

Appendix B: LCC Task Force on the Long-Term Sustainability of Affordable Housing: Terminology Resource

Below are terms and acronyms mentioned by task force members at the first task force meeting on August 28, including verbal comments and contributions to the meeting's "Mural" digital workspace. Brief informal definitions have been added by task force staff to create this resource for members.

AHIC: Affordable Housing Investors Council, equity investors in the Low-Income Housing Tax Credit (LIHTC) program come together to network, learn, share, and develop best practices for creating affordable housing.

AMI: Area Medium Income is the midpoint of a region's income distribution, half of families in a region earn more than the median and half earn less than the median. For affordable housing purposes, HUD calculates the rent and income limits based on AMI on an annual basis.

Block Grants: fixed amounts of money that the federal government gives to state and local governments to support programs that improve public housing and living environments. HUD administers the block grants to support community development and homeownership.

HAP: Housing Assistance Payment, a written agreement between a public housing agency and property owner that defines the number of units that are eligible for Section 8 rental subsidies. The contract is used to assist Section 8 tenants under the Housing Choice Voucher program of HUD.

HCV: Housing Choice Voucher Program, the federal government's major program for housing assistance to American families, designed to allow families to move without the loss of housing assistance.

HIB: Housing Infrastructure Bond, program was established in MN Statute 462A.37 in 2012. HIBs are special, limited obligation Tax-Exempt Bonds issued by MN Housing, the principal and interest on which are paid solely from appropriations from the General Fund of the state.

HRAs: Housing and Redevelopment Authority, a legal authority that manages public housing programs and properties, and helps with redevelopment projects. HRAs also help to promote affordable, safe, and decent housing, and to prevent or eliminate blight.

HUD: U.S. Department for Housing and Urban Development, a federal agency responsible for national policy and programs that address America's housing needs, improve, and develop the Nation's communities, and enforce fair housing laws.

ISG: Interagency Stabilization Group is a coalition of local, state, and federal funding entities, along with the Greater Minnesota Housing Fund and Family Housing Fund, that meets regularly to discuss troubled or potentially troubled properties, determine who can help lead the solution, and who is positioned to be involved in identifying a solution.

LIHTC: Low-Income Housing Tax Credit, program awards and allocates federal tax credits to owners of qualified affordable rental housing projects. The credits can be used to reduce federal income tax liability on a dollar-for-dollar basis. The value of the credits allows qualified families to lease housing at below-market rates.

MURL: Minnesota Urban and Rural Homesteading provides homeownership opportunities to homebuyers who will assist in stabilizing declining neighborhoods. Administrators of the program are provided grant funding to acquire and rehabilitate such housing.

NOAH: Naturally Occurring Affordable Housing, residential rental properties that are affordable, but are unsubsidized by any level of government. Their rents are relatively low compared to the regional housing market, often due to property age, physical condition, and/or amenities.

PHA: Public Housing Agency, a local office that manages public housing properties and administers federal funded housing assistance programs. PHAs provide affordable rental housing to people with low incomes, seniors, and people with disabilities. They also help families join the Housing Choice Voucher program, also known as Section 8 housing benefits, by providing monthly rental assistance. Each PHA engages in different activities and not all PHAs own properties or operate Section 8 housing.

PSH: Permanent Supportive Housing, a program that provides long-term housing and support services for people who are experiencing homelessness or are at risk of becoming homeless. PSH is a multidisciplinary approach that combines housing assistance with voluntary services to help people live independently.

TIF: Tax Increment Financing, a public financing method that uses future property tax increases to fund improvements in a designated area. The goal of TIF is to encourage economic development, job creation, and private investment in regions that may not be seeing appropriate growth. TIF districts are areas within a local government's jurisdiction that are designated by law.

QAP: Qualified Allocation Plan outlines the application requirements and selection criteria for receiving affordable housing development funding. The QAP helps direct federal affordable housing funds to where they are most needed. The QAP is a federal requirement for all LIHTC administering entities, and the QAP provides the procedures and process for allocating the LIHTC. The QAP is not related to any other type of funding. In Minnesota, some refer to the QAP as the document that also allocates other kinds of funds, but that is inaccurate.

Redlining: the practice of denying a creditworthy applicant a loan for housing in a certain neighborhood even though the applicant may otherwise be eligible for the loan. Typically seen as a discriminatory practice. The term comes from the practice of lenders drawing red lines on maps to indicate neighborhoods where they wouldn't lend money.

4d(1) Tax Rate: the tax class rate in MN is .25% for qualifying low-income rental properties. This rate applies to the portion of the property that meets all eligibility criteria. Property

owners can use the tax savings from the 4d(1) program to help pay for property maintenance, security, and improvements, or to increase rent or add to the property's replacement reserve account.