

# 2018 Status Report on MHA Production

Presentation to the Seattle City Council  
Select Committee for Mandatory Housing Affordability

Monday, July 16, 2018, 10:30 A.M.



**Seattle**  
Office of Housing

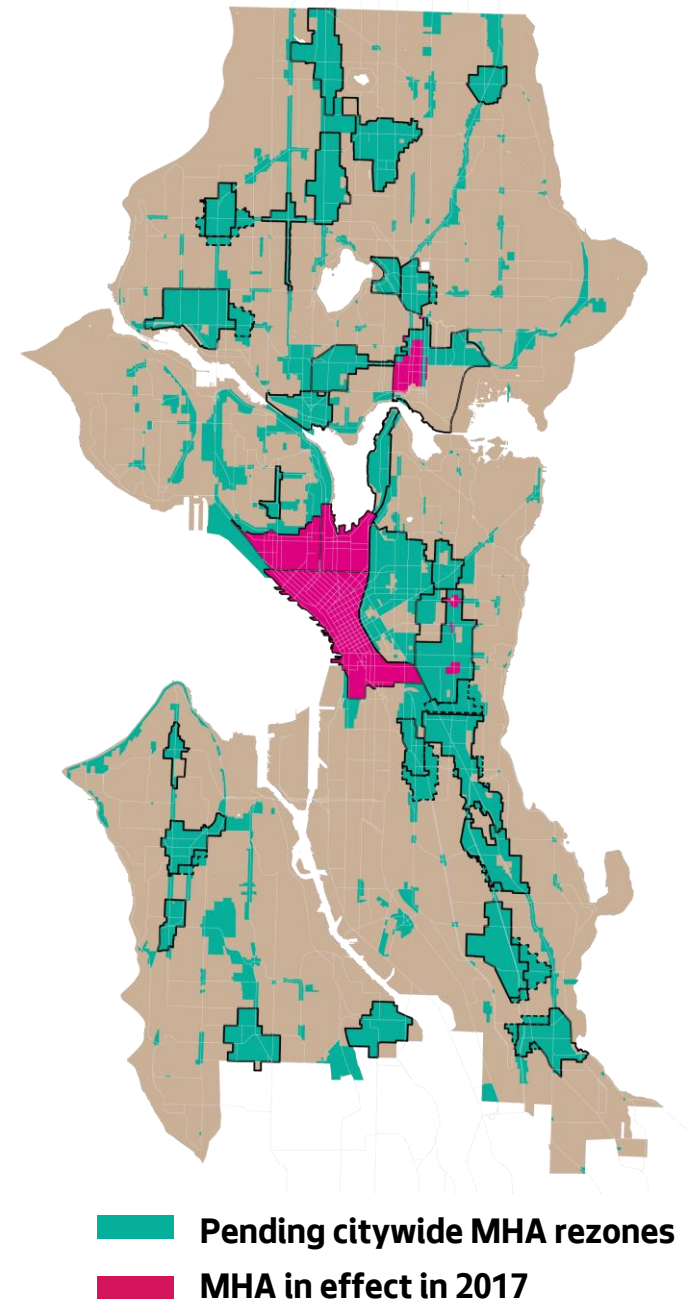
# MHA Affordable Housing Outcomes

- 10-Year Goal: 6000+ units affordable to households at <60% of AMI
- Two ways to comply with MHA:
  - Performance: create new affordable homes on-site
  - Payment: contribute to affordable housing fund to create high-quality affordable units throughout the city



## Status of MHA Pipeline

- MHA requirements apply only to projects that vest *after* MHA rezone adoption dates in relevant zones.
- Developer contributions under MHA are considered “final” just prior to issuance of building permits.
- At the time of 2017 reporting, MHA had been in effect in five urban centers or urban villages for fewer than 12 months.
  - Most projects that started permitting process in 2017 will make their developer contributions during the 2018 or 2019 reporting periods.



# Annual Report: MHA Projects in 2017

- As of December 31, 2017 four projects made developer contributions under MHA code (SMC 23.58B and 23.58C).
- Three of these projects vested before MHA requirements were fully in place, resulting in “modified” MHA payments or performance.

| Address                      | MHA-R or MHA-C | Payment or Performance   | Payment Amount Collected | Performance Units Planned | Affordability Level | Urban Center or Urban Village    |
|------------------------------|----------------|--|--------------------------|---------------------------|---------------------|----------------------------------|
| 1. 5001 Brooklyn Ave NE      | MHA-R          | Modified performance   |                          | 4                         | 40% AMI             | University District              |
| 2. 2220 E Union St           | MHA-C<br>MHA-R | MHA-C: Modified payment<br>MHA-R: Modified performance               | \$62,856 <sup>1</sup>    | 4                         | 60% AMI             | 23 <sup>rd</sup> & Union-Jackson |
| 3. 429 2 <sup>nd</sup> Ave W | MHA-R          | Modified performance   |                          | 8                         | 60% AMI             | Uptown                           |
| 4. 743 N 35 <sup>th</sup> St | MHA-R          | Performance  | \$37,949 <sup>2</sup>    | 3                         | 60% AMI             | Fremont                          |
| <b>Total</b>                 |                | \$62,856 in modified payments<br>\$37,949 in unmodified MHA payments |                          | 19                        |                     |                                  |

<sup>1</sup> Because this payment amount was calculated based on modified MHA code requirements, for investment purposes it is not treated as an MHA payment.

<sup>2</sup> Projects that choose the performance option, and whose performance calculation includes a fractional unit, may elect to make a payment for the fraction of a unit not provided.

