

## GLOSSARY OF TERMS

AMI – Area Median Income, published annually by HUD for the Pittsburgh Metropolitan Area. The 2014 area median income for the Pittsburgh Metropolitan Area is:

	1 person	2 person	3 person	4 person
AMI	46,000	52,500	60,100	65,600

ELI – Extremely Low Income. Households with income at or below 30% of AMI. In 2014, 30% AMI for the Pittsburgh Metropolitan Area is:

	1 person	2 person	3 person	4 person
30% AMI	13,800	15,750	19,790	23,850

VLI – Very Low Income. Households with income at or below 50% of AMI. In 2014, 50% AMI for the Pittsburgh Metropolitan Area is:

	1 person	2 person	3 person	4 person
50% AMI	23,000	26,250	29,550	32,800

LI – Low Income. Households with income at or below 80% of AMI. In 2014, 80% AMI for the Pittsburgh Metropolitan Area is:

	1 person	2 person	3 person	4 person
80% AMI	36,750	42,000	47,250	52,500

Affordable – The rule of thumb is that housing costs (rent or mortgage payment, plus utilities) should not exceed 30% of the monthly gross income for households at the applicable income level.

Maximum Income – The highest income a household could make and be eligible to rent or buy an affordable unit. This is normally determined by multiplying the number of bedrooms by 1.5 and consulting the AMI numbers for the resulting household size. For example, the maximum income for a 2-bedroom unit set aside for VLI households would be \$29,550, which is the annual income for a 3-person VLI household.

Maximum Rent – 30% of the monthly maximum income (using the above example, \$29,550 divided by 12, times 30% = a maximum rent of \$738.75 per month).

Payment Standard – The maximum project-based or tenant-based Section 8 rent subsidy that can be paid for a housing unit. Payment standards are set by public housing authorities and normally can not exceed 110% of Fair Market Rents (FMRs) determined by HUD. If the total rent for an assisted unit exceeds the payment standard, the tenant must pay the difference (this is in addition to the tenant-paid rent, which is 30% of adjusted gross household income).

## Maximum Affordable Rent Levels for the Pittsburgh MSA, 2014

	1 bedroom	2 bedroom	3 bedroom	4 bedroom
30% AMI max. rent	370	495	647	799
50% AMI max. rent	616	739	853	951
HACP payment standard	693	865	1086	1155
60% AMI max. rent	740	989	1024	1142
70% AMI max. rent	862	1035	1194	1331
80% AMI max. rent	984	1181	1365	1523

*Maximum rent is 30% of the maximum household income for each unit, which in turn is based on the Low Income Housing Tax Credit formula of 1.5 people per bedroom.*

### Who earns 50% AMI and below?

Here are some of the full time jobs that pay less than \$23,000 per year (50% AMI for a single person household) in the Pittsburgh region:<sup>1</sup>

<u>Job Classification</u>	<u>Median Wage</u>	<u>Affordable Rent</u>
Security guard (private)	\$20,613	\$515
Cashier	\$22,464	\$562
Janitor	\$21,938	\$548
Restaurant worker	\$16,120	\$403
Cook	\$18,304	\$458
Fast Food	\$16,224	\$406
Waiter/Waitress (tipped)	\$4,719	\$118
Personal care/child care	\$17,556	\$439
Teachers' aide	\$16,121	\$403
Full-time minimum wage earners	\$15,080	\$377

<sup>1</sup> Bureau of Labor Statistics National Compensation Survey, Pittsburgh-New Castle, March 2010.