

Strategy for Housing Affordability through New Development

The City of Seattle is committed to a goal of building or preserving 20,000 affordable homes as part of an overall strategy to build 50,000 homes over the next 10 years. As a crucial element of reaching the affordability goals, the City is proposing a bold 2-part strategy that welcomes developers as a partner in the production of over 6,000 homes affordable to households with incomes up to 60% of area median income. The strategy has two separate frameworks, one for residential development and one for commercial development:

- **Mandatory Inclusionary Housing** – New construction residential development in multifamily and mixed use areas across the city will include affordable housing. Mandatory Inclusionary Housing will be implemented pending approval of rezones allowing additional height or density.
- **Commercial Linkage Fee** – New construction commercial development will help fund production and preservation of affordable housing throughout Seattle through payment of a per square foot Commercial Linkage Fee. Similar to Mandatory Inclusionary Housing, Commercial Linkage Fee will be implemented upon approval of rezones.

	Mandatory Inclusionary Housing	Commercial Linkage Fee
<i>Basic concept</i>	<ul style="list-style-type: none"> • Mandatory requirement – affordable housing included in all new construction multifamily and mixed-use development • As an alternative, a fee can be paid or housing can be built off-site as approved by the City 	<ul style="list-style-type: none"> • Mandatory requirement – affordable housing provided by payment of fee to City for new construction commercial development • As an alternative, housing can be built on- or off-site, as approved by the City
<i>Affordability and Fees</i>	<ul style="list-style-type: none"> • Between 5-7% of total units in new multifamily residential developments will be affordable to households with incomes at or below 60% of area median income. • Amount of affordable housing required (and in-lieu fees) is based on value of upzones, and varies by market and construction type. 	<ul style="list-style-type: none"> • Fees will fund housing at all ranges of affordability (0% - 80% AMI), but predominantly at or below 60% of area median income. • Fees are based on value of upzones, and vary by market and construction type.
<i>Multifamily, Mixed-use, and Commercial Zones under 85'</i>	<ul style="list-style-type: none"> • Rezone specified areas (see table below) to provide additional residential development capacity. • In addition, roughly 6% of Single Family zones – within or near urban villages and along transportation corridors – will be rezoned to Lowrise. 	<ul style="list-style-type: none"> • Rezone specified areas (see table below) to provide additional commercial development capacity.
<i>Zones that allow Highrise Development</i>	<ul style="list-style-type: none"> • Buildings will be allowed an extra ~ 1,000 square feet per floor. • Fees are based on existing incentive zoning for affordable housing. 	<ul style="list-style-type: none"> • Buildings will be allowed the equivalent of one extra floor in buildable area. • Fees are based on existing incentive zoning for affordable housing.
<i>Flexibility</i>	<ul style="list-style-type: none"> • When possible, code flexibility will be provided to accommodate this additional capacity, and in the limited cases when it cannot, fees will be adjusted. 	<ul style="list-style-type: none"> • When possible, code flexibility will be provided to accommodate this additional capacity, and in the limited cases when it cannot, fees will be adjusted.
<i>Timeline and Implementation</i>	<ul style="list-style-type: none"> • In 2015, the City aims to adopt a resolution with an implementation plan for completing the proper environmental review, program development and legislative process by September 2017. • To facilitate faster implementation, Mandatory Inclusionary Housing will be 	<ul style="list-style-type: none"> • In 2015, the City aims to adopt a Commercial Linkage Fee ordinance. • The program will be phased-in over 3 years. Over that time, commercial property will be zoned to greater capacity and linkage fees will come into effect with the implementation of this additional capacity.

	<p>considered as part of neighborhood upzones in progress and for areas where environmental reviews were recently completed.</p> <ul style="list-style-type: none"> The City's existing incentive zoning will remain in effect until Mandatory Inclusionary Housing is implemented. 	<ul style="list-style-type: none"> The fee schedule would be set for 10 years (indexed for CPI) with additional changes subject to the Mayor and the Council undertaking a specified Technical Review Committee process. The City's existing incentive zoning will remain in effect until Commercial Linkage Fee is implemented.
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Proposed Zone-Wide Changes for Multifamily and Mixed-Use Zones under 85'

Note: Current modeling is based on proposed zone changes below. Final zoning changes will be subject to program design and the legislative process.

Zone Name	Current	Proposed Change
LR1	FAR: 1.1 Height: 30' (Apt Density: 1/2,000 sf)	Remove apt. density limit. (No other height / FAR changes needed)
LR2	FAR: 1.2 Height: 30'	FAR ~1.3 Height 40'
LR3	Outside UVs: FAR 1.5, Height 30' Inside UVs: FAR 2.0, Height 40'	Outside UVs: FAR ~1.7, height 40' Inside UVs: FAR ~2.2, height 55'
NC-30 (becomes NC-40)	FAR: 2.5 Height: 30'	FAR 3.0 Height 40'
NC-40 (becomes NC-55)	FAR: 3.25 Height: 40'	FAR: 3.75 Height: 55'
NC-65 (becomes NC-75)	FAR: 4.75 Height: 65'	FAR: 5.5 Height: 75'
NC-85 (merge into NC-125)	FAR: 6.0 Height: 85'	FAR: 6.0 Height: 125'
C-30 (becomes C-40)	FAR: 2.5 Height: 30'	FAR 3.0 Height 40'
C-40 (becomes C-55)	FAR: 3.25 Height: 40'	FAR: 3.75 Height: 55'
C-65 (becomes C-75)	FAR: 4.75 Height: 65'	FAR: 5.5 Height: 75'
C-85 (merge into C-125)	FAR: 6.0 Height: 85'	FAR: 6.0 Height: 125'
IC	FAR: 2.5 (outside Stadium T.O.) FAR: 3 (in Stadium T.O.)	FAR: 3.0 FAR: 3.5