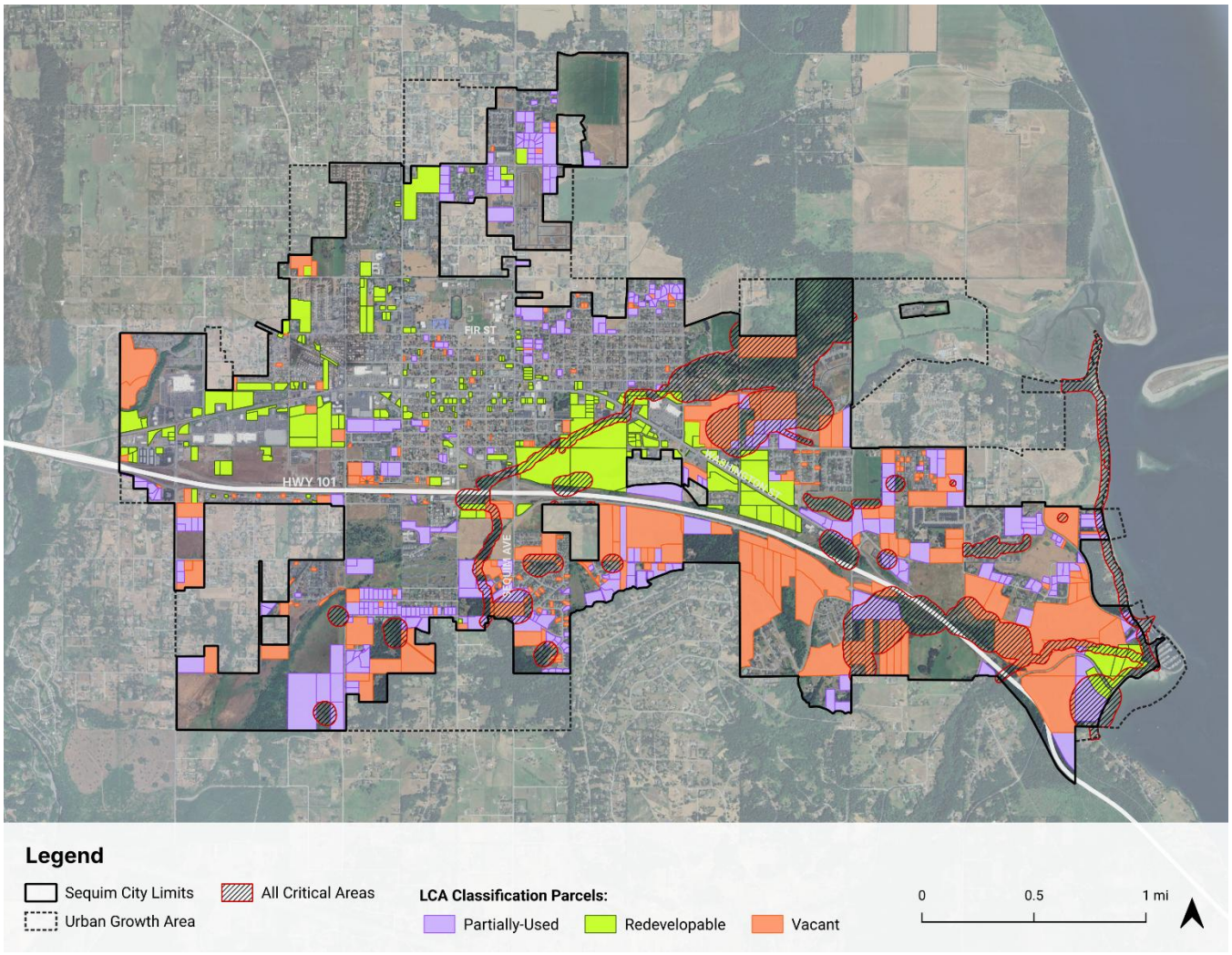
Total Acreage

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 10. 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 11. 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 a 38 percent total reduction factor was applied to each zone. Note that this provides a **significant buffer**, demonstrating that the city can meet its housing and employment land capacity targets even without all land being redeveloped over this planning horizon.

