

**Accessory Apartment** – A secondary dwelling unit created within or as an extension of an existing dwelling that contains separate bath and kitchen facilities.

**Acquisition-Rehab Program** – A program that is usually run by a nonprofit group or local government, that purchases abandoned or substandard properties, repairs them and sells them to lower income homebuyers.

**Affordable Housing** – Housing that costs no more than 30% of a household's income is considered to be "affordable" for that household. For homeowners it includes principal, interest, property taxes, and hazard insurance. For renters it includes rent and tenant-paid utilities (except telephone and cable).

**Area Median Income (AMI)** – The estimated median income, adjusted for family size. AMI is updated annually by the US Department of Housing and Urban Development (HUD) and used as the basis of eligibility for most housing assistance programs. [www.huduser.org](http://www.huduser.org)

**Brownfields** – An abandoned, idled, or underused property where expansion or redevelopment is complicated by real or perceived contamination. Brownfield sites can include abandoned factories and other industrial facilities, gasoline stations, oil storage facilities, dry cleaning stores, and other businesses that formerly dealt with polluting substances.

**CHDO** – Pronounced CHO-DOE. A HUD term for a Community-Based Housing Development Organization, in relation only to the federal HOME program (see "HOME"). HOME reserves 15% of its funds for CHDOs. A CHDO must have on its board at least one-third low-income people, their specially elected representatives, or residents of low-income census tracts.

**Community Development Block Grant (CDBG)** – A federal program that provides communities with resources to address a wide range of unique community development needs.

**Community Land Trust** – A form of ownership similar to a condominium in that each household owns an individual unit but not the land beneath it. In a community land trust, the common areas and land are owned by a non-profit, community-based corporation. Because land values are controlled and this is a limited-equity form of ownership, it maintains long-term affordability.

**Condominium** – A form of ownership in which individuals own a unit of housing in a multi-unit complex. The individual owners also jointly own and share financial responsibility for the common areas in the complex

**Congregate Housing** – Housing accommodation that offers separate rooms or apartments but provides shared activities of daily living with other residents.

**Cottage Housing** – Group of small, single family dwelling units clustered around a common area and developed with a coherent plan for the entire site. The cottages may have other shared amenities. The shared common area and coordinated design allow densities that are higher than typical single family neighborhoods.

**Deferred Loan** (a.k.a. deferred payment second mortgage or soft debt) – A non-amortizing loan, usually at 0% interest, on which no repayments are due until sale or some other point in the future. They are usually made by a public or nonprofit agency to a lower income homebuyer or a developer of low-income housing. Sometimes called a "deferred payment loan," a "DPL," or a "soft second mortgage."

**Department of Housing and Urban Development (HUD)** – The U.S. Department of Housing and Urban Development's mission is to create strong, sustainable communities and quality affordable homes. HUD administers hundreds of programs targeting communities from urban to rural.

**Down Payment Assistance (DPA)** – Grants or low interest loans given to lower income homebuyer's help to fund down payment and/or closing costs—usually in the range of \$2,000 to \$5,000.

**Expiring Use Restrictions** – Refers to affordable housing where the restrictions on rents and/or incomes of occupants could or will expire in the near future if owners prepay their publicly assisted mortgages and convert the units to market rate housing. The units were built with federal and/or state subsidies (such as low cost mortgages, interest subsidies, rent subsidies and loan guarantees). While mortgages and other assistance often had terms as long as 30-40 years, many gave owners the option to prepay the mortgage after 20 years and thus remove use restrictions on the property.

**Extremely Low Income** – Adjusted income that is below 30% of the area median income (AMI) adjusted for household size and for the county or Metropolitan Statistical Area.

**Fair Housing Act/MA Fair Housing Act** – Federal legislation, first enacted in 1968 and expanded by amendments in 1974 and 1988, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. The law prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, of familial status.

**Fair Market Rents (FMRs)** – Maximum rents allowed by HUD in the Section 8 rental assistance program. Updated and published annually, FMRs represent HUD's estimate of the actual market rent for an apartment in the conventional marketplace. HUD sets FMRs by unit size (0 bedroom, 1 bedroom, etc.) and regions within each state. The current FMRs are posted on HUD's website: <http://huduser.org/datasets/fmr.html>

**Fee Simple Ownership** – Outright ownership of real estate, as opposed to leasing, lease-purchase arrangements, and buying a home on land leased from a land trust.

**Foreclosure** – The process by which a mortgaged property may be sold when a mortgage is in default.

**Green Building** – A whole-building and systems approach to design and construction that employs building techniques that minimize environmental impacts and reduce the energy consumption of buildings while contributing to the health and productivity of its occupants.

