



# X Appendix

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## GLOSSARY OF TERMS

The following glossary (or definition of terms) is provided to assist the public better understand and evaluate the Consolidated Plan, Annual Action Plan and the Citizen Participation Plan. Terms are applicable to the CDBG, HOME, ESG, and HOPWA programs, and affordable housing/community development in general.

**ADA** – The Americans with Disabilities Act of 1990.

**ADDI** – American Dream Downpayment Initiative, a new program introduced in 2003 to set aside a portion of HOME funds (see HOME) specifically for fostering homeownership among low- and moderate-income households (see Low- and Moderate-Income).

**Affordability Gap** - The extent to which gross housing costs, including utility costs, exceed 30% of gross household income.

**Affordability Restrictions** - The requirements imposed by a public agency that housing units remain affordable to low- and moderate-income households for a specified number of years.

**Affordable Housing** - According to federal law, housing in which a household spends no more than 30% of its gross household income for rent and utilities, or for principal, interest, property taxes and insurance.

**Amenity** - An aspect of a property that enhances its value. Examples, off-street reserved parking within a condominium community, the nearness of good public transportation, tennis courts or a swimming pool.

**At-Risk Units** - In general, any affordable unit that converts to market rate because the affordability restrictions are about to expire, the owner can opt-out of the Section 8 program, or the owner can prepay a federal mortgage.

**Bond** - An interest bearing promise (bond) to pay a specified sum of money, the principal amount due on a specific date. Funds raised through the sale of bonds can be used for various public purposes, such as housing.

**CDBG** - Community Development Block Grant. Under Title I of the Housing and Community Development Act of 1974, eight former categorical grant and loan programs were combined.

**CEQA** - California Environmental Quality Act. Requires the assessment of projects for environmental impacts and establishes procedures for preparing and processing environmental documents.

**Certification** – A written assertion, based on supporting evidence, that must be kept available for inspection by HUD, by the Inspector General of HUD, and by the public. The assertion shall be deemed to be accurate unless HUD determines otherwise, after inspecting the evidence and providing due notice and opportunity for comment.

**Consolidated Plan (Con Plan)** – The document that is submitted to HUD that serves as the planning document (comprehensive housing affordability strategy and community development plan) of the jurisdiction and an application for funding under any of the Community Planning and Development formula grant programs (CDBG, ESG, HOME, or HOPWA), which is prepared in accordance with the process prescribed in federal regulations. The Plan is prepared in accordance with 24 CFR 91, and describes the needs, priorities among those needs, objectives, and proposed outcomes, as well as the resources needed, for a 3-, 4-, or 5- year period with respect to HUD programs.

**Condominium** - A form of ownership of real property in which the purchaser receives title to a particular unit and a proportionate interest in certain common areas. Each unit is a separately owned space to the interior surfaces of the perimeter walls, floors and ceilings. Title to the common areas is in terms of percentages and refers to the entire project less the separately owned units.

**Construction Costs** - Broadly, all costs incurred in bringing a building to completion, not including land acquisition, financing or sales costs.

**Construction Loan** - A short-term interim loan for financing the cost of construction. The lender makes payments to the builder at periodic intervals as the work progresses.

**Cost Burden** - The extent to which housing costs, including utilities, exceed 30% of gross income, based on data published by the U.S. Census Bureau.

**Deed Restriction** - A limitation placed in a deed limiting or restricting the use of the real property.

**Deferred Loan** - A loan whereby payment of part or all of the loan is deferred until a later time as specified in the loan.

**Density Bonus** - A provision to permit a residential developer to construct more dwellings on a site than would normally be allowed, provided the developer includes certain amenities or public benefits.

**Disabled Household** - Households in which at least one of the residents is an adult with a disability. A person is considered to have a disability if s/he has a physical, mental, or emotional impairment that (1) is expected to be of indefinite duration, (2) substantially impedes his or her ability to live independently, and (3) is of such nature that the ability could be improved by more suitable housing conditions (federal definition).

