

Multifamily Property Tax Exemption Program Review

City of Tacoma | Community and Economic Development

Government Performance and Finance Committee November 5, 2024

1

• • • 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

2

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

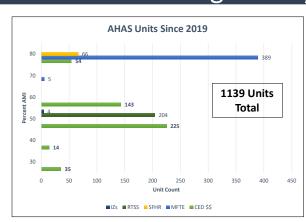
- 2. Keep Housing Affordable and In Good Repair Single Family Home Repair, Rental License Tracking
- 3. Help People Stay in Their Homes and Communities
 Rental Housing Code, Utility Assistance, Housing Assistance, Relocation Assistance
- 4. Reduce Barriers for People Who Often Encounter Them Sheltering System

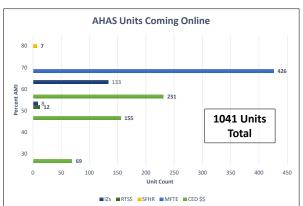
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AHAS Programs by AMI Levels

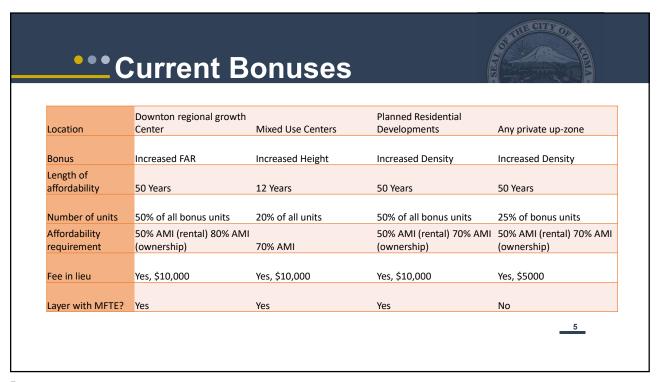






MFTE accounts for 37.6% (820 of 2180) of total units, excludes ADUs and other types of housing that may rent or sell at a below market rate but that aren't price restricted.

4



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•• Home in Ta			10 100000000000000000000000000000000000
	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)	\$62,000 per unit	\$62,000 per unit	\$72,000 per unit
(*Fee goes to the <i>Housing Trust Fund</i>)	Bonus 2: (Deeper affordability) Fee not allowed		
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 (Multi Family Tax Exemption)	n/a	n/a	MFTE and bonuses car be combined MFTE applies to all Mid-scale Residential areas and Multifamily High- density areas

•• Madison Area II	nclusionary Zoning	SEAL
		100
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	

7

••• Other Affordable Housing Tools



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

8



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