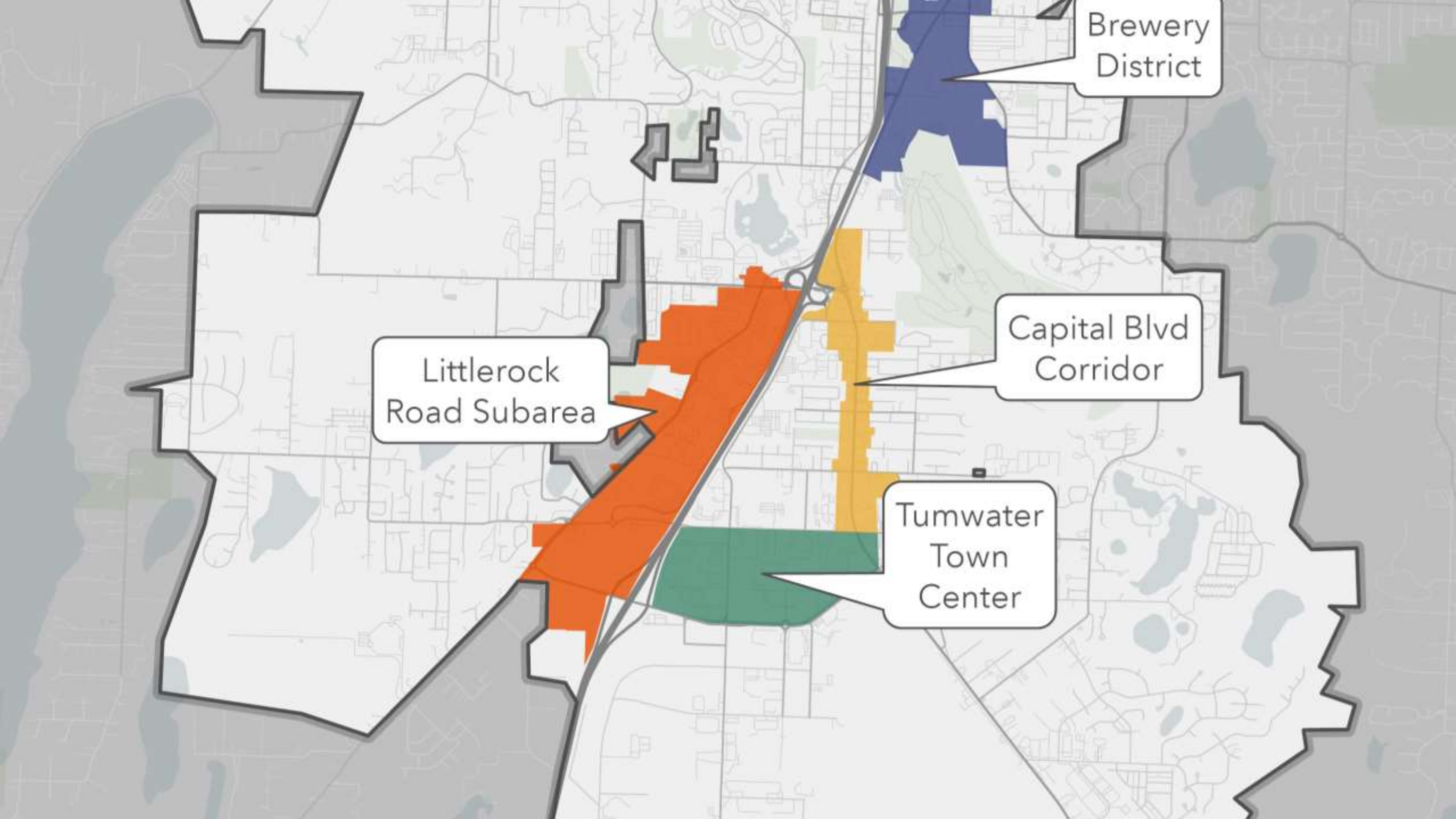
Attachment "B"

