

March 2024

The City of Seattle's Multifamily Tax Exemption (MFTE) program is scheduled to sunset on December 31, 2024. The Office of Housing (OH) and the Mayor's Office will be proposing MFTE reauthorization legislation for City Council action before the end of the year. Separate legislation allowing OH to approve 12-year extensions of property tax exemptions scheduled to expire in 2024 will move forward in advance of the MFTE reauthorization legislation. The MFTE extensions legislation is expected to be introduced in April.

The State enacted the Multi-Family Housing Property Tax Exemption (MFTE) program in 1995, codified as [RCW 84.14](#). The program is designed to encourage increased residential opportunities, including affordable housing opportunities, in cities where there are insufficient housing opportunities.

The City of Seattle first adopted MFTE in 1998 and has reauthorized the program five times since then. The current MFTE program is codified in [SMC Chapter 5.73](#). Seattle's MFTE program is the largest in the State of Washington and participation in the local MFTE program has grown significantly over time, with more than 6,600 MFTE units currently in service throughout the City. This includes approximately 340 MFTE units in properties with their tax exemptions extended for an additional 12 years, which was first allowed under State law in 2021.

As part of the reauthorization process, OH conducts a thorough analysis of the program every four or five years and makes recommendations to City Council for improvements, including administrative processes. In addition, OH periodically recommends updates to the MFTE program to comply with any State-level legislative changes.

This summer, OH will conduct a thorough review of the City's MFTE program with a consultant/research team to analyze and engage with informed community groups. The analysis and feedback will inform OH recommendations on proposed improvements as part of a potential four-year reauthorization of the MFTE program. This reauthorization will also address extensions for properties with MFTE agreements that expire in 2025 and the following years.

If you have any questions, please contact the Office of Housing MFTE team: OFH_MFTE@seattle.gov

Stay tuned for future engagement opportunities related to any updates to the MFTE program [by signing up through our subscriber list](#) for MFTE program participants. Stay updated on all news through the [Office of Housing website](#).