



What Is Affordable Housing?

What is affordable housing? Housing is considered affordable when a family or individual pays no more than 30% of their gross income to live in their unit.¹ This includes utilities as well as rent or mortgage and property taxes. Today's moderately-priced housing is designed to house the workforce, older adults, people with disabilities, and others within the community.



Who needs affordable housing? For people with low wages or on fixed incomes, market-rate housing is too expensive and they may need assistance from government or private sources to keep their housing costs within their means. The most vulnerable populations tend to be large families, families whose circumstances change through job loss, spouse loss or illness, the frail elderly, people with disabilities, and victims of domestic violence.

Isn't affordable housing just Section 8? Housing Choice Vouchers (formerly called Section 8) are one of many government tools used to create affordable housing. Vouchers are "demand-based" (i.e., they boost income – similar to first-time homebuyer programs or employer-assisted housing that help with downpayment or closing costs). Other tools are supply-based (i.e., create units priced below-market), and can be funded by the U.S. Department of Urban Development (HUD), the Illinois Housing Development Authority (IHDA), local government or private grants or low-interest bank loans. Affordable housing units themselves can be in the form of shared housing (Homesharing); group homes; private units leased to non-profit social service organizations who in turn rent to low-income people or people with disabilities, often including supportive services; lease-to-purchase homes; senior rental or for-sale housing; and rehabilitation or new construction of rental or for-sale housing for mixed ages.



What does affordable housing look like? There is no standard "look" for affordable housing. On this page are examples of affordable housing in Chicago's northern suburbs:



March 2015

¹ See U.S. Department of Housing and Urban Development (HUD), "Affordable Housing," <http://www.hud.gov/offices/cpd/affordablehousing/>