AGENDA
CLALLAM COUNTY HOUSING SOLUTIONS COMMITTEE

223 East 4th Street, Room 160
Port Angeles, Washington
September 4, 2026 – 9 a.m.

Housing Solutions Committee meetings will also be available virtually at:

If you would like to participate in the meeting via Zoom audio only, call 253-215-8782 and use Meeting ID: 813 8702 3267 Passcode: 12345

If you would like to participate in the meeting via Zoom video conference, visit https://us06web.zoom.us/j/81387023267and passcode: 12345

This meeting can also be viewed (only) on a live stream at this link:
https://www.clallamcountywa.gov/669/Live-Archived-Meetings-Online

Public comment and questions can be directed to the Housing Director at 360-417-2478 or timothy.dalton@clallamcountywa.gov

CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL

REQUEST FOR MODIFICATIONS/APPROVAL OF AGENDA

APPROVAL OF MINUTES

1. August 7, 2026

PUBLIC COMMENT – This comment period is for Agenda Items only

PRESENTATION

OLD BUSINESS

1. **PHA Francis Ridge 1406/1590 Request**

NEW BUSINESS

1. **Comp Plans Housing Element Shortfall**
2. **National Association of Counties Road to Housing Act**

REPORTS

1. **Community Update**

PUBLIC COMMENT – This comment period is for open housing items

NEXT MEETING DATE – October 2, 2026, at 9 a.m.

ADJOURNMENT 10:00 AM

Housing Solutions Committee

Draft Minutes

08/07/2026

CLALLAM COUNTY
HOUSING SOLUTIONS COMMITTEE
MINUTES of August 7, 2026

MEETING OF THE HOUSING SOLUTIONS COMMITTEE (HSC)

Chair Christy Smith called the meeting to order at 9:04 a.m.

Present: Chair Christy Smith, Commissioner Johnson, Commissioner French, Colleen McAleer, Sequim Deputy Mayor Anderson, Jalyn Boado, Wendy Sisk, Sharon Maggard, Sarah Martinez, Caleb McMahon, Greg McCarry, Shawn Washburn, Rod Fleck, Kathy Morgan and Paul Shane.

Absent: Director Bruce Emery, Viola Ware, Shawn McCourt, Leslie Bond, Steve Workman, and Colleen Robinson.

Clallam County Staff: Timothy Dalton

REQUEST FOR MODIFICATIONS/APPROVAL OF AGENDA

ACTION TAKEN: Colleen McAleer moved to approve the agenda as presented, Commissioner Johnson seconded, and the motion passed unanimously.

APPROVAL OF MINUTES

- Minutes – June 5, 2026

ACTION TAKEN: Sharon Maggard moved to approve the minutes, Colleen McAleer seconded, motion passed unanimously.

PUBLIC COMMENT ON AGENDA ITEMS – No comments

PRESENTATION – No presentation

OLD BUSINESS

1. **No Old Business**

NEW BUSINESS

1. **PHA Francis Ridge Senior Apartment Review** - Peninsula Housing Authority applied for Affordable Sales and Uses Tax funding for Francis Ridge Senior Apartment in the amount of a million dollars ($1,000,000). Sarah Martinez was presented to outline the project which will be between 60–70-unit multifamily development serving senior 60% of AMI with set-a-sides for homeless and veterans and about 60% project vouchers. Sarah answered a variety of questions about cost and funding sources necessary to bring this project to reality. This project will be a Low-Income Housing Tax Credit 9% project. A committee of Colleen McAleer, Greg McCarry, Shawn Washburn, Stephen Workman, Rod Fleck will meet on Friday August 21st to review the application and bring a recommendation back to the full committee in September to make a recommendation the BOCC.
2. **Housing Registry Update** – The committee reviewed the Housing Registry removing Peninsula Behavioral Health's Northview Apartments as complete even though they are still putting the finishing touches and people will probably be moving in in September.
3. **Affordable Sales and Use Tax Financial** – Timothy has worked with Deputy CFO Rebecca Turner and provided an update on Affordable Sales and Uses Tax funding. The fund currently has

$3 million allocated to two projects these include Peninsula Housing Authority's Eklund at Gales in the amount of $2 million dollars and Serenity House's Sunbelt Apartment in Sequim in the amount of $1 million dollars. This currently leaves a little over $800k available.

COMMITTEE REPORTS

1. Committee talked with Sarah Martinez about both Gales Edition projects and the excitement with the Mutual Self Help build projects.
2. Timothy let the committee know that Colleen Robinson was doing a ribbon cutting for the single-family home up on Fairmont and Hazel with their blitz build doing walls and roofing in a week.
3. Colleen McAleer talked about Washington Economic Development Association conference in the Tri-Cities, she said about 1/3 of the conference was about housing (market rate). Colleen said there were talk and freezing energy standards and evergreen sustainable design standards.