Tumwater MFTE Analysis

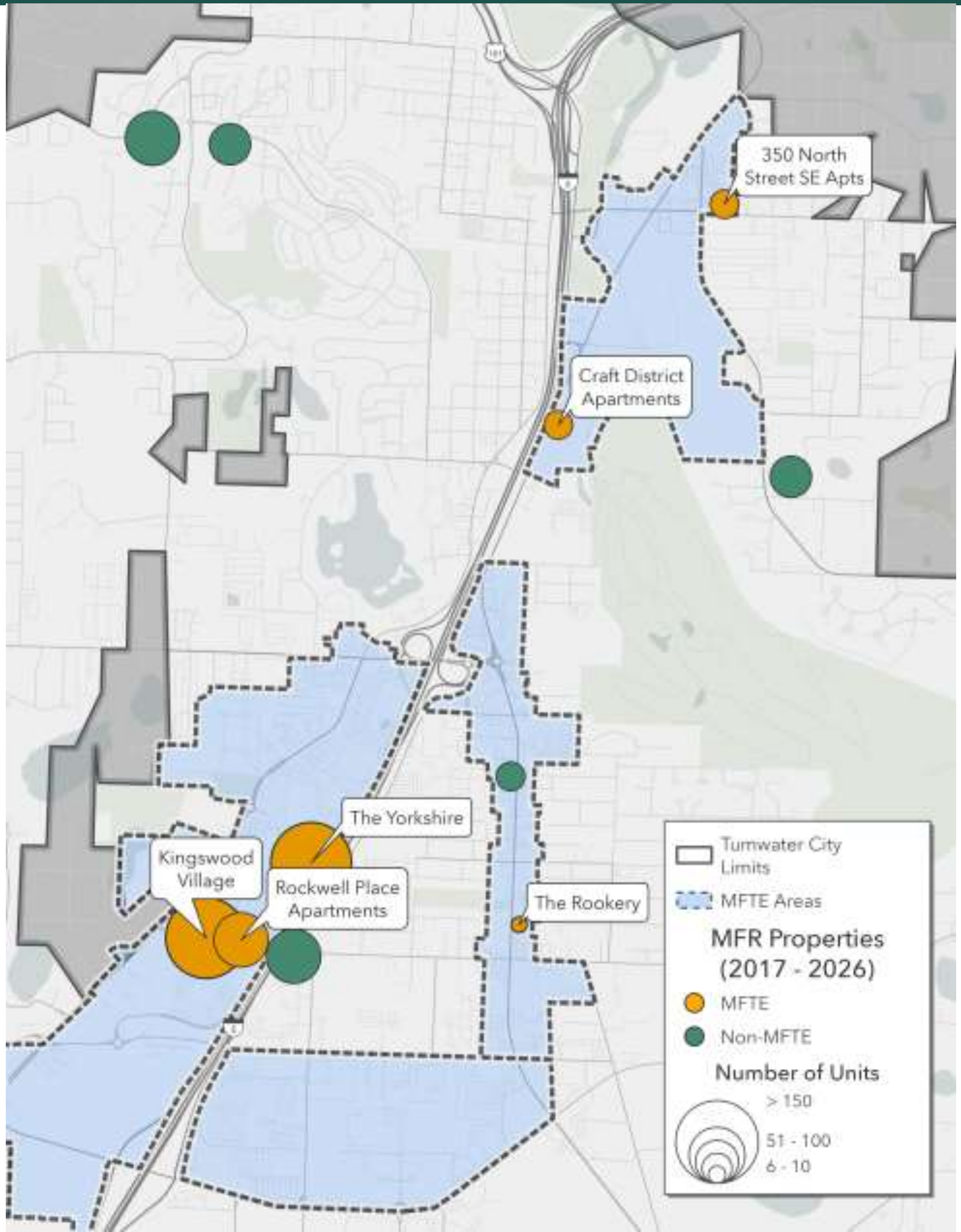
Preliminary Evaluation Findings

August 25, 2026

ECO northwest


Brewery District
Capital Blvd Corridor
Littlerock Road Subarea
Tumwater Town Center

Most Recent Multifamily Housing Development is in MFTE Areas



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MFTE unit production concentrated in Littlerock Subarea

TARGET AREAS	Total Projects	ALL UNITS	MARKET RATE UNITS	AFFORDABLE UNITS
Eight- and Twelve-Year Options				
Brewery District	2	119	119	0
Capitol Corridor	1	6	6	0
Twelve-Year Option Only with 20% Affordable				
Littlerock Subarea	3	562	448	114
Town Center	0	0	0	0
Total		687	573	114

