



City of Port Angeles Housing Action Plan
May 2019

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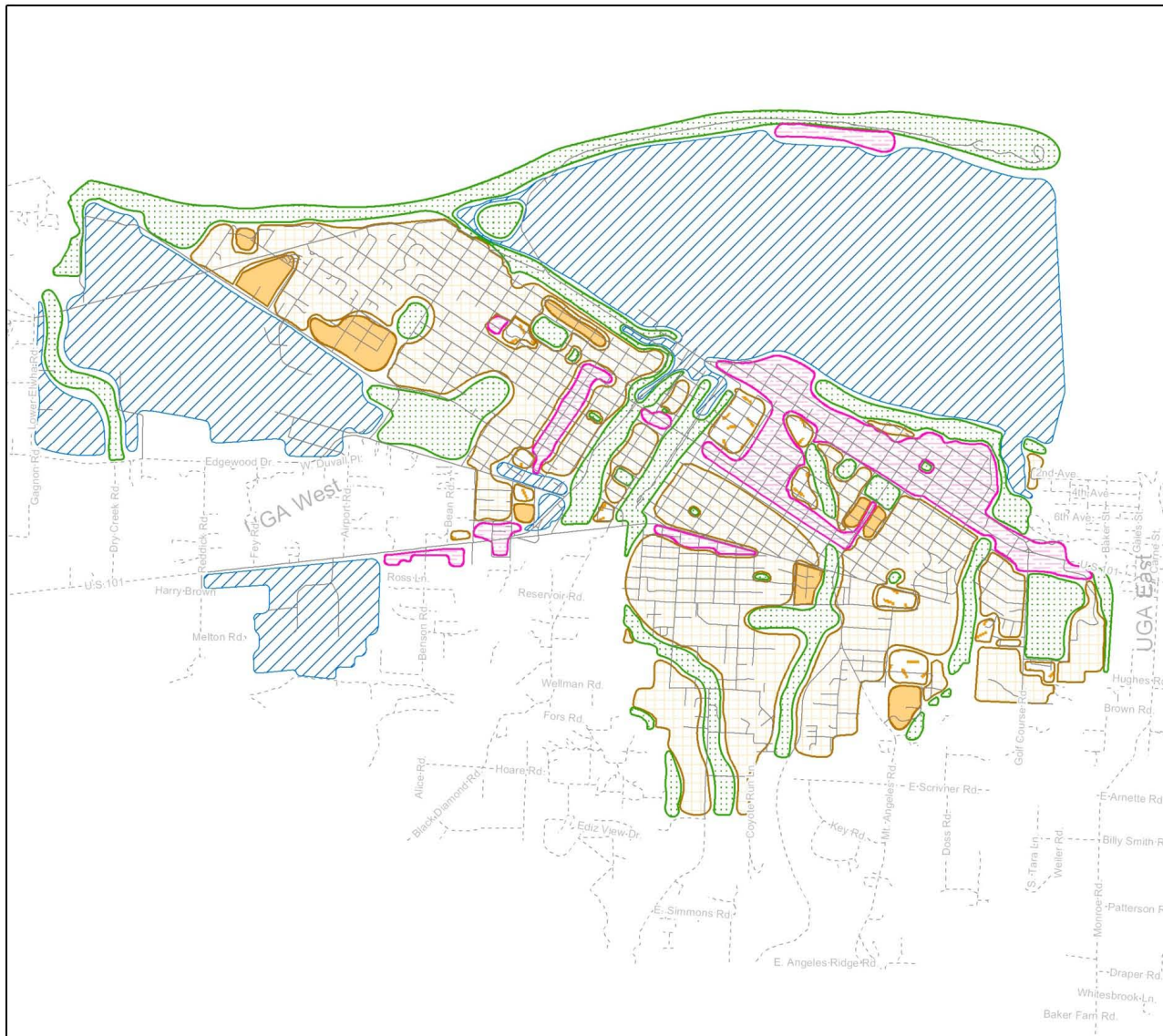
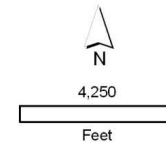
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Vertical Datum = NAD 88
Horizontal Datum = NAD 83/91



Legend

- Land use**
- Commercial
 - Industrial
 - Low Density Residential
 - Medium Density Residential
 - High Density Residential
 - Open Space
- Street centerline COPA**
- Street centerline COPA
- Street centerline Cnty**
- Street centerline Cnty

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Chapter 1: Introduction

Housing affordability

Housing affordability is based on the ability of a middle income family to acquire a median price home under typical market rate down payment requirements (20%) and mortgage terms (30-year) and interest rates assuming lending institutions will not underwrite a home loan with monthly payments that exceed 25% of the buyer's income.

Housing is not affordable if the housing market does or cannot provide housing within a price range that a household can rent or purchase and pay associated utilities and other housing expenses with 35% of their gross household income and especially if a household has to occupy housing that consumes more than 35% of their gross household income.

Port Angeles Housing Action Plan 2019

This Port Angeles Housing Action Plan 2019 was prepared to in response to the City's 2017 Comprehensive Plan in conformance with the Washington State Growth Management Act (GMA). In accordance with GMA requirements, this analysis includes an analysis of:

- Population trends in Port Angeles and Clallam County
- Demographic characteristics including age, household status, employment, income, housing tenure, and housing costs
- Housing market trends in Port Angeles and Clallam County compared with the surrounding areas and Washington State including housing affordability
- Housing opportunity for critical skill occupations within Port Angeles and Clallam County
- Housing cost burdens of all income groups including extremely low, lower, and low income

- Publicly assisted housing inventory including numbers and key sponsors
- Demographic characteristics of occupants of publicly assisted housing units
- Homeless populations including provisions for shelter
- Population projections and allocations for the 20-year planning period
- National trends in household formations and characteristics of impact on housing needs
- Housing policy implications for Port Angeles including the impact of various incentives

The statistics quoted in this analysis were taken from a variety of sources including the Washington State Office of Financial Management (OFM) and Employment Security Department (ESD), US Bureau of Census American Community Survey (ACS), US Housing & Urban Development (HUD), Washington Center Real Estate Research (WCRER), and Clallam County Homeless Count 2014, among others. The time periods for which data is available varies for each source and is noted in the text and charts, and in the detailed spreadsheets included in the Appendices.

State housing requirements and goals

Under the Washington State Growth Management Act (GMA), RCW 36.70A.070, Port Angeles is required to create comprehensive plans that include mandatory elements dealing with housing and economic development, allowing innovative techniques, requiring coordination with the cities in the county, and allowing for affordable housing incentives. Following are abstracts of the act of most relevance to this housing needs assessment:

Comprehensive plans-- Mandatory elements - RCW 36.70A.070

(2) A housing element - ensuring the vitality and character of established residential neighborhoods that:

(a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;

(b) Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences;

(c) Identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and

(d) Makes adequate provisions for existing and projected needs of all economic segments of the community....”

Comprehensive plans - Innovative techniques - RCW 36.70A.090

A comprehensive plan should provide for innovative land use management techniques, including, but not limited to, density bonuses, cluster housing, planned unit developments, and the transfer of development rights.

Comprehensive plans--Must be coordinated - RCW 36.70A.100

The comprehensive plan of each county or city that is adopted pursuant to RCW 36.70A.040 shall be coordinated with, and consistent with, the comprehensive plans adopted pursuant to RCW 36.70A.040 of other counties or cities with which the county or city has, in part, common borders or related regional issues.

Countywide planning policies - RCW 36.70A.210

(3) A countywide planning policy shall at a minimum, address the following...

(e) Policies that consider the need for affordable housing, such as housing for all economic segments of the population and parameters for its distribution;

Affordable housing incentive programs -- Low-income housing units - RCW 36.70A.540

(1)(a) Any city or county planning under RCW 36.70A.040 may enact or expand affordable housing incentive programs providing for the development of low-income housing units through development regulations. An affordable housing incentive program may include, but is not limited to:

(i) Density bonuses within the urban growth area;

(ii) Height and bulk bonuses;

(iii) Fee waivers or exemptions;

(iv) Parking reductions;

(v) Expedited permitting, conditioned on provision of low-income housing units; or

(vi) Mixed-use projects.

(b) The city or county may enact or expand such programs whether or not the programs may impose a tax, fee, or charge on the development or construction of property.

As described in the RCW sections listed above, Port Angeles has a requirement to create and implement affordable housing action plans, strategies, projects, and programs.

Documentation

This narrative report describes a summary of findings and recommended action strategies. The appendix includes state, county, and city housing goals, detailed housing market analysis, affordable housing inventory, housing cost analysis, housing prototypes and programs. This narrative report and the appendix are available from the Port Angeles Community & Development Department and a copy is available for public review in the Port Angeles City Library.

Chapter 2: Demographics

Following is a summary of the major findings concerning Washington State affordable housing initiatives, Port Angeles demographic trends, nonprofit housing inventories, critical unmet housing need extrapolations, housing cost analysis, prototypical projects of interest, federal and state housing programs, and market participant opinions that resulted from this housing needs assessment.

The findings are indexed to the detailed information and evaluations included in the appropriate appendix of this document.

Population trends

Port Angeles and Clallam County population - Clallam County increased from 5,603 persons in 1900 to 74,240 persons by the year 2017 with the lowest annual average growth rate occurring between 1930-1940 during the Great Depression of 0.7% and the highest annual average growth rate between 1920-1930 of 6.0%.

The Washington State Office of Financial Management (OFM) projects Clallam County's population will increase to 82,518 persons by 2050 or an increase of 8,258 persons or by 11% from 2017.

Port Angeles's population increased from 2,321 persons in 1900 to 19,370 persons by the year 2017 with the lowest annual average growth rate between 1930-1940 of -0.8% due to the Depression and the highest average annual growth rate between 2010-2020 of 8.9%.

Port Angeles Community & Economic Development projects the city's population will increase to 34,535 persons by 2050 or an increase of 15,165 or 78% from 2017.

Port Angeles's annual average growth rate of 0.1% was lower between 2010-2015 than Clallam County at 2.8%, the US at 1.0%, Washington State at 1.2%, and Puget Sound (King, Kitsap, Pierce, and Snohomish Counties) at 1.4%.

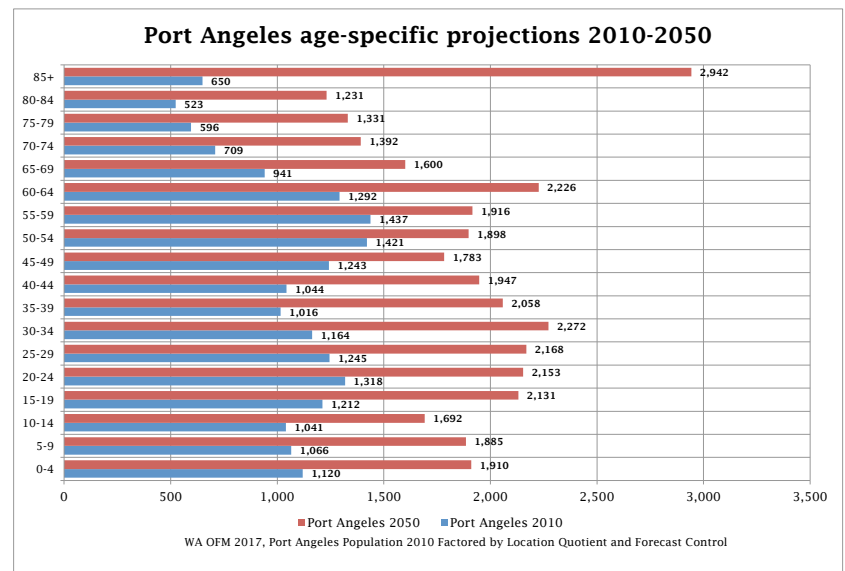
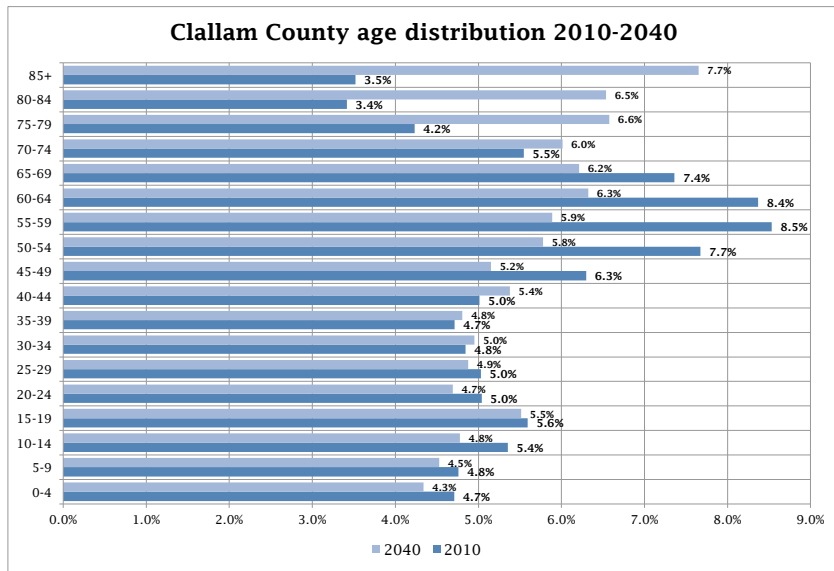
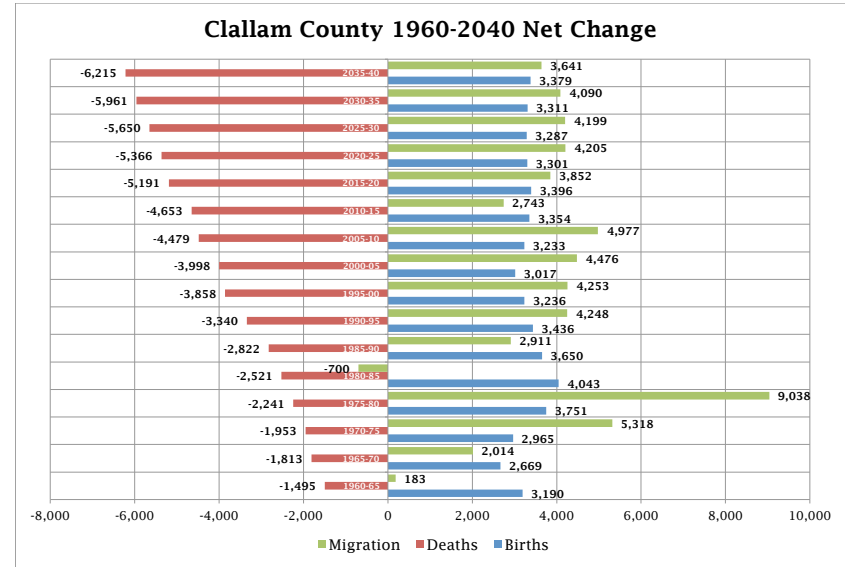
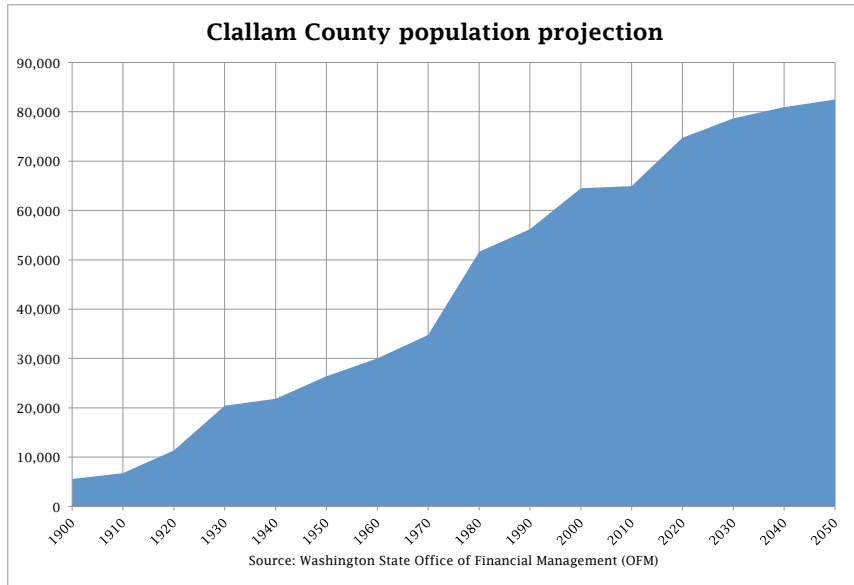
Port Angeles's projected annual average growth rate by 2050 will be 1.5% or higher than the US at 0.5%, Washington State at 0.6%, Puget Sound at 0.6%, and Clallam County at 0.1%.

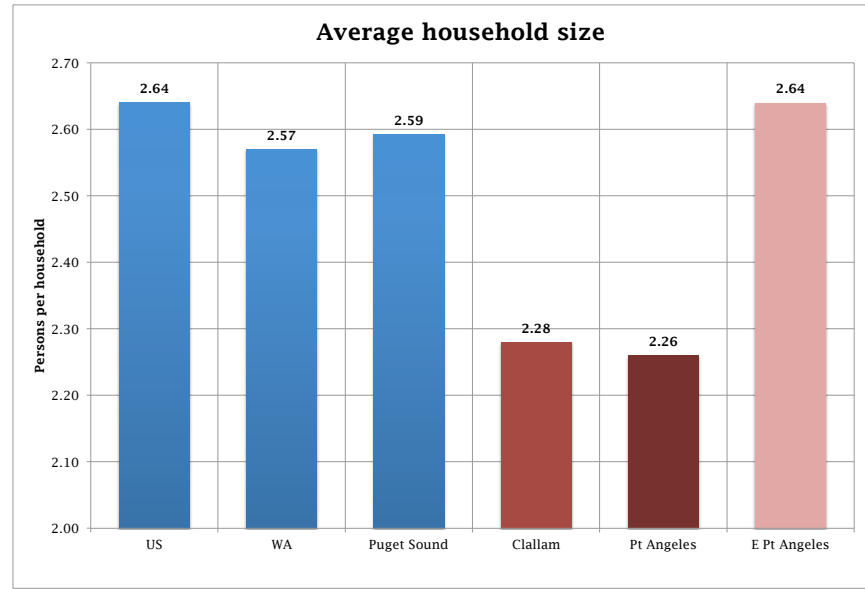
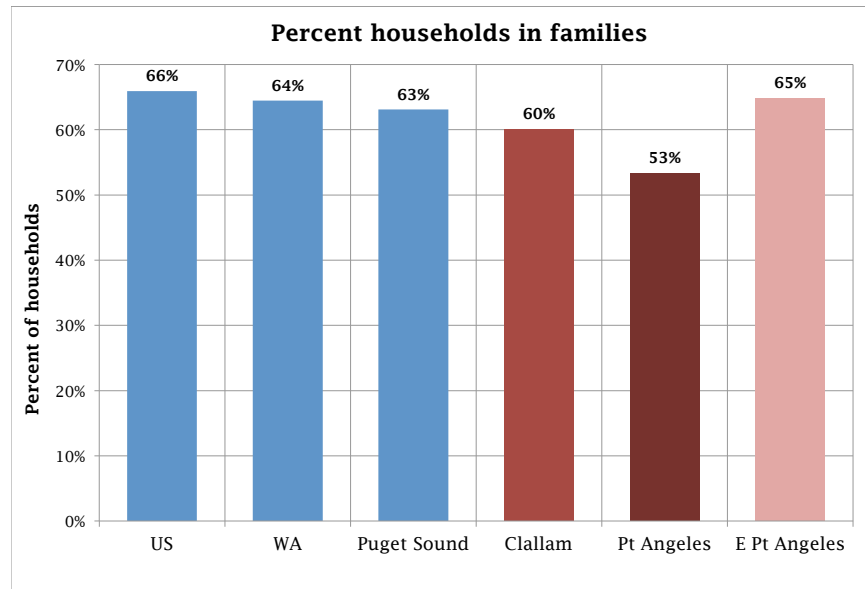
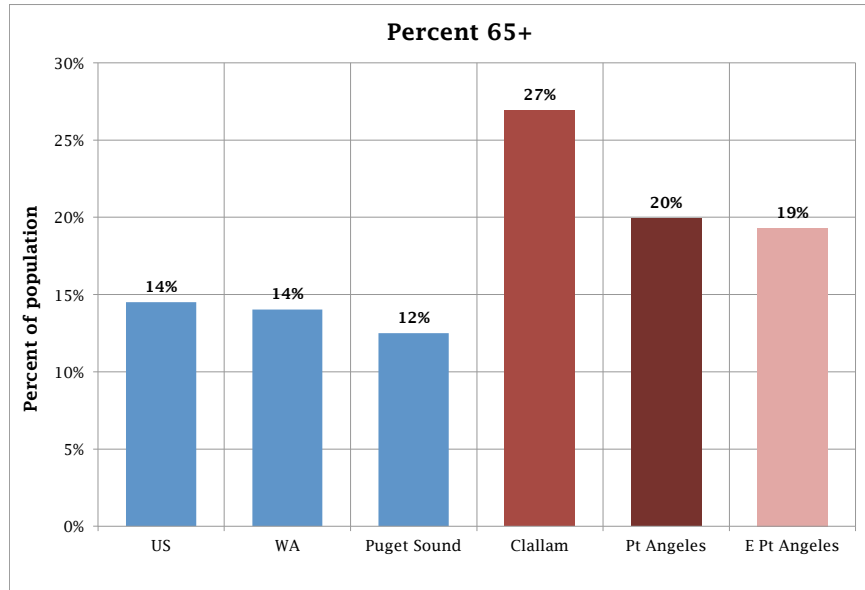
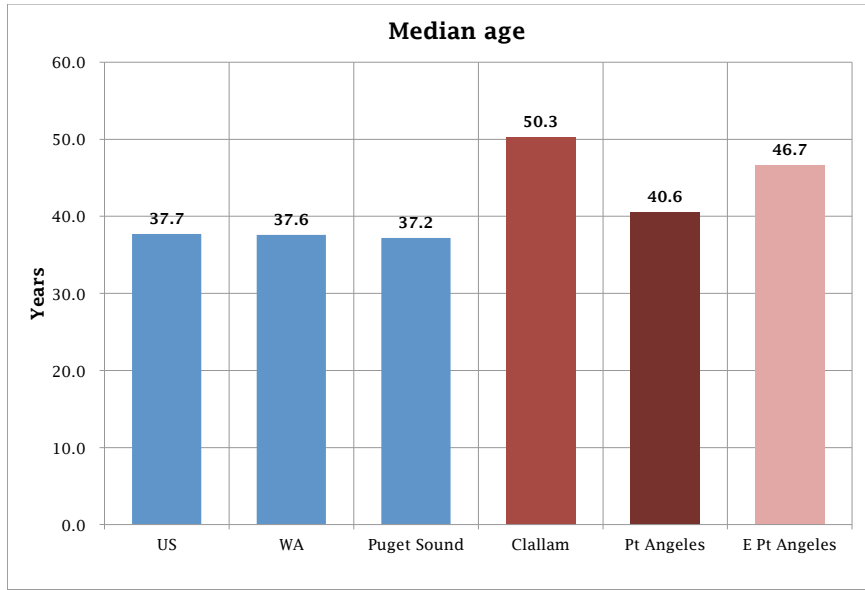
Net population change - a significant portion of Clallam County's population increase has and is expected to be due to net migration or the difference between people moving out and people moving into the county.

For example, the number of deaths in Clallam County in 5-year increments were lowest in 1960-1965 at 1,495 but is expected to be 6,215 deaths by 2035-2040 due the aging of the county population. The number of births were 3,190 in 1960-1965 but is expected to remain relatively constant at 3,379 births by 2035-2040 as the number of women in the child-bearing ages will remain relatively constant. Net migration was negligible in 1960-1965 at 183 persons due to the economic recession in the state at that time, and greatest at 9,038 persons in 1975-1980 as the area recovered, but expected to be relatively constant at 3,641 persons by 2035-2040.

OFM's estimate of the slowing population increase in Clallam County in future years will be due primarily to the aging of the county population and the number of deaths related to aging.

Clallam County's actual future population trends, however, may be affected significantly by the attraction(s) the county may or may not have for in-migrant persons particularly for specific age groups.





Age distribution

Before World War II, the nation's population was distributed within a triangle (pyramid if male and female are arrayed side by side) where the greatest proportion of the population was in the youngest age group (0-5 years) that gradually declined in proportion into the older years due to age-related attrition until it reached zero or no living persons.

The war, however, displaced men from the home front putting off normal family rearing and fertility. When the war ended, and men returned, births were concentrated in the post-war years creating a "baby boom" or bulge in the age distribution.

Births, or the birth rate, declined after the "baby boom", however, due to a number of post-war factors including an increasing divorce and marriage dissolution rate, a higher percentage of working mothers, and a desire for smaller families including an increasing proportion who do not desire having children. Health advances also increased life expectancies extending the proportion of the population that lives into advanced years.

Consequently, age distribution charts tend to reflect bulges rather than a triangle as the "baby boom" ages into the upper age brackets and the following population is proportionally smaller. An area's unique age-specific in-migration attractions or dis-attractions, however, can skew the bell-jar affect.

Washington State OFM makes age-specific projections for every county in the state using recent detailed trends in county births, deaths, and in-migration.

Clallam County's 2010-2040 age distribution - reflects these factors as well as the unique attractions the county has for select age-related populations. According to the 2010 Census, Clallam County had a typical bell-jar form in 2010 reflecting the

trends described above. By 2040, however, OFM expects Clallam County will have an almost equal proportion of all people in each age group from 0-4 to 80-84 with a slightly higher proportion in the senior most age groups from 75+.

Port Angeles 2010-2050 - age specific concentrations in 2010 were relatively proportionally equal with an increasing higher proportion in the senior age groups from 65+ according to the 2010 Census. In-migration of older, empty nester, and retirement age households is one factor accounting for the significantly higher rates of population growth in Port Angeles due to the area's moderate climate, recreational amenities, and other attractions for these age and household groups.

