

Housing and Human Services

Part 2 of 4

Build More Housing Faster

January 20, 2026

Ian Lefcourte, AICP, Principal Planner



Tonight's Conversation

Build More Housing Faster.

Main Topics

1. Housing Demand
2. Housing Supply
3. Development Process
4. Area Median Income
5. Affordable Housing
6. Council's Role

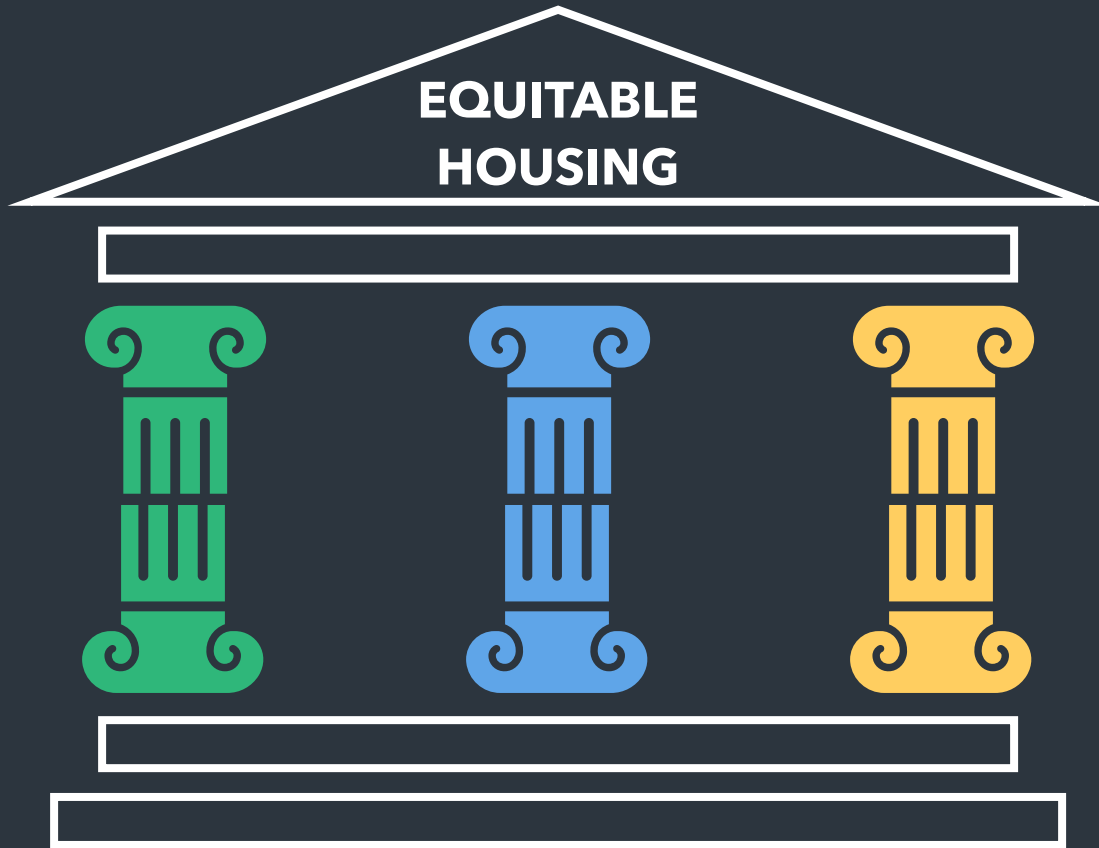
Key Lesson: The City does not build homes. The City sets the stage to build homes through policies, resources, and systems.



Together Center, located in City of Redmond

Housing Framework

Building a strong foundation to support housing for all.



Build More Housing Faster

Support faster delivery of more housing to increase supply and variety.