**Elderly Person** – An individual that is at least 62 years of age.

**Emergency Shelter** - A building in which emergency temporary lodging is provided, with or without meals, to families and individuals who are homeless, where on-site supervision is generally provided whenever such shelter is occupied.

**Emergency Shelter Grant Program (ESG)** – Like CDBG, HOME and HOPWA, ESG is a federal grant program in which funds are distributed on the basis of a formula established by Congress. Funds must be used to provide shelter and services to the homeless.

**Equity** - The interest or value which an owner has in real estate over and above the current indebtedness; usually referred to as the owner's interest.

**Equity Sharing** - The generic term for various forms of home financing in which a homeowner shares his property appreciation with another party. The term technically only applies when the other party has an ownership interest in the property.

**Extremely Low-Income Household** - Defined by HUD as a household earning between 0% and 30% of the median area income.

**Fair Housing Act** – Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

**Fair Market Rents (FMR)** - Estimates of the rent plus utilities that would be required to rent privately owned, decent, safe, and sanitary rental housing of a modest nature with suitable amenities.

**Fair Market Value** - The price that would be paid for property offered on the open market for a reasonable period of time with both buyer and seller knowing all the uses to which the property could be put, and with neither party under pressure to buy or sell.

**Family** – All persons living in the same household who are related by birth, marriage, or adoption.

**FAR (Floor Area Ratio)** - The ratio of square feet of floor space to the square feet of the site on which a building is located.

**FHA** - Federal Housing Administration. A division of the U.S. Department of Housing and Urban Development; main activity is insuring residential mortgage loans made by approved lenders to qualified borrowers in accordance with its regulations.

**First-Time Homebuyer** - An individual or family who has not owned a home during the three-year period preceding the publicly assisted purchase of a home that must be used as the principal residence of the homebuyer.

**FNMA** - Federal National Mortgage Association, popularly known as "Fannie Mae"; a private corporation whose primary function is to buy and sell FHA and VA mortgages in the secondary market.

**Foreclosure** - An authorized procedure taken by a mortgagee or lender, under the terms of a mortgage or deed of trust for the purpose of applying the property toward the payment of a defaulted debt.

**Gap Financing** – As used in the Consolidated Plan, gap financing represents the amount of public subsidy required to make a project financially feasible.

**General Plan** - An adopted statement of policy for the physical development of a community, required by State law.

**GNMA** - Government National Mortgage Association (Ginnie Mae); created in 1968 to take over special assistance and liquidation functions of FNMA. Participates in the secondary market through its mortgage-backed securities pools.

**Grantee** – Person or legal entity to which a grant is awarded and that is accountable for the use of the funds available.

**Group Quarters** - A facility housing groups of persons not living in households (U.S. Census definition). Examples of group quarters include prisons, dormitories, shelters, and military quarters.

**HCD** - California Department Housing and Community Development. Provides housing and planning information and guidance, State bond funds, low-interest loans and grants for housing development and rehabilitation. Oversees the Housing Element review process to ensure that Housing Elements are in compliance with State law.

**HOME** - The HOME Investment Partnerships Act, which is Title II of the National Affordable Housing Act.

**Homeless Family with Children** – A family composed of the following types of homeless persons: at least one parent or guardian and one child under the age of 18; a pregnant woman; or a person in the process of securing legal custody of a person under the age of 18.

**Homeless Person** – A youth (17 years or younger) not accompanied by an adult (18 years or older) or an adult without children, who is homeless (not imprisoned or otherwise detained pursuant to an Act of Congress or a State law), including the following:

- (1) An individual who lacks a fixed, regular, and adequate nighttime residence; and
- (2) An individual who has a primary nighttime residence that is:
  - (i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
  - (ii) An institution that provides a temporary residence for individuals intended to be institutionalized; or
  - (iii) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

**Homeless Subpopulations** – Include but are not limited to the following categories of homeless persons: severely mentally ill, alcohol/drug addicted, severely mentally ill and alcohol/drug addicted, fleeing domestic violence, youth, and persons with HIV/AIDS.