Figure 12. 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~~A-3. 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 13. 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 14. 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 15. 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

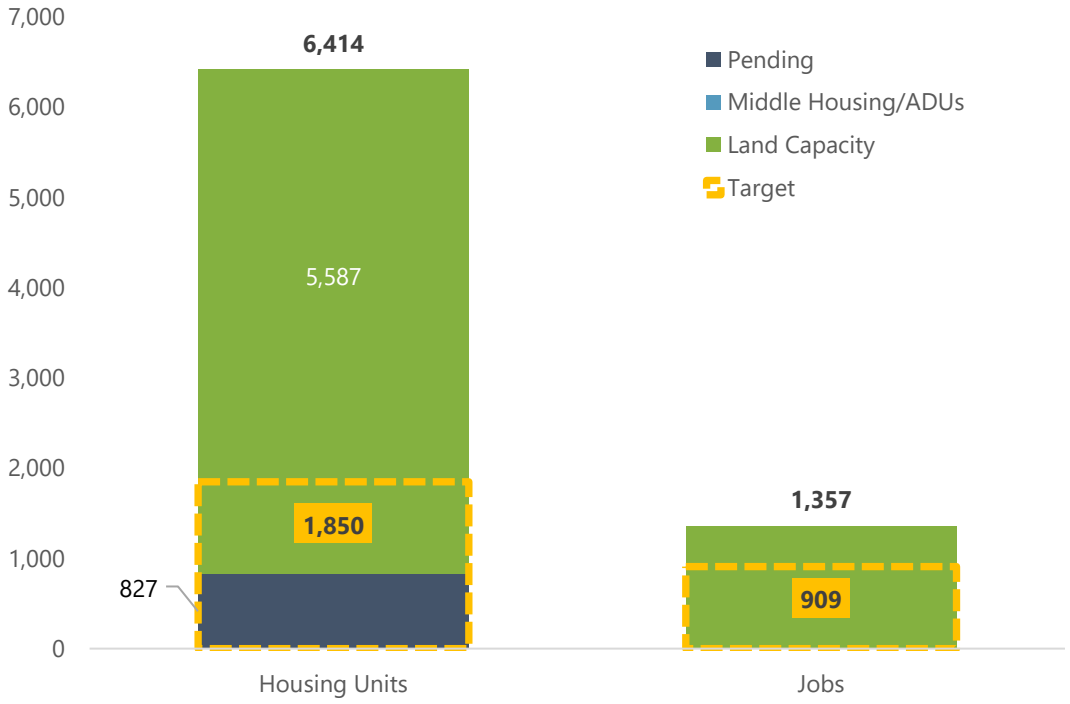
Additional ADU Capacity

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 16 shows the overall results of the housing and jobs capacity analysis. "Pending" units that have been developed since the 2020 baseline or are permitted/pending final land use decision but not yet built, detailed earlier in this report, are indicated in dark blue. The land capacity for housing and jobs, calculated using the methodology described above, is displayed in green. Based on this analysis, Sequim's total **housing land capacity under current zoning is 5,587 units** and the **employment land capacity under current zoning 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 16. Sequim Land Capacity Analysis Results for Total Housing Units and Jobs, 2020-2045



Source: Clallam County; Leland Consulting Group

Figure 17 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 17. 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

As outlined earlier in this report, amendments to the GMA resulting from 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 18. 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

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. The table below in Figure 19 shows the Department of Commerce's guidance on the relationship of housing types to income levels and land capacity. These "moderate-cost" income band classifications are recommended for communities outside the Central Puget Sound region.