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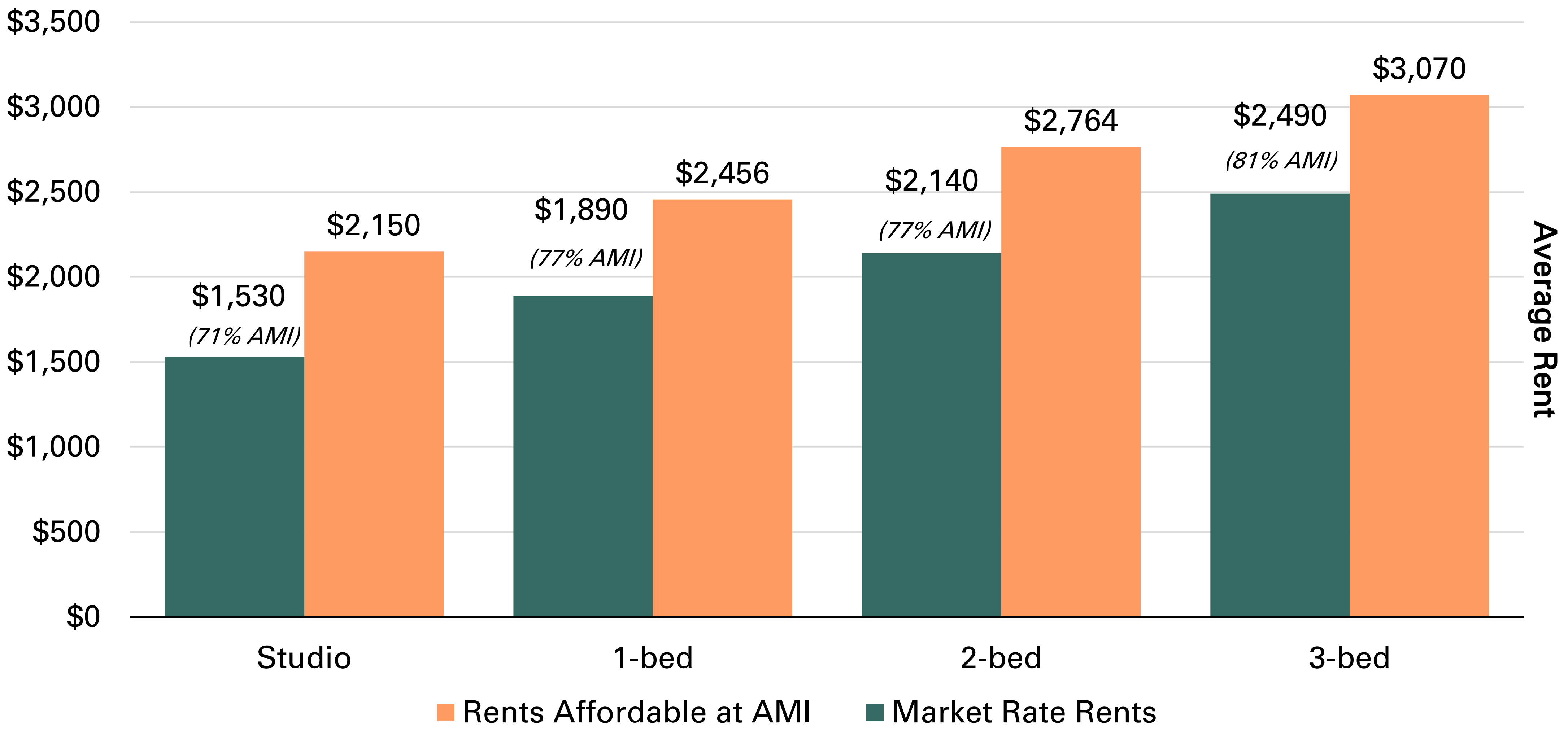
How Affordable Rents Are Set

- Thurston County AMI = $122,800 (four-person household)

Maximum annual household income by AMI tier and household size					
AMI tier	1 person / Studio	2 person / 1-bed	3 person / 2-bed	4 person / 3-bed	5 person / 4-bed
100%	$86,000	$98,250	$110,550	$122,800	$132,650
80%	$68,800	$78,600	$88,450	$98,250	$106,150
60%	$51,600	$58,950	$66,350	$73,700	$79,600
50%	$43,000	$49,150	$55,300	$61,400	$66,350
30%	$25,800	$29,500	$33,200	$36,850	$39,800

