

Upzones: What are they and what do they do?

What is upzoning?

Upzoning is just what it sounds like: growing a little taller to have more homes and businesses in our communities. In most areas of Seattle, this is a small addition—one or two stories. In busy, urban corridors like Downtown, South Lake Union, and the University District, it would be a few more floors.

Why upzone?

Families and individuals across Seattle are struggling to keep up with rising rents, and few can even imagine being able to purchase a home here. There are simply too many people for too few homes, and that fact is weighing heaviest on people with low and moderate incomes, who are forced to leave the city or work prohibitively long hours just to pay the rent each month.

Upzoning allows for new buildings to help meet our city's need for more homes. It means homes come in a variety of shapes and sizes to meet different people's needs and give them options. It means more people can live here and take advantage of the many opportunities and amenities that Seattle represents: good jobs, great schools, beautiful parks, good transit, rich cultural diversity, beautiful surroundings, and more.

Plus, this added height is paired with added affordability.

Seattle wants to make sure that as we build more homes, we make sure to support the families and individuals who are feeling the housing crunch the hardest. That's why we passed something called "Mandatory Housing Affordability" (MHA).

MHA requires that any new building taking advantage of the opportunity to build a little taller also contains a certain percentage of homes affordable to someone making 60% of area median income (in 2016, this figure was \$54,180 for a family of four). The percentage will vary depending on the location of the building, but taken together, MHA will unlock 6,300 affordable homes for families and individuals who need them.

Just how do these affordability percentages work?

Under MHA, builders will set aside 5-11% of the building for affordable homes. While that may not sound like a lot, this would achieve almost one-third of the 20,000 affordable homes Mayor Murray wants to build in the next 10 years. The City has also recently updated the affordability levels to provide additional protection to neighborhoods where current residents are most vulnerable to displacement.

If builders cannot or choose not to include the affordable homes directly, they will pay a fee which the City will use to build affordable homes elsewhere. This option makes sense for a few reasons:



Photo credit: Dan Bertolet

- **Tricky math:** A smaller project may not have enough units to accommodate that share of affordable homes. For example, what's 5-11% of an 8-unit building? Half of a unit?
- **Expanded resources:** When a developer chooses not to include affordable homes on-site, the payment is 10 percent higher than what the developer would have paid to build the units themselves.
- **Tax credits:** The City can make affordable housing dollars go further than an individual builder could. By using federal affordable housing tax credits, the City can leverage almost three dollars out of every dollar the builders pay, leading to more affordable homes overall.
- **City experience:** Seattle has decades of experience building successful affordable housing across the city in high-opportunity areas. Levying fees allows the City to take advantage of that experience to ensure a broad geographic spread of these homes.

Where are the upzones?

Seattle plans to upzone primarily in our opportunity-rich urban areas—main thoroughfares and their surroundings that we as a city designated as our “urban villages” over twenty years ago. These are hubs of neighborhood activity and places best equipped to accommodate some additional growth, and they are spread near and far throughout Seattle to ensure that every neighborhood does its part to help build a Seattle for everyone.

Upzones help build...

...More equitable and diverse neighborhoods.

- Living close to good jobs, transit, and services allows residents to spend less time and money commuting and running errands. This is especially critical for families and individuals with low incomes and for populations at risk of displacement, many of whom have limited access to jobs and services without public transit.
- Living in high-opportunity neighborhoods gives low-income residents a much better chance of climbing out of poverty than if they lived in low-opportunity neighborhoods.
- Providing affordable homes in high-opportunity neighborhoods means that a diverse range of families and individuals have access to the same opportunities to thrive.

...A healthier environment.

- People living close to everyday amenities significantly reduce their carbon footprint—city dwellers have a much smaller carbon footprint than the average citizen.
- Concentrating growth in Seattle’s urban corridors prevents sprawl and in turn preserves the region’s forests, parks, and natural areas that contribute so much to our quality of life.
- Residents in more concentrated neighborhoods use less electricity than in suburban neighborhoods, saving money and conserving energy.

...Healthier residents.

- Less car usage results in less pollution and cleaner air for residents to breathe.
- Building more homes in a resource-rich area helps create walkable neighborhoods, which encourage regular physical activity.
- Deaths from car crashes are more than two times less likely in urban areas than in rural areas.

...A stronger local economy.

- Residents have easier access to commercial options, resulting in shorter shopping trips and less time spent driving.
- Pedestrian- and bicycle-friendly neighborhoods brings more customers to local businesses – businesses in two New York neighborhoods saw significant sales increases after the City redeveloped neighborhood public space to make it more pedestrian-friendly.
- Driving less saves money – studies estimate that the average Seattleite who commutes by car could save almost \$12,000 per year if they began commuting by public transit.

What's happening now?

The U-District rezone passed on February 21st to become the first Seattle neighborhood subject to the new MHA regulations. The City Council's Planning, Land Use & Zoning Committee will now begin consideration of the Downtown/SLU rezone proposal. Over the course of the next year, the Council will consider several area-specific upzone plans as well as the citywide neighborhood plan. All elements of MHA are tentatively scheduled to be completed by summer of 2018.

Interested in getting more involved? Please contact Nicki Olivier Hellenkamp at nicki@housingconsortium.org or visit www.seattleforeveryone.org to learn more about MHA and how we are trying to make Seattle a more inclusive and equitable city.