



Seattle
Office of Housing

2024 Multifamily Tax Exemption Annual Report

July 2025

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Executive Summary

The City of Seattle's MFTE program provides property tax exemptions to owners of multifamily rental properties where a share (20% or 25%) of the apartments have housing costs limited for income-qualified tenant households. MFTE also exempts income-eligible buyers of affordable homes in multifamily developments from property taxes.

MFTE Activity in 2024

- 32 developments totaling a record 4,621 apartments (3,660 unrestricted and 961 income/rent-restricted MFTE units) were completed and issued Final Certificates of Tax Exemption.
- In 2024, 15 properties participating in the initial 12-year program expired. Owners of five properties with 130 MFTE units opted to renew for an additional 12 years and owners of 10 properties with 211 units chose not to renew.
- MFTE expired for 10 properties with 211 MFTE units.
- 15 applications for MFTE program participation were approved for multifamily housing developments with an estimated 2,475 units.

Affordability and Income Limits

- Income limits for MFTE units vary depending on the MFTE program version and unit size or configuration.
- For Program 6: For newly constructed multifamily rental housing, limits range from 40% of AMI to 90% of AMI depending on unit configuration. For properties with a second 12-year exemption, limits range from 30% of AMI to 80% of AMI, depending on unit configuration.

Tax Impacts

Property tax revenue is reduced because not all new construction value of MFTE properties is added to Seattle's tax base. In addition, MFTE shifts the tax burden of exempt properties to non-exempt taxpayers, including homeowners.

Definitions for Terms Used in this Report

Approved application: Properties for which, up to and including December 31, 2024, the Office of Housing approved the initial MFTE application. Properties with an approved application may have an MFTE status of pipeline, active, opted out, expired, or extended, each defined below. Approval of initial applications is conditional until the project is complete and eligibility for issuance of a Final Certificate of Tax Exemption demonstrated.

Area median income or AMI: This is a metric used to regulate income and affordability of apartments subject to restrictive housing covenants. It is calculated based on limits published annually by the U.S. Department of Housing and Urban Development (HUD) and adjusted for the presumed average size of the tenant household depending on the size of the unit (i.e., one person for zero-bedroom units and 1.5 persons per bedroom for other units). Affordability limits are expressed as a percentage of AMI. ***See Exhibit A of this report for dollar amount equivalents of referenced percentages of AMI.***

Final Certificates of Tax Exemption: Properties for which, up to and including December 31, 2024, the Office of Housing issued a Final Certificate of Tax Exemption, which is effective on January 1 of the calendar year following the date of issuance.

Multifamily housing: The residential uses in one or more residential or mixed-use structures, each of which includes at least four net new units for permanent residential occupancy. The property tax exemption accrues to the owner of the multifamily housing.

MFTE unit: A rent-restricted unit reserved for income-eligible residents. MFTE units are provided as a condition of the multifamily tax exemption.

MFTE property status:

Pipeline: As of December 31, 2024, the Office of Housing conditionally approved an initial MFTE application for a multifamily property development. A Final Certificate of Tax Exemption has not been issued yet, and unit counts are estimates until construction is completed.

Active: As of December 31, 2024, the Office of Housing issued a Final Certificate of Tax Exemption for a property with MFTE units, consistent with terms of a recorded agreement between the property owner and the City.

Opted out: As of December 31, 2024, the owner of a property with an issued Final Certificate of Tax Exemption chose to relinquish the tax exemption prior to its expiration date and rent/income restrictions for MFTE units ended at lease renewal.

Expired: As of December 31, 2024, the maximum 10- or 12-year term, as applicable, of the tax exemption ended and MFTE units' rent/income restrictions were discontinued when lease terms were updated or ended.

Extended: As of December 31, of years 2021 through 2024, MFTE expired and the owners opted to extend their tax exemption for an additional 12 years (i.e., a total of 24 years), conditioned on current program requirements and AMI limits 10 percent lower than required for newly constructed MFTE properties.

Market Incentives and Land Use or “MILU”: This refers to a wide range of developer agreements to include income/rent restricted apartments in otherwise market-rate buildings. These regulatory requirements can be either incentives like a property tax exemption, land use requirements, or conditions for alternative development standards. Examples of MILU agreements include those for MFTE, Incentive Zoning (IZ), Mandatory Housing Authority (MHA), religious lands, Master Planned Communities – Yesler Terrace, Property Use and Development Agreements (PUDA) and reduced minimum parking.

Residential Targeted Area or “RTA”: This is a geographic area or areas designated by City Council after a public hearing, consistent with Washington state statute requirements, where MFTE can be used. State law requires that RTAs be within a compact identifiable district with a mix of uses (e.g., shops, offices, banks, restaurants, and government agencies), adequate infrastructure (e.g., streets, sidewalks, lighting, transit, and water and sewer), and other measures of quality of life (e.g., cultural and recreational opportunities). The State of Washington also now requires that RTAs meet Growth Management Act anti-displacement requirements.

Section 1: Introduction

The City of Seattle’s Multifamily Tax Exemption (MFTE) program provides an exemption from property taxes on residential improvements in exchange for limiting housing costs for income-qualified households on at least 20 percent of the apartments in a multifamily housing development. The property tax exemption, which is for up to 12 years, unless extended to 24 years as authorized by [Chapter 84.14 RCW](#) and [SMC Chapter 5.73](#), does not include land or non-residential uses.

