

AMI in NYC

Visualizing Inequality and Unaffordability with Area Median Income

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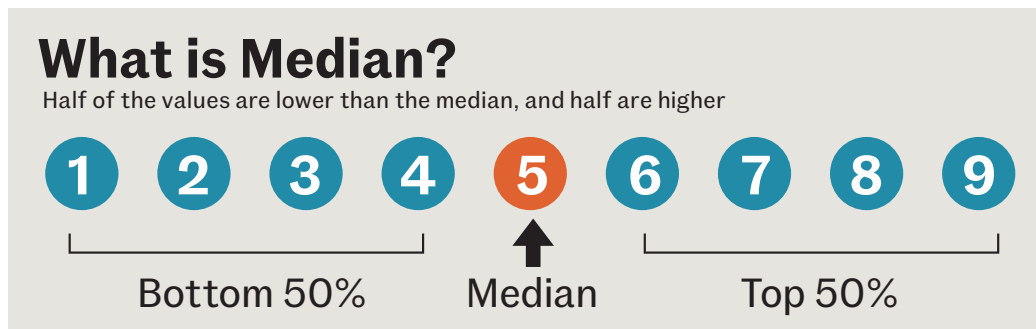
Introduction

All housing is affordable to somebody. When we talk about *how affordable* housing might be, or *to whom* it will be affordable, we need a flexible metric that accounts for multiple factors, including household size and geography.

Enter “Area Median Income,” or AMI. AMI is the most used – and probably the most hated – metric for discussing housing affordability in the United States. While AMI is invoked in neighborhood-level land use and development discussions, it is set at a much higher scale, by the US Department of Housing and Urban Development (HUD).

Every year, HUD sets AMIs for every metropolitan area in the country, a designation that includes cities as well as adjacent suburban counties. As a mathematical median of all households in any particular geography, it tells us the income levels at which *half a population earns less, and half earns more*. This model is then adopted by state and local housing agencies across the US. It is indexed by household size, accounting for variation in potential earning power between single adults and larger families.

The reason why this painfully wonky calculation matters is because it guides housing agencies’ decisions about who will move into government-assisted housing and how much they will pay for it. To make sense of all of this – the myriad of housing programs targeted to different AMI levels, the real median incomes of various people in New York City, and the mismatches between much of the affordable housing on offer and what many New Yorkers in search of affordable housing actually earn – we have pulled together a new compendium of statistics that seeks to offer a fuller picture of incomes and housing in New York City. We use the common language of housing policy – AMI levels – to describe some of the economic and social dynamics within New York City’s current housing system. We hope this report serves as a reference and a resource to activists, journalists, researchers and elected officials who seek both a deeper understanding of contemporary housing dynamics and a way to compare housing policies and proposals with the incomes of various types of New Yorkers living in the city today.



Key Findings:

- The HUD-calculated Area Median Income for the New York City metropolitan area is wildly divergent from actual income levels in New York City.
- At 71 percent of AMI, most New York City residents would be classified as “low income” according to local and national government standards. In the Bronx, the median household earns just 38 percent of AMI, meaning most Bronx residents qualify as “very low income.” Meanwhile, the top 1% of Manhattanites earn an absurd 1,397 percent of AMI.
- Renters earn far less than owners, with median renters earning 59% of AMI while median owners earn 109% of AMI. Among both renters and owners, people who moved more recently tend to earn significantly more than those who stayed in their homes for decades.
- Significant economic disparities persist between racial groups, with Black and Hispanic households earning 48% and 49% of AMI respectively, compared with Asian households (74% of AMI) and White households (91% of AMI). No racial group, however, makes more than 100% of AMI, underscoring how far that metric is from our economic realities.
- Educational attainment and wages remain closely linked, with those who did not complete high school earning 39% of AMI while those who completed college earning 107% of AMI.

Methodology

For this report, we rely on one data source: the 2021 New York City Housing and Vacancy Survey, the most comprehensive source available on New York City residents and the housing they live in. Every three to four years, HPD contracts the US Census Bureau to conduct a comprehensive survey of housing across the city, considering resident characteristics, housing types and conditions, and vacancy levels. To determine the AMI levels in this report, we took information about each respondent’s household size and income and assigned them an AMI level. We used the Housing Vacancy Survey’s internal data architecture (which assigns some variables to representative persons and other variables to representative households) to determine household-level demographic characteristics, including race, level of educational attainment, and immigration status, and determined median AMI levels of each group. We also applied AMI levels to a variety of other household characteristics, including their housing type, geographical location, and length of tenure. The result are AMI levels that reflect the incomes of various populations in 2020. This methodology can be replicated in future years, which we hope are less horrific than 2020 turned out to be.

WHAT AMI AM I?

The following chart breaks down AMI levels by household size for 2023. It is updated every year after HUD revises its AMI calculation for the New York City Metropolitan Area.

Household Size	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI	130% AMI	165% AMI
1	\$29,670	\$39,560	\$49,450	\$59,340	\$69,230	\$79,120	\$89,010	\$98,900	\$108,790	\$118,680	\$128,570	\$163,185
2	\$33,900	\$45,200	\$56,500	\$67,800	\$79,100	\$90,400	\$101,700	\$113,000	\$124,300	\$135,600	\$146,900	\$186,450
3	\$38,130	\$50,840	\$63,550	\$76,260	\$88,970	\$101,680	\$114,390	\$127,100	\$139,810	\$152,520	\$165,230	\$209,715
4	\$42,360	\$56,480	\$70,600	\$84,720	\$98,840	\$112,960	\$127,080	\$141,200	\$155,320	\$169,440	\$183,560	\$232,980
5	\$45,750	\$61,000	\$76,250	\$91,500	\$106,750	\$122,000	\$137,250	\$152,500	\$167,750	\$183,000	\$198,250	\$251,625
6	\$49,140	\$65,520	\$81,900	\$98,280	\$114,660	\$131,040	\$147,420	\$163,800	\$180,180	\$196,560	\$212,940	\$270,270
7	\$52,530	\$70,040	\$87,550	\$105,060	\$122,570	\$140,080	\$157,590	\$175,100	\$192,610	\$210,120	\$227,630	\$288,915
8	\$55,920	\$74,560	\$93,200	\$111,840	\$130,480	\$149,120	\$167,760	\$186,400	\$205,040	\$223,680	\$242,320	\$307,560

Source: NYC Department of Housing Preservation and Development

Critiques of AMI

Neighborhood organizers and local elected officials often critique AMI for its geographical imprecision. Given its importance to local land use decisions, one might reasonably assume that it refers to the area where a development or rezoning is taking place, or at least to the city as whole. But since AMI is based on a broader “HUD Fair Market Rate Area,” HUD’s estimation of New York City AMI includes income and housing related data from households from several surrounding counties: the five boroughs of New York City, Westchester, Rockland and Putnam Counties. Including these surrounding counties inflates the New York City AMI, since, on average, those counties have higher incomes than the city.

