



## City of Seattle

Seattle Planning Commission

McCaela Daffern and David Goldberg, Co-Chairs  
Vanessa Murdock, Executive Director

### SEATTLE PLANNING COMMISSION

Thursday, October 26, 2023

Approved Meeting Minutes

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- Commissioners Present:** Xio Alvarez, McCaela Daffern, Matt Hutchins, Rose Lew Tsai-Le Whitson, Rick Mohler, Radhika Nair, Monika Sharma, Lauren Squires, Jamie Stroble, Nick Whipple
- Commissioners Absent:** Andrew Dannenberg, David Goldberg, Dhyana Quintanar, Julio Sanchez, Kelabe Tewolde
- Commission Staff:** Vanessa Murdock, Executive Director; John Hoey, Senior Policy Analyst; Olivia Baker, Planning Analyst; Robin Magonegil, Commission Coordinator

*Seattle Planning Commission meeting minutes are not an exact transcript and represent key points and the basis of discussion.*

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Referenced Documents discussed at the meeting can be viewed here:

<https://www.seattle.gov/planningcommission/meetings>

#### Chair's Report & Minutes Approval

Co-Chair McCaela Daffern called the meeting to order at 7:34 am and announced several upcoming Commission meetings. Co-Chair Daffern offered the following land acknowledgement:

*'On behalf of the Seattle Planning Commission, we'd like to actively recognize that we are on Indigenous land, the traditional and current territories of the Coast Salish people who have lived on and stewarded these lands since the beginning of time and continue to do so today. We offer land acknowledgement because Native land was taken by force and colonized to form the United States as we know it today. Through this process, which is ongoing through systematic oppression, Native identity, history, and land ownership has been ignored by colonizers and attempted to be erased. Land Acknowledgement is the first step in opposing the systematic oppression and historic erasure of Native people and Native Land ownership.'*

Co-Chair Daffern noted that this meeting is a hybrid meeting with some Commissioners and staff participating remotely while other Commissioners and staff are participating in the Boards and Commissions Room at Seattle City Hall. She asked fellow Commissioners to review the Color Brave Space norms and asked for volunteers to select one or more of the norms to read aloud. She suggested to Commissioners that they collectively agree to abide by these norms.

## Announcements

Vanessa Murdock, Seattle Planning Commission Executive Director, reviewed the format of the meeting. She noted that public comment could be submitted in writing via email at least eight hours before the start of the meeting or provided in person by members of the public attending the meeting at City Hall. Ms. Murdock stated that full Commission meetings will be recorded and posted to the Planning Commission's website. She noted that these recordings are not in lieu of the Commission's minutes, which are approved at the next full Commission meeting.

**ACTION: Commissioner Rose Lew Tsai-Le Whitson moved to approve the October 12, 2023 meeting minutes. Commissioner Nick Whipple seconded the motion. The motion to approve the minutes passed.**

## Public Comment

Ms. Murdock read the following public comments, which were submitted by email:

*Dear Seattle Planning Commission:*

*Seattle for Everyone ("S4E") is a broad housing coalition that unites under the belief that everyone should have access to a safe, stable, and affordable home. We are writing to provide comment on [CB 120635](#), which would amend the Seattle Comprehensive Plan to incorporate changes related to a transportation impact fee ("TIF") program as part of the 2022-2023 Comprehensive Plan annual amendment process. Seattle for Everyone supports adequate transportation funding in Seattle as a complement to the Move Seattle Levy renewal. As an alternative approach to fund our transportation needs, we urge the City of Seattle to delay the current consideration of transportation impact fees and instead synchronize work on a new, broader transportation revenue strategy timed with the Move Seattle Levy. We appreciate the Planning Commission briefing on this matter and will expound our perspective below.*

*We know that CB 120635 is a required procedural step that the Seattle City Council must take to consider a transportation impact fee program in the future under [RCW 82.02.050](#). In particular, "impact fees may be collected and spent only for the public facilities defined in [RCW 82.02.090](#) which are addressed by a capital facilities plan element of a comprehensive land use plan." However, we also know that other elements of the proposed comprehensive plan amendment are not required to go through a process in the same way as a project list (i.e., "public facilities... addressed by a capital facilities plan") which must be used to identify projects eligible to receive future impact fee revenue.*

*In particular, we oppose the proposed Comprehensive Plan text amendment that would change "consider use of transportation impact fees ..." to "use transportation impact fees ..." ([T10.7](#)). Despite the framing by supporters of CB 120635, this language change is not a small, neutral step within a larger transportation revenue tool deliberation. Based on our understanding of Comprehensive Planning, this language change would tip the scales toward the future implementation of transportation impact fees. At the September 13th Land Use Committee meeting, Central Staff stated that this change would "not necessarily [be]*

binding," however, it would suggest the general intent of the city. We are concerned that this proposed text change can be leveraged as a reason that a future Council should, or even must, implement a TIF.

