

Mandatory Housing Affordability Citywide Implementation



**Seattle Renters'
Commission**

May 7, 2018

How MHA Works

Affordable Housing Outcomes

10-Year Goal: 6,000+ units affordable to households at <60% of AMI

Two options to comply with MHA:

- **Performance:** developers include affordable homes within market rate developments
- **Payment:** developers contribute funds that are invested in high-quality affordable housing throughout the city



How MHA Works

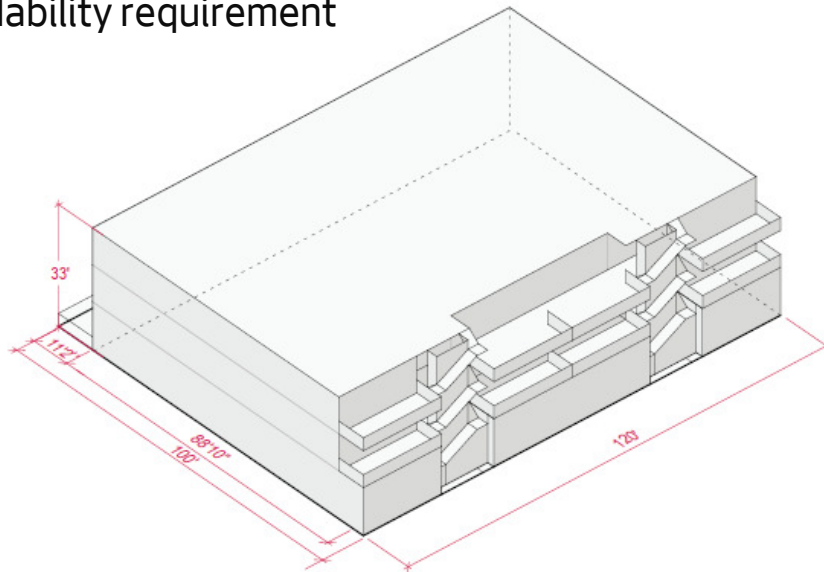
Requirements + Rezones

without MHA

30-foot height limit

29 homes

no affordability requirement

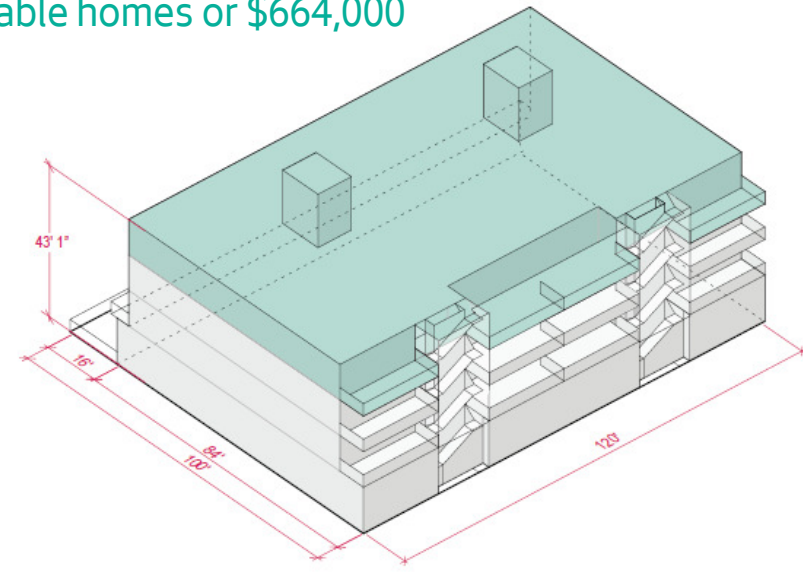


with MHA

40-foot height limit

36 homes

3 affordable homes or \$664,000



How MHA Works

Calculating MHA Requirements

*Proposed requirements for
residential and highrise commercial*

Scale of
Zoning
Change

		Geographic Area					
		Low Area		Medium Area		High Area	
		%	\$	%	\$	%	\$
Scale of Zoning Change	Zones with (M) suffix	5%	\$7.00	6%	\$13.25	7%	\$20.75
	Zones with (M1) suffix	8%	\$11.25	9%	\$20.00	10%	\$29.75
	Zones with (M2) suffix	9%	\$12.50	10%	\$22.25	11%	\$32.75

