



An open letter to Seattle residents and elected officials regarding housing affordability and proposed MFTE update.

Seattle needs greater housing affordability. We deserve much better than the MFTE P7 proposal. *Reject P7, Renew P6, and Rethink MFTE.*

Seattle is in the process of updating our city's Multifamily Tax Exemption (MFTE) program. The MFTE program provides a 12 year tax exemption to housing developers who set aside a portion of units for rent by low or moderate income Seattleites. That tax exemption costs the city about \$20 million per year in lost tax revenue, and increases property taxes for other taxpayers (\$145 per year per median assessed value home). The tax impacts continue to grow with the size of Seattle's MFTE portfolio, which is almost \$9 billion assessed value today ([2024 Multifamily Tax Exemption Annual Report](#)), and cumulative forgone revenue grows year over year. The [current version of MFTE \(known as P6\)](#) expires in September 2025.

Mayor Harrell has proposed [Council Bill 121055](#), introduced by Councilmember Juarez, to revise the MFTE program in a new version known as P7. The legislation was introduced August 12th, before recess, and is scheduled to be heard in the Housing & Human Services Committee on September 10th, with possible full Council vote as early as September 17 or 24. The legislative process has involved minimal or no engagement of Seattle renters, including MFTE residents, and organizations that advocate for rental housing affordability and adequate public benefit of City-sponsored programs.

We, the undersigned, call on Seattle City Councilmembers and Mayor Harrell to reject this flawed and rushed proposal with no end date; to renew the current P6

MFTE for one year; and to develop a proposal that will actually make Seattle more affordable and create the types of apartments that our community needs.

Decisionmakers must develop a new proposal in partnership with MFTE tenants and other crucial stakeholders.

The proposed MFTE renewal (P7), as introduced, provides our city with very little affordability benefits from this complex and expensive program:

- As introduced in [Council Bill 121055](#), the purpose of the MFTE program would no longer be to “increase affordable multifamily housing opportunities...for households who cannot afford market-rate housing in Seattle,” and would instead focus on increasing multifamily development in exchange for a modest share of MFTE units and *no guarantee of rents meaningfully lower than market rate*.
- P7 would continue to provide multifamily property owners a lucrative option to get up to 24 years of tax breaks (12 years plus a potential 12 year extension) with no analysis of the affordability benefits for renters provided to date and promised for the additional 12 years of tax exemption. We cannot afford to proceed without this analysis for our city.
- **P7 would remove an existing 4.5% annual rent cap for everyone who moves into an MFTE unit in the future.** Mayor Harrell’s legislation even removes this protection for future renters of P6 properties, even though owners agreed in their contracts to honor the 4.5% annual cap. No legislation should leave Seattle renters with significantly less protection from high rent increases than they currently have.
- **P7 would significantly raise the maximum rent of MFTE apartments, making many MFTE apartments nearly market-rate.** For example, the rent limit for a regular 1 bedroom apartment would increase from \$1,810 under P6 to \$2,209 (that’s 91% of market-rate) under P7 [2025 Income & Rent Limits](#). The proposed monthly rent limits of \$3,100 for 2 bedroom apartments and \$3,600 for 3 bedrooms are far too high for modest wage families to afford, but developers could still reap up to 24 years of tax breaks even if their MFTE apartments sit empty. This is completely the wrong direction for our city, and for this program. As of late 2024, the vast majority (85%) of MFTE tenants were housing cost burdened (spending 30% or more of their income on housing), and nearly 25% of MFTE tenants were severely housing cost burdened (spending 50% or more of their income on housing).¹ ([University of Washington MFTE Study, November 2024](#)). Increasing the rent limits risks making that even worse.
- **Allow higher-income tenants into MFTE apartments, creating fewer housing options for lower-income tenants.** Compared to current income limits, P7 would allow landlords to rent MFTE apartments to households making 21% more for 2-bedroom apartments (up to \$127,260/yr), 18% more for 1-bedroom apartments (up to \$82,500/yr) and 14% more for 0- and 3-bedroom apartments.²

¹ Source: 2024 [UW Study](#): MFTE Evaluation Final Report to City of Seattle, Office of Housing

² Note: these percent changes are the same as the percent changes in allowable rent because the allowable rent is calculated by taking 30% of the allowable income.

