
Glossary of Terms

Affordable Housing - Affordable housing is a relative term, depending on the income level of a specific household. General standards for rental affordability are 30% of household income for housing expenses. In ownership housing, affordability is often defined by mortgage industry lending standards, which generally allow 28% to 31% of gross household income for housing expenses including principal, interest, taxes and insurance. In this study, we have defined ownership affordability as 2 ½ times the median household income estimate. We have defined affordable rental as 30% of the median household income.

Annexation - A process of one governmental entity acquiring land from another governmental entity. Usually cities acquiring land from adjacent townships for the purpose of development expansion.

Assisted Living - A senior housing arrangement which incorporates independent housing with a limited service package which typically includes three meals per day, 24-hour supervision, housekeeping, linen service, activities and limited personal care assistance.

Board and Lodging Facility - A group housing arrangement which typically includes a private sleeping room, a private or shared bathroom, group eating and living quarters and three meals per day.

Bonding Capacity - The maximum financial burden for which a governmental entity is allowed to bond.

C-40 Construction Reports - A monthly and annual summary of the number and valuation of new privately owned housing units authorized in permit-issuing places. This is prepared by the U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census.

Community Action Programs - Community action programs provide transitional housing for needy families; conservation, energy assistance and weatherization grants and loans to low-income families; and rehabilitation and repair grants and loans to homeowners.

Claritas - A leading provider of demographic data including information from census years 1980 and 1990 as well as current year estimates and five year projections. The major demographic information relates to population, households, income and housing data. A for-profit company.

Congregate Housing - A senior housing arrangement which incorporates independent housing with a limited service package which typically includes one meal per day, 24-hour emergency response, weekly light housekeeping and an activities program.

Cooperatives - A multi-family facility where each unit is independently owned by the tenant and an annual fee is assessed for maintenance and upkeep.

Demographics - Characteristics of a population including age, sex, income, households, etc.

Developers - Persons coordinating the construction of housing and commercial/industrial buildings.

Developmentally Disabled - A person with a disability which limits them from normal function in society, originated prior to age 18 and is expected to continue indefinitely.

Economic Development Authority (EDA) - The Economic Development Authority is a governmental entity whose purpose is to spur new economic development in their locale or region.

Essential Function Bonds - Tax exempt general obligation or housing revenue bonds authorized for use by Housing and Redevelopment Authorities and Economic Development Authorities.

Fair Market Rents - Rents set at 40% of the median rent of the area. These rents are used in the Section 8 Existing Rent Assistance Program to define acceptable rent levels.

Farmers Home Administration (FmHA) - Now known as Rural Development, this government agency provides five major single-family home loan programs in Minnesota. In addition, RD administers a multi-family loan program.

General Obligation Bonds - Tax-exempt municipal bonds owned and backed by the full faith and credit of the city which owns the housing project.

General Occupancy Housing - Multi-family rental housing with no income, age or physical disability limitations.

Greater Minnesota Housing Fund - The Greater Minnesota Housing Fund (GMHF) is a nonprofit organization committed to supporting affordable housing development for working families in the 80 Minnesota counties outside of the Twin Cities metro area. Funded with \$25 million from the Blandin and McKnight Foundations, GMHF helps communities assemble project resources and provides modest gap financing. The fund also undertakes research and development on the best practices in affordable housing development, cost control and design techniques, employer assisted housing, public policy analysis, and the identification of other unmet housing needs in Greater Minnesota.

Group Homes - Supervised housing designed to accommodate the needs of like individuals in a group setting. Typically, each resident has a private sleeping room with a shared bathroom, eating area and living quarters.

Housing and Redevelopment Authority (HRA) - A public body organized under Minnesota statutes 469.001 to 469.047. This authority gives cities, counties and multi-county jurisdictions the power to coordinate low income housing and single family, multi-family and commercial building rehabilitation for the purpose of providing affordable housing, economic development, and redevelopment.

Housing Revenue Bonds - Tax-exempt municipal bonds backed by the revenues of the housing project they are used to finance.

Housing Tax Credits - Federal income tax credit for investors who invest in new construction or substantial rehabilitation of low income rental housing.

Housing and Urban Development Agency (HUD) - Currently in a state of transition, the Department of Housing and Urban Development is facing funding uncertainty. However, plans are underway for three block-style grant programs called Housing Certificates for Families and Individuals, Community Opportunity Fund, and the Affordable Housing Fund. Other plans call for public housing to move from project-based assistance to tenant-based rent vouchers and for consolidation of nine programs into the Public Housing Capital Fund.

Independent Housing - Multi-family housing designed for persons capable of maintaining an independent lifestyle free of ongoing support services such as nursing or personal care assistance.

Infrastructure - In a community setting, these are the public utilities and municipal source and treatment facilities.

Low Income Elderly Housing - Government subsidized housing set aside for occupancy by persons over the age of 62 with incomes below a level annually set by the Housing and Urban Development Agency. Representative housing types would include Rural Development 515, HUD Section 8 or 202, and public housing. The tenant usually pays up to 30% of their income toward rent, with the federal government paying the difference between the 30% level and the fair market rent of the area.

