

Defining Affordable Housing

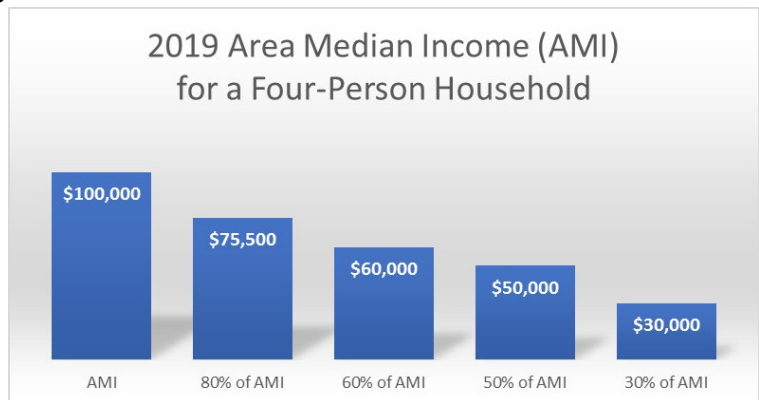
What is considered affordable housing?

The term affordable housing is typically used to describe housing that is affordable to low- and moderate-income families. For the Twin Cities metropolitan area, the Metropolitan Council provides annually adjusted limits for incomes, rents, and home values. **The following information is based on Metropolitan Council calculations applicable for 2019 housing programs.**

Who qualifies for affordable housing?

For income qualifying properties in 2019, the affordability limit is 80% of the area median income. In this case, “area” is defined as the Twin Cities metropolitan region.

The chart to the right shows how that applies to a four-person household, which is typically used as an example. Limits are adjusted based on household size.



What does that mean for rent and housing costs?

The following tables show the upper limits of rent and house value that would be considered affordable to a four-person household in 2019.



Rent Limits for Affordable Rental Housing				
# Bedrooms	30% AMI	50% AMI	60% AMI	80% AMI
Efficiency	\$525	\$875	\$1,050	\$1,400
1 Bedroom	\$562	\$937	\$1,124	\$1,499
2 Bedrooms	\$675	\$1,125	\$1,350	\$1,800
3 Bedrooms	\$780	\$1,300	\$1,560	\$2,080
4 Bedroom	\$870	\$1,450	\$1,740	\$2,320

**Rents include tenant-paid utilities.*



Value Limits for Affordable Ownership Housing	
Household Income Level	Affordable Home Price
80% AMI (\$75,500)	\$254,500
60% AMI (\$60,000)	\$199,500
50% AMI (\$50,000)	\$163,500
30% AMI (\$30,000)	\$92,500

**When calculating cost to buyer, includes principal, interest, property taxes and home insurance.*