

# Social Housing Developer Interlocal Agreement

January 20<sup>th</sup>, 2026



# Seattle Social Housing Tax

- In February 2025 Seattle voters approved Initiative 137, authorizing a Seattle Social Housing Tax
- The City is responsible for collecting and transferring tax revenues to the Seattle Social Housing Developer (SSHD)
- The City and the Developer entered into a loan agreement for \$2 million in July 2025 to allow the Social Housing Developer continue its operations until the initial tax proceeds are available



# Purposes of the interlocal agreement

- Establish terms and conditions under which the Social Housing Tax will be collected by the City and transferred to the Developer
- Define how the City will provide administrative support as outlined in SMC 5.37.70
- Define roles and responsibilities of the City and the Developer
- Set schedule for transferring Tax proceeds, reporting on administrative costs, and notifying the Developer of aggregate tax refunds and credits



# Proposed interlocal agreement with PDA

Provision	Terms
Duration	<ul style="list-style-type: none"><li>• Five-year initial term with automatic renewals for successive five-year terms</li><li>• Either party can terminate the agreement by providing at least 365 days notice prior to the expiration of the term</li></ul>
2025 Tax Collection & Transfer	<ul style="list-style-type: none"><li>• Filing for tax year 2025 due by January 31, 2026</li><li>• Returns receipted on or around February 20, 2026</li><li>• Reimbursement to the City for outstanding loan balance and administrative costs</li><li>• Transfer of remaining Tax proceeds to the Developer by March 2, 2026<ul style="list-style-type: none"><li>• ILA must be in place prior to transferring any funds to the Developer</li></ul></li></ul>
Ongoing Tax Collection & Transfer	<ul style="list-style-type: none"><li>• Tax to be collected quarterly beginning in tax year 2026</li><li>• Quarterly tax filings due one month after the end of each quarter (Q1 – April 30<sup>th</sup>, Q2 – July 31<sup>st</sup>, Q3 – October 31<sup>st</sup>, Q4 – January 31<sup>st</sup>)</li><li>• Quarterly transfers to be initiated one month after filing deadline</li></ul>





# Appendix

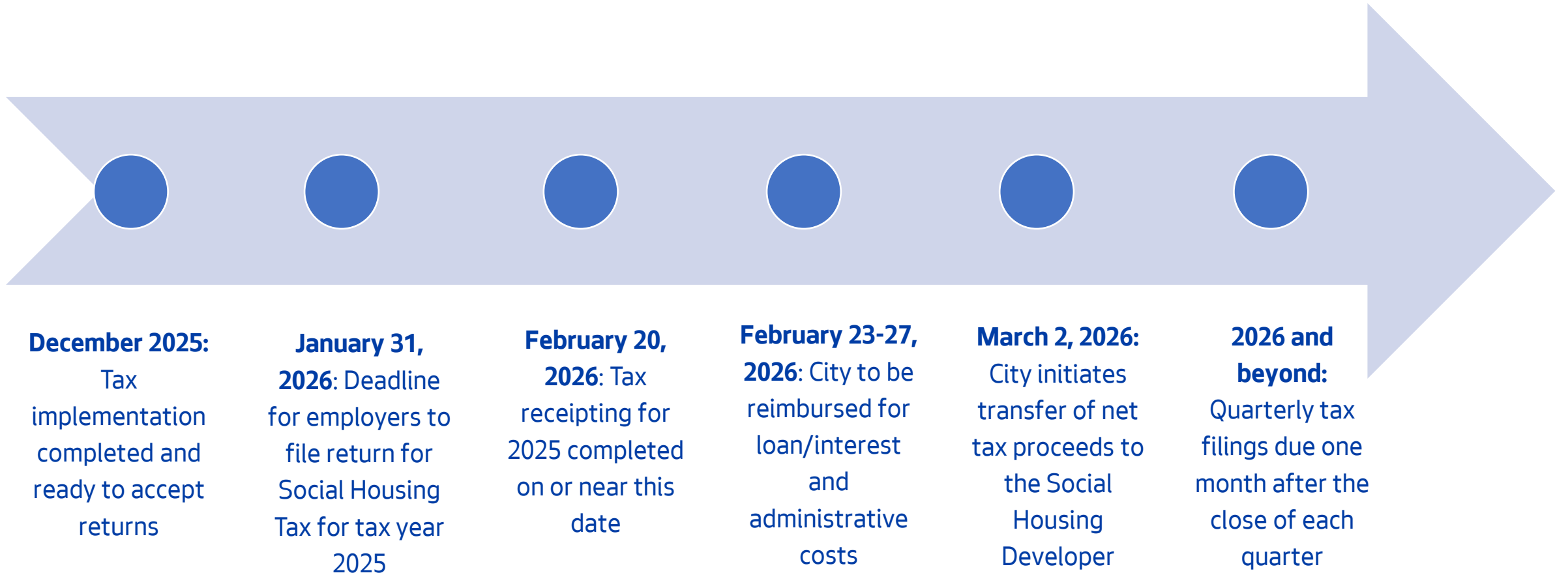


# Timeline of the interlocal agreement

Date	Terms
July 2025	<ul style="list-style-type: none"><li>Initial draft of ILA term sheet shared with Developer</li></ul>
August 2025	<ul style="list-style-type: none"><li>SSHD returns term sheet with proposed changes</li></ul>
October 2025	<ul style="list-style-type: none"><li>First ILA draft completed and shared with all parties involved</li></ul>
October 2025 – December 2025	<ul style="list-style-type: none"><li>City and SSHD representatives held several meetings to discuss the ILA terms and exchanged updated drafts of the agreement</li></ul>
December 3, 2025	<ul style="list-style-type: none"><li>SSHD CEO approved the draft ILA</li></ul>
December 18, 2025	<ul style="list-style-type: none"><li>SSHD Board approved the draft ILA</li></ul>
March 2, 2026	<ul style="list-style-type: none"><li>First transfer of the tax proceeds to SSHD is initiated</li><li>ILA must be in place prior to the funds transfer</li></ul>



# Social Housing Tax Timeline



# Social Housing Developer Background

- In February 2023 Seattle voters approved Initiative 135, which created an independent public development authority, the Seattle Social Housing Developer, to develop, acquire and maintain public affordable social housing in Seattle
- Initiative 135 required the City of Seattle to provide start up support for the first eighteen months of operations
  - City appropriated \$850,500 in the 2024 budget for eighteen months of start-up costs
- Additionally, in 2023, the City Council funded \$20,000 in consulting assistance and the State provided \$180,000

