

Memo

To: City Council

From: Jamie Maciejewski, Executive Director, Habitat for Humanity of East Jefferson County

Date: 11/7/2025

RE: Comprehensive Plan, Housing and Land Use

Preface

The City of Port Townsend should be commended for its past and anticipated future work towards making more housing possible. Habitat for Humanity of East Jefferson County views the engagement with the City as a partnership and believes the community has benefited as a result.

Summary

Habitat for Humanity of East Jefferson County owns nearly three acres of R-IV zoned property within the City of Port Townsend. Under current zoning regulations, this land represents the potential for 50 to 60 homeownership units (possibly more) for individuals and families earning up to 80% of the Area Median Income (AMI). In some cases, such as our Mason Street Neighborhood in Port Hadlock, we can extend eligibility to those earning up to 120-150% of AMI. Habitat serves many members of the local workforce and views mixed-income neighborhoods as an important goal.

Our mission is to provide affordable homeownership opportunities to those who live and work in East Jefferson County — including employees at hospitals, schools, restaurants, grocery stores, assisted living facilities, and other essential services. **Habitat homeowners purchase their homes through securing affordable mortgages, enabling long-term wealth creation and financial stability.** We accomplish this within the framework of our Permanent Affordability Program, which ensures each home will be a resource to the community in perpetuity.

Support for Increased Maximum Density

Habitat supports increasing **maximum density allowances** across all residential zones. This change would empower organizations like ours to build more efficiently and creatively, as demonstrated in our Cliff Street Cottage and Landes Terrace neighborhoods, currently under construction. These projects have successfully utilized City code provisions such as zero lot line development and unit lot subdivisions to maximize land use and drive affordability.

We are eager to continue working with the City to leverage available tools and policies that support our shared goal of expanding housing options that are affordable to the local workforce.

Concerns Regarding Increased Minimum Density

While we support higher maximum densities, Habitat has significant concerns about proposals to increase **minimum density requirements**. Such changes could unintentionally hinder affordable housing development by introducing delays and limiting flexibility.

For example, raising the minimum density on our R-IV property could delay project planning and development by **ten years or more**. Given the limited availability of affordable land within city limits, this could effectively halt Habitat’s ability to build in Port Townsend during that time and restrict us to building only in the county—a scenario we hope to avoid.

Limitations of Condominium Development

Increasing minimum density requirements in RIII and RIV as proposed would require Habitat to build and sell homes as condominiums. We do not currently build condominium-style housing due to higher construction costs as well as higher costs to homeowners in the long term. Common interest property requirements often result in condominium association dues and reserves that reduce the income available for mortgage qualification. Additionally, vertical construction is more capital-intensive and would require bridge and/or permanent financing, which may work for market rate developers, but is less feasible for our organization. Further, the requirements on developers of condominiums raise construction insurance costs beyond what is affordable for our business model.

Cottage homes, paired homes, and townhomes, commonly referred to as “middle housing”, are cost-effective, less capital intensive and better aligned with our mission. We focus on these housing types because of their efficient use of land, residential designation (vs. commercial) that reduces building costs, construction methods that support community engagement, and aesthetic that fits well within Port Townsend’s neighborhoods.

Alternative Approaches to Encourage Density

Rather than increasing minimum density thresholds, Habitat recommends exploring alternative mechanisms to promote efficient land use and infill development. These could include:

- **Floor Area Ratio (FAR) regulations with Valuation-based permit fees**
- **Proportional impact fees targeting inefficient land use**

The Washington State Department of Commerce has published guidance on implementing proportional impact fees and system development charges to support infill development. We encourage the City to consider these tools as part of its Comprehensive Plan update.

Conclusion

Habitat for Humanity remains committed to partnering with the City of Port Townsend to address the urgent need for affordable housing. We support thoughtful changes to zoning regulations that enable greater flexibility and density, but caution against approaches that may inadvertently delay or discourage development.

We welcome continued dialogue and collaboration to ensure that future policies reflect the needs of our community and the realities of developing housing that is affordable to Port Townsend's essential workers. We have provided additional input in the attached document.

In partnership,



Jamie Maciejewski
Executive Director

Attachment

Clarified Definitions

Housing Types

Although the City is extremely familiar with housing type definitions, we recommend clarification of certain terms that are important to Habitat’s program.

- **Duplex:** Two dwelling units in one building, either side-by-side or stacked, **on a single lot.**
- **Paired Homes:** Two dwelling units side-by-side, **each on separate lots.**
- **Cottage Housing:** Small detached homes clustered around shared open space, **or may be detached units on a divided parcel.**
- **Townhouse:** Attached units with separate entrances and ownership, each on separate lots.
- **Fourplexes:** Attached units with separate entrances and ownership on a **single lot.**

Income Ranges Definitions

Although the common definition of low-income is set at 80% AMI and below, this definition lacks nuance that is available and would more accurately align with housing types and providers’ (especially non-profit providers) ability to serve. Habitat serves a homeownership need from 50% (sometime lower) of AMI to 80% (and sometimes beyond); rental housing subsidies serve persons who are below 50% of AMI. The more nuanced definitions below help to clarify the likely solutions needed.

