RESEARCH BRIEF

Between the Ceiling and the Floor

The income window in America's rent-restricted housing is 3.6 percent wide, and it is the same width everywhere.

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SUMMARY

Regulated Affordable Housing has two income limits, not one. The ceiling is the highest income a household may have, published by HUD each spring. The floor is the lowest income a property may require it to document, because rent in a rent-restricted home is fixed by a published table rather than by what the resident earns, so the property tests ability to pay it.

Measured across every HUD income limit area in the United States, the space between those two limits is not a local quirk. **At the three times rent income test that most of the country permits, the window between the floor and the ceiling is 3.6 percent of the ceiling, in all 2,644 areas, with a range of 3.38 to 3.90 percent and a standard deviation of four hundredths of a percentage point.** In dollars the median is $1,368 a year. In 96.5 percent of areas it is under $2,000.

The width is set by the multiple, not by the market. And in a two-bedroom home at that same test, the floor sits above the ceiling in **100 percent of areas**, for one-person and two-person households alike, which means no older adult living alone and no older couple can qualify for a two-bedroom anywhere in the country.

This is a second finding standing beside the shortage, not a replacement for it. There are not enough affordable homes. Of the homes that do exist, access is bounded at both ends.

1. The finding

Two limits govern a rent-restricted home. HUD publishes the income limit, the ceiling, for every metropolitan area and every non-metropolitan county. The same table fixes the maximum rent the home may charge, under the rent restriction formula in Internal Revenue Code section 42(g)(2). Each property then decides what multiple of that rent it wants an applicant to document, commonly two to three times, and that multiple is the floor.

The space between them, for a one-person household seeking a one-bedroom:

INCOME TEST	SPACE AS A SHARE OF THE CEILING	MEDIAN IN DOLLARS
Two times rent	35.73 percent, range 35.59 to 35.93	$13,512
Two and a half times rent	19.67 percent, range 19.49 to 19.92	$7,440
Three times rent	**3.60 percent, range 3.38 to 3.90**	**$1,368**

Income screens commonly use a multiple of the monthly rent. This brief models stated multiples rather than asserting a national norm, because no comprehensive source for prevailing multiples exists. Only two jurisdictions were verified as capping the multiple: Portland, Oregon at two and a half times, and Colorado at two times statewide. Most of the country has no cap.

The consistency holds across every level of affordability, which is what makes it structural rather than incidental:

LEVEL	SPACE AS A SHARE OF THE CEILING, AT THREE TIMES RENT
30 percent of area median income	3.65 percent
50 percent	3.63 percent
60 percent	3.60 percent
80 percent	3.57 percent

And it holds across geography. The open question going into this work was whether the window is wider or narrower outside metropolitan areas, since HUD applies a national non-metropolitan floor that can hold rural ceilings above what local incomes would produce. The answer is narrower, slightly: a median of $1,320 in the 1,960 non-metropolitan areas against $1,512 in the 684 metropolitan ones. The difference is small next to the effect of the multiple.

The extremes bound the claim rather than complicating it. The tightest windows are in Puerto Rico, around $420 a year. The widest are in coastal California, around $3,288. Even the widest is 3.9 percent of its ceiling.

2. Why it is a constant

The uniformity is arithmetic, and it can be derived without reference to any local condition.

Rent in a rent-restricted home is 30 percent of an imputed income limit, divided by twelve. A three times income test therefore asks the applicant to document 0.9 times that imputed limit. For a one-bedroom the imputed limit is the average of the one-person and two-person limits, which is about 1.07 times the one-person figure. The floor consequently lands at roughly 96 percent of the ceiling, wherever the property is and whatever the local market does.

The same derivation at two and a half times puts the floor at about 80 percent of the ceiling, and at two times at about 64 percent. The multiple is the whole story. A property that moves from two and a half to three times rent does not narrow the window a little. It closes about four fifths of what remained.

3. The two-bedroom result

The rent on a two-bedroom is set for an assumed three-person household, while the income limit follows the household that actually applies. The floor is therefore built for a larger family than the ceiling permits.