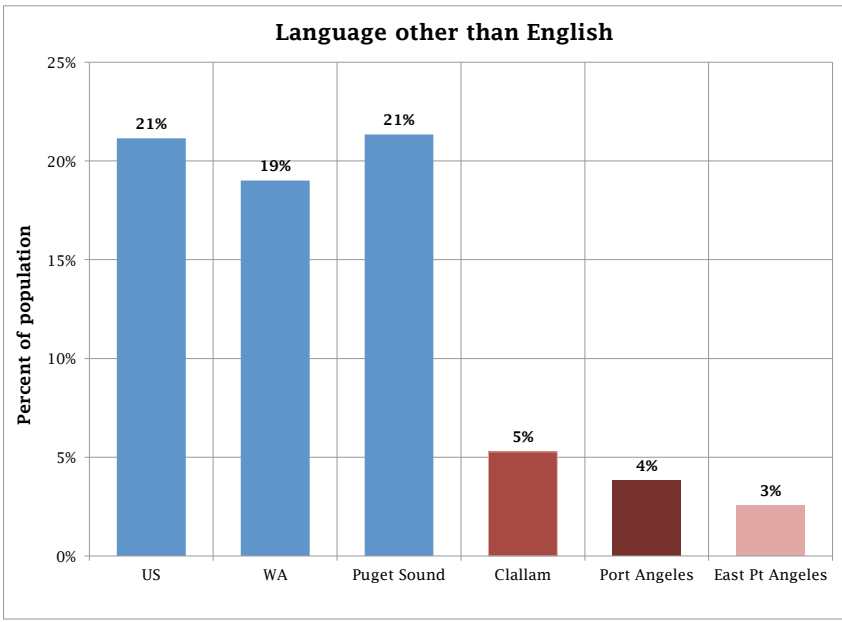
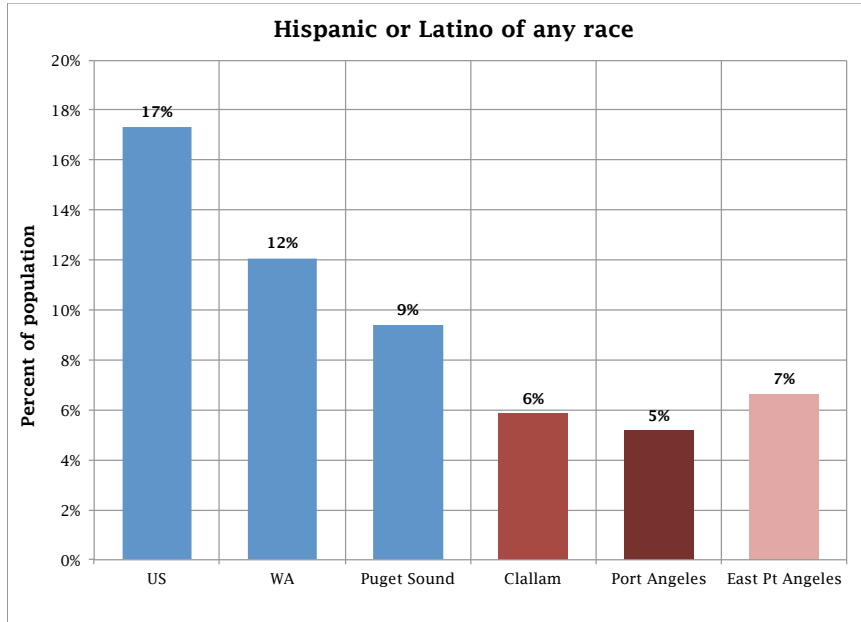
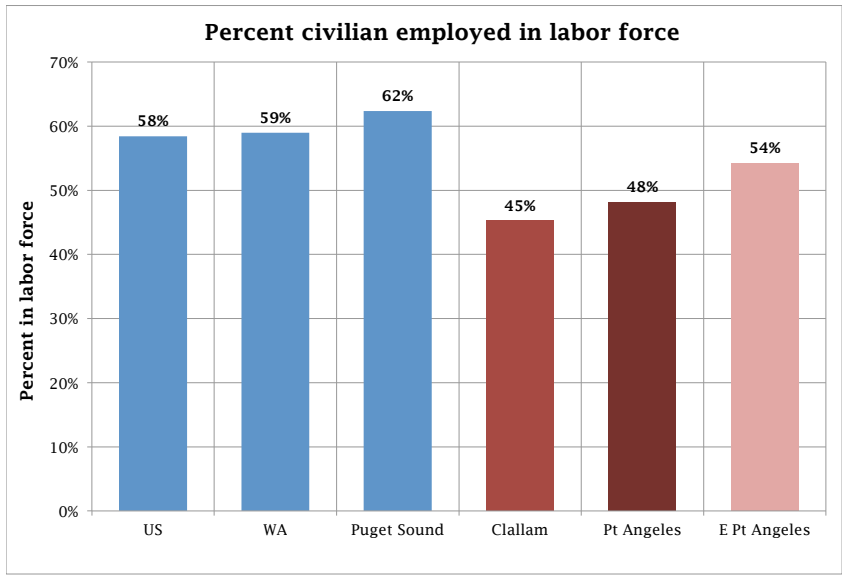
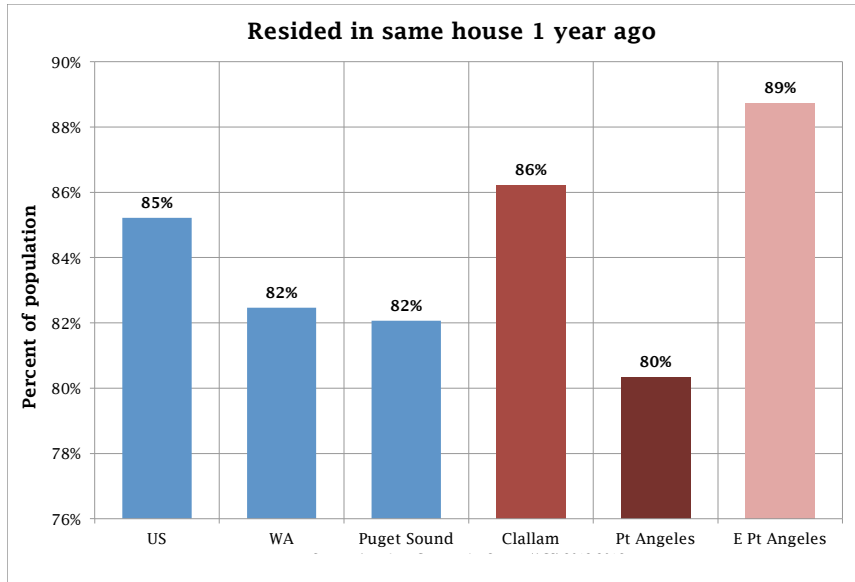
If the city continues to attract persons from Clallam County in the specific age groups that the city has in the past, however, the form will be decidedly top heavy in the senior most age groups from 60+ and decidedly from 85+.

Socioeconomic composition

The American Community Survey (ACS) - is an ongoing statistical survey by the US Census Bureau, sent to approximately 250,000 addresses monthly (or 3,000,000 per year). The ACS regularly gathers information previously contained only in the long form of the decennial census. It is the largest survey other than the decennial census that the Census Bureau administers.

The following demographic characteristics are taken from the ACS's most current compilations for the combined 2012 to 2016 years for East Port Angeles, Port Angeles, Clallam County, Puget Sound, Washington State, and the US.

Median age - in East Port Angeles of 46.7 and Port Angeles of 40.6 years is lower than Clallam County at 50.3, but higher than Puget Sound at 37.2, Washington State at 37.6, and the



US at 37.7. The higher median age is due to the age-specific attractions East Port Angeles, Port Angeles, and Clallam County have retained of existing residents and developed for in-migrating empty nester and retired households.

Percent of the population 65 years and older - 19% of East Port Angeles, 20% of Port Angeles's population over the age 65 is relatively below 27% in Clallam County but higher than 12% in Puget Sound, 14% in Washington State, and 14% in the US. This statistic will increase in the older age groups as life expectancies expand and these households remain resident in East Port Angeles and Port Angeles. Such older age concentrations, however, will require age-specific health, transportation, and other specialized services compared with other younger communities.

Percent in families - all Port Angeles households in families is 53% that is significantly lower compared with 65% in East Port Angeles, 60% in Clallam County, 63% in Puget Sound, 64% in Washington State, and 66% in the US. A significant percent of the older households are likely to be the surviving or remaining members of nuclear families or married couples living alone as individuals in housing units. Smaller single individual or single person households need different housing stock than couples or families.

Average household size - is 2.26 persons in Port Angeles that is comparable with 2.28 persons in Clallam County and significantly lower than 2.64 in East Port Angeles, 2.59 in Puget Sound, 2.57 in Washington State, and 2.64 in the US. The smaller household size is a reflection of the higher percent of older age, single individuals who comprise Port Angeles's population, not necessarily of smaller families in middle family age households.

Percent resided in same house - 89% of all East Port Angeles residents over the age of 1 year resided in the same house the year before which is significantly higher than 86% in Clallam County and 85% in the US and higher than 82% in Puget Sound,

82% in Washington State compared with 80% of all Port Angeles residents. The low same house residency reflects the concentration of older less mobile households attracted to East Port Angeles and Clallam County's retirement amenities while Port Angeles's more mobile population may be affected by Coast Guard rotations.

Ethnicity

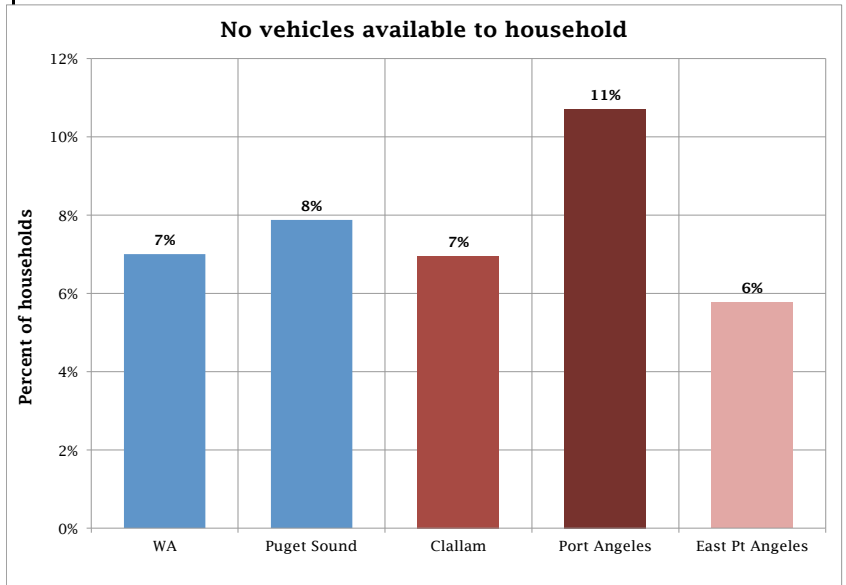
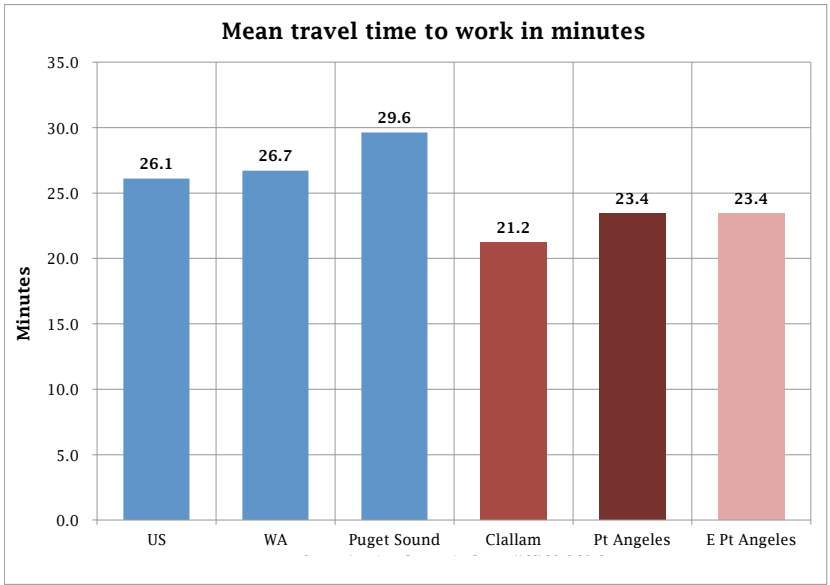
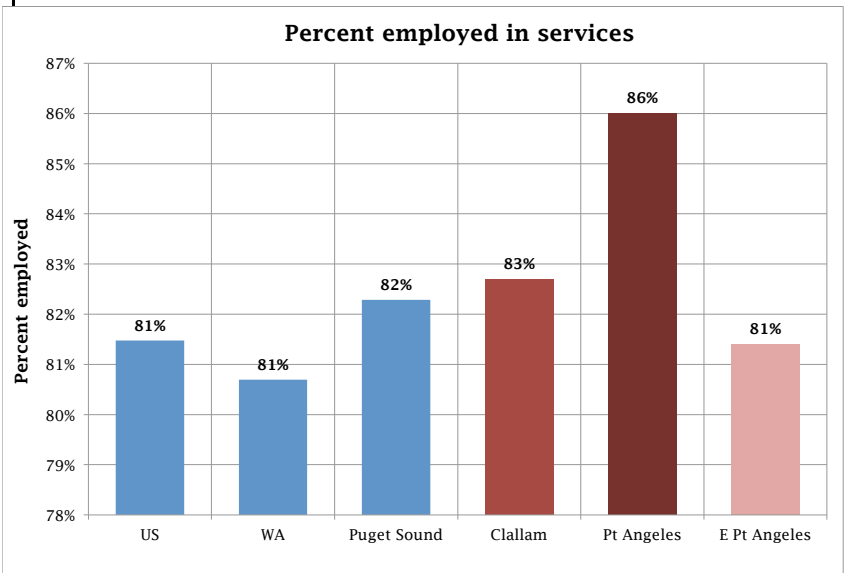
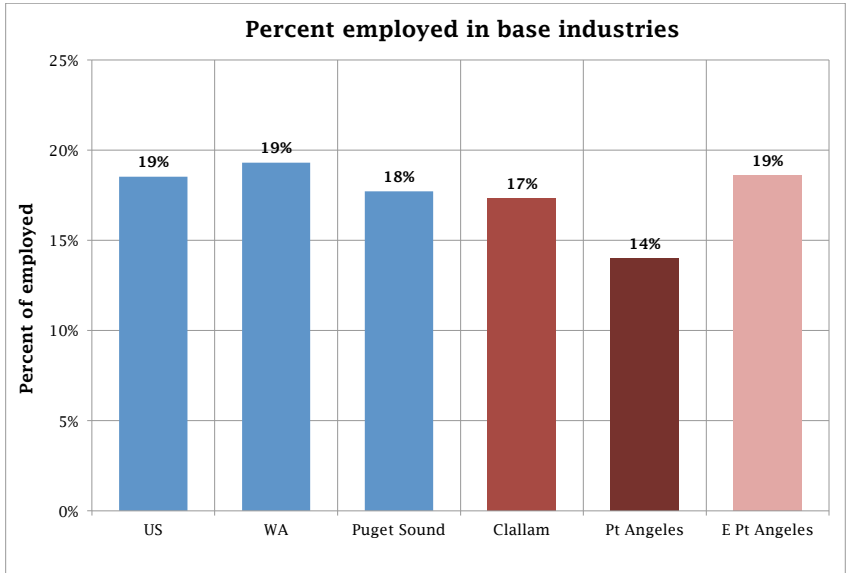
Hispanic or Latino of any race - is 7% in East Port Angeles and 5% in Port Angeles that is comparable to Clallam County but lower than 9% in Puget Sound, 12% in Washington State, and 17% in the US. Hispanic in-migrating populations are concentrated in the agriculture, construction, and health care fields and have not been drawn to Port Angeles based on the employment opportunities in these industrial sectors.

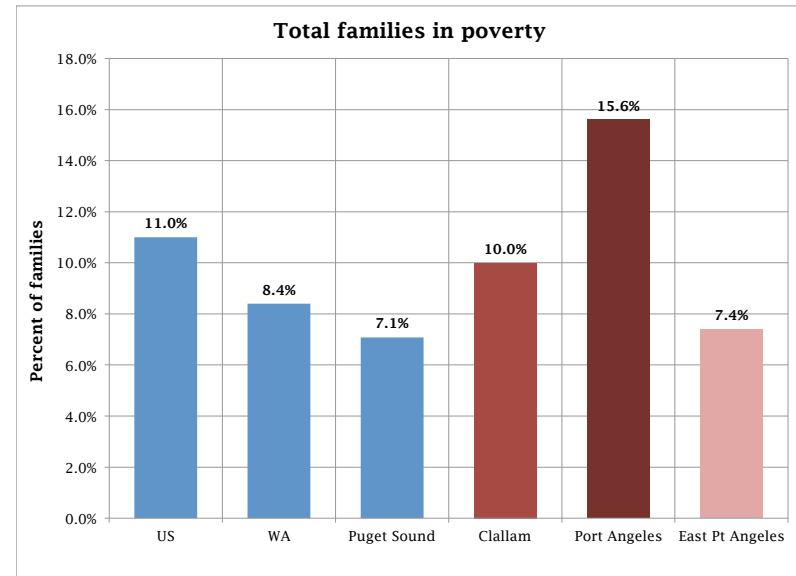
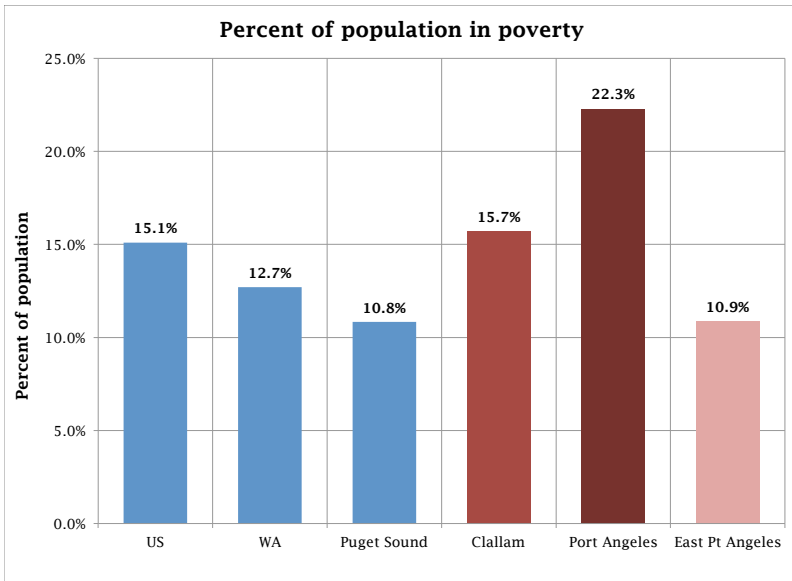
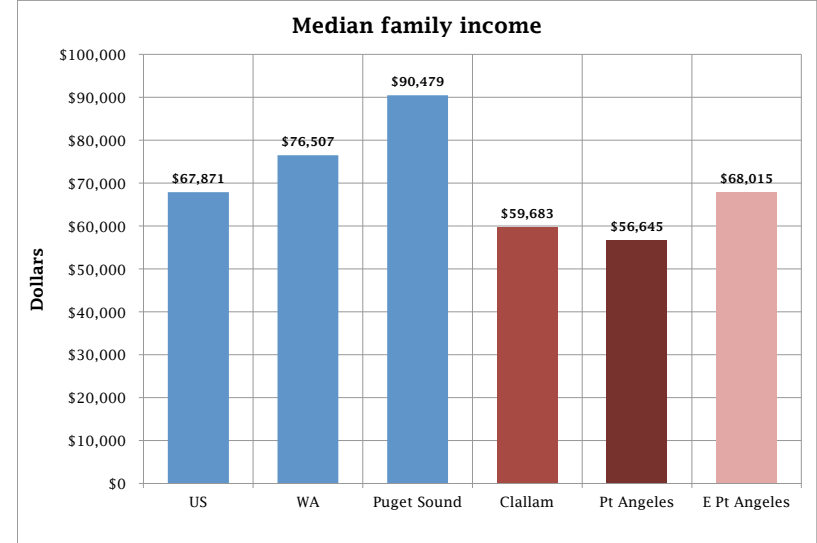
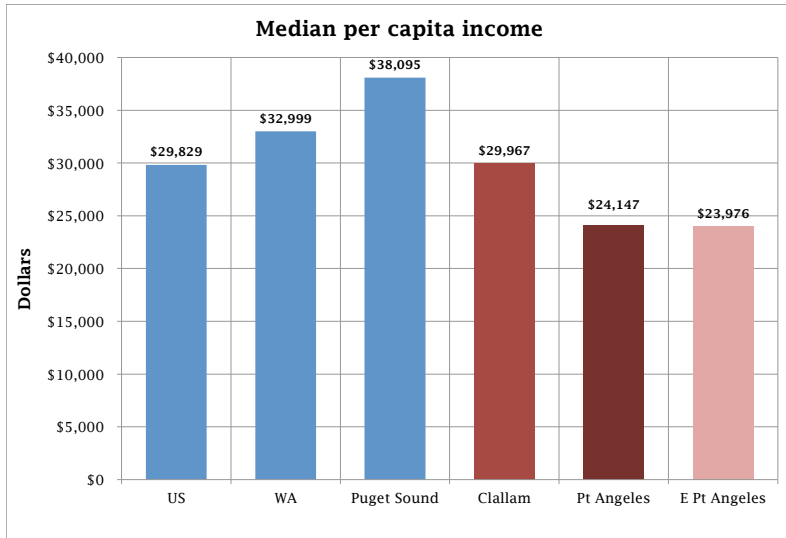
Language other than English - is 3% in East Port Angeles, 4% in Port Angeles and 5% in Clallam County but significantly less than 21% in Puget Sound, 19% in Washington State, and 21% in the US. The industries and occupations that draw non-English speaking populations to Port Angeles may require English skills more than typical of the comparable areas.

Employment

Percent civilian employed in labor force - is 54% in East Port Angeles and 48% in Port Angeles that is slightly higher than 45% in Clallam County and significantly lower than 62% in Puget Sound, 59% in Washington State, and 58% in the US. Port Angeles and Clallam County's low civilian labor force participation rates are due to the high concentration of older and retired persons in the population and the location of military installations in the region.

Percent employed in base industries - in agriculture, forestry, fisheries, mining, construction or manufacturing concerns is





19% in East Port Angeles and 14% in Port Angeles that is significantly lower than the 17% in Clallam County, 18% in Puget Sound, 19% in Washington State, and 19% in the US. The percent of employment in base industries declined in recent years in the national economy as base industries automated, increased productivity, and procured or out-source more finished products from overseas market sources. Port Angeles's relatively low base employment percentage is due to the demands for services for the city's concentration of older, non-working age households. The ratio of base employed persons will likely remain low in Port Angeles so long as the area's primary product is retirement living attractions.

Percent employed in service industries - in the communication, wholesale and retail trade, finance, professional, and governmental services is 86% in Port Angeles or significantly higher than the 81% in East Port Angeles, 83% in Clallam County, 82% in Puget Sound, 81% in Washington State, and 81% in the US. The percent of the workforce employed in service industries increases the more urbanized the area becomes. The high concentration of employed persons in service sector activities in Port Angeles is a result of the social, health, retail, and other requirements of the city's large retired and older non-working households. This concentrated employment may continue as a result of Port Angeles's older age households but could also decline slightly if the area's economic activities diversify into more base oriented industries, or is the older age populations financially cannot support the services necessary to sustain them. Port Angeles is also the county seat increasing the number and percent of persons employed in governmental service in the city.

Mean travel time to work in minutes - is 23.4 minutes in East Port Angeles and 23.4 minutes in Port Angeles that is comparable to 21.2 minutes in Clallam County but much shorter than 29.6 minutes in Puget Sound, 26.7 minutes in Washington State, and 26.1 minutes in the US. As a more rural area, travel times to places of work are shorter in Port Angeles and Clallam

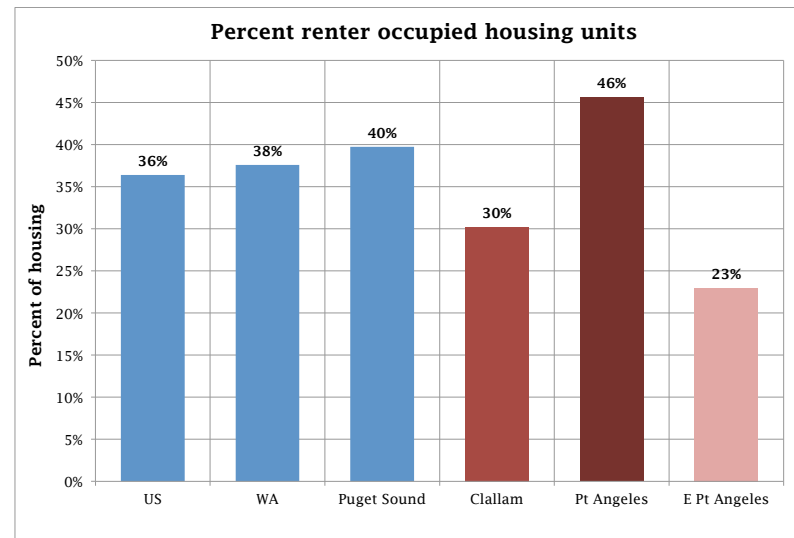
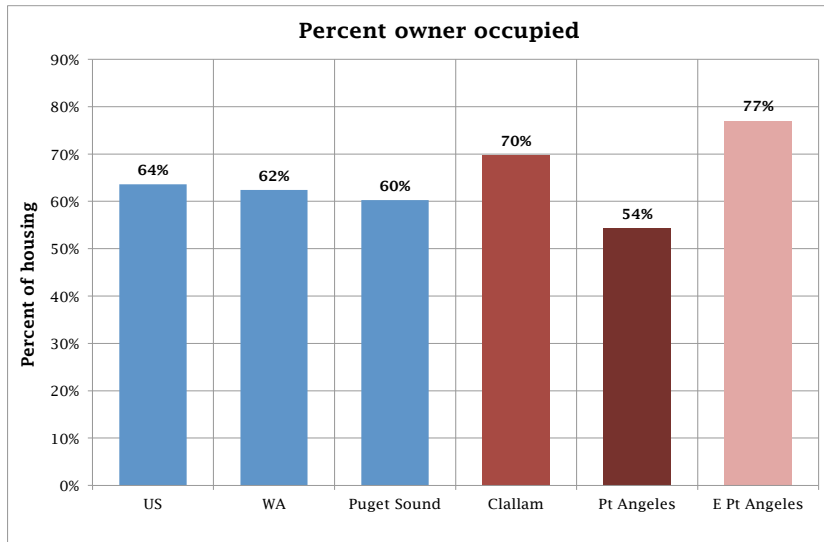
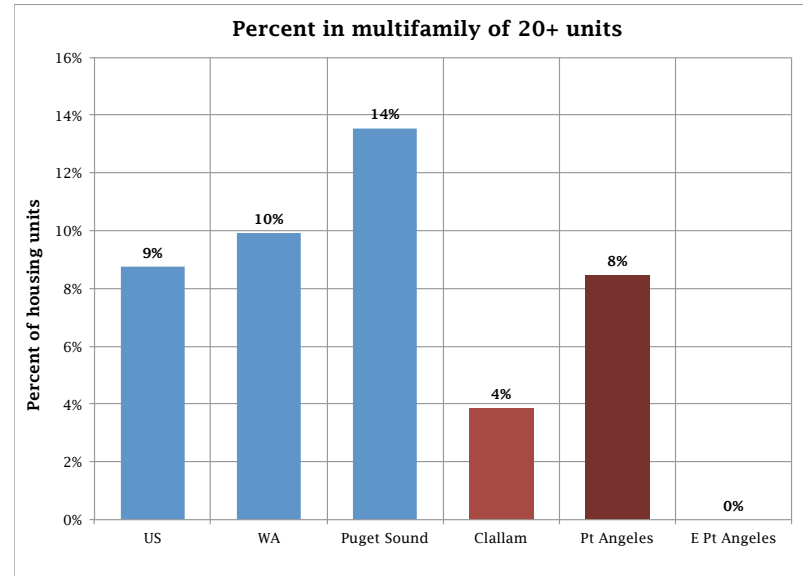
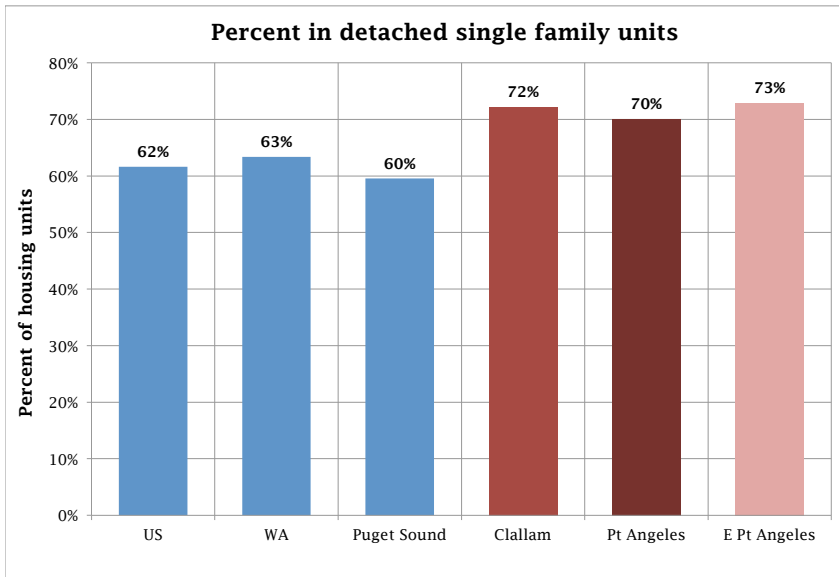
County than in the more urbanized and traffic congested areas in Puget Sound, Washington State, and the US.