Get People Housed

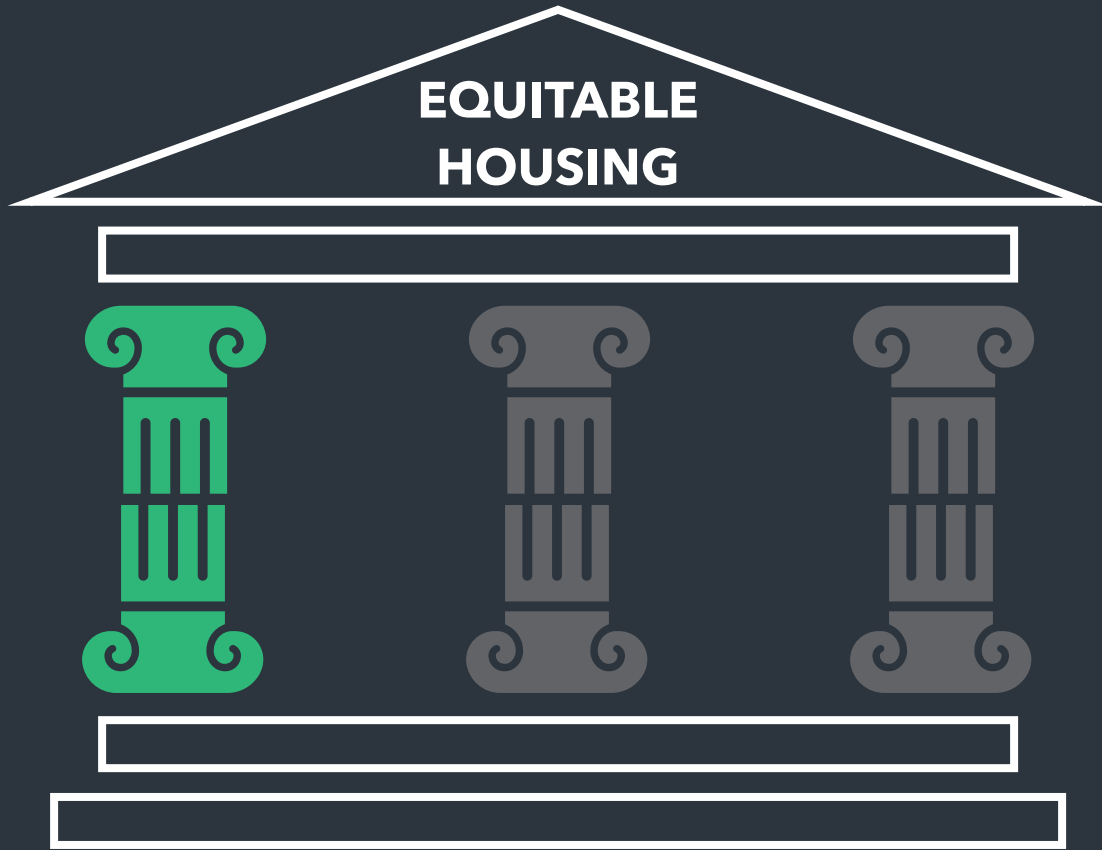
Address and provide a comprehensive response to homelessness.

Keep People Housed

Improve housing stability for those at risk of losing their housing.