Maximum monthly rent (30% of income ÷ 12)					
AMI tier	1 person / Studio	2 person / 1-bed	3 person / 2-bed	4 person / 3-bed	5 person / 4-bed
100%	$2,150	$2,456	$2,764	$3,070	$3,316
80%	$1,720	$1,965	$2,211	$2,456	$2,654
60%	$1,290	$1,474	$1,659	$1,843	$1,990
50%	$1,075	$1,229	$1,383	$1,535	$1,659
30%	$645	$738	$830	$921	$995

Market Rents* Are Below Those Affordable at 100% AMI



** Rents shown for new construction built from 2020 to 2026.*

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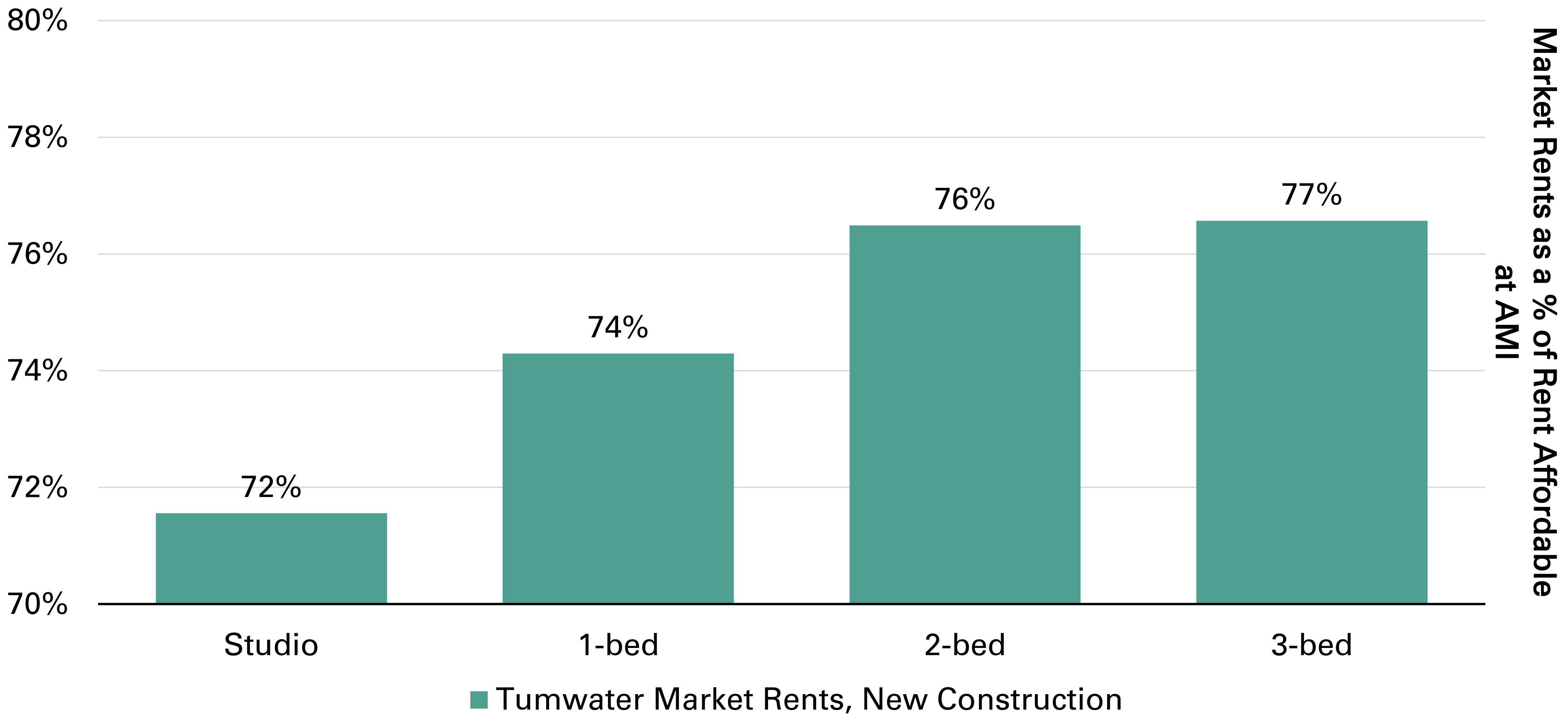
Market Rents* Are Below 12-year MFTE AMI requirement



