

Introduction to the Office of Housing

Housing, Arts, and Civil Rights Committee

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Agenda

1. Agency Overview
2. Top Priorities for 2026
3. 2026 Calendar
4. Affordable Housing Landscape
5. Permanent Supportive Housing (PSH)
6. Area Median Incomes, Rents, and Cost Burden



Agency Overview



Vision

Everyone has a healthy and affordable home

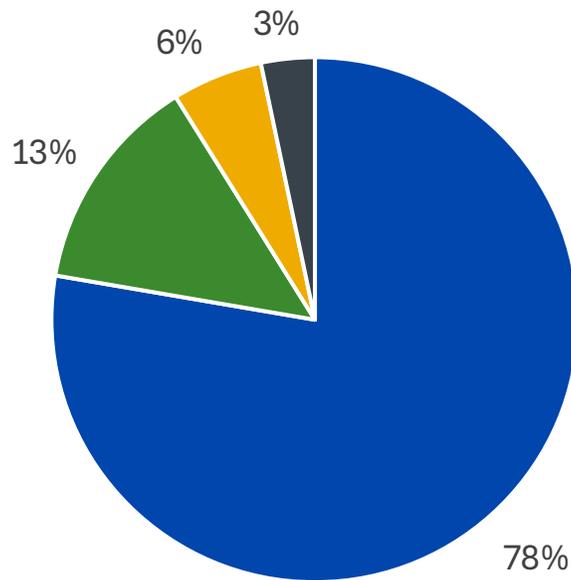
Mission

We partner to create affordable housing by equitably investing to prevent displacement and increase opportunities for people to live in Seattle

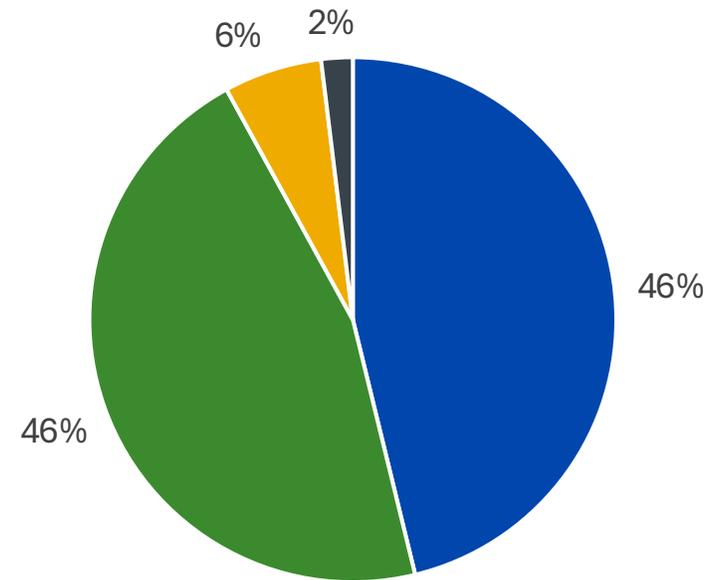


OH Primary Funding Sources and Uses, 2024-2030

**Housing Levy
(\$138M annual)**



**Payroll Expense Tax
(\$142M annual)**



- Rental Production
- OMS
- Homeownership
- Prevention

2026 Projections

MHA: \$19.6M

Other sources: \$43M



Bodies of Work



Create and Preserve
Affordable Housing



Operations,
Maintenance, and
Services



Energy Efficiency and
Weatherization

Create and Preserve Affordable Housing



- Redesigned NOFA with new production, stabilization, and preservation categories
- 2025 NOFA supported 2,116 homes with \$155M in funding
- For new production, 39% are 2+ BR and at least 20% of units serve people with lowest incomes (0-30% AMI)
- Since November, 34 affordable homeownership homes have opened

Operations, Maintenance, and Services (OMS)



Source: DESC

- Short-term investments
 - 2024: \$14M operating stabilization
 - 2026: \$28M urgent operating stabilization
- Long-term investments
 - Redesigned 2025 NOFA
 - \$130M in capital stabilization
- Redesign underwriting
- Holistic review of organizations

Energy Efficiency and Weatherization



- Over 1,150 single family and multi-family homes weatherized
- Converted 263 low-income homes from oil/gas to electric heat through Clean Heat Program
- Over 85 home repair loans and grants

Top Priorities for 2026



2026 Priorities: Affordable Housing and Homelessness

Protect and Preserve Affordable Homes

Problem

Existing affordable housing stock is aging, and long-term sustainability requires investment

Solution

Continue near- and long-term support of affordable housing investments

Support the City's Response to Homelessness

Problem

Maintain investments in new homes for people with very low incomes (0-50% AMI) and for families

Solution

Ensure city, state, and regional partners are working together to maintain and increase investments and improve development processes



Protect and Preserve Affordable Homes

- Reaffirm OH's long-term commitment to existing housing investments
- Respond to rising operating costs as federal funding is withdrawn to ensure long-term sustainability
- Develop strategies for buildings with expiring affordability terms to remain affordable housing



Support the City's Response to Homelessness

- Maintain current investments in PSH Operating, Services, and Workforce
- Proceed with existing PSH pipeline and investments
- Work with community partners to identify resources for new PSH
- Improve underwriting to respond to current conditions and focus on apartments serving families with extremely low incomes