Figure 19. Department of Commerce Guidance on Income Band Classification (Moderate-Cost Communities)

Zone category	Typical housing types allowed	Lowest potential income level served		Assumed affordability level for capacity analysis
		Market rate	With subsidies and/or incentives	
Low Density	Detached single family homes	Higher income (>120% AMI)	Not typically feasible at scale*	Higher income (>120% AMI)
Moderate Density	Townhomes, duplex, triplex, quadplex	Moderate income (>80-120% AMI)	Not typically feasible at scale*	Moderate income (>80-120% AMI)
Low-Rise Multifamily	Walk-up apartments, condominiums (2-3-floors)	Low income (>50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and PSH
Mid-Rise Multifamily	Apartments, condominiums	Low income (>50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and PSH
ADUs (all zones)	Accessory Dwelling Units on developed residential lots	Low income (>50-80% AMI)	N/A	Low income (>50-80% AMI) – Group with Low-Rise and/or Mid-Rise Multifamily

Source: Washington Department of Commerce "Guidance for Updating Your Housing Element" (August 2023, Updated September 2024)

Note that the Commerce table shown above in Figure 19 includes columns for both assumed income bands that can be served by **market-rate** development and assumed income bands that can be served by **subsidized** development (i.e. income-restricted low-income housing funded through the Low Income Housing Tax Credit or Multifamily Tax Exemption, etc.). Following Commerce guidance, zones are categorized based on the **lowest potential income** that can be served, including by subsidized development, in the zone. 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 introduction to this report, showing capacity for housing types that can serve all identified needs across income bands, through zoning, is the purpose of this 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 build on this LCA and demonstrate measures that Sequim is taking to remove barriers to production and encourage and ensure that the zoned land identified in this report 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.

To corroborate the income band classifications shown above for market rate units, CoStar data on rents and the Zillow Home Value Index (a national dataset that reflects the typical value for homes in the 35th to 65th percentile range) was analyzed and compared to Clallam County's AMI. Figure 20 shows sales prices for single-family, middle housing, and mobile/manufactured homes in Sequim. **This data corroborates Commerce assumptions for AMI levels served by these housing types**. Single-family homes are selling for prices only affordable to households earning over 120% AMI, and middle-housing types such as condos and townhomes are selling for prices affordable to the 80-120% AMI range. Mobile homes, which are a significant contributor to Sequim's housing stock and are allowed in the R4-8 zone, are serving households in the 80-120% AMI range as well, indicating that there may be opportunities for more moderate-income households even in the low-density zone, which is otherwise assumed to serve only high-income households earning 120% AMI or above per the Commerce table above.

Figure 20. Market Sales Prices of Housing Units by Type in Sequim

	Sale Price	Affordable to AMI %
Single-Family		
Current ZHVI (All Single-Family Homes)	$578,005	147%
Middle Housing		
Current ZHVI (All Condos/Townhomes)	$412,788	105%
Mobile Homes		
Average Price of 162 Homes Sold Since 2025	$309,000	79%
Average Price of 19 Homes Built Since 2020 and Sold Since 2025	$407,500	104%

Source: Redfin, Leland Consulting Group, HUD
Note: Assumes 20% down payment, 6.6% interest rate, 30-year mortgage, 0.9% property tax rate, and $5/$1,000 insurance rate.

Figure 21 shows market rents for market-rate and subsidized affordable apartments in Sequim. It then shows the corresponding percentage of AMI that households of various sizes would need to afford the rent, based on HUD income limits by household size. As shown, **renters earning 80 percent AMI would be able to afford an apartment in the city at an appropriate size for their household.** Even market-rate units are serving households down to around 60% AMI, and subsidized apartments are serving households down to 50% AMI under some scenarios.

Note that this data only captures rents in multifamily buildings reported by CoStar. For comparison, data from the Washington Center for Real Estate Research reports an average rent citywide of $1,154 and the American Community Survey reports an average rent citywide of $1,195, both of which also include rentals of single-family units. These rents would be affordable to all household sizes at 80 percent AMI or below, corroborating the CoStar data.