Housing Framework

Today: Build More Housing Faster



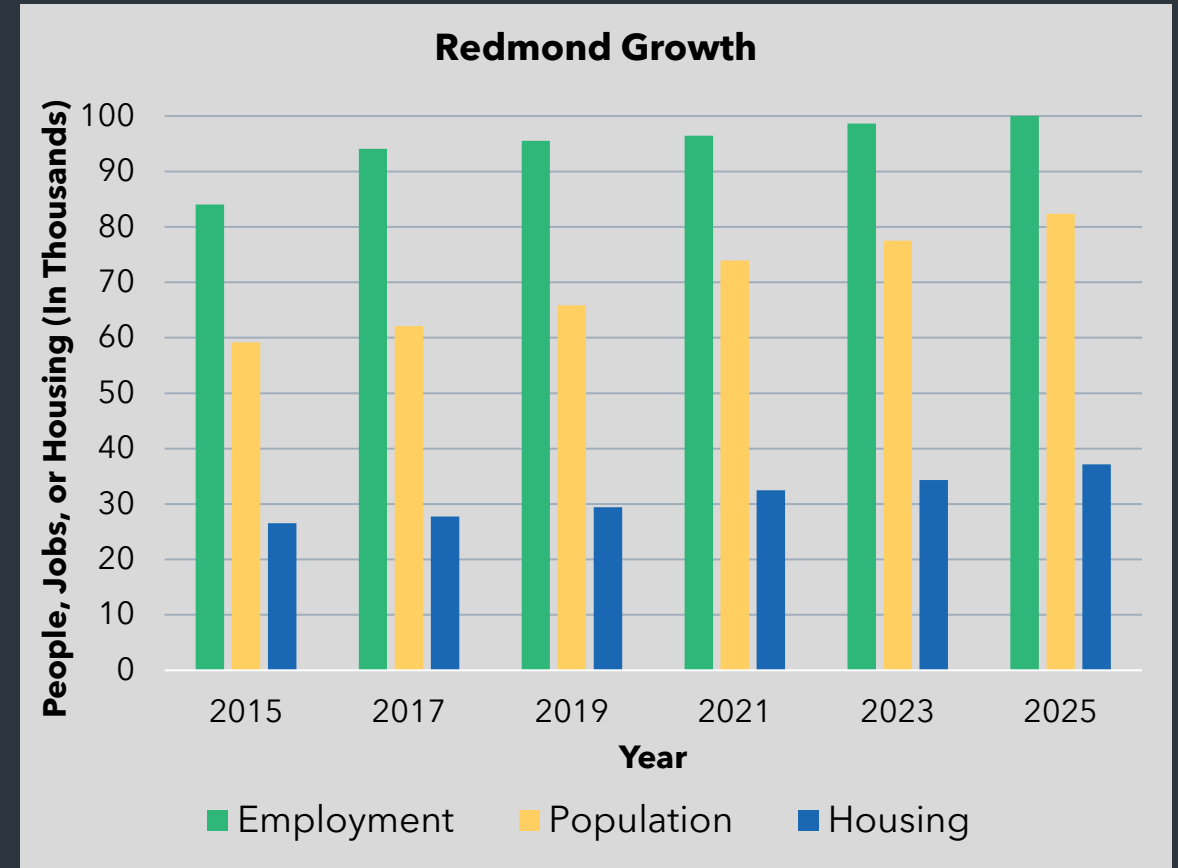
Build More Housing Faster

Support faster delivery of more housing to increase supply and variety.

Housing Demand

Population drives demand for housing.

- Population is largely driven by employment.
 - People come for jobs (and quality of life).
 - Income -> purchasing power -> housing prices.
- Household size also impacts demand.
 - Different household sizes want different housing.
- Other factors include quality of life and plentiful amenities.
 - People want to live where it's nice.



Source: WA OFM and PSRC

Housing Demand

We mostly need homes for 0 - 50% AMI households.

	Total Units	≤30% AMI		AMI	AMI	AMI	AMI	AMI
		Non-PSH	PSH	>30 - ≤50%	>50 - ≤80%	>80 - ≤100%	>100 - ≤120%	>120%
Baseline Housing Supply: 2019	31,739	753	58	1,404	2,184	9,270	4,839	13,231
KC CPP Net New Housing Needed: 2019-2044	20,000	7,025	3,694	3,870	2,765	348	394	1,904
KC CPP Total Future Housing Needed: 2044	51,739	7,778	3,752	5,274	4,949	9,618	5,233	15,135
Extrapolated KC CPP Net New Housing Needed: 2019-2050	24,800	8,711	4,581	4,799	3,429	432	489	2,361
Extrapolated KC CPP Total Future Housing Needed: 2050	56,539	9,464	4,639	6,203	5,613	9,702	5,328	15,592

73% of net new housing at 50% AMI or below (18,090 units)

Development capacity is regulated.

