

Affordable Housing Glossary

The Bedford Housing Partnership has prepared this glossary as a useful guide to commonly used terms and definitions for those wishing to learn more about affordable housing in Massachusetts and in the Town of Bedford, in particular.

Affordable Housing – Housing targeted to and affordable by households that meet specific income eligibility levels, typically households earning below 80% of the metropolitan area’s median income (or AMI). “Affordable housing” does not refer to the design, type, or method of construction of a housing unit or development, but to the cost of the housing to the consumer. Housing is generally considered affordable if the household pays less than 30 percent of its monthly income to secure the housing.

10% – The required percentage of year round housing stock in a community that must be Affordable, per MGL Chapter 40B. A community’s percentage is monitored by DHCD and published as the SHI.

Affordable – As defined by DHCD, affordable actually means that the unit qualifies for inclusion on the SHI.

Area Median Income (AMI) – HUD annually publishes the AMI or area median income limits nationally, and these are used for eligibility in most housing programs. HUD estimates the median family income for an area in the current year at various levels (30% AMI, 50% AMI, 80% AMI and 100% AMI), adjusted household sizes so that incomes may be expressed as a percentage of the area median income. For example, a household's income must be less than the 80 percent area median income, to be eligible for inclusion on the SHI or in affordable housing programs.

Affordable Housing Restriction - There are many forms of restrictions, but they must contain some language to document the income levels of the resident selection, the rent/sale price methodology, the Monitoring Agent and identify on-going compliance requirements. This Restriction and all of the covenants, agreements and restrictions will be deemed to be an affordable housing restriction as that term is defined in G.L. c. 184, § 31 and as that term is used in G.L. c.184, § 26, 31, 32 and 33.

Chapter 40B – Massachusetts General Law Chapter 40B was enacted in 1969 to address the shortage of affordable housing statewide by eliminating barriers created by local zoning and approval processes. If a community has yet to obtain the mandated 10% and at least 20-25% of the units have a long-term affordability restriction, Ch. 40B requires the Board of Appeals to approve the project.

Cohousing - An intentional community of private homes clustered around shared space. Each attached or single family home has traditional amenities, including a private kitchen. Shared spaces typically feature a common house, which may include a large kitchen and dining area, laundry, and recreational spaces. Shared outdoor space may include parking, walkways, open space, and gardens. They are sometimes structured legally as a condominium.

Congregate Housing - Housing accommodation that offers separate rooms or apartments but provides shared activities of daily living with other residents. These are also called group homes.

Cost Burden – The percentage of household income spent on mortgage costs or gross rent. According to HUD, households spending more than 30% of income on housing costs are considered "cost-burdened," while those spending more than 50% are "severely cost-burdened."

CPA – The Community Preservation Act (MGL Ch. 44B) helps communities preserve open space (passive or active), historic resources, and create affordable housing by creating a dedicated funding stream. A

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minimum of 10% of the annual fund revenues must be used for each of the three categories, while the remaining 70% may be allocated to any one of, or any combination of, the allowed uses. Bedford became the first community to pass the Community Preservation Act (CPA). Housing units created with CPA funds must be available to households under 100% AMI, and secured with a deed restriction.

DHCD – The Massachusetts Department of Housing and Community Development (DHCD) is the state agency responsible for promulgating housing regulations, overseeing completed affordable housing developments and units, and offering programs and funding targeted at income eligible households.

Fair Housing Act/MA Fair Housing Act - Federal legislation, first enacted in 1968 and expanded by amendments in 1974 and 1988, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. The law prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, of familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

HOME Program – Administered by HUD, the HOME Investment Partnerships Program is the largest Federal block grant to State and local communities to use, often in partnership with local nonprofit groups, to fund the construction, purchase, and/or rehabilitation of affordable housing units, or direct rental assistance to low-income households. Bedford has participated in the HOME program through its membership in the WestMetro HOME Consortium.