How MHA Works

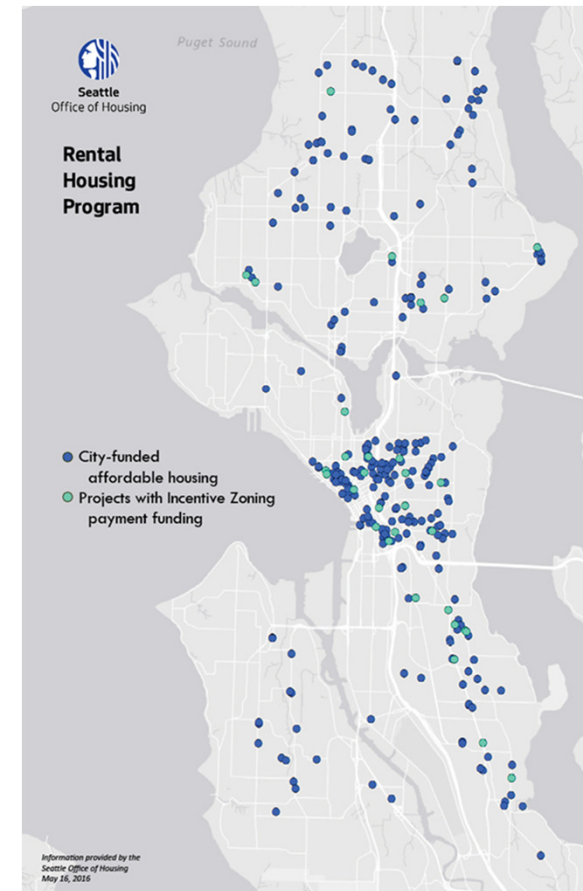
How we invest MHA payments

Locational Goals

- Furthering fair housing choice
- Locating in urban centers/villages and near transit
- Promoting economic opportunity and addressing displacement
- Locating near developments that generate cash contributions

Additional Public Benefits

- Deeper affordability
- Family-sized/family-friendly housing
- Community and cultural space
- Preservation of existing housing