Seattle has the largest MFTE program in the state of Washington. As of 12/31/2024, the City’s MFTE portfolio was over 300 buildings with 7,385 apartments restricted for 40% to 90% of AMI households. The value of those exempt residential improvements is nearing \$9 billion.

MFTE Programs

The City’s current MFTE program is codified in [SMC Chapter 5.73](#). The Seattle City Council adopted MFTE in 1998 and reauthorized the program five times since then. Those iterations of MFTE are commonly referred to as Programs 1 through 6, and amendments between reauthorizations are indicated with a numerical suffix (current rules are P6.7, for example). Table 1.1 on the following page summarizes how each of those programs in terms of duration of the tax exemption, MFTE unit set-aside and AMI limits, and frequency of resident household income certifications.

In 2021, the Washington State legislature passed Engrossed Second Substitute Senate Bill 5287 (E2SSB 5287), enabling jurisdictions to extend the MFTE program for projects expiring at the end of the 12-year term. The extension applies for another 12 years, for a total of 24 years. Subsequently, the City Council adopted a series of ordinances allowing property owners to extend their property tax exemptions another 12 years if they transition to MFTE unit rents 10 percent lower than currently required for newly constructed multifamily housing ([Ordinance 126443](#), MFTE P6.3, September 2021; [Ordinance 126792](#), MFTE P6.4, March 2023; [Ordinance 127016](#), P6.5, April 2024; and [Ordinance 127187](#), MFTE P6.7, March 2025). [Ordinance 127187](#) extended the sunset date for the MFTE Program to 9/10/2025. See Table 4.1: Current Rent Limits by Unit Type for AMI limits for properties qualifying for MFTE extensions.

Table 1.1: MFTE Legislative History

Program 1 (P1)	Program 2 (P2)	Program 3 (P3)	Program 4 (P4)	Program 5 (P5)	Program 6 (P6)
P1.1: Ordinance 119237 1/1/1999 P1.2 Ordinance 119371 2/16/1999 P1.3 Ordinance 120135 10/30/2000	P2.1 Ordinance 121415 4/18/2004 P2.2 Ordinance 121700 12/17/2004 P2.3 Ordinance 121915 9/22/2005	P3.1 Ordinance 122730 8/6/2008	P4.1 Ordinance 123550 4/8/2011 P4.2 Ordinance 123727 10/12/2011 P4.3 Ordinance 124724 2/27/2015	P5.1 Ordinance 124877 11/1/2015	P6.1 Ordinance 125932 10/24/2019 P6.2 Ordinance 126392 7/27/2021 P6.3 Ordinance 126443 9/27/2021 P6.4 Ordinance 126792 3/28/2023 P6.5 Ordinance 127016 5/6/2024 P6.6 Ordinance 127084 9/17/2024 P6.7 Ordinance 127187 3/4/2025
10-year exemption	10-year exemption	12-year exemption	12-year exemption	12-year exemption	12-year exemption 24-year exemption if extended
Different MFTE unit set-aside depending on RTA 40% @ 60% AMI in Pike-Pine urban center village 25% @ 80% AMI in other RTAs	Different MFTE unit set-aside depending on AMI level 20% @ 60% AMI, or 25% @ 65% AMI, or 30% @ 70% AMI	20% of total units 80% or 90% AMI depending on number of bedrooms	20% of total units 65%, 75%, or 85% AMI depending on number of bedrooms	20% or 25% of total units depending on share of multi- bedroom units 40%, 65%, 75%, 85% or 90% AMI depending on unit configuration	20% or 25% of total units depending on share of multi- bedroom units 40% (or 50%), 60%, 70%, 85% or 90% AMI depending on unit configuration
Initial lease up income certification	Initial lease up income certification	Initial lease up income certification	Initial lease up income certification	Certification annually and upon change in household size	Certification annually and upon change in household size

The Seattle Office of Housing administers the MFTE Program. SMC Chapter 5.73 outlines the minimum requirements for MFTE program applications, recorded agreements, and issuance of Final Certificates of Tax Exemption. Multifamily housing property owners must apply for a Final Certificate of Tax Exemption within 30 days of issuance of a temporary certificate of occupancy, or a permanent certificate of occupancy if no temporary certificate is issued. If no certificate of occupancy is required, the application for a Final Certificate of Tax Exemption is due within 30 days of the final building permit inspection. Final Certificates approved by the Office of Housing are filed with the King County Assessor. The housing compliance period starts immediately upon issuance of a Final Certificate of Tax Exemption. The tax exemption begins on January 1 of the calendar year following the date of the Final Certificate.

Reporting Period

The outcomes reported for purposes of the 2024 MFTE Annual Report reflect conditional application approval and exemption status as of December 31, 2024. MFTE activity in this 2024 Annual Report is exclusive to for-profit owned, market-rate rental housing.

