

City of Seattle Multifamily Property Tax Exemption Program

2010 Status Report to City Council



MULTIFAMILY PROPERTY TAX EXEMPTION

Report Summary

AN INCENTIVE PROGRAM THAT WORKS IN CURRENT TOUGH ECONOMIC TIMES.

Economic conditions over the last two years have stalled new residential projects across the city. Financing has become extremely difficult to access. In this economic environment, the MFTE Program helps make housing development feasible, including:

- For-profit housing, helping project economics and creating affordable units
- Nonprofit housing, combining with other subsidies to stretch limited funding

Program changes adopted by City Council in 2008 have helped make thousands of housing units more feasible to build. In spite of the economic downturn over the past two years, construction has proceeded on the majority of the MFTE Program's participating projects. Since July 2008, the program has supported:

- 22 projects for a total of 3,510 total housing units
- 1,241 housing units affordable to households earning low and moderate wages

Real estate forecasters predict that the current recession will continue to negatively affect Seattle's multifamily housing market through 2011, with some improvement in 2012 and beyond. Continuation of the MFTE Program will help increase the availability of housing for moderate-wage workers and their families in neighborhood centers throughout the city, at locations close to jobs and services and well served by transit.

The MFTE program sunsets at the end of 2010 unless extended by the City Council. Extending the MFTE Program will help both for-profit and nonprofit projects move forward, creating jobs and generating local and state revenues.

This MFTE Program report contains:

1. **Program Description** and legislative history
2. **Project Summaries** of 39 developments to date, including 2,069 affordable housing units
3. **Recommended Program Changes** to make the program more effective
4. **Attachments:** project information; map of eligible program areas and project locations, Seattle residential growth targets and trends

1. PROGRAM DESCRIPTION

A. Program Goals and Performance

The MFTE Program provides an incentive for development of workforce housing in locations where new multifamily rental and ownership housing is planned for and needed. Consistent with State authorizing legislation, the program provides a twelve-year exemption of property taxes on the value of the residential improvements. The tax exemption does not apply to land or any commercial areas within the building. In exchange, at least 20% of the housing units in rental projects must be affordable for moderate-wage workers during the period of the exemption. For ownership developments, only qualified homebuyers receive the exemption.

The MFTE Program has three long-standing goals:

- Help make residential projects feasible in transitional urban villages with little market rate housing development, or
- Help produce affordable units in market rate, mixed-use projects in urban centers or villages with more robust private developer interest and activity, or
- Assist with project economics for nonprofit housing that serves low- and moderate-wage working people but does not qualify for the State’s low-income housing property exemption.

Since the MFTE Program was created in 1998, experience has shown that different program goals are achieved depending the overall real estate cycle. In a down-cycle, the program is most effective at helping make housing projects financially feasible. In a strong real estate market, the program helps provide affordable housing in market rate developments. Over the course of a 12-year property tax exemption, the program may achieve both goals as individual projects are affected by changing market conditions.

Over the last two years the MFTE Program has helped make projects feasible in all parts of the city. Program amendments adopted by the City Council in 2008 raised the rent and income levels for affordable units, and expanded eligibility from 17 to 39 areas throughout the city. At the same time, relatively low market rents and more restrictive credit has made new project feasibility significantly more challenging. As a result, more projects have been approved for the program now than in the previous ten years:

	Projects	Total Units	Affordable Units
1998 through June 2008	17	1,510	717
July 2008 to June 2010	22	3,510	1,241

B. Legislative History

- MFTE Program 1: City Council creates the program in 1998, program sunsets 12/31/02
- MFTE Program 2: Program re-adopted in 2004 (Ordinance 121415)
- MFTE Program 2 (Amended): Program amended in July 2008 (Ordinance 122730) responding to real estate market conditions, and expanding eligible locations. Program sunsets 12/31/10 unless legislation is approved extending the program.

C. Current Income, Rent and Homeownership Guidelines

MFTE projects must provide 20% of the units at affordable rents or sale prices, with a mix of unit sizes proportional to the project as a whole. The current affordable rents and prices are summarized below. However, projects approved prior to July 2008, or that are using other housing subsidies, typically assist lower-income households at lower rents or sales prices.

For rental projects:

- Studio and one-bedroom units must be rented to households with incomes at or below 80% of median income. Two-bedroom units must be rented to households with incomes at or below 90% of median income.
- In 2010 rent for studio units, including basic utilities, must be no greater than \$1,199 per month, one-bedroom units no greater than \$1,370 per month, and two-bedroom or larger units at no greater than \$1,734 per month.

