

# Middle Income Housing

## Goal Discussion

July 19, 2016



# Current Goal

- 450 permanently affordable middle income housing units
- The city currently has 107 deed restricted middle income units

24% of goal; or

.002% of overall housing units (45,373 units)

# What is the Problem?

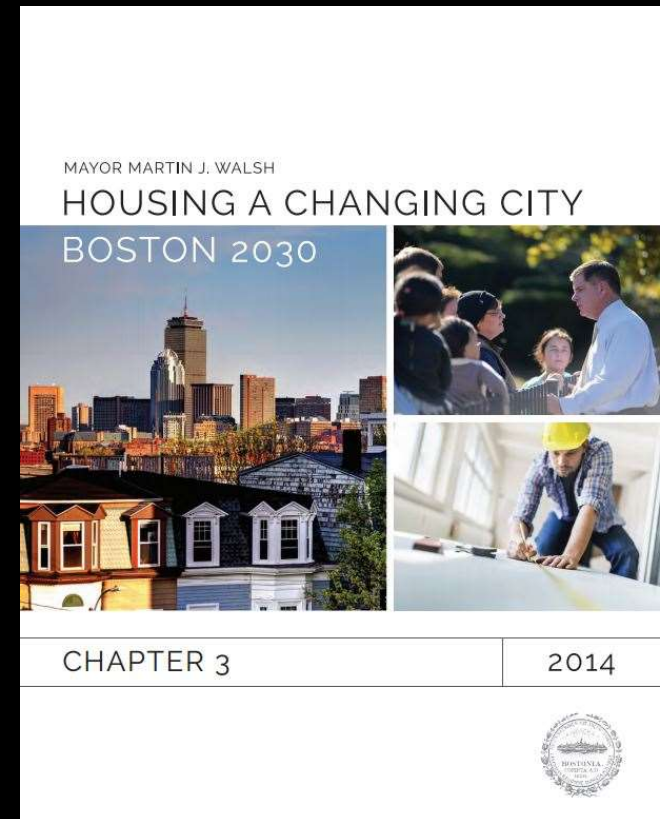
- Current goal is not sufficient to be meaningful
- Currently, just one middle income tool (annexation)
- Deed restricted middle income rental is problematic
  - No additional community benefit (exists on market)
  - Would compete with unrestricted market rental
  - Continue to track over time

# Cities with Recent Housing Strategies

New York City	Boston	Seattle
<b>Strategies</b>		
Housing New York (2015)	Housing a Changing City: Boston 2030 (2015?)	Housing Seattle: A Roadmap to an Affordable and Livable City, An Action Plan to Address Seattle's Affordability Crisis (2015)
<b>Middle Income Definitions</b>		
121-165% AMI (Moderate: 81%-120%)	MI: \$50K - \$125K	Not defined
<b>Approach</b>		
Emphasis on long-term affordability	Mixed (long-term affordability + market solutions)	Emphasis on market solutions

# Goal Setting: Boston

- **Boston Goal:** *Double middle-income housing production; 20,000 units by 2030 (4/5 market, 1/5 deed restricted)*
  - Focus: Workforce
  - Workforce Growth to 2030 adjusted to anticipate Aging in Place



# Goal Setting: Seattle

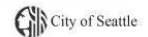
- **Seattle Goal:** *Create 30,000 market-rate housing units over the next 10 years*
  - Keep up with population growth (70,000 new units by 2035, Seattle 2035 Comprehensive Plan)

Housing Seattle: A Roadmap to an Affordable and Livable City

An Action Plan to Address Seattle's Affordability Crisis

July 13, 2015

Proposed by Mayor Ed Murray



# DRAFT Recommendation: Philosophy

- Based on values
  - What kind of community do we want to be?
  - Not unmet demand (too vast)
  - Not in-commuters (not appropriate) or workforce (too vast)
- Constrained by reality
  - Potential of various middle income tools
  - BVCP build out analysis
  - Recent construction and lending activity
- Be Bold(er)
  - If we work hard, we can get there

# 2015 BVCP Projections

Near Buildout - how many new units for the middle?

	Existing Dwelling Units	Additional Units in 2040	2040 Total Dwelling Units
City Limits	45,740	6,260	52,000
Area II	5,710	490	6,200
Total Service Area	51,450	<b>6,750</b>	58,200



# DRAFT Staff Recommendation

- Goal: **Build or preserve 5,000 middle income homeownership units** (10% of the overall housing stock) **by 2025**
- Sub Goal:
  - **1,000** (2% of the housing stock) of the units are **deed restricted** (tools + \$)
  - **4,000** (8% of the housing stock) of the units are **market rate** (tools)

# Be Bold: Potential Tools

1. Modify the current goal
2. Adopt policies and tools to preserve and create middle income housing
3. Identify funding options

## 2. Adopt policies and tools to preserve and create middle income housing

### A. Adopt policies requiring a higher level of community benefit for annexations

- require specific housing types that would be affordable to middle income households (attached, smaller in size, access to a yard, etc.) for both market and permanently affordable units

## 2. Adopt policies and tools to preserve and create middle income housing

B. Adopt policies and regulations providing guidance for community benefit for an increase in development potential (land use or zoning changes)

## 2. Adopt policies and tools to preserve and create middle income housing

### C. Explore options to amend the current Inclusionary Housing (IH) regulations

- require or incentivize on-site units
- increase IH requirements
- add a middle income housing requirement

## 2. Adopt policies and tools to preserve and create middle income housing

D. Identify barriers to smaller units and/or incentives for larger units and consider related regulatory and other changes

# Maintain the Middle Working Group



- Land Use Designation and Zoning Changes
- Cooperative Housing
- Occupancy Limits
- Height Limit
- Accessory Dwelling Units/Owner's Accessory Units
- Bonuses for Higher Affordability and Certain Housing Types

# Toolkit of Housing Options



B2. Homebuyer Assistance Programs

C2. Land Banking

C4. Historic Preservation of Smaller Houses and  
Accessory Buildings

D1. Employer-Assisted Housing

D2. Green and Location-Efficient Mortgages

F1. Homeowners' Association (HOA) Fee  
Affordability

F4. Rent Control



# Proposed Work Plan

1. Modify the current goal
2. Adopt policies and tools to preserve and create middle income housing
  - A. Adopt policies requiring a higher level of community benefit for annexations
  - B. Adopt community benefit policies and regulations for an increase in development potential
  - C. Explore options to amend the current Inclusionary Housing (IH) regulations
  - D. Identify barriers to smaller units and/or incentives for larger units
3. Identify funding options