

What is Affordable Housing?

The term “affordable housing” is often used in different contexts and to convey different concepts. Broadly speaking, affordable housing is housing in which its occupants can live and still have enough money left over for other necessities such as food, health care, and transportation. This relationship is often expressed in terms of the percentage of income that a household spends on its housing payments. For the purpose of the Housing Opportunities Master Plan, affordable housing can include both income-restricted housing, as well as attainably priced market-rate housing.

What is Income Restricted Housing?

Rental or homeownership units that are restricted to households at certain income levels, often calculated as a percentage of AMI. These units tend to receive some form of public, philanthropic, or policy support. Examples include, but are not limited to, the following:

- **Moderate Income Housing Units (“MIHUs”)**, which are units that developers of new market-rate housing in Howard County must reserve for moderate-income households at reduced rents or purchase prices.
- **Subsidized Housing Units**, which are owned and operated by private companies that receive subsidies to rent them to low- and moderate-income households for a lower cost than what the local market would otherwise charge.
- **Low-Income Housing Tax Credit (“LIHTC”) Housing Units** that are produced under the LIHTC program, a federal program that provides tax credits to state and local agencies to encourage developers to create income-restricted housing.

What is Area Median Income (“AMI”)?

The midpoint of the income distribution for a region, with half of the households in that region earning more than this amount and half of the households in that region earning less than this amount. To understand the ability of different households to find and afford housing, the Housing Opportunities Master Plan examines housing needs at varying AMI levels, including but not limited to:

- **Extremely Low-Income:** Under 30% of AMI
- **Low-Income:** 30% to 60% of AMI
- **Moderate-Income:** 60% to 80% of AMI

What is Rental Assistance?

A subsidy provided either directly to a household or to a property owner that covers a portion of a tenant’s rental payment. For example, the Housing Choice Voucher Program (Section 8) of the U.S. Department of Housing and Urban Development (“HUD”) provides rental assistance that covers the difference between the tenant’s monthly rent and 30% of the household’s income.

Source: The (Howard County) Housing Opportunities Master Plan; April 29, 2021; page 12.

Howard County Housing Affordability Coalition

If you have questions or need additional information, contact: jleng1747@gmail.com.

Information about the Coalition, its members and advocacy initiatives is available at

<https://www.acshoco.org/programs/community-partnerships/housing-affordability-coalition/>