

March 16, 2015

CITY COUNCIL AGENDA MEMORANDUM**SUBJECT**

Public Hearing on the proposed residential target areas for the multifamily tax exemption (MFTE) program.

FISCAL IMPACT

RCW 84.14 allows a short-term exemption from property taxation for the value of new housing construction in designated residential target areas (RTAs). The exemption does not include property taxes paid on the value of land or nonresidential improvements. Taxing districts including the city, county and state (state school fund) receive a set increase in property taxes each year based on the amount collected the previous year plus taxes generated from new development. For these districts, the impact is that the district will not receive any new revenue from the improvement value that is exempted through the MFTE program. For taxing districts that receive a set amount of revenue each year (e.g. school district, EMS, library, flood district) the impact is that exempted new development will not increase the overall assessment base, and other property owners would not see any reduction in property taxes that typically occurs as a result of adding the value of improvements to the tax roll.

STAFF CONTACTS

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POLICY CONSIDERATION

Should the City amend the Bellevue City Code per RCW 84.14 to implement a short term property tax exemption for new development that provides affordable housing and/or other public benefit?

Comprehensive Plan Direction:

The multifamily tax exemption (MFTE) addresses city-wide housing policy #HO-33: *Explore financial incentives to encourage affordable housing such as partial exemptions from city permit fees and use of the state property tax exemption program*; and #HO-12: *Provide incentives to encourage residential development for a range of household types and income levels in commercial zones.*

Council Priorities and Economic Development Plan Direction:

The MFTE also promotes Council Priority #7 “*Promote housing opportunities for the needs of our diverse population*” and related direction to “*Bring forward a multifamily property tax exemption for Council’s consideration*”. In addition, Bellevue’s Economic Development Plan includes Direct Strategy E *Encourage a variety of housing choices within the city* and calls out the multifamily tax exemption program as a tool to be explored.

Over the years, Bellevue has supported various strategies to develop affordable housing in the community, including the establishment of ARCH, funding for affordable housing through the Trust Fund, affordable housing land use incentives, and other strategies. The Multifamily Tax Exemption

program is one potential key element of a broader City housing program and may be incorporated into an overall housing strategy update.

State enabling legislation for the MFTE program requires a public hearing to take testimony on the on the proposed MFTE residential target areas. Following the public hearing Council may choose to take action to designate all or some combination of the proposed RTAs. Council feedback is also requested on the draft MFTE code section (Attachment B).

BACKGROUND

The MFTE is a State authorized, short-term exemption from property taxes paid on the housing portion of new development within mixed-use urban areas. The City is considering the MFTE as a voluntary incentive for new development that provides affordable housing or other public benefit.

Council previously reviewed the MFTE program at Study Sessions on June 2, October 20, 2014 and January 5, 2015. The June 2 Study Session was a high level introduction to the program, which has proven to be an effective tool in other jurisdictions. Council reviewed program options that allow flexibility to develop a program that meets the City's specific needs.

At the October 20 Study Session Council reviewed and provided direction on MFTE principles and prototype approaches to guide the development of a draft MFTE code section. Staff also addressed Council questions on the potential impacts of the program, particularly to public revenues.

At the January 5 Study Session Council received draft MFTE code language and reviewed key policy questions related to the code language. Council generally agreed with the key policy proposals in the draft, except for the issue of how long MFTE program housing should remain affordable--the Seattle model of a 12 year term or a longer, 50 year term. Further discussion is also needed on the issue of what affordability level should be required for affordable units. Council reviewed potential RTAs and how different program objectives could be targeted in different areas. Council requested that two additional RTAs be considered and included in the notice for public hearing: the Crossroads Commercial RTA, and the Wilburton Commercial RTA. There was Council support to move to the next step in developing a MFTE program, emphasizing that there will be many opportunities for public input on the proposed program before Council action.

Based on Council direction at the January 5 Study Session, notice of public hearing was made for these residential target areas (Attachment A):

- 1) Bel-Red RTA
- 2) Downtown Bellevue RTA
- 3) Eastgate Planning RTA
- 4) Newport Hills Commercial RTA
- 5) Crossroads Targeted Commercial RTA (former Top Foods)
- 6) Wilburton Commercial RTA

Following the January Council meeting, staff conducted additional outreach with Newport Hills residents. The primary purpose of the MFTE proposal as applied in Newport Hills is to catalyze redevelopment of the declining neighborhood shopping center, with a potential mixed use development

that may include a combination of housing and neighborhood-serving retail and services. Staff believe that earlier concerns raised about including the Newport Hills commercial area as an RTA have been addressed.

