2025 King County Countywide Housing Needs Assessment

Response to Expenditure Restriction 9

October 1, 2025

King County

DCHS

Department of Community and Human Services

Expenditure restriction 9

Of this appropriation, $150,000 shall be expended or encumbered solely to contract with a third party to conduct an updated countywide housing needs assessment for use by policy makers, planners, and researchers. The assessment shall include, but not be limited to, the following:

A. **Background and policy context,** including an update on King County's progress towards eliminating cost burden among King County's low-income households by 2040, and information about available data sources and data gaps;

B. **Population, workforce, and housing characteristics**;

C. **Housing supply and market trends** broken down by subarea and jurisdiction, area median income, and rental and housing ownership, including an estimate of units in the permitting pipeline or under construction by affordability level;

D. **Housing affordability for rental and home ownership** broken down by subregion and jurisdiction;

E. **Analysis of funding tools and funding levels** by subregion and jurisdictions; and

F. **A needs analysis to evaluate the gap between the region's housing inventory and housing needs of residents** by subregion and jurisdiction, including, where possible, new insights that can be used by policymakers, such as a comparison of need by household size and available bedroom units.

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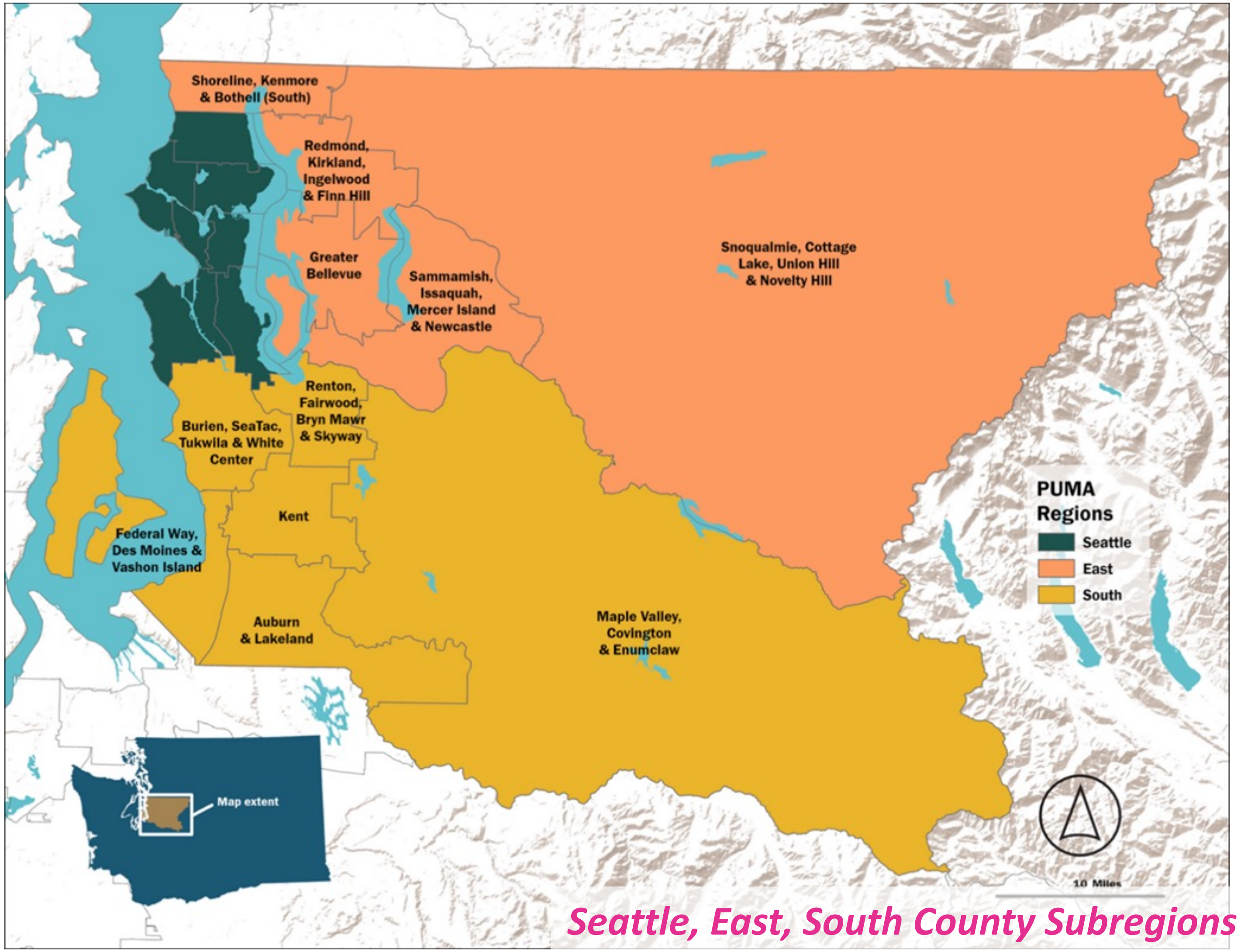
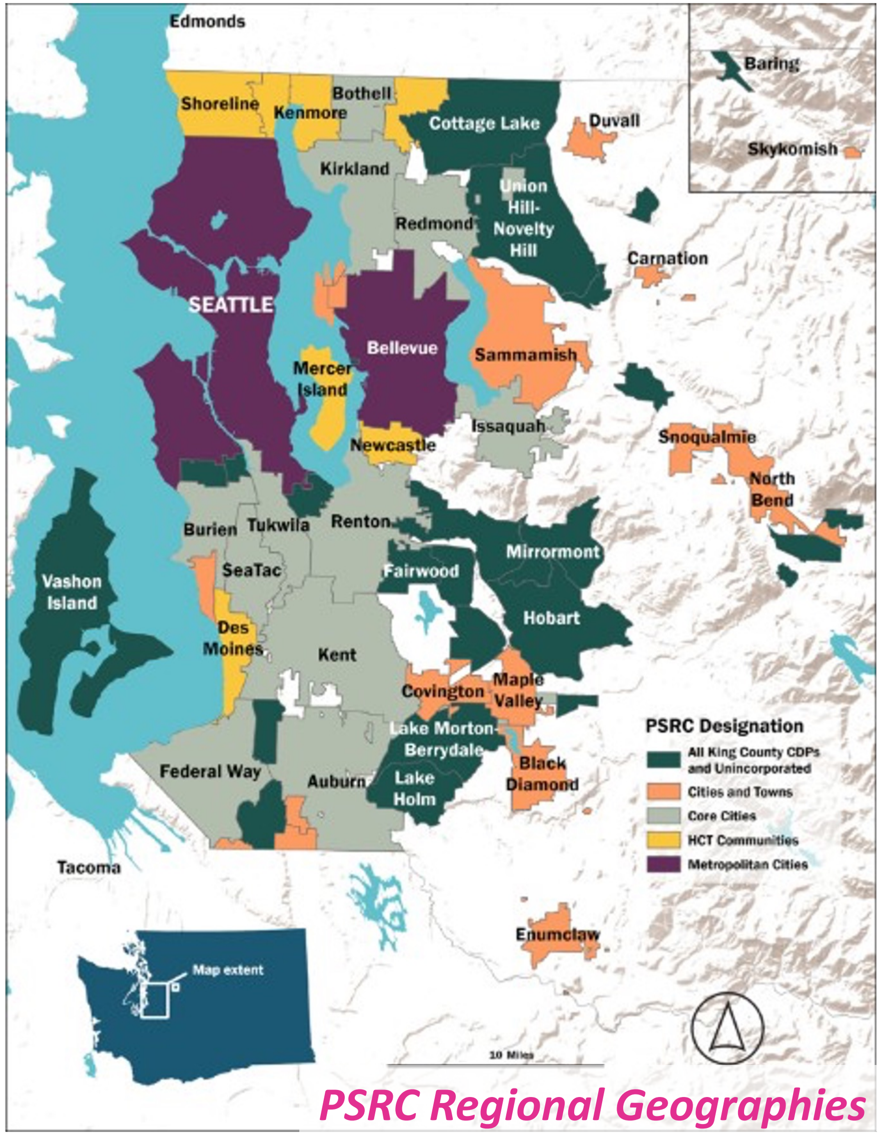
Subareas



