Wauwatosa Housing Study and Needs Assessment

Common Housing Programs, Terms & Definitions

- **Affordable Housing**
  In general, housing for which the occupant(s) is/are paying no more than 30 percent of their income for gross housing costs, including utilities.

- **Area Median Income (AMI)**
  The midpoint in the income distribution within a specific area. By definition, 50% of households, families, or individuals earn less than the median income, and 50% earn more.

- **Community Development Block Grant (CDBG)**
  The federal government provides CDBG funding to support community development efforts to build stronger and more resilient communities. CDBG funds are allocated to states and entitlement communities like the City of Wauwatosa. Funds can generally be used to support acquisition, rehabilitation or construction of affordable housing, homeowner assistance, community facilities, supportive services, economic development initiatives and other programs or projects that assist low- and moderate-income residents.

- **Community Land Trust**
  A community land trust (CLT) is a structure that separates ownership of land from housing units in order to maintain long-term affordability for homeowners. The CLT, often a nonprofit, acquires and maintains permanent ownership of land. Homeowners purchase the housing unit and enter into a long-term lease of the CLT land. Homes are sold with certain income restrictions and limitations on future land price to maintain affordability for future homeowners.

- **Cost burdened households / Housing cost burdened**
  Households are considered housing cost burdened when monthly housing costs exceed 30% of monthly income.

  Monthly housing costs for renters include:
    - Rent
    - Utilities
    - Parking
    - Storage

  Monthly housing costs for homeowners include:
    - Mortgage payments
    - Utilities
    - Property taxes

- Insurance
- Homeowner association fees
- Maintenance

- **Department of Housing & Urban Development (HUD)**
  A federal government agency that provides housing support for communities through homeownership, rental assistance, and community development programs and grants.

- **Housing Trust Fund**
  Dedicated funds established by city, county, or state governments to support the preservation and production of affordable housing. Housing trust funds can be seeded with revenue from property taxes, general obligation bonds, tax incremental districts, density bonus fees and other sources.

- **Low Income Housing Tax Credits (LIHTC)**
  A tax incentive intended to increase the availability of low-income housing. The program provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects. Two types of LIHTC are available, including 9% competitive credits and 4% credits that are not competitive but are subject to each state's bond volume cap. LIHTC is administered through the Wisconsin Housing and Economic Development Authority (WHEDA).

- **Missing Middle Housing**
  Diverse housing options that fall between detached-single family homes and large multi-family buildings, including duplexes, fourplexes, townhomes, cottage courts and others.

- **Naturally Occurring Affordable Housing (NOAH)**
  Privately owned residential rental or owner-occupied properties that are affordable but are not subsidized by any federal or non-profit program. NOAH units are not guaranteed to be rented to lower-income households and can lose their affordability when home values or rents rise due to gentrification or market forces.

- **Housing Choice Vouchers (formerly known as Section 8 Rent Assistance)**
  Provides rental assistance to low-income families who are unable to afford market rents.

- **Senior (or "Age-Restricted") Housing**
  Market rate or affordable housing that accommodates aging residents by addressing challenges related to affordability, accessibility, health care, maintenance, and social integration. Age-restricted housing can take a variety of forms, including homeownership or rental units that provide a range of programming and assistance (from no assistance to full-time care).

- **Tax Incremental Financing (TIF)**
  A special district that allows a municipality to fund infrastructure and support redevelopment projects and other improvements using the incremental property tax revenues generated by newly developed or improved properties.

- **Universal Design Policies**
  Housing construction and design regulations that encourage the construction or rehabilitation of housing and elements of the living environment in a manner that makes them usable by all people, regardless of ability, without the need for adaptation or specialized design.

- **Wisconsin Housing and Economic Development Authority (WHEDA)**
  The Wisconsin state agency focused on stimulating the state's economy by providing affordable housing and business financing products.

- **Workforce Housing**
  Housing that is affordable for those earning generally between 80% and 120% of area median income

Sources: https://archives.huduser.gov/portal/glossary/glossary_all.html, https://nlihc.org/sites/default/files/AG-2021/12-03_Glossary.pdf, https://www.hudexchange.info/programs/cdbg/, www.hud.gov, https://www.huduser.gov/portal/datasets/cp/CHAS/bg_chas.html, https://missingmiddlehousing.com/about, https://www.wheda.com/, SB Friedman.