EFFECTIVE DATE

Not applicable.

OPTIONS

1. Hold the public hearing and provide direction to staff to proceed with drafting the MFTE code section with some combination of the above proposed Residential Target Areas as determined by Council.
2. Do not hold the public hearing and provide alternative direction to staff.

RECOMMENDATION

Hold the public hearing and provide direction to staff to proceed with drafting the MFTE code section with some combination of the above proposed Residential Target Areas as determined by Council.

MOTION

1. Move to open the public hearing.
2. Move to close the public hearing.
3. Move to direct staff to draft the MFTE code section with these designated Residential Target Areas (as determined by Council).

ATTACHMENTS

- A1 Bel-Red RTA
- A2 Downtown Bellevue RTA
- A3 Eastgate Planning RTA
- A4 Newport Hills Commercial RTA
- A5 Crossroads Commercial RTA (former Top Foods)
- A6 Wilburton Commercial RTA
- B Proposed MFTE Code Section
- C Public Hearing Notice
- D Study Session Meeting Materials from June 2 and October 20, 2014 and January 5, 2015

January 5, 2015

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

Multifamily tax exemption.

STAFF CONTACT

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POLICY ISSUES

Should the City amend the Bellevue City Code per RCW 84.14 to implement a property tax exemption for new development that provides affordable housing and/or other public benefit?

Comprehensive Plan Direction

The multifamily tax exemption (MFTE) addresses city-wide housing policy #HO-33: *Explore financial incentives to encourage affordable housing such as partial exemptions from city permit fees and use of the state property tax exemption program*; and #HO-12: *Provide incentives to encourage residential development for a range of household types and income levels in commercial zones.*

Council Priorities and Economic Development Plan Direction

The MFTE also promotes Council Priority #7 *"Promote housing opportunities for the needs of our diverse population"* and related direction to *"Bring forward a multifamily property tax exemption for Council's consideration"*. In addition, Bellevue's Economic Development Plan includes Direct Strategy E *Encourage a variety of housing choices within the city* and calls out the multifamily tax exemption program as a tool to be explored.

Over the years, Bellevue has supported various strategies to develop affordable housing in the community, including the establishment of ARCH, funding for affordable housing through the Trust Fund, affordable housing land use incentives, and other strategies. The Multifamily Tax Exemption program is one potential key element of a broader City housing program and may be incorporated into an overall housing strategy update.

DIRECTION NEEDED FROM COUNCIL

<input type="checkbox"/>	Action
<input checked="" type="checkbox"/>	Discussion
<input checked="" type="checkbox"/>	Information

Council feedback is requested on a draft MFTE code section and, if ready, direction to proceed to set a Public Hearing on this matter.

- Based on Council direction at previous MFTE Study Sessions, state legislation requirements, and the experience of other cities, Attachment A presents a draft MFTE code section to establish the Multifamily Housing Property Tax Exemption consistent with state enabling legislation RCW 84.14.
- Attachment B presents key MFTE program questions. State enabling legislation gives local jurisdictions flexibility to establish program incentives and requirements that meet a community's specific needs. Staff is seeking Council direction on these program questions to confirm important sections of the draft MFTE code section.
- Attachment C includes maps of four potential Residential Target Areas where the MFTE would be eligible. Staff is seeking Council direction on these proposed areas.

BACKGROUND

The multifamily tax exemption is a State authorized, short-term exemption from property taxes paid on the housing portion of new development within mixed-use urban areas. The multifamily tax exemption is being explored as a voluntary, affordable housing incentive within transit-served mixed-use districts and neighborhood commercial areas. This discussion follows Council's June 2 and October 20, 2014 Study Sessions.

October Study Session

At the October 20 Study Session Council reviewed and provided direction on MFTE principles and prototype approaches for the MFTE program to guide the development of a draft MFTE code section (Attachment A). Staff also addressed Council questions on the potential impacts of the program, particularly impacts to public revenues.