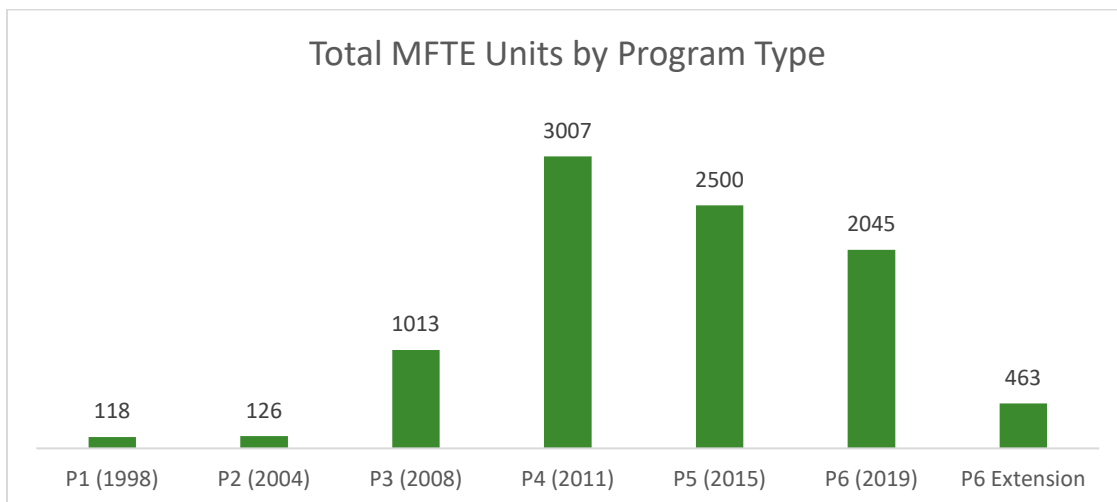
Section 2: MFTE Program Activity

Participation in the MFTE program has grown steadily since its adoption by the City of Seattle in 1998. Of the 354 rental properties with approved applications as of December 31, 2024, 308 are active in the program (including 13 with MFTE extensions), 19 are in permitting or under construction, and 27 have expired or opted out of MFTE before the exemption expired.

Table 2.1: Approved Applications, by MFTE Status

MFTE Status	Total Properties	MFTE Units	Total Units
Active	295	6,922	33,509
Active (extended)	13	463	2,292
Pipeline	19	801	3,819
Expired or Opted Out	27	622	2,770
Total Units	354	8,808	42,390

Chart 2.A: Approved Applications, by MFTE Program



In calendar year 2024, final certificates of tax exemption were issued for 32 new rental properties with a record 4,621 apartments (961 income/rent restricted MFTE units), shown later in this report on Chart 4.A. Since the program's inception, the Office of Housing has approved MFTE extensions for 13 rental properties with 463 MFTE units. Another 19 properties with 3,819 rental units (801 income/rent restricted MFTE units) are in the MFTE pipeline.

Table 2.2: Approved Applications, by MFTE Program and Status

MFTE Program and MFTE Status	Total Units	MFTE Units
P1 Total	454	118
Expired	291	77
Opted Out	163	41
P2 Total	475	126
Expired	475	126
P3 Total	5,006	1,013
Active	1,462	295
Expired (not extended)	1,246	254
Expired (extended)	2,292	463
P4 Total	14,714	3,007
Active	14,148	2,889
Opted Out	4	1
P5 Total	12,105	2,500
Active	11,731	2,425
Pipeline	345	69
Opted out	29	6
P6 Total	9,642	2,045
Active	6,168	1,313
Pipeline	3,474	732
Total	42,396	8,809

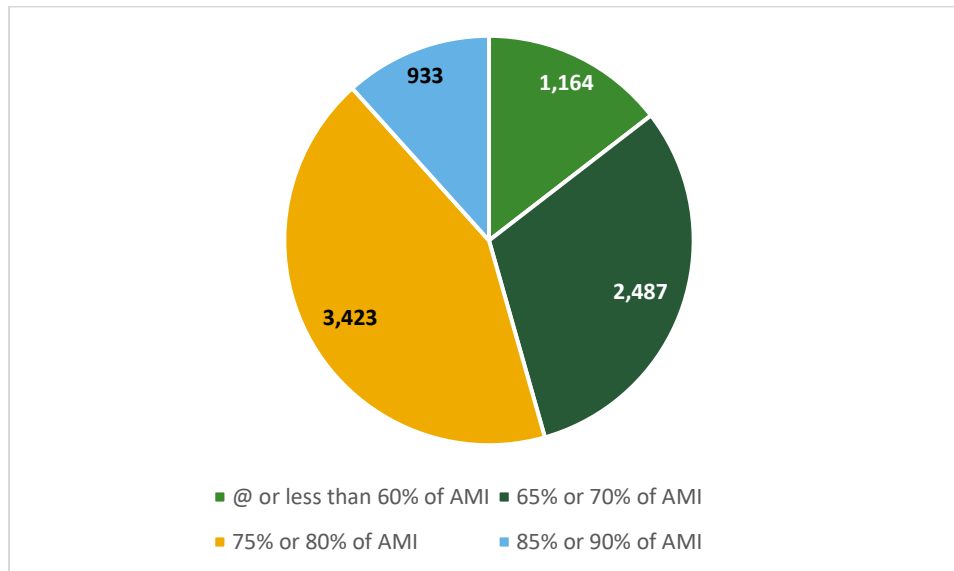
Table 2.3: Approved Applications, by MFTE Status and AMI Limit

Units in properties with MFTE extensions are counted twice in this table.

MFTE Status	40% AMI	50% AMI	60% AMI	65% AMI	70% AMI	75% AMI	80% AMI	85% AMI	90% AMI
Expired	0	0	35	68	91	45	297	4	34
Expired - Extended	0	0	0	0	0	0	403	0	61
In Service	224	91	412	1821	507	2733	246	817	71
In Service - Extended	0	151	251	0	0	60	1	0	0
Opted Out	0	0	0	0	0	0	41	7	0
Pipeline	69	66	76	5	387	55	25	113	5
Total	293	308	774	1894	985	2893	1013	941	171

Size of and AMI limits for pipeline units are confirmed when construction approaches completion. Affordability has changed over time as MFTE programs have established different standards to respond to market realities. Chart 2.B shows the share of MFTE units restricted by AMI level. Just over half (54%) of MFTE units are restricted at levels affordable to households with incomes above 75% AMI, and just under half (46%) are restricted for incomes below 75% AMI.