**HOPWA** - Housing of People for persons with AIDS.

**Household** -- All persons, whether related or unrelated, living in a housing unit.

**Householder** - Includes, in most cases, the person or one of the persons in whose name the home is owned or rented. If there is no such person in the household, any household member 15 years old and over could be designated as the householder.

**Housing Code** - Local standards that ensure that maintenance and improvements of housing meets accepted standards and is adequate for occupancy.

**Housing Element** - Mandatory component of local General Plans required by the State. The Element contains information on housing, population, household characteristics, assessment of current and projected housing need, government and non-government constraints, energy conservation, publicly held lands, and planning housing supply.

**Housing Problems** - A non-duplicative estimate of the number of units that have physical defects, are overcrowded, or whose occupants pay greater than 30% of household income for rent (U.S. Census definition).

**HUD** - The U.S. Department of Housing and Urban Development. Established by the Housing and Urban Development Act of 1965 to supersede the Housing and Home Finance Agency. Responsible for the implementation and administration of government housing and urban development programs includes community planning and development, housing production and mortgage credit (FHA), equal opportunity in housing, research, and technology.

**Inclusionary Zoning** - In general, a local ordinance requiring that a developer of new housing produce a specified number of affordable dwelling units as a condition of the right to develop.

**Jurisdiction** – A State or unit of general local government.

**Large Household** - A household with five or more members.

**Lead-based Paint Hazards** – A lead-based paint hazards as defined in part 35, subpart B of Title X.

**Leverage** – As used in the context of federal grants and affordable housing, leverage refers to funds from non-federal sources that are contributed to a project. For example, HOME funds invested in a project would be said to be leveraged by private donations or Redevelopment Agency funds contributed to that same project.

**LIHTC** - Low Income Housing Tax Credit.

**Loan Guarantee** - A commitment to a lender that the guaranteed portion of a loan will be repaid if the borrower defaults. VA loans are guaranteed loans.

**Low-Income Household** - Defined as a household earning between 51% and 80% of the area median (as adjusted by HUD).

**Low Income Housing Tax Credits** - Program established by the Federal and California State governments that provides income tax reduction for investors in the low-income housing.

**Low- and Moderate-Income Households** - Households whose incomes are between 0% and 80% of the median income for the area, or as adjusted by HUD.

**MCC** - Mortgage Credit Certificate Program, a federal program to assist first time homebuyers.

**Median Income** - The level above which 50% of the households have a higher income and 50% of the households have a lower income.

**Moderate-Income Household** - Defined as a household earning between 81% and 120% of the area median income, or as adjusted by HUD.

**Neighborhood Revitalization Strategy** - A multi-departmental effort to focus on a variety of neighborhood needs by combining "crackdown" strategies (to address the social problems of drugs, crime, and gangs) with blight improvement efforts. An important component includes increasing efforts to organize communities and build public awareness and responsibility for solving the problems that exist.

**NIMBY** - "Not in My Backyard." An expression used to refer to individual and community-wide fears about affordable housing and other locally unwanted land uses, such as fears that such development will lower property values and increase crime.

**Notice of Funding Availability (NOFA)** - A notice to inform potential project sponsors of the availability of funding.

**Offsite Improvements** - Improvements outside the boundaries of a property that enhance its value.

**Onsite Improvements** - Any construction of buildings or other improvements within the boundaries of a property which increases its value.

**Overcrowded** - A housing unit containing more people than is permitted by various laws. For example, HUD defines an overcrowded household as one in which there is more than one person per room.

**Poverty Level Family** – Family with an income below the poverty line, as defined by the Office of Management and Budget and revised annually.