Low Income Family Housing - Government subsidized housing set aside for occupancy by anyone with an income below a level annually set by the Housing and Urban Development Agency. Representative housing types would include Rural Development 515, HUD Section 8 or 202, and public housing. The tenant usually pays up to 30% of their income toward rent, with the federal government paying the difference between the 30% level and the fair market rent of the area. Low income housing generally serves households that are below 50% of the median County income level.

Market Rate Housing - General occupancy, family and elderly multi-family rental housing without government subsidies. The tenant must pay the full amount of rent as established by the building owners.

Median Family Income - The median value divides a distribution into two equal parts, one-half of the values being above the median and the other half being below the median. A family is a household containing two or more persons related by birth, marriage or adoption.

Median Household Income - The median value divides a distribution into two equal parts, one-half of the values being above the median and the other half being below the median. Households include all persons who occupy a housing unit, including families, one person households, and unrelated individuals living together.

Minnesota Department of Employment and Economic Development (DEED) - State government agency responsible for economic development, community development, trade and tourism activities. Also responsible for tracking employment, unemployment, labor force and wage data for the State. DEED administers the Small Cities Development Program, which is an annual competition of cities and counties for grant funds for housing, community development and public facilities projects.

Minnesota Housing Finance Agency (MHFA) - Addresses housing needs of Minnesotans through financial and technical assistance. While its largest funding source is the sale of tax-exempt revenue bonds, it is also backed by MHFA earnings and the federal and state governments.

Minnesota Housing Partnership - MHP's mission is to advance the preservation and creation of housing affordable to low- and moderate-income people as a means of strengthening communities and families throughout Minnesota.

Minnesota State Demographer - The state agency responsible for tracking and analyzing housing data including household and population changes as well as income information for all communities in the state.

Mobile Home - For this study we have defined mobile homes as a structure type, independent of actual mobility. When references are made to mobile homes, we mean traditional, "single wide" units, regardless of the presence of wheels or a permanent foundation. "Double-wide" mobile homes are often difficult to distinguish from other single family homes. The only double-wide homes that are included in mobile home data in this study are those double-wides that are located in mobile home parks and are taxed as personal property.

Moderate Income Housing - Housing for persons with incomes between 50% and 115% of the annual median income for the area. Rental programs for moderate income households will generally serve households up to 80% of the County median income level. Home ownership programs for moderate income households can often serve households up to 115% of the County median income level.

Modular Home - As used in this study, modular home refers to a housing unit that was constructed at a remote location and moved to the lot, rather than built on site. Some modular homes are constructed and shipped as two separate components. Others are factory built as component pieces and are assembled on site.

Multifamily Housing - A housing facility consisting of more than one household structure.

Housing Study - A housing study of a predetermined market area which assesses the housing needs of all types of housing (i.e., low income apartments, moderate income apartments, market rate apartments, congregate apartments, and single family homes) for the purpose of identifying particular housing needs.

Public Housing - Federally funded low rent housing program through HUD that provides low income housing in family and elderly multi-family housing buildings.

Rehabilitation - Renovation or repair of existing structures mainly residential in nature, but could include mixed use and commercial buildings as well.

Rental Assistance - State and federal assistance to help make rental housing more affordable for low income renters. This program is both project-based where a building is established as a rental assistance facility, and tenant-based, where the renter can utilize rental assistance wherever they reside.

Residential Alzheimer's Unit - A group housing facility, located in a residential, non-institutional setting, designed to accommodate small numbers (usually 10-12) of persons with early stages of Alzheimer's Disease.

Rural Development (RD) - Formerly known as the Farmers Home Administration of the U.S. Government, RD provides five major single-family home loan programs in Minnesota. In addition, RD administers a multi-family loan program.

Scattered Site Housing - Multiple family housing units comprising four units or less spread throughout a community or region.

Single Family Home - A housing structure which is independent and detached from any other housing structure with the intent of providing housing for one family unit.

Single Family Attached Home - A housing structure which is physically attached to another housing unit, such as half of a twin home, or a town house unit. Single family attached housing is usually used to define a unit that is attached, but typically individually owned. Town house units that are used for rental housing are generally referred to as multifamily units, since the individual units are not owned separately.

Student Housing - Multiple housing facilities constructed for the intent of providing housing for post high school students. This may or may not be located on a school campus.

Subsidized Housing - Housing designed for persons with annual incomes lower than 80 percent of the median annual income for the area. Residents are required to pay no more than 30% of their annual income for rent. The Federal Government pays the remaining portion of their rent if it exceeds 30% of their income.

Tax Increment Financing (TIF) - Taxes on the increased or incremental value of the assisted property are captured for a limited time and used to pay debt service costs on any debt that was incurred to finance those development costs.

Upscale Elderly Housing - Housing designated solely for persons over age 55 which features a variety of amenities. The rents are usually set at the upper quartile of rents for the area.

Upscale Family Housing - Housing open to anyone that can afford to pay the higher rents usually represented by the upper quartile of rents for the area. These buildings usually feature a variety of amenities for use by the tenants, thereby justifying the higher rents. They typically represent apartments with large square footage and unique design characteristics.

Windshield Survey - A method of judging housing condition that is based on a street viewing of a structure's visible, exterior condition. While a windshield survey can identify exterior defects, it does not assess interior conditions or mechanical systems.