



## Affordable Housing: Basic Definitions

**AFFORDABLE HOUSING:** As defined by the U.S. Department of Housing and Urban Development (HUD), this is any housing that costs an owner or renter no more than 30% of gross household income, including utilities.

**AREA MEDIAN INCOME:** Calculated by HUD annually for different communities. By definition, 50% of households within the specified geographic area earn less than Area Median Income (AMI), and 50% earn more. AMI is adjusted based on household size and used to determine the eligibility of applicants for federally and locally funded housing programs.

- **LOW-INCOME:** Describes households earning at or below 80% AMI.
- **VERY LOW-INCOME:** Describes households earning at or below 50% AMI.
- **EXTREMELY LOW-INCOME:** Describes households earning at or below 30% AMI.

Rental Limits are also calculated by HUD annually and based on household size and AMI. Those limits are typically published in the spring of each year and found on the HUD website <https://www.huduser.gov/portal/home.html>

**COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG):** Federal funding to help entitled metropolitan cities and urban counties meet their housing and community development needs. The program provides annual grants on a formula basis to carry out a wide range of activities directed toward neighborhood revitalization, economic development, and improved community facilities and services for low- and moderate-income people.

**CONSTRUCTION EXCISE TAX:** A tax collected on residential and commercial building projects that is used to help fund affordable housing programs; typically, a percentage of the permit value. Must be adopted and implemented at the local level.

**COST-BURDENED:** Describes households spending more than 30% of gross household income on monthly housing and utility expenses.

**DEVELOPMENT SUBSIDY:** A financial incentive provided to a housing developer for the construction, acquisition, or rehabilitation of housing, usually resulting in rents below market rate.

**ELDERLY OR SENIOR HOUSING:** Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older, or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of seniors.

**EVICTION:** The removal of a tenant from a rental unit due to a court order resulting from a landlord-initiated legal process.

**HOUSING AND TRANSPORTATION INDEX:** Provides a comprehensive view of affordability that includes both the cost of housing and the cost of transportation at the neighborhood level.

**HOUSING AUTHORITY OF CLACKAMAS COUNTY (HACC):** Provides affordable rental housing and housing assistance for residents of Clackamas County. HACC owns and manages income-restricted rental units and administers HUD (Section 8) vouchers.

**HOUSING CHOICE VOUCHER (SECTION 8):** The federal government's major program for assisting very low-income families, the elderly, and persons with disabilities to afford decent, safe housing in the private market. Eligible households may not have income exceeding 50% of AMI. Participants are free to choose any housing that meets the requirements of the program (i.e., they are not limited to units located in subsidized housing projects).

**HUD:** U.S. Department of Housing and Urban Development.

**INCLUSIONARY ZONING (IZ):** A policy that requires developers to make a percentage of housing units in new residential developments available to low- and moderate-income households. Mandatory inclusionary zoning must be adopted and implemented at the local level, and jurisdictions are required to provide developer incentives to make projects financially feasible. As an alternative to mandatory inclusionary zoning, some jurisdictions provide incentives (for example, density bonuses, zoning variances, or expedited permitting) to encourage developers to include affordable units in new developments.

**JUST CAUSE EVICTION:** A policy that lists allowed reasons for a landlord to terminate tenancy with or evict month-to-month tenants. Landlords must also state the reason in writing when serving a termination notice. Defined in ORS 90.392.

**LOW INCOME HOUSING TAX CREDIT (LIHTC):** Oregon Housing and Community Services allocates these credits to for-profit and nonprofit developers to build or rehabilitate low-income housing. Large corporations and financial institutions invest in the housing to gain tax credits and reduce their income tax obligations. Projects funded through this source must serve residents below 60% of AMI and accept Section 8 vouchers.

**MARKET-RATE RENTAL HOUSING:** Privately owned housing with rents determined by the owner or landlord.

**NO CAUSE EVICTION:** A termination of a rental agreement for any reason not listed as a cause for termination in the State of Oregon's Residential Landlord and Tenant Act. Per Milwaukie Municipal Code (MMC) Section 5.60, Milwaukie landlords must provide 90 days' notice prior to a no cause eviction.

**OREGON HOUSING DEVELOPMENT GRANT ("TRUST FUND"):** Aims to expand Oregon's housing supply for low and very low-income families and individuals by providing funds for new construction or to acquire and/or rehabilitate existing structures.

**PUBLIC HOUSING:** A specific category of rental housing for low-income households that is owned and managed by a local Public Housing Agency.

**SUBSIDIZED HOUSING:** Housing in which a publicly financed incentive is provided in the form of a direct payment, fee waiver, or tax relief to the housing developer, property owner, or individual renter to create affordable units. Subsidized housing may be publicly or privately owned.

**RENTAL ASSISTANCE:** A subsidy provided to a property owner or low-income household to make the cost of renting affordable. Assistance is issued by a public entity such as a City, County, or local housing authority.

**SINGLE ROOM OCCUPANCY UNITS (SROs):** The traditional SRO unit is a single room, usually less than 100 square feet, designed to accommodate one person. Amenities such as a bathroom, kitchen or common areas are located outside the unit and are shared with other residents.

**SOURCE OF INCOME:** Lawful, verifiable income paid directly to a tenant or to a representative of the tenant.

**TENANCY TERMINATION:** Occurs when a landlord ends a rental agreement and asks the tenant to vacate the rental unit.

**WORKFORCE HOUSING:** Housing that is affordable to households earning between 80% and 120% of AMI. These households do not qualify for rental assistance subsidies, but their incomes are generally too low for market-rate rents to be affordable.