How MHA Works

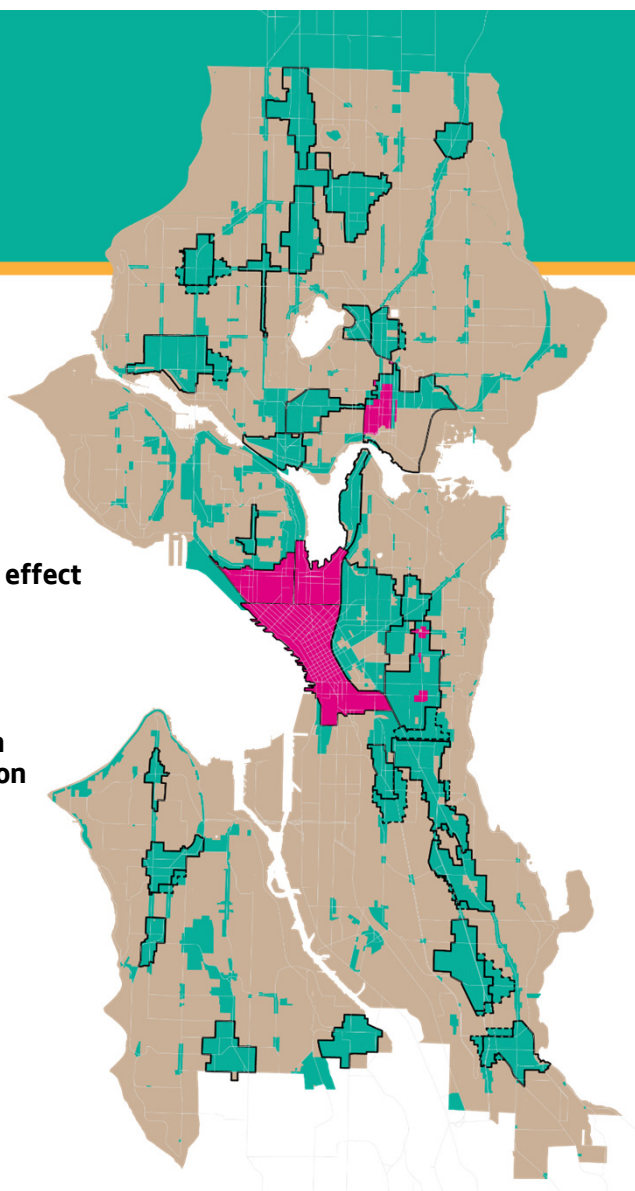
Enacting MHA rezones

2017 Communities with recent planning processes

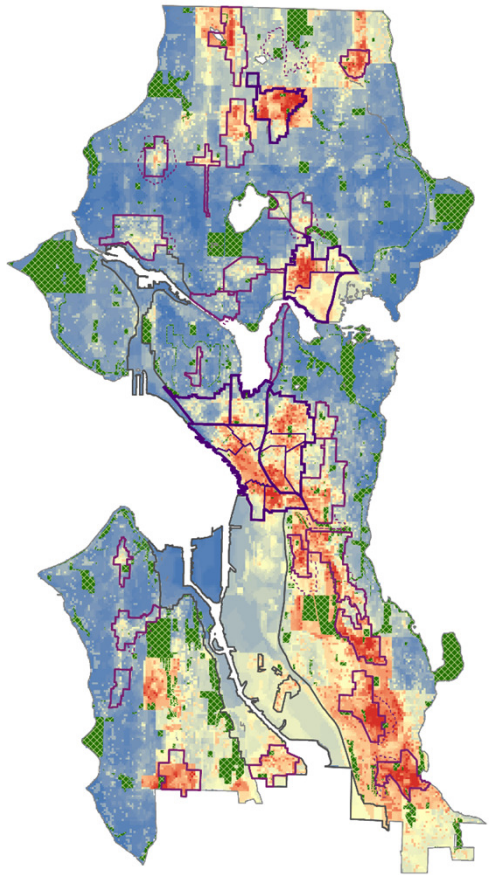
- U District
- Downtown/South Lake Union
- Chinatown/ID
- 23rd Avenue in Central Area
- Uptown

2018 Citywide MHA implementation

- Other urban villages and other multifamily and commercial zoned areas

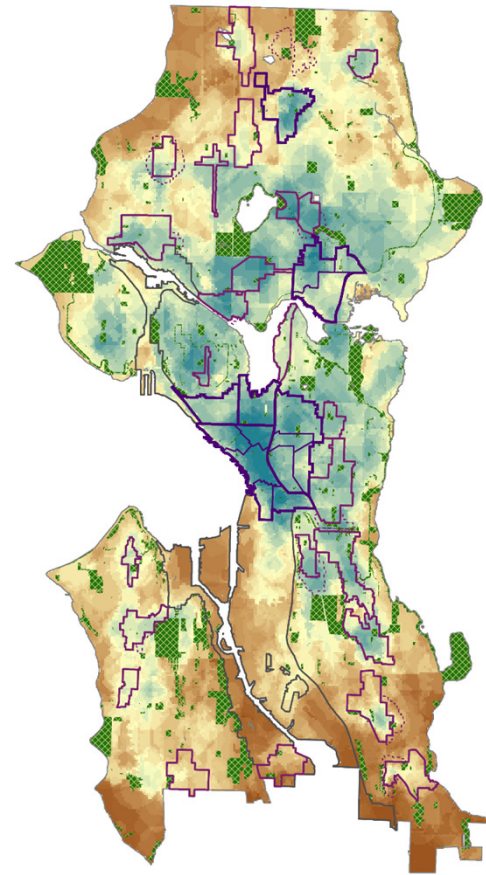
- 
- citywide MHA rezones
 - MHA already in effect
 - Urban village
 - Proposed urban village expansion

Growth and Equity Analysis



Displacement Risk Index

- People of color
- Linguistic isolation
- Low educational attainment
- Rental tenancy
- Housing cost-burdened households
- Household income
- Proximity to frequent bus service
- Proximity to light rail and streetcar
- Proximity to core businesses
- Proximity to civic infrastructure
- Proximity to already-gentrified or affluent neighborhood
- Proximity to regional job center
- Development capacity
- Median rent



