



Multi-Family Tax Exemption (CC-C and CC-F Zones Only)

Federal Way Revised Code (FWRC) Title 3, Chapter 3.30 & Revised Code of Washington (RCW) Chapter 84.14

PURPOSE

It is the purpose of this program to encourage increased residential opportunities within Federal Way's City Center-Core and -Frame zones. It is further the purpose of this program to assist in directing future population growth, achieve development densities that are more conducive to transit use, and promote community development and City Center-Core and -Frame revitalization, in fulfillment of the *Federal Way Comprehensive Plan (FWCP) City Center "Visions."*

Only value of new housing construction, conversion, and rehabilitation improvements are eligible for exemption from ad valorem property taxation (the value of the property based on value as assigned by the property assessor). Once the final Certificate of Tax Exemption is issued, residential development is exempted from qualifying property taxes for up to 8 successive years beginning January 1st of the year immediately following the calendar year of issuance, or up to 12 years if at least 20% of the project's units are affordable to low- and moderate-income households.

REVIEW PROCESS

For a complete copy of the process and requirements please see FWRC Title 3, Chapter 3.30.

What steps are required for the tax exemption decision and how long will it take?

The following is a summary of the steps required for review and processing of a request for tax exemption for a multi-family housing application.

1. *Application Submittal* – If submitting the tax exemption application prior to the land use permit application, you may submit the application in person or by mail. Otherwise, you may submit the application in person together with your land use permit application submittal.
2. *Staff Review* – Your application will be reviewed by City staff for completeness. If additional information is necessary, you will be contacted to correct and/or supplement your application.
3. *Decision* –
 - a. The Community Development Director reviews the application to determine if the project is eligible and, if so, may approve the application.
 - b. If the director approves the application, the owner shall enter into a contract with the city, which requires City Council approval.
 - c. If the City Council approves the contract, the director issues a Conditional Certificate of Acceptance of Tax Exemption. The certificate is only valid for only three years, unless an extension is granted pursuant to FWCC 3.30.090.

4. *Appeal* – An owner may appeal a denial of a tax exemption application to the City Council by filing a notice of appeal with the City Clerk within 30 calendar days of receipt of the notice of denial. The appeal before the City Council shall be based upon the record before the director, and the director’s decision will be upheld unless the owner can show that there is no substantial evidence on the record to support the director’s decision. The City Council’s decision on appeal is final (Ord. No. 03-438, 22-18-03).
5. *Issuance of Final Certificate of Tax Exemption* – Once the project has been completed in accordance with the City Council approved contract, the final tax exemption certificate is filed with the King County Assessor.

Multi-Family Tax Exemption Checklist

PLEASE RETURN THIS CHECKLIST WITH YOUR APPLICATION

The following is a list of materials and plans that must be submitted in order to have a complete application. For some applications, it will not be necessary to submit all of the listed materials. Consult with the Department of Community Development (253-835-2607 or permitcenter@cityoffederalway.com) if you have questions. Please do not schedule an application appointment until all materials that apply to your proposal have been checked off.

APPLICATION	REQUIRED	PROVIDED
Completed City of Federal Way application form setting forth the grounds for the exemption.	X	

FEES	REQUIRED	PROVIDED
A check payable to the City of Federal Way (contact the Permit Center for specifics, plus recording fees * (FWRC 3.30.060).	X	

SURVEY, SITE PLANS AND BUILDING ELEVATIONS – IF TAX EXEMPTION APPLICATION IS <i>NOT</i> SUBMITTED TOGETHER WITH LAND USE APPLICATION	REQUIRED	PROVIDED
Three (3) copies of the following:		
1. Legal description of the property.	X	
2. Preliminary floor and site plans of the proposed project drawn at 1" = 20', or a comparable scale, and one set reduced to 8½" x 11" size.	X	
3. Dimensioned building elevations drawn at 1/8" = 1', or a comparable scale showing at least two facades.	X	
4. Building detail on area devoted to each use. Calculations shall be in gross and net square footages.	X	

OTHER REQUIRED INFORMATION	REQUIRED	PROVIDED
If the project includes rehabilitation of existing dwelling units, written verification of property noncompliance with city’s minimum building code.		

* The recording fees shall be required prior to issuance of the final certificate.



Application Number _____

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This application form is required pursuant to FWRC 3.30.060. Please consult FWRC Chapter 3.30 for a complete listing of requirements and procedures for this property tax exemption. Please print or type your answers below. (You may use additional sheets, if necessary.)

APPLICANT INFORMATION		
Name:	Company:	Daytime Phone:
Mailing Address:	Fax Number:	
Contact Person (if different):	Daytime Phone:	
Property Owner (if different):	Daytime Phone:	
Mailing Address:	Fax Number:	

PROJECT INFORMATION	
Site Address:	Assessor's Parcel Number:
Zoning District: CC-C <input type="checkbox"/> CC-F <input type="checkbox"/>	Site Area:
Number of Residential Units Rental: _____ For Sale: _____ Total: _____	
Number of units of Affordable Housing to low-income households* : _____	
Number of units of Affordable Housing to moderate-income households* : _____ <i>(* Per RCW 84.14.010 definitions)</i>	
Gross Building Area (square feet): _____	
Gross Commercial Space (square feet): _____	
Gross area devoted to residential uses, includes residential common areas and parking (square feet): _____	
Does the proposed project displace existing residential tenants? _____	
If the building formerly contained residential tenants, when was the building vacated? _____	
What is the anticipated completion date for the project? _____	
Does the proposal include rehabilitation of existing units? _____	
a. Are the units vacant or occupied? _____ If occupied, will any residents be displaced as part of this project? _____	
b. When were the units last occupied (please be date specific)? _____	
c. Are there any violations of the city's minimum housing code (provide verification from the Community Development Department)? _____	

Description of proposal, including schematic site and floor plans of the multi-family units and the structure(s) in which they are proposed to be located (attach additional sheets if necessary):

Please see the checklist for a list of plans and other information that must be submitted with this application and for other important information. The checklist must be submitted with the application and the required submittals.

SIGNATURE/CERTIFICATION

I/we _____, declare that I/we are the owner(s) of the property involved in this application, and that the foregoing statements and answers herein contained and the information herewith submitted are in all respects true and correct to the best of my/our knowledge and belief. As owner(s) of the land described in this application, I/we hereby indicated by my/our signature(s) below that I/we are aware of the additional tax liability to which the property will be subject if the exemption authorized by RCW Chapter 84.14 and FWRC Title 3, Chapter 3.30 is canceled.

I/we, as owner(s) of the property involved in this application, am aware that if the exemption is canceled for non-compliance an additional tax will be imposed that includes: (a) the difference between the tax paid and the tax that would have been owed if it had included the value of the nonqualifying improvements dated back to the date that the improvements became nonqualifying; (b) a penalty of 20% of the difference; and (c) interest at the statutory rate on the tax and penalties calculated from the date the tax would have been due without penalty if the improvements had been assessed without regard to the exemptions provided by RCW Chapter 84.14 and FWRC Title 3, Chapter 3.30.

Owner's Signature: _____

Dated: _____

Print Name: _____

Owner's Signature: _____

Dated: _____

Print Name: _____