Seattle, East, South County Subregions



PSRC Regional Geographies

King County

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Department of Community and Human Services

Third-Party Contractors

GrowAmerica

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IMPACT THROUGH INSIGHT

2025 Housing Needs Assessment

King County

October 2025

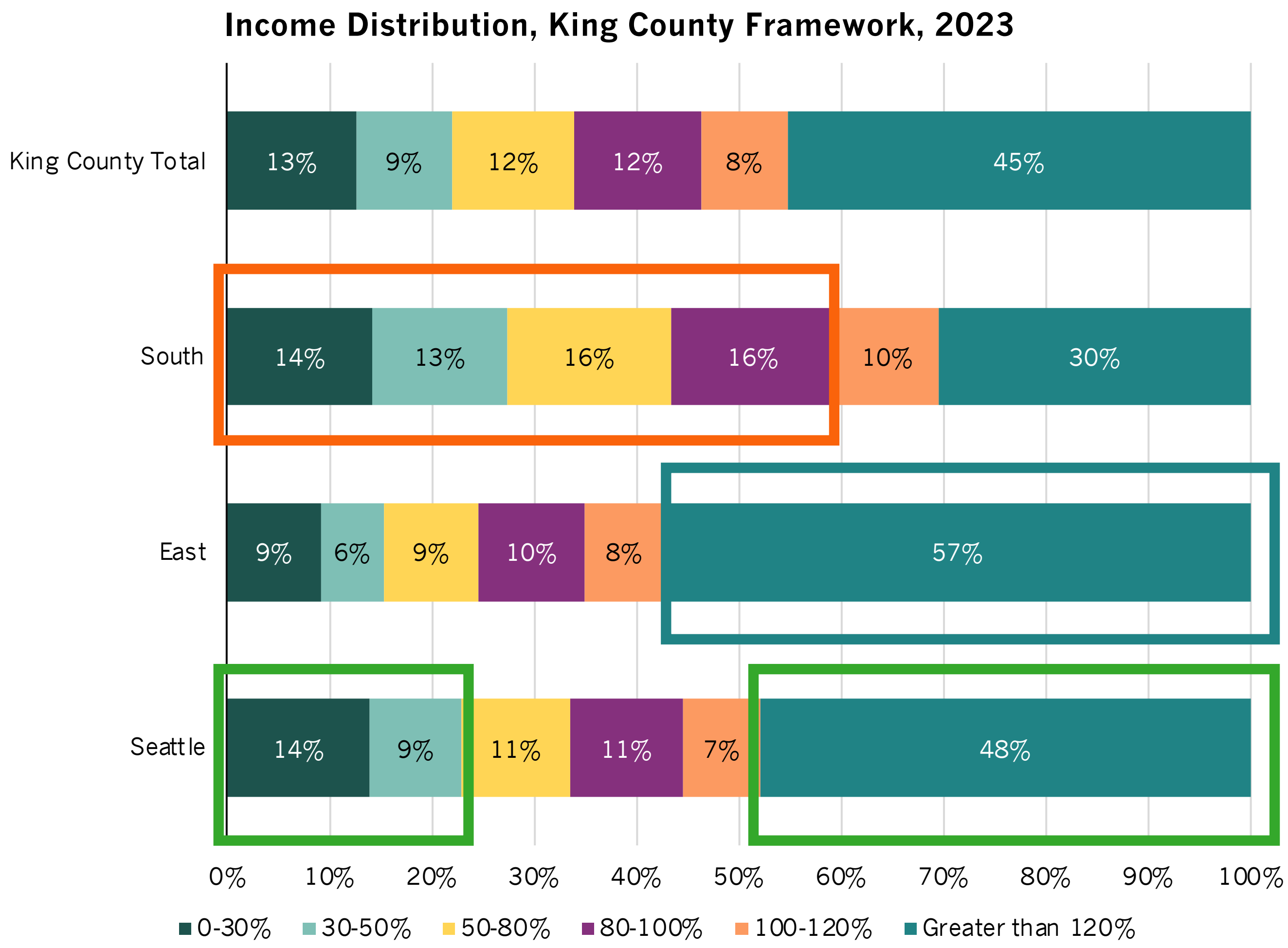
ECO northwest

Progress Towards Regional Affordable Housing Goals

- Affordable housing production and preservation
  - Goal: 44,000 units by 2024
  - Progress: Between 2019 and 2023, just **over 6,400** income-restricted units for households **at or below 50% of AMI** were built.
- Cost burden
  - Goal: Eliminating cost burden for households below 80% AMI
  - Progress: As of 2023, more than **2/3rds of households under 30% AMI are severely burdened** and roughly **50% of households 50-80% AMI**.

Population & Household Key Takeaways

- **South King** has the largest share of **lower- and middle-income** households.
- **East King County** is most affluent subregion—over half earn **above 120%** AMI
- **Seattle** is more mixed, with both **high- and very** low-income households.



Source: U.S. Census Bureau, 2023, 2019–2023 ACS 5-Year PUMS, accessed at: data.census.gov.