But it is another factor entirely that deserves greater scrutiny for distorting the AMI: HUD’s “High Housing Cost Adjustment.” In areas where rents are already quite high, HUD applies this adjustment in order to let more people qualify for affordable housing. But the result is that a lot of the “affordable housing” New

	Median Household Income
New York City	\$ 76,607
Rockland	\$ 106,173
Westchester	\$ 114,651
Putnam	\$ 120,970

Source: 2022 American Community Survey (5-Year Estimates)

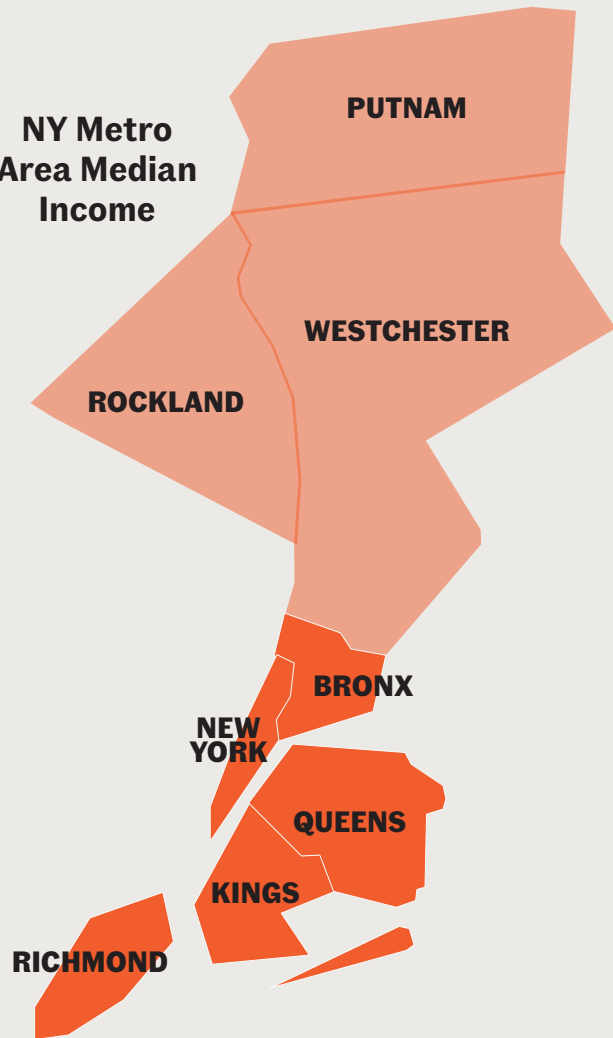
York City produces is not all that affordable to most New York City residents. As New York City rents keep climbing, this “High Housing Cost Adjustment” keeps artificially boosting our official AMI farther and farther from actual median incomes in New York City. This, in turn, pushes up the rents for affordable housing. Those who are lucky enough to find income-targeted housing keep paying more and more for it, leading to a [terrible spiral of AMI inflation, rising rent burden, and unaffordable housing](#).¹

How AMI Is Calculated

**HUD High
Housing Cost
Adjustment**



**NY Metro
Area Median
Income**



AMI vs. NYC MI

Throughout this report, the reader will notice the use of two different markers indicating Area Median Income (AMI) and NYC Median Income (NYC MI) on our graphs and charts.

AMI

100% of AMI is a metric used to define the income level where half a population earns less, and half earns more. New York City's AMI includes a high housing cost adjustment and counties outside of the five boroughs.

NYC MI

The median household income for New York City only—without HUD's high housing cost adjustment—is 71 percent of AMI.

INCOME CLASSIFICATIONS FOR AFFORDABLE HOUSING IN NYC

New York City uses its own shorthand to describe housing that is targeted toward different income levels, based on terminology used by federal housing programs. The income levels may not match the meaning of the words as we otherwise know them – for example, “Middle-Income” housing is for people making twice the average AMI in New York City.

Income Band	Percent of AMI
Extremely Low-Income	0-30%
Very Low-Income	31-50%
Low-Income	51-80%
Moderate-Income	81-120%
Middle-Income	121-165%

