

**CITY OF SEATTLE**

**RESOLUTION \_\_\_\_\_**

..title

A RESOLUTION declaring intention to establish a new sales and use tax deferral for the conversion of underutilized commercial property to housing.

..body

WHEREAS, during the 2024 Washington State legislative session the legislature passed and

Governor Inslee signed Engrossed Second Substitute Senate Bill 6175 (E2SSB 6175)

codified in chapter 82.59 RCW, which authorizes The City of Seattle to take legislative

action to establish a sales and use tax deferral program to promote the redevelopment of

underutilized commercial property in urban areas; and

WHEREAS, E2SSB 6175 promotes the redevelopment of underutilized commercial property

into housing and affordable housing by allowing deferral of sales and use tax for would-

be developers of such housing; and

WHEREAS, there are significant areas of underutilized commercial properties in Seattle’s urban

centers, especially in the Downtown Urban Center; and

WHEREAS, there is a lack of affordable housing in Seattle, including within or proximate to

areas with underutilized commercial properties, as documented in the housing cost

burden section of the housing appendix to the draft One Seattle Plan Comprehensive Plan

Update; and

WHEREAS, The City of Seattle desires to create a program pursuant to E2SSB 6175 to

encourage the redevelopment of underutilized commercial property into additional

housing and affordable housing to help meet strong demand for housing in the region and

for economic development and downtown activation purposes; and

1 WHEREAS, in June 2023, Mayor Bruce Harrell released a Downtown Activation Plan that  
2 identified numerous strategies and actions to support downtown recovery, including  
3 actions that increase residential uses in downtown; and

4 WHEREAS, additional housing in downtown Seattle and other locations where underutilized  
5 commercial space may be converted to housing would further City objectives for  
6 economic development, revitalization and activation; NOW, THEREFORE,

7 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**  
8 **MAYOR CONCURRING, THAT:**

9 Section 1. Pursuant to Engrossed Second Substitute Senate Bill 6175, the City Council  
10 declares its intention to establish a sales and use tax deferral program to encourage  
11 redevelopment of underutilized commercial property into housing and affordable housing in  
12 Seattle by deferring the entire sales and use tax on construction of conversions of underutilized  
13 commercial property into housing. Information relevant to the program may be found in  
14 Attachments 1 through 4 to this resolution.

15 Section 2. A public hearing before the City Council to take public testimony and to  
16 consider the proposed program shall be held on January 30, 2025, beginning at 2 p.m. in the City  
17 Council Chambers in City Hall, located at 600 4th Avenue.

1 Adopted by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2024,  
2 and signed by me in open session in authentication of its adoption this \_\_\_\_\_ day of  
3 \_\_\_\_\_, 2024.

4 \_\_\_\_\_  
5 President \_\_\_\_\_ of the City Council

6 The Mayor concurred the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

7 \_\_\_\_\_  
8 Bruce A. Harrell, Mayor

9 Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

10 \_\_\_\_\_  
11 Scheereen Dedman, City Clerk

12 (Seal)

- 13 Attachments:
- 14 Attachment 1 – Draft Ordinance
- 15 Attachment 2 – Draft Application Form
- 16 Attachment 3 – Draft Conditional Approval Letter
- 17 Attachment 4 – Draft Final Approval Letter