



Seattle
OFFICE OF HOUSING

MFTE CITY COUNCIL BRIEFING

February 3, 2016

Affordable Housing, Neighborhoods, and Finance Committee
Seattle City Council

MULTIFAMILY TAX EXEMPTION

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- Critical element of Seattle's efforts to produce 20,000 new affordable units in ten years
- Incentivizes the creation of affordable housing through the provision of a 12-year limited property tax exemption
- Essential tool both for infusing affordability in market-rate projects and also for making non-profit, 100% affordable projects more feasible

HOW MFTE WORKS

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- Incentive to generate affordable housing:
 - By restricting rents and incomes on 20-25% of units, projects receive limited property tax exemption for up to 12 years

Unit Type	Area Median Income	Maximum Rent (including utilities)	Maximum Income
SEDU/ Congregate	40%	\$503	\$25,120 (1-person household)
Studio	65%	\$895	\$46,605 (1-person household)
1BR	75%	\$1,219	\$53,775 (2-person household)
2BR	85%	\$1,539	\$68,696 (3-person household)
3BR	90%	\$1,827	\$80,640 (4-person household)

2015 RENEWAL LEGISLATION

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- Encourages participation from a broader range of housing unit types
- Calibrated to achieve maximum public benefit while ensuring adequate incentive
- Designed to generate both:
 - More total affordable units; and
 - More family-size units
- Expands eligibility to all multifamily zones
- Extends greater protection to MFTE tenants
- Reflects recommendations from 2013 City Audit

CITY REPORTING REQUIREMENTS

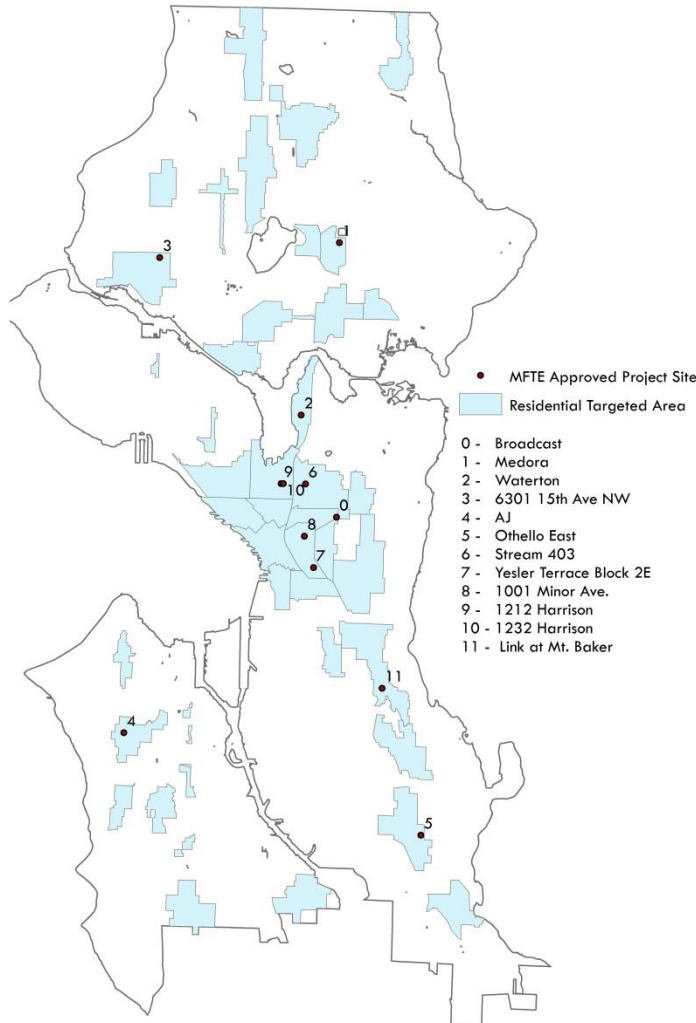
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- Annual report due March 31 after reporting year

- Trimester reports:
 - 1st trimester, Jan. 1 – April 30, due May 31
 - 2nd trimester, May 1 – Aug. 31, due Sept. 30
 - 3rd trimester, Sept. 1 – Dec. 31, due by Jan. 31

3RD TRIMESTER 2015 REPORT

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- From Sept. 1 to Dec. 31:
 - 12 approved applications, with 256 affordable homes (plus 54 more units subject to other rent limits)
 - Projects are in many neighborhoods, but generally concentrated in centrally located areas

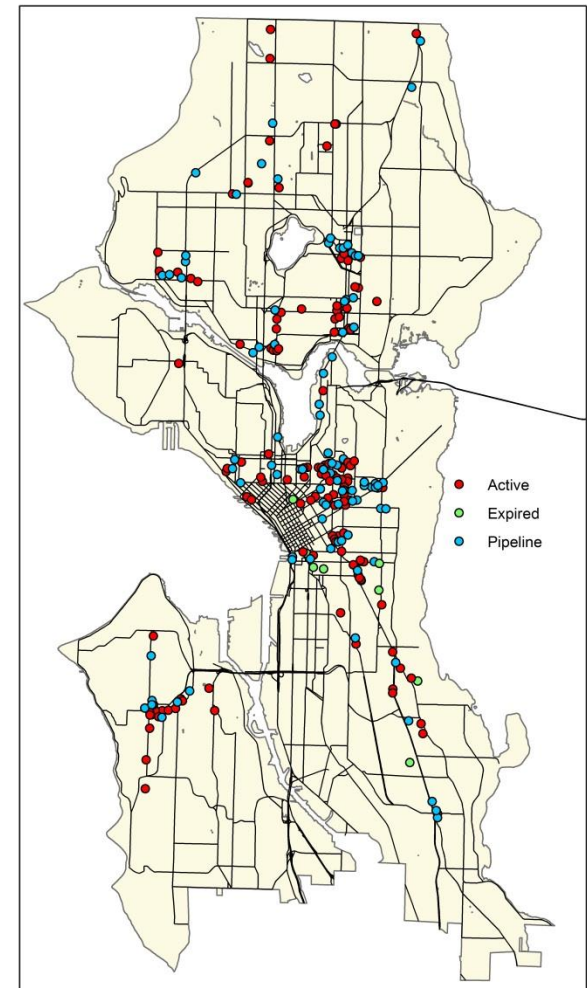
Name	SEDU	Studio	1BR	2BR
Total	26	309	732	186
Affordable	7	64	172	67
Max Rent	\$503	\$895	\$1,219	\$1,539

