



MULTIFAMILY TAX EXEMPTION

2016 Annual Report



Seattle
Office of Housing

Seattle City Council
June 7, 2017

MFTE Cumulative Production

	Active		In Development		Expired	
	Projects	Aff. Units	Projects	Aff. Units	Projects	Aff. Units
Market-Rate	148	3,191	83	1,847	3	88
Subsidized	16	1,429	3	267	8	363

RECENT HISTORY:

City Council renewed MFTE in 2015, built on HALA recommendations to:

- expand geography
- include congregate residences and 3 bedroom units
- promote family-sized units
- Continue to calibrate incentive

MFTE continues to be a critical tool in City's mission to create affordable housing

MFTE Production in 2016

	Final Approvals		Preliminary Approvals	
	Projects	Aff. Units	Projects	Aff. Units
Market-Rate	32	675	26	697
Subsidized	2	180	2	199

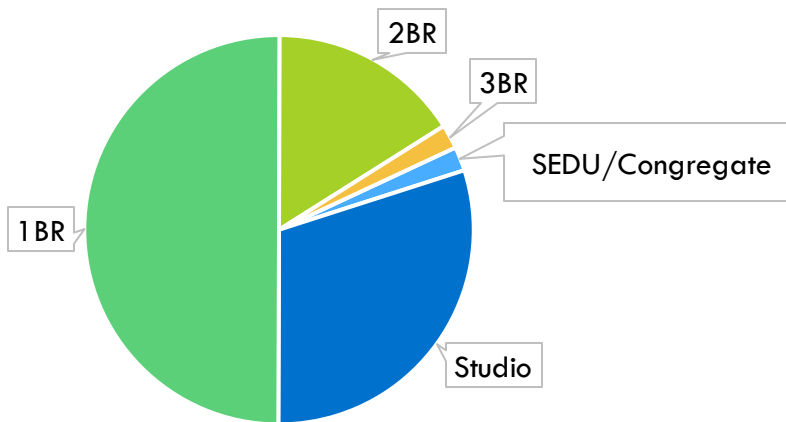
RECENT HISTORY:

2016 had the second greatest volume of preliminary approvals, down from 1,454 in 2015.

Building and Unit Types

- Family-Size Program (20% set-aside)
 - 25 projects
- Small-Unit Program (25% set-aside)
 - 3 projects

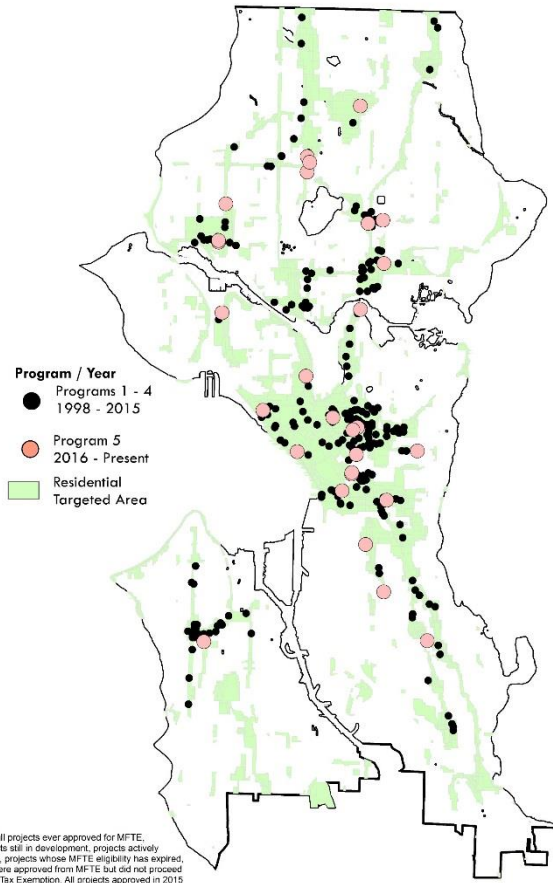
Approved Project Unit Mix:



AFFORDABILITY ACROSS RANGE OF UNIT TYPES:

- Congregate/SEDU: 40% AMI (\$672)
- Studios: 65% AMI (\$1,092)
- 1BRs: 75% AMI (\$1,440)
- 2BRs: 85% AMI (\$1,836)
- 3+BRs: 90% AMI (\$2,160)

Program Geography



2016 Preliminary Approvals:

- 24 projects in urban centers & villages
- 4 projects outside urban centers & villages

CITYWIDE BENEFITS:

- Broad distribution of MFTE buildings across most multifamily-zoned areas of the city
- Roughly half of all new residential buildings are in MFTE; greatest rates of participation in comparatively lower-rent neighborhoods

Compliance Monitoring

- Continued implementation of compliance monitoring procedures:
 - Compliance reports from 118 properties
 - On-site file audits of 50 properties
- Visits to about one-third of all MFTE properties annually
- Monthly trainings for MFTE property owners and managers
- Corrective action could include:
 - Issuing credits for rent overages
 - Correcting lease terms
 - Collecting additional income documentation
 - Designating additional affordable units
 - Terminating participation in MFTE



Affirmative Marketing

- Affirmative Marketing Policy for Program 5 informed by Racial Equity Toolkit
 - Collaboration with DON and Community Liaisons
 - Survey sent to 100 community organizations on housing search, advertising and barriers
 - Direct outreach with 15 community organizations
- Survey results (38) will guide design of Affirmative Marketing policy:
 - Most organizations provide info on housing to clients, even if informal
 - Most clients learn about housing opportunities through referral
- Foster relationships between interested organizations and MFTE properties
- Collaboration with the Seattle Housing Authority



QUESTIONS?



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