

Facts About Housing



Definitions of 100 Key Housing Terms and Topics

- (1) **Accessible Housing:** Units accessible and adaptable to the needs of the physically disabled.
- (2) **Acres (Gross).** The entire acreage of a site. Most communities calculate gross acreage to the centerline of proposed bounding streets and to the edge of the right-of-way of existing or dedicated streets.
- (3) **Acres (Net).** The portion of a site that can actually be built upon. The following generally are not included in the net acreage of a site: public or private road rights-of-way, public open space, and flood ways.
- (4) **Adaptive Reuse.** Adaptive reuse is the conversion of outmoded buildings to provide the opportunity for new residential uses within a community. Buildings being converted are often large and vacant and were used for institutional or other nonresidential activities. Adaptive reuse projects have involved old school buildings, train stations, hospitals, and other public buildings; inns and hotels; and warehouses, factories, and other industrial buildings. These buildings have been converted into apartments, condominiums, co-housing projects, and live-work spaces.
- (5) **Adequate Sites.** Having sufficient land zoned to meet local housing needs is one of the most basic steps that cities can take to address the housing crisis. By law, jurisdictions need to identify an inventory of land suitable for residential development, including vacant sites and underutilized sites. Apartments, townhouses, small-lot single-family homes, and second units are typical forms of affordable housing development. They also help to preserve open space by reducing the amount of land needed for residential development.
- (6) **Affordability.** The generally accepted banking/government standard for determining whether a person can afford housing means spending no more than 30 percent of one's gross monthly household income on housing costs, which for owner housing would include Principal, interest, utilities and insurance. For example, a beginning school teacher earning \$26,750 per year can afford to pay up to \$668 per month for housing. A policeman or fire fighter earning \$42,800 per year can afford up to \$1,070 per month. *See "Income Limits".*
- (7) **Affordable Housing.** Housing capable of being purchased or rented by a household with very low, low, or moderate income, based on a household's ability to make monthly payments necessary to obtain housing. Housing is considered affordable when a household pays less than 30 percent of its gross monthly income (GMI) for housing including utilities.
- (8) **Affordable Housing Overlay Zones.** 'Affordable housing overlay zones' permit, by right, the development of affordable housing on medium and high density residential properties that are covered by the overlay. The purpose is to facilitate the review and approval of affordable housing developments. The zone may also cover commercial, mixed use and light industrial areas. The Town of Corte Madera is developing such an overlay zone that will designate specific sites in the city for affordable housing development, making affordable housing mandatory on some sites and voluntary on others.
- (9) **Air Rights Development.** Air rights development is used for sites with low-intensity land uses that may offer the opportunity to build housing above the existing use. In some places, highway departments have even begun to market such sites because new federal highway regulations allow them to benefit financially from air rights leases. More common in the Bay Area are smaller air rights development projects over existing parking lots or new public garages. While construction of air rights housing can be expensive, difficult to design, and subject to unusual constraints, it can create new housing opportunities literally out of thin air.

- (10) **Assisted Housing.** Generally multi-family rental housing, but sometimes single-family ownership units, whose construction, financing, sales prices, or rents have been subsidized by federal, state, or local housing programs including, but not limited to Federal Section 8 (new construction, substantial rehabilitation, and loan management set-asides), Federal Sections 213, 236, and 202, Federal Section 221(d)(3) (below-market interest rate program), Federal Section 101 (rent supplement assistance), CDBG, FmHA Section 515, multi-family mortgage revenue bond programs, local redevelopment and in-lieu fee programs, and units developed pursuant to local inclusionary housing and density bonus programs. It should be noted that the single largest (and often least recognized) federal program is mortgage interest tax deduction, estimated at \$54 billion in 1996 for the entire nation. The California Housing Plan (2000) reports that federal assistance for affordable housing was only \$17.2 billion nationwide the same year. This assistance was primarily used to maintain and operate the existing supply of affordable housing. Outlays for new construction were considerably lower.
- (11) **Below-Market-Rate Housing Programs.** The term “below-market-rate” (BMR) housing is used to describe units offered at rents or sales prices below that which they could command on the open market.
- (12) **California Housing Finance Agency (CHFA).** CHFA offers a variety of programs to fund new construction and resale of single-family housing for first-time homebuyers. The 501(c)(3) Preservation Mortgage Program, for example, allows the mortgage to be used as acquisition financing for projects that employ tax-exempt bonds and tax credits. CHFA also provides permanent financing for new apartments and subsidizes certain projects through its Housing Assistance Trust, a flexible source of state funds that can offer deferred loans to cover negative cash flows in projects where at least half of the units are for low-income households.
- (13) **California Department of Housing and Community Development (HCD).** In addition to review of housing elements, HCD is responsible for administering federal funds for non-entitlement jurisdictions and for various State programs funded through housing bonds. In the past decade there have been no new housing bonds. However, with passage of the Multi-family Housing Assistance Program, a substantial source of funds will be made available for assisting the construction of new rental housing.
- (14) **CEQA.** California Environmental Quality Act.
- (15) **Co-Housing.** Co-housing is a type of shared housing arrangement. Co-housing developments have individual units with kitchens, combined with a common kitchen and meeting room. They may also include such common features as childcare facilities, artist studios, darkrooms, and woodworking shops. Co-housing developments are normally organized as condominiums, although they can also be organized as cooperatives.
- (16) **Community Development Block Grant (CDBG).** CDBG is the largest federal housing-related program for affordable housing. It is a “pass-through” program that allows local governments to use federal funds to alleviate poverty and blight. Cities with populations of over 50,000 receive CDBG funds directly from HUD while smaller cities usually use county-administered CDBG funds. HUD makes allocations based on a formula that takes population, poverty, and housing distress into account. CDBG funds are used for a variety of housing efforts including activities aimed at reducing costs for private development (helping fund site acquisition, improvement, and other soft costs); housing acquisition and rehabilitation through short and long-term loans, grants or loan guarantees; direct payment of rent or mortgage and housing counseling services; and fair housing activities. CDBG funds are best used in combination with other subsidy sources or to provide pre-development funding to initiate housing development.
- (17) **Community Reinvestment Act (CRA).** The Community Reinvestment Act (CRA) directs the Department of the Treasury, the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to encourage and assist the institutions they regulate to meet the credit needs of their communities. These agencies must assess the records of their member institutions when evaluating applications for a charter, deposit insurance, branch relocation, mergers, or other regulated transactions. As a result of the CRA, many major financial institutions have elected to actively participate in funding low- and moderate-income housing projects developed by non-profit corporations.
- (18) **Congregate Housing.** Congregate housing is long-term supportive housing in a group setting, which includes independent living sleeping accommodations in conjunction with shared dining and recreational facilities. Residents of congregate care facilities occupy individual apartments, most of which include kitchens, although these may be minimal.

