

# Webinar: Reauthorization of Seattle's MFTE Program

Office of Housing  
May 17, 2024



City of Seattle



# Topics for today's webinar

- OH's guiding principles for reauthorization
- State requirements
- Timeline for reauthorization
- Opportunities to provide feedback





## **Vision**

Everyone has a healthy and affordable home.

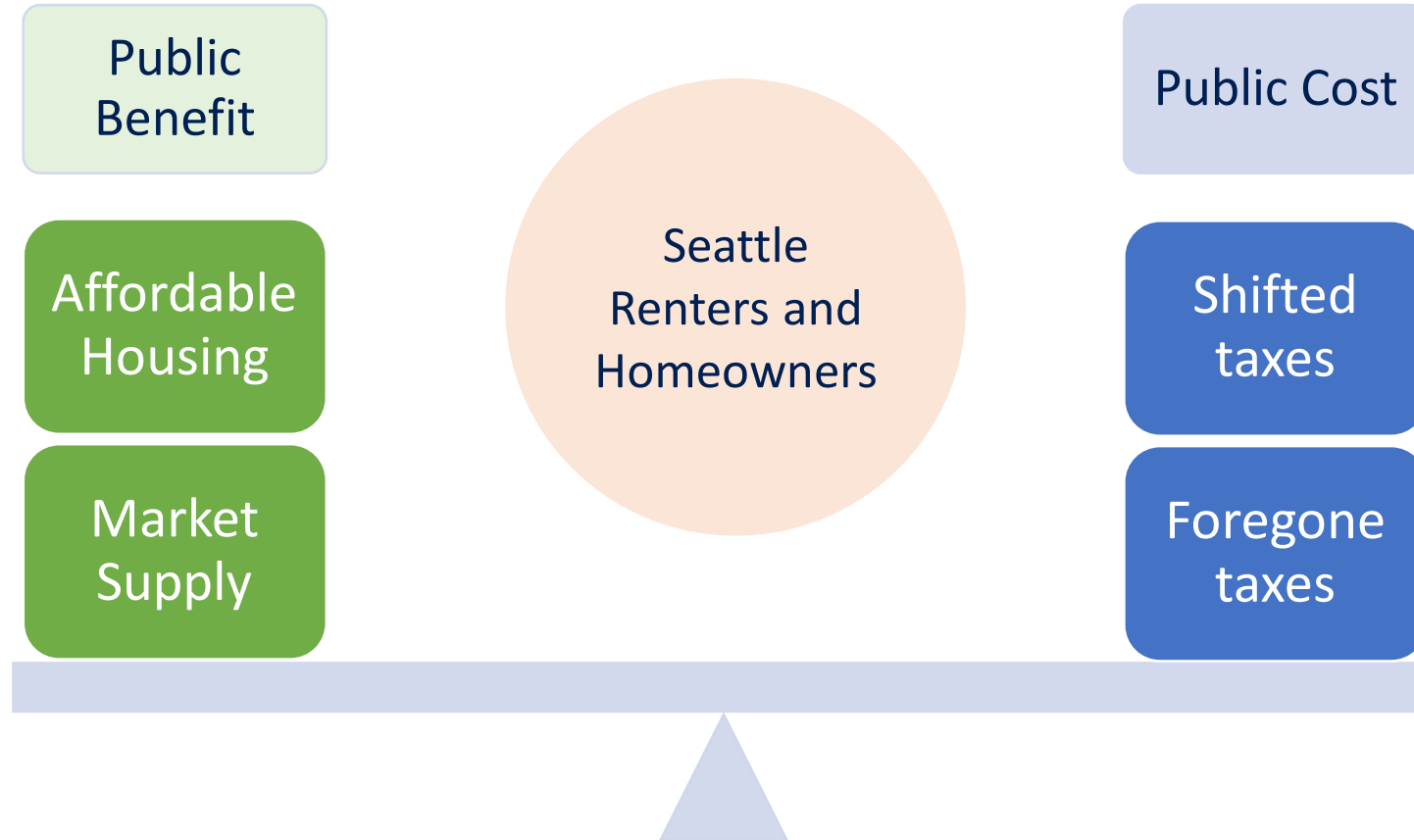
---

## **Mission**

We partner to create affordable housing by equitably investing to prevent displacement and increase opportunities for people to live in Seattle.



