

Q&A: Affordable Housing

What is “affordable” housing?

- While affordable housing covers many different income levels and price ranges, what makes housing “affordable” is the ratio of housing costs to household income.
- Housing is “affordable” if the people living there pay no more than 30% of their income towards the rent or mortgage.
- So, what’s affordable depends on the income level of a household.

Who is affordable housing for?

- It is typically aimed at low and moderate income households that are burdened by housing costs.
- Low and moderate income households earn between 50 to 120 percent of the area median income (AMI), and often pay half of their income towards housing.

What is area median income?

- Each year, the federal government calculates the median income for communities across the country to use as guidelines for federal housing programs.
- Area median incomes are set according to family size.

Dearborn County Housing - 2004		
Total Households	Renter Households	Percent of Renter Households
16,832	3,599	21%

Housing in Dearborn County

- An extremely low income household (earning \$19,200 – 30 percent of the Area Median Income of \$64,000) can afford monthly rent of no more than \$480, while the Fair Market Rent for a two-bedroom unit is \$672.

Fair Market Rent of Neighboring Counties		
Franklin	Ohio	Ripley
\$432	\$468	\$432

- A minimum wage earner (earning \$5.15 per hour) can afford monthly rent of no more than \$268.
- An efficiency apartment in Dearborn County is \$392.
- The Housing Wage in Dearborn County is \$12.92. This is the amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom unit at the area's Fair Market Rent.
- This is 251% of the minimum wage.

The Housing Wage of Neighboring Counties		
Franklin	Ohio	Ripley
\$8.31	\$9	\$8.31

- The median renter income is \$28,883.
- A renter earning the median renter income can afford rent of no more than \$722.
- 46% of renters are unable to afford the Fair Market Rent for a 2-bedroom unit.
- A renter earning the minimum wage must work 100 hours per week to afford a 2-bedroom unit at the Fair Market Rent.