**INITIAL APPLICATION**

Multifamily Housing Property Tax Exemption Program (MFTE P6.7)

[Seattle Municipal Code Chapter 5.73](https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=TIT5REFITA_SUBTITLE_IITA_CH5.732004MUHOPRTAEXPR)

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# Instructions

**Please read the following instructions before completing the application:**

1. Fill in and sign the application form. Complete applications, including supporting attachments and fee payment, are due at least 180 days before issuance of the Temporary Certificate of Occupancy (TCO) for the Project’s residential improvements.[[1]](#footnote-2)
2. Mail a hard copy of your application, supporting attachments, and fee payment to:

**Office of Housing, Attn: MFTE  
P.O. Box 94725  
Seattle, WA 98124-4725**

IMPORTANT: Please only use USPS (FedEx, UPS, and DHL do not deliver to our P.O. Box)

Application fee: Please make check payable to *The City of Seattle*.

* $10,000; or
* $4,500 if at least 75% of total Units are regulated by OH for at least 50 years

**Have a question?**

Contact the OH MFTE line at (206) 386-1366 or [OFH\_MFTE@seattle.gov](mailto:OFH_MFTE@seattle.gov)

# MFTE Program 6 Process Overview

This section outlines the application process.

## Key Steps

1. Owner submits an initial application prior to the 180-day deadline summarized above.
2. If approved, OH will include with written notice of approval the MFTE Agreement for Owner signature and the Conditional Certificate of Tax Exemption.

* The Conditional Certificate is valid for 3 years from the initial application approval date. The Temporary Certificate of Occupancy for the Multifamily Housing must be issued within the 3-year timeline.
* Please see [SMC 5.73.070](https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=TIT5REFITA_SUBTITLE_IITA_CH5.732004MUHOPRTAEXPR_5.73.070EXCOCE) for important rules about extending the 3-year deadline.
* The MFTE agreement will be recorded with King County Recorders Office.

1. Before marketing of any Units in the Multifamily Housing can begin:

* OH works with the Owner on designation of income-restricted Units consistent with distribution, proportionality, and comparability requirements.
* OH inspects the Multifamily Housing and confirms Property and Unit details.
* Owner implements the OH-approved affirmative marketing plan.

1. The Owner must submit a complete application for Final Certificate of Tax Exemption no later than 30 days after the date of the Temporary Certificate of Occupancy for the Multifamily Housing. The final application must reflect any updates to the Project plan.
2. Upon approval, the Owner receives the Final Certificate of Tax Exemption. The property tax exemption begins on January 1st of the following year. Only one Final Certificate of Tax Exemption can be issued for each MFTE application/Project.

## Additional Resources

* All applicants are encouraged to review the MFTE code chapter ([Seattle Municipal Code Chapter 5.73](https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=TIT5REFITA_SUBTITLE_IITA_CH5.732004MUHOPRTAEXPR)). OH staff are available to answer questions.

# MTFE Program 6.7 Initial Application

## Section 1. Contact Information

**Owner Information:**

Owner: Click or tap here to enter text.

Mailing Address: Click or tap here to enter text.

Phone: Click or tap here to enter text.

E-mail: Click or tap here to enter text.

**Owner Representative Information, if applicable:**

Owner Representative: Click or tap here to enter text.

Mailing Address: Click or tap here to enter text.

Phone: Click or tap here to enter text.

E-mail: Click or tap here to enter text.

## Section 2. General Project Information

Project Name: Click or tap here to enter text.

Project Street Address: Click or tap here to enter text.

King County Parcel No.(s): Click or tap here to enter text.

City Council District ([Lookup](https://www.seattle.gov/council/meet-the-council/find-your-district-and-councilmembers)): Click or tap here to enter text.

Abbreviated Legal Description (unless the title report includes it):

Click or tap here to enter text.

Number of floors: Click or tap here to enter text.

Multifamily Housing Units:

|  |  |  |
| --- | --- | --- |
| Live-work Units | Residential Units | **Total Units** |
| Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |

MUP Number (0000000-LU): Click or tap here to enter text.

Building Permit Number(s) (0000000-CN/PH): Click or tap here to enter text.

Post-Permit Revision(s)[[2]](#footnote-3) (0000000-CN-000): Click or tap here to enter text.