For homeownership developments:

- Studio and one-bedroom units must be sold to households with incomes at or below 100% of median income, and two-bedroom or larger units sold to households at or below 120% of median income.

Family Size	60%	65%	70%	80%	90%	100%	120%
1 Person	\$35,950	\$38,950	\$41,950	\$47,900	\$53,900	\$59,900	\$71,900
2 Persons	\$41,100	\$44,550	\$47,950	\$54,800	\$61,650	\$68,500	\$82,200
3 Persons	\$46,200	\$50,100	\$53,950	\$61,650	\$69,350	\$77,050	\$92,450
4 Persons	\$51,350	\$55,650	\$59,900	\$68,500	\$77,050	\$85,600	\$102,700
5 Persons	\$55,450	\$60,100	\$64,700	\$73,950	\$83,200	\$92,450	\$110,950

D. Eligible Locations

Housing projects must be located in a designated residential target area. Since 2008, 39 areas throughout the city have been eligible for the Program. The MFTE MAP on page 16 shows eligible areas and participating projects. Table 4 on page 14 shows residential growth targets for each area and the number of units permitted and developed in recent years.

2. PROJECT SUMMARIES

This section provides information requested by City Council, including development activity, types and number of units produced and their location, rent and sales prices, information about the number of low- and moderate-income households benefiting from the program, the total amount of tax exemption, and the impact of the tax exemption on individual homeowners in the city.

A. MFTE Housing Production Activity

Forty-two projects have been approved by the City since the program's inception in 1998. They include:

- **ACTIVE PROJECTS:** 39 active projects with 5,020 units. Of these 31 projects, 3,898 units are constructed and occupied.
- **AFFORDABLE UNITS:** Of the 5,020 total units, 2,069 (41%) are affordable at MFTE affordability or lower. The MFTE Program requires affordability restrictions for a minimum of 1,004 (20%) of units. The Program helped create more than double that number of affordable units by supporting nonprofit and for-profit projects developed using other housing subsidy sources that limit rents to 60% of median income or lower.
- **NONPROFIT VS FOR-PROFIT:** 25 are by for-profit developers and 14 by nonprofit developers.
- **OWNERSHIP HOUSING:** Five homeownership projects participate in the program. These projects will create at least 99 affordable units whose owners receive the tax exemption.
- **PROJECTS APPROVED LAST TWO YEARS:** 22 projects (3,510 units) have been approved since program amendments were adopted in July 2008. Of these, 9 rental projects had received building permits prior to the 2008 Program amendments but were approved for the Program by Ordinance. All of these 9 projects, plus 2 additional rental projects and 3 ownership projects, are constructed and now occupied, leasing or for sale.
- **EXPIRING TAX EXEMPTIONS:** The earliest tax exemption approvals begin to expire next year. Three projects will begin to pay property taxes on residential improvements in 2011, and 5 additional projects in 2013.
- **CANCELLED PROJECTS:** Three approved rental projects have withdrawn from the MFTE Program. Two projects -- the Empress on Fifth and the Mosaic Apartments, both in the International District -- opted out in 2006 due to conversion from rental to condominiums. In addition, the Lothlorien in the University District did not to submit the final paperwork for the tax exemption. In 2006 market rents were rising rapidly and the reduced rental income to meet the program's affordability requirements would have exceeded the value of the exemption.

See TABLE 1 on page 9 and the MFTE MAP on page 16 showing all participating projects.

B. Affordable Rental and Ownership Housing

As of June, 2010, there are 39 active MFTE projects with 5,020 units. Of these, 2,069 or 41% are affordable units as follows:

- 804 affordable rental units are in projects approved prior to the 2008 Program amendments. Of these, 199 affordable units are renting at no greater than \$1,049 for studios, \$1,199 for one-bedroom apartments, and \$1,349 for two-bedroom apartments (2010 maximum rent and utilities). The balance, 605 affordable units, rent at lower levels due to other housing subsidies in the project.
- 1,166 affordable rental units are in projects approved after the 2008 Program amendments. Of these, 622 affordable units are or will be renting at no greater than \$1,199 for studios, \$1,370 for one-bedroom apartments, and \$1,734 for two-bedroom apartments (2010 maximum rent and utilities). The balance, 544 affordable units, will be renting at lower levels due to other housing subsidies in the project.
- Five ownership developments have used the Program, creating at least 99 affordable units. All of these are nonprofit developments, and nearly all the affordable units sold to first-time buyers below 60% or 80% of median income.