2026 Calendar



2026 OH Council Reports Calendar

Q1	Q2	Q3	Q4
OH-004S: Stabilization Information, Sections 1 & 2 (March)	Annual Reports: OH, MFTE, MHA, religious lands (June) OH-003S: Seattle Housing Investment Plan Updates (June) OH-004S: Stabilization Information, Sections 3 & 4 (June) HSD-049: Map/Inventory of Human Services and Affordable Housing (July)	OH-005S: Vacancies and barriers for people with very low-incomes (September)	Proviso OH-002-B: \$6M for rental assistance



2026 OH Council Legislation Calendar

Q1	Q2	Q3	Q4
	Montlake 520 homeownership site acceptance <i>(pending 2026 state budget)</i>	2026 Fort Lawton Redevelopment Plan update Mount Baker Redevelopment Sites ground lease 2026-2028 Housing Funding Policies update SHA Northgate Commons \$5M capital award	South Della Street homeownership site transfer TBD: Acceptance/transfer of up to five homeownership sites



Affordable Housing Landscape



A National Systemic Challenge

- No metro area has an adequate supply of affordable and available homes for renters with extremely low incomes – this is the greatest need
- Legacy of optimistic underwriting to stretch public dollars with a focus on new production
- Increasing income inequity, pandemic, labor shortage, increasing operating and construction costs, federal funding cuts



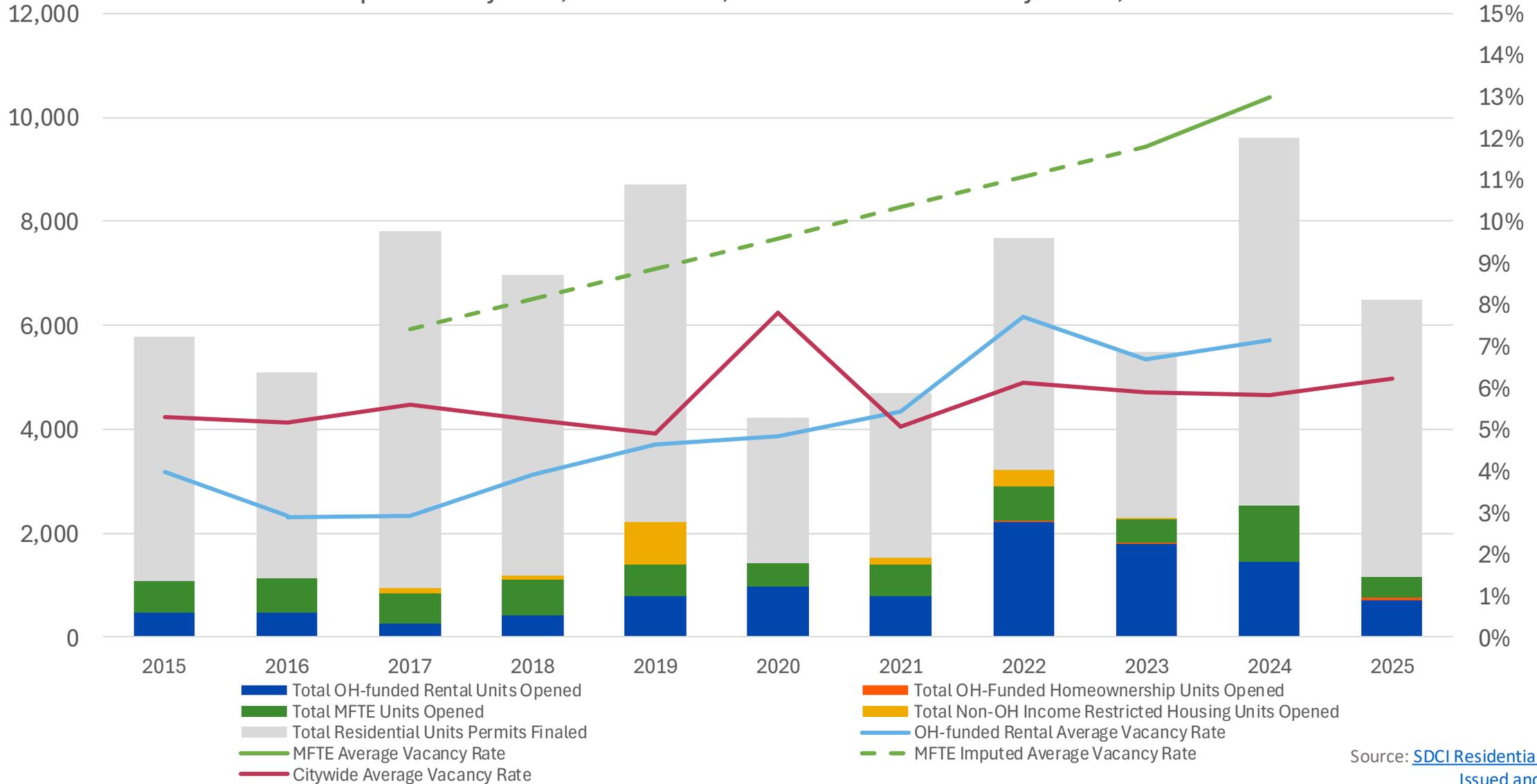
Seattle Housing Market Production



- For years, production focused on studios and 1-bedrooms
- This slowed rent growth and increased vacancy for these unit sizes
- AMI and income-restricted rents have increased significantly for the region
- In Seattle, studio, 1-bedroom, and 2-bedroom private market units rent at 60-70% AMI. This is less, or equal to, income-restricted rents.