PUBLIC COMMENT

1. **Nancy Stephanz, Port Angeles,** commented since June there have been two more matches with a 62-year-old woman and her 28-year-old son who were living in their car are both under 60% AMI now housed.
2. **Paul Shane,** Sarge's Veteran Support Executive Director introduced himself and provided a little background about himself how he arrived here.

NEXT MEETING DATE

- Next meeting is scheduled for September 4, 2026, at 9 a.m.

ADJOURNMENT

- The meeting concluded at 10:11 a.m.

Housing Solutions Committee

Resolution for Affordable Sales and Use Tax Funding Allocation

Peninsula Housing Authority's

Francis Ridge Senior Apartments

RESOLUTION __________, 20

AUTHORIZING AN ALLOCATION OF AUTHORIZED EXPENDITURE FROM THE AFFORDABLE HOUSING SALES AND USE TAX FUND FOR THE APPROVED 2026 AFFORDABLE HOUSING TAX FUNDING APPLICATION

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. Resolution No. 32-2022 assigns responsibility to the Clallam County Housing Solutions Committee to provide guidance and support for the administration of the Clallam County Affordable Housing Sales and Use Tax 1406/1590 Grant fund and make recommendations to the Board of Clallam County Commissioners.

2. The Clallam County Housing Solution Committee received an Affordable Housing Sales Tax (1590) Fund application in July of 2026 from Peninsula Housing Authority for the construction of a 60-70-unit Multi-family Senior Apartment Complex located at Francis and Lauridsen Blvd in Port Angeles, WA Francis Ridge in the amount of One Million Dollars ($1,000,000.000). Clallam County Housing Solution Committee at their August 7, 2026, meeting assigned a subcommittee to review PHA's application and bring back a recommendation to the full Housing Solutions Committee which they did on August 21, 2026, and are recommending approval of this application.

3. The Housing Solutions Committee met on September 4, 2026, and approved the recommendation from the Subcommittee and moved to forward to the Clallam County Board of County Commissioners for a commitment for an allocation from the Affordable Housing Sales Tax (1406/1590) Fund in the amount of not to exceed One Million Dollars ($1,000,000.00) for PHA's Francis Ridge Senior Multi-family apartment complex contingent on the Peninsula Housing Authority's ability to secure all additional funding necessary to complete this project by January 31, 2028.

NOW, THEREFORE, BE RESOLVED by the Board of Clallam County Commissioners, in consideration of the above finds of fact

1. Concurs in the recommendation of the Clallam County Housing Solutions Committee and hereby grants Peninsula Housing Authority an allocation from the Affordable Housing Sales Tax (1406/1590) Fund with a grant not to exceed One Million Dollars ($1,000,000.00) for their Francis Ridge Senior Multi-family apartment complex contingent on the Peninsula Housing Authority's ability to secure all additional funding necessary to complete this project by January 31, 2028.

PASSED AND ADOPTED this ______________________ day of _________________________ 20

BOARD OF CLALLAM COUNTY COMMISSIONERS

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Mark Ozias

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Randy Johnson

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Mike French, Chair

ATTEST:

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Loni Gores, MMC, Clerk of the Board

Housing Solutions Committee

GMA Comp Plan

Housing Element Technical Analysis
Affordable Housing Funding Gap

CLALLAM COUNTY
Department of Community Development
County Courthouse
223 E. 4th St., Suite 5
Port Angeles, WA 98362-3015
Phone: (360) 417-2323
Fax: (360) 417-2443
bruce.emery@clallamcountywa.gov

Memorandum

Date: May 27, 2026

To: Public

From: Bruce Emery, Director of Community Development

Re: Addendum 2, Housing Element Technical Analysis (Appendix C), Affordable Housing Funding Gap Analysis

In accordance with RCW 36.70A.070(2)(d)(ii), the Growth Management Act (GMA) requires Clallam County to document "gaps in local funding" needed to achieve housing availability to all income segments. Section 6.4 of the *Housing Element Technical Analysis* (Appendix C) identified a series of public funding programs available for affordable housing development and included some recommendations for programs that might provide additional resources towards the provision of affordable housing. This Addendum to Appendix C considers the number of units needed to meet future affordable housing needs, the costs of constructing said units, and the funding available to meet the construction demanded by the projected need.

