

FREQUENTLY ASKED QUESTIONS ABOUT AFFORDABLE HOUSING

WHAT IS AFFORDABLE HOUSING?

Affordable Housing is generally defined as housing for which an occupant pays no more than 30% of their gross income for housing costs, including utilities.

EXAMPLE: For a family with a combined annual income of \$85,000 per year, an affordable home would cost no more than \$2,125 per month.

IF WHAT IS CONSIDERED AFFORDABLE HOUSING DEPENDS ON HOW MUCH A FAMILY MAKES, HOW DOES THE COUNTY DECIDE WHAT “AFFORDABLE” MEANS?

The County Housing Agency’s mission is to provide safe and healthy homes to Kaua’i households earning at or below 120% of the Kaua’i Median Household Income (KMHI). The federal Department of Housing and Urban Development further defines low-income households as earning 80% and below the KMHI or \$106,200 for a household of four, and very low-income households earning 50% KMHI or \$66,350 for a household of four.

When we begin to plan a housing project, it is always our goal to try and serve a mixture of households of different income levels. However, when the County is dependent on federal or state funding sources for particular projects, there are often strings attached that require the project to serve only the low– or very low–income households.

WHAT DOES KAUA’I MEDIAN HOUSEHOLD INCOME (KMHI) MEAN AND WHO DETERMINES WHAT IT IS?

Median Household Income is the income earned by a household in a specific area where half of the households earn more, and half of the households earn less. The federal Department of Housing and Urban Development publish income limits for Kaua’i each year in March or April based on data from the U.S. Census Bureau’s American Community Survey.

WHAT IS THE CURRENT KAUA’I

MEDIAN HOUSEHOLD INCOME IN APRIL 2024?

The Current Kaua’i Median Household Income for a family of four is \$107,100

WHAT ARE THE EXAMPLES OF POTENTIAL RENTS THAT COULD BE CHARGED TO TENANTS AT AFFORDABLE RENTAL PROJECTS?

Using a typical two-bedroom apartment, as an example, the rents, not including utilities, that could be charged to families based on their income levels are:

50% KMHI (Very Low)	\$1,182
80% KMHI (Low)	\$2,078
100% KMHI	\$2,674
120% KMHI	\$3,272

WHAT ARE SOME EXAMPLES OF POTENTIAL FOR SALE PRICES THAT COULD BE CHARGED TO FAMILIES AT AN AFFORDABLE HOUSING PROJECT?

*Using a typical two-bedroom single family home as an example, charged to families based on their Income levels are:

	2-Bedroom	3-Bedroom	4-Bedroom
80% KMHI	\$330,600	\$354,850	\$445,200
100% KMHI	\$429,600	\$506,800	\$572,900
120% KMHI	\$528,900	\$621,400	\$700,800

*For Sale Prices based on 30-year fixed mortgage at 6.5% interest rate