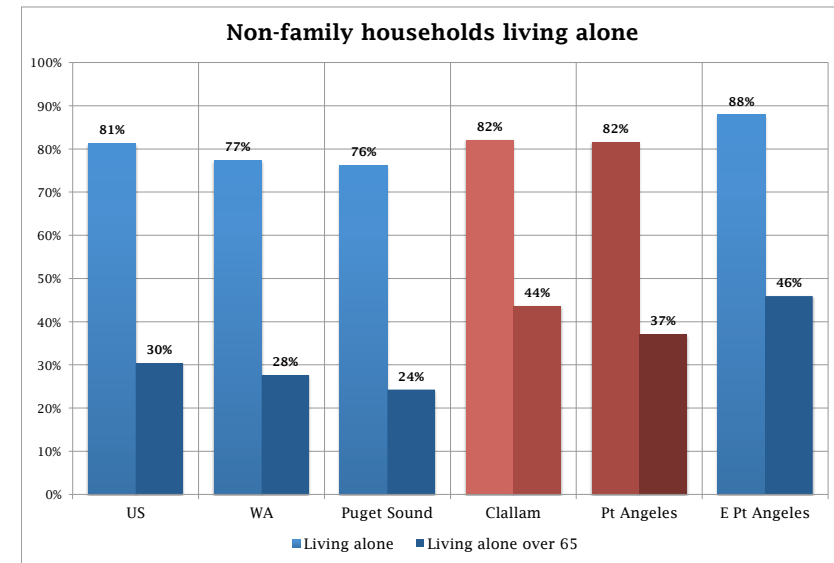
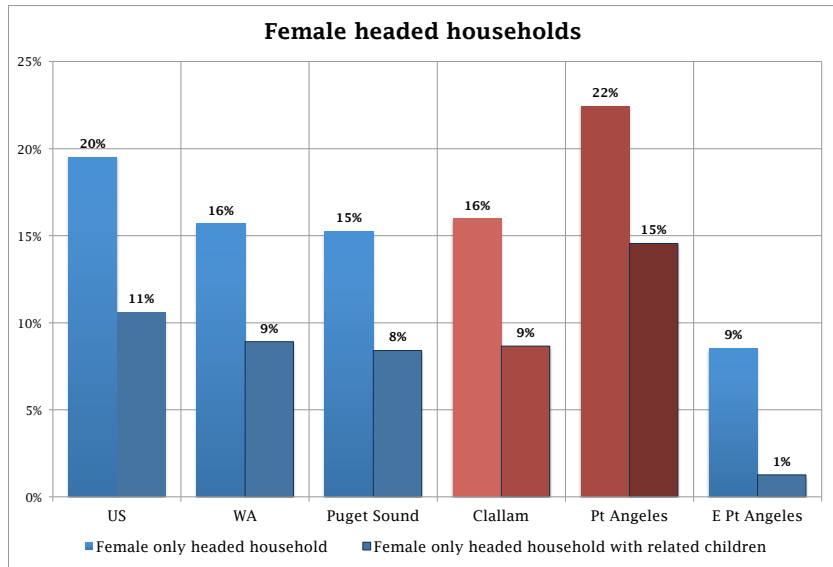
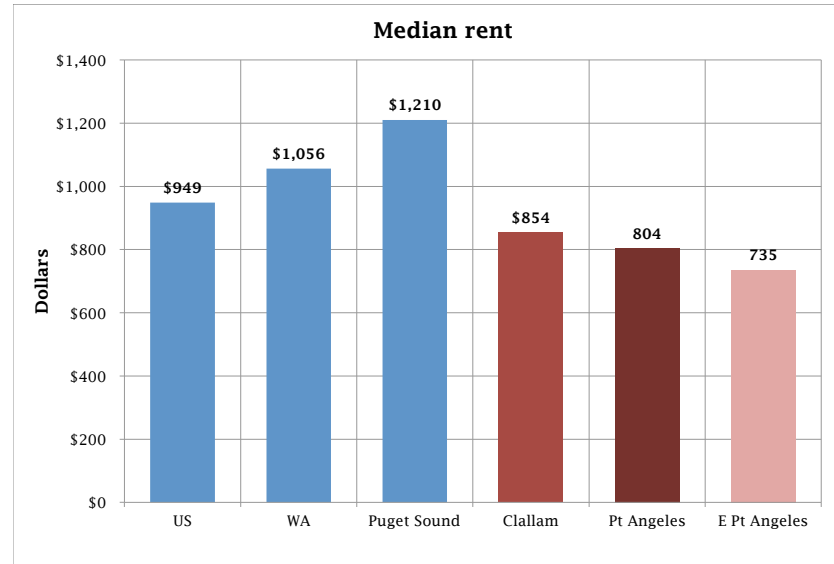
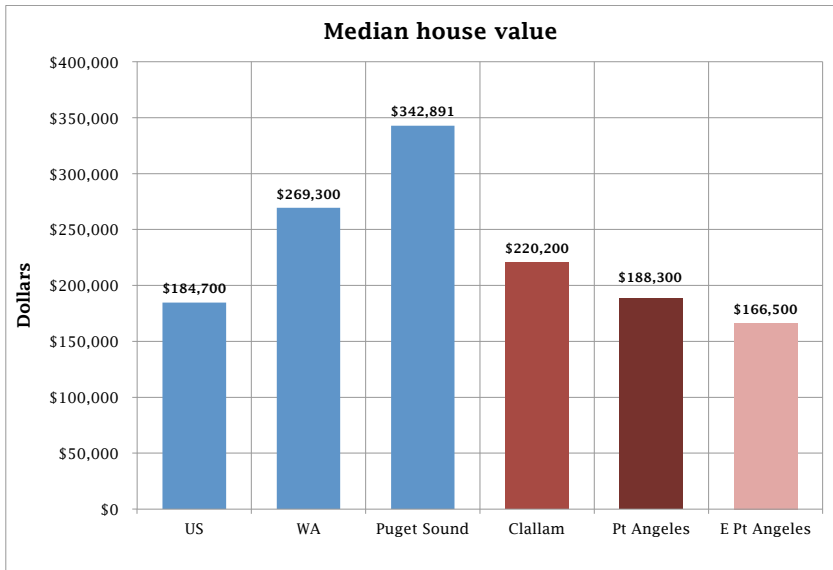
No vehicles available in the household - is 11% in Port Angeles that is much higher than 6% in East Port Angeles, 7% in Clallam County, 8% in Puget Sound, and 7% in Washington State (US statistic not available). The low vehicle statistic for Port Angeles is due to the high concentration in the population of retired households.

Income

Median per capita income - is \$23,976 in East Port Angeles and \$24,147 in Port Angeles that is lower than \$29,967 in Clallam County and \$29,829 in the US and significantly below \$38,095 in Puget Sound and \$32,999 in Washington State. Port Angeles and Clallam County's median income is likely to be relatively lower considering the low ratio of employed persons in the population and probably reflects the lower income of older and retired persons from pensions, stocks, bonds, and other income transfer payments as well as the lower pay of military personnel.

Median family income - is \$56,645 in Port Angeles that is comparable to \$59,683 in Clallam County but lower than \$68,015 in East Port Angeles, \$78,507 in Washington State, and \$67,871 in the US and significantly lower than \$90,497 in Puget Sound. There are likely more working members of the larger and younger households in the Puget Sound, Washington State, and US than in Clallam County and Port Angeles being paid urban rather than rural wages in more base and technologically oriented industries. Port Angeles's concentrated employment in service sector jobs, which pay less than base sector jobs, is also a likely factor. Regardless of the source, Port Angeles households will be able to pay less for housing than the comparable areas.





Percent of the population in poverty - is 22.3% in Port Angeles that is significantly higher than 15.7% in Clallam County and higher than 10.9% in East Port Angeles, 10.8% in Puget Sound, 12.7% in Washington State, and 15.1% in the US. Port Angeles's poverty percentages may include a portion of the elderly population that likely depends on income-limited pensions, benefits, and federal assistance.

Total families in poverty - is 15.6% in Port Angeles that is significantly higher than 7.4% in East Port Angeles, 10.0% in Clallam County, 7.1% in Puget Sound, 8.4% in Washington State, and 11.0% in the US. Port Angeles's family poverty statistics may reflect the rural economic, and lower wages, than is typical of the higher wages and job opportunities of the more urban Puget Sound and Washington State comparable areas.

Housing

Percent in detached single-family housing units - is 73% in East Port Angeles, 70% in Port Angeles, and 72% in Clallam County that is significantly higher than 60% in Puget Sound, 63% in Washington State, and 62% in the US.

Percent in multifamily of 20+ units - is 0% in East Port Angeles, 8% in Port Angeles, and 4% in Clallam County that is significantly lower than 14% in Puget Sound, 10% in Washington State, and 9% in the US..

Percent owner occupied - is 54% in Port Angeles that is lower than 77% in East Port Angeles and 70% in Clallam County but somewhat typical of 60% in Puget Sound, 62% in Washington State, and 64% in the US. The relatively lower owner percentage in Port Angeles may reflect the city's higher proportion of older single individuals who move from owner into renter status in retirement as well as in-migrant and military households.

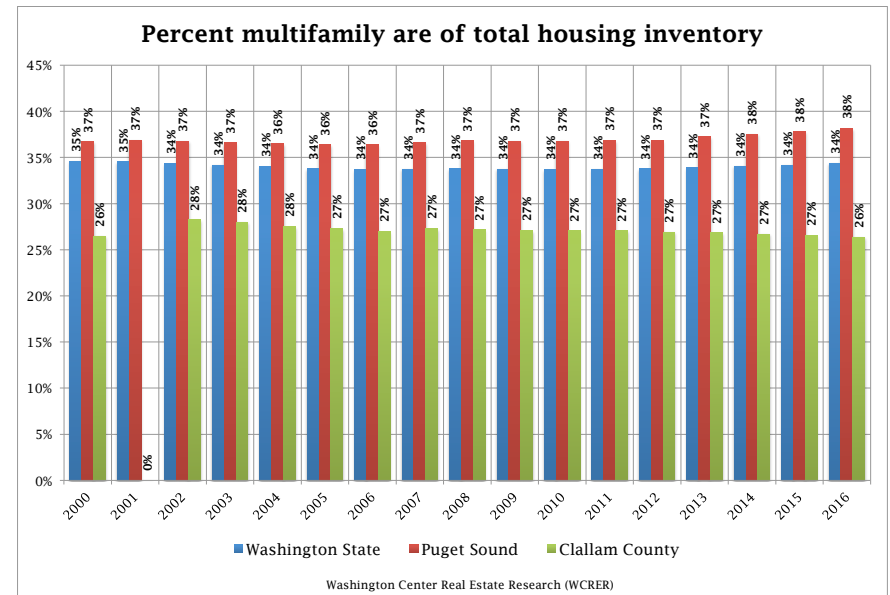
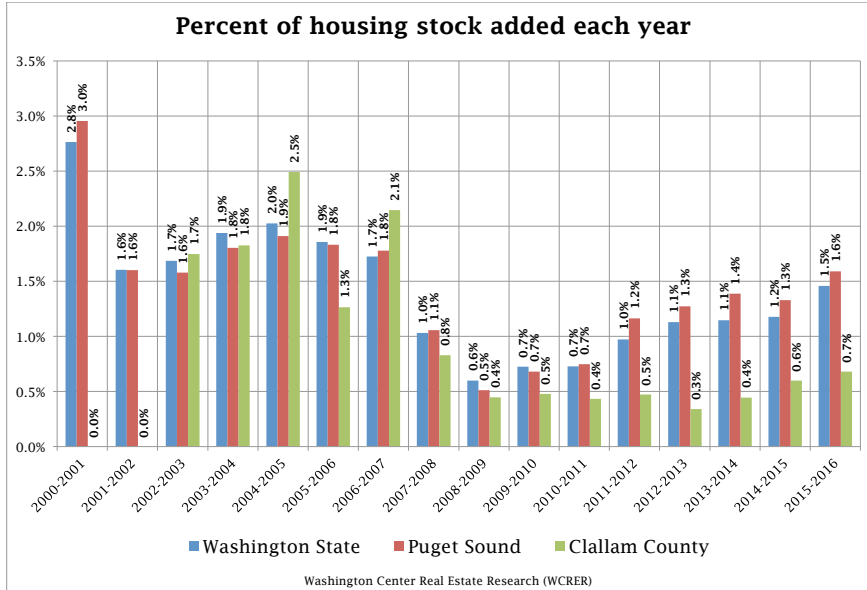
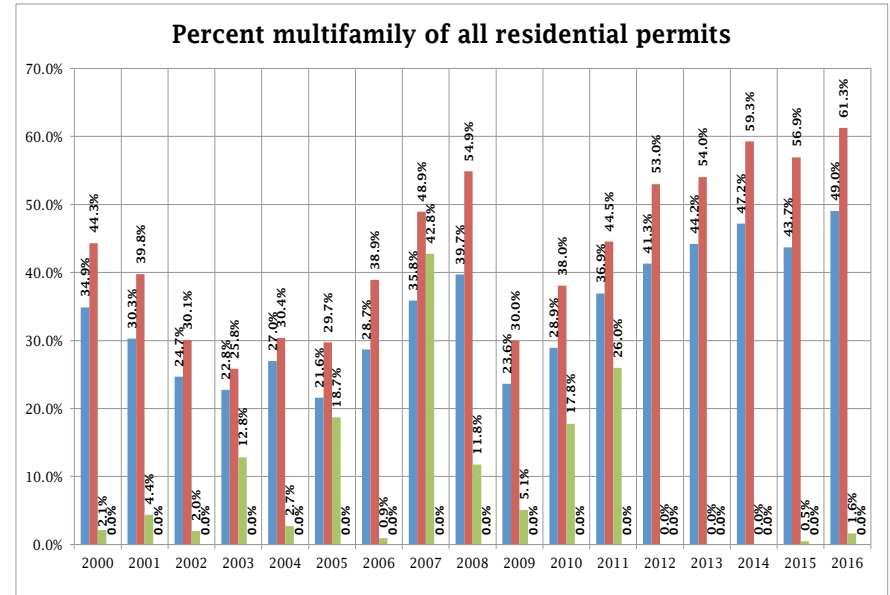
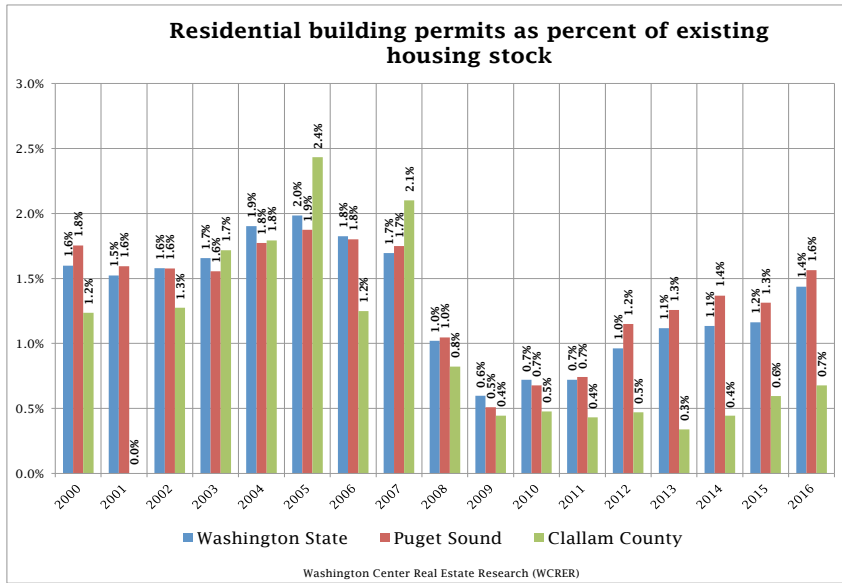
Percent renter occupied - is 23% in East Port Angeles that is lower than 39% in Port Angeles, 46% in Port Angeles, 30% in Clallam County, 40% in Puget Sound, 38% in Washington State, and 36% in the US. Port Angeles's high renter percentage is likely due to the higher proportion of older single individuals who move from owner into renter status in retirement as well as transitioning in-migrant and military households.

Median house values - is \$166,500 in East Port Angeles, \$203,400 in Port Angeles, and \$220,200 in Clallam County that is significantly lower than \$342,891 in Puget Sound and \$299,300 in Washington State but comparable to \$184,700 in the US. Port Angeles and Clallam County's housing values will be lower than the more urban areas reflecting lower land costs, construction labor costs, and household buying power.

Median rent - is \$735 in East Port Angeles, \$804 in Port Angeles, and \$854 in Clallam County that is significantly lower than \$1,210 in Puget Sound, \$1,056 in Washington State, and \$949 in the US. Generally, rents should in Port Angeles and Clallam County reflect the same market conditions that affect owner house values - lower land and construction costs, and household buying power.

Households

Percent of female-headed households - is 22% in Port Angeles that is significantly higher than 9% in East Port Angeles, 16% in Clallam County, 15% in Puget Sound, and 16% in Washington State but comparable to 20% in the US. The high rate of female-headed households is a concern as this type of household are vulnerable in the housing market particularly if elderly subsisting on fixed or limited incomes or raising children with or without income assistance. Female-headed households also have problems establishing credit particularly if re-entering the workforce after a death or divorce.



Percent of female-headed households with related children - is 15% in Port Angeles that is significantly higher than 1% in East Port Angeles, 9% in Clallam County, 8% in Puget Sound, 9% in Washington State, and 11% in the US. Female-headed households with children are the most vulnerable in the housing market typically due to limited or part-time employment, low wage jobs, and child-rearing health, education, and other costs.

Percent of non-family households living alone - is 88% in East Port Angeles, 82% in Port Angeles, and 82% in Clallam County compared with 76% in Puget Sound, 77% in Washington State, and 81% in the US. Port Angeles’s high rate of non-family households living alone is likely a reflection of its high proportion of senior and elderly households.

Percent of non-family households living alone over age 65 - is 46% in East Port Angeles, 37% in Port Angeles, and 44% in Clallam County that is significantly higher 24% in Puget Sound, 28% in Washington State, and 30% in the US. Individuals over age 65 living alone are of concern as they may have lost a partner and may not have other family members residing within the area who can provide care and other assistance.

Housing demand projections 2020-2030

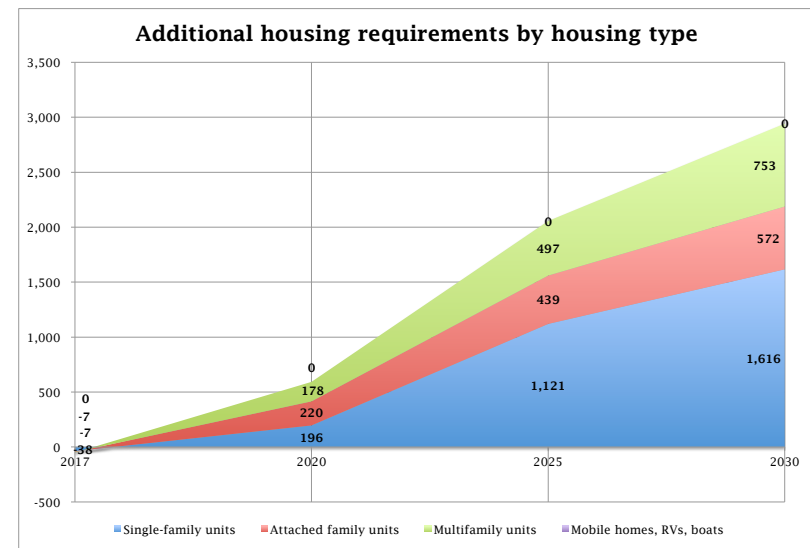
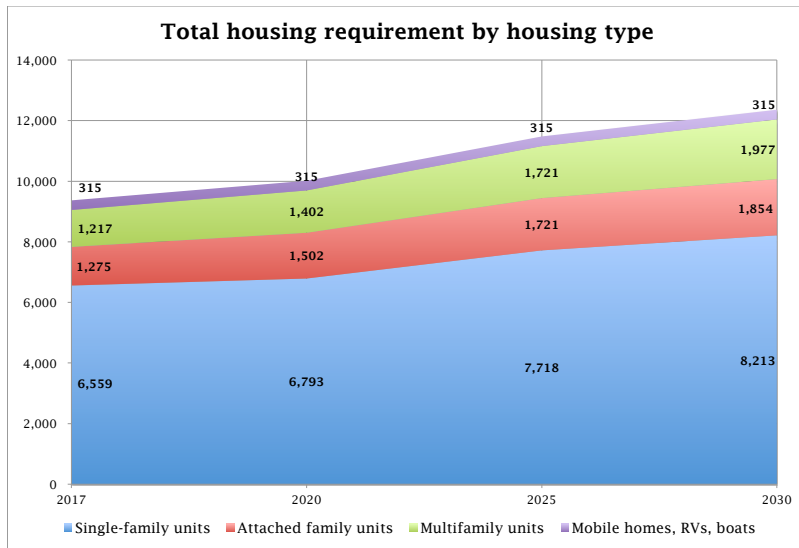
The following projections were based on the population forecasts for Port Angeles from 2020 to 2030 in the Port Angeles 2015 Comprehensive Plan and the characteristics of the existing housing inventory identified in the American Community Survey (ACS) of 2013-1017.

The projections assume the housing demand in Port Angeles will gradually reflect the changing demographic characteristics of the city’s population including an aging of the population resulting in smaller households, preferences for living alone, reduced child-bearing couples including non-nuclear family

household types, and the city’s increasing urban lifestyles and housing markets. Specifically, the projections assume:

- **Population per household** - will gradually decline from 2.26 persons in 2017 to 2.22 by 2030.
- **Percent vacant** - or the vacancy rate will decline from a reasonable market allocation of 9% of all housing units in 2017 to 7% by 2030.
- **Housing market requirement** - will include housing demand to meet household requirements plus a vacancy allocation to provide market elasticity.
- **Percent single-family units of total housing inventory** - will decline from 70% of all demand in 2017 to 66% by 2030 similar to the demand currently evident in Puget Sound.
- **Percent attached family units of 2-9 units of total housing inventory** - will increase from 14% of all demand in 2017 to 15% by 2030 similar to the demand currently evident in Puget Sound.
- **Percent multifamily units of 10+ units of total housing inventory** - will increase from 13% of all demand in 2017 to 16% by 2030 similar to the demand currently evident in Puget Sound.
- **Percent mobile homes, RVs, and boats of total housing inventory** - will remain constant at 315 units by 2030.

	2017	2020	2030
Population	19,420	20,859	25,641
Households	8,593	9,271	11,550
Vacancy allocation	773	742	809
Housing market quota (w/vacancy)	9,366	10,012	12,359
Less existing housing units	9,418	9,418	9,418
Additional housing requirement	-52	594	2,941
Additional single-family	-38	196	1,616
Additional attached family (2-9)	-7	220	572
Additional multifamily (10+)	-7	178	753
Additional mobile home etc.	0	0	0



Port Angeles housing demand 2020-2030

	2017	2020	2025	2030
Population - existing/projected	19,420	20,859	23,802	25,641
Population/household - existing/projected	2.26	2.25	2.24	2.22
Housing demand for a housing unit/household	8,593	9,271	10,626	11,550
Plus vacancy allocation	9%	8%	8%	7%
Vacant housing unit requirement	773	742	850	809
Total housing market demand = demand+vacant units	9,366	10,012	11,476	12,359
Less existing occupied/vacant housing units	9,418	9,418	9,418	9,418
Total additional housing market requirement	-52	594	2,058	2,941
Percent single-family of total - existing/projected	70%	68%	67%	66%
Demand for single-family units	6,559	6,793	7,718	8,213
Less existing single-family units	6,597	6,597	6,597	6,597
Projected additional single-family unit requirement	-38	196	1,121	1,616
Percent attached family unit (2-9) of total - existing/projected	14%	15%	15%	15%
Demand for attached family units	1,275	1,502	1,721	1,854
Existing attached family units	1,282	1,282	1,282	1,282
Projected additional attached family unit requirement	-7	220	439	572
Percent multifamily units (10+) of total - existing/projected	13%	14%	15%	16%
Demand for multifamily units	1,217	1,402	1,721	1,977
Existing multifamily units	1,224	1,224	1,224	1,224
Projected additional multifamily unit requirement	-7	178	497	753
Percent mobile homes, RVs, boats of total - existing/projected	3%	3%	3%	3%
Demand for mobile homes, RVs, boats	315	315	315	315
Existing mobile homes, RVs, boats	315	315	315	315
Projected additional mobile home, etc. requirement	0	0	0	0

Sources

Population projections - Port Angeles Comprehensive Plan
 2017 Social characteristics - American Community Survey (ACS), 2013-2017
 Housing projections - Beckwith Consulting Group

Limitations of the projections

- American Community Survey (ACS) data identifies the number of total vacant units but does not specify whether the units are single-family, attached family, multifamily, or mobile homes, RVs, or live-aboard boats. The projections assume vacancies are distributed in the inventory in the same proportions as the total types of each housing unit.
- Vacant units include housing on the market for sale or rent, foreclosed, and possibly abandoned. The projections assume all vacant units are or can be made of a condition that can be occupied and thus absorbed by market demand over time.

Major implications of the projections

- The requirement or need for additional housing units is -52 in 2017 since 1,107 or 13% of the inventory is vacant or not occupied but will increase to 594 housing units by 2020 and 2,941 housing units by 2030 as population and thus households increase and the vacancy rate declines from a reasonable market allocation of 9% to 7%.
- The requirement or need for additional single-family housing units is -38 in 2017 due to the presumed large number of vacant units but will increase to 196 in 2020 and 1,616 single-family by 2030.

- The requirement or need for additional attached family housing units of between 2-9 units per structure is -7 in 2017 due to the presumed large number of vacant units but will increase to 220 attached units by 2020 and 1,572 attached units by 2030.
- The requirement or need for additional multifamily housing units of over 10+ units per structure is -7 in 2017 due to the presumed large number of vacant units but will increase to 178 multifamily units by 2020 and 753 multifamily units by 2030.
- The requirement or need for additional mobile homes, RVs, and live aboard boats is 0 in 2017 due to the limited zones that this type of housing can be provided and will remain 0 in 2020 and 0 by 2030.
- In total, the projections indicate Port Angeles housing market demands will reflect the increasing proportions of older, single individual and smaller households who will seek to live in more urban housing types and settings.

Chapter 3: Housing market trends

Washington Center for Real Estate Research (WCRER) - is an industry-focused unit within the Runstad Center for Real Estate Studies housed within the College of Built Environments at the University of Washington (UW). The Board of Regents at Washington State University (WSU) initially established the WCRER to provide a bridge between academic study and research on real estate topics and the professional real estate industries. It served that mission at WSU until merging with the Runstad Center at the beginning of 2012.

Much of the work at WCRER is driven by the legislation (RCW 18.85.741) that created the real estate research fund surcharge on new real estate licensees and renewals. The purpose of a real estate research center in Washington State is to provide credible research, value-added information, education services and project-oriented research to real estate licensees, real estate consumers, real estate service providers, institutional customers, public agencies, and communities in Washington State and the Pacific Northwest region. The center may:

- Conduct studies and research on affordable housing and strategies to meet the affordable housing needs of the state;
- Conduct studies in all areas directly or indirectly related to real estate and urban or rural economics and economically isolated communities;
- Disseminate finding and results of real estate research conducted at or by the center or elsewhere, using a variety of dissemination media;
- Supply research results and educational expertise to the Washington state real estate commission to support its regulatory functions, as requested;
- Prepare information of interest to real estate consumers and make the information available to the general public, universities, or colleges, and appropriate state agencies;
- Encourage economic growth and development within the

state of Washington;

- Prepare information of interest to real estate consumers and make the information available to the general public, universities, or colleges, and appropriate state agencies;
- Encourage economic growth and development within the state of Washington;
- Support the professional development and continuing education of real estate licensees in Washington;
- Study and recommend changes in state statutes relating to real estate; and
- Develop a vacancy rate standard for low-income housing in the state.

