

City of Port Angeles Housing Action Plan 2025 Periodic Update



PORT ANGELES
WASHINGTON, U.S.

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THANK YOU

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LAND ACKNOWLEDGMENT AND VISION STATEMENT

Land Acknowledgment

The City of Port Angeles recognizes the Coast Salish peoples of this land, which touches the shared waters of all tribes and bands within the Lower Elwha Klallam, Jamestown S’Klallam, Port Gamble S’Klallam, Skokomish, Quinault, Hoh, Quileute, and Makah nations.

Comprehensive Plan Vision Statement

In 2045, Port Angeles is a thriving community that encompasses and entwines its natural landscapes, adopts sensible approaches to climate resiliency, and reverence for tribal heritage while acknowledging its broader history, including its forestry practices and maritime traditions. The City carefully balances progress and tradition, fostering a resilient economy, diverse housing options, and well-constructed and maintained infrastructure that serves local needs. Port Angeles remains rooted in its strong sense of community, ensuring public safety, enhancing quality of life, and promoting overall well-being, while creating a welcoming environment for visitors.



Source: Port of Port Angeles

The vision statement was crafted in collaboration between members of City Council, City staff, a Stakeholder Advisory Committee, and community members.

EXECUTIVE SUMMARY

The City of Port Angeles' 2025 Housing Action Plan (HAP) has been updated to enhance the 2019 strategy, aiming to tackle pressing housing issues and foster a fair, diverse, and sustainable housing future. As housing affordability and accessibility become increasingly critical across Washington State, Port Angeles faces distinct challenges, including geographic limitations, aging infrastructure, and restricted land development capacity. This HAP is a ten-year document that analyzes housing trends and identifies thirteen housing tasks for City staff and housing partners to accomplish.

Defining the Challenge

Port Angeles, once sustained by robust forestry and maritime industries, has experienced significant economic transitions in recent decades. The decline of its traditional industries has led to a tourism-based economy, characterized by lower-wage jobs and increased difficulty for local workers in securing affordable housing. Major employers, including the Coast Guard, Olympic National Park, and regional healthcare systems, report challenges in recruiting and retaining staff due to housing shortages and low vacancy rates.

Several systemic and geographic barriers exacerbate these issues:

- **Geographic Isolation:** Surrounded by natural barriers—the Strait of Juan de Fuca, Olympic Mountains, and major waterways—Port Angeles has limited available land for development compared to other regional cities.
- **Aging Infrastructure:** Several of the City's wastewater and stormwater basins lack capacity to support higher-density housing.
- **Historic Development Patterns:** Outdated zoning and land use decisions have resulted in large-lot single-family housing that limits infill and density.
- **Aging Housing Stock:** The median home in Port Angeles was built in 1962, and more than half of the city's housing units are over 50 years old. Renovating or redeveloping these homes often proves cost-prohibitive due to updated building and energy codes.
- **Limited Workforce and Resources:** The city's distance from the Puget Sound metropolitan area complicates access to skilled labor, materials, and larger-scale developers.

These challenges have contributed to severe housing affordability issues. Nearly 50% of households are classified as low-income, and 38% are cost-burdened, spending more than 30% of their income on housing (see appendix D). Among renters, 68% are low-income, with many facing significant housing insecurity. Homelessness in Clallam County reached its highest level in a decade in 2024, doubling from the previous year.

Progress Since 2019

Since adopting its first Housing Action Plan, the City has made measurable strides to mitigate these barriers:

- **Permit Fee Waiver Program:** Implemented in 2023, waiving 26 building and land use permit fees for affordable, infill, and multifamily housing projects.

- Permit-Ready Plans: Developed a library of pre-approved designs for small-lot homes and townhouses, expediting permitting and lowering development costs.
- Housing Pipeline Pilot Project: Acquired property at 935 W 10th Street to catalyze affordable, high-density development and demonstrate innovative approaches to multifamily housing.
- Zoning Reforms: Updated municipal code to encourage diverse housing types, including Accessory Dwelling Units (ADUs), co-living arrangements, and higher-density developments.
- Multifamily Property Tax Exemption (MFTE): Continued operation and alignment with recent state legislation to incentivize affordable multifamily construction.

These actions represent necessary steps toward increasing housing options and affordability, though continued and expanded efforts are required to meet community needs.

Strategic Recommendations

To achieve these goals, the Plan outlines actionable strategies across six focus areas:

1. **Increase Housing Supply and Variety:** Expand initiatives like the Multifamily Housing Pipeline Project, co-living code updates, and workshops for multifamily builders. Encourage infill development through continued zoning and permitting reforms.
2. **Improve Affordability:** Leverage the Affordable Housing Sales and Use Tax to fund projects for residents earning at or below 60% of Area Median Income (AMI). Continue the Multifamily Property Tax Exemption (MFTE) program with enhanced anti-displacement safeguards.
3. **Preserve Existing Housing:** Continue programs like the COPA Weatherization Program and enforce blighted property reduction strategies to address vacant or unfit buildings.
4. **Promote Homeownership:** Encourage and incentivize community land trust models in Port Angeles.
5. **Address Homelessness:** Create a Housing Instability Project Manager position to coordinate services, bridge gaps, and connect residents with resources.
6. **Prevent Displacement:** Consider policies and incentives like a landlord mitigation fund to empower tenants and nonprofit organizations to preserve affordable housing stock.

Implementation and Next Steps

The Plan includes a detailed schedule of programs and actions, assigning responsibilities to City departments, partners, and stakeholders. Progress will be monitored through periodic assessments to ensure alignment with housing targets and community goals.

This Plan provides a framework for creating a diverse, inclusive, and sustainable housing environment where all residents—regardless of income—can find a safe, affordable place to call home.

CITY CLERK CERTIFICATION

ORDINANCE NO. 3760

AN ORDINANCE of the City of Port Angeles, Washington, updating the May 2019 Housing Action Plan through a 2025 Periodic Update; providing for severability; and establishing an effective date.

WHEREAS, the City of Port Angeles faces housing challenges related to affordability, housing diversity, and availability across income levels, and the City Council seeks to support housing choices that serve the full spectrum of community needs; and

WHEREAS, RCW 36.70A.600 authorizes and encourages jurisdictions planning under the Growth Management Act to adopt Housing Action Plans that identify strategies to increase the supply of market-rate and affordable housing, including strategies aimed at the for-profit housing market; and

WHEREAS, the 2025 Housing Action Plan Periodic Update builds upon the 2019 Housing Action Plan, incorporates updated demographic and housing market analysis, and identifies thirteen priority implementation tasks to expand housing opportunities in Port Angeles over the next ten years; and

WHEREAS, on October 17, 2025, the City transmitted a copy of the proposed ordinance to the Washington State Department of Commerce in accordance with RCW 36.70A.106 for the required 60-day state review period; and

WHEREAS, on October 22, 2025, the City Planning Commission held a duly noticed public hearing on the proposed amendments, accepted testimony, and made a recommendation to approve the Housing Action Plan, CPA 25-0112, to the City Council; and

WHEREAS, adoption of the 2025 Housing Action Plan supports the City's planning efforts under the Comprehensive Plan, aligns with Strategic Focus Area #3 – Housing, and advances the City's commitment to housing availability, diversity, and affordability; and

WHEREAS, the City Council finds that adoption of the Housing Action Plan promotes the public health, safety, and welfare of the residents of Port Angeles;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PORT ANGELES DO HEREBY
ORDAIN AS FOLLOWS:

Section 1. – Adoption. The Housing Action Plan is hereby adopted as shown in Exhibit A, attached hereto and incorporated by reference.

Section 2. – Classification. The Housing Action Plan set forth by this ordinance is of a general and permanent nature and shall be kept on file with the City Clerk, available for public inspection.

Section 3. - Corrections. The City Clerk is authorized to make necessary corrections to this ordinance, including, but not limited to, the correction of scrivener's clerical errors, references to other local, state, or federal laws, codes, rules, or regulations, or ordinance numbering, section/subsection numbers, and any references thereto.

Section 4. - Severability. If any provisions of this Ordinance, or its application to any person or circumstance, are held invalid, the remainder of the Ordinance, or application of the provisions of the Ordinance to other persons or circumstances, is not affected.

Section 5. Effective Date. This Ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum. This ordinance shall take effect on December 31, 2025.

PASSED by the City Council of the City of Port Angeles at a regular meeting of said Council held on the 16th day of December, 2025.



Kate Dexter, Mayor

APPROVED AS TO FORM:



William E. Bloor, City Attorney

ATTEST:



Kari Martinez-Bailey, City Clerk

The Port Angeles Planning Commission recommended adoption of this 2025 Housing Action Plan Periodic Update (Comprehensive Plan Amendment 25-0112) on October 22, 2025. The City Council adopted this Comprehensive Plan Amendment through Ordinance #3760 on December 16, 2025.

HOUSING ACTION BACKGROUND: DEFINING THE CHALLENGE

Constructing housing in Port Angeles has presented various challenges throughout the City's history, some more difficult than others. The city experienced steady and healthy growth from the 1920s to the 1970s, mainly due to the success of its forestry and maritime industries, its designation as the county seat, and its role as host to an international ferry service to Victoria, British Columbia, as well as the headquarters of Olympic National Park. For most of the twentieth century, large lumber, pulp, paper, and plywood mills along the city's waterfront and the Port's piers and marina drove the local economy. Those industries that supported past generations have diminished, and stagnation in the construction industry has followed suit. In the 21st Century, the economy has begun to diversify, and tourism has become an increasingly more prevalent economic sector for Port Angeles.

Finding and securing affordable and attainable housing for working families remains a significant issue, as lower-wage tourism jobs have become more common since the closure of the local mills. Major public institutions, such as the Coast Guard, the National Park Service, the National Forest Service, Olympic Medical Center, and the Port Angeles School District, all struggle to house their employees within the City. In many cases, recruiting new employees is challenging, particularly due to low housing vacancy rates. That low vacancy rate creates operational gaps that reduce the services Clallam County public institutions and local private businesses can provide.

Port Angeles faces several distinct barriers to new construction, rehabilitation of aging housing, and accommodating increased density and growth:

1. Port Angeles has island-like physical barriers.

As Port Angeles has grown, expanded, and developed over the last 50 years, it has had to navigate several physical barriers. The city limits feature five small stream corridors: the boundaries of Morse Creek to the east, the Elwha River to the west, the Strait of Juan de Fuca shoreline to the north, and the Olympic Mountains to the south. These geographic characteristics make housing development more challenging than in surrounding cities, which have fewer natural barriers to growth and greater available undeveloped land capacity.

2. Port Angeles is held to higher infrastructure standards and suffers from a lack of physical capacity.

Port Angeles faces several additional challenges, the greatest of which is wastewater capacity, due to several basins with combined sewer/stormwater systems. The aging areas of the system are sized without accounting for additional stormwater runoff from on-site impervious surfaces, such as structures, detached garages, and driveways. Specific neighborhoods that are "upstream" of these capacity pinch points may require more than just an increase in wastewater pipe size. The Port Angeles urban growth area is the only location on the Olympic Peninsula to hold a National Pollution Discharge Elimination System Phase II permit. It is therefore subject to higher standards to meet minimum control measures set by the Federal Environmental Protection Agency. These standards, combined with a sewer system that has capacity issues, can make constructing housing of any kind more cost-prohibitive.

3. Historic development has long-lasting adverse effects on future development.

The federal government originally platted Port Angeles as a townsite with 7,000-square-foot lots and a gridiron configuration that did not account for the coast and natural geography. The western area of the City remained undeveloped until the 1970s, when larger lot development with curvilinear streets and cul-de-sacs, which lacked alleyways, was seen as a more attractive development pattern. Single-occupancy vehicle-oriented transportation and heavily segregated residential and commercial development were also the standard for mid-sized municipalities at the time. A more traditional complete streetscape and local access to commercial services, which were more prevalent before World War II, were replaced by large lot monocultural detached single-family house units in zoning that did not foresee the challenges Port Angeles is facing today.

4. Port Angeles housing is generally aging and fails to meet state and federal building standards.

The median age of all housing units constructed in Port Angeles is over 60 years old, and the average house was built in 1962, which is comparatively older than those in surrounding North Olympic Peninsula communities and statewide trends. Remodeling and rehabilitating older homes, especially those that have been vacant for an extended period, becomes increasingly challenging over time. Periodic updates to the Washington State Building and Energy codes must be met during these updates, making the ability to rent or sell a second rehabilitated home cost-prohibitive without the renter or buyer becoming cost-burdened by the rental or mortgage rate.

5. Port Angeles is a ferry ride and a floating bridge from the Puget Sound Metropolitan Area

The I-5 corridor is a minimum two-hour drive away, which complicates the procurement of building materials and skilled workers in engineering and architectural services, as well as skilled builders with the expertise in the trades required to construct larger multifamily apartment buildings. The return on investment for those interested in developing middle- and multifamily housing without public-sector assistance is higher in the I-5 corridor. Although Port Angeles has led the way in zoning and building allowances, as well as housing programs, for mid-sized cities in Washington State, competing for access to skilled workers, services, materials, and financial assistance continues to be a significant barrier.

6. Port Angeles acts as its own independent utility

Port Angeles taxpayers are responsible for all local infrastructure maintenance and improvements, facilities, and public services, including water, power, transportation, wastewater collection and treatment, parks, fire protection, and police services. With a 2025 OFM projected population of 20,240, Port Angeles must see growth in its tax base before the municipality can properly maintain all the existing infrastructure in its Urban Growth Area. Maintaining existing facilities – and expanding new ones – requires proper planning practices, prioritized development, and assessments, as well as fiscal responsibility. Although there is potential land for development in the unincorporated urban growth area, it comes at a significant cost, including upgrading the city's already-constrained infrastructure and services. The city's wastewater treatment plant is projected to have adequate capacity until at least 2030, serving a population of 24,800.

HOW PORT ANGELES PLANS FOR FUTURE HOUSING NEEDS

With these geographic and systemic barriers to housing development, the City of Port Angeles remains committed to exploring every approach to encourage the development of affordable and diverse housing by reducing regulatory barriers in its zoning code. City staff developed and sent out a housing needs assessment survey to the greater Port Angeles community to assess community-wide opinions on current housing conditions, preferences, and priorities, and received over 580 responses. The 2019 Housing Action Plan (HAP) clarified population and housing projections, analyzed housing market trends, outlined the existing housing stock, and established goals and policies to address these issues.

This updated 2025 HAP serves as the periodic update providing a comprehensive evaluation of progress made from 2019 to 2025. The HAP takes the data from the Housing Needs Assessment (HNA) and the goals and policies outlined in the Housing Element of the comprehensive plan and lays out tangible implementation steps.

The HAP update aims to achieve several key objectives:

Summarize and Contextualize Key Findings: This section will distill and clarify the significant insights derived from the Housing Needs Assessment (HNA), offering a thorough understanding of the current housing landscape (refer to Appendix B for detailed findings).

Identify Growth Targets and Population Trends: The HNA will project the growth targets and demographic shifts anticipated for the City of Port Angeles over the next decade, providing critical context for future housing development.

Outline Housing Goals for the City: Drawing on extensive feedback from the Port Angeles City Council, the Stakeholder Advisory Committee, and community members gathered through public engagement sessions, we will define specific housing goals aimed at addressing local needs.

Evaluate Progress on 2019 HAP Goals: A thorough assessment will be conducted to measure the effectiveness and progress toward achieving the goals initially outlined in the 2019 HAP.

Review Current Affordable Housing Projects: This section will provide an in-depth overview of the City's existing affordable housing initiatives, assessing their impact and effectiveness in meeting community needs.

In addition, the update will present a series of recommendations for the development of robust housing strategies, which include:

- **Strategies to Increase Housing Supply:** Crafting actionable plans to expand the overall availability of housing in the area.

Figure 1: Comprehensive Plan Graphic



- **Strategies to Diversify Housing Types:** Proposing a wider array of housing options, ensuring that various needs and preferences within the community are met.
- **Strategies for Housing Affordability:** Focusing on measures that will make housing accessible and affordable for individuals and families across all income levels.
- **Strategies to Minimize Displacement:** Developing approaches to protect low-income residents from being displaced due to redevelopment, ensuring that vulnerable populations are supported.
- **Strategies to Support Housing Preservation:** Emphasizing the importance of maintaining and improving existing housing stock to protect community character and affordability.
- **Consider Broader Economic Context:** Evaluating how housing strategies can contribute to mitigating economic displacement pressures, creating a stable and supportive environment for all residents.

What is affordable housing?

The Department of Housing and Urban Development (HUD) establishes income limits to determine eligibility for assisted housing programs. These income limits are based on estimates of Median Family Income and the definitions of Fair Market Rent for each metropolitan area, specific parts of some urban areas, and all non-urban counties (HUD Office of Policy Development and Research). In the City of Port Angeles and Clallam County, affordable housing is defined as households with incomes at or below 80% of the area median income (AMI). The HUD-determined AMI income limits change annually and vary with household size (see Table 1). As defined by the U.S. Department of Housing and Urban Development (HUD), affordable housing is housing in which the occupant is paying no more than 30% of gross income on housing costs, including utilities.

What is attainable housing?

Attainable Housing has become a broad term to describe various housing types for moderate- or middle-income households with incomes between 80% and 120% of AMI; this group is sometimes called the ‘Missing Middle’ or ‘Workforce Housing’. Many earners of Attainable Housing, including teachers, healthcare workers, public safety personnel, armed service members, hospitality employees, and others, typically do not qualify for Affordable Housing because their household incomes often surpass the eligibility limits.

Table 1. HUD Income Limits for Clallam County, 2025

Income Level	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low Income (30% AMI)	\$19,950	\$22,800	\$26,650	\$32,150	\$37,650	\$43,150	\$48,650	\$54,150
Very Low Income (50% AMI)	\$33,200	\$37,950	\$42,700	\$47,400	\$51,200	\$55,000	\$58,800	\$62,600
Low Income (80% AMI)	\$53,100	\$60,700	\$68,300	\$75,850	\$81,950	\$88,000	\$94,100	\$100,150

Source: U.S. Department of Housing and Urban Development (HUD).

HOUSING NEEDS ASSESSMENT SUMMARY

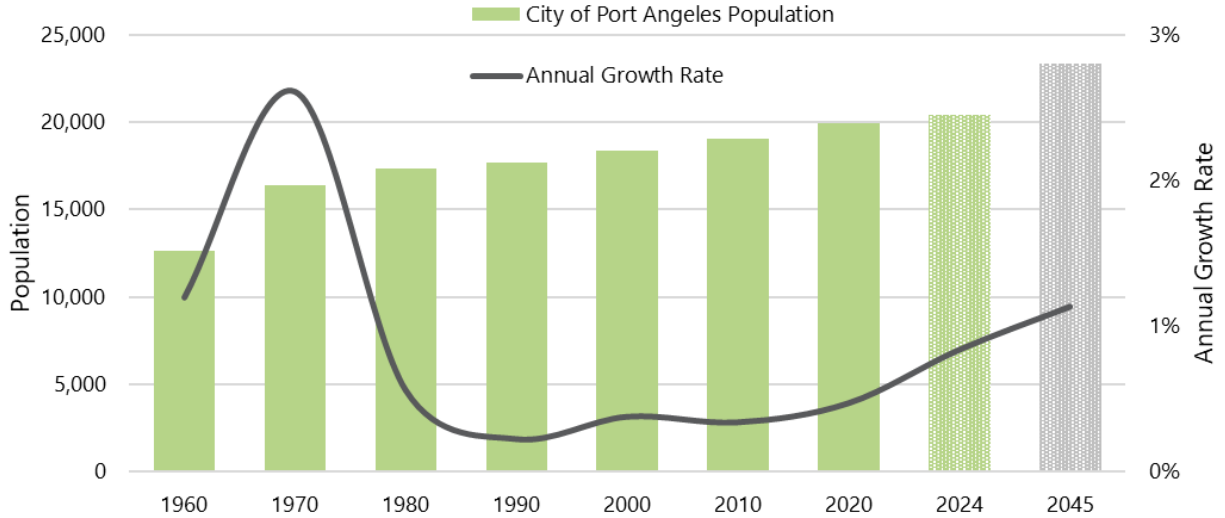
The following is a summary of the Housing Needs Assessment (HNA). This HNA is prepared as part of the periodic update of the Comprehensive Plan's background analysis required by the State Growth Management Act (GMA) under RCW 36.70A.130. This report identifies current and future housing needs to serve all income demographics within the community and analyzes potential gaps in housing supply, types, and affordability.

The complete Housing Needs Assessment is available in Appendix B of this plan.

COMMUNITY PROFILE

- The Port Angeles population has grown slowly since 1980, with an annual growth of less than one percent. This is a slower growth rate than that of Clallam County and significantly slower than the state's population growth. It is estimated that in 2024, the population of Port Angeles was 20,410.
- The average age in 2022 is 41.3 years in Port Angeles, which is younger than the county's average age but older than the state's average.
- Port Angeles has relatively homogeneous racial diversity, with 80 percent of the population identified as white. Overall, the city's population diversity is similar to Clallam County and less diverse compared to the state as a whole.
- The average household size in Port Angeles is 2.2, which is approximately the same as the county average and smaller than the 2022 statewide average of 2.5. However, the state has a higher proportion of family households and children compared to Port Angeles and Clallam County.
- More than 50 percent of households own their homes, and homeowners earn more than twice as much as renter households in the city.
- Nearly half of Port Angeles households are classified as low-income, earning less than 80% of the Area Median Income. Among renters, 68 percent of households are classified as low-income.
- About 38 percent of households are cost-burdened, spending more than 30 percent of their income on housing costs, with renters and lower-income households facing high levels of cost-burden.
- In 2024, homelessness in Clallam County reached its highest rate in the last decade. The number of unsheltered individuals has doubled since 2023.
- In 2020, more than half of elderly family households were low-income, and 35 percent of all senior-headed households consisted of seniors living alone and facing cost burdens.
- 2,840 households have a member with a disability, and most of them are low-income households.

Figure 2. Historic Population Growth in Port Angeles, 1960–2024



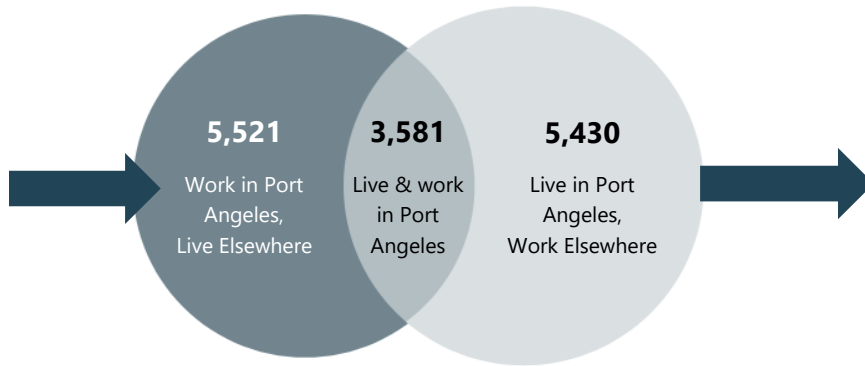
Source: U.S. Census Bureau Decennial Census, Washington Office of Financial Management (OFM) Historic Population Data and April 1 Population Estimates.

Figure 2 illustrates the historic population growth in Port Angeles from 1960 to 2045. Each year, the Washington State Office of Financial Management works with local jurisdictions to conduct a census or collect data to estimate the population. The black throughline represents the annual growth rate where population growth has decreased and stagnated between 1980 and 2020. Looking forward to 2045, the annual growth rate is expected to increase.

WORKFORCE PROFILE

- In 2021, there were 9,102 jobs in Port Angeles. The Health Care and Social Assistance sector has dominated and experienced rapid growth since 2011. This is also a top industry in Clallam County. The average wage in the industry is comparable to the county's average. Other key job sectors are Accommodation and Food Services, Education, Retail, Public Administration, and Manufacturing.
- Port Angeles has a similar number of commuters both entering and leaving the city, with 39 percent of workers residing in Port Angeles. The patterns of commuting out are diverse, with Seattle and various smaller locations serving as job destinations.
- Port Angeles has a balanced employment-to-housing ratio, at 0.9.
- The Education and Health Care sector is projected to grow by 1.3 percent in the Olympic Workforce Development Area. Meanwhile, the Leisure and Hospitality sector is expected to be the fastest-growing, with an annual growth rate of 2.1 percent.
 - Note: This health care projection was based on data from 2022, prior to Olympic Medical Center Leadership changes and the potential partnership with UW Medicine.