Council comment on the MFTE program included:

- Council members enquired about the overall cost benefit ratio of the program. Staff noted that the City's portion of the tax exemption created as much value as the City generally gets from its housing trust fund investments, but with the MFTE the City's contribution is leveraged by the tax exemptions from other taxing districts. The MFTE is a way to expand the City's affordable housing resources.
- It was also noted that the MFTE is one of the few state authorized affordable housing tools that cities are able to access, density incentives being another.
- The City benefits from development that occurs with the MFTE from the added value of the property and the commercial and retail space within the development. With the MFTE, some mixed income and workforce housing projects that may not be feasible without the incentive have an opportunity to go forward.
- Council provided comment and general agreement on the proposed MFTE Principles (Attachment D, MFTE Agenda Memo for October 20, 2014).

NEXT STEPS

If Council directs staff to proceed, state law requires the following steps to establish a multifamily property tax exemption:

1. Council approval of a resolution designating the residential targeted areas [RCW 84.14.040(2)]

2. A Public Hearing by the Council on the proposed residential targeted areas. Notice requirements for the hearing are specified in RCW 84.14.040(3).
3. Council adoption of an ordinance establishing:
 - a. An application process and procedures including administrative review authority, an appeal process [RCW 84.14.090(6)], and fees [RCW 84.14.080]; and
 - b. Monitoring and reporting process that addresses annual statements by the property owner [RCW 84.14.100(1)] and the City's Annual Report to the state.

Tonight, staff is seeking: 1) Council feedback on the draft Code section in Attachment A (key questions related to the Code and proposed residential target areas are presented in Attachments B and C); and 2) if the Council is ready, direction to proceed to set a Public Hearing on the draft Code.

ALTERNATIVES

1. Refine the draft MFTE Code and move forward to set a Public Hearing date, establishing MFTE Residential Target Areas in Bel-Red, Downtown Bellevue, Eastgate Planning Area, and the Newport Hills Commercial Area.
2. Provide alternative direction.

RECOMMENDATION

Alternative 1. Refine the draft MFTE Code and move forward to set a Public Hearing date, establishing MFTE Residential Target Areas in Bel-Red, Downtown Bellevue, Eastgate Planning Area, and the Newport Hills Commercial Area.

ATTACHMENTS

Attachment A: Proposed MFTE Code Section

Attachment B: Key Questions related to the MFTE Code Section

Attachment C: Proposed MFTE Residential Target Areas (RTAs)

C1 Bel-Red RTA

C2 Downtown RTA

C3 Eastgate Planning Area RTA

C4 Newport Commercial RTA

Attachment D: October 20, 2014 Study Session Agenda Memo and attachments

October 20, 2014

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

The multifamily tax exemption is a State authorized, short-term exemption from property taxes paid on the housing portion of new development within mixed-use urban areas. The multifamily tax exemption is being explored as a voluntary, affordable housing incentive within transit-served mixed-use districts and neighborhood commercial areas. This discussion follows Council's June 2, 2014 Study Session.

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POLICY ISSUES

Should the City amend the Bellevue City Code per RCW 84.14 to implement a property tax exemption for new development that provides affordable housing and/or other public benefit?

Comprehensive Plan Direction

The multifamily tax exemption (MFTE) addresses city-wide housing policy #HO-33: *Explore financial incentives to encourage affordable housing such as partial exemptions from city permit fees and use of the state property tax exemption program;* and #HO-12: *Provide incentives to encourage residential development for a range of household types and income levels in commercial zones.*

The MFTE is also consistent with Bel-Red Subarea Plan direction that a significant share of new Bel-Red housing be affordable to low-and-moderate income residents, and that affordability be achieved through a variety of tools (Bel-Red Subarea Plan Housing Goal and Bel-Red Housing Policy S-BR-41).

Council Priorities and Economic Development Plan Direction

Earlier this year the Council added Priority #7 "*Promote housing opportunities for the needs of our diverse population*" and included in this priority "*Bring forward a multifamily property tax exemption for Council's consideration*". In addition, Bellevue's Economic Development Plan includes Direct Strategy E *Encourage a variety of housing choices within the city* and calls out the multifamily tax exemption program as a tool to be explored:

To support a thriving economy, there is a need for workers at all income levels; however, the limited range of housing options in Bellevue challenges the availability of a varied workforce. Bellevue needs a city-wide approach to housing options for different income levels – in different growth areas of the city.

