



## City of Detroit Affordable Housing Glossary

Applying for affordable housing can be a difficult and confusing process. The City of Detroit Housing and Revitalization has compiled a list of commonly used words and phrases and their definitions that you may encounter during your search and application process for affordable housing.

**Regulated Affordable Housing:** Regulated affordable housing refers to housing that is affordable because it is financed by government programs. These properties are funded by the government to make sure that rent is affordable for low-income households, or that low-income households do not pay more than 30% of their income on rent.

**Naturally Occurring Affordable Housing/Unregulated Affordable Housing:** Naturally occurring affordable housing or unregulated housing refers to housing that are affordable but are not financed by any government program. These properties simply have lower rents than other properties in a given area.

**Area Median Income or AMI:** Eligibility for regulated affordable housing is based on income. “Low-income” is defined by the U.S. Department of Housing and Urban Development (HUD) and is based on the area median income, or AMI. HUD calculates AMI as the median, or middle, income for a household in your metropolitan area. Because HUD’s definition accounts for housing in the larger region, AMI is not defined within city boundaries.

**Rent-burdened:** Households that are considered “rent-burdened” spend more than 30 percent of their income on housing.

**Waitlists:** In regulated affordable housing, units are not always immediately available to rent. Properties will typically have waitlists, meaning you can get on a waiting list for the property and as units open up, property staff will go down the list to see if households are still interested in living at the property. If you are on a waitlist, you should check in with the property from time to time to ask where you are on the waitlist and if any units are available.

**Gross Income Vs. Net Income:** A household's gross income is the amount of money a household makes on an annual basis **before** taxes and deductions are taken out. Your net income is what you have left **after** deductions and taxes are taken out. Income does not only include wages from jobs; it can also include money from other sources, such as child support, social security, etc. When applying for affordable housing, ask property staff what types of income should be included.

**Assets:** In calculating a household's financial resources, a household's assets will be considered, which are items of value that can be turned into cash, such as an inheritance, money in a savings account, etc. Assets do not include personal property, such as clothes, cars, wedding rings, etc.

**Previous Rental History:** When you are asked to list previous rental history on your affordable housing application, please include where you have lived before, including if you have lived with family members or friends.

**Recertification:** Typically speaking, regulated affordable housing properties will require residents to "certify" or provide proof of their income every year to make sure they still qualify for the property.