- **P7 continues to emphasize production of small studio and 1 bedroom apartments:**
Ninety percent of MFTE units produced since 1998 (according to the 2024 Annual MFTE Report) are zero and one bedroom apartments, including sleeping rooms and tiny units. Rents for micro-apartments and studios are already at or close to market rates and far too many are sitting vacant. As [The Seattle Times](#) recently reported, over 10% of Seattle's current stock of "affordable" apartments are already sitting vacant³ because they are either too small, too expensive, or both. Because P7 does not give a minimum size for a 1-bedroom apartment, developers could build a 300 square foot 1-bedroom apartment and charge \$2,209/month.⁴
- The P7 legislation would allow all projects currently under construction to convert from P6 to P7, meaning renters would need to pay more to lease an MFTE unit while the value of the tax exemptions would remain at the same levels for property owners. **This is a bad deal for Seattle.**
- **Unlike previous versions of MFTE, P7 eliminates the sunset date for reauthorization.**
This is an unprecedented approach to a program that requires detailed and comprehensive review to assess its relative costs and benefits in terms of affordability for renters facing steadily diminishing options in our local rental market. Seattle's MFTE program has always had a scheduled sunset date at which time reauthorization is informed by analysis of rental market changes and emerging administrative and policy issues. But P7 has no sunset date.

At a time when every public official in Seattle should focus on how to increase housing affordability and maximize local sources of revenue to protect residents from local, state, and federal budget cuts, this rushed and poorly-designed proposal would produce limited value and cost our city desperately-needed tax revenue. Because it has no sunset date, this version of MFTE would continue indefinitely, while our housing market could change considerably.

We, the undersigned organizations and individuals therefore call on Mayor Harrell and the Seattle City Council to reject the flawed P7 MFTE proposal. We propose instead a one year renewal of the current program (P6) to allow for critical examination of what combination of developer incentives, renter protections, and tax breaks best serves the city's majority renter population, and meets the urgent need for affordable homes for the growing share of Seattleites left behind by our rental market.

Sincerely,

ORGANIZATIONS (28 organizations as of 9/22/25 7:45 AM. Additional signatories may add themselves here: bit.ly/RethinkMFTE)

350 Seattle

Be:Seattle

Coalition Ending Gender-Based Violence

³<https://www.seattletimes.com/seattle-news/homeless/why-thousands-of-seattles-affordable-housing-apartments-became-vacant/>

⁴ [Seattle's municipal code 22.206.020](#) requires 70 square feet for a room used for sleeping, and 130 square feet for a room used for cooking and living.

Downtown Emergency Service Center (DESC)
 Elizabeth Gregory Home
 Friends of Youth
 Got Green
 House Our Neighbors
 Immanuel Community Services
 InterIm CDA
 Lavender Rights Project
 Low Income Housing Institute (LIHI)
 Mother's Grab&Go
 Neighborhood House
 Puget Sound Advocates for Retirement Action - PSARA
 QLaw Foundation of Washington
 Queen Anne Helpline
 Queer Power Alliance
 REACH Renton
 Seattle/King County Coalition on Homelessness
 Seattle Human Services Coalition
 SHARE (Seattle Housing and Resource Effort)
 Tenants Union of Washington
 The Mockingbird Society
 Transit Riders Union
 Washington Low Income Housing Alliance
 Washington Physicians for Social Responsibility
 WHEEL (Women's Housing, Equality and Enhancement League)
 YWCA | Seattle King Snohomish

INDIVIDUALS (229 people as of 9/22/25 7:45 AM. Additional signatories may add themselves here:
bit.ly/RethinkMFTE)

A Gewali	Seattle resident and worker
Aaron C.	Seattle resident and worker
Adrienne Kosewicz	Seattle resident
Aidan McDonald	Seattle resident and worker
Aimee Storm	Seattle resident and worker
Alexandra Harmon	Seattle resident
Alicia Finney	Seattle resident and worker
Alisa Huffman	Seattle resident
Alison Eisinger	Seattle resident and worker
Allyson Baehr	Seattle resident and worker
Alwyn Mouton	Seattle resident and worker
Amanda Locke	Seattle resident
Amber J. Hu	Seattle worker
Amelia Hoormann	Seattle resident

