

AFFORDABLE HOUSING COMMITTEE

Thursday, September 4, 2025, 2:00 P.M.-3:30 P.M.

Housing Market Pressures and Shifting Area Median Income in King County

Reference material: [Staff Report](#)

Jesse Warren

Data & Evaluation Manager

King County Dept. of Community and Human Services

Guiding Questions

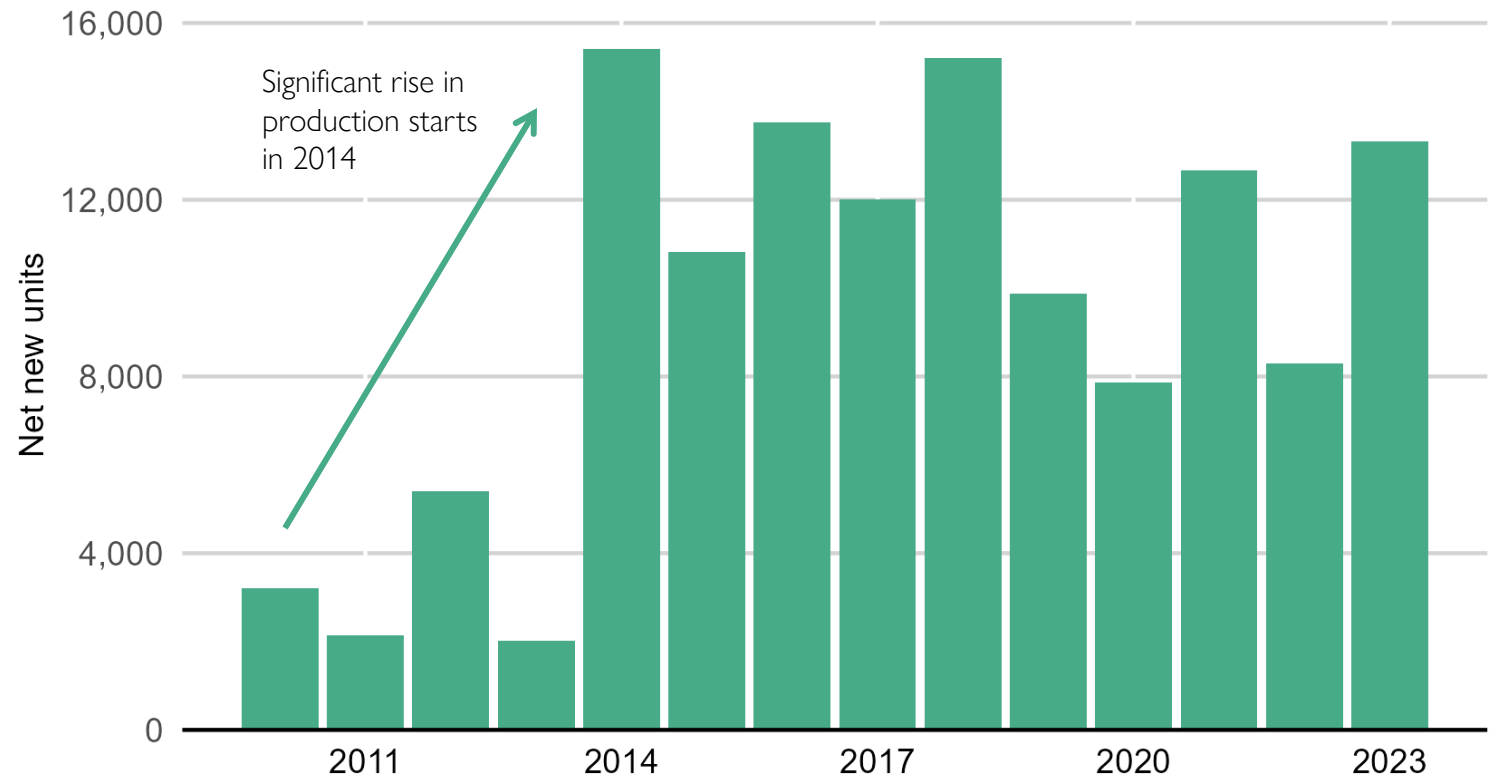
- How has the multifamily rental market and area median income (AMI) in King County changed in recent years?
- How has this impacted low-income renters and the units affordable to them?
- How do these impacts vary across King County?
- What are the policy implications?

Market Pressures

Heightened recent multifamily production

- Multifamily production has been elevated in recent years, with high numbers of net new units coming online beginning in 2014

Net New Multifamily Housing Production in King County
2010-2023



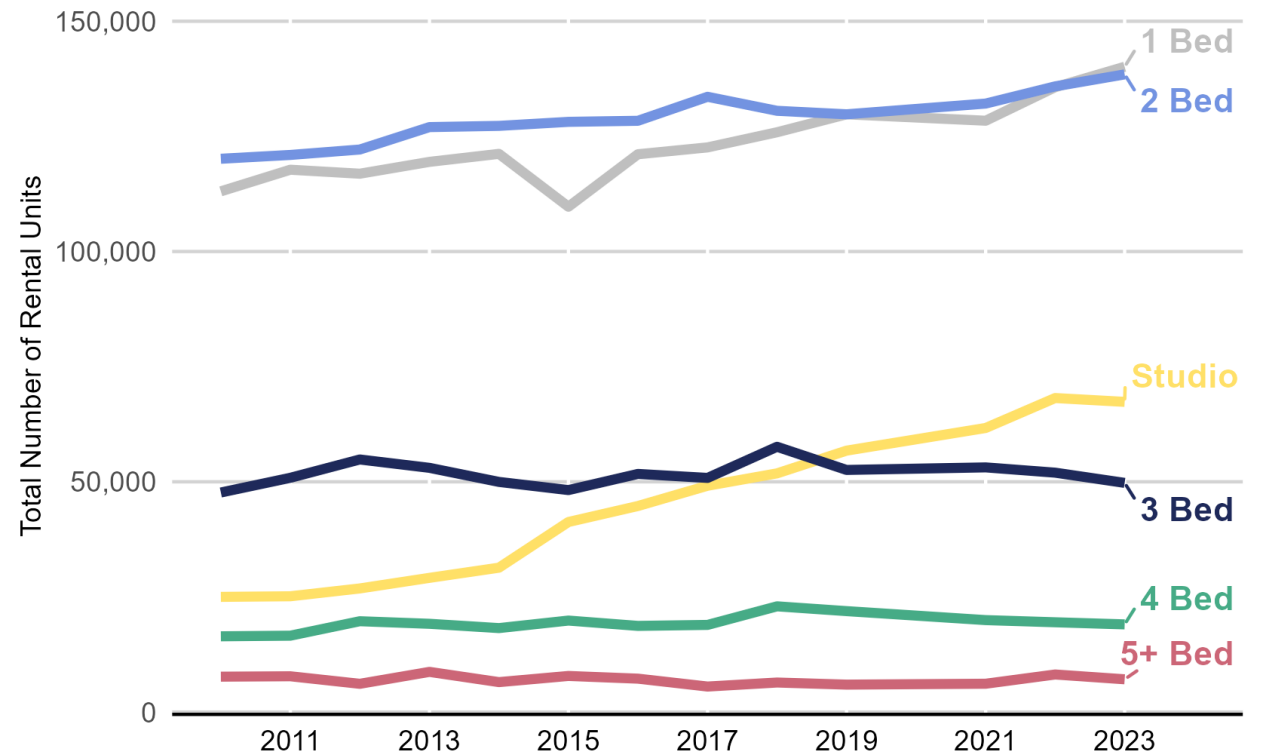
Source: PSRC Annual Housing Development Estimates by County, 2010-2023

Market Pressures

Large portion of new production are studios

- Large increase in studio rental production
- Rise in 1- and 2-bedroom unit production, although not as substantial as for studios
- Fairly little growth in 3+ bedroom rental units