** Rents shown for new construction built from 2020 to 2026.*

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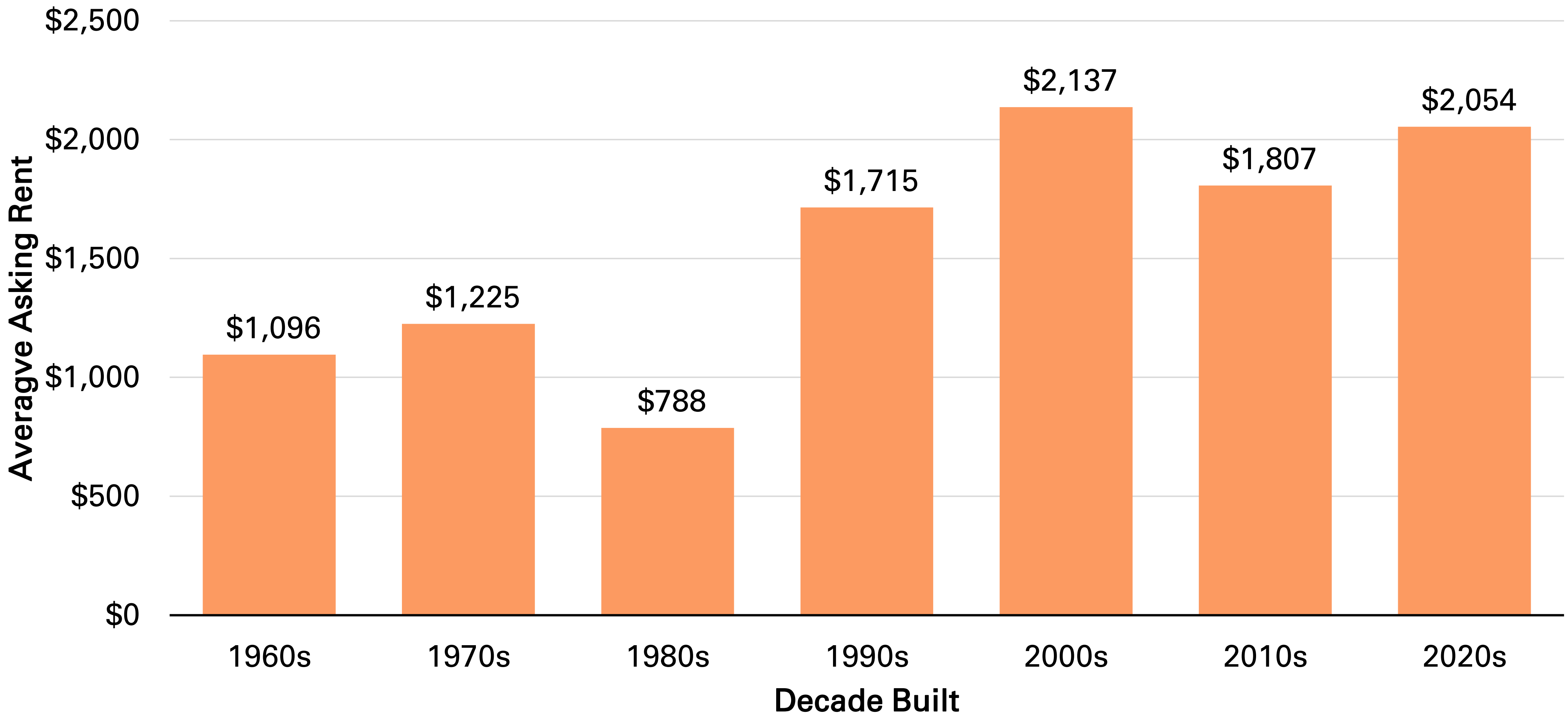
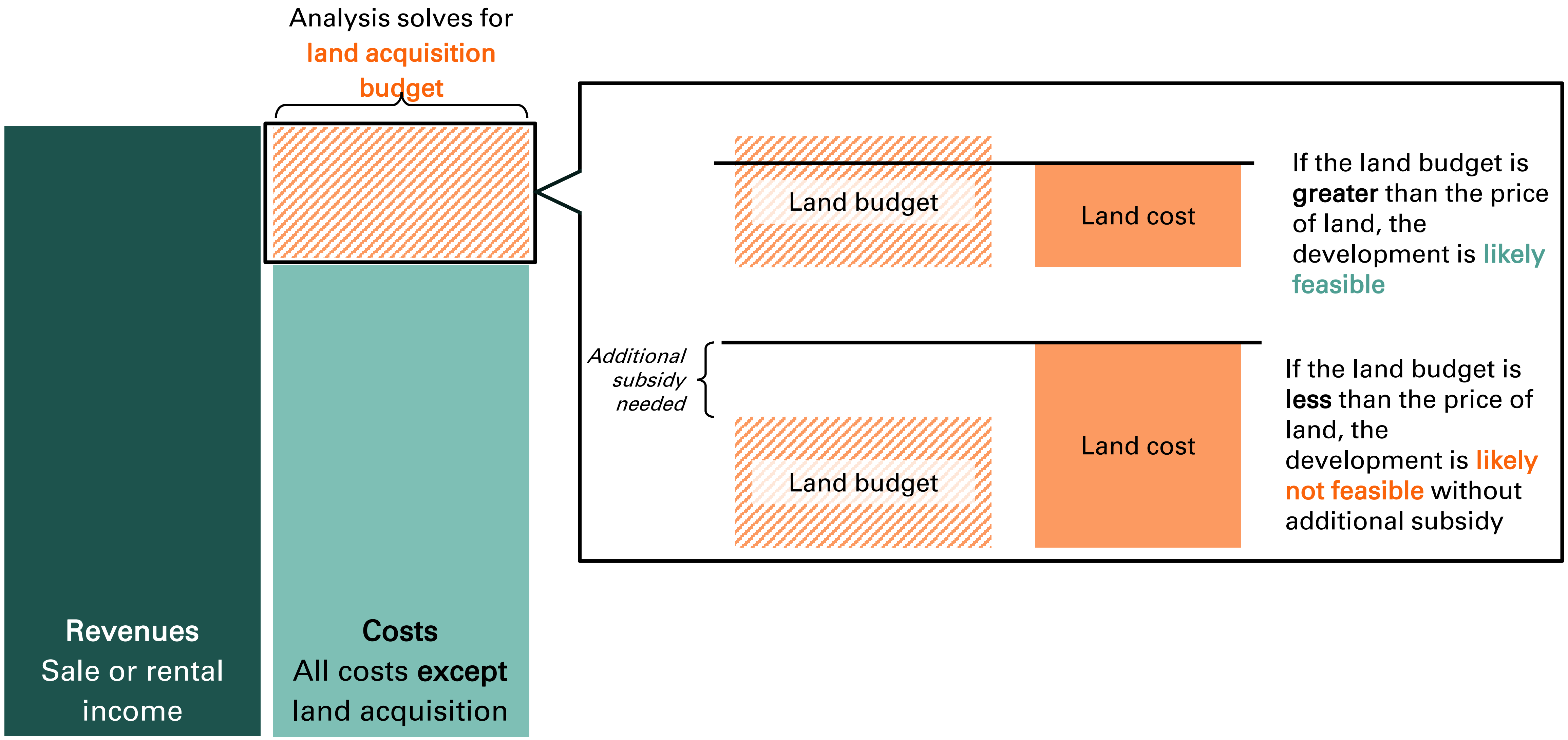
Older Properties Are a Source of Affordable Housing