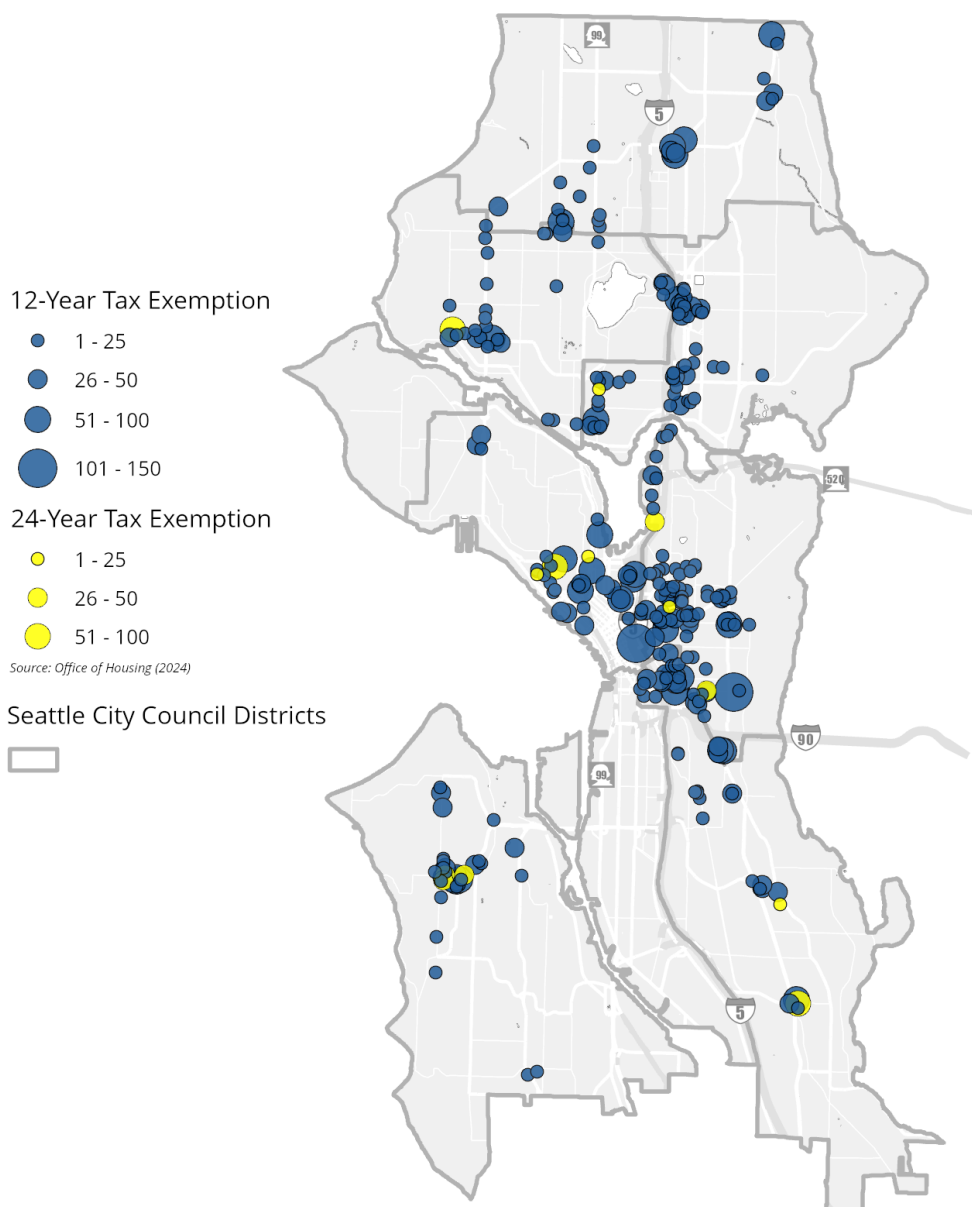
Chart 2.B Final Certificates of Tax Exemption, by AMI Limit



Section 3: Location of MFTE Properties

To be eligible for a property tax exemption under SMC Chapter 5.73, the multifamily housing must be in a residential targeted area designated by City Council, consistent with Washington state statute requirements. As of 12/31/2024, nearly 36,000 apartments in Seattle are in multifamily housing with tax exempt status through MFTE. This number does not include buildings with capital subsidies from the Seattle Office of Housing. The following map shows the location of apartment buildings that currently have 12-year tax exemptions and those with tax-exemption extensions of an additional 12 years (noted as 24-year tax exemption) through Seattle's MFTE program.

