



City of Seattle

Seattle Planning Commission

Xio Alvarez and Matt Hutchins, Co-Chairs
Vanessa Murdock, Executive Director

SEATTLE PLANNING COMMISSION

Thursday, March 12, 2026

Approved Meeting Minutes

Commissioners Present: Xio Alvarez, Cecelia Black, Rebecca Brunn, McCaela Daffern, Andrew Dannenberg, Matt Hutchins, Rose Lew Tsai-Le Whitson, Dhyana Quintanar, Dylan Stevenson, Margaret Szeles, Kelabe Tewolde, Nick Whipple

Commissioners Absent: Dylan Glosecki, Radhika Nair, Monika Sharma

Commission Staff: John Hoey, Senior Policy Analyst; Olivia Baker, Policy Analyst; Robin Magonegil, Commission Coordinator

Seattle Planning Commission meeting minutes are not an exact transcript and represent key points and the basis of discussion.

Referenced Documents discussed at the meeting can be viewed here:

<https://www.seattle.gov/planningcommission/meetings>

Chair's Report & Minutes Approval

Co-Chair Xio Alvarez called the meeting to order at 3:05 pm. Co-Chair Alvarez offered the following land acknowledgement:

'As we begin our meeting, we respectfully acknowledge that our meeting today is taking place on occupied Coast Salish land. We pay respect to Coast Salish Elders past and present and extend that respect to their descendants and to all Indigenous people. To acknowledge this land is to recognize the history of physical and cultural genocide and settler colonialism, which continues to displace Indigenous people today. It is to also recognize these lands, waters, and their significance for the resilient and wise peoples who continue to thrive in this region despite the consequences of displacement and broken treaties. Those who hold settler privilege in this city must work towards supporting the Coast Salish people and all Indigenous people using the various forms of wealth and privilege they reap due to it.'

Co-Chair Alvarez noted that this meeting is a hybrid meeting with some Commissioners and staff participating remotely while other Commissioners and staff are participating in the Boards and Commissions Room at Seattle City Hall. She asked fellow Commissioners to review the Color Brave Space norms and asked for volunteers to select one or more of the norms to read aloud. She suggested to Commissioners that they collectively agree to abide by these norms.

Announcements

Olivia Baker, Seattle Planning Commission Executive staff, announced several upcoming Commission meetings and reviewed the format of this meeting.

ACTION: Commissioner McCaela Daffern moved to approve the February 26, 2026 meeting minutes. Commissioner Nick Whipple seconded the motion. The motion to approve the minutes passed.

Public Comment

Ms. Baker noted that public comment may be provided in person at City Hall, submitted in writing via email at least eight hours before the meeting, or offered on the hybrid meeting platform MS Teams. Public comment must be able to be given in two minutes or less.

There was no public comment.

Briefing: Multifamily Property Tax Exemption (MFTE) program

Maria Dewees and Kelli Larsen, Office of Housing

Ms. Dewees provided an overview of the MFTE program. She shared the Office of Housing (OH) Vision and Mission statements as follows:

Vision

Everyone has a healthy and affordable home.

Mission

We partner to create affordable housing by equitably investing to prevent displacement and increase opportunities for people to live in Seattle.

She highlighted the primary differences between MFTE and OH-funded apartments and highlighted trends in multifamily building production in Seattle. She stated that homeowners make much more than renters. This income gap is twice as large as it was in 2010. Seattle's AMI has rapidly increased due to growth in the highest quintile of incomes. OH, MFTE, and Mandatory Housing Affordability comprise approximately eight percent of Seattle's renter-occupied housing units.

Ms. Dewees stated that MFTE provides a twelve year tax exemption on the residential portion of new multifamily buildings if a share of apartments (20% or 25%) are rent- and income-restricted. Seattle has over 7,400 MFTE apartments in service in ~ 300 market-rate apartment buildings. The initial exemption is twelve years, but property owners can extend it for another twelve years in exchange for new rent limits. The state first authorized jurisdictions to use the tax exemption in 1995. The Seattle City Council adopted MFTE legislation in 1998 and has reauthorized the program several times since then (every four to five years). The program goals and purpose have evolved over time. Reauthorization is an opportunity for the City to make program adjustments. She described the following preparations for the reauthorization process:

University of Washington Report

- Program data analysis, interviews and cost-benefit analysis

MFTE Renter Survey

- Two engagement sessions with developers, investors and property managers, plus additional meetings with NAIOP Commercial Real Estate Association
- OH staff did extensive data analysis
- OH staff, Mayor's Office staff and Council Central Staff worked together on policy proposals

Ms. Dewees summarized the following key feedback from the engagement process:

- Development is really challenging right now, and changes to MFTE program rent limits could help facilitate new projects.
- Unit comparability expectations could be clearer.
- The City should clarify how to set rents for standard vs. open one-bedroom/ alternative bedroom configurations.
- The income and asset certification process is cumbersome and could be made simpler.