WCRER collates real estate data and trends including building permits, construction, sales, and vacancies on a county and statewide basis. The most recent data available from WCRER is for the 2000-2017 years.

Residential permits approved as a percent of existing housing stock

- Clallam County's residential building permits represented between 0.3% in 2013 and 2.4% in 2005 of its existing housing inventory or stock compared with 0.5% in 2009 and 1.9% in 2005 for Puget Sound, and 0.6% in 2009 and 2.0% in 2005 in Washington State. Peak housing permitting or speculating years for all areas was 2005-2007 during the housing boom compared with the housing bust in 2009. Residential permit activity, however, is not necessarily a reflection of what got actually developed.

Percent multifamily of all residential building permits - was highest at 12.9% in 2004 in Port Angeles compared with 42.8% in 2007 in Clallam County, 54.9% in Puget Sound, and 40.0% in Washington State compared with the lowest at 0.0% in 2011-2016 in Port Angeles compared with 0.0% from 2012 to 2016 in Clallam County, 30.0% in 2009 in Puget Sound, and 21.6% in

2005 in Washington State. Residential permit activity reflects the demand for multifamily housing in urban areas where most of the city, county, region, and state population growth is occurring. The trend is particularly pronounced in Port Angeles due to the type of older household being attracted to the area.

Percent of housing stock added each year - in Clallam County was between 0.3% in 2012-2013 and 2.5% in 2004-2005 compared with 0.5% in 2008-2009 and 3.0% in 2000-2001 for Puget Sound, and 0.6% in 2008-2009 and 2.8% in 2000-2001 in Washington State. Peak housing construction years for all areas was 2005-2007 during the housing boom compared with the housing bust in 2009.

Percent multifamily of housing inventory - has averaged around 8% in Port Angeles compared with highs of 38% in 2016 in Puget Sound, and 35% in 2001 for Washington State. The high percentages of total housing stock in multifamily in Puget Sound reflects the area's level of urbanization compared with the low-density low population concentration in Port Angeles.

Housing sales

Percent of existing housing stock sold per year - was lowest at 1.7% in 2015 and highest at 5.4% in 2003 in Port Angeles compared to 2.5% in 2011 and 5.4% in 2005 in Puget Sound, and 2.5% in 2011 and 5.9% in 2005 in Washington State. The turnover rate is declining in general in the market as a result of the mortgage and housing meltdown, but is more pronounced in Port Angeles since it affects the ability of in-migrant households to be able to sell their existing houses in other areas before being able to make a move to Port Angeles.

The average increase in median home prices - fluctuated in Clallam County from a high of 21.7% from 2004-2005 during the housing markets peak to a low of -12.9% from 2010-2011 as the

local and national housing market melted down. Clallam County's meltdown was not as pronounced as Puget Sound that declined from 31.6% in 2011-2012 to -14.4% in 2010-2011, but typical of Washington State that declined from 16.0% in 2004-2005 to -14.2% in 2008-2009.

Median housing sales prices - rose in Clallam County from an average of \$126,000 in 2001 to \$265,700 by 2017 or by 211% compared with \$209,273 in 2000 to \$492,838 in 2017 or 236% in Puget Sound, and \$176,300 in 2000 to \$352,200 in 2017 or 200% in Washington State. Puget Sound median house sales prices are higher than Clallam County and Washington State on average due to the more urban market in Puget Sound compared to the county.

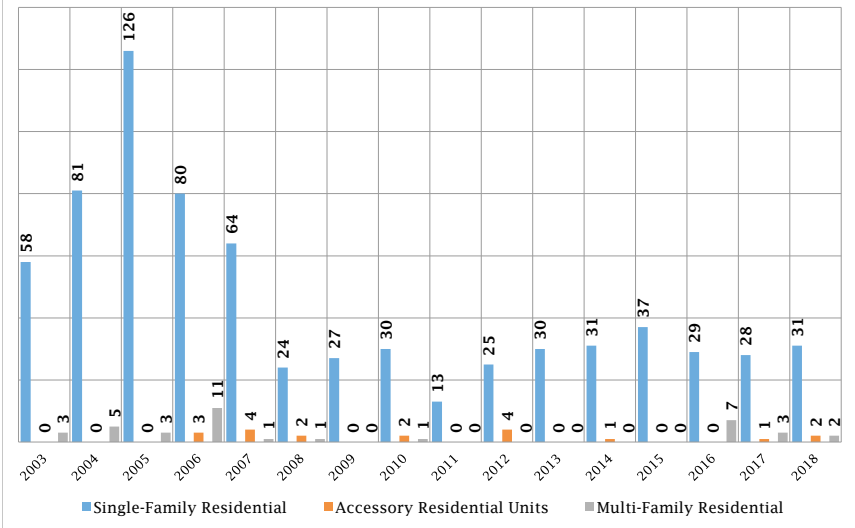
Housing affordability

Housing Affordability Index (HAI) is based on the ability of a middle income family to acquire a median price home under typical market rate down payment requirements (20%) and mortgage terms (30-year) and interest rates assuming lending institutions will not underwrite a home loan with monthly payments that exceed 25% of the buyer's income. An index of 100 reflects a balance between a family's ability to pay and the cost of housing. An index above 100 indicates housing is more affordable while an index below 100 indicates housing is less affordable.

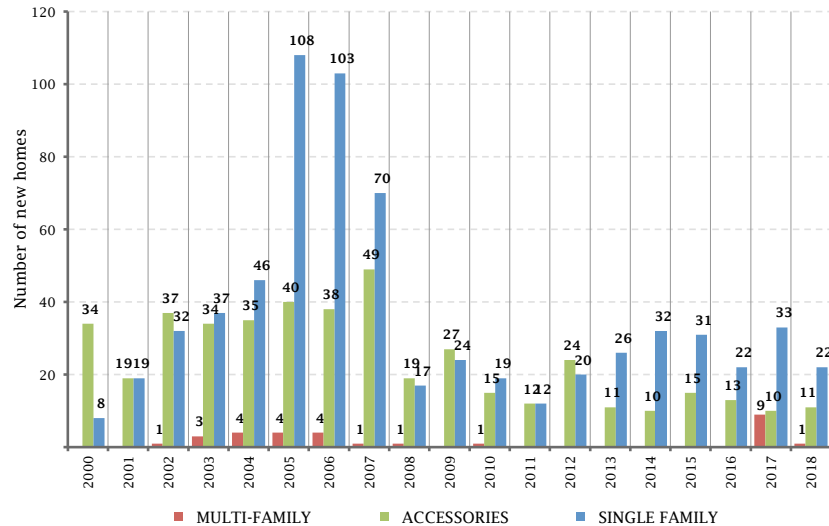
Housing Affordability Index (HAI) - fell on a statewide basis to 87.0 in 2006 during the housing bust then increased to 174.8 in 2011 as the economy recovered then declined to 118.2 in 2017.

Likewise, Clallam County's HAI declined to 89.9 in 2006 then increased to 170.6 in 2012 then declined again to 120.4 in 2017. The HAI may continue to "decline" as the housing market rebounds increasing the value and thus purchase price of

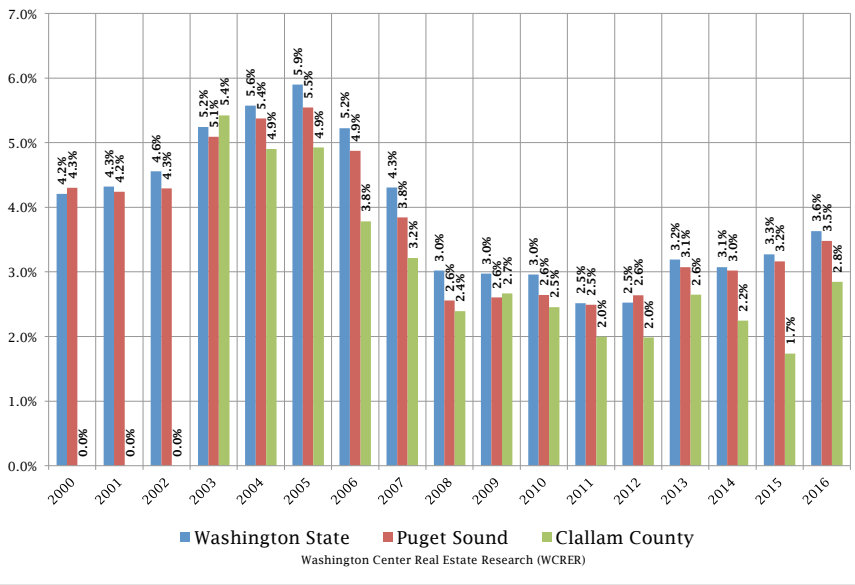
Residential building permits 2003-2018



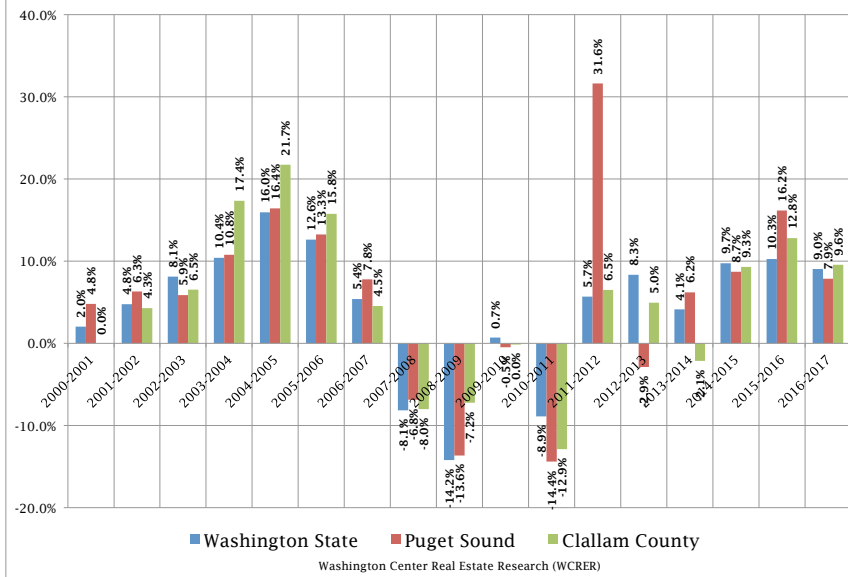
New home construction by type and year



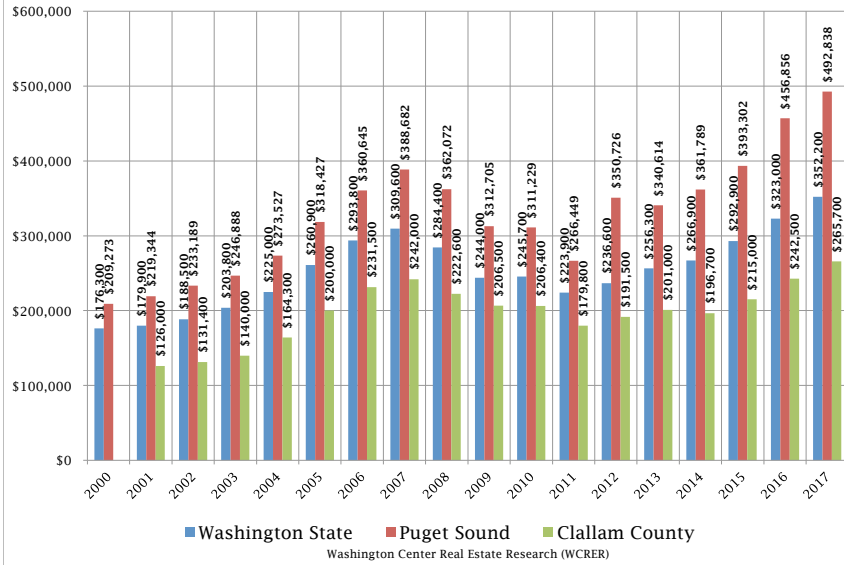
Percent of existing stock sold per year



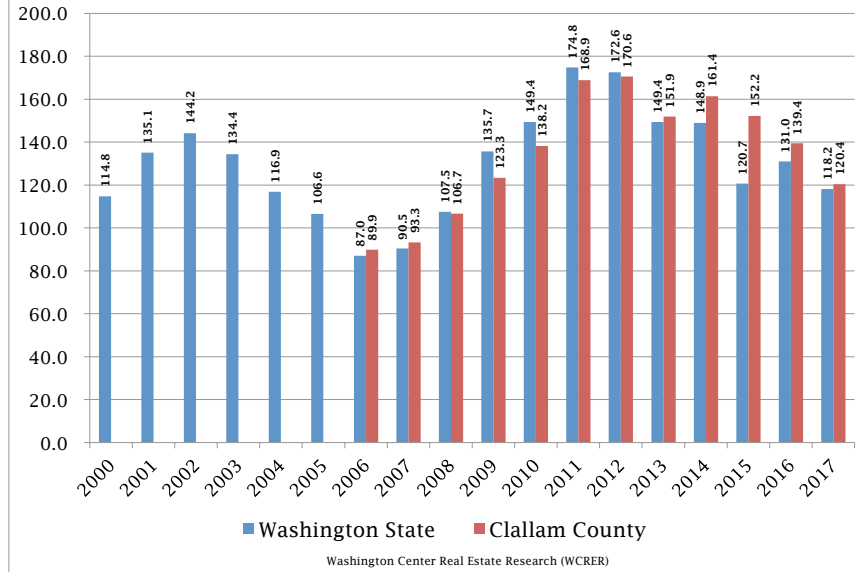
Annual increase in median home prices



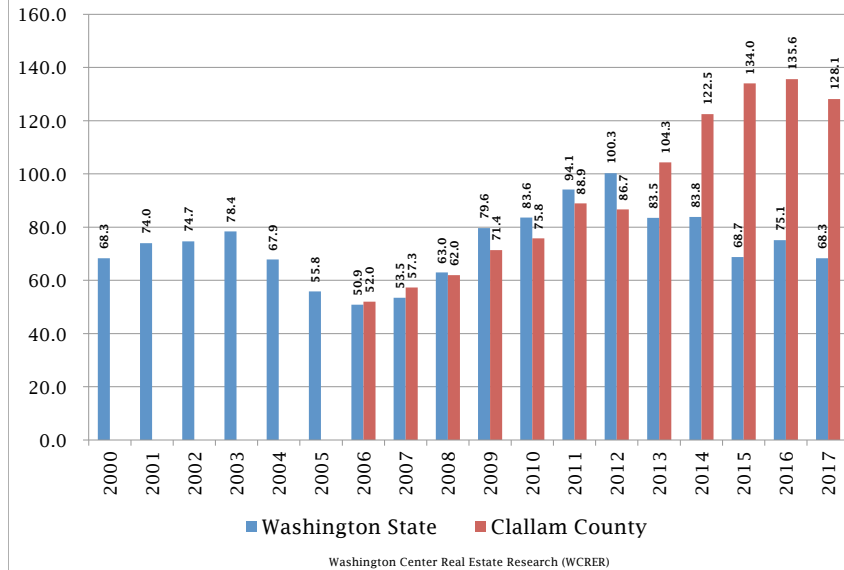
Median home prices



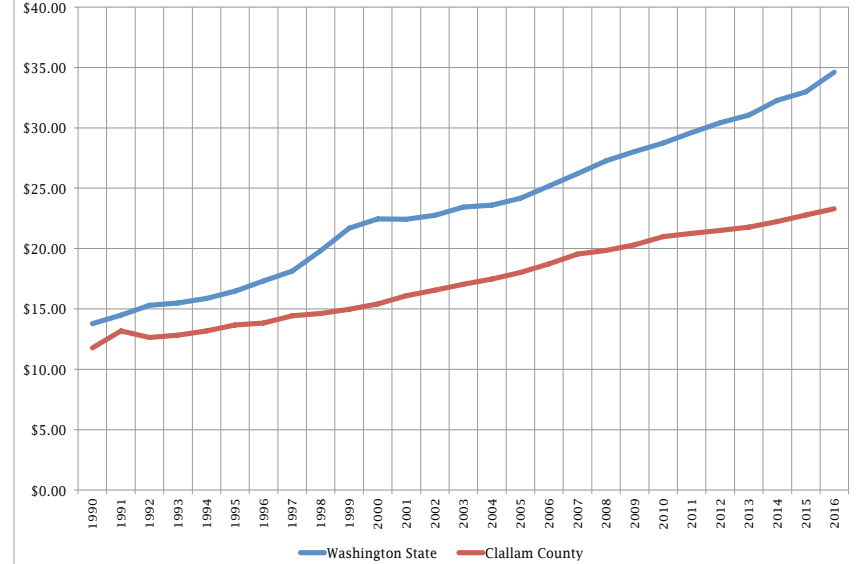
Housing Affordability Index



Housing Affordability Index - First Time Buyer



Average hourly wages 1990-2016



existing housing and decreasing household income buying or renting power as a relative proportion.

Housing Affordability Index (HAI) First-Time Buyer - measures first-time buyers purchasing ability assuming a first-time buyer has an income 70% of the median household income, buying a house that is 85% of the area's median price, with a 30 year loan, 10% down payment, with principal and interest payments of up to 25% of household income. Statewide the First-Time Buyer HAI declined to 50.9 in 2006 then increased to 100.3 in 2012 to decline again to 68.3 in 2017. Likewise, Clallam County's First-Time buyer HAI declined to 52.0 in 2006 then increased to 135.6 in 2016 then 'declined' to 128.1 in 2017. First-time buyers ability to purchase housing reflects the same issues affecting other buyers except in Clallam County where home prices have continued to increase out of reach of local first-time buyers in the city.

Federal Housing Finance Agency (FHA) House Price Index (HPI) - is a broad measure of the movement of single-family house prices. The HPI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or re-financings on the same properties. This information is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. The HPI serves as a timely, accurate indicator of house price trends at various geographic levels. Because of the breadth of the sample, it provides more information than is available in other house price indexes. It also provides housing economists with an improved analytical tool that is useful for estimating changes in the rates of mortgage defaults, prepayments and housing affordability in specific geographic areas.

Housing Price Index (HPI) - monthly price change estimates
Housing capabilities - were calculated for each skill assuming buyers could spend 25% of household income for mortgage payment exclusive of utilities, taxes, insurance, and

maintenance for a 30-year loan with 10% down and an interest rate of 4.00%, and renters 30% of household income for rent exclusive of utilities.

The HPI increased by 6.4% over the 12-month period from May 2017 to May 2018 across the US and 7.6% in the Seattle-Tacoma-Bellevue Metropolitan Statistical Area (MSA). The monthly purchase only index value for the US in May 2018 was 263.3 compared with 306.7 in the Pacific region where 100.0 is indexed to house purchase prices in January 1991. HPI increases indicate that incomes have not kept pace with housing prices.

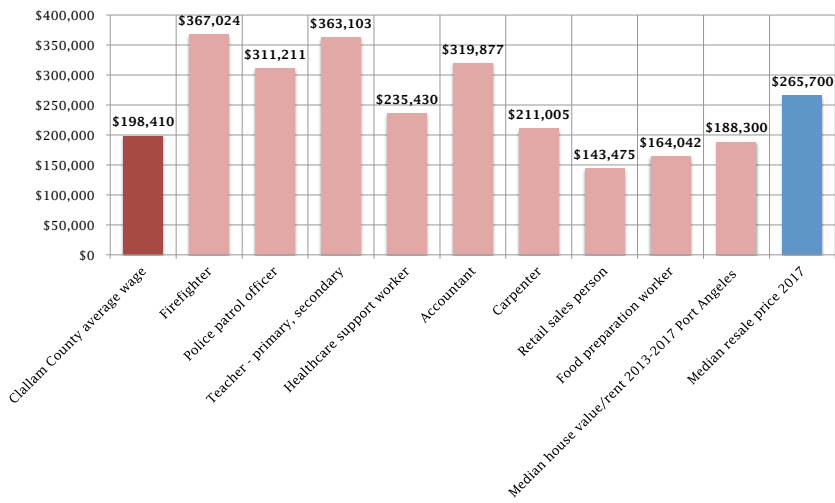
Critical skill housing capabilities

Average hourly wages - increased in Clallam County from \$11.77 per hour in 1990 to \$23.31 in 2016 or by 198% compared to Washington State that increased from \$13.77 in 1990 to \$34.61 in 2016 or by 251%. Clallam County's principal industries are forestry, fishing, and agriculture while Washington State has a more balanced economy that includes higher paying manufacturing and service industries.

Occupational Employment & Wage Estimates - are published by the Washington State Employment Security Department (ESD) for occupations in Washington State and for major metropolitan statistical areas (MSAs) like the Bremerton-Silverdale MSA that includes all of Kitsap County (Clallam County data is not available). A sample of critical public and private skill occupations was taken from the 2017 ESD to compare their ability to pay for housing.

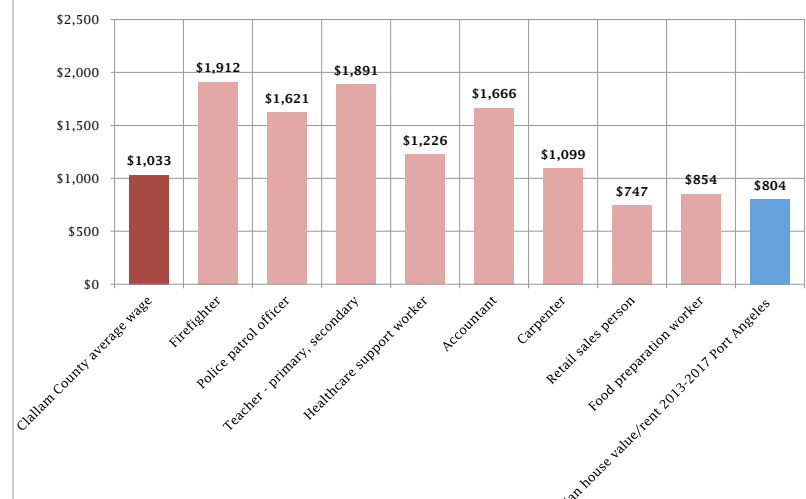
Critical skills comparisons - Clallam County's average annual income for all workers in 2017 was \$41,334 compared with \$76,461 for firefighters, \$64,834 for police patrol officers, \$75,644 for primary and secondary teachers, \$49,046 for healthcare support workers, \$66,639 for accountants, \$43,958 for carpenters, \$29,890 for retail sales persons, and \$34,174 for

Home purchasing capacity by occupation in 2017



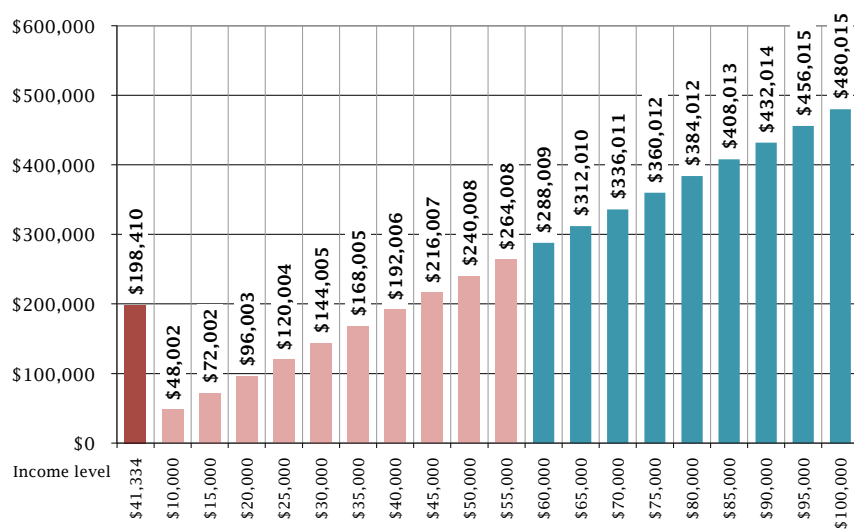
Washington State Employment Security Department, American Community Survey (ACS) 2012-2016

Monthly rental capability by occupation in 2017

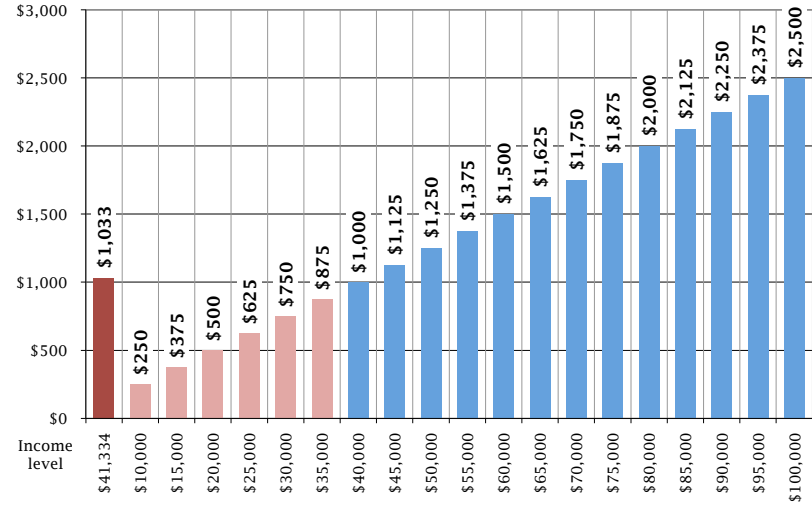


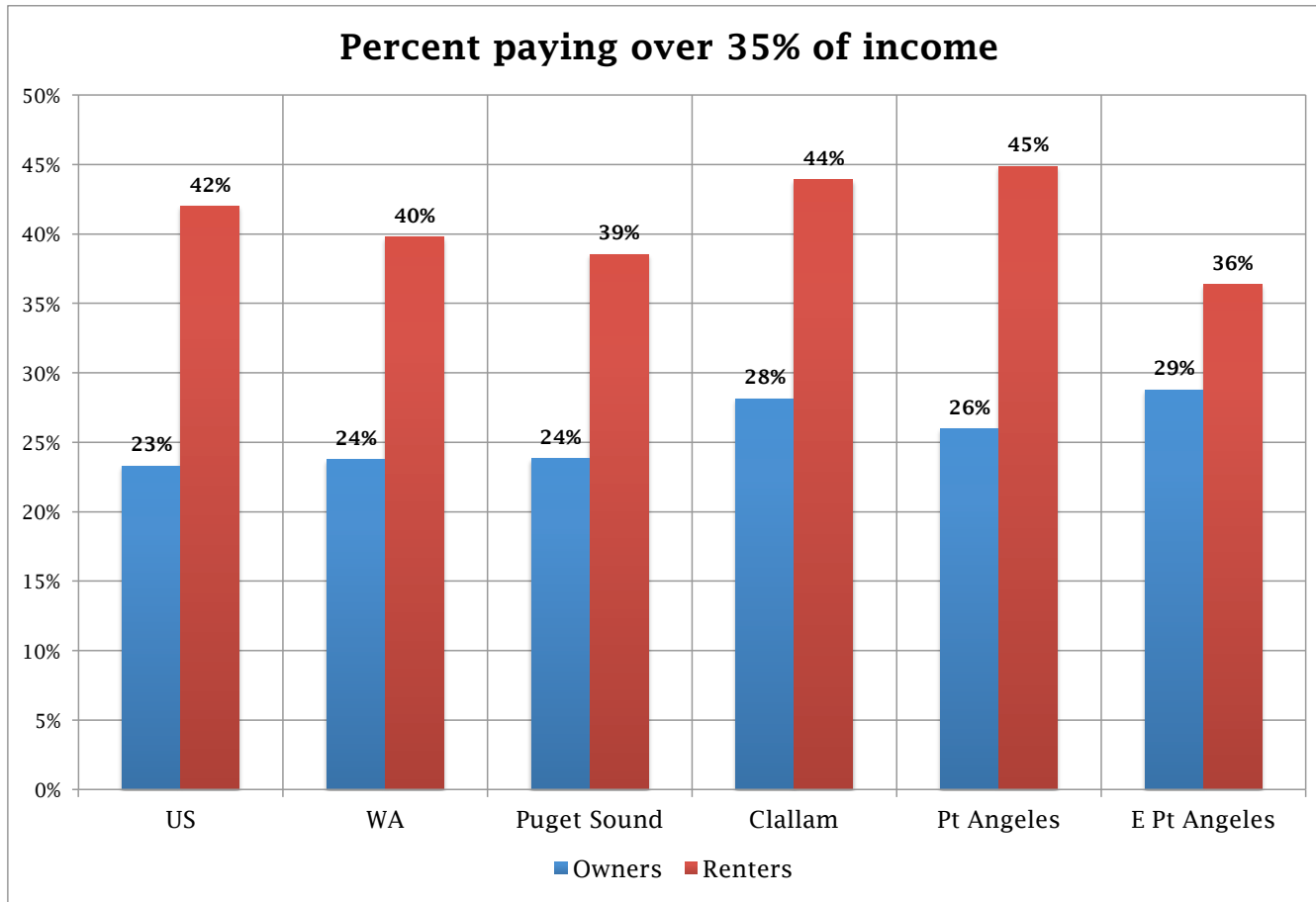
Washington State Employment Security Department, American Community Survey (ACS) 2012-2016

Home purchasing capacity in 2017



Monthly rental capability in 2017





food preparation workers.