The facility has a centralized dining room and kitchen where at least one hot meal per day is provided. Other services may include maid service, security and emergency services, recreation rooms, nursing assistance, and beauty salons.

- (19) **Conventional Public Housing.** Conventional public housing is owned by a public agency, such as the Marin Housing Authority (MHA), which owns and manages the units.
- (20) **Dedication.** The turning over by an owner or developer of private land for public use, and the acceptance of land for such use by the governmental agency having jurisdiction over the public function for which it will be used. Dedications for roads, parks, school sites, or other public uses often are made conditions for approval of a development by a city.
- (21) **Dedication (In lieu of).** Cash payments which may be required of an owner or developer as a substitute for a dedication of land, usually calculated in dollars per lot, and referred to as in lieu fees or in lieu contributions.
- (22) **Density (Residential).** The number of permanent residential dwelling units per acre of land. Densities specified in the General Plan may be expressed in units per gross acre or per net developable acre. Density can be controlled through zoning in the following ways: use restrictions, minimum lot-size requirements, floor area ratios, land use-intensity ratios, setback and yard requirements, minimum house-size requirements, ratios comparing number and types of housing units to land area, limits on units per acre, and other means. Allowable density often serves as the major distinction between residential districts.
- (23) **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 at the same site or at another location. Under California law, a housing development that provides 20 percent of its units for lower income households, or 10 percent of its units for very low-income households, or 50 percent of its units for seniors, is entitled to a density bonus. (See "Development Rights, Transfer of.")
- (24) **Density Transfer.** A way of retaining open space by concentrating densities, usually in compact areas adjacent to existing urbanization and utilities, while leaving unchanged historic, sensitive, or hazardous areas. In some jurisdictions, for example, developers can buy development rights of properties targeted for public open space and transfer the additional density to the base number of units permitted in the zone in which they propose to develop.
- (25) **Development Rights, Transfer of (TDR).** Also known as "Transfer of Development Credits," a program which can relocate potential development from areas where proposed land use or environmental impacts are considered undesirable (the "donor" site) to another ("receiver") site chosen on the basis of its ability to accommodate additional units of development beyond that for which it was zoned, with minimal environmental, social, and aesthetic impacts.
- (26) **Duplex.** A detached building under single ownership which is designed for occupation as the residence of two families living independently of each other.
- (27) **Dwelling Unit.** A building or portion of a building designed as the residence of one family.
- (28) **EIR/EIS.** Environmental Impact Report (State); Environmental Impact Statement (Federal).
- (29) **Elderly Housing.** Typically one- and two-bedroom apartments or condominiums designed to meet the needs of persons 62 years of age and older or, if more than 150 units, persons 55 years of age and older, and restricted to occupancy by them.
- (30) **Emergency Shelter.** A facility which provides immediate and short-term housing and supplemental services for the homeless. Shelters come in many sizes, but an optimum size is considered to be 20 to 40 beds. Supplemental services may include food, counseling, and access to other social programs.
- (31) **Exaction.** A contribution or payment required as an authorized precondition for receiving a development permit; usually refers to mandatory dedication (or fee in lieu of dedication) requirements found in many subdivision regulations.

