

Amendment B7: Use of cash contributions for homeownership v.2

Primary Sponsor: Councilmember Herbold

Background:

This amendment would require that at least five percent of revenue from the Mandatory Housing Affordability – Commercial (MHA – C) and Mandatory Housing Affordability – Residential (MHA – R) programs be allocated for capital investment in homeownership projects.

Under the current framework cash contributions from the payment option may be used for either rental or ownership housing. However, the framework does not prescribe a minimum allocation for either type of project.

Notes:

Double underlines indicate new language to be added.

~~Double strikethroughs~~ indicate language proposed to be removed.

A dashed underline indicates that language that was proposed to be deleted that would be retained by this amendment.

### Amendments

Amend Section 94 of Council Bill 119444 to amend section 23.58B.040 to establish a minimum allocation for home-ownership projects:

Section 94. Section 23.58B.040 of the Seattle Municipal Code, last amended by Ordinance 125371, is amended as follows:

#### **23.58B.040 Mitigation of impacts—payment option**

\*\*\*

#### B. Deposit and use of cash contributions

1. Cash contributions shall be deposited by the Director of Housing in a special account established solely for preservation and production of housing affordable for renter households with incomes no higher than 60 percent of median income and for owner households

with incomes no higher than 80 percent of median income. Earnings on balances in the special account shall accrue to that account.

2. Use of cash contributions shall support the preservation and production of renter-occupied housing within the city of Seattle, or the preservation and production of owner-occupied housing within the city of Seattle, as follows. Rental housing supported by the cash contributions shall be rent- and income-restricted to serve households with incomes no higher than 60 percent of median income for a minimum period of 50 years, with an expectation of ongoing affordability. ~~((Use of cash contributions may also include capital expenditures for development of owner-occupied housing within the city of Seattle.))~~ At least 5 percent of total cash contributions on a yearly basis shall be used for capital expenditures for development of owner-occupied housing. Owner-occupied housing supported by the cash contributions shall be priced to serve and sold to households with incomes no higher than 80 percent of median income, with resale restrictions for a minimum period of 50 years, with an expectation of ongoing affordability.

\*\*\*

Amend Section 97 of Council Bill 119444 to amend section 23.58C.040 to establish a minimum allocation for home-ownership projects:

Section 97. Section 23.58C.040 of the Seattle Municipal Code, last amended by Ordinance 125371, is amended as follows:

**23.58C.040 Affordable housing— ~~((Payment))~~ payment option**

\*\*\*

B. Use of cash contributions

1. The Director of Housing shall be authorized to accept all cash contributions on behalf of the City. Cash contributions shall be deposited by the Director of Housing in a special account and shall be used for purposes authorized by RCW 36.70A.540. Earnings on balances in the special account shall accrue to that account. At least 5 percent of total cash contributions on a yearly basis shall be used to support ownership housing.

2. Income levels

a. Rental housing supported by cash contributions shall be rent- and income-restricted to serve households with incomes no greater than 60 percent of median income for a minimum period of 50 years, with an expectation of ongoing affordability.

b. Ownership housing supported by cash contributions shall be priced to serve and sold to households with incomes no greater than 80 percent of median income for a minimum period of 50 years, with an expectation of ongoing affordability.

\*\*\*