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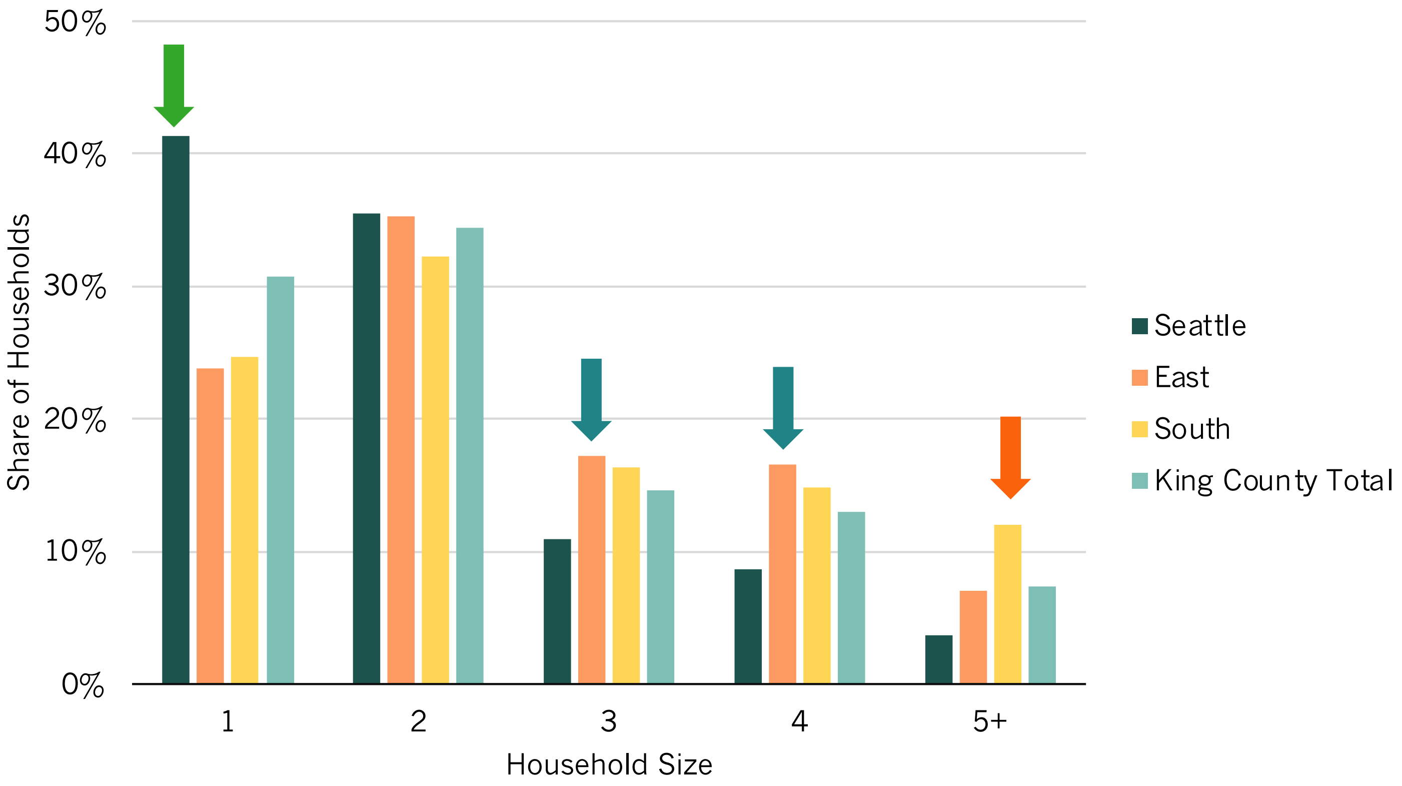
Population & Household Key Takeaways

Household Size, King County Subregions, 2023

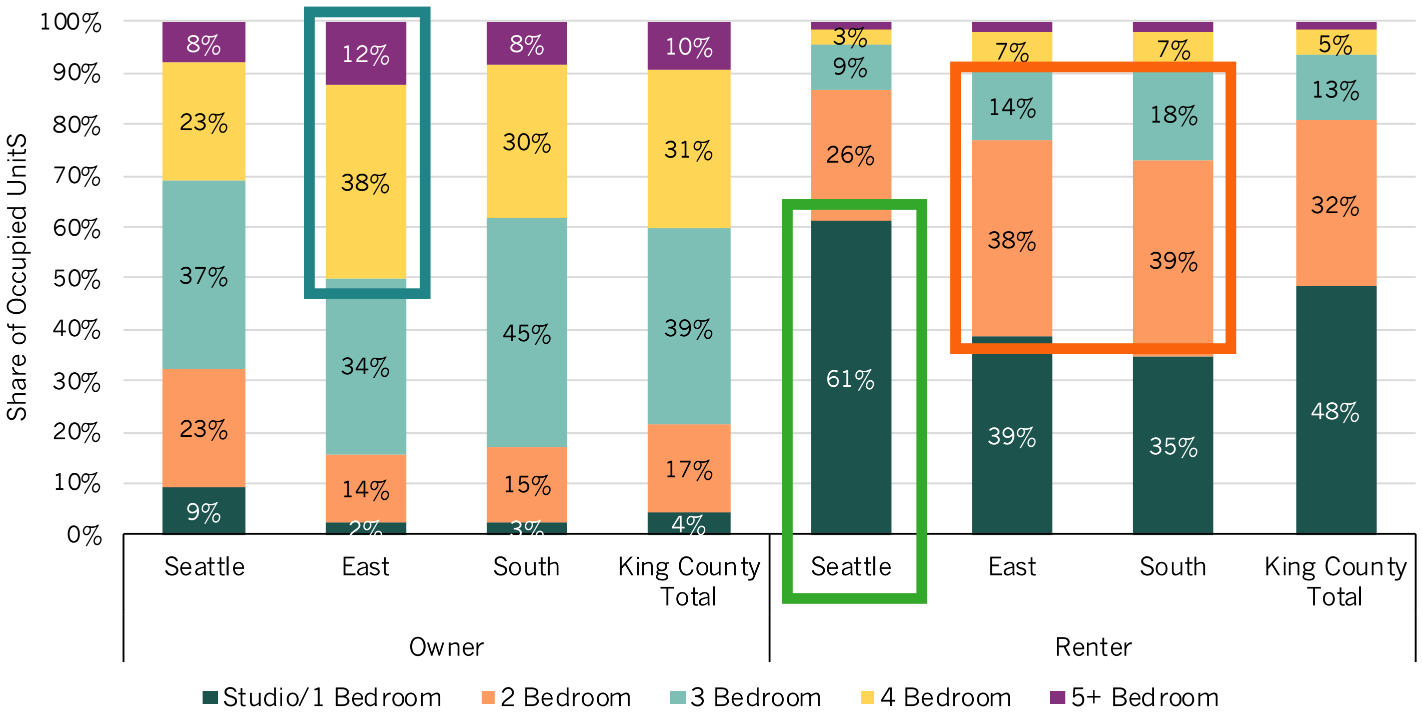


- **Seattle** has the smallest households—41% of households are **single-person.**
- **East** shows more mid-sized households **(3–4 person)** compared to other subregions.
- **South King** has the largest households, especially **5+**.

Source: U.S. Census Bureau, 2023, 2019–2023 ACS 5-Year PUMS, accessed at: data.census.gov.

Housing Supply & Market Trends Key Takeaways

Housing Units by Tenure and Number of Bedrooms, King County Subregions, 2023



Source: U.S. Census Bureau, 2023, 2019–2023 ACS 5-Year

- **Seattle** rentals skew small—61% are **studios or 1**-bedrooms.
- **South and East** rentals are slightly larger, with **more 2-3** bedrooms.
- **East** ownership units are large —half are **4–5** bedrooms.

