

Multifamily Housing in Mason County

JLARC Staff 2018 Tax Preference Performance Review

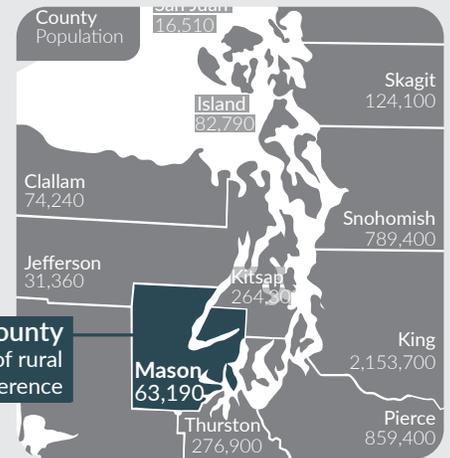
Property Tax

Estimated 2019-21 beneficiary savings: \$0

Property tax exemption available in Mason County to stimulate construction of multifamily housing

- Owners of new, expanded, or updated multifamily housing in targeted areas of rural counties are eligible.
- The housing must have at least four units and include affordable housing.
- Property remains exempt for 8 or 12 years, depending on the percent of units that are affordable.
- Rural county: must border Puget sound and have a population between 50,000 and 71,000.

Only Mason County meets the definition of rural county for this preference



The preference has not stimulated multifamily housing construction in Mason County as intended

No developers have built multifamily housing in Mason County since the Legislature approved the preference in 2014.

Applications cannot be accepted after January 1, 2020.

The Legislature stated its intent to extend the deadline if at least 20 percent of new housing units were occupied by low or moderate income households. This has not occurred.

Upcoming 2019 review of a similar preference used in other locations may identify successful practices for attracting multifamily housing

- The Multifamily Property Tax Exemption (MFTE) allows local governments to provide a property tax exemption to stimulate the construction of multifamily housing within designated areas.
- The review may identify factors that help multifamily housing preferences achieve their goals.
- MFTE will be reviewed by JLARC staff in 2019.

Legislative Auditor's recommendation

Allow to expire and consider other strategies

The preference has not stimulated construction of any new housing in the residential targeted areas of Mason County. While the preference has no official expiration date, no new applications may be approved after January 1, 2020.

The complete report is on the JLARC web site.

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