Critical skills buying capability - the \$203,400 median value of an existing house in Port Angeles in 2017 was significantly above what could be financed with 25% of income by a retail sales person at \$143,475 and food preparation worker at \$164,042 and slightly above what an average wage would support at \$198,410. Public employees, including firefighters, police patrol officers, primary and secondary teachers, as well as accountants, healthcare support workers, and carpenters could afford to purchase a median value existing house for 25% of their income.

Critical skills renting capability - the \$845 median rent of an existing apartment in Port Angeles in 2017 was above what could be financed with 30% of income by a retail sales person at \$747. Public employees, including firefighters, police patrol officers, primary and secondary teachers, as well as accountants, healthcare support workers, and carpenters could afford to rent a median value existing apartment for 25% of their income.

Implications - median house values and apartment rents in Port Angeles are likely beyond the ability of the retail sales and food preparation workers to afford within 25% of income for purchase and 30% of income for rent. These households must either have 2 or more working members to be able to reasonably afford housing or be paying beyond the 25-30% allowance considered a financially viable percent of income for housing.

Housing cost burden

Percent of owners with a mortgage paying over 35% of monthly household income - was 29% East Port Angeles, 26% of Port Angeles, 28% in Clallam County, 24% in Puget Sound, 24% in Washington State, and 23% in the US in 2016. Port Angeles owner households with a mortgage are likely to be considerably

stressed since a large proportion of the inventory in Port Angeles is composed of existing older housing stock.

Percent of renters paying over 35% of monthly household income - was 36% in East Port Angeles or significantly lower than 45% in Port Angeles, 44% in Clallam County, 39% in Puget Sound, 40% in Washington State, and 42% in the US in 2016. Port Angeles renting households are likely to be very considerably stressed since a large proportion of the inventory in Port Angeles is composed of existing older apartments.

Publicly assisted housing income ranges - are established by the US Housing & Urban Development Department (HUD) for each community in the nation based on the income and housing cost factors within each community. HUD income range classifications include:

- **Extremely Low Income** - a family's annual income does not exceed approximately 30% of the Area Median Income (note - this limit is often higher than 30% of the AMI because the limit must be greater than state poverty guidelines).
- **Very Low Income** - a family's annual income must not exceed approximately 50% of the Area Median Income (AMI).
- **Low Income** - a family's annual income must not exceed approximately 80% of the Area Median Income (AMI).

Area Median Income (AMI) - affordable housing program eligibility is always determined by one's income. Each household's income is compared to the incomes of all other households in the area through a statistic established by the government called the Area Median Income (AMI). The AMI is calculated and published each year by HUD.

HUD often uses an area larger than a city to determine the AMI because HUD anticipates those searching for housing will look beyond individual cities during their housing search. For Port Angeles, the AMI is calculated from all households

within Clallam County. In Port Angeles, HUD calculates the Area Median Income for a family of four as \$61,600

Most affordable housing programs determine eligibility based on the percent a household's income is of AMI. Among the programs that determine eligibility based on the AMI are HUD's Housing Choice Vouchers, project-based Section 8 contracts, public housing, USDA Rental Assistance (in Section 515 properties) as well as HUD Section 202 and 811 properties for elderly and disabled households.

Rental assistance - is a type of housing subsidy that pays for a portion of a renter's monthly housing costs, including rent and tenant paid utilities. The percentages HUD publishes to qualify for rental assistance are approximations and vary by family size for Port Angeles:

Household size	Extremely Low Income	Very Low Income	Low Income
1 person	\$13,650	\$22,750	\$36,400
2 persons	\$16,460	\$26,000	\$41,600
3 persons	\$20,780	\$29,250	\$46,800
4 persons	\$25,100	\$32,500	\$52,000
5 persons	\$29,420	\$35,100	\$56,200
6 persons	\$33,740	\$37,700	\$60,350
7 persons	\$38,060	\$40,300	\$64,500
8 persons	\$42,380	\$42,900	\$68,650

Source: HUD, Income Eligibility Limits by Household Size, Clallam County 2018

Low Income Housing Tax Credits (LIHTC) - aims to create affordable rental housing for low and very low-income families. Rent limits for the LIHTC Program are determined so that a household making the maximum income for the expected household size of the unit would only pay 30% of their income for rent.

Household size	50% AMI	HERA 50%	60% AMI	HERA 60%
1 person	\$22,750	\$22,900	\$27,300	\$27,480
2 persons	\$26,000	\$26,150	\$31,200	\$31,380
3 persons	\$29,250	\$29,400	\$35,100	\$35,280
4 persons	\$32,500	\$32,650	\$39,000	\$39,180
5 persons	\$35,100	\$35,300	\$42,120	\$42,360
6 persons	\$37,700	\$37,900	\$45,240	\$45,480
7 persons	\$40,300	\$40,500	\$48,360	\$48,600
8 persons	\$42,900	\$43,100	\$51,480	\$51,720

Source: HUD, Income Eligibility Limits by Household Size, Clallam County 2018

For example, the maximum income for a 3 person household at 60% of the AMI in Port Angeles is \$35,100 a year or \$2,925 a month to afford a maximum rent of at 30% of income or \$878 a month. Rent for units in the LIHTC Program include a utility allowance that is determined by the average monthly cost of utilities paid directly by residents that are set on a property-specific basis.

Fair Market Rents (FMR) - are used to establish the payment standards for the Housing Choice Voucher Program, maximum rents in HOME financed rental projects and initial rents for Section 8 project based assistance.

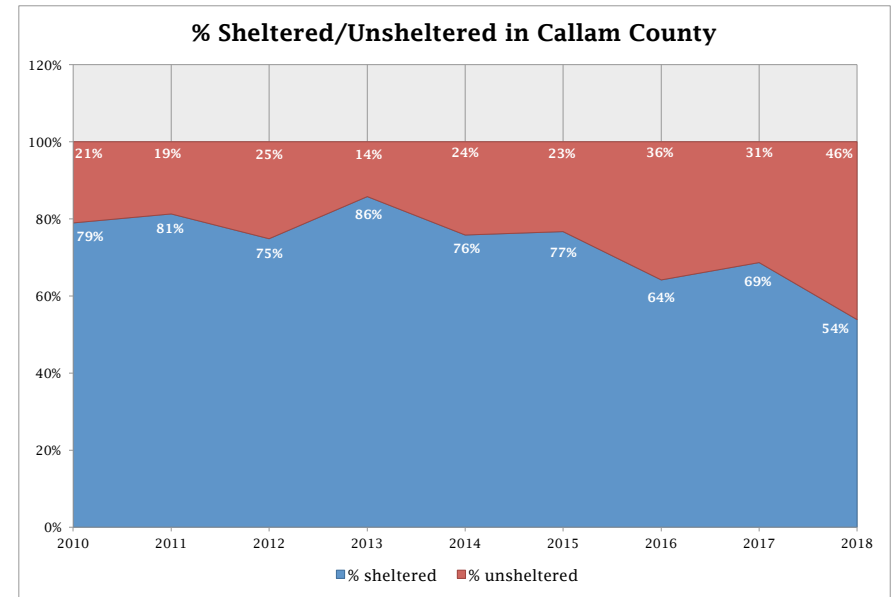
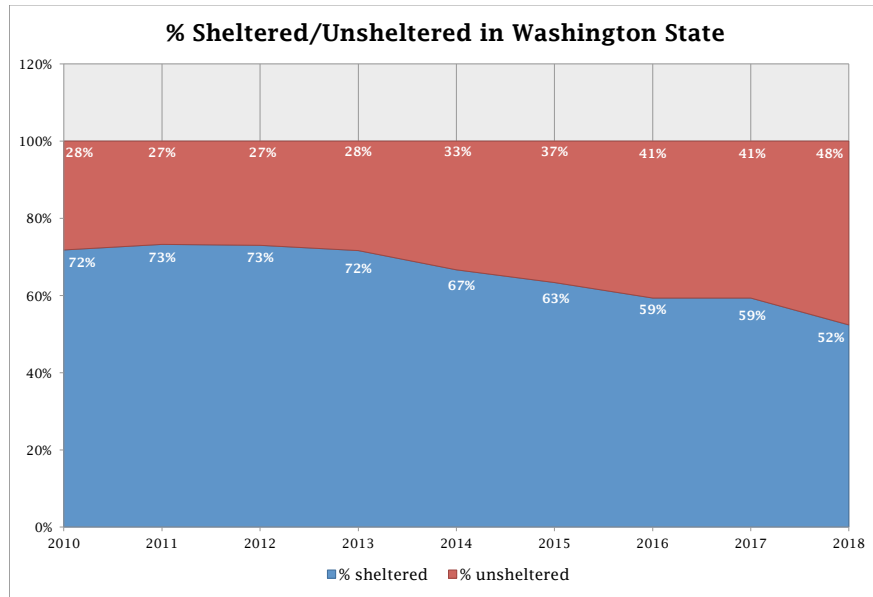
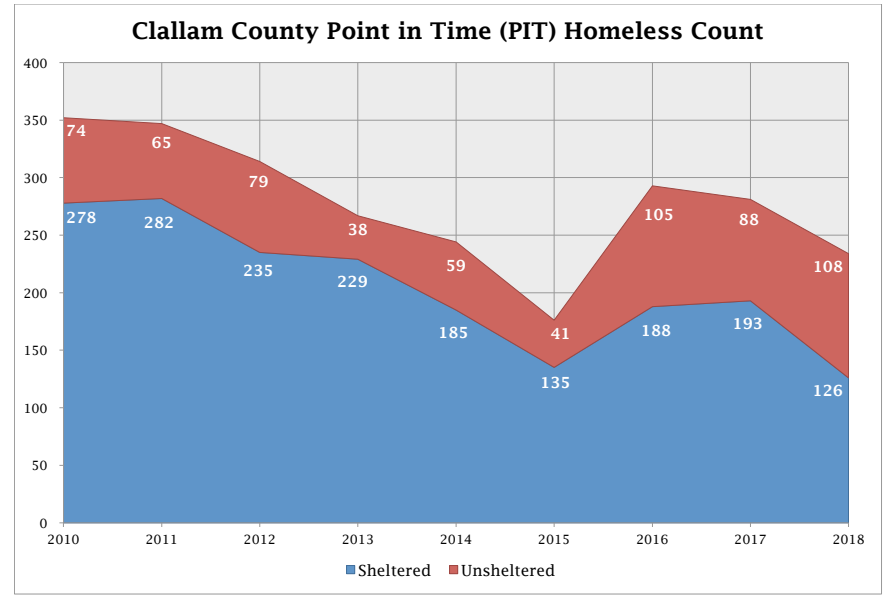
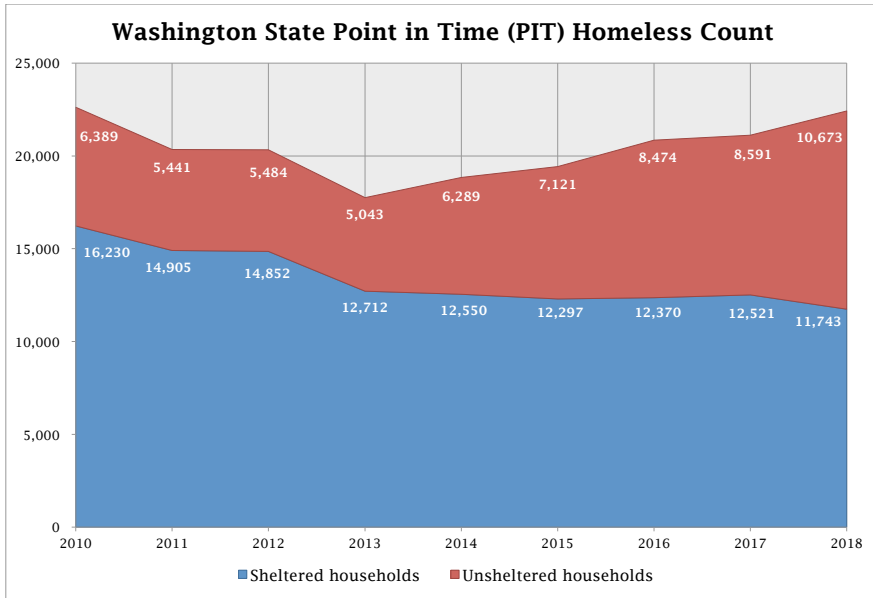
Fair Market Rent (FMR) based on bedrooms

Studio	1	2	3	4
\$566	\$668	\$888	\$1,291	\$1,336

Source: Affordable Housing Online

Homelessness in Clallam County

The 2010-2018 Point in Time (PIT) Counts for Washington State Population: Sheltered and Unsheltered Counts - is sponsored by the Washington State Department of Commerce



(DOC) and all participating counties. DOC has conducted an annual PIT count since 2010. The annual homeless count is conducted in January of each year to gather information on homeless persons, homeless youth, public school students and their families, and coordinated homeless housing services.

The “Point-in-Time” counts are a snapshot and may not capture all who cycle in and out of homelessness over the course of a year. The counts are approximate as it is difficult to find where all unsheltered people may reside in unconventional shelter including tents, abandoned cars, and other means for the night of the count.

Washington State homeless households (those that live together as a social unit) - included 22,619 persons in 2010 that declined to 17,755 persons in 2013 that increased to 22,416 persons in 2018. Approximately 72% of homeless persons were sheltered in 2010 compared to 72% in 2013 compared to 52% in 2018 indicating homeless population requirements increased from 2013 while homeless shelter inventory declined.

Clallam County homeless households - included 352 persons in 2010 that declined to 176 persons in 2015 that increased to 234 persons in 2018. Approximately 79% of homeless persons were sheltered in 2010 compared to 77% in 2015 compared to 54% in 2018 indicating homeless population requirements increased from 2015 while homeless shelter inventory declined.

Washington State homeless household composition - included 11,390 households with children in 2010 that declined to 5,927 persons in 2018 compared with 10,817 persons in households without children in 2010 that increased to 16,170 persons in 2018 compared to 412 households with only children (children) in 2010 that declined to 319 in 2018. The percent composition of households changed dramatically from 48% without children, 50% with children, and 2% children in 2010 to 72% without children, 26% with children, and 1% children in 2018.

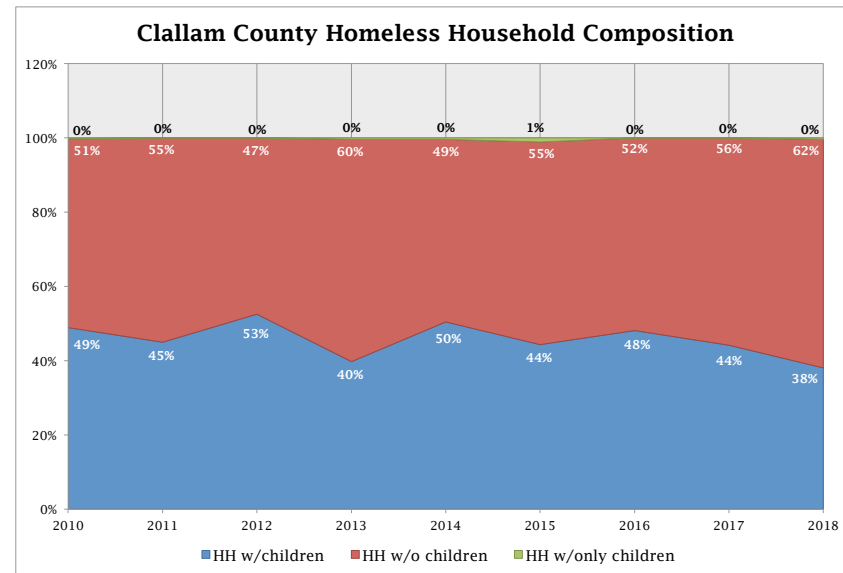
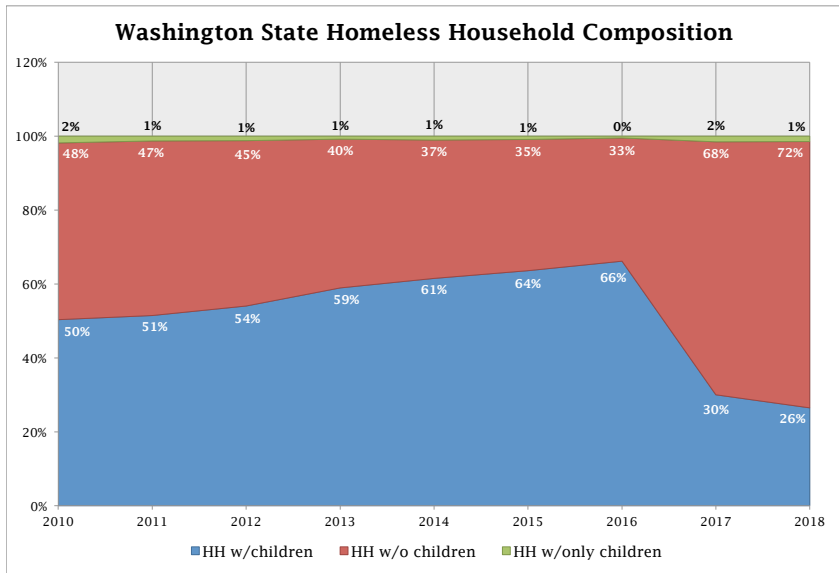
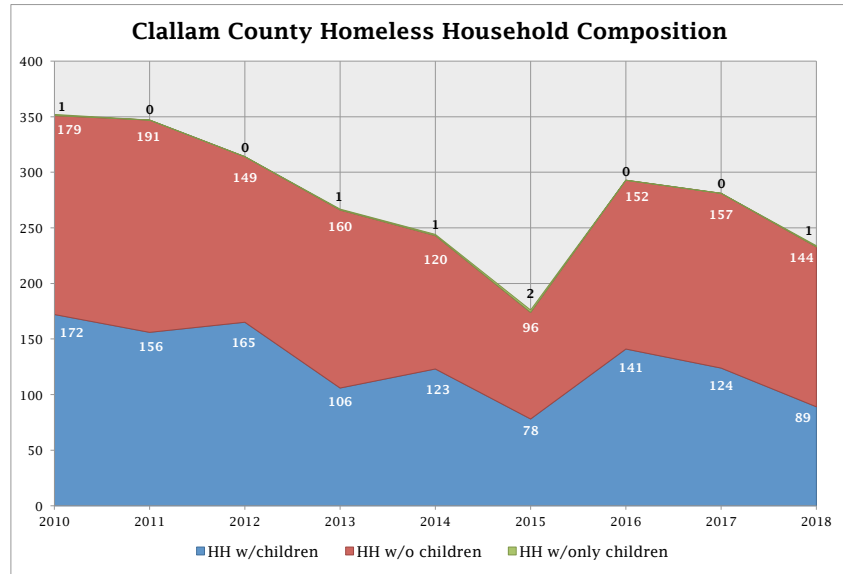
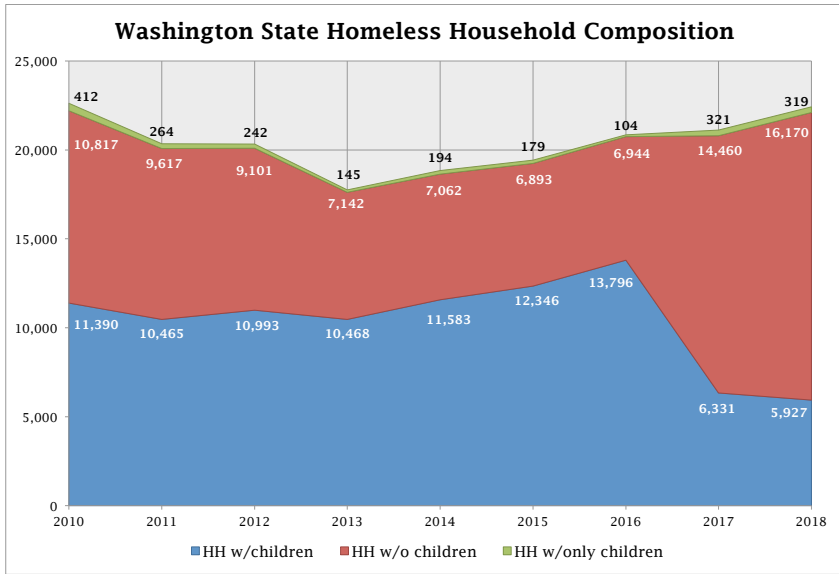
Clallam County homeless household composition - included 172 households with children in 2010 that declined to 89 persons in 2018 compared with 179 persons in households without children in 2010 that declined to 144 persons in 2018 compared to 1 household with only children (children) in 2010 that remained 1 child in 2018. The percent composition of households changed dramatically from 51% without children, 49% with children, and 0% children in 2010 to 62% without children, 38% with children, and 0% children in 2018.

Percent of all Clallam County sheltered persons that were in households - with children increased from 38% in 2010 to 60% in 2018 compared to the percent that were without children declined from 62% in 2010 to 40% in 2018 indicating shelters adapted to housing more families and less individuals to meet needs. The percent of shelter inventory occupied by households with only children remained 0-1%.

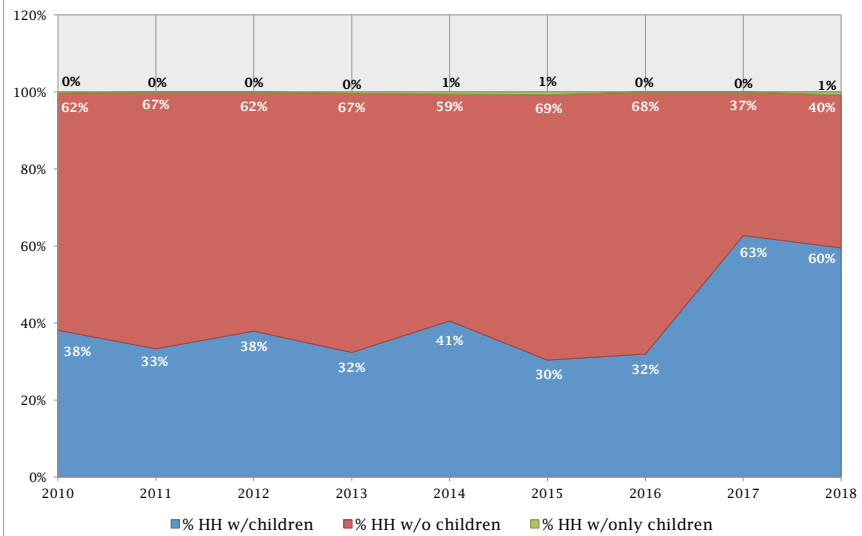
Percent of all Clallam County unsheltered persons that were in households - with children declined from 89% in 2010 to 13% in 2018 compared to the percent that were without children increased from 11% in 2010 to 87% in 2018 indicating shelters adapted to housing more families and less individuals to meet needs resulting in more unsheltered individuals. The percent of unsheltered persons in households with only children remained 0-2%.

Percent of all Clallam County households with children that were sheltered - increased from 62% in 2010 to 84% in 2018 indicating shelters adapted to meeting homeless requirements for households with children.

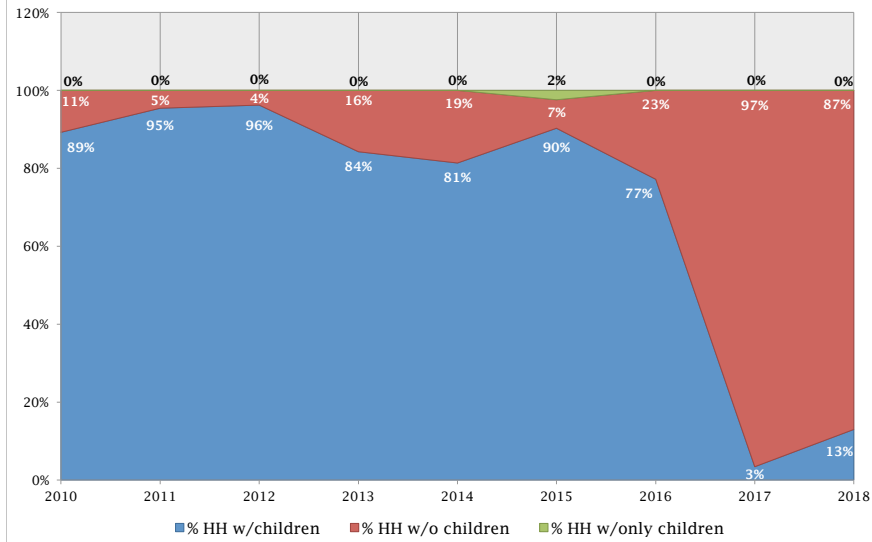
Percent of all Clallam County households without children that were sheltered - decreased from 96% in 2010 to 35% in 2018 indicating shelters adapted to meeting homeless requirements for households with children rather than individuals.



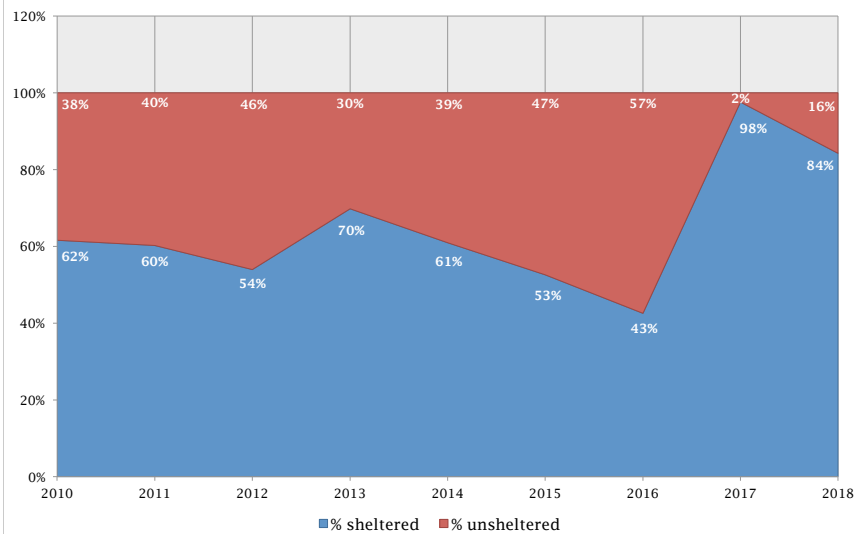
Clallam County Sheltered Persons



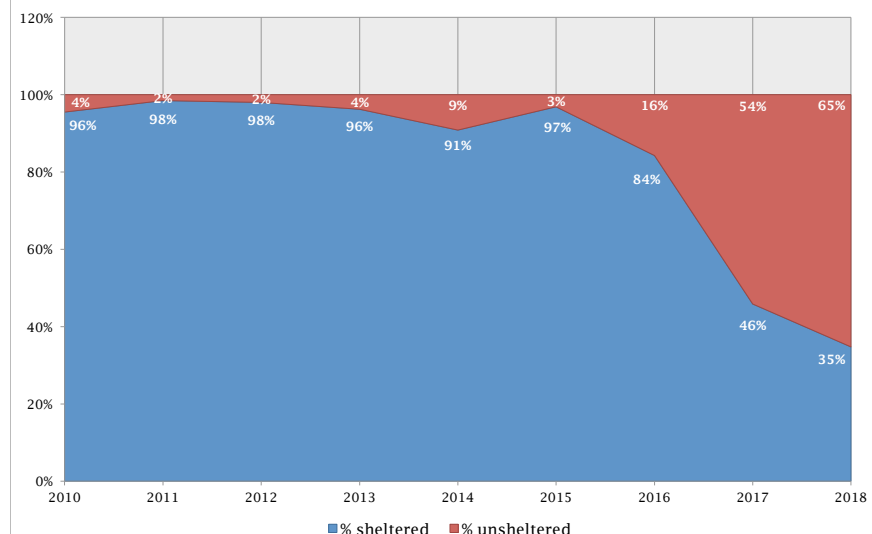
Clallam County Unsheltered Persons



Persons in Households with Children



Persons in Households without Children



Percent of all Clallam County households with only children that were sheltered - ranged from 0 to 2 children at most per year that were generally sheltered except for a single individual in 2015.

