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7 BEFORE THE HEARING EXAMINER
8 FOR THE CITY OF SEATTLE

9 In the Matter of the Appeal of:

10 **SEATTLE MOBILITY COALITION**

11 From a Decision by the Seattle City Council
12 Central Staff

Hearing Examiner No. W-23-001

**DECLARATION OF PATIENCE
MALABA**

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14 I, Patience Malaba, declare as follows:

- 15 1. I competent to testify and make this declaration based on my personal knowledge.
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17 2. I am the Executive Director of the Housing Development Consortium (“HDC”).

18 HDC exists to serve as an advocate, relationship broker, and convener in the work of affordable
19 housing throughout King County, including in the City of Seattle (“City”). HDC is an
20 association of roughly 200 member organizations and businesses who seek to advance housing
21 stability, including members who develop, own, and operate affordable housing in the City. As
22 Executive Director, I lead HDC in its shared effort to increase access to affordable housing. My
23 work includes understanding how affordable housing is financed and the challenges it faces.

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25 3. HDC supports raising appropriate public revenue for transportation infrastructure.

26 We also support funding to subsidize low- and moderate-income housing, including Mandatory
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1 Housing Affordability (“MHA”) fees. We advise caution and wholistic consideration of the
2 revenue tools to accomplish each of these goals.

3 4. I am familiar with the City’s proposal to adopt Comprehensive Plan amendments
4 requiring the adoption of a transportation impact fee program in Seattle (“Proposal”). While the
5 Proposal provides that affordable housing projects may be exempt from these fees, an exemption
6 is not mandatory, and even if provided, may be only a partial exemption. The imposition of
7 transportation impact fees of any amount would adversely affect the ability of HDC members
8 and other affordable housing developers to construct affordable housing in Seattle.

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10 5. Even if affordable housing is exempt from the fee, the Proposal would indirectly
11 affect affordable housing by reducing funding generated by market-rate development. As HDC
12 and other organizations recently stated in a comment letter to the City, now is not the right time
13 to consider new fees on housing production. We are experiencing a period of ongoing inflation
14 and economic volatility. This is a critical time where developers, banks, and capital investors are
15 deciding whether or not to invest in Seattle in the future. Putting an additional exaction on
16 housing now is likely to have unintended side-effects at a time when our region and state are in a
17 substantial housing supply gap that is most extreme at low- and moderate incomes.

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19 Transportation impact fees will impact projects in predevelopment and those already budgeted
20 and working through the permitting pipeline.

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22 6. The U.S. housing system does not have sufficient subsidy to create the necessary
23 housing at attainable levels for low- and moderate-income earners. This public funding gap
24 exists at the federal, state, and local levels. Regardless of our personal preferences, private
25 capital and market-based development approaches are necessary to achieve most of the housing
26 beyond the capacity of public funding sources. The City’s own Office of Economic and
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1 Revenue Forecasts & City Budget Office November 2022 Update¹ recognized that there are
2 looming “Revenue Risks Associated with Construction Slowdown” and that the City is seeing
3 permit intakes for larger multifamily projects decreased compared to prior years. Adding
4 transportation impact fee burdens to new construction in the City would adversely impact the
5 feasibility of new construction projects. Seattle’s land use policies link market-rate production
6 and affordable housing revenue. There are local programs that leverage the private market to
7 achieve additional funding for affordable public and non-profit housing development, such as the
8 MHA program. Discouraging or preventing private projects has real consequences for
9 affordable projects, even if affordable projects are exempted from the future impact fees. As a
10 related example, The Urbanist has noted that lawsuits and delays through Design Review are
11 actively threatening around \$39 million dollars in MHA affordable housing fees in downtown
12 alone.²

15 7. I have reviewed the Determination of Nonsignificance (“DNS”) for the Proposal.
16 The DNS does not include analysis of the impacts of the Proposal on affordable housing. This
17 analysis should be provided so that decision makers are fully informed about the consequences
18 of the Proposal. Conditions have changed since transportation impact fees were last proposed in
19 2018. Among other things, MHA has become effective City-wide, and the fees generated from
20 the ”payment option” of this program are an important component of affordable housing funding
21 in Seattle. The MHA program also generates affordable housing units that are constructed
22 within otherwise market-rate projects under the “performance option” of the program. A
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27 ¹<https://www.seattle.gov/documents/Departments/OERF/meeting%20materials/New%20Folder/November%202nd%20Revenue%20Forecast%20Presentation.pdf>

28 ²<https://www.theurbanist.org/2023/02/27/lawsuits-block-downtown-homes/>

1 complete analysis should be performed in the context of the methods for affordable housing
2 production and the challenges affordable housing faces today.

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4 I declare under penalty of perjury that the foregoing is true and correct. Executed this
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6 28 day of April, 2023, at Seattle, Washington.

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11 _____
12 Patience Malaba