Is there a Property Use and Development Agreement (PUDA) for this Project?

Yes  No

Type of Project:

New construction of Multifamily Housing

Conversion of commercial building to Multifamily Housing

Tenure of Project:

Renter-occupied

Owner-occupied

Share of Units that will be regulated by OH for at least 50 years:

Less than 75% of total Units

At least 75% of total Units

Number of residential structures in the Project:

One residential structure

Multiple residential structures: Click or tap here to enter text.

Owner-occupied Units

*Not applicable (Project is a rental property)*

Projected sale prices of market-rate homes: Click or tap here to enter text.

Projected sale prices of affordable MFTE homes: Click or tap here to enter text.

Unit Types:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Live-Work Units (any # of Bedrooms) | 0-Bedroom sleeping rooms in a congregate residence | 0-Bedroom Small Efficiency Dwelling Units (SEDUs) | 0-Bedroom studios (exclude congregate sleeping rooms and SEDUs): | 1-Bedroom Units | 2-Bedroom Units | 3 or more Bedroom Units | **Total Units in the Multifamily Housing** |
| Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |

Square feet of above-grade Gross Floor Area (GFA):

|  |  |  |
| --- | --- | --- |
| Residential Uses GFA | Non-Residential Uses GFA, including Live-Work Units | Total Above-Grade GFA |
| Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |

Subtotal of Net Unit Area of residential Units in the Multifamily Housing (floor area of Units only, excluding short-term rental units, live-work units, residential parking, common area, community amenities):[[3]](#footnote-4)

Click or tap here to enter text.

OH will review the latest plan set uploaded to Accela for certain application requirements. Please indicate plan set date and page numbers for these elements:

Gross floor area by use: Click or tap here to enter text.

Schematic site plan: Click or tap here to enter text.

Standard floor plans for all Units in the Multifamily Housing: Click or tap here to enter text.

*Be advised OH may request more detailed floor plans if necessary (for evaluation of Unit types by number of Bedrooms, as defined by Section 5.73.020, for example).*

Projected Multifamily Housing development costs:

|  |  |  |
| --- | --- | --- |
| Total Cost of Residential Improvements, Exclusive of Land | Total Cost of Non-Residential Improvements, Exclusive of Land | Total Multifamily Housing development Cost |
| $Click or tap here to enter text. | $Click or tap here to enter text. | $Click or tap here to enter text. |

Multifamily Housing construction timeline:

Construction start date: Click or tap here to enter text.

Estimated completion date: Click or tap here to enter text.

Phased Projects: Note that the Final Certificate of Tax Exemption will only be issued once all the Project’s residential structures and improvements in each structure are complete.

*Not applicable (all structures/improvements will be completed at same time)*

First phase estimated completion date: Click or tap here to enter text.

Last phase estimated completion date: Click or tap here to enter text.

Indicate if you anticipate any Units in the Project will be subject to additional restrictive housing covenants. Check all that apply.

Seattle Office of Housing funding regulatory agreement

Mandatory Housing Affordability (MHA) performance regulatory agreement

Master Planned Community-Yesler Terrace (MPC-YT) regulatory agreement(s)

Incentive zoning (IZ) housing performance regulatory agreement

Religious lands housing regulatory agreement

Washington State Housing Finance Commission regulatory agreement for low-income housing tax credits and/or bond financing

Other (specify): Click or tap here to enter text.

## Section 3. Residential Demolition

*Not applicable (no residential structures were or will be demolished on this site)*

Demolition status:

Completed (date): Click or tap here to enter text.

Planned (estimated date): Click or tap here to enter text.

Number of units demolished or pending demolition: Click or tap here to enter text.

Demolition Permit number (0000000-DM): Click or tap here to enter text.

Were any occupied housing units demolished within 18 months of date of complete application for the Project permit (MUP, if applicable, or building permit)?

Yes  No

## Section 4. Required Attachments

Check the boxes to confirm you have attached the following required documents to your Application:

A Letter of Intent to Implement an Affirmative Marketing Plan form. Information about Affirmative Marketing and a downloadable form of the required letter are available [here](http://www.seattle.gov/housing/housing-developers/multifamily-tax-exemption).

A current title report, dated within the last three months that includes all (and only those) parcels in the development site and identifies the fee simple Owner.

