Community and Economic Development
4800 South 188th Street
SeaTac, WA 98188
206-973-4750
www.seatacwa.gov

Multi-Family Property Tax Exemption Final Certificate Application

(See SeaTac Municipal Code 3.85 for complete requirements and procedures)

DEFINITION AND PURPOSE

The multi-family property tax exemption (MTE) provides special tax valuations for new multi-family housing located within the Urban Center. Qualifying multi-family housing receive property tax exemptions on the value of eligible improvements for eight (8) years for market-rate housing and twelve (12) years for affordable housing. In order to receive the 12-year exemption, at least twenty percent (20%) of the multi-family housing units must be rented or sold as affordable housing units to low- and moderate-income households.

The purpose of the MTE is to encourage residential opportunities and stimulate new construction of multi-family housing within the Urban Center, including affordable housing.

PROCEDURE SMC 3.85.110

1. **Application.** Upon completion of the improvements agreed upon in the contract between the applicant and the city, and upon issuance of a permanent certificate of occupancy, the applicant may request a Final Certificate of Tax Exemption. The applicant must submit a complete final certificate application to the City via the LAMA permitting portal: https://lama.seatacwa.gov/, with the following as an attachment to this application:

   a. A statement of expenditures made with respect to each multifamily housing unit, including phasing if applicable, and the total expenditures made with respect to the entire property, including total project costs.
   b. A description of the completed work and a statement of qualification for the exemption.
   c. The total monthly rent or total sale amount of each multi-family housing unit rented or sold to date.
   d. A statement that the work was completed within the required three-year period or any authorized extension.
   e. If applicable, a statement that the project meets the affordability requirements, including the number, size, and type of units produced meeting affordable housing requirements.

   Within 30 days of receipt of all materials required for the Final Certificate, the City will determine whether the project has been completed in accordance with the contract.

2. **Issuance of final certificate.**
   a. If approved, the City files a Final Certificate of Exemption with the County Assessor.
   b. If denied, the owner may appeal the Director's decision to the Hearing Examiner by filing a notice of appeal with the City Clerk within fourteen (14) calendar days after issuance of the notice of the denial.

3. **Annual compliance review.** Within thirty (30) days after the first anniversary of the date the City filed the final certificate of tax exemption and each year thereafter, for the duration of the exemption as set forth in SMC 3.85.050, the property owner shall file a notarized declaration with the Community and Economic Development Department. The declaration shall contain any information requested by the City pursuant to meeting the reporting requirements under Chapter 84.14 RCW, and shall at a minimum include the following information:

   a. A statement of occupancy and vacancy of the multi-family units during the previous year; and
   b. A certification that the property has not changed use since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and
   c. A description of any improvements or changes to the property made after the filing of the final certificate or most recent certification, as applicable; and
   d. A report on affordable housing requirements, if applicable, including:
      i. The total monthly rent or total sale amount of each unit produced; and
      ii. The income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption;

   Failure to submit the annual certification may result in cancellation of the tax exemption.

PROJECT ELIGIBILITY

To be eligible for the MTE, the property must satisfy all of the following requirements:

- ☐ The property must be located in the Urban Center;
- ☐ The project must include at least twenty (20) dwelling units of multi-family housing for the 8-year exemption and at least four (4) multi-family dwelling units for the 12-year exemption., located within a residential structure or a mixed-use development in which at least fifty percent (50%) of the space is intended for permanent residential occupancy;
- ☐ May not result in the net loss of existing affordable housing which receives housing assistance through Federal low- or moderate-income housing programs.
- ☐ The property must be used and/or developed in a way that increases or preserves property valuation, and the use or development of the property must represent an increased investment in the property and property maintenance that results in an increase in the over-all property values in the target area;
- ☐ The project must comply with the City's comprehensive plan, all zoning requirements, land use regulations, and building code requirements contained in the SeaTac Municipal Code (SMC) and applicable upon land use permit approval or submittal of a complete building application, whichever occurs sooner;
- ☐ For the duration of the exemption, the property shall be in full compliance with the provisions of the SMC;
- ☐ New construction of multi-family housing must be completed within three (3) years from the date of approval of the application or by any extended deadline granted by the Director; and
- ☐ The applicant must enter into a contract with the City in which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the City.
- ☐ Does not qualify as one of the following tax-exempt government or non-profit properties:

- Housing owned by housing authorities, including Tribal, City, and County authorities (RCW 35.82.210)
- Emergency and transitional housing (RCW 84.36.043)
- Low-income housing for people with developmental disabilities (RCW 84.26.042)
- Low-income housing for seniors (RCW 84.36.041)
- Rental housing or group homes for households making fifty percent (50%) AMI or below (RCW 84.36.560)
- Military housing developed under privatization initiatives (RCW 84.36.665)
- Limited-equity, low-income cooperative housing (RCW 84.36.675)

PROPERTY INFORMATION

Street Address: _____ Parcel #: _____

Zoning: _____

PROJECT INFORMATION

Name: _____

Was the project completed within the required three-year period or any authorized extensions?

- Yes
- No

Has this project received a certificate of occupancy?

- Yes, date: _____
- No

Term of tax exemption requested:

- 8-year
- 12-year

Number of units for which a tax exemption is requested: _____

Proposed Dwelling Units	**Studio**	**1-BR**	**2-BR**	**3-BR+**	**Total units[1]**
Number of income-restricted units					
Number of market-rate units					
Average monthly rent[2] (income-restricted)					
Average monthly rent[2] (market-rate)					
Average unit size (sf)					
Development cost per unit					

[1] Excludes housing units offered for rent for periods of less than one month.

[2] Monthly rental cost includes rent, utilities, and other required expenses.

Proposed Dwelling Units	Studio	1-BR	2-BR	3-BR+	Total units[1]
Number of units vacant for 12 months or more[3]					
Number of units that are currently occupied[3]					

Number of parking spaces: _____

Total project cost: _____

Affordability[4]

Unit information for qualifying income-restricted units:

Unit number	Affordability limit (% AMI)	Monthly Household Income	Household Size	# of Bedrooms	Monthly Rent

APPLICANT INFORMATION

Applicant

[3] Fill out if applicant will rehabilitate existing units.

[4] Affordable housing: housing costs do not exceed 30% of the household's monthly income. Low-income: Less than or equal to 80% of the area median income (AMI). Moderate-income: Greater than 80% of AMI but less than or equal to 115% of AMI. Market-rate: Greater than 115% of AMI. For guidance refer to the Income and Rent Limits table attached.

Name: _____ ☐ Owner ☐ Authorized Agent ☐ Purchaser

Mailing Address: _____

Phone: _____ Email: _____

Owner (if other than applicant)

Name: _____

Mailing Address: _____

Phone: _____ Email: _____

SIGNATURE, CERTIFICATION

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 Community and Economic Development Department and the county assessor within 60 days of the change in use or intended discontinuance.

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's Signature: _____ Date: _____

Printed Name: _____