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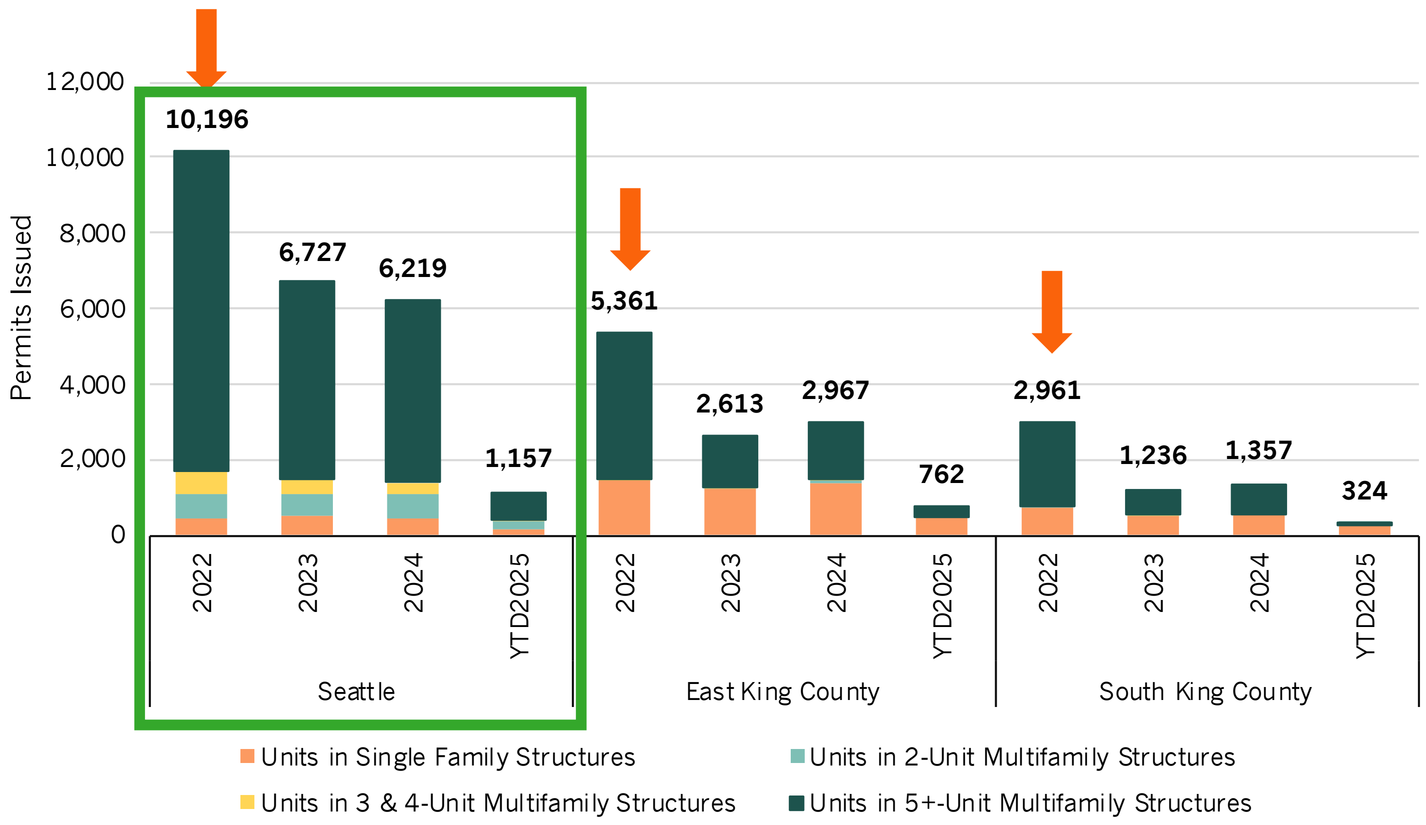
Housing Supply & Market Trends Key Takeaways

- Permits **peaked in 2022**, then dropped sharply through 2024.
- **Seattle** dominates new construction—most permits are **multifamily**.
- South King lags behind despite its large housing share.
- East/South producing roughly half single-family units.

Building Permits by Housing Type, King County Subregions, 2022 to 2025



Source: U. S. Department of Housing and Urban Development (HUD), 2025, State of the Cities Data Systems Building Permit 2022–2025, accessed June 25th, 2025 at: www.huduser.gov

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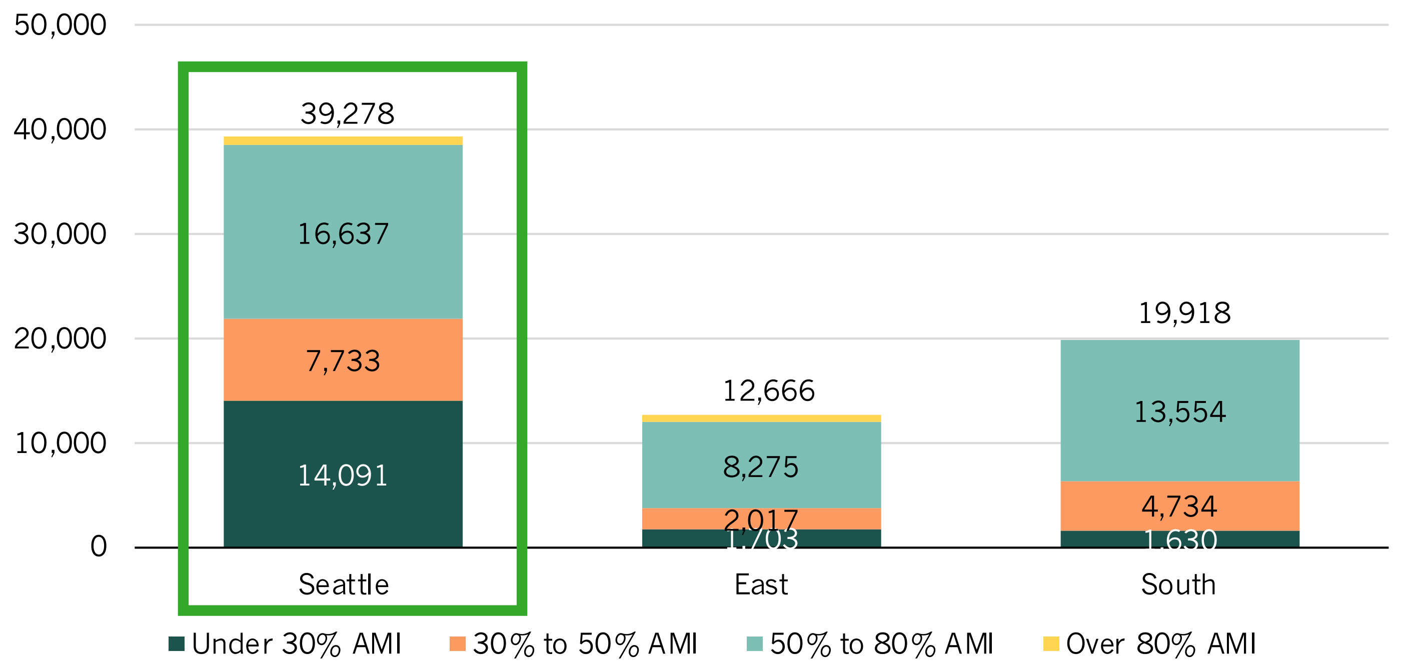
Housing Supply & Market Trends Key Takeaways

Income-Restricted Housing Units, King County Subregions, 2025



Source: King County Income-restricted Housing Database, data extracted 23 July 2025. Data Current as of December 31, 2023.

- 8% of King County's housing stock is income restricted.
- Over half serve households at 50–80% AMI; just 25% serve the lowest incomes.
- **Seattle holds the highest share:**
  - 55% of all income-restricted units
  - 81% of the deepest affordability

