

An Action Plan to Address Seattle's Affordability Crisis















Select Committee on Housing Affordability

Robert Feldstein, Mayor's Office of Policy and Innovation Leslie Brinson Price, Mayor's Office of Policy and Innovation Diane Sugimura, Dept. of Planning and Development Steve Walker, Office of Housing

August 17, 2015



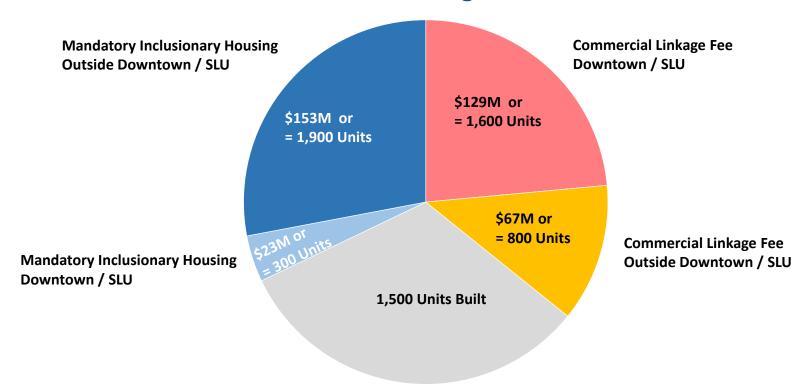




How much will HALA Strategies Produce?

Mandatory Inclusionary Housing (MIH) & Commercial Linkage Fee (CLF)

6,000 affordable housing units in 10 Years



Mandatory Inclusionary Housing Performance. On or Off Site Affordable Housing Units Built.



An Action Plan to Address Seattle's Affordability Crisis



Estimated Productivity of other HALA Resources

New or Expanded Resources		Estimated Annual Revenue
Seattle Housing Levy	\$290M over 7 years	\$41M
Real Estate Excise Tax	0.25% of property sale	\$20M
KC Local Option Sales Tax	1/10 th of 1% increase 33% to Seattle	\$15M
Housing Trust Fund	Increase of \$2.5M	\$7.5M
KC Hotel/Motel Tax	33% to Seattle	\$3M
Voluntary Employers Fund		\$3M
Surplus Property Revenue	5% of FAS Sales	\$1.5M
Social Investments	1 project per year	\$1M
Estimated Annual Total*		\$92M

*Note: This does not include revenue generate by the Mandatory Inclusionary Housing or Commercial Linkage Fee Programs.



An Action Plan to Address Seattle's Affordability Crisis



Translating Resources into Units

With \$92 Million in annual capital investment by the City		Est. Units / year
All 30% AMI Units	At \$200,000 each	460*
All 50% AMI Units	At \$100,000 each	920
All 60% AMI Units	At \$75,000 each	1,227

^{*}Note: To reach a population below 30% AMI, additional resources required for operating support.

Estimated Productivity of New HALA Incentives

New or Expanded Incentives		Estimated Annual Units
Multifamily Tax Exemption	Net new units	210
Preservation Property Tax Exemption	Requires state authorization	330
Public Properties	1 project per year	110
CLF and MIH	All production including payment	600
Estimated Annual Total		1250



An Action Plan to Address Seattle's Affordability Crisis



How might we account for the loss of affordability in the market?



An Action Plan to Address Seattle's Affordability Crisis



Why are we increasing development capacity?

Development capacity is being added for the purpose of implementing a Mandatory Inclusionary Housing program to create affordable housing.

We are not adding zoning capacity to increase development capacity.

- Development capacity based on an unlimited timeframe in which all available sites across the city are build to their maximum zoning capacity.
- Does not predict market demand, or how fast or where growth will occur over time.
- Does not consider individual property owner decisions about selling or redeveloping land.
- Many properties will not redevelop for over 20 years or more.



