



Multifamily Property Tax Exemption Extension

City of Tacoma | Community and Economic
Development Department

City Council Meeting
December 5, 2023
Resolution Nos. 41308 & 41309

1


Background



- December 7, 2021 Council passed Ordinance No 28798 which enabled extension applications for MFTE projects current under an 8 or 12 year property tax exemption, if affordability was maintained or added

2

2




Overview

- Resolution 41308
- 4001-4003 S. Puget Sound Ave.
- 12 units
- Originally approved under Res.38366
- Exempt period 2016-2023

3

3




Overview

| Number of units | Type of Unit | Average Size | Rental Rate |
|------------------------------|-----------------|--------------|-----------------------------------|
| <u>Market Rate</u> | | | |
| 9 | 2 Bed, 2 ½ Bath | 1078 | \$1895 |
| <u>Regulated Rate</u> | | | |
| 3 | 2 Bed, 2 ½ Bath | 1078 | Up to \$1770 w/ utility allowance |

4

4

Location




5

Fiscal Implications



| Current Property Values | | |
|--|-------|-------------|
| Current Total Assessed Valuation | | \$3,399,200 |
| Current Taxable Value (Due to MFTE) | | \$467,500 |
| Annual Property Taxes Exempted | | |
| No MFTE = \$35,215 in Taxes; With MFTE = \$4,845 | Total | \$30,370 |
| \$32,215 - \$4,845 = \$30,370 | City | \$5,746 |
| Annual Cost per 70% AMI Unit | | |
| | Total | \$10,120 |
| | City | \$1,915 |

6

6

Overview



- Resolution 41309
- 4031-4033 S. Puget Sound Ave.
- 10 units
- Originally approved under Res.38659
- Exempt period 2016-2023

7

7

Overview




| Number of units | Type of Unit | Average Size | Rental Rate |
|-----------------|-----------------------|--------------|-----------------------------------|
| | <u>Market Rate</u> | | |
| 8 | 2 Bed, 2 ½ Bath | 1078 | \$1895 |
| | <u>Regulated Rate</u> | | |
| 2 | 2 Bed, 2 ½ Bath | 1078 | Up to \$1770 w/ utility allowance |


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Location






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Fiscal Implications



| Current Property Values | | | |
|--|-------|--|-----------------|
| Current Total Assessed Valuation | | | \$2,832,900 |
| Current Taxable Value (Due to MFTE) | | | \$425,000 |
| Annual Property Taxes Exempted | | | |
| No MFTE = \$29,350 in Taxes; With MFTE = \$4,400 | Total | | \$24,950 |
| \$29,350- \$4,400 = \$24,950 | City | | \$4,720 |
| Annual Cost per 70% AMI Unit | | | |
| | Total | | \$12,475 |
| | City | | \$2,360 |

10

10



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