

# SHELTON WORKFORCE HOUSING DEVELOPMENT OPPORTUNITY

## SHELTON, WA

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**Strengthening community for working  
families**



# DEVELOPMENT TEAM

The logo for EquityPlus is displayed within a rounded rectangular box. The word "equity" is in white lowercase letters, and "plus" is in orange lowercase letters. A white plus sign is positioned between the two words.

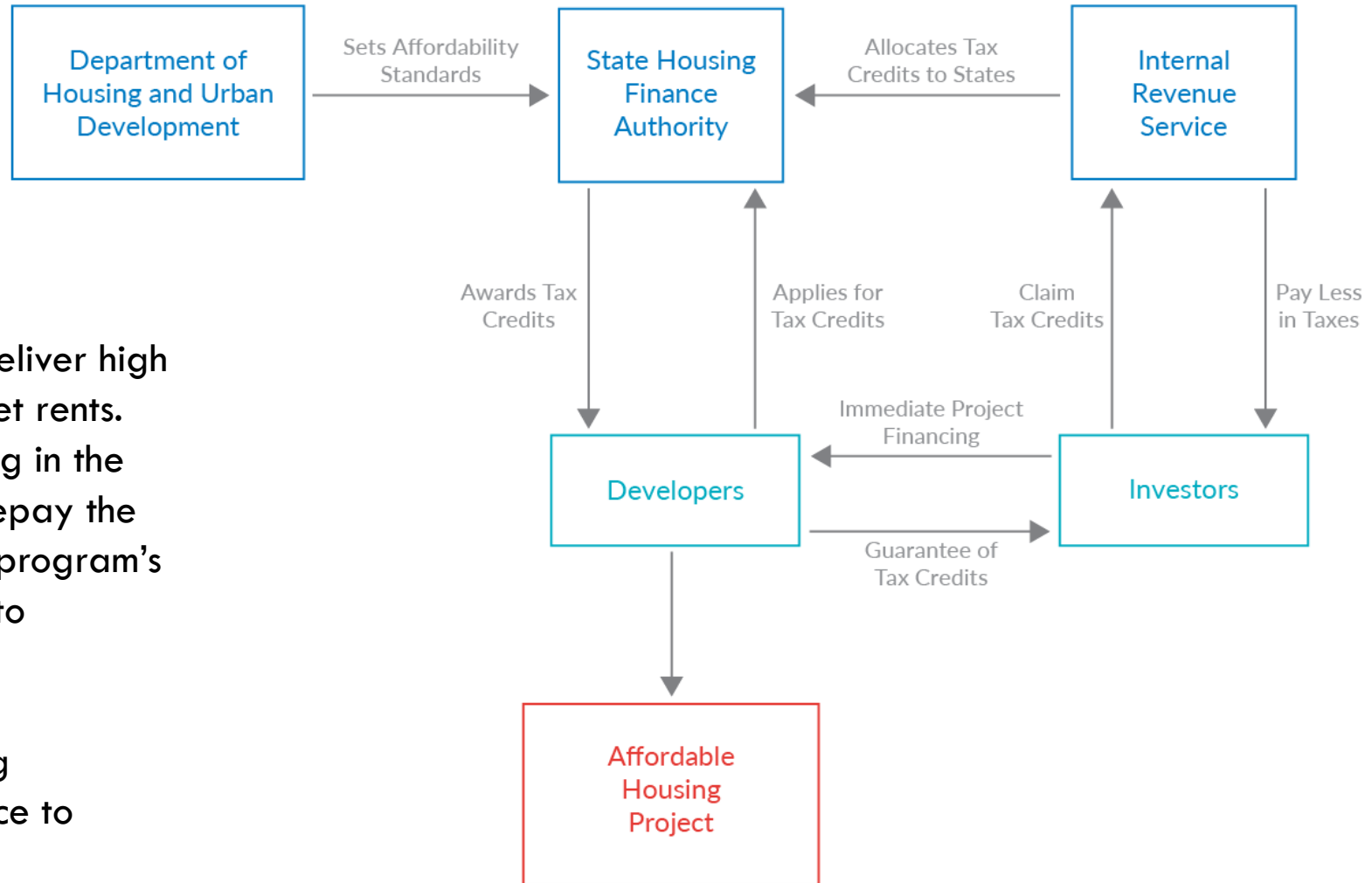
- Founded in 2011 by Tim McCarty and Avram Fechter. Tax credit syndicator, owner's representative, and developer.
- EquityPlus has financed and/or developed over \$1 billion in community development/workforce housing projects since its inception. The projects are located in 15 different states across the country
- Currently developing five similar communities working in public-private partnerships with government and nonprofit partners across the country
  - Robert Smalls at MidTown Heights – 190 townhomes on land that was donated by the City to the project
  - Wofford Street Apartments – 170 apartments on land that was donated by the City to the project
  - Hope Road – 190 single family homes working with a nonprofit sponsor
  - Belmont Crossing – Redevelopment of a 275 unit property in DC into 523 new apartments
  - Virginia Avenue School – 50 apartments and 50 single family homes on land donated by the City to the project

