PITTSBURGH COMMUNITY REINVESTMENT GROUP

BREAKING DOWN BARRIERS:

AN INCLUSIVE GUIDE TO HOUSING TERMS

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OVERVIEW

"Information is the currency of democracy" - Thomas Jefferson

Housing policy is complicated, broad, and a sometimes-confusing space – even for experts in the field. Government policies and programs relating to housing, like many issues, are often bogged down with jargon and acronyms. Housing policies shape access to affordable housing, influence property values, and determine the socio-economic composition of communities. That said, unpacking housing terminology is paramount to understanding policy – a foundational element for strong community development. That solid background is also crucial for community members and stakeholders as it directly impacts the well-being of neighborhoods.

The goal of this guidebook is two-fold: to outline key housing terminology associated with policies, programs and agencies – as well as to break down often-used housing acronyms so that community leaders are well equipped to engage in civic processes that impact them the most. Access to housing information is vital for several reasons. Information **leads to transparency, accountability, community engagement and equity. It also helps communities avoid exploitation.** Here's how:

- **Transparency:** Accessible information ensures transparency in housing policies and programs, allowing stakeholders to understand the objectives, criteria, and processes involved.
- **Equity:** Ensuring community members have equal access to information about housing options, resources, and support programs – regardless of their socioeconomic status or background – promotes fairness and equality.
- **Informed Decision-Making:** Access to information empowers individuals to make informed decisions about housing, such as identifying and navigating appropriate programs, understanding their rights and responsibilities as tenants or homeowners, and knowing how and where to access available resources.
- **Accountability:** It holds policymakers and housing agencies accountable for their actions and decisions by allowing the public to scrutinize their policies, expenditures, and outcomes.
- **Community Engagement:** Accessible information encourages community engagement and participation in the development and implementation of housing policies and programs. This helps foster collaboration between

government agencies, non-profit organizations, residents, and other stakeholders.
- **Preventing Exploitation:** Understanding housing terminology is a tool that helps individuals better understand their housing rights, available protections against discrimination, and avenues for seeking assistance or redress in case of grievances. This critical information helps prevent exploitation and abuse.

Removing acronyms from housing discourse **enhances clarity, accessibility, inclusivity, accuracy, and collaboration.** This breaks down barriers to information and makes policies more understandable and actionable for all stakeholders. Here's how:

- **Clarity:** Acronyms can obscure meaning and confuse readers, especially those who are not familiar with the specific terminology used in a particular field or industry. Removing acronyms allows for clearer communication and comprehension of policy details.
- **Accessibility:** Acronyms can create barriers for individuals with limited English proficiency and those who are not well versed in technical jargon – essentially anyone not entrenched in the housing policy arena. By using plain language, policies become more accessible to a broader audience.
- **Avoiding Misinterpretation:** Acronyms can be interpreted differently, depending on the person or context, which can lead to misunderstanding or misinterpretation policy content. Using clear, descriptive language helps to mitigate this risk and ensures accurate communication.
- **Facilitating Collaboration:** Removing acronyms facilitates collaboration and communication among stakeholders who may come from diverse backgrounds or disciplines. It encourages a shared understanding of policy objectives and requirements, which is essential for effective implementation and enforcement.

By fully understanding housing policies, programs, and terminology, stakeholders can advocate for equitable housing opportunities, foster smart neighborhood growth, and address complex issues such as homelessness and gentrification, ultimately fostering healthier and more inclusive communities for all residents.

I hope you use this guidebook as a resource and refer to it often!

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COMMONLY USED HOUSING TERMS

Accessory Dwelling Unit (ADU): A smaller additional living space on the same lot as a single-family home. It must include living space independent of the primary residence, which means it must have its own bathroom, kitchen and respective utility hookups. An ADU may or may not include access to a primary residence, however, it must have its own entrance, accessible without going through the primary residence. It also must include features that allow it to maintain privacy from the home.

Affordable Housing: Often used to describe low-and moderate-income housing in a broader sense but it is a relative term. It generally refers to housing that costs no more than 30% of a household's gross monthly income, including utilities. It can include subsidized housing, public housing, and rent controlled housing.

Attainable Housing: Expands upon the traditional definition of "affordable housing." It goes beyond simply fitting within a particular income threshold and delves into broader concepts of accessibility and quality of life. Typically, the term is associated with middle-income households, overqualified for low-income affordable housing but don't make enough to buy a new or existing home.

Appraisal: The evaluation of a property's value conducted by a licensed appraiser to determine its fair market value, often done during the process of buying or refinancing a home.