# Striving for MFTE program balance



# Program requirements defined by:

Revised Code of  
Washington  
(RCW)

Department of  
Commerce Audit  
Program Guide

Seattle  
Municipal Code  
(SMC)

City of Seattle  
Audit, 2012

# MFTE program purpose, State RCW

- Encourage increased residential opportunities, including affordable housing
- Stimulate the construction of new multifamily housing and rehab of vacant or underutilized buildings

Revised Code of  
Washington  
(RCW)

Department of  
Commerce Audit  
Program Guide

Seattle  
Municipal Code  
(SMC)

City of Seattle  
Audit, 2012



# MFTE program purpose, Seattle Municipal Code

- Increase and maintain affordable housing
- Affirmatively further fair housing

Revised Code of  
Washington  
(RCW)

Department of  
Commerce Audit  
Program Guide

Seattle  
Municipal Code  
(SMC)

City of Seattle  
Audit, 2012

# MFTE program costs

Forgone property tax revenue – for property values that are not assessed prior to the tax exemption going into effect

- As of 2022, approximately \$174 M of property tax revenue has been forgone for existing MFTE properties

Shifted property taxes – to offset MFTE, other property taxpayers absorb the tax payments

- For 2022 alone, approximately \$67 M of property taxes were shifted to other property taxpayers, or ~\$121 per homeowner



# Dept of Commerce Data/Audit Requirements

- Rents and vacancies for market-rate units
- Rents and vacancies for income-restricted units
- Income and assets for individual households
- Affirmative marketing materials in cases where higher vacancy rates exist for income-restricted units
- Summary of noncompliance
- Assessment of penalties for substantive noncompliance

Revised Code of  
Washington  
(RCW)

Department of  
Commerce Audit  
Program Guide

Seattle  
Municipal Code  
(SMC)

City of Seattle  
Audit, 2012



# 2012 City of Seattle Audit

- 15 of 19 recommendations generally geared toward increased compliance
- Recommended increased scrutiny of tenant income paperwork, unit comparability, data collection, reporting

Revised Code of  
Washington  
(RCW)

Department of  
Commerce Audit  
Program Guide

Seattle  
Municipal Code  
(SMC)

City of Seattle  
Audit, 2012

# 2021 Council Resolution for Reauthorization

- Compare market rate and affordable rents
- Explore appropriate income targeting and market trends
- Collect demographics of those living in MFTE apartments
- Examine property taxes forgone and shifted
- Advance labor equity outcomes
- Review data about older and expiring MFTE properties
- Constituent engagement

