



City of  
**MOUNT  
VERNON**

# Appendix A

DEFINITIONS USED IN HOUSING ELEMENT

## HOUSING ELEMENT DEFINITIONS

Following is a list of terms and their associated definitions used in this Element that will be helpful to understand while reading this document.

TERM	DEFINITION
AFFORDABLE HOUSING	Affordable housing is housing for which the occupant is paying no more than 30 percent of their gross income for housing costs, including utilities other than telephone, cable, internet (and the like) to qualify as affordable housing.
AREA MEDIAN INCOME (AMI)	Also known as the median family income, is an estimate of median family income for a metropolitan or non-metropolitan area. These are developed with U.S. Census data and an inflation factor based on the CBO forecast of the national CPI. HUD calculates and releases this data on a yearly basis.  In Skagit County the AMI in 2015 for a family of four was \$68,200.00.
FAIR HOUSING ACT	The Fair Housing Act was adopted in 1968 (and amended in 1974 and 1988) providing the HUD Secretary with fair housing enforcement and investigation responsibilities. This law that prohibits discrimination in all facets of the home buying process on the basis of race, color, national origin, religion, sex, familial status, or disability.  The Fair Housing Program provides funding to public and private entities formulating or carrying out programs to prevent or eliminate discriminatory housing practices.
FAIR MARKET RENTS	FMRs are gross rent estimates that HUD calculates on a yearly basis. They include the rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service.  The 2016 Skagit County FMR for a three (3) bedroom unit is \$1,331.00.
FAMILY	According to the U.S. Census a family consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.
FARMWORKER(S), MIGRANT & SEASONAL	A seasonal farmworker is defined as a person who worked a total of 25 or more days (or parts of days) doing in which some work was performed in farmwork, earned at least half of their income from farmwork and was not employed in farmwork year round by the same employer during the previous 12 months (20 CFR Chapter V, Part 651, Section 651.10).  A migrant farmworker is a seasonal farmworker who had to travel to do farmwork so that they were unable to return to their permanent residence on the same date (20 CFR Chapter V, Part 651, Section 651.10).
HOMELESS PERSON	A "Homeless person" means an individual living outside or in a building not meant for human habitation or which they have no legal right to occupy, in an emergency shelter, or in a temporary housing program which may include a transitional and supportive housing program if habitation time limits exist. This definition includes substance abusers, people with mental illness, and sex offenders who are homeless (RCW 43.185C.010[12]).

TERM	DEFINITION
HOUSEHOLD	According to the U.S. Census a household consists of all people who occupy a housing unit regardless of relationship. A household may consist of a person living alone or multiple unrelated individuals or families living together.
HOUSING FIRST	<p>The National Alliance to End Homelessness describes the Housing First approach as follows:</p> <p>Housing First is an approach that centers on providing homeless people with housing quickly and then providing services as needed. What differentiates a Housing First approach from other strategies is that there is an immediate and primary focus on helping individuals and families quickly access and sustain permanent housing. This approach has the benefit of being consistent with what most people experiencing homelessness want and seek help to achieve. Housing First programs share critical elements:</p> <ul style="list-style-type: none"> <li>+ There is a focus on helping individuals and families access and sustain rental housing <i>as quickly as possible and the housing is not time-limited</i>;</li> <li>+ A variety of services are delivered primarily following a housing placement to promote housing stability and individual well-being;</li> <li>+ Such services are time-limited or long-term depending upon individual need; and</li> <li>+ Housing is not contingent on compliance with services – instead, participants must comply with a standard lease agreement and are provided with the services and supports that are necessary to help them do so successfully.</li> </ul>
HUD – U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	The Department of Housing and Urban Development (HUD) is a U.S. government agency created in 1965 to support community development and home ownership. HUD does this by improving affordable home ownership opportunities, increasing safe and affordable rental options, reducing chronic homelessness, fighting housing discrimination by ensuring equal opportunity in the rental and purchase markets, and supporting vulnerable populations.
<p>INCOME LEVELS:</p> <ul style="list-style-type: none"> <li>+ EXTREMELY LOW</li> <li>+ VERY LOW</li> <li>+ LOW</li> <li>+ MODERATE</li> <li>+ MIDDLE</li> </ul>	<p>Households are defined by HUD, and other Federal/State agencies, into the following general categories based on household income. The percentages listed below can vary; however, for the most part, the income percentages below are representative.</p> <p>“Extremely Low Income” means households whose incomes do not exceed 30 percent of the area median income.</p> <p>“Very low-income” means households whose incomes are between 31 and 50 percent of the area median income.</p> <p>“Low income” means households whose incomes are between 51 and 80 percent of the area median income.</p> <p>“Moderate Income” means households whose incomes are between 81 and 95 percent of the area median income.</p> <p>“Middle Income” means households whose incomes are between 96 and 120 percent of the area median income.</p>