Figure 21. Market and Subsidized Multifamily Rents in Sequim, September 2025

	Average Monthly Rent	% of AMI Needed for 1-Person Household	% of AMI Needed for 2-Person Household	% of AMI Needed for 3-Person Household
HUD Income Limit		**$75,400**	**$86,200**	**$97,075**
Average Rent per 1-Bedroom Unit (Affordable)	$978	56%	49%	44%
Average Rent per 1-Bedroom Unit (Market-Rate)	$1,320	76%	67%	59%
Average Rent per 2-Bedroom Unit (Affordable)	$1,162	67%	59%	52%
Average Rent per 2-Bedroom Unit (Market-Rate)	$1,523	88%	77%	68%
Average Rent per 3-Bedroom Unit (Affordable)	$1,229	71%	62%	55%
Average Rent per 4-Bedroom Unit (Affordable)	$977	56%	49%	44%

Source: CoStar, HUD Income Limits, Washington State Housing Finance Commission, Leland Consulting Group
Note: Assumes households can spend 30 percent of their income on rent/housing costs without being cost-burdened.

Overall, this data shows that the large majority of renters in Sequim can afford a unit without being cost-burdened if their incomes are at 80 percent of the AMI, and many households earning down to 60% AMI can also be served by the types of subsidized multifamily development in the city. Importantly, this confirms the methodological assumption that multifamily zones in the city are serving households in the under-80% AMI range in Sequim, and this local and up-to-date data reinforces Commerce's assumptions that land capacity in zones that allow garden-style or mid-rise multifamily housing types can be expected to serve these lower- and moderate-income bands.

As noted above in the discussion of the "lowest potential income" that can be served by a given zone, and discussed extensively in Commerce's guidance, deeply subsidized housing serving the lowest-income households earning under 30% AMI is expensive and challenging to provide. **The Adequate Provisions analysis in Housing Appendix A-3 goes into greater detail** about measures Sequim is taking concurrently with this Comprehensive Plan and during this planning horizon to ensure the capability and feasibility of these deeply subsidized housing types.

Based on this cost analysis and the types of housing allowed in each of Sequim's zoning districts, the table below shows the income-band classifications for each zone in the city. Note that the R4-8 zone was split in half, with 50% of the acreage assigned to the 80-120% income band and 50% to the 120%+ income band, given the wide range of allowed housing types in the zone – attached or detached units, up to a fourplex, as well as mobile/manufactured homes. As shown previously, both condos and townhomes, as well as mobile/manufactured homes, are serving households in the 80-120% AMI range. The other zones are classified based on the affordability levels of the housing types allowed in those zones – mostly "Mid-Rise," which comprises garden-style apartments, in the various commercial and downtown zones where these housing types are allowed, as well as moderate density in PRC, which allows a wide variety of housing types subject to a master plan.

As discussed previously, the table below shows the lowest potential income band that can be served by the zones, per the Commerce methodology. Since this LCA is only one step in this planning process, and its objective is to ensure zoned land capacity for a variety of housing types, **this does not imply that the exact affordability levels shown below will necessarily be constructed in each zone**, **simply that housing types that can serve these levels can be built in the zone**, subject to market forces, feasibility, construction costs, and the regulatory environment. These factors are also crucial to getting the needed housing built over this planning period, and therefore are discussed in detail the Adequate Provisions Analysis in Housing Appendix A-3, per Commerce guidance, which builds on this LCA's baseline capacity analysis.

Figure 22. 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

Note that as part of the zoning code updates that the city is adopting concurrently with the 2025 Comprehensive Plan Update, there is a new Affordable Housing Exception in SMC18.110.030. This allows affordable housing projects to seek exemptions from density limits, minimum lot size, maximum lot coverage, setback requirements, height limits, parking requirements, and allowed uses in the underlying zone. This essentially means that, pending Council approval, affordable housing serving income bands lower than 80% AMI could be built in *any* zone in Sequim. Since it is structured as an exception, rather than by-right, capacity for 0-80% units outside of mid-rise zones was not calculated as part of this LCA, but it is important to note that the new Affordable Housing Exception effectively increases by a significant quantity the available land in Sequim on which an affordable housing developer, working with the City, could build housing serving lower income bands.

