



**MY  
HOME**  
is here

# Affordable Housing Dictionary



## TRADITIONAL TERMS

### Accessibility

HUD Definition: An accessible dwelling unit is a unit that is located on an accessible route and can be approached, entered, and used by individuals with physical disabilities.

- A related concept is universal design, which prioritizes designing homes (and other spaces) for users of all ages and physical abilities

-Accessibility also includes being located “on an accessible route” which implies good-quality sidewalks, transit access, etc...many of which are lacking in many neighborhoods.

Everyday Definition: An accessible home works for family members of all ages and physical abilities, that is located in an area that is easy to get around regardless of your physical ability

### Affordable Housing

HUD Definition: “Affordable” housing costs less than 30 percent of a household’s monthly gross income.

- An important thing about this term is that it means all households in the U.S. need affordable housing, regardless of how much the household earnings are.

Everyday Definition: A home that does not feel expensive to live in and maintain.

### Area Median Income

-Half of all households in the area are estimated to have more than this amount of income

-Describes the published income standards for various areas of the country that are used as benchmarks for determining a household’s eligibility for federally funded programs

-Typically referenced as 80% of area median income or below.

## Community Reinvestment Act

The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods.

### Cost Burden/Rent Burden

HUD Definition:

- A household is cost burdened when their total housing costs (rent or mortgage, insurance, taxes, utilities, etc) exceed 30% of their monthly income

- Severe cost burden occurs when total housing costs exceed 50% of monthly income

- Rent burden means having the same financial boundaries, but is specific to people who rent.

Everyday Definition: Cost burden is when your family has to pay too much to stay in your home, so you don’t have enough to spend on other necessities like healthcare, transportation, food, clothing, and other quality of life needs.

### Extremely Low-Income Household

A household or family whose incomes do not exceed the higher of either the Federal Poverty Level OR 30 % of Area Median Income (AMI).

### Fair Housing

HUD Definition: The Fair Housing Act protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. Additional protections apply to federally-assisted housing.

- Under previous federal administrations, municipalities receiving HUD dollars were also required to commit to affirmatively further fair housing, which included “*taking meaningful*

continued on page 2

*actions that address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”*

-Federal administrations change these rules based on their priorities, but many cities continue to prioritize how to site their new affordable housing in ways that further these objectives.

### **Fair Market Rent**

Fair Market Rent is the rent amount, including utilities (except telephone), to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities.

This term is used by HUD to calculate the local value of Housing Choice Vouchers.

### **Gentrification**

The buying and renovation of houses and stores in deteriorated urban neighborhoods by upper- or middle-income families or individuals, thus raising property values while also displacing low-income families and small businesses.

### **Housing Choice Vouchers**

The Housing Choice Voucher program is the federal government’s primary program for assisting very low-income families, the elderly, and the disabled to afford trustworthy, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

### Section 8

-Tenant Based Vouchers are Housing Choice Vouchers that can be used for any privately owned home or apartment complex.

-Project Based Section 8 Vouchers are Housing Choice Vouchers that are controlled by and tied directly to a specific apartment complex to maintain affordability at that complex. If a resident moves out of this complex, they are not able to take that voucher with them to their next residence.

### **Infill Housing**

-The insertion of additional housing units into an already-approved subdivision or neighborhood.

-They can be provided as additional units built on the same lot, by dividing existing homes into multiple units.

-Or by creating new residential lots by further subdivision or lot line adjustments.

### **Low-Income Household**

A low-income household is one whose income is low, relative to other households of the same size. A household is commonly classified as low-income, and can be eligible for certain types of government assistance, if its income is less than twice the poverty threshold.

### **Low Income Housing Tax Credits (LIHTC)**

A federal program that subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants.

### **Market Rate**

Homes and apartments whose prices are determined by what is most competitive for their specific neighborhood

**Middle Housing**

Multi-family apartments that do not physically look like high-rise apartments.

**Mixed-Use**

Buildings that host a mix of residential and commercial uses

**Naturally Occurring Affordable Housing**

Homes and apartments in typically lower-income neighborhoods that are considered affordable without a subsidy. This term, NOAH (naturally occurring affordable housing) is typically used when questioning how to preserve these types of homes in areas where gentrification is happening.

**Rent Control**

When the government controls and regulates the amounts charged for rental housing.

**Transitional Housing**

A supportive, yet temporary, type of accommodation that is meant to bridge the gap from homelessness to permanent housing. This type of program offers structure, supervision, support for wellness (including addiction and mental health), life skills, and in some cases workforce education and training.

**INFLUENCING TERMS****Age in Place**

To Age in Place means that you will be remaining in your own home for the later years of your life; not moving into a smaller home, assisted living, or a retirement community.

**Land Trust**

Nonprofit, community-based organizations designed to ensure community stewardship of land. Community land trusts can be used for many types of development (including commercial and retail), but are primarily used to ensure long-term housing affordability.

**Transit Oriented Development**

An urban planning strategy that maximizes the amount of residential, business and leisure space within walking distance of public transport. This type of development promotes a symbiotic relationship between dense, compact urban form and public transport use.