The MFTE Program has been an important resource for nonprofit and for-profit developers producing affordable rental housing using other public funding sources, in particular federal Low Income Housing Tax Credits. These funding sources are available for developments serving households below 60% of median income or lower; in Seattle's high cost market, the MFTE Program helps make these developments feasible. Since the Program's inception, 12 developments (1,319 total units) using other public funding sources have been approved. Of these, 8 are nonprofit projects that also received funding from the Office of Housing and will keep the units affordable for a minimum of 50 years.

For recent MFTE rental projects, affordable rents are closer to market rents than initially projected. Thirteen projects approved after the 2008 Program amendments are now constructed and occupied. Nine of these are market-rate rental developments do not have any other subsidy; therefore their affordable rents are capped by MFTE requirements. TABLE 2 on page 11 shows rent information for these nine projects, including projected market rents at the time of MFTE approval, current market rents and current restricted affordable rents. TABLE 2 also shows projected market rents and affordable rents for three projects under construction. For nearly every development, actual market rents are below projections due to the weak economy. Currently, on average, the affordable rents for studio apartments are close to market rent, while affordable rents for 1-bedroom and 2-bedroom units are below market. Project owners recently report that concessions have stopped and rent increases are planned, and that the spread between affordable and market rents will increase due to the limited supply of new construction rental housing units to come in line in the remainder of 2010 through 2011 and 2012.

For homeownership, the economic downturn of the past two years has nearly halted condominium development, and resulted in a dramatic drop in condominium sales prices. The median price of a newly constructed condominium outside of downtown is about \$307,000 as of July 2010. This price is still well above the affordable price for a median income household purchasing a one- or two-bedroom condominium. The MFTE program permits incomes up to 120% of median for households purchasing a two-bedroom unit since the price of these units is higher. To date, only nonprofit developers have taken advantage of the MFTE program for homeownership developments, in most cases combining the property tax exemption with City-funded down payment assistance and other resources for first-time homebuyers. Therefore actual household incomes and sales prices have been lower than what the MFTE program requires.

C. Property Tax Impacts

The following table estimates City of Seattle portion of the property tax exemptions approved since the inception of the MFTE Program in 1998. Both the first year and total tax exemptions are shown, broken down by the three phases of the MFTE Program. In addition, tax impacts are shown for owners of the average assessed valued home (\$446,124 in 2010). The 39 active MFTE projects, once completed, will have a cumulative impact of \$9.01 per year for the average homeowner. Beginning in 2011, tax exemptions for the earliest MFTE projects will begin to expire. See TABLE 3 on page 12 for tax impacts for each participating project.

Estimated Tax Impact					
	Number of Housing Projects	1st Year Exemption	Total Exemption (10 Years)	Total Exemption (12 Years)	Estimated Annual Tax Impact Average Homeowner
MFTE Program 1: 1998-2002	7	\$158,943	\$1,822,099	n/a	\$0.67
MFTE Program 2: 2004-June 2008	10	\$536,279	\$5,806,113	n/a	\$2.14
MFTE Program 2: 2008-June 2010	22	\$1,616,453	n/a	\$20,500,655	\$6.21
TOTAL	39	\$2,311,675	\$7,628,212	\$20,500,655	\$9.02

Note: Tax impact is City portion of property tax estimated at the time of project approval.

3. RECOMMENDED PROGRAM CHANGES

The MFTE Program should continue to encourage housing development past 2010 year-end. The following are potential program changes to enable the Program to continue to help create nonprofit and private market housing.

1. Renew MFTE Program and expand reporting for City Council oversight. Along with renewing the program, the elements of annual reports to City Council should be identified, including project information, market trends, housing affordability, and tax exemption summaries. The annual report would allow for tracking of program accomplishments, and may identify possible revisions to program guidelines.

2. Adjust affordability requirements. Current affordability levels were set at a time of significant escalation in the housing market. Shortly thereafter, the national crisis in housing finance and the overall economic downturn reached Seattle's housing market, reducing rents and making financing much more difficult. As a result there has been a strong demand for the MFTE program to bolster project financing. In addition, once projects are constructed and occupied, market rents on average are lower than projected.

The current affordability levels should be evaluated in light of these changing market trends. The affordability levels should take into consideration the program's goals of stimulating housing development in a weak economy and/or local housing market, as well as providing affordable units. The evaluation should look at market trends over time, and seek to set affordability levels that can be held stable through market cycles.