Implications - there are multiple reasons for homelessness that are not likely to be ameliorated by a single program or housing focus. Washington State and Clallam County homeless trends reflect the impact of the economic recession to the extent that homeless persons may not have migrated into the region in comparatively large numbers during the recession as before and afterwards. Recent trends indicate homeless composition is shifting from households with children, which state and county shelters shifted to accommodate, to households without children who are increasingly unsheltered.

While emergency shelters and transitional housing meet some homeless requirements a significant population remains unsheltered even as the total number of homeless have somewhat declined in Clallam County the past couple of years.

National/local housing trends

US Bureau of the Census Demographic Trends in the 20th Century - compiled data on age distribution, household type, 1-person household, and percent of households renter occupied that has implications for the nation and Port Angeles housing expectations and policies.

Percent of the national population over age 65 - has increased steadily since 1900 as a factor of the baby boom from 1950 on and of improvements in health and life expectancy. By 2010 13% of the national population was over age 65 and 1.7% over age 85+. This aging trend will continue nationally, and as shown previously, especially in Port Angeles.

Percent of national households by type household - has changed significantly since 1950 where the traditional married couple household declined from 78.1% of all households to 48.4% in 2010 due to economic conditions such as more women receiving higher education, more active in the workforce and careers, marriage dissolution due to divorce or never married including cohabitation, and a decision by some to never marry or never have children. Married couple households are 53% of all households in Port Angeles.

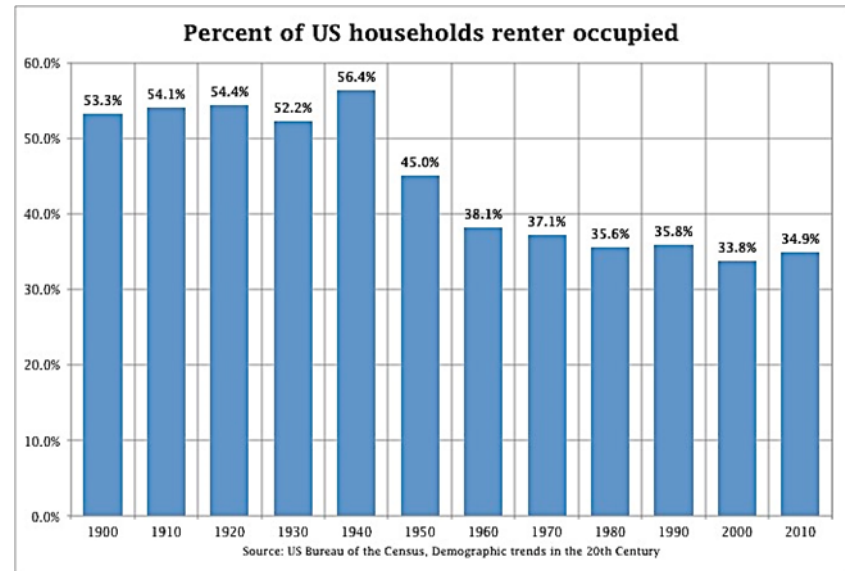
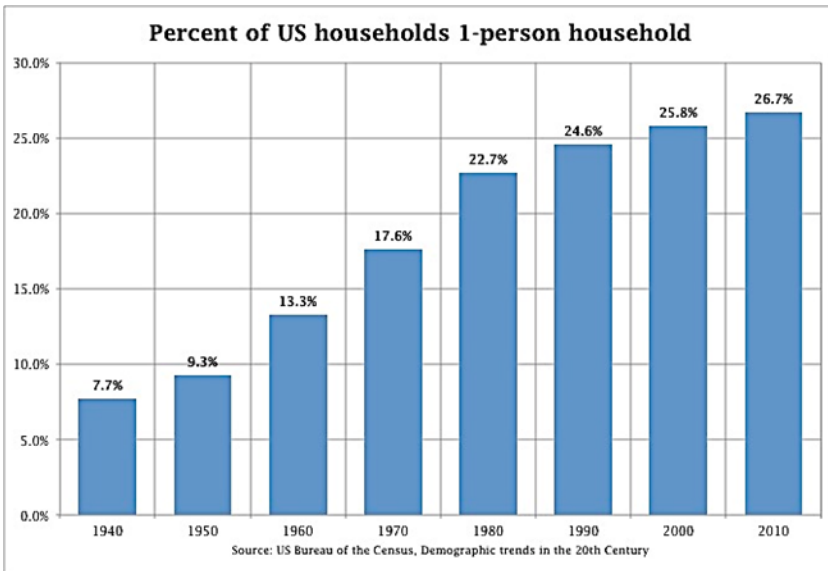
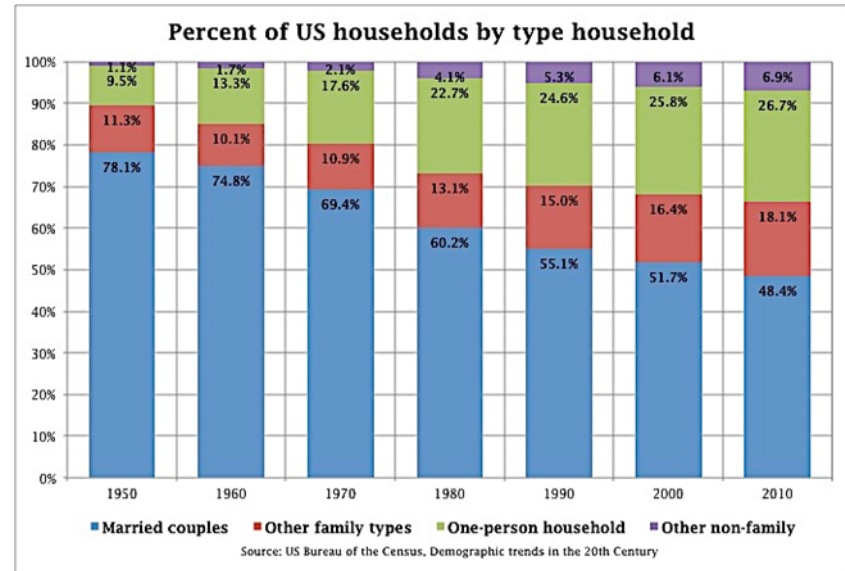
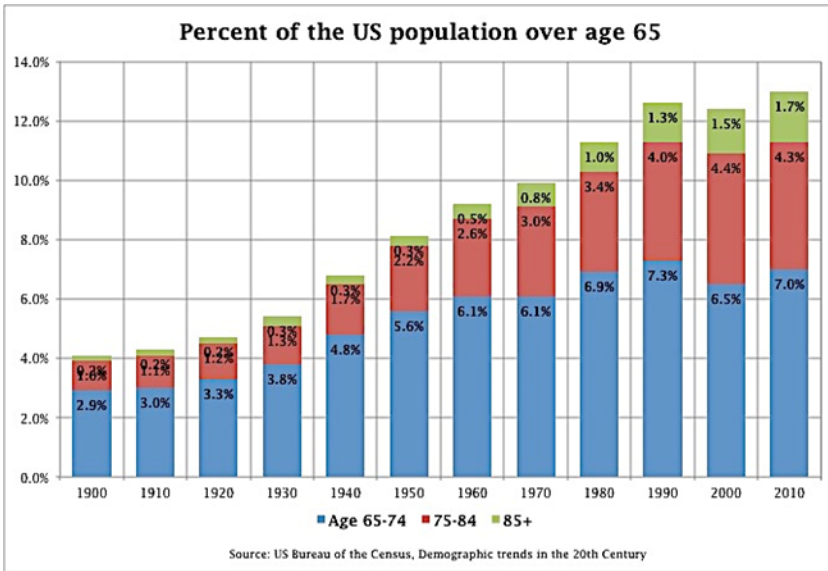
One-person households - has increased steadily from 7.7% in 1950 to 26.7% in 2010 (26.7%) due to the same factors affecting household type formations. The housing result is a demand and need for smaller units oriented to one-person household interests. Non-family households are 47% of all households of which 82% live alone in Port Angeles.

Percent of households renter occupied - peaked at 56.4% in 1940 due partly to the effects of World War II then declined significantly from 1950 to 2000 as housing and investment policies promoted homeownership. The percent of households renting stabilized somewhat in 2010 likely due to the effects of the economic recession and housing mortgage crisis. Approximately 46% of all households in Port Angeles are renters.

Millennials, however, are more likely to rent as are one-person households due partly to the housing choices available in the marketplace as well as financial capability, and possibly preference nationally and in Port Angeles.

Housing policy implications

Aging in Place - according to the American Association of Retired People (AARP), nearly 90% of people over age 65 indicate they want to stay in their home as long as possible and 80% in that age bracket believe their current home is where they will always live. However, unsupportive community design,



unaffordable and inaccessible housing, and a lack of transportation access to needed services can thwart this desire. A number of models provide services and support so older residents can remain in their homes instead of moving to assisted living or retirement centers including:

- **Naturally Occurring Retirement Community (NORC)** - are housing complexes or neighborhoods that were not planned specifically for older people, but have organically evolved to house a population of older residents.
- **Communities for a Lifetime** - helps create neighborhoods that support aging in place and more rigorously involves older adults in social and community life.

Implications - an aging population in Port Angeles will create a greater proportion of all households consisting of older empty nester couples and living alone elderly individuals. Aging in Place, however, raises the following policy questions:

- How can medical, transportation, and social services be made economically feasible to provide low-density settlements in some Port Angeles single-family residential neighborhoods?
- How can older households be able to keep older housing stock in sound condition so that it will not deteriorate beyond the ability or interest of the market to buy, upgrade, and occupy once the aged household leaves?
- How will the retention of older, affordable housing off the market in the developed and serviceable neighborhoods of Port Angeles not imbalance demand and needs for younger, family-starter households resulting in the development of a greater proportion of new single-family product than the market needs?

Aging in Transitional-Age-Appropriate Housing - proposes developing age-appropriate housing, including smaller, denser single-family products such as accessory dwelling units, cottage housing, as well as townhouse and mixed-use housing projects in urban centers where social interactions and services can be more feasibly and desirably provided. The approach assumes

older adults will move out of their original houses and into new purchase or rental units if the new units better meet their social, transportation, services, and other desires.

Implications - of transitioning an aging population into age-appropriate housing in Port Angeles, however, raises the following policy questions:

- How can the Port Angeles housing market provide suitable age-appropriate new housing stock at an affordable price or rent - i.e., accessory dwelling units, cottage housing, and mixed-use infill?
- How can the Port Angeles financial/mortgage markets underwrite housing purchases by older households and of innovative housing products?
- How can older households be encouraged to sell and buy or rent transitional-age-appropriate housing in urban centers?
- How can younger households be enabled to buy, upgrade, and occupy older single-family housing in older urban neighborhoods?

Housing nonfamily households - are an increasing population within Port Angeles and include younger individuals (married or cohabitating), childless couples (including never having children), and single individuals (not elderly). Traditional single-family, suburban housing products do not meet the needs or interests of these households yet they constitute a significant and growing proportion of all households in Port Angeles.

Increasingly, these households are being housed and seek housing in mixed-use developments in urban settings that provide social, service, employment, and other needs and interests within the developments or accessible within urban core areas by walking, biking, or taking transit transportation alternatives.

Implications - of developing housing for an increasing number and proportion of nonfamily households in Port Angeles, raises the following policy questions:

- How can the Port Angeles housing market provide appropriate new nonfamily oriented housing stock at affordable prices or rents within the city's downtown?
- How can Port Angeles provide amenities appropriate to this housing market segment - pedestrian/bike/no-car friendly transportation, streetscape activities, live/work housing options, and other services?
- How can Port Angeles financial/mortgage markets underwrite housing purchases by an increasing number of younger households or single individuals?

Low-income family households - traditionally, low-income family households, particularly male and female-only headed households and family-starters, procured housing by "driving-to-qualify", meaning driving out from the urban areas until housing costs are low enough for the household to be able to afford to purchase or rent.

Transportation costs are the second largest expense for the typical household - almost \$9,000 a year or about 17.6% of household budgets and continuing to increase. Driving-to-qualify becomes an increasingly difficult proposition during an economic recession where employment is cutback or curtailed and other household budget items increase including

transportation. Some of the nation's highest foreclosures occur in the outer urban/suburban edges.

A "location efficient" community provides various transportation options, services, and workplaces close by, increasing access and reducing the need to "drive-to-qualify" to obtain housing.

Implications - of developing housing for an increasing number and proportion of low-income family households in Port Angeles raises the following policy questions:

- How can the Port Angeles housing market provide appropriate new housing stock within location efficient urban neighborhoods at affordable prices or rents for these households - i.e., traditional stick-built as well as manufactured accessory dwelling units, cottage housing, and townhouses?
- How can Port Angeles location efficient neighborhoods provide services appropriate to this housing market segment including public transportation, childcare, medical services, education, and employment?
- How can Port Angeles financial/mortgage markets underwrite housing purchases by low-income single-headed/single wage-earner family households of innovative housing products?

Chapter 4: Affordable housing inventory

Peninsula Housing Authority (PHA)

PHA is a special purpose government agency governed by a Board of Commissioners appointed by the Clallam and Jefferson County Commissioners providing long-term rental housing, tenant based rental subsidies and a home ownership program in Clallam and Jefferson Counties. PHA provides affordable housing opportunities for low-income disabled, low-income elderly and general low-income. PHA does not provide temporary shelter or emergency housing.

HUD Public Housing

PHA's HUD Public Housing serves incomes up to 80% of Annual Median Income (AMI). Rents are based on 30% of the resident's adjusted monthly income and applicants cannot bring any other subsidy. Applicants are placed on a waitlist. No smoking in any unit or within 25 feet of any public housing structure.

- **Mt. Angeles View Family** - is located between Francis and Eunice streets, south of Lauridsen Boulevard with 1-4 bedrooms. Mt. Angeles View is general population HUD Public Housing. Water, sewer, and trash are included. Residents receive a utility allowance for electricity. Central laundry and community room.
- **Mt Angeles View Manor** - is located on 323 East 2nd Street off of Peabody with studio and 1-bedroom 460-480 square foot units available for single and/or disabled individuals in a 4-story structure for seniors age 62 or older and those with disabilities close to local stores and local transportation routes with a community room, elevators and coin-operated laundry facilities. The property does not accept Section 8 or Tenant Based Rental Assistance (TBRA) at this time. Tenants have the option of paying a Flat Rent (based on current market rents) versus an Income-Based Rent (based on annual adjusted income). Utilities are included, however tenants must pay for

cable and satellite dishes are not allowed. Pets are allowed with a deposit of \$300, of which \$100 is non-refundable. No smoking is allowed in the building.

- **Mt Angeles View Villa** - is located on the corner of 401 East 5th and Peabody with 1-bedroom 480 square foot units available for single seniors age 62 or older and/or disabled individuals in a 2-story structure close to local stores and local transportation routes with a community room, elevators, and coin-operated laundry facilities. The property does not accept Section 8 or Tenant Based Rental Assistance (TBRA) at this time. Tenants have the option of paying a Flat Rent (based on current market rents) versus an Income-Based Rent (Based on annual adjusted income). Utilities are included, however tenants must pay for cable and satellite dishes are not allowed. Pets are allowed with a deposit of \$300, of which \$100 is non-refundable. No smoking is allowed in the building.

- **Mt Angeles View Terrace** - is located on 114 East 6th Street off of Lincoln, with 1-2 bedroom 528-792 square foot units available for single seniors age 62 or older and/or disabled individuals in a 3-story structure close to local stores and local transportation routes with a community room, elevators, and coin-operated laundry facilities. The property does not accept Section 8 or TBRA at this time. All tenants have the option of paying a Flat Rent (based on current market rents) versus an Income-Based Rent (Based on annual adjusted income). Utilities are not included, however residents do receive a utility allowance. Tenants must pay for cable and satellite dishes are not allowed. Pets are allowed with a deposit of \$300, of which \$100 is non-refundable. No smoking is allowed in the building.

PHA owned properties in Port Angeles

- **Sea Ridge** - is a newly constructed mixed finance project consisting of 63 tax credit units serving up to 60% of AMI. Sea

Ridge is Comprised of 1- 4 bedroom units located between Francis and Eunice streets, south of Lauridsen Blvd with 1-4 bedrooms of 522-1,151 square foot units in single family, triplex, quadplex, and townhouse structures close to the high school and two elementary schools with a Boys & Girls Club located on site, along with a local Head Start program. Mixed finance includes 33 units of HUD public housing, 20 units of project based rental assistance via referral from partner agencies, and 10 units of HUD 811 with a Project Rental Assistance Contract via referral from DSHS. Tenants must be income eligible and pay 30% of their adjusted monthly income for rent. Water, sewer, and trash are included. Residents receive a utility allowance for electricity. Washer and dryer hook ups are provided in each unit and children's play equipment is provided on site. Pets are allowed, with a \$300 pet deposit, of which \$100 is non-refundable. Smoking is not allowed anywhere on property. Applicants cannot bring any other subsidy, i.e. Section 8 or Tenant Based Rental Assistance (TBRA) at this time.

- **Lee Plaza** - is a 48 tax credit project serving up to 50% of AMI in a mixed-use structure located on 112 West First Street in downtown Port Angeles directly on the local bus line with 5 retail units on the ground floor and studio and one-bedroom of 330-440 square foot units on 3 upper floors. 12 units have project-based subsidy where resident pays 30% of their adjusted monthly income for rent and 36 units are flat affordable rents. The property accepts both Section 8 and Tenant Based Rental Assistance (TBRA) and also has some units set up for Project-Based Section 8 assistance at this time. Residents pay electric and receive a utility allowance. Each unit also has a washer and dryer. Smoking is not allowed in the public/common areas, however, residents may smoke in their units. Pets are not allowed.

- **Wildwood Terrace Apartments** - are 56 USDA RD units with 55 units of Rental Assistance serving up to 50% of AMI at entry and up to 80% of AMI for continuing eligibility located at 934 West Lauridsen Boulevard. The units are 1-2 bedroom of 578-

728 square foot units for single individuals and small families located on the west side of Port Angeles close to the local middle school and 1 block away from the local transit center. There are 8-12 apartments per building with a play area, adequate parking, and coin-operated laundry facilities. Applicants cannot bring any other subsidy, i.e. Section 8 or Tenant Based Rental Assistance (TBRA). Residents pay 30% of their adjusted monthly income for rent. Water, sewer, and trash are included. Residents receive a utility allowance for electricity. The project includes a central laundry and children's play equipment. Pets and smoking are not allowed.

- **Eklund Heights** - is 13 units of HOME funded units located at 2341 East 7th Avenue close to the local bus line and the east side of Port Angeles serving 50% or below of AMI with a mix of 1-2 bedroom 540-809 square foot units. Rent is a flat rate of \$496 for the 1-bedroom units and \$592 for the 2-bedroom units. Water, sewer and trash included. Residents receive a utility allowance for electricity. Section 8 and Tenant Based Rental Assistance (TBRA) are accepted. Units have a full size washer and dryer as well as a dishwasher. No pets and no smoking is allowed within 25 feet of the building.

PHA Mutual Self Help Program

Peninsula Housing Authority sponsored 87 homes through the Mutual Self Help program that utilizes the concept that, working together, families can build homes, similar to an old-fashioned barn-raising. PHA's Construction Supervisor provides guidance and instruction on use of tools and construction techniques and ensures that the homes are built to code and pass all inspections. PHA provides pre-purchase counseling, education, and credit repair.

PHA recently initiated ground breaking of 8 new homes on West 15th between K and M Street being built by families under the Mutual Self Help Program. Instead of a down payment, families promise to put in 32 hours a week working on their home, and their neighbor's homes, until all 8 homes are completed. These

hours are in addition to their regular jobs and caring for their families. They commit to working every week, no matter what the weather does (or what holidays fall in that week.) Friends, extended families, and community volunteers can help with up to 16 hours per week, reducing the family's hours to a minimum of 16 hours.

The families in the program represent a cross section of the community including young families, senior citizens, and families with no children as well as single parent households. There are health care workers, artists, social workers, educators, construction workers, service industry workers, and some with disabilities.

The following organizations provide volunteers and finance to support PHA's Mutual Self Help Program:

- USDA/Rural Development (RD) 523 Technical Assistance grant funds to pay for staff, equipment, and administration of the program and RD502 Direct loans to homeowners to cover lot and construction costs.
- Department of Housing and Urban Development SHOP funds through Community Frameworks to purchase the land.
- Port Angeles Association of Realtors for down payment assistance for the families.
- RCAC, Rural Community Assistance Corporation, for their technical assistance.

Characteristics of HUD housing assisted households

	All HUD Programs	Housing Choice
Total persons	1,355	1,015
Subsidized units available	905	643
Occupied	87%	88%
Average months on waiting list	13	10
Moved in past year	9%	10%
Number people per unit	1.8	1.9

Income/expenditures characteristics

Household income per year	\$12,502	\$12,285
Per capita income per year	\$7,095	\$6,608
Percent of median household income	26%	25%
Percent Very Low Income	95%	96%
Percent Extremely Low Income	71%	73%
Percent in poverty	20%	18%
Average family expenditure/month	\$314	\$321
Average HUD expenditure/month	\$461	\$515
Percent with utility allowance	75%	84%
Average utility allowance	\$126	\$138

Household characteristics

Percent 2 adults plus children	7%	7%
Percent 1 adult with children	21%	25%
Percent female headed household	69%	70%
Percent female headed w/child	23%	27%
Percent with disability	45%	39%
Percent 62+ years old	31%	29%
Percent 85+ years old	1%	1%
Percent minority	10%	10%

Source: HUD Office of Policy Development & Research (PD&R), Picture of Subsidized Households

Other assisted housing

Low-income housing apartment complexes - low-income housing apartment complexes that contain affordable apartments for rent in Port Angeles that are income based include:

- **Pine Road Village** - located at 528 West Lauridsen Blvd in Port Angeles, has 1-2 bedroom apartments. Pine Road Village participates in the Section 515 Rural Rental Housing program.
- **Clallam County Hostelries** - is a low-income apartment for low-income and disabled persons that accept HUD subsidies.

Low-income tax credit apartments - that were constructed and made affordable to low-income persons in Port Angeles by the Low Income Housing Tax Credit Program (LIHTC) include:

- **Highland Commons Apartments** - provides 68 one-bedroom units, and 31 two-bedroom units for seniors (age 55+) in the hillsides of Port Angeles near the golf course. The property includes an elevator, a community room with warming kitchen and fireplace, fitness center, and library. Income restrictions apply, accepts Housing Choice Vouchers.

Affordable apartment projects that receive funding through the LIHTC program may have rental units that are not subject to income and rent limits. The period of affordability for tax credit financed units is variable and usually expires within 30 years. At that time, the units may revert to market-rate rental units or be converted to condominiums and sold at market-rate prices.

Other housing assistance and resources

A number of organizations provide emergency shelter, transitional housing, or supportive services throughout Clallam County that benefit Port Angeles residents including:

Shelter

- **Serenity House** - provides emergency shelter, transitional housing, and supportive services to homeless individuals and families.
- **Dove House** - provides emergency shelter and transitional housing for victims of domestic violence.
- **Bayside Housing** - provides safe, temporary supportive housing and services for people in need of permanent housing.

Assistance

- **All Treatment** - educates, informs, and guides individuals through recovery or the recovery of a loved one regarding various treatment centers.

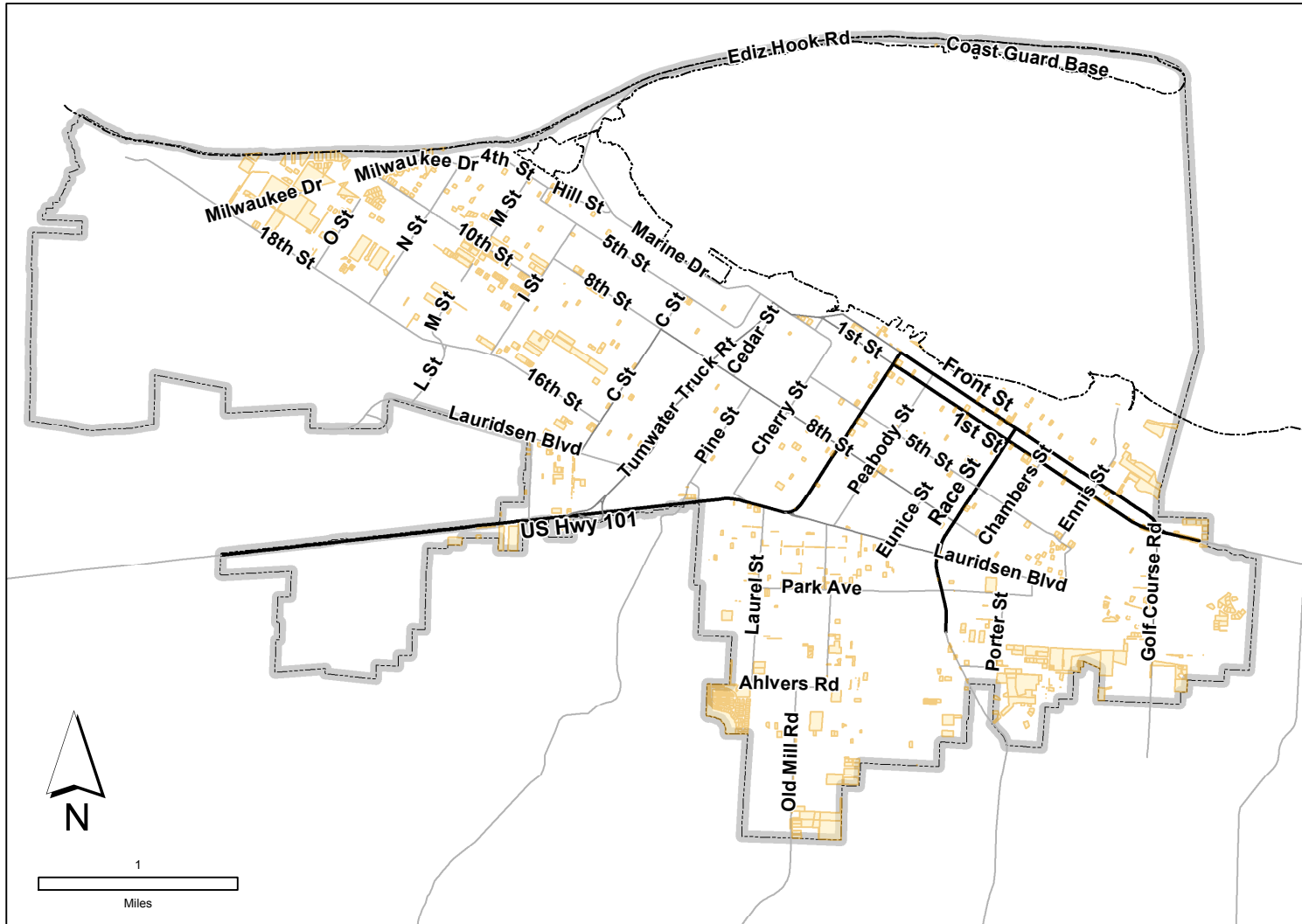
- **Housing Resource Center** - works with clients to establish the need for each and directs them to the appropriate assistance.
- **United Way 211** - is a telephone hotline to help people and families with services such as shelter, addiction, childcare, mental health, senior assistance, health care, and more.
- **Peninsula Behavioral Health** - provides support for people dealing with addictions, mental health issues, and in need of residential support.
- **Volunteers in Medicine of the Olympics** - provides medical and mental health care as well as specialty referrals for adults on the Olympic Peninsula who do not have access to health care.
- **Healthy Families** - provides prevention and treatment services for child abuse, parenting classes, in-home parent aides, domestic violence and sexual assault, prevention crisis intervention, counseling, and advocacy.
- **OlyCAP** - provides housing to gas vouchers to counseling and more.
- **Parentline** - provides parenting classes, supervised visitations, community referrals, and childcare.