An Action Plan to Address Seattle's Affordability Crisis















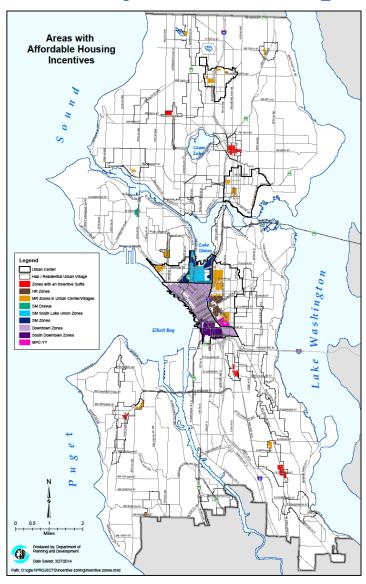
Mandatory Inclusionary Housing Proposal



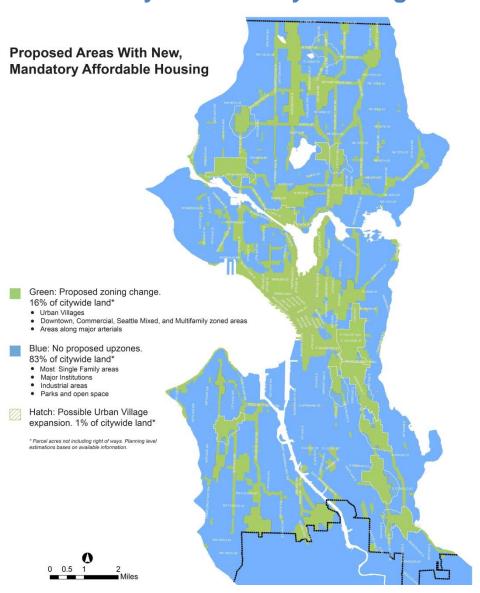
An Action Plan to Address Seattle's Affordability Crisis



