

Implementation of Mandatory Housing Affordability (MHA) in Downtown/SLU

a program of the
Housing Affordability and Livability Agenda



Public Hearing
March 13, 2017

What is MHA?



Creating more affordable housing through *growth*

- This new income- and rent-restricted housing would help our low income community members—such as seniors, artists, and working families.

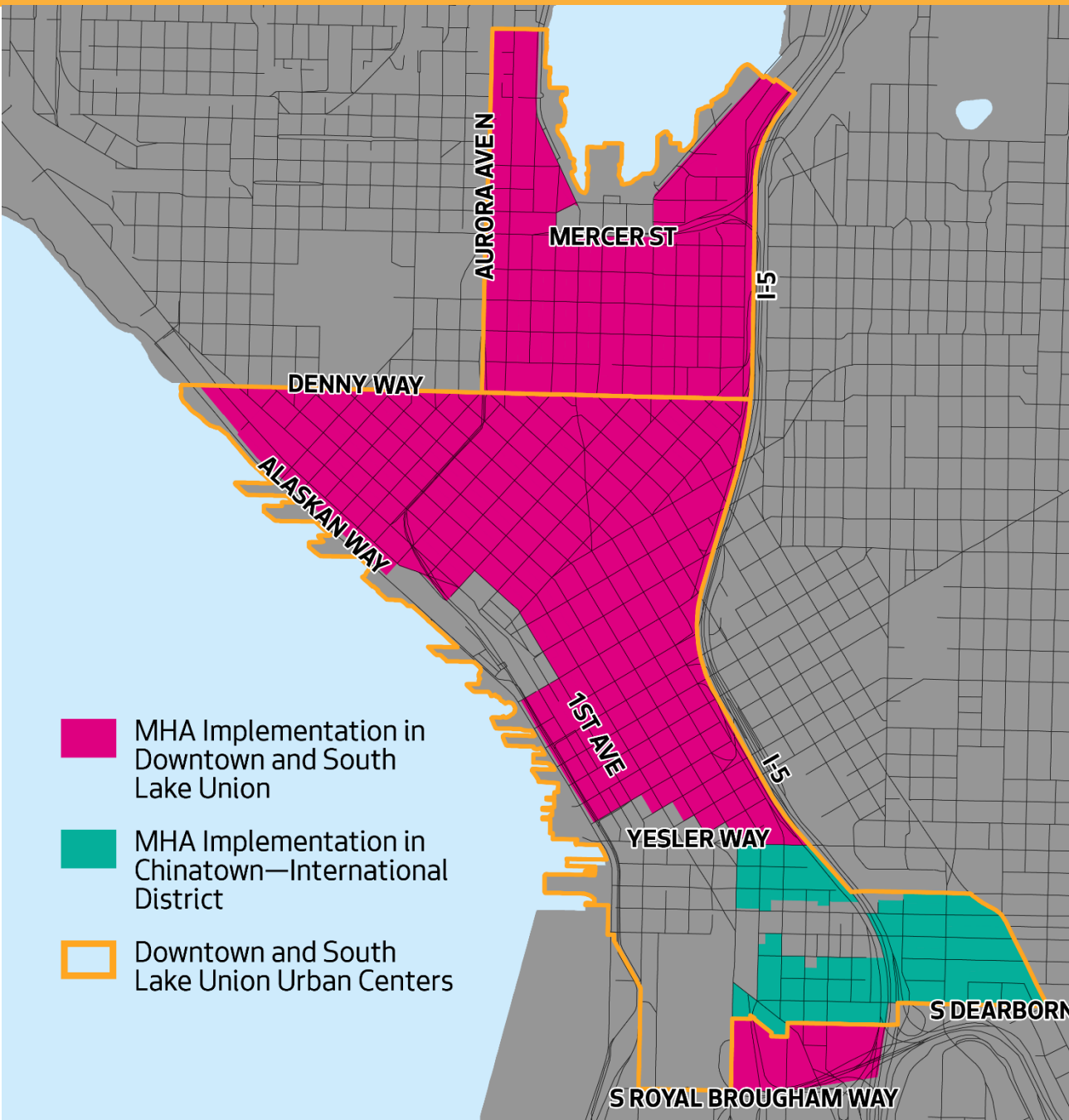


Public Engagement



- We hosted two open houses and attended 15 meetings where the community already meets.
- What we heard:
 - Broad support for basic concept
 - Desire for more affordable housing in Downtown & SLU
 - Preference for taller rather than wider buildings
 - Concern about historic areas
- How it changed the proposal:
 - Extra capacity changed from extra width to extra height
 - Historic Districts & Protected View Corridors exempted

Areas where MHA would apply



Excludes

- Pioneer Sq and Pike Place National Historic Districts
- Pike Place view corridor
- Historic piers
- SLU lakefront
- Chinatown/ID (addressed in separate legislation)



Approach is based on negotiated agreement between affordable housing organizations, market-rate developers and others aimed at balancing many factors, including:

- Needs for both affordable and market-rate units
- Most Downtown/SLU zones have incentive zoning requirements that will continue to provide non-housing benefits for extra floor area
- Additional capacity is generally high-cost construction (steel and concrete, elevators, enhanced seismic requirements)
- Percent change in capacity is small compared to many areas of city
- Value of additional capacity is generally greater for commercial than residential development in Downtown/SLU
- Proposal shifts voluntary requirement on upper floors to mandatory requirement on all floors