- (32) **Fees and Fee Waivers.** Many California cities levy development and impact fees and exactions on new commercial and/or residential development to generate funding for infrastructure development and public improvements. Fees are also sometimes charged to generate funds for affordable housing development. For example, in some jurisdictions with inclusionary zoning, developers are given the option to pay fees in lieu of providing a required number of below market-rate units. Another approach is to charge an “affordable housing” fee on all commercial and industrial developments (usually based on square footage) given that these developments will generate local demand for additional affordable units. As state legislation (AB 1600) requires jurisdictions to show the relationship between fees and their impact on proposed development, the imposition of a fee should be done as part of a comprehensive housing program.

Development impact fees vary greatly, but can account for as much as 20 percent of the cost of a new home in some jurisdictions. To facilitate the provision of affordable housing, some jurisdictions provide “fee waivers” that reduce or eliminate local development fees (often with the exception of school impact fees), providing a form of local subsidy in return for long term affordability restrictions on the affected units. There is a State-mandated school fee waiver for senior housing developments, as there is no “nexus” between the development of senior housing and impacts on local schools.

- (33) **Floor Area Ratio (FAR).** The gross floor area permitted on a site divided by the total net area of the site, expressed in decimals to one or two places. For example, on a site with 10,000 net sq. ft. of land area, a Floor Area Ratio of 1.0 will allow a maximum of 10,000 gross sq. ft. of building floor area to be built.
- (34) **Goals.** Goals are the ideals to strive for, or the desired state of things.
- (35) **Historic; Historical.** An historic building or site is one which is noteworthy for its significance in local, state, or national history or culture, its architecture or design, or its works of art, memorabilia, or artifacts.
- (36) **HOME Investment Partnership Act.** HOME, Like CDBG, is a formula-based block grant program. HOME funds must be spent only on housing and are intended to provide incentives for the acquisition, construction and rehabilitation of affordable rental and home ownership. HOME requires local governments to provide matching funds, though the matching ratio depends on the specific uses to which HOME funds are to be put. The federal-to-local matching ratio for tenant assistance is currently 4-to-1, while the match for rental construction is 2-to-1.
- (37) **HOPE VI.** The federally sponsored HOPE VI Program seeks to replace older, dilapidated high-rise public housing with temporary, lower-density and more dispersed housing projects. HOPE VI provides funds for revitalization, demolition, and disposition of severely distressed public housing and for Section 8 tenant-based assistance. However, the replacement formula is not set on a one-to-one basis and allows for subsequent rather than concurrent replacement, which sometimes means that older units are getting demolished faster than newer ones are being built. HOPE VI developments are often designed for mixed income communities and their income-eligibility standards are also often higher, sometimes resulting in the displacement of very-low and low-income families.
- (38) **HOPWA (Housing for Persons with AIDS).** This program provides funds for the acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services for persons with AIDS. Funds may be used for new construction of single room occupancy dwellings and community residences, project or tenant-based rental assistance, short-term rent, mortgage, and utility payments to prevent homelessness as well as supportive services, operating costs and housing information services for persons with AIDS.
- (39) **Household.** All those persons—related or unrelated—who occupy a single housing unit.
- (40) **Housing “Affordable to Low and Moderate Income Households”:**

For Sale Units. This price is a below market rate price established by the Marin Housing Authority for a particular project. The home sales price is based on interest rates, household income from the latest Marin County HUD (U.S. Department of Housing and Urban Development) income limits schedule, assumed household size given size of units in the project, and an 80 to 90 percent mortgage. Total monthly housing cost may not exceed 33 percent of gross income and consists of principal and interest as well as fixed costs including homeowners dues (where applicable), property taxes and insurance.

Rental Units. This price is a below market rate rent set at 30 percent of monthly income which may be paid for rent and utilities. Some rental units are available for Section 8 assisted housing, a federal program administered by the Marin Housing Authority, or management/purchase by a non-profit housing group. The Section 8 Program subsidizes housing to very low and low income households and is one way of maintaining affordable rents over time and certifying income eligibility of tenants on a regular basis. Purchase and management of low income units by non-profit agencies is another way to assure ongoing affordability, qualified tenants, and well-run and maintained housing developments.

- (41) **Housing Element.** One of the seven State-mandated elements of a local general plan, it assesses the existing and projected housing needs of all economic segments of the community, identifies potential sites adequate to provide the amount and kind of housing needed, and contains adopted goals, policies, and implementation programs for the preservation, improvement, and development of housing. Housing Elements must be updated every five years.
- (42) **Housing for Farmworkers.** Although many people think of the Bay Area as an urban region, agriculture plays a major role in many Bay Area counties. Farmworkers are an essential component of this agricultural sector of the economy. Unfortunately, the farmworker housing issue is often pushed out of sight and, therefore, out of the public notice. Farmworkers tend to be relatively young, predominantly male, and almost always members of a minority group, primarily Hispanic. The vast majority of farmworkers are legally eligible to work in California, although a small minority are undocumented workers (though whether they are documented or not, they are still covered by fair housing laws). While a number of farmworkers are single men, many have family members accompanying them, especially after the recent changes in immigration laws. Most farmworkers have high rates of poverty, live in overcrowded housing units, and have a low homeownership rate. Some farmworkers migrate, depending on the types of agricultural products, while others are relatively permanent within a community.