Voluntary Incentive Zoning



Mandatory Inclusionary Housing

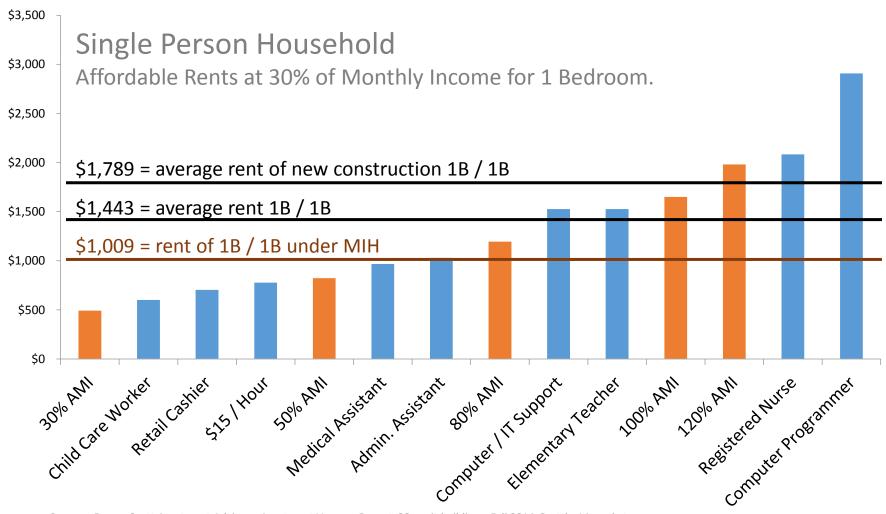




An Action Plan to Address Seattle's Affordability Crisis



MIH Impact on affordability of rent

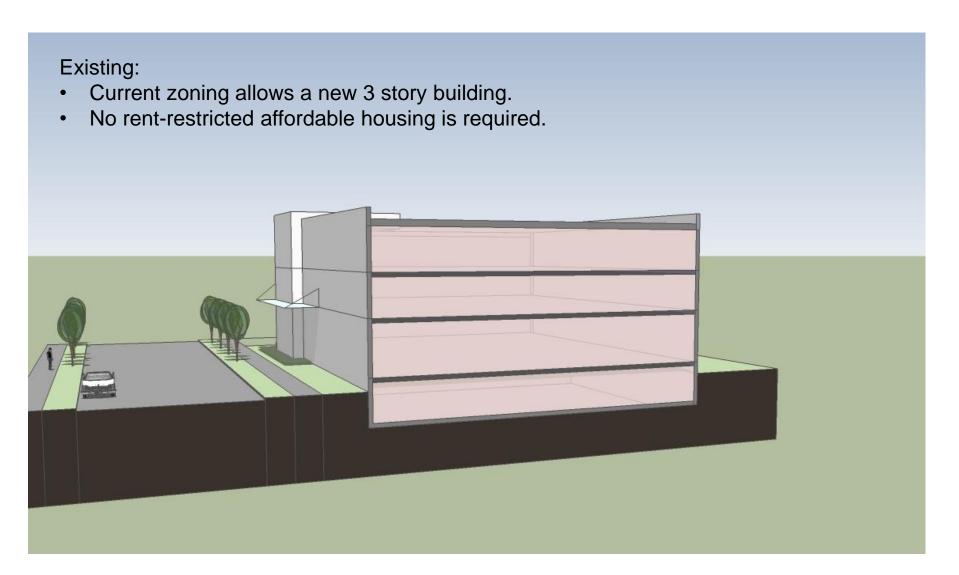




An Action Plan to Address Seattle's Affordability Crisis



How Mandatory Inclusionary Housing (MIH) works

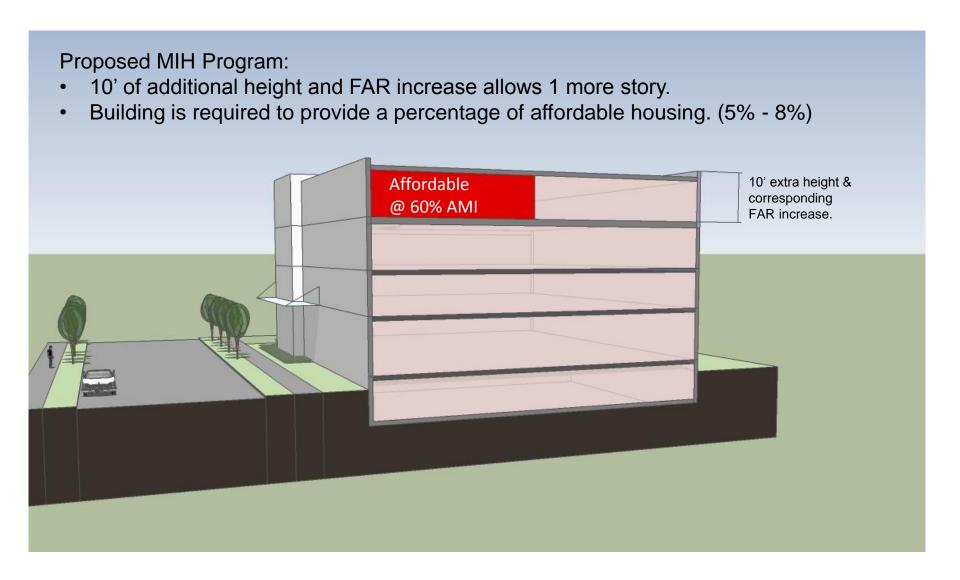




An Action Plan to Address Seattle's Affordability Crisis



How Mandatory Inclusionary Housing (MIH) works



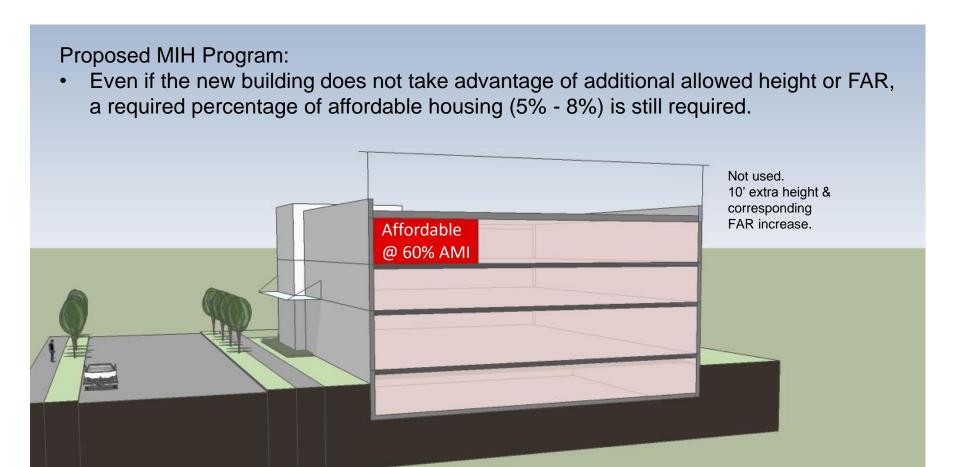


An Action Plan to Address Seattle's Affordability Crisis

A1



How Mandatory Inclusionary Housing (MIH) works





An Action Plan to Address Seattle's Affordability Crisis



Example of Potential Zoning Changes In An Urban Village

