

# REGIONAL HOUSING STRATEGY



## Housing Glossary

Housing is a complex topic riddled with jargon. The following glossary provides definitions for commonly used terms. The glossary is divided between general key terms, and tools and incentives commonly used to promote housing development and/or affordability.

### Key Terms

*Accessory dwelling units (ADUs):* An ADU is a small, self-contained residential unit built on the same lot as an existing single family home. ADUs may be built within a primary residence or detached from the primary residence.

*Affordable housing:* Commonly defined in terms of housing costs as a percentage of household income. Housing is considered unaffordable when a household's monthly housing costs exceed a certain threshold – most commonly 30% of gross income – thereby reducing the budget available for basic necessities and other household expenses.

*Area Median Income:* The household income for the median, or middle, household in a city, county or region. The U.S. Department of Housing and Urban Development calculates median income for each metropolitan region. These are used to determine income limits for government affordable housing programs.

*Below market-rate:* Below market-rate housing units are subject to rental price limits imposed by state or local affordable housing programs or incentives. For example, the US Department of Housing and Urban Development publishes rent limits for its affordable housing programs based on the household income that the units serve.

*Cost burden:* A household is considered cost burdened if it pays more than 30% of its income on housing. This includes rent or mortgage payments, and utilities. A household is considered severely cost burdened if it pays more than 50% of its income on housing.

*Displacement:* The involuntary relocation of current residents or businesses from their current residence. This is a different phenomenon than when property owners voluntarily sell their interests to capture an increase in value. Physical displacement is the result of eviction, acquisition, rehabilitation, or

demolition of property, or the expiration of covenants on rent- or income-restricted housing. Economic displacement occurs when residents and businesses can no longer afford escalating housing costs. Cultural displacement occurs when people choose to move because their neighbors and culturally related businesses have left the area.

*Equitable Development/Equitable Growth:* Public and private investments, programs, and policies in neighborhoods to meet the needs of marginalized populations and to reduce disparities, providing access to quality education, living wage employment, healthy environment, affordable housing and transportation.

*Housing affordability:* Refers to the balance (or imbalance) between incomes and housing costs within a community or region. A common measurement compares the number of households in certain income categories to the number of units in the market that are affordable at 30% of gross income.

*Housing need:* The amount of housing needed to ensure there are affordable, accessible, healthy, and safe housing choices for all residents. Need is often expressed as the number of units needed a various income thresholds.

*Jobs-Housing balance:* A planning concept which advocates that housing and employment be located closer together, with an emphasis on matching housing options with nearby jobs, so workers have shorter commutes or can eliminate vehicle trips altogether.

*Mobile homes:* The supply of mobile home park housing has declined in some jurisdictions as a result of redevelopment pressures. Jurisdictions may protect mobile home housing by zoning classifications or standards, enacting mobile home park conversion ordinances, or exempting mobile homes relocated due to park closures from having to comply with new building regulations. Jurisdictions can also allow for individual manufactured homes on single family lots along with appropriate design standards.

*Market-rate:* Market-rate housing units are those whose price is determined by market factors like supply and demand, as opposed to price limits imposed by state or local affordable housing programs.

*Middle density (“missing middle”) housing:* A range of housing types – from duplexes to townhomes to lowrise multifamily developments – that bridge a gap between single-family housing and more intense multifamily and commercial areas. The relatively small share of these housing types is sometimes called the “missing middle.”

*Mixed-use:* Mixed-use development is an example of flexible zoning where various land uses are combined within a single building, development or district. For example, residential dwellings may be located vertically above retail stores, or located horizontally on the same site as commercial uses.

*Special needs housing:* Housing arrangements for populations with special physical or other needs. These populations include: the elderly, disabled persons, people with medical conditions, homeless individuals and families, and displaced people.

## Tools & Incentives

*Cluster developments:* Cluster subdivisions or developments confine development to the most suitable portion of a building site in compact layouts, e.g. smaller lots. This can lead to greater land efficiency, lower infrastructure development and maintenance costs, lower site grading and drainage costs, and greater preservation of open space and natural features.

*Cottage housing:* This refers to a grouping of small, single family dwelling units clustered around a common area and developed with a coherent plan for the entire site.

*Density bonuses or incentive zoning:* These are voluntary incentives that allow developers to build at higher than allowed densities if a specified number or percentage of affordable units is included in the development. Such a program may be designed to allow developers to contribute to an affordable housing fund in lieu of building the affordable units.