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7 Housing and Human Services Update (Second of Four) Q1 2026

Housing Supply

Many factors impact development financial feasibility.

- 1. Land Cost and Site Conditions**
- 2. Zoning, Entitlements, and Regulations**
- 3. Market Demand**
- 4. Revenue Potential (Rents, Prices, NOI)**
- 5. Construction Costs**
- 6. Financing Costs and Availability**
- 7. Return Expectations and Exit Strategy**
- 8. And More!**

Area Median Income (AMI)

% AMI is an industry standard metric to gauge affordability.

- AMI = the midpoint of a specific area's income distribution.
 - Half earns **less** than AMI.
 - Half earns **more** than AMI.
- ARCH calculates AMI for different household sizes.
- Level of affordability for cost-controlled housing is usually expressed as a percentage of the Area Median Income.
 - E.g., "50% AMI units" are cost-controlled units **affordable** to households earning no more than 50 percent of AMI.

2025 King County Area
Median Income

\$157,100



(Household of Four)

Affordable Housing

Affordable Housing has several meanings.

- Housing is “affordable” when a household pays no more than **30%** of its income for it.
 - **Cost-burdened:** housing costs exceed 30% of gross income.
 - **Severely cost-burdened:** housing costs exceed 50% of gross income.



Income: +50%



Rent: +66%

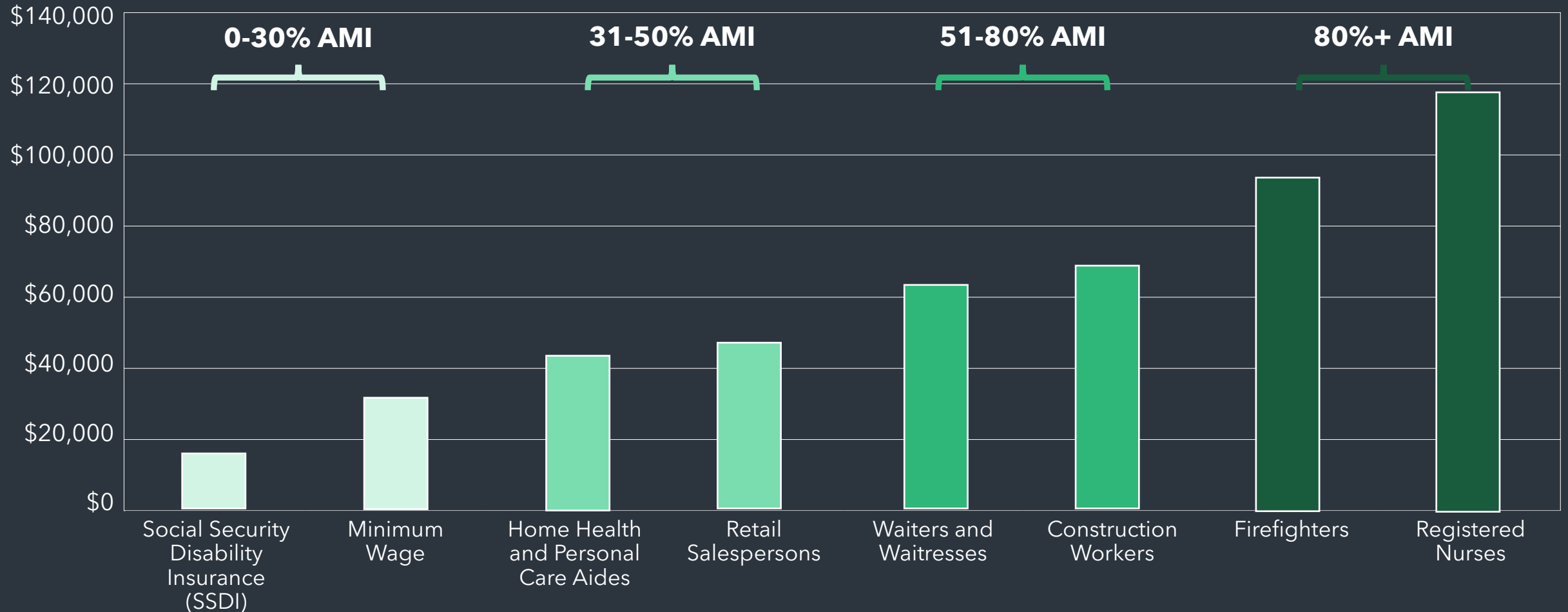


Home Price: +160%



Affordable Housing

Who is affordable housing for? Our community.



