

Percent of Income Paid for Housing

OUTCOME: PROVIDE SUFFICIENT AFFORDABLE HOUSING FOR ALL KING COUNTY RESIDENTS

Countywide Planning Policy Rationale

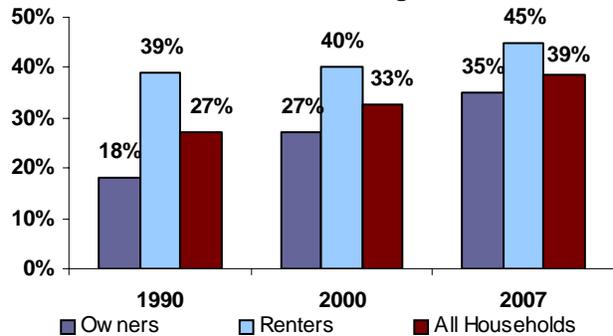
"All jurisdictions shall provide for a diversity of housing types to meet a variety of needs and provide housing opportunities for all economic segments of the population. All jurisdictions shall cooperatively establish a process to ensure an equitable and rational distribution of low-income and affordable housing throughout the County..." (FW 28). "The Growth Management Planning Council...shall evaluate achievement of Countywide and local goals for housing for all economic segments of the population. [It] shall consider annual reports prepared under policy AH-5 as well as market conditions and other factors affecting housing development. If the Growth Management Planning Council... determines that housing planned for any economic segment falls short of need for such housing, the Growth Management Planning Council...may recommend additional actions." (AH-6)

According to the U.S. Department of Housing and Urban Development, 30% of gross income is the maximum that all but wealthy households can pay in housing costs without creating an excessive housing cost burden. Housing that requires more than 30% of income is considered to be "unaffordable."

Since 1990, the share of King County households living in unaffordable housing has increased. In 2007, nearly 290,000 households allocated more than 30% of their income toward housing costs. Of note, the share of owner households paying more than they can afford for housing has increased markedly since 2000, an increase which may partly be attributed to rising interest rates on Adjustable Rate Mortgages and home equity lines of credit.

Figure 22.1

Percent of Households Paying More than 30% of Income for Housing Costs



source: American Community Survey

As shown in figure 22.2, housing costs are particularly burdensome on lower-income households. Four out of five King County households earning less than 50% of median household income pay more than they can afford for housing.

Figure 22.2

Percent of Households Paying More than 30% of Income for Housing Costs by Income Category*							
	Income Category Based on a Median Household Income of \$67,010 (2007)						
	<30% median income	30%-40% median income	40%-50% median income	50%-60% median income	60%-80% median income	80%-100% median income	> median income
Owner Households							
number of households	23,879	15,983	15,983	19,809	42,281	43,543	311,835
percent paying more than 30% for housing	88%	66%	66%	58%	54%	49%	22%
Renter Households							
number of households	66,951	23,867	23,867	21,425	37,594	27,118	75,865
percent paying more than 30% for housing	88%	73%	73%	45%	32%	15%	6%
All Households							
number of households	90,830	39,850	39,850	41,234	79,875	70,661	387,700
percent paying more than 30% for housing	88%	71%	71%	52%	44%	36%	19%

source: American Community Survey

* This table excludes 12,697 households paying no cash rent or with zero or negative income. The distribution of households within these income categories may differ from those seen in other indicators accordingly.