E.1 Develop a city-wide strategy to expand workforce housing options by exploring all manner of tools, including a multifamily tax exemption program, a revolving fund for transit-oriented development, zoning changes, and other options

E.2 Create opportunities for workforce housing in the redevelopment of Bel-Red and other major employment centers

Over the years, Bellevue has supported various strategies to develop affordable housing in the community, including funding for affordable housing through the ARCH Trust Fund, affordable housing land use density incentives in Bel-Red, and support for winter shelters. While review of the Multifamily Tax Exemption program is before Council at this time, it is seen as a potential key element of an overall city housing program and may be incorporated into an overall housing strategy work program.

DIRECTION NEEDED FROM COUNCIL

	Action
<u>X</u>	Discussion
<u>X</u>	Information

Council direction is requested on a) potential principles for the MFTE program and b) parameters for a draft ordinance (See Attachments A and B).

Based on issues identified by Council at their earlier Study Session, state legislation requirements, and the experience of other cities, Attachment A includes potential principles that would guide drafting a MFTE ordinance. Staff is requesting the Council review and affirm or modify the principles.

Attachment B includes a chart that is intended to illustrate different approaches that could be used for a program in Bellevue. For each principle, the chart shows prototype examples of how the program could be used in different neighborhoods. Staff is seeking comment from Council on the overall neighborhood prototypes or elements of the prototypes.

Staff will use the input from Council to prepare a draft ordinance for Council's review. This could include using prototypes as presented or mixing and matching elements of different prototypes, and/or additional items raised by Council.

BACKGROUND

June Study Session

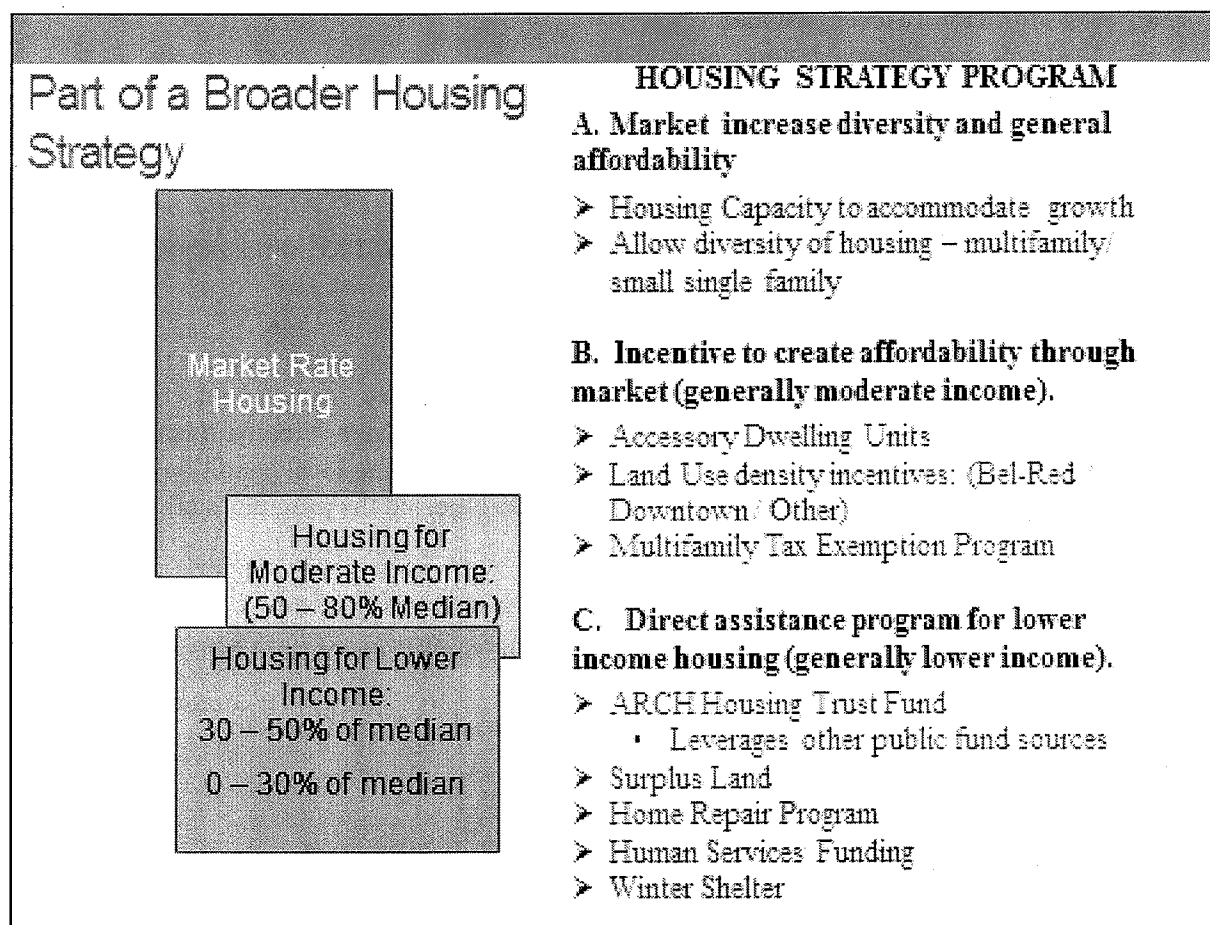
The June 2 Study Session on the MFTE was a high level introduction to the program, which has proven to be an effective tool in other jurisdictions. Council members noted that affordable housing is part of the City's economic development plan and an MFTE program could help address these needs. Many questions were raised on the impacts of the program—these questions are addressed in Attachment C and are organized as follows:

1. What are the potential impacts to residential and commercial development?
2. Does the MFTE address local affordable housing need?
3. How would the MFTE program complement other affordable housing programs, including housing funded through the ARCH Housing Trust Fund?
4. What are the potential impacts to public revenues?

In addition, because of the Council's questions related to meeting local housing needs Attachment D Affordability Options illustrates ways to potentially set affordability levels for an MFTE program, and how an MFTE program could be combined with other incentives to generate greater affordability or address other community needs.

Part of an Overall Housing Program

The Housing Needs Analysis done for the Housing Element update shows significant areas of need especially for affordable housing. These conditions, as well as recognizing the linkage of having a range of housing options with the availability of a varied workforce and a thriving economy, have prompted the Council to make housing opportunities a priority. The update to the Housing Element includes a proposed policy to develop a housing strategy work program. This will provide an opportunity in the coming year to develop strategies and a work program to address a range of housing issues. Issues expected to be part of these strategies include efforts to create a more stable siting of homeless shelters and day centers in East King County, and efforts to create a range of housing opportunities in the Bel-Red area through tools such as a land acquisition fund. The table below illustrates how the MFTE program may fit within this broader housing strategy.



MF Tax Exemption: RCW 84.14 / Synopsis

The State legislature enacted the Multi-Family Tax Exemption (MFTE) in 1995, granting authority to a limited number of cities in the state for ten-year tax exemptions on the improvement value of multifamily projects in targeted mixed-use areas. Cities could choose to adopt the tax exemption to increase multifamily housing to promote economic development or other public benefits, including affordable housing. In 2006, the legislature updated this code to allow more cities to use the program and to provide greater incentives for affordable housing. Residential development that provides at least 20% affordable units may receive a 12-year tax exemption on all new housing units within the project. Residential development that provides some other public benefit, which may include affordable housing with less than 20% affordable units, receives an 8-year exemption. Key provisions of RCW 84.14 are summarized in Attachment E.

Program Options – Balancing the Incentive

While there are certain state-required thresholds, the RCW gives cities flexibility in the program incentives and requirements to tailor programs to a community's specific needs, including:

- Potential variation in requirements by targeted areas
- Residential targeted areas (RTA) – can create multiple RTAs, with different requirements
- The affordability level provided
- The percent of affordable units provided
- Length of property tax exemption – 8 or 12 years
- Length of affordability
- Ability to layer MFTE with other incentives
- What projects qualify, e.g. threshold number of new units
- Phased approach with different affordability level established for initial projects
- Capping the program at a certain number of tax-exempted units and/or a period of time.

As well as considering community needs, a local program also needs to account for the economic impact of the program in terms of both benefits and costs to projects. Attachment F provides an analysis of the costs and benefits for a prototype, sample development. Finally, it is noted that cities can modify program requirements over time based on changing local conditions and needs. Seattle has offered a MFTE Program since 1998, and has adjusted the program's affordability levels four times.