Figure 3. Commute Patterns in Port Angeles and Clallam County, 2022



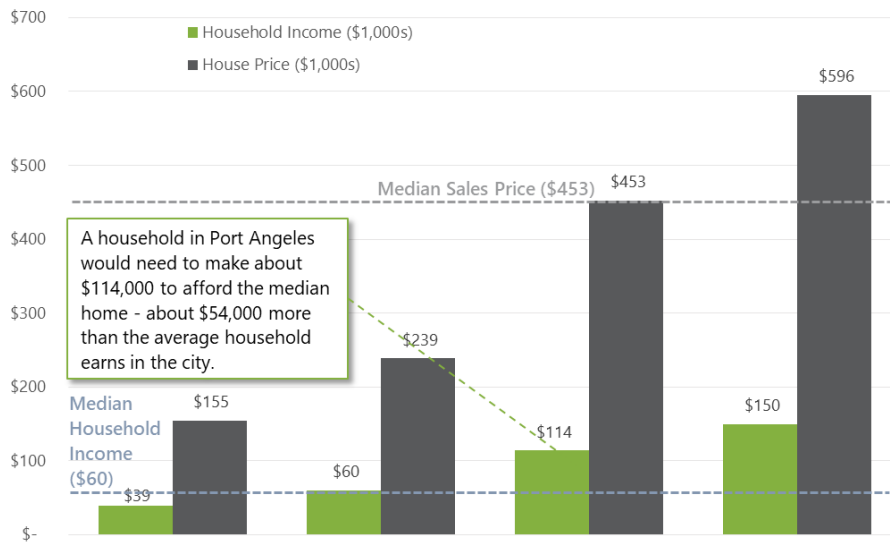
Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) via Census OnTheMap

Figure 3 does not include children or retired individuals who are not in the workforce. Five thousand five hundred twenty-one individuals work in Port Angeles, but do not live within city limits. These individuals may reside in Clallam County, Sequim, or near Port Townsend. Five thousand four hundred thirty live in Port Angeles and work elsewhere. This includes individuals who work from home or commute to Tacoma, Seattle, or Olympia. Three thousand five hundred eighty-one individuals work and live within the city limits of Port Angeles. Compared with other cities, both nearby and in Kitsap County, Port Angeles has a relatively high share of workers who both live and work in the city. This indicates a relative balance of jobs to housing in the town, reflecting Port Angeles' status as the economic center of the northern Olympic Peninsula. The city's relative isolation also likely contributes to this trend.

HOUSING SUPPLY

- There were 9,930 housing units in 2022, with almost three-quarters being single-unit buildings. Additionally, 9.4 percent were middle housing types, and 15 percent were multifamily apartments.
- Large units with three or more bedrooms represent half of the city's housing stock.
- More than half of the housing in Port Angeles is old housing built before 1970.
- The current rent in Port Angeles averages about \$1,118 per month, while housing prices are approximately \$452,961.
- Since 2010, the median income in Port Angeles has risen by 35 percent, which is similar to the median gross rent increase of 34 percent. The home value has appreciated at a higher rate of 57 percent.
- Since 2014, the rent vacancy rate has decreased significantly from ten to around three percent. Overall, 8.5 percent of housing units are unoccupied.

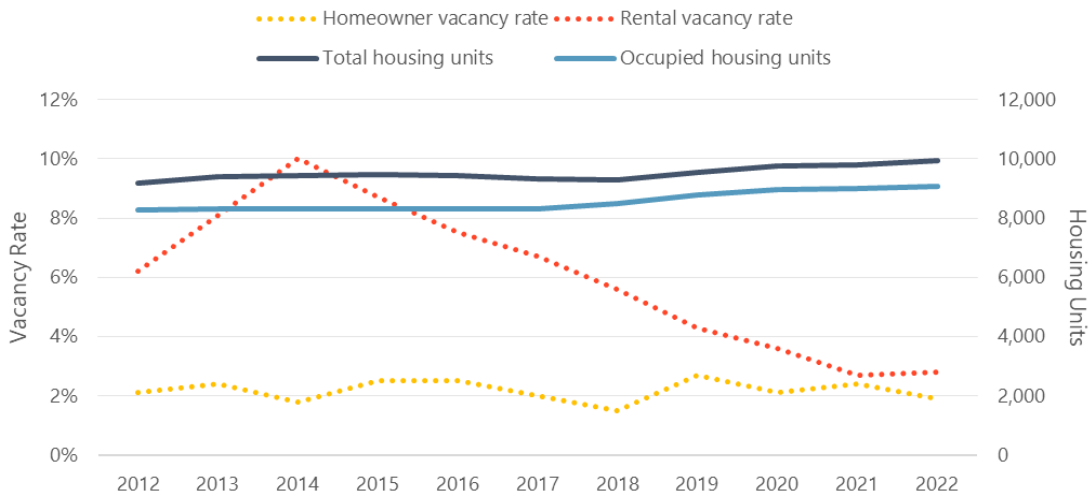
Figure 4. Housing Affordability at Various Income Levels in Port Angeles, 2022



Sources: 2010-2022 American Community Survey 5-Year Estimates, Table S2503; Zillow Home Value

To purchase a home at the average home price of \$452,961, a household would need to make about \$114,000, which is 89 percent higher than the median income (see Figure 4). The median household, earning \$60,212, could afford to purchase a house costing \$239,107, assuming current interest rates, a 20 percent down payment, and a 30-year mortgage. Therefore, there is a gap of about \$213,596 between what the average household in Port Angeles could afford and the average prices of homes in the city. Figure 4 shows the home prices that households at various income levels in Port Angeles could afford (in grey). The horizontal dashed lines show the median sales price and median household income in Port Angeles. There is a critical relationship between wage growth and homeownership.

Figure 5. Housing Vacancy Rates in Port Angeles, 2012-2022



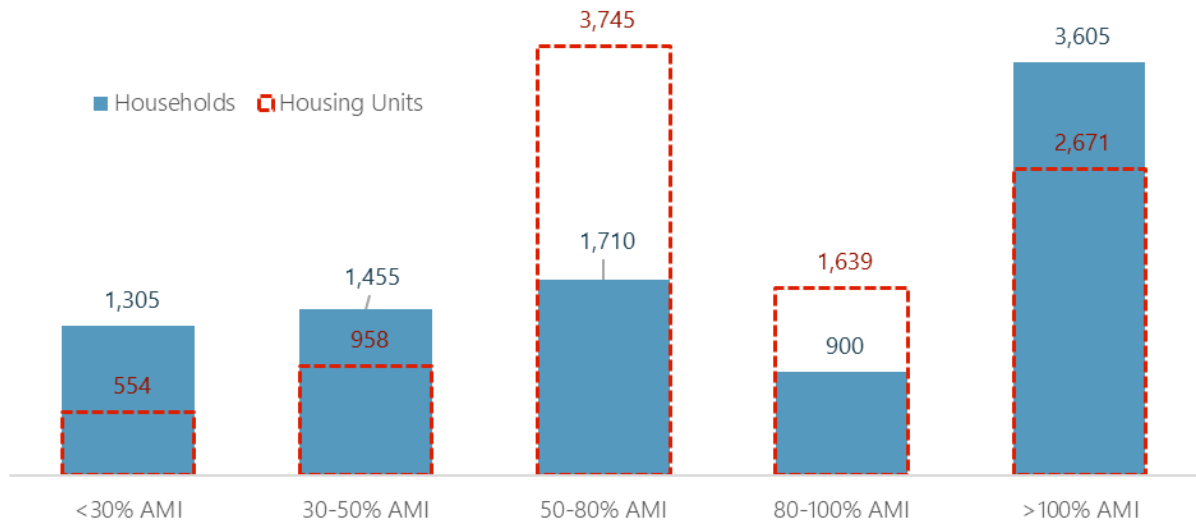
Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table DP0

Figure 5 demonstrates the change of Census-reported total and occupied unit counts and vacancy rates in Port Angeles over the past decade for both ownership and rental units. Although ownership vacancy rates have remained relatively consistent over time, rental vacancy rates have dropped steadily since 2014, from 10 percent in 2014 to 2.8 percent in 2022. This trend suggests an increased demand for apartments in the city, likely due to an undersupply of housing. Low vacancy rates can make it harder for workers to find housing, which in turn hinders local employers' ability to recruit and retain staff, while also driving up housing costs and exacerbating overall housing insecurity. The current vacancy rates for both rental and ownership housing are below what is considered a "healthy" vacancy rate, which is between five and six percent. This highlights the need for increased housing production in the city to meet demand and improve housing affordability.

GAP ANALYSIS

- The availability of very low- and extremely low-income housing units is inadequate to serve the current number of households in those income brackets.
- There is a gap between household size and unit size: there are more smaller households than smaller units available.
- The availability of median-priced and above housing units is insufficient to meet the current demand for households in those income brackets.

Figure 6. Comparison of Housing Units and Household Incomes in Port Angeles, 2020



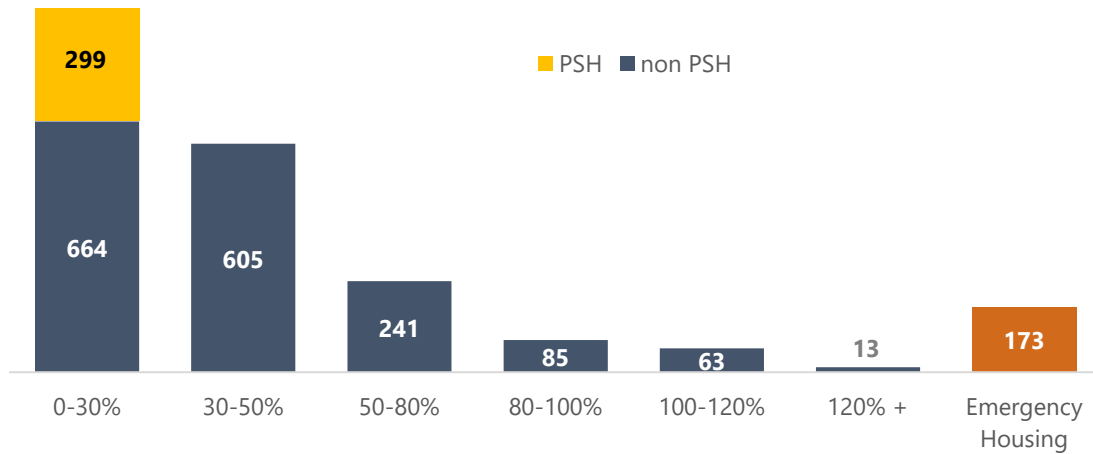
Source: 2016-2020 HUD Comprehensive Housing Affordability Strategy (CHAS), WA Department of Commerce Housing Planning for All Tool (HAPT).

Figure 6 illustrates the number of available housing units in red hatch mark lines and households in the blue bar graph. If the hashed marks are above the blue bar, this illustrates a surplus of available housing for that income bracket. Both figures 6 and 7 are sorted by area median income level. The charts demonstrate a lack of available housing for both <30-50% AMI and >100% AMI. This lack of housing has three outcomes:

1. Those experiencing the housing deficit at below 50% AMI cannot afford the available housing.
2. Those experiencing a housing deficit at above 100% AMI must occupy housing below what is potentially attainable and not suited for their income.
3. Those residents between 50 and 80% AMI are having difficulty finding attainable housing because of existing deficits in other AMI brackets.

Ultimately, the housing availability for residents with an AMI of 50-80% is being compressed by those experiencing a lack of available housing in their income bracket.

Figure 7. Port Angeles Target Housing Units by Income, 2024-2045



Source: WA Department of Commerce Housing Planning for All Tool (HAPT).

Land Capacity Analysis

While Port Angeles has sufficient land capacity to meet the total housing unit target, there is a shortfall of land for units that can accommodate low-income households when assessing which households these units could serve. Therefore, to ensure capacity for low-income households, the city will need to consider land use and zoning changes in conjunction with the adoption of this Comprehensive Plan update. (See Appendix C for the Land Capacity Analysis Map)

CLALLAM COUNTY POINT-IN-TIME COUNT

The Point in Time (PIT) Count is an annual count of people experiencing both sheltered and unsheltered homelessness, conducted on a single night in January. The Housing Inventory Count (HIC) is a count of available beds and their occupancy on the night of the PIT. The purpose of these reports is to describe the size and characteristics of the population experiencing homelessness and inform us about the housing needs in our communities.

Data collection for the PIT and HIC is mandated by the Department of Housing and Urban Development (HUD), as outlined in 24 CFR Part 578, and by the state of Washington, as specified in [RCW 46.185C.030](#). Data from the PIT and HIC are reported in the Annual Homelessness Assessment Report, which is shared with Congress and other governing bodies to inform the public about the state of homelessness in the United States. These reports also inform local planning on homelessness services and funding needs.

The 2024 HIC and PIT Data Collection Final Notice defines the types of living situations captured in the PIT and HIC as follows:

1. Unsheltered Homelessness:

- a) A primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

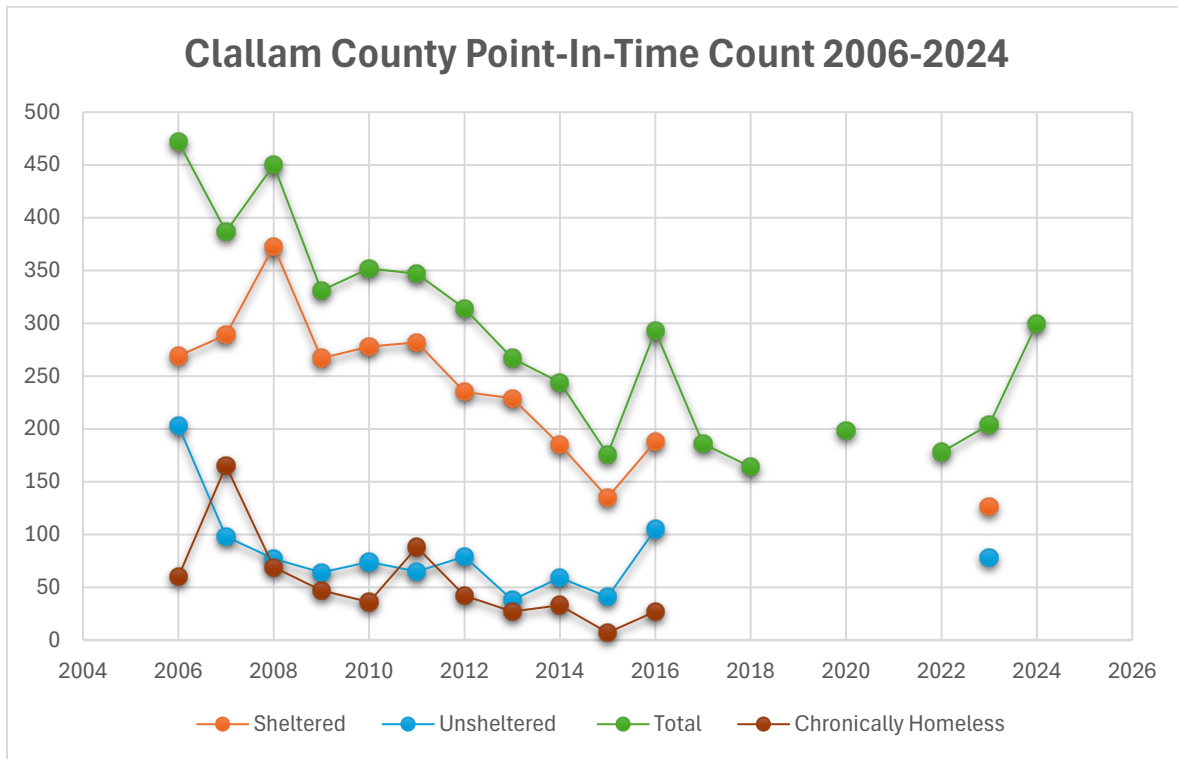
2. Sheltered Homelessness:

- a) Emergency Shelter (ES): A project that offers temporary shelter (lodging) for homeless people in general, or for specific populations.
- b) Transitional Housing (TH): A project that provides temporary lodging and is designed to facilitate the movement of homeless individuals and families into permanent housing within a
- c) specified period of time, but no longer than 24 months.
- d) Safe Haven (SH): A project that offers supportive housing that (1) serves hard-to-reach homeless people with severe mental illness who came from the streets and have been unwilling or unable to participate in supportive services; (2) provides 24-hour residence for eligible people for an unspecified period, (3) has an overnight capacity limited to 25 or fewer people; and (4) provides low-demand services and referrals for the residents.

3. Permanent Housing:

- a) Rapid Re-Housing (RRH): Short- or medium-term housing assistance where the lease is between the program participant and landlord.
- b) Permanent Supportive Housing (PSH): Long-term housing for individuals with disabilities and families experiencing homelessness, in which one member of the family has a disability.
- c) Other Permanent Housing (OPH): Long-term housing assistance that is not considered PSH or RRH.

Figure 8. Clallam County Point-In-Time Homelessness Count 2006-2024



Source: Washington State Department of Commerce PIT Results 2006-2024

PROJECT GOALS

City of Port Angeles Housing Goals

Through the City’s stakeholder advisory committee, the internal staff Comprehensive Plan steering committee, and public engagement efforts, we have collaboratively identified five housing goals.

Goal H-1: Housing Supply: Provide a sufficient supply, variety, availability, and attainability of housing to meet community needs.

Goal H-2: Housing Affordability and Access: Reduce disparities in housing access and mitigate displacement impacts to vulnerable communities.

Goal H-3: Housing Quality: Encourage the design, construction, and maintenance of housing to keep homes in good condition.

Goal H-4: Collaboration for Affordable Housing: Partner with Clallam County, Peninsula Housing Authority, and other entities to increase the economic diversity of the housing supply.

Goal H-5: Use the Housing Action Plan as a guide and implementation tool for City actions on development regulations, funding, and programs.

PUBLIC ENGAGEMENT

City staff began conducting public engagement for the Housing Element and Housing Needs Assessment in early 2024. Direct public outreach for the Housing Action Plan began in early 2025. In

addition to meetings and presentations, city staff have also collected hundreds of housing stories from community members. For more information and public noticing materials, see MCA 25-0112 public comment memo.

MEETINGS AND PRESENTATIONS

Date	Organization	Topic
January 6, 2025.....	Peninsula Behavioral Health	Housing Action Plan Meeting
January 7, 2025.....	The Answer for Youth	Housing Action Plan Meeting
January 9, 2025.....	Habitat for Humanity of Clallam County....	Housing Action Plan Meeting
January 20, 2025	Peninsula Housing Authority.....	Housing Action Plan Meeting
January 28, 2025	Stakeholder Advisory Committee	Housing Element Presentation
February 6, 2025	Serenity House	Housing Action Plan Meeting
February 24, 2025	Stakeholder Advisory Committee	Housing Needs Assessment
February 26, 2025	Planning Commission	Housing Element
June 5, 2025.....	PAAR Government Affairs Committee	Housing Action Plan Presentation
June 12, 2025.....	Vision 2045 Open House.....	Housing Needs Assessment
July 23, 2025	Planning Commission	Housing Action Plan Presentation
August 19, 2025.....	Habitat for Humanity of Clallam County....	Draft Housing Action Plan Input
August 22, 2025	Peninsula Behavioral Health	Draft Housing Action Plan Input
August 26, 2025	Stakeholder Advisory Committee	Draft Housing Action Plan Input
August 27, 2025	Serenity House	Draft Housing Action Plan Input
August 28, 2025	Sarge’s Veteran Support.....	Draft Housing Action Plan Input
August 29, 2025	Peninsula Housing Authority.....	Draft Housing Action Plan Input
August 29, 2025	The Answer for Youth	Draft Housing Action Plan Input
September 4, 2025.....	PAAR Government Affairs Committee	Draft Housing Action Plan Input
September 24, 2025	Planning Commission	Housing Action Plan Discussion

HOUSING DEVELOPMENT STRATEGIES

Each listed housing development strategy is a goal that City Staff will work to achieve within the next ten years. Half of the identified tasks are new initiatives, while the other half involve existing affordable housing programs that the City aims to improve. Throughout the public engagement process, City staff have asked the stakeholder advisory group, the Planning Commissioners, and City Council members for guidance on prioritizing the tasks outlined. Each task is linked to a City Council Strategic Focus Area and is ranked by priority level. The priority level ranking is tied to how the implementation section was written.

TASK 1: BLIGHTED PROPERTY REDUCTION STRATEGY

Strategies Addressed: Increase Housing Supply

City Council Strategic Focus Area: #3 Goal D Measures A, B, C, D

Priority Level: Ranked First

Substandard and dangerous buildings pose significant risks to our community. When vacant properties are not adequately secured, they become even more hazardous, as the public can easily access them. Such buildings may attract criminal activity, trespassers, trash, and debris. Additionally, squatters in these vacant structures can create fire hazards that pose a risk to everyone in the vicinity. It's important to note that an unoccupied building is not inherently a violation. There are many reasons a property might be unoccupied, such as a homeowner living in another city part of the year, being in the process of moving, or having a house for sale. An unoccupied building is classified as a vacant structure. It becomes a code violation only if it is deemed "unsafe or unfit for human habitation or other authorized use" or if it qualifies as a nuisance property, as defined by city regulations.

The city has broadened the definition of a vacant building to include properties that are unoccupied yet not visibly unsafe or unfit. The term "nuisance building, structures, and improvements," or "blighted property," will be defined and established to refer to properties that have two open violations for an extended period or those that have received six separate sanitation citations within 12 months. If these criteria are met, a Building Inspector can issue a vacant building notice for a property that is unoccupied but does not yet display visible signs of being unsafe or unfit from the outside.



Figure 9. Razed Abandoned Building in the 200 Block of East Front Street

If a property owner is not responsive to the notice/red tag, then the City will explore corrective actions like:

- Civil or criminal legal action.
- Taking corrective action at the owner's expense.
- The City may use eminent domain to purchase and redevelop the property.

In addition to nuisance vacant building/blighted property actions, the City will also explore imposing additional property taxes on undeveloped land. City staff will explore connecting the blighted property reduction strategy with existing low-income homeownership sweat equity programs, such as Habitat for Humanity of Clallam County, the Peninsula Housing Authority, and the Olympic Housing Trust. Additionally, the City will investigate reducing permitting fees for demolishing or reconstructing blighted properties.

The City of Port Angeles is both land-constrained and, in some areas, has limited utility capacity. We must use all available land to its full capacity.

Responsible Party: Port Angeles Police Department Code Enforcement, the Community and Economic Development, Legal Department, and the Fire Departments.

Funding Source: This action will generate funding

TASK 2: COPA WEATHERIZATION PROGRAM AND REPAIR PROGRAMS

Strategy Addressed: Support preservation of existing housing

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Ranked second

The Public Works Department conservation team administers the City's weatherization and energy rebates programs. The Bonneville Power Administration (BPA) assesses the City of Port Angeles' energy usage and allocates a percentage of its funding to support the City's conservation programs. The criteria for qualifying households, as well as the rebates and reimbursements offered, are solely determined by the BPA. This program provides increased incentives for both homeowners and tenants.

Weatherization and energy rebates are valuable investments that can significantly enhance your home's comfort and efficiency. By properly sealing gaps, adding insulation, and making necessary upgrades, you can create a more consistent indoor temperature year-round. This not only reduces the strain on your heating and cooling systems, ultimately lowering your energy bills, but also contributes to a healthier living environment by minimizing drafts and reducing moisture buildup. Additionally, weatherization can increase the lifespan of your HVAC systems and boost your home's resale value, making it a wise choice for any homeowner looking to blend cost savings with long-term benefits.

Many homeowners in Port Angeles have benefited from free or reduced-cost upgrades through this initiative.

If you are approved for the Free Weatherization Program, you will be eligible for the following benefits:

- Windows: Up to \$20 per square foot of glass
- Insulation: Up to 100% coverage of the cost for qualifying installations
- Ductless Heat Pump: Up to \$6,000 toward the installation of a qualifying unit
- Heat Pump Water Heater: Up to \$3,000 for a qualifying water heater

In the coming years, the City of Port Angeles will work closely with local weatherization service providers to do more direct outreach to community



Figure 10: Weatherization Graphic

members who qualify for this program. City staff will work together to reach out to community members who are utilizing the utility assistance program, informing them that they are eligible for weatherization improvements. Additionally, the City of Port Angeles can further promote the weatherization program through social media and paid advertisements in the Peninsula Daily News.

City Staff will actively seek grant opportunities for weatherization and repair programs to support the City's Conservation team and help community partners, such as Habitat for Humanity of Clallam County, continue their vital home repair efforts.

Responsible Party: The Public Works and Utilities Department Conservation Programs.

Funding Source: Bonneville Power Administration, or, if staff capacity allows, the Department of Commerce HEAR Home Electrification and Appliance Rebates grant.

