



What is affordable housing?

Affordable housing is simply housing you can afford with the income you earn. According to the US Department of Housing and Urban Development (or HUD), housing is considered to be affordable if it costs no more than 30% of household pre-tax income. This 30% amount includes the combined costs of monthly rent and utilities for renters, or monthly mortgage payments (with mortgage insurance and property taxes) plus utilities for homeowners.

Due to the high cost of housing in our area, **more than 10,000 households** are cost-burdened, meaning they are paying more than the standard 30% of income on housing costs. **Approximately 5,000 of those households are paying more than 50% of their income for housing** and are considered to be severely cost-burdened. As the cost of housing continues to rise, families are often forced to choose between paying for necessities such as food, clothing, healthcare and transportation or keeping a roof over their heads.

30%

The percentage of monthly income that should be dedicated to housing costs.



2 of every 10 homeowners are housing cost-burdened.



3 in 5 renters with the lowest household incomes are severely cost-burdened.

Research has show that families living in affordable housing spend nearly:



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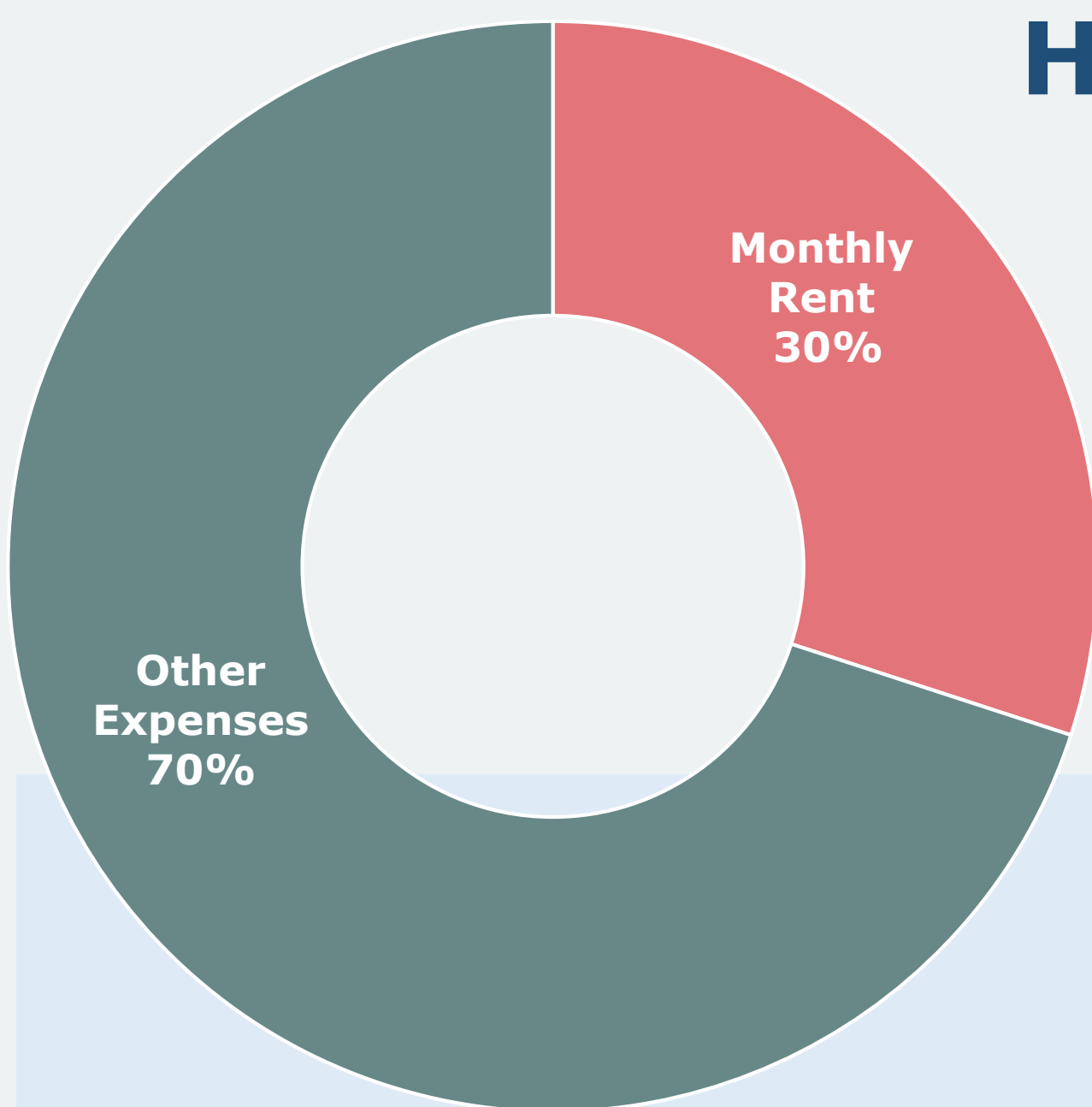
compared to severely cost-burdened households.