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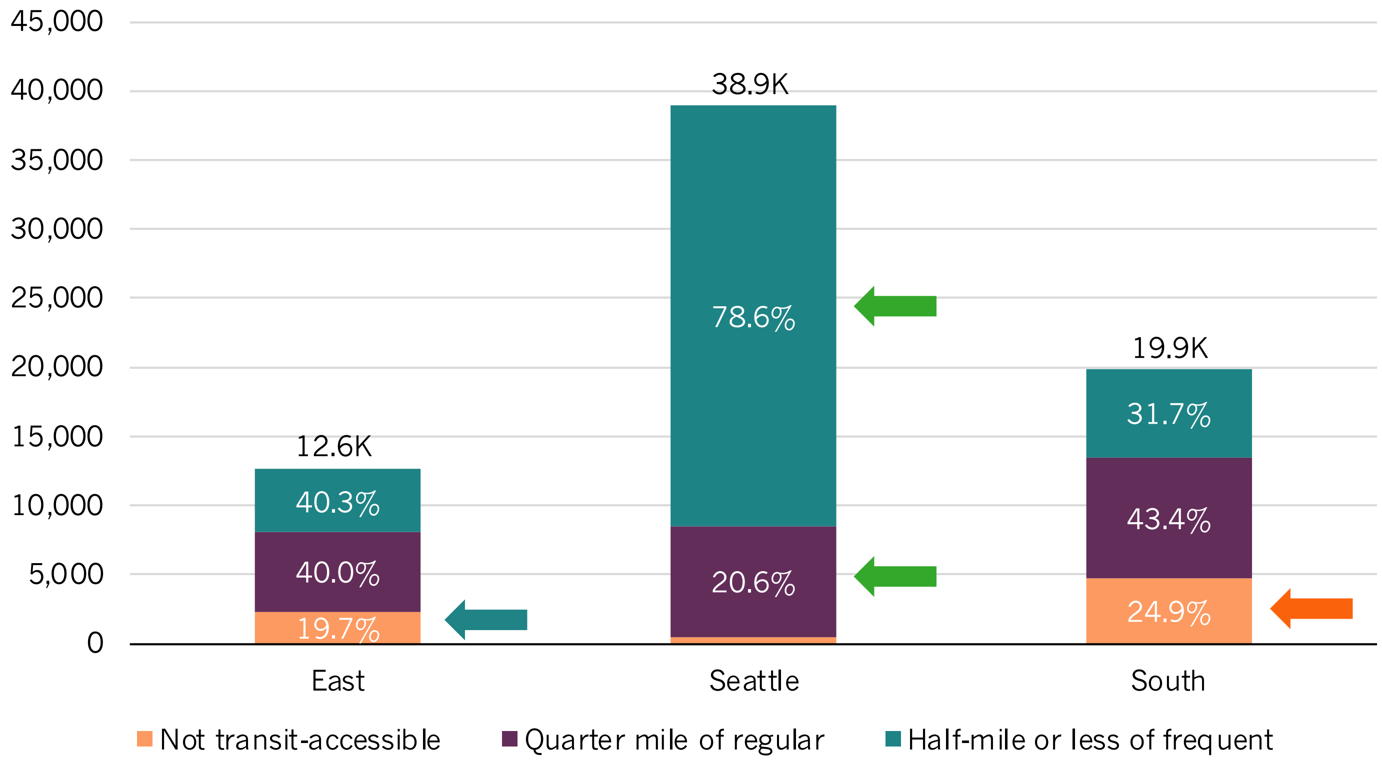
Housing Costs and Affordability Key Takeaways

- **Seattle affordable housing is best connected to transit**—nearly 100% of units within ½-mile of transit; nearly 80% near frequent.
- **East** shows balanced but modest access, with **20% not transit-served**.
- **South** shows just 32% near frequent transit, **highest share not accessible**.

Income-Restricted Housing Proximity to Frequent Transit, King County Framework



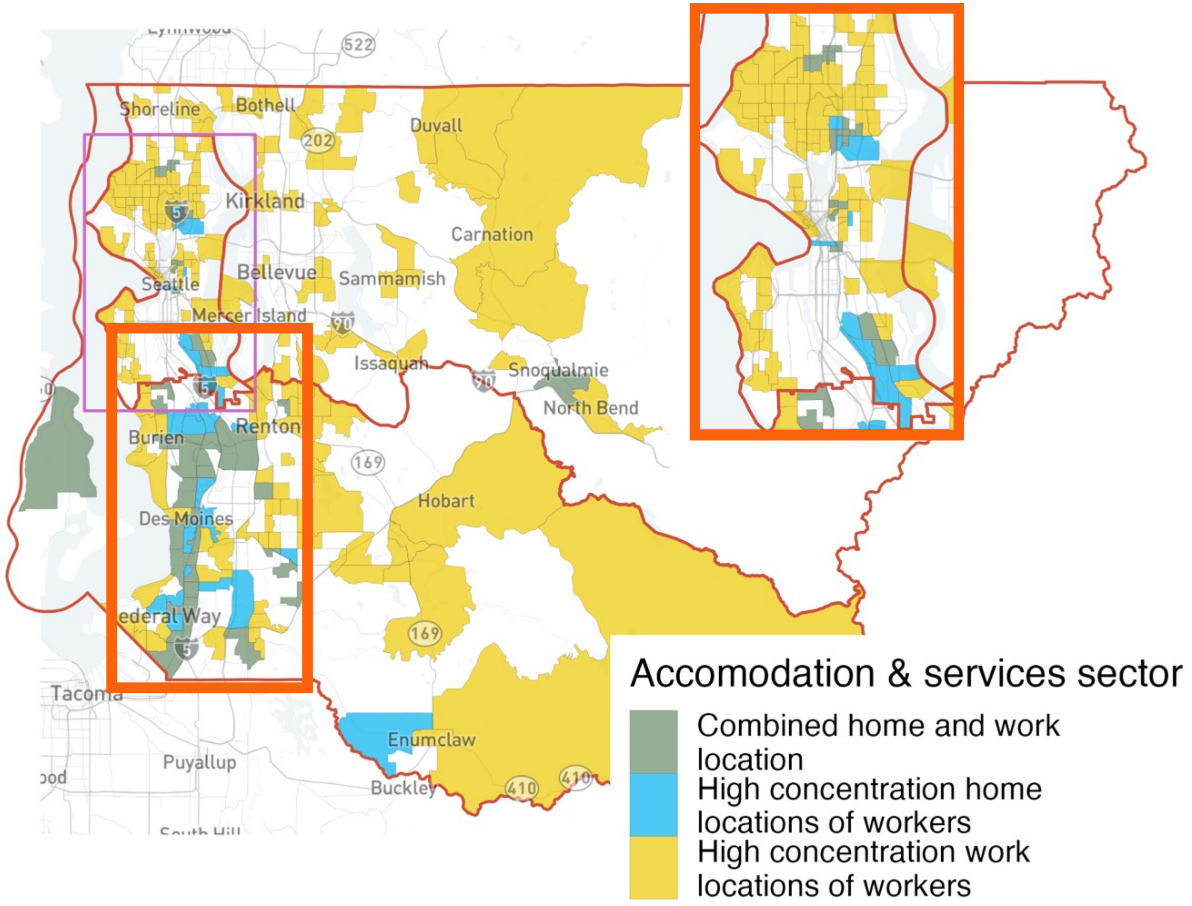
Source: Sound Transit Puget Sound Consolidated GTFS, OpenStreetMap, King County Income-restricted Housing Database, data extracted 23 July 2025. Data Current as of December 31, 2023.

Note: Frequent transit refers to public transportation service that arrives at least every 15 minutes during peak hours.