INCOME TEST	AREAS WHERE THE FLOOR SITS ABOVE THE CEILING
Two times rent	0 percent
Two and a half times rent	0 percent
Three times rent	**100 percent**

This holds for one-person and two-person households alike, at both the 50 and 60 percent levels. Not most areas. All 2,644 of them.

An older adult living alone, or an older couple, applying for a two-bedroom at a three times test does not fail on the margin somewhere expensive. They fail everywhere, by construction.

4. Who sets each end

The two limits are often described as coming from different bodies on different schedules. That is not quite right, and the correction matters for anyone citing this.

HUD publishes the ceiling, and the same table fixes the maximum rent. So the rent half of the floor is HUD's, published in HUD's tables, moving on HUD's spring schedule. What the property supplies is the multiple.

The accurate statement is that **no single body sets both ends**. HUD sets the ceiling and the rent; the property sets the multiple that turns that rent into an income requirement. Because the two halves have different authors, no one publishes the distance between them, and applicants encounter it only by being turned down.

5. What this does to older adults on fixed incomes

The floor asks for documented income. A fixed benefit is documented income, but it is small.

The average Social Security retired-worker benefit in Oregon is $1,990 a month, or $23,880 a year. Against a 60 percent one-bedroom in Portland renting at $1,444, that is 1.38 times rent, well under any test in use. Such a household clears the 60 percent ceiling with roughly $30,000 to spare and falls below the floor by nearly $20,000. Across the four levels, it fits exactly one, the 30 percent band, which is the scarcest at the bottom. At a three times test it fits none.

The sharpest comparison is with the cost of living itself. The Elder Index, built by the Gerontology Institute at the University of Massachusetts Boston, prices what a single older adult needs to meet every basic need in a given place. In Multnomah County a single older renter in good health needs $38,100 a year, covering housing at market rent plus food, transportation and health care.

The income a property may require to admit her to the subsidized one-bedroom, $43,320 at two and a half times rent, is $5,220 more than the income she would need to meet every basic need without the subsidy. The comparison holds on the prior year's tables at $3,780, so it is not an artifact of one year's figures.

That is what the floor does at the bottom of the distribution: it asks for proof of an income that would make the subsidy unnecessary.

The population affected is not marginal and is growing. Older adults were **42 percent of all HUD-assisted households in 2024, up from 33 percent a decade earlier**. Some 12.2 million older-adult households spend more for housing than is recommended, about one in three: 4.5 million renting and 7.7 million owning, and roughly 2.3 million more than in 2019. Of the 7.2 million homes short for the lowest-income renters nationally, a third of those households are headed by someone 62 or older.

6. Why the system produces this

The floor is not a policy anyone wrote. It is what happens when a fixed rent meets ordinary tenant screening.

Federal support for affordable housing moved decisively from building homes to subsidizing rent in existing ones. Public housing began in 1937. The Housing Act of 1949 set the national goal still on the books at 42 U.S.C. 1441. Section 202 began building homes specifically for older adults with low incomes in 1959, and more than 400,000 have been built since. Section 8 arrived in 1974 and originally financed new construction until Congress repealed that authority in 1983. The Faircloth Amendment capped public housing in 1998. The Low-Income Housing Tax Credit, created in 1986, has been the country's main engine for building affordable homes ever since, and Congress expanded it by 12 percent in 2025.

The credit finances construction, not operations. A rent set at 30 percent of area median income often will not cover the cost of running a building without an ongoing operating subsidy, which is scarce. That is why new homes are built at 60 percent rather than 30, and why the deepest affordability is the thinnest supply.

One correction to the familiar story. It is tempting to say the system was built for households on their way up, with assistance as a waypoint. Section 202 was purpose-built in 1959 for older adults on fixed incomes and still serves them, with average resident income around $16,000. Deep affordability for this population was designed in, not overlooked. What changed is scale.

The waypoint framing is nonetheless still live in policy. In a proposed rule published in the Federal Register on 2 March 2026, docket FR-6520-P-01, HUD proposed work requirements and time limits for assisted households. **Older adults and people with disabilities were exempt**, which is the clearest available acknowledgment that for these households assistance is not a stage. HUD's own figures show assisted older households stay about nine years on average, against about four for families with children.