Source: NYC Department of Housing Preservation and Development

AMI Levels in NYC Affordable Housing

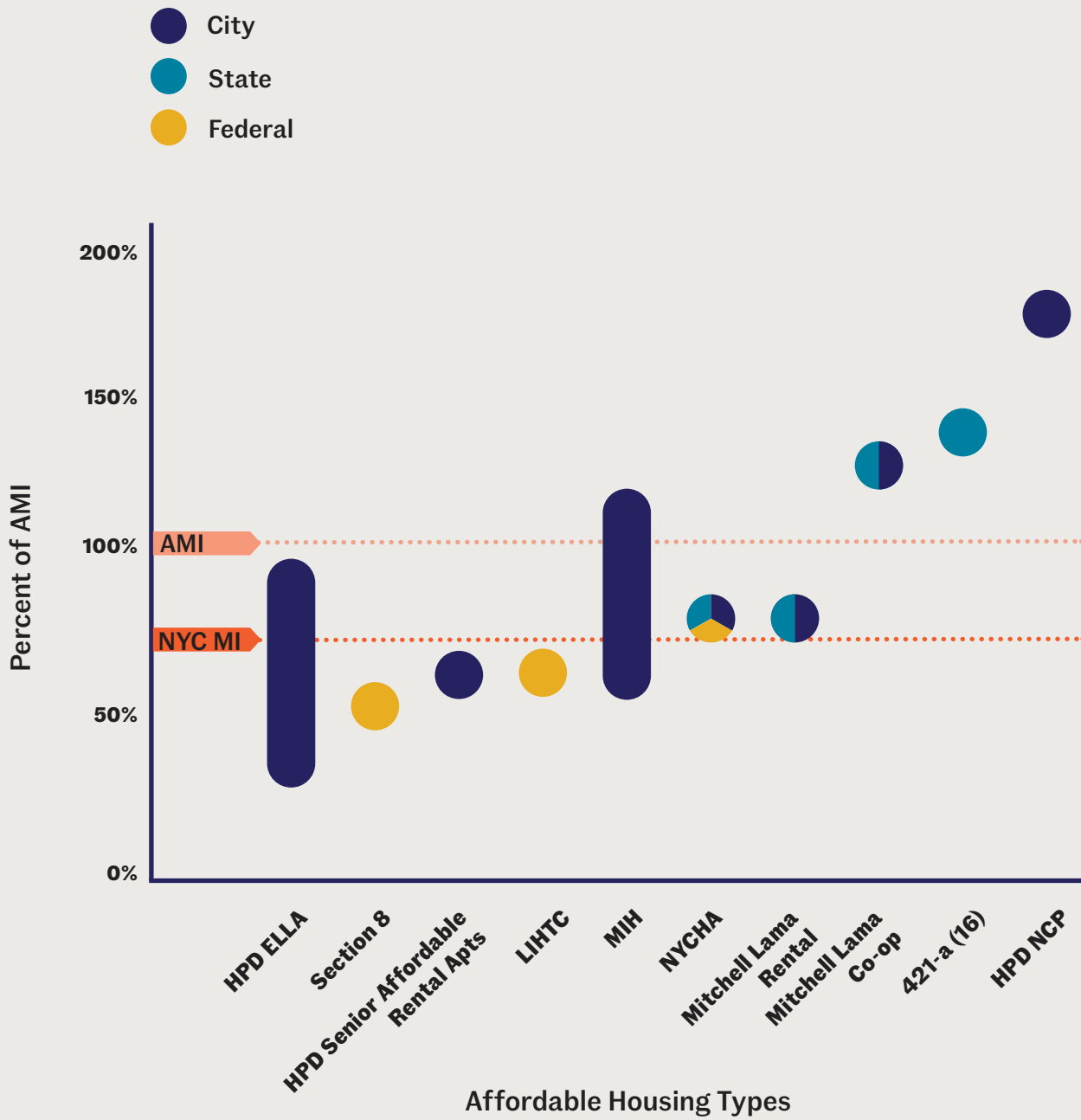
The term “affordable housing” has come to be synonymous in the US with “income-targeted” housing. Those income targets are almost always expressed through AMI levels.

Housing built through New York City’s Department of Housing Preservation and Development’s (HPD) “Extremely Low and Low-Income Affordability Program,” for example, mandates that at least a quarter of the development be reserved for households making below 30 percent of AMI. The same agency’s “Neighborhood Construction Program,” meanwhile, allows households making as much as 165 percent of AMI.

In the following chart, we summarize the maximum AMI levels allowed for a variety of affordable housing types in New York City. In some housing types, like NYCHA, the maximum allowable AMI level is considerably high than the actual median incomes of most residents (in part because HUD mandates that 30 to 40 percent of households be extremely low-income).



AMI Levels In NYC Affordable Housing



*Some programs cater to residents at the illustrated threshold (LIHTC), while others serve residents below the threshold (NYCHA).

MAXIMUM AFFORDABLE RENTS

Every AMI level and apartment type corresponds with a “maximum rent,” which amounts to 30 percent of household income. This chart shows how much the owner of an apartment targeted to various AMI levels and household sizes can charge in rent in 2023. For example, a developer building

with LIHTC could set rents for a one-bedroom apartment targeted for a household making 60% of AMI at \$1,589, whereas the same developer using 421-a (16) could set rents for a one-bedroom apartments targeted at 130% of AMI at \$3,443.

Unit Size	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI	130% AMI	165% AMI
Studio	\$636	\$848	\$1,060	\$1,272	\$1,484	\$1,696	\$1,908	\$2,120	\$2,332	\$2,544	\$2,756	\$3,498
One-bedroom	\$794	\$1,059	\$1,324	\$1,589	\$1,854	\$2,119	\$2,383	\$2,648	\$2,913	\$3,178	\$3,443	\$4,370
Two-bedroom	\$953	\$1,271	\$1,588	\$1,906	\$2,224	\$2,542	\$2,859	\$3,117	\$3,495	\$3,813	\$4,130	\$5,242
Three-bedroom	\$1,101	\$1,468	\$1,835	\$2,202	\$2,569	\$2,937	\$3,304	\$3,671	\$4,038	\$4,405	\$4,772	\$6,057

Source: NYC Department of Housing Preservation and Development



“Manhattan’s – and the city’s – overall income gap reflects two things at once: the city’s wide economic diversity, and the extreme dimensions of income inequality.”

