

VIA USPS AND EMAIL TO AHOWARD@cityofpt.us

May 11, 2026

Mayor Amy Howard
250 Madison Street, Suite 2
Port Townsend, WA 98368

Subject: AHPT Appeal

Dear Mayor Howard:

AHPT makes this counteroffer in response to the City's April 10, 2026, counteroffer.

On March 18, 2026, Affordable Hometown Port Townsend sent you a settlement offer containing proposals for settlement culled from the hundreds of comments submitted during the Comprehensive Plan Process.

Commenters on the Comprehensive Plan overwhelmingly supported affordable housing measures and gentrification protections while opposing upzoning beyond fourplexes, elimination of the daylight plane, changing 10-foot setbacks to 5 feet or (in the case of multi-family units none), and permanently eliminating all off-street parking requirements.

Unfortunately, the City Council chose to pass a Plan amendment ignoring these comments and lacking meaningful measures for affordability and displacement protections while allowing massive gentrification and destruction of currently affordable housing. Crucially, Comp Plan amendments, as passed, failed to provide housing targets by income band, as mandated by the Growth Management Act. Nor, as required by the GMA, did the City properly assess the racially disparate impact of past and future City housing policies, the displacement impact, or other negative impacts, which could be exacerbated by the City's purely free-market approach.

REJECTION OF THE CITY'S COUNTEROFFER

AHPT rejects the City's counteroffer. We appreciate that the City is committing to "potential revisions" of the Plan to address its failures on affordability requirements (and in particular, failing to plan housing units by income band), and to do a study on tenant protections.¹ We see this as a first step towards bringing the Plan into GMA compliance and protecting residents of all ages from the harms caused by gentrification and displacement.

The time to have performed these studies and proposed code language changes was BEFORE the Comp Plan amendments were finalized for public review. The original Comp Plan timeline promised delivery to the public for comment in Spring 2025. Instead, the Comp Plan was presented to the Planning Commission on October 23, 2025, without any of these studies and without proposed code language changes for affordability and tenant protections. Even after the Plan was significantly modified by the City Council to include a sweeping upzone before

¹ We note that the City is still unwilling to assess the racially disparate impact of past and future City housing policies as part of this process. Any studies undertaken by the City must legally include this assessment.

adoption on December 15, 2025, the City failed to address affordability, tenant and anti-displacement protections, and other protections.

An agreement to studies alone will not result in a successful settlement of the Appeal. Nor will there be successful settlement without a moratorium on the 2025 upzone.

WHY A MORATORIUM IS NECESSARY

If the City cannot agree to a moratorium on the massive 2025 upzone in R-II while the GMA-mandated issues are being resolved and the impacts of such an upzone are being adequately addressed through an enhanced public process that considers needed changes to the Comp Plan, we do not see any basis to negotiate further. Once permits are approved for larger structures without affordability requirements, affordable housing stock will be diminished, and residents will be displaced by teardowns and rising property taxes from skyrocketing land value due to density driven investments. The damage will be done. AHPT does not oppose increasing density where the infrastructure allows such density, it does not upend stable neighborhoods by causing whole blocks to be leveled, it leads to affordable housing and there are anti-displacement measures in place.²

We propose as a settlement that the City: (1) agrees to a temporary moratorium (which will let perfected permits go through), and (2) agrees to re-open the public process in a full, robust way to actually undertake changes to the Plan to, among other things, remedy the Plan's defects on affordability, as outlined below.

If the City is willing to do this, we would agree to put the Appeal on hold pending the results. We will not agree to end the Appeal with nothing but a City promise to do something in the future. If the City-fix turns out to fall short of GMA requirements, we need to reserve the right to challenge any potential City changes (if they in fact occur) to the Growth Management Board.

If the City is not willing to negotiate the terms of a settlement on this basis, then that means the Appeal will go forward. One benefit to the City and the public of settling at this stage is that by staying the Appeal, City staff time that is devoted to the Appeal is freed up to do the work necessary to remedy defects in the 2025 plan.

AHPT'S FIRST OFFER AND THIS COUNTEROFFER REQUIRE A PUBLIC PROCESS

The City said in its counteroffer that it "cannot agree to AHPT's proposed settlement as it would predetermine legislative outcomes – such as density limitations, inclusionary zoning requirements, landlord tenant protections, and other development regulations outside of an open, legislative process."

This counteroffer, and our original offer, expressly requested that all our proposals go to the public in a revised final comprehensive plan with one or more hearings as necessary for the public to comment in a venue large enough to allow everyone to attend in person.

² RCW 36.70A.070 states a city's GMA housing plan must contain certain elements, while ensuring the vitality and character of existing residential neighborhoods: "(2) A housing element ensuring the vitality and character of established residential neighborhoods...."

It is the City that violated the GMA's mandate on "early continuous and meaningful public participation" by making substantial Comp Plan and zoning revisions without any public input when it adopted a massive density increase after the public record was closed on November 24, 2025.

The City should re-open the process now to do what it should have been done before the Plan was adopted. We believe the Growth Board will find the Plan is invalid as adopted and send the matter back to the City to correct. The City will then have to reopen the process to make necessary corrections. Why not do that now while the Appeal is stayed?

