

November 13, 2017

CITY COUNCIL STUDY SESSION ITEM**SUBJECT**

Updating the MFTE to increase participation by developers of new housing.

STAFF CONTACTS

Mac Cummins, Director, 452-6191

Terry Cullen, Comprehensive Planning Manager, 452-4070

Deborah Munkberg, Senior Planner, 452-2898

Arthur Sullivan, ARCH Program Manager, 861-3676

Planning and Community Development Department

POLICY ISSUES

Should Bellevue's MFTE program be adjusted per Affordable Housing Strategy Action C-3: *Update existing tax exemption programs for affordable housing to increase participation by developers of new housing?*

Several policies in Bellevue's Comprehensive Plan recognize and support the City's commitment to improve affordable housing opportunities across the city, including Economic Development Element policy ED-16, and Housing Element policies HO-21, HO-23, and HO-24.

DIRECTION NEEDED FROM COUNCIL

ACTION



DIRECTION



INFORMATION ONLY



Staff is providing an update to City Council on staff actions to (1) promote MFTE participation and (2) request direction on whether and how to adjust MFTE participation requirements in Downtown.

BACKGROUND/ANALYSIS

In June 2015, the City of Bellevue adopted an MFTE program and designated BelRed, Downtown, Eastgate, Crossroads Village, and Wilburton as residential target areas (RTA) under the program. In exchange for a 12-year property tax exemption on the residential improvement, participating developers are required to set aside 20% of the units as affordable to low and moderate-income households. See Attachment A for a program overview and Attachment B for a map of designated residential target areas.

Staff reviewed the eleven multifamily permits issued in the RTAs since MFTE was adopted in 2015 and found that the majority of those who did not participate either were already in the permitting process when MFTE was adopted or were not aware of the program. One downtown project is participating in the MFTE. See Attachment C.

Staff also reviewed how Bellevue's experience with MFTE compares to other cities in the region. In general, MFTE is most successful where the program has been in effect the longest. Cities that adopted in the 1990s have had significantly greater participation in MFTE than more recent adopters. Of the five surveyed cities that adopted after 2010, only Bellevue has had MFTE participation.

Staff invited developers active in the BelRed and Downtown RTAs to provide feedback on the program. In general, most were not familiar with the program, but expressed interest in participating if they could be confident that the tax exemption would provide greater benefit than the lost rents. Some said that they felt that the program might not be financially feasible in the downtown due to the high rents that the downtown commands.

To test the question of MFTE financial feasibility, staff prepared a financial review of development scenarios in BelRed and downtown. In the downtown, staff found that an adjustment could better provide for economic feasibility. For the downtown only, MFTE affordability requirements should be adjusted from 10 percent of units affordable at 60% of King County median income and 10 percent affordable at 70% of median income to 20 percent of units affordable at 70 percent of median income.

For the remaining RTAs, the MFTE performance in Bellevue is comparable to the experience in other cities two to three years following adoption. However, increased efforts to raise developer awareness of the program; consideration of MFTE as part of ongoing planning initiatives; and regular monitoring and management could improve overall program performance. Specifically, staff will take the following actions:

- a. *Provide timely and clear MFTE information to developers.* Incorporate MFTE information as part of the required pre-application meeting and design review submittal package.
- b. *Incorporate consideration of MFTE into current planning efforts.* Ongoing and scheduled planning initiatives, including Wilburton commercial area planning, BelRed Look Back, and East Main TOD implementation, will consider potential for changes in designated target areas, and addition of new areas, such as East Main.

Monitor overall performance in all target areas and recommend changes for continued program effectiveness. As part of the Affordable Housing Strategy implementation, staff has committed to an ongoing process to assess progress and maintain accountability. For MFTE, this will include an annual inventory of MFTE units created, identification of trends over a three- to five-year period and recommendation of changes as needed to promote continued participation and growth in the program.

OPTIONS

1. Direct staff to prepare an amendment to the MFTE ordinance that adjusts the requirement for affordable units from 10 percent of units affordable at 60 percent of King County median income and 10 percent of units at 70 percent of median income to 20 percent of units at 70 percent of median income.
2. Provide alternative direction to staff.
3. Take no action.

RECOMMENDATION

Option 1

ATTACHMENTS

A. MFTE Overview

B. MFTE residential target areas

C. Multifamily permitting history June 2015 – 2017

D. MFTE feasibility analysis

E. Survey of cities using MFTE B.

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A

City of Bellevue

Planning & Community
Development



Multifamily Housing Property Tax Exemption Program

What is the Multifamily Housing Property Tax Exemption (MFTE) Program?

The MFTE Program is a voluntary affordable housing incentive for new apartment development. The MFTE provides a 12-year exemption from property taxes paid on the housing portion of qualifying projects in exchange for setting aside 20% of the units for income-eligible households.

Where can the MFTE be used?

Projects must be located in these targeted mixed-use residential areas (see map on back):

- Bel-Red
- Downtown Bellevue
- Eastgate Planning
- Crossroads Village
- Wilburton Commercial

Besides affordable housing, what other eligibility requirements must the project meet?