California has a Farmworker Housing Grant Program, administered by HCD. Other funds for farmworker housing may be available from the USDA Rural Housing Program, Rural Community Assistance Corporation, and CDBG Grant Program. HCD also includes an Office of Migrant Services, which deals with seasonal rental housing and support services.

- (43) **Housing for Homeless People (Issue).** The homeless population in California is estimated at approximately one percent of the state's total population. About a third of the homeless consist of homeless families. Homeless people's circumstances vary considerably—some are employed but many have been unemployed for some time. Homeless people need permanent supportive housing, emergency shelter, or transitional housing. To the extent this housing or shelter is being provided, it is provided by a combination of local governments, religious organizations, and non-for-profit organizations.

Siting facilities that serve homeless people can be a challenging task. Community education is essential to building community acceptance, helping local residents to question their stereotypes about homeless people and understand the real issues of homelessness in their community. Also, State law is very clear about the need for local communities to provide adequate sites for emergency shelters and transitional housing facilities that serve homeless individuals and families.

- (44) **Housing for People with Disabilities.** The term "disability" refers to a wide range of physical and mental conditions that may affect a person's ability to function independently. The over-riding consideration in terms of housing for people with disabilities is to ensure that the person is able to function independently to the extent of his or her ability and desire. The lack of suitable housing choices should not further limit the person's ability to function on his or her own.

People with disabilities represent a wide range of housing needs. For many people with disabilities, the availability of barrier-free design housing or accessibility modifications to their existing housing can enable them to live independently, either alone or with their families. For some, the availability of supportive housing or shared living arrangements provides an environment that is suitable for meeting both their housing needs and ongoing service or support needs. For others, more intensive care arrangements may be necessary.

- (45) **Housing Needs.** By law, the housing element must plan for housing for households at all income levels as well as people with special housing needs, such as homeless people, persons with disabilities, and farmworkers. A thorough housing needs assessment will quantify the amount of housing needed for each group. According to the State Department of

Housing and Community Development, across the Bay Area, at least 58 percent of new housing is needed for moderate, low and very low-income households.

- (46) **Housing Trusts.** Housing Trust Funds are a flexible way for governments to generate much needed funds, address a variety of critical housing needs and create new partnerships to build long-term support for affordable housing. In the last two decades more than a hundred housing trust funds have been set up in communities across the nation, from small towns of 1,000 people to some of the largest states. Trust Funds fund a very wide range of housing types and services and are productive and efficient: less than two-tenths of one percent of units did not make it to construction. Two of the earliest sources for housing trust funds were the real estate transfer tax and linkage fees paid by commercial and industrial developers to offset the impact of job creation on local housing supply. Some jurisdictions have also established endowment-like funds (from sale of city-owned land or through contributions), with the interest and earnings from the endowment being the primary source of revenue. Most jurisdictions work to establish a dedicated source of on-going revenue through legislation or ordinance, though it is common to receive additional funds such as appropriations or contributions, but not on a regular basis. Trust funds are generally administered by the planning or housing agency within the jurisdiction and administrative costs are either covered through general funds, absorbed as part of the agency's budget or more rarely covered by the trust fund itself.
- (47) **Inclusionary Zoning.** These programs require a percentage of low and moderate income housing to be provided in market-rate new residential developments. Inclusionary zoning works best when combined with density bonuses and other incentives such as fee waivers, reduced parking requirements, and/or expedited permit review.
- (48) **Income Limits.** Income limits are updated annually by the U.S. Department of Housing and Urban Development (HUD) for Marin County (the most recent California Department of Housing and Community Development -- HCD-- income limits can be accessed online at <http://www.hcd.ca.gov>). Santa Clara County, at \$87,300, has the highest median income in the Bay Area. Marin, San Francisco and San Mateo Counties, at \$80,100, have the next highest median income. Sonoma County (\$61,800), Solano and Napa Counties (\$55,700) have the lowest median income. For many State and local programs, State HCD (CA Department of Housing and Community Development) income eligibility limits are used. Income limits as defined by California Housing Element law are:

- ◆ **Very Low Income Households:** Households earning less than 50% of the median household income.
- ◆ **Low Income Households:** Households earning 50-80% of the median household income.
- ◆ **Lower Income Households:** Defined by California Housing Element law as households earning less than 80% of the median income.
- ◆ **Moderate Income Households:** Households earning 80-120% of the median income.
- ◆ **Above Moderate Income Households:** Households earning over 120% of the median household income.

In addition, it is useful to establish a category for **Extremely Low Income Households**, which would be households earning less than 35% of median income--family of four earning less than \$28,050/year. The income limits for housing eligibility are adjusted for family size, as shown below.