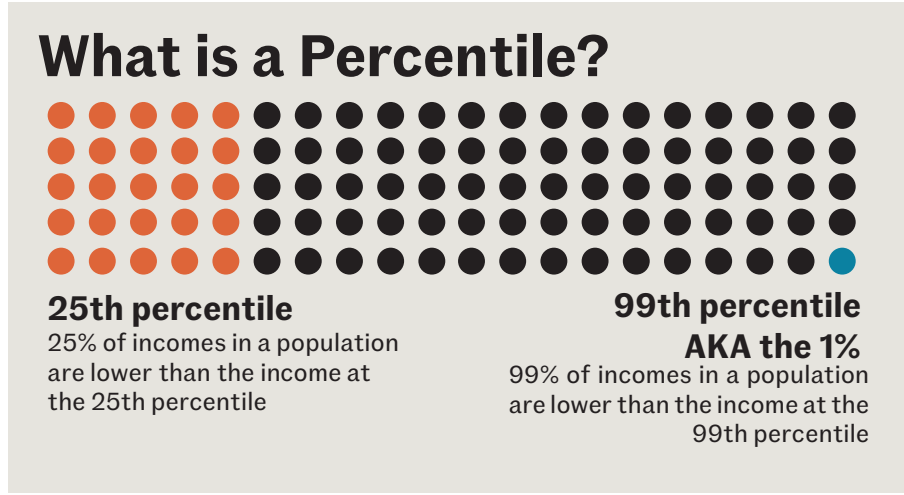
The Five Boroughs

In [our last report on the Housing and Vacancy Survey](#),² we reported that the median New York City household makes 71 percent of AMI – a level that the city would classify as “low income.” In this report, we dive deeper, showing where New Yorkers stand across multiple geographic and demographic factors.

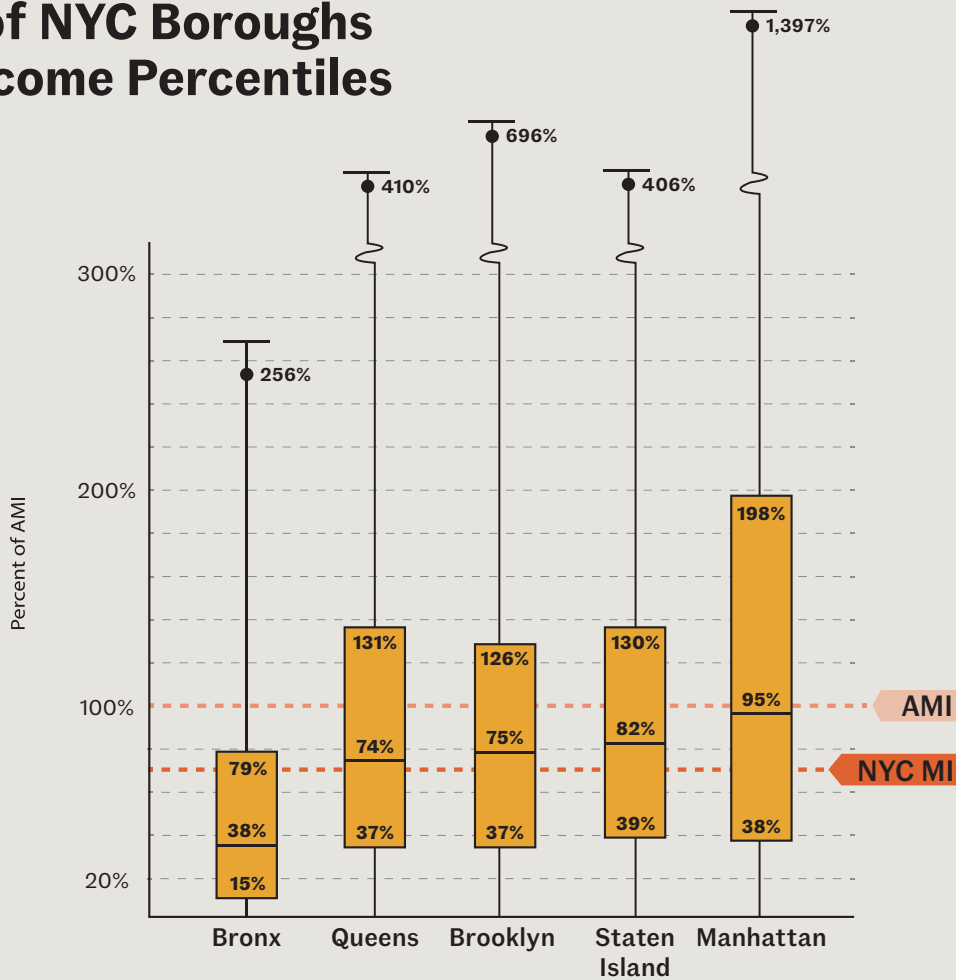
Looking at each borough, we find that the household median incomes are all below 100% of AMI – though Manhattan is close. In two boroughs, Brooklyn and Queens, the median resident is “low income” (under 80 percent of AMI) while in The Bronx the median household is “very low-income” (under 50 percent of AMI). In fact, while Brooklyn, Queens and Staten Island have fairly comparable AMI levels and distributions, The Bronx registers significantly lower, with its median AMI level about the same as the other four Borough’s bottom quartile (the median income for the lowest 25 percent of earners). AMI levels for the 25th percentile are fairly steady across Brooklyn,

Manhattan, Queens and Staten Island, likely reflecting the incomes for public housing residents and voucher-holders in those boroughs.

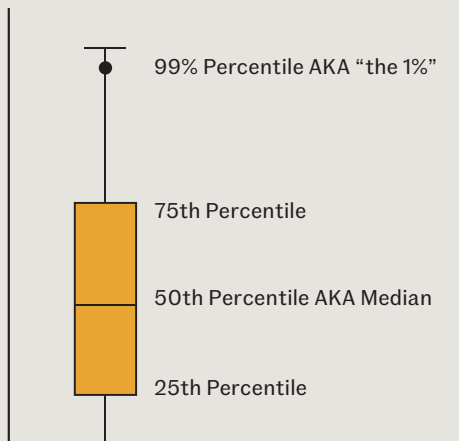
In addition to the general distribution of AMI levels represented by the 25th percentile, the median, and the 75th percentile, we also looked at the 99th percentile – AKA “the one percent” – to see where the richest of the rich fell on the AMI scale in each borough. Of course, by definition, the 1 percent earn much more than the average resident; but the scale of that divergence is extremely different across the boroughs. In The Bronx, the 1 percent makes 256 percent of AMI – about 7 times the Borough’s median AMI level. Meanwhile, in Manhattan, the 1 percent makes a staggering 1,397 percent of AMI – almost 15 times the Borough’s median AMI level. Manhattan’s – and the city’s – overall income gap reflects two things at once: the city’s wide economic diversity, and the extreme dimensions of income inequality.



