

# Affordable Housing Townhall

**The Sumner Mill Apartments;** developer utilized Sumner's MFTE program to build 33 affordable units out of the 166 total units



**The Village (Key Peninsula);** a Mustard Seed Project, is an assisted living project with 9 affordable housing units for seniors with incomes at or below 50% AMI



**American Lake Townhomes (Lakewood);** project consists of 12 units for families with incomes at or below 80% AMI

## Staff Contact Information



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**What is Affordable Housing?** A home that is affordable based on residents' income. HUD defines affordability as total rent and utilities costs at or below 30% of household income.

## HUD-Defined Income Categories

Based on household Area Median Income (AMI)

City of  
Gig Harbor  
AMI  
**\$106,042**

Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above AMI
0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	100% + AMI
\$0 - \$31,812	\$31,812 - \$53,021	\$53,021 - \$84,833	\$84,833 - \$106,042	\$106,042 and above
9% of Gig Harbor residents	13% of Gig Harbor residents	14% of Gig Harbor residents	8% of Gig Harbor residents	55% of Gig Harbor residents

## Agenda

- **5:30pm** *Why are we here:* Presentation by the City's Housing, Health, and Human Services Program Manager.
- **5:45pm** *How did we get here:* Presentation from WA State Commerce
- **6:00pm** Panel Q & A
- **6:45pm** Breakout rooms:
  - Affordable Housing Basics
  - MFTE
- **7:30pm** Event concludes



# Affordable Housing

## Basics

### KEY TERMS

- **AMI (Area Median Income):** The midpoint income for a region, where half of households earn more and half earn less. Affordable housing programs often target households earning a certain percentage of AMI (e.g. 30%, 50%, 80%).
- **Accessory Dwelling Unit (ADU):** A small, independent residential unit on the same lot as a single-family home, sometimes called a mother-in-law or backyard cottage.
- **Housing Choice Voucher (Section 8):** A federal program where eligible tenants receive vouchers to help cover rent in privately owned housing.
- **Cost-Burdened:** A household spending more than 30% of its income on housing. **Severely Cost Burdened** - Households that spend more than 50% of their gross income on housing costs
- **Estimated Housing Need** - Sometimes referred to as "projected housing need" refers to WA State Commerce's official projections of how many housing units and what types, will be required in each jurisdiction over a 20-year planning horizon.

### FAQ about Affordable Housing

- Is the city building affordable housing? No
- Do current Gig Harbor Residents have a need for affordable housing? Yes. 33% of households are cost burdened in our community.
- What is the estimated housing need, for 80% AMI and below, for Gig Harbor? 565 units

# MFTE

## Multi-Family Tax Exemption

### KEY TERMS

- **Multifamily Tax Exemption (MFTE):** A local program that offers property tax breaks to developers who include affordable units in new multifamily buildings.
- **Workforce Housing:** Affordable housing intended for moderate-income workers, like teachers, nurses, or retail staff, typically between 60–120% of AMI.
- **Missing middle housing** - refers to medium-density housing types that fall between single-family homes and large apartment complexes, designed to blend in with traditional neighborhood scales. For example duplexes, triplexes, fourplexes, townhouses, courtyard apartments, cottage housing, or live/work units
- **Multifamily Housing** - typically used to describe buildings or housing developments with multiple separate living units, such as duplexes, apartments, or condominiums.

### FAQ about MFTE

- What percentage of units are required to be affordable? 20%
- What is the income range for the city's proposed ordinance? 80-100%
- How long will the tax exemption last for the city's proposed ordinance? 12 years

## The Housing Spectrum