3. Streamline project approval process and reduce application fees. When Seattle's MFTE Program was created, State law required City Council action on each MFTE project. An administrative process was created where MFTE projects are first approved by the Office of Housing, and then the City Council adopts a resolution approving the form of the City's contract with the project owner. In 2009 fourteen separate resolutions were adopted, each with the same form of contract. Since both OH's approval and Council's resolution must be consistent with Municipal Code, neither OH's approval nor Council review of individual projects provides an opportunity for policy decisions.

State law has since changed to allow final approval by a City department. Council oversight would then be based on annual reports and evaluation of the entire program rather than individual project approvals. The change would result in significant time savings for the Council Committee, legislative staff, Mayor's Office, OH, City Budget Office and Law Department. As a result, application fees could be reduced by approximately half.

4. Adjust designated MFTE Area in Rainier Beach. In the Rainier Beach neighborhood, the MFTE area follows the Urban Village boundary. A MFTE map adjustment could allow property tax exemption on NC-zoned multifamily properties immediately to the north of the current boundary.

5. Update project application materials. The program guidelines allow OH to collect such information as the Director may deem necessary or useful, which must include certain mandatory items. In an earlier MFTE Ordinance, however, Council approved a specific application form, which restricts the OH's ability to require additional information. OH and the Law Department have determined that additional documentation of property ownership would facilitate OH's review of applications and preparation of contracts. This specific item should be required and the prior out-of-date application form should be removed, giving OH the ability to revise application requirements in the future.

4. ATTACHMENTS

TABLE 1. MFTE Housing Production Activity

TABLE 2. Rent Information for Recent MFTE Projects

TABLE 3. Estimated Tax Impacts

TABLE 4. Urban Villages / Urban Centers Growth Targets

MFTE Map: Eligible Areas and Participating Projects

TABLE 1
MFTE Housing Production Activity

FIRST PROGRAM (Adopted 1998)						Studio		1-BR		2-BR		3-BR +		Other*		TOTALS		Req.**
Project name	Urban village	P or NP	C or UD	R or HO	Affordability	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Afford.
Uwajimaya Village Apts	International District	P	C	R	25% @ 80%	56	32	68	14	36	0	0	0	16	0	176	46	44
Noji Gardens***	MLK @ Holly	NP	C	HO	25% @ 80%	0	0	0	0	24	7	30	7	0	0	54	14	14
Stewart Court***	Denny Triangle	NP	C	R	100% @ 50-60%%	21	21	44	44	0	0	0	0	0	0	65	65	16
Stellina Condos***	23rd & Jackson	NP	C	HO	25% @ 80%	0	0	16	5	16	5	0	0	0	0	32	10	8
Welch Apts***	23rd & Jackson	NP/P	C	R	25% @ 80%	20	13	17	26	37	13	0	0	16	0	90	52	23
Tashiro-Kaplan***	Pioneer Square	NP	C	R	100% @ 50-60%	0	0	25	25	18	18	7	7	0	0	50	50	13
Charlestown Apts***	North Rainier	NP/P	C	R	100% @ 50-65%	0	0	2	2	3	3	2	2	0	0	7	7	2
FIRST PROGRAM (1998-2002): Subtotal						97	66	172	116	134	46	39	16	32	0	474	244	119
SECOND PROGRAM (Readopted in March 2004)						Studio		1-BR		2-BR		3-BR +		Other*		TOTALS		Req.**
Project name	Urban village	P or NP	C or UD	R or HO	Affordability	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Afford.
Judkins Park***	23rd & Jackson	NP	C	R	100% @ 30-60%	0	0	0	0	10	10	6	6	0	0	16	16	3
Rainier Court***	North Rainier	NP	C	R	20% @ 60%	0	0	35	35	111	111	32	32	0	0	178	178	36
420 Yale	So. Lake Union	P	C	R	30% @ 70%	43	13	31	10	26	7	0	0	0	0	100	30	25
Alley24	So. Lake Union	P	C	R	20% @ 60%	56	12	89	18	27	5	0	0	0	0	172	35	35
Weller Mixed Use	Chinatown/ID	P	C	R	30% @ 70%	20	6	20	6	0	0	0	0	0	0	40	12	12
Yesler Apts	Pioneer Square	P	C	R	100% @ 60%	12	3	120	24	0	0	0	0	0	0	132	27	26
Cambridge Apts***	Bitter Lake	P	C	R	100% @ 60%	0	0	44	9	96	20	0	0	0	0	140	140	28
Colman School Apts***	North Rainier	NP	C	R	100% @ 50-60%	11	11	22	22	3	3	0	0	0	0	36	36	7
Hiawatha Artist Lofts***	23rd & Jackson	NP	C	R	100% @ 50-60%	0	0	55	55	6	6	0	0	0	0	61	61	12
507 Northgate	Northgate	P	C	R	30% @ 70%	111	34	44	14	6	1	0	0	0	0	161	49	49
SECOND PROGRAM (2004-2006): Subtotal						253	79	460	193	285	163	38	38	0	0	1036	584	233

