

Mandatory Housing Affordability (MHA)

A bold strategy for creating affordable housing as Seattle grows

City's commitment: The City has a goal to create 20,000 affordable homes as part of a comprehensive strategy outlined in the Housing Affordability Livability Agenda (HALA) to create 50,000 homes over the next 10 years. Critical to this overall vision, Mandatory Housing Affordability (MHA) will provide at least 6,000 of the 20,000 net new rent- and income-restricted homes for households with incomes no higher than 60 percent of the area median income. In 2016, that is about \$38,000 for an individual and \$54,000 for a family of four.

How MHA works: For the first time, MHA will require new commercial and multifamily residential development to contribute directly to affordable housing. Developers can fulfill MHA requirements by building affordable housing on site (the performance option) or paying into a fund that Seattle's Office of Housing uses to fund affordable housing throughout the city (the payment option). Both options offer unique benefits and are equally important to the success of MHA. With the performance option, a specified percentage of the homes in a multifamily residential building are reserved for low-income households and have restricted rents. These affordable homes will be comparable to the market-rate units in that same development in terms of size, type (e.g., number of bedrooms), and lease terms. With the payment option, the MHA contribution can leverage other funds to produce more affordable housing overall. Affordable housing funded with MHA payments also advances the City's racial and social justice goals, such as expanding housing opportunity in all neighborhoods, with a strategic focus on addressing unique neighborhood needs (e.g., preservation in areas where displacement risk is high, housing for families with children, and building in locations near transit).

Implementation: The City Council has already adopted legislation establishing a framework for how MHA will apply to commercial and residential development. However, the MHA requirements included in the framework do not take effect until the City makes zoning changes that allow more development capacity. This approach is consistent with a state-approved approach for similar programs other cities have used and partially offsets the cost of the new affordable housing requirement on private development. Proposal for zoning changes providing additional development capacity would likely be considered in the following order:

- University District (Council consideration in November and December 2016);
- Downtown and South Lake Union (Council consideration in early 2017);
- Areas where planning efforts have been underway for several years (e.g., Uptown, 23rd and Union–Jackson); and
- Citywide changes for remaining multifamily, commercial, and mixed-use zones, to be implemented in Q2 2017 after a year-long public outreach and engagement process.



For more information on MHA and HALA, visit www.seattle.gov/HALA.