Total Number of Rental Units by Unit Size in King County
2010-2023



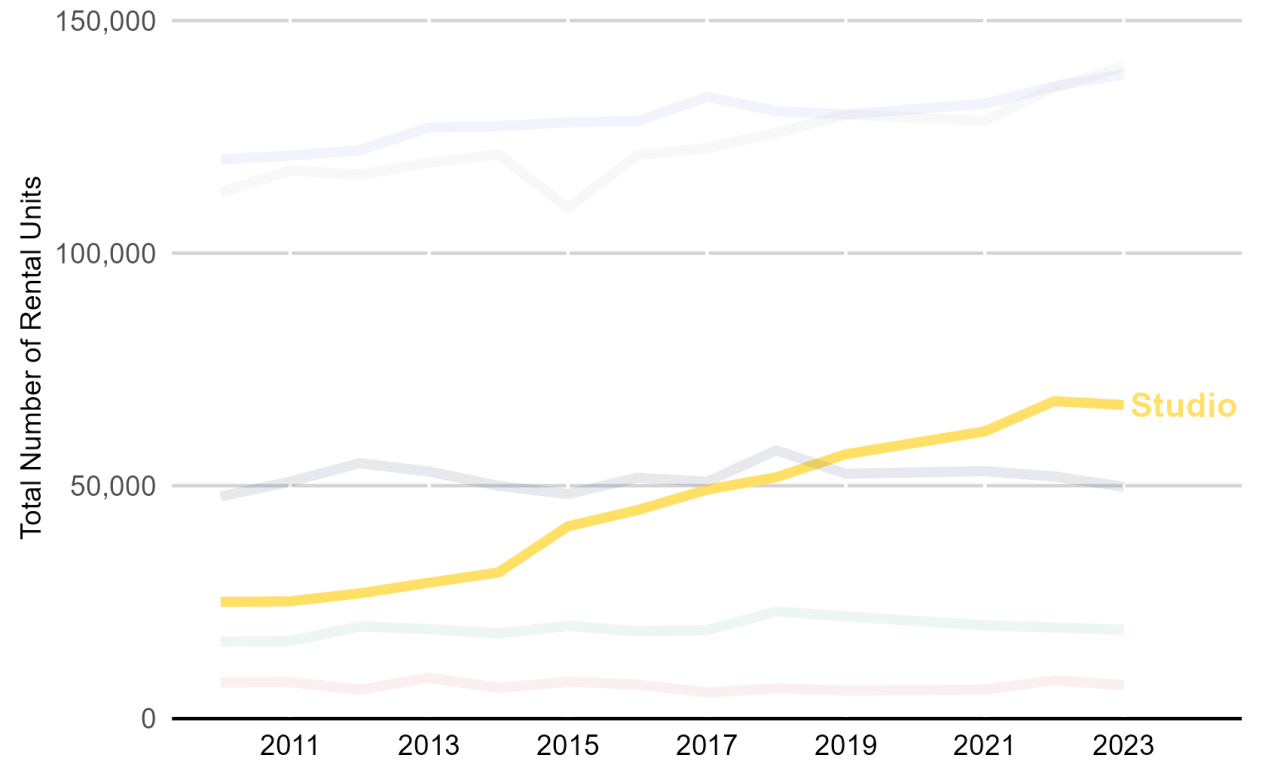
Source: 1-year ACS, 2010-2023

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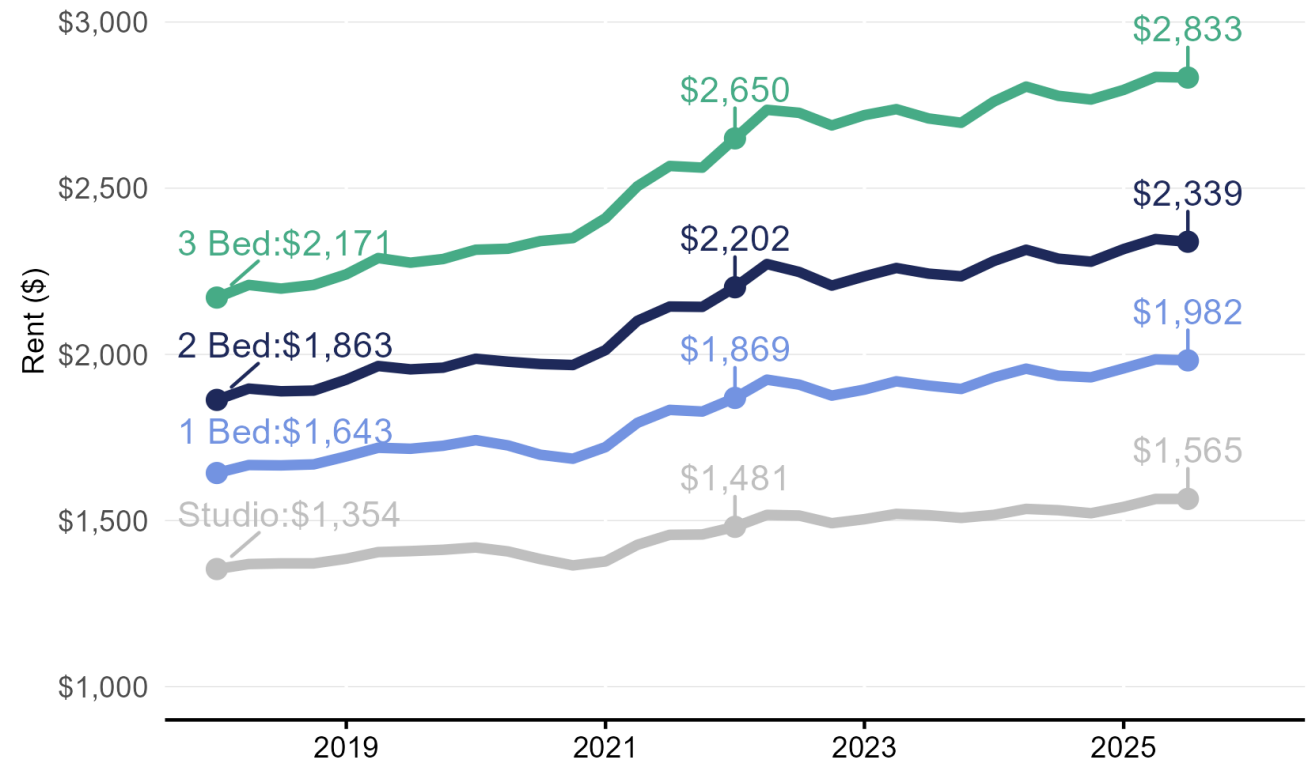
Source: 1-year ACS, 2010-2023

Market Pressures

High production slowed rent increases

- Recent pace of multifamily production put downward pressure on rents
- Studio and 1-bedroom rent increases slowed between 2022 and 2025
 - Studios: 5.7%
 - 1-bedrooms: 6.0%

Multifamily Market Rents by Unit Size in King, Snohomish, and Pierce Counties, January 2018 - August 2025



