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## Application for Conditional Certificate of Program Approval Sales and Use Tax Deferral for Conversion of Underutilized Commercial Property to Housing

### Overview

During the 2024 Washington State legislative session the legislature passed and Governor Inslee signed Engrossed Second Substitute Senate Bill 6175 (E2SSB 6175) authorizing a limited sales and use tax deferral program intended to stimulate the redevelopment of underutilized commercial property in targeted urban areas and provide housing supply and affordable housing. In [insert month] of 2025 the Seattle City Council passed ordinance [insert] establishing Chapter 5.75 of the Seattle Municipal Code (SMC) enabling the limited sales and use tax deferral in Seattle. The owner of an investment project that is a conversion of underutilized commercial space to multifamily residential may apply to the City and the Washington State Department of Revenue for a deferral of the sales and use taxes on the construction of the conversion. To be eligible for the tax deferral the investment project must meet all the requirements and conditions of SMC Chapter 5.75 and RCW 82.59, including the requirement that at least ten percent of the dwelling units that are created in the conversion be provided as affordable housing.

This application form is the first step in the approval process for the sales and use tax deferral. It contains guiding information in addition to SMC Chapter 5.75. The owner of an investment project seeking the sales and use tax deferral must submit this application form with complete information to the Director of the Office of Planning and Community Development. Based on the information provided in this form the Director will approve or deny a conditional certificate of program approval.

### Application Process and Submission Instructions

- Review the requirements and the process described in SMC Chapter 5.75 and RCW 82.59. It is the applicant's responsibility to understand the program steps and requirements in both the City and State laws.
- Prepare your application by entering information in this document under each of the topics listed below. Complete information must be provided under all topics.
- Prepare additional exhibits, drawings and site information as needed to support your responses.

- Submit materials to the Director of the Office of Planning and Community Development by e-mail to [Rico.Quirindongo@Seattle.gov](mailto:Rico.Quirindongo@Seattle.gov). We advise you to contact the Director’s executive assistant at [Jane.Klein@Seattle.gov](mailto:Jane.Klein@Seattle.gov) to communicate with the department shortly before submitting your documents to ensure smooth transmittal of materials and to facilitate the fastest possible review.
- After submittal of the application materials the Director or their staff designee will contact you should the need arise to discuss your application or clarify any information.
- The Director will issue a letter of either an approval or denial of a conditional certificate of program approval within 90 days of receipt of your application.

## Applicant Contact Information

### Investment Project Owner

Provide contact information for the investment project owner. This is the person or entity who is an authorized owner of the commercial property being converted to housing.

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

Company (if applicable): \_\_\_\_\_

E-mail: \_\_\_\_\_

Telephone: \_\_\_\_\_

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

### Investment Project Representative

If different from above provide contact information for a project representative who will be the main point of contact with our office for communications regarding this application.

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

Company (if applicable): \_\_\_\_\_

E-mail: \_\_\_\_\_

Telephone: \_\_\_\_\_

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

## Required Application Information

You must provide complete information for every one of the seven topic areas listed below. For topics that require a statement provide a complete affirmative statement in text inserted by you.

### 1. Describe the investment project and provide a site plan

Provide enough information for the Director to understand the full extent of the conversion proposal including all proposed uses and the extent of construction or renovation activities. Attach drawings or exhibits as necessary.

## **2. Statement of affordable housing and total housing quantities**

Provide a statement of the number of affordable housing units you will create and the total number of dwelling units that will be created due to the conversion of underutilized commercial property. For income and rent limits on the affordable housing units, refer to the Seattle Office of Housing's Income and Rent Limits for rental housing programs, and use the table for "Other developer agreements; for example IZ, MFTE (P3, P4, P5 only), MHA, MPC-YT" ([link](#)).

## **3. Statement of potential tax liability**

Provide a statement that you are aware of the potential sales and use tax liability involved if the investment project ceases to be used for eligible uses or otherwise ceases to meet the program requirements and conditions under SMC Chapter 5.75 and RCW 82.59.

***Be aware that if after you receive a tax deferral certificate your project changes or otherwise ceases to be eligible for the deferral, such as for failure to maintain compliance with the affordable housing requirement, then all of the sales and use taxes plus interest will be immediately due and payable. A debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient.***

## **4. Statement regarding timeline for project completion**

Provide a statement that you are aware that the investment project must be completed within three years from the date of issuance of a conditional certificate of program approval.

## **5. Statement regarding limited opportunity for extension**

Provide a statement that you are aware that the Director may extend the deadline for completion of construction or rehabilitation for a period not to exceed 24 consecutive months, and only if the Director finds that the work was not completed within the required time period due to circumstances beyond the control of the conditional recipient and that the conditional recipient has been acting and could reasonably be expected to act in good faith and with due diligence.

## **6. Statement regarding construction in the proposed location**

Provide a statement that you would not have built in this location but for the availability of the tax deferral under SMC Chapter 5.75 and RCW 82.59.

**7. Documentation of construction or land use permit activity**

Provide documentation that you have at least submitted pre-application materials with the Seattle Department of Construction and Inspections (SDCI) for the proposed investment project. If you have received a project number for a construction or land use permit application from SDCI please provide it here.

## Oath or Affirmation

This application must be certified by oath or affirmation. The investment project owner must provide the oath or affirmation by signing the statement below before a Notary.

**I do solemnly affirm that all the statements and information provided by me in this application are true to the best of my knowledge and belief, and this I do under the penalties of perjury.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Washington Notary Acknowledgement

State of Washington

County of [COUNTY]

On this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, before me a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who appeared before me, and said person acknowledged that (she/he/they) signed this instrument and acknowledged it to be (her/his/their) free and voluntary act for the uses and purposes mentioned in the instrument.

(Seal or Stamp)

\_\_\_\_\_  
Signature

NOTARY PUBLIC in and for the State of Washington,  
Residing at: \_\_\_\_\_

My Commission Expires: