



# DEFINITIONS

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What is “affordable” housing?



# MARKET-RATE vs COMMITTED AFFORDABLE

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Distinction between:

- Market-rate affordable (small “a”) or naturally occurring
  - No public subsidy or requirements
  - Private market supply and demand
- Committed or subsidized affordable (capital “A”)
  - Generally involves public subsidies or requirements
  - Limitations on rents or prices that can be charged
  - Development subsidies to developer and/or rental subsidies paid to owner
  - May be set term or “in perpetuity”; may be function of ownership or deed restrictions or financing

# CATEGORIES OF COMMITTED AFFORDABLE HOUSING

- Categories of affordability set in relation to Area Median Income (AMI)
- Area is Barnstable County
- Set annually by US Dept of Housing & Urban Development
- $\leq 80\%$  AMI limit for subsidies for affordable housing = “low income”
- $\leq 60\%$  AMI limit for tax credit projects (credits on taxes paid by investors)
- $\leq 50\%$  AMI = “very low income”
- $\leq 30\%$  AMI = “extremely low income”
- 80%-100% AMI is “community” housing – may use Community Preservation Act funding
- 100%-120% sometimes used for family or “workforce” housing – limited subsidies

## 2022 BARNSTABLE HUD INCOME LIMITS (as of April 18, 2022)

HH SIZE	30% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
1	\$ 22,850	\$ 38,050	\$ 45,660	\$ 60,900	\$ 76,100	\$ 91,320
2	\$ 26,100	\$ 43,500	\$ 52,500	\$ 69,600	\$ 87,000	\$ 104,400
3	\$ 29,350	\$ 48,950	\$ 58,740	\$ 78,300	\$ 97,900	\$ 117,480
4	\$ 32,600	\$ 54,350	\$ 65,220	\$ 86,950	\$ 108,700	\$ 130,440
5	\$ 35,250	\$ 58,700	\$ 70,440	\$ 93,950	\$ 117,400	\$ 140,880
6	\$ 37,850	\$ 63,050	\$ 75,660	\$ 100,900	\$ 126,100	\$ 151,320
AMI = Area Median Income for Barnstable County						
HH = household						