Glossary of Housing Terms

**Common Terms for Affordable Housing Advocates**

**Affordable Housing:** Households that spend less than 30% of their gross monthly income on housing costs.

**A Regional Coalition for Housing (ARCH):** Partnership between King County and 15 Eastside cities which preserves and increases the supply of affordable housing across the region. Administers the ARCH Housing Trust Fund to generate regional affordability.

**Area Median Income (AMI):** Median household income in a region. In King County, the 2018 AMI for a household of four is $103,400.

**Commercial Linkage Fee:** Fees that are charged to developers of new office or retail properties and used to fund the development of affordable housing. Sometimes called jobs-housing linkage fees, these fees are typically assessed on a per square foot basis.

**Comprehensive Plan:** A Codified guiding policy document for land-use and development regulations in a jurisdiction. Comprehensive plan amendments (CPA) are considered on an annual basis.

**Cost Burden:** Households who pay more than 30% of their gross monthly income on housing costs. **Severe cost burden** is households who pay more than 50% of their gross monthly income on housing costs.

**Displacement:** A household moving due to factors beyond their control.

**Floor-Area-Ratio (FAR):** The relationship between the total amount of usable floor area that a building has, or has been permitted to have, and the total area of the lot on which the building stands. A higher ratio likely would indicate a dense or urban construction. Local governments use the floor area ratio for zoning codes.

**Gap Financing:** A short-term loan for the purpose of meeting an immediate financial obligation until sufficient funds to finance the longer-term financial need can be secured. Gap financing carries a higher cost to the borrower and is most appropriately used to meet short-term cash flow needs.

**Growth Management Act (GMA):** A series of state statutes that requires fast-growing cities and counties to develop a comprehensive plan to manage their population growth.

**Housing Trust Fund:** WA Department of Commerce provides capital financing in the form of loans or grants to affordable housing projects through annual competitive application cycles.

**Impact Fee:** A fee imposed by a local government on a new or proposed development project to pay for all or a portion of the costs of providing services to the new development.

**Infill Development:** Construction on vacant or under-utilized properties in an urban area.

**Income Level Terms:**
- **Very Low Income:** Annual income under 30% AMI
- **Low Income:** Annual Income 30-50% AMI
- **Moderate Income:** Annual Income 50-80% AMI
- **Lower Middle Income (“Workforce”):** Annual income 80-100% AMI
- **Above Median Income:** Annual income above 100% AMI

**Inclusionary Zoning:** A wide range of policies that link the production of affordable housing to the production of market-rate housing. Most programs provide incentives, such as density bonuses (increased FAR or height limits) on top of normally allowed density, in exchange for a certain percentage of unit to be affordable for a low- or moderate-income households.
- **Mandatory:** A version of inclusionary zoning that mandates the inclusion of affordable housing as a certain percentage of affordable units. This requirement is usually paired with an incentive to offset the cost to developers via increased FAR or height limit or the waiving of permitting fees.
- **Voluntary:** A version of inclusionary zoning that allows developers to opt in or out of an inclusionary zoning program.
- **In-Lieu Fee:** A fee that is paid “in place” of providing affordable units. In lieu fees typically fund other affordable housing efforts. This is especially pertinent with mandatory inclusionary zoning.
- **Set-Aside Requirement:** The amount, usually measured as a percentage, of units that are required to be “set aside” as affordable units in a development to meet the inclusionary zoning requirements.

**Missing-Middle Housing:** Small-scale, multi-unit housing such as duplexes, triplexes, townhouses, backyard cottages (aka, accessory dwelling units or ADUs), and courtyard-style apartments. Missing middle housing is not permitted in large portions of many cities, which are often devoted to single-family housing.

**Multifamily Tax Exemption (MFTE):** A program providing a term-limited property tax exemption for the construction of new affordable housing. See RCW 84.14 for more information.

**Puget Sound Regional Council (PSRC):** A metropolitan planning organization that develops policies and coordinates decisions about regional growth, transit, and economic development planning within King, Pierce, Snohomish, and Kitsap counties. PSRC is composed of over 80 jurisdictions, including all four counties, cities and towns, ports, state and local transportation agencies and tribal governments within the region. PSRC recently adopted VISION 2050 which guides growth over the coming decades for the multi-county area with implications for how individual counties and cities update their Countywide Planning Policies and Comprehensive Plans, respectively.

**Real Estate Excise Tax:** A tax on the sale of real estate which is typically paid by the seller of the property.

**Regional Affordable Housing Task Force:** A task force of elected leaders across the county who met for 18 months to understand the economic drivers of the affordable housing crisis, how it is affecting individuals and families, and what solutions are available in King County. Their work culminated in a final report and recommendations in December 2018.

**Transit-Oriented Development:** A development pattern intended to establish or boost residential and commercial densities to support existing or planned transit service.