Typical Housing Strategies for Different Income Levels

Area Median Income	Types of Affordable Housing Strategies	Examples
120% +	1. Market Rate	<ul style="list-style-type: none"> • Market Rate Housing • Flexible Zoning • Missing Middle • Support Small Homes • Innovative Housing • Partnerships
110%		
100%		
90%		
80%	2. Land Use and Tax Incentives	<ul style="list-style-type: none"> • Inclusionary Zoning • Multifamily Property Tax Exemption • Minimum Density • Fee Waivers • First-Time Home Buyer Loans • Density / Height Bonuses • Partnerships
70%		
60%		
50%		
40%	3. Direct Assistance	<ul style="list-style-type: none"> • Housing Trust Fund • Community Development Block Grant • Low-Income Housing Tax Credit (LIHTC) • Surplus Land • Nonprofits / KCHA • Special Projects • Fee Waivers • Partnerships • Bonds
30%		
20%		
10%		

Affordable Housing

On-site, mixed-income, affordable housing.

- Mandatory Inclusionary Zoning (**MIZ**) and Voluntary Multifamily Property Tax Exemption Program (**MFTE**)
 - Developers must include cost-controlled affordable homes in development.
 - MFTE: Developers get temporary exemption from property tax.
- Redmond 2050: Revised MIZ and MFTE to focus on 50% AMI units.



Affordable Housing

Alternative compliance exists; more tools in the toolbox.

City policy favors on-site affordable units to support mixed-income developments.

Options

1. Build affordable units off-site.
2. Pay fee in lieu of units.
3. Adjust on-site unit mix.
4. Use other approved options.