A major reason for our concern in preferencing, or perhaps even compelling, the implementation of TIF is that there is a conflict with affordable housing production. Even if CB 120635 is not the final step for Seattle to implement a transportation impact fee, we believe that now is not the time to consider adding new fees to housing in Seattle.

- At this moment, housing projects are facing considerable headwinds to pencil, caused in part by economic volatility, rising interest rates, and inflationary construction costs. This challenging climate for housing creation is expected to continue for some time. The brunt of this impact is felt by smaller builders who are struggling to cover costs for smaller projects around the city. Putting an additional exaction on housing now, or in the near future, could have the unintended side-effect of limiting growth when our region and state are in a substantial housing supply gap.
- There are also local programs that leverage the private market to achieve additional funding for affordable public and non-profit housing development, such as the Seattle Mandatory Housing Affordability ("MHA") program. Discouraging, or even preventing, private projects has real consequences for affordable projects, even if affordable projects are exempted from the future impact fees.

We also call into question the due diligence of the process so far with public engagement and the creation of the project list.

- This process to bring a TIF to Seattle has lacked the level of public engagement of similarly sized housing exactions in Seattle.
  - As a comparison, MHA generated \$68.3m of revenue in [2020](#) and \$75.5m of revenue in [2021](#). Based on info from the staff presentation on 9/13 ([slide #4](#)), if a future TIF were calibrated similarly to other Western Washington cities and if development were to grow at a similar rate as the past, TIF is expected to raise between \$200 million and \$764 million over ten years, which would produce between \$20 million and \$76.4 million revenue per year. According to the [City of Seattle website](#), MHA included around 25 meetings of public engagement. We are not aware of public engagement at this level for the active transportation impact fee discussion despite the fact that the upper-level projection of a TIF exaction could exceed that of MHA on an annual basis.
- We believe that the project list should be reconsidered by a future City Council because the proposed project list is at least half a decade old. According to an analysis from [The Urbanist](#), the current TIF eligible projects list is outdated and not aligned with current city Climate and Transportation Plan priorities. While updates have been made to the project list since it was first created in 2018, it still includes the Madison Street bus rapid transit project, which is a fully-funded project that has been [under construction](#) for nearly two years.

*To avoid confusion about our deeper coalitional interest: Seattle for Everyone supports adequate transportation funding in Seattle as a complement to the Move Seattle Levy renewal. As an alternative approach to fund our transportation needs, we urge Seattle City Council to delay the current consideration of transportation impact fees and instead synchronize work on a new, broader transportation revenue strategy timed with the Move Seattle Levy. This work should build in early engagement with a broad group of stakeholders, advocates, and community members to neutrally consider all our transportation funding options and project priorities alongside values and clearly defined tradeoffs in alignment with our climate and transportation goals. This process should not preference TIF as we believe the current Comprehensive Plan Amendment from CB 120635 would do. We also hope that you'll also consider how any new revenue tools interact with, and potentially harm, other programs that help us meet our housing goals, like MHA.*

*Thank you for your role as subject matter experts and advisors to the Mayor, City Council, and City departments on broad planning goals, policies, and plans for the physical development of Seattle. We welcome additional dialogue to find the right solutions for Seattle to balance our housing and transportation funding needs.*

*Best Regards,  
Seattle for Everyone*

*Dear Seattle Planning Commission,*

*I am writing to you in support of Transportation Impact Fees legislation as proposed by the Seattle Department of Transportation.*

*As a land use planner at the City of Federal Way for over 20 years, I was well versed in the city's development standards. Federal Way is one of the many Washington cities that adopted the TIF program early on. During my employment, I advised countless developers of the TIF requirement and I do not recall any complaints about the fee or the program. I considered TIF to be the norm in municipalities – until I learned that Seattle had never adopted a TIF.*

*In my experience, Transportation Impact Fees were never a deal breaker for Federal Way developers. TIF's were Identified at the preapplication meeting and required to be paid prior to permit issuance. The TIF projects were large and small and the TIF proportional to the project impact.*

*I am therefore frustrated that developers willingly pay their Bellevue TIFs but rebel against the very idea of a Seattle TIF. The TIF program exists for valid and fair reasons, and TIF's should be adopted by the Seattle City Council.*

*Thus I urge the Planning Commission to support TIF adoption. Don't be swayed by developers who are crying foul. They don't blink paying other their TIF's in all the other cities, and they should be paying Seattle TIF's.*

