

AFFORDABLE HOUSING

Mini Glossary

Affordable

Any type of housing, including rental or home ownership, permanent or temporary, for-profit or non-profit, that costs less than 30% of a household's pre-tax income. *1

Capital "A" Affordable

Capital "A" Affordable housing refers to housing that is made affordable through subsidies provided by the government or a separate organization.

Small "a" affordable

Small "a" affordable refers to any housing that costs less than 30% of a household's income.

Anti-displacement

Refers to strategies or programs that expressly act to reduce or prevent direct, indirect, or cultural displacement.

Cost-Burdened and Extremely Cost-Burdened

Cost-burdened households spend more than 30% of their income on housing-related costs. Extremely cost-burdened households spend more than 50% of their income on housing-related costs.

Deeply Affordable

Refers to housing units that are affordable to households with the lowest incomes in the area, namely those with incomes at or below 30% of the Median Family Income (MFI) in the Metropolitan Statistical Area (MSA).

Displacement

There are several types of displacement that can occur in gentrifying neighborhoods:

Direct displacement

- Direct displacement occurs when residents can no longer afford to remain in their homes due to rising housing costs.

Indirect displacement

- Indirect displacement refers to changes in who is moving into a neighborhood as low-income residents move out. In a gentrifying neighborhood, when homes are vacated by low-income residents, other low-income residents cannot afford to move in because rents and sales prices have increased. This is also called exclusionary displacement.

Cultural displacement

- Cultural displacement occurs as the scale of residential change advances. Shops and services shift to focus on new residents, the character of the neighborhood is transformed, and the remaining residents may feel a sense of dislocation despite remaining in the neighborhood. *2

Fair Housing

Fair housing is a federally mandated right that prohibits discrimination in housing choice based on 7 factors: “race, color, national origin, religion, sex, familial status, and disability.”

The Fair Housing Act prohibits the discrimination of selling (including lending) or renting out housing based on characteristics related to these seven protected classes.

In Austin, local ordinance prohibits discrimination based on an additional five categories: “sexual orientation, gender identity, marital status, student status and age”. *3,4,5

Gentrification

A process through which higher-income households move into an area and housing costs rise, changing the character of the neighborhood.

Gentrification can include three dimensions: 1) the displacement of lower-income residents; 2) the physical transformation of a neighborhood—mostly through the upgrading of its housing stock and commercial spaces; and 3) the changing cultural character of a neighborhood. *6

HUD

U.S. Department of Housing and Urban Development. The federal department charged with administering federal programs related to housing.

Income-restricted units

Housing units available only to those whose income falls into a specific range. They may be owned by public (the city) or by private owners who receive government subsidies.

Market-rate housing

Refers to housing that is available on the private market, not subsidized or limited to any specific income level. *7

MFI and AMI

Median Family Income (MFI) is used interchangeably with the term Area Median Income (AMI).

Refers to the median income of households of varying sizes within a certain Metropolitan Statistical Area (MSA), as designated by HUD and updated on an annual basis. MFI provides the basis for income limits in subsidized affordable housing.

These are the latest MFIs for the Austin-Round Rock MSA.

Poverty

The income cutoffs used by the Census Bureau to determine the poverty status of families and unrelated individuals. *8

Preservation

When action is taken to ensure the federal housing subsidy and low-income housing restrictions remain in place, preserving long-term housing affordability. Often the property is purchased by a new owner who is committed to the long-term affordability of the property, which is renovated and managed with those values in mind. *9

Shared equity homeownership programs

Programs that create affordable homeownership opportunities for families with modest incomes. The model ensures that the homes remain affordable permanently to help family after family purchase the homes.

Subsidy

Funding for the development and/or maintenance of housing to ensure that units remain affordable to a target population. Subsidies are usually levied and managed by a federal, state, or local public entity.

Sources

- *1- [Texas Department of Housing and Community Affairs](#) (TDHCA)
- *2- [Uprooted Study](#).
- *3- [City of Austin](#)
- *4- U.S. Department of Housing and Urban Development, [Fair Housing Act](#)
- *5- [City of Austin](#)
- *6- [Uprooted Study](#).
- *7- StrongTowns
- *8- [TDHCA](#)
- *9- [National Housing Trust](#)