



Planning & Economic Development

Conversion of Underutilized Urban Land Tax Deferral Application

Rev.20240909

Deferral Requirements

The proposed project must meet all of the following criteria to be considered complete and eligible.

- The sales and use tax deferral is tied to the property owner. If a change of property ownership occurs during the project, a deed of trust transferring the property and a new state business license will be required by the Department of Revenue. An updated Conditional Contract will be required by the City.
- Projects involving multiple parcels must submit applications for each qualifying site.
- A Conditional Contract must be approved by the City AND Department of Revenue **BEFORE** building/construction permits are issued.
- Project proposes affordable housing on underdeveloped property (parking). "Underdeveloped property" is land used as a surface parking lot off the street or highway, that is open to public use with or without charge as of June 9, 2022, as defined in [RCW 82.92.010](#).
- The proposed project is located within an area zoned for residential or mixed uses and consists of new multi-family housing, creating at least two units. Any non-housing commercial use is limited to the first floor of the project.
- A minimum of 50% of multi-family housing units will be rented or sold at affordable rates to low- to moderate-income households earning less than 115% of Area Median Income.
- The property owner has a business license with the Department of Revenue, including a City endorsement.
- Department of Revenue Form 81 1035 will be completed and submitted to the City concurrently with this application. Upon approval of the City's Conditional Contract, staff will send the DOR Form, business license, and the approved contract to the Department of Revenue.
- Project will be completed within three years from the effective date of the approved Conditional Contract.
- Pictures of the project building/site will be submitted with the application.

Signature: _____ Date: _____

Property Owner Information

Property Owner _____ Project contact _____

Address of owner _____

Email _____ Phone _____

Taxpayer(s) _____ Tax Reporting # (WA) _____

Taxpayer address _____ Phone _____

Taxpayer contact _____ Taxpayer email _____

Project Information

Project Address _____ Parcel number(s): _____

Project Name _____ Zoning designation(s) _____

Project narrative: include the current land use(s), the proposed future use(s), and how this incentive is important to the project feasibility.

Estimated qualifying use and tax deferral:

Total existing parking square footage (SF) _____ Total buildings within project _____

Total building square footage _____ Commercial SF _____

Dwelling units per building _____ Proposed average SF per dwelling unit _____

Will project be phased? Yes No

Estimated construction cost: \$ _____ Expected start date _____

Estimated completion date _____ Estimated post-construction Market Value \$ _____

Please detail how this estimate was calculated (appraisal or other method):

Post construction type of affordable housing to be offered:

- Affordable Rentals – 50% of units will be rented to residents earning less than 115% AMI.
- Affordable Owner-occupied – 50% of units will be sold to residents earning less than 115% AMI (Note: this requires deed restrictions).
- This project has also applied for the Multifamily Property Tax Exemption and will offer additive affordable units in compliance with that program as well.
- This project has also applied for the Commercial Conversion Sales and Use Tax Deferral and will offer additive affordable units in compliance with that program as well.

Statement of Tax Liability Once Exemption Begins

- _____ initial The property owner acknowledges the potential tax and interest liability if and when the property ceases to be eligible for the deferral and waiver.
- _____ The owner is aware that the tax deferral and waiver will be cancelled if the property is converted from multi-family to another use.
- _____ The property owner understands that if they decide to convert the multi-family housing to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements, the owner must notify the City Planning and Economic Development Department within 60 days of the change in use or intended discontinuance.
- _____ Applicant acknowledges that a permit fee of \$1,000 per qualifying parcel is required to be paid before the development of the Underutilized Urban Land Tax Deferral Conditional Contract will be completed and sent to the Department of Revenue.

Affirmation

As **property owner(s)** of the land described in this application, I hereby indicate by my signature that I am aware that the tax deferral does not begin until after approval of the Conditional Contract by the City Council and the Department of Revenue, and will cease upon the issuance of a Certificate of Occupancy once the project is completed. I/We declare that the project would not have built in this location but for the availability of the tax deferral. I/We 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.

Signature(s) of all Taxpayer(s)

_____	_____	Date _____
Name and title	Signature	
_____	_____	Date _____
Name and title	Signature	
_____	_____	Date _____
Name and title	Signature	

By typing my name in a signature field I agree that my typed name will be the electronic representation of my signature for all purposes, including legally binding agreements, declarations of fact under penalty of perjury, and acknowledgment of receipt of information and/or documents, just the same as a pen and paper signature.