

[CS Analyst]

**Select Budget Committee**

**Date:** [meeting date]

**Version:**

**Amendment 1 to Resolution 32017** Research, Engagement and Presentation of Information on the Multifamily Tax Exemption (MFTE) program

**Sponsor:** Councilmember Herbold

Cost/Benefit Analysis of MFTE Program

Amend Section 1 of Resolution 32017 to include a new subsection G, as follows:

Section 1. The Multifamily Tax Exemption (MFTE) program will be designed to achieve affordable housing and other benefits. As part of MFTE renewal consideration, the Office of Housing shall provide information on and analysis of the following:

A. Program participation rates, property tax savings, and differential between market-rate rents and restricted rents by unit type;

B. Rent levels needed to house low-income working households more affordably and to address market gaps experienced by those households;

C. Race and ethnicity, size, and income of households residing in MFTE units;

D. Emerging market trends, including project types and configuration of units;

E. Displacement impact, including demolition of existing buildings on sites where MFTE buildings are developed;

F. Perspectives and input gained through engagement with a variety of stakeholders, including tenants, developers, and affordable housing advocates.

G. The total cost to buy down rents for MFTE units to proposed affordability levels and the total amount of the property tax exemption that is forgone, as well as shifted, broken down by city and other taxing jurisdictions for MFTE projects.

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**Effect:**

As part of the MFTE renewal consideration, OH will analyze the cost of buying down rents for MFTE affordable units to proposed affordability levels and the total amount of the property tax exemption that is forgone, as well as shifted, broken down by city and other taxing jurisdiction to determine if it is more cost effective to buy down rents versus approving an extension of the tax exemption for projects with expiring exemptions.