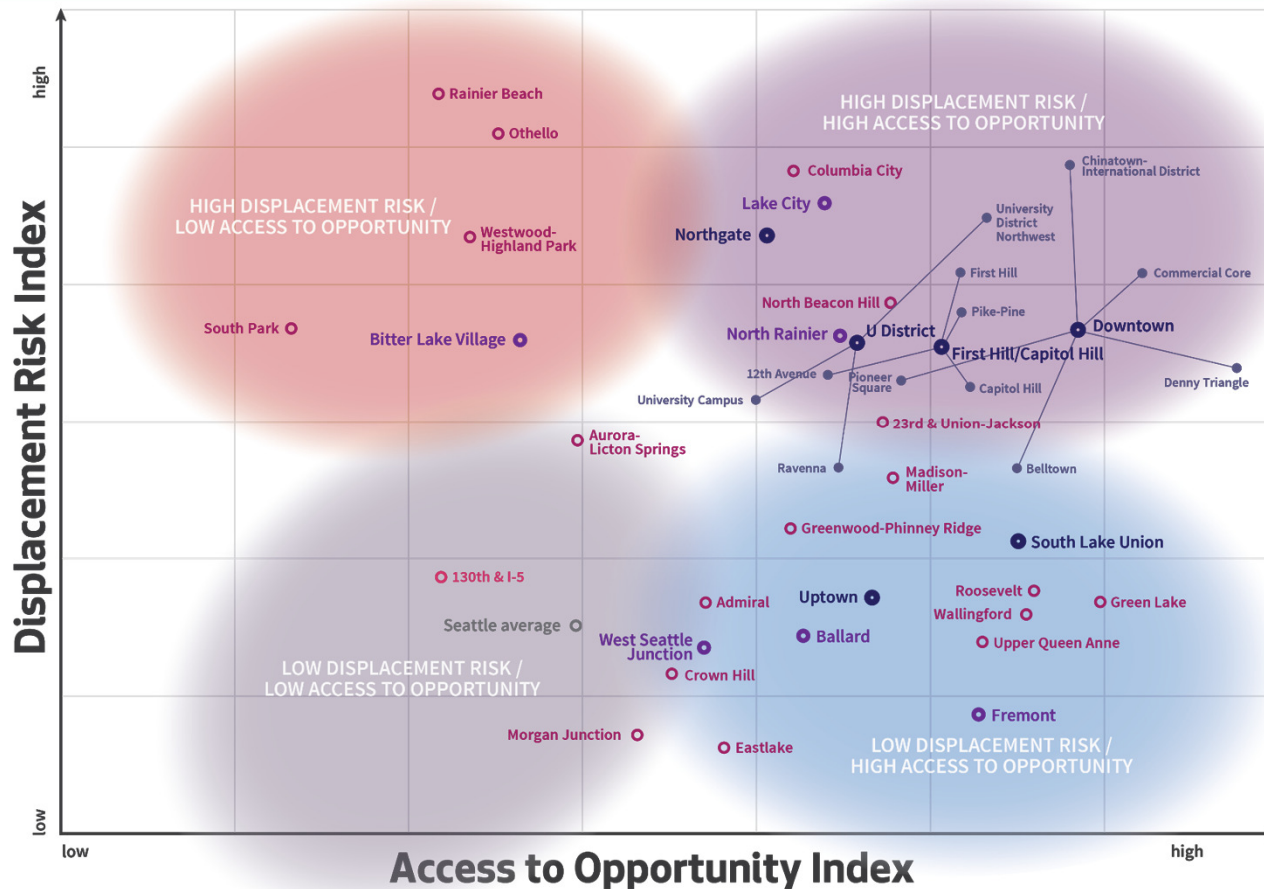
Access to Opportunity Index

- School performance
(Elementary and middle school math and read proficiency scores)
- High school graduation rate
- College / university access
- Proximity to a library
- Proximity to employment
- Property appreciation
- Proximity to frequent bus service
- Proximity to light rail and streetcar
- Proximity to a community center
- Proximity to a park
- Sidewalk completeness
- Proximity to a health care facility
- Proximity to a location that sells produce



Citywide MHA implementation

Use the *Growth & Equity Analysis*



Growth and Equity Analysis

Displacement Risk Index

People of color

Linguistic isolation

Low educational attainment

Rental tenancy

Housing cost-burdened households

Household income

Proximity to frequent bus service

Proximity to light rail and streetcar

Proximity to core businesses

Proximity to civic infrastructure

Proximity to a predominantly nonwhite or affluent neighborhood

Proximity to regional job center

Development capacity

Median rent



Roosevelt

Low Displacement Risk
High Access to Opportunity

Othello

High Displacement Risk
Low Access to Opportunity

Access to Opportunity Index

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(Elementary and middle school math and read proficiency scores)

