



MFTE Affordability Compliance

Frequently Asked Questions

Contents

Does your tenant’s income qualify?	2
Who is a household?.....	2
What is included in income?.....	2
Does your unit rent meet affordability requirements?.....	3
What happens if a tenant’s income increases above the maximum allowable income?.....	3
How do I calculate an annual utilities average to add to my unit rent?	4
Are there any other requirements for affordable units?	4
Why does the City utilize an assumed household size of 1.5 people?	4
Can the property management sign the Annual Report on behalf of the property owner?.....	5
Can we have short-term rentals in our property?	5
Where can I look at the Multifamily Tax Exemption regulations for the City?	5
What is required by the Spokane Long-Term Rental Registry?.....	5



MFTE Affordability Compliance

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Does your tenant’s income qualify?

State regulations outlined in [RCW 84.14.010](#), and City code, have specific requirements for qualifying tenant incomes and limitations on rent. Affordable housing costs, including utilities other than telephone, **may not exceed 30% of a household’s monthly income.**

The City utilizes [HUD’s Income Limits Documentation System](#), which establishes the annual area median income for Spokane County. Qualifying tenant incomes will change each year, and the City updates our income numbers each June. For example, for the 2024 reporting period utilizes 2023 HUD income figures due to when updated data is available.

		2023-2024 Income Limits by Household Size									
		1 Person Household		2 Person Household		3 Person Household		4 Person Household		5 Person Household	
Income Level	Percent of AMI	Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income
Moderate Income	115%	\$71,645	\$5,970	\$81,880	\$6,823	\$92,115	\$7,676	\$102,350	\$8,529	\$110,630	\$9,219
Median Income	100%	\$62,300	\$5,192	\$71,200	\$5,933	\$80,100	\$6,675	\$89,000	\$7,417	\$96,200	\$8,017
Low Income	80%	\$49,840	\$4,153	\$56,960	\$4,747	\$64,080	\$5,340	\$71,200	\$5,933	\$76,960	\$6,413
Very Low Income	60%	\$37,380	\$3,115	\$42,720	\$3,560	\$48,060	\$4,005	\$53,400	\$4,450	\$57,720	\$4,810

This table is based on data from the U.S. Department of Housing and Urban Development Income Limits Document System, which is updated annually. To view the HUD methodology visit: <https://www.huduser.gov/portal/datasets/il.html>.

As of November 2023, **average rent in Spokane is \$1,377/month**. This is based on aggregate data. You can view more market trends at <https://www.rentcafe.com/average-rent-market-trends/us/wa/spokane/>.

Who is a household?

All related or unrelated individuals– including children, disabled, and elderly dependents– residing in the same dwelling on a full-time basis. For example, two unrelated persons rent a 2-bedroom unit, and though they file taxes separately, they are a household because they share the same dwelling full-time. Similarly, a wife and husband, their two children, and the husband’s sister all share the same dwelling, and are therefore a household even if the sister files taxes on her own and is not a financial dependent of the married couple.

What is included in income?

All monies the household receives and uses to pay monthly household expenses, such as business income, unemployment, social security, rental assistance, investments, retirement disbursements, dependent support, financial aid, gifts, grants, and stipends. Pre-tax retirement contributions are subtracted from gross income for eligibility purposes.



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Frequently Asked Questions

In cases where full-time students are eligible for MFTE units, they may need to provide documentation that they are eligible for aid through a Free Application for Student Aid (FAFSA) or a Washington Application for State Financial Aid (WASFA), as well as documentation about the financial aid received. Per Commerce, other student loans are not considered to be income for the purpose of meeting MFTE requirements.

Does your unit rent meet affordability requirements?

		Max Rent by Unit Type and Household					
		Unit Type					
Income Level	Percent of AMI	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Low-income	80%	\$1,246	\$1,335	\$1,424	\$1,595	\$1,673	\$1,825
Median income	100%	\$1,557	\$1,668	\$1,780	\$1,994	\$2,092	\$2,281
Moderate income	115%	\$1,791	\$1,919	\$2,047	\$2,293	\$2,405	\$2,623

Maximum rents are calculated using HUD's assumption of 1.5 people per bedroom to determine the maximum occupancy, and therefore the maximum unit rent from an average of all applicable annual household incomes.

Ex: (4 bed*1.5) = 6 → Unit rent = 30% of monthly income for 1-6 person households, divided by 12 for monthly rent

Annual income limits are pulled from the HUD Income Limits Documentation System, which is updated annually. You can view the City's 2023-2024 Spokane Area Median Income data, or visit HUD at: https://www.huduser.gov/portal/datasets/il/il2023/2023summary.odn?year=2023&states=%24states%24&data=2023&inputname=METRO44060M44060*Spokane%2C+WA+HUD+Metro+FMR+Area&stname=%24stname%24&statefp=99&selection_type=hmf

For MFTE units, the above maximum rents establish the rent range for a given unit type, for example a 1 bedroom unit may vary from \$1,335 to \$1,919. The above number is the maximum, so you will need to subtract utilities. For example, a three person household earning 80% AMI that is renting a 2 bedroom unit may not be charged more than \$1,424 per month, including utilities.