*Fee Reduction:* Since impact, mitigation or other permitting fees can have a negative effect on the construction of affordable housing, some jurisdictions have enacted measures to reduce or waive such fees for projects that include affordable housing units.

*Inclusionary zoning:* Ordinances may require developers to set aside a percentage of the units in housing developments for low- and moderate-income residents. Most inclusionary housing programs offer density bonuses or other incentives to offset the developer's project costs and compensate for providing affordable units, which may otherwise yield reduced profits. This approach enlists private sector help in contributing to the affordable housing supply, and reduces segregation of affordable and market-rate housing.

*Micro units:* Micro units or apodments are small housing units that typically feature a sleeping rooms (usually under 300 square feet) with a private bathroom. The units grouped together in arrangements of up to 8, with a shared kitchen or common area.

*Multifamily tax exemption (MFTE):* RCW 84.14 provides for special valuations in residentially deficient urban centers for eligible improvements associated with multifamily housing, which includes affordable housing. When a city defines residential target areas within an urban center, and allows for applications for the exemption, approved project sites are exempt from ad valorem property taxation for a period of eight to 12 years. A greater number of exempt years is possible where a certain percentage of low-income housing is provided.

*Permitting priority:* Priority processing of land use and construction permits is most effective when used selectively, such as an inducement to develop a particular type of housing the market is not currently producing. If priority processing is offered as an incentive to develop low-cost housing, the jurisdiction should establish a means of ensuring the housing is actually occupied by persons in need of low-cost housing and the housing remains affordable for an extended period of time.

*Planned unit/residential development (PUD/PRD):* PUD/PRD regulations allow for flexibility in design of residential communities in exchange for public benefits. PUDs/PRDs may offer a mix of dwelling types

(detached, duplex, or multifamily), mix of land uses (residential and neighborhood commercial), and density bonuses to help underwrite the cost of low-income housing.

*Planned Action EIS:* The goal of a programmatic environmental review is to simplify and expedite review of individual projects. By doing an environmental review for an entire neighborhood, individual projects consistent with the neighborhood plan would not need separate environmental review. Planned Action EIS's are typically more detailed and seek to streamline environmental review for development consistent with a Planned Action Ordinance and EIS. Planned actions would not require additional SEPA review, nor be subject to SEPA appeal procedures.

*Preservation of existing affordable units:* Preserving and enhancing existing dwellings allows a community to retain its most affordable housing. Preservation programs can address housing repair needs and weatherization, among others.

*Public land for affordable housing:* This strategy encourages public land grants or sale of parcels at below market value to developers of affordable projects. Parcels may include surplus or underutilized public properties, as well as vacant, abandoned and tax-delinquent private properties acquired through purchase or tax foreclosure.

*Pursue funding for housing:* This includes applying for grants and other funds from the US Department of Housing and Urban Development, the US Department of Agriculture, the State of Washington Department of Community, Trade, and Economic Development, and other public sources, private funding from nonprofits and foundations.

*Reduced parking requirements:* Jurisdictions can minimize the cost of parking requirements by adjusting stall sizes, by allowing tandem parking, by tying parking requirements by the number of bedrooms per unit, and by reducing requirements for housing types with less need for parking, such as lower income and elderly households or housing complexes which have transportation demand management programs (e.g., bus passes, shuttle bus service, etc.).

*Relocation assistance:* This is a displacement mitigation strategy that provides resources for households that are being displaced to enable them to find a new place of residence. Relocation assistance often includes financial compensation paid by the property owner and/or the city.

*Renter protections:* This is a displacement mitigation strategy provides greater protections to tenants. This could include increasing the requirements for notice of eviction or rent increases, requiring that the property owner provide a cause for evictions, or providing legal assistance to tenants being evicted.

*Transfer of development rights (TDR):* A TDR program relocates development potential from one property to another. Buying these rights generally allows the owner of the receiving site to build at a higher density or height than ordinarily permitted by the base zoning. These transactions can be used to help preserve affordable housing on the sending site.

*Zero lot line:* Zero lot line houses are sited on one side lot line and sometimes on the rear or front lot line to maximize the available yard space. Placing the house on one of the side lot lines doubles the amount of useable space on the other side.

*Staying in place assistance:* This displacement mitigation strategy provides resources to help vulnerable households remain in their home. This could include emergency financial assistance or home repair programs.

*Glossary Sources:* The following agencies and their various reports were consulted for the glossary: A Regional Coalition for Housing; Municipal Research and Services Center of Washington; PSRC, Regional Housing Strategy Working Group; Snohomish County Tomorrow; VISION 2050; and U.S. Department of Housing and Urban Development.