

INCOME-QUALIFIED HOUSING

IN MCLEAN COUNTY

ISSUE 1: AREA MEDIAN INCOME (AMI)

AUGUST 2021

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 U.S. 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 FY 2021, the AMI for this region is \$93,200. Based on AMI, HUD defines and calculates three levels of affordability by household size. For McLean County in FY 2021, HUD has set the following levels of affordability:¹

Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
One person	\$19,600	\$32,650	\$52,200
Two person	\$22,400	\$37,300	\$59,650
Three person	\$25,200	\$41,950	\$67,100
Four person	\$27,950	\$46,600	\$74,550
Five person	\$31,040	\$50,350	\$80,550
Six person	\$35,580	\$54,100	\$86,500
Seven person	\$40,120	\$57,800	\$92,450
Eight person	\$44,660	\$61,550	\$98,450

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 a restaurant cook or childcare worker would provide an income at 30% AMI; positions as an administrative assistant or auto mechanic would provide an income at 50% AMI; and positions as an electrician or accountant would provide an income at 80% AMI.²



30% AMI

Restaurant Cook or
Childcare Worker



50% AMI

Administrative
Assistant or Mechanic



80% AMI

Electrician or
Accountant

Data from the Census Bureau's American Community Survey (ACS) sheds additional light on what these levels mean in our community. In McLean County, there are 65,845 households in total. Of that, about 25,000 households make less than \$50,000, just over 13,000 households make less than \$25,000 and nearly 6,000 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 2021:³

Bedrooms	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
Efficiency	\$489	\$816	\$1,305
One bedroom	\$524	\$874	\$1,398
Two bedroom	\$629	\$1,048	\$1,677
Three bedroom	\$727	\$1,211	\$1,938
Four Bedroom	\$811	\$1,352	\$2,162
Five bedroom	\$895	\$1,491	\$2,386

Again, data from the ACS sheds light on what this means for our community. The median gross rent in McLean County is \$845; Bloomington is \$836 and Normal is \$875.⁴ 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?” at mcplan.org.



Nearly 25,000 households
make less than \$50,000

MEDIAN GROSS RENT
\$845
in McLean County

\$836
in Bloomington

\$875
in Normal

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

1. HUD FY 2021 Income Limits Documentation System

2. Based on FY 2021 HUD income limits for McLean County and May 2020 BLS Area Occupational Employment and Wage Estimates for Bloomington MSA

3. Illinois Housing Development Authority (IHDA) 2021 Rent Limits

4. Based on Census Bureau ACS 2015–2019 5 year estimates; Table B25064; a household is defined as one or more people who occupy a housing unit.