High Multifamily Production in Seattle

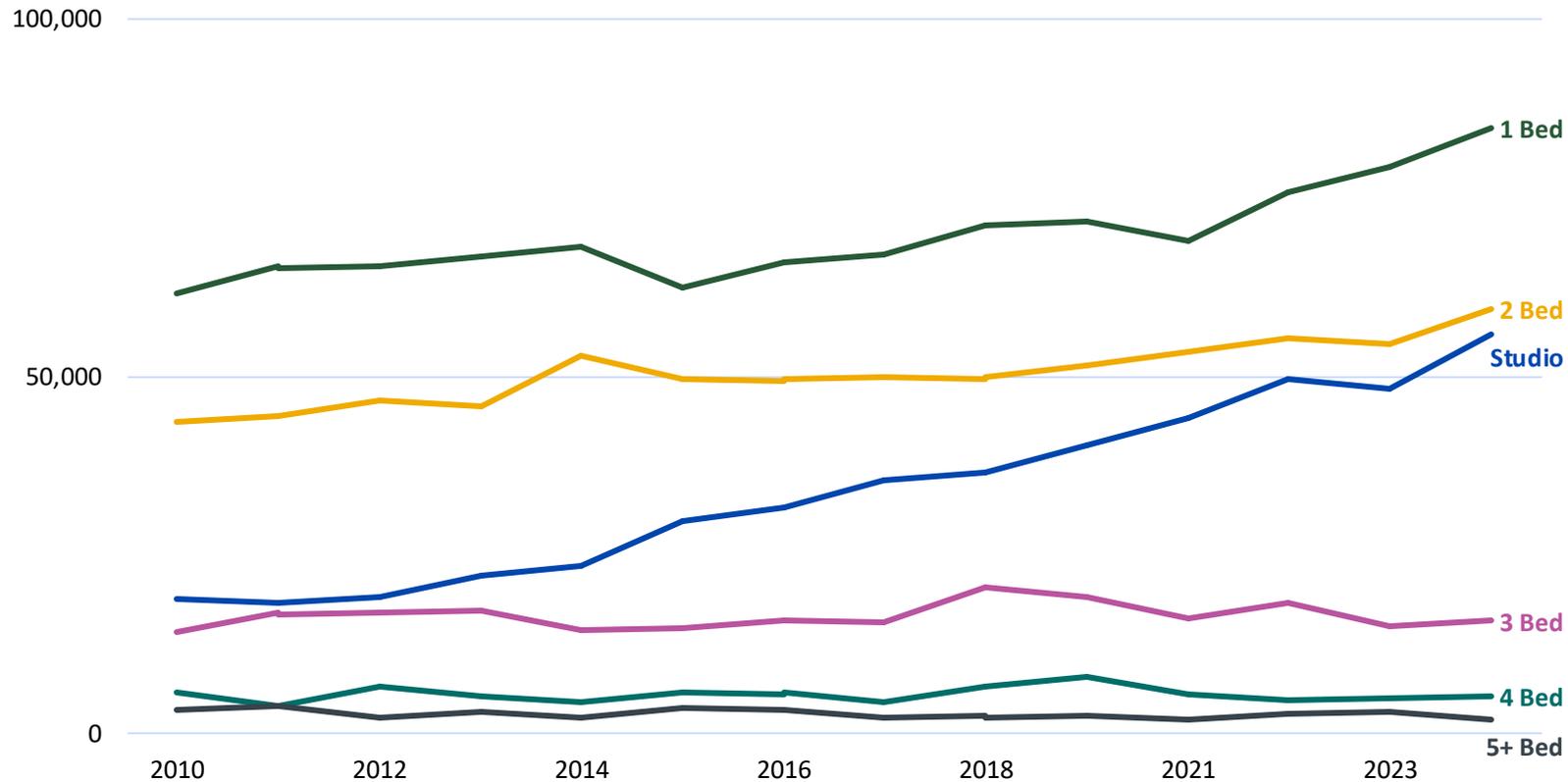
Units Opened Citywide, OH-funded, and MFTE and Vacancy Rates, 2015-2024



Source: [SDCI Residential Building Permits Issued and Final since 1990](#)

Increased Production of Smaller Apartments

Total Number of On-line Rental Units by Unit Size in Seattle, 2010-2024



Source: 1-year ACS, 2010-2024



Permanent Supportive Housing (PSH)