As noted on Page 7 and Table 5 of the Land Capacity analysis (Appendix B), accessory dwelling units (ADUs) do play a role in meeting some of the affordable housing needs of the 50-80% AMI income segment. In particular, modular, manufactured and tiny homes meeting residential Building Code standards provide affordable housing opportunity. Since the County was conservative in estimating future production of ADUs, it is assumed that 50% of the projected ADU growth will be accessible to the 50-80% AMI income bracket households. With this information in mind, the following depicts the projected affordable housing needs for the four lowest household income segments:

Table 1: Projected 20-year housing needs by household income

Unincorporated UGA	0-30% Non-PSH	0-30% PSH	30-50% AMI	50-80% AMI *
Sequim	100	45	91	25
Carlsborg	60	27	55	15
Port Angeles	100	45	91	25
Joyce	0	0	0	0
Clallam Bay/Sekiu	10	5	9	3
Forks	10	5	9	3
Totals:	**280**	**127**	**255**	**71**
(* Excludes 50% proportionate allocation of ADUs)				

In their August 2023 *Guidance for updating Your Housing Element* publication, the Department of Commerce identified the inflation-adjusted average cost per unit for the construction of new subsidized housing units in Clallam County at **$359,266**. The following Table 2 calculates the total, and estimated annual, project costs for meeting the housing demand for units identified in Table 1 above:

Table 2: Total and annualized cost for subsidized housing demand

Unincorporated UGA	0-30% Non-PSH	0-30% PSH	30-50% AMI	50-80% AMI
Sequim	$ 35,926,600	$ 16,166,970	$ 32,693,206	$ 8,981,650
Carlsborg	$ 21,555,960	$ 9,700,182	$ 19,759,630	$ 5,388,990
Port Angeles	$ 35,926,600	$ 16,166,970	$ 32,693,206	$ 8,981,650
Joyce	$ -	$ -	$ -	$ -
Clallam Bay/Sekiu	$ 3,592,660	$ 1,796,330	$ 3,233,394	$ 1,077,798
Forks	$ 3,592,660	$ 1,796,330	$ 3,233,394	$ 1,077,798
Subtotal:	$ 100,594,480	$ 45,626,782	$ 91,612,830	$ 25,507,886
Annualized estimate:	$ 4,023,779	$ 1,825,071	$ 3,664,513	$ 1,020,315
Total Annual Cost:	$ 10,533,679			

(Assumes per unit project cost of $359,266, with a 25-year planning horizon)

Funding available to assist with the cost of subsidized housing is limited and competitive. Section 6.4 of the *Housing Element Technical Analysis* (Appendix C) listed most of the programs available to unincorporated Clallam County for meeting its subsidized housing needs. Currently, the primary sources for affordable housing revenue include: the Affordable Housing Sales Tax Funds under HB 1406 (RCW 82.14.540) and HB 1590 (RCW 82.14.530). Several of the NGOs serving unincorporated Clallam County also rely heavily on grants issued by the State's Housing Trust Fund (HTF). As "first-in" moneys, the Affordable Housing Sales Tax Funds are critical for creating matches for the HTF and other state or federal grant sources. With six and four years of revenue data respectively, the 1406 and 1590 funds have shown to generate, on average, the following annual revenue:

- HB 1406 average annual revenue: $ 144,097
- HB 1590 average annual revenue: $ 1,470,888

Total: **$ 1,614,985**

When compared to the annual estimated total needed to meet subsidized housing project costs, there remains a shortfall: $10,533,679 - $1,614,985 = **8,918,694**, annually.

The competitive nature and volatility of the HTF funds make them difficult to predict or rely on from year to year. Other state and federal programs do appear from time to time, and Clallam

County should work hard to obtain additional funding to help close the funding gap identified above. Clallam County has researched the feasibility of selling surplus land but given the constraints and encumbrances present (e.g. zoning, wetlands, buffers, road and highway rights-of-way), this option does not appear to hold significant promise. Other steps could include application fee waivers and incentives; however, these alternatives are not likely to provide any substantial impact with respect to the funding gaps that must be addressed.

If you have any questions, please feel free to contact me at 360-417-2323 or by email at bruce.emery@clallamcountywa.gov.

Sincerely,

Bruce Emery, Director
Clallam County DCD

RCW 36.70A.070(2)(d)(ii): Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;

Housing Solutions Committee

National Association of Counties

Road to Housing Analysis

NACo Legislative Analysis

The 21st Century ROAD to Housing Act: What Counties Need to Know

BACKGROUND

On June 23, Congress passed its landmark housing reform package, the *21st Century ROAD to Housing Act* (H.R. 6644), after more than a year of stakeholder engagement, bill drafting and bicameral negotiation. As of this writing, the bill has passed both chambers of Congress and awaits the President's signature. This marks the most significant federal housing bill in more than three decades and reflects direct feedback from county stakeholders.