Map: Multifamily Tax Exemption (MFTE) Rental Properties as of 12/31/2024



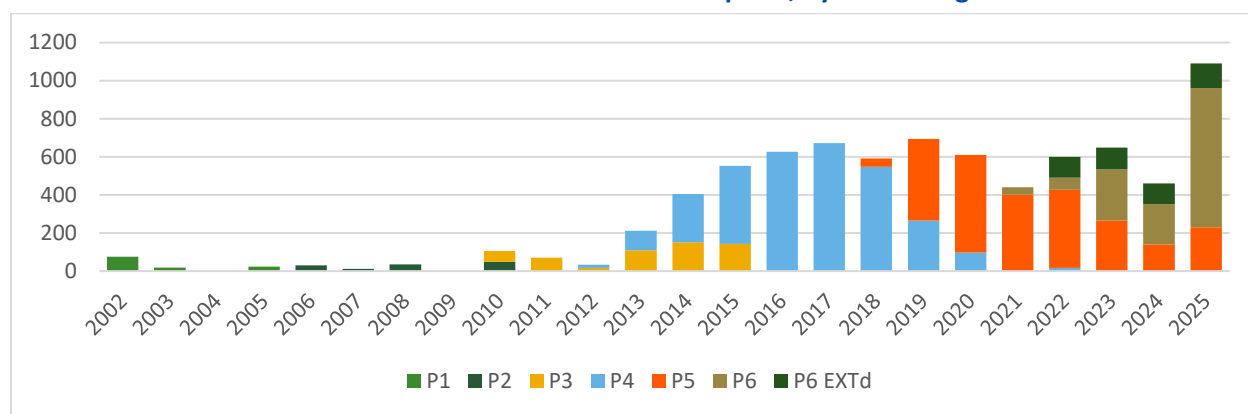
Section 4: Final Certificates of Tax Exemption, Opt Outs, Expirations, Extensions, Approved Initial Applications

Final Certificates of Tax Exemption

Final Certificates of Tax Exemption were issued by the Office of Housing for a record number of apartments in 2024. In that calendar year, construction completed for 32 multifamily housing developments, including many that are very large-scale. Those buildings total over 4,600 apartments, including 961 MFTE units. In addition, in the 2024 calendar year alone, owners of five properties with 130 MFTE units chose to extend their tax-exempt status for another 12 years.

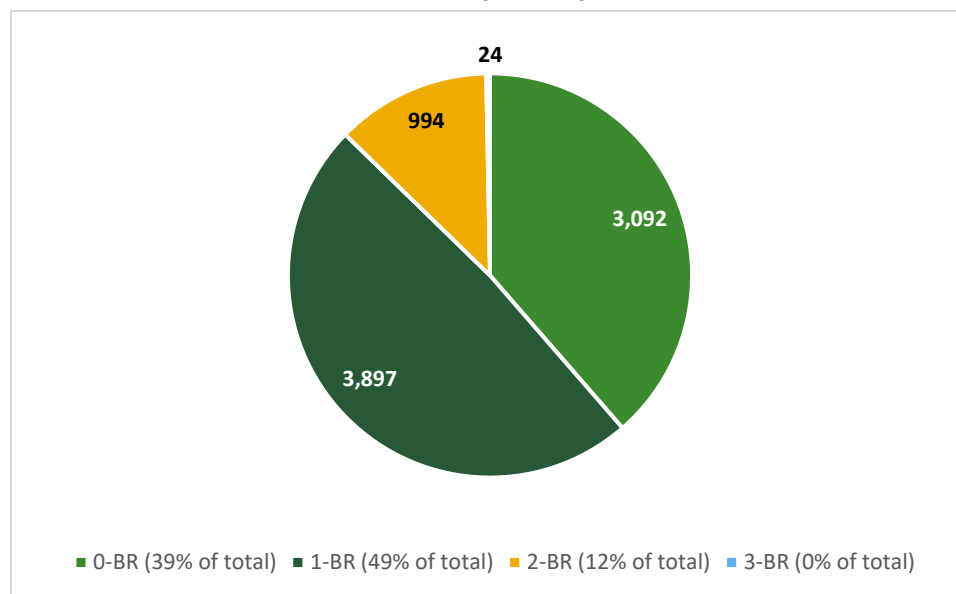
As of December 31, 2024, final certificates of tax exemption have been issued for 45 MFTE P6 rental properties with 1,313 MFTE units.

Chart 4.A: Number of MFTE Units in Year 1 of the Tax Exemption, by MFTE Program



MFTE requirements are set according to [SMC Chapter 5.73](#) provisions as of the date a complete MFTE application is filed with the Office of Housing. Affordability of each MFTE unit is determined by the size and type of unit configuration (e.g., 0-BR, 1-BR, 2-BR etc.), as verified by the Office of Housing prior to issuance of a certificate of occupancy. A lower set-aside of 20 percent applies if the property has a minimum number of units with two or more bedrooms. For Program 6, the 20 percent set-aside (versus 25 percent) is conditioned on a modest threshold of 0.8 of every 10 apartments (i.e., 8 percent) having two or more bedrooms. Under Seattle's MFTE program, the vast majority of units built- 90%- have been 0- and 1-bedroom apartments.

Chart 4.B Final Certificates of Tax Exemption, by Number of Bedrooms



MFTE Opt Outs

At any time, owners can opt out of the property tax exemption and cancel their agreement to provide income/rent-restricted apartments. This has proven quite rare.

Owners of only four of the 335 multifamily properties receiving MFTE to date opted out prior to expiration of their tax exemption. Two of these opt-outs facilitated conversion of apartments to condominiums in 2007. The third property to opt out was a 4-plex with one MFTE unit. The fourth opt-out happened immediately upon issuance of the tax exemption in 2020, so never operated as an MFTE building.