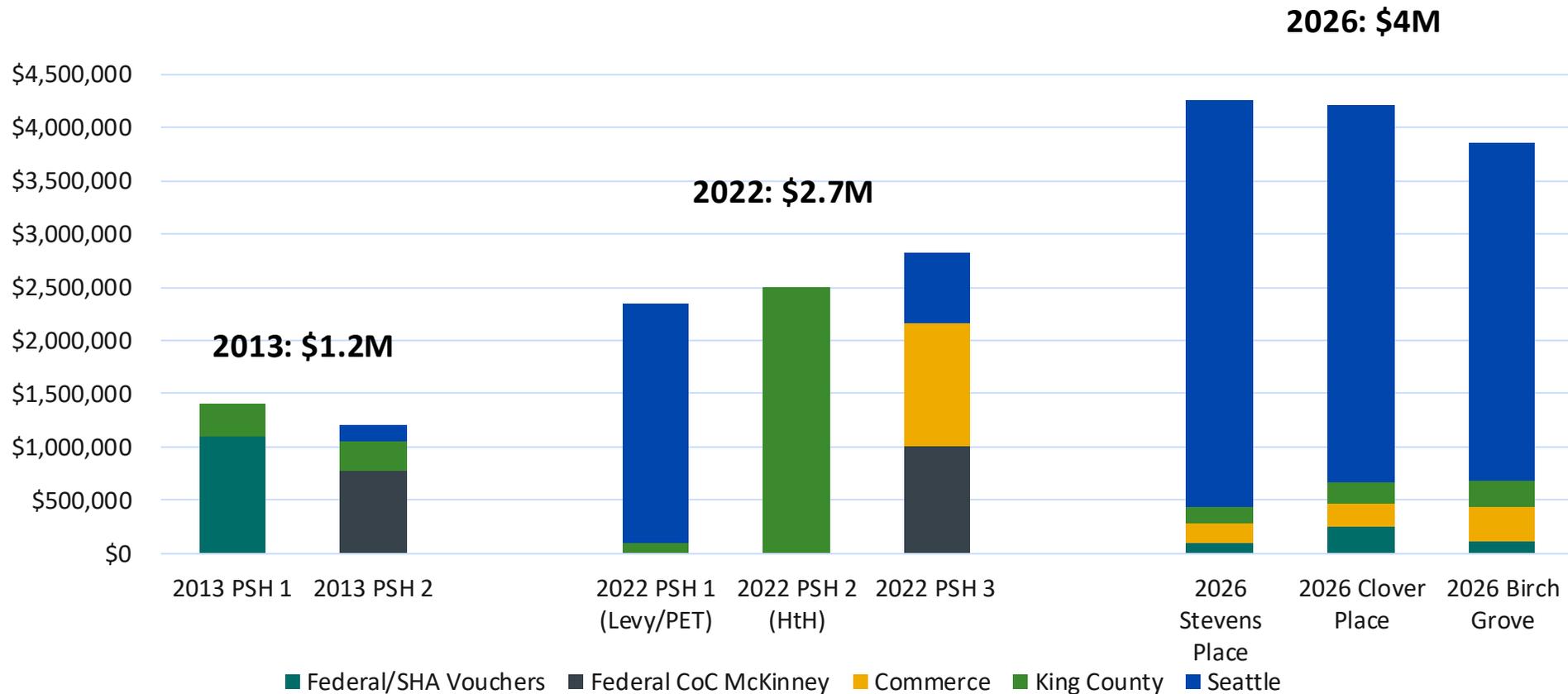
Permanent Supportive Housing (PSH)

- PSH combines affordable housing with services to serve people with the most complex challenges (behavioral, physical health conditions, chronically homeless)
- OH has developed over 4,000 PSH apartments and provides OMS support to 1,100 PSH apartments annually
- PSH and non-PSH construction costs are similar. PSH requires deeper and longer OMS subsidies.