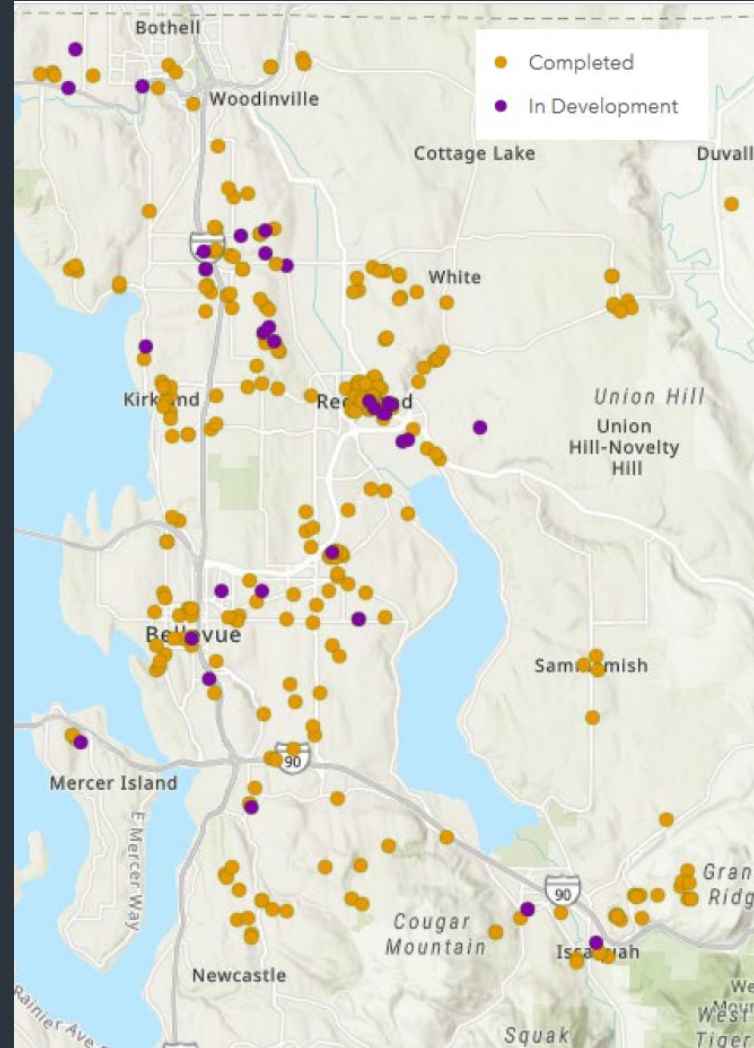


Example of Alternative Compliance: Fee-In-Lieu.

Affordable Housing

Our tools and strategies have produced affordable housing.

- A Regional Coalition for Housing (ARCH) cities work together like a family, making a bigger impact than they could alone.
- Many tools help build affordable housing: donated land, zoning rules, partnerships, housing funds, in-lieu fees, and more.
- Redmond has done great work, but still **a lot** more work to be done to meet estimated need.



Location	Affordable Units/ Beds	Number of Projects
Bellevue	2,830	76
Bothell	119	6
Duvall	32	1
Issaquah	925	30
Kenmore	307	6
Kirkland	1,540	57
Mercer Island	87	3
Newcastle	67	8
Redmond	3,795	112
Sammamish	119	5
Woodinville	130	5
Scattered/ Undisclosed	113	5
Total	10,064	314

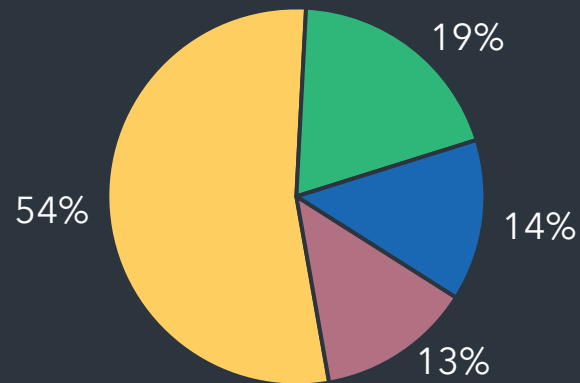
Progress

Tracking Progress: 2019-2050

- Net New Housing Units Needed: 24,800
- Net New Needed, Per Year: 800
- Redmond Production on Track for Total? Yes.
- ...but not on Track for deeper affordability.

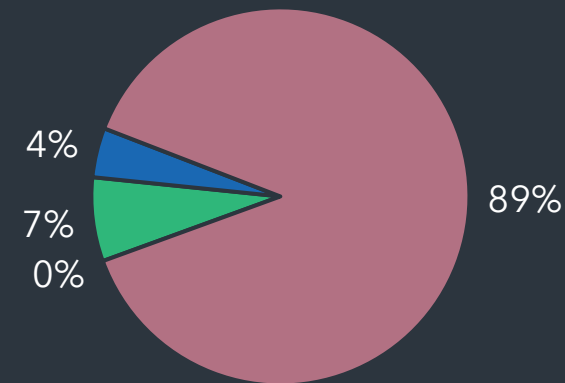
6.5% of King County's planned housing growth is allocated to Redmond.