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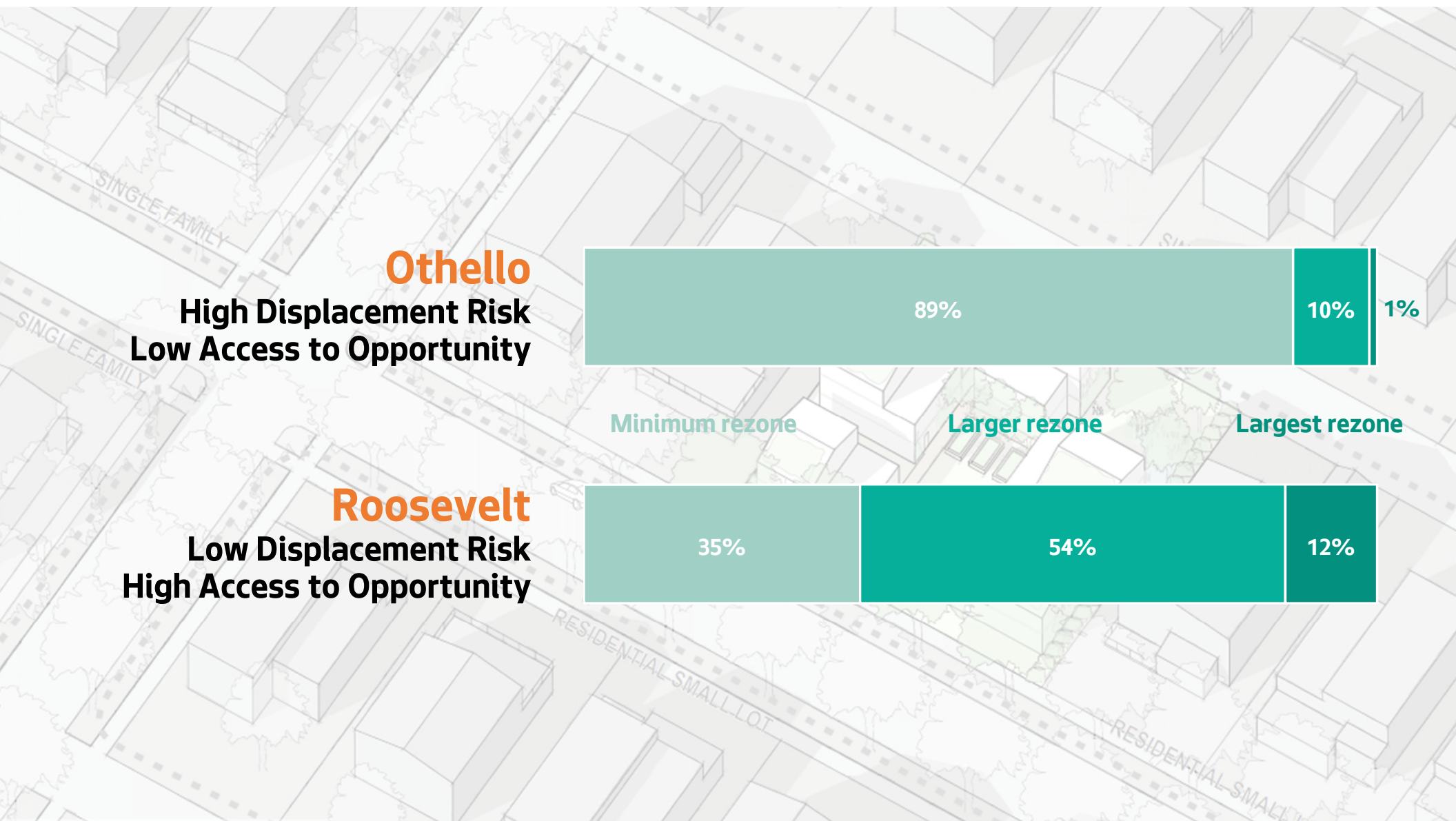
Proximity to a park

Sidewalk completeness

Proximity to a health care facility

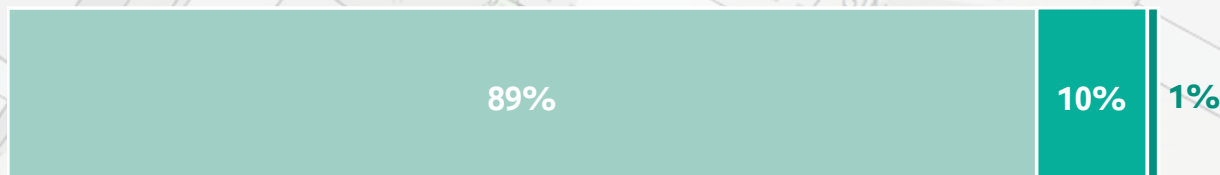
Proximity to a location that sells produce