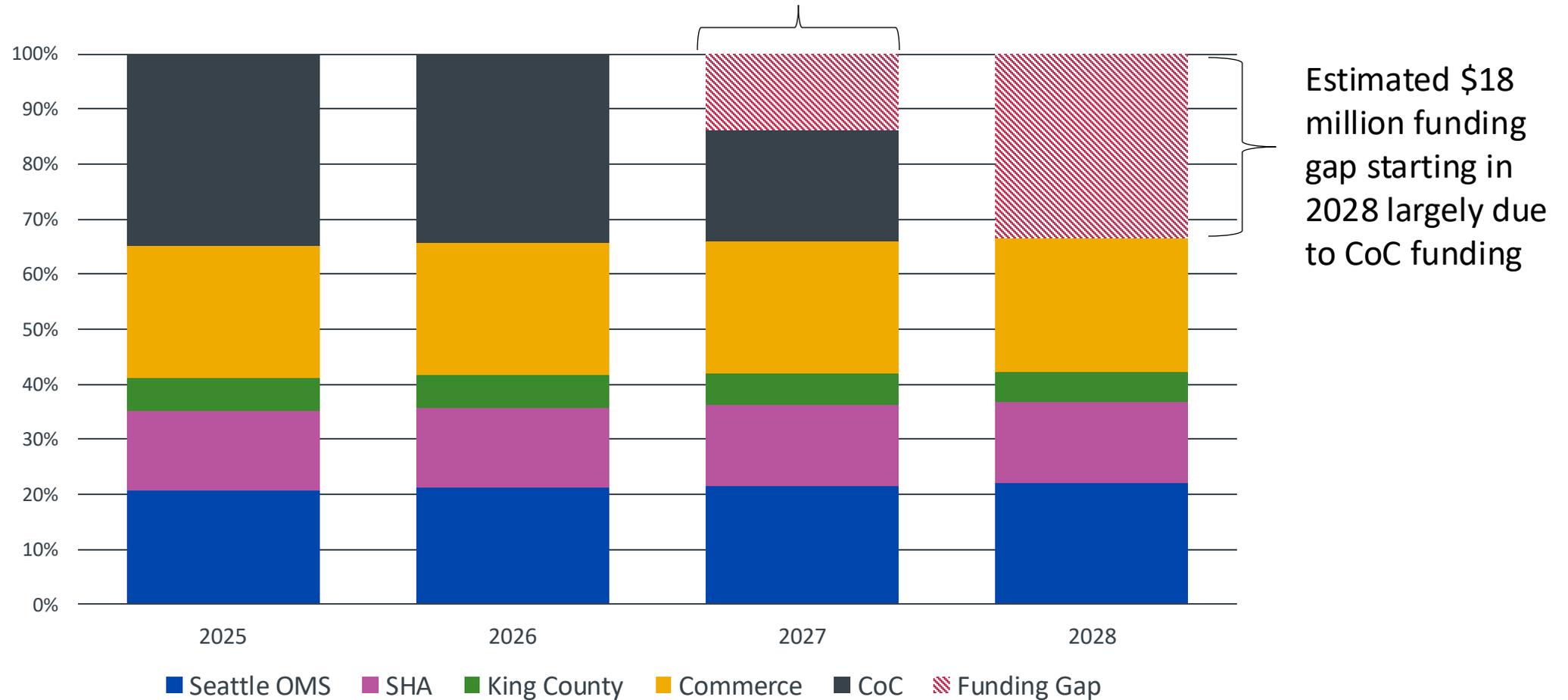
Source: Chief Seattle Club

Increasing OMS Costs and Reliance on Local Funds



Uncertainty in Future OMS Funding

40% cut in CoC funding



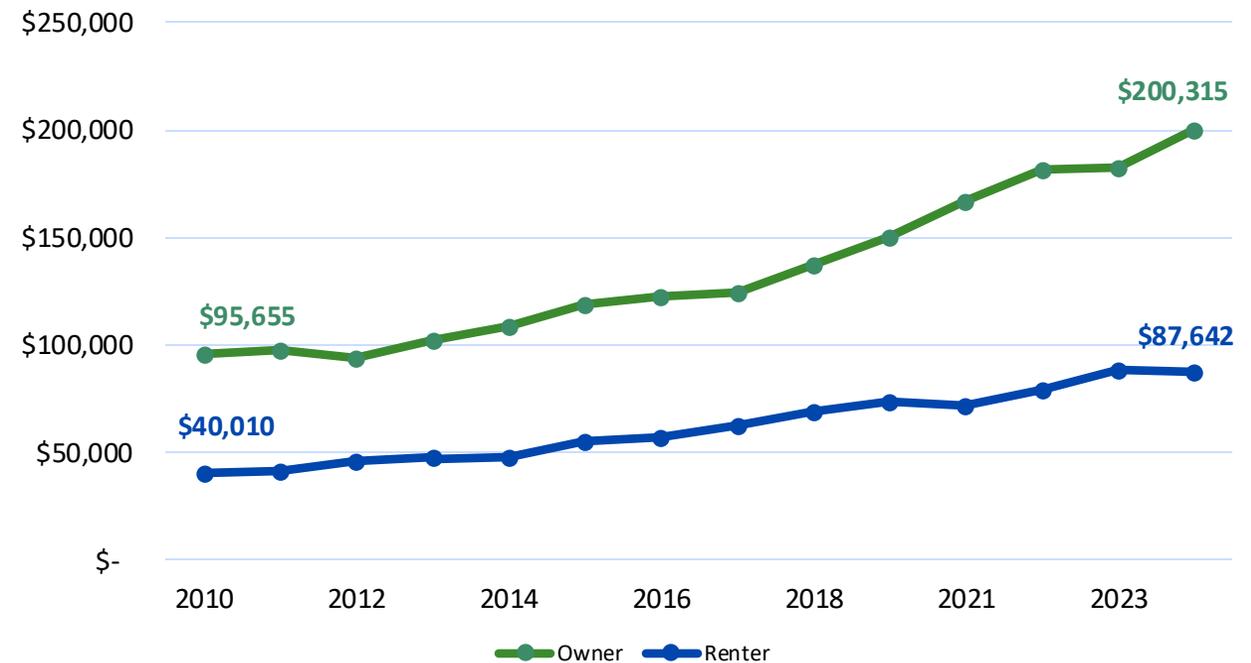
Area Median Income, Rents, and Cost Burden



Median Income is High due to Homeowners

- Homeowners make much more than renters. This income gap is twice as large as it was in 2010.
- Seattle's AMI has rapidly increased due to growth in the highest quintile of incomes
- This increased AMI, which increased the income-restricted rents set by HUD