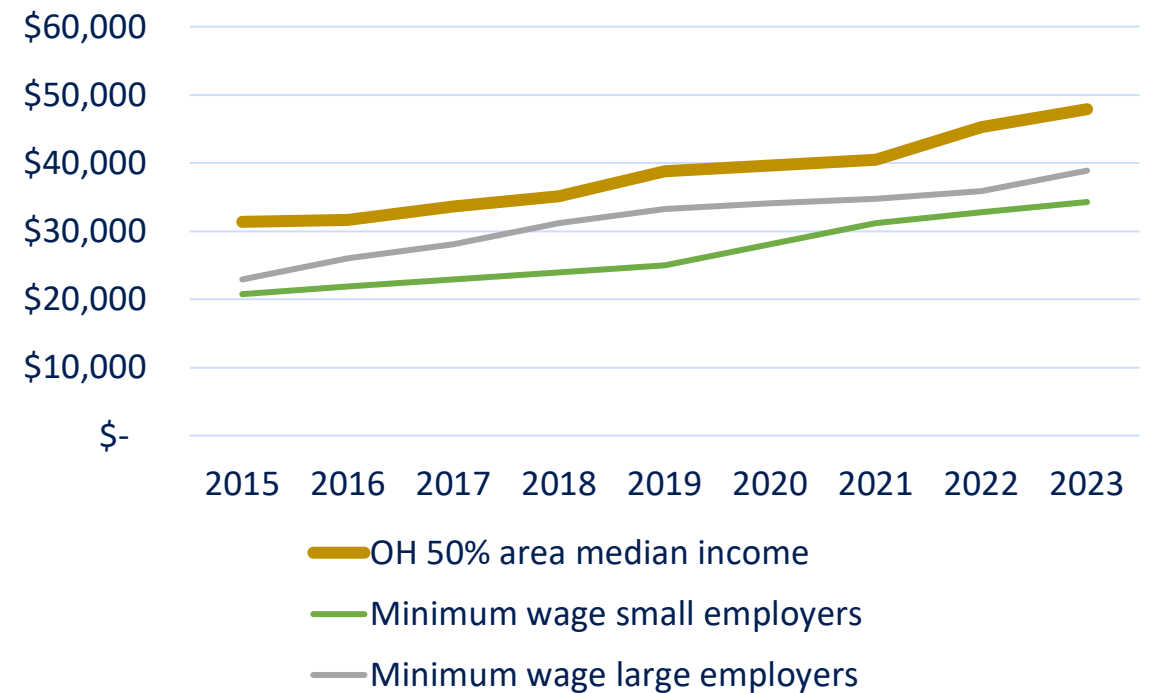


# 50% AMI rent remains out of reach for minimum wage workers

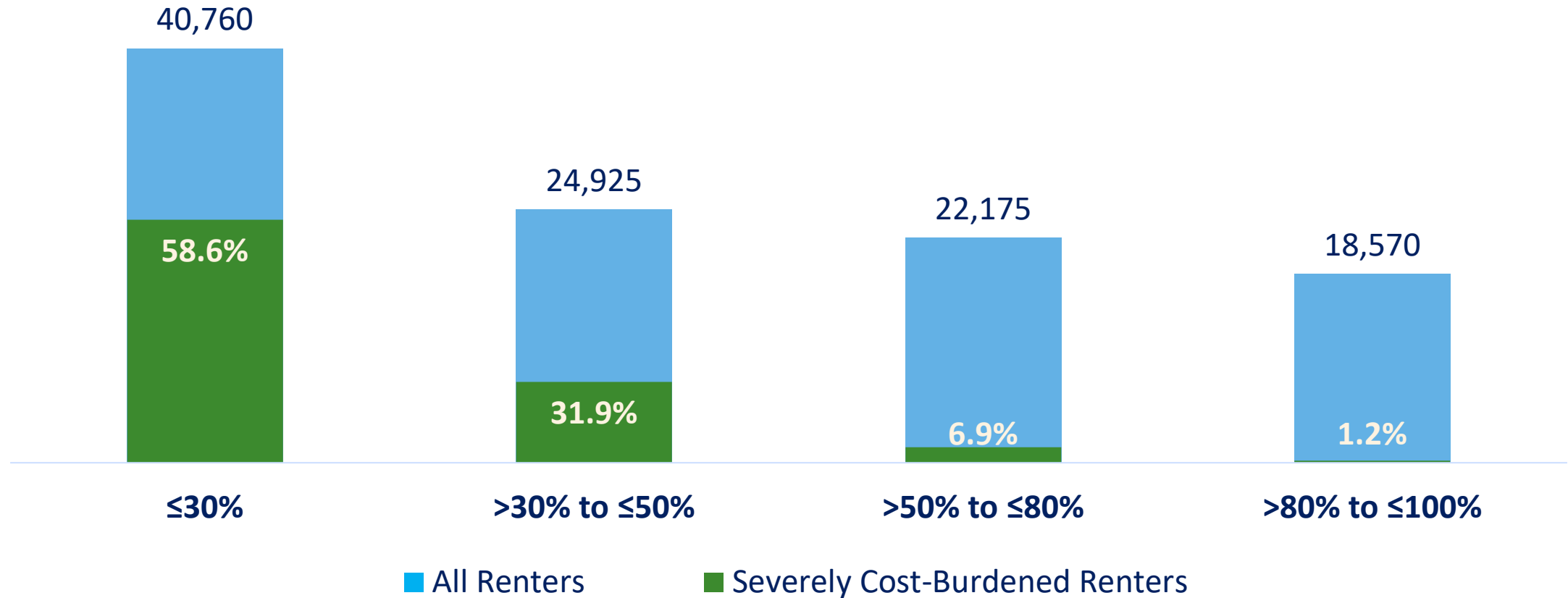
Seattle's area median income has increased 37% in the last five years