She provided an overview of the P7 Legislation Policy Changes:

- Increases the allowable rent and income limits for MFTE units
- Establishes MFTE affordability requirements for standard and alternative bedroom configurations.
- Modifies comparability requirements and the distribution of MFTE units and unrestricted units (Director's Rule forthcoming).
- Incentivizes more family-sized homes by increasing the share of total units that must have two or more bedrooms to meet the twenty percent unit set-aside.
- Allows for option to self-certify income.
- Adopted a cap on annual rent increases for MFTE P7 units. Properties may not increase rent annually by more than the following, whichever is lower:
 - The percentage change in affordable rent limits published by OH, as based on median income, compared to the previous year, OR
 - The maximum rent increase determined and published by the Washington State Department of Commerce under RCW 59.18.700.
- The current annual rent increase cap is 4.4%. OH will update this annually.
- Allows developers to apply to convert their MFTE P6 applications to reflect new MFTE P7 rules.
- Reduces the MFTE program participation fee for developers to a \$2,000 base fee, plus \$200 per unit, up to a maximum of \$10,000 per project.
- Other changes: In conjunction with the legislative changes, OH released an updated process for income certification that streamlines documentation requirements

Commission Discussion

- Commissioners asked how OH calibrates program requirements when there are multiple overlapping programs, such as inclusionary zoning and MFTE requirements tied to the same project. Do the requirements of each program stack? Ms. Dewees noted that when there are multiple rules at play, the more restrictive rent and income limits for a unit apply. Ms. Larsen stated

that when you have multiple requirements from different programs a project must meet all the requirements and they stack on top of one another, rather than double counting.

- Commissioners asked how parking is considered in the MFTE program and if parking is brought into rent limit considerations. Do paid parking spaces count toward the rent limit for units? Ms. Dewes noted that the housing costs included in MFTE limits include utilities and mandatory fees, but not parking, which is an optional cost. Ms. Larsen noted that there was some debate during the reauthorization process because it is a policy choice to provide a tax exemption for parking infrastructure. Paying for parking is excluded from the rent calculation for residents while at the same time, current policy allows parking infrastructure to be included in the tax exemption for project developers.
- Commissioners thanked OH staff for pulling together a clear presentation and for the quality of and transparency in reporting about OH programs in general. They noted that when it comes down to the public benefit provided by the MFTE program compared to the public cost of the shifted tax burden, they question whether the program is worthwhile. Commissioners expressed a desire to see city officials question this value balance more. Commissioners asked if OH could quantify the tax shift provided by this exemption. Ms. Dewes noted that the recent University of Washington (UW) report that studied the program provided an estimate of this figure. She also noted that different versions of the program have provided different levels of benefit but on average the city found that the program provides \$0.50 of benefit for every \$1.00. Ms. Larsen noted that \$80 Million in taxes were shifted from MFTE projects to other taxpayers in 2024 as an example year.
- Commissioners noted that one benefit they appreciate of this program is the effort to incentivize multi-bedroom family-sized units. They also noted that units created by this program do not last very long as participants are only required to provide the restricted units for 12 years and can renew but do not have to and can also leave the program. Ms. Dewes noted that while projects can leave the program at any time, it is very uncommon for them to leave before their 12 years are over. Commissioners noted that the incentive for leaving the program occurs when projects can get higher rents from the unrestricted market that outweigh the benefits of the tax exemption, which is occurring in some of the higher cost areas of the county.
- Commissioners asked what OH found when speaking with developers and looking at the data from recent years as they developed Program 7 in terms of a preferred building scale for multifamily buildings. Ms. Larsen responded that midrise buildings are the most popular to build under the MFTE program and there are a few high-rise projects and ownership projects developed by affordable housing developers in the program.
- Commissioners also wondered if OH has noticed a pattern, as rents collapse in on themselves across the board, of competition between various programs such as MFTE, Low-Income Housing Tax Credit (LIHTC), and market rate units and how that might show up in terms of shifting populations or vacancy rates. Ms. Dewes noted that, on average, the vacancy of MFTE units is comparable to the vacancy of unrestricted units in a specific building. Ms. Larsen noted that vacancy rates for MFTE projects are higher overall than the citywide average. Competition between restricted and unrestricted units is a challenge they are following because if the rents are similar, residents have to go through a lot more steps for income verification to rent a restricted unit so many will opt to avoid those extra steps when it is financially possible. Factors like vacancy rates

and competition between programs factored in their design of the program as they seek to find a balance across tools the City uses to increase housing affordability.

