

## **Affordable Housing Study Reports**

<b>Appendix B. Income Limits Eligibility for Affordable Housing in Massachusetts</b>
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Most affordable housing is reserved for households whose income is less than a certain amount stated as a percentage of the Area Median Income (AMI). These figures are updated annually in April based on actual surveys and estimates by the U.S. Census Bureau. They are developed into tables according to the number in the household or family and adopted as guidelines by the U.S. Department of Housing and Urban Development (HUD). Often they are not strictly mathematical; for example, median incomes in some areas decreased in 2006 but the 2007 guidelines were “held harmless” and not decreased.

The areas used for affordable housing purposes are also determined by federal agencies (Census Bureau, Office of Management and Budget, and HUD). Areas are redefined frequently, at least every 10 years, based on population changes and economic factors such as typical commuting patterns. Massachusetts communities are currently in 20 different areas, with several crossing state lines.

Area divisions and Income Limits Tables are determined by the federal government and are simply tools used by Massachusetts agencies. State laws can determine the percent of area median income used as an eligibility cutoff or use another measure altogether. The state can not direct the AMI process.

### **Income Limits for Rental Housing Units**

**Public housing.** Federal public housing units were built and are maintained with federal funds, while state public housing units were built and are maintained with state funds. State public housing follows guidelines that are set for federal public housing by HUD. All of the public housing is managed by Local Housing Authorities. Income limits are 80% of area median income (AMI) Also, 40% of newly approved openings go to tenants with income limits of 30% of AMI.

**Rental units built under Chapter 40B.** These units are under private ownership and management, restricted to low/moderate income tenants by deed until a fixed expiration date. 25% of the units in the development have tenant income limits of 80% of AMI *or* 20% of the units in the development have tenant income limits of 50% of AMI.

**Massachusetts Rental Voucher Program.** This program provides mobile vouchers that go with the tenant. Income limits everywhere in the state are 200% of the federal poverty level.

### **Income Limits for Ownership Units**

**Units built under Chapter 40B.** These housing units are sold to low/moderate income families and deed restricted to remain affordable if sold to others; owners are selected by a lottery among applicants.

- Income limits are 80% of AMI.

### **Units built under DHCD home and HSF homebuyer assistance (for first time homebuyers)**

- Income Limits are 80% of AMI

### **Homes built with State Affordable Housing Trust Fund**

- Income Limits are 110% of AMI

Other programs for first-time or other homebuyers vary, but limits are below the AMI.

**THREE EXAMPLES OF 2007 INCOME LIMITS  
Used for Massachusetts Affordable Housing Programs**

**Income Guidelines for BOSTON-CAMBRIDGE-QUINCY AREA \***

Number in Household	Area Median Family Income	80% AMI Low Income	50% AMI <u>Very Low</u> Income	30% AMI <u>Extremely</u> Low Income	Twice Federal Poverty Level (Mass. Rental Voucher Program)
	82,400				
One Person		46,300	29,450	17,700	20,420
2 Persons		52,950	33,650	20,200	27,380
3 Persons		59,550	37,850	22,750	34,340
4 Persons		66,150	42,050	25,250	41,300

\*The Boston-Cambridge-Quincy MSA (Metropolitan Statistical Area as defined by the U.S. Census Bureau) includes 112 contiguous cities and towns from 5 counties on the Eastern coastal border of Mass.

**Income Guidelines for SPRINGFIELD AND 7 OTHER AREAS (LOWEST AMIs in MA)\*\***

Number in Household	Area Median Family Income	80% AMI Low Income**	50% AMI <u>Very Low</u> Income	30% AMI <u>Extremely</u> Low Income	Twice Federal Poverty Level (Mass. Rental Voucher Program)
	62,500				
One Person		40,150	25,150	15,050	20,420
2 Persons		45,900	28,700	17,200	27,380
3 Persons		53,600	32,250	19,350	34,340
4 Persons		57,350	35,850	21,500	41,300

\*\*The Springfield MSA includes 44 towns and cities in western Massachusetts. Seven other areas have the same income limits for a total of 92 cities and towns with the lowest limits. These statistical areas with the lowest income limits include Barnstable, Berkshire County, Pittsfield, Franklin County, Fitchburg-Leominster, Western Worcester County, and Dukes County).

**Income Guidelines for EASTERN WORCESTER COUNTY (HIGHEST AMI in MA)\*\*\***

Number in Household	Area Median Family Income	80% AMI Low Income	50% AMI <u>Very Low</u> Income	30% AMI <u>Extremely</u> Low Income	Twice Federal Poverty Level (Mass. Rental Voucher Program)
	93,900				
One Person		46,300	32,850	19,700	20,420
2 Persons		52,950	37,550	22,500	27,380
3 Persons		59,550-	42,250	25,350	34,340
4 Persons		66,150	46,950	28,150	41,300

\*\*\*This is one of the smallest MSAs with 11 towns. Note that Nantucket has a higher level for 80% AMI although the 30% and 50% levels are lower.

**Sources**

Citizens' Housing and Planning Association. "Affordable Housing Guidebook for Legislators," CHAPA, June 2005, <http://www.chapa.org/pdf/guidebook2005.pdf>.

U.S. Census Bureau. "Current Lists of Metropolitan and Micropolitan Statistical Areas and Definitions," <http://www.census.gov/population/www/estimates/metrodef.html>.

Department of Housing and Urban Development HUD User Data Sets, "State: Massachusetts Income Limits," [www.huduser.org/datasets/IL/IL07/ma\\_fy2007.pdf](http://www.huduser.org/datasets/IL/IL07/ma_fy2007.pdf)