

## INITIAL APPLICATION

### Multifamily Housing Property Tax Exemption Program (Chapter 5.73 of the Seattle Municipal Code)

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#### Instructions

Please read the following before completing the application:

1. The Project Owner shall verify the application by oath or affirmation.
2. A complete Initial MFTE Application must be received in hard copy by the Office of Housing at least 180 days prior to the date of issuance the temporary certificate of occupancy for new construction Multifamily Housing or 180 days prior to issuance of the first building permit for Rehabilitation Improvements as applicable according to subsection 5.73.050.D.
3. Mail the complete application and program fee via US Postal Service to the address below. Please note, FedEx, UPS & DHL do not deliver to P.O. Boxes.  
**Office of Housing – Attn: MFTE**  
**PO Box 94725**  
**Seattle, WA 98124-4725**  
**Application Fee:** \$10,000 for all Multifamily Housing. \$4,500 if at least 75% of the total Dwelling Units, SEDUs, and Congregate Residence sleeping rooms in the Multifamily Housing are rent and income restricted as documented by the Office of Housing.
4. Answers to Commonly Asked Questions:
  - To qualify as a bedroom for purposes of determining the type of unit in a project applying for MFTE, the room must meet the bedroom criteria established in Seattle Municipal Code Chapter 5.73.020 and adhere to the policy in Attachment A.
  - MFTE Units must be well-distributed throughout each building and comparable to the other units in terms of size, access to amenity areas, and functionality per the policy in Attachment A.
  - The mix and configuration of MFTE Units must be proportional to the mix and configuration of the total units in a project. For example, if studios are 30% of total units, 30% of the MFTE units must be studios.
5. This initial MFTE application is based on project information available at the date of submittal. The Owner must also submit a Final Certificate Application to the Director within 30 days of receiving temporary certificate of occupancy issuance. Project information will be updated at that time, according to the final plan set approved by SDCI.
6. Capitalized terms in this application are defined in SMC 5.73.020.
7. Questions? Contact the Office of Housing MFTE line at (206) 386-1600 or [OFH\\_MFTE@seattle.gov](mailto:OFH_MFTE@seattle.gov)

## **MFTE PROGRAM 6 PROCESS OVERVIEW**

**The information below provides an overview of the Multifamily Property Tax Exemption (MFTE) application process under Program 6. All applicants should review Chapter 5.73 of the Seattle Municipal Code and consult with program staff for further MFTE details.**

- 1) The property owner submits a MFTE Initial Application at least 180 days before TCO issuance. The Office of Housing (OH) reviews and follows up as needed.
- 2) If OH approves the Initial Application, program staff provides an Approval Letter and MFTE Agreement. The owner and OH sign the agreement, which OH then records with King County on the title of the property where the development is located.
- 3) Following the recording, OH issues a Conditional Certificate of Tax Exemption. This certificate expires three years after the date OH receives a complete Initial Application.
  - a) If the Conditional Certificate nears expiration, the property may be eligible for an Extension to the Conditional Certificate for up to twenty-four months. Owners must apply for an extension at least sixty days prior to Conditional Certificate expiration.
- 4) At least ninety days before leasing, OH shares a Property Detail Worksheet. The owner completes the worksheet, using Distribution, Comparability and Bedroom Criteria to propose MFTE units. OH reviews and requests changes as needed to meet the criteria.
- 5) Upon preliminary approval of MFTE units and at least forty-five days before TCO, the property schedules an inspection with OH to confirm the property detail information.
- 6) Fourteen days prior to leasing, the owner, or their designee, must complete Affirmative Marketing. Affirmative Marketing forms are located on the OH website.
- 7) As the property nears TCO, OH provides the owner with a MFTE Final Certificate Application.
- 8) Within thirty days of TCO issuance, or certificate of occupancy if no TCO is required, or as documented by the final building permit inspection if no certificate of occupancy is required, the owner submits a complete Final Application to OH. OH reviews and follows up as needed.
- 9) If OH approves the Final Application, program staff issues a Final Certificate of Tax Exemption and notifies the King County Assessor of the tax exemption approval.
- 10) Tax exemption begins January 1<sup>st</sup> of the calendar year following Final Certificate issuance. At that time, OH Asset Management begins monitoring ongoing compliance.