Housing Costs and Affordability Key Takeaways

- Service industry jobs are spread countywide, from Seattle to rural and suburban areas.
- Workers live in a narrower band along I-5: Seattle, Renton, SeaTac, Kent, and Federal Way.
- Parts of Seattle, South Seattle and South King County show the strongest overlap of jobs and workers.
- **Could suggest that service workers are commuting long distances due to a lack of affordable and suitable housing options nearby in many places across the county**

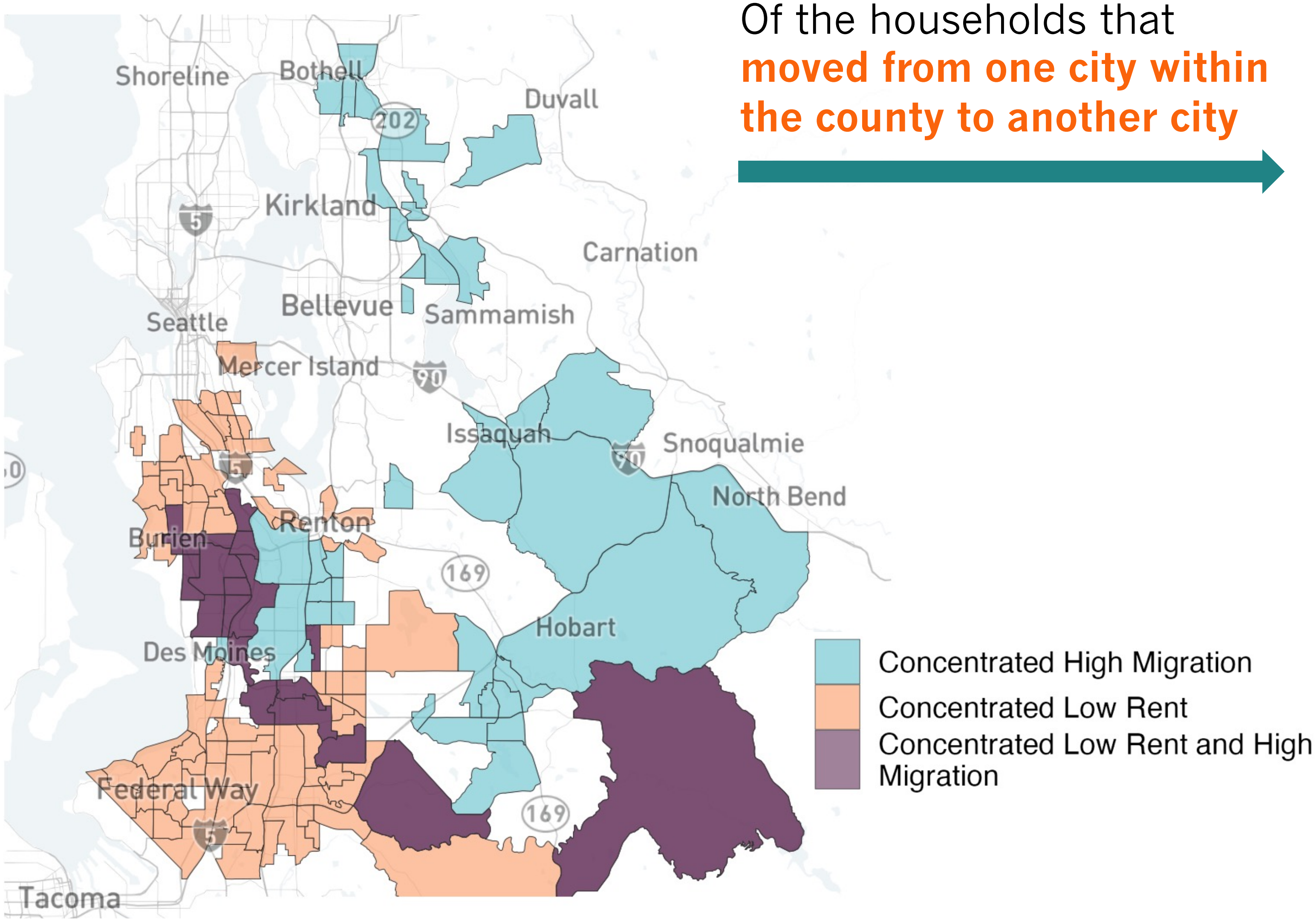
Spatial Relationship between Service Industry Jobs and Housing



Source: U.S. Census Longitudinal Origin Destination Employment Statistics (LODES), 2022

Housing Costs and Affordability Key Takeaways

Migration Trends, King County, 2023



Source: U.S. Census Bureau, 2023, 2019–2023 ACS 5-Year

Of the households that **moved from one city within the county to another city**

- East King attracted higher-income movers (most above 120% AMI) and a mix of household sizes.
- South drew more low- and moderate-income movers and more 4+ person households than East and Seattle.
- Seattle saw lower-income movers than East but still skewed high and over half single-person households.

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Housing Gap Analysis

Introducing the Housing Gap Analysis

- **Affordability is shaped by more than price**—location, unit size, and tenure drive trade-offs households must make.
  - Households **adapt in many ways**—renting up, renting down, or crowding into smaller units when needs aren't met.
- This analysis looks beyond totals—measuring **mismatches** between household needs and housing stock **by income, size, and geography**.
- Findings highlight **structural gaps**—especially the shortage of **larger, affordable rental units** and the strain this puts on households.

Housing Unit Gap Key Takeaways

- Severe overcrowding among the lowest-income 3-person households—demand exceeds supply by nearly 80%.
- 0-80% AMI, 4- and 5-person households also face major shortages, forcing many into overcrowding.
- Biggest gap: large, affordable units for 3-person households at 0–80% AMI.

Overcrowded and Matched/Renting Up Renter Households by Income and Household Size, Relative to Existing Stock, King County, 2023

U.S. Census Bureau, 2023, 2019–2023 ACS 5-Year PUMS

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Funding Gap Analysis

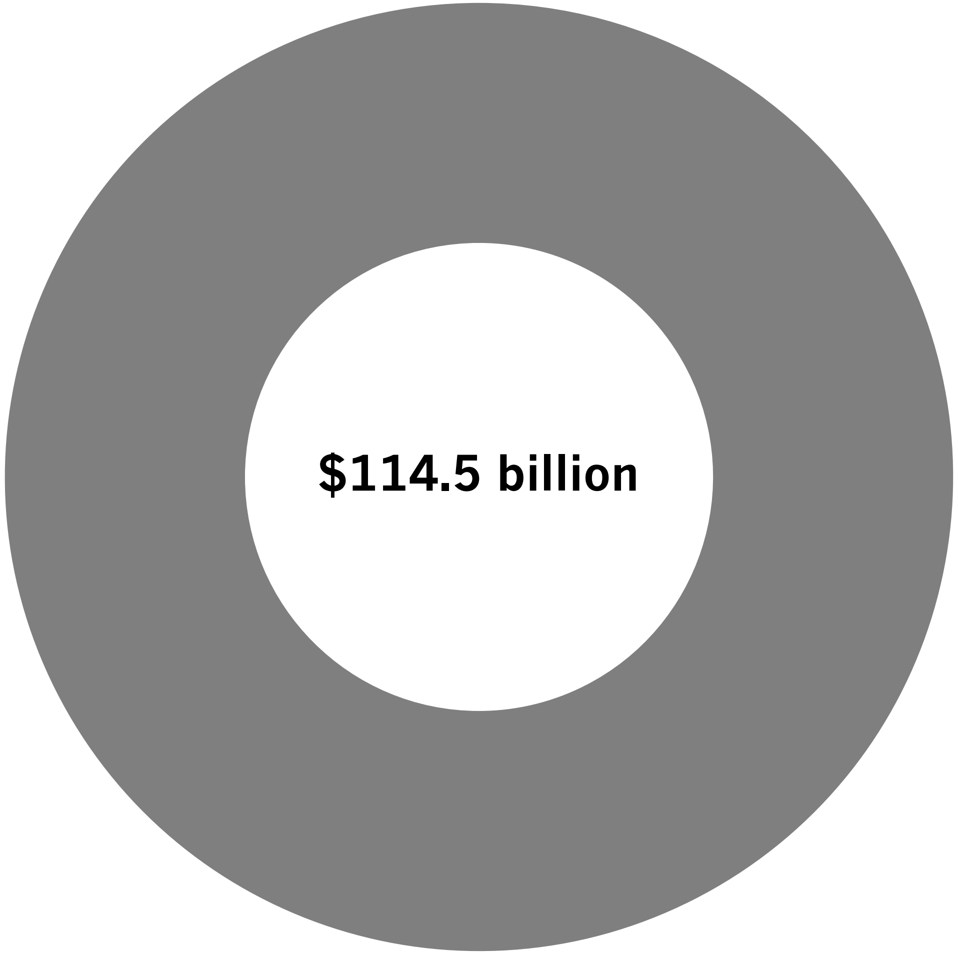
Funding Landscape & Gap Analysis Key Takeaways

- More than **60% of King County's housing need is for households earning below 80% AMI**, with most concentrated below 50% AMI. These units almost always require public subsidy.
- **Funding sources are fragmented** and braided in dozens of different ways across projects and programs, particularly for units **serving households below 30% AMI**. While it has delivered units, it underscores the system’s fragility, **complexity**, and reliance on ongoing subsidies.