Existing Lowrise Multifamily Zoning

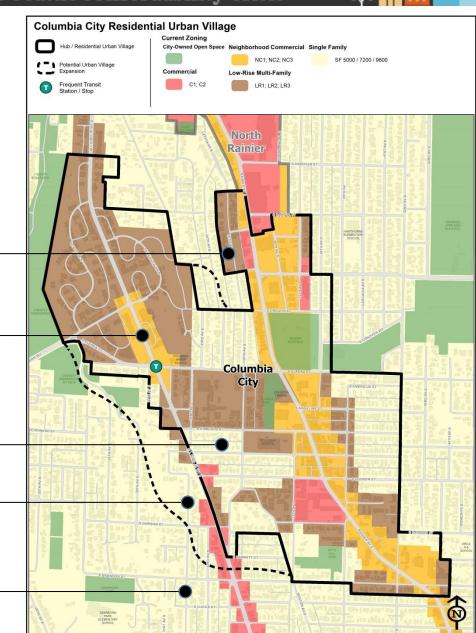
Increase amount of FAR, allowable density, or 1 extra story of height.

Existing Lowrise Neighb. Comm. Zoning Increase amount of FAR, and 1 extra story of height.

SF Zoning Already Within Urban Village Change to Lowrise or Residential Small Lot (RSL) zoning.

SF Zoning Within Transit Walkshed Evaluate change to Residential Small Lot (RSL) or Lowrise.

SF Zoning Other Areas
No change.





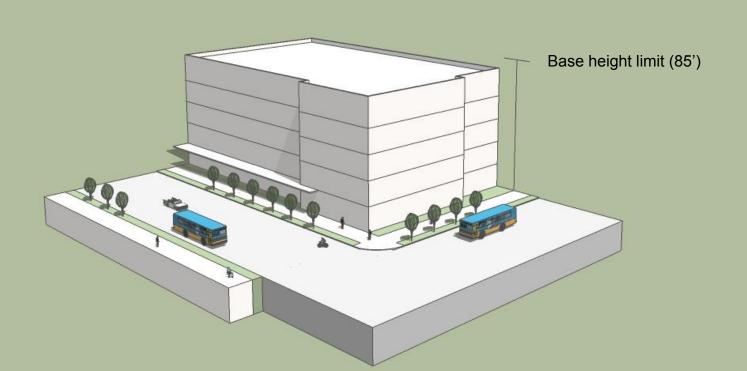
An Action Plan to Address Seattle's Affordability Crisis



How Mandatory Inclusionary Housing (MIH) Works: Downtown / SLU

Current Incentive Zoning Program:

 A residential building that builds to the base height limit is not required to contribute to or provide any affordable housing.