Seattle Median Household Income by Tenure, 2010-2024



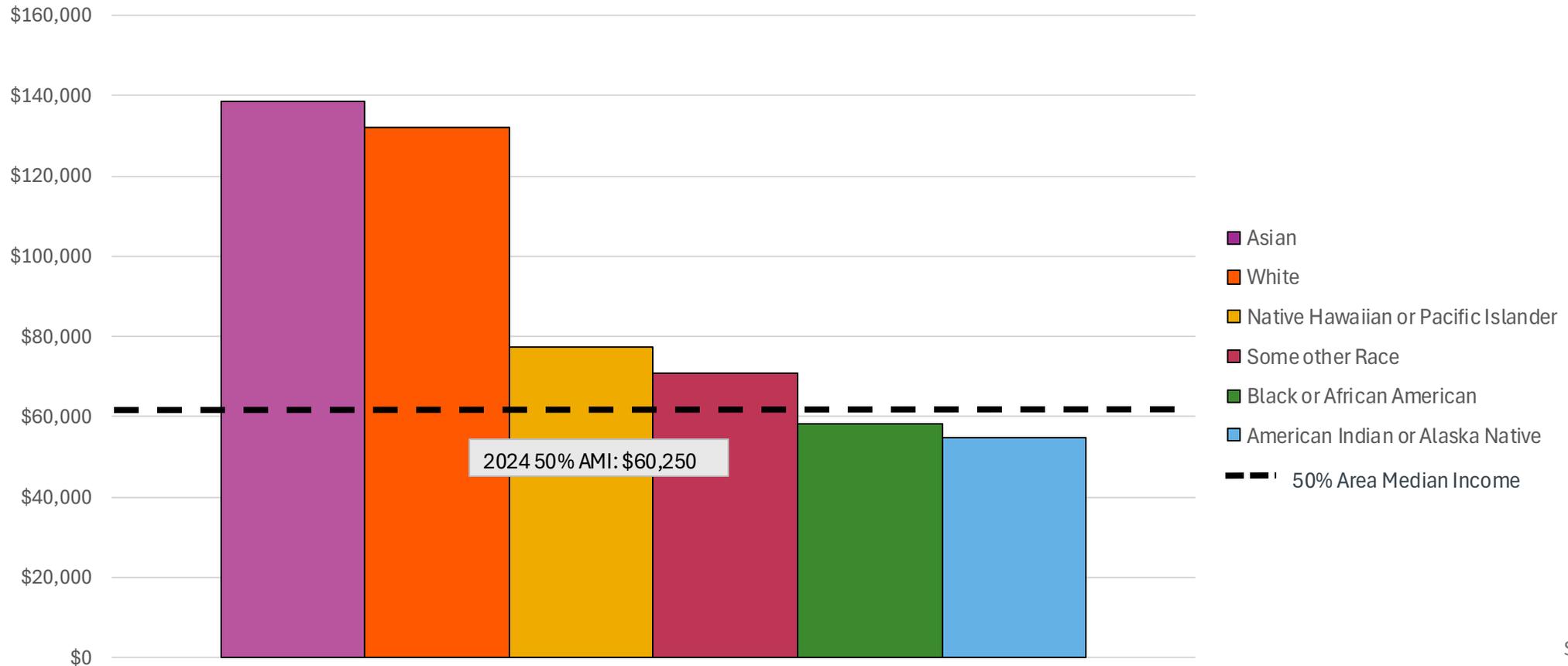
Source: ACS, 1-year, 2010-2024

People at Each AMI Level

	Extremely Low Income	Very Low Income	Low Income
Household size	30% AMI	50% AMI	80% AMI
	Childcare worker (\$37,000 at 35 hrs/week) or Unemployed (\$0)	Substitute teacher (\$59,000)	Transit driver (\$77,000) or Retired couple (\$95,000)
	Physical therapy aide (\$31,000 at 30 hrs/week) plus part-time retail worker (\$16,000 at 15 hrs/week)	Cashier (\$32,000 at 30 hrs/week) plus veterinary assistant (\$45,000)	Nursing assistant (\$52,000) plus construction worker (\$65,000)

Source: HUD Income & Rent Limits (2025), Bureau on Labor Statistics Occupational Employment and Wage Estimates for Seattle-Tacoma-Bellevue MSA (2024)
 Affordable Housing Committee of the King County Growth Management Planning Council, 2025