Share of 2025 Housing **Need**, by %AMI



■ ≤30% AMI ■ >30 - ≤50% ■ >50 - ≤80% ■ >80%

Share of 2025 Housing **Built**, by %AMI

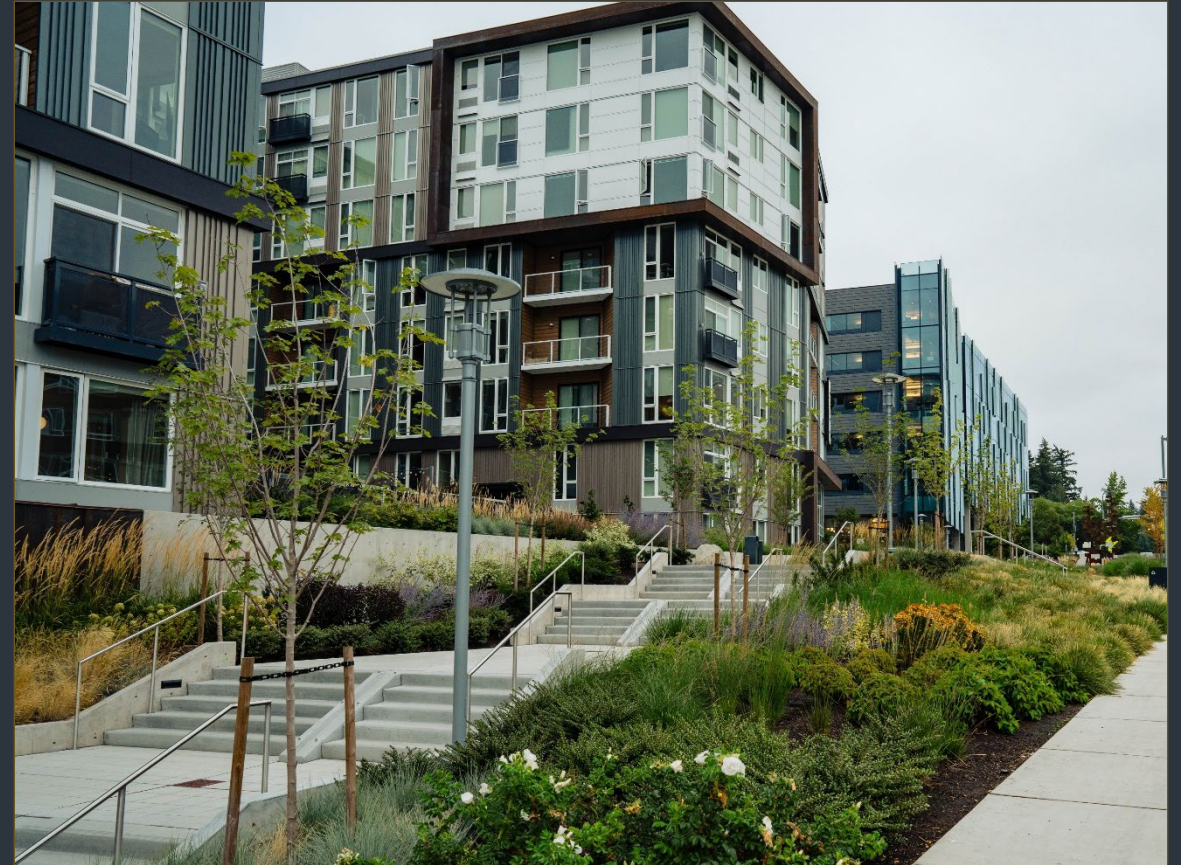


■ ≤30% AMI ■ >30 - ≤50% ■ >50 - ≤80% ■ >80%

Council's Role in Influencing Supply

Create conditions conducive to housing production.

- Zone for capacity to meet the need.
 - Done! Redmond 2050 ✓
- Act on findings from updated Housing and Human Services Action Plan.
 - Plan update work is underway 💡
- Encourage use of all strategies to support construction of affordable housing.
- Invest in staff, systems, and tools that improve permitting processes.



Esterra Park, Overlake Neighborhood

Thank You

Questions?

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