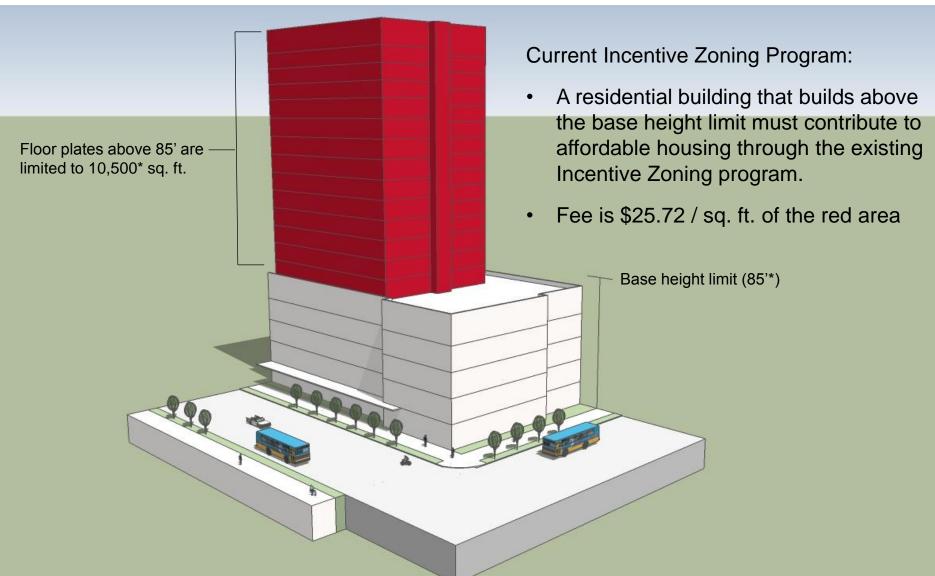




An Action Plan to Address Seattle's Affordability Crisis



How Mandatory Inclusionary Housing (MIH) Works: Downtown / SLU

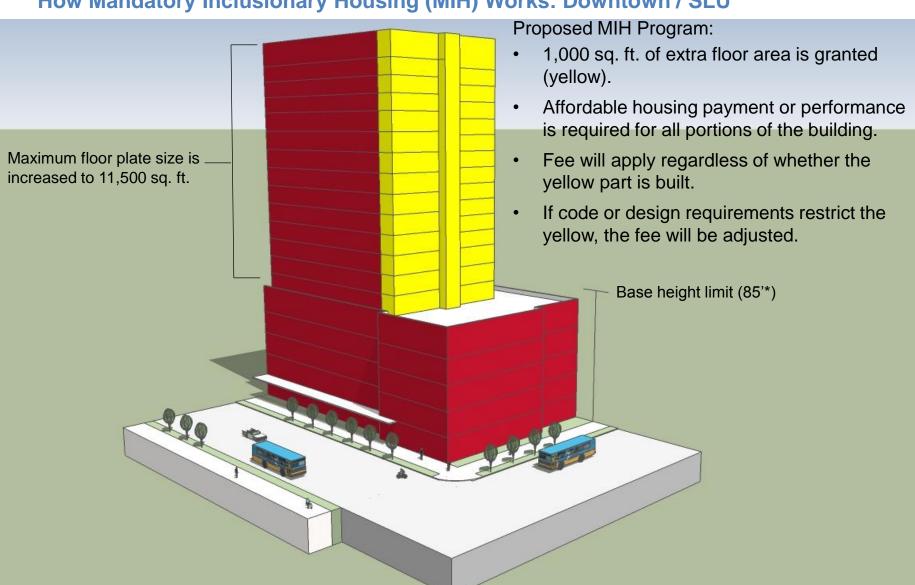




An Action Plan to Address Seattle's Affordability Crisis



How Mandatory Inclusionary Housing (MIH) Works: Downtown / SLU

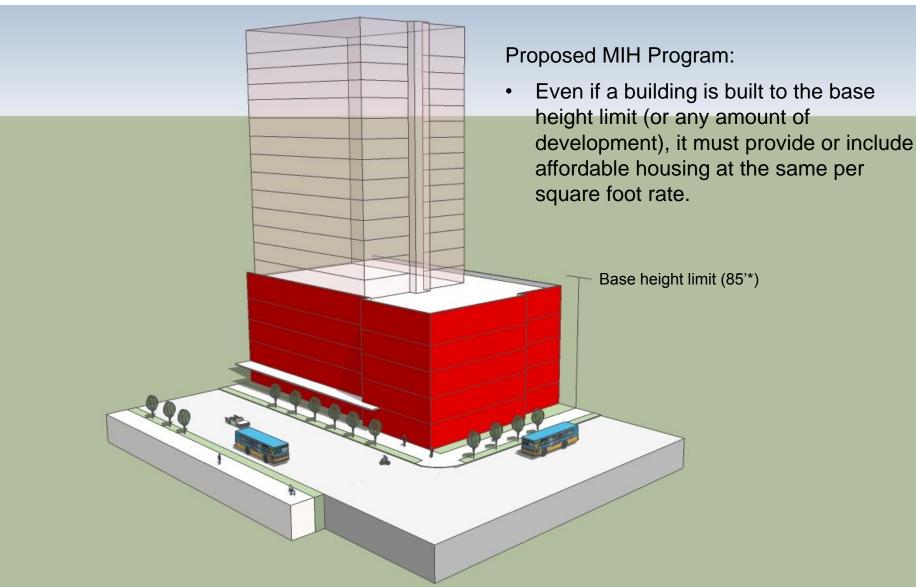




An Action Plan to Address Seattle's Affordability Crisis



How Mandatory Inclusionary Housing (MIH) Works: Downtown / SLU





An Action Plan to Address Seattle's Affordability Crisis

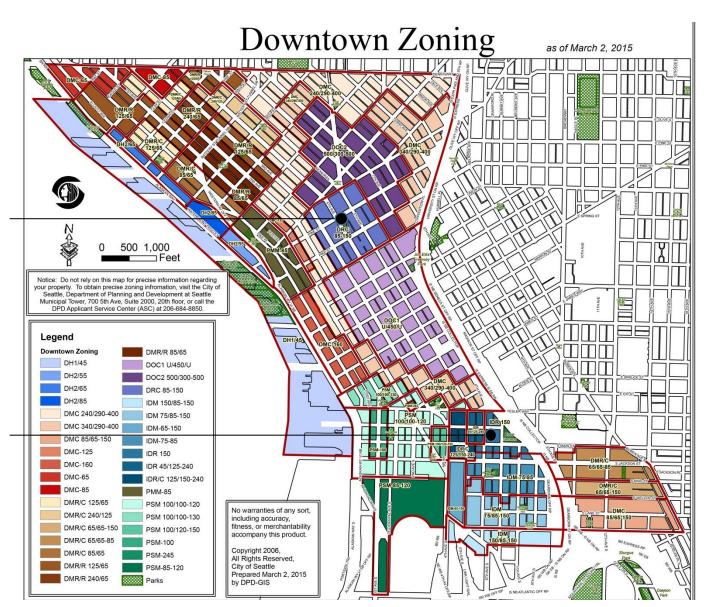


Example of Potential Zoning Changes In Downtown / SLU

Most Downtown Zones
Increase allowed FAR by ~1.0,
or allowed residential floor
plate size by 1,000 sq. ft.

Some Constrained or Residentially-Focused Zones

Only increase residential capacity, such as residential height limit by about 1 story. (ie. Harborfront zones, International District Residential zones.)





An Action Plan to Address Seattle's Affordability Crisis



Timeline for MIH Implementation

Ongoing
Community
Outreach and
Engagement

Legislation Schedule		
Sept 2015	MIH Resolution	
Q2 2016	MIH Framework Legislation	
Q2 2016	Zoning changes in downtown, South Lake Union, University District and 23 rd Avenue	
Q1 2017	Zoning changes to single family inside Urban Villages, expansion of Urban Village boundaries, along transit corridors	
Q3 2017	Zone-wide zoning changes to Lowrise, Midrise, Commercial, Neighborhood Commercial, etc.	