




Choose an Affordable Seattle

Opting-In to the MHA Program for Projects Underway in Downtown & South Lake Union

 Councilmember Rob Johnson

What is Mandatory Housing Affordability?

MHA is Seattle's strategy for how we require affordability as we grow. MHA results in affordable housing units on site (when developers opt for the performance option) or funds that Seattle's Office of Housing uses to support the development of affordable housing units throughout Seattle (payment option).

What are the requirements?

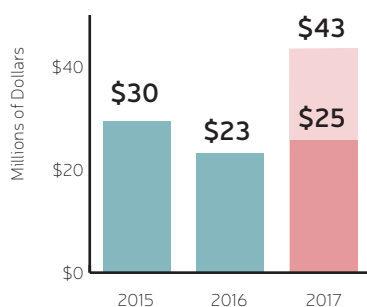
MHA requirements vary based on the geographic area of the city and the scale of the zoning change.

What are the goals of MHA?

Mandatory Housing Affordability is expected to provide at least 6,300 of the 20,000 net new rent-restricted homes for households with incomes no higher than 60% of the area median income by 2025. In 2016, 60% of the area median income is about \$38,000 for an individual and \$54,000 for a family of four.

MHA in Downtown & South Lake Union

There are many projects in Downtown (DT) & South Lake Union (SLU) that are vested and do not have to participate in MHA. That is a lost opportunity and is why Councilmember Johnson amended the Downtown / SLU legislation to include an ability for developers to "opt in."



The Incentive Zoning (IZ) Program raised about \$30 million for affordable housing in 2015 in DT/SLU and \$23 million in 2016. Under MHA, Seattle may raise anywhere from \$25 million - \$43 million in 2017 depending on how many projects opt-in.

● Funds Raised by IZ in DT/SLU ● Potential Funds Raised by MHA in DT/SLU

320 Affordable Units
(\$25 Million for Affordable Housing)

5%
of Total MHA Goal

7 projects in DT/SLU are interested in opting-in to MHA, which is expected to create 320 affordable homes, representing 5% of the total 6,300 unit goal for MHA.

+

+

240 Affordable Units
(\$18 Million for Affordable Housing)

4%
of Total MHA Goal

10 other projects are good candidates to opt-in, which is expected to create ~240 more units, or 4% of the total MHA goal.

=

=

560 Affordable Units
(\$43 Million for Affordable Housing)

9%
of Total MHA Goal

Altogether, MHA in DT/tSLU is expected to create about 560 affordable units from the 17 projects, or about 9% of the total MHA goal.

Timeline & Next Steps

MHA requirements do not take effect until the City adopts zoning changes that increase development capacity and tie MHA requirements to those specific zones. Timeline:

- Passed MHA requirements for the University District in February 2017
- Passed MHA requirements for Downtown + South Lake Union in April 2017
- Currently discussing zoning changes in Chinatown/International District
- Discussion and vote re: citywide zoning changes to follow

Projects Interested in Opting-In to MHA in DT/SLU

STATUS	Proj Num	ADDRESS
MUP SUBMITTED, INTEREST	3020943	1200 Stewart St
MUP SUBMITTED, INTEREST	3024239	1618 8th Ave / 802 Pine
MUP SUBMITTED, INTEREST	3022779	400 Westlake Ave N
MUP SUBMITTED, INTEREST	3019132	1000 6th Ave S (Urban Visions)
MUP SUBMITTED, INTEREST	3018037	1903 5th Ave (Stanford Hotel)
MUP SUBMITTED, INTEREST	3019623	1901 Minor
MUP SUBMITTED, INTEREST	3019371	2301 7th Ave

Project Candidates for Opting-In to MHA in DT/SLU

STATUS	Proj Num	ADDRESS
DR DECISION PUBLISHED	3016806	307 BROAD ST
DR DECISION PUBLISHED	3018578	2200 7TH AVE
MUP ISSUED, BLDG PERMIT SUBMITTED	3016702	1613 2ND AVE
MUP SUBMITTED, DECISION PUBLISHED	3018686	2031 3RD AVE
MUP SUBMITTED, 2016	3019699	1933 5TH AVE
MUP SUBMITTED, 2016	3020556	753 9TH AVE N
MUP SUBMITTED, 2016	3021621	2014 FAIRVIEW AVE
MUP SUBMITTED, 2016	3023025	1915 3RD AVE
MUP SUBMITTED, 2016	3023738	2815 ELLIOTT AVE
MUP SUBMITTED, DECISION PUBLISHED	3024377	403 DEXTER AVE N

Assumptions

- Numbers are estimates that assume the project maximizes the development capacity on site and do not reflect the specifics of the individual development proposals.
- Estimates were done assuming that the project is 50% residential / 50% commercial.
- Assume 10% performance; 90% payment for MHA-R; assume payment for MHA-C