Funding Landscape & Gap Analysis Key Takeaways

- The funding gap is structural, large, and driven by both capital and operating costs.
- King County has a total gap of $65.8 billion, or **$3.96 billion annually,** to meet the needs of households below 80% AMI through 2044. Including:
  - $2.17 billion in annual unmet capital subsidy
  - $1.79 billion annual operating and service subsidy

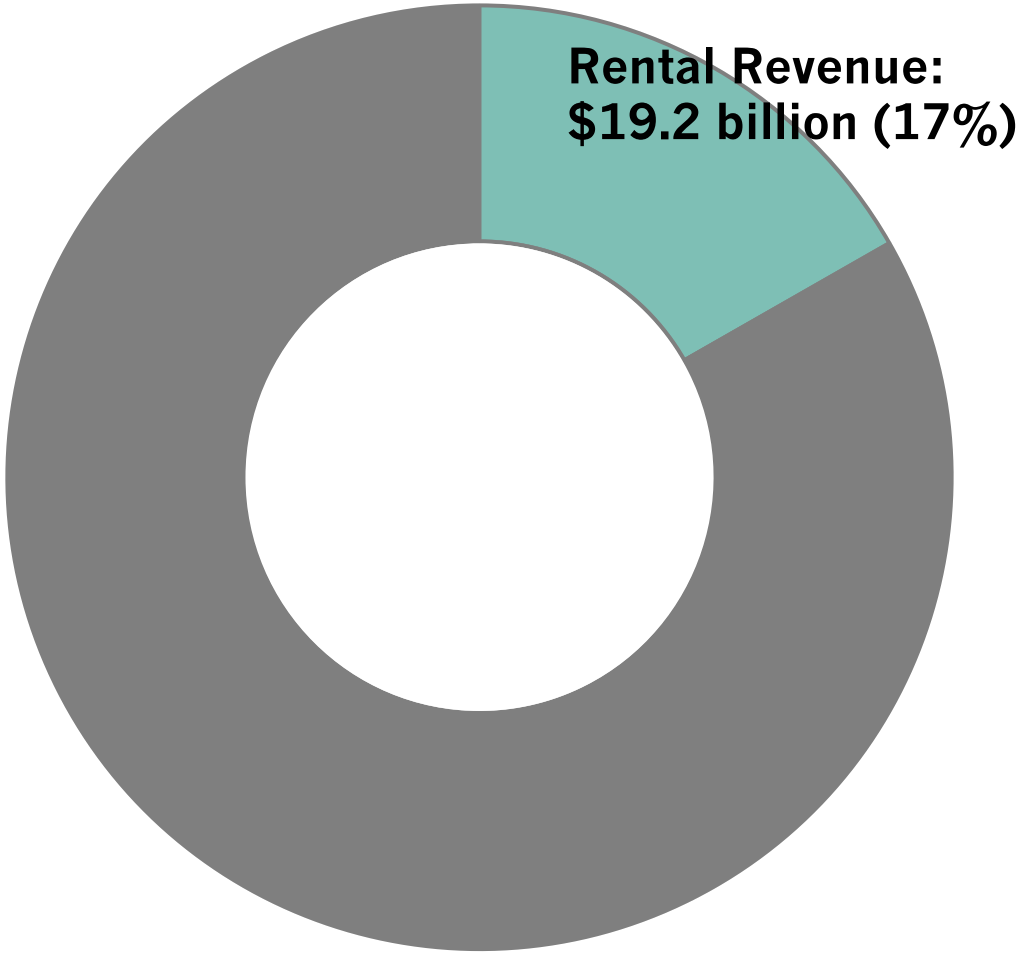
Funding Landscape & Gap Analysis Key Takeaways



Source: ECOnorthwest calculations

- **Total housing need** below 80% AMI through 2044: **177,698 units**
- **Total cost to develop and operate: ~$114.5 billion**

Funding Landscape & Gap Analysis Key Takeaways



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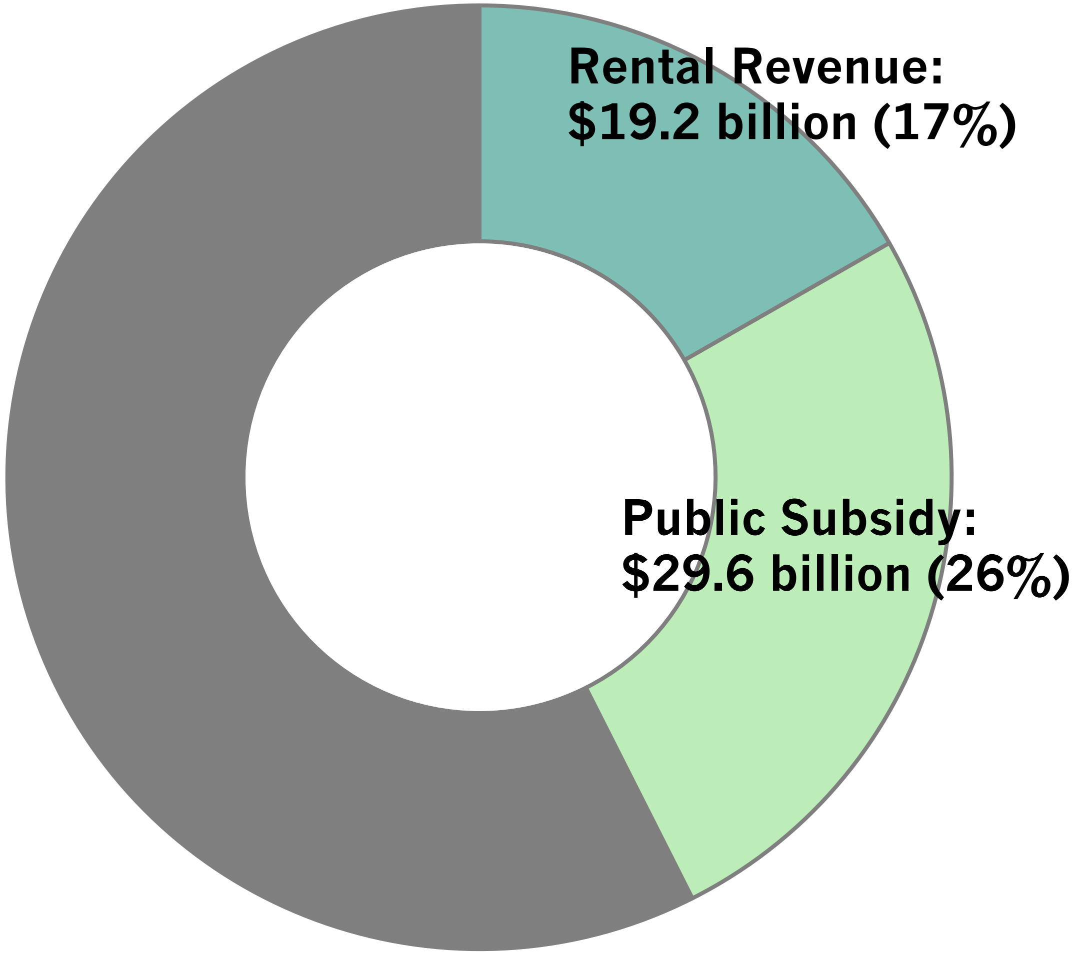
Funding Landscape & Gap Analysis Key Takeaways