AMI of NYC Boroughs by Income Percentiles



Key



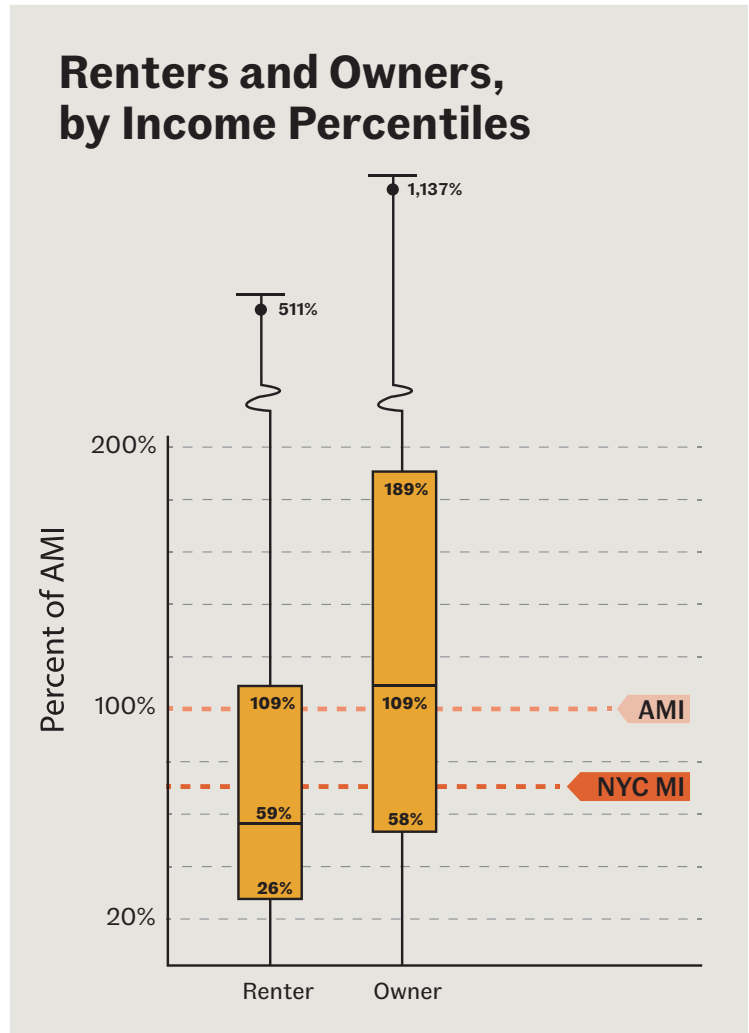
A box and whiskers plot illustrates the range of values in a dataset and communicates important information about the data, including: the minimum and maximum values (the ends of the long whiskers); the median (the line that divides the box in half); the 25 percentile and 75 percentiles (the bottom and top edge of the box).

With rent values, a plot with a longer rectangle and very long whiskers (i.e. Manhattan) represents a broader range in the data—and a higher level of economic polarization—than a box plot with short whiskers (i.e. the Bronx).

Renters and Owners

While it may be no surprise that, on average, renters have lower incomes than owners, calculating AMIs for these populations provides deeper insights into this long-standing dynamic.

The median renter in the city is at the very low end of “low income” with household incomes that put them at 59 percent of AMI, while the median homeowner is estimated to have income that is 109 percent of AMI – 85 percent more than the median renter. This gap between renter and owner households at the median persists at the higher end (75th percentile) of AMI levels, but the gap is lower at the bottom end (25th percentile) of the spectrum. The top 1 percent of renters contains some very high earners with incomes at 511 percent of AMI, but the top 1 percent of owners is far higher at 1,130 percent of AMI.



“The median renter in the city is at the very low end of “low income” with household incomes that put them at 59 percent of AMI, while the median homeowner is estimated to have income that is 109 percent of AMI – 85 percent more than the median renter.”

Movers and Remainers

Who earns more: long-term residents of the same home, or people who moved recently? This can be a difficult question to ponder, since there are reasons both the rich and the poor move or stay put. On average, though, the HVS shows a clear trend: median rents are lower the longer someone has lived in their home, and higher the more recently they moved in. This trend holds clearly for both renters and homeowners, though the AMI spread is somewhat larger among renters than it is among homeowners.

It is important to note that this data does not just reflect movers *to the city*, but rather recent movers *to their current homes* – a group that includes both New York City newcomers and people moving within the city. (We will discuss the AMIs for immigrants and US-born New York City residents elsewhere in this report.) The data is therefore not necessarily saying that higher-income people are moving to the city, but rather that in this housing market, the more money you have the easier it is to move. Policies that help people remain in their homes, including rent regulation and the [recently expanded CityFHEPS program](#), are effectively serving a lower-income population.