NEXT STEPS

Assuming Council provides direction to staff based on the draft Principle and Prototypes, next steps would include the following:

- Staff prepare responses to additional follow-up questions from Council.
- Draft Ordinance for Council review
 - Affordability/public benefit provisions
 - Identify applicable neighborhoods (Residential Target Areas (RTAs))
 - Other items raised by Council
- After Council review, set public hearing for Ordinance.

ALTERNATIVES

1. Establish "Principles for Multifamily Tax Exemption in Bellevue" and parameters for the draft ordinance to set program direction.
2. Provide alternative direction.

RECOMMENDATION

Alternative 1, establish "Principles for Multifamily Tax Exemption in Bellevue" and parameters for the draft ordinance to set program direction.

ATTACHMENTS

Attachment A: Proposed MFTE principles

Attachment B: MFTE prototype provisions

Attachment C: Responses to Council questions from June 2, 2014

Attachment D: Affordability Options

Attachment E: MFTE Summary / RCW 84.14 (included in June 2 packet)

Attachment F: Sample Developer Benefit and Cost Analysis

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

The multifamily tax exemption is a State authorized, short-term exemption from property taxes paid on the housing portion of new development within mixed-use urban areas. The multifamily tax exemption is being explored as a voluntary, affordable housing incentive within transit-served mixed-use districts and neighborhood commercial areas.

STAFF CONTACT

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POLICY ISSUES

RCW 84.14.007 states the purpose of that chapter is to encourage and stimulate the construction of affordable multifamily housing in urban centers having insufficient affordable housing opportunities. To achieve these purposes, the statute provides for special valuations in residentially deficient urban centers for eligible improvements associated with affordable multiunit housing.

Should the City amend the Bellevue City Code per RCW 84.14 to implement a property tax exemption for new development that provides affordable housing and/or other public benefit?

Comprehensive Plan Direction:

The multifamily tax exemption (MFTE) addresses city-wide housing policies #HO-33: *Explore financial incentives to encourage affordable housing such as partial exemptions from city permit fees and use of the state property tax exemption program.*

The MFTE is also consistent with the Bel-Red Subarea Plan direction that a significant share of new Bel-Red housing be affordable to low-and-moderate income residents, and that affordability be achieved through a variety of tools (Bel-Red Subarea Plan Housing Goal and Bel-Red Housing Policy S-BR-41).

DIRECTION NEEDED FROM COUNCIL

<u> </u>	Action
<u> X </u>	Discussion
<u> X </u>	Information

On February 3, 2014, Councilmembers requested this presentation on the MFTE. Based on Council direction, staff could return with additional information on potential principles, program options, and designated residential target areas.

BACKGROUND

MF Tax Exemption: RCW 84.14 / Synopsis

The State legislature enacted the Multi-Family Tax Exemption (MFTE) in 1995, granting authority to a limited number of cities in the state for ten-year tax exemptions on the improvement value of multifamily projects in targeted mixed-use areas. Cities could choose to adopt the tax exemption to increase multifamily housing to promote economic development or other public benefits, including affordable housing.

In 2006, the legislature updated this code to allow more cities to use the program and to provide greater incentives for affordable housing. Residential development that provides at least 20% affordable units could receive a 12-year tax exemption on all new housing units within the project. Residential development that provides some other public benefit, which may include affordable housing with less than 20% affordable units, receives an 8-year exemption. The key provisions of RCW 84.14 include:

- Exemption is for either 8 or 12 years. A 12-year exemption must include 20% affordable housing units, the minimum threshold established by the State.
- Exemption is only on the improvement value of the residential portion of a property. Taxes are still paid on the land and on the improvement value of any non-residential uses.
- Housing that receives an exemption must be located in a locally designated Residential Target Area (RTA) which is generally defined as an area with a mixture of uses, activities and businesses. Cities can establish one or more RTAs in their city, so long as each meets certain minimum requirements.

The MFTE program exempts eligible multifamily housing from all ad valorem (value added) property taxation for the exemption period. This would include the City, State and other special district valuations that, in 2014, total \$9.52 per \$1,000 AV (of this total, \$1.0748 is the Bellevue valuation). Thus, every dollar the City exempts to support affordable housing leverages \$7.86 from State and special district valuations. As proposed, the MFTE would have limited impact on City revenues. This program impacts the City by reducing future growth of assessed value of new construction, which in turn reduces growth in property tax revenue collected on new construction. The growth in new construction of projects participating in this program is added to the tax rolls at the end of the program's exemption period. Also, the City may realize economic benefits from initiating new development, such as development contributions to infrastructure, sales tax and business revenue that help to offset any detriment from the delay in adding these units to the tax roll. Analysis on how the MFTE might impact City revenues and revenues to other taxing districts, such as schools, is found in Attachment 1.