- Project is new construction, multifamily rental housing of at least 4 dwelling units.
- At least 50% of the new space is intended for permanent residential occupancy.
- At least 15% of the dwelling units have 2 or more bedrooms.
- The unit mix, configuration, quality and finishes of the affordable units are consistent with all dwelling units in the project.
- Project does not result in loss of existing subsidized affordable housing.
- Project is completed within 3 years or within an extension period approved by the director.

Tax Exemption

- Land and any non-residential component of the project (retail, commercial, office space, etc.) are not eligible for the exemption.
- The property tax exemption will remain in place for a maximum of 12 years, provided the property remains in compliance with program requirements.

- The tax exemption is transferable to a new property owner as long as the new owner maintains compliance with program requirements.

Approval Process

Applications must be submitted to Bellevue's Department of Planning & Community Development (PCD) prior to the issuance of a project's first building permit. If the director approves the application, the city will issue a Conditional Certificate of Acceptance for Tax Exemption. The city will then assign A Regional Coalition for Housing (ARCH) to develop a tax exemption contract and a regulatory agreement for execution by the project owner and the city manager. The regulatory agreement will be recorded as a covenant running with the land.

When the housing units are ready for occupancy, the applicant will submit to PCD an application for a Final Certificate of Tax Exemption, demonstrating that the project complies with all of the requirements of the program. If the director approves the application, the city will issue a Final Certificate to the King County Assessor, who will exempt the residential improvements from the taxable value of the property.

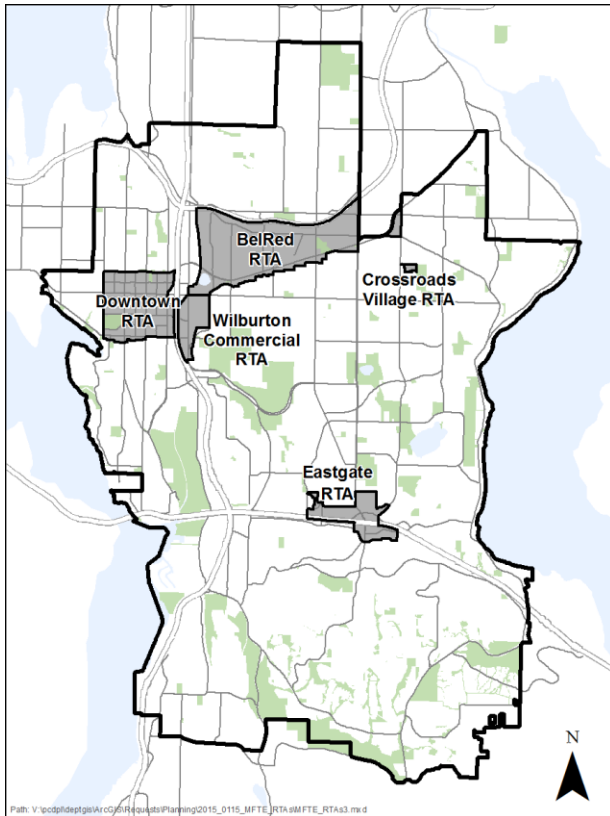
Annual Reporting

Affordable housing tenants must be able to certify their income eligibility at the time of initial occupancy, and annually thereafter.

MFTE Program Information

- Mike Stanger, ARCH
425 861-3677 mstanger@bellevuewa.gov
- Janet Lewine, Bellevue PCD
425 452-4884 jlewine@bellevuewa.gov
- City of Bellevue MFTE webpage
- June 15, 2015 Ord. 6231
- Bellevue Code Chapter 4.52

Residential Target Area	Affordability
Downtown Bellevue Eastgate Planning Crossroads Village, and Wilburton Commercial	10% of all dwelling units in the project are affordable to household incomes 60% (or less) of the King County median income, adjusted for household size; and another 10% are affordable to household incomes 70% (or less) of the median. Any unit of 300 sq. ft. or less must be affordable to household incomes 45% (or less) of the median.
Bel-Red Area	10% of all dwelling units in the project are affordable to household incomes 50% (or less) of the King County median income, adjusted for household size; and another 10% are affordable to household incomes 70% (or less) of the median. Any unit of 300 sq. ft. or less must be affordable to household incomes 45% (or less) of the median.



MFTE Residential Targeted Areas

2017 Income Guidelines* and Rental Costs**

Bedrooms	Household Size	45% AMI Income	45% AMI Rent	50% AMI Income	50% AMI Rent	60% AMI Income	60% AMI Rent	70% AMI Income	70% AMI Rent
Studio	1 persons	\$30,240	\$756	\$33,600	\$840	\$40,320	\$1,008	\$47,040	\$1,176
One	2 persons	\$34,560	\$864	\$38,400	\$960	\$46,080	\$1,152	\$53,760	\$1,344
Two	3 persons	\$38,880	\$972	\$43,200	\$1,080	\$51,840	\$1,296	\$60,480	\$1,512
Three	4 persons	\$43,200	\$1,080	\$48,000	\$1,200	\$57,600	\$1,440	\$67,200	\$1,680