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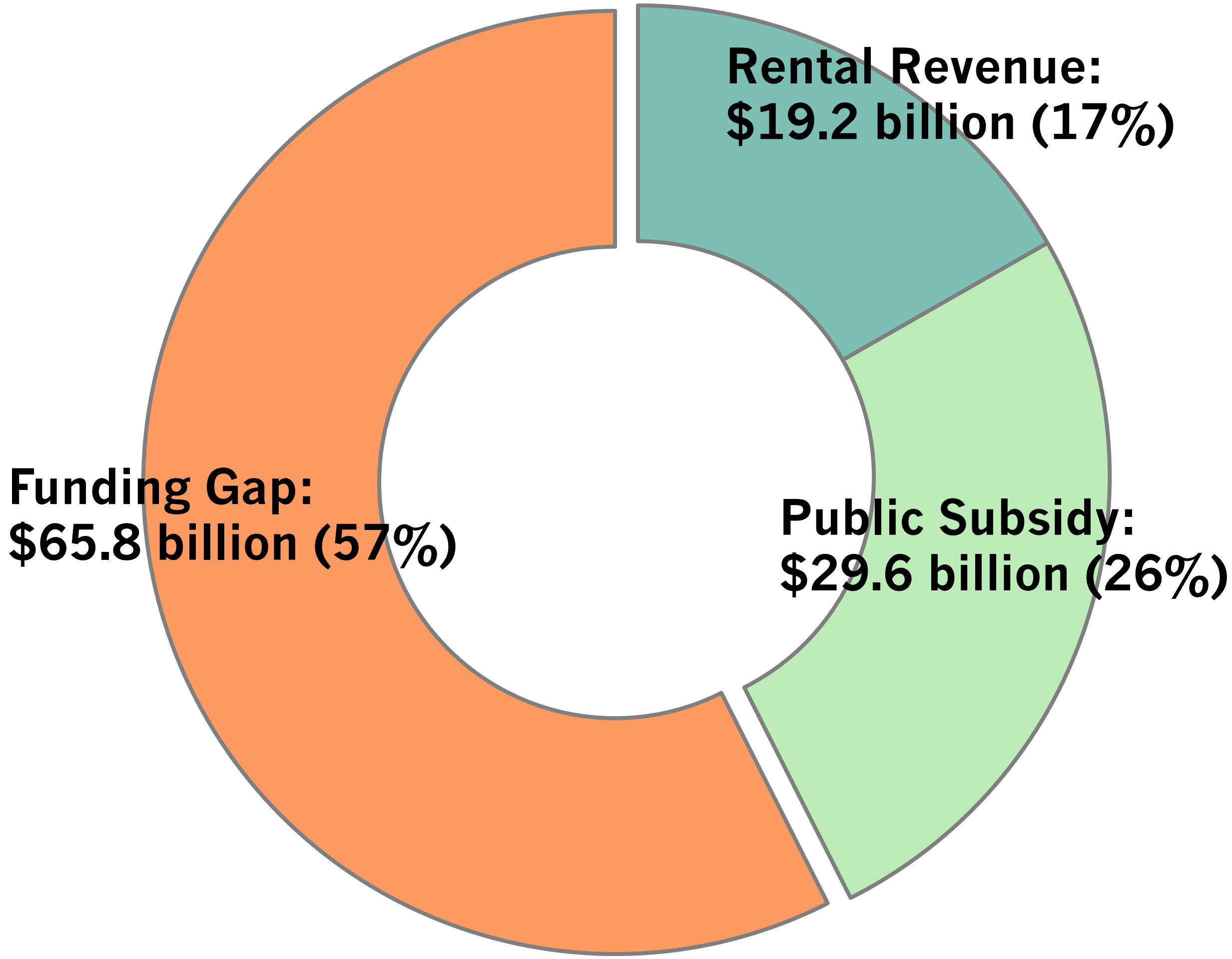
Funding Landscape & Gap Analysis Key Takeaways



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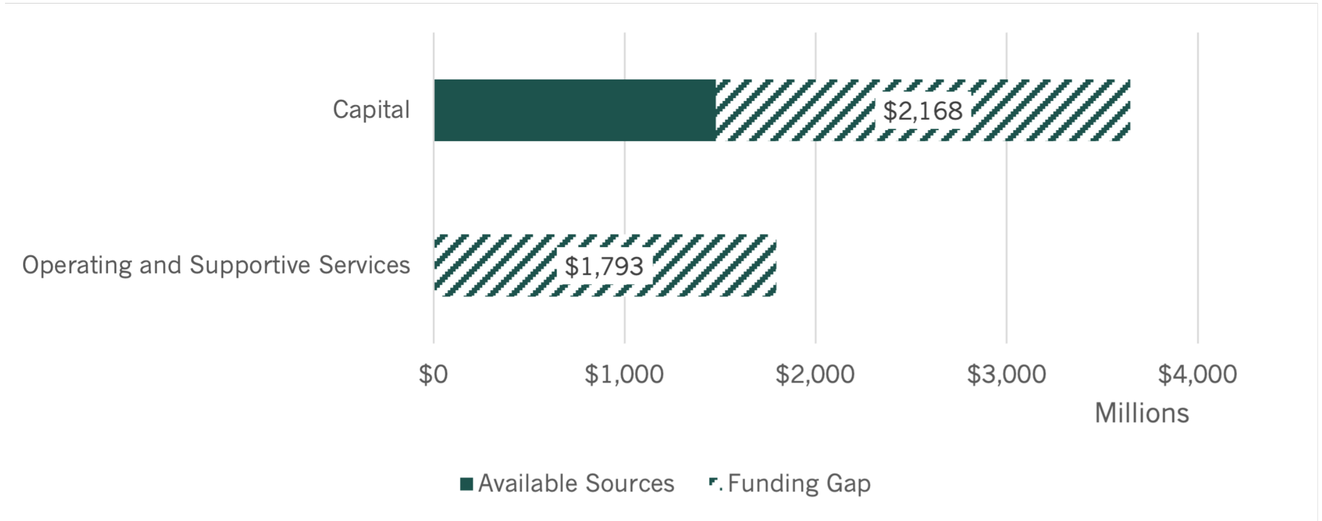
- **Gap Remaining: ~$65.8 billion**

Funding Landscape & Gap Analysis Key Takeaways

Annual Funding Gap



Source: ECOnorthwest calculations

- **Total annual funding gap: $3.96 billion**

- **Total *annual* housing need** below 80% AMI through 2044:
  - **8,885 units**
- **Total *annual* subsidy needed to meet those needs for both capital and operating/supportive services costs:**
  - **~$5.4 billion**
- **Total *annual* subsidy available:**
  - **~$1.5 billion**

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