Marin County FY 2001 Median Household Income Schedule

Family Size	Extremely Low 35%	Very Low 50%	Low 80%	Median 100%	Moderate 120%
1	\$19,650	\$28,050	\$44,850	\$56,050	\$67,300
2	\$22,450	\$32,050	\$51,250	\$64,100	\$76,900
3	\$25,250	\$36,050	\$57,650	\$72,100	\$86,500
4	\$28,050	\$40,050	\$64,100	\$80,100	\$96,100
5	\$30,300	\$43,250	\$69,200	\$86,500	\$103,800
6	\$32,500	\$46,450	\$74,350	\$92,900	\$111,500
7	\$34,750	\$49,650	\$79,450	\$99,300	\$119,200
8	\$37,000	\$52,850	\$84,600	\$105,750	\$126,900

Source: Department of Housing and Urban Development, effective April 6, 2001

- (49) **Jobs/Housing Balance.** For purposes of the General Plan, jobs/housing balance is defined as the reasonable opportunity for people to live and work within a defined area which generally encompasses the City's sphere of influence (SOI).
- (50) **Jobs/Housing Linkage Programs.** Linkage programs involve fees or incentives that local governments place on new non-residential developments to offset the impact that new employment has on housing needs within a community.
- (51) **Land Donations.** The development of affordable housing depends to a large degree on the availability of a site. One way in which local governments may acquire land to support affordable housing development is through land donations. A land donation may be offered as an option to developers in meeting inclusionary zoning requirements. Rather than building units on-site themselves or paying an in-lieu fee, they may opt to donate a portion of their site or a site in a different location (so long as it is a desirable site for housing) to the local government at a significantly discounted price. The local government can then make the land available for development of affordable housing, enabling a nonprofit developer to achieve much more significant levels of affordability than might otherwise be possible. This has proven to be a very effective strategy in some jurisdictions, and may be considered the preferred strategy for implementation of inclusionary requirements.
- (52) **Landbanking.** Landbanking is a related technique to land donation, whereby a city or county, in anticipation of future development, acquires vacant land, underutilized sites or properties with the potential for reuse or rehabilitation. The local jurisdiction may use landbanking or land trust programs to assemble smaller, unfeasible parcels into a parcel that is large enough to support affordable housing, or sell unsuitable sites and use the proceeds to fund affordable housing development elsewhere. When land is resold or leased to a developer, restrictions for the development of affordable housing can then be applied.
- (53) **"Life Care" Facilities.** A variation of congregate housing is called "life care." Elderly persons buy into a life care development with an initial non-refundable accommodation fee plus a monthly fee. The price guarantees occupancy in a particular size of apartment and typically one meal a day. Tenants may also move into a "personal care" unit (no kitchen, three hot meals provided) or nursing facility if health support needs change. One version of life care allows purchase of a condominium unit so that the member owns a real asset.
- (54) **Local Taxes and Revenues.** A community that is committed to addressing local housing issues can create local resources for housing by imposing or raising special taxes. Alternatively, it can redirect the revenues of existing taxes or allocate a portion of the general fund to housing assistance. New taxes and the expenditure of local revenues involve a host of fiscal, legal, and political issues that must be addressed. Because of Proposition 13 restrictions on special taxes, the enactment of a new tax requires a two-thirds vote of the public if the proceeds are to be dedicated to a particular purpose such as affordable housing.
- (55) **Manufactured Housing.** A manufactured house is a factory-built, single-family structure that is built on a permanent chassis and transportable in one or more sections. It is perhaps the most affordable house on the market today, as it is the least expensive to construct. Also, once built, it may be difficult to distinguish from a site-built house. California law (Gov Code §65852.3) permits all manufactured homes built under HUD guidelines and on a foundation to be placed on lots zoned for conventional single-family residential dwellings. The homes must conform to the same development standards applied to a conventional single-family residence (building setbacks, parking, design review, etc.) on the same lot but may also be subject to three additional architectural requirements: roof overhang, roofing material, and siding material. Regulations on roof overhangs are subject to the provisions of Gov Code §65852.5 and any architectural requirements for roofing and siding material may not exceed those that would be required of conventional single-family dwelling construction on the same site. In any case, no city or county can apply any development standards that have the effect of precluding manufactured housing.

Gov Code §65852.4 provides that all manufactured homes built under HUD guidelines and on a foundation must be subject to the exact same permit approval process and criteria as a conventional dwelling on the same lot. Other state laws that also apply to manufactured housing include the California Factory-Built Housing Law (H & S Code §§19960-19997), which deals with "modular homes" built to State (not federal) codes; the Manufactured Housing Community Act (Health and Safety Code §§18800-18821); and Section 714.5 of the California Civil Code, which makes unenforceable any deed restrictions (CC&Rs or similar) recorded after 1987 that bar manufactured homes.

- (56) **Median Household Income.** The point at which half of the County's households earn more and half earn less.
- (57) **Mitigation.** An action which reduces the impact/effect of a development or capital project.
- (58) **Mixed-use.** Properties on which various uses, such as office, commercial, institutional, and residential, are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design. A "single site" may include contiguous properties.
- (59) **Monitoring Plan.** The current update is for the period January 1999 – June 30, 2006. During this time, jurisdictions must monitor progress made towards meeting housing element goals. These annual progress reports should be made publicly available.
- (60) **Mortgage Credit Certificates.** This federally created but locally run program assists first-time homebuyers in qualifying for mortgages. The IRS allows eligible homebuyers with a Mortgage Credit Certificate (MCC) to take 20% of their annual mortgage interest as a dollar-for-dollar tax credit against their federal personal income tax. This enables first-time buyers to qualify for a larger mortgage than otherwise possible, and can thus bring homeownership within their reach.