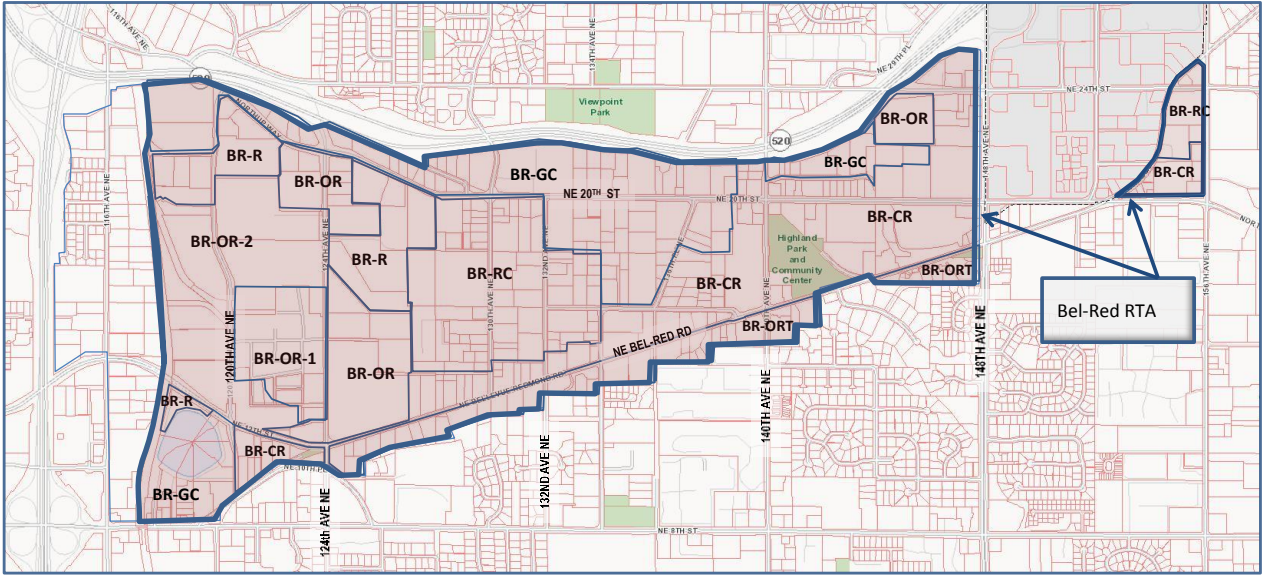
* Based on the King County/Seattle-Bellevue Metro Median Income (4 persons): \$96,000

** Monthly rental cost includes rent and utility.

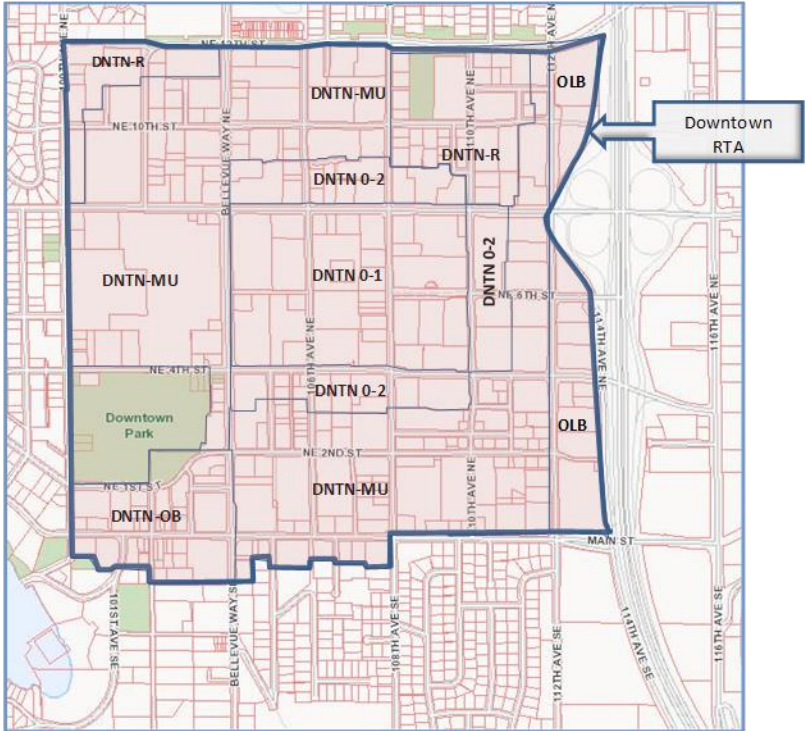
Bedrooms	Electricity/ Gas	Water/ Sewer	Garbage Allowance	Insurance Allowance
Studio	\$45	\$55	\$15	\$10
One	\$68	\$55	\$15	\$10
Two	\$91	\$66	\$15	\$10
Three	\$114	\$86	\$15	\$10

