

Affordable Housing Glossary of Terms

Accessory Dwelling Unit (ADU)

A small, self-contained residential unit built on the same lot as an existing single-family home. ADUs may be built within a primary residence (such as in an attic or basement), attached to the primary residence (like a small duplex unit with a separate entrance), or detached from the primary residence (such as conversion of a detached garage). An ADU is subordinate in size, location, and function to the primary residential unit. [ADUs are referred to as “utility apartments” in Raleigh’s zoning ordinance, which defines them as: One (1) or more rooms physically arranged to create an independent housekeeping establishment with separate facilities for cooking, sleeping and toilet for the occupancy by no more than two (2) persons. Rear yard dwellings or rear yard garage apartments are prohibited in all zoning districts in Raleigh.]

Affordable Housing

Housing that has a sales price or rental amount that is within the means of a household with moderate income or less. In the case of dwelling units for sale, housing that is affordable means housing in which principal, interest, taxes, and insurance constitute no more than 30 percent of the gross household income for a household. In the case of dwelling units for rent, housing that is affordable means housing for which the rent, heat, and utilities other than telephone constitute no more than 30 percent of the gross annual household income.

Area median income (AMI)

The point at which half the households in an area make less and half make more. The median annual income figures are adjusted for family size and calculated annually by the U.S. Department of Housing and Urban Development (HUD) for every regional area in the country.

Community Housing Land Trust

A non-profit organization that permanently holds land under homes and lease its use, through a long-term (usually 99-year) renewable lease, which gives the residents and their descendants the right to use the land for as long as they wish to live there. When homeowners on land trust property decide to move out of their homes, they can sell the structure. However, the land lease typically requires that the home be sold either back to the trust or to another lower income household, and for an affordable price.

Community Reinvestment Act (CRA)

A 1977 federal law that requires banks and savings and loan associations to help meet the credit needs of their local communities, including low-income communities. www.bos.frb.org/commdev/pdf/cra.pdf

Consolidated Plan

A plan of up to five years in length that describes a community's housing needs, resources, priorities, and proposed activities to be undertaken with certain HUD funding, including CDBG and HOME. The Consolidated Plan must include opportunities for resident input and is updated annually.

Density

The number of housing units per unit of land, usually per acre.

Density Bonus

The allocation of development rights that allow a parcel to accommodate additional square footage or additional residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision or preservation of an amenity (such as affordable housing or open space) at the same site or at another location.

Fair Housing Act

The Fair Housing Act, or Title VIII of the Civil Rights Act of 1968, originally prohibited housing discrimination based solely on race, color, religion or national origin. In 1988, Congress expanded the law to include people with disabilities as a protected category within the terms of the Fair Housing Act.

Group Homes (Supportive Housing Residence)

A dwelling unit in which more than four unrelated persons may reside who are battered individuals, abused children, pregnant women and their children, runaway children, temporarily or permanently disabled mentally, emotionally or physically, individuals recovering from drug or alcohol abuse, and all other persons who possess a disability which is protected by the provisions of either the Americans with Disabilities Act of 1991, along with family members and support and supervisory personnel.

Housing Choice Vouchers (Section 8)

Section 8 is a federal housing program providing rental assistance to eligible families and elderly residents that allows them to rent units in the private rental market. The most common Section 8 assistance is the voucher program. The program is tenant-based and the assistance stays with the family-where ever they choose to live as long as the landlord agrees to participate in the program

Inclusionary Zoning

Zoning regulations which create incentives or requirements for affordable housing development. This can include set-aside requirements or density bonuses for developers.

Low Income

A household whose income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families.

Low Income Housing Tax Credit

Tax incentive created in the Tax Reform Act of 1986 that is designed to attract equity capital for investment in rent restricted affordable housing. The program encourages the production of affordable housing by offering its owners tax credits for a ten year period based on the cost of development and the number of low income units produced.

Mixed-Income

A type of development that includes families with various income levels. Mixed-income developments are intended to decrease economic and social isolation.

Mixed-Use

A type of development that combines various uses, such as office, commercial, institutional, and residential, in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design.

Public Housing

Public housing is decent and safe rental housing owned by a housing authority and made available to households earning below 30% of area median income, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to high-rise apartments for elderly families. Nationally there are approximately 1.3 million households living in public housing units, managed by some 3,300 public housing agencies (PHAs). The U.S. Department of Housing and Urban Development (HUD) provides funds directly to local PHAs that manage the housing for low-income residents at rents they can afford.

Section 8

A federal housing assistance program in which participants pay a portion of their adjusted gross income (i.e. income after standard deductions) for rent and the remainder of the rent is paid by HUD. Section 8 is either project based or tenant based. www.hud.gov/offices/pih/programs/hcv/index.cfm

TIF (Tax Increment Financing)

This tool is used by municipalities to capture future increases in property tax revenue and make these dollars available as a development incentive, subsidy or investment.

Transitional Housing

Shelter for homeless individuals and families for six months to two years in an environment of security and support designed to help residents progress toward self-sufficiency. A middle point between emergency shelter and permanent housing.

Universal Design

Universal design incorporates the characteristics necessary for people with physical limitations into the design of common products and building spaces, so that that are comfortably usable by all people, not just people with disabilities. This method of design also makes products and homes more widely marketable and profitable.

Examples of universal design features:

- Lowered light switches
- Levered door knobs
- Stair-less building entries
- Wider doorways

(See: <http://www.design.ncsu.edu/cud/>)

Visitability

Designing new housing units to accommodate mobility impaired individuals or to allow "aging in place." This concept typically includes three key features:

1. At least one zero-step entrance on an accessible route leading from a driveway or public sidewalk,
2. All interior doors providing at least 31 ¾ inches of unobstructed passage space and
3. At least a half bathroom on the main floor

(Visitability differs from universal design in that it does not ensure complete residence accessibility. Rather, it ensures that the principal spaces in a building, such as the entrance, entry-level floor and washroom facilities, are accessible to a person in a wheelchair.)