*After all, Fair is Fair.*

*Thank You*

*Deb Barker, Seattle Resident  
Retired Planner, City of Federal Way*

*Dear Seattle Planning Commissioners,*

*The Seattle Metropolitan Chamber of Commerce is opposing the Comprehensive Plan amendment that would allow for a Transportation Impact Fee program in Seattle and we have asked Seattle City Councilmembers for their no vote.*

*Now is not the time to increase barriers to development. City data shows that permit applications have dropped dramatically in recent years. In Quarter 2 of 2020, the city received 5,600 permit applications for residential development. In Quarter 2 of 2023, they received just 623. The October Revenue Forecast shows that YTD permit values are down by 50% (excluding one project from Swedish Hospital). All the while, Seattle was the fastest growing big city between 2021 and 2022. The city and business community need to work together to both meet the needs of our communities today and prepare for exponential growth in the years ahead. Transportation Impact Fees will only discourage that partnership.*

*We also disagree with the characterization made by some councilmembers that this Comprehensive Plan amendment is "procedural." Simply amending the comprehensive plan without taking further steps will have dire consequences for our housing supply. It will send a signal to developers that construction will get more expensive in Seattle. This amendment could have a chilling effect on housing production before a fee is even implemented.*

*Our city cannot afford to fall short of its housing goals or fail to meet the needs of tourism and population growth. We need our leaders to ensure that people who choose to move to Seattle in the future can afford a place to live and that people who live here now can afford to stay and thrive in the communities they call home.*

*Please join us in recommending that Seattle City Councilmembers vote no on a Comprehensive Plan amendment.*

*Seattle Metropolitan Chamber of Commerce*

### **Briefing: Transportation Impact Fees legislation under consideration**

Ms. Murdock presented an overview of a proposed Comprehensive Plan amendment related to transportation impact fees currently under consideration by the City Council. She presented a legislative history of transportation impact fees legislation, including the Planning Commission's

support for including this topic on the docket of potential Comprehensive Plan amendments in 2018. Transportation impact fees are charged to new development to partially fund the cost of new transportation infrastructure needed to accommodate growth. Impact fees can also be charged for parks, schools, and fire facilities. These fees are authorized under the Growth Management Act and RCW 82.02.050. There is a three-step process for implementation of transportation impact fees:

1. Rate study identifying system deficiencies, improvements needed to serve new development, and establish a ceiling for any future rates.
2. Amendments to the Comprehensive Plan.
3. Development of implementing legislation.

Ms. Murdock stated that the City Council is currently on the second step of this process, considering an amendment to the Comprehensive Plan that would allow a transportation impact fees program to be established in the future. Several types of development could potentially be exempted from transportation impact fees, including low-income housing defined as housing serving households with incomes up to 80% of the area median income (AMI); early learning facilities defined as “a facility providing regularly scheduled care for a group of children one month of age through twelve years of age for periods of less than twenty-four hours”; and development activities with a broad public purpose (for example, some jurisdictions exempt accessory dwelling units).

Ms. Murdock stated that revenue generated by a transportation impact fee program would depend on two primary factors: fee levels set by the City by land use and exemptions and the rate of future employment and residential growth. If the City set rates that are comparable to other western Washington jurisdictions and if Seattle experiences similar growth to past years, an impact fee program could generate between \$200 million and \$760 million over 10 years.

The proposed 2023 Comprehensive Plan amendment would:

- Amend the Transportation Element of the Comprehensive Plan and a related appendix to identify deficiencies in the transportation system associated with new development.
- Update the list of transportation infrastructure projects identified in 2018 that would add capacity to help remedy system deficiencies.
- Establish policies of considering locational discounts for urban centers and villages and exemptions for low-income housing, early-learning facilities, and other activities with a public purpose for any future rate-setting.

Ms. Murdock stated that the City’s Hearing Examiner is scheduled to issue a decision on a previous State Environmental Policy Act (SEPA) appeal of the proposed transportation impact fees by mid-November. If there is a favorable Hearing Examiner decision, potential consideration of Comprehensive Plan amendments by the City Council could occur concurrently with the budget. Ms. Murdock encouraged the Commissioners to consider that the City has been working on a major update to the Comprehensive Plan and the Seattle Transportation Plan (STP) was released earlier this fall. The draft STP includes a list of potential transportation projects that will inform the next transportation levy.

