



MAYOR'S OFFICE OF  
**HOUSING & COMMUNITY DEVELOPMENT**

## Area Median Income (AMI) FAQ

### What is AMI?

AMI stands for Area Median Income. AMI is the combined average household income for the San Francisco metropolitan area, which includes San Francisco, San Mateo and Marin counties. Your AMI level determines whether you can apply for income-based services.

Find your AMI level at [www.sf.gov/find-your-area-median-income-ami-level](http://www.sf.gov/find-your-area-median-income-ami-level)

### Who determines AMI for San Francisco?

The Department of Housing and Urban Development (HUD) sets income limits for regions across the country that determine eligibility for assisted housing programs. These income limits are based on Median Family Income estimates and Fair Market Rent area definitions.

The San Francisco Mayor's Office of Housing and Community Development (MOHCD) uses the unadjusted Area Median Income published annually by HUD to establish income limits and maximum rents in a given year.

### Why are AMIs and rent/sales price limits adjusted each year?

AMIs and associated rent increase limits are updated each year to help maintain the stability of San Francisco's affordable housing stock. It does this by capping rents and sale price increases at 4% while maintaining rents and sales prices if AMI has decreased. This policy serves to:

- **Protect tenants from displacement caused by large annual rent increases**
  - By limiting annual rent increases to 4%, the City of San Francisco can mitigate potential fluctuations in affordable housing rents, which are based on Fair Market Rent definitions.
- **Ensure that building owners/operators can cover their operating expenses**
  - Rent payments cover operational and management costs for properties. Annual rent increases serve to offset increased operational and maintenance costs and ensure a consistent level of maintenance for existing and new affordable housing properties.

### How does this impact rent?

For units that are AMI-centric, such as dedicated affordable housing and Below-Market Rate units, the maximum rent is calculated as a percentage of AMI.

For many developments, rent increases are limited by AMI. In San Francisco, MOHCD caps rent increases at 4% per year.

### **What does a 4% rent increase look like?**

A 4% rent increase will translate to a different dollar amount depending on the current rent for a unit.

For example, the maximum rent for a one-bedroom apartment that is restricted at 60% of AMI would increase approximately \$69. The actual rent that a tenant pays to their landlord may increase by up to 4% of the current rent for their unit, or a smaller amount based on the basic utilities that the tenant pays.

### **Will tenants have to sign a new lease?**

State law requires that landlords provide at least a 30-day notice before a rent increase takes effect. Depending on the landlord's preference or program requirement, you may need to sign a new lease. However, some tenants may simply receive a rent increase notice.

### **What kinds of units are impacted?**

AMI updates are applicable to affordable multifamily rental housing projects governed by MOHCD, as well as units subject to the Inclusionary Housing Program (BMR units), former SFRA and OCII-developed affordable housing, and any affordable housing development through the Planning Code and subject to the Procedures Manual.

Units subsidized through Section 8, Shelter Plus Care, LOSP, etc. are not impacted. For these tenants, rent is calculated as 30% of the tenant's actual household income, not AMI. The amount of rent due from households with rental subsidy will only change when household income changes.

### **How many units are impacted?**

MOHCD's portfolio consists of approximately 31,000 rental and for-sale units. Most of these units are subject to the income, rent, and sales restrictions published by MOHCD, with limited exception.

### **How will this impact affordable housing eligibility?**

As rent limits increase by 4%, income limits will also increase by 4%. When applying for affordable housing, either for rent or for purchase, household income must be within the predetermined income limit.

Examples:

- A household of four applying for a rental unit restricted to 60% of AMI would need to make \$89,900/year or less.
- A household of two applying for a unit for sale, restricted to 80% of AMI would need to make \$95,900/year or less.

### **Why don't income limits reflect recent gains (or losses)?**

Although HUD uses the most recent data available concerning local area incomes, there is still a lag between when the data is collected and when the data is available for use. For example, 2024 Income Limits are calculated using a special tabulation of Median Family Income (MFI) estimates from the 2018-2022 5-year American Community Survey (ACS) prepared by the U.S. Census Bureau. This is a two-year lag, so more current trends in income levels are not available.

For more information on income limits for MOHCD programs, visit <https://sf.gov/resource/2022/income-limits-rent-limits-and-price-levels-mohcd-programs>