Assessment: An evaluation conducted by a local government to determine the value of a property for taxation purposes. It determines the amount of property tax the owner is required to pay based on the assessed value of the property.

Community Land Trust (CLT): A non-profit organization that owns and manages land for the benefit of a community. The CLT separates land ownership from building ownership, typically holding land in perpetuity (or 99 years). This model aims to promote affordable housing, sustainable development, and community-driven development.

Community Development Financial Institution (CDFI): A non-profit financial organization that provides affordable financial services and credit to underserved communities and individuals.

Exclusionary Zoning: The use of zoning ordinances to exclude certain types of land uses and development from a given community, especially to regulate racial and economic diversity. The concept was first introduced in the early 1900s, typically to prevent racial and ethnic minorities from moving into middle and upper-middle class neighborhoods.

Inclusionary Zoning: Policy that requires developers to include a certain percentage of affordable housing units within new residential developments. It aims to promote socioeconomic diversity by ensuring people with varying income levels can live in the same communities.

Foreclosure: If the borrower fails to repay the mortgage according to the agreed terms, the lender has the right to take possession of the property.

Fair Housing: Prohibits discrimination in the sale, rental, and financing of housing (and related transactions) based on race, color, religion, sex (including sexual orientation and gender identity), familial status, national origin, and disability.

Home Equity: The value of ownership built up in a home or property that represents the current market value of the house, minus any remaining mortgage debt.

Housing Bond: A financial instrument issued by a government or housing authority to raise funds for housing-related projects or initiatives. Bond funds are usually used to finance construction, rehabilitation, or preservation of affordable housing units.

Low Density: A zoning term that promotes neighborhoods of conventional suburban single-family detached homes.

Medium Density: A zoning term that refers to a category of development that falls between detached, suburban-style housing and large multi-story buildings.

High Density: A zoning term that refers to housing developments that accommodate many people within a relatively small area of land. Typically involves building multiple housing units, such as apartments or townhouses near each other. It's a way to maximize land use efficiency while also promoting more sustainable modes of living, such as walking, biking, and public transit.

Mortgage: A loan provided by a bank or financial institution to help individuals purchase a home. The borrower agrees to repay the loan over time, typically with interest, and the home serves as collateral for the loan.

Lien: Also known as a property lien, it's a legal claim against property by a creditor or a government entity. It's placed on the property as security for an unpaid debt. When a person takes out a mortgage to buy a home, the lender places a lien on the property.

Tax Lien: If a homeowner fails to pay property taxes or other taxes owed, a government or utility entity may place a lien on the property to secure payment of debt.

Tangled Title: Refers to a situation where the ownership of a property is unclear, disputed, or difficult to establish due to various legal, financial, or administrative issues. Can be caused by inheritance issues (the owner passes away without a will), missing or incomplete documentation like a deed or mortgage, disputes over ownerships, unpaid taxes or liens.

Note: The currency issued by a central bank or government authority that represents a specified monetary value.

Missing Middle Housing: Homes that are geared towards working- and middle-class households in neighborhoods that are on the border of growth and decline. It also refers to the lack of medium density housing and is often characterized by a range of multi-family or clustered housing types that are compatible in scale with single-family or transitional neighborhoods.

New Urbanism: Refers to an urban design trend that promotes environmentally friendly habits by creating walkable neighborhoods that contain a wide range of housing and job options. It's specially designed to fix the flaws of suburban sprawl.

Urban or Suburban Sprawl: The spreading of urban developments on undeveloped land near or densely populated city or community.

Low-Income Housing: Housing units that are designed to be affordable for individuals or familiar with limited financial resources. Typically subsidized by the government and come in various forms—public housing projects, subsidized rental housing, or housing vouchers.

NIMBY: Acronym for the phrase "Not in My Backyard", which signals opposition by residents to proposed development in their area, as well as support for stricter land use regulations. It also implies residents are only opposing the development because it's close to them and that they would tolerate or support it if developed further away.

YIMBY: Acronym for the phrase "Yes in My Backyard". It's a philosophy that advocates for the development of more housing, particularly affordable and mixed income housing in urban areas. YIMBY supporters believe that increasing housing supply is essential for addressing housing affordability issues and promoting inclusive communities.

Public Housing: Form of housing in which the property is owned by a government authority. The goal of public housing is to provide affordable housing for people with low incomes, seniors, and people with disabilities. Public housing comes in all types, from single family houses to high-rise apartments for older and disabled residents.

Scattered Sites: A form of public housing, typically for low-income families, built throughout an urban or suburban area rather than being concentrated within a single neighborhood.