PROGRAM RESULTS TO DATE

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- Since 1998, more than 130 buildings and nearly 4,000 affordable homes currently participating in MFTE
- More than 6,000 affordable homes expected by 2018

	Active	Pipeline	Total Active + Pipeline	Expired	Withdrawn
Total Projects	131	93	224	9	10
ALL Afford Units	3,963	2,124	6,087	241	244
ALL Total Units	13,732	9,455	23,187	530	1,176
SEDU Afford.	-	7	7	-	-
Studio Afford.	1,205	776	1,981	62	81
1BR Afford.	1,879	975	2,854	108	123
2BR Afford.	805	335	1,140	49	40
3BR Afford.	68	23	91	22	-
TRAO 50% AMI Units	6	5	11	-	-



COMPLIANCE MONITORING

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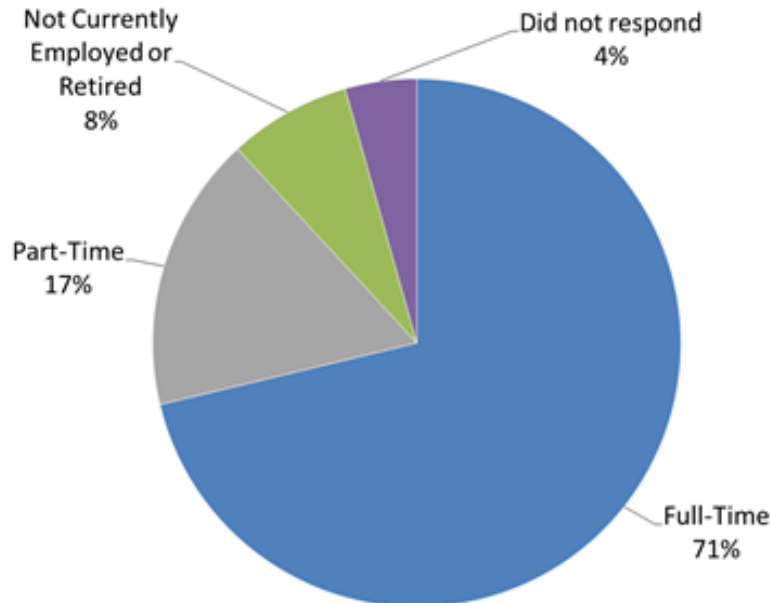
- Robust compliance monitoring system in place
- New asset management staff position dedicated to MFTE and IZ compliance monitoring
- 89 property reports currently under review
- 50 on-site file audits planned in 2016

USING THE RACIAL EQUITY TOOLKIT 2015 RESIDENT SURVEY

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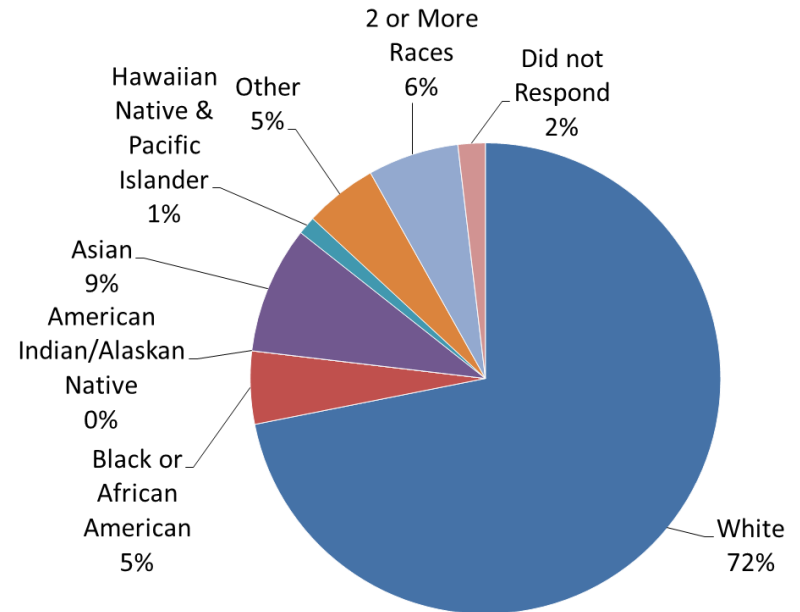
- MFTE renters largely work full-time, in many different types of work, but earn less than the MFTE income limits.
- MFTE currently serves people of color roughly proportional to their overall percent of all Seattle renters.

MFTE Head of Household Employment Status



n=160

MFTE Head of Household by Race



n=160



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QUESTION S?

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