Ammar Hussein	Seattle resident
Amy Jiravisitcul	Seattle resident and worker
Amy Kate Bailey	Seattle resident and worker
Amy Tower	Seattle resident and worker
Andrew Katz	Seattle resident and worker
Angela Bellacosa	Seattle worker
Angela Fleet	Seattle resident
Anna Harrington	Seattle resident and UW grad student
Annabel Allen	Seattle resident and worker
Anne Arias	Seattle resident
Arionna C Scott	Seattle resident and worker
Ashley Seni	Seattle resident and worker
August Rigsby	Seattle resident
Avery Hultgren	Seattle resident
Beatrice Denton	Seattle resident and worker
Ben Russell	Seattle resident and worker
Ben Warden	Seattle resident
Betsy Heimbürger	Seattle resident and worker
Bill Rumpf	Seattle resident
Brandon Elliott	Seattle resident
Brianna Dwyer-O'Connor	Seattle resident and worker
Brie Gyncild	Seattle resident and worker
Cailin Trimble	Seattle resident and worker
Caitlin Lee	Seattle resident and worker
Candice Hoyt	Seattle resident
Cara Lauer	Seattle resident and worker
Cara Lauer	Seattle resident and worker
Carolena Matus	
Carolyn Skolnick	Seattle resident and worker
Cecelia Black	Seattle resident and worker
Cecelia Linsley	Seattle resident and worker
Chandler Glass	Seattle resident
CHERYL L. BERENSON	Seattle resident
Chloe Dore Gomes da Costa	Seattle resident
Chris Flory	Seattle resident and worker
Christa Atkins	Seattle resident

Christina Ellis	Seattle resident and worker
Christopher Buckley	Seattle resident and worker
Christopher Buckley	Seattle resident and worker
Cindi Barker	Seattle resident
Clay Compton	
Colin A Romero	Seattle resident
Colleen Roman	Seattle resident
Colleen Rowe	Seattle resident and worker
Daniel Goodman	Seattle resident and worker
Daniel Monteagudo	Seattle resident
Daniel Zizza	Seattle resident and worker
Danielle Dupree	Seattle resident and worker
Danielle Gifford	Seattle resident and worker
David Loud	Seattle resident
David Moggia	Seattle resident
David Yao	Seattle resident and worker
Deb Barker	Seattle resident
Denver Bingham	Seattle resident and worker
Donald Brubeck	Seattle resident
Dylan Hanson	Seattle worker
Dylan K Jilek	
Elena Rumiantseva	Seattle worker
Elisabeth Benham	Seattle resident and worker
Elise Bowditch	Seattle resident
Elysia Roscoe	Seattle resident
Emily Fredericksen	Seattle resident and worker
Emily Johnston	Seattle resident and worker
Emma	Seattle resident and worker
Eric S. Nygren	Seattle resident and worker
Erica Clawson	Seattle resident
Erica Olson	Seattle resident and worker
Erik LaRue	
Erin Rants	Seattle resident and worker
Esther	Seattle resident and worker
Ethan Campbell	Seattle resident and worker
Eve Rumpf-Sternberg	Seattle resident
Faith Kim	Seattle resident and worker
Gabriella Moller	Seattle resident and worker
Ginger Seybold	Seattle resident and worker

Glenda Y. Carper	Seattle resident
Gwendolyn D. Harper	Seattle resident and worker
Hali Willis	Seattle resident
hayden higgins	Seattle resident
Hope Sanford	Seattle resident
Ian Bond	Seattle resident
Ian Buckmaster	Seattle resident
Idabelle Fosse	Seattle resident and worker
Irene Wall	Seattle resident
Irene Wall	Seattle resident
Jackie Belanger	Seattle resident and worker
Jada Marsden	Seattle resident and worker
James Little	Seattle resident
James Pfeiffer	Seattle resident
Janice Deguchi	Seattle worker
Jean Buskin	Seattle resident
Jef St De Lore	Seattle resident and worker
Jenna Hegde	Seattle resident and worker
Jenny Estill	Seattle resident and worker
Jesse A. Kleinman	Seattle resident
Jessica McAbee	Seattle resident and worker
Jessie Lawton-Crane	Seattle resident and worker
Jillian McCone	Seattle resident
Jonathan Elsner	Seattle resident
Jonel Stahr	Seattle resident
Joseph Peter Costantini	Seattle resident and worker
Judith G. Anderson	
judith waldman	Seattle resident
Julia Buck	Seattle resident and worker
Julia Thomas	Seattle resident and worker
Justin Waldow	Seattle resident
K Norton	Seattle resident and worker
Karen Taylor	Seattle resident
Katharine Revello	Seattle resident and worker
Kathlene Akin Hampton	Seattle resident
Kathryn Downie	Seattle resident
Kathryn T Keller	Seattle resident
Katie Wilson	Seattle resident and worker
Keith Spencer	Seattle resident

