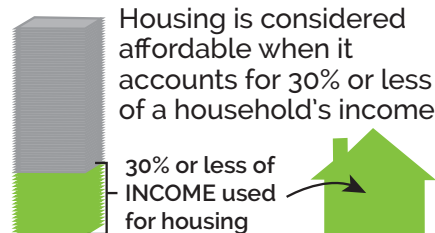


Affordable Housing in Boston

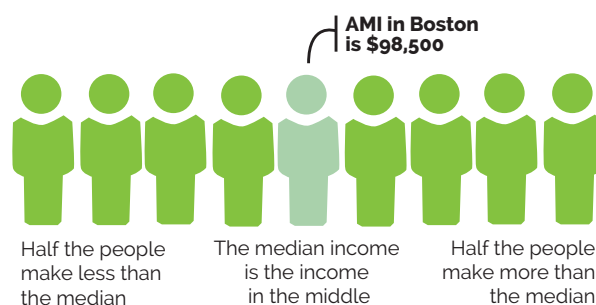
What is Affordable Housing?

Housing, whether rental or owner-occupied, is considered affordable when housing costs are at or below 30% of a household's gross income. Which housing costs are affordable and which income levels count as "low-income" or "middle-income" varies depending on the conversation. This reference sheet serves as a guide to general definitions for the city of Boston.



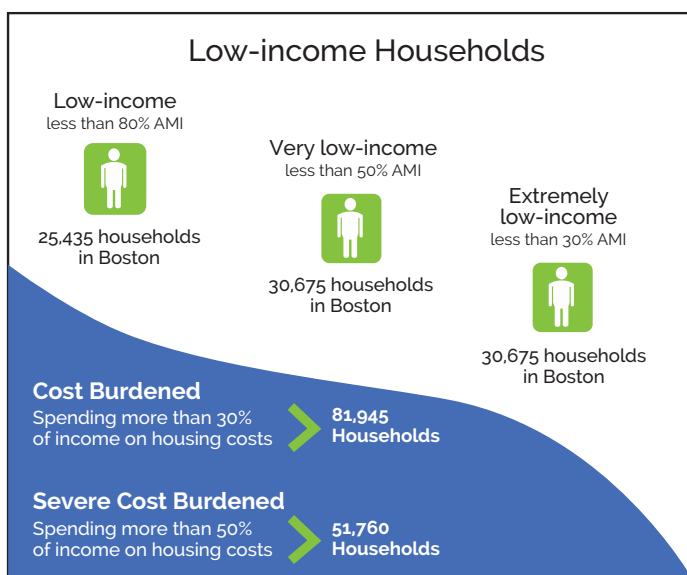
Area Median Family Income: The City's Benchmark

All government housing programs qualify recipients based on their income. The benchmark used for determining income eligibility is called the Area Median Income (AMI) (see figure to the right). Since each market area has different living costs and income levels, AMI is based on where you live and your household size. For example, for a family of four living in Boston, the AMI is \$98,500.



In general, qualifications for government housing programs fall into one of three income categories: low income (less than 80% AMI), very low income (less than 50% or 60% AMI, depending on the program), and extremely low-income (less than 30% AMI). Definitions can vary, but these are common thresholds for most programs.

In Boston, approximately 81,945 low income households spend more than 30% of their income on rent or a mortgage. These households are considered to be housing cost-burdened. Approximately 51,760 of those households are severely cost-burdened, pending more than 50% of household income on rent or a mortgage. Boston's affordable housing programs help to make housing more affordable to low income residents in the city. Through these programs, Boston has more units set aside as affordable housing than any other major city in the nation. Definitions of middle-income vary by program, but broadly defined, middle-income households are those with annual incomes between \$50,000 and \$125,000. Boston's starting threshold for middle-in-