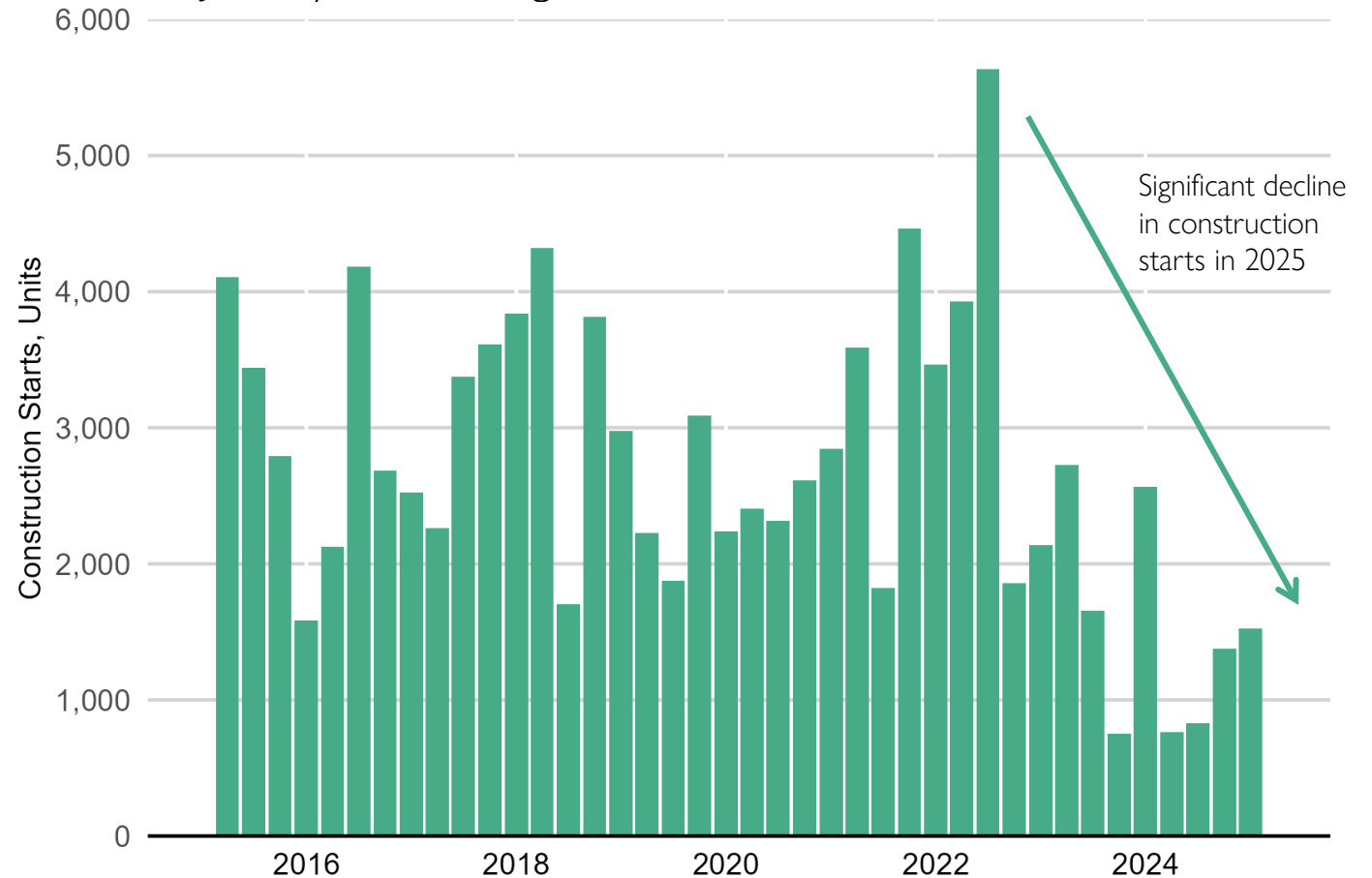
Source: CoStar, January 2018–August 2025

Market Pressures

Falling construction starts add upward rent pressures

- Multifamily construction starts dropped dramatically in past two years
- Means fewer units coming online and potentially higher rent growth in future

Multifamily Construction Starts in King, Snohomish, and Pierce Counties, January 2015 - August 2025



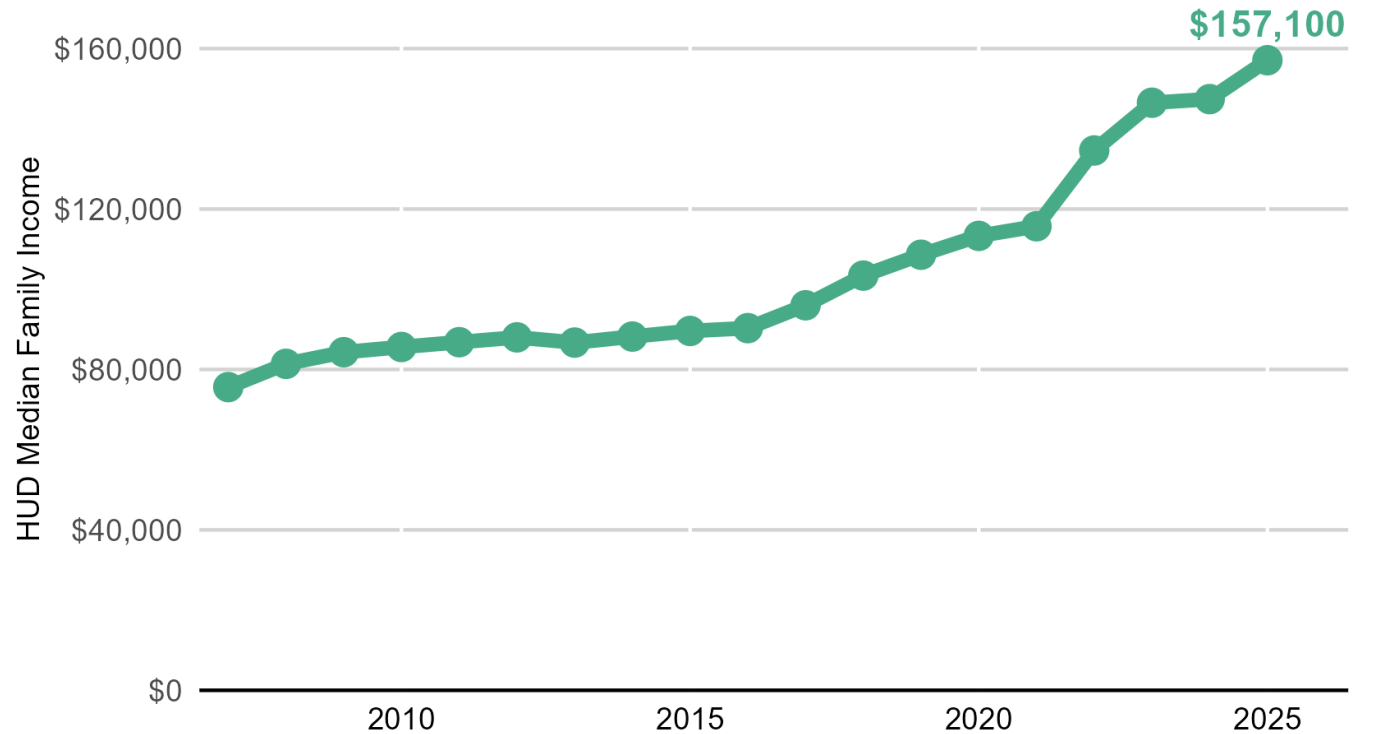
Source: CoStar, January 2018–August 2025

Shifting AMI

Median income used to calculate AMI rising sharply

- The U.S. Department of Housing and Urban Development (HUD) sets AMI each year based on median family incomes in King and Snohomish Counties
- Median family income increased significantly (64%) from 2017-2025

