

Department of Commerce

Multifamily Property Tax Exemption Guidance and Study

DRAFT Interview Guide for Cities (February 4, 2022)

Introduction

The Washington State Department of Commerce is leading a study of the Multi-Family Property Tax Exemption (MFTE) programs implemented throughout the state. We will develop an MFTE Workbook for use by jurisdictions interested in developing, implementing, monitoring, and updating an MFTE program.

As part of this effort, we want to learn more from experts in the MFTE program. Commerce would like to speak with cities about their experiences with the MFTE program. The objectives of these interviews are to:

- Gain an understanding of MFTE program development and implementation;
- Hear from local jurisdictions about the challenges and opportunities for improvement, and;
- Develop recommendations to increase the public benefit of the program.

Initial Format

We will schedule six initial phone/Zoom interviews to gather input from local jurisdictions. The interviews will explore the questions listed on the next page. The insights from these interviews will be reviewed and compared to other findings about the MFTE program to determine next steps.

These interviews will last no more than 45 minutes. With consent, transcripts will be recorded specifically for the purpose of note-taking, and we will provide a copy of the transcript upon request.

For this initial phase, cities that will be contacted for interviews include:

- Bellingham
- Vancouver
- Spokane
- Ellensburg
- North Bend
- Kent

After the initial period, we will review the responses received and adjust the survey instrument and expectations for a second round of interviews. These interviews will be conducted over a wider range of cities, based in part on communities that have volunteered through a high-level survey distributed by Commerce.

Interview Questions

Introduction and General

1. Tell us a little about yourself, and how long you have worked for the City.
2. How does your role with MFTE intersect with City housing policy?

Program Development

3. When was the MFTE program first established in your City?
4. What were the perceived housing needs that the program was looking to address?
5. Were there any challenges with establishing the program?
6. Has the program been updated since it was created? How and why?

Parameters

7. What resident target areas (RTAs) did you have for your MFTE program? How did you develop these areas?
8. What affordability requirements do you have for your MFTE program, if any? (%AMI, % set aside) How did you determine these requirements?
9. Do you currently allow renewals of MFTE certificates? If you don't, are you planning to adopt a renewal option in the future?
10. Is the MFTE program linked to any other tools, incentives, or programs in your city?
11. Are there other important parameters for your MFTE program?

Administration

12. What are the typical costs of running your MFTE program? (e.g., technical assistance, staff time, etc.)
13. How do developers learn about the MFTE program in your city? What information and support do you provide to interested developers?
14. What is the administrative process you use for receiving, reviewing, and approving applications for the MFTE program?
15. How do you certify the tax exemption with the County Assessor?
16. What recertification and auditing processes do you have set up to review MFTE properties over the lifetime of the exemption?
17. What process do you have for extending or closing an exemption after the initial exemption period?
18. Do you have an internal auditing system for the tax exemptions?
19. Have you ever had to cancel an exemption? What process did you use?

Impacts

20. What has the impact of the MFTE program been in your city? (Consider program uptake, production of affordable units/all units, equity and displacement, etc.)
21. What has been the response by stakeholders in your community to the MFTE program? Are there active champions of the program in the community? (Consider market-rate developers, affordable housing developers/non-profits/housing organizations, elected officials, and the public at large.)
22. Do you feel that the program helps the city to meet its goals in the comprehensive plan?

Other

23. Outside of the annual reporting provided to the Department of Commerce, do you have any other information for your MFTE program that you would be able to share? (e.g., forms, reports, guidebooks, fact sheets, etc.)
24. Do you have any other thoughts about MFTE that we haven't covered?