Subsidized Housing: Housing units where the government provides financial assistance to help lower-income individuals or families afford housing costs. It can come in various forms – including direct rent subsidies, reduced rent subsidies, reduced rent payments, or subsidies to developers to construct or maintain affordable housing units.

Workforce Housing: Concept that can refer to any form of housing, including home ownership of single-family units or multi-family rental units. It's generally understood to mean affordable housing for households with incomes that are insufficient to secure quality housing near their primary workplaces.

Social Housing: Housing provided by the government or non-profit organizations at below market rates to individuals or families with low incomes. Social Housing encompasses a broader range of housing options provided by both government and non-profit entities, while public housing is typically owned and operated by government agencies.

Transit Oriented Housing: Development that maximizes the amount of housing within walking distance of public transit and promotes the relationship between urban density and public transportation use.

Mixed Income Housing: Housing development that includes a variety of housing units designed for people with different income levels. These housing developments typically feature a combination of market-rate, affordable and sometimes even luxury housing units within the same building or neighborhood. It aims to promote socio-economic diversity.

Low-to-Moderate Income Housing: Housing designed to be affordable for individuals or families with incomes below a certain threshold. This typically targeted towards those who earn a moderate or low income, which can vary depending on factors such as family size and location. This type of housing may be subsidized by the government or provided by a non-profit.

Rent controlled Housing: Housing where government sets limits on how much landlords can increase rent, typically to protect tenants from significant rent hikes. These limits are usually based on factors such as inflation or the cost of living and are intended to help maintain housing affordability for tenants, especially in gentrifying areas and those where rental prices are rapidly increasing.

Rent to Own Housing: An agreement between a tenant and landlord, where the landlord agrees to sell property to renter after an agreed amount of time. In some cases, the rent an individual pays during their tenancy is applied toward the purchase cost.

Manufactured Housing: Homes built in a factory and then transported to certain sites for installation. Owners of manufactured homes typically rent the plots of land their houses sit on. Manufactured homes are commonly referred to as "mobile homes", a misnomer since it's costly and difficult to move these structures without compromising their integrity.

Property Disposition: Refers to the process of selling, transferring, or getting rid of a property.

HOUSING-RELATED AGENCIES AND DEPARTMENTS

Federal

U.S. Department of Housing and Urban Development (HUD): Federal agency responsible for overseeing programs and policies related to housing and urban development in the United States.

Federal Housing Agency (FHA): Part of HUD, the agency provides mortgage insurance on loans made by FHA approved lenders for mortgages on single family houses, multifamily properties, residential care facilities, and hospitals.

Federal Housing Finance Agency (FHFA): Established during the 2008 housing crisis, it's responsible for the supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal Home Loan Bank System (FHLB). The FHFA aims to ensure that Fannie, Freddie and the FHLBs fulfill their mission by operating in a safe and sound manner to serve as a reliable source of liquidity and funding for housing finance and community investment.

Government Sponsored Enterprise (GSE): A quasi-governmental entity established to enhance the flow of credit to specific sectors of the U.S. economy. GSEs do not lend money to the public directly. Instead, they guarantee third-party and purchase loans in the secondary market, thereby providing money to lenders and financial institutions.

Fannie Mae: A GSE that expands the secondary mortgage market by securing mortgage loans in the form of mortgage-backed securities, which allow lenders to reinvest their assets into other institutions to increase the number of lenders in the mortgage market by reducing the reliance on locally based saving and loan associations (or "thrifts"). Created right after the Great Depression, it's the largest public corporation in the U.S. and 4th largest in the world.

Freddie Mac: A GSE that was created in 1970 to expand the secondary market for mortgages along with Fannie.

Federal Home Loan Banks (FHLBs): GSEs that support mortgage lending and community investment. The essential mission of the FHLBs provides liquidly to their members to support housing finance and community development. The system consists of 11 regional banks, the Office of Finance, and the Council of Federal Home Loan Banks.

State

Pennsylvania Housing Finance Agency (PHFA): A state agency that helps provide affordable homeownership and rental housing options for Pennsylvanians. They offer financing options, assistance programs, and support services to help individuals and families find and maintain safe and affordable housing.

Department of Community and Economic Development (DCED): A government department that oversees development initiatives and programs throughout Pennsylvania. It's led by a secretary appointed by the Governor. Its staff provide strategic technical assistance, programing, policy and financial resources to communities and industries to promote economic growth.

Local

Housing Authority of City of Pittsburgh (HACP): A municipal corporation responsible for providing and managing public housing, scattered sites, housing assistance programs for low-income persons (Section 8). It's governed by a board of directors, which sets an annual budget.

