



TO: T.C. Broadnax, City Manager
FROM: Ricardo Noguera, Department Director, Community and Economic Development Department
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COPY: Economic Development Committee
SUBJECT: **Multifamily Property Tax Exemption Informational Update**
DATE: October 11, 2016

SUMMARY:

This presentation to the Economic Development Committee serves as an update to inform Committee members about the purpose of the Multifamily Property Tax Exemption Program (MFPTE) and its effectiveness in driving new residential and mixed-use development in Downtown and in mixed-use districts. Highlights will include:

- Program Background
- Data Review from last 5 years
- Trends

BACKGROUND:

Since 1996, Tacoma has strategically utilized the Multifamily Property Tax Exemption to:

- Direct population growth to designated residential target areas
- Encourage transit supportive development
- Cluster development and populations to targeted Neighborhood Business Districts and near employers so workers can reduce the reliance on vehicles while maximizing use of public transit, bicycles and promote pedestrian traffic
- Expand market for commercial establishments by drawing larger customer base within the immediate neighborhood
- Incentivize affordable housing

DETAILS:

In the past five years:

- 27 projects with 711 units have completed their tax exemption and returned to the tax rolls
- 17 projects with 885 units have been built and have started their exemption
- 10 projects with 951 units have been approved for the 8 year exemption and are underway
- 12 projects with 144 units have been approved for the 12 year exemption and are underway

ALTERNATIVES:

This is an information briefing only.

FISCAL IMPACT:

This is an information briefing.

RECOMMENDATION:

This is an information briefing only. There is no recommendation.