Workers making minimum wage would be cost burdened by 50% AMI max rent

Comparison of 50% AMI and Seattle Minimum Wage



# Severe housing cost-burden affects those with the lowest incomes



Source: US Department of HUD, CHAS 2015-2019, ACS 5-Year Estimates, Seattle

# Seattle needs 112,000 new homes by 2044

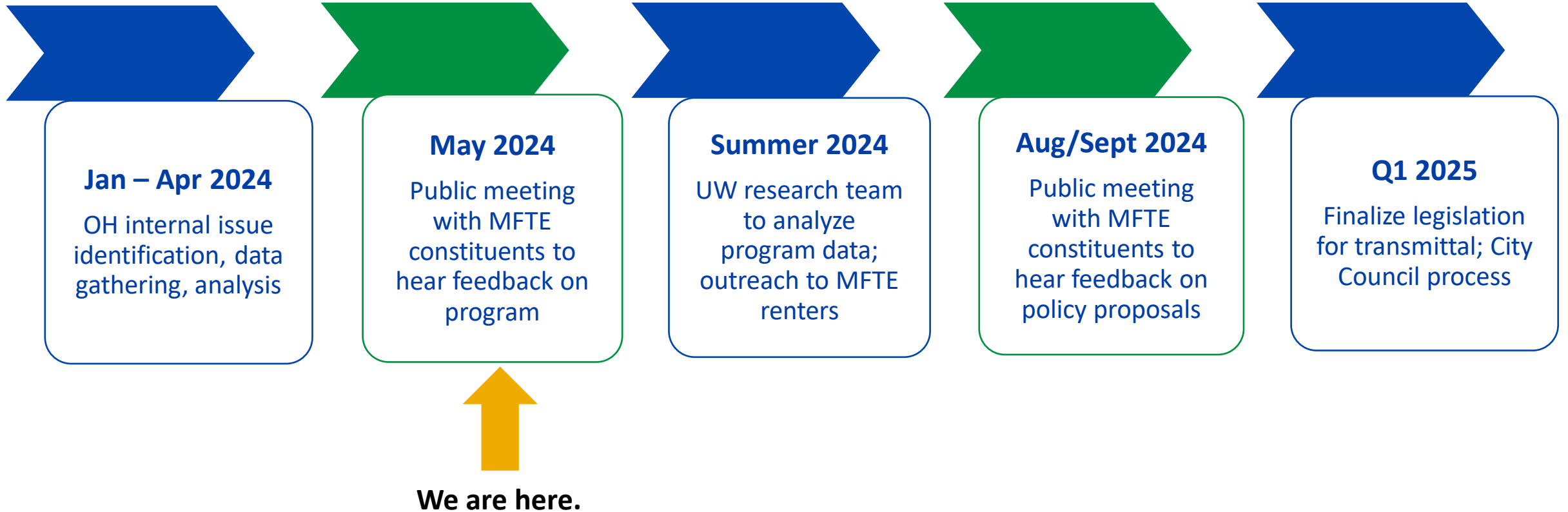
Future housing needs broken down by AMI

Permanent Supportive Housing	Affordable Housing			Private Market	
	<b>28,572</b>	<b>15,024</b>	<b>19,144</b>	<b>7,986</b>	<b>11,572</b>
0-30% AMI PSH	0-30% AMI non-PSH	30-50% AMI	50-80% AMI	80-120% AMI	120% AMI+

Source: Countywide Planning Policies, King County Growth Management Planning Council, 2023



# MFTE Program Reauthorization Timeline



# Opportunities to provide feedback

- May 17 Feedback Sessions
  - Session 1: Program application process for MFTE developments
  - Session 2: Renter application process, compliance monitoring and penalties
- By June 30: Use online form to share feedback
- July: Renter survey
- August/September: Public meeting to solicit feedback on policy proposals

# Next up: Feedback Sessions

- 10:10am – 10:50am | Session 1  
Program application process for MFTE developments
- 11:00am – 12:00pm | Session 2  
Renter application process, compliance monitoring
- If you didn't register ahead of time, please use the links in the chat to do so now.
- If you need assistance, e-mail [OFH\\_MFTE@seattle.gov](mailto:OFH_MFTE@seattle.gov)





# Feedback Session 1: Program application process for MFTE developments

Office of Housing  
May 17, 2024



City of Seattle

# 10:10am - 10:50am | Session 1

## Program application process for MFTE developments

- Working agreements
  - Use raise-hand function to get in queue for speaking
  - Be specific when adding to the dialogue via chat
  - Inviting you to Oppose AND Propose
- What we're hoping to hear from you
  - What suggestions do you have for the program application process?
  - What are your ideas for improving timeliness in process?
  - What are your pain points?
  - Anything else you want to share?



# Thank you for your comments!

- Please use the form linked in the chat to provide additional feedback or ask questions of staff.
- Comment period closes June 30 at 5:00pm.
- Feedback Session 2 starts at 11:00am. If you didn't register ahead of time, please use the link in the chat to do so now.
- If you need assistance, e-mail [OFH\\_MFTE@seattle.gov](mailto:OFH_MFTE@seattle.gov)





# Feedback Session 2: Renter application process, compliance monitoring

Office of Housing  
May 17, 2024



City of Seattle

# 11:00am - 12:00pm | Session 2

## Renter application process, compliance monitoring

- Working agreements
  - Use raise-hand function to get in queue for speaking
  - Be specific when adding to the dialogue via chat
  - Inviting you to Oppose AND Propose
- What we're hoping to hear from you
  - What suggestions do you have for the following?
    - Renter application process
    - Data reporting
    - Compliance monitoring and penalties
  - What are your pain points?
  - Anything else you want to share?



# Thank you for your comments!

- Please use the form linked in the chat to provide additional feedback or ask questions of staff.
- Comment period closes June 30 at 5:00pm.
- If you need assistance, e-mail [OFH\\_MFTE@seattle.gov](mailto:OFH_MFTE@seattle.gov)