SECOND PROGRAM (Amended 2008)						Studio		1-BR		2-BR		3-BR +		Other*		TOTALS		Req.**
						Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Afford.
Project name	Urban village	P or NP	Status	R or HO	Affordability													
17th & Jackson	23rd & Union Jackson	P	C	R	20% @ 80-90%	13	3	30	6	16	3	0	0	0	0	59	12	12
Linden 143***	Bitterlake	P	C	R	100% @ 60%	110	110	199	199	167	167	0	0	0	0	476	476	96
Pontedera Condos***	North Rainier	NP	C	HO	51% @ 80%	0	0	26	18	60	43	8	0	0	0	94	48	21
Dearborn Commons***	North Rainier	NP	C	HO	100% @ 80%	0	0	0	0	15	15	0	0	0	0	15	15	3
Habitat at Rainier Vista***	Columbia City	NP	C	HO	100% @ 60%	0	0	0	0	0	0	12	12	0	0	12	12	3
Indigo@66	Roosevelt	P	P	R	20% @ 80-90%	38	8	13	3	10	2	0	0	0	0	61	13	13
The Broadway Bldg	Capitol Hill	P	C	R	20% @ 80-90%	44	8	39	8	10	3	0	0	0	0	93	19	19
Crown Apartments	Crown Hill	P	UD	R	20% @ 80-90%	0	0	13	3	2	0	0	0	0	0	15	3	3
The Westside	Capitol Hill	P	P	R	20% @ 80-90%	10	2	35	7	0	0	0	0	0	0	45	9	9
The Mural Apts	West Seattle Junction	P	C	R	20% @ 80-90%	7	2	116	23	13	3	0	0	0	0	136	28	28
Othello Station South	MLK @ Holly	P	UD	R	20% @ 80-90%	160	32	151	30	41	9	0	0	0	0	352	71	71
The Link Apts	West Seattle Junction	P	UD	R	20% @ 80-90%	4	1	187	37	9	2	0	0	0	0	200	40	40
Thornton Place	Northgate	P	C	R	20% @ 80-90%	65	13	164	36	37	7	0	0	0	0	278	56	56
Portvue Apts	West Seattle Junction	P	P	R	20% @ 80-90%	45	9	100	20	40	8	0	0	0	0	185	37	37
Pratt Park	23rd & Union Jackson	P	C	R	20% @ 80-90%	74	15	109	22	61	13	0	0	0	0	244	50	49
Altamira Apts	West Seattle Junction	P	C	R	20% @ 80-90%	45	9	88	18	24	5	0	0	0	0	157	32	32
Claremont Apts***	Columbia City	NP	UD	R	100% @ 50-80%	0	0	38	38	30	30	2	2	0	0	68	68	14
Equinox Apts	Eastlake	P	C	R	20% @ 80-90%	81	16	89	18	34	7	0	0	0	0	204	41	41
Ascona Apts****	Chinatown/ID	P	C	R	100% @ 60%	57	57	0	0	0	0	0	0	0	0	57	57	12
Joule Apts	Capitol Hill	P	C	R	20% @ 80-90%	72	14	186	38	37	7	0	0	0	0	295	59	59
Ballard on the Park	Ballard	P	C	R	20% @ 80-90%	69	14	139	28	60	12	0	0	0	0	268	54	54
Avalon Queen Anne	Uptown	P	UD	R	20% @ 80-90%	49	11	110	22	37	8	0	0	0	0	196	41	40
SECOND PROGRAM (2008-Present): Subtotal						943	324	1832	574	703	344	22	14	0	0	3510	1241	703
PRODUCTION TOTALS TO DATE						1293	469	2464	883	1122	553	99	68	32	0	5020	2069	1046

NOTES:

* One bedroom plus den, or unit with sleeping loft

** Minimum number of affordable units required in accordance with MFTE Program requirements

*** These projects have another source of public funding that requires deeper affordability and/or a greater percentage of affordable units.