Certificates are issued by a local agency, frequently a housing authority, to qualified low- or moderate-income first-time homebuyers. Certain price limits and resale requirements apply. Authority for the issuance of MCCs must be obtained from the California Debt Limit Allocation Committee (CDLAC) and use of MCCs involves forfeiting some mortgage revenue bond funding authority.

- (61) **Multi Family Housing.** Attached dwelling units available to multiple households.
- (62) **Multiple Family Building.** A detached building designed and used exclusively as a dwelling by three or more families occupying separate suites.
- (58) **Municipal Bonds.** The most common forms of bond financing for affordable housing are Mortgage Revenue Bonds (MRBs) and Tax-Exempt Revenue Bonds. MRBs are generally used to assist first-time homebuyers in the purchase of either new or existing housing, while tax-exempt revenue bonds are used to assist developers of multi-family rental housing units to acquire land, construct a new development, or rehabilitate existing units.

The advantage of "tax-exempt revenue bonds" (which fund revenue-generating improvements and are underwritten on the basis of earmarked revenues) as opposed to general obligation bonds (which are backed by the municipality's tax base) is that they do not require voter approval. General obligation bonds must be approved by two-thirds of the voters. However, general obligation bonds can be used for any type of infrastructure improvements that serve a public purpose (such as affordable housing) while revenue bonds can only be used to finance improvements that will generate revenues in return (e.g., providing low-interest loans that are then paid back). San Francisco is one of the few Bay Area cities that has successfully passed a voter-approved municipal bond to support affordable housing development, providing significant resources for the city's affordable housing programs.

- (63) **Overpaying Households.** To determine the maximum annual amount that each income category can spend on housing, ABAG (Association of Bay Area Governments) uses a 30 percent of gross household income figure. Determining exactly how many renter and owner households overpay for housing must await the completion of the 2000 Census. Until that time, 1990 Census data is being used.
- (64) **Parking Requirements.** Minimum parking requirements have a significant effect on housing affordability as well as on the ability to achieve designated densities. The actual cost of developing structured parking is between \$20,000 and \$35,000 per space. Too often, standards require parking for more cars than a development's intended residents will actually own. Tandem parking and car-sharing can also be considered.
- (65) **Persons per Household.** The average number of persons in a household.
- (66) **Policies.** Policies establish a recognized community position on a particular issue. General Plan policies are set forth both as written text and as policy maps, such as the Land Use Plan. These are complimentary; written policies set forth the basic approach to be taken while the policy maps show the intended spatial application of the policies.

- (67) **Programs (or “Implementing Actions”).** Specific actions have been identified that the City, either alone or in coordination with other entities, will try to undertake to implement the plan. For example, zoning must be consistent with the land use designations in the General Plan.
- (68) **Public Participation.** State law requires local jurisdictions to make efforts to include low-income people and other stakeholders in their housing element drafting process. At each step in the process, the public should be able to review, comment on, and advocate for changes in the Housing Element document.
- (69) **Redevelopment Funding.** California Community Redevelopment Law requires that at least 20% of property tax increments in any redevelopment area be set aside in a fund for the construction and rehabilitation of housing affordable to people with low- and moderate-incomes. Given the historic lack of affordable housing development in the Bay Area, it’s crucial that cities spend this money effectively, and ideally increase the affordable housing set-aside above 20%.
- (70) **Regional Housing Needs.** A quantification by a COG (such as ABAG) or by HCD of existing and projected housing need, by household income group, for all localities within a region.
- (71) **Removal of Constraints to Housing.** By law, housing elements must analyze and address constraints to housing production, both governmental constraints such as inadequate land zoned for residential use and lengthy permit processing times, as well as non-governmental constraints such as the cost of land and construction. In the past, redevelopment led to the demolition of affordable housing stock and the displacement of existing residents. Now, state laws require public participation, the replacement of all low- and moderate-income housing units removed by redevelopment, and the relocation of tenants and homeowners. At least six percent of new or rehabilitated housing in a redevelopment project must be affordable to low-income households; another nine percent must be affordable to moderate-income households (for a total inclusionary housing requirement of 15 percent).
- (72) **Rental Assistance (Other Programs).** Other federal rental assistance programs include the Elderly Housing Program (Section 202), the Housing for the Disabled Program (Section 811), and a variety of FHA administered rental programs. Like Section 8, most of these programs are not projected to increase in size or scope, reducing their net effect in the Bay Area’s affordable housing market.
- (73) **Residential (Multiple Family).** Usually three or more dwelling units on a single site.
- (74) **Residential (Single-family).** A single dwelling unit on a building site.
- (75) **Revision of Past Housing Element.** Most cities have not updated their housing element in at least 10 years. During the current update, localities should examine past housing policies to see how effective they were and what changes can be made to improve them.
- (76) **Second Unit.** A Self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on a single lot. Sometimes called “Granny Flat.”
- (77) **Self-Help and Community-Help Housing.** Self-help, or sweat equity, housing enables potential homeowners to build up credit for a down payment on a home by contributing their labor to the construction or renovation. It can be a means for the low-income household to enter the housing market. Community-help housing expands the labor pool to include the neighborhood or a broader group of volunteers, such as houses built by Habitat for Humanity. Programs can be utilized by individuals or groups, usually with subsidies and public support. California Housing Finance Agency (CHFA) finances self-help housing by providing below market bond financing for mortgages on homes in urban areas. The Farmers Home Administration Mutual Self-Help Housing program has sponsored many rural development projects.
- (78) **Senior Housing.** Defined by California Housing Element law as projects developed for, and put to use as, housing for senior citizens. Senior citizens are defined as persons at least 62 years of age. Many supportive housing developments for the elderly have been built using HUD’s Section 202 and 202/8 programs, which provide direct loan financing. Non-profit organizations have been instrumental in marshaling the resources to construct and operate the developments, but housing authorities and for-profit developers are also potential development project sponsors.