A sample signature block for the Project Owner (see pages 7 and 8).

If the signature block includes more than one entity, you must provide the operating agreement confirming the relationship between the grantor and other entities detailed in the signature block.  *Not applicable (Project Owner is a single entity)*

Non-refundable check payable to the City of Seattle for the application fee.

# Property Owner Affidavits

## Statement of Potential Tax Liability

If the Multifamily Housing is determined to qualify under Chapter 5.73, the value of the Multifamily Housing will be exempt from ad valorem property taxation in accordance with Section 5.73.090. If at any time the Multifamily Housing is determined to no longer comply with the terms of the Contract or with the requirements of Chapter 5.73, the tax exemption will be canceled and additional taxes, interest, and penalty will be imposed according to RCW 84.14.110.

Owner’s initials:

## Taxes and Penalties

As Owner of the property described in this application, I/we hereby indicate by my/our initials below that I/we understand that I/we would be subject to additional taxes, interest, and penalty if the exemption authorized by Chapter 84.14 RCW and Chapter 5.73 SMC is canceled.

Owner’s initials:

## Distribution and Comparability of MFTE Units

As Owner of the property described in the application, I/we hereby indicate by our initials below that issuance of a Final Certificate of the Tax Exemption is conditioned on compliance with Chapter 5.73 as well as the criteria in Attachment A.

Owner’s initials:

## Oath and Affirmation of Accuracy

I/We declare under penalty of perjury under the laws of the State of Washington that the information contained in this Application and any attachments are accurate and correct to the best of my/our knowledge.

|  |  |  |
| --- | --- | --- |
| Owner’s Signature: |  | Date: |
| Print Name: | Click or tap here to enter text. |  |
| Title: | Click or tap here to enter text. |  |

# Project Owner Signature Block

On the following page, please provide the signature block for the project owner. The signature block you provide will be used to complete the MFTE Agreement that must be signed, notarized and recorded upon approval of your application.

The following is a guide if you are not sure how to complete the signature block. We encourage you to also consult your legal counsel. The MFTE application is incomplete until you provide an accurate signature block.

## Signature Block Guide

**Signature block with one entity**

A signature block must include the entity name, the state the entity is registered in, and type business entity (e.g., limited liability corporation, corporation, limited partnership, etc.) and the legal name of the authorized signer and their title.

Below is an example.

**Grantor,**

**1212 East Federal, LLC**

**a Washington limited liability company**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Ima Houser,**

**Manager**

**Signature block with more than one entity**

If the owner signature block for your project includes multiple entities, three lines must be completed for each entity providing the entity name, the state the entity is registered in and entity’s type of company, and the entity’s role with the owner of the property. The last two lines of the signature block should include the name of the signer and their title.

An owner signature block with multiple entities must include with your MFTE Application a copy of the operating agreement between the entities and/or copy of the document granting the authorized signer permission to sign on behalf of the entity.

The following is an example of a two-party owner signature block.

**Grantor,**

**1212 East Federal, LLC**

**a Washington limited liability company**

**By: Seattle Development, LLC**

**a Washington limited liability company**

**Its: Manager**

**By: Washington, LLC**

**a Washington limited liability company**

**Its: Managing Member**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Ima Houser,**

**Vice-President**

## Signature Block for the Project Owner

If the Project owner is just one entity, only complete the first two lines and last two lines. If the Project owner is more than one entity, you must also complete all three lines for each entity (if there are just two entities leave the last set of three lines blank).

Grantor,

Click or tap here to enter text. **(GRANTOR NAME)**

Click or tap here to enter text. **(STATE and ENTITY TYPE),**

By: Click or tap here to enter text. **(ENTITY NAME)**

Click or tap here to enter text. **(STATE & ENTITY TYPE)**

Its: Click or tap here to enter text. **(ENTITY’S ROLE)**

By: Click or tap here to enter text. **(ENTITY NAME)**

Click or tap here to enter text. **(STATE & ENTITY TYPE)**

Its: Click or tap here to enter text. **(ENTITY’S ROLE)**

By: Click or tap here to enter text. **(ENTITY NAME)**

Click or tap here to enter text. **(STATE & ENTITY TYPE)**

Its: Click or tap here to enter text. **(ENTITY’S ROLE)**

Click or tap here to enter text. **(SIGNER LEGAL NAME)**

Its: Click or tap here to enter text. **(SIGNER’S TITLE)**

# Attachment A: MFTE Unit Distribution, Comparability, and Bedroom Criteria

**Distribution and Comparability Criteria (SMC 5.73.040.B.5)**

* MFTE-restricted Units must be:
* Distributed among floor levels:

For a 20% MFTE set-aside, no floor should contain more than 25% MFTE Units.