TASK 3: PERMIT READY PLAN PROGRAM

Strategy Addressed: Increase the variety of housing types

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Ranked Third

In 2023, the City of Port Angeles utilized the Housing Action Plan Implementation (HAPI) grant to develop a set of permit-ready plans. These pre-designed building and engineering plans are available to Port Angeles residents free of charge. The permit-ready plans simplify the permitting process and eliminate fees associated with plan development and review.

The city offers four small-lot home designs, ranging from 400 to 800 square feet, including both single- and two-story options. These small home designs can be used as Accessory Dwelling Units (ADUs) or as primary



Figure 11. City of Port Angeles Permit Ready Plan Townhouse Model

residences. Additionally, there is a Townhome Unit Plan with a total footprint of 2,543 square feet. Residents and developers within the Port Angeles city limits can access permit-ready plans at no cost, benefit from an expedited permit review process, and receive a waiver of permit fees (regardless of the plan type used).

In the coming years, the City will update these plans to align with evolving building and energy code requirements. City staff will continue to engage with local builders, architects, and distributors of modular, manufactured, and prefabricated homes, as well as other interested organizations, to develop more permit-ready plans for the community. Any new permit-ready plans must be economical, promote environmental sustainability, and/or use innovative design techniques.

Additionally, the City aims to streamline the building permit review process by making Permit-Ready Plans available over the counter, enabling applicants to receive approval within 24 hours. The City also plans to build a permit-ready plan library and gather resources to simplify the construction and financing of these homes. Furthermore, City staff will track time and costs associated with developing these plans to improve the permit-ready plan application process.

Responsible Party: Requires all departments to review the permit-ready plans.

Funding Sources: The Washington State Department of Commerce Housing Action Plan Implementation Grant and donated plan sets.

TASK 4: AFFORDABLE HOUSING GRANTS

Strategy Addressed: Increase the housing affordable to all income levels

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Ranked fourth

Sales and Use Tax Affordable Housing Grant

Pursuant to RCW 82.14.530, the Port Angeles City Council adopted ordinance 3655 authorizing a Sales and Use Tax for affordable housing in the amount of 1/10th of 0.01%. Voters passed this initiative, and it took effect on April 1, 2020. Affordable Housing Sales and Use Taxes are collected upon the transaction of all retail sales inside the Port Angeles City limits. Affordable Housing Sales and Use Tax Grants must be used to assist with the construction, procurement, and stabilization of affordable housing and housing-related assistance programs for households with incomes at or below 60% of the area median income (AMI).

In practice, Affordable Housing Sales and Use Tax Grants must be used for various purposes to enhance affordable housing options. Examples of the types of housing that may be funded include emergency housing, transitional housing, supportive housing, and the addition of new affordable housing units within existing structures. Facilities that provide housing-related services and acquire land for these initiatives are also eligible for funding.



Figure 12. Rendering of 4PA's Touchstone Campus Tiny Homes

Additionally, the grants can support the construction or acquisition of properties intended for use in behavioral health-related facilities, as well as land acquisition for these purposes. Furthermore, the funding can cover the operational and maintenance costs of new affordable housing units and facilities where housing-related programs are offered, as well as newly constructed evaluation and treatment centers. It is important to note that the affordable housing and facilities that provide these essential programs are specifically designed to assist individuals from specific population groups. This includes those with behavioral health disabilities, veterans, senior citizens, individuals who are homeless or at risk of becoming homeless, unaccompanied homeless youth or young adults, persons with disabilities, and survivors of domestic violence, all of whom have incomes at or below sixty percent of the median income within the jurisdiction imposing the tax. In the coming years, the City of Port Angeles will focus on improving the advertising of the Sales and Use tax program to local non-profits and religious organizations that are eligible for the 1406 and 1590 Sales and Use Tax Funding.

New Improvement and Community Enhancement (N.I.C.E.) Neighborhood Grant Program

NICE Neighborhoods funds were established pursuant to City Council Resolution No. 5-04, adopted on April 6, 2004. These funds are intended to enhance the City's tax base by strategically investing in public capital infrastructure in areas with significant development and redevelopment potential. By fostering new investment and reducing infrastructure-related barriers, these initiatives can stimulate further development and redevelopment, thereby broadening the City of Port Angeles' tax base.

This program invests in housing and economic development-related projects located in areas with high development potential. Funds can be utilized for improvements to off-site frontage, off-site public infrastructure, and facilities that enhance inadequate infrastructure to support future development and redevelopment.

Recently, the Community and Economic Development Department and the Public Works and Utilities Department have worked together to develop more precise criteria for funding eligibility. The new criteria and procedures ensure that all public investments in housing and economic development benefit the broader community. Similarly, the new criteria and guidelines will help applicants prepare stronger applications.

Responsible Party: The Community and Economic Development, Finance, Public Works, and Utilities Departments

Funding Source: Affordable Housing Sales and Use Tax: 1/10 of 1% of the City of Port Angeles Sales and Use Tax, as authorized through RCW 82.14.530 and RCW 82.14.540.

Funding Source: NICE Grants: A portion of the funds from electric, water, wastewater, and stormwater utilities is allocated to the NICE Neighborhood Grant program.

TASK 5: FEE WAIVER PROGRAM

Strategy Addressed: Increase the variety of housing types

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Ranked fifth

The permit fee waiver program is part of the City's existing affordable housing initiatives, which were implemented in November 2023 (Ordinance No. 3723). This program will be managed until 2033, at which point the Port Angeles City Council will evaluate its effectiveness. The fee waiver program (FWP) eliminates

25 building and land use permit fees, designed to encourage the development of infill, multifamily, and affordable housing units in Port Angeles. Additionally, it aims to lower financial barriers, making development more accessible for residents, builders, and developers. This fee waiver program is among the most successful city-run affordable housing initiatives, having saved residents, builders, and developers a total of \$480 K to date (as of September 2025). In the coming years, city staff will seek innovative ways to streamline and enhance the fee waiver program. The City of Port Angeles is also adopting a new permitting system. In the new EPL permitting system, the fee waiver application will be embedded in the building process and will be more accessible to developers and contractors.



Figure 13. Housing Units Permitted in Port Angeles by Type, 2014-2024

Source: City of Port Angeles, LCG

Responsible Party: The Community Economic Development, Fire, and the Public Works and Utilities Departments.

Funding Sources: N/A

TASK 6: MULTIFAMILY BUILDERS TRAINING

Strategy Addressed: Increase housing supply

City Council Strategic Focus Area: #3 Goal C

Priority Level: Ranked Sixth

In partnership with the North Peninsula Builders Association, the Port Angeles Realtors Association, and Peninsula College, the City of Port Angeles will facilitate a workshop series tailored to prospective multifamily housing contractors and vendors. The initiative responds to the growing need for quality housing in the community, particularly as the construction of multifamily apartments has recently been dominated by the Peninsula Housing Authority and Peninsula Behavioral Health.

There has been a noticeable absence of significant new market-rate apartment developments in Port Angeles for several years. The workshop series will address this gap by providing valuable training and resources to local builders, guiding them on best practices for constructing multifamily housing that effectively meets the diverse needs of the Port Angeles community. The series will specifically focus on designs and construction methods suitable for populations with incomes between 0% and 120% of the area median income, emphasizing affordability and accessibility.

Participants can expect expert-led sessions that cover regulatory requirements, innovative building techniques, and community engagement strategies, all aimed at fostering a collaborative approach to housing development in Port Angeles. This initiative represents a proactive step towards creating a more inclusive and sustainable housing landscape for Port Angeles residents.

Responsible Party: The Community and Economic Development and the Public Works and Utilities Departments.

Funding Sources: To be determined.



Figure 14. 306 W 1st Street Multifamily Residential Building

TASK 7: HOUSING INSTABILITY PROJECT MANAGER

Strategy Addressed: Mitigate economic displacement pressures

City Council Strategic Focus Area: #2 Goal B Measure 1

Priority Level: Ranked seventh

The City of Port Angeles employs a multi-faceted approach to address homelessness. The Fire Department manages a community paramedic program, and the Police Department partners with the REdisCOVERY Program. The Parks Department leads cleanup initiatives on City-owned property. In addition, the City collaborates closely with community-based organizations, including the North Olympic Healthcare Network, Olympic Medical Center, Olympic Peninsula Community Clinic, Peninsula Behavioral Health, Reflections Counseling, The Answer for Youth, Peninsula Housing Authority, 4PA, Serenity House, and the Clallam County Homelessness Task Force.

To better support community members experiencing housing instability, foster collaboration among organizations, and pursue innovative strategies to reduce homelessness in the coming years, the City plans to hire a housing instability project manager. The primary

responsibilities of this position will include research and lead new strategies, such as 1) converting old motels or office spaces into permanent housing or emergency shelters, 2) creating opportunities for more transitional housing options, such as tiny home villages or safe parking programs, and 3) increasing collaboration with existing homelessness outreach teams and co-response teams. Community partners also hope this role will facilitate cross-organizational coordination and educate the public about the realities faced by unhoused neighbors. The housing instability project manager will be the primary point of contact for any homelessness-related issues.



Figure 15. Serenity House Homelessness Shelter

Source: Serenity House of Clallam County

Responsible Party: To be determined.

Funding Source: To be determined. This position is contingent on City Council action and funding availability.

TASK 8: MULTIFAMILY HOUSING PIPELINE PROJECT

Strategy Addressed: Increase housing supply

City Council Strategic Focus Area: #3 Goal B

Priority Level: Ranked eighth

The City of Port Angeles has initiated the Multifamily Housing Pipeline Pilot Project to address the shortage of multifamily apartments, increase the supply of affordable housing, and encourage density on C Street while creating a commercially oriented corridor. This initiative is designed to eliminate barriers such as land acquisition, site development challenges, and design work. The City is committed to engaging with partners, land developers, and community members as it proactively seeks to provide affordable housing and address the housing gap. The Multifamily Housing Pipeline Pilot Project will utilize state grants and City funds to develop a



Figure 16. 935 W 10th Street Site

14,000-square-foot lot located at 935 W 10th Street. This property is well-suited for development due to its location at the intersection of 10th and C Streets, which offers excellent access to public transportation. Utilities already serve the lot, and its commercial zoning permits high-density residential development, making it an ideal site for a significant number of housing units.

The City will handle the pre-development and design work, and then either sell the site for a nominal fee or lease it on a long-term basis. However, potential developers must go through a Request for Proposal (RFP) process, which will be at the discretion of the City Council. The project must ensure housing is accessible to individuals earning below 80% of the area's median income and will stay affordable for at least 40 years, if not longer. The Housing Pipeline Pilot Project will serve as a demonstration to show that a multi-story, multifamily housing development, maximizing land capacity, can be completed while fostering a neighborhood with diverse housing options.

The design for the 935 W 10th Street site will offer affordable housing to households earning under 80% AMI. The multifamily apartment building will include ground-floor retail or flexible space. City staff also aims to make the 935 W 10th Street plans replicable (to an extent), allowing anyone in the city to reuse the plans with site-specific adjustments made with the architect when necessary. In addition to the 935 W 10th Street site, the City of Port Angeles plans to replicate this process with other city-owned properties, such as 215 S. Lincoln, the Old Fire Hall. Whereas the 935 10th Street site is to create a new multifamily housing apartment building, the Old Fire Hall Building will be a historic preservation project with a similar requirement for affordable housing.

Responsible Party: The City Manager's Office and the Community and Economic Development Department.

Funding Sources: Washington State Housing Trust Fund, Connecting Housing to Infrastructure Program (CHIP), and Affordable Housing Sales and Use Tax Fund.

TASK 9: CO-LIVING HOUSING MUNICIPAL CODE UPDATE

Strategy Addressed: Increase the variety of housing types

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Ranked ninth

"Co-living housing" refers to a residential development with units that are independently rented and lockable, providing living and sleeping space, where kitchen facilities are shared with other residents in the building. Co-living housing does not apply to short-term rentals. Co-living housing is also known as home sharing.

According to RCW 36.70A.535, the City of Port Angeles will be updating its municipal code to permit co-living as an acceptable use on any lot within an urban growth area that allows for a minimum of six residential units. This includes lots zoned for mixed-use development. The City of Port Angeles is taking this RCW interpretation further to allow co-living housing in all residential and commercial zones. As housing in Washington has become increasingly unaffordable, interest in co-living arrangements has grown significantly.

Co-living offers several benefits:

- It provides market-rate, non-subsidized rental homes that are affordable for people in the workforce earning as little as 50 percent of the area median income. For instance, older co-living units in the Spokane area can cost as low as \$350 per month, while some new co-living units in the Puget Sound suburbs rent for around \$1,000 per month.

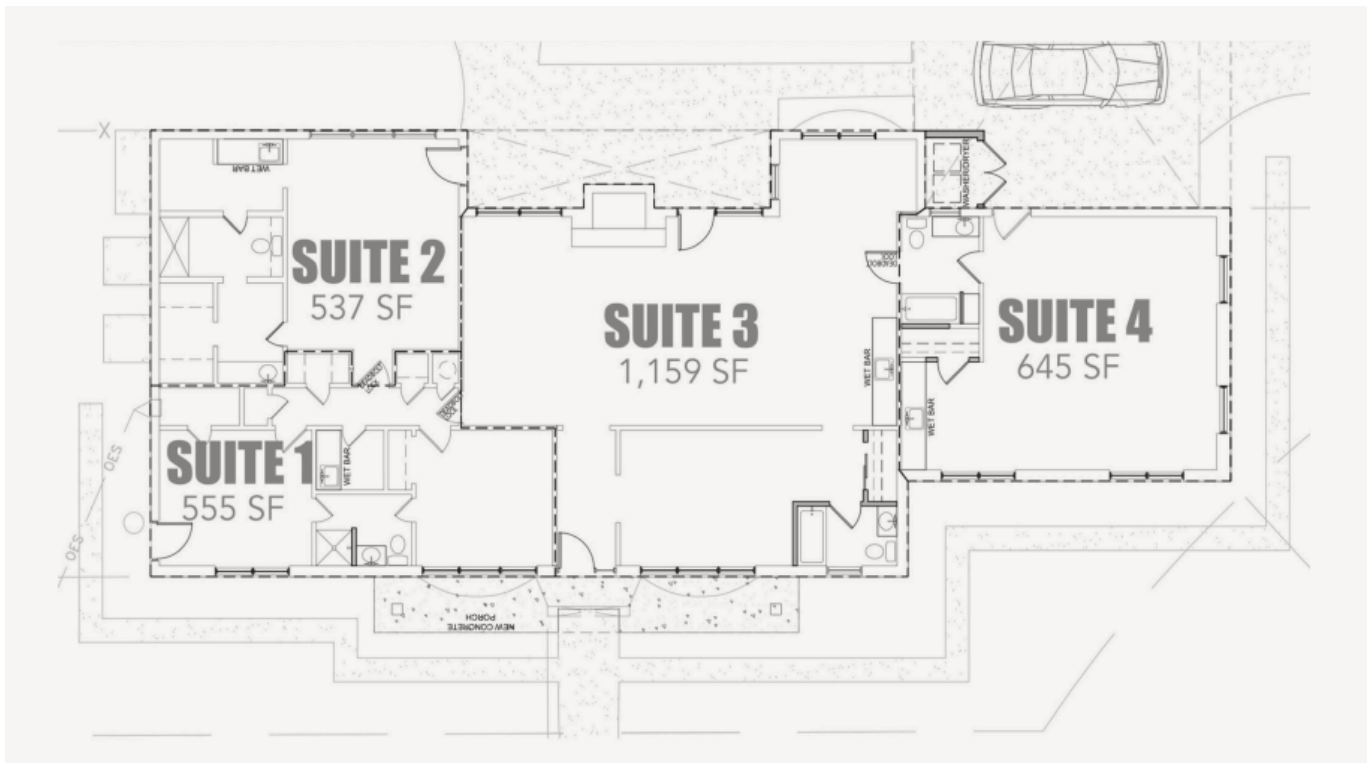


Figure 17. Co-living Sample Floor Plan

- It presents a low-cost, private alternative for individuals seeking to avoid traditional roommate situations.
- It encourages community-building through shared living spaces that foster social connections.
- It increases affordable housing options in high-opportunity neighborhoods with good transportation access.
- It helps reduce energy demand, as co-living units are typically smaller, and the development of this type can lessen commutes and urban sprawl.

Modern co-living buildings are often of high quality and may feature attractive amenities. Stakeholders have noted that co-living is a fantastic option for seniors looking to downsize, and it helps build community and lessen feelings of loneliness for people of all ages. Co-living arrangements are particularly suitable for urban infill development on narrow lots since the rent per square foot tends to be higher than that of other multifamily building types. Like any development, co-living buildings must comply with all relevant building, fire, and life safety codes. For these reasons and others, co-living is a practical approach to addressing the state's housing needs.

Responsible Party: The Community and Economic Development Department.

Funding Sources: N/A

TASK 10: MULTIFAMILY PROPERTY TAX EXEMPTION (MFTE)

Strategy Addressed: Increase the supply of housing affordable to all income levels

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Ranked tenth

The City of Port Angeles will continue to operate the Multifamily Property Tax Exemption (MFTE) program in collaboration with the Clallam County Assessor's office. Cities and counties implement MFTE programs to support local housing objectives by waiving property taxes. According to RCW 84.14, local governments can provide exemptions for new construction, conversion, and rehabilitation of multifamily residential properties that contain at least four units. Under these exemptions, property owners are exempt from paying property taxes on residential improvements for a specified number of years. However, property owners are still responsible for paying taxes on the land and any non-residential enhancements, such as the commercial portions of mixed-use buildings.

The Multifamily Property Tax Exemption (MFTE) in Port Angeles provides qualified multifamily housing properties with a property tax exemption on the value of residential improvements for a duration of 8, 12, or 20 years (for self-help homeownership programs). This initiative, offered by the City of Port Angeles, aims to promote the development of more multifamily and affordable housing, thereby reducing barriers to housing development.

In the 2025 legislative session, [House Bill 1494](#) (Chapter 164, Laws of 2025) was passed. This bill implements recommendations from Commerce's [2023 Legislative report](#) to improve the multifamily tax exemption (MFTE) program. The bill extends the 20-year rental program to 70 cities. It also requires jurisdictions to follow anti-displacement requirements in their MFTE program and strengthens the tools for jurisdictions to enforce compliance from participants. The Washington State Department of Commerce will update MFTE guidance by spring 2026, and the City of Port Angeles will adopt any necessary updates to the MFTE program.



Figure 18. Multifamily Duplexes at 1012 W 17th Street

Responsible Party: The Community Economic Development Department and the Clallam County Assessor.

Funding Source: N/A

TASK 11: ENCOURAGE COMMUNITY LAND TRUST MODELS

Strategy Addressed: Mitigate economic displacement pressures and strategies for affordability.

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Ranked eleventh

Imagine a neighborhood where homes remain affordable not just for the next buyer, but for generations to come. This is the promise of community land trusts (CLTs), organizations reshaping the landscape of affordable housing across the nation.

The CLT model begins when a nonprofit community land trust purchases land or builds needed homes. Unlike traditional models, the trust keeps the land as a shared community resource. The trust sells the house to buyers eager to put down roots. They become homeowners, but the land remains with the trust, tying them to a mission of lasting affordability. These homeowners sign long-term, renewable ground leases—often 99 years—for the land. This provides homeowners with security while protecting community interests for generations to come. Without buying the land, the home's initial cost drops. This creates opportunities for families otherwise priced out of the market. When it's time to move, homeowners resell their home at a price set by a fair formula. This formula rewards improvements and maintains affordability, ensuring that affordability is passed on to the next generation. Throughout, the CLT stewards the process—guiding resales, protecting affordability, and ensuring lasting community benefits. Each family contributes to the legacy built by those who came before.



Figure 19. Community Land Trust Infographic

In the forthcoming years, city staff will diligently explore CLT models further and identify strategies to support land acquisition for affordable housing partners, as well as to incentivize the CLT housing model for developers.

Responsible Party: Community and Economic Development Department

Funding Source: N/A

TASK 12: INVESTIGATE LANDLORD RISK/MITIGATION FUNDS

Strategy Addressed: Mitigate economic displacement pressures and strategies for affordability.

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Not Ranked

The City will examine how to establish a landlord risk-mitigation fund. Chelan-Douglas County operates a similar program through the Women’s Resource Center, supported by the Chelan-Douglas Homeless Housing Task Force. This program uses local housing funds and state partnerships to cover up to \$3,000 per tenancy, with claims processed in about 30 days. The fund tackles a major rural housing challenge: small landlords—who own most available units—often hesitate to rent to vulnerable tenants because they fear financial loss. By covering potential damages and providing a dedicated liaison to landlords, the program lowers risk and encourages more participation in Rapid Rehousing and supportive housing efforts. Since its inception, the fund has helped lease over 350 units to high-barrier tenants, with roughly 70% remaining housed after a year. Landlords rarely need to file claims—fewer than 11% of leases involve the fund—which shows that support and stability matter more than financial guarantees alone. This model has a significant impact on rural areas like Port Angeles, where vacancy rates are low and landlords are cautious.



Figure 20: Rental Agreement Picture

Responsible Party: Community and Economic Development Department and Housing Partners

Funding Source: Funding source not yet determined; however, no General Fund resources will be used to provide landlord mitigation.

TASK 13: EXPLORE INCENTIVES FOR WORKFORCE HOUSING

Strategy Addressed: Increase the supply of housing affordable to all income levels

City Council Strategic Focus Area: Not yet addressed in the City of Port Angeles Strategic Plan

Priority Level: Not Ranked

The primary objective of the City is to create a wide range of housing options that are affordable for people across all income levels. To achieve this, numerous programs at the local, state, and federal levels are dedicated to building housing specifically for households earning at or below 80% of the area median income (AMI). However, there is also a significant need to address the housing challenges faced by households earning between 80% and 120% of AMI. These households often encounter what is known as the "benefits cliff," where slight increases in income can lead to the loss of vital assistance programs, making it more difficult for them to afford stable housing. Therefore, a comprehensive approach is essential to develop housing solutions that support both lower-income residents and those earning modestly above the threshold, ensuring equitable access and financial stability for all.

In the coming years, the City will explore incentive opportunities for developers building housing at 80-120% AMI. The City will also continue to support the Clallam County Workforce Housing Subcommittee and assist in planning the Clallam County Workforce Housing Summit, which brings together planners, builders, and local elected officials.

Responsible Party: Community and Economic Development Department and the Clallam County Workforce Housing Subcommittee

Funding Source: Not yet determined, although this task will not utilize general funds to provide incentives or mitigation.



Figure 21: Clallam County Workforce Housing Summit

IMPLEMENTATION SCOPE + SCHEDULE

Co-living Municipal Code Update

1. Identify existing conditions and which zones in the Port Angeles Municipal Code (PAMC) have the capacity for co-living.
2. Conduct public engagement through the Planning Commission, presenting the co-living municipal code update to the community.
3. Present the co-living municipal code update to the Planning Commission in a public hearing for recommendation to the City Council.
4. City Council will make the final decision in adopting the co-living municipal code update.
5. The Co-living Housing Title 17 Revisions and Ordinance will be adopted by the City Council no later than December 31, 2025.

Multifamily Builders Workshops

1. **Secure Funding and Timelines:** Identify and pursue funding sources to support the planning, facilitation, and delivery of the workshops. Establish a clear project timeline to guide key milestones and ensure the workshops are launched successfully and on schedule.
2. **Establish Partnerships & Develop Curriculum Framework:** Engage with key partners—including local builders, housing advocates, educational institutions, and industry associations—to collaborate on workshop planning. These partnerships will ensure that the curriculum reflects both local development challenges and opportunities.
3. **Design a Multifamily Housing Curriculum:** Work collaboratively to develop a workshop curriculum focused on the end-to-end process of multifamily housing development. Topics will include permitting pathways, design best practices, financing strategies, and construction planning—tailored to the needs of local builders and stakeholders.
4. **Schedule and Promote Workshops:** Select initial workshop dates with adequate lead time for promotion and outreach. Establish a consistent meeting cadence—such as monthly or quarterly—based on participant interest, facilitator availability, and alignment with broader housing development goals.

Multifamily Housing Pipeline Project

1. **Community Outreach and Engagement:** The City will host a public outreach session to gather community input on the future vision for the 935 W 10th Street site. Special efforts will be made to engage residents living near the C Street corridor to ensure their perspectives are included in the planning process.
2. **Consultant Procurement: Request for Qualifications (RFQ):** An RFQ will be issued to identify and select a qualified engineering and architectural consultant. The chosen firm will lead predevelopment planning and site preparation activities.
3. **Request for Proposals (RFP) Advertisement:** The City will advertise a Request for Proposals (RFP) for the development of the 935 W 10th Street site. This process invites eligible organizations to submit comprehensive proposals for the redevelopment of the site.
4. **Proposal Prioritization Criteria:** City staff and the Port Angeles City Council will evaluate proposals based on their ability to deliver high-density housing and affordability for households earning 80% or less of the area median income (AMI).