Source: Joint Center for Housing Studies, Harvard University, 2013. Quoted from Opportunity Starts at home, Health Care Advocates are Housing Advocates.

High Costs = Hard Choices

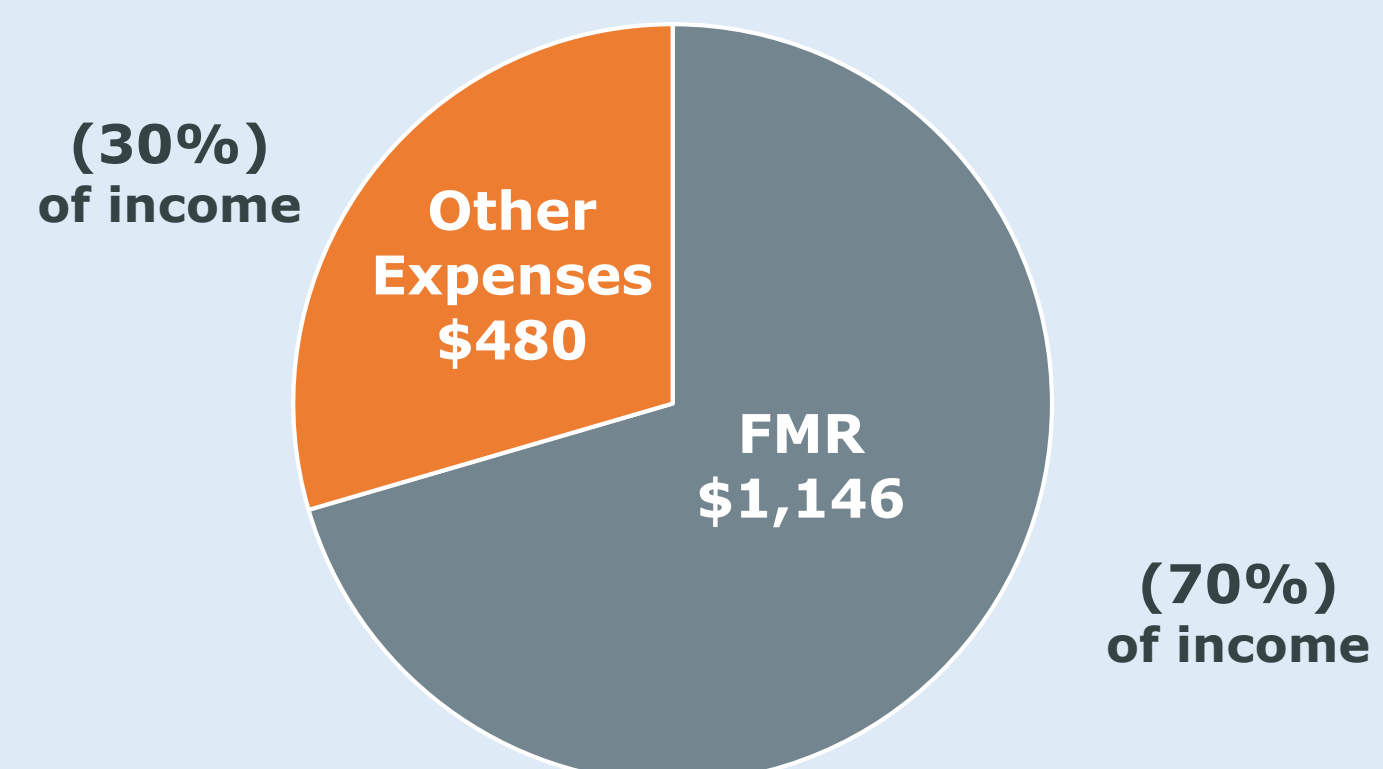
The higher housing costs rise, the more families are forced to choose which necessities to pay for and which to do without. For instance, a Home Health Aide earning \$19,510 per year (\$1,626 monthly) can afford to pay \$488 for rent each month (30% of monthly income), which would leave \$1,138 per month to cover the costs of food, transportation, healthcare and other living costs. But very few – if any – apartments in our area rent at that rate.

Instead, the Home Health Aide is more likely to pay the current Fair Market Rent (FMR), the monthly amount HUD considers necessary to rent a modest home. Now, rent consumes 70% of the Health Aide's monthly income, leaving just \$480 for all other expenses.



2019 Fair Market Rents for Albemarle County

Eff	1 BR	2 BR	3 BR	4 BR
\$851	\$1,146	\$1,325	\$1,660	\$2,013



However, according to the U.S. Department of Labor's Consumer Expenditure Survey 2017 (the most recent year for which data are available), spending on food, transportation, utilities and healthcare averaged \$1,330 per month in our region – **nearly 3 times** the amount of our Home Health Aide's remaining income.

Budget Item	Monthly Cost
Salary	\$1,626
Rent	-\$1,146
Groceries	-\$400
Transportation	-\$411
Utilities	-\$239
Healthcare	-\$280
Balance	-\$850