**** The developer purchased the property from a non-profit and the project has a deed restriction requiring greater affordability.

Status: C=completed; UD=underdevelopment; P=pending

TABLE 2
Recently Completed Developments – Projected and Actual Market Rents Compared to Affordable Rents

	Studios			1 Bedroom			2 Bedrooms		
	Projected Rent	Actual Rent	Affordable Rent	Projected Rent	Actual Rent	Affordable Rent	Projected Rent	Actual Rent	Affordable Rent
17 th & Jackson	\$1,104	\$700- \$1,035	\$700-\$918	\$1,202- \$1,627	\$928- \$1,725	\$725- \$1,275	\$1,681	\$1,363- \$1,900	\$1,164- \$1,363
Pratt Park	\$1,122	\$995- \$1,300	\$910- \$1,100	\$1,398	\$1,325- \$1,600	\$1,220	\$1,657	\$1,725- \$2,330	\$1,539
Broadway Building	\$1,202	\$1,080- \$1,465	\$1,104	\$1,578	\$1,250- \$2,535	\$1,154	\$1,988	\$2,005- \$3,520	\$1,562
Mural Apts	\$1,208	\$1,000	\$995	\$1,387	\$1,250	\$1,128	\$2,142	\$1,800	\$1,530
Thornton Place	\$1,134	\$1,013	\$971	\$1,403	\$1,243- \$1,498	\$1,086- \$1,125	\$1,949	\$1,798- \$2,073	\$1,430
Altamira Apts	\$1,289	\$1,090- \$2,295	\$995	\$1,545	\$1,370- \$2,595	\$1,295- \$1,304	\$1,800	\$2,145- \$3,245	\$1,652
Equinox Apts	\$1,241	\$1,266	\$1,180	\$1,663- \$2,306	\$1,688- \$2,331	\$1,348	\$2,653- \$2,865	\$2,678 - \$2,890	\$1,708
Joule Apts	\$1,290	\$1,076- \$1,568	\$1,105	\$1,668	\$1,400- \$2,060	\$1,260	\$2,286	\$2,400- \$2,895	\$1,608
Ballard on the Park	\$1,240	\$1,300	\$1,153	\$1,539	\$1,425	\$1,310	\$2,191	\$2,180 - \$2,800	\$1,660

Projects Under Development– Projected Market Rents Compared to Affordable Rents

	Studios			1 Bedroom			2 Bedrooms		
	Projected Rent	Actual Rent	Affordable Rent	Projected Rent	Actual Rent	Affordable Rent	Projected Rent	Actual Rent	Affordable Rent
Othello Station South	\$1,140	NA	\$1,000	\$1,477	NA	\$1,077	\$1,634	NA	\$1,400
Link Apartments	\$1,220	NA	\$1,050	\$1,350	NA	\$1,125	\$1,850	NA	\$1,530
Avalon Queen Anne	\$1,290	NA	\$1,105	\$1,668	NA	\$1,260	\$2,286	NA	\$1,608

Notes: Actual rents based information available as of April to July, 2010.

Maximum affordable rents vary by project based on estimated utility costs and whether utilities are included in tenant rents.