Our Pro Forma Analysis Approach



Multifamily Housing Prototypes Evaluated

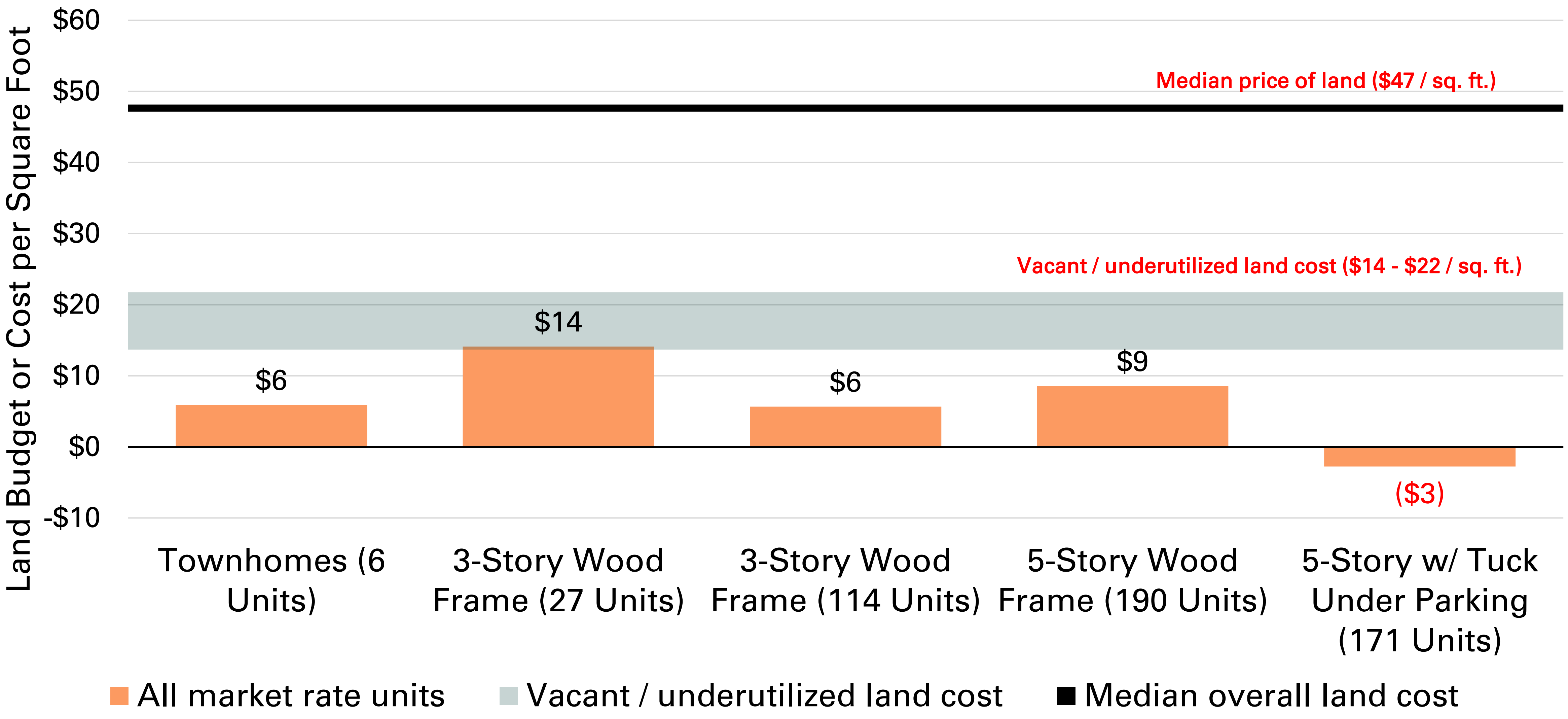
Townhomes

3-Story Wood Frame *(small lot)*

3-Story Wood Frame *(large lot)*

5-Story Wood Frame *(surface or tuck-under parking)*