# LIHTC REAL ESTATE DEVELOPMENT

- LIHTC program enables EquityPlus to deliver high quality rental housing and below market rents. Investors receive tax credits for investing in the project – EquityPlus does not have to repay the investor if EquityPlus complies with the program’s rules and regulations (units are rented to households averaging 60% of AMI).
- EquityPlus operates property, providing guarantees for its economic performance to private investors and lenders.

## Low-Income Housing Tax Credit Involves Multiple Public and Private Actors

Structure of Low-Income Housing Tax Credit

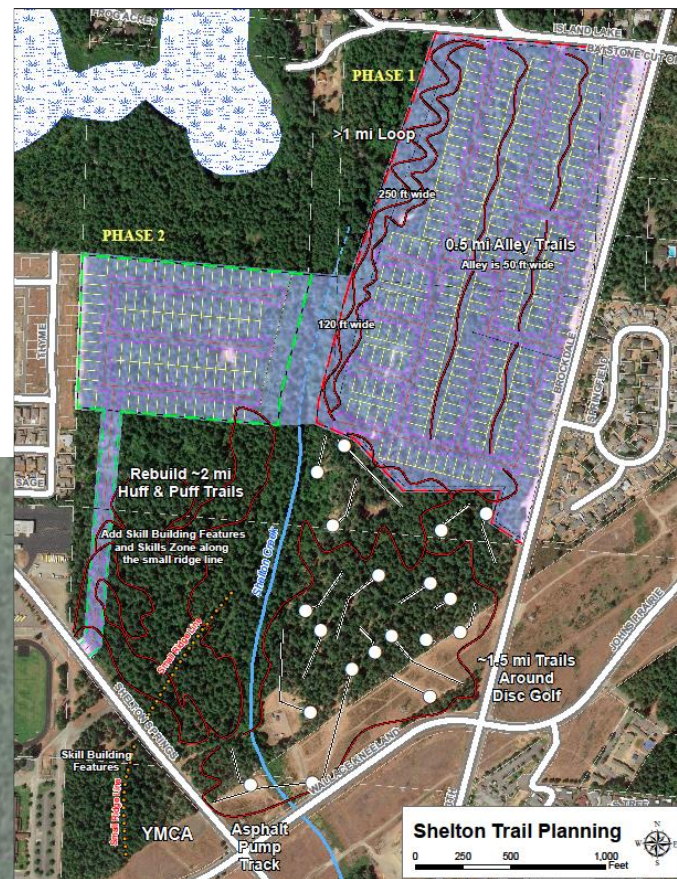


Source: Author's design (2020).

PROPOSED SITE LAYOUT, SHOWING  
TWO PHASES OF DEVELOPMENT.