Median Household Incomes for Black and Indigenous households below 50% AMI



Source: ACS, 5-year, 2024



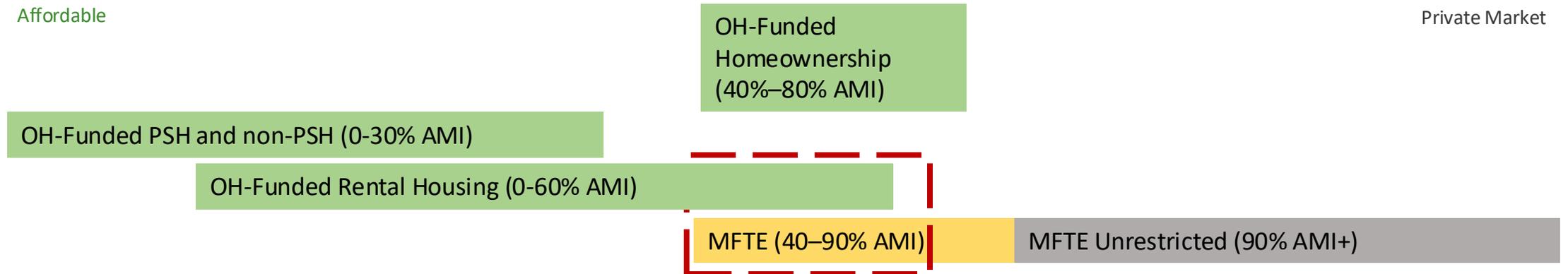
Seattle Needs 112,000 Homes by 2044

Housing Unit Needs by AMI and Funding Source

0-30% AMI PSH	0-30% AMI non-PSH	30-50% AMI	50-80% AMI	80-120% AMI	120% AMI+
15,024	28,572	19,144	7,986	11,572	29,702

Affordable

Private Market

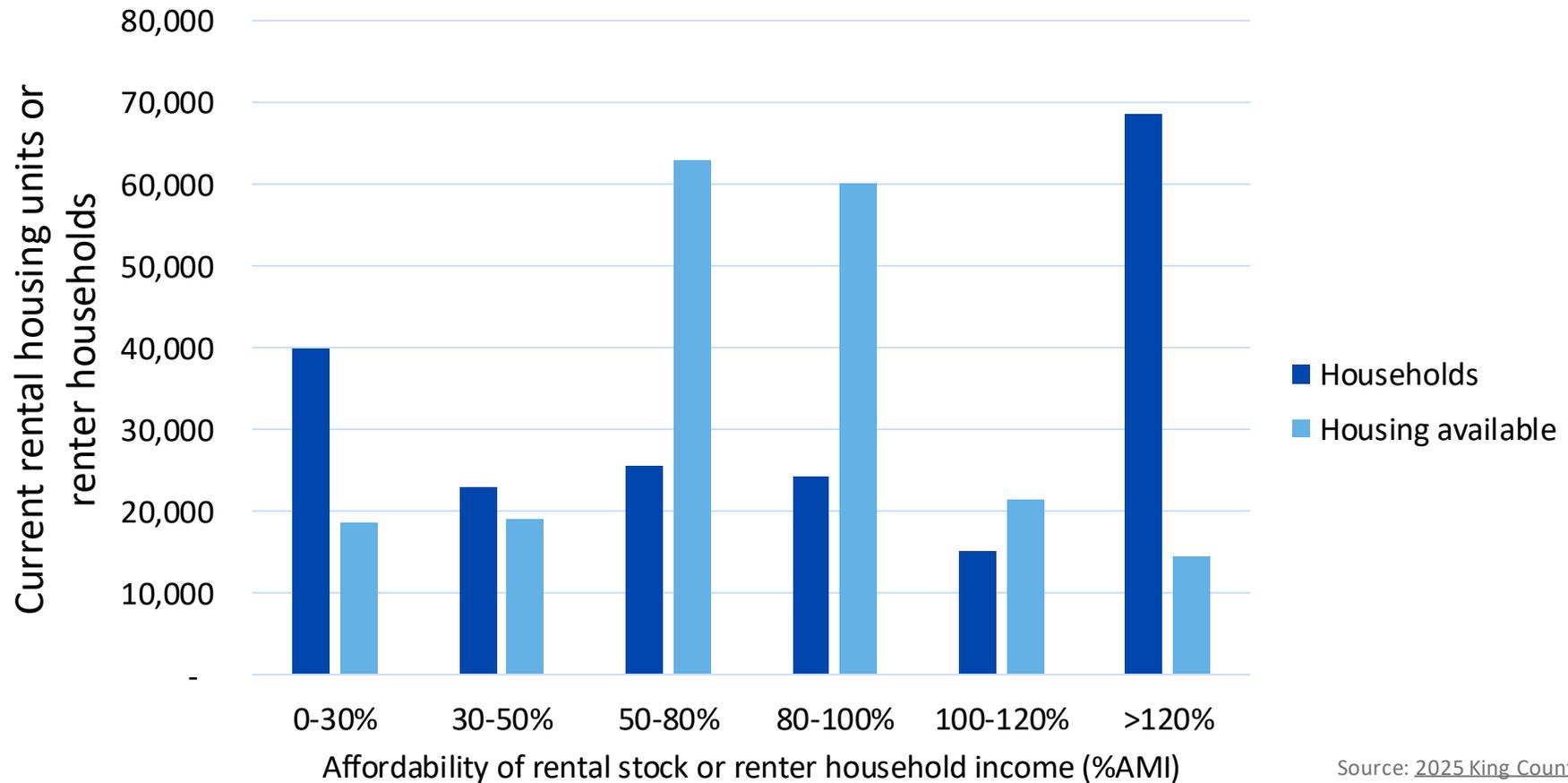


Overlap in Income-Restricted and Private Market Rents

Notes: Assumes 2.4 person household
Source: Countywide Planning Policies, King County Growth Management Planning Council, 2023

Mismatched Rents/Income in Seattle

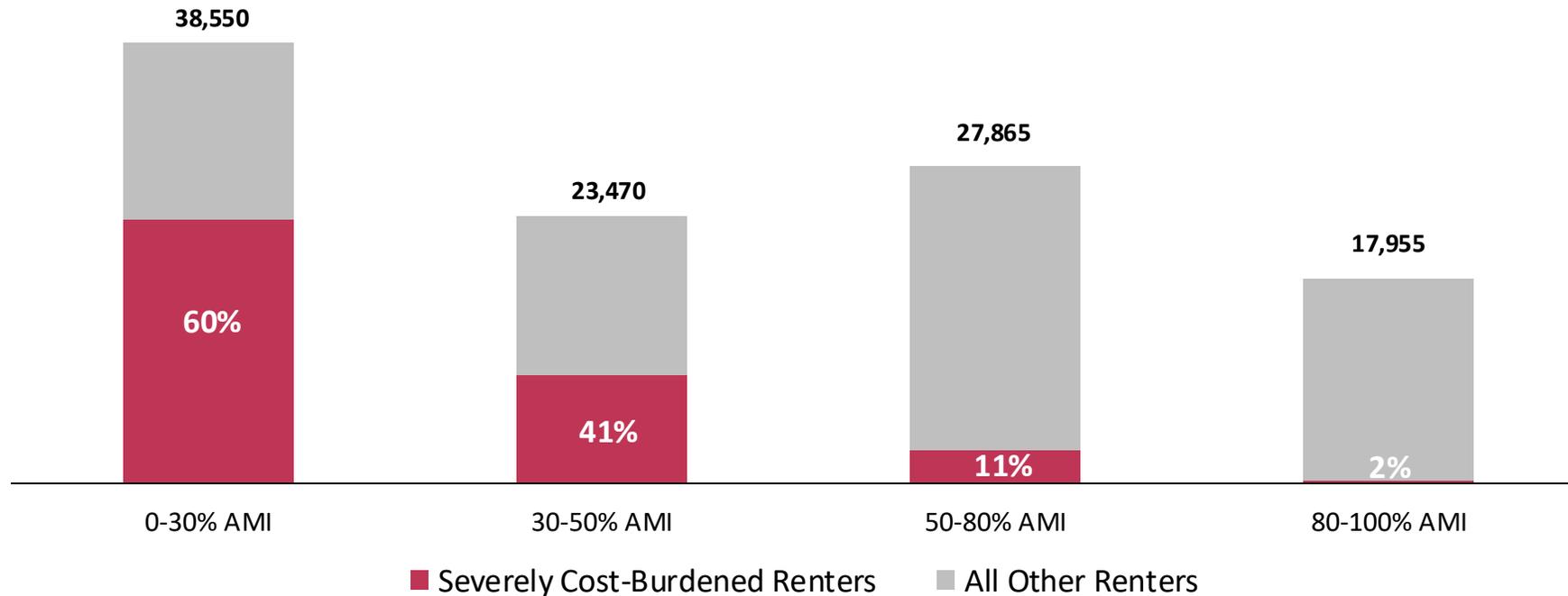
Comparing Rental Unit Affordability to Resident Incomes in Seattle, 2023