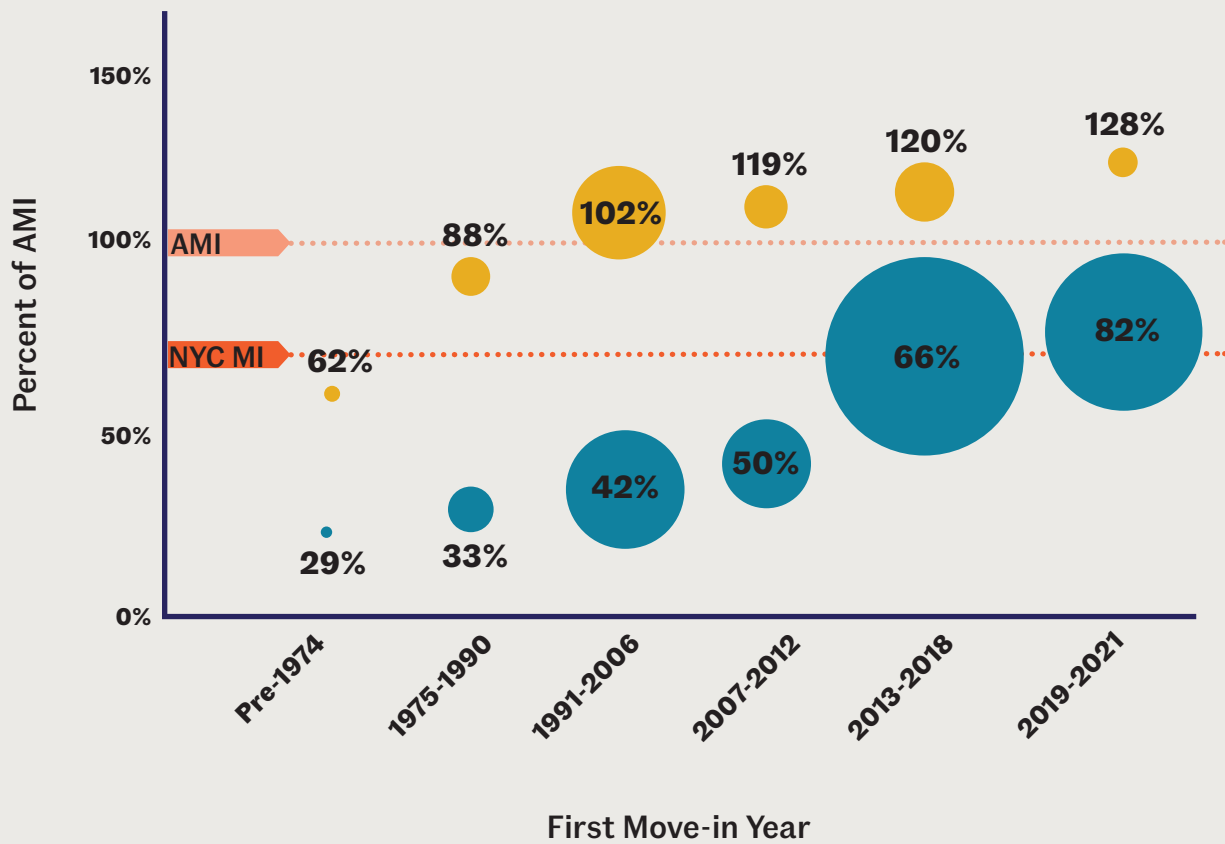


Move In Year, Renters/Owners

● Renters

● Homeowners

○ Size of circle represents total number of households that moved into their unit in a given year range



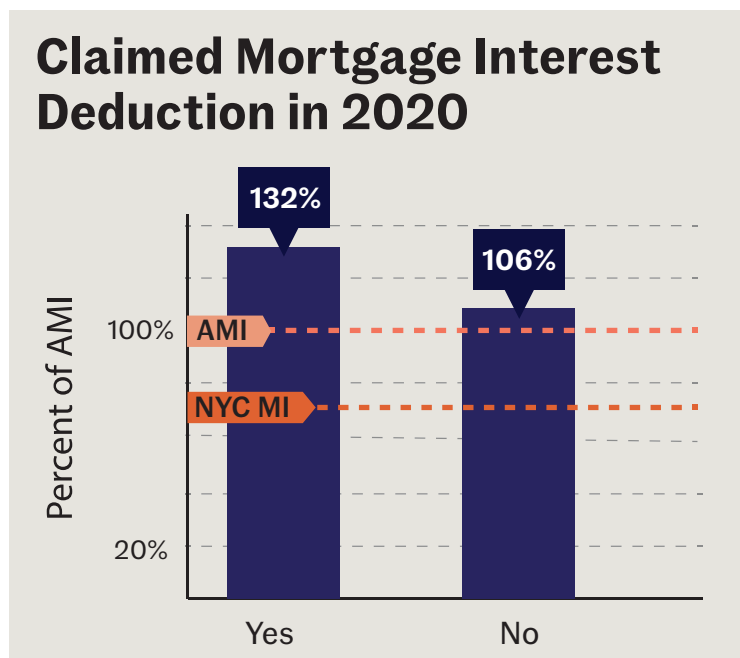
Homeowner Tax Breaks

In the United States, private homeownership is the most subsidized type of housing. Every year, the federal government forgoes more money on the mortgage interest tax deduction than it spends on public or subsidized housing, or rental assistance. This tax policy is often criticized as regressive, both because it favors homeowners over renters and because it favors higher-income homeowners over lower-income homeowners.

AMI levels bear out this criticism in New York City. First, as discussed above, the median homeowner has significantly higher income than the median renter. Second, those homeowners who claim the

mortgage interest tax deduction have, on average, about 20 percent higher incomes than those who do not. This most likely corresponds to which homeowners itemize their taxes, and who opt to take the standard deduction – and the more income you have, the more it pays to itemize and take benefits like the mortgage interest deduction.

As the federal government continues to underfund public housing and provides New York City with only enough Section 8 vouchers to cover one fifth of its demand, it is unconscionable that it continues to favor relatively wealthy homeowners over relatively poor tenants.