The bill's passage represents a timely response from Congress, coming against the backdrop of a housing affordability crisis felt in communities across the country. Throughout the legislative process, counties' message was twofold: that housing is one of the best investments a community can make – access to affordable, high-quality housing makes for healthier, more productive residents, safer, more connected neighborhoods and reduced strain on public services – and that counties are uniquely positioned to understand and meet the housing needs of our communities. As on-the-ground administrators of key housing programs, who also guide broader development through land use and planning tools, counties have a direct stake in how these programs perform and should be treated as trusted intergovernmental housing partners.

Counties supported the bill from the beginning, while also working with congressional staff to address minor operational concerns, and the final product reflects several priorities that NACo has long championed. This includes timelier access to critical disaster recovery funds, increased versatility in locally administered housing programs, new local funding streams and a series of rural housing reforms.

This analysis provides an overview of key provisions included in the bill and how they will impact county governments.

MAJOR PROVISIONS OF IMPORTANCE TO COUNTIES

Unlike landmark housing bills of the past, the bill contains no singular flagship program, but rather a holistic suite of tools that enhance local housing response rather than micromanaging it.

Some of the most impactful changes for counties include:

1. STREAMLINED ACCESS TO CRITICAL DISASTER RECOVERY FUNDING

The bill **authorizes the Community Development Block Grant – Disaster Recovery (CDBG-DR) program for three years**, providing timelier access to disaster recovery funding. Under current law, CDBG-DR does not have standing authorization or an annual budget and is, instead, appropriated on a supplemental basis following qualifying disaster events. This often results in funding delays of a year or more, as Congress evaluates impacts and negotiates funding levels. CDBG-DR funds may reach counties either as direct grantees or through state administration, depending on the disaster and jurisdiction.

CDBG-DR funds are particularly important for long-term housing recovery, infrastructure restoration and economic revitalization, complementing the more immediate recovery objectives of the Federal Emergency Management Agency's core programs. With standing authorization for three years, impacted counties will be able to access funds and begin the process of rebuilding much sooner.

2. EXPANSION OF KEY PROGRAMS

As frontline administrators of the Home Investment Partnerships (HOME) program, counties rely on these funds to meet the housing demands of homebuyers and renters alike. **The bill formally reauthorizes the HOME program** and makes the following changes to program parameters:

- **Raises income thresholds** from 80 percent of area median income (AMI) to 100 percent. Similarly, homeownership activities under HOME may now be put toward homes valued at up to 110 percent of the average area purchasing price (up from 95 percent). These changes are meant to **help communities better address gaps in "workforce level" housing.**
- Expands eligible uses to include housing-adjacent infrastructure for HOME grantees that do not receive Community Development Block Grant (CDBG) formula funding. This primarily applies to communities that receive CDBG funding through state pass-through.
- Exempts low-impact HOME projects from National Environmental Policy Act requirements. This specifically applies to infill housing projects, housing rehabilitation, and new construction projects under 15 units.
- Requires a U.S. Department of Housing and Urban Development (HUD) study on the impacts of the Build America, Buy America Act's domestic sourcing requirements on HOME project costs and timelines.
- Exempts specified HOME projects from the requirements of Section 3 of the Housing and Urban Development Act of 1968. Section 3 requires that a portion of the labor hours on any federally assisted project go to low-income individuals. This exemption applies to HOME participating jurisdictions that were allocated less than $3 million in a given year, for properties with less than 50 total units.

The bill also **authorizes new construction as an eligible use under CDBG.** Up to 20 percent of CDBG funds may be used for construction activities, providing counties with an additional tool for expanding their housing supply.

3. NEW LOCAL GRANT PROGRAMS

Local governments will also be able to apply for several new grant programs, including an innovation fund for jurisdictions that meet certain housing criteria, as well as regional planning grants and a program to restore abandoned homes.

- **Innovation fund grants** will provide flexible funding for urban counties (the same statutory definition used for CDBG entitlement communities) that have demonstrated an increase in housing supply growth. Program funds may be used for any eligible use under CDBG, as well as any other use that furthers the development of attainable housing. The pilot program will sunset in five years.
- **New regional planning grants** will be available to urban counties and regional planning agencies to plan and implement regional housing strategies.
- The Revitalizing Empty Structures into Desirable Environments (RESIDE) Act will provide **funding for local governments to redevelop abandoned or dilapidated properties.**

Because the bill is "budget-neutral" by design, **these programs remain unfunded** for the time being and **will require additional action from Congress** to set spending levels.