Existing land/housing supply characteristics

Underdeveloped land

Port Angeles's Department of Community & Economic Development Planning Division and GIS Technicians identified vacant developable land that incorporated existing GIS layers for buildings, parcels, zoning, and 2-foot topographical contours. The methodology identified developable vacant land as: property not having an existing building, not located within an environmentally sensitive or constrained area such as a steep slope, but within a zoning district that allowed residential rather than industrial, right of way, or recreational parkland.

The analysis indicates the city has 779 parcels of 0.14 acres or 6,000 square feet and above. Of this total, 604 or 78% are parcels of 0.14 acres; 133 or 17% are parcels of 0.5 acres or



Developable Residential Parcels within Port Angeles

Legend

Parcels possibly developable



21,000 square feet and above; 28 or 4% are parcels of 3 acres and above; and 14 or 1% are parcels of 5 acres and above.

Vacant undeveloped lands are located throughout the city but concentrated primarily in the southeast and northwest areas. Most parcels (539 or 69%) are located in single-family residential zones and more than 0.14 acres or 6,000 square feet in size.

Undeveloped property in acres	0.14+	0.5+	3.0+	5.0+
Central business district	8	1	0	0
Commercial neighborhood	8	0	0	0
Commercial office	9	0	0	0
Commercial shop district	20	5	1	0
Commercial arterial	33	2	0	0
Planned residential district (PRD)	14	6	3	1
Public buildings/parks	30	20	4	1
Residential high density	30	9	1	1
Residential medium density	14	11	5	3
Residential single family	438	79	14	8
Residential trailer park	0	0	0	0
Subtotals	604	133	28	14
Distribution (779 total parcels)	78%	17%	4%	1%

Source: Port Angeles Community & Economic Development Department, Planning Division and GIS Technicians

Inactive electric services

Record analysis indicates there were 404 properties with inactive electric services in March of 2019 of which 234 or 58% were residential properties. Of these, 170 or 73% were single-family units and 64 or 27% were duplex, residential multifamily, or commercial multifamily units.

The 2012-2017 American Community Survey (ACS) estimates there were 9,418 housing units in the city by 2017 of which 1,107 or 12% were vacant for various reasons. If 234 of these housing units have inactive electric service some dating to 2007

then it is possible up to 21% of the vacant housing units may be abandoned or inactive structures at some point in this time period.

Inactive electric service	Number
Single family	170
Residential duplex	27
Residential multifamily	29
Commercial multifamily	8
Subtotal residential	234
Commercial	127
Commercial demand	12
Government	17
Government demand	2
Municipal	7
Municipal demand	1
Municipal street lights	1
Nonprofit	3
All total	404

Source: Port Angeles Community & Economic Development Department

Foreclosures

There were 97 properties listed in a foreclosure database as of January 2019 of which 56 or 58% were located in Port Angeles. Most of the foreclosures were recorded with the courts between 2017-2019. A very few of these foreclosures are under trust with HUD though most with a wide variety of mortgage holders.

If 56 of the Port Angeles foreclosures are housing units, then less than 1.0% of the total 9,418 housing units in the city are in foreclosure status - which is a very low rate.

Foreclosures 31 January 2019	Number
Port Angeles	56
Sequim	31
Forks	5

Port Hadlock	2
Seki	1
Clallam Bay	1
Port Ludlow	1
Total	97

Short-term rentals

Up to 217 housing units in Port Angeles are identified as likely to be short-term rentals. Host Compliance, a short-term rental compliance contractor, indicates 143 or 83% of these units listed on rental websites as being within Port Angeles are confirmed to be short-term rentals.

Of the 83% active short-term confirmed rentals, 193 or 56% have been listed within the last year and 149 or 44% are currently actively listed.

Housing cost reduction

Housing cost analysis - was completed for an urban 5-story mixed-use structure and suburban townhouse development in Bellingham using information provided by the Bellingham/Whatcom County Housing (BWCHA) for the purpose of determining which factors most affected final development costs - and which cash and non-cash offsets affected the final project outcomes.

Note - the purpose of the analysis was to determine impacts possible for a real project rather than by a theoretical analysis and used public housing projects because the data was publicly available and not disclosing of a private project developer's information. While the analysis was accomplished in 2008 the major implications of the analysis remain true today.

Laurel Village - is a "green build" structure located on a 0.5-acre site at 210 East Laurel Street in downtown Bellingham

consisting of a single floor underground parking deck with 52 stalls, and 5 floors of 45,578 square feet of residential units for families, disabled individuals, and supportive homeless earning between 30-50% Average Median Income (AMI). The structure was completed in 2006 to provide 50 low-income units and 1 manager unit in 24 one-bedroom units ranging from 606-630 square feet.

Meadow Wood Townhomes Phase 1 - is a master planned project located at Bakerview Road and Northwest Avenue in Bellingham. The first phase was completed in 2007 to include 3 buildings totaling 63,750 square feet providing 50 low-income 1, 2, and 3-bedroom rental units and 1 manager unit with surface parking, a playground, play area, picnic, and barbeque amenity for families, disabled individuals, and supportive homeless earning between 30-50% AMI.

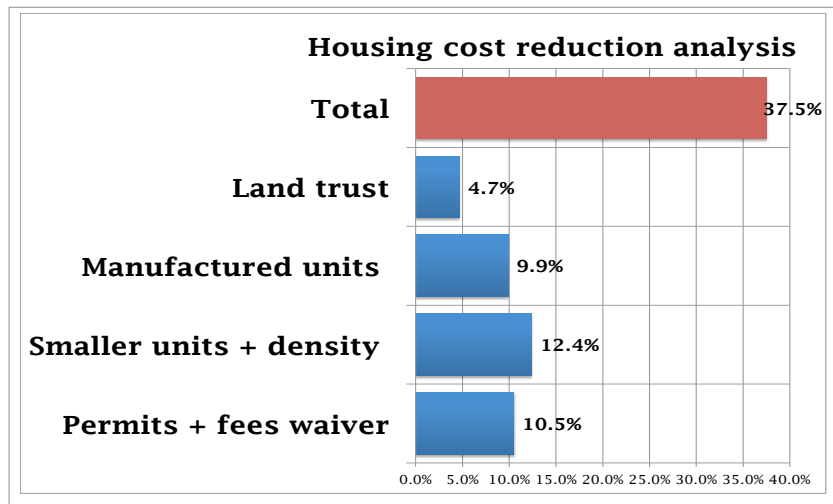
Four cost and cash offsets were analyzed - for both projects for their impact on overall development costs:

Option 1: cash offsets - eliminated all building permits, fees, and hook-ups, utility connection fees, and traffic, parking, and school impact fees, and the developer's fees. However, these cash offsets must still be paid from some other sources, if not from the project and developer, as the city, utilities, schools, and developers still incur these costs in support of the development project. Cash offsets, when used in other jurisdictions, have usually been repaid from General Funds, special property tax levies, real estate excise taxes, and other special financing. The costs and payments still apply, but are repaid from a source other than the project.

Option 2: density offset - allowed the project to include more units as a noncash incentive to develop affordable housing. The option assumed, however, that the same height, parking, and other development regulations would still apply and therefore, realized the added density bonus by reducing the average size of the units. The cost of the structure and site improvements

remained the same as the original project. The parking deck and surface parking lot cost, however, was increased for parking for the additional units.

Option 3: pre-manufactured offset - used pre-assembled manufactured units instead of on-site traditional stick-built construction and more dwelling units since manufactured units would be smaller than typical stick-built units. Like option 2, this option assumed that the same height, parking, and other development regulations would still apply and therefore, realized the added density bonus by reducing the average size



of the units - and also because manufactured units are typically more compact. The cost of the structure remained the same but interim financing costs were reduced to reflect the shorter construction time saving provided by manufacturing off-site. The parking deck and surface parking lot cost, however, was increased again to provide parking for the additional units.

Option 4: land lease offset - used a land trust instead of a fee simple sale of the property occupied by the project structures. Typically, land trusts charge lease fees included in the unit rent

that is amortized to recapture the initial land cost over a long term (typically 50-99 years) even as the trust retains the title and value of the land. On owned units, the owner is charged a similarly amortized lease fee where the trust retains title to the land though the owner may build equity in the increasing value of the structure.

Implications

All of the variables considered including cash, density, technology, and land offsets reduced the total development cost and cost per unit significantly although the extent of cost reduction varied by the type of development.

In Laurel Village - the 5-story mixed-use structure in downtown Bellingham, density offsets were more significant reducing total development costs by 12.4% compared with 10.5% for cash, 9.9% for technology, and 4.7% for land off-sets.

In Meadow Wood Townhomes - the infill project in north Bellingham, cash offsets, particularly developer fees, however, reduced the cost the most at 16.0% compared with 8.4% for technology, 6.6% for density, and 4.0% for land off-sets.

However, the cash and land offsets must still be paid from some other public monies, whereas the density and manufactured offsets are of no direct monetary cost in comparison.

When all offsets are applied in combination - however, the overall cost reductions are significant ranging from 35.0% for the townhome infill project to 37.6% for the 5-story mixed-use project in the downtown area. Further proportional cost reductions are possible, depending on site particulars, if:

- **Mixed-use structures in downtown cores** - particularly 5-story and up be composed of smaller studio, 1, and some 2-bedroom units to reflect the higher costs associated with this building construction and the type households most suited to live in this type of structure and urban environment.

- **Parking requirements** - be reduced or at least reflect the likelihood that occupants of mixed-use structures in downtown locations, especially elderly, homeless, and other nonfamily households may not require cars and/or walk, bike, or use transit more heavily.
- **Design and development regulations** - allow variances from the maximum site height, coverage, and other particulars where the units are to provide affordable housing using density offsets where the resulting design and development characteristics can be made to fit the surrounding neighborhood.
- **Peninsula Housing Authority and other nonprofit groups** - be encouraged to buy and/or lease affordable units created with offsets in order to achieve even greater cost reduction, and therefore, housing for very low income groups on a perpetual basis.

Housing prototypes and programs

This analysis inventoried site and housing land ownership, design, development, construction, financing, and other examples represent prototypes of possible application to Port Angeles and Clallam County. Where possible, the examples were selected from projects that have been completed or underway within the Puget Sound or Washington housing market.

The examples include links to websites or pages that provide additional information, floor plans, photos, or other materials of interest to the proposed housing action plans and projects under consideration in this report.

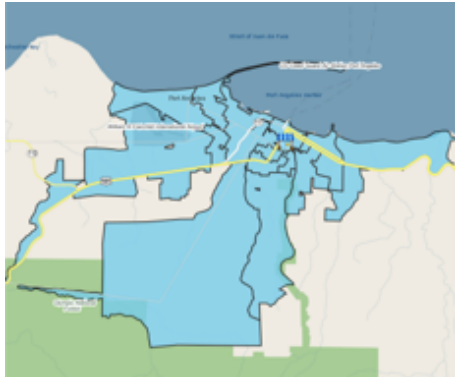
Of most interest to Port Angeles, the prototypes include the following potential applications:

- Cottage and small lot single-family detached housing,
- Accessory dwelling units,
- Planned unit developments containing single and multi-family structures in clustered and master planned new and infill developments,
- Mixed use structures with ground floor retail and mixed income households including low income and market rate,
- Green buildings including mixed use and mixed income,
- Sweat-equity USDA and Habitat for Humanity homeowner developments,
- Land trusts,
- Low Income Housing Tax Credit (LIHTC) projects,
- Request for Proposal (RFP) packaging and development competitions for mixed housing product and incomes,
- Prefabricated kit houses (Katrina Cottages),
- Prefabricated and pre-manufactured housing,
- Nonprofit affordable housing organizations,
- Affordable housing tax levy initiatives for gap financing,
- Affordable housing incentive programs (including Inclusionary Zoning or IZ) of voluntary and mandatory approaches.

Some of these applications were tested for public reaction in the on-line survey and based on the survey results are included within the implementation tasks in Chapter 6 of this document.

Chapter 5: Public opinion

The Port Angeles Community & Economic Development Department conducted an on-line survey of housing needs, trends, policy and project proposals, and financing options. The survey was publicized by a postcard mailing using the US Postal Service's Every Door Direct Mail (EDDM) to every mailing address and post office box within the 2 zip codes and 18 carrier routes that most closely correspond to city limits and the city's urban growth area (UGA) including East Port Angeles or 11,398 mailing addresses.



Approximately 1,322 housing units are mailing addresses vacant and an unspecified number of post office boxes are for nonresidential parties.

663 respondents or 6% of all mailing addresses or 7% of all households or 12% of the population completed the survey. The survey is accurate within +/-4% of the opinions of the households who choose to respond or participate and who based on experience would likely participate in a voter referendum but not necessarily typical of the population at large.

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Survey respondent characteristics

Respondents were asked **how many years they have lived in Port Angeles or elsewhere in Clallam County.**

	0-1	2-5	6-10	11-15	16-20	21+
Port Angeles	17%	31%	10%	8%	9%	24%
Clallam County	54%	17%	6%	4%	5%	14%

Resident respondents were asked **where they worked.**

Retired	In home	Port Angeles	Sequim	Other Clallam	Other area
21%	9%	59%	5%	3%	2%

Note - 0% worked in Port Townsend or Bremerton/Silverdale.

Resident respondents were asked **their occupation.**

Mgr	Profess'n'l	Technic'l	Office	Coast Gd	Student	Other
7%	38%	6%	8%	14%	2%	26%

Resident respondents were asked **how they get to work.**

Walk	Bike	Car	Car pool	Transit
9%	3%	78%	6%	4%

Resident respondents were asked **their education level.**

Grade school	High school	Technical school	Some college	Bachelor degree	Graduate degree
0%	9%	4%	29%	36%	22%

Resident respondents were asked **what age group they were in.**

19-24	25-34	35-44	45-54	55-64	65+
4%	21%	22%	13%	21%	19%

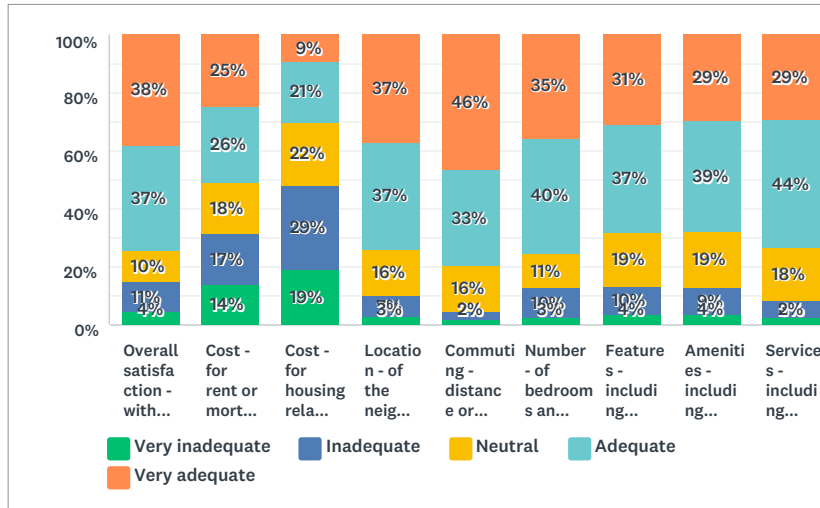
Resident respondents were asked **their marital status.**

Single	Co-habitat	Married
34%	9%	57%

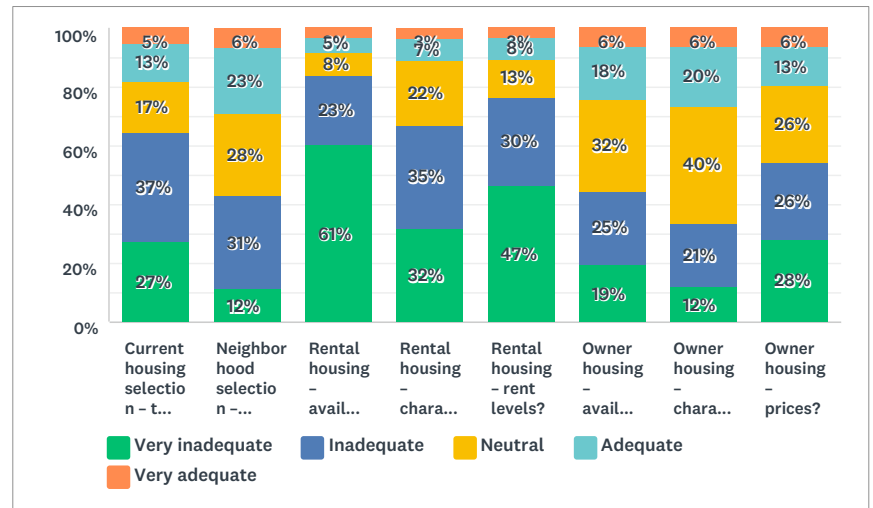
Resident respondents were asked **the number of adults over age 18 and children under age 18 in their household.**

	0	1	2	3	4	5+
Adults	4%	24%	54%	10%	6%	3%
Children	62%	16%	15%	6%	2%	0%

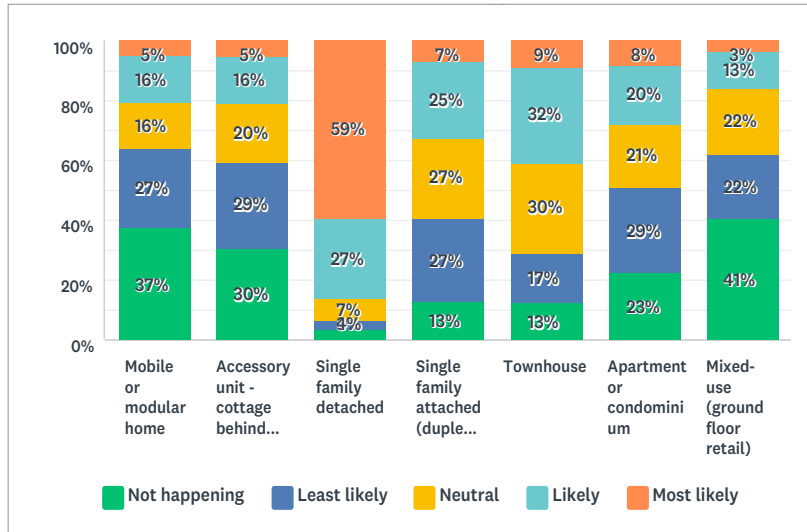
How do you rate your current housing situation?



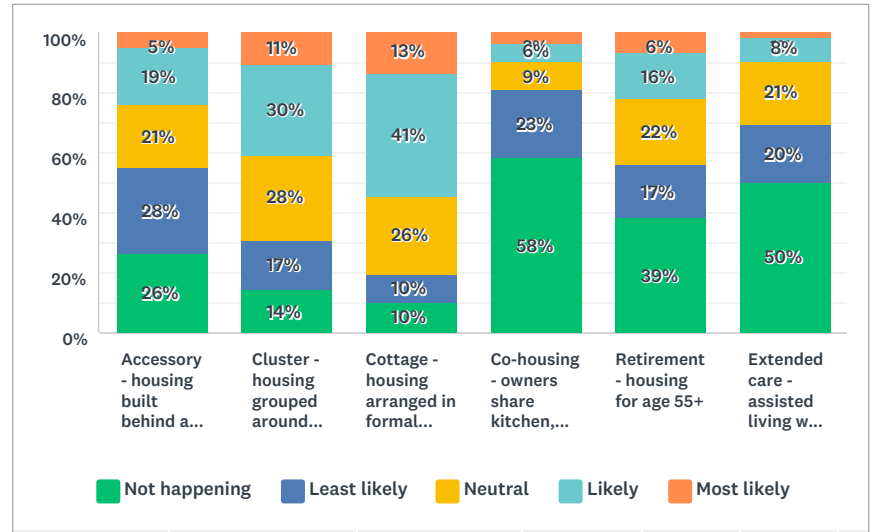
How do you rate the Port Angeles housing market?



What housing type do you prefer to buy or rent?



What development type do you prefer to buy or rent?



Resident respondents were asked **their gender**.

Male	Female	Other
37%	62%	0%

Resident respondents were asked **their annual income range (in thousands)**.

<\$20	\$21-30	\$31-40	\$41-50	\$51-75	\$76-100	\$100+
11%	14%	13%	15%	24%	13%	10%

Resident respondents were asked **if they owned a home whether they rented it out for short term (under 6 months), seasonal, or airbnb income**.

	No	Occasionally	Frequently	Continuously
Short term	96%	1%	1%	1%
Seasonal	87%	2%	1%	0%
Airbnb	97%	2%	1%	0%

Survey respondent characteristics generalized

Resident respondents were self selected rather than randomly recruited and were generally new and long time residents, retired or worked in Port Angeles, of professional or other occupations, commuted by car, with college degrees, married, with 2 adults and no children households, female, of all income ranges, and owners not renting out their house.

Housing characteristics

Resident respondents were asked **their current residence**.

Own				Rent		
Mobile	House	Townhouse	Condo	House	Apt	Room
4%	56%	0%	1%	23%	14%	2%

Resident respondents were asked **how much they pay for rent or mortgage each month**.

\$0	\$1-499	\$500-999	\$1,000-1,499	\$1,500-1,999	\$2,000-2,499	\$2,500+

16%	5%	33%	32%	11%	3%	0%
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Note: \$0 - own home.

Resident respondents were asked **what percent of their household's gross monthly income they pay for rent or mortgage**.

0%	10%	20%	30%	40%	50%+
16%	8%	22%	25%	15%	13%

Note: HUD guidelines are households should not pay more than 30% of gross income per month for all housing costs.

Resident respondents were asked **what percent of their household's gross monthly income they pay for sewer, water, power, natural or propane gas, and other utilities**.

1%	2%	3%	4%	5%	6%	7%	8%	9%	10%+
5%	5%	6%	4%	12%	4%	6%	11%	5%	41%

Note: HUD guidelines are households should not pay more than 30% of gross income per month for all housing costs.

Resident respondents were asked **what percent of their household's gross monthly income they pay for transportation including gas, transit, or ferry costs**.

1%	2%	3%	4%	5%	6%	7%	8%	9%	10%+
10%	8%	8%	7%	19%	5%	6%	8%	3%	26%

Resident respondents were asked **whether they would like to own or rent**.

Rent	Own
19%	81%

Generalized findings - survey respondents included owners and renters, a plurality paying between \$500 and \$1,499 a month for housing. Of the respondents, 16% had no mortgage, 28% were paying more than 40% of their gross income for rent or mortgage, 41% were paying more than 10% for utilities, 26% paying more than 10% of income for transportation, 81% of all of the respondents would prefer to own housing.

Housing preferences

Resident respondents were asked **how they rated their current housing situation on a scale of lowest to highest satisfaction.**

	Lowst	Low	Ave	High	Highst	Wt
Overall satisfaction	4%	11%	10%	36%	38%	3.93
Cost - rent/mortgage	14%	17%	18%	26%	25%	3.30
Cost - utilities, taxes	19%	29%	22%	21%	9%	2.72
Location	3%	7%	16%	37%	37%	3.98
Commuting distance	2%	2%	16%	33%	46%	4.20
Nmbr bedroom, bath	3%	10%	11%	40%	36%	3.95
Features - kitchen...	4%	10%	19%	37%	31%	3.82
Amenities - parks...	4%	9%	19%	38%	29%	3.81
School, fire...	2%	6%	18%	44%	29%	3.92

Note - Wt is weighted average where the lowest is given a 1 score and highest is given a 5 score and the numbers in each rating are divided by the total number of respondents.

Resident respondents were asked **how they rated the existing housing market in Port Angeles.**

	Lowst	Low	Ave	High	Highst	Wt
Housing type, design	28%	37%	17%	13%	5%	2.31
Neighborhood quality	12%	31%	28%	23%	6%	2.80
Rental availability	61%	23%	8%	5%	3%	1.66
Rental characteristics	32%	35%	22%	7%	3%	2.15
Rental cost	47%	30%	13%	7%	3%	1.90
Owner availability	19%	25%	32%	18%	6%	2.66
Owner characteristics	12%	21%	40%	20%	6%	2.87
Owner prices	28%	26%	26%	13%	6%	2.42

Resident respondents were asked **what type of housing they would be willing to own or rent given the following possible choices that meet cost, location, floor plan, bedrooms, bathrooms, parking requirements.**

	Own	Lowst	Low	Ave	High	Highst	Wt
Mobile, modular	37%	27%	16%	16%	5%	2.24	
Accessory unit	30%	29%	20%	16%	5%	2.36	

Single family detach	4%	3%	7%	27%	59%	4.35
Single family attach	13%	27%	27%	25%	7%	2.86
Townhouse	13%	17%	30%	32%	9%	3.08
Apartment/condo	23%	29%	21%	20%	8%	2.62
Mixed-use w/retail	41%	22%	22%	13%	3%	2.16

Resident respondents were asked **what type of housing development they would be willing to own or rent given the following possible choices that meet cost, location, floor plan, bedrooms, bathrooms, parking requirements.**

	Lowst	Low	Ave	High	Highst	Wt
Accessory housing	26%	28%	21%	19%	5%	2.48
Cluster development	14%	17%	28%	30%	11%	3.06
Cottage development	10%	10%	26%	41%	13%	3.38
Co-housing	58%	23%	9%	6%	3%	1.73
Retirement age 55+	39%	17%	22%	16%	6%	2.34
Extended care	50%	19%	21%	8%	1%	1.92

Co-housing - owners share kitchen, meeting facilities.

Resident respondents were asked **what amenities they would like in their housing development whether in a single-family neighborhood or a mixed-use structure.**

	No	Nice	Required
Ground floor retail	36%	60%	4%
Rooftop garden, activity	26%	67%	7%
Ground floor plaza	26%	67%	7%
Party or conference	40%	56%	3%
Exercise, conditioning	19%	68%	13%
Mixed-income	28%	59%	13%
Mixed households	22%	62%	15%

Mixed household includes occupants that are single, couples, family with children, and empty nesters.