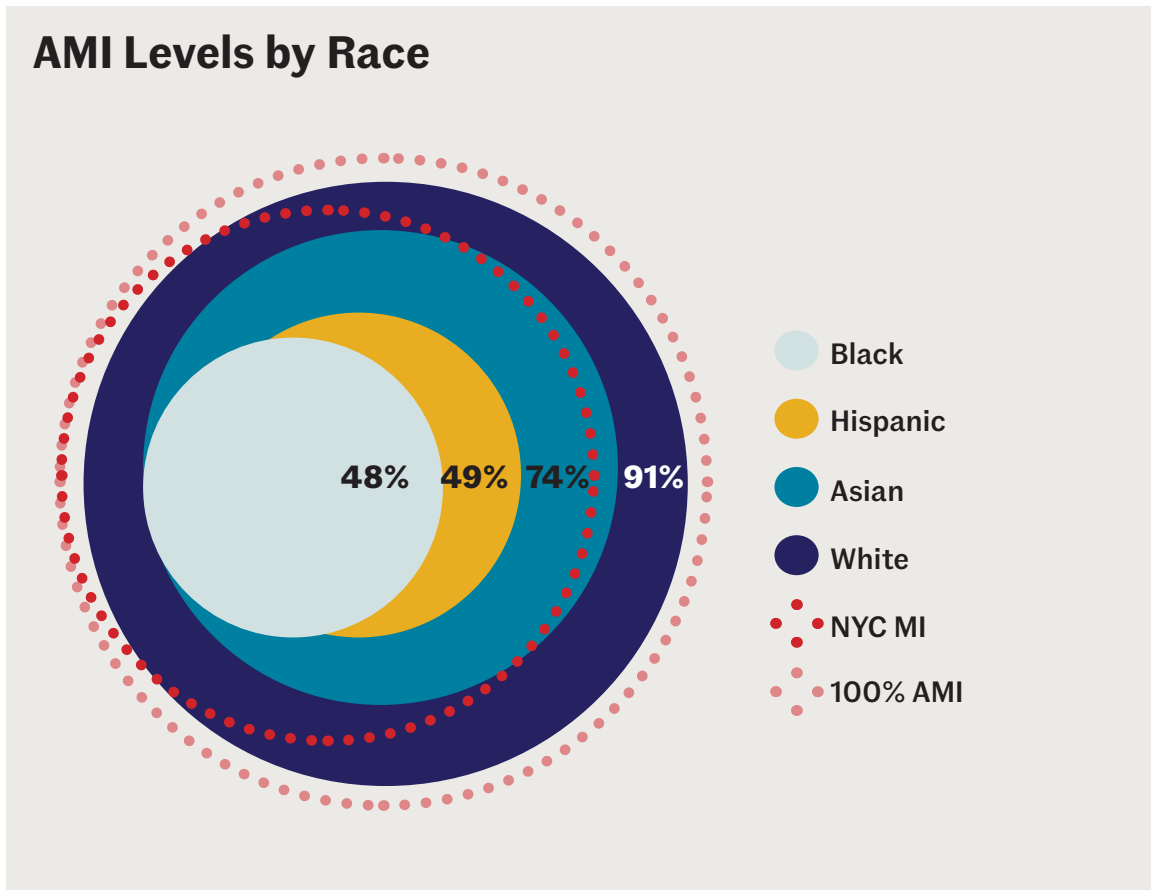


Median AMI levels by race

Racist hiring and lending practices, paired with systemic discrimination built into public policy, created and continue to reproduce a persistent racial wealth gap in the U.S., especially between Black and white households. While expanded minimum wage laws and labor organizing successes have shrunk the [wage gap somewhat](#) in the last five years, the median Black worker makes 21 percent less than the median white worker. Further, ownership of financial assets, including property, stocks, and business equity, has become far [more important](#) for wealth building than wages generated by labor over the past few decades. Black and Latino/a/x families are far less likely than white families to [own assets](#) and have lower-valued assets when they do.

Nationwide, Asian households in 2021 had [higher median](#) household incomes than any racial group. However, this statistic conceals a significant level of [income inequality and high levels of poverty](#) among Asian households in the US, highlighting the flattening nature of racial categories, particularly within the US Census.

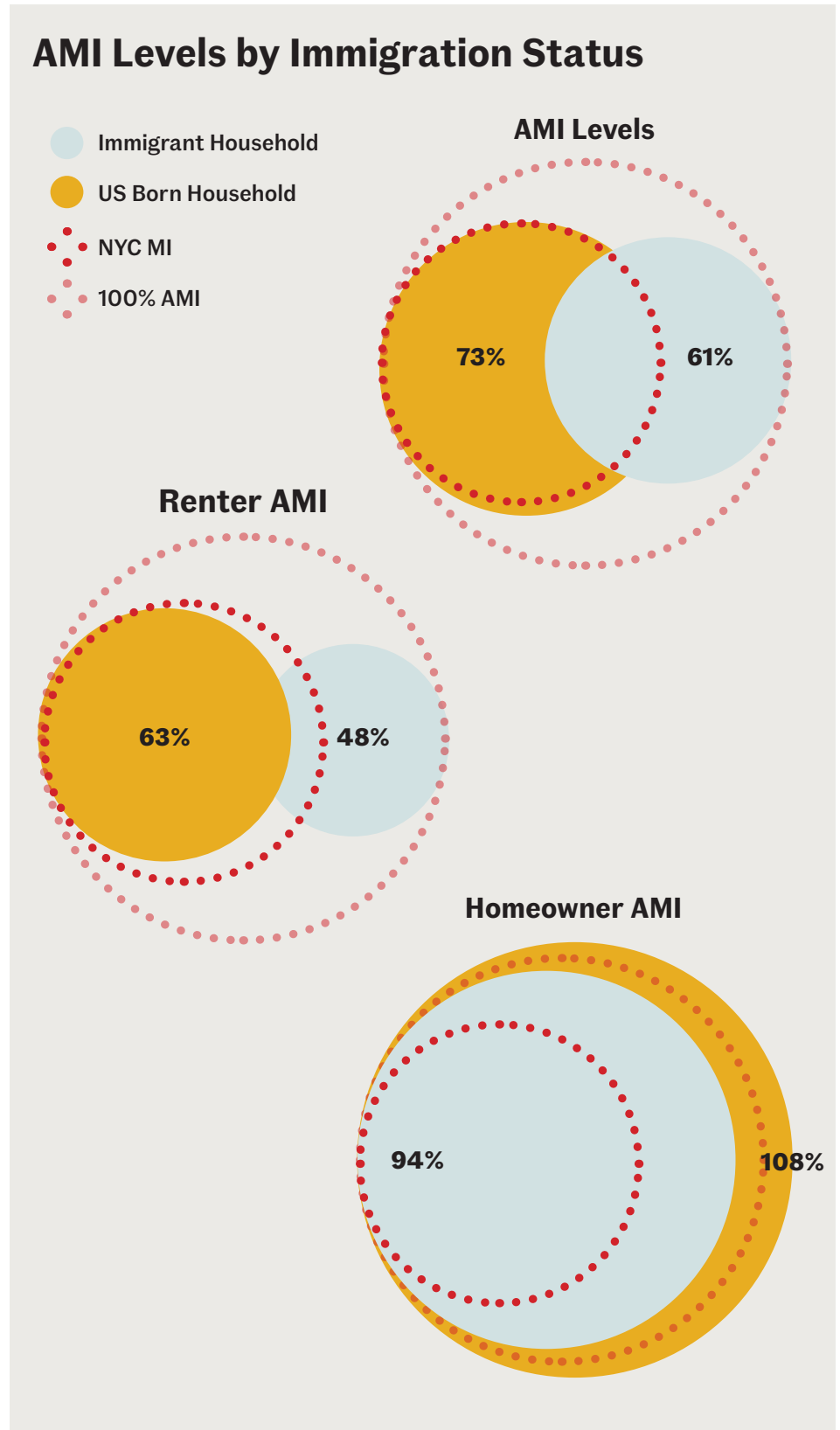
These broader trends provide context to the observed median AMI levels across racial categories in New York City. The median AMI for white households is 43 percentage points higher than that of Black households, 42 points higher than that of Latino/a/x households, and 17 points higher than Asian households' AMI levels.