5. **Site Transfer Agreement:** The City intends to transfer site control of 935 W 10th Street through a long-term land lease or at a nominal cost to the organization that presents the most impactful and community-aligned development proposal.
6. **Program Evaluation and Replication:** Upon completion of this project phase, the City will conduct a comprehensive review of the Housing Pipeline Project. This evaluation will assess outcomes, identify lessons learned, and explore the potential for replicating the model in future housing development efforts.
 - The Multifamily Housing Pipeline Project will likely be replicated with other city-owned surplus properties.

Community Land Trust Models

1. **Community-Based Outreach and Partnership Building:** The City will engage with community-based organizations to assess how best to address gaps in homeownership support programs. This outreach will help identify opportunities for collaboration and ensure any new City efforts are aligned with community needs and existing resources.
2. **Community Land Trust Housing Feasibility:** The City will research what other like jurisdictions are doing to incentivize and encourage CLTs.

Housing Instability Project Manager

1. **Position Hosting and Oversight:** The City will establish a dedicated position focused on addressing homelessness and housing instability. The role will be housed within an appropriate City department to ensure coordination with related community services and programs.
2. **Position Development:** City leadership will draft the job description and define clear Key Performance Indicators (KPIs) to measure the effectiveness and impact of the role. These metrics will guide performance evaluation and continuous improvement.
3. **Collaborative Engagement and Needs Assessment:** Upon hiring, the Housing Instability Project Manager will participate regularly in the Clallam County Homelessness Task Force and collaborate with partner organizations already serving unhoused and housing-insecure populations.

Blighted Property Reduction Strategy

1. **Identification of Blighted Properties:** A coordinated effort will be undertaken to identify properties that exhibit signs of significant disrepair, prolonged vacancy, or pose a potential hazard to the surrounding community. City staff will work with community members to create a comprehensive list of blighted properties in Port Angeles.
2. **Assessment and Documentation:** Once identified, properties will be assessed to determine whether they have been vacant or hazardous for an extended period (e.g., 18 months or more). Appropriate documentation will be collected to support further action. In some instances, visible signage may be placed on the property to indicate its condition and encourage accountability.
3. **Notification and Opportunity for Remediation:** Property owners will be notified of the identified concerns and allowed to take corrective measures. The goal is to encourage voluntary compliance and timely remediation.

4. **Escalation for Non-Response or Inaction:** If no meaningful progress is made within a reasonable period (e.g., six months), additional steps may be taken to address the property. These may include legal remedies, corrective actions initiated by the City, or other measures allowed under applicable regulations.
5. **Outcome and Resolution:** The process concludes when the property is either rehabilitated, actively undergoing redevelopment, or otherwise resolved in a manner that improves neighborhood conditions.

Landlord Risk-mitigation Fund

1. **Research what other communities have implemented landlord mitigation funds:** Reach out to the Chelan-Douglas program administrators to see if this program is working for their jurisdiction.
2. **Internal Staff Review:** The Legal Department and Finance Departments will need to confirm that 1590 Sales and Use Tax funds can be used for this purpose. Alternatively, staff will investigate other available funding sources.
3. **Work with Housing Partners:** The City will coordinate with our housing partners and landlords to determine the best way to roll out this program.

Incentivize Workforce Housing

1. **Research how other jurisdictions are incentivizing workforce housing:** Reach out to the program administrators to see if development incentives, both cash and non-cash, encourage them to build the workforce housing between 80-120% AMI.
2. **Internal Staff Review:** The Finance and Community and Economic Development Departments will need to confirm that the City has enough funding to achieve said funding.
3. **Work with Housing Partners and the Clallam County Workforce Housing Subcommittee.**

APPENDIX A: HOUSING POLICY ANALYSIS GOALS FROM THE 2019 HAP

The 2019 HAP identified eleven housing task objectives to be achieved over the next ten years. City staff have made progress on each task:

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.

Staff Progress: Task 1, “continue differential taxing rates for affordable housing projects,” has been completed. City Staff have maintained the Multifamily Property Tax Exemption (MFTE) program. Since the MFTE program's inception in 2019, the City has issued four final certificates for the multifamily tax exemption to multifamily projects in Port Angeles.

Future Work: The City of Port Angeles has yet to evaluate property tax rates and exemptions for community land trusts and for affordable housing projects. More research is needed to determine what other jurisdictions have done to implement this taxation model.

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 the lot sizes created remains equal to or above the minimum lot size. Lot size averaging is similar to cluster development in that it efficiently utilizes the developable portions of a site, building to the allowable density while protecting environmental and other features, and providing housing types 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.

Update zoning and development regulations - 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.

Staff Progress: Staff have accomplished all subtasks, including maintaining lot size averaging, implementing cottage housing developments, creating overlay zones (mixed commercial, infill, planned residential development, planned industrial development, and planned low-impact development overlay zones), and updating zoning and development regulations.

Future Work: Following the adoption of the Vision 2045 Comprehensive Plan and the Housing Action Plan, City Staff will work to update the zoning code and design standards to better meet the needs of our community members.

Task 3: Implement Accessory Residential Unit (ARU) program

Note: The 2019 HAP uses the term “Accessory Residential Unit or ARU”, and the Port Angeles Municipal Code uses the term “Accessory Dwelling Unit or ADU” interchangeably.

Amend the existing ARU ordinance to remove the requirement for a homeowner occupant.

Continue deferring permit and planning review fees, utility connection charges, and impact fees for affordable ARUs – until 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).

Pre-approve ARU design manual and prototypes, utilizing kit housing projects such as Lowe’s Katrina Cottages, and incorporating local architects’ ADU plans, as seen in examples from Seattle and Santa Cruz, California.

Establish an ARU low-cost loan program – working with local lenders per Craft3 or First Federal.

Staff Progress: At the City of Port Angeles, we now refer to Accessory Residential Units (ARUs) as Accessory Dwelling Units (ADUs). In November 2023, the Port Angeles City Council permanently waived building permit fees for affordable, infill, and multifamily housing projects. The goal of this program is to reduce financial barriers and make development more affordable and accessible for both residents and builders and developers alike. Permit fee waivers are now offered for 15 different housing types, including qualifying single-family household projects in the same year. City staff collaborated with an architectural firm to create permit-ready plans for Accessory Dwelling Units (ADUs) and townhomes.

This program reduces the burden of cost and time spent by potential applicants. Pre-designed building and engineering plans, which are available completely free of charge, streamline the permit process and eliminate fees associated with plan development and review. You can choose from four small lot home designs (400 to 800 sq ft), including both single-story and two-story plans. We also

have a townhome permit-ready plan design. The permit-ready plans and fee waivers make ADUs and infill housing more affordable and attainable for Port Angeles community members.

Future Work: The City has not created or partnered with local lenders to develop an ADU loan program.

Task 4: Implement incentive zoning – noncash density offsets

Maintain incentive zoning allowance – providing additional (height) floor, reduced parking ratios, and increased site coverage for mixed-use projects that deliver 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).

Design for ground floor retail – 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).

Evaluate transfer development rights (TDR) housing credits – 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.

Allow fee-in-lieu – provide a fee-in-lieu program where the developer pays into the Port Angeles 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.

Staff Progress: The Port Angeles Municipal Code (PAMC) maintains incentive zoning allowances, including building height bonuses, parking reduction tools, and increased site coverage for mixed-use projects. The PAMC also permits ground-floor retail in residential buildings within the listed zones and overlays. The City of Port Angeles is also working towards adopting a fee-in-lieu program for sidewalk and frontage improvements.

The City has not adopted a transfer of development rights or housing credits. The existing comprehensive fee waiver program does not collect building or development fees for ADUs, duplexes, triplexes, fourplexes, cottage housing, caretaker units, apartments/multifamily housing, townhomes, group homes, permanent supportive housing, transitional housing, emergency housing, adult family housing, single family homes in self-help programs (Habitat for Humanity and Peninsula Housing Authority), and single-family homes of applicants experiencing economic hardship. We will not be implementing a fee-in-lieu program because any permitting fees we receive must be used for operational expenses. Likewise, we will not be implementing transfer development rights or housing credits, as the same density incentives can be achieved through incentive zoning.

Task 5: Implement incentive zoning – cash offsets

Defer permit and planning review fees for affordable units – until the affordable units, if ever, are sold or rented in the marketplace. At this time, the deferred payments will be repaid to the Port Angeles Affordable Housing Fund (AHF).

Defer utility connection charges for affordable units – until the affordable units, if ever, are sold or rented in the marketplace as market-rate housing. At this time, the deferred utility connection charges will be repaid to the AHF.

Defer Park, traffic, and school impact fees – if adopted, until 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 AHF.

Staff Progress: Since the 2019 Housing Action Plan, the City of Port Angeles has eliminated all park, traffic, school, and fire impact fees. The fee waiver program waives permit, planning, and most public works fees for the housing types described above.

Task 6: Package a demonstration project site

Package a demonstration project site - to create a prototype mixed-use project for market-rate and affordable units in the downtown, medical center, and/or high-density residential neighborhood.

Utilize the Jefferson/Clallam County Community Land Trust – including the management organization, bylaws, lease rates, and other provisions for all units – market rate and affordable – and the equity.

Staff Progress: The City has purchased a property at 935 W 10th Street as a part of the Housing Pipeline Project (see the recommendation section for more information). This land acquisition will facilitate the development of dense, multifamily housing in a walkable neighborhood. Additionally, the City is initiating conversations with the Olympic Housing Trust to explore ways to support their organization and the community land trust model.

Task 7: Initiate a catalytic mixed-use project with affordable units

Develop property solutions that utilize alternative scenarios to enhance the property under various conditions, leveraging non-cash density incentives for additional height, reduced parking ratios, and increased site coverage allowances.

Assess the economic feasibility of the preferred concepts – to determine land value, construction cost, indirect development cost – and the impact of noncash and cash offset incentives,

Assess partnership opportunities, including the purchase of land for a land trust by a nonprofit entity and the acquisition of affordable units by the Peninsula Housing Authority for very low-income households.

Assess and mitigate environmental impacts – including on- and off-site stormwater runoff, design aesthetics, and urban amenities.

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.

Staff Progress: These tasks have not yet been accomplished. We plan to achieve this task within the Housing Pipeline project by 2030 (see the recommendation section for more information).

Task 8: Establish a Port Angeles Affordable Housing Fund (AHF)

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 proactive 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 proactive housing programs and projects.

Partner with a management entity – for implementation at a new or existing nonprofit housing agency, such as the Peninsula Housing Authority.

Staff Progress: The Sales and Use Tax fund and the New Improvement and Community Enhancement (NICE) neighborhood fund are used to capitalize on the revenues for affordable housing developments and infrastructure improvements.

Additionally, the City has sent out survey questions regarding housing funding. The housing pipeline project will partner with a management entity for the new housing stock that is created.

Task 9: Refinance overextended households

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 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 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, equity, or land title in trust until the house is sold and the loan is redeemed in full, or the home is resold under a limited or shared equity approach.

Staff Progress: The City does not act as the direct contact for programs related to refinancing mortgages on overextended households.

Future Work: The City will partner with local banks and community organizations to refer households that are overextended to existing programs.

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 home is sold or resold to the occupant with land leases. The land equity is either deferred or used to reduce payment terms, allowing the current (or new) occupant to continue residing in the house with their 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 rehabilitation program particulars, including those of homeowner/buyer self-help participants.
- Create a management entity – capable of overseeing rehabilitation work, contract compliance, and the shared, 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 the house is sold and the loan is redeemed in full, or the home is resold under a limited or shared equity approach.

Staff Progress: The City relies on the existing programs offered by Habitat for Humanity of Clallam County and Peninsula Housing Authority. Those programs both offer housing rehab and sweat equity programs for homeownership.

The City of Port Angeles offers existing residential and commercial rebates, as well as a conservation program and weatherization improvements for low-income households.

Task 11: Issue periodic reports and update the Housing Action Plan frequently

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 values of housing, including affordable value ranges, during the measuring time period.
- Comparison with housing census statistics - for the 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 necessary revisions or adjustments to enhance methods, assign responsibilities, or take other measures to ensure market effectiveness based on the findings of the progress assessment.

Staff Progress: This Housing Action Plan Periodic Update has accomplished Task 11, providing detailed data and updated strategies to meet our housing needs. A subsequent review is scheduled for 2030.

APPENDIX B: HOUSING NEEDS ASSESSMENT

Introduction

This Housing Needs Assessment (HNA) is prepared as part of the background analysis for updating the Housing Element of the City of Port Angeles 2025 Comprehensive Plan Update as required by the State Growth Management Act (GMA) under RCW 36.70A.130. This report identifies current and future housing needs to serve all income demographics of the community and analyzes potential gaps in housing supply, type, and affordability.

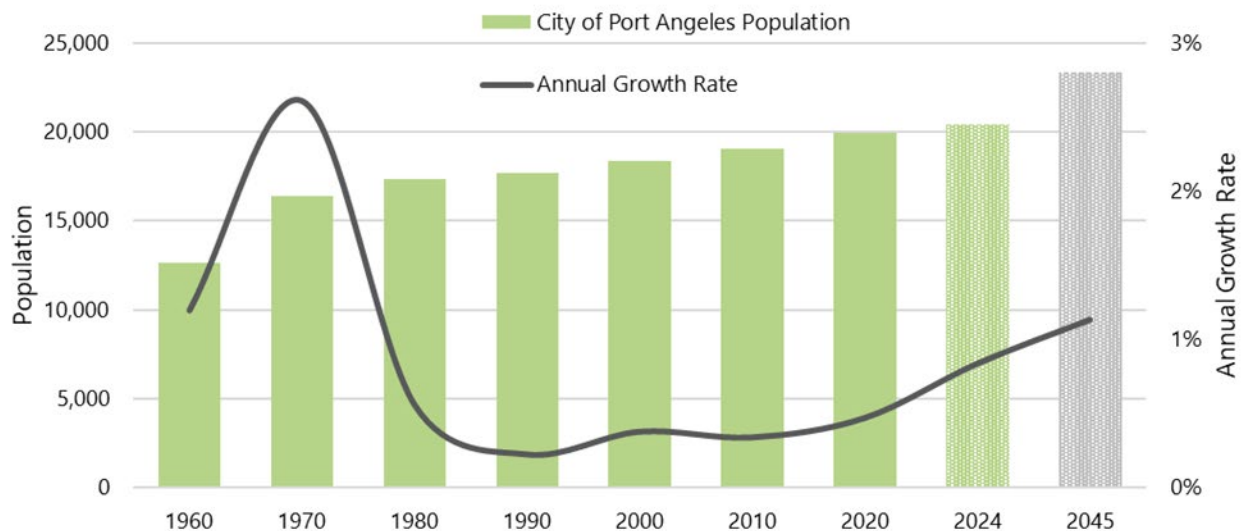
Community Profile

This section summarizes key data on Port Angeles' population, demographics, household characteristics to understand current and future housing needs in the city.

Population Characteristics

According to the WA Office of Financial Management (OFM), as of 2024 there were an estimated 20,410 residents in Port Angeles. Since the 2020 Census, the city's population has grown by about 2.25 percent. The population grew rapidly in the 1950s and 60s, slowing down since the 1970s. After the permanent closure of Fibreboard mill, producing cartons and paper in 1970, the previously rapidly growing city has been experiencing slower growth with annual rates between 0.02 and 0.84 percent. Clallam County projects that the city's population will grow to 23,369 by 2045, and unincorporated Port Angeles' urban growth area (UGA) population will reach 3,301. Therefore, the total population of the City of Port Angeles and the associated unincorporated UGA is projected to be 26,670 by 2045.

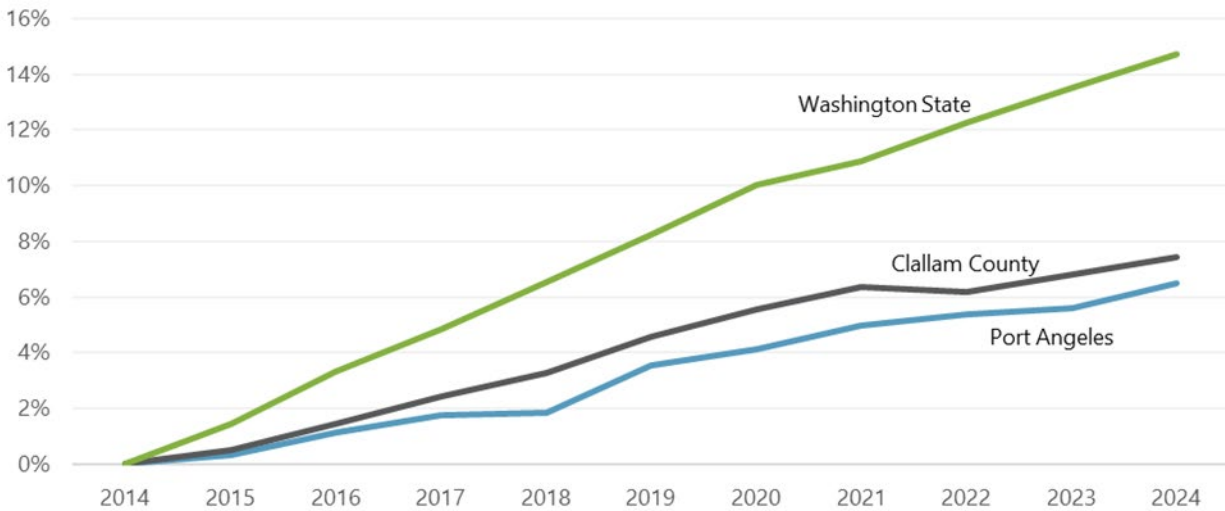
Figure 1. Historic Population Growth in Port Angeles, 1960–2024



Source: U.S. Census Bureau Decennial Census, Washington Office of Financial Management (OFM) Historic Population Data and April 1 Population Estimates.

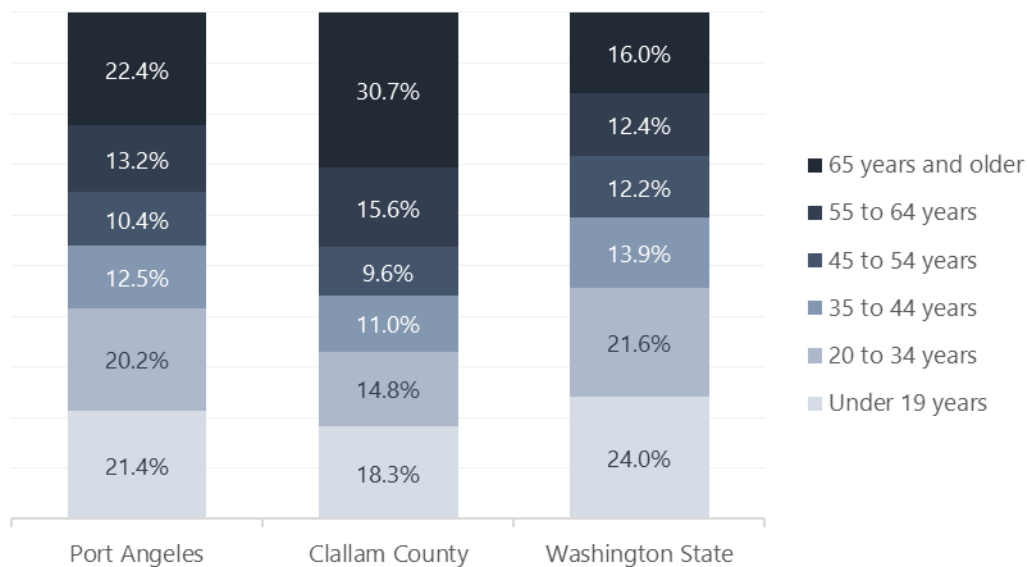
Figure 18 shows that the Port Angeles population has grown at a slower rate than Clallam County and Washington State's total population over the past decade. The city increase rate has been 6.5 percent since 2014 whereas the county grew at about 7.4 percent and the population increased by 14.7 percent statewide.

Figure 2. Port Angeles Population Change with Regional Comparison, 2014-2024



Source: U.S. Census Bureau Decennial Census, Washington Office of Financial Management (OFM) Historic Population Data and April 1 Population Estimates.

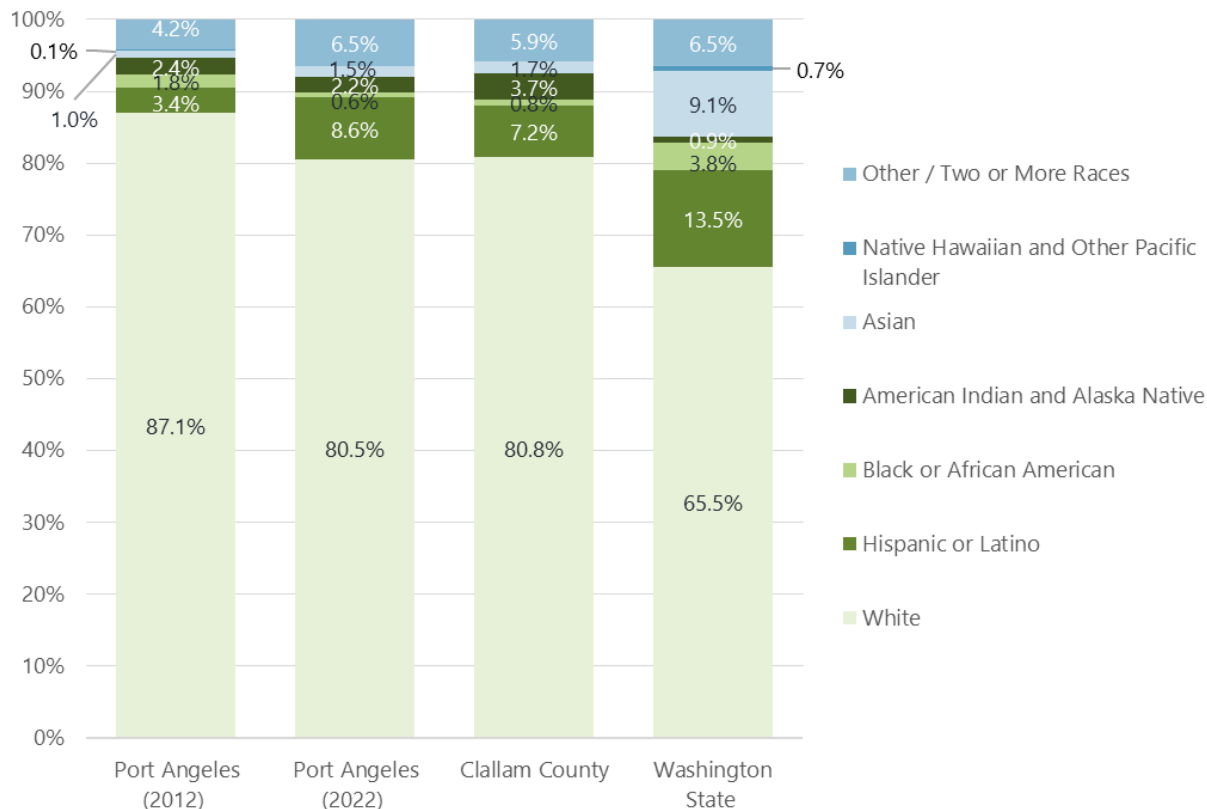
Figure 3. Age Distribution in Port Angeles with Regional Comparison, 2022



Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table DP05

Since 2012, Port Angeles has become more diverse with the increase of Hispanic/Latino population share from 3.4 to 8.6 percent. In 2022, the city's racial and ethnic diversity was relatively the same as the county's racial distribution, with a slightly higher share of Hispanic/Latino residents representing 8.6 percent of the population, compared to 7.2 percent countywide. Asian and Black or African American populations are on average six times smaller than the state's rates. However, American Indian and Alaska Native populations are almost 2.5 higher than in the state. Overall, Port Angeles' racial and ethnic demographics are significantly more homogeneous in comparison to the state.