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 23. 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 24. 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. Figure 25 below shows the results of the LCA under current zoning. **Note that the housing needs in the first column show the identified housing need at each disaggregated income band**, as determined by the WA Office of Financial Management's population forecast and the WA Department of Commerce's HAPT tool (shown previously in Figure 5).

Following Department of Commerce guidance, the housing need is then aggregated into three larger categories: 0-80% AMI, 80-120% AMI, and 120% AMI and higher. This aggregation is conducted in order to be able to compare the identified housing need at the disaggregated income bands, shown in the first column, with the zoned land capacity, which as discussed throughout this report, is calculated only in these three larger categories, since the same housing types and therefore the same zoning designations, can serve all income bands under 80% AMI. Since households earning under 30% AMI, those in Permanent Supportive Housing, households earning 30-50% AMI, and households earning 50-80% 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. As stated previously, the purpose of this analysis is only 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 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.

Recent decisions by the Growth Management Hearings Board (GMHB) have stated that aggregating income bands as shown in the second column below obscures the disaggregated housing need at each income band. However, this aggregation is necessary in order to be able to compare the housing need, which is provided by Commerce at the disaggregated smaller income-band level, with the zoned land **capacity**, which as discussed above is only possible to calculate in the larger, aggregated bands. However, as shown below**,** this aggregation is not obscuring the need at the disaggregated income bands - which is shown in the first column and discussed throughout this

report, the Housing Needs Assessment in Housing Appendix A-1, and the Adequate Provisions Analysis in Housing Appendix A-3.

Figure 25. Sequim Housing Targets and Capacity by Income Band, 2020-2045

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. 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. The section below details the land capacity with these rezones included.

10. LCA UNDER 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 26.

Figure 26. Land Capacity Analysis Parcel Classifications and Proposed Parcels with Zone Changes

