



City of Seattle

Seattle Planning Commission

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October 13, 2014

Councilmember Mike O'Brien, Chair
Seattle City Council Planning, Land Use and Sustainability Committee
via -email

RE: Planning Commission support and considerations for Affordable Housing Linkage Fee Resolution

Dear Councilmember O'Brien:

Thank you for your leadership and collaboration with Council colleagues and with Mayor Murray on affordable housing. We appreciate all of the work that staff in your office, Council Central, the Department of Planning & Development, and the Office of Housing have done to develop the Affordable Housing Linkage Fee Program resolution that you have proposed.

Seattle has a severe lack of affordable housing at the lowest income levels and a substantial shortage of housing affordable and available to moderate-income households. Thus, the linkage fee under consideration by City Council merits serious consideration. **The Commission recommends that the City Council move forward with a resolution to study an Affordable Housing Linkage Fee Program, but we advise further study of the details during the development of an ordinance.** Some of the details in the resolution including the specific fee values and geographic areas where tiered fees would apply will benefit from further study and be better addressed in an ordinance rather than the resolution.

We offer the following considerations as Councilmembers discuss and deliberate the resolution:

- **Coordinate with the upcoming Housing Affordability and Livability Advisory Committee convened by the Mayor and City Council.** The City needs a variety of tools to address the lack of sufficient affordable housing. While the proposed Linkage Fee will enable the City to increase revenue to support affordable housing, it is but one tool for addressing housing affordability. Additional housing strategies will be needed to address gaps in affordability and availability of housing.

- **Responsiveness to market conditions will be essential to the success of the Linkage Fee program—both in generating needed revenue, and in avoiding disincentives to development.**

We especially wish to highlight the importance of:

- *Avoiding significantly disincentivizing development.* This is especially important in underinvested neighborhoods, as this is a key social equity consideration.
 - *Obtaining information on how linkage fees could impact the feasibility of building 1- to 3-story housing typologies.* Lowrise prototypes of 1 to 3 stories were not included in the earlier market feasibility analyses that consultants used to identify potential fee levels. Rental and owner prototypes at this scale of lowrise need to be studied to identify appropriate fees for this form of housing in the implementing legislation.
 - *Obtaining information about applying a linkage fee to new development in single family zones.* We suggest evaluating the nexus and feasibility for extending the linkage fee to new single-family development. An essential advantage of a linkage fee is that it distributes the responsibility for supporting affordable housing more broadly. If single-family is exempted, the legislation should clarify that the exemption applies to the zone rather than the form of housing. (Otherwise, the fee may inadvertently encourage single-family homes to be built in lowrise zones.)
 - *Incorporating periodic adjustments to respond to changing market conditions.* We support varying the linkage fees based on area. Building in a regularly funded mechanism for adjusting fees to market conditions is similarly important, and we suggest this ability be included as one of the broad parameters laid out for the program.
 - *We suggest looking at the feasibility of phasing in the program over a shorter period.* Phasing the program in while the market is strong could yield substantial revenue.
- **Identify new mechanisms that may be needed to leverage or deliver affordable housing.** If new mechanisms or programs will be needed to leverage the collected fees, they should be identified as part of the ordinance to facilitate the roll out to correspond with the implementation of the linkage fee.

As an ordinance is drafted, details of the linkage fee, how it is applied and to what housing typologies should be discussed with key stakeholder and in collaboration with the work of the Housing Affordability and Livability Advisory Committee.

The Commission will be following the process with keen interest and will be happy to provide advice on the choices involved in crafting the implementing legislation for the Linkage Fee program. Some aspects where we'd like to be of assistance include:

- Geographic considerations, e.g., supporting affordability in mixed-income neighborhoods with essential components of livability including transit, services, and culturally relevant resources.
- How the program can best support the production and availability of more affordable family-size units.

- How a portion of revenues could be used to support preservation of affordability in existing housing.

Once again, thank you. Please let us know how we can be of further assistance. If you have any questions on our suggestions, please contact me or our Executive Director, Vanessa Murdock, at 733-9271.

Sincerely,



Amalia Leighton, Chair
Seattle Planning Commission

cc: Mayor Ed Murray
Seattle City Councilmembers
Kate Joncas, Hyeok Kim, Robert Feldstein, Kathy Nyland, Leslie Price, Mayor's Office
Diane Sugimura, Nathan Torgelson, Susan McLain, Mike Podowski, Dave LaClergue, Brennon Staley, Laura Hewitt Walker, DPD
Steve Walker, Miriam Roskin, Emily Alvarado, Office of Housing
Rebecca Herzfeld, Ketil Freeman, Eric McConaghy, Traci Ratzliff, Sara Belz, Council Central Staff

SEATTLE PLANNING COMMISSION RECORD OF DISCLOSURES & RECUSALS:

Commissioner Catherine Benotto disclosed that the firm for which she works, Weber Thompson, designs multifamily housing and mixed use projects throughout the city and some of the firm's clients may be impacted by a linkage fee.

Commissioner Luis Borrero disclosed that his firm DRiVE works with clients that may be affected by a linkage fee.

Commissioner Dave Cutler disclosed that the firm for which he works, GGLO, designs multifamily housing and mixed use projects throughout the city and some of the firm's clients may be impacted by a linkage fee.

Commissioner Bradley Khouri disclosed that his firm, b9 architects, works on multifamily housing projects throughout the city and some of his clients may be impacted by a linkage fee. Commissioner Khouri also disclosed that he develops small projects that may be impacted by a linkage fee.

Commissioner Grace Kim disclosed that her firm, Schemata Workshop, designs multifamily housing projects throughout the city and some of her clients may be impacted by a linkage fee.