

APPENDIX 3

GLOSSARY OF HOUSING TERMS

Accessibility - The degree to which a house can be approached, entered and made livable for as many people as possible.

Adult Care Home - A large assisted living facility designed primarily to serve persons who are elderly. 24-hour personal care services (bathing, dressing, grooming, and medication administration) are provided, but the home is not required to provide any other supportive services.

Affordable Housing - Housing for which the occupant is paying no more than 30 percent of gross income for total housing costs, including rent, mortgage payments, condominium fees, utilities, taxes, and insurance, as applicable for rental or owned housing units.

Alternative Family Living (AFL) - A type of supportive housing where a person with a developmental disability resides with a family other than their own in order to receive habilitative care.

Annual Gross Income - The total income received by members of a household. This includes all net income anticipated in a 12-month period.

Below-Market Interest Rate Mortgages - A mortgage that has a reduced interest rate, which can subsequently increase one's purchasing power.

Boarding Homes - A type of supportive housing where 4-5 people share a home that is owned or rented by an agency, and agency staff provides routine visits and on-call support. The home is not licensed and generally, there is no overnight staff.

Budget – Summary of estimated income and expenses.

Closing – A formal meeting where homeownership is transferred from the seller to the buyer. Also known as a settlement, the meeting is typically attended by the buyer(s), the seller(s), their attorneys if they have them, both real estate agents, a representative of the lender, and the closing agent.

Closing Costs - The upfront expenses that must be paid at the time of purchase (over and above the price of the property). These "closing costs" generally include a loan origination fee, attorney's fee, taxes, an amount placed in escrow, and charges for obtaining title insurance and a survey

Condominium - A residential unit that is individually owned, while the facilities and common areas (the surrounding land, the hallways, and elevators, and any recreational facilities) are owned collectively by the owners of each unit.

Credit Counselor - A person who is trained to give advice about how to manage one's money. The counselor may either work for a lender or for an independent credit-counseling agency.

Credit Report - A record of one's debts and payments compiled by credit bureaus. Credit bureaus gather this information from credit card companies, banks, department stores, and other firms. It shows an individual's history as a bill payer, as well as how much money the person owes.

DDA Group Homes - These group homes for adults with developmental disabilities (DAA) provide 24-hour personal care and habilitation. Room and board are paid for by a combination of the individual's social security income and Special Assistance. There are typically 5-6 residents living in each home.

Disabled Family or Household - For the purposes of most subsidized housing programs, a disabled family/household can be: two or more related people with disabilities, a family where the head of household has a disability, one or more people with disabilities with a live-in aide, or two or more unrelated persons with disabilities living together.

Disabled Individual - Most housing programs use this terminology to refer to a person with a physical, mental, developmental, or emotional disability that is expected to be of indefinite duration, that substantially impedes his or her ability to live independently, and that is of such a nature that the ability could be improved by suitable housing conditions.

Down Payment - The portion of the purchase price that the buyer pays in cash and does not finance with a mortgage.

Fair Housing Act - Federal law that prohibits housing discrimination based on race, color, national origin, religion, sex, familial status, or disability.

Fair Market Rent (FMR) - Fair Market Rents are gross rent estimates set each year by HUD for rental units around the country. FMRs include shelter rent and utility costs and are calculated based on a percentage of the cost of standard quality rental housing units in each area.

Family Care Homes - A small assisted living facility with up to six beds designed primarily to serve persons who are elderly. 24-hour personal care services (bathing, dressing, grooming, and medication administration) are provided, but the home is not required to provide any other supportive services.

Foreclosure - Legal action taken by a lender if a borrower fails to pay monthly mortgage payments on time. The bank or lender takes back the property and sells it to try to recover the money it loaned.

HUD - *See the U.S. Department of Housing and Urban Development.*

Household - Family members or others who live under the same roof.

Housing 400 Initiative - The Housing 400 Initiative was created by the North Carolina General Assembly in 2006 to increase the supply of independent and supportive living apartments for persons with disabilities. It provides funding for both the development and operation of supportive housing.

Housing Choice Vouchers - *See Section 8.*

Housing Counselor - A person who is trained to assist prospective homebuyers throughout the purchase process.

Independent Living - People live in their own home or apartment, rented or owned, with or without a roommate. Supports and services are individualized and provided in the individual's own home. Support often includes assistance with budgeting, shopping, household maintenance and health/safety monitoring.

Intermediate Care Facility for the Mentally Retarded (ICF/MR) - An intensive, regulated residential service funded by Medicaid to serve individuals with intensive medical or behavioral needs who need more than a typical group home offers, but less than skilled nursing level of care.

Key Program Assistance - The Key Program is a pilot state-funded rental assistance program for persons living in certain Low-Income Housing Tax Credit targeted units. Qualified recipients are adults with long-term disabilities who are receiving income based upon their disability (SSI, SSDI, etc.), and whose total household income does not exceed 30 percent of the area median income.

Live-In Aide - A person who lives with someone with a disability to provide needed supportive services. Generally, the aide cannot be someone who would otherwise be living in the unit or be obligated for the support of the person.

Low-Income Households - Households whose incomes do not exceed 80 percent of the median income for the area as determined by HUD. *See also Median Income.*

Low-Income Housing Tax Credit (LIHTC) - An IRS program used to fund the construction of new rental housing and the acquisition and rehabilitation of existing rental housing for households with low incomes. It is the single largest development engine for affordable rental housing, creating over 2000 units in North Carolina each year. As of 2004, all developers using LIHTC have to set aside 10 percent of the units in the development for extremely low-income persons with disabilities.

