

# INCOME-QUALIFIED HOUSING

IN MCLEAN COUNTY

## ISSUE 1: AREA MEDIAN INCOME (AMI)

### Area Median Income

Income-Qualified Housing refers to housing affordability for households making less than 80% of the area median income. The area median income (AMI) is the household income for the median, or middle, household in a region. Each year, the Department of Housing and Urban Development (HUD) calculates the median income for each metropolitan area in the country. For Bloomington-Normal, the metropolitan region is defined as McLean County. In 2018, the AMI for this region is \$91,600. Based on AMI, HUD defines and calculates three levels of affordability by household size. For McLean County in 2018, HUD has set the following levels of affordability:<sup>1</sup>

Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
One person	\$19,250	\$32,100	\$50,350
Two person	\$22,000	\$36,650	\$57,550
Three person	\$24,750	\$41,250	\$64,750
Four person	\$27,500	\$45,800	\$71,900
Five person	\$29,700	\$49,500	\$77,700
Six person	\$33,740	\$53,150	\$83,450
Seven person	\$38,060	\$56,800	\$89,200
Eight person	\$42,380	\$60,500	\$94,950

Having an income below these levels makes a household eligible for certain programs. For example, a household with an income less than 50% of AMI is eligible for a Housing Choice Voucher. Households with an income less than 80% AMI are eligible to live in certain income-restricted housing throughout the community.

### Real World Comparison

Comparing these income levels to earnings in certain occupations helps to understand what these definitions mean in our community. For a four person household with one wage earner, positions as an EMT or teacher's assistant would provide an income at 30% AMI; positions as a firefighter or clinical technician would provide an income at 50% AMI; and positions as a school counselor or postal service mail carrier would provide an income at 80% AMI.<sup>2</sup>



**30% AMI**

EMT or Teacher's  
Assistant



**50% AM**

Entry-level  
Firefighter  
of Clinical  
Technician



**80% AMI**

School Counselor  
or Postal Service  
Mail Carrier

Data from the Census Bureau's American Community Survey (ACS) shed additional light on what these levels mean in our community. In McLean County, there are 66,070 total households. Nearly 26,000 total households make less than \$50,000: around 13,000 households make less than \$25,000 and just over 5,000 households make less than \$10,000 a year.

## Affordability in McLean County

These income levels are also used to assess housing affordability in the community. A housing unit is generally considered “affordable” if a household can live there without spending 30% or more of their gross income on housing costs. **Affordable gross rents include contract rent plus utilities** and vary based on household size and number of bedrooms. The following are affordable gross rents in McLean County for different income levels in 2018:<sup>3</sup>

Bedrooms	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
Efficiency	\$481	\$802	\$1,258
One bedroom	\$515	\$859	\$1,348
Two bedroom	\$618	\$1,031	\$1,618
Three bedroom	\$714	\$1,191	\$1,870
Four Bedroom	\$797	\$1,328	\$2,086
Five bedroom	\$879	\$1,466	\$2,301



**Nearly 26,000 households**  
make less than \$50,000

### MEDIAN GROSS RENT

**\$811**

in McLean County

**\$809**

in Bloomington

**\$835**

in Normal

Again, data from the ACS sheds light on what this means for our community. The median gross rent in McLean County is \$811; Bloomington is \$809, and Normal is \$835.<sup>4</sup> While these rents seem generally affordable, households with an income less than 30% AMI don't have many options available to them.

Accurate data on housing quality is not available at this level.

The chart below highlights the most applicable aspects of affordable housing in McLean County addressed in this paper. For more information on all aspects of affordable housing in McLean County, please read “What is Affordable Housing in McLean County?”.

	PROVIDER			AGE	
	Public Sector	Non-Profit	Private Sector	New	Existing
<b>Income</b>					
Income Qualified					
Market Rate					
<b>Typology</b>					
Single Family					
Multi-Family					
Specialized Housing					
<b>Funding</b>					
Federal/State					
Local					
Private					

1. HUD FY 2018 Income Limits Documentation System

2. Based on FY 2018 HUD income limits for McLean County and May 2017 BLS Area Occupational Employment and Wage Estimates for Bloomington MSA

3. Illinois Housing Development Authority (IHDA) 2018 Rent Limits

4. Based on Census Bureau ACS 2013–2017 5 year estimates; Tables B25064 and B19001; a household is defined as one or more people who occupy a housing unit.