

## Existing MFTE Program: Outreach Comments

<i>Program Provision</i>	<i>Existing Requirement</i>	<i>Comments Received Through Stakeholder Outreach</i>
Overlap with Inclusionary Program(s) Permitted?	Yes	<ul style="list-style-type: none"> <li>• Developers have expressed an interest in maintaining the ability to overlap these programs in order to bring costs down.</li> <li>• This allowance is often the only way that MFTE is viable on certain projects, given the current Area Median Income (AMI) thresholds.</li> <li>• Some developers were unaware of the ability to overlap the programs, making the MFTE program appear less viable for their projects than it was in reality.</li> </ul>
Length of Affordability	12 years	<ul style="list-style-type: none"> <li>• Developers have stated that an extension to the length of affordability would require a very different evaluation strategy that would likely vary between different parties and therefore be more difficult to predict.</li> <li>• Developers would prefer to only extend the length of affordability if the length of the tax exemption is extended similarly (which would require state legislative changes).</li> </ul>
Required # of Affordable Units	20% of project	<ul style="list-style-type: none"> <li>• This is a standard requirement for 12-year MFTE programs so is expected by developers who are familiar with the program in other cities.</li> </ul>
AMI Threshold: Downtown	70%	<ul style="list-style-type: none"> <li>• Projects vary greatly in construction type Downtown, so the 70% threshold often does not pencil for high-cost construction, which tends to have higher rents for high-rise apartments.</li> <li>• Projects that are located in the most desirable locations (such as beside Downtown Park or the Transit Center) are often more difficult to use MFTE on because the tax exemption is only on the improvement value, not the property value. Therefore, market rents are higher in these areas while the tax exemption is not higher, making MFTE less viable.</li> </ul>
AMI Threshold: BelRed	Half at 50%, Half at 70%	<ul style="list-style-type: none"> <li>• The split between 50% and 70% AMI thresholds can be confusing to owners new to MFTE.</li> <li>• The BelRed Land Use Code inclusionary incentive is likely to be used by any project developing in the area, but some may choose to pay a fee in lieu, which would make the 50% AMI threshold very hard to meet for MFTE units.</li> <li>• For those projects that do use the performance option for the Land Use Code incentive, the percent of units affordable through the LUC program varies greatly. This means that the viability of the MFTE program varies greatly in BelRed based on how the LUC incentive is utilized by the project.</li> </ul>

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AMI Threshold: Wilburton, Eastgate, Crossroads	Half at 60%, Half at 70%	<ul style="list-style-type: none"> <li>• The split between 60% and 70% AMI thresholds can be confusing to owners new to MFTE.</li> <li>• Very little development has occurred in these areas since MFTE's implementation, so developers did not have many comments on these requirements.</li> <li>• There is a general desire to leave things flexible and simple, so that MFTE could be used on any project in the future. There is recognition that areas like Wilburton and East Main will have other affordable housing programs that may interact with MFTE, so a simple approach that works everywhere is preferred.</li> </ul>
AMI Threshold: Units under 300SF in size	45%	<ul style="list-style-type: none"> <li>• There is agreement that the 300SF threshold works well for this deepened affordability requirement.</li> <li>• There is not much development in Bellevue that would trigger this requirement, but there is agreement that it is good to be ready for those projects that may occur in the future.</li> </ul>
Family-sized Unit Requirement	15% or more of all units must be 2+ bedrooms	<ul style="list-style-type: none"> <li>• Developers have stated that most projects already have around 15% of their units as two-bedrooms, so this requirement does not drastically impact their decision process.</li> <li>• There are a few isolated instances where a developer had to consider the balance between dropping MFTE and having to combine one-bedroom units into two-bedroom units in order to meet this requirement.</li> <li>• There are a few isolated instances where the project was aimed at a different clientele than a typical residential project and therefore had 5% or fewer two-bedroom units. These projects never consider using MFTE because of this requirement, but they think that their smaller unit type would work well with MFTE, even if the requirements would shift for them (such as a higher percentage of affordable units).</li> </ul>
Parking Inclusion in Affordable Rent	1 full space per unit (per MFTE contract)	<ul style="list-style-type: none"> <li>• Some developers have expressed an interest in removing this from the MFTE Contract.</li> <li>• Some developers have expressed a preference for lower AMI level over including parking in the rent. Financially it impacts the owner similarly, but it is simpler to account for.</li> <li>• Any parking provision should be displayed on city documents, website, and City Code.</li> </ul>

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Ownership / 8-year Programs also available?	No / No	<ul style="list-style-type: none"><li>• While those developing condo projects have expressed an interest in providing affordability, they do not think the MFTE ownership model makes sense, since the developer is not the one who would see the tax exemption benefit.</li><li>• There has been no interest expressed in an 8-year program, likely because developers have expressed an interest in elongating the program, not reducing it.</li></ul>