- Commissioners asked OH to describe the motivations driving the cost vs. benefit balance in this version of the program and the process to determine the balance of tax shift, comparability requirements, and other requirements as compared to the public cost. Ms. Dewes responded that by far the biggest levers OH can pull are shifting rent and income limits, so increasing those helps meet the goal of adding to housing supply, which can be at odds with deeper affordability. Many of the other benefits of housing supply are challenging to quantify when determining overall public benefit. Program 7 does tip the scales slightly more toward increasing supply as compared to Program 6.
- Commissioners asked how the MFTE program plays into geographic distribution of affordable units and equity concerns such as development in areas at risk of displacement. Ms. Dewes noted that the UW report looked at the geographic distribution and showed that MFTE apartments are built fairly evenly throughout the city in areas where apartments are allowed to be built. OH needs to revise the map for MFTE buildable areas to incorporate new zoning and to possibly tailor the program to more targeted areas where OH wants to focus this program to support the goal of affirmatively furthering fair housing.
- Commissioners asked if there are any known issues of the program that OH is trying to address. Ms. Dewes and Ms. Larsen noted that there are several elements OH is working on to improve the program. First is a new income certification process to streamline how renters are approved for the income restricted units. The second is a forthcoming Director's Rule on comparability of units between unrestricted and restricted units in an MFTE property. A third element is to update the map of priority areas for MFTE properties to reflect new zoning and land use designations applied by the One Seattle Comprehensive Plan.
- Commissioners asked if OH is tracking how other jurisdictions are implementing MFTE programs and how Seattle's program compares to programs in other jurisdictions. Ms. Dewes noted that Seattle's program is by far the largest in the state and many jurisdictions look to Seattle to see how they implement their program as an example. OH heard a lot of feedback from the engagement process for Program 7 that there was a desire for easier implementation from the development community, particularly the compliance standards for property managers. Ms. Larsen noted that on the Eastside they allow an overlap of their inclusionary zoning units and their MFTE units, which developers prefer but would have serious consequences in Seattle because it would effectively cut the number of restricted units in half. Commissioners asked whether a possible benefit of overlapping the restrictions is to allow a deeper level of affordability. Ms. Larsen agreed that it could lead to deeper levels of affordability for the term of MFTE and longer lasting affordability to overlap MFTE with long-term inclusionary zoning programs.
- Commissioners noted they are excited to see the improvements to the income certification process as they have heard anecdotally through friends that those requirements can be a challenge and a barrier to pursuing MFTE units for housing. They are glad to see an effort to reduce that barrier.
- Commissioners asked if there is any upcoming work for OH that the Commission should be following or work that would be helpful for the Commission to provide feedback on at an early stage. Commissioners recalled that they often had annual presentations from OH with program updates in the past. Ms. Dewes noted that the updated map for MFTE implementation could be a

good place for the Commission to weigh in on new policy. Ms. Larsen noted that OH could come back to give an overview of their annual report, which now comes out each July. Commissioners expressed an interest in both hearing those look back type reports and learning of opportunities to weigh in on new legislation going in front of council.

Discussion: Draft comment letter on Centers and Corridors Legislation

John Hoey, Seattle Planning Commission staff, provided an overview of the Commission's draft comment letter on the Centers and Corridors legislation. The draft letter was organized by theme as follows:

Background

- SPC commented on the proposed zoning changes in Neighborhood Centers and along frequent transit corridors in December 2024
- Commented on proposed amendments to the One Seattle Plan and permanent legislation to implement HB 1110 in September 2025
- This letter provides our support for the Centers and Corridors legislation recently transmitted to the City Council
- Centers and Corridors is one of several phases to implement the One Seattle Plan adopted by the City Council in December of 2025

