

Supply and Demand for Affordable Rental Housing

OUTCOME: PROVIDE SUFFICIENT AFFORDABLE HOUSING FOR ALL KING COUNTY RESIDENTS

Countywide Planning Policy Rationale

"All jurisdictions shall plan for housing to meet the needs of all economic segments of the population." (AH 1)...Each jurisdiction shall participate in developing Countywide housing resources and programs to assist the large number of low and moderate-income households who currently do not have affordable, appropriate housing. These Countywide efforts will help reverse current trends which concentrate low-income housing opportunities in certain communities, and achieve a more equitable participation by local jurisdictions in low income housing development and services. Countywide efforts should give priority to assisting households below 50% of median-income that are in greatest need and communities with high proportions of low and moderate income residents (AH 2)...King County shall report annually on housing development, the rate of housing cost and price increases and available residential capacity Countywide." (AH 4)

With a vacancy rate of about 6% in 2005, King County's 307,000 rental units provide a sufficient amount of housing for its 290,000 rental households. However, rental housing is not necessarily affordable to all renters. There are only 30,730 units affordable to the 99,500 renter households earning 40% of median household income or less, resulting in no affordable rental housing for two-thirds of these households. A household in this income group earns \$25,000 or less, and can afford no more than \$625 for rent.

Figure 21.1

Supply and Demand for Affordable Rental Housing: 2006			
Percent of Median Income of HH	Number of Rental Units to Income Group	Number of Rental Households in Income Group	Cumulative Deficit or Surplus of Supply to Demand
<30%	310	73,700	(73,390)
30 - 40%	30,730	25,800	(68,460)
40 - 50%	111,860	23,800	19,600
50 - 60%	74,060	22,800	70,860
60 - 80%	69,760	39,600	101,020
> 80%	20,590	104,200	17,410
	307,310	289,900	17,410

*Estimated rental units represent market rate units and does not include units subsidized by federal, state and local funding.

The deficit in affordable rental housing is partially compensated by subsidized housing in King County. Subsidized units are available through Section 8 rental vouchers, public housing developments, or public/private projects that guarantee that a portion of their units will be affordable at below-market rents.

Close to 40% of King County's rental households- more than 100,000 renters- earn above 80% of median household income. As illustrated in figure 21.2, almost 84,000 of these households occupy rental units that would be affordable to lower income levels, which decreases the supply of housing that is actually available to the lower income households.

Figure 21.2

King County Rental Housing Supply and Demand (2006)