TABLE 3: Estimated Tax Impacts

PROGRAM 1 (1998-2002)	Estimated Residential Improvement Value	Estimated exemption in 1st year		Estimated 10 year Exemption		Estimated Tax Impact on Average Assessed Valued home**	
Project name	Estimated by the Developer	Total	City Portion	Total	City Portion	City Portion 1st year	City Portion 10 years
Uwajimaya Village Apts		163,200	\$53,600	\$1,870,905	\$614,464	\$0.23	\$2.25
Noji Gardens		73,817	\$24,244	\$846,234	\$277,930	\$0.10	\$1.02
Stewart Court		69,350	\$22,777	\$795,018	\$261,109	\$0.10	\$0.96
Stellina Condos		37,764	\$12,403	\$432,926	\$142,187	\$0.05	\$0.52
Welch Apts		28,742	\$9,440	\$329,500	\$108,218	\$0.04	\$0.40
Tashiro-Kaplan		102,866	\$33,784	\$1,179,239	\$387,299	\$0.14	\$1.42
Charlestown Apts		8,205	\$2,695	\$94,059	\$30,892	\$0.01	\$0.11
Program 1 (1998-2002) Estimated Exemption		\$483,944	\$158,943	\$5,547,881	\$1,822,099	\$0.67	\$6.68
PROGRAM 2 (2004-2008)	Estimated Residential Improvement Value	Estimated exemption in 1st year		Estimated 10 year Exemption		Tax Impact on Average Assessed Valued home	
Project name	Estimated by the Developer	Total	City Portion	Total	City Portion	City Portion 1st year	City Portion 10 years
Judkins Park		35,878	\$11,591	\$375,359	\$121,267	\$0.04	\$0.44
Rainier Court		264,116	\$85,328	\$2,763,242	\$892,720	\$0.33	\$3.28
420 Yale		153,390	\$49,556	\$1,604,795	\$518,461	\$0.19	\$1.90
Alley24		315,721	\$102,000	\$3,303,141	\$1,067,145	\$0.39	\$3.92
Weller Mixed Use		61,246	\$19,822	\$640,764	\$207,381	\$0.08	\$0.76
Yesler Way Apartments	\$26,291,679	268,175	\$88,077	\$2,805,705	\$921,482	\$0.38	\$3.77
Cambridge Apartments	\$20,578,119	209,897	\$68,937	\$2,195,985	\$721,230	\$0.30	\$2.95
Colman School Apts	\$3,116,873	30,013	\$9,849	\$313,999	\$103,046	\$0.04	\$0.44
Hiawatha Artist Lofts	\$4,143,494	39,898	\$13,093	\$417,423	\$136,986	\$0.06	\$0.58
507 Northgate	\$31,736,667	275,725	\$88,026	\$3,496,883	\$1,116,395	\$0.33	\$3.94
Program 2 (2004-2008) Estimated Exemption		\$1,654,059	\$536,279	\$17,917,296	\$5,806,113	\$2.14	\$21.98

TABLE 3: Estimated Tax Impacts (Continued)

MFTE PROGRAM 2 (Amended 2008)	Estimated Residential Improvement Value	Estimated exemption in 1st year		Estimated 12 year Exemption		Tax Impact on Average Assessed Valued home	
Project name	Estimated by the Developer	Total	City Portion	Total	City Portion	City Portion 1st year	City Portion 12 years
17th and Jackson	\$11,600,000	\$100,780	\$32,174	\$1,278,138	\$408,051	\$0.12	\$1.44
Linden 143	\$55,000,000	\$477,835	\$152,551	\$6,060,137	\$1,934,725	\$0.57	\$6.83
Pontedera Condos	\$31,705,772	\$275,457	\$87,941	\$3,493,479	\$1,115,308	\$0.33	\$3.94
Dearborn Commons	\$4,503,970	\$39,130	\$12,492	\$496,267	\$158,435	\$0.05	\$0.56
Habitat at Rainier Vista	\$1,739,594	\$15,113	\$4,825	\$191,676	\$61,193	\$0.02	\$0.22
Indigo@66	\$13,565,000	\$117,851	\$37,625	\$1,494,650	\$477,174	\$0.14	\$1.68
The Broadway Building	\$37,386,825	\$298,030	\$96,505	\$3,779,769	\$1,223,931	\$0.37	\$4.48
Crown Apts	\$1,627,000	\$12,970	\$4,200	\$164,488	\$53,263	\$0.02	\$0.20
The Westside	\$12,434,564	\$99,122	\$32,097	\$1,257,121	\$407,070	\$0.12	\$1.49
The Mural Apartments	\$27,937,000	\$222,701	\$72,113	\$2,824,401	\$914,573	\$0.28	\$3.35
Othello Station South	\$78,555,085	\$626,204	\$202,772	\$7,941,837	\$2,571,655	\$0.78	\$9.42
The Link Apts	\$34,453,000	\$274,643	\$88,932	\$3,483,162	\$1,127,887	\$0.34	\$4.13
Thornton Place	\$36,000,000	\$286,975	\$92,926	\$3,639,562	\$1,178,531	\$0.36	\$4.32
Portvue Apts	\$28,035,119	\$223,483	\$72,366	\$2,834,321	\$917,785	\$0.28	\$3.36
Pratt Park	\$66,850,000	\$532,897	\$172,558	\$6,758,465	\$2,188,466	\$0.67	\$8.02
Altamira Apartments	\$26,806,304	\$213,687	\$69,194	\$2,710,089	\$877,557	\$0.27	\$3.21
Claremont Apartments	\$11,376,123	\$90,685	\$29,365	\$1,150,114	\$372,420	\$0.11	\$1.36
Ascona Apartments	\$905,190	\$7,216	\$2,337	\$91,514	\$29,633	\$0.01	\$0.11
Equinox Apartments	\$53,187,707	\$423,987	\$137,292	\$5,377,222	\$1,741,204	\$0.53	\$6.38
Joule Apartments	\$6,344,300	57,364	\$18,557	\$727,518	\$235,344	\$0.07	\$0.86
Ballard on the Park	\$23,669,000	214,010	\$69,230	\$2,714,187	\$878,009	\$0.27	\$3.22
Avalon Queen Anne	\$43,898,848	396,925	\$128,401	\$5,033,997	\$1,628,441	\$0.50	\$5.96
Program 2 (Amended)							
2008-2010: Estimated Exemption		\$5,007,065	\$1,616,453	\$63,502,114	\$20,500,655	\$6.21	\$74.54
Total – Programs 1 and 2 1998-2010: Estimated Exemption		1st Year Total	1st Year City Portion	10/12 Year Total	10/12 Year City Portion	Average Annual	Average 10/12 Yr
		\$7,145,068	\$2,311,675	\$86,967,291	\$28,128,867	\$9.02	\$103.20

