

# 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 over the next 10 years. 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 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.

	<b>Mandatory Inclusionary Housing</b>	<b>Commercial Linkage Fee</b>
<i>Basic concept</i>	<ul style="list-style-type: none"> <li>• Mandatory requirement – affordable housing included in all new construction multifamily and mixed-use development</li> <li>• As an alternative, a fee can be paid or housing can be built off-site as approved by the City</li> </ul>	<ul style="list-style-type: none"> <li>• Mandatory requirement – affordable housing provided by payment of fee to City for new construction commercial development</li> <li>• As an alternative, housing can be built on- or off-site, as approved by the City</li> </ul>
<i>Affordability and Fees</i>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Amount of housing requirement (and in-lieu fees) are based on value of upzones, and vary by market and construction type.</li> </ul>	<ul style="list-style-type: none"> <li>• Fees will fund housing at all ranges of affordability (0% - 80% AMI), but predominantly at or below 60% of area median income.</li> <li>• Fees are based on value of upzones, and vary by market and construction type.</li> </ul>
<i>Multifamily, Mixed-use, and Commercial Zones under 85'</i>	<ul style="list-style-type: none"> <li>• Rezone specified areas (see table below) to provide additional residential development capacity.</li> <li>• In addition, roughly 6% of Single Family zones – within or near urban villages and along transportation corridors – will be rezoned to Lowrise.</li> </ul>	<ul style="list-style-type: none"> <li>• Rezone specified areas (see table below) to provide additional commercial development capacity.</li> </ul>
<i>Zones that allow Highrise Development</i>	<ul style="list-style-type: none"> <li>• Buildings will be given an extra roughly 1,000 square feet per floor.</li> <li>• Fees are based on existing incentive zoning for affordable housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Buildings will be given the equivalent of one extra floor in buildable area (1 FAR).</li> <li>• Fees are based on existing incentive zoning for affordable housing.</li> </ul>
<i>Flexibility</i>	<ul style="list-style-type: none"> <li>• When possible, code flexibility will be provided to accommodate this additional capacity, and in the limited cases when it cannot, fees will be adjusted.</li> </ul>	<ul style="list-style-type: none"> <li>• When possible, code flexibility will be provided to accommodate this additional capacity, and in the limited cases when it cannot, fees will be adjusted.</li> </ul>
<i>Timeline and Implementation</i>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• To facilitate faster implementation, Mandatory Inclusionary Housing will be</li> </ul>	<ul style="list-style-type: none"> <li>• In 2015, the City aims to adopt a Commercial Linkage Fee ordinance.</li> <li>• 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.</li> </ul>

	<p>considered for neighborhood upzones in progress and areas where environmental reviews were recently completed.</p> <ul style="list-style-type: none"> <li>The City's existing incentive zoning will remain in effect until Mandatory Inclusionary Housing is implemented.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>The City's existing incentive zoning will remain in effect until Commercial Linkage Fee is implemented.</li> </ul>
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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
<b>LR1</b>	FAR: 1.1 Height: 30' (Apt Density: 1/2,000 sf)	Remove apt. density limit. (No other height / FAR changes needed)
<b>LR2</b>	FAR: 1.2 Height: 30'	FAR ~1.3 Height 40'
<b>LR3</b>	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'
<b>NC-30</b> (becomes NC-40)	FAR: 2.5 Height: 30'	FAR 3.0 Height 40'
<b>NC-40</b> (becomes NC-55)	FAR: 3.25 Height: 40'	FAR: 3.75 Height: 55'
<b>NC-65</b> (becomes NC-75)	FAR: 4.75 Height: 65'	FAR: 5.5 Height: 75'
<b>NC-85</b> (merge into NC-125)	FAR: 6.0 Height: 85'	FAR: 6.0 Height: 125'
<b>C-30</b> (becomes C-40)	FAR: 2.5 Height: 30'	FAR 3.0 Height 40'
<b>C-40</b> (becomes C-55)	FAR: 3.25 Height: 40'	FAR: 3.75 Height: 55'
<b>C-65</b> (becomes C-75)	FAR: 4.75 Height: 65'	FAR: 5.5 Height: 75'
<b>C-85</b> (merge into C-125)	FAR: 6.0 Height: 85'	FAR: 6.0 Height: 125'
<b>IC</b>	FAR: 2.5 (outside Stadium T.O.) FAR: 3 (in Stadium T.O.)	FAR: 3.0 FAR: 3.5