For a 25% MFTE set-aside, no floor should contain more than 30% MFTE Units.

* Proportional to the overall number of Units of each type.
* Proportional by Unit status (dwelling unit, SEDU, or congregate residence).
* Distributed proportionally among buildings for Projects with multiple buildings.
* Comparable to market-rate Units in terms of size (net square footage): For each Unit type, the average area of MFTE Units must equal at least 95% of the average area of the total Units in the Project.
* Comparable to market-rate Units in terms of functionality and amenities: Including but not limited to dens, second bathrooms, balconies, and patios.
* Comparable to market-rate Units in terms of access to building amenities: Including but not limited to parking and community rooms.
* MFTE Units may not be clustered or stacked in certain sections of the building; and
* Lease terms for MFTE Units must be comparable to market-rate Units. Each MFTE Unit may only have one lease at any given time.

**Bedroom Criteria**

For the sole purpose of documenting the AMI limit (i.e. rent/income limit as percentage of area median income) for a Unit, which may vary by Unit type, number of Bedrooms, or Net Unit Area, the following definition of bedroom applies:

“Bedroom” means a sleeping area in a dwelling unit that meets the following criteria:

* Requirements for a habitable space as defined by [Chapter 2 of](https://www.seattle.gov/Documents/Departments/SDCI/Codes/SeattleBuildingCode/2018SBCChapter2.pdf) the Seattle Building Code (SBC).
* Minimum room widths and ceiling heights according to SBC sections 1207.[1 and](https://www.seattle.gov/Documents/Departments/SDCI/Codes/SeattleBuildingCode/2018SBCChapter2.pdf) [1207.2](https://www.seattle.gov/Documents/Departments/SDCI/Codes/SeattleBuildingCode/2018SBCChapter2.pdf). For additional guidance, see SBC Code Solution for [1208.1 and 1208.3.](https://www.seattle.gov/documents/Departments/SDCI/Codes/2015SBC12081HabitableRoomSize.pdf)
* Natural light requirements according to SBC section [1204.2.](https://www.seattle.gov/Documents/Departments/SDCI/Codes/SeattleBuildingCode/2018SBCChapter12.pdf)
* Natural ventilation requirements according to SBC section [1202.5;](https://www.seattle.gov/Documents/Departments/SDCI/Codes/SeattleBuildingCode/2018SBCChapter12.pdf) and
* Complete separation of the sleeping area from other portions of the dwelling unit by framed walls and one or more exit access doorways, consistent with SBC [Chapter 2.](https://www.seattle.gov/Documents/Departments/SDCI/Codes/SeattleBuildingCode/2018SBCChapter2.pdf)

As an alternative to the above requirements, a sleeping area is considered a Bedroom if it (1) satisfies the first two criteria above; (2) is completely separate from other portions of the dwelling unit; and (3) receives sufficient natural light through a door, slider, relite window, or partial opening in an otherwise fully enclosed common wall with an adjoining room that has a natural light source.

1. If a Certificate of Occupancy is not required for the Project, then a complete application must be received by OH at least 180 days prior to the date of final building inspection. If a Certificate of Occupancy is required for the Project but no TCO is issued, then a complete application must be received by OH at least 180 days prior to issuance of the final Certificate of Occupancy for the residential improvements. [↑](#footnote-ref-2)
2. Revisions that change the Unit count, configurations, amenities, or gross floor area of the project. [↑](#footnote-ref-3)
3. Net Unit Area is a measurement of each of the Units. Net Unit Area is total floor area bounded by the inside surface of the perimeter walls of each Unit, as measured at the floor line. Net Unit Area excludes spaces shared by multiple Units and accessible to all building occupants such as common hallways or lobbies. Net Unit Area includes any walls internal to the Unit. [↑](#footnote-ref-4)