Source: [2025 King County Countywide Housing Needs Assessment](#), King County DCHS & ECO Northwest

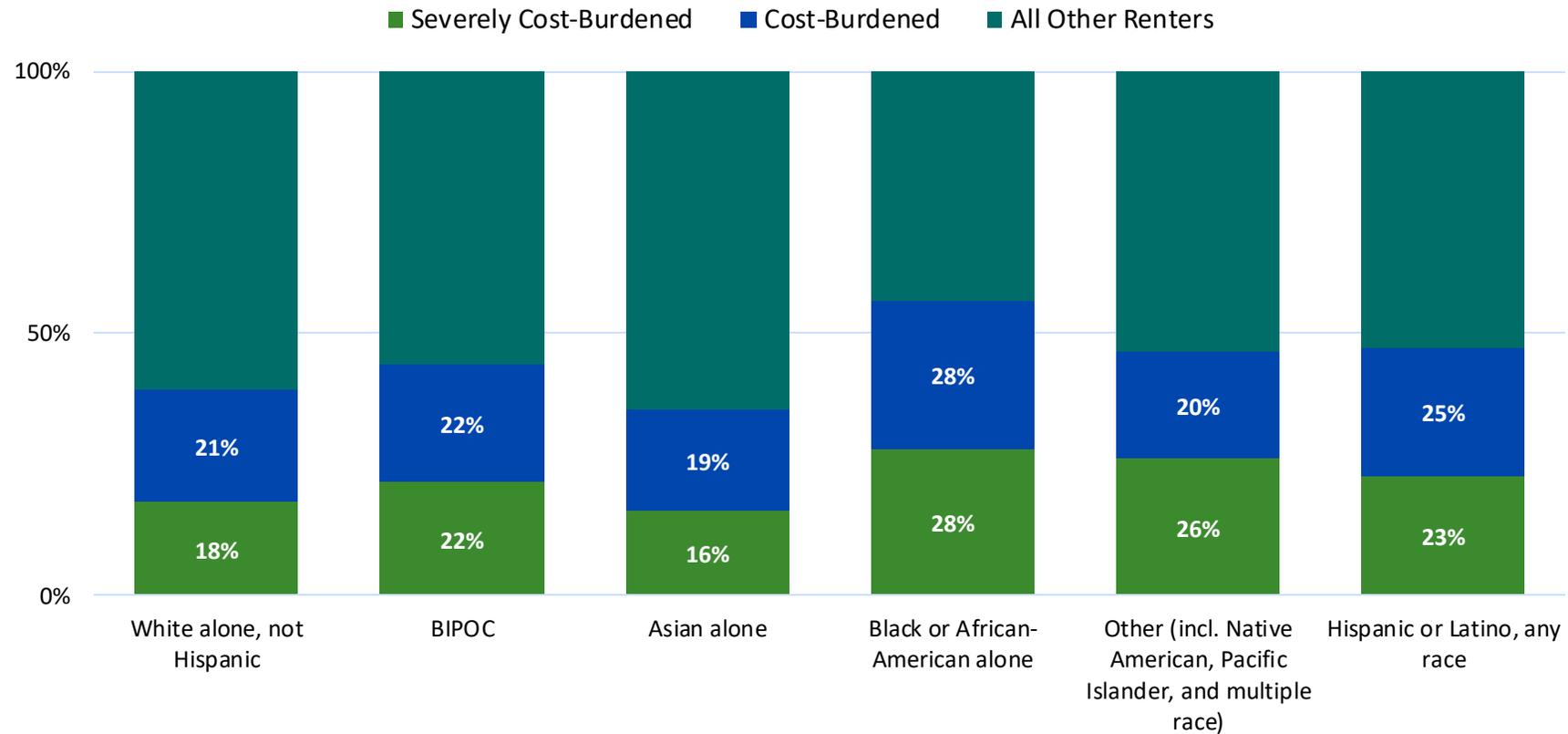


60% of People with the Lowest Incomes are Severely Cost Burdened



Source: HUD, CHAS 2018-2022, ACS 5-Year Estimates, Seattle

BIPOC Households are More Cost Burdened Than White Households



Source: HUD, CHAS 2018-2022, ACS 5-Year Estimates, Seattle



Thank you

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