Othello

High Displacement Risk
Low Access to Opportunity



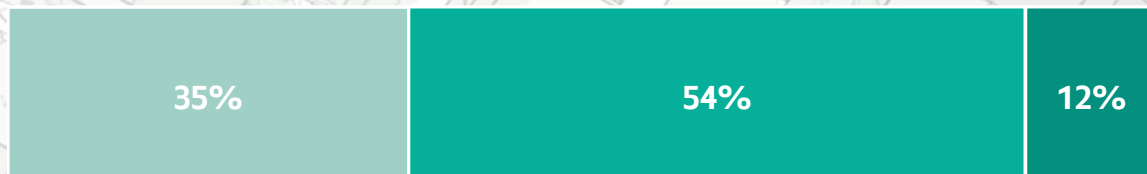
Minimum rezone

Larger rezone

Largest rezone

Roosevelt

Low Displacement Risk
High Access to Opportunity

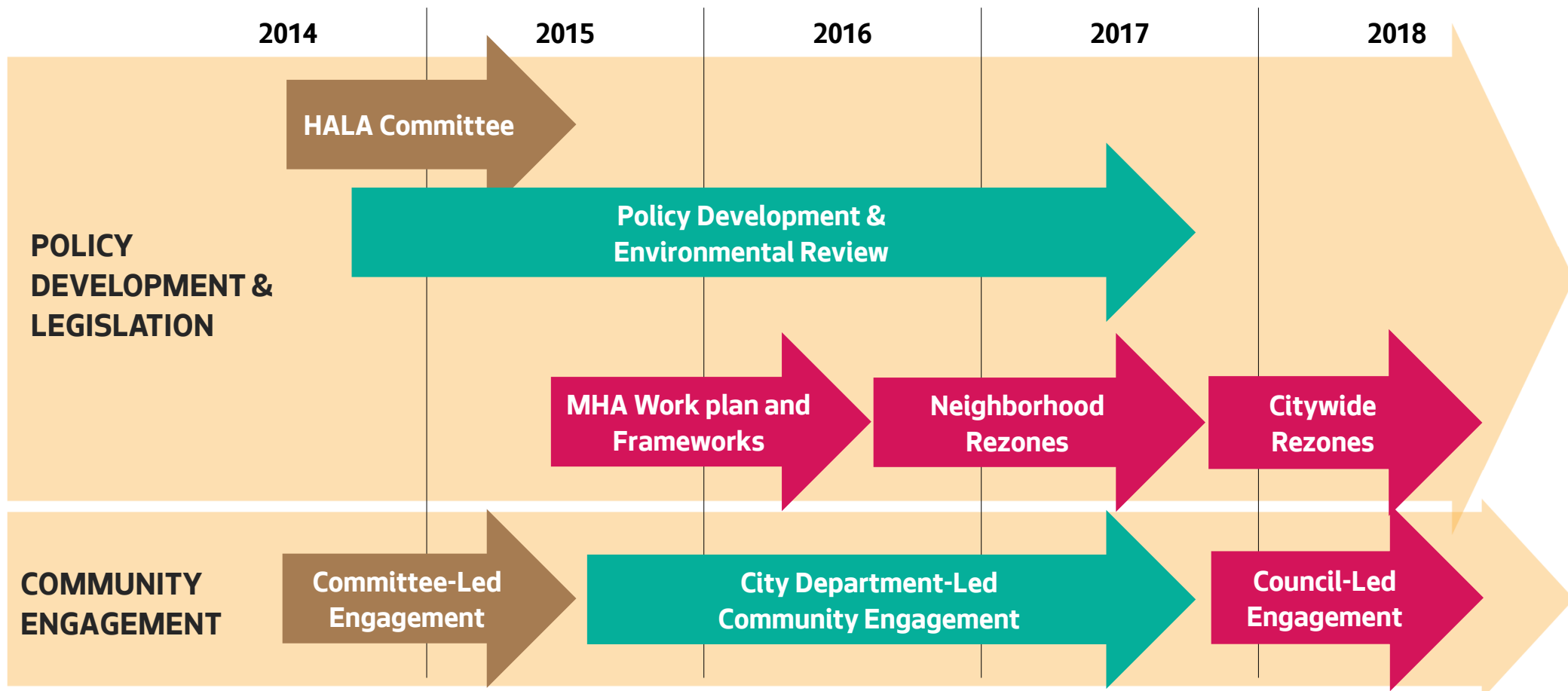


35%

54%

12%

MHA implementation timeline



Mandatory Housing Affordability



Creating more **affordable housing** as we grow
6,000+ new affordable homes by 2025

