What is Area Median Income (AMI)?

Math refresher: The median is the number directly in the middle of a set (not the average). Half of values are higher, and half of values are lower. For the AMI, this set includes annual incomes of all households in an area as set by the Department of Housing and Urban Development (HUD).

Median income is then multiplied by a Consumer Price Index (CPI) inflation factor for high cost-of-living areas, and adjusted by household size.

What is the “area” part of AMI?

Non-Metro Area
- Rural areas
- No commute ties to a major metro
- Statewide data

Sevier County, Utah, is a non-metro area, so its AMI calculations reflect a statewide average.

Metro Area
- Cities 50,000 plus
- Outlying areas commute to a common core
- Localized data

The D.C. Metro area (home to AHDC) bases its AMI on salaries and wages from nearby MD, D.C. and VA cities.

<table>
<thead>
<tr>
<th>AMI Percentage</th>
<th>Limit for Family of Four (2017)</th>
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<tbody>
<tr>
<td>40% AMI</td>
<td>$44,120</td>
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<tr>
<td>60% AMI</td>
<td>$66,180</td>
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<tr>
<td>80% AMI</td>
<td>$75,050</td>
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</tbody>
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How is AMI used in Affordable Housing?

Affordable housing owners limit applicants to households with combined incomes under certain percentages of AMI. For the D.C. Metro AMI for a family of four: ($110,300):

- 40% AMI limit: $44,120
- 60% AMI limit: $66,180
- 80% AMI limit: $75,050

This number is not a simple 80% of AMI: HUD rules say that 80% AMI calculations may not exceed the U.S. median family total of $68,000, except where they are adjusted for higher costs of living.

60% AMI Families with two kids in Alexandria might be:

- Taxi Driver ($30,180)
- Veterinary Assistant ($29,920)
- Dental Assistant ($44,150)
- Teen Part Time Cook ($7,540)
- Security Guard ($41,370)
- At Home Grandparent