- (79) **Shared Housing.** Shared housing generally means an arrangement in which two or more unrelated people, each with private sleeping quarters, share a house or an apartment. It has various names such as intentional communities, homesharing, co-housing, and group living. It occurs when people reside together for social contact, mutual support and assistance, to pursue a common purpose, and/or to reduce housing expenses. The group may range from two elderly persons sharing a small home to several disabled adults sharing a large single family home. A single mother with an extra bedroom may share her home with an elderly person who helps with childcare and/or living expenses. The degree of assistance can vary from none (other than other members of the household) to live-in, fulltime help.
- (80) **Single-family Dwelling (Attached).** A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with at least one other such dwelling unit.
- (81) **Single-family Dwelling (Detached).** A dwelling unit occupied or intended for occupancy by only one household that is structurally independent from any other such dwelling unit or structure intended for residential or other use.
- (82) **Single Room Occupancy (SRO) Hotels and Efficiency Apartments.** Single room occupancy hotels (SROs) are one of the most traditional forms of affordable private housing for single and elderly low-income people and for new arrivals to an area. An SRO room usually is small, between 80 and 250 square feet. It typically has a sink and a closet but shares a bathroom, shower, and kitchen with other rooms. An efficiency apartment also is small but contains a small cooking area and bathroom. Localities can preserve and rehabilitate existing residential hotels and other buildings suitable for SRO or efficiency apartments, and encourage new SRO and efficiency apartment construction.
- (83) **Solar Access.** The provision of direct sunlight to an area specified for solar energy collection when the sun's azimuth is within 45 degrees of true south.
- (84) **Stabilizing and Preserving Existing Affordable Housing.** With housing costs rising rapidly, stabilizing the existing supply of affordable housing is often the first priority. Most communities also have a supply of publicly assisted housing that is at risk of being converted to market rate. Acquisition by building tenants or a non-profit is often needed to preserve this housing as affordable.
- (85) **Standards.** (1) A rule or measure establishing a level of quality or quantity that must be complied with or satisfied. The State Government Code (Section 65302) requires that general plans spell out the objectives, principles, "standards," and proposals of the general plan. Examples of standards might include the number of acres of park land per 1,000 population that the community will attempt to acquire and improve, or the "traffic Level of Service" (LOS) that the plan hopes to attain. (2) Requirements in a zoning ordinance that govern building and development as distinguished from use restrictions; for example, site-design regulations such as lot area, height limit, frontage, landscaping, and floor area ratio.
- (86) **Subdivision.** The division of a tract of land into defined lots, either improved or unimproved, which can be separately conveyed by sale or lease, and which can be altered or developed. "Subdivision" includes a condominium project as defined in Section 1350 of the California Civil Code and a community apartment project as defined in Section 11004 of the Business and Professions Code.
- (87) **Subdivision Map Act.** Division 2 (Sections 66410 *et seq*) of the California Government Code, this act vests in local legislative bodies the regulation and control of the design and improvement of subdivisions, including the requirement for tentative and final maps.
- (88) **Supportive Housing.** Supportive housing is permanent rental housing linked to a range of support services designed to enable residents to maintain stable housing and lead fuller lives. It can service seniors, people with disabilities or long-term illnesses, farmworkers, and formerly homeless people. The types of support services that can be provided include medical and mental health care, vocational and employment services, substance abuse treatment, childcare, and independent living skills training.

Supportive housing is a growing form of housing for people with disabilities, providing medical and other services on-site in developments that vary in size from only a few residents to much larger facilities. State law provides that small developments must be subject to the same local land-use regulations as single-family housing (see Supportive Housing). Supportive housing developments for people with disabilities can be assisted by using HUD's Section 811 grant

program, which provides direct loan financing. Capital advances can be used for new construction or rehabilitation of existing buildings. The Section 811 program also includes rental assistance for residents.