City of Seattle

Affordable Housing Programs



Seattle
Office of Housing

Overview of Office of Housing Programs

Rental Housing Production and Preservation

- Rental Housing Program
- Rental Rehabilitation Program
- Investments in Surplus Property

Market-Based Incentive Programs

- Multifamily Tax Exemption Program
- Incentive Zoning Program
- Mandatory Housing Affordability Program

Sustainable Homeownership, Home Repair, and Weatherization

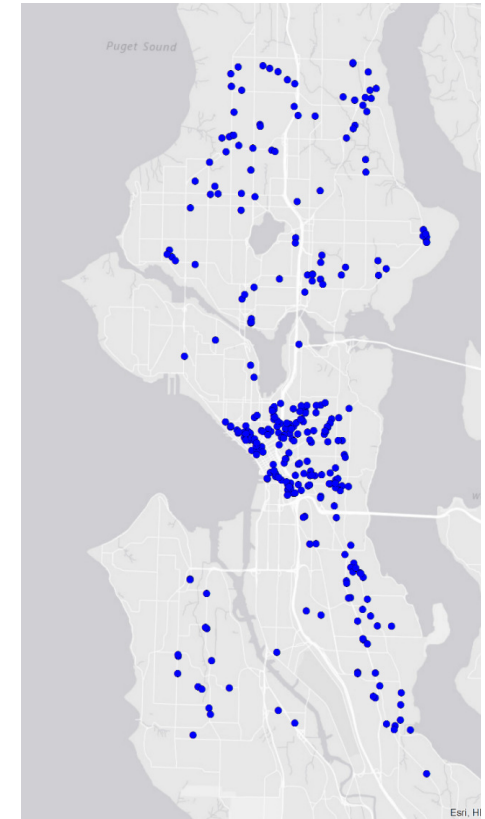
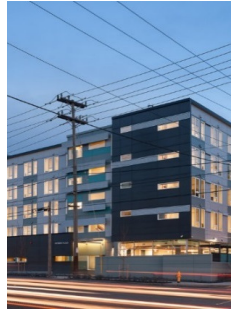
- First Time Homebuyer Loans
- Affordable Homeownership Development
- Foreclosure Prevention Pilot
- Home Repair Program
- Weatherization / Energy Efficiency
- Investments in Surplus Property

Rental Housing Program

- 15,000 affordable apartments operating or in development across the city
- Most funding from Seattle Housing Levy and developer payments (Incentive Zoning and MHA)
- Affordable rents for 50 years or longer
- Priority for seniors, people with disabilities, low-wage individuals and families, and people experiencing homelessness

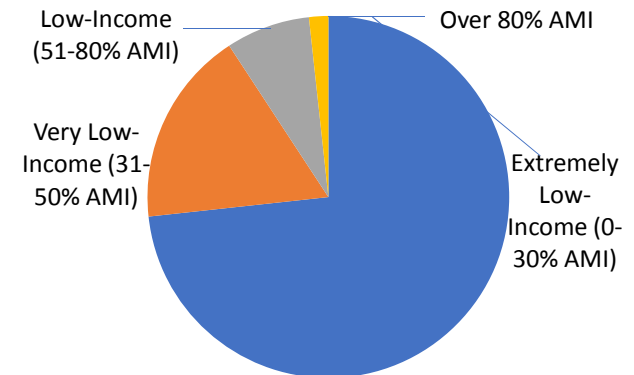
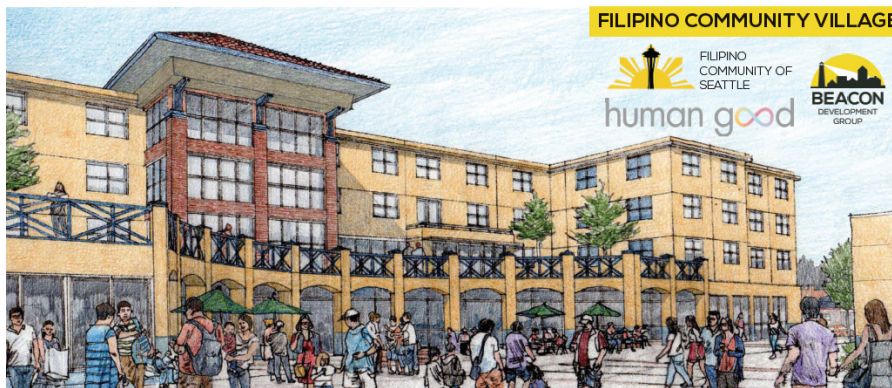
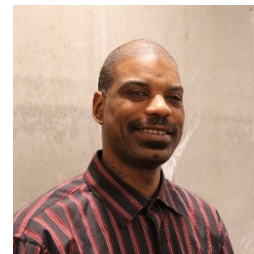
2016-17 Snapshot