1459-ORD
06/11/15

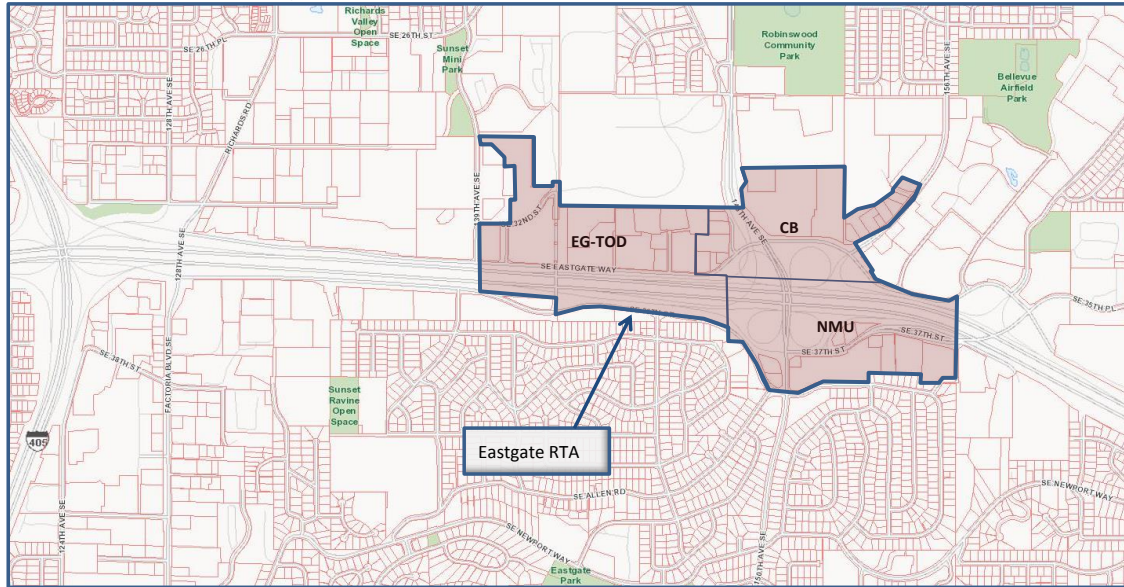
1. Bel-Red Area



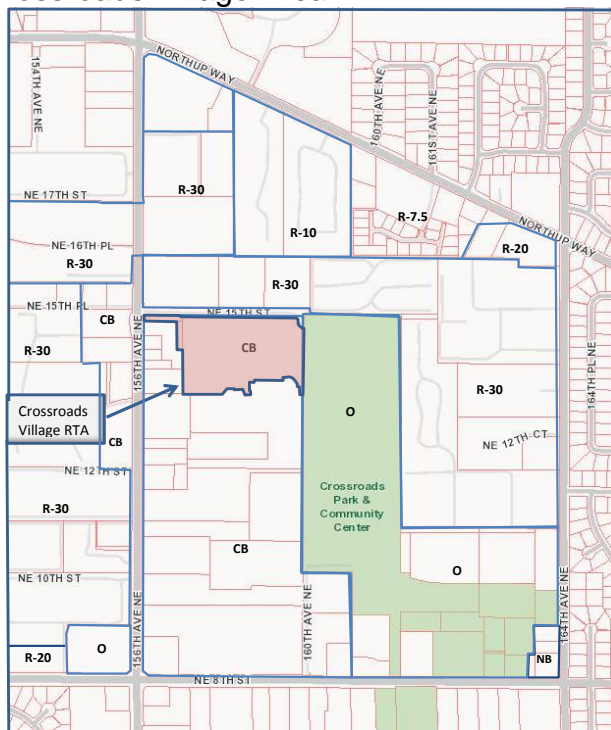
2. Downtown Bellevue Area



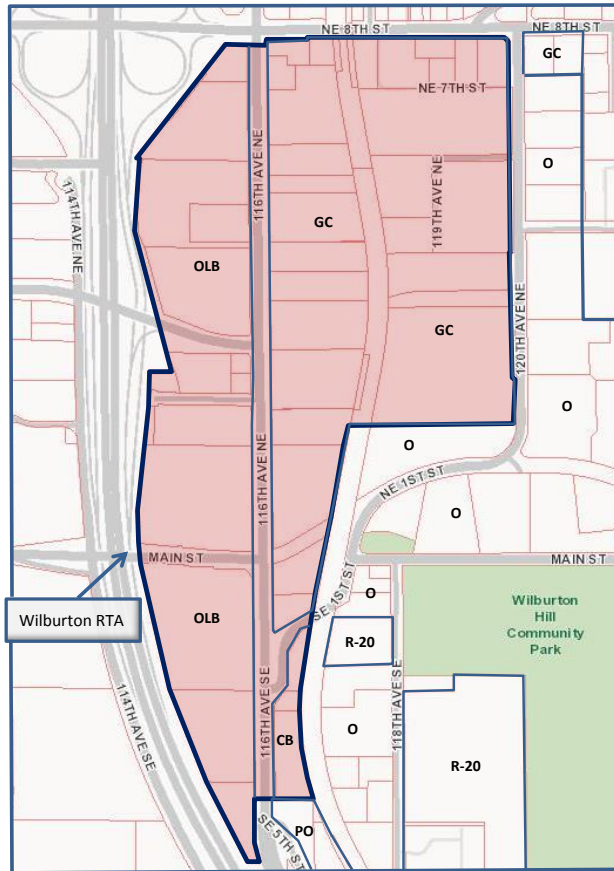
3. Eastgate Planning Area



4. Crossroads Village Area



5. Wilburton Commercial Area



- E. If a part of any legal lot is within a residential targeted area as shown in Maps 1 through 5 in this section, then the entire lot shall be deemed to lie within such residential targeted area.