Kelly A "Brigid" Hagan	Seattle resident and worker
Kelly Butcher	Seattle resident
Kelly Hickman	Seattle resident and worker
Kerry O'Meara	Seattle resident and worker
Kinsley Ogunmola	Seattle resident and worker
Kris Hutchins	Seattle resident and worker
Kyle Crowder	Seattle resident and worker
Lauren Pacheco	Seattle resident
Lauren Tozzi	Seattle resident
Levi Fuller	Seattle resident and worker
Lilly Deerwater	Seattle resident
Linda Joss	Seattle resident
Lisa Rivera	Seattle resident
Liz Stevens	Seattle resident
Louisa Schwartz	Seattle resident and worker
Louise Highleyman	Seattle resident and worker
Louise Langley	Seattle resident
Lucinda Stroud	Seattle resident and worker
Lynne Ashton	
Marc Auerbach	Seattle resident
Margaret Shield	Seattle resident and worker
Marietta Zintak	Seattle resident
Marnye L Woodrum	Seattle resident
Marshall Bender	Seattle resident and worker
Mary Ancich	Seattle resident
Mary Anne Mercer	Seattle resident
Matthew Finnell	Seattle resident
Matthew Webb	Seattle resident and worker
Meera Lee Sethi	Seattle resident and worker
Megan Charlotte Gremmell	Seattle resident
Meghan Iacueli	Seattle resident
Michael A Moynihan	Seattle resident and worker
Michael Martinez	Seattle resident and worker
Miriam Roskin	Seattle resident
Mirian Mencias	Seattle worker
MJ Kiser	Seattle resident and worker
Monte Jewell	Seattle resident
Nathan Ashcraft	Seattle resident

Nathan Ward	Seattle resident
Neal Simpson	Seattle resident and worker
Nell Gross	Seattle resident and worker
Nicholas Brownson	Seattle resident
Nicole Casanova	Seattle resident
Patrick Dunham	Seattle resident
Paul Mailman	Seattle resident and worker
Priscilla Vivio	Seattle resident and worker
Prithy Korathu	Seattle resident and worker
R. Galant	Seattle resident
Rachel Briegel	Seattle resident
Rachel Kay	Seattle resident and worker
Rachel Kay	Seattle resident and worker
Rachtha	Seattle resident and worker
Randy Simon	Seattle resident
Rebecca Lavigne	Seattle resident and worker
Reid Smith	Seattle resident and worker
Reverend Sophia Keller, RN, MA	Seattle resident
Reverend Sophia Keller, RN, MA	Seattle worker
Richard Howard	Seattle resident and worker
Richard McGovern	Seattle resident and worker
Rick Friedhoff	Seattle resident
Rob Hubble	Seattle resident and worker
Robert Cummings	Seattle resident
Robin Schachter	Seattle resident
Rowen Kade	Former Seattle Resident
Ryan Clark	Seattle resident and worker
Ryan Driscoll	Seattle resident and worker
Sakina Hussain	Seattle resident
Sally kinney	Seattle resident
Samantha Young	Seattle resident and worker
Sarah Dallosto	
Sarah Dillard	Seattle resident and worker
Scott Species	Seattle resident
Sean Hoyt	Seattle resident
Seshu Brahma	Seattle resident and worker
Sharon Lee	
Shary B	Seattle resident

Shirley Leung	Seattle resident and worker
Sofia ida Petros	Seattle resident
Soren Hawkins	Seattle resident and worker
Spencer Rawls	Seattle resident and worker
Stephen Bezruchka	Seattle resident and worker
Steve Bauck	Seattle resident
STORM CHANDLER	Seattle worker
Subigya Pandey	Seattle resident and worker
Suveg Pandey	Seattle resident and worker
Taylor Farley	Seattle resident and worker
Tess Bittner	Seattle resident and worker
Tika Bordelon	Seattle resident
Tim Jokl	Seattle resident
Tim Marshall	Seattle resident and worker
Tyler Freedman	Seattle resident and worker
Tyler Simpson	Seattle resident and worker
Vahagn Yeranossian	Seattle resident
Vera Hoang	Seattle resident and worker
Virginia Greeno	Seattle resident
Virginia Weihs	Seattle resident and worker
Whitney Miller	Seattle resident and worker
Xavier Eddy	Seattle resident and worker
Zach Jaffe	Seattle resident
Zoe Snape	Seattle resident and worker
Zoe Walker	Seattle resident and worker