HUD Median Family Income Used for King County Income Limits
2007 - 2025



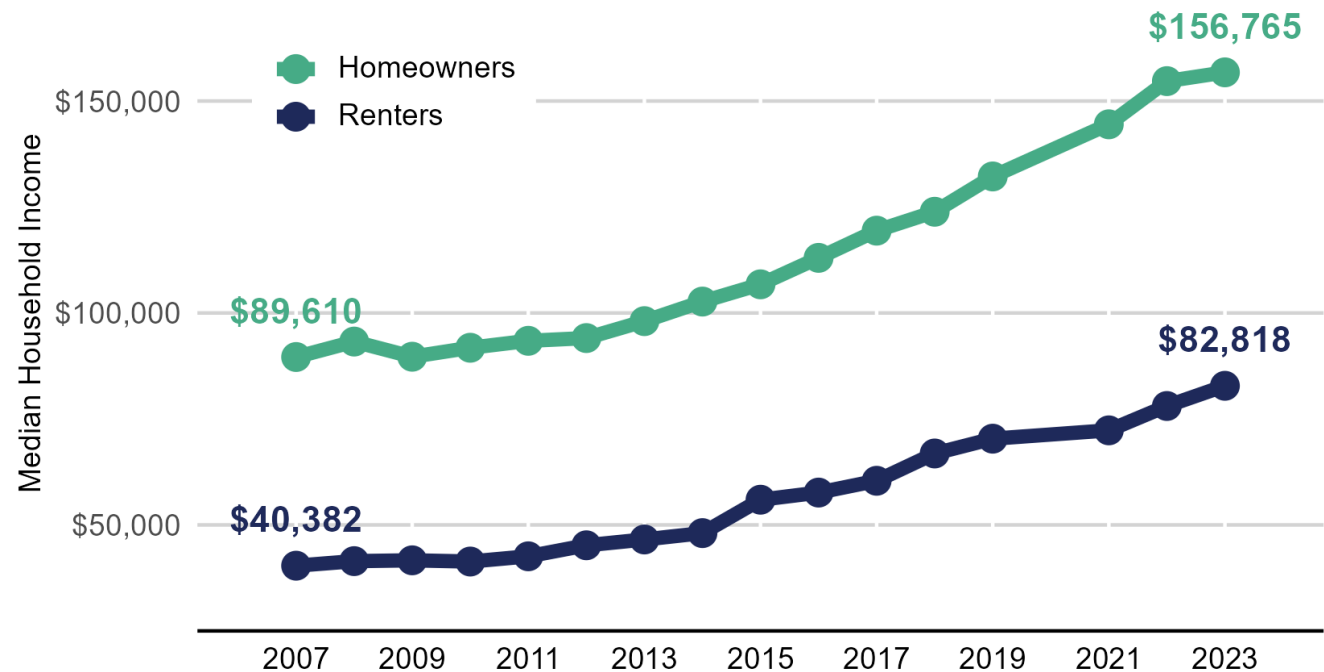
Source: HUD Income Limits, 2007-2025

Shifting AMI

Homeowners make substantially more than renters

- AMI is calculated using both homeowner and renter income and excludes non-family households
- Growing differences between renter and homeowner incomes
- Increasing homeowner incomes impacts income-restricted rents for renters
- Increases concentrated among highest earners

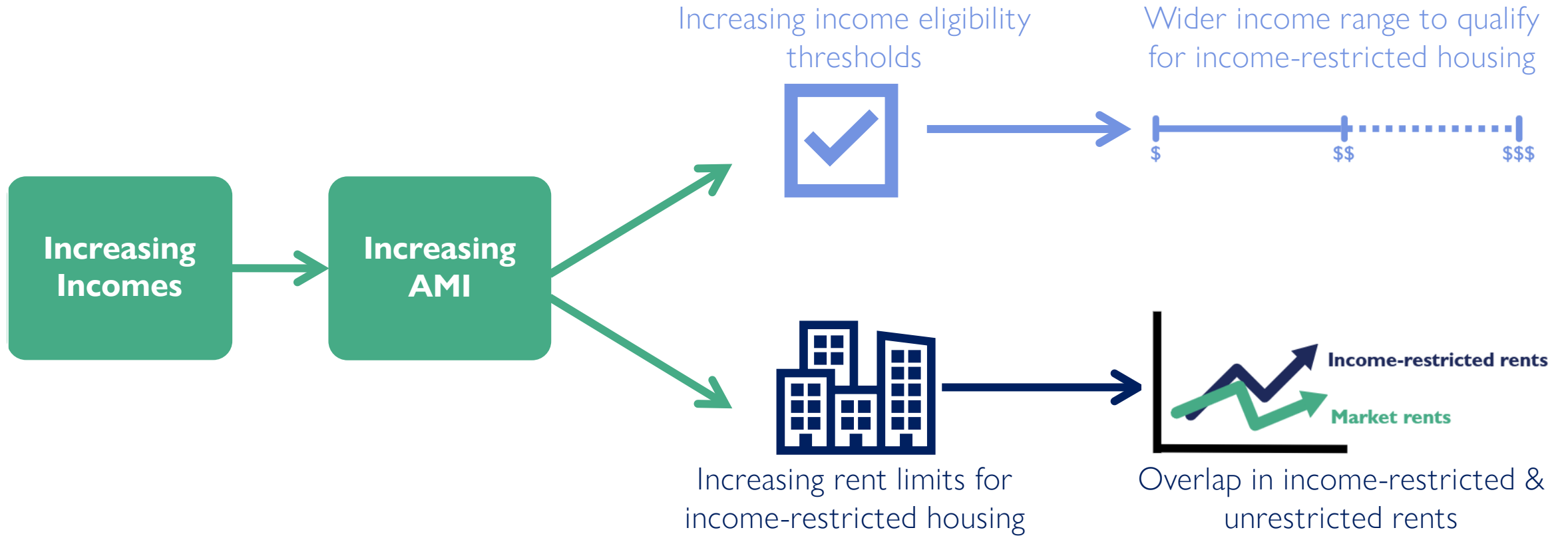
King County Median Household Income by Tenure, 2007-2023



Source: 1-year ACS, 2007-2023

Shifting AMI

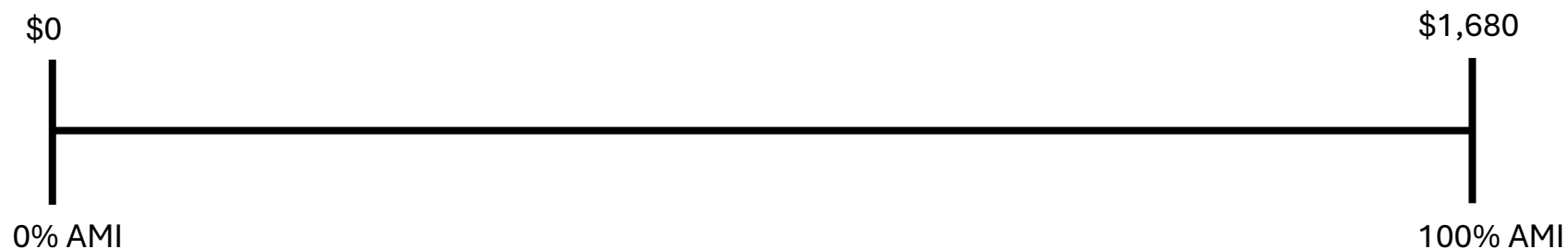
More eligible households and higher rents