4.52.040 Project Eligibility

To be eligible for exemption from property taxation under this chapter, the property shall satisfy all of the following requirements:

- A. The property must be located in a Residential Targeted Area.
- B. The project must be new construction multifamily rental housing consisting of at least four dwelling units within a residential structure or as part of a mixed use development, in which at least fifty percent of the space within such residential structure or mixed use development is intended for permanent residential occupancy.
- C. No application may result in the net loss of existing affordable housing which receives housing assistance through federal low or moderate income housing programs (e.g., HUD Section 8 program).

MFTE: MULTIFAMILY PARTICIPATION (2015 – 2017)

DEVELOPMENT	UNITS	MFTE	NOTES
BelRed RTA	974		
<i>Vida Townhomes</i>	49	No	<i>Ownership units, not eligible for MFTE</i>
<i>Spring District</i>	299	No	<i>Catalyst project (LUC 20.25D.035)</i>
<i>GIS Townhouses</i>	8	No	<i>Ownership units, not eligible for MFTE</i>
<i>Hyde Square</i>	618	No	<i>Permit in process prior to MFTE adoption</i>
Crossroads RTA	105		
<i>Crossroads Village</i>	105	No	<i>Ownership units, not eligible for MFTE</i>
Downtown RTA	833		
<i>103rd Ave Apts</i>	162	No	<i>Permit in review process prior to MFTE adoption</i>
<i>Evergreen Plaza Apts</i>	154	No	<i>Permit in review process prior to MFTE adoption</i>
<i>Metro 112 Ph 2</i>	57	No	<i>Permit in review process prior to MFTE adoption</i>
<i>Bellevue Vuecrest</i>	137	No	<i>Not aware of process; developer believes not financially feasible</i>
<i>888 Bellevue Tower</i>	158	Yes	<i>Combined land use and MFTE incentives (under construction, 32 affordable units)</i>
<i>Alamo Manhattan</i>	165	No	<i>Not aware of process; developer believes not financially feasible</i>
Wilburton RTA	0		
Eastgate RTA	0		

I. AFFORDABLE HOUSING FAR BONUS: BEL-RED // EASTGATE**A. Economic Impact of Providing Affordable Units: Bel-Red**

Unit Type	Total Units	Required Aff. Units	Market Rent	80% Median Inc. Rent	Rent Gap
Studio	38	4	\$ 1,650	\$1,275	\$375
1BR	56	5	\$ 1,988	\$1,458	\$530
2BR	31	3	\$ 2,470	\$1,640	\$830
3BR	0	0	\$ 3,200	\$1,822	\$1,378
TOTAL/AVERAGE	125	12	\$2,007	\$1,448	\$559
		9.6% % Total Units	\$2.84 per sq ft		

II. MULTIFAMILY TAX EXEMPTION ANALYSIS: BEL-RED
Bel-Red: 10% @ 50% AMI and 10% at 70%
10% @ 60% AMI / 10% @70% AMI Except Bel Red
A. Analysis of Value of Property Tax Exemption

	BEL-RED NODE	OUTSIDE NODE
Improvement Value per Unit	\$276,000	\$276,000
Total Units	125	85
Property Tax Assessment Rate (Per \$1,000 value)	2017 8.7200	8.7200
Annual Property Tax Savings (improvement value)	\$300,839	\$204,247

Property Tax Savings per MFTE Affordable Unit	\$1,003 PER MONTH	\$1,003
(20% of Units required to be affordable)		

B. Analysis of Cost of Affordable Housing Requirement for MFTE**1.A Bel-Red MFTE requirements : Stand Alone**

Average Cost Per Affordable Unit at 50% AMI
Average Cost Per Affordable Unit at 70% AMI

Bel-Red Node		Bel-Red Outside Node	
% Total Units	Reduced Rent	% Total Units	Reduced Rent
10%	\$1,130	10%	\$1,130
10%	\$750	10%	\$750
20%	\$940	20%	\$940
	107%		107%

Weighted Average Cost Per Affordable Unit**1.B. Bel-Red MFTE Requirement (Accounting for Bel-Red Affordable Housing FAR Bonus)**

Average Cost Per Affordable Unit at 50% AMI
Average Cost Per Affordable Unit at 70% AMI
Average Cost per Affordable Unit from 80% to 50% AMI
Average Cost per Affordable Unit from 80% to 70% AMI

Bel-Red Node		Bel-Red Outside Node	
% Total Units	Reduced Rent	% Total Units	Reduced Rent
2.0%	\$1,130	5%	\$1,130
10.0%	\$750	10%	\$750
8.0%	\$570	5%	\$570
0.0%	\$190	0%	\$190
20%	\$716	20%	\$800
	140%		125%

Weighted Average Cost Per Affordable Unit**2.A. Eastgate MFTE requirements : Stand Alone**

Average Cost Per Affordable Unit at 60% AMI
Average Cost Per Affordable Unit at 70% AMI

Eastgate: TOD Zone		Eastgate: NB Zone	
% Total Units	Reduced Rent	% Total Units	Reduced Rent
10%	\$940	10%	\$940
10%	\$750	10%	\$750
20%	\$845	20%	\$845
	119%		119%

Weighted Average Cost Per Affordable Unit**2.B Eastgate MFTE Requirement (Accounting for Affordable Housing FAR Bonus at 2.5: 1 up to 1.0 FAR)**

Average Cost Per Affordable Unit at 60% AMI
Average Cost Per Affordable Unit at 70% AMI
Average Cost per Affordable Unit from 80% to 60% AMI
Average Cost per Affordable Unit from 80% to 70% AMI

