



Shelton City Council  
Study Session Agenda  
March 14, 2023 – 6:00 p.m.  
Civic Center & Virtual Platform

**A. Call to Order**

**B. Roll Call**

**C. Study Agenda**

1. Housing Options – Presented by Community & Economic Development Director Jae Hill

**D. New Items for Discussion**

**E. Adjourn**

*The City of Shelton is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council meeting, please call (360) 432-5103 at least 48 hours in advance of the meeting.*



# 2023 Looking Ahead

(Items and dates are subject to change)

<p>Tues. 3/21 5:45 p.m.</p>	<p>Regular SMPD Meeting</p>	<p>Consent Agenda</p> <ul style="list-style-type: none"> <li>• Vouchers/Meeting Minutes</li> </ul> <p>Business Agenda</p> <ul style="list-style-type: none"> <li>•</li> </ul> <p>Action Agenda</p> <ul style="list-style-type: none"> <li>•</li> </ul> <p>Administration Report</p> <ul style="list-style-type: none"> <li>• On-going Projects</li> </ul>	<p>Packet Items Due: 3/10 @ 5:00 p.m.</p>
<p>Tues. 3/21 6:00 p.m.</p>	<p>Regular Meeting</p>	<p>Consent Agenda</p> <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> </ul> <p>Presentation</p> <ul style="list-style-type: none"> <li>• January Financial Status Report</li> </ul> <p>Business Agenda</p> <ul style="list-style-type: none"> <li>• Public Hearing Resolution No. 1264-0223 6-Year TIP</li> <li>• Purchase &amp; Sale Agreement – 13<sup>th</sup> Street</li> <li>• Resolution No. 1268-0323 Meadows Edge Notice of Intent to Annex</li> </ul> <p>Action Agenda</p> <ul style="list-style-type: none"> <li>• Resolution No. 1265-0223 Reservoir Capacity Options Study</li> <li>• Resolution No. 1267-0323 Dept. of Ecology Nutrient Reduction Grant Acceptance</li> </ul> <p>Administration Report</p> <ul style="list-style-type: none"> <li>•</li> </ul>	<p>Packet Items Due: 3/10 @ 5:00 p.m.</p>
<p>Tues. 3/28 6:00 p.m.</p>	<p>Study Session</p>	<p>Study Agenda</p> <ul style="list-style-type: none"> <li>• SMC 3.52 &amp; SMC 5.04</li> </ul>	<p>Packet Items Due: 3/24 @ noon</p>
<p>Tues. 4/4 6:00 p.m.</p>	<p>Regular Meeting</p>	<p>Consent Agenda</p> <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> </ul> <p>Presentation</p> <ul style="list-style-type: none"> <li>• Proclamation – Child Abuse Prevention Month</li> <li>• Proclamation – Telecommunicators Week</li> </ul> <p>Business Agenda</p> <ul style="list-style-type: none"> <li>• Resolution No. 1269-0323 Andritz Sole Source for Biosolids Dewatering and Drying Equipment</li> </ul> <p>Action Agenda</p> <ul style="list-style-type: none"> <li>• Resolution No. 1264-0223 6-Year TIP</li> <li>• Purchase &amp; Sale Agreement – 13<sup>th</sup> Street</li> <li>• Resolution No. 1268-0323 Meadows Edge Notice of Intent to Annex</li> </ul> <p>Administration Report</p>	<p>Packet Items Due: 3/24 @ 5:00 p.m.</p>

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Tues. 4/11 6:00 p.m.	Study Session	Study Agenda <ul style="list-style-type: none"> <li>• Code Enforcement</li> </ul>	Packet Items Due: 4/7 @ noon
Tues. 4/18 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> <li>• February Financial Status Report</li> </ul> Presentation <ul style="list-style-type: none"> <li>• Municipal Court</li> </ul> Business Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Action Agenda <ul style="list-style-type: none"> <li>• Resolution No. 1269-0323 Andritz Sole Source for Biosolids Dewatering and Drying Equipment</li> </ul> Administration Report <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: 4/7 @ 5:00 p.m.
Tues. 4/25 6:00 p.m.	Study Session	Study Agenda <ul style="list-style-type: none"> <li>• FCS Group Preliminary Water &amp; Sewer Rate Presentation</li> </ul>	Packet Items Due: 4/21 @ noon
Tues. 5/2 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> </ul> Business Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Action Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Administration Report <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: 4/21 @ 5:00 p.m.
Tues. 5/9 6:00 p.m.	Study Session	Study Agenda	Packet Items Due: 5/5 @ noon
Tues. 5/16 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> <li>• March Financial Status Report</li> </ul> Presentation <ul style="list-style-type: none"> <li>• Timberland Regional Library</li> </ul> Business Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Action Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Administration Report <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: 5/5 @ 5:00 p.m.
Tues. 5/23 6:00 p.m.	Study Session	Study Agenda	Packet Items Due: 5/19 @ noon