Figure 4. Race and Ethnicity in Port Angeles with Regional Comparison, 2012 and 2022



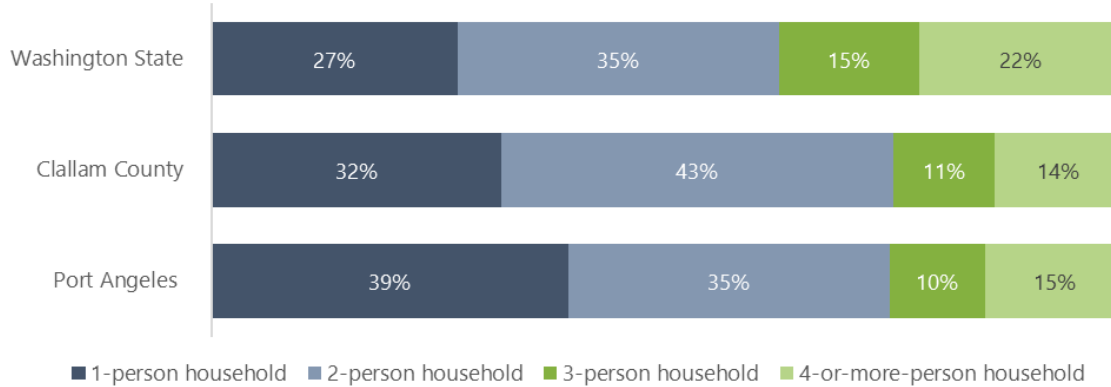
Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table DP05

Household Characteristics

As of the 2022 American Community Survey (ACS), there were 9,087 households in Port Angeles, resulting in an average household size of 2.2. This is a little larger than Clallam County's 2022 average household size of 2.1 and smaller than the 2022 statewide average of 2.5. A quarter of households have three or more people, which is similar to the county's rate. Meanwhile, Port Angeles has a larger share of one-person households than the county and state. Figure 21 visualizes the distribution of the households in the city and the region.

According to the WA Office of Financial Management, Port Angeles 2024 postcensal estimated total housing units are 9,718.

Table 1. Household Size in Port Angeles with Regional Comparison, 2022



Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table S2501

Table 1 shows data on the makeup of Port Angeles’ households. Overall, 54 percent of households are family households, defined as two or more related family members living together in any combination. That percentage corresponds closely to housing ownership, as shown in Figure 22. Of these, almost three-quarters are married couples. Less than a quarter of Port Angeles households have children, which is between the county and the state percentage rates, 18 and 27 respectively. With Port Angeles having a relatively younger population (see Figure 19) compared to the county and around the same household size as in the county, there is a potential need for smaller-sized housing units for young adults and families in the city. On the other hand, 18 percent of Port Angeles’ households are single householders aged 65 or older living alone – around the county average and higher than the statewide. These older residents need senior-accessible housing units to meet their special needs.

Table 1. Household Types in Port Angeles with Regional Comparison, 2022

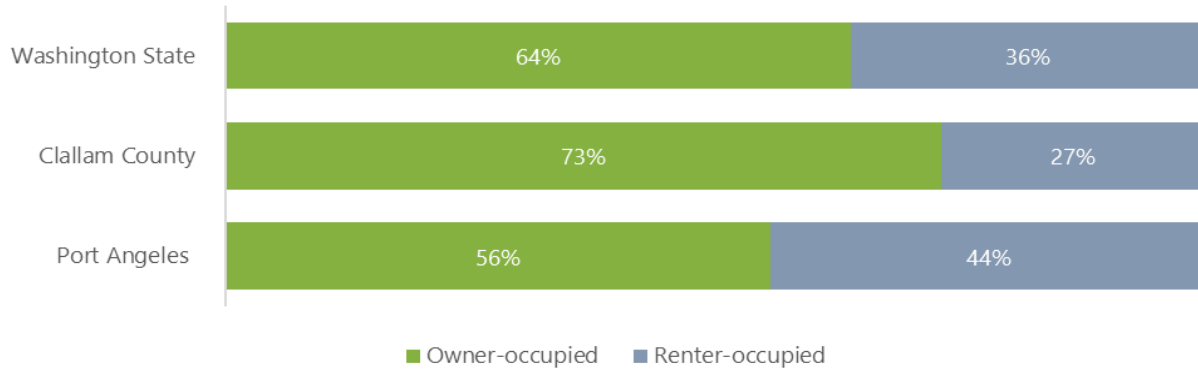
	Port Angeles		Clallam County		Washington State	
	Total	Share	Total	Share	Total	Share
Total Households	9,087		34,128		2,979,272	
Family households	4,888	54%	21,104	62%	1,910,770	64%
Married-couple family	3,577	39%	16,484	48%	1,482,230	50%
Other family	1,311	14%	4,620	14%	428,540	14%
With own children of householder under 18 years	2,003	22%	6,235	18%	814,890	27%
Nonfamily households	4,199	46%	13,024	38%	1,068,502	36%
Householder living alone	3,555	39%	10,841	32%	803,383	27%
Householder 65 years and over	1,625	18%	5,848	17%	313,547	11%

Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table S2501

In Port Angeles, more than half of the housing units are owner-occupied, which is less than in the state and significantly less than in the county, as shown in Figure 22. Renters represent a significant

share of household tenure in 2022 and experience a higher risk of housing instability due to changes in rent, evictions, and other factors, as well as lower incomes and higher rates of cost burden, as discussed in the section below.

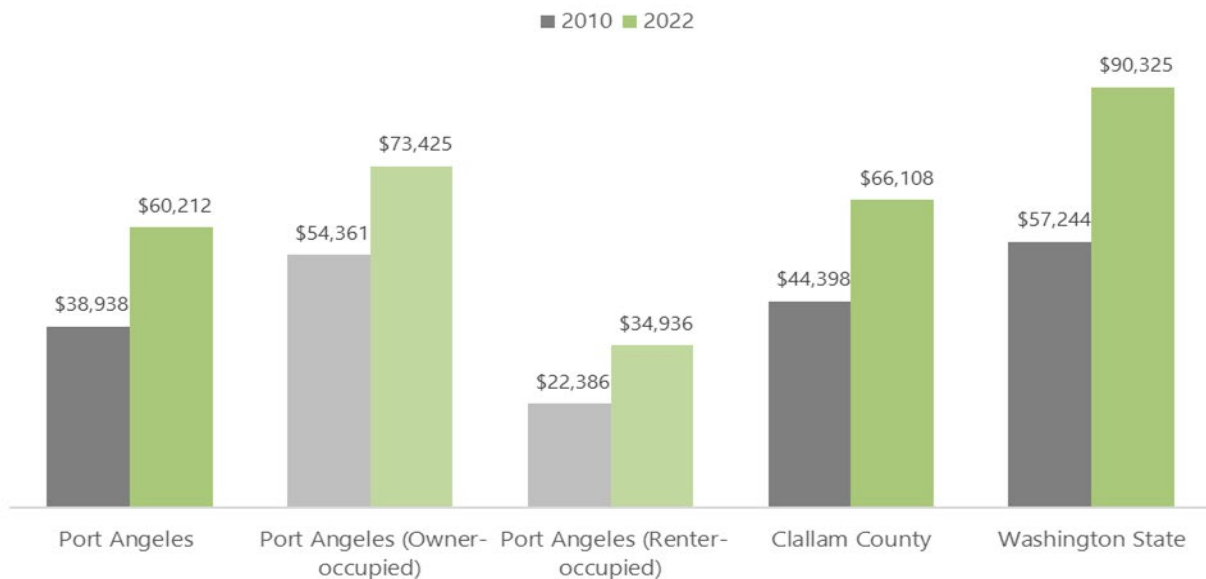
Figure 6. Household by Tenure in Port Angeles with Regional Comparison, 2022



Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table S2501

Port Angeles’ median household incomes are lower than Clallam County and Washington state averages. Since 2010, incomes have increased by about 55 percent, from \$38,938 to \$60,212, not inflation-adjusted. This is a faster increase than in Clallam County, which increased at a slower rate of 49 percent in the last decade. However, the state median income grew faster at about a 58 percent increase over the same period. Households who own their homes in Port Angeles make more than twice as much as renter households, as shown in Figure 23. Although renter household types are often smaller on average than ownership households, which can account for part of this disparity, it demonstrates potential affordability concerns for rental households.

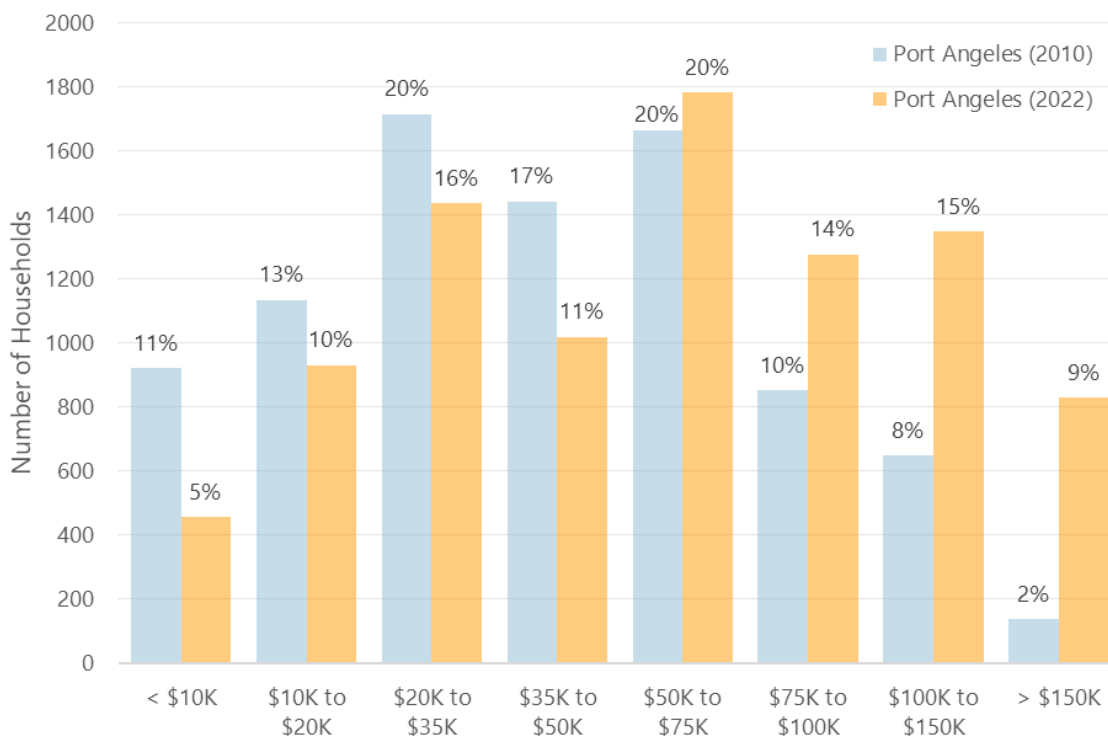
Figure 7. Median Household Income in Port Angeles with Regional Comparison, 2022



Source: U.S. Census Bureau 5-Year ACS, Table S2503

Figure 24 further breaks down households' income by different income brackets to describe the change in income levels over the past 12 years. In 2010, 57 percent of Port Angeles' households had income between \$20,000 and \$75,000; that share dropped to 47 percent of households in 2022. This decline is partially caused by the overall rise in median income; however, as shown below, the percentage of households earning more than \$150,000 has increased from two to nine percent since 2010 (from 137 households to 829), which is higher than change in any other income group.

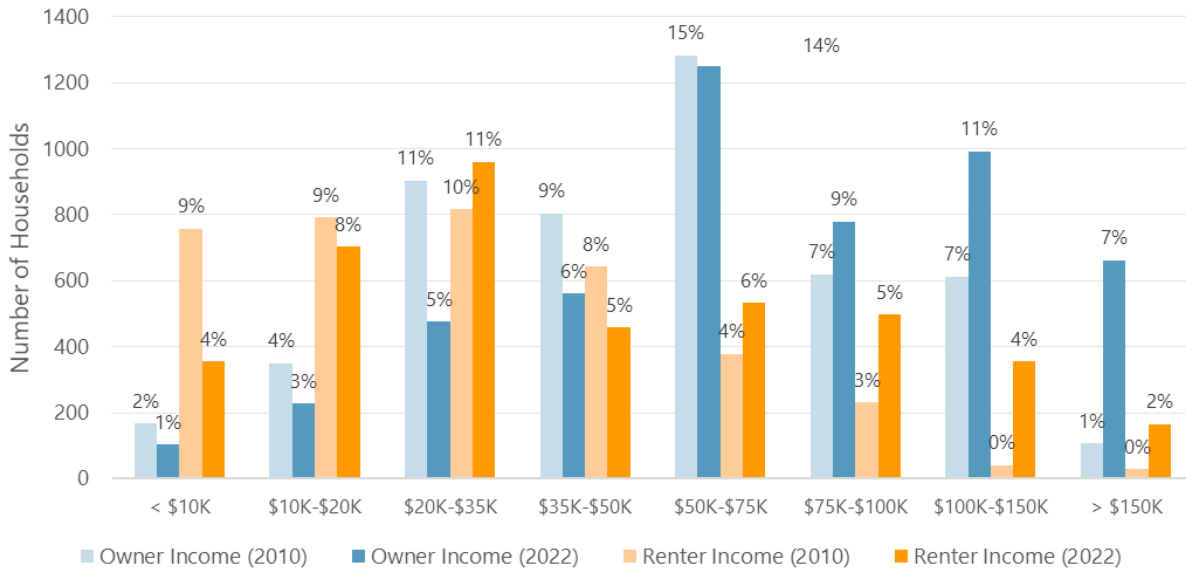
Figure 27. Household Income in Port Angeles by Income Brackets, 2010 and 2022



Source: U.S. Census Bureau 5-Year ACS, Table S2503.

Between 2010 and 2022, the number of households increased by 549, or six percent, and the share of owner and renter households has stayed the same. Therefore, the significant increase in higher-income households might have caused an overall increase in the median household income for both owners and renters. However, Figure 25 shows that the percentage of owner-occupied households earning \$150,000 or more has increased at a much higher rate than for renter households. Although the percentage of renter-occupied households earning less than \$10,000 dropped significantly, the percentage of rent-occupied households in other mid-income categories has not changed at the same rate. Therefore, in 2022, median household income more accurately represents the owner-occupied income rather than renter.

Figure 28. Tenure by Household Income in Port Angeles, 2010 and 2022



Source: U.S. Census Bureau 5-Year ACS, Table B25118.

The U.S. Department of Housing and Urban Development (HUD) determines a countywide area median income (AMI) for each county. In 2024, the Clallam County AMI was \$93,900. The HUD AMI is generally higher than the Census-reported median household income (see Figure 23 as an example) since AMI is based on the Census-reported median family income, which excludes non-family households (one-person households and multi-person households of unrelated individuals). HUD defines households as “Extremely low income” if they earn 30 percent AMI or less, “very low income” if they earn 30-50 percent AMI, and “low income” if they earn 50-80 percent AMI. Table 2 shows these three levels of AMI income limits in Clallam County. These figures are the maximum rent that households at each income level would pay in subsidized housing at the respective income level, based on household size. This metric is used to determine eligibility for subsidized affordable housing.

Table 4. HUD Income Limits for Clallam County, 2024

	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low Income (30% AMI)	\$19,300	\$22,050	\$25,820	\$31,200	\$36,580	\$41,960	\$47,340	\$52,720
Very Low Income (50% AMI)	\$32,150	\$36,700	\$41,350	\$45,900	\$49,600	\$53,250	\$56,950	\$60,600
Low Income (80% AMI)	\$51,450	\$58,750	\$66,150	\$73,450	\$79,350	\$82,250	\$91,100	\$97,000

Source: U.S. Department of Housing and Urban Development (HUD)

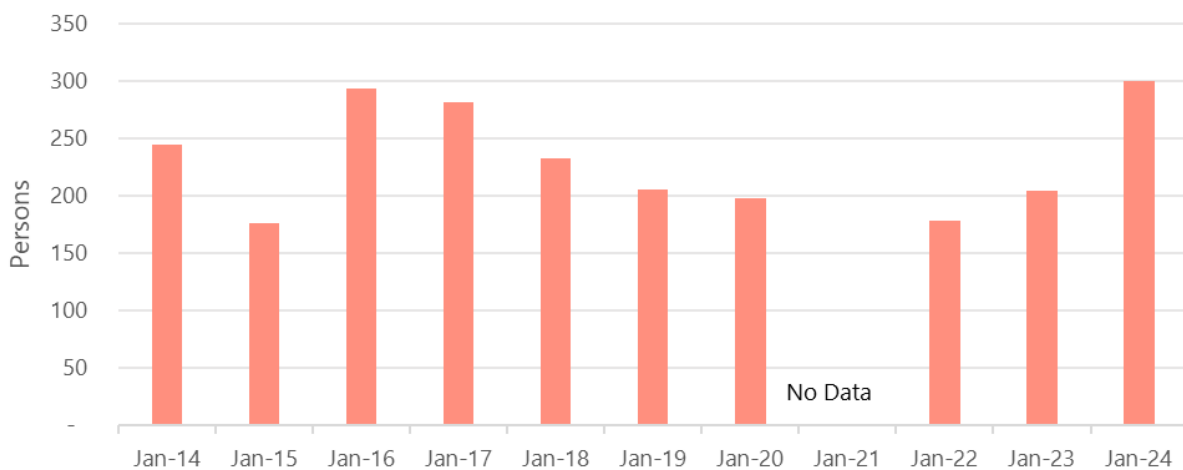
Figure 26 shows a breakdown of Port Angeles’ households by tenure (ownership/rental) and income, as a percentage of AMI. The low-income share has grown by seven percent since 2010, showing decrease in housing affordability. Overall, about 50 percent of households in the city are considered low-income, earning 80 percent AMI or below in 2020. However, nearly 68 percent of renter households, or 2,785 households, are earning less than 80 percent AMI and could be eligible for subsidized affordable housing. This reinforces the data shown above about disparities between renter and ownership household income in the city.

Special Housing Needs

According to the January 2024 Point-in-Time Count, there are 300 homeless residents in Clallam County in 273 households. Over 50 percent of homeless residents are unsheltered (155) versus sheltered (145). The number of unsheltered residents has doubled since January 2023 (78 unsheltered), when there were an estimated 204 homeless residents in the county.

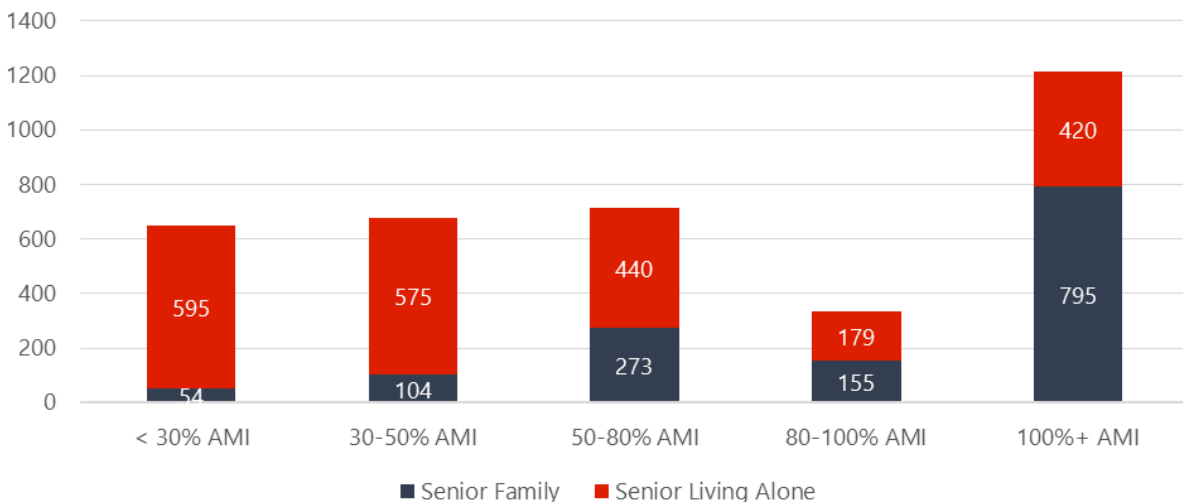
In 2022, there were 1,625 households in Port Angeles headed by a householder aged 65 or older, representing 18 percent of total households in the city (see Table 1). HUD data estimates that in 2020 57 percent of all older adult households were low-, very low-, or extremely low-income. Further, 35 percent (1,244 persons) of all senior-headed households were seniors living alone experiencing housing cost burden.

Figure 1. Point-In-Time Homeless Census, 2014-2024



Source: Washington Office of Financial Management (OFM) Clallam County Annual Point-In-Time Count.

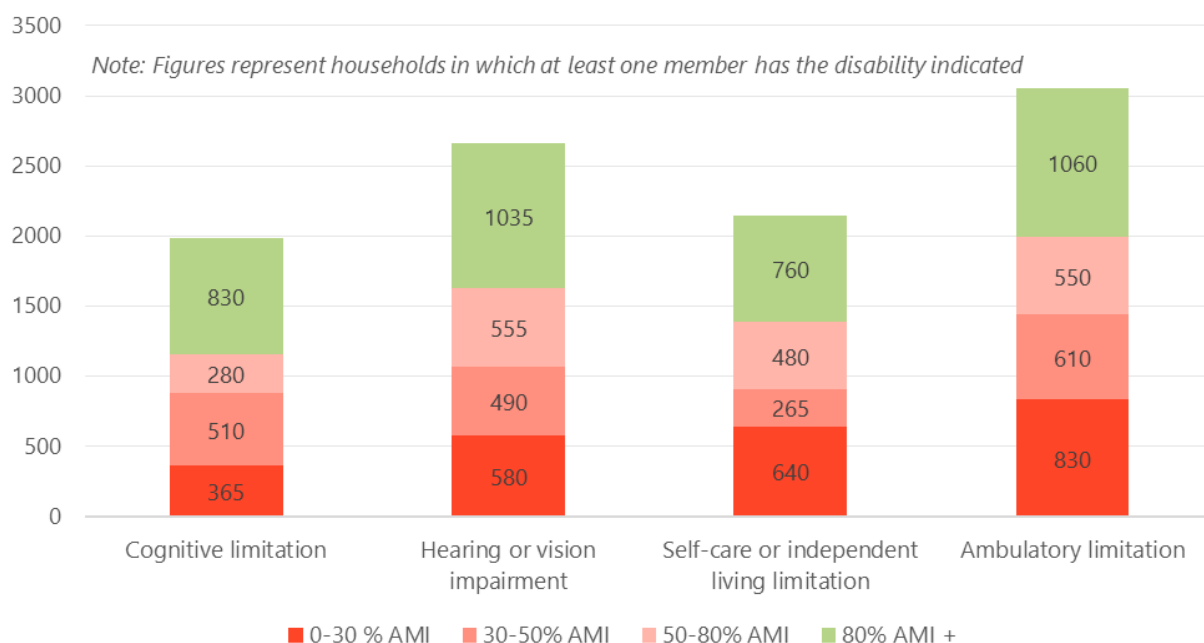
Figure 2. Income Brackets for Older Adults Households (62+) in Port Angeles, 2020



Source: 2016-2020 HUD Comprehensive Housing Affordability Strategy (CHAS)

In Port Angeles, there were 2,840 households where a household member had a disability in 2020. These are classified into four categories – cognitive limitation, hearing or vision impairment, self-care or independent living limitation, and ambulatory. Note that individuals can have one or more of these disabilities, so the totals may sum to more households than the city’s total number of households. The chart in Figure 31 shows households with one of the four disability categories broken down by household income. The most common type of disability in the city’s population is ambulatory, and the majority of households in which a member has a disability are low-income households. This demonstrates the need for accessible housing at various price points, as well as the need for supportive services in the city.

