

Wilmington, Delaware
July 3, 2025

#0082

Sponsor:

**Council
Member
Oliver**

WHEREAS, the Wilmington City Council 2022-2025 Strategic Plan prioritizes a “Stabilized Wilmington,” which includes efforts to strengthen neighborhoods, increase housing opportunities, and reduce vacant properties; and

WHEREAS, a significant number of commercial properties within the City remain vacant or underutilized, which presents an opportunity to increase housing stock, revitalize neighborhoods, and optimize existing infrastructure; and

WHEREAS, several commercial properties in Wilmington have already been converted into residential housing, including the upper floors of the historic DuPont Building, the former Nemours Building into apartments, as well as the planned redevelopment of the 17-story office tower at 300 Delaware Avenue, reflecting adaptive reuse to support housing growth and revitalization in the City; and

WHEREAS, many major cities across the country have implemented policies and projects to convert commercial spaces into residential housing as a strategy to increase housing supply and address vacant or underutilized real estate; and

WHEREAS, Washington D.C.’s \$41 million Housing in Downtown Program offers 20-year tax abatements for office to residential conversions that require 10% of units to be affordable at 60% of the Median Family Income (MFI) and 18% of units at 80% MFI, with over 750 units already approved, and approximately 8,400 new housing units projected by 2028; and

WHEREAS, in Chicago, the LaSalle Street Reimagined Project committed \$321 million in tax increment financing (TIF) to support the conversion of historic office towers into mixed-

income housing, with approved projects set to deliver 1,765 new residential units, including 538 affordable units for residents earning an average of 60% of the Area Median Income (AMI); and

WHEREAS, Atlanta is undertaking one of the largest office to residential projects in the country, investing an estimated \$400 million to transform a 44-story office tower into a residential, mixed-use development with 625 housing units, including 287 affordable homes, with 140 reserved for households earning up to 60% AMI and 65 reserved for seniors earning up to 50% of the AMI; and

WHEREAS, the City of Philadelphia has facilitated the conversion of office buildings into housing, with over 1,100 apartments currently underway, supported by flexible zoning and a 10-year property tax abatement, with a 20-year proposal under consideration to further enable developers to acquire and redevelop vacant office properties into residential units; and

WHEREAS, these examples demonstrate that cities across the country are actively converting commercial spaces into housing through targeted investments, financial incentives and zoning flexibility, offering models for how Wilmington could adapt and implement similar strategies; and

WHEREAS, Wilmington's commercial landscape includes a variety of properties from large office buildings to small storefronts, many of which are vacant and underutilized, and could be assessed for their potential to support residential conversion; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that this Legislative body supports the exploration of converting vacant or underutilized commercial spaces into residential housing as a strategy to expand Wilmington's housing supply, address commercial vacancies, and promote revitalization.

BE IT FURTHER RESOLVED that this Council urges the Administration and relevant City departments to work collaboratively to conduct a feasibility study evaluating the potential for commercial to residential building conversions, including an evaluation of availability of commercial structures, material and labor costs of conversion, an analysis of financial implications, zoning and other regulatory considerations, infrastructure needs, potential impacts on housing accessibility and affordability, and opportunities for public and private partnerships.

Passed by City Council,

ATTEST: _____
City Clerk

SYNOPSIS: In alignment with the Wilmington City Council 2022-2025 Strategic Plan, which prioritizes a “Stabilized Wilmington,” this Resolution urges the Administration and relevant City departments to work collaboratively to conduct a feasibility study evaluating the potential for converting vacant and underutilized commercial properties into housing.