



City of Seattle
Edward B. Murray
Mayor

August 25, 2015

Honorable Tim Burgess, President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am pleased to transmit the attached proposed Council Bill that enacts the governing framework for an Affordable Housing Impact Mitigation program (sometimes referred to as a linkage fee program) for newly constructed commercial development. Implementation of the framework would occur in conjunction with approval by City Council of future rezones or land use code changes that increase development capacity, in accordance with the terms of the "Statement of Intent for Basic Framework for Mandatory Inclusionary Housing and Commercial Linkage Fee" signed July 13, 2015 by myself, Councilmember O'Brien, the Co-Chairs of the Housing Affordability and Livability (HALA) Advisory Committee, and representatives of the non-profit and for-profit development communities.

One of the many recommendations made by the HALA Committee, this strategy reflects Seattle's core values of equity and inclusion and will produce and preserve affordable housing throughout the city. My goal with this legislation-- in combination with the other housing affordability legislation I will introduce in the coming weeks and months--is to foster a city where people of all backgrounds can find affordable homes in walkable, livable neighborhoods. Together, we can move forward with this plan and ensure Seattle is a place for people of all incomes to live and enjoy.

Key features of the Affordable Housing Impact Mitigation program include:

- Mitigation of development-related affordable housing impacts, which is a key strategy outlined in the Mayor's Action Plan to Address Seattle's Affordability Crisis.
- Per square foot fees assessed on development of new structures, or additions to existing structures, containing more than 4,000 square feet of new chargeable commercial floor area will total an estimated \$195 million over a 10-year timeframe. Developers will have the option of either paying fees or constructing affordable housing.
- Mitigation funds will be used to produce and preserve affordable housing, primarily for renter households with incomes equal to or less than 60% of AMI.

Thank you for your consideration of this legislation. Should you have questions, please contact Leslie Brinson Price at 206-549-7505.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Office of the Mayor
Seattle City Hall, 7th Floor
600 Fourth Avenue
PO Box 94749
Seattle, Washington 98124-4749

Tel (206) 684-4000
Fax: (206) 684-5360
Hearing Impaired use the Washington Relay Service (7-1-1)
www.seattle.gov/mayor