TABLE 4: All Urban Centers / Urban Villages
Growth targets, Units Built/Permitted, Demolition of units

Through 2nd Quarter 2010

Urban Centers / Urban Villages	Growth Targets 2004-2024	Units built/permitted			
		Built 2005-2010	% of Target Met	Permitted ¹	% of Target w/Permitted
Downtown Urban Center					
Belltown	4,700	1,801	38%	118	41%
Chinatown-ID	1,000	188	19%	157	35%
Commercial Core	300	377	126%	44	140%
Denny Triangle	3,000	1,489	50%	-1	50%
Pioneer Square	1,000	269	27%	2	27%
First Hill/Cap. Hill					
12th Avenue	700	216	31%	80	42%
Capitol Hill	1000	873	87%	52	93%
First Hill	1,200	348	29%	-176	14%
Pike/Pine	600	601	100%	178	130%
Northgate Urban Center	2,500	739	30%	12	30%
South Lake Union	8,000	1,680	21%	6	21%
University Urban Center					
Ravenna	450	149	33%	13	36%
U. District NW	2,000	662	33%	48	36%
Uptown Urban Center	1,000	979	98%	127	111%
HUB Urban Villages					
Ballard	1,000	1,105	111%	441	155%
Bitter Lake Vil.	800	994	124%	2	125%
Fremont	500	292	58%	117	82%
Lake City	900	428	48%	98	58%
North Rainier	900	298	33%	141	49%
West Seattle Junction	700	329	47%	440	110%
Res. Urban Villages					
23rd & Union- Jackson	650	876	130%	185	159%
Admiral	200	19	10%	14	17%
Aurora-Licton Springs	500	427	85%	61	98%
Columbia City	800	511	64%	304	102%
Crown Hill	250	22	9%	14	14%
Eastlake	250	473	189%	151	250%
Green Lake	250	238	95%	108	138%
Greenwood-Phinney Ridge	400	182	46%	-5	44%
MLK at Holly St	590	397	67%	397	135%
Madison-Miller	500	345	69%	154	100%
Morgan Junction	200	102	52%	4	54%
North Beacon Hill	490	75	15%	26	21%

¹ Means permit issued, final inspection not completed, may be under construction, pre-construction, or complete waiting final inspection.

Urban Centers / Urban Villages	Growth Targets 2004-2024	Units built/permitted			
		Built 2005-2010	% of Target Met	Permitted ¹	% of Target w/Permitted
Upper Queen Anne	200	147	74%	6	77%
Rainier Beach	600	-1	0%	15	2%
Roosevelt	250	92	37%	130	89%
South Park	250	93	37%	15	43%
Wallingford	400	273	68%	79	88%
Westwood-Highland Park	400	157	39%	54	53%
TOTAL	47,000	23,749	51%	5,343	62%

Multifamily Property Tax Exemption Program — Eligible Areas and Participating Projects

Program is available in Urban Centers/ Villages, Interbay/Dravus and Delridge Valley (areas shown on map; areas shaded blue were added in 2008)

- ▲ 1998 - 2002
- 2004 - June 2008
- July 2008 - present