TERM	DEFINITION
<p>LOW INCOME HOUSING TAX CREDIT (LIHTC)</p>	<p>The U.S. Department of Treasury allocates Federal Tax Credits to each state based on population. In Washington State the Housing Finance Commission administers the tax credits that are awarded to housing developers (generally non-profit) in exchange for the creation of housing reserved for those with very low incomes.</p> <p>“The LIHTC program provides tax incentives to encourage individual and corporate investors to invest in the development, acquisition, and rehabilitation of affordable rental housing. The LIHTC is an indirect federal subsidy that finances low-income housing. This allows investors to claim tax credits on their federal income tax returns. The tax credit is calculated as a percentage of costs incurred in developing the affordable housing property, and is claimed annually over a 10-year period. Some investors may garner additional tax benefits by making LIHTC investments. The equity raised with LIHTCs can be used for newly constructed and substantially rehabilitated and affordable rental-housing properties for low-income households, and for the acquisition of such properties in acquisition/rehabilitation deals”. (Community Developments Insights, Office of the Comptroller of the Currency, April 2014)</p>
<p>POVERTY</p>	<p>The Census Bureau uses income thresholds that vary by family size and composition to determine poverty rates. Poverty rates do not vary geographically (i.e. the rates are the same across the entire U.S.), but are updated for inflation.</p> <p>In 2015 a family of four had a poverty guideline of \$24,250.00.</p>
<p>SUBSIDIZED HOUSING</p>	<p>Within the context of this Element ‘Subsidized Housing’ means housing that is in part or whole paid for by someone other than the housing occupant.</p> <p>Housing subsidizes come in a number of different forms; and many times more than one type of subsidy is used to make a project affordable. More common types of subsidies include housing vouchers (tenant or project based), they can be public housing, they can be housing that has utilized Federal tax credits.</p>
<p>SUPPORTED HOUSING</p>	<p>This program is authorized by title IV of the Stewart B. McKinney Homeless Assistance Act (the McKinney Act). The program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible.</p>
<p>VOUCHERS</p>	<p>Housing vouchers are used by a number of different Federal programs such as HUD and the U.S.D.A. that pays a portion of rent and utilities for those who qualify for these programs. These programs are generally for those making less than 50 percent of the AMI. Those receiving a voucher are able to choose housing within a community and use their voucher to pay for part of their housing costs – making the vouchers tenant-based assistance. More common voucher programs include Section 8, and Veterans Affairs Supportive Housing (VASH).</p>
<p>WORKFORCE HOUSING</p>	<p>Workforce housing is a term that is becoming more commonly used; however, there is not a definitive definition for it. This term is generally meant to describe a situation when low to middle class residents are not able to live in the community they work in.</p> <p>In the context of this element workforce housing describes those working in Mount Vernon whose income is more than 60 percent of the AMI and less than 90 percent of the AMI. Residents that work in retail sales, food service, agriculture and tourism are among those who may have difficulty finding housing that is affordable to them.</p>