Figure 3. Disability and Household Income in Port Angeles, 2020



Source: 2016-2020 HUD Comprehensive Housing Affordability Strategy (CHAS)

Workforce Profile

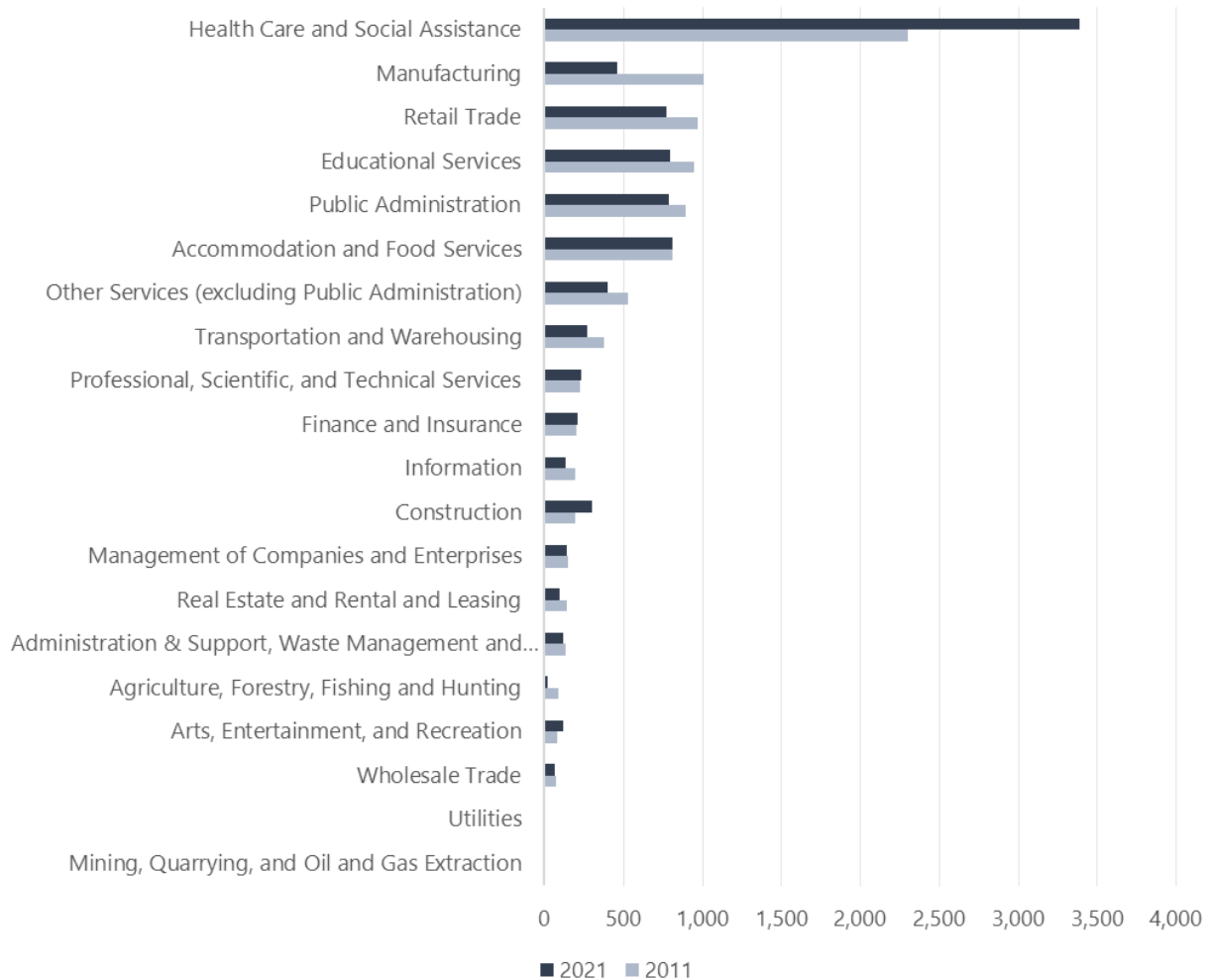
This section describes Port Angeles’ workforce and job sectors, jobs-to-housing ratio, and employment trends and projections, which can help inform the city’s future housing needs.

Local Workforce Characteristics

According to the latest Census/LEHD data, there were 9,102 jobs in Port Angeles in 2021. Figure 32 shows employment by the job sector for the top ten sectors. The top industry in the city as of 2021 is health care and social assistance, which has grown by almost 50 percent over the past decade, and in 2021 represents 37 percent of all jobs in the city. Other top employment sectors include accommodation and food services, education, retail, public administration, and manufacturing, which, significantly, dropped by 55 percent, from over 1,000 jobs to 458 over the last ten years. However, the construction industry has grown by 56 percent over the same period, although it

comprises a small number of the total jobs. The arts, entertainment, and recreation sector has followed a similar trend. The significant rise in the health care industry corresponds with the overall trend in the county, as can be seen in Figure 33.

Figure 4. Jobs by Sector in Port Angeles, in 2011 and 2021



Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) via Census OnTheMap.

Figure 33, shows the comparison between the share of jobs by sector in Port Angeles and Clallam County overall. Port Angeles has a higher share of jobs in Health Care, accounting for 3,388 jobs. Clallam County has a higher share in Retail Trade and Public Administration than Port Angeles. Whereas Port Angeles has slightly higher shares of Education and Manufacturing jobs, the overall industry mix is relatively similar, with concentrations in Health Care, Accommodation and Food Services, Education, and Retail. Top employers in Port Angeles are the Olympic Medical Center, Peninsula College, Nippon Paper Industries USA, Port of Port Angeles, and governmental entities such as Port Angeles City and Clallam County Government.

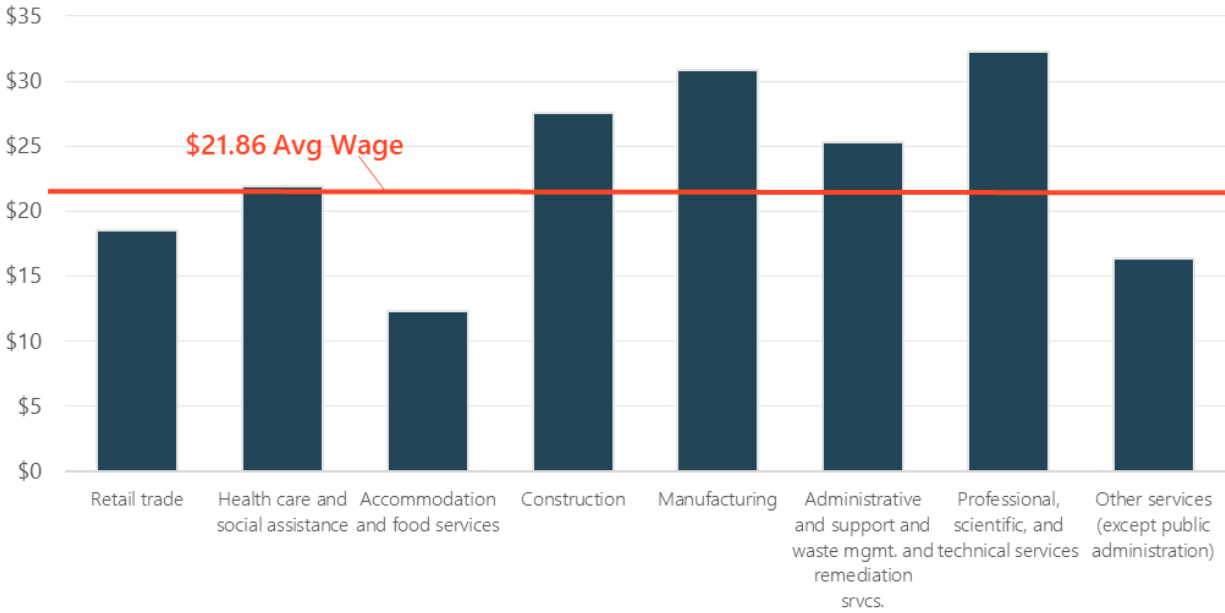
Figure 5. Share of Jobs by Industry in Port Angeles and Clallam County, 2021

NAICS Industry	Port Angeles		Clallam County	
	Total	Share	Total	Share
Health Care and Social Assistance	3,388	37.2%	5,182	23.6%
Accommodation and Food Services	808	8.9%	1,944	8.8%
Educational Services	798	8.8%	1,743	7.9%
Public Administration	788	8.7%	2,192	10.0%
Retail Trade	775	8.5%	2,945	13.4%
Manufacturing	458	5.0%	948	4.3%
Other Services (excluding Public Administration)	396	4.4%	720	3.3%
Construction	301	3.3%	1,248	5.7%
Transportation and Warehousing	270	3.0%	664	3.0%
Professional, Scientific, and Technical Services	229	2.5%	592	2.7%
Finance and Insurance	208	2.3%	384	1.7%
Management of Companies and Enterprises	139	1.5%	141	0.6%
Information	131	1.4%	192	0.9%
Administration & Support, Waste Management and Remediation	115	1.3%	828	3.8%
Arts, Entertainment, and Recreation	119	1.3%	858	3.9%
Real Estate and Rental and Leasing	98	1.1%	261	1.2%
Wholesale Trade	62	0.7%	360	1.6%
Agriculture, Forestry, Fishing and Hunting	19	0.2%	658	3.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	15	0.1%
Utilities	0	0.0%	119	0.5%

Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) via Census OnTheMap.

The mean hourly wage in Clallam County as of 2023 is \$21.86 (roughly \$45,460 in gross annual income). Figure 34, shows the mean hourly wage for jobs in the top employment sectors in Clallam County. Notably, the city’s top employment sector Health Care and Social Assistance pays around the county’s average (\$21.94), whereas the declining Manufacturing and slowly growing Construction industries pay significantly higher than the county’s average.

Figure 6. Mean Hourly Wage for Jobs in Top Employment Sectors in Clallam County, 2023

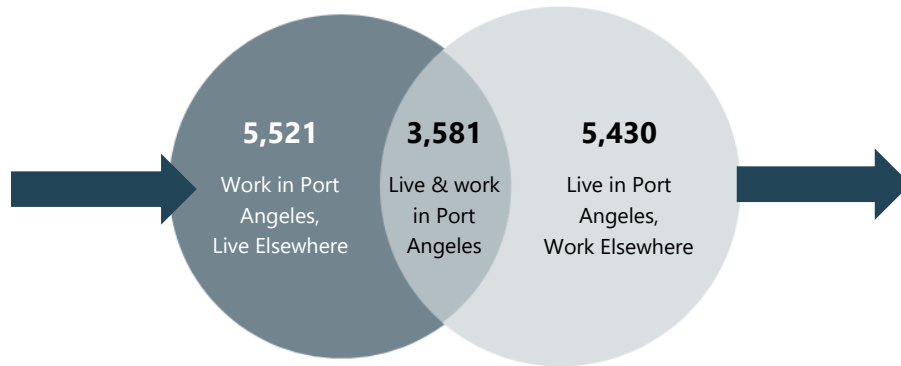


Source: U.S. Census Bureau of Labor & Statistics Quarterly Census of Employment and Wages

Figure 19 visualizes commuter inflow and outflow in Port Angeles. The city has about the same number of commuters coming in daily as commuters working elsewhere. Thirty-nine percent of workers in the city also live in the city. Top destinations for commuting include Seattle, Sequim, and the Port Angeles East CDP. About 6.6 percent of Port Angeles residents work in Seattle, 5.2 in Sequim, and 2.7 percent in the Port Angeles East CDP. Smaller shares also work in Tacoma, Carlsborg CDP, Olympia, and Bellevue. Nonetheless, Seattle is the primary commute destination, driving takes about 2.5 hours; therefore, there is a caveat that the commuting out numbers might include remote employees working from home in Port Angeles but employed in Seattle. For in-commuting, about 5.3 percent of workers in Port Angeles live in Port Angeles East CDP, 3.9 percent in Sequim, and less than one percent each in Seattle, Port Townsend, Carlsborg CDP, and Forks. Smaller shares live elsewhere throughout the county.

Table 3 shows the regional comparison of the work-home destinations. As described above, the top destination for commuting after Port Angeles is Seattle; however, Sequim, where 10 percent of the county's labor population works is the second destination after Port Angeles followed by Seattle sharing 7 percent.

Figure 7. Commute Patterns in Port Angeles and Clallam County, 2022



Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) via Census OnTheMap

Table 5. Work-Home Destinations in Port Angeles and Clallam County, 2022

	Port Angeles City		Clallam County	
	Count	Share	Count	Share
Places Where Workers are Employed (All Jobs)				
Total	9,011		30,203	
Port Angeles	3,581	40%	7,450	25%
Seattle	594	7%	2,135	7%
Sequim	471	5%	2,982	10%
Port Angeles East CDP	245	3%	678	2%
Tacoma	145	2%	478	2%
Carlsborg CDP	128	1%	660	2%
Olympia	119	1%	372	1%
Bellevue	111	1%	446	1%
Blyn CDP	101	1%	451	1%
Kent City	99	1%	-	-
All Other Locations	3,417	38%	14,551	48%
Places Where Workers Live (All Jobs)				
Total	9,102		21,994	
Port Angeles	3,581	39%	5,360	24%
Port Angeles East CDP	484	5%	841	4%
Sequim	357	4%	1,296	6%
Seattle	77	1%	231	1%
Port Townsend	72	1%	173	1%
Carlsborg CDP	60	1%	225	1%
Forks	46	1%	845	4%
All Other Locations	4,425	49%	13,003	59%

Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) via Census OnTheMap

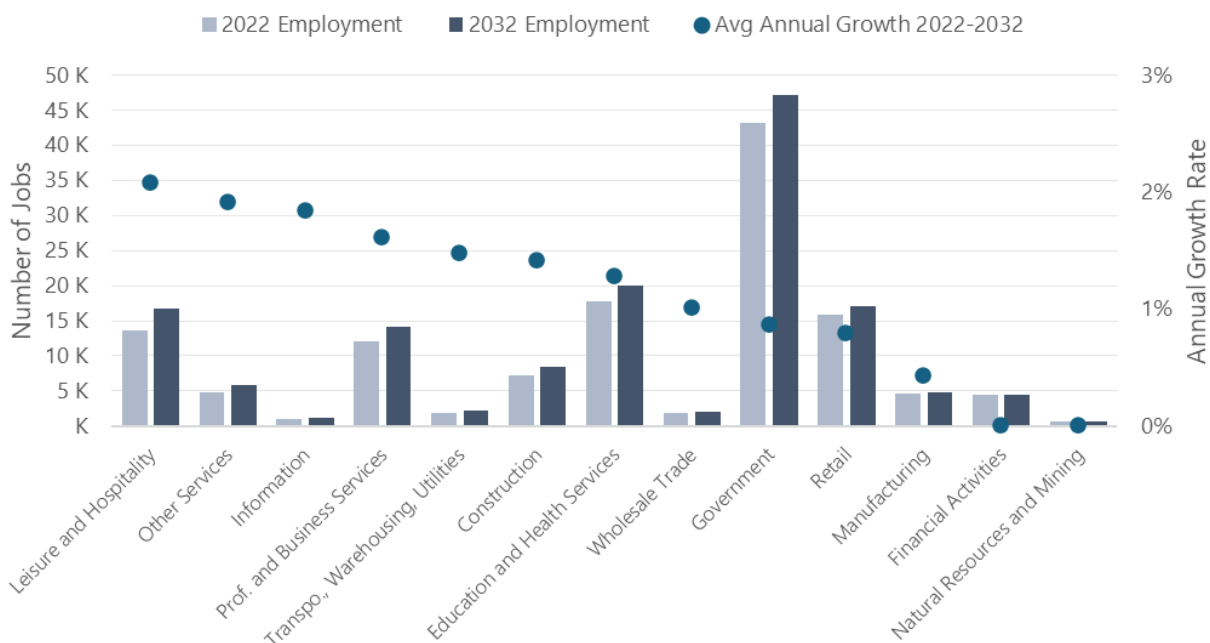
Jobs to Housing Ratio

Port Angeles' employment to housing ratio, using 2021 LEHD and ACS data, is 0.9. This indicates a good balance of jobs to housing units in the city. A jobs-to-housing ratio at or near 1.0 suggests that residents have potential employment opportunities without having to commute excessively long distances, which is beneficial for reducing vehicle miles traveled. In addition, employers have a reasonable population base upon which to recruit workers. However, most workers in the city live elsewhere (see Figure 35) which may indicate a lack of housing units' type for this demographic. According to the state Employment Securities Department, the county had a significantly lower labor force participation rate of 49.2 percent in 2020, versus 64.7 percent for the state.

Employment Trends & Projections

In the larger Olympic Workforce Development Area, which includes all of Jefferson, Clallam, and Kitsap counties, the Government sector employed the largest number of workers in 2022. Washington Security Department projects that the Government sector will continue to be the top-employing sector in 2032, followed by Education/Health Services and Retail; both are at the top share of jobs in Port Angeles. Most other fastest-growing industries such as Leisure and Hospitality, Information, Professional and Business Services, have little presence in Port Angeles' job market. Manufacturing is projected to grow slowly at around 0.4 percent annual rate, whereas the Construction sector, which has increased jobs in Port Angeles over the last decade (see Figure 32), is expected to grow at a high 1.4 percent per year countywide.

Figure 8. Projected Employment by Industry, Olympic Workforce Development Area, 2022-2032



Source: Washington Employment Security Department.

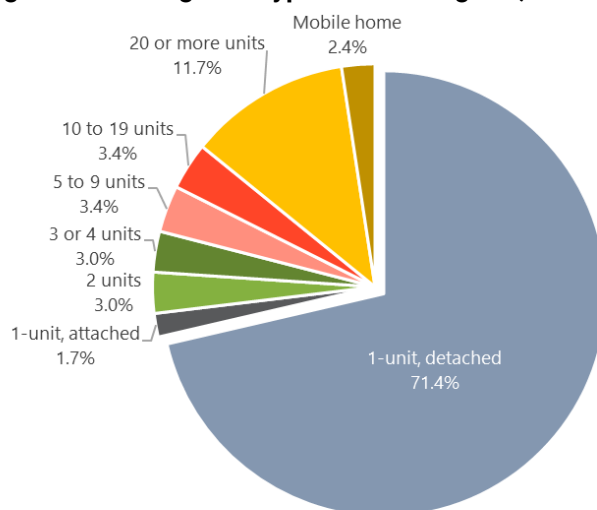
Housing Supply

This section inventories Port Angeles' current housing stock and housing market, including rental and sales prices, and housing affordability indicators and trends.

General Housing Inventory

Port Angeles had 9,930 housing units in 2022 according to the latest American Community Survey 5-year estimate data. The breakdown of units by type is shown in Figure 21. Nearly three-quarters of housing units in the city are in single-unit buildings, with detached single-family accounting for 71.4 percent and attached single-family an additional 1.7 percent of homes. About 9.4 percent of the housing stock is in “Middle Housing” types of between two and nine units. Another 15.1 percent is in multifamily apartments, with most units (11.7 percent of total units) being in buildings of 20 or more units, and 2.4 percent of Port Angeles’ housing stock is in mobile homes. As discussed above, Port Angeles’ share of its population in younger age groups is similar to the state’s. Therefore, the unit mix is similar to Washington state’s proportion of multifamily units, compared to just about seven percent of multifamily housing units in Clallam County. However, Port Angeles’ share of single-family detached units is similar to the county share. A lack of diversity of housing types can present barriers to housing for some segments of the population, such as older adults who wish to downsize, first-time homebuyers who cannot afford a large home, or renters.

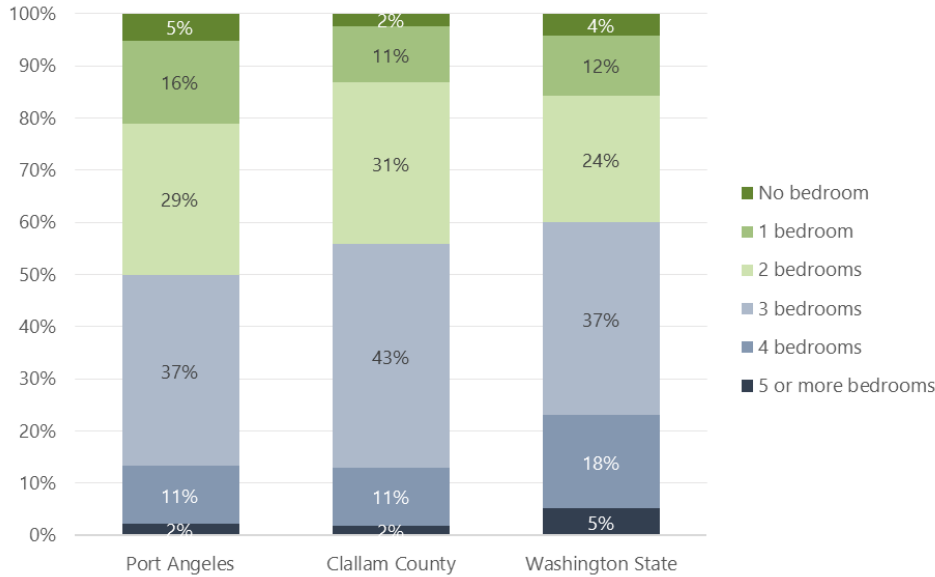
Figure 9. Housing Unit Types in Port Angeles, 2022



Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table DP04

Port Angeles’ housing stock is primarily comprised of 3-bedroom units, as shown in Figure 38. Overall, half of the city’s housing units have 3 or more bedrooms, a lower share of larger units when compared to the county and state. This partially correlates with the smaller household sizes and larger shares of non-family households discussed above under “Households Characteristics”.

Figure 10. Housing Unit by Bedroom Count in Port Angeles with Regional Comparison, 2022

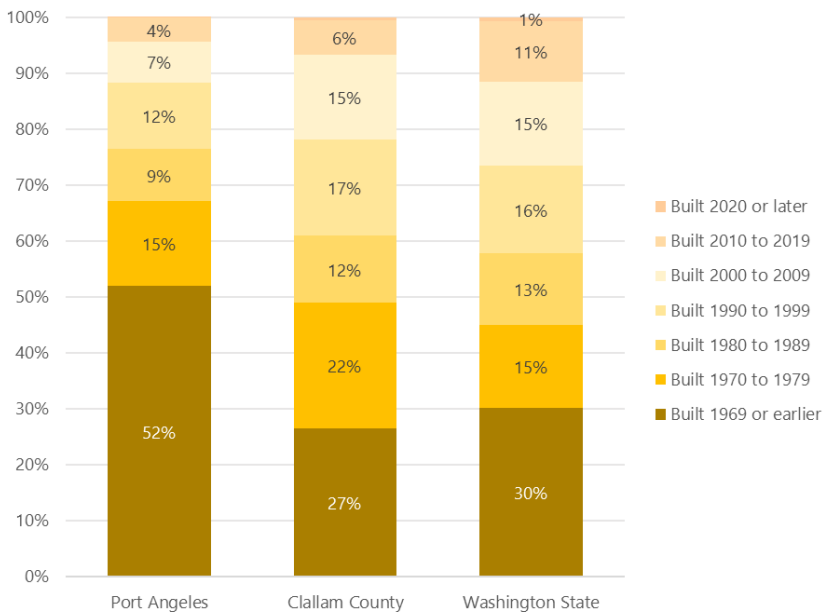


Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table DP04

Port Angeles has a notably larger share of older units than the county and state, with over half of its units built before 1970. Around 12 percent of the city’s units were built after 2000, which is significantly lower than the county and state (22 percent and 26 percent, respectively).

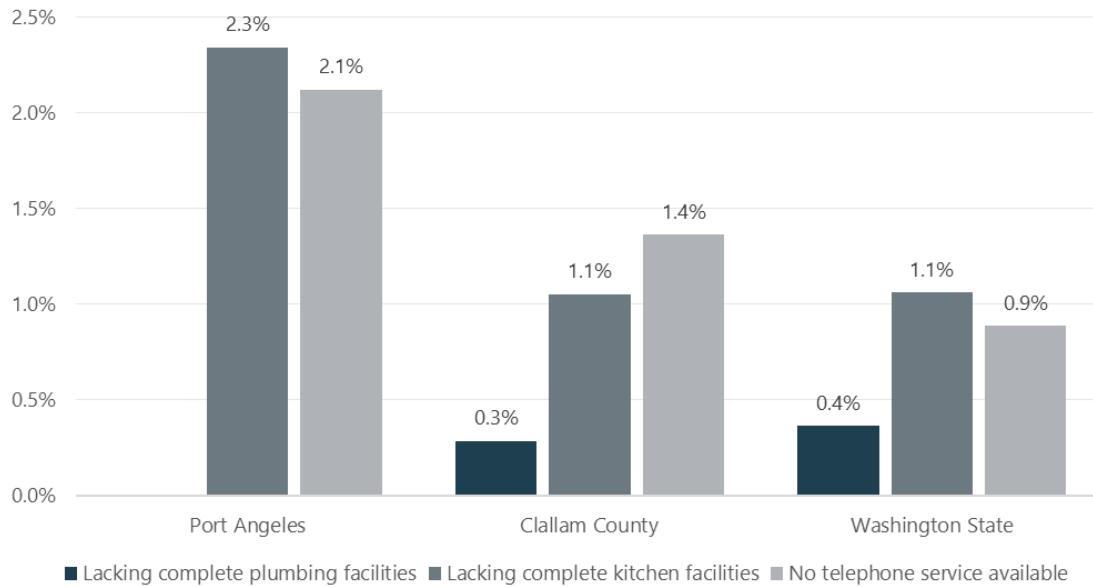
Figure 40 shows specific housing characteristics. All households have a telephone service. However, 2.3 and 2.1 percent of the housing units do not have plumbing and/or kitchen facilities, respectively, which is double the state rates.