Income-restricted and Market Rents Overlap

Income-restricted rents are based on AMI

Case Study: Studios in King County, **2017**

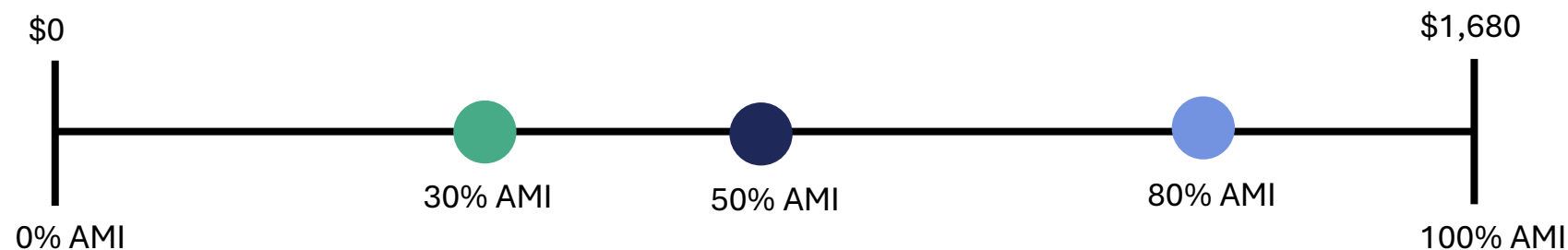


Source: HUD Income Limits, 2017

Income-restricted and Market Rents Overlap

30%, 50%, and 80% AMI benchmarks scaled to 100% AMI

Case Study: Studios in King County, **2017**

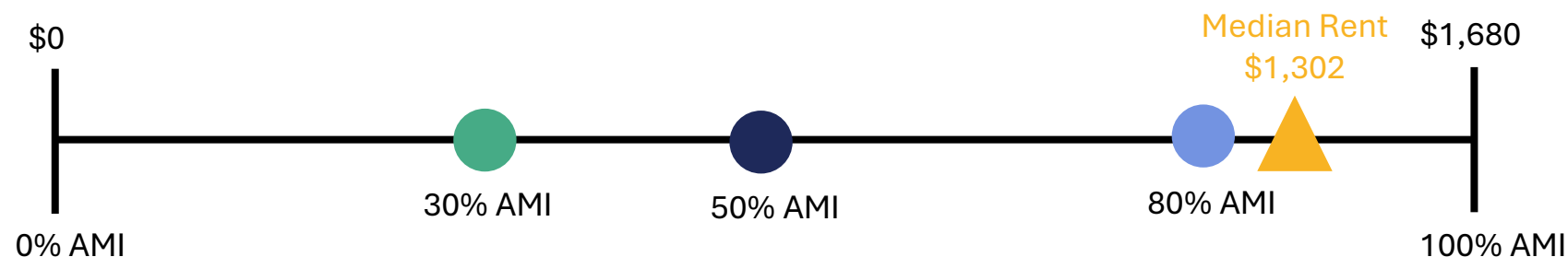


Source: HUD Income Limits, 2017

Income-restricted and Market Rents Overlap

Median rent is not related to 100% AMI

Case Study: Studios in King County, **2017**

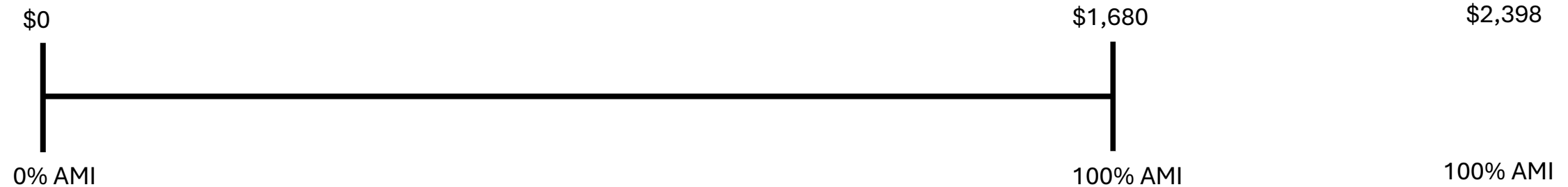


Source: HUD Income Limits, 2017; 1-year ACS , 2017

Income-restricted and Market Rents Overlap

Each year, AMI increases based on incomes

Case Study: Studios in King County, **2017** → **2023**

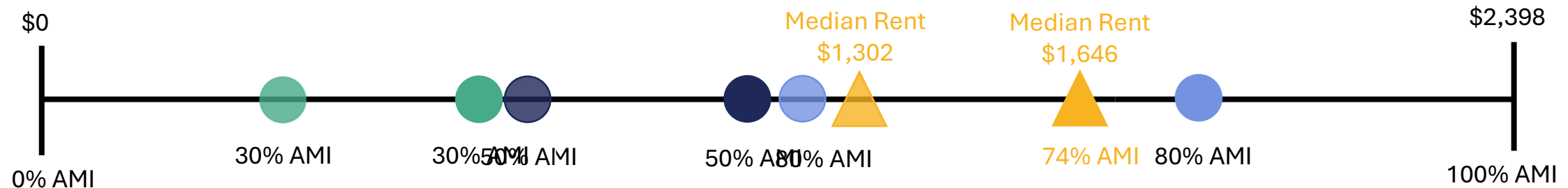


Source: HUD Income Limits, 2023

Income-restricted and Market Rents Overlap

As AMI increases, so do the 30%, 50%, and 80% rent benchmarks

Case Study: Studios in King County, **2023**

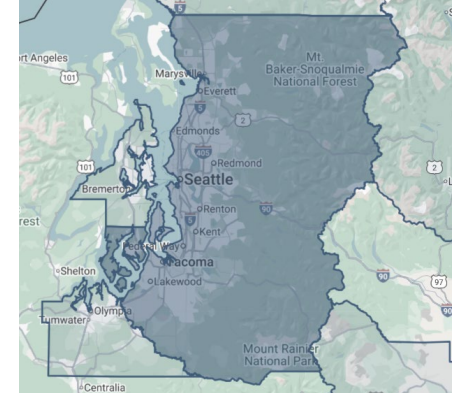


Median rent will also increase, but not at the same rate as income-restricted rent benchmarks. In fast growing income areas, like King County, this creates the potential for overlap between income-restricted and private market rents.

Source: HUD Income Limits, 2023; 1-year ACS, 2023

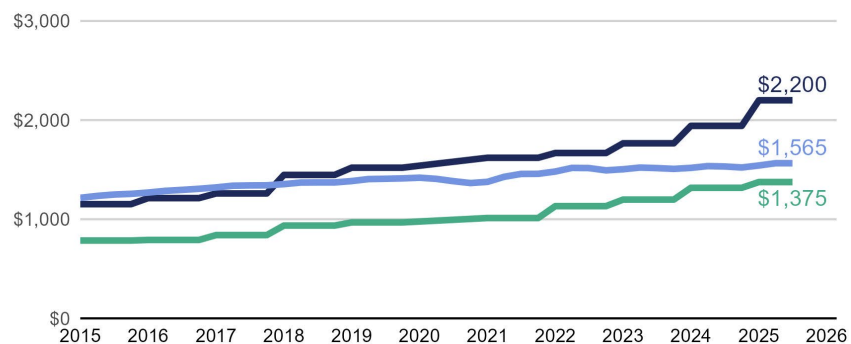
Shifting AMI

Most King/Snohomish/Pierce County market rents below 80% AMI

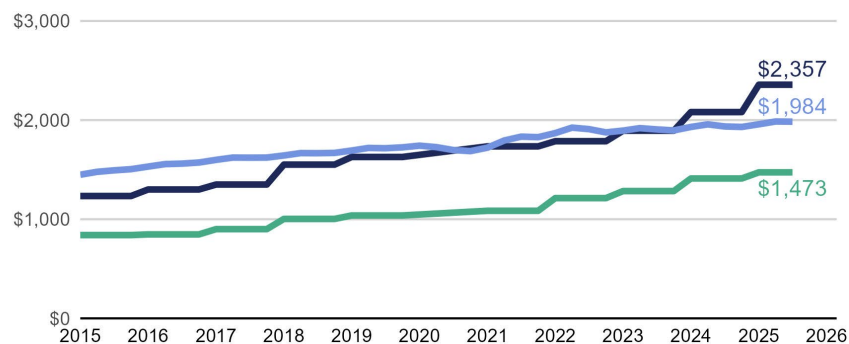


50% AMI Rent, 80% AMI Rent, and King/Snohomish/Pierce Market Rent

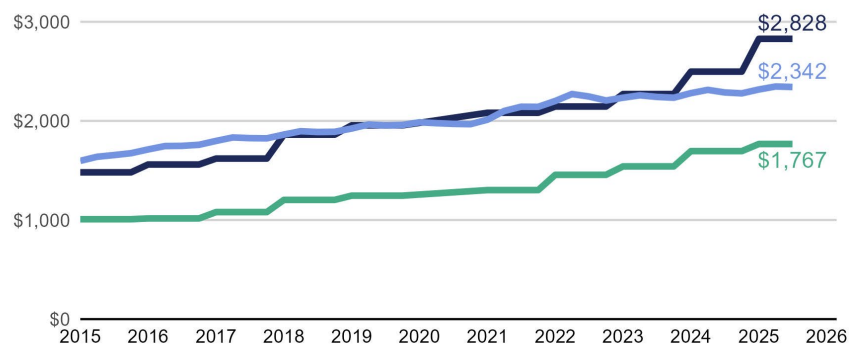
Studio:



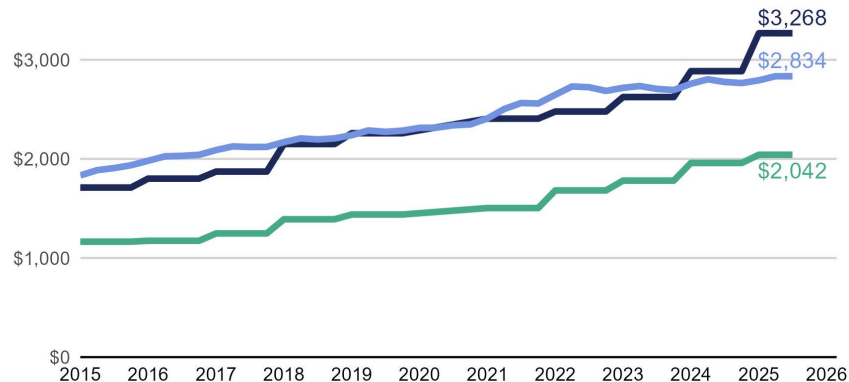
1 Bedroom:



2 Bedroom:

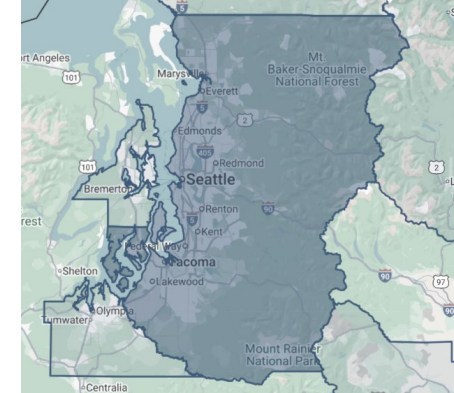


3 Bedroom:



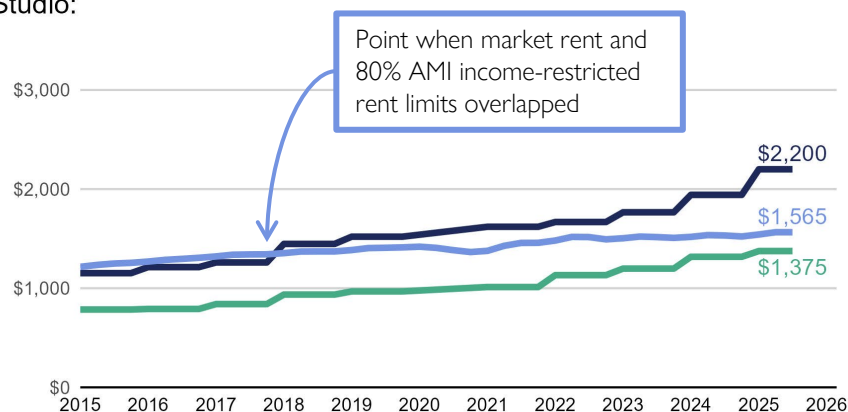
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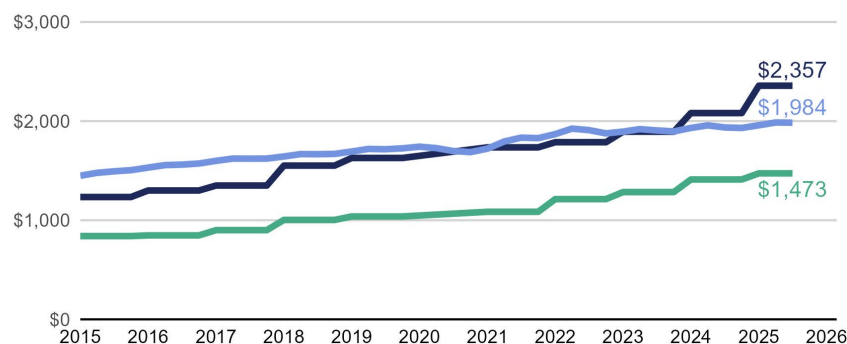


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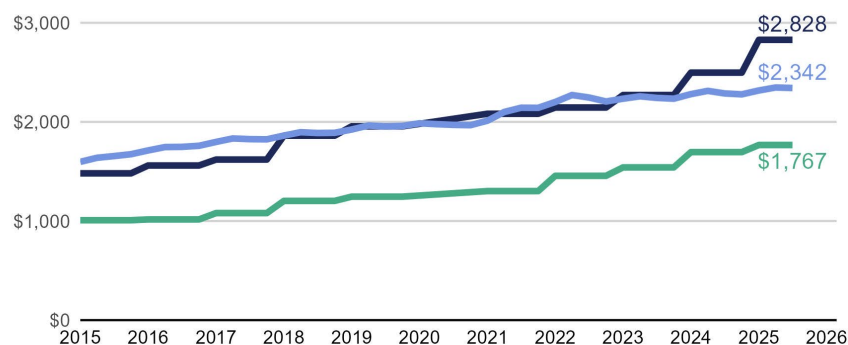
Studio:



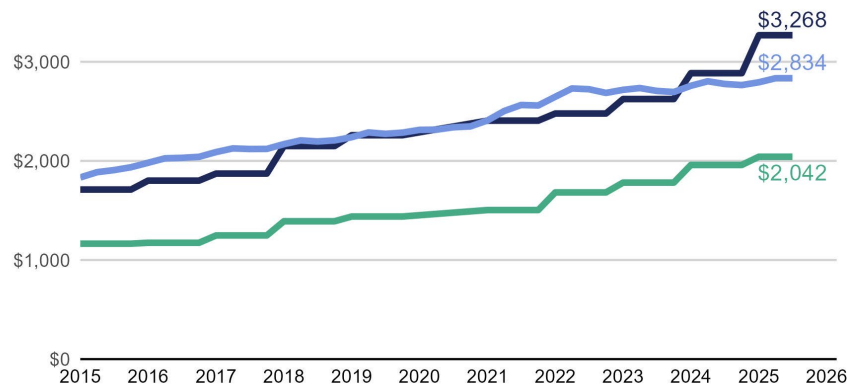
1 Bedroom:



2 Bedroom:

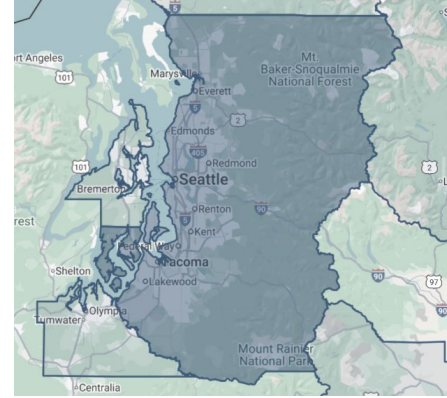


3 Bedroom:



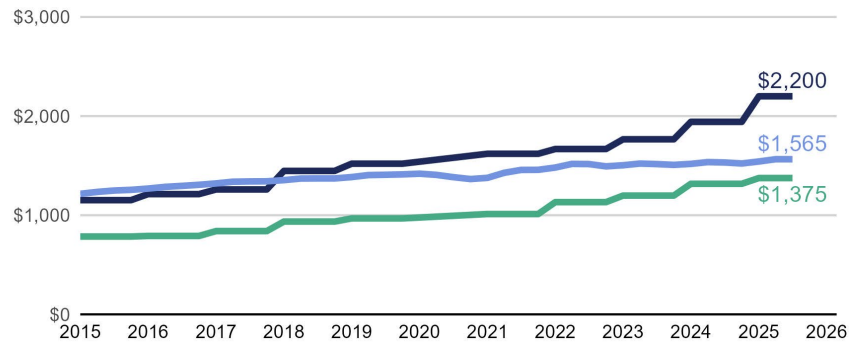
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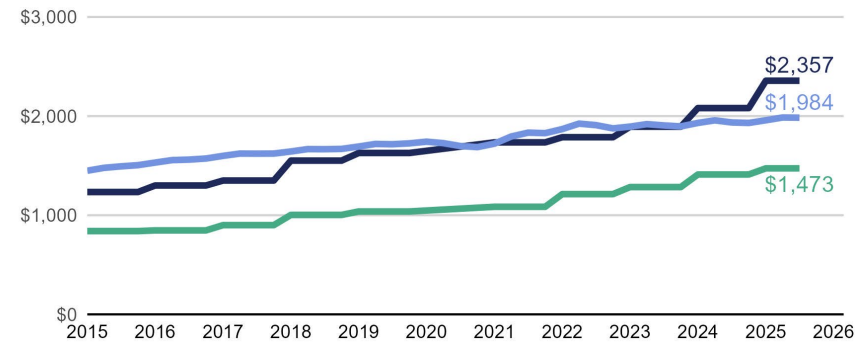


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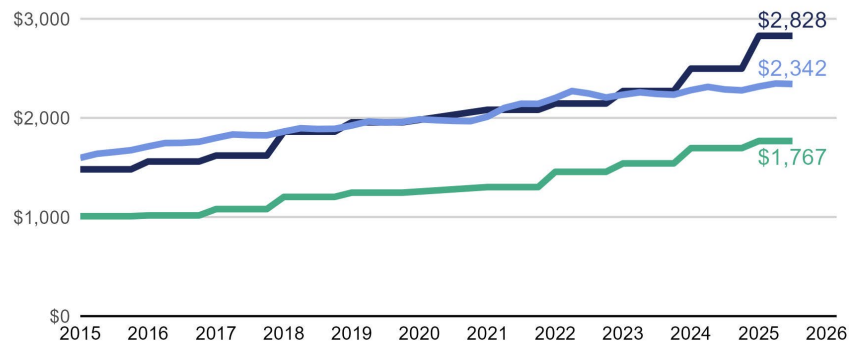
Studio:



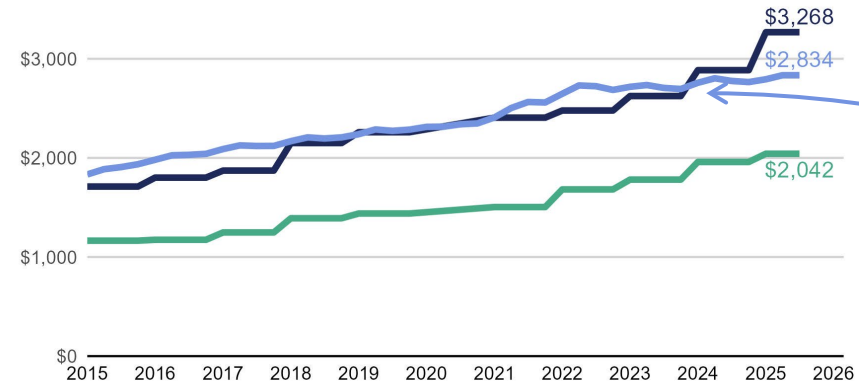
1 Bedroom:



2 Bedroom:



3 Bedroom:



Point when market rent and 80% AMI income-restricted rent limits overlapped

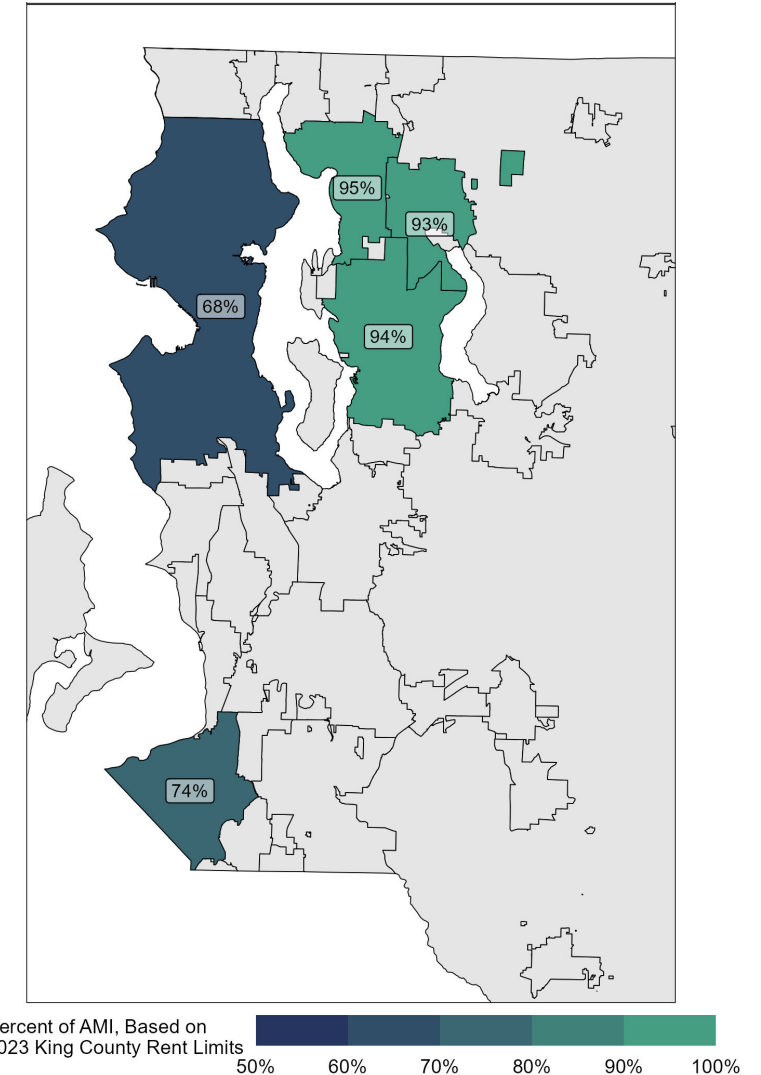
Shifting AMI

Median rents for studios much lower in Seattle

- Median Seattle studio in 2023 rented for 68% AMI
- Large differences between Eastside and Seattle
- Minimal South King County data for studios with low enough margin of error to be useful

Source: 2023 King County Rent Limits and 2023 1-year ACS. Only includes data on jurisdictions with populations of 65,000 or greater, as jurisdictions smaller than this are not included in the 1-year ACS. Data for jurisdictions with margins of error over 15% of median rent for that unit size are not shown.

Percent of AMI of Median Studio by Jurisdiction in King County



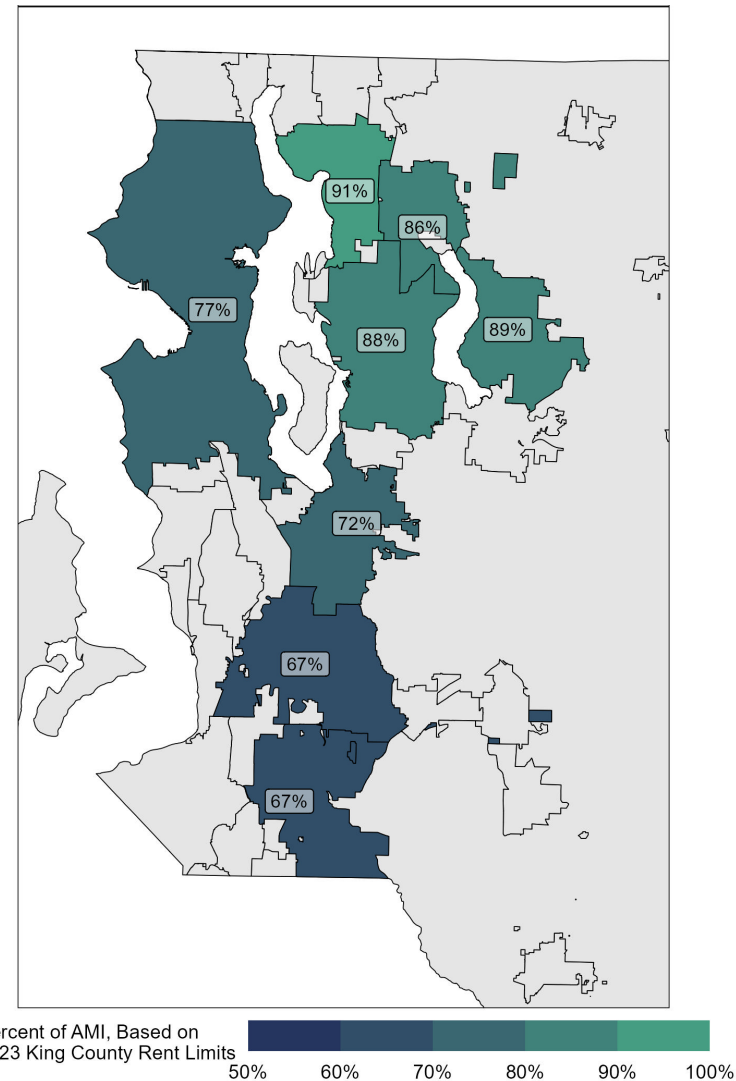
Shifting AMI

Large differences in 1-bedroom median rents across King County

- Median 1-bedroom in 2023 rented for 60-80% AMI in Seattle and South King County
- Eastside all above 80% AMI

Source: 2023 King County Rent Limits and 2023 1-year ACS. Only includes data on jurisdictions with populations of 65,000 or greater, as jurisdictions smaller than this are not included in the 1-year ACS. Data for jurisdictions with margins of error over 15% of median rent for that unit size are not shown.