Eastgate: TOD Zone		Eastgate: NB Zone	
% Total Units	Reduced Rent	% Total Units	Reduced Rent
0.0%	\$940		\$940
10.0%	\$750	5%	\$750
10.0%	\$380	10%	\$380
	\$190	5%	\$190
20%	\$565	20%	\$425
	177%		236%

Weighted Average Cost Per Affordable Unit**IMPACT ON MONTHLY RENTS**

Impact on montly rent: Reducing from market rent to 80% of median	\$560
Impact on monthly rent: By changing affordability level.	
10% median	\$190
20% median	\$380

I. AFFORDABLE HOUSING FAR BONUS: DOWNTOWN

A. Economic Impact of Providing Affordable Units

Unit Type	Total Units	Required Aff. Units	Market Rent	80% Median Inc. Rent	Rent Gap
Studio	53	3	\$ 1,775	\$1,275	\$500
1BR	79	4	\$ 2,178	\$1,458	\$720
2BR	44	2	\$ 2,803	\$1,640	\$1,163
3BR	0	0	\$ 3,120	\$1,822	\$1,298
TOTAL/AVERAGE	175	9	\$2,213	\$1,448	\$765
		5.1% % Total Units	\$3.25 per sq ft		

II. MULTIFAMILY TAX EXEMPTION ANALYSIS:

Current: 10% @ 60% AMI / 10% @70% AMI

Option: 20% @ 70% AMI

A. Analysis of Value of Property Tax Exemption

		DOWNTOWN
Improvement Value per Unit		\$279,000
Total Units		175
Property Tax Assessment Rate (Per \$1,000 value)	2017	8.7200
Annual Property Tax Savings (improvement value)		\$425,753

Property Tax Savings per MFTE Affordable Unit

\$1,014 PER MONTH

(20% of Units required to be affordable)

B. Analysis of Cost of Affordable Housing Requirement for MFTE

1.A. Downtown MFTE requirements : Stand Alone

Average Cost Per Affordable Unit at 60% AMI
Average Cost Per Affordable Unit at 70% AMI

DOWNTOWN		DOWNTOWN: All at 70% AMI	
% Total Units	Reduced Rent	% Total Units	Reduced Rent
10%	\$1,150	0%	\$1,150
10%	\$960	20%	\$960
Weighted Average Cost Per Affordable Unit	20%	20%	\$960
Ratio: Reduced Property Tax to Reduced Rent Income	96%		106%

1.B Downtown MFTE Requirement (Accounting for Affordable Housing FAR Bonus of up to 1.0 FAR)

Average Cost Per Affordable Unit at 60% AMI
Average Cost Per Affordable Unit at 70% AMI
Average Cost per Affordable Unit from 80% to 60% AMI
Average Cost per Affordable Unit from 80% to 70% AMI

DOWNTOWN		DOWNTOWN: All at 70% AMI	
% Total Units	Reduced Rent	% Total Units	Reduced Rent
5.0%	\$1,150	0%	\$1,150
10.0%	\$960	15%	\$960
5.0%	\$380	0%	\$380
	\$190	5%	\$190
Weighted Average Cost Per Affordable Unit	20%	20%	\$768
Ratio: Reduced Property Tax to Reduced Rent Income	118%		132%

IMPACT ON MONTHLY RENTS

Impact on montly rent: Reducing from market rent to 80% of median	\$770
Impact on monthly rent: By changing affordability level.	
10% median	\$190
20% median	\$380

MFTE Program Summary

7/26/17

Jurisdictions	Affordability Provisions	Local program features/requirements	Affordable Units Achieved
Bellevue Ch 4.52 Adopted 2015	<ul style="list-style-type: none"> – 12 year exemption, per RCW 84.14 – Affordability definition: 45 – 70% of median hh income, depending on location and size of unit; higher standard than minimum threshold defined in RCW 84.14.010 	<ul style="list-style-type: none"> – Residential targeted areas: BelRed, Downtown, Eastgate, Crossroads, Wilburton – Project must have 15% of units with two or more bedrooms – Mix and configuration of affordable units must be substantially proportional to the project as a whole 	Affordable: 32 (under construction)
Auburn Ch 3.94 Adopted 2003	<ul style="list-style-type: none"> – 8 year and 12 year exemptions, per RCW 84.14 – Primary focus is as an economic development tool – 12-year exemption requires minimum \$130,000 average investment per unit – 8-year exemption does not require investment required per unit 	<ul style="list-style-type: none"> – Residential targeted area: downtown Auburn core – Project size threshold: minimum 50 units – Property must be developed in a way that increases/preserves property valuation and represent increased investment in property/property maintenance that results in an increase in overall property values in the target area 	<ul style="list-style-type: none"> – Market rate: 255 rental – Affordable: 0
Bellingham Ch 17.82 Adopted 1999	<ul style="list-style-type: none"> – 8 year and 12 year exemptions per RCW 84.14 – 12 year exemption <ul style="list-style-type: none"> ○ owner occupancy minimum requirement is met solely through housing affordable to moderate income hhs ○ rental occupancy minimum requirement is at or below 60 – 80% of median hh income, depending on size of unit – MFTE housing in Fairhaven and Barkley villages required to meet affordability requirements (12-year exemption), not required elsewhere 	<ul style="list-style-type: none"> – Residential targeted areas: five areas – City Center, Samish Way, Fountain District, Fairhaven, Barkley Village – Historic resource protection – Displacement: Project must not displace existing residential tenants of structures proposed for redevelopment. 	<ul style="list-style-type: none"> – Majority of development in City Center – Market rate: <ul style="list-style-type: none"> ○ 681 to-date ○ 174 under construction – Affordable: 0
Everett Ch 3.78 Adopted 1998	<ul style="list-style-type: none"> – 8 year and 12 year exemptions per RCW 84.14 	<ul style="list-style-type: none"> – Residential targeted areas: 10 areas <ul style="list-style-type: none"> ○ Downtown Urban Center ○ E-1 Mixed Use Overlay zones (7 areas) ○ North Broadway multifamily area ○ Waterfront Place Urban Center – Minimum project size thresholds 	<ul style="list-style-type: none"> – Market rate: <ul style="list-style-type: none"> ○ 483 8-year ○ 199 10-year – Affordable: 573

