

Appendix A: Closing the Low-Income Housing Gap

1. How many new homes are needed to fill the need?

[Housing gap estimates from HDC](#) (cited on page 2 of Resolution 31782):

Seattle	0-30% AMI		30%-50% AMI		50%-80% AMI	
	2016	2030	2016	2030	2016	2030
Total	17,161	27,481	2,341	12,661	Met	7,125

From [Resolution 31782](#):

WHEREAS, the City's Housing Affordability and Livability Agenda is projected to create approximately 6,000 new housing units affordable to households with between zero to 30 percent AMI over the next ten years, which will still leave a severe shortage of housing for low-income residents who are either currently unhoused or at risk of becoming unhoused.

The 6,000 figure comes from the top of Page 14 in the [HALA recommendations](#). Some of these projected units will be funded by the Housing Levy, some from other sources. Unfortunately, some of these units may be in danger due to anticipated federal and state funding that isn't all materializing.

Even if all 6,000 units are created, Seattle needs 21K+ additional units in the next 10-12 years to close the gap for the 0-30% income range. To keep it simple, let's say 20K units in 10 years.

2. How much will this cost?

The City can leverage state and federal funding, but still Seattle must pitch in ~\$170,000 per unit. That means we need a total of **\$3.4 billion**, or **\$340 million per year for 10 years**. That's just for capital costs, not counting ongoing costs including the costs of operating Permanent Supportive Housing, which some portion of this housing will need to be. This investment could be achieved by bonding against a revenue stream somewhat smaller than \$320 million per year.

It should be emphasized that this estimate is extremely conservative. HDC's numbers are based on a technical appendix in King County's Comprehensive Plan, which assumes that 12% of a city's housing stock should be affordable to households earning 0-30% AMI. In fact, in Seattle an estimated 22,800 low-income renter households are Severely Cost Burdened (paying over 50% of their income in rent and utilities) and 8,522 homeless people were counted in 2017. This suggests that Seattle is currently short over 30,000 low-income units; at \$170K/unit, building these units would cost **\$5.1 billion**.

The capital costs per unit may also be a low estimate; for Permanent Supportive Housing units additional to those already in the works, Seattle may have to cover the entire cost of \$312,000 per unit without relying on other state and federal sources.