Figure 11. Age of Existing Housing Units in Port Angeles, 2022



Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table DP04

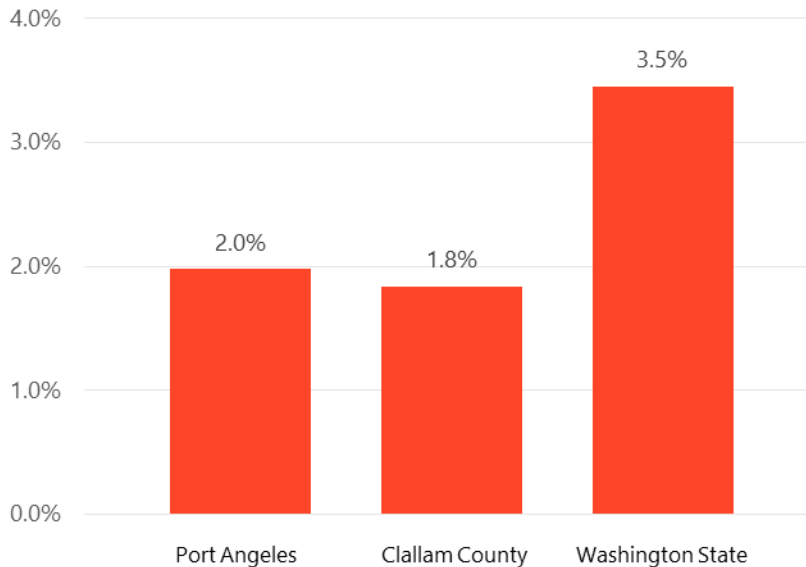
Figure 12. Housing Conditions in Port Angeles with Regional Comparison, 2022



Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table DPo4

The U.S. Census considers a household as overcrowded if there is more than one person per room in the housing unit. As shown in Figure 41, two percent of households are considered overcrowded in Port Angeles – an estimated 180 units. This shows that overcrowding is not a significant issue in the city.

Figure 13. Rates of Overcrowding in Port Angeles with Regional Comparison, 2022

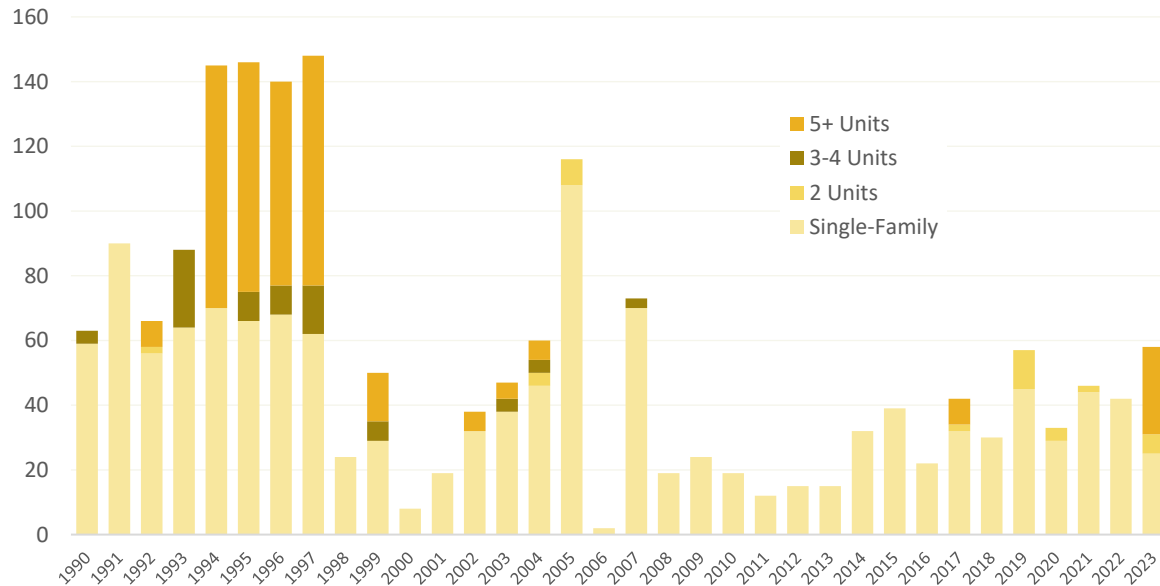


Source: U.S. Census Bureau 2022 5-Year ACS, Table DPo4

Housing Production

Figure 42 shows housing permit data from Port Angeles since 1990. Notably, multifamily production essentially ceased after the 2008 recession after considerable multifamily activity in the late 1990s. There is currently one multifamily project under development in the city and at least one other proposal. There has been an uptick in duplex construction in recent years. Overall housing permit numbers have increased slightly since the 2008 recession, but on average are less than half as many per year as housing permits seen in the 1990s in the city. This data correlates with the data shown above in Figure 39 indicating the relatively older age of housing stock in Port Angeles.

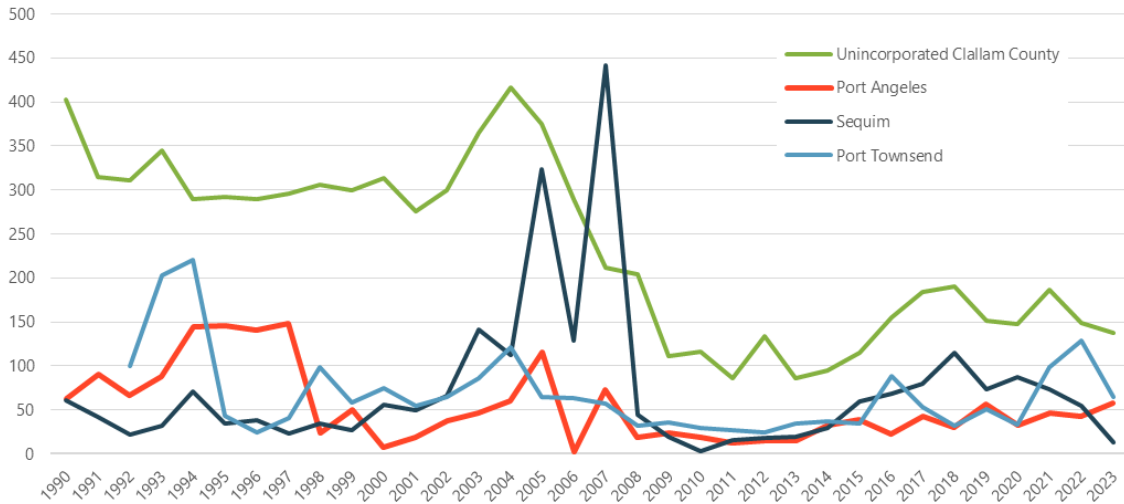
Figure 14. Housing Unit Permits in Port Angeles, 1990-2023



Source: U.S. Census Bureau Census Building Permits Survey

For comparison, Figure 43 shows Port Angeles' housing production in comparison with the unincorporated areas of Clallam County, Sequim, and Port Townsend. Permit trends in the County overall mirror those in the cities. Over the past decade, Sequim has seen significantly more housing permits than Port Angeles, with some more recent activity in Port Townsend as well. Sequim also saw very high production numbers leading up to the 2008 recession, far outpacing the rest of the county.

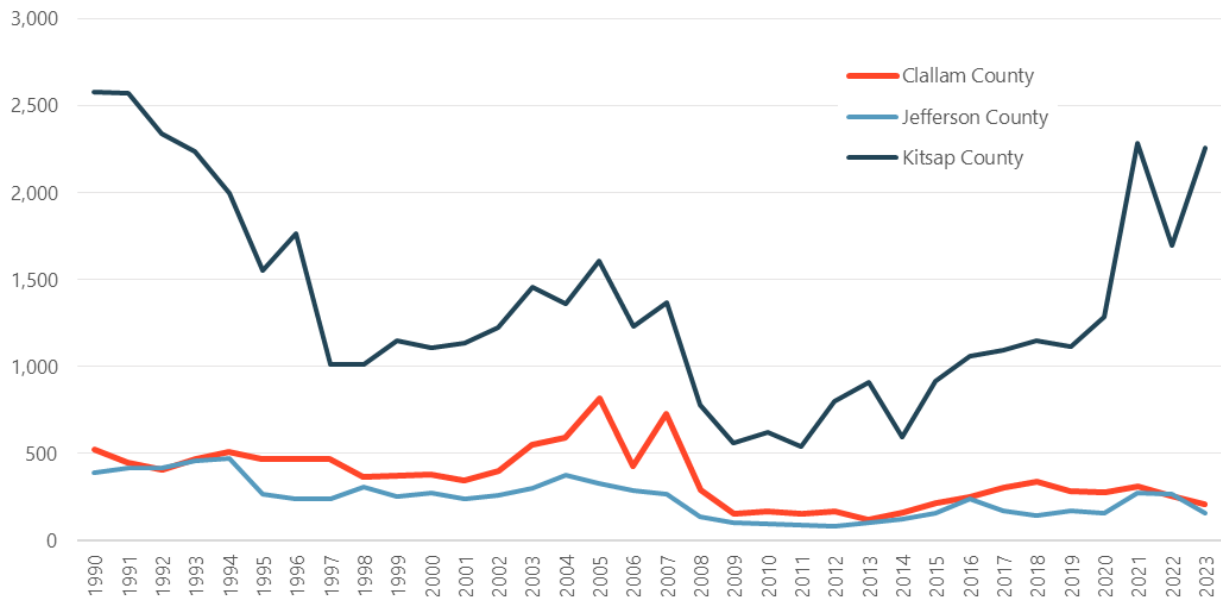
Figure 15. Housing Permits in Port Angeles and Comparison Geographies, 1990-2023



Source: U.S. Census Bureau Census Building Permits Survey

Finally, Figure 44 shows permit trends in Clallam County compared with Jefferson and Kitsap Counties. Although permitting slowed significantly in all three counties after 2008, activity has rebounded at a much quicker pace in Kitsap County than in Clallam and Jefferson Counties since then. This correlates with the increased housing prices seen in Port Angeles and Clallam County in recent years, as well as demonstrating the scale of regional demand for housing.

Figure 16. Housing Permits in Clallam, Jefferson, and Kitsap Counties, 1990-2023



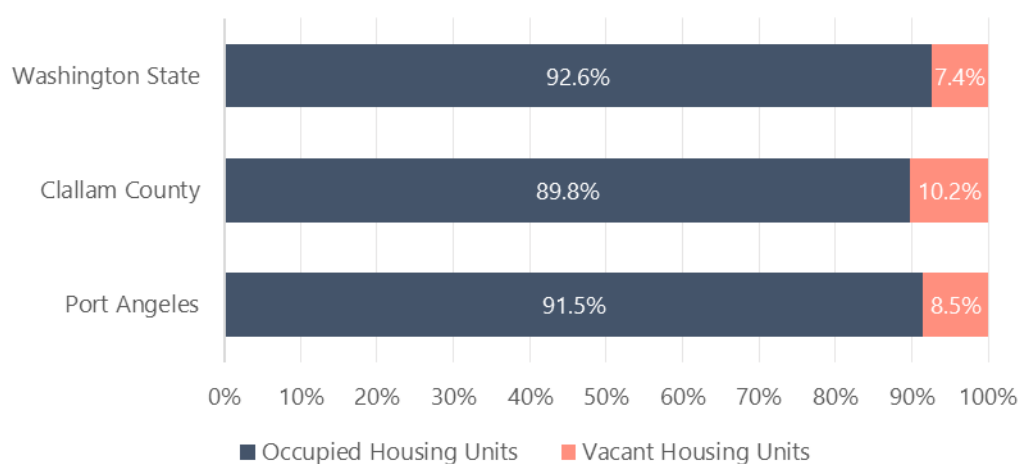
Source: U.S. Census Bureau Census Building Permits Survey

Housing Market Conditions

In Port Angeles, 91.5 percent of overall units are occupied, which is between the occupancy rates seen in the county and state. However, as shown in Figure 22, 56 percent of houses are owner-occupied, and 44 percent are renter-occupied, which is significantly higher than the county and state rates.

In 2022, 843 units were vacant in Port Angeles in total. However, the units are vacant for various reasons. Table 4 shows the breakdown of the vacancy classification. Forty-four percent of vacant units are dedicated for seasonal, recreational, or occasional use, accounting for around four percent of total units in Port Angeles.

Figure 17. Residential Occupancy Rates in Port Angeles with Regional Comparison, 2022



Source: U.S. Census Bureau 5-Year ACS, Table DPo4

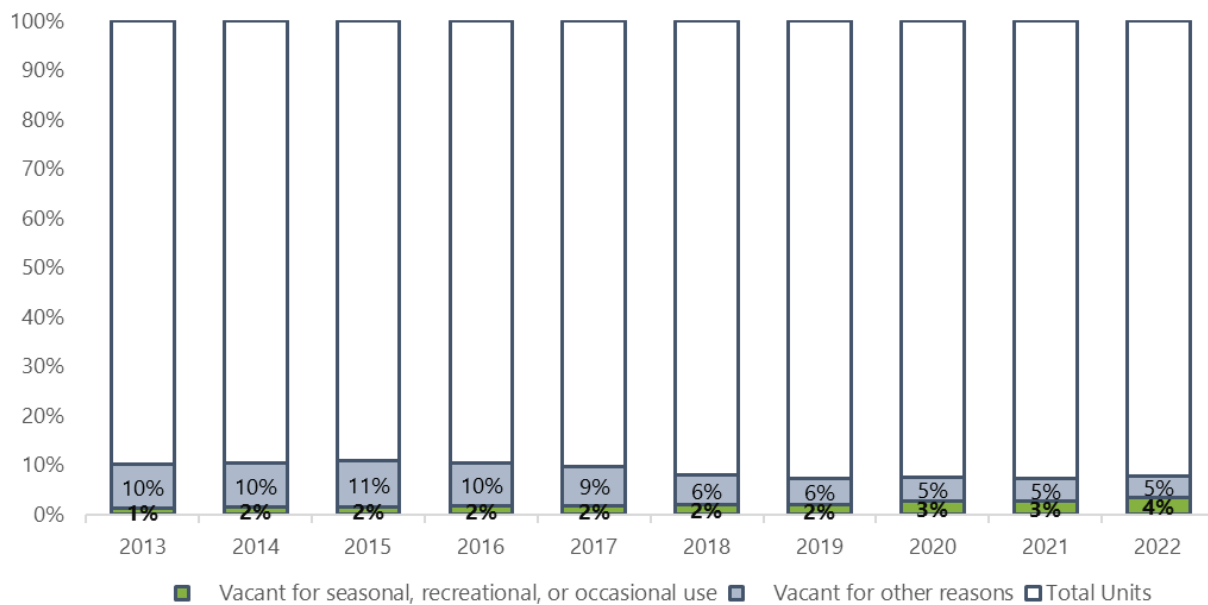
Over the last decade, the share of vacant seasonal, recreational, and occasional units as a share of total housing stock has increased gradually. At the same time, the share of vacant units has had minor fluctuations and stayed between eight and 11 percent (see Figure 46). Therefore, the increased amount of short-term, seasonal, and recreational-use vacant units may have impacted the low vacancy rates for long-term rentals.

Table 6. Vacant Unit Types in Port Angeles with Regional Comparison, 2022

	Port Angeles		Clallam County		Washington State	
	Units	Share	Units	Share	Units	Share
Total Vacant Units	843		3,866		236,971	
For rent	118	14%	213	6%	45,935	19%
Rented, not occupied	29	3%	52	1%	12,427	5%
For sale only	97	12%	199	5%	14,761	6%
Sold, not occupied	59	7%	317	8%	11,041	5%
For seasonal, recreational, or occasional use	372	44%	1,916	50%	84,274	36%
For migrant workers	-	0%	57	1%	1,370	1%
Other vacant	168	20%	1,112	29%	67,163	28%

Source: U.S. Census Bureau 5-Year ACS, Table B25004.

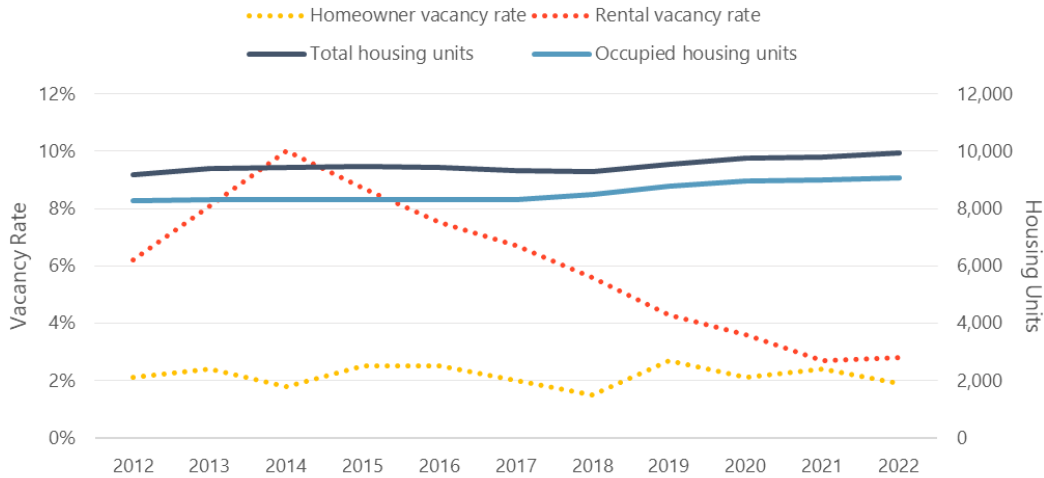
Figure 18. Residential Occupancy Rates in Port Angeles with Regional Comparison, 2022



Source: U.S. Census Bureau 5-Year ACS, Table B25004, DP04.

Figure 31 shows Census-reported total and occupied unit counts and vacancy rates in Port Angeles over the past decade for both ownership and rental units. Although ownership vacancy rates have remained relatively consistent over time, rental vacancy rates have dropped steadily since 2014, from 10 percent in 2014 to 2.8 percent in 2022. This trend indicates increased demand for apartments in the city, and likely an undersupply. Low vacancy rates can make it harder for workers to find housing, making it harder for local employers to recruit and retain workers, in addition to driving up housing costs and exacerbating housing insecurity overall. The current vacancy rates for both rental and ownership housing are below what is considered a “healthy” vacancy rate, which is between five and six percent. This demonstrates a need for more housing production in the city to keep up with demand and help improve housing affordability.

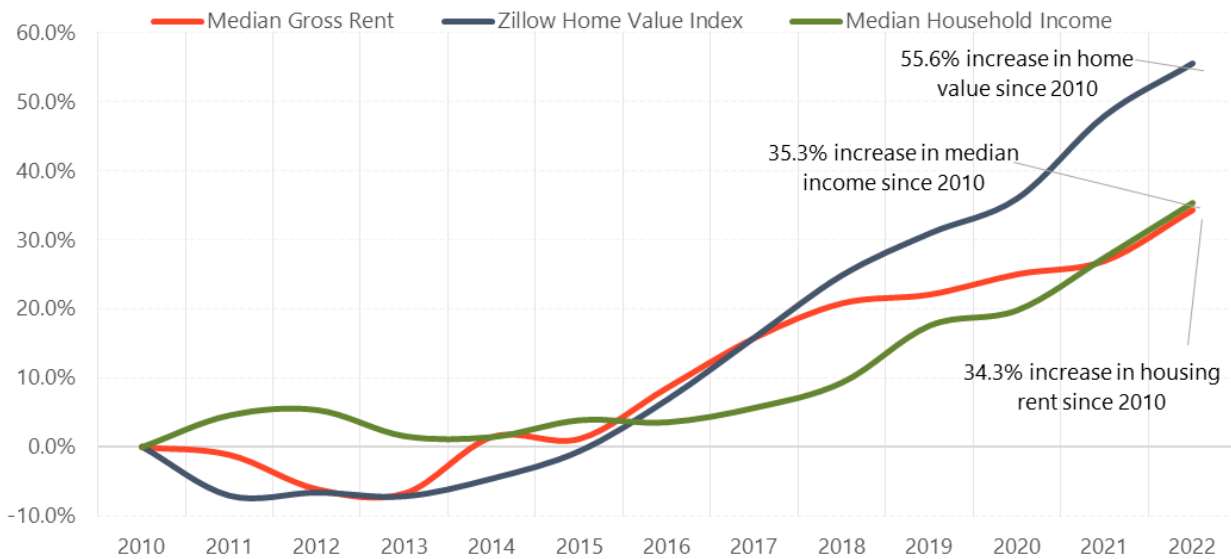
Figure 19. Housing Vacancy Rates in Port Angeles, 2012-2022



Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Table DP0

Rents in Port Angeles, according to the ACS 5-year estimates data, are about \$1,118 per month as of 2022. This is two percent higher than in Clallam County, but 30 percent less than the statewide median of \$1,592. According to Zillow, the average housing value in Port Angeles as of July 2024 was \$452,961, up 4.1 percent over the past year. Figure 32 shows the percent change in rents, home values, and household incomes in Port Angeles from 2010-2022. Over this period, median household income increased by 35.3 percent and rents by 34.3 percent. Home values increased at a higher rate of 55.6 percent. Although rents fluctuated in the period between 2010 and 2015, they kept pace with income increases and home values. However, since 2017 home prices have started to rise at a higher annual rate. That has resulted in lower housing affordability and may be a factor in the low homeownership share in Port Angeles (see Figure 6).

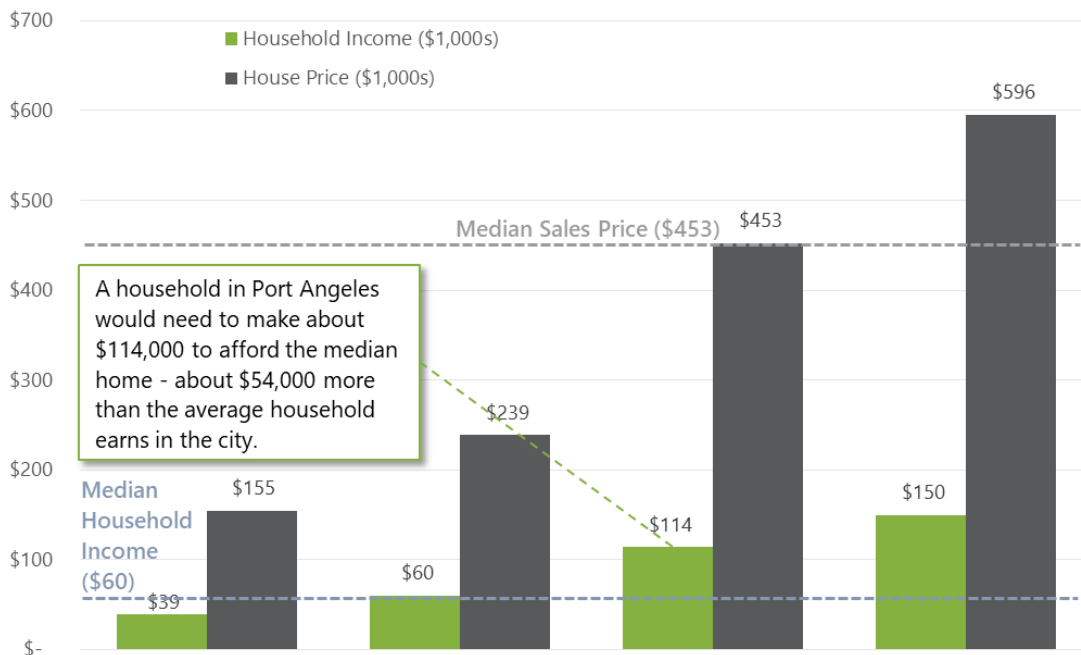
Figure 20. Change in Rents, Home Prices, and Income in Port Angeles, 2010-2022



Sources: 2010-2022 American Community Survey 5-Year Estimates, Table S2503; Zillow Home Value Index.

To purchase a home at the average home price of \$452,961, a household would need to make about \$114,000, which is 89 percent higher than the median income (see Figure 33). The median household earning \$60,212 could afford to purchase a house costing \$239,107, assuming current interest rates, a 20 percent downpayment, and a 30-year mortgage. Therefore, there is a gap of about \$213,596 between what the average household in Port Angeles could afford and the average prices of homes in the city. Figure 33 shows the home price that households at various income levels in Port Angeles could afford (in grey). The horizontal dashed lines show the median sales price and median household income in Port Angeles.