Median AMI levels by immigration status

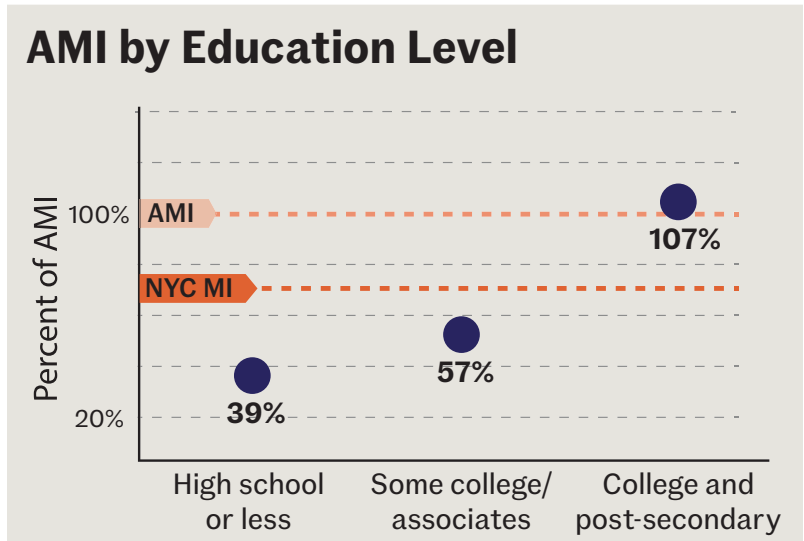
More than one in three of New Yorkers are [foreign-born](#), one of the highest shares among U.S. cities. New York City's more than three million immigrants are both globally mobile high-income earners who are able to buy into the city's high-cost real estate market, and asylum seekers fleeing political turmoil and violence, who are staying in the city's shelter system. Immigrant New Yorkers come from every corner of the world: the city's public school system has identified over 180 different languages spoken by students at home.

Foreign-born workers in the U.S. earn less, on average, than native born workers, and are over-represented in lower-wage industries. New York's AMI levels are reflective of this trend. The median AMI level for immigrant households is 61%, 12 points lower than the AMI level for US-born households. This gap stays relatively consistent across tenure types: AMI levels for US born renters and homeowners is higher than those of their immigrant counterparts.



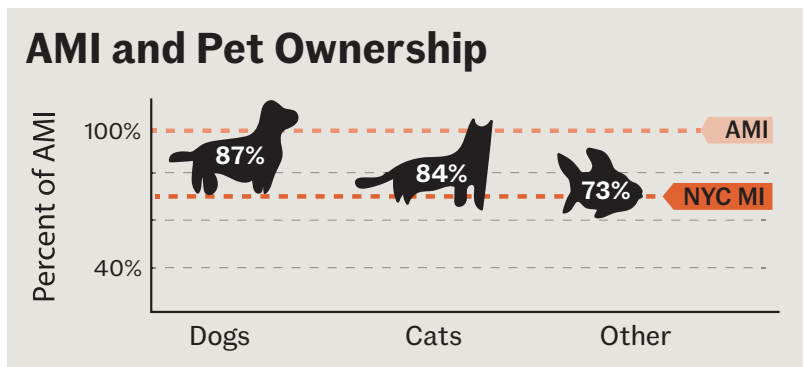
Median AMI levels by educational attainment

Educational attainment levels are highly correlated with incomes in the US. It is no surprise that households that include adults with higher levels of educational attainment have higher AMI levels. Still, the differences are striking. The median AMI level for households with multiple Bachelors or post-secondary degree holders' is 68 points higher than that of households with multiple adults who have not attended college, and it is 50 points higher than that of households with adults who have earned an Associated degree or completed some college courses.



AMI and Pets

Pets also seem to come at a premium in New York City. The median AMI for cat owners is 13 points higher than the city's overall AMI. For dog owners, it is 18 points higher. But pet ownership is certainly not just for the privileged; these median incomes are all well below the median income for homeowners or college graduates in New York City.



Conclusion

We hope this report will help advocates and everyday New Yorkers understand how well – or how poorly – income targeting in affordable housing matches up with the population of the city. AMI is, at best, an imperfect measure of lived realities of people who reside in, or are trying to get into, affordable housing in the US. At worst, it is a justification for mistargeted public resources and yet another method for rent inflation. While there are good reasons to critique AMI methodologically, it is important to remember that it is just a formula. The problems with formula must be fixed, of course, but the real struggle remains over the possibilities and parameters of housing policy.

Endnotes

- 1 Sarah Internicola and Lucy Block. “New York City’s AMI Problem, and the Housing We Actually Need.” Association for Neighborhood Housing and Development, November 19, 2022. <https://anhd.org/report/new-york-citys-ami-problem-and-housing-we-actually-need>
- 2 Oksana Mironova and Samuel Stein. “Our Fast Analysis of the 2021 New York City Housing and Vacancy Survey.” Community Service Society, October 12th, 2023. <https://www.cssny.org/news/entry/our-fast-analysis-of-the-2021-new-york-city-housing-and-vacancy-survey>



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