Resident respondents were asked to **assume they could not afford all of their preferences, what priority they would place on the following housing characteristics.**

	Lowst	Low	Ave	High	Highst	Wt
Type housing unit	4%	5%	17%	32%	41%	4.00
Type development	10%	12%	29%	33%	16%	3.33
House floor plan	14%	24%	36%	20%	6%	2.81
Number bedrooms	3%	8%	31%	42%	16%	3.60
Number bathrooms	4%	10%	40%	35%	10%	3.37
Laundry w/unit	2%	3%	16%	46%	33%	4.04
Laundry separate	28%	25%	30%	13%	4%	2.39
Parking type	7%	11%	32%	35%	14%	3.37
Parking spaces	8%	14%	42%	28%	9%	3.16
Access to transit	27%	20%	28%	18%	8%	2.60
Bike spaces	44%	24%	20%	8%	4%	2.02

Type housing unit - single-family, townhouse, condominium, mixed-use

Type housing development - accessory, cluster, cottage, co-housing, retirement, extended care

Generalized findings - survey respondents were generally:

- Satisfied with their housing situation but decidedly dissatisfied with almost all features of the existing housing market in Port Angeles,
- Preferred single-family detached housing and townhouse somewhat, receptive of cluster and cottage housing but decidedly not of accessory, co-housing, retirement, and extended care for their housing choice,
- Generally receptive of most amenities except ground floor retail or party room,
- Would give up bike parking spaces, separate laundry, and transit access but not readily much else if they could not afford all of their preferences.

Housing policies

Resident respondents were asked **to what extent they disagreed (lowest) or agreed (highest) with the following**

statements concerning housing conditions in Port Angeles.

	Lowst	Low	Ave	High	Highst	Wt
Investors - buy available houses to rent for short term, seasonal, or airbnb income keeping available and affordable housing off the market that remains for local residents on a permanent or interim basis?	11%	10%	27%	28%	24%	3.44
In-migrant households - move to Port Angeles from higher priced housing markets and with more cash form higher market housing sales buy available houses at high prices driving up the price of houses that remain for local residents?	10%	10%	24%	32%	24%	3.52
Older or retired adults - move in to live full-time and buy available houses at high prices driving up the price of houses that remain for local residents.	7%	13%	29%	35%	15%	3.37

Public workers - teachers, police officers, firefighters, and other critical public service workers cannot pay rising housing costs and are not accepting local job offers?	6%	11%	20%	31%	33%	3.74
Service workers - in manufacturing, retail, health, and other services cannot afford rising housing costs and are not accepting jobs affecting Port Angeles's economic development.	4%	8%	20%	33%	36%	3.88
Young adults - are increasingly unable to rent or buy and affordable living unit that is manageable with local entry level job incomes.	3%	5%	8%	27%	57%	4.28
Single-headed families, especially female - are unable to rent or buy affordable living units and pay for daycare, health costs, and other family expenses.	4%	4%	11%	27%	55%	4.25
Elderly adults, including single individuals - are increasingly unable to find affordable housing that fits their changing lifestyle needs and as a consequence continue to lie in and keep older lower	3%	6%	27%	29%	34%	3.84

priced housing units out of the market.						
Special populations including the mentally ill, victims of domestic abuse, and the temporary homeless - are unable to be economically housed to the extent current sponsors are unable to develop and operate necessary housing.	6%	4%	27%	28%	36%	3.83
My available housing choices - as a results of the above as well as other market factors, is not what I really need or want?	16%	15%	21%	27%	20%	3.20

- Generalized findings** - survey respondents were:
- Very strongly in agreement that in-migrant households and investors were driving up the cost of housing in the local market.
 - Strongly in agreement that young adults and single-headed households, and in agreement that public workers, service workers, elderly, and special populations are unable to afford housing in Port Angeles.
 - Not sure or agree that older or retired adults are driving up the cost of housing that limits the availability of lower price housing in the market.

Resident respondents were asked **what priority they would place on the following possible policies as a means of creating affordable housing in Port Angeles.**

	Lowst	Low	Ave	High	Highst	Wt
Exempt property taxes - for multifamily projects that include	14%	12%	39%	24%	11%	3.06

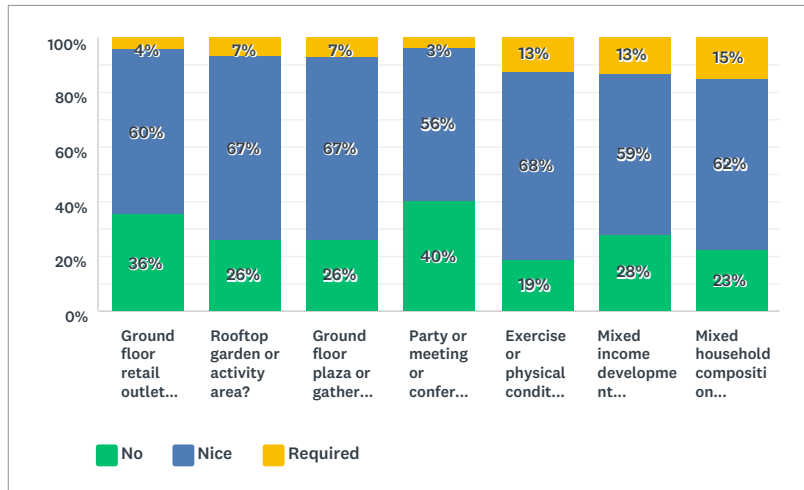
mixed-use structures up to 5-stories in appropriate areas of Port Angeles.						
Adopt non-cash housing incentives - possibly allowing additional height, reduced parking ratios, or increased lot coverage for housing projects that provide a minimum number of affordable housing units.	14%	17%	41%	20%	8%	2.93
Adopt cash-offset housing incentives - possibly including reduced building permit fees, utility connection charges, parks and traffic impact fees for housing projects that provide a minimum number of affordable housing units.	8%	11%	32%	33%	15%	3.38
Initiate a housing renovation loan program - where the eligible house is rehabilitated and the loan is deferred for payment until the house is sold.	7%	9%	31%	32%	21%	3.51
Voter-approve a 7-year special	26%	16%	31%	19%	8%	2.69

property tax levy - to provide funds to finance the development of a mixed-use, mixed-income demonstration project for innovative housing products and methods in Port Angeles.						
Establish an affordable housing coalition - of public, nonprofit, and for-profit representatives to monitor housing conditions in Port Angeles and advise public officials on actions that can be taken over time to resolve quality and affordability concerns.	12%	9%	24%	29%	26%	3.49

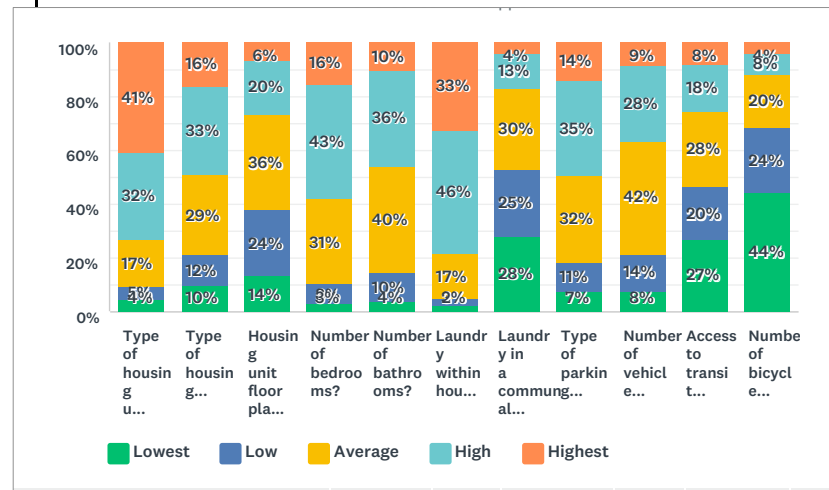
Policy implications - survey respondents gave:

- Highest priority to encouraging innovative housing products, adopting low impact, smart, and green development guidelines, initiating a housing renovation loan program, establishing an affordable housing coalition, and allowing innovative land ownership options.
- Average but not negative enthusiasm for adopting non-cash housing incentives and approving a 7-year special property tax levy to provide funds for affordable housing programs.
- Detailed comments were given by 271 or 41% of the respondents and are provided in the appendices.

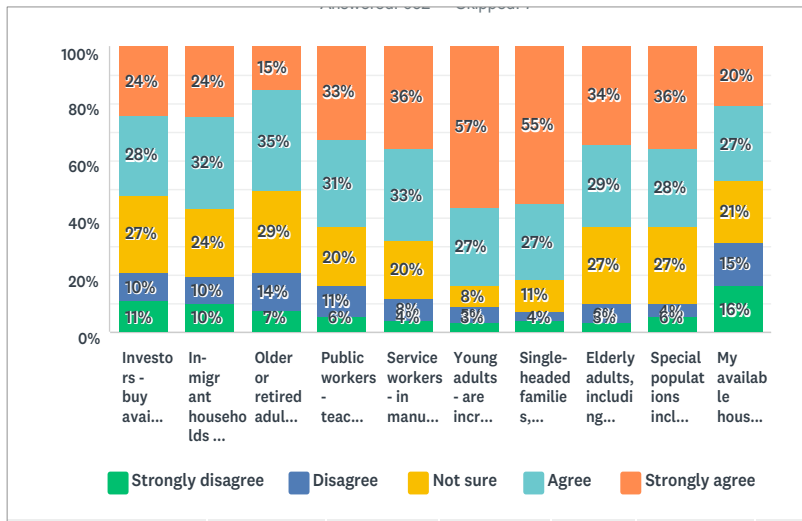
What amenities would you like in your housing development?



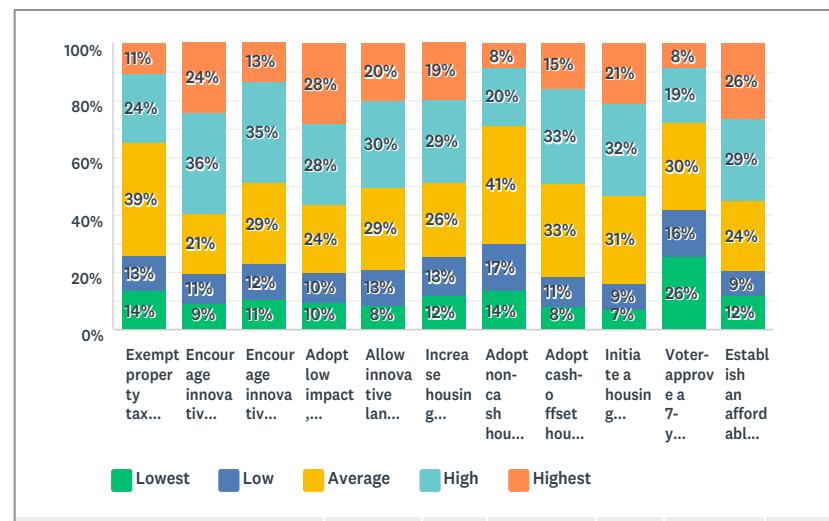
What priority would you place on your housing features?



What extent do you agree with the following statements?



What priority would you give the following policies?



Chapter 6: Housing action plan

Following is a summary description of the major action plan strategies to implement a housing action plan in Port Angeles developed from the market analysis, survey, and workshops. The strategies are grouped according to subject matter and not necessarily priority.

Objectives/Tasks

Project leads

Task 1: Continue differential taxing rates for affordable housing purposes

- **Maintain property tax exemptions** - for multifamily projects that include affordable housing components within designated areas for up to 12 years for all improvements to new or rehabilitated building elements - but not land in accordance with RCW 84.14.
- **Validate differential property tax rates and exemptions** - following appropriate hearings and public comment in accordance with the provisions of the Growth Management Act (GMA) for a differential property tax rate assessment schedule that reflects actual land use and that will favor and tend to prime the use of land leases under community land trusts and affordable housing projects.

Port Angeles

Community & Economic
Development Department
Finance Department
City Attorney
Planning Commission
City Council
Nonprofit
Jefferson/Clallam County
Community Land Trust

Task 2: Allow and encourage the use of innovative housing products and designs

- **Maintain lot size averaging** - subdividing land into parcels that may be smaller than the minimum lot specified in the zoning district so long as the average of all of the lot sizes created remains equal to or above the minimum lot size. Lot size averaging is similar to cluster development in that it makes efficient use of the developable portions of a site building to the allowable density while protecting environmental and other features, and providing housing type developments that are compatible with the surrounding neighborhood.
- **Implement Cottage Housing Development (CHD)** - that allows small lot single family housing developers to construct these types of housing products in feasible and appropriate single family neighborhoods including Residential Single Family (RS-7, RS-9, and RS-11) zones where the added density will benefit from walkable distances to existing transit, school, employment, community facility, and other supporting services.
- **Implement overlay districts** - including Cottage Housing Development (CHD), Planned Residential Development (PRD), Planned Low Impact Development (PLID), Infill Overlay Zone (IOZ), Planned Industrial Development (PID), and Mixed Commercial Overlay (MCO) that reduce or remove unnecessary property setbacks, maximum site coverage allowances, and other restrictions that prevent the use of innovative, functional, and cost effective land and housing products.

Port Angeles

Community & Economic
Development Department
Planning Commission
City Council
Public Agency
Peninsula Housing Authority
Jamestown S'Klallam Tribe
Port of Port Angeles
Nonprofit
OlyCAP
Serenity House
Habitat for Humanity
Profit
Local Builders
Local Realtors

<ul style="list-style-type: none"> ▪ <u>Update zoning and development regulations</u> - to expand the definition of allowable innovative, functional, and cost effective housing products such as duplex, attached single family, town or row houses, tandem houses, manor houses, congregate housing, micro housing, small efficiency dwelling units (SEDU), and mixed-use structures among others in the Residential Medium Density (RMD) and Residential High Density (RHD) zones. 	
<p><u>Task 3: Implement Accessory Residential Unit (ARU) program</u></p> <ul style="list-style-type: none"> ▪ <u>Amend existing ARU ordinance</u> - to remove homeowner occupant requirement. ▪ <u>Continue deferring permit and planning review fees, utility connection charges, and impact fees for affordable ARUs</u> - until such time as the ADU affordable units, if ever, are sold or rented in the marketplace as market rate housing at which time the deferred fees will be repaid to the Port Angeles Affordable Housing Fund (AHF). ▪ <u>Pre-approve ARU design manual and prototypes</u> - using kit housing projects like Lowe’s Katrina Cottages and including local architect’s ADU plans per Seattle and Santa Cruz, California example. ▪ <u>Establish an ARU low cost loan program</u> - working with local lenders per Craft3 or First Federal. 	<p><u>Port Angeles</u> Community & Economic Development Department Planning Commission City Council <u>Nonprofit</u> OlyCAP Serenity House Habitat for Humanity <u>Profit</u> Local Architects Local Builders</p>
<p><u>Task 4: Implement incentive zoning - noncash density off-sets</u></p> <ul style="list-style-type: none"> ▪ <u>Maintain incentive zoning allowance</u> - providing additional (height) floor, reduced parking ratios, and increased site coverage for mixed-use projects that provide on or off-site affordable housing units within appropriate land use districts and overlays such as the Planned Residential Development (PRD), Planned Low Impact Development (PLID), Mixed Commercial Overlay (MCO), and Infill Overlay Zone (IOZ). ▪ <u>Design for ground floor retail</u> - but allow interim or temporary non-retail uses until the market can sustain retail tenants in all commercial and mixed-use zones including Commercial Neighborhood (CN), Community Shopping District (CSD), Commercial Arterial (CA), and Central Business District (CBD) as well as the Planned Residential Development (PRD), Planned Low Impact Development (PLID), Mixed Commercial Overlay (MCO), and Infill Overlay Zone (IOZ). ▪ <u>Evaluate transfer development rights (TDR) housing credits</u> - for the feasibility of identifying sending and receiving zones for transferring housing density credit units when the increased density allowed by providing affordable housing units within a mixed-use project will not be provided on-site. ▪ <u>Allow fee-in-lieu</u> - provide a fee-in-lieu program where developer pays into the Port Angeles 	<p><u>Port Angeles</u> Community & Economic Development Department Planning Commission City Attorney City Council</p>

<p>Affordable Housing Fund (AHF) the equivalent amount for the development of an affordable housing unit when the affordable housing units will not be provided on-site.</p>	
<p><u>Task 5: Implement incentive zoning - cash off-sets</u></p> <ul style="list-style-type: none"> ▪ <u>Defer permit and planning review fees for affordable units</u> - until such time as the affordable units, if ever, are sold or rented in the marketplace as market rate housing at which time the deferred fees will be repaid to the Port Angeles Affordable Housing Fund (AHF). ▪ <u>Defer utility connection charges for affordable units</u> - until such time as the affordable units, if ever, are sold or rented in the marketplace as market rate housing at which time the deferred utility connection charges will be repaid to the Port Angeles Affordable Housing Fund (AHF). ▪ <u>Defer park, traffic, and school impact fees</u> - if adopted, until such time as the affordable units, if ever, are sold or rented in the marketplace as market rate housing at which time the deferred impact fees will be repaid to the Port Angeles Affordable Housing Fund (AHF). 	<p><u>Port Angeles</u> Community & Economic Development Department Finance Department City Attorney Planning Commission City Council School Board</p>
<p><u>Task 6: Package a demonstration project site</u></p> <ul style="list-style-type: none"> ▪ <u>Package a demonstration project site</u> - to create a prototype mixed-use project for market rate and affordable units in the downtown, medical center, and/or high-density residential neighborhood. ▪ <u>Utilize the Jefferson/Clallam County Community Land Trust</u> - including the management organization, bylaws, lease rates, and other provisions for all units - market rate and affordable - and the equity allowances for sale of property if retained as affordable for the demonstration property. 	<p><u>Port Angeles</u> Community & Economic Development Department City Council <u>Nonprofit</u> Jefferson/Clallam County Community Land Trust</p>
<p><u>Task 7: Initiate a catalytic mixed-use project with affordable units</u></p> <ul style="list-style-type: none"> ▪ <u>Create development solutions for the property</u> - that develop the property under alternative scenarios using the noncash density incentives provided for additional height, reduced parking ratio, and increased site coverage allowances. ▪ <u>Assess the economic feasibility of the preferred concepts</u> - to determine land value, construction cost, indirect development cost - and the impact of noncash and cash off-set incentives, ▪ <u>Assess partnership opportunities</u> - including purchase of the land for a land trust by a nonprofit entity, and the purchase of some affordable units by the Peninsula Housing Authority for very low-income households. ▪ <u>Assess and mitigate environmental impacts</u> - to assess on and off-site stormwater run-off, 	<p><u>Port Angeles</u> Community & Economic Development Department City Council <u>Public Agency</u> Peninsula Housing Authority Jamestown S'Klallam Tribe Port of Port Angeles <u>Nonprofit</u> Jefferson/Clallam County Community Land Trust</p>

<p>design aesthetics, and urban amenities.</p> <ul style="list-style-type: none"> ▪ Conduct public hearings and approve a pre-packaged plan solution - including appropriate property-specific development agreements, design guidelines, and SEPA MDNS or EIS mitigation documents. ▪ Develop a competitive process - governing the sale or long-term lease and development of the property for the preferred and pre-approved design/develop solution. ▪ Judge proposals - by fixing the asking price for the property and ranking proposals on design merits and beneficial impacts on the city's affordable housing objectives. ▪ Award project - following public hearings and review procedures, award the project to the proposal ranked to have the most design merit and beneficial affordable housing development impacts on the property, downtown, and city. 	<p>OlyCAP Serenity House Habitat for Humanity Profit Property Owner Developers</p>
<p>Task 8: Establish a Port Angeles Affordable Housing Fund (AHF)</p> <ul style="list-style-type: none"> ▪ Conduct a public survey of voter households to determine public support - for the use of an allocation from General Funds (GF), an allocation from the Real Estate Excise Tax (REET), a special Property Tax Levy (PTL) or limited levy lid lift dedicated to affordable housing and/or a countywide Local Option Sales Tax (LOST) dedicated to affordable housing to provide affordable housing cash off-sets and match fee-in-lieu payments, public and non-profit donations, grants, loans, and other funding measures with which to implement pro-active housing programs and projects. ▪ Submit and approve a financing mechanism(s) - based on the results of the survey, submit referendums necessary to create a revolving capital fund necessary for implementing pro-active housing programs and projects. ▪ Capitalize the revenues - with which to initiate acquisitions, prime infrastructure development, conduct RFP design/develop competitions, and other implementing actions appropriate to the proposed pro-active housing programs and projects. ▪ Partner with a management entity - for implementation to a new or existing nonprofit housing agency such as Peninsula Housing Authority. 	<p>Port Angeles Community & Economic Development Department Housing Task Force City Council Public Agency Peninsula Housing Authority Jamestown S'Klallam Tribe Port of Port Angeles Nonprofit OlyCAP Serenity House Habitat for Humanity</p>
<p>Task 9: Refinance overextended households</p> <p>Using the Port Angeles Affordable Housing Fund (AHF) and the Housing Rehabilitation Fund, establish an affordable housing deferred loan or shared equity program where the eligible homeowner's house is acquired then sold back to the homeowner under terms that the homeowner can afford remaining within the 30% of gross income devoted to housing occupancy costs. Where necessary and appropriate, utilize grants, loans, limited and land trusts, reverse mortgages, and other refinancing terms that will allow the homeowner to remain resident in the house, keep the</p>	<p>Port Angeles Community & Economic Development Department City Council Public Agency Peninsula Housing Authority</p>

house in viable shape, and where appropriate, retain an affordable price or terms so that the unit can be resold at a future time as an affordable housing unit.

- **Identify homeowners** - who would be eligible and capable of participating in the shared or deferred equity-refinancing program.
- **Identify income and financial capability** - of the occupants in order to create feasible and appropriate refinancing terms using grants, low and no-interest loans, land trusts, and shared or deferred equity approaches.
- **Create performance criteria governing refinancing packages** - necessary to guarantee homeowner equity and financial solvency, while repaying the Port Angeles Affordable Housing Fund (AHF) when the house is ultimately sold or inherited *and/or* retaining the housing unit in the affordable housing supply to be resold in the future to eligible low-income households.
- **Assign a management entity** - capable of monitoring compliance with the refinanced mortgage terms and the eventual sale and repayment, *or* sale and resale of an affordable unit in the market.
- **Create a housing loan trust** - able to fund refinancing packages and hold the loan or equity or land title in trust until such time as the house is sold and the loan is redeemed in full *or* the house is resold under a limited or shared equity approach.

Task 10: Renovate (and possibly acquire) eligible housing with shared and limited equity loan programs

Using the Port Angeles Affordable Housing Fund (AHF) and the Housing Rehabilitation Fund, as well as FHA 203(k) and HomeStyle Fannie Mae loans establish a home acquisition, rehabilitation, and deferred loan or shared or limited equity program including where the qualifying household and eligible house is refurbished (and potentially acquired) and the cost or loan is deferred for payment to when the house is sold or resold to the occupant with land leases and the land equity is deferred or used to reduce payment terms to allow the current (or new) occupant to continue to reside in the house with current home payments.

- **Identify homeowners** - who would be eligible and capable of participating in the rehabilitation and shared or deferred equity program.
- **Identify rehabilitation program requirements** - including the potential number of housing projects, deferred or limited equity program participants, and required number and skill of renovation contractors or agents including occupants (and buyers) capable of performing self-help improvements or “sweat equity”.
- **Create performance criteria governing contractor selection and oversight** - necessary to warrant quality work, timely work schedules, bonded workers and project sites, and other

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rehabilitation program particulars including by home owner/buyer self-help participants.

- **Create a management entity** - capable of overseeing rehabilitation work, contract compliance, and the shared or deferred or limited equity program.
- **Create a housing loan trust** - using the Port Angeles Affordable Housing Fund (AHF) to fund rehabilitation and hold the loan or equity in trust until such time as the house is sold and the loan is redeemed in full *or* the house is resold under a limited or shared equity approach.

Task 11: Issue periodic reports and update the Housing Action Plan on a frequent basis

Conduct implementation progress assessments to review action on projects and policies identified in this Housing Action Plan and measure the following:

- **Accomplishment of the strategies** - listed in the action plan and the impact the strategies are having on housing costs.
- **Number of affordable units built** - by public, nonprofit, and private sponsors over the measuring time period.
- **Turnover rates realized in the housing market** - for all value of housing including affordable value ranges during the measuring time period.
- **Comparison with housing census statistics** - for percent of income required for housing costs, number, and percent of households in poverty and housing status.
- **Public satisfaction** - with housing conditions in general and perception of their ability to buy or rent a quality affordable housing unit.
- **Make revisions or adjustments necessary** - to improve methods, assign responsibilities, or take other measures necessary to be effective in the market based on the progress assessment findings.

Port Angeles

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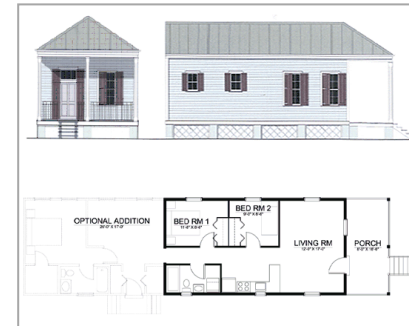
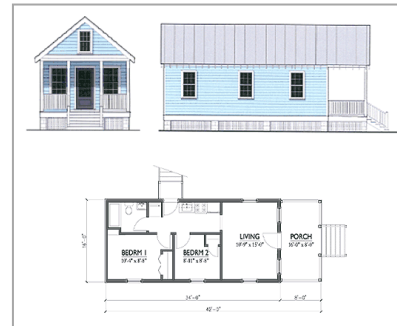
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Katrina Cottage - was designed to be an alternative to the FEMA trailer following Hurricane Katrina. It is a small permanent house that can be assembled quickly as a self-help project or with the assistance of a builder. The units are engineered to withstand hurricane force winds and can be constructed with wood or steel framing finished with fiber cement siding and a metal roof.

The original Katrina Cottage I was a 308 square foot cottage designed by Marianne Cusato that debuted at the 2006 International Builders. The demand for the unit, however, surpassed the emergency housing market, and is currently being marketed by Lowe's as an affordable stand-alone or grow-house for the elderly, as accessory dwelling units for in-laws and guest houses, and vacation homes.

The first 4 floor plans in the Lowe's Katrina Series were available in select Lowe's stores in Mississippi and Louisiana in 2007 though Lowe's discontinued selling the complete packages in 2011. Lowe's currently sells the cottage blueprints and materials packages. The material packages cost approximately \$55/square foot including all materials necessary to build the cottage from the foundation plat up including studs, insulation, fixtures, electrical, plumbing, and appliances. The homeowner needs to supply the foundation, HVAC system, and furniture. Materials packages require a contractor to assemble.





Micro-housing - is the umbrella term for a housing option that is smaller than average. These homes are the modern-day equivalents of rooming houses, boarding houses, dormitories, and single-room occupancy (SRO) hotels, and they come in two main flavors:

Congregate housing - is like a dormitory. The rooms are “sleeping rooms,” rather than complete dwelling units, and renters enjoy private bathrooms and kitchenettes in their units, along with shared kitchens and other common amenities for the whole building. A typical project looks like an apartment building. “Apodments,” the brand that started the micro-housing revolution in Seattle in 2009, are functionally the same thing as congregate housing, though technically they are classified as boarding houses. The size of the sleeping rooms in congregate micro-housing is typically in the range of 140 to 200 square feet.

Small Efficiency Dwelling Unit (SEDU) - is a slightly undersized conventional studio apartment. It has a complete kitchen and bathroom and closet space. By code, SEDUs must have at least 220 square feet of total floor space, as compared to 300 square feet for the smallest typical conventional studio apartments.

All types of micro-housing unlock more affordable and small but independent homes for people who want them. They are one more option to serve the broad spectrum of housing needs.



Modular construction - is the off-site construction of prefabricated, steel frame building modules in an integrated delivery method collaborating with designers, builders, and developers. The modular process provides higher quality construction, increased cost efficiency, and faster delivery than traditional site-built, small scale construction resulting in development costs 15-20% less than conventional on-site stick built construction methods.

One Build's N'Habitat project is a mixed-use structure with ground level retail, 6-stories of affordable housing apartments, and a one level basement for bicycle/workshop and utility/storage spaces located in Seattle's Belltown neighborhood. The project is composed of 49 residential units and 3,100 SF of ground-level retail with almost 2,000 square feet of outdoor rooftop amenity space for residents. The location has it within walking distance to restaurants, pubs, cultural centers, and public transit hubs.