Percent of AMI of Median 1-bedroom by Jurisdiction in King County



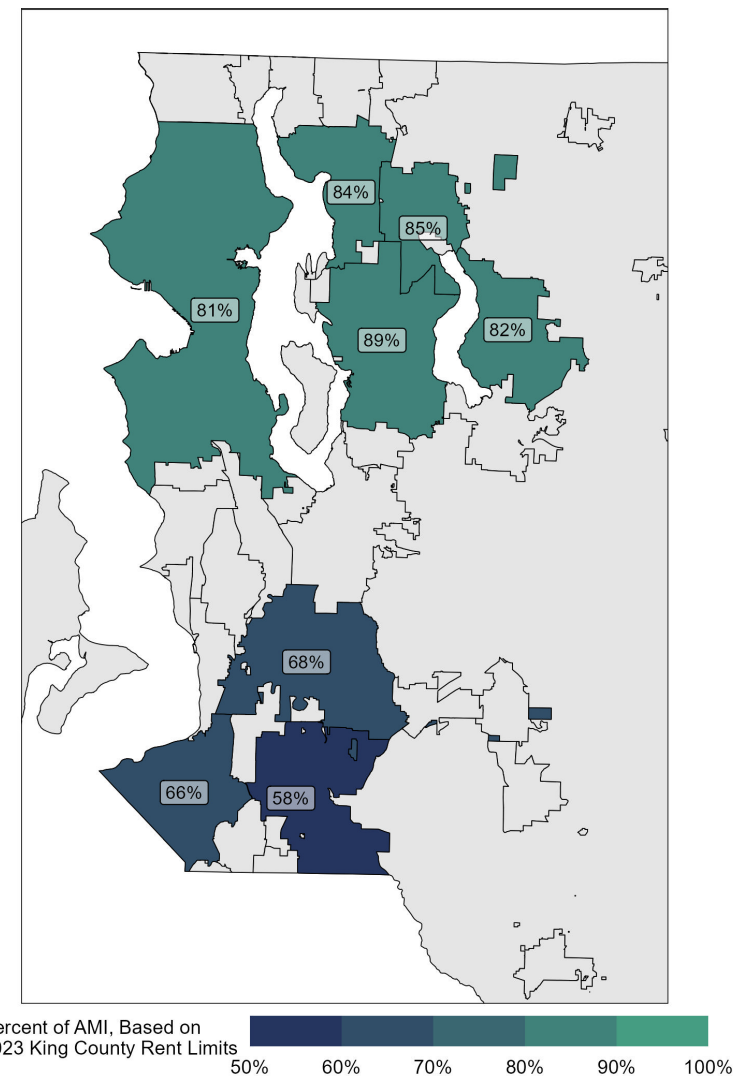
Shifting AMI

2-bedroom rents higher in Seattle and Eastside

- Unlike smaller unit sizes, Seattle and Eastside much closer, but large differences between Seattle/Eastside and South King County

Source: 2023 King County Rent Limits and 2023 1-year ACS. Only includes data on jurisdictions with populations of 65,000 or greater, as jurisdictions smaller than this are not included in the 1-year ACS. Data for jurisdictions with margins of error over 15% of median rent for that unit size are not shown.

Percent of AMI of Median 2-bedroom
by Jurisdiction in King County



Summary Findings

Improved affordability for smaller units

- Higher production of studios and 1-bedroom units slowed rent growth for smaller housing units

Affordability is a moving target

- Rises in AMI are reflective of homeowners and high-income renters, but low-income renters' incomes aren't keeping up
- Sharp rise in AMI increased income-restricted housing eligibility and rents

Income-restricted housing increasingly competing with private market

- Rises in income-restricted unit rents outpaced market rents
- Income-restricted studio, one-, and two-bedroom units in much of King County rent at rates affordable to households with incomes between 60% and 70% AMI

Policy Implications

Additional affordable housing subsidy needed to meet unrestricted rental market gaps

- Currently, less need for 60-80% AMI studios and 1-bedroom income-restricted units
- Necessitates greater scales of investment per unit, as deeply affordable and larger units cost more per unit than smaller, 60-80% AMI units

Incentive tools need to be calibrated carefully to provide public benefit, create units

- Especially in areas of the county where market rents are below 80% AMI, ensuring that tools are providing units the market isn't already building is essential
- Changing landscape of market-rate development necessitates regular review of tools

Policy Implications

Progress towards housing needs will be shaped by rise in AMI

- Likely to see rise in total 50-80% AMI units in data, due to AMI rising faster than rents
- Slower rent increases for studios and 1-bedroom units represents an increase in affordability for smaller households
- AMI rising faster than the incomes of low-income renters means more renters are falling into lower AMI categories, indicating true 0-50% AMI need may be growing



Questions?

Draft AHC 2026 AHC State Legislative Priorities

Reference material: [Staff Report](#)

Isaac Organista

Senior Housing Analyst, Dept. of Community and Human Services

Development Approach

The preliminary draft 2026 AHC state legislative priorities:

- Are consistent with potential King County priorities
- Resurface 2025 priorities that did not pass
- Simplify policy language to improve readability
- Support implementation of Countywide Planning Policies housing goals and policies

Approval Process

September

Review preliminary draft

October

Provide feedback

November

Review revisions and
potentially adopt





I. Grow and stabilize capital resources for affordable housing

- a. Create or authorize a fund source for affordable housing development and preservation that minimizes disproportionate burden on low-income households to the greatest extent possible and prepares for federal funding cuts.
- b. Continue to increase Housing Trust Fund (HTF) investments, including support for repairs and rehabilitation of existing affordable housing buildings, and to continue to open more housing. Explore creation of a dedicated source of funding to support the HTF.
- c. Continue to fund the Connecting Housing to Infrastructure Program, which increases the viability of affordable homes by reducing the cost of infrastructure associated with the development of affordable housing.
- d. Provide capital funding for the creation of non-housing uses within affordable housing projects that serve low-income residents and the broader community.



2. Increase and sustain operating resources for affordable and supportive housing topics

- a. Maintain Consolidated Homeless Grant funds at current levels and mitigate continued decreased local document recording fee collections, pandemic-linked federal funding that is ending, and other expiring funding sources to support housing projects for people who need supportive services.
- b. Restore operating, maintenance, and services funds for permanent supportive housing units developed through Apple Health and Homes to the degree possible to prevent delays or closures.
- c. Increase the flexibility of existing revenue tools, including permitting House Bill 1406 revenue to be used for operations and maintenance costs for both new and existing affordable or supportive housing and House Bill 1590 revenue to be used for operations and maintenance costs for both new and existing units of affordable housing and facilities where housing-related programs are provided.
- d. Bring care to people where they are. Invest in skilled, high intensity behavioral health care and supportive services tailored for people living in permanent supportive housing and people experiencing homelessness.



3. Maximize opportunities for King County residents to live in a home they can afford in the community of their choice

- a. Create inclusive communities by expanding the locations where permanent supportive housing, transitional housing, emergency housing, or emergency shelter can be constructed, by reducing siting barriers.
- b. Support policies that expand access to land for affordable housing and prevent land speculation.



4. Maintain and deepen housing stability for renters

- a. Maintain the Housing and Essential Needs program to keep up with rising rents for the lowest income community members.
- b. Maintain funding for legal assistance to help keep tenants housed.
- c. Ban discrimination against renters based on a prior criminal record.
- d. Limit Social Security Number requirements for prospective renters.
- e. Increase equitable opportunities for tenants to learn about and enforce their rights.

Housing-focused Draft Comprehensive Plan Review Update

Reference material: [Staff Report](#)

McCaela Daffern

Affordable Housing Committee Manager

Comprehensive Plan Review Updates

Growth Target Reconciliation

- King County Council approved CPP amendments reducing Snoqualmie and Carnation's housing growth targets and housing needs on July 1, 2025; now pending ratification

Program Evaluation

- AHC staff summarized Committee input in the staff report

Plan Review Status

- Submitted: Carnation
- Unreviewed: Pacific, Yarrow Point, Snoqualmie, Mercer Island

Relevant Growth Management Hearings Board Decisions

- Board recently issued decisions regarding appeals of Mercer Island and Kitsap County's plans
- First decisions about housing planning under the Growth Management Act since passage of House Bill 1220
- Could have implications for all jurisdictions as well as AHC