HUD – The United States Department of Housing and Urban Development’s (HUD) mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination.

Income Eligibility Levels / Limits – Various programs use different income levels, or limits, to both qualify the household and to set the rent/sales price, usually tied to some percentage of AMI, adjusted for family size. The most important classifications relating to income limits are 80% AMI, 50% AMI, and 30% AMI. Unfortunately, there is not always perfect symmetry between HUD and DHCD on the terminology used to describe the levels of income, that is, the terms used to describe the percentage, like “low income,” “moderate income,” or even “low-mod.” The percentages, however, are consistent and can be used to clearly identify the target population.

2021 Income Limits - Boston Cambridge-Quincy MSA

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6-Person Household
Very Low Income 50%	\$47,000	\$53,700	\$60,400	\$67,100	\$72,500	\$77,850
Low Income 80%	\$70,750	\$80,850	\$90,950	\$101,050	\$109,150	\$117,250
Area Median Income 100%	\$84,560	\$96,640	\$108,720	\$120,800	\$130,464	\$140,128

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Local Preference - Local Preference is the term used to denote a local selection preference when offering housing to applicants. This can be rental or ownership housing, initial housing lotteries or waiting lists. Local preference is granted by the Monitoring Agent, or Subsidizing Agency.

Local Initiative Program (LIP) - A state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the State Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments, that do not require other financial subsidies, to qualify for inclusion on the Subsidized Housing Inventory.

Monitoring Agent - The party responsible for ensuring the property remains in compliance with its affordable deed restrictions, such as maximum allowable rents to ensure affordability.

Qualified Unit – In general an ownership unit created by Chapter 40B (or another accepted program) are counted as qualified units on the SHI. In rental developments however, the rules are different. Per guidelines published by DHCD in 2008, in a rental development, if at least 25% of units are occupied by eligible households earning 80% or less than the area median income (or alternatively, if at least 20% of units are to be occupied by households earning 50% or less of area median income), then all of the units in the rental development shall be eligible for inclusion on the SHI.

Section 8 - A HUD program (officially called the Housing Choice Voucher Program) providing funding for rental assistance to low-income households. Participating tenants typically pay 30% of their income for housing (rent and utilities) and the federal subsidy pays the balance of the rent.

SHI – The Subsidized Housing Inventory (SHI) is the official measure a community's stock of low-or moderate-income housing for the purposes of Chapter 40B. While housing developed under Chapter 40B is eligible for inclusion on the SHI, many other types of housing also qualify to count toward a community's affordable housing stock. Bedford currently stands at 18.0% based on the latest 2020 US Census. Note that this is well above 10% of SHI, and thus Bedford meets the Chapter 40B requirement of at least 10% of affordable housing.

Subsidizing Agency - A state agency authorized to subsidize and regulate affordable housing developments, such as DHCD, Mass Development, Mass Housing, or Mass Housing Partnership.

Universal Design - Universal design, also called barrier-free design, focuses on making the house safe and accessible for everyone, regardless of age, physical ability, or stature. Most of us think immediately of ramps and grab bars when we think of accessible housing, but universal design goes far beyond that while remaining largely invisible to the casual observer. In fact, applying universal design concepts such as wider doors and hallways makes a house feel more spacious.

Zoning – The Town of Bedford has enacted a number of zoning bylaws that help to further the development of affordable housing. They are either provisions of the zoning bylaw or in discrete zoning overlays in specific areas of the Town. They are noted below:

- Depot Park Overlay Zone: Within the Depot Park area, the zoning provides that for housing developments of 8 or more dwelling units, no less than 10% of the total units shall be affordable to households at or below the 80% AMI.

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- Planned Unit Residential (PRD): Housing developments that can include a mix of house types (single-family and townhouses, for example) and have a higher proportion of common open space – at least 40%. The allowed density of units can be increased by the developer by including affordable housing or transferring development rights elsewhere. This provision is known as a density bonus.