4. UNLOCK KEY FINANCING TOOLS

Under the bill, banks' "public welfare investment" (PWI) cap rises from 15 percent to 20 percent. The PWI cap restricts the amount a bank can invest in certain equity projects, such as those tied to the Low-Income Housing Tax Credit (LIHTC), to ensure they remain solvent. However, many banks are approaching their 15 percent cap, limiting access to that credit. Raising the cap would **free up new private investment for affordable housing** and community development projects.

5. RURAL REFORMS

Under the bill, Rural Housing Service subsidies are decoupled from maturing mortgage loans under the U.S. Department of Agriculture's (USDA) Section 515 mortgage guarantee program. Absent this change, rental assistance for these properties would expire as the loan reaches maturity—congressional staff analysis estimates this would **impact more than 400,000 rural renters.**

The bill also **exempts certain low-impact USDA-assisted projects from more rigorous environmental review requirements** under NEPA. Meanwhile, the bill encourages increased collaboration between USDA and HUD and authorizes them to conduct joint environmental reviews.

Lastly, HUD is directed to study small-dollar mortgages (less than $100,000) and **develop a pilot program to expand consumer access.**

6. THOUGHTFUL APPROACH TO INSTITUTIONAL INVESTORS

Limits on large institutional investors' activity in the housing market have been a focus of recent housing policy debates, as a way to keep families and first-time buyers competitive. In an earlier draft of the bill, the Senate included language that precluded "**large institutional investors**," defined as any entity with a direct or indirect interest in more than 350 single-family homes, from acquiring additional units.

At the same time, **investors were required to divest from dedicated "Built-to-Rent (BTR)" properties** within seven years of acquisition (plus a possible three-year tenant opt-in). Counties expressed concern that the forced sale of BTR properties may result in **displacement of rental households** who are unable to afford to purchase their unit. Additionally, **local governments may encounter administrative challenges** when trying to subdivide these detached rental communities. Many of these developments are built on a single master parcel, with shared utilities or driveways and were never intended for single-family use.

Ultimately, the two chambers reached a compromise removing this requirement, reflecting key feedback from counties and industry stakeholders.

ADDITIONAL PROVISIONS

While counties' advocacy delivered a number of key wins, there are also several regulatory changes and cost mandates to be aware of:

1. CDBG ALLOCATION CHANGES AND LAND DATABASE

The legislation's *Build Now Act* ties CDBG formula funding to local housing growth. Higher-performing grantees will be eligible for prorated bonus payments, funded directly from a ten percent penalty to lower-performing grantees.

Counties had expressed concerns that unpredictable funding shifts could undermine long-term community development planning and make it more difficult to leverage CDBG investments for multi-year housing, infrastructure and economic development projects.

NACo's advocacy focused on shrinking the impact of this section and the final bill includes a number of exemptions that are expected to significantly narrow the pool of CDBG-affected recipients:

- An **expanded emergency lookback**, exempting any community that has been subject to a major disaster or emergency declaration in the preceding three years
- **Supply and demand exemptions**, for communities that fall below specified housing or rental cost thresholds or exceed the national median vacancy rate. These exemptions specifically apply to any grantee 1) for which the rental vacancy rate is above the national

vacancy rate, or 2) for which the median home value is below the national median home value AND the median fair market rent is below the 60th percentile of all other CDBG entitlement grantees.

- **Zoning exemptions** for grantees with limited legal authority to influence zoning or land use in their community

The language also includes a **three-year glide path** (meaning this provision would not take effect until 2029) and a requirement that HUD annually notify CDBG grantees of their eligibility and funding status.

CDBG entitlement grantees will also be **required to maintain a public database of undeveloped land** owned by the jurisdiction. Grantees may use CDBG funding to meet this requirement.

2. MODEL ZONING FRAMEWORKS

The bill directs HUD to develop a series of **best practices for states and local governments to promote housing growth**. While these guidelines would not have the force of law, they may present a **blueprint for state-level preemption.**

NEXT STEPS FOR COUNTIES

While the bill authorizes several new local grant programs, these programs remain unfunded for the time being and counties should continue working with Congress to set sufficient spending levels.

Additionally, this bill will place greater responsibility on HUD to administer new programs and implement changes. NACo is mindful of agency capacity constraints and will continue advocating for adequate staffing levels to ensure seamless implementation.

With congressional passage secured, counties will soon turn their eye to implementation (pending presidential approval as of the time of publication). Counties look forward to working with our federal partners to ensure sound implementation of these changes and confront the issue of housing affordability in our communities. There is more work ahead, but this legislation marks a meaningful step forward.