



2023 MHA Report Summary

MHA mitigates some affordable housing impacts of new multifamily and commercial development through inclusion of affordable homes or and contributions to a City fund used for the preservation and production of low-income housing.

- Implemented through legislative upzones starting in 2017, MHA requirements are in several key areas zoned for multifamily and commercial development (e.g., University District, Downtown, and South Lake Union).
- Developers can either build affordable units (performance) or pay into the MHA fund (payment).

Key takeaways

- **Developments:** Building permits were issued for 227 projects meeting MHA requirements in 2023, a decrease from 261 in 2022.
- **MHA Funds:** MHA payments decreased by 15% to \$63.2 million in 2023. Since inception, MHA payments total \$304.3 million, with \$252.2 million awarded for 4,498 homes for low-income households.
- **MHA Performance:** Affordable homes committed through the MHA performance option increased by 60% in 2023, totaling 123 MHA units.

Performance Option

- **Units:** 15 residential and mixed-use developments completed to date include 119 affordable homes through the MHA performance option.
- **Affordability:** Units serve households earning up to 60% of the area median income (AMI) for rental and up to 80% AMI for ownership.

Payment Option

- In 2023, OH received \$63.2 million in MHA payments to support efforts to build and preserve low-income housing.
- In 2023, \$8.2 million committed for development of 258 new affordable homes.

Issues for consideration

- **Decline in MHA contributions:** The 15% decrease in MHA payments in 2023 may impact future affordable housing development and OH's ability to address affordable housing needs in Seattle.
- **MHA requirements evaluation:** The MHA framework requires us to evaluate whether MHA requirements are achieving stated goals. We need to adjust for market changes, ensure payment amounts and performance set-asides are appropriate, and implement MHA where development capacity increases to mitigate affordable housing impacts in those areas.