Incentive Zoning



Projects using additional height or floor area must:

- Acquire TDR from open space, landmarks, or regional farms and forests;
- Provide Privately Owned Public Space (POPS); or
- Provide green street improvements

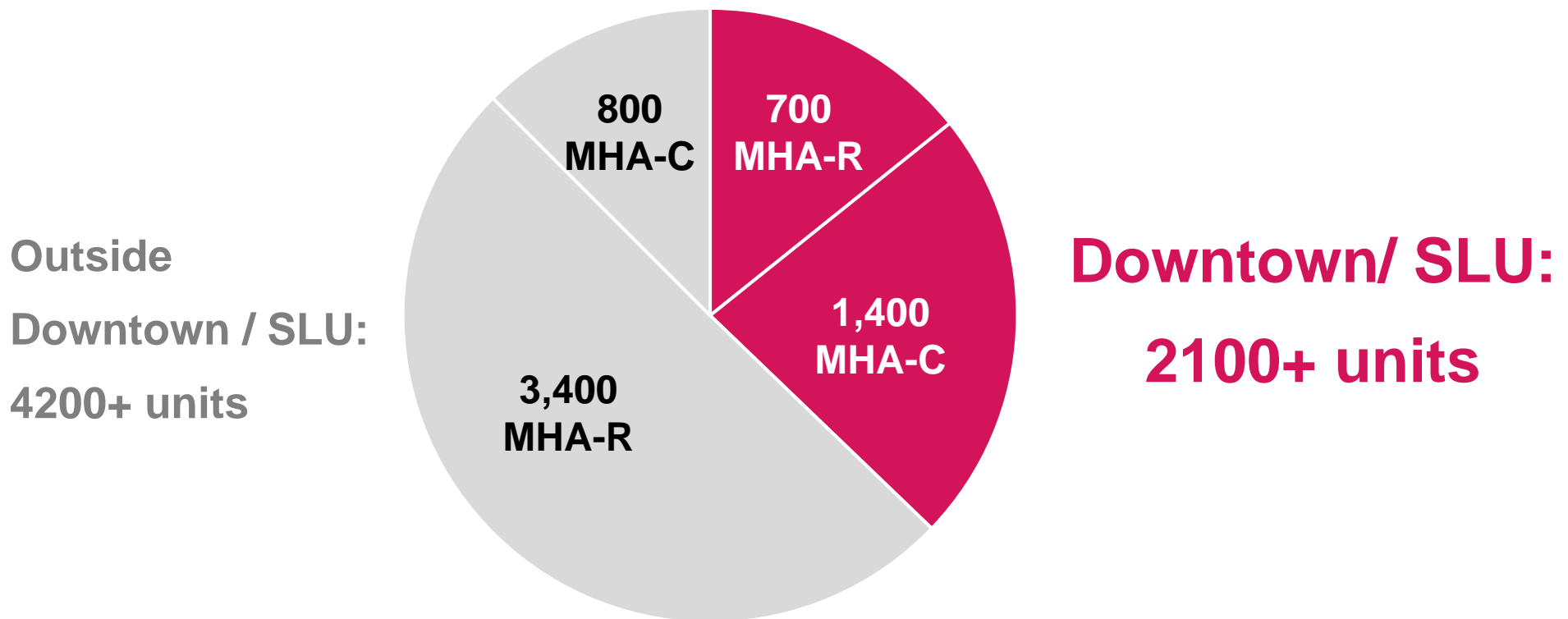
Commercial properties also contribute to childcare



Downtown/SLU Production



Downtown/SLU is expected to produce over one-third of the 10-year goal of 6,000 net rent- and income-restricted affordable units.



Estimated 10-Year MHA Unit Production

How MHA Works



New development capacity: varies by zone

- Commercial: Additional 0.5 to 1.0 FAR
- Residential Towers: Additional Height

Zones with heights of 85 feet or less	+10 feet
DMC-160	+10 feet
Zones with heights of 125 or 150 feet	+20 feet
Zones with heights of 240 or 400 feet	+40 feet
DOC2 (Height of 500 feet)	+50 feet
DOC1	+1,000 sf tower floor plate

New MHA requirements: vary by zone

	Payment	Performance	Units
Residential	\$7.50 – \$13.00*	2.9% – 5.0%*	700
Commercial	\$8.00 – \$17.50	5.0% – 10.6%	1,400

* except in DMC 160: \$5.50 and 2.1%

Outcomes



Expected outcomes from development over 20 years

- 21,000 new market-rate homes
- 53,000 new jobs
- \$90 million in TDR, open space, and Green Street investments
- **2,100 new affordable homes over 10 years**

6,000 new affordable homes



thank you.



HOUSING AFFORDABILITY
AND LIVABILITY AGENDA

MHA Payment and Performance Examples



Project example	Requirement	Performance outcome	Payment outcome
35-story commercial tower <ul style="list-style-type: none"> • DOC2 zone • Half block • 550,000 gross sqft 	8.6% or \$14.25/sqft + Incentive Zoning	74.0 affordable homes	93 affordable homes (\$7.8M)
		\$2.0M in TDR, POPS, or combination	
44-story residential tower <ul style="list-style-type: none"> • SM-SLU 240/125-440 zone • Quarter block • 630 total homes • 500,000 gross sqft 	3.9% or \$10.00/sqft + Incentive Zoning	24.6 affordable homes	59.4 affordable homes (\$5.0M)
		\$2.4M in TDR, POPS, or combination	