PHASE 1: 264 LOTS

PHASE 2: 105 LOTS



*ENHANCED  
TRAILS AND  
FRISBEE GOLF,  
ABOVE*

## ~400 Homes:

- Nearby Sites
  - YMCA
  - Shelton High School
  - Mason General Hospital
- Trailhead to Frisbee Golf Course
- Expand/Access Huff and Puff Trail
- Create Mountain Bike Trails



2BR 2BA  
homes:  
~\$850

3BR 2BA  
homes:  
~\$1,000

4BR 2BA  
homes:  
~\$1,300

**HOUSING WORKING FAMILIES,  
TEACHERS, FIRST RESPONDERS**

The project will be marketed to working Shelton families, teachers, first responders and public employees with incomes between \$35K and \$60K.

To ensure viability, this project will use Low Income Housing Tax Credit financing. This tax credit support is targeted to meet the demand for housing from middle income earners.

Homes remain affordable to households earning ~60% of AMI for a period of at least 40 years.

Entire community is professionally managed by the development team for the entire compliance period.

# PROMISES TO THE CITY OF SHELTON, WASHINGTON

- 1. Use of High End Factory Built Homes:** All homes will be eligible for conventional mortgage financing and will appraise exactly like site built homes.
- 2. Housing Shelton's Working Families, Teachers, First Responders:** Development will be marketed to working families, teachers, and first responders.
- 3. Creating wealth for Shelton residents:** Families will achieve ~\$24 million in rental savings over the first fifteen years of the project compared to market comparable rents.
- 4. Improving Community:** Rebuilding ~2 miles of the Huff & Puff Trail, as well as enhancing the current Frisbee Golf Course and adding 3 miles of mountain bike trails.

***Provisions Are Enforceable through the Purchase & Sale and Development Agreements Negotiated with the City of Shelton***



# CREATING AN ATTRACTIVE COMMUNITY: Architectural variety

The lots will have a variety of 2-, 3-, and 4-bedroom single family homes

Four different models with distinctive facades and four distinctive exterior colors – red, blue, beige and gray

Every home will have either full or half porches, and some homes will have rear porches

Variety of interior color patterns with high quality solid wood kitchen cabinets



# CREATING AN ATTRACTIVE COMMUNITY: *Build Quality and Durability*

## **Interior:**

- Solid wood kitchen and bathroom cabinets, in two styles
- Coordinating tile and backsplash
- Drywall with tape and texture throughout

All homes will be built to Fannie Mae [MH Advantage](#) and Freddie Mac [Choice](#) Building standards.....



...ensuring homes are eligible for a 30-yr fixed rate mortgage

## **Exterior:**

- Four different models with distinctive facades and exterior colors – red, blue, beige and gray
- Set on masonry foundations
- ENERGY STAR energy efficiency
- 25-year guaranteed roofing shingles
- 10-year guaranteed windows
- 2x6 exterior walls, OSB wrap and durable siding
- 5/12 roof pitch, 6-inch eaves and gutters



# EXISTING MARKET SUPPLY & DEMAND

Currently, there are no 4 bedroom homes for rent in the 20-mile radius of the proposed development.

Out of the 981 units across 10 comparable properties within a 20-mile radius, only three comparable properties were located in Shelton. Only three of the 10 properties had 4 bedroom units.

## Pricing Assumptions:

Total project cost is approximately \$65,000,000 which includes:

- ~ \$27,000,000 for approx. 400 homes
- ~ \$700,000 for clubhouse
- ~ \$1,400,000 for traffic improvements
- ~\$13,700,000 for roads, water, and other infrastructure
- Balance for other costs including:
  - Improvements and development of activity trails including mountain bike course, trailhead, and access to frisbee golf, and Huff & Puff Trail
  - Financing & related costs
  - Design/permit/insurance/other soft costs



**NEW!** **MH Advantage®**  
Help borrowers get the home features they want at a price they can afford.

**CHOICEHome<sup>SM</sup>**  
The Next Generation of Factory-Built Housing

CHOICEHome is our innovative, affordable mortgage initiative, offering financing for a real-property factory-built home that's built to HUD code but with many features of a site-built home.

