

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Legislative	Sara Belz / 4-5382 Lisa Herbold / 4-5331	Not Applicable

**Legislation Title:**

A RESOLUTION stating the City Council’s intent to amend Seattle Municipal Code Chapter 5.73, the 2004 Multifamily Housing Property Tax Exemption Program.

**Summary of the Legislation:**

The legislation outlines several specific amendments that the Council intends to make to the City’s Multifamily Housing Property Tax Exemption (MFTE) Program, which is established in Chapter 5.73 of the Seattle Municipal Code.

**Background:**

The City’s original MFTE Program, Chapter 5.72 of the Seattle Municipal Code (SMC), was established in 1998 by Ordinance 119237 and amended by Ordinances 119371 and 120135. It expired in 2002 and a second MFTE Program, SMC Chapter 5.73, was adopted in 2004 by Ordinance 121415. SMC Chapter 5.73 was subsequently amended by Ordinances 121915, 122730, 123550 and 123727.

Since 1998, the geographic scope of the City’s MFTE Programs has expanded from eight Residential Targeted Areas (RTAs) to 39 RTAs and the number of MFTE Program goals has increased from seven to nine. In September 2012, the Office of the City Auditor completed an audit of the MFTE Program and found that “most of the [MFTE Program’s] goals do not have associated performance measures” and “because there are no performance measures it is difficult to determine whether or when certain goals are being achieved.” The Auditor also found that some of the MFTE Program’s existing goals “potentially conflict with one another.”

This Resolution expresses the Council’s intent to further amend SMC Chapter 5.73 to focus the City’s MFTE Program on the measurable objective of increasing the supply of housing units that are affordable to Seattle’s low-income households.

**Please check one of the following:**

**This legislation does not have any financial implications.**

**This legislation has financial implications.**

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**

No.

**b) What is the financial cost of not implementing the legislation?**

None.

**c) Does this legislation affect any departments besides the originating department?**

The legislation concerns the City Council's intent to amend the City's MFTE Program, which is administered by the Office of Housing.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

None.

**e) Is a public hearing required for this legislation?**

No.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**g) Does this legislation affect a piece of property?**

No.

**h) Other Issues:**

None.

**List attachments to the fiscal note below:**

None.