AHPT COUNTEROFFER: AN OUTLINE OF PROPOSED TERMS FOR SETTLEMENT

In the interest of resolving this matter short of further litigation, AHPT proposes the following terms:

1. The City agrees to adopt an immediate temporary moratorium on December 15, 2025, bulk and density upzone provisions in the R-II.
2. In a revised proposed Comp Plan with zoning changes the City must include the following and allow for meaningful public participation and formal hearing of these proposals:
 - a. The City removes from maximum housing density in the R-II "except 6 units per 5,000 square feet for infill projects with less than 10,000 square feet or less of lot area." Instead, sixplexes that contain affordable housing (or meet payment in lieu requirements) and meet the Daylight Plane requirements existing on December 14, 2025, will be allowed on a minimum of 5,000 SF in the R-II zone, pending completion of tenant protection policies as well as other anti-displacement policies. If this is not acceptable to the City, we would agree to the City proposing that sixplexes be allowed on a minimum of 10,000 square feet in the R-II, pending the adoption of affordable housing requirements and tenant protection policies as well as other anti-displacement policies.
 - b. The City removes "No limit" from maximum number of dwelling units in any one structure for the R-II in PTMC Table 17.16.030 and replace with "six."
 - c. The City removes zero setback for multi-family housing in the R-II in PTMC Table 17.16.030 and replace with "5 feet".
 - d. The City removes "5 feet" minimum side yard setbacks in the R-II in PTMC Table 17.16.030 and replace with "10 feet."
 - e. The City removes "65%" for maximum lot coverage for multi-family units in the R-II in PTMC Table 17.16.030 and replace with "50%".
 - f. The City insert a requirement in the municipal code that neighboring properties to those seeking a permit to build multi-family units of five or more receive notice and an

opportunity to comment on whether there is sufficient parking, water, sewer and stormwater management. This will allow neighboring properties to articulate if they are being negatively impacted by new five- and six-unit construction. The City will need to hear and address those comments before issuing a permit. Details of notice requirements and the review process would be negotiated as part of a written settlement agreement between the parties. This requirement, and the infrastructure/services assessment discussed below are being proposed instead of requiring a new EIS and SEPA.

CONTOURS OF THE MORATORIUM AND REQUIRED STUDIES

As the City is aware, land use moratoria are temporary, legal pauses on accepting or processing development permits often enacted by local governments to study or revise zoning codes. Under RCW 36.70A.390, cities can adopt a moratorium for up to six months (or one year with a work plan) without a public hearing but must hold a hearing within 60 days of adoption.

No vested permit would be affected by a moratorium.

Before lifting the moratorium, the City would undertake the studies it offers to do (as well as those requested below), propose the changes outlined above, and then re-open the public process to address defects in the 2025 Plan as follows:

- The City will commit to perform a new Land Capacity Analysis (LCA) and Housing Element for compliance with RCW 36.70A.070(2) consistent with GMA's requirements, including by income bands (not housing types). The City in its counteroffer has already offered to do this.
- The City will commit to address the racially disparate impact of past and future City housing policies.
- The City will show, by expert study, funding sources and other means, how required housing targets determined by the Department of Commerce for Port Townsend will be met, again in compliance with GMA's requirements. This may or may not entail inclusionary zoning or fees in lieu provisions on multifamily projects, depending on the choice the City makes (with public participation) on sixplexes in the R-II. The City apparently indicated it might adopt inclusionary zoning in its counteroffer when discussing undertaking an affordability analysis.
- The City will show where there is sufficient infrastructure in the R-II for sixplexes on 5,000 or 10,000 SF, depending on which choice the City makes (with public participation), that the level of service is appropriately set so that developers cover the cost of their development, and that there are sufficient public facilities and services to support this development without decreasing levels of service or causing an increase in costs to current residents, and including:
 - o Adequate water and sewer capacity
 - o Stormwater infrastructure
 - o Roadway capacity – No presumed LOS F designation
 - o Transit access

- o On street parking availability
- o Emergency access
- o Sidewalks and pedestrian facilities³

In conclusion, AHPT is fully aware of our local housing crisis. We are not against increased density so long as it is part of meeting GMA-required affordable housing targets, and so long as it is done in a thoughtful manner that actually provides for more affordability, and addresses impacts from density increases. It would be a far more reasonable approach to roll back the 2025 radical, massive, last-minute density increases that allowed a sixplex on any standard lot in the R-II and reinstate the 2023 standards of a fourplex per lot. Even a fourplex far exceeds the State requirement for a small town like Port Townsend. The 2025 Comprehensive Plan, as it stands, is a radical outlier as no other city of our size has created densities in residential zones at this level. It is also unwise because it threatens affordability instead of fostering it.

Nevertheless, we are offering a path forward on increasing density and are more than willing to negotiate further within the parameters of this letter.

Thank you,



John Watts, President
Affordable Hometown Port Townsend

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³ In its initial offer to the City, AHPT sought to have the City complete a new, updated, EIS on which to analyze impacts from the massive 2025 upzone, rather than relying on an almost 30-year old environmental analysis dating to the 1990s. AHPT believes such an update needs to occur and that it is nonsensical to base 2025 land use changes on such an out-of-date analysis. This offer simply asks the City to ensure adequate infrastructure and services are available before locating new sixplex development.