

Mind The Gap!

The “Gap” defined

I earn too much to qualify for Affordable Housing but not enough for retail rate apartments.

e.g. Gateway II (affordable housing)

- * This affordable housing has at least two programs:
 - 50% of Area Median Income (\$27,950/yr 2022-23)
 - 30% of Area Median Income (\$16,800/yr 2022-23)
- * Suppose I work fulltime at minimum wage and take 2 weeks off per year.
 - That’s \$27,000/yr so qualify for affordable housing.
GREAT, I can live at Gateway (5-yr wait)!

Good news, I’m offered a promotion.

- * The new position will increase my pay by \$1 per hour!!!
- * That’s \$29,000/yr so... if I accept the promotion
I will no longer qualify for affordable housing at Gateway.

If I accept the promotion will I be able to afford a retail rate apartment?

- * HUD recommends paying no more than 30% of Gross Income for housing (including utilities).
- * 30% of \$29,000 would allow me to spend up to \$725 on housing.
- * Retail rate studio apartments range from \$1,100 to \$1,600 in the county.

I cannot afford to comfortably pay for a retail rate studio apartment.

Can I “stretch” to pay retail rates?

- * HUD categorizes me as Rent Burdened, bordering on losing my housing, if I pay 50% on housing.
- * That’s a limit of \$1,208.

To avoid the risk of being homeless, I decline the promotion and will refuse all requests to work overtime.



London’s subway, “the Tube,” uses the “Mind the Gap” slogan to caution riders getting on/off the trains.¹

\$1,100 Rent → \$44,000 Income

Using HUD’s 30% of Gross Income recommendation, an individual would have to earn \$44,000 per year (\$21.15 per hour) to afford a studio apartment that rents for \$1,100.

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