

Mandatory Housing Affordability (“MHA”)

A bold strategy for creating affordable housing as Seattle grows

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City’s commitment: The City’s goal is to create 20,000 affordable homes as part of a comprehensive strategy outlined in the Housing Affordability Livability Agenda (HALA) to increase its housing supply by 50,000 homes over the next 10 years. Mandatory Housing Affordability (“MHA”) is key; critical to this overall vision, and will provide at least 6,000 of the 20,000 net new rent-income-restricted units for households who are eligible with incomes no higher than 60% of area median income. In 2016, that is approximately \$38,000 for a one-person household and \$54,000 for a four-person household.

How MHA works: Affordable housing will be required as new commercial and multi-family residential development occurs. This contribution can be met by including affordable housing within the development or paying into a fund administered by Seattle’s Office of Housing that will be used to create affordable housing throughout the city. The payment and performance options each have unique benefits and are equally important to the success of MHA. With the performance option, a specified percentage of the total units in a multi-family residential building are set-aside ensured to be affordable. These affordable units 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 cash contribution MHA dollars can leverage other funds to create more units of affordable housing than with performance. Affordable hPayment-funded housing funded by MHA payment achieves many racial and social justice goals such as increasing housing opportunities in all parts of the City, with 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, and locating in neighborhoods where the payment is generated other key amenities).

Implementation: City Council has already adopted MHA framework ordinances for commercial and residential development; however the MHA requirements included in these frameworks will not go into effect until zoning changes that allow more development capacity increases are approved. This approach is consistent with a state-approved approach for similar programs used by other cities, because it and partially offsets the cost of the new requirement on private development. minimizes the impact of MHA requirements on the cost of new housing. Proposal for z zoning changes providing additional development capacity would likely be considered in the following order:

- University District (council consideration in November and December of 2016);
- Downtown and South Lake Union (council consideration in early 2017);
- areas where planning efforts have been underway for some time already (e.g. Uptown; 23rd/Jackson/Union);
- zone-wide changes for remaining multifamily, commercial, and mixed-use zones, to be implemented in Q2 2017 after a 12-month public outreach and engagement process.



For more information on MHA and the Housing Affordability and Livability Agenda (HALA) generally, go to: www.seattle.gov/HALA.