**Private Sector** - Non-government, private, for-profit businesses and nonprofit organizations.

**Project-Based Rental Assistance** - Rental assistance provided for a project, not for a specific tenant. Tenants receiving project-based rental assistance give up the right to that assistance upon moving from the project.

**Public Housing** - Housing for lower-income households that is owned and managed on a long-term basis by a public agency, normally a local housing authority.

**Rehabilitation** - The process of returning a property to a state of utility, through repair or alteration.

**Replacement Housing** - Housing that a public agency must cause to be produced to replace housing destroyed by public action.

**Section 8 Rent Voucher (a.k.a. Housing Choice Voucher)** - Vouchers subsidize the rent based on the difference between 30% of the tenant's income and a Rent Payment Standard.

**Section 215** - Section 215 of Title II of the National Affordable Housing Act. Section 215 defines what constitutes "affordable" housing projects under the Title II HOME program.

**Senior Household** - One- or two-person households containing a person at least 62 years of age.

**Service Needs** - The particular services identified for special needs populations, which typically may include transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services to prevent premature institutionalization and assist individuals to continue living independently.

**Severely Cost Burden** - The extent to which housing costs, including utilities, exceed 50% of gross income, based on data published by the U.S. Census Bureau.

**Sheltered** - Families and persons whose primary nighttime residence is a publicly supervised or privately operated shelter (e.g., emergency and transitional shelters or commercial hotels/motels used to house the homeless). "Sheltered homeless" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or State Law.

**Small Household** - A household having fewer than 3 members.

**Single Room Occupancy Housing (SRO)** - Generally, one-room housing units such as boarding houses, rooming houses and motels and hotels. SROs are often situated in older downtown buildings, typically rented on a short- or long-term basis by lower income working and retired individuals, and mentally and physically disabled people.

**State** – Any State of the United States and the Commonwealth of Puerto Rico.

**Subrecipient** – A public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program

**Substandard Unit** - In general, any unit that suffers from some type of physical defect, such as electrical wiring that is not up to Code or lack of plumbing. There is no common definition of "substandard" housing among the federal, State, or local levels.

**Substantial Rehabilitation** - As used in this Consolidated Plan, "substantial rehabilitation" means any residential rehabilitation activity that costs more than \$25,000 per unit (federal definition).

**Supportive Housing** - Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a planned service component.

**Supportive Services** - Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, childcare, transportation, and job training.

**Tax Increment Funds** - Additional tax funds that result from increases in property values occurring within a specified Redevelopment Area. State law permits these funds to be earmarked for redevelopment purposes and requires that at least 20% be used to increase and improve the community's affordable housing supply.

**Tenant-Based Rental Assistance** - A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

**Transitional Housing** – A project that is designed to provide housing and appropriate supportive services to homeless persons to facilitate movement to independent living within 24 months, or a longer period approved by HUD. For purposes of the HOME program, there is no HUD-approved time period for moving to independent living.

**Unsheltered** - Families and individuals whose primary night-time residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings).

**Urban County** – HUD will determine if a county's combined population contains the required percentage of low- and moderate-income persons by identifying the number of persons that resided in applicable areas and units of general local government based on data from the most recent census, and using income limits that would have applied for the year in which that census was taken.

**Unit of General Local Government** – A city, town, township, county, parish, village, or other general purpose political subdivision of a State; an urban county; and a consortium of such political subdivisions recognized by HUD in accordance with the HOME program (24 CFR part 92) or the CDBG program (24 CFR part 570).

**Vacant Housing Unit** - Unoccupied year-round housing units that are available or intended for occupancy at any time during the year.

**Very Low-Income** – Defined by HUD as a household earning between 31% and 50% of the median area income.

**Year-Round Housing** - All occupied units and vacant units available for/or intended for year-round use.

**Zoning** - The act of city authorities specifying the type of use to which property may be put in specific areas.

**Zoning Ordinance** - The regulations of a municipality for controlling the character and use of property.