

Multifamily Property Tax Exemption Program

## Application for Conditional Certificate

Program Overview

The City of Sumner provides for limited exemptions from ad valorem property taxation for multifamily housing in designated residential targeted areas as provided for in RCW 84.14 in order to:

A. Encourage increased residential opportunities, including affordable housing units, within areas of the city designated by the city council as residential targeted areas; and/or

B. Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in designated residential targeted areas to increase and improve housing opportunities, including affordable housing; and

C. Assist in directing future population growth to designated residential targeted areas, thereby reducing development pressure on single-family residential neighborhoods; and

D. Achieve development densities which are more conducive to transit use in designated residential targeted areas.

Summary of Process Steps

1. Pre-application meeting: A meeting with staff to discuss the process and criteria is recommended prior to application.
2. Application: Complete the attached application and submit the applicable materials listed on the form. This should be submitted prior to applying for a building permit.
3. Review process:
   1. The Community Development Department reviews the application and within 90 days determines whether it is consistent with the program criteria.
   2. If the proposal is found to be consistent, the Community Development Director may certify the project as eligible for the tax exemption. The applicant shall then enter into a contract with the city regarding the terms and conditions of the project.
   3. Upon approval of the contract by the City, the Community Development Director issues a Conditional Certificate of Tax Exemption. The Conditional Certificate expires three (3) years from the date of approval unless an extension is granted.
   4. If the Community Development Director denies the eligibility for tax exemption, the applicant may file an appeal within 30 days of receipt of notice. The City Council decides the appeal.
4. Application for final certificate: Upon completion of the improvements agreed upon in the contract between the applicant and the city and upon issuance of a temporary or permanent certificate of occupancy, the applicant may request a Final Certificate of Tax Exemption. The applicant must file with the Community Development Department the following:
   1. A statement of expenditures made with respect to each multifamily housing unit and the total expenditures made with respect to the entire property.
   2. A description of the completed work with evidence of final city inspection of all work completed and a statement of qualification for the exemption.
   3. A statement that the work was completed within the required three-year period or any authorized extension.
   4. If applicable, a statement that the project meets the affordability requirements.

Within 30 days of receipt of all materials required for the Final Certificate, the Community Development Director determines whether the project has been completed in accordance with the contract.

1. Issuance of final certificate.
   1. If approved, the Community Development Director files a Final Certificate of Exemption with the Pierce County Assessor.
   2. If denied, the applicant may file an appeal to the hearing examiner pursuant to SMC 18.56 within 14 days of issuance of the denial of a Final Certificate of Exemption. No appeal to the City Council is provided from the hearing examiner's decision, but may file an appeal to Pierce County Superior Court.
2. Annual compliance review.

Within 30 calendar days after the first anniversary of the date of filing the final certificate of tax exemption and each year for the tax exemption period, the property owner shall be required to file a notarized declaration with the director indicating the following:

* 1. A statement of occupancy and vacancy of the multifamily units during the previous 12 months;
  2. A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW [84.14.020](https://www.codepublishing.com/cgi-bin/rcw.pl?cite=84.14.020) since the date of the certificate approved by the city;
  3. A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
  4. Any information needed by the city to file its report pursuant to subsection (b) of this section and any additional information requested by the city in regards to the units receiving a tax exemption.

Project Eligibility Checklist

The proposed project:

* Is in a designated residential targeted area.
* Does not displace any existing residential tenants from the property proposed for development without providing residents with comparable housing and opportunities to relocate.
* Is a multi-family or mixed-use project, which is at minimum 50% housing and provides at minimum four (4) new dwelling units.
* Will be completed within three years from the effective date of the city council approved Conditional Contract of Tax Exemption, with the possibility of an extension under the ordinance.

Applicant

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Email Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Owner

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Email Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project Information

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

Tax Assessor Parcel Number(s): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Residential targeted area where project will be located: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Description of the project, including all uses in the proposed building and on-site amenities:

Total number of dwelling units proposed: ­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Term of tax exemption requested (check one):

* 8-year
* 12-year

Number of units for which a tax exemption is requested: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Estimated total project cost: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Expected start date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Expected completion date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Type of project (check one):

* New construction
* Conversion of existing structure
* Rehabilitation of multifamily structure

If the project is to rehabilitate existing units:

How long have the units been vacant: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If the units are occupied, how will the applicant provide existing tenants with relocation assistance: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Proposed Dwelling Units | Studio | 1-BR | 2-BR | 3-BR+ | Total units |
| Number of income-restricted units |  |  |  |  |  |
| Number of market-rate units |  |  |  |  |  |
| Average monthly rent (income-restricted) |  |  |  |  |  |
| Average monthly rent (market-rate) |  |  |  |  |  |
| Average unit size (sf) |  |  |  |  |  |
| Development cost per unit |  |  |  |  |  |
| Number of units vacant for 12 months or more\* |  |  |  |  |  |
| Number of units that are currently occupied\* |  |  |  |  |  |

\* To complete if applicant will rehabilitate existing units

Total site area: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Proposed density: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Non-residential floor area: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Detail on residential and non-residential parking area: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Affordability

For projects seeking a 12-year exemption or any program with affordability requirements:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Proposed Dwelling Units | Studio | 1-BR | 2-BR | 3-BR+ | Total units |
| Number of income-restricted units |  |  |  |  |  |
| Number of units at or below 80% AMI  (low-income) |  |  |  |  |  |
| Average rent for low-income units |  |  |  |  |  |
| Number of units at or below 115% AMI  (moderate-income) |  |  |  |  |  |
| Average rent for moderate-income units |  |  |  |  |  |

Statement of Potential Tax Liability

As owner of the land described in this application, I hereby indicate by my signature that I am aware of the additional tax liability if and when the property ceases to be eligible for exemption. I am aware that the tax exemption must be cancelled if the property is converted from multifamily to another use. I am aware that if I decide to convert the multifamily housing to another use or intend to discontinue compliance with the affordable housing requirements, I must notify the [city department] and the county assessor within 60 days of the change in use or intended discontinuance.

Owner signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Affirmation

As taxpayer(s) of the land described in this application, I hereby indicate by my signature that I am aware that the exemption does not begin until after the project is complete and I have applied for a Final Certificate of Exemption. I declare under penalty of perjury under the laws of the State of Washington that this application and any accompanying documents have been examined by me and that they are true, correct, and complete to the best of my knowledge.

Owner signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attachments

[Site plan]

[Building floor plan]