



Attachment B: Update on MFTE Renewal Legislation

The Mayor's MFTE renewal proposal includes key components recommended by the Advisory Council as outlined below. The [legislation was transmitted](#) and Council held the first committee meeting on August 1st where Office of Housing presented the renewal proposal. We expect City Council to have further discussion where possible amendments will be presented at the Housing, Heath, Energy and Workers' Rights Committee on **September 12 at 9:30am**.

1) Affordability levels remain the same as current program:

- | | |
|---------------------|-----------------------|
| 40% AMI - SEDUs | - 85% AMI - 2 bedroom |
| 65% AMI - studios | - 90% AMI - 3 bedroom |
| 75% AMI - 1 bedroom | |

2) Set-aside structure remains the same as current program: 25% of units must be affordable; If a minimum number of 2-bedrooms are provided, set aside is 20%

3) Assumed household sizes for units remains the same.

4) Summary of other changes:

- Adds an Area Median Income (AMI) moderator. In years where AMI increases, income and rent increases will be restricted to the percentage increase in AMI or 4.5%, whichever is lower. In years where AMI decreases, rent and incomes will remain the same until such time as AMI increases again.
- Adds language on affirmative marketing and equal access to amenities, similar to other incentive programs.
- Clarifies that the Office of Housing must receive a complete MFTE application. This eliminates up to two separate 28-day rounds of back and forth between the Owner and staff to collectively work on completion of the application, while continuing to allow for flexibility for additional information to be sought or provided as needed.
- Moves the deadline for accepting the final MFTE application from issuance of building permit to issuance of temporary certificate of occupancy. The initial application must be submitted 6 months prior to the final application in order to give staff time to review the application, execute an agreement, etc.
- Includes a new deadline of 60 days prior to expiration for requests for extension of the Conditional Certificate of Tax Exemption. This enables staff sufficient time to review and respond to requests before expirations occur. If a Conditional Certificate expires and a request for extension is not received, the legislation clarifies that the City shall assume the MFTE application has been withdrawn by the Owner.
- Includes a new deadline for applications for Final Certificates for Tax Exemption - 30 days within completion of the project. This is necessary because the Compliance Period, which includes lease up of MFTE Units by Eligible Households, starts upon the date of the Final Certificate.
- Provides clarification that Congregate Residences, which provide for sleeping rooms rather than Dwelling Units, do not qualify for the lower 20% MFTE Unit set-aside.