7. What this analysis does not say

It does not say the shortage is not real. There are not enough affordable homes, and nothing here qualifies that. This is a second constraint standing beside the first: of the homes that exist, access is bounded at both ends. The answer to housing pressure is to build, preserve, convert and activate, not to choose among them.

It applies to rent-restricted homes without deep subsidy, which is most of the tax credit stock. Where rent moves with income, through project-based rental assistance or a Housing Choice Voucher, the tenant's share is roughly 30 percent of adjusted income, there is no fixed rent to test against, and the floor does not apply.

The multiple is a property decision, not a published datum. It varies between buildings on the same street. The figures here are calculated at stated multiples rather than at an observed national average, because no such average can be sourced. Where a local cap exists it is named.

It is a description of rules, not a prediction about any application. Every property decides for itself, using its own limits, its own income test and its own screening criteria.

8. Method

Income limits are HUD's Multifamily Tax Subsidy Project tables for FY2026, effective 1 May 2026, covering 2,644 income limit areas across 4,764 counties in 56 states and territories. That series governs tax credit properties, which is most of the housing described here. It is distinct from the Section 8 income limit series, which is constructed differently, may fall year over year where the

MTSP series may not, and does not contain the 60 percent band at all. All four levels used here, 30, 50, 60 and 80 percent, are drawn from the MTSP series and its income averaging table, so no two figures in any comparison rest on different bases.

Maximum rents are derived under Internal Revenue Code section 42(g)(2) as 30 percent of the income limit for an imputed household size, over twelve months, with the imputed size set at one person for a studio and 1.5 per bedroom thereafter. Fractional sizes average the two neighboring limits, which is universal practice in state housing finance agency rent tables. Rents are gross: utilities sit inside the cap.

Room rent benchmarks, where used, are a suggested starting rate rather than a published one: half the FY2026 two-bedroom Fair Market Rent for the area, the pro-ration HUD applies to shared housing. In a shared home the home provider sets the rent.

Every figure in this brief is generated by a script from the published tables rather than transcribed, and regenerates when HUD publishes each spring. Nothing is estimated: where a value could not be retrieved, the area is not reported, and the build fails rather than filling a gap.

Eligibility figures print at their current vintage and are labeled, because they state who is eligible today. This is a deliberate exception to the convention elsewhere in this research family, where the Elder Index sets the vintage and HUD figures follow it.

Sources

- U.S. Department of Housing and Urban Development, Multifamily Tax Subsidy Project income limits and income averaging tables, FY2026; FY2026 Income Limits Methodology and Medians Methodology.
- U.S. Department of Housing and Urban Development, Fair Market Rents, FY2026 revised.
- Internal Revenue Code section 42(g)(2), rent restriction and imputed household size.
- 24 CFR 5.403, on household composition; 24 CFR 966.4, 982.551 and 5.609, on boarders, occupancy and annual income in assisted housing.
- 24 CFR 960.206(b), on local preferences, including residency, working families, disability, domestic violence and homelessness.
- 24 CFR 100.303 to 100.307, housing for older persons.
- Portland City Code 30.01.086; Colorado Revised Statutes 38-12-904, on caps to the income test.
- Elder Index 2025, Gerontology Institute, University of Massachusetts Boston. Multnomah County, single-person older-adult household in good health. The Elder Index is a trademark of UMass Boston.
- Social Security Administration, Annual Statistical Supplement 2025, Table 5.J6.
- National Low Income Housing Coalition, *The Gap* 2026, using 2024 American Community Survey data.
- Harvard Joint Center for Housing Studies, *State of the Nation's Housing* 2025.
- Urban Institute, on HUD-assisted older adults, 2025. Center on Budget and Policy Priorities, on assistance coverage.

- Housing Act of 1949, 42 U.S.C. 1441; Faircloth Amendment, 1998; HUD news release 26-018, February 2026; HUD proposed rule, docket FR-6520-P-01, published in the Federal Register 2 March 2026.

This product uses HUD published data but is not endorsed or certified by HUD.

Companion work. *The Value of a Match* supplies the Elder Index and Social Security figures used here. *America's Older-Adult Housing Gap, State by State* maps the supply. The interactive locator at /research/between-ceiling-and-floor/ applies this method to any county in the country.

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