



**City of Seattle**  
Edward B. Murray  
Mayor

October 25, 2016

Honorable Bruce Harrell, President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor  
Seattle, WA 98199

Dear Council President Harrell:

I am pleased to transmit the attached legislation to amend the Mandatory Housing Affordability-Commercial (MHA-C) framework that was adopted by Ordinance 124895 in November 2015. The purpose of these amendments is to clarify regulatory requirements, add new standards for performance, and make other technical edits, primarily to improve consistency with the Mandatory Housing Affordability-Residential (MHA-R) framework, which was adopted by Ordinance 125108 in August 2016.

MHA is one of the most important and highest impact recommendations in the Housing Affordability and Livability Agenda (HALA). HALA calls for mandating that affordable units be provided or a payment-in-lieu contribution be made for commercial and multifamily residential development, offset by an associated increase in development capacity (*HALA Recommendation R.1*).

The foundational steps for MHA were taken when the Council adopted the MHA-Commercial framework (*Ord No. 124895*), the Mandatory Inclusionary Housing resolution (*Reso. 31612*), and the MHA-Residential framework (*Ord No. 125108*). The critical next step is to pass zoning changes that provide additional development capacity needed for MHA requirements to apply. MHA requires that commercial and multifamily developers address housing affordability by providing affordable homes or by making a payment-in-lieu to Seattle's Office of Housing to support development of affordable housing throughout the city. When fully implemented MHA is projected to create an estimated 6,000 of the 20,000 affordable homes over the next 10 years.

Below is a brief summary of this legislation:

- Where necessary, aligns MHA-C Council intent provisions with those for the mandatory housing affordability for residential development (MHA-R) framework;
- Clarifies MHA-C land use code provisions for applicability and payment and performance calculations;

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- Provides greater consistency of terminology and standards in the MHA-C and MHA-R frameworks;
- Provides standards to ensure that MHA-C affordable housing promised through the off-site performance option is provided and is equal or better to that provided by the on-site performance option; and
- Provides other corrections to better integrate MHA-C with the development permit process.

MHA represents an unprecedented and historic opportunity for the City to harness Seattle's growth to increase both affordable and market-rate housing. I ask the Council to act swiftly in passing this legislation and future zoning proposals to implement MHA requirements. MHA supports equitable growth by providing more housing choices for lower income individuals and families.

Thank you for your consideration and if you have any questions, then please do not hesitate to contact Sam Assefa, Director of the Office of Planning and Community Development, at (206) 386-1183.

Sincerely,



Edward B. Murray  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council