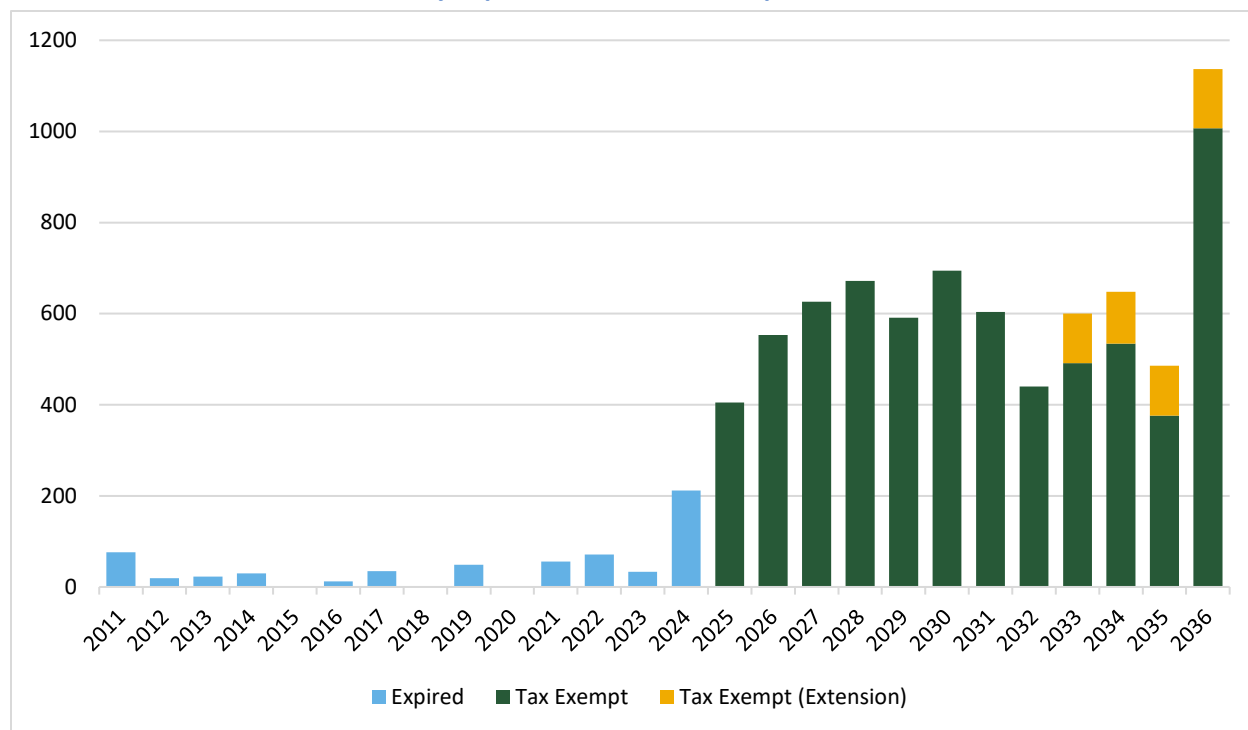
MFTE Expirations and Extensions

The number of MFTE units expiring increased in 2024 and will continue to do so in the coming years. Owners of one-third of the properties with tax exemptions expiring in 2024 opted to renew their exemptions for another 12 years. Affordability restrictions will deepen for 130 MFTE units in those five properties. In the ten properties for which MFTE expired without extension on 12/31/2024, restrictions on the 211 former MFTE apartments end as leases renew.

In 2025, MFTE is scheduled to expire for 18 rental properties with 810 MFTE units. The current AMI limits (80% to 90% of AMI or 65% to 85% of AMI depending on version of MFTE) may be at or above prevailing market rents for these relatively older properties.

Chart 4.C below shows the number of expired MFTE units as well as the growing number of active MFTE units in multifamily rental properties for which the property tax exemption is scheduled to end in the coming years.

Chart 4.C: Number of MFTE Units by Expiration Year and Exemption Status



As noted in the Introduction, Ordinances 126443, 126792, 127016, and 127187 authorize an extension option for owners of properties with MFTE expiration dates of December 31 of 2021, 2022, 2023, 2024, and 2025. Table 4.1 shows the AMI limits for (1) expiring properties (MFTE P4), (2) new MFTE P6 properties, and (3) properties with 12-year MFTE extension.

Table 4.1: Current Rent Limits by Unit Type

Unit Type	Rent Limits for Properties with MFTE Expiring	Rent Limits for Newly Built MFTE Properties (Program 6)	Rent Limits Properties with 12-yr MFTE Extensions
Units ≤ 400 square feet			
Compact units (some)	65% AMI	40% AMI	30% AMI
Compact units (all)	65% AMI	50% AMI	40% AMI
Units > 400 square feet			
0-Bedroom	65% AMI	60% AMI	50% AMI
1-Bedroom	75% AMI	70% AMI	60% AMI
2-Bedroom	85% AMI	85% AMI	75% AMI
3+ Bedroom	85% AMI	90% AMI	80% AMI

Current rules allow ongoing occupancy of MFTE units by tenants who do not qualify as eligible households based on the applicable AMI limit for MFTE extensions. As units turn over, multifamily housing gradually transitions to full compliance with deepened affordability requirements. At the time a tax exemption is extended, the affordable rent for each occupied MFTE unit is:

1. No greater than the MFTE extension rent limit if the annual income of the tenant household is less than 1.5 times that limit; or
2. No greater than 65%, 75%, or 85% of AMI, depending on configuration of the unit, if the annual income of the tenant household is less than 1.5 times that level (*see the MFTE P3-5 Annual Income Recertification Limits in **Exhibit A** for dollar amounts*).