Other – TBD

- Water and Sewer Fee Schedule Revisions (Ordinance removing rates from SMC)
- Public Hearing Ordinance No. 1990-0522 Amending SMC 17.12



# Housing Solutions

Jae Hill, AICP, CFM

Community & Economic Development Director

City of Shelton

March 14, 2023

# Housing Terms

- **Area median income (AMI):**
  - Area-wide median family income calculated by the federal Department of Housing and Urban Development (HUD) for a county or region.
- **Cost Burdened:**
  - Defined by HUD as households who spend over 30% of their income on housing costs (includes utilities, insurance and property tax).

- **Severely Cost Burdened:**
  - Defined by HUD as households who spend over 50% of their income on housing.
- **Income Limits**

Income Category	Household Income*
Extremely low-income	30% of MFI or less
Very-low income	30-50% of MFI
Low income	50-80% of MFI
Moderate income	80-100% of MFI
Above median income	> 100% of MFI

\* Median Family Income (MFI) for the HUD defined market area.

# Housing Needs

- 29% of Shelton’s rental households are severely cost burdened
  - 20% Mason County, 21% WA
- 19.6% of Shelton’s households are below poverty line
  - 12.5% Mason County, 9.9% WA
- Homeless individuals: 477
- 3,216 manufactured homes to be replaced

- Mason County Current Rental Market Gap
  - 651 Low-income
  - 752 Market-rate
- Housing Needs by 2043

	UGAs (Allyn, Belfair, Shelton)			Total
	City of Shelton	Shelton	Rural County	
Single Family Detached	377	2,640	4,525	7,542
Townhomes / Plexes	182	142	81	405
Multi family (5+ units per structure)*	538	294	147	979
Mfg. home or cottages	97	681	1,168	1,946
<b>Total</b>	<b>1,195</b>	<b>3,756</b>	<b>5,921</b>	<b>10,872</b>

*Source: allocation derived from Washington OFM, City of Shelton, and Belfair UGA Planned Action EIS; and current market trends. \* includes group quarters units.*

# Overview of Housing Options



- Multifamily Zoning District
- Multifamily Tax Exemption (MFTE)
  - 8-year
  - 12-year
- Bonus Affordable Units
- Mandatory Inclusionary
- Public-Private Partnerships
- Pre-approved plans
- Live-work units

# Multifamily Zoning District

- Shelton doesn't have a dedicated multifamily-zone
  - Planned Unit Development process in NR
    - requires Conditional Use Permit
  - Few zones allow for multifamily housing as a component
    - CR-V, CR-G, DT, LI-C, PR-A (cup)
- Lack of certainty for developers
- Difficulty attracting traditional apartment buildings/complexes





# Multifamily Tax Exemption (MFTE)

- Grants tax exemptions to encourage development
- 8-year program
  - has no affordability requirements per state law
  - Designed to get market-rate development built
  - Works best in tandem with other requirements
- 12-year program
  - 20% of units rented/sold to low (<80% AMI) and moderate-income(<115% AMI) households
- Affordability covenant for life of project
- Shelton is authorized under 84.14.010(3)

# Bonus/Mandatory Units

- Bonus Units
  - Provide 1 bonus unit per affordable unit provided
- Mandatory Inclusionary **REQUIRES** set-aside amount
  - Typically 10% of units in a project with 10 or more units
  - Provide 1 bonus unit per affordable unit provided



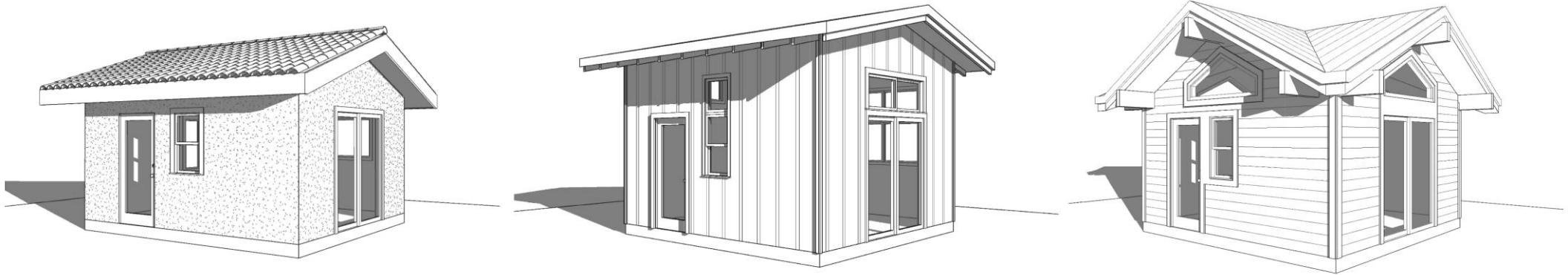
# Public-Private (or Public-Public) Partnerships



- Cities can collect and allocate funding to buy units in new projects
  - Can help provide direct workforce housing
- Cities can provide land
  - Cities are normally prohibited from a “gift of public funds” but can sell/lease/contribute land at below market rates for “support of the poor and infirm”
  - Some City-owned land is held by special funds, which need to be reimbursed or otherwise made whole.

