

“Affordable” Defined

U.S. Department of Housing and Urban Development (HUD) Definition

- **Affordable Housing:** Housing where the occupant is paying no more than 30% of their gross income for housing costs, including utilities. Households paying more than 30% are considered *cost-burdened*.

State of Tennessee Definition ([T.C.A. 5-9-113](#))

- **Affordable Housing:** Housing that costs 30% or less than the estimated median household income for households earning $\leq 60\%$ of the Area Median Income (AMI), adjusted for family size.
- **Workforce Housing:** Housing that costs 30% or less than the estimated median household income for households earning more than 60% but not exceeding 120% of the AMI, adjusted for family size.
- **Note:** [T.C.A. 5-9-113](#) applies whenever Metro appropriates funds for affordable or workforce housing.

Metro Nashville Housing Division Definition

- **Affordable Housing:** Housing where the occupant is paying no more than 30% of their gross income for housing costs, including utilities. Households paying more than 30% are considered *cost-burdened*.

Metro Nashville 2026 Area Median Income

2026 Nashville Median Family Income: \$116,100

Percent	1-Person Household	2-Person Household	3-Person Household	4-Person Household
30% AMI	\$24,400	\$27,900	\$31,400	\$34,850
50% AMI	\$40,650	\$46,450	\$52,250	\$58,050
60% AMI*	\$48,780	\$55,740	\$62,700	\$69,660
70% AMI*	\$56,900	\$65,050	\$73,150	\$81,300
75% AMI*	\$61,000	\$69,700	\$78,400	\$87,100
80% AMI	\$65,050	\$74,350	\$83,650	\$92,900
100% AMI*	\$81,300	\$92,900	\$104,500	\$116,100

Note

* HUD publishes Area Median Income thresholds for 30%, 50%, and 80% AMI. The 60% threshold comes from HUD's HOME income limits. Other thresholds are needed for specific programs (70%, 75%, 100%), and these are calculated following HUD's methodology.

* The published AMIs are based on HUD's Fair Market Rent Areas. For Nashville, this is the Nashville-Davidson–Murfreesboro–Franklin, TN HUD Metro FMR Area, which includes Davidson County and nine surrounding counties.

Sources

- HUD AMI Limits: <https://www.huduser.gov/datasets/il/il2026/>
- HOME Limits: https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_TN_2026.pdf

Frequently Asked Questions

What geographic area is Nashville's AMI based on?

- In Nashville, HUD uses a subset of the Metropolitan Statistical Area (MSA) to determine the AMI. This is called a HUD Metro Fair Market Rent Area (HMFA).
- The **Nashville-Davidson--Murfreesboro--Franklin, TN HMFA** contains the following counties: Cannon, Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, and Wilson.



Why use a multi-county area instead of just Davidson County?

- HUD uses this multi-county area to reflect the economic ties and commuting patterns across the HMFA. Grouping nearby counties together reflects how people commute and move around for jobs and housing. Households often work or have housing across a broader region and not just within one specific county.

How are AMIs used in policymaking?

- AMIs are used to determine whether a household meets income eligibility in order to qualify for publicly-funded housing.
- AMIs are also used to set rent caps to ensure households are not paying more than they can afford.

Average Wages & Affordable Housing Costs for Common Nashville Occupations

Occupation Group	Average Annual Wage	Monthly Affordable Housing Cost
Individual Receiving Supplemental Security Income	\$11,929	\$298
30% AMI for a 1-Person Household	\$24,400	
Fast Food and Counter Workers	\$29,777	\$744
Cashiers	\$31,325	\$783
Waiters and Waitresses	\$31,952	\$799
Maids and Housekeeping Cleaners	\$33,965	\$849
Home Health and Personal Care Aides	\$35,665	\$892
Retail Salespersons	\$37,031	\$926
Janitors and Cleaners	\$37,567	\$939
Cooks, Restaurant	\$39,500	\$987
Security Guards	\$40,481	\$1,012
50% AMI for a 1-Person Household	\$40,650	
Nursing Assistants	\$41,645	\$1,041
Laborers and Freight, Stock, and Material Movers	\$41,928	\$1,048
Office Clerks, General	\$45,520	\$1,138
Construction Laborers	\$47,250	\$1,181
Customer Service Representatives	\$47,382	\$1,185
60% AMI for a 1-Person Household	\$48,780	
Light Truck Drivers	\$49,972	\$1,249
Maintenance and Repair Workers	\$51,560	\$1,289
Licensed Practical and Licensed Vocational Nurses	\$61,223	\$1,531
80% AMI for a 1-Person Household	\$65,050	

Across the Nashville Metropolitan Statistical Area, **63% of workers** are in jobs that pay less than 80% AMI for a 1-Person household.

Source: U.S. Bureau and Labor Statistics, Occupational Employment and Wages Statistics (OEWS), Metropolitan and nonmetropolitan area, May 2025 adjusted to 2026 dollars; Social Security Administration, 2026 maximum federal SSI benefit for individual

Affordable Housing Benefits All Nashvillians

All Nashvillians benefit when their neighbors live in housing they can afford. More affordable housing means a stronger local economy, greater workforce stability, and increased job creation and retention. Affordable housing helps ensure that the people who keep our city running can continue to live and thrive in Nashville.

Many Nashvillians can benefit directly from affordable housing to overcome the **monthly gap** between what they can afford based on their income and a typical rent, like the families below.



A single nursing assistant lives in a studio apartment.

\$41,645

<60% AMI

\$1,041

\$1,507

\$466



A single firefighter lives in a 1-bedroom apartment.

\$53,918

<80% AMI

\$1,348

\$1,578

\$230



A home health aide lives in a 2-bedroom apartment with their sibling who receives Supplemental Security Income due to a disability.

\$47,593

<60% AMI

\$1,190

\$1,730

\$540



A pre-school teacher and security guard live with their two children in a 3-bedroom apartment.

\$83,540

<80% AMI

\$2,089

\$2,211

\$123

Household Description
Annual Household Income
AMI Threshold
Affordable Monthly Housing Cost
Fair Market Rent
Monthly Gap

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