Jurisdictions	Affordability Provisions	Local program features/requirements	Affordable Units Achieved
Everett, cont.		<ul style="list-style-type: none"> – Conversion of existing sf units to mf not eligible for tax exemption – Parking requirement standards established – Location specific design standards established – Displacement: If property proposed to be rehabilitated is not vacant, tenants must be provided housing of comparable size, quality and price, and reasonable opportunity to relocate 	
Federal Way Ch 3.30 Adopted 2003	<ul style="list-style-type: none"> – 8 year and 12 year exemptions per RCW 84.14 	<ul style="list-style-type: none"> – Residential targeted area: City Center 	<ul style="list-style-type: none"> – Market rate: 0 – Affordable: 0
Kenmore Ch 3.65 Adopted 2007	<ul style="list-style-type: none"> – 8 and 12 year exemptions per RCW 84.14 – 2013 amendment: <ul style="list-style-type: none"> ○ Increased 12-year exemption requirement from 20% to 25% of mf housing as affordable units ○ Definition of low/moderate income hh increased from 50% to 85% of KC median family income 	<ul style="list-style-type: none"> – Residential targeted area: NW quadrant of the intersection of NE 181st/68th Ave NE 	<ul style="list-style-type: none"> – Market rate: 166 – Affordable: 56 (5 @ 50% AMI, 51@85% AMI) – All units in one project
Kirkland Ch 5.88 Adopted 2004	<ul style="list-style-type: none"> – 8 and 12 year exemptions per RCW 84.14 – Affordability definition: <ul style="list-style-type: none"> ○ Owner occupied housing – 80% to 100% of median hh income ○ Renter occupied housing – 50% of median hh income – 8-year exemption: <ul style="list-style-type: none"> ○ At least 10% of units affordable to hhs at 50% or less of median income or have comparable level of affordability as provided for in the city's affordable housing program ○ At least 10% of units affordable to hhs at 80% or less of median income, for projects not subject to the affordable housing requirements of the Kirkland Zoning Code – 12-year exemption <ul style="list-style-type: none"> ○ At least 10% of units affordable to hhs at 50% or less of median income and 10% of units 	<ul style="list-style-type: none"> – Residential targeted areas: 11 areas: Central Kirkland, Totem Lake and North Rose Hill, Juanita, NE 85th St, Houghton/Everest, Bridle Trails, Lakeview, Market Street Corridor, Finn Hill North, Finn Hill South, Kingsgate – Mix and configuration of affordable units must be substantially proportional to the project as a whole 	<ul style="list-style-type: none"> – Market rate: 334 – Affordable: 81
Kirkland, cont.			

Jurisdictions	Affordability Provisions	Local program features/requirements	Affordable Units Achieved
	<p>affordable to hhs at 80% or less of median income</p> <ul style="list-style-type: none"> ○ At least 10% of units affordable to hhs at 50% or less of median income and at least 10 affordable to hhs at no greater than 30% higher than KC median income 		
Lynnwood Ch 3.82 Adopted 2007	<ul style="list-style-type: none"> – 8 year and 12 year exemptions per RCW 84.14 	<ul style="list-style-type: none"> – Residential targeted area: City Center – LEED silver standard required – Properties listed in city’s historic register are not eligible – Parking requirement standards established – Minimum project size threshold – Meet standards established for condominium construction or better – Finish materials appropriate to City Center design standards 	<ul style="list-style-type: none"> – Market rate: 0 – Affordable: 346 – All units from a single development
Mercer Island Ch 4.59 Adopted 2011	<ul style="list-style-type: none"> – 8 year and 12 year exemptions per RCW 84.14 – Affordable unit defined as affordable to a hh earning no more than 60% median hh income – Moderate income unit defined as affordable to a hh earning no more than 80% median hh income – 8-year exemption requires at least 10% affordable units in the Town Center or 5% affordable units in the multifamily area – In Town Center, 12-year exemption requires at least 10% are affordable units and 10% are moderate income units – In multifamily area, 12-year exemption requires at least 5% are affordable units and 15% moderate income units 	<ul style="list-style-type: none"> – Residential target areas: Town Center and adjacent mf zoned lots – Mix and configuration of affordable units must be substantially proportional to the project as a whole 	<ul style="list-style-type: none"> – Market rate: 0 – Affordable: 0
Redmond Ch 3.38 Adopted 2017	<ul style="list-style-type: none"> – 8 year and 12 year exemptions per RCW 84.14 – 8 year exemption requires at least 10% of units affordable to hhs at 50% to 60% or less of median income depending on location – 8-year exemption provides alternative compliance method – may involve provision of affordable 	<ul style="list-style-type: none"> – Residential targets areas: Downtown, Overlake Village, Marymoor – Minimum of 10 new dwelling units must be created – Mix and configuration of affordable units must be substantially proportional to the project as a whole 	<ul style="list-style-type: none"> – Adopted 7/18/17, no units