If the annual income of a tenant household equals or exceeds 1.5 times 65%, 75%, or 85% of AMI, depending on unit configuration, the tenant is no longer an eligible household, and the next comparable apartment that becomes available must be newly designated as an MFTE unit and promptly leased to an eligible household. Vacant MFTE units must also be promptly leased at affordable rents to eligible households consistent with conditions for extension of the tax exemption for another 12 years.

Approved Initial Applications for MFTE

The MFTE pipeline as of December 31, 2024, totals over 3,800 apartments, of which approximately 800 would be MFTE units. Pipeline data is for multifamily housing developments with approved conditional MFTE applications. AMI limits for pipeline units, which vary by unit configuration, are confirmed when construction approaches completion.

Table 4.2: MFTE Pipeline (i.e., Initial Applications Approved)

Approval Year	Total Units	Total MFTE Units
2021	993	207
2023	610	129
2024	2,216	465
Total	3,819	801

For 2024, Table 4.2 only shows the 12 multifamily developments still in the MFTE pipeline. In total, 15 were approved in the 2024 calendar year, totaling 2,475 units with 525 of those designated for income-eligible residents. Three of the 12 are not counted in Table 4.2 because they were completed in the same year and are no longer in the MFTE pipeline.

The current level of MFTE activity reflects several market factors, including work stoppage, concrete strike, and supply chain-related construction delays during COVID, a more restrictive financing environment, and the rising cost of both construction materials and wages. With clearing of the COVID development bubble, an unprecedented volume of new units entered an already high-volume market, leading to little or no rent appreciation for the near-term. Those market factors have made MFTE a more attractive option for many multifamily housing developments facing increasing financial and other barriers to development.

Section 5: Compliance Monitoring

The Seattle Office of Housing administers the MFTE program. Office of Housing staff review and approve initial MFTE applications, draft and arrange for recording of MFTE agreements, issue Conditional Certificates of Tax Exemption, inspect buildings as they approach pre-leasing, analyze distribution and comparability of MFTE units, review and approve final MFTE applications, issue Final Certificates of Tax Exemption, complete exemption checklists and provide other documentation required by the King County Assessor, monitor reporting and compliance for the duration of the tax exemption period (up to 24 years), manage data collection, provide analysis to inform MFTE policy and legislative changes, and report annually to the State Department of Commerce and Seattle City Council.

The City of Seattle's Office of Housing and Information Technology Department have been working closely together on new systems for collection and management of multiple levels of data: properties, structures, agreements, units, tenants, and leases. In May 2025, our Information Technology Department team officially launched into production the first iteration of a fully custom-built cloud application that houses data for all properties with MILU developer agreements, including MFTE. Office of Housing staff now have the capability to upload annual property certifications (commonly referred to as APCs, or annual reports) from MFTE property managers directly to the database. Seattle's Information Technology Department has also created a dashboard of reports to aid data quality control and analysis of program data.

Seattle's Information Technology Department also built a shared platform for the Office of Housing to streamline annual reporting by MILU building property managers. The platform, which complements the database and enables property managers to complete annual reports in a secure City of Seattle SharePoint folder, has now been used for the past two reporting years. Supporting documents are uploaded to the same location. The shared platform has enhanced Office of Housing staff's ability to provide real time technical assistance. Another project goal is improved privacy and personal data protection. Seattle's Office of Housing and Information Technology Department are continuing to improve this system moving forward. A near-term goal is to pre-populate all unit detail fields for each property's annual compliance form before disseminating the forms to property managers. This will substantially reduce redundancies experienced for year-to-year reporting, minimize errors, and reduce work for property managers so that they can focus on lease and tenant data for restricted units.

Utilizing this new process, OH's Asset Management Division received annual compliance reports for over 300 properties with MILU agreements (MFTE being the most common) for the 2024 reporting period. The response rate for 2024 property reports was excellent, at approximately 98%, although many were received after the January 31, 2025, deadline.

The Office of Housing uses properties' APC data to complete MFTE reports required by the Washington State Department of Commerce and Seattle City Council. In addition, Asset Management staff completed 15 property file audits and held two virtual training sessions attended by 139 property management staff in 2024.

Section 6: MFTE Tax Impacts

Seattle's MFTE program has two different types of tax impacts. The first is reduced tax revenue due to exclusion of the new construction value of MFTE properties from Seattle's tax base. MFTE has budget impacts for the City and other taxing jurisdictions due to this lost property tax revenue. The second impact is higher tax bills shifted to non-exempt taxpayers due to exempt taxes on the owners of exempt multifamily properties.

Reduced Tax Base & Foregone Revenue

Washington state law limits tax increases in individual taxing districts, such as Seattle's, to 1% annually plus taxes generated by certain improvements, including new construction. In most cases, a portion of the new construction value for MFTE properties is typically deferred, which means it cannot be included as part of Seattle's tax base until the tax exemption for the property ends (12 years, or up to 24 years for certain properties, from the date when the housing first opens).

For properties with MFTE active in the 2024 calendar year (those properties where MFTE started anytime between 2013 and 2024) the amount of new construction value currently deferred by the King County Assessor for Seattle's MFTE rental properties is \$3.96 billion. As a result, \$330 million of property tax revenue was forgone during that 12-year period. Additional revenue losses from properties for which MFTE has already ended due to expiration or opt out are not included in the \$330 million estimate of foregone property tax revenue. The amount of revenue foregone in the 2024 tax year alone was \$39.4 million.