Category	% of AMI	Example (Jefferson County, 2024)
Extremely Low-Income	≤30%	≤\$26,499
Very Low-Income	≤50%	≤\$44,165
Low-Income	≤80%	≤\$70,664
Moderate-Income	≤115%	≤\$101,579

Affordable Housing Definition

Washington State defines **affordable housing** as:

- Housing with monthly costs (including utilities except telephone) that do **not exceed 30% of a household’s income.** Habitat believes this definition applies to all income levels, not just low-income households. Given our local economics, Habitat uses “one-third” of income.

Issues to Watch For:

- **Ambiguity in Housing Type:** Middle housing is often discussed without specifying whether units are for **rental or ownership.** Both have a place and meet different needs. The mechanisms for making rental and home ownership available are different in the non-profit space especially. Further, middle housing is a type of housing that lies

between detached single-family construction and stacked apartment or condominium housing. It is not restricted to a certain income level.

- **Affordability and Increased Housing:** Both topics are important and deserve to be discussed, but supported and measured from an outcome standpoint independently. It is possible to build affordable housing that does not take advantage of density opportunities. Habitat seeks to build housing that is both affordable and takes advantage of density opportunities.

Example Page References

Page 20: Housing Element

Paragraph 5 currently reads: “Ideally, middle housing is an affordable and appealing option for a community’s workforce and households earning between 80% to 120% of the area median income. Providing for these housing types supports both market-rate buyers and non-profit housing organizations in the development of housing affordable to below the 80% area median income.”

Response: This statement is unclear. Middle housing is a type of housing (as illustrated in the chart on page 24) and is not restricted to 80-100% AMI. We suggest you rewrite this statement: “Middle housing is an affordable and appealing option for a community’s workforce at all levels of area median income. Further, zoning and other support for construction of middle housing benefits both market-rate and non-profit developers.”

Paragraph 6 currently reads: “As the Affordability section shows, Port Townsend has a stark deficit of units that are affordable for people earning less than 80% of the area's median income. Higher-density options are a key way to ensure that people from all income levels can afford to continue living here”

Response: As we said above, high minimum densities will eliminate Habitat’s ability to build middle housing in RIII and RIV for the foreseeable future. Further, simply increasing density does not guarantee housing will be built. Deep subsidies are required for both construction and operation of rental housing affordable to low-income households; and, with one notable exception, market-rate developers have not stepped up to build apartments or condos in the city in recent years despite zoning that allows for density.

Page 24: Housing Element

“Tiny House” is in the picture but not defined. There is confusion among many in the community about the distinction between residential tiny houses and tiny shelters. The former contain plumbing, cooking facilities, and other requirements to meet the federal definition of housing; the latter do not contain those and thus it is our understanding

that they do not meet the federal definition. We recommend you define this clearly to ensure people understand that tiny homes, to qualify as residential housing, must include plumbing, kitchen, and heating.

Page 25: Housing Element

Housing Production Barriers – A primary barrier to the construction of housing affordable to most of the workforce is the necessity for the developer (non-profit or otherwise) to develop and pay for infrastructure (streets, utilities, stormwater).

Page 25-26: Housing Element

Zoning Regulations “For example, multifamily housing is frequently cheaper per unit to construct, making it a more achievable affordable housing option. However, Port Townsend’s development regulations have historically limited density, building heights, and locations where this housing could be built”

Multifamily multi-story housing is not necessarily cheaper to build and may in fact be less affordable. Multi-story housing triggers new development requirements, commercial residential codes, and commercial prevailing wages. Further, it often requires ongoing subsidy.

Page 32: Housing Element

Lack of Emergency and Affordable Housing – We suggest you retitle this section, for example “Lack of Housing That Meets the Community’s Needs”. Emergency housing and affordable housing are different topics. Both are necessary to a healthy community. However, bundling them together in the title and section will confuse readers and reinforce stereotypes.

Page 38: Housing Element

Definitions of income ranges. Using the headline of Extremely Low Income (defined as below 30% of AMI) and then talking about 50% to 80% AMI on the next page is confusing and reinforces stereotypes. The mechanisms to address need across the income ranges is different. We recommend you remove reference to 50-80% AMI from this section. Also, the bar graph on this page is too out of date to be useful. It is not our belief or experience that there is an excess of housing units to households in the 50-80% AMI range, or in any other range, for that matter.

Page 43: Housing Element

We request you substitute this description of Habitat for Humanity for the one you currently have: Habitat for Humanity partners with low- and moderate-income people

who live or work in East Jefferson County. Habitat utilizes a homeownership model that is permanently affordable, where homebuyers perform sweat equity and secure an affordable mortgage with payments that do not exceed 1/3 of gross income. This provides stability and allows homeowners to build equity. Habitat also performs critical repairs to homes owned by residents unable to manage their own repairs. As of the end of 2025, Habitat has built 72 homes, repaired 60, is building 20, and has more than 140 in the pipeline.