## MTFE Program 6 Initial Application

### Section 1. Contact Information

Owner Information:

Owner: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Owner Representative Information, if applicable:

Owner Representative: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

### Section 2. General Project Information

Project Name: \_\_\_\_\_  
Project Street Address: \_\_\_\_\_  
King County Parcel No.(s): \_\_\_\_\_  
City Council District ([Lookup](#)): \_\_\_\_\_

Abbreviated  
Legal Description : \_\_\_\_\_

Brief written description of the project:

Ex. three-story lowrise, mixed-use 7-story with ground level retail and 3 levels of below grade parking , 30-story high-rise with 2 levels of commercial and 7 levels of below grade parking.

Number of Floors: \_\_\_\_\_

Number of Residential Units: \_\_\_\_\_ Number of Live/Work Units: \_\_\_\_\_

MUP Number (0000000-LU): \_\_\_\_\_

Building Permit Number(s) (0000000-CN/PH): \_\_\_\_\_

Post-Permit\* Revision(s) (0000000-CN-000): \_\_\_\_\_

\*Provide for revisions that changed unit count, configurations, amenities, or building GSF

Is there a Property Use and Development Agreement (PUDA) in place for this project?

- Yes
- No

Type of Project:

- New Construction
- Rehabilitation or Conversion

Tenure of Project:

- Renter-Occupied
- Owner-Occupied

Share of Units to be Rent and Income Restricted:

- Less than 75% of total units
- At least 75% of total units

Number of Structures:

- One Building
- Multiple Buildings; \_\_\_\_\_

Unit Types:

Check all that apply:

- Small Efficiency Dwelling Units (SEDUs) as defined in SMC 23.84A.031: \_\_\_\_\_ Set:  
Number of SEDU(s): \_\_\_\_\_
- Sleeping Rooms in Congregate Residence as defined by SMC 23.84A.032:  
Number of Sleeping Rooms in Congregate Residence: \_\_\_\_\_
- Dwelling Units as defined by SMC 23.84A.008:  
Number of Studio(s): \_\_\_\_\_  
Number of One Bedroom(s): \_\_\_\_\_  
Number of Two Bedroom(s): \_\_\_\_\_  
Number of Three Bedroom(s): \_\_\_\_\_  
Number of L/W Unit(s): \_\_\_\_\_

Above Grade Floor Area (Square Feet):

Total Gross Floor Area: \_\_\_\_\_

Gross Floor Area for Residential Use<sup>1</sup>: \_\_\_\_\_

Gross Floor Area for Non-Residential  
Uses, Including Live-Work Units: \_\_\_\_\_

Projected Project Costs:

Total Cost of Residential Improvements,  
Exclusive of Land: \$ \_\_\_\_\_

Total Project Cost, Exclusive of Land: \$ \_\_\_\_\_

Construction Timeline:

Construction Start Date: \_\_\_\_\_

Estimated Completion Date for All  
Residential Portion(s) of the Building(s): \_\_\_\_\_

Individual Completion Dates for  
Phased Projects: \_\_\_\_\_

Other Rent (or Affordable Sale) and Income Restrictions:

Do you anticipate any units in the project will be subject to additional restrictive housing covenants?

- Seattle Office Of Housing Funding Award Requirements
- Incentive Zoning (IZ) Performance Option Requirements
- Mandatory Housing Affordability (MHA) Performance Option Requirements
- Master Planned Communities-Yesler Terrace (MPC-YT)
- Low Income Housing Tax Credits/Bonds (WA State Housing Finance Commission)
  
- Other (specify): \_\_\_\_\_

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<sup>1</sup> See definition of Permanent Residential Occupancy in Section 5.73.020. Permanent Residential Occupancy is the sum of the net unit area for all residential units (excluding any live-work units) in the project.

### Section 3. Demolition

(skip if project does not include demolition of housing units)

Demolition Status:

Completed (date): \_\_\_\_\_

Number of units demolished or pending demolition: \_\_\_\_\_

Demolition Permit Number (0000000-DM): \_\_\_\_\_

Were any occupied housing units demolished within 18 months of application for the land use permit for the Project?