Washington cities that have adopted the MFTE include Burien, Everett, Kenmore, Kirkland, Mercer Island, Renton, Seattle, Shoreline, Spokane, and Tacoma. See Attachment 2 for summary information on these programs.

Program Options - Balancing the Incentive

Bellevue seeks to achieve an incentive that works for developers while providing meaningful, long-term affordability or other public benefit. In discussions with local developers it was emphasized that the MFTE cannot be an effective tool without providing developers adequate return that considers impacts to financing and long-term operating costs. Seattle has offered a MFTE Program since 1998, and has adjusted the program's affordability levels four times to balance the incentive to the developer and the public benefit (Attachment 3).

Cities that adopt the State authorized MFTE must establish program requirements within the thresholds established in RCW 84.14. However, the RCW gives cities flexibility in the program incentives and requirements to develop a program that meets a community's specific needs, including:

- The affordability level provided
- The percent of affordable units provided
- Length of property tax exemption – 8 or 12 years
- Length of affordability
- Ability to layer MFTE with other incentives
- Residential targeted areas
- Potential variation in requirements by targeted areas
- What projects qualify, e.g. threshold number of new units
- Phased approach with different affordability level established for initial projects
- Capping the program at a certain number of tax-exempted units and/or a period of time.

Residential Target Areas

Eligible Residential Target Areas (RTAs) are compact identifiable districts that are multifamily mixed use or multifamily with access to mixed use. RTAs must lack, as determined by the governing authority, sufficient residential housing, including affordable housing. The City may adopt one or more RTAs, adopt different eligibility requirements to achieve different program objectives for each RTA, or expand the MFTE program by adopting additional RTAs over time.

Mixed Use: The MFTE can be used to encourage housing, including affordable housing, in mixed use centers such as Bel-Red, Downtown, Eastgate, and Wilburton. In Bel-Red the MFTE could layer on Bel-Red's Tier 1 FAR (Floor Area Ratio) affordable housing incentive to provide financial motivation for development to include more affordable units than would be achieved by the FAR amenity incentive system alone. This would support Bel-Red Housing Policy S-BR-41 that sets aggressive targets for affordable housing that *"will be addressed through a combination of development regulations and incentives, public investments, and other public and private strategies, such as employer-assisted housing and short-term property tax exemptions for multifamily housing."*

Neighborhood Commercial Areas: Over time, some of the City's neighborhood shopping centers have experienced decline as they have struggled with competition from larger centers and changing consumer patterns. In certain Neighborhood Business and Community Business districts the MFTE could be used as a residential development incentive. The MFTE could be adopted with a lower affordability requirement as determined by the center's economic need. While the situation has generally improved in most neighborhood shopping centers, Newport Hills is still struggling with high vacancy rates and lower investment levels.

NEXT STEPS

This overview provides Council the opportunity to provide comment and direction on the multifamily tax exemption program. As directed by Council, staff will return with additional information on program principles, program options, and designated residential target areas.

Basic Questions:

1. Should the City consider a MFTE program as a voluntary, affordable housing incentive within transit-served mixed-use districts and neighborhood commercial areas?
2. If yes, would the program allow 12-year exemptions and/or 8-year exemptions?
3. What areas of the city should be considered for a MFTE program?
Should the City encourage use of the MFTE in combination with other incentives such as the Bel-Red FAR amenity incentive or federal tax exempt bond financing and tax credits?

ALTERNATIVES

1. Direct staff to return with additional information on potential program principles, program options, and designated residential target areas.
2. Provide alternative direction.

RECOMMENDATION

Alternative 1.

ATTACHMENTS

1. Fiscal Impacts of MFTE
2. MFTE Experience in Other Communities
3. Seattle's MFTE Program (10-8-2013 DT Livability Advisory Committee Memo, updated)
4. Summary of MFTE Provisions under State Law RCW 84.14 / Issaquah Planning