- 689 apartments opened
- 1,521 additional apartments funded
- Upgrades to existing buildings, 944 units



Equitable Access to Affordable Homes

- Nearly three-quarters of residents are extremely low income, including people experiencing homelessness
- Affirmative marketing provides equal access to housing opportunities



Race / Ethnicity	Percent of Total
White, non-Hispanic	43%
Black / African American, non-Hispanic	30%
Asian / Pacific Islander, non-Hispanic	13%
American Indian or Alaska Native, non-Hispanic	3%
Multi-Racial, non-Hispanic	6%
Hispanic	5%
Total Households Reporting Race/Ethnicity in 2015	100%

Sustainable Homeownership, Home Repair and Weatherization Programs

- Down payment assistance loans for low-income first time homebuyers
- Development loans for permanently affordable homes
- Home repair: health/safety repairs help owners stay in community and maintain their most significant asset
- Weatherization: reduce utility bills, improve health and comfort for residents
- Foreclosure prevention pilot

2017 Snapshot

- 25 permanently affordable townhomes funded
- 28 single family homes repaired, 112 weatherized



Market-Based Incentive Programs

Multifamily Property Tax Exemption

- 12 year affordability
- 20-25% of units held below-market
- 3,782 affordable apartments now available

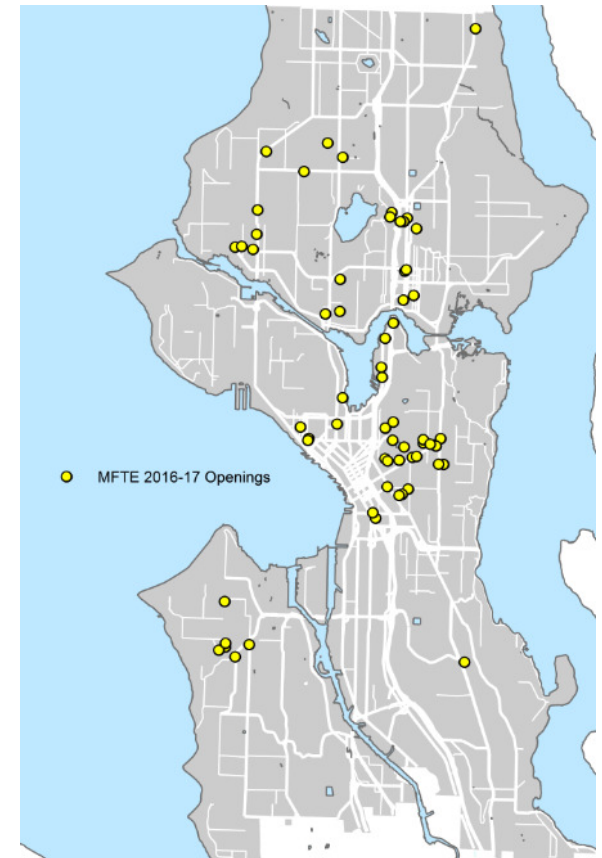
Mandatory Housing Affordability

- Requirements based on location and amount of new zoning capacity
- Payment or performance options
- Rents at 60% AMI; sales prices at 80% AMI
- Long-term affordability

MFTE 2016-2017 Snapshot

63 projects opened

- more than 6,000 total units
- 1,279 below-market apartments for income-qualified renters



Affordable Housing as Anti-Displacement Strategy

Affordable Rental and Ownership Housing

Building and preserving affordable homes for at-risk residents and cultural communities; targeted investments to secure land in communities with high risk of displacement

Cultural, commercial & community spaces

New developments designed to include ground floor space for small business, social services, health and recreation, local arts and cultural groups

Preservation

Investments in existing housing to preserve affordable rents and improve quality of life for low-income tenants

Stability for Low-Income Homeowners

Investment to keep long-time and low-income owners in their community and preserve existing assets.