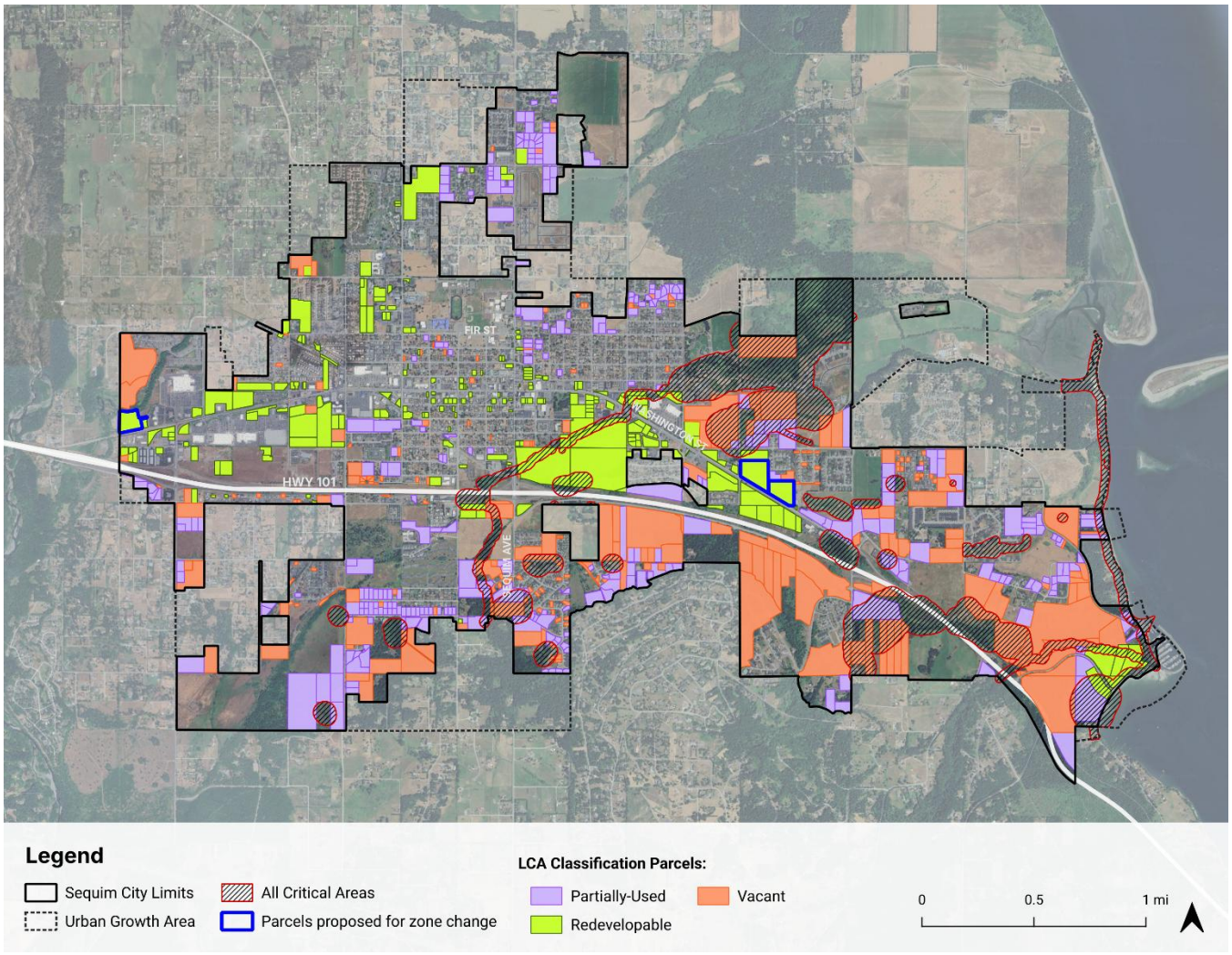


Figure 27 summarizes the **total unit capacity with these rezones implemented and shows that the surplus of 4 units in low-income households will be increased to 220 units in this scenario**. Per RCW 36.70A.115, cities planning under the GMA "shall ensure that, taken collectively, adoption of and amendments 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." These rezones have been incorporated into this Comprehensive Plan's Future Land Use and Zoning Maps and were included in the draft SEIS. The inclusion of these rezones will provide a buffer of land capacity to ensure opportunities for housing serving lower-income bands can be built in Sequim over the next 20 years.

Figure 27. 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 better accommodate housing at lower income bands, and to provide a buffer of land capacity to ensure more opportunities for housing that can serve lower-income bands to be developed in Sequim over the next 20 years. As shown above, under the rezoning being adopted concurrently with this Comprehensive Plan, there is additional capacity for multifamily housing that can serve incomes under 80% AMI, creating more opportunities for lower-income housing to be built over the next 20 years. Additionally, as discussed previously, the new Affordable Housing Exceptions in SMC18.110.030 provide the ability for a developer, in coordination with the City, to build **affordable housing of essentially any building typology anywhere in Sequim, regardless of underlying zone**. This significant increase in land capacity for affordable housing is not reflected in the LCA results above, since it is a conditional use process, but should be noted as a potentially significant contribution to the feasibility of units serving lower income bands in the city.

As discussed previously, this analysis represents the first step in planning to accommodate housing at all income bands in Sequim. As recent Growth Management Hearings Board cases have found, there is a need to ensure that the land capacity shown here – at aggregated income bands – can actually produce the housing necessary to meet Sequim's targets at disaggregated income bands. That analysis is found in Housing Appendix A-3, Adequate Provisions, which outlines Sequim's understanding of the potential barriers to production of housing at all income bands as well as adopted regulatory changes, funding opportunities, and market considerations to ensure compliance with GMA mandate to plan for and accommodate households at all income levels and document programs and actions needed to achieve housing affordability and affordable housing needs.

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 28. 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%
				Average Density for LCA:		**39**	**100%**

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

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 29.

Figure 29. 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 30. 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. Note that the **Adequate Provisions Analysis in Housing Appendix A-3** contains details on potential barriers to the development of Emergency Housing and a discussion of actions to address those barriers.

Figure 30. 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