Figure 21. Housing Affordability at Various Income Levels in Port Angeles, 2022



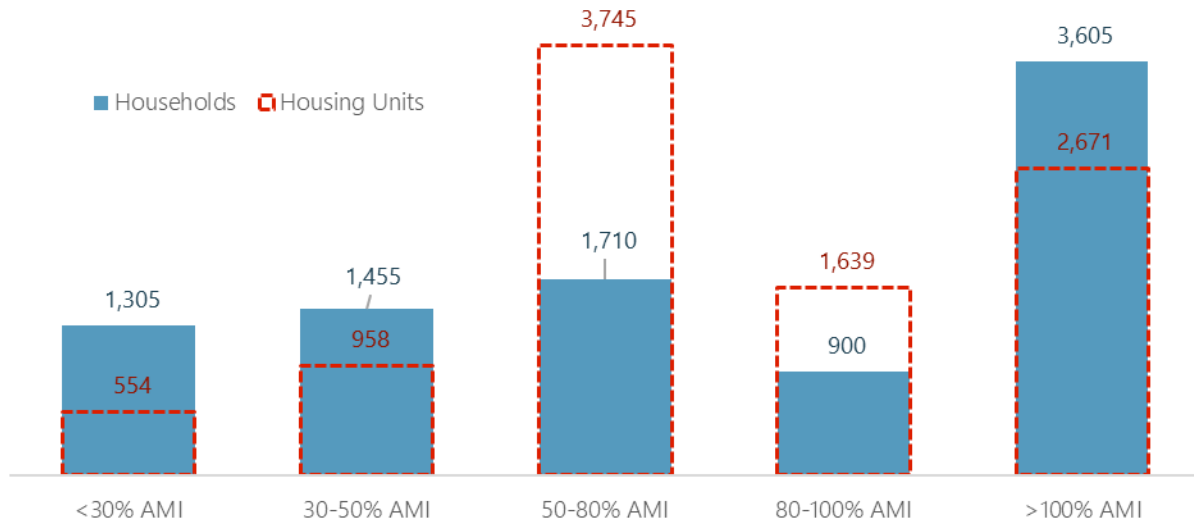
Sources: 2010-2022 American Community Survey 5-Year Estimates, Table S2503; Zillow Home Value Index; Freddie Mac; Clallam County; City of Port Angeles; Leland Consulting Group.

Gap Analysis

Figure 51 below shows a comparison of households at various income levels (shown based on household income as a percentage of AMI) and housing units in Port Angeles affordable to those income levels. This data is based on the WA Department of Commerce’s Housing Planning for All (HAPT) tool. In Port Angeles, there is a surplus of units affordable for low and middle-income households earning between 50 and 100 percent AMI. The supply of very low- and extremely low-income housing units is not sufficient to meet the current number of households in those income bands. This shows a need for more housing serving very low- and extremely low-income households in the future. The extremely low-income housing would likely need to take the form of subsidized affordable housing projects, but other forms of housing, including market-rate apartments and ADUs, may also be able to supply housing for low- and moderate-income households in the city. There are also more high-income households earning greater than 100 percent AMI than housing units at that price range in the city. These households are likely being accommodated in less

expensive housing – which can provide cost savings for higher-income households but also reduce availability of more affordable units for lower- and middle-income households.

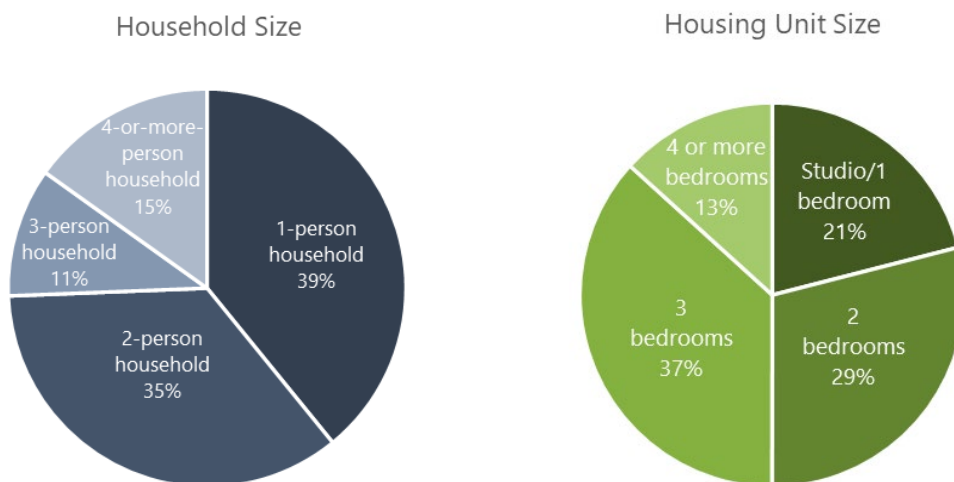
Figure 22. Comparison of Housing Units and Household Incomes in Port Angeles, 2020



Source: 2016-2020 HUD Comprehensive Housing Affordability Strategy (CHAS), WA Department of Commerce Housing Planning for All Tool (HAPT).

Figure 51 shows a comparison of household and housing unit size in Port Angeles. There is a gap between household and housing unit sizes, with more smaller households than smaller units. Less than a quarter share of one-bedroom units and the large number of three-bedroom units along with the majority of the households being one-person occupied and the small percent of three-person households suggest that most households have at least one extra bedroom. Although an extra bedroom might provide space for guests, short-term rental, a home office, or other activities, it can also reduce overall housing affordability if smaller households cannot afford to pay for that extra space.

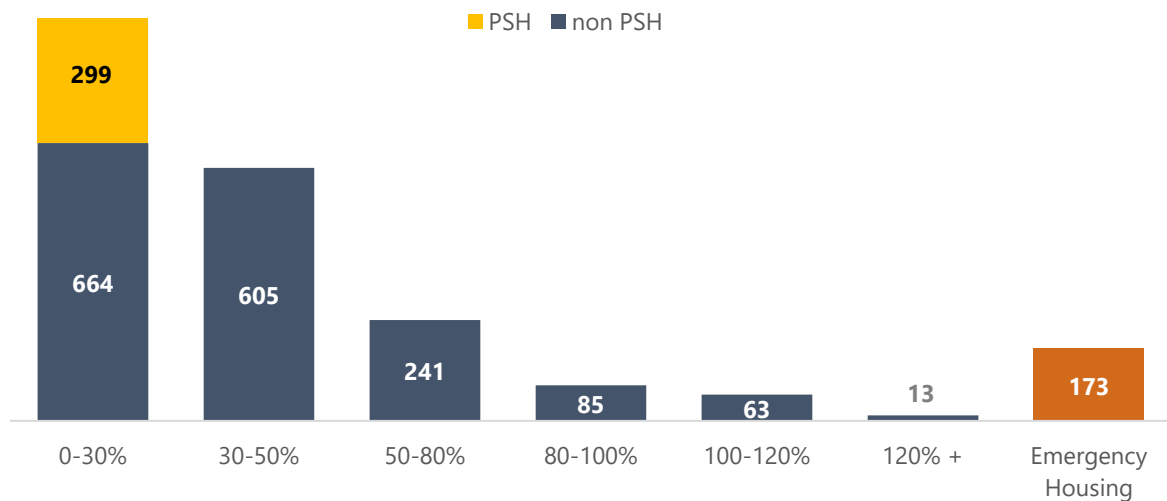
Figure 23. Household and Housing Unit Size Comparison in Port Angeles, 2022



Source: U.S. Census Bureau 2022 American Community Survey 5-Year Estimates, Tables S2501, DP04

Figure 52 shows Port Angeles’ projected housing need by income band (shown as a percentage of AMI). Overall, it is projected that Port Angeles will need to plan for 1,970 new housing units by 2045 to accommodate future population growth as well as accounting for housing needs, housing for those experiencing homelessness, and considering a future “healthy” vacancy rate of 6 percent. Most of Port Angeles’ housing unit targets fall in the lower income ranges, under 80 percent AMI. Additional units for moderate-income households are projected. The Growth Management Act as amended by HB 1220 in 2021 requires jurisdictions to show land capacity for target units based on zoning regulations, as detailed below under “Land Capacity Analysis” section.

Figure 24. Port Angeles Target Housing Units by Income, 2024-2045



Source: WA Department of Commerce Housing Planning for All Tool (HAPT).

Land Capacity Analysis

Amendments to the Growth Management Act from HB 1220, passed in 2021, require jurisdictions to analyze their estimated housing capacity by household income level. Using county-level housing targets, Clallam County allocates the units to be accommodated by Port Angeles and associated unincorporated areas, categorized by what income band the units can serve. Port Angeles must demonstrate sufficient land capacity for the number of units allocated for households under different income bands, as shown above in Figure 52. In addition, Port Angeles also must show overall land capacity for the future population, housing and job targets for the city based on land use and zoning.

In Port Angeles’ case, Land Capacity Analysis (LCA) was conducted within the city limits to determine if there is capacity to accommodate housing targets determined by the County. The unincorporated UGA was not included in the study area, since the County has prepared an LCA for this area.

First, parcels that are exempt from development such as public land for recreational uses, utilities, and roads, were removed from the analysis. In addition, parcels with recently completed or permitted.

development and parcels that are not expected to be redeveloped were excluded from consideration. All other parcels were classified as vacant, partially-used, or redevelopable based on assessor data, parcel size, lot coverage requirements, building values, and land values. Critical areas and their associated buffers as defined by the municipal code were excluded from the total redevelopable gross acreage.

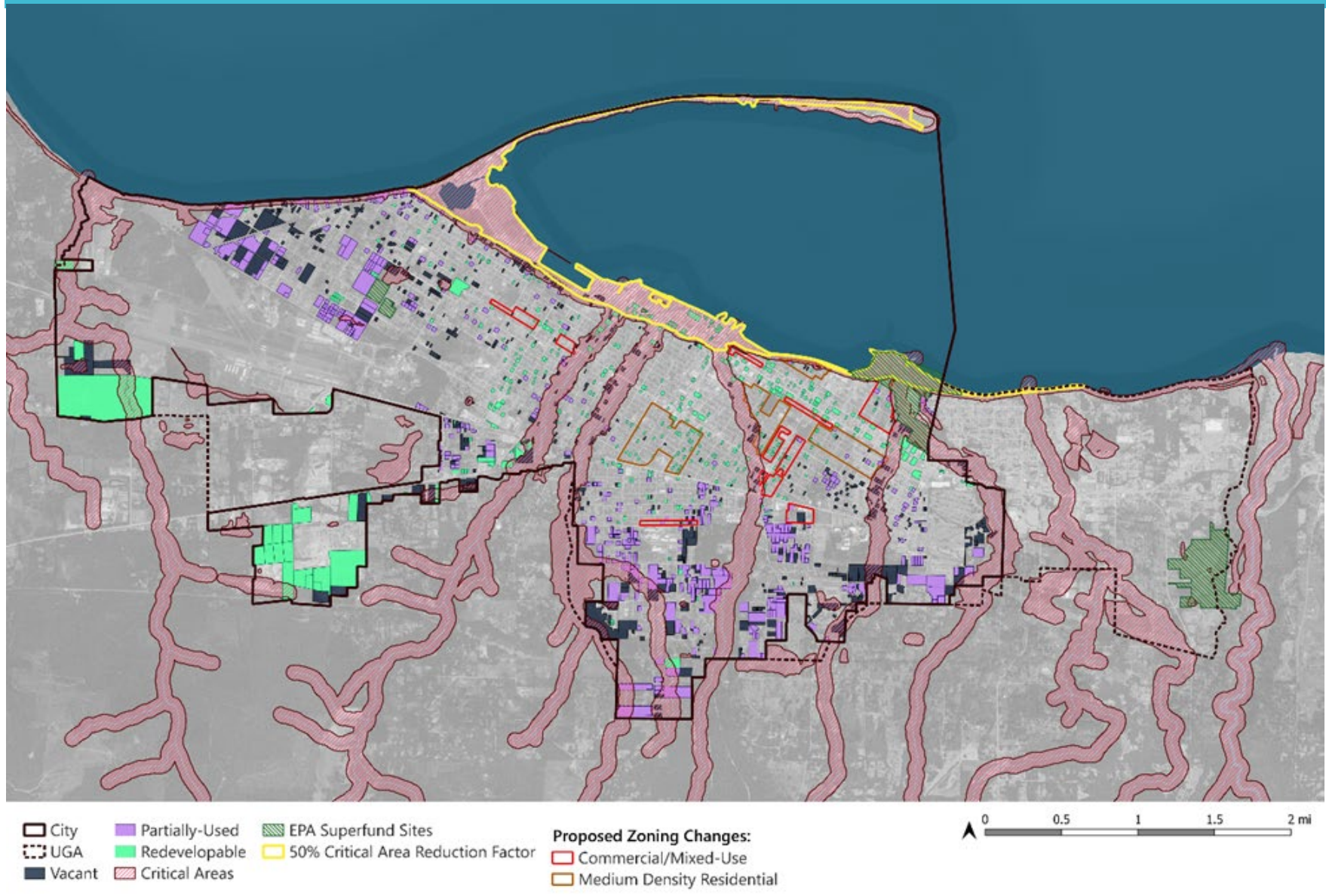
Second, a reduction factor based on market assumptions of how much land would be allocated for right-of-way, public space, stormwater facilities, or other dedications was applied. Third, based on the recent construction or permitted development density, assumptions for each zone were applied to calculate housing unit capacity. Finally, the capacity under the existing land use and zoning were compared to the County targets. While Port Angeles has enough land capacity for the total unit number, when determining what households these units could serve, there is a deficit of land for units that can serve low-income households. Per Commerce guidance, these units primarily take the form of multifamily structures, which can provide subsidized affordable housing. Therefore, to accommodate capacity for low-income households, the city will need to consider land use and zoning changes concurrently with adoption of this Comprehensive Plan update. Table 6 shows housing targets allocation by income band and capacity of land for each category under the existing land use and land capacity under the proposed zoning changes addressing low-income capacity deficit. **Figure 54** shows areas with proposed zoning changes primarily concentrated in and around downtown and commercial corridors. These zones will support commercial and mixed-use development corridors near downtown allowing for higher residential density. Several residential areas are proposed to be upzoned to residential medium density zones.

Table 1. Port Angeles Housing Targets and Capacity by Income Band

Income Band	Housing Needs	Aggregated Housing Needs	Pipeline Units	Remaining Housing Needs	Capacity (Existing Zoning)	Surplus/Deficit (Existing Zoning)	Capacity (Proposed Zoning Changes)	Surplus/Deficit (Proposed Zoning Changes)
0-30 PSH	299							
0-30 Non PSH	664							
30-50	605	1,809	64	1,745	1,676	(69)	1,777	32
50-80	241							
80-100	85	148	56	92	1,838	1,746	1,801	1,709
100-120	63							
120+	13	13	135	(122)	1,598	1,720	1,598	1,720
Total	1,970	1,970	255	1,715	5,112	3,397	5,177	3,462

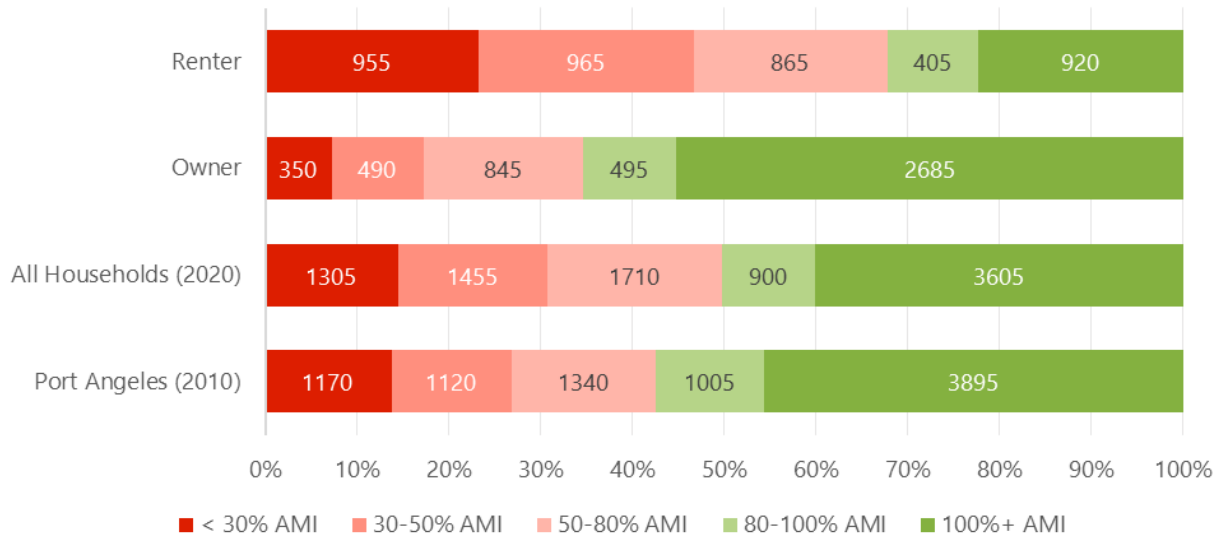
Source: Clallam County, Leland Consulting Group.

APPENDIX C: LAND CAPACITY ANALYSIS MAP



APPENDIX D: PORT ANGELES HOUSING COST BURDEN CHARTS

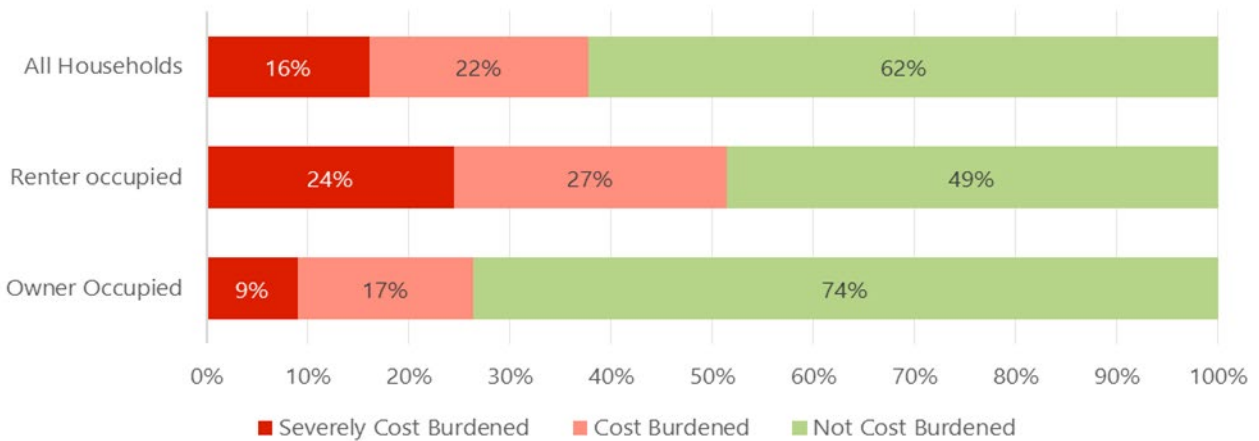
Household Income as a Percentage of AMI by Tenure in Port Angeles, 2010 and 2020



Source: 2006-2010, 2016-2020 HUD Comprehensive Housing Affordability Strategy (CHAS)

HUD considers a household as cost-burdened when it spends more than 30 percent of its income on housing, including rent or mortgage and utilities. A household is considered “severely cost-burdened” if they spend more than 50 percent of their income on housing. Figure 27 shows Port Angeles’ households broken down by cost burden and tenure. Overall, 38 percent of households are cost-burdened, and 16 percent are severely cost-burdened. Renters face higher levels of cost burden, with half of renter households spending more than 30 percent of their income on housing, whereas almost three-quarters of homeowners are not cost-burdened. This shows a need for more affordable rental housing in the city.

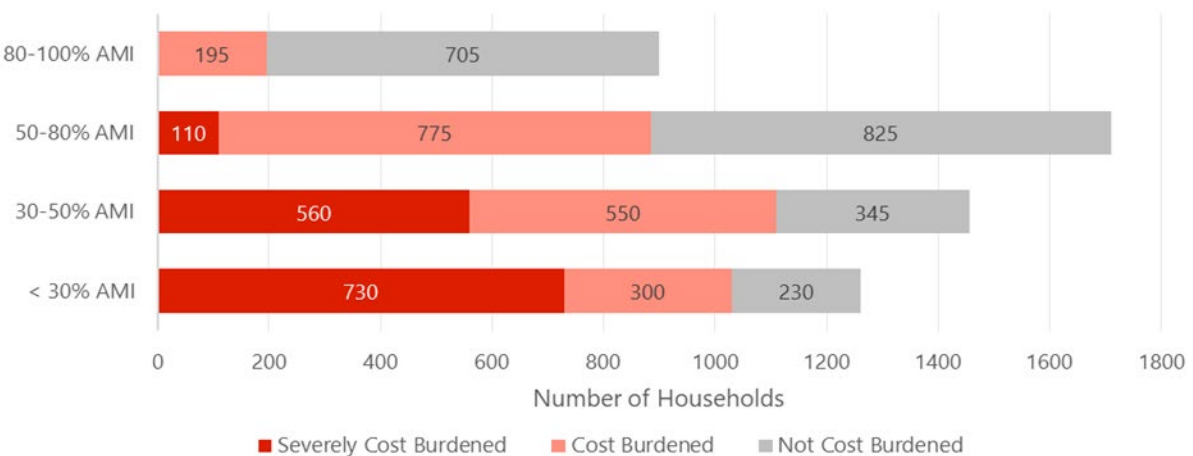
Cost Burdened Households by Tenure in Port Angeles, 2020



Source: 2016-2020 HUD Comprehensive Housing Affordability Strategy (CHAS)

When analyzed by household income, Port Angeles’ lower-income households (under 80 percent AMI and lower) face much higher rates of cost burden. Figure 28 shows that 1030 of Port Angeles’ extremely low-income households (earning 30 percent AMI or below) are cost-burdened, and two-thirds of those are severely cost-burdened. Three-quarters of households earning under 50 percent AMI are also cost burdened, and more than half of low-income households earning 50 to 80 percent AMI also spend 30 percent or more of their income on housing costs. This data shows the need for subsidized rental units in Port Angeles to serve the city’s lowest-income households, in particular severely cost-burdened.

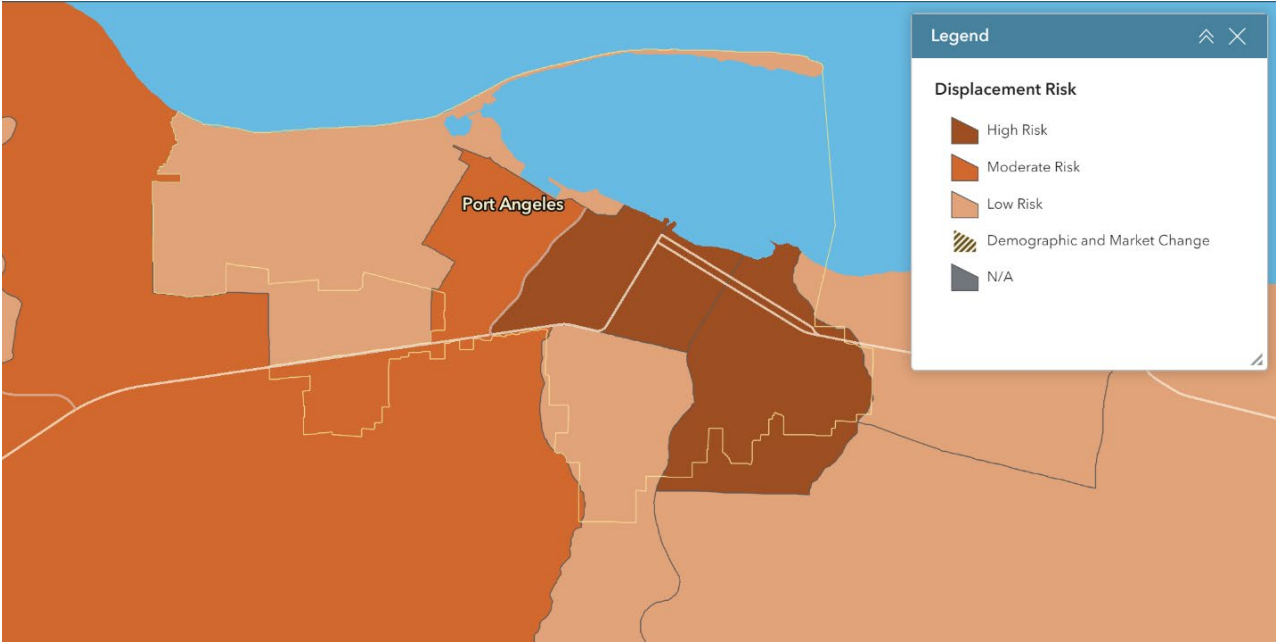
Cost Burden and Household Income in Port Angeles, 2020



Source: 2016-2020 HUD Comprehensive Housing Affordability Strategy (CHAS)

According to the Washington Department of Commerce’s draft Displacement Risk Map, most of the Port Angeles census tracts on the east face a high risk of displacement. Overall, this is one of the highest concentrations in the county. Along with the low median income compared to the county and the state figures and the high-cost burden on housing, this indicates a need for additional housing that residents at-risk can afford.

Map 1. Displacement Risk Map for Port Angeles



Source: Washington Department of Commerce Draft Displacement Risk Map