HOUSEHOLD SIZE						
Income Level	1	2	3	4	5	6
30% AMI	\$20,700	\$23,650	\$26,600	\$29,550	\$31,950	\$34,300
50% AMI	\$34,500	\$39,400	\$44,350	\$49,450	\$53,200	\$57,150
60% AMI	\$41,400	\$47,280	\$53,220	\$59,100	\$63,840	\$68,580
80% AMI	\$55,150	\$63,050	\$70,900	\$78,800	\$85,100	\$91,400
100% AMI	\$68,950	\$78,800	\$88,650	\$98,500	\$106,400	\$114,250
120% AMI	\$82,750	\$94,550	\$106,400	\$118,200	\$127,650	\$137,100

SOURCE: HUD's Community Planning and Development (CPD) Maps Report

SOURCE: HUD FY 2015 Income Limits. NOTE: Income limits based on AMI vary depending on program

Middle-Income Households



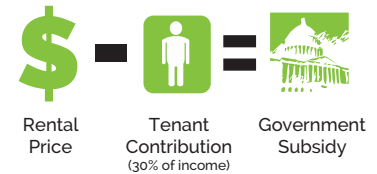
come is \$50,000 because that is where households start becoming ineligible for government housing assistance, and must rely on the private housing market. Approximately 34% of Boston's population is middle-income.

What is Considered Affordable in Boston?

Boston leads the nation in affordable housing, with nearly 20% of the housing stock—or 52,800 units—subsidized for low- and middle-income residents. The tables below demonstrate housing prices that are affordable to households at different income levels in Boston. The prices are based on income (as a percent of AMI) and unit size. For example, a family making 80% AMI can afford a 3-bedroom rental apartment that costs \$2,023, or a 3 bedroom home for \$233,000. As of January 2015, the median rental price is \$2,200 (RentalBeast.com), and the average home sale price is \$461,000 (The Warren Group). 61.9% of homeowners pay more than \$2000/month in housing costs.

How Does Government Create More Affordable Housing?

Government programs help make housing affordable in two ways. The first method is to provide housing subsidies in the form of rental assistance, where all or a portion of the occupants' monthly housing cost is paid for directly by either the state or federal government. Section 8 is an example of a subsidized housing program. Generally, occupants pay 30% of their income towards rent, and the subsidy covers the rest. To qualify for most rental subsidy programs, your household income must be less than 50% or 80% AMI, based on your household size, but qualifications vary by program.



The second method is to reduce the cost of developing affordable housing. Providing grants and low-interest loans to developers, as well as encouraging efficient design, financially allows developers to set aside affordable units to low- and middle-income households.

SOURCE (unless otherwise noted): Housing a Changing City; Boston 2030
CREATED BY: Department of Neighborhood Development

To learn more, visit: dnd.cityofboston.gov

Maximum Affordable Rents						
Bedrooms	30% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
Studio	\$518	\$862	\$1,035	\$1,220	\$1,526	\$2,068
1	\$554	\$923	\$1,108	\$1,395	\$1,723	\$2,216
2	\$665	\$1,108	\$1,330	\$1,743	\$1,970	\$2,660
3	\$769	\$1,280	\$1,536	\$2,023	\$2,216	\$3,073
4	\$916	\$1,428	\$1,714	\$2,301	\$2,462	\$3,428
5	\$946	\$1,576	\$1,892	\$2,301	\$2,660	\$3,782

Maximum Affordable Sales Price							
Bedrooms	50% AMI	60% AMI	70% AMI	80% AMI	90% AMI	100% AMI	120% AMI
Studio	\$77,700	\$99,900	\$122,100	\$144,400	\$166,600	\$188,700	\$233,000
1	\$96,300	\$122,100	\$148,000	\$173,900	\$199,800	\$225,700	\$277,500
2	\$114,700	\$144,400	\$173,900	\$203,600	\$233,000	\$262,700	\$321,900
3	\$133,300	\$166,600	\$199,800	\$233,000	\$266,500	\$299,700	\$366,400
4	\$151,700	\$188,700	\$225,700	\$262,700	\$299,700	\$336,700	\$410,700

Source: HUD 2015 Rent Limits. NOTE: Rent limits calculations vary depending on the program and its eligibility requirements. This table serves as a general guide to HUD's rent limits, but limits for specific programs may vary.