



DEPARTMENT OF COMMUNITY DEVELOPMENT  
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## Cottage Housing – Affordable Unit Bonus (RS 7.2 and 5.0 Zones)

See *Federal Way Revised Code* (FWRC) Title 19, Chapter 250 for a complete description of Cottage Housing Development (CHD) requirements.

### AFFORDABLE HOUSING BONUS

CHDs in the Single Family Residential (RS) 7.2 and 5.0 zones are limited to a total of 12 dwelling units. A bonus of up to four additional dwelling units is allowed (subject to satisfying density requirements) if at least 50 percent of the additional dwelling units are affordable. For example 16 dwelling units are permitted if two are affordable (12 allowed outright, four bonus units, 50 percent [two] of which are affordable).

### AFFORDABLE DWELLING UNITS

Two types of units are permitted in CHDs; Cottages (limited to 1,100 square feet) and Compact Single-Family Units (limited to 1,300 square feet).

- An affordable cottage is defined as one that is affordable to a two person family earning 80 percent of the annual median income for the Seattle Metropolitan Statistical Area.
- An affordable compact single family (CSF) unit is defined as one that is affordable to a three person family earning 80 percent of annual the median income for the Seattle Metropolitan Statistical Area.

Affordable home price shall be based on the most recent benchmark report published by King County (see U.S. Department of Housing and Urban Development [HUD] Income Levels and Housing Costs chart), or equivalent source acceptable to the Director of Community Development. Affordable sale price shall be set at the time the homes go on the market.

### AFFORDABILITY DURATION

Dwelling units developed under CHD affordability provisions shall remain affordable, as defined above, for a period of 15 years from the date of the initial occupancy. A covenant establishing sales price, prepared by the city, shall be recorded by the developer at the time of final project approval. A second covenant establishing procedures for resale, prepared by the city, shall be recorded by the purchaser in conjunction with closing transactions on the sale of the lot/unit. The covenants will run with the dwelling unit/lot for a period of 15 years for the purpose of ensuring continued affordability during that period of time.

**INCOME ELIGIBILITY**

Dwelling units developed under CHD affordability provisions may only be purchased by families meeting income eligibility requirements. Annual income of eligible purchasers shall not exceed 80 percent of annual median income, adjusted for family size, based on statistics published by the (HUD) for the Seattle Metropolitan Statistical Area. Purchasers shall complete the Certificate of Household Eligibility declaration (page 3) and Income Computation worksheet (page 4) to verify income eligibility. The builder/developer shall provide copies of this material to the city for review prior to closing.

**CHARACTERISTICS OF AFFORDABLE UNITS**

Affordable units should have the same exterior appearance and approximate size as comparable market rate units. Additionally, they must be dispersed throughout the project rather than concentrated in one location.

## CERTIFICATION OF HOUSEHOLD ELIGIBILITY

I, \_\_\_\_\_, and I, \_\_\_\_\_, as applicants for the purchase of the following affordable unit:

Project: \_\_\_\_\_

Project Address: \_\_\_\_\_

Unit #: \_\_\_\_      Number of Bedrooms: \_\_\_\_      Household size \*: \_\_\_\_

Do hereby represent and warrant that the following household information is true:

Household Members:

\_\_\_\_\_, Age \_\_\_\_      \_\_\_\_\_, Age \_\_\_\_

\_\_\_\_\_, Age \_\_\_\_      \_\_\_\_\_, Age \_\_\_\_

\_\_\_\_\_, Age \_\_\_\_      \_\_\_\_\_, Age \_\_\_\_

My/Our household income from the attached computation is \$\_\_\_\_\_, and includes all income I/we received for the previous calendar year. **Also attached is a copy of my/our Federal Tax Return and W-2s for the previous calendar year, as well as a pay-stub, etc, for the previous one month period.** (If you have verifiable knowledge that your current income or income prior to closing will be significantly higher or lower than the income you reported above, attach a letter clearly explaining your situation. The city may consider this information in determining your maximum income for eligibility.)

This affidavit is made with the knowledge that it will be relied upon by King County to determine maximum income for eligibility. I/We warrant that all information set forth in this Certification of Household Eligibility is true, correct, and complete based upon information I/we deem reliable, and that the estimate contained in the preceding paragraph is reasonable and based upon such investigation as the undersigned deemed necessary.

I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this affidavit may disqualify me/us as an eligible buyer and/or constitute a default of the Covenant Restricting Sale of Below Market Rate Unit.

I/We do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Applicant: \_\_\_\_\_

Applicant: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone (day): \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## INCOME COMPUTATION

“Household income” includes all items listed below, from all household members over the age of 18. Income of dependents over 18 who reside in the unit for less than four months of the year will not be counted toward household income.

For the previous calendar year, indicate income received from the following sources:

- a) The full amount, before any payroll deductions, of wages, salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services, and payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay, and any earned income tax credit to the extent that it exceeds tax liability; a) \_\_\_\_\_
  - b) Net income from operations of a business or profession, or net income of any kind from real or personal property; b) \_\_\_\_\_
  - c) Interest and dividends; c) \_\_\_\_\_
  - d) The full amount of periodic payments received from Social Security, pensions, retirement funds, annuities, insurance policies, disability or death benefits, alimony, child support, or any similar type of periodical payments, and any regular contributions or gifts from persons not residing in the unit; d) \_\_\_\_\_
  - e) Public assistance payments; e) \_\_\_\_\_
  - f) Regular and special allowances and pay of a member of the Armed Forces who is a spouse or head of the family. f) \_\_\_\_\_
- TOTAL \$ \_\_\_\_\_

(NOTE: The following are not considered income: occasional, infrequent gifts of money; one-time payments from insurance policies or an inheritance settlement; scholarships or student loans for tuition, fees, or books; foster child care payments; the value of Food Stamp coupons; hazardous duty pay to a member of the Armed Forces; relocation payments; and assistance received under the Low Income Home Energy Assistance Program, or any similar program.)

**Do not include persons who will reside in the unit for less than four months of the year.**