# Pre-Approved Plans

- Cities can have pre-engineered, pre-approved plans ready for permit.
- Anything from ADU to full-sized homes.



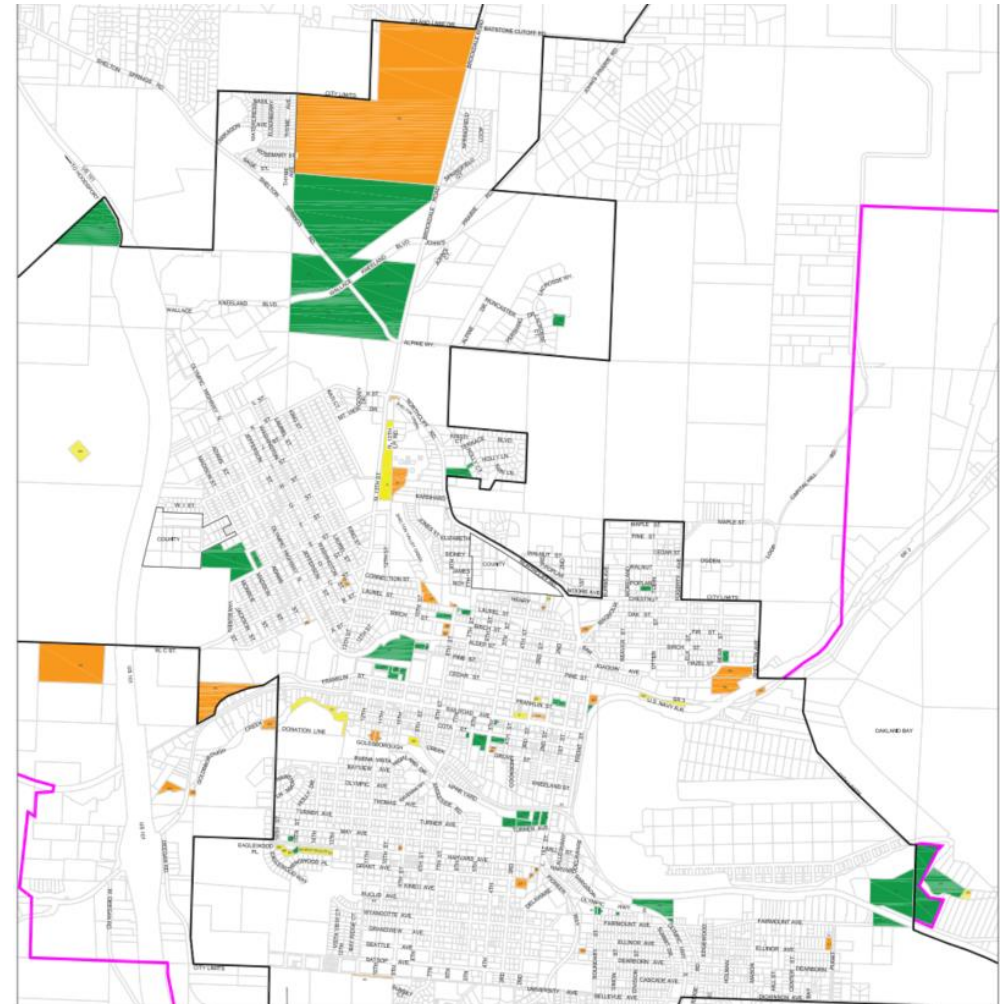
# Live-Work Units



- Townhomes with residences above and office/shop space below.
- Allow one investment in real estate instead of two.
- Attracts artists, professionals (attorneys, accountants), and start-ups.

# Funding Options

- Real Estate Excise Tax
  - 0.25% of transactions
  - RCW 82.46.035
- Affordable Housing Levy
  - \$0.50/\$1000 millage
  - RCW 82.52.105
- Affordable Housing Sales Tax Credit
  - 0.0146% of taxable sales
  - RCW 82.14.540
- Land Donation/Sales



Questions?

Resources:

[MRSC - Affordable Housing Funding Sources](#)

[MRSC - Affordable Housing Techniques and Incentives](#)