Jurisdictions	Affordability Provisions	Local program features/requirements	Affordable Units Achieved
	<p>housing off-site or case payment in lieu. Decisional criteria for alternative methods provided.</p> <ul style="list-style-type: none"> – 12-year exemption requires at least 10% of units affordable to hhs at 60% – 65% or less of median income depending on location and at least 10% of units affordable to hhs at 80% – 85% or less of median income depending on location. 	<ul style="list-style-type: none"> – Exterior materials and design must be compatible with project as a whole 	
Renton Ch 4-1-220 Adopted 2003	<ul style="list-style-type: none"> – 8 year, and 12 year exemptions per RCW 84.14 – Primary focus is as an economic development tool 	<ul style="list-style-type: none"> – Residential targeted areas: Sunset Area and Downtown – Minimum project size threshold: 10 – 30 new units, depending on location; different standards for existing mf structure proposed for demolition and redevelopment – Displacement: not addressed 	<ul style="list-style-type: none"> – Market rate: 1,602 <ul style="list-style-type: none"> o 1,552 market rate rentals o 50 units for purchase – Affordable: 92 – Under development: 209, all market rate – Rental rate on some market rate units qualify as affordable
Seattle Ch 5.72 Adopted 1998	<ul style="list-style-type: none"> – 12 year exemption per RCW 84.14 – Affordability thresholds range between 40% and 90%, depending on the number of bedrooms in the unit – Establishes increased affordability requirements in specific geographic areas 	<ul style="list-style-type: none"> – Residential target areas: 1 area that encompasses all multifamily zoned land – 20% of units to be set aside if a minimum level of 2-bedroom units are provided; if minimum not met 25% of units to be set aside – Mix and configuration of affordable units must be substantially proportional to the project as a whole 	<ul style="list-style-type: none"> – Affordable: 7,518 since 1998 <ul style="list-style-type: none"> o 7399 rental o 119 ownership
Shoreline Ch 3.27 Adopted 2002	<ul style="list-style-type: none"> – 12 year exemption per RCW 84.14 – Provides for different affordability requirements in station areas compared to other targeted areas – Establishes sunset date for designation of residential target areas in the station subareas. 	<ul style="list-style-type: none"> – Residential targeted areas: 9 total -- Aurora Avenue N Corridor; Ballinger Way NE, Hillwood, Richmond Beach, Southeast Neighborhood, and Ridgecrest commercial areas; North City Business District; and 145th St and 185th St station subareas – Mix and configuration of affordable units must be substantially proportional to the project as a whole – Maximum unit limit for Aurora Square Community Renewal Area – 	<ul style="list-style-type: none"> – Affordable: 313 since 2013
Tacoma	<ul style="list-style-type: none"> – 8 year and 12 year exemptions per RCW 84.14 	<ul style="list-style-type: none"> – Residential targeted areas: 17 mixed use centers 	<ul style="list-style-type: none"> – Market rate: 5,087

Jurisdictions	Affordability Provisions	Local program features/requirements	Affordable Units Achieved
Ch 6A.110 Adopted 2008		<ul style="list-style-type: none"> o Excludes some or all of certain mixed use centers 	<ul style="list-style-type: none"> - Affordable: 110 - Count includes some units currently under construction - Rental rate on some market rate units qualify as affordable
Tumwater Ch. 3.30 Adopted 2017	<ul style="list-style-type: none"> - 8 year and 12 year exemptions per RCW 84.14 	<ul style="list-style-type: none"> - Residential targeted areas: Capitol Boulevard Corridor, Brewery District - None - Displacement: must not displace existing residential tenants 	<ul style="list-style-type: none"> - MFTE ordinance adopted spring 2017; - No development to-date
Vancouver Ch. 3.22 Adopted 1998	<ul style="list-style-type: none"> - 8 and 12 year exemptions based on RCW 84.14 - Market rate development: 8-year exemption - Affordable development: <ul style="list-style-type: none"> o 8-year exemption with 20% of units affordable to hhs earning up to 100% median income o 10-year exemption with 20% of units affordable to hhs earning up to 80% median income o 12-year exemption with 20% of units affordable to hhs earning up to 60% AMI - HHs in income restricted units must pay no more than 30% of income for rent and utilities 	<ul style="list-style-type: none"> - Residential targeted areas: Downtown, Fourth Plain Corridor 	<ul style="list-style-type: none"> - Market rate: 1,109 - Affordable: 492 - Includes operating, under construction and approved - 87% of all development in the Downtown; 40% of affordable units in Fourth Plain Corridor