Remember the Context

- The One Seattle Plan's growth strategy and this implementing legislation are the result of four years of planning shaped by ongoing and extensive public engagement
- Encourage the City Council to adopt the Centers and Corridors strategy without removing or reducing the capacity of any of the proposed rezones
- Any modifications to this land use vision would risk diminishing the intent of the One Seattle Plan

Lead with Equity

- Centers and Corridors legislation represents a significant step in addressing both housing affordability and racial inequity by making available a diversity of housing throughout the city while shifting housing capacity to areas with low risk of displacement
- Concerned that many areas have been removed from the original October 2024 zoning proposal
- Many of the changes (those areas outlined in pink on the zoning maps) are in areas of high opportunity and low displacement risk
- These appear to be in direct response to negative comments from select communities that were not happy with the original proposal
- Encourage City Council to consider all public comment in an equitable manner and not only consider the voices of those organized communities who provide criticism of rezones in their neighborhoods late in the process

- Prioritizing these late and pointed concerns at this implementation stage would erode the shared values and equity commitments that have shaped development of the One Seattle Plan

Maximize Zoning in Centers

- Neighborhood Centers are critical to achieving our vision of a Seattle where all residents live in a great neighborhood with a variety of affordable and accessible housing options within convenient walking distance to shops, services, and transit
- Disappointed to see amendments to the One Seattle Plan reducing some proposed Neighborhood Center boundaries to varying degrees within individual City Council districts
- Look forward to upcoming opportunities to expand the number of Neighborhood Centers, including the environmental analyses that will study Neighborhood Centers identified in the Council's Resolution 32183 last fall
- Support maximizing the use of MR1 zoning in Neighborhood Centers to encourage buildings up to six stories, which will be more economically feasible to achieve affordable, multi-family apartment buildings than LR zones
- All remaining residential parcels in Neighborhood Centers should be zoned for LR3 to achieve more five-story buildings, the minimum threshold for feasible development of affordable and accessible multi-family apartment buildings
- LR1 and LR2 zones do not produce density that is sufficiently affordable or accessible in Neighborhood Centers and should only exist outside of Neighborhood Centers

Housing Along Frequent Transit Route Corridors

- Support the proposed rezones to provide housing capacity and diversity along our frequent transit corridors
- Locating housing along these corridors offers numerous benefits including reduced reliance on cars, improved community livability, and increased economic opportunity
- Studies have shown that proximity to frequent public transit often leads to higher residential and commercial property values within a five-to-ten-minute walkshed
- Coupling access to transit and proposed rezones along frequent transit corridors could potentially improve opportunities to generate wealth for those who may be able to purchase homes
- Previously expressed concern about concentrating multi-family housing along arterials
- This approach exacerbates health, safety, and livability impacts for people who live in the upzoned areas along arterials
- Support expanding the proposed upzones beyond one parcel on either side of an arterial to allow multi-family buildings within walking distance of transit, parks, schools and other amenities
- Will look forward to providing input on this issue as OPCD initiates scoping on its Supplemental EIS for a later phase of One Seattle Plan implementation

Mr. Hoey stated that a final draft comment letter will be prepared and presented for approval at the March 26 full Commission meeting.

Commission Discussion

- Commissioners stated that the proposed Neighborhood Centers will include not only shops and services, but also jobs. These areas will not only include concentrated housing opportunities but should become full economic centers.
- Commissioners expressed support for providing housing along corridors, but not along high traffic and truck corridors. The letter should include language to differentiate between the two and balance the pros and cons of living along corridors.
- Commissioners recognized the challenges associated with providing housing on an arterial and stated that mitigation methods could make those buildings more livable.
- Commissioners suggested that the letter include language about expanding housing choices around transit stops and high frequency corridors. The City can identify ways to reduce the impacts of living in those buildings along busy corridors but must balance that mitigation with not making those housing units more expensive.
- Commissioners recommended revised language expressing support for adoption of the Centers and Corridors legislation without further capacity reduction or removal of proposed rezones.
- Commissioners recommended specific edits to several sections of the draft letter.
- Commissioners suggested clearly stating that the Planning Commission supports the Centers and Corridors legislation, specifically because this is only the first phase of implementation of the One Seattle Plan and there will be additional opportunities to comment during future phases.

The meeting was adjourned at 5:30 pm.

Resources

[Housing Market Pressures and Shifting Area Median Income in King County](#)
[MFTE Evaluation Final Report to City of Seattle Office of Housing](#)
[2024 Multifamily Tax Exemption Annual Report](#)