Shifted Tax Burden

Most of the property taxes from which multifamily property owners are exempt are absorbed by non-exempt taxpayers, including homeowners. The exempt assessed value of properties that currently have MFTE totals \$8.9 billion. For 2024 alone, that translates into \$80.8 million of tax savings for owners of those properties being shifted to and paid by non-exempt taxpayers. The cost of Seattle's MFTE program to a Seattle homeowner in 2024, assuming Seattle's median assessed home value of \$804,000, is approximately \$145 of additional property taxes. The total shifted tax burden for Seattle taxpayers is greater than the \$145 estimate; this estimate does not account for additional taxes paid by non-exempt property owners due to tax shift impacts of other King County cities' MFTE programs.

Section 7: State Legislative Changes

In the 2025 legislative session, two bills were adopted that amend Washington State's MFTE statute ([RCW 84.14](#)).

[HB 1491](#) requires cities planning under the Growth Management Act to allow new residential and mixed-use development within station areas at certain transit-oriented development (TOD) densities. Many, but not all, of Seattle's station areas already meet these minimum density requirements. The bill also establishes affordability requirements and authorizes a 20-year multifamily property tax exemption for residential and mixed-use buildings constructed within station areas ([House Bill Report 3SHB 1491](#)). The City will evaluate this new option concurrently with adoption of its new long-range Comprehensive Plan and related zoning changes.

[HB 1494](#) included many amendments to [RCW 84.14](#), as follows ([Final Bill Report HB 1494](#)):

- Any city with a population of at least 15,000 and a mandatory inclusionary zoning requirement is now authorized to offer the 20-year rental exemption in areas within one mile of high-capacity transit if it has scheduled frequency of 15 minutes or less.
- Households with incomes up to 1.5 times the established income limit may continue to be eligible to lease an MFTE unit. For the King and Snohomish counties area, 1.5 times the MFTE income limit is quite high in most cases (*see the MFTE P3-5 Annual Income Recertification Limits in Exhibit A for dollar amounts*).
- Cities are required to ensure any new RTA for MFTE meets the anti-displacement requirements under the Growth Management Act. In addition, cities and counties must now notify all taxing districts of the public hearing for designation of a new RTA.
- All taxing districts must also be notified prior to changing any adopted standards, guidelines, requirements, or conditions for MFTE.
- All issued Conditional Certificates of Tax Exemption must now be provided to the county assessor.
- Cities and counties are authorized to impose a sliding scale penalty, rather than canceling the exemption, if an owner or operator fails to offer the required number of MFTE units or properly income-certify tenants. The bill appears to prescribe how the amount of the penalty is calculated.
- If the owner or property manager is found to be in substantial noncompliance with the program requirements after incurring a penalty, the City is now required to cancel the Final Certificate of Tax Exemption.
- Requirements increased for annual reports to the Department of Commerce.
- The bill also included many clarifications and technical changes.

Exhibit A: 2024/25 Income and Rent Limits

The tables in this Exhibit A provide a general sense of the dollar amount equivalent to AMI levels referenced throughout this report. Percentages of AMI vary for each MFTE property, and these tables are not an exhaustive list of restrictions for Seattle's MFTE portfolio. To reduce complexity, the Office of Housing recommends using the first set of tables for the entire MFTE portfolio once MFTE P7 legislation is adopted.

MFTE P3, P4, P5 Tables

Income Limits

Household Size	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	90% of AMI
1	\$42,160	\$52,700	\$63,240	\$73,780	\$84,320	\$94,860
2	\$48,200	\$60,250	\$72,300	\$84,350	\$96,400	\$108,450
3	\$54,240	\$67,800	\$81,360	\$94,920	\$108,480	\$122,040

Rent Limits

Number of Bedrooms in Unit	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	90% of AMI
0	\$1,054	\$1,317	\$1,581	\$1,844	\$2,108	\$2,371
1	\$1,129	\$1,411	\$1,694	\$1,976	\$2,259	\$2,541
2	\$1,356	\$1,695	\$2,034	\$2,373	\$2,712	\$3,051

Annual Income Recertification Limit (Maximum for MFTE Unit Residents to Remain Income Eligible)

Household Size	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	90% of AMI
1	\$63,240	\$79,050	\$94,860	\$110,670	\$126,480	\$142,290
2	\$72,300	\$90,375	\$108,450	\$126,525	\$144,600	\$162,675
3	\$81,360	\$101,700	\$122,040	\$142,380	\$162,720	\$183,060

MFTE P6 Tables

Income Limits

Household Size	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	90% of AMI
1	\$36,968	\$46,210	\$55,452	\$64,694	\$73,936	\$83,178
2	\$42,251	\$52,814	\$63,377	\$73,940	\$84,503	\$95,066
3	\$47,535	\$59,419	\$71,302	\$83,186	\$95,070	\$106,954

Rent Limits

Number of Bedrooms in Unit	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	90% of AMI
0	\$924	\$1,155	\$1,386	\$1,617	\$1,848	\$2,079
1	\$990	\$1,237	\$1,485	\$1,732	\$1,980	\$2,228
2	\$1,188	\$1,485	\$1,782	\$2,079	\$2,376	\$2,673

Annual Income Recertification Limit (Maximum for an MFTE Unit Resident Household to Remain Income Eligible)

Household Size	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	90% of AMI
1	\$55,452	\$69,315	\$83,178	\$97,041	\$110,904	\$124,767
2	\$63,377	\$79,221	\$95,066	\$110,910	\$126,754	\$142,599
3	\$71,302	\$89,128	\$106,954	\$124,779	\$142,605	\$160,430

More Information

For more information, contact the City of Seattle Office of Housing or visit seattle.gov/housing.

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