

MFTE Outreach Summary

Topic	Comments
AMI Requirements	• Affordable housing stakeholders note that it's important to have mixed-income communities with deeper AMI levels than 80% to capture the breadth of workforce housing needs. • Developers appreciate the 80% AMI level, noting that it is neither too beneficial nor detrimental to a development. They note that they won't use MFTE if it's a neutral impact due to the additional operational burden of the program. • Some developers and lenders are unwilling to accept renters below 80% AMI. • Some stakeholders noted that the 80% AMI restriction does not have the same impact for each unit type and that the AMI requirements should be adjusted by unit type to incentivize the production of more family-sized units. • ARCH noted that in Bellevue there is not typically a significant difference in vacancy among MFTE units vs. market rate units, but when properties do reach out for assistance with marketing, it's typically for the 80% AMI units that are close to market rate.
Program Extensions (12-year / 24-year)	• Developers are interested in the 12-year extension option, especially if the AMI levels and allocation remain consistent (i.e. no deeper affordability or additional units). • There was mixed feedback on whether an extension with a deeper affordability requirement would be used. Some developers noted that deeper affordability makes sense, but others were concerned that it would be financially infeasible. • Some developers noted that a 5% or 10% decrease in AMI level could be acceptable, as long as the overall AMI level is above 60%. • Developers would like this available sooner rather than later. • Many developers passed on extensions in Seattle due to the extension requiring new unit mixes in addition to lower AMI levels. Overall administrative burdens made the extension less palatable. • Affordable housing organizations emphasize that existing residents should not be displaced if AMI levels were to decrease.
New 8-Year Program Option	• Developers find that an 8-year program would be more challenging for financing/underwriting but could be useful with the right AMI levels/requirements. • Developers generally welcome any additional optionality and flexibility for MFTE.
20-Year Homeownership Program	• Habitat for Humanity noted that this would be a helpful option to have and that they have used the MFTE program in Seattle.

Conversion of Nonresidential Buildings	• Developers note that MFTE could incentivize conversions of office or commercial buildings to housing, but such opportunities are relatively limited in Bellevue. • MFTE statutorily only exempts the value of any additional improvements, so it's less beneficial for a conversion project compared to a ground-up development. • Conversions would generally require some flexibility in parking, setbacks, and other code requirements.
Administrative / Operational Challenges	• Developers were complimentary of ARCH's MFTE program administration, especially compared to other jurisdictions. The unit selection process and document requirements are generally seen as fair. • Annual recertification and document collection can still be challenging. Developers would appreciate if ARCH could implement a pre-screening process.
Tenant Experience	• ARCH noted that screening requirements are often consistent with typical property rental screening processes performed by property management. • ARCH has not heard recent direct complaints from tenants regarding the application and annual verification process. • ARCH noted that prospective studio and one-bedroom renters closer to the 80% AMI level may choose not to rent an MFTE apartment given that market rate unit rents are not much more expensive and don't require extra compliance/application steps. • Affordable housing organizations note that units are not always as affordable as needed and households remain cost burdened.
Layering with Other Incentives and Mandatory Affordability	• Developers note that the option to layer MFTE with density bonuses or mandatory affordable housing is beneficial if allowed. • Developer's note that it's important that stacking MFTE units with mandatory affordable units does not require deeper affordability, which is currently the case. • Some affordable housing organizations note that the current stacking rules are working and that they should not be adjusted to allow for less stringent affordability requirements. • Developers note that consistency between MFTE and mandatory affordability processes/requirements will be important.
Unit Comparability & Standards	• Developers appreciate flexibility in choosing floor levels, especially in towers, is beneficial (Bellevue currently does not require MFTE units to be on all floors). • Developers note that it would be helpful to have more formal definitions for units (e.g., studio vs. open 1-BR). • Flexibility for luxury features is useful (e.g., lighted mirrors, heated tiles, washer/dryer placement).

Economic Impacts	• Developers note that MFTE contributes to economic development and increases land value. • MFTE may help spur development faster, resulting in additional public benefits for the City through sales tax revenue, tax allocation for schools, etc., beyond just the affordable rents.
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