Urban Redevelopment Authority of Pittsburgh (URA): A City of Pittsburgh economic development arm and quasi-governmental agency that is dedicated to enhancing development, affordable home ownership, entrepreneurship, and neighborhood revitalization. It's governed by a five-person board of directors. The URA administers affordable housing programs in Pittsburgh like the Housing Opportunity Fund (HOF).

City of Pittsburgh Land Bank (PLB): Created in 2014 as a quasi-governmental land recycling agency for the City of Pittsburgh, the PLB is governed by a nine-member Board of Directors. Its stated mission is to return unproductive real estate (like vacant lots) to beneficial reuse with the goal of revitalizing neighborhoods and simultaneously strengthening the city's tax base.

Allegheny County Housing Authority (ACHA): A county wide authority with a mission to provide safe and decent affordable housing for low-income residents. ACHA offers the Housing Choice Voucher Program (HCVP) and Public Housing placements. It's governed by a board of directors nominated by the Allegheny County Executive.

Allegheny County Economic Development (ACED): An economic development arm of county government. ACED staff offer information and expertise on economic development projects – including residential. ACED coordinates initiatives to maintain and enhance the economic, social, and environmental quality of life for county residents.

Redevelopment Authority of Allegheny County (RAAC): A county authority that assists with the generation, stimulation, and management of economic and community growth. RAAC can acquire and prepares local real estate for economic development, manage financing from public sources and facilitate the reuse of vacant, tax-delinquent, or blighted properties.

Residential Finance Authority of Allegheny County (RFA): An authority that issues legal commitments or guarantees on behalf of developers for financing or refinancing costs incurred for the acquisition, new construction, rehabilitation, renovation, or improvement of a property. Projects can include multifamily dwellings, nursing facilities, and personal care homes. RFA can also assist eligible, first-time homebuyers with low interest fixed-rate mortgages, down payments, and closing costs. The first-time homebuyer program is not currently active.

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HOUSING PROGRAMS & INCENTIVES

It's important to remember that for most housing programs, particularly local assistance, eligibility requirements are based on income metrics called the **Area Median Income (AMI)**. AMI is determined and calculated by the Department of Housing and Urban Development (HUD).

To qualify for most programs administered in the Pittsburgh region, a household's total household income must be at least 80% of the AMI, which is $80,300 for a family of four. As defined by the Pittsburgh Metropolitan Statistical Area (MSA), the region includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, Westmoreland and Lawernce Counties.

Federal

Low Income Housing Tax Credit (LIHTC): A federal program managed by a state department or agency (the PHFA in PA). It provides tax incentives to developers for the construction and rehabilitation of housing units, with the stipulation that a developer must reserve a certain percentage of rent-restricted units for lower-income households. Usually, tax credits are binding for 10 years.

- **4% deal:** A 30% subsidy for the acquisition of existing buildings for rehabilitation and new construction financed by tax exempt bonds.
- **9% deal:** A 70% subsidy is usually for new construction and substantial rehabilitation without federal subsidies.
- **Twinning:** A hybrid LIHTC project that can be structured as a single 4% or 9% but is instead structured as separate components of the same project. They're independently financed, using 4% on one portion of the project and 9% on the other.

Housing Choice Voucher (Section 8): A HUD program that helps low-income individuals and families afford safe and decent housing in the private market by subsidizing a portion of their rent.

Choice Neighborhoods: A HUD program leverages public and private dollars to support locally driven developments that address neighborhoods with distressed public and HUD-assisted housing through a comprehensive planning process. There are both planning grants and implementation grants available through the program.

Community Development Block Grants (CDBG): A HUD program that provides formula-based funding directly to states and local governments for various projects, such as affordable housing, infrastructure improvements, and economic development activities.

Section 108 Loan Guarantee: A HUD program that provides Community Development Block Grant recipients the ability to leverage their annal grant allocation to access low-cost, flexible financing for housing. Communities can use Section 108 guaranteed loans to either finance specific projects, or to launch loan funds to finance multiple projects over several years.

HOME Investment Partnerships (HOME): A HUD program that provides states and municipalities (can be on behalf of private, non-profit developers) with grants and technical assistance to expand the supply of affordable housing for low- and very low-income residents. Grants can be used to rehab substandard, owner-occupied housing, homebuyer assistance, development of affordable homebuyer or rental housing, and operational support for non-profit groups that qualify as Community Housing Development Organizations.

State

Neighborhood Stabilization Program (NSP): A direct grant program for communities and funded by Community Development Block Grants and administered by the state's DCED that aims to address the housing foreclosure crisis. Grants can be used for the acquisition, rehabilitation, demolition, land banking, financing tools and housing counseling services.

