

Sequim Housing Ad Hoc Committee

Meeting 5 Notes, 7/15/19, 5:30-7:00 PM

Sequim Transit Center, 2nd Avenue and West Cedar Street

1) Introductions

- Jeffrey Bruton spoke on a possible tiny home development as a demonstration project
 - Manufactured housing constructed on site
 - Code considerations would be needed
 - 400-600 SF Units, \$60-\$80,000, leased for \$300-400 per month
 - Multi-generational development
 - Possible community area
 - Would prefer not to have sidewalks to fit more units, low traffic area
 - 40 units
 - Northwest Sequim – 7th and Hemlock area
 - Corporation rules for development
 - 3 blocks from Washington (and Transit)
 - He is hoping to go as low as possible with AMI – 60% roughly
 - REET2 for fee waivers would be desirable
 - Houses could be moved, but that would not be encouraged
 - Service worker housing

2) Follow-Up Items from the last meeting

- Report out on Planning Commission work plan (Other Tasks)
 - We'll report to the Planning Commission and then eventually to the Council
- Would you have to pay back a waived REET 2 fee (Task 5)? Could this be used for land acquisition (Task 7)? Could REET 2 be used for renovating eligible housing with shared and limited equity loan programs (Task 10)?
 - The REET law goes into effect on 7/28/19. We've submitted follow-up questions to MRSC. Funds can be used through 1/1/26.
 - Habitat can do the housing rehab work
 - For land acquisition – how low AMI do the units need to serve for REET2 to be used?
- Grant funding sources for housing development (Task 7) are available
 - Housing Trust Fund update – Habitat is unlikely to be successful with an application for the limited amount of money statewide from this funding source
- Cities as land trusts (Task 7)
 - There were not too many cities doing this
 - There were a lot of city and county sponsoring of land trusts
 - Surplus property bill from the Legislature – affordable housing for low income and very low-income households
 - The City of Flagstaff has a program

- It provides workforce housing by reducing the cost of obtaining housing – they sell the improvements under market – they do long-term (99 years) ground leases - the land stays in affordable housing with the program, the house is sold
- House Bill 1406
 - Staff provided background information.
 - The committee discussed the possibility of recommending this and declined to proceed.
- 3) Verify recommendations, as written below.
- See below
- 4) Any other recommendations?
- See below
- 5) Next Steps
- Identify spokespeople for report out to the Planning Commission and City Council
 - Colleen
 - Gina
- 6) Schedule Next Meeting, if needed
- Monday, July 29, 5:30 to 7:00 at the Sequim City Council Chambers - Cancelled

Draft Committee Recommendation List (ST = Short Term, MT = Medium Term, LT = Long Term):

- ST - The City of Sequim should advocate at the State Legislature for the ability to use the Multi-Family Tax Exemption (Task 1) – fall 2019
- ST - The City of Sequim should address the differential in development fees between single family and multi-family housing to reduce the relative costs for multi-family. Verify in the rate study that the multi-family rates are correct. (Task 5) – by Q2 2020
- MT – Be clear on what the assumptions are for development related fees charged by the City of Sequim – by Q1 2021 (Other)
- MT/LT – Starting with community engagement and possibly ending with a survey, the City of Sequim should consider a sales tax and/or property tax (MT/LT) to support a Housing Trust Fund. (Task 8) – by 2022
- ST – Develop a bullet list of discussion points about housing. (Other) – by 2020
- MT – Explore developing a community land trust. (Other) – by 2021
- MT/LT - The City of Sequim should initiate a catalytic mixed-use project with affordable units and leverage the Emerald Coast Opportunity Zone. (Task 7) – by 2022
- LT - If a Housing Trust Fund (HTF) forms, the City of Sequim should not consider using funds to refinance overextended households. (Task 9)
- LT - If a Housing Trust Fund (HTF) forms, the City of Sequim should consider using funds to renovate eligible housing with shared and limited equity loan programs, with REET 2 as a possible funding source. (Task 10)

- ST - Adding multi-family as an allowable use in the Commercial Business and High Tech Light Industrial Zones came up in conversation. While land use is not within the scope of this committee, the committee recommends that the Planning Commission study both of these possibilities. (Other) – there is also a need for more multifamily zoned land
- ST - The City of Sequim should consider the use of REET2 for housing related expenses (Other).
- ST/MT - The City of Sequim should consider lobbying for federal policy changes, as needed. (Other)
- ST/MT – The City of Sequim should help people keep their homes through the provision of technical assistance. (Other)