Median Income - That income level at which an equal number of families/households have incomes above the level as below. The median income is based on a distribution of the incomes of all families/households including those with no income.

Moderate-Income Households - Households whose incomes are between 81 and 95 percent of the median income for the area. *See also Median Income.*

Mortgage - A loan obtained to purchase real estate. The "mortgage" itself is a lien (a legal claim) on the home or property that secures the promise to pay the debt. All mortgages have two common features: principal and interest.

NCHFA (North Carolina Housing Finance Agency) - A quasi-governmental agency that administers certain federal housing funds, the North Carolina Housing Trust Fund, mortgage bond programs, and both federal and state tax credit projects.

NIMBY (Not In My Back Yard) - The opposition that many affordable housing projects face when selecting a site for a development. This energy intensifies if the persons to live in the development have any disability, special needs, or criminal history.

Nontraditional Credit History - Documentation of monthly payments to previous property owners or managers; utility companies or to insurance companies for medical or life insurance. These payments will not appear on a credit report, but canceled checks, receipts, and reference letters from creditors will provide proof that payments were made.

PHA - *See Public Housing Authority.*

Payment Standard - The amount, as determined by the PHA, to be generally needed to rent a moderately priced dwelling in the local housing market. The PHA uses the payment standard to calculate the amount of housing assistance a family will receive.

Portability - The ability to transfer a Section 8 tenant-based voucher from one PHA or geographic area to another.

Property-Based Vouchers - These Section 8 housing vouchers provide rental assistance to qualified households living within a designated housing complex. All qualified renters within that complex would pay only 30 percent of their income for housing and utility costs. The voucher would cover the remaining housing expenses.

Public Housing - Housing that is built, operated, and owned by the government and operated by local Public Housing Authorities (PHAs). Public housing generally refers to site based projects, although the size, age, location of the properties can vary. Typically, residents pay 30 percent of their monthly income for rent.

Public Housing Authority (PHA) - Local city or county agency that contracts with HUD to administer Public Housing and/or the Section 8 Housing Program.

Recertification - Annual review of household income, composition and other criteria by the PHA to certify that the household remains eligible to continue receiving Section 8 or other housing assistance.

Rental Assistance - A subsidy covering the difference between Fair Market Rent and 30 percent of an eligible household's income. Section 8 Vouchers are an example of rental assistance.

SSDI - (Social Security Disability Insurance) - Benefits paid to eligible workers, and certain members of their family, who are unable to work because of a disability, but who previously worked long enough and paid Social Security taxes.

SSI – (Supplemental Security Income) - A monthly financial payment to a person with disability based on financial need.

Second Mortgage - An additional mortgage that has a lien (legal claim) position subordinate to the first mortgage. A second mortgage often represents the difference between the price of the house and first mortgage plus the down payment. When offered through affordable housing programs, this is sometimes referred to as a 'soft second' mortgage.

Section 8 Program - The Section 8 Program, or as it is now called the **Housing Choice Program**, is a major federal housing program to assist low-income individuals and families afford safe, decent housing. The program is funded by HUD and is usually administered by local housing authorities. Participants generally pay 30 percent of their income for rent and utilities and the Section 8 Program pays the difference in accordance with program guidelines.

Shared Housing - Housing that is occupied by two or more unrelated individuals that has a common space for shared use by the occupants.

Shelter Plus Care - Rental assistance vouchers specifically to assist persons who are homeless and have disabilities to move into permanent housing.

Single-Family Home - A house that usually stands on its own, unattached to another home, and is designed to be occupied by one person or family. In some urban areas, single-family homes share a common wall. Generally, the same person owns the land and house.

Special Assistance - A state/county program that helps older adults or adults with disabilities residing in licensed group homes or adult care facilities pay for their care. Each month, the participant receives a personal needs allowance and the remainder goes to the home for payment of room and board.

Special Needs Housing - Many housing programs still use this term to refer to housing that serves the elderly and persons with disabilities, including mental illness, developmental disabilities, physical disabilities, alcohol and/or drug addiction, and HIV/AIDS.

Subsidized Housing - Housing that has financial support to make it more affordable to lower-income households. That financial subsidy may come in the form of funds to offset development or pre-development costs, or assistance to pay for rental or operating subsidies.

Substandard Housing - Housing units that lack complete plumbing, kitchen facilities, or has at least five basic maintenance problems, as defined by the U.S. Bureau of Census.

Supportive Housing - Permanent housing that has some supportive services built in. The type of services depends on the needs of the residents and can be either on or off site. Services may be short term, sporadic, or ongoing indefinitely. This type of housing is often subsidized so the tenant pays 30 percent of their income for rent.

Targeted Units - Generally refers to housing units set aside for specific populations (elderly, disabled, homeless etc.) in housing developments funded by Low-Income Housing Tax Credits. The property must maintain a separate waiting list for these units, and give priority to the designated population.

Tenant-Based Vouchers - Section 8 (Housing Choice) housing vouchers that travel with the household. A household with a tenant-based voucher can use that voucher in any qualified rental property with a willing property owner.

Total Tenant Payment - The share of the gross rent that a household pays under the Section 8 Program.

Transitional Housing - Usually thought of as temporary supported housing where individuals or families live for between 6 months and 2 years. During that time, residents generally receive intensive case management services that prepare the household for permanent housing.

U.S. Department of Housing and Urban Development (HUD) - The federal agency which administers the majority of federal housing programs and which develops national housing policy.

USDA Rural Development - A program of the U.S. Department of Agriculture that provides consultations, assistance and funding opportunities for rural communities. Programs include affordable rental housing and homeownership.

Very Low-Income Households - Households whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD. *See also Median Income.*