Whole Home Repairs: A program that provides direct grant funding to county agencies that then pass up to $50,000 directly to a homeowner. It aims to address habitability, safety, and environmental measures to improve efficiency and make units more accessible. The program also provides funding to the counties for construction-related workforce development.

Pennsylvania Housing and Rehabilitation Enhancement Fund (PHARE): A flexible program that assists organizations with the creation, rehabilitation, and support of affordable housing throughout Pennsylvania. The program is administrated through the PHFA and funded through the PA Reality Transfer Tax Fund, National Housing Trust Fund and Marcellus Shale Fund proceeds.

Neighborhood Assistance Program (NAP): A tax credit program administered by the DCED that encourages private businesses to invest in projects and organizations to improve distressed areas. Sub tax credit programs under NAP are the Special Program Priorities (SPP), Charitable Food Program (CFP) and Enterprise Zone Program (EZP). Each program has different guidelines, requirements, and terms. Current budget allocation is funded at $36 million per year.

Historic Preservation Tax Credits: A tax credit program administered by the DCED and the PA Historical and Museum Commission that goes towards the rehabilitation of historic buildings. The maximum credit is 25% of qualified expenditures, capped at $500,000 per project. The current budget allocation for the program is $5 million per year.

Local Programs

Low Income Economic Revitalization Tax Assistance (LERTA): A tax incentive or tax exemption program for property owners implemented by local taxing bodies (city, school, and county) to encourage economic development and revitalization in specific areas.

Tax Increment Financing (TIF): A public financing method used by local government taxing bodies to fund infrastructure and community development projects by earmarking future increases in property tax revenue from a designated area for those projects.

Conservatorship: A legal process where a court appoints a conservator – usually a government agency, non-profit organization, or individual – to manage and rehabilitate neglected or abandoned properties. The goal is to address blight, improve housing conditions, and revitalize communities by taking control of properties that have fallen into disrepair.

OwnPGH: A program with the URA, Housing Authority of Pittsburgh, and banks that offers eligible homebuyers up to $90,000 in grant funding for home purchases. Applicants must have a household income of 80% of the Area Median Income (AMI) or below to qualify. The program is administered by the URA.

Housing Opportunity Fund (HOF): A $10 million fund administered by the URA, governed by a separate HOF board that directs funding into the following program areas:

- **Legal Assistance:** Legal housing assistance for homeowners and renters.
- **Down Payment and Closing Cost Assistance:** A financial assistance to eligible first-time homebuyers for new construction or home rehabilitation.
- **Housing Stabilization:** One-time or short-term financial assistance for households facing temporary, non-recurring housing crises.
- **Rental Gap:** Provides loans to nonprofit developers for the creation and preservation of affordable units.
- **For Sale Development:** Provides low-interest rate construction financing and/or grants to developers.
- **Small Landlord Fund:** Funding for landlords with ten or fewer unites for the preservation of existing affordable rental housing or the conversion of market or vacant housing to affordable housing.
- **Homeownership Assistance:** Provides up to $35,000 in financial assistance to eligible homeowners for rehabilitating and improving residential owner-occupied properties.

Gaming Economic Development Tourism Fund (GEDTF): Grants for municipalities, authorities, councils of government, and non-profit organizations to use for current or future economic development projects. It's administered by the RAAC and is highly competitive and restrictive.

Allegheny Housing Development Fund: Financing administered by the ACED to nonprofit and for-profit housing developers for the construction or renovation of affordable housing. CDBG, HOME Investment and Housing Trusts are all sources of funding for this program.

Home Improvement Loan Program: An ACED program administered through RAAC that offers direct assistance to eligible homeowners (based on income and household size) for making home repairs, lead hazard reduction, accessibility improvements, and public sidewalk repairs. Grants may also be provided if the funding is available. The program is not available for residents of Pittsburgh, McKeesport, Penn Hills, McDonald, and Trafford.

Vacant Property Recovery Program: An ACED program overseen by the RAAC that allows individuals, municipalities, community groups, local businesses, and developers to acquire vacant or blighted properties. Eligible applicants must have a reuse plan and the capacity to implement it.

Allegheny County Lead Safe Program: An ACED program that offers qualifying homeowners and renters free lead-paint testing and hires a certified lead abatement contractor to stabilize or eliminate the lead paint, if present.

Save Your Home Program: An Allegheny Court of Common Pleas program set up to assist homeowners facing foreclosure. It delays the foreclosure process to give participants the opportunity to negotiate a settlement and/or payment agreement. Homeowners can access advocacy resources and assistance navigating the program through non-profit service agencies like Action Housing.