- YES  
 NO

### Section 4. Rehabilitation Improvements

(skip if project does not include rehabilitation improvements)<sup>2</sup>

Check all that apply:

- Building fails to comply with one or more applicable Seattle Building Code standards according to Title 22
- Residential portion of building is vacant:  
Number of vacant units: \_\_\_\_\_  
Date units last occupied: \_\_\_\_\_
- Building contains occupied residential units
- Project will cause no “displacement” as defined in subsection 22.210.030.E

### Section 5. Owner-Occupied Housing

(skip if project does not include owner-occupied housing)

Projected sale prices of market-rate units: \_\_\_\_\_

Projected sale prices of affordable units: \_\_\_\_\_

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<sup>2</sup> See definition of "Rehabilitation improvements" and "Substantial improvement" in SMC Chapter 5.73.

## Section 6. Required Attachments

Please attach the following documents:

- A 'Letter of Intent to Implement an Affirmative Marketing Plan form. Information about Affirmative Marketing and a copy of the form are available [here](#).
- A current title report, dated within the last three months.
- Copies of documents evidencing the type and organizational structure of the Owner, such as operating agreements, incorporation documents, or partnership agreements.
- Evidence of authority of the Owner representative who signed the MFTE application and will sign the MFTE Contract if the project is approved for participation.
- A sample signature block for the Owner representative.
- Non-refundable check payable to the City of Seattle for the application fee.
- If the Project includes demolition of a building containing Dwelling Units on the Project site, SDCI findings of applicability of tenant relocation assistance under Chapter 22.210.
- If the Project includes Rehabilitation Improvements, verification from the Seattle Department of Construction and Inspections (SDCI) that the building fails to comply with one or more applicable Seattle Building Code standards according to Title 22.
- If the Project includes Rehabilitation Improvements, a signed and notarized affidavit from the Owner verifying that the residential portion of the building was vacant for a period of at least 24 months prior to issuance of the first building permit, if applicable. The required form is attached to this application packet as Attachment B.

The Office of Housing will review the latest plan set uploaded to Accela for certain application requirements. Applicants may indicate plan set page numbers for these elements:

- Gross floor area by use:
- Schematic site plan:
- Standard floor plans for the Dwelling Units, SEDUs, and Congregate Residence sleeping rooms, including proposed MFTE Units:

Be advised the Office of Housing 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).

Please note if bedrooms are being leased individually at the project, please provide the number of bedrooms in the project.

## 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: \_\_\_\_\_

Title: \_\_\_\_\_



## **Attachment A**

### **MFTE Unit Distribution, Comparability, and Bedroom Criteria**

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

MFTE-restricted units should:

- 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.
- Be proportional to the overall number of units of each type.
- Be proportional by unit status (dwelling unit, SEDU, or congregate residence).
- Be distributed proportionally among buildings for projects with multiple buildings.
- Be 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.
- Be comparable to market-rate units in terms of functionality and amenities:
  - Including but not limited to dens, second bathrooms, balconies, and patios.
- Be comparable to market-rate units in terms of access to building amenities:
  - Including but not limited to parking and community rooms.
- Not be clustered or stacked in certain sections of the building; and
- Have comparable lease terms to market-rate units.

#### **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 the Seattle Building Code (SBC).
- Minimum room widths and ceiling heights according to SBC sections [1207.1](#) and [1207.2](#). For additional guidance, see SBC Code Solution for [1208.1](#) and [1208.3](#).
- Natural light requirements according to SBC section [1204.2](#).
- Natural ventilation requirements according to SBC section [1202.5](#); 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](#).

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.

**Attachment B**  
**Affidavit for Rehabilitation of a Vacant Building**

STATE OF WASHINGTON     )  
  )ss.  
COUNTY OF KING         )

The undersigned, being first duly sworn on oath, deposes and affirms that:

The Rehabilitation Improvements include the creation of at least four net new Dwelling Units, SEDUs, or Congregate sleeping rooms through Substantial Improvements to a building located at \_\_\_\_\_, Seattle, WA, that fails to comply with one or more applicable Seattle Building Code standards according to Title 22, the residential portion of which ( \_\_\_\_\_ total units) has been vacant for at least 24 months prior to issuance of the first building permit for the Project that includes the Rehabilitation Improvements.

\_\_\_\_\_  
Signature of Owner

Print Name

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State  
of Washington, residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_