Most Market Rate Development is Likely Infeasible



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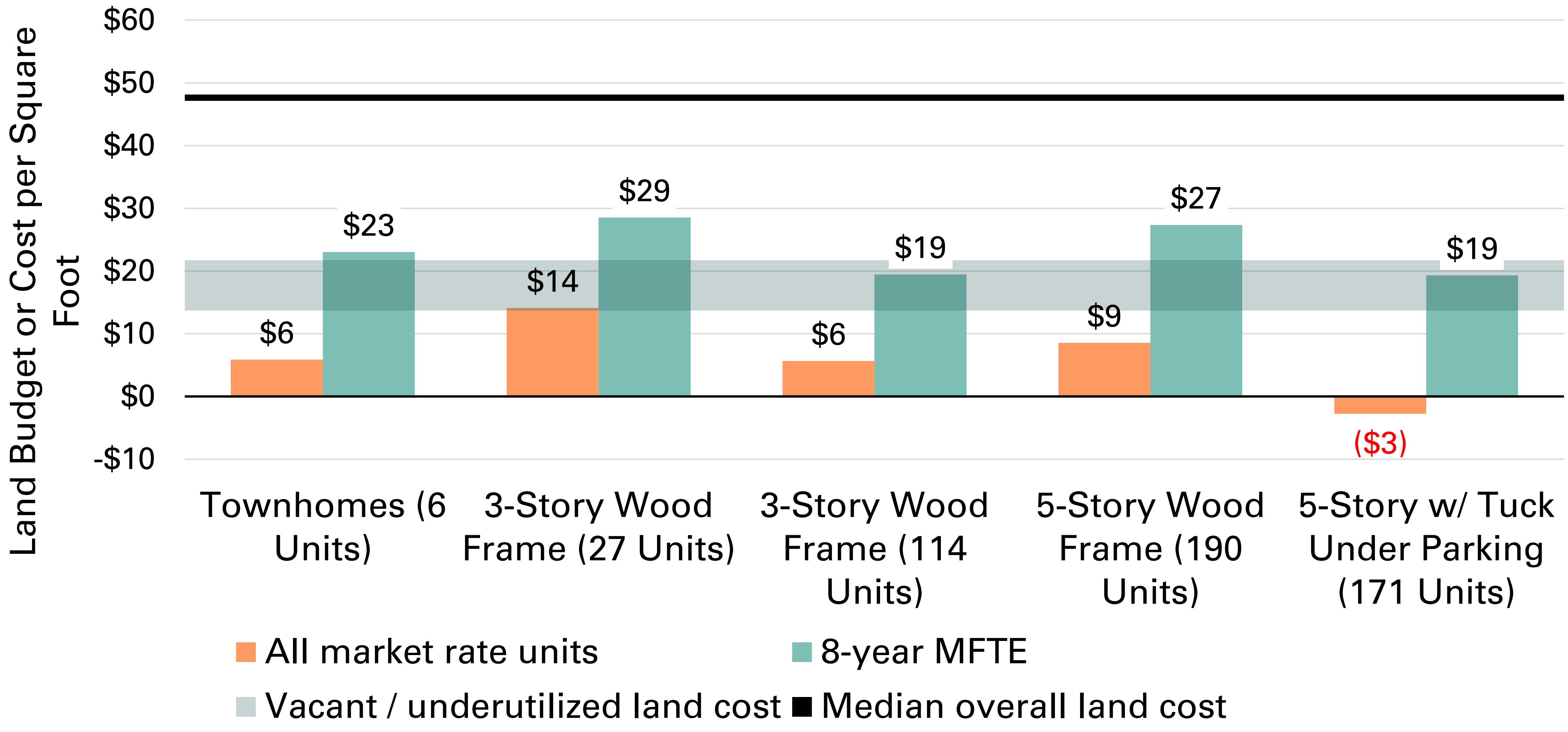
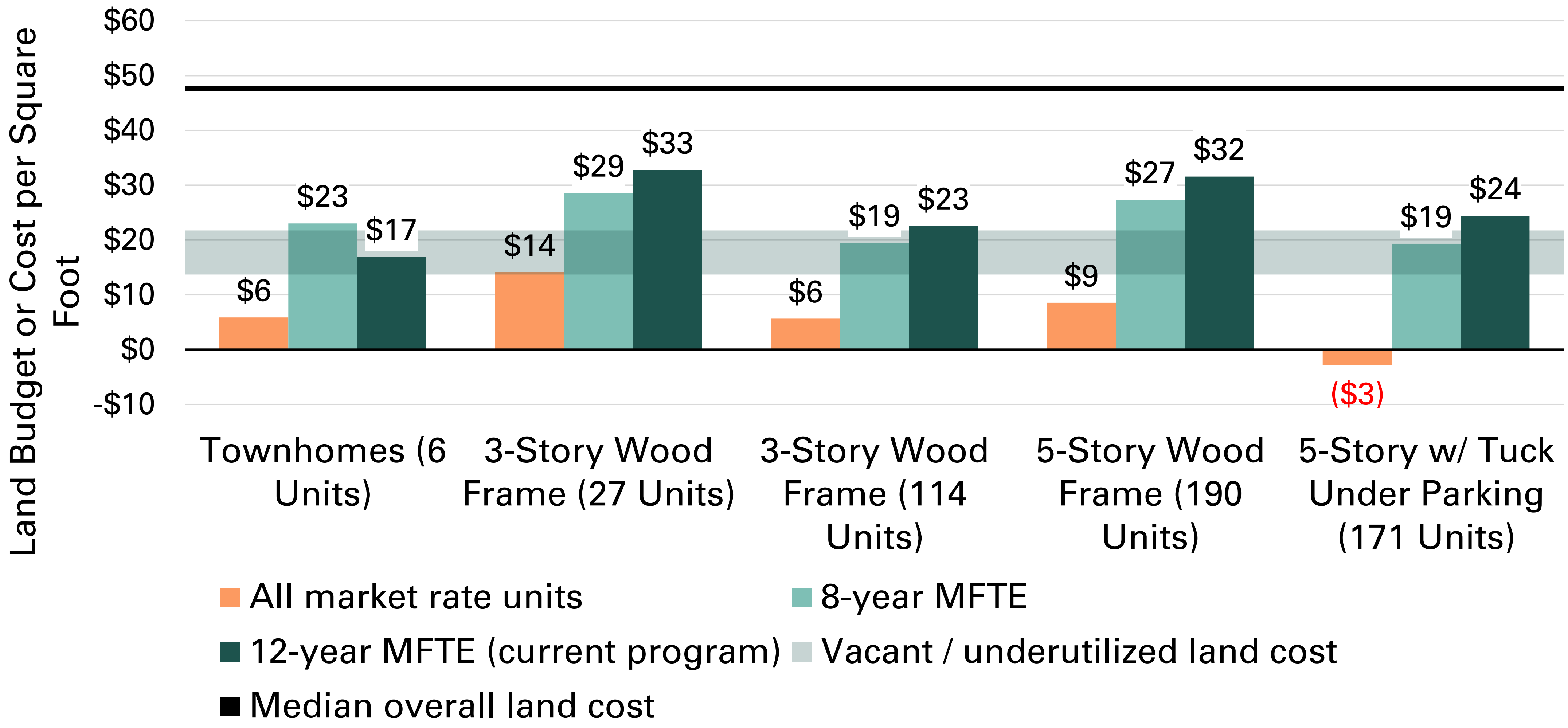
The 8-Year MFTE Improves Feasibility for All Prototypes



