

INCOME-QUALIFIED HOUSING

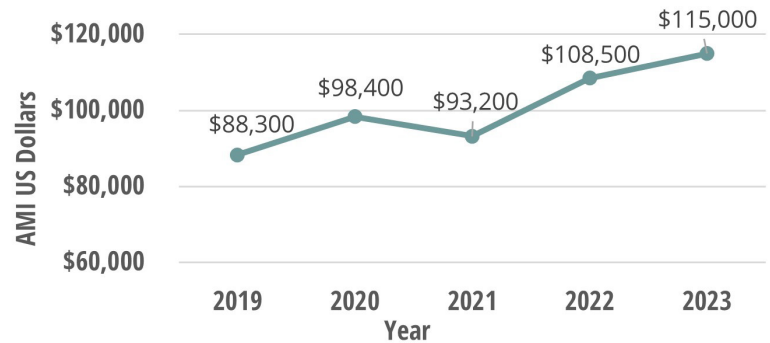
IN MCLEAN COUNTY

ISSUE 1: AREA MEDIAN INCOME (AMI)

NOVEMBER 2023

Area Median Income

Income-Qualified Housing refers to housing restricted to households that receive incomes below certain thresholds, many of which are tied to Area Median Income (AMI). The AMI is the midpoint of a region's income distribution, where 50 percent of the households earn above, and 50 percent earn less than the median figure. Each year, the U.S. Department of Housing and Urban Development (HUD) calculates the median income for each metropolitan area in the country.¹ For Bloomington-Normal, the metropolitan region is defined as McLean County. In Fiscal Year (FY) 2023, the AMI for this region is \$115,000, which is 20 percent higher than the 2022 AMI. The graph on the right shows the AMI changes in McLean County during the past five years.



Based on AMI, HUD defines and calculates three levels of affordability by household size. McLean County's levels of affordability for FY 2023.² are listed below:

Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
One-person	\$23,200	\$38,650	\$61,800
Two-person	\$26,500	\$44,150	\$70,600
Three-person	\$29,800	\$49,650	\$79,450
Four-person	\$33,100	\$55,150	\$88,250
Five-person	\$35,750	\$59,600	\$95,350
Six-person	\$40,280	\$64,000	\$102,400
Seven-person	\$45,420	\$68,400	\$109,450
Eight-person	\$50,560	\$72,800	\$116,500

Households earning below these income levels are eligible for certain government programs. For example, a household with an income at or below 50% AMI is eligible for a Housing Choice Voucher. Households with an income at or below 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 us understand what these definitions mean in our community. For a four-person household with a one-wage earner, positions as a hairdresser or a library technician would provide an income at 30% AMI; positions such as a legal assistant or a highway maintenance worker would provide an income at 50% AMI; and positions as a civil engineer or a physical therapist would provide an income at 80% AMI.³



30% AMI
Hairdresser or
Library Technician



50% AMI
Legal Assistant or
Highway
Maintenance Worker



80% AMI
Civil Engineer or
Physical Therapist

Data from the Census Bureau’s American Community Survey (ACS) sheds additional light on what these levels mean for our community. In McLean County, there are 68,879 households. Of that, about 23,000 households (33%) make less than \$50,000, about 17,000 households (24%) make less than \$35,000 and almost 9,000 households (9%) make less than \$20,000 a year.⁴

Affordability in McLean County

Every year, HUD and the Illinois Housing Development Authority (IHDA) publish affordable rent values that are used as guides to estimate households' ability to qualify for different housing assistance programs. The following are the 2022 HUD's Fair Market Rents for McLean County.⁵


Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$609	\$703	\$870	\$1,225	\$1,4474

IHDA publishes several levels of housing affordability based on households income levels. 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 2022.⁶

Bedrooms	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
Efficiency	\$579	\$966	\$1,545
One-bedroom	\$621	\$1,035	\$1,655
Two-bedroom	\$744	\$1,241	\$1,986
Three-bedroom	\$860	\$1,434	\$2,295
Four-bedroom	\$960	\$1,600	\$2,560
Five-bedroom	\$1,059	\$1,765	\$2,824

Again, data from the ACS sheds light on what this means for the community. The median gross rent in McLean County is \$954; in Bloomington \$965; and in Normal \$932.⁷ While these rents seem generally affordable, households with an income less than 30% AMI have increasingly limited options available.

For more information on affordable housing in McLean County, please visit mcplan.org



Nearly 35 percent households
make less than \$50,000

MEDIAN GROSS RENT
\$954
in McLean County

\$965
in Bloomington

\$932
in Normal

1. Please note, HUD's calculation for AMI differs from the US Census Bureau's reported median income. HUD's calculation varies annually, but typically uses a combination of 5-year or 1-year median income data, and the Consumer Price Index (CPI) published by the Bureau of Labor Statistics. To see HUD's methodology for calculating FY22's Income Limits, visit <https://www.huduser.gov/portal/datasets/il.html>

2. HUD FY 2022 Income Limits Documentation System

3. Based on FY 2023 HUD income limits for McLean County and May 2022 Bureau of Labor Statistics Area Occupational Employment and Wage Estimates

4. Based on Census Bureau ACS 2020 5-year estimates for McLean County; Table S2503

5. HUD 2022 Fair market Rents. <https://www.huduser.gov/portal/datasets/fmr.html#year2023>

6. Illinois Housing Development Authority (IHDA) 2023 Rent Limits for McLean County

7. Based on Census Bureau ACS 2020 5-year estimates for McLean County; Table K202507