

## FINDINGS OF FACT

1. In November, 2015, by Ordinance 124895, the Council adopted Seattle Municipal Code (SMC) Chapter 23.58B.
2. In August, 2016, by Ordinance 125108, the Council adopted SMC Chapter 23.58C.
3. Through this ordinance, the Council is rezoning and increasing development capacity in certain areas within the City of Seattle and is implementing SMC Chapters 23.58B and 23.58C in those areas (the “Rezone Area”).
4. Parts 1 through 5 of the findings of fact adopted by Section 1 of Ordinance 124895 are incorporated herein by reference.
5. The findings of fact adopted by Section 1 of Ordinance 125108 are incorporated herein by reference.
6. Subsequent to Ordinance 125108, the City commissioned various additional reports and studies related to implementation of Chapter 23.58C (also known as Mandatory Housing Affordability for Residential Development), including:
  - a. Seattle Residential Affordable Housing Impact and Mitigation Study, David Paul Rosen & Associates, December 16, 2016.
  - b. Community Attributes, Inc., Technical Memorandum Re: Economic Analysis of MHA, November 29, 2016.
  - c. Community Attributes, Inc., Technical Memorandum Re: Supplemental Economic Analysis of MHA, July 14, 2017.
7. By implementing Chapter 23.58C in the Rezone Area pursuant to this ordinance, the Council is implementing an affordable housing incentive program under RCW 36.70A.540.
8. There is a need for increased residential development in the Rezone Area, and increased residential development in the Rezone Area will assist in achieving local growth management and housing policies.
9. The City’s 2035 Comprehensive Plan recognizes that, over the 20-year planning period, the City will need to accommodate at least 70,000 additional housing units.
10. In recent years job and population growth in Seattle has been very rapid and is occurring at a faster rate than anticipated. Seattle’s population increased by 15.7% between July, 2010, and July, 2016.
11. The pace of housing growth in Seattle during the first two years of the 2035 Comprehensive Plan planning period far exceeded the expected 20-year average. In the

first two years of the 20-year planning period, the City added over 15,000 housing units, equating to 22 percent of the expected twenty-year growth. In addition, as of December, 2017, there were nearly 21,500 housing units permitted, but not yet built.

12. As with housing growth, the pace of employment growth is greatly exceeding the average pace of growth anticipated in the 2035 Comprehensive Plan. In the twelve months beginning in March, 2015, the City added over 22,000 jobs, equating to one-fifth of the job growth anticipated for the entire 20-year planning period.
13. Both academic research and local data indicate that the increased housing capacity and supply provided by this ordinance is likely to reduce upward pressure on market-rate housing costs. As such, increased market-rate residential development will improve housing affordability consistent with the City's housing policies.
14. Increased residential development in the Rezone Area, in addition to supporting housing affordability, will increase housing choices and support development of housing near transit, services and amenities, consistent with the 2035 Comprehensive Plan.
15. This ordinance provides substantially increased residential development capacity in the Rezone Area.
16. The increased residential development capacity provided in the Rezone Area can be achieved, subject to consideration of other regulatory controls on development.
17. In addition to increasing residential development capacity and housing supply to accommodate high demand and support affordability as discussed above, a central purpose of implementation of Chapter 23.58C in the Rezone Area is to provide rent- and income-restricted housing to address the housing needs of households who cannot find affordable market-rate housing in the City. By this ordinance, the Council intends to advance the City's efforts, consistent with the State Growth Management Act, to plan and provide for affordable housing for all economic segments of society, particularly households with incomes at or below 60 percent of area median income (AMI).
18. The present and future housing affordability challenges facing lower-income households in Seattle are amply documented, including in the 2035 Comprehensive Plan and in the Citywide Implementation of Mandatory Housing Affordability (MHA) Final Environmental Impact Statement (FEIS). The Housing Appendix to the Comprehensive Plan found shortages of affordable and available rental housing at the 0-30, 0-50, and 0-80% of AMI levels and forecast the need for many thousands of new affordable units at those income levels, in addition to existing unmet need. The FEIS found that very little market-rate rental housing of any age is affordable to households with incomes at or below 60 percent of AMI, yet nearly half of all renter households have incomes at or below 60 percent of AMI. New market-rate housing is generally not affordable to lower-income households. The market is not likely to provide the affordable housing needed by households with incomes at or below 60 percent of AMI.

19. Implementation of requirements under Chapter 23.58C will produce a substantial number of rent- and income-restricted units affordable to households with incomes at or below 60 percent of AMI (for rental housing) or 80% of AMI (for ownership housing).
20. Through implementation of Chapter 23.58C, the Council also seeks to further social equity goals, such as providing access to opportunity, through the location of affordable units both within market-rate developments and in projects funded with in-lieu payments according to the criteria set forth in Chapter 23.58C.
21. 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. Chapter 23.58C requirements imposed on residential developments in the Rezone Area mitigate impacts of those developments in creating a need for affordable housing.
22. Implementation of Chapter 23.58C in the Rezone Area is reasonably related to the public harms identified herein and in the findings for Ordinance 125108, and to the City's legitimate public goals of fulfilling its planning obligations under State law and ensuring 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.
23. RCW 36.70A.540 provides that affordable housing incentive programs may allow an in-lieu payment 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 an analysis performed by OPCD staff, the Council determines that the foregoing standards are met by implementation of Chapter 23.58C pursuant to this ordinance. The staff analysis, contained in Appendix A to the MHA Citywide Implementation Director's Report and Recommendation, is hereby incorporated by reference.