Local governments, play a major role in assuring support and providing necessary approvals. Some types of small-scale supportive housing arrangements may be totally excluded from special regulations. For example, a shared living arrangement that meets the definition of “residential facility” (H&S Code §1502(1) and serves six or fewer persons cannot be required to apply for a conditional use permit, zoning variance, or other special zoning clearance if such approval is not required of a family dwelling of the same type in the same zone. (H&S Code §1566.3)

Local governments and providers of housing for people with disabilities also must be aware of the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. §12210) and the Rehabilitation Act of 1973 (29 U.S.C. §1691), both of which prohibit discrimination by local governments against people with disabilities and require reasonable accommodation. It is also important to remember that *all* new multifamily housing is required to have barrier-free features. In an elevator building, 100 percent of the unit must be barrier-free. In a non-elevator building, only the ground floor apartments must be barrier-free.

- (89) **Tax Credits for Low-Income Housing.** The Low Income Housing Tax Credit Program (LIHTC) is a large federal and state housing subsidy program that provides substantial financing for the development of affordable housing. Local government can play an important role in helping developers to meet eligibility criteria. The LIHTC program provides tax credits to the private sector for the construction or acquisition and rehabilitation of very affordable rental housing. These tax credits are crucial to the success of affordable housing developers, who sell credits directly to corporations and private investors or receive the equity from one of a number of investment entities now making tax credits available. To be eligible for a tax credit, 20 percent of the units in a housing development must rent to very low income households earning less than 50 percent of area median incomes, or 40 percent of the units must rent for incomes under 60 percent of the median. California law also requires that developments retain these levels of affordability for at least 55 years.

Both federal and state tax credit programs are administered by the State Treasurer’s Office through the California Tax Credit Allocation Committee (TCAC), which allocates the available credits to projects statewide. TCAC administers two LIHTC programs: the 9 percent (for projects with no federal subsidy) and the 4 percent credit programs (for projects with federal subsidies and more than 50 percent of financing through tax-exempt bonds). The 9 percent credit program, which has limited funds and is highly competitive, awards credits on a combination of formula and competition so that those meeting the highest housing priorities have first access to credits. The 4 percent program has no funding limit but is available only with projects that have an allocation of Mortgage Revenue Bonds. It also has limited funds, but is less competitive than the 9 percent program. Funds raised from the sale of 4 percent credits typically cover 20-30 percent of project costs. Generally the maximum credit allocation is the amount needed to fill the financing shortfall, and the amount needed is determined at least thrice: at the time of application, at the time of allocation, and when placed-in-service.

To be successful, tax credit projects require an additional subsidy which can include no or low-cost land, local government contributions, or density bonuses and other concessions. While the utilization of the tax credits depends primarily on the project’s developer, local government must work with the developer to identify other strategies and subsidy sources that are appropriate with tax credits and provide the additional subsidies usually required to make them work. Collaboration between the developer and the local government often with the help of a professional specializing in tax credits and other financial tools is the key to a successful tax credits program.

- (90) **Rezoning.** An amendment to the map and/or text of a zoning ordinance to effect a change in the nature, density, or intensity of uses allowed in a zoning district and/or on a designated parcel or land area.
- (91) **Townhouse; Townhome.** A one-family dwelling in a row of at least three such units in which each unit has its own front and rear access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more common and fire-resistant walls. Townhouses usually have separate utilities; however, in some condominium situations, common areas are serviced by utilities purchased by a homeowners association on behalf of all townhouse members of the association.

- (92) **Transitional Housing.** Shelter provided to the homeless for an extended period, often as long as 18 months, and generally integrated with other social services and counseling programs to assist in the transition to self-sufficiency through the acquisition of a stable income and permanent housing.
- (93) **Uniform Building Code (UBC).** A national, standard code which sets forth minimum standards for construction.
- (94) **Uniform Housing Code (UHC).** State housing regulations governing the condition of habitable structures with regard to health and safety standards and which provide for the conservation and rehabilitation of housing in accordance with the Uniform Building Code (UBC).
- (95) **Use.** The purpose for which a lot or structure is or may be leased, occupied, maintained, arranged, designed, intended, constructed, erected, moved, altered, and/or enlarged in accordance with the City's zoning ordinance and General Plan land use designations.
- (96) **Use Permit.** The discretionary and conditional review of an activity or function or operation on a site or in a building or facility.
- (97) **Zoning.** The division of a city by legislative regulations into areas, or zones, which specify allowable uses for real property and size restrictions for buildings within these areas.
- (98) **Zoning, Incentive.** The awarding of bonus credits to a development in the form of allowing more intensive use of land if public benefits—such as preservation of greater than the minimum required open space, provision for low- and moderate-income housing, or plans for public plazas and courts at ground level—are included in a project.
- (99) **Zoning Map.** Government Code Section 65851 permits a legislative body to divide a county, a city, or portions thereof, into zones of the number, shape, and area it deems best suited to carry out the purposes of the zoning ordinance. These zones are delineated on a map or maps, called the Zoning Map.
- (100) **Zoning for Smart Growth.** 'Smart growth' refers to strategies that encourage development in existing communities where schools, shops, and transit already exist while conserving open space, farm land, and natural habitat. Jurisdictions should encourage higher density and mixed-use development along future and current transit corridors as well as downtown areas. Putting housing close to transit and shops is especially important for lower income workers, seniors and others who can't drive or don't own a car. And increasing densities means transit systems will be better utilized.