**Green Development** – Development that uses environmentally friendly building practices and energy efficiency.

**Greenfields** – Undeveloped land.

**HOME Investment Partnership Program (HOME)** – A federal program run by HUD which provides annual grants on an entitlement basis to states, large cities and consortia of smaller communities for affordable housing activities, including homeownership, rent subsidies, housing development and rehabilitation. Similar to CDBG funds, some communities are part of a consortium and receive HOME funds directly from HUD and distribute in their communities.

**Housing Choice Vouchers** – Allow very low-income households to choose and lease privately-owned rental units. The main federal rental assistance program, vouchers are administered by local public housing agencies. Vouchers are provided to eligible households, and they find their own housing (it must meet program health and safety requirements). Housing voucher recipients must pay 30 percent of their monthly adjusted gross income for rent and utilities.

**HUD** –Department of Housing and Urban Development.

**Inclusionary Zoning** – A local zoning ordinance that either requires or encourages a developer to include affordable housing as part of a development, or contribute to a fund for such housing. The bylaw may provide

incentives such as increased density, reduced parking requirements, or expedited permitting in exchange for the affordable housing.

**Infill Development** – The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development.

**Land Trust** – A nonprofit organization that sells affordable homes but retains ownership of the land under them in order to control, through the lease, the long-term affordability of the homes. The lease ensures that the home is resold to a low-income family, sold at a below-market price, and/or sold with a share of the appreciated value going to the nonprofit.

**Layered Financing** – Financing for an affordable housing project that includes several subsidy sources (for example, HOME, CDBG, and Tax Credits).

**Leverage** – In affordable housing, this means using one source of funds in a project to encourage investment by another source.

**Limited-Equity Ownership** – Residents own their units, which provides security and wealth creation, but the price at which the housing can be resold or leased is limited. These restrictions can be based on the income characteristics of the incoming buyers, on the sale price itself, or both.

**Local Housing Partnership** – A local housing committee appointed by the municipality with the purpose of promoting opportunities to produce and preserve affordable housing.

**Low Income** – Adjusted income that is between 50 and 80% of the area median income (AMI) adjusted for household size and for the county or Metropolitan Statistical Area.

**Low Income Housing Tax Credits (LIHTC)** – A federal tax incentive that facilitates financing to develop low-income housing.

**Manufactured Homes** – A home built entirely in the factory to a federal building code administered by HUD. The Federal Manufactured Home Construction and Safety Standards (commonly known as the HUD code) went into effect June 15, 1976. Manufactured homes may be single- or multi- section and are transported to the site and installed.

**Market Rate** – Area rent levels for units without any subsidy or assistance from a public program.

**Mixed Income Housing Development** – Development that includes housing affordable to various income levels.

**Mixed Use Development** – Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

**Moderate Income** – Adjusted income that is between 80 and 120% of the area median income (AMI) adjusted for household size and for the county or Metropolitan Statistical Area.

**Net Zero Energy Housing** – little to no utility bills each month due to reduction or elimination of energy costs to the homeowner.

**Request for Proposal (RFP)** – A process for soliciting applications for technical or consulting services or for project developers when funds are awarded competitively.

**Rural Housing Service** – A division of the U.S. Department of Agriculture that provides housing grants and loans to housing projects in small cities and rural areas, similar to programs of HUD in urban areas.

**Section 502** – A program of the Rural Housing Service that provides low-income borrowers with direct low-interest loans or loan guarantees to buy a new or existing home.

**Section 8** – A HUD program (officially called the Housing Choice Voucher Program) providing funding for rental assistance to low-income households. Participating tenants typically pay 30% of their income for housing (rent and utilities) and the federal subsidy pays the balance of the rent.

**Single Room Occupancy (SRO)** – Efficiency units which may or may not include separate bathroom or kitchen facilities.

**Soft Costs** – A jargon term for non-bricks-and-mortar costs of a real estate development project. Includes architectural costs, surveys, appraisals, other fees, holding costs, etc.

**Subsidized Housing** – There are two general types of housing subsidies: 1) development subsidies (supply side) to help construct or acquire housing, and 2) operating subsidies (demand side) that supplement the amount that residents can pay.

**Subsidy** – Typically refers to financial assistance that fills the gap between the cost of affordable housing development/operations and the mortgage or sales income supported by income restricted rentals or homeownership sales.

**Very Low Income** – Adjusted income below 50% of the area median income (AMI) adjusted for household size and for the county or Metropolitan Statistical Area.

**Zoning** – The classification of land by a) types of uses permitted and prohibited and b) by densities and intensities permitted and prohibited in a given district, including regulations regarding building location and setbacks.