What happens if a tenant's income increases above the maximum allowable income?

Tenants whose income is between 80-115% Area Median Income (AMI) qualify for an affordable unit. If a previously qualifying tenant exceeds the income limit in a following year, you may certify a different unit to meet your minimum number of income and rent restricted units. The City's program does not require specific units within a project be designated as "affordable" for the MFTE program. Instead, the program operates by floating units so that as tenants come and go you can easily qualify a tenant based on their income and the rental unit size.

If one tenant's income increases above 115% AMI, or their household changes and they no longer qualify, you can maintain them as a tenant and charge market rate. To meet minimum MFTE unit requirements, instead select another tenant with a qualifying income and unit to fulfill affordability compliance requirements.

We recommend requiring all tenants complete the income certification form when submitting a rental application to ensure that you will have a sufficient pool of households to qualify.



MFTE Affordability Compliance

Frequently Asked Questions

How do I calculate an annual utilities average to add to my unit rent?

Per State requirements, housing costs under this program include utilities, and both rent and utilities may not exceed 30% of a household’s monthly income. The maximum unit rent mentioned above does not include utilities. City staff utilize the [Spokane Housing Authority’s Spokane County utility allowance](#), which is updated annually. From this data, city staff have created a simplified utility allowance depending on whether water, sewer, garbage are paid by the tenant or covered by the property, and lists an annual average based on unit type. If you have questions please contact the Economic Development Team at incentives@spokanecity.org.

2023-2024 Utility Allowances

	Townhouses, and Triplexes				3-Story or			
	Studio	1BR	2BR	3BR	Studio	1BR	2BR	3BR
Max - Property pays WSG	\$59	\$67	\$82	\$95	\$51	\$57	\$68	\$80

Max - Tenant pays WSG	\$170	\$178	\$194	\$208	\$162	\$168	\$180	\$193
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Studio Avg.	\$110.50
1BR Avg.	\$117.50
2BR Avg.	\$131.00
3BR+ Avg.	\$144.00

Are there any other requirements for affordable units?

Affordable units cannot be clustered in a certain floor or part of the building (e.g. only on the south side). Per State and City regulations, affordable units must be of comparable build quality and size to market rate units, and must provide access to the same amenities. Affordable units must be provided as a mix of all available unit types (studio, 1-bedroom, 2-bedroom etc.). For example, affordable units cannot occupy all of the studio units in a project that has a mix of bedroom counts. For projects spanning multiple buildings, affordable units need to be spread throughout the project as well.

A building with 150 units that has the 12-year exemption, 30% of units must be affordable for a total of 45 MFTE units. The building contains 75 1-bedroom units, 50 2-bedroom units, and 25 3-bedroom units. The required 45 MFTE units need to be a mix of 1-, 2-, and 3-bedroom units.

Why does the City utilize an assumed household size of 1.5 people?

Although AMI calculations are based on the size of the household, the cost limits for housing units themselves need to include an assumption about how many people can be expected in a unit. Therefore, when calculating maximum rents for a unit, each bedroom in a unit is assumed to include 1.5 people, with one person occupying a studio. This is the calculation the US Department of Housing and Urban Development (HUD) utilizes to determine eligibility for affordable housing.



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Can the property management sign the Annual Report on behalf of the property owner?

Yes. We understand the property owner, or the taxpayer, may differ from the management company handling the day-to-day activities on site. If you have concerns, please reach out to staff for assistance.

Can we have short-term rentals in our property?

A short-term rental is a housing unit, or a portion of, that is for rent for 30 days or less. The City's regulations on short-term rentals can be found in [Spokane Municipal Code Chapter 17C.316](#). Please note you will need approval for a separate short-term rental permit, please visit the [Developer Services Center webpage](#) for more details on how to start your application.

Short-term rentals can be an allowed use on properties that have an approved MFTE certificate. For MFTE tax purposes, short-term rentals are classified as a commercial use and do not receive the exemption. Per the State, to remain qualified for MFTE, a minimum of 50% of the property must be allocated to long-term housing. Short-term rentals do not count toward the four-unit minimum required by the MFTE program.

Where can I look at the Multifamily Tax Exemption regulations for the City?

The City's regulations on MFTE can be found in [Spokane Municipal Code Chapter 08.15](#). If you have more generalized questions about the program as permitted by State Law, refer to [Chapter 84.14 RCW](#). For any questions, please contact the Economic Development team at incentives@spokanecity.org.

What is required by the Spokane Long-Term Rental Registry?

Please see the Code Enforcement webpage for more details on compliance with the Long-term Rental Registry, by visiting <https://my.spokanecity.org/codeenforcement/>. Be aware, there are business license and annual registration fees for having a rental property within the City of Spokane. You can read the regulator requirements listed in [Spokane Municipal Code Chapter 10.57](#).