



Multifamily Property Tax Exemption Program Review

City of Tacoma | Community and Economic Development

Government Performance and Finance
Committee

November 5, 2024



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● ● ● Affordable housing incentive overview




- Affordable Housing Action Strategy Overview
- Current bonuses for affordability and how they overlap with MFTE
- Home In Tacoma bonuses for affordability and how they overlap with MFTE
- Mandatory Inclusionary Zoning in Madison and how they overlap with MFTE
- Other programs for affordable housing

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AHAS Overview



1. Create More Homes for More People
Surplus land policy, Funding for affordable housing, Zoning changes, Permitting support, Infrastructure support, ADU accelerator, Downpayment assistance
2. Keep Housing Affordable and In Good Repair
Single Family Home Repair, Rental License Tracking
3. Help People Stay in Their Homes and Communities
Rental Housing Code, Utility Assistance, Housing Assistance, Relocation Assistance
4. Reduce Barriers for People Who Often Encounter Them 3
Sheltering System

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AHAS Programs by AMI Levels



AHAS Units Since 2019

AMI Level	Unit Count
80+	66
70-79	389
60-69	54
50-59	143
40-49	204
30-39	225
20-29	14
10-19	35
0-9	5

1139 Units Total


AHAS Units Coming Online

AMI Level	Unit Count
80+	7
70-79	426
60-69	133
50-59	231
40-49	155
30-39	69
20-29	8
10-19	12

1041 Units Total

MFTE accounts for 37.6% (820 of 2180) of total units, excludes ADUs and other types of housing that may rent or sell at a below market rate but that aren't price restricted. 4

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Current Bonuses

Location	Downtown regional growth Center	Mixed Use Centers	Planned Residential Developments	Any private up-zone
Bonus	Increased FAR	Increased Height	Increased Density	Increased Density
Length of affordability	50 Years	12 Years	50 Years	50 Years
Number of units	50% of all bonus units	20% of all units	50% of all bonus units	25% of bonus units
Affordability requirement	50% AMI (rental) 80% AMI (ownership)	70% AMI	50% AMI (rental) 70% AMI (ownership)	50% AMI (rental) 70% AMI (ownership)
Fee in lieu	Yes, \$10,000	Yes, \$10,000	Yes, \$10,000	Yes, \$5000
Layer with MFTE?	Yes	Yes	Yes	No

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Home in Tacoma Bonuses

	UR-1	UR-2	UR-3
Voluntary or Mandatory?	Voluntary		
Length of Affordability	50 years		
Fee in lieu (based on Consumer Price Index) (currently \$10,000 per bonus unit) (*Fee goes to the <i>Housing Trust Fund</i>)	\$62,000 per unit	\$62,000 per unit	\$72,000 per unit
Number of Units	2 bonus units (or 20%)	2 bonus units (or 20%)	20% of total units
Affordability requirement: Area Median Income (AMI)	80% AMI rental, 100% AMI ownership Bonus 2: 60% AMI rental, 80% AMI ownership	80% AMI rental, 100% AMI ownership Bonus 2: 60% AMI rental, 80% AMI ownership	70% AMI rental, 100% AMI ownership Bonus 2: 60% AMI rental, 80% AMI ownership
Layer with MFTE (<i>Multi Family Tax Exemption</i>)	n/a	n/a	MFTE and bonuses can be combined MFTE applies to all Mid-scale Residential areas and Multifamily High-density areas

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● ● ● Madison Area Inclusionary Zoning



Location	Madison District
Size of project	Over 15 units
Bonus	Increased Height
Length of affordability	50 Years
Number of units	10%
Affordability requirement	50% AMI
Fee in lieu	No
Layer with MFTE	Yes

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● ● ● Other Affordable Housing Tools



- Expedited Permitting, reduced fees
- HUD Affordable Housing Provider Loans
- NOFA Funding Opportunities
- Home Rehabilitation Loan Program
- Down Payment Assistance

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