# MHA Affordable Housing Requirement: Payment or Performance

- Payment and performance both create high quality affordable housing.
- Payment and performance both support economic integration.  
There is no strong evidence of a meaningful difference in outcomes from integration at building level compared to community level.
- Payment and performance levels will be set to provide a choice between options.



# Policy Outcomes Supported by Payment

**Greater Production:** In all zones, payments yield more affordable housing than would be produced on-site. A performance-only program would not produce 6,000 units. Payments leverage significant private capital.

## **Strong Equity Outcomes:**

- Affordable projects near transit investments
- Investment in areas with high risk of displacement
- Community-oriented ground floor spaces/uses
- Preservation of existing housing
- Creation of family friendly housing
- Labor equity and sustainability requirements in funded housing

**Geographic Diversity:** Affirmatively further fair housing through affordable housing investments in neighborhoods throughout Seattle, including in high cost areas. Criteria in legislation sets out framework for investment.

# Affordable Housing @ Transit Stations



Capitol Hill Station  
Capitol Hill Housing



Roosevelt TOD  
Bellwether Housing and Mercy Housing NW



Mercy Othello Plaza  
Mercy Housing NW

# Family-Friendly Affordable Housing



Plaza Roberto Maestas  
El Centro de la Raza/Beacon Development



Arbora Court  
Bellwether Housing



Habitat 35<sup>th</sup> @ Lake City Family Housing  
Low Income Housing Institute



The Tony Lee – Lake City Family Housing  
Low Income Housing Institute



# Affordable Housing with Community-Oriented Uses



Liberty Bank Building  
Africatown/Capitol Hill Housing



Uncle Bob's Place  
Interim Community Development Association



The Marion West  
Low Income Housing Institute



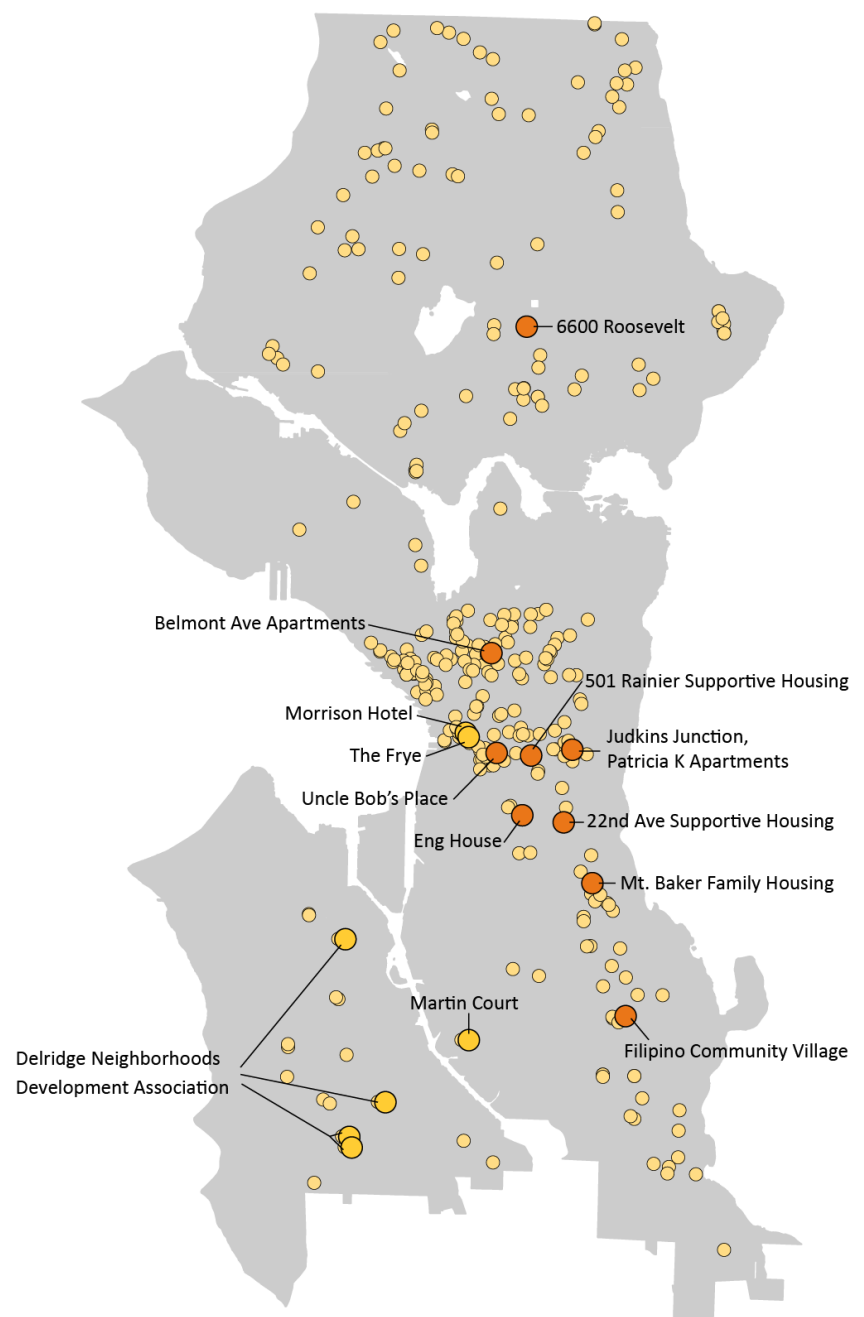
Filipino Community Village  
Filipino Community of Seattle/Human Good

# 37 Year Track Record of Investing in Affordable Housing

## City-funded Affordable Rental Housing

- 2017 Rental Investments (New)
- 2017 Rental Reinvestments (Rehabilitation)
- Previously Funded Rental Housing Portfolio

Source: Office of Housing





# Seattle Office of Housing

