

Exhibit B

**CITY OF SEATTLE**

**FINDINGS OF FACT**

1. In November, 2015, by Ordinance 124895, the Council adopted SMC Chapter 23.58B.
2. In August, 2016, by Ordinance 125108, the Council adopted SMC Chapter 23.58C.
3. In December, 2016, by Ordinance 125233, the Council amended SMC Chapter 23.58B.
4. Through this ordinance, the Council is rezoning portions of the University Community Urban Center and is implementing Chapter 23.58B and Chapter 23.58C in the areas being rezoned (the “Rezone Area”).
5. The findings of fact adopted by Section 1 of Ordinance 124895 and by Section 1 of Ordinance 125108 are incorporated herein by reference.
6. In addition to the findings referenced in paragraph 5, the Council makes the following findings of fact related to the implementation of Chapter 23.58C, also known as Mandatory Housing Affordability for Residential Development (MHA-R), in the Rezone Area.
7. In addition to the reports referenced in the findings referenced in paragraph 5, the City commissioned various additional reports, including:
  - a. Heartland, U-District Urban Design Framework Support Analysis Memo, June 2013;
  - b. GGLO, Urban Design and Market Feasibility Analysis of Proposed U District Zoning Recommendation, April 17, 2016;
  - c. Community Attributes, Inc., Technical Memorandum Re: Economic Analysis of MHA, November 29, 2016; and
  - d. David Paul Rosen & Associates, Seattle Residential Affordable Housing Impact and Mitigation Study, December 16, 2016.
8. By applying MHA-R in the Rezone Area pursuant to this ordinance, the Council is implementing an affordable housing incentive program under RCW 36.70A.540.
9. The Rezone Area is an area where increased residential development will assist in achieving local growth management and housing policies. The rezones effected by this ordinance are the result of a six-year community planning process. As recognized in that process, there is a need for increased residential development in the Rezone Area. The City’s comprehensive planning efforts identify the University Community Urban Center

as a top priority area for job and housing growth. Increased residential development is essential to enhancing a vibrant mixed use center, to increasing housing choices and housing affordability, and to creating transit-oriented development around the Sound Transit Link Light Rail station that is scheduled to open in the University District in 2021 – all as called for by the City’s planning policies. Moreover, the City’s Comprehensive Plan strongly supports addressing the compelling and increasing need for affordable housing in the University District through a program under RCW 36.70A.540.

10. This ordinance provides substantially increased residential development capacity in the Rezone Area. In particular, this ordinance creates new high-rise zoning in a substantial area in the core of the University District, with height increases of up to 255 feet over existing zoning.
11. The increased residential development capacity provided within the Rezone Area can be achieved, subject to consideration of other regulatory controls on development, with the proviso that staff identified potential cases in which, in a highrise zone, a highrise structure could not be developed due to the minimum lot size requirement, or certain regulatory requirements would preclude a highrise development from being able to achieve a reasonable average floor area. To address this, this ordinance provides that in such cases the applicable payment and performance amounts under Chapter 23.58C shall be reduced to be equal to the amount that applies in the SM-U 85 zone, a non-highrise zone in the Rezone Area.
12. RCW 36.70A.540 provides that affordable housing incentive programs may allow a payment of money or property in lieu of low-income housing units if the jurisdiction determines that the payment achieves a result equal to or better than providing the affordable housing on-site, as long as the payment does not exceed the approximate cost of developing the same number and quality of housing units that would otherwise be developed. Based on a comprehensive analysis performed by staff, the Council determines that the foregoing standards are met by this ordinance. The staff analysis, contained in Appendix F to the Director’s Report, is hereby incorporated by reference.
13. New market-rate housing is generally not affordable to lower-income households. At the same time, new market-rate housing creates an increased need for affordable housing to house lower-income workers who provide the goods and services purchased by residents of new market-rate housing. MHA-R requirements imposed on residential developments in the Rezone Area mitigate impacts of those developments in creating a need for affordable housing.
14. Implementation of MHA-R in the Rezone Area is reasonably related to the public harms identified in the findings adopted by Section 1 of Ordinance 125108 and to the City’s legitimate public goals to fulfill its planning obligations under State law and to ensure access to affordable housing for all communities and households in Seattle, utilizing the tool of RCW 36.70A.540 provided by the Washington State Legislature.