The 12-Year Program Has a Similar Impact



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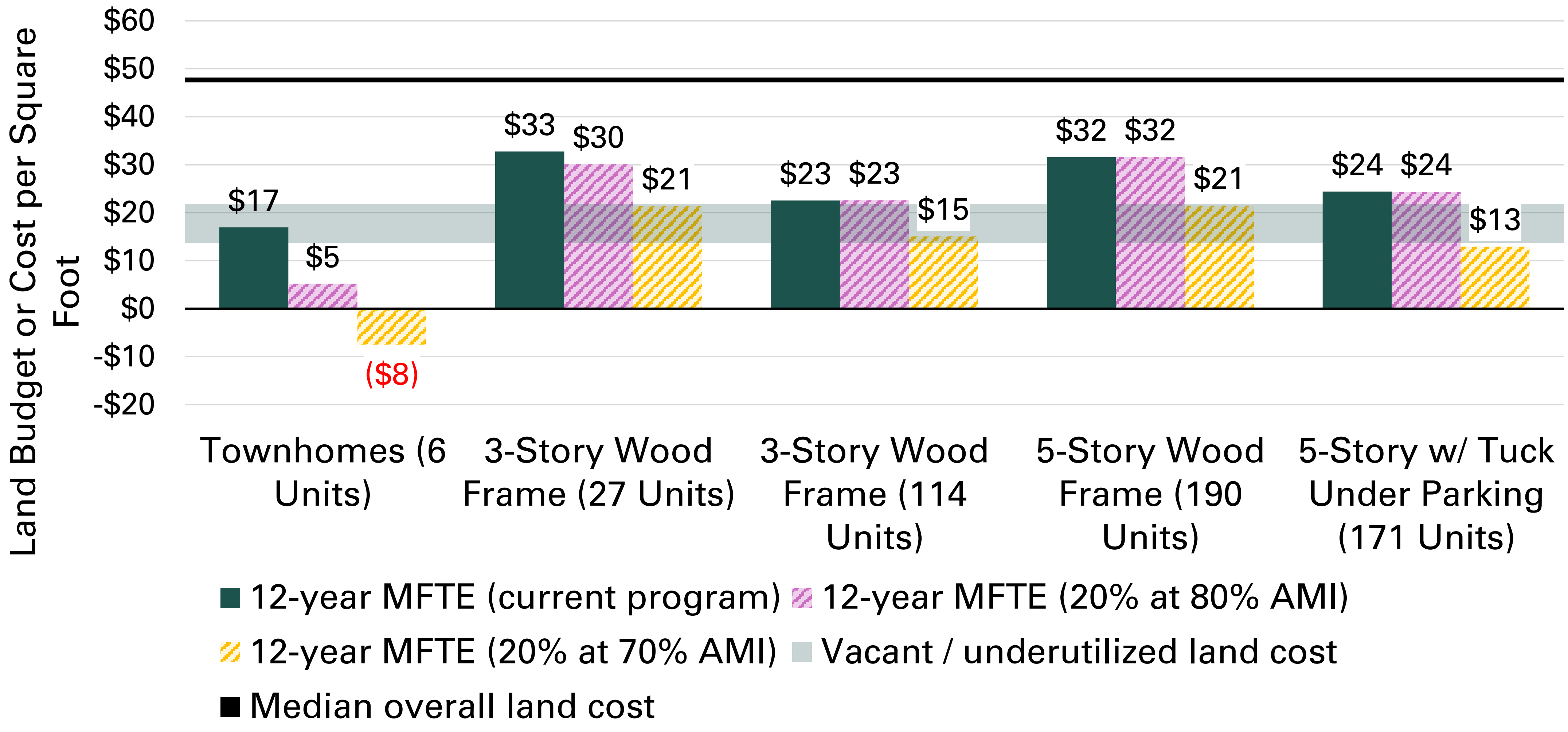
Calibration Needs to be Considered Carefully



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Key Takeaways

- The current program is influencing housing development outcomes within the designated MFTE areas
- Market rate rents are within the affordability requirement of the 12-year MFTE (80—115% AMI)
- Older properties are a source of naturally occurring affordable housing (preservation of these units is critical to maintaining affordability)
- Without MFTE most market rate multifamily projects are infeasible
- With MFTE most prototypes can afford vacant / underutilized land costs
- Requiring deeper affordability (e.g., 70% AMI) makes financial feasibility more challenging without additional public subsidies / fee waivers.

What are the City's priorities?

- Should MFTE focus on delivering as many deeply affordable units as possible or incentivize housing production?
- Should the geographic areas stay the same or be revised?
- Should the City place greater priority on preserving existing older housing or producing new affordable housing when providing affordable housing incentives?

Next Steps

- Task 3: Deeper analysis of MFTE Program Design and Target Areas, including a 20-year MFTE option.
- Task 4: final report including fiscal analysis and recommendations
- Next Council presentation on final report and proposed code language: January 12, 2027

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