Multifamily Tax Exemption (MFTE) Program 6

A new iteration of MFTE – Program 6 – took effect in October of 2019

Program Overview

- MFTE provides participating projects with a tax exemption on all residential improvements in exchange for maintaining a portion of the units as rent and income restricted for up to 12 years
- MFTE is an optional tax incentive program
- MFTE can be applied in buildings with MHA performance units, but MFTE and MHA performance units cannot overlap
- MFTE units must be comparable to market rate units with respect to unit mix, size, distribution by floor, access to amenities, term of lease, etc.
- Application is available online: [www.seattle.gov/housing/housing-developers/multifamily-tax-exemption](http://www.seattle.gov/housing/housing-developers/multifamily-tax-exemption)
- Office of Housing has staff dedicated to providing technical assistance for the MFTE program: Joy Hunt, (206) 305-6943, joy.hunt2@seattle.gov

Key Changes for Program 6

- Any new multifamily construction in Seattle with four or more units may be eligible for MFTE (regardless of location in the City)
- Projects may now apply to MFTE up to 180 days before TCO – you’re no longer required to apply before the first building permit
- Rent and income limits for new applications:
  - SEDUs in a building with a mix of unit types – 40% AMI
  - SEDUs in a building with only SEDUs – 50% AMI
  - Studios – 60% AMI
  - One-bedrooms – 70% AMI
  - Two-bedrooms – 85% AMI
  - Three-bedrooms – 90% AMI
- 25% of units in participating buildings must be rent and income-restricted
- If at least 8% of units in the building are two or more bedrooms, then 20% of units must be rent and income-restricted