### Commission Discussion

- Commissioners remembered discussing transportation impact fees and a map of potential transportation projects in 2018. The City has been studying transportation impact fees since 2014. Consideration of Mandatory Housing Affordability (MHA) and other funding sources have preempted further consideration of transportation impact fees.
- Commissioners requested more information on the details of transportation impact fee levels shown in the presentation. Ms. Murdock clarified that the data included in the presentation is for illustrative purposes as there is no fee proposal at this point.
- Commissioners inquired about the fee structure of cost per person trip and asked whether transportation impact fees would apply to developments without car parking. Commissioners stated that Bellingham has a great transportation impact fee program that takes a holistic multi-modal transportation approach that considers the desired mode split and the necessary transportation improvements. Commissioners asked if that funding model is flexible to reflect a shift toward less intensive transportation modes. Commissioners stated that funding can be directed to the desired mode split as the transportation system shifts. The STP will help to identify transportation system deficiencies.
- Ms. Murdock stated that the proposed Comprehensive Plan amendment legislation includes a transportation project list from 2018 that has been updated to remove projects that have been completed or funded. This list does not include any projects identified in the draft STP.
- Commissioners stated that it appears that this Comprehensive Plan amendment simply advances the study of a transportation impact fee program, rather than create a program with specific fees.
- Commissioners stated that City Councilmember Mosqueda asked several questions during the recent Land Use Committee meeting that would be helpful to hear the answers to. Ms. Murdock stated that she has not seen answers to those questions, and it is unclear whether there will be additional information provided before the public hearing on November 7th.
- Commissioners stated that the City has identified \$1 billion for future transportation investments to prepare for the next population and jobs boom that Seattle will experience. The City is not ready for this boom from a transportation system perspective. Seattle will continue to be a desirable place and will need funding to establish dense walkable communities.
- Commissioners noted that the draft legislation language includes a change in the Comprehensive Plan from “consider using transportation impact fees” to “use transportation impact fees”. This change seems premature considering that the City is currently working on the major update to the Comprehensive Plan. This change could set a precedent. The Seattle Department of Transportation recently published a list of projects and asked for public comment. This proposed legislation could distract from that effort.
- Commissioners expressed concern that transportation impact fees will affect the financial feasibility of smaller housing projects such as fourplexes and sixplexes. Commissioners also expressed concern about the transparency of the transportation impact fees fund.
- Commissioners expressed general support for impact fees as a mechanism to fund infrastructure projects. Commissioners would like more information on how the proposed transportation impact fee program integrates with the upcoming major update to the Comprehensive Plan.

- Commissioners agreed with earlier comments about the need to raise revenue for transportation projects. However, Commissioners expressed concern about developers passing on the cost of the fees to homebuyers and renters.
- Commissioners expressed interest in learning more about Bellingham’s fee program.
- Commissioners stated that the proposed transportation project list is five years old.
- Commissioners asked whether the proposed legislation considered exempting workforce housing. The affordable housing exemption in the proposed legislation only goes to eighty percent AMI. Ms. Murdock stated the legislation as proposed does not include a workforce housing exemption.
- Ms. Murdock summarized the themes of the discussion. Some Commissioners are supportive of transportation impact fees while others want more study or are concerned about the impacts on affordable housing. She stated that a major theme of this discussion is alignment between the STP and the major update to the Comprehensive Plan. She thanked the Commissioners for their diverse perspectives on this issue.

### **Public Comment**

Ms. Murdock read the following public comments, which were received by email.

*Hello –*

*My name is Ryan Donohue and I am the Chief Advocacy Officer at Habitat for Humanity Seattle-King County. I appreciate the opportunity to participate today and your willingness to be flexible with providing testimony.*

*I wanted to express our concern with the recent proposal potentially adding Transportation Impact Fees (TIF) into the Comprehensive plans. I'll leave the legal questions to lawyers, but I will add that the language of the proposal, while being framed as directing future councils to study this, the language change actually can (and likely would) be interpreted tie the hands of future councils and require that TIF be implemented regardless of the study.*

*We don't just oppose the language change amendment however. We also oppose the proposal itself. As an affordable housing provider, my understanding is that we wouldn't be required to pay this fee, but we stand opposed to this because it runs counter to our vision and mission. Our vision is to build a world where everyone has a safe, decent, and affordable place to call home. the reality is that implementing TIF will make housing more unaffordable and depress the production of housing.*

*Similar sized cities have tried this before. Portland adopted a similar proposal, but as they found, that proposal actually resulted in a reduction of both housing and fee collection for the intended purpose. A letter from Sightline Institute to the Seattle City Council (attached to this email as well) outlined this effect clearly. Taxing housing to fund a years-old list of transportation projects results in less housing and fewer transportation funds.*

*The reality is that this fee proposal will end up imposing higher fees on more dense projects, creating yet another incentive for developers to not address the needs of our communities, but to build highly expensive*



*single-family homes instead. We should be encouraging denser building types, not discouraging them through higher fees.*

*I urge you to help us reach that vision I outlined earlier – to build a world where everyone has a safe, decent, and affordable place to call home and recommend to the city council to not pursue TIF. Thank you for your time.*

**The meeting was adjourned at 8:57 am.**