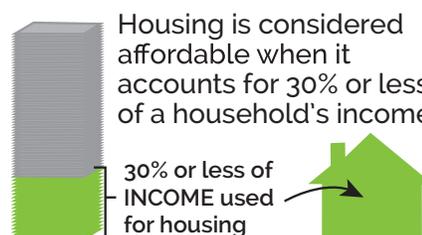


Affordable Housing in Boston

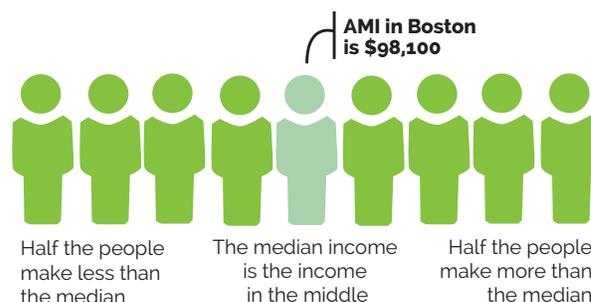
What is Affordable Housing?

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 \$98,100.



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 81,145 low-income households (33% of all households) spend more than 30% of their income on rent or a mortgage. These households are considered to be housing cost-burdened. Approximately 51,050 of those households (20% of all households) are severely cost-burdened, spending 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.

Low-Income Households

	Low-Income 50-80% AMI	Very Low Income 30-50% AMI	Extremely Low Income < 30% AMI
Cost-Burdened Spending more than 30% of income on housing	15,115 households	21,230 households	44,800 households
Severe Cost-Burdened Spending more than 50% of income on housing	4,850 households	11,765 households	34,435 households

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

Income Level	HOUSEHOLD SIZE					
	1	2	3	4	5	6
30% AMI	\$19,200	\$21,900	\$24,650	\$29,450	\$29,600	\$31,800
50% AMI	\$34,350	\$39,250	\$44,150	\$49,050	\$53,000	\$56,900
60% AMI	\$38,350	\$43,850	\$49,300	\$58,850	\$59,200	\$63,600
80% AMI	\$51,150	\$58,450	\$65,750	\$78,500	\$78,900	\$84,750
100% AMI	\$63,950	\$73,050	\$82,200	\$98,100	\$98,650	\$105,950
120% AMI	\$76,750	\$87,650	\$98,650	\$117,700	\$118,400	\$127,150

SOURCE: HUD FY 2016 Income Limits.

Middle-Income Households



Middle Income
\$50,000 - \$125,000

34% of Boston's households

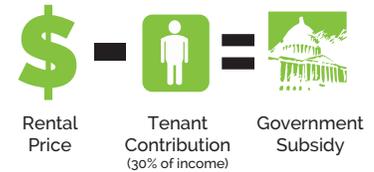
Definitions of middle-income vary by program, but broadly defined, middle-income households are those with annual incomes between \$50,000 and \$125,000. Boston's starting threshold for middle-income is \$50,000 because that is where households start becoming ineligible for government housing assistance, 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 (53,000 units) subsidized for low- and middle-income residents. The tables below outline the housing prices in Boston that are affordable to households at different income levels. 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 that costs \$1,644, or can purchase a \$236,000 3-bedroom home. In 2016, the median rental price was \$2,037 (RentalBeast.com and MLS), and the average home sale price was \$575,000 (The Warren Group).

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: boston.gov/dnd

Maximum Affordable Rents						
Bedrooms	30% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
Micro	\$410	\$684	\$821	\$1,094	\$1,368	\$1,642
Studio	\$456	\$760	\$913	\$1,216	\$1,521	\$1,825
1	\$532	\$887	\$1,065	\$1,419	\$1,774	\$2,129
2	\$608	\$1,013	\$1,216	\$1,622	\$2,027	\$2,433
3	\$684	\$1,140	\$1,369	\$1,825	\$2,281	\$2,737
4	\$760	\$1,267	\$1,521	\$2,027	\$2,534	\$3,041

Maximum Affordable Sales							
Bedrooms	50% AMI	60% AMI	70% AMI	80% AMI	90% AMI	100% AMI	120% AMI
Micro	\$58,400	\$81,500	\$104,600	\$127,600	\$150,700	\$172,100	\$212,400
Studio	\$64,900	\$90,600	\$116,300	\$141,800	\$167,500	\$191,300	\$236,000
1	\$86,200	\$116,300	\$146,100	\$175,900	\$202,500	\$228,500	\$280,800
2	\$107,600	\$141,800	\$175,900	\$206,100	\$236,000	\$265,800	\$325,500
3	\$128,900	\$167,500	\$202,500	\$236,000	\$269,600	\$303,100	\$370,200
4	\$150,200	\$191,300	\$228,500	\$265,800	\$303,100	\$341,400	\$415,100

SOURCE: HUD FY 2016 Rent and Income Limits. NOTE: Rent limits calculations vary depending upon the program and its eligibility requirement. These tables serve as a general guide to HUD's rent limits, but limits for specific programs may vary.